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2 NEW YORK CITY TEACHERS' RETIREMENT SYSTEM.

3 BOARD MEETING

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6 Held on Thursday, June 18, 2015, at 55 Water

7 Street, New York, New York

8

9 ATTENDEES:

10 JOHN ADLER, Chairman, Trustee

11 SANDRA MARCH, Trustee

12 DAVID KAZANSKY, Trustee

13 THOMAS BROWN, Trustee

14 SUSANNAH VICKERS, Trustee

15 TISA LAPADULA, Trustee

16 PATRICIA REILLY, Teachers' Retirement System

17 THAD McTIGUE, Teachers' Retirement System

18 SUSAN STANG, Teachers' Retirement System

19 VALERIE BUDZIK, Teachers' Retirement System

20

21 REPORTED BY:

22 YAFFA KAPLAN

23 JOB NO. 170957B

24

25

1 ATTENDEES (Continued):

2 ELLEN DeLEO, Teachers' Retirement System

3 PAUL RAUCCI

4 RENEE PEARCE

5 LIZ SANCHEZ

6 ANTHONY MEZZACAPPA

7 ANNETTE HANHARAN

8 CARMELA CRIVELLI

9 ROBERT BETHELMY

10 MEGHAN McKENNA, ESQ., Law Department

11 ANDREW BRADFORD

12 SHERRY CHAN, Chief Actuary

13 MELVYN AARONSON

14 ANDREW GELFAND

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1 MS. REILLY: Good afternoon. We are
2 going to begin the June 18th regular meeting
3 of the Teachers' Retirement Board. I will
4 start by calling the roll.

5 John Adler?

6 MR. ADLER: Here.

7 MS. REILLY: Thomas Brown?

8 MR. BROWN: Here.

9 MS. REILLY: David Kazansky?

10 MR. KAZANSKY: Here.

11 MS. REILLY: Sandra March?

12 MS. MARCH: Present.

13 MS. REILLY: Raymond Orlando?

14 MS. LAPADULA: Tisa standing in for
15 Raymond.

16 MS. REILLY: And Susannah Vickers?

17 MS. VICKERS: Here.

18 MS. REILLY: Thank you. We do have a
19 quorum, and we can go on to the next item
20 which is an update on TRS operations. Each of
21 you received the latest calendar of events,
22 and we have a few updates from Ellen DeLeo,
23 the director of our business solutions group.

24 MS. DeLEO: I just have three quick
25 updates.

1 TRS is in the process of reviewing
2 retiree benefits in response to the UFT
3 contract implementation. TRS performed the
4 work necessary to revise 4,674 Tier III and IV
5 retiree benefits in response to the UFT
6 contract. An additional 784 Tier I and Tier
7 II members have also been reviewed. Revisions
8 reviewed to date represent 39 percent of the
9 overall population of approximately 14,000
10 members who retired between November 1, 2009
11 and June 30, 2014. That will be revised as
12 per the UFT contract.

13 TRS has received a total of 991 summer
14 retirement applications that are being
15 processed by benefits administration. 176
16 retirement applications were received for the
17 effective date of 6/30/2015. Of those
18 applications, 159 are CSA members. An
19 additional 815 retirement applications were
20 submitted with July effective dates of which
21 six are CSA members.

22 TRS contacted our new Tier VI members to
23 promote our TDA program using an e-mail
24 campaign. 5,295 members were contacted during
25 the spring and encouraged to enroll in our TDA

1 program. Of the members contacted, 1,079
2 enrolled, representing a greater than 20
3 percent response rate.

4 MS. REILLY: Thank you, Ellen.

5 The next item on the agenda is the
6 executive director's report and the first item
7 in there is the next meeting, and it's been
8 suggested that the next regular board meeting
9 of the Teachers' Retirement System be held on
10 September 17, 2015. So mark your calendars.

11 MR. ADLER: Thank you.

12 MS. REILLY: So the next item is
13 authorization to the Comptroller of the City
14 of New York to invest certain funds at its
15 meeting.

16 "On March 26, 2015, the Teachers'
17 Retirement Board authorized the Comptroller to
18 invest certain funds of the Teachers'
19 Retirement System for a period of three
20 months. In the event that the Board desires
21 to continue this authorization, the following
22 resolution is submitted for consideration and
23 approval: 'Resolved' --

24 MS. MARCH: Waive the reading.

25 MR. ADLER: So do we have a motion to

1 approve the resolution to authorize the
2 Comptroller of the City of New York to invest
3 certain funds? Is there a motion?

4 MR. BROWN: So moved.

5 MR. ADLER: Second?

6 MS. LAPADULA: Second.

7 MR. ADLER: Any discussion? All in
8 favor of the motion, please say aye. Aye.

9 MS. LAPADULA: Aye.

10 MR. BROWN: Aye.

11 MR. KAZANSKY: Aye.

12 MS. MARCH: Aye.

13 MS. VICKERS: Aye.

14 MR. ADLER: Opposed? Abstentions? The
15 motion carries.

16 MS. REILLY: Okay. The next item is
17 authorization to the Comptroller of the City
18 of New York to invest certain tax-deferred
19 annuity funds.

20 MS. MARCH: Waive the reading.

21 MR. ADLER: Okay. Do we have a motion
22 to approve the resolution to authorize the
23 Comptroller of the City of New York to invest
24 certain tax-deferred annuity funds?

25 MR. BROWN: So moved.

1 MR. ADLER: Moved. Is there a second?

2 MS. CHAN: Second.

3 MR. ADLER: Moved and seconded. Any
4 discussion? All in favor, please say aye.
5 Aye.

6 MS. LAPADULA: Aye.

7 MR. BROWN: Aye.

8 MR. KAZANSKY: Aye.

9 MS. MARCH: Aye.

10 MS. VICKERS: Aye.

11 MR. ADLER: Opposed? Abstentions?

12 Motion carries.

13 MS. REILLY: The next item is union
14 contract increases for TRS employees.

15 MS. MARCH: Move to the "resolved",
16 please.

17 MS. REILLY: "Resolved, that the
18 Trustees of the Teachers' Retirement Board
19 hereby approve a modification of the Fiscal
20 Year 2015 budget by increasing such budget in
21 the amount of 200,000 to cover contractual
22 increases for parts of Fiscal Year 2012,
23 Fiscal Year 2013, Fiscal Year 2014, and Fiscal
24 Year 2015; and be it further resolved, that
25 the Trustees of the Teachers' Retirement Board

1 hereby approve a modification of the Fiscal
2 Year 2016 budget by increasing such budget in
3 the amount of 117,000 to cover contractual
4 increases for Fiscal Year 2016.

5 MR. ADLER: Is there a motion to approve
6 the resolution regarding union contract
7 increases for TRS employees?

8 MS. MARCH: Moved.

9 MS. VICKERS: Seconded.

10 MR. ADLER: Moved and seconded. Any
11 discussion? All in favor of the motion,
12 please say aye. Aye.

13 MS. LAPADULA: Aye.

14 MR. BROWN: Aye.

15 MR. KAZANSKY: Aye.

16 MS. MARCH: Aye.

17 MS. VICKERS: Aye.

18 MR. ADLER: Opposed? Abstentions? The
19 motion carries.

20 MS. REILLY: Next is BAM compensation
21 plan.

22 MS. MARCH: Please move to the
23 "resolved".

24 MS. REILLY: "Resolved, that the Board
25 accepts the recommendation of the independent

1 consultant and approves additional
2 expenditures consistent with the parameters
3 set forth in the 'compensation plan' attached
4 herewith. The Comptroller's Office shall
5 commence implementation of said plan as soon
6 as practicable."

7 MR. ADLER: Is there a motion to approve
8 the resolution regarding BAM compensation
9 plan?

10 MS. MARCH: So moved.

11 MR. ADLER: Second?

12 MS. LAPADULA: Second.

13 MR. ADLER: Motion has been moved and
14 seconded. Any discussion? Okay. All in
15 favor of the motion, please say aye. Aye.

16 MS. LAPADULA: Aye.

17 MR. BROWN: Aye.

18 MR. KAZANSKY: Aye.

19 MS. MARCH: Aye.

20 MS. VICKERS: Aye.

21 MR. ADLER: Opposed? Abstentions? The
22 motion carries.

23 MS. REILLY: So that concludes the
24 executive director's report. The next item on
25 the agenda is the calendar. Each trustee

1 should have a full calendar.

2 The first matter on the calendar is the
3 approval of the minutes for the regular
4 meeting held on May 21, 2015.

5 MR. ADLER: Is there a motion to approve
6 the minutes for the regular meeting held on
7 May 21, 2015?

8 MR. BROWN: So moved.

9 MR. ADLER: Second?

10 MS. LAPADULA: Seconded.

11 MR. ADLER: Motion moved and seconded.
12 Any discussion? All in favor of the motion,
13 please say aye. Aye.

14 MS. LAPADULA: Aye.

15 MR. BROWN: Aye.

16 MR. KAZANSKY: Aye.

17 MS. MARCH: Aye.

18 MS. VICKERS: Aye.

19 MR. ADLER: Opposed? Abstentions? The
20 motion carries.

21 MS. REILLY: Then there is the adoption
22 of the following items, which I will read a
23 brief summary. Monthly periodic payroll of
24 TDA excess loan payments, pages 1 to 14,
25 inclusive. Page 15 is the payroll summary,

1 accounts payable, new retirees, and TDA
2 accounts. Pages 16 through 35, inclusive, is
3 the transfer of active TDA-Deferred Annuity
4 payments. Pages 36 through 83, inclusive, is
5 the fractional payments.

6 Pages 84 through 93, inclusive, is the
7 uncollected checks for deceased members.
8 Pages 94 through 109, inclusive, is the
9 beneficiaries continuing option payments.
10 Pages 110 through 115, inclusive, is the
11 conversion to pop-up payments. Pages 116
12 through 157, inclusive, are beneficiaries who
13 received one-time payments from the QPP and
14 TDA accounts. Pages 158 through 160,
15 inclusive, is the return net accumulated
16 salary deductions.

17 Page 161 is the transfer of funds
18 between banks. Pages 162 through 166 is the
19 purchase and sales of securities transacted
20 from the Passport Fund Program. Page 167 is
21 the successive installment payments. Page 168
22 are lump sum payments. Page 169 through 176
23 are outstanding checks. Page 177 to 2,527,
24 inclusive, are revisions, including those
25 under class coverage.

1 Page 2,528 through 2,529, inclusive, are
2 layoff without pay. Pages 2,530 through 2,531
3 are payments for service credit. Pages 2,533
4 are denied accident disability benefits.
5 Pages 2,534 are denied ordinary disability
6 benefits. Pages 2,535, minimum accumulation.
7 Page 2,536 are extensions of life insurance
8 plan, and page 2,537 are new service
9 retirement payments.

10 MR. ADLER: Is there a motion to approve
11 the calendar?

12 MS. MARCH: So moved.

13 MS. VICKERS: Seconded.

14 MR. ADLER: Moved and seconded. Any
15 discussion? All in favor, please say aye.
16 Aye.

17 MS. LAPADULA: Aye.

18 MR. BROWN: Aye.

19 MR. KAZANSKY: Aye.

20 MS. MARCH: Aye.

21 MS. VICKERS: Aye.

22 MR. ADLER: Opposed? Abstentions?

23 Motion carries.

24 MS. REILLY: The next item is any other
25 business before the Board.

1 MS. MARCH: I would just like to point
2 out, if I might, because I don't think this
3 was done during Ellen's report, for those
4 trustees who are new and for our actuary who
5 is new, you will find there are two
6 newsletters here that go out to the inservice
7 members as an inservice news.

8 And we don't call retirees "inactive".
9 We call them "retirees", and I think the most
10 interesting thing in this report is the fact
11 of how many of our retirees remain in the
12 State of New York and in the City of New York,
13 adding to the economy and the growth of our
14 city and state because it is here that they
15 are spending their hard-earned defined benefit
16 pension, and I think that's extremely
17 important to our economy.

18 So for those of you who have not seen
19 this newsletter before, we just wanted you to
20 have it, and we thank Patricia for Matt
21 Laskowski who is our communications person who
22 helped put this publication together, and of
23 course, all the members of the Retirement
24 System who work so hard.

25 And then one other point: This is our

1 last meeting of the season, so on behalf of
2 all the trustees, if I may talk for them, we
3 thank Patricia and Thad and the directors for
4 working so hard to keep our members informed
5 and present them with their benefits, and we
6 especially thank you for the rapidity of
7 recalculating the pensions for those people
8 who lived without a salary during the previous
9 mayor's administration. Thank you.

10 MS. REILLY: Thank you.

11 MS. MARCH: Have a good summer.

12 MR. ADLER: Any other business?

13 MS. REILLY: Next item on the agenda are
14 there any questions or comments from the
15 public. We do have a question from the
16 public.

17 MR. ADLER: Would you just identify
18 yourself for the record?

19 MR. GELFAND: Andrew Gelfand, member,
20 retiree, beneficiary, whatever you want to
21 call it.

22 About a year ago I raised an issue of a
23 member ombudsman. I was wondering if any
24 action was taken on that.

25 MR. ADLER: A member ombudsman.

1 MS. MARCH: We have one. He is sitting
2 right over there. I don't think we can have a
3 better ombudsman than our former chair of this
4 Retirement Board. Maybe we will consider
5 that.

6 MR. GELFAND: The problem is he does not
7 have access to records, materials, and so on
8 that he -- that an employee of the Retirement
9 System would have. There is a big difference
10 between an ombudsman who is a fellow retiree
11 and somebody who is working for the Teachers'
12 Retirement System and has rights.

13 MS. REILLY: We have Robert Bethelmy who
14 is our member services director who does act
15 as the representative of our members at TRS.

16 MR. GELFAND: Once again, there should
17 be somebody who is not involved with the
18 services directly but be a spokesman and
19 somebody who is an intermediary when there is
20 a problem.

21 Then there is a second issue. And that
22 is the question of whether or not the
23 Teachers' Retirement System is in compliance
24 with FOIL Law, Freedom Of Information Law and
25 the Open Meetings Law. Okay. FOILs are sent

1 in and ignored. FOILs are postponed. The
2 minutes for the May meeting were not responded
3 to. They were not put up on the website.
4 They do not have to be approved. They are
5 supposed to be available within ten days of
6 the meeting. They were not made available.

7 MS. REILLY: They are available now on
8 the website.

9 MS. BUDZIK: TRS is very diligent in
10 responding to FOIL requests. I know we do get
11 regular requests for the Board minutes, and
12 those minutes are posted on our website in
13 addition to a summary of the meetings as soon
14 as possible once we receive them from the
15 stenographer. And I guess I can't count the
16 days, but they are up there very quickly.

17 MR. GELFAND: The May meeting, I was
18 just informed they were posted this morning.
19 They were questioned earlier in the month.
20 There was no acknowledgment of that e-mail.

21 MS. BUDZIK: And I think we have
22 acknowledged -- we get an e-mail every month
23 from you asking for the meetings, and I think
24 every month is the meetings are posted on the
25 website when we get them. So that's really a

1 standing response. But the meetings are
2 posted on the website.

3 MR. GELFAND: But the law requires them
4 to be available within a certain amount of
5 time, and the Open Meetings Law requires that
6 the meetings be announced. Now, the meeting
7 is announced on the website. It's going to be
8 held. It's not when or where. It simply says
9 there was a meeting scheduled for today.

10 MS. BUDZIK: And again, I am not sure
11 that's accurate. The calendar of meetings is
12 posted on TRS's website, and I just have to
13 take exception --

14 MR. GELFAND: Well, everyone has their
15 iPhones in front of them. If you look at it
16 -- and I just happened to check it on the way
17 in today to make sure I was appearing at the
18 right time. It was not posted time or place.

19 MS. BUDZUK: They are every month at the
20 same time in the same place. The thing that
21 varies is --

22 MR. GELFAND: They are supposed to be
23 posted time and place. And the other thing is
24 if you read your bylaws, we are in the wrong
25 place. The bylaws call for this meetings to

1 to be held on Worth Street. How many years
2 have we been in this building? They have
3 never been updated.

4 MS. BUDZIK: That is actually -- we do
5 have to update the address for the meetings.

6 MR. GELFAND: These are points, and to
7 quote some of your colleagues, they may be
8 technical items, but technical items are what
9 lawyers make their living on. And I think
10 this is something that should be looked into
11 and corrected. The minutes should be
12 available within the time stipulated by the
13 law, and the meeting notices should have the
14 information that's required. They are
15 actually supposed to be posted someplace. A
16 physical posting someplace.

17 MS. BUDZIK: So we are looking now at
18 the website, and it does indicate the time and
19 location for the meeting.

20 MR. GELFAND: Not on the --

21 MR. KAZANSKY: In the first paragraph
22 above the dates, it says they are held on the
23 16th --

24 MR. GELFAND: -- general news page.

25 MS. BUDZIK: So your question is you

1 don't like where they appear on the website.
2 Our point is it is posted. "The Teachers'
3 Retirement Board generally meets monthly" --

4 MR. GELFAND: That's not a posting of
5 the meeting.

6 MS. BUDZIK: Let me finish.

7 -- "Except for during July and August.
8 Meetings take place in the boardroom on the
9 16th floor of our 55 Water Street headquarters
10 in Lower Manhattan. Board meetings are open
11 to the public. They are usually held the
12 third Thursday of the month at 3:30".

13 But then if you go down, the actual
14 dates of all the meetings are posted.

15 MR. GELFAND: They are posted on -- the
16 main opening page of the TRS does not have the
17 time or the place. You have to go in further.
18 Whether or not that calendar is an official
19 posting is a question for Robert Friedman up
20 in Albany and whether it's open government.

21 MS. BUDZIK: Again, what I am hearing is
22 you don't like where it's posted on our
23 website, but it is posted on the website.

24 MR. GELFAND: Posting -- the meeting
25 should be posted as every meeting is supposed

1 to be posted. Not in a long list because that
2 calendar is subject to adjustment.
3 Technicalities are technicalities.

4 MS. REILLY: Thank you.

5 MR. ADLER: Any other comments or
6 questions from the public? Okay. Hearing
7 none, then I think a motion is in order to go
8 into attorney-client.

9 MS. BUDZIK: We would adjourn the
10 meeting and then have a short attorney-client
11 update.

12 MR. ADLER: A motion would be in order
13 to adjourn the meeting.

14 Is there a motion to adjourn?

15 MS. MARCH: So moved.

16 MR. ADLER: Is there a second?

17 MS. VICKERS: Second.

18 MR. ADLER: Any discussion? Okay. All
19 in favor of the motion to adjourn the meeting,
20 please say aye. Aye.

21 MS. LAPADULA: Aye.

22 MR. BROWN: Aye.

23 MR. KAZANSKY: Aye.

24 MS. MARCH: Aye.

25 MS. VICKERS: Aye.

1 MR. ADLER: Opposed? Abstentions?

2 Okay. The meeting is hereby adjourned.

3 (Time noted: 3:57 p.m.)

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

2 STATE OF NEW YORK)

3 : ss.

4 COUNTY OF QUEENS)

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

12 IN WITNESS WHEREOF, I have hereunto
13 set my hand this 21st day of June, 2015.

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17 YAFFA KAPLAN

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