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5 TEACHERS' RETIREMENT BOARD MEETING

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14 HELD AT:

15 55 WATER STREET
16 NEW YORK, NEW YORK

17 MARCH 17, 2011
18 3:38 P.M. TO 3:58 P.M.

19 B E F O R E:

20 MELVYN AARONSON, ACTING CHAIRMAN

21

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23

24 REPORTED BY:
LIZ SANCHEZ-PAZ
25 EXECUTIVE ASSISTANT TO NELSON SERRANO

2 A P P E A R A N C E S :

3 TRS :

4 NELSON SERRANO, Executive Director
5 PATRICIA REILLY, Deputy Executive Director

6 MELVYN AARONSON, Teachers' Trustee
7 SANDRA MARCH, Teachers' Trustee
8 MONA ROMAIN, Teachers' Trustee

9 COMPTROLLER'S OFFICE :

10 THAD McTIGUE, Trustee

11 CORPORATION COUNSEL :

12 KEITH SNOW, Law Department

13 OFFICE OF THE ACTUARY :

14 ROBERT C. NORTH JR., Chief Actuary
15

16 MAYOR'S APPOINTEE :

17 ELIZABETH BOTWIN, Alternate

18 DEPARTMENT OF EDUCATION :

19 KATHLEEN GRIMM, Trustee
20

21 PANEL FOR EDUCATION POLICIES :

22 LISETTE NIEVES, Trustee
23
24
25

2 TRS STAFF:

3

ROBERT BETHELMY

4 ANDREW BRADFORD

CARMELA CRIVELLI

5 JOEL GILLER

MARC KATZ

6 ELLEN MURPHY-DeLEO

RENEE PEARCE

7 PAUL RAUCCI

MANGESH TARIBAGIL

8

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OTHER ATTENDEES:

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JOHN SWEENEY, New York City Law Department

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KEVIN DUGAN, Money Management Letter (Reporter)

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1 TRS Regular Board Meeting, MARCH 17, 2011

2 P R O C E E D I N G S

3 MR. SERRANO: Good afternoon. We will begin the
4 March 17, 2011 regular meeting of the Teachers' Retirement
5 Board by calling the roll.

6 MR. SERRANO: Melvyn Aaronson?

7 MR. AARONSON: Here.

8 MR. SERRANO: Elizabeth Botwin, representing the Mayor?

9 MS. BOTWIN: Here.

10 MR. SERRANO: Kathleen Grimm?

11 MS. GRIMM: Here.

12 MR. SERRANO: Sandra March?

13 MS. MARCH: Here.

14 MR. SERRANO: Thad McTigue?

15 MR. McTIGUE: Here.

16 MR. SERRANO: Lisette Nieves?

17 MS. NIEVES: Here.

18 MR. SERRANO: Mona Romain?

19 MS. ROMAIN: Present.

20 MR. SERRANO: Everyone is here so we certainly have a
21 quorum. The first order of business is for the Board to
22 elect an Acting Chairperson.

23 MR. McTIGUE: I nominate Melvyn Aaronson.

24 MS. ROMAIN: Second.

25 MR. SERRANO: All those in favor please say aye.

1 TRS Regular Board Meeting, MARCH 17, 2011

2 (Whereupon, all those present so indicated.)

3 MR. SERRANO: Any opposed? Any abstentions? Hearing
4 none, we will continue with the Agenda. Patricia has a few
5 updates for us regarding TRS.

6 MS. REILLY: The Teachers' Retirement System ("TRS")
7 began mailing over 31,000 Cost Recovery letters for
8 additional member contributions of 1.85% to member who opted
9 into the 55/25 Program. Early next month, we expect to send out
10 over 7,000 more deficits for those members who joined after
11 March 1, 2008.

12 On Saturday, March 12, 2011, TRS participated in the 30th
13 Annual Paraprofessional Festival, sponsored by the United
14 Federation of Teachers ("UFT") at the New York Hilton Hotel.
15 Our Member Education Unit gave a presentation on "Your Pension
16 and What You Need to Know". We also had a table display where
17 we distributed over 500 enrollment packages and answered
18 questions from the attendees.

19 MR. SERRANO: I want to thank the Teacher Trustees for
20 allowing us the opportunity to have outreached to potential
21 new members of the System, because Paras have the option of
22 joining the System. It is good to be able to reach out to them
23 early and the feedback was very good.

24 MR. AARONSON: We want to thank the Retirement System for
25 having their staff there. It was a great day and they made a

1 TRS Regular Board Meeting, MARCH 17, 2011

2 presentation. They all did great work.

3 MR. SERRANO: Thank you.

4 MR. AARONSON: Could you please let them all know?

5 MR. BETHELMY: I will.

6 MS. REILLY: Also, as you know, in January 2012, the
7 Stable-Value Fund will be transitioning to a market-valued
8 Bond Fund. TRS will begin a communications campaign this
9 month to inform members about the transition in advance. All
10 members with investments in the Stable-Value Fund will be
11 receiving the mailing. We are going to begin mailing out
12 to over 4,000 retirees in March and then we are going to send
13 out about 20,000 additional letters to our in-service members
14 in late April. Our website and forms will be updated by
15 April 1st to mention the change and our Spring Newsletters will
16 also be including detailed information about the change. That
17 will be going out to members on April 21st.

18 MR. SERRANO: Thank you, Patricia. Each of you also has
19 an updated Calendar of Events. Just be reminded that it will
20 be updated every two (2) months. The next item on the Agenda
21 is the Executive Director's Report and the first item there is
22 the next meeting. It has been suggested that the next regular
23 meeting of the Teachers' Retirement Board be held on the
24 fourth Thursday of the month, April 28, 2011.

25 The second item concerns a resolution that has been laid

1 TRS Regular Board Meeting, MARCH 17, 2011

2 over since May 21, 2009 regarding the election of a Chairperson.

3 MS. ROMAIN: Please lay it over again.

4 MR. SERRANO: The third item concerns the Authorization
5 to the Comptroller of the City of New York to Invest Funds.

6 At its meeting on December 16, 2010, the Teachers'
7 Retirement Board authorized the Comptroller to invest certain
8 funds of the Teachers' Retirement System for a period of three
9 (3) months. In the event that the Board desires to continue
10 this authorization, the following resolution is submitted for
11 consideration and approval:

12 Resolved, by the Teachers' Retirement Board as
13 trustees of the Teachers' Retirement System that, in
14 accordance with Section 13-513 and Section 13-534 of the
15 Administrative Code of the City of New York, the
16 Comptroller of the City of New York is hereby authorized
17 and requested, in accordance with Section 13-702 of the
18 Administrative Code of the City of New York to invest
19 consistent with the investment policies of Teachers'
20 Retirement System of the City of New York the contingent
21 reserve fund, the pension reserve fund, the annuity savings
22 fund and the annuity reserve fund referred to in Section
23 13-520 of the Administrative Code of the City of New York,
24 other than the portion thereof held for current needs,
25 pursuant to Section 13-538, subject to the terms and

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2 limitations set forth herein:

3 1. The Comptroller shall have the power:

4 a. To make any investment, which the trustees of the
5 Teachers' Retirement System are authorized by law
6 to make, including stock investment in securities
7 as authorized by the Retirement Board in its
8 resolution of November 20, 1990. However, any
9 investment in any tax-exempt security shall
10 require prior approval of the Board.

11 b. To hold, sell, assign, transfer, or dispose of
12 any of the properties, securities or investments
13 in which any of the funds of the Teachers'
14 Retirement System shall have been invested,
15 including the proceeds of such investments and
16 any monies belonging to such fund, subject to the
17 terms, conditions, limitations, and
18 restrictions impose by the law upon the trustees
19 of the Teachers' Retirement System.

20 c. In the name of the Comptroller, as agent of the
21 trustees, to foreclose mortgages upon default or
22 to take title to real property in such
23 proceedings in lieu thereof, or to lease and sell
24 any properties so acquired.

25 2. Any termination, expiration or revocation of this

1 TRS Regular Board Meeting, MARCH 17, 2011

2 delegation to invest shall not affect any binding
3 commitment previously made by the Comptroller
4 pursuant to such delegation and the Comptroller
5 shall have the power to discharge fully any such
6 binding commitment according to its terms.

7 3. The authority hereby granted to the Comptroller of
8 the City of New York by the Teachers' Retirement
9 Board for the investing of its funds shall be
10 limited to a three-month period terminating
11 June 30, 2011.

12 4. Investment of funds of the Teachers' Retirement
13 Board in real estate mortgages which are not
14 guaranteed by the City of New York, the State of
15 New York, and/or the United States governments,
16 may be made by the Comptroller in accordance with
17 an agreed procedure contained in a memorandum
18 dated March 16, 1968.

19 5. The transactions executed within the provisions
20 of paragraphs 1-4 of this resolution shall be
21 submitted to the Teachers' Retirement Board at
22 the next meeting following the execution of such
23 transaction.

24 MS. MARCH: So moved.

25 MS. ROMAIN: Second.

1 TRS Regular Board Meeting, MARCH 17, 2011

2 MR. AARONSON: All those in favor please say aye.

3 (Whereupon, all those present so indicated.)

4 MR. AARONSON: Any opposed? Any abstentions? Hearing
5 none, we will continue.

6 MR. SERRANO: The fourth item is the Authorization to
7 the Comptroller of the City of New York to Invest Certain
8 Tax-Deferred Annuity Funds.

9 At its meeting on December 16, 2010, the Teachers'
10 Retirement Board authorized the Comptroller to invest, for a
11 period of three (3) months, the net contributions of the
12 Tax-Deferred Annuity Program for participants electing the
13 fixed portion of the Program. In the event that the Board
14 desires to continue to have these funds invested by the
15 Comptroller of the City of New York, the following resolution
16 is submitted for consideration and approval:

17 Resolved, by the Teachers' Retirement Board as
18 trustees of the Teachers' Retirement System that,
19 in accordance with Sections 13-513 and Section 13-534 of
20 the Administrative Code of the City of New York, the
21 Comptroller of the City of New York is hereby authorized
22 and requested, in accordance with Section 13-702 of the
23 Administrative Code of the City of New York to invest
24 consistent with the investment policies of Teachers'
25 Retirement System of the City of New York the portion

1 TRS Regular Board Meeting, DECEMBER 16, 2010

2 of the annuity savings fund and the annuity reserve
3 fund arising from the tax-deferred annuity net
4 contributions, subject to the terms and limitations set
5 forth herein:

6 1. The Comptroller shall have the power:

7 a. To make any investment, which the trustees of the
8 Teachers' Retirement System are authorized by law
9 to make, including stock investment in securities
10 as authorized by the Retirement Board in its
11 resolution of November 20, 1990. However, any
12 investment in any tax-exempt security shall
13 require prior approval of the Board.

14 b. To hold, sell, assign, transfer, or dispose of
15 any of the properties, securities or investments
16 in which any of the funds of the Teachers'
17 Retirement System shall have been invested,
18 including the proceeds of such investments and
19 any monies belonging to such fund, subject to the
20 terms, conditions, limitations and restrictions
21 imposed by the law upon the trustees of the
22 Teachers' Retirement System.

23 c. In the name of the Comptroller, as agent of the
24 trustees, to foreclose mortgages upon default
25 or to take title to real property in such

1 TRS Regular Board Meeting, DECEMBER 16, 2010

2 proceedings in lieu thereof, or to lease and
3 sell any properties so acquired.

4 2. Any termination, expiration or revocation of this
5 delegation to invest shall not affect any binding
6 commitment previously made by the Comptroller
7 pursuant to such delegation and the Comptroller
8 shall have the power to discharge fully any such
9 binding commitment according to its terms.

10 3. The authority hereby granted to the Comptroller of
11 the City of New York by the Teachers' Retirement
12 Board for the investing of its funds shall be
13 limited to a three-month period terminating
14 June 30, 2011.

15 4. Investment of funds of the Teachers Retirement
16 Board in real estate mortgages which are not
17 guaranteed by the City of New York, the State of
18 New York, and/or the United States government, may
19 be made by the Comptroller in accordance with an
20 agreed procedure contained in a memorandum dated
21 March 16, 1968.

22 The transactions executed within the provisions of
23 paragraphs 1-4 of this resolution shall be submitted to
24 the Teachers Retirement Board at the meeting next following
25 the execution of such transaction.

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2 MS. ROMAIN: So moved.

3 MS. MARCH: Second.

4 MR. AARONSON: All those in favor please say aye.

5 (Whereupon, all those present so indicated.)

6 MR. AARONSON: Any opposed? Any abstentions? Hearing
7 none, we will continue.

8 MR. SERRANO: The fifth item concerns a resolution
9 regarding the Stable Value Fund (Variable B).

10 MS. ROMAIN: Move to the Resolved.

11 MR. SERRANO: Resolved, that, effective January 1, 2012,
12 the assets of the Stable Value Fund shall be invested in fixed
13 income investments which may include, but is not limited to
14 Treasury Securities, Agencies, Corporate Bonds, Mortgages and
15 other types of high quality fixed income investments; and be
16 it further

17 Resolved, that effective January 1, 2012, the Stable Value
18 Fund's name shall be changed to the Bond Fund to reflect the
19 fixed income investment strategy described herein; and be it
20 further

21 Resolved, that TRS shall implement a program to inform
22 both current participants in the Stable Value Fund and all
23 other participants in the Passport Funds of the change in
24 investment strategy prior to the January 1, 2012 commencement
25 date.

1 TRS Regular Board Meeting, MARCH 17, 2011

2 MS. MARCH: So moved.

3 MR. McTIGUE: Second.

4 MR. AARONSON: All those in favor please say aye.

5 (Whereupon, all those present so indicated.)

6 MR. AARONSON: Any opposed? Any abstentions? Hearing
7 none we will move on.

8 MR. SERRANO: The sixth item is Attendance at Conference.
9 The following resolution is presented for consideration and
10 possible adoptions.

11 Resolved, that the Trustees of the Teachers' Retirement
12 Board hereby approve the attendance and participation of the
13 Executive Director and/or his designee(s), and any interested
14 Trustee at the National Conference on Public Employee
15 Retirement Systems' ("NCPERS") 2011 Trustee Educational Seminar
16 from May 21-22, 2011.

17 MS. ROMAIN: So moved.

18 MS. MARCH: Second.

19 MR. AARONSON: All those in favor please say aye.

20 (Whereupon, all those present so indicated.)

21 MR. AARONSON: Any opposed? Any abstentions? Hearing
22 none, we will continue.

23 MR. SERRANO: The seventh resolution concerns the
24 Attendance at Conference. The following resolution is
25 presented for consideration and possible adoption:

1 TRS Regular Board Meeting, MARCH 17, 2011

2 Resolved, that the Trustees of the Teachers' Retirement
3 Board hereby approve the attendance and participation of the
4 Executive Director and/or his designee(s), and any interested
5 Trustee at the National Conference on Public Employee
6 Retirement Systems' ("NCPERS") 2011 Annual Conference and
7 Exhibition from May 22-26, 2011.

8 MS. ROMAIN: So moved.

9 MR. MCTIGUE: Second.

10 MR. AARONSON: All those in favor please say aye.

11 (Whereupon, all those present so indicated.)

12 MR. AARONSON: Any opposed? Any abstentions? Hearing
13 none, we will continue.

14 MR. SERRANO: The next item on the Agenda is the Calendar.
15 The first item there is the matter of the approval of the
16 Minutes for the regular meeting held on February 17, 2011.

17 MS. ROMAIN: So moved.

18 MR. MCTIGUE: Second.

19 MR. SERRANO: The next item on the Calendar is the
20 approval of Items 1 through 15 on pages 1 through 261.

21 MS. MARCH: So moved.

22 MS. BOTWIN: Second.

23 MR. AARONSON: All those in favor please say aye.

24 (Whereupon, all those present so indicated.)

25 MR. AARONSON: Any opposed? Any abstentions? Hearing

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2 none, we will continue.

3 MR. SERRANO: The next item on the Agenda is Other
4 Business. I have two (2) quick notes. We are trying to
5 set up a Budget Committee Meeting for the week of April 11th.
6 I know everybody on the Budget Committee is trying to get back
7 to Liz so that we can confirm a date. The Audit Committee
8 Meeting has been rescheduled for March 24th. Is there any other
9 business up for discussion before the Board today? Hearing
10 none, we will move on.

11 The next item on the Agenda is Any Questions or Comments
12 from the Public?

13 MR. DUGAN: Hi, my name is Kevin Dugan and I am a reporter
14 from *Money Management Letter*. My question is, "Were there
15 any investments that were approved in the minutes from last
16 month? Any new investments or allocations?"

17 MR. SERRANO: No, there was not.

18 MR. DUGAN: Thank you.

19 MR. SERRANO: At this point, we would like to go into
21 Executive Session and ask that only the Board Members stay,
22 to discuss a confidential personnel matter.

23 MS. MARCH: So moved.

24 MR. McTIGUE: Second.

25 MR. AARONSON: All those in favor please say aye.

1 TRS Regular Board Meeting, MARCH 17, 2011

2 (Whereupon, all those present so indicated.)

3 MR. AARONSON: Any opposed? Any abstentions? Hearing
4 none, we are in Executive Session.

5 (Whereupon at this time, the meeting went into Executive
6 Session.)

7 MR. AARONSON: Do I have a motion to return to Public
8 Session?

9 MS. MARCH: So moved.

10 MS. ROMAIN: Second.

11 MR. AARONSON: All those in favor please say aye.

12 (Whereupon, all those present so indicated.)

13 MR. AARONSON: We are out of Executive Session and would
14 like to adjourn. Do I have motion to adjourn this meeting?

15 MS. MARCH: So moved.

16 MR. McTIGUE: Second.

17 MR. AARONSON: All those in favor please say aye.

18 (Whereupon, all those present so indicated.)

19 MR. AARONSON: Any opposed? Any abstentions? Hearing
20 none, the meeting is adjourned. Thank you.

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