

BAY COUNTY RETIREMENT BOARD OF TRUSTEES  
 AGENDA  
 TUESDAY, OCTOBER 9, 2018 @ 1:30 P.M.  
**COMMISSIONERS CHAMBERS**  
**515 CENTER AVENUE - 4<sup>TH</sup> FLOOR**  
**BAY CITY, MI 48708**

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
	III.	MINUTES
1 - 6 . . . . .	1.	SEPTEMBER 11, 2018 SPECIAL MEETING
7 - 9 . . . . .	2.	SEPTEMBER 11, 2018 REGULAR MEETING
	IV.	PUBLIC INPUT
	V.	PETITIONS & COMMUNICATIONS
	A.	GABRIEL, ROEDER & SMITH ACTUARIAL VALUATION – JIM ANDERSON AND SHANA NEESON
	1.	<u>2017 ACTUARY VALUATION PRESENTATION</u>
	2.	<u>2017 ACTUARY REPORT BAY COUNTY EMPLOYERS OTHER THAN BABH</u>
	3.	<u>2017 ACTUARY REPORT BABH</u>
10 - 12 . . . . .	B.	MONTHLY REPORTS – RES NO: 2018-25 (APPROVE)
	1.	PORTFOLIO VALUE - 1/1/18 – 9/30/18
	2.	CHANGE IN NET ASSETS – 9/30/18
	3.	MONEY MANAGERS ON WATCH - (EFFECTIVE DATE)
	a.	NONE
	4.	MONEY MANAGER REPORTS
	a.	BARINGS – ENDING 8/31/18
	b.	COLUMBIA - 8/31/18; COMMISSIONS REPORT – 8/31/18
	c.	EAGLE ASSET MGMT - ENDING 8/31/18
	d.	GENEVA – ENDING 8/31/18
13- 33 . . . . .	e.	HOTCHKIS & WILEY – ENDING 8/31/18
	f.	LOOMIS SAYLES – ENDING 8/31/18
	g.	MACKAY SHIELDS - ENDING 8/31/18
	h.	MFS INVESTMENT – ENDING 8/31/18
	i.	MFS HERITAGE TRUST - ENDING 8/31/18
	5.	RECAPTURE SERVICES
34 - 37 . . . . .	a.	CAPIS - SUMMARY ENDING 8/31/18

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**COMMISSIONERS CHAMBERS**  
**515 CENTER AVENUE – 4<sup>TH</sup> FLOOR**  
**BAY CITY, MI 48708**

- |               |    |   |
|---------------|----|---|
| 38 – 54 ..... | 6. | COMERICA  |
| 55 .....      | 7. | SUMMARY EARNINGS - ENDING 8/31/18   |
| 56 – 60 ..... | 8. | REFUNDS/RETIREMENTS ENDING 9/30/18  |
| 61 .....      | 9. | BCERS YTD BUDGET REPORT – ENDING 9/30/18  |
| 62 – 64 ..... | C. | INVOICES APPROVED – 9/30/18   |
| 65 – 69 ..... | D. | ELECTION CALENDAR <b>RES NO: 2018-26</b><br><b>(APPROVE)</b>                    |
| 70 -71 .....  | E. | 2019 PROPOSED BUDGET <b>RES NO 2018-27</b><br><b>(APPROVE)</b>                  |
| 72 – 74 ..... | F. | CORRESPONDENCE COMERICA & MFS REBALANCE FOR<br>BAY COUNTY CASH <b>(RECEIVE)</b> |
| 75 .....      | 1. | CORRESPONDENCE PGIM <b>(RECEIVE)</b>  |
| 76 .....      | 2. | NEW LEADERSHIP & LEADERSHIP<br>CHANGES  |
| 77 .....      | 3. | HURRICANE FLORENCE IMPACT UPDATE  |
|               | G. | CORRESPONDENCE PRISA – CASH FLOW<br>DISTRIBUTION                                |
|               | G. | CORRESPONDENCE HOTCHKIS & WILEY – PORTFOLIO<br>MANAGER RETIREMENT               |

VI. ANNOUNCEMENTS

- |    |  |
|----|--|
| A. | NEXT REGULAR MEETING – NOVEMBER 13, 2018 AT 1:30<br>P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE<br>4 <sup>TH</sup> FLOOR, BAY CITY, MI 48708                                     |
| B. | SPECIAL MEETING MONEY MANAGERS PRESENTATIONS<br>ON TUESDAY, OCTOBER 16, 2018 AT 8:30 A.M.,<br>COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4 <sup>TH</sup><br>FLOOR, BAY CITY, MI 48708 |

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

IX. MISCELLANEOUS BUSINESS

X. ADJOURNMENT





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

MEETING DATE: OCTOBER 9, 2018

MOTION MOVED BY: RYDER

MOTION SUPPORTED BY: GONZALES

MOTION NO.: 92

Moved, supported and carried to excuse Trustee Gromaski and Trustee Herek.

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			Sandra Shutt	x		

Vote Totals:

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

Voice: Yeas 7 Nays 0 Excused 2

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

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

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

MEETING DATE: OCTOBER 9, 2018

MOTION MOVED BY: BRZEZINSKI

MOTION SUPPORTED BY: SHUTT

MOTION NO.: 93

Moved, supported and carried to approve the minutes, as printed, from the September 11, 2018 special meeting.

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			Sandra Shutt	x		

Vote Totals:

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

Voice: Yeas 7 Nays 0 Excused 2

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

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

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

MEETING DATE: OCTOBER 9, 2018

MOTION MOVED BY: BRZEZINSKI

MOTION SUPPORTED BY: SHUTT

MOTION NO.: 94

Moved, supported and carried to approve the minutes, as printed, from the September 11, 2018 regular meeting.

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			Sandra Shutt	x		

Vote Totals:

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

Voice: Yeas 7 Nays 0 Excused 2

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

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

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

MEETING DATE: OCTOBER 9, 2018

MOTION MOVED BY: PETT

MOTION SUPPORTED BY: MORSE

MOTION NO.: 95

Moved, supported and carried to approve an asset transfer of \$691,734 from the Sheriff's Department to the General County.

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			Sandra Shutt	x		

Vote Totals:

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

Voice: Yeas 7 Nays 0 Excused 2

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

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



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

MEETING DATE: OCTOBER 9, 2018

MOTION MOVED BY: RYDER

MOTION SUPPORTED BY: PETT

MOTION NO.: 96

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 1/1/2018.

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			Sandra Shutt	X		

Vote Totals:

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

Voice: Yeas 7 Nays 0 Excused 2

Disposition: Adopted X Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_

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

MEETING DATE: OCT 9, 2018

MOTION MOVED BY: PETT

MOTION SUPPORTED BY: SHUTT

MOTION NO.: 97

Moved, supported and carried to receive correspondence from MFS and Comerica 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			Sandra Shutt	x		

Vote Totals:

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

Voice: Yeas 7 Nays 0 Excused 2

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

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

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

MEETING DATE: OCT 9, 2018

MOTION MOVED BY: MORSE

MOTION SUPPORTED BY: GONZALES

MOTION NO.: 98

Moved, supported and carried to receive correspondence from PGIM regarding, leadership changes, hurricane Florence impact update and the cash flow distribution letter.

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			Sandra Shutt	x		

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_  
 Voice: Yeas 7 Nays 0 Excused 2

Disposition: Adopted x Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
 Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_

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

MEETING DATE: October 9, 2018

MOTION MOVED BY: PETT

MOTION SUPPORTED BY: SHUTT

MOTION NO.: 99

Moved, supported and carried to receive the correspondence from Hotchkis & Wiley regarding Portfolio Manager Retirement.

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			Sandra Shutt	x		

Vote Totals:

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

Voice: Yeas 7 Nays 0 Excused 2

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

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

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

MEETING DATE: OCTOBER 9, 2018

MOTION MOVED BY: PETT

MOTION SUPPORTED BY: BRZEZINSKI

MOTION NO.: 100

Moved, supported and carried to adjourn the meeting at 2:35 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			Sandra Shutt	x		

Vote Totals:

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

Voice: Yeas 7 Nays 0 Excused 2

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

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

**BAY COUNTY RETIREMENT BOARD  
10/09/2018  
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD

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

1. PORTFOLIO VALUE - 1/1/18 - 9/30/18
2. CHANGE IN BOOK AND MARKET VALUE – 9/30/18
3. MONEY MANAGERS ON WATCH - NONE
4. MONEY MANAGER REPORTS
  - a. BARINGS - ENDING 8/31/18
  - b. COLUMBIA - ENDING 8/31/18; COMMISIONS REPORT – 8/31/18
  - c. EAGLE - ENDING 8/31/18
  - d. GENEVA – ENDING 8/31/18
  - e. HOTCHKIS & WILEY - ENDING 8/31/18
  - f. LOOMIS SAYLES - ENDING 8/31/18
  - g. MACKAY SHIELDS – ENDING 8/31/18
  - h. MFS INVESTMENT - ENDING 8/31/18
  - i. MFS HERITAGE TRUST - ENDING 8/31/18
5. RECAPTURE SERVICES
  - a. ABEL/NOSER - SUMMARY ENDING 8/31/18
  - b. CAPIS - SUMMARY ENDING 8/31/18
6. COMERICA SUMMARY EARNINGS -8/31/18
7. REFUNDS/RETIREMENTS –ENDING 9/30/18
8. BCERS YTD BUDGET REPORT – ENDING 9/30/18
9. APPROVED EXPENSES – 9/30/18

STEVE GRAY, CHAIR  
AND BOARD

MONTHLY REPORTS MARCH

MOVED BY TRUSTEE RYDER  
SUPPORTED BY TRUSTEE MORSE

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			Sandy Shutt	X		

Vote Totals:

Roll Call: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Excused \_\_\_\_\_  
Voice: Yeas 7 Nays 0 Excused 2

Disposition: Adopted X Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Amended \_\_\_\_\_ Corrected \_\_\_\_\_ Referred \_\_\_\_\_

**BAY COUNTY RETIREMENT BOARD  
10/09/18  
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD

WHEREAS, The term for the Trustee position for the Road Commission & Department of Water & Sewer ends December 31, 2018.

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  
MOVED BY TRUSTEE    PETT   

SUPPORTED BY TRUSTEE    SHUTT   

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			Sandy Shutt	X		

Vote Totals:

Roll Call: Yeas        Nays        Excused         
Voice: Yeas   7   Nays   0   Excused   2  

Disposition: Adopted   X   Defeated        Withdrawn         
Amended        Corrected        Referred

**BAY COUNTY RETIREMENT BOARD  
10/09/18  
RESOLUTION**

BY: ADMINISTRATION

WHEREAS, The 2019 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, 2019 to December 31, 2019.

WHEREAS, The 2019 budgeted expenditures are submitted at \$ 31,681,643 which is an increase of \$1,049,370 compared to the 2018 budgeted expenditures in the amount of \$30,632,273.

WHEREAS, The Retirement Fund revenue is budgeted at \$31,681,643 which is an increase of \$1,049,370 compared to the 2018 budgeted revenues in the amount of \$30,632,273. Therefore, Be It

RESOLVED That this Board approve the annual 2019 Budget as submitted.

STEVE GRAY, CHAIR  
AND BOARD

RESOLUTION  
MOVED BY TRUSTEE MORSE

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			Sandy Shutt	X		

Vote Totals:

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

Voice: Yeas 7 Nays 0 Excused 2

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

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