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NEW YORK CITY TEACHERS' RETIREMENT SYSTEM
BOARD MEETING

7 Held on Thursday, November 21, 2019, at 55 Water
8 Street, New York, New York

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10 ATTENDEES:

11 DEBRA PENNY, Chairperson, Trustee
12 DAVID KAZANSKY, Trustee
13 THOMAS BROWN, Trustee
14 JOHN ADLER, Trustee
15 SUSANNAH VICKERS, Trustee
16 RUSSELL BUCKLEY, Trustee
17 NATALIE GREEN-GILES, Trustee
18 THAD McTIGUE, Teachers' Retirement System
19 VALERIE BUDZIK, Teachers' Retirement System
20 PATRICIA REILLY, Teachers' Retirement System

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22 REPORTED BY:

23 YAFFA KAPLAN
24 JOB NO. 4467784

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2 ATTENDEES (Continued):

3 KAVITA KANWAR, Teachers' Retirement System
4 SUSAN STANG, Teachers' Retirement System
5 ANNETTE HANHARAN, Teachers' Retirement System
6 LIZ SANCHEZ, Teachers' Retirement System
7 ANDREW BRADFORD, Teachers' Retirement System
8 ANTHONY MEZZACAPPA, Teachers' Retirement System
9 ROBERT BETHELMI, Teachers' Retirement System
10 RENEE PEARCE, Teachers' Retirement System
11 MICHAEL REISER, Teachers' Retirement System
12 KATIE CHEN, Teachers' Retirement System
13 MITCHELL FRUCHTER, Teachers' Retirement System
14 NATARAJAN KRISHNAMOORTHY, Teachers' Retirement
15 System
16 MICHAEL REID, CEM
17 MARTA ROSS, ESQ., Law Department
18 SHERRY CHAN, Office of the Actuary
19 CYNTHIA COLLINS, Mayor's Office
20 TALIEH SADRI, Marks Paneth
21 MELISSA OUARI, Marks Paneth

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2 MS. REILLY: All right, good afternoon.
3 Welcome to the November 21, 2019 Teachers'
4 Retirement Board meeting. I will start by
5 calling the roll.
6 John Adler?
7 MR. ADLER: I am here.
8 MS. REILLY: Thomas Brown?
9 MR. BROWN: Here.
10 MS. REILLY: Natalie Green-Giles?
11 MS. GREEN-GILES: Here.
12 MS. REILLY: David Kazansky?
13 MR. KAZANSKY: Present.
14 MS. REILLY: Russ Buckley?
15 MR. BUCKLEY: Here.
16 MS. REILLY: Debra Penny?
17 MS. PENNY: Here.
18 MS. REILLY: Susannah Vickers?
19 MS. VICKERS: Here.
20 MS. REILLY: Okay. So we have a quorum.
21 We have first item on the agenda is an update
22 on TRS operations. Kavita Kanwar will give us
23 that.
24 MS. KANWAR: Thanks, Patricia.
25 Members have been notified that their

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2 account statements for the third quarter of
3 2019 are now available. On November 1st,
4 quarterly account statements were posted on
5 our website for approximately 126,000 members
6 who are currently in service or on leave. On
7 October 29th, TDA quarterly statements were
8 posted online for approximately 57,000 members
9 who have deferred TDA accounts, and on October
10 23rd, the TDA quarterly statements for TDA
11 beneficiary participants was mailed to a
12 population of approximately 1,100 members.
13 The fall 2019 issue of our members
14 newsletter are complete and will be posted to
15 our website next week. In-Service News will
16 then be mailed to our nonretired members, and
17 benefit reports will be mailed to our
18 retirees.
19 MS. REILLY: Thank you. Next is the
20 executive director's report. And the first
21 item on the executive director's report is the
22 matter of the next meeting, and it's been
23 suggested that the next regular meeting of the
24 Teachers' Retirement Board will be held on the
25 third Thursday of the month, December 19,

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2 2019. So mark your calendars.
3 The second item on the executive

4 director's report is a resolution for a
5 attendance at a conference. The following
6 resolution is being presented for
7 consideration and possible adoption.

8 "Resolved that the Trustees of the
9 Teachers' Retirement Board hereby approve the
10 attendance or participation of the Executive
11 Director and/or her designees and any
12 interested Trustee at the National Council of
13 Public Employee Retirement System Legislative
14 Conference from January 26th through January
15 28, 2020."

16 MS. PENNY: Thank you. Do I have a
17 motion approve the attendance at the
18 conference?

19 MR. ADLER: So moved.

20 MS. PENNY: Thank you, Mr. Adler. Do I
21 have a second?

22 MR. BROWN: Second.

23 MS. PENNY: Thank you, Mr. Brown. Any
24 discussion? Okay, perfect. All in favor?
25 Aye.

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2 MS. GREEN-GILES: Aye.

3 MR. KAZANSKY: Aye.

4 MR. BROWN: Aye.

5 MR. ADLER: Aye.

6 MS. VICKERS: Aye.

7 MR. BUCKLEY: Aye.

8 MS. PENNY: Any opposed? Great. Motion
9 carries.

10 MS. REILLY: Well, that's it for the
11 executive director's report. Next is the
12 calendar, and the first item on the calendar
13 is the approval of the following minutes. So
14 it's the approval of the October 3, 2019
15 investment meeting minutes.

16 MS. PENNY: Do I have a motion to
17 approve the minutes?

18 MR. ADLER: I think it's November 7th is
19 the minutes that are in -- that we were sent.
20 That's the minutes that I have on the portal.

21 MS. REILLY: Okay.

22 MR. ADLER: I could be wrong about that.

23 MS. SANCHEZ: I would have to
24 double-check about that.

25 MR. ADLER: It says November 7th.

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2 MS. SANCHEZ: It should be the October
3 3rd.

4 MR. ADLER: That's not the one on the
5 portal.

6 MS. SANCHEZ: I will change that. We
7 can lay over the approval of the minutes for
8 now and do it at the next one.
9 MS. REILLY: Sorry about that mix-up.
10 MR. KAZANSKY: John, it's the 3rd.
11 There is an e-mail on the 13th of November,
12 the October investment meeting.
13 MR. ADLER: But the ones I have are
14 November 7th, so those are the ones that I
15 reviewed.
16 MS. PENNY: Are you ready to approve the
17 3rd, John?
18 MR. ADLER: I honestly don't know. I'm
19 sorry. Why don't we lay it over? It's not
20 urgent, right? I apologize. I actually just
21 looked at this this morning and read them
22 over. So I apologize.
23 MS. PENNY: Okay. All right. So we
24 will lay over October 3rd.
25 MS. REILLY: Next, of course, is the

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2 items on the calendar which you all received
3 an electronic version of.
4 MR. KAZANSKY: Please waive the reading
5 of the calendar.
6 MS. REILLY: Thank you.
7 MS. PENNY: Do we have a motion to
8 approve the calendar items?
9 MR. KAZANSKY: So moved.
10 MS. PENNY: Thank you. Do we have a
11 second?
12 MS. VICKERS: Second.
13 MS. PENNY: Any discussion? All in
14 favor? Aye.
15 MS. GREEN-GILES: Aye.
16 MR. KAZANSKY: Aye.
17 MR. BROWN: Aye.
18 MR. ADLER: Aye.
19 MS. VICKERS: Aye.
20 MR. BUCKLEY: Aye.
21 MS. PENNY: Any opposed? Okay. Motion
22 carries. Calendar is approved.
23 MS. REILLY: Next on the agenda is other
24 business, and today we have an audit
25 presentation from Marks Paneth.

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2 MS. SADRI: I am Talieh Sadri.
3 MS. OUARI: I am Melissa Ouari.
4 MS. SADRI: Our post-audit presentation
5 for the year ended June 30, 2019. And as you
6 can see in table of contents in tab 1, you
7 will see engagement team and firm overview.

8 So tab 2 is scope of our services, the
9 services covered based on the current
10 engagement letter and the City's contract
11 dated July 12, 2016, which is a combining
12 financial statements, audit of TRS, and the
13 combining statement includes QPP and TDA and
14 it's in accordance -- the combining statements
15 are in accordance with auditing standards
16 accepted in the United States of America and
17 the Generally Accepted Government Auditing
18 Standards, GAGAS.

19 The audit's timeline. We provided this
20 audit timeline to the management, and we are
21 able to receive based on the dates provided
22 here. The next -- the last date was the date
23 of the issuance of the report which was
24 October 24, 2019. The presentation to the
25 systems' board of trustees is today, November

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2 21st.

3 The next report is the CAFR sign-off,
4 which will be sometime next week in December
5 -- next month in December. The required
6 communications with the audit committee. The
7 professional auditing standards require us to
8 communicate the following matters to those
9 charged with governance: The auditor
10 responsibility. Our audit was designed to
11 provide reasonable, not absolute assurance
12 that TRS's combining financial statements are
13 presented fairly in accordance with US GAAP.

14 Based on our audit on October 24, 2019,
15 we have issued an unmodified opinion on the
16 combining financial statement as of and for
17 the year ended June 30, 2019. Management
18 signed a management representation letter that
19 you will see in tab 2, at the end of tab 2.
20 We have also issued an agreed-upon procedures
21 report on the securities vault counts
22 performed and a report under GASB 67/68 by
23 individual employer on pension liability
24 allocation.

25 The manager's responsibility. The

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2 manager is or management is responsible for
3 establishing and maintaining internal
4 controls, the design and implementation of
5 programs and controls to prevent and detect
6 fraud, and for informing us about if there are
7 any known or suspected fraud affecting TRS
8 which either involve management and employees
9 who have significant roles in internal control

10 and other matters -- and others. Management
11 is responsible for making all financial
12 records and related information available to
13 us and for the accuracy and completeness of
14 that information. Management is responsible
15 for designating a qualified management level
16 individual to oversee our services.

17 Accepting responsibility for the
18 combining financial statements and review and
19 approval of the journal entries made during
20 the audit and signing the management
21 representation letter. Selection,
22 application, or changes in significant
23 accounting principles. As is disclosed in
24 note 2, you will see the significant
25 accounting policies in the note 2 of the

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2 financial statements, combining financial
3 statements. TRS follows US GAAP, and there
4 were no significant changes in accounting
5 policies to report.

6 Significant management judgments and
7 accounting estimates. Actuarial assumptions
8 are in note 5 of the combining financial
9 statements. They give us their assumptions.
10 We have our own actuary. They go through the
11 City's actuary report, and they will give us
12 their own review based on the assumptions that
13 they have reviewed in the report of the City's
14 actuary.

15 Fair value of investments in footnote 3
16 of the combining financial statements. We
17 have discussed alternative investments,
18 international investment fund. We have
19 reviewed these judgments and estimates and
20 concurred with management. Audit adjustments.
21 There were no recorded or unrecorded audit
22 adjustments. Significant issues discussed or
23 subject to correspondence with management
24 prior to retention. There were none.

25 Difficulties encountered in performing

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2 the audit fraud, irregularities or illegal
3 acts. There were none to report.
4 Consultation with other auditors. We are not
5 aware of any such consultations. Material
6 weaknesses or significant deficiencies in the
7 internal control environment over financial
8 reporting. Our consideration of internal
9 control would not necessarily identify all
10 deficiencies in internal control over
11 financial reporting that might be a material

12 weakness. So given these limitations, during
13 our audit we did not identify any deficiencies
14 in TRS's internal control over financial
15 reporting that we considered to be a material
16 weakness, and you can see our report in tab 3.

17 We did have observations and
18 recommendations in technology accounting and
19 compliance matters in tab 4. We are just
20 going to go through tab 4 for our observations
21 and recommendations memo. Auditor
22 independence. Our firm, Marks Paneth, is
23 independent with respect to TRS in accordance
24 with the AICPA's Code of Professional Conduct.

25 Next page. This is the industry

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2 updates. And this is TRS's signed management
3 presentation letter that we received on
4 October 24th, which enable us to issue the
5 financials. So as discussed, this is the
6 letter, which we call it 2665. This is in
7 regards to material weaknesses. We did not
8 identify any material weaknesses.

9 Tab 4 is our observations and
10 recommendations. Current year recommendations
11 and observations. So as -- on financial
12 reporting accounting operations, during our
13 audit we were informed that -- it was brought
14 to our attention that there was an error to --
15 on interest loans to Tiers III, IV, and VI and
16 this -- the interest charged to these
17 participants on those tiers were charged 7
18 percent. It should have been 6 percent. The
19 rule is that interest rates should be 1
20 percent less than the investment rate and the
21 management identified this error and they
22 corrected it by an adjustment.

23 MS. OUARI: On the technology side, we
24 had one new issue this year and that dealt
25 with Microsoft operating systems or support.

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2 At this point when we went through the audit,
3 there were about 50 servers that were running
4 Microsoft 2008, which is coming up to
5 end-of-life shelf service maintenance in
6 January. So management is aware of that and
7 they are working to remedy that and they have
8 projected to have all the servers upgraded to
9 current version by the end of this year. And
10 then back to you.

11 MS. SADRI: And prior observations that
12 requires further attention. I know this has
13 been going on for the past two, three years.

14 It's preparing a mapping schedule at year-end,
15 which is used to agree with the system's trial
16 balances to their financial statements. This
17 is only because the variable fixed investments
18 allocations. The management is aware of that,
19 and although this spreadsheet has been
20 improved, it is easier to understand and
21 follow, but we -- we do note that there are --
22 we would suggest that it needs -- some
23 enhancements need to be made, if possible.

24 MS. OUARI: Then the number 4 and 5 they
25 are carry forward from last year technology

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2 issues, which again are being remediated by
3 management at this point. The first one deals
4 with cyber insurance and just being able to
5 have a provision to cover that any kind of
6 business interruption if it were breached.
7 That's in process right now working with the
8 broker, and number 5 is around the pension
9 management system and just to continue the
10 efforts around the implementation of ASPEN,
11 making sure that stays on track from a systems
12 investment standpoint.

13 MS. SADRI: That's it. And the last tab
14 is the financials issued for year-end October
15 6/30/2019. If anybody has any questions.

16 MS. OUARI: Great. Thank you.

17 MS. PENNY: Any questions? Thank you so
18 much.

19 MS. REILLY: Okay. And next on the
20 agenda is a CEM presentation.

21 MS. KANWAR: So it's not by me. It's by
22 Michael Reid.

23 MR. REID: Okay. Everybody hear me
24 okay? Sounds like I am going through the
25 microphone. So thank you very much for having

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2 me today. This is actually my first time in
3 New York City, and I had a bit of time to look
4 around so I will be able to take in some of
5 your great city. I understand most of you are
6 fairly familiar with CEM and what we do. Just
7 a little bit of background on me because I
8 know I haven't presented before. Been with
9 CEM for two and a half years. I am actually
10 filling in for somebody this year so somebody
11 new next year but spent my entire 18 years in
12 the pension industry first as an actuary and
13 then in plan sponsor role at John Hancock
14 before spending a bit of time with their asset
15 management group. So I kind of seen pretty

16 much every angle of pension plans there is.
17 So CEM has been doing pension
18 administration benchmarking for 21 years, and
19 I think you have been a loyal client for most
20 of them so thank you very much. Usually -- we
21 usually benchmark around 60 to 80 pension
22 plans a year. For this year in question, we
23 had developed three dozen US public retirement
24 plan systems, just over a dozen Canadian
25 systems, and then several from the UK and the
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2 Netherlands who fill in a slightly different
3 survey.

4 MR. ADLER: Can you make it a little bit
5 bigger? It's a little hard to see. Okay,
6 great. Those of us who are vision challenged.

7 It was better before. It's just like
8 going to the eye doctor.

9 MR. REID: So from our overall group of
10 participants, we choose a peer group with
11 which to compare the entire system of New York
12 City. The prior determinant of peer group is
13 member size. When I say membership size, what
14 we include are active members and annuitants.
15 So those that receive a pension. When
16 calculating the size of a pension plan, what
17 generally we don't include the number of
18 deferred vested numbers. The reason for that
19 is twofold. One is they don't usually require
20 a lot of day-to-day activity, and also the
21 number of deferred vested members within the
22 different retirement plans varies greatly.

23 So you will see in our presentations you
24 are probably familiar, the predominant cost
25 measure we use is cost per member. So if we
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2 were to include vesting members, that would
3 distort the analysis quite a bit. This is the
4 same peer group that you had last year and
5 your peer group has been very stable over the
6 past few years, which allows for very good
7 year-over-year comparisons.

8 So before I talk about cost and later
9 service, I want to start off by talking about
10 complexity because your retirement system is a
11 very complex retirement system. It's the
12 second-most complex in your peer group and the
13 third-most complex in our North American
14 database. In fact, if you look at the various
15 complexity scores there, you will notice that
16 you are above peer median complex in every
17 area except customization choices. So your

18 system is complex in every conceivable way,
19 and this can have obviously have a big impact
20 on how difficult it is to run the system.
21 Particularly around your going through a big
22 IT modernization program and that means you
23 have a lot of complexity which you need to
24 reflect in all your systems which can greatly
25 impact the cost and the amount of time it

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2 takes to get those systems up and running.

3 Given that this has got a lot of viewing
4 here, for anyone who remembers last year, you
5 might remember your score was a lot higher
6 last year and that's because we changed our
7 methodology for scoring complexity this year.
8 In previous years it was what I will call
9 relative measures. So basically what we did
10 in each of those groups, we would look at all
11 the systems in our database. The most complex
12 in that area would get a score of 100, the
13 least complex would get a score of zero, and
14 they would be scaled between that. Similarly
15 we add up all the scores, the most complex
16 system on that basis would score 100. The
17 least complex, zero. This year we changed to
18 what I will call an absolute measure, which
19 means the score you see is just based on your
20 own system. We don't use the relative
21 measure, and the reason we changed is to make
22 it more comparable year over year.

23 There are an increasing number of
24 systems who are really trying to simplify plan
25 administration to the extent that's possible.

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2 I understand that can be very difficult.

3 Obviously a lot is codified into law, but we
4 have had a request to make the numbers more
5 comparable year over year.

6 So now to talk about costs a little bit.
7 Your costs per active member and annuitant for
8 your fiscal 2018 I believe was 251 dollars per
9 active member and annuitant. You will see
10 that's the second highest in your peer group.
11 It's 16 dollars per member higher than the
12 previous year. I will talk later on -- you
13 will see the bulk of it is due to your IT
14 modernization project, and I just want to say
15 we have seen over the past ten years in
16 particular a lot of systems spending a lot of
17 money on their IT systems and we are finally
18 starting to see systems realizing efficiencies
19 and in a lot of cases costs starting to come

20 down a bit. So you are by no means an outlier
21 in putting a lot of investment into IT and it
22 showed if you are like some of the other
23 systems are now at the back end, you should
24 start to see some efficiencies. So it's
25 likely a very wise investment.

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2 So on this page we talk about some of
3 the reasons why you are higher or lower cost
4 than your peers. So you can see front office
5 FTE. So these are FTE you have that are
6 dealing directly with members or employees.
7 So you have roughly four extra FTE per 10,000
8 members than the peer average, and I will
9 provide some color to why that might be in the
10 coming slides, but as you are aware, the cost
11 of running an administration organization is
12 very dependent on the number of staff. Rough
13 rule of thumb is about 60 percent of the total
14 cost for systems in our database comes from
15 FTE-related cost so that's contributing 44
16 dollars to the 134 dollars over and above your
17 peers. You also have vastly lower third-party
18 costs so that can -- those are third-party
19 costs for the front office. So that can be
20 another reason why you have more FTEs. You
21 are spending a lot less on third parties, so
22 those could be payroll, outsourcing firms,
23 consultants, and so forth. So you appear to
24 be doing a lot more work inhouse.
25 Interestingly you have lower costs per FTE as

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2 compared to your peer group despite being in
3 the highest cost area of your peer group. In
4 fact, according to the Bureau of Labor, your
5 area is about 48 percent more expensive labor
6 than the average of your peer groups so the
7 fact that you are lower cost compared to your
8 peers is actually quite remarkable in that
9 area.

10 I will provide some additional details
11 on the support costs. These are third-party
12 costs. You can see major projects, there is
13 78 dollars. So over half of the additional
14 cost is from your IT and non-IT related
15 projects. And if you look on the right,
16 that's what those figures would look like if
17 you were amortizing your cost over eight years
18 as opposed to recognizing them as they are
19 incurred.

20 So I said that I would explain --
21 provide a little bit more color around why you

22 might have four front office FTEs. So one
23 reason is workload. So this is how much work
24 you are doing for your members. So we
25 calculated on a cost weighted basis and you

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2 can see particularly within purchases and
3 transfers and you are doing about ten times
4 the amount of work of your peers and that's
5 creating the bulk of the additional costs in
6 that area. And this isn't something that you
7 necessarily control. It's a function of how
8 your -- of how your plan is. Similarly, you
9 are fielding more calls and e-mails than your
10 peers as well as providing quite a bit more
11 one-on-one counseling which I am sure your
12 members appreciate. Counteracting this
13 slightly is the fact that you also have the
14 second highest productivity.

15 So your front office FTE is doing more
16 work on a weighted basis than that of your
17 peers. A big part of this is while you are
18 doing a lot of purchases and transfers in, you
19 are also doing them very efficiently, which is
20 good news. It's not uncommon to see that when
21 a retirement system has a certain area where
22 they have a lot of certain transactions they
23 are very good at doing it, but you are
24 actually exceptionally good at processing them
25 in a cost effective manner, and that is

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2 decreasing your FTE-related cost by 15 dollars
3 per member.

4 So with respect to back office
5 activities, I talked about major projects.
6 Governance and financial control. That is
7 support. So support for this meeting as well
8 as financial control. So internal audit is
9 slightly higher than peers. With respect to
10 IT, you will notice here you are slightly
11 higher, so those are for your existing systems
12 as well as the strategy to develop them. Not
13 -- just to note, it's your strategy in
14 development that's slightly high cost. Your
15 actual cost of phone and computer systems is
16 right in line with your peers.

17 With respect to the last item actuarial,
18 legal, audit, and other support services is
19 which are higher. Your actuarial, legal, and
20 audit noncomps are all either in line or lower
21 than most of your peers.

22 I will pause now if there are any
23 questions on cost because I am going to move

24 on to service. Seeing none, I will move on to
25 service. So the first thing I want to do is
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2 just to reiterate what our service score is
3 and what it is not. Our service score is
4 based on what we feel members would want.
5 Cost irrelevant. So what do members want?
6 They want things now, they want them through
7 every channel, and they don't like red tape.
8 So that's a general rule. We would never
9 encourage any of our systems to aim for a
10 score of 100. It would be cost prohibitive.
11 I also recommend systems not to concentrate on
12 the actual overall score because everything we
13 do at CEM, what we get the most pushback on
14 from our clients are the weighting because
15 different things are more important to
16 different systems. So I would encourage
17 members to look at the areas which are
18 important to them and see what they score in
19 those areas as opposed to concentrating on the
20 overall number. We don't change the scoring
21 metrics often, but we did do that this year so
22 I will quickly cover what the changes are.

23 You will notice 1-A pension payments.
24 That's the most critical for pension plans.
25 Definitely the important thing which is do

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2 your pay your members on time every month.
3 Previously you got a weighting of 20 percent
4 to reflect that. Everybody is doing it on
5 time. So we wanted to adjust some of the
6 other scores particularly to give more
7 weighting to websites, so we took it from
8 there and we put it in the websites.
9 Previously the website rating was 11.3
10 percent as opposed to a call center of 21
11 percent. That was definitely appropriate ten
12 years ago. Over the last five years in
13 particular, we have seen website usage
14 increase pretty much exponentially, and we
15 have also finally started to see among a lot
16 of our clients call center volumes coming
17 down. So we wanted to reflect that in our
18 scores because it's apparent to us that
19 members really do value having a good website.

20 Some very other small changes with
21 member presentations. Previously we used to
22 use average size so the number of members that
23 were attending the average presentation as a
24 metric would increasingly enter using webcasts
25 where that was not relevant. So we removed

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2 that metric and there were a couple of other
3 small tweaks. All this being said, you are
4 slightly lower. You can see that by the peer
5 median and peer average. Your score did drop
6 slightly this year. That was due to your call
7 center, which had slightly higher wait times
8 as well as higher undesired outcomes than it
9 did last year. But truth be told, the biggest
10 difference if you look at your call center
11 score versus that of your peers is that you
12 don't offer realtime estimates to members and
13 that could be a choice or technological
14 advantage or disadvantage depending on the
15 system.

16 With respect to websites, I will just
17 speak briefly on that. That is largely a
18 capability thing. We ran -- the biggest
19 things are being able to do retirements
20 estimates, and then there is a laundry list of
21 18 other transactions that go into the score.
22 You are doing slightly fewer than your peers,
23 but where you are not doing them, in most
24 cases it's where the majority of your peers
25 aren't doing them either. So they are doing

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2 more of them but different -- different ones.
3 Here is a little bit of a flavor. The
4 one thing I do want to point out is pension
5 inception where you incept 99 percent of your
6 retirees within a month of them leaving
7 service, which is one of the highest in our
8 database and I am sure is very much
9 appreciated by your retirees that they are
10 able to go from working and receiving pension
11 without a break. I think that's something to
12 be proud of. I also spoke about the
13 one-on-one counseling. You can see you are
14 doing more than double the amount of
15 counseling and one-on-one presentations than
16 your peers are, which I am sure your
17 membership appreciates, and being in such a
18 big city can help that because travel,
19 everyone is pretty close.

20 With respect to the website, you can see
21 website scores come out -- you offer now 12
22 out of the 18 tools where your peer average is
23 14. I spoke briefly on the call center. You
24 can see your -- there is your wait time and
25 your undesired outcomes increased. Nine

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2 percent is your peer average. You were quite
3 a bit better than peers in 2017.

4 So this is just to give you a flavor of
5 the impact of certain improvements. We are
6 definitely not necessarily recommending these.
7 That is something you need to decide on a
8 cost-benefit analysis, but some of these are
9 some of the bigger numbers. So for example,
10 your wait time, 255 seconds. For a perfect
11 score you need 60 seconds or less. That would
12 increase your score on that metric alone to
13 almost 4. Similarly you have five menu layers
14 and our secure scoring metric is one or fewer
15 for a perfect score. That would be 2.1 and
16 then I mentioned or then survey satisfaction
17 survey, we really believe that it's important
18 to actually survey your members to see how
19 satisfied they are. You are doing it in some
20 areas but not in all, and truth be told, I
21 don't think there is anyone doing it in all
22 areas. But if you were to do it all, that
23 would improve your score by 2.7.

24 So here you can see your score versus
25 that of your peers in the last four years.

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2 You had increased quite a bit from 2015 to
3 2017 and. Like I said, slipped slightly
4 backwards in 2018 but still a bigger increase
5 than what we saw of your peers and that's
6 pretty typical of any sort of peer group. We
7 are seeing very incremental changes at this
8 point. Generally a few additional tools on
9 the website, usually around banking
10 information or other kind of high --
11 potentially high-risk issues that some systems
12 are now coming to get into grips with the
13 security issues around.

14 So I was told I had 15 minutes. I think
15 I took about 18, but I am probably going to
16 get you out of here on time so I don't know if
17 there are any other questions. I hope that
18 was clear.

19 MS. PENNY: I guess not. Thank you,
20 Michael. That was a great presentation, and
21 thank you TRS for the great work that you do.

22 MR. ADLER: Can we get a copy of the
23 dec?

24 MS. REILLY: Yes.

25 MS. PENNY: Okay. Well, next on the

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2 agenda is questions and comments from the
3 public? Seeing none --

4 MS. PENNY: Okay. Okay. Anything else?
5 No? Then do I have a motion -- oh, I thought
6 you wanted to say something.
7 MR. KAZANSKY: Me? Oh, no.
8 MS. PENNY: Do I have a motion to
9 adjourn?
10 MS. VICKERS: So moved.
11 MS. PENNY: Thank you, Ms. Vickers. Do
12 I have a second?
13 MR. BROWN: Second.
14 MS. PENNY: Thank you, Mr. Brown. All
15 in favor? Aye.
16 MS. GREEN-GILES: Aye.
17 MR. KAZANSKY: Aye.
18 MR. BROWN: Aye.
19 MR. ADLER: Aye.
20 MS. VICKERS: Aye.
21 MR. BUCKLEY: Aye.
22 MS. PENNY: Any opposed? Motion
23 carries. We are adjourned. Now we have
24 attorney-client privilege.
25 (Time noted: 4:19 p.m.)

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2 C E R T I F I C A T E
3 STATE OF NEW YORK)
4 : ss.
5 COUNTY OF QUEENS)
6
7 I, YAFFA KAPLAN, a Notary Public
8 within and for the State of New York, do
9 hereby certify that the foregoing record of
10 proceedings is a full and correct
11 transcript of the stenographic notes taken
12 by me therein.
13 IN WITNESS WHEREOF, I have hereunto
14 set my hand this 5th day of December,
15 2019.

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17 _____
18 YAFFA KAPLAN
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