



CT TEACHERS' RETIREMENT BOARD

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MINUTES

April 24, 2019 at 3:00 pm

The meeting of the Teachers' Retirement Board was called to order at 3:11 p.m. by Chairperson, Clare Barnett on Wednesday, April 24, 2019.

BOARD MEMBERS PRESENT:

Clare Barnett, Teacher Member, Chairperson
William Myers, Teacher Member, Vice-Chairperson
Jonathan Johnson, Public Member
Lisa Mosey, Teacher Member
Charles Higgins, Public Member
Stephen McKeever, Teacher Member, AFT
William Murray, Teacher Member
Laurie Martin, Office of the State Treasurer
Gregory Messner, Office of Policy and Management

BOARD MEMBERS NOT IN ATTENDANCE:

Kathy Demsey, State Department of Education
Steven Muench, Teacher Member

STAFF PRESENT:

Helen Sullivan, Administrator
Charlene Hill, Assistant to the Administrator

OTHERS PRESENT:

John Garrett, Cavanaugh Macdonald Consulting, LLC (Conf. call)
Jeffrey Gann, Cavanaugh Macdonald Consulting, LLC (Conf. call)
Brian Giantonio, TRB Attorney (Conf. call)
Robyn Kaplan-Cho, CEA
Karen Nolen, OPM
Walt Ciplinski, Retired Teacher
Mary Hendrickson, Retired Teacher
June Pinkin, HFT-Retirees
Christina Gellman, OFA
Rita McDougald-Campbell, Retired Teacher
Jackie Fastaia, ARTC
Bonnie Barnes, ARTC
Rick Follman, ARTC
Jack Rua, Active Teacher
Elayne Futernick, HFT-R

Open meeting – Chairperson

Executive Session:

A motion was made and seconded to go into Executive Session at 3:11 pm. All members voted in favor and the motion was passed.

The Board came out of Executive Session at 3:23 pm

1. Consideration and Approval of the June 30, 2018 GASB 75 report presented by Jeffrey Gann, Actuary from Cavanaugh Macdonald Consulting

Jeffrey Gann provided a presentation of the GASB 75 report for the period ending June 30, 2018. The financial report provides information to assist the Teachers' Retirement System in meeting the requirements described in GASB Statement No. 75. GASB Statement No. 75 (GASB 75) establishes accounting and financial reporting requirements for governmental employers who sponsor or participate in other postemployment benefits (OPEB) plans.

A motion was made by Charles Higgins and seconded by Bill Myers to approve the June 30, 2018 GASB 75 report. All members voted in favor and the motion was passed.

2. Presentation of the Partial Experience Study to introduce the 6.9% assumption rate presented by John Garrett, Actuary from Cavanaugh Macdonald Consulting.

John Garrett provided a presented a report of a study of the economic assumptions to be used in future actuarial valuations of the Teachers' Retirement System (TRS). The purpose of the study is to assess the reasonability of the potential assumptions and develop the reasonable ranges for these assumptions based upon recent experience and trends. The report John provides an alternative set of economic assumptions for the Board's consideration.

3. Consideration and Approval of the Board Meeting Minutes for February 13, 2019.

A motion was made by Bill Murray and seconded by Bill Myers to approve the meeting minutes for February 13, 2019. The motion passed with one abstention, Charles Higgins due to absence.

4. Agency Report presented by Helen Sullivan, Administrator:

Voluntary Account:

Helen Sullivan provided an update on the voluntary account. The process is resolved from February 13th. Out of the 55,000 eligible teachers we had a small number of concerns including twelve emails asking that the account be reinstated as it was previously, however we are unable to do that. We are currently still working on one appeal. The overall process went very well. Helen thanked Attorney, Brian Giantonio, Fiscal Administrative Manager, Loc Pho and the Attorney General's office for their efforts in getting us into compliance.

Health Plan update:

The plan is running well. We had a small number of questions about the prescription estimator on the Express website and providers. We moved to a passive network so Anthem reached out to the Providers to educate them and clarify how it works. Overall the issues have been minimal on all fronts.

Personnel Update:

We hired another financial clerk who will be starting on Friday, April 26, 2019. We will also be hiring a Retirement and Benefits Officer Trainee. It is a two year training program. The position should be posted in the next day or two. This position will give us another person with some Medicare Advantage experience which will help us with some of our Medicare Advantage and prescription drug questions. This person will also help with annual open enrollment meetings. It is a two year training program.

System upgrade:

Helen was asked to provide an update on the agency system upgrade. Helen advised that we are still in the initial phase. She just had a follow up discussion with the DAS team to go over some reports and statistical analysis and she expects to have another follow up call with them soon. She is very hopeful that we will be able to upgrade the system in the future.

Charles Higgins exited meeting due to possible conflict of interest.

5. Consideration and Approval of the recommendation from the Vendor Selection Committee on the Healthcare Consultant RFP process results.

Bill Myers discussed the RFP #2019-01 process for Healthcare Consultant Services. After careful review of the proposals submitted, and finalist interviews of the three chosen finalists, the Vendor Selection Committee unanimously voted to recommend Segal Consulting to provide Healthcare Consulting Services.

A motion was made by Bill Murray and seconded by Lisa Mosey to approve the recommendation of the Vendor Selection Committee to select Segal Consulting to provide Healthcare Consulting Services. All members voted in favor and the motion was passed.

Helen advised that a Request for Information (RFI) is being posted for the second part of the RFP #2019-01 for Benefit Administrative Services. The RFI will allow us to obtain information from potential proposers to determine if another RFP will be posted for this service.

Charles Higgins returned to meeting.

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

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

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

MATTERS FOR THE BOARD INFORMATION:

Retirement Statistics for the months of February and March, 2019.

COMMENTS FROM OBSERVERS:

Comments were made from observers which included concerns about the estimator tool and pricing structure on the Express Scripts website, where the 1% that comes out of teachers' pension is going.

A concern was expressed by an active teacher in regard to the change in the voluntary account to discontinue 403b rollovers. The member's concerns included the pain this has caused him and his family, the belief that there was inadequate notice of the change, and what he believes would have been more appropriate action taken by the Board.

A retired teacher thanked the Board for all their work and reminded the Board that retired teachers are available to help with the evaluation of the impact of the health insurance plan changes. Two retired teachers also commented on the impact the change to a 6.9% assumption rate will have on the threshold for granting the COLA.

A retired teacher announced that the CEA and AFT are coordinating and sponsoring a Lobby Day at the Capital on April 30, 2019.

ADJOURNMENT:

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

The meeting adjourned at 4:25 p.m.