



## **CT TEACHERS' RETIREMENT BOARD**

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## **MINUTES**

**June 05, 2019 at 4:00 pm**

The meeting of the Teachers' Retirement Board was called to order at 4:04 p.m. by Chairperson, Clare Barnett on Wednesday, June 05, 2019.

### **BOARD MEMBERS PRESENT:**

Clare Barnett, Teacher Member  
William Myers, Teacher Member  
Steven Muench, Teacher Member  
Jonathan Johnson, Public Member  
William Murray, Teacher Member  
Lisa Mosey, Teacher Member  
Charles Higgins, Public Member  
Keith Norton, State Department of Education  
Laurie Martin, Office of the State Treasurer  
Stephen McKeever, Teacher Member, AFT  
Gregory Messner, Office of Policy and Management

### **BOARD MEMBERS NOT IN ATTENDANCE:**

### **STAFF PRESENT:**

Helen Sullivan, Administrator  
Charlene Hill, Assistant to the Administrator  
Loc Pho, Fiscal Administrative Manager

### **OTHERS PRESENT:**

Brian Giantonio, Attorney, Giantonio Law Group  
Robyn Kaplan-Cho, CEA  
Karen Nolen, OPM  
James Stirling, Stirling Benefits  
Walt Ciplinski, Retired Teacher  
Mary Hendrickson, Retired Teacher  
Rick Follman, ARTC, CASA  
Gloria Brown, CEA-Retired  
Meg Kundahl, CEA, ARTC  
Rosemary Powers, ARTC  
Bonnie Barnes, ARTC

## **Open meeting – Chairperson**

- 1. Consideration and Approval of interest** to be credited to members' accounts on June 30, 2019, 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.

The interest rate of return for the mandatory contributions: 8.70%

The interest rate of return for the voluntary contributions: 4.31%

A motion was made by Bill Myers and seconded by Bill Murray to approve the proposed interest rates to be credited to members' accounts on June 30, 2019. All members voted in favor and the motion was passed.

- 2. Consideration and Approval of the change in the assumption rate contingent on the passing of HB No. 7424.**

John Garrett, Actuary, Cavanaugh Macdonald Consulting provided a summary on the information presented and discussed in previous meetings. The 6.9% discount rate is made up of components that are 2.5% rate of inflation with a 4.4% real rate of return component which is in a reasonable range and assumption to use going forward and is recommended as a reasonable rate of return.

A discussion followed.

A motion was made by Laurie Martin and seconded by Charles Higgins to approve, subject to HB No.7424 being signed into law by the Governor the Board is adopting an interest crediting rate of 4.0% and a discount rate of 6.9%. All members voted in favor and the motion was passed.

A second motion was made by Greg Messner and seconded by Bill Myers to approve that the Board directs Cavanaugh Macdonald Consulting to prepare a revised June 30, 2018 evaluation once the Treasurer has notified the Board that the Capital Reserve fund has been established and it meets or exceeds the required minimum capital reserve and that valuation will reflect the changes in the earlier motion and the changes included in HB No. 7424. All members voted in favor and the motion has passed.

- 3. Consideration and Approval of the Board Meeting Minutes for April 24, 2019.**

A motion was made by Bill Murray and seconded by Lisa Mosey to approve the meeting minutes for April 24, 2019. All members voted in favor and the motion was passed as amended.

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

**Statewide Agency website project:**

TRB is moving to the statewide agency website which will allow us additional ways of communicating with our members such as email blasts right from the website. This will be a nice upgrade from what we currently have.

**Staffing Update:**

We are in the process of recruiting a Retirement Benefits Officer Trainee to assist with the health insurance function and IT related reporting.

**Pension Gold Update Status:**

Meetings are continuing to take place with the hopes of upgrading the outdated system. We are hopeful that we will be able to obtain the funding needed in order to implement the much-needed upgrade.

**5. Consideration and Approval of the recommendation from the Vendor Selection Committee on the Medicare Supplement Services Request for Proposal (RFP) process results.**

An RFP was issued for the Medicare Supplement Services for the TRB which is the standard process for all TRB vendor services. The Vendor Selection Committee met with and interviewed finalists, but the process was not complete at the time of the board meeting.

A motion was made by Bill Myers and seconded by Steven Muench to delegate to the Vendor Selection committee, which consists of three board members the authority to select the Medicare Supplement Services provider as a result of the RFP process on or before June 12, 2019 subject to the Administrator successfully negotiating a contract with the Medicare Supplement Services provider selected by the Vendor selection committee. All members voted in favor and the motion was passed.

**6. 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.

**7. 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 Greg Messner and seconded by Charles Higgins to approve the Authorization Resolution. All members voted in favor and the motion was passed.

#### **8. Consideration and Approval of:**

The Resolution renewal regarding the Medical Review Committee who consist of a panel of Doctors who review and render decisions on disability applications.

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

#### **9. Consideration and Approval of the Administrator's actions regarding:**

- a. Granting of service retirement benefits for the months of April and May 2019.
- b. Survivor benefits for the months of April and May 2019.
- c. Reports & recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the April and May 2019 meetings.

A motion was made by Lisa Mosey and seconded by Greg Messner to approve the granting of service retirement, survivor benefits and applications for a disability allowance for the months of April and May 2019. All members voted in favor and the motion was passed.

#### **MATTERS FOR THE BOARD INFORMATION:**

Retirement Statistics for the months of April and May 2019.

Chairperson, Clare Barnett reminded the Board there is no board meeting in July. July is a busy time for the staff at TRB as this is the time when a number of teachers' retire as it is the end of the school year and the staff which is the smallest staff of all state agencies must audit and process all of those retirement applications. Clare also discussed some of the possible topics for the August workshop which could be more interactive and technology driven as one of the possibilities is a Pension Gold upgrade session where we can explore and see what type of software will allow the Board and TRB staff more interaction with members and Boards of Education and allow members to have more access and control over their own accounts. The board does not take any action at the August workshops.

Clare introduced a new board member, Keith Norton. Keith is the new designee representing the State Department of Education.

#### **COMMENTS FROM OBSERVERS:**

A member inquired about the timing of notification to retired members once a vendor has been chosen for the Medicare Supplement Services, stating that members would like to be notified as soon as possible to be allowed enough time to make informed choices regarding their health

insurance benefits. A comment was also made regarding the authorization of the Administrator to sign contracts and if there is a cap on the amount of the authorization.

Stirling Benefits recognized and thanked the Board for all the work they do related to pension benefits in terms of dollar value and having an impact on our future generations of taxpayers and for providing a steady stream of pension for retired CT teachers.

**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 4:48 p.m.