

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
TUESDAY, MARCH 10, 2015 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
1 - 12	III.	MINUTES
	A.	FEBRUARY 10, 2015
	IV.	PUBLIC INPUT
	V.	PETITIONS & COMMUNICATIONS
	A.	MONTHLY REPORTS - RES NO. 2015-10
13 - 14	1.	PORTFOLIO VALUE - 1/1/15 - 2/28/15
15	2.	CHANGE IN BOOK AND MARKET VALUE - 1/31/15
	3.	MONEY MANAGERS ON WATCH
	a.	NONE
17 - 57	4.	MONEY MANAGER REPORTS
	a.	BAIRD - QUARTER ENDING 12/31/14
	b.	CORNERSTONE - ENDING 1/31/15
	c.	EAGLE ASSET MGMT - ENDING 1/31/15
	d.	GENEVA - ENDING 12/31/14
	e.	HOTCHKIS & WILEY - ENDING 1/31/15
	f.	LOOMIS SAYLES - ENDING 1/31/15
	g.	MFS INVESTMENT - ENDING 1/31/15
	h.	MFS HERITAGE TRUST - ENDING 1/31/15
	i.	MACKAY SHIELDS - ENDING 1/31/15
58 - 64	5.	RECAPTURE SERVICES
	a.	ABEL/NOSER - SUMMARY ENDING 1/31/15
	b.	CAPIS - SUMMARY ENDING 1/31/15
65 - 70	6.	NORTHERN TRUST
	a.	SUMMARY EARNINGS - ENDING 1/31/15
71	7.	REFUNDS/RETIREMENTS - ENDING 2/28/15
72 - 77	8.	BCERS YTD BUDGET REPORT - ENDING 2/28/15
78	9.	APPROVED EXPENSES - 2/28/15
	B.	THE BOGDAHN GROUP
79	1.	BAY COUNTY IPS - RES NO. 2015-11
80	2.	PRUDENTIAL (PRISA) FUNDING - RES NO. 2015-12
	C.	CORPORATION COUNSEL
81 - 82	1.	MUNICODE - RES NO. 2015-13

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83 - 88

D. CORRESPONDENCE REBALANCE ASSET ALLOCATION

1. COLUMBIA MANAGMENT
2. MFS INVESTMENT MANAGEMENT
3. MFS INTERNATIONAL GROWTH
4. SCHRODERS

89 - 90

E. MAPERS SPRING CONFERENCE

1. REGISTRATION FORMS - PLEASE CONTACT REBECCA IF YOU WISH TO ATTEND

VI. ANNOUNCEMENTS

- A. NEXT REGULAR MEETING - APRIL 14, 2015 AT 1:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4TH FLOOR, BAY CITY, MI 48708

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

IX. MISCELLANEOUS BUSINESS

X. ADJOURNMENT

BAY COUNTY RETIREMENT BOARD
3/10/2015
RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD

RESOLVED By the Bay County Retirement Board that the following reports are received:

1. PORTFOLIO VALUE - 1/1/15 - 2/28/15
2. CHANGE IN BOOK AND MARKET VALUE -1/31/15
3. MONEY MANAGERS ON WATCH - NONE
4. MONEY MANAGER REPORTS
 - a. BAIRD - ENDING QUARTERLY 12/31/2014
 - b. CORNERSTONE - ENDING 1/31/15
 - c. EAGLE ASSET MGMT - ENDING 1/31/15
 - d. GENEVA - ENDING 12/31/14
 - e. HOTCHKIS & WILEY - ENDING 1/31/15
 - f. LOOMIS SAYLES - ENDING 1/31/15
 - g. MFS INVESTMENT - ENDING 1/31/15
 - h. MFS HERITAGE TRUST - ENDING 1/31/15
 - i. MACKAY SHIELDS - ENDING 1/31/15
5. RECAPTURE SERVICES
 - a. ABEL/NOSER - SUMMARY ENDING 1/31/15
 - b. CAPIS - SUMMARY ENDING 1/31/15
6. NORTHERN TRUST SUMMARY EARNINGS -1/31/15
7. REFUNDS/RETIREMENTS -ENDING 2/28/15
8. BCERS YTD BUDGET REPORT - ENDING 2/28/15
9. APPROVED EXPENSES - 2/28/15

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS MARCH

MOVED BY TRUSTEE Pett
 SUPPORTED BY TRUSTEE Starkweather

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	X			Matthew Pett	X			Thomas Herek			X
Richard Brzezinski	X			Jon Morse	X			Richard Gromaski			X
Kim Coonan	X			Thomas Starkweather	X			Kristal Goetz	X		

Vote Totals:
 Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: X Yeas 7 Nays 0 Excused 2
 Disposition: Adopted X Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY RETIREMENT BOARD
3/10/15
RESOLUTION**

- BY: BAY COUNTY RETIREMENT BOARD (3/10/15)
- WHEREAS, Over the last few months The Bogdahn Group and Staff have been working on updating Investment Policy Statement ("IPS") on behalf of the Bay County Employees' retirement System's (the "System") as a result of the acquisition of Becker Burke & Associates by The Bogdahn Group.
- WHEREAS, The purpose of the updated IPS is due to Bogdahn's preference to have all of its clients' investment policies in a similar format and structure.
- WHEREAS, The resulting proposed IPS includes Addendums for each of the investment managers that manages a separate account with the System.
- WHEREAS, Bogdahn requests that each separate account investment manager review their respective addendum and sign it to confirm the strategy and associated benchmarks for which they are responsible.
- WHEREAS, The proposed IPS does not include any changes to the System's asset allocation, investment strategy, portfolio composition or projected rate of return.
- WHEREAS, Staff and Bogdahn have reviewed the IPS to ensure it conforms to the existing portfolio structure and any Michigan state statutes; Therefore, Be It
- RESOLVED That the Bay County Retirement Board of Trustees approve and adopt the new IPS for the System; Finally, Be It
- RESOLVED That the Chairman of the Board is authorized to execute the new IPS for the System following legal review/approval.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION NEW BAY COUNTY IPS

MOVED BY TRUSTEE Brzezinski

SUPPORTED BY TRUSTEE Starkweather

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	X			Matthew Pett	X			Thomas Herek			X
Richard Brzezinski	X			Jon Morse	X			Richard Gromaski			X
Kim Coonan	X			Thomas Starkweather	X			Kristal Goetz	X		

Vote Totals:
 Roll Call: Yeas 7 Nays 0 Excused 2
 Voice: X Yeas 7 Nays 0 Excused 2

Disposition: Adopted X Defeated Withdrawn
 Amended Corrected Referred

**BAY COUNTY RETIREMENT BOARD
3/10/15
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (3/10/15)
 WHEREAS, Prudential (PRISA) was selected as the Bay County Employee Retirement System's real estate manager as a result of a manager search early last year.
 WHEREAS, After the selection, the Board asked that PRISA be notified that the Board wanted to make an initial investment in their fund. PRISA had a queue of about a year to enter the Fund and has recently informed BCERS that some or all of the requested investment will be "called" at the end of March, 2015.
 WHEREAS, As a result, assets are needed to be raised to meet the call, although the exact dollars will not be known until PRISA sends the call request.
 WHEREAS, The Plan was overweight to targets as of 12/14 in domestic equities, convertibles, and REITs and under to international equities and the needed real estate commitment. It was also over in domestic large cap growth and value and under in core.
 WHEREAS, To help rectify these conditions, about 2.5% was moved from both MFS domestic and Columbia and into Vanguard, and an additional 2.5% from both MFS domestic and Columbia into MFS international and Schrodgers. This resulted in the domestic large cap managers all being close to targets and getting the international area from about 10.6% to 15.6% compared to their 20% target.
 WHEREAS, The convertible and REIT accounts were 2.2% and 2.5% overweight as of 12/14 to respective targets of 4.0% and 2.0%, while real estate was not yet funded against its 5.0% target; Therefore, Be It
 RESOLVED: That in order to raise funds to meet the expected capital call from PRISA and for other needed cash liquidity requirements, and to rebalance closer to targets, the BCERS Board approves to raise required assets by selling equally from the MacKay Shields convertible portfolio and the Cornerstone REIT account. Further, Be It
 RESOLVED That upon favorable review/approval by Corporation Counsel, the Chairman of the Board is authorized to execute the agreement.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION PRISA FUNDING

MOVED BY TRUSTEE Coonan

SUPPORTED BY TRUSTEE Brzezinski

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	X			Matthew Pett	X			Thomas Herek			X
Richard Brzezinski	X			Jon Morse	X			Richard Gromaski			X
Kim Coonan	X			Thomas Starkweather	X			Kristal Goetz	X		

Vote Totals:
 Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: X Yeas 7 Nays 0 Excused 2
 Disposition: Adopted X Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY RETIREMENT BOARD
3/10/15
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (3/10/15)
 WHEREAS, For many years the County Clerk Maintained the Bay County Employees' Retirement System (BCERS) Retirement Ordinance and would update the Retirement Ordinance as changes were made.
 WHEREAS, In 2011, the County Clerk stopped making the necessary updates and the task was reassigned to Corporation Counsel.
 WHEREAS, The Retirement Ordinance has not been updated since 2012 and there are currently 42 pages of Retirement Ordinance that need updating.
 WHEREAS, Municode is the publisher that has maintained and codified our Retirement Ordinance for many years as well as maintaining an online version. A complete and updated version of the Retirement Ordinance is important for members of BCERS as well as those who work for the System. The estimate for this year's update is \$894; Therefore, Be It
 RESOLVED That the Bay County Retirement Board approves this expense and budgets this expense in future Retirement System budgets.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION MUNICODE

MOVED BY TRUSTEE Coonan

SUPPORTED BY TRUSTEE Pett

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	X			Matthew Pett	X			Thomas Herek			X
Richard Brzezinski	X			Jon Morse	X			Richard Gromaski			X
Kim Coonan	X			Thomas Starkweather	X			Kristal Goetz	X		

Vote Totals:

Roll Call: Yeas Nays Excused
 Voice: X Yeas 7 Nays 0 Excused 2

Disposition: Adopted X Defeated Withdrawn
 Amended X Corrected Referred

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: March 10, 2015

MOTION MOVED BY: Trustee Brzezinski

MOTION SUPPORTED BY: Trustee Morse

MOTION NO.: 19

EXCUSE TRUSTEE GROMASKI FROM 3-10-15 BOARD MEETING.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	x			Matthew Pett	x			Thomas Herek	x		x
Richard Brzezinski	x			Jon Morse	x			Richard Gromaski			x
Kim Coonan	x			Thomas Starkweather	x			Kristal Goetz	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: xx Yeas 7 Nays 0 Excused 2

Disposition: Adopted xx Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: MARCH 10, 2015

MOTION MOVED BY: Trustee Brzezinski

MOTION SUPPORTED BY: Trustee Morse

MOTION NO.: 20

TO APPROVE MINUTES - THE MINUTES STAND AS WRITTEN; HOWEVER, THIS MONTH'S MINUTES TO REFLECT THE SPEAKER STATED THE REVERSE I.E. THE SPEAKER SHOULD HAVE STATED THE FOLLOWING: INCLUDED WERE 17 ITEMS WHERE THEY TRY TO REMOVE THE SUBJECTIVITY AND MAKE IT MORE OF AN OBJECTIVE REVIEW OF MANAGERS AS TO WHEN TO CONSIDER REPLACING THEM, WHEN TO PUT THEM ON WATCH ETC.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	x			Matthew Pett	x			Thomas Herek			x
Richard Brzezinski	x			Jon Morse	x			Richard Gromaski			x
Kim Coonan	x			Thomas Starkweather	x			Kristal Goetz	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: xx Yeas 7 Nays 0 Excused 2

Disposition: Adopted xx Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: MARCH 10, 2015

MOTION MOVED BY: TRUSTEE BRZEZINSKI

MOTION SUPPORTED BY: TRUSTEE PETT

MOTION NO.: 21

TO RECEIVE CORRESPONDENCE FROM COLUMBIA MANAGEMENT, MFS INVESTMENT, MFS HERITAGE TRUST AND SCHRODERS REGARDING REBALANCE OF ASSET ALLOCATION.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	x			Matthew Pett	x			Thomas Herek			x
Richard Brzezinski	x			Jon Morse	x			Richard Gromaski			x
Kim Coonan	x			Thomas Starkweather	x			Kristal Goetz	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: xx Yeas 7 Nays 0 Excused 2

Disposition: Adopted x Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: MARCH 10, 2015

MOTION MOVED BY: TRUSTEE HEREK

MOTION SUPPORTED BY: TRUSTEE PETT

MOTION NO.: 22.

TO RECEIVE RECEIVE THE DISABILITY RETIREMENT POLICY INFORMATION PACKET AND HAVE THE BOARD STUDY THE INFORMATION AND BRING BACK QUESTIONS FOR MR. MICHAUD IN A MONTH.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	x			Matthew Pett	x			Thomas Herek	x		
Richard Brzezinski	x			Jon Morse	x			Richard Gromaski			x
Kim Coonan	x			Thomas Starkweather	x			Kristal Goetz	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Xx Yeas 8 Nays 0 Excused 1

Disposition: Adopted xx Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: MARCH 10, 2015

MOTION MOVED BY: TRUSTEE STARKWEATHER

MOTION SUPPORTED BY: TRUSTEE HEREK

MOTION NO.: 23

TO HAVE MS. WALRAVEN AND MR. MICHAUD PREPARE A NEW DISTRIBUTION NOTICE FORM THAT WOULD BE COMPLIANT WITH THE IRS CODE SECTION 402 AND THE IRS NOTICE 2014-54 FOR THE BOARD TO ADOPT NEXT MONTH.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	x			Matthew Pett	x			Thomas Herek	x		
Richard Brzezinski	x			Jon Morse	x			Richard Gromaski			x
Kim Coonan	x			Thomas Starkweather	x			Kristal Goetz	x		

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Xx Yeas 8 Nays 0 Excused 1

Disposition: Adopted x Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: MARCH 10, 2015

MOTION MOVED BY: TRUSTEE HEREK

MOTION SUPPORTED BY: TRUSTEE MORSE

MOTION NO.: 24

TO ADJOURN REGULAR BOARD MEETING MARCH 10, 2015 AT 2:27 P.M.

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray	x			Matthew Pett	x			Thomas Herek	x		
Richard Brzezinski	x			Jon Morse	x			Richard Gromaski			x
Kim Coonan	x			Thomas Starkweather	x			Kristal Goetz	x		

Vote Totals:

Roll Call: Yeas Nays Excused
 Voice: xx Yeas 8 Nays 0 Excused 1

Disposition: Adopted x Defeated Withdrawn
 Amended Corrected Referred