BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

AGENDA

TUESDAY, SEPTEMBER 18, 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. AUGUST 14, 2012 REGULAR MEETING
	IV.	PUBLIC INPUT
4 - 5		A. PORTFOLIO VALUE 1/1/12 - 9/12/12
	V.	ANNOUNCEMENTS
		A. NEXT REGULAR MEETING - TUESDAY, OCTOBER 9, 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**
	VI.	UNFINISHED BUSINESS
	VII.	NEW BUSINESS
	VIII.	MISCELLANEOUS BUSINESS
	IX.	ADJOURNMENT

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
August 14, 2012
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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 2:34 P.M. Roll call was taken. All trustees are present except Ms. Peltier.

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

Chairman Gray requests that Mr. Potter makes his presentation to the Board, and when he concludes, he will go back to the Agenda as outlined.

Richard Potter, our consultant from Becker, Burke Associates out of Chicago, along with Jeff Black are present today to give the second quarter report. Copies of his report have been electronically provided to the Board.

Mr. Potter states that this is our first full quarter under our new structure where we have specialized Bond and Equity Managers, and therefore a limited amount of information. Market environment is the same. The value of the Fund at the end of June is 29.4 million dollars. We have a little over 52% in equities and 47% in fixed income and a little less than 1% in cash. He discussed the asset allocation for each manager. The program is in place and the early returns are about what was expected.

Mr. Potter concludes his presentation and he and Mr. Black depart.

2. Moved, supported and carried to receive the second quarter report from Becker, Burke Associates.

3. Moved and supported and carried to approve the minutes, as printed, from July 10, 2012, regular meeting.

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

Mr. Bob Ruland, Senior Vice President and Portfolio Manager from Atalanta Sosnoff is here today to present their performance report to the Board. Atalanta Sosnoff is based in New York City, New York, and is a Balanced Fund - Growth Stock manager. His report is for the period ending August 9, 2012 and he provided a copy to the Trustees. He discussed their performance figures compared to the index. Year to date through August 9, 2012 they are up 9.8% versus 11.4% for the composite index. He discussed the individual sectors and where they did well and where they did poorly and why. He states they are sticking with their discipline and style even though it may be hurting at this time, but they will continue to look at valuation. The portfolio has high quality, high brand, good valuation names. He discussed the three things that impact the markets, those being economic outlook, monetary policy, and public policy.

He discussed their poor performance in 2011 and stated that their style and discipline has not changed but they are in a tough environment. He states they are doing much better this year in terms of volatility and trading. They are doing well in the third quarter of 2012 because the names they picked last year have dividend growth or huge stock buy backs. They have great free cash flow,

good balance sheets and are returning cash to share holders. They have about 40-50 names in the portfolio at any given time. He discussed the positives and negatives that are affecting the markets. Mr. Ruland responded to questions from Trustees, and concluded his presentation.

4. Moved, supported and carried to receive the performance report ending 8/9/12 as presented by Robert Ruland from Atalanta Sosnoff.

5. Moved, supported and carried to receive Portfolio Value from January 1, 2012 to July 2, 2012. The value today is $30 million.

6. Moved, supported and carried to receive the portfolio performance report from Atalanta Sosnoff ending 6/30/12.

7. Moved, supported and carried to receive the performance report from C. S. McKee ending 6/30/12.

ANNOUNCEMENTS:

A. Next regularly scheduled meeting will be Tuesday, September 18, 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.

UNFINISHED BUSINESS: None
NEW BUSINESS: None
MISCELLANEOUS BUSINESS: None
ADJOURNMENT:

8. Moved, supported and carried to adjourn the meeting at 3:40 p.m.

Respectfully submitted,

Crystal Hebert

Crystal Hebert
Finance Officer/Secretary

Transcribed by: Naomi Wallace

MEETING OF THE **V.E.B.A.** BOARD OF TRUSTEES COMMITTEE
August 14, 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 2:34 P.M.

OTHER PRESENT: RICK POTTER, JEFF BLACK, DANEAN WRIGHT

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

TRUSTEE	11	12	13	14	15	16	17	18	19	20
BRZEZINSKI										
CARPENTER										
COONAN										
DEATON										
GRAY										
PELTIER										
PETT										
RYDER										
STARKWEATHER										

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

VEBA PORTFOLIO VALUE

2011	DODGE & COX	CASH	ATALANTA SOSNOFF	LORD ABBETT	CS MCKEE	TOTAL
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

2012	DODGE & COX	CASH	ATALANTA SOSNOFF	LORD ABBETT	CS MCKEE	TOTAL
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				0.00		
OCT				0.00		
NOV				0.00		
DEC				0.00		

◆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	0.00	257,094.45	0.00	0.00	0.00	0.00	257,094.45
2611631	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.84%
BAYCO - VEBA DODGE & COX BAL	0.00	0.07	5,354,911.00	0.00	0.00	0.00	5,354,911.07
2613001	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	17.46%
BAYCO-VEBA CS MCKEE	0.00	659,821.90	0.00	13,318,772.18	0.00	-68,718.44	13,909,875.64
2643882	0.00%	4.74%	0.00%	95.75%	0.00%	-0.49%	45.36%
BAYCO VEBA LORD ABBOTT FD	0.00	0.00	5,929,910.87	0.00	0.00	0.00	5,929,910.87
2643890	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	19.34%
BAYCO - VEBA ATALANTA SOSNOFF	0.00	140,945.68	5,051,536.23	0.00	0.00	24,271.85	5,216,753.76
2646670	0.00%	2.70%	96.83%	0.00%	0.00%	0.47%	17.01%
Total for consolidation	**0.00**	**1,057,862.10**	**16,336,358.10**	**13,318,772.18**	**0.00**	**-44,446.59**	**30,668,545.79**
% for consolidation	**0.00%**	**3.45%**	**53.27%**	**43.43%**	**0.00%**	**-0.14%**	**100.00%**

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