

1 Proceedings  
2 NEW YORK CITY TEACHERS' RETIREMENT SYSTEM  
3 BOARD MEETING  
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6 Held on Thursday, January 18, 2018, at 55 Water  
7 Street, New York, New York  
8

9 ATTENDEES:

- 10 JOHN ADLER, Chairman, Trustee  
11 DAVID KAZANSKY, Trustee  
12 THOMAS BROWN, Trustee  
13 SUZANNE VICKERS, Trustee  
14 PATRICIA REILLY, Teachers' Retirement System  
15 SUSAN STANG, Teachers' Retirement System  
16 RENEE PEARCE, Teachers' Retirement System  
17 VALERIE BUDZIK, Teachers' Retirement System

18  
19 REPORTED BY:

20 YAFFA KAPLAN

21 JOB NO. 0611048  
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2 ATTENDEES (Continued):

3 ANNETTE HANHARAN, Teachers' Retirement System

4 ANTHONY MEZZACAPPA, Teachers' Retirement System

5 CARMELA CRIVELLI, Teachers' Retirement System

6 ANDREW BRADFORD, Teachers' Retirement System

7 ROBERT BETHELMY, Teachers' Retirement System

8 PAUL RAUCCI, Teachers' Retirement System

9 MARTA ROSS, ESQ., Law Department

10 SHERRY CHAN, Office of the Actuary

11 NATARAJAN KRISHNAMOORTHY, Teachers' Retirement  
12 System

13 LIZ SANCHEZ, Teachers' Retirement System

14 CYNTHIA COLLINS, Mayor's Office

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2 MR. ADLER: All right. Good afternoon.

3 (Chorus of good afternoon.)

4 MR. ADLER: Welcome to the Teachers'  
5 Retirement System board meeting for January  
6 18, 2018. Welcome. Happy New Year,  
7 everybody.

8 (Chorus of Happy New Year.)

9 MR. ADLER: Pat, will you call the roll,  
10 please?

11 MS. REILLY: John Adler?

12 MR. ADLER: I am here.

13 MS. REILLY: Thomas Brown?

14 MR. BROWN: Here.

15 MS. REILLY: David Kazansky?

16 MR. KAZANSKY: Present.

17 MS. REILLY: Raymond Orlando?

18 MR. ADLER: He is absent.

19 MS. REILLY: Debra Penny? Susannah  
20 Vickers?

21 MS. VICKERS: Here.

22 MS. REILLY: We do have a quorum.

23 MR. ADLER: Okay. So continue.

24 MS. REILLY: Next on the agenda is an  
25 update on TRS operations, which we are going

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2 to receive from Tony Mezzacappa, our director  
3 of benefits.

4 MR. MEZZACAPPA: We have two updates  
5 this month. Quarterly account statements  
6 preparations are on the way to send out the  
7 fourth quarter 2017 statements. The quarterly  
8 account statement for members currently in  
9 service or on leave is expected to begin the  
10 week of February 12th, to an estimated  
11 population of 108,500 members. Approximately  
12 15,800 members have elected to view their  
13 statements online only. Online posting of the  
14 TDA quarterly statement for participants with  
15 TDA-deferral status is expected to begin the  
16 week of January 31st, concurrently with the  
17 statements being printed. The estimated  
18 population is 54,700 members. Approximately  
19 50,000 statements will be printed and mailed.  
20 An additional 47,000 members have elected to  
21 view their statements online only.

22 CAFR filing. On December 29, 2017, TRS  
23 filed its June 30, 2017 Comprehensive Annual  
24 Financial Report, CAFR, with the Government  
25 Finance Offices Association, GFOA. The CAFR

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2 has also been posted online on the TRS  
3 website.

4 MR. ADLER: Thank you, Tony.

5 Next is the executive director's report.  
6 And the first item is the next meeting and  
7 it's been suggested that the next regular  
8 meeting for the Teachers' Retirement Board be  
9 held on the third Thursday of the month,  
10 February 15, 2018.

11 The next is the resolution for  
12 attendance at a conference. The following  
13 resolution is presented for consideration and  
14 possible adoption. "Resolved, that the  
15 Trustees of the Teachers' Retirement Board  
16 hereby approve the attendance and  
17 participation of the Executive Director and/or  
18 her designees and any interested Trustee at  
19 the National Association of Securities  
20 Professionals, NASP, New York, 20th annual  
21 Wall Street Hall of Fame on February 13,  
22 2018".

23 MR. ADLER: Is there a motion to adopt  
24 this resolution?

25 MR. KAZANSKY: So moved.

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2 MR. ADLER: Is there a second?

3 MS. VICKERS: Second.

4 MR. ADLER: Any discussion? All in  
5 favor of the motion to approve the resolution  
6 regarding attendance at the NASP New York 20th  
7 annual Wall Street Hall of Fame, please say  
8 aye. Aye.

9 MS. VICKERS: Aye.

10 MR. BROWN: Aye.

11 MR. KAZANSKY: Aye.

12 MR. ADLER: All opposed, please say nay.  
13 Any abstentions? Okay. Motion carries.

14 MS. REILLY: The next resolution is  
15 attendance at a conference. The following  
16 resolution is presented for consideration and  
17 possible adoption. "Resolved, that the  
18 Trustees of the Teachers' Retirement Board  
19 hereby approve the attendance and  
20 participation of the Executive Director and/or  
21 her designees and any interested Trustee at  
22 the Council of Institutional Investors', CII,  
23 spring 2018 conference from March 12th through  
24 March 14, 2018".

25 MR. ADLER: Is there a motion to adopt

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2 this resolution?

3 MR. KAZANSKY: So moved.

4 MR. ADLER: Is there a second?

5 MR. KAZANSKY: Second.

6 MR. ADLER: Any discussion? All in  
7 favor of the motion to approve attendance at  
8 the CII spring 2018 conference, please say  
9 aye. Aye.

10 MS. VICKERS: Aye.

11 MR. BROWN: Aye.

12 MR. KAZANSKY: Aye.

13 MR. ADLER: All opposed, please say nay.  
14 Any abstentions? Motion carries.

15 MS. REILLY: Okay. Next is the  
16 calendar, and you all should have received a  
17 copy of the calendar. And I will begin by  
18 reading the items on that calendar.

19 MR. KAZANSKY: Please waive the reading.

20 MR. ADLER: Okay. So we have all  
21 received the calendar. Is there a motion to  
22 approve the calendar?

23 MR. BROWN: So moved.

24 MR. ADLER: Is there a second?

25 MS. VICKERS: Second.

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2 MR. ADLER: Okay. Motion made and  
3 seconded. Any discussion? All in favor of  
4 the motion to approve the calendar, please say  
5 aye. Aye.

6 MS. VICKERS: Aye.

7 MR. BROWN: Aye.

8 MR. KAZANSKY: Aye.

9 MR. ADLER: All opposed, please say nay.  
10 Any abstentions? Motion carries.

11 MR. ADLER: Under other business, we  
12 have a short presentation by Carmela Crivelli,  
13 the director of our human resources  
14 department, and it's on actualizing TRS's  
15 mission and vision.

16 MS. CRIVELLI: Good afternoon. Thank  
17 you, Patricia, for the introduction. Okay.  
18 So we will go to the first slide, please,  
19 after this.

20 MS. CRIVELLI: So I would like to read  
21 to you our mission and we developed this  
22 mission in the early 2000s and it remains  
23 relevant and it guides us today.

24 So the TRS mission is to provide  
25 retirement disability --



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2 MR. ADLER: You should turn towards us,  
3 maybe facing the Board. It's hard to hear.

4 MS. CRIVELLI: So to provide retirement  
5 disability and death benefit services to our  
6 members, including the efficient collection of  
7 contributions, the prudent investment of  
8 retirement funds, the responsible disbursement  
9 of member benefits, and the delivery of  
10 exceptional levels of member service. Okay.  
11 Our vision 2020 in looking to the future, the  
12 one that we have created is a new one, I  
13 believe since 2005 or 6 --

14 MS. REILLY: I think this one was the  
15 vision we came up with when we started the  
16 modernization project.

17 MS. CRIVELLI: So the vision is for  
18 2020. TRS keeps a focus on the members of the  
19 New York City educators who depend on our  
20 organization for their retirement by providing  
21 members with quality, high-value, up-to-date  
22 services, including a self-service frontend  
23 system that empowers them and gives them more  
24 choices. We help them enjoy their experience  
25 interacting with TRS and their retirement they

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2 have earned. All right.

3 So in actualizing our mission, we wanted  
4 to be more member-centric and we tried to come  
5 up with a definition that is simple and  
6 everybody would understand and it was actually  
7 shared and put in Patricia's white paper to  
8 staff, and put simply, being member-centric  
9 means making the member's life easy; designing  
10 processes that are focused on delivering a  
11 positive experience to the member; making it  
12 extremely easy for the member to learn about  
13 us and their benefits; and supporting them  
14 when they need it. It means being passionate  
15 about putting their needs at the center of our  
16 decision making, our policies, procedures, and  
17 our actions.

18 And when we were preparing to modernize  
19 our system, we did put the members' experience  
20 at the forefront of our system design. And in  
21 addition to the new system design, we are  
22 transforming our processes and departments  
23 with the ultimate goal of being more  
24 member-centric. In an effort to obtain our  
25 mission, we are developing our current talent.

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2 So we scheduled a 360 assessment, a coaching  
3 program to develop the competencies of our  
4 managers, deputies, and directors, and we  
5 determined the skills our leadership team  
6 needed to lead the agency successfully through  
7 the transformation and integration of our  
8 computer system. We call it ASPEN and what  
9 that stands for Agile Straight-through  
10 Processing Pension System.

11 When we undertook our modernization  
12 efforts, we developed a vision of how we saw  
13 ourselves in 2020. So in 2014, executive  
14 management kicked off the Journey to 2020  
15 Program by creating a post-modernization  
16 vision. And in early 2015, each department  
17 formed a design team to create its specific  
18 vision that described where each wanted to be  
19 in the post-modernization, which included five  
20 bold steps to achieve their vision. We  
21 scheduled an offsite vision alignment summit  
22 with TRS leadership so that each department  
23 could share its vision for 2020, and we found  
24 that sharing the departmental visions helped  
25 to contribute what would become the

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2 agency-wide vision for 2020.

3 After a series of validation and  
4 alignment steps, each department held separate  
5 town hall meetings to introduce their team  
6 members to the departmental vision as well as  
7 to the agency's overall vision. To help  
8 socialize our new vision 2020, we created an  
9 organizational change management, OCM team  
10 that worked to create an atmosphere that  
11 championed the new modernization program  
12 efforts. The OCM team participates in  
13 activities associated with staff transition  
14 and manager employee engagement.

15 Another initiative to help us realize  
16 our vision 2020 was the development of a  
17 competency model to help us identify and  
18 professionally develop talent and training  
19 required for existing and new positions. So  
20 we procured a system, a software system called  
21 STEMS where these competency models are  
22 maintained, and STEMS stands for Strategic  
23 Talent Employee Management System. During the  
24 first quarter of 2018, we plan to complete  
25 designing and building of the STEMS

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competencies, schedule competency model validation sessions, and develop an interactive demonstration of STEMS for staff.

So and I would also like to thank Patricia, Thad, and my colleagues for all their support as we work on our mission and vision for moving ahead for 2020 in New York. So thank you.

MR. ADLER: Thank you.

MS. CRIVELLI: And if anybody has any questions --

MR. ADLER: All right. Thank you, Carmela.

MS. CRIVELLI: Thank you.

MR. ADLER: Next it's the final Mercer report. I will turn it over to Susan.

MS. STANG: Final Mercer report was distributed on Tuesday via e-mail, and since we all know it's not easy being green, let me know if you want a hard copy of it and I will get it for you, but I will leave that up to each individual trustee. The next steps/work plan are still, you know, to be determined and will be discussed at subsequent investment

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2 meetings including perhaps as soon as, you  
3 know, the 1st of February.

4 MR. ADLER: Great.

5 MS. REILLY: Thank you.

6 MR. ADLER: Questions for Susan?

7 MS. REILLY: Next is questions and  
8 comments from the public. Seeing that there  
9 are none --

10 MR. ADLER: Okay. I think that  
11 concludes the public agenda for today. We do  
12 have an executive session --

13 MS. BUDZIK: It's not an executive  
14 session. It's an attorney-client.

15 MR. ADLER: Don't we have to go into  
16 attorney -- that's done after the meeting?

17 MS. BUDZIK: That's correct

18 MR. ADLER: So we just adjourn. Is  
19 there a motion to adjourn?

20 MS. VICKERS: So moved.

21 MR. ADLER: Is there a second?

22 MR. KAZANSKY: Second.

23 MR. ADLER: Any discussion? Okay. All  
24 in favor of the motion to adjourn, please say  
25 aye. Aye.

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MS. VICKERS: Aye.

MR. BROWN: Aye.

MR. KAZANSKY: Aye.

MR. ADLER: All opposed, please say nay.

Any abstentions? Okay. The meeting is  
adjourned.

(Time noted: 3:50 p.m.)

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COUNTY OF QUEENS )

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

IN WITNESS WHEREOF, I have hereunto  
set my hand this 30th day of January,  
2018.

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YAFFA KAPLAN