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5 TEACHERS' RETIREMENT BOARD MEETING

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14 HELD AT:

15 55 WATER STREET
NEW YORK, NEW YORK

16

17 JANUARY 21, 2010
3:37 P.M. TO 3:47 P.M.

18

19 B E F O R E:

20 MELVYN AARONSON, ACTING CHAIRMAN

21

22

23

24 REPORTED BY:
LIZ SANCHEZ-PAZ
25 EXECUTIVE ASSISTANT TO NELSON SERRANO

2 A P P E A R A N C E S :

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TRS:

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NELSON SERRANO, Executive Director

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MELVYN AARONSON, Teachers' Trustee

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SANDRA MARCH, Teachers' Trustee

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MONA ROMAIN, Teachers' Trustee

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8 COMPTROLLER'S OFFICE:

9

THAD McTIGUE

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CORPORATION COUNSEL:

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KAREN SEEMAN, Law Department

12

13 OFFICE OF THE ACTUARY:

14

ROBERT C. NORTH JR., Chief Actuary

15

MAYOR'S APPOINTEE:

16

BUD LARSON, Trustee

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DIANE BRATCHER, Alternate Trustee

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DEPARTMENT OF EDUCATION:

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JAMIE SMARR, Alternate Trustee

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21 PANEL FOR EDUCATIONAL POLICIES:

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TINO HERNANDEZ, Trustee

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2 TRS STAFF:

3 ROBERT BETHELMY
CARMELA CRIVELLI

4 JOEL GILLER
MARC KATZ

5 VIRGINIA LEE
RENEE PEARCE

6 PAUL RAUCCI
PATRICIA REILLY

7 ROBERT SANTANGELO
MANGESH TARIBAGIL

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9 OTHER ATTENDEES:

10 MAKAIYA BROWN, Mercer Consulting

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1 TRS Regular Board Meeting, JANUARY 21, 2010

2 P R O C E E D I N G S

3 MR. SERRANO: Good afternoon. We will begin the
4 January 21, 2010 regular meeting of the Teachers'
5 Retirement Board by calling the roll.

6 MR. SERRANO: Melvyn Aaronson?

7 MR. AARONSON: Here.

8 MR. SERRANO: Jamie Smarr, representing the Chancellor?

9 MR. SMARR: Present.

10 MR. SERRANO: Tino Hernandez?

11 MR. HASLIP: Here.

12 MR. SERRANO: Bud Larson?

13 MR. LARSON: Here.

14 MR. SERRANO: Thad McTigue representing the Comptroller?

15 MR. MCTIGUE: Here.

16 MR. SERRANO: Sandra March?

17 MS. MARCH: Here.

18 MR. SERRANO: Mona Romain?

19 MS. ROMAIN: Present.

20 MR. SERRANO: Everybody is here, so we have a quorum.

21 We need to elect an acting chairperson for this meeting.

22 MR. LARSON: I nominate Mel Aaronson.

23 MR. SERRANO: Will anybody second that?

24 MR. HERNANDEZ: Second.

25 MR. SERRANO: All in favor say aye.

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2 (Whereupon all those present so indicated.)

3 MR. SERRANO: Any opposed? Any abstentions? Hearing
4 none, we will continue.

5 MR. AARONSON: Let us start with the updates.

6 MR. SERRANO: The second item on the agenda is Update
7 on TRS Operations. Each of you has an updated Calendar of
8 Events. I just wanted to take a quick minute to mention that
9 Patricia Reilly has been appointed as TRS' Deputy Executive
10 Director.

11 MR. AARONSON: Congratulations.

12 MR. SERRANO: Patricia will be providing us with a few
13 updates.

14 MS. REILLY: Our new and improved integrated voice
15 response inform system was implemented in December and the
16 implementation went well. IT continues to work with our
17 vendor to make minor adjustments to the system. They are
18 also finalizing the reporting capabilities with the vendor.
19 Those reports should be available to us starting in February.
20 On January 20th, TRS sent out 1099 Form Brochures. They were
21 mailed to approximately 3,000 new retirees who retired during
22 2009. It explains the 1099s to them because they will be
23 getting them for the first time as retirees. On January 13th,
24 we received the calculated benefits from the Office of the
25 Actuary for the finalized class members, for the minimum

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2 accumulation payments. We are currently processing the data
3 for the final payments. Anybody receiving payment via check,
4 EFT or rollover should begin to get their payments in
5 February.

6 MR. SERRANO: Excuse me, Mona, do you have a question?

7 MS. ROMAIN: When do you expect the 1099s to go out?

8 MR. BETHELMY: By the end of the month.

9 MR. SERRANO: They usually go out by the end of the
10 month.

11 MS. MARCH: Could you let us know when they go out so
12 that we can alert our consultants?

13 MS. REILLY: Ok. On January 15th, we completed testing
14 and implemented the functionality for the change in interest
15 rate for the TDA Fixed Fund accounts for UFT members. Based
16 on the enactment of Chapter 504, those members impacted by it
17 will get 8.25% interest for the first ten (10) days of
18 December and then it will change to 7% interest starting on
19 December 11th.

20 MR. AARONSON: Thank you very much for those updates
21 Patricia. We look forward to many years of your service
22 here in your new position.

23 MS. REILLY: Thank you.

24 MR. SERRANO: The next item on the Agenda is the
25 Executive Director's Report. The first item there is the

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2 Next Meeting. It has been suggested that the next regular
3 meeting of the Teacher' Retirement Board be held on the
4 fourth Thursday of the month, February 25, 2010. The second
5 item is a resolution to elect a chairperson to the Board.
6 It was laid over several times and it is again presented to
7 the Board for consideration.

8 MS. MARCH: Lay it over please.

9 MR. SERRANO: The third item on the EDR is a resolution
10 concerning the Diversified Equity Fund (Variable A) and
11 International Equity Fund (Variable C) (Small Cap
12 International Equity Mandate)

13 MS. ROMAIN: Move to the Resolved.

14 MR. SERRANO: Resolved, that the Board hereby ratifies
15 (a) the engagement of Pyramis as an investment manager to the
16 International Sector of the Diversified Equity Fund (Variable
17 A) and the International Equity Fund (Variable C) of the
18 Variable Programs for a small cap international equity
19 mandate; and (b) the transfer and/or liquidation of the
20 portfolio that was under management by Capital Guardian to
21 provide the funds for new manager Pyramis; and it is further

22 Resolved, that upon completion of this transaction, the
23 agency agreements with Capital Guardian shall be terminated;
24 and it is further

25 Resolved, that the International Sector target

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2 allocation and rebalancing range for the enhanced index
3 strategy and active composites and the target allocation
4 for each manager within the International Sector, as a
5 percentage of the total Diversified Equity Fund (Variable
6 A) assets be set as follows:

7 International Enhanced Index Strategy Composite with
8 a 7.5% target and a 6 to 9% rebalancing range; BGI
9 International Alpha Tilts (Risk-Controlled Enhanced) with
10 a 7.5% target; Active International Composite with a 7.5%
11 target and a 6 to 9% rebalancing range; Bernstein (Value)
12 with a 2.125% target; AXA Rosenberg (Core) with a 2.125%
13 target; Walter Scott (Growth) with a 2.125% target;
14 Pyramis (Small Cap) with a 1.125% target; and it is further

15 Resolved, that the Chair, or in his or her absence,
16 the Executive Director, is hereby authorized and directed to
17 execute agency agreements and other documents or instruments
18 as may be necessary to implement this resolution; and it is
19 further

20 Resolved, that the Chair, or in his or her absence, the
21 Executive Director, or in his absence, the Director,
22 Investment Administration, is hereby authorized and directed
23 to issue instructions and take any other action as may be
24 necessary to implement this resolution, including the
25 transfer of any assets or funds as provided in this

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2 resolution.

3 MS. MARCH: So moved.

4 MS. ROMAIN: Second.

5 MR. AARONSON: All those in favor please say aye.

6 (Whereupon all those present so indicated.)

7 MR. AARONSON: Any opposed? Any abstentions? Hearing
8 none, we will continue.

9 MR. SERRANO: Next item on the Agenda is the Calendar.
10 The first item on the Calendar is the matter of the approval
11 of the Minutes for the regular meetings held on November 19th
12 and December 17, 2009.

13 MS. MARCH: So moved.

14 MR. MCTIGUE: Second.

15 MR. AARONSON: All those in favor say aye.

16 (Whereupon all those present so indicated.)

17 MR. AARONSON: Any opposed? Any abstentions? Hearing
18 none, we will continue.

19 MR. SERRANO: The second item on the Calendar is the
20 approval of items 1 through 18 on pages 1 through 268.

21 MR. AARONSON: Do I have a motion to approve the
22 Calendar?

23 MS. MARCH: So moved.

24 MR. LARSON: Second.

25 MR. AARONSON: Any opposed? Any abstentions? Hearing

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2 none, we will continue.

3 MR. SERRANO: That concludes the Calendar. The next
4 item on the Agenda is regarding any other business before the
5 Board.

6 MR. RAUCCI: I just found out that the 1099s will be
7 mailed out tomorrow.

8 MS. ROMAIN: Thanks.

9 MR. AARONSON: Paul, I saw something in the newspaper
10 that there will be a change to the withholding rates for
11 retirees income taxes?

12 MR. RAUCCI: I am not sure exactly what you saw, but
13 what I think you are referring to is, back in April there was
14 a legislation that was passed where they decreased the
15 retirees' by \$600 in the withholding tables. They are going
16 to get the credit at the end of the year when they file their
17 taxes. What actually occurred was, the withholding tables
18 reverted back to old tables because they were able to adjust
19 them for the credit during the course of the year. They just
20 put back into effect, the new withholding tables that were
21 there last January. That should be as of January.

22 MR. AARONSON: Thank you.

23 MR. SERRANO: Is there any other business for
24 discussion? Hearing none, the next item on the Agenda is
25 any questions or comments from the public. Hearing none,

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2 that concludes the Public Session. There are a few matters
3 of Attorney/Client privilege that the Board will discuss now.

4 MR. AARONSON: Do I have a motion to go into Executive
5 Session?

6 MS. MARCH: So moved.

7 MR. LARSON: Second.

8 (Whereupon at this time the meeting went into Executive
9 Session)

10 MR. AARONSON: Can I get a motion to go back into Public
11 Session?

12 MS. ROMAIN: So moved.

13 MR. LARSON: Second.

14 MR. AARONSON: All those in favor please say aye.

15 (Whereupon all those present so indicated.)

16 MR. AARONSON: During Executive Session, no action was
17 taken. Do I have a motion to adjourn?

18 MS. ROMAIN: So moved.

19 MR. LARSON: Second.

20 MR. AARONSON: Hearing no opposition, the meeting is
21 adjourned. Thank you.

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