



CT TEACHERS' RETIREMENT BOARD

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MINUTES

June 20, 2018 at 3:00 pm

The meeting of the Teachers' Retirement Board was called to order at 3:06 p.m. by Chairperson, Clare Barnett on Wednesday, June 20, 2018.

BOARD MEMBERS PRESENT:

Clare Barnett, Teacher Member
William Myers, Teacher Member
Steven Muench, Teacher Member
Jonathan Johnson, Public Member
William Murray, Teacher Member
Laurie Martin, Office of the State Treasurer
Elaine Lowengard, Public Member
Stephen McKeever, Teacher Member, AFT
Gregory Messner, Office of Policy and Management

BOARD MEMBERS NOT IN ATTENDANCE:

Lisa Mosey, Teacher Member
Charles Higgins, Public Member
Kathy Demsey, State Department of Education

STAFF PRESENT:

Helen Sullivan, Administrator
Charlene Hill, Assistant to the Administrator
Loc Pho, Associate Accountant

OTHERS PRESENT:

Robyn Kaplan-Cho, CEA
Karen Nolen, OPM
Walt Ciplinski, Retired Teacher
Alba Fastai, Retired Teacher
Rita McDougald-Campbell, Retired Teacher
Mary Hendrickson, Retired Teacher
June Pinkin, HFT-Retirees
Christina Gellman- OFA
Barbara Kmetz, GBRTA
Pat McDonnell, ARTC
Thomas Danehy, CAPSS

Margaret Rick, HFTR
Karen Montjoy, Stirling Benefits
Elayne Futernick, HFT-R

Open meeting – Chairperson

- 1. Consideration and Approval of interest** to be credited to members' accounts on June 30, 2018, presented by John Garrett, Cavanaugh Macdonald Consulting, LLC.

John Garrett, Actuary, presented to the Board as part of their annual services, the interest rate used to credit mandatory and voluntary contribution accounts at the end of each fiscal year. The mandatory interest rate is determined using the established 10-year smoothing method and the unrecognized amounts determined in prior years. The market-based rate of return is used for crediting interest to voluntary contribution balances is determined as a step along the way of the 10-year smoothed rate of return calculation balances.

The interest rate of return for the mandatory contributions: 6.00%

The interest rate of return for the voluntary contributions: 7.42%

A motion was made by Bill Murray and seconded by Bill Myers to approve the proposed interest rates to be credited to members' accounts on June 30, 2018. All members voted in favor and the motion was passed.

- 2. Acceptance of the GASB 68 report** presented by John Garrett, Cavanaugh Macdonald Consulting, LLC.

John Garrett, Actuary presented a report on the Governmental Accounting Standards Board (GASB) Statement Number 68 which establishes accounting and financial reporting requirements for governmental employers that provide pension benefits to their employees through a trust. The information presented was for the period ending June 30, 2017 (the measurement date) and assists the Connecticut State Teachers' Retirement System in meeting the requirements of the GASB Statement No. 68.

A motion was made by Greg Messner and seconded by Bill Myers to accept the GASB 68 report. All members voted in favor and the motion was passed.

- 3. Consideration and Approval of the Board Meeting Minutes for May 16, 2018.**

A motion was made by Bill Myers and seconded by Steven Muench to approve the meeting minutes for May 16, 2018. All members voted (with one abstention, Greg Messner due to absence) in favor and the motion was passed.

- 4. Agency Report provided by Helen Sullivan, Administrator:**

Anthem Implementation Update:

There are 21,903 members enrolled in the Anthem plan effective July 1, 2018, and 7,321 members still enrolled in the Stirling plan. Opt out request forms are still being accepted

on a case by case basis until June 28, 2018 for those who missed the deadline but have extenuating circumstances.

There have been some preliminary discussions and ideas regarding the possibility of Stirling Benefits maintaining their relationship with the TRB in 2019. The discussions have included ideas of possibly making cost shares and copays more competitive. TRB Benefit Consultant, Joe Fields spoke more about some of the ideas that are being discussed including the Anthem plan being changed from a network based plan to a non-network based plan which would become effective January 1, 2019. Joe also discussed other changes and comparisons including but not limited to lowering some of the cost differentials between the two plans.

A discussion followed.

Non-Compliant Tax Return Members Benefits Suspension:

Members who are on disability are required to provide their tax returns to the TRB on an annual basis. Pension benefits are suspended for those members who fail to comply and do not send in their tax returns. This usually causes members to react and send in the required information being requested.

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

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

- 6. Consideration and Approval of:**

The Resolution to Authorize the Administrator (Helen Sullivan) to negotiate and/or execute any and all contracts, agreements, drafts, warrants and any such other arrangements necessary to operate or conduct the business of the Connecticut Teachers' Retirement System and for the payment of any benefits permitted or required.

A motion was made by Steven Muench and seconded by Jonathan Johnson to approve the Authorization Resolution. All members voted in favor and the motion was passed.

- 7. Consideration and Approval of:**

The Resolution renewal regarding the Medical Review Committee.

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

8. Consideration and Approval of the Administrator's actions regarding:

- a. Granting of service retirement benefits for the month of May, 2018.
- b. Survivor benefits for the month of May, 2018.
- c. Reports & recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the May, 2018 meeting.

A motion was made by Bill Murray and seconded by Greg Messner to approve the granting of service retirement, survivor benefits and applications for a disability allowance for the month of May, 2018. All members voted in favor and the motion was passed.

MATTERS FOR THE BOARD INFORMATION:

Retirement Statistics for the month of May, 2018.

COMMENTS FROM OBSERVERS:

June Pinkin made a comment about network costs and the opt out process for the Medicare Advantage plan being confusing for members.

Clare Barnett thanked everyone who came out to discuss retiree health insurance and provide their comments. Clare reiterated that the board learned a great deal from the discussion. Clare also advised that the next board meeting is on September 12, 2018 and they are hoping to finalize and take action on the health insurance changes Joe discussed earlier in the meeting including potentially continuing the TRB and Stirling relationship. The August workshop being held on August 1, 2018 at 10:00 am is an informal open meeting where Joe Fields will discuss the prescription drug issues and changes in pricing that are coming. No action is taken by the board at these workshops.

ADJOURNMENT:

With no other comments or announcements, a motion was made by Bill Myers and seconded by Bill Murray to adjourn the meeting. All members voted in favor and the motion was passed.

The meeting adjourned at 3:45 p.m.