

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 October 21, 2010. The following members, staff and observers participated:

Members Present: David Dekker, Employee Member  
 Douglas Drake, Retiree Member  
 George Elworth, representing the Attorney General  
 Douglas Johnson, Retiree Member  
 Vernon Johnson, representing the State Treasurer  
 Daniel McLellan, representing the Director of Civil Service  
 Craig Murray, representing the Deputy Auditor General  
 John Schoonmaker, representing the Commissioner of the  
 Office of Financial and Insurance Regulation

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

Others Present: Thomas Schimpf and Frank Monticello of the Office of Attorney General; Alan Wilk from Dykema Gossett; and Laurie Hill and Kerrie Vanden Bosch from the Office of Retirement Services.

### **Call to Order**

Chair Douglas Drake called the meeting to order at 1:42 p.m.

### **Approval of Agenda**

John Schoonmaker moved, George Elworth supported, to approve the agenda as presented. The motion carried unanimously.

### **Approval of Minutes**

Vernon Johnson moved, Daniel McLellan supported, to approve the regular session meeting minutes of September 9, 2010, as presented. The motion carried unanimously.

### **Public Introduction**

Assistant Attorney General Thomas Schimpf introduced Assistant Attorney General Frank Monticello to the Board. Mr. Monticello is the new Division Head of the State Operations Division and will serve as the Board's counsel now that Tom is retiring.

## Disability Retirement Applications

### Non-Duty Disability Retirement Applications

Vernon Johnson moved, Craig Murray supported, to approve non-duty disability applications 1-6, and 9-15 as presented in the Supplemental Information to the Agenda, 7A. The motion carried unanimously.

Following discussion, Daniel McLellan moved, Douglas Johnson supported, to approve non-duty disability application 7 as presented in the Supplemental Information to the Agenda, 7A. The motion carried unanimously.

Following discussion, George Elworth moved, Vernon Johnson supported, to approve non-duty disability application 8 as presented in the Supplemental Information to the Agenda, 7A. The motion carried unanimously.

Following discussion, David Dekker moved, Douglas Johnson supported, to approve non-duty disability application 16 as presented in the Supplemental Information to the Agenda, 7A, with the condition that staff verify that the disabling condition noted as "Physical" on the Independent Medical Advisor Statement of Disability was a technical error, and that "Mental" should have been noted instead. The motion carried unanimously.

### Duty Disability Retirement Application

Daniel McLellan moved, Douglas Johnson supported to approve duty disability application 1 as presented in the Supplemental Information to the Agenda, 7A.

Following discussion, the original motion was withdrawn. Craig Murray moved, Douglas Johnson supported, to table duty disability application 1, and requested that staff contact the applicant and verify that she is fully aware of the retirement incentive for State employees for which she is eligible. The applicant can then make an informed decision on whether or not to pursue a disability retirement.

## Administrative Hearings

### Proposal for Decision – Docket 2010-33019 SERS

The Board considered the case materials. Daniel McLellan moved, Craig Murray supported, that the Board adopt as its own the recommendations of the Presiding Officer in the Proposal for Decision dated July 20, 2010, and deny Petitioner's application for duty disability retirement benefits with prejudice. The motion carried unanimously.

### Proposal for Decision – Docket 2010-14687 SERS

The Board considered the case materials. Douglas Johnson moved, Craig Murray supported, that the Board adopt as its own the recommendations of the Presiding Officer in

the Proposal for Decision dated June 22, 2010, including the proposed Findings of Fact and Conclusions of Law except for the changes requested by Respondent, and deny Petitioner's application for duty disability retirement benefits, using the form of decision and order offered by Respondent. The motion carried unanimously.

Proposal for Decision – Docket 2010-20872 SERS

The Board considered the case materials. Daniel McLellan moved, Vernon Johnson supported that the Board adopt as its own the recommendations of the Presiding Officer in the Proposal for Decision dated June 22, 2010, 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 2010-16546 SERS

The Board considered the case materials. Douglas Johnson moved, Daniel McLellan supported, that the Board adopt as its own the recommendations of the Presiding Officer in the Proposal for Decision dated July 20, 2010, including the proposed Findings of Fact and Conclusions of Law and deny Petitioner's application for duty disability retirement benefits. The motion carried with David Dekker opposed.

## New Business

Public Act 77 of 2010 – 115 Trust Agreement for the Retiree Health Care Fund

Assistant Attorney General Tom Schimpf provided background information and Alan Wilk of Dykema Gossett provided an overview of the trust agreement.

Craig Murray requested that the first sentence of Article V, Section 5.02 Audit be amended as follows: "An audit shall be conducted of those financial statements by the **Auditor General** or a qualified independent certified accounting firm **selected by the Auditor General** for each fiscal year in accordance with generally accepted auditing standards." (Requested revisions are bolded).

Following discussion, Daniel McLellan moved, Vernon Johnson supported that the Board adopt the 115 trust agreement as amended. The motion carried unanimously.

Resolution for Thomas Schimpf

John Schoonmaker moved, Vernon Johnson supported that the Board adopt the resolution for Thomas Schimpf as presented. The motion carried unanimously.

## Legislative Report

A report was provided for the Board's information.

### Executive Secretary Comments

Phil Stoddard commented on a press release referencing draft legislation that would direct the State Treasurer to designate a percentage of pension funds towards startups.

Phil thanked Tom Schimpf for his service to the Board – he will be greatly missed.

### Board Comments

Douglas Drake noted that members had been given a draft resolution on the issue of insurance coverage for dependents. John Schoonmaker asked that any comments on the draft from Board members be submitted to the subcommittee by Thanksgiving.

Douglas Drake noted that an election for the office of Vice Chair will be held at the December meeting and that interested persons should contact either Doug or Phil Stoddard prior to the December meeting.

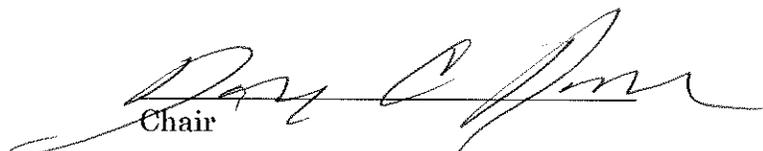
### Public Comments

Tom Schimpf thanked the Board members for their good wishes and noted that he had enjoyed working with them on many challenging issues over the years.

### Adjournment

John Schoonmaker moved, Vernon Johnson supported that the meeting be adjourned. The motion carried unanimously. The Chair adjourned the meeting at 3:20 p.m.

### OFFICIAL MINUTES

  
Chair

  
Executive Secretary