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TEACHERS' RETIREMENT BOARD MEETING

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14 HELD AT:

15 55 WATER STREET  
16 NEW YORK, NEW YORK

17 FEBRUARY 16, 2012  
18 3:35 P.M. TO 3:49 P.M.

19 B E F O R E:

20 MELVYN AARONSON, CHAIRMAN

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

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

TR S :

NELSON SERRANO, Executive Director  
PATRICIA REILLY, Deputy Executive Director

MELVYN AARONSON, Teachers' Trustee  
SANDRA MARCH, Teachers' Trustee  
MONA ROMAIN, Teachers' Trustee

COMPTROLLER'S OFFICE :

THAD McTIGUE, Trustee

CORPORATION COUNSEL :

INGA VAN EYSDEN, Law Department

MAYOR'S APPOINTEE :

CAROLYN WOLPERT, Alternate Trustee

DEPARTMENT OF EDUCATION :

KATHLEEN GRIMM, Trustee

PANEL FOR EDUCATIONAL POLICIES :

FREIDA FOSTER, Trustee

OFFICE OF THE ACTUARY :

ROBERT C. NORTH JR., Chief Actuary

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2 TRS STAFF:

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ROBERT BETHELMY

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ANDREW BRADFORD

CARMELA CRIVELLI

5

SAMUEL FLAKS

JOEL GILLER

6

ANNETTE HANRAHAN

MARC KATZ

7

ELLEN MURPHY-DeLEO

RENEE PEARCE

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PAUL RAUCCI

ROBERT SANTANGELO

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SUSAN STANG

MANGESH TARIBAGIL

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11 OTHER ATTENDEES:

12 HENRY GELFAND, Member

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1 TRS Regular Board Meeting, FEBRUARY 16, 2012

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

3 MR. SERRANO: Good afternoon. We will begin the February 16<sup>th</sup>  
4 regular meeting of the Teachers' Retirement Board by calling the  
5 roll. Melvyn Aaronson?

6 MR. AARONSON: Here.

7 MR. SERRANO: Kathleen Grimm?

8 MS. GRIMM: Here.

9 MR. SERRANO: Sandra March?

10 MS. MARCH: Present.

11 MR. SERRANO: Thad McTigue?

12 MR. McTIGUE: Here.

13 MR. SERRANO: Freida Foster?

14 MS. FOSTER: Here.

15 MR. SERRANO: Mona Romain?

16 MS. ROMAIN: Present.

17 MR. SERRANO: Carolyn Wolpert?

18 MS. WOLPERT: Here.

19 MR. SERRANO: Great. Everybody is here and we certainly have  
20 a quorum and we are able to proceed.

21 MR. AARONSON: I would like, very much, to welcome Freida  
22 Foster to our Board. We look forward to working with you. You  
23 will soon find that we are a very (inaudible) group and do most  
24 everything by consensus. Hopefully, that is going to continue.  
25 It is good to have you aboard.

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2 MS. FOSTER: It is great to be here.

3 MR. SERRANO: Great. We are going to the next item on the  
4 Agenda which is a few Updates on the Teachers' Retirement System  
5 of the City of New York ("TRS") Operations.

6 MS. DeLEO: Mailing of the 4<sup>th</sup> Quarter 2011 Quarterly Annual  
7 Statement ("QAS") started on February 2<sup>nd</sup>, to approximately 109,000  
8 members. The mailing distribution is scheduled to be completed on  
9 or before February 16<sup>th</sup>; while web statements for the 4<sup>th</sup> Quarter  
10 2011 QAS were made available for viewing on the TRS secure  
11 website beginning February 1<sup>st</sup>.

12 The printing and mailing of the Tax-Deferred Annuity ("TDA")  
13 Quarterly Statements for Participants with TDA Deferral Status for  
14 the 4<sup>th</sup> Quarter 2011, to a population of approximately 42,500, was  
15 completed on January 30<sup>th</sup>.

16 The printing and mailing of the TDA Quarterly Statement for  
17 Beneficiary Participants, for the 4<sup>th</sup> Quarter 2011, to a population  
18 of 515, was completed on January 25<sup>th</sup>.

19 The Forms 1099 brochure mailing was sent on January 20<sup>th</sup> to  
20 approximately 4,035 members receiving a retirement allowance from  
21 TRS for the first time in 2011 explaining the 1099 Form that they  
22 would be receiving.

23 The Teachers' Retirement System launched a new web feature  
24 that allows members to add or update their beneficiaries online  
25 as of February 1, 2012. In the first week, 1,806 members viewed

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2 their beneficiaries' information, 1,239 members updated their  
3 beneficiary information and 130 members designated first-time  
4 beneficiaries online.

5 MR. SERRANO: Thank you Ellen.

6 MS. GRIMM: Can I say something for the record?

7 MR. SERRANO: Yes.

8 MS. GRIMM: That from the time I have been here, the  
9 improvements to the TRS website are incredible and my assessment  
10 tool for measuring that is my ability to use it.

11 MR. SERRANO: And we are particularly happy to see that members  
12 are using this new feature because it is very important that it  
13 keeps the beneficiaries up-to-date. We also like to see members  
14 in a position to self-service themselves and to see such good  
15 numbers so quickly, is very impressive and we are also going to  
16 reinforce it in our next Newsletter to make sure everybody takes  
17 advantage of it.

18 MS. MARCH: I also want to point something else out. The  
19 Chair pointed out to me, when we were looking at a piece of paper  
20 before; the 42,000 people who have deferred TDA accounts, they have  
21 a choice. They do not have to leave their money in the System to  
22 be managed by the Board and entrust the money to the staff; and  
23 42,000 retirees have chosen, when they retire from the Department of  
24 Education and they begin collecting their pension, to leave their  
25 403(b) money at the System when they have every right to roll it

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2 out, would do whatever they would like with it. I just wanted to  
3 thank the staff. It is a testimony to the good work at the System.  
4 There is no doubt about that.

5 MS. GRIMM: Does that include all investment plans?

6 MS. MARCH: Yes. All six are available to them.

7 MR. SERRANO: Over 90% of our retiring members make that  
8 election.

9 MS. MARCH: To leave their money here because of the faith they  
10 have in their money being managed by this System.

11 MR. AARONSON: I just want to talk about the 130 (members) who  
12 where newly signed up for designation of beneficiary. We have had  
13 some terrible tragedies here where members have passed away, their  
14 families were unable to easily claim the benefits they were  
15 entitled to and had to go through legal (inaudible) in order to get  
16 the benefits. I know we still have too many (inaudible) out of  
17 this, but this 130 was the biggest breakthrough in a very long time  
18 and cutting that was (inaudible) so that was really great.

19 MR. SERRANO: Thank you again. With that, we will move on  
20 to the Executive Director's Report. The first item there is the  
21 Next Meeting.

22 It has been suggested that the next regular meeting of the  
23 Teachers' Retirement Board be held on the third Thursday of the  
24 month, March 15, 2012.

25 The second resolution concerns Proposed Changes in Actuarial

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2 Assumptions and Methods.

3 MS. ROMAIN: I will ask that we lay that over.

4 MR. SERRANO: The next item, the third Resolution, concerns  
5 Attendance at Conference.

6 The following resolution is presented for consideration and  
7 possible adoption:

8 Resolved, that the Trustees of the Teachers' Retirement Board  
9 hereby approve the attendance and participation of the Executive  
10 Director and/or his designee(s), and any interested Trustee at the  
11 Council of Institutional Investors' ("CII") 2012 Spring Conference  
12 from April 1-3, 2012.

13 MS. MARCH: So moved.

14 MR. AARONSON: Is there a second?

15 MR. McTIGUE: Second.

16 MR. AARONSON: Any discussion? All those in favor?

17 (Whereupon, all those present so indicated.)

18 MR. AARONSON: Any opposed? Carried.

19 MR. SERRANO: The next item, the last item, Attendance at  
20 Conference.

21 The following resolution is presented for consideration and  
22 possible adoption:

23 Resolved, that the Trustees of the Teachers' Retirement Board  
24 hereby approve the attendance and participation of the Executive  
25 Director and/or his designee(s), and any interested Trustee at the

1 TRS Regular Board Meeting, FEBRUARY 16, 2012  
2 National Council on Public Employee Retirement System ("NCPERS")  
3 Trustee Educational Seminar and Annual Conference and Exhibition  
4 from May 5-10, 2012.

5 MR. AARONSON: Do I hear a motion?

6 MS. ROMAIN: So moved.

7 MR. AARONSON: Is there a second?

8 MR. McTIGUE: Second.

9 MR. AARONSON: Any discussion? All those in favor?  
10 (Whereupon, all those present so indicated.)

11 MR. AARONSON: Any opposed?

12 MS. ROMAIN: I just want to mention that that conference is  
13 here in New York City.

14 MS. MARCH: And I want to mention that the conference is here  
15 in New York City thanks to the people sitting on my left (Mona  
16 Romain) and my right (Melvyn Aaronson).

17 MS. GRIMM: Which conference is it?

18 MS. MARCH: National Conference on Public Employee Retirement  
19 Systems. The last one. It is in New York City and there is no  
20 doubt that they are responsible for bringing that conference to  
21 this city.

22 MR. SERRANO: Great. Well that concludes the Executive  
23 Director's Report. The next item is the Calendar. Each Trustee  
24 should have a full printed copy of the Calendar which identifies  
25 all (inaudible) and transactions (inaudible).

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2 The first item to approve is the minutes from the regular  
3 meeting held on January 19, 2012. I believe that Liz distributed  
4 them (inaudible) and had a chance to give their comments and now  
5 there is the transaction items. The first of which is the monthly  
6 periodic payroll of TDA, Excess and Loan payments which are on  
7 pages 1 through 13. On page 14 is the payroll summary of Advanced  
8 Payments, new retirees and TDA accounts. On pages 15 through 33  
9 are Transfer of Active TDA Deferred to annuity payments. On pages  
10 34 through 83 are Fractional Payments. On pages 84 through 97 are  
11 Uncollected Checks for Deceased members. On pages 98 through 106  
12 are the Beneficiaries Continuing Options Payments. On pages 107  
13 through 116 is Conversions to Pop-Up Payments. On pages 117  
14 through 201 are Beneficiaries who received One-time Payments from  
15 the QPP and TDA Accounts. On pages 202 through 204 are Return of  
16 Net Accumulated Salary deductions. On pages 205 and 206 are  
17 Transfers between banks. On pages 207 through 211 are Purchases  
18 and Sales of Securities transacted from the Passport Funds Program.  
19 On page 212 is Receipt of Installment Payments. On pages 213 and  
20 214 are Outstanding Checks. On pages 215 through 225 are Revisions  
21 including those under Class Coverages. On pages 226 through 229 are  
22 Leaves of Absence and Layoff Service Credits. On pages 230 through  
23 235 are Payments for Service Credit and on page 236 are New Service  
24 Retirement Payments.

25 That concludes the Calendar.

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2 MR. AARONSON: We need a motion to adopt the Calendar.

3 MS. MARCH: So moved.

4 MS. GRIMM: Second.

5 MR. AARONSON: Any discussion? Seeing none, all those in  
6 favor?

7 (Whereupon, all those present so indicated.)

8 MR. AARONSON: Any opposed? Calendar is adopted.

9 MR. SERRANO: The item on the Agenda is Any Other Business  
10 before the Board today.

11 MS. WOLPERT: This is just one other thing I would like to  
12 mention. In December, we had a resolution in the Executive  
13 Director's Report about the interest rates on certain payments.  
14 We tabled it in December giving time for staff and counsel to get  
15 us some information about how much is paid and how many people get  
16 paid. I have spoken with Joel and he and his staff are working  
17 diligently on that and are hoping, I think, to have an update for  
18 us March or April right?

19 MS. MARCH: Mr. Chair, I would like to add something to that  
20 Agenda, to that request. While you are looking at the information  
21 on the interest payments, I would like you to look back until,  
22 since the inception of interest payments, on how much money the  
23 city has made on the Death Benefits of our members that remains  
24 here. I would like to know how much money the pension fund has  
25 made on the interest earned on those benefits, until the members

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2 remove that money from the System.

3 MR. AARONSON: Okay, is there a note to do that? Can you  
4 add it to the items that Carolyn talked about?

5 MR. SERRANO: Yes. Any other business before the Board?  
6 No? Okay. The next is an opportunity for members of the public  
7 to ask any questions or raise or mention any comments.

8 MR. GELFAND: I have a couple of comments.

9 MS. MARCH: Could you identify yourself please?

10 MR. GELFAND: Excuse me?

11 MS. MARCH: Could you identify yourself?

12 MR. GELFAND: Henry Gelfand, member, retiree, beneficiary.  
13 One, I would like the Board to speak a little louder. The public  
14 cannot hear. Number two, there were some resolutions today the  
15 public could not speak on those resolutions. One, we have not  
16 heard them. Number two, we were never given an opportunity before  
17 a vote to speak on it. I think that should be corrected and  
18 finally, is the next meeting either here or on Worth Street?  
19 Because according to the By-Laws, the meeting is supposed to be held  
20 on Worth Street. The By-Laws have never been changed since 1992.

21 MR. AARONSON: Thank you. That is noted. We will also look  
22 at the order of business. Thank you for your comments.

23 MS. MARCH: Motion to adjourn. Oh, I am sorry.

24 MR. SERRANO: I just want to mention, there are no Executive  
25 Session discussions today, but the Trustees have made a request to

1 TRS Regular Board Meeting, FEBRUARY 16, 2012  
2 consult with the Corporation Counsel following the closure of  
3 today's meeting, to seek Legal advice, which is a matter made  
4 confidential by Law. So therefore, we ask that all members of the  
5 public and staff, other than those working on this legal issues,  
6 to please leave the Boardroom once the meeting adjourned. Thank  
7 you.

8 MS. MARCH: Move to adjourn.

9 MS. WOLPERT: Second.

10 MR. AARONSON: Any discussion? All those in favor of  
11 adjourning?

12 (Whereupon, all those present so indicated.)

13 MR. AARONSON: Any opposed? This Board is adjourned.  
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