BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
TUESDAY, JANUARY 10, 2012 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE		
	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	ELECTION OF OFFICERS: CHAIRPERSON & VICE-CHAIRPERSON -(Finance Officer, Crystal Hebert to conduct election)
	IV.	MINUTES A. DECEMBER 13, 2011 - TO BE PROVIDED AT NEXT MEETING
	V.	PUBLIC INPUT
	VI	PETITIONS & COMMUNICATIONS
1 - 4	A.	PORTFOLIO VALUE - 1/1/12 - 1/4/12
	B.	EAGLE ASSET MANAGEMENT - (SMALL CAP GROWTH)
		1. CLAY LINDSEY
	C.	MONEY MANAGERS ON WATCH - **(EFFECTIVE DATE)**
5 - 7		1. DENVER INVESTMENTS - **(12/15//2009)** PORTFOLIO ENDING 11/30/11
8 - 9		2. MARVIN & PALMER - **(6/1/2010)** PORTFOLIO ENDING ENDING 11/30/11
10		3. WENTWORTH HAUSER & VIOLICH - **(9/14/10)** PORTFOLIO ENDING 12/31/11
	D.	MONEY MANAGER REPORTS
12 - 18		1. CORNERSTONE - ENDING 11/30/11 2. EAGLE ASSET MGMT - ENDING 11/30/11 3. LOOMIS SAYLES - ENDING 11/30/11 4. MACKAYSHIELDS - ENDING 11/30/11
	E.	NORTHERN TRUST
19 - 23		1. SUMMARY EARNINGS 11/01/11 - 11/30/11
24	F.	REFUNDS/RETIREMENTS FOR DECEMBER 2011
25 - 27	G.	BCERS TRUSTEE ELECTION RESULTS WITH VOTE TOTALS AND CERTIFICATION INCLUDED.
	H.	NOTICE OF PUBLIC MEETING (receive)
28		1. 2012 MEETING SCHEDULE

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
TUESDAY, JANUARY 10, 2012 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

I. CORRESPONDENCE FROM MACKAY SHIELDS
29 ..... 1. NEW CEO APPOINTED

J. RE-BALANCE ASSET ALLOCATION
30 - 32 ..... 1. CORRESPONDENCE TO MACKAY SHIELDS, WENTWORTH, HAUSER, VIOLICH AND HOTCHKIS & WILEY

K. PURCHASE OF OTHER GOVERNMENTAL SERVICE
33 ..... 1. MARIE HAYES

L. MAPERS - ONE DAY SEMINAR SERIES
34 - 35 ..... 1. FEBRUARY 3, 2012, DEARBORN

(IF ANYONE IS INTERESTED IN ATTENDING, PLEASE LET DANEAN KNOW)

M. GABRIEL ROEDER SMITH & COMPANY

36 - 38 ..... 1. PROPOSED FEES FOR 12/31/11 ACTUARIAL VALUATION $29,500 - $32,000
(LAST YEAR'S FEE: $29,500 - $32,000)

N. RETIREMENT CONTRIBUTION RATE OF 4%
39 - 41 ..... 1. BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM ORDINANCE

2. LETTER FROM GRS TO BE HANDED OUT AT THE MEETING

VII. ANNOUNCEMENTS

A. NEXT REGULAR MEETING - TUESDAY, FEBRUARY 14, 2012 @ 1:30 P.M. - **FINANCE DEPARTMENT LARGE CONFERENCE ROOM, 515 CENTER AVENUE - 7TH FLOOR, BAY CITY, MI 48708**

VIII. UNFINISHED BUSINESS

A. MONEY MANAGERS SPEAKER SCHEDULE

42 ..... 1. LIST OF TENTATIVE DATES

IX. NEW BUSINESS

X. MISCELLANEOUS BUSINESS

XI. ADJOURNMENT

Favorites

04 JAN 12

Account number 8765

FAMILY CODE FAM8765

◆Mgr Mix w/ Accruals

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total market value/ % of consolidation
*BAYCO - COLUMBIA MANAGEMENT 2608694	0.00 0.00%	39,427.98 0.16%	24,974,036.52 99.84%	0.00 0.00%	0.00 0.00%	0.00 0.00%	25,013,464.50 11.00%
*BAYCO - BAIRD -SL 2618668	0.00 0.00%	950,971.10 4.35%	0.00 0.00%	20,906,091.83 95.65%	0.00 0.00%	0.00 0.00%	21,857,062.93 9.61%
*BAYCO - SCHRODERS -SL 2618669	0.00 0.00%	217.18 0.00%	8,323,835.28 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	8,324,052.46 3.66%
*BAYCO - MARVIN & PALMER -SL 2620611	0.00 0.00%	774,359.23 3.26%	22,870,852.65 96.26%	0.00 0.00%	0.00 0.00%	113,067.70 0.48%	23,758,279.58 10.45%
*BAYCO - MACKAY SHIELDS -SL 2622490	0.00 0.00%	311,518.81 1.75%	2,356,598.45 13.22%	15,158,734.09 85.03%	0.00 0.00%	0.00 0.00%	17,826,851.35 7.84%
*BAYCO - HOTCHKIS & WILEY -SL 2622536	0.00 0.00%	26,214.89 0.29%	8,978,527.18 99.71%	0.00 0.00%	0.00 0.00%	0.00 0.00%	9,004,742.07 3.96%
*BAYCO - WENTWORTH -SL 2624493	0.00 0.00%	220,163.09 0.82%	26,568,787.00 99.18%	0.00 0.00%	0.00 0.00%	0.00 0.00%	26,788,950.09 11.78%
*BAYCO -CASH -SL 2639953	0.00 0.00%	2,018,192.79 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	2,018,192.79 0.89%
*BAYCO - DENVER INV ADV -SL 2639956	0.00 0.00%	92,166.99 0.50%	18,132,516.25 98.21%	0.00 0.00%	0.00 0.00%	237,579.65 1.29%	18,462,262.89 8.12%
*BAYCO - LOOMIS SAYLES -SL 2641401	0.00 0.00%	1,372,178.13 5.06%	0.00 0.00%	25,875,343.85 95.34%	0.00 0.00%	-107,714.30 -0.40%	27,139,807.68 11.94%
*BAYCO - INTEGRITY -SL 2653308	0.00 0.00%	657,876.59 3.69%	17,187,796.59 96.31%	0.00 0.00%	0.00 0.00%	0.00 0.00%	17,845,673.18 7.85%
*BAYCO - CORNERSTONE REALES-SL 2663296	0.00 0.00%	108,165.85 1.31%	8,196,709.80 99.16%	0.00 0.00%	0.00 0.00%	-38,535.38 -0.47%	8,266,340.27 3.64%
*BAYCO - EAGLE ASSET -SL 2695063	0.00 0.00%	101,287.12 1.19%	8,376,769.04 98.79%	0.00 0.00%	0.00 0.00%	1,513.41 0.02%	8,479,569.57 3.73%
BAYCO- BARINGS BYC03	278,232.51 2.21%	0.00 0.00%	12,267,527.08 97.46%	0.00 0.00%	42,081.39 0.33%	0.00 0.00%	12,587,840.98 5.54%

Mgr Mix w/ Accruals

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total market value/ % of consolidation
Total for consolidation	**278,232.51**	**6,672,739.75**	**158,233,955.84**	**61,940,169.77**	**42,081.39**	**205,911.08**	**227,373,090.34**
% for consolidation	**0.12%**	**2.93%**	**69.59%**	**27.24%**	**0.02%**	**0.09%**	**100.00%**

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PORTFOLIO VALUE

2010	BAIRD	BARINGS	BATTERYMRCH	CORNERSTONE	DENVER	EAGLE	HOTCHKIS & WILEY	INVESCO	LOOMIS SAYLES	MACKAY SHIELDS	MARVIN PALMER	INTEGRITY	SCHRODER	COLUMBIA	WENTWORTH	CASH	TOTAL
JAN	20,941,600.46	11,517,174.70	7,138,642.20	5,139,221.13	14,135,705.71	0.00	8,504,163.11	64,688.78	25,794,489.48	18,129,276.35	20,738,711.95	13,735,034.07	7,815,979.82	20,120,927.06	24,178,102.21	2,199,419.81	200,153,136.84
FEB	20,975,025.75	11,542,165.92	7,452,085.43	5,448,857.61	15,047,045.81	0.00	9,056,364.71	61,762.76	25,968,541.18	18,438,126.22	21,629,948.33	14,355,393.21	7,747,987.07	21,126,452.08	25,222,849.42	1,623,868.39	205,696,473.89
MARCH	20,960,877.88	12,179,926.86	8,002,863.13	5,991,787.18	16,022,931.87	0.00	10,087,525.97	60,014.63	25,100,468.49	18,874,992.76	22,405,811.99	15,550,810.14	8,238,893.80	22,228,829.14	26,222,547.54	3,288,065.43	215,216,346.81
APRIL	21,150,647.80	12,016,995.29	8,342,901.57	6,423,631.84	16,577,168.09	0.00	10,766,750.38	58,877.03	25,615,998.06	19,167,022.67	22,494,481.34	16,264,920.75	8,308,813.65	22,564,690.25	25,864,974.60	2,812,406.69	218,430,280.01
MAY	21,436,452.58	11,047,220.44	7,862,108.79	6,092,224.37	15,574,364.31	0.00	10,200,726.13	55,929.30	25,336,148.81	18,425,572.47	20,970,886.27	14,991,127.09	7,371,618.23	20,785,803.34	23,653,575.26	2,228,844.46	206,032,601.85
JUNE	21,698,100.75	11,107,433.48	7,384,246.85	5,763,080.50	14,600,551.63	0.00	9,279,300.83	58,715.00	25,853,276.90	17,996,639.28	19,856,137.62	13,893,860.87	7,413,132.67	19,394,682.88	22,149,359.42	1,485,274.76	197,933,793.44
JULY	20,799,211.32	11,957,064.09	7,831,183.36	6,846,816.13	15,671,404.63	0.00	10,392,787.38	0.00	25,527,395.21	18,431,586.29	20,332,324.01	14,906,494.26	8,028,920.52	20,759,474.90	23,972,615.43	2,785,298.91	208,242,576.44
AUG	21,077,527.97	11,752,483.23	7,153,533.75	6,748,275.07	15,056,740.48	0.00	9,478,820.70	0.00	25,860,984.86	18,237,834.97	19,707,511.65	14,095,542.78	7,817,796.24	19,716,256.51	22,683,540.20	2,433,150.55	201,820,000.96
SEPT	21,042,740.36	12,761,997.19	46.03	7,049,630.49	16,947,394.30	8,069,377.51	10,700,121.28	0.00	26,379,286.09	19,152,175.83	21,942,095.33	15,537,000.80	8,799,738.40	21,445,768.58	25,136,628.73	1,581,988.78	216,545,989.70
OCT	20,564,633.65	13,112,421.26	0.00	7,348,149.26	17,723,851.16	8,420,875.28	11,042,108.61	0.00	25,575,545.18	19,027,548.57	22,813,022.32	16,297,208.60	9,102,490.35	22,266,742.42	26,298,057.29	2,868,333.43	222,460,987.38
NOV	20,548,167.72	12,491,970.94	0.00	7,220,322.23	18,490,700.25	8,850,187.71	11,677,827.77	0.00	25,275,576.73	19,102,632.05	23,415,804.52	16,566,724.87	8,847,124.39	22,331,135.90	26,756,349.07	2,724,855.78	224,299,379.93
DEC	20,311,726.61	13,406,367.64	0.00	7,601,110.84	19,443,479.71	9,511,901.34	13,193,408.82	0.00	25,062,142.68	19,815,351.61	24,782,428.62	17,907,044.51	9,753,327.77	24,088,128.28	28,872,348.65	1,594,377.47	235,343,144.55

2011	BAIRD	BARINGS	BATTERYMARCH	CORNERSTONE	DENVER	EAGLE	HOTCHKIS & WILEY	INVESCO	LOOMIS SAYLES	MACKAY SHIELDS	MARVIN PALMER	INTEGRITY	SCHRODER	COLUMBIA	WENTWORTH	CASH	TOTAL
JAN	20,282,960.21	13,469,271.01	0.00	7,855,559.51	19,762,481.35	9,645,338.48	12,667,242.55	0.00	25,230,006.97	20,108,917.03	24,994,751.61	18,109,791.23	9,929,904.74	24,607,913.78	28,277,844.81	2,673,640.73	237,615,624.01
FEB	20,333,087.68	13,922,984.92	0.00	8,264,845.83	20,614,690.78	10,044,714.40	13,401,835.32	0.00	25,465,286.67	20,565,524.39	25,880,455.91	18,791,456.29	10,024,545.75	26,272,034.16	29,133,677.99	1,842,702.27	244,557,842.36
MARCH	20,338,046.29	13,791,629.18	0.00	8,160,328.04	21,041,574.54	10,417,776.60	13,710,768.82	0.00	25,441,342.42	20,589,176.19	26,017,933.98	19,175,661.26	10,133,968.96	26,547,672.38	29,369,026.18	1,460,447.93	246,195,352.77
APRIL	20,531,160.45	14,759,861.53	0.00	8,672,226.56	21,861,559.61	10,821,594.23	13,742,747.04	0.00	25,888,405.68	20,889,745.65	26,527,300.60	19,653,573.42	10,682,992.63	26,977,768.13	29,783,582.01	750,286.51	251,542,804.05
MAY	20,801,325.34	14,371,003.44	0.00	8,781,889.42	21,622,019.01	10,909,579.86	12,989,460.66	0.00	26,326,540.44	20,709,828.84	25,685,035.85	19,556,119.61	10,540,028.79	26,121,450.00	29,107,106.99	2,172,230.00	249,693,618.25
JUNE	20,746,853.51	14,093,143.90	0.00	8,503,482.37	21,251,465.03	10,892,723.30	12,859,047.57	0.00	26,042,704.52	20,546,880.50	25,814,849.82	19,123,828.91	10,372,670.61	25,601,680.47	28,739,352.00	1,407,744.35	245,996,426.86
JULY	21,030,598.96	14,384,481.05	0.00	8,662,959.36	20,366,711.86	9,323,347.21	11,469,557.51	0.00	26,708,858.23	20,308,927.94	25,442,416.08	18,602,263.27	10,199,254.37	24,588,472.00	28,489,107.66	2,705,007.78	242,281,963.28
AUG	21,509,686.73	13,465,576.09	0.00	8,115,763.25	18,275,359.08	8,531,450.27	10,286,657.96	0.00	26,712,989.79	19,537,498.25	23,807,045.25	16,868,962.09	9,162,690.99	22,966,123.98	26,670,298.95	1,927,477.25	227,837,579.93
SEPT	21,741,103.61	11,982,478.89	0.00	7,201,533.12	16,125,643.44	7,584,663.03	8,793,553.07	0.00	26,566,206.54	18,911,469.23	21,278,377.67	15,247,790.74	8,309,250.23	21,275,774.49	23,492,818.77	1,092,326.87	209,602,989.70
OCT	21,643,579.55	13,139,773.53	0.00	8,245,388.04	18,797,578.54	8,681,458.89	9,163,191.41	0.00	27,104,990.39	18,827,420.73	24,257,439.07	17,410,938.54	8,798,592.88	24,178,426.92	27,126,697.42	2,444,668.93	229,820,144.84
NOV	21,753,740.49	12,627,824.56	0.00	7,950,084.76	18,612,916.80	8,559,755.97	9,035,696.56	0.00	26,612,318.31	18,730,254.14	23,786,091.54	17,539,617.31	8,473,339.92	24,255,078.32	26,944,261.78	1,694,119.06	226,575,099.52
DEC	21,916,052.96	12,342,393.91	0.00	8,337,705.77	18,311,975.78	8,452,714.39	8,826,395.44	0.00	27,225,128.57	17,647,770.24	23,378,006.41	17,682,043.61	8,206,892.15	24,563,301.47	26,155,516.87	2,999,353.89	226,045,251.46

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2011	BAIRD	BARINGS	BATTERYMARCI	CORNERSTONE	DENVER	EAGLE	HOTCHKIS & WILEY	INVESCO	LOOMIS SAYLES	MACKAY SHIELDS	MARVIN PALMER	INTEGRITY	SCHRODER	COLUMBIA	WENTWORTH	CASH	TOTAL
1ST QTR	15,253.54	32,156.73		12,237.40	34,166.36	18,500.98	33,149.97		20,903.41	24,915.00	48,786.07	38,797.59	21,292.42	33,141.66	37,871.00		371,172.13
2ND QTR	15,560.14	33,890.18		12,755.06	34,513.77	19,214.11	32,671.16		21,275.35	25,797.00	48,701.83	40,242.00	22,197.63	31,946.75	37,232.00		376,996.98
3RD QTR	16,305.99	31,556.96		10,802.30	26,180.75	16,116.90	25,457.84		21,602.98	25,771.00	39,398.52	35,448.00	19,430.32	26,556.50	31,994.00		326,622.06
4TH QTR																	
2009 Y-T	47,119.67		0.00	35,794.76	94,860.88		91,278.97	0.00	63,781.74	76,483.00	136,886.42	114,487.59	62,920.37	91,644.91	107,097.00	0.00	1,073,791.17

BAIRD	GOVERNMENTAL FIXED INCOME MANAGER
BARING	LARGE CAP GROWTH INTERNATIONAL EQUITY MANAGER
COLUMBIA	LARGE CAP DEEP VALUE MANAGER
CORNERSTONE REAL ESTATE	REAL ESTATE INVESTMENT TRUST MANAGER
DENVER INVESTMENT	MID-CAP GROWTH MANAGER
EAGLE	SMALL-CAP GROWTH MANAGER
HOTCHKIS & WILEY	SMALL CAP VALUE MANAGER
INTEGRITY	MID-CAP VALUE MANAGER
LOOMIS SAYLES	CORPORATE BOND MANAGER
MACKAY SHIELDS	CONVERTIBLE BOND MANAGER
MARVIN PALMER	LARGE CAP GROWTH EQUITY MANAGER
SCHRODER	INTERNATIONAL SMALL/MID CAP EQUITY MANAGER
WENTWORTH	LARGE CAP CORE MANAGER

INVESTMENT MANAGER FEE SCHEDULES

BAIRD	.30% - FIRST $25 MILLION .25% - NEXT $25 MILLION .20% - NEXT 50 MILLION .15% - THEREAFTER
BARING	.95% -ON ASSETS UNDER MANAGEMENT
COLUMBIA	.40% - ABOVE $100 MILLION .40% - NEXT $60 MILLION
CORNERSTONE	.60% - OF THE FAIR MARKET VALUE OF ASSETS
DENVER	.65% - OF THE FAIR MARKET VALUE OF ASSETS
EAGLE	.85% - ON ASSETS UNDER MANAGEMENT
HOTCHKIS & WILEY	1.00% -ON ASSETS UNDER MANAGEMENT
INTEGRITY	.85% - FIRST $15 MILLION .75% - NEXT $25 MILLION
LOOMIS SAYLES	.35% - FIRST $20 MILLION .25% - NEXT $80 MILLION .20% - OVER $100 MILLION
MACKAY SHIELDS	.50% - UP TO $100 MILLION .40% - ABOVE $100 MILLION
MARVIN PALMER	.75% - ON ALL ASSETS UNDER MANAGEMENT
SCHRODER	.75% - UP TO $10 MILLION .50% - UP TO $100 MILLION
WENTWORTH	.80%-FIRST $2 MILLION .60%-NEXT $8 MILLION .50%-NEXT $10 MILLION .40%-NEXT $10 MILLION .30%-OVER $30 MILLION

PERFORMANCE COVER SHEET (STATEMENT OF CHANGES)

Denver Investments

375 - BAY COUNTY MI EMP RET SY

World

As of: November 30, 2011

Statement of Changes

	Current Month
Beginning Market Value	18,797,568
Net Additions/Withdrawals	0
Income Received	2,347
Change in Accrued Income	16,614
Change in Unrealized Gain/Loss	(157,063)
Realized Gain/Loss	(45,750)
Ending Market Value	18,613,715

Portfolio Composition

	Market Value	% of Total
Total Fund	18,613,715	100.00
Equity and Related	18,376,283	98.72
Cash and Equivalents	237,432	1.28

Performance Summary

	Quarter to Date	Calendar Year To Date	12 Months	3 Year	5 Year	Inception Annualized
Total Fund	15.45	(4.26)	0.68	24.60	2.80	8.21
Equity and Related	16.98	(3.60)	1.57	26.30	3.43	8.39
Cash and Equivalents	0.00	0.09	0.10	0.27	1.83	3.44

Benchmark Indices

	Quarter to Date	Calendar Year To Date	12 Months	3 Year	5 Year	Inception Annualized
Russell Midcap Growth W/Inc	12.93	(0.16)	6.07	24.16	2.56	6.62
S&P Midcap 400 W/Income	13.41	(1.36)	5.11	21.63	3.29	10.18
Nasdaq Composite	8.48	(1.23)	4.89	19.50	1.50	4.93
S&P 500 W/Inc	10.69	1.08	7.83	14.13	(0.18)	5.98
Russell Midcap W/Inc	12.45	(1.43)	5.39	21.91	1.44	8.67

**Inception Date: May 31, 1996*

Returns greater than one year are annualized
Report printed on: 12/7/2011 @ 7:57 AM

PERFORMANCE COVER SHEET (STATEMENT OF CHANGES)

Denver Investments

375 - BAY COUNTY MI EMP RET SY

World

As of: November 30, 2011

Statement of Changes

	Current Month	Current Quarter	Fiscal Year to Date	Inception to Date
Beginning Market Value	18,797,568	18,275,690	19,441,728	10,000,000
Net Additions/Withdrawals	0	(5)	(126)	(10,939,293)
Income Received	2,347	28,592	140,513	1,736,420
Change in Accrued Income	16,614	7,591	10,827	18,348
Change in Unrealized Gain/Loss	(157,063)	570,447	(3,797,152)	(266,548)
Realized Gain/Loss	(45,750)	(268,600)	2,817,925	18,064,789
Ending Market Value	18,613,715	18,613,715	18,613,715	18,613,715

Portfolio Composition

	Market Value	% of Total
Total Fund	18,613,715	100.00
Equity and Related	18,376,283	98.72
Cash and Equivalents	237,432	1.28

Performance Summary

	Current Month	Quarter to Date	3 Months	Calendar Year To Date	Fiscal Year to Date	Inception Annualized
Total Fund	(0.98)	15.45	1.85	(4.26)	(4.26)	8.21
Equity and Related	(1.03)	16.98	2.62	(3.60)	(3.60)	8.39
Cash and Equivalents	0.00	0.00	0.01	0.09	0.09	3.44

Benchmark Indices

	Current Month	Quarter to Date	3 Months	Calendar Year To Date	Fiscal Year to Date	Inception Annualized
Russell Midcap Growth W/Inc	(0.48)	12.93	1.58	(0.16)	(0.16)	6.62
S&P Midcap 400 W/Income	(0.30)	13.41	1.40	(1.36)	(1.36)	10.18
Nasdaq Composite	(2.39)	8.48	1.58	(1.23)	(1.23)	4.93
S&P 500 W/Inc	(0.22)	10.69	2.90	1.08	1.08	5.98
Russell Midcap W/Inc	(0.50)	12.45	1.62	(1.43)	(1.43)	8.67

**Inception Date: May 31, 1996*

Returns greater than one year are annualized
Report printed on: 12/7/2011 @ 7:57 AM

APPRAISAL SUMMARY

375 - BAY COUNTY MI EMP RET SY

November 30, 2011

	Total Cost Value	Total Market Value	Unrealized Gain/Loss	Indicated Annual Income	%PF	Current Yield	Yield To Worst
Equity	17,330,928.67	18,357,935.50	1,027,006.83	121,233.75	98.63%	0.66	
Cash	237,432.13	237,432.13	0.00	23.75	1.28%	0.01	0.01
Total Investments:	***17,568,360.80***	***18,595,367.63***	***1,027,006.83***	***121,257.50***	***99.90%***	***0.65***	
Accrued Income:		***18,347.50***			***0.10%***		
Total Account:	***17,568,360.80***	***18,613,715.13***	***1,027,006.83***	***121,257.50***	***100.00%***	***0.65***	

MARVIN & PALMER®
ASSOCIATES, INC.
GLOBAL EQUITY MANAGEMENT

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James J. McNulty

December 19, 2011

Danean Wright
Retirement Accountant
Bay County Employees' Retirement System
Bay County Building
515 Center Avenue, Suite 706
Bay City, Michigan 48708-5128

Dear Danean:

Your portfolio declined 1.9% during November while the Russell 1000 Growth Index was flat.

The market was volatile during November with a giveback of October's sharp gains early in the month, followed by strength towards the end. Consumer staples, energy, industrials and utilities were leading sectors, while consumer discretionary, technology and financials lagged.

Worries about Europe and the possible breakup of the euro continue to dominate worldwide investment concerns. Better economic data in the United States and the beginning of monetary loosening in China have combined to partially offset the European worries. Our portfolio's emphasis on healthcare, technology and industrials should serve us well in this environment.

We are cautiously optimistic about the outlook for equities.

Your portfolio and performance since inception are attached for your interest.

Sincerely,

Jay Middleton

Jay F. Middleton
Portfolio Manager – Principal

JFM/jam

Attachment

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1201 N. Market Street, Suite 2300, Wilmington, DE 19801-1165 U.S.A. • Tel. 302-573-3570 • Facsimile 302-573-2545 • www.marvinandpalmer.com

PERFORMANCE SUMMARY

Bay County Employees' Retirement System

Portfolio Value on November 30, 2011: 23,786,093

Benchmark Russell 1000 Growth Index with Gross Dividends
Reporting Currency US Dollars
Inception Date May 19, 2006

Period	RETURN %			
	M&P Gross	M&P Net	Benchmark	Value Added
November 2011	-1.94	-1.94	-0.01	-1.93
Quarter to Date	11.78	11.78	10.96	0.82
Year to Date	-2.17	-2.72	2.97	-5.14
2010	20.23	19.32	16.71	3.52
2009	18.10	17.23	37.21	-19.11
2008	-45.96	-46.37	-38.44	-7.52
2007	25.87	24.94	11.81	14.07
Inception Year	4.61	4.13	10.02	-5.41

Period	ANNUALIZED RETURN %			
	M&P Gross	M&P Net	Benchmark	Value Added
1 Year	3.53	2.76	8.64	-5.11
2 Years	10.29	9.46	11.31	-1.02
3 Years	11.96	11.12	18.85	-6.89
5 Years	-1.29	-2.03	2.63	-3.93
Since Inception	-0.21	-0.93	4.09	-4.30

Note 1: Performance is compared to the Russell 1000 Growth Index for reporting purposes. The actual benchmark is the Russell 1000 Growth Index plus 1%.

Note 2: The Russell 1000 Growth® Index is a trademark/service mark of the Russell Company. Russell® is a trademark of the Russell Company.

WENTWORTH, HAUSER AND VIOLICH
INVESTMENT COUNSEL

January 4, 2012

Ms. Danean Wright
Retirement Accountant
Bay County Employee's Retirement System
515 Center Avenue
Suite 706
Bay City, MI 48708-5128

RE: **Bay County Employees' Retirement System**

Dear Board of Trustees:

Please find the preliminary investment returns for the periods ending December 31, 2011 in the table below:

Time Weighted Total Return
Gross of Fees

	One Month	Quarter-To-Date	Year-To-Date	One Year	Three Year Annualized	Five Year Annualized	Since Inception* Annualized
Bay County Employees' Retirement System	-0.34%	14.31%	-1.96%	-1.96%	14.79%	0.84%	3.74%
S&P 500	1.02%	11.82%	2.11%	2.11%	14.11%	-0.25%	3.56%

*Since Inception Date 03/18/04

As always, we stand ready to answer any questions or comments you may have regarding the portfolios performance. Thank you for your continued confidence in Wentworth, Hauser & Violich and the Large Cap Core Investment Team.

Best regards,

Jeffrey C. Coburn, CFA

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Cc: Richard Potter

301 Battery Street | Suite 400 | San Francisco, CA 94111-3203
Tel 800.204.2650 | Fax 415.288.6153 | www.whv.com

CORNERSTONE

PERFORMANCE HISTORY
Bay County Employees' Retirement System

Time Period			Percent Return Per Period		
			Portfolio		FTSE/NAREIT
			Gross	Net	Equity Index
10/31/2011	to	11/30/2011	-3.57%	-3.62%	-3.78%
12/31/2010	to	11/30/2011	4.58%	4.01%	3.46%

EAGLE | Asset Management
880 Carillon Parkway | St. Petersburg, FL 33716 | p: 800.237.3101

STATEMENT

PORTFOLIO VALUATION AND STATEMENTS

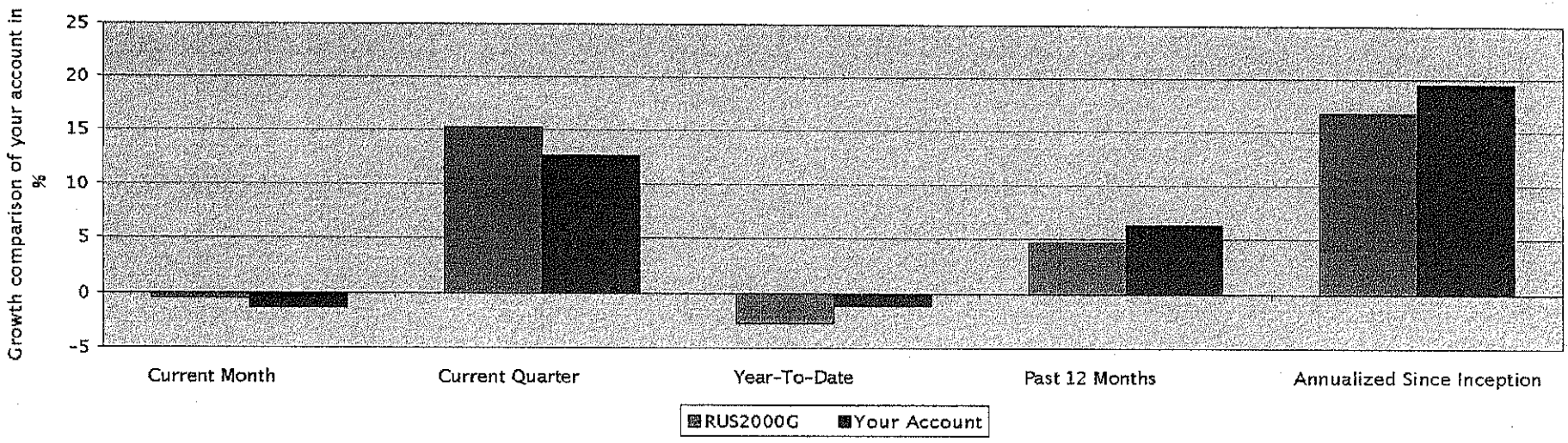
Bay County Employees' Retirement System
05231100/
SmallCap Growth Equity

AS OF 11/30/2011

CURRENT PERIOD STARTED ON: 11/01/2011
CURRENT QUARTER STARTED ON: 10/01/2011
YEAR-TO-DATE STARTED ON: 01/01/2011
INCEPTION DATE: 09/03/2010

ANALYSIS OF RATES OF RETURN

	CURRENT MONTH	CURRENT QUARTER	YEAR-TO-DATE	PAST 12 MONTHS	ANNUALIZED THREE-YEARS	ANNUALIZED FIVE-YEARS	ANNUALIZED SINCE INCEPTION
TOTAL MANAGED ASSETS	-1.40%	12.67%	-1.17%	6.22%	N/A	N/A	19.52%
Russell 2000 Growth Index	-0.53%	15.25%	-2.69%	4.70%	N/A	N/A	16.75%



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STATEMENT

PORTFOLIO VALUATION AND STATEMENTS

Bay County Employees' Retirement System
05231100/
SmallCap Growth Equity

AS OF 11/30/2011

CURRENT PERIOD STARTED ON: 11/01/2011
CURRENT QUARTER STARTED ON: 10/01/2011
YEAR-TO-DATE STARTED ON: 01/01/2011
INCEPTION DATE: 09/03/2010

SUMMARY

CONTRIBUTIONS THRU 11/01/2011	$6,520,181
DEPOSITS MADE DURING STATEMENT PERIOD	
SECURITIES	$0
CASH	$0
WITHDRAWALS MADE DURING STATEMENT PERIOD	
SECURITIES	$0
CASH	$0
TOTAL CONTRIBUTIONS THRU 11/30/2011	$6,520,181
MARKET VALUE OF ACCOUNT AS OF 11/30/2011	$8,559,517

We have provided this information regarding your account(s) based on sources we believe to be reliable and accurate. We encourage you to compare the account balances contained in this report to those balances reflected on the statements you receive directly from your account's custodian. Please contact us or the account custodian with any questions you may have. Also, please notify us promptly if you do not receive statements on all accounts from the custodian on at least a quarterly basis.

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Portfolio Summary

Bay County Employees Ret System
4407N1

Date Run: 12/12/2011
Period Covered: 10/31/2011 to 11/30/2011

Portfolio Composition as of 11/30/2011

	Total Market Value	% of Total
Bonds	24,792,787	93.17%
Cash and Equivalents	1,484,258	5.58%
Accrued Income	333,467	1.25%
Total	26,610,513	100.00%

Statement of Changes

Total Market Value at 10/31/2011	27,103,551
Net Additions/Withdrawals	0
Income Earned	108,434
Portfolio Appreciation/Depreciation	-601,472
Total Market Value at 11/30/2011	26,610,513

Performance Returns (Supervised Assets)

	1Mth	3Mths	YTD	1 YR	3 YRS*	5 YRS*
Total	-1.82	-0.38	6.17	5.27	16.47	6.60
Barclays Credit ^	-1.68	0.01	6.29	5.21	12.44	6.20

* - Returns are annualized

^Barclays Credit from 6/30/1999 thru 11/30/2011
Citigroup Broad Inv-Grade (BIG) from 01/31/1997 thru 6/30/1999

This report is a service provided to customers of Loomis Sayles. It is for informational purposes only. It is not a recommendation to buy or sell securities. Past performance is not a guarantee of future results. Loomis Sayles believe information contained herein is reliable but we do not guarantee its accuracy.

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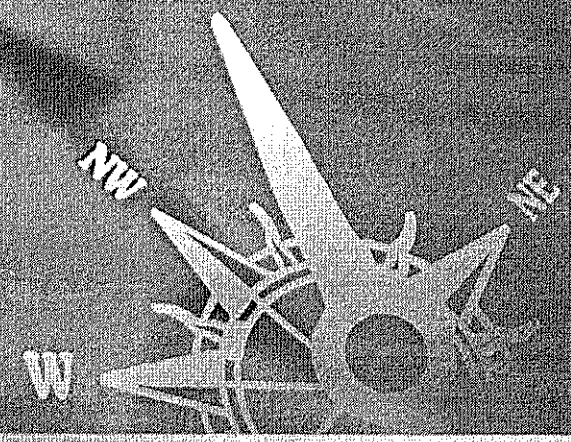

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Monthly Report
November 30, 2011

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NOVEMBER 2011 — OVERVIEW OF MONTHLY PERFORMANCE

Market Overview

The US convertible market, as measured by the BofA Merrill Lynch All Convertible Index, was down 2.38% in November, while underlying equities were down 4.34%. Year-to-date, the convertible bond market is down 5.36%.

Volatile best characterizes the equity market throughout November. On the final day of the month, equity markets rose sharply on news that six central banks made additional funds available to ease strains from Europe's debt crisis. In addition, economic data showed business activity in the U.S expanded in November at the fastest pace in seven months, and the index of pending home sales increased to 10.4% in October, the biggest gain since November of 2010.

Investment-grade convertible bonds outperformed speculative-grade convertible bonds during the month. Speculative-grade convertibles decreased 2.67%, while investment-grade convertibles, as measured by the BofA Merrill Lynch Investment Grade Convertible Index, decreased 1.47%. Year-to-date, speculative-grade convertible bonds are down 6.99%, while investment-grade convertible bonds are down 2.37%.

Utilities was the best performing sector in November, followed by Consumer Staples. The Utilities sector was up 1.05%, while Consumer Staples was up 0.33%. The worst performing sector was Transportation, which was down 11.27%. Year-to-date, Utilities (+12.24%) is the best performing sector while Transportation (-31.20%) is the worst.

There were six new convertible bond issues in November. The sectors represented in these new convertible bond issues included Healthcare, Technology, Consumer Discretionary, and Transportation. The amount of new issues for November totaled $1.62 billion. The average amount raised from each convertible bond offering was $270.25 million. Year-to-date, total proceeds from new issues of convertible bonds are $23.71 billion.

Performance

Most portfolios outperformed their respective benchmarks during the month. Leading contributors included the convertible bonds of specialty metals producer, Allegheny Technologies, big box retailer, Costco, and WebMD Health. The convertibles of Allegheny Technologies continued their rise into November. In its third quarter earnings report, Allegheny highlighted its improving financial condition. The company showed improvement in its free cash flow and net debt position. Additionally, Allegheny's products, particularly titanium and nickel alloy, face growing industrial, oil/gas, and jet engine demand into 2011 and beyond. Costco reported October strong same-store-sales growth of 9%; beating market expectations for the month. Store traffic remains robust (+4.5%), California strength continues, and inflation pass-through is supporting average ticket. With underlying same-store sales momentum strong, membership renewal rates at all-time highs, margins migrating higher, and membership income fee poised to grow at an accelerated rate. We believe Costco remains an attractive investment. Lastly, although WebMD is currently facing significant hardship within a bleak economy, and management recently revised the year's guidance numbers downward, the company's share price continues to rise. This is most likely a result of reports that management is exploring options to sell the firm.

On the other hand, exposure to EMC Corporation, Citigroup and Bank of America weighed on November's returns. In the short term, EMC faces issues caused by companies scaling back on their technology investments in a weak economy. However, increasingly, these technology features are becoming high priority investments and less so discretionary expenditures, which makes EMC less vulnerable to the volatile macroeconomic backdrop. Our long-term thesis surrounding EMC Corporation remains intact, as the company maintains its leadership position in enabling hybrid (public/private) cloud computing through infrastructure and application transformation. The company also continues to display strength in its storage, VMware, and security capacities. The convertible bonds of Citigroup were leading detractors in the portfolio this past month. Citi, along with most companies in the

financial sector, face considerable near-term headwinds including regulatory concerns, fears of deteriorating emerging market credit quality, and the continuing threat of European defaults. Still, Citi is well positioned to take advantage of the ongoing market recovery and normalizing credit conditions. Additionally, revenue growth potential for Citicorp and the decline of Citi Holdings should drive both short and long term earnings. Last, holdings in Bank of America's convertible dividend shares also hindered performance. As the macroeconomic backdrop and regulatory environment remain unclear and as management of Bank of America continues to work through lingering investor concerns surrounding the company's mortgage lending activities, the bank's share price continues to remain depressed. We believe that Bank of America's stock price, which trades at a significant discount to its peers, is poised to benefit significantly, once some of the apparent risks begin to subside.

OUTLOOK

In our opinion, stock and convertible bond prices appear to have been sold down to levels that seem to defy common sense. The average stock in the S&P 500 Index sells for just over ten times next year's already lowered earnings estimates. Skeptics might argue that 2012 earnings estimates need to be lowered further. Even if that is correct, barring a dramatic collapse in corporate earnings, stocks would still be inexpensive, assuming earnings estimates next year are still 10-15% too high. Our sense is that as long as the experience of 2008 remains relatively fresh in people's minds, investors are overly reactionary to possible downside scenarios for the economy. An economic slowdown may result in some contraction of GDP but this is unlikely to justify current share prices. In addition, fears of a repeat of 2008 seem exaggerated, as it is hard to see how the $7 trillion of wealth destruction during that period, when housing prices fell 30% can be repeated. Investor fears have led to liquidations amid a shortage of buyers. It's important to remember that markets sometimes predict crises that never materialize.

Given the relatively attractive valuation of stocks and the slow but present economic recovery, we think that convertible bonds and stocks are likely to be higher in twelve to eighteen months than where they stood on November 30th. We believe that convertible bonds remain an excellent vehicle through which to participate in further equity advances. Convertible bonds should participate in the majority of the stock market's advances but less than half of any decline in the event that our outlook for equities is wrong. In 2010, convertible bonds exceeded the advance in equities. While the convertible market may not be able to continue to capture more than 100 percent of the upside of the stock market's advances, we believe that convertibles will continue to offer a compelling risk/reward profile.

This material contains the opinions of the Convertibles Team of MacKay Shields LLC but not necessarily those of MacKay Shields LLC. The opinions expressed herein are subject to change without notice. This material is distributed for informational purposes only, and is not intended to constitute the giving of advice or the making of a recommendation. Forecasts, estimates, and certain information contained herein are based upon proprietary research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this article may be reproduced in any form, or referred to in any other publication, without express written permission of MacKay Shields LLC. ©2011, Mackay Shields LLC.

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Portfolio Composition and Performance — Account 1256
November 30, 2011

Composition	Market Value	Percent of Total
Fixed Income	15,389,708	81.78
Equity	2,316,040	12.31
Cash & Equivalents	1,113,713	5.92
Total Portfolio	**$18,819,461**	**100.00%**

Performance	Latest Month	Latest 3 Months	Year To Date	Latest 12 Months	3 Years Annualized	5 Years Annualized	Since 10/1/2003	Annualized Since 10/1/2003
Total Fund (Gross of fees)	-0.32%	1.23%	-0.51%	3.55%	13.47%	3.17%	51.77%	5.24%
Merrill Lynch Convertible Inv Grade	-1.43%	-0.08%	-2.55%	0.06%	12.73%	4.22%	46.23%	4.76%
ML Convt Inv Grade BDS (Inc Mandatory)	-1.47%	0.00%	-2.37%	0.23%	12.39%	-0.85%	19.99%	2.25%

Expressed in USD
Past performance is not indicative of future results.

MacKayShields

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THE NORTHERN TRUST COMPANY
801 S. CANAL
CHICAGO, IL. 60675
SECURITIES LENDING DIVISION C-1S

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD

BILLING DATE: 12/06/2011
BILLING PERIOD: 11/01/2011 - 11/30/2011

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: BYC03					
ACCOUNT NAME: BAYCO- BARINGS					
OPEN CASH	0.00	0.00	0.00	39.08	39.08
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	39.08	39.08
TOTAL REBATES	0.00	0.00	0.00	23.69-	23.69-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	62.77	62.77
BANK FEES	0.00	0.00	0.00	25.09	25.09
NET INCOME	0.00	0.00	0.00	37.68	37.68
ACCOUNT NUM.: 1799220					
ACCOUNT NAME: *TNT-LDN-BYC03-BAYCO-BARING-SL					
OPEN CASH	0.00	0.00	0.00	170.53	170.53
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	170.53	170.53
TOTAL REBATES	0.00	0.00	0.00	18.87-	18.87-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	189.40	189.40
BANK FEES	0.00	0.00	0.00	75.59	75.59
NET INCOME	0.00	0.00	0.00	113.81	113.81
ACCOUNT NUM.: 2608694					
ACCOUNT NAME: *BAYCO - COLUMBIA MANAGEMENT					
OPEN CASH	0.00	937.33	0.00	0.00	937.33
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	937.33	0.00	0.00	937.33
TOTAL REBATES	0.00	61.23-	0.00	0.00	61.23-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	998.56	0.00	0.00	998.56
BANK FEES	0.00	399.26	0.00	0.00	399.26
NET INCOME	0.00	599.30	0.00	0.00	599.30

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THE NORTHERN TRUST COMPANY

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2618668					
ACCOUNT NAME: *BAYCO - BAIRD -SL					
OPEN CASH	1,871.45	0.00	0.00	0.00	1,871.45
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,871.45	0.00	0.00	0.00	1,871.45
TOTAL REBATES	937.28	0.00	0.00	0.00	937.28
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	934.17	0.00	0.00	0.00	934.17
BANK FEES	373.56	0.00	0.00	0.00	373.56
NET INCOME	560.61	0.00	0.00	0.00	560.61
ACCOUNT NUM.: 2620611					
ACCOUNT NAME: *BAYCO - MARVIN & PALMER -SL					
OPEN CASH	0.00	675.49	0.00	22.17	697.66
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	675.49	0.00	22.17	697.66
TOTAL REBATES	0.00	49.93-	0.00	2.39-	52.32-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	725.42	0.00	24.56	749.98
BANK FEES	0.00	289.97	0.00	9.82	299.79
NET INCOME	0.00	435.45	0.00	14.74	450.19
ACCOUNT NUM.: 2622490					
ACCOUNT NAME: *BAYCO - MACKAY SHIELDS -SL					
OPEN CASH	495.54	201.70	0.00	0.00	697.24
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	495.54	201.70	0.00	0.00	697.24
TOTAL REBATES	666.62-	225.90-	0.00	0.00	892.52-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,162.16	427.60	0.00	0.00	1,589.76
BANK FEES	464.72	170.95	0.00	0.00	635.67
NET INCOME	697.44	256.65	0.00	0.00	954.09

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THE NORTHERN TRUST COMPANY

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2622536					
ACCOUNT NAME: *BAYCO - HOTCHKIS & WILEY -SL					
OPEN CASH	0.00	973.57	0.00	83.11	1,056.68
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	973.57	0.00	83.11	1,056.68
TOTAL REBATES	0.00	39.23-	0.00	5.70-	44.93-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,012.80	0.00	88.81	1,101.61
BANK FEES	0.00	403.52	0.00	35.42	438.94
NET INCOME	0.00	609.28	0.00	53.39	662.67
ACCOUNT NUM.: 2624493					
ACCOUNT NAME: *BAYCO - WENTWORTH -SL					
OPEN CASH	0.00	805.62	0.00	0.00	805.62
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	48.31	48.31
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	805.62	0.00	48.31	853.93
TOTAL REBATES	0.00	22.78-	0.00	0.00	22.78-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	828.40	0.00	48.31	876.71
BANK FEES	0.00	331.25	0.00	19.31	350.56
NET INCOME	0.00	497.15	0.00	29.00	526.15
ACCOUNT NUM.: 2629086					
ACCOUNT NAME: ZZ*BAYCO - BATTERYMARCH -SL					
OPEN CASH	0.00	0.00	0.00	0.00	0.00
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	0.00	0.00	0.00	0.00
TOTAL REBATES	0.00	0.00	0.00	0.00	0.00
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	0.00	0.00	0.00	0.00
BANK FEES	0.00	0.00	0.00	0.00	0.00
NET INCOME	0.00	0.00	0.00	0.00	0.00

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THE NORTHERN TRUST COMPANY

010000237 BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM SUMMARY EARNINGS STATEMENT CURRENCY: USD

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2639956					
ACCOUNT NAME: *BAYCO - DENVER INV ADV -SL					
OPEN CASH	0.00	1,082.12	0.00	52.44	1,134.56
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,082.12	0.00	52.44	1,134.56
TOTAL REBATES	0.00	2,195.70-	0.00	1.46-	2,197.16-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	3,277.82	0.00	53.90	3,331.72
BANK FEES	0.00	1,310.53	0.00	21.53	1,332.06
NET INCOME	0.00	1,967.29	0.00	32.37	1,999.66
ACCOUNT NUM.: 2641401					
ACCOUNT NAME: *BAYCO - LOOMIS SAYLES -SL					
OPEN CASH	1,126.19	0.00	124.22	0.00	1,250.41
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,126.19	0.00	124.22	0.00	1,250.41
TOTAL REBATES	92.86-	0.00	5.47-	0.00	98.33-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,219.05	0.00	129.69	0.00	1,348.74
BANK FEES	487.10	0.00	51.80	0.00	538.90
NET INCOME	731.95	0.00	77.89	0.00	809.84
ACCOUNT NUM.: 2653308					
ACCOUNT NAME: *BAYCO - INTEGRITY -SL					
OPEN CASH	0.00	1,112.40	0.00	68.49	1,180.89
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,112.40	0.00	68.49	1,180.89
TOTAL REBATES	0.00	75.38-	0.00	1.40-	76.78-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,187.78	0.00	69.89	1,257.67
BANK FEES	0.00	474.18	0.00	27.91	502.09
NET INCOME	0.00	713.60	0.00	41.98	755.58

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
ACCOUNT NUM.: 2663296					
ACCOUNT NAME: *BAYCO - CORNERSTONE REALES-SL					
OPEN CASH	0.00	1,160.07	0.00	0.00	1,160.07
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	1.65	0.00	0.00	1.65
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,161.72	0.00	0.00	1,161.72
TOTAL REBATES	0.00	87.53-	0.00	0.00	87.53-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,249.25	0.00	0.00	1,249.25
BANK FEES	0.00	498.52	0.00	0.00	498.52
NET INCOME	0.00	750.73	0.00	0.00	750.73
ACCOUNT NUM.: 2695063					
ACCOUNT NAME: *BAYCO - EAGLE ASSET -SL					
OPEN CASH	0.00	1,108.69	0.00	34.66	1,143.35
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.11	0.00	0.00	0.11
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,108.80	0.00	34.66	1,143.46
TOTAL REBATES	0.00	2,274.97-	0.00	0.24-	2,275.21-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	3,383.77	0.00	34.90	3,418.67
BANK FEES	0.00	1,351.17	0.00	13.88	1,365.05
NET INCOME	0.00	2,032.60	0.00	21.02	2,053.62
GRAND TOTAL					
OPEN CASH	3,493.18	8,056.99	124.22	470.48	12,144.87
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	1.76	0.00	48.31	50.07
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	3,493.18	8,058.75	124.22	518.79	12,194.94
TOTAL REBATES	177.80	5,032.65-	5.47-	53.75-	4,914.07-
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	3,315.38	13,091.40	129.69	572.54	17,109.01
BANK FEES	1,325.38	5,229.35	51.80	228.55	6,835.08
NET INCOME	1,990.00	7,862.05	77.89	343.99	10,273.93

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1/3/2012

REFUNDS: FOR THE MONTH ENDIND DECEMBER 31, 2011

RETIREE	CONTRIBUTIONS TRANSFERRED	DEPARTMENT	EFFECTIVE DATE
Wilson, Mary	9,523.44	D.O.A.	12/02/11
Anklam, Janice	15,897.09	DWS	12/17/11

DECEASED EMPLOYEE/ RETIREE	BENEFICIARY	REFUND/ PENSION	DATE/DEPARTMENT
Crete, Richard	N/A	Pension	12/02/11 BOC
Eager, Sue	Spouse	Pension	12/09/11 Comm. Ctr.
LeClair, William J.	Spouse	Pension	12/14/11 R/C

NO REFUNDS EMPLOYEE NAME	ACCUMULATED CONTRIBUTIONS	UNION GROUP	DATE TERMINATED
Smigiel, Tiffany	905.09	BMCF	11/23/2011

CANVASS OF VOTES CAST
AT THE
BAY COUNTY RETIREMENT SYSTEM BOARD ELECTION
GENERAL GROUP
AND BAY ARENAC BEHAVIORAL HEALTH EMPLOYEES
HELD ON
TUESDAY, DECEMBER 13, 2011

STATEMENT OF VOTES

The statement of votes polled in the two voting precincts of the Bay County Retirement Board Election, General Group, all Bay County employees and all Bay Arenac Behavioral Health employees, held on Tuesday, December 13, 2011 and filed with the County Clerk and this board having duly examined and considered said statement the whole number of votes given the office of Bay County Retirement Board Trustee, General Group, all Bay County employees and all Bay Arenac Behavioral Health employees were as follows:

RETIREMENT BOARD TRUSTEE, GENERAL GROUP, THREE (3) YEAR TERM

Total number of votes cast:	Seventy nine (79)
William Deaton received:	Forty (40)
Dave Engelhardt received:	Thirty nine (39)

William Deaton was declared elected Bay County Retirement Board Trustee, General Group, all Bay County employees and all Bay Arenac Behavioral Health employees excluding Bay Medical Care Facility, Road Commission, Department of Water and Sewer, Library & Sheriff Departments for a three (3) year term of office.

County of Bay
State of Michigan

We do hereby certify that the foregoing is a correct statement of votes cast at the Bay County Retirement Board Election, General Group, all Bay County employees and all Bay Arenac Behavioral Health employees, held on Tuesday, December 13, 2011.

We further certify that the Board of Election Inspectors at said Bay County Retirement Board Election, General Group, all Bay County employees and all Bay Arenac Behavioral Health employees, held on Tuesday, December 13, 2011, in its return certified that:

1. All Election Inspectors took the Constitutional Oath of Office before entering on the duties as a member of such board.

2. The polls of election were declared open at 8:00 a.m. and were kept open continuously until 4:00 p.m. on said Tuesday, December 13, 2011.

3. All members of the Bay County Retirement Board, General Group, all Bay County employees and all Bay Arenac Behavioral Health employees, held on Tuesday, December 13, 2011 who were eligible to vote were permitted to vote at the Bay County Retirement Board Election, General Group, all Bay County employees and all Bay Arenac Behavioral Health employees, held on Tuesday, December 13, 2011.

IN WITNESS WHEREOF, WE HAVE HEREUNTO set our hands and caused to Be affixed the seal of the Circuit Court for the County of Bay this 14th day of December 2011.

Mary Ida Doan

Mary Ida Doan, Tally Clerk

Arlene Stone

Arlene Stone, Tally Clerk

A TRUE COPY ATTEST:

Cynthia A. Luczak

Cynthia A. Luczak, Clerk of the
County of Bay, State of Michigan

WE THE UNDERSIGNED DO HEREBY CERTIFY THE ABOVE RESULTS TO BE A TRUE AND ACCURATE ACCOUNT OF THE ELECTION HELD ON TUESDAY DECEMBER 13, 2011.

Mary Ida Doan

Mary Ida Doan, Tally Clerk

Arlene Stone

Arlene Stone, Tally Clerk

DATED: December 14, 2011

A TRUE COPY ATTEST:

Cynthia A Luczak

Cynthia A. Luczak, Clerk of the County of Bay,
State of Michigan

NOTICE OF PUBLIC MEETINGS

THE BOARD OF TRUSTEES OF THE BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM, 515 CENTER AVENUE, 7TH FLOOR, BAY CITY, MICHIGAN 48708, PHONE NUMBER (989) 895-4030, HAS SCHEDULED REGULAR MEETINGS FOR **2012**. ALL MEETINGS WILL BE HELD AT **1:30 P.M.** IN THE **BOARD OF COMMISSIONERS CHAMBERS**, LOCATED IN THE BAY COUNTY BUILDING, 515 CENTER AVENUE, **4TH FLOOR**, BAY CITY, MI 48708.

JANUARY 10, 2012
FEBRUARY 14, 2012
MARCH 13, 2012
APRIL 10, 2012
MAY 8, 2012
JUNE 12, 2012
JULY 10, 2012
AUGUST 14, 2012
SEPTEMBER 11, 2012
OCTOBER 9, 2012
NOVEMBER 13, 2012
DECEMBER 11, 2012

12/15/2011
Date

Crystal Hebert
Crystal Hebert
Finance Officer/Secretary
Bay County Employees' Retirement System,
Board of Trustees

The County of Bay will provide reasonable and necessary auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered the meeting, to individuals with disabilities at the meeting/hearing upon ten days notice to the County of Bay. Individuals with disabilities requiring auxiliary aids or services should contact the County of Bay by calling or writing: Michael Gray, Executive Assistant, Office of the Bay County Executive, 515 Center Avenue, Bay City, MI 48708, (989) 895-4130 or (989) 895-4049. TDD

)anean Wright - Phlegar Joins MacKay Shields as CEO

'rom: Virginia Rose <Virginia.Rose@mackayshields.com>
'o: "wrightd@baycounty.net" <wrightd@baycounty.net>
)ate: 12/19/2011 1:55 PM
ubject: Phlegar Joins MacKay Shields as CEO

Jeffrey S. Phlegar Appointed CEO of MacKay Shields LLC

Lucille Protas Named President and Chief Operating Officer

EW YORK, December 15, 2011 – MacKay Shields LLC, a wholly-owned subsidiary of New York Life Investments, today announced at **Jeffrey S. Phlegar** has joined the organization as its new chief executive officer. He replaces acting-CEO Lucille Protas, who has een appointed president and chief operating officer of the firm.

eff brings to MacKay a wealth of fixed income knowledge along with a strong understanding of the global asset management isiness. His proven leadership, investment acumen, management experience and worldwide reputation in the asset management ena make him the right person to lead MacKay and to further develop its global footprint and product offering going forward," said ew Lawton, CEO of Traditional Investments at New York Life Investments.

ı 18 year veteran of AllianceBernstein, Phlegar most recently served as president of Special Opportunities and Advisory Services, sponsible for building a variety of new business initiatives, including the firm's new alternatives platform.

om 2004 through 2008, Phlegar co-led AllianceBernstein's fixed income division as executive vice president and chief investment icer. In this role, he was responsible for overseeing all aspects of the firm's fixed income business, including its client relationships orldwide, as well as the development and implementation of new products and successful strategies for distribution, servicing, and erations.

evious roles at AllianceBernstein included serving as Director of U.S. Fixed Income and Insurance, Director of Liquid Markets/MBS d portfolio manager for Taxable Fixed Income & Insurance. Prior to joining AllianceBernstein in 1993, Phlegar had portfolio manager sponsibilities at Equitable Capital Management and served as a fixed income product specialist at Dreyfus Corp.

legar received his Bachelor's of Business Administration from Hofstra University and his MBA from Adelphi University.

th Phlegar's arrival, former acting-CEO **Lucille Protas** has assumed the newly created position of president and chief operating cer of MacKay Shields LLC.

otas is a 37 year veteran of the firm. Her career began as an investment research assistant and she achieved increasing levels of ponsibility, being named treasurer in 1983, chief administrative officer in 1992 and chief operating officer in 2007.

cille's exemplary service during this transition period has enabled MacKay to continue its trajectory of growth. We are very thankful her leadership and dedication to MacKay for all of these many years, and for her continued contributions in the future," concluded vton.

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BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
BAY COUNTY BUILDING
515 CENTER AVENUE, SUITE 706
BAY CITY, MICHIGAN 48708-5128

BOARD OF TRUSTEES
Steven Gray
Chairperson
Richard Brzezinski
Ann Carpenter
Kim Coonan
William Deaton
Shari Peltier
Matthew Pett
Tom Ryder
Thomas Starkweather

THOMAS L. HICKNER
Bay County Executive

ADMINISTRATIVE STAFF
Sue Gansser
Danean Wright
(989) 895-4030
TDD (989) 895-4049
FAX (989) 895-4039

December 21, 2011

Ms. Beth Griper
Mackay Shields
9 West 57th Street
New York, NY 10019

Dear Beth:

There is a need for the Bay County Employees' Retirement System to rebalance its asset allocation therefore, I am requesting that Mackay Shields divest themselves of $1,000,000 (one-million dollars) and deposit said cash within the System's Short-Term Investment Fund Reserve account at The Northern Trust Company no later than Wednesday, December 28, 2011.

If you have any questions or concerns regarding the above, please contact me at (989) 895-4030.

Sincerely,

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

Crystal Hebert

Crystal Hebert
Finance Officer/Secretary

VIA E-MAIL -ORIGINAL TO BE SENT SURFACE MAIL

cc: Bay County Employees' Retirement System Board of Trustees
Richard Potter, Becker Burke Associates
Bernard Walsh, The Northern Trust Company
Danean Wright, Retirement Adminstrator/Accountant

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
BAY COUNTY BUILDING
515 CENTER AVENUE, SUITE 706
BAY CITY, MICHIGAN 48708-5128

THOMAS L. HICKNER
Bay County Executive

BOARD OF TRUSTEES
Steven Gray
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Matthew Pett
Tom Ryder
Thomas Starkweather

ADMINISTRATIVE STAFF
Sue Gansser
Danean Wright
(989) 895-4030
TDD (989) 895-4049
FAX (989) 895-4039

December 21, 2011

Mr. Jeff Coburn
Wentworth, Hauser, Violich
301 Battery St.
Suite 400
San Francisco, CA 94111

Dear Jeff:

There is a need for the Bay County Employees' Retirement System to rebalance its asset allocation therefore, I am requesting that Wentworth Hauser divest themselves of $700,000 (seven-hundred thousand dollars) and deposit said cash within the System's Short-Term Investment Fund Reserve account at The Northern Trust Company no later than Wednesday, December 28, 2011

If you have any questions or concerns regarding the above, please contact me at (989) 895-4043.

Sincerely,

Crystal Hebert

Crystal Hebert
Finance Officer/Secretary

VIA E-MAIL -ORIGINAL TO BE SENT SURFACE MAIL

cc: Bay County Employees' Retirement System Board of Trustees
Richard Potter, Becker Burke Associates
Bernard Walsh, The Northern Trust Company
Danean Wright, Retirement Administrator/Accountant

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
BAY COUNTY BUILDING
515 CENTER AVENUE, SUITE 706
BAY CITY, MICHIGAN 48708-5128

THOMAS L. HICKNER
Bay County Executive

BOARD OF TRUSTEES
Steven Gray
Chairperson
Richard Brzezinski
Ann Carpenter
Kim Coonan
William Deaton
Shari Peltier
Matthew Pett
Tom Ryder
Thomas Starkweather

December 21, 2011

ADMINISTRATIVE STAFF
Sue Gansser
Danean Wright
(989) 895-4030
TDD (989) 895-4049
FAX (989) 895-4039

Ms. Anna Marie Lopez
Hotchkis & Wiley
725 S. Figueroa St. - 39th Floor
Los Angeles, CA 90017

Dear Anna Marie:

There is a need for the Bay County Employees' Retirement System to rebalance its asset allocation therefore, I am requesting that Hotchkis & Wiley divest themselves of $300,000 (three hundred thousand) and deposit said cash within the System's Short-Term Investment Fund Reserve account at The Northern Trust Company no later than Wednesday, December 28, 2011.

If you have any questions or concerns regarding the above, please contact me at (989) 895-4030.

Sincerely,

Crystal Hebert

Crystal Hebert
Finance Officer/Secretary

VIA E-MAIL -ORIGINAL TO BE SENT SURFACE MAIL

cc: Bay County Employees' Retirement System Board of Trustees
Richard Potter, Becker Burke Associates
Bernard Walsh, The Northern Trust Company
Danean Wright, Retirement Administrator/Accountant

PURCHASE OF OTHER GOVERNMENTAL SERVICE

EMPLOYEE NAME: Marie Hayes

DEPARTMENT	Housing Commission
JOB TITLE	Director
DATE APPROVED BY BOARD OF COMMISSIONERS	DECEMBER 13, 2011
RESOLUTION NUMBER	2011-231
OTHER GOVERNMENT SERVICE TIME BEING PURCHASED	FROM: January 2, 1992 TO: December 31, 1992
CERTIFICATION OF EMPLOYMENT AND WAGES OF OTHER GOVERNMENTAL UNIT ON FILE?	YES
DOES APPLICANT HAVE MINIMUM OF 8 YEARS SERVICE CREDIT IN BAY COUNTY EMPLOYEE RETIREMENT SYSTEM?	YES
AFFIDAVIT ON FILE DECLARING INELIGIBILITY TO DRAW OR USE THIS SERVICE TIME IN ANOTHER CAPACITY?	YES
YEARS AND MONTHS OF OTHER GOVERNMENT SERVICE TIME BEING PURCHASED:	ONE YEAR
AMOUNT DUE RETIREMENT SYSTEM	$4,763.65
PAYMENT MUST BE COMPLETED BY:	DECEMBER 13, 2012

Prepared By: Danean Wright, Retirement Administrator/accountant, January 3, 2012

G\Retirement\RetMisc\Governmental Service - Request to Purchase

One Day SEMINAR SERIES

Michigan Association of Public Employee Retirement Systems

MAPERS, Mesirow Investment Management and ULLICO Inc. Present a One Day Seminar
Friday, February 3, 2012 • The Henry Hotel • Dearborn, Michigan

7:45-8:30 am
Registration and Continental Breakfast

8:30-8:45 am
Welcoming Remarks by MAPERS President, James E. Haddad

8:45-9:30 am
Josh Daitch, Senior Managing Director, Mesirow Financial Institutional Real Estate Multi-Manager
Real Estate in an Institutional Portfolio – We will discuss real estate within an institutional investment portfolio and different options for accessing the asset class. We will discuss different strategies (Core, Value-Added and Opportunistic) and methods of investing (Direct, REITs, Direct Funds, Fund of Funds). We will cover the pros and cons of each and discuss the current global real estate market environment.

9:30-10:15 am
Tom Macina, President, Mesirow Advanced Strategies, Inc
Hedge Funds: A Useful Tool in Pension Portfolio Management—We will discuss the benefits of using hedge funds to address the pension funding gap. We will discuss broad challenges in the pension plan system, some of the market based impacts over the past decade, and introduce hedge funds as a viable tool to address some of those issues. We will try to address and dispel some common misconceptions about the risk of hedge funds, while outlining how we mitigate actual risks as we see them.

10:15-10:30 am Break

10:30-11:15 am
Mesirow Financial speaker TBA

11:15-12:00 pm
Ullico speaker TBA

12:00-1:00 pm
Luncheon

1:00-1:30 pm
MAPERS Legislative Update
Ellen Hoekstra, Capitol Services, Inc. and Michael VanOverbeke, VanOverbeke, Michaud & Timmony, PC

1:30-2:15 pm
William K. Cavanagh, Jr., President, Ullico Investment Co., Vice President, Sales, Ullico, Inc.
Fiduciary Liability Insurance: What is it and why do you need it?—We will discuss how heightened scrutiny of Trustee actions by potential plaintiffs places Trustee personal assets at risk.

2:15-2:30 pm Break

2:30-3:15 pm
Sonia M. Axter, Vice President, Infrastructure Investments
Investing in Infrastructure—We will discuss how market factors are driving procurement methods for infrastructure, which lead to increased opportunities for pension fund access to US infrastructure assets; and how investment in infrastructure creates direct and indirect jobs and positive social, environmental and economic impacts.

3:15-4:00 pm
TBA Speaker and Closing Remarks

Watch the MAPERS website for updates to this agenda

Watch our website for updates to this agenda. Participants will receive 5.75 hours towards MAP Certification.

Location:

The Henry, An Autograph Collection Hotel
Fairlane Plaza,
300 Town Center Drive,
Dearborn, MI 48126-2712
Phone: (313) 441-2000

Room rate is $139.00, reference Michigan Association of Public Employee Retirement Systems/MAPERS when calling.

Valet and Self-Parking are available at the hotel,

Driving Directions from DTW and the West:
Take I-94 East to Southfield Freeway North, to Michigan Ave (Exit 6), do not take Michigan Ave East or West- stay on the Service Drive to the first light which is Hubbard Drive, make a Left- The Henry Hotel is located on the corner of Hubbard Drive and the Southfield Freeway service drive.

Driving Directions from the North:
Take M-39 South / Southfield Fwy to exit 7, take ramp right for Southfield Fwy toward Ford Road. Turn right onto Hubbard Drive. Make a U-turn to stay on Hubbard Drive and bear right onto Beechtree Lane. Make a left onto Town Center Drive. The Henry is located on your left as you drive around the mall.

MAPERS
Michigan Association of Public Employee Retirement Systems
525 E. Michigan Ave. #409
Saline, Michigan 48176

One Day SEMINAR SERIES

Registration Form

Name: _____ Preferred First Name for Badge: _____

System/Company Name: _____

Preferred Address: ☐ Home ☐ Work Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ Email: _____

I have special dietary requests: _____

Payment Information:

☐ I am paying by check: _____

☐ I am paying by credit card: ☐ Visa ☐ Mastercard ☐ AMEX

Registration Fees (please register by 2/1/12
$60.00 System/Affiliate Members ($75 after 2/1/12)
$100.00 - Corporate Members ($125 after 2/1/12)

Card Number: _____ Expiration Date: _____ CCV: _____

Name on Card and Signature: _____

Please make checks payable to: MAPERS and return by February 1, 2012 MAPERS is located at: 525 E. Michigan Ave. #409, Saline, Michigan 48176, Phone: 734-944-1144 or 800-475-4200, Fax: 734-944-1145, E-mail: info@mapers.org. *Cancellations received less than 48 hours prior to the event will not be refunded. You may transfer your registration to another person in your Plan/Company. Refunds will be granted for cancellations received before February 1, 2012 There will be no refunds for cancellations received after this date.

GRS

Gabriel Roeder Smith & Company
Consultants & Actuaries

One Towne Square
Suite 800
Southfield, MI 48076-3723

248.799.9000 phone
248.799.9020 fax
www.gabrielroeder.com

December 28, 2011

Ms. Danean Wright
Bay County Employees' Retirement System
515 Center Avenue
Suite 706
Bay City, Michigan 48708

Re: Proposed Fees for the December 31, 2011 Actuarial Valuation of the Bay County Employees' Retirement System

Dear Ms. Wright:

We have prepared this engagement letter describing the scope and fees for preparing an annual actuarial valuation of the above referenced plan as of December 31, 2011.

SCOPE OF WORK TO BE PERFORMED

Gabriel, Roeder, Smith & Company (GRS) will prepare an actuarial valuation of the above referenced plan and calculate the contribution requirement for the plan. In addition, similar to past practice we will include the information required by GASB Statement No. 25 in our valuation report.

Our fees will also include one meeting with the Retirement Board and up to 25 benefit computations. Additional benefit computations will be billed as indicated on the following page.

At your request, we can discuss any changes to the format of the report. Relatively straight-forward changes will not impact the fee estimate.

PROFESSIONAL CONSULTING FEES

Gabriel, Roeder, Smith & Company's consulting fees are based on the time spent by our associates in performing the services for you. The following table illustrates our proposed fees for the actuarial valuation:

Item	Proposed Fees
Regular valuation: - Annual valuation - GASB Statement No. 25 accounting information - 25 benefit calculations	$29,500 – $32,000

The estimates on the previous page assume the following:

- We will receive clean and complete information (demographic data and financial information).
- There will be only minor changes in the plan provisions since the last valuation.
- The contribution requirement is calculated once for each of the seven groups.
- There are no significant changes to the format of the report since the last valuation.

Benefit calculations in excess of the 25 will be billed separately at $180 per case.

Work related to special projects is not included in this fee quote. We can prepare separate fee quotes for special projects in advance at your request. Examples of special projects would be proposal work for union negotiations, individual benefit statements, EDRO calculations, etc.

During the course of our engagement, we will advise you promptly if, as a result of unforeseen circumstances, our fees will exceed this estimate. However, we think it is highly likely that our fees will be in accordance with the estimates.

INVOICING PROCEDURES

GRS will invoice the Bay County Employees' Retirement System based on the following schedule (each of the first three quarterly invoices will be equal to $7,375):

	Invoice Schedule
First Quarterly Invoice:	March 2012
Second Quarterly Invoice:	June 2012
Third Quarterly Invoice:	September 2012
Remainder:	Upon completion of the valuation

GRS may invoice for the entire valuation upon completion of the project if the project is completed earlier during 2012.

Gabriel, Roeder, Smith & Company appreciates the opportunity to be of service to you. If you have any questions, please do not hesitate to call me at 248-799-9000, ext. 1162.

Sincerely,

Mark Buis

Mark Buis, FSA, MAAA
Consulting Actuary

MB:bd

cc: Shana Neeson, GRS

(22) *"General Medical Care Facility Group"* means all other employees of the Bay County Medical Care Facility.

(23) *"Behavioral Health AFSCME. Group"* means all employees of the Bay Arenac Behavioral Health Authority who are members of the American Federation of State, County and Municipal Employees.

(24) *"Behavioral Health General Group"* means all other employees of the Bay Arenac Behavioral Health Authority.

(25) *"Road Commission AFSCME Local 1096 Group"* means all employees of the Bay County Road Commission who are members of the American Federation of State, County and Municipal Employees Local 1096.

(26) *"Road Commission Class 1 Supervisory and Administrative Employees Group"* means all employees of the Bay County Road Commission who are members of the Class I Supervisory and Administrative Employees Group.

(27) *"Sheriff's Deputies Supervisory Unit POLC Group"* means all employees who are represented by the Police Officers Labor Council.

(28) *"Water and Sewer UWUA Local 546 Group"* means all employees of the Bay County Water and Sewer Department who are members of the Utility Workers Union of America Local 546.

(29) *"Water and Sewer General Group"* means all other employees of the Bay County Water and Sewer Department.

(30) *"ICEA/PERA Managing Librarians #612"* means all employees of the Bay County Library System who are members of the Ingham County Employees Association/Public Employees Representative Association Local 612.

(31) *"ICEA/PERA Managing Librarians #1203"* means all employees of the Bay County Library System who are members of the Ingham County Employees Association/Public Employees Representative Association Local 1203.

(Res. No. 99-307, adopt. 11-9-99; Res. No. 2002-237, adopt. 10-8-02; Res. 2003-21, adopt. 2-4-03; Res. No. 2010-143, adopt. 7-13-10)

4.005 Definitions.

Sec. 5.

(a) *"Accumulated member contributions"* means the balance in a member's individual account in the reserve for member contributions and regular interest that has been credited to the member's account annually as prescribed by the Board.

(b) *"Actuarial Equivalent"* means two (2) or more amounts which have the same actuarial present value. Actuarial equivalency shall be determined by using a 7% annual interest rate, compounded annually, and a unisex blend of the male and female rates from the 1971 Group Annuity Mortality Table, projected to 1984 with ages set back two (2) years. For early retirement, the blended table is made up of 25% of the male rates and 75% of the female rates. For all other purposes, the blended table is made up of 75% of the male rates and 25% of the female rates.

(c) *"Board"* means the Board of Trustees as provided in Section 8 [Section 4.008] of this Ordinance for the management and administration of the Retirement System.

(d) *"Compensation"* means the salary or wages paid an employee for service rendered to the County while a member of the Retirement System. Salary and wages shall

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Internal Revenue Code;

(2) immediate participation; and

(3) full and immediate vesting; and

(ii) leased employees do not constitute more than 20% of the County's nonhighly compensated workforce.

Contributions or benefits provided to a leased employee by the leasing organization which are attributable to services performed for the County shall be treated as provided by the County.

(i) *"Excluded position"* means a position of employment described in Section 26 [Section 4.026], which excludes an employee from membership in the Retirement System.

(Amend. adopted 2-4-98; Res. No. 2002-12, adopt. 2-5-02; Res. No. 2002-237, adopt. 10-8-02; Res. No. 2003-21, adopt. 2-4-03; Res. No. 2005-119, adopt. 7-12-05; Res. No. 2010-211, adopt. 10-12-10)

4.006 Definitions.

Sec. 6.

(a) *"Final average compensation"* means the average of the annual compensation paid to a member during any five years of credited service producing the highest average if the member has at least five years of credited service. If the member has less than five years of credited service, final average compensation means the aggregate amount of compensation paid to the member divided by the member's years and fractions of a year of credited service.

(b) *"Included position"* means a position of employment as described in Section 26 [Section 4.026].

(c) *"Member"* means an employee who is employed in an included position as described in Section 26 [Section 4.026].

(d) *"Refund Beneficiary"* means a person designated by the member to receive any accumulated member contributions under Section 25 and/or Section 52 [Section 4.025 and/or Section 4.052] of this Ordinance.

(e) *"Retirement Benefit(s)"* means an annual benefit payment, paid monthly, to a retirant or beneficiary by the Retirement System for a temporary period or throughout the future life of a retirant member and/or beneficiary.

(f) *"Regular Interest"* shall mean rate or rates of interest per annum, compounded annually, which the Board shall adopt annually.

4.007 Definitions.

Sec. 7.

(a) *"Retirant"* means a person who retired with a retirement allowance payable from the reserves of the Retirement System.

(b) *"Retirement System"* means the Bay County Employees' Retirement System as established by this Ordinance.

(c) *"Service"* means personal service performed for the County by a member of the Retirement System or any service credited by a specific Board resolution consistent with applicable law. Service does not include Sickness and Accident leave.

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(b) The Board of Commissioners shall cause to be prepared an annual report for each fiscal year within 180 days of the close of each fiscal year. The annual report shall contain information about the financial and other activities of the Retirement System during the fiscal year.

(c) The Board shall cause to be prepared an annual actuarial report for each fiscal year. The actuarial report shall contain information about the actuarial experience of the Retirement System during the fiscal year. A copy of the actuarial report shall be furnished to the Bay County Board of Commissioners annually.

(d) The Board shall furnish the Bay County Board of Commissioners with other information about the Retirement System as requested.

4.014 Board of Trustees investment authority; restrictions.

Sec. 14.

(a) The Board are the trustees of the assets of the Retirement System.

(b) The Board shall have the authority and power to invest and re-invest the assets of the Retirement System subject to all terms, conditions, limitations and restrictions of an investment policy adopted by the Board subject to the provisions of Act 314 of the Public Acts of 1965, as amended, being MCLA 38.1132 to 38.1140(l) and the standard of care set forth in MCLA 38.1133(2) and (3).

4.015 Board of Trustees--Use of assets; prohibited actions.

Sec. 15.

(a) All assets of the Retirement System shall be held and invested for the sole purpose of meeting legitimate obligations of the Retirement System as established by this Ordinance and shall be used for no other purpose.

(b) Members of the Board and employees who assist in the administration of the Retirement System are prohibited from:

(i) Having a beneficial interest, direct or indirect, in an investment of the Retirement System;

(ii) Borrowing money or assets of the Retirement System;

(iii) Receiving any payment from any individual or organization providing service to the Retirement System, other than compensation for personal services or reimbursement of authorized expenses paid by the Retirement System.

4.016 Board of Trustees--Experience tables; regular interest.

Sec. 16. The Board shall from time to time adopt mortality and other tables of actuarial experience, and a rate or rates of regular interest, that are necessary to manage the Retirement System on a sound actuarial basis.

4.017 Retirement system; reserve for member contributions.

Sec. 17.

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Below is tentative meeting dates for the Spring and Fall Meetings (need one day for Spring and one day for Fall). Per the discussions at previous Board Meetings to have presentations made by 4 to 5 money managers who are not on watch. Please review your calendars prior to the meeting to see what dates will work in your schedule.

Spring Dates:

Tuesday, March 27th

Wednesday, March 28th

Tuesday, April 3rd

Wednesday, April 4th

Fall Dates:

Tuesday, September 18th

Wednesday, September 19th

Tuesday, September 25th

Wednesday, September 26th