



STATE OF CONNECTICUT
TEACHERS' RETIREMENT BOARD
21 GRAND STREET HARTFORD, CT 06106-1500

Minutes of Meeting
December 12, 2007

The regular meeting of the Teachers' Retirement Board was called to order at 2:15 p.m. by Chairperson Barnett on Wednesday, December 12, 2007 at 21 Grand Street, Hartford, Connecticut.

Board Members Present:

Clare H. Barnett, Chairperson, Teacher Member
Eugene Cimiano, Public Member
Deborah Freedman, Public Member
Marion S. Jewell, Teacher Member
William Murray, Teacher Member
Mary E. Nicholas, Teacher Member
Rosalyn Schoonmaker, Teacher Member

Staff present:

Darlene Perez, Administrator
Leanne Appleton, Assistant Administrator
Lou Laccavole, Fiscal Administrative Supervisor
Jean Ouellette, Administrative Assistant

Others present:

Robyn Kaplan-Cho, CEA
Karen Nolen, OPM
James Stirling, Stirling Benefits
Shousan Wang, CCSU
Wayne Woodtke, ARTC

AGENCY REPORT

Administrator Perez reported on the following.

Administrator Perez introduced the Agency's new Administrative Assistant Jean Ouellette.

Administrator Perez signed the lease the last week of November for the new office location. Leanne Appleton and Lou Laccavole meet at the State Office Building today regarding the floor plans. Three or four more steps are needed for finalizing the lease before the landlord can begin renovations on the building. The move is anticipated to take place between March and May.

The annual member statements should be mailed on December 18th.

Members are allowed to make additional contributions into the Teachers' Retirement system above the mandatory required contributions. They are called voluntary contributions and go into a voluntary account. Members are allowed to make a onetime withdrawal from their voluntary contribution account during their career without a qualifying event. A previous administration allowed a few members to withdraw a portion of their voluntary funds. This was not statutorily provided for or excluded. Partial withdrawal for a member who wants to continue working carries many administrative burdens as they are more involved and require several hours of manual calculations to process. It is hard to meet the Agency's goal with the limited number of staff. Therefore, as of July 1, 2008 the administration will return to the original rule where a full withdrawal of all funds from the voluntary account will be necessary. Currently there are approximately 3,000 teachers who are actively working with voluntary accounts. This should not be a big impact item for the members as very few requests are made for partial withdrawal.

Leanne Appleton and Lou Laccavole attended an FOI training session where they learned of new posting requirements for public agency meetings for the Secretary of State and Agency's websites. They are:

Within 24 hours prior to the meeting the Board meeting agenda needs to be posted.

Within 48 hours after the meeting all votes must be posted by Board member's name.

Within 7 days of the meeting a draft of the Board meeting minutes must be posted.

Publish the annual meeting schedule by January 31 of each year.

Allow 30 days to post a notice for any additional meeting or change of a meeting.

Administrator Perez clarified that meetings to discuss agency business, and there is a quorum, must follow these requirements. Subcommittee meetings or training meetings are not required to be posted.

Governor Rell has asked which board members would like to be reappointed to their positions. Elaine Lowengard was reappointed to serve on the Board by Governor Rell on October 18, 2007 for a term to coincide with the Governor's or until a successor is appointed, whichever is longer.

An RFP for a Health Plan Administrator for health, vision and hearing benefit claim management and payment was issued. The bids are due January 11, 2008. Finalist presentations are scheduled for January 28, 2008. A vendor should be selected by February 8, 2008.

An RFP for a Prescription Benefits Administrator will be issued shortly after the Health Plan Administrator is selected. The current contract is held by Medco and expires December 31, 2008.

MATTERS FOR BOARD ACTION

The meeting was briefly suspended at 2:23 p.m. to allow for a quorum to assemble. Marion Jewell arrived at 2:26.

Motion to approve the September 12, 2007 meeting minutes was made by Rosalyn Schoonmaker, and seconded by Eugene Cimiano. All members voted in favor and the motion passed.

Motion to approve a. the granting of service retirement and survivorship benefits for September, October and November 2007 and b. the reports and recommendations of the Medical Review Committee for September, October and November, 2007 was made by Eugene Cimiano and seconded by Rosalyn Schoonmaker. All members voted in favor and the motion passed.

Motion to accept the January 2008 2.3% COLA to coincide with Social Security for the post 1992 members was made by William Murray and seconded by Rosalyn Schoonmaker. All members voted in favor and the motion passed.

There was a discussion on the voluntary account interest method. Consensus was that it would be better for all to go to the market rate with no look back for smoothing of the rate. A look back would involve accounts of deceased members possibly owing the system monies and legislative action to recoup such monies. Pension lawyers have told us that a smoothed rate can't be done on voluntary accounts. Workshops were held and it was felt that members did not expect to have a look back on their accounts. Many actuarial and legal issues could arise if there is a look back. Members have been given a chance to remove their money. Voluntary accounts are an investment with the same risks associated with any investment.

Marion Jewell made motion to move to the market rate as of July 1, 2008, prospectively with all voluntary accounts that currently exist with no look back. Rosalyn Schoonmaker seconded the motion. Interested party Shousan Wang expressed his ideas on the issue.

Deborah Freedman left the meeting for another commitment at 3:00 noting that she was not comfortable with the current consensus of the board and needed more information before she could vote. Mary Nicholas arrived at this time and a brief break was held to find out how she was after her auto accident on the way to the meeting.

The meeting reconvened at 3:05 and a vote was taken on the motion. All members then present voted in favor and the motion passed.

The 2008 meeting schedule was discussed. Two options were proposed. It was decided to use the longer schedule. Changes to the proposed schedule are:

- Eliminate January 9

- Change March 12 to March 5

- Add August at a later date

- Hold November's meeting on the 12th or on a date that will accommodate the valuation report due to the legislation by the last business day of November.

Any adjustments that may be needed will be posted according to the new regulations. The location of the meetings will be posted as 21 Grand Street until the move is finalized

Rosalyn Schoonmaker made motion and Mary Nichols seconded to adopt the 2008 schedule as discussed. All members voted in favor and the motion passed.

MATTERS FOR BOARD INFORMATION

Chairman Barnett spoke about the National Council on Teacher Retirement (NCTR) which is an industry standard. The 2008 annual meeting will be held in October in Washington, D.C. The meeting will cover investing, legislation, taxation, privatization, social security and situations unique to teachers. It was noted that the 2007 conference made positive changes to its program. This organization is very beneficial and should be considered an educational expense. She would like to find a way to have broader participation from the board members. Only the registration is covered by the Agency budget. Other expenses (travel, lodging) incurred for this meeting are not covered. Chairman Barnett would like Administrator Perez to see if there is some way these expenses could be covered so that more board members could have the opportunity to attend.

Chairman Barnett noted that retirement statistics for September, October and November 2007 were contained in the materials handed out for review.

COMMENTS FROM OBSERVERS

Observer Wayne Woodtke asked what the acronym NCTR stands for. It was explained that NCTR means National Council on Teacher Retirement and that their headquarters is in Sacramento, California. NCTR.org is the website.

Observer Robyn Kaplan-Cho questioned if something would be put on the website regarding the change for a partial withdrawal from the voluntary account. Administrator Perez explained that a notice will be put on the website as well as mailing individual notices as there are so few with a voluntary account. A withdrawal is allowed only one time during their career prior to retirement, death or disability. Any partial withdrawal should be done by May 31, 2008 so that there is a clean cut return to the requirement of full withdrawal of voluntary funds effective July 1, 2008.

Observer James Stirling commented that he has attended four of the last five NCTR conferences and that attendance at this conference would be incredibly valuable to any board member and would encourage the state to fund this out of state travel. He also expressed his appreciation for the opportunity of being the health plan administrator.

Rosalyn Schoonmaker moved to adjourn the meeting at 3:25 p.m., seconded by Mary Nicholas. All members voted in favor and the motion passed.

Respectfully submitted,

Jean Ouellette, Administrative Assistant

December 19, 2007

Date

Attest:

Darlene Perez, Administrator

March 5, 2008

Date Approved