

DEPARTMENT OF CORPORATION COUNSEL

BAY COUNTY

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To: Chair Steve Gray and the Bay County
Employees' Retirement System

From: Corporation Counsel Martha P. Fitzhugh *mf*

Re: Review of Investment Manager Contracts

Date: October 4, 2012

Thank you for yesterday's opportunity to discuss BCERS' need for greater timeliness with regard to legal review of contracts for newly selected investment managers. This is an area where closer attention is needed on my part.

Through our discussions, I believe that I now better understand BCERS' special needs due to the importance of maintaining investment gains during current economic conditions. This will increase the number of contracts submitted for legal review compared to past years, and after some thought, I believe that a procedural change and more efficient routing on my part will result in processing within the 4-6 week time frame you described. In fact, I believe that 4 weeks may be adequate.

The procedural change I am recommending is to provide a few of our standard terms to new investment managers which they can write into the first contract they present to BCERS for legal review. These standard terms can be sent at the time the new manager is informed of its selection.

In addition, the bid documents could specify that the investment firm is selected contingent upon finalizing a contract within 30 days with BCERS, which would increase the motivation of the firm selected. The Bay County Finance Department uses this clause in general bids.

After the next 2 contract reviews, I will send a letter summarizing the days required for completion and we could meet to discuss this again. Please feel free to contact me with further concerns.

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To: Chair Steve Gray and the Bay County
Employees' Retirement System

From: Corporation Counsel Martha P. Fitzhugh *MF*

Re: Review of Language for Evaluating Disability
Retirement Language

Date: October 4, 2012

During our recent meeting, you suggested that BCERS consider changing its policy regarding review of those applicants for disability retirements.

In fact, this topic has been a matter of interest to past BCERS boards and before Sue Gansser's retirement, a preliminary meeting occurred for this purpose although the project was not completed.

Because of your interest, during the next month Danean Wright, and other pertinent staff will begin a review for development of a recommendation to the BCERS.

If BCERS board members wish to participate, please let me know the designee(s).

County Executive Tom Hickner is interested in following up on your concerns. Other staff to be invited would include Medical Director Dr. Herrick and Personnel Director Tim Quinn.

Please contact me if you have further comments.

cc: County Executive Tom Hickner