

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN  
BOARD MEETING MINUTES  
Lansing Home Office  
January 15, 2014**

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**BOARD MEMBERS PRESENT**

Michael Brown, Chair  
Sally Dreves, Chair, Pro Tem  
Randy Girard  
John Ogden  
Jim Wiersma  
Michael Gilmore  
Lori Newberg  
Amy Deford  
  
Philip LaJoy - Absent

**MERS STAFF**

Chris DeRose, Chief Executive Officer  
Pam Steffy, Board Secretary  
Deb Peake, Chief Emp. & Retiree Ser. Officer  
Jeb Burns, Chief Investments Officer  
Leon Hank, Chief Financial Officer  
Carrie Lombardo, Chief Mktg & Emp. Ser. Officer  
Kim Rhead, Legislative Affairs & Pub. Pol. Dir.  
Diane Boucke', Human Resource Director  
Tom Petroni, General Counsel  
Kristin Bellar, Senior Deputy General Counsel  
William SaintAmour, Research Services Director

**Call to Order**

Chairperson, Michael Brown called the meeting of the MERS Retirement Board to order at 8:34 a.m. on Wednesday, January 15, 2014.

**Election of Board Chairperson**

Mr. DeRose stated the first item of business is election of officers for 2014. Mr. DeRose conducted the election for Chairperson. Nominations were declared open. Ms. Dreves nominated Michael Brown for Chairperson of the Retirement Board for 2014; supported by Mr. Ogden. Having no other nominees, nominations were closed. Motion carried by unanimous ballot.

**Election of Board Chair Pro Tem**

Chairperson Brown conducted the election for Chairperson Pro Tem. Nominations were declared open. Ms. Newberg nominated Sally Dreves for Pro Tem of the Retirement Board for 2014; supported by Mr. Gilmore. Having no other nominees, nominations were closed. Motion carried by unanimous ballot.

**Old Business**

**Chief Executive Officer (CEO) Evaluation**

Ms. Boucke, Human Resource Director, presented MERS CEO current compensation and the external market review information. The board reviewed the CEO's compensation for 2013. Ms. Dreves made a motion to approve the CEO's 2013 wage compensation; supported by Mr. Girard. Motion carried.

The Board reviewed and approved the CEO's updated position description.

**General Consent Agenda**

Mr. Gilmore made a motion to approve the General Consent Agenda, supported by Ms. Deford. Motion carried.

## **New Business**

### **CEO Report**

Mr. DeRose presented the CEO Report on:

- MERS Strategic Direction
- MERS Business Plan
- Board Governance Policy
- Bankruptcy
- Internal Audit
- Outreach to Customers and Policy Makers
- Employee Communication

### **Building Transfer**

Mr. DeRose and Mr. Hank discussed the January 7, 2014 Memorandum from the Chief Finance Officer to the Chief Executive Officer, recommending that the Board approve the Transfer of Ownership of MERS Offices Buildings from the Investment Portfolio to Administrative Operations effective December 31, 2013. Mr. Girard made a motion to approve the building transfer and direct the Legal Department to execute the documentation required to implement the transfer as recommended; supported by Mr. Ogden. Motion carried.

### **Board Governance Policy**

Mr. DeRose and Ms. Bellar, Senior Deputy General Counsel updated the board on the Governance Policy revisions.

### **MERS Balanced Scorecard**

Mr. SaintAmour, Research Services Director, presented the 2014 MERS Business Plan and Balanced Scorecard.

### **Legislative Report**

Mr. Kim Rhead, Legislative Affairs and Public Policy Director, updated the Board on pending legislative action.

### **Policy Benchmark Review & Recommendation**

Nolan M. Bean, CFA, CAIA, discussed the January 2014 Memorandum from Fund Evaluation Group (FEG), LLC, recommending the use of a Broad Policy Benchmark, consisting of 65% MSCI All Country World Investable Market Index and 35% Barclays Global Aggregate Bond Index, for Board level governance. Mr. Wiersma made a motion to approve the FEG Benchmark Recommendation, supported by Mr. Gilmore. Motion carried.

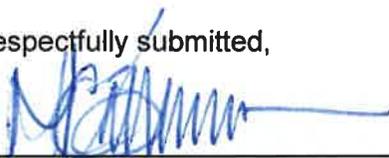
### **Investment Report**

Mr. Burns, Chief Investments Officer, presented the portfolio performance reports for the periods ending October 31, 2013 and November 30, 2013.

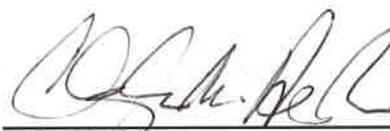
### **Adjournment**

Meeting adjourned at 12:40 p.m.

Respectfully submitted,



Michael Brown, Chairperson



Chris DeRose, Chief Executive Officer