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1 TEACHERS' RETIREMENT SYSTEM OF THE CITY OF NEW YORK

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BOARD MEETING

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6

March 21, 2024

7

3:37 p.m.

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Remote Proceeding

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New York, New York

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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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PATRICIA REILLY, TRS EXECUTIVE DIRECTOR

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THAD MCTIGUE, TRS DEPUTY EXECUTIVE DIRECTOR

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THOMAS BROWN, CHAIR, TRUSTEE

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BRYAN BERGE, OFFICE OF THE MAYOR, TRUSTEE

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JOHN DORSA, OFFICE OF THE COMPTROLLER, TRUSTEE

7

DAVID KAZANSKY, TRUSTEE

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VICTORIA LEE, TRUSTEE

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KARINE APOLLON, TRUSTEE

10

EPHRAIM ZAKRY, TRUSTEE

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Also Present:

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LIZ SANCHEZ, TRS

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RONALD SWINGLE, TRS

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ISAAC GLOVINSKY, TRS

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TATIANA PEZZOLI, TRS

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LOREN PERRY, TRS

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KATE CHEN, TRS

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NATARAJAN KRISHNAMOORTHY, TRS

19

MAREK TYSZKIEWICZ, CHIEF ACTUARY

20

PRISCILLA BAILEY, TRS

21

VALERIE BUDZIK, TRS

22

KAVITA KANWAR, TRS

23

GATI DALAL, LAW DEPARTMENT

24

DAN WHITMAN, LAW DEPARTMENT

25

DARREN TROTTER, LAW DEPARTMENT

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1 MATT LASKOWSKI, TRS  
2 RENEE PEARCE, TRS  
3 DINA SIMON, TRS  
4 ROSA POLANCO, TRS  
5 IVAL GRANT-WILLIAMS, TRS  
6 CHRISTINA MCGRATH, TRS  
7 LEAH PLASSE  
8 JOEPETH EBISA, INTELLIGENCE

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1 (The proceedings commenced at 3:37 p.m.)  
2 MS. REILLY: Welcome to the March 21st, 2024  
3 Teachers' Retirement System Board Meeting.  
4 I'll start by calling the roll. Bryan Berge?  
5 MR. BERGE: Bryan Berge representing Mayor  
6 Eric Adams, present.  
7 MS. REILLY: Thomas Brown?  
8 CHAIRMAN BROWN: Here. Good afternoon,  
9 Patricia.  
10 MS. REILLY: Good afternoon.  
11 Karine Apollon?  
12 MS. APOLLON: Karine Apollon, present.  
13 MS. REILLY: Thank you. Alison Hirsh?  
14 MR. DORSA: John Dorsa, designee for  
15 Comptroller Brad Lander, representing the Comptroller's  
16 Office.  
17 MS. REILLY: David Kazansky?  
18 MR. KAZANSKY: Present.  
19 MS. REILLY: And Victoria Lee?  
20 MS. LEE: Present.  
21 MS. REILLY: We do have a quorum.  
22 And next on the agenda is an update on TRS  
23 operations, and we're going to be getting that from Ival  
24 Grant-Williams.  
25 MS. GRANT-WILLIAMS: Good afternoon, everyone.

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1 So the first operational update is in regards  
2 to our required minimum distribution. TRS has

3 identified over 35,000 members who must receive a R&D  
4 from their TDA accounts for this year, 2024. In late  
5 April, TRS will notify these members and open the R&D  
6 filing period.

7 The next update is in regards to online  
8 educational programs. TRS's online educational programs  
9 continue to be extremely popular with members. Since  
10 the start of this year, we have hosted 35 different  
11 sessions with a total of 3,000 members registered and  
12 tuned in to learn more about their benefits.

13 MS. REILLY: Thank you.

14 MS. APOLLON: That's the update.

15 MS. REILLY: Thank you.

16 CHAIRMAN BROWN: Appreciate it.

17 MS. REILLY: So next on the agenda as an  
18 update from the actuary.

19 MR. TYSZKIEWICZ: Thanks. So for my fiscal  
20 note update, I just want to start by correcting the  
21 public record for something I said at the last board  
22 meeting. We were discussing a fiscal note on changing  
23 the final average salary averaging period from five  
24 years to three years. And Trustee Dorsa asked me  
25 whether the look-back period was four years or two years

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1 for Teachers', and I incorrectly said it was four years.  
2 I remember there was a four-year issue, but that applied  
3 to NYCERS and BERS. For TRS, the look-back period in  
4 that fiscal note was two years, as it clearly said in  
5 the fiscal note right in front of me. I thank the  
6 Trustees for pointing this out to me after the meeting.  
7 I sent out an email correcting it, but I wanted to say  
8 it during the Public Session to correct the record as  
9 well.

10 So now, regarding the current status of the  
11 fiscal notes, I'm happy to report we're progressing at a  
12 record rate. So for comparison, last year, by this  
13 week, we had released 13 fiscal notes. As of today,  
14 we're up to 34 released. So more than double, close to  
15 tripling what we did at the rate last year.

16 In your Board material, at the time of the  
17 submission of the agenda, we included six new ones  
18 impacting TRS. Four of those improved Tier 6 benefits  
19 by reducing the member contributions in different ways.  
20 One increased the amount of military service a member  
21 could purchase from three years to four years.

22 And the last one was actually the most  
23 difficult one. This one would allow BERS UFT members  
24 about 20 percent of BERS active membership to transfer  
25 to TRS. It turned out to be extremely tricky to value,

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1 more so than the other ones, because, with TRS, the TRS  
2 benefits are very close, very similar to the BERS  
3 members' benefits. But we did a run, just by changing  
4 the members from BERS to TRS with no change in benefits,

5 and when we ran that, and this is in the fiscal note,  
6 the results increased the employer contribution rate by  
7 \$20 million for the first year alone.

8 Now, the reason for that is TRS assumptions  
9 are more, I'll use the word expensive than the BERS  
10 assumptions. So for TRS members, we assume they get  
11 higher salary increases, we assume they live longer,  
12 both of those increasing employer contribution. But it  
13 kind of creates an actuarial dilemma because, if you're  
14 a BERS UFT member and you're changing the name of the  
15 retirement system from BERS to TRS, you don't suddenly  
16 live longer and you don't suddenly get bigger salary  
17 increases. So then it becomes a dilemma on how do we  
18 value this fiscal note? And the question is, which set  
19 of assumptions are right?

20 And the answer is they're both right, on  
21 average. They're created from experienced studies  
22 looking at the entire population. So carving out a  
23 subset of BERS folks, moving them into TRS, would  
24 require us, down the road, to come up with new  
25 assumptions. So if the BERS folks being transferred

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1 really look like TRS members and really do get higher  
2 salaries and live longer, then the remaining BERS folks,  
3 on average, would get even lower salary increases and  
4 even worse mortality experience. So then the BERS  
5 contribution rate would go down to offset the increase  
6 in the TRS contribution rate.

7 So when we did the fiscal note, we said, all  
8 right, let's ignore the gains and losses of just moving  
9 people with no benefit change. Let's assume there's no  
10 cost to move them to TRS for exactly the same benefits.  
11 And then we priced out the slight difference in  
12 ancillary TRS benefits, and that's what we published in  
13 the fiscal note.

14 So that being said, I'm happy to answer any  
15 questions on the fiscal notes you may have.

16 MR. BERGE: So, Marek, on that subject of  
17 assumptions that your office employs, are there ever  
18 situations where you have like a sort of assumption  
19 subset for a group of members in a system that are  
20 sufficiently different than other members in the system?

21 MR. TYSZKIEWICZ: Well, that was one of the  
22 solutions I was thinking we would have to do. If we  
23 determined these BERS folks coming over actually look  
24 like BERS, then I would come to the Board and say, I'm  
25 going to do an assumption change, a recommended

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1 assumption change and value this subset using BERS  
2 assumptions. So yeah, we do this all the time.  
3 Different groups have different retirement patterns. So  
4 this would be kind of moving the BERS assumptions over  
5 for a subset, if those apply to this group.

6 MR. BERGE: Interesting. Thanks, Marek.

7 CHAIRMAN BROWN: Any more questions from  
8 Marek? Thank you.

9 MS. REILLY: Somebody downstairs wants to  
10 attend, but I don't know, we'll be probably done by the  
11 time they get up here.

12 CHAIRMAN BROWN: Yeah. Thank you, Marek,  
13 appreciate it.

14 MS. REILLY: So next on the agenda is the  
15 Executive Director's report, and the first item on that  
16 is the matter of the next meeting, which is scheduled  
17 for the third Thursday of the month, April 18th, 2024.  
18 I'll dispatch the calendars.

19 The next is a Resolution to Authorize to the  
20 Comptroller of the City of New York to Invest Certain  
21 QPP funds.

22 MR. KAZANSKY: Please waive the reading.

23 MS. REILLY: Waive the reading.

24 CHAIRMAN BROWN: Thank you. I guess we're  
25 ready for a vote. Do I hear a motion to accept the  
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1 authorization to the Comptroller to invest certain QPP  
2 funds?

3 MR. KAZANSKY: So moved.

4 MS. REILLY: And is there a second?

5 MR. DORSA: Second.

6 MS. LEE: Second.

7 MS. REILLY: Thank you. Is there any  
8 discussion? Great.

9 All those in favor to authorize -- for the  
10 authorization to the Comptroller to invest certain QPP  
11 funds, please say aye?

12 (Ayes were heard.)

13 CHAIRMAN BROWN: Those opposed, say nay? Any  
14 abstentions? Let the record show that it has been  
15 approved. Thank you.

16 MS. REILLY: Next on the agenda, on the ER is  
17 the authorization to the Comptroller of the City of New  
18 York to Invest Certain Tax Deferred Annuity Funds.

19 MR. KAZANSKY: Again, please waive the  
20 reading.

21 MS. REILLY: Great. Do I hear a motion to  
22 accept the authorization to the Comptroller to invest  
23 certain TDA funds?

24 MR. KAZANSKY: So moved.

25 MS. REILLY: And is there a second?  
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1 MS. LEE: Second.

2 CHAIRMAN BROWN: It has been moved and it has  
3 been seconded. All those -- any discussion? Great.

4 All those in favor for the authorization to  
5 the Comptroller to invest certain TDA funds, please say  
6 aye?

7 (Ayes were heard.)

8 CHAIRMAN BROWN: Those opposed, say nay? Any

9 abstentions? And let the record show that this  
10 resolution has passed as well.

11 MR. DORSA: Thank you, again.

12 MS. REILLY: Next is the resolution to adopt  
13 the Actuary's determination for the preliminary fiscal  
14 year 2025 employer contribution to the New York City  
15 Teachers' Retirement System.

16 MR. KAZANSKY: Please skip to the resolved.

17 MS. REILLY: Resolved, the Board of Trustees  
18 hereby approves a preliminary fiscal year 2025 employer  
19 contribution to the City of New York Teachers'  
20 Retirement System of \$3,428,345,097.

21 CHAIRMAN BROWN: Great. Do I hear a motion to  
22 accept the resolution for the preliminary fiscal year  
23 2025 employer contribution?

24 MR. KAZANSKY: So moved.

25 CHAIRMAN BROWN: And is there a second?

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1 MS. LEE: Second.

2 CHAIRMAN BROWN: Any discussion?

3 MR. TYSZKIEWICZ: Yeah. Would you like me to  
4 go through the contribution at all?

5 CHAIRMAN BROWN: Yeah, yeah.

6 MR. TYSZKIEWICZ: So in your Board packets is  
7 my March 14th letter showing how the contribution was  
8 determined. And just to recap the process, each year,  
9 prior to the start of the fiscal year, which is this  
10 July 1st, my office performs this preliminary  
11 calculation, which is shown on B-1, Page B-1 of my  
12 letter. This is based on a snapshot of data as of last  
13 June rolled forward with interest to this July 1st.

14 There's three main components for this  
15 contribution. The normal costs of \$1.5 billion, that's  
16 the cost of the benefits for each additional year of  
17 service actives are expected -- the one year of  
18 additional service actives are expected to earn.

19 The second component is the amortization  
20 payments to pay off your unfunded liabilities for past  
21 service. This year's payment for that is \$1.9 billion.

22 The third component is the administrative  
23 expenses. This is a charge of \$62 million,  
24 reimbursement of interest and administrative expenses  
25 deducted from plan assets during the valuation year.

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1 Now, those are the three main components for  
2 TRS. There's three additional components in your total  
3 contribution. ASAF credit, \$26.5 million. That's  
4 contributions that Department of Education is required  
5 to make into the annuity savings accumulation fund for  
6 certain members.

7 There's another row for member contributions  
8 required to be made by the DOE for the Guino (phonetic)  
9 settlement.

10 And there's a third row, and this is a small

11 number, but it's similar to last year. It's a component  
12 for an overfunding credit for KIPP Academy Charter  
13 School. Because they are overfunded, they have a  
14 credit, and the credit is so big normally it would pay  
15 off all their normal costs plus a portion of their  
16 administrative expenses, but your statute -- but the  
17 statute doesn't allow the overfunding credit to pay off  
18 administrative expenses. So we have to defer \$23,000 of  
19 their assets into the future, charge them an extra  
20 \$23,000 just to get them up to paying the total  
21 administrative, their share of the administrative  
22 expenses. The math on that is on page C-8 if you're  
23 interested. But the total of all six is the fiscal year  
24 '25 contribution of \$3.4 billion.

25 And I'll just point out one other thing of

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1 interest. Page A-9 shows the amortization payments  
2 going forward, and from the graph and the table, you can  
3 see that the unfunded is going to be paid off in  
4 approximately eight years, fiscal year 2032, and that  
5 will cause a decrease in the employer contribution of  
6 about \$2.5 billion, once you factor in the credits in  
7 fiscal year 2033.

8 So, happy to answer any other questions you  
9 may have.

10 CHAIRMAN BROWN: Thank you, Marek, for that  
11 clarification.

12 Any questions for Marek?

13 MR. BERGE: Marek, I'm pretty interested in  
14 the KIPP overfunding situation. Is that a product of a  
15 higher rate of turnover? I'm just -- how did that come  
16 to be?

17 MR. TYSZKIEWICZ: They -- I mean, each obligor  
18 is allocated their pro rata share. So just the pro rata  
19 share has turned that into a positive situation. I  
20 mean, I have to dig into what exactly caused their gains  
21 and losses to put them into an overfunded situation.

22 MR. BERGE: Sure. Because I've seen inverse  
23 or reverses, but I've seen other situations with charter  
24 schools not paying their obligations, so it's  
25 interesting to see.

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1 MR. TYSZKIEWICZ: Yeah. So is the second --  
2 this is the second year. Last year, they had a \$46,000  
3 credit or something. So they're slowly depleting that  
4 credit, but they have a slight credit there.

5 CHAIRMAN BROWN: Great. Any more discussion?  
6 Thank you for that clarification, Marek.

7 We're ready to take a vote. All those in  
8 favor of the preliminary fiscal year 2025 employer  
9 contribution, please say aye?

10 (Ayes were heard.)

11 CHAIRMAN BROWN: Those opposed, say nay? Any  
12 abstentions?

13           Let the record show that this resolution has  
14   passed.  
15           MS. REILLY: Next on the agenda is the budget  
16   modification for organization of staff analysts, OSA,  
17   and managerial increases and mandated projects.  
18           MR. KAZANSKY: Please skip to the resolved.  
19           CHAIRMAN BROWN: Great. So do I have a  
20   motion? And just for the record, a motion to accept the  
21   budget modification.  
22           MS. REILLY: I didn't read the resolved yet.  
23           CHAIRMAN BROWN: Oh, I'm sorry.  
24           MS. REILLY: Thanks. So resolved that the  
25   Trustees of the Teachers' Retirement Board hereby  
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1   approve a modification of the fiscal year 2024 budget by  
2   increasing the agency's budget in the amount of  
3   \$3,558,724 to fund plan increases required by the  
4   Organization of Staff Analysts Collective Bargaining  
5   Agreement and pay increases for non-collectively  
6   bargained staff, including the agency head, consistent  
7   with increases described in the Mayor's Personnel Order  
8   2024/1 and 2024/2, and to fund the required projects  
9   mentioned above, and be it further resolved that the  
10   Trustees hereby authorize the Executive Director or her  
11   designees to expend monies out of such budget in  
12   accordance with the approved budget as modified in  
13   governing laws.  
14           CHAIRMAN BROWN: Thank you, Patricia.  
15           And just for the record, do I hear a motion to  
16   accept the budget modification, managerial and  
17   organization of staff analysis increases, and  
18   legislative and mandated projects for fiscal year 2024.  
19           MR. KAZANSKY: So moved.  
20           CHAIRMAN BROWN: And is there a second?  
21           MS. LEE: Second.  
22           CHAIRMAN BROWN: All those in favor of this  
23   resolution, please say aye?  
24           MR. BERGE: Quick point of discussion, if I  
25   may.  
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1           CHAIRMAN BROWN: Oh, I'm sorry.  
2           MR. BERGE: Of course, we're going to support  
3   collectively bargaining. I mean, that's just not  
4   something in question. But how many total modifications  
5   have there been for this purpose since fiscal 24 was  
6   adopted? I feel like this is not the first one.  
7           MS. REILLY: No, no. Like DC 37 raises.  
8           MR. BERGE: Yeah.  
9           MS. REILLY: What other -- a few other unions.  
10          MR. BERGE: We've done a modification for each  
11   of them, like a separate budget modification?  
12          MS. REILLY: Yeah -- well, if they came around  
13   at the same time.  
14          MS. POLANCO: Yeah, we did for CWA, we did for



15 the DC 37, before CWA, with Teamsters. So every time we  
16 get the, you know, kind of the go-ahead with the, you  
17 know, with the increases, we go ahead and do a separate  
18 budget mod for it. So we'll wait until we get the  
19 instructions, and then we issue the budget mod.

20 MR. BERGE: So is this the -- this is the  
21 fourth one, then? Did I do the count right?

22 MS. REILLY: Oh, I'm sorry.

23 MS. POLANCO: I think it's the third one in  
24 this fiscal year, if I'm not mistaken, Bryan, but I'll  
25 check for you.

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1 MR. BERGE: Great, thank you very much.

2 MR. DORSA: I think they've all been  
3 consistent with --

4 MR. BERGE: Oh of course. Yeah, no, I  
5 literally -- this is a housekeeping. This is not a --

6 MS. REILLY: All right. So you'll get back to  
7 Bryan on how many we've done.

8 MS. POLANCO: Yes.

9 MR. BERGE: Thank you very much.

10 CHAIRMAN BROWN: Thank you, Rosa. Thank you,  
11 Bryan.

12 MS. POLANCO: No problem.

13 CHAIRMAN BROWN: Any more discussion? Now  
14 we're ready to take the vote.

15 All those in favor of this resolution, please  
16 say aye?

17 (Ayes were heard.)

18 CHAIRMAN BROWN: Those opposed, say nay? Any  
19 abstentions?

20 Let the record show that this resolution has  
21 passed.

22 MS. REILLY: Thank you. Next is the calendar,  
23 and the first item on the calendar is approval of the  
24 minutes from the February 1st, 2024 Investment Meeting  
25 minutes and the February 15th, 2024 Board Meeting

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1 minutes.

2 CHAIRMAN BROWN: Thank you. So do I hear a  
3 motion for the record to accept the February 1st, 2024  
4 Investment Meeting minutes and the February 15th, 2024  
5 Board Meeting minutes? Do I hear a motion?

6 MR. DORSA: So moved.

7 CHAIRMAN BROWN: Thank you, Mr. Dorsa. And do  
8 I hear a second?

9 MS. LEE: Second.

10 CHAIRMAN BROWN: Thank you, Victoria.

11 Any discussion? Great. All those in favor of  
12 accepting the Investment Meeting minutes and the Board  
13 Meeting minutes for the dates on the agenda, please say  
14 aye?

15 (Ayes were heard.)

16 CHAIRMAN BROWN: And those opposed, say nay?

17 Any abstentions?  
18 Let the record show that the Investment  
19 Meeting minutes --  
20 MS. APOLLON: Abstention.  
21 CHAIRMAN BROWN: I'm sorry?  
22 MS. APOLLON: I'm abstaining because I  
23 didn't read --  
24 CHAIRMAN BROWN: Oh, okay. Okay. So let the  
25 record show that Karine abstained, and -- but we do  
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1 have -- we do have approval.  
2 MS. REILLY: Okay, great.  
3 CHAIRMAN BROWN: Thank you.  
4 MS. REILLY: Thank you. So next is the  
5 calendar items. You all received an electronic version  
6 of the calendar.  
7 MR. KAZANSKY: Please waive the reading of the  
8 calendar.  
9 CHAIRMAN BROWN: Great. Do I have a motion to  
10 accept the calendar?  
11 MR. KAZANSKY: So moved.  
12 CHAIRMAN BROWN: Is there a second?  
13 MS. LEE: Second.  
14 CHAIRMAN BROWN: Any discussions about the  
15 calendar? And all those in favor of accepting the  
16 calendar items, please say aye?  
17 (Ayes were heard.)  
18 CHAIRMAN BROWN: Any opposed, say nay? Any  
19 abstentions? No abstentions.  
20 Great. So let the record show that calendar  
21 items have been accepted. Thank you.  
22 MS. REILLY: So next is any questions or  
23 comments from the public? Okay.  
24 Okay, so that's it. No questions.  
25 CHAIRMAN BROWN: That's our business for the  
0021  
1 Public Session. Great.  
2 Is there a motion to go into Executive  
3 Session?  
4 MR. DORSA: So moved.  
5 CHAIRMAN BROWN: And do I hear a second?  
6 MS. LEE: Second.  
7 CHAIRMAN BROWN: Any discussion? All those in  
8 favor of going into Executive Session, please say aye?  
9 (Ayes were heard.)  
10 CHAIRMAN BROWN: Those opposed, say nay? Any  
11 abstentions?  
12 We are now in Executive Session.  
13 (Exit Public Session; enter Executive  
14 Session.)  
15 (Exit Executive Session; enter Public  
16 Session.)  
17 CHAIRMAN BROWN: Mr. Swingle?  
18 MR. SWINGLE: Thank you.

19                   In Executive Session of the March 2024 Board  
20 Meeting, we received a security presentation.

21                   CHAIRMAN BROWN: Thank you, Ron.

22                   Do I hear amotion to adjourn?

23                   MR. DORSA: So moved.

24                   CHAIRMAN BROWN: And is there a second?

25                   MS. LEE: Second.

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1                   CHAIRMAN BROWN: Any discussion? Any -- all  
2 those in favor of adjourning, please say aye?

3                   (Ayes were heard.)

4                   CHAIRMAN BROWN: Those opposed, say nay? Any  
5 abstentions? We are adjourned. Thank you, everyone.

6                   (The proceedings concluded at 4:25 p.m.)

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1                   CERTIFICATE OF DIGITAL REPORTER

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4                   I, WILLIAM MONTAGUE, a Digital Reporter and  
5 Notary Public within and for the State of New York, do  
6 hereby certify:

7                   That the foregoing proceeding is accurately  
8 captured with annotations by me during the proceeding in  
9 the above-titled matter, all to the best of my skills  
10 and ability.

11                   I further certify that I am not related to any  
12 of the parties to this action by blood or marriage and  
13 that I am in no way interested in the outcome of this  
14 matter.

15                   IN WITNESS THEREOF, I have hereunto set my  
16 hand this 3rd day of April 2024.

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William Montague, Digital Reporter  
Commission No.: 01MO0009174  
Expiration Date: June 7, 2027

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CERTIFICATE OF TRANSCRIPTIONIST

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I, NANCY KRAKOWER, Legal Transcriptionist, do  
hereby certify:

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Nancy Krakower, Transcriptionist