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TEACHERS' RETIREMENT BOARD MEETING

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HELD AT:
55 WATER STREET
NEW YORK, NEW YORK

MARCH 21, 2013
3:50 P.M. TO 4:11 P.M.

B E F O R E:

MELVYN AARONSON, CHAIRMAN

REPORTED BY:
LIZ SANCHEZ
EXECUTIVE ASSISTANT TO PATRICIA REILLY, DEPUTY EXECUTIVE DIRECTOR

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

TRS:

PATRICIA REILLY, Deputy Executive Director

MELVYN AARONSON, Teachers' Trustee

SANDRA MARCH, Teachers' Trustee

MONA ROMAIN, Teachers' Trustee

COMPTROLLER'S OFFICE:

THAD McTIGUE, Trustee

DEPARTMENT OF EDUCATION:

KATHLEEN GRIMM, Trustee

MAYOR'S APPOINTEE:

CAROLYN WOLPERT, Trustee

LAW DEPARTMENT:

INGA VAN EYSDEN, Corporation Counsel

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TRS STAFF:

2

ROBERT BETHELMY

3

ANDREW BRADFORD

CARMELA CRIVELLI

4

JOEL GILLER

ANNETTE HANRAHAN

5

MARC KATZ

ELLEN MURPHY DeLEO

6

RENEE PEARCE

PAUL RAUCCI

7

8

OTHER ATTENDEES:

SAMUEL FLAKS, Legal Unit - TRS

9

PAUL BANKS, Nelson Serrano's family

EILEEN GABRIEL, Nelson Serrano's family

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HENRY GELFAND, TRS Member

CHRISTINE SERRANO, Nelson Serrano's daughter

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DEBORAH SERRANO, Nelson Serrano's wife

MATTHEW SERRANO, Nelson Serrano's son

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1 TRS Regular Board Meeting, MARCH 21, 2013

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

3 MS. REILLY: Good afternoon. Welcome to the March 21, 2013
4 meeting of the Teachers' Retirement Board. Before calling the role,
5 we want to welcome Nelson's family Debbie, Christine, Matthew,
6 Eileen and Paul.

7 At this time, I will call the roll. Melvyn Aaronson?

8 MR. AARONSON: Here.

9 MS. REILLY: Kathleen Grimm?

10 MS. GRIMM: Here.

11 MS. REILLY: Sandra March?

12 MS. MARCH: Present.

13 MS. REILLY: Thad McTigue?

14 MR. McTIGUE: Here.

15 MS. REILLY: Mona Romain?

16 MS. ROMAIN: Present.

17 MS. REILLY: Carolyn Wolpert?

18 MS. WOLPERT: Here.

19 MS. REILLY: We do have a quorum, so the next item on the
20 Agenda is the Update on TRS Operations. Ellen has some updates
21 for us.

22 MS. DeLEO: I just have three (3) quick updates. The first
23 is on Required Minimum Distributions ("RMD") for 2013. The
24 Teachers' Retirement System ("TRS") has begun work on the effort to
25 notify members required to take the minimum distribution in 2013.

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2 The population of members who will be receiving their first RMD
3 in 2013, was provided to the United Federation of Teachers ("UFT")
4 on February 18th so that they could invite these members to the
5 RMD conference that they will be hosting on May 28th to explain
6 the RMD process. In advance of the conference, TRS will be
7 providing RMD notifications to an estimated 2,605 first-time
8 RMD recipients during the fourth week in April. In addition to
9 the first-time recipients, approximately 16,000 members that
10 received RMDs last year will be notified of their requirement to
11 receive an RMD in this calendar year again.

12 Progressive Contribution Rates for Tier VI Members: For
13 the first plan year, which spans April 1, 2012 - March 31, 2013,
14 Tier VI members were assigned a membership contribution rate of 3%.
15 For all subsequent plan years starting on April 1st of each calendar
16 year, progressive contribution rates will be applied based on
17 individual member's annual salary. Effective with the first payroll
18 period in April, Tier VI members subject to the progressive
19 contribution rates based on their projected annual salary for that
20 plan year will begin having the new contribution rate applied for
21 their regular membership contribution deductions and any
22 contribution deficits incurred during that plan year. Members with
23 rates that are changing are being notified in late March.

24 TRS is undertaking a campaign to encourage members to receive
25 their Quarterly Annual Statements ("QAS") electronically.

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2 As part of TRS' initiative to "Go Green", TRS is planning to
3 send a one-time email to all members that will be receiving the
4 1st Quarter 2013 Quarterly Annual Statement, to inform them of the
5 option to view their QAS statements online by signing into our
6 website while encouraging them to consider opting out of receiving
7 their printed QAS by mail. Not only will members who opt out of
8 printed statement be helping the environment, these members will
9 also be able to receive their statements up to a week sooner each
10 quarter than if they received their QAS by mail.

11 MS. REILLY: Thank you Ellen. Next, is the matter of the
12 next meeting. It has been suggested that the next meeting of the
13 Teachers' Retirement Board be held on the third Thursday of the
14 month, April 18, 2013.

15 Next on the Agenda is the Executive Director's Report. The
16 first resolution is the Authorization to the Comptroller of the
17 City of New York to Invest Certain Funds.

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

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2 fund, the annuity savings fund and the annuity reserve fund referred
3 to in Section 13-520 of the Administrative Code of the City of New
4 York, other than the portion thereof held for current needs,
5 pursuant to Section 13-538, subject to the terms and limitations set
6 forth herein:

7 1. The Comptroller shall have the power:

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

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

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

24 2. Any termination, expiration or revocation of this delegation
25 to invest shall not affect any binding commitment previously made by

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2 the Comptroller pursuant to such delegation and the Comptroller
3 shall have the power to discharge fully any such binding commitment
4 according to its terms.

5 3. The authority hereby granted to the Comptroller of the City
6 of New York by the Teachers' Retirement Board for the investing of
7 its funds shall be limited to a three-month period terminating
8 June 30, 2013.

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

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

18 MR. AARONSON: Is there a motion to accept?

19 MS. MARCH: So moved.

20 MR. AARONSON: Is there a second?

21 MS. GRIMM: Second.

22 MR. AARONSON: Is there any discussion? Ok, resolution is
23 adopted.

24 MS. REILLY: The next resolution is Authorization to the
25 Comptroller of the City of New York to Invest Certain Tax-Deferred

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2 Annuity Funds.

3 Resolved, by the Teachers' Retirement Board as trustees
4 of the Teachers' Retirement System that, in accordance with
5 Sections 13-513 and Section 13-534 of the Administrative Code of the
6 City of New York, the Comptroller of the City of New York is hereby
7 authorized and requested, in accordance with Section 13-702 of the
8 Administrative Code of the City of New York to invest consistent
9 with the investment policies of Teachers' Retirement System of the
10 City of New York the portion of the annuity savings fund and the
11 annuity reserve fund arising from the tax-deferred annuity net
12 contributions, subject to the terms and limitations set forth
13 herein:

14 1. The Comptroller shall have the power:

15 a) To make any investment, which the trustees of the
16 Teachers' Retirement System are authorized by law to make, including
17 stock investment in securities as authorized by the Retirement Board
18 in its resolution of November 20, 1990. However, any investment in
19 any tax-exempt security shall require prior approval of the Board.

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

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2 Retirement System.

3 c)In the name of the Comptroller, as agent of the
4 trustees, to foreclose mortgages upon default or to take title to
5 real property in such proceedings in lieu thereof, or to lease and
6 sell any properties so acquired.

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

12 3. The authority hereby granted to the Comptroller of the City
13 of New York by the Teachers' Retirement Board for the investing of
14 its funds shall be limited to a three-month period terminating
15 June 30, 2013.

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

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

25 MS. ROMAIN: I move the resolution.

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2 MR. AARONSON: Is there a second?

3 MS. GRIMM: Second.

4 MR. AARONSON: Is there any discussion? Seeing no
5 discussion, carried.

6 MS. REILLY: Next, is the Authorization of the Actuary to
7 Utilize Pension Census Data to Compute Other Postemployment
8 Benefits Obligations for the Fiscal Year Ending June 30, 2013.

9 MS. ROMAIN: Move to the Resolved please.

10 MS. REILLY: Resolved, that the Board of Trustees authorizes
11 the Actuary to utilize the June 30, 2012 Pension Census Data to
12 determine Other Postemployment Benefits obligations for the City
13 of New York and, where appropriate, certain Component Units.

14 MR. AARONSON: Do I hear a motion?

15 MS. MARCH: So moved.

16 MR. AARONSON: Ok, do I hear a second?

17 MS. GRIMM: Second.

18 MR. AARONSON: Is there any discussion? Seeing none, lets
19 move on to the next item.

20 MS. REILLY: The next item is Securities Litigation Protocol.

21 MS. ROMAIN: Move to the Resolved please.

22 MS. REILLY: Resolved, the Board of Trustees adopts the
23 proposed changes to the Protocol to omit the requirement that
24 evaluation counsel be precluded from serving as litigation
25 counsel in the same matter.

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2 MS. ROMAIN: I move the Resolution.

3 MS. WOLPERT: Second.

4 MR. AARONSON: Do we see any discussion? Seeing no
5 discussion, the motion is carried.

6 MS. REILLY: Next on the Agenda is the Calendar and first is
7 the approval of the minutes for the regular meeting held on
8 February 14, 2013.

9 MR. AARONSON: Any discussions about any items on the
10 Calendar? Seeing none, the Calendar is...

11 MS. ROMAIN: It is just the minutes.

12 MR. AARONSON: Oh, okay.

13 MS. REILLY: Next, is the Calendar and you all have been
14 provided with a copy of the Calendar. Pages 1 through 14
15 inclusive is the Monthly Periodic Payroll of TDA, Excess, and
16 Loan Payments; Page 15 is the Payment Summary of Advanced
17 Payments for New Retirees and TDA Accounts; Pages 16 through 37
18 inclusive is the Transfer of Active TDA Deferrals to Annuity
19 payments; Pages 38 through 67 inclusive is the Fractional
20 Payments; Pages 68 through 80 is the Uncollected Checks for
21 Deceased Members; Pages 81 through 88 inclusive is the
22 Beneficiary Continual Option Payments; Page 89 through 98
23 inclusive are the Conversions to Pop-up Payments; Pages 99
24 through 139 is the Beneficiaries who received One-time Payments
25 from their QPP and TDA Accounts; Pages 140 through 142 is the

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2 return of Net Accumulated Salary deductions; Page 143 is the

3 Transfer of Funds between banks; Pages 144 through 148 inclusive

4 are the Purchase and Sales of Securities Transacted from the

5 Passport Fund Program; Pages 149 through 156 are Outstanding

6 Checks; Pages 157 through 215 is Revisions including those under

7 Class Coverage; Pages 216 through 218 are Layoff without Pay;

8 Pages 219 through 222 are Payments for Service Credit; and Page

9 223 is New Service Retirement Payments.

10 MS. ROMAIN: I move the adoption of the Calendar.

11 MR. AARONSON: Is there a second?

12 MR. McTIGUE: Second.

13 MR. AARONSON: Are there any questions? All those in

14 favor of adopting the Calendar?

15 (Whereupon, all those present so indicated.)

16 MR. AARONSON: Any opposed? Calendar is adopted.

17 MS. REILLY: Next on the Agenda is Other Business.

18 MR. AARONSON: Any Board Members have any business, staff

19 members have any business?

20 MS. REILLY: And next are questions or comments from the

21 public.

22 MR. AARONSON: Any questions or comments from the public?

23 Seeing none, we will move on to the next item.

24 MS. REILLY: So, at this time, we would like to read a

25 special Resolution in Memory of Nelson Serrano.

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2 Whereas, Nelson Serrano was a dedicated employee of the
3 Teachers' Retirement System of the City of New York for 33 years,
4 starting in 1979 as a Provisional Office Aide and through hard
5 work and commitment rising to become TRS' Executive Director in
6 2005; and

7 Whereas, Nelson Serrano passed away on October 9, 2012,
8 after a long illness, leaving behind a loving family, friends,
9 family, colleagues and staff who mourn his loss; and

10 Whereas, Nelson Serrano was known as a great family man who
11 frequently expressed his love for his family and his pride in
12 them; and

13 Whereas, Nelson Serrano was known to all as a person who
14 conducted himself with integrity, humility and kindness, treating
15 others with respect and fairness; and

16 Whereas, the Trustees appreciate Nelson Serrano's years of
17 effective and constructive work with the Board, his dedication
18 to protecting and improving the System throughout his career,
19 and his service on behalf of TRS members; and

20 Whereas, the Trustees recognize the qualities in Nelson
21 Serrano that made him a great leader: *his integrity and honesty,*
22 *which were at the heart of all of his actions; his vision and*
23 *focus,* which was always to achieve a better future for TRS, its
24 members, and its staff, *his intelligence and energy,* which enabled
25 him to carry out his vision through others; *his steadiness and*

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2 *consistency*, which earned him the trust of all TRS associates,
3 *his commitment and drive*, which challenged staff to strive for
4 excellence and continues to inspire those he worked with; and
5 *his remarkable patience* with demanding members, coworkers, and
6 Trustees; therefore be it

7 Resolved, that the Trustees of the Teachers' Retirement Board
8 again extend their deepest sympathies to the Serrano family; and be
9 it further

10 Resolved, in recognition of Nelson's contributions to TRS,
11 his leadership of staff, and the quality of his character, that
12 the TRS Boardroom shall be named in his honor, as a reminder
13 and inspiration to all those who gather here.

14 MS. ROMAIN: I move the adoption of this resolution.

15 MR. AARONSON: Is there a second?

16 MS. GRIMM: Second.

17 MR. AARONSON: Is there any discussion? All those in favor
18 of this resolution please say aye.

19 (Whereupon, all those present so indicated.)

20 MR. AARONSON: It looks like it is unanimous and therefore,
21 the motion carries.

22 MS. REILLY: So, at this time, we have a short film that staff
23 put together remembering Nelson throughout his years here at TRS.

24 (Whereupon a DVD was played.)

25 MS. SERRANO: That was beautiful. Thank you.

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2 MR. AARONSON: That certainly was a beautiful film showing
3 Nelson and his relations with the people who work here at TRS.
4 It really captured his spirit.

5 MS. REILLY: So now, I thought we would go outside and the
6 staff is waiting to have the room dedicated in Nelson's honor and
7 if you will indulge me, I am going to read the resolution for staff
8 so they can also have the opportunity to hear how the Board felt
9 about Nelson.

10 MR. AARONSON: Do I hear a motion to adjourn?

11 MS. ROMAIN: So moved.

12 MS. WOLPERT: Second.

13 MR. AARONSON: The meeting is adjourned. Thank you.

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