



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
BOARD MINUTES
MERS Home Office
December 5, 2019**

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**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
BOARD MEETING MINUTES
MERS Home Office
December 5, 2019**

BOARD MEMBERS PRESENT

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

MERS STAFF/OTHERS PRESENT

Chris DeRose, Chief Executive Officer
Valerie Lawver, Board Secretary
Leon Hank, Chief Financial Officer
Denise Boucké, Chief Operating Officer
Jeb Burns, Chief Investment Officer
Kristin Bellar, General Counsel
Patricia Tarini, Senior Deputy General Counsel
Brian LaVictoire, Deputy General Counsel
Betsy Waldofsky, Finance Director
Mike Charette, Managing Director of Investments
Jennifer Mausolf, Communications and Retirement
Strategies Director
Jennifer Wyble, Analysis & Project Director
Erin Boertman, Customer Relations Director

Mission Statement Team:

Meredith Brandenburg, Design and Social Media
Coordinator
Matthew Campbell, Service Center Manager
Paul Kelsey, Retirement Analyst
Diane Franz, Service Center Analyst
Alex He, Actuarial Analyst
Mike Bell, IT Systems Administrator

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

Call to Order

Chairperson, Michael Brown, called the meeting of the MERS Retirement Board to order at 8:00 am on Thursday, December 5, 2019.

Public Audience

No members of the public were present,

Old Business

Ms. Boucke', Chief Customer Service Officer, and Mr. Hazime, Human Resources Director, met with the Board to complete a review of the CEO's Year End Performance through a formal evaluation process. Based on his performance James Wiersma moved to award a 49% lump sum bonus for outstanding performance in 2019. Motion supported by Ms. Butler. Motion carried.

General Consent Agenda

Ms. Butler moved to approve the December 5, 2019 General Consent Agenda; supported by Mr. Feldpausch. Motion carried.

New Business

CEO Comments

Mr. DeRose indicated MERS has made numerous attempts to reach out to Mr. Laitinen, Chippewa County Road Commission, to discuss his concerns regarding investment performance and he has been non-responsive.

Appointment of Public Member of the MERS Board

Mr. DeRose, CEO, discussed the September 30, 2019 Memorandum to the Retirement Board regarding the MERS Public Board Member position, advising the Board that the term of Mr. Gilmore, Public Board Member, expires on December 31, 2019.

Ms. Butler made a motion to re-appoint Mr. Gilmore, Public Board Member, to a three year term commencing January 1, 2020; supported by Mr. Ogden. Motion carried. Mr. Gilmore did not participate in the discussion or vote on this matter.

2020 Board Meeting Calendar

Mr. Girard moved to approve the 2020 MERS Board Meeting Calendar; supported by Mr. Ogden. Motion carried.

2020 Budget process and approval

Ms. Waldofsky, Finance Director, discussed the November 25, 2019 Memorandum to the MERS Retirement Board regarding the 2020 Total Budget Expense of \$48,045,160 and Capital Asset Expenses of \$6,753,385. After review and discussion, Mr. Feldpausch made a motion approving the budget; supported by Mr. Gilmore. Motion carried.

Experience Study

Mr. Hank, Chief Finance Officer, and David Kausch, GRS Retirement Consulting, presented the Experience Study: Demographic Experience Update. After discussion, the Board agreed to have two additional scenarios prepared by GRS for their review.

Balanced Scorecard Targets

Ms. Mausolf, Communications and Retirement Strategies Director, and Ms. Wyble, Analysis & Project Director, discussed the November 21, 2019 Memorandum to the MERS Retirement Board recommending proposed recommendations to the Balanced Scorecard Targets.

After review and discussion, Ms. Butler moved to adopt the metric recommendations as defined in the memorandum and directs staff to take any and all necessary actions required for its implementation; supported by Mr. Sarata. Motion carried

Mission Statement

Ms. Wyble, Analysis & Project Director, and her team discussed the Mission Statement Development Process and will present more information at the coming meetings.

MERS Plan Document Amendments

Ms. Tarini, Senior Attorney, discussed the November 21, 2019 Memorandum to Mr. DeRose, CEO, recommending amendments to the Plan Document. After review and discussion, Mr. Gilmore moved to approve the technical amendments to the Plan Document pursuant to the November 21, 2019 Memorandum with immediate effect and further direct the staff to make any and all necessary actions required for its implementation; supported by Ms. Butler. Motion carried.

FOIA Policy Revisions

Mr. LaVictoire, Deputy General Counsel, discussed the November 25, 2019 Memorandum to Mr. DeRose, CEO, recommending proposed revisions to the MERS FOIA Policy in compliance with the Act. After review and discussion, Mr. Ogden made a motion approving the revisions to MERS FOIA policy; supported by Mr. Sarata. Motion carried.

Investments Report

Mr. Burns, Chief Investment Officer, provided the MERS portfolio performance update for the period ending September 31, 2019.

Investment Policy Statements/Investment Guidelines

Mr. Burns, Chief Investment Officer, discussed the November 26, 2018 Memorandum to Chris DeRose, CEO, regarding the proposed updates to the Investment Policy Statements and the Investment Guidelines, and the approval process for the Board adoption.

Radakovitz v MERS

In the matter of Denise Radakovitz v MERS, Ms. Bellar, General Counsel, reviewed with the Board the background of this matter.

After review and discussion, Mr. Gilmore 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. Feldpausch. Motion carried.

2020 Internal Audit Plan

Ms. Simon, Internal Auditor, discussed the November 26, 2018 Memorandum to the MERS Retirement Board regarding the 2019 Internal Audit Plan. After review and discussion, Mr. Ogden moved that the Board approve the 2020 Internal Audit Plan; supported by Mr. Wiersma. Motion carried.

Internal Auditor meets with Board

The Board excused staff and met with Ms. Simon, Internal Auditor, to ensure there was a direct communication between the Board and the Internal Auditor.

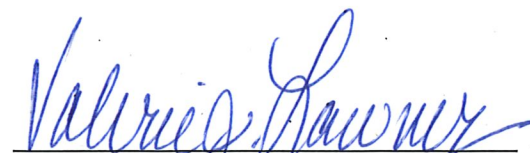
Adjournment

Meeting adjourned at 2:05 p.m.

Respectfully submitted,



Michael Brown, Chairperson



Valerie J. Lawver, Board Secretary