

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

AGENDA

TUESDAY, JANUARY 10, 2012

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

FINANCE DEPARTMENT LARGE CONFERENCE ROOM

515 CENTER AVENUE - 7TH 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
	1.	DECEMBER 13, 2011 - TO BE PROVIDED AT NEXT MEETING
	V.	PUBLIC INPUT
	VI.	PETITIONS & COMMUNICATIONS
1 - 2	A.	PORTFOLIO VALUE 1/1/12 - 1/4/12
	B.	NOTICE OF PUBLIC MEETING (receive)
3	1.	2012 MEETING SCHEDULE
	C.	GABRIEL ROEDER SMITH & COMPANY (VEBA VALUATION IS COMPLETED EVERY TWO YEARS)
4 - 6	1.	PROPOSED FEES IN 2012 FOR 12/31/11 VALUATION: \$21,100 - 28,800 (PROPOSED FEES IN 2010 FOR 12/31/09 VALUATION \$19,800 - 27,600)
	VII.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, FEBRUARY 14, 2012 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING @ APPROX. 2:30 P.M. - COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4TH FLOOR, BAY CITY, MI 48708
	VIII.	UNFINISHED BUSINESS
	IX.	NEW BUSINESS
	X.	MISCELLANEOUS BUSINESS
	XI.	ADJOURNMENT

◆ Mgr Mix VEBA

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-VEBA CASH 2611831	0.00 0.00%	40,002.05 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	40,002.05 0.14%
BAYCO - VEBA DODGE & COX BAL 2613001	0.00 0.00%	0.07 0.00%	16,700,590.73 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	16,700,590.80 59.57%
BAYCO - VEBA ATALANTA SOSNOFF 2646670	0.00 0.00%	177,525.37 1.57%	7,074,673.83 62.65%	4,040,390.28 35.78%	0.00 0.00%	0.00 0.00%	11,292,589.48 40.26%
Total for consolidation	0.00	217,527.49	23,775,264.56	4,040,390.28	0.00	0.00	28,033,182.33
% for consolidation	0.00%	0.78%	84.81%	14.41%	0.00%	0.00%	100.00%

VEBA PORTFOLIO VALUE

DODGE & COX CASH TOTAL

2010

JAN	12,100,888.44	105,522.40	10,584,016.91	22,790,427.75
FEB	12,337,748.85	127,194.75	10,902,240.56	23,367,184.16
MARCH	13,054,743.31	826,655.02	11,327,907.01	25,209,305.34
APRIL	13,991,588.85	244,134.22	11,358,311.61	25,594,034.68
MAY	13,222,769.10	141,086.32	10,679,294.83	24,043,150.25
JUNE	12,809,573.46	125,391.14	10,257,371.77	23,192,336.37
JULY	13,587,649.86	145,077.38	10,694,615.84	24,427,343.08
AUG	13,124,702.33	73,270.04	10,297,435.85	23,495,408.22
SEPT	14,114,246.44	68,829.93	10,930,245.09	25,113,321.46
OCT	14,577,087.64	235,229.40	11,314,209.87	26,126,526.91
NOV	14,475,844.80	285,665.83	11,307,156.37	26,068,667.00
DEC	15,542,608.55	48,361.72	11,636,968.32	27,227,938.59

DODGE & COX CASH ATALANTA TOTAL
SOSNOFF

2011

JAN	15,922,942.49	300,739.41	11,793,776.01	28,017,457.91
FEB	16,667,670.02	581,913.36	11,986,233.04	29,235,816.42
MARCH	17,123,304.53	121,095.35	12,011,362.73	29,255,762.61
APRIL	17,675,739.11	98,063.83	12,154,202.79	29,928,005.73
MAY	17,726,476.07	212,246.98	12,036,752.17	29,975,475.22
JUNE	17,547,728.26	1,485.83	11,875,396.11	29,424,610.20
JULY	17,060,888.70	70,134.43	11,801,134.06	28,932,157.19
AUG	16,187,340.87	43,385.81	11,169,054.28	27,399,780.96
SEPT	15,063,812.72	61,454.03	10,496,973.57	25,622,240.32
OCT	16,399,592.83	89,000.37	11,196,449.88	27,685,043.08
NOV	16,237,039.28	40,026.86	11,097,347.05	27,374,413.19
DEC	16,409,981.39	65,446.74	11,130,235.36	27,605,663.49

NOTICE OF PUBLIC MEETINGS

THE BOARD OF TRUSTEES OF THE BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (V.E.B.A.), 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 APPROXIMATELY 2:30 P.M., FOLLOWING THE BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM MEETING, 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



December 28, 2011

Ms. Danean Wright
Staff Accountant
Bay County
515 Center Avenue, Suite 706
Bay City, Michigan 48708-5128

**Re: Proposed Fees for the December 31, 2011 Actuarial Valuation of the
Bay County Retiree Health Plan**

Dear Ms. Wright:

As requested, we have prepared an engagement letter describing the scope and fees for preparing an actuarial valuation as of December 31, 2011 of the post-retirement health care benefits provided to Bay County employees.

SCOPE OF WORK TO BE PERFORMED

Gabriel, Roeder, Smith & Company will prepare an actuarial valuation of the post-retirement health care benefits as of December 31, 2011.

The actuarial valuation would incorporate the following:

- Determination of liability for future benefits and the Annual Required Contribution (ARC).
- Cash-flow projections for the next twenty (20) years showing year-by-year anticipated payments.
- Sensitivity testing, including "what-if" scenarios, illustrating how the reported costs would change under different future medical inflation assumptions.
- Detailed analysis of claims and trend rates in order to develop the most appropriate assumptions.

Please note this study is fully compliant with the Actuarial Standards of Practice and with GASB Statements No. 43 and 45. Our report will show the Annual Required Contribution (ARC) for the fiscal year beginning January 1, 2012 and for the fiscal year beginning January 1, 2013.

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 estimated fees for the project:

Item	Proposed Fee
Claims analysis (assumes the plan remains self-insured)	\$7,000 – \$10,000
Regular actuarial valuation including gathering of demographic information, claims information and financial information, report preparation and one meeting to present results	\$9,400 – \$12,000
Sensitivity analysis	\$2,000 – \$3,000
Cash-flow projections	\$1,400 – \$2,500
Additional fee for each additional group requiring separate costing (including valuation costs, sensitivity analysis and cash-flow projections for each additional group)	\$1,300

We will calculate and present the contribution rates for the following seven groups separately: General County, Medical Care Facility, Sheriff's Department, Road Commission, Department of Water and Sewer, Library, and Behavioral Health. Please let us know if you would like us to present the contribution rates in a different manner.

The above fees assume the following:

- We will receive clean and complete information (demographic data, claims information and financial information).
- The benefits provided are relatively straightforward and there are no more than 6 post-retirement health care plans offered.

During the course of our engagement, we will advise you promptly if, as a result of unforeseen circumstances, our fees will exceed the above estimates.

Ms. Danean Wright
December 28, 2011
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PROJECT TIMING

Once our fees are approved, we will discuss timing with you.

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, FSA
Consulting Actuary

MB:bd

cc: Shana Neeson - GRS

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