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1 NEW YORK CITY TEACHERS' RETIREMENT SYSTEM  
2 REGULAR BOARD MEETING  
3 Held on Thursday, May 16, 2019  
4 at  
5 55 Water Street  
6 New York, New York  
7

8 ATTENDEES:

9 DEBRA PENNY, Chairperson, Trustee, TRS  
10 PATRICIA REILLY, Executive Director, TRS  
11 THADDEUS MCTIGUE, Deputy Executive Director, TRS  
12 DAVID KAZANSKY, Trustee, TRS  
13 THOMAS BROWN, Trustee, TRS  
14 TISA LAPADULA, Trustee (for Lindsay Oates)  
15 SUSANNAH VICKERS, Trustee, Comptroller's Office  
16 CYNTHIA COLLINS, Trustee, Mayor's Office  
17 VALERIE BUDZIK, TRS  
18 RENEE PEARCE, TRS  
19 LIZ SANCHEZ, TRS  
20 SUSAN STANG, TRS  
21 ROBERT BETHELMI, TRS  
22 ANNETTE HANRAHAN, TRS  
23 ANTHONY MEZZACAPPA, TRS  
24 ANDREW BRADFORD, TRS  
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1 Attendees (Cont'd)  
2 NATALIE GREEN GILES  
3 CARMELA CRIVELLI, TRS  
4 SHERRY CHAN, Chief Actuary  
5 KAREN BLACKMAN-KONG, Office of the Actuary  
6 MARTA ROSS, Corporation Counsel  
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1 P R O C E E D I N G S

2 (Time noted: 3:35 p.m.)

3

4 MS. REILLY: Good afternoon, and  
5 welcome to the Teachers Retirement Board  
6 May 16, 2019 regular board meeting. I'll  
7 start by taking the roll.

8 Debra Penny?

9 MS. PENNY: Here.

10 MS. REILLY: David Kazansky?

11 MR. KAZANSKY: Present.

12 MS. REILLY: Thomas Brown?

13 MR. BROWN: Here.

14 MS. REILLY: Tisa LaPadula?

15 MS. LAPADULA: Here, for Lindsay  
16 Oates.

17 MS. REILLY: Cynthia Collins?

18 MS. COLLINS: Here.

19 MS. REILLY: Susannah Vickers?

20 MS. VICKERS: Here.

21 MS. REILLY: We have a quorum.

22 The first order of business today is,  
23 in accordance with Section 313509 of the  
24 administrative code of the City of New  
25 York, as well as Article 2 of the bylaws  
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1 of the Teachers Retirement Board, we shall  
2 elect a chairperson for membership at the  
3 annual meeting held in May of each year.  
4 We therefore open the floor for  
5 nominations.

6 MR. KAZANSKY: I'd like to nominate  
7 Debra Penny.

8 MS. REILLY: Do we have a second?

9 MS. VICKERS: Second.

10 MS. REILLY: All in favor please say  
11 "Aye."

12 (A chorus of "Ayes.")

13 All opposed say "Nay."

14 Any abstentions?

15 (No response.)

16 Congratulations, Debra, you're now  
17 the chair.

18 (Applause.)

19 MS. COLLINS: I'll pass you the  
20 gavel. John asked me to express that he's  
21 sorry, he had a family emergency and  
22 couldn't be here today to share the big  
23 day for your chair. He's here in spirit.

24 MS. REILLY: Next on the agenda is an  
25 update on TRS operations. Thad McTigue  
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1 will give that update.

2 MR. MCTIGUE: Thank you, Patricia.

3 TRS successfully implemented the next

4 phase of our modernization program earlier  
5 this month. When we made this major  
6 system upgrade, we introduced an online  
7 claims process for beneficiaries to use.  
8 We expect this to streamline the claim and  
9 payment process for death benefits.

10 We also introduced an online payment  
11 option process for members who are making  
12 payments to TRS. Members can use e-checks  
13 from their bank, a debit card or credit  
14 card to pay loan payments, contribution  
15 deficits, or service purchases.

16 In the first week of operations, well  
17 over 100 members have utilized this new  
18 feature.

19 We're on summer retirement season now,  
20 so with summer retirement filings this  
21 June, as in past years, representatives  
22 from the Department of Education benefit  
23 office will be here at TRS to accept  
24 health benefit applications for our  
25 members who are filing for retirement.

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1 Representatives will on site from June 6  
2 to June 28.

3 This service during the peak filing  
4 period provides members the convenience of  
5 filing TRS paperwork and DOE paperwork in  
6 one location.

7 MS. REILLY: Thank you, Thad.

8 Next on the agenda is a report from the  
9 Actuary.

10 MS. CHAN: Thank you, Patricia.

11 I just wanted to, before we began,  
12 introduce my new deputy general counsel,  
13 Karen Blackman-Kong. She works with Keith  
14 in my office. Now that Keith has had an  
15 expanded role of being chief  
16 administrative officer as well, managing  
17 -- we need more help on the legal side,  
18 especially with more fiscal notes coming  
19 through, we're doing that. So very happy  
20 to have Karen start this Monday.

21 MS. REILLY: Welcome.

22 MS. CHAN: The first item on the  
23 agenda is the final fiscal year 2019  
24 employer contribution. That amount is  
25 approximately \$3.7 billion, and this

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1 represents an approximately \$72 million  
2 decrease from the preliminary -- sorry.  
3 This is final fiscal year 2019 employer  
4 contribution. It represents a \$72 million  
5 decrease from the preliminary fiscal year

6 2019 employer contribution.

7 About, a large portion of this, mostly  
8 all of it, is due to the 2019 A&M's that  
9 we had adopted earlier this year. All but  
10 \$92,000 is due to that. The \$92,000 is  
11 due to a new charter school Imagine  
12 leadership that was added for this fiscal  
13 year.

14 And the biggest contributing factor to  
15 the A&M change was the mortality piece.  
16 That calls to gain in the contributions  
17 which led to most of the gain here --

18 Are there any questions I can help  
19 answer?

20 (No response.)

21 Okay. Excellent. The second item is  
22 the annual rebalancing of the TDA and QPP.  
23 You can see in your packet, the difference  
24 between the QPP and the TDA and the  
25 various funds, variable funds.

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1 This year we do have a transfer from  
2 the Passport funds to QPP, and this year  
3 it's an amount of approximately \$143  
4 million.

5 Again, I'm happy to answer any  
6 questions that there may be.

7 (No response.)

8 If you have the exhibit in front of  
9 you, the memo, it is in Appendix A, where  
10 you can see each of the counts for the QPP  
11 and the TDA, where the transfers are. And  
12 if you sum up the last column, that's how  
13 you get to the 143.

14 Lastly is the fiscal note report.  
15 There was one fiscal note that was issued  
16 pertaining to Teachers since last time  
17 that we met. This was a COLA fiscal note  
18 adjusting the cap for the cost of living  
19 adjustment from \$18,000 to \$21,000. And  
20 this amounted to an increase in  
21 contributions of approximately \$237  
22 million.

23 The COLA does cost quite a lot. But  
24 increasing it \$3,000, a cap of \$3,000,  
25 does cost a lot, because it is \$3,000 per

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1 member, per retiree, but also on an annual  
2 basis. So the following year it's not  
3 just \$3,000, it's \$6,000, compounded.

4 MS. REILLY: Thank you, Sherry.

5 MS. CHAN: You're welcome.

6 MS. REILLY: Next on the agenda is  
7 the executive director's report.

8 The first item on the executive  
9 director's report is the next meeting. It  
10 has been suggested that the next regular  
11 meeting of the Teachers' Retirement Board  
12 be held on the third Thursday of the  
13 month, June 20, 2019.

14 We should mark our calendars.

15 Next is the administrative budget for  
16 fiscal year 2020.

17 "Whereas --"

18 MR. KAZANSKY: Please skip to the  
19 resolves.

20 MS. REILLY: "Resolved, that the TRS  
21 agency budget for fiscal year 2020  
22 (exclusive of modernization) shall include  
23 an amount of \$22,830,240 attributable to  
24 the variable annuity programs and loan  
25 expense funds and \$44,278,049 attributable

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1 to the employer, for a total budget  
2 (excluding modernization) of \$67,108,289.

3 "And be it further resolved that the  
4 TRS agency budget for fiscal year 2020  
5 shall include the amount of \$20,880,000 to  
6 be provided by the variable annuity  
7 expense funds and \$8,120,000 to be  
8 provided as an administrative expense  
9 contribution to pay for the modernization  
10 program, for a total modernization budget  
11 of \$29,000,000.

12 "And be it further resolved that the  
13 Trustees hereby authorize the executive  
14 director or her designee to expend monies  
15 out of such budget to fund necessary  
16 operations in accordance with the approved  
17 budget and governing law."

18 CHAIRPERSON PENNY: Is there a motion  
19 to adopt the resolution to adopt fiscal  
20 year 2020 administrative budget?

21 MR. KAZANSKY: So moved.

22 CHAIRPERSON PENNY: Is there a  
23 second?

24 MS. COLLINS: Second.

25 CHAIRPERSON PENNY: Thank you.

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1 Any discussion?

2 (No response.)

3 All in favor of the motion to approve  
4 the fiscal year 2020 budget please say

5 "Aye."

6 (A chorus of "Ayes.")

7 All opposed?

8 Discussion?

9 (No response.)

10 MS. REILLY: Next on the executive  
11 director's report is to authorize  
12 continuation of basis point fee for  
13 variable annuity programs.

14 MR. KAZANSKY: Please skip to the  
15 resolves.

16 MS. REILLY: "Resolved, that the  
17 administrative expense charge for assets  
18 in the variable annuity funds shall  
19 continue at 18 basis points (1.5 bps  
20 monthly) through fiscal year 2020.

21 "And be it further resolved that any  
22 excess expense fee revenue that may exist  
23 at the end of fiscal year 2019 shall be  
24 rolled into the variable fund unit values,  
25 on a pro rata basis pursuant to process

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1 developed by TRS staff.

2 "And be it further resolved that TRS  
3 staff shall continually monitor and review  
4 revenue from the expense fee and shall  
5 notify the Board of any material changes  
6 in its assumptions or experience that may  
7 impact the expense fee."

8 CHAIRPERSON PENNY: Is there a motion  
9 to adopt the resolution to continue the 18  
10 basis point fee for the variable annuity  
11 program?

12 MR. BROWN: So moved.

13 CHAIRPERSON PENNY: Is there a  
14 second?

15 MS. VICKERS: Second.

16 CHAIRPERSON PENNY: Any discussion?

17 (No response.)

18 All those in favor of the motion to  
19 approve the continuous of the 18 basis  
20 point fee for the variable annuity program  
21 please say "Aye."

22 (A chorus of "Ayes.")

23 All opposed say "Nay."

24 (No response.)

25 Any abstentions?

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1 (No response.)

2 Motion carries.

3 MS. REILLY: The next resolution is  
4 the Actuary's determination for the final  
5 fiscal year 2019 employer contribution to  
6 the Teachers' Retirement System of the  
7 City of New York.

8 MR. KAZANSKY: Please skip to the  
9 resolves.

10 MS. REILLY: "Resolved, that the  
11 employer contribution to the Teachers'

12 Retirement System of the City of New York  
13 for fiscal year 2019 in the amount of  
14 \$3,696,685,559 is hereby approved by the  
15 Board of Trustees."

16 CHAIRPERSON PENNY: Is there a motion  
17 to approve the Actuary's recommendation  
18 for final fiscal year 2019 employer  
19 contributions?

20 MS. VICKERS: So moved.

21 CHAIRPERSON PENNY: Thank you.

22 Is there a second?

23 MR. BROWN: Second.

24 CHAIRPERSON PENNY: Any discussion?

25 (No response.)

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1 All in favor of the motion to approve  
2 the Actuary's recommendation for final  
3 fiscal year 2019 employer contribution  
4 fiscal 2020 budget please say "Aye."

5 (A chorus of "Ayes.")

6 All opposed say "Nay."

7 Any abstentions?

8 (No response.)

9 Motion carries.

10 MS. REILLY: Next on the agenda is  
11 authorization of rebalancing of funds for  
12 the Teachers' Retirement System of the  
13 City of New York, May 2019.

14 MR. KAZANSKY: Please skip to the  
15 resolves.

16 MS. REILLY: "Resolved, that the  
17 Board adopts the Actuary's recommendation  
18 and authorizes TRS staff to effectuate the  
19 internal rebalancing in the amount of  
20 \$143,196,305 from the Passport Funds to  
21 the QPP in accordance with such  
22 recommendation."

23 CHAIRPERSON PENNY: Is there a motion  
24 to authorize the rebalancing of funds in  
25 accordance with the analysis of the Chief

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1 Actuary?

2 MR. KAZANSKY: So moved.

3 MS. VICKERS: Second.

4 CHAIRPERSON PENNY: Thank you.

5 Any discussion?

6 (No response.)

7 All those in favor of the motion to  
8 approve the rebalancing of funds in  
9 accordance with the analysis of the Chief  
10 Actuary please say "Aye."

11 (A chorus of "Ayes.")

12 All opposed say "Nay."

13 Any abstentions?

14 (No response.)

15 Motion carries.

16 MS. REILLY: Next on the agenda is  
17 the calendar for April and May 2019. You  
18 you all received a copy.

19 The first item on the calendar is the  
20 matter of the approval of the minutes for  
21 the month of March 21, 2019 board meeting.

22 CHAIRPERSON PENNY: Is there a motion  
23 to approve the calendar?

24 MS. VICKERS: Motion.

25 MR. BROWN: Second.

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1 CHAIRPERSON PENNY: Discussion of the  
2 calendar?

3 (No response.)

4 All in favor of the approving the  
5 calendar please say "aye."

6 MR. KAZANSKY: We're approving  
7 minutes.

8 CHAIRPERSON PENNY: Any discussion of  
9 the calendar?

10 (No response.)

11 All in favor of approving the  
12 calendar please say "Aye."

13 (A chorus of "Ayes.")

14 All opposed say "Nay."

15 Any abstentions?

16 (No response.)

17 Motion carries.

18 MS. REILLY: Next item on the agenda  
19 is a presentation from Robert Bethelmy on  
20 member responses to self-service.

21 MR. BETHELMY: Good afternoon.  
22 Hello, everyone. This afternoon I want to  
23 talk a little about our efforts to move  
24 our business online and how our members  
25 are responding thus far.

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1 So, I'll start with the vision we have.  
2 Our vision as we continue in our  
3 modernization project is that, at the end  
4 of our project, when it's complete,  
5 virtually all business can be done online.  
6 We want our website to be the preferred  
7 way for members to do business with us.

8 So, some of the benefits of the online  
9 business. Well, members can log in at any  
10 time. Members can enter their data  
11 directly, and we will have control to make  
12 less errors. This will help facilitate  
13 faster and more efficient straight through  
14 processing, and free up our staff to work  
15 on focus in on more complex problem



16 solving.

17 And our member service reps will be  
18 there to support during our regular  
19 business hours.

20 Why self-service? Well, we actually  
21 begin to see members prefer it. And some  
22 of the reasons they prefer it, it's more  
23 secure. Members are able to log into  
24 their own portal with our enhanced  
25 security.

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1 It's timely. We get the information  
2 from them immediately, and we can begin  
3 processing. Again, it is convenient,  
4 convenient for them, 24/7/365, I mentioned  
5 before.

6 And it's free.

7 Our business is also aligned with us  
8 promoting self-service. For us, it's a  
9 cost saving, especially for postage. We  
10 pay postage mailing out thousands of  
11 statements.

12 And also, it also reduces risk for us  
13 receiving incomplete information from our  
14 members. Filing online will not let our  
15 members forget information needed to  
16 process their requests.

17 And then our member service focus will  
18 shift from being status providers right  
19 now into more supplying information about  
20 taking advantage of all the benefits and  
21 applying online and providing technical  
22 assistance if they are having difficulties  
23 applying online.

24 So a little bit of website history.  
25 TRS first launched our website in 1998.

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1 This is our website (indicating screen).  
2 We made some changes along the way. And  
3 in 2016 we introduced a new look and feel  
4 in the first phase of our modernization  
5 project. This is our website now.

6 Now, as each phase goes into production  
7 we will be putting more and more member  
8 transactions online. That mentioned  
9 earlier that Phase 4 went into production  
10 earlier this month, and online payments  
11 was featured when that went into  
12 production.

13 So, let's take a look at some  
14 in-service members website activity.  
15 Since we introduced our new look in 2016,  
16 we have seen a trend, an upward trend, of  
17 more members and more website activity.

18 In 2017 you see that large jump. We  
19 looked at that and we saw that in 2017 we  
20 sent an e-mail blast to UFT members who  
21 received a lump sum payment as a result of  
22 their contract, and we invited them to go  
23 online and make a one time change to their  
24 TDA rate.

25 What we saw was a lot of members took  
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1 advantage of that.

2 We're looking at our retired members  
3 website activity, as well. And even  
4 though it's not as much, it's encouraging  
5 to see our retired members also going  
6 online and doing more.

7 So, as we see more activity online, we  
8 are also seeing an increase in member  
9 transactions. Members are doing more  
10 online when the options available in the  
11 portal, we realized that's the preferred  
12 method they use in lieu of filing a paper  
13 application.

14 So since 2016 we see an increase of  
15 members going online to do transactions  
16 like loans, TDA contribution rate, changes  
17 in their beneficiary, and filing less  
18 paper with us. So, it seems like they do  
19 prefer it. And even if they need support  
20 from a member service rep, that's the  
21 option we see members are using.

22 So, what has been our strategy to  
23 increase our website usage and to continue  
24 to do so?

25 Well, we promote our website in all our  
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1 newsletters. We distribute newsletters to  
2 our in-service and retired members each  
3 year, and we always refer and write  
4 articles on new features in our website  
5 and encourage them to go onto our website  
6 in.

7 In all of our correspondence we refer  
8 members to our website if they need more  
9 information, in all of our correspondence.

10 And in our outreach events. Last year  
11 we did a little over 40 outreach events  
12 between UFT, CSA and CUNY, where we go and  
13 we set up a display table, we have  
14 give-aways, and we talk about the website  
15 and the feature of the website and the  
16 benefits that members can get in using our  
17 websites.

18 Social media. Each one of our posts  
19 links to a website. So, whether members

20 go on FaceBook, YouTube, Instagram,  
21 Twitter, we have a link that they can go  
22 directly to our website to get information  
23 and conduct business if they need to.

24 We also have a growing library of  
25 tutorial videos. And these videos, we

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1 have videos that show members how to log  
2 on, how to access their account statements  
3 online. And we'll be putting online.

4 Individual encouragement as well. And  
5 calls, when members call our call center,  
6 our member service reps encourage and  
7 promote members to use the website; talk  
8 to them about the benefits of using the  
9 website, as well as provide technical  
10 support if needed.

11 As well as in our walk-in center. Our  
12 reps in our walk-in center assist members  
13 when they come in. We have kiosks  
14 available where members go and log into  
15 their portal, they conduct their business.  
16 And if they need assistance, we have our  
17 member service reps there available to  
18 assist them.

19 And in our member education sessions.  
20 In our member education center on the  
21 second floor, our newly constructed member  
22 education center, as we call it  
23 internally, our MEC, we have member  
24 programs that we have, we promote the  
25 website there as well.

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1 Last year we had over 60 programs and a  
2 little over 1500 members, where we  
3 promoted our website, showed them how to  
4 log in, and gave other information about  
5 benefits from our website.

6 What we are seeing is that, if the  
7 option is available on the website,  
8 self-serve, seems that that's the option  
9 that some members are actually taking.  
10 And we will be working on surveys to  
11 confirm that, as well as to get any other  
12 information and feedback from our members  
13 about their TRS experience.

14 Questions?

15 Thank you very much.

16 CHAIRPERSON PENNY: Thank you,  
17 Robert. Questions?

18 MR. BROWN: Great job. Thank you.

19 A question. The videos that you are  
20 able to see when you get online. You do  
21 that from the home page before you go into

22 your own personal part? You don't have to  
23 sign on with a PIN or pack --  
24 MR. BETHELMY: You don't have to.  
25 You can go to YouTube, but you don't have  
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1 to sign on to access those videos.

2 MR. BROWN: Original home page.

3 MR. BETHELMY: Yes.

4 MR. BROWN: Great.

5 MS. REILLY: Thank you, Robert.

6 Next on the agenda is questions or  
7 comments from the public?

8 MR. GELFAND: Henry Gelfand, retiree  
9 and beneficiary.

10 Have you analyzed whether the increase  
11 in the number of transactions online are  
12 due to additional people signing on, or  
13 it's the same people that are doing more  
14 transactions?

15 MR. BETHELMY: We saw an increase in  
16 activity from the members. And I believe  
17 it's not more of the same people, but new  
18 people as well signing on. Like when I  
19 mentioned we had these new members from  
20 the UFT contract, when they sign in and  
21 logged in, we saw that a lot of them also  
22 remained, they also continued to do other  
23 transactions online.

24 MR. GELFAND: Have you addressed the  
25 problem of moving more and more online  
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1 with the people who have been retired for  
2 a long time? You have a lot of retirees  
3 or getting close to retiring, they are  
4 used to using the computer. How about the  
5 people who are in that graph that we had a  
6 couple meetings ago, showing their  
7 membership is increasing to the 80 to 90  
8 to 100 zone. They are not --

9 CHAIRPERSON PENNY: I speak to that  
10 one. One of my positions is also liaison  
11 to retirees. So every time I go to an  
12 annual meeting, I bring with me papers  
13 from TRS that explain how to log into the  
14 website and talk a little about it.

15 And then on June 11, TRS is coming to  
16 the monthly meeting at the UFT, and  
17 they're going to do a presentation on how  
18 to log on and what they can do on there.

19 So we've been trying to address that as  
20 much as possible.

21 MS. REILLY: I would also add to what  
22 the Chair said. If you're 80 or over, we  
23 send you a paper document as well -- we

24 understand that at some point people may  
25 not be comfortable with a computer. Where  
0026

1 we're doing online statements, if you are  
2 80 or over, we send you a paper document,  
3 a paper statement as well.

4 We also, if you call and say I don't  
5 want to use the computer, I'm not  
6 comfortable with the computer, we'll send  
7 you a form.

8 So we do accommodate people who are not  
9 comfortable using a computer.

10 MR. GELFAND: But I think most people  
11 acknowledge that as people get older,  
12 they're not as assertive. They don't look  
13 and realize this is available to them.

14 MS. REILLY: That's why, whether you  
15 ask or not, when you turn 80 years old we  
16 start to send you paper. Do you think  
17 people at 75 need that? We will take a  
18 look at what reaction we get from our  
19 members. We can always adjust that age.  
20 But I think, from our own experience with  
21 parents and other people, when you get to  
22 be about 80 you may start needing more  
23 help.

24 MR. GELFAND: Does anybody listen to  
25 the telephone verbal message when you sign  
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1 in or log in?

2 There's four numbers. If you're over  
3 the hill, or have a hearing problem,  
4 "1278" is not very clear. It should be  
5 "1, 2, 7, 8." It should not be a  
6 computerized voice that slurs it.

7 MS. REILLY: We're going to be  
8 replacing our IVR.

9 MR. BETHELMY: As we continue our  
10 modernization program we'll take all your  
11 comments.

12 MR. GELFAND: All my comments are I  
13 guess based on modernization. Whenever  
14 there is something, and the thing was on  
15 the title page, it was dealing with the  
16 members. Is everything handled through  
17 modernization?

18 One of the things that upsets me  
19 terribly is the quarterly report on the  
20 TDA. Two different places it states  
21 "value," in the last one it was March 31,  
22 2019. The unit value used March 31 is not  
23 March unit value, it's the April unit  
24 value.

25 So you are telling the member that's

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1 the value on day of printing, you are  
2 saying it's March 31. That is not very  
3 good accounting.

4 MS. REILLY: As part of our  
5 modernization project in a later phase  
6 we'll be looking at values.

7 MR. GELFAND: The problem is, I  
8 brought it to TRS' attention in December.  
9 It is a couple of lines in the computer  
10 that doesn't require modernization. It  
11 only requires somebody to go in there and  
12 tell the computer to use the proper unit  
13 value.

14 If you received a report from your  
15 investment company where it gave you the  
16 value saying on certain date, but it is  
17 not that date, you would be very upset.  
18 That's not good accounting; and yet you  
19 say "We'll get to it eventually." It's  
20 been going on too long. It should be  
21 corrected and should be corrected  
22 properly.

23 That's one of the things that was  
24 presentation. We react to the members.  
25 But they're not reacting to the members.

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1 You are saying, "We'll get to it  
2 eventually."

3 MR. MCTIGUE: Thank you for coming,  
4 Mr. Gelfand. You and I had an extended  
5 conversation, and I believe that at our  
6 next conversation we agreed to disagree to  
7 the extent that we don't feel we're doing  
8 it incorrectly, but that we would take  
9 your comments under advisement as we look  
10 to the future.

11 But I would state for the record, as I  
12 told you in our correspondence and  
13 personal conversation, which was quite  
14 lengthy, that we believe there is nothing  
15 incorrect, or in any way, as you  
16 suggested, that our accounting was not  
17 correct. Reasonable people can disagree  
18 on this.

19 MR. GELFAND: When you said the unit,  
20 the value of your account on March 31 is X  
21 number of dollars, and you use the unit  
22 value for April, the member is not getting  
23 accurate information. Yes, we agree to  
24 disagree. But that doesn't preclude me  
25 from informing more people of what's going

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1 on.

2 MR. McTIGUE: I appreciate your  
3 being here today. I don't know that it's  
4 not accurate. We're giving the unit value  
5 and giving folks the most current --

6 MR. GELFAND: Then don't say on two  
7 places on the report "Unit value as of  
8 March 31."

9 MR. MCTIGUE: We feel our accounting  
10 is accurate. I can't let that statement  
11 go unrecognized. We feel it is accurate  
12 and we agreed in our letters and our  
13 conversation that we would take your  
14 comments under advisement. But we feel  
15 the information we're providing the  
16 members is timely and accurate.

17 MR. GELFAND: How can you have  
18 something timely and accurate when there  
19 is an error?

20 MR. MCTIGUE: There is not an error.

21 MR. GELFAND: Yes there is. When you  
22 write on my quarterly report "Value as of  
23 March 31," and you use the unit value for  
24 April, that is an error. That is an  
25 accounting error, that's a reporting

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1 error, and that's nothing you can sweep  
2 under the rug.

3 MR. MCTIGUE: We can go on forever.  
4 You're a gentleman. I would say again for  
5 the record, we feel our accounting is  
6 accurate, our records are accurate, and  
7 we're serving members in an appropriate  
8 fashion.

9 MR. GELFAND: Okay. At the March  
10 meeting the executive director of the  
11 association spoke about member-centric,  
12 and spoke about transparency. We're not  
13 seeing transparency. We're seeing "What  
14 we're doing is right and we cannot be held  
15 accountable."

16 You FOIL the records, officer, they are  
17 supposed to respond in five days. They  
18 don't respond within five days. They  
19 eventually send you a notice, "We will  
20 give you a report within 30 days."  
21 Sometimes you get a report in 30 days,  
22 sometimes you don't get any report.

23 I requested certain reports  
24 electronically. I was sent a bill telling  
25 me I had to pay for printed copies. The

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1 law does not require me to receive paper  
2 copies. If it is material I'm requesting  
3 is in electronic form, it has to be

4 presented in electronic form.

5 Why with transparency isn't the record  
6 access officer doing their job? You  
7 e-mail people, you don't get responses.  
8 You don't even have it forwarded to the  
9 correspondence unit. It's just ignored.  
10 This is not transparency.

11 A technical question. The previous  
12 three meetings were not live webcasted.  
13 Is there a reason for that? I don't know  
14 what today's is. But they haven't been  
15 webcasted.

16 WMS. REILLY: We had some technical  
17 difficulty, but it always does then get  
18 uploaded.

19 MR. GELFAND: They get uploaded,  
20 true. But I don't know if today's is  
21 going to get through.

22 MR. MCTIGUE: Mr. Gelfand, we don't  
23 want to get into a debate with you, and I  
24 do appreciate your service and value to  
25 the City. But last month when you

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1 informed us that it wasn't webcast, we got  
2 on it right away and checked with our  
3 technical people. And my understanding is  
4 that it's working correctly, there was  
5 perhaps an issue on your side. We had no  
6 knowledge on our side, and we checked when  
7 you called, that in fact it was working  
8 appropriately.

9 So we can take this off to the side.  
10 Maybe there's an issue with your browser  
11 our something --

12 MR. GELFAND: Did anybody get back to  
13 me?

14 MR. MCTIGUE: My understanding that  
15 was supposed to happen --

16 MR. GELFAND: No one got back to me.  
17 I called the firm that does the  
18 broadcasting, and the technician told me  
19 there was no communications coming to his  
20 site.

21 MR. MCTIGUE: We can take it off  
22 line. Our understanding is it was working  
23 correctly.

24 MR. GELFAND: It should be checked.  
25 One of the things you might want to do is

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1 have somebody in the office here go on and  
2 make sure that it is actually working.

3 MR. MCTIGUE: Actually, we did.  
4 Thank you for the suggestion.

5 MS. REILLY: I think you realize if



6 it wasn't working we still have to go on  
7 with the meeting on time --

8 MR. GELFAND: Absolutely. But it is  
9 something, we're talking about  
10 modernization, we're talking about  
11 stone-walling, making changes in the  
12 course of modernization. But when there  
13 are problems, everything is said, "Once  
14 we've modernized, it will be there."  
15 Well, we might not be here. Okay?

16 I find it upsetting that this is not  
17 transparency, and this is not member  
18 centric.

19 MS. REILLY: The modernization effort  
20 is a multi-year effort, and it has been  
21 laid out, the plan and what goes in what  
22 time frame. And it's very disruptive to a  
23 project to be moving things around.

24 So when we say it will be taken care of  
25 in modernization, it's on our plan to

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1 address it, but it's not really the way we  
2 manage a project to get things done by  
3 constantly changing that, based on -- you  
4 will see it, but you will see it when the  
5 project --

6 MR. GELFAND: A few years ago when  
7 there was an error in the unit value,  
8 there were corrections made, and they were  
9 made once it was brought to TRS. It  
10 wasn't to wait until modernization and  
11 then correct everybody's account.

12 There are times that things have to be  
13 corrected without --

14 MS. REILLY: Yes, and we do that when  
15 it's necessary. We do that. We can take  
16 all of that into consideration. As we  
17 said, when we get into the phase that  
18 addresses it, we will try to incorporate  
19 them.

20 CHAIRPERSON PENNY: Thank you, Mr.  
21 Gelfand.

22 It's time now to move into executive  
23 session.

24 Do I hear a motion to move into  
25 executive session?

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1 MR. BROWN: So moved.

2 CHAIRPERSON PENNY: Is there a  
3 second?

4 MS. VICKERS: Second.

5 CHAIRPERSON PENNY: I'll ask all the  
6 public to please leave as we go into  
7 executive session.

8 (Mr. Gelfand left the room.)

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1 (Whereupon, the Board entered executive  
2 session. )

3 CHAIRPERSON PENNY: Anything else for  
4 executive session?

5 (No response.)

6 Do I hear a motion to move out of  
7 executive session?

8 MS. VICKERS: So moved.

9 CHAIRPERSON PENNY: Second?

10 MR. BROWN: Second.

11 (Whereupon the Board returned to public  
12 session.)

13 MS. STANG: In executive session,  
14 several manager and service provider  
15 contracts were discussed. Consensus was  
16 reached, which will be announced at the  
17 appropriate time.

18 CHAIRPERSON PENNY: Thank you.

19 Do we have anything else for today?

20 (No response.)

21 Seeing nothing else, do I have a  
22 motion to adjourn the meeting?

23 MR. KAZANSKY: So moved.

24 CHAIRPERSON PENNY: Is there a  
25 second?

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1 MS. VICKERS: Second.

2 CHAIRPERSON PENNY: Discussion?

3 All favor of the motion please say  
4 "Aye."

5 (A chorus of "Ayes.")

6 Any abstentions?

7 (No response.)

8 Meeting adjourned.

9 (Time noted: 4:29 p.m.)

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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, May 16, 2019, 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 May, 2019.

JEFFREY SHAPIRO