

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
BOARD RETREAT MEETING MINUTES
Amway Grand Plaza Hotel, Grand Rapids, MI
October 7, 2015**

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**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
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BOARD MEMBERS PRESENT

Michael Brown, Chair
Sally Dreves, Chair, Pro Tem
Phil LaJoy
Michael Gilmore
John Ogden
Jim Wiersma
Amy Deford
Randy Girard (telephonically)

Lori Newberg, Absent

MERS STAFF PRESENT

Chris DeRose, Chief Executive Officer
Pam Steffy, Board Secretary
Deb Peake, Chief Employee & Retiree Services
Officer
Jeb Burns, Chief Investments Officer
Leon Hank, Chief Financial Officer
Carrie Lombardo, Chief Marketing & Employer
Services Officer
Pat Tarini, General Counsel
Kristin Bellar, Senior Deputy General Counsel
Kim Rhead, Legislative Affairs & Public Policy
Director
William SaintAmour, Director of Research Services
Jennifer Mausolf, Marketing & Product Development
Director

OTHERS PRESENT

Jim Koss, Senior Actuary, CBIZ

CALL TO ORDER

Chairperson Michael Brown called the meeting of the MERS Retirement Board to order at 4:02 p.m. on Wednesday, October 7, 2015.

PUBLIC AUDIENCE

Jason Sarata of Delta Township was in attendance.

OLD BUSINESS

No Old Business was brought before the Board.

GENERAL CONSENT AGENDA

Mr. LaJoy moved to approve the July 15-16, 2015 General Consent Agenda; supported by Ms. Dreves. Motion carried.

NEW BUSINESS

Chief Executive Officer (CEO) Report

Mr. DeRose presented the CEO Report on:

- MERS Strategic Direction: 2015 Balanced Score Card and 2015 Business Plan
- Business Services Enhancement Project
- Experience Study
- Public Policy Activities
- Outreach to Customers and Key Stakeholders
- Annual Conference
- Retirement Readiness Snapshot Reports
- Finance Activities
- Investments
- Employee Communication
- NASRA
- Pension Workgroup meetings overview
- Engagement of Internal Auditor
- City of Lincoln Park Delinquency
- Michael Gilmore – Disclosure of Affiliation with DewPoint and Delta Dental, MERS' service providers

MERS Balanced Scorecard Metrics

Mr. DeRose discussed the August 7, 2015 Memorandum from Ms. Lombardo, Chief Marketing and Employer Services Officer and Mr. SaintAmour, Director of Research Services, recommending changes to the MERS Balanced Scorecard metrics #1, 2, 3 and 15. Mr. Gilmore moved to approve the proposed recommendations; supported by Ms. Deford. Motion carried.

Product Management Process

Ms. Lombardo, Chief Marketing & Employer Services Officer, and Ms. Mausolf, Marketing & Product Development Director, presented the Product Management Process overview.

Working in Retirement Guidelines

Ms. Lombardo, Chief Marketing and Employer Services Officer, and Ms. Mausolf, Marketing Director, discussed the September 21, 2015 Memorandum to Mr. DeRose, CEO, recommending revisions to Sections 9 of the Plan Document. Mr. Ogden moved to approve the proposed recommendations; supported by Ms. Dreves. Motion carried. The Board further directed MERS staff to monitor stakeholders' reactions to these changes, and report to Board for consideration of further changes. Mr. LaJoy moved to direct MERS staff to report to the Board every five years on utilization of these provisions; supported by Mr. Wiersma. Motion carried.

2014 Consolidated Annual Valuation

Mr. Koss, Senior Actuary, CBIZ, presented an overview of the 2014 Consolidated Annual Valuation.

Requalification of the Plan Document

Mrs. Tarini, General Counsel, discussed the September 17, 2015 Memorandum to Mr. DeRose, CEO, describing the purpose and process of Plan requalification with IRS, recommending the Plan be submitted to IRS for requalification and recommending technical amendments to Sections 46 and 76 of the Municipal Employee's Retirement System Plan Document in anticipation of that submission to IRS.

Mr. LaJoy moved to authorize submission of the Plan to IRS for requalification and to approve the proposed amendments to the MERS Plan Document; supported by Ms. Deford. Motion carried.

Glumb v MERS and Meridian Township

In the matter of Charles Glumb v MERS and Meridian Township, Mrs. Tarini reviewed with the Board the background of this matter, the administrative hearing, the Administrative Law Judge's Proposal for Decision and the Exceptions and Response to Exceptions filed. After review and discussion, Mr. Ogden made a motion to remand this matter to the Administrative Law Judge for further proceedings on the issue of whether Mr. Glumb has met the requirements of Section 31(1) (e); supported by Mr. LaJoy. Motion carried.

Legislative Report

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

Investment Report

Mr. Burns, Chief Investments Officer (CIO), presented the CIO Monthly Report Summary for the period ending July 31, 2015.

Managing Investment Risks

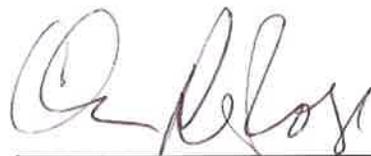
Mr. Burn, Chief Investment Officer, presented information on Managing Investments Risks.

Meeting adjourned at 6:16 p.m.

Respectfully submitted,



Michael Brown, Chairperson



Chris DeRose, Chief Executive Officer