

STATE OF CONNECTICUT

STATE EMPLOYEES RETIREMENT COMMISSION MEETING

JUNE 17, 2021 MEETING
HELD VIA ZOOM
CONVENED AT 9:03 a.m.

Board Members Present:

Peter Adomeit, Chairman
Michael Carey, Trustee
Michael Bailey, Trustee
Sandra Fae Brown Brewton, Trustee
Karen Buffkin, Trustee
Michael Carey, Trustee
Martha Carlson, Deputy Comptroller, Ex Officio Member
John Flores, General Counsel Office of the Treasurer, Ex Officio
Member
Sal Luciano, Trustee
Karen Nolen, Trustee
Michael O'Brien
Claude Poulin, Trustee
Mark Sciota, Municipal Liaison
Timothy Ryor, Trustee

Absent:

Carl Chisem, Trustee
Robert D. Coffey, Trustee
Angel Quiros, Trustee

Also Present:

Bruce Barth, Tax Counsel to the Commission, Robinson & Cole
Cindy Cieslak, General Counsel to the Commission, Rose Kallor
John Herrington, Director, Retirement Services Division
Yamuna Menon, General Counsel/Assistant State Comptroller,
Office of the State Comptroller
Michael Rose, General Counsel to the Commission, Rose Kallor
Colin Newman, Assistant Director, Retirement Services Division
Alisha Sullivan, Tax Counsel to the Commission, Robinson & Cole

TRANSCRIPTIONIST: Karin A. Empson

1 (Proceedings commenced at 9:03 a.m.)

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4 MR. ADOMEIT: Okay. I will call the meeting
5 to order. This is a meeting of the Connecticut State
6 Employees Retirement Commission for June 9th, 1921
7 (sic).

8 Cindy, could you read off the attendance,
9 please?

10 MS. CIESLAK: Good morning, everyone. This
11 is Cindy Cieslak. One correction for the record is
12 that the meeting is June 17th. So today is June 17th.

13 MR. ADOMEIT: Oh, yeah, I'm looking at -
14 you're right. I'm looking at the minutes from the last
15 meeting. It's over on my right on a computer screen.
16 Thank you.

17 MS. CIESLAK: No problem. Present today, we
18 have Alisha Sullivan, Tax Counsel from Robinson & Cole;
19 Bruce Barth, Tax Counsel from Robinson & Cole; Cindy
20 Cieslak, General Counsel from Rose Kallor; Colin
21 Newman, Assistant Director, Retirement Services
22 Division; Claude Poulin, Actuarial Trustee; John
23 Flores, General Counsel to the Office of the Treasurer
24 and Ex Officio Member of the Commission; John
25 Herrington, Division Director, Retirement Services

1 Division; Karen Buffkin, Trustee; Karen Nolen, Trustee;
2 Mark Sciota, Municipal Liaison; Martha Carlson, Deputy
3 Comptroller, Ex Officio Member of the Commission;
4 Michael Carey, Trustee; Michael Rose, General Counsel
5 from Rose Kallor; Michael Bailey, Trustee; Yam Menon,
6 General Counsel and Assistant Comptroller; Michael
7 O'Brien, Trustee; Peter Adomeit, Chairman; Sal Luciano,
8 Trustee; Tim Ryor, Actuarial Trustee.

9 Is there anybody that I missed? I think
10 that's it.

11 MR. ADOMEIT: Okay. Thank you, Cindy. At
12 the outset, we need to amend the agenda today to ask
13 for the approval of the Commission of the Hartford
14 Housing Authority settlement amortization schedule.

15 MR. POULIN: Mr. Chairman?

16 MR. ADOMEIT: Yes.

17 MR. POULIN: I move to add after Item 15 of
18 the agenda the following Item 16 to request commission
19 approval of the Hartford Housing Authority settlement
20 amortization schedule prepared by CavMac (inaudible)
21 Actuary.

22 MR. ADOMEIT: Thank you. Is there any
23 discussion?

24 MR. BAILEY: Bailey, second.

25 MR. ADOMEIT: Okay. Thank you, Mr. Bailey.

1 Is there any further discussion? Hearing none, all in
2 favor, say aye.

3 UNIDENTIFIED SPEAKERS: Aye.

4 MR. ADOMEIT: Opposed, nay. Unanimous, the
5 eyes have it. Thank you.

6 Chairman's report, I was looking back at the
7 other minutes to the last meeting that we had, and
8 something really got my attention. The number of
9 disability backlog as of January of 2020 was almost
10 2,000, 1,992 to be exact. In May of '21, that
11 disability backlog had been reduced almost in half to
12 1,140. And I don't know if that slipped by some of
13 you; it slipped by me; and those figures really did
14 jump out. So it's another congratulation to John
15 Herrington and Marty and the folks that run the shop.
16 Thank you so much.

17 That is my report. Division Director's
18 report?

19 MR. HERRINGTON: Yes, so you have the report
20 in front of you. And I appreciate the recognition.
21 The disability backlog, that certainly is one of our
22 initiatives. That's something there was kind of a
23 delay in our kind of processing of those due to the
24 initial Covid months, but we are definitely attacking
25 that in earnest now with the goal of completely

1 eliminating that backlog by the end of this year. So,
2 you know, come 2022, we can focus all of our efforts on
3 that 2022 surge as well.

4 In addition to the disability backlog, we
5 continue to make progress with respect to the
6 processing time for initial disability application. We
7 should be in a point relatively soon where it's almost
8 in real time where, you know, barring some delay in an
9 individual actually getting all of the required medical
10 documentation, that people should go before the MEB
11 within 60 or 90 days of their application. So we are
12 making a great deal of progress in the disability area.

13 Also at the same time, our competing concern
14 is preparing for 2022. As of this point, we've
15 released the self-service estimator to approximately
16 74% of the eligible population. Right now, the number
17 of individuals that appear to be eligible for 2022 sits
18 at just over 13,000. We've released the tool right now
19 to just under 10,000. The larger agencies that are
20 meeting are all the higher ed agencies, and those are a
21 bit more difficult for us to deal with just because of
22 the nature of employment. There are many people that
23 have, you know, part-time lecturing and sabbaticals,
24 those types of things. And so, there's more work
25 involved with coming up with a reasonable figure for

1 those estimates.

2 But we are partnering with UConn and with the
3 Board of Regents, and we hope to have those releases
4 done by the fall. And from, you know, the fall through
5 the end of the year, the remaining cases would be those
6 that have the most difficult records. But we are in a
7 good position there. The goal here is so that everyone
8 will on-demand have access to figures that they can
9 rely on to make a decision whether or not to retire for
10 2022. But also what that means is that we've looked at
11 that record, and so it's going to be that much easier
12 for us to process the applications when it comes time
13 to retire.

14 So, I mean, as long as I've been here,
15 there's always been a wish or a hope that we could just
16 push a button and someone could retire with their true
17 entitlement. We aren't a hundred percent there, and
18 there will always be some need for manual intervention,
19 but this effort is going to allow us to be in a
20 position where we can push the button for a number of
21 these individuals and get them out of the payroll at a
22 benefit amount that's within reason.

23 You know, there always will be the manual
24 intervention, but in the past, you know, there's been a
25 concern in terms of whether we would have the ability

1 or capacity to get, you know, 10,000 people on the
2 payroll, and in the past, that was never possible. At
3 this point, it will be possible.

4 In terms of some of our concerns with respect
5 to 2022, there are different phases. Right now, we're
6 kind of in our preparation phase where we're getting
7 records in order; we're working on our communications
8 with the relevant populations. The part that's going
9 to be a bit of a challenge for us would be the intake
10 process. I think, you know, in the past, when we've
11 had retirement incentives, you know, there were more HR
12 professionals that we could rely on to process that
13 paperwork. Now with the DAS pod consolidation, there
14 are far fewer individuals that are dedicated to
15 retirement.

16 So that's a special circumstance that we're
17 going to have to continue to work through with the DAS
18 pod so that we're in a position to actually just deal
19 with the sheer volume of paperwork that we anticipate,
20 and also look for, you know, ways that we can leverage
21 technology to kind of streamline that paperwork
22 process, where possible.

23 As I discussed, I think technology is
24 certainly going to assist us in terms of getting people
25 on the payroll in a way that has never been available

1 to us historically. But then the next challenge is to
2 ensure that the pension that someone is going to
3 receive for the rest of their life is the amount to
4 which that individual is actually entitled, and that's
5 where that requires a great deal of manual
6 intervention.

7 So, you know, there's so much, you know, kind
8 of work that we can do at this point, but really, the
9 harder part of our job with respect to these retirement
10 surges all happens after the applications have been
11 received by the agency. So we're continuing to think
12 through what our options are to prepare for that piece
13 of the project.

14 Some other things that came up with the end
15 of the legislative session, we were hoping that there
16 would be a legislative fix to a MERS problem with
17 respect to MERS re-employment. It appears as though
18 that legislative fix did not occur, so that's an issue
19 that we will have to pursue again next session. But
20 also there are some inquiries that we have, some
21 (inaudible) in terms of a possible resolution for the
22 enrollment of non-MERS-participating entities and
23 retirement plans.

24 And so I think I will likely bring those
25 concerns to the Legal & Personnel Subcommittee, and in

1 the future, some of those proposals may come to the
2 full Commission.

3 There was also a provision that was kind of
4 not necessarily surprising to me, and I don't think
5 that it's going to really impact our business too much.
6 But there was - or there is an amendment to Connecticut
7 General Statutes 5-156(a) where there is a timing
8 requirement for the Commission's finalization of
9 actuarial evaluations per SERS. It appears to me that
10 this relates to the fact that, you know, thankfully
11 last year and perhaps even this year, there's been
12 additional contribution made to the SERS plan due to
13 the excess volatility cap. And just reading through
14 the lines, it appears as though there's a desire for us
15 to wait to see whether one of those payments occurs
16 before we finalize the actuarial valuations.

17 Another initiative that we're working on with
18 respect to MERS, as we're all aware, each couple of
19 months, you know, over the past, you know, maybe four
20 or five years, we deal with some, you know, iteration
21 of an issue where there's a question in terms of
22 whether MERS entities continue to involve their new
23 hires into the MERS plan. We've taken some efforts on
24 our own to identify those entities where that might be
25 a problem. But just it's hard for us to get a clear

1 picture, you know, for based just on the numbers. So
2 there are some entities that have very few
3 participants. You know, they may have four or five
4 participants and they may not involve the member for,
5 you know, 10 years. And that may be, you know,
6 legitimate. They just haven't hired anyone.

7 There are other entities where there's a gap
8 in enrollments. It may be due to a change in policy.
9 We have some examples where we have actual labor
10 contracts, which evidence the fact that from some date
11 forward, some entities are not enrolling new members.
12 So what we are working on is a communication to be
13 disseminated to all of the MERS-participating entities
14 clarifying, you know, what the requirements are, you
15 know, alerting the entities to the Thompson decision,
16 mentioning our recent settlement with Hartford Housing,
17 and inviting the entities to make a representation in
18 terms of whether or not they continue to involve new
19 employees into the plan. And hopefully we will have
20 that communication ready to present to Legal &
21 Personnel and to the Commission next month.

22 Another achievement is we finalized our
23 updates to the compilation. We've circulated that to
24 Legal & Personnel and to the parties. And hopefully,
25 you know, next month or perhaps the month after, we

1 will have a document for this Commission to accept and
2 for us to post on the website.

3 MR. ADOMEIT: Okay. Well, thank you, John.
4 Are there any questions or comments? Okay, hearing
5 none - Marty, do you have anything to add?

6 MR. HERRINGTON: Marty, you're on mute.

7 MS. CARLSON: Yeah, just a couple things to
8 add onto what John has been talking about. And it's -
9 you know, there are several of you who have been on the
10 Commission long enough to remember the 15,000 backlog
11 that we had five years ago or six years ago, and this
12 pension module has proved to be an extraordinary
13 powerful tool. You know, data is data, and if there's
14 bad data in, there's going to be bad data coming out.

15 So I just wanted to highlight to you that
16 prior to any of these agencies receiving the pension
17 calculator for the eligible employees for 2022. John's
18 staff has gone through basically each one of them to
19 look for crazy stuff and corrected the data before it
20 goes. So there is high potential that this pension
21 calculator, once it gets to an employee, is as accurate
22 as it's probably going to get.

23 And then when the employee - if the employee,
24 you know, calls in and says something's wrong, we'll
25 look into it. But even if the employee does not do

1 that, if they submit their application, then it gets
2 eyes on it anyway, even though if the pension
3 calculator has gone out before it goes to payroll.

4 I just want to put a marker down, Fae. I'm
5 not quite sure how I navigate this, but you guys will
6 remember me, in the famous e-rips with Jodi Rell, the
7 amount of backlog that that created. There was - I
8 found - John was able to find for me the language in
9 that. There was some language that came out - I think
10 it was an executive order - that allowed critical OSC
11 Comptroller employees to take advantage of that date,
12 but to continue to work for 12 months after that in
13 order to get the - you know, everybody up onto - that
14 wanted to retire.

15 There are 30 members, 30 employees, in our
16 agency who are in critical positions in payroll and
17 pension payroll, pension healthcare, and John's
18 retirement services division that are eligible to
19 retire between now and 2022. So I don't know - I wrote
20 - I adjusted the language from the Jodi Rell piece. I
21 don't know who to ask to make sure that that happens.
22 We will not be able to process these retirements that
23 we believe are going to hit in any way on time if we
24 can't keep folks on for a while.

25 I remember the list last time, Fae, was very

1 narrow. I mean, it's not me; it's not - you know.
2 It's literally transactional employees. So we just
3 need to figure it out, and I'm not quite sure how to
4 navigate that.

5 MS. BREWTON: Marty, send me the language,
6 because if memory serves me correctly, there was an
7 underlying agreement between Linda and Danny that
8 facilitated that. So-

9 MS. CARLSON: Okay.

10 MS. BREWTON: Send it to me, and I'll pursue
11 it.

12 MS. CARLSON: I will do that. And then the
13 only thing else - the only other thing I would say that
14 I think John would recognize too is that we are really
15 starting to bump up now in retirements now. I think
16 it's a combination - I actually think it's a
17 combination of, I was going to go in 2022, but now they
18 want me to come back to work, you know, into the
19 building, so I'm just going to go now. There were over
20 250 or so, 244 in June. I think John is projecting
21 over 300 for July. That actually could turn out to be
22 the best-case scenario for us if it just ticks up and
23 ticks up so we don't end up with, you know, a July 1
24 application pile of 4,000. So I just point that out.

25 I'll send you that, Fae, thank you.

1 MS. BREWTON: Mm-hmm.

2 MR. FLORES: Marty, this is John. Sorry for
3 bothering everyone else's time, but do you feel any
4 success with respect to crucial employees who retire,
5 whether we could refill their positions? Because if we
6 expect bonds to be issued, we're going to have some
7 retirements, we suspect, then we need to bring their
8 replacements on board beforehand.

9 MS. CARLSON: We've already done that, John.
10 We've already done that. So, I mean, we had a critical
11 retiree a couple of months - I don't know, a few months
12 from now in OPM, and DAS allowed us to refill ahead of
13 time.

14 MR. FLORES: Okay.

15 MS. CARLSON: There's actually something out
16 from the Secretary, Fae, because of that, that you can
17 do that if it's a critical employee.

18 MS. BREWTON: And that was something that the
19 Boston consulting group recommended as well.

20 MS. CARLSON: Oh, they did? Okay.

21 MS. BREWTON: Yes.

22 MR. FLORES: All right. That's good info.
23 I'll let my deputy know that, if he doesn't already.

24 MS. CARLSON: Okay.

25 MR. ADOMEIT: Okay. Is there any further

1 discussion? Okay, hearing none, Marty, thank you.

2 Let's move on to new matters. Sal?

3 MR. LUCIANO: May I have a - I'd like to make
4 a point of personal privilege.

5 MR. ADOMEIT: Sure.

6 MR. LUCIANO: So we tried to get a Covid
7 presumption for essential workers who the Governor said
8 had to work during the pandemic. If you remember early
9 on, first they said you don't need masks, then you need
10 masks, but we can't get you masks. we were not able to
11 get the presumption, but we were able to get close to
12 \$40 million for essential workers for essentially wage
13 replacement and out-of-pocket medical expenses. We had
14 no home for that \$40 million; nobody was willing to
15 take it.

16 And so what that meant was that we weren't
17 going to be able to get the program up and running for
18 those people who sacrificed their lives and their
19 families' lives. Our last hope was the Comptroller and
20 he agreed to take the program. So on behalf of all of
21 the essential workers who will need this program and
22 who put their lives and their families' lives on the
23 line to survive this last year, I just want to thank
24 him on behalf of all of those people. And all of the
25 union trustees and many of the managers have essential

1 workers.

2 And so we're very grateful for that. And I
3 just wanted to point that out.

4 MR. ADOMEIT: Thank you, Sal.

5 MR. LUCIANO: Thank you.

6 Motion to approve Item 1, the minutes.

7 MR. BAILEY: Bailey, second.

8 MR. ADOMEIT: Any discussion? Hearing none,
9 all in favor, say aye.

10 UNIDENTIFIED SPEAKERS: Aye.

11 MR. ADOMEIT: Opposed, nay. The ayes have
12 it.

13 MR. LUCIANO: Motion to move Item 2, the
14 Chair's per diem.

15 MR. BAILEY: Bailey, second.

16 MR. ADOMEIT: Any discussion? All in favor,
17 raise your hand or say aye.

18 UNIDENTIFIED SPEAKERS: Aye.

19 MR. ADOMEIT: Opposed, nay. The ayes have
20 it.

21 MR. LUCIANO: Motion to move Claude's per
22 diem with Claude abstaining.

23 MR. BAILEY: Bailey, second.

24 MR. ADOMEIT: Any discussion? Hearing none,
25 all in favor, signify by raising your hand or saying

1 aye.

2 UNIDENTIFIED SPEAKERS: Aye.

3 MR. ADOMEIT: Opposed, nay. The ayes have
4 it.

5 MR. LUCIANO: Motion to move Item 4, Tim's
6 per diem, with Tim abstaining.

7 MR. BAILEY: Bailey, second.

8 MR. ADOMEIT: Any discussion? Hearing none,
9 all in favor, say aye or raise your hand.

10 UNIDENTIFIED SPEAKERS: Aye.

11 MR. ADOMEIT: Opposed, nay. The ayes have
12 it.

13 MR. LUCIANO: Motion to accept Items 5 and 6,
14 which are invoices from our legal team.

15 MR. BAILEY: Bailey, second.

16 MR. ADOMEIT: Any discussion? Hearing none,
17 all in favor, say aye or raise your hand. Opposed,
18 nay. The ayes have it.

19 MR. LUCIANO: Motion to move Items 7 and 8.

20 MR. BAILEY: Bailey, second.

21 MR. ADOMEIT: Any discussion? Hearing none,
22 all in favor, say aye or raise your hand.

23 UNIDENTIFIED SPEAKERS: Aye.

24 MR. ADOMEIT: Opposed, nay. The ayes have
25 it.

1 MR. LUCIANO: Motion to move Items 9 and 10.

2 MR. BAILEY: Bailey, second.

3 MR. ADOMEIT: Any discussion? Hearing none,
4 all in favor, say aye or raise your hand.

5 UNIDENTIFIED SPEAKERS: Aye.

6 MR. ADOMEIT: Opposed, nay. The ayes have
7 it.

8 MR. LUCIANO: Motion to approve Items 11, the
9 Medical Examining Board recommendations.

10 MR. BAILEY: Bailey, second.

11 MR. ADOMEIT: Any discussion? Hearing none,
12 all in favor, say aye or raise your hand.

13 UNIDENTIFIED SPEAKERS: Aye.

14 MR. ADOMEIT: Opposed, nay. The ayes have
15 it.

16 MR. LUCIANO: Motion to accept Item 12.

17 MR. BAILEY: Bailey, second.

18 MR. ADOMEIT: Any discussion? Hearing none,
19 all in favor, say aye-

20 UNIDENTIFIED SPEAKERS: Aye.

21 MR. ADOMEIT: --or raise your hand. Opposed,
22 nay. The ayes have it.

23 MR. LUCIANO: Motion to approve Items 13 and
24 14, Connecticut judges, family support magistrates, and
25 Connecticut probate judges.

1 MR. BAILEY: Bailey, second.

2 MR. ADOMEIT: Any discussion? Hearing none,
3 all in favor, say aye or raise your hand.

4 UNIDENTIFIED SPEAKERS: Aye.

5 MR. ADOMEIT: Opposed, nay. The ayes have
6 it.

7 MR. LUCIANO: Motion to approve Item 15.

8 MR. BAILEY: Bailey, second.

9 MR. ADOMEIT: Any discussion? Hearing none,
10 all in favor, say aye or raise your hand.

11 UNIDENTIFIED SPEAKERS: Aye.

12 MR. ADOMEIT: Opposed, nay. The ayes have
13 it.

14 MR. LUCIANO: Motion to approve New Item 16,
15 Hartford Housing.

16 MR. BAILEY: Bailey, second.

17 MR. ADOMEIT: Okay, thank you. Any
18 discussion? Hearing none, all in favor, say aye or
19 raise your hand.

20 UNIDENTIFIED SPEAKERS: Aye.

21 MR. ADOMEIT: Opposed, nay. The ayes have
22 it.

23 MR. LUCIANO: Now, I'd like to make a motion
24 that we go into executive session regarding Ronald
25 Johnson v. SERC with the usual suspects who can aid in

1 our discussion remaining.

2 MR. BAILEY: Bailey, second.

3 MR. ADOMEIT: Do you want to name them,
4 Cindy, or is that sufficient?

5 MS. CIESLAK: I'll go ahead and name them.
6 So we have Alisha Sullivan, Bruce Barth, Colin Newman,
7 John Herrington, Michael Rose, Yam Menon, and myself,
8 Cindy Cieslak.

9 MR. ADOMEIT: Okay. Thank you. All in
10 favor, say aye.

11 UNIDENTIFIED SPEAKERS: Aye.

12 MR. ADOMEIT: Opposed, nay. The ayes have
13 it.

14 (The Board was in executive session from 9:26
15 a.m. to 10:06 a.m.)

16 MR. LUCIANO: I'd like to make a motion that
17 we allow Corey Judge's application to go to the MEB.

18 MR. BAILEY: Bailey, second.

19 MR. ADOMEIT: Any discussion? Hearing none,
20 all in favor, say aye-

21 UNIDENTIFIED SPEAKERS: Aye.

22 MR. ADOMEIT: --or raise your hand. Opposed,
23 nay. The ayes have it.

24 I believe that's the only motion we need to
25 make.

1 MR. LUCIANO: If that's correct - is that
2 correct? Okay. Motion to adjourn.

3 MR. BAILEY: Bailey, second.

4 MR. ADOMEIT: All in favor, say aye or raise
5 your hand.

6 UNIDENTIFIED SPEAKERS: Aye.

7 MR. ADOMEIT: Opposed, nay. The ayes have
8 it. Thank you all very much.

9 MR. LUCIANO: Thank you. Have a good-

10 MR. ADOMEIT: Yeah.

11 (Adjourned at 10:06 a.m.)
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I, Karin A. Empson, do hereby
certify that the preceding pages are an accurate
transcription of the Connecticut State Employees
Retirement Commission meeting held electronically via
Zoom, conducted at 9:03 a.m. on June 17, 2021

Karin A. Empson

Karin A. Empson

08/23/2021

Date