

Pension Sustainability Commission

MEETING MINUTES

Tuesday, March 5, 2019

10:00 AM IN ROOM 2E OF THE LOB

I. CONVENE MEETING:

The meeting was called to order at 10:00 AM by Chairman Rep. Steinberg.

The following commission members were present:

Representative Jonathan Steinberg, Robyn Kaplan-Cho, Salvatore Luciano, Ted Murphy, Greg Messner, Joseph Rubin, Tara Downes, Laurie Martin

Absent were:

Justice C. Ian MacLachlan, Michael Imber, Erin Choquette

Two vacancies at time of meeting: Governor's appointment, Minority Leader of the House of Representatives appointment

II. OPENING REMARKS:

Rep. Steinberg began the meeting by thanking the members of the commission for their attendance at today's meeting and then invited the members to introduce themselves. He stated that the objective for today's meeting is to further examine the final draft report (picking up where they left off from the last meeting) and to schedule a future date to meet in order to review and potentially vote on such a report. He reminded everyone of the importance of the work that the commission is doing. He explained that a resolution to Connecticut's future pension obligations without constraining government will go a long way towards maintaining budget sustainability for the state.

III. CONTINUED DISCUSSION ON THE FINAL REPORT DRAFT:

Legal Subgroup Section of Draft Report:

Rep. Steinberg mentioned in his reviewing of the legal subgroup's section of the document that he did not see any changes that need to be made. Members agreed that no other comments need to be included in that section.

A link to this section of the draft report is below:

http://cga.ct.gov/fin/tfs/20180710_Pension%20Sustainability%20Commission/20190226/Legal%20Draft.pdf

Key Findings & Conclusions Section of Draft Report:

The commission then moved on to review the form and substance of the **Key Findings and Conclusion** section of the draft report.

A link to this section of the draft report is below:

http://cga.ct.gov/fin/tfs/20180710_Pension%20Sustainability%20Commission/20190226/Findings%20and%20Conclusions-%20Draft.pdf

Within their discussion the commission agreed that the “trust concept” is potentially a feasible one, however not enough is known without further analysis.

Rep. Steinberg went on to state that there are two important points to be considered in the identification of real estate assets; (1) developing a list of criteria and (2) the involvement of OPM and the Office of the State Treasurer in any decision that is made concerning potential assets.

Commission member Greg Messner stressed that the group has continuously struggled with determining if there are enough state assets available to make a potential impact on the unfunded liability of the state pension system.

There was a further discussion among commission members pertaining to the need for policy guidelines from the legislature, OPM and the Treasurer’s Office regarding the creation of an evaluation process when considering surplus property.

Lottery Transfer Section of Draft Report:

The commission then went on to review the **Lottery Transfer Concept** section of the draft report.

After much discussion the commission agreed to additions and modifications to the final draft report section regarding the use of lottery proceeds vs. transfer of lottery assets flowing into the pensions.

These changes are reflected in the document that can be found by clicking on the below link:

http://cga.ct.gov/fin/tfs/20180710_Pension%20Sustainability%20Commission/20190226/Lottery%20Transfer%20Draft.pdf

Executive Summary Section of Draft Report:

Rep. Steinberg then proceeded to review the **Executive Summary** section of the draft report.

A link to this section of the draft report is below:

http://cga.ct.gov/fin/tfs/20180710_Pension%20Sustainability%20Commission/20190226/Executive%20Summary%20Draft.pdf

Within discussing this section members agreed that more analysis is necessary in order to determine the feasibility of placing state capital assets in a trust and maximizing those assets for the sole benefit of the state pension system. They further agreed that should the legislature choose to pursue the concept further they should consider re-constituting this commission as well as continue to work with the Office of the Treasurer. Members also discussed charging the appropriate state agencies with the responsibility of doing the deeper analysis and providing the requisite resources to do such an analysis.

IV. NEXT MEETING:

Friday, March 15, 2019 to be held at 2:00 PM in the Legislative Office Building (exact room TBD).

V. CLOSING REMARKS:

Rep. Steinberg urged members to send their additions and modifications to their section of the report ASAP so that all members have ample time to review the report in its entirety. It is his hope that the commission will vote on a final report at the next meeting.

Tom P. Spinella

Administrator