



CT TEACHERS' RETIREMENT BOARD

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MINUTES

April 27, 2016

2:00 pm

The meeting of the Teachers' Retirement Board was called to order at 2:02 pm by Chairperson Clare Barnett on Wednesday, April 27, 2016 at 765 Asylum Avenue, Hartford, CT.

BOARD MEMBERS PRESENT:

Clare Barnett, Teacher Member
Bill Myers, Teacher Member
Al Bredehorst, Teacher Member
Clifford Silvers, Public Member
Jonathan Johnson, Public Member
Maureen Honan, Teacher Member
Rosalyn Schoonmaker, Teacher Member
Charles Higgins, Public Member
Elaine Lowengard, Public Member
Deborah Spalding, Office of the State Treasurer
Gregory Messner, Office of Policy and Management

BOARD MEMBERS NOT IN ATTENDANCE:

Kathy Demsey, State Department of Education
Lisa Mosey, Teacher Member

STAFF PRESENT:

Darlene Perez, TRB Administrator
Shantelle Varrs, Fiscal Administrative Manager
Charlene Hill, Assistant to the Administrator

OTHERS PRESENT:

Denise L. Nappier, Treasurer
Christine Shaw, Office of the State Treasurer
John Garrett, Cavanaugh Macdonald Consulting
Dr. Joe Fields, TRB Health Insurance Consultant
Robyn Kaplan-Cho, Connecticut Education Association
Karen Nolen, Office of Policy and Management
James Stirling, Stirling Benefits
Rick Follman, Association of Retired Teachers of Connecticut
Scott Reed, Reed Financial Planning Services
Walt Ciplinksi, Retiree

Open meeting –Chairperson, Clare Barnett

1. Alternatives to the current Amortization Schedule:

John Garrett, Principal Actuary from Cavanaugh Macdonald Consulting provided a presentation on Alternative Funding Methodology for the Teachers' Retirement System that included three (3) attributes of Amortization Methods, current funding methodology, statutory considerations, proposed restructuring of UAAL, impact of restructuring, investment and alternate investment return assumption.

Chairperson Clare Barnett introduced State Treasurer Denise L. Nappier. Treasurer Nappier was the architect of the 2008 Bond and shared the importance of adhering to the Bond Covenant when considering debt refinancing options. Treasurer Nappier shared that in the opinion of her bond counsel, the Annual Required Contribution (ARC) cannot directly or indirectly be diminished relative to the closed amortization and funding method until it is 72% funded or at the end of the amortization schedule.

2. GASB No. 67 Report:

John Garrett discussed the information in the report which is based on data for active, inactive and retired members along with pertinent financial information. The report is used to assist the Connecticut State Teachers' Retirement System in meeting the requirements of the GASB No. 67.

A motion was made by Greg Messner and seconded by Maureen Honan to approve the GASB No. 67 report presented by John Garrett. All members voted in favor and the motion was passed.

A motion was made by Jonathan Johnson and seconded by Cliff Silvers to grant authority to the Administrator to seek legal advice from the Attorney General's office, if necessary, regarding debt refinancing options and the Bond Covenant. All members voted in favor and the motion was passed.

3. Agency Report:

Darlene Perez reported on the status of the Agency obtaining outside counsel. The recommendation for the outside counsel that was chosen by the Selection Committee has been sent to the Lead Counsel in order to execute the contract.

4. Dental Plan RFP results:

Dr. Joe Fields provided an updated on the Dental Plan RFP results. The Vendor Selection Committee selected Cigna which has the largest network match of 72% of what our members use. Cigna also has favorable discounts combined with their large network. The expectation is that we should have somewhere between an 8% and 9% reduction in aggregate cost associated with switching our vendor to Cigna.

A motion was made by Bill Myers and seconded by Maureen Honan to award the dental contract to Cigna. All members voted in favor and the motion was passed.

5. Effective date for Payment Plan and Annuity Rate Changes:

Annuity, service purchase and retirement payment plan factors are effected by a change in the assumed rate of return. Since the Board approved a reduction in the assumed rate of return at the November, 2015 meeting, we need to approve an effective date for the annuity, service purchase and retirement payment plan changes. The Administrator recommended an effective date of September 1, 2017 which allows sufficient time to publish the rates on the website and provide notice to the upcoming retirees who will be negatively impacted by these changes.

A motion was made Rosalyn Schoonmaker and seconded by Bill Myers to approve the September 1, 2017 effective date for annuity, service purchase and retirement payment plan changes. All members voted in favor and the motion was passed.

6. Approval of the March 9, 2016 Meeting Minutes:

A motion was made by Greg Messner and seconded by Rosalyn Schoonmaker to approve the March 9, 2016 meeting minutes. All members voted in favor and the motion was passed (with one abstention, Clare Barnett, due to absence.)

7. Consideration and Approval of the Administrator's Actions regarding:

- a) Granting of service retirement benefits for the month of March, 2016.
- b) Survivor benefits for the month of March, 2016.
- c) Reports & recommendations of the Medical Review Committee regarding applications for Disability Payments as presented to the Medical Review Committee at the March, 2016 meeting.

A motion was made by Bill Myers and seconded by Cliff Silvers to approve the granting of service retirement, survivor benefits and applications for a disability allowance for the month of March, 2016. All members voted in favor and the motion was passed.

MATTERS FOR THE BOARD INFORMATION:

Retirement Statistics for the month of March, 2016.

COMMENTS FROM OBSERVERS:

Robyn Kaplan-Cho: The potential for possibly further lowering the discount rate at a phased in or non-phased in rate would need to occur prior to September to allow for time to notify teachers who are planning to retire.

ADJOURNMENT – 3:48 PM