

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

State Treasurer Dale R. Folwell, CPA, Chair

Thursday, January 26, 2017

9:30 a.m.

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

LOCATION:

*Department of State Treasurer
Dogwood Conference Room, 1st Floor
3200 Atlantic Avenue
Raleigh, NC 27604*

Agenda Item

Presenter

GENERAL BUSINESS

(9:30 a.m. – 11:15 a.m.)

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| I. | Call to Order | <i>Dale R. Folwell, CPA,
Chair</i> |
| II. | Introduction and Swearing-in of new members of the Board of Trustees of the Teachers' and State Employees' Retirement System and Local Governmental Employees' Retirement System

Barbara Gibson: State
David Dear: Local
Matthew Meredith: Local | <i>Dale R. Folwell, CPA,
Chair</i> |
| III. | Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest | <i>Dale R. Folwell, CPA,
Chair</i> |
| IV. | Teachers' and State Employees' Retirement System Minutes from the October 27, 2016, Meeting
(Attachment: State Minutes)
<u>ACTION REQUIRED: Approval of Minutes</u> | <i>Dale R. Folwell, CPA,
Chair</i> |
| V. | Local Governmental Employees' Retirement System Minutes from the October 27, 2016, Meeting
(Attachment: Local Minutes)
<u>ACTION REQUIRED: Approval of Minutes</u> | <i>Dale R. Folwell, CPA,
Chair</i> |

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| <p>VI. Adoption of Resolution of Appreciation for the service of State Treasurer Janet Cowell, for her outstanding service as Chair of the Boards of Trustees of the Teachers’ and State Employees’ Retirement System and the Local Governmental Employees’ Retirement System
(Attachment: Resolutions)
<u>ACTION REQUIRED: Adoption of Resolution (State & Local)</u></p> | <p><i>Dale R. Folwell, CPA,
Chair</i></p> |
| <p>VII. Adoption of Resolutions of Appreciation for the services of R. Michael Bradley and James “Randy” Byrd, for their outstanding service as members of the Board of Trustees of the Local Governmental Employees’ Retirement System
(Attachment: Resolutions)
<u>ACTION REQUIRED: Adoption of Resolutions (Local)</u></p> | <p><i>Dale R. Folwell, CPA,
Chair</i></p> |
| <p>VIII. Adoption of Resolutions of Appreciation for the services of Col. William Grey and Paula Woodhouse, for their outstanding service as members of the Board of Trustees of the Teachers’ and State Employees’ Retirement System
(Attachment: Resolutions)
<u>ACTION REQUIRED: Adoption of Resolution (State)</u></p> | <p><i>Dale R. Folwell, CPA,
Chair</i></p> |
| <p>IX. RSD Operations Update
(Attachment: GB 1)</p> | <p><i>Thomas Causey, Deputy
Director of Operations</i></p> <p><i>Michael Jackson, Chief,
Member Services</i></p> <p><i>Nick Byrne, Deputy
Director of Policy,
Planning & Compliance</i></p> |
| <p>X. Update on the Investment Advisory Council (IAC) Meetings</p> | <p><i>John Aneralla and
Michael Mebane,
Members of the IAC</i></p> |
| <p>XI. Overview of Retirement Systems Division’s Legislative Agenda for 2017 Long Session of the North Carolina General Assembly</p> | <p><i>Edgar Starnes, Senior
Policy Advisor and
Legislative Liaison</i></p> <p><i>Sam Watts, RSD Policy
Director</i></p> |
| <p>XII. Increase in the amount of reemployment earnings before suspension of retirement allowance
(Attachment: GB 2)
<u>ACTION REQUIRED: Approval of Increase</u></p> | <p><i>Steve Toole,
Executive Director</i></p> |

- XIII. Presentation from Conduent (Buck Consultants) on the Boards' Assessment *Linda VanDeventer, Conduent*
- XIV. Consult with the Boards of Trustees, Pursuant to N.C.G.S §143-318.11(a)(1),(3), and (5), and N.C.G.S. §132-1.2(1) *Dale R. Folwell, CPA, Chair*
ACTION REQUIRED: Motion to Close Meeting Pursuant to G.S. §143-318.11(a)(6) & (c)
- XV. Executive Director Assessment Report *Linda VanDeventer, Conduent*
ACTION REQUIRED: Motion to reopen Meeting

BREAK

(11:15 a.m. – 11:30 a.m.)

STATE SYSTEM

(11:30 a.m. – 12:15 p.m.)

- XVI. Actuarially Determined Employer Contribution (ADEC) Projections for State System (Attachment: SS 1) *Larry Langer & Michael Ribble, Conduent*
- XVII. Presentations on the 2017 Fiscal Year Alternatives for the General Assembly for:
▪ Teachers' and State Employees' Retirement System
▪ Legislative Retirement System
▪ Consolidated Judicial Retirement System
▪ Disability Income Plan of North Carolina
▪ Budget Recommendations for National Guard
(Attachment: SS 2) *Steve Toole, Executive Director*
- XIIX. Application of Charter School to become a participating employer in the Teachers' and State Employees' Retirement System, pursuant to G.S. 135-5.3 (Attachment: SS 3) *Steve Toole, Executive Director*

The North Carolina Leadership Academy

ACTION REQUIRED – Approval of Charter School to become a participating employer in TSERS

LUNCH

(12:15 p.m. – 12:45 p.m.)

LOCAL SYSTEM

(12:45 p.m. – 1:45 p.m.)

- XIX. Actuarially Determined Employer Contribution (ADEC) Projections for Local System
(Attachment: LS 1) *Larry Langer & Michael Ribble, Conduent*
- XX. Analysis of State Contribution Rate Stabilization Policy for the Firefighters' and Rescue Squad Workers' Pension Fund
(Attachment: LS 2) *Steve Toole, Executive Director*
ACTION REQUIRED: Adoption of the State Contribution Rate Stabilization Policy
- XXI. Presentations on the 2017 Fiscal Year Alternatives for the Local Governmental Employees' Retirement System Board for:
▪ Local Governmental Employees' Retirement System
▪ Firefighters' and Rescue Squad Workers' Pension Fund
▪ Register of Deeds' Supplemental Pension Fund
(Attachment: LS 3) *Steve Toole, Executive Director*
- XXII. Court Cost Offset for Law Enforcement Officers
(Attachment: LS 4) *Steve Toole, Executive Director*
- XXIII. Application of qualified political subdivision of the State to become participating employer with the System
(Attachment: LS 5) *Steve Toole, Executive Director*

Brunswick County Airport Commission
d.b.a. Cape Fear Regional Jetport

ACTION REQUIRED – Approval of New Local Employer

STATE AND LOCAL FISCAL YEAR ALTERNATIVES

(1:45 p.m. – 2:30 p.m.)

- XXIV. Public comment by any association or organization that represents North Carolina public employees or retirees - please sign in. *Dale R. Folwell, CPA Chair*
- XXV. Setting of 2017 Employer Contribution Rates and making recommendations to the North Carolina General Assembly for: *Steve Toole, Executive Director*
1. TSERS Employer Contribution Rate (*State*)
(Attachment: SS 2)
ACTION REQUIRED – Decision on TSERS
 2. LRS Employer Contribution Rate (*State*)
(Attachment: SS 2)
ACTION REQUIRED – Decision on LRS
 3. CJRS Employer Contribution Rate (*State*)
(Attachment: SS2)
ACTION REQUIRED – Decision on CJRS

4. DIPNC Employer Contribution Rate (*State*)
(Attachment: SS 2)
ACTION REQUIRED – Decision on DIPNC
5. National Guard Appropriation Recommendation (*State*)
(Attachment: SS 2)
ACTION REQUIRED – Decision on National Guard
6. LGERS Employer Contribution Rate (*Local*)
(Attachment: LS2)
ACTION REQUIRED – Decision on LGERS
7. Firefighters’ and Rescue Squad Workers’ Pension Fund
Appropriation Recommendation (*Local*)
(Attachment: LS 3)
ACTION REQUIRED – Decision on Fire and Rescue
8. Register of Deeds’ Supplemental Pension Fund
Appropriation Recommendation (*Local*)
(Attachment: LS 3)
ACTION REQUIRED – Decision on Register of Deeds

BOARDS OF TRUSTEES COMMENTS

APPENDIX

- ❖ 2016 NC Comprehensive Annual Financial Report
- ❖ Charter School Financial Review
- ❖ Two-Year Evaluation of Anti-Pension Spiking Policy
- ❖ Board Members
- ❖ Calendar of Board Meetings

DATE OF NEXT MEETING

- ❖ Thursday, April 20, 2017 at 9:30 a.m. EST

ADJOURNMENT

(2:30 p.m.)

Agenda times are tentative, subject to change and are for Board use only.

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