

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, March 21, 2019. The following members, staff, and observers participated:

Members Present: Charles "Dan" Christner, Retiree Member
 Laura Colligan, Reporting Unit Board of Control Member
 Liz Eastway, Non-Certified Educational Support Member
 Scott Koenigsknecht, Chair, Michigan Department of Education
 Ann Kroneman, Community College Administrator/Trustee Member
 Jeff Mills, Representing School Superintendents Member
 Kevin Philipps, Representing Finance/Operations, non-Superintendents
 Timothy Raymer, Representing Finance/Operations, Retirants, Member of largest retirant organization
 Alan Sonnanstine, General Public Member, Actuarial Experience

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

Others Present: Kathy Markman of the Attorney General's office; Ben Louagie, Virginia Gibson of Willis Towers Watson; James Pearson of the MEA; Ronda Daugherty of IBM Watson Health; Mark Guastella, Don Johnson, Paul Lerg, Chuck Abshagen of Michigan Association of Retired School Personnel; Kelly Lahr of Priority Health; Lori Shannon and Gary Gavin of Blue Cross/Blue Shield of Michigan; Ted Mitchell of Optum Rx; Emma Repp of CSR-MI & CSI; John Thomas Franco; Cheryl Salisbury; Daryle Salisbury; Gary Crampe; Dale Shubert; Mark Cummins, Macomb ISD; Robert Brackenbury, Treasury; Lois Musbach, Chanda Donnan, Patrick Turcotte, Amy Wheeler, Caleb Chamberlain and Anthony Estell of the Office of Retirement Services.

Call to Order

Chair Scott Koenigsknecht called the meeting to order at 10:32 a.m.

Excusing of Absent Members

Dan Christner moved, Kevin Philipps supported, to excuse the absence of Stephen Epstein and Mike Engle. The motion carried unanimously.

Approval of Agenda

Ann Kroneman moved, Laura Colligan supported, to approve the agenda. The motion carried unanimously.

Approval of Minutes

Jeff Mills moved, Timothy Raymer supported, to approve the regular session meeting minutes of November 1, 2018. The motion carried unanimously.

Declaratory Rulings

Request for a Declaratory Ruling

The Board considered the case materials. Timothy Raymer moved, Alan Sonnanstine supported, that the Board move to deny Petitioner's Request for a Declaratory Ruling that his pension at 50% survivor option be recalculated using the actuarial option factor that was in place when he first became eligible for full pension benefits, as the current calculation is correct. The motion carried unanimously.

Request for a Declaratory Ruling

The Board considered the case materials. Liz Eastway moved, Kevin Philipps supported, that the Board move to deny Petitioner's Request for a Declaratory Ruling that reverses ORS' September 6, 2018, determination of her FAC, as ORS' calculation of her FAC is consistent with the Public School Employees' Retirement Act, MCL 38.1301, *et. seq.*; and move to deny Petitioner's request for attorney fees and costs. The motion carried unanimously.

Administrative Hearings

Proposal for Decision – Docket 18-007667-ORS

The Board considered the case materials. Timothy Raymer moved, Jeff Mills supported, that the Board adopt as its own the recommendations of the Administrative Law Judge in the November 19, 2018, Proposal for Decision, including the proposed Findings of Fact presented for purposes of deciding the motion and Conclusions of Law, and deny Petitioner's motion for summary disposition and remand the matter for an evidentiary hearing. The motion carried with eight approved and one abstention.

Proposal for Decision – Docket 16-008512-ORS

The Board considered the case materials. Timothy Raymer moved, Kevin Philipps supported, that the Board adopt as its own the recommendations of the Administrative Law Judge in the February 13, 2019, Proposal for Decision, including the proposed Findings of Fact presented for purposes of deciding the motion and Conclusions of Law, with the correction of Petitioner's retirement date to July 1, 2007, in Fact #1 on page 3, and deny Petitioner's motion for summary disposition and remand the matter for an evidentiary hearing. The motion carried with eight approved and one abstention.

Proposal for Decision – Docket 18-002921-ORS

The Board considered the case materials. Liz Eastway moved, Laura Colligan supported, the board adopt as its own the recommendations of the Administrative Law Judge in the December 14, 2018, PFD, as to the jurisdiction issue only, and find the Board lacks jurisdiction over this matter. Further, the Board moved to deny Petitioner's request for costs and to grant the motion to strike Respondent's exceptions as untimely. The motion carried unanimously.

Proposal for Decision – Docket 18-003979-ORS

The Board considered the case materials. Liz Eastway moved, Jeff Mills supported, that the Board adopt as its own the recommendations of the Administrative Law Judge in the September 27, 2018, Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, with the corrections noted in Respondent's Exceptions and deny Petitioner's application for non-duty disability retirement. The motion carried unanimously.

Proposal for Decision – Docket 18-006614-ORS

The Board considered the case materials. Timothy Raymer moved, Ann Kroneman supported, that the Board adopt as its own the recommendations of the Administrative Law Judge in the November 7, 2018, 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 18-003487-ORS

The Board considered the case materials. Liz Eastway moved, Dan Christner supported, that the Board adopt as its own the recommendations of the Administrative Law Judge in the December 11, 2018, 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 18-003336-ORS

The Board considered the case materials. Timothy Raymer moved, Kevin Philipps supported, that with the inclusion of corrections requested in Respondent's Exceptions, the Board adopt as its own the recommendations of the Administrative Law Judge in the January 18, 2019, Proposal for Decision, including the proposed Findings of Fact and Conclusions of Law, and deny Petitioner's application for non-duty disability retirement. In addition, move to deny Petitioner's Request for Oral Argument on her Exceptions. Further, move to deny Petitioner's Petition for an Alternate Independent Medical Advisor and New Independent Medical Advisor Statement of Disability and move to deny oral argument on the Petition. The motion carried unanimously.

Proposal for Decision – Docket 18-003977-ORS

The Board considered the case materials. Timothy Raymer moved, Laura Colligan supported, that the Board adopt as its own the recommendations of the Administrative Law Judge in the September 26, 2018, 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 18-003497-ORS

The Board considered the case materials. Liz Eastway moved, Jeff Mills supported, that the Board adopt as its own the recommendations of the Administrative Law Judge in the September 26, 2018, 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.

Special Reports

Robert Brackenbury from Department of Treasury, Bureau of Investments presented the Annual Investment Report to members and answered questions.

Mita Drazilov from Gabriel Roeder Smith & Company presented the Pension Valuation Report to Board members and answered questions.

Louise Gates of Gabriel Roeder Smith & Company presented the Health Valuation Report to the Board members and answered questions.

Standing Reports

Legislative Summary - The Board received the current report.

Nominations Committee for May elections

Chair Scott Koenigs knecht indicated that Executive Secretary Kerrie Vanden Bosch will contact the same nominations committee as last year and ask them to serve on the nominations committee again and reach out to the board for any other board nominations.

Executive Secretary Comments

Executive Secretary Kerrie Vanden Bosch thanked the board for serving and attending the meeting. She also stated she felt the retirement system was on a good path with the changes to assumptions that had been made and thanked the board for their support in making those.

Board Comments

Dan Christner inquired about the safety of the retirement trust funds from having money diverted by the legislature. Executive Secretary Kerrie Vanden Bosch described several layers of protection of the retirement trust funds.

Public Comments

Mark Cummins from Macomb ISD reminded the board of a time when Governor Granholm directed that some retirement trust fund dollars be invested in the film industry, and that investment did not go well. Kerrie Vanden Bosch indicated that there were subsequently more stringent requirements adopted as part of the Public Employee Retirement Investment Act, and that the State of Michigan Investment Board has been established as the fiduciary of the trust funds.

Adjournment

Kevin Philipps moved, Laura Colligan supported, that the meeting be adjourned. The motion carried unanimously, and Chair Scott Koenigsknecht adjourned the meeting at 12:54 p.m.

OFFICIAL MINUTES

Signature on file
Chair

Signature on file
Executive Secretary