

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
 AGENDA  
 TUESDAY, MARCH 8, 2016  
 (Immediately Following the Retirement Board of Trustees' Meeting @ Approximately 2:30 P.M.)  
**COMMISSIONERS CHAMBERS**  
**515 CENTER AVENUE - 4<sup>TH</sup> FLOOR**  
**BAY CITY, MI 48708**

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1 - 5 .....	1.	FEBRUARY 9, 2016
	IV.	PUBLIC INPUT
	A.	MONTHLY REPORTS - RES NO. 2016-4
6 - 8 .....	1.	PORTFOLIO VALUE 1/01/16 - 2/29 /16
	2.	CHANGE IN BOOK AND MARKET VALUE - 1/31/16
9 - 13 .....	3.	MONEY MANAGER REPORTS
	a.	MCKEE - ENDING 1/31/16
	b.	MFS GROWTH EQUITY - ENDING 1/31/16
14 - 15 .....	4.	RECAPTURE SERVICES
	a.	CAPIS - 1/31/16
16 - 19 .....	5.	VEBA YTD BUDGET REPORT 2/29/16
20 .....	6.	INVOICES APPROVED - 2/29/16
	V.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, MARCH 8, 2016 IMMEDIATELY FOLLOWING THE RETIREMENT BOARD OF TRUSTEES MEETING AT APPROXIMATELY 2:30 P.M. , COMMISSIONERS CHAMBERS, 515 CENTER AVENUE - 4 <sup>TH</sup> FLOOR, BAY CITY, MI 48708
	VI.	UNFINISHED BUSINESS
	VII.	NEW BUSINESS
	VIII.	MISCELLANEOUS BUSINESS
	IX.	ADJOURNMENT

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)**  
**FEBRUARY 9, 2016 - REGULAR MINUTES**  
**PAGE 1**

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

The meeting of the Board of Trustees was held on February 9, 2016 at 2:31 p.m. in the Commission Chambers, 4<sup>th</sup> Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll was taken.

**Trustees Present:** Chairperson Gray, Mr. Coonan, Ms. Goetz, Mr. Krygier, Mr. Morse, Mr. Pett, and Mr. Starkweather.

**Trustees Absent:** Mr. Brzezinski and Mr. Gromaski.

**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 2:31 p.m.

**MOTION 6:** Moved, supported and carried to excuse Trustees Brzezinski and Gromaski.

**MOTION 7:** Moved, supported and carried to approve the minutes, as printed, from the January 12, 2016 regular meeting.

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

Present today were Howard Pohl and Peter Brown from The Bogdahn Group to present the fourth quarter report. A copy of the presentation was provided to Trustees, in advance, via the web.

Mr. Brown gave a recap of the Fund and its positions. The Fund ended the quarter at \$42,451,901. There were significant earnings with inflows of about \$73,000 but it earned almost \$1.5 million in the marketplace. One note to make was the replacement of Atalanta Sosnoff with MFS. He answered questions of trustee on how that happens with the use of a transition manager.

With regard to asset allocation, the Portfolio ended the year in just over 61% stocks and about 38% in fixed income.

It was a strong quarter with the stock market up about 7% and the Portfolio up about 3.5%. It outperformed the policy which was up 2.5% and finished almost top decile in the top 12%. For the fiscal year, on a relative basis, the Portfolio was up 40 basis points. It outperformed the policy, which was down actually 0.34% and still performed within the top third of the investment universe. The Portfolio is doing well as designed.

For the quarter, stocks were up almost 6%, almost one full percent ahead of the equity policy and ahead of the median. For the year, stocks were down 41 basis points and down about 110 basis points for the policy and just below the median.

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)**  
**FEBRUARY 9, 2016 - REGULAR MINUTES**  
**PAGE 2**

He gave a recap on the underlying managers for the quarter and the one year. The underlying managers are doing fairly well. Atalanta Sosnoff was replaced at the end of December with MFS. At the time they were replaced, they were up 9.5% which added an extra \$900,000. Over the long term, their returns were dragging and necessitated a replacement. MFS was added at the end of December so there is not a full quarter of data for them.

Overall, the Portfolio was positive and did generate a positive return, albeit just not as strong as it has seen in the past years. No changes were recommended.

**MOTION 8:** Moved, supported and carried to receive the fourth quarter report from The Bogdahn Group.

The next item was the VEBA Investment Policy. Mr. Brown stated this is similar to what they did last fall when they updated the investment policy for BCERS. They went through and updated the Investment Policy with no significant major changes. If anything, it is more generic and not as specific to allow for the Portfolio remaining guidelines. They added a reference to the Michigan Public Act 149 for the VEBA. He referenced page 2 of the Investment Policy with the key item to consider being the investment policy asset allocation. They did not change this from the previous policy. It maintains the same targets and similar ranges within each of the sectors or the specific assets themselves. They identified the specific benchmarks in which they will be compared for performance purposes of the Portfolio.

Trustee commented that there was no provision for real estate. Mr. Brown stated that was correct. Typically with VEBA or health welfare accounts they do not have real estate because in private real estate there are liquidity concerns. You would typically have a 5% to 10% allocation to make it worthwhile. You would be locking it up and not have quarterly liquidity or be subject to a REIT portfolio that would have small cap volatility.

Trustee Starkweather made a motion to add real estate under the 47% that says broad market, fixed income or real estate. There was no second to the motion.

**MOTION 9:** Moved, supported and carried to accept the VEBA Investment Policy as written.

**RES NO: 2016-3:**

Moved, supported and carried to approve Resolution No 2016-3 that this Board enter into a transition Management agreement with CAPIS. That the Finance Officer is authorized to request proposals, as needed, for major transitions; Be It Further that the Finance Officer, after consultation with the Investment Consultant, is authorized to select which of the approved transition managers shall be utilized; Be It Finally that the Chairman of the Board is authorized to execute the agreement with CAPIS and all related documents on behalf of the Bay County Voluntary Employees' Beneficiary Association (VEBA) Board following review by Corporation Counsel.

**RES.NO: 2016-2:**

Moved, supported and carried to adopt resolution 2016- 2 to receive the monthly

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)**  
**FEBRUARY 9, 2016 - REGULAR MINUTES**  
**PAGE 3**

reports Portfolio Value ending 1/31/16 (Today's value \$39 million), Monthly Change in Book and Market Value ending 12/31/15, C.S. McKee performance report ending 12/31/15, CAPIS Recapture services ending 12/31/15; VEBA YTD Budget Report ending 1/31/16, and Approved Invoices Report ending 1/31/16.

**MOTION 10:** Moved, supported and carried to receive correspondence to MFS regarding Brokerage Services.

**ANNOUNCEMENTS:**

- A. Next regularly scheduled meeting will be Tuesday, March 8, 2016 immediately following the Retirement Board of Trustees Meeting at approximately 2:30 p.m. in Commissioner's Chambers, 515 Center Avenue - 4<sup>th</sup> Floor, Bay City, MI 48708.

**UNFINISHED BUSINESS:**

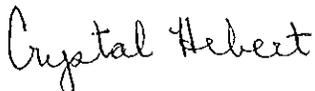
**NEW BUSINESS:**

**MISCELLANEOUS BUSINESS:** None

**ADJOURNMENT:**

**MOTION 11:** Moved, supported and carried to adjourn the meeting at 2:47 p.m.

Respectfully submitted,



Crystal Hebert  
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

**MEETING OF THE V.E.B.A. BOARD OF TRUSTEES COMMITTEE**  
**FEBRUARY 9, 2016**

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

MEETING CALLED TO ORDER BY: CHAIR STEVE GRAY AT 2:31 P.M.

**Motions**

TRUSTEE	6	7	8	9	10	11				
BRZEZINSKI	E	E	E	E	E	E				
COONAN	M-Y	M-Y	Y	M-Y	Y	Y				
GOETZ	S-Y	Y	S-Y	Y	Y	S-Y				
GRAY	Y	Y	Y	Y	Y	Y				
GROMASKI	E	E	E	E	E	E				
KRYGIER	Y	S-Y	Y	S-Y	S-Y	M-Y				
MORSE	Y	Y	Y	Y	Y	Y				
PETT	Y	Y	M-Y	Y	M-Y	Y				
STARKWEATHER	Y	Y	Y	Y	Y	Y				

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

MEETING OF THE **V.E.B.A.** BOARD OF TRUSTEES COMMITTEE  
      , 2016      

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

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

**Resolutions**

TRUSTEE	2016-2	2016-3								
BRZEZINSKI	E	E								
COONAN	M-Y	Y								
GOETZ	S-Y	S-Y								
GRAY	Y	Y								
GROMASKI	E	E								
KRYGIER	Y	Y								
MORSE	Y	Y								
PETT	Y	M-Y								
STARKWEATHER	Y	Y								

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

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
03/08/2016  
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 - 1/1/16 - 2/29/16
2. CHANGE IN BOOK AND MARKET VALUE – 1/31/16
3. MONEY MANAGER REPORTS
  - a. C.S. MCKEE – ENDING 1/31/16
  - b. MFS GROWTH EQUITY – ENDING 1/31/16
4. RECAPTURES SERVICES
  - a. CAPIs - SUMMARY ENDING 1/31/16
5. VEBA YTD BUDGET REPORT – ENDING 2/29/16
6. INVOICES APPROVED - 2/29/16

STEVE GRAY, CHAIR  
AND BOARD

MONTHLY REPORTS - MARCH

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				Ernie Krygier				Thomas Starkweather			

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Voice: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_

Disposition: Adopted \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_

Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_

VEBA 2015	<u>DODGE &amp; COX</u> <small>no vendor number visible fund Mgt fee reported to separately managed trust deduct fee from portfolio</small>	<u>CASH</u>	<u>ATALANTA SOSNOFF</u>	<u>LORD ABBOTT</u> <small>no vendor number visible fund Mgt fee reported to separately managed trust deduct fee from portfolio</small>	<u>CS MCKEE</u>	<u>MFS</u>	<u>TOTAL</u>
VENDOR #			1061		3509		
JAN	9,372,607.82	242,235.57	9,238,500.71	7,037,168.25	15,638,042.35		41,528,814.70
FEB	9,992,923.15	249,127.39	9,745,731.63	7,463,844.28	15,512,818.11		42,959,444.61
MARCH	9,503,369.19	127,069.94	9,346,931.59	7,533,533.53	16,301,509.64		42,812,683.89
APRIL	9,759,073.66	118,394.44	9,323,633.72	7,461,656.59	16,255,829.65		42,918,533.06
MAY	9,889,876.45	90,416.89	9,466,375.99	7,523,160.65	16,228,630.63		43,193,430.67
JUNE	9,749,608.25	94,887.29	9,387,431.67	7,523,160.66	16,099,951.56		42,851,069.43
JULY	9,856,782.12	122,254.13	9,694,347.47	7,541,149.89	16,187,962.71		43,402,496.32
AUG	9,171,435.83	155,594.49	9,045,038.09	7,175,026.45	16,188,549.01		41,735,643.87
SEPT	8,787,357.99	118,669.53	8,793,993.42	6,926,976.49	16,301,324.34		40,928,651.77
OCT	9,482,978.60	161,932.44	9,714,099.64	7,250,499.09	16,338,025.92		42,947,535.69
NOV	9,436,387.19	184,056.93	9,752,744.38	7,291,828.82	16,345,694.97		43,010,752.29
DEC	9,166,741.48	193,166.27	7,415.58	7,048,514.63	16,277,014.67	9,739,019.02	42,451,901.65

ATALANTA SOSNOFF                   LARGE CAP EQUITY  
CS MCKEE                               FIXED INCOME  
DODGE & COX                         LARGE CAP EQUITY  
LORD ABBETT                         SMALL M/D CAP EQUITY

	<u>DODGE &amp; COX</u>	<u>ATALANTA SOSNOFF</u> VENDOR 1061	<u>ABBOTT</u>	<u>CS MCKEE</u> VENDOR 3509	<u>TOTAL</u>
<b>2015</b>					
1ST QTR		17,819.00		12,223.31	30,042.31
2ND QTR		17,525.00		12,078.61	29,603.61
3RD QTR		11,734.00		12,233.32	23,967.32
4TH QTR				12,214.75	12,214.75
		47,078.00		48,749.99	95,827.99

VEBA 2016	<u>DODGE &amp; COX</u> <small>no vendor number visible fund Mgt fee reported to separately managed trust deduct fee from portfolio</small>	<u>CASH</u>	<u>ATALANTA SOSNOFF</u>	<u>LORD ABBOTT</u> <small>no vendor number visible fund Mgt fee reported to separately managed trust deduct fee from portfolio</small>	<u>CS MCKEE</u>	<u>MFS</u>	<u>TOTAL</u>
VENDOR #			1061		3509		
JAN	8,556,306.57	268,524.93	1,489.48	8,655,474.41	16,476,306.40	9,247,614.05	41,235,715.84
FEB	8,497,603.96	343,039.83	1,459.77	6,712,509.32	16,828,173.94	9,082,194.27	41,265,016.09
MARCH							0.00
APRIL							0.00
MAY							0.00
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 M/D CAP EQUITY

	<u>DODGE &amp; COX</u>	<u>ATALANTA SOSNOFF</u> VENDOR 1061	<u>ABBOTT</u>	<u>CS MCKEE</u> VENDOR 3509	<u>TOTAL</u>
<b>2016</b>					
1ST QTR					0.00
2ND QTR					0.00
3RD QTR					0.00
4TH QTR					0.00

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*Portfolio Statement*

JAN 16 - 31 JAN 16

Account Name BAY COUNTY VEA CONSOLIDATED  
Account Number 80VBEA

◆ Change in Book and Market Value

	Cost	Market value	For more information
Opening balance	38,788,590.53	42,451,901.65	
Miscellaneous Cash Receipts	52,199.47	52,199.47	See funding & disbursement summary
Sponsor Contributions	35,346.18	35,346.18	See funding & disbursement summary
Interportfolio Transfers In	5,347.16	5,347.16	See funding & disbursement summary
Total receipts	92,892.81	92,892.81	See funding & disbursement summary
Interportfolio Transfers Out	- 5,347.16	- 5,347.16	See funding & disbursement summary
Total disbursements	- 5,347.16	- 5,347.16	See funding & disbursement summary
Income received	50,531.52	50,531.52	See income & expense summary, cash activity detail
Expenses paid	- 12,950.86	- 12,950.86	See income & expense summary
Unrealized gain/loss change	0.00	- 1,306,323.56	See asset summary
Realized gain/loss	- 21,378.67	- 21,378.67	See realized gain/loss summary
Accrued income change	- 6,526.67	- 6,526.67	See income & expense summary
Closing balance	38,885,811.50	41,242,799.06	

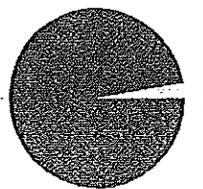
C.S. McKee, L.P.  
Account Overview

Buy County YEBA

Client Code: 90477  
As Of Date: 1/31/2016  
Report: Calendar

Asset Allocation  
As of 1/31/2016

Asset Class	Value	Percentage
Large-Cap Equity	\$ -	0.00%
Small-Cap Equity	\$ -	0.00%
Fixed Income	\$ 15,055,261.86	97.94%
Intl Mutual Fund	\$ -	0.00%
Cash	\$ 438,372.12	2.66%
Other	\$ -	0.00%
<b>Total Portfolio:</b>	<b>\$ 16,493,633.98</b>	<b>100.00%</b>



Performance  
As of 1/31/2016

Performance Summary - Month-End Data	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Intl Mutual Fund
Beginning Market Value:	16,286,327.11	-	-	16,286,327.11	-
Net Contributions (Distributions):	38,414.89	-	-	38,414.89	-
Income:	168,891.98	-	-	168,891.98	-
Market Appreciation (Depreciation):	16,493,633.98	-	-	16,493,633.98	-
Ending Market Value:	16,493,633.98	-	-	16,493,633.98	-
Dollar-Weighted Return:	1.27%	-	-	1.27%	-

Performance Summary - Month-End Data	Total Portfolio	Large-Cap Equity	Small-Cap Equity	Total Domestic Equity	Intl Mutual Fund
Performance Start Date:	2/1/2012	N/A	N/A	N/A	N/A
MTD					
Gross	1.28%	-	-	1.28%	1.30%
Net	1.26%	-	-	1.26%	1.27%
Benchmark	1.38%	-	-	1.38%	1.38%
Value Added (Gross)	(0.10%)	-	-	(0.10%)	(0.08%)
QTD					
Gross	1.28%	-	-	1.28%	1.30%
Net	1.26%	-	-	1.26%	1.27%
Benchmark	1.38%	-	-	1.38%	1.38%
Value Added (Gross)	(0.10%)	-	-	(0.10%)	(0.08%)
YTD					
Gross	1.28%	-	-	1.28%	1.30%
Net	1.26%	-	-	1.26%	1.27%
Benchmark	1.38%	-	-	1.38%	1.38%
Value Added (Gross)	(0.10%)	-	-	(0.10%)	(0.08%)
1 Year					
Gross	0.88%	-	-	0.88%	0.92%
Net	0.58%	-	-	0.58%	0.62%
Benchmark	(0.15%)	-	-	(0.15%)	(0.16%)
Value Added (Gross)	1.04%	-	-	1.04%	1.09%
3 Year					
Gross	2.58%	-	-	2.58%	2.66%
Net	2.27%	-	-	2.27%	2.36%
Benchmark	2.15%	-	-	2.15%	2.15%
Value Added (Gross)	0.43%	-	-	0.43%	0.51%
5 Year					
Gross	0.00%	-	-	0.00%	0.00%
Net	0.00%	-	-	0.00%	0.00%
Benchmark	0.00%	-	-	0.00%	0.00%
Value Added (Gross)	0.00%	-	-	0.00%	0.00%
FTD					
Gross	2.80%	-	-	2.80%	2.91%
Net	2.51%	-	-	2.51%	2.61%
Benchmark	2.31%	-	-	2.31%	2.31%
Value Added (Gross)	0.49%	-	-	0.49%	0.60%

2/7/2012		2/7/2012	
BCASG 100%		BCASG 100%	
Total Portfolio		Total Domestic Equity	
Large-Cap Equity		Fixed Income	
Mid-Cap Equity		Int'l Mutual Fund	
Small-Cap Equity			

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Bay County Voluntary Employees' Beneficiary Association Trust  
Growth Equity



Performance results (%) gross and net of fees (USD)	Portfolio		Benchmark <sup>A</sup>	Excess returns Net vs benchmark
	Gross of fees	Net of fees		
January 2016	-5.11	-5.15	-5.58	0.43
Since client inception (30-Dec-15)	-6.70	-6.75	-7.22	0.47

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.

<sup>A</sup> Russell 1000 Growth Index

Asset summary (USD)	
Beginning value as of 31-Dec-15	9,738,100
Contributions	+5,347
Withdrawals	0
Change in market value	-497,009
Ending value as of 31-Jan-16	9,246,438

Characteristics	Portfolio	Benchmark <sup>AA</sup>
IBES long-term EPS growth <sup>1</sup> weighted average	16.5%	13.5%
Price/earnings (12 months forward ex-negative earnings) - weighted average	22.4x	17.5x
Market capitalization (USD) <sup>2</sup>	128.1 bn	133.9 bn
Top ten holdings	30%	24%
Number of holdings	84	643
Barra predicted tracking error <sup>3</sup>	3.04%	-

<sup>1</sup> Source: Thomson Reuters

<sup>2</sup> Weighted average.

<sup>3</sup> Source: Barra

No forecasts can be guaranteed.

Top 10 issuers	Sector	% of Portfolio
ALPHABET INC	Technology	6.7
VISA INC	Financial Services	4.1
FACEBOOK INC	Technology	3.8
AMAZON.COM	Retailing	3.6
MASTERCARD INC	Financial Services	2.8
THERMO FISHER SCIENTIFIC	Health Care	2.5
DANAHER CORP	Industrial Goods & Services	2.4
ADOBE SYSTEMS INC	Technology	2.4
ROSS STORES INC	Retailing	2.3
APPLE INC	Technology	2.2

Sectors (%)	Portfolio	Benchmark <sup>AA</sup>
Technology	22.1	22.3
Retailing	17.7	11.9
Health Care	15.9	16.0
Financial Services	11.0	6.3
Consumer Staples	6.4	9.8
Leisure	6.3	10.5
Special Products & Services	6.3	5.1
Industrial Goods & Services	4.4	5.7
Autos & Housing	2.3	1.8
Utilities & Communications	1.9	3.3
Basic Materials	1.2	3.9
Transportation	0.7	3.0
Energy	0.2	0.3

3.7% Cash & cash equivalents

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.  
MFS Institutional Advisors, Inc.

<sup>AA</sup> Russell 1000 Growth Index

FOR MORE INFORMATION CONTACT

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**Bay County Voluntary Employees' Beneficiary Association Trust - Growth Equity**

**BYS**

Valuation Summary	31-Jan-16		Portfolio Currency: USD		Total Value	Total Value
	Cost	Market Value	Accrued Income	Accrued Income		
CASH	338,855.31	338,855.31	0.00	0.00	338,855.31	3.66 %
COMMON STOCK	9,433,958.04	8,816,463.07	2,343.40	2,343.40	8,818,806.47	95.38 %
ADR	87,580.50	88,776.10	0.00	0.00	88,776.10	.96 %
	<b>9,860,393.85</b>	<b>9,244,094.48</b>	<b>2,343.40</b>	<b>2,343.40</b>	<b>9,246,437.88</b>	<b>108.00 %</b>
	Accrued Income:		2,343.40			
	Total Value:		9,246,437.88			

This report contains trade date position values, calculated by MFS. This is not the official book of record for the account. Cash is a net cash balance comprised of cash on deposit, and payables and receivables that have not settled.

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Bay County Voluntary Employees' Beneficiary Association Trust  
 Growth Equity  
 Report as of 31 January 2016

Performance results (%) gross and net of fees (USD)				
Period	Portfolio gross	Portfolio net	Benchmark <sup>^</sup>	Excess <sup>^^</sup>
January	-5.11	-5.15	-5.58	0.43
Since client inception (30-Dec-15)	-6.70	-6.75	-7.22	0.47

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.

<sup>^</sup> Russell 1000 Growth Index

<sup>^^</sup> Excess return net vs benchmark (%)

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Institutional Advisors, Inc.

1601 Elm Street, Suite 3900  
 Dallas, Texas 75201

214.720.0055  
 800.247.6729

Founded 1977  
 Member NYSE, FINRA, NFA, SIPC

**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 1/31/2016

**TOTAL COMMISSION**

**COMMISSION ALLOCATION**

- Beginning Balance
- U.S. Equity
- International Equity
- Fixed Income
- International Fixed Income
- New Issues
- Options
- Futures
- Foreign Currency
- Syndicates
- Recapture Subtotals
- Execution
- Directed
- Correspondent Broker/Dealer
- Total

	January	YTD
Beginning Balance	-	-
U.S. Equity	-	-
International Equity	-	-
Fixed Income	-	-
International Fixed Income	-	-
New Issues	-	-
Options	-	-
Futures	-	-
Foreign Currency	-	-
Syndicates	-	-
Recapture Subtotals	\$ 0.00	\$ 0.00
Execution	\$ 0.00	\$ 0.00
Directed	\$ 0.00	\$ 0.00
Correspondent Broker/Dealer	\$ 0.00	\$ 0.00
Total	\$ 0.00	\$ 0.00

	January	YTD	January	YTD
Execution	-	-	-	-
Recapture	\$63.25	\$63.25	\$63.25	\$63.25

Execution	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Recapture	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Total Earned	\$ 0.00	\$ 0.00
Total Redeemed	\$ 63.25	\$ 63.25

Balance as of 1/31/2016	\$ 0.00	\$ 0.00
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**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 1/31/2016

**Summary of Segregated Account Detail**

	January	YTD		January	Prior Months	YTD	Mixed Use %
Payment from Segregated Account	\$ 63.25	\$ 63.25		\$ 63.25	\$ 0.00	\$ 63.25	
	\$ 63.25	\$ 63.25	Voucher Amount				

**Segregated Account Detail**

Service Period	Comments/Notes	Vendor Invoice #	Date Paid	January	Prior Months	YTD	Mixed Use %
December 2015	Commission Recapture	3056588Bay Count	01/16/2016	\$ 63.25	\$ 0.00	\$ 63.25	
	Payment from Segregated Account Total			\$ 63.25	\$ 0.00	\$ 63.25	
	Grand Total			\$ 63.25	\$ 0.00	\$ 63.25	

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Account Executive: Jon Lantz  
Phone: (214) 978-4778

Sales Assistant: Christilla Moreno  
Phone: (214) 978-4743

# Bay County, Michigan

03/02/2016 15:24  
Rmarsters

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

P 1  
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FOR 2016 02

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 - RESERVY	1,685,865	1,685,865	.00	.00	.00	.0%
<b>TOTAL FUND BALANCE, NET AS</b>	<b>1,685,865</b>	<b>1,685,865</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.0%</b>

RJ LOCAL UNIT CONTRIBUT

73627401 59401 ER CONTR-BEHAVE, HEA	-250,000	-250,000	.00	.00	.00	.0%*
73627401 59402 ER CONTR-MOSOLITO, C	0	0	.00	.00	.00	.0%
73627401 59403 ER CONTR-HEALTH FUND	0	0	.00	.00	.00	.0%
73627401 59404 ER CONTR-ROAD COMM	0	0	.00	.00	.00	.0%
73627401 59406 ER CONTR-LIBRARY	-48,000	-48,000	.00	.00	.00	.0%*
73627401 59407 ER CONTR-SOLE COURS	0	0	.00	.00	.00	.0%
73627401 59408 ER CONTR-GENERAL FU	0	0	.00	.00	.00	.0%
73627401 59409 ER CONTR-DMS	-32,000	-32,000	.00	.00	.00	.0%*
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-EYESY 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-WHD CARE, F	-250,000	-250,000	.00	.00	.00	.0%*
73627401 59424 ER CONTR-SELF INSUR	0	0	.00	.00	.00	.0%
73627401 59427 ER CONTR-COMM. CORRE	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%
<b>TOTAL LOCAL UNIT CONTRIBUT</b>	<b>-580,000</b>	<b>-580,000</b>	<b>.00</b>	<b>.00</b>	<b>.00</b>	<b>.0%</b>

RP INTEREST & RENTALS

73627401 66400 INVESTMENT INTEREST	-500,000	-500,000	.00	.00	.00	.0%*
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# Bay County Michigan

03/02/2016 15:24  
RMarsters

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 02

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 66500 GAIN ON SALE OF INV	-1,200,000	-1,200,000	.00	.00	.00	-1,200,000.00	.0%*
73627401 66501 UNREALIZED GAIN ON	0	0	.00	.00	.00	.00	.0%
73627401 66600 SECURITIES LENDING	0	0	.00	.00	.00	.00	.0%
TOTAL INTEREST & RENTALS	-1,700,000	-1,700,000	.00	.00	.00	-1,700,000.00	.0%
RR OTHER REVENUE							
73627401 67104 MISCELLANEOUS REVENUE	0	0	.00	.00	.00	.00	.0%*
73627401 69000 COMMISSION RECPTUR	-6,900	-6,900	.00	.00	.00	-6,900.00	.0%*
TOTAL OTHER REVENUE	-6,900	-6,900	.00	.00	.00	-6,900.00	.0%
XE 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 BINDIN	150	150	.00	.00	.00	150.00	.0%
73627401 72900 POSTAGE	100	100	.00	.00	.00	100.00	.0%
73627401 75100 COMPUTER SUPPLIES	50	50	.00	.00	.00	50.00	.0%
TOTAL SUPPLIES	400	400	.00	.00	.00	400.00	.0%
XII OTHER SERVICES AND C							
73627401 80100 PROFESSIONAL SERVIC	130,000	130,000	.00	.00	.00	130,000.00	.0%
73627401 80101 ACTUARIAL SERVICES	39,300	39,300	.00	.00	.00	39,300.00	.0%
73627401 81400 INVESTMENT/BANK SER	30,000	30,000	.00	.00	.00	30,000.00	.0%
73627401 81700 LEGAL FEES	7,500	7,500	.00	.00	.00	7,500.00	.0%
73627401 81900 CONSULTANTS	30,000	30,000	.00	.00	.00	30,000.00	.0%
73627401 86600 LOCAL TRAVEL MILEAGE	0	0	.00	.00	.00	.00	.0%

# Bay County, Michigan

03/02/2016 15:24  
 RMarsters

BAY COUNTY, MI  
 YEAR-TO-DATE BUDGET REPORT

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FOR 2016 02

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 94601 EQUIPMENT RENTAL-CO	55	55	.00	.00	.00	55.00	.0%
73627401 95600 INDIRECT COST EXPEN	10,420	10,420	868.33	.00	.00	9,551.67	8.3%
73627401 96200 LOSS ON DISPOSAL OF	350,000	350,000	.00	.00	.00	350,000.00	.0%
73627401 96201 UNREALIZED LOSS_ON	0	0	.00	.00	.00	.00	.0%
73627401 96500 INSURANCE AND BONDS	3,000	3,000	.00	.00	.00	3,000.00	.0%
TOTAL OTHER SERVICES AND C	600,275	600,275	868.33	.00	.00	599,406.67	.1%
TOTAL VOL.EMPLOYEE BENEF. ASSOC.BO	0	0	868.33	.00	.00	-868.33	100.0%
TOTAL PUBLIC EMPLOYEE HEALTH CARE	0	0	868.33	.00	.00	-868.33	100.0%
TOTAL REVENUES	-601,035	-601,035	.00	.00	.00	-601,035.00	
TOTAL EXPENSES	601,035	601,035	868.33	.00	.00	600,166.67	
GRAND TOTAL	0	0	868.33	.00	.00	-868.33	100.0%

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

# Bay County Michigan

03/02/2016 15:24  
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BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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## REPORT OPTIONS

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

Year/Period: 2016/ 2  
 Print revenue as credit: Y  
 Print totals only: N  
 Suppress zero bal acccts: N  
 Print full GI 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 JE # or PO #: J  
 Detail format option: 1

Field Name Find Criteria Field Value

7360

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

VEBA Invoices Approved: February

Invoice Date	Vendor	Amount	Description
12/21/2015	Atalanta Sosnoff	\$ 9,439.00	Q4 money manager fee