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NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

3

REGULAR BOARD MEETING

4

Held on Thursday, June 15, 2023

5

Via

6

Zoom Videoconference

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ATTENDEES:

9

THOMAS BROWN, Chairperson, Trustee, TRS

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PATRICIA REILLY, Executive Director, TRS

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DAVID KAZANSKY, Trustee, TRS

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ANTHONY GIORDANO, Trustee

13

BRYAN BERGE, Trustee, Mayor's Office

14

PHILIP DUKES, Trustee, Finance

15

VICTORIA LEE, Trustee, TRS

16

VALERIE BUDZIK, TRS

17

LIZ SANCHEZ, TRS

18

ISAAC GLOVINSKY, TRS

19

KAVITA KANWAR, TRS

20

ANITA HANRAHAN, TRS

21

MAREK TYSZKIEWICZ, Chief Actuary

22

ANDREW BRADFORD, TRS

23

PAUL RAUCCI, TRS

24

RENEE PEARCE

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JUDY MARIN

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ATTENDEES (Cont'd)

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ANTHONY MEZZACAPPA, TRS

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DARREN TROTTER, Corporation Counsel

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MARTA ROSS, Corporation Counsel

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MATT LASKOWSKI, TRS

6

NATARAJAN KRISHNAMOORTHY, TRS

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TATIANA PEZZOLI, TRS

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KATE CHEN, TRS

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LOREN PERRY, TRS

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MITCHELL FRUCHTER

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JOANNE LENNON

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DINA SIMON

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AMY KAPADIA

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RONALD SWINGLE, TRS

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P R O C E E D I N G S

2 (Time noted: 3:30 p.m.)

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4 MS. REILLY: Good afternoon.

5 Welcome to the meeting of the Teachers

6 Retirement Board for June 15, 2023.

7 I'll start by calling the roll.

8 Bryan Berge?

9 MR. BERGE: Bryan Berge representing

10 Mayor Eric Adams, present.

11 MS. REILLY: Thomas Brown?

12 CHAIRPERSON BROWN: I'm here.

13 MS. REILLY: Anthony Giordano.

14 MR. GIORDANO: Present, representing

15 Dr. Angela Green.

16 MS. REILLY: Alison Hirsh?

17 MS. HIRSH: Present, representing

18 Comptroller Brad Lander.

19 MS. REILLY: David Kazansky?

20 MR. KAZANSKY: Present.

21 MS. REILLY: Victoria Lee?

22 MS. LEE: Present.

23 MS. REILLY: We have a quorum.

24 Next will be an update on TRS

25 operations, which will be covered by

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1 Kavita Kanwar.

2 MS. KANWAR: Good afternoon,

3 everyone. The spring 2023 edition of the

4 TRS member newsletter is available online

5 and now in the mail to our members.

6 In-Service News is sent to working

7 members at their homes and benefit will

8 be made to our retirees.

9 Last week TRS concluded an e-mail

10 campaign to vested members who are not

11 participating in our tax deferred annuity

12 program. More than 11,000 members

13 received an e-mail this spring

14 encouraging them to enroll in TDA before

15 the summer.

16 Finally, TRS has received more than

17 1,000 applications for summer retirement

18 after the school year. That's about 20

19 percent fewer filings than last year at

20 this time.

21 Please note that members can

22 withdraw their applications up until one

23 day before their chosen retirement date.

24 We will report the final summer

25 retirement date at the September Board

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1 meeting.

2 Thank you.

3 MS. REILLY: Thank you.

4           Next, we have an update from the  
5   Actuary.

6           MR. TYSZKIEWICZ: A couple of quick  
7   updates. The first one is on the fiscal  
8   notes. Last month I reported on 11  
9   fiscal notes the Office of the Actuary  
10   issued in -- TRS. Since then eight more  
11   have been released. Three were related  
12   to COLAs and the other five related  
13   miscellaneous other items; for example,  
14   the OWBPA that we've discussed in the  
15   past.

16           The legislature is now out of  
17   session. We note that 19 total that  
18   impacted TRS, four have passed both the  
19   Senate and the Assembly and are waiting  
20   to be transferred to the Governor.

21           So those four are the order of  
22   workers protection act changes, the  
23   OWBPA, reducing the reductions on certain  
24   death benefits from 5 percent to 3  
25   percent, the actuarial interest rate

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1   extender bill for extending the 7 percent  
2   discount rate and some other interest  
3   rates for two years; a bill to transfer  
4   reserves for teachers moving between the  
5   city and state systems; and the dual  
6   membership bill that takes care of the  
7   lifeguard issue discussed in the past.

8           Are there any questions? If not,  
9   I'll move on to loan insurance.

10           So for the loan insurance update,  
11   you have a letter in the board packets  
12   that contains my recommendation to keep  
13   the loan insurance premiums unchanged at  
14   .1 percent. Initially these premiums  
15   were .2 percent in 1991 and dropped to .1  
16   in fiscal year 2020.

17           These premiums are, if a member  
18   dies, any outstanding loan contribution  
19   is paid back to the system. So, for  
20   context, the average TRS loan is \$9,200.  
21   So that extra .1 percent added to the 6  
22   percent interest charge amounts to an  
23   extra 77 cents per month for loan  
24   insurance.

25           So it's a pretty good deal for life

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1   insurance. And that decreases also as  
2   the loan is paid off. In Appendix B of  
3   my letter we do a calculation on how many  
4   deaths are expected from those loan -- in  
5   the upcoming year. And the calculation

6 shows we expect .0977 percent deaths,  
7 which is less than the tenth of a percent  
8 charged for the premium.

9 So based on that and based on a  
10 history of the premiums -- being  
11 sufficient to pay the loan insurance, the  
12 recommendation is to keep the .1 percent  
13 the same.

14 I'm happy to answer any questions.  
15 If there's none, the executive director  
16 has a resolution.

17 MS. REILLY: Thank you.

18 Next is the executive director's  
19 report. And the first item there is the  
20 next meeting, which has been scheduled  
21 for Thursday, September 21, 2023. Mark  
22 your calendars.

23 Next is the authorization to the  
24 Comptroller of the City of New York to  
25 invest certain QPP funds.

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1 MR. KAZANSKY: Please waive the  
2 reading of that resolution.

3 CHAIRPERSON BROWN: Is there a  
4 motion to accept the authorization to the  
5 Comptroller of the City of New York to  
6 invest certain QPP funds?

7 MR. KAZANSKY: So moved.

8 CHAIRPERSON BROWN: Is there a  
9 second?

10 MS. LEE: Second.

11 CHAIRPERSON BROWN: Additional  
12 questions?

13 (No response.)

14 Ready to take a vote. All those in  
15 favor of authorization to the Comptroller  
16 of the City of New York to invest certain  
17 QPP funds please say "Aye."

18 (A chorus of "Ayes.")

19 All opposed say "Nay."

20 Any abstentions?

21 (No response.)

22 Motion carries. Thank you.

23 MS. REILLY: Next is the  
24 authorization for the Comptroller of the  
25 City of New York to invest certain tax

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1 deferred annuity funds.

2 MR. KAZANSKY: Again, please waive  
3 the reading.

4 CHAIRPERSON BROWN: Do I hear a  
5 motion to accept the authorization to the  
6 Comptroller of the City of New York to  
7 invest certain tax deferred annuity

8 funds?  
9 MR. KAZANSKY: So moved.  
10 CHAIRPERSON BROWN: Is there a  
11 second?  
12 MS. LEE: Second.  
13 CHAIRPERSON BROWN: Any additional  
14 questions?  
15 (No response.)  
16 Any discussion?  
17 (No response.)  
18 Ready to take a vote -- the  
19 authorization to the Comptroller of the  
20 City of New York to invest certain tax  
21 deferred annuity funds.  
22 All those in favor say "Aye."  
23 (A chorus of "Ayes.")  
24 All opposed say "Nay."  
25 Any abstentions?  
0010  
1 (No response.)  
2 Resolution carries.  
3 MS. HIRSH: Thank you for your  
4 continued trust.  
5 CHAIRPERSON BROWN: Thank you.  
6 MS. REILLY: Next is a resolution  
7 for the Actuary's recommendation  
8 regarding Tier III, IV, VI loan insurance  
9 premium rate for fiscal year 2024.  
10 MR. KAZANSKY: Please skip to the  
11 resolves.  
12 MS. REILLY: "Resolved, the Board of  
13 Trustees hereby adopts the recommendation  
14 of the Actuary as stated in the report  
15 dated June 8, 2023 and stipulates that  
16 Tier III, IV and VI loan insurance  
17 premium be continued at the current rate  
18 of 0.1 percent per annum of the  
19 outstanding loan balances for any loans  
20 originating fiscal year 2024, for example  
21 July 1, 2023 through June 30, 2024."  
22 CHAIRPERSON BROWN: Ready to vote on  
23 the recommendation of the Actuary Tier  
24 III, Tier IV and Tier VI loan insurance  
25 premium rate for fiscal year 2024.  
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1 Do I hear a motion?  
2 MR. KAZANSKY: So moved.  
3 CHAIRPERSON BROWN: Is there a  
4 second?  
5 MS. LEE: Second.  
6 CHAIRPERSON BROWN: Any questions or  
7 discussion?  
8 (No response.)  
9 Ready for a vote. All those in

10 favor say "Aye."  
11 (A chorus of "Ayes.")  
12 All opposed say "Nay."  
13 Any abstentions?  
14 (No response.)  
15 Resolution carries.  
16 MS. REILLY: Thanks.  
17 Next is the administrative budget  
18 for fiscal year 2024.  
19 MR. KAZANSKY: Please skip to the  
20 resolves.  
21 MS. REILLY: "Resolved, that the TRS  
22 agency budget for fiscal year 2024 shall  
23 include an amount of \$23,848,890  
24 attributable to the variable annuity  
25 programs and loan expense funds and  
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1 \$47,299,340 attributable to the employer,  
2 for a total agency budget of \$71,148,239.  
3 "And be it further resolved that the  
4 TRS agency budget for fiscal year 2024  
5 shall include for the modernization  
6 program the amount of \$12,745,770 to be  
7 provided by the variable annuity expense  
8 funds and \$4,954,230 to be provided as an  
9 administrative expense contribution, for  
10 a total modernization budget of  
11 \$17,700,000.  
12 "And be it further resolved that the  
13 TRS agency budget for fiscal year 2024  
14 shall include for Gulino Work the amount  
15 of \$4,680,650 to be provided by the  
16 variable annuity expense funds and  
17 \$1,819,350 to be provided as an  
18 administrative expense contribution, for  
19 a total Gulino budget of \$6,500,000.  
20 "And be it further resolved that the  
21 TRS agency budget for fiscal year 2024  
22 shall include the Secure Act project in  
23 the amount of \$2,721,845 to be provided  
24 by the TDA variable annuity expense fund.  
25 "And therefore be it resolved that  
0013  
1 the Trustees hereby authorize the  
2 Executive Director or her designee to  
3 expend monies out of such budget to fund  
4 necessary operations, in accordance with  
5 the approved budget and governing law."  
6 CHAIRPERSON BROWN: Do I hear a  
7 motion to accept the administrative  
8 budget for fiscal year 2024?  
9 MR. KAZANSKY: So moved.  
10 CHAIRPERSON BROWN: Do I hear a  
11 second?

12 MR. GIORDANO: Second.

13 CHAIRPERSON BROWN: Giordano  
14 seconded.

15 Take a vote.

16 MS. REILLY: (Unclear.)

17 CHAIRPERSON BROWN: Sorry --

18 MS. REILLY: I just want to mention  
19 that the \$2,721,845 for the Secure Act is  
20 really only to get us started with the  
21 development of the law (phonetic). At  
22 this point they're still leading with  
23 (unclear) CUNY and so many of the other  
24 stakeholders, so we really didn't have a  
25 good idea of what -- but we wanted to get  
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1 started with the project, because at this  
2 point in time we have a deadline from the  
3 federal government to be able to provide  
4 the law (phonetic) if we're going to  
5 accept what people -- contribution. I  
6 just wanted to make it known you can  
7 expect a budget mod -- further  
8 clarification.

9 CHAIRPERSON BROWN: Thank you.  
10 Further discussion, any questions?  
11 (No response.)

12 MR. BERGE: If I may, Mr. Chair?

13 CHAIRPERSON BROWN: Sure.

14 MR. BERGE: As you all know, the  
15 administrative budget and system requires  
16 a concurrence of either the Mayor or the  
17 Comptroller representative. Pursuant to  
18 that, TRS prepares materials for the  
19 benefit of the budget committee, which is  
20 those representatives as well as  
21 representatives from the member side  
22 Trustees.

23 As always, those materials were  
24 faithfully and diligently prepared by  
25 TRS. And as always, the Mayor side had a  
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1 number of detailed questions which, as  
2 always, Patricia and (unclear) did their  
3 very best to answer on a time frame that  
4 wasn't always easy to abide by.

5 And I just want to make my  
6 appreciation plain for the efforts of TRS  
7 staff -- to just say that the Mayor  
8 encourages this and appreciates the  
9 efforts of TRS to stay within authorized  
10 head counts, maintain as far as possible  
11 the budget, and the efforts are not  
12 unacknowledged. So I thought it was  
13 appropriate --

14 CHAIRPERSON BROWN: Thank you, Mr.  
15 Berge, and your team. Much appreciated.  
16 Further questions, discussion?  
17 (No response.)  
18 We can take a vote to accept the TRS  
19 administrative budget for fiscal year  
20 2024.  
21 MS. LEE: Motion.  
22 CHAIRPERSON BROWN: A second?  
23 MR. BERGE: Second.  
24 CHAIRPERSON BROWN: Thank you.  
25 Any further discussion?

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1 (No response.)  
2 All those in favor of accepting the  
3 TRS administrative budget for fiscal year  
4 2024 please say "Aye."  
5 (A chorus of "Ayes.")  
6 All opposed say "Nay."  
7 Any abstentions?  
8 (No response.)  
9 This resolution for the  
10 administrative budget for the year 2024  
11 has been accepted. Thank you.  
12 MS. REILLY: The next resolution is  
13 the authorization for the continuation of  
14 (unclear) variable annuity programs.  
15 MR. KAZANSKY: Please skip to the  
16 resolves.  
17 MS. REILLY: "Resolved, that the  
18 administrative expense charge for assets  
19 in the variable annuity funds shall  
20 continue at 18 basis points (1.5 bips  
21 monthly) for fiscal year 2024.  
22 "And be it further resolved that if  
23 the expense fee revenue exceeds variable  
24 fund expenses, including operating and  
25 special project expenses, TRS will return

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1 any excess revenue in accordance with TRS  
2 processes.  
3 "And be it further resolved that TRS  
4 staff shall continually monitor and  
5 review revenue from the expense fee and  
6 shall notify the Board of any material  
7 changes in assumptions or experience that  
8 may impact the expense fee."  
9 CHAIRPERSON BROWN: For the record,  
10 we're voting to authorize continuation of  
11 the basis point fee for the variable  
12 annuity program.  
13 Any discussion?  
14 (No response.)  
15 All those in favor of authorizing



16 the continuation of the basis point fee  
17 for the variable annuity program, please  
18 say "Aye."  
19 (A chorus of "Ayes.")  
20 All opposed say "Nay."  
21 Any abstentions?  
22 (No response.)  
23 (Brief discussion off the record.)  
24 CHAIRPERSON BROWN: Do I hear a  
25 motion to authorize the continuation of  
0018  
1 the basis point fee for the variable  
2 annuity program?  
3 MR. GIORDANO: So moved.  
4 CHAIRPERSON BROWN: Thank you, Mr.  
5 G.  
6 Do I hear a second?  
7 MS. LEE: Second.  
8 CHAIRPERSON BROWN: Thank you,  
9 Victoria.  
10 All those in favor say "Aye."  
11 (A chorus of "Ayes.")  
12 All opposed say "Nay."  
13 Any abstentions?  
14 (No response.)  
15 This resolution is passed.  
16 Thank you.  
17 MS. REILLY: Next is the calendar.  
18 First is approval of the minutes. We  
19 have approval for May 4, 2023 investment  
20 meeting minutes and May 18, 2023 board  
21 meeting minutes.  
22 CHAIRPERSON BROWN: We need a motion  
23 to accept the investment meeting minutes  
24 for May 4, 2023 and the board meeting  
25 minutes for May 18, 2023.  
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1 Do I hear a motion to accept those?  
2 MR. KAZANSKY: So moved.  
3 CHAIRPERSON BROWN: Is there a  
4 second?  
5 MS. LEE: Second.  
6 CHAIRPERSON BROWN: Ready for a  
7 vote. Any discussion on this?  
8 (No response.)  
9 All those in favor say "Aye."  
10 (A chorus of "ayes.")  
11 Opposed?  
12 Abstentions?  
13 (No response.)  
14 The investment meeting minutes and  
15 board meeting minutes have been approved.  
16 Thank you.  
17 MS. REILLY: Next is the calendar

18 items. You all received an electronic  
19 version of the calendar and are able to  
20 review that.

21 CHAIRPERSON BROWN: We'll have a  
22 motion to accept the calendar items.

23 MR. KAZANSKY: Please waive reading  
24 of the calendar. Apologies.

25 CHAIRPERSON BROWN: We waive the  
0020 reading.

1 Do I hear a motion to accept the  
2 calendar?

3 THE SPEAKER: So moved.

4 CHAIRPERSON BROWN: Thank you.  
5 Did I hear a collective second?

6 MS. LEE: I second.

7 CHAIRPERSON BROWN: Thank you.  
8 All those in favor of accepting the  
9 calendar items please say "Aye."  
10 (A chorus of "Ayes.")  
11 All opposed say "Nay."  
12 Any abstentions?  
13 (No response.)  
14 The calendar items have been  
15 approved.  
16 Thank you.

17 MS. REILLY: Next is Other Business.  
18 In front of you, you see the schedule for  
19 next years' board meetings. I'll give  
20 that to you with any feedback you may  
21 have.

22 MR. KAZANSKY: I think we all have  
23 the calendar. This year we added an  
24 extra investment meeting. Teachers don't  
25 usually have an investment meeting or  
0021 board meeting during the summer, so we  
1 added that a month or so ago.  
2 Can we possibly add an additional  
3 board investment meeting toward the end,  
4 like a place-holder of June?  
5 (Talking over each other.)  
6 CHAIRPERSON BROWN: How about  
7 Monday, June 24? Put that on the  
8 calendar. Monday, June 24 as a TRS  
9 investment meeting. Thank you.

10 MS. REILLY: Check the calendars for  
11 any conflicts and let us know.

12 CHAIRPERSON BROWN: Do we have  
13 agreement on the tentative calendar for  
14 the next school year?

15 MS. REILLY: Tentative.

16 Any questions or comments from the  
17 public?  
18  
19

20 (No response.)  
21 CHAIRPERSON BROWN: Do I hear a  
22 motion to go into executive session?  
23 MR. BERGE: So moved.  
24 CHAIRPERSON BROWN: Is there a  
25 second?  
0022  
1 MR. GIORDANO: Second.  
2 CHAIRPERSON BROWN: Thank you.  
3 All those in favor of going into  
4 executive session please say "Aye."  
5 (A chorus of "Ayes.")  
6 All opposed say "Nay."  
7 Any abstentions?  
8 (No response.)  
9 (Whereupon, the Board entered  
10 executive session.)  
11 CHAIRPERSON BROWN: We are now in  
12 executive session.  
13 (Brief discussion off the record.)  
14 (Whereupon, the Board returned to  
15 public session.)  
16 CHAIRPERSON BROWN: We're back in  
17 public session. We'll have a read-out by  
18 Ron Swingle.  
19 MR. SWINGLE: In executive session  
20 the Board approved several investment  
21 contract matters. The Board also  
22 received an update on a security matter.  
23 Details to be made public at the  
24 appropriate time.  
25

0023  
1 CHAIRPERSON BROWN: Do I hear a  
2 motion to adjourn?  
3 THE SPEAKER: Motion.  
4 CHAIRPERSON BROWN: A second?  
5 MS. LEE: Second.  
6 CHAIRPERSON BROWN: Any discussion?  
7 All in favor say "Aye."  
8 (A chorus of "Ayes.")  
9 Any opposed say "Nay."  
10 Abstentions?  
11 (No response.)  
12 Motion carries.  
13 (Whereupon, at 4:15 p.m., the  
14 meeting was concluded.)  
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C E R T I F I C A T I O N

I, Jeffrey Shapiro, a Stenographic Reporter and Notary Public, within and for the State of New York, do hereby certify that I reported the proceedings in the within-entitled matter, on Thursday, June 15, 2023, and that this is an accurate transcription of these proceedings.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of June, 2023.

JEFFREY SHAPIRO