



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
BOARD MINUTES
MERS Home Office
February 27, 2020**

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**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
BOARD MEETING MINUTES
MERS Home Office
February 27, 2020**

BOARD MEMBERS PRESENT

Michael Brown, Chair
Jason Sarata, Vice Chair
Tina Butler
Amy Deford
Dale Feldpausch
Michael Gilmore
Randy Girard (via phone)
John Ogden
James Wiersma

MERS STAFF/OTHERS PRESENT

Kerrie Vanden Bosch, Chief Executive Officer
Valerie Lawver, Board Secretary
Denise Boucké, Chief Operating Officer
Jeb Burns, Chief Investment Officer
Leon Hank, Chief Financial Officer (via phone)
Kristin Bellar, General Counsel
Brad Biladeau, Governmental Affairs Director
Erin Boertman, Customer Relations Director
Michael Charette, Managing Director of Investments
Jennifer Mausolf, Communications and Retirement
Strategies Director
Terri Pollack, Paralegal
Casandra Puffpaff, Compliance and Quality
Coordinator
Michael Schrauben, Director of Asset Allocation
Pat Tarini, Senior Attorney
Betsy Waldofsky, Finance Director
Jennifer Wyble, Analysis & Project Director

David Kausch, Gabriel Roeder Smith, Senior
Consultant and Chief Actuary

Call to Order

Michael Brown called the meeting of the MERS Retirement Board to order at 8:03 a.m. on Thursday, February 27, 2020.

Old Business

No old business was brought before the Board.

Public Audience

No members of the public were present.

General Consent Agenda

Ms. Butler moved to approve the February 27, 2020 General Consent Agenda; supported by Mr. Gilmore. Motion carried.

New Business

Election of Board Chairperson

Ms. Vanden Bosch stated the first item of business was election of the Board's Officers for 2020. Ms. Vanden Bosch conducted the election for Chairperson. Nominations were declared open. Ms. Butler nominated Michael Brown for Chairperson of the Retirement Board for 2020; supported by Mr. Sarata. Motion carried.

Election of Board Vice-Chair

Chairperson Brown conducted the election for Vice-Chair. Nominations were declared open. Mr. Gilmore nominated Mr. Sarata for Vice-Chair of the Retirement Board for 2020; supported by Mr. Ogden. Motion carried.

CEO Report

Ms. Vanden Bosch presented the CEO Report focusing on progress toward the MERS vision for the quarter ending December 31, 2019.

Ethics Policy, Anti-Harassment Policy and Board Disclosure form

Ms. Bellar, General Counsel, discussed the need for renewed affirmations of the MERS Ethics and Anti-Harassment Policies and the Board Disclosure Form. All Board members executed the affirmations.

Process to fill Board Openings

Mr. Brown discussed the upcoming Board openings as Mr. Feldpausch and Mr. Girard will retire. Ms. Vanden Bosch presented options for filling the openings. Several Board Members provided input. Suggestions were provided for candidates from the Regional Teams. The Board has directed Mr. Brown, Mr. Ogden and Ms. Vanden Bosch to meet to identify candidates and conduct preliminary screenings so the Board may interview two candidates at the April meeting.

Committee Assignments

Mr. Brown reviewed with the Board the 2019 committee assignments. He asked Board members to consider the various committee openings for 2020. Ms. Deford agreed to serve in the opening for the rotating Investment Committee member. The openings left by the retiring Board members on the Leadership Development Committee and Budget Committee will remain at this time.

Board Education Plan Update

Ms. Vanden Bosch discussed the importance of the education plan which ends 2020 and options to prepare the proposed schedule for the coming years. The Board agreed Ms. Vanden Bosch and Ms. Bellar will prepare a plan for the Board's consideration.

Experience Study

Ms. Waldofsky, Finance Director, discussed the February 18, 2020 Memorandum to Ms. Vanden Bosch recommending updates to the actuarial assumptions. David Kausch, Gabriel Roeder Smith, Senior Consultant and Chief Actuary, and Ms. Vanden Bosch also presented. The Board was asked to adopt the experience study results, which will be illustrated in MERS' 2019 annual valuations and effective in the MERS' 2020 annual valuations. After review and discussion, Mr. Feldpausch made the motion to adopt the experience study results including a generational morality improvement method supported by Ms. Butler. Motion carried. Then, the Board received a report from Ms. Waldofsky and Ms. Boertman, Customer Relations Director, regarding options for mitigating UAL impacts as well as the plan for implementing the new assumptions.

Fiduciary Duty Training

Ms. Bellar provided a fiduciary duty presentation to the Board.

Investments and Asset Allocation Report

Mr. Burns, Chief Investment Officer, and Mr. Schrauben, Director of Asset Allocation, provided the MERS portfolio performance update and asset allocation report for the period ending December 31, 2019.

Investment Policy Statements for Institutional Funds and Participant Directed Accounts

Mr. Burns discussed the December 4, 2019, Memorandum to Chris DeRose, former CEO, recommending revisions to the Investment Policy Statements for Institutional Funds and Participant Directed Accounts. Mr. Ogden made a motion to approve the recommended revisions; supported by Mr. Wiersma. Motion carried.

Investment Policy Statement for Defined Benefit

Mr. Burns discussed the December 4, 2019 Memorandum to Chris DeRose, former CEO, recommending revisions to the Investment Policy Statements for Defined Benefit. Mr. Wiersma made a motion to approve the recommended revisions; supported by Ms. Deford. Motion carried.

Investment Policy Guidelines

Mr. Burns discussed the December 4, 2019 Memorandum to Chris DeRose, former CEO, recommending revisions to the Investment Policy Guidelines. Mr. Gilmore made a motion to approve the recommended revisions; supported by Mr. Wiersma. Motion carried.

MERS' Employer Reporting Project

Denise Boucke, Chief Operating Officer, introduced the Employer Reporting Project and Ms. Mausolf, Communications and Retirement Strategies Director, and Ms. Puffpaff, Compliance and Quality Coordinator discussed the February 18, 2020 Memorandum to Ms. Vanden Bosch regarding seven recommendations for implementation to alleviate common errors, issues, and points of confusion related to the wage and contribution data employers provide to MERS. Mr. Ogden made a motion to approve the recommendations set forth in the Memorandum; supported by Ms. Deford. Motion carried.

MERS' Mission Statement Approval

Ms. Wyble, Analysis & Project Director, discussed the February 18, 2020 Memorandum to Ms. Vanden Bosch recommending approval of the MERS' Mission Statement. Ms. Butler made a motion to approve the Mission Statement; supported by Mr. Gilmore. Motion carried.

Amendments to MERS' Plan Document

Ms. Tarini, Senior Attorney, discussed the February 14, 2020 Memorandum to Ms. Vanden Bosch recommending technical amendments to MERS 401(a) Plan Document. Mr. Gilmore made a motion to approve the recommended amendments to the 401(a) Plan Document and direct staff to make any and all necessary revisions to the System's forms, policies and procedures; supported by Mr. Sarata. Motion carried.

Ryan Cavanaugh v MERS

In the matter of Ryan Cavanaugh v MERS, Ms. Bellar reviewed with the Board the background of this administrative appeal. After review and discussion, Mr. Wiersma made a motion that the Board accept and adopt as its own the Findings of Fact and Conclusions of Law as stated by the Administrative Law Judge in the Proposal for Decision, and deny petitioner's appeal; supported by Mr. Ogden. Motion carried.

Final Resolution Mr. Brown presented Dale Feldpausch with a Final Resolution for Retirement from the MERS' Retirement Board. A Motion was made by Mr. Gilmore approving the Resolution; supported by Mr. Ogden. Motion carried.

Additional CEO Update

Ms. Vanden Bosch provided an additional update to the CEO Report.

Adjournment

Meeting adjourned at 1:48 p.m.

Respectfully submitted,

DocuSigned by:
Michael Brown
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Michael Brown, Chairperson

DocuSigned by:
Kerrie Vanden Bosch
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Kerrie Vanden Bosch, Chief Executive Officer

DocuSigned by:
Valerie Lawver
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Valerie Lawver, Secretary