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NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

3

BOARD MEETING

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Held on Thursday, June 18, 2020 via Videoconference

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ATTENDEES:

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DEBRA PENNY, Chairperson, Trustee

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DAVID KAZANSKY, Trustee

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THOMAS BROWN, Trustee

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JOHN ADLER, Trustee

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SUSANNAH VICKERS, Trustee

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NATALIE GREEN-GILES, Trustee

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RUSSELL BUCKLEY, Trustee

16

CYNTHIA COLLINS, Mayor's Office

17

VALERIE BUDZIK, Teachers' Retirement System

18

PATRICIA REILLY, Teachers' Retirement System

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REPORTED BY:

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YAFFA KAPLAN

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JOB NO. 4470364

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ATTENDEES (Continued):

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THAD McTIGUE, Teachers' Retirement System

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ANNETTE HANHARAN, Teachers' Retirement System

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LIZ SANCHEZ, Teachers' Retirement System

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ISAAC GLOVINSKY, Teachers' Retirement System

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MITCHELL FRUCHTER, Teachers' Retirement System

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ANTHONY MEZZACAPPA, Teachers' Retirement System

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SUSAN STANG, Teachers' Retirement System

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CARMELA CRIVELLI, Teachers' Retirement System

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ANDREW BRADFORD, Teachers' Retirement System

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KAVITA KANWAR, Teachers' Retirement System

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RENEE PEARCE, Teachers' Retirement System

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NATARAJAN KRISHNAMOORTHY, Teachers' Retirement

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System

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KATE CHEN, Teachers' Retirement System

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ROBERT BETHELMY, Teachers' Retirement System

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MARTA ROSS, ESQ., Law Department

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SHERRY CHAN, Office of the Actuary

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LINDA NELL

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MATT LASKOWSKI

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S. CAMPBELL

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Proceedings

2 MS. REILLY: Good afternoon. Welcome to
3 the Teachers' Retirement System board meeting
4 for June 18, 2020. I will start by calling
5 the roll if you give me one second.
6 John Adler?
7 MR. ADLER: Yes. I am here.
8 MS. REILLY: Thomas Brown?
9 MR. BROWN: I am here, Patricia.
10 MS. REILLY: Natalie Green-Giles?
11 MS. GREEN-GILES: Here.
12 MS. REILLY: David Kazansky?
13 MR. KAZANSKY: Present.
14 MS. REILLY: Russell Buckley?
15 MR. BUCKLEY: Present.
16 MS. REILLY: Debra Penny?
17 MS. PENNY: Here.
18 MS. REILLY: Susannah Vickers?
19 MS. VICKERS: Here.
20 MS. REILLY: Okay, so we have a quorum,
21 and the first item on the agenda is an update
22 from TRS operations. Kavita Kanwar will give
23 us that update.
24 MS. KANWAR: Good afternoon, everybody.
25 You can hear me, right? Recent New York State
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1 Proceedings
2 legislation provides an accidental death
3 benefit in certain cases where a member's
4 death was caused by COVID-19. TRS is making
5 system updates and preparing applications for
6 eligible beneficiaries.
7 TRS's member education efforts have
8 continued during the pandemic period. By the
9 end of June, we will have completed 17 online
10 sessions of Getting Ready for Retirement,
11 serving close to 600 members. TRS has
12 identified approximately 1,200 memberships
13 that will expire by August 31, 2020. TRS will
14 notify these members by letters beginning in
15 late June. That's it. Thank you.
16 MS. REILLY: Thank you, Kavita.
17 MS. PENNY: Patricia, on behalf of all
18 the members, I want to thank TRS for all the
19 work they have been doing keeping the website
20 updated with all the information about COVID
21 and especially about the COVID law, just
22 helping the members all the time, the e-mails,
23 the Facebook page. It's all been very
24 helpful, so thank you for all of your work.
25 MS. REILLY: Thank you. I will pass
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1 Proceedings
2 that on. Thank you, Debra.
3 MR. ADLER: Can I just ask a question?

4 I am not sure if I direct it at Kavita or at
5 Valerie. But at several of the other
6 boards -- so it's regarding the COVID
7 accidental death benefits law, which
8 authorizes the systems to make rules for
9 implementation and at several of the other
10 boards there have been rules that have been
11 submitted to the Board for approval for the
12 implementation and I just wondered what the
13 status of that was here at TRS.

14 MS. REILLY: Well, I think -- I mean,
15 John, I think from a TRS perspective, we are
16 following the law as it's written and any
17 policies or procedures that we are putting in
18 place, you know, as the executive director --
19 even in the legislation it mentions that the
20 executive director, for instance, has some
21 authority. So we are just following what the
22 law says. We are not doing anything that's
23 outside of what the legislation calls for that
24 we would have to come to the Board for, we
25 don't believe. Valerie, if you feel you want

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1 Proceedings

2 to speak, that's fine too.

3 MS. BUDZIK: I am unmuting myself. Yes.
4 That is -- the law is actually fairly precise
5 in terms of what is required. There was some
6 discussion on process, but you know, internal
7 procedures for reviewing the applications.
8 But that is something that, you know, we
9 typically do through just procedures and
10 internal processes and bring those to the
11 Board. As you know, our whole process -- I
12 mean, this is an accidental death benefit but
13 processes involving potentially the medical
14 board are just different at TRS than they are
15 at the other boards.

16 MS. REILLY: And I would also mention
17 that NYCERS bylaws require that they bring
18 those things to the board where our bylaws
19 don't have such a requirement.

20 MR. ADLER: I understand. So can I ask
21 a question? Are you planning for those
22 members who don't have COVID listed as a cause
23 of death or contributing to death on the death
24 certificate, are you planning to require more
25 than a medical provider certification such as

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1 Proceedings

2 documentation beyond that or not? I am just
3 curious because that's been an issue.

4 MS. REILLY: Well, I think the
5 legislation is clear that as long as they

6 have, you know, certification from a medical
7 professional which they outline in the
8 legislation, then we can accept that as proof
9 that the death was caused or contributed by
10 COVID. Correct, Valerie?

11 MS. BUDZIK: Yes.

12 MS. REILLY: I just wanted to confirm,
13 but that's just how we are implementing it.

14 MR. ADLER: I appreciate it. Just
15 wanted that information.

16 MS. REILLY: All right. So next on the
17 agenda is a report from the actuary. Sherry?

18 MS. CHAN: Thank you, Patricia. I don't
19 have share screen abilities. I don't know if
20 I can be authorized to do that or Liz can help
21 me pull up my report.

22 MS. REILLY: Liz, do you want to pull up
23 Sherry's report?

24 MS. CHAN: Or you can give me share
25 screen abilities. I will go ahead and start.

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1 Proceedings

2 You guys can ask me if you have any questions.

3 It was sent out to the Board already.

4 So there are eight fiscal notes that
5 went out since the last time we met. You
6 know, it was the peak of the fiscal note
7 season, so it is on the higher number of
8 sides. Out of the eight, one of them had to
9 do with COLA, four of them had to do with
10 COVID, and three of them had to do with World
11 Trade Center.

12 The COLA fiscal note was to reduce the
13 age eligibility for COLA. So right now you
14 have to be age 62 with having retired at least
15 five years before you get your first COLA for
16 service to vested retirees, and this bill
17 would have dropped the age eligibility to 55
18 instead of 62 and you still had to have been
19 retired for five years. COLAs do cost a lot
20 of money because it's a compounded number, so
21 for just TRS itself it would increase the
22 contributions by 28 million. And then we get
23 into a series of four different COVID bills.
24 This was done over Memorial Weekend. Very,
25 very fun. And the first iteration was -- it

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1 Proceedings

2 included death benefits. I'm sorry. It
3 included death gamble rather, and it also
4 included any NYCERS members, New York City
5 Retirement System members, not just those that
6 were asked to, you know, report on the job,
7 but people working from home. So that cost --

8 we did this on a per person basis because we
9 didn't have the data to cost out the entire
10 cost and this would have increased the
11 contributions for TRS by 36,400 for each death
12 case. And then a couple of days later, they
13 had another iteration of the bill. It took
14 out the death gamble and also disqualified
15 people reporting at home. So needed reporting
16 to the jobsite and added the stipulation that
17 you needed to have contracted it within 45
18 days. So this dropped the cost a little bit,
19 so it was 35,100 for TRS for each case.

20 The third iteration put in some changes
21 for the qualification. We talked a little bit
22 about this just now about having a death
23 certificate, you know, would suffice for
24 documentation, and COVID could not necessarily
25 have to be the leading cause of death but just

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1 Proceedings
2 contributed to the fact that someone had died
3 and also allowed health practitioners from
4 outside the state, for example, to be allowed
5 to be the one to certify that COVID, the
6 virus, of having the virus and this was
7 because a lot of the volunteers that you might
8 recall from across the country came to
9 New York to help us out during the peak of the
10 pandemic and so they didn't want to disqualify
11 those healthcare practitioners who might not
12 have been licensed here in New York and also,
13 you know, for I think some of the teachers who
14 might live across the river in New Jersey,
15 allowed the health practitioners over there to
16 certify the death as well. And because this
17 affected just the qualification, it didn't
18 really affect -- it affected the number of
19 people who would get it but not the amount
20 that they would get. So because we are doing
21 this on a per cost basis per person basis, it
22 didn't actually affect the members so stayed
23 at 35,100.

24 And the fourth iteration, which was the
25 one that passed, included a sunset, so to

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1 Proceedings
2 speak, of having to basically lop this off at
3 December 31, 2020. So if the death occurred
4 by then, then you wouldn't qualify for it.
5 Again, because it affected the qualification,
6 not the amount of benefits, it doesn't affect
7 the cost and remained at 35,100.

8 The last three fiscal notes had again to
9 do with the World Trade Center. The first one

10 was allowing an online submission to test to
11 filing for notice of participation, so right
12 now it's only done through hard copy but this
13 would allow it to be done online. There was
14 -- we foresee an increase or decrease in the
15 cost depending on the retirement system that
16 we talked to but it ended up being de minimis,
17 either the increase or decrease and the reason
18 for potentially the decrease in cost is
19 because once everything is online, there is
20 less manual labor that's needed to process the
21 application, but at first there might be some
22 IT cost that's associated with adding to the
23 administrative expenses.

24 The next one -- the next two actually
25 had to do with people who volunteered during

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1 Proceedings

2 the rescue, recovery, and cleanup during 9/11.
3 If they weren't members before and they
4 subsequently became members, then, you know,
5 this would allow them to -- it would have been
6 presumed a World Trade Center disability or
7 death. And this would cost 37,900 in
8 additional contributions for TRS if it was a
9 disability case. And if it was a death case,
10 it would have been 32,400.

11 The last fiscal note is very similar
12 almost. Just saying if you were a federal
13 sworn agent that, you know, you weren't a
14 NYCERS member at the time of 9/11 but
15 participated in the rescue, recovery, and
16 cleanup and then subsequently became a NYCERS
17 member, it allowed you that presumption as
18 well. So the cost remained the same: 37,900
19 for disability and 32,400 for death. I am
20 happy to take any questions if there are any.

21 MS. REILLY: Thank you, Sherry.

22 MS. PENNY: Okay, thank you. We are
23 going to take a little pause and go into
24 executive session now. Do I have a motion to
25 go into executive session?

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1 Proceedings

2 MR. BROWN: So moved, Tom Brown.

3 MS. VICKERS: Second, Susannah Vickers.

4 MS. PENNY: Thank you, Susannah Vickers.
5 Any discussion? All in those in favor, please
6 say aye. Aye.

7 MS. VICKERS: Aye.

8 MR. BROWN: Aye.

9 MS. GREEN-GILES: Aye.

10 MR. KAZANSKY: Aye.

11 MR. ADLER: Aye.

12 MR. BUCKLEY: Aye.
13 MS. PENNY: Thank you. Any opposed?
14 Any abstentions? So we are going into -- so I
15 think we can stay where we are.
16 MS. SANCHEZ: Everybody else can just
17 stay here. They don't have to do anything.

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1 Proceedings
2 MS. PENNY: All right. We are back in
3 public session. Susan, will you please read
4 out?
5 MS. STANG: In executive session three
6 renewal contracts were discussed. Consensus
7 was reached, which will be announced at the
8 appropriate time. There was a discussion on
9 the expense ratio within the variable funds.
10 MS. PENNY: Thank you, Susan.
11 Patricia, the executive director's
12 report.
13 MS. REILLY: So next on the executive
14 director's report is the next meeting, and
15 it's suggested that the next regular meeting
16 of the Teachers' Retirement Board be held on
17 the third Thursday of the month, September 17,
18 2020. So we should all mark our calendars.
19 Next on the executive director's report
20 is the resolution to authorize the Comptroller
21 of the City of New York to invest certain QPP
22 funds.
23 MR. KAZANSKY: Patricia, please waive
24 the reading.
25 MS. REILLY: Okay.

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1 Proceedings
2 MS. PENNY: Okay. So do we have a
3 motion to approve that resolution of the
4 authorization to the Comptroller?
5 MR. BROWN: So moved.
6 MS. PENNY: Thank you, Mr. Brown. Do we
7 have a second?
8 MR. KAZANSKY: Second.
9 MS. PENNY: Thank you, Mr. Kazansky. Is
10 there any discussion? All those in favor,
11 please say aye. Aye.
12 MS. VICKERS: Aye.
13 MR. BROWN: Aye.

14 MS. GREEN-GILES: Aye.
15 MR. KAZANSKY: Aye.
16 MR. ADLER: Aye.
17 MR. BUCKLEY: Aye.
18 MS. PENNY: Thank you. Any opposed?
19 Okay, great. Motion carries.
20 MS. REILLY: Okay. Next on the
21 executive director's report is the
22 authorization to the Comptroller of the City
23 of New York to invest certain Tax-Deferred
24 Annuity funds.
25 MR. KAZANSKY: Please waive the reading.

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1 Proceedings
2 MS. PENNY: Thank you. Do we have a
3 motion to approve the authorization to the
4 Comptroller of the City of New York to invest
5 certain Tax-Deferred Annuity funds?
6 MR. ADLER: So moved.
7 MS. PENNY: Thank you, Mr. Adler. Do we
8 have a second?
9 MR. BROWN: Second, Tom Brown.
10 MS. PENNY: Thank you, Mr. Brown. Any
11 discussion? All those in favor, please say
12 aye. Aye.
13 MS. VICKERS: Aye.
14 MR. BROWN: Aye.
15 MS. GREEN-GILES: Aye.
16 MR. KAZANSKY: Aye.
17 MR. ADLER: Aye.
18 MR. BUCKLEY: Aye.
19 MS. PENNY: Thank you. Any opposed?
20 Okay. Motion carries.
21 MS. REILLY: Next is to authorize the
22 continuation of basis point fee for variable
23 annuity programs. "Whereas, the Teachers'
24 Retirement System currently applies an expense
25 fee of 18 basis points annually, 1.5 basis

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1 Proceedings
2 points monthly, to all qualified pension plan
3 and tax-deferred assets in the Variable Funds
4 of TRS' Tax-Deferred Annuity Program, to cover
5 certain administrative fees associated with
6 operation of the Variable Funds; and whereas,
7 TRS staff has reviewed revenue generated from
8 the expense fee during Fiscal Year 2020 and
9 estimates such revenue will be approximately
10 28 million, which revenue is anticipated to
11 cover the expected range of Fiscal Year 2020
12 administrative expenses; and whereas, the
13 Board accepts the recommendation of TRS staff
14 to continue the 18 basis points fee through
15 fiscal year 2021 and to roll into the Variable

16 Fund unit values, on a pro rata basis any
17 expense revenue that may exist at the end of
18 this Fiscal Year in accordance with TRS
19 processes; and whereas, TRS will continually
20 monitor revenue from the expense fee and any
21 material change in its assumptions or
22 experience relating to the expense fee;
23 therefore, be it resolved that the
24 administrative expense charges for assets in
25 the Variable Annuity Funds shall continue at

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1 Proceedings

2 18 basis points through Fiscal Year 2021; and
3 be it further resolved that any excess expense
4 fee revenue that may exist at the end of this
5 Fiscal Year 2020 shall be rolled into the
6 Variable Fund unit values, on a pro rata
7 basis, in accordance with TRS processes; and
8 be it further resolved, that the TRS staff
9 shall continually monitor and review revenue
10 from the expense fee and shall notify the
11 Board of any material changes in assumptions
12 or experience that may impact the expense
13 fees."

14 MS. PENNY: Thank you, Patricia. Is
15 there a motion to authorize the continuation
16 of the basis point fee for the variable
17 annuity programs?

18 MR. BROWN: So moved.

19 MS. PENNY: Thank you, Mr. Brown. Is
20 there a second?

21 MR. KAZANSKY: Second.

22 MS. PENNY: Thank you, Mr. Kazansky. Is
23 there any discussion regarding this? Okay.
24 All those in favor, please say aye. Aye.

25 MS. VICKERS: Aye.

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1 Proceedings

2 MR. BROWN: Aye.

3 MS. GREEN-GILES: Aye.

4 MR. KAZANSKY: Aye.

5 MR. ADLER: Aye.

6 MR. BUCKLEY: Aye.

7 MS. PENNY: Any opposed? Any
8 abstentions? Okay. Motion carries.

9 MS. REILLY: Next is attendance at a
10 digital conference. "Resolved, that the
11 Trustees of Teachers' Retirement Board hereby
12 approve the attendance and participation of
13 the Executive Director and/or her designee(s),
14 and any interested Trustee, at the Fiduciary
15 Investors Digital Symposium 2020, from June
16 23rd through the 24, 2020.

17 MS. PENNY: I like that. Digital

18 symposium. Okay. Is there a motion to
19 approve that?
20 MR. ADLER: So moved.
21 MS. PENNY: Thank you, Mr. Adler. Is
22 there a second?
23 MR. BROWN: Second.
24 MS. PENNY: Thank you, Mr. Brown. Any
25 discussion? All those in favor, please say

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1 Proceedings
2 aye. Aye.
3 MS. VICKERS: Aye.
4 MR. BROWN: Aye.
5 MS. GREEN-GILES: Aye.
6 MR. KAZANSKY: Aye.
7 MR. ADLER: Aye.
8 MR. BUCKLEY: Aye.
9 MS. PENNY: Any opposed? All right.
10 Motion carries.
11 MS. REILLY: So next on the agenda is
12 the calendar, and the first matter on the
13 calendar is the approval of the minutes for
14 the month of May 7th investment meeting and
15 the May 21st board meeting minutes.
16 MS. PENNY: Okay. Do I hear a motion to
17 approve the minutes of the May 7th and the May
18 21st meetings?
19 MR. KAZANSKY: So moved.
20 MS. PENNY: Thank you, Mr. Kazansky. Is
21 there a second?
22 MR. ADLER: Second.
23 MS. PENNY: Okay. Thank you, Mr. Adler.
24 Any discussion?
25 MR. BUCKLEY: I think my name is still

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1 Proceedings
2 in those minutes as Christopher, but other
3 than that I will just --
4 MS. PENNY: Probably would be easier to
5 just change your name. Thank you. So noted.
6 All those in favor? Aye.
7 MS. VICKERS: Aye.
8 MR. BROWN: Aye.
9 MS. GREEN-GILES: Aye.
10 MR. KAZANSKY: Aye.
11 MR. ADLER: Aye.
12 MR. BUCKLEY: Aye.
13 MS. PENNY: Any opposed? Okay. They
14 are approved.
15 MS. REILLY: Next are the items on the
16 calendar. You all received an electronic
17 version of the calendar, and if you would like
18 to, I will read the items.
19 MR. KAZANSKY: No, that's okay. I think

20 you can waive the reading of the calendar.
21 MS. REILLY: Thank you.
22 MS. PENNY: Do I hear a motion to
23 approve the calendar?
24 MR. BROWN: So moved.
25 MS. PENNY: Thank you, Mr. Brown. Do I

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1 Proceedings
2 hear a second?
3 MR. KAZANSKY: Second.
4 MS. PENNY: Thank you, Mr. Kazansky.
5 Any discussion? Okay. All those in favor,
6 please say aye. Aye.
7 MS. VICKERS: Aye.
8 MR. BROWN: Aye.
9 MS. GREEN-GILES: Aye.
10 MR. KAZANSKY: Aye.
11 MR. ADLER: Aye.
12 MR. BUCKLEY: Aye.
13 MS. PENNY: Thank you. Any opposed?
14 Okay. We've approved the calendar.
15 MS. REILLY: Next is other business and
16 you all received the draft of the 2021 board
17 meeting and investment meeting calendar
18 schedule, so take a look at that and compare
19 it with your other schedules and get back to
20 us if there are any conflicts.
21 MR. ADLER: I just have one question.
22 Can I -- or I don't have to do it here. The
23 October meeting was moved from -- October
24 regular board meeting was moved from Thursday
25 to Wednesday but it says Wednesday, October

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1 Proceedings
2 15th and I think the Wednesday is actually
3 October 14th.
4 MS. SANCHEZ: That's a typo. So --
5 MR. ADLER: So what date should it be?
6 MS. SANCHEZ: It should be October 1st
7 and October 15th.
8 MR. ADLER: But October 15th is a
9 Thursday, not a Wednesday. That's what I am
10 saying.
11 MS. SANCHEZ: So I need to fix that.
12 MS. PENNY: So should it be the
13 Wednesday or the Thursday?
14 MS. SANCHEZ: No, it should be the
15 Thursday. Our meeting is on Thursday. Yes,
16 I'm sorry. Unless there is a conflict then we
17 will switch the dates, but our meetings are
18 usually always on the first Thursday and the
19 third Thursday.
20 MR. ADLER: Yes. I think that's fine.
21 That's the thing I was unclear about. Thank

22 you.
23 MS. SANCHEZ: You're welcome.
24 MS. REILLY: Also just wanted to let the
25 Board know that the five executive directors
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1 Proceedings
2 and their general counsel met with the new
3 director of the law department. We, you know,
4 wanted to meet and talk about some issues that
5 we were having with communication with the law
6 department. He was very receptive and he is
7 going to -- he wants to work on making sure
8 that we have frequent communications so that,
9 you know, we are able to discuss all the
10 issues that impact the retirement systems. So
11 it was a very good meeting. That's it.

12 MS. PENNY: Okay.

13 MS. REILLY: So next on the agenda are
14 questions and comments from the public? So if
15 you are a member of the public, if you could
16 raise your hand on your Zoom meeting to let us
17 know if you have any questions or comments.
18 And Liz, if you see any hands raised, let us
19 know.

20 MS. SANCHEZ: They left.

21 MS. REILLY: They left. We should have
22 made clear we were coming back.

23 MS. SANCHEZ: I did. I told them you
24 would be back.

25 MS. REILLY: Okay. All right. So
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1 Proceedings
2 seeing no questions or comments from the
3 public --
4 MS. PENNY: All right. Do I have a
5 motion to adjourn?
6 MR. BROWN: So moved, Tom Brown.
7 MS. PENNY: Thank you, Mr. Brown. Do I
8 have a second?
9 MS. VICKERS: Second, Susannah Vickers.
10 MS. PENNY: Thank you, Susannah. Any
11 discussion? All those in favor of adjourning,
12 please say aye. Aye.
13 MS. VICKERS: Aye.
14 MR. BROWN: Aye.
15 MS. GREEN-GILES: Aye.
16 MR. KAZANSKY: Aye.
17 MR. ADLER: Aye.
18 MR. BUCKLEY: Aye.
19 MS. PENNY: Thank you. Any opposed?
20 Okay. We are adjourned.
21 MR. BROWN: Thank you, Madam Chair.
22 (Time noted: 4:29 p.m.)
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Proceedings
C E R T I F I C A T E
STATE OF NEW YORK)
: ss.
COUNTY OF QUEENS)

I, YAFFA KAPLAN, a Notary Public
within and for the State of New York, do
hereby certify that the foregoing record of
proceedings is a full and correct
transcript of the stenographic notes taken
by me therein.
IN WITNESS WHEREOF, I have hereunto
set my hand this 29th day of June, 2020.

YAFFA KAPLAN