

A regular meeting of the **Michigan Public School Employees' Retirement System Board** was held at the Stevens T. Mason Building, 530 W. Allegan Street, First Floor Board Room, Lansing, Michigan, on Thursday, February 23, 2017. The following members, staff, and observers participated:

Members Present: Scott Koenigsknecht, Active Superintendent Member  
 Kevin Philipps, Representing Finance/Operations, non-Superintendents  
 Michael Ringuette, General Public Member, Actuarial Experience  
 Christine Veld, Non-Certified Educational Support Member  
 Larry Ward, Reporting Unit Board of Control Member  
 Ann Kroneman, Community College Administrator/Trustee Member  
 Dan Christner, Retiree Member  
 Ivy Bailey, Active Classroom Teacher Member

Staff Present: Kerrie Vanden Bosch, Executive Secretary  
 Lisa Reimbold, Recording Secretary

Others Present: James Pearson, MEA Retired; Kelly Lahr of Priority Health; Ben Louagie of Willis Towers Watson; Virginia Gibson of Willis Towers Watson; Patrick Fitzgerald of the Attorney General's office; Kathy Markman of the Attorney General's office; Ted Mitchell of OptumRx; Tracy Stephens of OptumRx; Lisa Eggert of Delta Dental; Paul Lerg of MARSP, Kim Young of Priority Health; Rosalyn Slade of Priority Health; Craig Thiel of Citizens Research Council; C.M. Miller of MEA; John Karagoulis of Office of Retirement Services; and Anthony Estell of Office of Retirement Services

### **Call to Order**

Chair Scott Koenigsknecht called the meeting to order at 10:28 a.m.

### **Excusing of Absent Members**

Larry Ward moved, Kevin Philipps supported, to excuse the absences of Mike Engle, Stephen Epstein, Timothy Raymer and Brian Whiston. The motion carried unanimously.

### **Approval of Agenda**

Larry Ward moved, Ivy Bailey supported, to approve the agenda as presented. The motion carried unanimously.

### **Approval of Minutes**

Larry Ward moved, Dan Christner supported, to approve the regular session meeting minutes of November 17, 2016. The motion carried unanimously.

## **Administrative Hearings**

### Proposal for Decision – Docket 16-000012-ORS

The Board considered the case materials. Michael Ringuette moved, Christine Veld supported, that the Board adopt as its own the recommendations of the Presiding Officer in the October 3, 2016, Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request to receive retroactive retirement benefits for the period March 1, 2010, to April 1, 2013. The motion carried unanimously.

### Proposal for Decision – Docket 16-005421-ORS

The Board considered the case materials. Christine Veld moved, Ann Kroneman supported, that the Board adopt as its own the recommendations of the Presiding Officer in the December 19, 2016, Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's request to reinstate her retirement benefits and health care subsidies for 2014. The motion carried unanimously.

### Proposal for Decision – Docket 16-007901-ORS

The Board considered the case materials. Michael Ringuette moved, Kevin Philipps supported, that the Board adopt as its own the recommendations of the Presiding Officer in the November 9, 2016, Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement. The motion carried unanimously.

### Proposal for Decision – Docket 16-7914-ORS

The Board considered the case materials. Christine Veld moved, Ivy Bailey supported, that the Board adopt as its own the recommendations of the Presiding Officer in the December 5, 2016, Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement. The motion carried unanimously.

### Proposal for Decision – Docket 16-008854-ORS

The Board considered the case materials. Michael Ringuette moved, Ann Kroneman supported, that the Board adopt as its own the recommendations of the Presiding Officer in the December 13, 2016, Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement. The motion carried unanimously.

### Proposal for Decision – Docket 16-7914-ORS

The Board considered the case materials. Christine Veld moved, Michael Ringuette supported, that the Board rejects as its own the recommendations of the Presiding Officer in the December 20, 2016, Proposal for Decision, and remand this matter for further proceedings, including a direction that the Presiding Officer issue a new Proposal for Decision analyzing the case under the Public School Employees Retirement Act. The motion carried with 7 yes votes and 1 abstention.

## **New Business**

### Assumed Rate of Return (AROR) for pension and retiree health care plans

John Karagoulis of Office of Retirement Services presented a recommendation from Bureau of Investments and the retirement systems' actuary to decrease the AROR from 8% to 7.5% used in the Michigan Public School Employees' Retirement System's (MPERS) annual actuarial valuations for the non-Hybrid Defined Benefit (DB) pension and retiree healthcare plans.

Christine Veld made a motion as follows:

As to the determination of the actuarial assumed rate of return to be used in the valuation of the Michigan Public Employees' Retirement System's assets and liabilities for the non-hybrid pension and retiree healthcare plans for FY 2016 and following:

Move to adopt, based upon the information supplied by ORS and the actuary, a rate of 7.5%.

Michael Ringuette supported. The motion carried unanimously.

## **Standing Reports**

Legislative Summary - The Board received the current report.

## **Executive Secretary Comments**

Kerrie Vanden Bosch thanked the Board for its consideration and support of lowering the assumed rate of return from 8% to 7.5%.

## **Board Comments**

Scott Koenigsknecht thanked Kerrie Vanden Bosch and ORS for the work they put in to the assumed rate of return.

## **Public Comments**

None.

**Adjournment**

Christine Veld moved, Kevin Philipps supported, that the meeting be adjourned. The motion carried unanimously and Chair Koenigsknecht adjourned the meeting at 11:06 a.m.

## OFFICIAL MINUTES

Signature on file  
Chair

Signature on file  
Executive Secretary