

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
 AGENDA  
 TUESDAY JUNE 14, 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**

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	1.	PORTFOLIO VALUE 1/01/16 - 5/31/16
	2.	CHANGE IN BOOK AND MARKET VALUE - 4/30/16
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54 .....	D.	CORRESPONDENCE APPOINTMENT OF SECRETARY TO THE BOARD (MOTION TO RECEIVE)
	V.	ANNOUNCEMENTS
	A.	NEXT REGULAR MEETING - TUESDAY, JULY 12, 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)  
MAY 10, 2016  
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**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 May 10, 2016 at 2:41 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, Mr. Brzezinski, Ms. Goetz, Mr. Gromaski, Mr. Krygier, Mr. Morse, Mr. Pett, and Mr. Starkweather.

**Trustees Absent:** None.

**Also Present:**

Consultant: The Bogdahn Group: Howard Pohl and Peter Brown.

Interim Secretary: Shawna Walraven

Retirement Administrator: Katie Meeth

Corporation Counsel: Shawna Walraven

The meeting was called to order by Chairman, Steve Gray at 2:41 p.m.

**MOTION 18:** Moved, supported and carried to approve the minutes, as printed, from the April 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 of The Bogdahn Group to present the first quarter report for 2016. A copy of the presentation was provided to Trustees, in advance, via the web.

Mr. Brown stated the first quarter was flat. There was a gain of only about \$8,000 to \$9,000. For the quarter, the Fund, for the most part, was within compliance with the investment policy with regard to asset allocation. It was slightly over allocated to domestic equities by about 7% and a little under allocated for fixed income by about 8%. That has been that way for a while as equities have outperformed fixed income over the last couple of years. The fund is slightly over allocated in the Dodge & Cox fund and slight a over allocation in the MFS fund. That is offset by under allocations in Lord Abbett and C.S. McKee.

In terms of performance, it was a volatile quarter in the equity markets. That is reflected in the performance of the Portfolio. While the performance was positive, it was not strong against the underlying policy. It is currently favorable. For the quarter, the Portfolio was up 1.2% and on the one year up 18 basis points. It was a median performance which was unfortunate because the Policy was actually stronger at 2.6 % which would have been top decile. That was a result of underperformance with the domestic equity managers. It was a similar story on a one-year basis, although the variance is significantly less with positive 18 basis points compared to the Policy at 28 basis points. Domestic equities were negative for the quarter down 10 basis points compared to the policy which was positive 2%. The Portfolio was in the bottom quartile whereas the Policy was in the top quartile. On a one-year basis, the Fund returned pretty much in line with the Policy down just about 1.7% and just below median in terms of the universal ranking.

He went over the impact of each money manager. Dodge & Cox was down 1% for the quarter compared to

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)**  
MAY 10, 2016  
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the large cap value index that was up 1.6%. On a one-year basis, Dodge & Cox was down 4.3% compared to the Russell Value down 1.5%. Again, the index was top quartile and Dodge & Cox was below the median. He stated this is very unusual because Dodge & Cox has always been very well known as a very strong performer. In the three-year, you can see them a top performer and beating the benchmark. Mr. Pohl stated over the past four years, they were top 5%. Chairman Gray asked if they needed to be put on watch at this point. Mr. Brown and Mr. Pohl both stated not at this time. For four years they have been in the top five percentile. This is just a year or so of poor numbers, but it's the same people and same process.

MFS, the new position that was added, had a slow start. They were down 1.6% for the quarter. They are a median performer. They were behind the large cap growth and the index was up 74 basis points.

Lord Abbett, a fund in the mid cap sector, was positive at 3.12% pretty much in line with the index which was up 3.33%. Both were a little behind the median. On a one-year basis, they were down 3.5% compared to the benchmark down slightly over 5%. The three-year showed strong performance almost at the top of the universe. The main factor for the equity portfolio is performance has slipped mainly in the last 18 months or so.

In fixed income, C.S. McKee shows they were positive up 3.3% for the quarter, which is pretty significant for fixed income. They placed nearly top decline ahead of the Barclays Aggregate of 3%. On a one-year basis, they were up about 3.1%, significantly better than the aggregate which was up 2%.

The Fund has a small cash position which really doesn't do much. It is up about 0.75 % for the quarter and just over 1% for the year. Mr. Pohl stated cash includes income from securities lending.

They have no recommendations or changes to the Portfolio. They rebalance on a quarterly basis.

**MOTION 19:** Moved, supported and carried to receive the Bogdahn first quarter report.

Mr. Brown also announced that The Bogdahn Group acquired Asset Strategies Consulting in Novi Michigan. This will be official July 1, 2016.

**RES. 2016-8:**

Moved, supported and carried to adopt resolution 2016-8 to receive the monthly reports Portfolio Value ending 04/30/16 (today's value was \$43,240,000), Monthly Change in Book and Market Value ending 3/31/16, C.S. McKee performance report ending 3/31/16, MFS ending 3/31/16, Capis Recapture services ending 3/31/16, VEBA YTD Budget Report ending 4/30/2016, and Approved Invoices Report ending 04/30/16.

**RES NO. 2016-9:**

Moved, supported and carried to approve resolution 2016-9 that this Board approve the rebalance of asset allocations to the Investment Portfolio as recommended by the Bogdahn Group

**MINUTES BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION (VEBA)**  
MAY 10, 2016  
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**ANNOUNCEMENTS:**

- A. Next regularly scheduled meeting will be Tuesday, June 14 , 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:**

Trustee Starkweather updated the Board regarding the lawsuit Bay Medical Care Facility had with the Federal Government in recognizing the VEBA expense as a legitimate expense for determining the rate at the Medical Care Facility. Yesterday was their final court date and the judge ruled in favor of Bay Medical Care in their interpretation of the CMS Law and the Federal Law. The State of Michigan has 21 days to appeal. Mr. Starkweather does not think they will appeal.

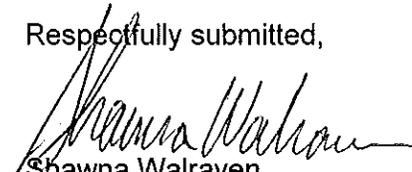
**NEW BUSINESS:**

**MISCELLANEOUS BUSINESS:** None

**ADJOURNMENT:**

**MOTION 20.** Moved, supported and carried to adjourn the meeting at 3:00 p.m.

Respectfully submitted,

  
Shawna Walraven  
Interim Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE **VEBA** BOARD OF TRUSTEES COMMITTEE  
MAY 12, 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: CHAIRPERSON STEVE GRAY AT 2:41 P.M.

**MOTIONS**

Trustee	18	19	20						
BRZEZINSKI	Y	Y	Y						
COONAN	M-Y	Y	S-Y						
GOETZ	Y	Y	Y						
GRAY	Y	Y	Y						
GROMASKI	Y	Y	Y						
KRYGIER	Y	M-Y	M-Y						
MORSE	S-Y	S-Y	Y						
PETT	Y	Y	Y						
STARKWEATHER	Y	Y	Y						

MEETING OF THE **VEBA** BOARD OF TRUSTEES COMMITTEE  
MAY 10, 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: CHAIRPERSON STEVE GRAY AT 2:41 P.M.

**RESOLUTIONS**

Trustee	2016-8	2016-9							
BRZEZINSKI	Y	M-Y							
COONAN	Y	Y							
GOETZ	Y	Y							
GRAY	Y	Y							
GROMASKI	Y	Y							
KRYGIER	S-Y	Y							
MORSE	Y	Y							
PETT	M-Y	S-Y							
STARKWEATHER	Y	Y							

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
06/14/2016  
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 - 05/31/16
2. CHANGE IN BOOK AND MARKET VALUE - 04/30/16
3. MONEY MANAGER REPORTS
  - a. C.S. MCKEE - ENDING 04/30/16
  - b. MFS GROWTH EQUITY - ENDING 04/30/16
4. RECAPTURES SERVICES
  - a. CAPI - SUMMARY ENDING 04/30/16
5. VEBA YTD BUDGET REPORT - ENDING 05/31/16
6. INVOICES APPROVED - 05/31/16

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				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 funds Mgmt fee reported to separately managed mgtm) Deduct fee from portfolio</small>	<u>CASH</u>	<u>ATALANTA</u> <u>SOSNOFF</u>	<u>LORD ABBOTT</u> <small>no vendor number visible funds Mgmt fee reported to separately managed mgtm) Deduct fee from portfolio</small>	<u>CS MCKEE</u>	<u>MFS</u>	<u>TOTAL</u>
VENDOR #			1061	3509			
JAN	9,372,607.82	242,295.57	9,238,500.71	7,037,163.25	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		42,959,444.61
MARCH	9,503,359.19	127,069.94	9,348,981.59	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	16,255,820.65		42,918,588.06
MAY	9,639,876.45	90,416.89	9,466,375.99	7,523,180.66	16,228,650.68		43,169,450.67
JUNE	9,746,603.25	94,837.29	9,387,431.67	7,623,180.66	16,098,561.66		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	7,176,028.45	16,188,549.01		41,735,643.87
SEPT	8,787,357.99	118,999.53	8,793,993.42	8,926,978.49	16,301,324.34		40,928,651.77
OCT	9,432,978.60	161,932.44	9,714,069.64	7,250,499.00	16,338,026.92		42,947,535.60
NOV	9,436,337.19	184,066.93	9,752,744.38	7,291,628.82	16,345,694.97		43,010,752.29
DEC	9,166,741.48	193,166.27	7,415.58	7,048,514.63	18,277,014.67	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</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		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 funds Mgmt fee reported to separately managed mgtm) Deduct fee from portfolio</small>	<u>CASH</u>	<u>ATALANTA</u> <u>SOSNOFF</u>	<u>LORD ABBOTT</u> <small>no vendor number visible funds Mgmt fee reported to separately managed mgtm) 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	6,685,474.41	18,478,306.40	9,247,614.05	41,235,715.84
FEB	8,497,608.96	343,039.83	1,489.77	6,712,509.32	16,628,173.94	9,082,194.27	41,265,016.09
MARCH	9,095,868.65	349,177.68	1,490.08	7,268,656.04	18,816,245.91	9,589,722.49	43,121,161.05
APRIL	9,283,597.33	273,273.00	1,490.58	7,326,687.99	16,885,959.11	9,848,266.79	43,324,174.60
MAY	8,361,507.07	132,628.36		8,586,314.73	18,592,843.35	8,292,708.42	43,966,001.93
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</u> <u>SOSNOFF</u> VENDOR 1061	<u>ABBOTT</u>	<u>CS MCKEE</u> VENDOR 3509	<u>MFS</u>	<u>TOTAL</u>
2016						
1ST QTR				12,612.18	13,342.55	25,954.73
2ND QTR						0.00
3RD QTR						0.00
4TH QTR						0.00

*Portfolio Statement*

1 APR 16 - 30 APR 16

Account Name BAY COUNTY VEBA CONSOLIDATED

Account number BGVBEA

◆ Change in Book and Market Value

	Cost	Market value	For more information
Opening balance	39,251,426.09	43,121,337.71	
Miscellaneous Cash Receipts	- 87,840.00	- 87,840.00	See funding & disbursement summary
Sponsor Contributions	26,688.98	26,688.98	See funding & disbursement summary
Total receipts	- 61,151.02	- 61,151.02	See funding & disbursement summary
Income received	27,208.06	27,208.06	See income & expense summary, cash activity detail
Expenses paid	- 16,005.59	- 16,005.59	See income & expense summary
Unrealized gain/loss change	0.00	183,806.55	See asset summary
Realized gain/loss	54,342.50	54,342.50	See realized gain/loss summary
Accrued income change	15,776.48	15,776.48	See income & expense summary
Closing balance	39,271,596.52	43,325,314.69	

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

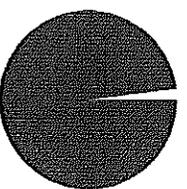
Buy County: VEBA

Client Code: 90477  
As Of Date: 4/30/2016  
Report: Calendar

Asset Allocation

As of 4/30/2016

Asset Class	Value	Percentage
Large-Cap Equity	\$ -	0.00%
Small-Cap Equity	\$ -	0.00%
Fixed Income	\$ 16,553,252.74	98.03%
Other	\$ 392,227.28	1.97%
Cash	\$ -	0.00%
Other	\$ -	0.00%
<b>Total Portfolio:</b>	<b>\$ 16,885,480.02</b>	<b>100.00%</b>



Performance

As of 4/30/2016

Portfolio Summary	Total Portfolio	Large-Cap Equity	Mid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Intl Mutual Fund
Beginning Market Value:	16,832,036.53	-	-	-	16,832,036.53	-
Net Contributions (Distributions):	-	-	-	-	-	-
Income:	21,561.72	-	-	-	21,561.72	-
Market Appreciation (Depreciation):	31,881.78	-	-	-	31,881.78	-
Ending Market Value:	16,885,480.02	-	-	-	16,885,480.02	-
Dollar-Weighted Return:	0.32%	-	-	-	0.32%	-

Time-Weighted Returns	Performance Start Date:	Total Portfolio	Large-Cap Equity	Mid-Cap Equity	Small-Cap Equity	Total Domestic Equity	Intl Mutual Fund
MTD	2/1/2012	0.32%	N/A	N/A	N/A	N/A	N/A
		Net	Ex Cash	Ex Cash	Ex Cash	Ex Cash	Ex Cash
		Benchmark	-	-	-	-	-
		Value Added (Gross)	(0.06%)	-	-	(0.06%)	(0.06%)
QTD		0.32%	-	-	-	-	-
		Net	-	-	-	-	-
		Benchmark	0.38%	-	-	0.38%	0.38%
		Value Added (Gross)	(0.06%)	-	-	(0.06%)	(0.06%)
YTD		3.70%	-	-	-	-	-
		Net	-	-	-	-	-
		Benchmark	3.60%	-	-	3.60%	3.65%
		Value Added (Gross)	3.43%	-	-	3.43%	3.23%
1 Year		0.27%	-	-	-	-	-
		Net	-	-	-	-	-
		Benchmark	3.89%	-	-	3.89%	3.97%
		Value Added (Gross)	3.58%	-	-	3.58%	3.66%
3 Year		2.88%	-	-	-	-	-
		Net	-	-	-	-	-
		Benchmark	2.57%	-	-	2.57%	2.66%
		Value Added (Gross)	2.28%	-	-	2.28%	2.28%
5 Year		0.60%	-	-	-	-	-
		Net	-	-	-	-	-
		Benchmark	0.00%	-	-	0.00%	0.00%
		Value Added (Gross)	0.00%	-	-	0.00%	0.00%
1TD		3.21%	-	-	-	-	-
		Net	-	-	-	-	-
		Benchmark	2.92%	-	-	2.92%	3.02%
		Value Added (Gross)	2.66%	-	-	2.66%	2.66%
		Benchmark	0.55%	-	-	0.55%	0.66%

**Benchmark History**

2/7/2012

BCAGG 100%

Total Portfolio

Large-Cap Equity

Mid-Cap Equity

Small-Cap Equity

Total Domestic Equity

Fixed Income

Int'l Mutual Fund

2/7/2012

BCAGG 100%

Bay County Voluntary Employees' Beneficiary Association Trust  
Growth Equity



30 April 2016

Performance results (%) gross and net of fees (USD)	Portfolio		Benchmark <sup>A</sup>	Excess returns Net vs benchmark
	Gross of fees	Net of fees		
April 2016	-0.44	-0.48	-0.91	0.43
2016 YTD	-2.01	-2.20	-0.18	-2.02
Since client inception (30-Dec-15)	-3.66	-3.84	-1.91	-1.93

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-Mar-16		9,589,843
Contributions		0
Withdrawals		0
Change in market value		-41,718
Ending value as of 30-Apr-16		9,548,125
Characteristics	Portfolio	Benchmark <sup>AA</sup>
IBES long-term EPS growth - weighted average <sup>1</sup>	16.7%	13.7%
Price/earnings (12 months forward ex-negative earnings) - weighted average	22.1x	18.1x
Market capitalization (USD) <sup>2</sup>	118.6 bn	129.1 bn
Top ten holdings	30%	23%
Number of holdings	89	635
Barra predicted tracking error <sup>3</sup>	2.86%	--

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

<sup>2</sup> Weighted average.

<sup>3</sup> Source: Barra

No forecasts can be guaranteed.

Portfolio characteristics are based on equivalent exposure, which measures how a portfolio's value would change due to price changes in an asset held either directly or, in the case of a derivative contract, indirectly. The market value of the holding may differ.

Top 10 issuers	Sector	% of Portfolio
ALPHABET INC	Technology	6.1
FACEBOOK INC	Technology	4.1
VISA INC	Financial Services	4.1
AMAZON.COM INC	Retailing	3.2
MASTERCARD INC	Financial Services	2.9
THERMO FISHER SCIENTIFIC INC	Health Care	2.6
DANAHER CORP	Industrial Goods & Services	2.6
ADOBE SYSTEMS INC	Technology	2.4
MICROSOFT CORP	Technology	2.2
ROSS STORES INC	Retailing	2.1

Sectors (%)	Portfolio	Benchmark <sup>AA</sup>
Technology	22.3	21.1
Retailing	16.6	11.8
Health Care	14.8	16.0
Financial Services	9.7	6.5
Leisure	7.1	10.5
Special Products & Services	7.0	5.3
Consumer Staples	6.7	9.7
Industrial Goods & Services	5.3	6.1
Autos & Housing	3.1	2.1
Utilities & Communications	2.0	3.3
Basic Materials	1.3	4.2
Transportation	1.3	3.1
Energy	0.7	0.4

2.2% 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		30-Apr-16		Portfolio Currency: USD			
	Cost	Market Value	Accrued Income	Total Value	Total Value		
CASH	210,619.34	210,619.34	0.00	210,619.34		2.21 %	
COMMON STOCK	9,493,173.91	9,245,938.39	3,579.00	9,249,517.39		96.87 %	
ADR	87,580.50	87,988.30	0.00	87,988.30		.92 %	
	9,791,373.75	9,544,546.03	3,579.00	9,548,125.03		100.00 %	
	Accrued Income:		3,579.00				
	Total Value:		9,548,125.03				

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 30 April 2016**

<b>Performance results (%) gross and net of fees (USD)</b>				
<b>Period</b>	<b>Portfolio gross</b>	<b>Portfolio net</b>	<b>Benchmark<sup>a</sup></b>	<b>Excess<sup>m</sup></b>
April	-0.44	-0.48	-0.91	0.43
1Q 2016	-1.58	-1.72	0.74	-2.46
2016 YTD	-2.01	-2.20	-0.18	-2.02
Since client inception (30-Dec-15)	-3.66	-3.84	-1.91	-1.93

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

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

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Institutional Advisors, Inc.

1700 Pacific Avenue, Suite 1100  
 Dallas, Texas 75201

214.720.0055  
 800.247.6729

Member NYSE, FINRA, NFA, SIPC  
 WBENC Certified Women-Owned

Founded 1977

**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 4/30/2016

**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

	April	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

	April	YTD	April	YTD
Execution	-	-	-	-
Recapture	\$ 0.00	-	-	\$ 63.25

	April	YTD	April	YTD
Execution	-	-	-	-
Recapture	-	-	-	-
Directed	-	-	-	-
Correspondent Broker/Dealer	-	-	-	-
Total	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Total Earned	\$ 0.00	\$ 0.00
Total Redeemed	\$ 0.00	\$ 63.25
Balance as of 4/30/2016	\$ 0.00	\$ 0.00



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**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 4/30/2016

**Summary of Segregated Account Detail**

	April	YTD
Payment from Segregated Account	\$ 0.00	\$ 63.25
	\$ 0.00	\$ 63.25
Voucher Amount		

**Segregated Account Detail**

Service Period	Comments/Notes	Vendor Invoice #	Date Paid	April	Prior Months	YTD	Mixed Use %
December 2015	Commission Recapture	308688Bay Count	01/15/2016		\$ 63.25	\$ 63.25	
	Payment from Segregated Account Total			\$ 0.00	\$ 63.25	\$ 63.25	
	Grand Total			\$ 0.00	\$ 63.25	\$ 63.25	

# Bay County, Michigan

06/06/2016 13:09  
KMeeth

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 03  
ACCOUNTS FOR: PUBLIC EMPLOYEE HEALTH CARE ORIGINAL APPROP TRANSRS/ADJUSTMS REVISED BUDGET YTD ACTUAL ENCUMBRANCES AVAILABLE BUDGET PCT USED

73627401 VOL.EMPLOYEE BENEF.ASSOC.BORD  
RA FUND BALANCE, NET AS

73627401 40001 FUND BALANCE										
73627401 40004 NET ASSETS - RESERY	1,685,865									0%
TOTAL FUND BALANCE, NET AS	1,685,865									0%

RJ LOCAL UNIT CONTRIBUT

73627401 59401 ER CONTR-BEHAVE,HEA	-250,000									0%*
73627401 59402 ER CONTR-MOSQUITO.C	0									0%
73627401 59403 ER CONTR-HEALTH FUN	0									0%
73627401 59404 ER CONTR-ROAD COMM	0									0%
73627401 59405 ER CONTR-LIBRARY	-48,000									8.3%*
73627401 59406 ER CONTR-GOLF COUR	0									0%
73627401 59407 ER CONTR-GENRAL.FU	0									0%
73627401 59408 ER CONTR-DMS	-32,000									23.1%*
73627401 59409 ER CONTR-911 SERVITC	0									0%
73627401 59410 ER CONTR-CHILD CARE	0									0%
73627401 59411 ER CONTR-DIV ON AGI	0									0%
73627401 59412 ER CONTR-RETIRE SYS	0									0%
73627401 59413 ER CONTR-GYSEY MOTH	0									0%
73627401 59415 ER CONTR-HOME REHAB	0									0%
73627401 59416 ER CONTR-100% TAX P	0									0%*
73627401 59418 ER CONTR-MED CARE F	-250,000									0%
73627401 59419 ER CONTR-SHLP INSUR	0									0%
73627401 59424 ER CONTR-COMM.CORRE	0									0%
73627401 59427 ER CONTR-F.O.C.FUN	0									0%
73627401 59429 ER CONTR-HOUSING FU	0									0%
73627401 59430 ER CONTR-SOLDIER RE	0									0%
73627401 59433 ER CONTR-SHERIFF DE	0									0%
73627401 59499 ER CONTR-SHERIFF DE	0									0%
TOTAL LOCAL UNIT CONTRIBUT	-580,000									2.0%

RP INTEREST & RENTALS

73627401 66400 INVESTMENT INTEREST	-500,000									0%*
------------------------------------	----------	--	--	--	--	--	--	--	--	-----

# Bay County Michigan

06/06/2016 13:09  
Kneeth

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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FOR 2016 03

ACCOUNTS FOR:	PUBLIC EMPLOYEE HEALTH CARE	ORIGINAL APPROP	TRANSFRS/ADJUSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
7360								
73627401 66500	GAIN ON SALE OF INV	-1,200,000	.00	-1,200,000.00	.00	.00	-1,200,000.00	.0%*
73627401 68501	UNREALIZED GAIN ON	0	.00	.00	.00	.00	.00	.0%
73627401 66600	SECURITIES LENDING	0	.00	.00	-762.67	.00	762.67	100.0%
	TOTAL INTEREST & RENTALS	-1,700,000	.00	-1,700,000.00	-762.67	.00	-1,699,237.33	.0%
	RR OTHER REVENUE							
73627401 67104	MISCELLANEOUS REVENUE	0	.00	.00	208.62	.00	-7,108.62	-3.0%*
73627401 69000	COMMISSION RECAPTUR	-6,900	.00	-6,900.00	208.62	.00	-7,108.62	-3.0%*
	TOTAL OTHER REVENUE	-6,900	.00	-6,900.00	208.62	.00	-7,108.62	-3.0%*
	XE WAGES & SALARIES							
73627401 71000	PER DIEM	360	.00	360.00	.00	.00	360.00	.0%
	TOTAL WAGES & SALARIES	360	.00	360.00	.00	.00	360.00	.0%
	XI SUPPLIES							
73627401 72700	OFFICE SUPPLIES	100	.00	100.00	.00	.00	100.00	.0%
73627401 72800	PRINTING AND BINDIN	150	.00	150.00	.00	.00	150.00	.0%
73627401 72900	POSTAGE	100	.00	100.00	.00	.00	100.00	.0%
73627401 75100	COMPUTER SUPPLIES	50	.00	50.00	.00	.00	50.00	.0%
	TOTAL SUPPLIES	400	.00	400.00	.00	.00	400.00	.0%
	XL OTHER SERVICES AND C							
73627401 80100	PROFESSIONAL SERVIC	130,000	.00	130,000.00	1,343.39	.00	128,656.61	1.0%
73627401 80101	ACTUARIAL SERVICES	39,300	.00	39,300.00	.00	.00	39,300.00	.0%
73627401 81400	INVESTMENT/BANK SER	30,000	.00	30,000.00	.00	.00	30,000.00	.0%
73627401 81700	LEGAL FEES	7,500	.00	7,500.00	.00	.00	7,500.00	.0%
73627401 81900	CONSULTANTS	30,000	.00	30,000.00	4,000.00	.00	26,000.00	13.3%
73627401 86600	LOCAL TRAVEL MILEAG	0	.00	.00	.00	.00	.00	.0%

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# Bay County, Michigan

06/06/2016 13:09  
KMeeth

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

P  
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FOR 2016 03

ACCOUNTS FOR: PUBLIC EMPLOYEE HEALTH CARE  
7360

	ORIGINAL APPROP	TRANSFRS/ ADJUSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73627401 94601 EQUIPMENT RENTAL-CO	55	.00	55.00	.00	.00	55.00	.0%
73627401 95600 INDIRECT COST EXPEN	10,420	.00	10,420.00	2,604.99	.00	7,815.01	25.0%
73627401 96200 LOSS ON DISPOSAL OF	350,000	.00	350,000.00	.00	.00	350,000.00	.0%
73627401 96201 UNREALIZED LOSS ON	0	.00	.00	.00	.00	.00	.0%
73627401 96500 INSURANCE AND BONDS	3,000	.00	3,000.00	.00	.00	3,000.00	.0%
TOTAL OTHER SERVICES AND C	600,275	.00	600,275.00	7,948.38	.00	592,326.62	1.3%
TOTAL VOL.EMPLOYEE BENEF.ASSOC	0	.00	.00	-3,997.43	.00	3,997.43	100.0%
TOTAL PUBLIC EMPLOYEE HEALTH C	0	.00	.00	-3,997.43	.00	3,997.43	100.0%
TOTAL REVENUES	-601,035	.00	-601,035.00	-11,945.81	.00	-589,089.19	
TOTAL EXPENSES	601,035	.00	601,035.00	7,948.38	.00	593,086.62	

06/06/2016 13:09  
KMeeth

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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# Bay County Michigan

FOR 2016 03

ORIGINAL APPROP	TRANSFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
0	.00	.00	-3,997.43	.00	3,997.43	100.0%

\*\* END OF REPORT - Generated by Kathleen Meeth \*\*

# Bay County Michigan

06/06/2016 13:09  
KMGeth

BAY COUNTY, MI  
YEAR-TO-DATE BUDGET REPORT

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## REPORT OPTIONS

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

Report title:  
YEAR-TO-DATE BUDGET REPORT

Includes accounts exceeding 0% of budget.  
Print totals only: N  
Print Full or Short description: F  
Print Full GL account: N  
Format type: 2  
Double space: N  
Suppress zero bal accts: N  
Include requisition amount: N  
Print Revenues-Version headings: N  
Print revenue as credit: Y  
Print revenue budgets as zero: N  
Include Fund Balance: N  
Print journal detail: N  
From Yr/Per: 2015/1  
To Yr/Per: 2015/13  
Include budget entries: Y  
Incl encumb/liq entries: Y  
Sort by JE # or PO #: J  
Detail format option: 1  
Include additional JE comments: N  
Multiyear view: D  
Amounts/totals exceed 999 million dollars: N

Year/Period: 2016 / 3  
Print MTD Version: N  
Roll projects to object: N  
Carry forward code: 1

Field Name Find Criteria Field Value  
Org 73627401  
Object  
Project  
Rollup code  
Account type  
Account status

VEBA

Invoices Approved:

May-16

Invoice Date	Vendor	Amount	Description
--------------	--------	--------	-------------

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
06/14/2016  
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:

CS McKee	MFS
Dodge & Cox	Bogdahn
Lord Abbett & Co LLC	Gabriel Roeder Smith
Northern Trust	CAPIS

Therefore, Be It

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

STEVE GRAY, CHAIR  
AND BOARD

RESOLUTION – SERVICE DISCLOSURE

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 \_\_\_\_\_

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
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 Ft. Dugan 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 VEBA Service Provider Disclosure Policy.

II Reporting Period

From: 1/1/2015 To: 12/31/2015

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 1964, as amended (MCL 38.1133e) as of the date indicated below.  YES  NO

Signature [Handwritten Signature] Date 3/14/16  
Printed Name ULF SKREPPEN Title CCO

The Aforenamed 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 [Handwritten Signature] Date 3/14/16  
Printed Name ULF SKREPPEN Title CCO

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 VEBA Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the VEBA.

(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  
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 Service Provider.

I. Investment Service Provider Information

Company Name: C. S. McKee L.P.  
Address: 400 Ft. Duquesne Blvd.  
City: Pittsburgh, PA State: PA Zip: 15222

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 VEBA Service Provider Disclosure Policy.

[Signature]  
Signature

3/14/16  
Date

ULF SKREPPEN  
Printed Name

CCO  
Title

II. Reporting Period

From: \_\_\_\_\_

To: \_\_\_\_\_

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

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

Amount: \*  
Manner of Receipt (invoice, direct deduction, etc): \*

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

Amount: \*  
Payer: \*  
Manner of Receipt: \*  
Services to which such compensation relates: \_\_\_\_\_

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, finders' fees, or other similar incentive compensation)

Amount: \*  
Payer: \*  
Recipient: \*

\* SEE ATTACHED FEE STATEMENT

D. Total Amount: \*

\*Attach additional sheets as necessary.

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

(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, 2015 thru December 31, 2015

---

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>
04/09/2015	29990	\$12,223.31	01/01/2015 - 03/31/2015
07/09/2015	30812	\$12,078.61	04/01/2015 - 06/30/2015
10/09/2015	31261	\$12,233.32	07/01/2015 - 09/30/2015
01/11/2016	31672	\$12,214.75	10/01/2015 - 12/31/2015

### 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 uskreppe@csmckee.com.

C.S. McKee, L.P.  
Ulf Skreppen - Chief Compliance Officer  
March 14, 2016

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
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 Service Provider.

**I. Investment Service Provider Information**

Company Name: Dodge & Cox  
Address: 555 California St., 40th Fl  
City: San Francisco State: CA Zip: 94104

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 VEBA Service Provider Disclosure Policy.

Katherine M. Primas  
Signature

4.7.16  
Date

Katherine M. Primas  
Printed Name

Chief Compliance Officer  
Title

**II. Reporting Period**

From: 1/1/15

To: 12/31/15

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

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

Amount: N/A  
Manner of Receipt (invoice, direct deduction, etc): \_\_\_\_\_

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

Amount: 50bps per annum applied to the amount of the Bay County Employees Fund's investment in the Dodge & Cox Stock Fund.  
Payer: DODGEX  
Manner of Receipt: \_\_\_\_\_  
Services to which such compensation relates: Investment Management Services.

**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, finders' fees, or other similar incentive compensation)**

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Recipient: \_\_\_\_\_

**D. Total**

Amount: see above

\*Attach additional sheets as necessary.

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

(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  
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, 40<sup>th</sup> Fl  
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 VEBA Service Provider Disclosure Policy.

II Reporting Period

From: 1/1/15 To: 12/31/15

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 1964, as amended (MCL 38.1133e) as of the date indicated below.  YES  NO

Signature

Date

Printed Name

Title

The Aforenamed 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

4.7.16  
Date

Katherine M. Primas  
Printed Name

Chief Compliance Officer  
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 VEBA Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the VEBA.

(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  
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 Service Provider.

I. Investment Service Provider Information

Company Name: MFS Institutional Advisors, Inc. ("MFSI")

Address: 111 Huntington Avenue

City: Boston State: MA Zip: 02199

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 VEBA Service Provider Disclosure Policy.

Carol Geremia  
Signature

3/31/16  
Date

Carol Geremia  
Printed Name

President  
Title

II. Reporting Period

From: January 1, 2015

To: December 31, 2015

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

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

Amount: \$ 0

Manner of Receipt (invoice, direct deduction, etc): \_\_\_\_\_

Although MFSI is aware that Bay County Voluntary Employees' Beneficiary Association (the "Client") is not subject to ERISA, for information regarding direct compensation please refer to MFSI's ERISA Section 408(b)(2) fee disclosure notice attached hereto with respect to the services provided to the Client under the Investment Advisory Agreement dated December 17, 2015 by and between MFSI and the Client. The fee schedule with respect to the Investment Advisory Agreement is also attached to this form for your convenience.

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

Amount: \_\_\_\_\_

Payer: \_\_\_\_\_

Manner of Receipt: \_\_\_\_\_

Services to which such compensation relates: \_\_\_\_\_

Although MFSI is aware that the Client is not subject to ERISA, for information regarding indirect compensation please refer to MFSI's ERISA Section 408(b)(2) fee disclosure notice attached hereto with respect to the services provided to the Client under the Investment Advisory Agreement dated December 17, 2015 by and between MFSI and the Client.

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, finders' fees, or other similar incentive compensation)

Amount: \_\_\_\_\_

Payer: \_\_\_\_\_

Recipient: \_\_\_\_\_

Although MFSI is aware that the Client is not subject to ERISA, please refer to MFSI's ERISA Section 408(b)(2) fee disclosure notice attached hereto with respect to the services provided to the Client under the Investment Advisory Agreement dated December 17, 2015 by and between MFSI and the Client.

D. Total

Amount: \_\_\_\_\_

Although we do not consider them to be third parties, affiliates or subcontractors, as a general matter, MFSI sales personnel are compensated with respect to any new mandate won in which they were involved, based on a percentage of revenue generated from that mandate.

\*Attach additional sheets as necessary.

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

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

The certification below is being provided with respect to Bay County Voluntary Employees' Beneficiary Association separate account managed by MFS Institutional Advisors, Inc. ("MFSI"). MFSI's direct parent company (Massachusetts Financial Services Company or "MFS") has adopted the MFS Political Contributions and Activities Policy (the Policy). The Policy is designed to prohibit violations of the SEC's pay to play rule and other applicable laws that relate to political contributions by investment advisors or broker/dealers that do business with government entities, including Municipal Securities Rulemaking Board (MSRB) Rule G-37 and state pay to play laws. All employees must obtain approval from the MFS Compliance Department prior to making a contribution (as defined under the Policy) of any value. To obtain pre-approval for a contribution, an employee must complete and submit a Political Contribution Request Form to the Compliance Department. The department reviews and evaluates each request to determine if it is permissible under the Policy.

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
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: MFS Institutional Advisors, Inc.  
Address: 111 Huntington Avenue  
City: Boston State: MA Zip: 02199

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 VEBA Service Provider Disclosure Policy.

**II Reporting Period**

From: January 1, 2015 To: December 31, 2015

**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 1964, as amended (MCL 38.1133e) as of the date indicated below.  YES  NO

\_\_\_\_\_  
Signature Date  
\_\_\_\_\_  
Printed Name Title

The Aforenamed 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  
Carol Geremia 3/31/16  
Signature Date  
Carol Geremia President  
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 VEBA Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the VEBA.

(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  
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 Service Provider.

I. Investment Service Provider Information

Company Name: Capital Institutional Services, Inc. (CAPIS)  
Address: 1601 Elm Street Suite 3900  
City: Dallas State: TX Zip: 75201

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 VEBA Service Provider Disclosure Policy.

[Signature]  
Signature

3/31/16  
Date

SASW CHRISTIAN  
Printed Name

CCO  
Title

II. Reporting Period

From: 1/1/15

To: 12/31/15

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

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

Amount: \_\_\_\_\_  
Manner of Receipt (invoice, direct deduction, etc): \_\_\_\_\_

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

Amount: \_\_\_\_\_  
Payer: \_\_\_\_\_  
Manner of Receipt: \_\_\_\_\_  
Services to which such compensation relates: \_\_\_\_\_

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, finders' fees, or other similar incentive compensation)

Amount: \$2,571.10 (This is the net amount CAPIS received after recapture portion has been paid back to the plan - see statement)  
Payer: Atalanta/Susnett CC  
Recipient: CAPIS

D. Total

Amount: \$2,571.10

\*Attach additional sheets as necessary.

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

(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  
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: Capital Institutional Services, Inc. (CAPIS)  
Address: 1601 Elm St. Suite 3900  
City: Dallas State: TX Zip: 75201

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 VEBA Service Provider Disclosure Policy.

II Reporting Period

From: 1/1/15 To: 12/31/15

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 1964, as amended (MCL 38.1133e) as of the date indicated below.  YES  NO

J. Paul Clark  
Signature

3/31/16  
Date

JASON CHRISTIAN  
Printed Name

CCO  
Title

The Aforenamed 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 VEBA Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the VEBA.

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





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: 12/31/2015

**Summary of Segregated Account Detail**

Month	YTD
December	YTD
\$ 169.50	\$ 8,037.09
\$ 169.50	\$ 8,037.09

**Segregated Account Detail**

Service Period	Comments/Notes	Vendor Invoice #	Date Paid	December	Prior Months	YTD	Mixed Use %
<b>Payment from Segregated Account</b>							
December 2014	Commission Recapture	2987988Bay Count	01/16/2015		\$ 402.00		
January 2015	Commission Recapture	2993268Bay Count	02/12/2015		\$ 553.50		
February 2015	Commission Recapture	2988728Bay Count	03/13/2015		\$ 581.89		
March 2015	Commission Recapture	3007638Bay Count	04/14/2015		\$ 883.71		
April 2015	Commission Recapture	3013078Bay Count	05/14/2015		\$ 965.25		
May 2015	Commission Recapture	3018888Bay Count	06/12/2015		\$ 577.95		
June 2015	Commission Recapture	3024628Bay Count	07/15/2015		\$ 1,219.25		
July 2015	Commission Recapture	3029488Bay Count	08/14/2015		\$ 1,056.89		
August 2015	Commission Recapture	3035238Bay Count	09/16/2015		\$ 439.13		
September 2015	Commission Recapture	3039878Bay Count	10/15/2015		\$ 481.50		
October 2015	Commission Recapture	3048018Bay Count	11/13/2015		\$ 798.02		
November 2015	Commission Recapture	3050388Bay Count	12/15/2015	\$ 169.50			
				\$ 169.50	\$ 7,867.89	\$ 8,037.09	
				\$ 169.50	\$ 7,867.59	\$ 8,037.09	
				<b>Grand Total</b>			

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

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



**CAPITAL**  
**INSTITUTIONAL**  
**SERVICES, 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: 12/31/2015

**Summary of Execution by Security Type**

U.S. Equity	December	YTD
	\$0.00	\$0.00
	\$ 0.00	\$ 0.00

**Execution Trade Blotter**

Trade Date	Sluit Date	Post Date	Side	Shares	Ticker	Security Description	Brokerage Account Number	Brokerage Account Name	Price	Commission
11/30/2015	12/03/2015	12/01/2015	S	(980)	LVS	LAS VEGAS SANDS CORP	3PF07S82	49766 BAY COUNTY VOLUNTAR	44.2501	(38.00)
11/30/2015	12/03/2015	12/01/2015	S	(50)	GOOG	ALPHABET INC SHS	3PF07S82	49766 BAY COUNTY VOLUNTAR	749.9784	(2.00)
11/30/2015	12/03/2015	12/01/2015	S	50	GOOG	ALPHABET INC SHS	3PF07S82	49766 BAY COUNTY VOLUNTAR	749.9784	2.00
11/30/2015	12/03/2015	12/01/2015	S	950	LVS	LAS VEGAS SANDS CORP	3PF07S82	49766 BAY COUNTY VOLUNTAR	44.2501	38.00
<b>Total for U.S. Equity</b>										<b>0</b>
<b>Execution Total</b>										<b>\$ 0.00</b>

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

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

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1601 Elm Street, Suite 3900  
 Dallas, Texas 75201

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**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 12/31/2015

**Summary of Directed Commission by Manager**

Account/Borrower CC	Commission		Receipture Allocation	
	December	YTD	December	YTD
Shares	2,125	2,125	\$83.25	\$7,696.34
Acidental/Borrower CC	\$ 85.00	\$ 85.00	\$ 63.25	\$ 7,896.34

**Receipture Commission Activity**

Trade Date	Share Date	Post Date	Side	Shares	Ticker	Security Description	Brokerage Account Number	Brokerage Account Name	Ex Br/Tr	Price	Commission	Receipture Allocation	
<b>Atlanta/Borrower CC</b>													
11/30/2015	12/03/2015	01/07/2016	S	50	GOOG	ALPHABET INC SHS	3PF07S82	49786 BAY COUNTY	CAPIS	749.9784	2.00	1.00	
11/30/2015	12/03/2015	01/07/2016	S	850	LVS	LAS VEGAS SANDS CORP	3PF07S82	49766 BAY COUNTY	CAPIS	44.2501	38.00	28.50	
12/01/2015	12/04/2015	12/03/2015	S	550	LVS	LAS VEGAS SANDS CORP	3PF07S82	49766 BAY COUNTY	CAPIS	43.8901	22.00	16.50	
12/10/2015	12/15/2015	12/11/2015	S	575	ADBE	ADOBE SYS DEL PV'S 0.	3PF07S82	48766 BAY COUNTY	CAPIS	89.2101	23.00	17.25	
<b>Total for Atlanta/Borrower CC</b>											<b>2,125</b>	<b>\$ 85.00</b>	<b>\$ 63.25</b>
<b>Receipture Trade Total</b>											<b>2,125</b>	<b>\$ 85.00</b>	<b>\$ 63.25</b>

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

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

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1601 Elm Street, Suite 3900  
Dallas, Texas 75201

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**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 12/31/2015

	Commission		Receipture Allocation		Redeemed Receipture		Balance
	Month	YTD	Month	YTD	Month	YTD	
Beginning Balance							\$ 402.00
January	\$738.00	\$738.00	\$653.50	\$553.50	\$402.00	\$402.00	\$553.50
February	775.92	1,513.92	581.69	1,135.19	533.50	955.50	581.69
March	1,178.28	2,692.20	883.71	2,018.90	581.69	1,537.19	883.71
April	1,288.00	3,980.20	965.25	2,984.15	883.71	2,420.90	965.25
May	770.80	4,750.80	577.95	3,562.10	965.25	3,386.15	577.95
June	1,827.00	6,377.80	1,219.25	4,781.35	577.95	3,964.10	1,219.25
July	1,410.20	7,788.00	1,056.69	5,838.04	1,219.25	5,183.35	1,056.69
August	585.88	8,373.88	439.13	6,277.17	1,056.69	6,240.04	439.13
September	642.00	9,015.88	481.50	6,758.67	439.13	6,679.17	481.50
October	942.56	9,958.44	706.92	7,465.59	481.50	7,160.67	706.92
November	228.00	10,186.44	169.50	7,635.09	706.92	7,867.59	169.50
December	85.00	10,269.44	63.25	7,698.34	169.50	8,037.09	63.25

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

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

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Dallas, Texas 75201

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**Bay County Employees' VEBA**

CAPIS Account: 10250

Settlement Month Ending: 12/31/2015

**Explanation of Your Statement**

**Total Commission** is a summary of brokerage transactions by security type. The Commission Allocation is the amount applicable to Execution and Research/Recapture for both the month and the year-to-date.

**Research Payment Detail** receipts by vendor; the payments made from the Commission Allocation for Research, including service period covered, any comments or notes, vendor invoice number, date paid, and the percentage allocated for mixed-use payments during the current month.

**Payment from Segregated Account** summarizes the year-to-date disbursements made based on the Commission Allocation for Recapture.

**Trade Blotter** shows the monthly detail of all brokerage transactions based on trade or settlement date and the corresponding Commission and Research/Recapture Allocation.

**Execution Only Trade Blotter** shows the monthly detail of all brokerage transactions based on trade or settlement date.

**Directed Commission Reports** show all trades executed for or by CAPIS at the direction of a plan sponsor. The manager's statement is a listing by each plan sponsor providing direction. The plan sponsor's statement provides a listing for each manager who has directed trades for the period.

**Transition Statement** will only be included if a change is made in reporting from Trade Date to Settlement Date or the reverse. This report is a summary of any transactions that fall into the transition period between the Trade Date and Settlement Date and vice versa.

**Research Commission Allocation**

The Commission Allocation for Research is not a contractual liability of CAPIS and is not redeemable in cash. CAPIS provides third-party research and brokerage services to clients for commission generated through transactions. CAPIS reserves the right to refuse payment of any invoice.

The Commission Allocation for Research and Recapture is calculated on settlement date. If your statement is based on trade date detail, your Commission Allocation balance could be higher or lower depending upon account activity between month end and final settlement date.

**Statement Online**

This statement may be viewed online by logging into the Concourse portal at [www.capis.com](http://www.capis.com). If you do not have a login ID or password, one can be obtained from your CAPIS Account Executive.

Our current financial statement is available online at [www.capis.com](http://www.capis.com). Additionally, this statement is available for your personal inspection at our offices or a copy will be mailed upon your written request.

Also available online or upon written request are our policies regarding the following programs: Customer Identification Program, Privacy Policy, Reg NMS 606 Report, SIPC Notification, Payment for Order Flow Practices, and Extended Hours Trading.

Please advise CAPIS promptly of any inaccuracies or discrepancies in your account statement. In order to protect your rights, including those under the Securities Investor Protection Act (SIPA), all oral communications regarding discrepancies must be re-confirmed in writing to the following address:

Capital Institutional Services, Inc.  
Attention: Compliance  
1601 Elm Street, Suite 3900  
Dallas, TX 75201

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

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

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BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
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 Service Provider.

I. Investment Service Provider Information

Company Name: Bogdahn Consulting, LLC d/b/a The Bogdahn Group  
Address: 4901 Vineland Road, Suite 600  
City: Orlando State: FL Zip: 32811

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 VEBA Service Provider Disclosure Policy.

Richard Spurgeon  
Signature

3/15/16  
Date

Richard Spurgeon  
Printed Name

CCO  
Title

II. Reporting Period

From: 1/1/2015

To: 12/31/2015

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

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

Amount: \$14,500

Manner of Receipt (invoice, direct deduction, etc): INVOICE

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

Amount: -0-

Payer: \_\_\_\_\_

Manner of Receipt: \_\_\_\_\_

Services to which such compensation relates: \_\_\_\_\_

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, finders' fees, or other similar incentive compensation)

Amount: -0-

Payer: \_\_\_\_\_

Recipient: \_\_\_\_\_

D. Total

Amount: \$14,500

\*Attach additional sheets as necessary.

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

(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  
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: Bogdahn Consulting, LLC d/b/a The Bogdahn Group  
Address: 4901 Vineyard Road, Suite 600  
City: Orlando State: FL Zip: 32811

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 VEBA Service Provider Disclosure Policy.

II Reporting Period

From: 1/1/2015 To: 12/31/2015

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 1964, as amended (MCL 38.1133e) as of the date indicated below.  YES  NO

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

The Aforenamed 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

Richard Spurgeon  
Signature

3/15/16  
Date

Richard Spurgeon  
Printed Name

CEO  
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 VEBA Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the VEBA.

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



LORD ABBETT

March 21, 2016

**VIA FEDEX COURIER**

Ms. Crystal Hebert  
**Bay County Employees' Retirement System**  
Bay County Building  
515 Center Avenue  
Bay City, MI 48708-5128

Re: **Political Contribution Disclosure Form**  
**Form 5500/Schedule C Disclosures Memorandum**

Dear Ms. Hebert,

Enclosed please find a fully executed Political Contribution Disclosure Form and our Board approved Form 5500 Memorandum. Should you have any questions, please feel free to contact me at (201) 827-2588. Thank you.

Kind Regards,

Shannon Jackson  
Lord, Abbett & Co. LLC  
90 Hudson Street, 10<sup>th</sup> Floor  
Jersey City, NJ 07302

**RECEIVED**  
Finance Department

**MAR 23 2016**

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
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: NJ 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 VEBA Service Provider Disclosure Policy.

II Reporting Period

From: January 1, 2015 To: December 31, 2015

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 1964, as amended (MCL 38.1133e) as of the date indicated below.  YES  NO

Signature

Date

Printed Name

Title

The Aforenamed 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

March 21, 2016

Date

Lawrence H. Kaplan

Member & General Counsel

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 VEBA Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the VEBA.

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



LORD ABBETT

**MEMORANDUM**

March 21, 2016

**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](http://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	CUSIP Class A	CUSIP Class B	CUSIP Class C	CUSIP Class 1	CUSIP Class P	CUSIP Class R2	CUSIP Class R3	CUSIP Class R4	CUSIP Class R5	CUSIP Class R6	Fund EIN
Lord Abbett Affiliated Fund, Inc.	544001100	544001209	544001308	544001506	544001407	544001704	544001803	544001886	544001878	544001860	13-5020600
Lord Abbett Bond-Debenture Fund, Inc.	544004104	544004203	544004302	544004401	544004500	544004708	544004807	544004880	544004872	544004854	13-5669319
Lord Abbett Developing Growth Fund, Inc.	544006109	544006208	544006307	544006505	544006406	544006703	544006802	544006885	544006877	544006869	13-2755091
Lord Abbett Equity Trust											
Lord Abbett Calibrated Large Cap Value Fund	54400M880		54400M872	54400M856		54400M849	54400M831	54400M757	54400M740	54400M732	45-3910646
Lord Abbett Calibrated Mid Cap Value Fund	54400M823		54400M815	54400M781		54400M773	54400M765	54400M724	54400M716	54400M690	45-3910805
Lord Abbett Global Fund, Inc.											
Lord Abbett Emerging Markets Corporate Debt Fund	543908677		543908669	543908644		543908636	543908628	543908511	543908495	543908487	46-3477094
Lord Abbett Emerging Markets Currency Fund	543908867	543908859	543908842	543908826	543908834	543908768	543908750	543908578	543908560	543908552	13-3460111
Lord Abbett Emerging Markets Local Bond Fund	543908743		543908735	543908719		543908693	543908685	543908545	543908537	543908529	46-2066227
Lord Abbett Multi-Asset Global Opportunity Fund	543908107	543908305	543908404	543908683		543908792	543908784	543908610	543908594	543908586	13-3460109
Lord Abbett Investment Trust											
Lord Abbett Convertible Fund	543916753	543916746	543916738	543916712	543916720	543916480	543916472	54401E846	54401E838	54401E820	56-2352928
Lord Abbett Core Fixed Income Fund	543916878	543916860	543916852	543916803	543916811	543916423	543916415	54401E812	54401E796	54401E788	13-3978645
Lord Abbett Core Plus Bond Fund	54401E572		54401E564	54401E549		54401E531	54401E523	54401E515	54401E499	54401E481	47-5304837
Lord Abbett Diversified Equity Strategy Fund	543916555	543916548	543916530	543916514	543916522	543916225	543916217	54401E101	54401E200	54401E309	41-2207318
Lord Abbett Floating Rate Fund	543916191	543916183	543916175	543916134		543916159	543916142	54401E770	54401E762	54401E754	26-1539133

11

Legal Name	CUSIP Class A	CUSIP Class B	CUSIP Class C	CUSIP Class 1	CUSIP Class P	CUSIP Class R2	CUSIP Class R3	CUSIP Class R4	CUSIP Class R5	CUSIP Class R6	Fund EN
Lord Abbett High Yield Fund	54400N102	54400N201	54400N300	54400N409	543916761	54400N607	54400N706	54401E747	54401E739	54401E721	13-4033082
Lord Abbett Income Fund	543916308	543916407	543916506	543916670		543916367	543916340	54401E713	54401E697	54401E689	13-6020601
Lord Abbett Inflation Focused Fund	54400U205		54400U304	54400U502		54400U601	54400U700	54401E671	54401E663	54401E655	45-1554636
Lord Abbett Multi-Asset Balanced Opportunity Fund	543916209	543916386	543916605	543916696	543916779	543916324	543916316	54401E408	54401E507	54401E606	13-3799450
Lord Abbett Multi-Asset Growth Fund	543916613	543916397	543916589	543916563	543916571	543916258	543916241	54401E879	54401E861	54401E853	71-0983159
Lord Abbett Multi-Asset Income Fund	543916662	543916654	543916647	543916621	543916639	543916282	543916274	54401E705	54401E804	54401E887	20-2933946
Lord Abbett Short Duration Income Fund	543916100	543916787	543916704	543916688		543916456	543916449	54401E648	54401E630	54401E622	13-3731507
Lord Abbett Total Return Fund	543916845	543916837	543916829	54400U106	543916795	543916881	543916373	54401E614	54401E598	54401E580	13-4035307
Lord Abbett Mid Cap Stock Fund, Inc.	543919104	543919203	543919302	543919500	543919401	543919706	543919807	543919880	543919872	543919864	13-3166900
Lord Abbett Municipal Income Fund, Inc.											
Lord Abbett AMT Free Municipal Bond Fund	543902720		543902712	543902688							27-3580886
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 High Yield Municipal Bond Fund	543912729		543912711	543912687							47-8898396

Legal Name	CUSIP Class A	CUSIP Class E	CUSIP Class C	CUSIP Class I	CUSIP Class P	CUSIP Class R2	CUSIP Class R3	CUSIP Class R4	CUSIP Class R5	CUSIP Class R6	Fund EIN
Lord Abbett Short Duration Tax Free Fund	543912778	543912760	543912752	543912737							26-3796837
Lord Abbett Research Fund, Inc.											
Lord Abbett Calibrated Dividend Growth Fund	543913859	543913842	543913834	543913818	543913826	543913784	543913776	543913636	543913628	543913610	22-3842531
Lord Abbett Growth Opportunities Fund	54400R103	54400R202	54400R301	54400R400	54400R509	54400R707	54400R806	543913693	543913685	543913677	13-3842507
Small-Cap Value Series	543913305	543913503	543913701	543913800	543913867	543913727	543913719	543913669	543913651	543913644	13-3862601
Lord Abbett Securities Trust											
Lord Abbett Alpha Strategy Fund	543915763	543915755	543915748	543915581		543915524	543915516	54400A886	54400A878	54400A860	13-3980796
Lord Abbett Fundamental Equity Fund	543915882	543915821	543915607	543915714	543915722	543915557	543915540	54400A852	54400A845	54400A837	13-3731505
Lord Abbett Growth Leaders Fund	543915326	543915250	543915318	543915284		543915276	543915268	54400A829	54400A811	54400A795	45-2447491
Lord Abbett International Core Equity Fund	543915849	543915631	543915623	543915599	543915615	543915482	543915474	54400A753	54400A746	54400A738	20-0242156
Lord Abbett International Dividend Income Fund	543915391	543915383	543915375	543915359		543915342	543915334	54400A720	54400A712	54400A696	26-2524171
Lord Abbett International Opportunities Fund	543915854	543915847	543915839	543915813	543915730	543915458	543915441	54400A688	54400A670	54400A662	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	54400A787	54400A779	54400A761	20-3767040
Lord Abbett U.S. Government & Government Sponsored Enterprises Money Market Fund, Inc.	543918106	543918304	543918205	543918403							13-2966729

BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
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: Northern Trust  
Address: 50 S. LaSalle ST.  
City: Chicago State: IL Zip: 60603

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 VEBA Service Provider Disclosure Policy.

II Reporting Period

From: 1/1/2015 To: 12/31/2015

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 1964, as amended (MCL 38.1133e) as of the date indicated below.  YES  NO

Signature

Lawrence A. Funnacolo  
Printed Name

NO

Date

4/4/2016  
VICE PRESIDENT  
Title

The Aforenamed 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

Printed Name

Date

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 VEBA Service Provider Disclosure Policy, and may result in the suspension of payment for services rendered and/or termination of your relationship with the VEBA.

(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  
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 Service Provider.

**I. Investment Service Provider Information**

Company Name: Northern Trust  
Address: 50 S. LaSalle St.  
City: Chicago IL State: IL Zip: 60603

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 VEBA Service Provider Disclosure Policy.

[Signature]  
Signature

4/14/2016  
Date

Lawrence A. Famicola  
Printed Name

VICE PRESIDENT  
Title

**II. Reporting Period**

From: 1/1/2015 To: 12/31/2015

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

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

Amount: \$ 29,225.76

Manner of Receipt (invoice, direct deduction, etc): INVOICE & INCOME EXPENSE DETAIL REPORT

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

Amount: SEE ATTACHED DISCLOSURE

Payer: \_\_\_\_\_

Manner of Receipt: \_\_\_\_\_

Services to which such compensation relates: \_\_\_\_\_

**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, finders' fees, or other similar incentive compensation)**

Amount: SEE ATTACHED DISCLOSURE

Payer: \_\_\_\_\_

Recipient: \_\_\_\_\_

**D. Total**

Amount: SEE ATTACHED DISCLOSURE

\*Attach additional sheets as necessary.

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

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

## Form 5500 Indirect Compensation Schedule C Report

Schedule C Indirect Compensation for the period January 1, 2015 through December 31, 2015

Payor: Northern Institutional Diversified Assets Portfolio

Average Market Value of Fund	Total Fund Fees	Total Securities Lending Revenue	Total Soft Dollars
\$10,642,091,296.66	\$2,961,123.68	\$0.00	\$0.00

Please see the enclosed DISCLOSURE OF INDIRECT COMPENSATION for important information regarding the indirect compensation disclosed in this report, including additional information required in connection with schedule C reporting.

DISCLAIMER: Although this report has been prepared using data believed to be reliable, it may contain information provided by third parties, derived from third party data and/or data that may have been categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. This document contains non-public information proprietary to Northern Trust that must be held in the strictest confidence.

**STATE OF MICHIGAN PA 314 DISCLOSURE  
Gabriel, Roeder, Smith & Company**

**POLITICAL CONTRIBUTION DISCLOSURE FORM**

Completion required pursuant to MCL 38.1133e

**This form must be submitted to the Retirement Commission  
28 days following its receipt by the Service Provider.**

**I. Service Provider Information**

Company Name Gabriel, Roeder, Smith & Company  
Address: One Towne Square, Suite 800  
City: Southfield State: Michigan Zip: 48076

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: 07/01/2012 To: 12/31/2015

**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.



\_\_\_\_\_  
Signature

01/07/16  
Date

Christine Scheer  
Printed Name

COFO  
Title



## 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, by insuring, will supply counsel defense counsel.

### Your Private Company May Need Fiduciary Liability Insurance Because:

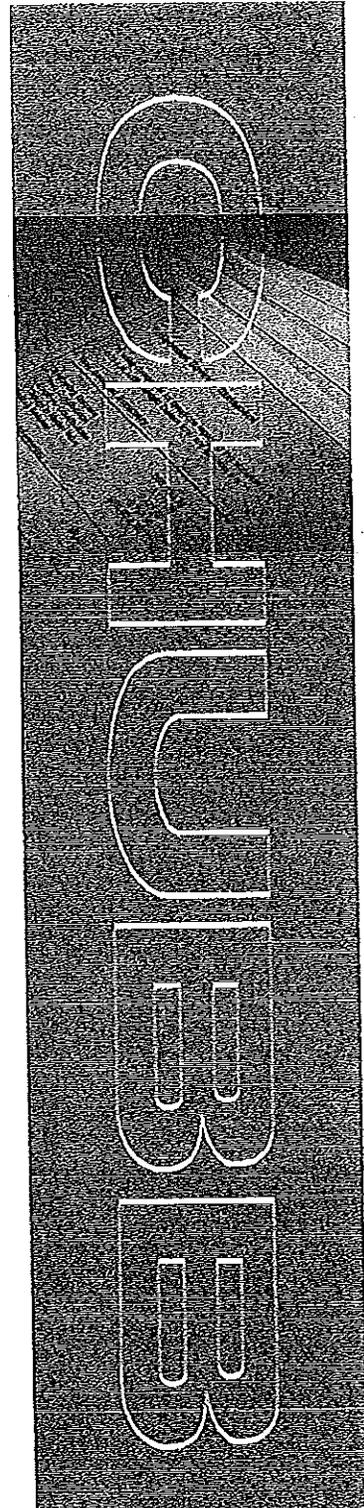
- It fills in gaps in traditional coverage. It is a common misconception that the employee benefits liability (EBL) section of general liability (GL) insurance or directors and officers (D&O) liability insurance will take care of every possible lawsuit against fiduciaries. However:
  - EBL insurance 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.

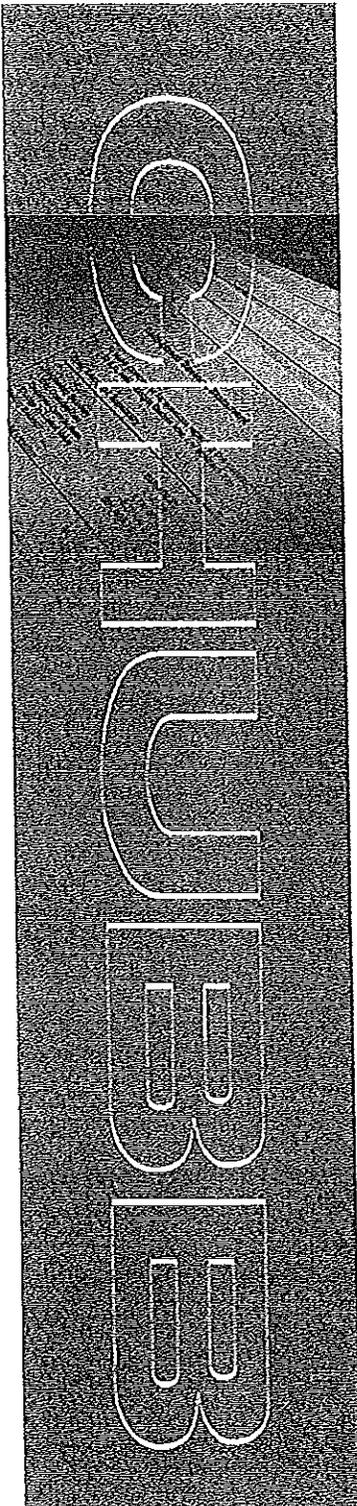
- According to *The 2005 Chubb Private Company Risk Survey*<sup>1</sup>:

- 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. Respondents completed 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 Portfolio<sup>SM</sup> Fiduciary Liability Insurance from Chubb

In order to help protect private companies, their fiduciaries, and their benefit plans, Chubb offers ForeFront Portfolio<sup>SM</sup> 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(j) 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(j) 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 Portfolio<sup>SM</sup> Fiduciary Liability Insurance, or about Chubb's other ForeFront Portfolio coverages, contact your insurance agent or broker, or email [rai-info@chubb.com](mailto:rai-info@chubb.com). Additional information may be found on our Web site at [www.chubb.com](http://www.chubb.com).



Chubb Group of Insurance Companies  
Warren, NJ 07059  
[www.chubb.com](http://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 16-01-0712 (Rev. 5/00)

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION  
06/14/2016  
RESOLUTION**

BY: BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION BOARD 6/14/2016

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. The current one (1) year policy expires August 17, 2016; an

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

RESOLUTION – FIDUCIARY LIABILITY RENEWAL

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 \_\_\_\_\_



**OFFICE OF  
BAY COUNTY EXECUTIVE**

**Thomas L. Hickner**  
County Executive

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515 Center Avenue, Suite 401  
Bay City, Michigan 48708  
Tel: (989) 895-4130 | Fax: (989) 895-7658

May 25, 2016

Mr. Steven Gray, Chairperson  
Bay County Employees Retirement System  
c/o Bay County Building  
515 Center Avenue  
Bay City, Michigan 48708

**RE: APPOINTMENT AS SECRETARY TO BCERS**

Dear Steve:

As you are aware, Shawna Walraven was appointed as my designee to act as Interim Secretary to the BCERS upon the retirement of former Finance Officer Crystal Hebert.

Effective immediately, I am appointing Jan Histed, Bay County Finance Officer, as Secretary to the BCERS, pursuant to Section 4.010(e). Ms. Histed's appointment will remain in effect until further notice.

Please let me know if you have any questions or wish to discuss this matter in any greater detail.  
Thank you.

Sincerely,



**TOM HICKNER**  
Bay County Executive

Cc: Finance Department  
Personnel & Employee Relations  
Retirement Board  
Board of Commissioners  
Robert Redmond  
Deanne Berger