



**North Carolina**  
Total Retirement Plans



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

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

**State Treasurer Dale R. Folwell, CPA, Chair**

**Thursday, January 31, 2019**

**9:30 a.m.**

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

**LOCATION:**

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

**Agenda Item**

**Presenter**

**GENERAL BUSINESS**

(9:30 a.m. – 11:00 a.m.)

- |      |   |  |
|------|---|--|
| I.   | Call to Order   | <i>Dale R. Folwell, CPA,<br/>Chair</i> |
| II.  | Ethics Act <ol style="list-style-type: none"><li>1. Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest</li><li>2. Statements of Economic Interest</li></ol>                  | <i>Dale R. Folwell, CPA,<br/>Chair</i> |
| III. | Introduction and Swearing-in of members of the Boards of Trustees of the Local Governmental Employees' Retirement System <p style="margin-left: 40px;">Sheriff Cleveland "Clee" Atkinson Jr., Local Board</p> | <i>Dale R. Folwell, CPA,<br/>Chair</i> |
| IV.  | Teachers' and State Employees' Retirement System Minutes from the October 25, 2018, Meeting<br>(Attachment: State Minutes)<br><b>ACTION REQUIRED: Approval of Minutes (State)</b>                             | <i>Dale R. Folwell, CPA,<br/>Chair</i> |

- V. Local Governmental Employees' Retirement System Minutes from the October 25, 2018, Meeting  
(Attachment: Local Minutes)  
**ACTION REQUIRED: Approval of Minutes (Local)**
- Dale R. Folwell, CPA,  
Chair*
- VI. Adoption of Resolution of Appreciation for the services of the Sheriff Carson Smith, recognizing his outstanding service as a member of the Board of Trustees for the Local Governmental Employees' Retirement System  
**ACTION REQUIRED: Approval of Resolution from Local Board**
- Dale R. Folwell, CPA,  
Chair*
- VII. RSD Administration Update  
(Attachment: Administration Update)
- Thomas Causey,  
Deputy Director of  
Operations*
- Vicki Roberts,  
Deputy Director of Member  
Services*
- Patrick Kinlaw,  
Director of Policy, Planning  
& Compliance*
- VIII. Update on the Investment Advisory Committee (IAC) Meetings
- Lentz Brewer and Greg  
Patterson, IAC Members*
- IX. Closed Session (Tryon Conference Room) Pursuant to N.C.G.S. §143-318.11(a)(3)  
**ACTION REQUIRED: Vote to close the meeting pursuant to N.C.G.S. §143-318.11(a)(3) to consult with legal counsel regarding pending litigation involving the Johnston, Wilkes, Union and Cabarrus Boards of Education (State Board)**  
**ACTION REQUIRED: Vote to reopen meeting**
- Jody Newsome,  
NC DOJ, Special Deputy  
Attorney General*
- X. Recommendation for "Date Set by Board of Trustees" under N.C.G.S. §128-30(g)(3) and §135-8(f)(3) for Employer Contributions Satisfying Contribution-Based Benefit Cap Liabilities  
(Attachment: CBBC Liability Payment Date)  
**ACTION REQUIRED: Approval by State Board**  
**ACTION REQUIRED: Approval by Local Board**
- Patrick Kinlaw,  
Director of Policy,  
Planning, and Compliance*
- XI. Recommendation for Decennial Rules Review Readoption Date  
(Attachment: Decennial Rules Readoption Date)  
**ACTION REQUIRED: Approval by State Board**  
**ACTION REQUIRED: Approval by Local Board**
- Christina Strickland,  
RSD General Counsel*

- XII. Proposed Administrative Rules for Monthly Reports to Employers under N.C.G.S. §128-30(g)(2)b. and §135-8(f)(2)f.  
(Attachment: Proposed Administrative Rules)  
**ACTION REQUIRED: Approval of Rule Text by State Board**
- Christina Strickland,  
RSD General Counsel*
- ACTION REQUIRED: Approval of Rule Text by Local Board**
- XIII. Contribution-Based Benefit Cap Average Final Compensation Threshold Determination  
(Attachment: CBBC Threshold)  
**ACTION REQUIRED: Approval by State Board**
- Patrick Kinlaw,  
Director of Policy, Planning  
& Compliance*
- ACTION REQUIRED: Approval by Local Board**
- XIV. Increase in the Amount of Reemployment Earnings Before Suspension of Retirement Allowance  
(Attachment: Reemployment Earnings)
- Steve Toole,  
Executive Director*
- ACTION REQUIRED: Approval by State Board**
- ACTION REQUIRED: Approval by Local Board**

## STATE SYSTEM

(11:00 a.m. – Noon)

- XV. Actuarially Determined Employer Contribution (ADEC) Projections for State System  
(Attachment: State ADEC Projections)
- Larry Langer and  
Jonathan Craven,  
Cavanaugh Macdonald  
Consulting LLC*
- XVI. Presentations on the 2019 Fiscal Year Alternatives for the General Assembly for:
- Teachers' and State Employees' Retirement System (TSERS)
  - Legislative Retirement System (LRS)
  - Consolidated Judicial Retirement System (CJRS)
  - Disability Income Plan of North Carolina (DIPNC)
  - Budget Recommendations for National Guard
- (Attachment: State 2019 Fiscal Alternatives)
- Steve Toole,  
Executive Director*

## LOCAL SYSTEM

(Noon – 1:00 p.m.)

- XVII. Employer Contribution Rate Stabilization Policy (ECRSP) Alternatives for Local System  
(Attachment: Local ECRSP Alternatives)
- Patrick Kinlaw,  
Director of Policy,  
Planning, and Compliance*
- XVIII. Actuarially Determined Employer Contribution (ADEC) Projections for Local System  
(Attachment: Local ADEC Projections)
- Larry Langer and  
Jonathan Craven,  
Cavanaugh Macdonald  
Consulting LLC*

- XIX. Presentations on the 2019 Fiscal Year Alternatives for the Local Governmental Employees' Retirement System Board for:
- Local Governmental Employees' Retirement System (LGERS)
  - Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF)
  - Registers of Deeds' Supplemental Pension Fund
- (Attachment: Local 2019 Fiscal Alternatives)

Steve Toole,  
Executive Director

- XX. Court Cost Offset for Law Enforcement Officers  
(Attachment: LEO Court Cost Offset)

Steve Toole,  
Executive Director

## STATE AND LOCAL – ESTABLISH RATES

(1:00 p.m. – 2:00 p.m.)

- XXI. Public comment – please sign in.

Dale R. Folwell, CPA,  
Chair

- XXII. Setting of Employer Contribution Rates Effective July 1, 2019, and Recommendations to the North Carolina General Assembly for:

Steve Toole,  
Executive Director

1. TSERS Employer Contribution Rate **(State)**  
(Attachment: State 2019 Fiscal Alternatives)  
**ACTION REQUIRED: Decision on TSERS**
2. LRS Employer Contribution Rate **(State)**  
(Attachment: State 2019 Fiscal Alternatives)  
**ACTION REQUIRED: Decision on LRS**
3. CJRS Employer Contribution Rate **(State)**  
(Attachment: State 2019 Fiscal Alternatives)  
**ACTION REQUIRED: Decision on CJRS**
4. DIPNC Employer Contribution Rate **(State)**  
(Attachment: State 2019 Fiscal Alternatives)  
**ACTION REQUIRED: Decision on DIPNC**
5. National Guard Appropriation Recommendation **(State)**  
(Attachment: State 2019 Fiscal Alternatives)  
**ACTION REQUIRED: Decision on National Guard**
6. LGERS Employer Contribution Rate **(Local)**  
(Attachment: Local 2019 Fiscal Alternatives)  
**ACTION REQUIRED: Decision on LGERS**
7. Firefighters' and Rescue Squad Workers' Pension Fund Appropriation Recommendation **(Local)**  
(Attachment: Local 2019 Fiscal Alternatives)  
**ACTION REQUIRED: Decision on FRSWPF**
8. Registers of Deeds' Supplemental Pension Fund Recommendation **(Local)**

## **BOARDS OF TRUSTEES COMMENTS**

## **STAFF COMMENTS**

## **APPENDIX**

- Statements of Economic Interest
- 2018 NC Comprehensive Annual Financial Report
- December 4, 2018, letter from State Controller and State Treasurer to U.S. Department of Health and Human Services
- October 16, 2018, Retirement Systems Division memo summarizing historical short-term disability reimbursements under DIPNC, for use by employers in planning for effects of Session Law 2018-52
- Board Members

## **DATES OF FUTURE MEETINGS**

- Thursday, April 25, 2019 at 9:30 a.m. EST
- Thursday, July 25, 2019 at 9:30 a.m. EST
- Thursday, October 31, 2019 at 9:30 a.m. EST

## **ADJOURNMENT**

(2:00 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](mailto:tsersboard@nctreasurer.com) or  
[lgersboard@nctreasurer.com](mailto:lgersboard@nctreasurer.com).