



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
BOARD MEETING MINUTES
MERS Home Office
March 15, 2018**

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BOARD MEMBERS PRESENT

Michael Brown, Chair
Tina Butler
Michael Gilmore
Amy Deford
Dale Feldpausch
John Ogden
James Wiersma
Randy Girard

Jason Sarata, Vice Chair (absent)

MERS STAFF/OTHERS PRESENT

Chris DeRose, Chief Executive Officer
Pam Steffy, Board Secretary
Jeb Burns, Chief Investments Officer
Leon Hank, Chief Financial Officer
Denise Boucké, Chief Customer Service Officer
Carrie Lombardo, Chief Strategic and External Affairs
Officer
Pat Tarini, General Counsel
Carri Simon, Internal Auditor
Andy George, Human Resources Manager
Brad Biladeau, Government Affairs Director
Kristin Bellar, Senior Deputy General Counsel
Mike Charette, Director of Public Markets
Peter Wujkowski, Investment and Administrative
Officer
Jennifer Mausolf, Communication and Retirement
Strategies Director
Erin Boertman, Customer Relations Director
Kingsley Osuorah, Customer Support Director

Call to Order

Chairperson, Michael Brown, called the meeting of the MERS Retirement Board to order at 8:03 a.m. on Thursday, March 15, 2018.

Public Audience

No members of the public were present.

General Consent Agenda

Ms. Deford moved to approve the March 15, 2018 General Consent Agenda; supported by Mr. Gilmore. Motion carried.

New Business

CEO Report

Mr. DeRose presented the CEO Report on:

- MERS Strategic Direction
- Strategic and External Affairs
- Service to our Customers
- Investments
- Finance Activities
- Employee Communication

Committee assignments

Chairperson Brown presented the following Committee assignments for 2018:

- Budget Committee: Amy Deford, Dale Feldpausch, and John Ogden
- Leadership Development Committee: Tina Butler, Michael Brown, Michael Gilmore, Randy Girard, and Jason Sarata
- Investment Committee: Michael Brown, Michael Gilmore, Jim Wiersma, and non-voting rotating member Jason Sarata

Discussion ensued regarding the Investment Committee non-voting rotating member length of term. After review and discussion, the board directed Chairperson Brown and Chris DeRose, CEO, to develop a recommendation to present at the May Board meeting.

Investment Report

Mr. Burns, Chief Investments Officer, presented MERS portfolio performance report for the period ending February 28, 2018.

Comprehensive Annual Performance of Managers (CAPM) report

Mr. Burns, Chief Investment Officer, presented the 2017 CAPM summary report to the Board.

MERS Product Management Process

Ms. Lombardo, Chief Strategic and External Affairs Officer, presented Board Education on MERS Product Management Process.

Retiree Health Care Exchange Overview

Ms. Lombardo, Chief Strategic and External Affairs Officer, and Ms. Mausolf, Communication and Retirement Strategies Director, presented the Retiree Health Care Exchange Overview.

Defined Benefit Termination Process

Ms. Lombardo, Chief Strategic and External Affairs Officer, Ms. Mausolf, Communication and Retirement Strategies Director, and Ms. Boertman, Customer Relations Director, discussed the February 28, 2018 Memorandum to Chris DeRose, CEO, recommending adoption of proposed amendments to the Defined Benefit Termination Process sections 11 and 12 and the MERS' Termination Policy and Procedure, and direction to staff to take any and all necessary actions required including revisions to MERS' forms, policies, processes and procedures for its implementation.

Ms. Butler moved to approve the proposed amendments to the Defined Benefit Termination Process; supported by Mr. Gilmore. Motion carried.

Education Strategy and Balanced Scorecard Metric

Ms. Lombardo, Chief Strategic and External Affairs Officer, and Ms. Mausolf, Communication and Retirement Strategies Director, presented the MERS' 2018 Education Strategy and Balanced Scorecard Metric recommending amendment to Balanced Scorecard Metric # 3: Engagement with Financial Wellness Resources.

Mr. Ogden moved to approve the amendment to Balanced Scorecard Metric #3, Engagement with Financial Wellness; supported by Mr. Girard. Motion carried.

Three Proposed Technical Amendments to the Plans

Mrs. Tarini, General Counsel, discussed the February 15, 2018 Memorandum to Chris DeRose, CEO, recommending three categories of proposed amendments to the Plans.

Mr. Girard moved to approve amendments to Sections 14, 15, 48, 49 and 50 of the MERS 401(a) Plan Document and Section 1.29 of the MERS 457 Plan Document, with immediate effect, and further directs staff to make any and all necessary revisions to the System's forms, policies and procedures required for its implementation; supported by Mr. Wiersma. Motion carried.

Walsh v MERS

In the matter of Craig Walsh v MERS, Mrs. Tarini, General Counsel, reviewed with the Board the background of this matter. After review and discussion, Mr. Ogden 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 Ms. Butler. Motion carried.

Scribner v MERS

In the matter of Elaine Scribner v MERS, Mrs. Tarini, General Counsel, reviewed with the Board the background of this matter. After review and discussion, Mr. Girard 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. Gilmore. Motion carried.

Moorer v MERS

In the matter of Ann Moorer v MERS, Mrs. Tarini, General Counsel, reviewed with the Board the background of this matter. After review and discussion, Ms. Deford 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 Ms. Butler. Motion carried.

Open Meetings (OMA) and Freedom of Information Act (FOIA)

Mrs. Tarini, General Counsel, presented Board Education on the Open Meetings and Freedom of Information Acts.

MERS Business Continuity/Disaster Recovery process

Ms. Boucké, Chief Customer Service Officer, and Mr. George, Human Resources Manager, presented Board Education on MERS Business Continuity/Disaster Recovery process.

Old Business

CEO 2018 Benefit

Ms. Boucké, Chief Customer Service Officer, Mrs. Tarini, General Counsel, and Mr. George, Human Resources Manager, met with the Board to review the Chief Executive Officer 2018 Supplemental Executive Benefit. Mr. Wiersma made the motion to approve the 2018 Supplemental Executive

Benefit for the 401 (a) DC plan contribution 20% of capped compensation based on MERS actuarial assumption rate for the year under consideration; seconded by Mr. Ogden. Motion carried.

Adjournment

Meeting adjourned at 11:49 a.m.

Respectfully submitted,



Michael Brown, Chairperson



Chris DeRose, Chief Executive Officer