

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
AGENDA

TUESDAY, APRIL 8, 2014

(Immediately Following the Retirement Board of Trustees' Meeting @ Approximately 2:30 P.M.)

COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE		I.	CALL TO ORDER
		II.	ROLL CALL
		III.	MINUTES
1 - 3	.....	I.	MARCH 11, 2014 - REGULAR MEETING
		IV.	PUBLIC INPUT
4	.....	A.	PORTFOLIO VALUE 1/31/14 - 3/31/2014
		B.	MONEY MANAGER REPORTS
			NONE
5 - 6	.....	C.	VEBA YTD BUDGET REPORT 03/31/2014
		V.	ANNOUNCEMENTS
		A.	NEXT REGULAR MEETING - TUESDAY, MAY 13, 2014 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M. , COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4 TH FLOOR, BAY CITY, MI 48708
		VI.	UNFINISHED BUSINESS
7 - 9	.....	A.	LEGAL AGREEMENT VANOVERBEKE, MICHAUD & TIMMONY, P.C.
		VII.	NEW BUSINESS
		VIII.	MISCELLANEOUS BUSINESS
		IX.	ADJOURNMENT

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
March 11, 2014
PAGE 1

NOTE: In addition to these typed minutes, this Board meeting was also taped. These tapes are available for review in the Retirement Office.

The meeting of the Board of Trustees was held on March 11, 2014 at 3:29 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll was taken.

Trustees Present: Chairperson Gray, Mr. Brzezinski, Mr. Herek, Mr. Morse, Mr. Pett, Mr. Starkweather, and Ms. Zielinski.

Trustees Absent: Mr. Gromaski and Mr. Coonan.

Also Present:

Consultant: The Bogdahn Group - Howard Pohl

Finance Officer: Crystal Hebert

Retirement Administrator: Janie Tacey

Clerk/Typist: Tracy Cederquist

Attorney: Thomas Michaud of VanOverbeke, Michaud & Timmony, P.C.

The meeting was called to order by Chairman, Steve Gray at 3:33 p.m.

1. Moved, supported and carried to excuse Mr. Gromaski and Mr. Coonan in the case he may not return.
2. Moved, supported and carried to approve the minutes, as presented, from the February 11, 2014 meeting.

Mr. Gray called for public input. Seeing no one from the public is present, he moved onto petitions and communications.

3. Moved, supported and carried to receive the Portfolio Value from 1/1/13 - 02/28/2014. Today's value is \$39.3 Million.
4. Moved, supported and carried to accept the money manager report from Atalanta Sosnoff ending 12/31/2013.
5. Moved, supported and carried to receive the VEBA year-to-date Budget Report as of 02/28/2014.
6. Moved, supported and carried to hire both Capis and Abel/Noser for recapture services subject to the approval of legal counsel.

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
March 11, 2014
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ANNOUNCEMENTS:

- A. Next regularly scheduled meeting will be Tuesday, April 8, 2014 immediately following the Retirement Board of Trustees Meeting at approximately 2:30 p.m. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS: None

NEW BUSINESS:

7. Moved, supported and carried to request VanOverbeke, Michaud & Timmony, P.C. to present us with a contract for our review with the intention of approving and adding them to support our staff.

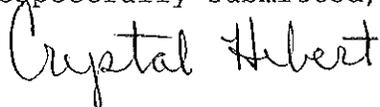
MISCELLANEOUS BUSINESS:

Mr. Starkweather states Bay Medical Care Facility is still waiting on an opinion of counsel but are prepared to make contributions in the next month or so. Chair Gray asks that Mr. Starkweather keep the Board posted.

ADJOURNMENT:

8. Moved, supported and carried to adjourn the meeting at 3:45 p.m.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE V.E.B.A. BOARD OF TRUSTEES COMMITTEE
March 11, 2014

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
 BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIR STEVE GRAY AT 3:33 P.M.

TRUSTEE	1	2	3	4	5	6	7	8	9	10
BRZEZINSKI	Y	Y	S-Y	Y	M-Y	Y	Y	Y		
COONAN	E	E	E	E	E	E	E	E		
GRAY	Y	Y	Y	Y	Y	Y	Y	Y		
GROMASKI	E	E	E	E	E	E	E	E		
HEREK	M-Y	Y	Y	Y	S-Y	S-Y	Y	Y		
MORSE	Y	S-Y	Y	Y	Y	Y	Y	Y		
PETT	S-Y	M-Y	M-Y	Y	Y	Y	M-Y	Y		
STARKWEATHER	Y	Y	Y	M-Y	Y	M-Y	S-Y	M-Y		
ZIELINSKI	Y	Y	Y	S-Y	Y	Y	Y	S-Y		

TRUSTEE	11	12	13	14	15	16	17	18	19	20
BRZEZINSKI										
COONAN										
GRAY										
GROMASKI										
HEREK										
MORSE										
PETT										
STARKWEATHER										
ZIELINSKI										

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

VEBA 2014	<u>DODGE & COX</u> <small>no vendor number. Mutual Fund figs (as opposed to separately managed mtrs) deduct fee from portfolio.</small>	<u>CASH</u>	<u>ATALANTA SOSNOFF</u>	<u>LORD ABBETT</u> <small>no vendor number. Mutual Fund figs (as opposed to separately managed mtrs) deduct fee from portfolio.</small>	<u>CS MCKEE</u>	<u>TOTAL</u>
VENDOR #						
JAN	8,684,917.69	280,504.83	1061 8,486,585.40	6,452,745.50	3509 14,059,136.47	37,963,899.89
FEB	9,076,302.62	258,241.26	8,877,365.53	6,895,488.53	14,134,880.76	39,242,278.70
MARCH	9,197,790.99	418,774.26	8,692,813.41	6,908,048.62	14,127,139.37	39,344,566.65
APRIL						0.00
MAY						0.00
JUNE						0.00
JULY						0.00
AUG						0.00
SEPT						0.00
OCT						0.00
NOV						0.00
DEC						0.00
ATALANTA SOSNOFF		LARGE CAP EQUITY				
CS MCKEE		FIXED INCOME				
DODGE & COX		LARGE CAP EQUITY				
LORD ABBETT		SMALL MID CAP EQUITY				
	<u>DODGE & COX</u>		<u>ATALANTA SOSNOFF</u>	<u>ABBOTT</u>	<u>CS MCKEE</u>	<u>TOTAL</u>
	VENDOR 1061		VENDOR 1061	VENDOR 3509		
2014			16,433.00			16,433.00
1ST QTR						0.00
2ND QTR						0.00
3RD QTR						0.00
4TH QTR						0.00
			16,433.00		0.00	16,433.00

Bay County Michigan

04/02/2014 09:11
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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

PG 1
glytdbud

FOR 2014 03

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
7360 PUBLIC EMPLOYEE HEALTH CARE							
73627401 VOL.EMPLOYEE BENEF.ASSOC.BOARD	1,394,185	1,394,185	.00	.00	.00	1,394,185.00	.0%
RA FUND BALANCE, NET AS	1,394,185	1,394,185	.00	.00	.00	1,394,185.00	.0%
RP INTEREST & RENTALS							
73627401 66400 INVESTMENT INTEREST	-500,000	-500,000	.00	.00	.00	-500,000.00	.0%*
73627401 66500 GAIN ON SALE OF INV	-1,100,000	-1,100,000	.00	.00	.00	-1,100,000.00	.0%*
TOTAL INTEREST & RENTALS	-1,600,000	-1,600,000	.00	.00	.00	-1,600,000.00	.0%
XE WAGES & SALARIES							
73627401 71000 PER DIEM	360	360	.00	.00	.00	360.00	.0%
TOTAL WAGES & SALARIES	360	360	.00	.00	.00	360.00	.0%
XI SUPPLIES							
73627401 72700 OFFICE SUPPLIES	100	100	.00	.00	.00	100.00	.0%
73627401 72800 PRINTING AND BINDIN	150	150	.00	.00	.00	150.00	.0%
73627401 72900 POSTAGE	100	100	.00	.00	.00	100.00	.0%
73627401 75100 COMPUTER SUPPLIES	50	50	.00	.00	.00	50.00	.0%
TOTAL SUPPLIES	400	400	.00	.00	.00	400.00	.0%
XL OTHER SERVICES AND C							
73627401 80100 PROFESSIONAL_SERVIC	100,000	100,000	.00	.00	.00	100,000.00	.0%

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Bay County Michigan

04/02/2014 09:11
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BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

PG 2
glytbdud

FOR 2014 03

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 80101 ACTUARIAL SERVICES	35,000	35,000	.00	.00	.00	35,000.00	.0%
73627401 81400 INVESTMENT/BANK SER	30,000	30,000	-5,914.51	-5,914.51	.00	35,914.51	19.7%
73627401 81700 LEGAL FEES	7,500	7,500	.00	.00	.00	7,500.00	.0%
73627401 81900 CONSULTANTS	30,000	30,000	3,625.00	.00	.00	26,375.00	12.1%
73627401 94601 EQUIPMENT RENTAL-CO	55	55	.00	.00	.00	55.00	.0%
73627401 96500 INSURANCE AND BONDS	2,500	2,500	.00	.00	.00	2,500.00	.0%
TOTAL OTHER SERVICES AND C	205,055	205,055	-2,289.51	-5,914.51	.00	207,344.51	-1.1%
TOTAL VOL.EMPLOYEE BENEF.ASSOC.BO	0	0	-2,289.51	-5,914.51	.00	2,289.51	100.0%
TOTAL PUBLIC EMPLOYEE HEALTH CARE	0	0	-2,289.51	-5,914.51	.00	2,289.51	100.0%
TOTAL REVENUES	-205,815	-205,815	.00	.00	.00	-205,815.00	
TOTAL EXPENSES	205,815	205,815	-2,289.51	-5,914.51	.00	208,104.51	
GRAND TOTAL	0	0	-2,289.51	-5,914.51	.00	2,289.51	100.0%

** END OF REPORT - Generated by Kim Priessnitz **

LEGAL REPRESENTATION AGREEMENT

THIS AGREEMENT is entered into on March 25th, 2014 between the Board of Trustees of the Bay County Voluntary Employees Beneficiary Association (Client) and VanOverbeke, Michaud & Timmony, P. C. ("Attorney").

Article I

Commencement and Scope of Representation

Section 1.1. Commencement of Representation. Attorney will commence representation of Client upon direction/ resolution by the Client.

Section 1.2. Client's Goal. Client has retained Attorney to represent the legal interests of the Bay County Voluntary Employees Beneficiary Association (VEBA).

Section 1.3. Services To Be Performed by Attorney. Attorney agrees to assist the Client in fulfilling its fiduciary responsibilities to members, retirees and beneficiaries by providing legal services and administrative support to the Bay County Voluntary Employees Beneficiary Association (VEBA).

Attorney will not perform any legal services other than those already agreed to by Client without first obtaining Client's authorization. Client acknowledges that Attorney has made no promises about the outcome of Attorney's legal representation of Client.

Section 1.4. Client's Duties. Client agrees to pay Attorney the fees and expenses specified in Article II. Client also agrees to fully cooperate with Attorney and provide information that will help Attorney achieve Client's goal.

Section 1.5. Keeping Client Informed About Developments. Attorney agrees to promptly notify Client of all significant developments affecting the scope of Attorney's representation of Client and to consult with Client about those developments. Attorney agrees to keep Client informed about the status of the matter of representation and courses of action being taken or recommended by Attorney. Attorney agrees to provide Client at Client's request with copies of all written materials pertaining to Client's matter of representation.

Section 1.6. Ownership of Attorney's Work Product. Attorney's work product will be owned by Attorney, however Client shall be allowed access to said work product upon a showing of reasonable need.

Article II

Fees and Expenses

Section 2.1. Legal Fee. Client agrees to pay Attorney a fee as follows:

\$180.00 per hour for legal services performed by attorneys, in time charged in tenth of an hour increments. Billing shall include a specific description of the services performed, the specific name of the attorney providing the service and the date of the service. Compensation for work performed by paralegals shall be at the maximum rate of \$65 per hour.

The following practices will not be accepted in billing statements presented to Client:

- (a) Vague descriptions of services performed;
- (b) Bulk billing;
- (c) Rounding off hours;
- (d) Value billing;
- (e) Standard time charges;
- (f) Unit billing;
- (g) Unnecessary work;
- (h) Duplicate billing;
- (i) Any enhancement to expenses by the Attorney such as service fees, surcharges, administrative charges, handling fees or "cost plus" add ons;
- (j) Billing for administrative matters.

Section 2.2. Expenses. Client agrees to reimburse Attorney for direct out-of-pocket expenses incurred while performing legal services for Client (e.g., court reporters, filing fees, federal express, etc.) Client will not be responsible for reimbursement for routine telephone, postage, copying or other miscellaneous minimal costs.

Section 2.3. Attorney's Lien. Client gives Attorney a charging lien on any of Client's distinct claims and any related causes of action filed on those claims and on any money recovered related to those claims to secure all money due under this Agreement for legal services rendered and expenses incurred relating to each specific claim only and not for unrelated services.

Article III Conflict of Interest

Section 3.1. Attorney agrees not to represent anyone with interests that directly conflict with Client's without prior approval of Client.

Article IV Termination of Representation

Section 4.1. Termination by Client. Client may terminate Attorney's representation at any time for any reason but agrees to pay fees earned and expenses incurred by Attorney.

Section 4.2. Termination by Attorney. Attorney may stop representing Client if Client fails to fulfill this Agreement or if permitted or required by the Rules of Professional Responsibility or Michigan Court Rules. Attorney must notify Client of intention to withdraw from representing Client in writing. Client agrees to pay Attorney for all fees earned and expenses incurred prior to the date of withdrawal.

**Article V
Acknowledgments**

Section 5.1. Attorney agrees to conform to all applicable Federal, State and Local laws.

Section 5.2. Attorney states that it has no conflicting financial or professional interest and is qualified to perform the service.

**Article VI
Modification of Agreement**

This Agreement is the entire agreement between Attorney and Client regarding Attorney's legal representation of Client. The terms of this Agreement may only be modified in writing signed by both Client and Attorney.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

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

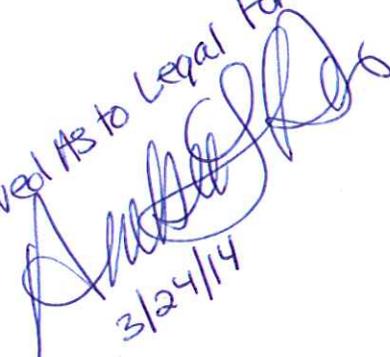
By: Steven G. Gray

Its: Chairman

VANOVERBEKE, MICHAUD & TIMMONY, P. C.



Thomas C. Michaud

Approved AS to Legal Form

3/24/14