

BAY COUNTY RETIREMENT BOARD OF TRUSTEES  
 AGENDA  
 TUESDAY, JUNE 13, 2017 @ 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 - 9	A.	APRIL 18, 2017 SPECIAL MEETING
10-15	B.	MAY 9, 2017 REGULAR MEETING & MEMO ATTACHMENT (HANDOUT FROM MAY 9, 2017 MEETING)
	IV.	PUBLIC INPUT
	V.	PETITIONS & COMMUNICATIONS
	A.	SCHRODERS - MATTHEW DOBBS, PORTFOLIO MANAGER & CATTIE MAZZA INSTITUTIONAL DIRECTOR
16 - 18 .....	B.	MONTHLY REPORTS – RES NO: 2017-17
	1.	PORTFOLIO VALUE - 1/1/17 - 5/31/17
	2.	CHANGE IN BOOK AND MARKET VALUE – 5/31/17
	3.	MONEY MANAGERS ON WATCH - (EFFECTIVE DATE)
	a.	NONE
	4.	MONEY MANAGER REPORTS
	a.	BARINGS – ENDING 4/30/17
	b.	COLUMBIA – ENDING 4/30/17
	c.	EAGLE ASSET MGMT - ENDING 4/30/17
	d.	HENDERSON GENEVA – ENDING 4/30/17
19 - 42 .....	e.	HOTCHKIS & WILEY – ENDING 4/30/17
	f.	LOOMIS SAYLES - ENDING 4/30/17
	g.	MFS INVESTMENT – ENDING 4/30/17
	h.	MFS HERITAGE TRUST - ENDING 4/30/17
	i.	MACKAY SHIELDS - ENDING 4/30/17
	j.	SCHRODERS – ENDING 4/30/17
	5.	RECAPTURE SERVICES
43 - 46 .....	a.	ABEL/NOSER - SUMMARY ENDING 4/30/17
	b.	CAPIS - SUMMARY ENDING 4/30/17

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**BAY CITY, MI 48708**

- |                |    |  |
|----------------|----|--|
| 47 - 52        | 6. | NORTHERN TRUST<br>a. SUMMARY EARNINGS - ENDING 4/30/17   |
| 53 .....       | 7. | REFUNDS/RETIREMENTS - ENDING 5/31/17   |
| 54 - 58 .....  | 8. | BCERS YTD BUDGET REPORT – ENDING 5/31/17   |
| 59 .....       | 9. | INVOICES APPROVED – 5/31/17  |
| 60 – 69 .....  | C. | REVISED BCERS IPS RES NO: 2017- 19   |
| 70.....        | D. | CORRESPONDENCE PGIM –RETIREMENT OF KEVIN SMITH AND THE NEW GLOBAL COO CATHY MARCUS EFFECTIVE JANUARY 1, 2018. ALFONSO MUNK WILL ASSUME POSITION AS HEAD OF LATIN AMERICA |
| 71 – 76 .....  | E. | FIDUCIARY POLICY RENEWAL – RES NO 2017-18  |
| 77 – 80 .....  | F. | CORRESPONDENCE – NORTHERN TRUST, COLUMBIA, MFS ASSET REALLOCATION BAY CO CASH (MOTION TO RECEIVE)  |
| 81 – 84 .....  | G. | BCERS SUMMARY ANNUAL REPORT – DISTRIBUTED NOVEMBER 10, 2016 (MOTION TO RECEIVE)  |
| 85 – 86 .....  | H. | LETTERS OF INTENT TO NORTHERN TRUST & COMERICA RE: RFP BID AWARD (MOTION TO RECEIVE)   |
| 87 – 139 ..... | I. | SERVICE DISCLOSURE FORMS –RES NO: 2017- 15   |

VI. ANNOUNCEMENTS

- A. NEXT REGULAR MEETING – JULY 11, 2017 AT 1:30 P.M., COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4<sup>TH</sup> 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: JUNE 13, 2017

PAGE: 1

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

RES NO									
2017-17	BOARD	MONTHLY REPORTS	XX						
2017-18	BOARD	FIDUCIARY LIABILITY RENEWAL	XX						
2017-19	BOARD	REVISED BCERS IPS	XX						
2017-15	BOARD	COMPENATION DISCLOSURE FORMS				XX			
<b>MOTION</b>									
56	HEREK	EXCUSE CHAIRMAN GRAY	XX						
57	RYDER	APPROVE MINUTES 4/18/17 AND 5/9/17	XX						
58	PETT	RECEIVE PRESENTATION SCHRODERS	XX						
59	GROMASKI	RECEIVE CORRESPONDENCE PGIM RE: RETIREMENT KEVIN SMITH AND NEW GLOBAL COO CATHY MARCUS EFFECTIVE 1/1/18	XX						
60	GROMASKI	RECEIVE CORRESPONDENCE TO NORTHERN TRUST, COLUMBIA & MFS RE: ASSET REALLOCATION BAY CO CASH	XX						
61	MORSE	RECEIVE 2015 SAR	XX						
62	RYDER	RECEIVE LETTERS OF INTENT TO NORTHERN TRUST AND COMERICA RE: RFP BID AWARD	XX						
63	STARKWEATHER	ADJOURN MEETING	XX						

**BAY COUNTY RETIREMENT BOARD  
06/13/2017  
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD

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

1. PORTFOLIO VALUE - 1/1/1 -05/31/17
2. CHANGE IN BOOK AND MARKET VALUE -05/31/17
3. MONEY MANAGERS ON WATCH - NONE
4. MONEY MANAGER REPORTS
  - a. BARINGS - ENDING 4/30/17
  - b. COLUMBIA - ENDING 4/30/17
  - c. EAGLE ASSET MGMT - ENDING 4/30/17
  - d. HENDERSON GENEVA - ENDING 4/30/17
  - e. HOTCHKIS & WILEY - ENDING 4/30/17
  - f. LOOMIS SAYLES - ENDING 4/30/17
  - g. MFS INVESTMENT - ENDING 4/30/17
  - h. MFS HERITAGE TRUST - ENDING 4/30/17
  - i. MACKAY SHIELDS - ENDING 4/30/17
  - j. SCHRODERS - ENDING 4/30/17
5. RECAPTURE SERVICES
  - a. ABEL/NOSER - SUMMARY ENDING 4/30/17
  - b. CAPIS - SUMMARY ENDING 4/30/17
6. NORTHERN TRUST SUMMARY EARNINGS -4/30/17
7. REFUNDS/RETIREMENTS -ENDING 5/31/17
8. BCERS YTD BUDGET REPORT - ENDING 5/31/17
9. INVOICES APPROVED - 05/31/17

STEVE GRAY, CHAIR  
AND BOARD

MONTHLY REPORTS JUNE

MOVED BY TRUSTEE     PETT      
SUPPORTED BY 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			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  
6/11/17  
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (6/11/17)

WHEREAS, The Bay County Retirement Board of Trustees is the designated fiduciary for the Bay County Employees' Retirement System

WHEREAS, The Bay County Employees' Retirement System Fiduciary Liability Policy has been renewed every year in recent history. The current one (1) year policy expires August 17, 2017; and

WHEREAS, There are three (3) other trusts covered by this policy and each will have to be signed by its fiduciary:

1. Bay County Voluntary Employees' Benefit Association
2. Bay County Employees' 401k savings plan (401k Board is the fiduciary)
3. Bay County Employees' 457 saving plan (Bay County Board of Commissioners is the fiduciary)

WHEREAS, Funds are budgeted for the fiduciary policy; Therefore, Be It

RESOLVED That the Bay County Retirement Board of Trustees authorizes renewal of the Bay County Employees' Retirement System Fiduciary Liability Policy and authorizes the Chairman of the Board to execute the renewal application and subsequent related documents on behalf of the Retirement Board following legal review/approval.

STEVE GRAY, CHAIR  
AND BOARD

RESOLUTION – FIDUCIARY LIABILITY RENEWAL

MOVED BY TRUSTEE STARKWEATHER

SUPPORTED BY TRUSTEE RYDER

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  
06/11/17  
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (06/11/17)

WHEREAS, AndCo Consulting recommends the Board of Trustees to the Bay County Employees' Retirement System ("BCERS") adopt the revised investment Policy Statement which contains the addition of Paragraph C on page 3, "International Equity Performance" included in today's packet of meeting materials.

WHEREAS, This recommended change is to coincide with the VEBA's revised IPS adopted last month.

WHEREAS, The VEBA's revised IPS divided the domestic equity and international equity performance benchmarks into two separate paragraphs with their respective indices noted.

WHEREAS, AndCo Consulting believes the separate paragraph structure is more logical and as a result recommends inserting the same structure to the Retirement System's IPS. Therefore, Be It

RESOLVED That this Board approve the revised BCERS Investment Policy Statement. Further, Be It

RESOLVED That the Chairman of the Board is authorized to execute the revised BCERS Investment Policy Statement following review by Corporation Counsel.

STEVE GRAY, CHAIR  
AND BOARD

RESOLUTION – REVISED BCERS IPS  
MOVED BY TRUSTEE     PETT    

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			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  
06/13/17  
RESOLUTION**

BY: BAY COUNTY RETIREMENT BOARD (06/13/2017)

WHEREAS, As part of the requirement of the Bay County Employees' Retirement System Policy on Service Provider Disclosures, the Board requires information to be provided annually by all of its service providers to acknowledge that they are in compliance with Section 13e of Act 314 [MCL 38.113e] and/or Rule 206(4)-5 of the Investment Advisers Act of 1940 in the case of a regulated investment adviser.

WHEREAS, Compensation disclosure forms and political contribution disclosure forms have been received by the following money managers:

Abel/Noser	Loomis Sayles
AndCo Consulting	Mackay Shields
Baird	MFS Heritage
Barings	MFS Institutional
CAPIS	Northern Trust
Columbia	PGIM
Eagle	Schroders
Gabriel Roeder Smith	Victory Capital/Integrity
Henderson Geneva	
Hotchkis & Wiley	

Therefore, Be It

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

STEVE GRAY, CHAIR  
AND BOARD

RESOLUTION – SERVICE DISCLOSURE & POLITICAL DISCLOSURE FORMS

MOVED BY TRUSTEE STARKWEATHER

SUPPORTED BY 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			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 \_\_\_\_\_ Defeated \_\_\_\_\_ Withdrawn \_\_\_\_\_  
Amended \_\_\_\_\_ Corrected X Referred \_\_\_\_\_  
**\*resolution corrected to state approves not receives**

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

MEETING DATE: JUNE 13, 2017

MOTION MOVED BY: HEREK

MOTION SUPPORTED BY: MORSE

MOTION NO.: 56

**MOTION 56:** Moved, supported and carried to excuse Chairman Gray

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: JUNE 13, 2017

MOTION MOVED BY: RYDER

MOTION SUPPORTED BY: STARKWEATHER

MOTION NO.: 57

**MOTION 57:** moved, supported and carried to approve the minutes, as printed, from April 18, 2017 special meeting and May 9, 2017, 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			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: JUNE 13, 2017

MOTION MOVED BY: PETT

MOTION SUPPORTED BY: RYDER

MOTION NO.: 58

**MOTION 58:** Moved, supported and carried to receive the presentation from Schroders.

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			

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: JUNE 13, 2017

MOTION MOVED BY: GROMASKI

MOTION SUPPORTED BY: GONZALES

MOTION NO.: 59

**MOTION 59:** Moved, supported and carried to receive correspondence from PGIM regarding the Retirement of Kevin Smith and the new Global COO, Cathy Marcus effective January 1, 2018 with Alfonso Munk assuming the position as head of Latin America.

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 1 Excused 0

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

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

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

MEETING DATE: JUNE 13, 2017

MOTION MOVED BY: GROMASKI

MOTION SUPPORTED BY: GONZALES

MOTION NO.: 60

**MOTION 60:** Moved, supported and carried to receive correspondence to Northern Trust, Columbia, and MFS regarding asset reallocation Bay Co 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: JUNE 13, 2017

MOTION MOVED BY: MORSE

MOTION SUPPORTED BY: GONZALES

MOTION NO.: 61

**MOTION 61:** Moved, supported and carried to receive the 2015 Summary of Annual report distributed in November 2016.

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: JUNE 13, 2017

MOTION MOVED BY: RYDER

MOTION SUPPORTED BY: STARKWEATHER

MOTION NO: 62

**MOTION 62:** Moved, supported and carried to receive the letters of intent to Northern Trust and Comerica regarding RFP BID award.

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: JUNE 13, 2017

MOTION MOVED BY: STARKWEATHER

MOTION SUPPORTED BY: RYDER

MOTION NO.: 63

**MOTION 63:** Moved, supported and carried to adjourn the meeting at 2:15 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 \_\_\_\_\_