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2

NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

3

REGULAR BOARD MEETING

4

Held on Monday, September 20, 2021

5

Via Zoom Videoconference

6

7

ATTENDEES:

8

DEBRA PENNY, Chairperson

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PATRICIA REILLY, Executive Director, TRS

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THADDEUS MCTIGUE, Deputy Executive Director, TRS

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DAVID KAZANSKY, Trustee

12

THOMAS BROWN, Trustee

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SUSANNAH VICKERS, Trustee, Comptroller's Office

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JOHN DORSA, Trustee, Comptroller's Office

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JOHN ADLER, Trustee, Mayor's Office

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NATALIE GREEN GILES, Trustee

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RUSSELL BUCKLEY, Trustee

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VALERIE BUDZIK, TRS

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ROBERT BETHELMY, TRS

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RENEE PEARCE, TRS

21

PAUL RAUCCI, TRS

22

LIZ SANCHEZ, TRS

23

RONALD SWINGLE, TRS

24

KAVITA KANWAR, TRS

25

CARMELA CRIVELLI, TRS

1 Attendees (Cont'd)
2 NATARAJAN KRISHNAMOORTHY
3 ANTHONY MEZZACAPPA
4 ANNETTE HANRAHAN
5 SHERRY CHAN, Chief Actuary
6 ISAAC GLOVINSKY, TRS
7 ANDREW BRADFORD, TRS
8 KATE CHEN, TRS
9 MARTA ROSS, Corporation Counsel

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P R O C E E D I N G S

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

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MS. REILLY: Good afternoon.

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Welcome to the board meeting of the

7

Teachers' Retirement System September 20,

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2021.

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I'll start by calling the roll.

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John Adler?

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MR. ADLER: Here.

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MS. REILLY: Thomas Brown?

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MR. BROWN: Present.

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MS. REILLY: Natalie Green Giles?

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MS. GREEN GILES: Present.

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MS. REILLY: David Kazansky?

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MR. KAZANSKY: Present.

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MS. REILLY: Russell Buckley?

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MR. BUCKLEY: Present.

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MS. REILLY: Debra Penny?

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CHAIRPERSON PENNY: Present.

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MS. REILLY: Susannah Vickers?

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MS. VICKERS: Here.

24

MS. REILLY: Okay. We have a

25

quorum. I'll get to the board materials.

1 So, first on the agenda is an update
2 of TRS operations. Kavita Kanwar will
3 give us that update.

4 MS. KANWAR: Good afternoon. Nearly
5 2,600 members retired over the summer,
6 with retirement dates between June and
7 September. 85 percent of these members
8 are receiving advanced payment of
9 finalized retirement benefits as of
10 September's payroll.

11 TRS conducted an e-mail campaign to
12 members who need to receive a required
13 distribution for RMD from their TDA
14 account. About 20,000 members who
15 received RMD notification in the spring
16 but did not file an election received an
17 e-mail in early August.

18 Those who did not file an election
19 will receive a distribution at year end.

20 TRS members' education team had a
21 record setting summer, as they conducted
22 350 educational programs virtually
23 serving over 2,300 members.

24 Thank you.

25 MR. BROWN: You'll send that to us

1 electronically, Kavita?

2 MS. KANWAR: Will do.

3 CHAIRPERSON PENNY: Thank you,
4 Kavita.

5 MS. REILLY: Thank you.

6 Next, a report from the Actuary.

7 MS. CHAN: Thank you, Madam
8 Executive Director.

9 Can you hear me?

10 MS. REILLY: Yes, I can hear you.

11 MS. CHAN: I'm going closer to the
12 router. One second. All right.

13 For my fiscal note report there are
14 three fiscal notes that were issued since
15 last time we met in June. All three of
16 these do have to do with the cost of
17 living adjustment, or COLA.

18 The first one is fiscal note number
19 52 issued on June 14. This had to do,
20 this bill was to apply the COLA amount to
21 \$21,000, the first \$21,000 of the pension
22 benefit rather than the \$18,000 it's
23 currently at right now. For TRS this
24 would increase the annual contribution by
25 \$237.2 million.

1 Fiscal note number 23 issued on June
2 17 also had to do with the COLA. Right
3 now, from the period 1961 to 1972 the
4 percentage of the COLA that's applied to
5 the retirees and their spouses for after
6 they pass away ranged anywhere from 50 to
7 100 percent. And that is the increase,
8 and there's a schedule attached to the
9 fiscal note of what percentage it would
10 be increased to. And increasing this
11 COLA percentage would increase the TRS
12 contributions by \$61.3 thousand.

13 For fiscal note 55, issued on July
14 16, it would increase the COLA cap from 3
15 percent to 5 percent. And given that the
16 CPI hasn't been above 6 percent in the
17 last three years, we had priced this
18 using a one year spike of the COLA going
19 -- sorry, the CPI going up to 8 percent,
20 which would give a COLA of 4 percent,
21 because the COLA is 50 percent of the
22 CPI.

23 Spiking this for one year would
24 produce a \$12.2 million increase in the
25 employer contribution.

1 So, I'm happy to answer any
2 questions or turn it back over to
3 Patricia.

4 MS. REILLY: Thank you, Sherry.

5 Next is the executive director's
6 report. And the first item is the matter
7 of the next meeting. And it has been
8 suggested that the next regular meeting
9 of the Teachers Retirement Board be held
10 on the fourth Monday of the month,
11 October 25, 2021. We should mark our
12 calendars.

13 Next is a resolution, the
14 authorization to the Comptroller of the
15 City of New York to invest certain QPP
16 funds.

17 MR. KAZANSKY: Please waive the
18 reading.

19 MS. REILLY: Thank you.

20 Next is the authorization --

21 CHAIRPERSON PENNY: We have to vote
22 on it.

23 Do I hear a motion?

24 MR. BROWN: So moved.

25 CHAIRPERSON PENNY: Do I hear a

1 second?

2 MR. KAZANSKY: Second.

3 CHAIRPERSON PENNY: All in favor
4 please say "Aye."

5 (A chorus of "Ayes.")

6 All opposed?

7 Any abstentions?

8 (No response.)

9 Discussion?

10 Okay. We have passed it. Motion
11 carries.

12 MS. REILLY: Next is the
13 authorization to Comptroller of the City
14 of New York to invest certain tax
15 deferred annuity funds.

16 MR. KAZANSKY: Please waive the
17 reading.

18 CHAIRPERSON PENNY: Thank you.

19 Do I hear a motion?

20 MR. KAZANSKY: Motion.

21 CHAIRPERSON PENNY: Second?

22 MR. ADLER: Second.

23 CHAIRPERSON PENNY: Any discussion?

24 (No response.)

25 All in favor of the resolution

1 please say "Aye."

2 (A chorus of "Ayes.")

3 Any opposed say "Nay."

4 Abstentions?

5 (No response.)

6 Motion carries.

7 MS. REILLY: Next is the extension
8 of participation in the Common Investment
9 Meeting.

10 MR. KAZANSKY: Please skip to the
11 resolves.

12 MS. GREEN GILES: Actually, I would
13 like to have this read if possible,
14 because I know there was a late minute
15 change and I would like to hear it read
16 for everybody's benefit.

17 MS. REILLY: "Whereas, the Teachers
18 Retirement Board at its June 17, 2021
19 regular meeting extended for a three
20 month period its agreement to participate
21 in the Common Investment Meeting with the
22 other New York City Retirement Systems;

23 "And, whereas, the Board desires to
24 extend its agreement and participate in
25 the CIM for a three month period

1 terminating December 31, 2021, subject to
2 the conditions set forth in the Board's
3 2015 and 2016 CIM resolutions, except as
4 modified by this resolution;

5 "And, whereas, the Board does not
6 intend to extend its participation in the
7 CIM past December 31 --

8 MR. ADLER: Sorry; that's not the --
9 (Talking over each other.)

10 MS. REILLY: I do, but it's not like
11 I'm reading off of the materials that
12 were sent to me. I do have it. I just
13 have to go back and read just the revised
14 reso. Sorry, guys.

15 I guess the first "whereas" is okay?

16 MR. KAZANSKY: The first two are
17 correct.

18 MS. REILLY: "Whereas, the Board
19 desires to eliminate the six month
20 transition period or lag provided in the
21 Board's 2015 CIM resolution;

22 "And, whereas, given Covid safety
23 considerations as provided by state law,
24 this Board desires continuation of the
25 CIM as a virtual meeting whereby

1 attendees may participate in the CIM
2 remotely;

3 "And, therefore, be it resolved the
4 Teachers Retirement Board extends for a
5 three month period, terminating December
6 31, 2021, its participation in the Common
7 Investment Meeting as described and
8 subject to the conditions of the Board's
9 2015 and 2016 CIM resolutions, except the
10 six month transition period is
11 eliminated.

12 "Resolved, that this extension is
13 contingent on the Comptroller's
14 continuation of the CIM as a virtual
15 meeting to enable remote participation;

16 "And be it further resolved that
17 nothing in this resolution shall abrogate
18 and rights or waive any responsibilities
19 reserved to the Board of Trustees under
20 (unclear)."

21 CHAIRPERSON PENNY: Thank you.

22 Do I have a motion?

23 MR. BROWN: So moved.

24 CHAIRPERSON PENNY: Do I hear a
25 second?

1 MR. KAZANSKY: Second.

2 CHAIRPERSON PENNY: Thank you.

3 Before we vote, any discussion?

4 MS. GREEN GILES: I have a question.

5 I'm not sure where this conversation was
6 held and I apologize if I wasn't present
7 for when this discussion occurred.

8 But I do not know what the
9 "whereas," referring to the elimination
10 of the six month transition period. Can
11 somebody please explain what that means
12 to me and how that relates to the
13 extension of our participation in the
14 CIM?

15 MS. VICKERS: I can explain it, if
16 it's helpful.

17 MS. GREEN GILES: Anybody would be
18 helpful, thank you.

19 MS. VICKERS: Natalie, initially way
20 back in, I think it was 2015, when the
21 CIM was first conceptualized and created,
22 there was talk about how, it was a lot of
23 work to create the CIM, and BAM was
24 nervous that if there is any unwinding of
25 the CIM that that would necessitate kind

1 of a long wind-down period.

2 And so, the original resolutions
3 that all the boards passed included sort
4 of a six month lag with regard to
5 participation or not participating any
6 longer.

7 And that concern is less important
8 now that we've gotten our feet on the
9 ground and we understand how to do the
10 meeting.

11 And so, I think the desire of the
12 Board to take that out is consistent with
13 current practice in the way the CIM is
14 implemented and conducted.

15 MS. GREEN GILES: So this is a
16 procedural move that just --

17 MS. VICKERS: It's no longer
18 relevant.

19 MS. GREEN GILES: All right. I will
20 stop there, then.

21 CHAIRPERSON PENNY: Any other
22 questions?

23 (No response.)

24 Thank you.

25 All those in favor of passing this

1 resolution please say "Aye."

2 (A chorus of "Ayes.")

3 All opposed?

4 Any abstentions?

5 (No response.)

6 Motion carries.

7 Number 5?

8 MS. REILLY: The next resolution is
9 the Actuary's determination for the
10 updated preliminary fiscal year 2022
11 employer contribution to the Teachers'
12 Retirement System of the City of New
13 York.

14 MR. KAZANSKY: Skip to the resolves,
15 please.

16 MS. REILLY: "Resolved, the Board of
17 Trustees hereby approves the updated
18 preliminary fiscal year 2022 employer
19 contribution of \$3,303,797,557 to the
20 Teachers' Retirement System of the City
21 of New York."

22 CHAIRPERSON PENNY: Thank you.

23 Do I hear a motion?

24 MR. BROWN: So moved.

25 CHAIRPERSON PENNY: Questions before

1 we take a vote?

2 Hearing none, all in favor of the
3 motion please say "Aye."

4 (A chorus of "Ayes.")

5 All opposed?

6 Any abstentions?

7 (No response.)

8 Motion carries.

9 MS. REILLY: The next resolution is
10 the Actuary's determination for the
11 revised final fiscal year 2021 employer
12 contribution to the Teachers' Retirement
13 System of the City of New York.

14 MR. KAZANSKY: Please skip to the
15 resolved.

16 MS. REILLY: "Resolved, that the
17 employer contribution to the Teachers
18 Retirement System of the City of New York
19 fiscal year for fiscal year 2021 in the
20 amount of \$3,131,606,535 is hereby
21 approved by the Board of Trustees."

22 CHAIRPERSON PENNY: Thank you.

23 Do I hear a motion?

24 MR. KAZANSKY: So moved.

25 MS. VICKERS: Second.

1 CHAIRPERSON PENNY: Any discussion?

2 Any questions for the Actuary?

3 (No response.)

4 All those in favor please say "Aye."

5 (A chorus of "Ayes.")

6 Any opposed?

7 Any abstentions?

8 (No response.)

9 Motion carries.

10 MS. REILLY: Next resolution for is

11 for the proposed changes in actuarial

12 assumptions and methods.

13 "Whereas --

14 MR. KAZANSKY: Please skip to the

15 resolves.

16 MS. REILLY: "Resolved, that the

17 Actuary's July 23, 2021 memorandum and

18 supports the proposed changes in the

19 actuarial assumptions and methods.

20 "And be it further resolved that the

21 Board adopts those proposed changes in

22 the actuarial assumptions and methods."

23 CHAIRPERSON PENNY: Thank you.

24 Do I hear a motion?

25 MR. ADLER: So moved.

1 CHAIRPERSON PENNY: Do I hear a
2 second?

3 MR. BROWN: Second.

4 CHAIRPERSON PENNY: Discussion?

5 (No response.)

6 Questions?

7 All those in favor of the motion
8 please say "Aye."

9 (A chorus of "Ayes.")

10 Any opposed?

11 Any abstentions?

12 (No response.)

13 Motion carries.

14 MS. REILLY: Next is the Board rules
15 and standards for the Actuary.

16 MR. KAZANSKY: Please skip to the
17 resolves.

18 MS. REILLY: "Resolved, that the
19 Actuary provide TRS staff by October 8,
20 2021 with a list of reports it provides
21 to the Board with a fiscal year, either
22 required by statute or otherwise, or
23 proposed timing of reports;

24 "And be it further resolved that TRS
25 staff draft proposed actuarial rules and

1 standards for Board review and possible
2 adoption by no later than the Board's
3 regular board meeting November 2021."

4 CHAIRPERSON PENNY: Thank you.

5 Do I hear a motion?

6 MR. KAZANSKY: So moved.

7 CHAIRPERSON PENNY: Thank you.

8 Do I hear a second?

9 MR. BROWN: Second.

10 CHAIRPERSON PENNY: Thank you.

11 Questions or discussion?

12 MR. ADLER: I'd like to ask, the
13 first time I'm hearing about this without
14 any background, explanation or anything.
15 If somebody could explain the genesis of
16 it I'd appreciate it.

17 CHAIRPERSON PENNY: Is Valerie on?

18 MS. BUDZIK: I am. This is at the
19 Chair's request to -- rules, standards,
20 to facilitate communication between the
21 Actuary's office and the Board in terms
22 of what the expectations are -- reports
23 or any other analysis --

24 MR. ADLER: You are breaking up.

25 MS. BUDZIK: On my laptop. I don't

1 know how to adjust that.

2 It's really just, particularly as we
3 go into a new administration, the idea
4 here, again, at the request of the Chair,
5 that we have rules and standards so the
6 Board knows what the Actuary is producing
7 over the fiscal year, calendar year,
8 we'll figure that out; when to expect it
9 and the initiatives that the Actuary may
10 be proposing to pursue so that the Board
11 is informed.

12 CHAIRPERSON PENNY: Thank you.

13 During the past year we had a lot of
14 questions and we just thought, as Valerie
15 said, to tighten up the process so we
16 understand exactly the Actuary's role and
17 responsibilities and everything. We
18 appreciate it. So she drafted this.

19 Any other questions?

20 (No response.)

21 Okay; hearing none.

22 MS. GREEN GILES: For clarification,
23 Madam Chair, you said "she" drafted it.

24 Who is "she"?

25 MS. PENNY: Valerie.

1 MS. GREEN GILES: So this is coming
2 as legal recommendations?

3 (Talking over each other.)

4 MS. REILLY: TRS normally drafts the
5 resolutions that you see on here -- give
6 us drafts, sometimes based on input from
7 members of the Board we will create and
8 put together a resolution --

9 MS. GREEN GILES: Just to get back
10 to Mr. Adler's, the key word "genesis" of
11 this. Is it coming from -- I'm trying to
12 understand -- because it's also the first
13 time we're hearing about it.

14 Is it coming from the Chair? Is it
15 coming from a legal recommendation?

16 CHAIRPERSON PENNY: It's coming from
17 the Chair based on discussions the
18 Teachers members have had.

19 MS. GREEN GILES: It would have been
20 helpful, obviously, to have received it
21 prior to 72 hours before the meeting or
22 whenever it came out, for future process.
23 But I don't do this as my full-time job,
24 so maybe we can also, as long as we're
25 talking about protocols and

1 communications, maybe we could have a
2 protocol for how far in advance we get
3 these kind of resolutions.

4 MS. REILLY: We follow the bylaws
5 for distribution of materials to the
6 Board. So you get those materials in the
7 time frame that's set out in the bylaws.

8 CHAIRPERSON PENNY: The bylaws say,
9 Patricia?

10 MS. REILLY: 48 hours.

11 MS. GREEN GILES: 48 hours?

12 MS. BUDZIK: I believe also, this
13 was I think John's request. We sent out
14 an agenda, it doesn't necessarily have
15 the resolutions attached, but we do send
16 out the prior to the 48 hours with the
17 actual resolutions.

18 MS. GREEN GILES: If nobody else has
19 an objection, obviously for me this is a
20 very tight time frame to get any kind of
21 good, prudent thought to what's presented
22 to me. But if everybody else feels they
23 have enough time, that's fine.

24 MS. REILLY: At John's request
25 several months ago we sent out the agenda

1 so that you can see what's going to be
2 discussed. And this actual, the title of
3 this was actually on that agenda. So
4 that gives you the opportunity as a Board
5 member to touch base with your fellow
6 Board members to get some more
7 clarification.

8 That's why we send the agenda out
9 earlier. As I said, we send all
10 resolutions out within the time frame set
11 forth of the bylaws for Teachers'
12 Retirement System.

13 CHAIRPERSON PENNY: Any further
14 questions?

15 (No response.)

16 Hearing none, all in favor of the
17 resolution please say "Aye."

18 (A chorus of "Ayes.")

19 Any opposed say "Nay."

20 Abstentions?

21 (No response.)

22 MS. GREEN GILES: I abstain.

23 CHAIRPERSON PENNY: Natalie
24 abstained.

25 Motion carries. Thank you.

1 MS. REILLY: Next resolution is the
2 attendance at a conference.

3 "Resolved, that the Trustees of the
4 Teachers Retirement Board hereby approve
5 the attendance and participation of the
6 executive director and or her designees
7 and any interested Trustee at the
8 National Association of Securities
9 Professionals, New York Chapter 25,
10 annual symposium from November 9 to 10,
11 2021."

12 CHAIRPERSON PENNY: Thank you.

13 Do I hear a motion?

14 MR. KAZANSKY: So moved.

15 CHAIRPERSON PENNY: Is there a
16 second?

17 MS. VICKERS: Second.

18 CHAIRPERSON PENNY: Any questions or
19 discussion about this?

20 (No response.)

21 All in favor of the motion please
22 say "Aye."

23 (A chorus of "Ayes.")

24 Any opposed?

25 Any abstentions?

1 (No response.)

2 Motion carries. Thank you.

3 MS. REILLY: Next on the agenda is
4 the calendar for September 2021. The
5 matter of the approval of the minutes for
6 the June 3, 2021 investment meeting and
7 the June 17, 2021 board meeting.

8 CHAIRPERSON PENNY: Do I hear a
9 motion?

10 MR. KAZANSKY: Motion to approve.

11 CHAIRPERSON PENNY: Is there a
12 second?

13 MS. VICKERS: Second.

14 CHAIRPERSON PENNY: Thank you.

15 Any discussion about these minutes
16 of the board and investment meetings?

17 (No response.)

18 All in favor of the motion please
19 say "Aye."

20 (A chorus of "Ayes.")

21 Any opposed?

22 Any abstentions.

23 (No response.)

24 Motion carries, approval of the
25 minutes. Thank you.

1 MS. REILLY: Next items on the
2 calendar, you all received electronic
3 versions of the calendar and have read
4 them.

5 MR. KAZANSKY: Please waive the
6 reading of the calendar.

7 MS. REILLY: Thank you.

8 We want to vote to adopt the
9 calendar.

10 CHAIRPERSON PENNY: Motion to
11 approve the calendar?

12 MR. BROWN: So moved.

13 CHAIRPERSON PENNY: Do I hear a
14 second?

15 MR. ADLER: Second.

16 CHAIRPERSON PENNY: Questions about
17 the calendar?

18 (No response.)

19 All those in favor please say "Aye."

20 (A chorus of "Ayes.")

21 Any oppose?

22 Any abstentions?

23 (No response.)

24 We approved the calendar.

25 MS. REILLY: Next is other business.

1 Questions or comments from the
2 public?

3 (No response.)

4 Seeing none, we can go into
5 executive session.

6 CHAIRPERSON PENNY: Do I hear a
7 motion to go into executive session?

8 MS. VICKERS: So moved.

9 CHAIRPERSON PENNY: Thank you.
10 Do I have a second?

11 MR. BROWN: Second.

12 CHAIRPERSON PENNY: Any questions?
13 All in favor of going into executive
14 session please say "Aye."

15 (A chorus of "Ayes.")

16 All opposed say "Nay."

17 Any abstentions?

18 (No response.)

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

3 (Whereupon, the Board returned to
4 public session.)

5 CHAIRPERSON PENNY: We are back in
6 public session.

7 Ron, would you like to report out,
8 please?

9 MR. SWINGLE: In executive session
10 there was a resolution about a change to
11 the sector allocations within the
12 diversified equity fund. A vote was
13 taken, results of which will be announced
14 at the appropriate time.

15 Thank you.

16 CHAIRPERSON PENNY: Thank you, Ron.
17 Anything further?

18 (No response.)

19 Hearing none, do I hear a motion to
20 adjourn?

21 MR. BROWN: So moved.

22 CHAIRPERSON PENNY: Second?

22 MR. BUCKLEY: Second.

23 CHAIRPERSON PENNY: Thank you.

24 Questions?

25 (No response.)

1 All in favor of the motion to
2 adjourn please say "Aye."

3 (A chorus of "Ayes.")

3 All opposed say "Nay."

4 Any abstentions?

5 (No response.)

6 Have a wonderful evening, everyone.

7 (Whereupon, at 4:02 p.m., the matter
8 was concluded.)

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

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3 I, Jeffrey Shapiro, a Stenographic
4 Reporter and Notary Public, within and for the
5 State of New York, do hereby certify that I
6 reported the proceedings in the within-entitled
7 matter, on Monday, September 20, 2021, and that
8 this is an accurate transcription of these
9 proceedings.

10 IN WITNESS WHEREOF, I have hereunto
11 set my hand this 24th day of September, 2021.

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16 JEFFREY SHAPIRO

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