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3 NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

4 BOARD MEETING

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7 Held on Thursday, March 17, 2016, at 55 Water

8 Street, New York, New York

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10 ATTENDEES:

11 JOHN ADLER, Chairman, Trustee

12 SANDRA MARCH, Trustee

13 DAVID KAZANSKY, Trustee

14 THOMAS BROWN, Trustee

15 SUSANNAH VICKERS, Trustee

16 MICHAEL SOHN, Trustee

17 PATRICIA REILLY, Teachers' Retirement System

18 THAD McTIGUE, Teachers' Retirement System

19 SUSAN STANG, Teachers' Retirement System

20 RENEE PEARCE, Teachers' Retirement System

21 VALERIE BUDZIK, Teachers' Retirement System

22 REPORTED BY:

23 YAFFA KAPLAN

24 JOB NO. 0235919

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2 ATTENDEES (Continued):

3 ELLEN DeLEO, Teachers' Retirement System

4 PAUL RAUCCI, Teachers' Retirement System

5 LIZ SANCHEZ, Teachers' Retirement System

6 ANTHONY MEZZACAPPA, Teachers' Retirement System

7 ANNETTE HANHARAN, Teachers' Retirement System

8 CARMELA CRIVELLI, Teachers' Retirement System

9 ROBERT BETHELMY, Teachers' Retirement System

10 KEITH SNOW, ESQ., Law Department

11 BRYAN BERGE, ESQ., Law Department

12 ANDREW BRADFORD, Teachers' Retirement System

13 SHERRY CHAN, Chief Actuary

14 DEBRA PENNY

15 MELVYN AARONSON

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MR. ADLER: Good afternoon. Welcome to the Teachers' Retirement System board meeting for March 17, 2016. Happy St. Patrick's Day, everyone.

Pat, do you want to call the roll?

MS. REILLY: Sure.

John Adler.

MR. ADLER: Here.

MS. REILLY: Sandra March?

MS. MARCH: Here.

MS. REILLY: David Kazansky?

MR. KAZANSKY: Here.

MS. REILLY: Thomas Brown?

MR. BROWN: Here.

MS. REILLY: Susannah Vickers?

MS. VICKERS: Here.

MS. REILLY: Michael Sohn?

MR. SOHN: Here.

MS. REILLY: All right. We do have a quorum.

MR. ADLER: Great. Do you want to take us through the update?

MS. REILLY: Sure. We have an update for TRS operations. Each of you should have

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2 received the last calendar of events, and
3 Ellen will give us an update.

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MS. DeLEO: TRS has completed the
5 process that reevaluates contribution rates
6 for our Tier 6 members. This plan year is the
7 first year that will use a combination of
8 salary projections for newer members and
9 lookback of actual wages for longer term
10 members to determine their required
11 contribution rate for the new plan year. For
12 the new plan year that begins April 1st of
13 2016, contribution rates for roughly 6,680
14 members will increase while contribution rates
15 for 1,307 members will decrease. Of these,
16 993 members are currently not on payroll, and
17 their change of contribution rate will take
18 effect upon their return to payroll. A letter
19 to inform the affected members of the change
20 in their contribution rate was mailed out
21 earlier this week.

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In early April, TRS will conduct the
23 annual promotion of our TDA program.

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Approximately 15,000 e-mails will be sent to
25 new Tier 6 members plus the targeted

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2 population that has not joined our TDA program
3 encouraging these members to participate.

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MS. REILLY: Thank you, Ellen.

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6 The next item on the agenda is the
7 executive director's report, and the first
8 item there is the date for the next meeting.
9 It's been suggested that the next regular
10 meeting of the Teachers' Retirement Board be
11 held on the third Thursday of the month, April
12 21, 2016. So everybody should mark their
13 calendar.

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14 So the next item is the Actuary's
15 recommendation for a preliminary Fiscal Year
16 2017 employer contribution to the New York
17 City Teachers' Retirement System.

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MS. MARCH: Move to the resolved,

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19 please.
20 MS. REILLY: "Resolved, the Retirement
21 Board hereby approves a Preliminary Fiscal
22 Year 2017 Appropriation to the New York City
23 Teachers' Retirement System of 3,888,399,470
24 dollars".

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MR. ADLER: Is there a motion?

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MS. MARCH: Move to the calendar.

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MR. ADLER: What?

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MS. MARCH: Move it to the agenda.

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MR. ADLER: Don't we have to approve the

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resolution first?

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MS. MARCH: Move it to the agenda.

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MR. ADLER: So it's moved?

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MS. MARCH: Moved it.

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MR. ADLER: Is there a second? Sorry.

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I didn't understand that term.

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Is there a second?

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MR. BROWN: Second.

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MR. ADLER: Any discussion? Okay. All

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in favor of the motion, 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. MARCH: Aye.

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MR. SOHN: Aye.

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MR. ADLER: Opposed? Abstentions? Okay.

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Motion carries.

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MS. REILLY: Next is authorization to

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the Comptroller of the City of New York to

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invest certain funds.

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MS. MARCH: Waive the reading, please.

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MR. ADLER: Okay. We need a motion a
authorize the Comptroller to invest certain
funds. Is there a motion?

MR. KAZASNKY: So moved.

MR. ADLER: Second?

MS. VICKERS: Second.

MR. ADLER: Comptroller seconds the
motion.

MS. VICKERS: I was getting excited to
second.

MR. ADLER: Any discussion? Okay. All
in favor of the motion to authorize the
Comptroller to invest certain funds, please
say aye. Aye.

MR. BROWN: Aye.

MR. KAZANSKY: Aye.

MS. VICKERS: Aye.

MS. MARCH: Aye.

MR. SOHN: Aye.

MR. ADLER: Opposed? Abstentions?
Okay. The motion carries.

MS. REILLY: The next is the
authorization to the Comptroller of the City
of New York to invest certain tax-deferred

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annuity funds.

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MS. MARCH: Waive the reading, please.

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MR. ADLER: Is there a motion to

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authorize the Comptroller to invest certain

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tax-deferred annuity funds?

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MS. MARCH: So moved.

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MR. ADLER: Is there a second?

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MR. KAZASNKY: Second.

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MR. ADLER: Motion moved and seconded.

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Any discussion? Okay. All in favor of the

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motion, 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. MARCH: Aye.

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MR. SOHN: Aye.

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MR. ADLER: Opposed, nay? Abstentions?

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Motion carries.

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MS. REILLY: Next we are going to have a

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report from the Actuary on the fiscal note

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report.

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MS. CHAN: Thank you.

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From the time period of the last board

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materials submission to this board meeting's

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material submission, namely February 19th to March 10th, there were three fiscal notes that pertained to Teachers'. The first is a -- was a picture bill affecting one individual. His name was Israel Baum and it was the fiscal note concerning that he passed away, but before he passed away his spouse is saying that he meant to file for retirement, and therefore, instead of the lump sum of three years of salary, he is entitled to the -- she -- sorry. The beneficiary is entitled to 100 percent of the JNS benefit. That cost was about 804,000 dollars for that one individual.

The second fiscal note was Fiscal Note 2016-04 and it was -- it pertained to military service for any honorable discharge. The cost to Teachers' would be 12.8 million dollars, and the first year additional employer cost would be 1.5 million dollars as a contribution.

Thirdly, the 2016-06 fiscal note was also pertaining to military service, and this was specific to certain awards at certain times. This was a per person cost because we

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2 didn't have enough credible data to get a sum
3 aggregate cost. So based on how many elected,
4 that would be your total cost multiplied by
5 this per person figure. The future employer
6 cost per person per year of service would be
7 12,000 dollars, and the first-year employer
8 cost associated with this per member per
9 service year purchase would be 1,500 dollars.

10 There is a revision to this last fiscal
11 note that would be published probably
12 tomorrow. There is a typo in it that said it
13 was 2015 data, but actually it was produced
14 using 2014 data because that was as of early
15 March.

16 MS. REILLY: Okay.

17 MR. ADLER: So is that March 11th?

18 MS. CHAN: No. The March 11th was after
19 the cut-off date of the submission of the
20 Board's meeting materials.

21 MR. ADLER: So it would be at the next
22 board meeting?

23 MS. CHAN: Yes.

24 MR. ADLER: Okay. Any questions for
25 Sherry? Okay. Move on.

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MS. REILLY: Next is the calendar and it's been suggested that the next regular meeting of the Teachers' Retirement Board be held on April 21, 2016.

Did I already say that?

MR. ADLER: Yes.

MR. KAZASNKY: But now no one can say they didn't know.

MS. REILLY: So we will go to the calendar. It's the matter of the approval of the minutes for the regular board meeting held on February 25, 2016.

MR. ADLER: Is there a motion to approve the minutes for the regular board meeting held on February 25th?

MS. MARCH: So moved.

MR. ADLER: Is there a second?

MS. VICKERS: Second.

MR. ADLER: Motion moved and seconded. Any discussion? All in favor of the motion, please say aye. Aye.

MR. BROWN: Aye.

MR. KAZANSKY: Aye.

MS. VICKERS: Aye.

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MS. MARCH: Aye.

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MR. SOHN: Aye.

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MR. ADLER: All opposed? Any
abstentions? Okay. The minutes are approved.

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MS. REILLY: Then there is the adoption
of the items which I will go through a
summary.

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Pages 1 through 14, inclusive, is the
monthly periodic payroll of TDA excess and
loan payments. Page 15 are payroll summary,
accounts payable, new retirees, and TDA
accounts. Page 16 through 39, inclusive, is
the transfer of active TDA deferrals to
annuity payments. Page 40 through 87,
inclusive, are fractional payments. Page 88
through 97, inclusive, is page -- I'm sorry.
Page 88 through 101, inclusive, are
uncollected checks for deceased members. Page
102 through 115, inclusive, are the
beneficiaries' continuing option payment.

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Page 116 through 123, inclusive, are
conversions to pop-up payments. Pages 124
through 167, inclusive, are beneficiaries who
receive one-time payments from their QPP and

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TDA accounts. Page 158 through 160 is the

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return net accumulated salary deductions.

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Page 161, inclusive, is the transfer between

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banks. Pages 162 through 166 is the purchase

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and sales of securities transacted from the

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Passport Fund Program. Page 167 through 171

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are the successive installment payments. Page

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172 through 182 is outstanding pension checks.

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Page 183 through 192, inclusive, are the

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revisions, including those under class

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coverage. Page 193 is leave of absence

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without pay. Pages 194 through 196 is the

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payments for service credit. Page 197 through

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199 is the restoration to active service.

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Page 200 are denied accident disability

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benefits. Page 201 is denied ordinary

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disability payments. Page 202 is minimum

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accumulations. Page 203 is the extension of

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rules and regulations for life insurance, and

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Page 204 is new service retirement payments.

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And that concludes the calendar.

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MR. ADLER: Is there a motion to approve

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the calendar?

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MR. KAZASNKY: So moved.

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MR. ADLER: Second?

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MS. VICKERS: Second.

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MR. ADLER: Motion is moved and
seconded. Any discussion? Okay.

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All in favor of approving the motion to
approve the calendar, please signify by saying
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. MARCH: Aye.

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MR. SOHN: Aye.

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MR. ADLER: All opposed, say nay.

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Abstentions? The motion carries.

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Okay. Other business. Is there any
other business trustees would like to bring to
the Board today? Okay. And are there any
questions or comments from members of the
public?

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MR. AARONSON: No.

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MR. ADLER: Thank you, Mr. Public.

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Okay. So if there is nothing else, then a
motion to adjourn would be in order.

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MS. MARCH: So moved.

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MR. ADLER: Is there a second?

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MR. BROWN: Second.

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MR. ADLER: All in favor of the motion
to adjourn, 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. MARCH: Aye.

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MR. SOHN: Aye.

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MR. ADLER: Any opposed? Any

abstentions? The meeting is adjourned.

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(Time noted: 3:51 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

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hereby certify that the foregoing record of

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proceedings is a full and correct

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transcript of the stenographic notes taken

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by me therein.

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IN WITNESS WHEREOF, I have hereunto

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set my hand this 25th day of March, 2016.

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YAFFA KAPLAN

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