

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
BOARD MEETING MINUTES
Lansing Home Office
January 15, 2015**

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BOARD MEMBERS PRESENT

Michael Brown, Chair
Sally Dreves, Chair, Vice Chair
Lori Newberg
Michael Gilmore
Phil LaJoy
Amy Deford
John Ogden
Jim Wiersma
Randy Girard

MERS STAFF

Chris DeRose, Chief Executive Officer
Pam Steffy, Board Secretary
Carrie Lombardo, Chief Marketing & Employer
Services Officer
Deb Peake, Chief Employee & Retiree Services
Officer
Jeb Burns, Chief Investments Officer
Leon Hank, Chief Financial Officer
Tom Petroni, General Counsel
Kristin Bellar, Senior Deputy General Counsel
Rod Markowski, Internal Auditor
Kim Rhead, Legislative Affairs & Public Policy Director
William SaintAmour, Research Services Director
Mike Charette, Senior Investment Officer & Portfolio
Manager
Colleen Kuehnel, Growth Manager

Call to Order

Chairperson, Michael Brown called the meeting of the MERS Retirement Board to order at 8:32 a.m. on Thursday, January 15, 2015.

Election of Board Chairperson

Mr. DeRose stated the first item of business is election of officers for 2015. Mr. DeRose conducted the election for Chairperson. Nominations were declared open. Ms. Dreves nominated Michael Brown for Chairperson of the Retirement Board for 2015; supported by Mr. Ogden. Having no other nominees, nominations were closed. Motion carried by unanimous ballot.

Election of Board Vice Chair

Chairperson Brown conducted the election for Vice Chair. Nominations were declared open. Ms. Newberg nominated Sally Dreves for Vice Chair of the Retirement Board for 2015; supported by Mr. Gilmore. Having no other nominees, nominations were closed. Motion carried by unanimous ballot.

Appointment of Public Board Member

Public Board Member Mr. Jim Wiersma' term expired 12-31-2014. Mr. LaJoy moved to appoint Mr. Wiersma to a three year term for Public Board Member of the Retirement Board from January 1, 2015 through December 31, 2017. Supported by Ms. Deford. Motion carried by unanimous ballot.

PUBLIC AUDIENCE

No members of the public were present.

Old Business

No old business was brought before the Board.

General Consent Agenda

Mr. LaJoy moved to approve the January 15, 2015 consent agenda; supported by Mr. Girard. Motion carried.

New Business

CEO Report

Mr. DeRose presented the CEO Report on:

- MERS Strategic Direction: 2014 & 2015 Balanced Score Card
- 2014 & 2015 Business Plan
- Outreach to Customers
- Customer Growth, Retention and Benefit Changes
- Product Management
- Employee Performance Management
- Employee Communication

Plan Document Amendments

Ms. Lombardo, Chief Marketing & Employer Services Officer, discussed the December 10, 2014 Memorandum to Mr. DeRose, CEO, forwarding and recommending proposed amendments to the Municipal Employee's Retirement System Plan Document. Ms. Lombardo requested that the Board hold the proposed Annuity Withdrawal Program (AWP) under Plan Section 23(3) in abeyance pending further review by staff. Colleen Kuehnel, Growth Manager, presented each of the proposed amendments and responded to questions from the Board.

Mr. Girard moved to approve the proposed changes to the Plan Document as provided and recommended in the December 10, 2014 Memorandum, with the exception of the proposed Section 23(3), and directs staff to make any necessary revisions to forms and procedures required for implementation; supported by Ms. Deford. Motion carried.

MERS Ethics Policy

Ms. Bellar, Senior Deputy General Counsel, discussed the December 18, 2014 Memorandum to Mr. DeRose, CEO, recommending proposed revisions to the Municipal Employees' Retirement System Ethics Policy.

Ms. Wiersma moved to approve the proposed revisions to the Restated Standards of Professional and Ethical Conduct and adopts the Ethics Policy; supported by Ms. Dreves. Motion carried.

MERS Customer Voice

Ms. Lombardo, Chief Marketing & Employer Services Officer and Mr. SaintAmour, Director of Research Services, presented the 2014 Fall Voice of the Customer – Employer and Participant Evaluation results.

Investment Report

Mr. Burns, Chief Investments Officer, presented the CIO Monthly Report Summary for the period ending November 30, 2014.

Janice Morgan v MERS

In the matter of Janice Morgan, Mr. Ogden recused himself due to the fact that he previously worked with Ms. Morgan at the City of Port Huron and has personal knowledge about the facts of the case. Ms. Dreves moved that the Board accept and adopt as its own, the Findings of Fact and Conclusions of Law stated by the Hearing Officer in her December 5, 2014 Proposal for Decision, and Petitioner's request for non-duty disability retirement benefits is Granted. Motion supported by Mr. LaJoy. Motion carried.

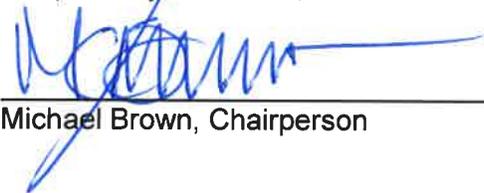
Internal Audit Plan

Mr. Markowski, Internal Auditor, presented the 2015 Internal Audit Plan to the board. Mr. Wiersma moved that the Board approve 2015 Internal Audit Plan; supported by Mr. Gilmore. Motion carried.

Adjournment

Meeting adjourned at 11:42 a.m.

Respectfully submitted,



Michael Brown, Chairperson



Chris DeRose, Chief Executive Officer