



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
BOARD MINUTES
(held virtually via Zoom Meeting conference service)
December 3, 2020**

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**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
BOARD MEETING MINUTES
(held virtually via Zoom Meeting conference service)
December 3, 2020**

BOARD MEMBERS PRESENT

Michael Brown, Chair
Jason Sarata, Vice Chair
Amy Deford
Michael Gilmore
Edward Klobucher
John Ogden
Erin Rotman
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
Michael Charette, Managing Director of Investments
Steve Hazime, Human Resources Director
Brian LaVictoire, Deputy General Counsel
Jennifer Mausolf, Communications and Retirement Strategies Director
Carri Simon, Internal Auditor
Patricia Tarini, Senior Attorney
Paul Van Gilder, Investment Officer and Portfolio Manager
Betsy Waldofsky, Finance Director
Jennifer Wyble, Business Management BPO

Alison M. Chafin, Associate Actuary, Cheiron
Michael Moehle, Public Pension Oversight, Cheiron
Michael Noble, Principal Consulting Actuary, Cheiron
Karen Zangara, Principal Consulting Actuary, Cheiron

David Kausch, Chief Actuary, Gabriel, Roeder, Smith & Company

Call to Order

Chairperson, Michael Brown, called the meeting of the MERS Retirement Board to order at 8:00 am on Thursday, December 3, 2020.

Pursuant to the Open Meetings Act, Valerie Lawver conducted attendance of the Board Members who confirmed their attendance and participation remotely from the locations noted below:

Michael Brown, Hastings, Michigan
Jason Sarata, Grand Ledge, Michigan
Amy Deford, Auburn Hills, Michigan
Michael Gilmore, DeWitt, Michigan
Edward Klobucher, Hazel Park, Michigan
John Ogden, Port Huron, Michigan
Erin Rotman, Zeeland, Michigan
Mary Sholander, Negaunee, Michigan
James Wiersma, Holland, Michigan

Public Audience

Maja Ben of Fundmap was in attendance for the meeting. Upon invitation for any public comment, Ms. Ben did not wish to address the Board.

CEO Performance and Remuneration

Pursuant to a request from Kerrie Vanden Bosch, Edward Klobucher moved and Jim Wiersma supported entering closed session. After a roll call vote pursuant to MCL 15.268(a) of the Open Meetings Act, the Board entered closed session to conduct the CEO's Annual Performance Review. After consideration of such periodic personnel evaluation, the Board returned to open session.

In Open session, Mr. Wiersma moved and Amy Deford supported a motion to adjust the CEO's compensation. Motion carried.

General Consent Agenda

Mr. Klobucher moved to approve the December 3, 2020 General Consent Agenda; supported by John Ogden. Motion carried.

New Business

Appointment of Public Member of the MERS Board

Mr. Brown discussed Ms. Vanden Bosch's November 16, 2020 Memorandum to the Retirement Board regarding the MERS Public Board Member position, and advised the Board that the term of Mr. Wiersma, Public Board Member, expires on December 31, 2020. Mr. Ogden made a motion to re-appoint Mr. Wiersma, to a three-year term commencing January 1, 2021; supported by Mary Sholander. Motion carried.

2021 Board Meeting Calendar

Ms. Sholander moved to approve the 2021 MERS Board Meeting Calendar; supported by Michael Gilmore. Motion carried.

Actuarial Audit Results from Cheiron

Betsy Waldofsky introduced Michael Moehle from Cheiron who presented a summary of the 2020 Actuarial Audit Results with his team, Alison Chafin, Michael Noble and Karen Zangara. David Kausch responded to this presentation, as did Ms. Waldofsky.

2021 Budget Process and Approval

Ms. Waldofsky discussed her November 16, 2020 Memorandum to the MERS Retirement Board regarding the 2021 Total Budget Expense of \$45,017,790 and Capital Asset Expenses of \$7,631,160. After review and discussion, Mr. Ogden made a motion approving the budget; supported by Mr. Wiersma. Motion carried.

Revisions to MERS Reporting and Contribution Enforcement Policy

Kristin Bellar and Ms. Waldofsky presented proposed changes to the MERS Reporting and Contribution Enforcement Policy pursuant to their November 16, 2020 Memorandum to Ms. Vanden Bosch. After review, Ms. Deford moved to approve the changes; supported by Mr. Wiersma. Motion carried.

Balanced Scorecard Targets

Carrie Lombardo, Jennifer Mausolf, and Jennifer Wyble discussed their November 16, 2020 Memorandum to the MERS Retirement Board regarding proposed revisions to the Balanced Scorecard Targets. After review and discussion, Mr. Gilmore moved to adopt the recommendations as defined in the memorandum and direct staff to take any and all necessary actions required for its implementation; supported by Ms. Sholander. Motion carried.

Investments Report

Jeb Burns provided the MERS portfolio performance update for the period ending September 30, 2020.

Investment Policy Statements/Investment Guidelines

Mr. Burns discussed the approval process for Board adoption of changes to the Investment Policy Statements. Mr. Burns indicated there are minimal proposed updates to the Investment Policy Statement (PDA & IF) for Board Consideration.

Economic Update and Federal Reserve Policy Review

Mr. Burns introduced Paul Van Gilder, who presented the Economic Update and Federal Reserve Policy Review.

Adoption of Group Trust and Amending MERS Investment Services Program (“ISP”) Resolution

Brian LaVictoire discussed his November 16, 2020 Memorandum to Ms. Vanden Bosch regarding adoption of a Group Trust together with amendments to the MERS ISP Resolution. After review and discussion, Mr. Ogden made a motion adopting the Group Trust and approving the Resolution; supported by Mr. Klobucher. Motion carried.

MERS Performance Management Process

Denise Boucke introduced Steven Hazime who presented changes to the MERS' Performance Management Process.

MERS Plan Document Amendments

Patricia Tarini discussed her November 7, 2020 Memorandum to Ms. Vanden Bosch recommending amendments to the Plan Document. After review, Ms. Deford moved to approve the technical amendments to the Plan Document pursuant to the November 7, 2020 Memorandum with immediate effect and further direct the staff to make any and all necessary actions required for its implementation; supported by Ms. Sholander. Motion carried.

Employer Reporting 2.0 401(a) Plan Document Amendments

Ms. Tarini discussed her November 7, 2020 Memorandum to Ms. Vanden Bosch recommending amendments to the Employer Reporting 2.0 Plan Document. After review and discussion, Mr. Wiersma moved to approve the amendments to the Employer Reporting 2.0 401(a) Plan Document pursuant to the November 7, 2020 Memorandum with immediate effect and further direct the staff to make any and all necessary actions required for its implementation; supported by Mr. Ogden. Motion carried.

Contested Case MOAHR 20-003068; MERS No. 20-05

Ms. Bellar 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 Mr. Klobucher. Motion carried.

Contested Case MOAHR 20-001517; MERS No. 20-01

Ms. Bellar reviewed with the Board the background of this matter. After review, Ms. Sholander 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. Deford. Motion carried.

2021 Internal Audit Plan

Carri Simon discussed her November 16, 2020 Memorandum to the MERS Retirement Board regarding her proposed 2021 Internal Audit Plan. After review, Mr. Gilmore moved that the Board approve the 2021 Internal Audit Plan; supported by Ms. Deford. Motion carried.

Internal Auditor meets with Board

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

Adjournment

Meeting adjourned at 2:05 p.m.

Respectfully submitted,

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Michael Brown

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Michael Brown, Chairperson

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Kerrie Bosch

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Kerrie Vanden Bosch, Chief Executive Officer

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Valerie Lawver

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Valerie Lawver, Board Secretary