

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
AGENDA

TUESDAY, DECEMBER 11, 2012

(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. NOVEMBER 13, 2012 REGULAR MEETING
	IV. PUBLIC INPUT
	A. DODGE & COX - (LARGE CAP EQUITY)
	1. MATTHEW BECK - VIA CONFERENCE CALL FROM SAN FRANCISCO, CALIFORNIA
4 - 5	B. PORTFOLIO VALUE 1/1/12 - 12/5/12
6	C. NOTICE OF PUBLIC MEETINGS - 2013
	D. DISCUSSION OF ASSET ALLOCATION FOR VEBA FUND
	V. ANNOUNCEMENTS
	A. NEXT REGULAR MEETING - TUESDAY, JANUARY 8, 2013 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING @ 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

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The meeting, held in the Bay County Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan, was called to order by Chairman, Steve Gray at 2:23 P.M. Roll call was taken. All trustees are present except Mr. Brzezinski and Mr. Pett.

1. Moved, supported and carried to excuse Trustees Brzezinski and Pett.
2. Moved, supported and carried to approve the minutes, as printed, from October 9, 2012, regular meeting.

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

Mr. Richard Potter, Consultant with Becker, Burke Associates from Chicago, Illinois gives the performance report for the quarter ending September 30, 2012. A copy of his report was provided to all Trustees.

Total value of the assets at the end of September are \$30,853 million. Of that amount \$16.4 million in equities, and \$14.1 in fixed income, and \$262 thousand in cash. Just about six months ago we put in place a new structure with specialized managers rather than balanced funds as we had before.

Atalanta Sosnoff is a large cap equity specialist, Lord Abbett is mid cap, Dodge & Cox is large cap value, and C.S.McKee a bond manager. Atalanta Sosnoff made 7.1% for the quarter, and was in the top 24th percentile, and had two quarters in the top 41st percentile. Dodge and Cox had a very strong quarter at 8.2% and in the top 11th percentile. At the two quarter basis they are 5.0% and top 8th percentile. Lord Abbett made 5% which was below average for the quarter, and they were below average for two quarters. This market environment has not favored small-medium cap investors. CS McKee is a bond manager. For the quarter they are in the top quarter, and for two quarters they ranked in the top third. This is a good start to the new program.

Mr. Potter answered questions from the Board and concluded his presentation.

3. Moved, supported and carried to receive the quarterly report from Becker, Burke Associates ending September 30, 2012.
4. Moved, supported and carried to receive the Portfolio Value from 1/1/12 through 11/7/12. The value today is \$30 million.
5. Moved, supported and carried to receive the portfolio report from Atalanta Sosnoff for the period ending September 30, 2012.

ANNOUNCEMENTS:

- A. Next regularly scheduled meeting will be Tuesday, December 11, 2012 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.

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UNFINISHED BUSINESS: None

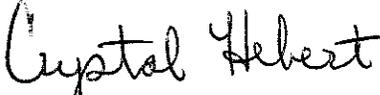
NEW BUSINESS: None

MISCELLANEOUS BUSINESS: None

ADJOURNMENT:

6. Moved, supported and carried to adjourn the meeting.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Naomi Wallace

MEETING OF THE V.E.B.A. BOARD OF TRUSTEES COMMITTEE
NOVEMBER 13, 2012

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 2.23 P.M.

OTHER PRESENT: RICK POTTER, DANEAN WRIGHT, CRYSTAL HEBERT

TRUSTEE	1	2	3	4	5	6	7	8	9	10
BRZEZINSKI	E	E	E	E	E	E				
CARPENTER	Y	Y	Y	S	Y	Y				
COONAN	Y	Y	Y	Y	Y	M				
DEATON	S	Y	S	M	S	Y				
GRAY	Y	Y	Y	Y	Y	Y				
PELTIER	Y	Y	Y	Y	Y	Y				
PETT	E	E	E	E	E	E				
RYDER	Y	M	Y	Y	Y	S				
STARKWEATHER	Y	S	M	Y	M	Y				

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

VEBA PORTFOLIO VALUE

	<u>DODGE & COX</u>	<u>CASH</u>	<u>ATALANTA SOSNOFF</u>	<u>LORD ABBETT</u>	<u>CS MCKEE</u>	<u>TOTAL</u>
2011						
JAN	15,922,942.49	300,739.41	11,793,776.01	0.00	0.00	28,017,457.91
FEB	16,667,670.02	581,913.36	11,986,233.04	0.00	0.00	29,235,816.42
MARCH	17,123,304.53	121,095.35	12,011,362.73	0.00	0.00	29,255,762.61
APRIL	17,675,739.11	98,063.83	12,154,202.79	0.00	0.00	29,928,005.73
MAY	17,726,476.07	212,246.98	12,036,752.17	0.00	0.00	29,975,475.22
JUNE	17,547,728.26	1,485.83	11,875,396.11	0.00	0.00	29,424,610.20
JULY	17,060,888.70	70,134.43	11,801,134.06	0.00	0.00	28,932,157.19
AUG	16,187,340.87	43,385.81	11,169,054.28	0.00	0.00	27,399,780.96
SEPT	15,063,812.72	61,454.03	10,496,973.57	0.00	0.00	25,622,240.32
OCT	16,399,592.83	89,000.37	11,196,449.88	0.00	0.00	27,685,043.08
NOV	16,237,039.28	40,026.86	11,097,347.05	0.00	0.00	27,374,413.19
DEC	16,409,981.39	65,446.74	11,130,235.36	0.00	0.00	27,605,663.49

	<u>DODGE & COX</u>	<u>CASH</u>	<u>ATALANTA SOSNOFF</u>	<u>LORD ABBETT</u>	<u>CS MCKEE</u>	<u>TOTAL</u>
2012						
JAN	4,744,381.74	23,341.91	4,774,929.28	5,782,203.49	13,556,991.23	28,881,847.65
FEB	4,957,686.81	141,703.43	5,003,798.19	5,958,731.82	13,575,896.75	29,637,817.00
MARCH	5,085,201.22	156,067.52	5,169,110.21	6,012,771.11	13,509,994.85	29,933,144.91
APRIL	5,991,155.39	186,068.57	5,127,801.08	5,023,538.22	13,645,204.77	29,973,768.03
MAY	4,670,417.74	207,434.25	4,752,087.80	5,468,775.64	13,750,484.96	28,849,200.39
JUNE	4,944,848.31	218,278.51	4,926,255.06	5,620,085.64	13,816,486.70	29,525,954.22
JULY	5,023,826.66	237,546.65	4,973,210.73	5,558,841.11	13,958,821.07	29,752,246.22
AUG	5,169,289.62	240,122.51	5,109,739.12	5,738,972.06	13,987,861.42	30,245,984.73
SEPT	5,324,980.74	262,359.53	5,263,322.60	5,850,653.25	14,149,694.74	30,851,010.86
OCT	5,292,298.41	293,624.23	5,171,534.01	5,847,050.63	14,060,815.46	30,665,322.74
NOV	5,332,143.99	318,414.45	5,929,910.87	5,216,474.90	14,100,074.44	30,897,018.65
DEC						

◆ 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%	318,414.90 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	318,414.90 1.03%
BAYCO - VEBA DODGE & COX BAL 2613001	0.00 0.00%	0.07 0.00%	5,348,708.93 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	5,348,709.00 17.33%
BAYCO-VEBA GS MCKEE 2643882	0.00 0.00%	758,245.85 5.37%	0.00 0.00%	13,358,135.90 94.65%	0.00 0.00%	-3,121.17 -0.02%	14,113,260.58 45.73%
BAYCO VEBA LORD ABBOTT FD 2643880	0.00 0.00%	0.00 0.00%	5,904,692.54 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	5,904,692.54 19.13%
BAYCO - VEBA ATALANTA SOSNOFF 2646670	0.00 0.00%	128,348.77 2.48%	5,049,986.48 97.52%	0.00 0.00%	0.00 0.00%	0.00 0.00%	5,178,335.25 16.78%
Total for consolidation	0.00	1,205,009.59	16,303,387.95	13,358,135.90	0.00	-3,121.17	30,863,412.27
% for consolidation	0.00%	3.90%	52.82%	43.28%	0.00%	-0.01%	100.00%

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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 **2013**. 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 8, 2013
FEBRUARY 12, 2013
MARCH 12, 2013
APRIL 9, 2013
MAY 14, 2013
JUNE 11, 2013
JULY 9, 2013
AUGUST 13, 2013
SEPTEMBER 10, 2013
OCTOBER 8, 2013
NOVEMBER 12, 2013
DECEMBER 10, 2013

Date

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