

CONNECTICUT TEACHERS' RETIREMENT BOARD
TRB BOARD MEETING
SEPTEMBER 9, 2026

Clare B.: Hi everybody. Uh, like to welcome everybody to the Wednesday, September 9, uh, meeting of the State Teacher Retirement Board. Um, the first item on the agenda is the pension performance update. We've asked Ted Wright, who is the Chief Investment Officer for our pension funds, to, uh, give us this update. We know the Board isn't, uh, d-, we're not responsible for nor can we take credit for anything that really has to do with the investments themselves. We're kind of on the – mostly the liability side of this fund, but we know that the Board would like to know – you'd like to hear, uh, that – and particularly when the numbers are this good, yeah, we should definitely be hearing. I'd be very happy, and so are the listeners too. Um, so be-, oh, before we do that, I – I'd just like to say something that, um, I had a call around my birthday...

Ted W.: Yeah.

Clare B.: ...August 13. That's – Ted's birthday and my birthday are the same day, by the way...

Ted W.: Same day.

Clare B.: And we always end up doin' somethin' havin'...

Clare B.: ...to do with the Retirement Fund or Board on that day. I don't know why. So we share restaurants to go to or whatever. And I had a good one for you this time. So, um, and I got a call from Ted, uh, maybe a week ahead of that saying that, uh, the treasurer, Erick Russell, would like to have a meeting with Ted and I, uh, and the conversation was gonna be about OPEB. Now, OPEB is Other than pension Employee Benefits, which pretty much is healthcare. Th-, there may be other things in there, but when you talk about OPEB, you're not talking about the pension. You're almost exclusively talking about healthcare. And, uh, so I had to call, uh, my actuary, Todd – our actuary, Todd, and say, um, I don't know anybody who knows more about OPEB than our actuary, so I called him and said you know, if I had to choose a friend, like, you know, you could reach out and get a friend – I had to choose a friend to be with me at this meeting with the treasurer, I would choose my actuary to be there.

So I attended with, uh, Todd and the treasurer and Ted. And the treasurer, uh, was basically making, uh, us aware of the fact that he would like to take the money that we have in our OPEB kind of trust account – it – it's a lot of money. It's – maybe at the time was \$290M. It's – I looked at Ted's report. Looks that could be almost \$300M. That's a lot of – that's a lot of money to have in there. That's the money that the State puts in there, the retirees put in there, and the active teachers

put in there. So all of that money goes into there. Much of it sits in what's called the STIF account. STIF is the Short-Term Investment Fund. That means that that money goes in there, comes right out, maybe within 24 hours – bing, bing. That's a fluid – very fluid, liquid account, and it's perfect for us with healthcare because liquidity is an issue. We have to have that money. That money's comin' in and bang – we have to redeploy that. That's gonna be paid out in, uh, money to, uh, to pay for the healthcare plan itself. So knowing that, uh, our actuary came to the table and talked to the treasurer and I and Ted. Um, we, we have in there about \$98M of it, about a third of the fund, and we – every year, over the past 7, 8 years, we, we spend around \$78M. That's instantly spent every single 12-month period, sometimes a little more, rarely ever less, because healthcare costs rise and tend to rise and, and not, not be reduced.

Um, so what we wanted to know – the treasurer wanted to know how – he just – basically what he wanted to do was inform us. He is the sole fiduciary. He has the power to do this. He doesn't even have to come to you and I and tell us. Uh, he could send out a thing and tell everybody this is what he'd like to do with the OPEB account of the teachers. Uh, but knowing th-, our treasurer, um, he didn't wanna do anything that we weren't aware of, um, and, and frankly, knowing this treasurer as well, I think he wanted us to, to know that what he would be proposing would be something good, you know – would be something that would benefit teachers. Uh, he was not doing this to save some money or to – he was doing this to do something to perhaps add some resources and stuff to the fund with this.

And part of his idea was that if we're using this one-third, then we needed to know from our actuary what's our risk tolerance. What, what can we, as the fund, take in terms of risk. Um, you know, we're going to have – we've had very good times, but we've also experienced bad times too. And so if we have downturns, then what would that all mean? And so our actuary, at Ted's request and the treasurer's, worked up for them, um, like a scenario – best case, worst case, you know, w-, where, where would we be a few years from now? Uh, what if things didn't go well? What kind of things would happen? And at the end of that, y-, you know, the net scenario that he presented, uh, he did say that he felt that we would – we would benefit from this. We, we as our pension fund would, in fact, benefit. We would get some more resources. There would be some l-, some perhaps lower cost, but mostly some, some benefit to us.

Ted W.: Mm-hm.

Clare B.: So I wanted you to know that before you knew that this was coming, because yes, I did know. And yes, Ted did know. And yes, our actuary was right beside me to test and kick the tires on this before it went really anywhere. And the treasurer wanted to know if we had concerns, and I said well, we wanna know – we wanna see this – wanna see our actuary's report on this, and that's it. It's a lengthy

explanation, I'm sorry, but you may read about it. The treasurer – when he decides to roll this out in – it's not today...

Clare B.: ...but at some point in time, we'll roll this out, and you will have at least some knowledge and background of where it came from and what it might help you do. And if you read the report from Ted, you get a little bit more in detail on that as to how we believe it will work. So, uh, Ted, I hope that's not – didn't take some of your thunder away from your OPEB, but...

Ted W.: Oh, no, actually...

Clare B.: ...good stuff to talk about so...

Ted W.: No, I think you...

Clare B.: ...the floor is yours, Ted.

Ted W.: ...beautiful. No, I think you actually said it really well. Um, it's, it's actually pretty straightforward. Um, first, I wanna cover the performance – the fiscal performance. Then I'll talk about the OPEB, but they're all kinda connected anyway. So if s-, if we can pull up the slide, H-, um, I, I think – Helen, I think you're in control. Slide deck to the...

Helen S.: Actually, I believe it's Naomi.

Ted W.: ...oh.

Helen S.: It's okay.

Ted W.: Sorry.

Helen S.: She'll be right there.

Ted W.: There we go.

Helen S.: Thank you, thank you.

Ted W.: Thank you so much. All right. You've seen this one before. Not much information there. Uh, if we could go to the next slide – you've probably heard this before. We did 15.1% for the fiscal year ended June. Our returns added \$11B to the pension, so you could just do the math. We ended with 73.7. As of yesterday, we were just under \$77B now. Um, next page, you'll see the Teacher's Retirement is still the largest, um, fund in the pension at 33.1. Um, uh, we could actually skip ahead to the 5th page. I wa-, I wanna cover it pretty quickly and get, get right to what you really wanna h-, talk about. Um, you'll see the performance of the 3 largest, um, plans – teachers, state, municipal. They're right on top of each other, as expected.

And the next slide just kinda sh-, you've seen this before. These are the performance of the various asset classes. Note that there's a nice mix here of domestic equities, which is really U.S. equities, core fixed income, which is mostly like treasuries or treasury-like instruments. I'm just goin' by the size. The size of the box means the l-, the size of the allocation. The numbers is how the – how the allocation did for the year. So domestic equity was the largest allocation – the biggest piece of the, the, the direct angle, and has returned 23.8%. And you see the whole mix there. We have private equity, we have real estate, we have infrastructure and natural resources, we have private credit, we have non-core fixed income, which includes things like, uh, um, emerging markets debt, high yield, and the like.

Um, risk – we have a, a risk mitigating system that's in there, and that's really to benefit when the market sells off. And then of course the liquidity fund is at 4%. That's the cash. That's – that is what your OPEB is invested in. It's larger here than normal. Uh, normally, we carry that in the general pension around 1%, but the move that happened recently, and, you know, I – I've been really pushing to get this bigger. Even though it earns a smaller return relative o-, over the life of, uh, lives of, uh, a market cycle than most of these assets – actually, of all of these assets. It's very stable and it's super liquid, and the fact that we've come o-, come off 4 strong years of the equity markets, it's only fitting that at some point it's gonna start to – the market's gonna start to give some of that back. When that happens, liquidity fund will be that really strong anchor that'll continue to make money during those period of time and provide us with the opportunity to withdraw some of that and invest when markets are in sell-off mode. So the thinking is you always wanna be a buyer when the rest of the, the, the market is a seller. So I'm just starting to prepare the pension for the next step. The good thing is, even though we're carrying a larger cash balance, we're still performing really well.

Switch to the next slide. You'll see – actually could jump 2 slides down. This is the one – they say this is the money slide. So I did a – the presentation over at the legislative office this morning with the governor on the performance of the pension. I'll tell you this: What a difference 4 years make. So 5 years ago, when I started here, my first presentation on performance – it was so bad. When you look at the performance of Connecticut Pension, we were – those numbers in blue – the lower the number, the better we ranked versus other states in performance. We were – so if you're the worst of the worst, you're somewhere around the 98th to 100th percentile. That means you're at the bottom of the relative rankings versus your peers. Those numbers were all in the high 90s, whether it was 1-year, 3-year, 5-year, 10-year, 20-year. We were a serial bottom performer. And when that happens, the challenge for us is that it's harder to, to, um, fund the pension as far as funded ratios are concerned. It's harder to invest because the cl-, the, the more – the more you get to the lower end of funding status, the more – I mean, you would think you would take more risk in order to make up for the shortfall, but in reality, you actually take less risk because you're afraid of becoming insolvent.

And that doesn't – all that does is take you down a rabbit hole where you continue to underperform because you're putting things in larger allocations and in asset classes that make very little return but safe because you don't want to deplete the, the remaining assets and have a pension go into, you know, near insolvency. Four years later, we are one of the best-performing pensions in the country. Our 1 and 3-year numbers put us in the – in the elite numbers among our peers. Um, as, as you guys probably know, you know, we've – w-, we're, we're – our group is up for a number of awards. We're receiving one for, uh, the top pension team tomorrow in Boston. Um, I'm going to New York next week for the CIO of the Year award as a finalist, um, but it's really a tribute to the work of the legislature, the work of the governor, the work of the, the, um, the Advisory Council, which includes a few members from the teachers', um, from the teachers' union, uh, creating a system where we, one, can attract and retain strong quality talent. We can invest more holistically. We had a – we, we revised the, um, the investment policy statement such that it really defined how we invest, where we invest, and really gave us a much better fighting chance of improving our relative standings.

And here we stand today, um, you know, the battle is never over, but I'll tell you, I get constant calls from the media asking how did you – how did we take a grossly underperforming pension of this size from the bottom to the top, and it's really a collective of all of those constituents. I – you know, I just happen to be the net beneficiary of just bein' in this position, but this is really the work of the Advisory Council, the legislature, and the staff themselves. So we have a lot to be proud of. There's a lot t-, more work to be done, but the next step from here is really prepping the pension when we do see markets downturn. That is coming. I can guarantee you that that's coming, and you can see the cracks happening slowly but surely. It's happening in the – in the markets. When that happens, I think right now we're sitting at a larger cash balance than most of our peers, but I'm okay with that because our cash balance is earning 4% to 5%.

Uh, we go down to the teachers' OPEB. So long story short, the O-, teachers' OPEB is about \$300M in assets. It's invested entirely in that cash bucket – the Short-Term Investment Fund. Not a bad investment in and of itself, but it's, it's – it is our lowest-yielding, lowest-returning asset class over any market cycle. Because the account itself, given the size and the needs of the, like uh, I think Clare said like a third of it or so – money in, money out, and the cost of, of healthcare, uh, well, when I last checked, it wasn't goin' down. You, you, you need to make sure you grow that core perc-, that base needs to grow, and right now...

Clare B.: Can we move the slide, Helen? Can we move the slide?

Ted W.: Oh yeah. Go to the 11th...

Ted W.: ...slide, so 2 slides...

Clare B.: Ah, good.

Ted W.: ...down – go down 2. Oh, actually, stay here for a second.

Clare B.: Go back.

Ted W.: Stay here, 'cause this, this will – this will tell...

Clare B.: Oh.

Ted W.: ...you a lot right here. So this is what the OPEB actually did versus if it were invested just like the teachers' retirement system. That's a big difference. I think someone ran the numbers. If the – don't quote me on this, but if the teachers' retirement s-, if the OPEB was invested like the teachers' retirement, that \$300M would've been probably close to \$800M by now, over the last 7 years. Our performance has been really fantastic, and it's just not a function of the equity markets doing well. We've done s-, a lot better than our peers, and, and it would've grown considerably. And when I think of the State's OPEB, I'm – I think they started at a similar size. The state OPEB is cl-, is close to a billion dollars now, but they're invested just like the teachers' is. We ran the numbers, and talking with the, um, actuary, given that third that comes in – it's a little less that goes out than, than a third, but this is for argument's sake call it a third, that comes in, goes out, and as long as we have the continued funding of the State, which you need in any event, we can move that capital to the same allocation as teachers, maintain a lot of liquidity.

Our, our current teachers' portfolio, just as a – as an example, we can liquidate I'd say roughly, mm, 70% of it in a day. So let's just say the entire pension system, \$77B – if we really wanted to, we can liquidate north of 50-something of that and have th-, and have that in cash tomorrow, because it's liquid. It's government bonds. It's equities that are very, very liquid equities. Even the high-yield bonds that we have are very, very liquid. So there's not a – there's no question that the liquidity will be fine moving it from this allocation to the, the same as the teachers', but I think you'll be able to grow the base considerably, and that's what's needed.

If you go to the next slide, if we – if we do nothing and just leave it the way it is – you see the bottom current policy, the STIF? The reason why that starts to drop below the starting point is because at some point, the cost of healthcare will overrun the amount of inputs that's coming into the fund, 'cause healthcare costs are not dropping. The-, they continue to rise over time. So doing nothing, which is still an option, is probably not the optimal thing for this. The other options you'll see – you can see clearly – and these are using conservative numbers – it'll continue – it'll grow. So you'll be able to pay your, your rising healthcare costs but still grow the assets itself, which means over time, the funding ratio will rise. And

again, we're using very, very conservative numbers here. So if we – I think that should be it for, for, for the – for the slides themselves, but, you know, the story I think is, is pretty straightforward. You know, we can – we can do nothing and keep – stay in 100% cash, or we can grow the majority of the assets, still be able to fund the current liabilities on an annual basis, and, you know, 10 years down the line, we look at this and we'll see a very different OPEB versus one that could be super depleted of assets, which would clearly require the State to have to do something legislatively probably to, to cover the shortfall. That's it, Clare. That's all I have.

Clare B.: All good news, Ted. We like it. Uh, how 'bout questions for, uh, for Ted? And also, I think you have Todd Green on. I did ask him to come on with us, um, just in case, uh, there were questions for Todd, 'cause he was the one who, uh, tested this OPEB idea. So in case, um, in case there were risk issues that we wanted to present him. So, uh, go ahead. Fire away. Got some questions? Go ahead, Lisa.

Lisa H.: Um, first of all, thank you. I thought that was an excellent presentation. I really appreciate everything you've done and that you are doing. It's really, um, showing great initiative balanced with risk management, so I really appreciate everything you're doing there.

Ted W.: Thank you.

Lisa H.: Every time I listen to you speak, I walk away thinking we are in great hands, so thank you for that. Let me start with that. So my questions are pretty basic. Just uh, two – what, what is the funding percentage of our – the teachers' pension and the OPEB right now? And are we using the OPEB currently as a trust or are we using it pay as we go? And how does your approach change the annual, uh, the actuarially determined contribution each year?

Ted W.: So a lot of that question clearly is for Todd, 'cause you're talking now funded ratios and, and the like. Um, I'll, I'll, I'll leave those questions for Todd on the funded ratio. For, for teachers, there's a – I know there's an actuarial exercise that's happening this year, so later on in the year, we should get the new funded ratio. I believe we should be closing in on 70% for the teachers. Uh, I know – was it 8 years ago we were, like, 30% or some, some number like that? I know...

Ted W.: ...the governor said it this morning. That's why I remembered. Um, but, you know, at that point, we were – the concern was the solvency, as once you get down into those numbers, then you're worried that this thing's gonna blow up at some point. A market downturn's gonna kill it. So we've – we're now looking forward to getting to the, uh, uh, nearly fully funded point some time in the – in the foreseeable future, which is a good – a good feeling. As far as the, um, uh, the, the allocations themselves in this – in, in the – in the – in the new format, um, I think you asked the question of whether we were a – we – you said something

about whether we were a, uh, fund – what was your questions? I'm just tryin' to make sure I...

Lisa H.: So I just now...

Ted W.: ...inaudible.

Lisa H.: With OPEB, a lotta people are still using pay as you go, and they have a trust fund...

Ted W.: Right.

Lisa H.: ...that's not fully funded, so I was just wondering if we're utilizing a trust fund or still on the pay-as-you-go mode, and if we are using – utilizing the trust fund, what percentage do we have funded?

Ted W.: 'Cause I know we have about a third that comes out. So like a – we paid about 70-something million last year. We had about n-, I, I wanna call it 90 – somewhere around \$90M that came in, so that's the contribution from the State, from teachers and the like. So there's still a portion of it that can be invested that's, that's sort of unencumbered, so to speak. So I w-, I would say we, we, we can earn returns on that extra. So assuming that, that, uh, the, the amount that comes in exceeds the amount that's immediately going out, the difference can be invested as well as the base that still remains can be invested. So I wouldn't say it's really fully like a pay-as-you-go, 'cause, you know, that, that, that sorta implies with have nothing left to invest other than what comes and goes out. So there is something right now that's coming in that's not going out, but I would imagine the fear is that over time, as costs rise, unless, unless we come up with a way of, of, of really capping healthcare costs, then that's gonna eat away at what comes in, especially if we have a market downturn. That's, that's where it becomes troubling. So on the funded ratio stuff, maybe Todd is a better person to answer that, because it's, you know – they're the ones calculating it.

Todd G.: The, the latest, uh, the latest funded ratio for the OPEB plan is 10%. It's...

Ted W.: Wow.

Todd G.: ...9.9%, so...

Ted W.: Wow.

Todd G.: ...but, um, but the plan is basically pay as you go. There's, you know – it's, it's, you know, a third actives, a third state, a third retirees through their premiums, um, but there is that \$300M that's just sitting there at this point, um, and, you know, you're projected to be positive cash flow at least in the short term, you know, as long as, um, things, uh, you know – a lotta that hinges just on the, the

state contribution level, so that's very important into you know, saying that, 'cause if that were to go away, you would have to dip into those assets to cover the cost. Um, the, uh, and for – on the – and the pension plan is, uh, is 64% funded, um, last valuation, so we are anticipating that increasing, um, you know, based on, uh, you know, the good returns you had, plus you've recognized all the asset losses from the previous valuations as well. So, um, so we do anticipate that to improve, uh, with this next valuation.

Lisa H.: Thank you both.

Ted W.: That, that 10% really scares me, Todd.

Todd G.: I'm sorry. What?

Ted W.: That 10% number really scared me.

Todd G.: Yeah. I mean, keep in mind, uh, most plans weren't – most OPEB plans weren't – haven't been prefunded, so it's, you know – you're in a position where you do have some money to catch up on it, and most places can't afford it at this point, you know, so.

Ted W.: That's, that's true. We have a – sort of a good problem, right?

Todd G.: Yeah. It's, it's, uh, yeah. And, um, so.

Clare B.: Other questions for Todd? Other questions for Ted?

Gregory M.: One question for Ted. Um, in terms of the OPEB funded ratio, the – for state employees is about 15% funded, so, um, not uncommon for OPEB to be poorly funded, I guess, probably, um, but question for you Ted. In, in terms of the, uh, the, you know, whether we invest the OPEB funds in the STIF or, uh, like we do the pension funds, is that – would that be something the treasurer decides? I assume that's a treasurer decision, right?

Ted W.: Correct. It's the treasurer with the advice of the Advisory Council.

Gregory M.: Okay.

Ted W.: And the Advisory Council – I guess...

Gregory M.: Yep.

Ted W.: ...if you wanna get really technical, the, the asset allocation is set from the Advisory Council, not the treasurer.

Gregory M.: Okay. Is, uh, is that a change that – I guess for both funds that – that's being considered, or?

Ted W.: Correct.

Gregory M.: Okay.

Ted W.: Just for the OPEB, 'cause the teachers' is already invested as such.

Gregory M.: Oh.

Ted W.: So it's just aligning them so that they...

Gregory M.: Yeah.

Ted W.: ...look the same, basically.

Gregory M.: Yeah. That makes sense good to hear that, uh, the pension funds are more liquid that I woulda thought they would if you can...

Ted W.: Oh yeah.

Gregory M.: ...free up half the money in a day, so yeah.

Ted W.: Yeah. We make sure to keep that liquid and, and hence why we have some of the other things to balance – I mean, the, the, the trick is, if you have something that's very, very liquid, make sure whatever you hedge it with is also liquid, and make sure that it punches above its weight class when it needs to. And then from there on, you just wait, and it's just a waiting game. When the selloff happens, then you capitalize. I've been dying and waiting for the market to sell off for years now, and nothing's happened, so.

Gregory M.: Yes. All right. Sounds good. Thanks.

Ted W.: Absolutely.

Clare B.: Any questions?

Ted W.: Questions?

Clare B.: Anyone else? All right. Uh, Ted, thank you very much. Uh, it's an excellent report. Um, do – is, is it – this a action item or just an information item, isn't it? We always take it every year as information for the board.

Ted W.: Right.

Clare B.: Um...

Ted W.: It's information.

Clare B.: ...yeah. No, really, and thank you, Todd, for bein' here too, because, uh, you were there from the start and, uh, and basically, I – when I finished my conversation with the treasurer and Ted, then Todd's conversation with them started, which was really about, uh, what is our tolerance for risk and, and, uh, and he presented them with a pretty extensive year-by-year scenario from good, bad, blah, so that, uh, so that before a-, so as the treasurer's doing this, that he can see, um, what the good cases would be, um, and of course what even a bad case would be as well. So I – in a – and his conclusion, Todd, and correct me if I'm wrong, was that, um, in the end, the teachers would benefit from this, um, you know, as the treasurer that we would benefit from doing this – from taking those extra \$200M and putting them in with the corpus of the fund and, and not only lowering some costs, but, but increasing some assets as well in there, so.

Ted W.: Absolutely.

Clare B.: Anything else, anybody? Am I missin'? All right. Ted, thank you very much. Remember...

Ted W.: Thank you.

Clare B.: ...we do this every year, Ted, and the CIO of the year, don't think you're goin' anywhere. I mean [inaudible] knockin' at your door here, little old Connecticut.

Ted W.: Absolutely...

Clare B.: Don't go...

Ted W.: ...not.

Clare B.: ...anywhere, Ted. Go ahead...

Ted W.: [Inaudible].

Clare B.: ...Edwin. Yes.

Edwin V.: Could I just ask a question?

Clare B.: Go ahead.

Edwin V.: Uh, after listening to the presentation, which I think was an excellent presentation, I just, uh, the only question – it seems – the impression I got is that even in a

worst-case scenario with the stock market, we're in a pretty solid position. Is that the upshot?

Clare B.: Um, well, in the short term. If it's a big, long – if it's a depression, uh, I don't know what that all means for all of us, but if it's, um, a downturn, as Ted said, I think we're well positioned...

Ted W.: Oh yeah.

Clare B.: ...um, you know, to, to weather a downturn. But...

Ted W.: Absolutely.

Ted W.: Yeah. And these can...

Clare B.: [Inaudible].

Ted W.: ...like anything else, these are cyclical and, and, uh, you know, I wouldn't be surprised if, you know – if a lot of the gains from this year dissipates in the next 5, 6, 7 months. But, you know, that's healthy for the market. Um, we're positioned for that. You know, our hope is that, that, you know, as things like that develop, the sharper the – or the deeper the, the drawdown – the shorter the drawdown, the more we can take advantage of it, by having these liquid investments ready to move when we can. Like, case in point, when we had liberation day last year – early last year, the market drew down in the double digits in a matter of days. So we were able to put a billion dollars to work, and that billion has grown by over three, \$400M since then. That's accrued directly to the bottom line for the pensioners. So we haven't had to take that off as yet, 'cause you're still growing. So that's how we take – what we wanna do is make sure we have the liquid investments ready to move when the time comes. At the same time, we try to broaden out our risks. So we're doin' a lotta other things under the hood, but at the same time, you know, we, we do recognize that, you know, these last 4 years are not typical.

Clare B.: And, and this I – and I also know that each year the treasurer adds some money from the surplus. Uh, he...

Ted W.: [Inaudible].

Clare B.: ...adds it to the pension fund debt. He doesn't split it equally in any way, but he adds it to the, the SERS and the, and the...

Ted W.: [Inaudible].

Clare B.: ...TRS fund. And, um, and so we will be expecting – Todd, that's for you. We will be expecting...

Clare B.: ...a little somethin' extra in your envelope coming up, uh, which I think would be a, a nice healthy boost too.

Todd G.: Yeah. The news clips today just, uh, they mentioned that, um, so...

Ted W.: Wow.

Todd G.: ...yep.

Clare B.: Okay. So good news to happen. We'll read about that in the coming days. And remember, Ted, d-, don't go anywhere.

Ted W.: Oh, no. I have to hang around for my August...

Clare B.: We'll celebrate on...

Ted W.: ...[inaudible]

Clare B.: ...August 13...

Ted W.: ...I was just gonna say...

Clare B.: ...remember?

Ted W.: ...my August 13 – my rendezvous with Clare, so thank you all so much.

Jon M.: Yep. Clare, can I just...

Clare B.: Yes. Go ahead...

Jon M.: ...Clare, can I just add in – Ted...

Clare B.: ...Jon.

Jon M.: ...Ted, I, I – what I appreciate – I, I echo everyone else's points about the helpfulness of the presentation and, and thank you for keeping us up to speed. What's also really helpful, 'cause I know we have, uh, a lot of people on this call as panelists, but also guests that are watching and listening on, is, uh, you know, I'll, I'll speak just for myself. I know that if in 5 to 7 months we suddenly see some of our profits that we've, you know, been able to earn disappearing, that doesn't look good from a quick glance, and so I appreciate, Ted, you're, you're putting us on notice and recognizing that that's a likely outcome and that even if that happens, which is certainly an undesirable change, we've got these, uh, funds ready to go to invest, which will help us to rebuild and continue...

Ted W.: [Exactly].

Jon M.: ...to stay as strong as we are. So thank you not only for the presentation, but kinda setting up our mindsets as we look forward for the next several months, uh, to anticipate possible outcomes.

Ted. W.: No. Appreciate it. Um, I, I do think it's im-, it's important to, to, to keep things fair and, and to level set, and just to make sure everybody's prepared, but, um, you know, I, I wouldn't be concerned. I'm actually looking forward to it. So, you know, I think people get, like, a li-, a little annoyed when they hear me say why do you look forward to a drawdown. Those tend to be the best opportunities to invest if you know where to – where you want to invest. And when those opportunities come, you can take advantage of it. But it's just not – it's not a random thing where you just put money anywhere. So we're just preparing on multiple fronts. You know, if this happens, here's where we go. If something else happens, here was where we go, but we know that in, in general, the broad selloff – it'll come. It's just a matter of when.

Clare B.: Good. Any, any other questions? Comments for Ted? No? Ted, great.

Ted W.: Thank you.

Clare B.: Thank you. Thank you very much. Uh...

Helen S.: Thank you.

Clare B.: ...great job. Great job. Um, Joslyn, uh, you'll, you'll note at the bottom, Joslyn's fully participant today. I know that's like her high school year book picture that's out there. I said, uh, you know, you know, Joslyn, I put one out there, but I just have pictures of an old woman, and when I look for other pictures, I, I just look older in those pictures. I, I don't have any that make me look as young as, as you look in that. But yes, Joslyn's with us. She's fully participating, uh, listening, questioning, whatever we need to do. So thank you. Thank you, Joslyn.

Joslyn D.: Clare, I'm proudly 44 in that picture. Just sayin'.

Clare B.: Oh, please. pl-, that's, you know, right . I looked just like this at 44 almost [inaudible].

Clare B.: And thank you very much. Approval of the minutes –the second item on the agenda, uh, from June 24, and the Chair would entertain a motion to approve.

Jon M.: So moved.

Clare B.: Moved. Do we have a second?

Male: Second.

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

Attendees: Aye.

Clare B.: Opposed? Abstentions? Cool . All right. Approval of the board meeting schedule. We've provided that for you. Uh, basically, what it does is give you the meeting schedule for, uh, all of '27. We already have, uh, our final meeting will be in November, the 18th of this year for this past calendar year. And that's when we'll be doing that valuation that Todd spoke about. Um, and that's when you'll get that number there to be looking more like 70% funded. And, um, so we'll be preparing for that on the final meeting, which will be November 18, but we don't meet in December or January. Doesn't mean we couldn't – I mean, if we have emergencies, we have a reason we have to meet, believe me, we'll be meeting. But if we don't, this is the schedule that we anticipate, uh, the 17th of February, 17th of March. Um, no April. We have a long session – a long legislative session then that will go all the way to June, so we're trying to make sure we have enough – 2 meetings then that we'll look at that – anything that comes out of the legislature, May 19, June 23. And then, the September 8 – we don't do October. We don't do next month as well.

Remember, we're doing open enrollment for all of our Medicare plans and our medical plans, and that takes a lot of meetings. It takes a lot of Helen's staff. Uh, she has to go out and talk with people. She has to do all kinds of meetings. There are meetings for towns, there are meetings for, uh, business offices, there are meetings for our constituents, our meeting for our retirees that have to make this choice, um, and presenting them with the possibilities that they have. That takes place throughout October. And then when that ends, uh, then the people have to make a choice, and I think they have until, uh, January 1 to do that. But, but the open enrollment period ends for us, uh, at the very end of October. So that's why we, we don't have an October meeting, and this is what we anticipate for next year's board meetings. Okay? Uh, we would, uh, Chair would entertain a motion to approve.

Male: Approve. So move.

Clare B.: Thank you. Uh moved. And seconded?

Bill M.: Second.

Male: Second.

Clare B.: ...second. Thank you very much. All right. It's been, uh, moved and seconded. All those, uh, any discussion?

Jon M.: Clare, one point for discussion. Um...

Clare B.: Yes.

Jon M.: ...I, I know I'd brought this up, uh, probably this time last year as well. I would love to see if, in the future, we can look at varying the day of the week that the meetings take place on. Um, for those of us that are – that are active teachers, sometimes this conflicts with some of our professional obligations, staff meetings and whatnot. So if there's a way to, uh, you know, vary the days so that it's not always Wednesdays that are impacted, that might be helpful to at least some of us on the committee.

Clare B.: Uh, thank you, Jon. We've hear-, yes. Um, y-, you have to be mindful of the fact you have a lot of statutory members and other people who, um, this is – this is one of their statutory obligations is to be here so, uh, they have to coordinate that as well as you do with your schedule. They have to coordinate all those meetings together too. So, uh, y-, it's a wider discussion. I think it's worthy of some, uh, survey, kind of, to see where the members are, see where the board members are on it, but, but thank you, Jon, for bringing it to our attention. We know. We know it's, uh, but that's part of your obligation to be here, and we know that you have to try hard, some days harder than others, to make sure that you're here, but we a-, we certainly appreciate that. Um, okay. We, we, we voted on that yet or no? We had a meeting, discussion. All right. All those in favor, signify by saying aye.

Attendees: Aye.

Clare B.: Opposed? Abstentions? Okay. Uh, all right. The, uh, agency report. Helen, you're up.

Helen S.: Sure.

Clare B.: Guess what? Healthcare.

Helen S.: Yep. I know. Everyone's favorite topic this time of year. Uh, currently, we have tw-, about – we have 28,729 members on our Medicare Advantage. There are 4,760 on the Medicare Supplement Plan. Um, the plans are running very well. Uh, the voicemail and voice calls for both the carriers are – they're – I think we did – between June to September, there was about 700, um, with Aetna. The call center volume is – I'm just reading without my glasses. I apologize for that. Um, is about, uh, 600 per month. Some of the basic questions are about benefit inquiries, membership questions. Our prior authorizations are doing really well for both medical and, uh, prescription. We are well within our compliance, uh, as regarding, um, Medicare rules. Um, the reasons for those denials sometimes, um, are the same standard 3 that we always have – more information is needed, um, sometimes it involves specialty, um, medications and, um, specialty medications as well, which, um, require a little more information. So those are just our

general, um, overviews. I wanted to get into – thank you, Terry, for being so patient today. Um, I wanted to present our healthcare rates. I know your schedule is very full as well. Um, I also do wanna thank Terry for all the work that she's been doing with us, and she's an active participant in open enrollment as well as Amanda. They are out in the field the entire time, so I, um, really do wanna thank them.

So our open enrollment this year is going to be from October 5 to November 20. Uh, we did reach out to the Healthcare Committee, um, because based on feedback from membership, when we wait for our board meetings and we announce the rates and we don't have – and we don't go to print and we're not prepared, things go to the end of the month, and then there's a timing issue with people receiving information. All of our rates are approved when we renew our contracts. So, um, I sent out an email a couple of weeks ago to the Healthcare Committee, letting them know that the rates were, were ready. They were well within the guidelines of the contract. They were all approved. Terry's team vetted them. So again, everything ready to print so we'll be able to get that open enrollment information out earlier to our members so they have time to plan for the open enrollment meetings, they have the information on hand, there's more time for them to ask questions. So we really took the feedback from our membership, um, and, and put it together this year, so I – and I know Amanda and Terry have worked – and Terry's team, because they're dropping that mailing out, so really wanna thank them, um, for all their efforts on that. Uh, with that being said, Na-, Naomi, do you wanna pop up the rates for, for this year so we can walk through the rates for 2027? Thank you. Terry, do you want to take over the rates?

Terry D.: [Sure].

Helen S.: Thanks.

Terry D.: Um, first, Ted, thank you for the lead-in about the cost[inaudible].

Helen S.: Yeah.

Female: Yes.

Helen S.: Yeah. Thank you. That helps us.

Terry D.: Thank you. So for 2027, for the Aetna Medicare Advantage plan with prescription drug, the retiree is gonna pay \$112. For the Med Sup with prescription drug, the retiree is gonna pay \$294. And you can see on the right what last year's rates were. So that's about a 10% to 12% increase. Dental is going up \$2 once again, and in total, um, it's \$170 for Med Advantage and \$352 for The Hartford Med Sup with prescription drug.

Helen S.: And Terry, I would say we're well within the industry average, especially based on our utilization.

Terry D.: Oh, and I just got some interesting news. Well, it, it just got released. Um, the plan that you're all familiar with, the increase was just released today, and it's, uh, 16%. Another large Med Advantage renewal, so...

Terry D.: ...yes, we are...

Helen S.: So thank you for that.

Terry D.: ...getting some huge increases. Yep.

Helen S.: Yeah. There's been some double digits out there.

Terry D.: I just had a 29% increase...

Terry D.: ...so yeah.

Helen S.: So, um, we encourage our members to come to open enrollment. Uh, I do wanna thank both The Hartford and Aetna. Uh, we have gotten more feedback about, um, the gym membership and networks, and both of those will be increased for January 1, and there are some, um, minor benefit enhancements coming, coming our way as well. So we encourage our members to, um, look at that information when they receive it, uh, the open enrollment packages, and then we have meeting schedules, um, through October and November all throughout the State. We will be doing them virtually as well. I don't know if Amanda and Naomi, um, have them posted yet. I know they were really busy this morning getting every-, getting everything ready, so all this information should be on the website, um, to, probably by tomorrow afternoon and in the mail to members. So I just wanna thank everyone for that. So are there any questions?

Clare B.: All right. Thank you, Helen. Um, wanna give us a Core update?

Helen S.: Sure. Um, regarding, um, the Core update, the project has been, um, put on hold. There is a review of that project. We have a third-party, uh, vendor, um, Segal Technology. They are going to assess to determine if Core is the right fit for our pension system and our members. Uh, the process is going – it just started to take place. We had a meet and greet last week with, uh, several of the folks from, um, one of the other subsidiaries of Segal, uh, and the comptroller. Uh, they will be meeting with our team tomorrow. The Core Committee that we have, um, Lisa, Jon, and Bill, will also be involved in weekly updates and any – and attend any meetings necessary while we do this review to determine the best fit for, um, the agency and our members. So we hope to know that in the next, uh, month or two, so stay tuned and we should have more information at the November 18 meeting as well.

Clare B.: Good. Uh, questions? Anybody? Okay. Very good.

Jon M.: Helen, just, just clarifying, I...

Clare B.: Sure.

Jon M.: ...um, 'cause I don't wanna set up expectations. Am I right? I thought this was a multi-month, uh, review process.

Helen S.: It should – Jon, it should [inaudible] – 2, 2 to 3 months tops. Uh, I met with uh, some of the folks from OSC last week. We're getting some information. We're trying to schedule some meetings toward the end of the month, um, to expedite and, and keep the flow going, so...

Male: [Inaudible].

Helen S.: ...hopefully we can do it a little bit faster, but the expectation generally would be 2 to 3 months.

Jon M.: All right. I'm just putting it on people's radar that...

Helen S.: Yep.

Jon M.: ...we've...

Helen S.: Yep.

Jon M.: ...if our November meeting rolls around and we don't have that, just being upfront, you know, that that would still...

Helen S.: Mm-hm.

Jon M.: ...be within the window that it might be a later meeting where we have the updates.

Clare B.: Mm-hm.

Helen S.: Mm-hm.

Clare B.: No, that' good, Helen. Thank you. Thank you. Any questions?

Helen S.: No problem.

Clare B.: No other questions? We've been on the Core project here for some time, um, and remember, our, our previous and still, uh, software is, uh, PensionGold, which is,

uh, kinda customized to just us – just teachers. But, um, but we're, we're gonna try to mull as much as we can about this and, and trust the committee to make the very best decision, you know, that can be made for our teachers and our members.

Helen S.: Mm-hm.

Clare B.: Um, okay. Anything, uh, anything else for Helen? Are we good? Okay. Uh, Helen, we have before us just action items. The granting to service retirement benefits for June, July, and August of 2026, uh, the survivor benefits for the months of June, July, and August 2026, and the reports and recommendations of the Medical Review Committee regarding applications for disability payments as presented to the Medical Review Committee at the June, July, and August 2026 meetings. We take those as group. The Chair would entertain a motion to approve.

Bill M.: So moved.

Clare B.: Oh, thank you, Keith. We got it moved. Seconded?

Male: Second.

Clare B.: Ah, second. Thank you. Discussion. All those in favor, signify by saying aye.

Attendees: Aye.

Clare B.: Opposed? Abstentions? Thank you very much. All right. Uh, the statistics, you remember, are attached for your, uh, edification, and, uh, we would move on to public comments.

Naomi C.: All right. As a reminder, for the rules of public comment, everyone will be given a 2-minute time limit. We will start the countdown timer as soon as we can hear you speaking.

Helen S.: Mm-hm.

Naomi C.: Everyone, uh, is allowed to make one public comment per session, and we will start on a first-come-first-serve basis. Please...

Helen S.: Thank you.

Naomi C.: ...click the raise hand button if you'd like to make a public comment.

Helen S.: Thank you, Naomi. And, and our board portion of the meeting is concluded for the Board. Um, we will listen to our public comments. Again, uh, there – please, uh, if you have personal, uh, questions or concerns, uh, contact the carrier or us directly. Thank you.

Naomi C.: All right. We'll start with our first raised hand. It is Margaret. Margaret, you have permission to unmute.

Margaret: Hello? Uh, I'm guessing it's working. Is it working?

Naomi C.: Yep.

Helen S.: Yes. We can hear ya.

Margaret: Um, I, I alerted, um, Helen about this, but I never heard back, that some of our members in Windham County are having difficulty getting in-home visits as part of a preventive benefit, um, portion. Um, again, this feels like Windham County is not being considered equitably to other counties in the state. Um, and also, I'm wondering – are we going to have a full, in-person, um, information session on open enrollment for this fall? Um, this kinda continues with, uh, in the past, many of our members in, um, I'm, I'm part of CEA-Retired. Uh, many of our members had difficulty getting the services that were offered after hospitalization. Uh, we seem to have – they don't have providers in this section, so I've heard that, you know, this woman could not get anything other than a virtual, um, one of those preventive things, which she felt was a waste of time. Um, how do they draw blood? How do they get, um, blood pressures? How do they really, uh, look at her, do heart checks, whatever? So, um, we're, we're wanting equity, equity for Windham County, um, and hoping that this improves in the future. I'm done.

Naomi C.: Okay. Next, we have Walt. Walt, you have permission to unmute.

Walt C.: Um, hi. Good afternoon, everyone. Uh, thank you. Welcome back after summer break. Um, I just have 2 comments. Um, one is a clarification. Regarding the OPEB money, um, I didn't know if only the state portion of the OPEB money is in play with these, uh, discussions that were raised by, uh, Ted Wright, or if it also includes money, uh, contributed by active teachers. So if there's some way in the future to, uh, add that clarification, it would be much appreciated. And, uh, the other piece, um, the State seems to be represented in, um, this discussion regarding OPEB and, um, I was wondering if there would be plans to involve the other people who contribute to OPEB, um, such as the active teachers and the retired teachers. Um, because if it's our money, we certainly would like to have a chance to comment. And, uh, I do appreciate that everyone is looking out for the best interests. And, uh, the only concern I have is that, um, for the short term, uh, gyrations, uh, this plan looks great, uh, but what happens if there is a depression? And, um, in our crazy world with the way things are changing today, um, that's not a possibility that can be ruled out, but I have not heard any, um, uh, in-, discussion that that was included as part of the scenario planning. So, um, I thank you very much for hearing me, and, uh, wish all of us, um, well – all our retired teachers, uh, our nation, and our world. Thank you very much.

Naomi C.: Okay. Next, we have Lisa. Lisa, you have permission to unmute.

Lisa M.: Hello, guys. Can you hear me?

Naomi C.: Yes.

Lisa M.: Okay. Hi. It's Lisa Mosey. Um, I'm a retired teacher coming up on 4 years. Some of you know me. And I simply don't have a question. I just wanted to make a comment. Um, I haven't been to a meeting in a while, but as a previous, um, board member, um, I wanted to mention Ted. I don't know who you are, but that was an amazing presentation. Um, I learned a lot just in that time that you spoke, um, so I thought that was phenomenal. Just wanted to say that from a person who'd been on the board before. Um, so thank you for that. And, um, thanks for all your hard work, you guys, and miss seeing you. Thanks.

Naomi C.: Okay. Next, we have Mary. Mary, you have permission to unmute.

Mary M.: Yes. I want to also thank you for that presentation. Um, I have – still have a lot of questions, but I'll try to figure those out on my own. But one thing I did hear today, um, uh, was that it's possible that teachers need to – retired teachers need to – or maybe all teachers need to go in and make sure that their information – their contact information is accurate, um, i-, in your – i-, in your data files, because when things go out, um, if it's not, or if somehow it has been altered or removed, we wouldn't be getting some of the information that we will be needing, for instance in October, if we want to look at the, um, uh, changes or the possibility of changing our healthcare. And also, when the election – and I'm not sure when the election is. I don't know if you can – I know you're not gonna tell us that now, but I would like to be informed of when, uh, we're gonna be electing new board members and make sure that we get that information – that we get the ballots and so forth, and who the candidates are. Um, so I'm just wondering if teachers sh-, if it is true that some of the data needs to be verified that are in your files, uh, if that's something you would suggest that all teachers or retired teachers do at this time to make sure that, going forward, ge-, we get the information that we need to have. Thank you.

Naomi C.: Okay. I'm not seeing any other raised hands, so can conclu-, oh, sorry. One just came in. Uh, Rita, you have permission to unmute.

Rita M.: Thank you. And thank you for the presentation. Um, for the 8th time in 8 years, I'm just going to throw out there, as one who is enrolled in the Medicare Supplement, the traditional Medicare plan, um, that the Board and the state legislature once again look at, um, giving those of us who are in that plan the full one-third subsidy and not one-third of the Advantage plan. Um, the rates continue to go up. Um, our rate for next year is going up \$35, where the Advantage plan is going up only \$11, um, and for those of us who like traditional Medicare and would like to keep that plan, um, it really is a financial burden to continue to not get the full one-third. I would like for everyone to look at those 2 plans, um,

equally and give us the full one-third, not one-third of the cost of the Advantage plan, which is substantially lower. Thank you.

Naomi C.: Okay. I'm not seeing any other raised hands. Can conclude the public comments.

Clare B.: Okay, and seeing no, uh, other hand before us, um, just before adjournment, to remember, board members, that the valuation will be at the next meeting, which is gonna be November 18. Um, for those of you looking forward, remember, uh, Friday is the 25th anniversary of the 9/11, and so that's really a, a day of remembrance. Um, if you celebrate the autumnal equinox, uh, for those of you who are so inclined, uh, that'll be coming up. Then there's, uh, Columbus Day and Halloween and the elections and eventually, uh, Veteran's Day, and then we will meet again on the 18th of November. So, uh, the Chair would entertain a motion to adjourn.

Keith N.: Moved.

Edwin V.: Second.

Clare B.: Oh. Joslyn, you're – just missed it. Okay. Been moved and seconded. All those in favor, signify by saying aye.

Attendees: Aye.

Clare B.: Opposed? Abstentions? I thank you all. Uh, it was a little longer than usual, but, uh, I think I'm very glad that the Board's decided to do this whole investment piece annually, because it doesn't matter that we're not always the decision makers on this. It's always, I think, important for all of you to learn, uh, about how all of this goes on, uh, because people ask you, I'm sure all the time. You know, they know that you're a board member and they're gonna ask you those questions, and now you'll have a – you'll be well armed with a lot more information, uh, after Ted's presentation. And remember, Ted, don't go anywhere. Don't go – don't go anywhere. Just stay right here. Okay. All right, I thank you all. All right? Are we all set?

Helen S.: Thank you.

Female: Thank you.

Clare B.: Thank you. Thanks everybody.

Jon M.: Take care, everyone.

/tw