



CT TEACHERS' RETIREMENT BOARD

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BOARD MINUTES

January 11, 2018

10:30 am

The meeting of the Teachers' Retirement Board was called to order at 10:35 a.m. by Chairperson Clare Barnett on Thursday, January 11, 2018.

BOARD MEMBERS PRESENT:

Clare Barnett, Teacher Member
Bill Myers, Teacher Member
Steven Muench, Teacher Member
Jonathan Johnson, Public Member
Lisa Mosey, Teacher Member
Charles Higgins, Public Member
Bill Murray, Teacher Member
Stephen McKeever, Teacher Member, AFT
Laurie Martin, Office of the State Treasurer
Gregory Messner, Office of Policy and Management
Kathy Demsey, State Department of Education

BOARD MEMBERS NOT IN ATTENDANCE:

Elaine Lowengard, Public Member

STAFF PRESENT:

Darlene Perez, Administrator
Loc Pho, Associate Accountant
Charlene Hill, Assistant to the Administrator

OTHERS PRESENT:

Joseph Fields, Bargained Plans LLC
John Garrett, Cavanaugh Macdonald Consulting
Robyn Kaplan-Cho, CEA
James Stirling, Stirling Benefits
Gloria Brown, CEA-R
Rick Follman, ARTC/CASA
Christina Gellman, OFA
Holly Williams, OFA
June Pinkin, HFT-R
Edward Messina, ARTC
Elayne Futernick, HFT-R
Joseph Schrank

Open meeting – Chairperson

1. Consideration and Approval of the Appeals Subcommittee recommendation.

Bill Meyers provided information regarding a member's appeal. The appeal subcommittee met with the member and her attorney, listened to testimony and reviewed documents provided. The member and her attorney could not show proof that deadlines were not missed therefore the appeal subcommittee recommended to the board that the member's appeal be denied because deadlines were indeed missed.

A motion was made by Bill Murray and seconded by Lisa Mosey to approve the appeal subcommittee's recommendation to deny the member's appeal. All members voted in favor and the motion was passed.

2. Viability Report Update

Chairperson Clare Barnett discussed the viability commission which was mandated by legislation when the budget passed. OPM is in charge of conducting the search and has very strict guidelines regarding the timeframe to complete the search, what will be included in the study and when the report will be submitted. OPM has selected John Garrett of Cavanaugh Macdonald Consulting as the Consultant. The entire board will be working with John and he will keep the board updated on his progress. We will have a public hearing next month on February 7, 2018. The public hearing will be held later in the day from 3:00 pm to 5:00 pm after the board meeting which will be held at 1:30 pm. John Garrett and the board will be there for the public hearing. This is a time for any teacher or public member who would like to come forward with written testimony or verbal testimony to address this proposed viability issue.

John Garrett, advised that in addition to himself, there will be four (4) other actuaries who will be a part of the team. He presented the outline of the proposed Work Plan for the Viability Commission which began with conversations with OPM on the financial resources of the state. John and his team have started developing assumptions to use in modeling, they have begun researching benefits of all other state teacher retirement systems benefits, costs, and funded status. Benefit benchmarking and cost sensitivity analysis of baseline models will be conducted around January 15, 2018 as well as identifying alternatives to benefits, funding methods and actuarial assumptions, development of modeled analysis alternatives around February 7, 2018, there will also be a meeting to review analysis of alternatives and recommendations.

John advised he discussed the discount rate with Laurie Martin in the Treasurer's office. He advised nothing has changed from the experience study of the 6.9% discount rate and this number will be used in the modeling for alternative assumption with a 2.5% inflation assumption. The COLA assumption rate may need to be adjusted for those that are tied to the lowering inflation assumption, but it will be a minimal change just to be consistent with the new inflation rate we are assuming. Payroll growth may also need to be changed so they will look at that as well.

John also discussed state revenue scenario - financial constraints to model. He discussed constraints and assumptions and how they will be used to build the models to first show what the baseline is, and what it's going to produce is the probability of the plan becoming solvent in future years, the path of expected funded ratio improvement under different scenarios of investment returns.

A discussion followed.

3a. Consideration and Approval of the Subcommittee's recommendation to the Board that the TRB proceed in an effort to enter into a contract with Anthem to provide Medicare Advantage (MA) plan services to the TRB membership.

A motion was made by Bill Myers and seconded by Bill Murray to approve the subcommittee's recommendation to enter into a contract with Anthem to provide MA plan services to TRB membership. All members voted in favor with one abstention (Charles Higgins) and the motion was passed.

Charles Higgins exited meeting.

3b. Consideration and Approval of premiums effective July 1, 2018 for existing and new MA health benefit programs offered by the TRB as recommended and presented by Joe Fields, TRB Benefit Consultant.

Joe Fields, TRB Health Consultant provided a presentation outlining the new MA vendor Anthem's MA plan services to the TRB members. Joe advised that the MA plan is a PPO model based on the Blue card network. It is a very large national network that Anthem provides to most of the teachers currently in the state. People who move into this plan from their last employing Board of Education plan will be familiar with this plan. They operate in all fifty states. If there is a place where they do not have a network, then they declare the county as being an in network county for using out of network providers. There is a very substantial participation.

The member contribution rates effective July 1, 2018 for the existing Medicare plan for all coverages (base plan, dental, vision and hearing) is \$259.00 per month, and the member contribution rates per month for the new MA plan for all coverages (base plan, dental, vision and hearing) is \$134.00

A discussion followed.

A motion was made by Bill Myers and seconded by Bill Murray to approve the premiums for the existing and new MA health benefit premiums effective July 1, 2018. All members voted in favor and the motion was passed.

Chairperson Clare Barnett announced the Fiscal Administrative Manager at TRB, Shantelle Varrs has accepted a position with another agency. Clare thanked Shantelle for her hard work and wished her the best in her new position. Shantelle's last day at TRB will be January 18, 2018.

Clare also advised that the recruitment process to fill the position of Administrator at TRB has begun and the job posting for the position is being posted.

ADJOURNMENT:

A motion was made and seconded to adjourn the meeting. All members voted in favor and the motion was passed.

The meeting adjourned at 11:15 am.