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NEW YORK CITY TEACHERS' RETIREMENT SYSTEM

3

BOARD MEETING

4

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6

Held on Thursday, December 17, 2020 via

7

Videoconference

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ATTENDEES:

10

DEBRA PENNY, Chairperson, Trustee

11

DAVID KAZANSKY, Trustee

12

SUSANNAH VICKERS, Comptroller's Office

13

THOMAS BROWN, Trustee

14

CYNTHIA COLLINS, Trustee

15

NATALIE GREEN-GILES, Trustee

16

RUSSELL BUCKLEY, Trustee

17

VALERIE BUDZIK, Teachers' Retirement System

18

PATRICIA REILLY, Teachers' Retirement System

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REPORTED BY:

24

YAFFA KAPLAN

25

JOB NO. 5981032

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2 ATTENDEES (Continued):

3 THAD McTIGUE, Teachers' Retirement System

4 ANNETTE HANHARAN, Teachers' Retirement System

5 LIZ SANCHEZ, Teachers' Retirement System

6 ISAAC GLOVINSKY, Teachers' Retirement System

7 ANTHONY MEZZACAPPA, Teachers' Retirement System

8 SUSAN STANG, Teachers' Retirement System

9 CARMELA CRIVELLI, Teachers' Retirement System

10 ANDREW BRADFORD, Teachers' Retirement System

11 RENEE PEARCE, Teachers' Retirement System

12 NATARAJAN KRISHNAMOORTHY, Teachers' Retirement

13 System

14 ROBERT BETHELMY, Teachers' Retirement System

15 PAUL RAUCCI, Teachers' Retirement System

16 SHARON STIEFEL, ESQ., Law Department

17 SHERRY CHAN, Office of the Actuary

18 KATE CHEN, Teachers' Retirement System

19 KAVITA KANWAR, Teachers' Retirement System

20 MATT LASKOWSKI, Teachers' Retirement System

21 VALERIANA CASEY

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1 Proceedings

2 MS. REILLY: I am going to get started.
3 So good afternoon. Welcome to the Teachers'
4 Retirement System Board meeting for December
5 17, 2020. I will begin by calling the roll.
6 If you just give me one second.

7 John Adler?

8 MS. COLLINS: Cynthia Collins, designee
9 for John Adler.

10 MS. REILLY: Thomas Brown?

11 MR. BROWN: Here, Patricia. Thank you.

12 MS. REILLY: Natalie Green-Giles?

13 MS. GREEN-GILES: Present.

14 MS. REILLY: David Kazansky?

15 MR. KAZANSKY: Present.

16 MS. REILLY: Russell Buckley?

17 MR. BUCKLEY: Present.

18 MS. REILLY: Debra Penny?

19 MS. PENNY: Present.

20 MS. REILLY: And Susannah Vickers?

21 MS. VICKERS: Here.

22 MS. REILLY: We have a quorum. So next
23 on the agenda is an update of TRS operations,
24 and Kavita Kanwar is going to give us that
25 update.

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2 MS. KANWAR: Good afternoon, everybody.
3 Several provisions of the CARES Act that apply
4 to TRS members will expire at the end of 2020.
5 The special CARES Act TDA withdrawals will not
6 be available after December, and the option
7 for members to defer loan payments is also
8 discontinued. The higher loan amount and the
9 CARES Act expired in September. TRS has made
10 the necessary system changes and communication
11 changes related to these provisions.

12 On January 1, 2021, a new plan goes into
13 effect for Tier 6 members which means their
14 pension contribution rates may change. Based
15 on the rules governing Tier 6, TRS is
16 currently reviewing updated salary and wage
17 information for all Tier 6 members in
18 preparation for the new rates starting in
19 January. Thank you, Patricia.

20 MS. REILLY: Thank you, Kavita. Next on
21 the agenda is a report from the Actuary.
22 Sherry?

23 MS. CHAN: Thank you, Patricia. I don't
24 know if Liz has the report to pull up or give
25 me access to pull up, but while you do that,

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2 it's the CAFR, Comprehensive Annual Financial
3 Report in case people aren't familiar with
4 that. It's a report that TRS puts out on an
5 annual basis for constituents, and in it,
6 there are several sections including an
7 investment section, a finance section,
8 introduction section, an actuarial section as
9 well as statistical, and in those sections
10 are, you know, various reports having to do
11 with whatever that section pertains to. So I
12 produce the actuarial section of the CAFR and
13 we send it over to TRS to combine it and
14 compile it for the whole report, the whole
15 CAFR.

16 MS. SANCHEZ: Sherry, give me one
17 second.

18 MS. CHAN: Part of this report -- I will
19 just keep talking while I get access to
20 sharing -- contains some of the actuarial
21 information. It starts with a letter of
22 introduction that kind of outlines what's in
23 this actuarial section, and it has the outline
24 in there. A lot of this overlaps with the
25 valuation report, the actual valuation report

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2 that I had shared with this Board a few months
3 back. So this is the letter, the cover
4 letter, and I am not going to go through every
5 page but it talks about -- it gives you a
6 brief summary of the rest of the actuarial
7 section and in here it lists all the tables
8 and all the charts that was produced by my
9 office. And then it starts getting into the
10 assumptions and methods that were used to
11 derive liabilities. This can also be found in
12 the valuation report so I am not going to go
13 through all of it, but if you flip through it,
14 it tells you the methods that were used as
15 well as the actual tables for various
16 probabilities. And I am going to scroll
17 through this. The actuarial assumptions are a
18 majority of the chart, of the section.

19 So then on page 16 we start getting into
20 some of the data summarized. This starts with
21 the active member population. It has a count
22 in there as well as salary and average salary
23 and the change in the average salary. Next
24 page you will see the head counts for not just
25 the active members but for the terminated

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2 vested as well as retirees. You can see that
3 approximately 122,000 active members were
4 supporting the benefits of approximately
5 86,000 retirees and beneficiaries.

6 This next page moves on to the retiree
7 information. It tells you how many retirees
8 there were at the end of last year as well as
9 those that were added and removed from them.
10 Then we start getting into contributions. You
11 can see as a percentage of payroll, this is
12 how TRS stacks with the contributions as
13 percentage of payroll. So for each dollar in
14 payroll, you have 34 and a half cents for it
15 to be dedicated to the contributions. This
16 number, just as a comparison for other
17 retirement systems around New York City, BERS
18 is in the 20 percent range, and then you have
19 Police and Fire at the higher end. Because of
20 their disability benefits and their death
21 benefits, they are upwards of 60 or even over
22 100 percent.

23 This summarizes kind of the funded
24 status of the plan. You can get the asset
25 value as well as the liability value. If you

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2 take the difference, you get the unfunded
3 liability. The funded ratio is simply the
4 assets over as a percentage of the
5 liabilities. If you compare that to payroll,
6 you can see that the unfunded liability as
7 percentage of payroll is here. You can see it
8 trends over time, and the rest of the report
9 just describes -- it has some footnotes in it.
10 This is how much the assets cover the
11 liabilities, so the liabilities here are
12 divided up between the member contributions,
13 the liability for the retirees as well as the
14 member liabilities that's not funded for by
15 their own contributions.

16 So this is the actuarial value of assets
17 and you can see how much of these three
18 portions are funded for. So both 100 percent
19 of the member contributions as well as retiree
20 liabilities is already funded for. So this --
21 that can also be seen by summing these two
22 numbers right here, column A and column B.
23 You can see that's still less than the
24 actuarial value of assets, so the remaining
25 portion goes to the active members not

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2 financed by their own employee contributions,
3 and then like I said, the rest of it is just
4 footnotes of some of the tables that are in
5 there and talks about some of the
6 contributions, both the member contributions
7 and the employer contributions.

8 So that's that section of the CAFR
9 report and other sections are produced by
10 other parties, and like I said, TRS compiles
11 it. So I will be happy to answer any
12 questions or turn it back over to Patricia.

13 MS. REILLY: Any questions? Thank you,
14 Sherry.

15 Next on the agenda is the executive
16 director's report, and the first item on the
17 executive director's report is the matter of
18 the next meeting. It's been suggested that
19 the next regular meeting of the Teachers'
20 Retirement Board be held on the third Thursday
21 of the month, January 21, 2021. So everyone
22 should mark their calendars.

23 Next on the executive director's report
24 is a resolution, Authorization to the
25 Comptroller of the City of New York to invest

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2 certain QPP funds.

3 MR. KAZANSKY: Please waive the reading.

4 MS. REILLY: At its meeting -- thank
5 you. So over to the chair.

6 MS. PENNY: Okay. Do I have a motion to
7 approve the authorization to the Comptroller?

8 MR. KAZANSKY: So moved.

9 MS. PENNY: Thank you, Mr. Kazansky. Do
10 I have a second?

11 MR. BROWN: Second.

12 MS. PENNY: Thank you, Mr. Brown. All
13 those in favor, please say aye. Aye.

14 MR. KAZANSKY: Aye.

15 MR. BROWN: Aye.

16 MS. GREEN-GILES: Aye.

17 MR. BUCKLEY: Aye.

18 MS. VICKERS: Aye.

19 MS. COLLINS: Aye.

20 MS. PENNY: Any opposed? Any
21 discussion? Okay. Motion carries. Thank
22 you.

23 MS. REILLY: The next item on the
24 executive director's report is the resolution
25 for Authorization to the Comptroller of the

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2 City of New York to invest certain
3 Tax-Deferred Annuity funds.

4 MR. KAZANSKY: Again, please waive the
5 reading.

6 MS. REILLY: Thank you.

7 MS. PENNY: Okay. Do I have a motion to
8 approve giving the authorization to the
9 Comptroller to invest the Tax-Deferred Annuity
10 funds?

11 MR. BROWN: So moved.

12 MS. PENNY: Thank you, Mr. Brown. Do I
13 hear a second?

14 MS. GREEN-GILES: Second.

15 MS. PENNY: Thank you, Ms. Giles. All
16 those in favor, please say aye. Aye.

17 MR. KAZANSKY: Aye.

18 MR. BROWN: Aye.

19 MS. GREEN-GILES: Aye.

20 MR. BUCKLEY: Aye.

21 MS. VICKERS: Aye.

22 MS. COLLINS: Aye.

23 MS. PENNY: Any discussion? Any
24 opposed? Motion carries. Thank you.

25 MS. REILLY: Next is the resolution to

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2 the extension of participation in the Common
3 Investment Meeting.

4 MR. KAZANSKY: Please skip to the
5 resolved.

6 MS. REILLY: Resolved that the Teachers'
7 Retirement Board extends for a three-month
8 period terminating March 31, 2020, its
9 participation in the Common Investment
10 Meeting, as described and subject to the
11 conditions of the Board's 2015 and 2016 CIM
12 resolutions; and be it further resolved that
13 nothing in this resolution shall abrogate any
14 rights or waive any responsibilities reserved
15 by the Board of Trustees under applicable law.

16 MS. PENNY: Thank you. Do I have a
17 motion to approve the extension of
18 participation in the Common Investment
19 Meeting?

20 MR. KAZANSKY: So moved.

21 MS. PENNY: Thank you, Mr. Kazansky. Do
22 I hear a second?

23 MR. BROWN: Second.

24 MS. PENNY: Thank you, Mr. Brown. Any
25 discussion? All those in favor, please say

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2 aye. Aye.

3 MR. KAZANSKY: Aye.

4 MR. BROWN: Aye.

5 MS. GREEN-GILES: Aye.

6 MR. BUCKLEY: Aye.

7 MS. VICKERS: Aye.

8 MS. COLLINS: Aye.

9 MS. PENNY: Any opposed? Okay. Motion
10 carries. Thank you.

11 MS. REILLY: Next on the agenda is the
12 calendar, and the first item on the calendar
13 is the approval of the minutes from the
14 November 15th investment meeting and the
15 November 19th board meetings.

16 MS. PENNY: I think -- I believe it's
17 the November 5th investment meeting.

18 MS. REILLY: I'm sorry. Did I -- 5th.
19 Excuse me. I need a new pair of glasses.

20 MS. PENNY: Do I have a motion to
21 approve the November 5th and November 19th
22 meeting?

23 MS. VICKERS: So moved.

24 MS. PENNY: Thank you, Ms. Vickers. Do
25 I hear a second?

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2 MS. GREEN-GILES: Second.

3 MS. PENNY: Thank you, Ms. Giles. All
4 those in favor, please say aye. Aye.

5 MR. KAZANSKY: Aye.

6 MR. BROWN: Aye.

7 MS. GREEN-GILES: Aye.

8 MR. BUCKLEY: Aye.

9 MS. VICKERS: Aye.

10 MS. COLLINS: Aye.

11 MS. PENNY: Any opposed? Okay. We have
12 approved the minutes. Thank you.

13 MS. REILLY: Next on the calendar are
14 the items. You all received an electronic
15 version of the calendar.

16 MR. KAZANSKY: Please waive the reading
17 of the calendar.

18 MS. REILLY: Thank you.

19 MS. PENNY: Okay. Do I have a motion to
20 approve the calendar?

21 MR. KAZANSKY: So moved.

22 MS. PENNY: Thank you, Mr. Kazansky. Do
23 I hear a second?

24 MR. BROWN: Second.

25 MS. PENNY: Thank you, Mr. Brown. All

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2 those in favor of approving the calendar
3 items, please say aye. Aye.

4 MR. KAZANSKY: Aye.

5 MR. BROWN: Aye.

6 MS. GREEN-GILES: Aye.

7 MR. BUCKLEY: Aye.

8 MS. VICKERS: Aye.

9 MS. COLLINS: Aye.

10 MS. PENNY: Thank you. Any opposed?

11 Okay. Motion, calendar passes.

12 MS. REILLY: Next on the agenda is other
13 business. And we have none. So then the next
14 would be questions or comments from the
15 public. This is our -- I should say before we
16 move out, this is our last Board meeting for
17 the year 2020, so TRS wishes all the trustees
18 a happy and healthy -- much more healthy new
19 year.

20 MR. BROWN: Thank you, Patricia, and I
21 would like to say at this time as well happy
22 holidays to everybody. We certainly do miss
23 going around greeting everybody this time of
24 year in our walk-around. Thanks to everyone
25 at Teachers' Retirement System. I know this

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2 has been a challenging year indeed. I don't
3 have to get into that. We all know it but
4 TRS, you went above and beyond to help our
5 members. You always, always put our members'
6 needs as your first priority and we certainly
7 do appreciate it. So thank you, thank you,
8 thank you to everybody at TRS, and we wish
9 everyone a very happy holidays and a good new
10 year and I can't wait to get back to that Bill
11 Scott room to see everybody. Thank you.

12 MS. PENNY: Thank you, Tom.

13 MS. REILLY: Thank you on behalf of the
14 staff at TRS. All right. So next is
15 questions or comments from the public? Do we
16 have any questions or comments from the
17 public?

18 MS. PENNY: No. I guess not.

19 MS. REILLY: Okay.

20 MS. PENNY: All right. Seeing none --

21 MS. REILLY: -- that finishes the
22 agenda.

23 MS. PENNY: There is no executive
24 session today, so that would be the end of it
25 then. Again, is everybody set? As said,

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2 everyone have a happy and healthy and hoping
3 next year is a lot better than this year.

4 Do I hear a motion to adjourn?

5 MS. VICKERS: So moved.

6 MS. PENNY: Thank you, Ms. Vickers. Do
7 I hear a second?

8 MR. BROWN: Second.

9 MS. PENNY: Thank you, Mr. Brown. All
10 those in favor, please say aye. Aye.

11 MR. KAZANSKY: Aye.

12 MR. BROWN: Aye.

13 MS. GREEN-GILES: Aye.

14 MR. BUCKLEY: Aye.

15 MS. VICKERS: Aye.

16 MS. COLLINS: Aye.

17 MS. PENNY: Thank you. Any opposed? We
18 stand adjourned. Thank you.

19 (Time noted 3:49 p.m.)

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2 C E R T I F I C A T E

3 STATE OF NEW YORK)

4 : ss.

5 COUNTY OF QUEENS)

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7 I, YAFFA KAPLAN, a Notary Public
8 within and for the State of New York, do
9 hereby certify that the foregoing record of
10 proceedings is a full and correct
11 transcript of the stenographic notes taken
12 by me therein.

13 IN WITNESS WHEREOF, I have hereunto
14 set my hand this 30th day of December,
15 2020.

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YAFFA KAPLAN

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