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*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

## **MINUTES SUPPLEMENTAL RETIREMENT BOARD OF TRUSTEES**

The special meeting of the Supplemental Retirement Board of Trustees was called to order at 2:01 p.m., November 29, 2018, by the Chair, State Treasurer Dale R. Folwell, CPA. The meeting was held in the Dogwood Conference Room of the Longleaf Building at 3200 Atlantic Avenue, Raleigh, NC 27604. The Chair indicated there would be a public comment period for organizations and individuals to address the Board later in the agenda.

### **Members Present**

The board members present were: Treasurer Dale R. Folwell, Chair. Melinda Baran, Steve Beam, Nigel Long, Jim Lumsden, Kelly Russell and Chevella L. Thomas attended via teleconference.

### **Members Absent**

The board members absent were Lorraine Johnson and Michael Lewis.

### **Guests Present**

The guests attending via teleconference were: Lisa Pickelsimer from Callan and Ann Cashman from Prudential.

### **Department of State Treasurer Staff Present**

The staff members present were: Mary Buonfiglio, Reid Chisholm, Patti Hall, Rekha Krishnan, Loren de Mey, April Morris, Maja Moseley, Rhonda Smith, and Steve Toole.

### **Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest**

The Chair asked, pursuant to the ethics rules, about conflicts of interest of board members. No conflicts of interest were identified by the board members.

The Chair noted that a copy of his updated Statement of Economic Interest (SEI) evaluation, as well as a copy of Ms. Thomas's most recent Statement of Economic Interest (SEI) evaluation issued by the State Board of Elections and Ethics Enforcement can be found in the meeting materials appendix. He stated that the evaluations are provided for board members' review and for recording in the meeting minutes pursuant to the requirements of the State Government Ethics Act. The Chair encouraged all members to review the evaluations to inform and remind them of the identified actual or potential conflicts of interest.

### **Invitation to Bid for Investment Consulting Services – Evaluation Committee's Recommendation**

The Chair recognized Mr. Beam and Ms. Baran, members of the Investment Consulting Services Invitation-to-Bid evaluation committee. Mr. Beam directed the attendees' attention to the recommendation memorandum included in the meeting materials and briefly described the three final presentations reviewed. Ms. Bean noted that although all three finalists were strong candidates, and all three could potentially provide a similar level of service, committee members and staff were most impressed with Callan's investment consulting services. Mr. Beam added

*\*Pursuant to the meeting adjournment, Ms. Johnson notified the Secretary of her support for the evaluation committee recommendation.*

that Callan's proposal was also the most cost-efficient and the choice to engage this consultant results in additional savings to the Supplemental Retirement Plans, as well as the Investment Management Division. Mr. Beam emphasized that all committee members are comfortable with the recommendation, and Ms. Baran concurred.

The Chair entertained a motion to approve the recommendation as presented by the evaluation committee. Ms. Thomas so moved and Mr. Lumsden seconded. The motion passed unanimously.

#### **Board of Trustees Comments**

The Chair welcomed the newly appointed Board member, Chevella L. Thomas, and expressed his appreciation for her willingness to serve.

The Chair also noted that the next Board meeting will take place on December 13, 2018.


#### **Public Comments**

No comments were offered.

#### **Adjournment**

There being no further business before the Board, Mr. Beam moved to adjourn, which was seconded by Mr. Lumsden, and the meeting was unanimously adjourned at 2:08 p.m.

  
Chair

  
Secretary



# NORTH CAROLINA

## State Board of Elections & Ethics Enforcement

Mailing Address:  
P.O. Box 27255  
Raleigh, NC 27611-7255

Phone: (919) 814-0700  
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November 27, 2018

The Honorable Dale R. Folwell  
North Carolina Department of State Treasurer  
3200 Atlantic Avenue  
Raleigh, NC 27604

*Via Email*

**Re: Evaluation of Statement of Economic Interest  
Supplemental Retirement Board**

Dear Mr. Folwell:

Our office has received your 2017 and 2018 Statement of Economic Interest as a member of the Supplemental Retirement Board (**the “Board”**). We have reviewed them for actual and potential conflicts of interest pursuant to Chapter 163A of the North Carolina General Statutes (“N.C.G.S.”), also known as the Elections and Ethics Enforcement Act (the “Act”).

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter’s contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 163A-193(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 163A-157.

**We did not find an actual conflict of interest or the likelihood of a conflict of interest.**

The Supplemental Retirement Board of Trustees was established through the Department of State Treasurer to coordinate and administer various supplemental retirement programs, including 457 plans, 401(k) plans and other similar investment vehicles. The Board has the authority to review contracts, agreements or arrangements pertaining to the administrative services and investment of deferred funds under the plans with service providers. Further, the Board may recommend continuation of or changes to such contracts.

The Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. § 163A-211 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. § 163A-216 prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant’s extended family, or a business or non-profit with which the public servant or a member of the public servant’s immediate family is associated may receive a reasonably foreseeable financial benefit.

As the Treasurer for the State of North Carolina, you hold an ex-officio role on the Board.

In addition to the conflicts standards noted above, N.C.G.S. § 163A-212 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. § 163A-212(e).

Pursuant to N.C.G.S. § 163A-159(c), when an actual or potential conflict of interest is cited by the Board under N.C.G.S. § 163A-189(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act.

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 163A-158. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

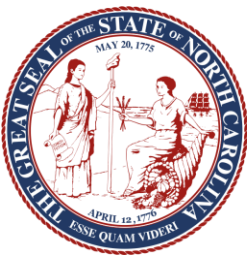
A handwritten signature in blue ink, appearing to read "Annette B. Barefoot".

Annette B. Barefoot, Compliance Analyst  
NC Board of Elections & Ethics Enforcement

cc: Ms. Laura Rowe, Ethics Liaison

Attachment: Ethics Education Flyer





# NORTH CAROLINA

## State Board of Elections & Ethics Enforcement

Mailing Address:  
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### Via Email

November 20, 2018

The Honorable Roy A. Cooper III  
Governor of North Carolina  
20301 Mail Service Center  
Raleigh, North Carolina 27699-0301

**Re: Evaluation of Statement of Economic Interest Filed by Ms. Chevella Thomas  
Prospective Appointee – Supplemental Retirement Board of Trustees**

Dear Governor Cooper:

Our office has received **Ms. Chevella Thomas'** 2018 Statement of Economic Interest as a prospective appointee to the **Supplemental Retirement Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 163A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 163A-193(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 163A-157.

**We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.**

The Supplemental Retirement Board of Trustees was established through the Department of State Treasurer to coordinate and administer various supplemental retirement programs, including 457 plans, 401(k) plans and other similar investment vehicles. The Board has the authority to review contracts, agreements or arrangements pertaining to the administrative services and investment of deferred funds under the plans with service providers. Further, the Board may recommend continuation of or changes to such contracts.

The Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. § 163A-211 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. § 163A-216 prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

Ms. Thomas is a retired state employee who fills the role of a member who has experience in finance and investments. She serves as the treasurer for the State Employees Association of North Carolina ("SEANC") and the North Carolina Central University Alumni Association. Because Ms. Thomas serves for entities whose members could be affected by decisions made, or actions taken by the Board, she has the potential for a conflict of interest. Accordingly, Ms. Thomas should exercise appropriate caution in the performance of her public duties should the State Employees Association of North Carolina ("SEANC") or North Carolina Central University Alumni Association come before the Board for official action.

The Honorable Roy A. Cooper III

November 20, 2018

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In addition to the conflicts standards noted above, N.C.G.S. § 163A-212 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. § 163A-212(e).

Pursuant to N.C.G.S. § 163A-159(c), when an actual or potential conflict of interest is cited by the Board under N.C.G.S. § 163A-189(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act.

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 163A-158. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Mary Roerden".

Mary Roerden, SEI Unit  
NC Board of Elections & Ethics Enforcement

cc: Ms. Chevella Thomas

Attachments: Ethics Education Flyer and Guide