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5 TEACHERS' RETIREMENT BOARD MEETING

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14 HELD AT:

15 55 WATER STREET
NEW YORK, NEW YORK

16

17 MAY 26, 2011
3:45 P.M. TO 4:12 P.M.

18

19 B E F O R E:

20 MELVYN AARONSON, CHAIRMAN

21

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24 REPORTED BY:
LIZ SANCHEZ
25 EXECUTIVE ASSISTANT TO NELSON SERRANO

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

3 TRS :

4 NELSON SERRANO, Executive Director
5 PATRICIA REILLY, Deputy Executive Director6 MELVYN AARONSON, Teachers' Trustee
7 SANDRA MARCH, Teachers' Trustee
8 MONA ROMAIN, Teachers' Trustee

9 COMPTROLLER'S OFFICE :

10 THAD McTIGUE, Trustee

11 CORPORATION COUNSEL :

12 INGA VAN EYSDEN, Law Department

13 OFFICE OF THE ACTUARY :

14 ROBERT C. NORTH JR., Chief Actuary
15

16 MAYOR'S APPOINTEE :

17 CAROLYN WOLPERT, Alternate

18 DEPARTMENT OF EDUCATION :

19 JAMIE SMARR, Trustee
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2 TRS STAFF:

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4 ANDREW BRADFORD

5 CARMELA CRIVELLI

6 JOEL GILLER

7 ELLEN MURPHY-DeLEO

8 ROBERT SANTANGELO

9 MANGESH TARIBAGIL

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11 OTHER ATTENDEES:

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13 DAVID LEVINE, Groom Law Group

14 KEVIN DUGAN, Money Management Letter (Reporter)

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1 TRS Regular Board Meeting, MAY 26, 2011

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

3 MR. SERRANO: Good afternoon. We will begin the
4 May 26, 2011 regular meeting of the Teachers' Retirement
5 Board by calling the roll.

6 MR. SERRANO: Melvyn Aaronson?

7 MR. AARONSON: Here.

8 MR. SERRANO: Jamie Smarr?

9 MR. SMARR: Here.

10 MR. SERRANO: Sandra March?

11 MS. GRIMM: Here.

12 MR. SERRANO: Thad McTigue?

13 MS. MARCH: Here.

14 MR. SERRANO: Lisette Nieves?

15 (Note: Ms. Nieves was not present.)

16 MR. SERRANO: Mona Romain?

17 MS. ROMAIN: Present.

18 MR. SERRANO: Carolyn Wolpert?

19 MS. WOLPERT: Present.

20 MR. SERRANO: We do have a quorum and the first order of
21 business is to elect an Acting Chairperson.

22 MS. MARCH: I nominate Mr. Aaronson.

23 MR. SERRANO: Does anybody second that?

24 MR. MCTIGUE: Second.

25 MR. SERRANO: All in favor say aye.

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2 (Whereupon, all those present so indicated.)

3 MR. SERRANO: Any opposed say nay? Any abstentions?

4 Hearing none, congratulations Mr. Aaronson.

5 I will go on with the Agenda. The first item there
6 is the Calendar of Events. Each Board Member should have
7 an updated Calendar of Events which lists upcoming external
8 and internal scheduled events. If anybody has any questions
9 you can always reach out to us.

10 We have a few updates from staff. First, from Ellen
11 DeLeo who is Director of Business Solutions Group. I believe
12 she has three or four updates for us.

13 MS. DeLEO: On Saturday, May 7th, the Teachers' Retirement
14 System of the City of New York ("TRS") participated in the
15 Spring Educational Conference. At that conference, the Member
16 Education Unit distributed about 2,000 packets that included
17 Tax-Deferred Annuity ("TDA") Enrollment Forms, some beneficiary
18 forms and various TRS brochures. In addition to that,
19 representatives from TRS will be attending the annual Required
20 Minimum Distribution ("RMD") Conference this coming Tuesday,
21 May 31st. These representatives will be available to answer
22 any of the members' questions related to their initial RMD
23 distributions for 2011.

24 In terms of mailings, the TDA Quarterly Statement, for
25 participants with TDA Deferral status in the first quarter of

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2 2011; there were 40,406 members that were mailed statements.
3 That was completed on May 5th. There was a mailing of the
4 Quarterly Annual Statements ("QAS") for the first quarter of
5 2011 that began on May 12th. That mailing is expected to go
6 to 110,268 members and a mailing of 19,627 pre-retirement
7 members and beneficiaries that current have funds invested in
8 Variable B, was completed on May 10th. This mailing is part of
9 the Variable B campaign informing members of the transition from
10 a Stable Value Fund to a Market Valued Bond Fund in January of
11 2012. In addition to that, members that are enrolled in the
12 Age 55 Program, that have initial deficits of their additional
13 member contributions, began being notified in February 2011.
14 In May, an additional population of 5,270 members were notified
15 and they were provided payment options for those deficits.

16 Approximately 60,000 members with contribution deficits,
17 as a result of historical Class Coverage deficits, will begin
18 receiving notifications in late May and early June. Of that,
19 18,000 have deficits of less than \$25 and they will be given
20 just a single payment option that will be taken from their first
21 payroll earning in the next school year. Those that are over
22 \$25, will be provided a lump-sum option or they can also
23 have payroll deductions beginning with the first payroll of
24 the next school year.

25 MR. SERRANO: Thank you very much Ellen. I am really

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2 happy to hear that regarding the first item, so many members
3 are new members of the educational system are so interested
4 in the Teachers' Retirement System ("TRS") that 2,000 members
5 picked up packets to find out more. It is very encouraging.

6 MS. ROMAIN: We would like to thank the staff for
7 presenting at the Spring Conference because as you mentioned,
8 there were well over 2,000 members there and it was well
9 received by the members.

10 MR. SERRANO: Thank you. We also have an important update
11 from Mr. Santangelo, our Information Technology Director.

12 MR. SANTANGELO: Staff of TRS realizes the importance of
13 being able to continue to provide services to our members in the
14 event of an emergency or a crisis that affects 55 Water Street.
15 Therefore, we have an extensive business continuity plan and
16 robust capabilities that allow us to continue our operations,
17 if for whatever reason the staff cannot gain entry to this
18 building. Every year, we perform a test of this plan and
19 those capabilities to demonstrate that both continue to be
20 effective and ready to support operations, if and when we need
21 to execute them.

22 I am happy to report that we successfully performed our
23 annual tests yesterday. The capabilities that we exercised
24 include a mobile work group center in the form of trailer,
25 provided by Agility Recovery Solutions. The trailer is

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2 equipped with desktop computers, telephones, network
3 connections, its own power generator and is monitored by
4 a security guard. This serves as a temporary office where
5 our associates can perform their work, just as they would
6 here at 55 Water Street. This year, the test was conducted
7 in Woodbury, Long Island which is around 34 miles from
8 Manhattan. Approximately 40 representatives from our
9 business units and IT department worked at this site and
10 performed their daily duties without incident. This is the
11 third consecutive year that we performed this test and we
12 were successful.

13 MR. SERRANO: And having been there, I must say that it
14 was very reassuring to see everybody show up. It was very
15 professional, all the expertise was there, all the business
16 people were there and executed all of their scripts of
17 business activity. It is very reassuring to see year after
18 year that we are able to check everything off and make sure we
19 are ready in case of some type of emergency. Thank you and
20 please let your staff know they did a great job.

21 MR. SANTANGELO: I will.

22 MR. AARONSON: I would like to compliment the staff of TRS
23 for doing that dry run. For making sure that we are prepared
24 and the Board appreciates that very much.

25 MR. SERRANO: We will pass that along to the staff as well.

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2 Thank you. The next item on the Agenda is the Executive
3 Director's Report and the first item on the Executive
4 Director's Report is the Next Meeting. It has been
5 suggested that the next regular meeting of the Teachers'
6 Retirement Board be held on the fourth Thursday of the month,
7 June 23, 2011. I know we previously confirmed everybody's
8 availability.

9 The second item concerns the Annual Meeting of the
10 Teacher's Retirement Board. In accordance with Section 13-509
11 of the Administrative Code of the City of New York, as well as
12 Article 2 of the By-Laws, the Teachers' Retirement Board shall
13 elect a Chairperson from its membership, at the Annual Meeting
14 to be held in May of each year. We, therefore, open the floor
15 for nominations.

16 MS. MARCH: I nominate Mr. Aaronson.

17 MR. SERRANO: Anybody second that?

18 MR. McTIGUE: Second.

19 MR. SERRANO: All in favor say aye.

20 MS. WOLPERT: Can I ask a question before we vote? Sandi
21 was kind enough to mention this as I walked in the room, but I
22 am not sure I understand the significance. I understand this
23 has been temporary from meeting-to-meeting, can we just discuss
24 the change to that?

25 MS. MARCH: Since 1917, every May, we have elected a Chair

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2 on the Board. For the past two (2) years, we have elected
3 an Acting Chair. We think we should have a permanent Chair
4 so we did not move to lay the Resolution aside and therefore,
5 we have elected a Chair.

6 MS. WOLPERT: We made the motion so far.

7 MS. MARCH: We made the motion, right.

8 MR. SERRANO: Any further discussion?

9 MS. WOLPERT: Yes. Can we ask the Law Department just
10 to explain, because the statute to designate the Board, I do
11 not have that in front of me. Does the statute say anyone can
12 be the Chair?

13 MR. AARONSON: Any member of the Board.

14 MS. WOLPERT: Any member of the Board?

15 MR. GILLER: It is Article 3, Section 1 of the By-Laws.

16 MS. WOLPERT: Ok.

17 MR. GILLER: It has the rules for electing a new Chair
18 each year.

19 MS. WOLPERT: I do not have it in front of me. Could we
20 have a brief reading?

21 MR. GILLER: I will read it to you. Section 1, Article 3,
22 The members of the Board shall elect from its membership at
23 each annual meeting one individual who shall be designated as
24 the Chairperson ("Chair"). The Chair shall serve until his/her
25 successor is elected. A vacancy noted at any regular meeting

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2 may be filled by an election at the next regular meeting. The
3 person so elected shall serve for the unexpired term. The
4 Chair shall be the executive officer of the Board. The Chair
5 shall preside at all meetings and shall be a member ex-officio
6 of all committees. The Chair shall sign all warrants or
7 vouchers lawfully authorized by the Board for payments from
8 various funds of the Teachers' Retirement System of the City of
9 New York.

10 MS. MARCH: Let me reassure you Carolyn, I would never do
11 anything that was illegal.

12 MS. WOLPERT: I am just trying to get information.

13 MS. MARCH: I would hope that as a Trustee of the System,
14 that you would have that information.

15 MS. WOLPERT: I did not have that in front of me. Sorry.
16 If we could, just before we vote on this, either put this off
17 until the end of the meeting or just a brief recess. I really
18 did not know this issue was coming up today. I need to speak to
19 my Principals before I vote on it.

20 MS. MARCH: We can put it aside if you can get an answer
21 from your Principals before the meeting is over.

22 MS. WOLPERT: Absolutely. Thank you.

23 MS. MARCH: May I say that, Carolyn, maybe you want to
24 call your Principals now because we do not have many items that
25 are before us.

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2 MS. WOLPERT: Step out and miss the rest of the meeting?

3 I am working on email actually. So why don't we proceed and
4 then, if all of the rest of the items are exhausted, I will
5 step out quickly.

6 MS. MARCH: If that works for the Board?

7 MR. SERRANO: Yes and with that, I will move onto the
8 third and last item on the Executive Director's Report which is
9 Preliminary Fiscal Year 2012 Employer Contributions to the New
10 York City Teachers' Retirement System.

11 MS. ROMAIN: We are going to ask that you lay that over.
12 We are still studying the numbers.

13 MR. SERRANO: And that concludes the Executive Director's
14 Report for now, but we will circle back to it in a few minutes.

15 The next item is the Calendar and the first item on the
16 Calendar is the approval of the Minutes for the regular meeting
17 held on April 28, 2011. I know Liz distributed them. Did you
18 get feedback?

19 MS. SANCHEZ: Only from you.

20 MR. SERRANO: She got some feedback and I am assuming
21 everybody got a chance to look it. Then, there are the regular
22 items on the Calendar. Each of the Board Members should have
23 received a full printed copy of the Calendar which contains
24 lists and summaries of all transactions of payments made by
25 TRS this month and it is broken down into different categories.

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2 First, is the monthly periodic payroll which is listed on
3 pages 1 through 13. On page 14, is a payroll summary of
4 advanced payments made to new retirees and TDA annuitants.
5 On pages 15 through 39, is a listing of transfer of active
6 TDA Deferreds to Annuity payments. On pages 40 through 81,
7 is a listing of fractional payments. On pages 82 through 94,
8 lists uncollected checks for deceased members. On pages 95
9 through 120, lists beneficiaries continuing option payments.
10 On pages 121 through 136, is a listing of members whose
11 payments converted to the full pop-up payments. On pages 137
12 through 164, is a listing of beneficiaries who receive one-
13 time payments from their QPP and TDA accounts. On page 165,
14 is a listing of transfers of funds between banks. On pages
15 166 through 170, is a listing of purchases and sales of
16 securities and transactions for the Passport Fund programs.
17 On page 171, is a listing of receipt of installment payments.
18 On pages 172 through 175, is a listing of outstanding checks.
19 On pages 176 through 368, is a listing of revisions including
20 those under Class Action Settlement. On pages 369 through
21 374, is a listing of Service Credit payments and on page 375,
22 is a listing of new service retirement payments.

23 MR. AARONSON: Do I hear a motion to accept the Calendar?

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

25 MR. AARONSON: Is there a second?

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2 MS. MARCH: Second.

3 MR. AARONSON: Any discussion? Hearing none, all in
4 favor?

5 (Whereupon, all those present so indicated.)

6 MR. AARONSON: Any opposed? Hearing none, the Calendar
7 is adopted.

8 MR. SERRANO: That concludes the Calendar. The next item
9 on the Agenda is Other Business before the Board. I have three
10 items.

11 First of all, each of the Board Members should have
12 received the finalized meeting schedule for fiscal year 2012.
13 I thank you all for getting back to Liz and coordinating that.

14 Secondly, I want to inform the Board that we are expanding
15 the information on our website to include certain new
16 categories, as part of our effort to increase our transparency
17 so members can have a better sense of what is going on at the
18 System. Specifically, it will include the list of upcoming
19 meetings that we just talked about, it will also include the
20 meeting agendas and minutes going back to January 1, 2010. It
21 will conclude the Comprehensive Financial Annual Report, the
22 TRS Annual Report and quarterly investment results going back
23 to January 1, 2010.

24 I want to thank the Office of the Comptroller, Thad and
25 his staff for working with us. Sharing some information back

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2 and forth with them. In addition, they are going to have
3 share holder resolutions that have been submitted on behalf
4 of TRS, on their website. These updates on our website would
5 be available by July 1, 2011 and I believe the same schedule
6 for the Office of the Comptroller.

7 MR. McTIGUE: That is correct. Yes.

8 MR. SERRANO: Again, I want to thank you for your help.
9 The third item of Other Business is, I want to congratulate
10 Ms. Romain for her re-election to the Teacher Retirement Board
11 for the next three years.

12 MS. ROMAIN: Thank you, Mr. Executive Director.

13 MR. SERRANO: That is all the items I have. I do not know
14 if there is any other business before the Board today?

15 MS. MARCH: There is. We have the resolution that we have
16 not voted upon.

17 MR. SERRANO: We will vote on that in a second.

18 MR. SMARR: I just wanted to let the members present know
19 that, Kathleen Grimm is actually in Troy, New York because her
20 mother passed.

21 MS. MARCH: Would you express our condolences to her?
22 Could you possibly get Nelson an address that we could send
23 her a condolence card? He can email it all of us so we could
24 express our condolences to her.

25 MR. SERRANO: That brings us to the end of the Agenda.

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2 We just need to circle back, Mr. Chair, for the open
3 resolution.

4 MR. AARONSON: I do not want to burden the Board,
5 having to sit too long to wait for this. We do have a
6 quorum and we could vote.

7 MS. MARCH: Could somebody please find out? Joel,
8 would you do us a favor and find out how long Carolyn
9 thinks it will take her to get information, as she stated,
10 from her Principal?

11 MR. SERRANO: Can we have a brief intermission?

12 (Whereupon, the meeting took a brief intermission.)

13 MR. AARONSON: Our intermission is over and Mr. Serrano,
14 would you go back to item number two (2) on the Agenda please?

15 MR. SERRANO: Item 2, Annual Meeting of the Teachers'
16 Retirement Board. In accordance with Section 13-509 of the
17 Administrative Code of the City of New York, as well as Article
18 2 of the By-Laws, the Teachers' Retirement Board shall elect
19 a Chairperson from its membership, at the Annual Meeting to be
20 held in May of each year. We therefore, open the floor for
21 nominations.
22

23 MS. MARCH: I nominate Mr. Aaronson.

24 MR. SERRANO: Does anybody second that?

25 MR. McTIGUE: Second.

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2 MR. SERRANO: Are there any other nominations?

3 MS. WOLPERT: Before we vote, as I discussed earlier,
4 I wish I had more time to discuss this with my Principals,
5 I would like to ask to lay over the vote.

6 MS. MARCH: I do not know whether we even have the vote
7 to be able to accomplish what the resolution is suggesting that
8 we do. I would like us to have a vote and not lay it over.

9 MR. SERRANO: All in favor of Mr. Aaronson, please say aye.
10 (Whereupon, all those present so indicated.)

11 MR. SERRANO: Any opposed say nay? Any abstentions, please
12 raise your hand? Congratulations Mr. Aaronson.

13 MR. AARONSON: Thank you very much.

14 MS. ROMAIN: Congratulation Mr. Aaronson.

15 MR. AARONSON: I consider it an honor and hope to serve
16 this Board as well in the official capacity as I have, in the
17 acting capacity for the last two (2) years.

18 MR. SERRANO: I am sorry to interrupt. There is one more
19 item and this is whether there is any questions or comments from
20 the public? But, seeing that the one (1) or two (2) people
21 from the public have left, there are no questions.

22 MR. AARONSON: Do I have a motion to adjourn?

23 MS. MARCH: So moved.

24 MR. AARONSON: Second?

25 MR. McTIGUE: Second.

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2 MR. AARONSON: Any discussion? Hearing none, all
3 those in favor of adjourning?

4 (Whereupon, all those present so indicated.)

5 MR. AARONSON: We are adjourned.

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