

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
WEDNESDAY NOVEMBER 12, 2014 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1 - 9	A.	OCTOBER 14, 2014 REGULAR MEETING
	IV.	PUBLIC INPUT
	V.	PETITIONS & COMMUNICATIONS
	A.	THE BOGDAHN GROUP - PETER BROWN
	1.	2014 THIRD QUARTER REPORT
10	B.	PORTFOLIO VALUE - 1/1/14 - 10/31/2014
	C.	MONEY MANAGERS ON WATCH - (EFFECTIVE DATE)
	1.	NONE
	D.	MONEY MANAGER REPORTS
	1.	BAIRD - ENDING 9/30/2014
	2.	COLUMBIA - ENDING 9/30/2014
	3.	CORNERSTONE - ENDING 9/30/2014
11 - 80	4.	HOTCHKIS & WILEY - ENDING 9/30/2014; PROXY VOTE SUMMARY REPORT - ENDING 9/30/2014
	5.	INTEGRITY - ENDING 9/30/2014
	6.	LOOMIS SAYLES - ENDING 9/30/2014
	7.	MFS HERITAGE TRUST - ENDING 9/30/2014, 10/31/2014; PROXY VOTE SUMMARY REPORT - ENDING 9/30/2014
	8.	MFS INVESTMENT - ENDING 9/30/2014
	9.	MACKAY SHIELDS - ENDING 9/30/2014
	E.	RECAPTURE SERVICES
81 - 88	1.	ABEL/NOSER - SUMMARY ENDING 9/30/2014
	2.	CAPIS - SUMMARY ENDING 9/30/2014
	F.	NORTHERN TRUST
	1.	NO REPORT
89	G.	REFUNDS/RETIREMENTS ENDING 10/31/2014
90 - 94	H.	BCERS YTD BUDGET REPORT - ENDING 10/31/2014

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
WEDNESDAY NOVEMBER 12, 2014 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

- 95 - 99 I. CORRESPONDENCE - MACKAY SHIELDS
 - 1. AUTHORIZATION FOR DELIVERY OF RECONCILIATION DATA

- 100 - 105 J. CORPORATION COUNSEL - SHAWNA WALRAVEN
 - 1. SERVICE REQUIREMENT PROCEDURES
 - 2. BABHA ORDINANCE CHANGE
 - 3. RFQ ACTUARIAL SERVICES
 - A. AMEND MOTION TO ENGAGE ACTUARIAL SERVICES

- K. ATTORNEY THOMAS MICHAUD
 - 1. SECURITIES LITIGATION.

- L. SCANNING UPDATE

- VI. ANNOUNCEMENTS
 - A. NEXT REGULAR MEETING - DECEMBER 9, 2014 AT 1:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4TH FLOOR, BAY CITY, MI 48708

- VII. UNFINISHED BUSINESS

- VIII. NEW BUSINESS

- IX. MISCELLANEOUS BUSINESS

- X. ADJOURNMENT

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

A meeting of the Board of Trustees was held on October 14, 2014 at 1:30 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

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

Trustees Absent: None.

Also Present:

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

The meeting was called to order by Chairman, Steve Gray at 1:32 p.m.

1. Moved, supported and carried to approve the minutes as printed from the September 9, 2014 regular meeting amended with corrections as stated:
 - 1) On page 4, the date of 2004 corrected to 2014
 - 2) Under New Business - Motion:
16. Moved, carried and supported to approve the Chair, Vice Chair and the Retirement Board member with the highest seniority (Mr. Coonan) to have the authority to approve bills for the retirement system.

CORRECTED TO:

16. Moved, carried and supported to approve the Chair, Vice Chair and the most senior serving County Board member to have the authority to approve bills for the retirement system.

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

Present today were Jim Anderson and Shana Neeson from Gabriel Roeder & Smith to present the December 31, 2013 Actuarial Valuation. A copy was provided to all Trustees, in advance, via the web.

Mr. Anderson updated the Board on the pending GASB statements and the implementation of GASB 67 for the year ending December 31, 2014. He was happy to report that they have been through this with their June 30th cycle clients and have a well-established practice for it. Mr. Anderson will be working with

Ms. Hebert. He will send the fee quote to the Board's attention so the process can begin immediately after the end of the fiscal year, once they have December 31, 2014 assets.

Mr. Anderson responded to trustees' questions and explained the new accounting requirements for GASB 67. He explained that GASB 67 are the new accounting requirements that supersede the old GASB 25 and 27. GASB 67 is for plan reporting. He stated that for the Bay County Employees' Retirement System, they will do one set of books for the plan that shows the accounting figures for the plan that will go on the balance sheet in terms of measuring liabilities. They will be using what is called total pension liability and the net pension liability as well. He explained the biggest thing with GASB is they want comparability among the plans so that there is a set, set of rules. He also discussed the use of market value of assets and stated that number would bounce around. He clarified they would still be doing the 5-year smoothing as well as market value. Mr. Anderson also clarified that there would be an expense for a report at the end of the year and the report is required by GASB.

Chairman Gray asked Mr. Michaud to speak to the legalities of this. Mr. Michaud stated that GASB 67 is financial reporting rules and there will be a separate set of accounting. It does not impact the funding report.

Mr. Anderson then went over the Power Point regarding the December 31, 2013 valuation. He discussed the basics about pension contributions and how they arrive at the valuation. He talked about the funding equations. He discussed the experience study and the update they did to the assumptions. He explained that funding of the benefits comes from either contributions or investment income. He went over negative cash flow and investment income. He talked about fine-tuning the assumptions and not over funding or under funding the plan. Mr. Anderson discussed present value of future benefits, normal costs, future normal costs, and accrued liability relative to assets.

Ms. Neeson presented the valuation result highlights for 2013. The total plan membership was 2,106 members. The actuarial accrued liability or the present value of all the benefits accrued to date was \$262.1 million and the actuarial value of assets was \$263.4 million. The difference between those two was the unfunded actuarial accrued liability and that is actually -\$1.2 million. That means that this year there was \$1.2 million more in assets than the present value in benefits that had been accrued so far. The plan is actually over funded, but specifically the General, Library, Medical Care Facility and the Sheriff's Department. She explained the Sheriff's group is so over funded that their negative amortization actually offsets their normal cost and there is no required contribution for that group.

Mr. Anderson wanted the Board to note, the Conference of the Consulting Actuary just came out with a new whole funding policy and part of it has to do with the amortization period and the encouragement of lengthening periods for amortization surplus. There is only 10-year amortization surplus and Bay County has done that for years. They are saying to consider bumping that up.

He talked about amortization of 10 years and 20 years. He stated the reason for amortizing over a 20-year period versus a 10-year period is there less of an impact and less volatility as you come out of the over funding back to making contributions. He stated that might be something the Board may consider at some point with respect to more equally measuring cost amortization, as well as surplus amortization as they go forward.

Mr. Anderson talked about the groups that are below 100% funding. He stated at this point their plan is for them to amortize their own funding over a period of years and eventually work towards 100%.

Trustee asked if the report next year would look different when they have market valuation. Mr. Anderson stated that it will be just in the accounting report that they will do the market value basis and that will be totally separate.

Ms. Neeson continued on referring to slide 9, showing some highlights from the valuation of things that they included. She stated it was reported to them that there was a new tier multiplier for General County and Sheriff members who were hired after January 1, 2012, and that was reflected in this valuation. The library closed to new hires after January 1, 2012, and BABH offered an early retirement incentive program. Their understanding was there were no other changes in benefit provisions or valuation assumptions unless it was reflected in this valuation.

In terms of overall plan experience, there was a gain of \$9.6 million. That gain consisted of an almost \$14 million gain on the investment alone, which was then partially offset of a loss of \$4.4 million due to the early retirement incentive program for BABH and demographic experience. There was a loss because there were fewer retiree removals than expected and a gain from lower than expected payroll. In the long-term, they expect contribution rates to trend toward the normal cost of benefits over time.

Ms. Neeson explained they calculate the accrued liability for the retirees for their future benefit payments and compare that to what was reported to them in the financial information as the reported retiree reserve amount. It showed that there was a shortfall in all of the groups. There are more liabilities than there are dollars in the actual reported retiree reserves. She stated that generally, as part of the process, the Board approves a transfer which is just an accounting standard. It has no impact on the actual value of assets, to move the money so that the liabilities are 100% funded by the amount in the retiree reserve.

Ms. Neeson answered trustee's question of whether this transfer was done annually. She stated she thought there was typically Board approval every year to make that transfer, which is strictly for accounting purposes. She also discussed on page B-6 of the valuation report there was a comment that discussed an asset transfer specifically for transferring a member between the General group to the Road Commission. The valuation reflected a transfer of assets for this individual of \$259,045 and this was recommended as a result of membership transfer from group to group. Ms. Neeson explained how this was

calculated. She stated since the general group is over 100% funded, they recommend transferring 100% of those liabilities from the general to the Road Commission because this person transferred and the benefit will be coming from the Road Commission. She stated the Road Commission would be hurt by that so they would transfer some assets to account for the liability that has already been approved. They recommend that the Board adopt this policy and that the Board adopt something similar for any other transfers for members with more than 10 years of service and follow with a similar procedure. Mr. Anderson answered question of trustee about transferring assets as well as liabilities and service.

Mr. Anderson and Ms. Neeson answered questions from Trustees and concluded the presentation.

2. Moved, supported and carried to receive the December 31, 2013 Actuarial Valuation prepared by Gabriel Roeder & Smith.
3. Moved, supported and carried to transfer from the Retirement System employer reserve to the Retiree reserve.
4. Moved, supported and carried to transfer assets from General fund to Road Commission.

Trustee asked if this needed to be a matter of policy or would it be something to deal with as it comes up from time to time. Ms. Walraven stated this is actually something they have been working on and are planning to address before the end of the year. She has been working with Mr. Michaud on this issue. She explained the motion will take care of the transfer for now. They will get a policy that will address that.

Chairman asked if any guests from the public had any actuarial questions. There were no questions.

5. Moved, supported and carried to receive Portfolio Value from 01/01/2014 to 9/30/2014. The value today is \$287,900,735.11.
6. Moved, supported and carried to receive reports from Baird, Cornerstone, Eagle, Geneva, Hotchkis & Wiley, Loomis Sayles, MFS Heritage Trust, MFS Investment, Mackay Shields, and Schroders ending 8/31/2014 and 9/30/2014.
7. Moved, supported and carried to receive reports for recapture services for Abel/Noser summary ending 8/31/2014.
8. Moved, supported and carried to receive reports for recapture services for CAPIS summary ending 8/31/2014 and 9/30/2014.
9. Moved, supported and carried to receive Northern Trust's Summary Earnings ending 5/31/2014, 6/30/2014, 8/31/2014, and 9/30/2014.
10. Moved, supported and carried to receive Refunds/Retirements for the month ending 9/30/2014.

11. Moved, supported and carried to receive BCERS Year-To-Date Budget report ending 9/30/2014.
12. Moved, supported and carried to approve the purchase of previous service credit for Lisa Lake.
13. Moved, supported and carried to approve the purchase of military service credit for Thomas Burch.

Item J: 2015 Budget Update

Ms. Hebert stated that at the time of presenting the 2015 budget they did not have the final numbers for the health insurance. Those numbers were refined so there were a few changes, mostly for the Personal Services Category. She did not anticipate any significant changes at the Commission level.

14. Moved, supported and carried to approve the 2015 Budget.
15. Moved, supported and carried to receive correspondence from Columbia Management and Geneva Capital Management regarding re-balance of asset allocation.

Corporation Counsel:

Ms. Walraven presented the first item of Records Retention Policy. She stated this is the County's policy and it has been in place for quite a while. The Retirement Board has been listed under Finance. The Administrative Services Department is in the process of updating this. It was recommended that this Board adopt the Records Retention Policy that is currently in place.

16. Moved, supported and carried to approve the Records Retention Policy.

Trustee asked if Mr. Michaud had an opportunity to examine this. Chairman stated he believed most of this work actually started with Mr. Michaud. Mr. Michaud stated there is an office of Record Retention and this would meet the requirements.

The next item Ms. Walraven presented was the FOIA policy. She stated this is also the County's policy. It was Ms. Walraven's recommendation that the Board should also adopt the County's policy.

17. Moved, supported and carried to approve the FOIA policy.

Next Ms. Walraven presented the Communication Policy. This is a policy drafted by Mr. Michaud. She stated one of the reasons to adopt this would be to streamline the communications between the Board, the public, media and public interest. It was Ms. Walraven's recommendation that the Board adopt this policy

18. Moved, supported and carried to approve the Communications Policy. (See copy of Communications Policy included with minutes)

The next item Ms. Walraven presented was the Estimate of Retirement Benefits policy. She stated this was a policy also drafted by Mr. Michaud and it is an attempt to reduce administrative burdens on our Retirement Administrator. Ms. Walraven stated after speaking with the Retirement Administrator and the Administration, Ms. Walraven did not feel this was a particular issue currently. She thought most of the estimates were done in house and they did not have to send them out to the actuary. It was her recommendation that the Board not adopt this policy.

19. Moved, supported and carried not to adopt the Estimate of Retirement Benefits Policy.

Discussion: Ms. Walraven and Ms. Marsters answered questions of Trustees regarding when estimates were done in house and when they were sent to the actuary.

The next item was actuarial services. Ms. Walraven stated there was a request by the Board last year to go out for a request for information for actuarial services. That was completed at the end of last year. She stated if the Board wished to go out for request for proposal (RFP), then a resolution would be needed for actuarial services. She also stated there is a very short window of time when they could go out for an RFP for actuarial services. Once a resolution from the Board is made, Ms. Walraven can begin working with the Purchasing Department.

20. Moved, supported and carried to go out for an RFP for actuarial services.

ANNOUNCEMENTS:

- A. There will be a special meeting on October 23, 2014 at 8:30 a.m. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708. That is the fall special meeting. There will be four money manager presentations in the morning. There will be a break for lunch. Northern Trust will give a presentation in the afternoon on how they approach securities litigation.
- B. Next regularly scheduled meeting will be Wednesday, November 12, 2014 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.

UNFINISHED BUSINESS:

Correspondence from Prudential Real Estate Advisors Organizational update. A motion is needed to receive.

21. Moved, supported and carried to receive correspondence from Prudential Real Estate Advisors regarding organizational update.

Scanning Project Update:

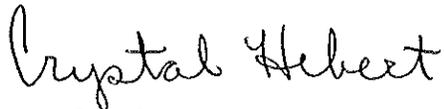
Ms. Marsters stated staff has started prepping files for scanning. It is slow going and very time consuming. Ms. Marsters answered Trustee's question that they were using existing staff to prep for scanning. Trustee asked about the possibility of hiring someone part time temporary. Chairman Gray stated he did not believe hiring any additional for clerical was involved in the quote for the scanning project. There was discussion by Trustees whether there was previously hired personnel to do this scanning. Trustee Coonan stated he would ask the Board if they brought in a part-time position years ago to do the scanning.

NEW BUSINESS: None.
MISCELLANEOUS BUSINESS None

ADJOURNMENT:

11. Moved, supported and carried to adjourn the meeting at 2:30 p.m.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

POLICY RESOLUTION

Adopted: October 14, 2014

Re: Communications Policy

WHEREAS, the Board of Trustees of the Bay County Employees Retirement System is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

WHEREAS, the Board of Trustees owes fiduciary duties to the members and beneficiaries of the Retirement System and shall discharge those duties solely in their interests for the exclusive purposes of providing benefits and defraying reasonable expenses, and

WHEREAS, the Board recognizes the public's interest regarding the operation and management of the Retirement System, and

WHEREAS, the Board desires to formalize its policies and procedures with respect to all requests for public comment and responses thereto, therefore be it

RESOLVED, that the Board's Chairperson be designated as the Board's spokesperson for the purposes of responding to all inquiries for public comment, and be it further

RESOLVED, that all inquiries for public comment received on behalf of the Board of Trustees be immediately referred to the Board's Chairperson for review, and be it further

RESOLVED, that the Board's Chairperson shall respond to requests for public comment in the best interests of the Retirement System, and be it further

RESOLVED, that the Board's Chairperson shall direct that all requests for public records be made in writing pursuant to the Michigan Freedom of Information Act ("FOIA") and in accordance with the Board's FOIA policy, and be it further

RESOLVED, that the Board's Chairperson shall refer all inquiries that are legal in nature or involve a legal matter of the Retirement System to the Board's Legal Counsel for review, and be it further

RESOLVED, that in implementing this policy, the Board will seek to balance the public's right to information against the privacy interests of the Retirement System's members and beneficiaries, and be it further

RESOLVED, that copies of this policy will be made available upon request to all interested parties.

MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE
October 14, 2014

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

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 1:32 P.M.

TRUSTEE	1	2	3	4	5	6	7	8	9	10
BRZEZINSKI	Y	S-Y	Y	Y	Y	Y	S-Y	Y	Y	Y
COONAN	Y	Y	M-Y	M-Y	Y	Y	Y	Y	Y	Y
GRAY	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
GROMASKI	Y	Y	Y	Y	Y	M-Y	Y	S-Y	Y	S-Y
HEREK	M-Y	Y	S-Y	S-Y	Y	Y	M-Y	M-Y	Y	Y
MORSE	S-Y	Y	Y	Y	S-Y	Y	Y	Y	S-Y	Y
PETT	Y	M-Y	Y	Y	M-Y	S-Y	Y	Y	M-Y	M-Y
STARKWEATHER	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
GOETZ	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

TRUSTEE	11	12	13	14	15	16	17	18	19	20	21
BRZEZINSKI	S-Y	Y	S-Y	M-Y	M-Y	Y	Y	Y	Y	Y	Y
COONAN	Y	Y	Y	Y	Y	Y	S-Y	M-Y	M-Y	M-Y	Y
GRAY	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
GROMASKI	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
HEREK	M-Y	Y	Y	Y	Y	M-Y	M-Y	S-Y	S-Y	S-Y	M-Y
MORSE	Y	S-Y	Y	Y	S-Y	Y	Y	Y	Y	Y	Y
PETT	Y	M-Y	M-Y	Y	Y	Y	Y	Y	Y	Y	Y
STARKWEATHER	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
GOETZ	Y	Y	Y	S-Y	Y	S-Y	Y	Y	Y	Y	S-Y

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

RET. YEAR	VENOR #	BAIRD	BARINGS	CORNERSTONE	DENVER	EAGLE (RJFN)	GENEVA	HOTCHKIS & WILEY	LOOMIS SAYLES	MACKAY SHIELDS	MFS	MFS INTER-NATIONAL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	HIVHW	WENTWORTH	CASH	TOTAL
		05M1	1030	464	20824	2880	4289	ELAZL	3022Z	5692Z	4926	20392Z	68180	9332Z	44007		45141			
JAN		24,463,170.06	15,810,418.52	10,892,785.38	15,636.55	10,845,477.76	23,655,560.81	11,083,989.78	33,704,722.73	17,312,517.81	42,185,860.33	25,341,798.15	17,897,891.80	42,025,846.40	12,827,293.37		1,566.12		2,315,529.80	280,378,576.53
FEB		24,551,115.13	16,435,350.37	11,477,184.97	15,637.07	11,334,968.12	23,128,136.82	11,628,222.88	34,155,815.39	17,696,798.78	44,584,775.30	25,791,007.32	19,007,323.01	43,808,067.15	13,413,834.59		1,556.12		4,108,385.47	301,343,958.57
MARCH		24,451,455.28	16,112,044.93	11,578,093.43	15,637.73	10,990,878.81	22,792,376.59	11,880,563.12	34,155,505.52	17,889,085.57	43,121,006.00	25,219,742.92	19,198,248.07	44,725,223.10	13,525,969.60		1,556.12		2,878,706.83	299,471,561.63
APRIL		24,833,385.70	16,183,335.27	11,969,963.90	15,638.20	10,525,312.54	22,013,818.66	11,824,998.82	34,626,936.79	17,828,508.41	42,446,809.11	25,950,856.13	19,061,951.23	44,652,815.17	13,824,871.35		1,556.12		1,904,660.39	297,385,106.79
MAY		24,915,612.38	16,285,668.70	12,255,498.81	66.80	10,420,987.19	22,096,229.29	11,148,295.86	35,135,483.30	18,321,560.97	43,994,227.36	24,495,435.08	19,283,222.79	45,859,847.45	13,944,380.58		0.00		4,112,797.10	302,207,318.74
JUNE		24,931,343.88	16,694,004.48	12,423,430.65	66.55	11,211,134.08	22,793,475.98	11,587,020.17	35,285,278.33	18,656,218.19	44,486,384.79	25,309,477.75	19,531,835.83	46,766,822.63	14,232,341.81		0.00		2,827,143.13	306,715,810.23
JULY		24,898,118.41	16,367,025.77	12,427,115.99	0.00	10,702,518.89	22,342,644.27	10,102,456.71	35,165,719.09	18,439,015.63	44,224,655.02	22,450,896.87	18,977,828.77	46,273,669.13	14,035,890.67		0.00		4,732,900.57	301,081,336.79
AUG		25,084,048.76	51,894.16	12,770,919.37	0.00	11,251,620.17	23,151,757.08	10,563,782.74	35,766,363.95	18,656,511.30	45,609,476.84	16,013,777.36	23,658,543.87	46,252,228.01	14,566,745.53		0.00		3,328,213.24	308,249,251.60
SEPT		24,983,486.86	48,733.31	12,056,555.53	19.33	10,782,988.67	22,825,487.17	8,962,893.90	35,253,903.22	18,624,601.58	45,034,121.49	18,230,920.42	22,352,255.66	18,263,463.13	47,238,275.09		0.00		2,547,573.95	300,438,296.23
OCT		25,237,186.65	49,808.51	12,362,054.54	146.80	10,108,898.01	20,453,513.88	9,564,744.88	35,725,861.30	17,879,115.00	42,374,446.73	15,584,345.23	20,774,102.95	16,987,922.04	42,738,371.68		1,751.33		4,387,545.24	287,900,735.11
NOV																			0.00	0.00
DEC																			0.00	0.00
2014 YTD		18,338.59	89,402.10	35,982.87	0.00	70,218.20	83,181.12	80,423.16	67,458.10	64,004.38	149,731.00	36,475.38	188,584.68	0.00	0.00				2,895,900.68	3,320,172.31
INVESTMENT MANAGER FEES ARE PAID FROM: 73127400 80100 (Professional Services)																				
BAIRD																				
BARING																				
COLUMBIA																				
CORNERSTONE																				
EAGLE																				
GENEVA																				
HOTCHKIS & WILEY																				
INTEGRITY																				
LOOMIS SAYLES																				
MACKAY SHIELDS																				
MFS																				
SCHRODER																				
WENTWORTH																				

10



Charles B. Groeschell

Managing Director
Senior Portfolio Manager
Baird Advisors

October 28, 2014

Ms. Rebecca Marsters
Retirement Administrator
Bay County Employees' Retirement System
515 Center Avenue, Suite 706
Bay City, MI 48708-5128

Dear Rebecca:

Enclosed please find a summary review as of September 30, 2014 for the Bay County Employees' Retirement System Portfolio managed by Baird Advisors.

Market Review

The first and second quarters witnessed strong bond returns as yields declined across most maturities and yield spreads tightened. In contrast, the third quarter resulted in modest to negative returns for the bond market as yields rose for short and intermediate maturities and yield spreads widened. As a result of these factors, spread sectors modestly underperformed similar duration U.S. Treasuries for the quarter. The market continues to focus on the timing of the first rate hike by the Fed with consensus estimates predicting the first hike to occur by mid-2015. The market also remains attuned to the potential impact of the numerous geopolitical challenges around the world and continued weak Eurozone economic data.

Please find attached a copy of our September 2014 Bond Market Comments which provides a more detailed review of the market.

Performance Update

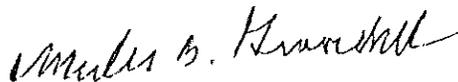
Despite the challenging quarter overall for the bond market, the Bay County Employees' Retirement System Portfolio generated positive returns but modestly underperformed its custom benchmark. The Portfolio's positioning on the yield curve detracted slightly from performance as the yield curve steepened in the 1-5 year range. The Portfolio maintains a slight yield advantage over the benchmark and we remain confident in the overall structure and ability to continue to outperform the benchmark over complete market cycles.

Robert W. Baird & Co.
777 E Wisconsin Ave
Milwaukee WI 53202
Direct 414 298-1063
Toll Free 888 792-9813
Fax 414 298-1078
Email cgroeschell@rwbaird.com
rwbaird.com

We expect the risk environment to remain elevated as the market navigates through uncertain times. We believe that our all-weather strategy of investing strictly in the U.S. dollar-denominated, cash bond market and managing our clients' portfolios bond by bond remains a prudent strategy especially in the current environment.

Our team maintains its focus on providing you with consistent, competitive performance over complete market cycles and we truly appreciate your continued support and confidence. Please let us know if you have any questions as you review this information.

Sincerely,



Charles B. Groeschell

cc: Crystal Herbert - Bay County Employees' Retirement System
Tiffany Jerry - Bay County Employees' Retirement System
Tracy Cederquist - Bay County Employees' Retirement System
Howard Pohl - The Bogdahn Group
Peter Brown - The Bogdahn Group

Bay County Employees' Retirement System

Fixed Income Portfolio

September 30, 2014

	Fixed Income Portfolio	Customized Benchmark
Average Quality	AA	AAA
Average Coupon	3.40 %	2.97 %
Current Yield	3.11 %	2.85 %
Yield to Maturity	2.16 %	2.07 %
Duration	5.10 years	5.10 years
Average Maturity	5.81 years	6.77 years
Quality Profile		
US Treasury	33.2 %	45.5 %
Agency	64.7 %	54.5 %
Aaa	2.1 %	0.0 %
Aa	0.0 %	0.0 %
A	0.0 %	0.0 %
Baa	0.0 %	0.0 %
	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>
	100.0 %	100.0 %
Sector Profile		
US Treasury	33.2 %	45.5 %
Agency	1.6 %	4.5 %
Mortgages/CMOs	46.4 %	50.0 %
Asset-Backed	0.0 %	0.0 %
CMBS	16.7 %	0.0 %
Other Govt	0.0 %	0.0 %
Industrial	0.0 %	0.0 %
Utility	0.0 %	0.0 %
Financial Institutions	0.0 %	0.0 %
Cash	2.1 %	0.0 %
	<hr style="width: 50%; margin: 0 auto;"/>	<hr style="width: 50%; margin: 0 auto;"/>
	100.0 %	100.0 %
Number of Issues	85	1,331
Market Value	\$24,983,013	

Customized Benchmark is comprised of 50% Barclays Government & 50% Barclays MBS

Bay County Employees' Retirement System
Fixed Income Portfolio
Gross Investment Performance

03/31/06 through 09/30/14

Year		Fixed Income Portfolio	Customized Benchmark
2006	Year-to-Date	5.04%	4.85%
2007		7.20%	7.78%
2008		9.13%	10.36%
2009		3.72%	1.79%
2010		5.63%	5.46%
2011		7.91%	7.62%
2012		3.05%	2.32%
2013		-2.59%	-2.00%
2014	1st Quarter	1.56%	1.45%
	2nd Quarter	1.96%	1.87%
	3rd Quarter	0.21%	0.26%
	Year-to-Date	3.77%	3.61%
Total Return 03/31/06-09/30/14		51.32%	49.66%
Annualized Return		4.99%	4.86%

The performance is presented on a cumulative basis and does not reflect the deduction of investment advisory fees. Return would be reduced by advisory fee and other fees such as custodial expenses. The maximum fee found in Baird Advisors form ADV is 30 basis points. All returns are calculated on a time weighted, total return basis. The results shown should not be considered representative of future investment returns. The 50% Barclays Government & 50% Barclays MBS Index is an unmanaged portfolio of specific securities. The portfolio does not invest in all the securities traded in the index. Direct investment in the index is not available. Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on securities valuations provided by client's custodian for purposes of performance reports.

Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on security valuations provided by client's custodian for purposes of performance reports.

The Baird Advisors Brochure, which serves as a substitute for Form ADV Part II, is available upon request.

Bay County Employees' Retirement System
Fixed Income Portfolio
Net Investment Performance

03/31/06 through 09/30/14

Year		Fixed Income Portfolio	Customized Benchmark
2006	Year-to-Date	4.80%	4.85%
2007		6.89%	7.78%
2008		8.81%	10.36%
2009		3.41%	1.79%
2010		5.31%	5.46%
2011		7.59%	7.62%
2012		2.74%	2.32%
2013		-2.88%	-2.00%
2014	1st Quarter	1.48%	1.45%
	2nd Quarter	1.89%	1.87%
	3rd Quarter	0.13%	0.26%
	Year-to-Date	3.54%	3.61%
Total Return 03/31/06-09/30/14		47.53%	49.66%
Annualized Return		4.68%	4.86%

The performance is presented on a cumulative basis. All returns are calculated on a time weighted, total return basis. The results shown should not be considered representative of future investment returns. The 50% Barclays Government & 50% Barclays MBS Index is an unmanaged portfolio of specific securities. The portfolio does not invest in all the securities traded in the index. Direct investment in the index is not available. Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on securities valuations provided by client's custodian for purposes of performance reports.

Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on security valuations provided by client's custodian for purposes of performance reports.

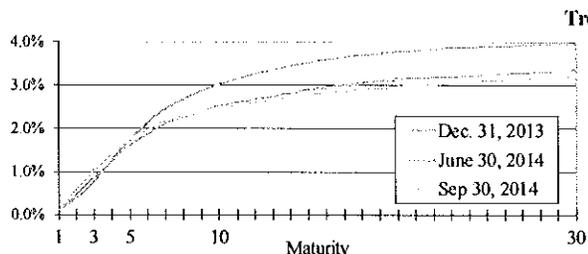
The Baird Advisors Brochure, which serves as a substitute for Form ADV Part II, is available upon request.



Baird Advisors
Fixed Income Market Comments
September 2014

Yield Curve Flattens

The yield curve flattened this quarter as a string of geopolitical hotspots (e.g. Ukraine, Gaza, Iraq, Syria, and protests in Hong Kong) and weak Eurozone economic data (and the European central bank's plans to buy bonds) put downward pressure on global bond yields, including longer-maturity U.S. Treasuries. The 10-year Treasury yield ended the quarter 4 bps lower while the 30-year declined 16 bps. However, yields on shorter maturities rose (especially in September; see table below) as the Fed continued tapering QE and indicated that it will increase its target for the Federal Funds rate if the U.S. economy continues to grow. The market consensus expectation is that all non-reinvestment QE purchases will conclude in October and the Fed will make its first rate hike in mid-2015.



Maturity	Dec 31, 2013	Jun 30, 2014	Aug 31, 2014	Sep 30, 2014	3Mo Change	YTD Change
1	0.11%	0.10%	0.08%	0.10%	0.00%	-0.01%
2	0.38%	0.46%	0.49%	0.57%	0.11%	0.19%
3	0.77%	0.87%	0.93%	1.04%	0.17%	0.27%
5	1.74%	1.63%	1.63%	1.76%	0.13%	0.02%
7	2.45%	2.14%	2.04%	2.20%	0.06%	-0.25%
10	3.03%	2.53%	2.34%	2.49%	-0.04%	-0.54%
30	3.97%	3.36%	3.08%	3.20%	-0.16%	-0.77%

High Yield Spreads Move Wider

Significant spread widening in September pushed High Yield Corporate spreads 87 bps wider for the quarter to 424 bps. As many retail investors exited this sector, High Yield mutual funds and ETFs saw substantial outflows and increased supply in September also put additional pressure on High Yield spreads. As investors sought the liquidity and safety of U.S. Treasuries, Investment Grade Corporate spreads widened a more modest 13 bps for the quarter. Spreads of the major investment grade sectors now stand roughly even or slightly tighter than year-end levels. (Note that changes in the Barclays benchmark inclusion rules for CMBS and Utility as of 6/30 explain most of the YTD decline in those spreads.)

Option-Adjusted Spreads (in bps)

	12/31/13	6/30/14	8/31/14	9/30/14	3Mo Change	YTD Change
U.S. Aggregate Index	45	38	42	43	5	-2
U.S. Agency (non-mortgage)	17	13	17	16	3	-1
Mortgage and ABS Sectors						
U.S. Agency Pass-throughs	34	24	35	30	6	-4
Asset-Backed Securities	55	48	54	56	8	1
CMBS	126	86	95	99	13	-27
Corporate Sectors						
U.S. Investment Grade	114	99	102	112	13	-2
Industrial	114	102	104	115	13	1
Utility	125	98	99	106	8	-19
Financial Institutions	109	96	99	107	11	-2
U.S. High Yield	382	337	363	424	87	42

Source: Barclays

TIPS & High Yield Decline; Munis Outperform

Rising yields on intermediate maturities and spread widening drove returns lower this quarter, especially in High Yield, where September declines (-2.09%) pushed the sector into negative territory for the quarter (-1.87%). TIPS also had a difficult month (-2.50%) and quarter (-2.04%) as year-over-year CPI through August came in at a rather tepid +1.7%. Municipal bonds were the top performing sector for the quarter (+1.49%) as investors' strong demand for yield was met with limited supply. Muni performance remains the standout leader so far this year (+7.58%), followed by Investment Grade Corporates (+5.60%).

Total Returns of Selected Barclays Indices and Subsectors

Barclays Index/Sector	September	3Q	YTD
U.S. Aggregate Index	-0.68%	0.17%	4.10%
U.S. Gov't/Credit Index	-0.90%	0.17%	4.12%
U.S. Intermediate Gov't/Credit Index	-0.51%	-0.03%	2.22%
U.S. 1-3 Yr. Gov't/Credit Index	-0.08%	0.04%	0.60%
U.S. Treasury	-0.55%	0.34%	3.06%
U.S. Agency	-0.29%	0.19%	2.40%
MBS (Mortgage Backed Securities)	-0.16%	0.18%	4.22%
CMBS (Commercial Mortgage Backed Securities)	-0.52%	-0.23%	2.38%
ABS (Asset Backed Securities)	-0.15%	0.01%	1.32%
U.S. Corporate - Investment Grade	-1.44%	-0.08%	5.60%
Corporate High Yield	-2.09%	-1.87%	3.49%
Municipal Bond Index	0.10%	1.49%	7.58%
TIPS (Treasury Inflation Protected Securities)	-2.50%	-2.04%	3.67%

Disclosures

This is not a complete analysis of every material fact regarding any company, industry or security. The information has been obtained from sources we consider to be reliable, but we cannot guarantee the accuracy.

Fixed income is generally considered to be a more conservative investment than stocks, but bonds and other fixed income investments still carry a variety of risks such as interest rate risk, credit risk, inflation risk, and liquidity risk. In a rising interest rate environment, the value of fixed-income securities generally decline and conversely, in a falling interest rate environment, the value of fixed-income securities generally increase. High yield securities may be subject to heightened market, interest rate or credit risk and should not be purchased solely because of the stated yield.

Indices are unmanaged, and are not available for direct investment. *Past performance is not a guarantee of future results.*

The Barclays Aggregate Bond Index is an index comprised of approximately 6000 publicly traded bonds including U.S. Government, mortgage backed, corporate, and Yankee bonds with an average maturity of approximately 10 years.

The Barclays Government/Credit Index is a combination of the Government Index which measures government-bond general and Treasury funds, and the Credit Bond Index, which is a market value-weighted index which tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC registered, investment grade Corporate Debt.

The Barclays Intermediate Government/Credit Index is a combination of the Government Index which measures government-bond general and Treasury funds, and the Credit Bond Index, which is a market value-weighted index which tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC registered, investment grade Corporate Debt with maturities between one and ten years.

The Barclays Government/Credit Intermediate Index (1 – 3 yr.) is a combination of the Government Index which measures government-bond general and Treasury funds, and the Credit Bond Index, which is a market value-weighted index which tracks the returns of all publicly issued, fixed-rate, nonconvertible, dollar-denominated, SEC registered, investment grade Corporate Debt with maturities between zero and three years.

The Barclays U.S. Treasury Index includes public obligations of the U.S. Treasury. Treasury bills are excluded by the maturity constraint of at least one year but are part of a separate Short Treasury Index. In addition, certain special issues, such as state and local government series bonds (SLGs), as well as U.S. Treasury TIPS, are excluded. STRIPS are excluded from the index because their inclusion would result in double-counting. Securities in the Index roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices. The U.S. Treasury Index was launched on January 1, 1973.

U.S. Agency: This index is the U.S. Agency component of the U.S. Government/Credit index. Publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government (such as USAID securities). The largest issues are Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System (FHLM). The index includes both callable and non-callable agency securities.

U.S. Corporate – Investment Grade: This index is the Corporate component of the U.S. Credit index. It includes publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

CMBS (Commercial Mortgage Backed Securities): This index is the CMBS component of the U.S. Aggregate index. The Barclays CMBS ERISA-Eligible Index is the ERISA-eligible component of the Barclays CMBS Index. This index, which includes investment grade securities that are ERISA eligible under the underwriter's exemption, is the only CMBS sector that is included in the U.S. Aggregate Index.

MBS (Mortgage Backed Securities): This index is the U.S. MBS component of the U.S. Aggregate index. The MBS Index covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The MBS Index is formed by grouping the universe of over 600,000 individual fixed rate MBS pools into approximately 3,500 generic aggregates.

ABS (Asset Backed Securities): This index is the ABS component of the U.S. Aggregate index. The ABS index has three subsectors: credit and charge cards, autos, and utility. The index includes pass-through, bullet, and controlled amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche. The Manufactured Housing sector was removed as of January 1, 2008, and the Home Equity Loan sector was removed as of October 1, 2009.

Corporate High Yield: The Barclays U.S. High Yield Index covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included.

The Barclays Municipal Bond Index is a broad-based, total-return index. The bonds are all investment-grade, tax-exempt, and fixed-rate securities with long-term maturities (greater than 2 years). They are selected from issues larger than \$50 million.

The Barclays TIPS Index consists of Treasury Inflation Protected Securities (TIPS). TIPS are securities whose principal is tied to the Consumer Price Index. TIPS pay interest semi-annually, based on the fixed rate applied to the adjusted principal.

Alan Puklin
Sr. Relationship Manager
Institutional Client Service

100 Park Avenue
New York, NY 10017
Tel: 212.850.1612
Fax: 212.682.6460
alan.puklin@columbiamanagement.com

October 27, 2014

Ms. Janie Tracey
Bay County Employees' Retirement System
515 Center Street Suite 706
Bay City, MI 48708-5128

Re: **Bay County Retirement 3rd Quarter 2014**

Dear Ms. Tracey:

We are pleased to enclose our report for the quarter ended September 30, 2014. Attached, is the Quarterly Investment Review as well as the separate financial reporting report which includes the holdings, transactions, brokerage commissions and cash flow.

The performance for your portfolio as of September 30, 2014 was as follows:

	Market Value as of 09/30/2014	Quarter ended 09/30/2014	9 Months ended 09/30/2014	Since Inception*
Total Portfolio	\$47,238,262	1.0%	9.28%	7.50%
Russell 1000 Value Index +1% annually		0.06%	8.88%	7.52%
S&P 500 Index		1.13%	8.34%	4.82%

* Inception Date: January 26, 2001

U.S. stocks as measured by the S&P 500 Index managed to produce a slight positive gain for the quarter. Volatility increased in the quarter as we saw stocks decline in July rebound in August and declined in September. Stocks advanced despite the troubling global environment including slowing growth in China and continued violence in the Middle East. The best performing sector in the market was Information Technology while Energy was the worst performer. Large and mid-cap stocks outperformed small-caps during the quarter.

On an absolute basis the portfolio outperformed the Russell 1000 Value Index but underperformed the broad market as measured by the S&P 500 Index for the quarter. The outperformance for the quarter was attributable entirely to individual stock selection. On



a contribution to return basis Financials were the best performing sectors while Energy was the largest detractor for the quarter.

If you have any questions on your account or would like to discuss any aspect of portfolio performance, please do not hesitate to call me.

Sincerely,



Alan J. Puklin
Enclosure

The views expressed are as of the date given, may change as market or other conditions change, and may differ from views expressed by other Columbia Management Investment Advisers, LLC (CMIA) associates or affiliates. Actual investments or investment decisions made by CMIA and its affiliates, whether for its own account or on behalf of clients, may not necessarily reflect the views expressed. This information is not intended to provide investment advice and does not take into consideration individual investor circumstances. Investment decisions should always be made based on investor's specific financial needs, objectives, goals, time horizon, and risk tolerance. Asset classes described may not be suitable for all investors. Past performance does not guarantee future results and no forecast should be considered a guarantee either. Since economic and market conditions change frequently, there can be no assurance that the trends described here will continue or that any forecasts are accurate.

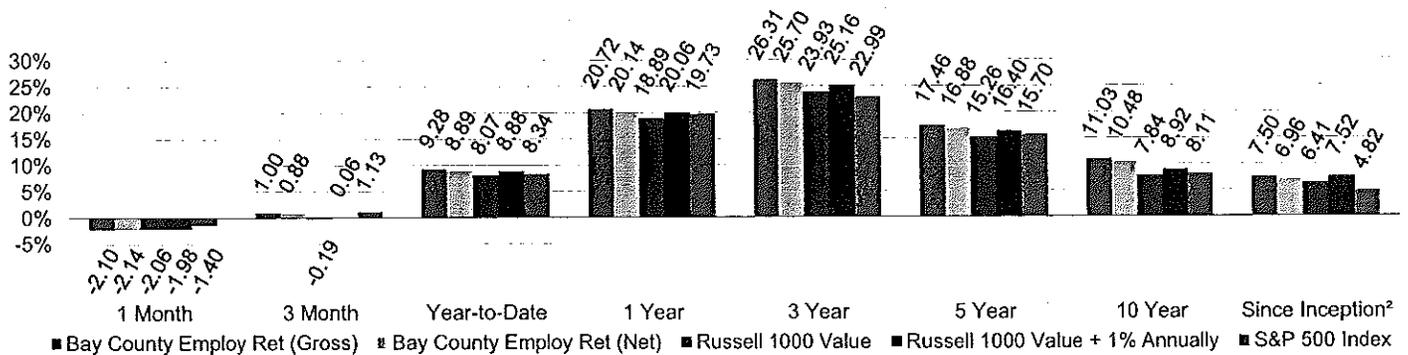
For institutional client use only. Not for distribution to the public.

Bay County Employees Retirement System

Reconciliation of Assets¹

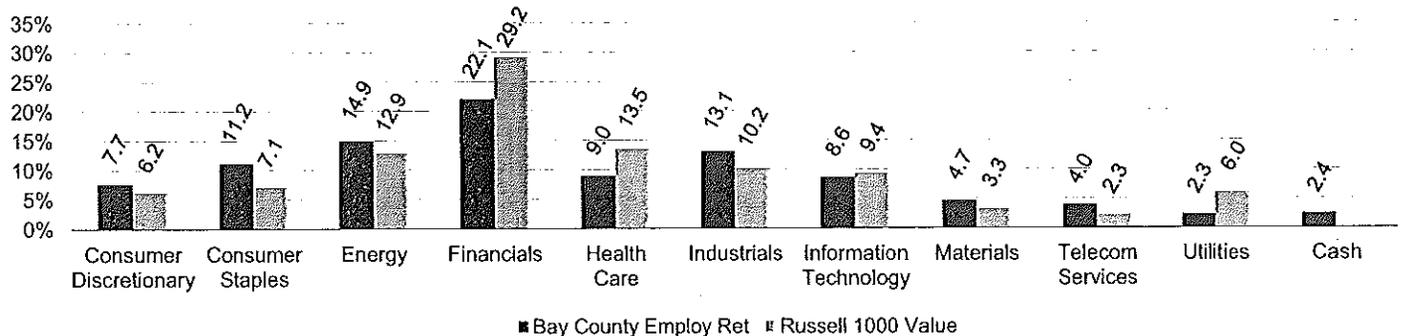
Beginning Market Value 07/01/2014	\$ 46,770,022
Net Contributions/Withdrawals	\$ -
Income Earned	\$ 257,876
Change in Market Value	\$ 210,364
Ending Market Value 09/30/2014	\$ 47,238,262

Performance



	1 Month (%)	3 Month (%)	Year-to-Date (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception ² (%)
Bay County Employees Retirement System (Gross)	-2.10	1.00	9.28	20.72	26.31	17.46	11.03	7.50
Bay County Employees Retirement System (Net)	-2.14	0.88	8.89	20.14	25.70	16.88	10.48	6.96
Russell 1000 Value Index	-2.06	-0.19	8.07	18.89	23.93	15.26	7.84	6.41
Russell 1000 Value + 1% Annually	-1.98	0.06	8.88	20.06	25.16	16.40	8.92	7.52
S&P 500 Index	-1.40	1.13	8.34	19.73	22.99	15.70	8.11	4.82

Sector Allocation as of 09/30/2014



¹ Asset values can differ slightly due to rounding.

² Inception Date: 01/27/2001

Source: Columbia Management Investment Advisers, LLC, Factset

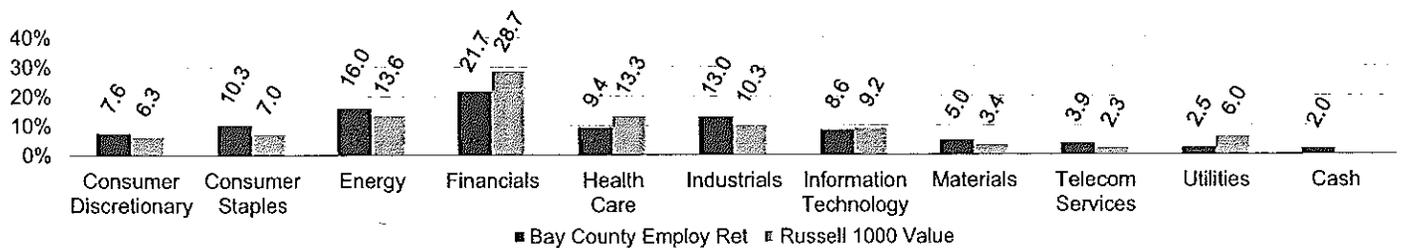
Past performance does not guarantee future results. Please refer to the Disclosures at the end of this presentation for more information.

For Existing Institutional Client Use Only. © 2014 Columbia Management Investment Advisers, LLC. All rights reserved.

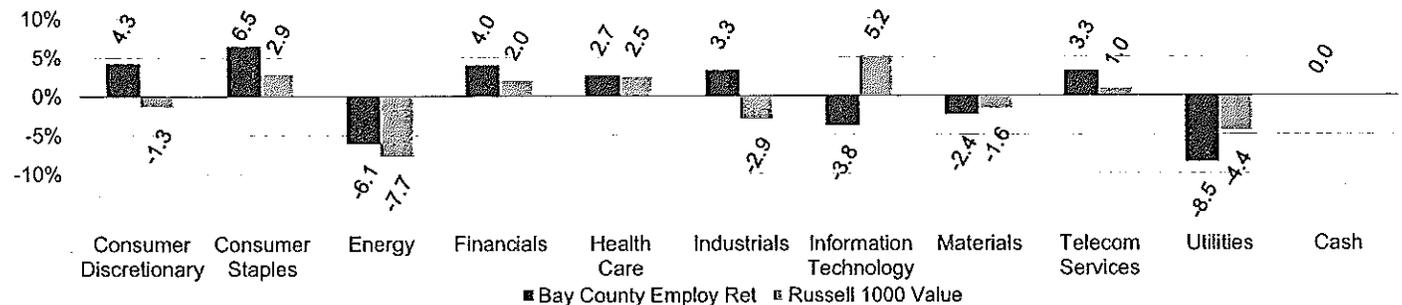
Bay County Employees Retirement System

Characteristics ¹	Bay County Employ Ret	Russell 1000 Value
Number of Holdings	37	690
Weighted Median Market Cap (mil.)	\$51,324.9	\$58,486.6
Weighted Average Market Cap (mil.)	\$78,216.8	\$111,505.1
Return on Equity	15.5%	13.2%
Price/Earnings (forward 12 mo.)	13.3x	14.0x
Dividend Yield	2.0%	2.2%
Price/Book	1.9x	1.8x

Average Quarterly Sector Allocation



Sector Performance



Attribution Analysis	Stock Selection (%)	Sector Weighting (%)	Net Contribution (%)
Consumer Discretionary	0.42	-0.02	0.40
Consumer Staples	0.38	0.10	0.48
Energy	0.30	-0.19	0.11
Financials	0.43	-0.16	0.27
Health Care	0.04	-0.11	-0.07
Industrials	0.81	-0.09	0.72
Information Technology	-0.77	-0.03	-0.80
Materials	-0.03	-0.01	-0.04
Telecom Services	0.08	0.02	0.09
Utilities	-0.10	0.16	0.06
Cash	0.00	-0.01	-0.01
Total	1.54	-0.33	1.21

Top 5 Contributors	Contribution to Return
Bank of America Corporation	0.35
Altria Group, Inc.	0.34
Citigroup Inc.	0.31
Lowe's Companies, Inc.	0.28
General Dynamics Corporation	0.25

Top 5 Detractors	Contribution to Return
Freeport-McMoRan, Inc.	-0.28
Anadarko Petroleum Corporation	-0.26
Chevron Corporation	-0.24
Juniper Networks, Inc.	-0.24
AES Corporation	-0.22

¹ Weighted Harmonic Average.

Source: Factset

Past performance does not guarantee future results. Holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Securities listed may not have been held for the entire period shown. For a discussion of calculation methodology and a list showing every holding's contribution to the overall accounts' performance during the period, contact your relationship manager. Please refer to the disclosures at the end of this presentation for more information.

Columbia Seligman Large-Cap Value

Market overview

Technology stocks and consumer staples were the top-performing sectors in the benchmark during the quarter, while energy lagged other sectors significantly. Energy stocks, which trade in line with the price of oil, fell as the prices of crude and gasoline declined.

U.S. large-cap stocks and the U.S. dollar were the two bright spots in a quarter that saw rising anxiety over global macroeconomic weakness. There was certainly no shortage of crises outside the U.S. including continued tension in Ukraine, a war of attrition in the Middle East, executions of U.S. citizens by the terrorist group ISIS and an Ebola outbreak in western Africa. With struggling economies in Europe and the real possibility of a European deflationary spiral, the relative appeal of U.S. stocks becomes readily apparent. U.S. gross domestic product (GDP) growth was revised up during the quarter, the economy continues to add about 200,000 jobs a month and earnings announcements during the period were generally strong.

The flight to the dollar is a boon for the U.S. in many ways. Commodities, which are largely dollar-denominated, are now cheaper, the fall in gas prices is equivalent to a tax cut for U.S. consumers and foreign goods are cheaper for U.S. consumers as well. These factors helped contribute to improved consumer spending data during the quarter. The stronger dollar is also good for U.S. companies, boosting merger and acquisition activity and investment. The stronger dollar is less good for commodity producers, for already struggling European economies and for multinational companies with significant overseas revenue.

Action in Washington DC remains antagonistic to U.S. business, with the Department of Justice continuing to extract large payments from U.S. banks. Bank of America agreed to pay nearly \$17 billion for its involvement in the mortgage meltdown. In our view, efforts to recoup taxes from U.S. companies domiciled overseas may end up dis-incenting both investments in the United States and U.S. business formation.

Contributors and detractors

It was a strong quarter of outperformance for the portfolio. As noted above, stock picking was the primary driver of relative gains.

- Bank stocks were among the top contributors to performance in the period, with Bank of America and Citigroup leading the way. In the first half of the year, bank stocks were unduly punished as interest rates, which were expected to rise, remained steady. They recovered some of this lost ground in the third quarter. Actions by the Department of Justice against banks are not expected to relent, but the market appears to have concluded that the largest and most painful punitive settlements are behind us, allowing investors to focus on earnings potential, which remains very positive.
- Freight rail provider Union-Pacific advanced with other rail carriers during the quarter. Volumes were extremely strong for autos, chemicals, oil-drilling chemicals and products, and agriculture. A shortage of truck drivers combined with rising wages provided both a price umbrella and a small volume boost.
- Home improvement retailer Lowe's benefitted from stronger consumer and housing data and from continued improvements implemented in its stores. (Average sales per selling square foot are at their highest level in three years.) Lowe's competitor Home Depot announced a credit card security breach during the quarter, which may cause some consumers to reconsider the home improvement retailer.

During the quarter, key detractors included Anadarko Petroleum and ConocoPhillips Energy, two oil and gas exploration companies, which both fell in line with the drop in crude prices. Conoco Phillips had had great performance through June 30, so we were not surprised to see some profit-taking. Additionally, Freeport McMoRan and AES were among the largest quarterly detractors. Mine operator Freeport McMoRan fell, as both the demand and price for copper declined during the quarter. Utility provider AES's plans to sell its generating assets were postponed. We do not believe that the impact to the firm's bottom line is significant, but investors decided that this short-term setback merited a sell-off.

Outlook

Our outlook for the year is largely unchanged:

- We are encouraged by strengthening data reports on U.S. consumer activity. Falling gasoline prices, better housing data and steady job growth have all been supportive of consumer spending.
- Costs of the Affordable Care Act are likely to continue as a headwind, particularly as the employer mandate is implemented at the end of the year.
- The sustained period of low stock market volatility that we have seen is unlikely to continue. Drivers of higher volatility include macroeconomic weakness, the end of the Fed's supportive actions in the bond market and speculation on rate increases in 2015.
- We believe investors will continue to perceive the U.S. as a safe haven. As noted, the strong U.S. dollar is negative for already struggling European economies. We believe that U.S. stocks have room for upside as we finish the year, although we do not expect to see large, across-the-board gains.

Columbia Seligman Large-Cap Value (continued)

Columbia Management Investment Advisers, LLC is an SEC-registered investment adviser that offers investment products and services under the names Columbia Management Investments, Columbia Management Capital Advisers, and Seligman Investments.

The portfolio holdings information provided by Columbia Management Investment Advisers, LLC and/or its agents or affiliates is proprietary and confidential. References to specific securities are included at your request as an illustration of the investment management strategy and are not a recommendation to buy or sell. Holdings are subject to change based on market and other conditions and it should not be assumed that any particular security was or will prove to be profitable or that decisions in the future will be profitable or provide similar results to the securities discussed. Past performance does not guarantee future results and fees will have an impact on performance. Complete holdings information for your account is available in client statements. Holdings are based on a representative portfolio and are subject to change at any time. Holdings of individual client portfolios may differ from those shown.

This commentary was prepared by the investment team for the strategy. The team's views are based on market conditions as of the quarter end identified in this commentary and are subject to change without notice at any time based upon market and other factors. This information may contain certain statements that may be deemed forward-looking. Please note that any such statements are not guarantees of any future performance, and actual results or developments may differ materially from those discussed. There is no guarantee that investment objectives will be achieved or that any particular investment will be profitable.

Past performance does not guarantee future results. This information is not intended to provide investment advice and does not account for individual investor circumstances. Investment decisions should always be made based on an investor's specific financial needs, objectives, goals, time horizon and risk tolerance.

This information has been prepared for clients of Columbia Management Investment Advisers, LLC and their authorized agents in the context of an advisory relationship and may not be used with any other person or for any other purpose.

For Existing Institutional Client Use Only. © 2014 Columbia Management Investment Advisers, LLC. All rights reserved.

Additional Performance Disclosures

Past performance does not guarantee future results. Results are for the client's own account and are not composite results. Performance is based on time-weighted, daily calculation using values that are determined in good faith by Columbia Management Investment Advisers, LLC. Portfolio performance is calculated based on trade date, net of transaction costs and reflects accrued interest. Gross performance does not reflect the deduction of management fees. Net performance reflects the deduction of estimated annualized management fees. If you have any questions regarding the above information, or if there are any changes in your investment objectives or guidelines, please contact your client relationship manager.

Indices shown are unmanaged and do not reflect the impact of fees. It is not possible to invest directly in an index.

This performance report is separate from the custodial brokerage statement that is delivered to you identifying the securities and other assets held in your account at the end of the reporting period and setting forth all transactions in the account during that period. Transaction and valuation information reflected in this report may be inconsistent with the information presented in your custodial brokerage statement due to settlement dates and other factors.

Any client portfolio holdings information provided is proprietary and confidential. In receiving holdings data, clients and their authorized agents agree that the data is not being obtained in order to effect securities transactions based upon such information or to provide such information to another party. References to specific securities should not be considered a recommendation to purchase or sell a particular security but rather an illustration of investment management strategy. Complete holdings information is available in client statements.

Sector weightings are as of the date given, subject to change and are not recommendations to buy or sell any security or that a particular sector(s) will be profitable.

Information provided by third parties is deemed to be reliable but may be derived using methodologies or techniques that are proprietary or unique to the third party source.

Entity Definitions and Disclosures

Columbia Management Investment Advisers, LLC is a U.S. Securities and Exchange Commission registered investment adviser that offers investment products and services under the names Columbia Management Investments, Columbia Management Capital Advisers and Seligman Investments.

24

October 31, 2014

Bay County Employees' Retirement System
Bay County Voluntary Employees' Beneficiary Association
Bay County Building
515 Center Avenue, Suite 706
Bay City, MI 48708-5128

Dear Bay County Employees' Retirement System:

The total return of the Bay County Employees' Retirement System REIT account for the quarter ended September 30, 2014 is as follows:

**Total Returns Ending
September 30, 2014**

Portfolio	Q3 2014	1 Year
Bay County Employees' Gross	-2.95%	15.58%
Bay County Employees' Net	-3.10%	14.89%
<i>FTSE NAREIT Equity REIT Index</i>	-3.15%	13.14%

Market Overview

The FTSE NAREIT Equity Index declined 3.15% in the third quarter, underperforming the S&P 500 Index which was up 1.13% in the same period. Investors' expectations that the U.S. economy was improving attracted fund flows to more pro-cyclical sectors of the equity market. The anticipation of the Federal Reserve's phasing out of Quantitative Easing in October temporarily pushed up interest rates in September, with the 10-year Treasury yield at 2.49% as of September 30, up from 2.34% at the end of August.

The Regional Mall Sector had the best, albeit negative, returns relative to the FTSE NAREIT Equity index. This sector outperformed the REIT sector due to improving consumer sentiment. Low inflation, healthy employment trends, and the strong dollar all contributed to consumer spending. The Diversified sector was the second best relative performer in the quarter.

The Mixed Office and Industrial Sector posted the largest losses in the quarter. This is a smaller sector (2.6% of the total index) with six companies, none of which are owned by the Fund. The Industrial Sector lagged the FTSE NAREIT Equity index in the third quarter. Investors continue to be wary of rising supply in key markets – new supply is of particular concern in this sector due to the relative ease of new construction. E-commerce is a strong demand driver for warehouse space, but demand from the housing market has so far disappointed.

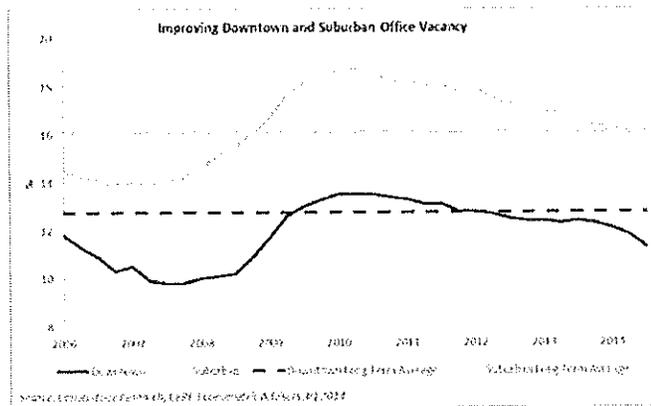
Market Commentary

Most economic indicators are pointing to a strengthening U.S. economy. The September employment report was welcome news after a disappointing August: monthly gains averaged 227,000 year to date. The unemployment rate dipped below 6% in September, although this is partially due to historically low workforce participation. Also the quality of jobs created is a concern. Second quarter GDP grew 4.2%, after falling 2.1% in the first quarter, aided by the end of government spending cutbacks. The ISM Manufacturing Index has been somewhat volatile on a monthly basis but remains comfortably above the 50 expansionary threshold. Military conflict in Europe and the Middle East presents downside risk to the recovery.

Property Markets

Office

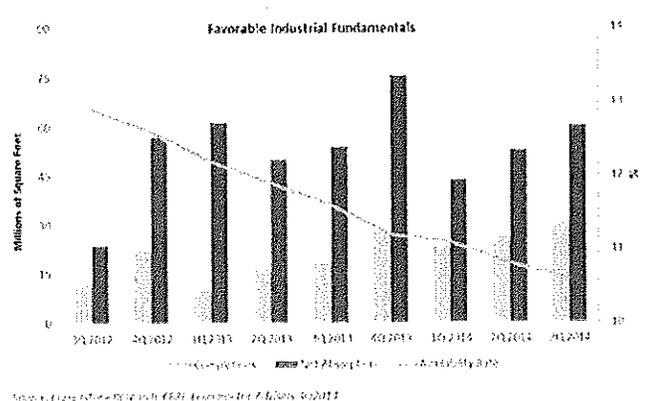
Compelling fundamentals have driven office vacancies below long run averages in both downtown and suburban submarkets nationally, and while the overall outlook is quite favorable, uneven job growth presents great variation in the pace of recovery across submarkets. This patchwork pattern of recovery presents both challenges and opportunities for investors. As the finance sector still struggles to build employment momentum, tech and business service related job growth continues to accelerate, and energy related job growth has begun to cool in response to falling oil prices. Nationally, office markets posted the strongest net quarterly absorption in seven years, pushing total vacancy down another 40 basis points to 14.1% in the third quarter. Class A downtown vacancy fell to 10.8% nationally and below 10% in 16 of 54 markets surveyed, and rents are growing in more markets, but remain well under pre-recession levels. Completions remain near twenty year lows and will remain there for an extended period. Cornerstone's supply/demand models forecast favorable fundamentals nationally over the next two years.



Nationally, office markets posted the strongest net quarterly absorption in seven years, pushing total vacancy down another 40 basis points to 14.1% in the third quarter. Class A downtown vacancy fell to 10.8% nationally and below 10% in 16 of 54 markets surveyed, and rents are growing in more markets, but remain well under pre-recession levels. Completions remain near twenty year lows and will remain there for an extended period. Cornerstone's supply/demand models forecast favorable fundamentals nationally over the next two years.

Industrial

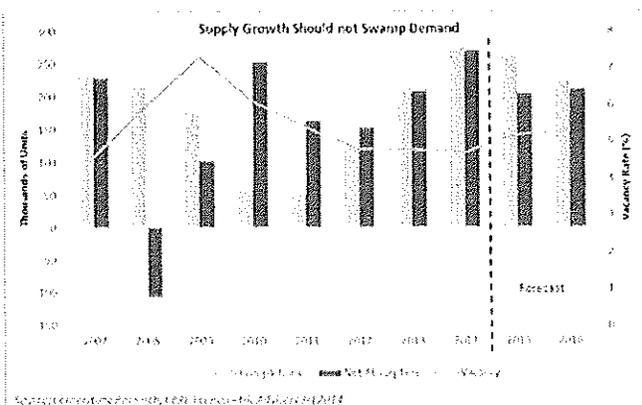
In spite of rising risk and tempered global growth expectations, the U.S. industrial recovery accelerated in the third quarter, with availability dropping 20 basis points to the lowest level in seven years (10.6%). Asking rents have risen for about two years on the national level. The industrial supply pipeline is proving very responsive, with over 30 million square feet of new space delivering in the quarter, which is still less than half the pace of absorption. Of the



nation's "big five" national distribution markets, Atlanta is now fully recovered to below pre-recession availability with supply ticking up; Chicago is still a relatively high 11.9% and will fully recover next year; and Dallas has been in expansion mode for several quarters with an active pipeline. North Jersey and Los Angeles both are recovering strongly but have room to improve before achieving full recovery. Los Angeles is among the tightest markets nationally with just 5.7% available. Our outlook is quite favorable for 2015, as expected improvements in housing and consumer spending accelerates the recovery.

Apartment

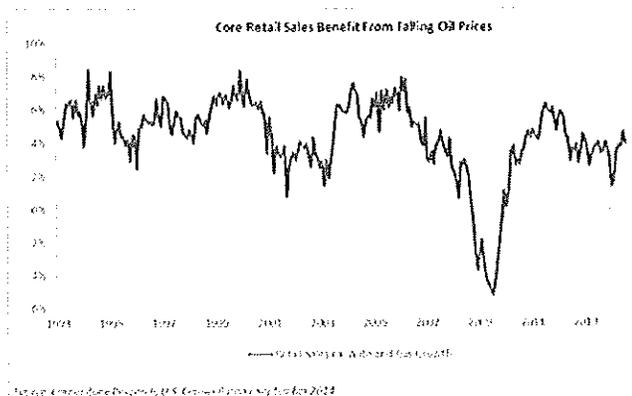
The apartment sector continues to outperform expectations with vacancy dropping 10 basis points to 4.3% in the quarter, the lowest level in eight years. Vacancies are down from year-ago levels in 51 of 63 major markets. Contrary to investor concerns at the start of the year, new supply is generally matched by demand as broadening job growth encourages household formations, and young renters remain reluctant to plunge into home ownership. As a result, apartment rent growth is accelerating and reaching new peak levels in most markets. Market fundamentals are especially dynamic in urban core locations, despite very active construction. The confluence of millennial and boomer demographics, an undersupply of new multifamily housing product, and resurgent interest in work/live/play urban lifestyle locations is supporting the current wave of development. We expect healthy fundamentals to prevail nationally in 2015, while current waves of construction will likely result in a temporary unfavorable shift, in the most active supply markets in Texas, North Carolina, Gateway cities, and the Pacific Northwest.



Market fundamentals are especially dynamic in urban core locations, despite very active construction. The confluence of millennial and boomer demographics, an undersupply of new multifamily housing product, and resurgent interest in work/live/play urban lifestyle locations is supporting the current wave of development. We expect healthy fundamentals to prevail nationally in 2015, while current waves of construction will likely result in a temporary unfavorable shift, in the most active supply markets in Texas, North Carolina, Gateway cities, and the Pacific Northwest.

Retail

Retail space market fundamentals are improving at a much slower pace than other property sectors. The average neighborhood and community center availability rate edged down 20 basis points to 11.5% nationally in the third quarter and is still near pre-recession peak levels in many of the major markets. The static top-line availability rate, however, belies dynamic demand fundamentals with retail chains vying for presence in the nation's fast-growth markets and established trade areas with high barriers constraining new supply. U.S. consumers have proven resilient through the recovery despite uneven employment gains and flat wage growth. More recently, the impact of troubling headlines and volatile equity markets on consumer spending is likely mitigated by rapidly declining oil prices, providing an immediate boost to discretionary income. Expectations for holiday retail sales are optimistic with both ICSC and the National Retail Federation forecasting 4% growth, up from the 3.1% last year. With new supply growth essentially nonexistent nationally, the stage is set for near-term rent growth in properties in solid trade areas with leasing opportunities.

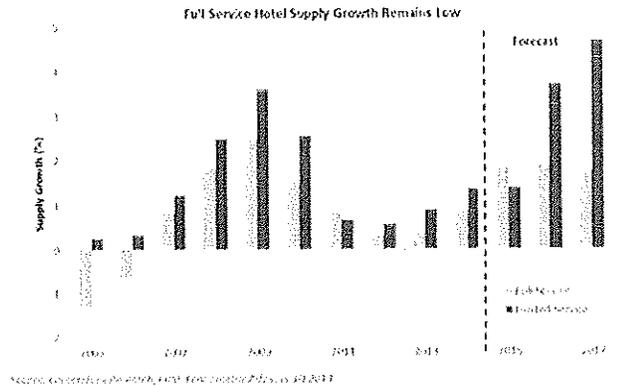


U.S. consumers have proven resilient through the recovery despite uneven employment gains and flat wage growth. More recently, the impact of troubling headlines and volatile equity markets on consumer spending is likely mitigated by rapidly declining oil prices, providing an immediate boost to discretionary income. Expectations for holiday retail sales are optimistic with both ICSC and the National Retail Federation forecasting 4% growth, up from the 3.1% last year. With new supply growth essentially nonexistent nationally, the stage is set for near-term rent growth in properties in solid trade areas with leasing opportunities.

Hotel

The U.S. hotel sector is well into expansion phase. Strong room night demand combined with generally moderate supply activity are driving occupancies toward full capacity in many of the nation's "top 25" markets. Annual room rate growth has been well above inflation since the start of 2011, and RevPAR is now 10.4% above pre-recession peak levels. Twelve of the "top 25" markets have achieved double digit RevPAR gains year-to-date through the third quarter, led by Nashville and San Francisco. Cornerstone

is forecasting that favorable fundamentals will continue into 2016 despite slower global growth and overseas risks, as annual supply growth remains below 2% and is concentrated in a few sectors. Markets with significant additions to supply are limited to New York, Houston, Miami, Orange County, and Nashville – and these also boast among the strongest room demand of any of the major markets. While the outlook is favorable with robust fundamentals, potential headwinds to the expansion, in addition to the aforementioned offshore risks, include the evolving impact of technology in the form of increased mobile bookings and "alternative accommodation" platforms like Airbnb.



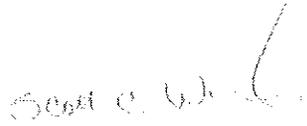
REIT Outlook

We expect that U.S. REITs will grow their earnings between 9% and 11% over the next two years, which given their current valuation bodes well for our total return outlook. In addition, the current dividend payout ratio is below its historical average, which coupled with our outlook for healthy earnings growth should allow companies to significantly grow their current dividends. REITs will benefit from the improving economy over the next year, due to improving U.S. economy which will drive tenant demand and rent growth.

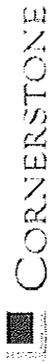
Sincerely,

A handwritten signature in cursive script, appearing to read "David Wharmby".

David Wharmby, CFA
Managing Director, Global Head of Real Estate Securities, Portfolio Manager

A handwritten signature in cursive script, appearing to read "Scott Westphal".

Scott Westphal, CFA, CPA
Managing Director, Portfolio Manager



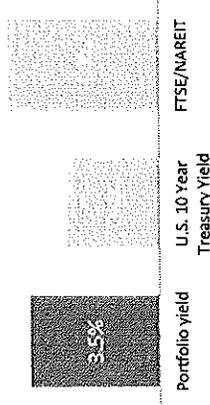
PERFORMANCE HISTORY
Bay County Employees' Retirement System

Total Return as of 09/30/2014

Time Period	Gross	Portfolio Returns Net	FTSE/NAREIT Equity Index
Q3 2014	-2.95%	-3.10%	-3.15%
YTD 2014	14.48%	13.97%	13.96%
1 Year	15.58%	14.89%	13.14%
3 Year	17.51%	16.81%	16.68%
5 Year	16.84%	16.15%	15.88%
Since Inception	16.26%	15.57%	14.29%

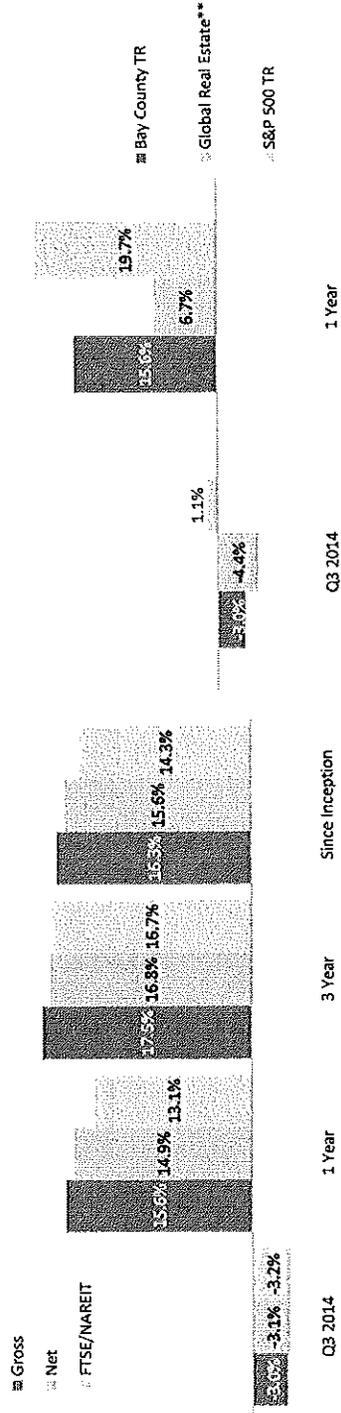
*Inception Date 10/21/2008

Dividend Yields'



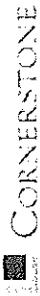
'All forward yields

Capital Markets & Real Estate Comparison



Past performance is not a guarantee of future performance.

** FTSE EPRA/NAREIT Developed Index



Top Ten Equity Holdings

Symbol	Security	Total Portfolio Weight	Quantity	Market Close Price	Portfolio Market Value	Equity Weight	Dividend Yield	Security Market Return Quarter
SPG	Simon Property Group Inc	11.5%	8,448	\$164.42	\$1,389,020	11.8%	3.1%	-0.4%
AVB	AvalonBay Communities Inc	8.8%	7,556	\$140.97	\$1,065,169	9.0%	3.2%	0.0%
ESS	Essex Property Trust Inc	3.9%	2,840	\$178.75	\$471,900	4.0%	2.8%	-2.6%
VNO	Vornado Realty Trust	3.7%	4,464	\$93.96	\$446,221	3.8%	2.9%	-5.7%
HCN	Health Care REIT Inc	3.5%	6,840	\$62.37	\$426,611	3.6%	5.1%	0.8%
HST	Host Hotels & Resorts Inc	3.5%	19,985	\$21.33	\$426,280	3.6%	2.9%	-2.2%
BXP	Boston Properties Inc	3.5%	3,650	\$115.76	\$422,524	3.6%	4.2%	-1.5%
EXR	Extra Space Storage Inc	3.4%	7,960	\$51.57	\$410,487	3.5%	3.4%	-2.3%
HIW	Highwoods Properties Inc	3.1%	9,690	\$38.90	\$376,941	3.2%	4.4%	-6.3%
AKR	Acadia Realty Trust	3.0%	13,171	\$27.58	\$363,256	3.1%	3.3%	-1.0%
						\$5,798,420	49.2%	3.4%

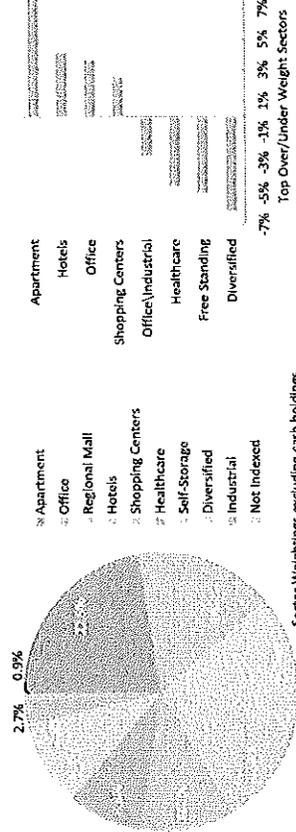
48.1%

61

FTSE NAREIT Equity Index vs. Portfolio Sector Weightings

Sector	Equity Weight	NAREIT Equity Index Weight	Over/Under Weight
Apartment	22.5%	14.6%	7.9%
Regional Mall	15.9%	14.5%	1.4%
Self-Storage	6.3%	5.8%	0.5%
Industrial	2.7%	4.7%	-2.0%
Diversified	3.8%	9.9%	-6.1%
Hotels	12.0%	7.8%	4.2%
Shopping Centers	11.1%	8.5%	2.6%
Healthcare	8.8%	13.3%	-4.5%
Office/Industrial	0.0%	2.5%	-2.5%
Manufactured Homes	0.0%	1.0%	-1.0%
Office	16.1%	12.5%	3.7%
Free Standing	0.0%	4.9%	-4.9%
Not Indexed	0.9%	0.9%	0.0%
		100.0%	100.0%

*Note: Weight excludes cash and cash equivalents.



Top Over/Under Weight Sectors

- Apartment: 7.9%
- Hotels: 4.2%
- Shopping Centers: 2.6%
- Office: 3.7%
- Healthcare: -4.5%
- Free Standing: -4.9%
- Diversified: -6.1%
- Office/Industrial: -2.5%
- Industrial: -1.0%
- Regional Mall: 1.4%
- Self-Storage: 0.5%
- Not Indexed: 0.0%

CORNERSTONE

Bay County Employees' Retirement System
September 30, 2014

Symbol	Equity	Property Type	Quantity	Cost	Cost Per Share	Market Price 9/30/2014	Percentage of Portfolio	Market Value 9/30/2014	Dividend Yield		
ACC	American Campus Communities In	Apartment	7,560	\$278,344	\$36.82	\$36.45	2.29%	\$275,562	4.1%		
AVB	AvalonBay Communities Inc	Apartment	7,556	\$1,123,856	\$148.74	\$140.97	8.83%	\$1,065,169	3.2%		
EDR	Education Realty Trust Inc	Apartment	28,590	\$276,384	\$9.67	\$10.28	2.44%	\$293,905	4.4%		
EQR	Equity Residential	Apartment	4,860	\$255,979	\$52.67	\$61.58	2.48%	\$299,279	3.5%		
ESS	Essex Property Trust Inc	Apartment	2,640	\$451,091	\$170.87	\$178.75	3.91%	\$471,900	2.8%		
UDR	UDR Inc	Apartment	8,995	\$245,600	\$27.30	\$27.25	2.03%	\$245,114	3.6%		
VNO	Vornado Realty Trust	Diversified	4,464	\$335,842	\$75.23	\$99.96	3.70%	\$446,221	2.9%		
DOC	Physicians Realty Trust	Healthcare	6,930	\$83,065	\$11.99	\$13.72	0.79%	\$95,080	6.2%		
HCP	HCP Inc	Healthcare	3,430	\$133,173	\$38.83	\$39.71	1.13%	\$136,205	5.4%		
HCN	Health Care REIT Inc	Healthcare	6,840	\$400,503	\$58.55	\$62.37	3.54%	\$426,611	5.1%		
NHI	National Health Investors Inc	Healthcare	1,517	\$87,426	\$57.63	\$57.14	0.72%	\$86,681	5.3%		
SBRA	Sabra Health Care REIT Inc	Healthcare	5,130	\$142,317	\$27.74	\$24.32	1.03%	\$124,762	6.0%		
VTR	Ventas Inc	Healthcare	2,677	\$143,084	\$53.45	\$61.95	1.38%	\$165,840	4.7%		
CSU	Capital Senior Living Corp	Healthcare/Not Indexed	5,000	\$118,838	\$23.77	\$21.23	0.88%	\$106,150	0.0%		
AHT	Ashford Hospitality Trust Inc	Hotels	7,210	\$90,519	\$12.55	\$10.22	0.61%	\$73,686	4.7%		
CHSP	Chesapeake Lodging Trust	Hotels	9,060	\$194,705	\$21.49	\$29.15	2.19%	\$264,099	4.0%		
DRH	DiamondRock Hospitality Co	Hotels	11,670	\$136,279	\$11.68	\$12.68	1.23%	\$147,976	3.1%		
FCH	FelCor Lodging Trust Inc	Hotels	22,340	\$161,554	\$7.23	\$9.36	1.73%	\$209,102	0.6%		
HT	Hersha Hospitality Trust	Hotels	18,950	\$107,653	\$5.68	\$6.37	1.00%	\$120,712	3.9%		
HST	Host Hotels & Resorts Inc	Hotels	19,985	\$338,282	\$16.93	\$21.33	3.54%	\$426,280	2.9%		
LHO	Lasalle Hotel Properties	Hotels	5,080	\$135,608	\$26.69	\$34.24	1.44%	\$173,939	3.8%		
FR	First Industrial Realty Trust	Industrial	9,581	\$157,876	\$16.48	\$16.91	1.34%	\$162,015	2.3%		
STAG	STAG Industrial Inc	Industrial	7,285	\$160,253	\$22.00	\$20.71	1.25%	\$150,872	6.1%		
ARE	Alexandria Real Estate Equite	Office	2,220	\$151,335	\$68.17	\$73.75	1.36%	\$163,725	3.8%		
BXP	Boston Properties Inc	Office	3,650	\$311,727	\$85.40	\$115.76	3.50%	\$422,524	4.2%		
BDN	Brandywine Realty Trust	Office	9,450	\$141,211	\$14.94	\$14.07	1.10%	\$132,962	4.3%		
CUZ	Cousins Properties Inc	Office	18,640	\$206,377	\$11.07	\$11.95	1.85%	\$222,748	2.3%		
HIW	Highwoods Properties Inc	Office	9,690	\$349,816	\$36.10	\$38.90	3.13%	\$376,941	4.4%		
HPP	Hudson Pacific Properties Inc	Office	10,770	\$254,940	\$23.67	\$24.66	2.20%	\$265,588	2.0%		
KRC	Kilroy Realty Corp	Office	5,372	\$291,111	\$54.19	\$59.44	2.65%	\$319,312	2.4%		
GGP	General Growth Properties Inc	Office	13,331	\$280,239	\$21.02	\$23.55	2.60%	\$313,945	2.4%		
GRT	Glimcher Realty Trust	Regional Mall	7,050	\$70,683	\$10.03	\$13.54	0.79%	\$95,457	3.0%		
SPG	Simon Property Group Inc	Regional Mall	8,448	\$820,390	\$97.11	\$164.42	11.52%	\$1,389,020	3.1%		
WPG	Washington Prime Group Inc	Regional Mall	4,059	\$47,620	\$11.73	\$17.48	0.59%	\$70,951	1.4%		
CUBE	CubeSmart	Self-Storage	18,680	\$311,499	\$16.68	\$17.98	2.79%	\$335,866	2.9%		
EXR	Extra Space Storage Inc	Self-Storage	7,960	\$365,732	\$45.95	\$51.57	3.40%	\$410,497	3.4%		
AKR	Acadia Realty Trust	Shopping Centers	13,171	\$339,621	\$25.79	\$27.58	3.01%	\$363,256	3.3%		
KRG	Kite Realty Group Trust	Shopping Centers	6,562	\$163,833	\$24.97	\$24.24	1.32%	\$159,063	4.1%		
REG	Regency Centers Corp	Shopping Centers	6,330	\$321,811	\$50.84	\$53.83	2.83%	\$340,744	3.5%		
RPT	Ramco-Gershenson Properties Tr	Shopping Centers	11,660	\$187,246	\$16.06	\$16.25	1.57%	\$189,475	4.7%		
SKT	Tanger Factory Outlet Centers	Shopping Centers	7,660	\$275,951	\$36.02	\$32.72	2.08%	\$250,635	2.8%		
Total Equities									97.8%	\$ 11,789,870	3.4%
Accrued Income									0.4%	\$ 44,230	
Total Cash & Cash Equivalents									1.8%	\$ 222,523	
Total Portfolio Value									100.0%	\$ 12,056,623	

32

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

Quarter Ended September 30, 2014

Total Market Value: \$9,993,089 (1.9% Cash)

Small Cap Value

	MTD	QTD	YTD	Since Incept.	Projected P/E Ratio (FY2)	Rus 2000 V	Rus 2000
Portfolio - Total Return	-5.40 %	-5.48 %	3.56 %	10.46 %		14.4x	15.7x
Portfolio - Equity Only	-5.55	-5.42	3.87	10.45	Price / Cash Flow Ratio	5.8x	9.4x
					Price / Book Ratio	1.3x	2.0x
Russell 2000 Value Index	-6.75	-8.58	4.74	7.79	Dividend Yield	1.3%	2.1%
Russell 2000 Index	-6.05	-7.36	4.41	8.10	Market Capitalization (mm)	\$2,209	\$1,556
S&P 500 Index	-1.40	1.13	8.34	8.12	# of Holdings / 1-Yr Turnover	59 / 50%	\$1,711

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

	End Wgt	Ttl Ret	Contr.	Major Buy/Sell	+/-	End Wgt
LifePoint Hospitals Inc.	2.08 %	11.42 %	0.34 %	Helen of Troy Corp.	1.9% *	Masonite Int'l Corp.
Taro Pharmaceutical Incls.	2.46	9.71	0.29	Hanger Inc.	1.6%	Con-way Inc.
Geo Group Inc.	3.71	8.60	0.29	Great Plains Energy Inc.	1.1%	Kaiser Aluminum Corp.
Noranda Aluminum Hldg	1.49	28.36	0.28	EnPro Industries Inc.	1.0% *	First Horizon Nat'l Corp.
Bally Technologies Inc.	0.00	33.42	0.24	Granite Real Estate Inv. Trust	0.8%	Horace Mann Educ. Corp.
Meritor Inc.	2.43 %	-16.79 %	-0.46 %	(Symetra Fin'l Corp.)	-1.1%	Geo Group Inc.
NRG Energy Inc.	2.30	-17.69	-0.46	(Taro Pharmaceuticals Incls. Ltd)	-1.2%	Matson Inc.
Invacare Corp.	1.16	-35.60	-0.56	(LifePoint Hospitals Inc.)	-1.4%	Sonic Automotive Inc.
Hanger Inc.	2.03	-34.75	-0.56	(JetBlue Airways Corp.)	-1.5% *	WellCare Health Plans Inc.
WellCare Health Plans Inc.	2.96	-19.18	-0.67	(Horsehead Hldg Corp.)	-1.6%	ARRIS Group Inc.

	Portfolio	Avg Wgt	Equ. Ret.	Avg Wgt	Equ. Ret.	Allocation	End Wgt
Industrials	26.20 %	-5.79 %	13.25 %	-11.24 %	Total	1.16	12.2 %
Materials	7.65	5.48	4.69	-9.58	Sector	1.46	10.2
Energy	1.33	-27.88	6.96	-22.88	Stock	1.14	7.1
Financials	29.59	-2.02	39.17	-5.04		-0.08	6.9
Consumer Discretionary	10.20	-7.16	11.32	-8.99		0.87	5.8
Telecommunication Services	0.00	0.00	0.80	-8.67		0.02	5.7
Consumer Staples	0.00	0.00	2.63	-8.40		0.00	5.2
Utilities	4.39	-14.23	6.30	-10.17		0.00	5.2
Health Care	11.72	-10.16	4.89	-6.77		0.03	4.5
Information Technology	8.92	-10.37	9.98	-6.93		0.13	4.5
						-0.02	3.8
						0.39	
						2.79	
						3.18	

Returns are calculated using daily holding information, gross of fees, within Bloomberg. Returns calculated using this buy-and-hold methodology can differ from actual portfolio returns due to intraday trades, cash flows, accrued/miscellaneous income, corporate actions, and trade price and closing price difference of any given security. Russell Investment Group is the source and owner of the Russell Index data contained herein (and all trademarks related thereto), which may not be redistributed. The information herein is not approved by Russell. H&W and Russell sectors are based on the Global Industry Classification Standard by MSCI and Standard and Poor's.

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

September 30, 2014

<u>Assets</u>	<u>Transactions Summary</u>	
Total Market Value:	\$9,993,089	Total Purchases: \$1,294,667
Total Equity Value:	\$9,801,997	Total Sales: \$2,060,337
Total Cash Value:	\$185,797	Total Commissions: \$3,136
Total Accrued Value:	\$5,295	Average Transaction Cost/Share: \$0.022
% Cash of Portfolio:	1.9%	

Performance Returns
Commencement of Portfolio
December 1, 2003

	<u>MTD</u>	<u>QTD</u>	<u>YTD</u>	<u>1 Yr</u>	<u>3 Yrs</u>	<u>5 Yrs</u>	<u>10 Yrs</u>	<u>Since Inception</u>
Portfolio - Total Return	-5.40 %	-5.48 %	3.56 %	16.97 %	30.80 %	21.35 %	9.75 %	10.46 %
Portfolio - Equity Only	-5.55	-5.42	3.87	17.71	31.76	21.91	9.70	10.45
Russell 2000 Value Index	-6.75	-8.58	-4.74	4.13	20.61	13.03	7.25	7.79
Russell 2000 Index	-6.05	-7.36	-4.41	3.93	21.26	14.29	8.19	8.10
S&P 500 Index	-1.40	1.13	8.34	19.73	22.99	15.70	8.11	8.12

Periods over one year are average annualized returns
Performance shown gross of fees
Past performance is no guarantee of future performance

34

September 30, 2014

MARKET REVIEW AND OUTLOOKMarket Commentary

The Russell 2000 Index declined -7.4% over the three months ended September 30th, breaking its streak of 8 consecutive quarters with a positive return. The index approached an all-time high in early July before a pullback ensued. Unlike prior periods of elevated stock prices (e.g. 1999, 2007), equities today are supported by both strong corporate earnings and an improving economic environment. At 18.3x forward earnings, the Russell 2000 Index trades at a valuation slightly higher than the 20-year median of 17.7x. Meanwhile, the 10-year Treasury yields 2.5% versus the 25-year median of 4.8%; considering the low interest rate environment equity valuations appear reasonable. The U.S. housing market continues to recover, with new home sales considerably higher than consensus expectations and home prices on the rise. Higher home values create a wealth effect that boosts confidence and drives consumer spending, which accelerated during the quarter – consumer spending comprises two-thirds of U.S. GDP, so the housing market's economic impact is material. Meanwhile, employment has steadily improved and inflation has remained in check. The U.S. dollar strengthened as a result of the productive economy, appreciating by more than 6% relative to a basket of major developed market currencies¹. While the tense geopolitical landscape poses risks to the equity market, the earnings power of our portfolio holdings provides considerable valuation support. The portfolio trades at 9.1x our estimate of normal/sustainable earnings, a significant discount to the market average².

Small cap stocks lagged large cap stocks by a wide margin in the quarter³. As of one year ago (9/30/13), small cap equities had outperformed large cap equities by more than 50 percentage points since the market bottom in March of 2009. This resulted in a large valuation premium for small cap stocks relative to large cap stocks compared to historical averages – this premium has eroded over the past twelve months toward levels more typically observed because small cap stocks have since underperformed. Concerns about decelerating growth in emerging markets triggered a precipitous decline in commodities over the quarter. Crude oil, natural gas, precious metals, most industrial metals, and most agricultural commodities declined considerably – some by more than 10%. Consequently, sectors exposed to commodity price changes lagged the overall market. Energy, utilities, and industrials lagged during the quarter while consumer staples, healthcare, and financials declined less than the market. Value underperformed growth for the quarter, largely because energy is a larger weight and healthcare a smaller weight in value indices as compared with growth indices.

¹ The basket includes an equity market weighted average of major developed market currencies, the largest of which are the Euro, Yen, and Pound.

² The Russell 2000 traded at 18.3x next years' consensus earnings estimates, and 16.8x using our proprietary normal earnings methodology.

³ The Russell 2000 is used as a proxy for small cap stocks, the Russell 1000 is used as a proxy for large cap stocks.

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

September 30, 2014

Improved balance sheets and a sound economic backdrop have at least partially de-risked the U.S. equity market over the past five years. Elevated stock prices and geopolitical unrest, however, have produced a market that is somewhat temperamental. The VIX index, a gauge of expected volatility, oscillated from 10, to 17, to 11, and then back to 16—all within the third quarter. Escalations in Syria, Iraq, Ukraine, or elsewhere could prompt additional bouts of volatility going forward, but we believe we are well positioned for such encounters as we remained focused on valuation support, strong balance sheets, sustainable cash flows, and prudent capital allocation.

Attribution: 3Q 2014

The Hotchkis & Wiley Small Cap Value portfolio outperformed the Russell 2000 Value Index during the third quarter of 2014. Positive stock selection in financials, industrials, and materials drove the outperformance. An underweight exposure to energy was also beneficial, as this was the worst-performing sector. The largest individual contributors for the quarter were Kaiser Aluminum, LifePoint Hospitals, and Geo Group. An underweight in financials and stock selection in technology detracted from performance in the quarter. The largest individual detractors for the quarter were Invacare, Hanger, and WellCare Health Plans.

Portfolio Activity: 3Q 2014

We increased the weight in financials in the quarter, though we remain underweight relative to the Russell 2000 Value Index. We added new position in well-capitalized commercial banks that exhibit compelling valuations. We trimmed the weight in industrials, though we remain overweight relative to the Russell 2000 Value Index. We exited positions in a couple aerospace and defense companies that had outperformed and approached our valuation target.

Portfolio attribution is based on a representative Small Cap Value portfolio. Certain client portfolio(s) may or may not hold the securities discussed due to the account's guideline restrictions, cash flow, tax and other relevant considerations. Equity performance attribution is an analysis of the portfolio's return relative to a selected benchmark, is calculated using daily holding information and does not reflect management fees and other transaction costs and expenses. Returns calculated using this buy-and-hold methodology can differ from actual portfolio returns due to intraday trades, cash flows, corporate actions, accrued/miscellaneous income, and trade price and closing price difference of any given security. Specific securities identified are the largest contributors (or detractors) on a relative basis to the Russell 2000 Value Index. Securities' absolute performance may reflect different results. Securities identified do not represent all of the securities purchased, sold, or recommended for advisory clients, and are not indicative of current or future holdings or trading activity. H&W has no obligation to disclose purchases or sales of these securities. No assurance is made that any securities identified, or all investment decisions by H&W were, or will be profitable.

The commentary is for information purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Portfolio managers' opinions and data included in this commentary are as of September 30, 2014 and are subject to change without notice. Any forecasts made cannot be guaranteed. Information obtained from independent sources is considered reliable, but H&W cannot guarantee its accuracy or completeness. Certain information presented is based on proprietary or third-party estimates, which are subject to change and cannot be guaranteed. Equity securities may have greater risks and price volatility than U.S. Treasuries and bonds, where the price of these securities may decline due to various company, industry and market factors. Investing in value stocks presents the risk that value stocks may fall out of favor with investors and underperform growth stocks during given periods. Investing in smaller and/or newer companies involves greater risks than those associated with investing in larger companies, such as business risk, significant stock price fluctuations and illiquidity. All investments contain risk and may lose value. Past performance is no guarantee of future results. ©2014 Hotchkis & Wiley

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

September 30, 2014

Weighted Average Portfolio Characteristics

	<u>Portfolio</u>	<u>Russell</u> <u>2000 Val</u>	<u>Russell</u> <u>2000</u>
Projected P/E Ratio	14.4x	14.5x	15.7x
Earnings Yield	6.9%	6.9%	6.4%
Dividend Yield	1.3%	2.1%	1.4%
Price / Book	1.3x	1.4x	2.0x
Price / Sales	0.6x	1.0x	1.2x
Mkt Cap (mm)	\$2,209	\$1,556	\$1,711
Median Mkt Cap (mm)	\$1,362	\$606	\$691

Top 10 Stocks - Total Portfolio

<u>Company Name</u>	<u>Sector</u>	<u>Industry</u>	<u>Weight (%)</u>
Masonite Int'l Corp.	Industrials	Building Products	5.8
Con-way Inc.	Industrials	Road & Rail	4.5
Kaiser Aluminum Corp.	Materials	Metals & Mining	4.3
First Horizon Nat'l Corp.	Financials	Banks	4.2
Horace Mann Educ. Corp.	Financials	Insurance	4.1
Geo Group Inc.	Financials	Real Estate Investment Trusts	3.7
Matson Inc.	Industrials	Marine	3.4
Sonic Automotive Inc.	Consumer Discretionary	Specialty Retail	3.0
WellCare Health Plans Inc.	Health Care	Health Care Providers & Svcs	3.0
ARRIS Group Inc.	Information Technology	Communications Equipment	3.0

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
 Summary of Investment Portfolio
 As of September 30, 2014

On a Trade Date Basis (US)

	<u>Market Value</u>	<u>% of Total Portfolio</u>	<u>Estimated Dividend Income</u>	<u>Dividend Yield</u>
CASH & CASH EQUIVALENTS	185,796.66	1.86		
EQUITIES	9,801,997.05	98.09	130,838.04	1.33
ACCRUED INCOME	5,295.13	0.05		
TOTAL PORTFOLIO	<u>9,993,088.84</u>	100.00		

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Hotchkis & Wiley Capital Management, LLC

Institution Account(s): 1122 Bay Counties Emp Retirement System

Aspen Insurance Holdings Limited

Meeting Date: 07/25/2014 Country: Bermuda Primary Security ID: G05384105 Meeting ID: 906033
 Record Date: 06/13/2014 Meeting Type: Proxy Contest Ticker: AHL
 Primary CUSIP: G05384105 Primary ISIN: BMG053841059 Primary SEDOL: 2172372
 Shares Voted: 4,000 Votable Shares: 4,000 Shares on Loan: 0 Shares Instructed: 4,000

Total Ballots: 1

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
	Management Proxy (Blue Card)	Mgmt			
1	Revoke Consent to Request Special Meeting	SH	For	For	For
2	Revoke Consent to Request a Court-Ordered Shareholder Meeting to Vote on a Scheme of Arrangement	SH	For	For	For
	Dissident Proxy (White Card)	Mgmt			
1	Consent to Request Special Meeting	SH	For	Do Not Vote	Do Not Vote
2	Consent to Request a Court-Ordered Shareholder Meeting to Vote on a Scheme of Arrangement	SH	For	Do Not Vote	Do Not Vote

Ballot Details

Institutional Account Detail (IA Name, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted
1122 Bay Counties Emp Retirement System, 1122	2622536	Confirmed	v Wade	07/22/2014	v Wade	07/22/2014	4,000	4,000
Total Shares:							4,000	4,000

QLogic Corporation

Meeting Date: 08/25/2014 Country: USA Primary Security ID: 747277101 Meeting ID: 910176
 Record Date: 07/01/2014 Meeting Type: Annual Ticker: QLGC
 Primary CUSIP: 747277101 Primary ISIN: US7472771010 Primary SEDOL: 2717320
 Shares Voted: 10,500 Votable Shares: 10,500 Shares on Loan: 600 Shares Instructed: 10,500

Total Ballots: 1

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1a	Elect Director John T. Dickson	Mgmt	For	For	For
1b	Elect Director Balakrishnan S. Iyer	Mgmt	For	For	For
1c	Elect Director Christine King	Mgmt	For	For	For
1d	Elect Director D. Scott Mercer	Mgmt	For	For	For

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Hotchkis & Wiley Capital Management, LLC

Institution Account(s): 1122 Bay Counties Emp Retirement System

Qlogic Corporation

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1e	Elect Director Prasad L. Rampalli	Mgmt	For	For	For
1f	Elect Director George D. Wells	Mgmt	For	For	For
1g	Elect Director William M. Zeitler	Mgmt	For	For	For
2	Amend Omnibus Stock Plan	Mgmt	For	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For
4	Ratify Auditors	Mgmt	For	For	For

Ballot Details									
Institutional Account Detail (IA Name, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted	
1122 Bay Counties Emp Retirement System, 1122	2622536	Confirmed	v Wade	09/12/2014	v Wade	09/12/2014	10,500	10,500	
							Total Shares:	10,500	10,500

Lakes Entertainment, Inc.

Meeting Date: 09/09/2014 Country: USA Primary Security ID: 51206P208 Meeting ID: 910335
 Record Date: 07/14/2014 Meeting Type: Annual Ticker: LACO
 Primary CUSIP: 51206P208 Primary ISIN: US51206P2083 Primary SEDOL: BQS39H2
 Shares Voted: 4,300 Votable Shares: 4,300 Shares on Loan: 0 Shares Instructed: 4,300
 Total Ballots: 1

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1.1	Elect Director Lyle Berman	Mgmt	For	Withhold	Withhold
1.2	Elect Director Timothy J. Cope	Mgmt	For	Withhold	Withhold
1.3	Elect Director Neil I. Seli	Mgmt	For	Withhold	Withhold
1.4	Elect Director Ray M. Moberg	Mgmt	For	Withhold	Withhold
1.5	Elect Director Larry C. Barenbaum	Mgmt	For	Withhold	Withhold
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For
3	Ratify Auditors	Mgmt	For	For	For
4	Submit Shareholder Rights Plan (Poison Pill) to Shareholder Vote	SH	Against	For	For

Ballot Details									
Institutional Account Detail (IA Name, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted	

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Hotchkis & Wiley Capital Management, LLC

Institution Account(s): 1122 Bay Counties Emp Retirement System

Lakes Entertainment, Inc.

Ballot Details

Institutional Account Detail (IA Name, IA Number)	Custodian Account Number	Ballot Status	Instructor Name	Date Instructed	Approver Name	Date Approved	Votable Shares	Shares Voted
1122 Bay Counties Emp Retirement System, 1122	2622536	Confirmed	vwade	08/27/2014	vwade	08/27/2014	4,300	4,300
Total Shares:							<u>4,300</u>	<u>4,300</u>

Bay County Employees' Retirement System Mid-Cap Value

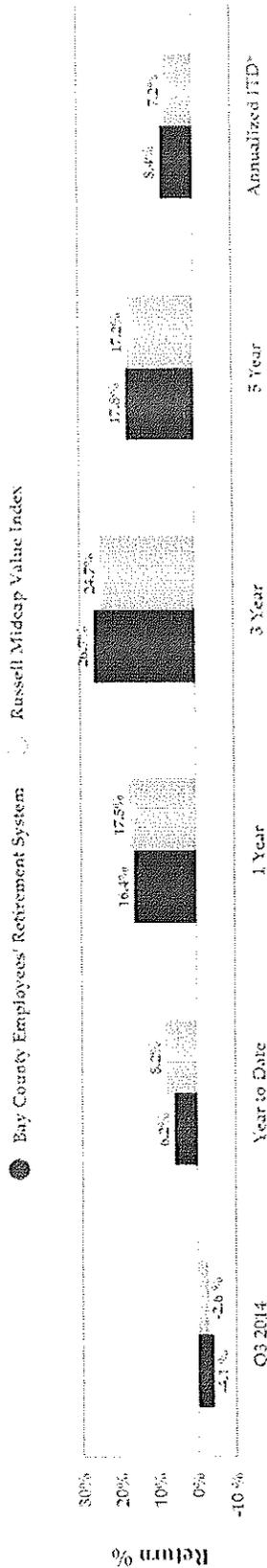
As of 9/30/14

Account Performance

For the quarter ending September 30, 2014, your portfolio returned -4.11% versus the Russell Midcap Value Index, which returned -2.65%. Stock selection in technology, industrials and financials were the biggest detractors. Stock selection in energy helped performance. Sector weights were a minor positive as we were overweight health care which outperformed. From a style perspective, a smaller market cap hurt by 60 bps while a lower dividend yield detracted modestly.

Performance Review (Annualized)

Gross of Fees



Portfolio Performance	Q3 2014	Year to Date	1 Year	3 Year	5 Year	Annualized IID*
Bay County Employees' Retirement System	-4.11%	6.19%	16.35%	26.65%	17.81%	8.39%
Russell Midcap Value Index	-2.65%	8.20%	17.46%	24.72%	17.24%	7.19%
Relative Performance	-1.46%	-2.01%	-1.11%	1.93%	0.57%	1.20%

* Since Inception 1/3/07

42

Bay County Employees' Retirement System Mid-Cap Value

As of 9/30/14

Market Review & Outlook

"Just when I thought I was out...they pull me back in."

- The Godfather: Part III

As we are writing our outlook, global equity markets are selling off as macro concerns are once again causing investor angst. Whether it is the weak economic data coming out of Europe, volatility in the currency markets, Russian sanctions, Hong Kong protests, ISIS, Ebola or high yield market stress, it is causing too much uncertainty for investors. The quote from Michael Corleone (played by Al Pacino) in Godfather Part III sums up our thoughts. It looked to us that world economies were healing and that the global interest rate environment was normalizing, but with all the macro events occurring recently, we are now being pulled into a market of risk on/risk off. While we do not mind this type of market, we are currently not positioned for the volatility that it brings. Moreover, while not overweight commodities, any exposure to the group, direct or indirect, has been painful due to the rising dollar coupled with concerns over slowing global growth.

According to Credit Suisse, since 2007, industries that tend to outperform in a rising US dollar environment are insurance, utilities, consumer staples, banks and thrifts and construction and engineering. While groups that tend to underperform are energy, chemicals, metals and mining, machinery and electrical equipment.

Currently, our portfolios are not positioned for a stronger US dollar and the pick-up in market volatility given our underweight to utilities and REITs and an overweight to the more cyclical sectors. We are monitoring the situation closely. We are entering a pivotal earnings season as we believe the third quarter performance should be ok, but it is company outlooks that are going to be most important given all the macro concerns.

We are beginning to find the retailers attractive, given their underperformance and valuation. We have added to, and plan to increase exposure to the group. The group should benefit from lower commodity prices, lean inventory levels, easy comparisons, a better job market, store rationalization/closings and better positioning in the online world through omni-channel offerings.

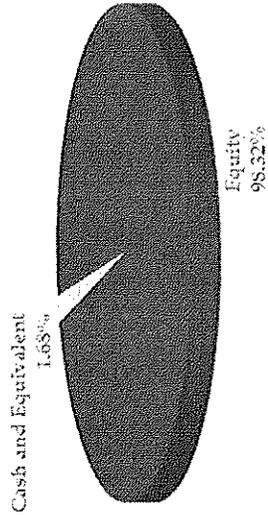
Many of the conditions that underpinned our bullish tilt still exist. Inflation and interest rates remain low, corporate earnings are solid, merger and acquisition (M&A) activity has been picking up and we are entering a seasonally strong market environment for equities. While we are concerned about recent market actions, we are remaining constructive for the time being.

**Bay County Employees' Retirement System
Mid-Cap Value**

As of 9/30/14

Portfolio Summary

Current Asset Allocation



Asset Class	Market Value	Percent of Assets
Equity	\$ 21,977,675.04	98.32%
Cash and Equivalent	\$ 375,059.08	1.68%
TOTAL	\$ 22,352,734.12	100.00%

Portfolio Summary

Date Run: 10/16/2014
 Period Covered: 08/31/2014 to 09/30/2014
 Base Currency: USD

Bay County Employees Ret System
 4407N1

Portfolio Composition as of 09/30/2014

	Total USD Market Value	% of Total
Bonds	33,749,549	95.74%
Cash and Equivalents	1,141,433	3.24%
Accrued Income	361,362	1.03%
Total	35,252,344	100.00%

Statement of Changes

Total Market Value at 08/31/2014	35,770,681
Net Additions/Withdrawals	826
Income Earned	121,814
Portfolio Appreciation/Depreciation	-640,978
Total Market Value at 09/30/2014	35,252,344

Performance Returns (Supervised Assets)

	1Mth	3Mths	YTD	1 YR	3 YRS*	5 YRS*
Total	-1.45	-0.03	6.35	8.16	6.75	7.85
^Barclays U.S. Corporate Investment	-1.44	-0.08	5.60	6.77	5.03	6.23

* - Returns are annualized

^Citigroup Broad Inv-Grade (BIG) from 01/31/1997 thru 6/30/1999
 Barclays Credit from 6/30/1999 thru 2/29/2012
 Barclays U.S. Corporate Investment Grade from 2/29/2012 thru 9/30/2014

45

This report is a service provided to customers of Loomis Sayles. It is for informational purposes only. It is not a recommendation to buy or sell securities. Past performance is not a guarantee of future results. Loomis Sayles believes the information contained herein is reliable but we do not guarantee its accuracy.



LOOMIS SAYLES

Bay County Employees' Retirement System
MFS® Heritage Trust Company CIT - MFS International Growth Fund
Class 01 Shares
Report as of 31 October 2014

Performance results (%) class 01 shares net of expenses (USD)

Period	Portfolio net	Benchmark ^A	Excess ^{AA}
October	-0.06	-0.35	0.29
Since client inception (06-Aug-14)	-2.76	-2.30	-0.46

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

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class. Net of expenses does not include management fees.

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

^{AA} Excess return net vs benchmark

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Heritage Trust Company

2/6

Bay County Employees' Retirement System

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



Q3 | 30 September 2014

Performance results (%) class 01 shares net of expenses (USD)	Portfolio	Benchmark ^A	Excess returns
Since client inception (06-Aug-14)	-2.70	-1.96	-0.73

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

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

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

Net of expenses does not include management fees.

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

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

Asset summary (USD)	
Beginning value as of 30-Jun-14	0
Contributions	+16,013,777
Withdrawals	0
Change in market value	-429,433
Ending value as of 30-Sep-14	15,584,344

Characteristics	Portfolio	Benchmark ^{AA}
IBES long-term EPS growth ¹	9.2%	10.5%
- weighted median		
Price/earnings (12 months forward)	16.8x	16.8x
- weighted median		
Return on equity (3-year average)	16.7%	15.0%
- weighted median		
Return on invested capital	11.5%	10.4%
- weighted median		
Market capitalization (USD) ²	34.1 bn	29.2 bn
Number of holdings	96	1,066
Trailing 1 year turnover ³	21%	-
Barra predicted tracking error ⁴	2.51%	-

¹ Source: Thomson Reuters

² Weighted median.

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

⁴ Source: Barra

No forecasts can be guaranteed.

Top ten holdings	Sector
NESTLE SA	Consumer Staples
DANONE	Consumer Staples
COMPASS GROUP EQUITY	Special Products & Services
BAYER AG	Health Care
CANADIAN NATIONAL RAILWAY CO	Transportation
LVMH MOET HENNESSY	Retailing
PERNOD-RICARD	Consumer Staples
TAIWAN SEMICONDUCTOR	Technology
MANUFACTURING COMPANY LIMITED	
ACCENTURE PLC	Special Products & Services
HONDA MOTOR CORP	Autos & Housing

Sectors (%)	Portfolio	Benchmark ^{AA}
Consumer Staples	18.8	12.8
Financial Services	13.4	16.0
Special Products & Services	9.4	4.3
Technology	8.9	10.3
Retailing	8.9	6.7
Health Care	8.5	12.0
Industrial Goods & Services	7.4	7.8
Basic Materials	6.9	6.6
Energy	4.6	4.0
Transportation	4.4	3.7
Autos & Housing	3.7	6.1
Leisure	3.5	4.1
Utilities & Communications	0.9	5.6

Regions (%)	Portfolio	Benchmark ^{AA}
Europe ex-U.K.	42.0	33.4
United Kingdom	19.6	13.5
Emerging Markets	13.9	21.7
Japan	11.7	15.0
North America	7.1	7.7
Asia/Pacific ex-Japan	3.9	8.4
Developed - Middle East/Africa	1.1	0.4

0.8% cash and other assets less liabilities.

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Heritage Trust Company

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

FOR MORE INFORMATION CONTACT

Kimberly Hyland, Director, Relationship Management

Phone: +1 617 954 5575 | Cell: +1 781 929 6122

Email: khyland@mfs.com

PSR-HTG-30-Sep-14

Thomas Shanley, Client Service Manager

Phone: +1 617 954 7492 | Cell: +1 857 208 5297

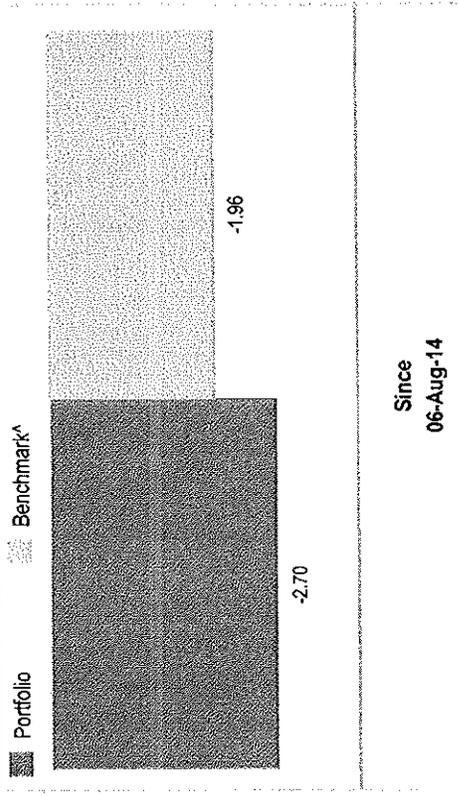
Email: tshanley@mfs.com

47

EXECUTIVE SUMMARY



Performance results (%) class 01 shares net of expenses (USD) as of 30-Sep-14



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

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

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

Net of expenses does not include management fees.

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

Asset summary (USD)

Beginning value as of 30-Jun-14	0
Contributions	+16,013,777
Withdrawals	0
Change in market value	-429,433
Ending value as of 30-Sep-14	15,584,344

Sector weights (%) as of 30-Sep-14

	Portfolio	Benchmark ^{^^}
Top overweights		
Consumer Staples	18.8	12.8
Special Products & Services	9.4	4.3
Retailing	8.9	6.7
Top underweights		
Utilities & Communications	0.9	5.6
Health Care	8.5	12.0
Financial Services	13.4	16.0

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

48

PERFORMANCE RESULTS



Performance results (%) class 01 shares net of expenses (USD) as of 30-Sep-14

Period	Portfolio net (%)	Benchmark ^A (%)	Excess return net vs benchmark (%)
Since client inception (06-Aug-14)	-2.70	-1.96	-0.74

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.

Net of expenses does not include management fees.

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

49



ME Full Holdings Report
HTG - MFS Heritage Trust Company

Currency: USD

Month End Date:	02/02/2014	Price	Shares Held	Market Value (mm)	Equivalent Exposure (mm)	Market Value %	Equivalent Exposure %	Market Cap (mm)	MFS Sector	Global Sector	GICS Sector	MFS Industry	NYS Country	SIN	D-Check
712387	CHLREN	68.10	493,640	33,462,911.28	36,462,911.28	3.23	3.23	25,026.71	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	Poland	CH000000330	1752870
712388	CHLREN	68.10	438,566	29,711,811.62	29,711,811.62	2.65	2.65	42,970.52	Consumer Staples	Consumer Staples	Consumer Staples	Food & Beverage	France	FR0000123044	0170103
BLNDLA	CHLREN	16.15	1,748,613	28,197,540.11	28,197,540.11	2.37	2.37	27,075.42	Special Products & Services	Technology	Consumer Discretionary	Business Services	United Kingdom	GB00BLNDLA44	BLNDLA
500221	DE3AVN	140.07	200,982	28,137,992.72	28,137,992.72	2.27	2.27	118,322.41	Health Care	Health Care	Health Care	Pharmaceuticals	Germany	DE0000400017	5002211
13037510	ON	70.96	387,236	27,476,468.45	27,476,468.45	2.01	2.01	91,130.40	Transportation	Capital Goods	Health Care	Retailers & Shipping	Canada	CA1303751027	130375102
486141	FRMC	182.10	164,417	29,021,120.23	29,021,120.23	2.20	2.20	85,309.87	Transportation	Consumer Cyclicals	Consumer Discretionary	Apparel Manufacturers	France	FR0000181014	4861412
486232	FRFR	113.03	202,012	22,832,828.06	22,832,828.06	2.05	2.05	29,989.57	Consumer Staples	Consumer Staples	Consumer Staples	Alcoholic Beverages	France	FR0000120483	4862320
4740310	TSM	23.18	1,115,025	25,901,748.26	25,901,748.26	2.30	2.30	104,620.00	Technology	Technology	Information Technology	Electronics	Taiwan	US274031000	474031000
011910101	ACN	81.32	278,640	22,465,264.80	22,465,264.80	2.05	2.05	51,332.40	Special Products & Services	Technology	Information Technology	Business Services	United States	ED0964947404	011910101
483714	JP7267	34.25	639,300	21,917,352.88	21,917,352.88	2.02	2.02	67,702.32	Auto & Housing	Capital Goods	Consumer Discretionary	Automotive	Japan	JP0354900005	4837140
711038	CH0900	206.10	67,171	19,989,472.81	19,989,472.81	1.81	1.81	251,567.81	Health Care	Health Care	Health Care	Pharmaceuticals	Switzerland	CH0013020490	7110380
574881	DEJLN	192.17	96,138	18,659,479.52	18,659,479.52	1.72	1.72	38,002.02	Consumer Staples	Consumer Staples	Consumer Staples	Toiletries	Germany	DE0000460001	5748817
547505	HK1299	5.17	3,524,000	18,273,365.33	18,273,365.33	1.67	1.67	62,301.55	Financial Services	Financial Services	Financial Services	Insurance	Hong Kong	HK0000420077	5475051
55400K	CH0900	165.56	210,482	16,216,537.45	16,216,537.45	1.58	1.58	62,489.28	Consumer Staples	Consumer Staples	Consumer Staples	Consumer Products	United Kingdom	GB0002420077	55400K7
483410	FR25U	76.47	229,832	17,488,235.20	17,488,235.20	1.60	1.60	44,923.03	Industrial Goods & Services	Capital Goods	Industrials	Electrical Equipment	France	FR0000121972	4834108
8167FJ	CH0900	17.20	878,775	15,029,800.70	15,029,800.70	1.54	1.54	88,697.50	Financial Services	Financial Services	Financial Services	Other Banks and Diversified	Switzerland	CH0002490443	8167FJ4
023740	GD00E	29.91	525,859	15,540,076.65	15,540,076.65	1.51	1.51	72,079.24	Consumer Staples	Consumer Staples	Consumer Staples	Alcoholic Beverages	United Kingdom	GB0002724005	0237400
PH018910	CPN	40.21	380,200	15,018,811.56	15,018,811.56	1.49	1.49	4,731.27	Transportation	Consumer Cyclicals	Industrials	Airlines	United Kingdom	PH01891064	PH0189100
048055	CH0900	42.41	303,315	12,803,002.49	12,803,002.49	1.45	1.45	8,022.54	Individual Goods & Services	Capital Goods	Industrials	Tools	United Kingdom	GB0000405007	0480550
02197810	SNP	103.26	100,207	10,340,080.83	10,340,080.83	1.45	1.45	12,234.30	Financial Services	Financial Services	Financial Services	Other Banks and Diversified	Poland	BA0201971084	021978100
090200	DK10V0	47.65	223,321	10,630,024.09	10,630,024.09	1.41	1.41	134,012.91	Health Care	Health Care	Health Care	Pharmaceuticals	Denmark	DK0000024915	0902000
097628	CH0900	16.36	654,541	10,531,155.76	10,531,155.76	1.40	1.40	82,703.00	Energy	Energy	Energy	Energy - Integrated	United Kingdom	GB0000702089	0976288
715683	CH0900	15.29	692,009	10,520,009.27	10,520,009.27	1.40	1.40	10,718.08	Health Care	Health Care	Health Care	Medical Equipment	Switzerland	CH0012540705	7156830
418821	DK0900	88.71	164,279	14,873,124.08	14,873,124.08	1.29	1.29	10,831.00	Consumer Staples	Consumer Staples	Consumer Staples	Alcoholic Beverages	Denmark	DK0018187819	4188210
018140	CH0900	67.34	203,780	13,721,222.27	13,721,222.27	1.23	1.23	12,203.90	Consumer Staples	Consumer Cyclicals	Consumer Discretionary	Restaurants	United Kingdom	GB0081614089	0181400
090312	HN0900	100.52	136,500	13,467,371.56	13,467,371.56	1.20	1.20	34,113.80	Financial Services	Financial Services	Financial Services	Other Banks and Diversified	India	IN0000401026	0903120
013074	JP0884	35.74	376,700	13,463,986.16	13,463,986.16	1.23	1.23	3,659.90	Technology	Technology	Information Technology	Computer Software	Japan	JP0713400007	0130740
317400	CH0900	24.20	548,007	13,283,479.45	13,283,479.45	1.22	1.22	10,808.14	Retailing	Consumer Cyclicals	Consumer Discretionary	Apparel Manufacturers	United Kingdom	GB0001743007	3174000
093954	CH0900	15.00	890,301	13,160,932.61	13,160,932.61	1.20	1.20	20,230.40	Industrial Goods & Services	Capital Goods	Industrials	Aerospace & Defense	United States	US0002051601	0939540
5020810	MTD	225.13	50,181	12,852,956.53	12,852,956.53	1.17	1.17	7,290.08	Industrial Goods & Services	Capital Goods	Health Care	Dental Equipment	United States	US0002081004	502081005
023004	DE3R1	16.80	661,596	12,814,048.80	12,814,048.80	1.17	1.17	12,026.30	Special Products & Services	Technology	Industrials	Business Services	United Kingdom	GB0000320400	0230040
01404K	DE3R1	53.18	240,628	12,770,200.84	12,770,200.84	1.17	1.17	9,602.53	Basic Materials	Capital Goods	Materials	Specialty Chemicals	Germany	DE0000701899	01404K0
509337	SELMC0	11.82	1,002,198	12,049,804.20	12,049,804.20	1.15	1.15	40,245.70	Technology	Technology	Information Technology	Network & Telecom	Sweden	SE0000100509	5093370
0181V4	CH0900	88.86	778,975	12,273,234.64	12,273,234.64	1.13	1.13	15,782.74	Special Products & Services	Technology	Industrials	Business Services	United Kingdom	GB000181V400	0181V40
034070	TH0900	7.25	1,059,400	12,020,481.00	12,020,481.00	1.10	1.10	22,297.08	Special Products & Services	Financial Services	Financial Services	Other Banks and Diversified	Thailand	TH000181V400	0340700
049475	DE3R1	46.10	245,474	11,854,157.70	11,854,157.70	1.09	1.09	22,297.08	Special Products & Services	Technology	Industrials	Business Services	Germany	DE0000404940	0494750
010961	JP1095	14.13	833,000	11,777,180.37	11,777,180.37	1.09	1.09	20,029.90	Energy	Energy	Energy	Energy - Independent	Japan	JP1095100000	0109610
6505010	NCE	40.79	283,900	11,684,403.37	11,684,403.37	1.08	1.08	2,451.30	Technology	Technology	Information Technology	Computer Systems	Ireland	IE0003001086	650501000
020310	AU8180	82.17	221,200	11,641,265.77	11,641,265.77	1.06	1.06	96,411.91	Basic Materials	Capital Goods	Materials	Metal & Mining	Australia	AU0000081013	0203100
077172	KRO20000	112.01	9,890	11,003,066.77	11,003,066.77	1.01	1.01	14,154.33	Consumer Staples	Consumer Staples	Consumer Staples	Major Banks	United Kingdom	GB0000402027	0771720
081148	JP2813	22.80	472,000	10,779,450.02	10,779,450.02	0.98	0.98	14,154.33	Consumer Staples	Consumer Staples	Consumer Staples	Major Banks	Japan	JP0001003005	0811480
040828	CH0900	10.42	582,933	10,720,721.40	10,720,721.40	0.98	0.98	40,511.81	Financial Services	Financial Services	Financial Services	Major Banks	United Kingdom	GB0000402027	0408280
490700	FR0900	153.07	65,662	10,402,312.50	10,402,312.50	0.94	0.94	90,222.54	Consumer Staples	Consumer Staples	Consumer Staples	Major Banks	United Kingdom	GB0000402026	4907000
094602	CH0900	101.18	1,009,890	10,276,080.71	10,276,080.71	0.94	0.94	14,922.25	Financial Services	Financial Services	Financial Services	Major Banks	Switzerland	CH0102454089	0946020
011910	FR0900	121.58	82,619	10,044,626.00	10,044,626.00	0.92	0.92	22,022.07	Financial Services	Financial Services	Financial Services	Major Banks	France	FR0000120073	0119107
010961	JP1095	30.70	167,284	9,665,072.00	9,665,072.00	0.90	0.90	14,154.33	Consumer Staples	Consumer Staples	Consumer Staples	Major Banks	United Kingdom	GB0000402026	0109610
040828	CH0900	32.00	489,240	9,765,712.25	9,765,712.25	0.90	0.90	25,303.23	Leisure	Consumer Cyclicals	Consumer Discretionary	Specialty Chemicals	Belgium	BE0000402026	0408280
020310	HK0004	11.14	845,000	9,600,089.00	9,600,089.00	0.88	0.88	9,499.26	Retailing	Consumer Cyclicals	Consumer Discretionary	Apparel Manufacturers	Hong Kong	HK0004287182	0203100
040828	CH0900	44.62	214,875	9,586,965.90	9,586,965.90	0.87	0.87	10,652.33	Financial Services	Financial Services	Financial Services	Other Banks and Diversified	Switzerland	CH0102454089	0408280
077002	JP9984	70.11	138,400	9,552,261.77	9,552,261.77	0.85	0.85	84,174.82	Libraries & Communications	Telecom / CNT	Telecommunications Services	Wireless Communications	Japan	JP0408100086	0770020
310300	CH0900	42.35	219,333	9,288,248.40	9,288,248.40	0.85	0.85	8,933.30	Special Products & Services	Technology	Industrials	Business Services	United Kingdom	GB0001030303	3103000
020801	JP2081	69.83	134,400	9,099,776.01	9,099,776.01	0.79	0.79	7,014.37	Retailing	Consumer Cyclicals	Consumer Discretionary	Food & Drug Stores	Japan	JP0002100004	0208010
4662610	ITUB	21.17	419,278	8,920,872.01	8,920,872.01	0.79	0.79	0,341.07	Energy	Energy	Energy	Oil Service	Italy	IT0000090273	466261000
420620	FR0900	13.36	654,958.28	8,546,958.28	8,546,958.28	0.78	0.78	38,319.85	Financial Services	Financial Services	Financial Services	Other Banks and Diversified	France	FR0000121002	4206200
420620	FR0900	134.505	62,300	8,337,835.00	8,337,835.00	0.78	0.78	15,148.01	Leisure	Consumer Cyclicals	Consumer Discretionary	Retailing	France	FR0000120277	4206200
010961	JP1095	16.46	483,279	8,305,983.70	8,305,983.70	0.76	0.76	3,900.01	Industrial Goods & Services	Capital Goods	Industrials	Electrical Equipment	Italy	IT0004719001	0109610
040828	CH0900	73.12	113,901	8,300,762.05	8,300,762.05	0.76	0.76	66,502.08	Technology	Technology	Information Technology	Computer Software	Germany	DE0007104090	0408280
090004	JP7203	58.00	137,700	8,114,470.50	8,114,470.50	0.74	0.74	201,413.15	Auto & Housing	Capital Goods	Consumer Discretionary	Automotive	Japan	JP0003400001	0900040



PERFORMANCE RESULTS

Performance results (%) gross and net of fees (USD) as of 30-Sep-14

Period	Portfolio gross (%)	Portfolio net (%)	Russell 1000 Growth Index (%)	Excess return net vs benchmark (%)
3Q 2014	1.25	1.09	1.49	-0.40
2Q 2014	3.15	3.00	5.13	-2.13
1Q 2014	-0.06	-0.21	1.12	-1.33
4Q 2013	11.05	10.88	10.44	0.44
2014 YTD	4.37	3.90	7.89	-3.99
2013	38.34	37.51	33.48	4.03
1 year	15.90	15.21	19.15	-3.94
Since client inception (04-Sep-12)	21.59	20.86	19.58	1.28

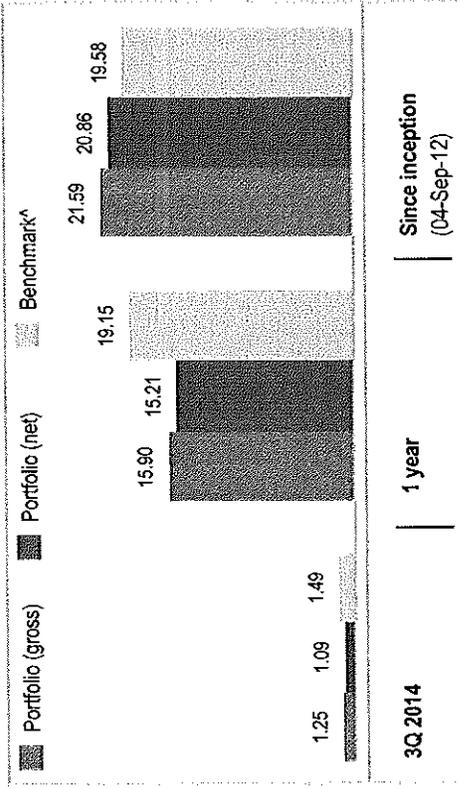
Source for benchmark performance: SPAR, FactSet Research Systems Inc. All periods greater than one year are annualized.
Past performance is no guarantee of future results.

52



EXECUTIVE SUMMARY

Performance results (%) gross and net of fees (USD) as of 30-Sep-14



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.
[^] Russell 1000 Growth Index

Asset summary (USD)

Beginning value as of 30-Jun-14	44,479,040
Contributions	0
Withdrawals	0
Change in market value	+554,762
Ending value as of 30-Sep-14	45,033,802

Sector weights (%) as of 30-Sep-14

	Portfolio	Benchmark ^{^^}
Top overweights		
Health Care	19.5	13.6
Financial Services	9.5	5.7
Leisure	11.6	9.7
Top underweights		
Technology	18.1	23.9
Consumer Staples	4.9	8.9
Basic Materials	2.1	4.7

^{^^} Russell 1000 Growth Index

The Growth Equity portfolio underperformed the Russell 1000 Growth Index in the third quarter of 2014.

Contributors

- Health Care – Stock selection; and an overweight position
- Individual stocks:
 - Schlumberger Ltd (not held)
 - EMC Corp

Detractors

- Consumer Staples – Stock selection
- Industrial Goods & Services – Stock selection
- Technology – Underweight position
- Individual stocks:
 - Las Vegas Sands Corp
 - Pioneer Nat Res Co

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Burberry Group plc

Meeting Date: 07/11/2014

Country: United Kingdom

Primary Security ID: G1700D105

Meeting ID: 892766

Record Date: 07/09/2014

Meeting Type: Annual

Ticker: BRBY

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For	For
2	Approve Remuneration Policy	Mgmt	For	Refer	For
3	Approve Remuneration Report	Mgmt	For	Refer	Against
4	Approve Final Dividend	Mgmt	For	For	For
5	Re-elect Sir John Peace as Director	Mgmt	For	For	For
6	Re-elect Philip Bowman as Director	Mgmt	For	For	For
7	Re-elect Ian Carter as Director	Mgmt	For	For	For
8	Elect Jeremy Darroch as Director	Mgmt	For	Refer	Against
9	Re-elect Stephanie George as Director	Mgmt	For	For	For
10	Elect Matthew Key as Director	Mgmt	For	For	For
11	Re-elect David Tyler as Director	Mgmt	For	For	For
12	Elect Christopher Bailey as Director	Mgmt	For	For	For
13	Re-elect Carol Fairweather as Director	Mgmt	For	For	For
14	Re-elect John Smith as Director	Mgmt	For	For	For
15	Reappoint PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For	For
16	Authorise Board to Fix Remuneration of Auditors	Mgmt	For	For	For
17	Approve Executive Share Plan	Mgmt	For	For	For
18	Authorise EU Political Donations and Expenditure	Mgmt	For	For	For
19	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For	For
20	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For	For
21	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For	For
22	Authorise the Company to Call EGM with Two Weeks' Notice	Mgmt	For	For	For

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Industria de Diseno Textil (INDITEX)

Meeting Date: 07/15/2014

Country: Spain

Primary Security ID: E6282J109

Meeting ID: 902851

Record Date: 07/10/2014

Meeting Type: Annual

Ticker: ITX

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
1	Approve Standalone Financial Statements	Mgmt	For	For	For
2	Approve Consolidated Financial Statements and Discharge of Board	Mgmt	For	For	For
3	Approve Allocation of Income and Dividends	Mgmt	For	For	For
4	Approve Stock Split	Mgmt	For	Refer	For
5.a	Amend Article 17.1 Re: Meeting Notice of General Meetings	Mgmt	For	For	For
5.b	Amend Article 27.1 Re: Election and Term of Directors	Mgmt	For	For	For
6	Amend Article 8.1 of General Meeting Regulations Re: Meeting Notice	Mgmt	For	For	For
7	Reelect Carlos Espinosa de los Monteros Bernaldo de Quirós as Director	Mgmt	For	For	For
8	Elect Rodrigo Echenique Gordillo as Director	Mgmt	For	For	For
9	Advisory Vote on Remuneration Policy Report	Mgmt	For	For	For
10	Authorize Board to Ratify and Execute Approved Resolutions	Mgmt	For	For	For

Experian plc

Meeting Date: 07/16/2014

Country: United Kingdom

Primary Security ID: G32655105

Meeting ID: 850581

Record Date: 07/14/2014

Meeting Type: Annual

Ticker: EXPN

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For	For
2	Approve Remuneration Report	Mgmt	For	For	For
3	Approve Remuneration Policy	Mgmt	For	For	For
4	Elect Jan Babiak as Director	Mgmt	For	For	For
5	Re-elect Fabiola Arredondo as Director	Mgmt	For	For	For

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Experian plc

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
6	Re-elect Brian Cassin as Director	Mgmt	For	For	For
7	Re-elect Roger Davis as Director	Mgmt	For	For	For
8	Re-elect Alan Jebson as Director	Mgmt	For	For	For
9	Re-elect Deirdre Mahlan as Director	Mgmt	For	Refer	Against
10	Re-elect Don Robert as Director	Mgmt	For	For	For
11	Re-elect George Rose as Director	Mgmt	For	For	For
12	Re-elect Judith Sprieser as Director	Mgmt	For	For	For
13	Re-elect Paul Walker as Director	Mgmt	For	For	For
14	Reappoint PricewaterhouseCoopers LLP as Auditors	Mgmt	For	For	For
15	Authorise Board to Fix Remuneration of Auditors	Mgmt	For	For	For
16	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For	For
17	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For	For
18	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For	For

Compagnie Financiere Richemont SA

Meeting Date: 09/17/2014

Country: Switzerland

Primary Security ID: H25662182

Meeting ID: 846966

Record Date:

Meeting Type: Annual

Ticker: CFR

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
1.1	Accept Financial Statements and Statutory Reports	Mgmt	For	For	For
1.2	Approve Remuneration Report	Mgmt	For	For	For
2	Approve Allocation of Income and Dividends of CHF 1.40 per Registered A Share and of CHF 0.14 per Bearer B Share	Mgmt	For	For	For
3	Approve Discharge of Board and Senior Management	Mgmt	For	For	For
4.1	Elect Yves-Andre Istel as Director	Mgmt	For	For	For
4.2	Elect Lord Douro as Director	Mgmt	For	For	For

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Compagnie Financiere Richemont SA

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
4.3	Elect Jean-Blaise Eckert as Director	Mgmt	For	For	For
4.4	Elect Bernard Fornas as Director	Mgmt	For	For	For
4.5	Elect Richard Lepeu as Director	Mgmt	For	For	For
4.6	Elect Ruggero Magnoni as Director	Mgmt	For	For	For
4.7	Elect Joshua Malherbe as Director	Mgmt	For	For	For
4.8	Elect Frederic Mostert as Director	Mgmt	For	For	For
4.9	Elect Simon Murray as Director	Mgmt	For	For	For
4.10	Elect Alain Dominique Perrin as Director	Mgmt	For	For	For
4.11	Elect Guillaume Pictet as Director	Mgmt	For	For	For
4.12	Elect Norbert Platt as Director	Mgmt	For	For	For
4.13	Elect Alan Quasha as Director	Mgmt	For	For	For
4.14	Elect Maria Ramos as Director	Mgmt	For	For	For
4.15	Elect Lord Renwick of Clifton as Director	Mgmt	For	For	For
4.16	Elect Jan Rupert as Director	Mgmt	For	For	For
4.17	Elect Gary Saage as Director	Mgmt	For	For	For
4.18	Elect Juergen Schrempp as Director	Mgmt	For	For	For
4.19	Elect Johann Rupert as Director and Board Chairman	Mgmt	For	For	For
5.1	Appoint Lord Renwick of Clifton as Member of the Compensation Committee	Mgmt	For	For	For
5.2	Appoint Lord Douro as Member of the Compensation Committee	Mgmt	For	For	For
5.3	Appoint Yves-Andre Istel as Member of the Compensation Committee	Mgmt	For	For	For
6	Ratify PricewaterhouseCoopers as Auditors	Mgmt	For	For	For
7	Designate Francoise Demierre Morand as Independent Proxy	Mgmt	For	For	For
8	Transact Other Business (Voting)	Mgmt	For	Against	Against

Diageo plc

Meeting Date: 09/18/2014

Record Date: 09/16/2014

Country: United Kingdom

Meeting Type: Annual

Primary Security ID: G42089113

Ticker: DGE

Meeting ID: 911667

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Diageo plc

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For	For
2	Approve Remuneration Report	Mgmt	For	Refer	For
3	Approve Remuneration Policy	Mgmt	For	Refer	For
4	Approve Final Dividend	Mgmt	For	For	For
5	Re-elect Peggy Bruzelius as Director	Mgmt	For	For	For
6	Re-elect Laurence Danon as Director	Mgmt	For	For	For
7	Re-elect Lord Davies of Abersoch as Director	Mgmt	For	For	For
8	Re-elect Ho KwonPing as Director	Mgmt	For	For	For
9	Re-elect Betsy Holden as Director	Mgmt	For	For	For
10	Re-elect Dr Franz Humer as Director	Mgmt	For	For	For
11	Re-elect Deirdre Mahlan as Director	Mgmt	For	For	For
12	Re-elect Ivan Menezes as Director	Mgmt	For	For	For
13	Re-elect Philip Scott as Director	Mgmt	For	For	For
14	Elect Nicola Mendelsohn as Director	Mgmt	For	For	For
15	Elect Alan Stewart as Director	Mgmt	For	For	For
16	Reappoint KPMG LLP as Auditors	Mgmt	For	For	For
17	Authorise Board to Fix Remuneration of Auditors	Mgmt	For	For	For
18	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For	For
19	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For	For
20	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For	For
21	Authorise EU Political Donations and Expenditure	Mgmt	For	For	For
22	Approve 2014 Long Term Incentive Plan	Mgmt	For	For	For

Guangzhou Automobile Group Co., Ltd.

Meeting Date: 09/19/2014

Country: China

Primary Security ID: Y2931M112

Meeting ID: 911937

Record Date: 08/19/2014

Meeting Type: Special

Ticker: 601238

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Guangzhou Automobile Group Co., Ltd.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
1	Amend the Administrative System of Proceeds of the Company	Mgmt	For	Refer	For
2	Approve Provision of Guarantee by Guangzhou Automobile Business Group Co., Ltd. to Bank Borrowings of Guangzhou United Exchange Park Business Investment Co., Ltd.	Mgmt	For	Refer	For
3	Approve the Compliance with Conditions for the Issuance of A Share Convertible Bonds by the Company	Mgmt	For	Refer	For
4.1	Approve Type of Bonds to be Issued in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.2	Approve Issue Size in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.3	Approve Term in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.4	Approve Par Value and Issue Price in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.5	Approve Interest Rate in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.6	Approve Interest Payment in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.7	Approve Conversion Period in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.8	Approve Ascertaining of Conversion Price in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.9	Approve Adjustments to Conversion Price and Calculation Formulae in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.10	Approve Downward Adjustment to the Conversion Price in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.11	Approve Conversion Method of Fractional Share in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.12	Approve Terms of Redemption in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.13	Approve Terms of Sale Back in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Guangzhou Automobile Group Co., Ltd.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
4.14	Approve Dividend Rights after Conversion in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.15	Approve Method of Issuance and Target Subscribers in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.16	Approve Subscription Arrangement for the Existing Shareholders in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.17	Approve Matters Relating to CB Holders' Meetings in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.18	Approve Use of Proceeds from the Issuance of the A Share Convertible Bonds	Mgmt	For	Refer	For
4.19	Approve Guarantee in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
4.20	Approve Validity Period of the Resolution of the A Share Convertible Bonds and Timing of the Issuance	Mgmt	For	Refer	For
4.21	Authorize Board or Its Authorized Persons at the Shareholders' Meeting in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
5	Approve Proposal on Feasibility of the Use of Proceeds of the Issuance of A Share Convertible Bonds towards Investment Projects of the Company	Mgmt	For	Refer	For
6	Approve Report on the Use of Proceeds from Previous Fund Raising Activities	Mgmt	For	Refer	For
7	Amend Articles of Association	Mgmt	For	Refer	For
8.1	Approve Basis and Scope for Confirming the Participants of the A Share Option Incentive Scheme	SH	For	Refer	For
8.2	Approve Source and Number of Subject Shares of the A Share Option Incentive Scheme	SH	For	Refer	For
8.3	Approve Exact Amount of Share Options Granted to Participants Under the A Share Option Incentive Scheme	SH	For	Refer	For
8.4	Approve Validity Period, Date of Grant, Vesting Period, Exercise Date and Lock-up Period Under the A Share Option Incentive Scheme	SH	For	Refer	For
8.5	Approve Exercise Price and Conditions of Exercise of the Share Options Under the A Share Option Incentive Scheme	SH	For	Refer	For

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Guangzhou Automobile Group Co., Ltd.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
8.6	Approve Conditions of Grant and Conditions of Exercise of the Share Options Under the A Share Option Incentive Scheme	SH	For	Refer	For
8.7	Approve Adjustment Method and Procedures Relating to the Number of Share Options Under the A Share Option Incentive Scheme	SH	For	Refer	For
8.8	Approve Accounting Treatment and Impact on Business Performance of the A Share Option Incentive Scheme	SH	For	Refer	For
8.9	Approve Method for Implementation of the A Share Option Incentive Scheme	SH	For	Refer	For
8.10	Approve Rights and Liabilities of the Company and Participants Under the A Share Option Incentive Scheme	SH	For	Refer	For
8.11	Approve Principles Regarding Repurchase and Cancellation of Share Options Under the A Share Option Incentive Scheme	SH	For	Refer	For
8.12	Approve Adjustments Made in the Event of Special Changes in Relation to the Company and Participant Under the A Share Option Incentive Scheme	SH	For	Refer	For
8.13	Approve Amendments to and Termination of the A Share Option Incentive Scheme	SH	For	Refer	For
8.14	Approve Other Important Matters Under the A Share Option Incentive Scheme	SH	For	Refer	For
9	Approve Resolution in Relation to the Share Option Incentive Scheme Performance Appraisal Measures	SH	For	Refer	For
10	Approve Authorization of the Board to Deal with the Matters Relating to the Scheme Measures	SH	For	Refer	For

Guangzhou Automobile Group Co., Ltd.

Meeting Date: 09/19/2014

Country: China

Primary Security ID: Y2931M112

Meeting ID: 911946

Record Date: 08/19/2014

Meeting Type: Special

Ticker: 601238

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
	CLASS MEETING FOR HOLDERS OF H SHARES	Mgmt			
1.1	Approve Type of Bonds to be Issued in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Guangzhou Automobile Group Co., Ltd.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
1.2	Approve Issue Size in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.3	Approve Term in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.4	Approve Par Value and Issue Price in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.5	Approve Interest Rate in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.6	Approve Interest Payment in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.7	Approve Conversion Period in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.8	Approve Ascertaining of Conversion Price in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.9	Approve Adjustments to Conversion Price and Calculation Formulae in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.10	Approve Downward Adjustment to the Conversion Price in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.11	Approve Conversion Method of Fractional Share in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.12	Approve Terms of Redemption in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.13	Approve Terms of Sale Back in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.14	Approve Dividend Rights after Conversion in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.15	Approve Method of Issuance and Target Subscribers in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.16	Approve Subscription Arrangement for the Existing Shareholders in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
1.17	Approve Matters Relating to CB Holders' Meetings	Mgmt	For	Refer	For
1.18	Approve Use of Proceeds from the Issuance of the A Share Convertible Bonds	Mgmt	For	Refer	For
1.19	Approve Guarantee in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Guangzhou Automobile Group Co., Ltd.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
1.20	Approve the Validity Period of the Resolution of the A Share Convertible Bonds and Timing of the Issuance	Mgmt	For	Refer	For
1.21	Authorize the Board or Its Authorized Persons at the Shareholders' Meeting in Respect to Issuance of A Share Convertible Bonds	Mgmt	For	Refer	For
2.1	Approve Basis and Scope for Confirming the Participants of the A Share Option Incentive Scheme	SH	For	Refer	For
2.2	Approve Source and Number of Subject Shares of the A Share Option Incentive Scheme	SH	For	Refer	For
2.3	Approve Exact Amount of Share Options Granted to Participants Under the A Share Option Incentive Scheme	SH	For	Refer	For
2.4	Approve Validity Period, Date of Grant, Vesting Period, Exercise Date and Lock-up Period Under the A Share Option Incentive Scheme	SH	For	Refer	For
2.5	Approve Exercise Price and Conditions of Exercise of the Share Options Under the A Share Option Incentive Scheme	SH	For	Refer	For
2.6	Approve Conditions of Grant and Conditions of Exercise of the Share Options Under the A Share Option Incentive Scheme	SH	For	Refer	For
2.7	Approve Adjustment Method and Procedures Relating to the Number of Share Options Under the A Share Option Incentive Scheme	SH	For	Refer	For
2.8	Approve Accounting Treatment and Impact on Business Performance of the A Share Option Incentive Scheme	SH	For	Refer	For
2.9	Approve Method for Implementation of the A Share Option Incentive Scheme	SH	For	Refer	For
2.10	Approve Rights and Liabilities of the Company and Participants Under the A Share Option Incentive Scheme	SH	For	Refer	For
2.11	Approve Principles Regarding Repurchase and Cancellation of Share Options Under the A Share Option Incentive Scheme	SH	For	Refer	For
2.12	Approve Adjustments Made in the Event of Special Changes in Relation to the Company and Participant Under the A Share Option Incentive Scheme	SH	For	Refer	For
2.13	Approve Amendments to and Termination of the A Share Option Incentive Scheme	SH	For	Refer	For

Vote Summary Report

Date range covered: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): MFS International Growth Fund*

Guangzhou Automobile Group Co., Ltd.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	Voting Policy Rec	Vote Instruction
2.14	Approve Other Important Matters Under the A Share Option Incentive Scheme	SH	For	Refer	For
3	Approve Resolution in Relation to the Share Option Incentive Scheme Performance Appraisal Measures	SH	For	Refer	For
4	Approve Authorization of the Board to Deal with the Matters Relating to the Scheme Measures	SH	For	Refer	For



Vote Summary Report

Reporting Period: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): Bay Country Employees' Retirement System

CONSTELLATION BRANDS, INC.

Meeting Date: 07/23/2014

Country: USA

Primary Security ID: 21036P108

Meeting ID: 904207

Record Date: 05/27/2014

Meeting Type: Annual

Ticker: STZ

Primary CUSIP: 21036P108

Primary ISIN: US21036P1084

Primary SEDOL: 2170473

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1.1	Elect Director Jerry Fowden	Mgmt	For	For	For
1.2	Elect Director Barry A. Fromberg	Mgmt	For	For	For
1.3	Elect Director Robert L. Hanson	Mgmt	For	For	For
1.4	Elect Director Jeananne K. Hauswald	Mgmt	For	For	For
1.5	Elect Director James A. Locke, III	Mgmt	For	Withhold	For
1.6	Elect Director Richard Sands	Mgmt	For	For	For
1.7	Elect Director Robert Sands	Mgmt	For	For	For
1.8	Elect Director Judy A. Schmeling	Mgmt	For	For	For
1.9	Elect Director Keith E. Wandell	Mgmt	For	For	For
1.10	Elect Director Mark Zupan	Mgmt	For	For	For
2	Ratify Auditors	Mgmt	For	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For

Michael Kors Holdings Limited

Meeting Date: 07/31/2014

Country: Virgin Isl (UK)

Primary Security ID: G60754101

Meeting ID: 904746

Record Date: 06/03/2014

Meeting Type: Annual

Ticker: KORS

Primary CUSIP: N/A

Primary ISIN: VGG607541015

Primary SEDOL: B7341C6

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1a	Elect Director John D. Idol	Mgmt	For	For	For
1b	Elect Director Silas K.F. Chou	Mgmt	For	For	For
1c	Elect Director Ann McLaughlin Korologos	Mgmt	For	For	For
2	Ratify Auditors	Mgmt	For	For	For

65

Vote Summary Report

Reporting Period: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): Bay Country Employees' Retirement System

Michael Kors Holdings Limited

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For

Precision Castparts Corp.

Meeting Date: 08/12/2014

Country: USA

Primary Security ID: 740189105

Meeting ID: 907295

Record Date: 06/10/2014

Meeting Type: Annual

Ticker: PCP

Primary CUSIP: 740189105

Primary ISIN: US7401891053

Primary SEDOL: 2699514

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1a	Elect Director Mark Donegan	Mgmt	For	For	For
1b	Elect Director Don R. Graber	Mgmt	For	For	For
1c	Elect Director Lester L. Lyles	Mgmt	For	For	For
1d	Elect Director Daniel J. Murphy	Mgmt	For	For	For
1e	Elect Director Vernon E. Oechsle	Mgmt	For	For	For
1f	Elect Director Ulrich Schmidt	Mgmt	For	For	For
1g	Elect Director Richard L. Wambold	Mgmt	For	For	For
1h	Elect Director Timothy A. Wicks	Mgmt	For	For	For
2	Ratify Auditors	Mgmt	For	For	For
3	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For
4	Pro-rata Vesting of Equity Awards	SH	Against	For	For

B/E Aerospace, Inc.

Meeting Date: 09/10/2014

Country: USA

Primary Security ID: 073302101

Meeting ID: 911388

Record Date: 08/01/2014

Meeting Type: Annual

Ticker: BEAV

Primary CUSIP: 073302101

Primary ISIN: US0733021010

Primary SEDOL: 2089427

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1.1	Elect Director Amin J. Khoury	Mgmt	For	For	For

Vote Summary Report

Reporting Period: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): Bay Country Employees' Retirement System

B/E Aerospace, Inc.

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1.2	Elect Director Jonathan M. Schofield	Mgmt	For	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For
3	Ratify Auditors	Mgmt	For	For	For

Diageo plc

Meeting Date: 09/18/2014

Country: United Kingdom

Primary Security ID: G42089113

Meeting ID: 913889

Record Date: 08/12/2014

Meeting Type: Annual

Ticker: DGE

Primary CUSIP: G42089113

Primary ISIN: G80002374006

Primary SEDOL: 0237400

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
	Meeting for ADR Holders	Mgmt			
1	Accept Financial Statements and Statutory Reports	Mgmt	For	For	For
2	Approve Remuneration Report	Mgmt	For	For	For
3	Approve Remuneration Policy	Mgmt	For	For	For
4	Approve Final Dividend	Mgmt	For	For	For
5	Re-elect Peggy Bruzelius as Director	Mgmt	For	For	For
6	Re-elect Laurence Danon as Director	Mgmt	For	For	For
7	Re-elect Lord Davies of Abersoch as Director	Mgmt	For	For	For
8	Re-elect Ho KwonPing as Director	Mgmt	For	For	For
9	Re-elect Betsy Holden as Director	Mgmt	For	For	For
10	Re-elect Dr Franz Humer as Director	Mgmt	For	For	For
11	Re-elect Deirdre Mahlan as Director	Mgmt	For	For	For
12	Re-elect Ivan Menezes as Director	Mgmt	For	For	For
13	Re-elect Philip Scott as Director	Mgmt	For	For	For
14	Elect Nicola Mendelsohn as Director	Mgmt	For	For	For
15	Elect Alan Stewart as Director	Mgmt	For	For	For
16	Reappoint KPMG LLP as Auditors	Mgmt	For	For	For
17	Authorise Board to Fix Remuneration of Auditors	Mgmt	For	For	For

Vote Summary Report

Reporting Period: 07/01/2014 to 09/30/2014

Location(s): Massachusetts Financial Services

Institution Account(s): Bay Country Employees' Retirement System

Diageo plc

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
18	Authorise Issue of Equity with Pre-emptive Rights	Mgmt	For	For	For
19	Authorise Issue of Equity without Pre-emptive Rights	Mgmt	For	For	For
20	Authorise Market Purchase of Ordinary Shares	Mgmt	For	For	For
21	Authorise EU Political Donations and Expenditure	Mgmt	For	For	For
22	Approve 2014 Long Term Incentive Plan	Mgmt	For	For	For

NIKE, Inc.

Meeting Date: 09/18/2014

Country: USA

Primary Security ID: 654106103

Meeting ID: 910783

Record Date: 07/18/2014

Meeting Type: Annual

Ticker: NKE

Primary CUSIP: 654106103

Primary ISIN: US6541061031

Primary SEDOL: 2640147

Voting Policy: MFS

Proposal Number	Proposal Text	Proponent	Mgmt Rec	ISS Rec	Vote Instruction
1.1	Elect Director Alan B. Graf, Jr.	Mgmt	For	For	For
1.2	Elect Director John C. Lechleiter	Mgmt	For	For	For
1.3	Elect Director Michelle A. Peluso	Mgmt	For	For	For
1.4	Elect Director Phyllis M. Wise	Mgmt	For	For	For
2	Advisory Vote to Ratify Named Executive Officers' Compensation	Mgmt	For	For	For
3	Ratify Auditors	Mgmt	For	For	For

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM
Quarterly Report

69

.....
September 30, 2014
.....



October, 2014

Three quarters of another year are behind us now, and the leaves here in New York are turning fast as fall seems to be well underway! Mackay is pleased to share with you the portfolio's Third Quarter, 2014 investment summary statement. After your review, if there are any questions concerning the report, your portfolio or the markets in general, let us know.

As part of our efforts to keep you apprised of events and developments within Mackay, we thought that you might find it useful to know that we are expanding our institutional plan sponsor investment vehicles to include a series of Collective Investment Trusts (CITs).

We have partnered with SEI as our trustee, and will be launching our first two Trusts--Mackay Shields Core Plus Bond CIT and Mackay Shields Unconstrained Bond CIT later this month. If you would like to learn more, we would be happy to send you some informational materials about the CITs.

Mackay Shields continues to appreciate the opportunity to partner with you in meeting your investment objectives.

Best,

Virginia Rose

Mackay Shields is a registered investment advisor. Investment advisory services are provided by Mackay Shields Investment Advisors, LLC, a registered investment advisor. Investment advisory services are provided by Mackay Shields Investment Advisors, LLC, a registered investment advisor.

THIRD QUARTER 2014

OVERVIEW OF QUARTERLY PERFORMANCE

MACKAY

MARKET OVERVIEW

The U.S. convertible market, as measured by the BofA Merrill Lynch All Convertible Index, declined 1.66% in the third quarter of 2014, while underlying equities fell 3.75%. During the quarter, investment-grade convertibles, as measured by the BofA Merrill Lynch Investment Grade Convertible Index, rose 1.37%, while speculative-grade convertibles fell 3.62%. Year-to-date, the All Convertible Index is up 7.70%.

Convertible securities fell slightly in the third quarter, as a selloff at the end of September wiped out earlier August gains. During the quarter, the Standard & Poor 500 Index gained just over one percent, although the much broader Russell 2000 Index lost more than seven percent. As the S&P Index tracks a relatively narrow group of very large cap companies, the broader index returns show that most stocks and stock-linked securities such as convertibles declined in the third quarter. Continued fears about an eventual interest rate hike, as well as political tensions with Russia, unrest in the Middle East, and the latest threat, Ebola, finally weighed on investor enthusiasm for equities.

Despite the recent selloff, we believe that equity markets will be higher in the coming twelve to eighteen months as economic growth in the U.S. continues at a slow pace, while Europe's stagnant economies begin to expand in fits and starts. The Federal Reserve is likely to continue a monetary policy of low interest rates, which should foster a healthy climate for stocks and equity-linked securities, such as convertibles. Despite the recent Russian involvement in Ukraine, energy prices remain relatively subdued, which should provide a slight tailwind for economic activity. Significant growth in U.S. crude oil production and large supplies of natural gas have kept energy prices contained, providing some increased spending power for consumers and lower costs for businesses.

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

Sectors results were mixed during the quarter, with large variations of returns from one sector to another. The Transportation, Telecommunications and Healthcare sectors each rose over 4%. Conversely, the Energy sector was hardest hit, declining over 11%. Consumer Staples, Consumer Discretionary, Industrials and Materials also declined sharply in the third quarter, falling over 4% each.

After a sluggish summer, issuance picked up in September, with an additional \$5.6 billion in new convertibles coming to market during the month. Year-to-date issuance has been strong, and analysts anticipate net positive convertible issuance for the calendar year. Year-to-date, approximately \$34.7 billion in new issuance has come into the U.S. convertible market, while approximately \$33.6 has been redeemed through redemptions and maturities. Although the issuer base has been well diversified across market-cap range and sector, the vast majority of issuance year-to-date continues to be non-rated. As previously noted, we expect new issuance from investment-grade companies to remain depressed until yields on the ten-year Treasury exceed 3.5%.

PERFORMANCE¹

The convertible bonds of Gilead Sciences, Airtran (Southwest Airlines), and Intel were among the top contributors during the quarter. Gilead Sciences was the portfolio's strongest performer during the quarter. Second quarter earnings came in well ahead of investor expectations, driven by sales of Sovaldi, the company's recently approved cure for Hepatitis C. It was generally understood before Sovaldi's approval that the drug would achieve annual sales of at least several billion dollars. However, the drug's incredibly strong launch has surpassed almost all expectations. In addition, sales of Gilead's HIV drugs have also exceeded expectations. We recently trimmed our holdings of Gilead bonds as the security's remarkable appreciation resulted in an overly large position size in the portfolio. Southwest Airlines rose in the third quarter as the outlook for the major airlines continues to improve. The airlines are flying nearly full planes of passengers, who

THIRD QUARTER 2014

OVERVIEW OF QUARTERLY PERFORMANCE

MACKAY

are paying higher fares and increased ancillary fees for meals and baggage. In addition, fuel costs remain subdued as crude oil has been below \$100 per barrel for the past two months. The convertible bonds of Intel Corp. were strong performers during the quarter after the company reported second quarter sales and earnings that exceeded expectations. Many investors expected the company to show lackluster results as consumer preferences shift away from traditional personal computers to smart phones and tablets. Intel's results demonstrated that the company remains a dominant force in traditional computing and smaller devices as well.

Conversely, exposure to the synthetic convertible bonds of Schlumberger, United Technologies and RPM International weighed on performance during the quarter. The synthetic convertible bonds of Schlumberger Limited declined in the third quarter along with most other energy-related companies. Investors are concerned that lower oil prices will adversely impact the level of spending for the products and services provided by companies such as Schlumberger. In addition, we expect that Russian sanctions and unrest in Iraq and Libya will have a slight negative impact on upcoming quarterly results. The convertible preferred shares of United Technologies were poor performers in the third quarter, after the company announced second quarter earnings that were largely in line with expectations but did contain several weak areas. Of note, Otis elevator sales in China were weak, and investors have concerns about component reliability issues at engine manufacturing unit, Pratt & Whitney. Last, the convertible bonds of coatings manufacturer, RPM, declined in the third quarter on little company-specific news. The company's stock and convertible bonds were decent performers for most of the quarter and then sold off in the final two weeks of September in sympathy with the broader market.

OUTLOOK

2013 was an outstanding year for the convertible market, and the first three quarters of 2014 have gone reasonably well. The past two years have marked the resurrection of a vibrant market for new convertible issuance, which has continued strong in 2014 following last year's nearly \$50 billion of new issuance. This surge in new issuance was largely due to the simultaneous rise in stock prices and interest rates. With the rise in rates, issuing companies could once again realize a significant interest savings by issuing a convertible bond instead of a non-convertible high-yield security. For most investment-grade companies, however, rates remain so low in absolute terms that the benefits of a convertible offering remain relatively muted. As such, the preponderance of new issuance in 2013 and 2014 has been from non-investment grade companies. In addition, following the stock market decline of 2008, companies were reluctant to issue equity-linked securities as they believed that doing so would dilute existing equity holders at prices that they believed under-valued their companies. However, with stocks at near-record levels, companies are no longer reluctant to issue a security linked to their equity.

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

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

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

⁴Please note that security specific disclosures are representative and may not be included in your portfolio.

THIRD QUARTER 2014

OVERVIEW OF QUARTERLY PERFORMANCE

MACKAY

This material contains the opinions of the Convertibles team of Mackay Shields LLC but not necessarily those of Mackay Shields LLC. The opinions expressed herein are subject to change without notice. This material is distributed for informational purposes only. Forecasts, estimates, and certain information contained herein are based upon proprietary research and should not be considered as investment advice or a recommendation of any particular security, strategy or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this document may be reproduced in any form, or referred to in any other publication, without express written permission of Mackay Shields LLC. ©2014, Mackay Shields LLC.

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAY

Portfolio Composition and Performance -- Account 1256 September 30, 2014

Composition	Market Value	Percent of Total
Fixed Income	14,711,053	78.83
Equity	3,126,280	16.75
Cash & Equivalents	824,236	4.42
Total Portfolio	\$18,661,569	100.00%

74

Performance	Latest Month	Latest 3 Months	Year To Date	Latest 12 Months	3 Years Annualized	5 Years Annualized	Since 10/1/2003	Annualized Since 10/1/2003
Total Fund (Gross of fees)	-1.78%	-0.24%	7.63%	11.53%	12.22%	9.06%	104.91%	6.73%
CUSTOM BENCHMARK	-2.18%	1.37%	10.84%	17.24%	15.50%	10.14%	119.12%	7.39%
ML Convt Inv Grade BDS (Inc Mandatory)	-2.18%	1.37%	11.17%	16.64%	15.69%	10.42%	79.76%	5.47%

Expressed in USD

Note: The Custom Benchmark consists of the BofAML US Investment Grade Convertible Bonds Index from inception through 4/30/14 and the BofAML All US Investment Grade Convertibles Index thereafter.

Past performance is not indicative of future results.

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAY

Summary Report — Account 1256 September 30, 2014

	Total Cost	Percent at Cost	Yield at Cost	Market Value	Percent of Assets	Yield at Market	Annual Income
Bonds	12,161,734	81.82	1.50	14,662,454	78.57	1.24	182,296
Stocks	2,701,572	18.18	3.25	3,116,423	16.70	2.82	87,762
Cash & Equivalents	0	0.00		824,236	4.42	0.09	742
Accrued Income				58,457	0.31		
Accrual Adjustment for Unsettled Trades				-1	0.00		
	<u>\$14,863,307</u>	<u>100.00%</u>	<u>1.82</u>	<u>\$18,661,569</u>	<u>100.00%</u>	<u>1.46</u>	<u>\$270,800</u>

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAY

Holdings Report – Account 1256 September 30, 2014

Shares or Par Value	Security	Unit Cost	Total Cost	Current Price	Market Value	Percent of Assets	Yield	Annual Income	S & P
Bonds									
346,000	AIRTRAN HOLDINGS INC CONV BOND 5.250 11/01/2016	161.63	559,228	248.63	860,243	4.61	2.11	18,165	BBB-
690,000	ALZA CORP CONV BOND 07/28/2020	81.14	559,876	146.75	1,012,575	5.43	0.00	0	AAA
47,000	AOL INC 144A 0.750 09/01/2019	100.00	47,000	103.69	48,733	0.26	0.72	353	NR
303,000	APOLLO INVESTMENT CORP REG CONV BOND 5.750 01/15/2016	100.49	304,499	104.56	316,824	1.70	5.50	17,423	BBB
150,000	ARES CAPITAL CORP 4.750 01/15/2018	106.75	160,125	103.75	155,625	0.83	4.58	7,125	BBB
32,000	BROADSOFT INC 1.500 07/01/2018	96.88	31,000	98.50	31,520	0.17	1.52	480	NR
169,000	CHART INDUSTRIES INC 2.000 08/01/2018	135.55	229,072	116.31	196,568	1.05	1.72	3,380	BB-
521,000	CITRIX SYSTEMS INC 144A 0.500 04/15/2019	105.65	550,429	109.25	569,193	3.05	0.46	2,605	BBB
142,000	CORNERSTONE ONDEMAND INC REG 1.500 07/01/2018	115.85	164,501	99.44	141,201	0.76	1.51	2,130	NR
109,000	CUBIST PHARMACEUTICALS 1.125 09/01/2018	100.00	109,000	108.13	117,856	0.63	1.04	1,226	NR
142,000	CUBIST PHARMACEUTICALS 1.875 09/01/2020	100.00	142,000	111.50	158,330	0.85	1.68	2,663	NR
419,000	DANAHER CORP CNV BND REG 01/22/2021	101.16	423,870	220.56	924,157	4.95	0.00	0	A+
188,000	FORD MOTOR COMPANY CONV BND REG 4.250 11/15/2016	194.00	364,720	171.88	323,125	1.73	2.47	7,990	BBB-
127,000	GILEAD SCIENCES INC 1.625 05/01/2016	317.73	403,512	467.13	593,249	3.18	0.35	2,064	A-
241,000	HELIX ENERGY SOLUTIONS CONV BOND REG 3.250 03/15/2032	122.89	296,155	117.25	282,573	1.51	2.77	7,833	NR
235,000	HOST HOTELS & RESORTS LP CNV BND 144A 2.500 10/15/2029	151.81	356,756	165.06	387,897	2.08	1.51	5,875	BBB
349,000	ILLUMINA INC 144A 06/15/2019	105.13	366,894	103.13	359,906	1.93	0.00	0	BBB-
79,000	INCYTE CORP LTD CONV BOND 144A 0.375 11/15/2018	132.11	104,364	119.69	94,553	0.51	0.31	296	NR
59,000	INSULET CORPORATION REG 2.000 06/15/2019	100.00	59,000	106.88	63,056	0.34	1.87	1,180	NR
443,000	INTEL CORP CONV BND REG 2.950 12/15/2035	100.57	445,514	127.50	564,825	3.03	2.31	13,069	A-
493,000	INTEL CORP CONV BOND 3.250 08/01/2039	125.25	617,485	167.88	827,626	4.43	1.94	16,023	A-
59,000	INVENSENSE INC 144A 1.750 11/01/2018	115.00	67,850	111.56	65,822	0.35	1.57	1,033	NR
118,000	KB HOME REG 1.375 02/01/2019	104.79	123,655	96.75	114,165	0.61	1.42	1,623	B
218,000	LIVE NATION ENTERTAINMENT 144A 2.500 05/15/2019	103.61	225,860	103.44	225,494	1.21	2.42	5,450	NR
68,000	MACQUARIE INFRASTRUCTURE REG 2.875 07/15/2019	100.00	68,000	111.38	75,735	0.41	2.58	1,955	BBB-
82,000	MICROCHIP TECHNOLOGY CONV BOND REG 2.125 12/15/2037	136.31	111,773	186.06	152,571	0.82	1.14	1,743	NR
281,000	NEWMONT MINING CONV BND REG 1.625 07/15/2017	121.45	353,418	102.56	298,457	1.60	1.58	4,729	BBB
48,000	NUANCE COMMUNICATIONS CONV BOND REG 2.750 11/01/2031	106.17	50,962	99.13	47,580	0.25	2.77	1,320	BB-
450,000	RPM INTERNATIONAL INC REG 2.250 12/15/2020	121.14	545,151	112.75	507,375	2.72	2.00	10,125	BBB-
149,000	RTI INTERNATIONAL METALS REG 1.625 10/15/2019	103.90	154,805	96.13	143,226	0.77	1.69	2,421	NR
331,000	SALESFORCE.COM INC 0.250 04/01/2018	111.38	368,651	112.00	370,720	1.99	0.22	828	NR
556,000	SCHLUMBERGER 05/05/2015	136.47	758,773	178.62	993,127	5.32	0.00	0	NR
113,000	SHUTTERFLY INC 0.250 05/15/2018	106.89	120,788	103.56	117,026	0.63	0.24	283	NR

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAY

Holdings Report — Account 1256
September 30, 2014

Shares or Par Value	Security	Unit Cost	Total Cost	Current Price	Market Value	Percent of Assets	Yield	Annual Income	S & P
Bonds (Continued)									
36,000	SOLARCITY CORP 144A 1.625 11/01/2019	100.00	36,000	96.81	34,853	0.19	1.68	585	NR
111,000	SPANSION LLC 2.000 09/01/2020	168.50	187,035	175.06	194,319	1.04	1.14	2,220	NR
180,000	TELEFLEX INC CONV BOND REG 3.875 08/01/2017	101.42	182,550	172.81	311,063	1.67	2.24	6,975	B+
597,000	TEVA PHARMACEUTICALS CONV BOND 0.250 02/01/2026	112.35	670,730	128.88	769,384	4.12	0.19	1,493	A-
553,000	THE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018	113.18	625,877	135.06	746,896	4.00	0.74	5,530	BBB+
72,000	TIVO INC 144A 2.000 10/01/2021	100.00	72,000	97.63	70,290	0.38	2.05	1,440	NR
72,000	TWITTER INC 144A 0.250 09/15/2019	100.00	72,000	98.00	70,560	0.38	0.26	180	NR
200,000	VERINT SYSTEMS INC 1.500 06/01/2021	104.18	208,365	108.94	217,875	1.17	1.38	3,000	B+
72,000	WABASH NATIONAL CORP CONV BOND 3.375 05/01/2018	121.62	87,568	131.94	94,995	0.51	2.56	2,430	NR
480,000	WELLPOINT INC 2.750 10/15/2042	120.21	576,990	165.19	792,900	4.25	1.66	13,200	A-
147,000	XILINX INC 2.625 06/15/2017	134.65	197,935	148.56	218,387	1.17	1.77	3,859	A-
			12,161,734		14,662,454	78.57	1.24	182,296	BB
Stocks									
1,800	ALCOA INC	50.00	90,000	49.90	89,820	0.48	0.00	0	BB
500	AMERICAN TOWER CORP REG	100.00	50,000	108.50	54,250	0.29	1.22	663	NR
499	BANK OF AMERICA 7.250%	1,124.73	561,238	1,146.50	572,104	3.07	6.32	36,178	BB
3,600	CROWN CASTLE INTL CORP REG	102.26	368,139	105.18	378,648	2.03	1.07	4,050	NR
1,000	HEALTH CARE REIT 6.500 CNV PFD	50.00	50,000	57.66	57,656	0.31	5.64	3,250	BB+
1,000	MAIDEN HOLDINGS CNV PFD	50.00	50,000	44.66	44,660	0.24	0.00	0	NR
900	POST HOLDINGS INC 144A	100.00	90,000	85.28	76,752	0.41	0.00	0	NR
5,200	STANLEY BLACK & DECKER I CONV PFD UNITS	108.87	566,110	130.81	680,225	3.65	4.10	27,872	NR
2,700	TYSON FOODS INC REG	50.00	135,000	50.30	135,810	0.73	0.00	0	NR
6,200	UNITED TECHNOLOGIES CORP CONV PFD	64.11	397,485	58.89	365,118	1.96	3.18	11,625	BBB+
550	WELLS FARGO & COMPANY 7.500%	624.73	343,600	1,202.51	661,381	3.54	0.62	4,125	BBB
			2,701,572		3,116,423	16.70	2.82	87,762	B-
Cash & Equivalents									
	UNITED STATES DOLLAR 0.0900	0.00	824,236	1.00	824,236	4.42	0.09	742	AAA
			824,236		824,236	4.42	0.09	742	AAA
	Accrued Income		58,457			0.31			
	Accrual Adjustment for Unsettled Trades		-1			0.00			
	Total Portfolio		\$15,687,543		\$18,661,569	100.00%	1.46	\$270,800	BB

77

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAY

Purchases Report — Account 1256

Quarter Ending September 30, 2014

Trade Date	Quantity (Units)	Security Description	Average Cost	Total Cost
Purchases				
09/17/14	1,800	ALCOA INC	50.00	90,000.00
08/14/14	47,000	AOL INC 144A 0.750 9/1/2019	100.00	47,000.00
08/11/14 - 08/12/14	103,000	HELIX ENERGY SOLUTIONS CONV BOND REG 3.250 3/15/2032	131.51	135,450.46
08/11/14	349,000	ILLUMINA INC 144A 6/15/2019	105.13	366,893.58
07/10/14	68,000	MACQUARIE INFRASTRUCTURE REG 2.875 7/15/2019	100.00	68,000.00
07/29/14	2,298	OMNICOM GROUP INC	72.06	165,562.61
09/25/14	36,000	SOLARCITY CORP 144A 1.625 11/1/2019	100.00	36,000.00
09/17/14	72,000	TIVO INC 144A 2.000 10/1/2021	100.00	72,000.00
09/12/14	72,000	TWITTER INC 144A 0.250 9/15/2019	100.00	72,000.00
07/31/14	2,700	TYSON FOODS INC REG	50.00	135,000.00
07/02/14 - 09/19/14	200,000	VERINT SYSTEMS INC 1.500 6/1/2021	104.18	208,364.60
Total Purchases				\$1,396,271.25

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAY

Sales Report — Account 1256

Quarter Ending September 30, 2014

Trade Date	Quantity (Units)	Security Description	Unit Cost	Total Proceeds	Realized Gain/Loss
Sell Long					
07/07/14	22,000	ACORDA THERAPEUTICS INC REG 1.750 6/15/2021	100.00	22,636.94	636.94
08/20/14	54,000	GILEAD SCIENCES INC 1.625 5/1/2016	308.74	240,980.45	74,261.33
07/24/14 - 09/30/14	34,000	INVENSENSE INC 144A 1.750 11/1/2018	115.00	41,900.41	2,800.41
08/05/14	80,000	MICRON TECHNOLOGY INC 1.625 2/15/2033	131.37	230,648.80	125,553.02
07/29/14 - 07/31/14	2,298	OMNICOM GROUP INC	72.06	160,688.94	-4,373.67
07/29/14	493,000	OMNICOM GROUP INC 7/31/2032	11.66	165,562.61	108,076.86
09/17/14	4,900	UNITED TECHNOLOGIES CORP CONV PFD	55.78	292,572.53	19,270.97
Total Sales				\$1,154,990.68	\$325,725.86

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAY

Broker Commission Report -- Account 1256
Quarter Ending September 30, 2014

Broker	Broker Commission
JANNEY MONTGOMERY SCOTT	91.88
Total	<u>\$91.88</u>

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

Date 10/15/2014
 Page 1 of 2

Commission Program Review
 Rep: MARY DAVIDSON

Month Summary: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: September 1, 2014 To September 30, 2014

	<u>September 2014</u>	<u>Year To Date</u>
Opening Balance:	\$1.00 ^{*cr}	\$0.00 [*]
Commission:	\$62.00	\$98.00
Credit:	\$0.00	\$1.00
Payments:	\$0.00	\$0.00
Adjustments:	\$1.00 ^{db}	\$1.00 ^{db}
Ending Balance:	\$0.00	\$0.00

**Previous Year's closing balance*

Manager Commission Summary

	<u>September 2014 Commission</u>	<u>September 2014 Credit</u>	<u>Year to Date Commission</u>	<u>Year to Date Credit</u>
HOTCHKIS & WILEY	\$62.00	\$0.00	\$98.00	\$1.00
Total:	\$62.00	\$0.00	\$98.00	\$1.00

Adjustments Summary

	<u>September 2014</u>	<u>Year to Date</u>
TO ADJUST BALANCE	-\$1.00db	-\$1.00db
Total:	-\$1.00db	-\$1.00db

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

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

Date 10/15/2014

Page 2 of 2

Commission Program Review

Rep: MARY DAVIDSON

Trade Details: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: September 1, 2014 To September 30, 2014

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

<u>trade date</u>	<u>side</u>	<u>ticker</u>	<u>security description</u>	<u>share</u>	<u>commission</u>	<u>credit</u>	<u>credit</u>
09/02/14	S	TARO	TARO PHARMACEUTICAL INDS LTD SHS	100	\$1.00	\$0.00	\$0.00
09/03/14	S	TARO	TARO PHARMACEUTICAL INDS LTD SHS	100	\$1.00	\$0.00	\$0.00
09/09/14	B	ARRS	ARRIS GROUP INC NEW COM	100	\$1.00	\$0.00	\$0.00
09/10/14	B	ARRS	ARRIS GROUP INC NEW COM	100	\$1.00	\$0.00	\$0.00
09/10/14	B	HMN	HORACE MANN EDUCATORS CORP N COM	200	\$2.00	\$0.00	\$0.00
09/11/14	B	HELE	HELEN OF TROY CORP LTD COM	100	\$1.00	\$0.00	\$0.00
09/11/14	B	HMN	HORACE MANN EDUCATORS CORP N COM	100	\$1.00	\$0.00	\$0.00
09/11/14	S	SYA	SYMETRA FINL CORP COM	300	\$3.00	\$0.00	\$0.00
09/12/14	B	HELE	HELEN OF TROY CORP LTD COM	200	\$2.00	\$0.00	\$0.00
09/12/14	B	HMN	HORACE MANN EDUCATORS CORP N COM	200	\$2.00	\$0.00	\$0.00
09/12/14	S	SYA	SYMETRA FINL CORP COM	500	\$5.00	\$0.00	\$0.00
09/15/14	B	HELE	HELEN OF TROY CORP LTD COM	200	\$2.00	\$0.00	\$0.00
09/15/14	B	HMN	HORACE MANN EDUCATORS CORP N COM	100	\$1.00	\$0.00	\$0.00
09/16/14	B	HELE	HELEN OF TROY CORP LTD COM	200	\$2.00	\$0.00	\$0.00
09/16/14	B	HMN	HORACE MANN EDUCATORS CORP N COM	100	\$1.00	\$0.00	\$0.00
09/17/14	B	GXP	GREAT PLAINS ENERGY INC COM	300	\$3.00	\$0.00	\$0.00
09/17/14	B	HELE	HELEN OF TROY CORP LTD COM	100	\$1.00	\$0.00	\$0.00
09/17/14	B	HMN	HORACE MANN EDUCATORS CORP N COM	200	\$2.00	\$0.00	\$0.00
09/18/14	B	HELE	HELEN OF TROY CORP LTD COM	200	\$2.00	\$0.00	\$0.00
09/19/14	B	HELE	HELEN OF TROY CORP LTD COM	300	\$3.00	\$0.00	\$0.00
09/19/14	B	HMN	HORACE MANN EDUCATORS CORP N COM	200	\$2.00	\$0.00	\$0.00
09/22/14	B	HMN	HORACE MANN EDUCATORS CORP N COM	100	\$1.00	\$0.00	\$0.00
09/23/14	B	HMN	HORACE MANN EDUCATORS CORP N COM	200	\$2.00	\$0.00	\$0.00
09/24/14	S	BYI	BALLY TECHNOLOGIES INC COM	500	\$5.00	\$0.00	\$0.00
09/25/14	S	BYI	BALLY TECHNOLOGIES INC COM	400	\$4.00	\$0.00	\$0.00
09/26/14	S	BYI	BALLY TECHNOLOGIES INC COM	400	\$4.00	\$0.00	\$0.00
09/26/14	S	SYA	SYMETRA FINL CORP COM	200	\$2.00	\$0.00	\$0.00
09/29/14	S	SYA	SYMETRA FINL CORP COM	200	\$2.00	\$0.00	\$0.00
09/30/14	S	SYA	SYMETRA FINL CORP COM	300	\$3.00	\$0.00	\$0.00
Account Total:				6,200	\$62.00	\$0.00	
Grand Total:				6,200	\$62.00	\$0.00	



**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' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 9/30/2014

TOTAL COMMISSION

COMMISSION ALLOCATION

	September	YTD
Beginning Balance	337.85	428.45
U.S. Equity	-	-
International Equity	-	-
Fixed Income	-	-
International Fixed Income	-	-
New Issues	-	-
Options	-	-
Futures	-	-
Foreign Currency	-	-
Syndicates	-	-
U.S. Correspondent Equity	58.22	611.51
Recapture Subtotals	\$ 396.07	\$ 1,039.96
Execution	\$ 30.34	\$ 30.34
Directed	\$ 0.00	\$ 0.00
Correspondent Broker/Dealer	\$ 0.00	\$ 0.00
Total	\$ 426.41	\$ 1,070.30

	September	YTD	September	YTD
Execution	163.98	197.95	173.87	230.50
Recapture	-	-	-	-
Directed	-	-	-	-
Correspondent Broker/Dealer	-	-	-	-
U.S. Correspondent Equity	19.64	272.84	38.58	338.67
Total	\$ 183.62	\$ 470.79	\$ 212.45	\$ 569.17

Total Earned	\$ 212.45	\$ 569.17
Total Redeemed	\$ 356.72	\$ 356.72
Balance as of 9/30/2014	\$ 212.45	\$ 212.45

STATE STREET CORPORATION
 100 WALL STREET
 NEW YORK, NY 10038
 TEL: 212 854 0000
 WWW.STATESTREET.COM



1601 Elm Street, Suite 3900
 Dallas, Texas 75201

214.720.0055
 800.247.6729

Founded 1977
 Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.
 CAPIS Account: 10263

Settlement Month Ending: 9/30/2014

Summary of Execution by Security Type

Security Type	September	YTD
U.S. Equity	\$30.34	\$30.34
	\$ 30.34	\$ 30.34

Execution Trade Blotter

Trade Date	Stlmt Date	Post Date	Side	Shares	Ticker	Security Description	Brokerage Account Number	Brokerage Account Name	Price	Commission
09/22/2014	09/25/2014	09/23/2014	S	1,922	THOR	THORATEC CORP COM NEW	3PF07W51	05231100 BAY CITY EMP RET	26.4313	19.22
09/24/2014	09/29/2014	09/25/2014	S	1,112	REXX	REX ENERGY CORP COM	3PF07W51	05231100 BAY CITY EMP RET	13.6634	11.12
				3,034						\$ 30.34
Total for U.S. Equity										
Execution Total				3,034						\$ 30.34



**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' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 9/30/2014

Summary of Directed Commission by Manager

	Shares		Commission		Recapture Allocation	
	September	YTD	September	YTD	September	YTD
Columbia Management Advisors	0	\$504.54	\$0.00	\$269.09	\$0.00	\$269.09
Eagle Asset Management	16,398	383.13	337.85	196.51	173.87	196.51
Geneva Capital Management, LTD	0	45.32	0.00	33.99	0.00	33.99
MFS Investment Management	1,532	106.97	58.22	69.58	38.58	69.58
Total	17,930	\$ 1,039.96	\$ 396.07	\$ 569.17	\$ 212.45	\$ 569.17

Recapture Commission Activity

Trade Date	Limit Date	Post Date	Side	Shares	Ticker	Security Description	Brokerage Account Number	Brokerage Account Name	Ex Brkr	Price	Commission	Recapture Allocation
Eagle Asset Management												
08/28/2014	09/03/2014	09/03/2014	S	1,055	CHUY	CHUYS HLDGS INC	3PF07W51	05231100 BAY CITY	CAPIS	26.0968	21.10	10.55
09/08/2014	09/11/2014	09/09/2014	B	5,540	AKS	AK STEEL HOLDING CO	3PF07W51	05231100 BAY CITY	CAPIS	10.1207	110.80	55.40
09/10/2014	09/15/2014	09/11/2014	S	1,842	ANGI	ANGIE'S LIST INC	3PF07W51	05231100 BAY CITY	CAPIS	7.6500	36.84	18.42
09/11/2014	09/16/2014	09/12/2014	B	989	MLHR	HERMAN MILLER INC COM	3PF07W51	05231100 BAY CITY	CAPIS	30.3001	29.67	19.78
09/25/2014	09/30/2014	09/26/2014	S	6,972	AKS	AK STEEL HOLDING CO	3PF07W51	05231100 BAY CITY	CAPIS	8.4794	139.44	69.72
Total for Eagle Asset Management											\$ 337.85	\$ 173.87
MFS Investment Management												
09/24/2014	09/29/2014	09/30/2014	S	1,532	COG	CABOT OIL & GAS CORP	3DJ01C32	BCS BAY COUNTY	MLDOM	31.0430	58.22	38.58
Total for MFS Investment Management											\$ 58.22	\$ 38.58
Recapture Trade Total											\$ 396.07	\$ 212.45

86

1601 Elm Street, Suite 3900, Dallas, Texas 75201



**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' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 9/30/2014

Summary of Activity by Month

	Commission		Recapture Allocation		Redeemed Recapture		Balance
	Month	YTD	Month	YTD	Month	YTD	
Beginning Balance							
January	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
February	.00	.00	.00	.00	.00	.00	.00
March	.00	.00	.00	.00	.00	.00	.00
April	.00	.00	.00	.00	.00	.00	.00
May	.00	.00	.00	.00	.00	.00	.00
June	.00	.00	.00	.00	.00	.00	.00
July	94.07	94.07	64.99	64.99	.00	.00	64.99
August	549.82	643.89	291.73	356.72	.00	.00	356.72
September	426.41	1,070.30	212.45	569.17	356.72	356.72	212.45

87

REFUNDS: FOR THE MONTH ENDED:

October 31, 2014

EMPLOYEE/BENEFICIARY	CONTRIBUTIONS	PROCESSED	DEPARTMENT	TERMINATION
LEPPEK, MELINDA	11,619.58	10/2/14	BMC	8/26/14

TOTAL REFUNDS: 11,619.58

NEW RETIREE	CONTRIBUTIONS TRANSFERRED	RETIREMENT GROUP/ COUNTY DEPT	EFFECTIVE DATE
OUELLETTE, PATRICK	7,950.84	GENERAL COUNTY	9/28/2014
MEIRLAEN, LAURA	41,714.80	LIBRARY	9/30/2014

DECEASED EMPLOYEE/ RETIREE	BENEFICIARY	REFUND/ PENSION	DATE OF DEATH	DIVISION/ DEPARTMENT
REED, JOYCE	REED, JERRY	PENSION	10/23/2014	BMC
KING, WILLIAM	KING, VIRGINIA	PENSION	10/6/2014	GENERAL
BRISSETTE, PAUL	N/A BENEFICIARY DECEASED	N/A	10/25/2014	GENERAL
SCHOTT, ROSEMARY	N/A STRAIGHT LIFE	N/A	10/26/2014	DWS

NO REFUNDS EMPLOYEE NAME	ACCUMULATED CONTRIBUTIONS	UNION GROUP	DATE TERMINATED
COLMUS-HARPER, CHERF	1,653.70	USW PT	9/19/2014
RITTENBERG, AMANDA	35.99	NON-UNION	9/24/2014

1,689.69

89

Bay County, Michigan

11/05/2014 13:20
KPriessnitz

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P
glytdbud

FOR 2014 10

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
7310 RETIREMENT SYSTEM FUND							
73127400 RETIREMENT BOARD							
RA FUND BALANCE, NET AS							
73127400 40001 FUND BALANCE	0	0	0	.00	.00	16,176.00	.0%
73127400 40003 FUND BALANCE-RESRVS	16,176	0	16,176	.00	.00	3,755,344.00	.0%
73127400 40004 NET ASSETS - RESERV	3,763,344	-8,000	3,755,344	.00	.00		
TOTAL FUND BALANCE, NET AS	3,779,520	-8,000	3,771,520	.00	.00	3,771,520.00	.0%
RJ LOCAL UNIT CONTRIBUT							
73127400 59401 ER CONTR-BEHAVE.HEA	-1,300,000	0	-1,300,000	-672,696.98	.00	-627,303.02	51.7%*
73127400 59402 ER CONTR-MCSQUITO C	-13,000	0	-13,000	-10,213.77	.00	-2,786.23	78.6%*
73127400 59403 ER CONTR-HEALTH FUN	-57,000	0	-57,000	-47,120.31	.00	-9,879.69	82.7%*
73127400 59404 ER CONTR-ROAD COMM	-520,000	0	-520,000	-393,399.41	.00	-126,600.59	75.7%*
73127400 59406 ER CONTR-LIBRARY	-130,000	0	-130,000	-127,184.07	.00	-2,815.93	97.8%*
73127400 59407 ER CONTR-GOLF COURS	-6,000	0	-6,000	-3,054.84	.00	-2,935.16	51.1%*
73127400 59408 ER CONTR-GENERAL FU	-375,000	0	-375,000	-304,302.31	.00	-70,697.69	81.1%*
73127400 59409 ER CONTR-DWS	-250,000	0	-250,000	-267,370.75	.00	17,370.75	106.9%*
73127400 59410 ER CONTR-911 SERVIC	-45,000	0	-45,000	-33,769.21	.00	-11,230.79	75.0%*
73127400 59411 ER CONTR-CHILD CARE	-40,000	0	-40,000	-33,368.80	.00	-6,631.20	83.4%*
73127400 59412 ER CONTR-DIV ON AGI	-43,000	0	-43,000	-32,760.03	.00	-10,239.97	76.2%*
73127400 59413 ER CONTR-RETIRE SYS	-1,800	0	-1,800	-1,418.11	.00	-381.89	78.8%*
73127400 59414 ER CONTR-ROSELAND S	-3,500	0	-3,500	.00	.00	-3,500.00	.0%*
73127400 59415 ER CONTR-GYPSY MOTH	-2,000	0	-2,000	-4,853.13	.00	2,853.13	242.7%*
73127400 59416 ER CONTR-HOME REHAB	-180	0	-180	-207.74	.00	27.74	115.4%*
73127400 59418 ER CONTR-100% TAX P	-3,200	0	-3,200	-2,555.03	.00	-644.97	79.8%*
73127400 59419 ER CONTR-MED CARE F	-700,000	0	-700,000	-517,778.32	.00	-182,221.68	74.0%*
73127400 59424 ER CONTR-SELF INSUR	-500	0	-500	-384.06	.00	-115.94	76.8%*
73127400 59427 ER CONTR-COMM CORRE	-3,100	0	-3,100	-1,331.25	.00	-1,768.75	42.9%*
73127400 59429 ER CONTR-F.O.C. FUN	-2,100	0	-2,100	-1,949.55	.00	-150.45	92.8%*
73127400 59430 ER CONTR-ROUSING FU	-6,800	0	-6,800	-4,647.39	.00	-2,152.61	68.3%*
73127400 59434 ER CONTR-LOCAL CFO	0	0	0	-152.10	.00	152.10	100.0%
73127400 59499 ER CONTR-SHERIFF DE	0	0	0	-17,476.58	.00	17,476.58	100.0%
73127400 59501 EE CONTR-BEHAVE.HEA	-580,000	0	-580,000	-324,732.37	.00	-255,267.63	56.0%*

Bay County Michigan

11/05/2014 13:20
KPriessnitz

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P
glytbdud

FOR 2014 10

	ORIGINAL APPROP	TRANSFRS/ADJUSTMS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 59502 EE CONTR-MOSQUITO C	-12,500	0	-12,500	-10,213.77	.00	-2,286.23	81.7%*
73127400 59503 EE CONTR-HEALTH FUN	-60,000	0	-60,000	-44,340.53	.00	-15,659.47	73.9%*
73127400 59504 EE CONTR-ROAD COMMI	-130,000	0	-130,000	-91,761.27	.00	-38,238.73	70.6%*
73127400 59506 EE CONTR-LIBRARY	-75,000	0	-75,000	-36,043.71	.00	-38,956.29	48.1%*
73127400 59507 EE CONTR-GOLF COURS	-4,800	0	-4,800	-3,064.85	.00	-1,735.15	63.9%*
73127400 59508 EE CONTR-GENERAL FU	-500,000	0	-500,000	-345,403.24	.00	-154,596.76	69.1%*
73127400 59509 EE CONTR-DMS	-85,000	0	-85,000	-67,903.69	.00	-17,096.31	79.9%*
73127400 59510 EE CONTR-911 SERVIC	-62,000	0	-62,000	-48,620.35	.00	-13,379.65	78.4%*
73127400 59511 EE CONTR-CHILD CARE	-40,000	0	-40,000	-31,689.20	.00	-8,310.80	79.2%*
73127400 59512 EE CONTR-DIV ON AGL	-43,000	0	-43,000	-33,799.03	.00	-9,200.97	78.6%*
73127400 59513 EE CONTR-RETIRE SYS	-1,800	0	-1,800	-1,418.11	.00	-381.89	78.8%*
73127400 59514 EE CONTR-HOMELAND S	0	0	0	.00	.00	.00	.0%
73127400 59515 EE CONTR-GYPSY MOTH	-1,900	0	-1,900	-1,560.86	.00	-339.14	82.2%*
73127400 59516 EE CONTR-HOME REHAB	-180	0	-180	-181.58	.00	1.58	100.9%
73127400 59518 EE CONTR-100% TAX P	-3,000	0	-3,000	-2,555.03	.00	-444.97	85.2%
73127400 59519 EE CONTR-MED CARE F	-380,000	0	-380,000	-286,857.68	.00	-93,142.32	75.5%*
73127400 59524 EE CONTR-SELF INSUR	-400	0	-400	-384.07	.00	-15.93	96.0%
73127400 59527 EE CONTR-COMM-CORRE	-3,100	0	-3,100	-1,248.19	.00	-1,851.81	40.3%*
73127400 59529 EE CONTR-F.O.C. FUN	-2,100	0	-2,100	-1,949.55	.00	-150.45	92.8%*
73127400 59530 EE CONTR-HOUSING FU	-6,800	0	-6,800	-4,516.90	.00	-2,283.10	66.4%*
73127400 59534 EE CONTR-LOCAL CFO	0	0	0	-152.09	.00	152.09	100.0%
73127400 59539 EE CONTR-SHERIFF DE	-245,000	0	-245,000	-185,838.26	.00	-59,161.74	75.9%*
TOTAL LOCAL UNIT CONTRIBUT	-5,738,760	0	-5,738,760	-4,002,238.07	.00	-1,736,521.93	69.7%
RP INTEREST & RENTALS							
73127400 66500 INVESTMENT INTEREST	-5,000,000	0	-5,000,000	-3,333,313.77	.00	-1,666,686.23	66.7%*
73127400 66500 GAIN ON SALE OF INV	-15,000,000	0	-15,000,000	-18,693,965.12	.00	3,693,965.12	124.6%
73127400 66501 UNREALIZED GAIN ON	-3,000,000	0	-3,000,000	.00	.00	-3,000,000.00	.0%*
73127400 66502 GAIN ON FOREIGN CUR	-40,000	0	-40,000	-75,419.41	.00	35,419.41	188.5%*
73127400 66600 SECURITIES LENDING	-300,000	0	-300,000	-156,910.53	.00	-143,089.47	52.3%*
TOTAL INTEREST & RENTALS	-23,340,000	0	-23,340,000	-22,259,608.83	.00	-1,080,391.17	95.4%
RR OTHER REVENUE							
73127400 67104 MISCELLANEOUS REVENU	0	0	0	.00	.00	.00	.0%
73127400 67600 REIMBURSEMENTS	0	0	0	.00	.00	.00	.0%
73127400 67601 REIMBURSEMENT - IND	0	0	0	.00	.00	.00	.0%

Bay County Michigan

11/05/2014 13:20
KPressnitz

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P 3
glytdbud

FOR 2014 10

	ORIGINAL APPROP	TRANSFRS/ADJUSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 68900 TRADE-IN ALLOWANCE	0	0	0	.00	.00	.00	.0%
73127400 69000 COMMISSION RECAPTUR	-25,000	0	-25,000	-6,403.68	.00	-18,596.32	25.6%*
73127400 69200 CLAIMS/SETTLEMENTS/	-150,000	0	-150,000	-121,565.91	.00	-28,434.09	81.0%*
TOTAL OTHER REVENUE	-175,000	0	-175,000	-127,969.59	.00	-47,030.41	73.1%

XE WAGES & SALARIES

73127400 70300 SALARIES-ELECTED OR	57,460	0	57,460	28,929.27	.00	28,530.73	50.3%
73127400 70500 TEMPORARY HELP	12,740	0	12,740	9,603.05	.00	3,136.95	75.4%
73127400 70501 PART TIME WAGES	7,349	0	7,349	7,521.10	.00	-172.10	102.3%*
73127400 70600 OVERTIME PAY	2,809	0	2,809	363.94	.00	2,445.06	13.0%
73127400 70800 HOLIDAY PAY	0	0	0	1,038.78	.00	-1,038.78	100.0%*
73127400 71000 PER DIEM	3,420	0	3,420	1,665.00	.00	1,755.00	48.7%
73127400 71200 VACATION PAY	0	0	0	1,675.08	.00	-1,675.08	100.0%*
73127400 71202 SICK PAY	0	0	0	.00	.00	.00	.0%
73127400 71203 TERMINATION SICK PA	0	0	0	.00	.00	.00	.0%
73127400 71204 TERMINATION VACTION	0	0	0	160.84	.00	-160.84	100.0%*
TOTAL WAGES & SALARIES	83,778	0	83,778	50,957.06	.00	32,820.94	60.8%

XF FRINGES

73127400 71500 SOCIAL SECURITY	4,740	0	4,740	3,595.93	.00	1,144.07	75.9%
73127400 71600 HEALTH INSURANCE	17,592	0	17,592	9,096.64	.00	8,495.36	51.7%
73127400 71603 RETIREE HEALTH CARE	0	0	0	.00	.00	.00	.0%
73127400 71632 EMPLOYEE INCENTIVE	219	0	219	.00	.00	219.00	.0%
73127400 71700 LIFE INSURANCE	131	0	131	54.00	.00	77.00	41.2%
73127400 71800 RETIREMENT	4,598	0	4,598	3,024.24	.00	1,573.76	65.8%
73127400 71900 OTHER FRINGE BENEFIT	652	0	652	.00	.00	652.00	.0%
73127400 72001 SIF ADMINISTRATION	111	0	111	83.77	.00	27.23	75.5%
73127400 72100 WORKERS' COMPENSATI	163	0	163	123.28	.00	39.72	75.6%
73127400 72200 SICK AND ACCIDENT I	391	0	391	218.03	.00	172.97	55.8%
73127400 72500 UNEMPLOYMENT COMPEN	358	0	358	271.08	.00	86.92	75.7%
TOTAL FRINGES	28,955	0	28,955	16,466.97	.00	12,488.03	56.9%

XI SUPPLIES

73127400 72700 OFFICE SUPPLIES	2,000	0	2,000	677.78	.00	1,322.22	33.9%
--------------------------------	-------	---	-------	--------	-----	----------	-------

92

Bay County, Michigan

11/05/2014 13:20
KPriessnitz

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

4
glytbdud

FOR 2014 10

	ORIGINAL APPROP	TRANSFRS/ADJUSTMTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 72702 BOOK SUPPLIES	0	0	0	.00	.00	.00	.0%
73127400 72800 PRINTING AND BINDIN	1,000	0	1,000	169.13	.00	830.87	16.9%
73127400 72900 POSTAGE	300	0	300	336.27	.00	-36.27	112.1%
73127400 73000 MAGAZINES AND PERIO	600	0	600	.00	.00	600.00	.0%
73127400 73301 COPIER / FAX SUPPLI	500	0	500	.00	.00	500.00	.0%
73127400 74200 FOOD SUPPLIES	150	0	150	21.75	.00	128.25	14.5%
73127400 74700 PHOTO & MICROFILM/F	0	0	0	.00	.00	.00	.0%
73127400 75100 COMPUTER SUPPLIES	1,500	0	1,500	121.26	.00	1,378.74	8.1%
TOTAL SUPPLIES	6,050	0	6,050	1,326.19	.00	4,723.81	21.9%
XL OTHER SERVICES AND C							
73127400 80100 PROFESSIONAL SERVIC	1,500,000	0	1,500,000	1,030,426.14	.00	469,573.86	68.7%
73127400 80101 ACTUARIAL SERVICES	40,000	0	40,000	45,975.00	.00	-5,975.00	114.9%
73127400 80200 CONTRACTUAL SERVICES	0	0	0	.00	.00	.00	.0%
73127400 81200 MEDICAL SERVICES	1,000	0	1,000	.00	.00	1,000.00	.0%
73127400 81400 INVESTMENT/BANK_SER	230,000	0	230,000	198,464.37	.00	31,535.63	86.3%
73127400 81700 LEGAL FEES	7,500	0	7,500	2,898.00	.00	4,602.00	38.6%
73127400 81900 CONSULTANTS	125,000	0	125,000	35,000.00	.00	90,000.00	28.0%
73127400 82000 MEMBERSHIPS AND DUE	550	0	550	225.00	.00	325.00	40.9%
73127400 82900 FILING FEES	250	0	250	85.00	.00	165.00	34.0%
73127400 83500 HEALTH SERVICES	0	0	0	.00	.00	.00	.0%
73127400 85200 TELEPHONE	420	0	420	90.52	.00	329.48	21.6%
73127400 86100 CONFERENCE FEES & E	15,000	0	15,000	11,528.40	24.11	3,447.49	77.0%
73127400 86500 STATE TRAVEL MILEAG	2,000	0	2,000	2,285.75	156.80	-442.55	122.1%
73127400 86600 LOCAL TRAVEL MILEAG	300	0	300	142.41	.00	157.59	47.5%
73127400 87500 PENSION PAYMENTS	13,000,000	0	13,000,000	11,613,964.14	.00	1,386,035.86	89.3%
73127400 90000 PRINTING/PUBLISHING	500	0	500	.00	.00	500.00	.0%
73127400 90100 LEGAL NOTICES	1,000	0	1,000	.00	.00	1,000.00	.0%
73127400 93100 EQUIPMENT REPAIR &	500	0	500	.00	.00	500.00	.0%
73127400 93700 HARD/SOFTWARE REPAI	0	0	0	1,200.00	.00	-1,200.00	100.0%
73127400 94601 EQUIPMENT RENTAL--CO	5,000	0	5,000	358.79	.00	4,641.21	7.2%
73127400 95500 MISCELLANEOUS	500	0	500	25.00	.00	475.00	5.0%
73127400 95600 INDIRECT COST EXPEN	95,437	0	95,437	79,530.83	.00	15,906.17	83.3%
73127400 96000 EDUCATION AND TRAIN	1,500	0	1,500	270.00	.00	1,230.00	18.0%
73127400 96200 LOSS ON DISPOSAL OF	10,000,000	0	10,000,000	2,571,711.55	.00	7,428,288.45	25.7%
73127400 96201 UNREALIZED LOSS ON	0	0	0	.00	.00	.00	.0%
73127400 96203 LOSS ON FOREIGN CUR	100,000	0	100,000	65,129.51	.00	34,870.49	65.1%
73127400 96401 CONTRIB REFUND-GENE	60,000	0	60,000	71,419.94	.00	-11,419.94	119.0%
73127400 96402 CONTRIB REFUND-SHER	5,000	0	5,000	481.14	.00	4,518.86	9.6%
73127400 96403 CONTRIB REFUND-ROAD	5,000	0	5,000	13,344.39	.00	-8,344.39	266.9%

93

Bay County Michigan

11/05/2014 13:20
KPriessnitz

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P 5
glytbdud

FOR 2014 10

	ORIGINAL APPROP	TRANSFRS/ADJSTMNTS	REVISED BUDGET	YTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 96404 CONTRIB REFUND-MED	40,000	0	40,000	55,696.30	.00	-15,696.30	139.2%*
73127400 96405 CONTRIB REFUND-B.A.	50,000	0	50,000	170,947.17	.00	-120,947.17	341.9%*
73127400 96406 CONTRIB REFUND-D.W.	5,000	0	5,000	.00	.00	5,000.00	.0%
73127400 96407 CONTRIB REFUND-LIBR	5,000	0	5,000	.00	.00	5,000.00	.0%
73127400 96500 INSURANCE AND BONDS	22,000	0	22,000	21,238.57	.00	761.43	96.5%*
73127400 96730 MACHINERY & EQUIPME	2,000	0	2,000	.00	.00	2,000.00	.0%
73127400 96740 OFFICE EQUIP. & FURN	1,000	0	1,000	.00	.00	1,000.00	.0%
73127400 96741 COMPUTER HARDWARE E	0	0	0	.00	.00	.00	.0%
73127400 96742 COMPUTER SOFTWARE E	0	0	0	.00	.00	.00	.0%
73127400 96770 BOOK EXPENSE	0	0	0	.00	.00	.00	.0%
73127400 96999 BUDGET REDUCTION TA	0	0	0	.00	.00	.00	.0%
TOTAL OTHER SERVICES AND C	25,321,457	0	25,321,457	15,992,437.92	180.91	9,328,838.17	63.2%
XQ CAPITAL OUTLAY							
73127400 98001 COMPUTER SOFTWARE	34,000	8,000	42,000	8,000.00	34,000.00	.00	100.0%*
TOTAL CAPITAL OUTLAY	34,000	8,000	42,000	8,000.00	34,000.00	.00	100.0%
TOTAL RETIREMENT BOARD	0	0	0	-10,320,628.35	34,180.91	10,286,447.44	100.0%
TOTAL RETIREMENT SYSTEM FUND	0	0	0	-10,320,628.35	34,180.91	10,286,447.44	100.0%
TOTAL REVENUES	-25,474,240	-8,000	-25,482,240	-25,389,816.49	.00	907,576.49	
TOTAL EXPENSES	25,474,240	8,000	25,482,240	16,069,188.14	34,180.91	9,378,870.95	
GRAND TOTAL	0	0	0	-10,320,628.35	34,180.91	10,286,447.44	100.0%

** END OF REPORT - Generated by Kim Priessnitz **

94

Tracy Cederquist

From: Crystal Hebert
Sent: Tuesday, October 28, 2014 2:19 PM
To: Tracy Cederquist
Cc: Rebecca Marsters
Subject: FW: Authorization for delivery of reconciliation data - For Agenda
Attachments: Electra Information Systems Privacy Policy and Data Security.pdf; Electra Information Systems Client Authorization.doc



July 30, 2014

Good afternoon,

MacKay Shields has recently subscribed to the Electra Information Systems RecCollect Custodian Reconciliation Data Collection Service. In subscribing to RecCollect, MacKay Shields will outsource selected operational activities to a specialist supplier, thereby increasing the efficiency of our own securities processing operation. Specifically, we will outsource the activities associated with the electronic collection of asset and transaction statement data from your custodian(s) thus eliminating the need for MacKay Shields to provide internal support for multiple custodian systems and data extraction methods. This will allow MacKay Shields to migrate to a daily reconciliation procedure that will enable us to service our clients with a near real time capability to respond to discrepancies and reporting needs.

To facilitate and support Electra Information Systems' work with us, we would like to request that you provide your custodian with authorization to allow Electra to collect data on our behalf. For your use, attached is a standard authorization letter which I would ask you to sign and return to me.

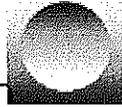
Electra Information Systems is a well-respected and long established supplier of software applications and data services to many of the best-known investment managers in the world. Thirty two percent of the top fifty, twenty five percent of the top one-hundred and twenty two percent of the top two-hundred investment managers are Electra clients. I have enclosed a representative list of Electra clients for your perusal. Also enclosed is a statement on Electra's Privacy Policy and Data Security.

Please do not hesitate to contact me should you have any questions about this request.

Yours very truly,

Virginia E. Rose
Senior Managing Director
Head of Client Services

This email has been scanned for email related threats and delivered safely by Mimecast.
For more information please visit <http://www.mimecast.com>



ELECTRA INFORMATION SYSTEMS

Privacy and security are important to you and they are important to us. Electra Information Systems maintains strict security standards and procedures to prevent unauthorized access to data collected via the *RecCollect* service. We use leading technologies such as data encryption, firewalls, server authentication, and digital certificates to protect the security of your data.

Privacy

Electra does not rent, sell or share *RecCollect* data with any unauthorized people or companies. Data access is provided only to organizations to which access privileges have been granted by the account owner.

Access to *RecCollect* information is restricted to Electra employees who require access to administer accounts and provide requested services. The only other situation in which Electra would release data would be if it were compelled to do so by legal authorities, in response to a subpoena or court order.

Data Storage

All information stored in the Electra *RecCollect* database is stored without reference to the account owner. The only account reference stored is a combination of custodian identifier and the account number at the custodian. Thus, neither personnel nor systems at Electra know the identity of the ultimate account owner.

The *RecCollect* database and server are protected by state-of-the-art firewall technology and are housed in a secure facility. They are accessible internally only with proper security authentication.

Data Retrieval and Delivery

Electra complies fully with all security procedures, policies and technological requirements of the banking and brokerage institutions from which it retrieves data. Electra is committed to supporting all state-of-the-art security protocols.

Electra offers its clients the highest level of commercially available security for on-line data delivery, including 128-bit Secure Socket Layer (SSL) encryption, PGP encryption, file authentication and domain range authentication.



User Community

- 40|86 Advisors
- Aberdeen Asset Management Inc.
- Acadian Asset Management
- AGF Management Ltd.
- Alliance Bernstein
- ALPS Fund Services, Inc.
- Altrinsic Global Advisors
- American Century Investments
- APG Asset Management US Inc.
- AQR Capital
- Ares Management
- Ariel Investments
- AJO Partners
- Ashfield Capital Partners
- Axiom International
- Balyasny Asset Management
- Banco Pastor Miami
- Bessemer Trust
- BMO Asset Management
- Booz Allen Hamilton Inc.
- Brandywine Global Investment Management
- Brookfield Investment Management
- Brown Advisory
- BTG Pactual Europe
- Capital Group
- Carlson Capital
- Causeway Capital
- Cerberus Capital Management
- Chicago Equity Partners
- Clearbridge Investments
- Columbus Circle Investors
- Cramer Rosenthal McGlynn
- Cutwater Investor Services Corp.
- Davidson Kempner Capital Management
- Dalton, Greiner, Hartman, Maher & Co.
- DDJ Capital Management
- Davis Selected Advisers
- Delaware Investments/ Delaware Group
- Dodge & Cox Funds
- DuPont Capital
- First Eagle Investment Management
- Fort Washington Investment Advisors
- Franklin Templeton Investments
- Frontier Capital
- Gamco (Gabelli Asset Management)
- Gannett Welsh & Kotler LLC
- Globeflex Capital
- GoldenTree Asset Management
- Great West Life & Annuity Insurance Company
- Guggenheim Partners Investment Management
- Hansberger Global Investors, Inc.
- Harris Associates
- Harding Loevner Funds, Inc.
- Haverford Trust
- Headstrong
- Hewitt EnnisKnupp
- Highmark Capital Management
- Income Research & Management
- International Value Advisers
- Jackson Fund Services
- Jackson National Life Insurance Company
- John W. Bristol & Co., Inc.
- Johnston Asset Management
- LaSalle Investment Management
- Lazard Asset Management
- Linden Advisors
- LM Capital Management
- Longview Partners Limited
- Loomis Sayles & Co.
- Luxor Capital Group,
- MacKay-Shields Financial
- Manning & Napier
- Matthews International Capital Management
- MEAG New York (Munich Re)
- Merganser Capital Management, Inc.
- Metropolitan Washington Airports Authority
- Metropolitan West Asset Management
- Montag & Caldwell
- Neuberger Berman
- NorthPointe Capital Management
- Nuveen Investments
- OrbiMed Advisors
- PanAgora Asset Management
- Peak6 Investments
- Pension Benefit Guaranty Corporation
- Peregrine Capital Management
- Perry Capital
- PNC Bank
- PPM America/PPM Worldwide
- Princeton Financial Systems
- Pzena Investment Management
- QBE Management Services Pty Ltd
- RBC Global Asset Management
- Reams Asset Management Company
- Richmond Capital
- Sage Advisory Services, Ltd. Co.
- Samson Capital
- Segall Bryant & Hamill Investment Counsel
- SEI Global Services, Inc.
- Seix Investment Advisors
- Shenkman Capital Management
- Smith Graham
- South Texas Money Management
- Sprott Asset Management
- SS&C Technologies
- State Street Investment Manager Solutions
- Stone Harbor Investment Partners
- STW Fixed Income
- SunAmerica
- Systematic Financial Management
- T. Rowe Price
- Trust Company of the West
- The Clifton Group
- Thompson, Siegel & Walmsley
- Thomson Reuters
- Thornburg Investment Management
- TIAA - CREF
- Times Square Capital Management
- Turner Investment Partners, Inc
- UBS O'Connor
- Van Eck Global
- WCM Investment Management
- WEDGE Capital
- Wells Capital Management
- Western & Southern Financial Group
- William Blair & Company
- Ziegler Lotsoff Capital Management

Strategic relationships

- Princeton Financial Systems
- SS&C Technologies
- Eagle Investment Systems
- SWIFT
- First Treasury
- Omgeo

<<Client Letterhead>>

Re: Authorization for delivery of reconciliation data via remote access products.

We hereby identify Electra Information Systems as an "Authorized Designee" granting them access to reconciliation information for *[Custodian Name]* account number(s) <<Insert Account Number(s)>>.

<<Insert Company Name>>

By: _____
Authorized Signature

_____ Effective Date

Title: _____

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

SERVICE RETIREMENT PROCEDURES

1. Upon meeting voluntary retirement age, a member may retire upon submission of a written application to the Retirement Board delivered to the Retirement Administrator located in the Personnel Department, with a copy to his/her Department Head, setting forth at what date he/she desires to be retired. Application must be received by Retirement Administrator not less than thirty days nor more than ninety days prior to the desired retirement date. A copy of the retirement procedures, application and other applicable documents may be obtained from the Bay County Retirement Administrator.
2. Applicant completes and submits to the Retirement Administrator:
 - Application for Service Retirement
 - Election of Retirement Allowance Option
 - Tax Form W-4P
 - MI (or other state) Tax Form W-4P
 - Electronic Deposit Authorization Form
 - Birth certificate for self and spouse (if applicable)
 - Marriage license (if applicable)The Retirement Administrator will review pension benefit information and the "Option Election Form" with the member.
3. Retirement Administrator shall verify the member's eligibility for retirement and shall notify the Personnel Department or applicable agency of the member's application for retirement.
4. After applicant's last day on the payroll and upon receipt of final payroll information from the Personnel Department or applicable agency, the Retirement Administrator will compute the member's final average compensation and forward the data sheet to the Board's actuary.
6. Actuary completes benefit report and forwards data to Retirement Administrator who reviews same.
7. Subject to all requirements being met, the Board of Trustees shall receive at its next meeting the retiree's name, retirement date, department/benefit group and employee contribution amount.
8. Pension checks are processed on a monthly basis. A retiree should anticipate that benefit payments will likely commence within four to six weeks after the member's effective date of retirement. Any retroactive benefits will be included with their first pension check. Direct deposit occurs on the first banking business day of the month.
9. Effective on a retiree's retirement date, a retiree may no longer change his/her retirement elections, except through a court order.

**BAY COUNTY
DEPARTMENT OF CORPORATION COUNSEL**



SHAWNA S. WALRAVEN
Assistant Corporation Counsel

THOMAS L. HICKNER
Bay County Executive

TO: KIM COONAN, CHAIR, AND WAYS AND MEANS
COMMITTEE

FROM: SHAWNA WALRAVEN, ASSISTANT CORPORATION
COUNSEL

RE: RETIREMENT ORDINANCE AMENDMENT FOR BAY -
ARENAC BEHAVIORAL HEALTH AUTHORITY

DATE: OCTOBER 14, 2014

Background:

The Bay-Arenac Behavioral Health Authority (**BABHA**) participates in the Bay County Employees' Retirement System (**BCERS**). On August 12, 2014 BABHA passed Resolution #1408005 which approved the following changes for non-represented employees hired after January 1, 2015:

- 1) Retirement benefit multiplier reduced from 2.25 to 1.6;
- 2) Normal retirement age increased from 60 to 62; and
- 3) Retirement vesting period increased from 8 to 10 years.

The Bay County Board of Commissioners is responsible for amending the Retirement Ordinance to memorialize this change within the BCERS Ordinance. In addition, the amendment would be received by BCERS.

To adhere to the schedule requested by BABHA, the amendment wording must be finalized and if possible, would need to be approved by the Board of Commissioners before the end of 2014, and will be proposed on November 12, 2014.

A proposed amendment to the Bay County Employees' Retirement System Ordinance would be placed before the Board of Commissioners, on November 12, 2014, for approval in order to implement the BABHA action.

RECOMMENDATION: THAT THIS COMMITTEE RECOMMENDS THE AMENDMENT TO THE FULL BOARD FOR APPROPRIATE ACTION AT THE MEETING SCHEDULED ON NOVEMBER 12, 2014.

BAY COUNTY BOARD OF COMMISSIONERS

11/12/14

RESOLUTION

BY: WAYS AND MEANS COMMITTEE (11/12/14)

WHEREAS, The Bay-Arenac Behavioral Health Authority (BABHA) participates in the Bay County Employees' Retirement System (BCERS) and on August 12, 2014 the BABHA adopted resolution no. 1408005 which approved the following changes for non-represented employees hired after January 1, 2015:

1. Retirement benefit multiplier reduced from 2.25 to 1.6;
2. Normal retirement age increased from 60 to 62; and
3. Retirement vesting period increased from 8 to 10 years.

WHEREAS, The Bay County Board of Commissioners is responsible for amending the Retirement Ordinance to memorialize this change within the BCERS Ordinance. In addition, the amendment would be received by BCERS; and

WHEREAS, To adhere to the schedule requested by BABHA, the amendment wording must be finalized and if possible, would need to be approved by the Board of Commissioners before the end of 2014; and

WHEREAS, The proposed amendment to the Bay County Employees' Retirement System Ordinance is submitted to the Board of Commissioners, on November 12, 2014, for approval in order to implement the BABHA action; Therefore, Be It

RESOLVED That the Bay County Board of Commissioners approves the Amendment to the Bay County Employees' Retirement System Ordinance for non-represented Bay-Arenac Behavioral Health Employees hired after January 1, 2015 as outlined above.

KIM COONAN, CHAIR
AND COMMITTEE

Retirement - Ordinance Amendment - BABHA - Non-Represented Employees (2015)

MOVED BY COMM. _____

SUPPORTED BY COMM. _____

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
MICHAEL J. DURANCZYK				KIM J. COONAN				MICHAEL E. LUTZ			
ERNIE KRYGIER				THOMAS M. HEREK							
VAUGHN J. BEGICK				DONALD J. TILLEY							

VOTE TOTALS:

ROLL CALL: YEAS _____ NAYS _____ EXCUSED _____
VOICE: YEAS _____ NAYS _____ EXCUSED _____

DISPOSITION: ADOPTED _____ DEFEATED _____ WITHDRAWN _____
AMENDED _____ CORRECTED _____ REFERRED _____

BAY COUNTY BOARD OF COMMISSIONERS

11/12/14

RESOLUTION

BY: BAY COUNTY BOARD OF COMMISSIONERS (11/12/14)

WHEREAS, Article XIII of the Rules of the Bay County Board of Commissioners outlines a process for consideration of ordinance and ordinance amendments, which requires at least three (3) successive full Board meetings. The process is as follows:

1. The sponsoring committee considers an ordinance or amendment and refers it to the full Board;
2. The Board rejects or considers the amendment. If the Board elects to consider the ordinance or amendment, a public hearing must be held but not until the NEXT Board meeting (must be convened after 13 days) after publication of proper notice;
3. If the Board conducts a public hearing, no Board action on the ordinance or amendment may be taken only public input heard and, if any input, those comments are referred back to the sponsoring committee and legal counsel for consideration;
4. At the next Board meeting, following publication of proper notice, the Board may vote for final passage of the proposed ordinance or amendment by majority vote

WHEREAS, An alternative process is also provided for in the Board Rules whereby the Board can elect to suspend Article XIII by a 2/3rds majority vote, bypass the requirements (1 through 4 above) and vote on the Ordinance or Ordinance Amendment before them; Therefore, Be It

RESOLVED By the Bay County Board of Commissioners that, for the sake of expediency, **Article XIII of the Rules of the Bay County Board of Commissioners is hereby suspended** for the adoption of Amendments to the Bay County Employees' Retirement Ordinance.

ERNIE KRYGIER, CHAIR
AND BOARD

Waiver of Ordinance Adoption Process - Bay County Employees' Retirement Ordinance
MOVED BY COMM. _____

SUPPORTED BY COMM.

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
MICHAEL J. DURANCZYK				KIM J. COONAN				MICHAEL E. LUTZ			
ERNIE KRYGIER				THOMAS M. HEREK							
VAUGHN J. BEGICK				DONALD J. TILLEY							

VOTE TOTALS:
ROLL CALL: YEAS _____ NAYS _____ EXCUSED _____
VOICE: YEAS _____ NAYS _____ EXCUSED _____

DISPOSITION: ADOPTED _____ DEFEATED _____ WITHDRAWN _____
AMENDED _____ CORRECTED _____ REFERRED _____



REGULAR BOARD MEETING
Thursday, August 21, 2014
Arenac Center, 1000 West Cedar Street, Standish, MI 48658

RESOLUTIONS

PERSONNEL & COMPENSATION COMMITTEE, July 22, 2014

Res# 1408002: Resolved by Bay Arenac Behavioral Health to authorize the Business Intelligence Department to report to the Chief Financial officer, if needed, pending appointment of an interim Medical Director.

FACILITIES & SAFETY COMMITTEE, August 11, 2014

Res# 1408003: Resolved by Bay Arenac Behavioral Health to approve the Facilities August 2014 contract list.

Res# 1408004: Resolved by Bay Arenac Behavioral Health to award the bid for Madison Building renovations for the Autism Clinic to Tucker Builders in the amount of \$5,134.00.

SPECIAL PERSONNEL & COMPENSATION COMMITTEE, August 12, 2014

Res# 1408005: Resolved by Bay Arenac Behavioral Health to approve the following changes to the retirement program for non-represented employees hired after January 1, 2015: 1) retirement benefit multiplier reduced from 2.25 to 1.6, 2) normal retirement age increase from 60 to 62, and 3) retirement vesting period increased from 8 to 10 years.

FINANCE COMMITTEE, August 13, 2014

Res# 1408006: Resolved by Bay Arenac Behavioral Health to approve the Finance August 2014 contract list.

Res# 1408007: Resolved by Bay Arenac Behavioral Health to approve proceeding with the current auditor, Smith and Klaczkiewicz, contract for another year.

BYLAWS & POLICIES COMMITTEE, August 13, 2014

Res# 1408008: Resolved by Bay Arenac Behavioral Health to approve the following policy to end 30 day review:
1) Fiscal Management, Accounting, CPA Audit 8-1-5

Res# 1408009: Resolved by Bay Arenac Behavioral Health to approve the following policies to begin 30 day review:

- 1) Psychotropic Medication Guidelines 6-1-8
- 2) Mobile Device Use and Security 9-5-8

PROGRAM COMMITTEE, August 14, 2014

Res# 1408010: Resolved by Bay Arenac Behavioral Health to approve the following requests for clinical privileges:

- 1) Brian Krause, MD – 1 Year Provisional
- 2) Kishore Kondapaneni, MD – 2 Year Renewal

Res# 1408011: Resolved by Bay Arenac Behavioral Health to approve allowing the current contract with the Standish Friends Society to lapse.

CONTRACTS, August 21, 2014

Res# 1408012: Resolved by Bay Arenac Behavioral Health to approve the Board Meeting August 2014 contract list.

Tentative Schedule for RFQ for Actuarial Services

<u>Date</u>	<u>Task</u>	<u>Responsibility</u>	<u>Notes</u>
November 4, 2014	RFQ will be sent to Committee for review	Entire Committee	Any responses need to be returned by November 6, or we will assume that you have no changes.
November 10, 2014	RFQ will be released	Frances Moore	
November 10-25	RFQ responses will be received	Bidders	
November 26, 2014, 11:00 AM	Bid Opening	Committee	Attendance is optional
November 26, 2014	Responses to RFQ sent to Committee to rank	Entire Committee	Responses MUST be returned to Frances Moore by December 3, 2014 (no exceptions)
December 8 & 9, 2014	Interviews with top actuarial firms	Committee	Members of the Committee who attend MUST commit to attend all interviews in order to ensure a fair bid process.
December 8 & 9, 2014	Committee will rank actuarial firms and open cost envelopes	Committee	
December 10, 2014	Letter of Recommendation to be sent to Frances Moore	Steve Gray	
December 15, 2014	Letter of Intent to Award	Frances Moore	
	10 DAY BID PROTEST PERIOD		Contracts will be sent to Corporation Counsel to be reviewed at this time.
January 5, 2015	Bid Award		

Committee Includes:

- Steve Gray, BCERS Chair
- Rick Brzezinski, BCERS Vice-Chair
- Frances Moore, Purchasing Agent
- Crystal Hebert, Finance Officer
- Rebecca Marsters, Retirement Administrator

- Bob Redmond, Board Financial Analyst
- Shawna Walraven, Asst. Corp. Counsel
- Tim Quinn, Personnel Director and Corporation Counsel
- Tiffany Jerry, Payroll/Benefits Supervisor