

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT BOARD
5 North Fifth Street
Harrisburg, Pennsylvania**

Special Board Meeting

Minutes

July 12, 2011

9:35 A.M.

Board Members Present

Ms. Sally J. Turley, Chairman
Ms. Melva S. Vogler, Ex-Officio

Board Members Present Telephonically

Mr. Glen S. Galante
Mr. Thomas J. Gentzel
Representative Glen R. Grell
Mr. John Raymond for
 Senator Shirley M. Kitchen
Representative Joseph F. Markosek
Treasurer Robert M. McCord
Mr. Hal Moss
Mr. Richard N. Rose
Mr. James M. Sando
Ms. Kelly Logan for
 Secretary Ronald J. Tomalis
Ms. Patricia A. Tozer

Staff Members Present

Mr. Jeffrey B. Clay
Mr. Patrick Daniels
Mr. Dwight Decker
Ms. Barbara D. Flurie
Mr. Gerald Gornish
Mr. Donald J. Halke
Mr. Richard D. Michlovitz
Ms. Maryann Pavlovic
Ms. Terrill J. Savidge
Mr. Mark F. Schafer
Mr. Charles K. Serine
Ms. Evelyn M. Tatkovski
Mr. Joseph E. Wasiak, Jr.

Others Present

Mr. Ken Anderson, IPC
Mr. George Bognar, Segal
Mr. Richard Johnson, Segal
Mr. Ed Kaplan, Segal
Ms. Debbie Reeves – Telephonically

Ms. Vogler called the meeting to order at 9:35 A.M. in the fourth floor Board Room at PSERS' headquarters.

CALL TO ORDER

Mr. Clay took attendance by roll call.

ROLL CALL

HEALTH CARE COMMITTEE

Ms. Turley reported on the meeting held on July 12, 2011.

Ms. Turley moved that the Public School Employees' Retirement Board (the "Board") reject all bids submitted in response to the Pharmacy Benefits Manager Request for Proposals and seek

PHARMACY BENEFIT
MANAGER RFP

approval from the Department of General Services for an extension of the contract with Prescription Solutions to allow the Board time to issue a new Request For Proposal for a Pharmacy Benefits Manager, in accordance with the recommendation of Mark Schafer, Director of the Health Insurance Office. The contract extension shall be subject to negotiations of terms and conditions satisfactory to the Director of the Health Insurance Office, the Office of Chief Counsel and the Executive Director, as evidenced either by the appropriate signatures on the implementing contract extension or by a memo to that effect appended to the implementing contract extension. Ms. Tozer seconded the motion, which passed unanimously.

EXECUTIVE SESSION

At 9:36 A.M., Mr. Clay stated: "In accordance with Section 5.13 of the Bylaws of the Public School Employees' Retirement Board, we are going into an Executive Session to discuss the item listed on today's agenda, namely the Wissahickon School District. The Committee may hold an executive session for any one or more of the reasons enumerated in Section 708(a) of the Sunshine Act (65 Pa C.S. §708(a)), including agency business which, if conducted in public would violate a privilege or lead to the disclosure of information or confidentiality protected by law, including matters related to the initiation and conduct of investigations of possible or certain violations of laws."

Mr. Rose moved that the Board enter into Executive Session. Ms. Turley seconded the motion, which passed unanimously.

The Executive Session ended at 10:05 A.M. and the meeting immediately returned to Regular Session.

WISSAHICKON
SCHOOL DISTRICT

Ms. Tozer moved the following resolution.

WHEREAS, Section 8521(e) of the Public School Employees' Retirement Code (Code), 24 Pa.C.S. §8521(e), provides that the members of the Public School Employees' Retirement Board (Board), have a fiduciary relationship vis-à-vis the members of the Public School Employees' Retirement System (System); and

WHEREAS, to fulfill and execute their statutorily-required fiduciary duties and responsibilities, members of the Board must attend Board and Committee meetings, as well as other Board-related functions, which require them to be necessarily absent from their regular employment; and

WHEREAS, Section 8501(a) of the Code, 24 Pa.C.S. §8501(a), provides, in pertinent part, that "[t]he board shall be an independent

administrative board and shall consist of 15 members: . . . three to be elected by the active professional members of the system from among their number;" and

WHEREAS, James M. Sando is currently one of the three members of the Board duly elected by the active professional members of the System; and

WHEREAS, James M. Sando is currently an active professional employee of the Wissahickon School District (District); and

WHEREAS, the District is seeking to restrict or otherwise interfere with James M. Sando's ability to be necessarily absent from his employment at the District to fulfill and execute his duties as a member of the Board, notwithstanding the System's obligation to reimburse the District "for the salary or wages of the member, or for the cost of employing a substitute for such member, while the member is necessarily absent from employment to execute the duties of the board," as provided in Section 8501(d) of the Code, 24 Pa.C.S. §8501(d), or the System's willingness to otherwise provide for continuity of instructional staff in the classroom.

NOW THEREFORE BE IT RESOLVED, that Jeffrey B. Clay, Executive Director of PSERS, is hereby authorized to take all necessary action, including the initiation of litigation, on behalf of the System, to prevent the District from restricting or otherwise interfering with the duties and responsibilities of James M. Sando as a member of the Board. If litigation is necessary, the Chief Counsel is authorized to seek delegation of authority from, or participation by, the Attorney General for said litigation. Treasurer McCord seconded the motion, which passed with 2 abstentions from Mr. Sando, who recused himself, and Mr. Gentzel.

Ms. Vogler adjourned the meeting at 10:08 A.M.

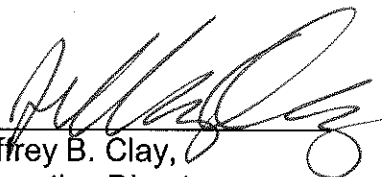
ADJOURNMENT

The next meeting of the Board of Trustees of the Public School Employees' Retirement Board to be held on August 11, 2011, in PSERS Board Room, 5 North 5th Street, Harrisburg, PA.

NEXT MEETING

Date 7/14/11

Approved


Jeffrey B. Clay,
Executive Director