

NEW YORK CITY TEACHERS' RETIREMENT SYSTEM  
REGULAR BOARD MEETING  
held on Thursday, September 18, 2014  
at  
55 Water Street  
New York, New York

ATTENDEES:

MELVYN AARONSON, Chairperson, Trustee, TRS  
SANDRA MARCH, Trustee, TRS  
THOMAS BROWN, Trustee, TRS  
PATRICIA REILLY, Executive Director, TRS  
THADDEUS McTIGUE, Deputy Executive Director, TRS  
VALERIE BUDZIK, TRS  
CAROLYN WOLPERT, Trustee, Finance  
SUSANNAH VICKERS, Trustee, Comptroller's Office  
RENEE PEARCE, TRS  
PAUL RAUCCI, TRS  
ANDREW BRADFORD, TRS  
LIZ SANCHEZ, TRS  
SUSAN STANG, TRS  
CAROLYN HASDAY, Actuary's Office  
KEITH SNOW, Corporation Counsel  
ROBERT BETHELMY  
CARMELA CRIVELLI  
JENNIFER MALDONADO  
KATHLEEN GRIMM  
ANNETTE HANRAHAN  
ANTHONY MEZZACAPPA  
ELLEN DELEO

P R O C E E D I N G S

(Time noted: 3:45 p.m.)

MS. REILLY: Good afternoon. We're going to begin the September 18, 2014 regular meeting of the Teachers' Retirement Board. I will start by calling the roll.

Melvyn Aaronson?

CHAIRPERSON AARONSON: Here.

MS. REILLY: Kathleen Grimm?

MS. GRIMM: Present.

MS. REILLY: Sandra March?

MS. MARCH: Present.

MS. REILLY: Thomas Brown?

MR. BROWN: Present.

MS. REILLY: Susannah Vickers?

MS. VICKERS: Here.

MS. REILLY: Carolyn Wolpert?

MS. WOLPERT: Here.

MS. REILLY: We do have a quorum.

The next item is an update on TRS operations. Each of you should have received a calendar of events. And we have a few updates from Ellen DeLeo.

MS. DELEO: TRS received a total of 2,626

1 summer retirement applications for the period June 30  
2 to August 31. The majority, 1,996 members, elected to  
3 retire effective June 30. 99 percent of the summer  
4 retirees have been processed for advance payment, with  
5 528 retirees' benefits having been finalized by the OA  
6 as of the September payroll.

7 The 2013 annual benefit statement is  
8 expected to be mailed the last week of September.  
9 Approximately 114,800 members with membership status,  
10 active and on leave, will receive a statement by mail.  
11 Members can also use the secure member area of our  
12 website to access an electronic copy of this year's  
13 statement, as well as the last two years' statements.

14 A total of 5,119 new members joined TRS  
15 during August and September. 4,693 new members were  
16 enrolled with TRS in September, based on the data TRS  
17 received from the Department of Education.

18 Welcome kits were mailed to new members  
19 this week.

20 TRS implemented a number of enhancements  
21 to our TDA program over the last few months. These  
22 enhancements include the ability for retired members  
23 to more easily repay TDA loans by electing automatic  
24 deductions from their PPP retirement allowance; the  
25 ability of active TDA participants to select a

1 flexible contribution rate that will better meet their  
2 needs by allowing them to reach a yearly contribution  
3 goal in a shorter period than a full year; an  
4 enhancement to the TDA contribution rate election  
5 process to provide a calculator that illustrates the  
6 net impact to the member's paycheck for different  
7 contribution rates or dollar amounts.

8 TRS will be represented at CUNY benefits  
9 fairs being held at a number of CUNY campus locations  
10 during the months of September and October.

11 MS. REILLY: Thank you.

12 The next item on the agenda is the  
13 executive director's report; and the first item there  
14 is the next meeting. It has been suggested that the  
15 next regular meeting of the Teachers' Retirement Board  
16 be held on the fourth Thursday of the month, October  
17 23, 2014.

18 CHAIRPERSON AARONSON: Mark your  
19 calendars, please.

20 MS. REILLY: The next item is a resolution  
21 authorization to the Comptroller of the City of New  
22 York to invest certain funds.

23 "At its meeting on June 19, 2014, the  
24 Teachers' Retirement Board authorized the Comptroller  
25 to invest certain funds of the Teachers' Retirement

1 System for a period of three months. In the event  
2 that the Board desires to continue the authorization,  
3 the following resolution is submitted for  
4 consideration and approval.

5 "Resolved, by the Teachers' Retirement  
6 Board as trustees of the Teachers' Retirement System  
7 that, in accordance with Section 13-513 and Section  
8 13-534 of the Administrative Code of the City of New  
9 York, the Comptroller of the City of New York is  
10 hereby authorized and requested, in accordance with  
11 Section 13-702 of the Administrative Code of the City  
12 of New York, to invest consistent with the investment  
13 policies of Teachers' Retirement System of the City of  
14 New York the contingent reserve fund, the pension  
15 reserve fund, the annuity savings fund and the annuity  
16 reserve fund referred to in Section 13-520 of the  
17 Administrative Code of the City of New York, other  
18 than the portion thereof held for current needs,  
19 pursuant to Section 13-538, subject to the terms and  
20 limitations set forth herein:

21 "1. The Comptroller shall have the power:

22 "A. To make any investment, which the  
23 trustees of the Teachers' Retirement System are  
24 authorized by law to make, including stock investment  
25 in securities as authorized by the Retirement Board in

1 its resolution of November 20, 1990. However, any  
2 investment in any tax-exempt security shall require  
3 prior approval by the Board.

4 "B. To hold, sell, assign, transfer, or  
5 dispose of any of the properties, securities or  
6 investments in which any of the funds of the Teachers'  
7 Retirement System shall have been invested, including  
8 the proceeds of such investments and any monies  
9 belonging to such fund, subject to the terms,  
10 conditions, limitations, and restricts imposed by the  
11 law upon the trustees of the Teachers' Retirement  
12 System.

13 "C. In the name of the Comptroller, as  
14 agent of the trustees, to foreclose mortgages upon  
15 default or to take title to real property in such  
16 proceedings in lieu thereof, or to lease and sell any  
17 properties so acquired.

18 "2. Any termination, expiration or  
19 revocation of this delegation to invest shall not  
20 affect any binding commitment previously made by the  
21 Comptroller pursuant to such delegation, and the  
22 Comptroller shall have the power to discharge full any  
23 such binding commitment according to its terms.

24 "3. The authority hereby grandted to the  
25 Comptroller of the City of New York by the Teachers'

1 Retirement Board for the investing of its funds shall  
2 be limited to a three-month period terminating  
3 December 31, 2014.

4 "4. Investment of funds of the Teachers'  
5 Retirement Board in real estate mortgages which are  
6 not guaranteed by the City of New York, the State of  
7 New York, and/or the United States governments, may be  
8 made by the Comptroller in accordance with an agreed  
9 procedure contained in a memorandum dated March 16,  
10 1968.

11 "5. The transactions executed within the  
12 provisions of paragraphs 1-4 of this resolution shall  
13 be submitted to the Teachers' Retirement Board at the  
14 next meeting following the execution of such  
15 transaction."

16 CHAIRPERSON AARONSON: Resolution  
17 presented.

18 MS. MARCH: Motion.

19 CHAIRPERSON AARONSON: Is there a second  
20 to the resolution?

21 MS. WOLPERT: Second.

22 CHAIRPERSON AARONSON: Is there any  
23 discussion?

24 MS. GRIMM: No.

25 CHAIRPERSON AARONSON: Seeing none, we'll

1 vote.

2 All in favor?

3 (A chorus of "Ayes.")

4 Any opposed?

5 Go on.

6 MS. REILLY: Thank you.

7 The next item is the authorization to the  
8 Comptroller of the City of New York to invest certain  
9 tax deferred annuity funds.

10 CHAIRPERSON AARONSON: Read the  
11 description.

12 MS. REILLY: "At its meeting on June 19,  
13 2014, the Teachers' Retirement Board authorized the  
14 Comptroller to invest, for a period of three months,  
15 the net contributions of the Tax-Deferred Annuity  
16 Program for participants electing the fixed portion of  
17 the Program. In the event that the Board desires to  
18 continue to have these funds invested by the  
19 Comptroller of the City of New York, the following  
20 resolution is submitted for consideration and  
21 approval.

22 "Resolved, by the Teachers' Retirement  
23 Board as trustees of the Teachers' Retirement System  
24 that, in accordance with Sections 13-513 and Section  
25 13-534 of the Administrative Code of the City of New



1 York, the Comptroller of the City of New York is  
2 hereby authorized and requested, in accordance with  
3 section 13-702 of the Administrative Code of the City  
4 of New York, to invest consistent with the investment  
5 policies of Teachers' Retirement System of the City of  
6 New York the portion of the annuity savings fund and  
7 the annuity reserve fund arising from the tax-deferred  
8 annuity net contributions, subject to the terms and  
9 limitations set forth herein.

10 "1. The Comptroller shall have the power:

11 "A. To make any investment, which the  
12 trustees of the Teachers' Retirement System are  
13 authorized by law to make, including stock investment  
14 in securities as authorized by the Retirement Board in  
15 its resolution of November 20, 1990. However, any  
16 investment in any tax-exempt security shall require  
17 prior approval by the Board.

18 "B. To hold, sell, assign, transfer, or  
19 dispose of any of the properties, securities or  
20 investments in which any of the funds of the Teachers'  
21 Retirement System shall have been invested, including  
22 the proceeds of such investments and any monies  
23 belonging to sch fund, subject to the terms,  
24 conditions, limitations, and restricts imposed by the  
25 law upon the trustees of the Teachers' Retirement

1 System.

2 "C. In the name of the Comptroller, as  
3 agent of the trustees, to foreclose mortgages upon  
4 default or to take title to real property in such  
5 proceedings in lieu thereof, or to lease and sell any  
6 properties so acquired.

7 "2. Any termination, expiration or  
8 revocation of this delegation to invest shall not  
9 affect any binding commitment previously made by the  
10 Comptroller pursuant to such delegation and the  
11 Comptroller shall have the power to discharge full any  
12 such binding commitment according to its terms.

13 "3. The authority hereby grandted to the  
14 Comptroller of the Cityh of New York by the Teachers'  
15 Retirement Board for the investing of its funds shall  
16 be limited to a three-month period terminating  
17 December 31, 2014.

18 "4. Investment of funds of the Teachers'  
19 retirement Board in real estate mortgages which are  
20 not guaranteed by the City of New York, the State of  
21 New York, and/or the United States governments, may be  
22 made by the Comptroller in accordance with an agreed  
23 procedure contained in a memorandum dated March 16,  
24 1968.

25 "5. The transactions executed within the

1 provisions of paragraphs 1-4 of this resolution shall  
2 be submitted to the Teachers' Retirement Board at the  
3 next meeting following the execution of such  
4 transaction."

5 MS. MARCH: Motion.

6 CHAIRPERSON AARONSON: A second for the  
7 resolution?

8 MS. WOLPERT: Second.

9 CHAIRPERSON AARONSON: Any discussion?

10 MS. GRIMM: No.

11 CHAIRPERSON AARONSON: All in favor?

12 (A chorus of "Ayes.")

13 Any opposed?

14 (No response.)

15 Carried.

16 MS. REILLY: The next resolution is  
17 attendance at a conference.

18 "The following resolution is presented for  
19 consideration and possible adoption:

20 Resolved, that the Trustees of the  
21 Teachers' Retirement Board hereby approve the  
22 attendance and participation of the Executive Director  
23 and/or her designees, and any interested Trustee at  
24 the National Council on Teachers' Retirement 92nd  
25 Annual Conference from October 11 through 15, 2014."

1 MS. MARCH: I move the resolution.

2 CHAIRPERSON AARONSON: Is there a second?

3 MS. GRIMM: Second.

4 CHAIRPERSON AARONSON: It's been moved and  
5 second.

6 Discussion?

7 In all in favor?

8 (A chorus of "Ayes.")

9 Any opposed?

10 (No response.)

11 Carried.

12 MS. REILLY: The next resolution is  
13 attendance at a conference.

14 "The following resolution is presented for  
15 consideration and possible adoption.

16 "Resolved, that the trustees of the  
17 Teachers' Retirement Board hereby approve the  
18 attendance and participation of the Executive Director  
19 and/or her designee and any interested Trustee at the  
20 National Association of Securities Professionals 18th  
21 Annual Trustee Education Conference, from October 20  
22 to the 21st, 2014."

23 MS. MARCH: I move the resolution.

24 CHAIRPERSON AARONSON: Second?

25 MS. WOLPERT: Second.

1 CHAIRPERSON AARONSON: Discussion?

2 All in favor?

3 (A chorus of "Ayes.")

4 Any opposed?

5 (No response.)

6 Carried.

7 MS. REILLY: Next.

8 CHAIRPERSON AARONSON: Next is a  
9 resolution honoring our dear friend Mark Katz.

10 "Whereas, Marc Katz became the Deputy  
11 Director of Investment Administration for the  
12 Teachers' Retirement System in 2004 after a  
13 distinguished career in the investment industry while  
14 in the private sector.

15 "Whereas, Marc Katz was appointed as  
16 Director of Investment Administration in 2008, ably  
17 guiding TRS's variable annuity program and allowing  
18 the TRS staff, the Board and plan sponsors to benefit  
19 from his insight and experience.

20 "And whereas, Marc Katz passed away  
21 suddenly on June 19, 2014, leaving behind a loving  
22 family, friends, colleagues and staff who mourn his  
23 loss.

24 "And, whereas, Marc Katz was known at TRS  
25 for his easy conversation, his encyclopedic knowledge

1 on many topics, his constant good humor and his quick  
2 and lively smile.

3 "And whereas, the numerous friendships  
4 that Marc Katz built at TRS, his willing support of  
5 colleagues and his enthusiasm and positive energy will  
6 leave a lasting legacy in the Agency.

7 "And whereas, Marc Katz was a devoted  
8 family man who frequently expressed the joy and pride  
9 that his family brought him, especially his  
10 grandchildren.

11 "And whereas, the Trustees recognize these  
12 qualities in Marc Katz that will continue to inspire  
13 his colleagues, his generosity with his time, his  
14 willingness to share his knowledge, his warmth and  
15 respect for others; and his vision and expertise in  
16 his work.

17 "Therefore, be it resolved that the  
18 Trustees of the Teachers' Retirement Board extend  
19 their deepest sympathies to the Katz family and  
20 friends. The Trustees and associates of TRS share  
21 their sorrow and sense of loss, for we will miss his  
22 experience, his conversation, and most all his  
23 friendship. Although Marc Katz is no longer with us,  
24 his contributions to TRS will not be forgotten."

25 Do I hear a second to the motion?

1 MS. MARCH: Second.

2 CHAIRPERSON AARONSON: Any discussion?

3 Seeing none, the motion has been passed by  
4 acclimation.

5 I would like to take to opportunity to  
6 present to the Katz family this framed copy of the  
7 resolution so that they can have it.

8 (Indicating.)

9 MS. MARCH: I'd like to add something, and  
10 I hope I don't cry. It is never the length of time  
11 you are here, it is what you do with the time that you  
12 are here. And Marc did so much with his time that he  
13 was here for the system, for all of the people who  
14 worked with him, and I know he did same for his  
15 family.

16 So he will be remembered by all of us, his  
17 smile, his charm, his intelligence, and most of all  
18 his decency as a human being.

19 CHAIRPERSON AARONSON: Thank you.

20 The board members are unanimous.

21 We will continue.

22 MS. REILLY: That concludes the director's  
23 report. The next item on the agenda is the calendar.

24 The first matter of the calendar is the  
25 approval of the minutes or the regular meeting held

1 June 19, 2014.

2 CHAIRPERSON AARONSON: We will move the  
3 minutes to the calendar and vote on it as one item.

4 MS. REILLY: Adoption of the following  
5 item. The monthly periodic payroll of TDA excess loan  
6 payments, pages 1 through 1,217 inclusive.

7 Payroll summary, accounts payable, new  
8 retirees and TDA accounts, page 1,218.

9 Pages 1,219 through 1262, transfer of  
10 active TDA deferrals to annuity payments.

11 Pages 1,243 through 1,289 are fractional  
12 payments.

13 Pages 1,290 to 1,306 inclusive is the  
14 uncollected checks for deceased members.

15 Pages 1,307 through 1,331 is the  
16 beneficiary continuing option payments.

17 Pages 1,332 through 1,341 is the  
18 conversion to pop-up payments.

19 Pages 1,342 through 1,393 inclusive is the  
20 beneficiaries receive one time payments from the PPP  
21 accounts.

22 Pages 1,394 through 1,396 is return net  
23 salary deductions.

24 Page One 1,397, the transfer of funds  
25 between banks.



1 Pages 1,398 through 1,402 is the purchase  
2 and sale of securities transacted from Passport fund  
3 program.

4 Page 1,403 through 1,404 inclusive is the  
5 receipt of installment payments.

6 Pages 1,405 through 1,411 inclusive are  
7 outstanding checks.

8 Pages 1,412 through 2,499 are the  
9 revisions, including those under class coverage.

10 Pages 2,501 through 2,503 inclusive are  
11 leaves of absence.

12 Pages 2,504 through 2,506 are payments for  
13 service credit.

14 Page 2,507 are denied accident disability  
15 benefits.

16 Page 2,508 are denied disability benefits.

17 Page 2,509 are minimum accumulations.

18 And page 2,510 is new service retirement  
19 payment.

20 That concludes the calendar.

21 CHAIRPERSON AARONSON: Is there a second?

22 MS. GRIMM: Second.

23 CHAIRPERSON AARONSON: Any discussion?

24 (No response.)

25 All in favor?

1 (A chorus of "Ayes.")

2 Any opposed?

3 The calendar is accepted.

4 Ms. March?

5 MS. MARCH: I'd like to take this  
6 opportunity to thank the staff of the TRS and the  
7 actuary's office. We're all aware of the fact that  
8 there was a new contract negotiated for the United  
9 Federation of Teachers, but information has not  
10 arrived at the Teachers' Retirement System regarding  
11 the new salaries that members who are retiring would  
12 be getting.

13 So the actuary and the staff of the TRS  
14 are finalizing people who retired, this 2600 people we  
15 just talked about. They are finalizing them under the  
16 old contract, because they know what they would be  
17 getting under the old contract. And that at least  
18 will raise what they will be receiving in their  
19 retirement for the number of months it takes for the  
20 system to get the new salary, and then they can  
21 recompute them.

22 We do realize it is a little extra work  
23 for the Actuary's Office and for the staff of the  
24 Teachers' Retirement System, but we thank you for each  
25 of the members who were receiving that finalized

benefit under the old contract.

MS. REILLY: Thank you.

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

CHAIRPERSON AARONSON: Any staff or Board members? Members of the public?

MS. REILLY: Are there any questions or comments from the public?

(No response.)

CHAIRPERSON AARONSON: Is there a motion to go into executive session?

MS. MARCH: So moved.

MS. GRIMM: Second.

CHAIRPERSON AARONSON: We're moving into executive session to discuss an investment matter, and it has been moved and seconded.

All those in favor?

(A chorus of "Ayes.")

Any opposed?

That carries. We'll go into executive session. Can everybody except Board members and investment people who have to be here and attorneys please stay? Everybody else please leave temporarily. You'll be back in five or six minutes.

1 (Whereupon, the Board entered executive  
2 session.)

3 CHAIRPERSON AARONSON:· Do I hear a motion  
4 to move out of executive session?

5 MS. MARCH: So moved.

6 MS. GRIMM: Second.

7 CHAIRPERSON AARONSON: All in favor?

8 (A chorus of "Ayes.")

9 Any opposed?

10 We're now out of executive session.

1 (Whereupon, the Board returned to public  
2 session.)

3 CHAIRPERSON AARONSON: I'd like a summary.  
4 Susan, will you give us a summary of what we discussed  
5 in executive session?

6 MS. STANG: In executive session there was  
7 discussion and consensus around the hiring of a  
8 service provider for the variable funds.

9 CHAIRPERSON AARONSON: Thank you very  
10 much.

11 Does anybody else have any other business  
12 before the Board?

13 (No response.)

14 Is there a motion to adjourn?

15 MS. MARCH: Moved.

16 MS. GRIMM: Second.

17 CHAIRPERSON AARONSON: Anybody opposed to  
18 adjourning, please stay. Invite the Katz family and  
19 the rest of the staff back in.

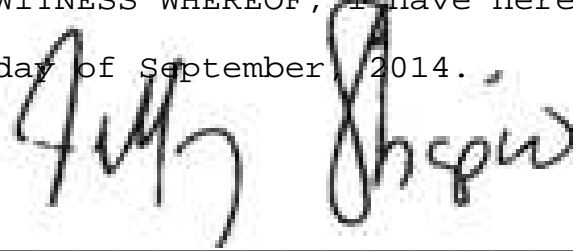
20 (Time noted: 4:00 p.m.)

21 (Matter concluded.)  
22  
23  
24  
25

C E R T I F I C A T I O N

I, Jeffrey Shapiro, a Shorthand 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, September 18, 2014,  
at the offices of the NEW YORK CITY TEACHERS RETIREMENT  
SYSTEM, 55 Water Street, New York, New York, and that  
this is an accurate transcription of these proceedings.

IN WITNESS WHEREOF, I have hereunto set my  
hand this 22nd day of September 2014.



JEFFREY SHAPIRO