STATE OF CONNECTICUT
STATE EMPLOYEES RETIREMENT COMMISSION

SEPTEMBER 17, 2020 MEETING
HELD VIA ZOOM
CONVENEED AT 98:00 a.m.

Commission Members Present:
Peter Adomeit, Chairman
Michael Bailey, Trustee
Sandra Fae Brown Brewton, Trustee
Karen Buffkin, Trustee
Michael Carey, Trustee
Martha Carlson, Deputy Comptroller, Ex Officio Member
Carl Chisem, Trustee
Robert D. Coffey, Trustee
John Flores, General Counsel Office of the Treasurer, Ex Officio Member
Sal Luciano, Trustee
Karen Nolen, Trustee
Claude Poulin, Trustee
Angel Quiros, Trustee
Timothy Ryor, Trustee
Mark Sciota, Municipal Liaison

Also Present:
Bruce Barth, Tax Counsel to the Commission, Robinson & Cole
Natalie Braswell, General Counsel Office of the State Comptroller
Cindy Cieslak, General Counsel to the Commission, Rose Kallor
John Herrington, Director, Retirement Services Division
Colin Newman, Retirement Services Division
John Herrington, Retirement Services Division
Colin Newman, Assistant Director, Retirement Services Division
Alisha Sullivan, Tax Counsel to the Commission, Robinson & Cole
(Proceeding commenced at 8:59 a.m.)

MR. ADOMEIT: I will call the meeting to order, the September 17, 2020 meeting of the Connecticut State Employees Retirement Commission, a virtual meeting.

Cindy, do you think you have the persons present, please?

MS. CIESLAK: Of course. Good morning. I'm going to list the persons present. As a reminder, we are recording this meeting, so when you speak, please announce your name when you are speaking so we have an accurate recording.

Persons present, in no particular order: Chairman Peter Adomeit, Alisha Sullivan, Tax Counsel from Robinson & Cole. Angel Quiros, Trustee, Bruce Barth, Tax Counsel from Robinson & Cole, Carl Chisem, Trustee, Cindy Cieslak, Counsel from Rose Kallor, Claude Poulin, Actuarial Trustee. Colin Newman, Assistant Director from the Retirement Services Division, John Flores, General Counsel to the Office the treasurer, Ex Officio member of the Commission, John Herrington, Division Director from the Retirement Services Division, Karen Nolen, Trustee, Mark Sciota, Municipal Liaison, Martha Carlson, Deputy Comptroller, Ex Officio
member of the Commission. Michael Carey, Trustee,
Michael Bailey, Trustee, Natalie Braswell, General
Counsel and Assistant Comptroller, Robert Coffey,
Trustee, Tim Ryor, actuarial Trustee, Sal Luciano,
Trustee. And we had an individual who joined at 9806.
Can you let me know who that is?

MS. BROWN BREWTON: Fae Brown Brewton.

MS. CIESLAK: Good morning, Fae.
We have Sandra Fae Brown Brewton,
Trustee.

MR. ADOMEIT: Okay.

MS. CIESLAK: Are there any individuals
that I missed?
All right. Peter, I think we're
good.

MR. LUCIANO: I had my hand raised. I
would like to make a point of personal privilege.

MR. ADOMEIT: Go ahead.
MR. LUCIANO: I would like to congratulate
law our new Department of Corrections commissioner,
who is a trustee from our Board, and wish him
congratulations and all the luck in the world in this
new job.

MR. QUIROS: Thank you, Sal. Much
appreciated.

I did not know that. Thank you, Sal.

The Chairman's report is simply a duplicate of prior reports, and that is the Office of the Comptroller and the Division has been functioning well despite the problems caused by COVID, and they are continuing to be commended. We sort of settled into a new routine and my sense is that the efficiency has also improved. But thank you, Marti, thank you, John, and all the others who have participated in this really crazy endeavor of moving all the stuff over to virtual.

Division Director's report?

MR. HERRINGTON: Good morning, everyone. I forwarded along the Director's report for September of 2020.

MS. CIESLAK: I apologize for interrupting. I was just notified that it doesn't look like the agenda was posted, so before we proceed, I think we should have a motion to amend the agenda, and it will need to include all matters listed on the agenda. And then, Peter, I believe we also had one other matter to add to the agenda, which are Rose Kallor invoices.

MR. ADOMEIT: That's correct. So can we
have a motion to amend the agenda, please?

MR. LUCIANO: So moved. So moved, and the motion to amend the agenda at this late hour requires a super majority, so it would require a two-thirds vote. MR. BAILEY: Second.

MR. ADOMEIT: All right. All in favor say aye. Opposed nay. It's unanimous. The ayes have it.

MS. CIESLAK: Thank you, John. I apologize for that interruption.

MR. HERRINGTON: It's okay. No problem.

MR. ADOMEIT: Thank you for checking. I had not checked, so thank you, Cindy.

MR. HERRINGTON: So, we have our Director's report for September of 2020. We appear to be, you know, getting into our groove in terms of working remotely and we are able to continue on with our efforts to catch up on work across all fronts in the Division.

As you will see, probably our greatest kind of success to date has been minimizing the wait time for individuals waiting for disability retirement, MEB hearings. Over the past year, we had a backlog of over 300 with wait times. You know, some were delinquent cases, with wait times
barring in excess of six months. At this point, we
have 97 in the queue and almost all of those are
within a 90- or 120-day mark, but most are within
that six-month mark. That's the result of a great
deal of effort by the disability unit and we
continue to work through that. The next phase would
be getting caught up with the 24-month reviews and
the disability audits, but we made a great deal of
progress on those fronts.

In terms of the normal retirements,
we continue to see an uptick in retirements. The
September number was 198, which, you know,
historically that's a bit high for September. We
anticipate to receive quite a number of applications
for October.

Our next kind of global project would
be as a result of the consolidation at DAS of a
retirement pod. The retirement people working in
processing will be handled by a centralized pod.
We're working very closely with that pod to get that
up and running. That's going to present a new set
of challenges and a new set of opportunities for
efficiencies, but as we work through that
transition, there are a number of wrinkles that we
need to work out. One of the things that we are
doing in earnest is we are releasing the
self-service functionality of the benefit calculator
to individual employees. We're doing that in
two-week cycles to the population at certain
selected agencies that are eligible to retire prior
to 2022. We've released that to just over 600
employees thus far. It's closer to 700. And the
feedback has been positive. With each successive
rollout, we continue to work through more kinks, but
this will eventually provide a great service to the
population where they will be able to obtain their
retirement information remotely at their leisure in
real time. So that's a great deal of progress and
I'm very pleased with the efforts of our staff that
were able to do all of this remotely.

That's my report for September.

MR. ADOMEIT: John, thank you. We need to
have another motion to add another amended item to
the agenda, and that is the Rose Kallor invoices,
which, unfortunately due to illness, had been
delayed. Do we have such a motion, please?

MR. LUCIANO: So moved.

MR. BAILEY: Second.

MR. ADOMEIT: In all favor say aye.

Opposed nay. Unanimous. The ayes have it. Thank
All right. I don't know why we don't have Marti on our agenda because I always call on her, but, Marti, do you have anything to say, please?

MS. CARLSON: Just overall, you know, to just amplify what John is saying, that, you know, I know we're always talking about team at the Comptroller's office, but I have to tell you, since John has become the Division Director, pre-pandemic and during pandemic, we have made remarkable strides in heading towards a system that serves its members really well. The highlight of my career in the Comptroller's office was to announce to you that we had eliminated that 15,000 retirement benefit backlog, but we're heading towards I think another one of clearing the backlog. You'll all remember that people were waiting one and two years to even get to a hearing of the Medical Examining Board and as John said to you, pretty much the documents are in order. They're at 60 to 90 days.

Secondly, this gradual rollout of the self-service calculator, that John will complete or hopes to complete, you know, sometime next year will basically have calculated the retirement already of
all eligible -- I was going to say eligible voters, you can see my mindset right now -- of all eligible retirees, which, you know, even given what we think could be 6,000, 7,000 retirees is not going to be anything like the Jody Rell -- or the Governor Rell ERIP in which that backlog -- that original backlog had built?

The only other thing I would want to say, and I had a little bit of an audio problem when I started, so, John, shut me off if you've already said this. Anecdotally, what I'm sensing because of the statewide, you know, reopening related to COVID of office buildings and other facilities is that I think that there's going to be a drumbeat of retirees over the next 24 months that will -- that will reduce the number we're thinking may happen on June 1st of 2022. People, particularly those who are successfully teleworking and have gotten used to not driving an hour each way, they've got more flexibility with their families and they're eligible. I don't -- if the average State employee retirement benefit is, I don't know, somewhere in the 30,000 or 40,000 range, if that, then, you know, two years' of service is, you know, a small amount on a monthly benefit. So, that is totally
anecdotally, but I hear it with -- I'm on calls with commissioners all of the time and they're hearing the same thing, that as we slowly come back to reopening, that we're going to have a higher than average number of retirees -- number of members retiring that would have waited until 2022.

Am I right, John?

MR. HERRINGTON: Yes. That's what we've seen in the past couple of months, and that's absolutely the same message that we hear from the agencies. You know, from a planning perspective, you know, if we have 6,000 retirees and we have 3,000 of those that retire, you know, in monthly increments between now and 2022, that definitely is going to make our job a little bit easier.

MS. CARLSON: Right. That's all I have, Peter. Thank you.

MR. ADOMEIT: Thank you, Marti. We can go on to new matters.

MR. LUCIANO: Motion to prove the minutes.

MR. BAILEY: Second.

MR. ADOMEIT: All in favor say aye.

Opposed nay. The ayes have it.

MR. LUCIANO: Motion to approve the Chair's expenses.
MR. BAILEY:  Second.

MR. ADOMEIT:  Any discussion?  All in favor say aye.  Opposed nay.

The ayes have it.  Motion to approve Claude's expenses with Claude abstaining.

MR. BAILEY:  Second.

MR. ADOMEIT:  Any discussion.

MR. POULIN:  I abstain.

MR. ADOMEIT:  All in favor say aye.

Opposed nay.  It's unanimous.

MR. LUCIANO:  Motion to approve Tim's expenses.  MR. BAILEY:  Second.

MR. ADOMEIT:  Any discussion?

MR. LUCIANO:  With Tim abstaining.  Sorry.

MR. ADOMEIT:  Thank you.  All in favor say aye.  Opposed nay.  None opposed.  The ayes have it.

MR. LUCIANO:  Motion to move item 5.  I'm sorry.  Motion to accept item 5.

MR. BAILEY:  Second.

MR. ADOMEIT:  Any discussion?  All in favor say aye.  Opposed nay.  The ayes have it.

MR. LUCIANO:  Motion to approve items 6 and 7.

MR. BAILEY:  Second.

MR. ADOMEIT:  Any discussion?  All in favor say aye.  Opposed nay.  The ayes have it.
favor say aye. Opposed nay. The ayes have it.

MR. LUCIANO: Motion to approve item 8, disability retirements.

MR. BAILEY: Second.

MR. ADOMEIT: Any discussion? All in favor say aye.

(Outside interruption.)

MR. LUCIANO: Motion to approve item 9.

MR. BAILEY: Second.

MR. ADOMEIT: Any discussion? All in favor say aye. Opposed nay. The ayes have it.

MR. LUCIANO: Motion to approve items 10 and 11.

MR. BAILEY: Second.

MR. ADOMEIT: Any discussion? All in favor say aye. Opposed nay. The ayes have it.

MR. LUCIANO: Motion to accept items 12 and 13.

MR. BAILEY: Second.

MR. ADOMEIT: Any discussion? All in favor say aye. Opposed nay. The ayes have it.

MR. LUCIANO: Motion to approve items 14, 15, 16, and 17.

MR. BAILEY: Second.

MR. ADOMEIT: Any discussion? All in favor say aye. Opposed nay. The ayes have it.
favor say aye. Opposed nay. The ayes have it.

MR. LUCIANO: We are now on item 16? Did somebody want to talk about that?

MR. NEWMAN: This is a matter that was tabled from the meeting from last month when Mrs. Curley came in, you know, with her attorney and presented before the Commission.

Essentially, her claim is that she was under the impression for a number of years that she would be entitled to receive a certain amount of interest when she decided to refund her contributions that were in the Municipal Retirement System, and it was only following the Commission meeting in March of last year that there was -- where it appeared that the Division had been interpreting the statute incorrectly with respect to refunds of interest.

Basically, Ms. Curley is requesting that the additional interest that she was expecting, that she still be paid for that -- paid that amount that she was -- like I said, that she was expecting.

MR. ADOMEIT: Colin, thank you. We had a written legal opinion on this issue in our packet. Perhaps this matter is better discussed in executive session from now on.
Is there a motion to put this into --

MR. POULIN: I do have some comments. I have been disturbed by this case from the very beginning. Before addressing myself to Cindy's exhausted analysis of the case, I'd like to make two comments. First is that the other teachers' fund that I reviewed over the years, the school year is -- usually goes from, of course, from September or August to June, but it's deemed to be a school year. So I'm wondering whether rather than referring to the statute itself, if we were to look at the possibility that she might, in fact, have been vested since she has been teaching for five full years, No. 1.

No. 2 is that the -- it was mentioned at one point that she may have worked for another municipality and if that municipality belongs to MERS, if she had worked for only two months for that municipality, then, of course, she would be vested and we wouldn't be here discussing this case.

Now, the other thing getting back to the legal analysis, of course, this --

MR. ADOMEIT: Claude, before we do that, we have a written legal opinion on that and I think it's best to be discussed in executive session.
MR. POULIN: Okay.

MR. ADOMEIT: I can entertain a motion.

MR. POULIN: I would like to comment on the legal opinion.

MR. ADOMEIT: We have to do that in executive session, Claude.

MR. POULIN: Okay.

MR. ADOMEIT: We're not in executive session right now.

MR. POULIN: Sorry.

MR. ADOMEIT: So if it's moved, we can go into executive now and continue this discussion.

MR. LUCIANO: I would like to finish the agenda before we do that, for tactical reasons.

MR. ADOMEIT: Okay.

MR. LUCIANO: We're almost there.

MR. ADOMEIT: All right. So let's finish the agenda and we'll add this to the executive session and we'll come back, Claude, and revisit this when we're through with the regular agenda.

MR. LUCIANO: I'd like to make a motion that we review and accept items 17 through 19-A and B. If anybody wants to just comment on it, they're more than welcome to, of course.

MR. BAILEY: Second.
MR. ADOMEIT: Any discussion? Hearing none, in all favor say aye. Opposed nay. Unanimous. The ayes have it.

MR. LUCIANO: So, the last thing in the regular order of business would be the Rose Kallor invoices. So motion to accept.

MR. BAILEY: Second.

MR. ADOMEIT: Any discussion? All in favor say aye. Opposed nay. The ayes have it.

MR. LUCIANO: Now I think it makes sense to go into executive section. I don't know who you want to remain in the room, Mr. Chairman. I would think Colin -- the usual people.

MR. ADOMEIT: Cindy, do you have your list of usual people?

MR. FLORES: I think you have to move for No. 16 to be included in executive session. I don't think you voted on that, but I'll defer to Cindy.

MR. LUCIANO: No, we did not. Motion to add that to the executive session. Again, that requires a two-thirds vote.

MR. ADOMEIT: That's the Curley matter, right?

MR. LUCIANO: Yes.

MR. BAILEY: Second.
MR. ADOMEIT: Any discussion? All in favor say aye. Opposed nay. The ayes have it. All right. We're now in executive session.

MR. LUCIANO: If it's all right, we can go to the Curley matter.

MS. CIESLAK: Mr. Chairman, we are not in executive session yet. The last motion was to amend the executive session agenda to add Ms. Curley.

MR. ADOMEIT: Yes, thank you. So now we need a motion to go into executive session.

MR. LUCIANO: So moved.

MR. BAILEY: Second.

MR. ADOMEIT: Any discussion? All in favor say aye.

MR. LUCIANO: For purposes of discussing Curley.

MR. ADOMEIT: Thank you. All in favor say aye. Opposed nay. The ayes have it.

MS. CIESLAK: For the record, those invited to attend executive session will be myself, Cindy Cieslak, Alisha Sullivan, Bruce Barth, Natalie Braswell, John Herrington and Colin Newman.

MR. ADOMEIT: Okay. Thank you.

(The Commission was in executive session from 9:32 a.m. until 10:25 a.m.)
MR. ADOMEIT: Claude, you had the floor.

MR. LUCIANO: Do you want to know what motions we need to make now, coming out of executive session? Are you comfortable?

MR. CAREY: Do we need to go back in on the other case that we were looking at? On Curley?

MR. ADOMEIT: Does anybody want to discuss further the Curley matter?

MR. POULIN: As I said earlier, you know, I am disturbed by this case. Now, Cindy's analysis is clear. The statute even --

MR. ADOMEIT: Claude, if you want to discuss it further, we should go into executive session again.

MR. POULIN: No.

MR. ADOMEIT: Okay.

MR. RYOR: I'll make that motion because I have additional questions. I'll move to go into executive session on Curley.

MR. BAILEY: Second.

MR. ADOMEIT: All in favor say aye.

Opposed nay. The ayes have it.

(The Commission was in executive session from 10:27 a.m. until 10:42 a.m.)

MR. ADOMEIT: We have two things. We have
the $100, $75 issue and then we have this one here.

Do we have a motion on the figures that are too small to worry about? I guess it's a waiver issue, isn't it?

MR. CAREY: I move that we instruct the Division to waive de minimus amounts of overpayments and underpayments for underpayment -- overpayments in the amount of a hundred dollars and in overpayments in the amount of $75.

MR. BARTH: You meant underpayments for the second group?

MR. CAREY: Thank you.

MR. LUCIANO: Second.

MR. ADOMEIT: Any further discussion? All in favor say aye. Opposed nay. The ayes have it.

MR. CAREY: I'm not quite sure where we ended up.

MR. LUCIANO: With Curley, I think our actuary -- Claude wanted to make a motion.

MR. POULIN: Well, this would be -- would that be on Curley or Tedesco or both? That motion would apply to both. The motion in this case would be that from a certain date, that would be October 1, 2020, then we would not go back and redo what has been the policy of the decision of the
Division for 30 years, and that a notice would be sent to those people who would be affected that from now on, after that date, they would have a certain period, a little bit like what we did between Tier 1 and Tier 2, the October 1, 1985 deadline. That after that date, then they would not get the interest, and that if they had waited more than 10 years, they would lose not only the interest but the contributions that they made while they were working for the municipality.

Sorry for the long motion.

MR. ADOMEIT: Is there a second?

MR. LUCIANO: Second.

MR. ADOMEIT: Any further discussion?

MR. HERRINGTON: would that be limited to a fiduciary's opinion?

MR. LUCIANO: Claude, you have to answer because you're the maker of the motion.

MR. POULIN: Yes, it would.

MS. CIESLAK: Can I just make a comment that it might -- I don't know if you want to approve this motion and also get an opinion and then you consider the opinion or do you want the opinion in advance?

MS. BUFFKIN: I would prefer the opinion in
advance, or is it not open to discussion? Sorry.

MR. LUCIANO: There's a motion on the floor and seconded. Claude is the only one -- if the seconder agrees, Claude is the only one who can really -- actually, anybody can post it as an amendment, then we'd have to vote on the amendment, so that can be done as well.

MR. POULIN: Well, it could be a -- it could be a moratorium until the next meeting so that we could add this proviso and then receive the opinion in the interim, and then it would be approved or disapproved at the next meeting.

MR. LUCIANO: I'll accept that as a friendly -- as the seconder of the motion, I'll accept that, too. I accept that as a friendly amendment.

MR. ADOMEIT: It's actually a motion to table to the next meeting; is that correct?

MR. LUCIANO: Yes, in getting an opinion.

MR. ADOMEIT: In getting an opinion. And this has applied to both cases or just one?

MR. LUCIANO: Claude, again, you're up.

MR. POULIN: I believe this is a motion that applies to both Tedesco and Curley and similar cases, so that it is a general motion that will
eventually take care of both cases.

SPEAKER: I don't know if I'm out of order, but is there anything in the schedule, Cindy that would impact this, because the arguments are procedural, it wouldn't really impact where we are with Tedesco?

MS. CIESLAK: Even if the Court agrees with our motion to dismiss, just because the Court doesn't have jurisdiction, we have jurisdiction to provide an amount of money to which they believe he is entitled.

MR. ADOMEIT: The case could be dismissed on jurisdictional grounds and not on the merits.

MS. CARLSON: I feel like I'm a little bit confused, but can someone just remind me who this opinion is coming from? And I'm assuming if it's an opinion, it's not binding.

MR. LUCIANO: Yes. The idea was that if somebody who is an expert on fiduciary matters would weigh in, then this is just an opinion. I personally am going to vote no on this because I think we're allowing somebody else to kind of push us -- I mean, once that person comes out with a decision maybe that's against what we want to do, we've kind of painting ourselves in a corner. So I
personally am going to vote against this. I think we're abdicating our responsibility to make a decision.

MS. CARLSON: Just a follow-up to that, have we ever asked for this kind of opinion from that kind of expert before?

MR. LUCIANO: No. Once Tom Woodruff without us asking, asked an attorney for a fiduciary opinion, and then when we came in, we were not happy because again, we felt like we got painted into a corner. We hadn't asked for that, so --

MS. CARLSON: I'm sorry. I'm just like -- I'm just trying to figure out how it could impact the administration of the pension plan for the Division. Could this opinion, you know, impact past decisions that we've made or -- and then we're in a position where -- are we narrowing the opinion to just this one silo or does it -- could it end up having tentacles that we have to look back at, you know, cases -- historical cases, which is sometimes what happens.

MR. ADOMEIT: I don't believe there's a fiduciary responsibility to engage in litigation where there's a chance -- a substantial chance that we're going to lose.
MR. POULIN: Therefore I would amend --
re-amend my motion to remove the addendum regarding
the fiduciary opinion.

MS. CARLSON: Can you restate the motion,
Claude? Sorry.

MR. POULIN: So the motion would be for
those people who are currently relying -- who are
not vested and that they are relying on the practice
of the Division for the last three or four decades
that there would be a -- I don't know if moratorium
is the right case, but that there would be -- their
contributions and interest would be based on the
past practice, but that in the future, after a
certain date -- that could be October 1, 2020 --
then they would be notified that there is a statute
that -- whereby, they will lose their contribution
if they don't withdraw it before 10 years, and that
they will also not receive the interest for the
period from their termination to the time they
withdraw their contributions.

MS. BRASWELL: Let me just ask a point of
clarification, because I feel like we're
re-litigating this issues that we have already
discussed earlier. Is it my understanding -- and
correct me if I'm wrong, Cindy -- that Rose Kallor
provided an opinion on this matter already?

MS. CIESLAK: There is a legal opinion.

To the extent we should discuss it more, I would recommend we go executive session in light of the fact that there could be litigation on this. I don't want you to waive your attorney-client privilege.

MR. ADOMEIT: Is there a motion to go into executive session on this?

MS. BRASWELL: I just think it's important to revisit what was said in that because, again, we've had this conversation.

MR. ADOMEIT: So is there a motion to go into executive session to discuss the legal issues?

MS. BROWN BREWTON: So moved.

MR. ADOMEIT: Is there a second?

MR. COFFEY: second.

MR. ADOMEIT: Okay. Thank you.

All in favor say aye. Opposed nay.

The ayes have it.

(The Commission was in executive session from 10:53 a.m. until 11:10 a.m.)

MR. POULIN: On the issue of Curley, I move to table until the next meeting.

MR. CAREY: I'll second that motion with a
friendly amendment, pending receipt of additional information from the Division.

MR. POULIN: I agree.

MR. ADOMEIT: Any further discussion?

Hearing none, all in favor say aye. Opposed nay.

The ayes have it.

MR. LUCIANO: Motion to adjourn.

MR. BAILEY: I'll second.

MR. ADOMEIT: All in favor say aye.

Opposed nay. The ayes have it.

MR. LUCIANO: Thank you, everybody.

(Concluded at 11:11 a.m.)
STATE OF CONNECTICUT:
    ss: Bristol
COUNTY OF HARTFORD:

I, Karen Vibert, LSR No. 00064, a Notary Public for the State of Connecticut, do hereby certify that the preceding pages are an accurate transcription of the Connecticut State Employees Retirement Commission regular meeting held electronically via Zoom, convening at 9:00 a.m., on September 17, 2020.

Dated at Bristol, Connecticut,
this 2nd day of October, 2020.

_________________________
Karen Vibert, Notary Public

My commission expires: 08/31/2024.