



Governing in Challenging Times

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Assessing the Financial Situation

- Gather all the relevant facts, but don't slow down the process by dwelling on insignificant details
- Seek out the best actuarial, investment, economic, and legal advice you can afford and don't be cheap
- Reconcile any differences in professional opinions to your own satisfaction
- If you cannot be unanimous in your assessment of the financial situation, at least strive for some sort of consensus (majority view)
- Articulate what you believe in a concise and easy to understand document


What to Expect

- Being shot because you are the messenger who is carrying bad news
- Being blamed because the general public thinks you set the benefits
- Being ridiculed for not making more money for the Fund
- Being portrayed in the media as an organization you would never want to be associated with

You should also expect...

- Longer board meetings
- Increased preparation time
- Some angst among usually collegial board members
- Tension among board, staff, and others

What is the Appropriate Role of the System?



“Neutral Administrator”
follow the statutory parameters as established

“Advisor” or “Educator”
give costs and implications of benefit changes, but offer no recommendations

“Protector”
oppose legislation when the actuarial stability of the System is threatened

“Innovator”
design and recommend changes to benefits and funding sources

“Advocate” or “Activist”
lobby for changes in state laws to sustain the System