

NEW YORK CITY TEACHERS' RETIREMENT SYSTEM
REGULAR BOARD MEETING
held on Thursday, April 24, 2014
at
55 Water Street
New York, New York

ATTENDEES:

MELVYN AARONSON, Chairperson, Trustee, TRS
MONA ROMAIN, Trustee, TRS
SANDRA MARCH, Trustee, TRS
PATRICIA REILLY, Executive Director, TRS
THADDEUS McTIGUE, Deputy Executive Director, TRS
VALERIE BUDZIK, Legal Director, TRS
CAROLYN WOLPERT, Trustee, Finance
SUSANNAH VICKERS, Trustee, Comptroller's Office
RENEE PEARCE, TRS
PAUL RAUCCI, TRS
ANDREW BRADFORD, TRS
LIZ SANCHEZ, TRS
SUSAN STANG, TRS
ROBERT C. NORTH, JR., Actuary
KEITH SNOW, Corporation Counsel
ROBERT BETHELMY
CARMELA CRIVELLI
KATHLEEN GRIMM
ANNETTE HANRAHAN
ANTHONY MEZZACAPPA
ELLEN DELEO

P R O C E E D I N G S
(Time noted: 3:45 p.m.)

MS. REILLY: Good afternoon. We're going to begin the April 24, 2014 regular meeting of the Teachers' Retirement Board. I will start by calling the roll.

Melvyn Aaronson?

CHAIRPERSON AARONSON: Here.

MS. REILLY: Kathleen Grimm?

MS. GRIMM: Here.

MS. REILLY: Sandra March?

MS. MARCH: Present.

MS. REILLY: Mona Romain?

MS. ROMAIN: Here.

MS. REILLY: Susannah Vickers?

MS. VICKERS: Here.

MS. REILLY: Carolyn Wolpert?

MS. WOLPERT: Here.

MS. REILLY: We do have a quorum, and I will proceed.

The next item is an update on TRS operations, and Ellen DeLeo has a couple of updates for us.

MS. DELEO: Our members just completed their spring recess, and TRS Member Services saw the usual spike in visitors. This year we had 978 members visit our walk-in center, compared to 844 last year, a 16 percent increase. Also, this year 119 members submitted retirement applications, compared to 61 last year, a 95 percent increase. Of the 119 applications submitted, 106 had a July 1 retirement date.

Benefits Administration has begun preparing summer retirement and has started preprocessing cases, focusing on the 941 members who have scheduled pension consultations by the UFT from April 12 to June 30.

Printing and mailing of the quarterly account statements, TDA deferrals and TDA B statements is expected to begin next week. Currently these statements are being made available electronically through our website.

MS. REILLY: Thank you.

The next item is the executive director's report. And the first item there is the next meeting. It's been suggested that the next regular meeting of the Teachers' Retirement Board be held on the third Thursday of the month, May 15, 2014.

CHAIRPERSON AARONSON: Everybody mark their calendars, please; May 15.

MS. REILLY: The next item is a resolution, the Actuary's recommendation for fiscal year 2015, employer contributions to the New York City Teachers' Retirement System.

MS. ROMAIN: Move the resolved.

MS. REILLY: "Resolved, the Retirement Board hereby approves the preliminary fiscal year 2015 appropriation to the New York City Teachers' Retirement System of \$3,133,925,933."

CHAIRPERSON AARONSON: Any comments? Okay.

MS. ROMAIN: I move the resolution.

CHAIRPERSON AARONSON: Is there a second?

MS. WOLPERT: Second.

CHAIRPERSON AARONSON: Any discussion? All in favor?

(A chorus of "Ayes.")

Any opposed?

The motion is carried.

MR. NORTH: I thank the board.

MS. REILLY: The next resolution, the Actuary's recommendation for a final fiscal year 2014 employer contribution to the New York City Teachers' Retirement System.

MS. ROMAIN: Move to resolve.

MS. REILLY: "Resolved, that the employer contributions to the New York City Teachers' Retirement System for fiscal year 2014 of \$2,990,693,727 is hereby approved by the retirement board."

CHAIRPERSON AARONSON: Do I hear a motion?

MS. ROMAIN: I move the resolution.

CHAIRPERSON AARONSON: Is there a second?

MS. WOLPERT: Second.

CHAIRPERSON AARONSON: Any discussion?

I think this may be the first time in 33 years that I see the same amount that you recommended and the same amount it came out to be.

MR. NORTH: As you know, we've put in the one year lag methodology a few years back on the theory that before the fiscal year began we can figure out the contributions for the coming fiscal year.

It always seems since then we had to tweak and do minor charges. This was a year in which it actually worked. We figured it out in the preliminary and did not have to change it for the final.

CHAIRPERSON AARONSON: That's the final word from your office.

MR. NORTH: Thank you.

CHAIRPERSON AARONSON: Any other discussion?

All in favor of accepting it?

(A chorus of "Ayes.")

Any opposed?

Seeing none, motion carries.

MR. NORTH: I thank the board.

MS. REILLY: The next resolution is a proposed administrative budget for fiscal year 2015.

MS. ROMAIN: Move to the resolves.

MS. REILLY: "Resolved, that the agency budget as proposed for fiscal year 2015 -inclusive of the TDA program enhancement, as presented to the budget committee in the amount of \$54,618,734 is hereby adopted.

"And be it further resolved that the Trustees hereby grant authority to the executive director or her designee to expend all necessary monies out such budget in accordance with Section 13-518 and other governing laws."

MS. ROMAIN: I move the resolution.

CHAIRPERSON AARONSON: Is there a second?

MS. WOLPERT: Second.

CHAIRPERSON AARONSON: Any discussion?

Seeing no discussion, all in favor?

(A chorus of "Ayes.")

Any opposed?

Motion carries.

(Following is the Fiscal Year 2013 Final Administrative Budget.)

"FY 2013 Final Administrative Budget:

In April 2012, the Board of Trustees of the Teacher's Retirement System granted the authority to the Executive Director or her designee to expend all necessary monies out of the Proposed Administrative Budget for Fiscal Year 2013, in accordance with Section 13-518 and other governing laws, based on estimated fund allocated factors which included:

"9.1501 percent of \$4,861,034 attributable to the Variable A Annuity Fund of the Qualified Pension Plan (QPP), 1.3359 percent or \$709,703 will be attributable to the Variable B Annuity Fund of the Qualified Pension Plan, (QPP), 0.3358 percent or \$178,395 will be attributable to the Variable C Annuity Fund of the Qualified Pension Plan (QPP), 0.2034 percent or \$108,057 will be attributable to the Variable D Annuity Fund of the Qualified Pension Plan (QPP), 0.1873 percent or

\$99,504 will be attributable to the Variable E Annuity Fund of the Qualified Pension Plan (QPP), 14.1652 percent or \$7,525,329 will be attributable to the Variable A Annuity Fund of the Tax Deferred Annuity Plan (TDA), 3.2793 percent or \$1,742,145 will be attributable to the Variable B Annuity Fund of the Tax Deferred Annuity Plan, 0.6745 percent or \$358,331 will be attributable to the Variable C Annuity Fund of the Tax Deferred Annuity Plan (TDA), 0.4255 percent or \$226,049 will be attributable to the Variable D Annuity Fund of the Tax Deferred Annuity Plan, 0.4255 percent or \$226,049 will be attributable to the Variable E Annuity Fund of the Tax Deferred Annuity Plan, 1.8539 percent or \$984,893 will be attributable to the Tier IV Loan Expense Fund, 2.7754 percent of \$1,474,444 will be attributable to the TDA Loan Expense Fund, and the remaining 65.1882 percent or \$34,631,539 attributable to the employer, for a total approved budget of \$53,125,472.

"The actual operational Administrative Budget expenditures for Fiscal Year 2013, based on finalized fund allocation factors included:

"9.92 percent or \$5,120,966 attributable to the Variable A Annuity Fund of the Qualified Pension Plan (QPP), 1.54 percent of \$794,989 to the Variable B Annuity Fund of the Qualified Pension Plan (QPP), 0.33 percent or \$170,355 to the Variable C Annuity Fund of the Qualified Pension Plan (QPP), 0.18 percent or \$92,921 to the Variable D Annuity Fund of the Qualified Pension Plan (QPP), 0.17 percent or \$87,758 to the Variable E Annuity Fund of the Qualified Pension Plan (QPP), 14.77 percent or \$7,624,664 to the Variable A Annuity Fund of the Tax Deferred Annuity Plan (TDA), 3.92 percent or \$2,023,608 to the Variable B Annuity Fund of the Tax Deferred Annuity Plan (TDA), 0.58 percent or \$299,412 to the Variable C Annuity Fund of the Tax Deferred Annuity Plan (TDA), 0.39 percent or \$201,328 to the Variable D Annuity Fund of the Tax Deferred Annuity Plan (TDA), 0.42 percent or \$216,815 to the Variable E Annuity Fund of the Tax Deferred Annuity Plan (TDA), 0.90 percent of \$464,604 to the Tier IV Loan Expense Fund, 0.90 percent or \$464,604 to the TDA Loan Expense Fund, and the remaining 65.98 percent or \$34,060,620 attributable to the employer, for total Fiscal Year 2013 expenditures of \$51,622,644. 100 percent of the funds equal the expenditures of \$51,622,644 plus an additional \$1,000,025 was expended on the modernization assessment for a grand total of \$52,622,669."

MS. REILLY: Thank you very much.

The next item on the agenda is the

calendar. Each board member should...

CHAIRPERSON AARONSON: Before the calendar, I'm sure that the young people here would like to see how our meetings work-- please stand up. (Indicating.)

Please stand up. And Patricia, tell me who these wonderful good-looking young people are?

MS. MARCH: Why don't they introduce themselves?

CHAIRPERSON AARONSON: Start with the tallest.

(Laughter.)

MS. MARCH: Tell us what school you attend.

MAURICE: My name is Maurice, and the school I go to is called ACI, Architects and Engineering, at 161st Street in the Bronx.

CHAIRPERSON AARONSON: Next?

THE SPEAKER: My name is Noah Bacchus from PS 117 in Queens.

THE SPEAKER: My name is Mariam Bacchus.

THE SPEAKER: My name Lauren, PS 102 in Brooklyn.

THE SPEAKER: My name is Lori and I go to school in Staten Island.

(Applause.)

CHAIRPERSON AARONSON: These are some of the children of people who work here at the Teachers' Retirement System, and this is Bring Your Child to Work Day. So we are so happy you are here and that you saw a little bit. You may not understand, but we just spent \$6 billion.

This is the way government works.

(Laughter.)

Thank you.

MS. MARCH: Pleasure to have you.

CHAIRPERSON AARONSON: You're welcome to stay, or if you have someplace else -

MS. REILLY: They can stay; we're almost done.

CHAIRPERSON AARONSON: So, off to the calendar.

MS. REILLY: We'll start with the first matter, approval of minutes of the regular meeting held March 20, 2014.

CHAIRPERSON AARONSON: Do I hear a motion to approve the minutes?

MS. ROMAIN: Motion.

CHAIRPERSON AARONSON: Is there a second?

MS. WOLPERT: Second.

CHAIRPERSON AARONSON: Any discussion? Seeing none, all in favor of approving the minutes?

(A chorus of "Ayes.")

Any opposed?

Minutes are accepted.

MS. REILLY: I'll go through a summary of some of the items on the calendar. From pages 1 to 14 inclusive, is the monthly periodic payroll of TDA, excess loan payments.

Page 15 is a payroll summary of accounts payable, new retirees and TDA accounts.

Pages 16 through 37 inclusive is the transfer of TDA deferred to annuity payments.

Pages 38 through 85 inclusive are fractional payments.

Pages 86 through 100 inclusive are uncollected checks for deceased members.

Pages 101 through 115 inclusive are continuing option payments.

Pages 116 through 128 inclusive are conversions to pop-up payments.

Pages 129 through 180 inclusive are beneficiaries who receive one time payments from QPP or TDA accounts.

Pages 181 through 183 are the accumulated salary deductions.

Pages 184 inclusive is transfer of funds between banks.

Pages 185 through 189 inclusive are the purchase and sales of security transactions from the Passport program.

Page 190 is installment payments.

Pages 191 through 194 are outstanding checks.

Pages 195 through 205 inclusive are the revisions, including those under class coverage.

Page 206 are leave of absence without pay.

Pages 207 through 209 inclusive are fractional payments.

payments for service credit.

Page 210 are denied accident disability benefits.

Page 211 are denied ordinary disability benefits.

Page 212 is minimum accumulation.

And page 213 are new service retirement payments.

That concludes it.

MS. ROMAIN: I move the adoption of the calendar.

CHAIRPERSON AARONSON: Is there a second?

MS. GRIMM: Second.

CHAIRPERSON AARONSON: Any discussion? Seeing none, all in favor of adopting the calendar?

(A chorus of "Ayes.")

Any opposed?

The calendar is adopted.

MS. REILLY: The next item on the agenda is any other business before the board.

CHAIRPERSON AARONSON: Any of you guys want to bring up anything of importance to you?

(Laughter.)

Seeing no other business, we'll move on to comments from the public?

Will somebody get up and say how nice it was to be here?

(Laughter.)

Before we adjourn, I want to take this opportunity to introduce everybody to Valerie Budzik. Valerie Budzik is the new director of the legal department at the Teachers' Retirement System. And she's very, very experienced in city government, and we're very familiar with her previous work with retirement systems.

And we're very, very happy to have Valerie here and we know that legally we will be in good hands with her team. I remember when we had no attorneys at the Teachers' Retirement System. And I remember we had somebody purport to be an attorney.

(Laughter.)

And then we had one member of the team, and then we hired a second member of the team, and we had a third member of the team; and just the other day, I introduced you to a fourth member of the legal team. And we're very glad that we have Valerie here, so thank you in accepting our position.

MS. BUDZIK: Thank you. It's certainly a privilege and honor to be here. I have big shoes to fill and I will try very hard to do that.

MS. REILLY: Good luck.

(Laughter.)

CHAIRPERSON AARONSON: Okay.

MS. REILLY: That's it.

CHAIRPERSON AARONSON: Mr. Snow?

MR. SNOW: No legal updates, unless there are questions.

CHAIRPERSON AARONSON: Is there a motion to adjourn?

MS. GRIMM: So moved.

MS. ROMAIN: Second.

CHAIRPERSON AARONSON: Any discussion?

All in favor of adjourning?

(A chorus of "Ayes.")

Any opposed?

CHAIRPERSON AARONSON: We are adjourned.

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

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, April 24, 2014, 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 28th day of April, 2014.

JEFFREY SHAPIRO

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