

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, July 23, 2009. The following members, staff and observers participated:

Members Present: Steven Jagusch, General Public Member, Investment Experience
Paul Lerg, Retired Finance/Operations Member and as a representative of the largest retiree organization
Edwin Martinson, Reporting Unit Board of Control Member
Susan Meston, Active Superintendent Member
John Olekszyk, Retiree Member
Diana Osborn, Non-Certified Support Member
Michael Ringuette, General Public Member, Actuarial Experience

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

Others Present: Bonnie Carpenter, Marie Wilkerson, Don Miller, Iris Arthur, Robert Arthur, and Les Nixon of the Michigan Association of Retired School Personnel; Chuck Agerstrand, Richarl Hosking, Dan Rudd, and Phyllis Rule of MEA-Retired; Richard Schaper of Western Michigan University; Ellen Hoekstra on behalf of AFT and IUOE Local 547; Branco Bojicic of Blue Cross Blue Shield of Michigan; Carol Nolan of EyeMed; Lisa Eggert of Delta Dental; Krista Davis of Priority Health; Richard Williams of Williams & Co.; Ben Louagie of Gabriel, Roeder, Smith and Co.; Thomas Schimpf of the Attorney General's Office; Laurie Hill and Brian McLane 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

Edwin Martinson moved, Susan Meston supported, to excuse the absences of Ivy Bailey, Lenore Croudy, and Michael Flanagan. The motion carried unanimously.

Approval of Agenda

Susan Meston moved, John Olekszyk supported, to approve the revised agenda as presented. The motion carried unanimously.

Approval of Minutes

John Olekszyk moved, Michael Ringuette supported, to approve the minutes of the June 11, 2009, meeting as presented. The motion carried unanimously.

Nominating Committee for September Board Elections

Chair Diana Osborn appointed Edwin Martinson, John Olekszyk and Michael Ringuette to the Nominating Committee.

Administrative Hearings

Proposal for Decision – Docket 2009-3778 PSRS

The Board considered the case materials. John Olekszyk moved, Edwin Martinson supported, that the Board adopt as its own the recommendation of the Presiding Officer in the April 3, 2009 PFD, including the proposed Findings of Fact and Conclusions of Law, and grant Petitioner's request for duty disability retirement benefits. The motion carried unanimously.

Proposal for Decision – Docket 2009-30493 PSRS

The Board considered the case materials. Edwin Martinson moved, John Olekszyk supported, that the Board adopt as its own the recommendation of the Presiding Officer in the April 23, 2009 PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request for non-duty disability retirement benefits. The motion carried unanimously.

Proposal for Decision – Docket 2009-5108 PSRS

The Board considered the case materials. Edwin Martinson moved, John Olekszyk supported, that the Board adopt as its own the recommendation of the Presiding Officer in the April 1, 2009, PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement benefits. The motion carried unanimously.

Proposal for Decision – Docket 2009-4565 PSRS

The Board considered the case materials. John Olekszyk moved, Susan Meston supported, that the Board adopt as its own the recommendation of the Presiding Officer in the April 20, 2009 PFD, including the proposed Findings of Fact and Conclusions of Law, except for the changes requested by Respondent, and deny Petitioner's application for non-duty disability retirement benefits, using the form of decision and order offered by Respondent. The motion carried unanimously.

Proposal for Decision – Docket 2008-12785 PSRS

The Board considered the case materials. Edwin Martinson moved, Paul Lerg supported, that the Board reject the recommendation of the Presiding Officer in the April 8, 2009 PFD, including the proposed Findings of Fact and Conclusions of Law, and grant Petitioner's request to include MIP reimbursement, but deny Petitioner's request to include FICA reimbursement and cash in lieu of a service credit purchase in the calculation of her final average compensation based upon Respondent's Exceptions and the administrative record, using the form of decision and order offered by Respondent. The motion carried with Susan Meston opposed.

Proposal for Decision – Docket 2008-22388 PSRS

The Board considered the case materials. Edwin Martinson moved, John Olekszyk supported, that the Board adopt as its own the recommendation of the Presiding Officer in the April 1, 2009 PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement benefits. The motion carried with Susan Meston opposed.

Proposal for Decision – Docket 2008-26604 PSRS

The Board considered the case materials. John Olekszyk moved, Edwin Martinson supported, that the Board adopt as its own the recommendation of the Presiding Officer in the April 11, 2009 PFD, including the proposed Findings of Fact and Conclusions of Law, except for the changes requested by Respondent, and deny Petitioner's application for non-duty disability retirement benefits, using the form of decision and order offered by Respondent. The motion carried unanimously.

2010 Health Care Initiative

Chair Diana Osborn reported that since the June 11, 2009 Board meeting, two Health Initiative Review Committee (HIRC) meetings were held providing interested parties the opportunity to give public input on the 2010 health care proposals. The

Health Insurance Committee carefully considered all comments received and modifications were made as a result.

Ben Louagie of Gabriel Roeder Smith & Co. provided an update on the health care proposals, summarized public feedback, answered Board member's questions and presented the Committee's final recommendation for full Board consideration.

Public comments were received from Don Miller (MARSP), Charles Agerstrand (MEA-Retired), and Ellen Hoekstra (AFT Michigan and IUOE Local 547).

Edwin Martinson moved, Susan Meston supported that the Board accept the recommendation of the Health Insurance Committee in its entirety and update the plan by including:

- Implementation of individual deductibles
- ER services will be subject to flat \$50 co-pay once coinsurance maximum and deductible maximums have been met
- Introduction of the Living Well Program
- Enhanced mental health and hospice benefits
- Medical and pharmacy out-of-pocket cost sharing updates

A roll call vote was taken and the motion was unanimously approved.

Executive Secretary Comments

Phil Stoddard thanked the retiree groups for their input on the 2010 Health Care Initiative and ongoing support. Phil also noted the Office of Retirement Services is keeping tabs on the Medicare Advantage discussions taking place at the federal level.

Phil commented briefly on the recently published Citizens Research Council report, and stated that the Document Summary provides a good overview of the report.

Phil reminded the audience that the Office of Retirement Services will be closed on 7/24, 8/7, 8/21, and 9/4, which are the remaining state furlough days, and recognized the excellent work staff are doing to compensate for these days off working harder than ever to get applicants on payroll.

Board Comments

Comments were received from Steven Jagusch regarding the status of Detroit Public Schools, and from John Olekszyk on the status of Detroit Public Schools contributions and Board member appointments.

Public Comments

Comments were received from Don Miller and Charles Agerstrand.

Closed Session

Edwin Martinson moved, Susan Meston supported that the Board move to Closed Session to discuss pending litigation with legal counsel, as allowed under the Open Meetings Act, Section 8(e). A roll call vote was taken and the motion carried unanimously. A brief recess was taken to allow the public to exit the room.

The Board entered Closed Session at 11:43 a.m.

The Board returned from Closed Session at 11:58 a.m.

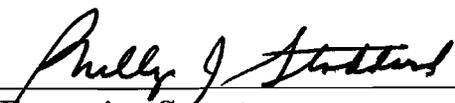
Ingham Circuit Docket No. 09-186-AA. Steven Jagusch moved, Edwin Martinson supported to deny Petitioner's request for an out of court settlement and stand by the Board's original decision to deny Petitioner's request to change the computation of his final average compensation. The motion carried unanimously.

Adjournment

John Olekszyk moved, Edwin Martinson supported, to adjourn the meeting at 12:00 p.m. The motion carried unanimously.

OFFICIAL MINUTES


Chair


Executive Secretary