



CT TEACHERS' RETIREMENT BOARD

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Wednesday, April 30, 2014

2:00 pm

The meeting of the Teachers' Retirement Board was called to order at 2:02 pm by Chairperson Clare Barnett on Wednesday, April 30, 2014 at 765 Asylum Avenue, Hartford, CT.

BOARD MEMBERS PRESENT:

Clare Barnett, Teacher Member
William Myers, Teacher Member
Michael Freeman, Teacher Member
Rosalyn Schoonmaker, Teacher Member
Al Bredehorst, Teacher Member
Charles Higgins, Public Member
Jonathan Johnson, Public Member
Elaine Lowengard, Public Member
Eugene Cimiano, Public Member

BOARD MEMBERS NOT IN ATTENDANCE:

Maureen Honan, Teacher Member
Clifford Silvers, Public Member
Kathy Demsey, Designee (State Department of Education)
Lee Ann Palladino, Designee (Office of the Treasurer)
Gregory Messner, Designee (Office of Policy and Management)

STAFF PRESENT:

Darlene Perez, TRB Administrator
Lou Laccavole, Fiscal Administrative Supervisor
Anne Scanlon, Administrative Assistant

OTHERS PRESENT:

Karen Nolen, Office of Policy and Management
Robyn Kaplan-Cho, Connecticut Education Association
James Stirling, CEO, Stirling Benefits, Inc.
Tom Singleton, Association of Retired Teachers of Connecticut
Tom Danehy, Connecticut Association of Public School Superintendents

1. Open meeting – Chairperson

Chairperson, Clare Barnett

2. Agency Report.

Presented by Darlene Perez, Administrator

At the previous meeting the Board approved the agency to proceed with issuing a Request for Proposal (RFP) for the EGWP. We have done so and the responses are due tomorrow (May 1, 2014). The process is moving along and we did find some value in moving our retired teachers from a traditional prescription plan to an Employer Group Waiver plan. The expectation is that we will have completed the analysis, reviews and meetings necessary in order to bring a recommendation to the Board at the next meeting which is scheduled for May 21, 2014.

We would like to propose a change in the time of the next meeting. The May 21, 2014 meeting is scheduled for 10am. The proposed time change would be to 2pm. The earlier meeting time makes it difficult for active teachers to attend. In response to some active teacher comments, we have decided to entertain the change in time.

A motion was made and seconded to change the time of the May 21, 2014 meeting from 10am to 2pm. All members voted in favor and the motion was passed.

At the same time we were filling 3 vacancies we had 3 people out on long term medical leave. Those out on medical leave have since returned. The continuation of training 3 new employees at the same time presents many challenges especially in a small agency with extremely high demands such as ours in addition to having the state auditors here at the same time. The new employees are getting used to some of the routine tasks that are required at this agency.

We did a computer refresh recently. Computers are generally replaced every 8 or 9 years. Our goal, now, is to refresh administration software where we store the benefit, tax, address, salary history and service credit information. The version our agency is operating on now was written in the mid 1990s. Not all software written today is consistent with languages and operations of software that we have now. In order to request money to upgrade we must coordinate with the DAS-BEST unit which is in charge of the overall State IT infrastructure. When the agency implemented the current software in the late 1990s and early 2000s we had our own internal IT Manager. We didn't have the need for a full time manager, but we did have the need for the 3 IT staff that we have. Now that we no longer have an internal IT Manager we need to determine how to get help – if we need a budget to borrow one of their staff so we can figure out what the new business needs are. It may require writing a request for information to determine how much money we need to ask the State for.

I introduced Legislation this year to move some of the anticipated expenses from the operating expense to the health fund expenses to cover vender claims audits – this looks like it is going through. Part of the goal was to repurpose the money in order for the agency to obtain legal counsel for the many issues we face. Since the money is already in the budget, and we couldn't do an audit on the largest vendor (prescription program) and we managed to get a piece of the Legislation accomplished it was an opportune time to replace the servers which have reached the end of their life cycle. The plan is to use the money that was ear-tagged

originally for claims audit (that we are going to repurpose for an attorney) before the end of this fiscal year to replace our servers. Money will be intact next year to obtain an attorney which we will request through the Attorney General's Office. We are in need of a pension and tax attorney, not general practice counsel.

We have 6 servers – some are off-site for State disaster recovery.

3. Approval of the March 12, 2014 Meeting Minutes.

A motion was made and seconded to approve the March 12, 2014 minutes. All members voted in favor with 4 abstentions (Clare Barnett, Michael Freeman, Rosalyn Schoonmaker and Charles Higgins).

4. Consideration and Approval of the Administrator's Actions regarding:

- a. The granting of service retirement benefits for the months of March and April 2014, and
- b. Survivor benefits for the month of March, 2014 and
- c. Reports & recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the March and April, 2014 meetings.

Motion was made and seconded to approve the service retirement benefits for the months of March and April, 2014, the survivor benefits for the month of March, 2014, and applications for a disability allowance for the months of March and April, 2014. All members voted in favor and the motion was passed.

5. Consideration and Approval of the establishment of a health care trust for Connecticut teachers.

Previously, the Board approved pursuing the concept of establishing a health care trust for Connecticut teachers. People who have been very helpful in this pursuit, primarily from the Treasurer's Office are Denise Napier, Lee Ann Palladino, Catherine LaMarr (Attorney for Denise Napier) and Krista O'Brien from the Attorney General's Office. It has been determined that we do have the authority to create this health care trust. As of today, Catherine LaMarr was meeting with Krista O'Brien from the Attorney General's office to work out some of the details. It will be patterned after the SERS (State Employees Retirement System) Trust – the lawyers from the Treasurer's actually put the SERS trust together. It will be patterned after SERS, but not identical as we are not similarly situated. We don't have all the details yet. The Board will be advised of these details in the coming months as they are made available.

Motion was made and seconded to approve the establishment of a trust for the Connecticut retired teachers' health insurance fund. All members voted in favor and the motion was passed.

We wish to thank the Treasurer for her help and support. Also thank you to Catherine LaMarr, who offered to be here if we needed her.

COMMENTS FROM OBSERVERS

James Stirling, CEO, Stirling Benefits, Inc. has extended an open invitation to the Board members to visit his office, meet the staff members and see how claims are processed. He would be happy to give anyone a tour of the office. Located off I95 in Milford, CT.

ADJOURNMENT – 2:19 PM