

MEMORANDUM

TO: Local Governmental Employees' Retirement System Board of Trustees (LGERS Board)

FROM: Taylor Matyi
Policy Development Analyst
Retirement Systems Division (RSD)

DATE: April 24, 2025

RE: New Local Unit Applying for Participation in LGERS and Its Election to Pick Up Employee Contribution

Pursuant to N.C.G.S. § 128-23(c), this memorandum details the request from a local unit that desires to join the Local Governmental Employees' Retirement System (LGERS). The following unit has elected participation for general employees in LGERS with an effective date of July 1, 2025. Employer participation requires approval by the Board of Trustees.

Unit	Net Employer Contribution Rate upon Entrance	Number of Eligible Employees	Pick-Up Date
Thomasville Tourism Commission (TTC)	TBD*	2	July 1, 2025

* The employer contribution rate effective July 1, 2025 has not yet been established by the LGERS Board of Trustees as of the writing of this memo. According to the LGERS Employer Contribution Rate Stabilization Policy (ECRSP), the employer contribution rate with respect to general employees should be 14.35%.

There are no units to be added to LGERS only with respect to law enforcement officers pursuant to N.C.G.S. § 128-23(g). (Had there been any, this action would not require approval by the Board of Trustees.)

Note regarding surety requirement: Under G.S. 128-23.1(i), any employer wishing to join LGERS as an employer on or after September 1, 2023, other than a taxing authority, must obtain a surety to cover an estimate of the withdrawal liability should the employer later cease participation. The Board of Trustees has adopted administrative rules under 20 NCAC 02C .0210-.0211 defining this requirement. Based on application information, TTC is not a taxing authority.

Retirement Systems Division (RSD) staff has confirmed that TTC meets the basic legal and financial requirements and is therefore eligible to be approved by the Board of Trustees for participation in LGERS.

Thomasville Tourism Commission (TTC)

The Thomasville City Council was directed by S.L. 1993-453 to adopt a resolution to establish the TTC. The TTC has 2 eligible general employees. The total annual salaries for these 2 positions are estimated to be \$91,000. The TTC is not a taxing authority, and is therefore required to obtain a surety under G.S. 128-23(i) as a condition of participating in LGERS. The consulting actuary for LGERS has calculated the required surety amount (i.e., the estimated withdrawal liability after ten years) to be \$38,579. As of April 10, 2025, TTC had established an escrow account in the amount of \$38,579, and filed the "Acknowledgement and Acceptance of Withdrawal Liability Obligation" with LGERS, and documented through minutes (dated March 25, 2025) their governing board's agreement to maintain an amount in a secure instrument (including the escrow account) at least equal to the estimated withdrawal liability throughout their participation in LGERS, all in compliance with G.S. 128-23(i) and the administrative rules thereunder.

Financial Note:

The TTC is reported as a component unit of the City of Thomasville. During the fiscal year ended June 30, 2024, the TTC had revenues of \$227,929 and expenses of \$252,047, resulting in a \$24,118 decrease in net position. As of June 30, 2024, the TTC had cash and cash equivalents of \$304,618; receivables of \$17,243; net capital assets of \$10,366; total liabilities of \$9,774; and a total net position of \$322,983. As of June 30, 2024, the General Fund of the TTC had a total fund balance of \$312,617, a decline of \$21,092 for the year ended June 30, 2024 (versus a budgeted decline of \$25,000), and the TTC's expenditures were less than the final amount budgeted for that year by \$6,979.

Staff Recommendation:

Department of State Treasurer staff has concluded that the TTC's financial reports indicate they would be able to make the required contributions for LGERS participation.