BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

AGENDA

TUESDAY, JUNE 11, 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

PAGE		
	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1 - 2		1. MAY 14, 2013 - REGULAR MEETING
	IV.	PUBLIC INPUT
		A. BECKER, BURKE ASSOCIATES - FIRST QUARTER REPORT
		1. JEFF BLACK
3 - 4		B. PORTFOLIO VALUE 1/31/12 - 6/5/13
		C. MONEY MANAGER REPORTS
		NONE
	V.	ANNOUNCEMENTS
		A. NEXT REGULAR MEETING - TUESDAY, JULY 9, 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
		A. BECKER, BURKE ASSOCIATES - ASSET ALLOCATION
5 - 6		1. JEFF BLACK
	VIII.	MISCELLANEOUS BUSINESS
	IX.	ADJOURNMENT

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION **(VEBA)**
May 14, 2013
PAGE 1

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 3:29 p.m. Roll call was taken. All trustees are present except Trustee Coonan.

1. Moved, supported and carried to approve the minutes, as printed from the March 22, 2013 actuary presentation.

2. Moved, supported and carried to approve the minutes, as printed, from the April 9, 2013 regular meeting.

Trustee Coonan arrives at 3:31 p.m.

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

Chairman gray requested that Becker Burke present their quarterly report next month rather than today as this meeting is running late.

3. Moved, supported and carried to receive the Portfolio Value from 1/1/12 - 5/7/13. Today's value is $34 million.

4. Moved, supported and carried to receive the performance report from Atalanta Sosnoff ending 3/13/13.

ANNOUNCEMENTS:

A. Next regularly scheduled meeting will be Tuesday, June 11, 2013 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:

4. Moved, supported and carried to adjourn the meeting at 3:35 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
MAY 14, 2013

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 3:29 P.M.

OTHERS PRESENT: DANEAN WRIGHT, CRYSTAL HEBERT, JEFF BLACK, MARY NYE

TRUSTEE	1	2	3	4	5	6	7	8	9	10
BRZEZINSKI	Y	Y	Y	M	Y					
CARPENTER	Y	M	Y	S	S					
COONAN	A	A	Y	Y	Y					
GRAY	Y	Y	Y	Y	Y					
HEREK	S	Y	Y	Y	Y					
MORSE	Y	Y	Y	Y	Y					
PELTIER	Y	Y	Y	Y	Y					
PETT	M	Y	M	Y	M					
STARKWEATHER	Y	S	Y	Y	Y					

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

VEBA PORTFOLIO VALUE

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	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	5,476,853.70	336,925.05	5,268,580.73	6,070,413.01	14,078,467.83	31,231,240.32

2013	DODGE & COX	CASH	ATALANTA SOSNOFF	LORD ABBETT	CS MCKEE	TOTAL
JAN	5,813,821.72	973,027.66	5,521,741.71	6,531,548.24	14,006,372.20	32,846,511.53
FEB	5,856,055.05	1,003,898.82	5,584,735.85	6,636,024.19	14,078,939.69	33,159,653.60
MARCH	6,119,927.66	1,080,486.88	5,772,645.27	6,924,233.71	14,094,198.97	33,991,492.49
APRIL	6,238,139.18	1,125,133.85	5,870,711.43	6,924,233.71	14,215,079.35	34,373,297.52
MAY	6,433,955.21	1,110,182.75	6,143,603.47	7,165,609.19	14,009,748.48	34,863,099.10
JUNE						0.00
JULY						0.00
AUG						0.00
SEPT						0.00
OCT						0.00
NOV						0.00
DEC						0.00

Favorites

05 JUN 13

Account number BCVEBA

BAY COUNTY VEBA CONSOLIDATED

◆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	1,110,184.25	0.00	0.00	0.00	0.00	1,110,184.25
2611831	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	3.22%
BAYCO - VEBA DODGE & COX BAL	0.00	0.07	6,356,801.82	0.00	0.00	0.00	6,356,801.89
2613001	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	18.43%
BAYCO-VEBA CS MCKEE	0.00	271,362.85	0.00	13,757,945.84	0.00	-16,112.78	14,013,195.91
2643882	0.00%	1.94%	0.00%	98.18%	0.00%	-0.11%	40.63%
BAYCO VEBA LORD ABBOTT FD	0.00	0.00	7,014,299.19	0.00	0.00	0.00	7,014,299.19
2643890	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	20.34%
BAYCO - VEBA ATALANTA SOSNOFF	0.00	44,167.15	5,866,900.45	0.00	0.00	81,860.44	5,992,928.04
2646670	0.00%	0.74%	97.90%	0.00%	0.00%	1.37%	17.38%
Total for consolidation	**0.00**	**1,425,714.32**	**19,238,001.46**	**13,757,945.84**	**0.00**	**65,747.66**	**34,487,409.28**
% for consolidation	**0.00%**	**4.13%**	**55.78%**	**39.89%**	**0.00%**	**0.19%**	**100.00%**

Bay County VEBA

Asset Allocation vs. Policy

May 28, 2013

Manager	Asset Class	Asset Value	% of Fund
Atalanta Sosnoff	Large Cap Growth	$6,211,416	17.7%
Dodge & Cox	Large Cap Value	$6,502,536	18.6%
Lord Abbett	Small / Mid Cap	$7,180,020	20.5%
CS McKee	Fixed Income	$14,034,645	40.1%
Cash	Cash	$1,110,182	3.2%
Total Assets		**$35,038,799**	**100%**

9

Asset Class		Investment Policy Allocation * Minimum	Target	Maximum		Current Over/Under Target
Total Equity		**55%** — 56.8%	**60%**	**70%**		**-3.2% About -$1m**
Large Cap	36.3%	38%	44%	50%		-7.7% About -$2.5m
Mid / Small Cap		12%	16%	20%	20.5%	4.5% About $1.5m
Fixed Income		35%	40% 40.1%	45%		0.1% On Target
Real Estate		0%	0%	4%		0.0% On Target
Other (Cash)			n/a			3.2% About $1m

Current Allocation

** Investment policy targets adopted as of March 12, 2013*

Becker, Burke ASSOCIATES

Bay County VEBA

Asset Allocation vs. Policy

May 28, 2013

Manager	Asset Value	% of Fund	Proposed Rebalance	Resulting Allocation	
Atalanta Sosnoff	$6,211,416	17.7%	$1,000,000	$7,211,416	20.6%
Dodge & Cox	$6,502,536	18.6%	$1,000,000	$7,502,536	21.4%
Lord Abbett	$7,180,020	20.5%	($1,500,000)	$5,680,020	16.2%
CS McKee	$14,034,645	40.1%	$0	$14,034,645	40.1%
Cash	$1,110,182	3.2%	($500,000)	$610,182	1.7%
Total Assets	**$35,038,799**	**100%**		**$35,038,799**	**100%**

Asset Class	Investment Policy Allocation * Minimum	Target	Maximum	After Proposed Transfer Over/Under Target
Total Equity	**55%**	**60%**	**70%**	**-1.8% About -$0.5m**
Large Cap	38%	44%	50%	-2.0% About -$0.6m
Mid / Small Cap	12%	16%	20%	0.2% On Target
Fixed Income	35%	40%	45%	0.1% On Target
Real Estate	0%	0%	4%	0.0% On Target
Other (Cash)		n/a		1.7% About $0.5m

Resulting Allocation: Total Equity 58.2%; Large Cap 42.0%; Mid / Small Cap 16.2%; Fixed Income 40.1%

** Investment policy targets adopted as of March 12, 2013*

Becker, Burke ASSOCIATES