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3 NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

4 BOARD MEETING

5

6

7 Held on March 18, 2021

8 4:00 p.m.

9

10 Board Meeting at via video

11 teleconference.

12 ATTENDEES:

13 DEBRA PENNY, Chairperson, Trustee

14 DAVID KAZANSKY, Trustee

15 JOHN DORSA, Comptroller's Office

16 THOMAS BROWN, Trustee

17 JOHN ADLER, Trustee

18 NATALIE GREEN-GILES, Trustee

19 CYNTHIA COLLINS, Mayor's Office

20 VALERIE BUDZIK, Teachers' Retirement System

21 PATRICIA REILLY, Teachers' Retirement System

22 SHERRY CHAN, Actuary

23 SUSANNAH VICKERS

24 RUSSELL BUCKLEY

25 THAD McTIGUE, Teachers' Retirement System



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2 ATTENDEES (Continued)  
3 ANNETTE HANHARAN, Teachers' Retirement System  
4 LIZ SANCHEZ, Teachers' Retirement System  
5 ISAAC GLOVINSKY, Teachers' Retirement System  
6 ANTHONY MEZZACAPPA, Teachers' Retirement  
7 System  
8 SUSAN STANG, Teachers' Retirement System  
9 CARMELA CRIVELLI, Teachers' Retirement System  
10 ANDREW BRADFORD, Teachers' Retirement System  
11 RENEE PEARCE, Teachers' Retirement System  
12 NATARAJAN KRISHNAMOORTHY, Teachers'  
13 Retirement System  
14 ROBERT BETHELMY, Teachers' Retirement System  
15 PAUL RAUCCI, Teachers' Retirement System  
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1 PROCEEDINGS

2 MS. REILLY: Welcome to the  
3 Teachers' Retirement System Board  
4 Meeting for March 18, 2021. I'm going  
5 to start by calling the role.

6 John Adler?

7 MR. ADLER: I am here.

8 MS. REILLY: Thomas Brown?

9 MR. BROWN: I'm here, Patricia.  
10 Good afternoon.

11 MS. REILLY: Natalie Green-Giles?

12 MS. GREEN-GILES: I am here.

13 MS. REILLY: David Kazansky?

14 MR. KAZANSKY: Present.

15 MS. REILLY: Russell Buckley?

16 MR. BUCKLEY: Here.

17 MS. REILLY: Debra Penny?

18 MS. PENNY: I am here.

19 MS. REILLY: Susannah Vickers?

20 MS. VICKERS: Here.

21 MS. REILLY: So we do have a  
22 quorum.

23 Next on the agenda is an update on  
24 TRS operations and Tad will give us the  
25 update.



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2 MR. McTIGUE: Thank you, Patricia.  
3 First item is the extension of the Covid  
4 accidental death benefit statute.  
5 Statute 28 approved on March 12, 2021  
6 extended eligibility for accidental  
7 benefits for statutory beneficiaries  
8 for members who die on or before  
9 December 31, 2022 where the member  
10 specifically reported to a non-home work  
11 site on or after March 1, 2020 and Covid  
12 19 caused or contributed to the death.  
13 TRS identified 32,00 members who will be  
14 due a required minimum distribution RMD  
15 from the TDA account for 2021. In late  
16 April TRS was sent a notification letter  
17 with filing instructions to these  
18 members.

19 Thank you.

20 MS. REILLY: Thank you, Thad.

21 MR. BROWN: You will get  
22 electronically as always?

23 MR. McTIGUE: Yes.

24 MR. BROWN: Thank you.

25 MS. GREEN-GILES: On the RMD the





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2 answer is, no, we haven't heard anything  
3 whether those would be suspended as of  
4 last year.

5 MR. MCTIGUE: We have not heard  
6 anything to this point, that's correct.

7 MS. REILLY: Thank you.

8 Next on the agenda is the report  
9 from the actuary.

10 MS. CHEN: Fiscal net report was  
11 sent out last week. There was three  
12 fiscal notes that were published since  
13 the last time we met. Two of them  
14 relate to the early retirement incentive  
15 and one of them was a picture bill. So  
16 the two that were early retirement  
17 incentive fiscal notes number 6 and  
18 number 7 and the picture bill was number  
19 9. Fiscal note number 6, one of the two  
20 early retirement fiscal notes in case  
21 you don't recall there's two parts to  
22 this bill. There was a part A and part  
23 B for the ERI. And part A issues an  
24 additional month of pension service for  
25 each additional year that an employee



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2 worked. Part B was eliminating the  
3 early retirement reduction factor and if  
4 an employee decides to retire before  
5 full eligibility. For part A the fiscal  
6 note was done on a per person basis, so  
7 the increase in this employer  
8 contribution per person for part A was  
9 25,600. For part B it was approximately  
10 \$21,000 per person. Fiscal note number  
11 7 this differed from fiscal note number  
12 6 in the sense it only had one part  
13 specifically part B where it eliminates  
14 the reduction factor in the benefit  
15 formula. The eligibility was a little  
16 different, it included more folks that  
17 would be eligible for a fiscal note  
18 number 6, the part B agent service  
19 requirement was 55, 25 meaning 55 years  
20 old and with at least 25 years of  
21 service. For fiscal note number 7 the  
22 eligibility was 50 years old with 25  
23 years of service or 55 years old with  
24 only ten years of service. So, because  
25 it opened up the eligibility crowd to a



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2 bigger group and these folks had less  
3 years of service and less salary  
4 presumably than the average did come  
5 down from 21,000 to 15,700 per person.  
6 The third noted a picture but for  
7 Jonathan Grossman. Mr. Grossman wanted  
8 to include the lump sum value of his  
9 vacation pay toward his final average  
10 salary so wants his retirement benefit  
11 recapped at a final average salary.  
12 Doing so would increase the liability  
13 \$253,000, that is for one person. And  
14 because it is a retiree, he's a retiree  
15 already the amortization period for it  
16 is simply immediately all \$253,000 would  
17 be recognized immediately.

18 So, that concludes the end of my  
19 fiscal note report.

20 MS. REILLY: Thank you, very much.

21 Next on the agenda is the Executive  
22 Directors Report. And it has the first  
23 item on the Executive Directors Report  
24 is the matter of the next meeting. And  
25 it has been suggested that the next



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2 regular board meeting of the Teachers'  
3 Retirement Board be held on the third  
4 Thursday of the month, April 15, 2021.  
5 So, we should all mark our calendars.

6 The second item on the ED  
7 Executive Directors Reports, a  
8 resolution laid over for the proposed  
9 changes to the actuarial method  
10 assumptions and methods.

11 MS. PENNY: Please lay that over  
12 again.

13 MS. REILLY: Okay.

14 The next resolution is  
15 authorization to the controller of the  
16 City of New York to invest certain  
17 funds.

18 MR. KAZANSKY: Can you skip the  
19 reading of that one?

20 MS. REILLY: Okay. So, do I hear a  
21 motion to approve our motion?

22 MR. BROWN: So moved.

23 MS. PENNY: Thank you, Mr. Brown.  
24 Second?

25 MR. KAZANSKY: Second.





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2 MS. PENNY: Thank you,  
3 Mr. Kazansky. All those in favor say  
4 aye.

5 (All say aye.)

6 MS. REILLY: Any abstention?  
7 Approved.

8 MS. REILLY: Authorization to the  
9 Controller of the City of New York to  
10 invest certain tax.

11 MR. KAZANSKY: Again, please waive  
12 the reading.

13 MS. PENNY: Do I hear a motion?

14 MR. KAZANSKY: So moved.

15 MS. REILLY: Do I hear a second?

16 MR. ADLER: Yes.

17 MS. REILLY: Mr. Adler, I will take  
18 it as a second.

19 All those in favor say aye.

20 (All say aye).

21 MS. REILLY: Any opposed? Any  
22 abstentions? It is approved.

23 The next resolution is the  
24 extension of the participation in  
25 comment investment meeting.



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2 MR. KAZANSKY: Please skip to the  
3 resolve.

4 MS. REILLY: Resolve that the  
5 Teachers' Board extends for a  
6 three-month period to 2021 in the common  
7 investment meeting as described and  
8 subject to the conditions of the Boards  
9 2015 and 2016 same resolutions and it be  
10 further resolved, nothing in this  
11 resolution shall abdicate any rights or  
12 waive responsibilities reserved to the  
13 Board of Trustees and applicable law.

14 MS. PENNY: Do I hear a motion?

15 MR. ADLER: Motion.

16 MS. PENNY: Mr. Adler, thank you.  
17 Mr. Brown, I will take that as a second.

18 MR. BROWN: You got it.

19 MS. PENNY: All those in favor say  
20 aye.

21 (All say aye.)

22 MS. PENNY: Any opposed? Any  
23 abstentions? Any discussion? Okay. It  
24 is approved.

25 MS. REILLY: Okay. The next board



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2 resolution is support for legislation  
3 suspending the creation of tax deferred  
4 annuity beneficiary accounts at the  
5 Teachers' Retirement System of the City  
6 of New York.

7 MR. KAZANSKY: Please skip to the  
8 resolve.

9 MS. REILLY: Resolve that the Board  
10 of Trustees supports the enactment of  
11 legislation to suspend the new TDA  
12 accounts for the TDA beneficiary of  
13 members who die on or after July 1,  
14 2021. Resolved the executive director  
15 is hereby authorized to take such action  
16 as may be necessary to effectuate in  
17 resolution.

18 MS. PENNY: Do I hear a motion?

19 MS. REILLY: So moved.

20 MS. PENNY: Thank you.

21 Second?

22 MS. GREEN-GILES: Second.

23 MS. PENNY: Does anyone have  
24 discussion before I take a vote? Any  
25 questions on it? Everybody understands



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2 what it's saying?

3 MR. BUCKLEY: I would appreciate a  
4 quick explanation what the beneficiary  
5 were, if you would explain that.

6 MS. PENNY: Who would like to speak  
7 on it?

8 MS. REILLY: So the beneficiary  
9 that is tax deferred annuity beneficiary  
10 funds were set up like I think over ten  
11 years ago. It was at a time when there  
12 was no such thing as a, you know, could  
13 not set up an inherited IRA. But since  
14 that time we have been able to set up.  
15 I mean, excuse me, non-spousal benefit  
16 are able to set up an inherited IRA.  
17 So, it's not in the best interest to  
18 keep the money in TRS because we don't  
19 have the options available to them in  
20 the private markets and I have a  
21 document that talks about the most time  
22 the beneficiaries don't take advantage  
23 of it and it does cause a lot of extra  
24 work for TRS and so it's, you know,  
25 something that we thought would be, you





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2 know, better, you know, less than four  
3 percent of our eligible beneficiaries do  
4 create a TDA account and 124 accounts  
5 are created over the last five years.  
6 18 percent of the TDA accounts are  
7 closed within five years because a lot  
8 of people just move the money there as a  
9 holding place. 53 percent of the TDA  
10 are non-spouses an average ten TDA  
11 participants enroll each month and check  
12 since it's inception. And it is a large  
13 overhead for TRS. And it's not in the  
14 beneficiaries best interest to keep  
15 their money here because they can only  
16 invest in the variable fund and they are  
17 restricted with how often they can move  
18 their money around where out on the  
19 private line they have much more  
20 flexibility.

21 MS. PENNY: Are there any  
22 transaction costs that would be incurred  
23 as a result of this?

24 MS. REILLY: I don't see any.

25 MS. STANG: But potentially there



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2 are transaction costs.

3 MS. REILLY: I think Susan can  
4 answer for us as far as closing down the  
5 account.

6 MS. GREEN-GILES: I assume there's  
7 no transaction cost to the beneficiary?

8 MS. REILLY: No.

9 MS. GREEN-GILES: But for closing  
10 down the account.

11 MS. STANG: Anyone who is in there  
12 stays in there.

13 MS. GREEN-GILES: This is July  
14 31st. So going forward, but if you shut  
15 down there is no shutting down, what you  
16 are saying.

17 MS. STANG: Just won't be an option  
18 for them.

19 MS. PENNY: Any other questions  
20 about it? Russell, are you good? Okay.  
21 Are we all good? All those in favor  
22 please say aye.

23 (All say aye.)

24 MS. PENNY: Any opposed? Anymore  
25 discussion? Any abstentions? Okay. It



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2 is passed.

3 MS. REILLY: And the next  
4 resolution is for the qualified pension  
5 plan investment policy statement  
6 appendix 5.

7 MR. KAZANSKY: Skip to the resolve.

8 MS. REILLY: And next adopted and  
9 incorporated into the qualified pension  
10 plan investment policy statement.

11 MS. PENNY: Okay. Do I hear a  
12 motion?

13 MS. VICKERS: So moved.

14 MS. PENNY: Do I hear a second?

15 MR. BROWN: Second.

16 MS. PENNY: Any discussion?

17 MR. ADLER: There is an issue with  
18 the place holders appendix C of this  
19 document. My team noticed there was  
20 something odd about it because if you  
21 look at -- if you turn to appendix C of  
22 this proposed appendix 5 you will see  
23 that the real estate place holders for  
24 both core and opportunistic the fixed  
25 income portion has been reduced to just



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2 the Barclays ad whereas in  
3 infrastructure and opportunistic fixed  
4 income it still has this break down  
5 between treasuries investment grade  
6 corporate and mortgage backed  
7 securities, which are the components of  
8 the Barclay act. So I think in e-mail,  
9 and I didn't remember us approving this  
10 previously. So, I sent an e-mail to  
11 Robin and Robin responded this morning  
12 and said we reached out to Mike Haddad  
13 on the question and it turns out you  
14 made a good catch. The Board misstated  
15 the change to the real estate place  
16 holder and new Board information is  
17 being issued. Now, I don't know if  
18 anybody else has heard anything with  
19 that regard, but I think that we should  
20 not approve at least appendix C until we  
21 hear back from Van or Rockatan on this  
22 if we want to approve the first two  
23 asset allocation and the ranges. I  
24 think that's what the first two are. A  
25 is the asset allocation. Appendix B is





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2 the balancing range. I'm fine with that  
3 or we can lay the whole thing over until  
4 we get a completely accurate appendix C.

5 MS. PENNY: Susannah, do you know  
6 anything about it.

7 MS. VICKERS: This is the first I'm  
8 hearing the documents conveyed to TRS  
9 were completely accurate, but apparently  
10 they weren't. So, we can lay it over or  
11 maybe that's the best thing to do.

12 MS. PENNY: Lay the whole thing  
13 over?

14 MS. VICKERS: Yes, might make more  
15 sense in doing it piecemeal.

16 MS. PENNY: We might have something  
17 by the next one.

18 MS. VICKERS: Can you send me that  
19 e-mail chain, John.

20 MR. ADLER: I can send it. If  
21 everybody wants to see, I'm happy to  
22 send it to everybody or just send it to  
23 Susannah.

24 MR. KAZANSKY: Send it to  
25 everybody.



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2 MS. PENNY: Good.

3 MR. ADLER: I will send it to Liz  
4 so Liz you can distribute to everybody,  
5 okay.

6 MS. PENNY: Liz gives the thumbs  
7 up.

8 MS. REILLY: Next on the agenda is  
9 the calendar. First item on the  
10 calendar is the matter of the minutes,  
11 approval of the minutes for February 4,  
12 2021 Investment Meeting and the February  
13 25, 2021 Board Meeting.

14 MS. PENNY: Do I hear a motion to  
15 approve February 4th and February 25th  
16 meetings?

17 MR. KAZANSKY: I will move.

18 MS. PENNY: Thank you,  
19 Mr. Kazansky. Do I hear a second?

20 MR. BROWN: Tom Brown, second.

21 MS. PENNY: Okay. Any discussion?  
22 All those in favor please say aye.

23 (All say aye.)

24 MS. PENNY: Any opposed? Any  
25 abstentions? Okay. We pass the



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2 minutes.

3 MS. REILLY: The next are the  
4 items, and you all have received those  
5 in a detailed report.

6 MR. KAZANSKY: Please waive the  
7 reading of the calendar, Patricia.

8 MS. REILLY: Okay, Patricia.

9 MS. PENNY: Do I hear a motion to  
10 approve the calendar?

11 MR. ADLER: So moved.

12 MS. PENNY: Thank you. Do I hear a  
13 second?

14 MS. GREEN-GILES: Second.

15 MS. PENNY: All those in favor  
16 please say aye.

17 (All say aye.)

18 MS. PENNY: Any opposed? All  
19 right. It is approved. Okay. Next up.

20 MS. REILLY: Under other business  
21 we want to select a date for the April  
22 Investment Meeting because there seem to  
23 be conflicts.

24 MS. PENNY: Take out your  
25 calendars. It was scheduled for April



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2 1st the Investment Meeting. We looked  
3 at the 8th, but I think there was  
4 conflict with that.

5 MR. ADLER: Yes, regular day of  
6 another Board Meeting that Susannah and  
7 I are on.

8 MS. PENNY: The 15th we are back  
9 with the Board. We need another day of  
10 the week. April 18th?

11 MR. ADLER: No, that's the day of  
12 the NYCERS Board Meeting, Tom. Every  
13 month second Thursday.

14 MS. PENNY: Do we want to try  
15 Wednesday, April 7th.

16 MS. VICKERS: That's good.

17 MS. PENNY: All good. This would  
18 be the morning 9:00.

19 MS. GREEN-GILES: Not 9:00, this  
20 would be 10 o'clock, not the Board  
21 meeting, correct?

22 MS. PENNY: 10:00 I have a conflict  
23 on the 7th.

24 MR. ADLER: How about another day?

25 MS. PENNY: We can do a different





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2 day. We don't have to be wedded to  
3 10 o'clock.

4 MS. GREEN-GILES: I can do the  
5 afternoon the 7th any time after 2  
6 o'clock or 2 o'clock on, I guess.

7 MS. PENNY: 2 o'clock on the 7th  
8 for everyone. A different day of the  
9 week and a different time.

10 MR. ADLER: I have a 4 o'clock  
11 commitment.

12 MS. GREEN-GILES: I can probably do  
13 1:30 if that helps.

14 MR. ADLER: Do we have to check to  
15 make sure Rokaton is available?

16 MS. PENNY: That is a great idea.  
17 You know what, let's try for that one,  
18 we will try April 7th at 1:30 and let's  
19 give them another date just in case.

20 MR. ADLER: Monday the 5th as an  
21 alternative?

22 MS. PENNY: How is Monday the 5th  
23 in the morning, do you like Monday the  
24 5th morning rather than Wednesday in the  
25 afternoon? Let's do first for April 5th



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2 at 10 o'clock, that's on a Monday.

3 MS. VICKERS: I have a 10 o'clock  
4 call, I guess I can change it. Can we  
5 do the 11th?

6 MS. PENNY: We can do whatever you  
7 want. We are already outside of the  
8 box.

9 We will try first for Monday, April  
10 5th at 11:00 a.m. Then we will try for  
11 Wednesday, April 7th at 1:30.

12 MS. REILLY: I thought the first  
13 choice was Wednesday.

14 MS. PENNY: I changed it around.

15 MS. VICKERS: It seems everybody is  
16 better Wednesday.

17 MS. PENNY: How is Tuesday, April  
18 6th?

19 MR. ADLER: I can do the afternoon  
20 of April 6th. I have a standing meeting  
21 in the morning.

22 MS. PENNY: I prefer Monday at  
23 11:00.

24 MS. GREEN-GILES: I can't do April  
25 6th.



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2 MS. PENNY: We are going to  
3 strongly suggest Monday, April 5th at  
4 11:00 a.m. We will check, if not we  
5 will try April 7th at 1:30. Sounds like  
6 a plan.

7 MR. ADLER: Yes.

8 MR. KAZANSKY: Yes.

9 MR. ADLER: Thank you, everyone,  
10 for your flexibility.

11 MS. PENNY: Questions and comments  
12 from the public? Any public? We do  
13 not. Anything else, Patricia? Are we  
14 ready to go into executive session?

15 MS. REILLY: We are going into  
16 attorney-client, not executive.

17 MR. ADLER: Does that mean we  
18 should adjourn and do our  
19 attorney-client?

20 MS. REILLY: I believe so.

21 MS. PENNY: Do I hear a motion to  
22 adjourn?

23 MR. KAZANSKY: So moved.

24 MS. VICKERS: So moved.

25 MS. PENNY: Mr. Kazansky. And Ms.



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2 Vickers I will take that as a second.

3 All say aye.

4 (All say aye.)

5 MS. PENNY: We stand adjourned.

6 Hold on for attorney-client session.

7 (Time noted: 4:13 p.m.)

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2 C E R T I F I C A T E

3 STATE OF NEW YORK )

4 : ss.

5 COUNTY OF KINGS )

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7 I, DIANE BUCHANAN, a Notary Public  
8 within and for the State of New York, do  
9 hereby certify:

10 That the proceedings hereinbefore  
11 set forth, are a true record of the  
12 testimony given on March 18, 2021.

13 I further certify that I am not  
14 related to any of the parties to this  
15 action by blood or marriage, and that I  
16 am in no way interested in the outcome  
17 of this matter.

18 IN WITNESS WHEREOF, I have hereunto  
19 set my hand this 1st day of April, 2021.

20

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22

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DIANE BUCHANAN

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