CONNECTICUT TEACHERS' RETIREMENT BOARD
TRB BOARD MEETING
JUNE 21, 2023

Clare B.: Uh, we're going to, uh, open the Retirement Board Meeting, the June 21, 2023 meeting, uh, with an Executive Session, uh, for the purpose of speaking with the board's attorney and, uh, he'll, he's also online with us right now as well. So the board would entertain a motion to move to Executive Session. Do we have a motion?

Female: I'll move it.

Clare B.: Move it. Thank you.

Male: Second.

Male: Second.

Clare B.: Moved and second. Uh, all right. All those in favor, signify by saying aye.

Group: Aye.

Clare B.: All right, Helen, now where do we move to, to the Executive Session? We go off of this, right?

Helen S.: Oh. Naomi is going and, uh, is going to go ahead and put, uh – everyone can just mute and turn off their cameras. She is going to give everyone a dial-in number, um, a conference call number.

Clare B.: Okay. I'll mute and I'll put my [inaudible 19:50].

Naomi: All right. You'll see that in the webinar chat. You'll see a phone number that you'll have to call in addition to the meeting ID and passcode that you'll have to enter.

Helen S.: Can everyone see the chat?

Female: No.

Male: No.

Helen S.: Okay. Naomi, people can't see the chat.

Naomi: You need to click on the chat icon...

Helen S.: Yep.

Naomi: ...in the bottom...

Helen S.: On the very bottom.

Naomi: ...of the channel bar.

Helen S.: Yeah.

Naomi: If the buttons aren't appearing for you, please move your mouse to make them appear.

Charles H.: I'm on an iPad. I don't see anything.

Male: Charles, I think if you – I'm on an iPad also. I think if you click, uh, more is where it comes up.

Charles H.: Oh. Chat. I got it. Sorry.

Bill: Now we, I'm sorry, we have to dial in on a, on a phone? Is that the idea? And then punch...

Helen S.: Yeah.

Bill: ...in all these numbers again?

Helen S.: Yep.

Bill: That makes no sense. Okay. Okay.

Helen S.: Bill, people had a really difficult time trying to log out and get into another webinar, so we tried to simplify it. So just, so I'm going to make sure everyone is over there. Javiel is running the executive session, so if you all want to move over, I will move over after. I just want to make sure everybody is in there and I'll check with Javiel.

Male: I was havin' a hard time with the passcode. It kicked me out.

Helen S.: Okay.

Male: I'll see if I can do it again, but...

Helen S.: Okay.

Automated: Enter your meeting ID followed...

Male: All right. I'm over.

Helen S.: Okay. Mute. Okay.

Female: I will.

Clare B.: How are we doin', Helen? We comin' up?

Helen S.: Yeah. I think, I think we're waitin' for everybody to get back.

Greg: Hey, Helen?

Helen S.: Yes, sir.

Greg: Uh, it says I cannot start my video because the host has stopped it.

Helen S.: Oh. Okay. Let me, uh, take care of that for you right now, Greg.

Greg: There I am. Thanks.

Clare B.: [Inaudible 55:51] here. Um, Ted. Great.

Male: Yep.

Clare B.: Tell me when I'm ready, Helen.

Helen S.: I think you're good.

Clare B.: Huh?

Helen S.: There I go. Now I'm back. Okay. I think we're good.

Clare B.: Okay. Um, all right. I hope everybody who's, uh, who cares to listen is online and is listening. Um, we are opening the, um, the June 21, 2023 Teacher Retirement Board Meeting. Uh, I'm Clare Barnett, the Chairperson. Uh, the first item on the agenda is to welcome a new board member. We have one new...

Charlene H..: Excuse me, Clare.

Clare B.: ...active board member.

Charlene H.: Excuse me, Clare.

Clare B.: Yes.

Charlene H.: Can we have...

Clare B.: Yes.

Charlene H..: ...a vote to come out of the executive session?

Clare B.: Uh, was I supposed to? Uh, we didn't do that in the session? Did I – did we not ask Bruce that and he told us to do...

Bruce B.: You already did that. You don't need another vote to come out of Executive Session.

Clare B.: Ah.

Charlene H.: I need it for the, for the minutes.

Bruce B.: Charlene, you can say a vote occurred to come out of Executive Session. Helen and Clare can give you who, who made the motions.

Charlene H.: Okay. Thank you.

Clare B.: Thank you, Charlene. Sorry. Okay. We opened the meeting. Uh, I'd like to – first item on the agenda is to welcome a new board member. We have one new active board member and that is Jon Moss. Jon Moss is the President of the, uh, Avon Education Association. Jon Moss is an elementary school teacher but has negotiated contracts, uh, advised people on their retirement, has negotiated contracts on healthcare, um, and, uh, we certainly welcome him to the board. He will – he's attending his first meeting today. He will be replacing Tom Nicholas as an a-, who was an active teacher. And the board members who remember, Tom, uh, had contracted COVID and had long COVID and was very, very sick, um, and ultimately, uh, was no longer an active teacher and so consequently was no longer able to hold an active teacher seat. So we, uh, we advertised that and put that out and we received resumes and we made a selection and that selection is Jon Moss. And Jon we welcome you to the board, so w-, wel-, welcome. I think you'll be a wonderful addition. Uh, we say that to everybody actually, Jon, but we know you'll be a welcome addition. And, you know, you're right around the corner here in Avon, so we're starting to collect quite a few people in the neighborhood. Um, I'd, second, I'd like to welcome...

Jon M.: Thank you so much, Clare.

Clare B.: Thank you. I'd like to, uh, welcome back Bill Myers who's not online but he will be, uh, eventually. And Bill Myers has, uh, has been an active teacher on the board for a very long time and now will be a retired teacher on the board and will, uh, start that job on July 1 'cause that was – he was one of the people elected to the term and he will start his term on July 1.
Um, I'd also like to thank someone who has really been the face of Teachers' Retirement for a very, very long time and that is William Murray. Uh, William

Murray was a special education teacher in Danbury and then came into the teacher leadership in Danbury. He became its president. Um, I think I, I'd like to say that I was responsible for probably, uh, you know, tapping him on the shoulder and asking can you do some of these things. I think he would probably put it as Clare sucked me into this but I think that actually I'd, I'd like to think that I found a, a person who really would dedicate a great deal of their life to helping our teachers. Uh, Bill went on to – he still is on the Investment Advisory Council. He's the head of their Asset Allocation Committee. Um, he works closely with Ted, who's on our, our board here, and, uh, has served under I think six treasurers now. He's been there for 17 years, so that's really quite an accomplishment as well. I know he's been active, um, with the National Council on Teacher Retirement and I know he serves on the Legislative Committee. And I know, uh, that he has, uh, also served as the President of the CEA-R, which is the largest retiree group in the state and, uh, he has been their president as well.

So if there's, I can't really think of anybody who's done more for all the rest of us than, than Bill Murray has. I know he's sittin' there with that kind of wry smile that he gets but trust me, um, you need to check your mail. You might be gettin' somethin' in the mail from us. It's not just a little, you know, it's not just a few words today but the board will say – we'll do a little more appreciation for you, Bill. But, uh, yeah, I'd like to just, uh, thank you because no one could have done more than you've done over your lifetime with us. So Bill, anything you want to say?

William M.: Y-...

Clare B.: You're mute.

William M.: Yes. Thank you very much for those kind words, Clare. Uh, just, uh, I'll, I'll be leaving the board. I still will be active in retirement issues and investment issues and all that stuff, so I'll be around.

Clare B.: I knew it. Uh, you know, I knew that. I knew that. I knew that when we chose you.

William M.: I, I hope. I hope to be around anyway.

Clare B.: You will. You will. Um, okay. So that I think concludes Ms. Clare's remarks at the beginning. Uh, you'll hear from me again in certain other times. Uh, Item #2, the approval of the May 17th board meeting minutes. You have them on your agenda. We need a motion.

Male: So moved.
Male: So moved.

Clare B.: Second?

Female: Second.

Male: Second.

Clare B.: Discussion? All right. All those in favor, signify by saying aye.

Group: Aye.

Clare B.: Opposed? Abstentions? All right. Thank you. Uh, the approval of the, uh, my next one up, Helen, is the credited interest posted to members' accounts by CavMac, Item #3.

Helen S.: Oops. That will be John and Ben. They're going to...

Clare B.: Okay.

Helen S.: ...take that away.

Clare B.: Okay.

Helen S.: I'm going to make sure John is, if he's here just yet.

Clare B.: Well, I, I see them both. I see them both.

Helen S.: Oh. There – sorry, John.

Helen S.: Oh my gosh.

John G.: Yeah.

Helen S.: I have to make my screen full-size.

Clare B.: Cool.

John G.: Actuaries always overlooked but...

Helen S.: No.

Clare B.: Oh. No. But people were listening, remember. Th-, they take notes. They're listening.

John G.: Well, uh, thank you, Helen, Madam Chair. Uh, so we are this time of the year presenting the, uh, calculation of the credited interest rate. We did have a problem. Thanks to Greg Messner for pointing out, uh, we had an issue with the initial send, um, and kind of pointed us an ongoing problem, uh, of doin' that calculation. So why don't I let Ben go through the calculation and our propose to, uh, proposal to change it. Uh, you know, since the mandatory contribution rate is now determined by the board and no longer uses this smoothing process that, you know, prior to, uh, to that change, uh, was always used, we really don't need to have an overly complicated, uh, method to determine, uh, what rate of interest to credit each year. So I'm going to let Ben go through the calculation and our proposed change to it and then we'll open it up, uh, I think for any discussion and questions.

Clare B.: Ben.

Ben M.: Great. Thank you, John. Uh, good afternoon, everyone. Uh, there should be a two-page letter. I don't know if we want to bring that on the screen or if the, if the board members have...

Helen S.: Oh.

Ben M.: ...that in front of them or not. Um...

Clare B.: If you have it on the screen, it would be helpful, Ben...

Ben M.: I can do that.

Clare B.: ...for people watching it or yeah.

Ben M.: So it doesn't look like I'm able to, uh, share my...

Helen S.: Naomi.

Ben M.: ...screen, um.

Helen S.: Naomi, can you give permission for...

Naomi: I just promoted you to a cohost.

Helen S.: Oh. Thanks.

Naomi: Try again.

Ben M.: There we go.
Helen S.: She's on it.

Ben M.: And let me know if this is too small...

Male: It is.

Ben M.: ...for everyone to see. It is.

Clare B.: Unless I'm a little, uh, I might need a little...

Male: Great.

Clare B.: Ah. That's fabulous. Yeah, I can see it.

Ben M.: Great. Uh, so we'll walk through the mandatory contributions first. That's the easier part of this. With the enactment of Public Act 19-117, uh, the rate that is, uh, credited to members' mandatory contributions was set by the board at 4%. And that, this is each year. This is not based on any calculation or any kind of change in information that we might receive each year. Uh, so that is going to be continuing the, to be the, uh, the credited interest rate on mandatory, uh, contributions of, of members at 4%. The part of the calculation that we do each year is on the voluntary contribution side of things and, uh, historically this has been set more on, uh, trying to mimic what we, uh – the, the market return for the fund each year roughly around the valuation day of June 30th. Of course, some of that information will still not be available for several months still yet this year. Uh, so the process in the past has always been to take the information that was available, uh, as of the end of April and then use estimates for the months of May and June for as far as cash flows and additional investment earnings, uh, to, uh, to estimate a market return, um, as of June 30th, uh, for the year to determine the rate, the correct interest rate for voluntary contributions.

Um, this year we were able to actually get, uh, asset information as of the end of May as well as, uh, estimated values for the month of June in terms of cash flow and investment earnings. Um, and when we ran the numbers for that, we are coming up with a credited interest rate of 5.88% on the voluntary contribution balances, uh, for members for 2023. Um, just to point out, this is a revised letter. We, we, as John mentioned before, we, uh, discovered that our initial calculation was having the 904 million amount transfer from the budget reserve fund was, uh, falling into the investment earnings and so that was artificially inflating, uh, the credited interest rate calculation. So we have, uh, moved that into noninvestment cash flow, uh, for this revised calculation and that's yielding a return of 5.88%. So that is our, our calculation for the board to consider.

Um, but this whole exercise has also sort of brought to mind that we might want to, uh, bring to the board just a consideration of maybe changing the methodology that we're using to do this each year, uh, to maybe adopt a simpler process and so the letter actually provides a second table of what that might look like. Uh, this, uh, process would take the published market return from the State Treasurer's Office as of April 30, 2023. And in this case, that number is 5.78%. So you can kind of co-, compare that to what our calculation is coming up to as of April 30th, what's been published is already 5.78% and and we're only coming up in our calculation of 5.88%. Uh, likely May and June were pretty strong months, so we might think that the actual number might be a little bit higher on the market return, um, barring any unforeseen things that might happen in the next few weeks. Um, this process would take again that, that number as of April 30, 2023 and then we would use the assumed 6.9% valuation return, uh, for the months of May and June to add to that to get a, uh, a credited interest rate. And in this case, that would yield a result of 6.93%, which would be just slightly above the assumed rate of return for the year.

Uh, so again, this is just a way of potentially simplifying the process, making it perhaps a little bit more transparent, uh, maybe not having to, uh, track down a lot of information that might be difficult to, to, receive, um, on a short basis. So we may be able to, be able to bring this calculation to the board, uh, in plenty of time and not, uh, and not have any trouble re-, meeting the deadlines that I'm sure are there to, uh, get this approved by the board.

John G.: And Ben, if you could scroll the letter down to that...

Ben M.: Oh.

John G.: ...those tables.

Ben M.: Um, of course. So...

John G.: And, and so, you know, when we're lookin' at the process we have been usin', we've been receivin', you know, a lot of asset information from, from trust account statements and, uh, and, you know, have kinda compiled that into this, uh, estimate, uh, each year. Well, all the purpose of that in doin' it in dollar amounts was to determine the dollar amount of investment gain/loss which is spread over 10 years when we used to calculate the old mandatory contribution rate as a 10-year smoothed rate of return. Well, that's no longer necessary. The rate is set at 4%, set by the board periodically. And, uh, so this process could be so transparent in that everybody can go and look at the Treasurer's website and pull down what the market rate of return is that they have for fiscal year to date. Again, that number 5.78%. We're adding to that, uh, in expectation, uh, that the plan finishes the fiscal year earning 6.9% annual rate for the months of May and June and we add those two together and get the credited interest rate. This would be a much simpler approach, uh, doesn't rely on people anticipating future cash flows like we had to get projection of what the, uh, investment income is going to be for May and June. We'd have to get, uh, the, uh, expectation of, of benefit payments and all the other items. And now, uh, again, that was necessary in order to get a dollar amount of an expected return. We don't, we don't need a dollar amount and just really smooth, we can just really anticipate what the market, uh, rate of return is.

And so this is, this is the beginning point and then next year, whatever the fiscal year return is, uh, is, is the basis for an adjustment for next year. So let's say we assumed 6.9333% for this one and if the actual return, uh, is 7%, then there would be a 17 basis point adjustment to whatever the calculation is next year to reflect that we underestimated what last year's fiscal year return. So it's a much simpler, much more transparent process, uh, and we think just as good an estimate of what a fiscal year return is, uh, based on, you know, partial year information a-, as what we currently. Uh, actually probably a better, um, anticipation of what the, the, the market return will be at the end of the fiscal year based on information compiled, you know, prior to the end of the fiscal year.

Clare B.: John, if people were retiring, would they, uh, be harmed by this? Like if they didn't have those last two months and you just trued it up in the following year, because they might not be employed in the following year, might be retired. So would there be any adjustment on their behalf?

Male: Um, you know, it typ-, and, and it typically hadn't been. And that's always been the case. And the, the, the true-ups have actually been in dollar amounts, so, right? So we haven't anticipated market value. And then we'd actually true that up to the actual mar-, market value. So that, that's always been a lag, uh, just because it's an estimate and, and I don't think e-, there's ever been any recourse to a retiree if that actual adjustment would have been an increase or decrease.

Clare B.: Mm-hm.

John G.: And...

Clare B.: So are you asking us today to, um, well, you're asking us obviously to, uh, to accept the, uh, the interest rate that you calculated. But you're also asking us to, um, kind of, uh, transition from the procedure that we were using, uh, to rather than you and Ben chasing down half a dozen people throughout the State Government of Connecticut on a given day when you must have a number. And must, I mean, Ted might be able to speak to this, you and, and Bill Murray must have that number on that day in order to get this as true as you can. Uh, so basically you're asking us to do two things You're asking us to accept the, that and to, and to accept a simplification of this calculation going forward 'cause you're using it now and you would like us to continue to use this in the future.

John G.: Right. And in this letter that's exactly what we're pro-, proposing, Madam Chair. And, and, uh, i-, if, if adopted, we, we would recommend that the rate for Fiscal Year '23 be the 6.93% and that'll be the basis for any true-ups that occur in '24.

Male: Can I ask would it be fair to characterize, so future years would be, would have the same 6.9% assumption for May and June?

John G.: Correct.

Male: So basically, we're just measuring, uh, May 1 through April 30 of every fiscal year and that, that's going to the basis. I, I think mathematically it probably works out that way. Does that sound right?

John G.: That, that's right. And, and so...

Male: Yeah.

John G.: ...you know, it, it's more, it's a more direct assumption about what...

Male: Yeah.

John G.: ...the rate of return is for May and June because...

Male: Yeah.

John G.: ...you know, we have an assumption of what the annual rate of return is. A-, and before it's all been kinda driven by estimates of cash flow, estimates of investment...

Male: Yeah.

John G.: ...income, realized, you know, uh, gain/loss. And, and I think that's been a little too more, too var-, variable and certainly not necessary anymore since we don't have to determine a dollar amount of investment.

Male: It seems simpler to me. Yeah.

Clare B.: Okay. Uh, questions for, uh, CavMac from the board?

Charles H.: John, just confirm the, the, whether it's high or low there's an adjustment, uh, true-up at the end of next year.

John G.: Yes, sir. Uh, Mr. Higgins, so how it would work, uh, once again, so, so we use the 6.93%. That's what we calculated as of the fiscal yearend '23. So when we're doin' this for '24, we'll know what the actual '23 market return was. So let's say that's 7%. Then, then we'll start next year's calculation that the adjustment is -0.07% and then we'll determine what, usin' this same basis and then we'll subtract that 0.07% from the next year's c-, credited, uh, return. So it'll be adjusted, uh, for any, um, necessary true-up in the beginning, um, for what was anticipated in the prior year.

Charles H.: Got it.

Clare B.: Okay. Other questions? All right. Uh, the Chair would entertain a motion to accept...

Lisa H.: Clare, I'm sorry.

Clare B.: Oh. I'm sorry. Lisa, go ahead.

Lisa H.: I had my name up. I, I don't know exactly how...

Clare B.: I'm sorry. I didn't see it. I'm sorry.

Lisa H.: Yeah. No problem. Uh, first of all, thank you for that explanation. That was very helpful. Yeah. First question just, uh, for the public, is this a, is this standard? Do other organizations do it this way? Is this an approach that is normalized across the – your work?

John G.: Yes, ma'am, miss. Uh, so, uh, in our opinion, this would actually be a more standard approach in than what was, what was bein' done. And, and again, uh, it's no longer important to determine how much the dollar amounts of gains and losses are and that was necessary for smoothing over a 10-year period of time for the contribution or for the interest rate credit to mandatory accounts. Now we can directly get, uh, uh, an estimate of what the market rate, rate of return is for this fiscal year even prior to the end of the fiscal year. And, you know, the true-ups I think are going to be a little bit less than what they would have been in the past, um, and I, I, I think it would be a more consistent basis going forward. So yeah, there's nothin' about this that I would say is nonstandard for actuaries. I think this would be probably the more standard technique for actuaries.

Lisa H.: And then just in terms to translate for members of the public who might be watching and say what does this mean to me each year we do this, can you sort of explain what this process is and what it means to those who receive pensions?

John G.: Right. So, so those mem-, those members who have money in the voluntary accounts is the only ones affected by this. And so each year there's a rate of interest credited to those accounts and it's determined in this process of determining a market rate of return. Um, and, uh, so this process this year what, what you see is that to change the proposed method would actually increase their amount credited this year but that's probably because that old way of doin' things was underestimating probably what the expected return is for, for '23. So this is, again, a little closer to what may-, maybe is actually gonna occur in '24, uh, I'm sorry, in Fiscal Year '23. But, uh, s-, it is an advantage to members this year but that means that the adjustment next year is not going to be as big as what it otherwise would have been because, you know, the true-up from the old method would have increased next year's rate of return, uh, because it would have understated this year's. So, so it's a little bit of, it looks like it's an advantage but it's an advantage, you know, in this year's rate of return. But next year's rate of return is probably going to be a little bit lower, uh, than what it wou-, would otherwise have been calculated because a true-up would have increased the rate of return for next year. Um, it, 'cause it appears that the current estimate on the old basis, on the old way of doin' things was a little bit understating what the, what the market return would be this year.

I, I, I apologize. I know that was a, that was a – I, I was confusing myself with that one but, you know, that's...

Lisa H.: So are they paying more or less?

Clare B.: Less.

Lisa H.: This year they're...

Lisa H.: ...in better shape financially. Next year might be...

John G.: Yeah. So sh-, short, short term it's an advantage but some of that advantage is going to be offset next year.

Lisa H.: And then after next year things smooth out?

John G.: Uh, no. There's always going to be a little bit of a, a true-up in each calculation but I think those true-ups are going to be smaller over time than what they otherwise would have been. So what that means is that the actual calculation is incorporating a better estimate of what the, the fiscal year-end return will be. Now, you know, we're going to have some Junes and, and hopefully this one is one that takes off, right, and we, and, and this estimate is well understating what the, the June, uh, you know, impact to the rate of return is. But, but, uh, you know, uh, on average, I think this would probably be a, a, a closer match to what, uh, the fiscal, the actual fiscal year returns will be usin' this process. It doesn't rely on a lot of estimates of dollar amounts of a lot of different cash flows from benefit payments to contributions to, to dividend payments to investment income to realized gains.

Um, so this, this is a much si-, simpler approach. A little more tra-, transparent too because every member can go out to the Treasurer's website and look exactly what the April return is and see it's 5.78%. And, uh, you know, and, and our, our, our intention would be that when we do this calculation, whatever the latest available information from the Treasurer's Office, so if May is available, we're going to use May and only estimate June. If, if March is the latest that's available when we're doin' this, then we, we'd be estimatin' April, May and June. But still we're going to use whatever's the latest a-, available and only assume our, you know, everybody is comfortable with the 6.9% investment rate of return. [Inaudible 78:57] use that to anticipate what the remaining months of that fiscal year that we don't have information on. Um, so, you know, it kinda fits in-line with, uh, with really the actuarial, uh, e-, expectation, um, that we have already.

Lisa H.: Thank you.

Clare B.: Okay. Any other questions for John or Ben? All right. The Chair would entertain a motion to accept the, uh, the credited interest rate and the new, um, simplification of calculations that we will be using going forward. So we'll take those as one thing as they are in his memo to us. So do we have a motion to accept?

Male: So moved.

Male: Moved.

Male: Accept.

Clare B.: And a second?

Male: Second.

Clare B.: Uh, moved and second. Discussion? All those in favor, signify by sayin' aye.

Group: Aye.

Clare B.: Opposed? Abstentions? Thank you very much. Uh, Helen, I'm moving on to, uh, Marcum. Is that the next up?

Helen S.: I, I believe that is Christopher, um, Santore.

Clare B.: Okay. Christopher...

Helen S.: Christopher is, uh...

Clare B.: ...you're online?

Helen S.: He's new to the Marcum team and I just wanted to let you know that they were, uh, very instrumental in, in getting all of our reports, uh, done. There was a lot of staffing changes, you know, all across the state and the, with their group as well. So we just want to thank them for meeting the deadline today and, and working with us, um, 'cause these reports are so important in August. So thank you, Christopher.

Clare B.: Christopher, could you just give a little background in terms of, um, you know, what the purpose of your report is and stuff for – we have some new board members and, of course, we have public members listening too as well.

Christopher S.: Yep. Thank you. Uh, thanks for the time. My name is Chris Santore. I'm a Director in the, uh, Marcum Hartf-, uh, New Haven office, uh, workin' on our Employee Benefit Plan Department. Um, these reports that we were engaged to, to audit, the GASB 75, uh, which is the, uh, audit of a specified element, which is the schedule of employer allocations and the schedule of other postemployment benefits, um, as well as the GASB 68 report, which is the also schedule of employer allocations and the schedule of, uh, retirement benefits. These reports were, uh, gener-, generated based on the GASB 75 and 68 reports that we received, um, which was also based on the actuarial reports that were received from, uh, from, um, CavMac, um, which we used to, uh, put together the reports. Um, so I believe Helen mentioned that the reports have been sent out for your review.

Just as far as where we are in the process, um, we've completed our audit. We're substantially complete. Um, it is in our Quality Review Department, um, to review and, uh, approve our statements. Uh, once that's complete, then, uh, we should be able to go through the final process, which is just, uh, obtaining our, our, uh, letter from, from management and then also performing our subsequent events. Uh, and then finalizing the report that, uh, I believe will get uploaded to, um, the State OPM, um, later on in the, in the month. Uh, and then so typically when we finalize our report, uh, we send out a letter for each report that goes to, uh, all board members. So for today, I was just planning on going through the, the letter that, uh, will ultimately be sent out which summarizes our results of our audits that we performed. Uh, so based on our, our audits, um, our responsibility was to form, to form an opinion, uh, whether or not the schedule of employer allocations and the schedule of, uh, other postemployment benefits, uh, as well as the schedule of, um, other retirement benefits were, um, prepared by management. Uh, and then we're lookin' to obtain reasonable, uh, absolute assurance about whether they were in accordance with, um, generally accepted accounting principles.

Uh, the scope and timing of our audit, um, our goal was as, as Helen mentioned to, uh, complete the audits during the timeframe to present to the board today. Uh, one thing to note, uh, significant accounting policies which are described in the financial statements, uh, there are significant po-, policies that are described in Note 4 to the statements, um, which includes the basis of the presentation as well as the allocation methodology that you'll see on the, on the report. Those are, uh, unchanged from prior year, uh, same, same methodology and the same basis of presentation, uh, as well. So judgements and significant accounting estimates for the GASB 75 report you'll see a Note 5 to financial statements. This includes really the, the bulk of it as far as, uh, summarizing all the information that's included in the actuarial reports. Um, for the GASB 68 reports, you'll note in Note 6, uh, that their actuarial assumptions are included there. Uh, one thing that I want to note is the actuarial assumptions are pretty consistent with prior year. There really were not, uh, any significant changes, um, that we noted that changed any of the calculations. Uh, discount rate, rate of inflation, those amounts all remain consistent with, with prior years. Um, again, financial statement disclosures, again, Note 5 and Note 6 are, are the, uh, most important that we want to, to point out.

Uh, also significant difficulties, we did not encounter any significant di-, difficulties, uh, during the audit. Uh, we also want to note that, uh, we did not identify any material misstatements, uh, during our audit procedures. There were no disagreements with management. Uh, to our knowledge, there were no consultations with other accountants. Uh, one item to point out as far as findings, uh, in our review of the GASB 75 report, which is same, similar to the prior year, we did note that, uh, one of the assumptions that, uh, the actua-, actuary uses is that they assume 100% of future retirees will, uh, have a covered spouse receiving benefits. Um, this, generally, not everybody is going to be married at the end, you know, when they, uh, uh, retire, so just thought that this assumption seems a little high, um, and just recommend that, uh, the data be disclosed in the actuary report just noting, you know, that assumption. But other than that, uh, we agreed with the assumptions in the actuary report. Um, our audit, uh, was too we did an, an independent review of the actuary report as well as, uh, inde-, independent testing of the census report which is provided to the actuary.

Uh, so during our independent review, uh, we didn't find anything, um, that we thought – we agreed with the assumptions of the actuary and there was nothing in our testing, uh, of the census reports that were provided that, uh, came to our attention. Um, and then there's no other matters that we identified to impair our independence. Um, so those, that's, uh, the high-level review of our, our letter that'll be sent out again once we finalize the report. Um, but we did not have anything that we noted that would be, uh, merit any, any, uh, anything to bring to the board's attention right now. So if you have any...

Helen S.: Thank you, Chris.

Christopher S.: ...questions.

Clare B.: Yeah. Thank you. Any questions for, uh, for Christopher?
Male: Yep.

Clare B.: Lisa?

Lisa H.: Um, yes. First, thank you very much. Much appreciated. Uh, the one question I had and maybe this is more to Helen, I know we've done experience studies in the past but would an experience study help us to get to a truer number on, uh, the, uh, the assumption on marriage in retirement? Do you recommend that? What do you – I mean how would we get to an accurate number on that and...?

Lisa H.: ...historically why do we use that assumption? I was just wondering.

Clare B.: John?

Female: Go ahead, John.

John G.: Yeah. Thank you, Madam Chair. And, and, you know what, so for actuaries, uh, when data is not complete or i-, i-, in, in lieu of us guessing on, you know, we're typically going to be overestimating. Right? So when it comes to spousal benefits, it's pretty common to, if, if we don't have the data to set the number at somethin' we're very comfortable with, we're going to overkill. A-, and, you know, it, it, it, it's a pretty common process for actuaries. So, uh, with the u-, with the next experience study, I think, um, um, between now and then, we'll do a little more in-depth review on the data that we're getting and we'll ask more questions about when spousal information might not be complete. And, um, by the next experience study we might have something for the basis to actually make that assumption a little more data driven instead of right now just bein' a conservative liability estimate.

Lisa H.: Oh. That makes sense. Thank you.

Clare B.: Any other questions for Christopher? Anyone? We thank you for your work, Christopher. Uh, Chair would entertain a motion to accept the Marcum audit report.

Male: So moved.

Clare B.: Moved. Second?

Male: Second.

Male: Second.

Clare B.: Discussion? All those in favor, signify by sayin' aye.
Group: Aye.

Clare B.: Opposed? Abstentions? Uh, thank you very much, Christopher, for all of your work.

Christopher S.: Thank you.

Clare B.: And, and welcome.

Helen S.: Thank you.

Clare B.: Okay. Are we all set? Um, Helen, you're going to move on to, um...

Helen S.: Yep. I'm going to...

Clare B.: ...legislative?

Helen S.: Yeah.

Clare B.: Well, why don't you start...

Helen S.: I'm going to...

Clare B.: ...and then I'll, I'll come in and tell you, why don't you start and give us the legislative update and then I'll do the, uh, baby bonds and I'll do the election. Go ahead.

Helen S.: Yeah. I was going to highlight, um, the, the agenc-, uh, the agency's, uh, legislative proposal, uh, was, uh, was HB 1218. We had some minor changes regarding eligibility. That went through. All of the other legislation was not proposed by the agency but there's HB 6489, which was the two additional board seats. There was HB 6941, uh, where we made an a-, adjustment to some eligibility guidelines, uh, with, uh, some of our, uh, aides, some of our counterparts, uh, with the State Department Board of Ed. And then there's HB 6880. Um, we're still waiting on some public acts for these as well. Uh, that is where, uh, for those of you who were with us last year, um, with the Goodwin, uh, University, um, and the magnet schools, uh, Bruce, thank you very much for all your hard work and OPM to come to some conclusions to, uh, qualify those, uh, schools, um, to meet the requirements of a public school. There was also another, uh, proposal in HB, uh, 6880, uh, with regard to SERC, which, uh, changed the benefit for one particular member in the system. Um, that also went through. Um, so that's our summary, uh, of what was proposed. I know that, Clare, you'll probably want to answer some questions about the additional board seats. And then I know that, um, the other proposal was the HB 1235 about the baby bonds. So I don't know which one you'd like to, to take first. I know we've got...

Clare B.: Okay.

Helen S.: ...Sarah from the...

Clare B.: I'll take the baby bonds.

Helen S.: ...Treasurer's Office.

Clare B.: I have, uh...

Helen S.: Okay.

Clare B.: I think I had, uh, oh, I have Sarah Sanders on here too.

Helen S.: Yep. Sarah is here.

Clare B.: All right. For the board members, uh, you know, baby bonds, this is not a new proposal. The baby bonds have been out there I think since 2021, um, you know, a very worthy proposal. It was just, uh, from the Treasurer and then went to the Bond Commission and that's how the bonds were funded. Um, however, this year they made an adjustment in that and it went through legislation. So now we'll have, uh, I guess a more stable perhaps, uh, you know, funding formula going forward. However, the manner in which it was, uh, revealed, uh, in the newspaper, um, *Connecticut Mirror*, whoever was out there and everyone else, um, i-, it just said that the money would be coming from the re-, reserve fund of the Teachers' Retirement System. So, um, I, I think, as you could imagine, the phones lit up here for Helen, uh, and they didn't – people wanted to know whether could their grandkids get the bonds. I mean, they wanted to know if, uh, they wanted to know if they were going to get less of a pension 'cause we were going to pay for these bonds and, and, and how much of the Teachers' money was going to be used to pay for these bonds. Uh, so a lot of calls went out.

And we, um, basically started pushing the information over to the Treasurer's Office to say, uh, clearly the staff here are ill prepared to answer any of these questions, uh, even i-, in some n-, nebulous way, let alone something in an accurate way 'cause we do not know the answers to these questions. Um, so it did, it caused a lot of concern. Um, clearly, this is a great idea but it, it just didn't get rolled out in perhaps the best manner possible. Uh, Ted has been terrific to deal with. Um, and, and all of the people in the Treasurer's Office. Assistant Treasurer, Deputy Treasurer, everyone that we reached out to. Uh, Erick Russel called me, the Treasurer called me last Friday to apologize for the manner in which this was rolled out and to say that we will have, we will have better communication going forward. When something has Teachers' Retirement System on it, then people [inaudible 93:26] Teachers' Retirement System who are charged with doing responsible work on their behalf will be notified. So he, he just said, listen, I only talked to two people and, and frankly, uh, I assured them that there really was no damage done to the fund. But, you know, coming from a politician, no damage done to the fund is not like I say when John Garrett tells me there's no damage done to the fund, I, I can take that to the bank. That, that's what I rely on. So anyway, a lot of great, I think, conversations.

And I – and remember, it's all new people. It's a new Treasurer and you're dealing with a lot of new people as well. Ted is new to our, uh, organization here as well, our, our Retirement Board. So, uh, I thank them all because I know that they did a terrific job on this. And Ted, you might want to say something because the Treasurer is going to allow us to take the one-page kind of explanation, uh, snapshot if you will, of what this is and, and how it was, uh, funded and post it on our website. It wasn't our bill, so, but it's okay. He said to us go right ahead and use that one-pager and put it right on your website, uh, as for information for our teachers. Um, and Ted, if you want to speak to that and then I have Sarah Sanders on. Sarah is the, uh, Deputy Treasurer and Sarah is the architect of the baby bonds I think back in the day. And from what I understand, she is, um, she's the person that came up with this kind of creative financing as to how these baby bonds could be financed now and in the future. And then I'll probably end it just with John Garrett, uh, because remember, as I said, I don't, uh, it's, it's always nice to when John Garrett tells me it's the truth then I like say, okay, I, I definitely take that to the bank. Uh, Ted, you're up.

Ted W.: Sure. Will do. You know, thanks so much, Clare. And I'll, I'll, I'll pass it on to, to Sarah, who like you said, is the architect and knows so much more about the entire, uh, baby bond process funding and the like. Where I kick in is once, once it is funded, is investing that capital to ensure that 18 years from now, the first coho-, cohort can have the funds, uh, necessary in order to fulfill the intent of baby bonds and, you know, go, go towards building, uh, the State of Connecticut and its citizens. So with that, Sarah, I think, you know, I can just pass it on to you and...

Sarah S.: Okay.

Ted W.: ...similar to you, Clare, when Sarah says something, I can take that to the bank.

Clare B.: Good to know. Good to know, Ted. Sarah?

Sarah S.: Thank you, Ted. And thank you, Chair Barnett and other members of the Teachers' Retirement Board. And Helen, thank you for your time to, uh, join your meeting today and answer any questions you have about the baby bonds proposal. Um, so legislation was passed this session that allows funding of the baby bonds trust through a mechanism where we will be taking, uh, an insurance policy and replacing it for a reserve fund that was set up for the Teachers' Retirement Pension obligation bonds. And these were the bonds that we issued in 2008 that raised about $2B for deposit into the Teachers' Retirement Fund. So this is really the bonds, not, not the Teachers' Retirement Fund. It's, it's the bonds. And the reserve fund was set up in 2019 to provide additional protection for the bondholders because there was a restructuring of the fund at that time. And, uh, in part because of the State's improved financial condition and it's more affordable and feasible today to be able to do something that the industry does for these debt service reserve funds, you can substitute it with a, uh, insurance policy from a bond insurer. So that's what the legislation allows the Treasurer to do, something that other states do routinely. And, um, so it has no impact on the beneficiaries of the Teachers' Retirement Fund. It's really, uh, it's just a substitute of the security for the bondholders.

Um, now these funds were originally captured in 2019 from surplus funds. So, um, the reason I mention that is, um, they are, under the original legislation, they would, when the bonds are totally repaid some nine years from now in 2032, these funds would go to the budget reserve fund. That's where they are scheduled to go. Um, so if the budget reserve fund is still full in nine years from now, you know, who, who knows, you know. There is a possibility these would flow into the, the, uh, baskets of ex-, of paying down of long-term liabilities, including Teachers'. I hope that's not too much at once but basically these are really funds that are held for the security of bondholders. N-, nothing to do with the Teachers' Retirement Fund per se. They were 2019 s-, uh, surplus funds that were captured for that purpose and we're substituting those funds with an insurance policy, uh, so that we can utilize those funds to, to instead fund a baby bonds trust.

Clare B.: Thank you, Sarah. Thank you. Uh, my understanding was really that this, the money that went into this reserve account was not the Teachers' money to begin with.

Male: Right.

Clare B.: And when it came, when it comes due whenever in 2032, it wouldn't be the Teachers' money then either.

Clare B.: So it – we're not really dealing with the Teachers' money but surplus money that was put up to protect the bondholders.

Female: Yeah.

Clare B.: So those are the people who are buying these bonds, which the bonds are actually benefitting the Teachers'...

Female: Yep.

Clare B.: ...fund a great deal. Um, now John, you have now, now you're, this is the moment of truth here because you're the one that tells us is this, is this a good idea. Uh, you know, we, w-, we're all waiting. Go ahead, John.

John G.: Well, uh, a-, actuarially f-, uh, from the point of view of the board and, and the Teachers' Retirement System, this has zero implication on our actuarial valuations. We don't anticipate any extraordinary means of financing the plan. The calculations are all really basically driven on the percent of pay that the members and the employers are, are scheduled to make to the plan. So, so any other sources of income that come into the plan, uh, are just bonus. A-, as we had those two transfers in the past that were not anticipated, we didn't anticipate, um, uh, you know, that they'll be more. So, so yeah, this has zero actuarial impact to the plan. The funding of the plan is, is as, uh, we show in the '22 valuation without change due to the baby bond, uh, structuring bein', bein' passed.

Clare B.: Okay. And as Sarah said, maybe down the road, uh, if we keep on havin' these wonderful surpluses or whatever else, we could benefit from that going back into the reserve, you know, the, the, the entire pool, uh, of the general reserve fund. And so we – there, there could be some, some residual effect coming our way but nothing on the negative side. That's what we...

John G.: Nothing negative.

Clare B.: ...needed to know.

John G.: That's right.

Sarah S.: Well, because we're substituting it with an insurance policy, those funds won't be going to the budget reserve fund in '23.

Clare B.: Oh. It won't?

Sarah S.: Yeah.

Clare B.: Okay.

Sarah S.: I want to clarify that. Yep.

Clare B.: Okay. So it will be used right now to fund these bonds.

Sarah S.: Yeah. They're going to be used now to go into the baby bonds trust.

Clare B.: Okay.

Sarah S.: Go in that program. Yep.
Clare B.: Okay. All right. Questions for, for anybody? Uh, because this got a lot of, I mean, it got a lot of press only because our name was used in it.

Female: Yeah.

Clare B.: And, uh, and it should have been, the focus really should have been on the program itself but instead the focus was on who, when, and, uh, and why didn't we know sooner, and, uh, and what's it had to do with my fund and blah, blah. So at the end of the day, I hope that this at least helps to clarify in a very good way for our members or esp-, especially our board members who I'm sure were reading about it as well in the paper. So, uh, a-, any other questions? Any questions any of you have for Ted, Sarah, John, anyone? Are we good? Hey, I thank all of you for being here ‘cause, uh, you know, Sarah, especially you, because you had to take time away from what you were doing today in order to be here but that’s okay, I cleared it with your boss I think already. Go right ahead, you take Sarah and she’ll be right there for that meeting, so thank you.

Um, okay. The second item that Helen mentioned was the election, and, uh, y-, you know, the, uh, the legislation that passed, uh, will require that, uh, we add two, uh, additional retiree seats, uh, nominated by retirees and, uh, voted for exclusively by retirees, uh, to the Teachers’ Retirement Board. Um, this ha-, this did pass and yet it has not yet been signed. Uh, the governor has yet to sign it a-, as I know as of this morning, as of this afternoon actually before we met. So w-, we anticipate that, we have no reason to believe it wouldn’t be, uh, so we expect that it will be. So we are in full, uh, preparation mode for running an election. Now one piece of information on this is that the timeframe in which this has to be done is, is rather short. If you looked at the last election run, it was many, many months longer. Um, but we will work to do this, uh, you know, with all due transparency and openness and so that people can, uh, understand what the process will be. Uh, we’re going to run a very similar process as we ran in the last election. Uh, we’re going to ask some of the same people to, uh, help us with running this election. We’re going to ask the same vendor who is already under contract to us to, uh, actually provide the ballots and to count the ballots and stuff for this election as well for us.

Um, the legislation does say that, uh, on or before, and remember it changed a few times before it got to be the final piece of legislation, uh, on or before October 1, 2023 that the board will elect. Now we have the opinion from our, um, you know, the board’s, uh, attorney. And on or before that we are assuming that the election will be underway on by October 1, 2023. I don’t want to get people’s expectations up that we’re going to have a swearing-in ceremony or whatever else on October 1st. I, I doubt, I doubt we can do it that quickly, particularly because we haven’t even posted anything yet. We don’t have this signed bill. We are prohibited from signing a contract with a vendor, from posting any of this online. We’ll be able to do that as soon as it’s signed. So as soon as it’s signed, uh, it will be up on our website. Uh, as I said, we’re trying to keep to the same – it’s going to have to be a little shorter timetable perhaps than, obviously, the last one in order to be as close as we can to that October deadline. And I’m not, I make no promises on that that anyone would actually be seated in any way. There is no October 1st meeting anyway but they wouldn’t be seated in any way at that time but we’ll try to get as close to that as we can.

I think in speaking to board members that we fully believe that it was the intent of the proposers of the legislation that this not be held off, uh, until October of, uh, ’24, until January of ’24 or what other, other dates were in some of these other proposals before this actually became a law. Uh, so I think in keeping with that spirit of what we, uh, ima-, what we believe to be the intent, that the board will, uh, will try to hold to that. Um, and I, I don't, I can't give you any more information about it 'cause I can't give you dates until I know them. Uh, we'll try to post things on the, uh, up on the website as soon as we are able to legally to put them up there for you and then the process will start at that time. Uh, people will have to, uh, will have a few weeks in order to declare a candidacy. They'll have, I believe we'll try to give that four-week timeframe in which they will try to get electronic signatures. Those, uh, take some time. Um, if, if we try to do this in a shorter timeframe, um, uh, I, I, I just think that we would not be doing the process, you know, any justice by trying to rush people through trying to get signatures and, and run. So we're trying to keep to those processes as much as we can.

Uh, we're giving the staff a few weeks 'cause they have to verify every one of those signatures. That takes a significant amount of time, depending on the number of candidates that you have. So it's going to take some time to do that. Uh, and then we do have, the vendor has a contract with us, so we're, you know, we're going to use that similar contract to last year in which they need time to get the labels, to get the things out, to get everything back, to get things counted and to certify all those votes. So, uh, you know, just in a way of explanation, uh, that's, that's going to be the board's process going forward with this election and, uh, we'll tell you as much as we can when we know more. Any other questions from the board for me on that? Okay. Very good. Helen, uh, any other comments from you on the legislative update? Helen, all set? All right. We can move. That's [inaudible 106:43].

Bruce B.: Clare, I had one quick – Clare, may I..

Clare B.: Oh. Go right ahead, Bruce.

Bruce B.: It sh-...

Clare B.: Bruce, yes.

Bruce B.: It should be noted that with respect to all the legislation we t-, was talking about today, none of it has been signed. In fact...

Clare B.: Right.

Bruce B.: ...some of, some of the legislation hasn't even received a public act number yet because it was passed so late in the session. So no one knows the timing of any of these bills and when they'll be s-, when and if they'll be signed.

Clare B.: Thank you. Thank you, Bruce. But anyway, I just wanted to let people know because there's an expectation I, I believe out there that we're running, you know, as fast as we can on this. Uh, we can't actually start to run until the things are signed, as you said. Then it's legal and then we can move forward. So at this time, that's, you know, at least we're telling you everything that we know, you know, as of this date. Uh, other questions for us? Other questions for myself or Helen? Okay. Um, the, uh, next item on here is approval to transfer members accounts deemed abandoned following 25 years of inactivity. Uh, this is a standard thing that we do, uh, every June. Uh, people who have, um, not had any activity in their account, they don't lose any money but we stop, uh, crediting interest, uh, to those accounts after 25 years. And every year at this time, we have to have an approval by the board in order to take that action. So the board would entertain a motion to approve.

Male: So moved.

Clare B.: Okay. Moved. Second?

Female: Second.

Male: Second.

Clare B.: Discussion? Discussion? All those in favor, signify by saying aye.

Group: Aye.

Clare B.: Opposed? Abstentions? Yay. Okay. Thank you. Um, the next item on here we have to, um, approve the renewal authorization for the, for Helen, for Charlene, for Bob, our administrative assistant, fiscal administrative manager, to negotiate and execute all the contracts that really are the board's business. Um, the board will not meet in the summer as a general rule and they – but the board's business goes on every day. And so the people who are here have to be, annually have to be allowed, uh, you know, the us to transfer to them the authority to act on our behalf. And to execute, uh, contracts, agreements, drafts, warrants, uh, any other arrangements and conduct the business of the Teachers' Retirement System until one year from today when we'll, uh, or one year from June when we will, uh, again visit this reauthorization and, and hopefully do that again. So the board would entertain a motion to approve the authorization.

Male: So moved.

Male: Second.

Female: Second.

Clare B.: Second. Discussion? All those in favor, signify by saying aye.

Group: Aye.

Clare B.: Opposed? Abstentions? Okay. Um, the approval of the annual resolution, uh, and renewal of the Medical Review Committee. The Teachers' Retirement Board does not, um, approve, uh, the initial, um, applications for disability retirements. Um, we rely on doctors to do that. Uh, our staff members and our teacher members, public members are, are in fact not, we have never deemed the Teachers' Retirement System qualified to make those decisions. They do counsel them, though, just so for our newer members, when, when an application comes in and Helen's staff notices that it's not complete, um, that it doesn't have a way on there that you could easily identify why the person couldn't continue in their job. I mean, somehow that's not in there or it's missing some particular things, you know, test-wise and, and certification-wise from a doctor that have to be on there, they caution them and maybe they get them back and maybe they start again. What – so it's not an instant process. It's certainly not an automatic process. The people who do it [inaudible 110:31]...

Male: [Inaudible 110:31].

Clare B.: ...money and they work...

Male: [Inaudible 110:32].

Clare B.: ...very hard. Question? No. I'm sorry. Um, so, uh, the board would entertain a motion to approve the renewal of the Medical Review Committee. It's a panel of doctors who serve the Teachers' Retirement Board.

Male: So moved.

Female: So moved.

Male: Second.

Clare B.: Moved. Second. All right. Uh, discussion? All those in favor, signify by saying aye.

Group: Aye.

Clare B.: Opposed? Abstentions? Thank you very much. All right. The next item, the approval of the COLA increase for the pre-1992 members. Um, if you retired before 1992, you were a part of the legislation in which you had a set COLA. The minimum was 3% and the maximum was 5%. You could never get less than 3% but you could never get more than 5%. Many people retired at that time. It was kind of an exodus of people leaving the teaching profession, uh, because they felt they could be harmed and would be harmed financially if they didn't leave without a guaranteed COLA. Um, so the people who are in this group, remember, would have retired more than 31, 31 years ago or so. And if your average age is probably 60 or in that early 60 group, you're talking about people who are in their 90s now. It's not a growing population of teachers. Uh, but thi-, this is the, the law is that they, they took this benefit but had to retire right then in '92 in order to get this benefit. So these are the people we're talking about and this is the benefit that they will get. It's CavMac that really comes up with the benefit for us. It will be this year 3.6%. Remember, they can't get less than 3, they can't get more than 5. This year they will be getting, that population of very old teachers, retired teachers, will be getting 3.6%.

So for our newer members, I hope that helps to explain to you what this, what exactly this is and why we do this every year as well. Uh, so the board would enterchain-, entertain a motion to, uh, accept the pre-'92 COLA increase of 3.6%.

Male: So moved.

Clare B.: Been moved.

Male: Second.

Clare B.: Second. Discussion? All right. All those in favor, signify by saying aye.

Group: Aye.

Clare B.: Opposed? Abstentions? Thank you very much on that. Um, you have for your, uh, administrative actions from Helen. And now for our new members, you will do this every single time the board meets and takes action. These will be three actions that you will take. People retire throughout the year. Even though the vast majority retire as of July 1, they will retire throughout the year. We will have to pay out survivor benefits every single month. Uh, people will die throughout the year as well. Uh, and the Medical Review Committee will meet, they don't meet every single month but when they meet, they review all the applications for every month of the year. So at every meeting, we will be receiving those reports and we will be taking action to make sure that these benefits in fact are going to be paid and given to our teachers. Okay. The first one is service retirements for the month of May 2023, then survivor benefits for the month of May 2023, and then reports and recommendations from the Medical Review Committee for the month of May 2023. The Chair would entertain a motion to accept all three.

Male: So moved.

Clare B.: Been moved. Second?

Male: Second.

Clare B.: Second. Discussion? All right. All those in favor, signify by saying aye.

Group: Aye.

Clare B.: Opposed? Abstention? You also have attached for your, uh, edification the retirement statistics. We give those to you every month so you can actually see that it is an, it's kind of an ongoing operation here. Remember, people are, we have people being born, people dyin', people retiring, people all of those things, gettin' married. Again, all of those things are going to be part of the statistics that we house. Like Social Security, we warehouse information. Uh, we're, uh, about 106 years old I think now and, uh, we warehouse information for all of that, just like Social Security does. So we have an awful lot of data and an awful lot of people and that information, remember, will – comes to you in these little bits and pieces every single month. So, uh, just that's for your edification. Uh, I'm all set. Public Comments, are we ready Javiel, who, or, uh, whoever is on? Yes?

Naomi: Naomi and...

Clare B.: Naomi. Thank you, Naomi.

Naomi: Yes. So I'm ready for public comments. Um, reminder that there will be a two-minute time limit on each comment to be fair to the amount of, large amount of people joining today. And with that, I will remind you that you'll click the raise-your-hand button and whoever is first, I'll start off with them. And I see we have Bill Myers. Bill Myers, you have permission to, uh – oops, hold on. There you go. Bill Myers, you have permission to unmute.

Bill M.: Thank you, Javiel. Um, and, uh, addressing the board, thank you for your work. I want to first thank for the legislation that went through adding two retired teachers. That's great and it's great that, uh, the interest that was shown by so many teachers. Secondly, I want to thank United Healthcare for two things. Their preventive care program reaches out to everyone and they have some great ideas. Um, and their automatic refill of their prescriptions is also smooth running and, uh, I think it's wonderful. I want to, third, thank our and congratulate Jon Moss on his appointment to the board. And I want to thank the agency for scrambling. I know what a scramble it is and will be once the bill is passed to hold an election and start that process by October. I want to thank Bill Murray for his service to the board I can't imagine how many years but he has, as Clare, uh, beautifully attributed him, done a wonderful job, so r-, raise your hands to Bill Murray. And lastly, I want to thank Sarah Sanders for her report on the baby bonds, which was very confusing but based on, uh, everything she said, um, I think I understand it. And I know she's going to post that letter on, if it's not on the Treasury site than it will be on TRB's site also. So thank you all. Um, carry on.

Naomi: All right. Do we have any other public comments? Please click the raise-hand button. Okay. Uh, Walt, you have permission to unmute.

Walt: Okay. Um, thank you very much. Uh, can everyone hear me?

Naomi: Yes.

Clare B.: Yeah.

Walt: Okay. Thank you. Uh, well, I thank you for all the work you do and I have just three quick comments. Uh, the first is I noticed that, um, uh, unlike Bill Myers, uh, I noticed that United Healthcare has added an additional step of requiring a phone call code back, uh, number, uh, before you can even begin to renew online and this is another, uh, burdensome step in the process. I don't know if anyone else has experienced it but I have on more than one occasion. And, uh, secondly, um, I'd just like to, uh, mention that it's great to hear about the rate of return, um, uh, because that's the basis for some COLAs and I didn't know if this rate of return would be applying to the July '23 COLAs. And finally, um, I've been looking for and I'm wondering how I can get a copy of the transcripts for the November 9, 2022 TRB meeting and also for the May 17, 2023 meeting. So, um, those are my three points and I thank you very much for listening and I hope to get an answer to at least one or two of'm. Thank you.

Naomi: Okay. Do we have any other public comments? Anyone else who would like to speak, please click the raise-hand button. I'm not seeing any other hands. Last call. All right and, and I think that would conclude public comments.

Clare B.: All right. Thank you very much. And, uh, thank you to the board members. Uh, welcome, Jon. Thank you, Bill. And Bill, I do, I, I was remiss in telling you that Norman Winnerman, an old blast from the past from Danbury, your old hometown and where you worked, uh, did send us a, a wonderful thank you for all of your years of service, by the way. Uh, we always say that people don't come here and, and, and actually congratulate the board and say you're doing a great job. They often come because they have an issue or something that they'd like to present to the board and have the board resolve in some way. But anyway, I did want to just add that in there that you did, you did get a great congratulation from a 91-year-old retired Connecticut teacher and he worked with you, Bill and he said...

Bill M.: Uh, yeah, Clare.

Clare B.: ...he, he said...

Bill M.: [Inaudible 121:06].

Clare B.: ...I hope you keep up the good work in whatever you're doing, Bill. Keep up that good work.

Bill M.: I, I did see his letter and he made some very interesting comments about, uh, the state of insurance in, in Massachusetts and other things. And I, I think it's information that, uh, we may have to share too. It's very good.

Clare B.: Oh.

Bill M.: Yeah. Thank you. Thank you very much.

Clare B.: Okay. Anything else from everybody else around you? Uh, we will, as I said, be usin', um, an election committee. Pretty much, uh, same, um, health insurance committee will be workin' on that. You know, it's, uh, we'll be meeting in September, um, at the next board meeting but those things, uh, as we need to, as Helen needs any, you know, additional work done, we'll, we'll continue on those, uh, but not as a full official board meeting with action. So that's next up will be, uh, September I think Helen told us the 6th will be our next meeting. Um, yeah. I wish all of you a, a, a very, uh, fruitful and, and wonderful summer. And we thank you for all of your work here. Uh, I know we don't, you know – people think that it's – this is very valuable work. The things that you're doing on behalf of teachers are essential and are important. And on behalf of teachers, I thank you and, and thank you for being here today. So, uh, and Bruce, yourself too for our...

Male: Clare

Clare B.: ...[inaudible 122:20] our new people and our, and our been-around people, really, thank you all.

Female: Uh, I move to, uh, adjourn.

Clare B.: Okay. Been moved. Seconded?

Male: Second.

Clare B.: All those in favor, signify by saying aye.

Group: Aye.

Clare B.: Okay. Thank you very much. All right. Talk to you all soon.

Female: Thank you.

Clare B.: Thank you.

/mlc