



CT TEACHERS' RETIREMENT BOARD

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Teachers' Retirement Board June 25, 2021

A regular meeting of the Teachers' Retirement Board was held virtually on June 25, 2021. The meeting convened at 10:00 a.m.

BOARD MEMBERS PRESENT:

Clare Barnett, Chair, Retired Teacher Member
William Murray, Vice-Chair, Retired Teacher Member
John Flores, Office of the State Treasurer
Lisa Heavner, Public Member
Kathleen Holt, Public Member
Jonathan Johnson, Public Member
Gregory Messner, Office of Policy and Management
Steven Muench, Active Teacher Member
Lisa Mosey, Active Teacher Member
Thomas Nicholas, Active Teacher Member
Keith Norton, State Department of Education

ABSENT:

Charles Higgins, Public Member
Stephen McKeever, Active Teacher Member, AFT

STAFF PRESENT:

Helen Sullivan, Administrator
Charlene Hill, Assistant to the Administrator
Keith Petit, Fiscal Administrative Manager
Javiel Resto, IT
Amanda Harley, RBO

ALSO PRESENT:

John Garrett, Cavanaugh Macdonald Consulting
Ben Mobley, Cavanaugh Macdonald Consulting
Bruce Barth, Robinson & Cole
Alisha Sullivan, Robinson & Cole

Terry DeMattie, Segal Consulting
Daniel Rhodes, Segal Consulting
Steven Manning, Segal Consulting
Jennifer Slutzky, Segal Consulting
Megan Budd, Marcum, LLP
Kelly Smith, Marcum, LLP
Robyn Kaplan-Cho, CEA
Christina Gellman, OFA
Bill Myers, Retired Teacher
Walt Ciplinski, RTHA
Rita McDougald-Campbell, Retired Teacher
Daniel Diodato, Pageant Media
Paula Bacolini, ARTC, RTHA
Alfred Jarvis, Anthem
Allen Lightcap, Anthem
Carol Stricos, Anthem
Bob Fisher
Brandon Moustafa
Carol Noble
Courtney Jennings
David Meyers
Dayle Kimball
DeDe Raybuck
Dodie Turcotte
Donald Goodson
Edward Messina
Gloria Lebetkin
Greta Redmond
Jane Wilson
Jeff Harr
John Thompson
Joseph Agostini
Joy White,
Julia Sporer
Kathleen Hennessey
Kendall McIntee
Kenneth Poppe
Kim Farner
Leo Salvatore
Linda Force
Linda Kobilarcsik
Lou Gianquinto
M. Mazzei
Margaret Rick
Matthew Steimel
Mike Grossman
Nancy Walts

Noreen Scafuri
Patrick Crawford
Patrick O'Brien
Paula Schwartz
Philip O'Reilly
Robert Buck
Rosamond Campbell
Ryan Kuehn
Susan Schmidek
Thomas Bruenn
Thomas Devine
Tom Danehy
Bob
Louise

Call to Order

Chairperson Barnett called the regular meeting of the Teachers' Retirement Board to order at 10:08 a.m.

1. Approval of the Health Insurance RFP Subcommittee recommendation:

An RFP was issued for the health insurance services for the TRB which is the standard process for all TRB vendor services. The health insurance subcommittee consisted of Bill Murray, Lisa Mosey and Greg Messner. The RFP subcommittee assisted by Segal Consulting provided information regarding the process and how they made their selection. The Subcommittee reviewed and evaluated three proposals submitted for the Medicare Advantage Plan and two proposals for the Medicare Supplement Plan. The vendors were evaluated on several factors including cost, experience, any enhancement to services they suggested, and pharmacy disruption. All vendors recommended bundling the pharmacy and medical plans. The subcommittee unanimously felt that the best proposal for the Medicare Advantage Plan and the Medicare Supplement Plan came from United Healthcare. The Subcommittee recommended United Health as the selected vendor.

Terry DeMattie, Segal Consulting provided additional information regarding the change to Medicare Advantage with Prescription Drug Plan (MAPD) which is a single medical and pharmacy plan. The same pharmacy program will be offered to members on the Medicare Supplement plan. The benefits include significant savings, one id card and one customer service number for members, and plan enhancements including but not limited to no \$10 copay for labs and x-rays, surgical stockings, certain prescription drugs, hearing aid and gym benefits.

Bill Murray also provided background information on his experience past and present as a subcommittee member on health insurance committees as well as other committees.

A discussion followed.

A motion was moved by Bill Murray and seconded by Lisa Mosey to approve the health insurance RFP subcommittee recommendation to begin negotiating a contract with the selected vendor United Healthcare for healthcare services effective January 1, 2022.

A discussion followed.

At 10:30 a.m. the board entertained a motion to enter executive session to continue discussions regarding the health insurance RFP. The motion was moved by Lisa Heavner and seconded by Steven Muench. All members voted in favor and the motion was passed.

At 11:00 a.m. A motion was moved by Lisa Mosey and seconded by Greg Messner to exit executive session. All members voted with one opposed, Lisa Heavner and with all other members voting in favor, the motion was passed.

Continuing the motion that was moved and seconded prior to executive session, the members of the board voted with two opposed, Lisa Heavner and Kathleen Holt, to approve the RFP Subcommittee's recommendation to begin contract negotiations with the selected vendor United Healthcare for healthcare services effective January 1, 2022.

2. Approval of the June 30, 2021 credited interest:

John Garrett and Ben Mobley, Cavanaugh Macdonald Consulting, LLC presented to the Board as part of their annual services, the interest rate used to credit mandatory and voluntary contribution accounts at the end of each fiscal year. The rate of interest credited to member's mandatory contributions is set by the board with the enactment of Public Act 19-117. The information used for this year's calculation includes the actual year to date (YTD) cash flows (as of April 30, 2021) and expected cash flows for May and June of 2021.

The interest rate of return for the mandatory contributions: 4.0%

The interest rate of return for the voluntary contributions: 21.06%

A motion was made by Greg Messner and seconded by Steven Muench to approve the June 30, 2021 credited interest to be posted to members' accounts. All members voted in favor and the motion was passed.

3. Approval of the Independent Audit Report:

Megan Budd, Marcum LLP presented the audit reports for GASB No. 68 schedule of employer allocations and schedule of pension amounts by employer and GASB No. 75 schedule of OPEB amounts by employer as of June 30, 2020. Megan advised that the report is still in draft form as they are still working with some towns to get answers on some individual variances found within the census but it's nothing that they are concerned about or anything that would change the report. There were no issues or areas of concern to report from either of the audits.

A discussion followed.

A motion was made by Steven Muench and seconded by Lisa Mosey to approve the independent audits of the GASB No. 68 and GASB No. 75 reports as of the June 30, 2020. All members voted in favor and the motion was passed.

4. April 21, 2021 Board Meeting Minutes:

A motion was moved by Steven Muench and seconded by Greg Messner to approve the meeting minutes for April 21, 2021. All members voted in favor with one abstention Lisa Mosey due to absence and the motion was passed.

5. Agency report provided by Helen Sullivan, Administrator

Staffing Update:

The Fiscal Administrative Manager position that has been vacant for about a month has been filled. After an extensive recruitment process with both internal and public candidates, the position was offered and accepted by Keith Petit who is currently in our IT division. Keith has a very strong fiscal background and experience in IT so it's a great combination.

FileNet Product Launch:

Our FileNet program that we have been working on for over a year will be going live next week. This program will assist staff in utilizing and maintaining our records more efficiently.

Website Enhancement for Active Teachers:

Our active teachers represent about 50,000 of our members so we are in the process of streamlining and creating different instructional videos and guidelines to assist the active teachers with completing forms and other requests for example, how to purchase service.

Legislative Updates:

The legislative package we submitted with some changes is ready to be signed by the Governor, so we are excited about that.

We have some concerns about a legislative change that is going to be enacted regarding the Plan N drawdown which will impact the agency. We had a meeting with John Garrett yesterday. There needs to be a lot of clarification and it's going to be a task for the agency. John Garrett provided details of the Plan N drawdown and impact of legislative change. The Plan N changes in 2019 would have worn away the value of the member contribution account at a rate of 50% of the pension benefit paid monthly that was a change from the prior 25%. With this legislative change, it would change back to the 25% wear-down for everyone who had at least 10 years of service (vested) by July 1, 2019. John prepared an impact statement that has been provided to the legislature. The real task now is to implement the change because of the administrative factors and other issues that need to be considered.

- 6. Approval to transfer members' accounts deemed abandoned** following twenty-five years of inactivity, or ten years for non-vested inactive members to the Pension Reserve Account, in accordance with Section 10-183ee of the Connecticut General Statutes.

A motion was made by Bill Murray and seconded by Steven Muench to transfer members' accounts deemed abandoned to the Pension Reserve Account. All members voted unanimously in favor and the motion was passed.

- 7. Approval of the annual resolution renewal authorizing** the Administrator (Helen Sullivan) and Fiscal Administrative Manager (Keith Petit) to negotiate and/or execute any and all contracts, agreements, drafts, warrants and any such other arrangements necessary to operate or conduct the business of the Connecticut Teachers' Retirement System and for the payment of any benefits permitted or required.

A motion was made by Lisa Mosey and seconded by Bill Murray to authorize Helen Sullivan (Administrator) and the Fiscal Administrative Manager, Keith Petit to negotiate and/or execute any and all contracts etc., and any other such arrangements necessary to operate or conduct the business of the Connecticut Teachers' Retirement System. All members voted unanimously in favor and the motion was passed.

- 8. Approval of the annual resolution renewal of the Medical Review Committee:** The Medical Review Committee consist of a panel of doctors who review and render decisions on disability applications.

A motion was made by Bill Murray and seconded by Lisa Mosey to renew the Medical Review Committee Resolution. All members voted unanimously in favor and the motion was passed.

- 9. Approval of the July 2021 COLA increase** for pre and post September 1,1992 members:

- 5% increase for members who retired prior to September 1, 1992.
- 1.3% increase for post September 1, 1992 members who joined the system prior to July 1, 2007.
- 1% increase for post September 1, 1992 members who joined the system on or after July 1, 2007.

A motion was moved by Lisa Mosey and seconded by Bill Murray to approve the July 2021 COLA for the pre and post September 1, 1992, members. All members voted unanimously in favor and the motion was passed.

10. Administrator's actions regarding:

- a. Granting of service retirement benefits for the months of April and May 2021.
- b. Survivor benefits for the months April and May 2021.
- c. Reports & recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the April and May 2021 meetings.

A motion was moved by Bill Murray and seconded by Thomas Nicholas to approve the granting of service retirement, survivor benefits and applications for a disability allowance for the months of April and May 2021. All members voted unanimously in favor and the motion was passed.

MATTERS FOR THE BOARD INFORMATION:

Retirement Statistics for the months of April and May 2021.

Clare advised the board of an article in the CT Mirror stating that surplus funds would be awarded to one of the pension funds by the Treasurer, Sean Wooden who is the Chief Fiduciary of the funds. Clare spoke with Treasurer Wooden along with John Flores, General Counsel for the Treasurer's office and TRB Board member. The legislation did not pass to allow for the funds to be given to both pension funds. Clare advised that a determination has not been made yet as to which pension system will get the funds. The determination is expected to occur within the next two months. Clare reminded everyone that we are the largest fund and the largest liability. The Treasurer will be contacting Clare once a decision has been made and Clare thanked the Treasurer for that and for being very supportive in their conversations and interactions.

John Garret provided information regarding an expectation that he will be providing good news for the 2022 valuation based on an anticipation of an excess return of 2.6 billion spread over a four-year period of time in the smoothing and it will have a dramatic impact when it's fully recognized.

OBSERVER COMMENTS:

Walt Ciplinski thanked the TRB for moving to the zoom platform and hopes the participants will be listed in the minutes. He also thanked Lisa Heavner for asking due diligence questions.

Bill Myers thanked Helen, the agency, Clare, and the board for their work and board members for asking questions. He also appreciates the need to move into executive sessions. He congratulated Loc and Keith on their new roles. He looks forward to the website enhancements going live.

Paula Bacolini thanked the board for going to a Zoom format which was more user friendly. She also thanked the board for all the work they do.

ADJOURNMENT:

With no other comments or announcements, a motion was moved by Thomas Nicholas and seconded by John Flores to adjourn the meeting. All members voted unanimously in favor to adjourn the meeting and the motion was passed.

The meeting adjourned at 11:54 a.m.