



Legislation Text

File #: Res 0159-2010, **Version:** *

Res. No. 159

Resolution calling upon the New York State Legislature to place the control of the state pension funds under the Board of Trustees of each fund.

By Council Members Koppell and Palma

Whereas, The New York State common retirement fund holds assets in trust for more than one million employees and retirees from the State government, most local governments, and some public authorities; and

Whereas, The common retirement fund is the state's largest pool of money, valued at one hundred and twenty-nine point four billion dollars, and is the third largest public pension fund in the nation; and

Whereas, The common retirement fund is under the sole control of the State Comptroller who acts as both trustee and manager of the fund, while most other states rely on a board to oversee their pension investments; and

Whereas, The Attorney General's investigation into the management of the common retirement fund cited numerous incidents of abuse in the current system, led to a number of criminal charges, and revealed that almost half of the agents obtaining investments for the common retirement fund were not properly licensed and registered with a broker-dealer as required by federal securities laws; and

Whereas, The State Comptroller may invest up to seventy percent of the common retirement fund assets in equities investments so long as they meet the prudent investor standard and thirty percent of the common retirement fund assets in fixed income investments; and

Whereas, The New York State Attorney General and state lawmakers have announced a proposal that would create a board of trustees to oversee the state's pension funds, in order to avoid abuse of the common retirement fund; and

Whereas, The proposed Board of Trustees would provide greater accountability and transparency of those overseeing the common retirement fund assets; and

Whereas, The proposed Board of Trustees would include members appointed by the Governor, the Attorney General, and the State Legislature as well as members of the retirement system; and

Whereas, Members of the proposed Board of Trustees would be required to act in accordance with their fiduciary duty, take the oath of office, comply with all regulatory requirements and the code of ethics, report and disclose all conflicts of interest, and participate in training with regards to these requirements; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to place the control of the state pension funds under the Board of Trustees of each fund.

LS # 7524-S8
JW
Date 03/16/10