

JANUARY 31, 2018 BOARD MEETING

Election of Board Chairperson

Mr. DeRose stated the first item of business is election of Officers for 2018. Mr. DeRose conducted the election for Chairperson. Nominations were declared open. Mr. Girard nominated Michael Brown for Chairperson of the Retirement Board for 2018; supported by Mr. Sarata. Having no other nominees, nominations were closed. Motion carried by unanimous ballot.

Election of Board Vice-Chair

Chairperson Brown conducted the election for Vice-Chair. Nominations were declared open. Mr. Wiersma nominated Mr. Sarata for Vice-Chair of the Retirement Board for 2018; supported by Mr. Gilmore. Having no other nominees, nominations were closed. Motion carried by unanimous ballot.

CEO 2018 Goals and Benefits

Ms. Boucke, Chief Customer Service Officer, and Mr. George, Human Resources Manager, met with the Board to complete the 2018 CEO strategic goals and compensation model plan. Ms. Butler made the motion to approve the 2018 CEO goals and compensation model plan based on performance effective January 1, 2018. Motion supported by Mr. Gilmore. Motion carried.

Actuarial Policy Change: DB to DC for New Hires

Mr. Hank, Chief Financial Officer, discussed the January 19, 2018 Memorandum to Chris DeRose, CEO, recommending proposed change to the Actuarial Policy. After review and discussion, Mr. Gilmore moved to approve the Actuarial Policy change; supported by Mr. Feldpausch. Motion carried.

Investment Policy Statement for Defined Benefit

Mr. Burns, Chief Investment Officer, and Mr. Charette, Director of Public Markets, discussed the January 30, 2018 Memorandum to Chris DeRose, CEO, regarding the recommended revisions to the Investment Policy Statement for Defined Benefit. Mr. Gilmore moved to approve the recommended revisions; supported by Mr. Wiersma. Motion carried.

Investment Guidelines

Mr. Burns, Chief Investment Officer, and Mr. Charette, Director of Public Markets, discussed the January 30, 2018 Memorandum to Chris DeRose, CEO, regarding the recommended revisions to the Investment Guidelines. After review and discussion, Mr. Wiersma moved to approve the recommended revisions; supported by Ms. Butler. Motion carried.



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Investment Policy Statement for Institutional Funds and Participant Directed accounts

Mr. Burns, Chief Investment Officer, and Mr. Charette, Director of Public Markets, discussed the January 30, 2018 Memorandum to Chris DeRose, CEO, regarding the recommended revisions to the Investment Policy Statement for Institutional Funds and Participant Directed accounts. After review and discussion, Mr. Gilmore moved to approve the recommended revisions; supported by Ms. Deford. Motion carried.

Larabee v MERS

In the matter of Deborah Larabee 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 Mr. Sarata. Motion carried.

Echols v MERS

In the matter of Renell Echols v MERS, Mrs. Tarini, General Counsel, reviewed with the Board the background of this matter. After review and discussion, Mr. Feldpausch 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.

Sawallich V MERS

In the matter of Cynthia Sawallich v MERS, Mrs. Tarini, General Counsel, reviewed with the Board the background of this matter. 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 Ms. Butler. Motion carried.

NO FEBRUARY 2018 BOARD MEETING

MARCH 15, 2018 BOARD MEETING

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



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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.



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CEO 2018 Benefit

Ms. Boucke, 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.

NO APRIL 2018 BOARD MEETING

MAY 17, 2018 BOARD MEETING

Investment Committee Composition and Terms

Chairperson Brown reviewed with the Board the composition to the Investment Committee and appointed Ms. Butler to a two year term, non-voting member, starting January 2018.

Mr. LaVictoire, Deputy General Counsel, presented the Resolution Delegating Authority to the Investment Committee and described the delegated authority as follows:

1. The MERS Retirement Board reaffirms its creation of the Investment Committee, which is comprised of the Board Chair and one elected Board member (non-voting) appointed for a two year term by the Retirement Board Chair, and the two Appointed Members.
2. The MERS Retirement Board reaffirms its delegation of authority for making and/or supervising decisions directly related to the investment of MERS' assets to the Investment Committee as described above, which authority shall be exercised based on the recommendations of MERS' Office of Investments, which is under the supervision of the Chief Executive Officer; and
3. The MERS Retirement Board directs that all Investment Committee decisions shall be reported to the Board at the Board's next regularly scheduled meeting.

Mr. Wiersma moved to approve the Resolution Delegating Authority to the Investment Committee; supported by Mr. Feldpausch. Motion carried.

Product Management – Deemed Investment Retirement Account (IRA)

Ms. Lombardo, Chief Strategic and External Affairs Officer, and Ms. Mausolf, Communication and Retirement Strategies Director, discussed the May 1, 2018 Memorandum to Chris DeRose, CEO, recommending amendments to the 401(a) Plan Document and the 457 Plan Document as proposed.



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Mr. Sarata moved to approve the proposed amendments to the 401(a) Plan Document and the 457 Plan Document as proposed, with immediate effect, and directs staff to make all necessary creation and/or revisions to the System's forms, recordkeeping, service providers, policies and procedures required for implementation; supported by Mr. Wiersma. Motion carried.

Product Management – Bridged Cost-of-Living-Adjustment (COLA)

Ms. Lombardo, Chief Strategic and External Affairs Officer, and Ms. Mausolf, Communication and Retirement Strategies Director, discussed the April 27, 2018 Memorandum to Chris DeRose, CEO, recommending amendments to Section 26 of the Plan Document.

Mr. Sarata moved to approve the proposed amendments to Section 26 of the Plan Document with immediate effect and directs staff to make any and all necessary creations and/or revisions to the System's forms, recordkeeping, policies and procedures for implementation; supported by Mr. Ogden. Motion carried.

Technical Plan Amendments

Mrs. Tarini, General Counsel, discussed the May 3, 2018 Memorandum to Chris DeRose, CEO, recommending Proposed Technical Amendments to the Plan Document Sections 15, 71, 74 and 79 and Actuarial Policy regarding definition of the term "fiscal year."

Mr. Wiersma moved to approve the Proposed Technical Amendments to the Plan Document and Actuarial Policy, with immediate effect and further directs staff to make any and all necessary actions required for its implementation; supported by Mr. Ogden. Motion carried.

Kuykendall v MERS

In the matter of Teriece Kuykendall 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 Ms. Deford. Motion carried.

McDaniel Disability Matter

In the matter of Shona McDaniel, 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 suspends Shona McDaniel disability retirement benefits based on her failure to comply with the requirements of Section 25 of the MERS Plan Document in effect at the time of her application for disability retirement, with said suspension to continue. If Shona McDaniel does not comply with the periodic review process within 90 days of this decision (August 15, 2018), her disability retirement benefits will be automatically and permanently terminated; supported by Ms. Butler. Motion carried.



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NO JUNE 2018 BOARD MEETING

JULY 18-19, 2018 BOARD RETREAT & MEETING

Certification of MERS Officer and Employee Delegates

Ms. Butler moved to approve Mr. Burns, Chief Investment Officer, and Ms. Hollon, Service Center Analyst, as the Officer and Employee delegates to the 2018 MERS Annual conference; supported by Mr. Gilmore. Motion carried.

Asset Allocation Band Increase (above maximum band) Fixed Income

Mr. Burns, Chief Investment Officer, discussed the July 19, 2018 Memorandum to Mr. DeRose, CEO, recommending revision to the MERS target asset allocation, allowing the Global Fixed Income portfolio to exceed its maximum allocation indefinitely. Mr. Gilmore moved to approve the revision to the MERS target asset allocation; supported by Ms. Deford. Motion carried.

MERS Governance Policy

Ms. Bellar, Senior Deputy General Counsel, discussed the June 29, 2018, Memorandum to the MERS Retirement Board, recommending revisions to the MERS Governance Policies. Ms. Butler moved to approve the proposed revisions to the MERS Governance Policies to include adoption of the Disclosure Form and process; and directs staff to amend the Governance policies as set forth and take such action as required to implement the amendments and other actions directed by the Board; supported by Mr. Wiersma. Motion carried.

Proposed Amendment to the Plan regarding Working Judges' Eligibility to commence receiving Benefits earned with MERS

Mrs. Tarini, General Counsel, discussed the July 9, 2018 Memorandum to Mr. DeRose, CEO, recommending amendments to the Plan Document.

Mr. Ogden moved to approve amendments to Sections two and nine, with immediate effect, and directs staff to make any and all revisions to the System's forms, policies and/or procedures required for its implementation; supported by Mr. Gilmore. Motion carried.

Amy-O'Keefe v MERS

In the matter of Donna Amy-O'Keefe v MERS, Ms. Deford recused herself from this matter and stepped out of the room. Mrs. Tarini, General Counsel, then reviewed with the Board the background of this matter.



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After review and discussion, Ms. Butler 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.

Ms. Deford then reentered the meeting.

Patricia Harris-Morris v MERS

In the matter of Patricia Harris-Morris 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 Mr. Sarata. Motion carried.

Marie Wolfe v MERS

In the matter of Marie Wolfe 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. Deford. Motion carried.

NO AUGUST 2018 BOARD MEETING

NO SEPTEMBER 2018 BOARD MEETING

OCTOBER 3, 2018 BOARD MEETING

Review MERS Procurement Policy

Ms. Waldofsky, Finance Director, discussed the September 21, 2018 Memorandum to Mr. DeRose, CEO, recommending changes to the Procurement Policy.

After review and discussion, Ms. Butler moved to approve the changes to the MERS Procurement Policy; supported by Ms. Deford. Motion carried.



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Robert Adams v MERS disability

In the matter of Robert Adams v MERS, Mrs. Tarini, General Counsel, reviewed with the Board the background of this matter.

After review and discussion, Ms. Butler 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. Wiersma. Motion carried.

Wendi Brown v MERS

In the matter of Wendi Brown 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. Feldpausch. Motion carried.

Amendment to HCSP Plan Document related to HIPAA

Mrs. Tarini, General Counsel, discussed the September 21, 2018 Memorandum to Mr. DeRose, CEO, regarding Amendments to HCSP Plan Document related to HIPAA.

After review and discussion, Mr. Ogden moved to approve the recommendation and steps regarding MERS compliance with the requirement of HIPAA, including Board adoption of amendments to the HCSP Plan, and administrative adoption of the Policy and Notice; supported by Ms. Deford. Motion carried.

NO NOVEMBER 2018 BOARD MEETING

DECEMBER 6, 2018 BOARD MEETING

Old Business

Ms. Boucke', Chief Customer Service Officer, and Ms. Leach, 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 and a comparison of his current compensation to similar positions in similar industries and with the continued goal of adjusting his salary to 125% full market value compa ratio.



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Vice Chairperson, Jason Sarata, moved to adjust the CEO's salary by 4.22% merit increase effective January 1, 2019 putting his salary at 125% full market value comp to compa ratio and a 45% lump sum bonus to be awarded year end 2018 based on performance. Motion supported by Ms. Butler. Motion carried.

Balanced Scorecard Targets

Ms. Lombardo, Chief Strategic and External Affairs Officer, and Ms. Mausolf, Communications and Retirement Strategies Director, discussed the November 15, 2018 Memorandum to the MERS Retirement Board recommending proposed recommendations to the Balanced Scorecard Targets.

After review and discussion, Mr. Gilmore 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 Ms. Butler. Motion carried.

Appointment of Retiree Member of the MERS Board

Mr. DeRose, CEO, discussed the October 9, 2018 Memorandum to the Retirement Board regarding the MERS Retiree Board Member position, advising the Board that the term of Mr. Ogden, Retiree Board Member, expires on December 31, 2018.

Mr. Wiersma made a motion to re-appoint Mr. Ogden, Retiree Board Member, to a three year term commencing January 1, 2019; supported by Ms. Deford. Motion carried. Mr. Ogden did not participate in the discussion or vote on this matter.

2019 Board Meeting Calendar

Ms. Butler moved to approve the 2019 MERS Board Meeting Calendar; supported by Mr. Gilmore. Motion carried.

2019 Budget process and approval

Mr. Hank, Chief Financial Officer, and Ms. Waldofsky, Finance Director, discussed the November 26, 2018 Memorandum to the MERS Retirement Board regarding the 2019 Budget.

Upon recommendation of the Budget Committee at its November 7, 2018 conference call, Mr. Feldpausch made a motion; supported by Mr. Ogden to approve the 2019 Budget as follows:

Total 2019 Budget Expenses	\$46,940.904
Capital Asset Expenses	\$5,979,500

Motion carried.

Valuation Based Allocation

Mr. Burns, Chief Investment Officer, and Mr. Schrauben, Senior Investment Officer and Portfolio Manager, reviewed with the Board the Valuation Based Allocation: Methodology, Implementation, and Expectations paper.



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Mr. Wiersma made a motion to support a Valuation Based Allocation approach; supported by Mr. Gilmore. Motion carried.

Shirine Patman v MERS

In the matter of Shirine Patman v MERS, Mrs. Tarini, General Counsel, reviewed with the Board the background of this matter.

After review and discussion, Ms. Butler 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.

Charter Township of Flint (re: Needham) v MERS

In the matter of Charter Township of Flint (re: Needham) v MERS, Mrs. Tarini, General Counsel, reviewed with the Board the background of this matter.

After review and discussion, Mr. Ogden made the motion that the case be remanded to the ALJ for completion of the following:

- Mr. Needham will undergo a new in-person independent psychiatric examination (IPE), which will include a record review of all of the records reviewed by the previous independent psychiatric examiners;
- Upon completion of the IPE, the examiner will provide his/her report to MMRO for consideration by MMRO's Clinical Escalation Committee and completion of an addendum to MMRO's report regarding Mr. Needham's disability status;
- MMRO's report shall be provided to MERS for review and assessment of the status and next steps.

Ms. Deford supported the motion. Motion carried.

Gertsberg v MERS

In the matter of Maya Gertsberg v MERS, Mrs. Tarini, General Counsel, reviewed with the Board the background of this matter.

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.

2019 Internal Audit Plan

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