

\*Pension Sustainability Commission

## **MEETING MINUTES**

Legislative Office Building (LOB)

300 Capitol Avenue, Hartford, CT 06106

Thursday, April 4, 2019 in Room 1D at 10:30 A.M.

### **I. CONVENE MEETING:**

The meeting was called to order at 10:30 AM by Chairman Rep. Steinberg.

#### **The following commission members were present:**

Rep. Steinberg, Michael Imber, Erin Choquette, Tara Downes, Laurie Martin, Greg Messner, Sal Luciano, Linda Subitsky (Deputy Treasurer), Robyn Kaplan-Cho, Joseph Rubin

#### **Absent were:**

Justice C. Ian MacLachlan, Ted Murphy

### **II. OPENING REMARKS:**

Rep. Steinberg opened by explaining to the members that this could be the group's final meeting pending the approval of a set of final recommendations which will be reviewed today. He also explained that State Treasurer Wooden will continue to be briefed on the progress and future plans of this group as the 'ball may be in his court' if it is decided that the way of a Treasurer led plan is the best course of action. He further noted that the Finance, Revenue and Bonding Committee has raised a 'place holder bill' to consider and deal with any recommendations that may come out of this group's final deliberations. Hopefully we can have a vote on the recommendations in the report and approve the report as amended- the final report may be circulated via email for the final approval by members.

### **III. CONTINUED DISCUSSION ON FINAL REPORT DRAFT AND VOTE:**

A link to the copy of the '*Final Draft Report*' is below and can also be found on the commission's web page.

[https://www.cga.ct.gov/fin/tfs/20180710\\_Pension%20Sustainability%20Commission/20190404/PSC%20Report%20Final%20Draft.pdf](https://www.cga.ct.gov/fin/tfs/20180710_Pension%20Sustainability%20Commission/20190404/PSC%20Report%20Final%20Draft.pdf)

Commission members proceeded to discuss and debate many suggested changes to the draft report. Many of these changes were technical in nature i.e. grammar, syntax, placement of paragraphs within the report etc. These changes were primarily discussed in the following sections of the draft; **Trust Concept, Identification of Real Estates Assets, Trust Governance, Transfer of Lottery Proceeds vs. Transfer of Lottery Asset, Further Analysis.**

After discussing and agreeing on many of the suggested changes Rep. Steinberg entertained questions and answers.

Mr. Imber and Ms. Choquette engaged in a lengthy debate about placing the recommendations section closer to the front of the report since that is the main section that many readers will be looking for. Ms. Choquette also recommended including hyperlinks to each section of the report at the front of the final document.

Mr. Imber suggested that while he does believe that we should not be making policy decisions, somewhere within the report it should still be noted that the commission believes that the legislature should give more guidelines on what policy initiatives the group should consider in the future.

Rep. Steinberg further noted the need to designate a specific dollar amount should the legislature choose one of our recommended solutions that would involve more assets rather than fewer.

In regard to the commission receiving professional/paid consultation in the future Ms. Downes, Ms. Choquette, and Mr. Messner discussed the importance of including wording regarding the determining of what constitutes sufficient resources will depend on the scope of analysis mandated by the legislature. However the commission notes that professional consulting services may exceed \$100,000.

When reviewing the **History of Pension Funding** section of the report Rep. Steinberg and Mr. Luciano engaged in a discussion regarding the description of the 2008 recession. Mr. Luciano asked for clarification to be added to include the manufactured and "deliberate" nature of the recession. Rep. Steinberg shared his caution of not being too editorial on this issue. They did agree on adding some historical context and correcting some of the dates on this topic.

When discussing the section entitled **Transfer of Lottery Proceeds vs. Transfer of Lottery Asset**, Ms. Downes noted the importance of determining what type of firm will be used as the independent manager. She also pointed out that the length of this section is very long related to the feasibility of this idea. Ms. Kaplan-Cho and Mr. Imber both commented on the need to lay out the governance of the LOT which will help illustrate why it doesn't work in Connecticut because of the sole fiduciary status of the Treasurer.

Rep. Steinberg spoke to the importance of making sure there is consistency between the executive summary wording and each of the subsections of the report.

A discussion took place concerning the section entitled **Concepts Explored** and it was agreed that the section would include wording to describe in detail the feasibility of using the lottery for other benefits.

#### **IV. NEXT MEETING (IF APPLICABLE):**

Rep. Steinberg explained that the next step for the group would be to add a list of appendices to the final report from the documents/articles that have been posted on the commission's web-site. He also suggested that in order to meet FOIA guidelines the group will meet again as needed to approve the final document with all edits that were approved at today's meeting- this approval may be done via email or tele conference in either situation there will not be another in person meeting.

#### **V. CLOSING REMARKS:**

In closing Rep. Steinberg thanked all members for their hard work and dedication to such an important issue as pension sustainability. He also noted that the legislature may bring this group back together to

further analyze this topic if the leaders believe that it is necessary. Yet at this point we have officially fulfilled our statutory obligations as a commission.

**VI. LINK TO FINAL REPORT:**

Below is a link to the final report which includes all the agreed upon edits from today's meeting.

[https://www.cga.ct.gov/fin/tfs/20180710\\_Pension%20Sustainability%20Commission/FINAL%20REPORT/Final%20Report.pdf](https://www.cga.ct.gov/fin/tfs/20180710_Pension%20Sustainability%20Commission/FINAL%20REPORT/Final%20Report.pdf)

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**Tom P. Spinella**

**Administrator**