**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN**
**BOARD MEETING MINUTES**
**Grand Traverse Resort, Acme, Michigan**
**October 1, 2013**

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**MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF MICHIGAN**
**BOARD MEETING MINUTES**
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**BOARD MEMBERS PRESENT**
Michael Brown, Chair
Sally Dreves, Chair, Pro Tem
Phil LaJoy
John Ogden
Jim Wiersma
Lori Newberg
Amy Deford
Michael Gilmore

(Absent: Randy Girard)

**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
Alan Sonnanstine, Chief Actuary
Rod Markowski, Internal Auditor
William SaintAmour, Director of Research Services
Mike Charette, Sen. Invest. Officer & Port. Manager
Ed Mikolay, Sen. Invest. Officer & Port. Manager
Mike Schrauben, Invest. Officer & Portfolio Manager
Julian Ramirez, Investment Analyst

**Call to Order**
Chairperson Michael Brown called the meeting of the MERS Retirement Board to order at 1:35 p.m. on Tuesday, October 1, 2013.

**Public Audience**
Ben Geiger (Barry County), Jessica Dorey (City of Novi), and Jason Sareta (Delta Township), were in attendance.

**General Consent Agenda**
Mr. LaJoy moved to approve the October 1, 2013 consent agenda, consisting of the July 2013 Board meeting minutes; legal report, finance report, and internal audit report; supported by Mr. Gilmore. Motion carried.

**Old Business**
No old business was brought before the board.

**New Business**

**CEO Report**
Mr. DeRose presented the CEO's Report on:

- 2013 Business Plan and Strategic Planning
- Outreach to Customers and Policy Makers
- Internal Audit Plan
- Employee Communication
- Delinquent Municipality Plan

**Certification of MERS Officer and Employee Delegates**
Ms. Deford moved to approve Debra Peake and Katie English as the officer and employee delegates to the 2013 MERS Annual Meeting; supported by Mr. Ogden. Motion carried.

**Legislative Report**
Mr. DeRose updated the Board on pending legislative action.

**Investment Report**
Mr. Burns, Chief Investments Officer, presented the portfolio performance report for the period ending July 31, 2013.

**Asset Allocation**
Mr. Burns, Chief Investments Officer, presented the 2013 Asset Allocation Analysis. Mr. Burns made a recommendation to the Board to approve the Analysis. Mr. Gilmore moved to approve the 2013 Asset Allocation Analysis; supported by Ms. Dreves. Motion carried.

**Internal Audit Plan**
Mr. Markowski, Internal Auditor, provided an overview of the Internal Audit Plan. Mr. Markowski made a recommendation to the Board to approve the Internal Audit Plan. Mr. LaJoy moved to approve the Internal Audit Plan; supported by Ms. Dreves. Motion carried.

**Consolidated Annual Actuarial Valuations**
Mr. Sonnanstine, Chief Actuary, provided an overview of the 67th Annual Actuarial Valuation, dated December 31, 2012.

**Dashboard**
Mr. SaintAmour, Director of Research Services, updated the Board on the 2nd quarter 2013 Dashboard.

**City of Novi v MERS and Michael Corbett (Contested Case Hearing)**
Petitioner City of Novi filed Exceptions to the Hearing Officer's Proposal for Decision, requesting the opportunity for oral argument before the Board. Following discussion, Mr. Ogden moved that the Board deny oral argument; supported by Mr. LaJoy. Motion carried. The Board then went on to consider the PFD on the merits. Following discussion, Mr. Ogden moved that the Board issue its Final Order, accepting and adopting as its own the Findings of Fact and Conclusions of Law stated in the Hearing Officer's July 17, 2013 PFD, and denying Petitioner's appeal of the System's decision to process Mr. Corbett's application for retirement under benefit program F(25). Motion supported by Mr. LaJoy. Motion carried.

**HCSP Plan Document Amendment (Plan Sponsor PCORI Fees)**
Mr. Petroni discussed the September 10, 2013 Memorandum of the Legal Department recommending approval of a proposed amendment to the HCSP Plan Document, Article I, Section 2, to designate the Board as plan sponsor for purposes paying certain fees under the federal Affordable Care Act. Ms. Dreves moved that the Board adopt the amendment with immediate effect, retroactive to July 1, 2013; supported by Ms. Deford. Motion carried.

**457 Plan Document Amendment**
Mr. Petroni discussed the September 18, 2013 Memorandum of the Legal Department recommending that the Board adopt a resolution to amend Section 1.9 of the 457 Plan Document and implement companion changes to the Participation Agreement to clarify the definition of "compensation" under the plan. Mr. Gilmore moved to approve the resolution; supported by Mr. Wiersma. Motion carried.

**Adjournment**
Meeting adjourned at 3:12 p.m.

Respectfully submitted,

Michael Brown, Chairperson

Chris DeRose, Chief Executive Officer