

1

2 NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

3 REGULAR BOARD MEETING

4 Held on Thursday, May 19, 2022

5 Via

6 Zoom Videoconference

7

8 ATTENDEES:

9 DEBRA PENNY, Chairperson, Trustee, TRS

10 THOMAS BROWN, Trustee, TRS

11 DAVID KAZANSKY, Trustee, TRS

12 ALISON HIRSH, Trustee, Comptroller's Office

13 RUSSELL BUCKLEY, Trustee

14 PHILIP DUKES, Trustee, Mayor's Office

15 DAMIAN LAUGHER, Trustee, Comptroller's Office

16 PATRICIA REILLY, TRS, Executive Director

17 THADDEUS MCTIGUE, TRS, Deputy Executive Director

18 VALERIE BUDZIK, TRS

19 LIZ SANCHEZ, TRS

20 MICHAEL SAMET, Office of the Actuary

21 SUMANTA RAY, Mayor's Office

22 RONALD SWINGLE

23 ISAAC GLOVINSKY, TRS

24 KAVITA KANWAR, TRS

25 ANITA HANRAHAN, TRS



1     ATTENDEES (Cont'd)

2     KATE CHEN, TRS

3     ANDREW BRADFORD, TRS

4     NATARJAN KRISHNAMOORTHY

5     BOB GRAY, TRS

6     RENEE PEARCE

7     PAUL RAUCCI

8     ANTHONY MEZZACAPPA, TRS

9     ROBERT BETHELMY, TRS

10    MARTA ROSS, Corporation Counsel

11    JAMES BROWN

12    MATT LASKOWSKI

13    JOE EBISA

14    AMY KAPADIA

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

2 (Time noted: 3:40 p.m.)

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4 MS. REILLY: Good afternoon.

5 Welcome to the board meeting of the

6 Teachers Retirement Board for May 19,

7 2022.

8 I'll start by calling the roll.

9 Thomas Brown?

10 MR. BROWN: Here.

11 MS. REILLY: Russell Buckley?

12 MR. BUCKLEY: Present.

13 (Discussion off the record.)

14 MS. REILLY: Alison Hirsh?

15 MS. HIRSH: Here.

16 MS. REILLY: David Kazansky?

17 MR. KAZANSKY: Present.

18 MS. REILLY: Philip Dukes?

19 MR. DUKES: Present.

20 MS. REILLY: Debra Penny?

21 CHAIRPERSON PENNY: Here.

22 (Discussion off the record.)

23 MS. REILLY: I will start with TRS

24 updates, Kavita Kanwar.

25 Kavita?

1 MS. KANWAR: Good afternoon.

2 TRS recently concluded an e-mail  
3 campaign to nearly 23,000 members about  
4 contributing to the tax deferred annuity  
5 program.

6 TRS also recently concluded a  
7 mailing to 36,000 participants in the TDF  
8 program who are due a required minimum  
9 distribution for 2022. To date, 8200,  
10 which is about 23 percent of these  
11 members, have already filed their RMB  
12 election for the year.

13 Representatives from TRS will be  
14 attending the UFT's annual spring  
15 education conference to be held Saturday,  
16 May 21 at the New York Hilton Hotel.

17 Thank you.

18 MS. REILLY: Thank you.

19 Next is a report from the Actuary.

20 MR. SAMET: Good afternoon.

21 Since the last meeting our office  
22 has prepared a number of fiscal notes.  
23 In fact, we're up to number 57 today.  
24 But we've done six since we last met that  
25 relates to TRS, and I will briefly talk

1           about those.

2                   The first one I'm sure you're all  
3           familiar with, would increase the basket  
4           clause for investments from 25 percent to  
5           35 percent.

6                   The second one relates to the cost  
7           of living adjustment. The way the cost  
8           of living adjustment works now for a  
9           spouse is, if a member chooses an option,  
10          if a pensioner chooses an option that  
11          would continue the benefit to a spouse,  
12          such as a joint survivor, once the  
13          pensioner dies his spouse is entitled to  
14          50 percent of the cost of living  
15          adjustment that the pensioner had been  
16          receiving.

17                  This legislation would continue the  
18          same cost of living adjustment to the  
19          surviving spouse. So instead of half  
20          they would get the full amount.

21                  Like a lot of these, this is not the  
22          first year this legislation has been  
23          proposed. So we'll see where it goes.

24                  The third one is related to Tier 6,  
25          and it would reduce the basic member

1           contribution for Tier 6 members to 3  
2           percent for everyone, instead of the 3 to  
3           6 percent now depending on salary.

4           We had priced this out earlier as  
5           part of a larger Tier 6 omnibus type  
6           bill. As you can imagine, it's pretty  
7           expensive to only charge 3 percent to all  
8           the members. In fact, we estimated the  
9           first year increase in employer  
10          contribution would be about \$113 million  
11          for Teachers.

12          The fourth one is one that our  
13          office is not too happy about. But it  
14          would reinstate transferring reserves  
15          when a member goes from a city plan to a  
16          state plan.

17          A little history. Before 2004  
18          anytime somebody moved, say, from TRS to  
19          State Teachers, not only would they  
20          transfer their time to State Teachers,  
21          not only would their member contribution  
22          be transferred, but part of the employer  
23          contribution would be transferred, or the  
24          reserve that had already been funded for  
25          them would be transferred.

1           In 2004 it was decided there was too  
2           much administration of doing this all the  
3           time, back and forth. People go from  
4           state to city, city to state. So the  
5           requirement was removed except for Police  
6           and Fire, it still continued.

7           This legislation would put the  
8           transfer back in place. Except only the  
9           one good thing is, it would only be for  
10          those who have at least ten years of  
11          service.

12          So we wouldn't be transferring  
13          assets for somebody who only had a few  
14          years and moved up and down. For anyone  
15          who transferred with more than ten years  
16          of service between a city plan and a  
17          state plan, our office would need to  
18          calculate the amount of reserve that had  
19          already been funded for that individual  
20          and then the systems would have to work  
21          out the transfer of those amounts back  
22          and forth between the plans.

23                 THE SPEAKER: (Unclear.)

24                 MR. SAMET: It all depends on how  
25          many transfers. What we understand is,



1           the state, that there are more -- you  
2           probably know more than me -- there are  
3           more teachers that go from city to state  
4           than the other way around, which is one  
5           of the reasons state teachers are pushing  
6           for this bill.

7                   CHAIRPERSON PENNY: Do you think it  
8           was ten years because of the ten year  
9           vesting before that change --

10                   MR. SAMET: I don't think so. I  
11           think it was just to eliminate this for  
12           somebody who worked six months or a year,  
13           the very de minimus amounts. So again,  
14           these are all just proposed at this  
15           point.

16                   The last one really is the same,  
17           they're both related to World Trade  
18           Center. In order to be eligible for  
19           World Trade Center benefits you had to  
20           file notes of participation that you were  
21           down there helping clean up.

22                   The deadline for filing that notice  
23           is September 11 of this year. And this  
24           legislation would extend it to 2026,  
25           another four years out. In case somebody

1           hasn't filed yet, there's more time to  
2           actually file if they were down there.

3           That's the fiscal notes for this  
4           month. Any other questions, let me know.

5           MR. KAZANSKY: When these proposed  
6           legislations come your way, do you have  
7           any idea of who is proposing them? Or do  
8           you just get a request that the work be  
9           done?

10          MR. SAMET: We generally know. It  
11          comes through a special mailbox we have.  
12          It will either come from one of the state  
13          legislators, one of their offices.  
14          Sometimes it comes directly from union.  
15          It could come from different places, but  
16          we always know who is sponsoring it and  
17          where it is coming from.

18          MR. KAZANSKY: Thank you.

19          MR. SAMET: You're welcome.

20          MS. REILLY: Thank you.

21          Next is the executive director's  
22          report. And the first item on that is  
23          the next meeting. It's suggested the  
24          next meeting be held on the third  
25          Thursday of the month, June 16, 2022.

1 Mark that day.

2 Next --

3 THE SPEAKER: We're doing a regular  
4 board meeting June 15 and we're doing an  
5 extra investment meeting on the 23rd?

6 THE SPEAKERS: (Unclear; talking  
7 over each other.)

8 MS. REILLY: Next is the  
9 authorization of rebalancing funds to the  
10 New York City Teachers' Retirement  
11 System.

12 MR. KAZANSKY: Please skip to the  
13 resolved.

14 MS. REILLY: "Resolved, that the  
15 Board adopt the Actuary's recommendation  
16 and authorizes TRS staff to effectuate  
17 the internal rebalancing described above  
18 in accordance with the recommendation."

19 CHAIRPERSON PENNY: Is there a  
20 motion?

21 MR. KAZANSKY: So moved.

22 CHAIRPERSON PENNY: Thank you.

23 Do I hear a second?

24 MR. BROWN: Second.

25 CHAIRPERSON PENNY: Questions or

1 discussion?

2 (No response.)

3 Hearing none, all in favor please  
4 say "Aye."

5 (A chorus of "Ayes.")

6 Any opposed?

7 Any abstentions?

8 (No response.)

9 Motion carries.

10 MS. REILLY: Next is a resolution  
11 for the administrative budget for fiscal  
12 year 2023.

13 MR. KAZANSKY: Please skip to the  
14 resolves.

15 MS. REILLY: "Resolved, that the TRS  
16 agency budget for fiscal year 2023  
17 excluding -- shall include an amount of  
18 \$22,924,458, attributable to the variable  
19 annuity program and expense -- and  
20 \$44,226,386 attributable to the employer  
21 for the total agency budget excluding  
22 modernization -- of \$67,150,844.

23 "And be it further resolved that the  
24 TRS agency budget for fiscal year 2023  
25 shall include for the modernization

1           program the amount of \$12,961,800 to be  
2           provided by the variable annuity expense  
3           fund, and \$5,038,200 to be provided as an  
4           administrative expense contribution for  
5           the total modernization budget of \$18  
6           million.

7                   "And be it further resolved that the  
8           TRS agency budget for fiscal year 2023  
9           shall include -- the amount of \$9,361,444  
10          to be provided by the variable annuity  
11          expense fund, and \$3,638,756 to be  
12          provided as an administrative expense  
13          contribution, for a total budget of  
14          \$13,000,200.

15                   "And be it further resolved that the  
16          Trustees hereby authorize the executive  
17          director or her designee to expend money  
18          out of such budget to fund necessary  
19          operations in accordance with the  
20          approved budget and governing law."

21                   CHAIRPERSON PENNY: Thank you.

22                   Do I hear a motion?

23                   MR. KAZANSKY: So moved.

24                   CHAIRPERSON PENNY: Second?

25                   MS. HIRSH: Second.

1                   CHAIRPERSON PENNY: Any discussion  
2 or questions?

3                   MR. DUKES: I have a quick question.

4                   Part of the budget included an  
5 increase in the number of folks that you  
6 were adding to the call center. You've  
7 given an excellent explanation as to why  
8 that is required and we have no objection  
9 to it.

10                  I hope as a board member, though,  
11 that we get updates on a quarterly or six  
12 month basis on how that's coming along,  
13 how much time waiting has been cut down  
14 and what your head count is in that area;  
15 if that's possible.

16                  MS. REILLY: I'm happy to provide  
17 the Board with that.

18                  MR. DUKES: Thank you.

19                  CHAIRPERSON PENNY: Good idea.

20                  Okay. Any other questions?

21                  (No response.)

22                  Seeing none, all those in favor  
23 please say "Aye."

24                  (A chorus of "Ayes.")

25                  Any opposed?

1 Any abstentions?

2 (No response.)

3 Motion carries.

4 MR. KAZANSKY: Can I make a quick  
5 remark, to thank Rosa Polanco and her  
6 entire team for the amazing work they did  
7 in this budget --

8 MS. REILLY: Next is the resolution  
9 to expand remote attendance at board  
10 meetings.

11 MR. KAZANSKY: Skip to the resolves.

12 MS. REILLY: "Resolved, that the  
13 Board of Trustees on behalf of itself,  
14 its committees and subcommittees, adopt  
15 the following:

16 "A) A quorum of Trustees must be  
17 present at one or more noticed physical  
18 locations where members of the public may  
19 attend in person. Notice of the meeting  
20 shall state the physical location or  
21 locations where the meeting will be held,  
22 where in-person attendance is possible  
23 and states that the meeting or the  
24 videoconferencing component indicates  
25 where the members of the public may view,

1           and if applicable, participate in the  
2           meeting.

3                 "2) A Trustee not needed for a  
4           quorum may attend the meeting via  
5           videoconference in a location that is not  
6           accessible to the members of the public  
7           under extraordinary circumstances,  
8           including but not limited to a  
9           disability, illness, caregiving  
10          responsibilities and/or any other  
11          significant or unexpected factors or  
12          events.

13                "Should a Trustee qualify to attend  
14          a meeting via videoconferencing at a  
15          location that is not accessible to  
16          members of the public, they may  
17          participate in the meeting and vote.

18                "Should the Board choose to use  
19          videoconferencing in a particular  
20          meeting, it will provide audio and visual  
21          components that insure that participants  
22          can be heard, seen and identified during  
23          the meeting.

24                "If a Board member participates in a  
25          meeting by teleconference at a location



1           which is not accessible to the members of  
2           the public, members of the public will  
3           also be allowed to attend the meeting by  
4           videoconference.

5                 "4) Public sessions of Board  
6           meetings will be broadcast for public  
7           viewing.

8                 "5) Minutes of the meeting shall  
9           list all members of the Board who  
10          attended remotely at a location not  
11          accessible to members of the public.

12                "6) Meetings conducted using  
13          videoconference will be recorded and the  
14          public session will be posted on TRS'  
15          website within five business days of the  
16          meeting and remain available for at least  
17          five years.

18                "7) Procedures governing member and  
19          public attendance at Board meetings via  
20          videoconference will be posted on TRS'  
21          website."

22                CHAIRPERSON PENNY: Thank you.

23                Do I hear a motion?

24                MR. KAZANSKY: So moved.

25                CHAIRPERSON PENNY: Do I hear a

1 second?

2 MR. BROWN: Second.

3 CHAIRPERSON PENNY: Any questions or  
4 discussion?

5 MR. BUCKLEY: I have a couple of  
6 quick questions.

7 This means that remote Trustees can  
8 vote but they can only attend remotely  
9 under extraordinary circumstances; right?

10 MS. REILLY: They can vote as well

11 --

12 MR. BUCKLEY: They can vote remotely  
13 but they can only attend remotely under  
14 extraordinary circumstances. So me being  
15 safely ensconced in my office at -- would  
16 not necessarily be extraordinary.

17 Does this apply to all the various  
18 committees of TRS, or just the full  
19 Board?

20 THE SPEAKER: All committees and  
21 subcommittees.

22 MR. BUCKLEY: Okay.

23 THE SPEAKER: -- NYCER is not  
24 necessarily interpreting that.

25 (Talking over each other.)

1 MS. PEARCE: It states in here, it  
2 applies to all committees and  
3 subcommittees, that they will have the  
4 option of doing that.

5 THE SPEAKER: So you can't have a  
6 committee meeting without a quorum in  
7 person.

8 MS. PEARCE: And to have this option  
9 for remote attendance under extraordinary  
10 circumstances.

11 THE SPEAKER: If there are only  
12 three people on a committee, you can't  
13 have a committee -- you need a quorum in  
14 person for a committee.

15 MS. PEARCE: Yes.

16 CHAIRPERSON PENNY: Any other  
17 questions?

18 (No response.)

19 Hearing none, all those in favor  
20 please say "Aye."

21 (A chorus of "Ayes.")

22 Any opposed?

23 Any abstentions?

24 (No response.)

25 MR. BUCKLEY: I abstain from this

1           one. Thank you.

2                   CHAIRPERSON PENNY: Mr. Buckley  
3           abstains. Thank you.

4                   Motion carries.

5                   MS. REILLY: Next on the agenda is  
6           the calendar. And the first item is the  
7           approval of the minutes of the April 7,  
8           2022 investment meeting and the April 28,  
9           2022 Board meeting minutes.

10                   CHAIRPERSON PENNY: Do I hear a  
11           motion to accept the minutes of the April  
12           7 and April 28 meetings?

13                   MR. BROWN: So moved.

14                   CHAIRPERSON PENNY: Thank you.

15                   MS. HIRSH: Second.

16                   CHAIRPERSON PENNY: Thank you.

17                   Any discussion or questions about  
18           those minutes?

19                   (No response.)

20                   All those in favor of the motion  
21           please say "Aye."

22                   (A chorus of "Ayes.")

23                   Any opposed?

24                   Any abstentions?

25                   (No response.)

1                   They're approved.

2                   MS. REILLY: Next on calendar items,  
3                   you received electronic copies of both  
4                   calendar items.

5                   MR. KAZANSKY: Please waive the  
6                   reading of the calendar.

7                   MS. REILLY: Okay.

8                   CHAIRPERSON PENNY: Do I hear a  
9                   motion to approve the calendar?

10                  MR. KAZANSKY: So moved.

11                  CHAIRPERSON PENNY: Second?

12                  MS. HIRSH: Second.

13                  CHAIRPERSON PENNY: Discussion or  
14                  questions about the calendar?

15                  (No response.)

16                  All in favor please say "Aye."

17                  (A chorus of "Ayes.")

18                  Any opposed?

19                  Any abstentions.

20                  (No response.)

21                  Approved.

22                  MS. REILLY: Next under Other  
23                  Business is the 2022 to 2023 investment  
24                  and board meeting schedule. We sent it  
25                  out, we made two changes. You see the

1 changes as well. This is a draft. If  
2 you have any changes that you would like  
3 to make before we make the final  
4 schedule?

5 MR. KAZANSKY: I'd like to say, one  
6 of the things we usually compare this  
7 against is the DOE calendar, which has  
8 not been distributed to the public yet.  
9 So as soon as that is we will go over and  
10 make sure there are no conflicts.

11 THE SPEAKER: The first day of  
12 school --

13 MR. BUCKLEY: Which Teachers  
14 typically meets on, the first day of  
15 school.

16 CHAIRPERSON PENNY: Originally it  
17 was September 1, but we got stuck till  
18 after Labor Day.

19 MS. REILLY: Thank you.

20 Next are questions and comments from  
21 the public?

22 (No response.)

23 Seeing none.

24 CHAIRPERSON PENNY: There is no  
25 executive session.

1 Does anyone have anything else?

2 (No response.)

3 Do I hear a motion to adjourn?

4 MR. KAZANSKY: So moved.

5 CHAIRPERSON PENNY: Do I hear a  
6 second?

7 MS. HIRSH: Second.

8 CHAIRPERSON PENNY: Any problem with  
9 that?

10 (Laughter.)

11 All those in favor please say "Aye."

12 (A chorus of "Ayes.")

13 Any opposed?

14 Any abstentions?

15 (No response.)

16 We stand adjourned.

17 Have a great day, everyone.

18 (Whereupon, at 4:02 p.m., the  
19 meeting was concluded.)

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

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3 I, Jeffrey Shapiro, a Stenographic  
4 Reporter and Notary Public, within and for the  
5 State of New York, do hereby certify that I  
6 reported the proceedings in the within-entitled  
7 matter, on Thursday, May 19, 2022, and that this  
8 is an accurate transcription of these  
9 proceedings.

10 IN WITNESS WHEREOF, I have hereunto  
11 set my hand this 20th day of May, 2022.

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16 JEFFREY SHAPIRO

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