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NEW YORK CITY TEACHERS' RETIREMENT SYSTEM  
BOARD MEETING

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Held on Thursday, May 26, 2016, at 55 Water Street,  
New York, New York

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10 ATTENDEES:

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JOHN ADLER, Chairman, Trustee

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DEBRA PENNY, Trustee

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DAVID KAZANSKY, Trustee

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THOMAS BROWN, Trustee

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SUSANNAH VICKERS, Trustee

16

RAYMOND ORLANDO, Trustee

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PATRICIA REILLY, Teachers' Retirement System

18

THAD McTIGUE, Teachers' Retirement System

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SUSAN STANG, Teachers' Retirement System

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VALERIE BUDZIK, Teachers' Retirement System

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REPORTED BY:

24

YAFFA KAPLAN

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JOB NO. 0235933

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ATTENDEES (Continued):

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ELLEN DeLEO, Teachers' Retirement System

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LIZ SANCHEZ, Teachers' Retirement System

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ANTHONY MEZZACAPPA, Teachers' Retirement System

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ANNETTE HANHARAN, Teachers' Retirement System

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ROBERT BETHELMEY, Teachers' Retirement System

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NATARAJAN KRISHNAMOORTHY, Teachers' Retirement

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System

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RENEE PEARCE, Teachers' Retirement System

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ANDREW BRADFORD, Teachers' Retirement System

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AMY OKEREKE, ESQ., Law Department

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BRYAN BERGE, ESQ., Law Department

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SHERRY CHAN, Chief Actuary

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MICHAEL SOHN

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1 Proceedings  
2 MR. ADLER: Good afternoon. Welcome to  
3 the Teachers' Retirement System board meeting  
4 for May 26, 2016.  
5 Patricia, will you call the roll?  
6 MS. REILLY: Sure.  
7 John Adler?  
8 MR. ADLER: Here.  
9 MS. REILLY: Thomas Brown?  
10 MR. BROWN: Here.  
11 MS. REILLY: David Kazansky?  
12 MR. KAZANSKY: Here.  
13 MS. REILLY: Debra Penny?  
14 MS. PENNY: Here.  
15 MS. REILLY: Raymond Orlando?  
16 MR. ORLANDO: Present.  
17 MS. REILLY: Susannah Vickers?  
18 MS. VICKERS: Here.  
19 MS. REILLY: We do have a quorum.  
20 MR. ADLER: Great. I just want to take  
21 this opportunity to welcome Debra Penny to her  
22 first board meeting as a member of the  
23 Teachers' Retirement Board. Congratulations  
24 and welcome.  
25 (Applause.)

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1 Proceedings  
2 MR. ADLER: You have large shoes to  
3 fill, but I have great confidence that you  
4 will fill them very capably.  
5 MS. PENNY: Thank you.  
6 MR. ADLER: Okay.  
7 MS. REILLY: Next there is an update  
8 from TRS operations. Each of you should have  
9 received the latest calendar of events, and we  
10 have a few updates from Ellen DeLeo.  
11 MS. DeLEO: TRS has received 287  
12 retirement applications that are effective for  
13 July 2016 and five retirement applications  
14 effective August 2016. The benefits  
15 administration has started processing 214 of  
16 the 287 retirement applications received.  
17 Similar to how we worked together in the past,  
18 representatives from the DOE's benefits office  
19 will be here at TRS from June 9th to June 30th  
20 to accept health benefits applications from  
21 our members submitting retirement  
22 applications. This service provides the  
23 convenience of filing both forms in one  
24 location during this peak retirement filing  
25 period.

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1 Proceedings

2 TRS continues revision of membership  
3 benefits to members that retired prior to July  
4 1, 2014 and have been affected by the UFT  
5 contract. Of the total of 15,098 members  
6 impacted, 14,377 members' retirements benefits  
7 have been revised and processed with higher  
8 benefit. The remaining 721 cases are being  
9 worked on of which 327 members are deceased.

10 MS. REILLY: Thanks, Ellen. Next item  
11 on the agenda is the report from the actuary.

12 MS. CHAN: Thank you. First item on the  
13 list are the fiscal notes. There are three  
14 fiscal notes issued between the last time that  
15 we met. One pertains to mandating  
16 paraprofessionals into TRS. One is in regards  
17 to purchasing military service, and the third  
18 is increasing the earnings limit for retirees  
19 that return back to public service.

20 Also there is a memo about the September  
21 2016 COLA. The Bureau of Labor Statistics  
22 came out with their figure and we calculate  
23 our COLA to be at 1 percent, and the last item  
24 on my list is the Tier III/IV loan insurance  
25 amount. There is a resolution in there.

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1 Proceedings

2 After analysis, I am proposing to keep the  
3 rate at 0.2 percent. So I am happy to answer  
4 any questions.

5 MR. ADLER: Any questions for Sherry?

6 MS. CHAN: Thank you.

7 MS. REILLY: So I guess we will go to --  
8 I will go to the executive --

9 MS. VICKERS: Do you mind? Scott is  
10 just a few minutes out.

11 MS. REILLY: Okay. So next on the  
12 agenda is the executive director's report and  
13 it's been suggested that the next regular  
14 meeting of the Teachers' Retirement Board be  
15 held on the third Thursday of the month, June  
16 16, 2016.

17 The next reso is an annual meeting of  
18 the Teachers' Retirement Board. In accordance  
19 with Section 13-509 of the Administrative Code  
20 of the City of New York, as well as Article 2  
21 of the Bylaws, the Teachers' Retirement Board  
22 shall elect a Chairperson for its membership  
23 at the Annual Meeting to be held in May of  
24 each year. We therefore open the floor for  
25 nominations.

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1 Proceedings

2 MR. BROWN: I would like to nominate  
3 somebody.

4 MS. REILLY: Okay.

5 MR. BROWN: I would like to nominate  
6 John Adler to continue to be chair of this  
7 board.

8 MS. REILLY: Do we have a second?

9 MS. VICKERS: Second.

10 MS. REILLY: All those in favor, say  
11 aye.

12 MR. BROWN: Aye.

13 MR. KAZANSKY: Aye.

14 MS. PENNY: Aye.

15 MR. ORLANDO: Aye.

16 MS. VICKERS: Aye.

17 MS. REILLY: All those opposed? Okay.  
18 The ayes have it. Congratulations.

19 MS. REILLY: Next resolution is the Tier  
20 III/IV Loan Insurance Premium Rate for fiscal  
21 year 2017.

22 Whereas, in accordance with the  
23 legislation establishing a Loan Program for  
24 Tier III/IV members of the New York City  
25 Teachers' Retirement System including certain

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1 Proceedings

2 members whose membership dates are on or after  
3 April 1, 2012 --

4 MR. ADLER: Can we move to the resolved?

5 MS. REILLY: I was praying in my head.

6 Resolved, that the Retirement Board  
7 hereby adopts the recommendation of the  
8 Actuary as stated in her report dated May 24,  
9 2016 and stipulates the Tier III/IV Loan  
10 Insurance Premium Rate be continued at its  
11 current rate of .20 percent per annum of the  
12 outstanding loan balances for any loans  
13 originating during fiscal year 2017, i.e.,  
14 July 1, 2016 through June 30, 2017.

15 MR. ADLER: Is there a motion to adopt  
16 the resolution?

17 MR. BROWN: So moved.

18 MR. ADLER: Is there a second?

19 MS. VICKERS: Second.

20 MR. ADLER: Any discussion?

21 All in favor of the resolution, please  
22 say aye. Aye.

23 MR. BROWN: Aye.

24 MR. KAZANSKY: Aye.

25 MS. PENNY: Aye.

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1 Proceedings

2 MR. ORLANDO: Aye.

3 MS. VICKERS: Aye.

4 MR. ADLER: Any opposed? Any  
5 abstentions? Okay. The motion carries.

6 MS. REILLY: Next is a resolution of  
7 attendance at a conference.

8 Resolved, that the Trustees of the  
9 Teachers' Retirement Board hereby approve the  
10 attendance and participation of the Executive  
11 Director and/or her designees and any  
12 interested Trustee at the National Convening  
13 of the Trustee Leadership Forum for Retirement  
14 Security from June 20th through June 22, 2016.

15 MR. ADLER: Is there a motion to approve  
16 the resolution?

17 MR. KAZANSKY: So moved.

18 MR. ADLER: Is there a second?

19 MS. VICKERS: Second.

20 MR. ADLER: Any discussion?

21 All in favor of the motion, please say  
22 aye. Aye.

23 MR. BROWN: Aye.

24 MR. KAZANSKY: Aye.

25 MS. PENNY: Aye.

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1 Proceedings

2 MR. ORLANDO: Aye.

3 MS. VICKERS: Aye.

4 MR. ADLER: All opposed, nay? Any  
5 abstentions? Okay. The motion carries.

6 MS. REILLY: The next resolution is also  
7 attendance at a conference.

8 Resolved, that the Trustees of the  
9 Teachers' Retirement Board hereby approve the  
10 attendance and participation of the Executive  
11 Director and/or her designees and any  
12 interested Trustee at the National Association  
13 of Public Pension Attorneys from June 21st  
14 through 24th, 2016.

15 MR. ADLER: Is there a motion to adopt  
16 the resolution?

17 MR. BROWN: So moved.

18 MR. ADLER: Is there a second?

19 MS. VICKERS: Second.

20 MR. ADLER: Any discussion?

21 All in favor of the motion, please say  
22 aye. Aye.

23 MR. BROWN: Aye.

24 MR. KAZANSKY: Aye.

25 MS. PENNY: Aye.

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Proceedings

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MR. ORLANDO: Aye.

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MS. VICKERS: Aye.

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MR. ADLER: All opposed, nay? Any

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abstentions? Great. The motion carries.

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MS. REILLY: So now I guess we can go to

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the BAM's Strategic Initiatives Implementation

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Plan.

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MR. EVANS: Thank you very much. I am

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going to pass out -- I hope I have got enough

11

of these. If it gets thin, please save some

12

for the trustees so that they -- so we sent

13

this to you a couple of days ago, but I am

14

just handing it out for your convenience.

15

Hopefully you have had a chance to look it

16

over. It's an update of our progress on our

17

budget and the strategic initiatives.

18

I came to you at the March CIM, gave you

19

a forecast in terms of our staffing, the cost

20

of our initiatives. We are trying to improve

21

our predictability and transparency with the

22

systems, and so I am here now to ask formally

23

-- I realize you may not act on this today but

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I formally ask that you approve our corpus

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request for the coming fiscal year, and I will

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Proceedings

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detail the overall BAM costs, both City and

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corpus, the breakdown between them, and then

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of the corpus ask, what portion are we asking

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of the City.

6

So I can go through the dec, Mr.

7

Chairman. If you feel that people have been

8

able to absorb the dec already and just ask

9

questions, I will.

10

MR. ADLER: Well, let me ask the

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trustees who I think have not had this

12

presentation before whether you would like Mr.

13

Evans to go through the dec.

14

MR. KAZASNKY: Yes.

15

MR. EVANS: So if you go to page 2, I

16

won't repeat the strategic initiatives and the

17

funding and everything. You have heard that a

18

number of times. But what we are focusing on

19

right now can be really broken into three

20

areas. One, beginning to enact a strategic

21

plan, making sure we are budgeting, we are

22

being transparent, we have created budgets for

23

all groups within BAM, covering staffing,

24

technology, expenses, travelling. You will

25

see the product of this in a minute or two.

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1 Proceedings

2 Cara Schnaper and company are building a  
3 roadmap that ties our activity to the  
4 functional gaps that were identified by  
5 Funston so that we can quickly close the  
6 gaping holes, most of which are in our  
7 operations area and you feel the burn of some  
8 of this in our slowness at processing things.

9 Risk and compliance. We need to be much  
10 more sophisticated. We are making progress in  
11 all fronts. We have been able to hire  
12 qualified staff. We are now going to turn our  
13 attention to improving the software that  
14 supports them. We have begun the process of  
15 evaluating risk management tools and creating  
16 a compliance and risk procedures around this  
17 which are going to enable us to monitor the  
18 portfolio more realtime.

19 On the procedures and record management  
20 process, we have intensified our focus on the  
21 cutover to the State Street GL and getting rid  
22 of our unique process within BAM that involves  
23 transactions flowing through 1,200  
24 spreadsheets, and so you can imagine that that  
25 is not a process that happens quickly. We are

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1 Proceedings

2 trying to eliminate almost every one of those  
3 spreadsheets and go straight through with  
4 State Street. We are targeting the beginning  
5 of fiscal year 2017 for that.

6 I expect we will be able to come back  
7 and give you a fulsome progress report earlier  
8 this fall, maybe at the September CIM, on how  
9 we are doing. This is going to involve major  
10 changes in the way we are structured and David  
11 Jeter's area. We have hired a senior person  
12 now running our Investment Control Unit, Lynne  
13 Fleischman, who came from Ernst & Young, and  
14 she has made immediate differences. We have  
15 hired George Siavichay who you may know was at  
16 NYCERS for many years. Was working in the  
17 alternative asset business after NYCERS so he  
18 knows the systems well. He is now running our  
19 reporting operations.

20 So we put strong people running under  
21 David Jeter. We have got the temporary troops  
22 and Cara Schnaper and company that are  
23 professionals in process management, IT, et  
24 cetera. So we are on the job as we speak. We  
25 are in the process of implementing a cash

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1                   Proceedings  
2 processing protocol. It's going to enable  
3 electronic authorization of our payments. We  
4 found no problems in our payment system. Just  
5 a lack of controls and insufficient use of  
6 technology. We are putting that in place now.  
7 We are able to do that within the current  
8 confines of the budget.

9           We have been adding staff in addition.  
10 I may do some overlap with the people I just  
11 talked about. On the bottom you can see we  
12 brought in a new program director, Mary Lett,  
13 a new applications director and risk, Chris  
14 Lusk. Lynne Fleischman I mentioned. Sort of  
15 the middle management to oversee these things.

16           We have got some more hiring to do. And  
17 not all of it did I have enough staff for, and  
18 so in the top panel on page 3, you can see  
19 that we are going to need another manager and  
20 analyst in the development of our middle  
21 office operations. We are going to need a few  
22 research assistants in operations, some IT  
23 analysts. In technology we didn't have a  
24 technology staff before and there are two  
25 investment staff and asset class heads for

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1                   Proceedings  
2 opportunistic fixed income. That was not in  
3 the design of BAM. As you know, Wesley  
4 Pulisic has been the acting head, but I am not  
5 funded to have a head in that area and there  
6 there is an IO -- I can't remember off the top  
7 of my head which of the areas we were needing  
8 to add an IO but we have one investment  
9 officer to this.

10           I will go back to the cost of staffing  
11 in a minute. I want to go over -- so staffing  
12 is one big piece and the other big piece is  
13 software and technology. The rest of the  
14 stuff is kind of small. These numbers  
15 starting on the bottom panel on page 3 are the  
16 total cost of BAM, budgeted and unbudgeted,  
17 and City and corpus but this is just so you  
18 can see where we are spending our money and  
19 this is the way we look at it.

20           We are going to spend we believe about a  
21 million and a half dollars on a risk  
22 management system. It's going to be a very  
23 comprehensive system allowing us to have a  
24 daily understanding of the portfolio, the risk  
25 footings that it has. Allow our staff to be



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1                   Proceedings  
2 much more up-to-date on what's going on in the  
3 portfolio. And there are a number of side  
4 benefits that come from that. Well, there is  
5 an addition to that which I will come to on  
6 the next page.

7           Compliance at the bottom, we are  
8 expecting 150,000 for a CRM tool which will  
9 give us better control over the documentation  
10 as it flows through the organization. On the  
11 right you see items that are starred. The  
12 reasons they are starred is these are not  
13 corpus items. These are City-funded items.  
14       Trustee communication. For this meeting  
15 and for the investment meeting, we are going  
16 to have a board portal. We will have a tablet  
17 rather than all the paper that we constantly  
18 give you. This will improve controls, it will  
19 improve the speed with which we do things.  
20 It's not that much money. That's going to  
21 save us all a lot of time.

22       Alternatives accounting. You know, we  
23 have been working on fee transparency, and we  
24 have been spending a lot of time with our  
25 vendors making sure that we are getting all

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1                   Proceedings  
2 the fee information and sub information or  
3 subcategory information. The problem is we  
4 don't have the accounting tools to process it  
5 in an efficient manner so we are getting all  
6 the information, but State Street, while it's  
7 an adequate custodian, its alternatives module  
8 is just not up to snuff and we are finding as  
9 we do survey the rest of the industry that  
10 almost everyone else uses one of two other  
11 vendors. We had some initial conversations  
12 with them. We are going to have a formal  
13 procurement. We expect that to cost us about  
14 a million dollars. That's accounting. It's  
15 City-funded so I am not asking you for funding  
16 for either of those two things on the right  
17 today, but you need to understand the totality  
18 that BAM as you understand where the corpus  
19 funding fits in.

20       Middle office. We have, quite frankly,  
21 a lot of clerical positions. These are people  
22 building all the spreadsheets. We are going  
23 to have analytical positions at the end.  
24 People analyzing the data, looking for  
25 exceptions, that sort of thing, so building

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1                       Proceedings  
2   the middle office we need tools and systems  
3   work. We think that's about 300,000.  
4   Training is 2,000 dollars an employee. In the  
5   City and in BAM today we don't spend a dime  
6   developing our people. Not a dime. Somebody  
7   wants to take classes so that they can qualify  
8   for a higher position, they got to pay with  
9   their own nickel. That's penny-wise and  
10   pound-foolish. Funston called it out. I  
11   noticed it the moment I walked in here.  
12   Everybody who has come into BAM is kind of  
13   shocked at the fact that we are not investing  
14   in our own people. So that stops the moment  
15   you approve this request because as part of  
16   the request is 2,000 dollars for each and  
17   every employee. Now, the City will pick up  
18   the 2,000 for the noncorpus or City-funded  
19   employees. The systems will pick up the 2,000  
20   for the corpus employees. What's magic about  
21   2,000? It's a reasonable estimate. We are  
22   not going to boil money. If we spend 1,000,  
23   we will spend 1,000 and we will ask for a  
24   similar amount next year. We think this is  
25   enough money and we will use it wisely.

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1                       Proceedings  
2       Same sort of thing with travel. This is  
3   the whole total travel budget, 300,000. Most  
4   of it's corpus because corpus and investment  
5   people do the most travelling. They did not  
6   travel before I got here. They didn't go to  
7   visit managers. The managers would come in.  
8   Mostly marketing people, a few CEOs when --  
9   CIOs when they were raising new money. But we  
10   didn't have any funding to go visit them. I  
11   mean, imagine that. It's just not good due  
12   diligence. You got to go out, you got to meet  
13   not only the heads, but you have to meet the  
14   people who are in the shop, running the  
15   organization, meet the compliance people, talk  
16   to the operations people, see for yourself  
17   what kind of firm you are investing in. So  
18   this will fund us to visit each and every one  
19   of our external managers once a year at their  
20   site, and so yes, we have a few managers that  
21   are overseas. Most extreme example we have  
22   two managers in Edinburgh, Scotland. Our  
23   people will travel to Edinburgh, Scotland to  
24   visit them. They will not be playing golf on  
25   the trip; they will not be staying in fancy

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1 Proceedings

2 hotels; they will not be flying first class.  
3 We will be doing everything in a very  
4 reasonable term. But if we can't afford to  
5 send people to Edinburgh to kick the tires of  
6 the manager that we have hired from Edinburgh,  
7 we shouldn't hire a Edinburgh fund manager.  
8 And I use that, that's the extreme case. A  
9 lot of our travels is to Manhattan or Chicago  
10 or Detroit, so forth but so that's travel.

11 You asked for information. We were  
12 being cheap on journal and trade publications  
13 and stuff. People can't keep current if they  
14 can't have subscriptions to these things.  
15 Now, we are not going crazy but there is just  
16 -- we weren't arming our people with  
17 sufficient tools to do their jobs well and  
18 it's fine. If we don't want to arm them, we  
19 should have them do a different job, a more  
20 limited job. We already want to talk about  
21 asset allocation. We could build a system  
22 that's just based on index management and we  
23 don't need any of this stuff for this, but if  
24 we want to do active management, we really  
25 have to vet them.

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1 Proceedings

2 So that gives you a sense of how we are  
3 going to be spending our money. Go to the  
4 panel on top of the page 5 and we will start  
5 breaking it down.

6 We have 116 approved staff right now.  
7 Budget of 13 million dollars. Fifty-five --  
8 I'm sorry. Sixty-one of those are corpus  
9 funded for 7.9 million. I need nine more  
10 people and I need 1.2 million more dollars. I  
11 actually only need 900,000 for the nine new  
12 people, but the people that are hired are at a  
13 different price than was in the budget. I  
14 have done a reconciliation of that on the  
15 bottom of page 6. Basically when we did  
16 salaries, we didn't come and ask for salary  
17 increases on jobs we weren't planning to fill  
18 at the time. Rather than hiring a head of  
19 real assets which was on the books for, you  
20 know, 125,000 dollars, never raised for the  
21 salary increases. I hired Mike Haddad at the  
22 new salary. Comparable position, different  
23 assignment and at the new salary level. So  
24 that creates a gap. I can add up to the  
25 342,000-dollar gap quickly just with three

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1 Proceedings

2 employees.

3 So it gives you a sense of deviation of  
4 previous budget discussions. That question  
5 has come out, so I have got a slide for it  
6 now. We break down the new needs on the  
7 bottom of page 7. You can see how we get --  
8 we are asking for 6.3 million dollars in  
9 total. 2.1 is in corpus and you can see how  
10 it breaks out. It's mostly software and  
11 people. As I -- I'm sorry. This is all the  
12 OTPS. I'm sorry. This is not the people.  
13 This is everything but people. 2.1 million is  
14 mostly software and I mentioned the travel and  
15 training and so forth.

16 Page 8, the top gives you more detail.  
17 The bottom gives you the bottom line which is  
18 the total corpus amount. I am asking for --  
19 an extra 1.2 million for new hires, and your  
20 share, 37 percent, would be 459,879. On the  
21 OTPS I am asking for 2.1 million. Your share  
22 is 788,797.

23 I will stop there and take any questions  
24 you might have.

25 MR. ADLER: Any questions for Scott?

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1 Proceedings

2 MR. BROWN: Good job.

3 MR. EVANS: This actually is a lot less  
4 than I had worried it might be and I would say  
5 to you that my philosophy is only to ask for  
6 them things that I know I am going to need,  
7 and so there is a possibility that I come back  
8 to you in six months and say I know I came to  
9 you for full funding for 2016. We got in  
10 there and took a look at it and we need four  
11 more middle office people. Right now I am  
12 staffed less than Funston said I needed to  
13 staff. They said 133; I have got 120 here. I  
14 don't think I am going to need more than 120  
15 so why ask for a budget more than that?

16 So that's the way I prefer to do it. I  
17 would rather have to come back to you a second  
18 time than to ask for too much and then have to  
19 explain why I haven't spent it. I kind of  
20 came into the environment where that was the  
21 status quo. I don't like operating that way  
22 so we are changing it. I don't know for all,  
23 but we are changing it for the rest of the  
24 time I am here, you know, starting with this  
25 request.

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1 Proceedings

2 MR. KAZANSKY: So kind of tying in the  
3 work that we have been doing on asset  
4 allocation and looking at this, I know one  
5 area that we have been considering really  
6 making some expansion in is in real estate,  
7 and I don't see any allocation here to expand  
8 that division.

9 MR. EVANS: Very correct observation,  
10 David, and that's actually one place we are  
11 talking right now. We have one real estate  
12 opening. It's for an investment officer. We  
13 have actually been doing some interviewing for  
14 it, and I am openly asking the question as to  
15 whether or not we need a more senior person in  
16 that role and whether we are fully staffed or  
17 not. And so we will be taking a hard look at  
18 that and so I don't know when we look at that  
19 whether or not we will need to take action on  
20 that within the current budget cycle or not,  
21 and so I will try to manage it and if it looks  
22 like we are not going to be able to stay  
23 within the budget, I will come back. But  
24 that's one place where we can really run over.

25 The other place is we have built in some  
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1 Proceedings

2 room in the OFI and core fixed income area.  
3 We are putting a lot more money -- not for you  
4 guys but across our five systems -- a lot more  
5 money into the credit areas. You guys already  
6 had a fair amount in credit and trying to keep  
7 the public equity allocations down.

8 MS. VICKERS: I'm sorry. On real estate  
9 am I correct in saying there have been two  
10 recent hires in the real estate division and  
11 there is one open position? So that's a two  
12 out of three.

13 MR. EVANS: Correct. We hired John  
14 Gluszak who you met who is a senior officer  
15 and then Lin -- I'm sorry. I am forgetting  
16 Lin's last name who is very new, a junior  
17 role, and there is an investment --

18 MS. VICKERS: Three total in real  
19 estate.

20 MR. EVANS: We have got seven of the  
21 eight anticipated private equity staff now. I  
22 mean, we have really had success. We just got  
23 an accepted offer on an investment officer for  
24 OFI. We hired a terrific guy who is working  
25 with Petya in infrastructure. We have been

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2 very, very pleased with the success that we  
3 have had since you allowed us to pay market  
4 wages for investment personnel, and we are  
5 getting, you know, very high quality people.  
6 Quality of our interns in the internship  
7 program is fantastic this summer.

8 So it's a really good story but you are  
9 right that real estate is probably the most  
10 likely interim ask that I would come back but  
11 only when I am sure that I need one. So this  
12 is -- I am being a little conservative but you  
13 know, I don't want to -- I don't want to ask  
14 for money that I don't -- you know what I  
15 mean.

16 MR. KAZANSKY: Thank you.

17 MR. ADLER: Any other questions for  
18 Scott? Okay. So my suggestion is that we put  
19 this on next month's agenda for action if  
20 that's okay with everybody.

21 MR. BROWN: So we will have time.

22 MR. KAZANSKY: Yes, absolutely.

23 MR. ADLER: Okay.

24 MS. REILLY: Okay.

25 The next item on the agenda is the

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2 calendar, and each trustee should have  
3 received a full calendar. And the first item  
4 on the calendar is the matter of the approval  
5 of the minutes for the regular meeting held on  
6 April 21, 2016.

7 MR. ADLER: Oh, do we have a motion to  
8 approve the minutes for the regular board  
9 meeting of April 21, 2016?

10 MR. KAZANSKY: So moved.

11 MR. ADLER: Is there a second?

12 MS. VICKERS: Second.

13 MR. ADLER: Any discussion of the  
14 motion?

15 All in favor of the motion to approve  
16 the minutes of the April 21, 2016 meeting,  
17 please say aye. Aye.

18 MR. BROWN: Aye.

19 MR. KAZANSKY: Aye.

20 MS. PENNY: Aye.

21 MR. ORLANDO: Aye.

22 MS. VICKERS: Aye.

23 MR. ADLER: All opposed, please say nay.  
24 Any abstentions? Okay. The motion carries.

25 MS. REILLY: Then there is the adoption

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2   of the specific items.

3       The monthly periodic payroll of TDA  
4   excess and loan payments from pages 1 through  
5   14, inclusive. Payroll summary and AP, new  
6   retirees, and TDA accounts, page 15. Page 16  
7   through 18, which is the transfer of active  
8   TDA deferred to annuity payments. Pages 44  
9   through 104, inclusive, are fractional  
10   payments. Pages 105 through 117, inclusive,  
11   are uncollected checks for deceased members.  
12   Page 123 through 138, inclusive, are  
13   beneficiaries continuing option. Pages 139  
14   through 157, inclusive, are conversions to  
15   pop-up payments. Pages 158 through 204,  
16   inclusive, are beneficiaries who received  
17   one-time payments from their QPP and TDA  
18   accounts. Pages 205 through 207 are returned  
19   net accumulated salary deductions. Page 208,  
20   inclusive, are the transfer of funds between  
21   banks. Page 209 through 213 is the purchase  
22   and sales of securities transacted from the  
23   Passport Fund Programs. Page 214 through 216,  
24   inclusive, are successive installments. 217  
25   through 225 are outstanding checks. 226

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2   through 331, inclusive, are revisions  
3   including those under class coverage. 332 are  
4   layoffs without pay. Page 333 through 335 are  
5   payments for service credit. Page 336 are  
6   denied accident disabilities. Page 337 are  
7   new members -- I'm sorry. Are members for  
8   ordinary disabilities. Page 338 is the  
9   minimum accumulations. Page 339 are rules and  
10   regulations for life insurance plan, and page  
11   340 is the new service retirement payments.

12       And that's concludes the calendar.

13       MR. ADLER: Do we have a motion to  
14   approve the calendar?

15       MR. BROWN: So moved.

16       MR. ADLER: Is there a second?

17       MS. VICKERS: Second.

18       MR. ADLER: Motion moved and seconded.

19   Any discussion? Move to vote.

20       All in favor of the motion to approve  
21   the calendar, please say aye. Aye.

22       MR. BROWN: Aye.

23       MR. KAZANSKY: Aye.

24       MS. PENNY: Aye.

25       MR. ORLANDO: Aye.

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2 MS. VICKERS: Aye.  
3 MR. ADLER: All opposed, please say nay.  
4 Any abstentions? The motion carries.  
5 MS. REILLY: So the next item on the  
6 agenda would be other business.  
7 MR. ADLER: Is there any other business  
8 before the Board today?  
9 MS. REILLY: Oh, there is.  
10 MR. ADLER: There is.  
11 MS. REILLY: Thank you. We just once  
12 again handed out the calendar for next year,  
13 and there has been a request that the  
14 September 8th investment meeting be changed to  
15 September 15th. We haven't heard from some of  
16 you but -- we haven't heard from everybody  
17 whether the change to September 15th is okay.  
18 I think, Susannah, you are outstanding.  
19 MS. VICKERS: I think I just got the  
20 e-mail today.  
21 MS. REILLY: Was it today?  
22 MR. ADLER: No, it was yesterday.  
23 MS. VICKERS: I will get back to you.  
24 MR. ADLER: The reason that we requested  
25 it be moved from September 8th is that the

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1 Proceedings  
2 NYCERS meeting is September 8th.  
3 MS. VICKERS: We have a couple of other  
4 things going on in September. Maybe I can  
5 announce now if we are talking about the  
6 calendar, if everybody could please hold  
7 September 13th for the BAM annual conference  
8 that we have every year at the UFT.  
9 MS. REILLY: That's the 13th?  
10 MS. VICKERS: The 13th of September.  
11 It's a Tuesday.  
12 MR. ADLER: And then I think Wednesday  
13 is a CIM.  
14 MS. VICKERS: No. The CIM is the 21st,  
15 and the 15th looks like clear on my end.  
16 MS. REILLY: Great.  
17 MR. BROWN: What time is the BAM annual  
18 conference? Usually in the morning?  
19 MS. VICKERS: 8:30, 9:00. We will be  
20 circulating a save the date in the coming  
21 weeks.  
22 MS. REILLY: So that's other business.  
23 Next on the agenda is questions and  
24 comments from the public.  
25 MR. ADLER: Any questions or comments



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2   from the public? Okay.  
3       Seeing none, does that conclude our  
4   business, Patricia?  
5       MS. REILLY: It does.  
6       MR. ADLER: So I think a motion to  
7   adjourn will be in order. Is there one?  
8       MR. BROWN: So moved.  
9       MR. ADLER: Second?  
10      MS. VICKERS: Second.  
11      MR. ADLER: Any discussion?  
12      All in favor of the motion to adjourn,  
13   please say aye. Aye.  
14      MR. BROWN: Aye.  
15      MR. KAZANSKY: Aye.  
16      MS. PENNY: Aye.  
17      MR. ORLANDO: Aye.  
18      MS. VICKERS: Aye.  
19      MR. ADLER: Any opposed? Any  
20   abstentions?  
21      The meeting is adjourned.  
22      (Time noted: 4:06 p.m.)  
23  
24  
25

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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       )  
6  
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 7th day of June, 2016.  
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16  
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YAFFA KAPLAN

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