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3 NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

4 BOARD MEETING

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6

7 Held on Thursday, April 20, 2017, at 55 Water

8 Street, New York, New York

9

10 ATTENDEES:

11 JOHN ADLER, Chairman, Trustee

12 DEBORAH PENNY, Trustee

13 DAVID KAZANSKY, Trustee

14 THOMAS BROWN, Trustee

15 SUSANNAH VICKERS, Trustee

16 RAYMOND ORLANDO, Trustee

17 PATRICIA REILLY, Teachers' Retirement System

18 THAD McTIGUE, Teachers' Retirement System

19 SUSAN STANG, Teachers' Retirement System

20 VALERIE BUDZIK, Teachers' Retirement System

21

22

23 REPORTED BY:

24 YAFFA KAPLAN

25 JOB NO. 0410016

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2 ATTENDEES (Continued):

3 ELLEN DeLEO, Teachers' Retirement System

4 LIZ SANCHEZ, Teachers' Retirement System

5 ANNETTE HANHARAN, Teachers' Retirement System

6 ROBERT BETHELMY, Teachers' Retirement System

7 NATARAJAN KRISHNAMOORTHY, Teachers' Retirement

8 System

9 RENEE PEARCE, Teachers' Retirement System

10 ANDREW BRADFORD, Teachers' Retirement System

11 AMY CASSIDY, ESQ., Law Department

12 MARTA ROSS, ESQ., Law Department

13 SHERRY CHAN, Chief Actuary

14 JOHN DORSA, Bureau of Asset Management

15 MELVYN AARONSON, Teachers' Retirement System

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2 MR. ADLER: Good afternoon. Welcome to  
3 the Teachers' Retirement System board meeting  
4 for April 20, 2017. Pat, will you please call  
5 the roll?

6 MS. REILLY: Sure. John Adler?

7 MR. ADLER: Here.

8 MS. REILLY: Thomas Brown?

9 MR. BROWN: Here.

10 MS. REILLY: Dave Kazansky?

11 MR. KAZANSKY: Present.

12 MS. REILLY: Raymond Orlando?

13 MR. ORLANDO: I am here.

14 MS. REILLY: Deborah Penny?

15 MS. PENNY: Here.

16 MS. REILLY: Susannah Vickers?

17 MS. VICKERS: Here.

18 MS. REILLY: We do have a quorum.

19 MR. ADLER: Great.

20 MS. REILLY: Next on our agenda is an  
21 update from TRS, our TRS operations. For that  
22 I call Ellen DeLeo.

23 MS. DeLEO: TRS has begun work on the  
24 effort to notify members required to take a  
25 minimum distribution in 2017. An estimated

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2 27,565 members will be required to receive an  
3 RMD in 2017, including 3,812 first-time RMD  
4 recipients. TRS has plans to begin the  
5 mailing of RMD illustrations on April 24th.  
6 Members will be able to securely log into  
7 their account and submit their RMD request  
8 online.

9 Preparations are also underway to  
10 produce the first quarter 2017 account  
11 statements for approximately 123,800 members  
12 who are currently in service or on leave. The  
13 mailing of approximately 109,000 statements  
14 are expected to occur between May 5th and May  
15 10th. The balance of the 14,550 members have  
16 elected to view their statements online only.

17 Online posting of the TDA quarterly  
18 statement for participants with TDA deferral  
19 status is expected to begin on April 28th,  
20 concurrently with statements being printed.  
21 The estimated population is 53,200. Of this  
22 total, approximately 4,250 members have  
23 elected to review their statements online  
24 only. Mailing of the TDA quarterly statement  
25 for beneficiary participants to an estimated

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2 population of 895 members is expected to occur  
3 on April 25th.

4 Last week was spring recess and TRS  
5 experienced its usual spike in members  
6 visiting our walk-in center. Staff met with  
7 878 members throughout the break, responded to  
8 various retirement and benefit-related  
9 questions. It will also mark the beginning of  
10 our busy retirement application submission  
11 season.

12 As of April 4th, we are aware of 743  
13 retirement consultations at the UFT for the  
14 period of April 3rd to June 30, 2017. As of  
15 today, we have received 105 July 1, 2017  
16 retirement applications.

17 MS. REILLY: Thank you, Ellen. Next on  
18 the agenda is a report from the actuary.

19 MS. CHAN: Thank you. There are four  
20 items on my report this month. I am going to  
21 reorder them a little bit so that it makes  
22 sense logically. I will go over the two  
23 fiscal notes first.

24 One was fiscal note number 2017-06.  
25 This was mandating paraprofessionals into TRS

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2 having their membership being mandatory rather  
3 than voluntary and we were given a data set of  
4 5,200 paraprofessionals and we had estimated  
5 about 2,500 of them would have joined anyway.  
6 So we looked at -- basically we looked at the  
7 core 2,700 remaining that would not have  
8 otherwise joined and that group cost 8 million  
9 dollars in annual cost, but in total cost this  
10 is to be lumped together with 2,500 that would  
11 have joined anyway as just accelerating their  
12 membership. That was 6.7 million for that  
13 group. So collectively was 14.7 million for  
14 the total 5,200 paraprofessionals that would  
15 be mandated.

16 The other fiscal note is 2017-08. This  
17 is again a picture bill for an individual that  
18 is currently a Tier IV retiree, but got  
19 legislation, proposed legislation to be  
20 reclassified a Tier I member. Current annual  
21 benefit is 48,000 approximately, and under the  
22 Tier I reclassification she would be getting  
23 approximately 65,000 a year. And under Tier I  
24 she would be receiving 65,000 a year. That  
25 yielded an actual present value of benefits of

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2 272,000 approximately. Because she is  
3 retired, that would be annuitized over one  
4 year. So that would be a one-time fee,  
5 one-time increase in contribution.

6 MR. ADLER: Questions for Sherry about  
7 the fiscal notes?

8 MS. CHAN: Moving on, there was a  
9 document that was a memo that was also issued  
10 by my office deriving the September 2017 COLA.  
11 It was calculated to be 1.2 percent this year.  
12 The memo states where the pieces came in from  
13 and also how it was derived.

14 So if there are no questions, I will  
15 move on to the contributions. The fourth item  
16 is the final Fiscal Year 2017 Employer  
17 Contribution. There was no change to the  
18 contribution from the preliminary amount that  
19 was adopted last year, February of last year.  
20 The amount is 3 billion 888 million 399,470  
21 dollars. There is some reallocation among the  
22 albacores just because we cleaned up some  
23 data, but the total amount did not change.

24 MR. ADLER: Thank you, Sherry.

25 MS. CHAN: Thank you.

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2 MR. ADLER: Questions for Sherry about  
3 the employer contribution? Okay.

4 Patricia, you want to do the executive  
5 director's report?

6 MS. REILLY: Oh, I'm sorry. Next is the  
7 executive director's report. It's been  
8 suggested that the next regular meeting of the  
9 Teachers' Retirement Board be held on the  
10 third Thursday of the month, May 18, 2017.  
11 Everybody should mark their calendar.

12 Next is the actuary's recommendation for  
13 a final Fiscal Year 2017 Employer Contribution  
14 to the Teachers' Retirement System of the City  
15 of New York.

16 "Whereas the retirement" --

17 MR. KAZANSKY: Please skip to the  
18 resolved.

19 MS. REILLY: "Resolved, that the Final  
20 Employer Contribution to the Teachers'  
21 Retirement System of the City of New York for  
22 Fiscal Year 2017 in the amount of  
23 3,888,399,470 dollars is hereby approved by  
24 the Retirement Board".

25 MR. ADLER: Is there a motion to approve

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2 the resolution?

3 MS. PENNY: So moved.

4 MR. ADLER: Is there a second?

5 MR. BROWN: Second.

6 MR. ADLER: Moved and seconded.

7 Discussion?

8 MR. KAZANSKY: Just -- yes, just a  
9 point. The amount that's listed in the first  
10 "whereas" has a period, not a comma so --

11 MS. SANCHEZ: I will fix it.

12 MR. KAZANSKY: Thank you. That's it.

13 MS. CHAN: You don't want me getting 3.9  
14 million.

15 MR. KAZANSKY: I mean, that would be  
16 great for the City.

17 MS. CHAN: The City would be happy.

18 MR. ORLANDO: We are not allowed to care  
19 if the City's happy.

20 MR. ADLER: So we have a resolution on  
21 the table. Moved and seconded. Any further  
22 discussion? All right. All in favor of the  
23 resolution for the Final Employer Contribution  
24 for Fiscal Year 2017, please say aye. Aye.

25 MR. BROWN: Aye.

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2 MR. KAZANSKY: Aye.

3 MR. ORLANDO: Aye.

4 MS. PENNY: Aye.

5 MS. VICKERS: Aye.

6 MR. ADLER: All opposed, please say nay.

7 Any abstentions? Motion carries.

8 MS. REILLY: Next is a resolution for  
9 attendance at a conference. The following  
10 resolution is presented for consideration and  
11 possible adoption.

12 "Resolved, that the Trustees of the  
13 Teachers' Retirement Board hereby approve the  
14 attendance and participation of the Executive  
15 Director and/or her designees and any  
16 interested Trustee at the National Conference  
17 on Public Employee Retirement System 2017  
18 Trustee Educational Seminar and the 2017  
19 Annual Conference and Exhibition from May 20th  
20 through May 24, 2017".

21 MR. ADLER: Is there a motion?

22 MS. VICKERS: So moved.

23 MR. ADLER: Is there a second?

24 MR. BROWN: Second.

25 MR. ADLER: Any discussion? All in

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2 favor of the motion to approve the resolution  
3 regarding attendance at the NCPERS Conference,  
4 please say aye. Aye.

5 MR. BROWN: Aye.

6 MR. KAZANSKY: Aye.

7 MR. ORLANDO: Aye.

8 MS. PENNY: Aye.

9 MS. VICKERS: Aye.

10 MR. ADLER: All opposed, please say nay.

11 Any abstentions? Motion carries.

12 MS. REILLY: We have another attendance  
13 at a conference. The following resolution is  
14 presented for the consideration and possible  
15 adoption. "Resolved, that the Trustees of the  
16 Teachers' Retirement Board hereby approve the  
17 attendance and participation of the Executive  
18 Director and/or her designees and any  
19 interested Trustee at the National Convening  
20 of the Trustee Leadership Forum for Retirement  
21 Securities, TLF, from June 12th through June  
22 14, 2017".

23 MR. ADLER: Is there a motion?

24 MR. KAZANSKY: So moved.

25 MR. ADLER: Is there a second?

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2 MS. PENNY: Second.

3 MR. ADLER: Motion made and seconded.

4 Any discussion? Okay. All in favor of the  
5 motion to approve the attendance at the  
6 National Convening of the TLF, please say aye.  
7 Aye.

8 MR. BROWN: Aye.

9 MR. KAZANSKY: Aye.

10 MR. ORLANDO: Aye.

11 MS. PENNY: Aye.

12 MS. VICKERS: Aye.

13 MR. ADLER: All opposed, please say nay.  
14 Any abstentions? Okay. Motion carries.

15 MS. REILLY: Next is the calendar.

16 MR. ADLER: Hold on a second. If there  
17 is unanimous consent, we have one other item  
18 which I will ask Valerie to describe for  
19 possible approval by the trustees regarding  
20 the Proxy Committee unless there is any  
21 objections to adding this to the agenda.  
22 Okay, Valerie, you want to describe this?

23 MS. BUDZIK: There was a meeting of the  
24 Proxy Subcommittee this morning. At that  
25 meeting the Comptroller's Office presented

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2 some proposed amendment to the Board's proxy  
3 guidelines, corporate governance and proxy  
4 voting guidelines. Those guidelines were  
5 approved unanimously by the Proxy Committee  
6 under our investment policy statement.

7 Amendments have to come back to the Board for  
8 ratification. The Comptroller's Office  
9 requested that we ratify today, if possible,  
10 because some of the changes affect proxy  
11 meetings that will be occurring before the  
12 next board meeting.

13 So earlier today, maybe about a half  
14 hour ago, at the end of the training upstairs,  
15 I provided all of the trustees with a package  
16 explaining the amendments, and I think many of  
17 the trustees have seen the amendments at other  
18 boards. So if there are any questions on the  
19 proposed amendments, we are happy to discuss  
20 them.

21 MR. ADLER: Any questions? Okay. Do  
22 you want to read the proposed resolution?

23 MS. REILLY: So it's a ratification of a  
24 Proxy Subcommittee's approval of amendments to  
25 TRS corporate governance and proxy voting

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2 guidelines. "Whereas" --

3 MR. KAZANSKY: Please move to the  
4 resolved.

5 MS. REILLY: "Resolved, that the Board  
6 ratifies the Proxy Subcommittee's approval of  
7 amendments to TRS's corporate governance and  
8 proxy voting guidelines".

9 MR. ADLER: Is there a motion?

10 MS. PENNY: So moved.

11 MR. ADLER: Is there a second?

12 MR. BROWN: Second.

13 MR. ADLER: Motion made and seconded.

14 Any discussion? Okay. All in favor of the  
15 motion to approve the amendments to proxy  
16 voting guidelines, please say aye. Aye.

17 MR. BROWN: Aye.

18 MR. KAZANSKY: Aye.

19 MR. ORLANDO: Aye.

20 MS. PENNY: Aye.

21 MS. VICKERS: Aye.

22 MR. ADLER: All opposed, please say nay.

23 Any abstentions? Okay. Motion carries.

24 Thank you, Valerie.

25 MS. REILLY: Next is the calendar. It's

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2 a matter of the approval of the minutes.

3 First approval is for the TRS investment

4 meeting from March 2, 2017.

5 MR. ADLER: Do each at a time. So first

6 -- let me just see. We submitted a few minor

7 edits to Liz.

8 MS. SANCHEZ: I did receive an e-mail,

9 but the corrections should come from your end

10 because you guys receive the minutes.

11 MR. ADLER: Anyway there is a few minor

12 edits.

13 MS. BUDZIK: They are to the March 20th,

14 not --

15 MR. ADLER: Oh, okay. I apologize. So

16 is there a motion to adopt the minutes from

17 the March 2nd investment meeting?

18 MR. KAZANSKY: So moved.

19 MR. ADLER: Is there a second?

20 MR. BROWN: Second.

21 MR. ADLER: Okay. Any discussion? All

22 in favor of adopting the minutes of the March

23 2nd investment meeting, please say aye. Aye.

24 MR. BROWN: Aye.

25 MR. KAZANSKY: Aye.

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2 MR. ORLANDO: Aye.

3 MS. PENNY: Aye.

4 MS. VICKERS: Aye.

5 MR. ADLER: All opposed, please say nay.

6 Any abstentions? Okay. Motion carries.

7 MS. REILLY: The next is the matter of  
8 approval of minutes for the regular meeting of  
9 the Teachers' Retirement Board for March 16,  
10 2017.

11 MR. ADLER: Again, as with these minor  
12 amendments that we sent in, okay, that are  
13 just really -- they are not substantive. So  
14 is there a motion to approve those minutes?

15 MR. KAZANSKY: So moved.

16 MR. ADLER: Is there a second?

17 MS. VICKERS: Second.

18 MR. ADLER: Okay. Motion made and  
19 seconded. Any discussion? All in favor of  
20 the motion to approve the minutes of the  
21 regular meeting held on March 16, 2017, please  
22 say aye. Aye.

23 MR. BROWN: Aye.

24 MR. KAZANSKY: Aye.

25 MR. ORLANDO: Aye.

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2 MS. PENNY: Aye.

3 MS. VICKERS: Aye.

4 MR. ADLER: All opposed, please say nay.

5 Any abstentions? Motion carries.

6 MS. REILLY: Next is the matter of the  
7 approval of the minutes for the March 20th CIM  
8 meeting as well as the TRS caucus.

9 MS. BUDZIK: The meeting -- it's just  
10 the caucus meeting that we received.

11 MS. REILLY: Because there is a slash.

12 MS. REILLY: So the March 20th CIM  
13 caucus meeting.

14 MR. ADLER: Were those distributed as  
15 well?

16 MS. BUDZIK: Yes. Just the caucus, not  
17 the full board meeting. We got those -- I  
18 believe the three meetings that Patricia has  
19 just listed were sent in one e-mail. We did  
20 receive from the Comptroller's Office I  
21 believe yesterday or sometime this week the  
22 full --

23 MR. McTIGUE: They are expecting  
24 delivery this week of the full session,  
25 general session of the CIM.

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2 MS. BUDZIK: And we will send those out.

3 MR. ADLER: So this is just the  
4 Teachers' caucus from the March 20th Common  
5 Investment Meeting. Okay. So is there a  
6 motion to approve the minutes from the March  
7 20th Teachers' caucus of the Common Investment  
8 Meeting?

9 MR. KAZANSKY: So moved.

10 MR. ADLER: Is there a second?

11 MR. BROWN: Seconded.

12 MR. ADLER: Motion made and seconded.  
13 Any discussion? All in favor of approving the  
14 minutes from the March 20th Common Investment  
15 Meeting Teachers' caucus, please say aye.  
16 Aye.

17 MR. BROWN: Aye.

18 MR. KAZANSKY: Aye.

19 MR. ORLANDO: Aye.

20 MS. PENNY: Aye.

21 MS. VICKERS: Aye.

22 MR. ADLER: All opposed, please say nay.  
23 Any abstentions? Okay. Motion carries.

24 MS. REILLY: Next is the calendar  
25 itself. So I will read through the items.



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2 422 is layoffs without pay. Pages 423 through  
3 425, inclusive, are the payment for service  
4 credit. Page 426 are denied accident  
5 disability benefits. Page 427 are denied  
6 ordinary disability benefits. Page 428  
7 through 429 is investing certain funds from  
8 the basic TDA deferral plans. Page 430 is  
9 payment of benefits. Page 431 is minimum  
10 accumulations. Page 432 are rules and  
11 regulations for life insurance, and page 433  
12 are new service retirement.

13 MR. ADLER: Thank you. Is there a  
14 motion to approve the calendar?

15 MR. BROWN: So moved.

16 MR. ADLER: Is there a second?

17 MS. VICKERS: Second.

18 MR. ADLER: Motion made and seconded.  
19 Any discussions or questions regarding the  
20 calendar? Okay. All in favor of the motion  
21 to approve the calendar, please say aye. Aye.

22 MR. BROWN: Aye.

23 MR. KAZANSKY: Aye.

24 MR. ORLANDO: Aye.

25 MS. PENNY: Aye.

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2 MS. VICKERS: Aye.

3 MR. ADLER: All opposed, please say nay.  
4 Any abstentions? Okay. Motion carries.

5 MS. REILLY: Next item on the agenda is  
6 other business, and we have Responsible  
7 Contractor Policy. Susannah?

8 MS. VICKERS: Thank you, Patricia. So  
9 everyone should have in front of them a copy  
10 of the PowerPoint. Well, I guess it's not a  
11 PowerPoint because I am not putting up slides,  
12 but here is a presentation that I was hoping  
13 run through quickly with everyone today, and I  
14 previously circulated a copy of the TRS  
15 current Responsible Contractor Policy from the  
16 IPS, which is this one-page document, and then  
17 the proposed updated RCP is this longer  
18 document. So everybody should have it in  
19 front of them and also electronically.

20 Any questions before I start? Okay. So  
21 I will run through this very quickly. Just to  
22 give you kind of a very brief overview of what  
23 we are thinking, and then I hope to kind of  
24 engage the board in discussions going forward  
25 with an eventual hope of passing some version

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2 of an updated RCP in the near future.

3 So why does the RCP need updating? We  
4 found over the past several years in dealing  
5 with various situations that much of the  
6 current policy is unenforceable. It has, you  
7 know, some sort of spirit language. It  
8 doesn't explicitly cover many types of  
9 investment, and there is a lack of clear kind  
10 of authority and enforcement mechanisms. So  
11 we, you know, started to do some research and  
12 realized that the current policy doesn't  
13 necessarily meet the best practices of our  
14 peers. Other big pension funds have a much  
15 more robust policy that has kind of been  
16 created by undergoing some real deep  
17 conversations with various stakeholders.

18 We also found that the current policy,  
19 as I said, is short on details which leads to  
20 confusion over the requirements. Sometimes  
21 managers aren't sure whether their investment  
22 or their product falls under the Responsible  
23 Contractor Policy. So we are hoping to put  
24 together a more explicit document that makes  
25 clear who is responsible for what. And

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2 lastly -- and this is a really big change  
3 that, you know, I would love to discuss with  
4 everyone, currently the policy is really  
5 intended to cover investments that TRS is the  
6 majority investor in. So these are mostly  
7 real estate partnerships that have been done  
8 in the past that, you know, come from TRS and  
9 TRS is the driver and the major investor.  
10 What we would like to do is to cover more  
11 types of investment in real estate and  
12 infrastructure and hold more managers  
13 accountable through an updated RCP.

14 Highlights of our recommended draft.  
15 For the first time, most sections apply to all  
16 real estate and infrastructure equity  
17 investments, not debt. Equity investments  
18 including co-mingled funds. The new  
19 recommendations are for all managers --  
20 including co-mingled funds. The new  
21 recommendations are for all managers, not just  
22 most of the sections that apply to the real  
23 estate infrastructure equity investments and  
24 we have laid out leading-edge enforcement,  
25 administration, and monitoring requirements

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2 for all of the majority-owned investments.

3 So just to delve a bit more deeply into  
4 the first highlight, we basically divided the  
5 policy into two parts. The first sections, 1  
6 through 6, apply to all investments under the  
7 real estate and infrastructure sort of equity  
8 umbrella, and these sections are really kind  
9 of like the core of the policy: Definitions,  
10 roles and responsibilities, some new aspects  
11 including bidding M/WBEs, all the kind of  
12 nitty-gritty that you would expect in RCP  
13 policy we are expanding to cover all of the  
14 investments in this area including co-mingled,  
15 and that's a big departure from the past.

16 Secondly, we have new recommendations  
17 included in the policy that apply again to all  
18 managers, and these recommendations include  
19 usage of M/WBEs, really sort of detailed a lot  
20 about neutrality when it comes to labor  
21 negotiations and organizing efforts at  
22 portfolio companies, and requiring work force  
23 qualifications having to do with safety  
24 training, skills, legal certifications, you  
25 know, really ensuring a highly trained, highly

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2 skilled safe workforce.

3 And then lastly, in the sections after  
4 number 6 that apply to our majority managers,  
5 we have laid out new enforcement  
6 administration and monitoring requirements,  
7 and those include new responsibilities laid  
8 out specifically for managers, property  
9 managers, contractors, unions, staff, and  
10 trustees. Requirements for competitive bid,  
11 and the debarment from bidding by contractors  
12 who have been debarred for failing to pay  
13 prevailing wage. Strong enforcement  
14 mechanisms with a two-tiered enforcement  
15 approach and a requirement for annual review  
16 and reporting.

17 So we hope that we covered most of the  
18 aspects that, you know, our peers include in  
19 their Responsible Contractor Policies in what  
20 we have -- sort of our research has indicated  
21 that different various stakeholders would like  
22 to see. So I encourage everyone to read the  
23 different policies. I know it's been a busy  
24 week. Come back to us with feedback, and  
25 hopefully we can put it on the agenda going

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2 forward. Or if anybody would like to have a  
3 discussion now I would do that.

4 MR. KAZANSKY: There is one thing I  
5 would like to ask. You said it doesn't cover  
6 real estate debt. Can you tell me the  
7 reasoning behind why that piece was left out?

8 MS. VICKERS: It would be a very  
9 different policy. You know, when you are an  
10 owner, you own a company and you are part of  
11 the management. So there is one way of  
12 looking at things. In real estate debt, you  
13 are a lender, and you know, the terms of a  
14 lending agreement don't have anything to do  
15 with the way a company is run or a deal is  
16 structured, and the default -- if someone  
17 didn't comply with a Responsible Contractor  
18 Policy, there are serious consequences beyond  
19 the enforcement that we have here dealing with  
20 default, and I think that's been one of the  
21 largest stumbling blocks in our peers and  
22 other stakeholders getting a policy to address  
23 debt.

24 MR. KAZANSKY: So either you or anybody  
25 else in the room correct me if I am -- well,

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2 not if. When I am going to be wrong. So  
3 would a Responsible Contractor Policy  
4 regarding let's say real estate debt be that  
5 there wouldn't be lending done if there were  
6 certain metrics that weren't met by the  
7 company that ultimately was going to be given  
8 the money, lent the money? Right? So while  
9 it would be a different or an addition to what  
10 we have here is something really a slice  
11 completely different, the understanding would  
12 be that okay, if real estate company A wants  
13 to be lent money, then there is going to have  
14 to be some sort of guideline for Responsible  
15 Contractor Policy that they have and currently  
16 there is none?

17 MS. VICKERS: Currently there is none.  
18 I mean, one thing that we have talked about is  
19 adding whether or not the firm has a  
20 Responsible Contractor Policy. You know, some  
21 of the diligence that we go through when  
22 looking at companies similar to other sort of  
23 more policy-oriented goals that we have. So  
24 that's sort of the direction that we are going  
25 in because it didn't seem in the drafting of

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2 this that we could fit in debt for some of the  
3 reasons but that's where we are now.

4 MR. KAZANSKY: Okay. I would really  
5 like to see and perhaps before the next board  
6 meeting then some sort of fleshed out  
7 rationale as to what it would entail to do it  
8 and why ultimately you guys think it's not  
9 doable.

10 MS. VICKERS: Okay.

11 MR. KAZANSKY: Thank you.

12 MS. VICKERS: Anything else?

13 MR. ORLANDO: Some folks are M/WBE at  
14 the State, registered at the State but not  
15 necessarily at the City. That counts I  
16 assume?

17 MS. VICKERS: I think -- yes. I think  
18 it's a different process.

19 MR. ORLANDO: But you wouldn't have to  
20 be an M/WBE in the City. I went through this  
21 in my work where some folks are not City but  
22 State, and I can't actually do stuff with  
23 them. It doesn't do that for me.

24 MS. VICKERS: The policy doesn't  
25 explicitly say where the registration is.

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2 MR. ADLER: It says "Governmental entity  
3 in the market where the contractor operates"  
4 because this would apply in Iowa as well.

5 MR. ORLANDO: Just the folks that are  
6 New York State but not New York City.

7 MS. VICKERS: They would be covered.

8 MR. ADLER: Other questions or comments  
9 for Susannah? Okay. So -- oh, comments from  
10 the public.

11 MS. REILLY: Any questions or comments  
12 from the public?

13 MR. ADLER: Okay. So I think that  
14 concludes the public business, and I believe  
15 we need an executive session; is that correct?

16 MS. REILLY: Yes.

17 MR. ADLER: So is there a motion to exit  
18 public session and go into executive session?

19 MR. BROWN: So moved.

20 MR. ADLER: Is there a second?

21 MS. PENNY: Second.

22 MR. ADLER: Motion made and seconded.  
23 Any discussion? All in favor of the motion to  
24 exit public session and go into executive  
25 session, please say aye. Aye.

1 Proceedings

2 MR. BROWN: Aye.

3 MR. KAZANSKY: Aye.

4 MR. ORLANDO: Aye.

5 MS. PENNY: Aye.

6 MS. VICKERS: Aye.

7 MR. ADLER: All opposed, please say nay.

8 Any abstentions? Okay. Motion carries. I

9 ask members of the public to depart. And we

10 are off camera. (*Meeting went in Executive Session*)

11 MR. ADLER: All opposed, please say nay.

12 Any abstentions? Okay. Motion carries. All

13 right. I believe that concludes our executive

14 session business, so can we have a motion to

15 exit executive session and go back into public

16 session?

17 MR. BROWN: So moved.

18 MR. ADLER: Is there a second?

19 MS. VICKERS: Second.

20 MR ADLER: Okay. Any discussion? All

21 in favor of the motion to exit executive

22 session and return to public session, please

23 say aye. Aye.

24 MR. BROWN: Aye.

25 MR. KAZANSKY: Aye.

1 Proceedings

2 MR. ORLANDO: Aye.

3 MS. PENNY: Aye.

4 MS. VICKERS: Aye.

5 MR. ADLER: All opposed, please say nay.

6 Any abstentions? Okay. Motion carries. We  
7 will now wait for Liz and go back into public  
8 session.

9 We are back in public session. Susan,  
10 please report out from executive session.

11 MS. STANG: Certainly. In executive  
12 session, a change in the investment strategy  
13 of one of the variable funds was approved.  
14 Also changes in the manager allocation within  
15 the defensive sector within Variable A were  
16 approved.

17 MR. ADLER: Thank you very much. I  
18 believe that concludes our business for today,  
19 and a motion to adjourn would be in order.

20 MS. VICKERS: So moved.

21 MR. ADLER: Is there a second?

22 MS. PENNY: Second.

23 MR. ADLER: Any discussion? All in  
24 favor of the motion to adjourn, please say  
25 aye. Aye.

1 Proceedings

2 MR. BROWN: Aye.

3 MR. KAZANSKY: Aye.

4 MR. ORLANDO: Aye.

5 MS. PENNY: Aye.

6 MS. VICKERS: Aye.

7 MR. ADLER: All opposed, please say nay.

8 Any abstentions? Motion carries. Meeting is  
9 adjourned. Thank you very much.

10 (Time noted: 4:19 p.m.)

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1 Proceedings

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

3 STATE OF NEW YORK )

4 : ss.

5 COUNTY OF QUEENS )

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7 I, YAFFA KAPLAN, a Notary Public  
8 within and for the State of New York, do  
9 hereby certify that the foregoing record of  
10 proceedings is a full and correct  
11 transcript of the stenographic notes taken  
12 by me therein.

13 IN WITNESS WHEREOF, I have hereunto  
14 set my hand this 2nd day of May, 2017.

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YAFFA KAPLAN

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