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1 TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

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BOARD MEETING

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5

Thursday, October 26, 2023

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3:30 p.m.

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Remote Proceeding

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William Montague

Digital Reporter

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Notary Commission No. 01MO0009174

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APPEARANCES:

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THOMAS BROWN, CHAIR, TRUSTEE

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BRYAN BERGE, MAYOR'S OFFICE

4

ANTHONY GIORDANO, PANEL FOR EDUCATIONAL POLICIES

5

ALISON HIRSCH, COMPTROLLER'S OFFICE

6

DAVID KAZANSKY, TRUSTEE

7

VICTORIA LEE, TRUSTEE

8

PATRICIA REILLY, EXECUTIVE DIRECTOR

9

LIZ SANCHEZ, EXECUTIVE ASSISTANT

10

JOHN DORSA, COMPTROLLER'S OFFICE

11

MAREK TYSZKIEWICZ, CHIEF ACTUARY

12

KAVITA KANWAR

13

ANDREW BRADFORD, TRS

14

RONALD SWINGLE, TRS

15

ISAAC GLOVINSKY, TRS

16

MATT LASKOWSKI, TRS

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ANTHONY MEZZACAPPA, TRS

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NATARAJAN KRISHNAMOORTHY, TRS

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PAUL RAUCCI, TRS

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MARTA ROSS, LAW DEPARTMENT

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KATE CHEN, TRS

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JOANNE LENNON, TRS

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ANNETTE HANRAHAN, TRS

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JUSTINE JAUME, TRS

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GATI DALAL, LAW DEPARTMENT

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1 ROSA POLANCO, TRS  
2 MICHAEL GARLAND  
3 VALERIE BUDZIK, TRS  
4 THAD McTIGUE, TRS  
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1 (The proceedings commenced at 3:30 p.m.)  
2 MS. REILLY: Good afternoon. Welcome to the  
3 board meeting for the Teacher's Retirement Board for  
4 October 26th, 2023.  
5 I'll start by calling the roll.  
6 Bryan Berge?  
7 MR. BERGE: Bryan Berge representing Mayor  
8 Eric Adams. Present.  
9 MS. REILLY: Thomas Brown?  
10 CHAIR BROWN: I'm here. Thank you.  
11 MS. REILLY: Anthony Giordano?  
12 Alison Hirsch?  
13 MS. HIRSCH: Present, representing Comptroller  
14 Brad Lander.  
15 MS. REILLY: David Kazanksy.  
16 MR. KAZANSKY: Present.  
17 MS. REILLY: Victoria Lee?  
18 MS. LEE: Present.  
19 MS. REILLY: We have a quorum.  
20 So the first item on the agenda is an update  
21 on TRS operations, which will be given to us by Kavita  
22 Kanwar.  
23 MR. KANWAR: Hi. Good afternoon, everyone.  
24 The annual benefit statements for 2023 are now available  
25 for over 126,000 members who are in active service or on

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1 leave. Members were notified this week by email that  
2 the statements were available online viewing.

3           Nearly 1,400 members retired over the summer  
4 with a retirement date in July or August. Ninety  
5 percent of these members will be receiving finalized  
6 benefits as of the October payroll.

7           So for this year, over 4,000 new members have  
8 been enrolled with TRS, based on data received from  
9 Department of Education, CUNY, and charter schools. New  
10 members receive a welcome letter from TRS when they are  
11 enrolled.

12           Finally, TRS contacted almost 1,400 members  
13 who have been inactive for seven consecutive years,  
14 school years, advising them that their membership has  
15 expired. Thank you.

16           CHAIR BROWN: Thank you, Kavita. I just  
17 wanted to thank you, TRS. Ninety percent of our members  
18 who retired on July 1 will be finalized by the end of  
19 October. That's fantastic. Thank you.

20           MS. REILLY: Thank you. Next on the agenda  
21 is an update from the Actuary.

22           MR. TYSKIEWICZ: Good afternoon. I'm asking  
23 the Board to note receipt of the June 30th, 2021  
24 Actuarial Valuation, which determines the contributions  
25 for fiscal year 2023, which just ended. The Board

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1 already approved the final contribution amount for the  
2 fiscal year, last April. So this report just provides  
3 all the supporting information that's required for  
4 actuarial standards.

5           I just wanted to point out a few changes,  
6 updates to the report. First, hopefully, you'll find  
7 the report is a lot easier to read because I increased  
8 the font size and made the tables bigger. And then two  
9 pages just to draw your attention to when you do read  
10 the report, Page 14, I reformatted the graph to show  
11 what we have been talking about as a contribution cliff.  
12 So you makes it easy to see that there's a large payment  
13 in fiscal year 2032 of \$1.7 billion that is scheduled to  
14 pay off the unfunded, followed by credits.

15           And then, on Page 28, I replaced two exhibits  
16 that show the volatility that's possible with the plan.  
17 The old exhibits were from a textbook showing a sample  
18 plan with a seven-and-a-half percent discount rate. The  
19 new exhibits on Page 28 actually use your plan and it  
20 runs 5,000 stochastic 30-year projections to show what's  
21 possible, what kind of volatility is possible with the  
22 plan.

23           You can see what's assumed with the yellow  
24 line in there. Then the green and red line show kind of  
25 positive and negative experience. But in every

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1 scenario, you also do see the contribution cliff. So  
2 that's kind of independent of what future investment  
3 gains and loss do. So I'm happy to answer any questions  
4 if you have any.

5 CHAIR BROWN: Any questions for Marek?  
6 Thank you, Marek.  
7 MS. REILLY: Okay. Next is the Executive  
8 Director's Report, and the first item there is the next  
9 meeting, and it has been suggested that the next regular  
10 board meeting of the Teacher's Retirement Board be held  
11 on the third Thursday of the month, November 16th, 2023.  
12 Next is resolution for the Budget Modification  
13 due to Collective Bargaining Agreements.  
14 MR. BERGE: Please skip to the result.  
15 MS. REILLY: Result, the Board approves a  
16 modification to the fiscal year 2024 budget to increase  
17 such budget by \$138,596 to fund compensation increases  
18 for eligible staff required by the new Collective  
19 Bargaining Agreement.  
20 CHAIR BROWN: Thank you. Do I hear a motion  
21 to accept?  
22 MR. BERGE: May I be heard for just one  
23 moment, just very briefly?  
24 CHAIR BROWN: Sure.  
25 MR. BERGE: So I intend to talk about a budget

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1 item after this. Everyone recognizes that CBA  
2 agreements, the modification has to happen. I just  
3 wanted to, you know, not make it seem like my statements  
4 on the record today are inconsistent when we get to that  
5 next matter, but I'll be voting in favor of this. CBAs  
6 are what they are, of course.  
7 MS. REILLY: And I would like to mention  
8 that there will be more, as they --  
9 MR. BERGE: Everyone understands that we're in  
10 a process of resolving agreements that are long overdue  
11 for resolution, yes.  
12 MS. REILLY: Okay, thank you.  
13 CHAIR BROWN: Okay. Do we hear motion to  
14 accept the budget modification due to Collective  
15 Bargaining Agreements?  
16 MR. BERGE: So moved.  
17 CHAIR BROWN: And do I have a second?  
18 MS. LEE: Second.  
19 CHAIR BROWN: Seconded. So we're voting on  
20 the budget modification due to Collective Bargaining  
21 Agreements. All those in favor, say -- sorry. Any  
22 discussion or further discussion? Thank you.  
23 All those in favor of, say aye.  
24 (Ayes were heard.)  
25 CHAIR BROWN: All those opposed, say nay.

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1 Abstentions? This resolution is passed.  
2 MS. REILLY: The next resolution is  
3 Attendance at Conference. The following resolution is  
4 presented for consideration of possible adoption,  
5 resolve that the trustees of the Teacher's Retirement  
6 Board hereby approve the attendance and participation of

7 the Executive Director and/or her designees, and any  
8 interested trustee, at the National Council of Public  
9 Employee Retirement Systems 2024 Legislative Conference  
10 from January 22 to January 24, 2024 to be held in  
11 Washington, DC.

12 CHAIR BROWN: Great. Do I hear motion to  
13 accept the resolution on attendance at the conference?

14 MR. BERGE: So moved.

15 CHAIR BROWN: And do I have a second?

16 MS. LEE: Second.

17 CHAIR BROWN: Any discussion? Thank you. So  
18 we're voting for this resolution, attendance at a  
19 conference. All those in favor, say aye.

20 (Ayes were heard.)

21 CHAIR BROWN: All those opposed, say nay.

22 Abstentions? And this resolution has passed.

23 MS. REILLY: Next is the calendar, and you  
24 all have received an electronic version of the calendar.  
25 And the first item there is approval of the minutes for

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1 September 21st, 2023 board meeting minutes.

2 CHAIR BROWN: Do I hear a motion to accept the  
3 minutes of board meeting September 21st, 2023?

4 MR. BERGE: So moved.

5 CHAIR BROWN: And is there a second?

6 MS. LEE: Second.

7 CHAIR BROWN: It has been motioned and  
8 seconded. All those in favor of accepting the board  
9 minutes from September 21st, 2023 board meeting, please  
10 say aye.

11 (Ayes were heard.)

12 CHAIR BROWN: All those opposed, say nay. And  
13 these board meeting minutes have been accepted.

14 MS. REILLY: The next of the calendar items,  
15 as I mentioned, you all received an electronic version  
16 of calendar items.

17 MR. BERGE: Please waive the reading of the  
18 calendar.

19 MS. REILLY: Thank you.

20 CHAIR BROWN: And we need to vote on accepting  
21 the calendar items. Do I have a motion to accept the  
22 calendar items?

23 MR. BERGE: So move.

24 CHAIR BROWN: Is there a second?

25 MS. LEE: Second.

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1 CHAIR BROWN: Great. All those in favor of  
2 accepting the calendar items, please say aye.

3 (Ayes were heard.)

4 CHAIR BROWN: Those opposed, say nay. Any  
5 abstentions? Calendar items have been accepted and  
6 approved. Thank you.

7 MS. REILLY: Next is Other Business. We  
8 have Bryan Berge on a budget matter.

9 MR. BERGE: So thanks for everyone's time  
10 today, trustees.

11 As you all know, this has been a very  
12 difficult year for the City fiscally. There have been  
13 multiple rounds of PEGs culminating -- Program to  
14 Eliminate the Gap, for those who are not familiar with  
15 the nomenclature -- culminating in a recent PEG that is  
16 really quite, quite painful in its size, calling for 5  
17 percent FY '24 budget cuts on top of existing cuts that  
18 have already happened to Mayoral agencies.

19 Now, we all know, we all understand TRS is not  
20 a Mayoral agency. TRS is funded by its administrative  
21 corpus budget. We adopted the Fiscal '24 Administrative  
22 Corpus Budget a couple of months ago.

23 I am before you now to request, and I  
24 understand that all I can do is request and try to  
25 persuade, that the Board of Trustees modify that budget

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1 in recognition of the crisis, and crisis is an accurate  
2 word, that is afflicting the City budget right now.

3 I'm sure your members are experiencing some of  
4 the crunch that's existing because of the PEG cuts that  
5 are really becoming quite cumulative on DOE and other  
6 agencies. It's really a pretty serious time with  
7 multiple drivers that are not going to go away anytime  
8 soon. And I'm sure all of you have, through your  
9 principals, political channels where you can talk about  
10 how or whether you disagree with those PEG cuts, and I'm  
11 sure reasonable minds can differ on just, you know, all  
12 of the assumptions and methodologies that go into them,  
13 but I think it's fair to say that, directionally,  
14 there's no question that the City faces really, really  
15 serious structural pressures on its budgets,  
16 particularly in the out years.

17 And so that's why I'm asking you today, at the  
18 behest of the Mayor, at the behest of the Budget  
19 Director himself, this is not something I undertake  
20 lightly, I'm asking this board today to entertain a  
21 downward modification in the amount of 5 percent  
22 commensurate with PEG cuts that have been experienced by  
23 other agencies, but also not complete, right? Because  
24 the other agencies -- mayoral agencies have had prior  
25 rounds of PEG cuts already.

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1 And I don't expect this board to stand up  
2 right now and say, yes, what a fantastic idea. But I  
3 would really exhort everyone to think of this as an  
4 exercise where there's just no -- there's no free lunch  
5 in the City budget process.

6 The administrative budgets of the pension  
7 systems are reimbursed directly. They're reimbursed on  
8 a lag of two years with interest, yes, but they're  
9 reimbursed directly from the City budget. And the City  
10 budget has to be balanced by law. And the out year gaps

11 that we're facing are even more profound than the  
12 current year gaps that we're facing.

13 So a downward modification of the TRS budget  
14 in fiscal year 2024 has effects two years down the road  
15 when they're needed even more, honestly, than they're  
16 needed today. And if the money doesn't come from TRS,  
17 albeit it's not going to solve the problem, no one is  
18 pretending that the problem isn't much bigger, and the  
19 problem is not TRS, for that matter, right? The problem  
20 is not any individual agency, but money that doesn't  
21 come from somewhere has to come from somewhere else.  
22 That's the nature of running a balanced budget.

23 So I would encourage everyone to consider  
24 this. I think it's a reasonable first step to ask TRS  
25 administrative staff, to ask Patricia, to model what

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1 this might look like, and no one is saying that means it  
2 will or will not happen, but I think that that's a  
3 reasonable step. And I would really appreciate, in the  
4 name of solidarity in a time of a really pretty serious  
5 crisis for the City budget, that this board keep an open  
6 mind on this matter. And I, of course, welcome any  
7 discussion that anyone might have on the topic today.

8 CHAIR BROWN: Anyone have any questions for  
9 Bryan? Any comments? Thank you, Bryan.

10 MR. BERGE: Does the Board object to asking  
11 Patricia and her staff to estimate what the cuts might  
12 look like and where they would be least painfully  
13 applied, it being in the interests of this board to make  
14 sure that, if this does happen, it's done in the most  
15 rational way, to best preserve TRS customer service?

16 CHAIR BROWN: Yes, we'll have a discussion.

17 MR. KAZANSKY: I do think it needs -- I mean,  
18 I think as our process usually goes, the budget  
19 committee should meet to go over anything, before a  
20 recommendation is made to the Board, regardless of what  
21 happens.

22 MR. BERGE: I certainly welcome a meeting of  
23 the budget committee. Would you object, Dave, you're on  
24 the budget committee, correct?

25 MR. KAZANSKY: I am.

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1 MR. BERGE: Would you object, Dave, to  
2 having as a document, just as a document, as an  
3 illustrative document in that budget committee, a mockup  
4 of how Patricia would best apply such a cut or such a  
5 thing to be recommended to the full board?

6 MR. KAZANSKY: Sure.

7 MR. BERGE: Okay. So that seems like a  
8 reasonable, step and I don't think anyone has any  
9 expectation that that means anyone is endorsing this cut  
10 or any particular level. It just seems like a prudent  
11 measure to pursue at this time. So I thank you very  
12 much for considering that.

13 CHAIR BROWN: Questions for Bryan? Additional  
14 questions? Thank you.

15 Before we continue, let the record show that  
16 Anthony Giordano has arrived and is present. Thank you.

17 MS. REILLY: Next, I just wanted to inform  
18 the board that we have filled two of the medical board  
19 appointments. On one for the city, it's Dr. Nidia  
20 Province (phonetic) has been appointed for the City rep.  
21 And Jessica Cook Meck (phonetic), Dr. Jessica Cook Meck  
22 has been appointed for the labor trustees back to.

23 So next on the agenda, questions and comments  
24 from the public.

25 CHAIR BROWN: Seeing none. Great, thank you.

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1 This is time now for a motion to go into Executive  
2 Session.

3 MR. BERGE: So moved.

4 CHAIR BROWN: And do I have a second?

5 MS. LEE: Second.

6 CHAIR BROWN: Motioned and seconded. Any  
7 discussion? So all those in favor of going into  
8 Executive Session, please say aye.

9 (Ayes were heard.)

10 CHAIR BROWN: Those opposed, say nay.  
11 Abstentions?

12 (Public Session closed. Executive session  
13 opened.)

14 (Executive Session closed. Public Session  
15 opened.)

16 CHAIR BROWN: And we're back into Public  
17 Session. Thank you.

18 We are back into Public Session, and we'll  
19 have, at this time ma readout from Ron Swingle.

20 MR. SWINGLE: Thank you.

21 CHAIR BROWN: Thank you, Ron.

22 MR. SWINGLE: In the Executive Session of the  
23 October 2023 board meeting, a proposed plan was  
24 approved.

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0017 CHAIR BROWN: Thank you, Ron.

1 MR. SWINGLE: You're welcome.

2 CHAIR BROWN: Appreciate it.

3 And do I hear a motion to adjourn?

4 MR. BERGE: So moved.

5 CHAIR BROWN: Thank you, Bryan.

6 And is there a second?

7 MS. HIRSCH: Second.

8 CHAIR BROWN: Thank you, Alison.

9 Any discussion? All those in favor of  
10 adjourning, please say aye.

11 (Ayes were heard.)

12 CHAIR BROWN: Those opposed, say nay?  
13 Abstentions? Thank you, everybody. We are adjourned.

14 (The proceedings concluded at 3:57 p.m.)



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CERTIFICATE OF DIGITAL REPORTER

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17 of this matter.

18 IN WITNESS THEREOF, I have hereunto set my  
19 hand this 8th day of November 2023.

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Nancy Krakower, Transcriptionist

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