

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
TUESDAY, DECEMBER 8, 2015 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

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BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
TUESDAY, DECEMBER 8, 2015 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

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P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE
4TH FLOOR, BAY CITY, MI 48708
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NOTE: In addition to these typed minutes, this board meeting was also recorded. These audio files are available for review in the Retirement Office

A meeting of the Board of Trustees was held on October 22, 2015 at 8:30 a.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan.

Trustees Present: Chairperson Gray, Mr. Brzezinski, Ms. Goetz, Mr. Morse, Mr. Pett, and Mr. Starkweather.

Trustees Absent: Trustees Coonan, Gromaski and Herek

Also Present:

Consultant: The Bogdahn Group: Howard Pohl and Peter Brown.
Finance Officer: Crystal Hebert
Retirement Administrator: Rebecca Marsters
Corporation Counsel: Shawna Walraven

The meeting was called to order by Chairman, Steve Gray at 8:30 a.m.

MOTION 80: Moved, supported and carried to excuse Mr. Coonan, Mr. Gromaski, and Mr. Herek.

Let the record show that Mr. Coonan has arrived at 8:33 a.m.

Mr. Gray called for public input. There was no public input and he moved onto petitions and communications.

First to present today were Dave Wharmby and Kevin Ryan with Cornerstone from Hartford, CT, to present the performance report. A copy was provided to all Trustees, in advance, via the web.

Mr. Wharmby stated Cornerstone started managing money for Bay County in 2008 in the REIT strategy. Bay County contributed a total of \$5.3 million. Bay County has withdrawn \$5.8 million from the strategy for reinvestment elsewhere. There is still a balance of \$7.9 million. It has had very strong performance in total gross returns since inception, up nearly 16%.

He gave an update of Cornerstone which included the retirement of Scott Westphal earlier this year. They have been expanding in Europe over the last couple of years.

He gave an overview of the market performance. Looking at the 3 and 5 year trailing performance, US REITS were outperforming global equities but underperforming the S&P. The REIT performance has been strong coming out of the global financial crisis. For the quarter and YTD, REITS has been outperforming the broader equity market.

REITS tend to be more correlated to stock market in the short term and over the mid to long term more correlated to prime equity real estate.

He talked about the U.S. forecast for REITs. There has been a slow, steady expansion in the U.S. He stated that challenges are global growth concerns, concerns about the fed misstepping on increasing interest rates ahead of real economic growth taking hold, and China's impact on the economy.

He stated real estate in general will follow supply and demand and economic expansion over time. He talked about the sensitivity to the REIT market with interest rates as well as fears and how rates are correlated to the equity market in the short term. He talked about the economy downturn in August and the market comeback. He stated there is still strong earnings growth going into 2016 and believes that sets up for a nice fourth quarter.

He answered questions of the trustees regarding the effect of retail and internet sales, malls, and industrials and any perceived change over the next 5-10 years. He stated large malls that are well located are still performing well. They are putting more restaurants in malls so that shopping is a byproduct. He also talked about asset recycling of smaller malls.

Mr. Pohl asked him to show what their performance is in the various sectors compared to the index.

Mr. Wharmby stated they were pretty heavily overweight most of the year in storage and apartments. On the apartment overweight, that and the individual stocks within the sectors generated a lot of their out performance. The sector that hurt them was hotels. Mr. Pohl asked how their hotels did versus others. Mr. Wharmby said roughly 80% of their stock holdings have been outperforming the sectors. They have good stock selection. The historic attribution was the excess return as the majority of it comes from stock selection rather than sector. So they do spend a lot of time focusing on fundamentals of different properties but ultimately it is underwriting the valuation of the individual company and the strategy relative to that.

Trustee asked about the number of stocks in the portfolio. Mr. Wharmby stated they have roughly 30-40 stocks. They actively trade, buy, sell and turn about three quarters of the positions.

Trustee asked about Simon Properties being 11% of the portfolio. Mr. Wharmby replied the REITs space is one of the sectors within the equity market that has a large-cap/small-cap concentration. Simon is a very large company they are 8% of the benchmark basically. So holding 11% is about only 3% active weight for the stock. In terms of tracking mandated benchmark, it is not as significant as absolute weight in the company. With that said, they are perhaps one of the best REITs with the longest track record of return on equity and showing performance.

Mr. Wharmby stated no changes were needed in terms of the investment policy guidelines. They answered questions, concluded their presentation and departed the meeting.

Next to present today was Mr. Todd Needham from Loomis Sayles of Boston, Massachusetts, to present the performance report. A copy was provided to all Trustees in advance.

He updated the board on the firm. Since they last met, there has only been one significant change of the firm. Kevin Charleston who was the chief financial officer was named president and now he has also been named CEO. Their succession plan has now been executed. Kevin's been with the firm for over 20 years. Bob Blanding who had been the chairman and CEO retains the title of Chairman and at some point time he will retire. The key take away is the succession plan is in place so there will be no confusion. It will be a continuous state operation.

He stated this is an investment-grade corporate bond mandate. They are happy with the guidelines and in fact just completed an addendum to the guidelines.

Regarding performance, on a gross of fee basis it returned (-41) basis points compared to the benchmark of (-10) basis points or .1%. The excess returns were trailing the bench on a gross of fee basis by 30 basis points or 0.3%. The month of September had a significant impact on the year-to-date return. On a relative basis, meaning how the portfolio is performing relative to the index, it is behind the index. All of that performance discrepancy or trailing performance came in the month of September where the portfolio returned 0.24% versus the benchmark of 0.75%, so it is trailing by 0.5% and that encompasses the whole amount and behind index for the year.

Trustee Brzezinski asked what he would attribute that to. Mr. Needham replied that something that they did not anticipate was the strength of the US dollar. That is important because it has been impacting sales of exports and having an effect on corporate sales. Specifically in the month of September there was concern about growth in the global economy and the subsequent impact it will have on the US economy. China in particular has been a lot of concern. He explained China is a significant consumer especially in commodities and metals in particular. There has been significant concern as to whether or not the bottom will fall out of that economy. He believes they will maintain positive growth but not at the rate at which it had been occurring over the past 5 to 10 years. The price supports copper, metals, oil and gas. That is going to decrease the current price level and that impacts the value of a lot of the companies that they have invested in.

Mr. Needham stated from a fundamental perspective they still have confidence in the bond they picked for the Bay County employees portfolio.

He talked about the performance over an extended period of time. They began managing money for the retirement system back in 1997. They are approaching a 20 year anniversary. Looking at the three or five year return, they are ahead of the index by a gross of fee and also a net of fee taken out of the performance for all of those periods. To quantify, over the last year the exposure solely from energy has contributed to (-45) basis points for almost 0.5% to the portfolio's return relative to the index. They are trailing the

index on a gross of fee basis by 44 basis points and all of that is coming from the energy sector. Not including capital goods like John Deere and Caterpillar.

With regards to performance attributions and the two main areas US investment grade and US high-yield, the US investment grade (- 40) basis points. Other bonds that are rated BBB and higher, so fundamentally sound companies. The US high-yield, which is still fundamentally sound but a higher risk component, that contributed to (-15) basis points relative to the index. There is one other matter that is a forward-looking matter in the bond market which we invest in and it is a slight change in the dynamics of the market. In general, we have confidence in the bond market between high-yield and investment-grade. We think that the US economy is going to continue to grow albeit a slow pace.

He went over the historical characteristics and how they are positioned relative to the index more or less from a risk perspective. They have a yield advantage over the index of approximately 0.5% which is 43 basis points or .43%. The reason why that is important is there are two ways in which a bond can yield or can earn money for the bond. Price fluctuation and if the price rises the bond is worth more money. The other way is the bond pays you a monthly interest payment or a semi-annual interest payment. When interest rates rise, generally bond prices will decline whether it's through treasury rate rises or the risk payment. What can help offset the declining market value relative to the index is earning more monthly income. Like now where we do expect interest rates to eventually get on track to continue incrementally rising. It is important to have that income advantage just to insulate as an insurance policy against the effect of rising interest rates.

Mr. Pohl asked Mr. Needham to comment on what else they are doing to mitigate losses if interest rates go up. Mr. Needham stated they are not taking more risk than the benchmark is with respect interest rate sensitivity. He spoke of duration and sensitivity of the portfolio to changing interest rates.

He also spoke about the European economy and rising interest rates in the U.S. With the US dollar increasing in value, that makes our products that much more expensive. So if the US does raise interest rates, US treasuries become more attractive to outside investors. Money could leave Europe or elsewhere employed US treasuries. So if we raise rates, and we are trying to control growth it does have a simultaneous effect where all of a sudden if this migration from outside the US comes to the US then US manufacturers are at a disadvantage. Even if the economic picture looks strong enough to raise rates, there is the political component as well from other central banks around the world to come and play.

Trustee questioned on why they are now trailing in the index. Mr. Needham commented that as a result of not having a strong conviction on the timing. They still position the portfolio same way; a neutral interest-rate risk. That did not have a significant impact on the portfolio relative to the index. It was the call that we thought oil prices were going to be higher so we were overweight in the energy sector. They were overweight in metals and mining because they thought that the global growth story was still intact and they were going to see growth continue up. As a result of that, these sectors

didn't perform as well as we thought. That is why we are trailing the index.

He answered questions of the Board, concluded his presentation and departed the meeting.

Next to present today were Beth Griper, Director and Edward Silverstein, CFA of Mackay Shields from New York, NY, to present the performance report.

From a Mackay prospective, their assets remain stable at the firm level and the same thing on the convertible side. They have about \$2.4 billion in assets under management. Ms. Griper mentioned that over the past year they have a new member to the convertible asset management team, Tom Wynn. Tom was previously with Mackay from 1995 to 2004 with the convertible team. They are excited about his experience and to have him back with the firm.

Mr. Silverstein explained what a convertible bond was that it is a bond that has a holder's option that can be converted to stock at the time of maturity. Convertibles go along with stocks. They are not tied to interest rates and are not correlated to treasuries. That is what makes convertibles unique particularly in this environment when people are worried about rising rates and rates are incredibly low.

In terms of the convertible market, right now it is about \$225 billion market in the United States. The Bay County account opened in 2003 and at that time the convertible market was about 40% investment-grade and 60% non-investment grade. Your account had an investment-grade mandate. It was much easier to invest the account at that time because there were a lot more investment-grade securities. The market has shifted over the last several years where the market is now 80% non-investment grade and 20% investment-grade. As a result, the guidelines to your account have been changed to reflect that reality of the market. It is open to other qualities of bonds.

He discussed bond ratings and non-rated bonds. He explained that companies don't want to pay for a rating only to receive a non-investment grade rating. He explained that non-investment grade bonds are also called junk bonds. They are not necessarily bad companies. Right now the market is only 20% investment-grade.

Ms. Griper stated anything that is non-investment grade when they look at as a firm they will give it their own internal rating. When you look at your portfolio and it doesn't show that there is any non-rated it's because we internally rate everything that is not rated on their own. If it is non-rated, their rule internally is that they will always give it a non-investment grade rating so they can't take something that's non-rated and give it a BBB rating, for example.

Mr. Silverstein stated often those companies will have other debt outstanding that is rated and so if they buy some that is not rated they look at the other bonds that the company has outstanding that are rated and use that rating for the convertible bond that is un-rated. people are not actually buying convertible bonds because of their ratings. They are buying it based on what the underlying stock will do. He commented on some of the names they have

added to the portfolio that are non-investment grade. Names such as Air Lease is a DD the company that owns aircraft and leasing them out to airlines. Most airlines do not own the aircraft that they fly. Carriage Services is another one that they added. They operate funeral homes. This is a very steady business. Again it is non-investment grade but they generate significant cash flow. He listed others such as Echo Global Logistics and XPO Trucking. Jarden Corporation is one that they also added. There are household goods product and they own a whole diverse set of brands like Mr. coffee, Crock Pot, Yankee Candle Company and sporting goods like Rawlings baseball, Coleman camping gear and also the products. These are not terribly risky companies just they are not investment-grade.

Mr. Silverstein went over the their profits. He stated their aim was to find convertible bonds where the bond is going to participate in typically 60% to 80% of the upside of the company's common stock and 30% to 50% of the downside.

He went over Bay County's Fund performance. During the first seven months of the year, the stock and convertible markets were mostly higher and at one point were probably up about 6% or 7% . The convertible market in the third quarter was down about 7% and that brought the year-to-date number down to about 4%. In the down market, they outperformed the benchmark. They were down about 5.85% in the third quarter. For the year-to-date, roughly in line with the benchmark. For the one year, slightly below. For the longer term at three, five and seven years, trailing or benchmark. Since the account was started in 2003 it was well ahead of the benchmark.

He talked about the change in guidelines the Board recently approved. The account had an investment grade mandate. The investment grade convertible market is very concentrated and has only about 40 individual securities to choose from. The guidelines were changed so that now there is a broader pool of securities in which to choose from for the entire convertible market. The portfolio has gone from about 38 names in it to 58 names. It is a much better portfolio in terms of diversification.

He stated the credit quality remains very high. The portfolio now is more diversified and can own a lot of attractive names that were previously shut out of the portfolio because of the credit quality.

October has actually been a very good month. They recouped most of the losses from the third quarter. The Bay County portfolio year-to-date was down about 4% year-to-date. The year-to-date now is only about 1% so we have recouped most of the losses for the third quarter. Again the performance going forward it can be tied more closely to the stock market and the bond market because of the nature of securities and convertibles being closely correlated to equities.

It's is important to note that performance is going to be tied to equities and not to interest rates. Our expectation is that stocks and convertibles will recover sometime in the next 12 to 18 months.

The next to present were Mr. Nick Bauer, Institutional client Service Director at Henderson Geneva and Mr. Matt Pistorio, Investment Director from Henderson Geneva from Milwaukee, Wisconsin, to present the performance report. A copy was provided to all Trustees, in advance, via the web.

Mr. Bauer updated on the Henderson integration. They were acquired by Henderson global investors October 1, 2014. The reason for that transaction revolved around getting help around some of the non-core parts of the business such as HR, legal, compliance, and IT due to their accelerated growth over the past few years.

Their assets \$4.6 billion and about \$3.6 billion of that is the mid-cap growth strategy. The future looks bright for us. When you think about the improved performance the integrations and the added resources and where they are at in the market, he believes this is really the sweet spot for their style and team moving forward.

Matt Pistorio of the investment team and Director at Henderson Geneva went over the profits, performance since inception, quality dynamics in the market, high quality versus low-quality, and a little bit about attribution some of the new stocks in the portfolio. He also went over a review of the investment philosophy. They are bottom-up managers and what they do is 90% bottom-up.

He talked about annualized returns and market cycle performance. They have outperformed every bear market and have outperformed every bull market. They have outperformed by about 450 basis points over the last 15 years.

He went over the County's account overview and performance since inception. As of the end of September the Fund has just under \$21 million in the account with an inception date of January 2013. The short-term performance is fantastic. Looking at the one-year performance it outperform by 870 basis points and year-to-date outperform by almost 700 basis points. It is in the first or second percentile depending on the time period. He stated that 2013 and 2014 were difficult years for them they were in low quality speculative rallies. Since then they've been in high-quality rally in which they have outperformed. They are lagging by about 100 basis points on a gross basis since inception. He stated hopefully next year they will come back and turn around to outperforming the benchmark and more recently performances been fantastic.

He mentioned in relation to performance gross net of fees was the fee reduction that the plan received this year. They had originally priced it at 75 basis points and after some negotiation with Bogdahn they agreed to reduce the fee by about 10%. The fee on the account now about 68 basis points.

He talked about out performance across the sectors. He talked about attribution year to date for the portfolio. They have done fairly well across most sectors. They have out performance in seven of the nine sectors with energy and healthcare being slight detractors from their performance. Their big stories the performance and technology in the performance and consumer discretionary. A lot of it has to do with high versus low quality but also stock selection. They were up 14% absolute returns.

Mr. Bauer commented that they have extremely low turnover in the portfolio. They are really investors not traders. They buy stocks with the intention of holding them for a very long time. Looking at the top five greatest contributors of stocks they held from the mid-to late 1990s and they continue to perform very well. He talked about positioning in the top 10 holdings.

Trustee asked if the improved performance was due to the Henderson acquisition.

Mr. Bauer stated he thought Henderson had done a fantastic job of doing exactly what they asked them to do in terms of taking some of the business management responsibility out of the portfolio management team and letting them do what they do best which is managing the mid and small cap growth. Mr. Bauer stated that Henderson was not dictating how they invest.

Mr. Pistorio also commented on having less than 15% turnover in the last 12 months so we really haven't changed what we have done. The stocks that were in your portfolio before the Henderson transaction; most of them are still there.

MOTION 81: Trustee Brzezinski moved to receive the four money manager presentations Cornerstone, Loomis Sayles, Mackay Shields, Henderson Geneva. The motion was supported by Trustee Morse and was carried by voice vote of 7 yeas to 0 nays.

ANNOUNCEMENTS:

A. Next regularly scheduled meeting will be Tuesday, November 10, 2015 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS:

Next on the agenda was the part-time clerical position. Copies of three different resolutions were handed out to the Board. He asked Ms. Marsters to speak to this.

Ms. Marsters apologized for any miscommunication with the budget previously. She talked to several Board members over the last week and discussed that going forward any budgetary changes would be highlighted and better communicated to the Board. The Board asked for a 5-year comparison and she stated they are working on that and will have that at the next meeting. They will be doing a PowerPoint presentation to clear up any questions.

She stated they wanted to bring this to today's meeting because they are under a time crunch to fill this position with a proposal having to go to the Board of Commissioners. She stated the three proposals all are the same with the exception of the hours charged to retirement. There is one for 10 hours, one for 12 hours and one for 16 hours. She also had available the duties that this clerk currently performs, things that were done before and the additional things that she is doing now that constitute the 6 extra hours. They believe that 16 hours is a sufficient amount of time to get all of this work done, but

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
OCTOBER 22, 2015 - **SPECIAL MEETING**
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would accept whatever the Board is comfortable with. We are just hoping at this time to get the approval to make the position a full-time position.

RESOLUTION NO 2015-48:

Moved, supported and carried to adopt resolution 2015-48 to approve increasing hours for PT Retirement Clerk hours from 10 to 16 and combining the PT Retirement clerk and PT Personnel clerk into one full-time position (16 hours Retirement/24 hours Personnel) as well as adjusting the budget to reflect increases.

ROLL CALL VOTE:

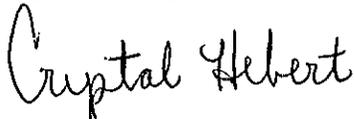
BRZEZINSKI: YES
COONAN: YES,
GOETZ: YES
GRAY: YES
GROMASKI: ABSENT
HEREK: ABSENT.
MORSE: YES
PETT: YES
STARKWEATHER: YES

MOTION CARRIES.

NEW BUSINESS: None
MISCELLANEOUS BUSINESS None
ADJOURNMENT:

MOTION 82: Moved, supported and carried to adjourn the meeting at 11:16 a.m.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE
OCTOBER 22, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
 BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 8:30 A.M.

* Trustee Coonan arrived at 8:33 a.m.

MOTIONS

TRUSTEE	80	81	82							
BRZEZINSKI	Y	Y	Y							
COONAN	E	M-Y	Y							
GOETZ	S-Y	Y	Y							
GRAY	Y	Y	Y							
GROMASKI	E	E	E							
HEREK	E	E	E							
MORSE	Y	S-Y	Y							
PETT	Y	Y	S-Y							
STARKWEATHER	M-Y	Y	M-Y							

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

MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE
OCTOBER 22, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
 BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY 8:30A.M.

* Trustee Coonan arrived at 8:33 a.m.

RESOLUTIONS

TRUSTEE	48									
BRZEZINSKI	Y									
COONAN	Y									
GRAY	Y									
GROMASKI	E									
HEREK	E									
MORSE	Y									
PETT	Y									
STARKWEATHER	Y									
GOETZ	Y									

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

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
OCTOBER 22, 2015- **SPECIAL MEETING** RFP INVESTMENT CONSULTANT CANDIDATE INTERVIEWS

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NOTE: In addition to these typed minutes, this board meeting was also recorded. These audio files are available for review in the Retirement Office

A special meeting of the Board of Trustees was held on October 22, 2015 at 12:45 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan.

Trustees Present: Chairperson Gray, Mr. Brzezinski, Mr. Coonan, Mr. Herek, Mr. Morse, and Mr. Pett.

Trustees Absent: Ms. Goetz, Mr. Gromaski, and Mr. Starkweather,

Also Present:

Finance Officer: Crystal Hebert
Retirement Administrator: Rebecca Marsters
Corporation Counsel: Shawna Walraven
Purchasing Agent: Frances Moore

The meeting was called to order by Chairman, Steve Gray at 12:47 p.m.

Today's meeting was to interview four candidates for Investment Consulting.

There were no questions or comments from the public.

First to interview was Watershed Consultants.

Terri Baldwin, Director of Business Development and Dale Conners, The Founder of Watershed Consultants talked about their background and their firm. They talked about the structure of their firm, their methodology and how they approach risk. They explained their views on commission recapture, securities litigation and securities lending. They also explained their fees and answered questions of trustees.

Second to interview was Graystone Consulting.

Raymond Fortin, Vice President and New Business Development Director, Timothy Bryce, Managing Partner and Rebecca Wolf VP and Group Director with Graystone Consulting gave a history of the firm and their experience with public funds. They explained the relationship between Graystone and Morgan Stanley. They went over their strategies and use of platforms. They detailed their fees and answered questions of the Trustees with regards to commission recapture, securities lending and securities litigation.

Third to interview was Asset Consulting Group (ACG)

Ms. Elgin Marsted, Vice President for Asset Consulting Group presented information to the Board about the makeup and history of the firm, their assets under advisement, as well as their approach to working with institutional clients. They explained their fees and answered Trustees'

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES **(BCERS)**
OCTOBER 22, 2015- **SPECIAL MEETING** RFP INVESTMENT CONSULTANT CANDIDATE INTERVIEWS

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questions regarding commission recapture, securities lending and securities litigation.

The fourth interview was The Bogdahn Group.

Mr. Howard Pohl, Senior Consultant, and Peter Brown, Senior Consultant from The Bogdahn Group provided a detailed presentation on their history and experience working with the Bay County Employees' Retirement Fund as well as other public plans. They detailed the growth of the portfolio since inception and rankings. They recapped the firm as well as its growth and assets under management and their consulting services model. They answered Trustees questions regarding risk, funding levels as well as questions on commission recapture, securities lending, and securities litigation.

MOTION 83: Moved, supported and carried to table the decision and discussion of Investment Consultant until November 10, 2015 meeting and have a special meeting either before or after the regular Board meeting.

MOTION 84: Moved, supported and carried to receive the four investment consultant interviews from Watershed, Graystone, ACG, and Bogdahn.

ANNOUNCEMENTS:

A. Next regularly scheduled meeting will be Tuesday, November 10, 2015 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS:

NEW BUSINESS: None

MISCELLANEOUS BUSINESS None

ADJOURNMENT:

MOTION 85: Moved, supported and carried to adjourn the meeting at 3:56 p.m.

Respectfully submitted,

Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE
OCTOBER 22, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
 BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 12:47 P.M.

MOTIONS

TRUSTEE	83	84	85							
BRZEZINSKI	M-Y	Y	M-Y							
COONAN	S-Y	Y	Y							
GOETZ	A	A	A							
GRAY	Y	Y	Y							
GROMASKI	A	A	A							
HEREK	A	A	A							
MORSE	Y	S-Y	S-Y							
PETT	Y	M-Y	X							
STARKWEATHER	A	A	A							

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

NOTE: In addition to these typed minutes, this board meeting was also recorded. These audio files are available for review in the Retirement Office

A meeting of the Board of Trustees was held on November 10, 2015 at 10:00 a.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

Trustees Present: Chairperson Gray, Mr. Brzezinski, Mr. Coonan, Ms. Goetz, Mr. Herek, Mr. Morse, Mr. Pett, and Mr. Starkweather.

Trustees Absent: Trustee Gromaski.

Also Present:

Consultant: The Bogdahn Group: Howard Pohl and Peter Brown.
Finance Officer: Crystal Hebert
Retirement Administrator: Rebecca Marsters
Corporation Counsel: Shawna Walraven

MOTION 86: Moved, supported and carried to excuse Trustee Gromaski.

The meeting was called to order by Chairman, Steve Gray at 10:00 a.m.

Mr. Gray called for public input. There was no public input and he moved onto petitions and communications.

Trustees discussed their opinions on the interviews from four Investment Consultant candidates for the RFP. They discussed their track record with The Bogdahn Group and comparisons with Graystone. They talked about fees. They discussed Graystone Consulting's use of Platforms versus the way they presently hire money managers with Bogdahn.

Ms. Walraven answered questions about fees and length of commitment for the contract of three years versus five years. The Bogdahn Group agreed to pricing for three years. She stated the letter of intent would be sent and then we will enter into a contract. She stated Bogdahn had agreed on the pricing so those terms would be incorporated and all the other terms would be available for negotiation at that point. She stated when she does contracts based on the awarding of the RFP, they incorporate the contract and their response into the RFP so all those terms are incorporated. This Board will then give the authorization of the Chair to sign the contract.

Trustee Brzezinski asked about it being a five-year process and Bogdahn agreeing to the price for three years. Ms. Walraven stated the Board could propose that they commit to that price for five years. Trustee Brzezinski stated at three years and then the Board has the right to extend it beyond three. Ms. Walraven replied yes that can be set up.

MOTION 87: Moved, supported and carried to direct counsel to start the steps to renew the contract with Bogdahn. Moved by Starkweather and supported by Coonan.

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
NOVEMBER 10, 2015 - SPECIAL MEETING
PAGE 2

Roll call vote:
Brzezinski-yes
Coonan-yes
Goetz-yes
Gray-yes
Gromaski - Absent
Herek-yes
Morse-yes
Pett-yes
Starkweather-yes

Motion passes 8-0

ANNOUNCEMENTS:

A. Next regularly scheduled meeting will be Tuesday, November 10, 2015 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS:

NEW BUSINESS:

Chairman Gray stated Dr. Herrick has filled out the new form which should be on the new Disability Policy. There is one on the agenda for this afternoon and we need a Sergeant at Arms of this board. I don't believe you've ever had a Sergeant at Arms during my time so it ask someone to make a nomination of someone to be Sergeant at Arms.

MOTION 88: Moved, supported and carried to nominate Trustee Pett for Sergeant at Arms.

Roll call:

Brzezinski yes
Coonan yes
Goetz yes
Gray yes
Gromaski - Absent
Herek yes
Morse yes
Pett yes
Starkweather yes

Trustee Pett accepted the position.

Motion passed unanimously.

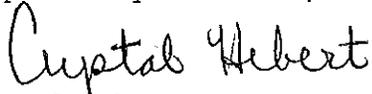
MISCELLANEOUS BUSINESS None

ADJOURNMENT:

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
NOVEMBER 10, 2015 - **SPECIAL MEETING**
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MOTION 89: Moved, supported and carried to adjourn the meeting at 10:19 p.m. Moved by Starkweather Supported by Brzezinski.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE
NOVEMBER 10, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
 BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 8:30 A.M.

MOTIONS

TRUSTEE	86	87	88	89						
BRZEZINSKI	Y	Y	S-Y	S-Y						
COONAN	S-Y	S-Y	Y	Y						
GOETZ	Y	Y	Y	Y						
GRAY	Y	Y	Y	Y						
GROMASKI	E	E	E	E						
HEREK	Y	Y	Y	Y						
MORSE	Y	Y	Y	Y						
PETT	Y	Y	Y	Y						
STARKWEATHER	M-Y	M-Y	M-Y	M-Y						

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

NOTE: In addition to these typed minutes, this board meeting was also recorded. These audio files are available for review in the Retirement Office

A meeting of the Board of Trustees was held on November 10, 2015 at 1:30 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

Trustees Present: Chairperson Gray, Mr. Brzezinski, Ms. Goetz, Mr. Gromaski, Mr. Morse, Mr. Pett, and Mr. Starkweather.

Trustees Absent: None.

Also Present:

Consultant: The Bogdahn Group: Howard Pohl and Peter Brown.
Finance Officer: Crystal Hebert
Retirement Administrator: Rebecca Marsters
Corporation Counsel: Shawna Walraven
Payroll Supervisor: Tiffany Jerry
Finance/Accounting: Richelle Jimenez

The meeting was called to order by Chairman, Steve Gray at 1:30 p.m.

MOTION 90: Moved, supported and carried to approve the minutes, as printed, from the October 13, 2015 regular meeting.

Mr. Gray called for public input. There was no public input and he moved onto petitions and communications.

First item today was item F on the agenda the presentation of line item costs for administrative legal, indirect costs, outside legal and administrative duties. A handout was given to all the Trustees. (This handout is attached to these minutes)

Richelle Jimenez from Finance gave an overview of how costs are arrived at through the cost allocations. She explained the 2014 budget was used to budget for 2016 because the 2014 budget is the last audited financial and is the most recent up-to-date copy. This plan is done in accordance with OMB circular 87 meaning the plan was put together fairly for everyone and no one department is allocated differently than any other. The same costs that have been treated as indirect costs have not been claimed as direct costs and similar types of costs have been accounted for consistently because we have to be able to defend this plan for state and federal funding.

She went through the handout and gave examples of how costs were shared with different departments. She gave examples and explained how liability insurance is based on the number of FTEs and the Retirement Fund holds 1.38 FTEs. The property liability insurance is based on square footage of the County Building with Retirement having 673 square feet. She went over

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
NOVEMBER 10, 2015 - REGULAR MEETING
PAGE 2

the cost of the county's Purchasing Department and the allocation units for purchasing.

Looking at all the indirect costs for retirement, the total cost allocated for Retirement in 2014 was \$183,922. In addition to that, there is a roll forward that is calculated. She explained the roll forward, which is based on the last audited financial. For the 2014 budget, the 2012 budget was used because that was the last closed book budget. So that is what the Retirement Fund was charged. Then the 2014 costs were different. There was a lot of activity and there was some movement in personnel so costs went up. What happens is they do a look back from two years previous when it was actually budgeted out to see what the costs ended up actually being. This is done for every department. They are using a budgeted figure to bill out the departments. After that period of time comes, they do a roll forward to make up the difference. Some departments may have been overcharged as costs went down or they may have been undercharged because costs went up. Because there was so much time spent with Retirement, there were a lot more allocated costs for Retirement in 2014. There was that positive roll forward of \$110,000 which as shown in the handout. The budgeted amount for 2014 and the difference between what actually happened in 2014 was \$110,000. Under the same assumption, if costs go down in two years, you will see that difference in a negative roll forward which brings down the cost.

Ms. Jimenez, Ms. Hebert and Ms. Walraven answered questions of the Board regarding the cost of the early retirement incentive for BABH. The cost of processing the retirements is a cost borne of the Retirement System regardless of whether they retire early or at their regular retirement age. It appeared as a large cost, but only because of the number of members retiring at the same time. There was no work on behalf of the employer that would have been reimbursed to the Retirement System.

Ms. Hebert explained costs associated with payroll and the extra help provided for the Retirement System with the Payroll Supervisor taking over the Retirement Administrator's duties in the absence of a Retirement Administrator. She also explained the costs related to the BABH early retirement incentive as well as how at the end of the year they allocate the total cost of the system to each employer in the system and that is based on the asset size of the group.

Trustees questioned whether the cost allocation plan was unique to Bay County. Ms. Jimenez stated all but three counties in the state of Michigan had one done and everybody uses this plan in some way.

Tiffany Jerry Payroll/Benefits Supervisor talked about the inner workings of why the costs went up. She explained events of Danean Wright leaving the Retirement Administrator position and she, herself, back-filling the position during the vacancy. Backfilling that position and the BABH early incentive retirement contributed to indirect costs. She talked about some of the payroll duties that the Payroll and Benefits Department does for Retirement. Another indirect cost that was an increase was the Personnel part-time clerk

being utilized because the Retirement clerk only being 10 hours a week. The biggest item was the new GRS software and the information had to be loaded.

She also explained the direct cost changes for the wages and salary in the Retirement Administrator Position. Ms. Marsters being hired at a lower cost as well as a change because previously the workers compensation was filled by the Administrator so that was an 80/20 split and not 100% direct costs. She explained this why you see the direct costs go up. When the long-term retirement administrator left in 2013, she was paid out for unpaid vacation and sick time. There were direct costs to the system because there was temporary employee costs to help with training and to get the BABH early incentive out.

Ms. Walraven of Corporation Counsel stated the handout included lists of indirect costs and changes. She listed out what happened with Martha Fitzhugh leaving and the changeover. She also listed each year what went into the legal fee expenses as well as invoices for the past five years, corporation counsel indirect costs and changes. Corporation Counsel also listed what they do for the Retirement System.

Ms. Jerry addressed indirect costs for accounting and stated during the changeover in position the Retirement Account Administrator position was changed a little bit. Some of the duties were taken up by the Accounting Department and some of them stayed with the Administrator. She talked about a summary of the administrative performance of the system; the changes that were put into place. Some of the changes resulted in transactions being recorded more timely, retirees receiving their first benefit check one to two weeks after the final paycheck, which is a huge improvement. The meeting minutes being posted before the next scheduled meeting, due diligence for service providers and going out for RFPs for services that previously had not been done, updating the System's policies. There is also an increase in the number of money managers. The big scanning project was a cost of the system. Ms. Marsters is doing the final pension calculations in-house versus Gabriel Roeder doing that. Although some things have added time to the System, they are beneficial to the system. The changeover in personnel and the BABH early incentive you will not keep seeing those costs unless there is a turnover of employees. For indirect cost payroll and personnel you're not going to see that staying that high unless there were another changeover in personnel.

Next Item:

Present today are Howard Pohl and Peter Brown, from The Bogdahn Group, to present the third quarter report. A copy was provided to all Trustees, in advance, via the web.

Mr. Pohl thanked the Board for renewing their contract.

Mr. Brown gave an overview of the market performance for the third quarter. The markets had a decline in the third quarter. International markets were down about 12%. Domestic markets as measured by the S&P 500 were down about 6% and small caps were down even more. He also went over the markets on a one-year basis. He gave a handout to Trustees that showed the market drop in

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
NOVEMBER 10, 2015 - REGULAR MEETING
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August of about 12% and then come back of 6% in October. He stated October was a best performing month in four years. Domestic large-cap stocks were up over 8% and small-cap rebounded and ended up over 5.5%. International was up almost 7.5%. The bond markets were flat. That is resulted with the market so far 10 months into this year large-cap the slightly positive about 2.5% and small-cap are still slightly negative and so are international markets. With a lot of movement and a lot of volatility, it's kind of a wash.

Mr. Pohl detailed the change in the market value of the Fund for the quarter. The Fund started the quarter at \$310.7 million and \$1.7 million in net was withdrawn (contributions less expenses) with a \$16 million decline in market value. The Fund had an ending value at \$292.9 million. It had a tremendous rebound and as of last Friday the Fund was worth \$307.4 million. That is up \$13 million without trying to account for contributions and withdrawals in that time period. A year ago we started out just a little bit shy of \$300 million and over \$11 million net was withdrawn and over the last year despite all the ups and downs there was a positive \$4.37 million return on investment.

The fund was overweight in domestic equities and underweight in international equities. That was primarily the result of international falling more than domestic. He stated these are well within the Fund's target ranges. Relative to all plans in the universe Bay County's plan is down 5.3% for the quarter and it came back about 5% so it would rank in the 63rd percentile about three tenths of a percent below your policy and about four tenths of a percent plus below the median of all plans. Looking at the one year, returns have been positive 1.27% ranking in the top 15% of all plans. The last five years it has been compounding at 10.10% and at that period of time ranking in the top 3% of all plans in the nation. The last 10 years to include the down market in 2008 and 2009, you were compounding at about 6.5% a year and ranked in the top 13%.

Comparative performance of the fund showed Domestic equities were a fraction below the median for the quarter. International was top decile for the quarter. Fixed income has been a little above average. Convertibles universally below average. REITs, Cornerstone with very strong results. The PRISA account up over 4% for the quarter.

Mr. Pohl stated Ms. Hebert needed to raise \$3 million and Bogdahn recommended \$1 million each from MFS, Integrity and Henderson Geneva.

Trustee asked for a forecast as to where the fund will stabilize earning enough income and paying all expenses. Mr. Pohl stated Gabriel Roeder could probably better give you in terms of future cash flow. You are going to be having more payouts than income and it is just the nature of the beast. That is why you fund them to have dollars available going forward. Mr. Brown stated concurrently we need to raise about 5% a year on benefits. Their goal is to make the actuarial return of 7.5% so you can continue to grow the fund, but you can see where that 5% is going to slow the Fund. Eventually, as Howard mentioned, it could begin depleting the Fund, but there is a long life out there.

Trustee asked questions of owning timber land as an investment and Mr. Pohl and Mr. Brown gave information with regard to timber as a commodity the risk factors involved as well as earnings potential. They stated it was something they could look into for the Board.

Trustee Brzezinski asked about putting more real estate in the fund.

Mr. Pohl stated that we are a little bit shy in terms of percentage allocations because of some other things that changed. The allocation to the Prudential Real Estate fund at 3.5%, a little over \$10 million. The target is 5%. He stated they could be putting another \$4.4 million or so into real estate. He stated if the Board was interested in doing that he would suggest the Board put in a request to PRISA to put in another \$3.5 million in the queue. Trustees questioned if real estate investing would be done with PRISA or another real estate manager. Mr. Pohl stated this would be getting money in the queue and that they could change their mind and say no before the queue was called possibly in June. Mr. Brown stated if the Board wanted they could bring in other managers for consideration.

MOTION 91: Trustee Brzezinski moved to make a motion to put another \$4.4 million into the PRISA queue. Trustee Starkweather supported.

Mr. Brown stated they will get report back from Prudential as to the timing as it is just an add-on investment.

Roll call vote:
Brzezinski yes
Coonan yes
Goetz yes
Gray yes
Gromaski yes
Herek yes
Morse yes
Pett yes
Starkweather yes

The motion carried.

MOTION 92: Moved, supported and carried to receive the Bogdahn presentation.

Res No. 2015-53:

Moved, supported and carried to adopt Res. No 2015-39 to receive the following monthly reports: The Portfolio Value Ending 10/31/15 (Today's Value is \$307.4 million), Change in Book & Market Value 9/30/15, Money Managers on Watch - None, Money Manager Reports: Baird Ending 9/30/15, Cornerstone - Ending 9/30/15, Eagle Asset - Ending 9/30/15, Henderson Geneva

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
NOVEMBER 10, 2015 - REGULAR MEETING
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- Ending 9/30/15 & Qtrly Proxy Voting report Hotchkiss & Wiley
-Ending 9/30/15 & Qtrly proxy voting report 9/30/15, Integrity
- Ending 9/30/15, Loomis Sayles - Ending 9/30/15, Mackay
Shields - Ending 8/31/15, MFS Heritage - Ending 9/30/15 &
proxy qtrly voting report, PRISA - Ending 9/30/15; Recapture
Services: Able/Noser - Summary Ending 9/30/15, CAPIS Summary -
Ending 9/30/15; Northern Trust Earnings 10/31/15; Refunds &
Retirements 10/31/15, Invoice Approved - Ending 10/31/15.

Disability Retirement Policy:

Ms. Walraven discussed the Disability Retirement Policy and forms. Dr. Herrick filled out the form that will be completed through this policy for the applicant on the agenda for today. She stated they could see how that works in terms of going into closed session, seeing the form completed and operating on that system. If anyone has any questions, comments or concerns, she is happy to address them.

Trustee Pett commented on the review process and asked about the forms for work history and the IRS forms. The forms will list the dollar amount they are receiving from outside sources etc. He wondered if they needed that information. His understanding was they were going to ask if they were working and the concern was they may be out doing the same job that they were being paid disability for because they couldn't perform that job.

Ms. Walraven stated they do ask if they are working and what they are making. If they were working they would require the same verification. She stated her thought was they would require the same verification because it would show that they are working at certain positions. The IRS forms would show W-2s that would have information on where they were employed. She stated they do not need the dollar amount that is not important. It would not be something the board would consider.

They discussed any income limits such as well as receiving Worker's Compensation.

Ms. Walraven stated they can work through the process and obviously make any changes possibly as we go through a year. We can decide if this is information we should not be looking at or if it causes more questions than answers. Ms. Walraven stated the only parameter set through the Retirement Ordinance is if they were receiving workers compensation. That would be the only place where would come into play were we would want to know what income they were making because it would have to be offset through the workers comp information.

Ms. Walraven clarified what qualifies a person as being disabled for the Disability Retirement Ordinance.

Res No. 2015-35

Moved, supported and carried that the Bay County Retirement Board of Trustees approves and adopts the Bay County Employee Retirement System Disability Retirement Procedure and forms presented to the

Board on this date with any changes formally approved by Motion during the open session of the Board; and be it further **RESOLVED** that a copy of the Bay County Employee Retirement System Disability Retirement Procedure shall be provided to each County Employer within seven (7) days of its formal passage and that said Policy shall take immediate effect.

Roll call vote:
Brzezinski yes
Coonan - yes
Goetz - yes
Gray-yes
Gromaski - yes
Herek-yes
Morse - Yes
Pett - Yes
Starkweather - yes

Motion carries.

The Board discussed outside counsel and authorizing the Chair to bring in outside counsel as well as formal approval from the Board. Trustees gave their opinions.

MOTION 93: Trustee Starkweather moved to amend Resolution No 2015-52 to change the language of he/she to they. Supported by Brzezinski and carried by a vote of 8 yays and 1 nay.

Roll call vote:
Brzezinski yes
Coonan - No
Goetz - yes
Gray - yes
Gromaski - yes
Herek - yes
Morse - yes
Pett - yes
Starkweather - yes

Res No. 2015-52 (Amended)

That the Bay County Employees' Retirement System Board hereby authorizes the Board Chair to act on its behalf and utilize the services of outside legal counsel as they determine necessary without requiring further formal action by the Board. This authority is granted only for the purpose of utilizing outside legal counsel that the Board has formally retained pursuant to written contract. Outside counsel's planned appearances at open meetings and topics on which they will present will be placed on the written Board Agenda whenever possible. This authority granted

to the Chair will remain in full force and effect until formally revoked by the Board.

Roll Call Vote:
Brzezinski - Yes
Coonan - No
Goetz - Yes
Gray- yes
Gromaski - yes
Herek - Yes
Morse No
Pett - yes
Starkweather - yes

Motion passes 7-2

Purchase of previous service time:

Res No 2015-51

Moved, supported and carried to adopt resolution 2015-51 That this Board approve the request of Edward Klopf to purchase nine (9) years and zero (0) months of previous service time from January 1, 1985 to December 31, 1992 for retirement purposes.

Res No 2015-54

Moved, supported and carried to adopt resolution 2015-54 that this Board approve the speaker schedule for 2016.

Non-duty disability retirement. Closed session is requested for this.

MOTION 94: Moved, supported and carried to go into closed session pursuant to MCLA 15.268, Sec. 8 (h) to consider material exempt from discussion or disclosure by state or federal statute.

ROLL CALL VOTE:
Brzezinski: yes
Coonan: yes
Goetz: yes
Gray: yes
Gromaski: yes
Herek: Yes
Morse: Yes
Pett: Yes
Starkweather

Open session resumed

Res No. 2015-55

Moved, supported and carried to adopt resolution 2015-55 that this Board approve this non-duty disability application for Todd Maxson.

Roll Call Vote:

Brzezinski yes
Coonan Yes
Goetz yes
Gray yes
Gromaski yes
Herek yes
Morse yes
Pat yes
Starkweather yes

Motion passes

ANNOUNCEMENTS:

A. Next regularly scheduled meeting will be Tuesday, December 8, 2015 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS:

NEW BUSINESS: None

MISCELLANEOUS BUSINESS None

ADJOURNMENT:

MOTION 95: Moved, supported and carried to adjourn the meeting at 3:23 p.m.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE
NOVEMBER 10 , 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
 BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY 1:30P.M.

RESOLUTIONS

TRUSTEE	2015-53	2015-35	2015-52	2015-51	2015-54	2015-55				
BRZEZINSKI	Y	M-Y	S-Y	Y	Y	Y				
COONAN	Y	N	N	Y	Y	Y				
GOETZ	S-Y	Y	Y	Y	S-Y	Y				
GRAY	Y	Y	Y	Y	Y	Y				
GROMASKI	Y	Y	Y	Y	M-Y	Y				
HEREK	M-Y	Y	M-Y	Y	Y	Y				
MORSE	Y	S-Y	N	S-Y	Y	S-Y				
PETT	Y	Y	Y	M-Y	Y	M-Y				
STARKWEATHER	Y	Y	Y	Y	Y	Y				

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

MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE
November 10, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
 BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 1:30 P.M.

MOTIONS

TRUSTEE	90	91	92	93	94	95				
BRZEZINSKI	Y	M-Y	Y	S-Y	Y	Y				
COONAN	Y	Y	Y	N	Y	Y				
GOETZ	Y	Y	Y	Y	Y	Y				
GRAY	Y	Y	Y	Y	Y	Y				
GROMASKI	Y	Y	Y	Y	Y	M-Y				
HEREK	S-Y	Y	Y	Y	Y	Y				
MORSE	Y	Y	S-Y	Y	S-Y	S-Y				
PETT	Y	Y	M-Y	Y	M-Y	Y				
STARKWEATHER	M-Y	S-Y	Y	M-Y	Y	Y				

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

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
DISABILITY RETIREMENT PROCEDURE

Adopted by Resolution 2015-35

1. The Member shall submit a written application approved by the Retirement Board ("Board") to the Retirement Administrator ("Administrator") requesting a disability retirement. The Member shall submit to the Administrator:
 - (a) a list of all treating physicians for the past five years;
 - (b) a copy of the Member's job description (as created or provided by the County employer); and
 - (c) an Authorization to Release Medical Records and Information form.

The Administrator shall encourage the Member to submit all medical and/or other information in support of the application. The Administrator shall not process any request for the disability retirement until he or she receives the application, list of treating physicians, job description and authorization for release of medical records. The Member shall submit his or her application while the Member remains in the employ of the County employer.

2. The Retirement Board shall receive the application at its next regularly scheduled meeting and shall move that:
 - (a) the Administrator request from the Member and the County Employer all medical records and/or incident reports on file with the employer relative to the disability claim and from the Member's physician's all medical records relevant to the disability claim;
 - (b) the Member provide to the Administrator any additional information relevant to the Member's claim for disability retirement as determined necessary by the Board;
 - (c) the Member's application be referred to the Medical Director for consideration,
 - (d) the Member be personally examined by the Medical Director or that such personal examination requirement be waived; and
 - (e) the County Employer be notified of the Member's application and the Board's referral.

All reasonable costs for the duplication of records (other than medical records) requested by the Board shall be paid from assets of the Retirement System.

3. The Retirement Administrator shall provide to the Medical Director for his or her consideration all information received by the Administrator related to the Member's disability retirement claim, and shall assist the Member in scheduling an appointment with the Medical Director if such examination is required by the Board. The Member shall not be responsible for the cost of the examination, but may be responsible for a

cancellation fee due to his or her failure to keep a scheduled appointment. The Member shall be responsible for travel costs to the initial examination by the Medical Director and any additional examinations deemed necessary by the Medical Director.

4. The Medical Director may, at his or her discretion, refer the Member for an examination by a specialist if the Medical Director determines the he or she lacks the specialized expertise to make a determination as to any Member's disability retirement claim. The Medical Director shall notify the Administrator within seven (7) days of such referral, who shall notify the Board at its next regularly scheduled meeting. The cost incurred as a result of such a referral shall be paid with assets of the Retirement System.
5. It shall be the Member's responsibility to ensure that the Medical Director has received all medical information and/or records that the Member wishes the Medical Director to consider at or prior to the Member's examination (if required). Medical records are to be provided at the Member's expense.
6. The Medical Director shall forward to the Administrator his or her written medical report and certification on a form approved by the Board which shall:
 - (a) identify what records were reviewed by the Medical Director;
 - (b) state whether, in the Medical Director's (or specialist's) opinion, the Member is mentally or physically incapacitated from continued employment with his or her employer;
 - (c) the nature of the incapacity;
 - (d) a short narrative of the basis for the opinion or determination of incapacity;
 - (e) state whether the incapacity is likely to be permanent;
 - (f) state whether, in the Medical Director's (or specialist's) opinion, the Member is totally and permanently disabled while in the employ of his or her employer as a result of causes directly related to his or her actual performance of duty while an employee; and
 - (g) recommend whether, in the Medical Director's (or specialist's) opinion, the Member should be retired.

Incapacity for duty shall mean that the Member is mentally or physically incapacitated from further performance of duty in the service of the County Employer in the same or similar position the Member held at the time of the claimed disability. All claims for disability retirement must be fully and completely established by or on behalf of the applicant and certified by the Medical Director prior to the Board's grant of a disability retirement. Final determinations as to disability retirement of any kind (with the exception of a Third Party Physician referral on appeal) are expressly reserved to the Board.

7. The Administrator shall place on the Board's agenda an executive session during a

regular open meeting of the Board to discuss the Member's disability application, medical reports, opinions and certifications and all other pertinent information related to the Member's disability retirement application. Following that executive session, the Board shall resolve to grant or deny the disability retirement. The Administrator shall notify the Member of the meeting at least seven (7) days prior to the date of the meeting.

8. The Administrator shall notify the Member and the County Employer of the Board's grant or denial of the disability retirement benefit, in writing, within 30 days of the official Board action.
9. Upon approval by the Board, a Member's effective date of disability retirement shall be the later of:
 - a. The date of application for disability retirement; or
 - b. The date the Member actually last received compensation from his or her employer.
10. All Members receiving a disability pension shall, in years for which they are subject to reexamination as set forth in Section 4.044(a) of the Bay County Retirement Ordinance, submit to the Administrator no later than July 1 of each calendar year (or the first business day following the 1st if the same falls on a Saturday Sunday, or County Holiday) the following:
 - (a) A statement, completed in the last twelve months, from their personal physician on a "Physician Update" form approved by the Board; and
 - (b) A "Member Work History Update" form approved by the Board and signed under oath by the Member.
11. The Administrator shall submit the updated forms to the Board in executive session during the regularly scheduled open meeting in July of each year.
12. The Administrator shall place on the Board's agenda in August of each year an executive session during a regular open meeting of the Board to discuss the updated forms submitted by the Administrator in the prior executive session. The Board shall make determinations in regular session as to which Member(s), if any, shall be subject to reevaluation by the Medical Director. Any such reevaluation shall follow the same format and procedure as the initial examination by the Medical Director.
13. The Administrator shall place on the Board's agenda in November of each year an executive session during a regular open meeting of the Board to discuss the Member's updated reevaluation, which shall include medical reports, opinions and certifications and all other pertinent information related to the Member's reevaluation of disability retirement. Following that executive session, the Board shall resolve to continue or

discontinue the disability retirement. The Administrator shall notify the Member of the meeting at least seven (7) days prior to the date of the meeting.

14. If the Member refuses to comply with the terms of this Policy and/or submit him or herself for reevaluation/reexamination, payment of any existing retirement benefit may be suspended by the Board. If the Member refuses to comply with the terms of this Policy and submit him or herself for reevaluation/reexamination for a period of one year, the Board may permanently revoke the Member's disability retirement benefit. The Board will not receive nor consider an application for disability retirement that does not comply with the terms of this Policy.

15. The Member may appeal a decision by the Board to deny a request for a disability retirement pursuant to the Appeal Procedure found at Section 4.055 of the Bay County Retirement Ordinance. However, the Member, *at the Member's option*, may select the following alternative appeal (which shall be considered an alternative benefit in lieu of the traditional appeal process available to the Member):
 - (a) The Member may submit to the Administrator, in writing, a request for their application to be submitted to an independent, third party physician for review. This physician shall be agreed upon and selected by the Medical Director and the Member's personal physician. Such a request must be made within 90 days of the date of the notification of denial.
 - (b) The Administrator shall present the appeal to the Board for receipt and the Board shall direct the Administrator to coordinate the selection of the third party physician.
 - (c) All documentation previously reviewed and/or considered by the Medical Director or specialist previously utilized by the Medical Director shall be forwarded to the Third-Party Physician for his or her review. The Third Party Physician shall conduct a physical examination of the Member and shall fill out and forward to the Administrator his or her written medical report and certification on the same form approved by the Board for use by the Medical Director.
 - (d) The Board shall receive and adopt the opinion and certification of the Third Party Physician regarding disability within 60 days of receipt of the Third Party Physician's medical report and certification. The Board shall not revisit the issue of the Member's Disability Pension (if the same is recommended by the Third Party Physician and therefore granted by the Board) until the Member is subject to reexamination/reevaluation as set forth in Section 4.044 of the Bay County Retirement Ordinance. All costs associated with the examination by the Third Party Physician shall be paid from assets of the Retirement System.

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

APPLICATION FOR A DISABILITY RETIREMENT

Date of Application: _____

Retirement Board of Trustees:

I, _____, am requesting of the Board of Trustees
Employee Name

consideration for: (Circle one)

- A. Non-duty disability retirement
- B. Duty disability retirement

Employee Signature

Address

City

State

Zip Code

Phone number

Witness Signature

Adopted by Resolution 2015-35

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM
DECISION OF MEDICAL DIRECTOR

RE: _____
(name of Applicant)

The undersigned has reviewed the medical information identified below as well as a written job description relating to the disability retirement application of the above-named Applicant, and states as follows:

_____ An examination of the Applicant took place on _____ by _____

-OR-

_____ No examination of the Applicant took place because: _____

The following records were reviewed by me in considering the Applicant's request for disability retirement (identify each individual record reviewed; attach additional sheets if necessary):

I find that:

- | | | |
|-----|---|-----------|
| (1) | the Applicant is mentally or physically incapacitated for continued employment in the same or substantially similar position in which the Applicant is currently employed | Yes _____ |
| | | No _____ |
| (2) | the incapacity is likely to be permanent | Yes _____ |
| | | No _____ |

(3) the Applicant should be retired

Yes _____

No _____

Factors I considered in making this determination that the Applicant is physically or mentally incapacitated and that the incapacity is likely to be permanent are:

Dated: _____

Signature

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
HIPAA AUTHORIZATION TO RELEASE MEDICAL RECORDS AND
INFORMATION

To any physician, health care professional, dentist, health plan, hospital, clinic, laboratory, pharmacy, or other covered health care provider, any insurance company, and the Medical Information Bureau, Inc., or other health care clearinghouse that is providing or has provided or proposes to provide treatment or services to me:

I, _____, Social Security Number ____ - ____ - ____, birth date _____, whose address is _____, state as follows:

1. **Authorization.** I authorize you to give, disclose, and release to any one or more of my agents named in Paragraph 2 below, without restriction, all of my individually identifiable health information and medical records and all other information regarding my past, present, or possible future medical, dental, or mental health condition or treatment. This shall include but shall not be limited to all information relating to the diagnosis and treatment of any mental illness, drug or alcohol abuse, and the billing or payment for such diagnosis and treatment. This also includes the broadest possible right to discuss any such information with my agent(s) and to discuss any matters with them that could be discussed with me personally. The authority given to my agent shall supersede any prior agreement that I may have made to restrict access to or disclose my individually identifiable health information.
2. **Provide information.** The information identified in this document may be released, provided to, or discussed with any of the following persons, who are my "Personal Representative" and agents for this purpose:

Rebecca Marsters, Retirement Administrator
Bay County Employees Retirement System
515 Center Avenue, 3rd Floor
Bay City, MI 48708
(989) 895-4043

3. **When and how to provide information.** You are authorized to provide the information identified in this document at any time and from time to time at the request of any one or more of the individuals identified in Paragraph 2 above. It may be provided by direct in-person discussion, or by e-mail, telephone, fax, or any other type of communication. You may assume that whoever is communicating with you by telephone, e-mail, fax, or other type of communication is the person as represented by that individual.
4. **Expiration.** This authorization contains no expiration date.

Adopted by Resolution 2015-35

5. **Authority to revoke.** I reserve the right to revoke this authorization. In order to revoke this authorization, the notification must be written, signed by me, and dated. The revocation will then become effective upon delivery to you.
6. **Redisclosure.** I understand that the information disclosed by reason of this document may be subject to redisclosure by the recipient and therefore may no longer be protected under state or federal law.
7. **Photostatic copies.** A photostatic copy of this Authorization shall be considered as effective and valid as the original.
8. **Voluntary action.** I understand that I am not required to sign this document, and I am signing this document voluntarily.
9. **Privacy waiver.** With regard to the disclosure of information authorized in this document, I waive any right of privacy that I may have under the authority of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, that might otherwise prevent any person or entity to whom this release is delivered from providing access to my medical records or other information authorized to be released under this document, and I hold harmless from any claim of inability under such act, rule, or regulation any person or entity who provides information or access to my medical information and records under this document.
10. **Durable power.** This authorization shall not be affected by my disability. The authority of my agent shall be exercisable notwithstanding my later disability or incapacity or later uncertainty as to whether I am alive.

Dated: _____

Witness:

Dated: _____

STATE OF MICHIGAN)
)ss.
County of _____)

Acknowledged before me in _____ County, Michigan, on _____ by _____

Notary public,
State of Michigan, County of _____
My commission expires: _____
Acting in _____ County

Adopted by Resolution 2015-35

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
PHYSICIAN UPDATE FORM

RE: _____
(name of Patient)

An examination of the Applicant took place on _____ by:

Physician's Name: _____

Mailing Address: _____

Specialty: _____

The following records were reviewed by me in addition to my examination (identify each individual record reviewed; attach additional sheets if necessary):

After examination of the Patient please complete the questions below:

I have reviewed the medical information identified above, as well as, a written job description for _____ (position) relating to the above-named Patient, and states as follows:

I find that:

- | | | |
|-----|---|-----------------------|
| (1) | the Patient is mentally or physically incapacitated for continued employment in the same or substantially similar position in which the Patient was previously employed | Yes _____
No _____ |
| (2) | the incapacity is likely to be permanent | Yes _____
No _____ |
| (3) | the Patient should continue to be retired | Yes _____
No _____ |

(continued on reverse)

Factors I considered in making this determination that the Patient is physically or mentally incapacitated and that the incapacity is likely to be permanent are:

Dated: _____

Physician Signature

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
MEMBER WORK HISTORY UPDATE

To continue receipt of monthly disability retirement benefit, this form must be returned to the Retirement Administrator by July 1st.

I hereby certify that during the calendar year of _____, I have been paid the following amounts in addition to the disability benefits paid by the Retirement System:

Payments from the federal social security retirement, survivors, disability and health insurance programs \$ _____

Remuneration for services rendered in gainful employment \$ _____

Payments from any salary continuance, sickness and accident benefits, disability benefits or program of similar purpose financed in whole or in part by the County \$ _____

Employer Name/Address	Dates of Employment	Gross Pay
_____	_____	\$ _____
_____	_____	\$ _____

I hereby certify, under penalties of perjury, that the information submitted is true, correct and complete and that the income reported by me as detailed above is in conformity with the amount of income I have reported on my annual Federal Income Tax Return and give my permission to the Board of Trustees to obtain directly from the Internal Revenue Service (via IRS form 4506-T) a copy of my Federal Income Tax Return for the year _____.

Name: _____ Social Security No. _____
 (Please print)

Dated: _____ Signature: _____

Witness:
 Dated: _____ Signature: _____

STATE OF MICHIGAN)
)ss.
 County of _____)

Acknowledged before me in _____ County, Michigan, on _____ by _____.

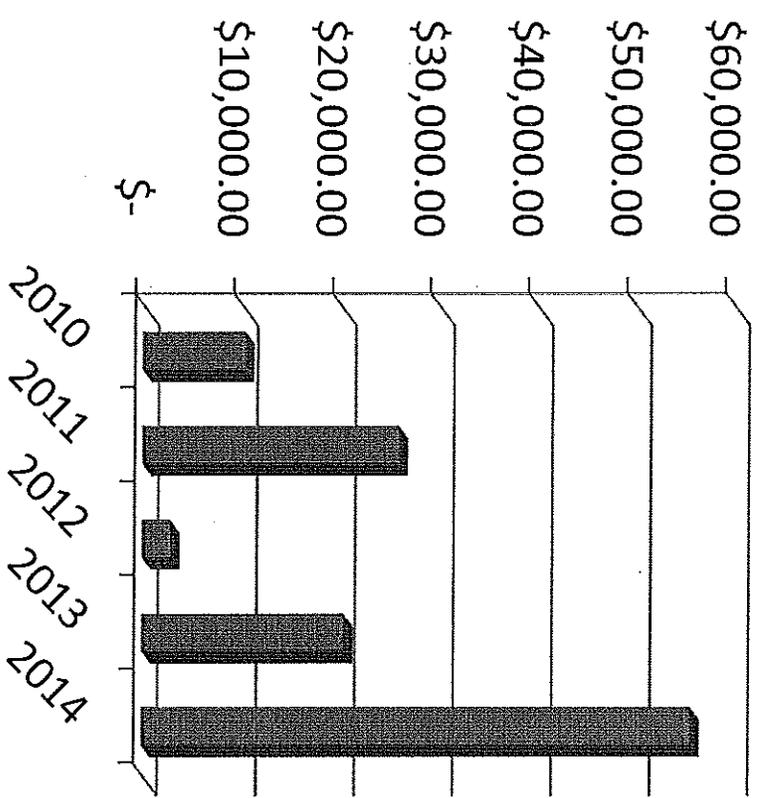
 Notary public,
 State of Michigan, County of _____
 My commission expires: _____
 Acting in _____ County

Adopted by Resolution 2015-35

Indirect Cost Changes-- Payroll

Retirement Administrative Duties

Payroll



- In 2011, Tiffany Jerry was hired as Benefits/payroll administrator
- In late 2012, she began processing retirement papers as did Sue Gansser before her
- Two vacancies in Retirement Administrator position from 2013 to 2014
- There was a years worth of accounting and reconciliation from both previous Ret. Adm.
- BABH Special Retirement incentive program involved double workload for the year
- Rebecca Marsters hired in 4th quarter 2014
- With the BABH incentive completed and a full time Retirement Admin/Accountant hired and trained, the indirect cost expense associated with Payroll will go down substantially.

Payroll Duties – Retirement

Standard Duties:

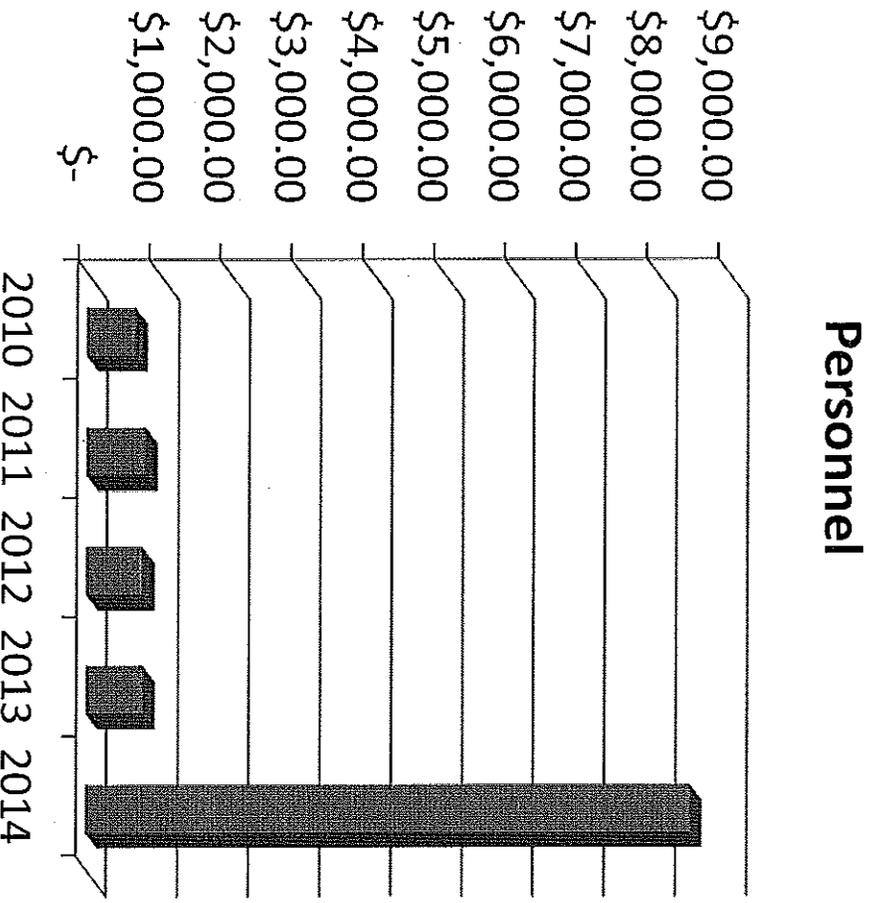
- Processing payroll and administering benefits to Retirement Administrator/Accountant and Retirement Clerk
- Review and set up of all new pensions into Northern Trust for payment
- Update health insurance premiums for retirees
- Send communications regarding open enrollment and misc. benefits to retirees
- When positions are vacant, post, screen, interview candidates
- Supervise Retirement activities
- Review and approve journal entries
- Assist in year end closing
- Assist in Actuary data collection activities
- Participate in RFP's as needed

Non Standard Duties 2013 & 2014

- Due to vacant position, payroll back filled Retirement Admin/Accountant Position
- BABH early retirement incentive increased workload substantially

Indirect Costs – Personnel (PT Clerk)

Retirement Administrative Duties



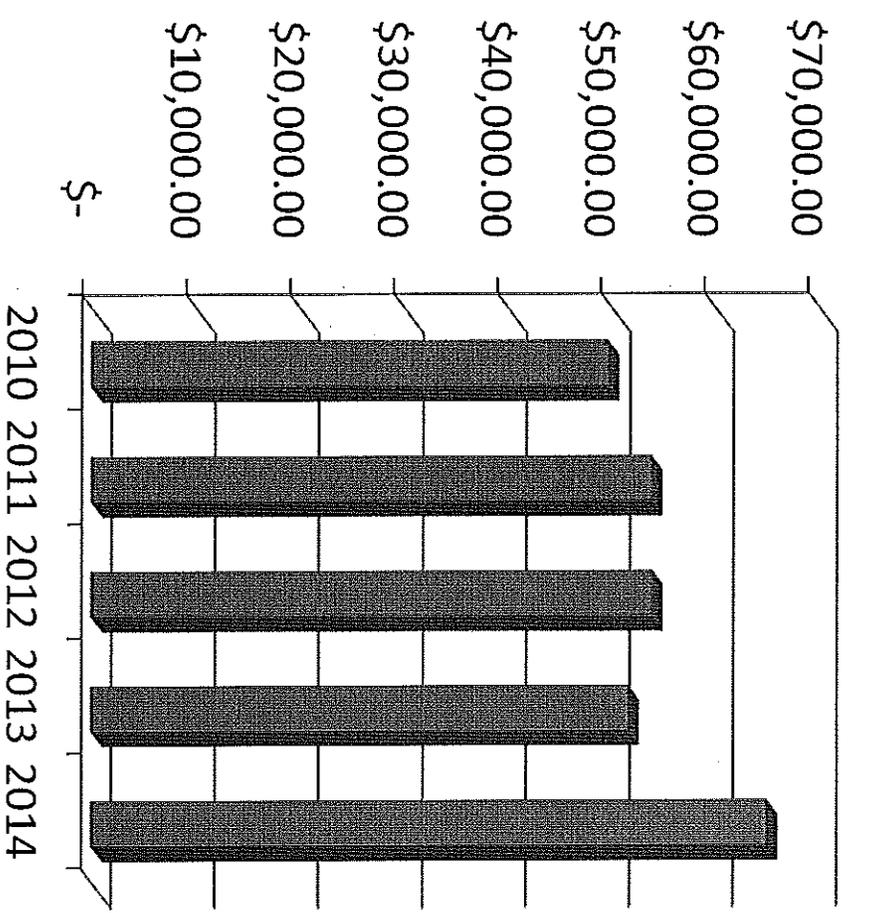
- 2014 – in addition to regular duties of Retirement Adm. Ass't., Personnel administrative assistance was needed to:
 - Pull folders and input new data into new GRS system
 - Continue to update record keeping on individual basis
 - Collate all records into a single source
 - Transfer information from note cards to excel

HM

Personnel Duties – Retirement

- Assist in updating wage and contribution cards
- Assist in data entry into GRS for actuary data collection
- Transfer information from previous database (lseries) to excel spreadsheets for accumulated contributions and wage cards for all members

Direct Cost Changes – Wages/Salary Retirement Administrative Duties



- Vacant position for four months in 2013
- Worker's comp was factored into the job until 2013, then assigned to newly hired Wellness Coordinator and Personnel.

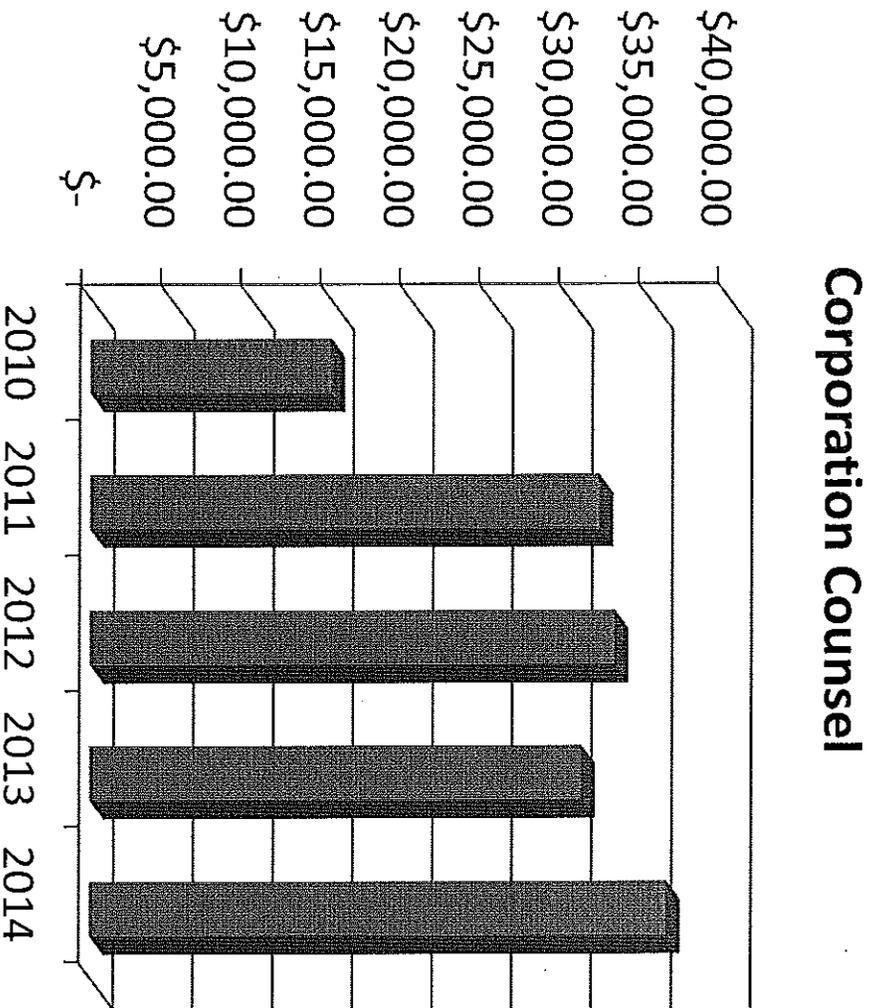
Retirement Administrator

- Administer pension benefits to over 900 retirees, provide pension benefit estimates and answer questions for over 1100 active employees as requested
- Record some financial transactions of the retirement system
- Assist in reconciling the retirement system fund general ledger
- Monitor the retirement system bank statements
- Act as liaison person for potential and current retirees and retirement board
- Schedule seminars and individual sessions to explain pension benefit
- Assist in updating retirement ordinance as required
- Coordinate reporting procedures for all employee groups
- Prepare reports on the retirement system as required by federal, state and local governmental agencies and private entities
- Analyze retirement system vouchers, expense accounts and outstanding balances of the retirement system
- Audit travel vouchers, expense accounts and outstanding balances of the retirement system
- Perform general accounting functions for the retirement system such as budgeting, GASB entries on the county's financial software program

Direct Cost Changes

- 2013 - Long time Retirement Administrator left employment beginning of September 2013 . Per Union Contract, employee was paid for unused vacation/sick time.
- In 2013 temporary help was brought in to help administer retiree benefits pertaining to the BABH early incentive retirement option and open position
- First quarter 2014 temporary help was utilized to complete the BABH incentive transactions and help train new employee. Due to work load considerations, workers compensation was no longer performed by this position
- Scanning project started in 2014, temporary help was utilized to purge documents
- Fourth quarter 2014 temporary help was again utilized due to turnover and training requirements
- Current job changes – Retirement Administrator/Accountant was hired in July of 2014 at a lower pay rate classification however since there is no longer Workers Compensation responsibility, it is charged 100% to Retirement.

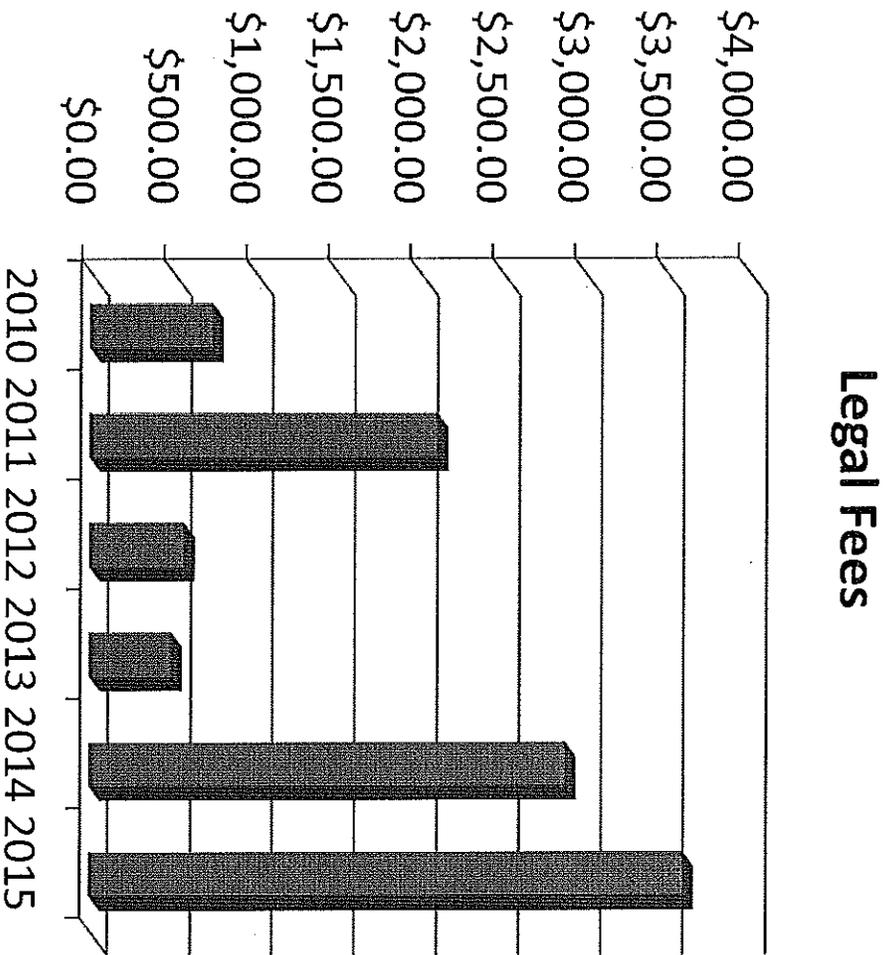
Indirect Costs – Corporation Counsel Retirement Administrative Duties



- Previous Corporation Counsel retired partially through 2014.
- New Corporation Counsel, Amber Davis-Johnson, and Assistant Corporation Counsel, Shawna Walraven were hired in 2014.
- The 2014 indirect costs reflect the transfer of knowledge and work on the backlog of work that occurred in that year.
- We can predict that costs will stabilize as Assistant Corporation Counsel continues to work with the System.

Direct Costs – Legal Fees

Retirement



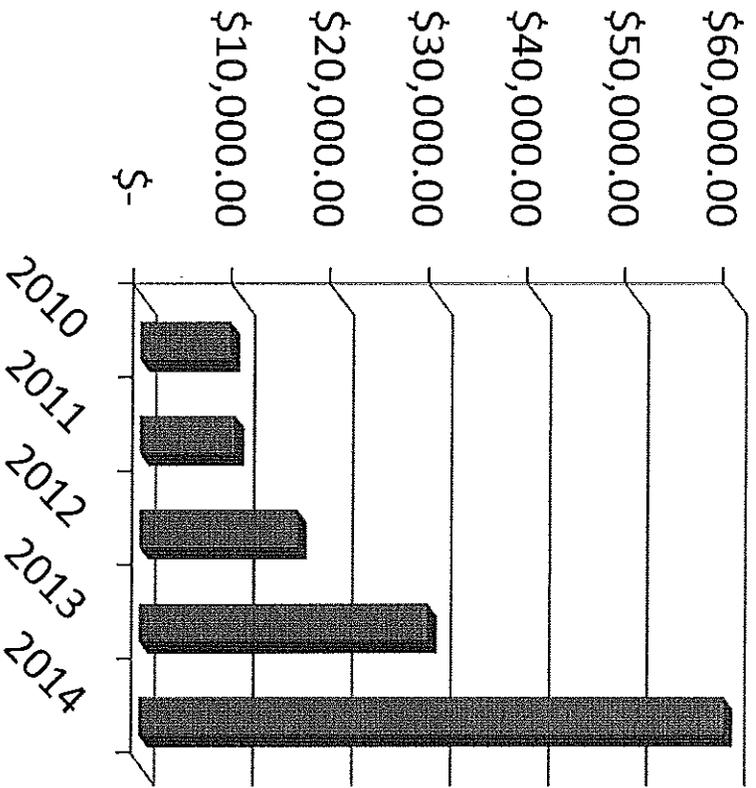
- 2010 – New money manager agreement
- 2011 – Federal tax law change for tax-qualified status review
- 2012 – New money manager agreement
- 2013 – New money manager agreement
- 2014 – Policies, meetings, agreements
- 2015 – Policies, meetings, agreements

Corporation Counsel Retirement Duties

- Answer legal questions of members, entities, service providers and staff relating to the System
- Review agreements and policies
- Assist in Request for Proposal process
- Attend Retirement Board meetings
- Update Retirement Ordinance when changes are made

Indirect Costs -- Accounting Retirement Administrative Duties

Accounting



- In early 2010, Crystal Hebert was hired as the assistant finance officer and appointed BCERS Secretary.
- In late 2011, Crystal transitioned to finance officer and provided staff oversight related to BCERS, including assisting the former administrator with responsibilities. The finance officer assumed all of the finance officer duties at the time of the former administrators departure in 2013.
- Jeanette Bateman began assisting with accounting backlog from two former administrators in September 2013 into 2014. Jeanette continues to perform a portion of these duties.
- With the work backlog complete, it is projected that indirect costs will stabilize and possibly decrease.

Accounting - Retirement Duties

Asset Manager Activity/Cash Controls

- Prepare/review cash flow analysis spreadsheet used for rebalancing and confirming cash availability for monthly pension payments, capital calls, expenses & administrative reimbursements owed to Bay County General Fund, as needed
- Monitor asset balances/cash account from Northern Trust statements, weekly**
- Record/post BAYCO-cash activity to the general ledger, monthly*
- Record/post asset manager journal entries, including interportfolio transfers. Includes residuals from prior asset managers until fully liquidated, quarterly*
- Reconcile statements, provided to us directly by the investment managers, to Northern Trust's quarterly statements (errors are found frequently), quarterly**

*Formerly yearly

**Not done in the past

Year-End – By February of subsequent year (Formerly May)

- Prepare/enter/post various year-end accrual journal entries
- Prepare/enter/post fair market value adjustment investment changes

Accounting - Retirement Duties (Cont.)

Various Duties

- Spearhead GAAP/GASB pension plan financial reporting, disclosure requirement changes
- Facilitate divesting/capital calls/rebalancing with board consultants/custodian bank
- Initiate and coordinate funding/termination of new asset managers
- Discuss/approve accounting changes with board consultants/custodian bank
- Main contact for all asset managers/board consultants/custodian bank/trade commission managers related to investments
- Discuss/review transition management services with board consultants
- Vote proxies per investment policy guidelines
- Manage forms related to IRS/State requirements (i.e. W-9, IRS Determination Letters, etc.)
- Assist auditors and produce a "Clean Audit"
- Provide financial information to corporation counsel and assist in updating new/existing contracts related to asset managers/brokerage commission/securities lending/securities litigation, etc.
- Review and make recommendations for board approval regarding investment policy updates with board consultants/legal
- Serve on committee for bidding services
- Attend all board meetings and review/sign minutes
- Provide a segregation of duties, review, and monitor internal control procedures

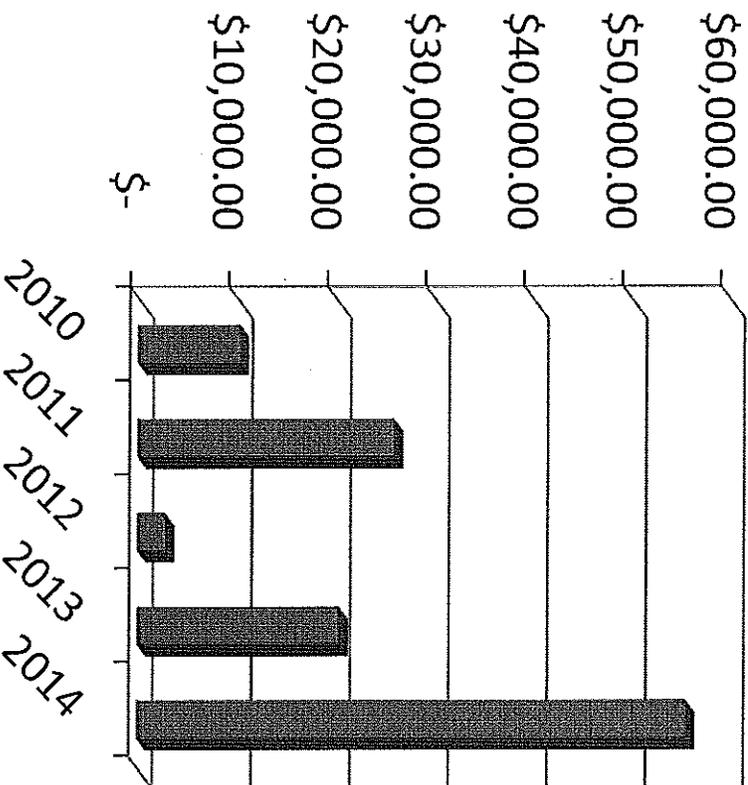
Summary BCERS Administrative Performance

- Transactions are being recorded timely
- Retirees are receiving their first pension checks on an average of 1-2 weeks after their final pay check
- Meeting minutes from previous meeting are available at the following regular meeting
- Cycle of due diligence for service providers (ie. RFP)
- Continual review and updating of system policies
- Increase in number of money managers
- Long term storage of electronic documents including the scanning project
- Final pension calculations are completed by Retirement Administrator

Indirect Cost Changes-- Payroll

Retirement Administrative Duties

Payroll



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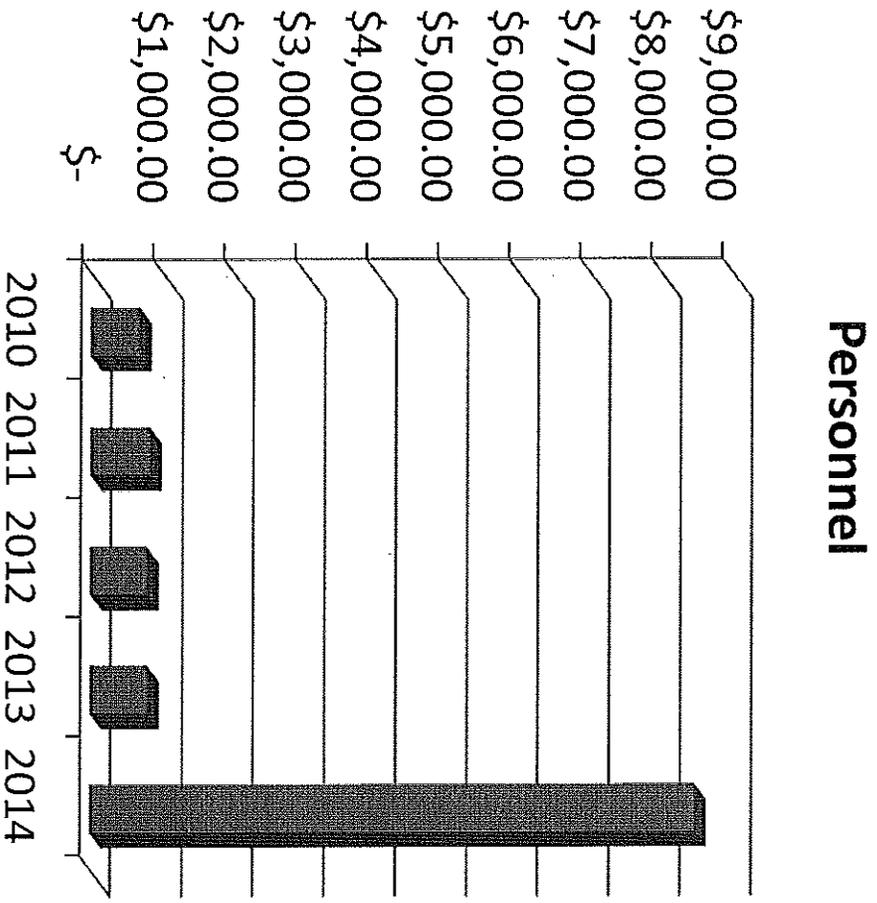
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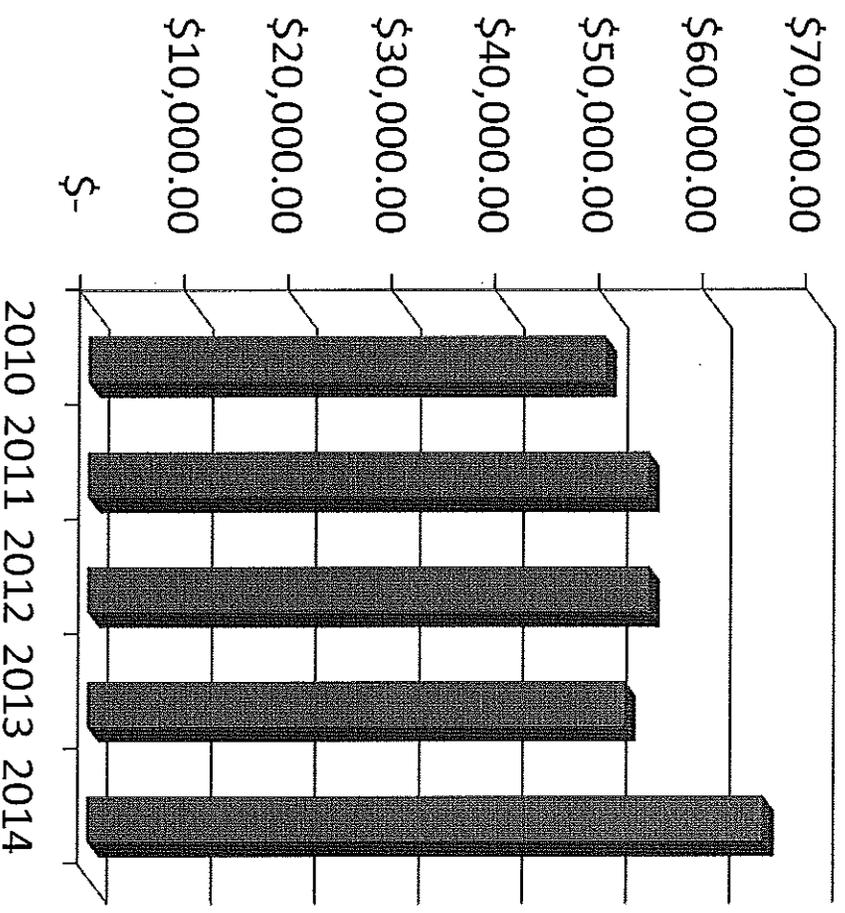


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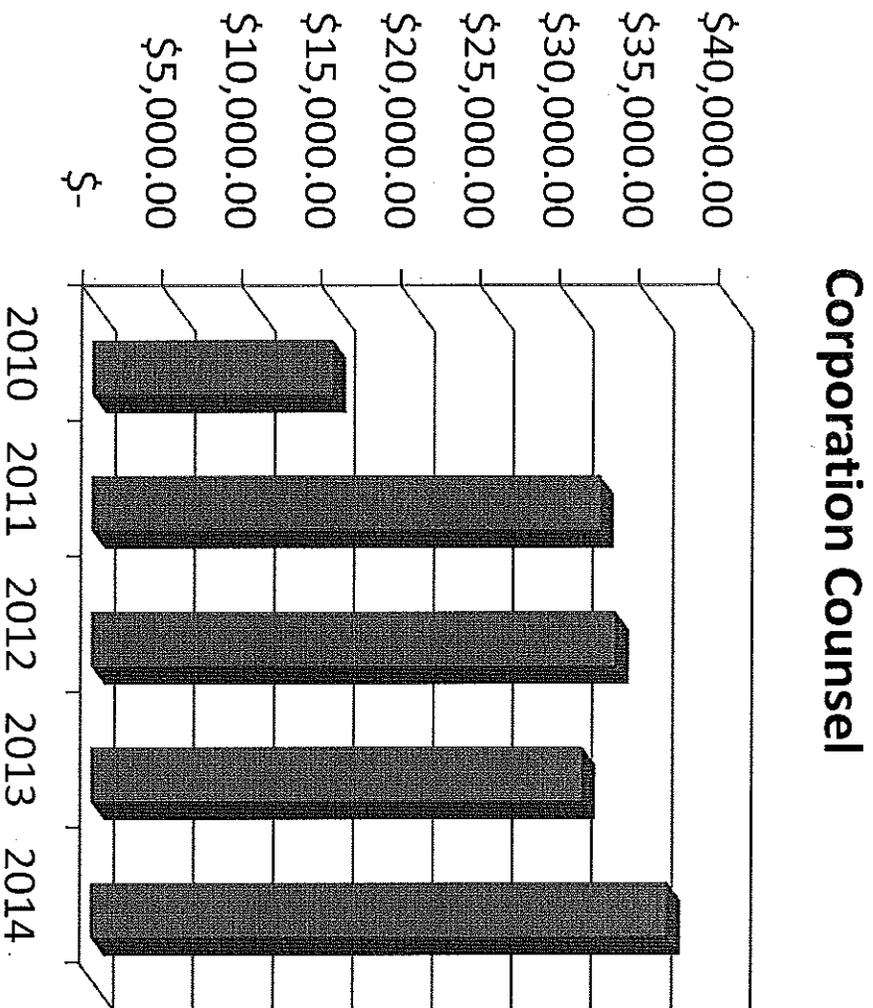
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Retirement Administrative Duties

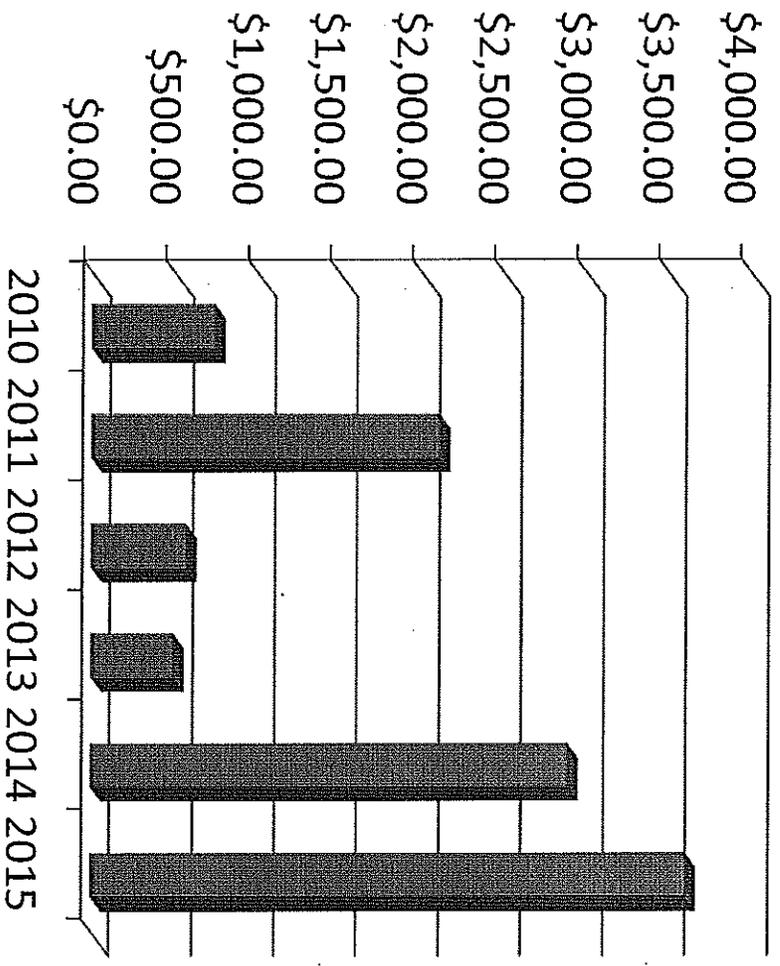


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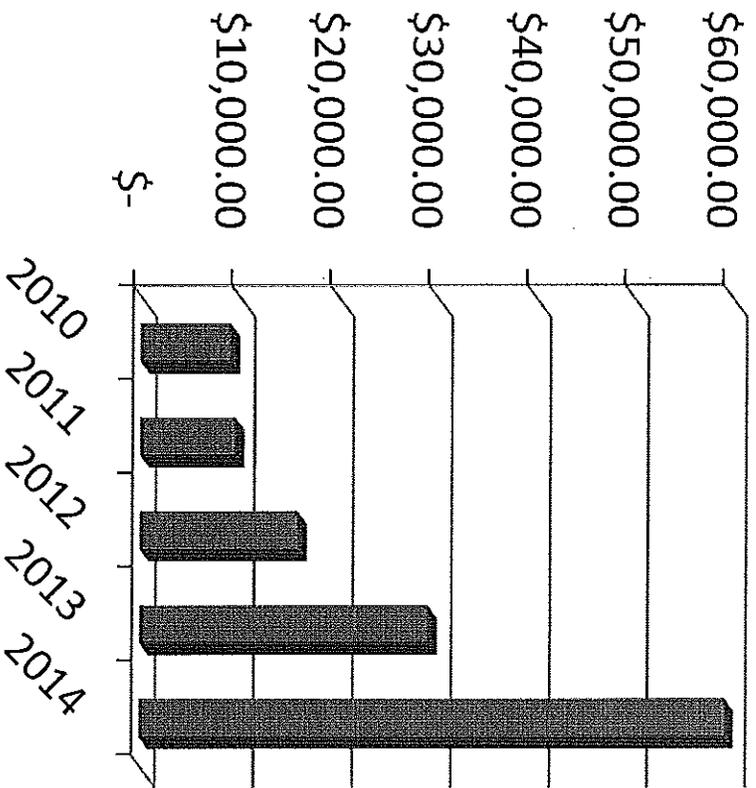
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- Retirees are receiving their first pension checks on an average of 1-2 weeks after their final pay check
- Meeting minutes from previous meeting are available at the following regular meeting
- Cycle of due diligence for service providers (ie. RFP)
- Continual review and updating of system policies
- Increase in number of money managers
- Long term storage of electronic documents including the scanning project
- Final pension calculations are completed by Retirement Administrator

Bay County Employees Retirement System Analysis

<u>Indirect Expenditures</u>	<u>2010</u> (Used in 2012)	<u>2011</u> (Used in 2013)	<u>2012</u> (Used in 2014)	<u>2013</u> (Used in 2015)	<u>2014</u> (For Use in 2016)
Building Use Charge	\$ 264	\$ 973	\$ 897	\$ 899	\$ 1,363
County Commission	\$ 1,028	\$ 1,450	\$ 1,065	\$ 1,318	\$ 1,307
Accounting	\$ 9,232	\$ 9,747	\$ 16,121	\$ 29,296	\$ 59,544
Payroll	\$ 10,445	\$ 26,098	\$ 2,918	\$ 20,534	\$ 55,797
Budget	\$ 2,065	\$ 2,342	\$ 2,208	\$ 2,732	\$ 3,075
Administrative Services	\$ -	\$ -	\$ -	\$ -	\$ 141
Information Systems	\$ 5,411	\$ 4,258	\$ 4,496	\$ 1,766	\$ 1,539
Financial Systems (MUNIS)	\$ 2,308	\$ 2,184	\$ 2,409	\$ 2,457	\$ 1,831
Purchasing	\$ 120	\$ -	\$ 153	\$ 547	\$ 1,226
Treasurer	\$ 919	\$ 978	\$ 822	\$ 886	\$ 1,082
Buildings & Grounds	\$ 1,110	\$ 3,944	\$ 3,919	\$ 4,098	\$ 7,067
Corporation Counsel	\$ 15,147	\$ 31,967	\$ 32,947	\$ 30,890	\$ 36,219
Personnel	\$ 696	\$ 838	\$ 796	\$ 810	\$ 8,501
Print/Postage	\$ 172	\$ 201	\$ 169	\$ 122	\$ 182
Risk Management	\$ 1,002	\$ 806	\$ 947	\$ 878	\$ 1,292
Retiree Insurance	\$ 2,264	\$ 4,606	\$ 3,943	\$ 3,010	\$ 3,756
Total Allocated	\$ 52,183	\$ 90,392	\$ 73,810	\$ 100,243	\$ 183,922
Roll Forward	\$ (8,258)	\$ 36,178	\$ 21,627	\$ 9,851	\$ 110,112
Cost with Roll Forward	\$ 43,925	\$ 126,570	\$ 95,437	\$ 110,094	\$ 294,034
Adjustments	\$ -	\$ -	\$ -	\$ -	\$ (34,087)
Proposed Costs	\$ 43,925	\$ 126,570	\$ 95,437	\$ 110,094	\$ 259,947

<u>Direct Expenditures 73127400</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Salary	\$ 33,249	\$ 34,974	\$ 35,516	\$ 25,427	\$ 37,144
Temporary Help	\$ -	\$ -	\$ -	\$ 9,459	\$ 11,149
Wages Part Time	\$ 6,808	\$ 8,395	\$ 7,172	\$ 7,369	\$ 9,194
Overtime	\$ -	\$ -	\$ -	\$ 128	\$ 364
Holiday Pay	\$ 1,786	\$ 2,175	\$ 2,613	\$ 1,598	\$ 2,150
Per Diem	\$ 2,345	\$ 2,275	\$ 1,755	\$ 2,715	\$ 2,955
Vacation Pay	\$ 4,366	\$ 5,680	\$ 5,451	\$ (75)	\$ 3,004
Sick Pay	\$ 1,160	\$ 495	\$ 1,347	\$ 577	\$ -
Termination Sick/Vac Pay	\$ 479	\$ 287	\$ -	\$ 5,292	\$ 161
Fringe Benefits	\$ 21,656	\$ 24,112	\$ 29,030	\$ 27,682	\$ 25,653
Supplies	\$ 1,930	\$ 2,938	\$ 1,401	\$ 2,010	\$ 1,563
Professional	\$ 1,236,314	\$ 1,495,162	\$ 1,434,892	\$ 1,568,001	\$ 1,730,273
Actuarial	\$ 36,650	\$ 38,065	\$ 40,053	\$ 72,560	\$ 47,975
Medical Services	\$ -	\$ 995	\$ -	\$ -	\$ -
Investment/Bank Fees	\$ 204,509	\$ 205,449	\$ 190,641	\$ 248,978	\$ 267,932
Legal Fees	\$ 751	\$ 2,117	\$ 578	\$ 503	\$ 2,898
Consultant	\$ 125,000	\$ 125,000	\$ 125,000	\$ 140,000	\$ 140,000
Membership/Dues	\$ 530	\$ 560	\$ 815	\$ 960	\$ 325
Filing Fees	\$ -	\$ 1,000	\$ -	\$ -	\$ 85
Telephone	\$ 276	\$ 145	\$ 169	\$ 185	\$ 102
Conference/Fees	\$ 3,186	\$ 7,061	\$ 9,607	\$ 6,599	\$ 11,705
State Travel Mileage	\$ 111	\$ 1,930	\$ 1,926	\$ 1,781	\$ 2,286
Local Travel Mileage	\$ 85	\$ 81	\$ 6	\$ 78	\$ 271
Pension Pay	\$ 10,786,895	\$ 11,493,030	\$ 12,273,871	\$ 13,242,071	\$ 15,527,700
Other Services	\$ 19,135,260	\$ 51,586,393	\$ 21,132,939	\$ 21,382,558	\$ 22,737,280
Total Expenditures	\$ 31,603,346	\$ 65,038,320	\$ 35,294,780	\$ 36,746,455	\$ 40,562,169

Building Use Charge: The portion of depreciation of the County Building related to the space occupied by the employee(s) whose wages are charged directly to the Retirement Fund.

County Commissioners: The portion of the annual general County audit related to the Retirement Fund.

Accounting: The portion of the costs by the Accounting division related to managing all accounting activity related to the Retirement Fund and time spent attending Retirement Board meetings.

Payroll: The portion of payroll and fringe benefit services related to the employee(s) assigned directly to the Retirement Board.

Budget: The portion of budgeting services, processing accounts payable, and assisting the accounting division with general accounting matters as they relate to the Retirement Fund.

Information Services: The portion of Desktop support, technical support, and network support related to IT devices supported by the information services department and handling of work-order requests related to the Retirement Board.

Financial System MUNIS: The portion of depreciation, computer repair and maintenance, software, and other operating expenses associated with the MUNIS system.

Purchasing: The cost of processing purchase orders for services related to the Retirement Fund.

Treasurer: The portion of costs related to managing all cash related activity.

Building & Grounds: Utilities and other building operating expenses at the county building related to the space occupied by the employee(s) whose wages are charged directly to the Retirement Fund.

Corporation Counsel: The costs of providing general legal advice, responding to legal matters related to the Retirement Fund and attending Retirement Board meetings by the legal representative.

Personnel: The portion of the HR department related to managing and enforcing the County's personnel policies and labor relation services for the county employee(s) charged directly to the Retirement Fund.

Printing/Postage: The allocated portion of the centralized mail services.

Risk Management: The portion of the liability insurance policy which provides liability coverage for the actions of all county employees as well as property insurance for the portion of space at the County building assigned to the Retirement Fund.

Retiree Insurance: The allocation portion of Retiree health insurance that the County centrally budgets for and does not charge back directly to individual departments.

Tab 1



BAY COUNTY
FINANCE/INFORMATION SYSTEMS

Thomas L. Hickner
Bay County Executive

Crystal A. Hebert
Finance Officer
hebertc@baycounty.net

Kimberly A. Priessnitz
Assistant Finance Officer
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Frances A. Moore
Purchasing/Housing Rehab
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Julie A. Coppens
Information Systems Manager
coppensj@baycounty.net

BAY COUNTY, MICHIGAN

COUNTY-WIDE COST ALLOCATION PLAN

Certification by the Responsible County Official

This is to certify that I have reviewed the cost allocation plan submitted herewith and to the best of my knowledge and belief:

1.) All costs included in this proposal for the year ended December 31, 2014 to establish cost allocations or billings for the year beginning January 1, 2016, are allowable in accordance with the requirements of 2 CFR Part 225, Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87) and the Federal award(s) to which they apply. Unallowable costs have been adjusted for in allocating costs as indicated in the cost allocation plan.

2.) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the awards to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare that the foregoing is true and correct.

Bay County, Michigan

Signature:

Crystal Hebert

Name of Official:

Crystal Hebert

Title:

Finance Officer

Date:

August 18, 2015

Tab 2

Bay County, Michigan Indirect Cost Allocation Plan Based On The Year Ended December 31, 2014 Allocated Costs By Department

Detail

Central Service Departments	Insum 677-87200	Claim 6771-87200	Retire 731-27400	VEBA 736-27400	Correc 764-35100	Drain 801-27500	H Dm 8014-27500
Building Use Charge	198	0	1,363	0	0	0	0
Equipment Use Charge	0	0	0	0	0	0	0
County Commission	488	252	1,307	70	9	749	149
Accounting	2,680	1,369	59,544	402	51	4,098	806
Payroll	101-20200	9,662	12,667	55,797	4,719	0	0
Budget	101-21200	758	747	3,075	261	27	1,023
Administrative Serv	101-27200	20	0	141	0	0	0
Information Services	0	0	1,539	0	0	0	0
Financial System MUNIS	615	294	1,831	90	12	1,338	372
Purchasing	101-23300	136	0	1,226	0	136	0
Treasurer	101-25300	39	355	1,082	56	1,676	803
Buildings & Grounds	1,029	0	7,067	0	0	0	0
Corporation Counsel	0	0	36,219	0	0	0	0
Personnel	101-27000	193	0	8,501	0	0	0
Riso Print/Postage	101-29600	1	0	182	0	0	0
Recreation & Fac	101-75110	0	0	0	0	0	0
Park Maintenance	0	0	0	0	0	0	0
Risk Management	187	0	1,292	0	0	1,763	0
Retiree Insurance	101-87800	955	0	3,756	0	0	0
Building Authority	101-27900	0	0	0	0	0	0
Total Allocated	16,961	15,684	183,922	5,598	99	12,105	3,153
Roll Forward	3,389	6,379	110,112	4,822	0	0	0
Cost With Roll Forward	20,350	22,063	294,034	10,420	99	12,105	3,153
Adjustments	0	0	(34,087)	0	0	0	0
Proposed Costs	20,350	22,063	259,947	10,420	99	12,105	3,153

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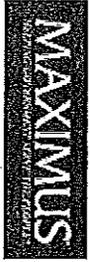


Tab 3

Bay County, Michigan Indirect Cost Allocation Plan Based On The Year Ended December 31, 2014 Schedule E - Summary of Allocation Basis

Department	Allocation Basis:	Allocation Source:
Building Use Charge		
1.4.1 County Building	Assigned square footage by benefiting department	Building & Grounds
1.4.2 Health Facility	Assigned square footage by benefiting department	Building & Grounds
1.4.3 Courts Facility	Assigned square footage by benefiting department	Building & Grounds
1.4.4 Law Enf Ctr	Assigned square footage by benefiting department	Building & Grounds
1.4.5 Juv Det Fac	Direct allocation to Juvenile Detention facility	Building & Grounds
1.4.6 Animal Control	Direct allocation to Animal Control	Building & Grounds
1.4.7 Fairgrounds	Direct allocation to Fair Grounds	Building & Grounds
1.4.8 Parks & Rec.	Direct allocation to Parks & Recreation	Building & Grounds
1.4.9 Ofc Emer Serv	Direct allocation to the Office of Emergency Services	Building & Grounds
1.4.10 Law Enf Ctr Add	Direct allocation to Sheriff	Building & Grounds
1.4.11 Community Ctr	Assigned square footage by benefiting Department	Building & Grounds
1.4.12 Storage Bldg	Assigned square footage by benefiting department	Building & Grounds
Equipment Use Charge		
2.4.1 Equipment Use	Computed depreciation by central service department	Fixed asset report
County Commission 101-10100		
3.4.1 Annual Audit	Number of accounting transactions by department	Transaction count summary report
Accounting 101-19100		
4.4.1 Accounting	Number of accounting transactions by department	Transaction history detail
4.4.2 Payroll	Average number of employees by benefiting department	Detail general ledger
4.4.3 Budgeting	Number of budget transactions by department	Transaction history detail
4.4.4 Purchasing	Number of purchase orders issued by department	Transaction history detail
4.4.5 Contract Serv.	Percentage of effort by central service department	Consultant's time summary
4.4.6 Special Proj.	Dollar amount of wages by project	Employee time analysis
Payroll 101-20200		
5.4.1 Payroll	Average number of FTEs by benefiting department	Payroll summary
5.4.2 Retirement	Direct allocation to Retirement fund	Payroll department director
5.4.3 Health/Life	Dollar amount of health & life insurance by department	Detail general ledger
5.4.4 Self Insurance	Direct allocation to Insurance fund	Payroll department director
5.4.5 Health Care	Direct allocation to Health Care Fund	Payroll department time summary
5.4.6 VEBA	Direct allocation to VEBA	Payroll department time summary
5.4.7 Insurance	Dollar amount of insurance by department	Insurance allocation summary

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Tab 4

BAY COUNTY, MICHIGAN COUNTY COMMISSION NATURE AND EXTENT OF SERVICES

This department has been included to identify allowable central service costs accounting within the County Commission budget. These costs relate to professional services and services performed by Commission staff directed toward Building Authority construction projects. The cost of this department has been separated into the following activities based on the assigned responsibilities of the individuals within this department. Those individuals that spend 100% of their time related to a specific activity have been assigned to their respective activity. If an individual is split between 2 or more activities, a time and effort summary was used to distribute the appropriate percentage of effort between the benefiting activities.

Annual Audit - Bay County contracts with an independent auditing firm to conduct the annual financial audit. The fees associated with the annual audit have been allocated based on the number of accounting transactions posted by department.

General Government - Costs associated with the general legislative activities of the Board of Commissioners have been identified within this function. These types of costs are not allowable for allocation and subsequently no distribution is made.

This department receives allocations from other service departments. The allocations received are, in turn, reallocated to recipient departments according to the initial distribution established for this service department. This procedure provides for an appropriate allocation of all service department charges.

All applicable credits for direct-billed charges are accounted for in the initial allocation.

Tab 5

Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Schedule 3.3 - Costs Allocated By Activity
For Department County Commission 101-10100

Not Allocated

	Total	General & Admin	Annual Audit	General Gov't
Wages & Benefits				
SALARIES & WAGES	150,491	0	0	150,491
FRINGE BENEFITS	32,907	0	0	32,907
Other Expense & Cost				
Supplies	1,225	0	0	1,225
Audit Fees	74,500	0	74,500	0
Memberships	13,046	0	0	13,046
Telephone	935	0	0	935
Other Expenses	1,951	0	0	1,951
Flowers, Wreath	811	0	0	811
Repair & Maint.	457	0	0	457
Equipment Rental	3,917	0	0	3,917
Departmental Totals				
Total Expenditures	280,240	0	74,500	205,740
Deductions				
Total Deductions	0	0	0	0
Functional Cost				
Allocation Step 1	280,240	0	74,500	205,740
Allocation Step 1				
Inbound- All Others	9,300	0	0	9,300
Unallocated Costs	(215,040)	0	0	(215,040)
1st Allocation	74,500	0	74,500	0
Allocation Step 2				
Inbound- All Others	79,020	0	0	79,020
Unallocated Costs	(79,020)	0	0	(79,020)
2nd Allocation	0	0	0	0

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- Detail
- Months
- Seg Find
- Totals
- User Defined Fields

Account

Fund	1010	...	GEN FUND	Acct	1010-01-10100-000000-000000-81800 -	
Org	10110100	...	GF BOC	Acct name	AUDIT FEES	
Object	81800	...	AUDIT FEES	Type	Expense	Status Active
Project		...		Rollup	40001	SERVICES AND CHARGES - 101
					<input type="checkbox"/> MultYr Fund	

4 Year Comparison	Current Year	History	
Yr/Per 2015/10	Fiscal Year 2015	Fiscal Year 2014	Fiscal Year 2013
Original Budget	80,900.00	80,900.00	80,900.00
Transfers In	.00	.00	.00
Transfers Out	.00	.00	.00
Revised Budget	80,900.00	80,900.00	80,900.00
Actual (Memo)	75,500.00	74,500.00	73,850.00
Encumbrances	.00	.00	.00
Requisitions	.00		
Available	5,400.00	6,400.00	7,050.00
Percent used	93.33	92.09	91.29

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Table

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Bay County, Michigan Indirect Cost Allocation Plan Based On The Year Ended December 31, 2014 Schedule 4 - Detail Activity Allocations For Department County Commission 101-10100

Receiving Department	Allocation Units	Allocation Percentage	Gross Allocation	Direct Billed	Allocation Step1	Allocation Step2	Total Allocation
County Commission 101-10100	358	0.3638	271		271		271
Accounting 101-19100	684	0.6950	518		518		518
Payroll 101-20200	487	0.4949	369		369		369
Budget 101-21200	490	0.4979	371		371		371
Administrative Serv 101-27200	706	0.7174	534		534		534
Information Services 101-22800	688	0.6991	521		521		521
Purchasing 101-23300	400	0.4065	303		303		303
Treasurer 101-25300	2,240	2.2761	1,696		1,696		1,696
Buildings & Grounds 101-26500	2,051	2.0841	1,553		1,553		1,553
Corporation Counsel 101-26600	1,007	1.0232	762		762		762
Personnel 101-27000	1,016	1.0324	769		769		769
Riso Print/Postage 101-29800	421	0.4278	319		319		319
Recreation & Fac 101-75110	171	0.1738	129		129		129
Park Maintenance 101-75112	617	0.6270	467		467		467
Risk Management 101-85100	7	0.0071	5		5		5
Retiree Insurance 101-87800	71	0.0721	54		54		54
Building Authority 101-27900	61	0.0620	46		46		46
Cir Ct 101-13100	1,995	2.0272	1,510		1,510		1,510
SSSPP 101-13101	355	0.3607	269		269		269
101-13131	91	0.0925	69		69		69
CC Pro 101-13300	121	0.1230	92		92		92
Disit 101-13600	1,104	1.1218	836		836		836
DC Pro 101-13700	473	0.4806	358		358		358
DC OWM 101-13701	520	0.5284	394		394		394
F.O.C. ALL	2,647	2.6897	2,004		2,004		2,004
Jury 101-14700	672	0.6828	509		509		509
Pro Ct 101-14800	1,821	1.8504	1,379		1,379		1,379
Guarahn 101-14802	81	0.0823	61		61		61
Safe H 101-14805	52	0.0528	39		39		39
Co Exe 101-17100	624	0.6341	472		472		472

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Tab 6 Cont.
Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Schedule 4 - Detail Activity Allocations
For Department County Commission 101-10100

Activity - Annual Audit

Receiving Department	Allocation Units	Allocation Percentage	Gross Allocation	Direct Billed	Allocation Step1	Allocation Step2	Total Allocation
Course 509-75600	910	0.9247	689		689		689
Snack 509-75601	48	0.0488	36		36		36
Club H 509-75602	1,553	1.5781	1,176		1,176		1,176
M.C.F. 512-70200	1,159	1.1777	877		877		877
Delq T 516-26300	1,170	1.1889	886		886		886
Tax F 518-25400	1,552	1.5770	1,175		1,175		1,175
Cmsary 595-35100	259	0.2632	196		196		196
House 535-67100	1,347	1.3687	1,020		1,020		1,020
Insurn 677-87200	645	0.6554	488		488		488
Claim 6771-87200	333	0.3384	252		252		252
Retire 731-27400	1,727	1.7549	1,307		1,307		1,307
VEBA 736-27400	93	0.0945	70		70		70
Correc 764-35100	12	0.0122	9		9		9
Drain 801-27500	990	1.0060	749		749		749
H Dm 8011-27500	197	0.2002	149		149		149
P Dm 8012-27500	52	0.0528	39		39		39
B Dm 8014-27500	538	0.5467	407		407		407
Debt 851-90500	276	0.2805	209		209		209
Au Dt 8523-90500	14	0.0142	11		11		11
SubTotal	98,412	100.0000	74,500		74,500		74,500
TOTAL	98,412	100.0000	74,500		74,500		74,500

Allocation Basis: Number of accounting transactions by department
Allocation Source: Transaction count summary report



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Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Allocated Costs By Department

Detail

Central Service Departments	Insum 677-87200	Claim 6771-87200	Retire 731-27400	VEBA 736-27400	Correc 764-35100	Drain 801-27500	H Dm 8011-27500
Building Use Charge	198	0	1,363	0	0	0	0
Equipment Use Charge	0	0	0	0	0	0	0
County Commission	488	252	1,307	70	9	749	149
Accounting	2,680	1,369	59,544	402	51	4,098	806
Payroll	9,662	12,667	55,797	4,719	0	0	0
Budget	758	747	3,075	261	27	2,345	1,023
Administrative Serv	20	0	141	0	0	0	0
Information Services	0	0	1,539	0	0	0	0
Financial System MUNIS	615	294	1,831	90	12	1,338	372
Purchasing	136	0	1,226	0	0	136	0
Treasurer	39	355	1,082	56	0	1,676	803
Buildings & Grounds	1,029	0	7,067	0	0	0	0
Corporation Counsel	0	0	36,219	0	0	0	0
Personnel	193	0	8,501	0	0	0	0
Riso Print/Postage	1	0	182	0	0	0	0
Recreation & Fac	0	0	0	0	0	0	0
Park Maintenance	0	0	0	0	0	0	0
Risk Management	187	0	1,292	0	0	1,763	0
Retiree Insurance	955	0	3,756	0	0	0	0
Building Authority	0	0	0	0	0	0	0
Total Allocated	16,961	15,684	183,922	5,598	99	12,105	3,153
Roll Forward	3,389	6,379	110,112	4,822	0	0	0
Cost With Roll Forward	20,350	22,063	294,034	10,420	99	12,105	3,153
Adjustments	0	0	(34,087)	0	0	0	0
Proposed Costs	20,350	22,063	259,947	10,420	99	12,105	3,153

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Tab 7

BAY COUNTY, MICHIGAN
PURCHASING DEPARTMENT
NATURE AND EXTENT OF SERVICES

The Purchasing Department is responsible for reviewing and processing purchase order request for all county departments and managing special purchase request needs of individual departments. The cost of this department has been separated into the following activities based on the assigned responsibilities of the individuals within this department. Those individuals that spend 100% of their time related to a specific activity have been assigned to their respective activity. If an individual is split between 2 or more activities, a time and effort summary was used to distribute the appropriate percentage of effort between the benefiting activities.

General Purchasing - The Purchasing Department is responsible for providing procurement services to all County departments. By centralizing this service, County departments and grant programs are relieved from the need to seek out vendors; and goods are acquired at the most economical prices possible. Related costs are distributed to all County departments. The basis of allocation is the number of purchase orders processed by department.

This department receives allocations from other service departments. The allocations received are, in turn, reallocated to recipient departments according to the initial distribution established for this service department. This procedure provides for an appropriate allocation of all service department charges.

All applicable credits for direct-billed charges are accounted for in the initial allocation.

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Tab 8

Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Schedule .3 - Costs Allocated By Activity
For Department Purchasing 101-23300

Direct/Audited
Expenditures

	Total	General & Admin	Purchasing
Wages & Benefits			
SALARIES & WAGES	44,073	0	44,073
FRINGE BENEFITS	19,445	0	19,445
Other Expense & Cost			
Supplies	274	0	274
Memberships	3,670	0	3,670
Telephone	85	0	85
Travel	1,119	0	1,119
Advertising	2,231	0	2,231
Equipment Rental	657	0	657
Training	455	0	455
Departmental Totals			
Total Expenditures	72,009	0	72,009
Deductions			
Total Deductions	0	0	0
Cost Adjustments			
Misc Reimbursement	(67)	0	(67)
Functional Cost			
Allocation Step 1	71,942	0	71,942
Inbound- All Others	6,960	0	6,960
1st Allocation	78,902	0	78,902
Allocation Step 2			
Inbound- All Others	20,663	0	20,663
2nd Allocation	20,663	0	20,663



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Bay County Michigan

11/09/2015 09:27
RJimenez

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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FOR 2014 13

	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1010 GENERAL FUND							
10123300 PURCHASING DEPARTMENT							
XB WAGES & SALARIES							
10 GENERAL GOVERNMENT							
10123300 70300 SALARY E/A	42,367	42,367.00	33,069.72		.00	9,297.28	78.1%
10123300 70501 WAGES PT	0	.00	641.85		.00	-641.85	100.0%*
10123300 70600 OVERTIME	502	1,502.00	699.07		.00	802.93	46.5%
10123300 70800 HOLIDAYPAY	0	.00	2,345.01		.00	-2,345.01	100.0%*
10123300 71200 VACATIONPAY	0	.00	3,562.68		.00	-3,562.68	100.0%*
10123300 71202 SICK PAY	0	.00	3,754.51		.00	-3,754.51	100.0%*
TOTAL WAGES & SALARIES	42,869	43,869.00	44,072.84		.00	-203.84	100.5%
XF FRINGES							
10 GENERAL GOVERNMENT							
10123300 71500 SOCSECURKV	3,104	3,104.00	3,231.70		.00	-127.70	104.1%*
10123300 71600 HEALTH INS	12,657	12,657.00	11,884.32		.00	772.68	93.9%
10123300 71632 INCENTIVE	219	219.00	.00		.00	219.00	.0%
10123300 71700 LIFE INS	78	78.00	80.30		.00	-2.30	102.9%*
10123300 71800 RETIREMENT	3,388	3,388.00	3,525.86		.00	-137.86	104.1%*
10123300 71900 OTHERFRINGE	604	604.00	.00		.00	604.00	.0%
10123300 72001 STF ADMIN	73	73.00	71.15		.00	1.85	97.5%
10123300 72100 WORKERCOMP	106	106.00	107.92		.00	-1.92	101.8%*
10123300 72200 SCKKACDINS	288	288.00	303.71		.00	-15.71	105.5%*
10123300 72500 UNEMPLOYMN	233	233.00	240.14		.00	-7.14	103.1%*
TOTAL FRINGES	20,750	20,750.00	19,445.10		.00	1,304.90	93.7%
XI SUPPLIES							
10 GENERAL GOVERNMENT							

Bay County, Michigan

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 Jimenez

BAY COUNTY, MI
 YEAR-TO-DATE BUDGET REPORT

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FOR 2014 13

	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
101233300 72700 OFFICE SUP	150	150.00	143.99		.00	6.01	96.0%
101233300 72900 POSTAGE	75	75.00	41.56		.00	33.44	55.4%
101233300 74200 FOODSUPPLY	0	.00	28.16		.00	-28.16	100.0%*
101233300 75100 COMPSUPPLY	50	50.00	60.43		.00	-10.43	120.9%*
TOTAL SUPPLIES	275	275.00	274.14		.00	.86	99.7%

XL OTHER SERVICES AND C

10 GENERAL GOVERNMENT

101233300 82000 MBRSHDDUES	4,750	4,750.00	3,670.00		.00	1,080.00	77.3%
101233300 85200 TELEPHONE	350	350.00	85.45		.00	264.55	24.4%
101233300 85100 CNFPEES/EX	1,450	1,450.00	852.45		.00	597.55	58.8%
101233300 86500 STRAVMILE	200	200.00	266.00		.00	-66.00	133.0%*
101233300 90000 PRT/PUB/AD	4,000	4,000.00	2,231.48		.00	1,768.52	55.8%
101233300 94601 ROBRNTCOPY	1,100	1,100.00	656.48		.00	443.52	59.7%
101233300 96000 EDUCA/TRNG	1,100	1,100.00	455.00		.00	645.00	41.4%
TOTAL OTHER SERVICES AND C	12,950	12,950.00	8,216.86		.00	4,733.14	63.5%
TOTAL EXPENSES	76,844	77,844.00	72,008.94		.00	5,835.06	
GRAND TOTAL	76,844	77,844.00	72,008.94		.00	5,835.06	92.5%

** END OF REPORT - Generated by Richelle Jimenez **

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Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Schedule 4 - Detail Activity Allocations
For Department Purchasing 101-23300

Activity - Purchasing	Receiving Department	Allocation Units	Allocation Percentage	Gross Allocation	Direct Billed	Allocation Step1	Allocation Step2	Total Allocation
	2nd Rd 101-31600	11	1.4667	1,157		1,157	341	1,498
	Rd Gt 101-31600	2	0.2667	210		210	62	272
	O.E.S. 101-42600	23	3.0667	2,420		2,420	713	3,133
	Animal 101-43000	10	1.3333	1,052		1,052	310	1,362
	Pere M 101-58000	1	0.1333	105		105	31	136
	T Plan 101-72101	25	3.3333	2,630		2,630	774	3,404
	Parks 101-75100	1	0.1333	105		105	31	136
	Soft B 101-75108	1	0.1333	105		105	31	136
	Center 101-75700	2	0.2667	210		210	62	272
	Pool 101-75800	1	0.1333	105		105	31	136
	Fair 101-76000	2	0.2667	210		210	62	272
	Civic 101-7620X	7	0.9333	736		736	217	953
	P Park 101-76300	9	1.2000	947		947	279	1,226
	Health 221-60100	126	16.8003	13,261		13,261	3,897	17,158
	Bioter 221-605XX	9	1.2000	947		947	279	1,226
	Gypsy 238-28600	5	0.6667	526		526	155	681
	Mosq C 240-62000	20	2.6667	2,104		2,104	620	2,724
	R.O.D. 256-26800	12	1.6000	1,262		1,262	372	1,634
	911 CD 261-32500	113	15.0667	11,888		11,888	3,501	15,389
	Drug 265-30100	1	0.1333	105		105	31	136
	D.O.A. 276-67200	51	6.8000	5,365		5,365	1,580	6,945
	Horn Re 277-69000	12	1.6000	1,262		1,262	372	1,634
	J Detn 292-66203	9	1.2000	947		947	279	1,226
	SoiSal 293-68900	11	1.4667	1,157		1,157	341	1,498
	Course 509-75600	7	0.9333	736		736	217	953
	Club H 509-75602	3	0.4000	316		316	93	409
	Deiq T 516-25300	1	0.1333	105		105	31	136
	Insurn 677-87200	1	0.1333	105		105	31	136
	Retire 731-27400	9	1.2000	947		947	279	1,226
	Drain 801-27500	1	0.1333	105		105	31	136

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Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Allocated Costs By Department

Detail

Central Service Departments	Insurn 677-87200	Claim 6771-87200	Retire 731-27400	VEBA 736-27400	Comec 764-35100	Drain 801-27500	H Dm 8011-27500
Building Use Charge	198	0	1,363	0	0	0	0
Equipment Use Charge	0	0	0	0	0	0	0
County Commission	488	252	1,307	70	9	749	149
Accounting	2,680	1,369	59,544	402	51	4,098	806
Payroll	101-20200	9,662	12,667	55,797	0	4,719	0
Budget	101-21200	758	747	3,075	261	27	2,345
Administrative Serv	101-27200	20	0	141	0	0	0
Information Services	0	0	1,539	0	0	0	0
Financial System MUNIS	615	294	1,831	90	12	1,338	372
Purchasing	101-23300	136	0	1,226	0	136	0
Treasurer	101-25300	39	355	1,082	56	0	1,676
Buildings & Grounds	1,029	0	7,067	0	0	0	0
Corporation Counsel	0	0	36,219	0	0	0	0
Personnel	101-27000	193	0	8,501	0	0	0
Riso Print/Postage	101-29800	1	0	182	0	0	0
Recreation & Fac	101-75110	0	0	0	0	0	0
Park Maintenance	0	0	0	0	0	0	0
Risk Management	187	0	1,292	0	0	1,763	0
Retiree Insurance	101-87800	955	0	3,756	0	0	0
Building Authority	101-27900	0	0	0	0	0	0
Total Allocated	16,961	15,684	183,922	5,598	99	12,105	3,153
Roll Forward	3,389	6,379	110,112	4,822	0	0	0
Cost With Roll Forward	20,350	22,063	294,034	10,420	99	12,105	3,153
Adjustments	0	0	(34,087)	0	0	0	0
Proposed Costs	20,350	22,063	259,947	10,420	99	12,105	3,153

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Tab 10

BAY COUNTY, MICHIGAN RISK MANAGEMENT NATURE AND EXTENT OF SERVICES

The Risk Management Department has been established to provide the maximum amount of insurance coverage under the current budget. The areas of coverage to protect the County from liability due to accidents or theft include:

General Liability - Was acquired to provide coverage against bodily injury, property damage and employee errors and omissions. The basis of allocation is the average number of employees by department excluding the Health Department.

Police Professional -- This coverage includes a specific premium for the additional risk associated with Sheriff related activities. The basis of allocation is the number of Sheriff Department employees by program.

Vehicles - Insurance coverage has been acquired to provide protection from loss or damage of county vehicles. The basis of allocation is the insured total value of vehicles by department.

Property - Coverage was acquired to provide protection against loss of real and personal property at various locations. The basis of allocation is the dollar amount of property value by facility. Those facilities with multiple occupants have had related costs allocated on area assigned by department.

Health Liability -- This activity identifies a special premium for liability coverage associated with the Health Department. The costs included in this activity have been allocated directly to the Health Department.

This department receives allocations from other service departments. The allocations received are, in turn, reallocated to recipient departments according to the initial distribution established for this service department. This procedure provides for an appropriate allocation of all service department charges.

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Tab 11

**Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Schedule .3 - Costs Allocated By Activity
For Department Risk Management 101-85100**

	Total	General & Admin	General Liab.	Police Prof	Vehicle Ins.
Wages & Benefits					
SALARIES & WAGES	0	0	0	0	0
FRINGE BENEFITS	0	0	0	0	0
Other Expense & Cost					
Insurance-Auto	73,478	0	0	0	73,478
Insurance-Liab.	395,286	0	232,050	146,308	0
Insurance-Property	138,292	0	0	0	0
Claims	30,641	0	30,641	0	0
*Insurance Adjust	(35,410)	(35,410)	0	0	0
Departmental Totals					
Total Expenditures	602,287	(35,410)	262,691	146,308	73,478
Deductions					
Total Deductions	35,410	35,410	0	0	0
Functional Cost					
Functional Cost	637,697	0	262,691	146,308	73,478
Allocation Step 1					
Inbound- All Others	15,963	0	15,963	0	0
1st Allocation	653,660	0	278,654	146,308	73,478
Allocation Step 2					
Inbound- All Others	2,429	0	2,429	0	0
2nd Allocation	2,429	0	2,429	0	0
Total For 0170 Risk Management					
Total Allocated	656,089	0	281,083	146,308	73,478

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Tab 11 cont.

MaxCars - Cost Allocation Module
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Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Schedule .3 - Costs Allocated By Activity
For Department Risk Management 101-85100

	Property/Other	County Building	Wash Park Annex	Court Facility	Law Enf. Center
Wages & Benefits					
SALARIES & WAGES	0	0	0	0	0
FRINGE BENEFITS	0	0	0	0	0
Other Expense & Cost					
Insurance-Auto	0	0	0	0	0
Insurance-Liab.	0	0	0	0	0
Insurance-Property	47,269	29,415	2,157	25,017	32,678
Claims	0	0	0	0	0
*Insurance Adjust	0	0	0	0	0
Departmental Totals					
Total Expenditures	47,269	29,415	2,157	25,017	32,678
Deductions					
Total Deductions	0	0	0	0	0
Functional Cost					
47,269	29,415	2,157	25,017	32,678	
Allocation Step 1					
Inbound- All Others	0	0	0	0	0
1st Allocation	47,269	29,415	2,157	25,017	32,678
Allocation Step 2					
Inbound- All Others	0	0	0	0	0
2nd Allocation	0	0	0	0	0
Total For 0170 Risk Management					
47,269	29,415	2,157	25,017	32,678	

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Tab 1a

**Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Schedule .4 - Detail Activity Allocations
For Department Risk Management 101-85100**

Receiving Department	Allocation Units	Allocation Percentage	Gross Allocation	Direct Billed	Allocation Step1	Allocation Step2	Total Allocation
Bioter 221-605XX	1.15	0.2542	708	-2,649	-1,941	7	-1,934
Gypsy 238-28600	1.34	0.2962	825		825	8	833
Mosq C 240-62000	14.68	3.2450	9,042		9,042	91	9,133
911 CD 261-32500	25.12	5.5527	15,473		15,473	155	15,628
Com Cr 274-36400	1.53	0.3382	942		942	9	951
D.O.A. 276-67200	35.58	7.8649	21,916		21,916	220	22,136
Hon Re 277-69000	0.10	0.0221	62		62	1	63
J Detn 282-66203	19.17	4.2375	11,808		11,808	118	11,926
In-Hon 292-66400	0.50	0.1105	308		308	3	311
Y&F SS 292-66401	2.25	0.4974	1,386		1,386	14	1,400
Drug C 292-66402	0.50	0.1105	308		308	3	311
Juv Co 292-75104	2.00	0.4421	1,232		1,232	12	1,244
Juv Gn 292-75105	2.00	0.4421	1,232		1,232	12	1,244
Course 509-75600	3.82	0.8444	2,353		2,353	24	2,377
Club H 509-75602	3.41	0.7538	2,100		2,100	21	2,121
Delq T 516-25300	1.82	0.4023	1,121		1,121	11	1,132
House 535-67100	3.76	0.8311	2,316		2,316	23	2,339
Insurn 677-87200	0.20	0.0442	123		123	1	124
Retire 731-27400	1.38	0.3050	850		850	9	859
SubTotal	452.39	100.0000	278,654	-36,410	243,244	2,429	245,673
Direct Billed				35,410	35,410		35,410
TOTAL	452.39	100.0000	278,654		278,654	2,429	281,083

Allocation Basis: Average number of FTEs by benefiting department
Allocation Source: Employee wage detail



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Tab 13

MaxCars - Cost Allocation Module
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Bay County, Michigan Indirect Cost Allocation Plan Based On The Year Ended December 31, 2014 Schedule .4 - Detail Activity Allocations For Department Risk Management 101-85100

Receiving Department	Allocation Units	Allocation Percentage	Gross Allocation	Direct Billed	Allocation Step1	Allocation Step2	Total Allocation
County Commission 101-10100	4,594	10.0523	2,956		2,956		2,956
Accounting 101-19100	2,775	6.0719	1,786		1,786		1,786
Payroll 101-20200	1,069	2.3391	688		688		688
Budget 101-21200	1,060	2.3194	682		682		682
Administrative Serv 101-27200	435	0.9518	280		280		280
Information Services 101-22800	3,810	8.3366	2,452		2,452		2,452
Purchasing 101-23300	495	1.0831	319		319		319
Treasurer 101-25300	1,469	3.2143	945		945		945
Buildings & Grounds 101-26500	1,282	2.8051	825		825		825
Corporation Counsel 101-26600	392	0.8577	252		252		252
Personnel 101-27000	1,968	4.3062	1,267		1,267		1,267
Riso Print/Postage 101-29800	838	1.8336	539		539		539
Co Exe 101-17100	2,505	5.4812	1,612		1,612		1,612
Clerk 101-21500	4,028	8.8136	2,593		2,593		2,593
Equal 101-25700	2,162	4.7306	1,392		1,392		1,392
R.O.D. 101-26800	1,869	4.0895	1,203		1,203		1,203
Drain 101-27500	1,884	4.1224	1,213		1,213		1,213
Survey 101-27801	84	0.1838	54		54		54
MSU Ex 101-28300	2,492	5.4527	1,604		1,604		1,604
Envron 101-28700	634	1.3872	408		408		408
GIS 101-28800	287	0.6280	185		185		185
T Plan 101-72101	437	0.9562	281		281		281
Gypsy 238-28600	610	1.3347	393		393		393
D.O.A. 276-67200	4,322	9.4569	2,782		2,782		2,782
V Trus 294-68300	637	1.3938	410		410		410
Insurn 677-87200	98	0.2144	63		63		63
Retire 731-27400	673	1.4726	433		433		433
Other	2,793	6.1113	1,798		1,798		1,798
SubTotal	45,702	100.0000	29,415		29,415		29,415
TOTAL	45,702	100.0000	29,415		29,415		29,415



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Tab 14

Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Schedule .5 - Allocation Summary
For Department Risk Management 101-85100

Receiving Department	Total	General Lab.	Police Prof	Vehicle Ins.	Property Other	County Building	Wash Park Annex
Pool 101-75800	1,026	1,026	0	0	0	0	0
Market 101-75900	388	0	0	0	388	0	0
Fair 101-76000	3,318	69	0	0	3,249	0	0
Civic 101-7620X	28,804	5,500	0	1,176	17,128	0	0
P Park 101-76300	1,831	1,331	0	0	500	0	0
Health 221-60100	8,315	(12,498)	0	1,763	0	0	2,122
Bioler 221-605XX	(1,899)	(1,934)	0	0	0	0	35
Gypsy 238-28600	1,226	833	0	0	0	393	0
Mosq C 240-62000	30,771	9,133	0	18,810	2,828	0	0
911 CD 261-32500	17,199	15,628	0	0	0	0	0
Com Cr 274-36400	3,585	951	2,574	0	0	0	0
D.O.A. 276-67200	33,148	22,136	0	8,230	0	2,782	0
Hom Re 277-69000	63	63	0	0	0	0	0
J Detn 292-66203	18,389	11,926	0	0	6,463	0	0
In-Hom 292-66400	311	311	0	0	0	0	0
Y&F SS 292-66401	1,400	1,400	0	0	0	0	0
Drug C 292-66402	311	311	0	0	0	0	0
Juv Co 292-75104	1,244	1,244	0	0	0	0	0
Juv Gn 292-75105	1,244	1,244	0	0	0	0	0
Solsal 293-68900	1,176	0	0	1,176	0	0	0
V Trus 294-68300	410	0	0	0	0	410	0
Course 509-75600	4,192	2,377	0	588	1,227	0	0
Snack 509-75601	28	0	0	0	28	0	0
Club H 509-75602	2,257	2,121	0	0	136	0	0
Delq T 516-25300	1,132	1,132	0	0	0	0	0
Cmsary 595-35100	137	0	0	0	0	0	0
House 535-67100	2,339	2,339	0	0	0	0	0
Insurn 677-87200	187	124	0	0	0	63	0
Retire 731-27400	1,292	859	0	0	0	433	0
Drain 801-27500	1,763	0	0	1,763	0	0	0
B Dm 8014-27500	933	0	0	0	933	0	0
Bay City Police	5,208	0	0	0	0	0	0
Other	2,262	0	0	0	0	1,798	0

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Bay County, Michigan
Indirect Cost Allocation Plan
Based On The Year Ended December 31, 2014
Allocated Costs By Department

Detail

Central Service Departments	Insurn 677-87200	Claim 6771-87200	Retire 731-27400	VEBA 736-27400	Correc 764-35100	Drain 801-27500	H Dm 8011-27500
Building Use Charge	198	0	1,363	0	0	0	0
Equipment Use Charge	0	0	0	0	0	0	0
County Commission	488	252	1,307	70	9	749	149
Accounting	2,680	1,369	59,544	402	51	4,098	806
Payroll	101-19100	101-20200	12,667	55,797	4,719	0	0
Budget	101-21200	758	747	3,075	261	2,345	1,023
Administrative Serv	101-27200	20	0	141	0	0	0
Information Services	0	0	1,539	0	0	0	0
Financial System MUNIS	615	294	1,831	90	12	1,338	372
Purchasing	101-23300	136	1,226	0	0	136	0
Treasurer	101-25300	39	1,082	56	0	1,676	803
Buildings & Grounds	1,029	0	7,067	0	0	0	0
Corporation Counsel	0	0	36,219	0	0	0	0
Personnel	101-27000	193	8,501	0	0	0	0
Riso Print/Postage	101-29800	1	182	0	0	0	0
Recreation & Fac	101-75110	0	0	0	0	0	0
Park Maintenance	0	0	0	0	0	0	0
Risk Management	187	0	1,292	0	0	1,763	0
Retiree Insurance	101-87800	955	3,756	0	0	0	0
Building Authority	101-27900	0	0	0	0	0	0
Total Allocated	16,961	15,684	183,922	5,596	99	12,105	3,153
Roll Forward	3,389	6,379	110,112	4,822	0	0	0
Cost With Roll Forward	20,350	22,063	294,034	10,420	99	12,105	3,153
Adjustments	0	0	(34,087)	0	0	0	0
Proposed Costs	20,350	22,063	259,947	10,420	99	12,105	3,153

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<u>Indirect Expenditures</u>	<u>2012</u> (Used in 2014)	<u>2013</u> (Used in 2015)	<u>2014</u> (For Use in 2016)
Building Use Charge	\$ 897	\$ 899	\$ 1,363
County Commission	\$ 1,065	\$ 1,318	\$ 1,307
Accounting	\$ 16,121	\$ 29,296	\$ 59,544
Payroll	\$ 2,918	\$ 20,534	\$ 55,797
Budget	\$ 2,208	\$ 2,732	\$ 3,075
Administrative Services	\$ -	\$ -	\$ 141
Information Systems	\$ 4,496	\$ 1,766	\$ 1,539
Financial Systems (MUNIS)	\$ 2,409	\$ 2,457	\$ 1,831
Purchasing	\$ 153	\$ 547	\$ 1,226
Treasurer	\$ 822	\$ 886	\$ 1,082
Courthouse & Grounds	\$ 3,919	\$ 4,098	\$ 7,067
Corporation Counsel	\$ 32,947	\$ 30,890	\$ 36,219
Personnel	\$ 796	\$ 810	\$ 8,501
Print/Postage	\$ 169	\$ 122	\$ 182
Risk Management	\$ 947	\$ 878	\$ 1,292
Retiree Insurance	\$ 3,943	\$ 3,010	\$ 3,756
Total Allocated	\$ 73,810	\$ 100,243	\$ 183,922
Roll Forward	\$ 21,627	\$ 9,851	\$ 110,112
Cost with Roll Forward	\$ 95,437	\$ 110,094	\$ 294,034
Adjustments	\$ -	\$ -	\$ (34,087)
Proposed Costs	\$ 95,437	\$ 110,094	\$ 259,947

How to Calculate the Roll Forward:

2014 Actual	\$ 183,922
2014 Budgeted (Based on 2012 Actual)	\$ 73,810
Roll Forward	\$ 110,112

Smith & Brooker, P.C.

Attorneys and Counselors

703 Washington Ave. • Bay City, MI 48708
(989) 892-2595 • Fax (989) 893-5113

Terms - Net 30days
Please disregard any previous balance for
which payment has already been made

STATEMENT

FEIN 38-1894543

Page: 1

June 21, 2010

Bay County Department of Corporation Counsel
Bay County Accounts Payable
Bay County Building
515 Center Avenue, 7th floor
Bay City, MI 48708

CLIENT: 235-16130M
INVOICE NO: 21801

Eagle Asset Management Agreement

Fees

			<u>Hours</u>	
05/11/2010	CTH	Review documents, re: EAM investment contract; Review terms; Attention to proposed changes; Correspondence to Ms. Fitzhugh	2.20	
05/13/2010	CTH	Review Opinion; Attention to liability issue; Finalize correspondence	0.40	
		For Professional Services Rendered	2.60	273.00

ATTORNEY SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Charles T. Hewitt	2.60	\$105.00	\$273.00

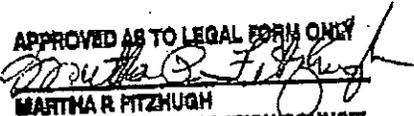
TOTAL CURRENT WORK

273.00

Balance Due

\$273.00

APPROVED AS TO LEGAL FORM ONLY


MARTHA R. FITZHUGH
BAY COUNTY CORPORATION COUNSEL
DATE: 07/02/10

Smith & Brooker, P.C.

Attorneys and Counselors

703 Washington Ave. • Bay City, MI 48708

(989) 892-2595 • Fax (989) 893-5113

STATEMENT

F 38-1894543

Terms - Net 30days

Please disregard any previous balance for which payment has already been made

Bay County Department of Corporation Counsel
 Bay County Accounts Payable
 Bay County Building
 515 Center Avenue, 7th floor
 Bay City, MI 48708

Page: 1
 July 19, 2010
 CLIENT: 235-16130M
 INVOICE NO: 21923

Eagle Asset Management Agreement

Fees

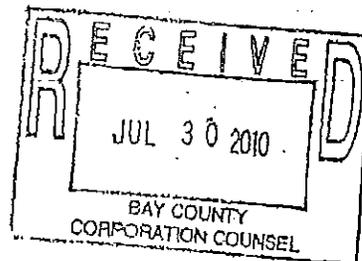
		<u>Hours</u>		
06/08/2010	CTH Attention to file, re: preparation for conference	0.25		
	CTH Conference Ms. Fitzhugh, R. Potter	0.90		
06/09/2010	CTH Attention to file; Review correspondence D. Wright; Review contract; Correspondence to EAM	0.75		
06/11/2010	CTH Finalize correspondence, re: EAM contract	0.20		
06/23/2010	CTH Telephone conference S. Faber @ Eagle Asset	0.20		
06/24/2010	CTH Review correspondence Atty. Faber; Review revised documents; Correspondence Ms. Fitzhugh	0.50		
	For Professional Services Rendered	2.80	294.00	

ATTORNEY SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Charles T. Hewitt	2.80	\$105.00	\$294.00

TOTAL CURRENT WORK 294.00

Balance Due \$294.00



96

Smith & Brooker, P.C.

Attorneys and Counselors
703 Washington Ave. • Bay City, MI 48708
(989) 892-2595 • Fax (989) 893-5113

Terms - Net 30days
Please disregard any previous balance for
which payment has already been made

STATEMENT

FEIN 38-1894543

Page: 1

Bay County Department of Corporation Counsel
Bay County Building
515 Center Avenue, 7th floor
Bay City, MI 48708

August 24, 2010

CLIENT: 235-16130M

INVOICE NO: 22030

Eagle Asset Management Agreement

Fees

		<u>Hours</u>		
07/28/2010	CTH Review correspondence and documents from Ms. Fitzhugh; Prepare reply	0.40		
	CTH Telephone conference Ms. Fitzhugh	0.25		
	CTH Attention to documents; Correspondence D. Wright	0.20		
07/29/2010	CTH Attention to file; Correspondence Ms. Fitzhugh, D. Wright	0.30		
	CTH Review correspondence Ms. Fitzhugh; Correspondence Eagle, re: contract changes	0.30		
	CTH Telephone conference Luiz Bendana	0.20		
07/30/2010	CTH Finalize documents; Attention to correspondence N. Cooper	0.10		
	For Professional Services Rendered	1.75	183.75	

ATTORNEY SUMMARY

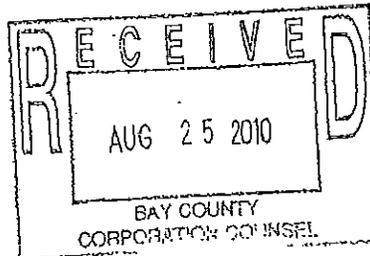
<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Charles T. Hewitt	1.75	\$105.00	\$183.75

TOTAL CURRENT WORK

183.75

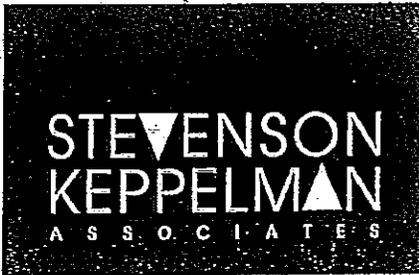
Balance Due

\$183.75



Orig
to Danean (?)
for payment by
BCERS 97

APPROVED AS TO LEGAL FORM ONLY
Martha R. Fitzhugh
 MARTHA R. FITZHUGH
 BAY COUNTY CORPORATION COUNSEL
 DATE: 9/2/10



ROBERT B. STEVENSON
NANCY KEPPELMAN
NANCY J. SPEZIA
TIMOTHY J. MCGRAW
ANDREW W. STUMPFER

OF COUNSEL
NANCY H. WELBER, PC
ANTHONY S. HART III
RICHARD L. SANDERSON, JR.
MICKEY BARTLETT

February 1, 2011

Marty Fitzhugh
Corporate Counsel/Risk Manager
Bay County
515 Center Avenue
Bay City MI 48708-5994

CONFIDENTIAL

Re: Bill for Legal Services

Dear Marty:

Enclosed is a bill for legal services pertaining to the (a) Scott Newcombe retirement question; and (b) legally required updating of the Bay County Employees Retirement Ordinance.

I am writing off \$495.00 (about 50%) of charges attributable to the Newcombe retirement question notwithstanding your direction to bill you for this work. After this write off, the total charges for the Newcombe work is \$397.63. Bay County resolved the Newcombe retirement question by simply dialoging directly with an agency within the Michigan Supreme Court offices and without the need for a written legal opinion. The remainder of the bill pertains to updating the Retirement Ordinance for changes in federal tax law that needed to be adopted by not later than January 31, 2011. As part of that required update, the Retirement Ordinance was submitted to the IRS on January 28, 2011 for an updated ruling letter on its tax-qualified status. Our charges for that work and our opinion dealing with a possible early retirement incentive will be billed later this month.

In the meantime, please call me with any questions about our work or the charges on this bill.

Very truly yours,

STEVENSON KEPPELMAN ASSOCIATES

Nancy J. Spezia
Nancy J. Spezia

NJS/clb
Enclosure

Cristen
BCERS will pay this bill. Please keep copy on file.

Thanks
Marty 3/16/11
FEB - 4 2011

* \$397.63 NOT PAID out of BCERS

¹Fellow, American College of Employee Benefits Counsel
²Also admitted in New York



444 South Main Street
Ann Arbor, MI 48104

TEL (734) 747-7050
FAX (734)
747-8010

Federal ID No. 38-2736182

APPROVED AS TO LEGAL FORM ONLY

MARTHA R FITZHUGH
BAY COUNTY CORPORATION COUNSEL
DATE: 3/15/11

Invoice submitted to:

February 01, 2011

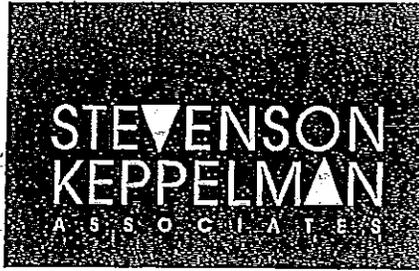
Marty Fitzhugh
Bay County Corp Counsel
505 Center Avenue
Suite 402
Bay City, MI 48708

In Reference To: Bay County Employees'
Retirement System Qualified Plan

Invoice #27489

Professional Services

		Hours	Amount
9/10/2010	NJS Begin review of materials pertaining to retirement question for benefit determination for Judge Newcombe;	1.20	270.50
9/21/2010	NJS Research JSA interaction with Bay County Retirement System, defined contribution election;	1.10	248.31
9/22/2010	NJS Work pension calculation question pertaining to retired district court judge Newcombe; research interaction of JRS and Bay County Retirement System; research salary standardization component;	1.32	297.44
9/28/2010	NJS Telephone call to ORS regarding overview of the DCRP (confirm it is the 401(k) plan document; briefly discuss nature of issues relative to 'compensation' used for DC JRS and BCRS; telephone call and left message with Bill Moats regarding same;	0.34	76.38
11/4/2010	DWT Attention to pension ordinance; telephone call with Ms. Fitzhugh regarding same;	0.60	156.00
11/8/2010	DWT Attention to pension ordinance; telephone call with Ms. Fitzhugh regarding same;	0.90	234.00
11/22/2010	DWT Attention to pension ordinance; e-mail regarding same;	0.90	234.00
11/23/2010	DWT E-mail to Ms. Fitzhugh regarding pension ordinance;	0.50	130.00
12/13/2010	DWT Attention pension statute;	0.50	130.00
12/17/2010	DWT Telephone call with Ms. Fitzhugh regarding pension ordinance;	0.20	52.00
For professional services rendered		7.56	\$1,828.63



ROBERT B. STEVENSON
NANCY KEPPELMAN
NANCY J. SPEZIA
TIMOTHY J. MCGRAW
ANDREW W. STUMPFER

OF COUNSEL
NANCY H. WELBER, PC
ANTHONY S. HART III
RICHARD L. SANDERSON, JR.
MICKEY BARTLETT

March 1, 2011

Marty Fitzhugh
Corporate Counsel/Risk Manager
Bay County
515 Center Avenue
Bay City MI 48708-5994

CONFIDENTIAL

Re: Bill for Legal Services

Dear Marty:

Enclosed is a bill for legal services pertaining to the (a) review and analysis of proposed retirement incentive design(s); and (b) submission of the Bay County Employees Retirement Ordinance to the IRS for an updated ruling letter on its qualification status.

The proposed retirement incentive design(s) gave rise to various legal issues, to include plan document considerations which we researched, analyzed and outlined for you in a written memo for discussion purposes with your committee. The Retirement Ordinance, updated for federal tax law, was submitted on January 28, 2011 to the IRS for an updated ruling letter on its tax-qualified status.

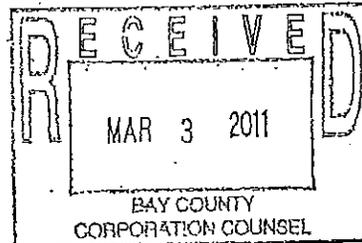
If you have questions about our work or the charges on this bill, please call me.

Very truly yours,

STEVENSON KEPPELMAN ASSOCIATES

Nancy J. Spezia
Nancy J. Spezia

NJS/sib
Enclosure



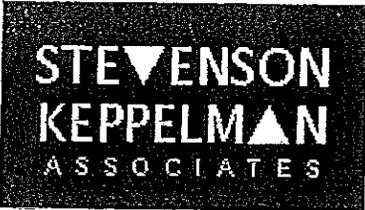
*Cristen -
Please pay
the amounts marked
"MF" out of Corp
Counsel budget
according to last
page with my
amount = \$5290.11.*

*Retirement
731,274.00
81,700 *12/15/10*

*Corp Counsel
5290.11*

Marty 3/16/11

¹Fellow, American College of Employee Benefits Counsel
²Also admitted in New York



444 South Main Street
Ann Arbor, MI 48104

TEL (734) 747-7050
FAX (734)
747-8010

Federal ID No. 38-2736182

Invoice submitted to:

Marty Fitzhugh
Bay County Corp Counsel
505 Center Avenue
Suite 402
Bay City, MI 48708

In Reference To: Bay County Employees'
Retirement System Qualified Plan

Invoice #27602

March 01, 2011

*Approved as to
legal hooks.
MPF 3/1/11*

Professional Services

			Hours	Amount
1/5/2011	RBS Consider early retirement window requirements and specifications;	MPF	0.33	88.33
	NJS Telephone call from Marty Fitzhugh regarding early retirement incentive for 2 union groups and 2 non-union employee groups; research and analyze possible legal issue connected to early retirement incentive; work on outline regarding considerations for implementing an early retirement incentive;	MF	1.90	427.50
1/9/2011	NJS Work on reply to Marty Fitzhugh regarding early retirement incentive for various employee groups;	MF	3.16	711.00
1/10/2011	DWT Attention to pension plan;	BCERS	0.20	52.00
	AWS Conference re grant of service credit;	MF	0.17	43.33
	RBS Work on early retirement incentive suggestions;	MF	0.33	88.33
	NJS Attention to labor and employment law consideration for the early retirement incentive; releases for age discrimination piece requires increased period to consider and fuller disclosure;	MF	2.40	540.00
	RRK Email to client regarding information for submission of the Plan to the IRS;	BCERS	0.20	34.00
1/11/2011	AWS Conference re grant of age/service credit; research age discrimination issues;	MF	3.84	998.62
	RBS Research age discrimination issues presented by Bay's proposed retirement incentive design, other research and plan document review, draft memo to Ms. Fitzhugh re legal issues in retirement incentive;	MF	4.75	1,258.75

Marty Fitzhugh

		<u>Hours</u>	<u>Amount</u>
1/11/2011	NJS Research state and federal age discrimination issues; review current Ordinance provisions interaction with the proposed ERI; research Elliot-Larsen re affirmative defense for a early retirement incentive; work on revisions to the memo; MF	3.97	893.25
	RRK Draft Notice to Interested Parties; BCERS	0.50	85.00
1/12/2011	RBS Review Ms. Fitzhugh's e-mail re previous retirement incentive; response e-mail; MF	0.20	53.00
1/13/2011	DWT Attention to pension plan; BCERS	0.30	78.00
	RRK Draft changes to Notice to Interested Parties; forms 5300, 2848 and 8717; attention to file regarding plan documents; email to client regarding submission; BCERS	1.50	255.00
1/14/2011	RBS Respond to Ms. Fitzhugh's questions about differing incentive offers to different unions and non-union Members; MF	0.20	53.00
	NJS Attention to supplemental actuarial analysis; MF	0.20	45.00
1/19/2011	NJS Research and review legislative history regarding PA 728 of 2002; MF	0.40	90.00
1/26/2011	RRK Draft letter to IRS, attachments to Form 5300; attention to Plan regarding submission documents; organize submission package; BCERS	2.90	493.00
1/27/2011	DWT Attention to determination letter request to IRS; BCERS	0.80	208.00
	For professional services rendered	28.25	\$6,495.11
	Additional Charges :		
1/28/2011	Postage BCERS		10.18
	Total additional charges		\$10.18
	Total amount of this bill		\$6,505.29
	Previous balance		\$1,828.63
	Balance due		\$8,333.92

Smith & Brooker, P.C.

Attorneys and Counselors
703 Washington Ave. • Bay City, MI 48708
(989) 892-2595 • Fax (989) 893-5113

STATEMENT

FEIN 38-1894543

Terms - Net-30days
Please disregard any previous balance for
which payment has already been made

Bay County Department of Corporation Counsel
Bay County Building
515 Center Avenue, 7th floor
Bay City, MI 48708

Stratton

Page: 1

May 19, 2011

CLIENT: 235-16190M

INVOICE NO: 22917

*Sent to DW
to process out of BCERS fund
6-8-11*

Fees

			<u>Hours</u>	
04/14/2011	CTH	Review documents, re: Stratton pension benefits	0.50	
04/22/2011	CTH	Review statute; Review ordinance	0.80	
04/25/2011	CTH	Draft Opinion to Ms. Fitzhugh; Attention to ordinance interpretation	0.80	
04/28/2011	CTH	Finalize opinion, re: Stratton claim	0.40	
		For Professional Services Rendered	2.50	<u>262.50</u>

ATTORNEY SUMMARY

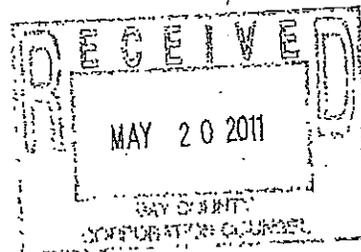
<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Charles T. Hewitt	2.50	\$105.00	\$262.50

TOTAL CURRENT WORK 262.50

Balance Due \$262.50

APPROVED AS TO LEGAL FORM ONLY

Martha R. Fitzhugh
MARTHA R. FITZHUGH
BAY COUNTY CORPORATION COUNSEL
DATE: 6/8/11



Smith & Brooker, P.C.

Attorneys and Counselors

703 Washington Ave. • Bay City, MI 48708

(989) 892-2595 • Fax (989) 893-5113

Terms - Net 30days

Please disregard any previous balance for
which payment has already been made

STATEMENT

FEIN 88-1894543

Page: 1

January 17, 2012

CLIENT: 235-16100M

INVOICE NO: 23660

Bay County Department of Corporation Counsel
Bay County Building
515 Center Avenue, 7th floor
Bay City, MI 48708

2011

C. S. McKee Management Agreement

Fees

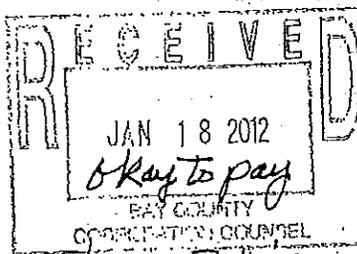
		<u>Hours</u>	
12/07/2011	CTH Review documents, re: C. S. McKee retirement documents	0.90	
	CTH Correspondence Ms. Fitzhugh	0.20	
12/09/2011	CTH Attention to file and Management Agreement; Correspondence J. Buongiorno	0.50	
12/13/2011	CTH Telephone conference Mary Jo @ McKee, re: BCERS	0.20	
	CTH Correspondence Ms. Fitzhugh, D. Wright	0.20	
12/14/2011	CTH Review documents from McKee; Telephone conference Ms. Fitzhugh	0.30	
	For Professional Services Rendered	2.30	241.50

ATTORNEY SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Charles T. Hewitt	2.30	\$105.00	\$241.50

TOTAL CURRENT WORK 241.50

Balance Due \$241.50



from Retirement Budget
M. Fitzhugh 1/17/12

104

Smith & Brooker, P.C.

V# 19466

Attorneys and Counselors

703 Washington Ave. • Bay City, MI 48708
(989) 892-2595 • Fax (989) 893-5113

STATEMENT

FEIN 38-1894543

Terms - Net 30days

Please disregard any previous balance for which payment has already been made

Bay County Department of Corporation Counsel
Bay County Building
515 Center Avenue, 7th floor
Bay City, MI 48708

Batch: 532
Warrant: 79007

Page: 1
July 25, 2012

CLIENT: 235-16000M
INVOICE NO: 24231

General Counsel

*okay to pay
from Retirement Board*

73127400
10127400 ⁹⁷⁶⁰
81200

Fees

			<u>Hours</u>	
05/31/2012	CTH	Review MFS documents, re: BCERS Agreement; Work on correspondence to MFS	0.90	
06/01/2012	CTH	Finalize review of Agreement; Correspondence Ms. Fitzhugh, D. Wright (MFS)	0.50	
06/06/2012	CTH	Attention to documents; Finalize recommendation (MFS)	0.20	
06/13/2012	CTH	Review correspondence Ms. Fitzhugh; Forward correspondence to Huinza	0.20	
06/15/2012	CTH	Review correspondence M. Flanaga, re: MFS documents	0.10	
06/19/2012	CTH	Attention to PERA restrictions; Research statute; Correspondence M. Flanagan @ MFS	0.60	
	CTH	Correspondence Ms. Fitzhugh, D. Wright	0.10	
06/20/2012	CTH	Attention to annual audit request	0.20	
06/27/2012	RCS	Draft audit letter	0.30	
	RCS	Revise audit letter	0.20	
		For Professional Services Rendered	3.30	346.50

ATTORNEY SUMMARY

	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Timekeeper			
Richard C. Sheppard	0.50	\$105.00	\$52.50
Charles T. Hewitt	2.80	105.00	294.00

TOTAL CURRENT WORK

346.50

*Batch
Warrant
Doc 79187*

105

Smith & Brooker, P.C.

Attorneys and Counselors

703 Washington Ave. • Bay City, MI 48708
(989) 892-2595 • Fax (989) 893-5113

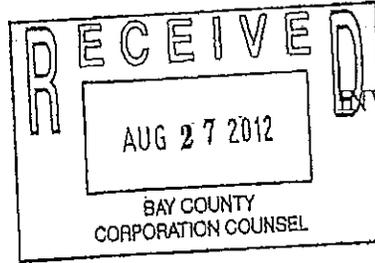
STATEMENT

FEIN 38-1894543

Terms - Net 30days
Please disregard any previous balance for
which payment has already been made

Bay County Department of Corporation Counsel
Bay County Building
515 Center Avenue, 7th floor
Bay City, MI 48708

General Counsel



Page: 1
August 23, 2012
CLIENT: 235-16000M
INVOICE NO: 24378

V# 19466

Fees

			<u>Hours</u>	
07/10/2012	CTH	Review correspondence Ms. Fitzhugh; Attention to MFS file; Prepare reply	0.20	
07/31/2012	CTH	Telephone conference Ms. Fitzhugh (BCERS)	0.20	
08/03/2012	CTH	Review revised Agreement; Compare drafts; Analysis of Issues, re: changes; Correspondence Ms. Fitzhugh	0.90	
08/09/2012	CTH	Telephone conference Rick Potter, re: MFS; Review MFS documents; Correspondence Ms. Fitzhugh	0.60	
	CTH	Correspondence M. Flanagan, re: contract approval	0.20	
08/10/2012	CTH	Review correspondence M. Flanagan, re: MFS contract review	0.10	
		For Professional Services Rendered	2.20	231.00

ATTORNEY SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Charles T. Hewitt	2.20	\$105.00	\$231.00

TOTAL CURRENT WORK 231.00

Balance Due \$231.00

Batch
Doc

Smith & Brooker, P.C.

Attorneys and Counselors

703 Washington Ave. • Bay City, MI 48708

(989) 892-2595 • Fax (989) 893-5113

Terms - Net 30days

Please disregard any previous balance for which payment has already been made

STATEMENT

FEIN 98-1894543

Page: 1

August 23, 2012

Bay County Department of Corporation Counsel
Bay County Building
515 Center Avenue, 7th floor
Bay City, MI 48708

CLIENT: 235M

Balance

235-16000 General Counsel

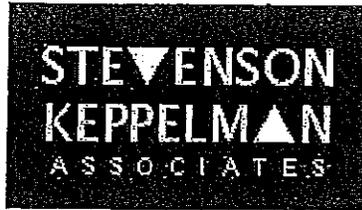
\$231.00

APPROVED AS TO LEGAL FORM ONLY


MARTHA R. FITZHUGH
BAY COUNTY CORPORATION COUNSEL
DATE: 9/7/12

Payment
Okay to pay from BCERS per Danaeann Wright

71264
Doc 90112



444 South Main Street
Ann Arbor, MI 48104

TEL (734) 747-7050
FAX (734)
747-8010

Federal ID No. 38-2736182

December 18, 2012

Invoice submitted to:

Marty Fitzhugh
Bay County Corp Counsel
505 Center Avenue
Suite 402
Bay City, MI 48708

In Reference To: Bay County Employees'
Retirement System Qualified Plan

Invoice #30270

Professional Services

	<u>Hours</u>	<u>Amount</u>
11/8/2012 LLK Verify that required year-end amendments (HEART/WRERA) are adopted;	0.30	51.00
Subtotal of charges		<u>\$51.00</u>
For professional services rendered	0.30	\$51.00
Previous balance		\$369.50
Accounts receivable transactions		
3/26/2012 Payment - thank you. Check No. 71264		<u>(\$369.50)</u>
Total payments and adjustments		<u>(\$369.50)</u>
Balance due		<u><u>\$51.00</u></u>

Smith & Brooker, P.C.

Attorneys and Counselors

703 Washington Ave. • Bay City, MI 48708
(989) 892-2595 • Fax (989) 893-5113

STATEMENT
FEIN 38-1894543

Terms - Net 30days
Please disregard any previous balance for
which payment has already been made

Page: 1

January 23, 2013

CLIENT: 235-16000M

INVOICE NO: 24847

Bay County Department of Corporation Counsel
Bay County Building
515 Center Avenue, 7th floor
Bay City, MI 48708

MFS Advisors

APPROVED AS TO LEGAL FORM ONLY

M. Fitzhugh

MARTHA R FITZHUGH
BAY COUNTY CORPORATION COUNSEL

DATE: 2/28/13

Fees

			<u>Hours</u>	
12/13/2012	CTH	Telephone conference Ms. Fitzhugh, re: contract duration issues	0.40	
12/14/2012	CTH	Review correspondence L. Klomstead, re: execution instructions; Review final draft; Correspondence Ms. Fitzhugh	0.30	
		For Professional Services Rendered	0.70	73.50

ATTORNEY SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Charles T. Hewitt	0.70	\$105.00	\$73.50

TOTAL CURRENT WORK 73.50

Balance Due \$73.50

*This to be paid by
Doreen Wright for*

BCERS.

2/28/13

V# 19466

Doc 91068

73127400 81700
109

Smith & Brooker, P.C.

Attorneys and Counselors

703 Washington Ave. • Bay City, MI 48708

(989) 892-2595 • Fax (989) 893-5113

STATEMENT

FEIN 38-1894543

Terms - Net 30days
Please disregard any previous balance for
which payment has already been made

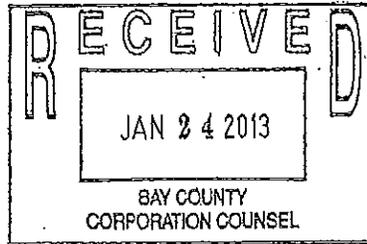
Bay County Department of Corporation Counsel
Bay County Building
515 Center Avenue, 7th floor
Bay City, MI 48708

Page: 1
January 23, 2013
CLIENT: 235M

235-16000 MFS Advisors

Balance

\$73.50



110

19466

Smith & Brooker, P.C.

Attorneys and Counselors

703 Washington Ave. • Bay City, MI 48708
(989) 892-2595 • Fax (989) 893-5113

STATEMENT

FEIN 38-1894543

Dec 90110

Terms - Net 30days
Please disregard any previous balance for
which payment has already been made

Page: 1

December 21, 2012

CLIENT: 235-16180M

INVOICE NO: 24785

Bay County Department of Corporation Counsel
Bay County Building
515 Center Avenue, 7th floor
Bay City, MI 48708

Geneva Capital Mgmt.

Fees

			<u>Hours</u>	
11/16/2012	CTH	Review Geneva documents; Draft correspondence K. Amborn; Attention to revision	0.80	
11/21/2012	CTH	Review documents; Attention to amendments needed; Correspondence Ms. Fitzhugh	0.50	
12/04/2012	CTH	Review D. Wright notes; Attention to Geneva documents; Correspondence Ms. Fitzhugh	0.60	
12/07/2012	CTH	Review correspondence and suggested changes; Revise correspondence Geneva	0.50	
12/10/2012	CTH	Finalize correspondence, K. Amborn	0.10	
12/12/2012	CTH	Review revised Agreement; Correspondence Ms. Fitzhugh	0.60	
12/13/2012	CTH	Review correspondence Ms. Fitzhugh; Telephone conference Ms. Fitzhugh; Correspondence K. Amborn, re: execution	0.30	
12/14/2012	CTH	Review correspondence Ms. Fitzhugh; Correspondence L. Klomstead, re: document execution	0.20	
		For Professional Services Rendered	3.60	378.00

ATTORNEY SUMMARY

<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Charles T. Hewitt	3.60	\$105.00	\$378.00

TOTAL CURRENT WORK

378.00

///

**VANOVERBEKE
MICHAUD &
TIMMONY, P.C.**

ATTORNEYS AND COUNSELORS

MICHAEL J. VANOVERBEKE
THOMAS C. MICHAUD
JACK TIMMONY
FRANCIS E. JUDD
AARON L. CASTLE
ROBERT J. ABB

79 ALFRED STREET
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June 16, 2014

Bay County Retirement Board
Bay County Building
515 Center Avenue
Bay City, MI 48708-5125

Invoice: 8029

**Statement for Legal Services
07/01/2013 through 06/16/2014**

Members of the Board:

The following invoice is for legal services rendered to the Retirement System and is itemized as follows:

		<u>Fees</u>	
			Hours
08/13/2013	Preparation for and attendance at meeting with Corporation Counsel.		0.90
10/18/2013	Draft Actuary Request for Information.		0.50
10/21/2013	Review of Investment Guidelines.		0.30
11/06/2013	Draft Code of Conduct Policy, Disclosure Policy, Travel Due Diligence Policy, and Summary Annual Report Checklist.		1.70
03/10/2014	Legislative update. Review Plan Document.		0.30
03/13/2014	Meeting follow-up		0.20
03/25/2014	Review commission recapture agreements.		0.30
03/26/2014	Brokerage agreements review. CapIs and Able Noser. Discussion with Investment Consultant.		0.60
04/04/2014	Review brokerage letters and transition agreements.		0.30
04/07/2014	Mtg. prep CAPIS and Able Noser agreements.		0.20 1.20
04/09/2014	Meeting follow-up		0.20

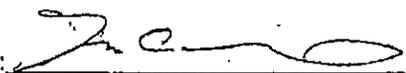
Bay County Retirement Board

Statement Date: 06/16/2014
Statement No. 8029

		Hours	
	Prepare Legislative Update, Re: HBs 4001, 4804	0.50	
04/14/2014	Commission recapture agreements and brokerage letters.	0.80	
04/28/2014	2014 Case Update	0.20	
05/12/2014	Prepare/Review Meeting materials	0.20	
05/14/2014	Meeting follow-up, Re: Int'l Mgr. Interviews	0.20	
06/03/2014	Discussion with Gray. Plan review. Email Attorney Johnson.	0.50	
06/09/2014	Mtg. prep	0.20	
06/10/2014	Preparation for and attendance at meeting.	3.80	
06/11/2014	Meeting follow-up, Re: Purchase of Service Credit, Mental Health, Inv. Guidelines, Code of Conduct Opinion on Board authority.	0.20 2.80	
06/16/2014			
		<u>16.10</u>	
	For Current Services Rendered	16.10	2,898.00
	Total Current Work		2,898.00
	Balance Due		<u>\$2,898.00</u>
	Please Remit		<u>\$2,898.00</u>

Very truly yours,

VanOverbeke, Michaud & Timmony, P.C.

By: 

**VANOVERBEKE
MICHAUD &
TIMMONY, P.C.**

ATTORNEYS AND COUNSELORS

MICHAEL J. VANOVERBEKE
THOMAS C. MICHAUD
JACK TIMMONY
FRANCIS E. JUDD
AARON L. CASTLE
ROBERT J. ABB

March 6, 2015

79 ALFRED STREET
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WWW.VMTLAW.COM

Bay County Retirement Board
Bay County Building
515 Center Avenue
Bay City, MI 48708-5125

Invoice: 8235

Statement for Legal Services
07/01/2014 through 12/31/2014

Members of the Board:

The following invoice is for legal services rendered and is itemized as follows:

		<u>Fees</u>	Hours
07/07/2014	Preparation for meeting. Discussion with Brzesinski.		0.50
07/08/2014	Preparation for and attendance at meeting.		3.50
07/09/2014	Meeting follow-up. Review service purchase issue.		0.20
07/14/2014	Discussion with Gray. Review Plan.		0.60
07/18/2014	Review MFS documents. Draft Side Letter language. Review Policy structure. Discussion with Gray.		1.30
07/30/2014	Review Code of Conduct Policy, Service Provider Disclosure Policy, Actuarial Funding Policy.		0.40
08/07/2014	Review Actuarial Valuation. Prepare Memo/Actuarial Funding Policy.		1.50
08/13/2014	Review Benefit Estimate Policy, Communication Policy, Professional Review Policy, Service Retirement Policy, Verification Policy.		0.60
08/15/2014	Review Benefit Estimate Policy, Communication Policy, Professional Review Policy, Service Retirement Policy, Verification Policy, Education Policy.		0.70

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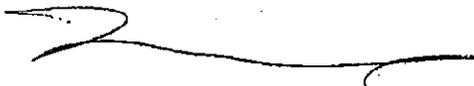
Bay County Retirement Board

Statement Date: 03/06/2015
 Statement No. 8235

	Hours	
09/02/2014	Discussion regarding Reciprocal Retirement Act.	0.20
09/05/2014	Review Education/Travel Policy.	0.20
09/09/2014	Preparation for and attendance at meeting.	4.00
09/10/2014	Meeting follow-up.	0.20
09/11/2014	Reciprocal Retirement Act issues.	0.80
10/02/2014	Actuarial Review.	0.20
10/03/2014	Discussion with Corporation Counsel on policy issues.	1.50
10/13/2014	Policy Review.	0.50
10/14/2014	Preparation for and attendance at meeting.	3.00
10/17/2014	Discussion with Gray.	0.20
	Meeting follow-up.	0.20
11/21/2014	Discussion with Gray.	0.50
12/09/2014	Preparation for and attendance at meeting.	3.50
12/11/2014	Meeting follow-up.	0.20
		<u>24.50</u>
	For Current Services Rendered	<u>24.50</u> <u>4,410.00</u>
	Total Current Work	4,410.00
	Balance Due	<u>\$4,410.00</u>
	Please Remit	<u>\$4,410.00</u>

Respectfully submitted,

VanOverbeke, Michaud & Timmony, P.C.

By: 

VANOVERBEKE
MICHAUD &
TIMMONY, P.C.

ATTORNEYS AND COUNSELORS

MICHAEL J. VANOVERBEKE
THOMAS C. MICHAUD
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79 ALFRED STREET
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WWW.VMTLAW.COM

October 9, 2015

Bay County Retirement Board
Bay County Building
515 Center Avenue
Bay City, Michigan 48708-5125

Re: Statement for legal services rendered for the period
January 1, 2015 through June 30, 2015

Dear Members of the Board:

The following invoice is for legal services rendered to the Board of Trustees and is
itemized as follows:

Description	Amount
Legal Services: 20.10 hours @ \$180.00/hr non-litigation	\$3,618.00

Please see attached itemization.

TOTAL DUE VANOVERBEKE MICHAUD & TIMMONY, P.C. = \$3,618.00

Thank you for allowing this office to provide the foregoing legal services.

Respectfully submitted,

VanOverbeke, Michaud & Timmony, P.C.



Thomas C. Michaud

VANOVERBEKE
MICHAUD &
TIMMONY, P.C.

MICHAEL J. VANOVERBEKE
THOMAS C. MICHAUD
JACK TIMMONY
FRANCIS E. JUDD
AARON L. CASTLE
ROBERT J. ABB
JACQUELINE CARDELLA

ATTORNEYS AND COUNSELORS

October 9, 2015

79 ALFRED STREET
DETROIT, MICHIGAN 48201
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WWW.VMTLAW.COM

Bay County Retirement Board
Bay County Building
515 Center Avenue
Bay City, MI 48708-5125

Invoice: 8420

Statement for Legal Services
01/01/2015 through 06/30/2015

Members of the Board:

The following invoice is for legal services rendered and is itemized as follows:

	<u>Fees</u>	<u>Hours</u>
01/06/2015	Review Northern Trust Securities Lending Contract.	0.50
01/14/2015	Disability discussion with Gray.	0.50
02/05/2015	Disability Policy. Draft memorandum and forms.	2.50
02/06/2015	Disability Policy. Draft memorandum and forms.	0.70
03/03/2015	Prepare memo regarding revised IRS rollover rules. Prepare draft 402(f)/Rollover Notice and Withdrawal Forms. Prepare draft Resolution.	1.50
03/10/2015	Rollover Memo/Notice, FOIA Memo. Preparation for and attendance at meeting.	0.30 2.80
03/11/2015	Meeting follow-up. PRISA document review. Side Letter revisions. Discussion with State Representative regarding Service Purchases.	0.20 1.20
03/13/2015	Discussion with County Attorney.	0.20
03/16/2015	PA 728 issues. Service purchases. Discussion with County Attorney.	0.90
04/01/2015	Judge Retirement Issue.	0.30

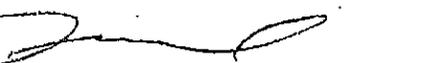
Bay County Retirement Board

Statement Date: 10/09/2015
Statement No. 8420

	Hours	
04/13/2015 Meeting document review.	0.20	
04/14/2015 Preparation for and attendance at meeting.	3.30	
04/21/2015 Prepare draft FOIA Policy & Procedures. Prepare Written Summary of FOIA Policy, Prepare FOIA Request & Fee forms.	1.40	
04/30/2015 Purchase service credit issue.	0.40	
06/09/2015 Preparation for and attendance at meeting.	3.00	
06/10/2015 Meeting follow-up.	<u>0.20</u>	
	20.10	
For Current Services Rendered	<u>20.10</u>	<u>3,618.00</u>
Total Current Work		3,618.00
Balance Due		<u>\$3,618.00</u>
Please Remit		<u>\$3,618.00</u>

Respectfully submitted,

VanOverbeke, Michaud & Timmony, P.C.

By: 

**BAY COUNTY RETIREMENT BOARD
12/08/2015
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (12/08/15)

RESOLVED By the Bay County Retirement Board that the following reports are received:

1. PORTFOLIO VALUE - 1/1/15 -11/30/15
2. CHANGE IN BOOK AND MARKET VALUE -10/31/15
3. MONEY MANAGERS ON WATCH - NONE
4. MONEY MANAGER REPORTS
 - a. EAGLE ASSET MGMT - ENDING 10/31/15
 - b. LOOMIS SAYLES- 10/31/15
 - c. MFS INVESTMENT - ENDING-10/31/15
 - d. MFS HERITAGE TRUST - ENDING 10/31/15
 - e. MACKAY SHIELDS - ENDING 10/31/15
 - f. PRISA - QTRLY PROXY VOTE REPORTS 9/30/15 REVISED (AVAILABLE UPON REQUEST)
5. RECAPTURE SERVICES
 - a. ABEL/NOSE - SUMMARY ENDING 10/31/15
 - b. CAPIS - SUMMARY ENDING 10/31/15
6. NORTHERN TRUST SUMMARY EARNINGS -10/31/15
7. REFUNDS/RETIREMENTS -ENDING11/30/15
8. BCERS YTD BUDGET REPORT - ENDING 11/30/15
9. INVOICES APPROVED -11/30/15

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS DECEMBER 2015-56

MOVED BY TRUSTEE _____
SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____
 Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

REF.	BAIRD	BARRINGS	CORNERSTONE	DENVER	EAGLE RIFLE	GENEVA	HOTCHKISS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MES	MES INTER-NATIONAL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	PRISA	CASH	TOTAL
JAN	25,954,494.81	18,548.92	14,530,255.11	0.11	9,746,920.22	22,736,052.32	10,486,425.37	36,773,554.50	19,088,957.01	46,475,341.50	15,278,008.70	21,347,500.05	17,388,557.47	44,659,307.62	14,648,550.99		4,580,099.44	304,086,341.94
FEB	25,699,772.32	18,293.74	14,500,330.44	0.11	10,308,479.59	24,218,314.77	11,215,548.49	35,589,853.38	24,426,781.07	33,165,871.83	24,740,538.82	22,445,787.78	26,406,553.80	31,837,449.56	30,858,317.96		3,437,191.54	318,869,088.16
MARCH	25,849,611.08	17,625.99	14,781,781.56	0.11	10,435,015.38	24,485,890.35	11,236,212.23	36,899,691.43	18,916,352.84	32,780,556.90	25,395,791.38	22,555,526.97	26,587,122.19	31,178,272.37	30,369,218.58		2,232,775.79	314,297,332.51
APRIL	25,791,298.30	18,349.81	13,913,879.08	0.11	10,080,308.23	24,420,047.69	11,231,576.82	36,471,974.37	15,991,922.14	32,578,453.58	25,376,195.39	22,080,940.19	27,680,024.91	31,524,713.33	30,658,694.29		4,559,077.37	312,951,350.48
MAY	25,772,294.89	10,065.37	13,899,300.26	0.11	10,521,250.61	24,992,254.62	11,427,015.55	36,254,310.10	15,678,728.57	33,164,349.21	26,300,091.20	22,661,525.11	27,997,987.88	31,833,443.18	31,052,702.90		3,547,541.80	315,596,598.38
JUNE	25,590,850.64	10,188.50	13,243,171.01	0.11	10,602,735.80	22,092,823.00	10,574,813.83	35,680,577.83	12,559,847.79	32,898,679.51	26,300,091.20	22,229,821.72	27,691,207.36	31,440,601.74	30,453,469.99		5,125,650.23	310,899,407.36
JULY	25,751,940.42	9,987.21	14,066,261.12		11,144,365.01	22,813,005.24	10,109,127.89	36,963,131.82	12,680,974.56	34,414,354.69	25,572,051.27	22,067,034.58	28,006,490.01	31,375,940.87	31,091,619.63		4,242,650.05	313,406,121.49
AUG	25,789,233.06	10,009.97	13,216,059.49		10,294,473.82	21,483,490.49	9,661,518.56	35,598,180.82	12,377,052.26	32,432,003.96	26,072,571.85	20,962,180.94	28,763,476.57	29,310,728.04	29,215,944.37		3,021,353.52	300,344,374.72
SEPT	25,974,738.96	9,834.22	7,787,054.40		9,710,864.75	20,984,823.38	9,228,065.90	35,687,646.71	12,317,075.45	31,417,522.62	23,997,290.88	20,167,196.72	25,874,833.59	28,108,953.89	28,490,179.90		3,488,561.25	293,262,463.62
OCT	25,922,485.66	9,840.17	8,194,199.87		10,082,293.50	22,243,542.88	9,839,088.71	38,028,950.23	12,925,935.55	34,014,148.79	23,443,355.07	21,368,087.08	27,158,398.67	30,493,096.27	30,894,140.95		2,552,694.15	305,355,704.65
NOV	25,954,793.37	9,434.53	8,155,478.38		10,441,629.35	21,149,237.53	10,119,923.30	35,908,309.73	12,983,548.59	33,331,303.46	25,126,924.28	20,807,993.96	27,038,571.65	30,795,102.29	30,986,725.31		4,461,948.79	307,363,883.32
DEC																		0.00
2014 YTD	54,615.73	0.00	41,875.56	0.00	45,342.65	89,286.00	55,127.65	82,531.64	62,529.03	108,204.61	84,590.57	134,059.00	137,858.11	113,902.39				0.00

INVESTMENT MANAGER FEES ARE PAID FROM: 73127400 80100 [Professional Services]

BAIRD	BARRINGS	CORNERSTONE	DENVER	EAGLE	GENEVA	HOTCHKISS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MES	MES INTL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	PRISA	CASH	TOTAL
GOVERNMENTAL FIXED INCOME MANAGER																	
LARGE CAP GROWTH INTERNATIONAL EQUITY MANAGER																	
LARGE CAP DEEP VALUE MANAGER																	
REAL ESTATE INVESTMENT TRUST MANAGER																	
SMALL-CAP GROWTH MANAGER																	
MID-CAP GROWTH MANAGER																	
SMALL CAP VALUE MANAGER																	
MID-CAP VALUE MANAGER																	
CORPORATE BOND MANAGER																	
CONVERTIBLE BOND MANAGER																	
LARGE CAP GROWTH EQUITY MANAGER																	
INTERNATIONAL SMALL/MID CAP EQUITY MANAGER																	
LARGE CAP CORE MANAGER																	

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Portfolio Statement

10/15/15 - 31/01/15

ACCOUNT NUMBER 8765
ACCOUNT NAME FAMILY TRUST FUND

◆ **Change in Book and Market Value**

	Cost	Market value	For more information
Opening balance	264,054,575.34	292,707,429.49	
Miscellaneous Cash Receipts	106.50	106.50	See funding & disbursement summary
Participant Contributions	177,758.59	177,758.59	See funding & disbursement summary
Sponsor Contributions	277,804.89	277,804.89	See funding & disbursement summary
Total receipts	455,669.98	455,669.98	See funding & disbursement summary
Benefit Payments / Beneficiary Payments	- 1,407,433.96	- 1,407,433.96	See funding & disbursement summary
Total disbursements	- 1,407,433.96	- 1,407,433.96	See funding & disbursement summary
Income received	414,846.05	414,846.05	See income & expense summary, cash activity detail
Expenses paid	- 7,686.57	- 7,686.57	See income & expense summary
Unrealized gain/loss change	0.00	14,441,728.86	See asset summary
Realized gain/loss	474,991.21	474,991.21	See realized gain/loss summary
Accrued income change	- 36,775.11	- 36,775.11	See income & expense summary
Closing balance	263,948,186.94	307,042,769.95	

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Bay County Employees' Retirement System - 05231100
Portfolio Style: SmallCap Growth Equity

Portfolio Summary

	Month To Date	Year To Date
Beginning Market Value	9,710,835.12	10,177,409.68
Contributions	0.00	666.36
Withdrawals	-50.37	-316.15
Dividend and Interest Income	3,304.63	41,654.51
Change in Market Value	348,178.97	-157,146.05
Ending Market Value	10,062,268.35	10,062,268.35

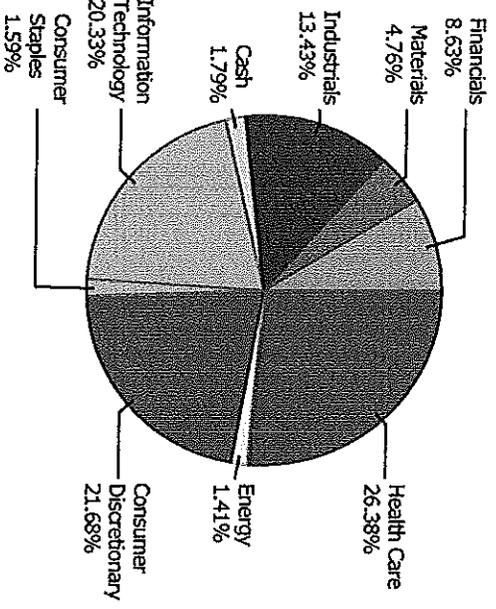
Performance Summary

	MTD	QTD	YTD	1 Year	3 Years	5 Years	Annualized Since Inception
Gross	3.62	3.62	-1.14	2.42	14.58	13.38	15.43
Net	3.42	3.42	-1.96	1.56	13.55	12.42	14.47
RU20GTR ¹	5.67	5.67	-.10	3.52	16.16	13.56	16.98

¹ Russell 2000 Growth Index

Performance is based on fiscal year end of portfolio

Industry Weightings



Top Ten Holdings

Security Description	Total Market Value	% of Market Value
GENESCO INC	356,541.15	3.54%
UNIVERSAL ELECTRONICS INC	323,618.71	3.22%
IMPVERVA INC	299,146.32	2.97%
NATUS MEDICAL INC	286,064.99	2.84%
MARTIN MARLETTA MATERIALS	275,701.55	2.74%
JETBLUE AIRWAYS CORP	224,056.80	2.23%
TUMI HOLDINGS INC	217,414.89	2.16%
QUAKER CHEMICAL CORP	202,974.66	2.02%
BELMOND LTD-CLASS A	197,293.80	1.96%
CENTENE CORP	190,692.88	1.90%

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BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

Small Cap Value

Total Market Value: \$9,838,977 (-0.9% Cash)

Month Ended October 31, 2015

Performance Returns - Gross of Fees	Weighted Average Portfolio Characteristics		
	Portfolio	Rus 2000 V	Rus 2000
Portfolio - Total Return	6.62 %	6.62 %	-4.62 %
Russell 2000 Value Index	5.60	5.60	-5.02
Russell 2000 Index	5.63	5.63	-2.53
S&P 500 Index	8.44	8.44	2.70
MTD QTD YTD Since Incept 6.62 % 6.62 % -4.62 % 9.91 %			
Projected P/E (FY2) Price / Normal Earnings Price / Cash Flow Price / Book Dividend Yield Market Capitalization (mm) # of Holdings / 1-Yr Turnover			
13.8x 15.0x 16.3x 9.3x 14.4x 16.8x 7.4x 7.7x 9.4x 1.2x 1.4x 2.0x 1.2% 2.3% 1.6% \$2,010 \$1,710 \$1,906 64 / 45%			

Commentary of portfolio: 12/1/03. Periods over one year are average annualized returns.

Top and Bottom Five Contributors to Performance	Trading Data		Top Ten Holdings - Total Portfolio	
Avg Wgt	TH Ret	Contr.	Major Buy/Sell	End Wgt
Enpro Inds. Inc.	2.82 %	25.38 %	0.66 %	5.4 %
Sonic Automotive Inc.	2.96	22.14	0.63	4.6
Matson Inc.	2.97	19.07	0.51	4.1
QLogic Corp.	1.97	20.98	0.39	3.4
Louisiana-Pacific Corp.	1.75	24.02	0.37	3.2
Hudson Global Inc.	0.87 %	-7.23 %	-0.07 %	3.1
Oppenheimer Hldgs Inc.	0.83	-8.30	-0.07	3.1
NRG Energy Inc.	0.91	-12.22	-0.11	3.1
Ruby Tuesday Inc.	0.73	-15.78	-0.13	3.1
Century Aluminum Co.	0.68	-21.30	-0.13	3.0
(Rowan Companies PLC) -0.7% First Niagara Fin'l Grp Inc. 1.2% LifePoint Hospitals Inc. 0.9% XPO Logistics Inc. 0.5% * Geo Grp Inc. Masonite Int'l Corp. Matson Inc. Sonic Automotive Inc. Hanger Inc. Con-way Inc. Enpro Inds. Inc.				

Performance Attribution	Allocation	
	Portfolio	Russell 2000 Value
Information Technology	11.08 %	12.69 %
Consumer Discretionary	8.42	6.20
Industrials	27.31	7.92
Health Care	8.94	4.45
Energy	4.13	15.94
Materials	7.12	8.39
Consumer Staples	0.00	0.00
Telecommunication Services	0.00	0.00
Financials	25.36	3.94
Utilities	7.65	-0.19
Avg Wgt Equ Ret Avg Wgt Equ Ret 11.08 % 12.69 % 10.40 % 8.13 %		
Sector Stock Total 0.02 0.50 0.51 0.07 0.33 0.40 0.28 0.10 0.38 -0.27 0.50 0.23 0.05 0.15 0.20 0.17 -0.15 0.03 -0.01 0.00 -0.01 -0.04 0.00 -0.04 0.13 -0.22 -0.10 0.00 -0.47 -0.47 0.41 0.74 1.15		
Banks 9.8 % Insurance 9.8 Machinery 7.7 Health Care Prov. & Svcs 7.5 Electric Utilities 6.6 Real Estate Inv. Trusts 4.3 Household Durables 4.2 Communications Equip. 4.1 Trading Cos & Distributors 4.1 Construction & Engineering 4.0		

Returns are calculated using daily holding information, gross of fees. Performance attribution returns can differ from actual client portfolio returns due to data differences, cash flows, trading, and other activity.

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BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
Transaction Summary of Purchases and Sales
October 1, 2015 through October 31, 2015

On a Trade Date Basis (US)

Security Description	Shares/ Par Value	Average Price	Net Amount	Cost	% G/L	G/L
BUY						
CENTURY ALUMINUM COMPANY	4,300.00	3.49	-15,059.46	15,059.46		
FIRSTBANCORP / PUERTO RICO	3,600.00	3.77	-13,686.41	13,686.41		
FIRST NIAGARA FINANCIAL GROUP	11,000.00	10.39	-114,362.60	114,362.60		
HORACE MANN EDUCATORS CORP	300.00	34.24	-10,275.58	10,275.58		
INVACARE CORP	200.00	14.22	-2,844.00	2,844.00		
LIFEPOINT HOSPITALS INC	1,500.00	61.06	-91,608.73	91,608.73		
MATSON INC	400.00	40.52	-16,210.37	16,210.37		
OPPENHEIMER HOLDINGS INC	800.00	19.02	-15,240.19	15,240.19		
PHH CORP	200.00	14.36	-2,875.00	2,875.00		
RUSH ENTERPRISES INC	1,400.00	24.97	-35,005.72	35,005.72		
TUTOR PERINI CORP	2,000.00	16.05	-32,153.14	32,153.14		
XPO LOGISTICS INC	1,700.00	27.85	-47,372.27	47,372.27		
TOTAL BUY			-396,693.47			
SELL						
ENPRO INDUSTRIES INC	-100.00	49.07	4,905.95	-5,769.64	-14.97	-863.69
ON SEMICONDUCTOR CORP	-2,000.00	10.74	21,403.57	-16,735.59	27.90	4,667.98
ROWAN COS PLC	-3,700.00	19.79	73,069.26	-82,298.71	-11.21	-9,229.45
SONIC AUTOMOTIVE INC	-1,000.00	24.09	24,056.39	-23,150.21	3.93	906.18
TOTAL SELL			123,435.17	-127,954.15		-4,518.98
NET FOR ACCOUNT			-273,258.30			

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
 Summary of Investment Portfolio
 As of October 31, 2015
 On a Trade Date Basis (US)

	<u>Market Value</u>	<u>% of Total Portfolio</u>	<u>Estimated Dividend Income</u>	<u>Dividend Yield</u>
CASH & CASH EQUIVALENTS	-90,814.25	-0.92		
EQUITIES	9,927,679.44	100.90	127,828.58	1.29
ACCRUED INCOME	2,112.01	0.02		
TOTAL PORTFOLIO	<u>9,838,977.20</u>	100.00		

performance review

october 2015

PERFORMANCE (%)

	ACCOUNT(GROSS)	BENCHMARK
Oct 15	0.99	0.42
YTD	0.58	0.32
1 Year Trailing	1.09	1.05
3 Year Trailing	2.85	1.93
5 Year Trailing	5.24	4.32
1/31/97 - 10/31/15 Annualized	6.78	6.13

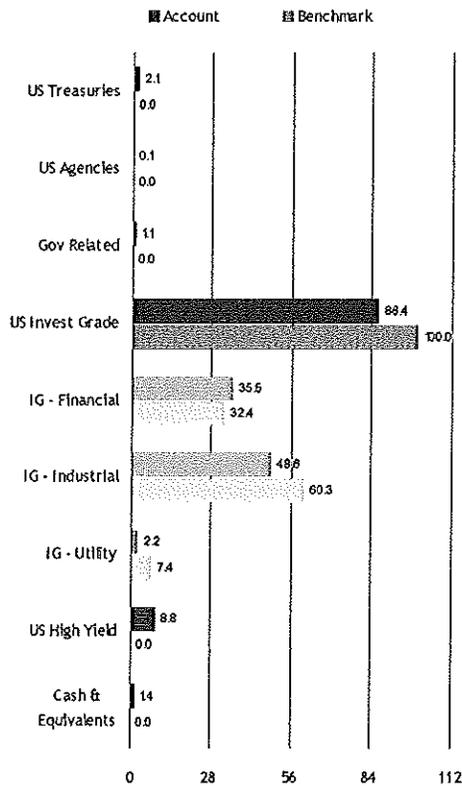
MARKET VALUE

\$36,028,133

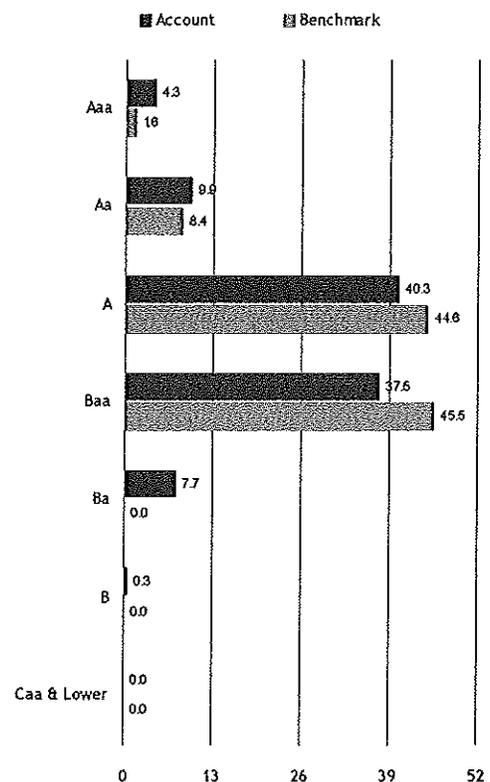
CHARACTERISTICS

Effective Duration	7.17 years	7.08 years
Average Maturity	10.80 years	10.49 years
Yield	3.65%	3.37%
Average Quality	Baa1	Baa1

SECTOR ANALYSIS AT OCTOBER 31, 2015 (%)



QUALITY ANALYSIS AT OCTOBER 31, 2015 (%)



The current benchmark is Barclays U.S. Corporate Investment Grade. (1) Citigroup Broad Inv-Grade (BIG) from 1/31/1997 to 6/30/1999; Barclays Credit from 6/30/1999 to 2/29/2012; and Barclays U.S. Corporate Investment Grade from 2/29/2012 to 10/31/2015. For split rated securities in the quality distribution, the higher of Moody and S&P is used. The account's split rating treatment is based on client guidelines. The benchmark follows the vendor's methodology. Equity securities are deemed to have a duration and maturity value of zero. Yield is Yield to Effective Maturity. Data Source: Barclays Capital, Bloomberg. This report is a service provided to customers of Loomis Sayles for informational purposes and is not a recommendation to purchase or sell securities. Unless otherwise noted, the performance shown is gross of management fees. Past performance is not a guarantee of future results. Loomis Sayles believes the information contained in this report is reliable but we do not guarantee its accuracy. Additional information on portfolio holdings, portfolio attribution and portfolio transactions are available to all investors upon request.

performance review

october 2015

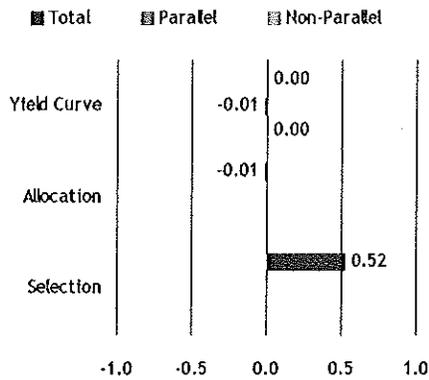
CURRENT MONTH TOTAL RETURNS (%)

Account Return	0.99
Benchmark Return	0.42
Excess Return	0.57

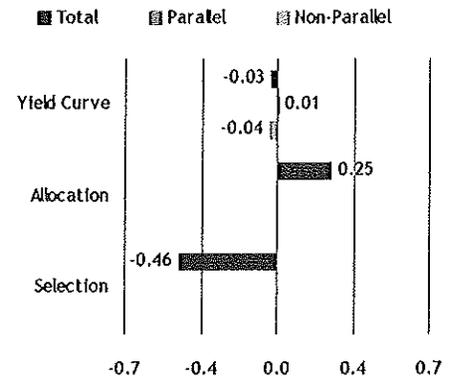
TRAILING YEAR TOTAL RETURNS (%)

Account Return	1.09
Benchmark Return	1.05
Excess Return	0.04

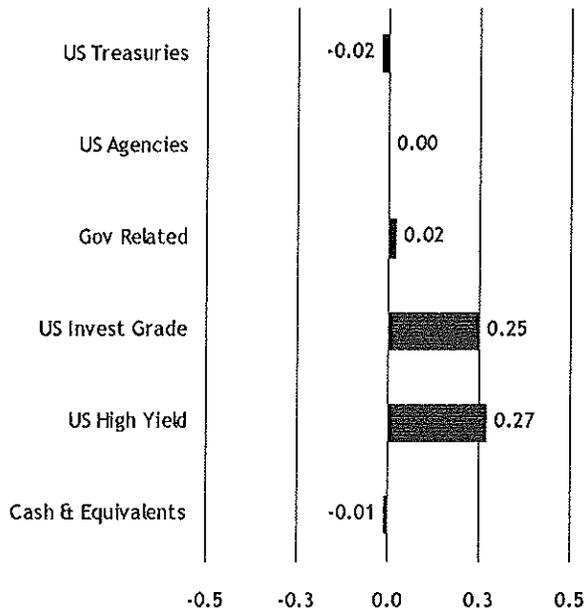
CURRENT MONTH EXCESS RETURN ATTRIBUTION (%)



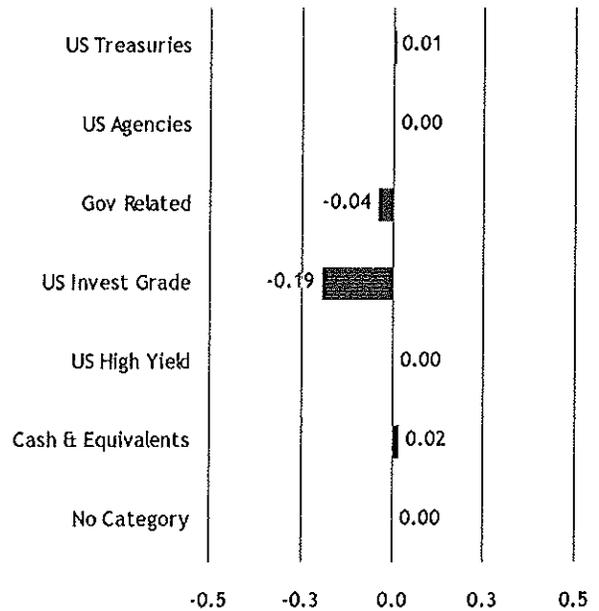
TRAILING YEAR EXCESS RETURN ATTRIBUTION (%)



EXCESS RETURN ATTRIBUTION BY SECTOR (%)



EXCESS RETURN ATTRIBUTION BY SECTOR (%)



The Attribution benchmark is Barclays U.S. Corporate Investment Grade. Figures on bar charts may not add up to total excess return as they exclude impact of trading and pricing differences. Attribution account returns are gross of fees. Excess Return by sector excludes yield curve impact. Data Source: Barclays Capital

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM
Monthly Report

.....
October 31, 2015



November, 2015

For your use and review, enclosed please find your portfolio's October 2015 Investment Summary report. Should you have any questions or comments about this report, the portfolio, or the markets in general, please let us know.

Mackay Shields values our relationship with you and your organization, and we would welcome any opportunity to be of further assistance.

Best,

A handwritten signature in cursive script that reads "Virginia".

Virginia Rose
Senior Managing Director
Head of Client Service

OCTOBER 2015

OVERVIEW OF MONTHLY PERFORMANCE

MACKAYSHIELDS

MARKET OVERVIEW

The U.S. convertible market, as measured by the BofA Merrill Lynch All Convertible Index, climbed 3.69% during October 2015, while underlying equities rose 6.43%. During the month, investment-grade convertibles, as measured by the BofA Merrill Lynch Investment Grade Convertible Index, were up 5.24%, while speculative-grade convertibles increased 3.18%. Year to date, the All Convertible Index is down 0.26%.

Equity and convertible bond markets rose sharply in October as they recouped most of their late summer losses. During the month, the Standard & Poor's 500 Index rose 8.43%, while the broader Russell 2000 Index rose 5.63% and the tech-heavy Nasdaq Index rose 9.45%. The convertible market's less than 50% upside participation with the S&P 500 Index was surprising. However, the 65% upside participation with the broader Russell benchmark makes sense given that companies with convertible bonds are more likely to be small to mid-cap companies as opposed to the mega-cap companies that dominate the S&P 500 Index.

We continue to believe that equity markets will be higher in the coming twelve to eighteen months as economic growth in the U.S. continues at a slow pace, while Europe's economy expands in muted fits and starts. Growth in China is slowing, and although that region is not a significant market for exports from the U.S., a slowdown in China will serve to keep inflationary pressures under control. In addition, the sharp decline in energy prices should provide some material stimulus to those countries and regions that are net importers of oil and gas, particularly Europe and Japan. In addition, the Federal Reserve is likely to continue a monetary policy of low interest rates, which should foster a healthy climate for stocks and equity-linked securities, such as convertibles.

We maintain our belief that equities and equity-linked securities are attractively valued, particularly when compared to the yields on pure fixed income securities, specifically U.S. Treasury and investment-grade bonds. We maintain that in a slow growth environment, at current valuations, convertible bonds and stocks are attractive and should continue to perform well.

In contrast to the prior quarter, with the exception of Materials (down 2.6%), every benchmark sector rose during October. Transportation, Technology, Media and Telecommunications each outperformed the broader index, up 8.7%, 7.1%, 6.6% and 4.2%, respectively.

During the month, 5 new issues totaling \$2.2 billion came to the U.S. convertible market, while approximately \$1.1 billion was redeemed through redemptions and maturities, according to BofA Merrill Lynch Research. Year-to-date, approximately \$33.6 billion has been issued in the U.S. market. Although the recent issuer base has been well-diversified across sectors, the vast majority of issuance over the past year has been non-rated. As previously noted, we expect new issuance from investment-grade companies to remain depressed until the yield on the 10-year U.S. Treasury exceeds 3.5%.

PERFORMANCE

The convertible bonds of Priceline Group, XPO Logistics and the convertible preferred shares of Stanley Black & Decker were among the top contributors during the month. The Priceline Group rose in October on little company-specific news, as the company will not report third quarter earnings until early November. In mid-October, TripAdvisor, Inc., a website that helps users plan and research vacations, announced a deal to bring Priceline's catalog of hotels into TripAdvisor's booking system. News of that agreement, however, sent shares of TripAdvisor up 26%, while shares of Priceline actually declined 2.5% on the day of the announcement. XPO Logistics rebounded after the large selloff in September. XPO's equity-sensitive convertible bonds declined sharply in September after the company announced its intention to acquire Con-way, a large logistics and trucking company for \$3 billion. Selling pressure eased in October after XPO announced that it might look to sell Con-way's trucking operations and only retain the more valuable logistics segment of the business. Stanley Black & Decker performed well in October after the company reported third quarter earnings that exceeded analyst estimates and also increased guidance for full year 2015 earnings. The company also stated that it expects free cash flow for 2015 to approach \$1 billion.

Conversely, exposure to Southwestern Energy, Illumina and Jarden weighed on performance during the period. The convertible preferred shares of natural gas producer, Southwestern Energy, declined in October despite the company reporting slightly better than expected earnings. Investors seem to be more concerned with the long-term outlook for natural gas than near-term financial results. Natural gas prices in the U.S. remain well below \$3 per thousand cubic feet, the price at which most drilling projects are profitable for Southwestern. The persistent warm weather in North America this fall and large gas injections into storage have weighed on natural gas prices. Illumina's convertible bonds declined in October after the company reported earnings that were below investor expectations and previous company guidance. The company has

OCTOBER 2015 OVERVIEW OF MONTHLY PERFORMANCE

MACKAYSHIELDS

experienced a slowdown in purchases for its genomic testing equipment. Although Illumina's earnings continue to grow at a rapid clip, the company's share price and valuation reflected very high expectations and declined sharply on news of the earnings miss. Last, the convertible bonds of Jarden declined after the company announced the acquisition of Jostens, a marketer of class rings and school yearbooks. In addition, the company reported third quarter earnings and gave earnings guidance that some investors found disappointing. Investors expected earnings guidance to be raised in light of the large Jostens acquisition which was expected to be accretive to future earnings. When that guidance was not raised investors questioned the economics of the acquisition and whether the company's core operations are as strong as management contends.

OUTLOOK

Despite the third quarter's decline and increased volatility, the past two years have been very benign for the convertible market, which is somewhat surprising given that many were expecting a pullback following the tremendous advance in 2013. The past two and a half years have marked the resurrection of a vibrant market for new convertible issuance, which continued in 2014 following 2013's nearly \$50 billion of new issuance. The surge in new issuance was largely due to the simultaneous rise in stock prices and interest rates. With the rise in rates, issuing companies could once again realize a significant interest savings by issuing a convertible bond instead of a non-convertible high-yield security. For most investment-grade companies, however, rates remain so low in absolute terms that the benefits of a convertible offering remain relatively muted. As such, the preponderance of new issuance in 2013 and 2014 has been from non-investment grade companies. In addition, following the stock market decline of 2008, companies were reluctant to issue equity-linked securities as they believed that doing so would dilute existing equity holders at prices they believed undervalued their companies. However, with stocks at near-record levels, companies are no longer reluctant to issue a security linked to their equity.

The asset class' strong two-year returns are a testimony to the notion that convertible bonds should outperform in a rising rate environment and, unlike nearly all other classes of fixed income instruments, have almost no correlation to the movement in interest rates. We believe this trend will continue as long as the economy remains in recovery mode.

We remain convinced that convertible bonds and equities are attractively valued in the current slow growth environment. Given the slowly improving macro economy and the relatively low rates of interest and inflation, stocks appear inexpensive based on various measures such as price to earnings, price to cash flow or price to free cash flow. As such, we expect convertible bond and stock prices to be higher in the coming twelve to eighteen months.

Convertible bonds remain an excellent vehicle through which to participate in further equity advances. At current valuations, convertible bonds should participate in the majority of the stock market's advances, but less than half of any decline in the event that our outlook for equities is wrong.

¹Please note that security specific disclosures are representative and may not be included in your portfolio

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BAY COUNTY EMPLOYEES RETIREMENT SYSTEM



Portfolio Composition and Performance — Account 1256 October 31, 2015

Composition	Market Value	Percent of Total
Fixed Income	10,312,274	79.58
Equity	1,819,211	14.04
Cash & Equivalents	827,011	6.38
Total Portfolio	\$12,958,496	100.00%

Performance	Latest Month	Latest 3 Months	Year To Date	Latest 12 Months	3 Years Annualized	5 Years Annualized	Since 10/1/2003	Annualized Since 10/1/2003
Total Fund (Gross of Fees)	4.94%	-1.63%	0.66%	2.01%	9.89%	7.82%	113.02%	6.45%
CUSTOM BENCHMARK I	3.69%	-2.56%	-0.88%	0.30%	12.05%	9.07%	85.44%	5.24%
CUSTOM BENCHMARK II	3.69%	-3.15%	-0.35%	1.42%	10.63%	N/A	N/A	N/A

Expressed in USD

Note: Custom Benchmarks consist of BofAML All Convt (Inc Mand) since 8/31/15. Previously, (I) was BofAML Convt Inv Grade Bds (Inc Mand) Index and (II) was BofAML Convt Inv Grade Bds (Inc Mand) 5% Cap Index.

Past performance is not indicative of future results.

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM



Summary Report — Account 1256

October 31, 2015

	Total Cost	Percent at Cost	Yield at Cost	Market Value	Percent of Assets	Yield at Market	Annual Income
Bonds	9,574,860	85.27	1.39	10,273,282	79.28	1.30	133,153
Stocks	1,653,598	14.73	1.27	1,810,617	13.97	1.16	21,004
Cash & Equivalents	0	0.00		827,011	6.38	0.00	0
Accrued Income				47,586	0.37		
Total Portfolio	\$11,228,458	100.00%	1.37	\$12,958,496	100.00%	1.19	\$154,157

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Bay County Employees' Retirement System

MFS® Heritage Trust Company CIT - MFS International Growth Fund
(Class 1 Shares)



Performance results (%) class 1 shares net of expenses (USD)	Portfolio	Benchmark ^A	Excess returns
October 2015	7.18	7.58	-0.40
2015 YTD	4.37	1.17	3.20
1 year	2.39	-0.81	3.20
Since client inception (06-Aug-14)	-0.36	-2.51	2.15

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class.

Net of expenses does not include management fees.

^A MSCI All Country World (ex-US) Growth Index (net div)

Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. All results are historical and assume the reinvestment of dividends and capital gains.

Asset summary (USD)	
Beginning value as of 30-Sep-15	23,443,354
Contributions	0
Withdrawals	0
Change in market value	+1,683,569
Ending value as of 31-Oct-15	25,126,923

Characteristics	Portfolio	Benchmark ^{AA}
IBES long-term EPS growth ¹ weighted median	9.6%	10.2%
Price/earnings (12 months forward ex-negative earnings) - weighted median	18.6x	17.8x
Return on invested capital - weighted median	11.6%	10.7%
Market capitalization (USD) ²	35.8 bn	28.2 bn
Number of holdings	87	1,084
Trailing 1 year turnover ³	31%	-
Barra predicted tracking error ⁴	2.88%	-

¹ Source: Thomson Reuters

² Weighted median.

³ (Lesser of Purchase or Sales)/Average Month End Market Value

⁴ Source: Barra

No forecasts can be guaranteed.

Top 10 issuers	Sector
ROCHE HOLDINGS AG	Health Care
NESTLE SA	Consumer Staples
LVMH MOET HENNESSY	Retailing
DANONE	Consumer Staples
ACCENTURE PLC	Special Products & Services
NOVARTIS AG NEW	Health Care
UBS GROUP AG	Financial Services
TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY LIMITED	Technology
AIA GROUP LTD	Financial Services
PERNOD-RICARD	Consumer Staples

Sectors (%)	Portfolio	Benchmark ^{AA}
Consumer Staples	19.5	13.5
Health Care	16.2	12.2
Financial Services	12.1	16.3
Special Products & Services	9.3	4.3
Technology	8.8	10.7
Basic Materials	7.8	5.3
Industrial Goods & Services	7.2	7.0
Retailing	7.1	7.4
Leisure	4.5	4.4
Energy	2.4	2.3
Transportation	2.1	4.3
Autos & Housing	1.0	6.3
Utilities & Communications	0.7	6.0

Regions (%)	Portfolio	Benchmark ^{AA}
Europe ex-U.K.	48.8	36.9
United Kingdom	18.4	12.2
Emerging Markets	10.0	20.6
North America	8.3	5.9
Japan	7.6	16.4
Asia/Pacific ex-Japan	4.4	7.6
Developed - Middle East/Africa	1.3	0.5
1.2% Cash & cash equivalents		

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MFS Heritage Trust Company

^{AA} MSCI All Country World (ex-US) Growth Index

FOR MORE INFORMATION CONTACT

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Email: khyland@mfs.com

PSR-HTG-31-Oct-15

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Email: tshanley@mfs.com

33470

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Bay County Employees' Retirement System
MFS® Heritage Trust Company CIT - MFS International Growth Fund
Class 1 Shares
Report as of 31 October 2015

Performance results (%) class 1 shares net of expenses (USD)

Period	Portfolio net	Benchmark ^A	Excess ^{A,A}
October	7.18	7.58	-0.40
3Q 2015	-8.32	-10.77	2.45
2Q 2015	0.77	0.59	0.18
1Q 2015	5.41	4.79	0.62
2015 YTD	-4.37	1.17	3.20
1 year	2.39	-0.81	3.20
Since client inception (06-Aug-14)	-0.36	-2.51	2.15

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class.

Net of expenses does not include management fees.

^A MSCI All Country World (ex-US) Growth Index (net div)

^{A,A} Excess return net vs benchmark (%)

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Heritage Trust Company

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MFS HERITAGE TRUST COMPANY
111 Huntington Avenue, Boston, Massachusetts 02119

MFS HERITAGE TRUST COMPANY

Account Statement
10/01/2015 - 10/31/2015
Page 2 of 2

Transaction History

Trade Date	Transaction Type	Gross Amount	Net Amount	NAV	Transaction Units	Total Units
MFS INTERNATIONAL GROWTH FUND CL 1						
— There are no transactions for this section —						

Message

Please contact your MFS relationship team for any questions regarding your account statement or transaction confirm.

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MFS HERITAGE TRUST COMPANY
111 Huntington Avenue, Boston, Massachusetts 02199

MFS HERITAGE TRUST COMPANY

Account Statement
10/01/2015 - 10/31/2015
Page 1 of 2

Registration: BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
(BCERS)

Account Number: 193

PETER BROWN
C/O THE BOGDAHNS GROUP
5000 ROCKSIDE RD, STE 320
INDEPENDENCE, OH 44131

Account Summary - Period

Fund Name	10/31/2015 NAV	Beginning Market Value	Period Purchases	Period Redemptions	Ending Units	Ending Market Value
MFS INTERNATIONAL GROWTH FUND CL 1	\$127.01	\$23,443,353.89	\$0.00	(\$0.00)	197,834.210	\$25,126,923.01
Account Total		\$23,443,353.89				\$25,126,923.01

Account Summary - YTD

Fund Name	YTD Purchases	YTD Redemptions	Account Inception
MFS INTERNATIONAL GROWTH FUND CL 1	\$9,340,750.00	(\$0.00)	08/06/14

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MFE Full Holdings Report

MFC - MFC Holdings Trust Company Collective Currency: USD



Month End Date: 10/31/2015

CBF/ISS/STOCK	Ticker	Holding Name	Price	Shares Held	Market Value (mm)	Equivalent Exposure (mm)	Market Value %	Equivalent Exposure %	Market Cap (mm)	MFC Sector	Global Sector	CBF Sector	MFC Industry	MFC Country	ISIN	ID/Check
64708S	CHRSOC	China Resources Tobacco Holdings Ltd	27.44	140,000	3,810,071.92	38,180,871.97	3.72	3.72	23,100.00	Health Care	Health Care	Health Care	Pharmaceuticals	Hong Kong	CN002032048	94708S
71289	CHRESN	China Resources Tobacco Holdings Ltd	78.48	480,072	30,717,530.03	304,870,207.86	3.59	3.59	242,850.00	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	Singapore	CG002032048	71289
40911	FRMC	First Monarch Limited	181.90	162,804	31,482,024.03	31,482,024.03	3.07	3.07	94,754.00	Health Care	Health Care	Health Care	Pharmaceuticals	France	FR0000121014	40911
615110	FRSN	First Monarch Limited	49.73	444,313	31,200,330.43	31,200,330.43	3.05	3.05	42,668.00	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	France	FR0000120444	615110
615110	ACH	Academy of Art University	107.38	293,312	20,653,040.40	20,653,040.40	2.91	2.91	60,088.15	Special Products & Services	Technology	Information Technology	Business Services	United States	US0010000004	615110
71008	CHNOV	China Resources Tobacco Holdings Ltd	50.80	334,210	20,670,024.28	20,670,024.28	2.88	2.88	243,338.41	Health Care	Health Care	Health Care	Pharmaceuticals	France	FR0000120027	71008
684.17	CHUSBS	China Resources Tobacco Holdings Ltd	20.01	1,361,284	20,960,077.75	20,960,077.75	2.83	2.83	77,028.00	Financial Services	Financial Services	Financial Services	Other Banks and Diversified	Singapore	CG0044161255	684.17
6740910	TSM	Taiwan Semiconductor Manufacturing Co. Ltd ADR	21.98	1,121,789	24,634,464.48	24,634,464.48	2.41	2.41	113,886.23	Technology	Technology	Information Technology	Electronics	Taiwan	US9742031003	6740910
64708S	HK1220	Asia Group Ltd	5.94	4,164,000	24,618,376.32	24,618,376.32	2.38	2.38	70,100.00	Financial Services	Financial Services	Financial Services	Insurance	Hong Kong	HK0000056699	64708S
648202	FRN	First Monarch Limited	117.88	203,324	23,657,277.94	23,657,277.94	2.34	2.34	31,288.00	Consumer Staples	Consumer Staples	Consumer Staples	Alcoholic Beverage	France	FR0000120663	648202
648202	GRCP2	Compani Group P.L.C.	17.25	1,268,787	23,490,700.56	23,490,700.56	2.28	2.28	20,426.24	Special Products & Services	Technology	Consumer Discretionary	Business Services	United Kingdom	GB0000120044	648202
50821	DEBAY	Debay AG	133.44	169,075	22,891,893.61	22,891,893.61	2.22	2.22	110,320.00	Health Care	Health Care	Health Care	Pharmaceuticals	Germany	DE0000491017	50821
1500710	CNI	Canadian National Railway Co	61.09	357,419	21,852,946.51	21,852,946.51	2.13	2.13	48,667.22	Transportation	Capital Goods	Health Care	Health Care	Canada	CA103751027	1500710
64708S	GRFB	Grand Rapids Beer Co	67.80	211,724	20,707,395.49	20,707,395.49	2.02	2.02	60,530.00	Consumer Staples	Consumer Staples	Consumer Staples	Consumer Staples	United Kingdom	GB0000430477	64708S
64708S	GRVFP	Grand Rapids Beer Co	22.48	884,024	19,880,918.13	19,880,918.13	1.94	1.94	20,048.18	Culture	Consumer Discretionary	Consumer Discretionary	Brands/ Retail	United Kingdom	GB0000430477	64708S
518081	DELIN	Delin Group Ltd	173.47	86,720	17,128,672.12	17,128,672.12	1.67	1.67	32,219.10	Basic Materials	Capital Goods	Materials	Specialty Chemicals	Germany	DE0000453948	518081
402780	FRCA	First Monarch Limited	162.00	92,510	16,802,031.60	16,802,031.60	1.65	1.65	102,322.24	Consumer Staples	Consumer Staples	Consumer Staples	Consumer Staples	France	FR0000120021	402780
623780	GRDCE	Grand Rapids Beer Co	28.80	578,627	16,680,526.87	16,680,526.87	1.63	1.63	72,813.30	Consumer Staples	Consumer Staples	Consumer Staples	Consumer Staples	United Kingdom	GB0000120029	623780
65022	IN-PCS	India Cement Ltd	15.79	964,441	15,193,807.15	15,193,807.15	1.58	1.58	42,282.00	Financial Services	Financial Services	Financial Services	Other Banks and Diversified	India	IN000001020	65022
6208910	MFD	Middlefield Foods Ltd	310.99	50,484	15,070,019.16	15,070,019.16	1.55	1.55	8,614.11	Industrial Goods & Services	Capital Goods	Health Care	Electrical Equipment	United States	US020881054	6208910
615110	GRVNB	Grand Rapids Beer Co	78.24	204,894	15,939,491.14	15,939,491.14	1.52	1.52	33,008.18	Leisure	Consumer Discretionary	Consumer Discretionary	Restaurants	United Kingdom	GB0000430477	615110
64708S	DEBPE	Debay AG	60.43	268,846	15,938,710.24	15,938,710.24	1.47	1.47	9,335.79	Special Products & Services	Technology	Information Technology	Business Services	Germany	DE0000120410	64708S
64708S	DRHOV09	Debay AG	53.12	293,019	14,709,252.28	14,709,252.28	1.44	1.44	137,728.71	Health Care	Health Care	Health Care	Pharmaceuticals	Germany	DE0000549412	64708S
64708S	GRHSA	Grand Rapids Beer Co	7.83	1,881,880	14,728,003.38	14,728,003.38	1.44	1.44	133,241.20	Financial Services	Financial Services	Financial Services	Major Banks	United Kingdom	GB0000402286	64708S
443910	FRSU	First Monarch Limited	80.57	228,720	14,491,388.06	14,491,388.06	1.41	1.41	36,580.17	Industrial Goods & Services	Capital Goods	Industrial	Electrical Equipment	France	FR0000121972	443910
512907	DEPMC	Preussag Medical Care AG & Co KGaA	80.05	148,656	13,413,539.22	13,413,539.22	1.31	1.31	28,129.84	Health Care	Health Care	Health Care	Medical Services	Germany	DE000792682	512907
6309910	NICE	NICE Systems Ltd	61.82	213,800	13,217,486.02	13,217,486.02	1.28	1.28	3,786.02	Technology	Technology	Information Technology	Computer Systems	Israel	US050951086	6309910
549911	NLJAZ	Nederlandse Aardolie Maatschappij NV	70.87	171,730	12,906,192.21	12,906,192.21	1.23	1.23	17,005.28	Basic Materials	Capital Goods	Materials	Specialty Chemicals	Netherlands	NL0000000132	549911
615110	FRN	First Monarch Limited	72.05	63,574	12,903,116.45	12,903,116.45	1.21	1.21	44,006.14	Basic Materials	Capital Goods	Materials	Specialty Chemicals	France	FR0000120027	615110
659207	DELMK9	Debay AG	9.78	1,201,043	11,717,252.35	11,717,252.35	1.14	1.14	31,726.16	Technology	Technology	Information Technology	Network & Telecom	Sweden	SE000108599	659207
615110	DE311	Debay AG	63.87	174,863	11,524,444.97	11,524,444.97	1.13	1.13	8,320.63	Basic Materials	Capital Goods	Materials	Specialty Chemicals	Germany	DE0000120690	615110
317340	GRBBRY	Grand Rapids Beer Co	20.47	522,265	11,208,673.18	11,208,673.18	1.10	1.10	1,092.24	Retail	Consumer Discretionary	Consumer Discretionary	Apparel Manufacturers	United Kingdom	GB0001714207	317340
613974	JP484	Japan Tobacco Inc	22.71	282,290	11,027,088.87	11,027,088.87	1.09	1.09	6,230.00	Technology	Technology	Information Technology	Computer Software	Japan	JP9171400007	613974
444628	DE3AP	Debay AG	139.04	10,269,336.87	10,269,336.87	10,269,336.87	1.07	1.07	67,104.42	Technology	Technology	Information Technology	Computer Software	Germany	DE0001164800	444628
316983	GRTRK	Grand Rapids Beer Co	40.47	259,082	10,570,080.24	10,570,080.24	1.03	1.03	6,020.83	Special Products & Services	Technology	Information Technology	Business Services	United Kingdom	GB0001433833	316983
418021	DK-CACB3	Carnegie AS	81.98	129,286	10,514,924.11	10,514,924.11	1.02	1.02	12,065.20	Consumer Staples	Consumer Staples	Consumer Staples	Alcoholic Beverage	Denmark	DK0010181759	418021
64708S	GRPAP	Grand Rapids Beer Co	110.29	86,617	10,326,424.51	10,326,424.51	1.01	1.01	5,135.13	Leisure	Consumer Discretionary	Consumer Discretionary	Gaming & Leisure	Ireland	IE0000174984	64708S
533004	FRDSY	First Monarch Limited	70.00	125,100	9,860,868.78	9,860,868.78	0.97	0.97	20,270.73	Technology	Technology	Information Technology	Computer Software	France	FR0000130501	533004
64708S	TRPRY	First Monarch Limited	21.01	456,018	9,850,714.41	9,850,714.41	0.96	0.96	4,882.83	Industrial Goods & Services	Capital Goods	Industrial	Electrical Equipment	Italy	IT00004178001	64708S
64708S	ES-AM2	Amurco IT Holdings SA	42.62	230,888	9,845,270.78	9,845,270.78	0.96	0.96	10,720.67	Special Products & Services	Technology	Information Technology	Business Services	Spain	ES0310070119	64708S
64708S	JP2914	Japan Tobacco Inc	34.55	284,200	9,828,046.21	9,828,046.21	0.96	0.96	20,094.20	Consumer Staples	Consumer Staples	Consumer Staples	Alcoholic Beverage	Japan	JP9128030800	64708S
64708S	GRBR	Grand Rapids Beer Co	10.00	926,055	9,814,783.32	9,814,783.32	0.96	0.96	10,467.87	Industrial Goods & Services	Capital Goods	Industrial	Electrical Equipment	United Kingdom	GB0000430477	64708S
688907	JP4343	Toyota Motor Corp	23.53	223,300	9,545,788.08	9,545,788.08	0.93	0.93	11,212.83	Health Care	Health Care	Health Care	Medical Equipment	Japan	JP9146000006	688907
64708S	CRHGR	Carroll Group Ltd	40.93	189,838	9,285,000.31	9,285,000.31	0.92	0.92	11,121.89	Financial Services	Financial Services	Financial Services	Other Banks and Diversified	Switzerland	CH0102044866	64708S
721947	FRFEE	First Monarch Limited	131.52	71,231	9,206,188.63	9,206,188.63	0.91	0.91	28,423.07	Health Care	Health Care	Health Care	Pharmaceuticals	France	FR0000121017	721947
64708S	GRSHP	Grand Rapids Beer Co	73.92	122,883	9,114,559.50	9,114,559.50	0.91	0.91	45,922.24	Health Care	Health Care	Health Care	Medical Equipment	United Kingdom	GB0000430477	64708S
620952	GRDCHD	Grand Rapids Beer Co	44.89	202,738	8,998,128.84	8,998,128.84	0.88	0.88	0,072.89	Basic Materials	Capital Goods	Materials	Specialty Chemicals	United Kingdom	GB0000033270	620952
603773	JP8970	Asahi Group Ltd	24.99	362,100	8,919,614.85	8,919,614.85	0.86	0.86	5,288.19	Financial Services	Financial Services	Financial Services	Specialty Chemicals	Japan	JP9131400008	603773
617230	SCSDB3	SCSDB3 Group Ltd	12.33	707,800	8,723,143.82	8,723,143.82	0.85	0.85	31,001.17	Financial Services	Financial Services	Financial Services	Specialty Chemicals	Singapore	SG1101001781	617230
681788	JP4988	Sumitomo Chemical Co Ltd	23.94	163,000	8,611,644.48	8,611,644.48	0.84	0.84	3,255.48	Retail	Consumer Discretionary	Consumer Discretionary	Food & Drug Stores	Japan	JP9330000006	681788
252188	CAL	California Resources Ltd	62.60	161,623	8,576,485.28	8,576,485.28	0.83	0.83	11,750.94	Health Care	Health Care	Health Care	Pharmaceuticals	Canada	CA0000101619	252188
625202	GRSNI	Grand Rapids Beer Co	4,599,008	17,111	8,294,214.82	8,294,214.82	0.82	0.82	21,314.11	Health Care	Health Care	Health Care	Medical Equipment	United Kingdom	GB0000222008	625202
644931	KOCP1910	KOCP1910 Ltd	265.05	30,783	8,133,823.17	8,133,823.17	0.80	0.80	17,585.44	Basic Materials	Capital Goods	Materials	Specialty Chemicals	South Korea	KR0707010006	644931
618081	JP4903	Sumitomo Chemical Co Ltd	9.33	851,100	8,112,788.20	8,112,788.20	0.79	0.79	13,850.02	Energy	Energy	Energy	Energy - Reservoir	Japan	JP9300400005	618081
677052	JP4904	Sumitomo Chemical Co Ltd	35.06	136,100	7,672,392.10	7,672,392.10	0.74	0.74	10,850.00	Utilities & Communications	Telecom / Carv	Telecommunications Services	Wholesale Communications	Japan	JP9304100000	677052

MFE Full Holdings Report

MTC - MFS Heritage Trust Company Collective Currency: USD



ISIN	Symbol	Company Name	Market Cap	Assets	Liabilities	Net Assets	NAV	YTD Return	12-M Return	3-Yr Return	5-Yr Return	Industry	Country	ISIN	Symbol
85801P	CAESU	Super Energy Inc	20.76	224.356		20.76	0.076,118.00	0.02	0.076,118.05			Energy	Canada	CA972341079	B5M112
85802P	NITC	ITC Ltd	5.11	1,286.679		5.11	0.277,130.38	0.14	0.277,133.03			Consumer Staples	India	IN154407025	B0LCCP5
713630	CHASOON	Shohei Trading Co	103.28	47,898		103.28	0.252,442.38	0.24	0.252,442.38			Health Care	Switzerland	CH012549765	7156030
094638	GWWR	Wm Group Plc	14.45	386.694		14.45	0.389,716.98	0.24	0.389,716.98			Capital Goods	United Kingdom	GB000492687	0462586
097028	GBBG	BC Group PLC	14.90	411,333		14.90	0.461,162.22	0.23	0.461,162.22			Energy - Integrated	United Kingdom	GB000870289	0872285
811707	CHGCP	Chugro Holdings Co	162.48	38,509		162.48	0.202,508.96	0.02	0.202,508.96			Industrial	Switzerland	CH020480818	8117070
01984V	GBERN	Barren PLC	17.02	385.678		17.02	0.344,377.38	0.01	0.344,377.38			Technology	United Kingdom	GB001810148	81984V4
81FJDC	AUBDG	Bombardier Ltd	7.40	752,708		7.40	0.294,175.11	0.26	0.294,175.11			Capital Goods	Australia	AU000003001	81FJDC0
842399	HC238	Amman Group Co Ltd	0.99	0,510,000		0.99	0.234,814.77	0.24	0.234,814.77			Consumer Discretionary	China	CNE100000325	8423995
820142	HK0151	Wan Yant China Holdings Ltd	0.83	0,642,000		0.83	0.213,910.89	0.24	0.213,910.89			Consumer Staples	China	HK000027265	8201423
CGE19110	BAP	Chubb Ltd	113.19	48,861		113.19	0.249,540.88	0.23	0.249,540.88			Financial Services	France	BK251910384	CGE191108
8112DK	FLUR	Langsam SA	54.92	24,795		54.92	0.212,644.65	0.22	0.212,644.65			Capital Goods	France	FR0001020710	8112DK0
807148	JP 8113	Yokoyama Corp	21.31	248,800		21.31	0.202,489.21	0.32	0.202,489.21			Consumer Staples	Japan	JP920000000	8071485
562027	FR-685	Henon	185.23	23,443		185.23	0.272,528.41	0.52	0.272,528.41			Consumer Discretionary	France	FR000017485	5620272
242104	MKCFNOR	Grupo Financiero Banorte SA de CV	5.38	969,819		5.38	0.222,572.02	0.51	0.222,572.02			Financial Services	Mexico	MX973701104	2421041
8573M1	DICOR	DR Hamann Holding AG	80.10	62,600		80.10	0.244,317.20	0.20	0.244,317.24			Consumer Staples	Denmark	DK000022765	8573M11
02319110	AREV	Argev SA ADR	4.97	1,022,622		4.97	0.480,188.14	0.49	0.480,188.14			Consumer Staples	Brazil	US023191103	023191103
080746	JP 2832	TOYO Ltd	33.71	144,000		33.71	0.479,771.50	0.40	0.479,771.52			Capital Goods	Brazil	JP920000000	0807465
802055	SEFCOA	Adani Group Ltd	28.10	174,979		28.10	0.297,225.22	0.45	0.297,225.22			Industrial	Sweden	SE000886750	8020557
813248	TM254	Medipon Inc	7.78	578,800		7.78	0.471,342.28	0.44	0.471,342.13			Information Technology	Taiwan	TW000245408	8132480
819322	HK 194	Hemp International Group Co Ltd	10.78	294,300		10.78	0.252,008.23	0.42	0.252,008.53			Consumer Staples	China	HK040021510	8193223
573202	DEGA	QAGEN NV	24.28	165,805		24.28	0.404,588.79	0.20	0.404,588.79			Health Care	Germany	NL000204000	5732025
644909	JP 4412	Nippo Paint Holdings Co Ltd	21.03	188,800		21.03	0.370,597.00	0.20	0.370,597.37			Health Care	Japan	JP974400002	6449097
85650L	RUSBER	Sberbank PAO	14.2	2,784,023		14.2	0.382,208.43	0.20	0.382,208.43			Financial Services	Russia	RU000002940	85650L8
669608	KOCSA20	NAVER Corp	524.32	7,174		524.32	0.272,074.65	0.37	0.272,074.65			Information Technology	South Korea	KR010204000	6696083
660700	AUOH	Orsted Ltd	5.38	620,997		5.38	0.379,428.68	0.25	0.379,428.68			Energy - Independent	Australia	AO000000000	6607003
811707	CAADL	Chalera Inc	67.35	39,266		67.35	0.254,483.48	0.20	0.254,483.48			Consumer Discretionary	Brazil	BR000000000	8117072
0002VD	BRLENS	Labor Reunio SA	4.80	500,415		4.80	0.240,507.54	0.23	0.240,507.54			Consumer Discretionary	Brazil	BR020000001	0002VD5
818827	SCDFI	Dairy Farm International Holdings Ltd	6.57	328,200		6.57	0.235,037.95	0.23	0.235,037.95			Food & Beverage	Hong Kong	HK000000000	8188274
81984V	BEONDJ	M.D. Borneo SA	18.13	65,120		18.13	0.174,213.87	0.17	0.174,213.80			Consumer Staples	Brazil	BR000000000	81984V3
452710	DE314	CEA Group AG	40.10	32,233		40.10	0.208,304.57	0.13	0.208,304.57			Medical Equipment	Germany	DE000000000	4527104
819322	DE133	Rohde & Schwarz Holdings PLC Ltd	0.00	83,320,019		0.00	0.131,589.25	0.01	0.131,589.25			Capital Goods	United Kingdom	GB000000000	8193222
819322	CASH	Cash Equivalents	1.00	12,020,146		1.00	12,020,142.78	1.22	12,020,077.90			Cash & Cash Equivalents	United Kingdom	GB000000000	8193223

Portfolio characteristics reflect the market value, and is not based on equivalent exposure, which may differ.

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PRISA LP
STATEMENTS OF ASSETS AND LIABILITIES
(Unaudited)

	<u>September 30, 2015</u>	<u>June 30, 2015</u>
ASSETS		
REAL ESTATE INVESTMENTS - At estimated fair value:		
Investment in PRISA UHC, LP - (cost plus equity in undistributed earnings: 09/30/2015 - \$1,746,444,127; 06/30/2015 - \$1,626,369,166)	\$ 2,043,928,304	\$ 1,858,185,908
Total real estate investments	2,043,928,304	1,858,185,908
CASH AND CASH EQUIVALENTS	59,911	62,180
Total assets	<u>2,043,988,215</u>	<u>1,858,248,088</u>
LIABILITIES		
ACCRUED EXPENSES	59,911	62,180
Total liabilities	<u>59,911</u>	<u>62,180</u>
COMMITMENTS AND CONTINGENCIES		
NET ASSETS, REPRESENTING EQUITY OF:		
Limited partners	<u>2,043,928,304</u>	<u>1,858,185,908</u>
TOTAL NET ASSETS	<u>\$ 2,043,928,304</u>	<u>\$ 1,858,185,908</u>

The accompanying notes are an integral part of these financial statements.

PRISA LP
STATEMENTS OF OPERATIONS
(Unaudited)

	Quarter Ended	
	<u>September 30, 2015</u>	<u>June 30, 2015</u>
INVESTMENT INCOME:		
Net investment income allocated from PRISA UHC, LP		
Income	\$ 33,722,874	\$ 32,272,138
Expenses	11,407,942	9,810,031
Management fees	<u>3,662,896</u>	<u>3,412,612</u>
Net investment income allocated from PRISA UHC, LP	18,652,036	19,049,495
Interest on short-term investments	<u>855</u>	<u>2,124</u>
Total investment income	<u>18,652,891</u>	<u>19,051,619</u>
INVESTMENT EXPENSES:		
Professional fees	<u>10,606</u>	<u>10,605</u>
Total expenses	10,606	10,605
NET INVESTMENT INCOME (LOSS)	<u>18,642,285</u>	<u>19,041,014</u>
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:		
Net recognized gain (loss) allocated from PRISA UHC, LP	370,773	1,425,637
Change in unrealized gain (loss) allocated from PRISA UHC, LP	<u>65,296,662</u>	<u>34,211,202</u>
NET REALIZED AND UNREALIZED GAIN (LOSS)	<u>65,667,435</u>	<u>35,636,839</u>
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 84,309,720</u>	<u>\$ 54,677,853</u>

The accompanying notes are an integral part of these financial statements.

PRISA LP
STATEMENTS OF CHANGES IN NET ASSETS
(Unaudited)

	September 30, 2015			June 30, 2015		
	Limited Partners	PRISA FM - general partner	Total	Limited Partners	PRISA FM - general partner	Total
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS:						
Net investment income (loss)	\$ 18,642,285	\$ —	\$ 18,642,285	\$ 19,041,014	\$ —	\$ 19,041,014
Profit interest allocation	(601,256)	601,256	—	(537,599)	537,599	—
Net realized and unrealized gain (loss)	65,667,435	—	65,667,435	35,636,839	—	35,636,839
Increase (decrease) in net assets resulting from operations	83,708,464	601,256	84,309,720	54,140,254	537,599	54,677,853
INCREASE (DECREASE) IN NET ASSETS RESULTING FROM CAPITAL TRANSACTIONS:						
Contributions	154,285,470	—	154,285,470	105,951,182	—	105,951,182
Reinvested distributions	9,034,830	—	9,034,830	7,748,822	—	7,748,822
Withdrawals	(44,600,000)	—	(44,600,000)	(65,750,000)	—	(65,750,000)
Special distribution - Class B	(876,124)	—	(876,124)	(854,152)	—	(854,152)
Common distribution	(15,810,244)	—	(15,810,244)	(13,672,211)	—	(13,672,211)
Profit interest distribution	—	(601,256)	(601,256)	—	(537,599)	(537,599)
Increase (decrease) in net assets resulting from capital transactions	102,033,932	(601,256)	101,432,676	33,423,641	(537,599)	32,886,042
INCREASE (DECREASE) IN NET ASSETS	185,742,396	—	185,742,396	87,563,895	—	87,563,895
NET ASSETS - Beginning of period	1,858,185,908	—	1,858,185,908	1,770,622,013	—	1,770,622,013
NET ASSETS - End of period	\$ 2,043,928,304	\$ —	\$ 2,043,928,304	\$ 1,858,185,908	\$ —	\$ 1,858,185,908

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The accompanying notes are an integral part of these financial statements.

PRISA LP
STATEMENTS OF CASH FLOWS
(Unaudited)

	Quarter Ended	
	<u>September 30, 2015</u>	<u>June 30, 2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net investment income (loss)	\$ 18,642,285	\$ 19,041,014
Adjustments to reconcile net investment income (loss) to net cash flows provided by (used in) operating activities:		
Distributions in excess of (less than) net investment income allocated from PRISA UHC, LP	(10,389,491)	(11,725,874)
Increase (decrease) in:		
Accrued expenses	(2,269)	(2,271)
Net cash flows provided by (used in) operating activities	<u>8,250,525</u>	<u>7,312,869</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Contributions to PRISA UHC, LP	(154,285,470)	(105,951,182)
Withdrawals from PRISA UHC, LP	44,600,000	65,750,000
Net cash flows provided by (used in) investing activities	<u>(109,685,470)</u>	<u>(40,201,182)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions	154,285,470	105,951,182
Withdrawals	(44,600,000)	(65,750,000)
Distributions	(7,651,538)	(6,777,541)
Profit interest distribution	(601,256)	(537,599)
Net cash flows provided by (used in) financing activities	<u>101,432,676</u>	<u>32,886,042</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,269)	(2,271)
CASH AND CASH EQUIVALENTS - Beginning of period	<u>62,180</u>	<u>64,451</u>
CASH AND CASH EQUIVALENTS - End of period	<u>\$ 59,911</u>	<u>\$ 62,180</u>

The accompanying notes are an integral part of these financial statements.

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PRISA LP
NOTES TO FINANCIAL STATEMENTS
September 30, 2015 and June 30, 2015
(Unaudited)

NOTE 1: Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and that are applicable to real estate investment companies. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three months ended September 30, 2015 and June 30, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015. For further information, refer to the financial statements and notes thereto included in PRISA LP's annual audited financial statements for the year ended December 31, 2014. PRISA LP has evaluated subsequent events through November 16, 2015, the date these financial statements were available to be issued.

These financial statements should be read in conjunction with the consolidated financial statements of PRISA UHC, LP ("PRISA UHC") which are attached to this report.

B. New Accounting Pronouncements

In February 2015, the Financial Accounting Standards Board ("FASB") issued updated guidance in Accounting Standards Update ("ASU") 2015-02 *Consolidations* (Topic 810) that changes the rules regarding consolidation. The pronouncement eliminates specialized guidance for limited partnerships and similar legal entities, and removes the indefinite deferral for certain investment funds. The new guidance is effective for annual periods and interim periods within those annual periods beginning after December 15, 2015, with early adoption permitted. PRISA LP is currently assessing the impact of the guidance on the PRISA LP's financial statements.

In May 2014, the FASB issued ASU 2014-09 *Revenue from Contracts with Customers* (Topic 606). ASU 2014-09 is a comprehensive new revenue recognition model requiring a company to recognize revenue to depict the transfer of goods or services to a customer at an amount reflecting the consideration it expects to receive in exchange for those goods or services. In adopting ASU 2014-09, companies may use either a full retrospective or a modified retrospective approach. Additionally, this guidance modifies disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This new revenue standard applies to sales of real estate assets to customers, such as sales by homebuilders, merchant builders, land developers, condominium sellers, and timeshare sellers. Sales of real estate that constitute a business, when those sales are made to customers are also within the scope of this new standard. Leasing transactions are not within the scope of this new standard. ASU 2014-09 is effective for the first interim period within annual reporting periods beginning after December 15, 2017 for nonpublic companies, and early adoption is only permitted beginning after December 15, 2016. This new standard is not expected to have a significant impact to PRISA LP's financial statements.

NOTE 2: Disclosure of Supplemental Non-Cash Investing and Financing Activities

During the three months ended September 30, 2015 and June 30, 2015, PRISA LP reinvested distributions from PRISA UHC amounting to \$9,034,830 and \$7,748,822, respectively. The same amount of distributions was reinvested by PRISA LP's limited partners to PRISA LP.

NOTE 3: Fair Value Measurements

Real Estate Investments:

The fair value of PRISA LP's investment in PRISA UHC is based upon PRISA LP's proportionate interest in PRISA UHC's net asset value. At September 30, 2015 and June 30, 2015, PRISA LP's interest in PRISA UHC was \$2,043,928,304 and \$1,858,185,908, respectively. Investments owned by PRISA UHC are illiquid and their fair value is based on estimated fair value as discussed in the notes to PRISA UHC's consolidated financial statements.

PRISA LP
NOTES TO FINANCIAL STATEMENTS
September 30, 2015 and June 30, 2015
(Unaudited)

NOTE 3: Fair Value Measurements (continued)

Fair Value Measurements:

The FASB authoritative guidance on fair value measurements and disclosures establishes a fair value measurement framework, provides a single definition of fair value and requires expanded disclosure summarizing fair value measurements. This guidance provides a three-level hierarchy based on the inputs used in the valuation process. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 – Fair value is based on unadjusted quoted prices in active markets that are accessible to the entity for identical assets or liabilities. These generally provide the most reliable evidence and should be used to measure fair value whenever available.

Level 2 – Fair value is based on inputs, other than Level 1 inputs, that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability through corroboration with observable market data.

Level 3 – Fair value is based on significant unobservable inputs for the asset or liability. These inputs reflect the entity's own assumptions about how that market participants would price the asset or liability.

For items classified as Level 3, a reconciliation of the beginning and ending balances, as shown in Table 2, is also required.

PRISA LP
NOTES TO FINANCIAL STATEMENTS
September 30, 2015 and June 30, 2015
(Unaudited)

NOTE 3: Fair Value Measurements (continued)

Table 1 below summarizes the assets measured at fair value on a recurring basis and their respective level in the fair value hierarchy.

(in 000's)
Fair value measurements at September 30, 2015 using

<u>Assets:</u>	<u>Cost at 09/30/2015</u>	<u>Amounts measured at fair value 09/30/2015</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investment in PRISA UHC, LP	\$ 1,746,444	\$ 2,043,928	\$ —	\$ —	\$ 2,043,928
Total assets	\$ 1,746,444	\$ 2,043,928	\$ —	\$ —	\$ 2,043,928

(in 000's)
Fair value measurements at June 30, 2015 using

<u>Assets:</u>	<u>Cost at 06/30/2015</u>	<u>Amounts measured at fair value 06/30/2015</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investment in PRISA UHC, LP	\$ 1,626,369	\$ 1,858,186	\$ —	\$ —	\$ 1,858,186
Total assets	\$ 1,626,369	\$ 1,858,186	\$ —	\$ —	\$ 1,858,186

PRISA LP
NOTES TO FINANCIAL STATEMENTS
September 30, 2015 and June 30, 2015
(Unaudited)

NOTE 3: Fair Value Measurements (continued)

Table 2 below presents a reconciliation of the beginning and ending balances for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the three months ended September 30, 2015 and June 30, 2015.

(in 000's)

Fair value measurements using significant unobservable inputs

(Level 3)

Assets:	Beginning balance at 07/01/15	Net realized and unrealized gain / (loss)	Equity in income / (loss) and interest income	Acquisitions, issuances, contributions, conversions	Dispositions, settlements, distributions, conversions	Ending balance at 09/30/15	Unrealized gain / (loss) for the period for investments still held at 09/30/15
Investment in PRISA UHC, LP	\$1,858,186	\$ 65,667	\$ 18,652	\$ 163,320	\$ (61,897)	\$2,043,928	\$ 65,297
Total assets	\$1,858,186	\$ 65,667	\$ 18,652	\$ 163,320	\$ (61,897)	\$2,043,928	\$ 65,297

(in 000's)

Fair value measurements using significant unobservable inputs

(Level 3)

Assets:	Beginning balance at 04/01/15	Net realized and unrealized gain / (loss)	Equity in income / (loss) and interest income	Acquisitions, issuances, contributions, conversions	Dispositions, settlements, distributions, conversions	Ending balance at 06/30/15	Unrealized gain / (loss) for the period for investments still held at 06/30/15
Investment in PRISA UHC, LP	\$1,770,622	\$ 35,637	\$ 19,049	\$ 113,700	\$ (80,822)	\$1,858,186	\$ 34,211
Total assets	\$1,770,622	\$ 35,637	\$ 19,049	\$ 113,700	\$ (80,822)	\$1,858,186	\$ 34,211

NOTE 4: Commitments and Contingencies

PRISA LP's contract states that investor withdrawal requests will be scheduled for payment on the next valuation date which is at least 90 days after receipt of a written request for withdrawal (last business day of quarter end). As of September 30, 2015, PRISA LP did not have any outstanding withdrawal requests.

In the ordinary course of business, there can be various legal actions related to investments of PRISA LP. As of September 30, 2015, PRISA LP's management was not aware of any such matter that would have a material effect on PRISA LP's financial condition or results of operations.

NOTE 5: Related Parties

As of January 1, 2013, PRISA LP became a co-investor with PRISA Separate Account ("PRISA SA") in PRISA UHC, which invests either directly or through partnership interests in real estate investments and mortgage and other loans. PRISA LP only records its proportionate share of PRISA UHC's operating results and investments.

At September 30, 2015 and June 30, 2015, The Prudential Insurance Company of America owned units valued at \$174,753,100 and \$167,219,728 of PRISA LP's net assets, respectively.

PRISA LP
NOTES TO FINANCIAL STATEMENTS
September 30, 2015 and June 30, 2015
(Unaudited)

NOTE 6: Profit Interest Distribution and Management Fee

A. Profit Interest Distribution

On a quarterly basis, PRISA LP makes a profit interest distribution to PRISA Fund Manager LLC ("PRISA FM") with respect to each Limited Partner in an amount equal to 0.025% of such Limited Partner's pro-rata share of the aggregate amount of cash and cash equivalents held by PRISA UHC. Additionally, on a quarterly basis, PRISA LP makes a profit interest distribution to the General Partner with respect to each Limited Partner in an amount equal to the sum of (a) 3.0% of such Limited Partner's First Tier Operating Cash Flow Share, as defined, and (b) 2.5% of such Limited Partner's Second Tier Operating Cash Flow Share, as defined.

For the three months ended September 30, 2015 and June 30, 2015, the profit interest distribution was \$601,256 and \$537,599, respectively.

B. Management Fees

For the three months ended September 30, 2015 and June 30, 2015, PRISA LP's share of the management fees of PRISA UHC was \$3,662,896 and \$3,412,612, respectively.

NOTE 7: Partners' Capital

In accordance with the terms of the Partnership Agreement, PRISA LP shall distribute Operating Cash Flow, as defined, on a quarterly basis in accordance with the following priority:

First, to each Limited Partner holding Class B Units, a distribution of Distributable Cash Flow, as defined, in an amount equal to 0.25% per calendar quarter of the Net Asset Value allocable to such Class B Units.

Second, to each Limited Partner holding Class A and Class B units, a Distributable Cash Flow, as defined, available for distribution proportionately after the compensation set forth in Note 6 is paid.

NOTE 8: Risks

Liquidity of the Investments

PRISA LP's investment in PRISA UHC has limited liquidity, or is otherwise of a type generally considered illiquid. There is no active secondary market for the investments PRISA UHC makes or intends to make. Sales may also be limited by economic, securities market, political, or other local conditions generally, or by conditions that are unfavorable for sales of investments of issuers in particular industries. Any of these circumstances could delay the disposition of PRISA UHC's investments, or reduce the amount of proceeds that might otherwise be realized by PRISA LP.

PRISA LP
NOTES TO FINANCIAL STATEMENTS
September 30, 2015 and June 30, 2015
(Unaudited)

NOTE 9: Unit Values and Units Outstanding

The unit value and units outstanding for the limited partners are as follows:

	<u>September 30, 2015</u>			<u>June 30, 2015</u>		
	<u>Class A</u>	<u>Class B</u>	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Total</u>
Unit value	\$ 1,313.87	\$ 1,313.87		\$ 1,268.13	\$ 1,268.13	
Units outstanding	1,265,679	289,976	1,555,655	1,182,464	282,832	1,465,296

The capital unit transactions for each quarter are as follows:

	<u>September 30, 2015</u>	<u>June 30, 2015</u>
	<u>Units</u> <u>Outstanding</u>	<u>Units</u> <u>Outstanding</u>
Beginning of period	1,465,296	1,427,488
Contributions	117,429	83,549
Reinvested distributions	6,877	6,110
Withdrawals	(33,947)	(51,851)
End of period	<u>1,555,655</u>	<u>1,465,296</u>

PRISA LP
NOTES TO FINANCIAL STATEMENTS
September 30, 2015 and June 30, 2015
(Unaudited)

NOTE 10: Financial Highlights

The following represents financial highlights attributable to the limited partners holding Class A and Class B units. Ratios to limited partners' capital are calculated for the limited partners as a whole. An individual investor's return may vary from these returns based on different management fee and profit income allocation arrangements and the timing of capital transactions.

	<u>September 30, 2015</u>	<u>June 30, 2015</u>
<i>Per Share(Unit) Operating Performance:</i>		
Net Asset Value attributable to limited partners, beginning of period	\$ 1,268.13	\$ 1,240.37
<i>Income from Investment Operations:</i>		
Investment income attributable to limited partners, before management fees	15.22	15.73
Management fees attributable to limited partners	(2.50)	(2.39)
Net realized and unrealized gain (loss) on investments attributable to limited partners	44.82	24.97
Total income from investment operations attributable to limited partners	<u>57.54</u>	<u>38.31</u>
Profit income allocation to general partner	(0.41)	(0.37)
Distributions attributable to limited partners	<u>(11.39)</u>	<u>(10.18)</u>
Total income from investment operations attributable to limited partners	<u>45.74</u>	<u>27.76</u>
Net Asset Value attributable to limited partners, end of period	<u>\$ 1,313.87</u>	<u>\$ 1,268.13</u>
Total return, before management fees (a):	4.73%	3.28%
Total return, after management fees and other manager compensation (a):	4.50%	3.06%
<i>Ratios/Supplemental Data:</i>		
Ratios to average net assets for the period ended (b):		
Management fees and other manager compensation	0.23%	0.22%
Other portfolio level expenses (c)	0.04%	0.04%
Total portfolio level expenses	<u>0.27%</u>	<u>0.26%</u>
Net investment income, attributable to limited partners, before fees (d)	1.20%	1.27%
Net investment income, attributable to limited partners, after fees and other manager compensation (d)	0.97%	1.05%

(a) Investment income before/after management fees and Total return, before/after management fees is calculated by geometrically linking quarterly returns which are calculated using the formula below:

Investment income before/after management fees + net realized and unrealized gains/losses

Beg. net asset value + time weighted contributions - time weighted distributions

(b) Average net assets are based on beginning of quarter net assets.

(c) This amount consists of the proportionate share of the other portfolio level expenses from PRISA UHC and attributable to PRISA LP divided by the total average net assets of PRISA LP.

(d) This amount consists of the proportionate share of the net investment income from PRISA UHC and attributable to PRISA LP divided by the total average net assets of PRISA LP.



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Date 11/16/2015
 Page 2 of 2

Commission Program Review
 Rep: MARY DAVIDSON

Trade Details: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: October 1, 2015 To October 31, 2015

Account: 1122-BAY COUNTY EMPL RET SYSTEM/ HOTCHKIS EAN71916

<u>trade date</u>	<u>side</u>	<u>ticker</u>	<u>security description</u>	<u>share</u>	<u>commission</u>	<u>credit</u>	<u>cumulation</u> <u>credit</u>
10/01/15	B	MATX	MATSON INC COM	100	\$1.00	\$0.00	\$0.00
10/12/15	B	XPO	XPO LOGISTICS INC COM	200	\$2.00	\$0.00	\$0.00
10/29/15	B	HMN	HORACE MANN EDUCATORS CORP NEW CO	100	\$1.00	\$0.00	\$0.00
Account Total:				400	\$4.00	\$0.00	
Grand Total:				400	\$4.00	\$0.00	

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Ms. Crystal Herbert
 Bay County Financial Officer
 Bay County Retirement System
 515 Center Avenue
 Suite 701
 Bay City, MO 48708

Date 11/16/2015
 Page 1 of 2

Commission Program Review
 Rep: MARY DAVIDSON

Month Summary: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: October 1, 2015 To October 31, 2015

	<u>October 2015</u>	<u>Year To Date</u>
Opening Balance:	\$0.00	\$3.00 ^{*cr}
Commission:	\$4.00	\$188.50
Credit:	\$0.00	\$0.00
Payments:	\$0.00	\$3.00
Adjustments:	\$0.00	\$0.00
Ending Balance:	\$0.00	\$0.00

**Previous Year's closing balance*

Manager Commission Summary

	<u>October 2015 Commission</u>	<u>October 2015 Credit</u>	<u>Year to Date Commission</u>	<u>Year to Date Credit</u>
HOTCHKIS & WILEY	\$4.00	\$0.00	\$188.50	\$0.00
Total:	\$4.00	\$0.00	\$188.50	\$0.00

Payments Summary

	<u>October 2015</u>	<u>Year to Date</u>
BAY COUNTY EMPLOYEES RETIREMENT SYSTEM	\$0.00	\$3.00
Total:	\$0.00	\$3.00

Are you considering making a portfolio change soon? Contact your Abel Noser representative or Transitions@abelnoser.com for information about our Transition Service which was rated #1 in the 'Overall Service' category in the 2013 aiCIO Global TM Survey.

In order to comply with ERISA; It is our understanding that the monies disbursed from your commission recapture account are for the exclusive benefit of the plan's participants and their beneficiaries. Please contact us if you see there are any exceptions to this compliance.

Member New York Stock Exchange and other Principle Exchanges, FINRA/SIPC

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Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Oct 1, 2015 To Oct 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2608694

ACCOUNT NAME : *BAYCO - COLUMBIA MANAGEMENT

CURRENCY : USD

OPEN CASH	0.00	2,569.75	0.00	0.00	2,569.75
TERM CASH	0.00	290.12	0.00	0.00	290.12
NON CASH	0.00	32.44	0.00	0.00	32.44
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,892.31	0.00	0.00	2,892.31
TOTAL REBATES	0.00	243.87	0.00	0.00	243.87
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,648.44	0.00	0.00	2,648.44
BANK FEES	0.00	793.68	0.00	0.00	793.68
NET INCOME	0.00	1,854.76	0.00	0.00	1,854.76

ACCOUNT NUMBER : 2618668

ACCOUNT NAME : *BAYCO - BAIRD -SL

CURRENCY : USD

OPEN CASH	1,137.48	0.00	0.00	0.00	1,137.48
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	88.78	0.00	0.00	0.00	88.78
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,226.26	0.00	0.00	0.00	1,226.26
TOTAL REBATES	567.11	0.00	0.00	0.00	567.11
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	659.15	0.00	0.00	0.00	659.15
BANK FEES	197.57	0.00	0.00	0.00	197.57
NET INCOME	461.58	0.00	0.00	0.00	461.58

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Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Oct 1, 2015 To Oct 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2622490

ACCOUNT NAME : *BAYCO - MACKAY SHIELDS -SL

CURRENCY : USD

OPEN CASH	895.72	123.17	62.74	9.51	1,091.14
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	134.39	0.00	0.00	0.00	134.39
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,030.11	123.17	62.74	9.51	1,225.53
TOTAL REBATES	-996.94	7.35	0.00	-0.14	-989.73
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	2,027.05	115.82	62.74	9.65	2,215.26
BANK FEES	607.50	34.66	18.80	2.89	663.85
NET INCOME	1,419.55	81.16	43.94	6.76	1,551.41

ACCOUNT NUMBER : 2622536

ACCOUNT NAME : *BAYCO - HOTCHKIS & WILEY -SL

CURRENCY : USD

OPEN CASH	0.00	1,417.76	0.00	185.94	1,603.70
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	34.82	0.00	10.41	45.23
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,452.58	0.00	196.35	1,648.93
TOTAL REBATES	0.00	-250.02	0.00	1.48	-248.54
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,702.60	0.00	194.87	1,897.47
BANK FEES	0.00	505.90	0.00	57.74	563.64
NET INCOME	0.00	1,196.70	0.00	137.13	1,333.83

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Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Oct 1, 2015 To Oct 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2641401					
ACCOUNT NAME : *BAYCO - LOOMIS SAYLES -SL					
CURRENCY : USD					
OPEN CASH	1,344.59	0.00	553.89	0.00	1,898.48
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	23.37	0.00	61.02	0.00	84.39
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,367.96	0.00	614.91	0.00	1,982.87
TOTAL REBATES	14.07	0.00	-38.05	0.00	-23.98
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	1,353.89	0.00	652.96	0.00	2,006.85
BANK FEES	404.71	0.00	195.45	0.00	600.16
NET INCOME	949.18	0.00	457.51	0.00	1,406.69

ACCOUNT NUMBER : 2649057

ACCOUNT NAME : *BAYCO GENEVA CAPITAL MGMT -SL

CURRENCY : USD

OPEN CASH	0.00	2,909.36	0.00	51.11	2,960.47
TERM CASH	0.00	75.88	0.00	0.00	75.88
NON CASH	0.00	80.09	0.00	0.00	80.09
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	3,065.33	0.00	51.11	3,116.44
TOTAL REBATES	0.00	181.52	0.00	3.84	185.36
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,883.81	0.00	47.27	2,931.08
BANK FEES	0.00	863.65	0.00	14.14	877.79
NET INCOME	0.00	2,020.16	0.00	33.13	2,053.29

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Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Oct 1, 2015 To Oct 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2653308					
ACCOUNT NAME : *BAYCO - INTEGRITY -SL					
CURRENCY : USD					
OPEN CASH	0.00	2,505.16	0.00	170.19	2,675.35
TERM CASH	0.00	43.24	0.00	0.00	43.24
NON CASH	0.00	33.53	0.00	0.00	33.53
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,581.93	0.00	170.19	2,752.12
TOTAL REBATES	0.00	135.14	0.00	9.91	145.05
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,446.79	0.00	160.28	2,607.07
BANK FEES	0.00	731.50	0.00	48.04	779.54
NET INCOME	0.00	1,715.29	0.00	112.24	1,827.53

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ACCOUNT NUMBER : 2663296					
ACCOUNT NAME : *BAYCO - CORNERSTONE REALES-SL					
CURRENCY : USD					
OPEN CASH	0.00	1,063.28	0.00	0.00	1,063.28
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	27.75	0.00	0.00	27.75
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,091.03	0.00	0.00	1,091.03
TOTAL REBATES	0.00	66.87	0.00	0.00	66.87
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,024.16	0.00	0.00	1,024.16
BANK FEES	0.00	305.65	0.00	0.00	305.65
NET INCOME	0.00	718.51	0.00	0.00	718.51

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Oct 1, 2015 To Oct 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
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ACCOUNT NUMBER : 2695063					
ACCOUNT NAME : *BAYCO - MFS INVESTMENTS -SL					
CURRENCY : USD					
OPEN CASH	0.00	2,978.78	0.00	295.39	3,274.17
TERM CASH	0.00	43.06	0.00	0.00	43.06
NON CASH	0.00	11.76	0.00	3.64	15.40
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	3,033.60	0.00	299.03	3,332.63
TOTAL REBATES	0.00	192.32	0.00	-93.94	98.38
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	2,841.28	0.00	392.97	3,234.25
BANK FEES	0.00	850.73	0.00	117.67	968.40
NET INCOME	0.00	1,990.55	0.00	275.30	2,265.85

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ACCOUNT NUMBER : 2695063					
ACCOUNT NAME : *BAYCO - EAGLE ASSET -SL					
CURRENCY : USD					
OPEN CASH	0.00	1,651.28	0.00	26.36	1,677.64
TERM CASH	0.00	73.37	0.00	0.00	73.37
NON CASH	0.00	275.95	0.00	9.36	285.31
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,000.60	0.00	35.72	2,036.32
TOTAL REBATES	0.00	-2,012.43	0.00	2.20	-2,010.23
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	4,013.03	0.00	33.52	4,046.55
BANK FEES	0.00	1,199.78	0.00	9.92	1,209.70
NET INCOME	0.00	2,813.25	0.00	23.60	2,836.85

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Oct 1, 2015 To Oct 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
GRAND TOTAL					
CURRENCY : USD					
OPEN CASH	3,377.79	15,213.54	616.63	738.50	19,951.46
TERM CASH	0.00	525.67	0.00	0.00	525.67
NON CASH	246.54	496.34	61.02	23.41	827.31
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	3,624.33	16,240.55	677.65	761.91	21,304.44
TOTAL REBATES	-415.76	-1,435.38	-38.05	-76.65	-1,965.84
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	4,040.09	17,675.93	715.70	838.56	23,270.28
BANK FEES	1,209.78	5,285.55	214.25	250.40	6,959.98
NET INCOME	2,830.31	12,390.38	501.45	588.16	16,310.30

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Although this report has been prepared using information believed to be reliable, it may contain information provided by third parties or derived from third party information, and/or information that may have been obtained from, categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. The information included in this report is intended to assist clients with their financial reporting needs, but you must consult with your accountants, auditors and/or legal counsel to ensure your accounting and financial reporting complies with applicable laws, regulations and accounting guidance. The Northern Trust Company and its affiliates shall have no responsibility for the consequences of investment decisions made in reliance on information contained in this report.

Northern Trust

REFUNDS: FOR THE MONTH ENDED:

November 30, 2015

EMPLOYEE/BENEFICIARY	CONTRIBUTIONS	PROCESSED	DEPARTMENT	TERMINATION
LaDouce, Mary	200.00	10/28/15	General	9/1/15
Rychwa, Jill	8,328.97	11/30/15	BABH	11/19/15
Boetefuer, Rochelle	10,293.75	11/30/15	BMCF	10/26/15

TOTAL REFUNDS: 18,822.72

NEW RETIREE	CONTRIBUTIONS TRANSFERRED	RETIREMENT GROUP/ COUNTY DEPT	EFFECTIVE DATE
Roshy, Carol	43,038.39	GENERAL	11/18/2015
Stender, Robert	30,692.14	ROAD	10/16/2015
Desjarlais, Tracy	\$28,068.96	GENERAL	10/22/2015
McGavin, Jeanne	\$49,473.11	GENERAL	11/27/2015

DECEASED EMPLOYEE/ RETIREE	BENEFICIARY	REFUND/ PENSION	DATE OF DEATH	DIVISION/ DEPARTMENT
Stevens, Kathleen	Stevens, Preston	443.18	10/30/2015	BMCF
Binder, Gertrude	N/A	164.26	11/14/2015	General

NO REFUNDS EMPLOYEE NAME	ACCUMULATED CONTRIBUTIONS	UNION GROUP	DATE TERMINATED
CIESIESKI, JUDI	1,467.04	BMCF -GEN GROUP	10/9/2015
KNIGHT, TABITHA	3,608.37	BMCF USW	10/21/2015
LOTTER, PATRICIA	4,072.09	BMCF GEN UNIT	10/27/2015
RICHARDSON, BARBARA	2,631.69	BMCF	11/12/2015

10,312.15

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BAY COUNTY, MI
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FOR 2015 11

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
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7310 RETIREMENT SYSTEM FUND							
73127400 RETIREMENT BOARD							
RA FUND BALANCE, NET AS							

73127400 40001	FUND BALANCE	0	0	0	0	0	0%
73127400 40003	FUND BALANCE-RESRVS	36,190	2,190	0	0	2,190.00	0%
73127400 40004	NET ASSETS - RESERV	3,763,344	3,763,344	0	0	3,763,344.00	0%
TOTAL FUND BALANCE, NET AS		3,799,534	3,765,534	0	0	3,765,534.00	0%

RF LOCAL UNIT CONTRIBUT

73127400 59401	ER CONTR-BEHAVE,HEA	-1,300,000	-1,300,000	-2,847,076.82	-87,800.60	1,547,076.82	219.0%
73127400 59402	ER CONTR-WQSQUITO,C	-13,000	-13,000	-10,378.58	0	-2,621.42	79.8%
73127400 59403	ER CONTR-HEALTH FUN	-57,000	-57,000	-48,353.91	0	-8,646.09	84.8%
73127400 59404	ER CONTR-ROAD COMM	-520,000	-520,000	-439,831.17	-40,037.14	-80,168.83	84.6%
73127400 59406	ER CONTR-LIBRARY	-130,000	-130,000	-117,055.09	-6,876.11	-12,944.91	90.0%
73127400 59407	ER CONTR-GOLF COUR	-6,000	-6,000	-3,109.17	0	-2,890.83	51.8%
73127400 59408	ER CONTR-GENERAL FU	-375,000	-375,000	-294,368.14	0	-80,631.86	78.5%
73127400 59409	ER CONTR-DMS	-250,000	-250,000	-328,175.58	-34,526.60	78,175.58	131.3%
73127400 59410	ER CONTR-911 SERVIC	-45,000	-45,000	-34,277.14	0	-10,722.86	76.2%
73127400 59411	ER CONTR-CHILD CARE	-40,000	-40,000	-30,432.40	0	-9,567.60	76.1%
73127400 59412	ER CONTR-DIV ON AGI	-43,000	-43,000	-33,712.11	0	-9,287.89	78.4%
73127400 59413	ER CONTR-RETIRE SYS	-1,800	-1,800	-1,917.56	0	117.56	106.5%
73127400 59414	ER CONTR-HOMELAND S	-3,500	-3,500	-1,517.00	0	-3,500.00	0%
73127400 59415	ER CONTR-GYPSY MOTH	-2,000	-2,000	-1,547.55	0	-452.45	77.4%
73127400 59416	ER CONTR-HOME REHAB	-180	-180	-187.38	0	7.38	104.1%
73127400 59418	ER CONTR-100% TAX P	-3,200	-3,200	-2,581.00	0	-619.00	80.7%
73127400 59419	ER CONTR-MED CARE F	-700,000	-700,000	-325,969.15	-64,106.49	-374,030.85	46.5%
73127400 59424	ER CONTR-SELF INSUR	-500	-500	-509.48	0	8.48	101.7%
73127400 59427	ER CONTR-COMM,COBRE	-3,100	-3,100	-957.80	0	-2,142.20	30.9%
73127400 59429	ER CONTR-F.O.C. FUN	-2,100	-2,100	-2,173.75	0	73.75	103.5%
73127400 59430	ER CONTR-HOUSING FT	-6,800	-6,800	-4,459.25	0	-2,340.75	65.6%
73127400 59434	ER CONTR-LOCAL CFO	0	0	-277.14	0	277.14	100.0%
73127400 59439	ER CONTR-SHERIFF DR	0	0	2,165.71	0	-2,165.71	100.0%
73127400 59501	ER CONTR-BEHAVE,HEA	-580,000	-580,000	-345,053.18	-31,412.40	-234,946.82	59.5%

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 YEAR-TO-DATE BUDGET REPORT

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FOR 2015 11

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 59502	EE CONTR-MOSQUITO C	-12,500	-10,378.58	.00	.00	-2,121.42	83.08**
73127400 59503	EE CONTR-HEALTH FUN	-60,000	-48,553.91	.00	.00	-11,646.09	80.68**
73127400 59504	EE CONTR-ROAD COMMI	-130,000	-106,602.13	.00	.00	-23,397.87	82.08**
73127400 59506	EE CONTR-LIBRARY	-75,000	-52,177.42	.00	.00	-22,822.58	69.68**
73127400 59507	EE CONTR-GOLF COURSE	-4,800	-3,109.17	.00	.00	-1,690.83	64.88**
73127400 59508	EE CONTR-GENERAL FU	-500,000	-301,337.08	.00	.00	-198,662.92	60.38**
73127400 59509	EE CONTR-BMS	-85,000	-83,505.42	.00	.00	-1,494.58	98.28**
73127400 59510	EE CONTR-911 SERVIC	-62,000	-48,004.98	.00	.00	-13,995.02	77.48**
73127400 59511	EE CONTR-CHILD CARE	-40,000	-30,432.40	.00	.00	-9,567.60	76.18**
73127400 59512	EE CONTR-DIV ON AGI	-43,000	-33,712.11	.00	.00	-9,287.89	78.48**
73127400 59513	EE CONTR-RETIRES SYS	-1,800	-1,917.58	.00	.00	117.58	106.58
73127400 59514	EE CONTR-HOMELAND S	0	-1,917.58	.00	.00	117.58	106.58
73127400 59515	EE CONTR-GREYS WORD	-1,900	-1,547.55	.00	.00	-352.45	81.58**
73127400 59516	EE CONTR-HOME REHAB	-180	-187.38	.00	.00	7.38	104.18
73127400 59518	EE CONTR-100% TAX P	-3,000	-2,581.00	.00	.00	-419.00	86.08**
73127400 59519	EE CONTR-MED CARE F	-380,000	-315,601.63	.00	.00	-64,398.37	83.18**
73127400 59522	EE CONTR-SELF INSUR	-400	-508.48	.00	.00	108.48	127.18
73127400 59527	EE CONTR-COMM. CORR	-3,100	-1,080.74	.00	.00	-2,019.26	34.58**
73127400 59529	EE CONTR-F. O. C. FUN	-2,100	-2,050.81	.00	.00	-49.19	97.78**
73127400 59530	EE CONTR-HOUSING FU	-6,800	-4,459.25	.00	.00	-2,340.75	65.68**
73127400 59534	EE CONTR-LOCAL CFO	0	-277.15	.00	.00	277.15	100.08**
73127400 59599	EE CONTR-SHERIFF DE	-245,000	-185,499.93	.00	.00	-59,500.07	75.78**
TOTAL LOCAL UNIT CONTRIBUT		-5,738,760	-6,103,561.34	-348,801.83	.00	364,801.34	106.48
RP INTEREST & RENTALS							
73127400 66400	INVESTMENT INTEREST	-5,000,000	-3,526,061.09	-394.19	.00	-1,473,938.91	70.58**
73127400 66500	GAIN ON SALE OF INV	-15,000,000	-24,618,807.70	.00	.00	9,618,807.70	164.18
73127400 66501	UNREALIZED GAIN ON	-3,000,000	-333.93	.00	.00	-3,000,000.00	.08**
73127400 66502	GAIN ON FOREIGN CUR	-40,000	-126,193.99	.00	.00	-39,666.07	.88**
73127400 66600	SECURITIES LENDING	-300,000	-300,000	-15,679.25	.00	-173,806.01	42.18**
TOTAL INTEREST & RENTALS		-23,340,000	-28,271,396.71	-16,073.44	.00	4,931,396.71	121.18
RR OTHER REVENUE							
73127400 67104	MISCELLANEOUS REVENUE	0	-10	-10	.00	10	100.08
73127400 67600	REIMBURSEMENTS	0	.00	.00	.00	.00	.08
73127400 67601	REIMBURSEMENT - IND	0	.00	.00	.00	.00	.08

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FOR 2015 11

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
XE WAGES & SALARIES							
73127400 68900 TRADE-IN ALLOWANCE	0	0	.00	.00	.00	.00	.0%
73127400 69000 COMMISSION RECAPTUR	-25,000	-25,000	-2,651.13	-106.50	.00	-22,348.87	10.6%*
73127400 69200 CLAIMS/SETTLEMENTS/	-150,000	-150,000	-34,179.91	.00	.00	-115,820.09	22.8%*
TOTAL OTHER REVENUE	-175,000	-175,000	-36,831.14	-106.60	.00	-138,168.86	21.0%
XE WAGES & SALARIES							
73127400 70300 SALARIES-ELECTED OR	49,153	49,153	38,234.79	3,488.70	.00	10,918.21	77.8%*
73127400 70400 WAGES-CERIECAL-OTHR	0	0	121.44	121.44	.00	-121.44	100.0%*
73127400 70500 TEMPORARY HELP	12,740	12,740	5,364.89	221.08	.00	7,375.11	42.1%*
73127400 70501 PART TIME WAGES	6,238	6,238	6,841.41	448.13	.00	-603.41	109.7%*
73127400 70600 OVERTIME	2,809	2,809	371.62	36.09	.00	2,437.38	13.2%*
73127400 70800 HOLIDAY PAY	0	0	1,770.38	232.96	.00	-1,770.38	100.0%*
73127400 71000 PER DIEM	3,420	3,420	2,295.00	315.00	.00	1,125.00	67.1%*
73127400 71200 VACATION PAY	0	0	2,561.34	144.36	.00	-2,561.34	100.0%*
73127400 71202 SICK PAY	0	0	383.58	24.06	.00	-383.58	100.0%*
73127400 71203 TERMINATION SICK PA	0	0	.00	.00	.00	.00	.0%
73127400 71204 TERMINATION VACTION	0	0	.00	.00	.00	.00	.0%
TOTAL WAGES & SALARIES	74,360	74,360	57,944.45	5,031.82	.00	16,415.55	77.9%*
XF FRINGES							
73127400 71500 SOCIAL SECURITY	4,097	4,097	3,848.51	324.21	.00	248.49	93.9%*
73127400 71600 HEALTH INSURANCE	12,989	12,989	10,897.84	880.76	.00	2,091.16	83.9%*
73127400 71603 RETIREE HEALTH CARE	0	0	.00	.00	.00	.00	.0%
73127400 71632 EMPLOYER HEALTH CARE	103	103	.00	.00	.00	103.00	.0%
73127400 71700 LIFE INSURANCE	131	131	109.13	10.47	.00	21.87	83.3%*
73127400 71800 RETIREMENT	4,434	4,434	4,212.54	377.36	.00	221.46	95.0%*
73127400 71900 OTHER FRINGE BENEFIT	96	96	.00	.00	.00	96.00	.0%
73127400 72001 STE ADMINISTRATION	0	0	.00	.00	.00	.00	.0%
73127400 72100 WORKERS' COMPENSATI	84	84	83.54	7.08	.00	4.46	99.5%*
73127400 72200 SICK AND ACCIDENT I	517	517	451.27	40.80	.00	65.73	87.3%*
73127400 72500 UNEMPLOYMENT COMPEN	251	251	250.40	21.22	.00	.60	99.8%*
TOTAL FRINGES	22,702	22,702	19,853.23	1,661.90	.00	2,848.77	87.5%*
XI SUPPLIES							
73127400 72700 OFFICE SUPPLIES	2,000	2,000	791.08	.00	.00	1,208.92	39.6%*

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FOR 2015 11

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 72702	0	0	.00	.00	.00	.00	.0%
73127400 72800	1,000	1,000	675.87	650.00	.00	324.13	67.6%
73127400 72900	300	300	293.79	.00	.00	6.21	97.9%*
73127400 73000	600	600	.00	.00	.00	600.00	.0%
73127400 73301	500	500	.00	.00	.00	500.00	.0%
73127400 74200	150	150	.00	.00	.00	150.00	.0%
73127400 74700	0	0	.00	.00	.00	.00	.0%
73127400 75000	0	0	17.62	.00	.00	-17.62	100.0%*
73127400 75100	1,500	1,500	882.42	621.35	.00	617.58	58.8%
TOTAL SUPPLIES	6,050	6,050	2,660.78	1,271.35	.00	3,389.22	44.0%
XL OTHER SERVICES AND C							
73127400 80100	1,500,000	1,500,000	944,236.50	157,039.90	.00	555,763.50	62.9%
73127400 80101	40,000	40,000	24,750.00	.00	.00	15,250.00	61.9%
73127400 80200	0	0	.00	.00	.00	.00	.0%
73127400 81200	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 81400	230,000	230,000	199,993.61	246.14	.00	30,006.39	87.0%
73127400 81700	7,500	7,500	.00	.00	.00	7,500.00	.0%
73127400 81900	140,000	140,000	.00	.00	.00	140,000.00	.0%
73127400 82000	550	550	.00	.00	.00	550.00	.0%
73127400 82900	250	250	.00	.00	.00	250.00	.0%
73127400 83500	0	0	.00	.00	.00	.00	.0%
73127400 85200	420	420	93.39	7.93	.00	326.61	22.2%
73127400 86100	15,000	15,000	8,541.52	10.82	.00	6,403.48	57.3%
73127400 86500	2,000	2,000	1,637.82	340.28	55.00	202.16	89.9%
73127400 86600	300	300	231.13	22.43	160.02	77.0%	79.9%
73127400 87500	13,000,000	13,000,000	13,484,282.13	1,365,260.22	.00	-484,282.13	103.7%*
73127400 90000	500	500	.00	.00	.00	500.00	.0%
73127400 90100	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 93100	500	500	.00	.00	.00	500.00	.0%
73127400 93700	0	0	.00	.00	.00	.00	.0%
73127400 94601	5,000	5,000	11,175.00	7,500.00	.00	-11,175.00	100.0%*
73127400 95500	500	500	645.98	.00	.00	4,354.02	12.9%*
73127400 95600	110,094	110,094	676.77	.00	.00	-176.77	135.4%*
73127400 96000	1,500	1,500	91,559.65	.00	.00	18,534.35	83.2%*
73127400 96200	10,000,000	10,000,000	2,997.50	.00	.00	-1,497.50	199.8%*
73127400 96201	0	0	4,273,869.44	.00	.00	5,724,130.56	42.8%*
73127400 96203	100,000	100,000	9.09	.00	.00	99,990.91	.0%
73127400 96401	60,000	60,000	33,470.27	28,538.40	.00	26,529.73	55.8%*
73127400 96402	5,000	5,000	.00	.00	.00	5,000.00	.0%

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Bay County, Michigan

12/02/2015 14:44
RMarsters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

2
glytdbud 5

FOR 2015 11

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 96403 CONTRIB REFRUND-ROAD	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 96404 CONTRIB REFRUND-MED	40,000	40,000	21,229.13	9,625.41	.00	18,770.87	53.1%
73127400 96405 CONTRIB REFRUND-B.A.	50,000	50,000	96,675.62	4,009.93	.00	-46,675.62	193.4%*
73127400 96406 CONTRIB REFRUND-D.M.	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 96407 CONTRIB REFRUND-LIBR	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 96500 INSURANCE AND BONDS	22,000	22,000	21,769.43	.00	.00	230.57	99.0%*
73127400 96730 MACHINERY & EQUIPME	2,000	2,000	99.45	99.45	.00	1,900.55	5.0%
73127400 96740 OFFICE EQUIP. & FURN	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 96741 COMPUTER HARDWARE E	0	0	.00	.00	.00	.00	.0%
73127400 96742 COMPUTER SOFTWARE E	0	0	.00	.00	.00	.00	.0%
73127400 96770 BOOK EXPENSE	0	0	.00	.00	.00	.00	.0%
73127400 96999 BUDGET REDUCTION TA	0	0	.00	.00	.00	.00	.0%
TOTAL OTHER SERVICES AND C	25,351,114	25,351,114	19,359,943.43	1,572,700.91	215.02	5,990,955.55	76.4%
XO CAPITAL OUTLAY							
73127400 98001 COMPUTER SOFTWARE	0	34,000	34,000.00	.00	.00	.00	100.0%*
TOTAL CAPITAL OUTLAY	0	34,000	34,000.00	.00	.00	.00	100.0%
TOTAL RETIREMENT BOARD	0	0	-14,937,387.30	1,215,684.11	215.02	14,937,172.28	100.0%
TOTAL RETIREMENT SYSTEM FUND	0	0	-14,937,387.30	1,215,684.11	215.02	14,937,172.28	100.0%
TOTAL REVENUES	-25,454,226	-25,488,226	-34,411,789.19	-364,981.87	.00	8,923,563.19	
TOTAL EXPENSES	25,454,226	25,488,226	19,474,401.89	1,580,665.98	215.02	6,013,609.09	
GRAND TOTAL	0	0	-14,937,387.30	1,215,684.11	215.02	14,937,172.28	100.0%

** END OF REPORT - Generated by Rebecca Marsters **

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Bay County, Michigan

12/02/2015 14:44
RMarsters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

2
6
glyctdbud

REPORT OPTIONS

Sequence	Field #	Total	Page Break
1	1	Y	N
2	9	Y	N
3	10	Y	N
4	0	N	N

Report title:
YEAR-TO-DATE BUDGET REPORT

Print Full or Short description: F
Print MTD Version: Y
Print Revenues-Version headings: N
Format type: 1
Print revenue budgets as zero: N
Include Fund Balance: N
Include requisition amount: N
Multiyear view: D

Field Name Find Criteria
Field Value

73127400

Org
Object
Project
Rollup code
Account type
Account status

Year/Period: 2015/11
Print revenue as credit: Y
Print totals only: N
Suppress zero bal accts: N
Print full GL account: N
Double space: N
Roll projects to object: N

Carry forward code: 1
Print journal detail: N
From Yr/Per: 2014/ 7
To Yr/Per: 2014/ 7
Include budget entries: Y
Incl encumb/liq entries: Y
Sort by UT # or PO #: J
Detail format option: 1

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BCERS

Invoices Approved: November

Invoice Date	Vendor	Amount	Description
11/17/2015	Schroders	\$ 50,792.66	Q3 money manager fee
10/19/2015	Columbia	\$ 35,696.86	Q3 money manager fee
10/22/2015	Baird	\$ 16,234.21	Q3 money manager fee

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**BAY COUNTY RETIREMENT BOARD
12/08/15
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (12/08/15)

WHEREAS, The Bay County Employees' Retirement System Board of Trustees approved Corporation Counsel to start the steps to renew Bogdahn's contract for investment consulting at the November 10, 2015 special meeting Motion 87.
Therefore Be It;

RESOLVED That this Board authorize the Chair to enter into the agreement with The Bogdahn Group for Investment Consultant services for a contract duration of 5 years at a cost of \$170,000 a year (\$154,000 for BCERS and \$16,000 for VEBA), Be It Further

RESOLVED That the Chairman of the Board is authorized to execute the agreements and all related documents on behalf of the Bay County Employees' Retirement System Board following legal review/approval.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION INVESTMENT CONSULTING SERVICES AGREEMENT AUTHORIZATION

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____
Amended _____ Corrected _____ Referred _____

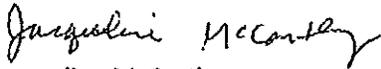
November 11, 2015

Bay County Employees' Retirement System
The Board of Trustees

I am a current employee of Bay County Department of Water and Sewer. My hire date was 8/2/15. I previously worked for the Bay County Road Commission. I would like to request to purchase my previous service credit from 3/08 through 9/13 for my 4 ½ years worked at the Road Commission. I will file all necessary documents with Rebecca Marsters, Retirement Administrator.

Thank you for your consideration in approving the purchase of this previous service time. I consider it a privilege to be a participant in your retirement system.

Sincerely,



Jacqueline McCarthy
Bay County Department of Water & Sewer
Accounting Manager

**BAY COUNTY RETIREMENT BOARD
12/08/15
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (12/08/15)
 WHEREAS, Section 4.031 of the Retirement Ordinance allows for the reinstatement of forfeited credited service for current members who have received a refund of his/her accumulated member contributions for previous employment in a BCERS eligible position;
 WHEREAS, A written request for reinstatement was made by Jacqueline McCarthy of the Department of Water & Sewer to purchase four (4) years and six (6) months of previous service time; and
 WHEREAS, All of the required conditions to apply for reinstatement, per the ordinance, have been met by Ms. McCarthy; Therefore Be It;
 RESOLVED That this Board approve this request of Jacqueline McCarthy to purchase six (6) years and four (4) months of previous service credit from March 1, 2008 to September 30, 2013 for retirement purposes.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION - PURCHASE PREVIOUS SERVICE CREDIT MCCARTHY

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:
 Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____
 Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____



**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**

BAY COUNTY BUILDING
515 CENTER AVENUE
BAY CITY, MICHIGAN 48708-5128

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Richard Gromaski
Tom Herek
Jon Morse
Matthew Pell
Thomas Starkweather
Kristal Goetz

November 20, 2015

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4039

Ms. Kimberly Hyland
MFS Investment Management
111 Huntington Avenue
Boston, MA 02199-7618

Dear Ms. Kimberly Hyland:

There is a need for the Bay County Employee's Retirement System to rebalance its asset allocation; therefore, I am requesting that MFS Investment Management divest themselves of \$1,000,000.00 (one million dollars) and make funds available for the Northern Trust Company on Monday, November 30, 2015.

If you have any questions or concerns regarding the above, please contact me at (989) 895-4030.

Sincerely,

A handwritten signature in cursive script that reads "Crystal Hebert".

Crystal Hebert
Bay County Finance Officer/Secretary

VIA E-MAIL - ORIGINAL TO BE SENT SURFACE MAIL

c: Bay County Employees' Retirement System Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Larry Fumarolo, The Northern Trust Company
Rebecca Marsters, Retirement Administrator

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BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
BAY COUNTY BUILDING
515 CENTER AVENUE
BAY CITY, MICHIGAN 48708-5128

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Richard Gromaski
Tom Herek
Jon Morse
Matthew Pell
Thomas Starkweather
Kristal Goelz

November 20, 2015

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4039

Ms. Andrea E. Leistra
Integrity Asset Management
480 Pierce Street
Birmingham, MI 48009

Dear Ms. Andrea E. Leistra:

There is a need for the Bay County Employee's Retirement System to rebalance its asset allocation; therefore, I am requesting that Integrity Asset Management divest themselves of \$1,000,000.00 (one million dollars) and make funds available for the Northern Trust Company on Monday, November 30, 2015.

If you have any questions or concerns regarding the above, please contact me at (989) 895-4030.

Sincerely,

Crystal Hebert
Bay County Finance Officer/Secretary

VIA E-MAIL - ORIGINAL TO BE SENT SURFACE MAIL

c: Bay County Employees' Retirement System Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Larry Fumarolo, The Northern Trust Company
Rebecca Marsters, Retirement Administrator



**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**

BAY COUNTY BUILDING
515 CENTER AVENUE
BAY CITY, MICHIGAN 48708-5128

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Richard Gromaski
Tom Herek
Jon Morse
Matthew Pell
Thomas Starkweather
Kristal Goetz

November 20, 2015

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4039

Ms. Lori Klomstad
Geneva Capital Management
100 East Wisconsin Avenue, Suite 2550
Milwaukee, WI 53202

Dear Ms. Lori Klomstad:

There is a need for the Bay County Employee's Retirement System to rebalance its asset allocation; therefore, I am requesting that Geneva Capital Management divest themselves of \$1,000,000.00 (one million dollars) and make funds available for the Northern Trust Company on Monday, November 30, 2015.

If you have any questions or concerns regarding the above, please contact me at (989) 895-4030.

Sincerely,

A handwritten signature in cursive script that reads "Crystal Hebert".

Crystal Hebert

Bay County Finance Officer/Secretary

VIA E-MAIL -ORIGINAL TO BE SENT SURFACE MAIL

c: Bay County Employees' Retirement System Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Larry Fumarolo, The Northern Trust Company
Rebecca Marsters, Retirement Administrator

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Courthouse Erected A.D. 1932

Cynthia A. Luczak
Bay County Clerk

515 Center Ave., Suite 101
Bay City, MI 48708-5941
Phone (989) 895-4280
Fax (989) 895-4284
TDD (989) 895-4049

November 18, 2015

Bay County Retirement System
Board of Trustees
c/o Rebecca Marstens
515 Center Avenue
Bay City, Michigan 48708

Dear Board of Trustees:

The filing deadline for employees wishing to serve as a representative for the Bay County Employees' Retirement System Group #1, Road Commission and Department of Water and Sewer, has lapsed with only (1) candidate filing for the open position.

Candidate Steven J. Gray, qualified by obtaining the required number of signatures on the nominating petitions issued by the office of the County Clerk.

As you know, Section XIX of the Rules of the Bay County Employees' Retirement System allows the Board of Trustees to deem a candidate elected to the position when only one (1) candidate files, therefore, it will be necessary to consider such.

The vote of at least five (5) concurring members of the Board shall waive the actual election to the office for Mr. Gray. Please advise me of your Board action taken in this regard. Also include a copy of your adopted Resolution which would elect Mr. Gray to the office of the Trustee to the Bay County Employees' Retirement System Group #1.

Sincerely,

Cynthia A. Luczak
Bay County Clerk

cc: S. Gray

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**BAY COUNTY RETIREMENT BOARD
12/08/15
RESOLUTION**

- BY: BAY COUNTY RETIREMENT BOARD (12/08/15)
- WHEREAS, The filing deadline for employees wishing to serve as a representative for the Bay County Employees' Retirement System Group #1, Road Commission and Department of Water and Sewer, has lapsed with only (1) candidate filing for the open position.
- WHEREAS, Candidate Steven J. Gray, qualified by obtaining the required number of signatures on the nominating petitions issued by the office of the County Clerk
- WHEREAS, Section XIX of the Rules of the Bay County Employees' Retirement System allows the Board of Trustees to deem a candidate elected to the position when only one (1) candidate files, therefore, it will be necessary to consider such
- WHEREAS, The vote of at least five (5) concurring members of the Board shall waive the actual election to the office for Mr. Gray; Therefore Be It,
- RESOLVED That this Board vote to waive the actual election for Mr. Gray which would elect Mr. Gray to the office of the Trustee to the Bay County Employees' Retirement System Group #1.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION WAIVER OF ELECTION BOARD OF TRUSTEE GROUP #1 MR. GRAY

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:
 Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

NOTICE OF PUBLIC MEETINGS

THE BOARD OF TRUSTEES OF THE BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM, 515 CENTER AVENUE, 3rd FLOOR, BAY CITY, MICHIGAN 48708, PHONE NUMBER (989) 895-4030, HAS SCHEDULED REGULAR MEETINGS FOR 2016. ALL MEETINGS WILL BE HELD AT 1:30 P.M. (*except as noted) IN THE **BOARD OF COMMISSIONERS CHAMBERS**, LOCATED IN THE BAY COUNTY BUILDING, 515 CENTER AVENUE, 4TH FLOOR, BAY CITY, MI 48708.

JANUARY 12, 2016
FEBRUARY 9, 2016
MARCH 8, 2016
APRIL 12, 2016
* APRIL 21, 2016 - 9:00 A.M.
MAY 10, 2016
JUNE 14, 2016
JULY 12, 2016
AUGUST 9, 2016
SEPTEMBER 13, 2016
OCTOBER 11, 2016
* OCTOBER 20, 2016 - 8:30 A.M.
NOVEMBER 15, 2016 *(Third Tuesday Due to Elections)
DECEMBER 13, 2016

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 at 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: Timothy Quinn, ADA Coordinator, Office of Corporation Counsel, 515 Center Avenue, Suite 402, Bay City, MI 48708, (989) 895-4096 or (989) 895-4049. TDD

**BAY COUNTY RETIREMENT BOARD
12/08/15
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (12/08/15)
 WHEREAS, **15.265 Public notice of regular meetings, change in schedule of regular meetings, rescheduled regular meetings, or special meetings; time for posting; statement of date, time, and place; applicability of subsection (4); recess or adjournment; emergency sessions; meeting in residential dwelling; notice.**
 [M.S.A. 4.1800(15)] Sec. 5. (2) For regular meetings of a public body, there shall be posted within 10 days after the first meeting of the public body in each calendar or fiscal year a public notice stating the dates, times, and places of its regular meetings.
 WHEREAS, To comply with the Public Meetings Act, the Bay County Employees' Retirement System Board of Trustees posts a notice of public meetings; Therefore, Be It

RESOLVED That this Board approve the notice of public meetings for 2016.

STEVE GRAY, CHAIR
AND BOARD

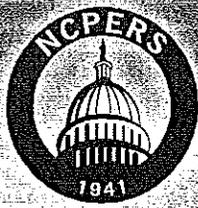
RESOLUTION NOTICE OF PUBLIC MEETINGS 2016

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:
 Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____
 Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____



NCPERS

National Conference on Public Employee Retirement Systems

The Voice for Public Pensions



FUND MEMBERSHIP



NCPERS Fund Membership

▶ ABOUT NCPERS

The National Conference on Public Employee Retirement Systems (NCPERS) is the largest trade association for public sector pension funds, representing more than 500 public funds throughout the United States and Canada. We are a unique network of public trustees, administrators, public officials and investment professionals who collectively oversee nearly \$3 trillion in retirement funds managed on behalf of seven million retirees and nearly 15 million active public servants.

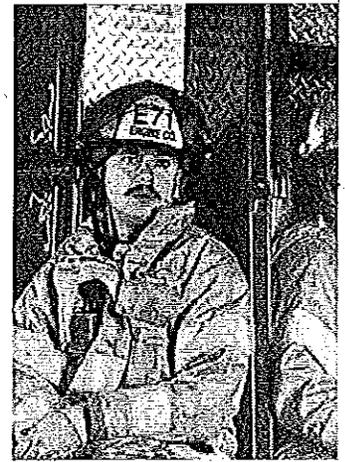
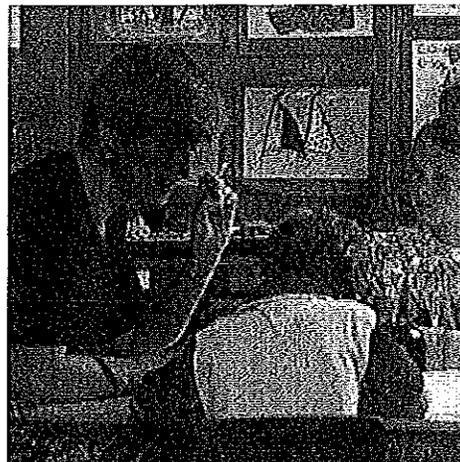
▶ WHY YOU SHOULD JOIN

With the uncertainty of today's economy many retirees are thinking about their future and financial security. They depend on you to ensure that they can retire comfortably.

With access to the right resources, information and people, you can help protect and promote your public pension plan.

We invite you to join NCPERS and take advantage of the wealth of information available to you, your trustees, and your administrators.

Our core missions are federal **ADVOCACY**, conducting **RESEARCH** vital to the public pension community, and **EDUCATION** of pension trustees and officials. . . it's who we **ARE**.



▶ ADVOCACY

NCPERS is the strongest voice for public pensions on Capitol Hill. Membership affords you an opportunity to stay up-to-date on the latest Congressional activities, a chance to learn the ins and outs of advocacy for your local plan at the national level, and the ability to play a role in passing legislation affecting retirees nationwide.

▶ RESEARCH

NCPERS has played an integral role in many research projects. They include, but are not limited to, the joint Morningstar/NCPERS report on The Relative Performance Record and Asset Allocation of Public Defined Pension Plans, a survey of NCPERS members regarding GASB Statement 45, and updates to The Evolution of Public Sector Pension Plans.

▶ EDUCATION

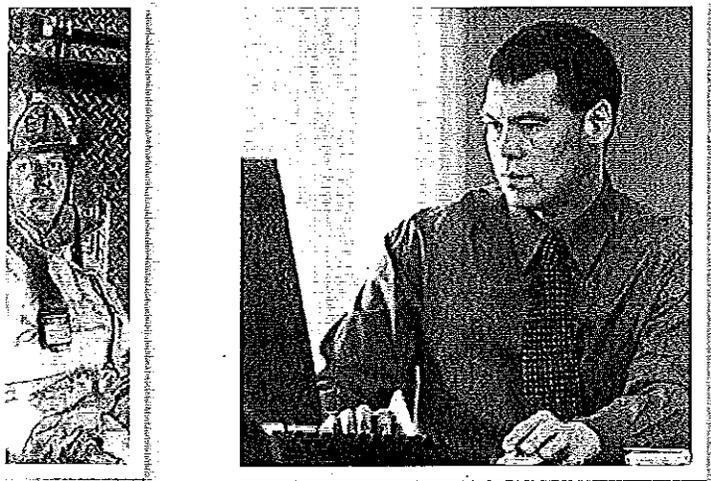
We offer you education opportunities that are both accessible and affordable. Our budget-friendly conferences afford administrators and trustees a chance to stay current on fiduciary responsibilities. Learn while having fun at NCPERS conferences!

Your NCPERS Membership includes:

- ▶ Full access to all NCPERS benefits for all trustees in your fund
- ▶ Exclusive access to the www.ncpers.org member-only section for all trustees
- ▶ Publications on federal legislation and regulatory issues affecting public retirement plans nationwide.
- ▶ The opportunity to purchase affordable Group Life and Group Long Term Care Insurance
- ▶ Member Discounts

NCPERS is the only public pension association that specifically represents labor and elected trustees of public pensions. We provide education, research, and services that will help in maintaining your pensions. Our membership fees are truly affordable, with membership fees as low as \$150 annually.

To become a Fund Member today, please return the membership application on the reverse. To learn more about the benefits of membership, call us directly at 877-202-5706.





The Voice for Public Pensions
**NATIONAL CONFERENCE ON
 PUBLIC EMPLOYEE RETIREMENT SYSTEMS**

Application for Fund Membership

ADDRESS AND CONTACT INFORMATION

Fund Name: _____

Primary Contact Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Email: _____

Please provide your email address to receive a username and password to access the member-only section of www.ncpers.org.

How did you hear about NCPERS: _____

Select organization type:

- Pension Fund Union
 Other: _____

Select Annual Dues:

Number of Members Dues

- 1-4,500 USD\$250
 4,501-10,500 USD\$500
 10,501-16,500 USD\$750
 16,501 and over USD\$1,000

PAYMENT METHODS:

- Check for USD\$_____ enclosed
 Make check payable to NCPERS.

- Charge my Credit Card for USD\$_____
 American Express Visa MasterCard

Credit Card #: _____

Expiration Date: _____ Verification Code: _____

*M/C and Visa: 3 digit code on the back of the card.
 Amex: 4 digit code on the front of the card.)*

Name on the Card: _____

Billing Address and zip code: _____

Total Amount Charged: _____

Cardholder Signature (required): _____

This is a request to join NCPERS as a fund member, subject to the Constitution and the by-laws of the National Conference on Public Employee Retirement Systems.

Signature: _____ Date: _____

If you have questions about membership, contact us at 877-202-5706.

Please fax to 202-624-1439
 or mail to NCPERS, 444 North Capitol St. NW, Suite 630, Washington, D.C. 20001

BAY COUNTY RETIREMENT BOARD
12/8/15
RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD (12/8/15)

WHEREAS, The National Conference on Public Employee Retirement Systems (NCPERS) is the largest trade association for public sector pension funds with a unique network of public trustees, administrators, public officials and investment professionals who collectively oversee nearly \$3 trillion in retirement funds on behalf of seven million retirees and nearly 15 million active public servants.

WHEREAS, Membership in NCPERS provides access to resources, information and people that can help protect and promote public pension plans with their core missions being federal advocacy, conducting research vital to the public pension community, and education of pension trustees and officials.

WHEREAS, The Board currently retains membership in MAPERS, and

WHEREAS, Membership in NCPERS provides similar information and resources to that of MAPERS, but on a national scale.

WHEREAS, The cost of an annual membership for a plan of BCERS size is \$250; Therefore, Be It

RESOLVED That the Board approve application to become members of NCPERS and the cost associated with membership.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION – NCPERS MEMBERSHIP 2015-61

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Richard Brzezinski				Steve Gray				Jon Morse			
Kim Coonan				Richard Gromaski				Matthew Pett			
Kristal Goetz				Thomas Herek				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____