

NCTR RESOLUTIONS



Adopted at the
NCTR 86th Annual Convention
Business Meeting
October 15, 2008
2:00 pm

Presented by:
Resolution Committee Members

Iris Wolfson, Chair Trustee, New York State Teachers' Retirement System
Joan Schloss, Vice-Chair Administrator, Massachusetts Teachers' Retirement System
Duane Anstine Trustee, Kansas Public Employees Retirement System
Katha McKinney Trustee, Public School Retirement System of the City of St. Louis
Matti Palluconi Trustee, Teachers' Retirement System of Oklahoma
Jill Bachus Administrator, Tennessee Consolidated Retirement System
Hazel Coleman Trustee, Arkansas Retirement System
Norman Ruggles Administrator, Denver Public Schools Retirement System
Leonard Bumbaca Executive Committee Liaison, NCTR

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IN MEMORIAM BRUCE HINEMAN

WHEREAS, Bruce Hineman, retired Executive Director of the National Council on Teacher Retirement (NCTR) passed away on July 12, 2008; and

WHEREAS, Mr. Hineman served as NCTR's first full-time Executive Director from 1991 until his retirement in 2001 and also served as Executive Secretary of the Texas Teacher Retirement System from 1981-1991; and

WHEREAS, Mr. Hineman was responsible for introduction of a number of new NCTR programs including the establishment of a full-time governmental relations position for the organization; and

WHEREAS, Mr. Hineman's leadership led to the development of NCTR's current workshop program including the Trustee Workshop in 2001 and these workshops provide a major source of professional education for public pension staff and trustees; and

WHEREAS, Mr. Hineman's vision and hard work led to the successful development of the annual System Directors' meeting which just celebrated its 21st anniversary; and

WHEREAS, Mr. Hineman served as a mentor for many NCTR system directors and developed countless friendships in the public pension community; and

WHEREAS, Mr. Hineman also encouraged and promoted the involvement of system trustees in NCTR activities including their involvement on the Executive Committee; and

WHEREAS, Mr. Hineman loved to organize social activities at NCTR events and truly enjoyed a friendly card game; now therefore be it

RESOLVED, that the National Council on Teacher Retirement, with deep sadness and sense of loss, extends its sympathy to Bruce's children, John Hineman and Jennifer Brannon, and to his grandchildren; and be it further

RESOLVED, that a copy of this resolution be presented to his children and be included in the proceedings of the 86th Annual Convention of the National Council on Teacher Retirement, 2008.

Submitted by: The NCTR Executive Committee

Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation

**IN MEMORIAM
VERNELL JACKELS**

WHEREAS, Vernell (Vern) Jackels, former trustee of the Minnesota Teachers Retirement Association (TRA) and a tireless advocate for public school education passed away on July 18, 2008; and

WHEREAS, Mr. Jackels served for 20 years on the TRA Board of Trustees (1985 through 2005) including 10 years as the TRA Board President (1989 through 1999); and

WHEREAS, Mr. Jackels was active in the National Council on Teacher Retirement, representing TRA interests and serving on various committees; and

WHEREAS, Mr. Jackels was deeply committed to a vibrant, properly structured retirement program that would support the recruitment and retention of educators; and

WHEREAS, Mr. Jackels served on the Minnesota State Board of Investment's Investment Advisory Committee prior to his election to the TRA Board of Trustees, developing a keen knowledge of the importance of maintaining a long-term perspective to investment and actuarial decision-making in strengthening TRA's funding position; and

WHEREAS, Mr. Jackels retired in 1993 after a distinguished career of 34 years as a high school Chemistry teacher in the Winona Public School System; and

WHEREAS, Mr. Jackels strongly supported the resources necessary for improved benefit processing systems for TRA staff and recognized the enhancement of customer services that could be provided through technological improvements; and

WHEREAS, Mr. Jackels never ceased his advocacy of TRA issues and loyalty to the teaching profession, demonstrated by personally responding to any letter or phone call asking for his input; now therefore be it

RESOLVED, that the Minnesota TRA Board of Trustees, the TRA staff, and the National Council of Teachers Retirement extend their heartfelt sympathy to Vern's wife, Joan, their three children and other family members; and be it further

RESOLVED, that a copy of this resolution be presented to Mrs. Joan Jackels and be included in the proceedings of the 86th Annual Convention of the National Council on Teacher Retirement, 2008.

Submitted by: Minnesota Teachers Retirement Association

Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation

IN MEMORIAM JAY KAPLAN

WHEREAS, Jay Kaplan, a retired teacher and trustee on the Vermont State Teachers' Retirement System Board died at his home in Sarasota, Florida on August 23, 2008; and

WHEREAS, Mr. Kaplan served since 1989 on the Vermont State Teachers' Retirement System Board as trustee, chairperson of the Board and, for the past decade, retired trustee; and

WHEREAS, Mr. Kaplan was an early advocate for the diversification of assets of Vermont retirement systems into highly productive global and international portfolios; and

WHEREAS, Mr. Kaplan was one of the first voices in his state to identify the dire fiscal implications of chronic under-funding of the teachers' retirement system, helping launch a Vermont-NEA lawsuit in the 1990s against the governor to call attention to the matter, and

WHEREAS, Mr. Kaplan was well known and highly regarded throughout Vermont and nationally as a champion for the economic security of both current and retired teachers; and

WHEREAS, Mr. Kaplan took the lead on retirement issues within the National Education Association (NEA), helped establish a NEA Retirement Trustees' Caucus, wrote scores of new business items on behalf of retired teachers and educational support professionals, introduced and updated resolutions supporting Retirement Security, and called on NEA to publish research data on, and to defend vigorously, defined benefit retirement plans; and

WHEREAS, Mr. Kaplan served with distinction as a member and vice-chair of the Legislative Committee of NCTR for many years; and

WHEREAS, Mr. Kaplan was a mentor and source of inspiration to many trustees who have continued to positions of leadership within NCTR and their retirement systems; now therefore be it

RESOLVED, that the National Council on Teacher Retirement, with deep sadness and sense of loss, extends its sympathy to Jay's brother, Alfred I. Kaplan, M.D., of Boston; his sister, Deborah Kaplan Mortman, a teacher in Cincinnati, Ohio; a niece and three nephews; and his companion, Cynthia L. Moore, J.D., of Gainesville, Florida; and be it further

RESOLVED, that a copy of this resolution be presented to his companion and relatives and be included in the proceedings of the 86th Annual Convention of the National Council on Teacher Retirement, 2008.

Submitted by: Leonard Bumbaca, ERFC, Fairfax, Virginia

Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation

**IN APPRECIATION
CHERYL L. BOGGESS**

WHEREAS, Mrs. Cheryl L. Boggess served as a member of the Board of Trustees of the Public School and Education Employee Retirement Systems of Missouri from July 1, 2002 until June 30, 2008; and as Vice Chair from July 1, 2004 until June 30, 2006; and

WHEREAS, Mrs. Boggess during the period of this tenure she ably served the interests of teachers and school support personnel of Missouri and the State of Missouri; and

WHEREAS, Mrs. Boggess through her experience in public education and dedication as a teacher, she was able to lead and counsel wisely in the enactment of legislation and the formulation of policies and regulations bringing continued improvement in the retirement systems; now therefore be it

RESOLVED that the National Council on Teacher Retirement expresses its appreciation to Mrs. Boggess for her distinguished service to the Board of Trustees of the Public School and Education Employee Retirement Systems of Missouri; and be it further

RESOLVED that a copy of this resolution be presented to Mrs. Boggess and be included in the proceedings of the 86th Annual Convention of the National Council on Teacher Retirement, 2008.

Submitted by: Public School Retirement System of Missouri

Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation

**IN APPRECIATION
SALLY F. COX**

Whereas, Sally F. Cox served as a member of the Board of Trustees of the Teachers' Retirement System of Louisiana from January 1, 2000, through December 31, 2007, representing members of the System working in the Fourth District;

Whereas, Mrs. Cox served on all of the Board's committees and chaired the Board's Elections, Personnel, and Investment Committees;

Whereas, Mrs. Cox during her tenure as a trustee, the Board expanded investments into international and alternative markets, helping generate a 22 percent increase in total assets from \$12.6 billion to \$16.1 billion; revised the 20-year retirement provisions making the early retirement option cost-neutral to the System; instituted the five-year vesting provision; supported legislation increasing the minimum amount of survivor benefits for spouses and minor children; secured a guarantee that the total payment of retirement benefits must at least equal a member's contribution; supported mandatory trustee education/training requirements; oversaw implementation of a variety of initiatives to increase administrative efficiency while providing more retirement choices for members, such as the Excess Benefit Plan arrangement; secured future COLA payments to retirees and their beneficiaries by altering the funding mechanism of the Employee Experience Account; and helped members affected by Hurricanes Katrina and Rita manage their retirement and DROP accounts in the aftermath of one of the worst natural disasters in U.S. history;

WHEREAS, Mrs. Cox provided valuable insight to the Board of Trustees regarding membership issues faced by her constituents;

WHEREAS, Mrs. Cox has dedicated more than 40 years of service to the Caddo Parish School Board, and served as principal of Arthur Circle Elementary School in Shreveport;

WHEREAS, Mrs. Cox's service to the Teachers' Retirement System of Louisiana was performed with dignity, loyalty, and dedication; now, therefore, be it

RESOLVED, that the Board of Trustees of the Teachers' Retirement System of Louisiana, on this fourth day of December 2007, hereby expresses its appreciation to Mrs. Cox for her dedicated service to the System as a trustee and fiduciary; and be it further

RESOLVED, that this Resolution be presented to Mrs. Cox, and that it be duly recorded in the minutes of the Board, and be it further

RESOLVED, that this resolution be included in the proceedings of the 86th Annual Convention of the National Council on Teacher Retirement 2008.

Submitted by: The Teachers' Retirement System of Louisiana
Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation

**IN APPRECIATION
J. RICHARD FRANKLIN**

WHEREAS, Mr. J. Richard Franklin served as a member of the Board of Trustees of the Public School and Education Employee Retirement Systems of Missouri from January 13, 2003, until September 20, 2007; and

WHEREAS, Mr. Franklin during the period of this tenure he ably served the interests of teachers and school support personnel of Missouri and the State of Missouri; and

WHEREAS, Mr. Franklin through his experience in public education and dedication as a teacher and former legislator, he was able to lead and counsel wisely in the enactment of legislation and the formulation of policies and regulations bringing continued improvement in the retirement systems; therefore be it

RESOLVED that the National Council on Teacher Retirement expresses its appreciation to Mr. Franklin for his distinguished service to the Board of Trustees of the Public School and Education Employee Retirement Systems of Missouri; and be it further

RESOLVED that a copy of this resolution be presented to Mr. Franklin and be included in the proceedings of the 86th Annual Convention of the National Council on Teacher Retirement, 2008.

Submitted by: The Public School Retirement System of Missouri

Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation

IN APPRECIATION AL OERTWIG

WHEREAS, Al Oertwig served as a member of the Board of Trustees of the St. Paul Teachers' Retirement Fund Association from January 2002 to March 2007; and

WHEREAS, Mr. Oertwig during the period of his tenure on the St. Paul Teachers' Retirement Fund Association Board and the Saint Paul Public Schools Board, Mr. Oertwig served the interests of Saint Paul teachers with dedication and integrity; and

WHEREAS, Mr. Oertwig has brought his high standards of leadership, honesty, loyalty, and dedication to the position at all times in working to provide a better retirement program for Saint Paul, Minnesota public educators; and

WHEREAS, Mr. Oertwig through his experience and dedication was able to lead and counsel wisely in board decisions and the formulation of policies and regulations bringing continued improvement in the retirement system, and

WHEREAS, Mr. Oertwig served 19 years as a member of the Board of Education of Independent School District #625, three years as Clerk, one year as Vice Chair, one year as Chair of the school board, and supported three successful referendums resulting in increased program funding to help Saint Paul students in the District, now therefore be it

RESOLVED, that the National Council on Teacher Retirement expresses its appreciation to Mr. Oertwig for his distinguished service to the St. Paul Teachers' Retirement Fund Association; and be it further

RESOLVED, that a copy of this resolution be presented to Mr. Oertwig and be included in the proceedings of the 86th Annual Convention of the National Council on Teacher Retirement, 2008.

Submitted by: The St. Paul Teachers' Retirement Fund Association

Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation

**IN APPRECIATION
PEGGY D. PRESTON**

WHEREAS, Mrs. Peggy D. Preston served as a member of the Board of Trustees of the Public School and Education Employee Retirement Systems of Missouri from July 1, 2000 until June 30, 2008; and both as Vice Chair and Chair during her tenure on the Board; and

WHEREAS, Mrs. Preston during the period of this tenure ably served the interests of teachers and school support personnel of Missouri and the State of Missouri; and

WHEREAS, Mrs. Preston through her experience in public education and dedication as a teacher, she was able to lead and counsel wisely in the enactment of legislation and the formulation of policies and regulations bringing continued improvement in the retirement systems; therefore be it

RESOLVED that the National Council on Teacher Retirement expresses its appreciation to Mrs. Preston for her distinguished service to the Board of Trustees of The Public School and Education Employee Retirement Systems of Missouri; and be it further

RESOLVED that a copy of this resolution be presented to Mrs. Preston and be included in the proceedings of the 86th Annual Convention of the National Council on Teacher Retirement, 2008.

Submitted by: Public School Retirement System of Missouri

Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation

**IN APPRECIATION
ROGER REA**

WHEREAS, Roger Rea has served as a Trustee of the Nebraska Public Employee Retirement Board from 2003 through 2007, and during his tenure, he participated in the selection of a Director, helped arrange the agenda for the Public Employee Retirement Board's annual strategic planning retreat, and made presentations at the retreat on several occasions; and

WHEREAS, Mr. Rea's during his tenure, the Nebraska Public Employees Retirement Systems have experienced notable growth in assets and have implemented policies which more clearly define the payment of cash balance dividends for the members of those retirement plans; and

WHEREAS, Mr. Rea during this period of growth and change in the Retirement Systems, has provided extraordinary leadership for both the members and the Trustees of the System as a Public Member of the Board, has served on several Board Committees, has chaired several Board Committees, and has served as Vice Chairman of the Board; and

WHEREAS, Mr. Rea has been honored by various professional groups for his accomplishments and service, including: 1981 Nebraska Cooper Foundation Award For Excellence in Teaching, 1985 Presidential Award for Excellence in Science Teaching; Nebraska representative for the 1986 NASA Teacher in Space Project; 1989 Nebraska Teacher of the Year; and Planning Committee for the 1993 National Convention of the National Science Teachers Association in Kansas City; and

WHEREAS, Mr. Rea has served on various boards for organizations that provide services to public employees, including: Treasurer of the Educators Credit Union; Chairman of the Board for First Nebraska Educators Credit Union; President of the Omaha Education Association; and Board Member for the Educators Health Alliance, Nebraska State Education Association, Omaha Education Association-Retired, and Nebraska State Education Association-Retired; and

WHEREAS, Mr. Rea has served on public policy boards for many years, including the Nebraska Public Employee Retirement Board; the Omaha School Employees' Retirement Board; the Nebraska Professional Practices Commission; and the Judicial Nominating Commission for the Nebraska Supreme Court #04; and

WHEREAS, Mr. Rea has attended various training sessions to become more knowledgeable about matters the Boards have responsibility for, including training sessions sponsored by the National Council on Teacher Retirement, the National Association of State Retirement Administrators, the National Conference on Public Employee Retirement Systems, the International Foundation of Employee Benefit Plans, the Credit Union National Association, the National Judicial College, the National Science Teachers Association, and the National Education Association; and

WHEREAS, Mr. Rea helped develop legislation providing retirement planning to all public employees, helped plan and deliver the first-ever public employee retirement planning session, and has conducted more than 150 retirement planning seminars in all areas of Nebraska over the past 25 years; and

WHEREAS, Mr. Rea will continue to be involved in the National Council on Teacher Retirement as both a Trustee for the Omaha School Employees' Retirement System and a member of the Nominating Committee for NCTR; now therefore be it

RESOLVED, that the members of NCTR join with the Nebraska Public Employees Retirement Systems' members, staff, and Board of Trustees in extending their appreciation to Mr. Rea for his dedicated service to the members of the Retirement Systems, and extend their best wishes to him and his wife, Liz, for good health, success, and happiness in all their future endeavors; and be it further

RESOLVED that a copy of this resolution be presented to Mr. Rea and included in the proceedings of the 86th Annual Convention of the National Council on Teacher Retirement, 2008.

Submitted by: Nebraska Public Employee Retirement Systems
Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation

IN APPRECIATION DR. PHIL WRIGHT

WHEREAS, Dr. Phil Wright served as a member of the Board of Trustees of the Public School and Education Employee Retirement Systems of Missouri from July 1, 2004 until April 18, 2008; and as Chair from July 1, 2006 until April 18, 2008; and

WHEREAS, Dr. Wright during the period of this tenure ably served the interests of teachers and school support personnel of Missouri and the State of Missouri; and

WHEREAS, Dr. Wright through his experience in public education and dedication as a teacher, coach, and school administrator, he was able to lead and counsel wisely in the enactment of legislation and the formulation of policies and regulations bringing continued improvement in the retirement systems; therefore be it

RESOLVED that the National Council on Teacher Retirement expresses its appreciation to Dr. Wright for his distinguished service to the Board of Trustees of The Public School and Education Employee Retirement Systems of Missouri; and be it further

RESOLVED that a copy of this resolution be presented to Dr. Wright and be included in the proceedings of the 86th Annual Convention of the National Council on Teacher Retirement, 2008.

Submitted by: Public School Retirement System of Missouri

Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation

POLICY RESOLUTION
MARKET VALUE LIABILITY MEASURES

WHEREAS, State and local governments fundamentally differ from private sector, for-profit employers in terms of goals and purposes, stakeholders, revenue streams, budgetary demands, and longevity; and

WHEREAS, the pension plans of State and local governments are permanent, independent entities designed to attract and retain a workforce committed to ensuring the well-being of their citizens through the provision of public services and to equitably allocate a portion of the cost of an ongoing benefit program, typically guaranteed by law, among different generations of taxpayers; and

WHEREAS, private sector pensions differ from governmental plans in that private sector plans can be terminated at will and their sponsors can go out of business, be acquired or file for bankruptcy; and

WHEREAS, the Governmental Accounting Standards Board (GASB) has concluded that State and local governments require separate accounting and financial reporting standards to provide the information necessary to meet the needs of the public in assessing government accountability and in making political, social, and economic decisions and that such separate standards are essential to meet the specific needs of the users of governmental financial reports; and

WHEREAS, the National Council on Teacher Retirement (NCTR) believes that State and local governments' pension plans should maintain a high level of transparency to plan participants, beneficiaries and the public by providing meaningful, appropriate and relevant disclosures of the system's financial condition, funded status, investment objectives and benefit structure, thereby preserving the ability of all stakeholders to fully exercise their rights and responsibilities; and

WHEREAS, such public accountability is the standard by which all governmental financial reporting objectives should be measured, as opposed to a desire for uniformity with either private sector accounting and financial reporting rules or those of the international community; and

WHEREAS, State and local governments have developed and applied sound actuarial methodologies and accounting standards that assure such public accountability by reflecting realistic outcomes based on a range of variables using past experience and reasonable expectations for future returns for capital markets and typical public fund portfolios; now therefore be it

RESOLVED, that NCTR believes that governmental accounting and financial reporting standards should continue to reflect the substantial differences, particularly in long-term sustainability and benefit protections, between State and local governments and private sector employers and the pension plans that they sponsor; and be it further

RESOLVED that NCTR believes that financial reporting models applicable to terminable private sector corporations and their pension plans that require the reporting of short-term liabilities (often referred to as "market value liabilities") are inappropriate for governments and are inconsistent with the nature and purpose of public retirement systems; and be it finally

RESOLVED that the setting of public sector accounting and financial reporting standards should continue to be performed by an independent body, representative of State and local governments, and reflecting the unique needs of the public to be able to appropriately assess government accountability.

Submitted By: NCTR Legislative Committee

Committee Action:

- Recommended for adoption
- Not recommended for adoption
- No recommendation