

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
AGENDA

TUESDAY, JUNE 9, 2015

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

COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE	
	I. CALL TO ORDER
	II. ROLL CALL
	III. MINUTES
1 - 5	1. MAY 12, 2015
	IV. PUBLIC INPUT
6 - 9	A. MONTHLY REPORTS - Res No. 2015 -6
	1. PORTFOLIO VALUE 1/01/15 -5/31/15
	2. CHANGE IN BOOK AND MARKET VALUE -4/30/15
	3. MONEY MANAGERS ON WATCH -(Effective Date)
	a. ATALANTA SOSNOFF - (5/12/15) NO REPORT
10 - 11	4. MONEY MANAGER REPORTS
	a C.S. MCKEE - PORTFOLIO ENDING 4/30/15
12	5. RECAPTURE SERVICES
	a. CAPIS - 4/30/15
13 - 16	6. VEBA YTD BUDGET REPORT 5/31/15
17	7. APPROVED EXPENSES - 5/31/15
18 - 20	B. FIDUCIARY LIABILITY POLICY - Res No. 2015-7
21 - 27	C. RECEIVE COMPENSATION DISCLOSURE FORMS AND POLITICAL CONTRIBUTION DISCLOSURE FORMS FROM MONEY MANAGERS Res No. 2015-8
28	D. CORRESPONDENCE - LETTER TO ATALANTA SOSNOFF REGARDING BEING PLACED ON WATCH (RECEIVE LETTER)
	V. ANNOUNCEMENTS
	A. NEXT REGULAR MEETING - TUESDAY, JULY 14, 2015 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M. , COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4 TH FLOOR, BAY CITY, MI 48708
	VI. UNFINISHED BUSINESS

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
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TUESDAY, JUNE 9, 2015

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

**COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708**

- VII. NEW BUSINESS
- VIII. MISCELLANEOUS BUSINESS
- IX. ADJOURNMENT

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
MAY 12, 2015 MINUTES VEBA

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NOTE: In addition to these typed minutes, this Board meeting was also taped. These tapes are available for review in the Retirement Office.

The meeting of the Board of Trustees was held on May 12, 2015 at 2:55 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll was taken.

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

Trustees Absent: None.

Also Present:

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

The meeting was called to order by Chairman, Steve Gray at 2:55 p.m.

MOTION 21: Moved, supported and carried to approve the minutes, as printed, from the April 14, 2015 meeting.

Mr. Gray called for public input. As there was no public input, he moved on to petitions and communications.

Present today is Howard Pohl of The Bogdahn Group to present the first quarter report for 2015. A copy of his presentation was provided to Trustees, in advance, via the web.

Mr. Pohl stated at the end of the first quarter the Fund had a market value of about \$42.1 million, net flows about \$21,000 and just about \$600,000 of return on investment with an ending market value of \$42.7 million.

A year ago the Fund was worth \$39.4 million and a little over \$400,000 flowing in and \$3 million return on investment.

Looking at the mix about 62% in domestic common stocks and the balance in fixed income. Looking at the overall asset allocation at this point compared to the target, we are over now in the allocation to equities and slightly under in fixed income. Sometime in the near future we need to do some rebalancing.

Performance for the quarter 1.4%. Performance for the year, however, showed a 7.6% return above average, not quite top third. For the three years, top quartile. Going back further before the new policies were in place it was at the bottom third at 8.25%. Looking at the most recent quarter, the total domestic equities for the quarter were in the bottom quartile mostly 1%. They

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
MAY 12, 2015 MINUTES VEBA

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were bottom quartile for the year as well and 8.7% below some of the indices. For three years, despite the poor year this year, the results at 16.6% would be top third. Dodge & Cox had a performance of -1.19%. This quarter the Small to Mid Cap stocks did very well. The S&P was up 1%. The Russell 1000 value index, however, was down 0.70%. Some of the reasoning for that you see some of the energy and utility holdings hurting the performance over this period of time. For the three years, they are still in the top 1%. They were way ahead of the game. Obviously, this most recent quarter and year hurt their cumulative results, but The Bogdahn Group still thinks very highly of Dodge & Cox.

He talked about Atalanta Sosnoff. They had another quarter of bottom docile performance. Their performance for the year was bottom 10% and for the three years now was bottom quartile. Looking at the individual years that made up the cumulative performance, each of the last two years has been bottom quartile. The first year was top third. When looking at their performance, six out of the last seven quarters have been below median. They recommend putting them on a short watch list. If Atalanta Sosnoff comes up with another quarter or so of poor performance, The Bogdahn Group will start a search and would have to terminate them. They would give the Board information on potential candidate replacements. At the meeting in the fall when they review the September results, if things have not turned around, they will have candidates available.

Lord Abbott has been the strength of the portfolio with the Mid Cap, top docile performance for the quarter. Top quartile back in time. No issues there.

C.S. McKee had top third performance for the quarter fractionally below the median, above the index for the year and the same for three years. No issues on those portfolios.

Trustee Brzezinski asked if Mr. Pohl has had any discussions with Atalanta Sosnoff or interaction or have they given any idea what is going on.

Mr. Pohl stated three months ago or so that was a comment on what Pete had mentioned that we were concerned about some of the answers they gave to Bogdahn's research department. The Bogdahn Group was not real comfortable with some of the answers.

MOTION 22: Moved, supported and carried to place Atalanta Sosnoff on watch.

MOTION 23: Moved, supported and carried to receive the first quarter report from The Bogdahn Group.

MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)
MAY 12, 2015 MINUTES VEBA

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RES. 2015-5:

Moved, supported and carried to adopt resolution 2015-6 to receive the monthly reports: Portfolio Value - 1/1/15 - 4/30/15, Change in Book & Market Value - 3/31/15; Money Manager Reports: Atalanta Sosnoff Ending 3/31/15, C.S. McKee - Ending 3/31/15; Recapture Services: CAPIS - Summary Ending 3/31/15; VEBA YTD Budget Report - Ending 4/30/15, Approved Expenses - 4/30/15

ANNOUNCEMENTS:

- A. Next regularly scheduled meeting will be Tuesday, June 9, 2015 immediately following the Retirement Board of Trustees Meeting at approximately 2:30 p.m. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS: None.

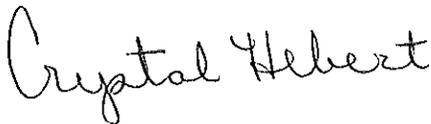
NEW BUSINESS: None.

MISCELLANEOUS BUSINESS: None

ADJOURNMENT:

MOTION 24: Moved, supported and carried to adjourn the meeting at 3:16 p.m.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE V.E.B.A. BOARD OF TRUSTEES COMMITTEE
MAY 12, 2015

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

MEETING CALLED TO ORDER BY: CHAIR STEVE GRAY AT 2:55 P.M.

Motions

TRUSTEE	21	22	23	24						
BRZEZINSKI	Y	Y	Y	Y						
COONAN	Y	Y	Y	Y						
GOETZ	Y	Y	Y	Y						
GRAY	Y	Y	Y	Y						
GROMASKI	Y	Y	M-Y	M-Y						
HEREK	M-Y	M-Y	S-Y	S-Y						
MORSE	Y	Y	Y	Y						
PETT	S-Y	S-Y	Y	Y						
STARKWEATHER	Y	Y	Y	Y						

TRUSTEE	11	12	13	14	15	16	17	18	19	20
BRZEZINSKI										
COONAN										
GOETZ										
GRAY										
GROMASKI										
HEREK										
MORSE										
PETT										
STARKWEATHER										

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

MEETING OF THE **VEBA BOARD OF TRUSTEES COMMITTEE**
MAY 12 , 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 2:55 P.M.

RESOLUTIONS

TRUSTEE	2015-5									
BRZEZINSKI	Y									
COONAN	Y									
GRAY	Y									
GROMASKI	S-Y									
HEREK	Y									
MORSE	Y									
PETT	Y									
STARKWEATHER	M-Y									
GOETZ	Y									

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

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
06/09/2015
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION BOARD

RESOLVED By the Bay County Voluntary Employees' Beneficiary Association Board that the following reports are received:

1. PORTFOLIO VALUE - 1/1/15 - 5/31/15
2. CHANGE IN BOOK AND MARKET VALUE - 4/30/15
3. MONEY MANAGERS ON WATCH (Effective Date)
 - a. ATALANTA SOSNOFF - 5/12/15 No Report
4. MONEY MANAGER REPORTS
 - b. C.S. MCKEE - ENDING 4/30/15
5. RECAPTURES SERVICES
 - a. CAPIS - SUMMARY ENDING 4/30/15
6. REFUNDS/RETIREMENTS -ENDING 5/31/15
7. VEBA YTD BUDGET REPORT - ENDING 5/31/15
8. APPROVED EXPENSES - 5/31/15

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS

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 _____

VEBA MGR Mix

29 May 15

Account number BCVEBA
BAY COUNTY VEBA CONSOLIDATED

Page 1 of 1

◆ Manager Mix

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total market value/ % of consolidation
BAYCO-VEBA CASH 2611831	0.00 0.00%	90,418.89 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	90,418.89 0.21%
BAYCO - VEBA DODGE & COX BAL 2613001	0.00 0.00%	1.06 0.00%	9,889,875.39 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	9,889,875.45 22.89%
BAYCO-VEBA CS MCKEE 2643982	0.00 0.00%	470,844.16 2.90%	0.00 0.00%	15,828,616.12 97.54%	0.00 0.00%	-70,829.60 -0.44%	16,228,630.68 37.57%
BAYCO VEBA LORD ABBOTT FD 2643980	0.00 0.00%	1,258.68 0.02%	7,521,921.98 99.98%	0.00 0.00%	0.00 0.00%	0.00 0.00%	7,523,180.66 17.42%
BAYCO - VEBA ATALANTA SOSNOFF 2646870	0.00 0.00%	38,465.12 0.41%	9,258,804.36 97.81%	0.00 0.00%	0.00 0.00%	169,106.51 1.79%	9,466,375.99 21.91%
Total for consolidation	0.00 0.00%	600,985.91 1.39%	26,670,601.73 61.74%	15,828,616.12 36.64%	0.00 0.00%	98,276.91 0.23%	43,198,480.67 100.00%

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Northern Trust

*Generated by Northern Trust from daily data on 29 May 15

VEBA 2015	<u>DODGE & COX</u> <small>no vendor number. Mutual Fund Mgrs (as opposed to separately managed mgrs) deduct fee from portfolio.</small>	<u>CASH</u>	<u>ATALANTA</u> <u>SOSNOFF</u>	<u>LORD ABBOTT</u> <small>no vendor number. Mutual Fund Mgrs (as opposed to separately managed mgrs) deduct fee from portfolio.</small>	<u>CS MCKEE</u>	<u>TOTAL</u>
VENDOR #			1061		3509	
JAN	9,372,807.82	242,295.57	9,238,500.71	7,037,168.25	15,638,042.35	41,528,814.70
FEB	9,962,923.15	249,127.39	9,745,731.68	7,468,844.28	15,512,818.11	42,939,444.61
MARCH	9,503,389.19	127,069.94	9,346,981.59	7,533,533.53	16,301,909.64	42,812,883.89
APRIL	9,759,073.66	118,394.44	9,323,633.72	7,461,656.59	16,255,829.65	42,918,588.06
MAY	9,889,876.45	90,416.89	9,466,375.99	7,523,180.66	16,228,630.68	43,198,480.67
JUNE						0.00
JULY						0.00
AUG						0.00
SEPT						0.00
OCT						0.00
NOV						0.00
DEC						0.00

ATALANTA SOSNOFF LARGE CAP EQUITY

CS MCKEE FIXED INCOME

DODGE & COX LARGE CAP EQUITY

LORD ABBETT SMALL MID CAP EQUITY

	<u>DODGE & COX</u>	<u>ATALANTA</u> <u>SOSNOFF</u> VENDOR 1061	<u>ABBOTT</u>	<u>CS MCKEE</u> VENDOR 3509	<u>TOTAL</u>
2015					
1ST QTR		17,819.00		12,223.31	30,042.31
2ND QTR					0.00
3RD QTR					0.00
4TH QTR					0.00
		17,819.00		12,223.31	30,042.31

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Portfolio Statement

APR 15 - 30 APR 15
 Account Name BAY COUNTY VERA CONSOLIDATED
 Account Number BCVEBA

◆ Change in Book and Market Value

	Cost	Market value	For more information
Opening balance	36,272,131.11	42,762,030.89	
Miscellaneous Cash Receipts	883.71	883.71	See funding & disbursement summary
Sponsor Contributions	41,292.75	41,292.75	See funding & disbursement summary
Total receipts	42,176.46	42,176.46	See funding & disbursement summary
Income received	45,941.04	45,941.04	See income & expense summary, cash activity detail
Unrealized gain/loss change	0.00	- 7,651.52	See asset summary
Realized gain/loss	77,184.82	77,184.82	See realized gain/loss summary
Accrued income change	- 2,444.95	- 2,444.95	See income & expense summary
Closing balance	36,434,988.48	42,917,236.74	

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C.S. McKee, L.P.

Account Overview

Bay County VEBA

Client Code: 90477
As Of Date: 4/30/2015
Report: Calendar

Asset Allocation

As of 4/30/2015

Asset Class	Value (\$)	Percentage (%)
Large-Cap Equity	\$ -	0.00%
Small-Cap Equity	\$ -	0.00%
Fixed Income	\$ 16,050,942.58	98.74%
Intl Mutual Fund	\$ -	0.00%
Cash	\$ 205,367.05	1.26%
Other	\$ -	0.00%
Total Portfolio:	\$ 16,256,309.63	100.00%



Performance

As of 4/30/2015

Portfolio Summary - Month-to-Date	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Intl Mutual Fund
Beginning Market Value:	16,297,751.67	-	-	16,297,751.67	-
Net Contributions (Distributions):	-	-	-	-	-
Income:	35,897.01	-	-	35,897.01	-
Market Appreciation (Depreciation):	(77,339.05)	-	-	(77,339.05)	-
Ending Market Value:	16,256,309.63	-	-	16,256,309.63	-
Dollar-Weighted Return:	(0.25%)	-	-	(0.25%)	-

Time-Weighted Returns	Performance Start Date:	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Intl Mutual Fund
MTD	2/7/2012	(0.26%) Gross Net Benchmark Value Added (Gross)	- - - -	- - - -	- - - -	- - - -
QTD	2/7/2012	(0.26%) Gross Net Benchmark Value Added (Gross)	- - - -	- - - -	- - - -	- - - -
YTD	2/7/2012	1.57% Gross Net Benchmark Value Added (Gross)	- - - -	- - - -	- - - -	- - - -
1 Year	2/7/2012	4.75% Gross Net Benchmark Value Added (Gross)	- - - -	- - - -	- - - -	- - - -
3 Year	2/7/2012	2.99% Gross Net Benchmark Value Added (Gross)	- - - -	- - - -	- - - -	- - - -
5 Year	2/7/2012	0.00% Gross Net Benchmark Value Added (Gross)	- - - -	- - - -	- - - -	- - - -
ITD	2/7/2012	3.01% Gross Net Benchmark Value Added (Gross)	- - - -	- - - -	- - - -	- - - -

Benchmark History

2/7/2012
BCAGG 100%

Total Portfolio

Large-Cap Equity

Mid-Cap Equity

Small-Cap Equity

Total Domestic Equity

2/7/2012
BCAGG 100%

Fixed Income

Int'l Mutual Fund

//

Bay County Michigan

06/01/2015 13:24
Rmatters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P 1
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FOR 2015 05

ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
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7360 PUBLIC EMPLOYEE HEALTH CARE

73627401 VOL.EMPLOYEE BENEF.ASSOC.BOARD

RA FUND BALANCE, NET AS

73627401 40001 FUND BALANCE	0	0	.00	.00	.00	.0%
73627401 40004 NET ASSETS - RESERV	1,343,339	1,343,339	.00	.00	1,343,339.00	.0%
TOTAL FUND BALANCE, NET AS	1,343,339	1,343,339	.00	.00	1,343,339.00	.0%

RJ LOCAL UNIT CONTRIBUT

73627401 59401 ER CONTR-BEHAVE.HEA	0	0	.00	.00	.00	.0%	
73627401 59402 ER CONTR-MOSQUITO C	0	0	.00	.00	.00	.0%	
73627401 59403 ER CONTR-HEALTH FUN	0	0	.00	.00	.00	.0%	
73627401 59404 ER CONTR-ROAD COMWL	0	0	.00	.00	.00	.0%	
73627401 59405 ER CONTR-LIBRARY	0	0	.00	.00	.00	.0%	
73627401 59407 ER CONTR-GOLF COURS	0	0	.00	.00	.00	.0%	
73627401 59408 ER CONTR-GENERAL FU	0	0	.00	.00	.00	.0%	
73627401 59409 ER CONTR-DWS	-38,200	-38,200	-8,271.80	.00	-29,928.20	21.7%*	
73627401 59410 ER CONTR-911 SERVIC	0	0	.00	.00	.00	.0%	
73627401 59411 ER CONTR-CHLD CARE	0	0	.00	.00	.00	.0%	
73627401 59412 ER CONTR-DIV ON AGI	0	0	.00	.00	.00	.0%	
73627401 59413 ER CONTR-RETIRE SYS	0	0	.00	.00	.00	.0%	
73627401 59415 ER CONTR-GYPSY MOTH	0	0	.00	.00	.00	.0%	
73627401 59416 ER CONTR-HOME REHAB	0	0	.00	.00	.00	.0%	
73627401 59418 ER CONTR-100% TAX P	0	0	.00	.00	.00	.0%	
73627401 59419 ER CONTR-MED CARE F	-310,000	-310,000	-25,525.62	.00	-284,474.38	8.2%*	
73627401 59424 ER CONTR-SEIF INSUR	0	0	.00	.00	.00	.0%	
73627401 59427 ER CONTR-COMM.CORR	0	0	.00	.00	.00	.0%	
73627401 59429 ER CONTR-F.O.C. FUN	0	0	.00	.00	.00	.0%	
73627401 59430 ER CONTR-HOUSING FU	0	0	.00	.00	.00	.0%	
73627401 59433 ER CONTR-SOLDIER RE	0	0	.00	.00	.00	.0%	
73627401 59499 ER CONTR-SHERIFF DE	0	0	.00	.00	.00	.0%	
TOTAL LOCAL UNIT CONTRIBUT	-348,200	-348,200	-45,797.42	.00	-302,402.58	13.2%	
RP INTEREST & RENTALS							
73627401 66400 INVESTMENT INTEREST	-500,000	-500,000	-80,520.23	-6,419.63	.00	-419,479.77	16.1%*

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Bay County, Michigan

06/01/2015 13:24
RMasters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P
g1yrcbud 2

FOR 2015 05

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 66500 GAIN ON SALE OF INV	-1,100,000	-1,100,000	-549,695.02	.00	.00	-550,304.98	50.0%
73627401 66501 UNREALIZED GAIN ON	0	0	.00	.00	.00	.00	.0%
TOTAL INTEREST & RENTALS	-1,600,000	-1,600,000	-630,215.25	-6,419.63	.00	-969,784.75	39.4%
RR OTHER REVENUE							
73627401 67104 MISCELLANEOUS REVENUE	0	0	.00	.00	.00	1,537.19	100.0%
73627401 69000 COMMISSION RECAPTUR	0	0	-1,537.19	.00	.00	1,537.19	100.0%
TOTAL OTHER REVENUE	0	0	-1,537.19	.00	.00	1,537.19	100.0%
XB WAGES & SALARIES							
73627401 71000 PER DIEM	360	360	.00	.00	.00	360.00	.0%
TOTAL WAGES & SALARIES	360	360	.00	.00	.00	360.00	.0%
XI SUPPLIES							
73627401 72700 OFFICE SUPPLIES	100	100	.00	.00	.00	100.00	.0%
73627401 72800 PRINTING AND BINDING	150	150	.00	.00	.00	150.00	.0%
73627401 72900 POSTAGE	100	100	2.40	.00	.00	97.60	2.4%
73627401 75100 COMPUTER SUPPLIES	50	50	.00	.00	.00	50.00	.0%
TOTAL SUPPLIES	400	400	2.40	.00	.00	397.60	.6%
XL OTHER SERVICES AND C							
73627401 80100 PROFESSIONAL SERVICE	100,000	100,000	30,042.31	12,223.31	.00	69,957.69	30.0%
73627401 80101 ACTUARIAL SERVICES	37,000	37,000	39,300.00	.00	.00	-2,300.00	106.2%*
73627401 81400 INVESTMENT/BANK SER	30,000	30,000	6,978.52	-2,800.00	.00	23,021.48	23.3%
73627401 81700 LEGAL FEES	7,500	7,500	.00	.00	.00	7,500.00	.0%
73627401 81900 CONSULTANTS	30,000	30,000	7,250.00	.00	.00	22,750.00	24.2%
73627401 86600 LOCAL TRAVEL MILEAGE	0	0	.00	.00	.00	.00	.0%
73627401 94601 EQUIPMENT RENTAL-CO	55	55	.00	.00	.00	55.00	.0%

H

Bay County, Michigan

06/01/2015 13:24
RMartsters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

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3

FOR 2015 05

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 95600	6,046	6,046	1,465.69	.00	.00	4,580.31	24.2%
73627401 96200	391,000	391,000	59,156.32	19.25	.00	331,843.68	15.1%
73627401 96201	0	0	.00	.00	.00	.00	.0%
73627401 96500	2,500	2,500	.00	.00	.00	2,500.00	.0%
TOTAL OTHER SERVICES AND C	604,101	604,101	144,192.84	9,442.56	.00	459,908.16	23.9%
TOTAL VOL. EMPLOYEE BENEF. ASSOC. BO	0	0	-533,354.62	3,022.93	.00	533,354.62	100.0%
TOTAL PUBLIC EMPLOYEE HEALTH CARE	0	0	-533,354.62	3,022.93	.00	533,354.62	100.0%
TOTAL REVENUES	-604,861	-604,861	-677,549.86	-6,419.63	.00	72,688.86	
TOTAL EXPENSES	604,861	604,861	144,195.24	9,442.56	.00	460,665.76	
GRAND TOTAL	0	0	-533,354.62	3,022.93	.00	533,354.62	100.0%

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

15

Bay County, Michigan

06/01/2015 13:24
 RMarsters

BAY COUNTY, MI
 YEAR-TO-DATE BUDGET REPORT

P
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REPORT OPTIONS

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

Report title:
 YEAR-TO-DATE BUDGET REPORT

Year/Period: 2015/ 5
 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

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

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 JE # or PO #: J
 Detail format option: 1

Find Criteria
 Field Name Field Value

7360

- Fund
- FUNCTION
- ACTIVITY
- SPECIAL CODE
- SPECIAL COD2
- Character Code
- Org
- Object
- Project
- Account type
- Account status
- Rollup Code

VEBA

Invoices Approved: May

Invoice Date	Vendor	Amount	Description
4/9/2015	C.S. McKee	\$ 12,223.31	Q1 Money Manager fee



What Is Fiduciary Liability Insurance? And Why Private Companies May Need It.

In today's ever-shifting legal environment, employers are increasingly being held accountable for the benefits options they offer employees. Under the Employee Retirement Income Security Act of 1974 (ERISA), fiduciaries can be held personally liable for losses to a benefit plan incurred as a result of their alleged errors or omissions or breach of their fiduciary duties.

Lawsuits against a privately owned company, its fiduciaries, and its plans can be brought by a host of parties, including:

- Plan participants (employees).
- The government: The Department of Labor and The Pension Benefit Guarantee Corporation.

Fiduciary liability claims can involve a broad range of allegations, such as:

- Denial or change (especially reduction) of benefits.
- Administrative error.
- Improper advice or counsel.
- Wrongful termination of a plan.
- Failure to adequately fund a plan.
- Conflict of interest.
- Imprudent investment of assets or lack of investment diversity.
- Imprudent choice of insurance company, mutual fund, or third-party service provider.

By sponsoring a retirement plan, such as a defined contribution plan or 401(k), profit-sharing plan or employee stock option plan (ESOP), defined benefit plan, or welfare plans such as health or accident plans, a private company may need protection against errors in plan administration and breaches of duty under ERISA.

FIDUCIARY LIABILITY INSURANCE...

Helps to protect the personal assets of company fiduciaries, as well as the financial assets of the company and employee benefit plans against lawsuits.

Pays for a legal defense and, the insurer will supply expert defense counsel.

Your Private Company May Need Fiduciary Liability Insurance Because:

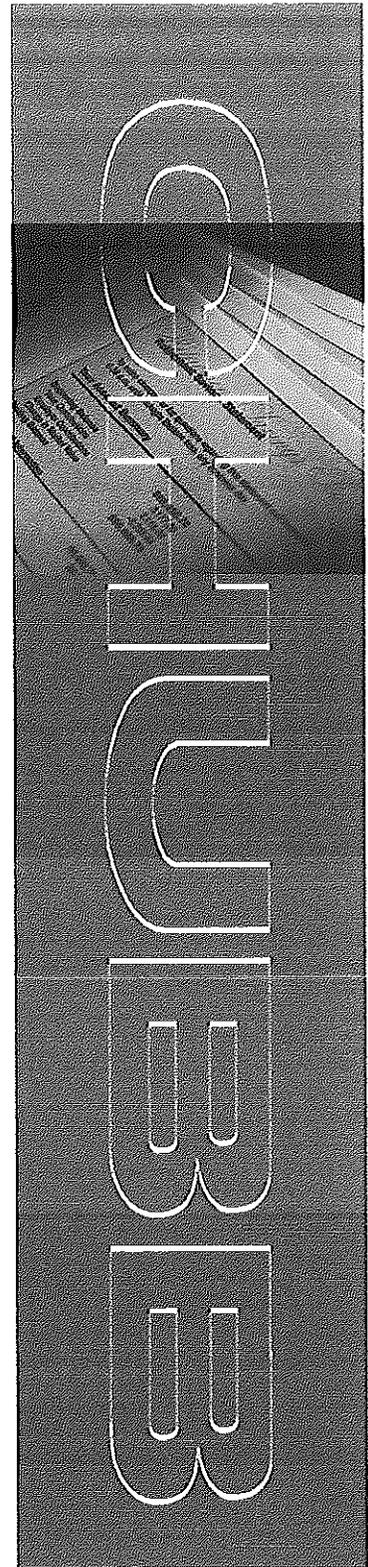
- It fills in gaps in traditional coverage. It is a common misconception that the employee benefits liability (EBL) section of general liability (GL) insurance or directors and officers (D&O) liability insurance will take care of every possible lawsuit against fiduciaries. However:
 - EBL insurance protects against claims of errors in plan administration, but not against the more expensive and complex ERISA violation claims.
 - D&O liability insurance typically excludes claims for both EBL and breach of ERISA fiduciary duty.
- By accessing the advice of experts and choosing and offering quality, diverse investments, you can mitigate your fiduciary liability exposure, but you can't eliminate it. Even a company sponsoring only a 401(k) is exposed. Employers are increasingly held liable for the selections they are giving to their employees.

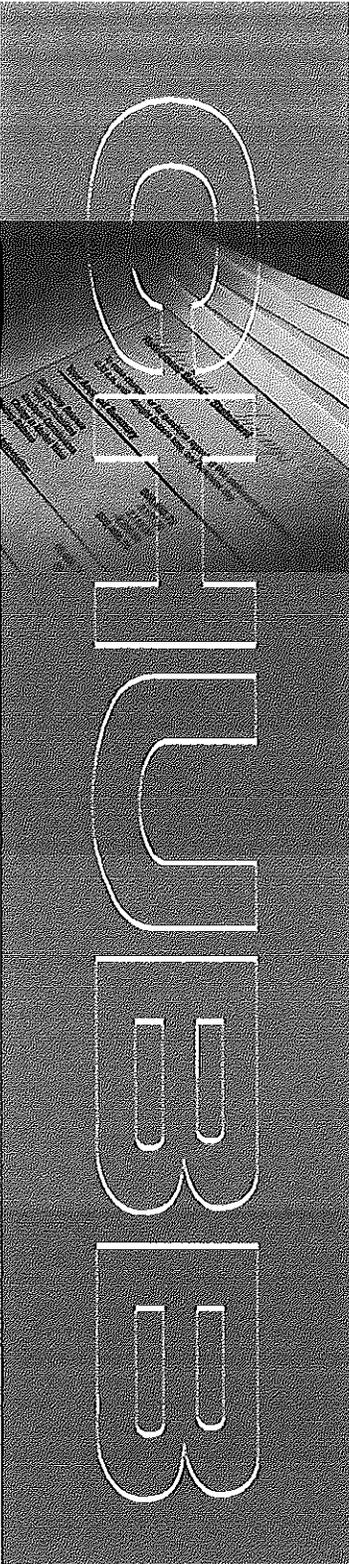
- According to *The 2005 Chubb Private Company Risk Survey*¹:

- One in five (18%) private company executives believe that a retiree may sue the company, its directors and officers, and/or its benefits plan administrators and fiduciaries over benefit issues in the coming year.
- Twenty percent of private companies plan to reduce or eliminate employee benefits in the year ahead, increasing their potential fiduciary liability exposure.

Fiduciaries without fiduciary liability insurance may be forced to pay for lawsuit defense costs, judgments, and settlements out of their own pockets.

¹ *The 2005 Chubb Private Company Risk Survey* was sponsored by the Chubb Group of Insurance Companies to gain a better understanding of the many risks private companies and their directors and officers face. Researchers conducted telephone interviews from March through May 2005 with chief executive officers, chief financial officers, and other executives at a random sample of 451 privately held companies in 46 U.S. states.





ForeFront PortfolioSM Fiduciary Liability Insurance from Chubb

In order to help protect private companies, their fiduciaries, and their benefit plans, Chubb offers ForeFront PortfolioSM Fiduciary Liability Insurance.

COVERAGE FEATURES

Chubb will pay 100% of your defense costs—For covered claims, Chubb pays all defense costs (within the available limits and after payment of any applicable deductible), even if only part of the claim is actually covered. This is called "allocation" and it is important because sometimes losses are incurred by covered and uncovered parties, or insureds incur both covered and uncovered matters. Either way, as long as part of the claim is covered by Chubb's policy, Chubb pays 100% of the defense costs for such claim.

Chubb manages the defense with expert attorneys—Because Chubb has the duty to defend our ForeFront Portfolio Fiduciary Liability Insurance customers, should a claim arise, we retain expert counsel at affordable rates to manage a strong defense, sparing your company this burdensome worry. We've retained a superb panel of attorneys with extensive experience in private company issues who are dedicated to helping secure the most positive outcome possible for your firm.

Coverage for HIPAA violations available—ForeFront Portfolio Fiduciary Liability Insurance customers may obtain protection for civil penalties assessed under the Health Insurance Portability and Accountability Act (HIPAA).

Coverage for 502(i) and 502(l) penalties available—Customers may obtain protection for individual fiduciaries for the civil penalties they may face, including penalties of up to 5% imposed under ERISA Section 502(i) for inadvertent violations of ERISA Section 406, and up to 20% imposed under ERISA Section 502(l) for breaches of fiduciary duty.

Optional coverage for defense outside the limits—ForeFront Portfolio Fiduciary Liability Insurance allows customers to request defense costs to be paid outside the limits of liability. As defense costs are often a significant portion of any claim, this option provides additional protection while preserving the policy limit for other claims or indemnity payments.

Option for guaranteed quote for new employee stock ownership plans (ESOPs)—Chubb can guarantee to issue a discretionary quote for any ESOP created or acquired during the policy period, if the appropriate information is received 30 days prior to the creation or acquisition and the insured pays any required additional premium.

THE CHUBB ADVANTAGE

Chubb has earned its leadership position in the fiduciary liability insurance marketplace as a result of our:

- **Financial strength**—Our financial stability and ability to pay claims rate among the best in the insurance industry, as attested by Standard and Poor's and A.M. Best Company, the leading insurance rating services. In fact, three members of the Chubb Group of Insurance Companies were recognized in the January 2004 issue of *Best's Review* as being among only 15 property/casualty insurers, out of more than 3,300, that have maintained an A.M. Best rating of A+ or higher for 50 consecutive years. Agents, brokers, and prospective customers often seek out our services because our reputation in the market is well known.
- **Reputation for paying claims and superior service**—Our reputation for expert, fair claims handling is renowned in the industry: In a 2004 Goldman Sachs survey, agents and brokers rated Chubb #1 out of 40 insurers in service quality.
- **Longevity in the market**—Chubb has been insuring the complex fiduciary risks of privately held companies since 1978.
- **Local underwriters**—Chubb's worldwide network of branch offices means your company's management has a trusted ally no matter where they do business.

TAKE ACTION TODAY

Why take the chance that a lawsuit could financially cripple your company? For more information about ForeFront PortfolioSM Fiduciary Liability Insurance, or about Chubb's other ForeFront Portfolio coverages, contact your insurance agent or broker, or email csi-info@chubb.com. Additional information may be found on our Web site at www.chubb.com.



Chubb Group of Insurance Companies

Warren, NJ 07059

www.chubb.com

For promotional purposes, Chubb refers to the member insurers of the Chubb Group of Insurance Companies underwriting coverage.

This literature is descriptive only. Whether or not or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the terms and conditions of the policy as issued. Actual coverage is subject to the language of the policies as issued.

Form 14 01-0712 (Rev. 3/06)

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
06/09/2015
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION BOARD

WHEREAS, The Bay County Voluntary Employees' Beneficiary Association Board is the designated fiduciary for the Bay County Employees' Voluntary Employees' Benefit Association

WHEREAS, The Bay County Employees' Voluntary Employees' Benefit Association Fiduciary Liability Policy has been renewed every year in recent history, however, the Board Chair has not signed the policy in the past. The current one (1) year policy expires August 17, 2015; and

WHEREAS, There are three (3) other trusts covered by this policy and each will have to be signed by its fiduciary:

1. Bay County Employees' Retirement Systems (Retirement Board is the fiduciary)
2. Bay County Employees' 401k savings plan (401k Board is the fiduciary)
3. Bay County Employees' 457 saving plan (Bay County Board of Commissioners is the fiduciary)

WHEREAS, Funds are budgeted for the fiduciary policy; Therefore, Be It RESOLVED That the Bay County Voluntary Employees' Beneficiary Association Board authorizes renewal of the Bay County Voluntary Employees' Beneficiary Association Fiduciary Liability Policy and authorizes the Chairman of the Board to execute the renewal application and subsequent related documents on behalf of the Retirement Board following legal review/approval.

STEVE GRAY, CHAIR
AND BOARD

RENEWAL OF FIDUCIARY LIABILITY POLICY

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

POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees no later than 28 days following its receipt by the Service Provider.

I. Service Provider Information

Company Name: C. S. MCKEE L.P.
Address: 420 FORT DUQUOIS BLVD
City: PITTSBURGH State: PA Zip: 15222

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

II. Reporting Period

From: 1/1/2014 To: 12/31/2014

III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

YES NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

YES NO

Signature

Date

Printed Name

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965)

Fee Disclosure Statement

C.S. McKee, L.P. (EIN 25-1900687)

Client: Bay County VEBA [CLIENT]

Period: January 01, 2014 thru December 31, 2014

This document provides an overview of the compensation received by C.S. McKee, L.P. [McKee] as a service provider for your plan to satisfy reporting requirements under local, state and/or federal regulatory authorities.

Direct Compensation for Separately Managed Account

McKee directly billed your plan for the following fees in arrears:

<u>Billing Date</u>	<u>Invoice ID</u>	<u>Amount</u>	<u>Billing Period</u>
04/10/2014	27201	\$10,598.09	01/01/2014 - 03/31/2014
07/09/2014	27769	\$10,787.77	04/01/2014 - 06/30/2014
10/08/2014	28289	\$11,288.36	07/01/2014 - 09/30/2014
01/14/2015	28772	\$11,481.75	10/01/2014 - 12/31/2014

Indirect Compensation

Mutual Funds/Collective Trusts

(None for period specified)

Soft Dollar Credits for Separately Managed Account

If soft dollar credits were generated during the period under Section 28(e) of the Securities Exchange Act of 1934 as a result of trading in your separately managed account, they will be shown below.

(None for period specified)

Gifts and Other Non-Monetary Compensation

From time to time, the providers of various products and services used by McKee for its investment management clients may provide McKee and its personnel with *de minimis* non-monetary gifts and gratuities, such as promotional items (i.e. coffee mugs, calendars or gift baskets), meals and access to certain industry related conferences (collectively, "gifts"). Based on historic trends, McKee does not expect to receive gifts in excess of the *de minimis* threshold under regulatory rules with respect to your plan.

McKee certifies under perjury that the information contained above is a full, complete, and accurate description of all compensation received as a result of its relationship with the Client.

If you require additional information, please contact our Chief Compliance Officer, Ulf Skreppen at 412.566.1234 or uskreppen@csmckee.com.

C.S. McKee, L.P.
Ulf Skreppen - Chief Compliance Officer
March 26, 2015

DODGE & COX

Investment Managers

April 22, 2015

Crystal Hebert
Finance Officer/Secretary
Bay County Employees' Retirement System
Bay County Building
515 Center Avenue
Bay City, Michigan 48708-5128

Dear Ms. Hebert:

In response to your letter on March 17, 2015 regarding Service Provider Disclosures, please find attached a signed copy of the Political Contribution Disclosure Form.

Dodge & Cox cannot make certifications with respect to compensation we may receive indirectly from you as a result of your ownership of shares in mutual fund companies that we advise. Information with respect to the fees paid to Dodge & Cox by the Dodge & Cox Funds in which you may be a shareholder is included in our prospectus.

Sincerely,



Katherine M. Primas
Chief Compliance Officer

ESTABLISHED 1930

555 California Street / 40th Floor / San Francisco, California 94104 / 415-981-1710

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BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees
no later than 28 days following its receipt by the Service Provider.

I. Service Provider Information

Company Name: Dodge & Cox
Address: 555 California Street, 40th Floor
City: San Francisco State: CA Zip: 94104

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

II. Reporting Period

From: 1/1/14 To: 12/31/14

III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

YES NO

Signature _____

Date _____

Printed Name _____

Title _____

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

YES NO

Katherine M. Primas
Signature

4.22.15
Date

Katherine M. Primas
Printed Name

CCO
Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

COMPENSATION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133(7)

This form must be submitted to the Board of Trustees no later than 28 days following its receipt by the Investment Service Provider.

I. Investment Service Provider Information

Company Name: Atalanta Sosnoff Capital, LLC
Address: 101 Park Avenue, FL 6
City: New York State: NY Zip: 10178

The undersigned, being duly authorized to execute on behalf of the aforementioned company, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy.

Signature: [Handwritten Signature]

Date: 3/31/15

Printed Name: William DiPietro

Title: Senior Vice President

II. Reporting Period

From: 1/1/2014 To: 12/31/2014

III. Compensation Disclosure (All fees/compensation associated with your relationship to the Retirement System)

A. Direct Compensation (Compensation paid directly from the Plan)

Amount: \$66,994.00
Manner of receipt (invoice, direct deduction, etc.): Investment management fees

B. Indirect Compensation (Compensation associated with your relationship to the Retirement System received from any source other than the Plan, your affiliates or subcontractors)

Amount: [Blank]
Payer: [Blank]
Manner of receipt: [Blank]
Services to which such compensation relates: [Blank]

C. Compensation Among Related Parties (compensation paid or to be paid to third parties, including affiliates or subcontractors; e.g., commissions, 12b-1 fees, soft-dollars, finder's fees, or other similar incentive compensation)

Amount: [Blank]
Payer: [Blank]
Recipient: [Blank]

D. Total

Amount: \$66,994.00

*Attach additional sheets as necessary.

Failure or refusal to complete and submit the foregoing Compensation Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133(7) and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965)

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees
no later than 28 days following its receipt by the Service Provider.

I. Service Provider Information

Company Name: Atlanta Sosnoff Capital, LLC
Address: 101 Park Avenue, FLG
City: New York State: NY Zip: 10178

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

II. Reporting Period

From: 1/1/2014 To: 12/31/2014

III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13e of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

YES

NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

YES

NO

Signature

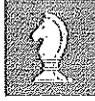
Date

Printed Name

Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at <http://legislature.mi.gov/doc.aspx?mcl-act-314-of-1965>)



LORD ABBETT

MEMORANDUM

June 5, 2015

To: **Bay County Employees' Retirement System**

Fr: **Lord, Abbett & Co. LLC**

Re: **Form 5500/SCHEDULE C DISCLOSURES ASSOCIATED WITH LORD ABBETT FAMILY OF FUNDS**

This memorandum is in response to your inquiry requesting information relating to one or more Lord Abbett mutual funds that are made available as investment options to retirement or other employee benefit plans serviced by your firm ("**Plan Clients**"). This memorandum is intended to identify disclosures and other information that may be relevant to Plan Clients that are required to complete and file Form 5500 and Schedule C thereto ("**Schedule C**") under Sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 and Sections 6047(e) and 6058(a) of the Internal Revenue Code.

IDENTIFYING INFORMATION

For the convenience of Plan Clients, attached as Exhibit A is a document identifying the CUSIP and Employee Identification Number ("**EIN**") of each of the investment companies comprising the Lord Abbett Family of Funds (each a "**Fund**," and collectively, "**Funds**"). Additional information relevant to the Funds and certain Fund service providers is as follows:

- **Funds' Investment Adviser:** Lord, Abbett & Co. LLC (the "**Adviser**"); EIN: 13-5620131
- **Funds' Distributor:** Lord Abbett Distributor LLC (the "**Distributor**"); EIN: 13-3897544
- **Funds' Transfer Agent:** DST Systems, Inc. (the "**Transfer Agent**")
- **Address of the Funds, Adviser, and Distributor:** 90 Hudson Street, Jersey City, NJ 07302
- **Lord Abbett Contact Person:** Scott S. Wallner, Esq., Assistant General Counsel

REPORTABLE COMPENSATION

The following describes relevant disclosures relating to various forms of "reportable compensation" under Schedule C paid by the Funds to certain Fund service providers. For your information and convenience, underlying disclosure documents, such as the Funds' prospectuses ("**Prospectuses**"), statements of additional information ("**SAIs**"), reports to shareholders ("**Shareholder Reports**") and the Adviser's Form ADV, may be accessed and downloaded at www.lordabbett.com.

- **Management Fees:** Management fees paid to the Adviser are described in the Prospectuses under "Fees and Expenses" and "Management and Organization of the Fund – Management Fee," as well as in the SAIs under "Investment Advisory and Other Services – Investment Adviser."

- **Rule 12b-1 Fees:** Rule 12b-1 Fees paid to the Distributor, including distribution and shareholder service fees, are described in the Prospectuses under “Fees and Expenses” and “Financial Intermediary Compensation,” as well as in the SAIs under “Classes of Shares – Rule 12b-1 Plan” and “Investment Advisory and Other Services.”
- **Sales Charges:** Sales charges received by the Distributor in connection with the sale of Fund shares by Plan Clients are described in the Prospectuses under “Fees and Expenses,” “Choosing a Share Class,” “Sales Charges,” and “Sales Charge Reductions and Waivers,” as well as in the SAIs under “Classes of Shares” and “Purchases, Redemptions, Pricing and Payments to Dealers.”
- **Transfer Agency Fees:** Information regarding fees paid to the Transfer Agent is provided in the SAIs under “Investment Advisory and Other Services – Transfer Agent,” and in the Shareholder Reports.
- **Soft Dollars:** In accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended, the Adviser may select broker-dealers that furnish the Adviser with proprietary and third party brokerage and research services (“**Research Services**”) in connection with commissions paid on transactions it places for client accounts to the extent the Adviser believes that the commissions paid are reasonable in relation to the value of the services received. The Adviser does not attempt to allocate to any particular client account the relative costs or benefits of Research Services received from a broker-dealer. Rather, the Adviser believes that any Research Services received from a broker-dealer are, in the aggregate, of assistance to the Adviser in fulfilling its overall responsibilities to its client accounts. Further information regarding the Adviser’s use of Research Services is provided in the Prospectuses under the “Brokerage Commissions Paid to Independent Broker-Dealer Firms,” and the SAIs under “Brokerage Allocations and other Practices – Administrative Services,” as well as in Part II of the Adviser’s Form ADV.

* * *

This memorandum is not intended as a substitute for the obligation of any party that has a direct relationship with Plan Clients to provide Plan Clients with information to complete Schedule C. In particular, while this memorandum includes information regarding the calculation of Rule 12b-1 fees and sales charges, we do not intend for this information to supersede the obligation of any broker-dealer or other intermediary that receives compensation in connection with the sale of Fund shares to Plan Clients to provide Schedule C information. We also remind you to consider any obligation you may have as a retirement plan administrator to confirm at least annually that Schedule C disclosure information continues to be correct. (See “Frequently Asked Questions about the 2009 Form 5500 Schedule C,” U.S. Department of Labor, July 2008).

If you have any questions regarding the foregoing, or otherwise, please call Scott S. Wallner at 201.827.2425.

Thank you very much for your continued support.

attachment

Exhibit A

Legal Name	CUSSIP Class A	CUSSIP Class B	CUSSIP Class C	CUSSIP Class I	CUSSIP Class P	CUSSIP Class R2	CUSSIP Class R3	Fund EIN
Lord Abbett Affiliated Fund, Inc.	544001100	544001209	544001308	544001506	544001407	544001704	544001803	13-6020600
Lord Abbett Bond-Debt Fund, Inc.	544004104	544004203	544004302	544004401	544004500	544004708	544004807	13-2669319
Lord Abbett Developing Growth Fund, Inc.	544006109	544006208	544006307	544006505	544006406	544006703	544006802	13-2755091
Lord Abbett Equity Trust								
Lord Abbett Calibrated Large Cap Value Fund	54400M880		54400M872	54400M856		54400M849	54400M831	45-3910646
Lord Abbett Calibrated Mid Cap Value Fund	54400M823		54400M815	54400M781		54400M773	54400M765	45-3910805
Lord Abbett Global Fund, Inc.								
Lord Abbett Emerging Markets Corporate Debt Fund	543908677		543908669	543908644		543908636	543908628	46-3477094
Lord Abbett Emerging Markets Currency Fund	543908867	543908859	543908842	543908826	543908834	543908763	543908750	13-3460111
Lord Abbett Emerging Markets Local Bond Fund	543908743		543908735	543908719		543908693	543908685	46-2066227
Lord Abbett Multi-Asset Global Opportunity Fund	543908107	543908305	543908404	543908883		543908792	543908784	13-3460109
Lord Abbett Investment Trust								
Lord Abbett Convertible Fund	543916753	543916746	543916738	543916712	543916720	543916480	543916472	56-2352928
Lord Abbett Core Fixed Income Fund	543916878	543916860	543916852	543916803	543916811	543916423	543916415	13-3978645
Lord Abbett Diversified Equity Strategy Fund	543916555	543916548	543916530	543916514	543916522	543916225	543916217	41-2207318
Lord Abbett Floating Rate Fund	543916191	543916183	543916175	543916134		543916159	543916142	26-1539133
Lord Abbett High Yield Fund	54400N102	54400N201	54400N300	54400N409	543916761	54400N607	54400N706	13-4033082
Lord Abbett Income Fund	543916308	543916407	543916506	543916670		543916357	543916340	13-6020601
Lord Abbett Inflation Focused Fund	54400U205		54400U304	54400U502		54400U601	54400U700	45-1554636
Lord Abbett Multi-Asset Balanced Opportunity Fund	543916209	543916886	543916605	543916696	543916779	543916324	543916316	13-3799450

Legal Name	CUSSIP Class A	CUSSIP Class B	CUSSIP Class C	CUSSIP Class I	CUSSIP Class P	CUSSIP Class R2	CUSSIP Class R3	Fund EIN
Lord Abbett Multi-Asset Growth Fund	543916613	543916597	543916589	543916563	543916571	543916258	543916241	71-0983159
Lord Abbett Multi-Asset Income Fund	543916662	543916654	543916647	543916621	543916639	543916282	543916274	20-2933946
Lord Abbett Short Duration Income Fund	543916100	543916787	543916704	543916688		543916456	543916449	13-3731507
Lord Abbett Total Return Fund	543916845	543916837	543916829	54400U106	543916795	543916381	543916373	13-4035307
Lord Abbett Mid Cap Stock Fund, Inc.	543919104	543919203	543919302	543919500	543919401	543919708	543919807	13-3166900
Lord Abbett Municipal Income Fund, Inc.								
Lord Abbett AMT Free Municipal Bond Fund	543902720		543902712	543902688				27-3580888
Lord Abbett California Tax-Free Income Fund	543902852		543902845	543902670				13-3271131
Lord Abbett High Yield Municipal Bond Fund	543912877	543912869	543912851	543912836	543912844			76-0770388
Lord Abbett Intermediate Tax Free Fund	543912604	543912703	543912802	543902647	543912885			56-2352920
Lord Abbett National Tax-Free Income Fund	543902100	543902878	543902860	543902829				13-3397836
Lord Abbett New Jersey Tax-Free Income Fund	543902407			543902662				13-3603812
Lord Abbett New York Tax-Free Income Fund	543902209		543902837	543902654				13-3386492
Lord Abbett Short Duration Tax Free Fund	543912778		543912752	543912737				26-3796837
Lord Abbett Research Fund, Inc.								
Lord Abbett Calibrated Dividend Growth Fund	543913859	543913842	543913834	543913818	543913826	543913784	543913776	22-3842531
Lord Abbett Growth Opportunities Fund	54400R103	54400R202	54400R301	54400R400	54400R509	54400R707	54400R806	13-3842507
Small-Cap Value Series	543913305	543913503	543913701	543913800	543913867	543913727	543913719	13-3862601
Lord Abbett Securities Trust								
Lord Abbett Alpha Strategy Fund	543915763	543915755	543915748	543915581		543915524	543915516	13-3980756

Legal Name	CUSSIP Class A	CUSSIP Class B	CUSSIP Class C	CUSSIP Class I	CUSSIP Class P	CUSSIP Class R2	CUSSIP Class R3	Fund EIN
Lord Abbett Fundamental Equity Fund	543915862	543915821	543915607	543915714	543915722	543915557	543915540	13-3731505
Lord Abbett Growth Leaders Fund	543915326		543915318	543915284		543915276	543915268	45-2447491
Lord Abbett International Core Equity Fund	543915649	543915631	543915623	543915599	543915615	543915482	543915474	20-0242156
Lord Abbett International Dividend Income Fund	543915391		543915375	543915359		543915342	543915334	26-2524171
Lord Abbett International Opportunities Fund	543915854	543915847	543915839	543915813	543915730	543915458	543915441	13-3919488
Lord Abbett Micro-Cap Growth Fund				54400V104				13-4035311
Lord Abbett Micro-Cap Value Fund				54400W102				13-4035310
Lord Abbett Value Opportunities Fund	54400A100	54400A209	54400A308	54400A506	54400A407	54400A704	54400A803	20-3767040
Lord Abbett U.S. Government & Government Sponsored Enterprises Money Market Fund, Inc.	543918106	543918304	543918205	543918403				13-2986729

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BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

POLITICAL CONTRIBUTION DISCLOSURE FORM

Completion required pursuant to MCL 38.1133e

This form must be submitted to the Board of Trustees no later than 28 days following its receipt by the Service Provider.

I. Service Provider Information

Company Name: Lord, Abbett & Co. LLC
Address: 90 Hudson Street
City: Jersey City State: New Jersey Zip: 07302

The undersigned, being duly authorized to execute, hereby certifies under penalty of perjury that the information provided herein, upon information and belief, is true, accurate and complete, and is intended to fully comply with the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy.

II. Reporting Period

From: January 1, 2014 To: December 31, 2014

III. Compliance Certification

The aforementioned Service Provider IS NOT a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with the requirements of Section 13c of Public Act 314 of 1965, as amended (MCL 38.1133e) as of the date indicated below.

[] YES [] NO

Signature

Date

Printed Name

Title

The aforementioned Service Provider IS a registered investment advisor under the Investment Advisors Act of 1940. Accordingly, Service Provider hereby certifies that it is compliant with Rule 206(4)-5 under the Investment Advisors Act of 1940, as amended, as of the date indicated below.

[X] YES [] NO

Handwritten signature of John K. Forst

Signature

June 8, 2015
Date

John K. Forst
Printed Name

Member & Deputy General Counsel
Title

Failure or refusal to complete and submit the foregoing Political Contribution Disclosure Form shall be deemed a violation of the requirements of MCL 38.1133e and the Retirement System's Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the Retirement System.

(A copy of Act 314, as amended is available at http://legislature.mi.gov/doc.aspx/mcl-act-314-of-1965)

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
06/09/2015
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION BOARD

WHEREAS As part of the requirement of the Bay County Voluntary Employees' Beneficiary Association Policy on Service Provider Disclosures, the Board requires information to be provided annually by all of its service providers to acknowledge that they are in compliance with Section 13e of Act 314 [MCL 38.113e] and/or Rule 206(4)-5 of the Investment Advisers Act of 1940 in the case of a regulated investment adviser.

WHEREAS, Compensation disclosure forms and political contribution disclosure forms have been received by the following money managers:

- Atalanta Sosnoff
- CS McKee
- Dodge & Cox
- Lord Abbett & Co LLC

Therefore, Be It

RESOLVED That this Board receive these Compensation Disclosure Forms and Political Contribution Disclosure forms.

STEVE GRAY, CHAIR
AND BOARD

SERVICE DISCLOSURE FORMS

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 Pett
Thomas Starkweather
Kristal Goetz

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

June 1, 2015

Craig B. Steinberg
President / Director or Research
Atalanta Sosnoff Capital, LLC
101 Park Avenue, 6th Floor
New York, NY 10178

Dear Craig:

The Bay County VEBA Board of Trustees recently voted to place Atalanta Sosnoff on "watch" due to performance issues. The "watch" designation will remain in effect for a period of six months from the date of this letter. After six months, the Board of Trustees will reevaluate the "watch" status.

If you would like to discuss, please feel to contact Howard Pohl, Senior Consultant, The Bogdahn Group, or myself at 989-895-4030.

Sincerely,

Crystal Hebert
Bay County Finance Officer

Cc: Howard Pohl, Senior Consultant, The Bogdahn Group
Peter Brown, Senior Consultant, The Bogdahn Group
Shawna Walraven, Assistant Corporation Counsel
Rebecca Marsters, Retirement Administrator/Accountant
VEBA Board of Trustees