

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 July 21, 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  
Matthew Fedorchuk, Employee Member  
John Gnodtke, representing State Personnel Director  
Douglas Johnson, Retiree Member  
Craig Murray, representing the Deputy Auditor General

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

Others Present: Brian LaVictoire of the Office of Attorney General to the Board; Laurie Hill, Zach Harrison, Julie Wight, Steve Crippen, and Sara Hoppes from the Office of Retirement Services; Todd Tennis from Coalition for Secure Retirement

### **Call to Order**

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

### **Approval of Agenda**

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

### **Approval of Minutes**

George Elworth moved, Robert Brackenbury supported, to approve the regular session meeting minutes of May 26, 2011, as presented. The motion carried unanimously.

### **Disability Retirement Applications**

#### Non-Duty Disability Retirement Applications

Craig Murray moved, Robert Brackenbury supported, to approve non-duty disability applications 1-8 and 10-12 as presented in the Supplemental Information to the Agenda, 7A. The motion carried unanimously.

Craig Murray moved, Douglas Johnson supported, to approve non-duty disability application 9 as presented in the Supplemental Information to the Agenda, 7A with the provision of a two-year re-exam. The motion carried unanimously.

#### Duty Disability Retirement Applications

George Elworth moved, Craig Murray supported, to approve duty disability applications 1-4 as presented in the Supplemental Information to the Agenda, 7B. The motion carried unanimously.

### **Administrative Hearings**

#### Proposal for Decision – Docket 2010-44844 SERS

The Board considered the case materials. Douglas Johnson moved, Craig Murray supported, that the Board deny Respondent's Motion for Order of Remand. The motion carried unanimously.

Craig Murray moved, Douglas Johnson supported, that the Board adopt as its own the recommendations of the Presiding Officer in the April 15, 2011 PFD, including the proposed Findings of Fact and Conclusions of Law, and grant Petitioner's application for duty disability retirement benefits under Section 21 of the State Employees' Retirement Act. The motion carried unanimously.

#### Proposal for Decision – Docket 2011-284 SERS

The Board considered the case materials. Craig Murray moved, George Elworth supported, that the Board adopt as its own the recommendations of the Presiding Officer in the February 8, 2011 PFD, including the proposed Findings of Fact and Conclusions of Law, except for the modification to the PFD under Conclusions of Law on page 14 of 15, striking the last two full sentences of the first paragraph, and deny Petitioner's application for non-duty disability benefits under Section 24 of the State Employees Retirement Act. The motion carried unanimously.

#### Proposal for Decision – Docket 2010-44866 SERS

The Board considered the case materials. Douglas Johnson moved, that having reviewed Dr. Burgess' records contained in the administrative record at pp 3.91-3.164, the Board adopt as its own the recommendations of the Presiding Officer in the February 24, 2011 PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request for non-duty disability benefits under Section 24 of the State Employees Retirement Act. The motion died due to lack of support.

Craig Murray moved, George Elworth supported, that the Board remand this matter to the IMA for review of all of the medical records contained in the administrative records, and for a supplemental IMA report to be prepared discussing the medical evidence. Once the IMA report has been completed, the Presiding Officer shall prepare a supplemental PFD for the Board's review. The motion carried.

Proposal for Decision – Docket 2010-54647 SERS

The Board considered the case materials. Craig Murray moved, Douglas Johnson supported, that the Board adopt as its own the recommendations of the Presiding Officer in the January 20, 2011 PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application 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 2010-36684 SERS

The Board considered the case materials. Craig Murray moved, Douglas Johnson supported, that the Board adopt as its own the recommendations of the Presiding Officer in the April 4, 2011 PFD, including the proposed Findings of Fact and Conclusions of Law, except for the modification to the PFD under Conclusions of Law on page 13 of 15, striking the last two full sentences of the first full paragraph, and deny Petitioner's application for non-duty disability benefits under Section 24 of the State Employees Retirement Act. The motion carried unanimously.

Proposal for Decision – Docket 2011-8151 SERS

The Board considered the case materials. Craig Murray moved, Randall Gregg supported, that the Board adopt as its own the recommendations of the Presiding Officer in the April 28, 2011 PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement benefits under MCL 38.67a. The motion carried unanimously.

**New Business**

Circuit Court Remand – St. Clair Circuit No. 10-003077-AA. Docket 2010-16546 SERS

The Board considered the case materials. Craig Murray moved, George Elworth supported, that in light of the disability standard set forth in the Court of Appeals' decision in *Nason v State Employees' Retirement System*, that the Board reject the recommendations of Presiding Officer William D. Bond in the July 20, 2010 PFD, including the proposed Findings of Fact and Conclusions of Law and grant Petitioner's application for duty disability retirement benefits pursuant to the State Employees' Retirement Act, MCL 38.67a. The motion carried unanimously.

**Special Report**

Steve Crippen from the Office of Retirement Services presented ORS's plan for implementation of the pension tax changes of PA 38 and answered questions.

**Legislative Report**

A report was provided for the Board's information.

**Executive Secretary Comments**

Phil Stoddard reported that staff are enjoying a less hectic summer compared to last, and that ORS is still down in staff numbers.

**Board Comments**

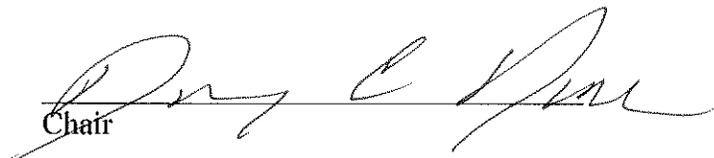
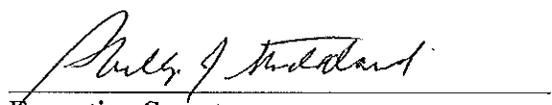
Comments were received from Doug Drake regarding the taxation of pensions.

**Public Comments**

No comments were received.

**Adjournment**

George Elworth moved, Douglas Johnson supported, that the meeting be adjourned. The motion carried unanimously. The Chair adjourned the meeting at 2:30 p.m.

**OFFICIAL MINUTES**  
Chair  
Executive Secretary