

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, October 22, 2009. The following members, staff and observers participated:

Members Present: Lenore Croudy, Community College Trustee
 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, Joe Curtin, Iris Arthur, and Robert Arthur of the Michigan Association of Retired School Personnel; Chuck Agerstrand, Earl Hagstrom, Richard Hosking, Mary Christian, Roger Foster, Judy Foster, Dan Rudd, and Phyllis Rule of MEA-Retired; Richard Schaper of Western Michigan University; Mary Ellen Caldwell of Central Michigan University; Rob Spagnuolo of Waverly Community Schools; visitor Steven Burncyk; Brad Biladeau and Bob Kefgen of the Michigan Association of School Administrators; Ellen Hoekstra on behalf of AFT and IUOE Local 547; Barbara Murphy, Branco Bojicic, and Patricia Soyemi of Blue Cross Blue Shield of Michigan; Carol Nolan of EyeMed; Lisa Eggert of Delta Dental; Krista Davis of Priority Health; Richard Williams and Mark Williamson 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

Lenore Croudy moved, Steven Jagusch supported, to excuse the absence of Ivy Bailey. The motion carried unanimously.

Edwin Martinson moved, Lenore Croudy supported to excuse the absence of Michael Flanagan. The motion carried unanimously.

Approval of Agenda

John Olekszyk moved, Edwin Martinson supported, to approve the agenda as presented. The motion carried unanimously.

Approval of Minutes

Susan Meston moved, Michael Ringuette supported, to approve the minutes of the September 10, 2009, meeting as presented. The motion carried unanimously.

Administrative Hearings

Proposal for Decision – Docket 2009-12801 PSRS

The Board considered the case materials. John Olekszyk moved, Edwin Martinson supported, that the Board adopt as its own the recommendations of the Presiding Officer in the July 20, 2009 PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request for duty or non-duty disability retirement benefits. The motion carried with Paul Lerg opposed.

Proposal for Decision – Docket 2008-5918 PSRS

The Board considered the case materials. Edwin Martinson moved, John Olekszyk supported, that the Board reject the recommendation of the Presiding Officer in the July 1, 2009 PFD, and deny Petitioner's request for inclusion of his "end of the year payments" and "gross up payments" received for FICA and other taxes in the calculation of his final average compensation based on 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 2009-16137 PSRS

The Board considered the case materials. John Olekszyk moved, Edwin Martinson supported, that the Board adopt as its own the recommendations of the Presiding Officer in the July 9, 2009, PFD, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request to apply for disability retirement benefits. The motion carried unanimously.

Proposal for Decision – Docket 2009-17678 PSRS

The Board considered the case materials. Edwin Martinson moved, Lenore Croudy supported, that the Board adopt as its own the recommendation of the Presiding Officer in the August 4, 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.

New Business

Request to Take Deposition – Docket 2009-28988

The Board considered the case materials. Edwin Martinson moved, John Olekszyk supported to deny Petitioner's request to take deposition on the grounds that it is not impractical or impossible to otherwise obtain the evidence. The motion carried unanimously.

Health Insurance Committee Report

Chair Diana Osborn reported that since the September 10, 2009 Board meeting, three Health Initiative Review Committee (HIRC) meetings were held providing interested parties the opportunity to give public input on the Medicare Advantage impact and recommendation for 2010, and that the Health Insurance Committee carefully considered all comments received.

Ben Louagie from Gabriel Roeder Smith and Company provided an update to the full Board, 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), Earl Hagstrom (MEA-Retired), and Ellen Hoekstra (AFT Michigan and IUOE Local 547).

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

- Update prescription drug coverage for non-formulary drugs to comply with Medicare rules on Reference Pricing
- Adjust Prescription Drug Premium to 5% of net prescription drug spend

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

Executive Secretary Comments

Phil Stoddard noted that the Office of Retirement Services is always striving to find more effective ways to deliver retirement information to customers across state. He reminded attendees that the ORS website currently offers helpful pre-retirement webinars and short tutorials that deal with frequently asked questions.

Mr. Stoddard also noted that an informational presentation on health care premium rates will be on the December 10, 2009 meeting agenda. As soon as the rates are available they will be sent out to the Board members and retiree groups.

Board Comments

Lenore Croudy thanked all attendees for coming to the Board meetings, and Board members for their caring support.

Susan Meston thanked MARSP for their questions submitted regarding new insurance cards and CATALYST, and for the work they do on behalf of the retirees.

Paul Lerg commented that the concessions state employees have made while still continuing to deal with the same volume of work should be noted.

Diana Osborn expressed her appreciation to all for their interest and professionalism in dealing with the difficult issues that come before the Board.

Public Comments

No further comments were received.

Adjournment

Edwin Martinson moved, Lenore Croudy supported, to adjourn the meeting at 11:45 p.m. The motion carried unanimously.

OFFICIAL MINUTES



Vice Chair



Executive Secretary