

1 TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

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BOARD MEETING

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6

June 26, 2025

7

3:36 p.m.

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Teachers' Retirement System of New York
55 Water Street, 16th Floor
New York, New York 10031

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Sophian DeFrance
Digital Reporter

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Notary Commission No. 01DE0006274

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1 (The proceedings commenced at 3:36 p.m.)

2 MS. REILLY: Welcome to the Board Meeting of
3 the Teachers' Retirement Board for June 26th, 2025.
4 We'll start by calling the roll.

5 Bryan Berge? Oh, Kevin Liu. I'm sorry,
6 Kevin.

7 MR. LIU: Kevin Liu for Mayor Adams, present.

8 MS. REILLY: Thank you.

9 Thomas Brown?

10 CHAIRMAN BROWN: Present, Patricia, good
11 afternoon.

12 MS. REILLY: Gregory Faulkner?

13 John Dorsa?

14 MR. DORSA: John Dorsa, designee for
15 Comptroller Brad Lander, present.

16 MS. REILLY: Victoria Lee?

17 MS. LEE: Present.

18 MS. REILLY: Christina McGrath?

19 MS. MCGRATH: Present. Good afternoon.

20 MS. REILLY: We have a quorum.

21 Next on the agenda is an update on TRS
22 operations given to us by Kavita Kanwar.

23 MS. KANWAR: Thank you, Patricia.

24 Good afternoon. Summer retirements, TRS has
25 received more than 1,200 applications for retirement

1 after the school year. These are preliminary figures
2 because applications can be withdrawn up until one day
3 before the chosen retirement date. We will report final
4 summer retirement data at the September board meeting.

5 Regarding our educational programs, even
6 though the school year is ending soon, the TRS Member
7 Education Team will continue to offer programs for
8 members throughout the summer. There will be online
9 sessions as well as in-person sessions which are held at
10 TRS in the Melvyn Aaronson Member Education Center. The
11 schedule of programs is posted on our website and is
12 updated regularly. Thank you.

13 CHAIRMAN BROWN: Thank you, Kavita.

14 MS. REILLY: Thank you, Kavita.

15 Next is Report from the Actuary.

16 MR. TYSZKIEWICZ: Good afternoon. So it is
17 the -- for my fiscal note update, it's the end of the
18 legislative session. We have had a record number of
19 fiscal notes the office has produced this year, 81
20 versus 75 last year.

21 In your Board material, there's five new
22 fiscal notes that have released since the last board
23 meeting. I should point out that none of these have
24 passed both houses, so there's very little chance
25 they'll get signed into law later this year. So I'll

1 just skip over them. They're there if you need them.

2 There was one piece of legislation that did
3 pass that impacts TRS, and that's the Actuarial Interest
4 Rate Extension. So the 7 percent interest rate was
5 extended for another four years.

6 So, happy to answer any questions you have.

7 CHAIRMAN BROWN: Any questions for Marek?

8 Thank you, Marek.

9 MS. REILLY: Thank you.

10 Next is the Executive Director's Report, and
11 the first item there is the next meeting, which will be
12 held Thursday, September 18th, 2025.

13 MR. DORSA: So note that.

14 MS. REILLY: Thank you.

15 CHAIRMAN BROWN: Thank you.

16 MS. REILLY: Next is the Authorization to the
17 Comptroller of the City of New York to Invest Certain
18 QPP Funds. Resolved --

19 MR. DORSA: Please skip to the resolved.

20 MS. BUDZIK: Waive the reading.

21 MR. DORSA: Waive the reading and skip to the
22 resolved. Oh, sorry, just waive the reading.

23 MS. REILLY: The reading has been waived.

24 CHAIRMAN BROWN: Great. So we're ready to ask
25 for a motion to accept the Comptroller's authorization

1 to invest QPP funds.

2 MS. MCGRATH: So moved.

3 MR. DORSA: Second.

4 CHAIRMAN BROWN: And any questions or

5 comments?

6 All those in favor accepting the Comptroller's
7 authorization to invest QPP funds, say aye?

8 (Ayes were heard.)

9 CHAIRMAN BROWN: Those opposed, say nay?

10 Abstentions?

11 This has passed. Thank you.

12 MR. DORSA: Thank you for your continued
13 support of the Comptroller's Office.

14 CHAIRMAN BROWN: Thank you.

15 MS. REILLY: Next is the Authorization to the
16 Comptroller of the City of New York to Invest --

17 MR. DORSA: Please waive the reading --

18 MS. REILLY: -- Tax Deferred Annuity Funds.

19 MR. DORSA: Please waive the reading.

20 MS. REILLY: The reading has been waived.

21 CHAIRMAN BROWN: Thank you, Patricia.

22 So therefore, we will entertain a motion to
23 accept the Comptroller's authorization to invest the TDA
24 funds.

25 MS. MCGRATH: So moved.

1 CHAIRMAN BROWN: It's been moved. Do I hear a
2 second?

3 MR. DORSA: Second.

4 CHAIRMAN BROWN: We're ready to take this
5 vote. All those in favor of accepting the Comptroller's
6 authorization to invest TDA funds, please say aye?

7 (Ayes were heard.)

8 CHAIRMAN BROWN: Those opposed, say nay? Any
9 abstentions?

10 And this reso has been passed as well. Thank
11 you.

12 MR. DORSA: Thank you. And I also want to say
13 thank you for your continued support of the
14 Comptroller's Office for this as well.

15 CHAIRMAN BROWN: Duly noted, thank you.

16 MS. REILLY: Okay. Next is to Authorize the
17 Continuation of Basis Point Fee for Variable Annuity
18 Programs.

19 MS. MCGRATH: Waive the reading, please.

20 MS. REILLY: Well, we should skip to the
21 resolved.

22 MS. MCGRATH: Oh, this one is skip to the
23 resolved?

24 MS. REILLY: Yes.

25 MS. MCGRATH: Please skip to the resolved.

1 MS. REILLY: Thank you. Resolved that the
2 administrative expense charge for assets in the Variable
3 Annuity Fund shall continue to be 18 basis points, 1.5
4 BPs monthly, through Fiscal Year 2026; and be it further
5 resolved that if the expense fee revenue exceeds
6 Variable Fund expenses, including operating and special
7 project expenses, TRS will return any excess revenue in
8 accordance with TRS's processes; and be it further
9 resolved that TRS staff shall continually monitor and
10 review revenue from the expense fee and shall notify the
11 Board of any material changes in assumptions or
12 experience that may impact the expense fee.

13 CHAIRMAN BROWN: Thank you, Patricia.

14 Do I hear a motion to accept this resolution?

15 MS. MCGRATH: So moved.

16 CHAIRMAN BROWN: And is there a second?

17 MR. DORSA: Second.

18 CHAIRMAN BROWN: It's been moved. It's been
19 seconded. Any conversation? Any questions?

20 All those in favor of accepting this
21 resolution for the authorization of continuation of
22 basis point fee for Variable Annuity Programs, please
23 say aye?

24 (Ayes were heard.)

25 CHAIRMAN BROWN: Those opposed, say nay? Any

1 abstentions?

2 This reso has been passed. Thank you.

3 MS. REILLY: The next resolution is the
4 Actuary's recommendation regarding the Tier 3, 4, and 6
5 loan insurance premium rate for Fiscal Year 2026.

6 MR. DORSA: Please skip to the resolved.

7 MS. REILLY: Resolved that the Board of
8 Trustees hereby adopts the recommendation of the Actuary
9 as stated in the report dated June 18th, 2025 and
10 stipulates the Tier 3, 4, and 6 loan insurance premium
11 rate be continued at its rate of 0.10 per annum of the
12 outstanding loan balances for any loan originating
13 during Fiscal Year 2026, for example July 1st, 2025
14 through June 30th, 2026.

15 CHAIRMAN BROWN: Thank you.

16 Do I hear a motion to move this reso?

17 MS. MCGRATH: So moved.

18 CHAIRMAN BROWN: And is there a second?

19 MR. DORSA: Second.

20 CHAIRMAN BROWN: Any discussion?

21 MS. REILLY: The actuary is going to speak on
22 it.

23 MR. TYSZKIEWICZ: So my recommendation is to
24 keep it at 0.1 percent. It's been 0.1 percent since
25 Fiscal Year 2020.

1 The recommendation is based on two parts: A
2 hypothetical calculation we perform by using current
3 mortality rates, and that hypothetical calculation came
4 out with a rate just under 0.1 percent.

5 Looking at recent experience due to COVID,
6 some of the claims were higher than the premiums
7 collected, so there's been some recent adverse
8 experience, but we're just taking a wait and see
9 approach to see if that normalizes. So for now, we're
10 recommending keeping it at 0.1 percent.

11 At some point in the future, if there's a
12 continuing pattern of negative experience, we might have
13 to raise it back up to 0.2 percent, which is what it was
14 before.

15 CHAIRMAN BROWN: Okay. So do I have a motion
16 to move this reso?

17 MR. DORSA: I believe we already have a motion
18 and a second.

19 MS. MCGRATH: Yes.

20 CHAIRMAN BROWN: Oh mit has been moved already
21 and --

22 MR. DORSA: I seconded it.

23 CHAIRMAN BROWN: Oh, that's right. I was in
24 the discussion period.

25 So we're ready to actually take a vote on this

1 reso. Those in favor of the reso for Fiscal Year 2026
2 Tiers 3, 4, 6 loan insurance premium rate, please say
3 aye?

4 (Ayes were heard.)

5 CHAIRMAN BROWN: Those opposed, say nay?
6 Abstentions?

7 And this reso has been approved. Thank you.

8 MS. REILLY: The next resolution is for the
9 reappointment of a doctor to the Medical Board.

10 MR. DORSA: Please skip to the resolved.

11 MS. REILLY: Resolved that the Retirement
12 Board hereby reappointments Dr. Alan David to a
13 three-year term on the TRS Medical board, expiring July
14 31st, 2028.

15 MR. DORSA: So I'll make the motion to accept
16 that.

17 CHAIRMAN BROWN: Thank you. And is there a
18 second?

19 MS. MCGRATH: Second.

20 CHAIRMAN BROWN: We're ready to take a vote.
21 All those in favor of the reappointment of Dr. Alan
22 David to the Medical Board, please say aye?

23 (Ayes were heard.)

24 CHAIRMAN BROWN: Those opposed, say nay?
25 Abstentions?

1 This reso has passed. Thank you.

2 MS. REILLY: The last resolution is attendance
3 at a conference.

4 MR. DORSA: Please skip to the resolved.

5 MS. REILLY: Resolved that the Trustees of the
6 Teachers' Retirement Board hereby approve the attendance
7 and participation of the Executive Director and/or her
8 designees, and any interested Trustee, at the National
9 Council on Teachers' Retirement, 2025 NCTR 103rd
10 Conference, from October 4th through the 7th, 2025.

11 CHAIRMAN BROWN: Great. And is there a motion
12 to move this reso?

13 MS. MCGRATH: So moved.

14 CHAIRMAN BROWN: It's been moved. And second?

15 MR. DORSA: Second.

16 CHAIRMAN BROWN: I hear it's been seconded.
17 Any discussion? Those in favor of this reso, attendance
18 at the NCTR Conference, please say aye.

19 (Ayes were heard.)

20 CHAIRMAN BROWN: Those opposed, say nay?
21 Abstentions?

22 This reso has passed. Thank you.

23 MS. REILLY: Next is the calendar, and the
24 first item on the calendar is approval of the following
25 minutes: May 8th, 2025 Investment Meeting minutes; May

1 15th, 2025 Board Meeting minutes.

2 CHAIRMAN BROWN: Great. I will entertain a
3 motion to accept the May 8th, 2025 Investment Meeting
4 minutes and --

5 MS. MCGRATH: So moved.

6 CHAIRMAN BROWN: -- I'm sorry -- and at the
7 same time, the May 15th, 2025 Board Meeting minutes.

8 MS. MCGRATH: So moved.

9 MR. DORSA: I'll second that motion.

10 CHAIRMAN BROWN: Great. So we're voting on
11 both of these together. All those in favor of accepting
12 the Investment Meeting minutes and the Board Meeting
13 minutes for the dates indicated, please say aye?

14 (Ayes were heard.)

15 CHAIRMAN BROWN: Those opposed, say nay?
16 Abstentions? The Board Meeting minutes and the
17 Investment Meeting minutes have been passed.

18 MS. REILLY: Next are the calendar items. You
19 all received an electronic version that you were able to
20 review.

21 MS. MCGRATH: Please waive the reading.

22 MS. REILLY: Thank you.

23 CHAIRMAN BROWN: Great. Is there a motion to
24 accept the calendar items?

25 MR. DORSA: So moved.

1 CHAIRMAN BROWN: And is there a second?

2 MS. MCGRATH: Second.

3 CHAIRMAN BROWN: Any questions about the
4 calendar items?

5 All those in favor of accepting the calendar
6 items, please say aye?

7 (Ayes were heard.)

8 CHAIRMAN BROWN: Those opposed, say nay?
9 Abstentions?

10 Let the record show, Sophian, that we have
11 accepted the calendar items. Thank you.

12 MS. REILLY: Next under Other Business is the
13 draft -- well, we want to finalize the draft for the
14 dates for 2025/2026 Investment and Board Meeting
15 minutes. Liz put that in front of you, so we would like
16 to finalize this and send it out as the final calendar.

17 MR. DORSA: So I just want to say I'm
18 comfortable approving this today. I just want to make
19 the note that min January 2026, there may be certain
20 changes that are beyond my control. So there may be a
21 reason to revisit this sometime in the next calendar
22 year. So I just want to say, while I have every
23 intention that this calendar would suffice, I just
24 understand that calendars issues could arise. I just
25 want to put that out there, just note that for the

1 record.

2 MS. REILLY: Okay.

3 CHAIRMAN BROWN: And just for the record, on
4 the calendar that we just received, it's September '25
5 through June of '26; is that correct?

6 MS. MCGRATH: Yes.

7 MR. DORSA: So I'll move the calendar --

8 MS. REILLY: You don't have to vote on it.

9 MR. DORSA: Oh, I'm sorry.

10 CHAIRMAN BROWN: No, we just have an
11 agreement.

12 MR. DORSA: Oh, we just acknowledge it, that's
13 fine.

14 MS. REILLY: Acknowledge it, that this is the
15 final and we're going to send it out as the final.

16 CHAIRMAN BROWN: Great, thank you. We're all
17 in agreement of this coming up school year's calendar.

18 Great, thank you very much.

19 MS. REILLY: Next is a presentation a CEM
20 presentation, given by Christopher Doll from CEM. He's
21 come all the way from Canada to speak to us.

22 CHAIRMAN BROWN: Christopher, welcome.

23 MR. DOLL: Thank you. Good afternoon. Can
24 you hear me?

25 CHAIRMAN BROWN: Sure.

1 MR. DORSA: Yep.

2 MR. DOLL: Is that picking up? Yes? Perfect.
3 We're all set.

4 Thank you. Good afternoon. My name is
5 Christopher Doll. I'm the relationship manager with CEM
6 covering New York City Teachers.

7 Just by way of background, for those that
8 aren't familiar, CEM exists to help plans do better for
9 their members. We're a fully independent third-party
10 company that provides global benchmark reporting on cost
11 and performance for pension plans for over 30 years. We
12 also provide peer-to-peer exchange of insights,
13 data-driven research, and communities and practices.

14 Today, during my presentation, I'll review
15 your cost and performance for the year ending June 2024,
16 so last June, and with that, I'll jump into the key
17 highlights.

18 Can we flip to the next page, please?

19 The following are the key takeaways from the
20 report that I'll walk through today. So your costs were
21 \$282 per active member annuitant. This was above the
22 peer average of 107 -- sorry, this was \$107 above the
23 peer average of \$175. Because you're a slightly smaller
24 size than the peer group, we do make an adjustment for
25 that. So when we adjust for your scale disadvantage,

1 you're actually only \$96 above your peer average.

2 There are a couple drivers for your higher
3 cost status. You are higher cost because you have
4 higher support -- sorry, FTE in your front office,
5 supporting the member engagement out in the field. And
6 you're also in the middle of a system modernization,
7 which is resulting in your costs being a little bit
8 higher this year, and we'll go through that as I walk
9 through the presentation.

10 Over the last eight years, your costs have
11 increased at a very reasonable rate of only 2.3 percent.
12 This was below the peer average of around 4.2 percent
13 during that same time period.

14 On the service side, your service score was
15 81, which is great, right in line with the peer median
16 at 82. A couple of areas where you did really well
17 include targeted campaigns, the call quality in your
18 call center, and member statements. A couple areas that
19 are opportunities for improvement include the contact
20 center accessibility, salary and service credit
21 information availability, and timeliness of completing
22 pension estimates for members. Over the last eight
23 years, your service score has increased by one point
24 from 80 to 81, and that sort of summarizes the overall
25 cost and performance.

1 When we look at your cost effectiveness, it
2 does illustrate that you are higher relative service but
3 also higher relative costs. So there's a little balance
4 there.

5 Just flipping forward to the next slide, thank
6 you.

7 The insights included in the report are based
8 on the 78 plans on this page. They include plans from
9 US, Canada, and Europe. The majority of them are
10 US-based. During my presentation when I reference the
11 universe or all average, I'm referencing these 78 plans.

12 Next slide.

13 In addition to these 78 plans, we also build a
14 custom peer group, and this is designed to compare your
15 costs based on peers of similar size, and this is really
16 designed to make sure that we are comparing costs on an
17 equal basis.

18 Your size by member is 220,000 members. We
19 try and find a peer group where you slot in the middle.
20 You are on the smaller side of this peer group, and so
21 we do make an adjustment for that, which I'll get into
22 in a second. But we still feel that these 14 peers are
23 appropriate for comparing and benchmarking your costs
24 overall.

25 Next slide, please.

1 As I mentioned at the outset, your costs are
2 \$282, \$107 above the peer average. On this slide, we
3 have broken the slide out into two categories, business
4 as usual costs, which are the ongoing costs to manage
5 the plan on a day-to-day basis, and major project spend,
6 which would be things like the system modernization that
7 you're going through right now.

8 Your business as usual costs were \$220, only
9 \$71 above the peer average, but your major project spend
10 was 61 and \$35 above the peer average. So major
11 projects are driving a fair chunk of your overall spend
12 over your peer average.

13 Just flipping forward to the next slide, we
14 have an attribution of your business as usual costs. On
15 the left side, you can see that the business as usual
16 cost per median were above the peers at peer average and
17 the peer median.

18 On the right, we break down that attribution
19 across two categories, your front office and your
20 governance and support costs. In the front office, you
21 had higher member transaction in collection and data
22 maintenance costs, but your member communications were
23 slightly below the peer average.

24 On governance and support costs, you were
25 above peers with the biggest contributor coming from

1 your building, other support services, and governance
2 and financial controls. These were offset by lower
3 costs in infotech, actuarial, legal, and audit costs.

4 Flipping forward to the next slide.

5 I did talk a little bit about your scale
6 disadvantage. So this slide is just designed to
7 illustrate this. So based on our calculation, your plan
8 is about 23 percent smaller than the weighted average of
9 your peers. From our perspective, there are economies
10 of scale to larger plans. So when we adjust for your
11 scale disadvantage, we're seeing that you are
12 disadvantaged by \$11 per member. And so we'll adjust
13 the peer benchmark cost by that accordingly.

14 So on the next slide, you see the breakdown of
15 your cost versus your peer benchmark and the scale
16 adjustment is included at the bottom here at \$11.

17 So there are five areas that we look at when
18 we benchmark your costs. First, you have more FTE per
19 10,000 members. You're at 7.9 versus peers at 4.6.
20 This is resulting in a \$50 difference. A couple of
21 drivers for this, your plan complexity, you are the
22 third most complex plan within our universe, and so
23 complexity drives up cost, as you can well imagine. The
24 members on the phone and whatnot are doing more to
25 service the membership at large.

1 Second, your transaction volume, so you do
2 significantly more transaction volumes per member.
3 You're 3.26 times the volumes that your peers are doing
4 overall. So both of these items are driving that FTE
5 number higher and contributing to that difference there.

6 The second item on this slide is lower
7 third-party costs in the front office. You have very
8 low third-party costs, and so you're saving \$13 versus
9 your peers.

10 That third item on this chart is higher costs
11 per FTE. And so this is fairly flat. You're basically
12 in line with your peers. So your costs have been driven
13 mostly by lower salary and benefits, HR and IT desktop
14 network and telecom spend, and this is offset only by
15 your higher building utilities costs.

16 And then the fourth item is higher support,
17 support costs per member. You have higher costs across
18 most categories with major project spend, actuarial,
19 legal, and audit driving most of the difference.

20 And then the final item is that scale
21 disadvantage. So when we factor up the five items, this
22 is how we come up with your overage versus your peers at
23 96.

24 The last thing I did want to note in this
25 example is the salary and benefits and some of the

1 higher cost per FTE are driven by your high cost labor
2 environment. We do do an assessment of you and your
3 peers based on the Department of Labor and statistics.
4 And you are, this should be no surprise to anyone in the
5 room here, you are the most expensive market to operate
6 in, and so that is impacting some of your higher cost to
7 FTE numbers.

8 And just a final item on costs, this is your
9 cost trend. As I mentioned at the outset, increased by
10 a very reasonable 2.3 percent over the last eight years,
11 whereas peers have increased by 4.2 percent. So
12 overall, a good story there.

13 We do see that the shaded parts at the top are
14 your major project spend, so ongoing major projects have
15 been a consistent theme over time.

16 So those summarize the cost story. I'm going
17 to have a quick slide, a couple slides on the service
18 story, and then I'll talk about a little bit on some of
19 the global trends that we're seeing.

20 So your service score is 81. This was
21 slightly, as I mentioned before, below the peer median.
22 It's basically the same at 82. We look at your service
23 score across four key member activities or journeys.

24 On the active member side, you are doing
25 better than your peers at 79 versus 76. On the inactive

1 side, you're slightly below your peers, but it is a
2 small weight in our survey overall because the service
3 score active members is generally less than it is for
4 the other members in your -- the active members in your
5 program.

6 On the retiring member experience, you're at
7 79 versus 83, and the new attend experience, you're in
8 line with peers at 88. When we factor all those up,
9 that's how we're getting the 81 versus 82.

10 Just flipping forward to your service score
11 trend, it has increased by one point over the last eight
12 years. A couple of areas of positive impact, so
13 staffing levels have improved, which means wait times
14 have fallen from 1,860 seconds down to 244 seconds on
15 the call. Undesirable call outcomes have fallen from 26
16 to 4 percent. And then email response times have
17 improved from five to three days. So all trending in
18 the right direction.

19 We have also seen that you have initiated a
20 feedback survey program on the website, and so those are
21 all contributing to the positive experience the members
22 receive.

23 On the negative side, website members aren't
24 greeted by name anymore, so that was a change that has a
25 very small impact overall. Longer term changes, since

1 2021, members can retire online by submitting their
2 applications directly. And so, overall, a good story
3 with trends moving upwards.

4 So that summarizes the service score. We'll
5 flip forward to the next slide.

6 I have a couple slides on some global trends
7 that I'll review quickly, and I'll wrap up my
8 presentation.

9 So we're seeing a number of trends develop
10 around the world based on our conversations with
11 members. Digitization seems to be the biggest of them.
12 So members are expecting a higher level of digital
13 service and self-serve engagement with the pension plans
14 that they're dealing with. So they're using things like
15 their network, Netflix, or cell phone provider online,
16 and they're coming to expect that same level of service
17 from their pension plans, and so we're seeing that drive
18 to be more digital. It's also born out of some of
19 COVID, where digitization really increased in that
20 period as well.

21 Upgrading systems is impacting costs, as you
22 can attest. You're going through it as well.
23 Cybersecurity and data quality continues to remain a big
24 issue. At a recent conference that we hosted with
25 pension plans from around the world, cybersecurity and

1 fraud prevention was possibly the most talked about
2 topic in general around the watercooler and around the
3 networking breaks, and we're seeing that consistently.
4 We'll likely be doing some more work on that at CEM in
5 the coming year.

6 Automation and AI present opportunities for
7 improvement. And I have a slide on AI which I'll touch
8 on in a second. I'm not going to dwell on the
9 post-pandemic impacts. I think the further we get away
10 from the pandemic, the less they become relevant, but
11 there are some impacts there that are simply felt in
12 certain pockets.

13 Just looking at the next slide, we see that
14 your secure website visits do dominate your transaction
15 volumes overall and have trended higher over the last
16 number of years. On the flip side, your call trend
17 continues to trend downwards. This is consistent with
18 what we're seeing across the universe. Call volumes,
19 emails, and traditional incoming mail are all declining,
20 as more and more members rely on self-service automation
21 through the secure website.

22 Your one-on-one meetings and member
23 presentations remain below pandemic levels but are well
24 above peers. So overall, a good availability to your
25 members in accessing the support they need when making a

1 retirement decision.

2 On the next slide, this is a measure of
3 digital reach. This is a new measure that we started to
4 track. It's designed to compare self-service activity
5 through the website against your traditional supported
6 or assisted service activity through the call center,
7 emails, and incoming mail.

8 Your digital reach in 2024 was a very high 91
9 percent and well above your peers at 71 and 68 percent.
10 That ties back to that previous slide where the
11 transaction volumes through your website are just so
12 much higher than your peers.

13 Looking into the next slide on the call
14 center, a couple of items to highlight here in the top
15 left-handed quadrant. Your time on the call has
16 increased over the past eight years. This as well is
17 not surprising. This is consistent with the trend we're
18 seeing in the universe. Because members are processing
19 their transactions independently online, when they do
20 have a question for the plan, they're calling in, it's a
21 little bit more in depth, a little bit more time
22 consuming to complete. So call times, as a whole, have
23 trended higher over the last eight years.

24 In the bottom left-hand slide, we see first
25 call resolution stats increasing from 94 to 97 percent,

1 and significantly higher than where your peers and the
2 all average are, so great work there.

3 In the top right-hand quadrant is the call
4 wait times. Big spike post-COVID through 2022.
5 Staffing levels, as I mentioned earlier, have increased
6 and we have seen those numbers come down, and you're
7 actually now below the peer and universe averages
8 overall.

9 And in the bottom right-hand corner,
10 undesirable call outcomes, again, that spike in COVID,
11 and we have come back down to levels that we hadn't seen
12 since 2017 for New York City Teachers', and well below
13 the peer averages.

14 Next slide.

15 Just on system modernization, you and 17 of
16 your peers are going through system modernization. The
17 bar chart on the top left-hand quadrant here is just the
18 average age of the pension administration systems at all
19 plans in the universe. You can see yours is well above
20 the average and explains why you are going through the
21 modernization right now. And so just a quick snapshot
22 on where plans are in their evolution with their
23 modernization programs. You can see in your peer group
24 alone there are three plans that have systems that are
25 much longer than you that are also going through

1 modernization.

2 And then the last slide I have is just on AI.

3 A couple of use cases, and I'll just speak to a few of
4 them that we see that plans are around using AI. So the
5 biggest one is within the call center where the call is
6 being recorded, transcribed, summarized and
7 automatically loaded into the CRM or the pension
8 administration system for documentation. This is
9 allowing the member on the call center to spend more
10 time on the calls and less time off the call and doing a
11 post-call follow-up.

12 We also see AI acting as a great resource to
13 perform quality assurance tests and sentiment
14 assessments throughout the call, and many plans are
15 starting to engage in that to help the member on the
16 phone, the call center rep on the phone be responsive
17 and in tune to what the caller is asking for and their
18 temperament throughout the call.

19 Document management, we're seeing, the
20 automation and robotics and aggregating document for
21 ease of use or query, and then proof of life
22 verification, which I probably wouldn't have tossed into
23 AI a couple of years ago, but the more we have talked
24 about financial -- sorry, fraud prevention, the more I
25 realized that proof of life verification through facial

1 recognition is going to be an increasingly important
2 component of your ability to ensure you're dealing with
3 a member that they say they are, especially in light of
4 the fact that AI can mimic someone's voice pretty, and
5 replicate someone's voice pretty easily. The face is
6 pretty much we're getting to that as being the only area
7 where we can identify the person as a whole.

8 So those are my prepared remarks. I'm happy
9 to take any questions if there are any. Otherwise --

10 CHAIRMAN BROWN: Any questions for Chris?

11 Thank you, Chris.

12 MR. DOLL: Thank you very much.

13 CHAIRMAN BROWN: Pleasure.

14 MS. REILLY: Thank you.

15 Next are questions and comments from the
16 public.

17 CHAIRMAN BROWN: Okay. So that concludes our
18 agenda for the Public Session. Is there a motion to go
19 into Executive Session?

20 MR. DORSA: So moved.

21 MS. MCGRATH: So moved.

22 MR. DORSA: Oh sorry, second. Second.

23 CHAIRMAN BROWN: And we got a second there as
24 well. Any discussion? Those in favor of going into
25 Executive Session, please say aye?

1 (Ayes were heard.)

2 CHAIRMAN BROWN: Opposed, say nay?

3 Abstentions?

4 We're now in Executive Session. Thank you.

5 (Exit Public Session; enter Executive
6 Session.)

7 (Exit Executive Session; enter Public
8 Session.)

9 CHAIRMAN BROWN: Thank you. We are back in
10 Public Session, and I believe we have a readout from
11 Priscilla.

12 Hey, Priscilla, how are you?

13 MS. BAILEY: Good. How's everybody?

14 CHAIRMAN BROWN: Good, thank you. Good to see
15 you.

16 MS. BAILEY: Likewise.

17 Okay. Going to the heart of the matter, in
18 Executive Session of June 26th, 2025 Board Meeting, two
19 resolutions pertaining to investment recommendations
20 were presented to the Board. Both resolutions passed.

21 Also presented to the Board was a resolution
22 on the renewable bucket [sic] of investment manager
23 agency agreements. This resolution also passed.
24 Details to be made available at the appropriate time.

25 CHAIRMAN BROWN: Thank you, Priscilla.

1 MS. BAILEY: Thank you.

2 CHAIRMAN BROWN: Thank you.

3 And before we ask to adjourn, I just wanted
4 to, as always, thank Richard, our tech person from TRS,
5 and also Sophian, our recorder. Thank you.

6 And this is the last school day of our school
7 year, and it is the last TRS board meeting for the
8 school year as well. So I'd like to take this
9 opportunity to thank, from the bottom of my heart, from
10 the bottom of our hearts as trustees, teacher member
11 trustees, thank the staff of the Teachers' Retirement
12 System.

13 We thank the Executive Director, Patricia
14 Reilly, the Deputy Executive Director Thad McTigue. You
15 go above and beyond what you need to do to service our
16 members.

17 And we have, as Chris said, over 220,000
18 members, and our members love TRS. They love the
19 defined benefit plan, they love their 403 TDA, and they
20 love the system. And when you go out into the schools
21 and you hear people talking about the pension and the
22 TDAs and what service they get from Teachers' Retirement
23 System, it just makes us feel good.

24 And we just can't thank you enough because you
25 always have the interest of the members at heart. Any

1 time I attend a meeting with TRS and there's a
2 discussion and there's a decision to be made, the
3 question was how does this affect, how would this
4 benefit our members?

5 So I just wanted to thank you on this last day
6 of school and our last board meeting until September, to
7 thank you publicly. Much appreciated. And we'll see
8 you all in September.

9 MS. REILLY: Thank you.

10 MR. DORSA: Thank you.

11 CHAIRMAN BROWN: As that song goes, see you in
12 September. Thanks, everybody.

13 MS. REILLY: Thank you.

14 MR. DORSA: Thank you.

15 CHAIRMAN BROWN: I, of course, thank our
16 counsel, Valerie Budzik. And of course, Liz Sanchez, who
17 is there all the time. Liz makes these meetings run
18 perfectly, running in and out and making sure of
19 everything. So thank you, Liz, much appreciated. Thank
20 you, thank you.

21 And with that, I believe we have come to the
22 conclusion of our agenda for the Public Session. And is
23 there a motion to adjourn?

24 MR. DORSA: So moved.

25 CHAIRMAN BROWN: It has been moved. Do I hear

1 a second?

2 MS. MCGRATH: Second.

3 CHAIRMAN BROWN: It has been seconded. Any
4 discussion?

5 All those in favor of adjourning, please say
6 aye?

7 (Ayes were heard.)

8 CHAIRMAN BROWN: Opposed, say nay?

9 We are adjourned. Have a great summer,
10 everybody. Thank you.

11 (The proceedings concluded at 4:20 p.m.)

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