

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
BOARD MEETING MINUTES
(Held virtually via GoToMeeting conference service)
June 25, 2020**

BOARD MEMBERS PRESENT

Michael Brown, Chair
Jason Sarata, Vice Chair
Tina Butler
Amy Deford
Michael Gilmore
Edward Klobucher
John Ogden
Mary Sholander
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
Carrie Lombardo, Chief Strategic and External Affairs
Officer
Kristin Bellar, General Counsel
Brad Biladeau, Governmental Affairs Director
Erin Boertman, Customer Relations Director
Belinda Cheng, Marketing Analyst
Michael Charette, Managing Director of Investments
Paul Hampel, Senior Marketing Coordinator
Steve Hazime, Human Resources Director
Tyler Hurst, Legal Intern
Brian LaVictoire, Deputy General Counsel
Jennifer Mausolf, Communications and Retirement
Strategies Director
Katelind Olson, Marketing Analyst
Michael Schrauben, Director of Asset Allocation
Carri Simon, Internal Auditor
Betsy Waldofsky, Finance Director

Michelle Watterworth, CPA, Plante Moran
Spencer Tawa, CPA, Plante Moran

Call to Order

Michael Brown called the meeting of the MERS Retirement Board to order at 8:02 a.m. on Thursday, June 25, 2020.

Old Business

No old business was brought before the Board.

Public Audience

Anthony Chubb of Giarmarco, Mullins & Horton, PC and Matthew McCue of Financial Investment News were in attendance for portions of the meeting. Upon invitation for any public comment, no individuals in attendance opted to address the Board.

General Consent Agenda

John Ogden moved to approve the June 25, 2020 General Consent Agenda; supported by Michael Gilmore. Motion carried.

New Business

Covid-19 Update

Kerrie Vanden Bosch provided an update on how MERS' is handling the current COVID-19 pandemic as well as brief insight on how MERS' staff will return to the building. There is currently no date set for return.

Annual Conference Planning Update

Kerrie Vanden Bosch provided an update on plans for holding the MERS' Annual Conference. Although a final decision has not yet been made, it will likely be held in a virtual environment.

Officer and Employee Delegate Certification

Kerrie Vanden Bosch presented the nominations for Officer and Employee Delegates on behalf of MERS. The Board was asked to approve Denise Boucké as the Officer Delegate and Callie Ford as the Employee Delegate for the 2020 MERS Annual Conference. Tina Butler made a motion that the Board approve the delegates, supported by James Wiersma. Motion carried.

Board Nomination and Election Procedure Amendments

Kristin Bellar presented the Board with information contained in her June 10, 2020 Memorandum to Kerrie Vanden Bosch regarding amendments to the Board Nomination and Election Procedures to be adopted by the delegates to the Annual Conference. After discussion, Jason Sarata made a motion that the Board approve the amendments, supported by John Ogden. Motion carried.

Voice of the Customer Update

Jennifer Mausolf introduced two team members, Paul Hampel and Belinda Cheng, who worked with the team to gather information and bring the Voice of the Customer presentation together. Ms. Mausolf presented the Board with an update on the feedback, analysis and metrics of the results from the Voice of the Customer program.

Investment Report and Portfolio Management

Jeb Burns provided an overview and status update on the MERS portfolio performance.

Actuarial Policy Changes

Betsy Waldofsky presented the Board with information contained in her June 10, 2020 Memorandum to Kerrie Vanden Bosch containing proposed changes to the current Actuarial Policy. After discussion, Tina Butler made a motion that the Board approve the changes presented, Amy Deford supported. Motion carried.

FOIA Appeals

Brian LaVictoire presented the Board with information contained in Kristin Bellar's June 22, 2020 Memorandum to Kerrie Vanden Bosch regarding two FOIA appeals and provided the legal recommendations. After discussion, Tina Butler made a motion that the Board deny both appeals, supported by John Ogden. Motion carried.

Contested Case: MOAHR Case No. 19-010947; MERS File No. 19-12

Kristin Bellar reviewed with the Board the background of this administrative appeal. After review, Edward Klobucher 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 James Wiersma. Motion carried.

Amendments to MERS' Plan Document – HCSP / RHFV

Kristin Bellar discussed her June 10, 2020 Memorandum to Kerrie Vanden Bosch recommending amendments to the HCSP / RHFV Plan Documents. After review, Mary Sholander made a motion to approve the amendments and directed staff to make any and all necessary revisions to the System's forms, policies and procedures, supported by Michael Gilmore. Motion carried.

Legal Update

Kristin Bellar and Erin Boertman provided the Board with an update on legal matters.

Audit Presentation

Betsy Waldofsky introduced Michelle Watterworth and Spencer Tawa who presented a high level overview of the results from the Plante Moran audit recently completed. The Board then excused staff to meet with Ms. Watterworth, Mr. Tawa and Carri Simon to ensure there was direct communication between Auditors and the Board.

Internal Audit Report to the Board

Following the above private meeting with the Board, the representatives from Plante Moran were excused and Carri Simon met privately with the Board to again ensure there was direct communication with Ms. Simon and the Board.

Following this item, staff returned to the meeting.

Board Governance Review and Revisions

Kristin Bellar discussed her June 10, 2020 Memorandum to Kerrie Vanden Bosch recommending amendments to the Board Governance Policy. After review, Michael Gilmore made a motion to approve the amendments and directed staff to make any and all necessary revisions to the System's forms, policies and procedures, supported by Amy Deford. Motion carried.

Proposed Board Education Policy

Kristin Bellar discussed her June 10, 2020 Memorandum to Ms. Vanden Bosch recommending amendments to the Board Education Policy. After review, Edward Klobucher made a motion to approve the revised policy, supported by James Wiersma. Motion carried.

Organizational Assessment

Staff were excused and the Board met privately with Kerrie Vanden Bosch and Steve Hazime to discuss Ms. Vanden Bosch's Organizational Assessment.

Following this item, staff returned to the meeting.

Strategic Plan Extension and Expansion

Kerrie Vanden Bosch, Jennifer Mausolf and Jennifer Wyble presented recommendations for a Strategic Plan Extension and Expansion through December 31, 2021 and for revisions to the Balanced Scorecard. After review, Mary Sholander made a motion to approve the extension and expansion, supported by Tina Butler. Motion carried.

Financial Fitness Update and Demonstration

Jennifer Mausolf and Paul Hampel presented the Board with information on the Financial Fitness tool.

CEO Mid-Year Performance Evaluation

Staff were excused, and the Board met with Kerrie Vanden Bosch and received her mid-year self-evaluation. She was excused and the Board met with Steve Hazime to discuss MERS performance and Ms. Vanden Bosch's performance during the first six months of the year.

Adjournment

Meeting adjourned at 3:11 p.m.

Respectfully submitted,

DocuSigned by:

Michael Brown

Michael Brown, Chairperson

DocuSigned by:

Kerrie Vanden Bosch

Kerrie Vanden Bosch, Chief Executive Officer

DocuSigned by:

Valerie Lawver

Valerie Lawver, Secretary