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NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

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BOARD MEETING

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Held on Thursday, February 25, 2016, at 55 Water

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Street, New York, New York

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ATTENDEES:

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CAROLYN WOLPERT, Trustee

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SANDRA MARCH, Chairman, Trustee

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DAVID KAZANSKY, Trustee

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THOMAS BROWN, Trustee

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SUSANNAH VICKERS, Trustee

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RAYMOND ORLANDO, Trustee

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PATRICIA REILLY, Teachers' Retirement System

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THAD McTIGUE, Teachers' Retirement System

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SUSAN STANG, Teachers' Retirement System

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RENEE PEARCE, Teachers' Retirement System

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REPORTED BY:

23

YAFFA KAPLAN

24

JOB NO. 0235914

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2 ATTENDEES (Continued):

3 ELLEN DeLEO, Teachers' Retirement System

4 PAUL RAUCCI

5 LIZ SANCHEZ

6 ROBERT GRAY

7 ANTHONY MEZZACAPPA

8 ANNETTE HANHARAN

9 CARMELA CRIVELLI

10 ROBERT BETHELMY

11 KEITH SNOW, ESQ., Law Department

12 ANDREW BRADFORD

13 SHERRY CHAN, Chief Actuary

14 NATARAJAN KRISHNAMOORTHY

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MS. REILLY: Good afternoon. Welcome to the February 25, 2016 board meeting of the Teachers' Retirement System. I will start by calling the roll.

Carolyn Wolpert?

MS. WOLPERT: Here.

MS. REILLY: Thomas Brown?

MR. BROWN: Here.

MS. REILLY: David Kazansky?

MR. KAZANSKY: Here.

MS. REILLY: Sandra March?

MS. MARCH: Present.

MS. REILLY: Raymond Orlando?

MR. ORLANDO: Present.

MS. REILLY: Susannah Vickers?

MS. VICKERS: Here.

MS. REILLY: So we do have a quorum, and we will need a nomination for chair.

MS. WOLPERT: I would like to nominate Sandra March as chair for the meeting.

MR. KAZANSKY: Second.

MS. REILLY: All those in favor, say aye.

MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. MARCH: Aye.

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MS. WOLPERT: Aye.

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MR. ORLANDO: Aye.

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MS. REILLY: Okay. Any abstentions?

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Turn it over to the chair.

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MS. MARCH: Why don't you start?

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MS. REILLY: Thank you. Today we have

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an update on TRS operations. Each of you

12

should have received a calendar of events, and

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we will a few updates from Ellen DeLeo.

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MS. DeLEO: I just have one quick update

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on required minimum distributions for 2016.

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TRS began work on the efforts to notify

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members required to take a minimum

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distribution in 2016. The population of

19

members who will be receiving their first RMD

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in 2016 will be provided to the UFT in

21

preparation for their annual RMD conference.

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In advance of the conference, TRS will be

23

providing RMD notifications to an estimated

24

2,850 first-time RMD recipients, which is a

25

278-member increase. In late April, in

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addition to the first-time recipients,

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approximately 21,500 members that received

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RMDs last year will be notified of their

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requirement to receive another RMD in this

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calendar year.

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MS. REILLY: Thank you. Next on the

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agenda is a report from the Actuary.

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MS. CHAN: Thank you. There are a few

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items on here. One is to request a board

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motion and two is just for informational

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purposes to note that the Board received these

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items. I will start with the easier items

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first.

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One of the two to be noted that the

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Board received is the updated revised GASB 758

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report. There is a change in the

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proportionate share schedule that caused some

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of the changes within some of the systems to

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be allocated between the boards. The total

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amount did not change for each of the systems

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and this report was issued -- the revised

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report was issued on January 8, 2016.

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The other item of note is the annual

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statement that was signed earlier this month

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and a copy should have been received by the

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system, one for the QPP and one for the TDA.

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The item that is requesting the Board's motion

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is the preliminary 2017, Fiscal Year 2017

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report contributions. The amount is

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3,888,399,470 dollars. This amount is an

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increase of about 185 million from the updated

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preliminary 2016 appropriations.

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MR. KAZANSKY: I would like to recommend

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to lay that item over to the next board

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meeting.

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MS. REILLY: Okay.

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MS. REILLY: That's on the EDR.

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MS. CHAN: That's all of my report.

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MS. REILLY: So thank you for the

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report. So I will go to the executive

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director's report and as I just -- we have the

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Actuary's recommendation for a preliminary

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Fiscal Year 2017 employer contribution to New

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York City Teachers' Retirement System. Is

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that the item you asked to be laid over?

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MR. KAZANSKY: Yes.

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MS. REILLY: Second resolution is a

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request to the Board of Trustees to authorize

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the Actuary to utilize TRS's pension census

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data to compute other postemployment benefit

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obligations for the fiscal year ending June

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30, 2016.

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MS. MARCH: Please move to the resolved.

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MS. REILLY: Move to the resolved.

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Resolved, that the Board of Trustees

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authorizes the Actuary to utilize June 30,

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2015 Pension Census Data to determine other

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postemployment benefit obligations for the

12

City of New York, and where appropriate,

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certain component units.

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MS. MARCH: Do I have a motion to move

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it?

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MR. KAZANSKY: So moved.

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MS. VICKERS: Second.

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MS. MARCH: All those in favor? Aye.

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MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. WOLPERT: Aye.

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MR. ORLANDO: Aye.

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MS. MARCH: Any opposed? Motion is

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carried.

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MS. REILLY: Okay. The next item on the
EDR is the attendance at conference.

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Be it resolved, that the Trustees of the
Teachers' Retirement Board hereby approve the
attendance and participation of the Executive
Director and/or her designees and any
interested Trustees at the National Conference
on Public Employee Retirement Systems
("NCPERS") 2016 Annual Conference and
Exhibition from May 14th through May 19, 2016.

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MS. MARCH: Do I hear a motion?

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MR. BROWN: So moved.

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MS. VICKERS: Second.

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MS. MARCH: All those in favor? Aye.

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MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. WOLPERT: Aye.

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MR. ORLANDO: Aye.

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MS. MARCH: Hearing no objections, are
we ready for a vote? All those in favor,
please say aye. Aye.

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MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. WOLPERT: Aye.

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MR. ORLANDO: Aye.

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MS. MARCH: Any opposed? Motion is

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carried.

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MS. REILLY: And the next item on the

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EDR is the next meeting, and it's been

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suggested that the next regular meeting of the

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Teachers' Retirement Board be held on the

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third Thursday of the month, March 17th.

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MS. MARCH: May I suggest that everyone

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wear green.

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MS. REILLY: Okay. So everybody has

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noted that, so that concludes the executive

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director's report and the next item on the

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calendar is the calendar and each trustee

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should have received the full calendar.

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And the first matter on the calendar is

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the approval of the minutes for the regular

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meeting held on January 16, 2016. Do we have

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approval?

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MS. MARCH: Don't we go through the

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whole thing and then we move it?

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MS. REILLY: Normally we approve the

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calendar from last month.

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MS. MARCH: Sorry. All those in
favor -- do I hear a motion to accept?

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MS. VICKERS: Motion to accept.

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MR. KAZANSKY: Second.

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MS. MARCH: All those in favor, aye.

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MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. WOLPERT: Aye.

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MR. ORLANDO: Aye.

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MS. REILLY: And then I will read from
this month's calendar. All right.

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So page 1 through 14, inclusive, are the
monthly periodic payroll and TDA excess and
loan payments. Page 15 is the payroll
summary, accounts payable, new retirees, and
TDA accounts. Page 16 through 36, inclusive,
are the transfer of active TDA deferrals to
annuity payments. Pages 37 through 91,
inclusive, are the fractional payments. Pages
92 through 110, inclusive, are the uncollected
checks for deceased members. Pages 111
through 123, inclusive, are beneficiaries'

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2 continuing option payments. Pages 124 through
3 134, inclusive, are conversions to pop-up
4 payments. Pages 135 through 188, inclusive,
5 are beneficiaries who receive one-time
6 payments for their QPP and TDA accounts.

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8 Pages 189 through 191 are return net
9 accumulated salary deductions. Page 192 is
10 the transfer of funds between banks. Pages
11 193 through 197 are purchase and sales of
12 securities transacted from the Passport Fund
13 Program. Page 198 through 201 are outstanding
14 checks. Page 202 through 241, inclusive, are
15 the revisions pertaining to those under class
16 coverage. Page 242 through 243, inclusive,
17 are payments for service credit. Page 244 are
18 denied accident disability benefits. Page 245
19 are denied ordinary disability benefits. Page
20 246 is minimum accumulations. Page 247 is the
21 extension of life insurance plan, and page 248
is new service retirement payments.

22 MS. MARCH: Do I hear a motion to accept
23 the calendar?

24 MR. BROWN: So moved.

25 MS. VICKERS: Second.

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MS. MARCH: All those in favor? Aye.

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MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. WOLPERT: Aye.

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MR. ORLANDO: Aye.

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MS. MARCH: Any opposed? It's been
accepted. I don't think I see anybody from
the public --

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MS. MARCH: Does anybody have any
questions? I don't see any so let's go to the
status report.

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MS. REILLY: Okay. So Phase zero of the
project has been completed. That was the
six-month fit/gap project that we performed to

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go through all of our processes and create high-level requirements. It was also used for our vendor to validate their estimates. So that was -- that's complete.

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Phase 1 of the project ECM went live which was last January. ECM is our -- it's the imaging software and that went live last January. We began using that. Our entire system architecture that was needed in order to support the modernized system was also completed last year in January as well as part of Phase 1 and also our web project which I did communicate in a prior meeting was going live. We did find a security issue with the web that we have been working since we found that security issue for about 24/7 and we are close to finding a solution and we should be able to get the web back up and running.

Phase 2, we have another release of our imaging software. We are migrating all of the documents into the new software, our historical documents. We have completed about 90 percent of that documentation. Phase 2, person demographics. That's all of the

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2 information and data about our members and
3 their demographic data. It is in user
4 acceptance testing now. It's expected to go
5 live March 25th, as well as our new customer
6 relationship management software which tracks
7 all of our interactions, calls, and walk-ins
8 and requests for more members. That will be
9 going live also on March 25th.

10 Phase 3 of our project is the
11 enrollments of new members. That's a little
12 delayed by about four weeks, but we expect
13 that to go into production in late August as
14 well as what we are calling a partner portal
15 and that's a portal for our employers to go
16 into our system and enter their data. For
17 instance, our charter schools who don't have
18 systems where they can send data
19 electronically through file transfer, they can
20 go in and enter services for charter school
21 members. That will also be going live in late
22 August.

23 And we started Phase 4 of the project
24 which is -- and we have completed Release 1 of
25 Phase 4, which is our general ledger solution

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2 architecture, the architecture to support our
3 general ledger package. Phase 4, which as I
4 said started, has most of our service
5 functionality, loans, service purchases,
6 member accounts, refunds, cash receipting, and
7 credit card payment system, and we expect
8 those to go into production over the next year
9 or so, and we expect all of them to be in
10 production by late 2018.

11 So that's the update of the project at
12 this point. If you have any questions, I am
13 happy to answer them.

14 MS. MARCH: Does anybody have a
15 question? Obviously there is no question. Is
16 there any other business before the Board
17 since there are no members of the public?
18 Would anybody from the Board like to say
19 something? Hearing none, is there a motion to
20 adjourn?

21 MR. ORLANDO: So moved.

22 MS. MARCH: Is there a second?

23 MR. KAZANSKY: Second.

24 MS. MARCH: All those in favor, say aye.

25 MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. WOLPERT: Aye.

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MR. ORLANDO: Aye.

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MS. MARCH: All those opposed? We are
adjourned.

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(Time noted: 3:47 p.m.)

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C E R T I F I C A T E

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STATE OF NEW YORK)

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: ss.

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COUNTY OF QUEENS)

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I, YAFFA KAPLAN, a Notary Public

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within and for the State of New York, do

9

hereby certify that the foregoing record of

10

proceedings is a full and correct

11

transcript of the stenographic notes taken

12

by me therein.

13

IN WITNESS WHEREOF, I have hereunto

14

set my hand this 2nd day of March, 2016.

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YAFFA KAPLAN

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