

1 **CONNECTICUT TEACHERS' RETIREMENT BOARD**
2 **TRB BOARD MEETING**
3 **APRIL 17, 2024**
4
5

6 Clare B.: Can we call the Wednesday, April 17, 2024 meeting of the State Teachers'
7 Retirement Board to order, please?
8

9 Before I, um, take any action items, I just would like to, uh, say that, uh, as a
10 reminder to all of our board members and, you know, myself as well because I get
11 the same questions, people think that because you are a board member that you're
12 like, um, that you know all things retirement. So, before of any of us get over our
13 skills on this issue, uh, remember, we are the policy end of what goes on in
14 retirement. And yes, I get questions, I do, and I'm sure many of you do as well. I
15 recommend and it's what I do, I refer those right on to Helen and to her staff. The,
16 the one thing that none of us are around this table here are professionals in the
17 retirement field but Helen is and all the people who work for her are. They're the
18 ones who are going to be able to respond to very specific questions about, you
19 know, people will ask you about calculations of benefits and granting service and
20 the COLAs and elections and healthcare and, and just the general reason why they
21 don't get a better pension or why they're not State Employees or all of the above.
22 And I'm sure many of you have had those.
23

24 I would still make the same recommendation I have had in the past to all board
25 members, please, refer those, uh, to Helen and her staff and I will guarantee you
26 that they will be responded to. The people will know that, yes, they reached out to
27 you but yes, you referred it to the people who could maybe help them or make a
28 change or, you know, or adjustment or something of that kind. You can't so, but I,
29 I know you want to. I know you want to help. You want to say something. You
30 want to do something. It's my recommendation the best thing you can do is to
31 pass that on to the professionals who do this for a living and, uh, and, and none of
32 us around this table actually do that, except for Helen and her staff who are
33 online. So, uh, anyway, enough, um, enough lecturing from Clare. Okay. Let's
34 move on to the approval of the February 21, 2024 Board Meeting minutes. They
35 have had them before you. Board would entertain a motion to accept.
36

37 Male: So move.

38
39 Male: I move.

40
41 Clare B.: Moved.

42
43 Male: Second.

44
45 Clare B.: Second. Uh, discussion? All those in favor, signify by sayin' aye.
46

1 Group: Aye.
2
3 Clare B.: Opposed? Abstentions?
4
5 Male: I abstain.
6
7 Clare B.: Abstain. Yes. One. Thank you. Thanks, Charlie. Uh, Agency Report. Helen,
8 you're up.
9
10 Helen S.: Oh. Thanks, Clare. Uh, to start with, uh, the health insurance update. Everything
11 is going very well. Uh, the past 90 days, we've had 165 enrollments, 141 were the
12 Medicare Advantage, three elected no dental, we had 24 Med supps. We had 290
13 emails, 192 voicemails. Our rate of approval for the prior authorizations for
14 medical were 100% compliant. Uh, prescription drug I think we have three, um,
15 outstanding that are being worked. Uh, the expediteds are averaging, appeals are
16 averaging one day. The standard appeals are averaging 2.4.
17
18 I'd like to, uh, thank United Healthcare, uh, for their, uh, willingness to do some
19 lunch and learn programs for us. They've been reaching out doing, uh, dental, uh,
20 lunch and learns. They've done some lunch and learns about post-acute care such
21 as skilled nursing facility. Uh, they've attended numerous requests for union, um,
22 meetings throughout the state for our various unions. They will be att-, attending
23 the CEA luncheon and the ARTC luncheon coming up in May.
24
25 We just completed their annual survey. Um, you know, I have an echo. Can – I
26 think there might be, um, something coming from another room or in the office.
27 Uh, just give me one second. Oh. I think, all right, I think it was Bob. Okay. Bob
28 might have had his door open. Sorry about that. Uh, they completed their annual
29 survey. Uh, we're up three points from last year. Um, they're well above 90%. I'll
30 give you some highlights. Um, 96% of the folks who responded were satisfied or
31 very sa-, satisfied with the way United, um, Healthcare administers the plan. That
32 was a 3% increase over last year. Uh, 90% of the, uh, respondents, uh, who called
33 United i-, hel-, customer service were very satisfied with the experience. 98%
34 were most satisfied with the cu-, customer service reps being courteous and
35 respectful and attentive to their needs. 91 of the respondents were very satisfied
36 with the choice of in-network providers and the convenience of provider
37 locations. And 93 of the res-, uh, folks responded, uh, were very happy with the
38 frequency and the communication and materials, um, that are sent to their home
39 and they're very easy to understand, um, and read. So that was great feedback.
40 Uh, we'll get that survey posted on the website. It was, uh, the 2023, um, plan
41 year. Uh, they run it the first quarter, so just got to get that up next week.
42
43 Uh, we have two RFPs out right now to bid. Uh, one is for the dental, one is for
44 the medical. Those, uh, bids are under the blackout period. Uh, the committees are
45 both working through. Um, hopefully we'll have some decisions, uh, by our
46 January board meeting. Um...

1
2 Clare B.: June.
3
4 Helen S.: ...please note that, um, the committee members, uh, everything that they, uh,
5 discuss at these meetings are – is, is confidential. Um, they cannot respond to
6 member inquiries. Um, that is not allowed during the blackout period. Uh, so if,
7 um, anyone has sent questions to any of the committee members, please note that,
8 um, no one can respond while the RFPs are out to bid and being worked on.
9
10 Clare B.: Helen, you meant, did you mean June not January?
11
12 Helen S.: Oh. Yes. I did mean June. Did I say January? My bad.
13
14 Clare B.: You said January.
15
16 Helen S.: I'm so sorry.
17
18 Clare B.: Okay.
19
20 Helen S.: Well, well, we should know by the June, we should have our results by the June
21 12th meeting, if not shortly thereafter. Um, the plans are going to be implemented
22 if there's any changes to vendors and renewed for January 1, 2025. Sorry about
23 that, Clare, uh.
24
25 Clare B.: Okay. Just...
26
27 Helen S.: The Core-CT update, uh, we are still, uh, hoping to launch part of Phase 1, um, in
28 the next month, which is the customer service, uh, piece of Core. It is, you know,
29 millions of records of data and historical data, uh, that need to be converted. Um,
30 as with any project, there are generally some minor bumps in the road. Uh, so we
31 are working, uh, through that with our vendor. Uh, it is, it is not a TRB issue. Uh,
32 when you are making a transition, uh, as you know, you run into, into things over
33 and over and things just don't go quite as planned. Uh, with that being said, I was
34 going to, uh, I see Ted, I was going to turn it over to Ted. Hello there. How are
35 you doin'? Um, as you know, we have, uh, discussed having...
36
37 Helen S.: ...pension updates annually, uh, to co-, to be very communicative with our, uh,
38 board and our, our members. So I know that Ted has got some updates. I know
39 that there maybe have been some, uh, few articles here and there. Uh, but, um,
40 Ted, not to put you on the spot, I'm kidding, but anyway...
41
42 Ted W.: Oh. No. Oh. No.
43
44 Clare B.: You're on the line, Ted. Yeah.
45

1 Helen S.: So we're just going to turn it over to Ted and, uh, have, have him give a little, um,
2 update.

3
4 Ted W.: Thanks, Helen. Well, uh, it's always a pleasure to, to come here and just talk
5 about performance. I see Bill Myers who is on, who is also on the, uh, Advisory
6 Council here as well. So Bill, I'm going to bore you to death but, you know, just
7 be patient.

8
9 Um, so the performance through December, the calendar year 2023, um, so the
10 pension itself, as I guess most people already know, um, we were up just under
11 13% for the year. And, uh, that's using, uh, the Wilshire TUCS, uh, peer index,
12 which is the, which is the most widely used in public pension world, so everybody
13 uses it of the \$10 billion or greater assets pu-, public pensions. So whether
14 they're, uh, municipal or state, everything above \$10 billion 'cause we compete in
15 the same universe, we were the 27th percentile, which means we performed better
16 than, than 73% of the public pensions nationally. Over the past two years, we are
17 in the 40% percentile, so we've gotten better progressively. So we, over the last
18 two years, we're in the top 60% of perf-, we beat 60% of our \$10 billion or
19 greater peers. What's significant about this is, um, – and, and just in reference to
20 Helen's, uh, uh, nod to articles, that's the same article that I think I talked about a
21 year ago, so they were just adding a little bit more, uh, data but their data was
22 through June of last year. Mine is through December of last year, so mine is six
23 months, uh, six months more of information and data – is that we, the changes
24 that were implemented, so I started in September 2021 and in January we made a,
25 um, a huge effort to make some huge changes in the portfolio.

26
27 We had an asset allocation that was crystallized by the Advisory Council later on
28 that year. But by the time we got to that point, we had essentially done all the
29 liquid changes that we could. So private assets you can't just change them on a
30 dime. They take years to implement. But the public ones, like public equities,
31 treasuries, all that was done well ahead of the Advisory Council meeting. So I was
32 working with the Council, uh, and making in, in my first few months just kind of
33 getting a feel for where they were leaning as far as asset allocation and in talking
34 with them, uh, building different cases as far as what needs to be done to fix this
35 portfolio. Um, and I would say that, uh, we still have some privates that need to
36 be done and need to be allocated over time. Like I said, these take, take some time
37 but for the most part, um, I would say well over probably 70%, 60%, 70% of the
38 changes have already been implemented and were done mostly in that first maybe
39 six, seven months that I came. Um, and the private is going to take, you know, a
40 few years to fini-, fill, fill out the rest.

41
42 But that's where you see the change in performance. We truly, we used to be a, a
43 very poor performing, uh, public pension for decades. Um, but, you know, I, I, I,
44 without having, uh, insight into what was happening at that time, I would say that,
45 um, you, we always need to remember that when you, uh, when you have a public
46 pension that was so poorly funded, it changes how you invest, you know. A fund

1 that has a very poor funding ratio is less likely to want to take more risks for fear
2 of being wrong and basically bankrupting the public pension system. So this is not
3 to make an excuse for the prior administrations. I'm just kind of really just
4 thinking high level of when I think of public pensions poorly funded, I know the
5 tendency is you don't want to take extra risks, even though you could because the
6 fear is that things are going to, if you're wrong, it's going to be an even greater
7 disaster. So my initial look at the portfolio and how we were funded, to me it was
8 clear that we had enough liquidity in our portfolio that we could take more risks,
9 so I changed things up, took more risks with the blessing of the Advisory Council
10 and the Treasurer.

11
12 And, you know, we went from, I'm trying to remember a couple years ago where
13 we were ranked on some of these long-term metrics but they were, they were like
14 probably 80s, 90 percentile, which means bottom 10%. So we've gone from being
15 a truly in the bottom 10% of \$10B or more performer to one where we are up
16 there with the best of'm. And there are still more changes to be had, so we're still
17 working through and adding more privates on a fairly regular basis but the good
18 thing about it is that there's a lot of challenges going on in the private markets
19 right now. And the fact that a lot of our peer states and municipalities have a lot of
20 privates in their portfolio, they are trying to sell that and they're – a lot of sales
21 have not happened as yet because they're waiting to see what happens with the
22 fed and how borrowing costs will affect some of these deals. So we are on the
23 other side. They're net sellers. We're buyers, so we can afford to be patient. We
24 can afford to be very choosy, which is a truly enviable position to be in. So net-
25 net, I think that how we're positioned it's somewhat fortuitous, somewhat, um,
26 uh, as a result of the work of the Council, the Treasurer and the investment staff.
27 We are in a very enviable position how we're positioned right now and I look
28 forward to, you know, continued progress, um, with the performance.

29
30 And then last thing with some of the legislative changes. Um, for – I don't know
31 if those who can recall, uh, last year I did say that we had some legislative, um,
32 iss-, things in front of the, uh, the House and Senate regarding staffing, things that
33 would make staffing a lot easier and a lot more palatable for us to bring on and
34 retain, uh, high-quality talent. Um, so I hired a number of principals last year. So
35 in equities we got somebody from the United Nations who's true, who was a true,
36 true star and that's a bigger system than we have here. So she will head up our
37 equities group, has headed up our equities group and have already done just
38 remarkable work in the five months she's been here. We hired a guy who was PE-
39 , from PEMCO, a, a senior person at PEMCO to head our fixed income group.
40 Um, our fixed income portfolio continues to do very well versus its, uh,
41 benchmarks, so they're outperforming as well. So – and, of course, two years ago,
42 we hired a, a, a lady from, uh, locally here to head our real assets group to
43 continue to build that out. Um, but net-net I think we are building out the team.
44 We have – we're almost fully built, fully staffed now. And, um, you know, we
45 have the levels of, of titles in order to promote people, retain people, and there's a

1 lot more latitude that's been given the Treasurer as far as, uh, attracting and
2 retaining talent.

3
4 And I think that, um, I think I'm, I'm pretty proud of where the team has come
5 and what the team has done. Knowing that, you know, there's always a target on
6 your back, especially when you're in a system that has had challenges for so long
7 but I think we are clearly on the other side of that, um, uh, you know, of, of that,
8 um, dichotomy right now. So I'll kind of pause and see if there's any, uh,
9 questions or anything that, uh, individuals may want to opine on.

10
11 Clare B.: Any questions for Ted? All right. Seeing none. Thank you, Ted. Uh, I'm glad that,
12 um, I'm glad that you've done this. Um, it was your suggestion last year when we
13 talked about that Yale study that you would give us, uh, reports. And you were the
14 one I think who said that springtime would be the best time to do that, so we're
15 really following up on that but also following up on that Yale thing and all those
16 articles that were in the paper, very good to do that as well I think for, for the
17 members around this table. So thank you very much.

18
19 Ted W.: Thank you, Clare.

20
21 Clare B.: Um, Helen, any other pension updates? Bill, anything you wanted to add to the
22 IAC?

23
24 Bill M.: No. I'm good. Thank you. And Ted, thank you for not asking me any questions.

25
26 Ted W.: I was going to but I was waiting on somebody to ask me one first and I would
27 relay that to Bill.

28
29 Clare B.: Helen, anything else on, uh...?

30
31 Helen S.: I, I think we're – I don't have an...

32
33 Helen S.: I don't have anything else.

34
35 Clare B.: All right. Very good. Okay. We'll move on to the action items. Uh, the approval
36 of the Administrator's actions regarding the granting of service retirement
37 benefits for the months of February and March 2024. The survivor benefits for the
38 months of February and March 2024. And the reports and recommendations of
39 the Medical Review Committee regarding applications for disability payments as
40 presented to the Medical Review Committee at the February and March 2024
41 meetings. We'll take them all together. Uh, the board would entertain a motion to
42 approve.

43
44 Male: So moved.

45
46 Clare B.: So moved. Uh, second?

1
2 Male: Second.
3
4 Clare B.: Second. Discussion? All those in favor, signify by sayin' aye.
5
6 Group: Aye.
7
8 Clare B.: Opposed? Abstentions? All right. Thank you. Um, the statistics are, uh, attached
9 for your benefit. Those are for March – February and March. Uh, and I think we
10 can move on to, uh, public comments. Um, Naomi, are you all set or who, who's
11 on public comments today, Helen?
12
13 Helen S.: Naomi.
14
15 Clare B.: Oh. Naomi.
16
17 Naomi C.: Yes. I'm all set. But, um, Ed, I saw you had your hand raised. Did you have a
18 question?
19
20 Clare B.: Oh. Go ahead, Ed.
21
22 Edwin V.: Thank you. Yeah. I raised my hand during the, uh, task. Well, first of all, let me
23 thank Ted for that great report. I'm happy to, to see we're s-, we're performing so
24 well, uh, and actually outperforming from what I can see.
25
26 Clare B.: Mm-hm.
27
28 Edwin V.: And, uh, but my question was, uh, when Helen made the report on the, uh, on the
29 health insurance, I, I received a concern from some of the retirees. They were
30 wondering when the, these RFPs go out for, for bid, is it the goal that both our
31 advantage plan and our supplemental plan get the best possible deal or do we just
32 bulk'm together?
33
34 Helen S.: They're, they're out, uh, separately if you look at the RFP.
35
36 Edwin V.: Okay. Great. So and so that may mean we may, we may get two different
37 insurance companies covering each plan or do we try to get like one insurance
38 company covering both?
39
40 Helen S.: It, it depends on how the, uh...
41
42 Clare B.: Kind of embargoed information right now.
43
44 Helen S.: How it, yeah, how it all plays out.
45
46 Clare B.: Yeah.

1
2 Helen S.: The RFP is available on the website for folks...
3
4 Edwin V.: Oh.
5
6 Helen S.: ...to take a look at.
7
8 Edwin V.: Well, thank you.
9
10 Helen S.: Of course.
11
12 Clare B.: Okay. Thank you. Um, public comments, we're ready.
13
14 Naomi C.: Okay. Just a reminder that there will be a two-minute time limit due to the large
15 number of attendees. And we will start the time, the, uh, timer as soon as we can
16 hear you talking. Um, we will start with our first raised hand, which is Walt. Um,
17 uh, anyone else who has a comment can click the raise hand to get in the queue.
18 Uh, Walt, you have permission to unmute.
19
20 Walt C.: Okay. Um, hi. Can everyone hear me?
21
22 Naomi C.: Yes.
23
24 Clare B.: Yes, we can.
25
26 Walt C.: Okay. Thank you. Um, I appreciate your meeting today. And first of all, I'd like
27 to thank the TRB for including retired teachers' suggestions, um, which were
28 written prior to you regarding the medical RFP. Um, that's really great to see and
29 we truly appreciate that. Um, I would like to make a comment about the self-
30 identified blackout period that Helen mentioned. Usually, blackout periods apply
31 to matters of pending litigation, which I do not think this is. And, um, I would just
32 like to also add that, uh, retired teachers pay the vast majority of all the cost
33 associated with both the dental and medical RFP contracts and I think that their
34 representatives should have a right to ask and receive information at any time,
35 um, as we are the largest financial contributor to these, uh, contracts. So with that,
36 I thank you very much, uh, for your time and hope you enjoy the rest of this, uh,
37 great day. Thank you.
38
39 Clare B.: Thank you.
40
41 Naomi C.: Okay. Next, we have Joan. Joan, oops. Hold on. Okay. Joan, you have permission
42 to unmute.
43
44 Joan C.: Okay. How's that?
45
46 Naomi C.: Good.

1
2 Joan C.: Okay. Um, I am the president of the New Britain Retired Teachers Group. And
3 we're learning that the Social Security system changed their, uh, requirements
4 sometime and we don't know when that happened, that people did not have to
5 have 40 quarters in order to purchase Medicare A and B. Does anyone know
6 when that happened? What year did that happen? And after that did happen, who
7 notified the Boards of Ed that these people could purchase their Medicare A and
8 B and then therefore could actually jump into the TRB medical plans? Um, we
9 have a group of people who are paying a huge, uh, insurance to the City, uh,
10 because none of them were ever notified by Social Security, by the TRB, by their
11 Board of Ed that this change had happened. And if they apply now, there's a
12 penalty because they didn't apply at 65. We were told we couldn't. So can
13 anybody give me any information concerning that? I would really appreciate it.
14
15 Naomi C.: Okay. Do we have any other comments? Please click the raise hand button. Any
16 other public comments, please click the raise hand button. All right. If we have no
17 other public comments, I think we can move on.
18
19 Clare B.: Thank you, Naomi.
20
21 Naomi C.: You're welcome.
22
23 Clare B.: Um, all right. The board would entertain a motion to adjourn.
24
25 Male: So moved.
26
27 Clare B.: Second?
28
29 Male: Second.
30
31 Clare B.: Where's Joslyn?
32
33 Joslyn D.: I'm right here.
34
35 Joslyn D.: I'm at the LOB.
36
37 Clare B.: Uh, second. All right. All right. All those in favor, signify by sayin' aye.
38
39 Group: Aye.
40
41 Clare B.: Opposed? Abstentions? Thank you very much. All right people, enjoy, uh, their,
42 you know, their religious holidays coming up. There are, uh, we have, uh,
43 springtime coming up. We have, uh, our May meeting, uh, scheduled I want to
44 say the 8th I think, Helen. And we'll, uh, we'll s-...
45 Clare B.: ...we'll see where we are with that because right now I know we don't have a lot
46 of action items before us. I don't think, as Helen said, the healthcare stuff will

1 probably be ready till June, so that might be our next meeting but, but we're not
2 going to remove the, the May meeting. Let's just, if things occur between now
3 and then that we must meet, then we're certainly going to have that meeting. But
4 if we don't need that, uh, then we may move, uh, to have just the next meeting be
5 the June meeting, so just a, a word to all of you. Okay? Uh, uh, good to see all of
6 you. Um, enjoy the rest of your day. Okay. Thank you very much.
7

8 Helen S.: Thank you.

9
10 Male: Bye now.

11
12 Male: Thank you.

13
14 Male: Thank you.

15
16 Clare B.: Helen, thank you.

17
18 Male: Thank you.

19
20 Clare B.: And I thank you for your reports. Nice job.

21
22 Helen S.: Thanks.

23
24
25 /mlc