

**TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
& LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING**

State Treasurer Janet Cowell, Chair

Thursday, January 16, 2014

9:00 a.m.

Teleconference Information: (866) 434-5269, Access code: 6936334

LOCATION CHANGE:

NC Museum of Natural Sciences

Nature Research Center

11 West Jones Street, 4th Floor

Raleigh, North Carolina

Agenda Item

Presenter

STATE & LOCAL SYSTEMS

(9:00 a.m. – 10:30 a.m.)

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| I. | Call to Order | <i>Janet Cowell, Chair</i> |
| II. | Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest | <i>Janet Cowell, Chair</i> |
| III. | The Swearing-in of Loris Colclough for the Board of Trustees of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System | <i>Janet Cowell, Chair</i> |
| | The Swearing-in of Alberta Hall and Grace Mynatt for the Board of Trustees of the Teachers' and State Employees' Retirement System | <i>Janet Cowell, Chair</i> |
| | The Swearing-in of Randy Byrd for the Board of Trustees of the Local Governmental Employees' Retirement System | <i>Janet Cowell, Chair</i> |
| IV. | Teachers' and State Employees' Retirement System Minutes from the October 17, 2013, Meeting (Attachment: State Minutes) <u>ACTION REQUIRED: Approval of Minutes</u> | <i>Janet Cowell, Chair</i> |
| V. | Local Governmental Employees' Retirement System Minutes from the October 17, 2013, Meeting (Attachment: Local Minutes) <u>ACTION REQUIRED: Approval of Minutes</u> | <i>Janet Cowell, Chair</i> |
| VI. | Overview of Retirement Systems Legislative Agenda for 2014 (Attachment: SL 1) | <i>Anthony Solari, Director Governmental Affairs, Sam Watts, Policy Development Analyst</i> |

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| VII. | 2013 Comprehensive Annual Financial Report (Attachment SL 2) | <i>Fran Lawrence, Chief Financial Officer</i> |
| VIII. | Update on GASB Accounting Changes (Attachment: SL 3) | <i>Fran Lawrence, Chief Financial Officer</i> |
| IX. | Separate Insurance Benefits Trust (Attachment: SL 4) | <i>Sam Watts, Policy Development Analyst</i> |
| X. | Update on Placement Agent Policy (Attachment: SL 5) | <i>Jay Chaudhuri, Blake Thomas, General Counsel</i> |
| XI. | Increase in the amount of reemployment earnings before suspension of retirement allowance (Attachment: SL 6) | <i>Steve Toole, Director</i> |

ACTION REQUIRED: Approval of Increase

STATE SYSTEM

(10:30 a.m. – 11:15 a.m.)

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| XII. | Presentation by the Consulting Actuary on the Principal Results of Actuarial Valuations, as of December 31, 2012, by Buck Consultants for the Legislative Retirement System (Attachment: SS 1) | <i>Larry Langer & Michael Ribble, Buck Consultants</i> |
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ACTION REQUIRED – Vote to Accept Report

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| XIII. | Annual Required Contribution (ARC) Projections for State System (Attachment: SS 2) | <i>Larry Langer & Michael Ribble, Buck Consultants</i> |
| XIV. | Cumulative Impact of Inflation on Retiree's Benefits (Attachment: SS 3) | <i>Sam Watts, Policy Development Analyst</i> |
| XV. | 2014 Fiscal Year Alternatives for the General Assembly for State and Judicial Systems & Budget Recommendations for National Guard (Attachment: SS 4) | <i>Steve Toole, Director</i> |

BREAK

(11:15 a.m. – 11:25 a.m.)

LOCAL SYSTEM

(11:25 a.m. – 12:00 p.m.)

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| XVI. | Annual Required Contribution (ARC) Projections for Local System (Attachment: LS 1) | <i>Larry Langer & Michael Ribble, Buck Consultants</i> |
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| XVII. | 2014 Fiscal Year Alternatives for Local System and Budget Recommendations for Firefighters' and Rescue Squad Workers' Pension Fund (Attachment: LS 2) | <i>Steve Toole, Director</i> |
| XVIII. | Court Cost Offset for Law Enforcement Officers (Attachment: LS 3) | <i>Steve Toole, Director</i> |
| XIX. | Applications of qualified political subdivisions of the State to become participating employers with the System (Attachment: LS 4) | <i>Steve Toole, Director</i> |

Town of Midway

ACTION REQUIRED – Approval of New Local Employers

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| XX. | Discussion on the Firefighters' and Rescue Squad Workers' Pension Fund Advisory Panel (7 person advisory panel) (Attachment: LS 5) | <i>Steve Toole, Director</i> |
| XXI. | Discussion on converting the Actuarial Valuation for Firefighters' and Rescue Squad Workers' Pension Fund from fiscal year to calendar year | <i>Steve Toole, Director</i> |
| XXII. | Update on the Firefighters' and Rescue Squad Workers' Pension Fund Data Cleanse Project | <i>Jim Ferreri & Chandra Miller, Buck Consultants</i> |

FISCAL YEAR ALTERNATIVES

(12:00 p.m. – 12:45 p.m.)

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| XXIII. | Public comment by any association or organization that represents North Carolina public employees or retirees - please sign in. | <i>Janet Cowell, Chair</i> |
| XXIV. | Setting of 2014 Employer Contribution Rates and make recommendations to the North Carolina General Assembly <ol style="list-style-type: none"> 1. Recommendations on Employer Contribution Rates for State System 2. Recommendations on Employer Contribution Rates for Consolidated Judicial 3. Recommendations on Employer Contribution Rates for Disability Income Plan 4. Budget Recommendation for National Guard 5. Setting the Employer Contribution Rate for Local System 6. Budget Recommendations for Firefighters' and Rescue Squad Workers' Pension Fund 7. Recommendations on Separate Insurance Benefit Trust | <i>Steve Toole, Director</i> |

ACTION REQUIRED: Decision on State and Local Systems

DIRECTOR'S REPORT

(12:45 p.m. – 1:00 p.m.)

- XXV. ❖ Operations Update
(Attachment: Director's Report)

Steve Toole, Director

APPENDIX

- ❖ Board Members
- ❖ Helpful Links

DATE OF NEXT MEETING

- ❖ Thursday, April 17, 2014 at 9:00 a.m. EST

ADJOURNMENT

(1:00 p.m.)

Questions relating to items on the Agenda should be addressed to the
Department of State Treasurer, Retirement Systems Division by email at tsersboard@nctreasurer.com or
lgersboard@nctreasurer.com