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NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

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BOARD MEETING

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Held on Thursday, October 22, 2015, at 55 Water

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Street, New York, New York

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ATTENDEES:

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JOHN ADLER, Chairman, Trustee

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SANDRA MARCH, Trustee

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DAVID KAZANSKY, Trustee

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THOMAS BROWN, Trustee

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SUSANNAH VICKERS, Trustee

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RAYMOND ORLANDO, Trustee

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PATRICIA REILLY, Teachers' Retirement System

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THAD McTIGUE, Teachers' Retirement System

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SUSAN STANG, Teachers' Retirement System

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VALERIE BUDZIK, Teachers' Retirement System

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REPORTED BY:

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YAFFA KAPLAN

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JOB NO. 0213626B

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2 ATTENDEES (Continued):

3 ELLEN DeLEO, Teachers' Retirement System

4 PAUL RAUCCI

5 RENEE PEARCE

6 LIZ SANCHEZ

7 ANNETTE HANHARAN

8 CARMELA CRIVELLI

9 ROBERT BETHELMY

10 MEGHAN McKENNA, ESQ., Law Department

11 KEITH SNOW, ESQ., Law Department

12 ANDREW BRADFORD

13 SHERRY CHAN, Chief Actuary

14 NATARAJAN KRISHNAMOORTHY

15 MICHAEL SOHN

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MS. REILLY: Good afternoon. We are going to begin the October 22, 2015 regular meeting of the Teachers' Retirement Board. I will start by calling the roll. John Adler?

MR. ADLER: Here.

MS. REILLY: Thomas Brown?

MR. BROWN: Here.

MS. REILLY: David Kazansky?

MR. KAZANSKY: Here.

MS. REILLY: Sandra March?

MS. MARCH: Present.

MS. REILLY: Raymond Orlando?

MR. ORLANDO: I will be present as well.

MS. REILLY: Susannah Vickers?

MS. VICKERS: I am here.

MS. REILLY: Thank you. We do have a quorum, so we will get to the next item on the agenda, which is an update on TRS operations. Each of you has received the latest calendar of events, and we have a few updates from Ellen DeLeo from our Business Solutions Group.

MS. DeLEO: TRS continues to work towards meeting its target of finalizing retirement revisions resulting from the UFT

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contract implementation for members who retired preJuly 1, 2014 by year-end. The annual benefits statements began mailing on September 25th to an approximate population of 117,000 members with a mailing anticipated to be completed by October 28th.

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TRS has completed a campaign that is reaching out to 9,500 members with current beneficiary designations on file but where some beneficiaries are missing their SSN, stressing the performance of providing the SSN to reduce the delay in disbursement of death benefits. To date, 3,718 members or 39 percent have responded providing the beneficiary's Social Security number.

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Preparations are underway to send out the third quarter 2015 statements. The quarterly account statements for members currently in service or on leave will include the full year full contribution rate for 2016. This rate is calculated based on the member's salary and their current TDA contribution limit of 18,000. Or if we receive the increase in limits from the IRS in time, we

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2 will go ahead and recalculate using that.

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MS. REILLY: Thank you, Ellen.

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The next item on the agenda --

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MR. BROWN: I wanted to thank the

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Teachers' Retirement System staff for doing

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what you said you were going to do as far as

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the calculations. We appreciate a job well

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done.

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MS. REILLY: Thank you.

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So the next item on the agenda is the

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Executive Director's report and the first item

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there is the next meeting. It's been

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suggested that the next regular meeting of the

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Teachers' Retirement Board be held on November

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19, 2015.

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The second item on the report is the

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proposed resolution amending investment policy

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statements. "Whereas, the Teachers'

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Retirement" --

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MS. MARCH: Move to the resolved,

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please.

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MS. REILLY: "Resolved, that the

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Teachers' Retirement Board adopts the attached

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amendments to its Investment Policy

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Statements, to reflect its policy encouraging the submission of investments that offer favorable fees and that the Board will reject investments with above-market fees relative to similar investments, taking into consideration all factors relevant to a prudent investment analysis".

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MR. ADLER: Is there a motion to approve that resolution?

MS. MARCH: So moved.

MR. ADLER: Second?

MR. KAZANSKY: Second.

MR. ADLER: Motion moved and seconded.

Any discussion? Okay.

All in favor of the motion, please signify by saying aye. Aye.

MR. BROWN: Aye.

MR. KAZANSKY: Aye.

MS. VICKERS: Aye.

MS. MARCH: Aye.

MR. ORLANDO: Aye.

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

MS. REILLY: The next item is

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authorization to join with the boards of other

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New York City Retirement Systems in a common

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investment meeting.

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MS. MARCH: I waive the reading of this

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resolution.

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MR. ADLER: So the reading has been

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waived. Is there a motion to adopt the

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resolution?

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MR. KAZANSKY: So moved.

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MR. ADLER: Second?

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MS. VICKERS: Second.

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MR. ADLER: Okay. Motion has been moved

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and seconded. Any discussion? Okay. Move to

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the vote then.

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All in favor of the resolution, please

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signify by saying aye. Aye.

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MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. MARCH: Aye.

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MR. ORLANDO: Aye.

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MR. ADLER: Opposed? Abstentions? The

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motion carries.

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MS. REILLY: Next is ratification of a

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vote to authorize execution of a lease

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agreement.

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MS. MARCH: Waive the reading.

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MR. ADLER: Okay. The reading has been

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waived.

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Is there a motion to ratify the vote to

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authorize execution of a lease agreement?

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MR. KAZANSKY: So moved.

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MR. ADLER: Is there a second?

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MS. VICKERS: Second.

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MR. ADLER: Motion has been moved and

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seconded. Any discussion? Okay. Hearing

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none, let's move to a vote.

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All in favor, say aye. Aye.

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MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. MARCH: Aye.

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MR. ORLANDO: Aye.

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MR. ADLER: Opposed? Abstentions? The

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motion carries.

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MS. REILLY: The next is a notice of

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proposed by-law change. "Article 6 of the

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By-Laws of the Teachers' Retirement System of

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2 the City of New York provides that the by-laws
3 may be amended, (except as to statutory
4 provisions) at any regular meeting of the
5 board by the vote required for other
6 decisions, provided that the text of the
7 proposed amendment is read and a written copy
8 thereof is filed with the Executive Director
9 at the previous regular meeting.

10 The Board desires to amend Article 2,
11 Sections 1 and 6 of its by-laws to reflect
12 that each meeting of the Board shall occur at
13 55 Water Street, unless otherwise provided by
14 the Board at the preceding meeting or in the
15 public notice required under the Public
16 Officers Law, and to delete the reference to
17 40 Worth Street as a place where meetings are
18 held. Public notice of all Board meetings
19 will be provided in accordance with the Public
20 Officers Law.

21 The Board directs the Executive Director
22 to provide a copy of this proposed by-law
23 change to every Board member that is absent
24 from this meeting, it being the intent of the
25 Board to adopt this by-law change at its next

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2 regular meeting in November."

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MR. ADLER: Okay. Thank you.

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5 MS. REILLY: So that concludes the
Executive Director's report.

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7 The next item on the agenda is the
calendar and each trustee should have a full
8 copy. The first matter on the calendar is the
9 approval of the minutes of the regular meeting
10 held on September 17, 2015.

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12 MR. ADLER: So do we need a vote on
that?

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14 MS. REILLY: Unless you want to do the
whole calendar.

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16 The next item is the monthly periodic
payroll of TDA excess loan payments, pages 1
17 through 14, inclusive. Page 15 is payroll
18 summary, accounts payable, new retirees, and
19 TDA accounts. Page 16 through 38, inclusive,
20 is the transfer of active TDA accounts
21 deferral to annuity payments. Page 39 through
22 90, inclusive, are fractional payments. Pages
23 91 through 112, inclusive, are uncollected
24 checks for deceased members.

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Pages 117 through 129, inclusive, are

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2 the beneficiaries' continuing option payments.

3 Pages 130 through 142, inclusive, are

4 conversions to pop-up payments. Pages 143

5 through 186, inclusive, are the beneficiaries

6 who receive one-time payments from their QPP

7 and TDA accounts. Pages 187 through 189 are

8 return net accumulated salary deductions.

9 Page 190 is the transfer of funds between

10 banks. Page 191 through 195 are the purchase

11 and sale of securities transacted from the

12 Passport Fund Program.

13 Page 196 are installment payments.

14 Pages 197 through 202 are outstanding checks.

15 Pages 203 through 205 are payments for service

16 credit. Page 206 is denied accident

17 disability benefits. Page 207 are denied

18 ordinary disability benefits. Page 208 is the

19 minimum accumulations. Page 209 were rules

20 and regulations for life insurance, and page

21 210 are new service retirement payments.

22 And that concludes the calendar.

23 MR. ADLER: Okay. So do we need a

24 motion to approve the calendar?

25 MS. REILLY: Yes.

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

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MR. KAZANSKY: So moved.

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MR. ADLER: Moved. Is there a second?

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MS. VICKERS: Second.

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MR. ADLER: Moved and seconded. Any
discussion? Okay. We move to a vote.

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All in favor, please say aye. Aye.

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MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. MARCH: Aye.

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MR. ORLANDO: Aye.

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

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

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MR. ADLER: I am going to call on myself
just to recognize that today is the last board
meeting which will be blessed with the
attendance of Meghan McKenna who is leaving
New York and leaving the City of New York's
Law Department for greener pastures upstate,
and let me just say on behalf of myself and

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the Board that we have really appreciated

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working with you and all of your service to us

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and we will miss you.

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MS. MCKENNA: Thank you so much. Thanks

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everybody.

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MR. ADLER: Is there any other business

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before the Board?

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MR. ORLANDO: If I may, John. A

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surprise item. The Department of Education

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named a school after Deputy Chancellor

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Kathleen Grimm. Today was the opening today.

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The school is on the south shore of Staten

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Island.

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If any of you would like to come at any

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time and visit it, it is our first net zero

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energy school, which is really neat, and we

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think she really would have liked that. So

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anyway, if you ever want to come for a visit,

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it's a wonderful tour. If you wait a couple

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of weeks, the kids themselves might be able to

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give the tour which would be really great, but

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anyway, I would like to -- I wanted to let you

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all know in case anybody is interested.

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MR. ADLER: Any other business before

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the Board?

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MS. BUDZIK: Something that's a little more mundane. Just to let the Board know, our contract with the Groom Law Group -- and they provide, you know, tax and fiduciary services to the variable funds. The current agreement expires October 31st. We have the ability to renew it for a year, which we will do or extend it for a year, which we will do, and we will be issuing a new RFP in the interim.

And the law department --

MR. SNOW: Just wanted to also let the Board know that we have entered into a negotiated acquisition with an outside tax law firm to look at some of the issues facing all the funds regarding the treatment of loans and the taxability of those loans and other types of disbursements.

So we are currently working with the funds now on that project, and I also want to let the Board know that we will in the future put out an RFP for full-time tax counsel on a retainer basis that should any of the funds need outside tax counsel, we can use them at,

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2 you know, on an as-needed basis to do so. So
3 we are in the process of doing that as well.

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5 MS. MARCH: Have you already put in
6 place the firm that's doing --

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7 MR. SNOW: For the negotiated
8 acquisition we have.

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9 MS. MARCH: Are you at liberty to tell
10 us at this point?

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11 MR. SNOW: I don't believe the contract
12 has been finalized yet.

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13 MS. MARCH: So when the contract is
14 finalized, we would appreciate you letting us
15 know.

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16 MR. SNOW: Will do.

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17 MS. MARCH: Thank you.

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18 MR. ADLER: Okay. Any other business
19 before the Board? Okay. Are there questions
20 or comments from the public? Okay.

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21 Seeing none, I think that a motion to
22 adjourn would be in order.

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23 MS. MARCH: So moved.

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24 MR. ADLER: Is there a second?

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25 MS. VICKERS: Second.

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MR. ADLER: All in favor of the motion

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to adjourn, please say aye. Aye.

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MR. BROWN: Aye.

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MR. KAZANSKY: Aye.

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MS. VICKERS: Aye.

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MS. MARCH: Aye.

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MR. ORLANDO: Aye.

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MR. ADLER: Opposed? Abstentions?

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Okay. The meeting is adjourned.

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(Time noted: 3:48 p.m.)

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STATE OF NEW YORK)

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COUNTY OF QUEENS)

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I, YAFFA KAPLAN, a Notary Public

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within and for the State of New York, do

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hereby certify that the foregoing record of

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proceedings is a full and correct

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transcript of the stenographic notes taken

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by me therein.

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IN WITNESS WHEREOF, I have hereunto

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set my hand this 23rd day of October,

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2015.

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YAFFA KAPLAN

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