

A regular meeting of the Michigan State Employees' Retirement System Board was held at the State Secondary Complex, General Office Building, First Floor, Conference Room A, Lansing, Michigan, on April 27, 2011. The following members, staff and observers participated:

Members Present: Robert Brackenbury, representing State Treasurer  
Douglas Drake, Retiree Member  
George Elworth, representing the Attorney General  
John Gnodtke, representing State Personnel Director  
Randall Gregg, representing Commissioner of the Office of Financial and Insurance Regulation  
Douglas Johnson, Retiree Member  
Craig Murray, representing the Deputy Auditor General

Staff Present: Phil Stoddard, Executive Secretary  
Chanda Donnan, Recording Secretary

Others Present: Frank Monticello introduced Patrick Fitzgerald of the Office of Attorney General to the Board; Laurie Hill, Anthony Estell, Tim McCormick, Juren Ekwejunor-Etchie, and Sara Hoppes from the Office of Retirement Services; Gregory Parker of the Bureau of Investments, Russ Kropschot – retiree, June Morse and Bob Kopasz from State Employee Retirees Association

### Call to Order

Chair Douglas Drake called the meeting to order at 1:32 p.m.

### Approval of Agenda

Douglas Johnson moved, Robert Brackenbury supported, to approve the agenda as presented. The motion carried unanimously.

George Elworth moved, Robert Brackenbury supported, to amend the agenda by moving item 10A (Annual Investment Report) to follow item 7A (Disability Retirement Applications). The motion carried unanimously.

### Approval of Minutes

Douglas Johnson moved, John Gnodtke supported, to approve the regular session meeting minutes of March 3, 2011, as presented. The motion carried unanimously.

## **Disability Retirement Applications**

### Non-Duty Disability Retirement Applications

Craig Murray moved, George Elworth supported, to approve non-duty disability applications 1 - 6, as presented in the Supplemental Information to the Agenda, 7A. The motion carried unanimously.

## **Special Report**

Gregory Parker, Deputy Chief Investment Officer of the Bureau of Investments, presented the Annual Investment Report to Board members and answered questions.

## **Administrative Hearings**

### Proposal for Decision – Docket 2010-44854 SERS

The Board considered the case materials. Craig Murray moved, Douglas Johnson supported, that the Board adopt as its own the recommendation of Presiding Officer Robert J. Meade in the January 5, 2011 PFD and deny the Petitioner's motion to disqualify the Assistant Attorney General from participation in the Board's proceedings. The motion carried unanimously.

Following discussion Douglas Johnson moved, Craig Murray supported, that the Board adopt as its own the recommendation of the Presiding Officer Robert J. Meade in the January 5, 2011 PFD, including the proposed Findings of Fact and Conclusions of Law except for the changes requested within the Respondent's Exceptions, and deny the Petitioner's request for duty and non-duty disability retirement benefits under Sections 21 and 24 of the State Employees' Retirement Act. The motion carried unanimously.

### Proposal for Decision – Docket 2010-29889 SERS

The Board considered the case materials. Craig Murray moved, John Gnodtke supported, that the Board adopt as its own the recommendations of the Presiding Officer William D. Bond in the December 22, 2010 PFD, including the proposed Findings of Fact and Conclusions of Law except for the changes requested within Respondent's Exceptions, and deny Petitioner's request for non-duty disability retirement benefits under Sections 21 and 24 of the State Employees' Retirement Act. The motion carried unanimously.

Proposal for Decision – Docket 2010-36585 SERS

John Gnodtke stated for the record he would refrain from participating in proceedings for this case.

The Board considered the case materials. Craig Murray moved, Douglas Johnson supported, to deny the Petitioner's motion to disqualify the Assistant Attorney General from participation in the Board's proceedings. The motion carried with John Gnodtke abstaining.

The Board considered the case materials. Douglas Johnson moved, Craig Murray supported, that the Board adopt as its own the recommendations of Presiding Officer William D. Bond in the November 9, 2010 PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request for duty and non-duty disability benefits. The motion carried with John Gnodtke abstaining.

Proposal for Decision – Docket 2010-44837 SERS

The Board considered the case materials. Following discussion Craig Murray moved, George Elworth supported, that the Board adopt as its own the recommendations of Presiding Officer William D. Bond in the November 10, 2010 PFD, including the proposed Findings of Fact and Conclusions of Law, and grant Petitioner's request for duty disability retirement benefits under MCL 38.67a considering the *Gersbacher v State Employees Retirement Board, 145 Mich App 36 (1985)* decision, thereby rejecting Respondent's Exceptions and Motion for Remand. The motion carried unanimously.

**Unfinished Business**

Proposal for Decision – Docket 2010-25664 SERS

Craig Murray moved, Douglas Johnson supported, to remove from the table to allow for discussion. The motion carried unanimously.

The Board considered the case materials. Following discussion Craig Murray moved, Douglas Johnson supported, to remand the case back for an updated IMA certification considering the Nason criteria. Following further discussion the motion was withdrawn.

Randall Gregg moved, John Gnodtke supported, that the Board adopt as its own the recommendations of the Presiding Officer in the November 18, 2010 Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law as modified below, and grant Petitioner's request for non-duty disability retirement benefits under Section 24 of the State Employees' Retirement Act, with the following modifications to the PFD: 1) Strike item 6 in its entirety under the Conclusions of Law (page 11 of 13); 2) Strike item 7 in its entirety under the Conclusions of Law (page 11 of 13); 3) change duty to non-duty in item 9 under the Conclusions of Law (page 11 of 13); 4) add non-duty prior to disability in the first sentence, second line, of

the Recommended Decision (page 12 of 13); and strike the full second sentence of the Recommended Decision (page 12 of 13). The motion carried unanimously.

Proposal for Decision – Docket 2010-36583 SERS

Craig Murray moved, John Gnodtke supported, to remove from the table to allow for discussion. The motion carried unanimously.

The Board considered the case materials. Craig Murray moved, Douglas Johnson supported, that the Board adopt as its own the recommendations of Presiding Officer William D. Bond in the November 16<sup>th</sup> Proposal for Decision, 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 under Section 24 of the State Employees' Retirement Act, using the form of Decision and Order offered by Respondent. The motion carried unanimously.

Proposal for Decision – Docket 2010-25667 SERS

Douglas Johnson moved, John Gnodtke supported, to remove from the table to allow for discussion. The motion carried unanimously.

The Board considered the case materials. Following discussion Douglas Johnson moved, Randall Gregg supported, that the Board adopt as its own the recommendations of Presiding Officer Robert J. Meade in the August 10, 2010 PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request for duty and non-duty disability retirement benefits. The motion carried unanimously.

**Legislative Report**

A report was provided for the Board's information.

**Executive Secretary Comments**

No comments were received.

**Board Comments**

No comments were received.

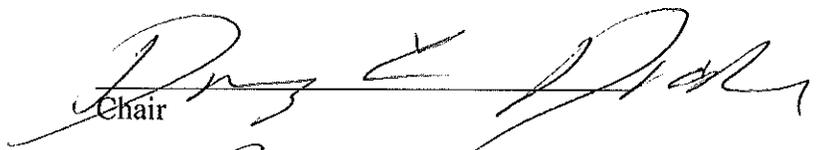
**Public Comments**

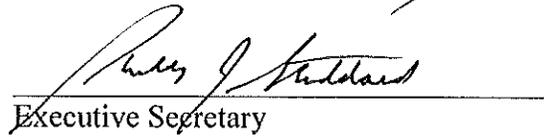
Comments were received by Bob Kopasz.

**Adjournment**

John Gnodtke moved, Douglas Johnson supported, that the meeting be adjourned. The motion carried unanimously. The Chair adjourned the meeting at 3:25 p.m.

OFFICIAL MINUTES

  
Chair

  
Executive Secretary