

BAY COUNTY RETIREMENT BOARD OF TRUSTEES
 AGENDA
 TUESDAY, OCTOBER 10, 2017 @ 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. SEPTEMBER 12, 2017 (ATTACHMENT OF GRS CORRESPONDENCE) |
| | IV. PUBLIC INPUT |
| | V. PETITIONS & COMMUNICATIONS |
| 10 - 14 | A. INSTRUCTIONS TO NAVIGATE AGENDA AND WEBSITE (RECEIVE) |
| | B. GABRIEL ROEDER SMITH ACTUARIAL VALUATION - JAMES ANDERSON AND SHANA NEESON |
| | <u>2016 ACTUARY VALUATION PRESENTATION</u> |
| | <u>2016 ACTUARY REPORT BAY COUNTY EMPLOYERS OTHER THAN BABH</u> |
| | <u>2016 ACTUARY REPORT BABH</u> |
| 15 - 17 | C. MONTHLY REPORTS - RES NO: 2017 -40 |
| | 1. PORTFOLIO VALUE - 1/1/16 - 9-30-17 |
| | 2. CHANGE IN BOOK AND MARKET VALUE - 9-30-17 |
| | 3. MONEY MANAGERS ON WATCH - (EFFECTIVE DATE) |
| | a. NONE |
| | 4. MONEY MANAGER REPORTS |
| | a. BARINGS - ENDING 8/31/17 |
| | b. COLUMBIA - ENDING 8/31/17 |
| | c. EAGLE ASSET MGMT - ENDING 8/31/17 |
| | d. GENEVA - ENDING 8/31/17 |
| 18 - 40 | e. HOTCHKIS & WILEY - ENDING 8/31/17 |
| | f. LOOMIS SAYLES - ENDING 8/31/17 |
| | g. MACKAY SHIELDS - ENDING 8/31/17 |
| | h. MFS INVESTMENT - ENDING 8/31/17 |
| | i. MFS HERITAGE TRUST - ENDING 8/31/17 |
| | j. SCHRODERS - ENDING 8/31/17 |
| | 5. RECAPTURE SERVICES |

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TUESDAY, OCTOBER 10, 2017 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

- | | | |
|---------------|-------|--|
| 41 - 43 | a. | ABEL/NOSER - SUMMARY ENDING 8/31/17 |
| | b. | CAPIS - SUMMARY ENDING 8/31/17 |
| 44 - 49 | 6. | NORTHERN TRUST |
| | a. | SUMMARY EARNINGS - ENDING 9/30/17 |
| 50 | 7. | REFUNDS/RETIREMENTS - ENDING 9/30/17 |
| 51 - 55 | 8. | BCERS YTD BUDGET REPORT - ENDING 9/30/17 |
| 56 | 9. | INVOICES APPROVED - 9/30/17 |
| 57 - 59 | D. | ELECTION CALENDAR RES NO. 2017-42 (APPROVE) |
| 60 - 61 | E. | CORRESPONDENCE PGIM (RECEIVE) |
| | 1. | PGIM RE HURRICANE UPDATE AND INVESTMENTS |
| | 2. | PRISA CASH FLOW DISTRIBUTION |
| 62 - 65 | F. | CORRESPONDENCE: MFS, GENEVA, INTEGRITY & NORTHERN TRUST REGARDING REBALANCE FOR BAYCO CASH (RECEIVE) |
| 66 - 69 | G. | CORRESPONDENCE COLUMBIA REGARDING ACQUISITION OF LIONSTONE INVESTMENTS (RECEIVE) |
| 70 - 74 | H. | 2018 PROPOSED BUDGET - RES NO. 2017-39 (APPROVE) |
| | VI. | ANNOUNCEMENTS |
| | A. | NEXT REGULAR MEETING - NOVEMBER 14, 2017 AT 1:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4TH FLOOR, BAY CITY, MI 48708 |
| | B. | SPECIAL MEETING MONEY MANAGER PRESENTATIONS - OCTOBER 17, 2017 AT 8:30 A.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4 TH FLOOR, BAY CITY, MI 48708 |
| | VII. | UNFINISHED BUSINESS |
| | VIII. | NEW BUSINESS |
| | IX. | MISCELLANEOUS BUSINESS |
| | X. | ADJOURNMENT |

ACTION TAKEN BY BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD

DATE OF BOARD MEETING: 10/10/17

PAGE: 1

MOTION/ INTRODUCED/
RES. NO. SUBMITTED BY SUBJECT OF RESOLUTION/MOTION ADOPTED AMENDED CORRECTED DEFEATED REFERRED TABLED WITHDRAWN

| RES NO | | | | | | | | | |
|----------------|-------|---|----|--|--|--|--|--|--|
| 2017-40 | BOARD | Monthly Reports | XX | | | | | | |
| 2017-42 | ADMIN | Approve election calendar | XX | | | | | | |
| 2017-39 | ADMIN | Approve 2018 Budget | XX | | | | | | |
| Motions | | | | | | | | | |
| 97 | PETT | Excuse Trustee Gromaski | XX | | | | | | |
| 98 | PETT | Approve Minutes 9/12/17 | XX | | | | | | |
| 99 | RYDER | Receive instructions navigating website and agenda | XX | | | | | | |
| 100 | MORSE | Approve asset transfer from BMC to Gen Group and Sheriff Dept to Gen Group | XX | | | | | | |
| 101 | HEREK | Approve transfer of difference between accrued liability and reported reserve from ret system employer reserve to retiree reserve | XX | | | | | | |
| 102 | RYDER | Receive 2016 Actuarial valuation | XX | | | | | | |

**BAY COUNTY RETIREMENT BOARD
10/10/2017
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD

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

- 1. PORTFOLIO VALUE - 1/1/17 – 9/30/17
- 2. CHANGE IN BOOK AND MARKET VALUE -9/30/17
- 3. MONEY MANAGERS ON WATCH - NONE
- 4. MONEY MANAGER REPORTS
 - a. BARINGS - ENDING 8/31/17
 - b. COLUMBIA – ENDING 8/31/17
 - c. EAGLE ASSET MGMT - ENDING 8/31/17
 - d. GENEVA - ENDING 8/31/17
 - e. HOTCHKIS & WILEY - ENDING 8/31/17
 - f. LOOMIS SAYLES – ENDING 8/31/17
 - g. MFS INVESTMENT - ENDING 8/31/17
 - h. MFS HERITAGE TRUST - ENDING 8/31/17
 - i. MACKAY SHIELDS - ENDING 8/31/17
 - j. SCHRODERS - ENDING 8/31/17
- 5. RECAPTURE SERVICES
 - a. ABEL/NOSER – ENDING 8/31/17
 - b. CAPIS - SUMMARY ENDING 8/31/17
- 6. NORTHERN TRUST SUMMARY EARNINGS -9/30/17
- 7. REFUNDS/RETIREMENTS –ENDING 9/30/17
- 8. BCERS YTD BUDGET REPORT – ENDING 9/30/17
- 9. INVOICES APPROVED - 9/30/17

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS OCTOBER

MOVED BY TRUSTEE BRZEZINSKI
SUPPORTED BY TRUSTEE PETT

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Thomas Herek | X | | | Thomas Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
Voice: Yeas 8 Nays 0 Excused 1

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

**BAY COUNTY RETIREMENT BOARD
10/10/17
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD

WHEREAS, The term for the Trustee position for the General Group ends December 31, 2017.
 WHEREAS, An election must be held for the next three (3) year term.
 WHEREAS, The election rules govern the timing for the election dates. Therefore, Be It

RESOLVED That the Bay County Employees' Retirement System Board approve this election calendar conforming with the election rules.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION - ELECTION CALENDAR 2017

MOVED BY TRUSTEE HEREK

SUPPORTED BY TRUSTEE GONZALES

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Thomas Herek | X | | | Thomas Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas 8 Nays 0 Excused 1

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

**BAY COUNTY RETIREMENT BOARD
10/10/2017
RESOLUTION**

BY: ADMINISTRATION

WHEREAS, The 2018 Retirement Fund budget was prepared using all known estimates and calculations at this time for revenue and expenditures.

WHEREAS, The 2018 Budget is for the budget period of January 1, 2018 to December 31, 2018.

WHEREAS, The 2018 budgeted expenditures are submitted at \$30,632,273 which is an increase of \$1,475,318 over the 2017 budgeted expenditures in the amount of \$29,176,955.

WHEREAS, The Retirement Fund revenue is budgeted at \$30,632,273 which is an increase of \$1,475,318 over the 2017 budgeted revenues in the amount of \$30,632,273.
Therefore, Be It

RESOLVED That this Board approve the annual 2018 Budget as submitted.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION – 2018 BUDGET PROPOSAL

MOVED BY TRUSTEE HEREK

SUPPORTED BY TRUSTEE BRZEZINSKI

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Thomas Herek | X | | | Thomas Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas 8 Nays 0 Excused 1
Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated Withdrawn
Amended Corrected Referred

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: October 10, 2017

MOTION MOVED BY: PETT

MOTION SUPPORTED BY: HEREK

MOTION NO.: 97

MOTION 97: Moved, supported and carried to excuse Trustee Gromaski.

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Tom Herek | X | | | Tom Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: OCT 10, 2017

MOTION MOVED BY: PETT

MOTION SUPPORTED BY: BRZEZINSKI

MOTION NO.: 98

MOTION 98: Moved, supported and carried to approve the minutes, as printed, from the September 12, 2017 regular meeting and attachment of GRS correspondence.

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Tom Herek | X | | | Tom Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: OCT 10, 2017

MOTION MOVED BY: RYDER

MOTION SUPPORTED BY: BRZEZINSKI

MOTION NO.: 99

MOTION 99: Moved, supported and carried to receive the instructions to navigate the agenda and website.

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Tom Herek | X | | | Tom Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas 8 Nays 0 Excused 1

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

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: OCT 10, 2017

MOTION MOVED BY: PETT

MOTION SUPPORTED BY: MORSE

MOTION NO.: 100

MOTION 100: Moved, supported and carried approve the asset transfer recommended by Gabriel Roeder and Smith of \$44,391 from the Medical Care Facility to the General Group and \$285,973 from the Sheriff's Department to the General group.

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Tom Herek | X | | | Tom Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: OCT 10, 2017

MOTION MOVED BY: HEREK

MOTION SUPPORTED BY: STARKWEATHER

MOTION NO.: 101

MOTION 101: Moved, supported and carried to approve the actuary's recommendation to transfer the difference between accrued liability and reported reserve from the retirement system employer reserve to the retiree reserve effective 1/1/2017.

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Tom Herek | X | | | Tom Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: OCT 10, 2017

MOTION MOVED BY: RYDER

MOTION SUPPORTED BY: MORSE

MOTION NO.: 102

MOTION 102: Moved, supported and carried to receive the 2016 actuarial valuation from Gabriel Roeder and Smith.

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Tom Herek | X | | | Tom Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: OCT 10, 2017

MOTION MOVED BY: BRZEZINSKI

MOTION SUPPORTED BY: RYDER

MOTION NO.: 103

MOTION 103: Moved, supported and carried to receive two items of correspondence from PGIM regarding update on hurricane and investments and the PRISA cash flow distribution.

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Tom Herek | X | | | Tom Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

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

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: OCT 10, 2017 _

MOTION MOVED BY: HEREK _

MOTION SUPPORTED BY: RYDER _

MOTION NO.: 104 _

MOTION 104: Moved, supported and carried to receive items of correspondence to MFS, Geneva, Integrity and Northern Trust regarding rebalance for Bay County Cash.

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Tom Herek | X | | | Tom Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

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

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: OCT 10, 2017

MOTION MOVED BY: HEREK

MOTION SUPPORTED BY: MORSE

MOTION NO.: 105

MOTION 105: Moved, supported and carried to receive correspondence from Columbia regarding acquisition of Lionstone Investments.

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Tom Herek | X | | | Tom Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas 8 Nays 0 Excused 1

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

**BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES**

MEETING DATE: OCT 10, 2017

MOTION MOVED BY: HEREK

MOTION SUPPORTED BY: MORSE

MOTION NO.: 106

MOTION 106: Moved, supported and carried to adjourn the meeting at 2:23 p.m.

| TRUSTEE | Y | N | E | TRUSTEE | Y | N | E | TRUSTEE | Y | N | E |
|--------------------|---|---|---|------------------|---|---|---|---------------------|---|---|---|
| Richard Brzezinski | X | | | Richard Gromaski | | | X | Matthew Pett | X | | |
| Kristal Gonzales | X | | | Tom Herek | X | | | Tom Ryder | X | | |
| Steve Gray | X | | | Jon Morse | X | | | Thomas Starkweather | X | | |

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas 8 Nays 0 Excused 1

Disposition: Adopted X Defeated _____ Withdrawn _____

Amended _____ Corrected _____ Referred _____