

1 NEW YORK CITY TEACHERS' RETIREMENT SYSTEM
2 REGULAR BOARD MEETING
3 Held on Thursday, November 19, 2015
4 at
5 55 Water Street
6 New York, New York

7 ATTENDEES:

- 8 JOHN ADLER, Chairperson, Trustee, Finance
9 PATRICIA REILLY, Executive Director, TRS
10 THADDEUS MCTIGUE, Deputy Executive Director, TRS
11 SANDRA MARCH, Trustee, TRS
12 THOMAS BROWN, Trustee, TRS
13 DAVID KAZANSKY, Trustee, TRS
14 SUSANNAH VICKERS, Trustee, Comptroller's Office
15 RAYMOND ORLANDO, Trustee, TRS
16 ANDREW BRADFORD, TRS
17 VALERIE BUDZIK, TRS
18 RENEE PEARCE, TRS
19 PAUL RAUCCI, TRS
20 LIZ SANCHEZ, TRS
21 NATARJAN KRISHNAMOORTHY, TRS
22 ROBERT BETHELMY, TRS
23 ANNETTE HANRAHAN, TRS
24 SUSAN STANG, TRS
25 ELLEN DeLEO, TRS
ANTHONY MEZZACAPPA, TRS
SAM RUMLEY, Actuary's Office
KEITH SNOW, Corporation Counsel
MELVYN AARONSON

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

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

CHAIRPERSON ADLER: Welcome to the Teachers'
Retirement System Board Meeting of November 19, 2015.

Patricia, will you call the roll?

MS. REILLY: John Adler?

CHAIRPERSON ADLER: Here.

MS. REILLY: Sandra March?

MS. MARCH: Present.

MS. REILLY: David Kazansky?

MR. KAZANSKY: Here.

MS. REILLY: Thomas Brown?

MR. BROWN: Here.

MS. REILLY: Susannah Vickers?

MS. VICKERS: Here.

MS. REILLY: Raymond Orlando?

MR. ORLANDO: Here.

MS. REILLY: We do have a quorum.

I think we're going to start with an update on
TRS operations. Each of you received a calendar of
events. We have a few updates from Ellen.

MS. DELEO: TRS continues to work towards
meeting its target of finalizing retirement revisions
resulting from the UFT contract implementation, for

1 members retired pre-July 1, 2014 by year end. We will
2 then prioritize finalizing this year's summer
3 retirements, followed by revisions for CSA members
4 resulting from the CFA contract implementation for
5 members that retired pre-July 1, 2015.

6 In January TRS plans to roll out a totally
7 redesigned mobile-friendly website as part of the
8 modernization project. While the same information and
9 secure applications will be available, the look and feel
10 will be all new.

11 In December members will be able to get a sneak
12 peek of the new website when we post a video preview on
13 our current website.

14 Beginning in December, TRS will begin issuing
15 refunds of contributions and overpayments of loans and
16 service purchasing through EFT directly to the members'
17 accounts, in which they are receiving their in-service
18 payroll. This will enable TRS to disburse refunds
19 faster and more securely.

20 As part of our preparation for extreme events
21 that would disrupt our ability to conduct business
22 operations at 55 Water Street, we test contingency plans
23 periodically. On December 1 and 2 we will be conducting
24 a test of our operations from an off-site location. The
25 first day will be used to prepare our trailer solution,

1 followed by a group of employees representing critical
2 TRS functions reporting to this location on the second
3 day, to perform production work using test scripts for
4 critical work that they would need to perform from this
5 off-site location in an emergency.

6 A second group of employees will be performing
7 production work from home.

8 Part of this test will also include printing
9 correspondence using the print service provider that is
10 part of our continuity plan.

11 Based on this test of all TRS critical
12 activities, we will get together to look at what worked
13 well and what can be improved upon.

14 MS. REILLY: Thank you, Ellen.

15 The next item on the agenda is the executive
16 director's report. The first item there is the next
17 meeting. It was suggested that the next regular meeting
18 of the Teachers' Retirement System be held on December
19 17, 2015.

20 CHAIRPERSON ADLER: Any objections?

21 (No response.)

22 MS. REILLY: The second item is authorization to
23 study whether divesting from thermal coal companies
24 would have a material impact on the risk and return
25 characteristics of the Teachers' Retirement System

1 portfolio.

2 MS. MARCH: Move to the resolves, please.

3 MS. REILLY: "Resolved, that the Board directs
4 the Bureau of Asset Management and the general
5 consultant to study whether divesting from our publicly
6 traded equity and debt securities, as well as bank
7 loans, in companies that produce, mine and/or process
8 thermal coal as the exclusive or predominant source of
9 their revenue, including Alpha Natural Resources Inc.,
10 Arch Coal, Inc., Cloud Peak Energy, Inc., Consul Energy
11 Inc., and Peabody Energy Corporation, would have
12 material impact on the risk and return characteristics
13 of our portfolio."

14 CHAIRPERSON ADLER: Is there a motion to approve
15 this resolution?

16 MS. MARCH: So moved.

17 MR. KAZANSKY: Second.

18 CHAIRPERSON ADLER: Any further discussion of
19 the motion?

20 (No response.)

21 Let's move to a vote.

22 All in favor of the resolution to study
23 divesting from thermal coal companies, please say "Aye."

24 (A chorus of "Ayes.")

25 Opposed?

1 (No response.)

2 Abstentions?

3 Motion carries.

4 MS. REILLY: The next item is authorization to

5 study strategies to mitigate risk of climate change on

6 the Teachers' Retirement System's investment portfolio.

7 MS. MARCH: Move to the resolves, please.

8 MS. REILLY: "Resolved, that the Board directs

9 TRS staff to engage a qualified consultant to review

10 strategies to mitigate the risk of climate change on

11 TRS's Qualified Pension Plan and Tax Deferred Annuity

12 Program investment portfolios, including, in addition to

13 thermal coal companies, possible divestiture from other

14 types of fossil fuel companies that contribute

15 substantially to climate change, as well as possible

16 shareholder engagement initiatives, consistent with the

17 Board of Trustees' fiduciary duties to TRS members and

18 beneficiaries."

19 CHAIRPERSON ADLER: Thank you.

20 Is there a motion to approve the authorization

21 to study strategies to mitigate the risk of climate

22 change on the Teachers' Retirement System's investment

23 portfolio?

24 MR. BROWN: So moved.

25 MR. KAZANSKY: Second.

1 CHAIRPERSON ADLER: Any discussion of this
2 resolution?
3 (No response.)
4 Let's move to a vote.
5 All in favor of the resolution to study
6 strategies to mitigate the risk of climate change on the
7 TRS investment portfolios, please say "Aye."
8 (A chorus of "Ayes.")
9 Any opposed?
10 (No response.)
11 Any abstentions?
12 Motion carries.
13 MS. REILLY: The next resolution are union
14 contract increases for TRS employees.
15 MS. MARCH: Move to the resolves, please.
16 MS. REILLY: "Resolved, that the Trustees of the
17 Teacher's Retirement Board hereby approve a modification
18 of the fiscal year 2016 budget, by increasing such
19 budget in the amount of \$70,000 to cover contractual
20 increases for parts of fiscal year 2012, fiscal year
21 2013, fiscal year 2014, fiscal year 2015 and fiscal year
22 2016."
23 CHAIRPERSON ADLER: Thank you.
24 Is there a motion to approve the resolution
25 regarding the union contract increases for TRS

1 employees?

2 MS. MARCH: So moved.

3 CHAIRPERSON ADLER: The motion has been moved.

4 Is there a second?

5 MS. VICKERS: Second.

6 CHAIRPERSON ADLER: Any discussion?

7 I have a question. Is the \$70,000 figure for

8 each fiscal year or for the combined 2012 through 2016?

9 MR. McTIGUE: Combined.

10 CHAIRPERSON ADLER: Thank you.

11 Any other discussion or comments?

12 (No response.)

13 The motion has been moved and seconded. All in

14 favor of the motion regarding union contracts increases

15 for TRS employees please signify by saying "Aye."

16 (A chorus of "Ayes.")

17 Any opposed?

18 (No response.)

19 Abstentions?

20 (No response.)

21 The motion carries.

22 MS. REILLY: That concludes the executive

23 director's report. The next item on the agenda is the

24 calendar, and each Trustee should have received a full

25 calendar.

1 The first matter on the calendar is the approval
2 of the minutes of the regular meeting of October 22,
3 2015.

4 CHAIRPERSON ADLER: Is there a motion to approve
5 the minutes of the regular meeting of October 22, 2015?

6 MR. KAZANSKY: So moved.

7 CHAIRPERSON ADLER: Is there a second?

8 MR. BROWN: Second.

9 CHAIRPERSON ADLER: Any discussion of the
10 minutes?

11 (No response.)

12 Let's move to a vote. All in favor of the
13 motion to approve the minutes of October 22, 2015 please
14 say "Aye."

15 (A chorus of "Ayes.")

16 Any opposed say "Nay."

17 (No response.)

18 Any abstentions?

19 (No response.)

20 Motion is carried.

21 MS. REILLY: I'll now read from the report.

22 From pages 1 to 14 inclusive of the monthly
23 periodic payroll, the excess and loan payments.

24 Page 15 is payroll summary, accounts payable,
25 new retirees and TDA employees' accounts.

1 Pages 16 through 43 inclusive is the transfer of
2 active deferrals to annuity payments.

3 Pages 44 through 99 inclusive are fractional
4 payments.

5 Pages 100 through 124 inclusive are uncollected
6 checks of deceased members.

7 Pages 125 through 138 inclusive are
8 beneficiaries continual option payments.

9 Pages 139 to 147 inclusive are the conversion
10 payments.

11 Pages 148 through 195 inclusive are
12 beneficiaries to receive one time payments from the PPT
13 and TDA accounts.

14 Pages 196 through 198 inclusive is the return
15 net accumulated salary deduction.

16 Page 199 is the transfer of funds between banks.

17 Page 200 through 204 inclusive are purchases and
18 sales of securities invested from the passport fund
19 program.

20 Page 205 through 214 inclusive is outstanding
21 checks.

22 Pages 215 through 279 inclusive are the
23 revisions, including class coverage.

24 Pages 280 through 282 inclusive is the payment
25 for service credit.

1 Pages 238 are the non-accident disability
2 benefits.

3 Page 284 are denied ordinary disability
4 benefits.

5 Page 285 is minimum accumulations.

6 Page 286 are rules and regulations.

7 Page 287 are new service retirement payments.

8 That concludes the calendar.

9 CHAIRPERSON ADLER: Do we need a motion to
10 approve the calendar?

11 MR. KAZANSKY: So moved.

12 MS. MARCH: Second.

13 CHAIRPERSON ADLER: It's been moved and
14 seconded.

15 Any discussion of the calendar?

16 (No response.)

17 Let's move to a vote. All in favor of the
18 calendar please say "Aye."

19 (A chorus of "Ayes.")

20 All opposed say "Nay."

21 (No response.)

22 Any abstentions?

23 The calendar is approved.

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

1 CHAIRPERSON ADLER: Does anyone have other
2 business to bring before the Board?
3 (No response.)
4 Then any comments or questions from the public?
5 (No response.)
6 So, do we have a private executive session or
7 attorney-client confidential today?
8 MR. SNOW: No.
9 CHAIRPERSON ADLER: I think that concludes the
10 business before the Board today.
11 A motion to adjourn would be in order.
12 MS. VICKERS: Motion.
13 CHAIRPERSON ADLER: Second?
14 MR. BROWN: Second.
15 CHAIRPERSON ADLER: Any discussion?
16 (No response.)
17 All in favor of the motion to adjourn say "aye."
18 (A chorus of "Ayes.")
19 Opposed?
20 (No response.)
21 Abstentions?
22 The meeting is adjourned. Thank you very much.
23 (Time noted: 3:51 p.m.)
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
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, November 19, 2015,
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 19th day of November, 2015.

JEFFREY SHAPIRO