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1 NEW YORK CITY TEACHERS' RETIREMENT SYSTEM
 REGULAR BOARD MEETING
 held on Thursday, March 20, 2014
 at
3 55 Water Street
 New York, New York

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ATTENDEES:

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7 MELVYN AARONSON, Chairperson, Trustee, TRS
8 MONA ROMAIN, Trustee, TRS
9 SANDRA MARCH, Trustee, TRS
10 PATRICIA REILLY, Executive Director, TRS
11 THADDEUS McTIGUE, Deputy Executive Director, TRS
12 MARK KATZ, TRS
13 CAROLYN WOLPERT, Trustee, Finance
14 SUSANNAH VICKERS, Trustee, Comptroller's Office
15 RENEE PEARCE, TRS
16 PAUL RAUCCI, TRS
17 ROBERT C. NORTH, JR., Actuary
18 KEITH SNOW, Corporation Counsel
19 ROBERT BETHELMY
20 CARMELA CRIVELLI
21 ANNETTE HANRAHAN
22 ANTHONY MEZZACAPPA
23 ELLEN DELEO

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P R O C E E D I N G S

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(Time noted: 3:45 p.m.)

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MS. REILLY: Good afternoon. We're going to begin the March 14, 2014 regular meeting of the Teachers' Retirement Board. I will start by calling the roll.

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Melvyn Aaronson?

CHAIRPERSON AARONSON: Here.

MS. REILLY: Kathleen Grimm?

MS. GRIMM: Present.

MS. REILLY: Sandra March?

MS. MARCH: Present.

MS. REILLY: Mona Romain?

MS. ROMAIN: Present.

MS. REILLY: Susannah Vickers?

MS. VICKERS: Here.

MS. REILLY: Carolyn Wolpert?

MS. WOLPERT: Here.

MS. REILLY: Thank you.

We do have a quorum, so we'll go on to the next item; and that is an update on TRS operations. Each of you has the latest calendar of events. We have a few updates from Ellen DeLeo, our director of business.

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1 MS. DELEO: TRS has begun work on the
2 efforts to notify members required to a take minimum
3 distribution in 2014. The population of members who
4 will be receiving their personal RMD in 2014 will be
5 provided to the UFT within the week so that they can
6 invite these members to the RMD conference that they
7 will be hosting on May 28 to explain the RMD process.

8 In advance of the conference, TRS will be
9 providing RMD notification to an estimated 2,395
10 first-time RMD recipients.

11 In addition to the first time recipients,
12 approximately 18,000 members that received RMD's last
13 year will be notified of their requirement to receive
14 another RMD in this calendar year.

15 TRS has completed the process to reevaluate
16 the contribution rates for 14,032 Tier 6 members. For
17 the new plan year that begins April 1, 2014,
18 contribution rates for 2,290 members will increase,
19 while contribution rates for 20 members will decrease.

20 A letter to inform the affected members of
21 the change in their contribution rate was mailed out
22 earlier this week.

23 A new retirement application will be made
24 available this month to our members ahead of the start
25 of the 2014 summer retirement season.

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1 The new retirement application incorporates
2 the addendum used for members or participants of the age
3 55 program. The new retirement application also
4 streamlines the benefit plan selection process on the
5 application, making the retirement application process
6 easier for our members.

7 We expect that these changes will help to
8 reduce delays in processing of these applications by TRS
9 also.

10 In mid April, approximately 18,000 postcards
11 will be mailed to our members as part of our TDA
12 campaign, encouraging members to participate in our TDA
13 program. We are mailing postcards to approximately 5500
14 members that are currently not participating in TDA and
15 who joined TRS since March 2013; as well as 12,500
16 additional members that are not currently participating
17 in TDA, who joined prior to this date and are invested
18 through a PPP retirement benefit.

19 Our member education unit attended the
20 annual paraprofessional awards luncheon hosted by the
21 UFT on March 15, 2014. Two educational sessions were
22 conducted that provided an overview of TRS pension
23 benefits. Sessions were attended by close to 300 TRS
24 members.

25 On Saturday, March 22, TRS will be present

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1 at the Middle School Principal Association Conference
2 hosted by the CSA. We anticipate between 300 and 400
3 attendees. TRS will distribute materials and be
4 available to answer related questions.

5 MS. REILLY: Thank you, Ellen.

6 The next item on the agenda is the executive
7 director's report, and the first item there is the next
8 meeting. It has been suggested that the next regular
9 meeting of the Teachers' Retirement Board be held on the
10 fourth Thursday of the month, April 24, 2014.

11 CHAIRPERSON AARONSON: Does everybody have
12 that noted?

13 Before we go on to the next item, I want to
14 welcome Thad McTigue to the staff of the Teachers'
15 Retirement System. Thad is our new deputy executive
16 director, and he has had a long history working in the
17 area of pensions. And I don't want to embarrass him,
18 but he has been around for many, many years, and is one
19 of the few, if not the only person, that I have never
20 heard a negative remark about in all of my years in the
21 city.

22 So I know the retirement system will benefit
23 greatly from the fact he is here, and I just wanted to
24 welcome him.

25 MR. McTIGUE: Thank you, Mr. Chairman. It's

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1 an honor and a privilege.

2 MS. REILLY: So the next item is the
3 Actuary's recommendation for a preliminary fiscal year
4 2015 employer contribution to the New York City
5 Teachers' Retirement System.

6 CHAIRPERSON AARONSON: Lay it over, please.

7 MS. REILLY: The next item is a resolution.

8 CHAIRPERSON AARONSON: Do you mind very
9 much, Patricia, if I read the resolution?

10 MS. REILLY: I don't mind at all.

11 CHAIRPERSON AARONSON: "Whereas, Joel Giller
12 was a dedicated advocate for the rights of New York City
13 employees and retirement system members during a
14 distinguished career at District Council 37, American
15 Federation of State, County, and Municipal Employees, a
16 career that culminated in his role as General Counsel;
17 and

18 "Whereas, Joel Giller was appointed as Legal
19 Director for the Teachers' Retirement System in 2004,
20 and for over nine years the Board and TRS staff
21 benefited from his wisdom, judgment and experience; and

22 "Whereas, Joel Giller passed away on
23 February 1, 2014, leaving behind a loving family,
24 friends, colleagues, and staff who mourn his loss; and

25 "Whereas, Joel Giller was known to be

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1 tremendously giving of his time, with a gregarious
2 personality and infectious laugh that made it a joy to
3 be around him; and

4 "Whereas, Joel frequently expressed his
5 pride and affection for his family, often sharing
6 stories of their successes both in school and career;
7 and

8 "Whereas, Joel Giller was a man of great
9 integrity, humility and honesty; a gifted and generous
10 teacher to anyone wanting to learn; a mentor to many and
11 a friend to all at TRS; and

12 "Whereas, the trustees recognize these
13 qualities in Joel Giller that will continue to inspire
14 his colleagues; the intelligence and energy that enabled
15 TRS to achieve its vision while meeting its legal
16 obligations; the generosity and willingness to share his
17 knowledge; and the dedication to fairness and justice
18 that drove all his actions; therefore be it

19 "Resolved, that Trustees of the Teachers'
20 Retirement Board extend their deepest sympathies to the
21 Giller family and friends. The Trustees and associates
22 of TRS share their sorrow and sense of loss, for we will
23 miss his wise counsel, his good humor, and his devoted
24 friendship. Although Joel Giller is no longer with us,
25 his contributions to TRS will not be forgotten."

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1 I'd like to add a personal note. I don't
2 know if everybody in the room knows, many of you know
3 Joel Giller was my student at Springfield Gardens High
4 School in Queens. And we kept in touch over the years
5 and he developed, because of his experience in the
6 public schools in New York City, into the kind of person
7 that he was.

8 MS. ROMAIN: I move the resolution.

9 MS. MARCH: Second.

10 CHAIRPERSON AARONSON: Any further
11 discussion?

12 Seeing none, all in favor of passing this
13 resolution?

14 (A chorus of "Ayes.")

15 Patricia, would you be able to put this into
16 some appropriate form and send it to the Giller family?

17 MS. REILLY: We will do that, yes.

18 The next item is the authorization to the
19 Comptroller of the City of New York to invest certain
20 funds.

21 MS. ROMAIN: Shall we waive the reading of
22 the resolve and have it included into the minutes?

23 MS. MARCH: I move it.

24 MS. WOLPERT: Second.

25 CHAIRPERSON AARONSON: Discussion?

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1 All in favor?

2 (A chorus of "Ayes.")

3 Any opposed?

4 It is carried.

5 (Following is the resolution, "Authorization
6 to the Comptroller of the City of New York to Invest
7 Certain Funds.")

8 "Resolved, by the Teachers' Retirement Board
9 as trustees of the Teachers' Retirement System that, in
10 accordance with Section 13-513 and Section 13-514 of the
11 Administrative Code of the City of New York, the
12 Comptroller of the City of New York is hereby authorized
13 and requested, in accordance with Section 13-702 of the
14 Administrative Code of the City of New York, to invest
15 consistent with the investment policies of Teachers'
16 Retirement System of the City of New York the contingent
17 reserve fund, the pension reserve fund, the annuity
18 savings fund and the annuity reserve fund referred to in
19 Section 13-520 of the Administrative Code of the City of
20 New York, other than the portion thereof held for
21 current needs, pursuant to Section 13-538, subject to
22 the terms and limitations set forth herein:

23 "1. The Comptroller shall have the power:

24 "A. To make any investment, which the
25 trustees of the Teachers' Retirement System are

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1 authorized by law to make, including stock investment in
2 securities as authorized by the Retirement Board in its
3 resolution of November 20, 1990. However, any
4 investment in any tax-exempt security shall require
5 prior approval of the Board.

6 "B. To hold, sell, assign, transfer, or
7 dispose of any of the properties, securities or
8 investments in which any of the funds of the Teachers'
9 Retirement System shall have been invested, including
10 the proceeds of such investments and any monies
11 belonging to such fund, subject to the terms,
12 conditions, limitations, and restrictions imposed by the
13 law upon the trustees of the Teachers' Retirement
14 System.

15 "C. In the name of the Comptroller, as
16 agent of the trustees, to foreclose mortgages upon
17 default or to take title of real property in such
18 proceedings in lieu thereof, or to lease and sell any
19 properties so acquired.

20 "2. Any termination, expiration or
21 revocation of this delegation to invest shall not affect
22 any binding commitment previously made by the
23 Comptroller pursuant to such delegation, and the
24 Comptroller shall have the power to discharge fully any
25 such binding commitment according to its terms.

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1 "3. The authority hereby granted to the
2 Comptroller of the City of New York by the Teachers'
3 Retirement Board for investing of its funds shall be
4 limited to a three-month period terminating June 30,
5 2014.

6 "4. Investment of funds of the Teachers'
7 Retirement Board in real estate mortgages which are not
8 guaranteed by the City of New York, the State of New
9 York, and/or the United States governments, may be made
10 by the Comptroller in accordance with an agreed
11 procedure contained in a memorandum dated March 16,
12 1968.

13 "5. The transactions executed within the
14 provisions of paragraphs 1-4 of this resolution shall be
15 submitted to the Teachers' Retirement Board at the next
16 meeting following the execution of such transaction."

17 MS. REILLY: The next resolution,
18 authorization to the Comptroller of the City of New York
19 to invest certain tax-deferred annuity funds.

20 MS. ROMAIN: Again, I waive the reading of
21 the resolve and have it included in the minutes.

22 MS. GRIMM: Second.

23 MS. MARCH: I move the resolution.

24 CHAIRPERSON AARONSON: Is there a second?

25 MS. WOLPERT: Second.

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1 CHAIRPERSON AARONSON: Any discussion?
2 Seeing none, ready vote? All in favor?
3 (A chorus of "Ayes.")
4 Any opposed?
5 Carried.
6 (Following is the resolution, "Authorization
7 to the Comptroller of the City of New York to Invest
8 Certain Tax-Deferred Annuity Funds.")
9 "Resolved, by the Teachers' Retirement Board
10 as trustees of the Teachers' Retirement System that, in
11 accordance with Sections 13-513 and Section 13-534 of
12 the Administrative Code of the City of New York, the
13 Comptroller of the City of New York is hereby authorized
14 and requested, in accordance with Section 13-702 of the
15 Administrative Code of the City of New York, to invest
16 consistent with the investment policies of Teachers'
17 Retirement System of the City of New York the portion of
18 the annuity savings fund and the annuity reserve fund
19 arising from the tax-deferred annuity net contributions,
20 subject to the terms set forth herein:
21 "1. The Comptroller shall have the power:
22 "A. To make any investment, which the
23 trustees of the Teachers' Retirement System are
24 authorized by law to make, including stock investment in
25 securities as authorized by the Retirement Board in its

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1 resolution of November 20, 1990. However, any
2 investment in any tax-exempt security shall require
3 prior approval of the Board.

4 "B. To hold, sell, assign, transfer, or
5 dispose of any of the properties, securities or
6 investments in which any of the funds of the Teachers'
7 Retirement System shall have been invested, including
8 the proceeds of such investments and any monies
9 belonging to such fund, subject to the terms,
10 conditions, limitations, and restrictions imposed by the
11 law upon the trustees of the Teachers' Retirement
12 System.

13 "C. In the name of the Comptroller, as
14 agent of the trustees, to foreclose mortgages upon
15 default or to take title to real property in such
16 proceedings in lieu thereof, or to lease and sell any
17 properties so acquired.

18 "2. Any termination, expiration or
19 revocation of this delegation to invest shall not affect
20 any binding commitment previously made by the
21 Comptroller pursuant to such delegation, and the
22 Comptroller shall have the power to discharge fully any
23 such binding commitment according to its terms.

24 "3. The authority hereby granted to the
25 Comptroller of the City of New York by the Teachers'

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1 Retirement Board for investing of its funds shall be
2 limited to a three-month period terminating June 30,
3 2014.

4 "4. Investment of funds of the Teachers'
5 Retirement Board in real estate mortgages which are not
6 guaranteed by the City of New York, the State of New
7 York, and/or the United States governments, may be made
8 by the Comptroller in accordance with an agreed
9 procedure contained in a memorandum dated March 16,
10 1968."

11 MS. REILLY: Next is the Qualified Pension
12 Plan and Tax Deferred Fixed Annuity Program.

13 MS. WOLPERT: Our office proposed this
14 resolution because we thought it would be the best way
15 to memorialize the decision of the investment committee
16 on this.

17 MS. MARCH: I'd like to say that this
18 process is already memorialized in state law. And on a
19 quarterly basis we do everything necessary as a board to
20 give the Comptroller the power to do whatever the
21 Comptroller and his office must do to manage the money
22 of the members and beneficiaries at the New York City
23 Teachers' Retirement System.

24 CHAIRPERSON AARONSON: I think we should
25 just move on.

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1 MS. REILLY: Okay.

2 Attendance at a conference. The following
3 resolution is presented for consideration and possible
4 adoption.

5 "Resolved, that the Trustees of the
6 Teachers' Retirement Board hereby approve the attendance
7 and participation of the Executive Director and/or her
8 designee, and any interested Trustee, at the National
9 Council on Public Employee Retirement Systems' Trustee
10 Educational Seminar and the Annual Conference and
11 Exhibition from April 26 through May 1, 2014."

12 MS. MARCH: Moved.

13 MS. WOLPERT: Second.

14 CHAIRPERSON AARONSON: Any discussion?

15 All in favor?

16 (A chorus of "Ayes.")

17 Any opposed?

18 The ayes have it; carried.

19 MS. REILLY: The next is attendance at a
20 conference. The following resolution is presented for
21 consideration and possible adoption.

22 "Resolved, that the Trustees of the
23 Teachers' Retirement Board hereby approve the attendance
24 and participation of the Executive Director and/or her
25 designees and any interested Trustee at the Council of

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1 Institutional Investors' 2014 Spring Conference, from
2 May 7 through the 9th, 2014."

3 MS. MARCH: Moved.

4 MS. WOLPERT: Second.

5 CHAIRPERSON AARONSON: Any discussion?

6 All in favor?

7 (A chorus of "Ayes.")

8 Any opposed?

9 Motion carries.

10 MS. REILLY: That concludes the Executive
11 Director's report.

12 The next item on the agenda is the calendar.
13 Each trustee should have received a calendar. And the
14 first matter on the calendar is the approval of the
15 minutes from the January 23, 2014 board meeting.

16 CHAIRPERSON AARONSON: Do I hear a motion to
17 approve the minutes?

18 MS. ROMAIN: I move acceptance of the
19 minutes.

20 CHAIRPERSON AARONSON: Any discussion?

21 All in favor?

22 (A chorus of "Ayes.")

23 Any opposed?

24 The minutes have been accepted.

25 MS. REILLY: Pages 1 through 114 inclusive

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1 are the monthly periodic payroll of TDA excess and loan
2 payments.

3 Page 15, payroll summary, accounts payable,
4 new retirees and TDA accounts.

5 Pages 16 through 34 inclusive, the transfer
6 of active TDA deferred to annuity payments.

7 Pages 35 through 73 inclusive of the
8 fractional payments.

9 Pages 74 through 84 inclusive, the
10 uncollected checks for deceased members.

11 Pages 85 through 104 inclusive of the
12 beneficiary continuing options.

13 Pages 105 through 109 are the conversions to
14 pop-up payments.

15 Pages 110 through 148 inclusive are the
16 beneficiaries who received one-time payments from the
17 QPP and TDA accounts.

18 Pages 149 through 151 inclusive are the
19 return net accumulated salary deduction.

20 Page 152, the transfer of funds between
21 banks.

22 Pages 153 through 157 are the purchase and
23 sales of securities and transactions from the Passport
24 fund program.

25 Pages 158 through 163 inclusive are the

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1 outstanding checks.
2 Pages 164 through 169 inclusive are the
3 revisions, including those under class coverage.
4 Page 170 is leave of absence without pay.
5 Pages 171 through 172 is the payment for
6 service credit.
7 Page 174 are denied accident disability
8 benefits.
9 Page 175 are denied ordinary disability
10 benefits.
11 Page 176 is minimum accumulation.
12 Page 177 is new service retirement benefits.
13 That concludes the calendar.
14 MS. MARCH: I move for adoption.
15 CHAIRPERSON AARONSON: Is there a second?
16 MS. WOLPERT: Second.
17 CHAIRPERSON AARONSON: Discussion?
18 All in favor?
19 (A chorus of "Ayes.")
20 Any opposed?
21 The calendar is carried.
22 Other business?
23 MS. REILLY: Any other business before the
24 board?
25 CHAIRPERSON AARONSON: Anybody?

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1 MS. REILLY: The last agenda item is any
2 questions or comments from the public.

3 CHAIRPERSON AARONSON: Seeing none.

4 MS. MARCH: I move that, pursuant to Public
5 Officer Law, Section 105, we move into executive session
6 to discuss an issue regarding an investment matter.

7 CHAIRPERSON AARONSON: Second?

8 MS. ROMAIN: Second.

9 CHAIRPERSON AARONSON: Any discussion?

10 All in favor?

11 (A chorus of "Ayes.")

12 Any opposed?

13 We're now in executive session.

14 (Whereupon, executive session began.)

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1 CHAIRPERSON AARONSON: Any other discussion?
2 No other business?
3 MS. MARCH: So moved.
4 CHAIRPERSON AARONSON: That we --
5 MS. MARCH: Go out of executive session.
6 CHAIRPERSON AARONSON: Any discussion?
7 All in favor?
8 (A chorus of "Ayes.")
9 Any opposed?
10 We're now out of executive session.
11 (Whereupon, the Board returned to public session.
12 CHAIRPERSON AARONSON: It is our
13 responsibility to report generally what happened in
14 executive session.
15 MS. PEARCE: During executive session an
16 investment matter was discussed, a resolution was
17 passed, and an announcement will be made at the
18 appropriate time.
19 CHAIRPERSON AARONSON: Thank you very much.
20 Any other business before the board?
21 Is there a motion to adjourn?
22 MS. MARCH: So moved.
23 MS. GRIMM: Second.
24 CHAIRPERSON AARONSON: Opposed?
25 We're adjourned.

(Time noted: 4:07 p.m.)

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C E R T I F I C A T I O N

I, Jeffrey Shapiro, a Shorthand Reporter and
Notary Public, within and for the State of New York, do
hereby certify that I reported the proceedings in the
within-entitled matter, on Thursday, March 20, 2014, at
the offices of the NEW YORK CITY TEACHERS RETIREMENT
SYSTEM, 55 Water Street, New York, New York, and that
this is an accurate transcription of these proceedings.
IN WITNESS WHEREOF, I have hereunto set my
hand this 23rd day of March, 2014.

JEFFREY SHAPIRO