

A regular meeting of the Michigan Public School Employees Retirement System Board was held at the General Office Building, 7150 Harris Drive, Conference Room A, Dimondale, Michigan, on Thursday, September 13, 2007. The following members, staff and observers participated:

Members Present: Ivy Bailey, Active Classroom Teacher Member
Lenore Croudy, Community College Trustee
William Lawson, Retired Finance/Operations Member and as
a representative of the largest retiree organization
Edwin Martinson, Reporting Unit Board of Control Member
Richard Montcalm, Finance/Operations Member,
Non-superintendent
Diana Osborn, Non-Certified Support Member
Martha Pichla, Active Classroom Teacher Member

Staff Present: Phil Stoddard, Executive Secretary
Terry Rideout, Recording Secretary

Others Present: Marie Wilkerson, Ernest Dear, Richard Weaver, Robert Arthur, and Iris Arthur of the Michigan Association of Retired School Personnel; Richard Hosking, Phyllis Rule, Mary Christian, John Winn, Judy Foster, and Roger Foster of the Michigan Education Association-Retired; Mary Ellen Caldwell of Central Michigan University; Henry Pichla; Jeanette Hassan of Eastern Michigan University; John Clancy and Mary Kay Cutler of Blue Cross Blue Shield of Michigan; Lisa Eggert of Delta Dental; Barbara Aikman of the Vision Services Plan; Ben Louagie of Gabriel Roeder Smith & Co.; Richard Williams of Williams & Company; Tom Schimpf of the Attorney General's Office; Laurie Hill and Kathy Tober of the Office of Retirement Services.

Call to Order

Chair Diana Osborn called the meeting to order at 10:30 a.m.

Excusing of Absent Members

Martha Pichla moved, Lenore Croudy supported, to excuse the absences of Michael Flanagan, Jeff Hoffman, John Olekszyk, and Marc Whitefield. The motion carried unanimously.

Approval of Agenda

Richard Montcalm moved, Lenore Croudy supported, to approve the agenda as presented. The motion carried unanimously.

Approval of Minutes

Edwin Martinson moved, Lenore Croudy supported, to approve the minutes of the July 26, 2007, meeting as presented. The motion carried unanimously.

Application for Good Cause

Edwin Martinson moved, Richard Montcalm supported, to grant the applicant's request to extend the time limit for filing a disability retirement application, since the applicant presented sufficient evidence of extenuating circumstances, and to have the Public School Employees' Retirement System consider the application on the merits. The motion carried unanimously.

Administrative Hearings

Proposal for Decision – Docket 2006-AH031

The Board considered the case materials. Edwin Martinson moved, Richard Montcalm supported, that the Board adopt as its own the recommendation of the Presiding Officer in the June 25, 2007 PFD, including the proposed Findings of Fact and Conclusions of Law except for the changes requested by Respondent, and deny Petitioner's request for retirement benefits commencing July 1, 2004, using the form of decision and order offered by Respondent. The motion carried unanimously.

Proposal for Decision – Docket 2006-AH080

The Board considered the case materials. Richard Montcalm moved, Ivy Bailey supported, that the Board adopt as its own the recommendation of the Presiding Officer in the July 9, 2007 PFD, including the proposed Findings of Fact and Conclusions of Law except for the changes requested by Respondent, and deny Petitioner's appeal from the computation of his final average compensation, using the form of the decision and order offered by Respondent. The motion carried with William Lawson opposing.

Proposal for Decision – Docket 2006-AH067

The Board considered the case materials. Richard Montcalm moved, Lenore Croudy supported, that the Board adopt as its own the recommendation of the Presiding Officer in the July 2, 2007 PFD, including the proposed Findings of Fact and Conclusions of Law except for the changes requested by Respondent, and deny Petitioner's request for non-duty disability retirement benefits, using the form of decision and order offered by Respondent. The motion carried unanimously.

Proposal for Decision – Docket 2006-AH010

The Board considered the case materials. Richard Montcalm moved, Lenore Croudy supported, that the Board adopt as its own the recommendation of the Presiding Officer in the June 20, 2007 PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request for recalculation of her monthly retirement benefit under MCL 38.1705(2) and Petitioner's request for a pre-retirement surviving spouse benefit. The motion carried unanimously.

Proposal for Decision – Docket 2006-AH051

The Board considered the case materials. Edwin Martinson moved, Richard Montcalm supported, that the Board adopt as its own the recommendation of the Presiding Officer in the July 10, 2007 PFD, including the proposed Findings of Fact and Conclusions of Law except for the changes requested by Respondent, and deny Petitioner's request for duty disability retirement benefits, using the form of decision and order offered by Respondent. The motion carried with Martha Pichla opposing.

Proposal for Decision – Docket 2007-AH085

The Board considered the case materials. Edwin Martinson moved, Martha Pichla supported, that the Board adopt as its own the recommendation of the Presiding Officer in the June 20, 2007 PFD, including the proposed Findings of Fact and Conclusions of Law, and grant Petitioner's request for non-duty disability retirement benefits. The motion carried unanimously.

New Business

Diana Osborn read a resolution honoring former Board member, Gary Allen. Edwin Martinson moved, Lenore Croudy supported, that the resolution be adopted. The motion carried unanimously.

Standing Reports – Committee Reports

Chair Diana Osborn noted that the Health Insurance Committee would meet following the Board meeting today.

Board Comments

William Lawson inquired as to how the MPSERS Board and the Office of Retirement Services would be affected by a shutdown of State government in the event the legislature does not enact a budget bill by October 1, 2007. Phil Stoddard, in response, assured the Board that ORS has been working and continues to work on plans so members would not be affected. As to whether the MPSERS Board would meet in middle of shutdown – this is not currently known.

William Lawson asked what the legislature while looking at retirement and health care costs, might think about a number of school districts in Washtenaw County offering a retirement incentive package to employees in which once they have retired, teachers (as contract teachers) would stay in their exact same positions in the classrooms and be paid \$11,000 per year while collecting retirement benefits. At end of 3 years they would receive an annuity for \$60,000. Mr. Lawson asked if this wasn't a new and innovative way of gaming the retirement system? Phil Stoddard, in response, stated that since this is a new issue, ORS would have to look into it. Assistant Attorney General and Board Counsel, Tom Schimpf noted there are SERS and MPSERS bills currently in the legislature that would forbid people from returning to work in their same job immediately after retiring.

Richard Montcalm and Martha Pichla commented that many districts are looking for ways to save dollars. With people being hired as contract employees, this practice may eventually have a long-term effect on the retirement system due to these employees who were contributing to the system and earning service credit no longer doing so.

Lenore Croudy thanked the Board for acknowledging her recent award and shared the details of the memorable award presentation. Ms. Croudy also acknowledged her appointment as Chairperson for the Michigan Association of Community Colleges, becoming the first African-American person to be so elected.

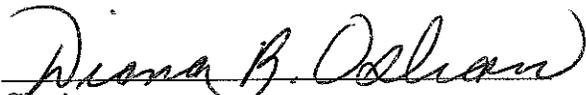
Public Comments

Comments were received from Ernest Dear.

Adjournment

Edwin Martinson moved, Richard Montcalm supported, to adjourn the meeting at 11:05 a.m. The motion carried unanimously.

OFFICIAL MINUTES


Chair


Executive Secretary