BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

AGENDA

TUESDAY, OCTOBER 14, 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		1. SEPTEMBER 9, 2014
	IV.	PUBLIC INPUT
4		A. PORTFOLIO VALUE 1/31/14 - 9/30/2014
		B. MONEY MANAGER REPORTS
5 - 8		1. C.S. MCKEE - PORTFOLIO ENDING 8/31/14 & 9/30/2014
9 - 11		C. VEBA YTD BUDGET REPORT AS OF 9/30/2014
12 - 13		D. 2015 BUDGET PROPOSAL UPDATE
14		E. CORRESPONDENCE C.S. MCKEE
		1. REBALANCE PLAN ASSETS
	V.	ANNOUNCEMENTS
		A. NEXT REGULAR MEETING - WEDNESDAY, NOVEMBER 12, 2014 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4TH FLOOR, BAY CITY, MI 48708
	VI.	UNFINISHED BUSINESS
	VII.	NEW BUSINESS
	VIII.	MISCELLANEOUS BUSINESS
	IX.	ADJOURNMENT

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION **(VEBA)**
SEPTEMBER 9, 2014 MINUTES VEBA

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 September 9, 2014 at 3:31 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. Coonan, Mr. Gromaski, Mr. Herek, Mr. Morse, Mr. Pett, and Mr. Starkweather.

Trustees Absent: Ms. Goetz.

Also Present:
Consultant: The Bogdahn Group: Howard Pohl and Peter Brown.
Finance Officer: Crystal Hebert
Retirement Administrator: Rebecca Marsters
Corporation Counsel: Timothy Quinn, Shawna Walraven.
Attorney: Thomas Michaud
Public: Yes

The meeting was called to order by Chairman, Steve Gray at 3:31 p.m.

1. Moved, supported and carried to excuse Trustee Goetz.

2. Moved, supported and carried to approve the minutes, as presented, from the August 12, 2014 meeting.

Mr. Gray called for public input. As there was no public input, he moved onto petitions and communications.

Present today from The Bogdahn Group were Howard Pohl and Peter Brown to present the second quarter report ending June 30, 2014.

The second quarter showed an ending market value of about $40.7 million with about $1.3 million of return on investment during the quarter. Looking at the most recent 6 months, we have $2 million on return of investment. The one-year going from $34.45 million with a little over half of a million dollars of that being contributed and $5.7 million of return on investment. The total plan performance on page 16, in graphic form as well as the tabular information, showed a total plan return of 3.24% just fractionally below the policy and median. For the last year, up 16.6% ranking at the 44th percentile above your policy in the median and the two-year number top quartile. Focusing on the two years, just about average compounding at a little over 12.2% for the last five years. Total domestic equities a little bit below average for the quarter, but top third for the year. Top decile up 8% at two years so we do not have that total domestic equity going back in time.

He reviewed the performance of the individual money managers. Dodge & Cox, the large cap value manager, was above average for the quarter and top 2% for the year and top 1% for the last two years. Atalanta Sosnoff was a little bit above average for the quarter, but did not have a good year falling about 5% below the median plan and about 6% below the index plus 100 basis points. They were in the top 15% of the year the end of June of 2013. Lord Abbott was a little bit below average for the quarter, but their one-year number ranked in the top 24% and top 28% for the last two years. Strong domestic equity performance. CS McKee, on the fixed-income side, was below average but very close to the index for the quarter. They were just about exactly on top of the index for the one year and two years meeting the index but a little bit below the median. Mr. Pohl stated overall results were fine and there were no problems.

3. Moved, supported and carried to receive the second quarter report from The Bogdahn Group ending June 30, 2014.

4. Moved, supported and carried to approve the contract for consulting services with The Bogdahn Group.

5. Moved, supported and carried to receive the Portfolio Value from 1/1/13 - 8/29/2014, 2014. Today's value is $41,414,793.42 million.

6. Moved, supported and carried to receive the VEBA year-to-Date Budget Report.

ANNOUNCEMENTS:

A. Next regularly scheduled meeting will be Tuesday, October 14, 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: None
MISCELLANEOUS BUSINESS: None

ADJOURNMENT:

4. Moved, supported and carried to adjourn the meeting at 3:38 p.m.

Respectfully submitted,

Crystal Hebert

Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE **V.E.B.A.** BOARD OF TRUSTEES COMMITTEE
SEPTEMBER 9, 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 3:31 P.M.

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

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

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

VEBA 2014	DODGE & COX	CASH	ATALANTA SOSNOFF	LORD ABBOTT	CS MCKEE	TOTAL
	no vendor number. Mutual Fund Mgrs (as opposed to separately managed mgrs) deduct fee from portolio.			no vendor number. Mutual Fund Mgrs (as opposed to separately managed mgrs) deduct fee from portolio.		
VENDOR #			1061		3509	
JAN	8,684,917.69	280,504.83	8,486,585.40	6,452,745.50	14,059,136.47	37,963,889.89
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	9,150,145.14	508,094.82	8,646,704.52	6,823,268.04	14,226,810.93	39,355,023.45
MAY	9,336,981.11	509,769.88	8,933,837.05	6,876,648.40	14,364,670.16	40,021,906.60
JUNE	9,610,180.90	496,137.10	9,102,020.73	7,105,869.97	14,384,760.87	40,698,969.57
JULY	9,521,999.31	534,840.33	8,966,227.17	6,763,607.63	14,378,152.55	40,164,826.99
AUG	9,814,504.08	774,602.63	9,283,029.73	6,989,689.17	14,518,311.73	41,380,137.34
SEPT	9,699,493.56	194,934.82	9,172,457.65	6,703,947.22	15,055,667.63	40,826,500.88
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

2014	DODGE & COX	ATALANTA SOSNOFF VENDOR 1061	ABBOTT	CS MCKEE VENDOR 3509	TOTAL
1ST QTR		16,433.00		10,598.09	27,031.09
2ND QTR		16,297.00		10,787.77	27,084.77
3RD QTR					0.00
4TH QTR					0.00
		32,730.00		21,385.86	54,115.86

C.S. McKee, L.P.

Account Overview

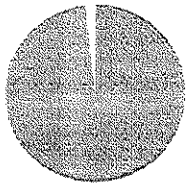
Bay County VEBA

Client Code: 90477
As Of Date: 8/31/2014
Report: Calendar

Asset Allocation

As of 8/31/2014

Large-Cap Equity	$	-	0.00%
Smid-Cap Equity	$	-	0.00%
Small-Cap Equity	$	-	0.00%
Total Domestic Equity	$	14,266,150.95	98.24%
Intl Mutual Fund	$	-	0.00%
Cash	$	255,686.37	1.76%
Other	$	-	0.00%
Total Portfolio:	**$**	**14,521,837.32**	**100.00%**



Performance

As of 8/31/2014

Performance Summary	Total Portfolio	Large-Cap Equity	Smid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Beginning Market Value:	14,377,727.85	-	-	-	-	14,377,727.85	-
Net Contributions (Distributions):	(5.71)	-	-	-	-	(5.71)	-
Income:	26,437.41	-	-	-	-	26,437.41	-
Market Appreciation (Depreciation):	117,677.77	-	-	-	-	117,677.77	-
Ending Market Value:	14,521,837.32	-	-	-	-	14,521,837.32	-
Dollar-Weighted Return:	**1.00%**	-	-	-	-	**1.00%**	-

Time Weighted Returns		Total Portfolio	Large-Cap Equity		Smid-Cap Equity		Small-Cap Equity		Total Domestic Equity		Fixed Income		Intl Mutual Fund
	Performance Start Date:	*2/7/2012*	*N/A*		*N/A*		*N/A*		*N/A*		*2/7/2012*		*N/A*
				Ex Cash		*Ex Cash*		*Ex Cash*		*Ex Cash*		*Ex Cash*	
MTD	**Gross**	**1.01%**	-	-	-	-	-	-	-	-	**1.01%**	1.03%	-
	Net	**0.98%**	-	-	-	-	-	-	-	-	**0.98%**	1.00%	-
	Benchmark	1.10%	-	-	-	-	-	-	-	-	1.10%	1.12%	-
	Value Added (Gross)	(0.09%)	-	-	-	-	-	-	-	-	(0.09%)	-	-
QTD	**Gross**	**0.97%**	-	-	-	-	-	-	-	-	**0.97%**	1.03%	-
	Net	**0.91%**	-	-	-	-	-	-	-	-	**0.91%**	0.96%	-
	Benchmark	0.85%	-	-	-	-	-	-	-	-	0.85%	0.87%	-
	Value Added (Gross)	0.12%	-	-	-	-	-	-	-	-	0.12%	-	-
YTD	**Gross**	**4.85%**	-	-	-	-	-	-	-	-	**4.85%**	5.02%	-
	Net	**4.64%**	-	-	-	-	-	-	-	-	**4.64%**	4.80%	-
	Benchmark	4.81%	-	-	-	-	-	-	-	-	4.81%	4.92%	-
	Value Added (Gross)	0.04%	-	-	-	-	-	-	-	-	0.04%	0.10%	-
1 Year	**Gross**	**5.69%**	-	-	-	-	-	-	-	-	**5.69%**	5.87%	-
	Net	**5.38%**	-	-	-	-	-	-	-	-	**5.38%**	5.57%	-
	Benchmark	5.66%	-	-	-	-	-	-	-	-	5.66%	5.68%	-
	Value Added (Gross)	0.03%	-	-	-	-	-	-	-	-	0.03%	-	-
3 Year	**Gross**	**0.00%**	-	-	-	-	-	-	-	-	**0.00%**	0.06%	-
	Net	**0.00%**	-	-	-	-	-	-	-	-	**0.00%**	0.06%	-
	Benchmark	0.00%	-	-	-	-	-	-	-	-	0.00%	0.02%	-
	Value Added (Gross)	0.00%	-	-	-	-	-	-	-	-	0.00%	-	-
5 Year	**Gross**	**0.00%**	-	-	-	-	-	-	-	-	**0.00%**	0.00%	-
	Net	**0.00%**	-	-	-	-	-	-	-	-	**0.00%**	0.00%	-
	Benchmark	0.00%	-	-	-	-	-	-	-	-	0.00%	0.00%	-
	Value Added (Gross)	0.00%	-	-	-	-	-	-	-	-	0.00%	-	-
ITD	**Gross**	**2.75%**	-	-	-	-	-	-	-	-	**2.75%**	2.88%	-
	Net	**2.46%**	-	-	-	-	-	-	-	-	**2.46%**	2.60%	-
	Benchmark	2.40%	-	-	-	-	-	-	-	-	2.40%	2.42%	-
	Value Added (Gross)	0.35%	-	-	-	-	-	-	-	-	0.35%	-	-

Benchmark History	Total Portfolio	Large-Cap Equity	Smid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
2/7/2012						2/7/2012	
BCAGG 100%						BCAGG 100%	

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C.S. McKee, L.P.

Account Overview

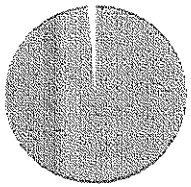
Bay County VEBA

Client Code: **90477**
As Of Date: **9/30/2014**
Report: **Calendar**

Asset Allocation

As of 9/30/2014

[illegible]	$	-	0.00%
[illegible]	$	-	0.00%
Small-Cap Equity	$	-	0.00%
[illegible]	$	14,851,704.78	98.67%
Intl Mutual Fund	$	-	0.00%
Cash	$	199,443.69	1.33%
Other	$	-	0.00%
Total Portfolio:	**$**	**15,051,148.47**	**100.00%**



Performance

As of 9/30/2014

Portfolio Summary (Year-to-Date)	Total Portfolio	Large-Cap Equity	Smid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
Beginning Market Value:	14,521,843.57	-	-	-	-	14,521,843.57	-
Net Contributions (Distributions):	625,000.00	-	-	-	-	625,000.00	-
Income:	29,880.12	-	-	-	-	29,880.12	-
Market Appreciation (Depreciation):	(125,575.22)	-	-	-	-	(125,575.22)	-
Ending Market Value:	15,051,148.47	-	-	-	-	15,051,148.47	-
Dollar-Weighted Return:	**(0.66%)**	-	-	-	-	**(0.66%)**	-

Time Weighted Returns		Total Portfolio	Large-Cap Equity		Smid-Cap Equity		Small-Cap Equity		Total Domestic Equity		Fixed Income		Intl Mutual Fund
	Performance Start Date:	*2/7/2012*	*N/A*		*N/A*		*N/A*		*N/A*		*2/7/2012*		*N/A*
				Ex Cash		*Ex Cash*		*Ex Cash*		*Ex Cash*		*Ex Cash*	
MTD	**Gross**	**(0.67%)**	-	-	-	-	-	-	-	-	**(0.67%)**	(0.67%)	-
	Net	**(0.69%)**	-	-	-	-	-	-	-	-	**(0.69%)**	(0.69%)	-
	Benchmark	(0.68%)	-	-	-	-	-	-	-	-	(0.68%)	(0.68%)	-
	Value Added (Gross)	0.01%	-	-	-		-		-		0.01%	-	-
QTD	**Gross**	**0.29%**	-	-	-	-	-	-	-	-	**0.29%**	0.32%	-
	Net	**0.22%**	-	-	-	-	-	-	-	-	**0.22%**	0.25%	-
	Benchmark	0.17%	-	-	-	-	-	-	-	-	0.17%	0.17%	-
	Value Added (Gross)	0.12%	-	-	-	-	-	-	-		0.12%	-	-
YTD	**Gross**	**4.15%**	-	-	-	-	-	-	-	-	**4.15%**	4.32%	-
	Net	**3.92%**	-	-	-	-	-	-	-	-	**3.92%**	4.09%	-
	Benchmark	4.10%	-	-	-	-	-	-	-	-	4.10%	4.10%	-
	Value Added (Gross)	0.05%	-		-		-		-		0.05%	-	-
1 Year	**Gross**	**4.19%**	-	-	-	-	-	-	-	-	**4.19%**	4.34%	-
	Net	**3.88%**	-	-	-	-	-	-	-	-	**3.88%**	4.03%	-
	Benchmark	3.96%	-	-	-	-	-	-	-	-	3.96%	3.96%	-
	Value Added (Gross)	0.23%	-		-		-		-		0.23%		-
3 Year	**Gross**	**0.00%**	-	-	-	-	-	-	-	-	**0.00%**	0.00%	-
	Net	**0.00%**	-	-	-	-	-	-	-	-	**0.00%**	0.00%	-
	Benchmark	0.00%	-		-		-		-		0.00%	0.00%	-
	Value Added (Gross)	0.00%	-	-	-		-		-		0.00%	-	-
5 Year	**Gross**	**0.00%**	-	-	-	-	-	-	-	-	**0.00%**	0.00%	-
	Net	**0.00%**	-	-	-	-	-	-	-	-	**0.00%**	0.00%	-
	Benchmark	0.00%	-	-	-	-	-	-	-	-	0.00%	0.00%	-
	Value Added (Gross)	0.00%	-		-		-		-		0.00%		-
ITD	**Gross**	**2.41%**	-	-	-	-	-	-	-	-	**2.41%**	2.53%	-
	Net	**2.12%**	-	-	-	-	-	-	-	-	**2.12%**	2.24%	-
	Benchmark	2.06%	-	-	-	-	-	-	-	-	2.06%	2.06%	-
	Value Added (Gross)	0.35%	-		-		-		-		0.35%		-

[redacted]	Total Portfolio	Large-Cap Equity	Smid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Fixed Income	Intl Mutual Fund
2/7/2012						2/7/2012	
BCAGG 100%						BCAGG 100%	

Bay County, Michigan

FOR 2014 09

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
7360 PUBLIC EMPLOYEE HEALTH CARE							
73627401 VOL.EMPLOYEE BENEF.ASSOC.BOARD							
RA FUND BALANCE, NET AS							
73627401 40001 FUND BALANCE	0	0	0	.00	.00	.00	.0%
73627401 40004 NET ASSETS - RESERV	1,394,185	0	1,394,185	.00	.00	1,394,185.00	.0%
TOTAL FUND BALANCE, NET AS	1,394,185	0	1,394,185	.00	.00	1,394,185.00	.0%
RJ LOCAL UNIT CONTRIBUT							
73627401 59401 ER CONTR-BEHAVE.HEA	0	0	0	.00	.00	.00	.0%
73627401 59402 ER CONTR-MOSQUITO C	0	0	0	.00	.00	.00	.0%
73627401 59403 ER CONTR-HEALTH FUN	0	0	0	.00	.00	.00	.0%
73627401 59404 ER CONTR-ROAD COMMI	0	0	0	.00	.00	.00	.0%
73627401 59406 ER CONTR-LIBRARY	0	0	0	.00	.00	.00	.0%
73627401 59407 ER CONTR-GOLF COURS	0	0	0	.00	.00	.00	.0%
73627401 59408 ER CONTR-GENERAL FU	0	0	0	.00	.00	.00	.0%
73627401 59409 ER CONTR-DWS	0	0	0	-11,270.86	.00	11,270.86	100.0%
73627401 59410 ER CONTR-911 SERVIC	0	0	0	.00	.00	.00	.0%
73627401 59411 ER CONTR-CHILD CARE	0	0	0	.00	.00	.00	.0%
73627401 59412 ER CONTR-DIV ON AGI	0	0	0	.00	.00	.00	.0%
73627401 59413 ER CONTR-RETIRE SYS	0	0	0	.00	.00	.00	.0%
73627401 59415 ER CONTR-GYPSY MOTH	0	0	0	.00	.00	.00	.0%
73627401 59416 ER CONTR-HOME REHAB	0	0	0	.00	.00	.00	.0%
73627401 59418 ER CONTR-100% TAX P	0	0	0	.00	.00	.00	.0%
73627401 59419 ER CONTR-MED CARE F	0	0	0	-289,920.69	.00	289,920.69	100.0%
73627401 59424 ER CONTR-SELF INSUR	0	0	0	.00	.00	.00	.0%
73627401 59427 ER CONTR-COMM.CORRE	0	0	0	.00	.00	.00	.0%
73627401 59429 ER CONTR-F.O.C. FUN	0	0	0	.00	.00	.00	.0%
73627401 59430 ER CONTR-HOUSING FU	0	0	0	.00	.00	.00	.0%
73627401 59433 ER CONTR-SOLDIER RE	0	0	0	.00	.00	.00	.0%
73627401 59499 ER CONTR-SHERIFF DE	0	0	0	.00	.00	.00	.0%
TOTAL LOCAL UNIT CONTRIBUT	0	0	0	-301,191.55	.00	301,191.55	100.0%
RP INTEREST & RENTALS							
73627401 66400 INVESTMENT INTEREST	-500,000	0	-500,000	-259,407.11	.00	-240,592.89	51.9%*

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FOR 2014 09

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 66500 GAIN ON SALE OF INV	-1,100,000	0	-1,100,000	-661,045.80	.00	-438,954.20	60.1%*
73627401 66501 UNREALIZED GAIN ON	0	0	0	.00	.00	.00	.0%
TOTAL INTEREST & RENTALS	-1,600,000	0	-1,600,000	-920,452.91	.00	-679,547.09	57.5%
RR OTHER REVENUE							
73627401 67104 MISCELLANOUS REVENU	0	0	0	.00	.00	.00	.0%
TOTAL OTHER REVENUE	0	0	0	.00	.00	.00	.0%
XE WAGES & SALARIES							
73627401 71000 PER DIEM	360	0	360	.00	.00	360.00	.0%
TOTAL WAGES & SALARIES	360	0	360	.00	.00	360.00	.0%
XI SUPPLIES							
73627401 72700 OFFICE SUPPLIES	100	0	100	.00	.00	100.00	.0%
73627401 72800 PRINTING AND BINDIN	150	0	150	.00	.00	150.00	.0%
73627401 72900 POSTAGE	100	0	100	.00	.00	100.00	.0%
73627401 75100 COMPUTER SUPPLIES	50	0	50	.00	.00	50.00	.0%
TOTAL SUPPLIES	400	0	400	.00	.00	400.00	.0%
XL OTHER SERVICES AND C							
73627401 80100 PROFESSIONAL SERVIC	100,000	0	100,000	61,365.86	.00	38,634.14	61.4%
73627401 80101 ACTUARIAL SERVICES	35,000	0	35,000	.00	.00	35,000.00	.0%
73627401 81400 INVESTMENT/BANK SER	30,000	0	30,000	14,040.25	.00	15,959.75	46.8%
73627401 81700 LEGAL FEES	7,500	0	7,500	.00	.00	7,500.00	.0%
73627401 81900 CONSULTANTS	30,000	0	30,000	3,625.00	.00	26,375.00	12.1%
73627401 86600 LOCAL TRAVEL MILEAG	0	0	0	.00	.00	.00	.0%
73627401 94601 EQUIPMENT RENTAL-CO	55	0	55	.00	.00	55.00	.0%
73627401 95600 INDIRECT COST EXPEN	0	0	0	.00	.00	.00	.0%

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Bay County, Michigan

FOR 2014 09

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 96200 LOSS ON DISPOSAL OF	0	0	0	200,827.04	.00	-200,827.04	100.0%*
73627401 96201 UNREALIZED LOSS ON	0	0	0	.00	.00	.00	.0%
73627401 96500 INSURANCE AND BONDS	2,500	0	2,500	2,763.90	.00	-263.90	110.6%*
TOTAL OTHER SERVICES AND C	205,055	0	205,055	282,622.05	.00	-77,567.05	137.8%
TOTAL VOL.EMPLOYEE BENEF.ASSOC.BOARD	0	0	0	-939,022.41	.00	939,022.41	100.0%
TOTAL PUBLIC EMPLOYEE HEALTH CARE	0	0	0	-939,022.41	.00	939,022.41	100.0%
TOTAL REVENUES	-205,815	0	-205,815	-1,221,644.46	.00	1,015,829.46	
TOTAL EXPENSES	205,815	0	205,815	282,622.05	.00	-76,807.05	
GRAND TOTAL	0	0	0	-939,022.41	.00	939,022.41	100.0%

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Bay County, Michigan

PROJECTION: 2015 2015 BUDGET PROJECTION

FOR PERIOD 99

PUBLIC EMPLOYEE HEALTH CARE		2013 REVISED BUD	2014 REVISED BUD	2015 DEPARTMENT	2015 FINANCE	2015 EXECUTIVE	2015 COMMISSION
73627401 VOL.EMPLOYEE BENEF.ASSOC.BOARD							
RA FUND BALANCE, NET AS							
73627401 40001	FUNDBALNCE	13,535.00	.00	.00	.00	.00	.00
73627401 40004	NETASTSRSV	-99,400.00	1,394,185.00	1,394,185.00	1,394,185.00	1,388,139.00	1,388,139.00
TOTAL FUND BALANCE, NET AS		-85,865.00	1,394,185.00	1,394,185.00	1,394,185.00	1,388,139.00	1,388,139.00
RP INTEREST & RENTALS							
73627401 66400	INVINTRDIV	.00	-500,000.00	-500,000.00	-500,000.00	-500,000.00	-500,000.00
73627401 66500	INVTSLGAIN	.00	-1,100,000.00	-1,100,000.00	-1,100,000.00	-1,100,000.00	-1,100,000.00
TOTAL INTEREST & RENTALS		.00	-1,600,000.00	-1,600,000.00	-1,600,000.00	-1,600,000.00	-1,600,000.00
XE WAGES & SALARIES							
73627401 71000	PER DIEM	360.00	360.00	360.00	360.00	360.00	360.00
TOTAL WAGES & SALARIES		360.00	360.00	360.00	360.00	360.00	360.00
XI SUPPLIES							
73627401 72700	OFFICE SUP	50.00	100.00	100.00	100.00	100.00	100.00
73627401 72800	PRNT&BIND	150.00	150.00	150.00	150.00	150.00	150.00
73627401 72900	POSTAGE	100.00	100.00	100.00	100.00	100.00	100.00
73627401 75100	COMPSUPLY	50.00	50.00	50.00	50.00	50.00	50.00
TOTAL SUPPLIES		350.00	400.00	400.00	400.00	400.00	400.00
XL OTHER SERVICES AND C							
73627401 80100	PROFESSNL	.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00

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Bay County, Michigan

PROJECTION: 2015 2015 BUDGET PROJECTION

FOR PERIOD 99

PUBLIC EMPLOYEE HEALTH CARE		2013 REVISED BUD	2014 REVISED BUD	2015 DEPARTMENT	2015 FINANCE	2015 EXECUTIVE	2015 COMMISSION
73627401 80101	ACTUARIAL	40,000.00	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00
73627401 81400	INVST/BANK	6,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
73627401 81700	LEGAL FEES	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00
73627401 81900	CONSULTANT	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
73627401 94601	EQPRNTCOPY	55.00	55.00	55.00	55.00	55.00	55.00
73627401 95600	IDC EXP	.00	.00	6,052.00	6,046.00	6,046.00	6,046.00
73627401 96500	INS/BONDS	1,600.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
TOTAL OTHER SERVICES AND C		85,155.00	205,055.00	211,107.00	211,101.00	211,101.00	211,101.00
TOTAL VOL.EMPLOYEE BENEF.ASS		.00	.00	6,052.00	6,046.00	.00	.00
TOTAL PUBLIC EMPLOYEE HEALTH		.00	.00	6,052.00	6,046.00	.00	.00
	TOTAL REVENUE	-85,865.00	-205,815.00	-205,815.00	-205,815.00	-211,861.00	-211,861.00
	TOTAL EXPENSE	85,865.00	205,815.00	211,867.00	211,861.00	211,861.00	211,861.00
	GRAND TOTAL	.00	.00	6,052.00	6,046.00	.00	.00

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BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
BAY COUNTY BUILDING
515 CENTER AVENUE
BAY CITY, MICHIGAN 48708-5128

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Richard Gromaski
Tom Herek
Jon Morse
Matthew Pelt
Thomas Starkweather
Kristal Goetz

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4039

September 10, 2014

Jeffrey Davidek
V.P./Marketing Mgr.
C.S. MCKEE, L.P.
420 Ft. Duquesne Blvd.
One Gateway Center, 8th Floor
Pittsburgh, PA 15222

Dear Mr. Davidek:

There is a need for the Bay County Voluntary Employees' Beneficiary Association to rebalance its total plan assets. Therefore, C.S. McKee has been identified as a manager who will receive an additional $625,000.00 (Six hundred twenty five thousand dollars) on Wednesday, September 10, 2014, for immediate investment per the standing investor guidelines.

If you have any questions regarding this matter feel free to contact me at (989) 895-2007.

Sincerely,

Crystal Hebert

Crystal Hebert
Finance Officer/Secretary

c: Bay County Employees' Retirement System Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Larry Fumarolo, The Northern Trust Company
Rebecca Marsters, Retirement Administrator
Theresa Costanzo