



**North Carolina**  
Total Retirement Plans



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

## MINUTES

### BOARD OF TRUSTEES OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

The regularly quarterly meeting of the Board of Trustees was called to order at 9:01 a.m., July 25, 2024, by the Chair, State Treasurer Dale R. Folwell, CPA. The meeting was held in the Dogwood Conference Room of the Lingle Building at 3200 Atlantic Avenue, Raleigh, NC 27604. The Chair thanked the members of the Board for their service. The Chair indicated there would be a public comment period for organizations and individuals to address the Board later in the agenda.

#### **Members Present in Person or via Telephone**

Treasurer Dale R. Folwell, Matthew Calabria (via telephone), Janet Blount (designee for Catherine Truitt, via telephone), Wilson Weaver (via telephone), Homer Dearmin, Jeffrey Morse (via telephone), Benjamin Bobzien, Lentz Brewer (via telephone), Pat Hurley, and Avril Pinder.

#### **Members Absent**

Melody Reagan, Nancy Vaughan, and Vernon Gammon.

#### **Guests in Attendance in Person or via Telephone**

David Vanderwhite with the North Carolina Legislature; Mary Scruggs and Natalia Isenburg with the North Carolina Department of Justice; Christopher Doll with CEM Benchmarking (via telephone); Mike Ribble and Elizabeth Wiley with Gallagher; and Blair Paul.

#### **Department of State Treasurer Staff Present in Person or Via Telephone**

Tonya Bass, Thomas Causey, Elizabeth Hawley, Patrick Kinlaw, Richard Lopez, Timothy Melton, and Lisa Norris.

#### **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.

#### **Introduction of Appointments and Reappointments of Members of the Board of Trustees of the Local Governmental Employees' Retirement System**

The Chair recognized the appointments of and introduced Matthew Calabria, Avril Pinder, Benjamin Bobzien, and Wilson Weaver to the Local Governmental Employees' Retirement System Board of Trustees and acknowledged the reappointments of Homer Dearmin, Nancy Vaughan, Melody Reagan, and Jeffrey Morse.

### **Approval of the Local Minutes from the April 25, 2024 Board Meeting**

Homer Dearmin moved the Board to approve the minutes of the April 25, 2024 Board meeting, Pat Hurley seconded the motion, and the minutes were approved by a unanimous vote of 10-0.

### **Adoption of Resolution of Appreciation for the Services of Ms. Brenda Howerton, Mr. Cleveland Atkinson, Jr., Mr. Kevin Gordon, and Mr. Tony Brown**

It was moved by Homer Dearmin, seconded by Wilson, and carried unanimously with a vote of 10-0 that the resolution of appreciation for the services of Ms. Brenda Howerton, Mr. Cleveland Atkinson, Jr., Mr. Kevin Gordon, and Mr. Tony Brown be approved.

### **Operations, Member Services, and Compliance Update**

The Chair recognized Rick Lopez, Director of Operations for an update on the Division's operations. Mr. Lopez began by discussing the retirement processing section noting the section is comprised of 1 manager, 17 analysts, 12 QC's, 1 retiree and 2 vacant positions. Mr. Lopez discussed that the retirement processing section saw a 25% increase in retirements from June of 2024 compared to June of 2023 noting RSD received just over 1400 retirement request for June with a turnaround time of 37 days. Mr. Lopez discussed that the two highest months for retirement are always January and July noting the average for January is around normally around 2100 and July's average falls anywhere between 3500 to 4000. Mr. Lopez moved on to discuss the benefits processing noting benefits processing is comprised of the survivor benefits section, disability benefits section, and refunds section. Mr. Lopez stated there is currently one manager responsible for all three sections, but that RSD will be adding another manager for the survivor benefits section and has brought in additional working supervisors in each of the sections. Mr. Lopez noted the survivor benefits section is comprised of 2 supervisors, 8 analysts, 6 QC's, and 2 temporary employees. Mr. Lopez moved on to discuss death notifications noting the team receives at least 800 notifications a month. Mr. Lopez discussed recent legislation noting that RSD is now allowed to make determinations on short term disability and are currently recruiting a short-term disability specialist. Mr. Lopez moved on to discuss refunds noting that volume has been extremely high with an average of 1,300–1,500 requests per month. Mr. Lopez moved on to discuss payroll processing RSD pays 360-370,000 people upwards of over \$629 million a month. Mr. Lopez closed by praising the imaging team noting that during COVID they were here daily making sure other teams had what they needed to process member requests.

The Chair recognized Tonya Bass for a presentation on the metrics for Member Services. Ms. Bass began by giving a brief overview of member services and what they do, noting it is comprised of the Educational Retirement Group and the Counseling Center. Ms. Bass discussed the Education Retirement Group noting from April to June they have conducted 167 counseling sessions and assisted 164 visitors at the front desk. Ms. Bass discussed webinars hosted noting for fiscal year to date they have conducted 125 webinars with over 11,000 attendees. Ms. Bass moved on to discuss email volume noting that in March RSD received over 82,000 emails but from April to June saw a 20% decrease and then leveled out to the average volume of 6,000 emails a month. Ms. Bass moved on to discuss the counseling center noting the average speed of answer was just under 3 minutes and 30 seconds with a reduction of 50% from April to June. Ms. Bass closed by discussing call volume noting the call center received over 26,600 calls in February, saw a slight decrease to 26,200 calls by the end of April, and were down to just over 18,000 calls by end of June.

The Chair recognized Director of Policy, Planning & Compliance, Patrick Kinlaw. Mr. Kinlaw began by discussing the contribution-based benefit cap noting during the ten and a half years since the pension spiking law became in effect RSD has invoiced a total of \$87.2 million and recovered \$80.7 million of that. Mr. Kinlaw briefly discussed the pension spiking litigation efforts as well as Session Law 2023-48. Mr. Kinlaw moved on to provide

an update on whether any decisions have been made about whether an overpayment was entirely due to administrative error noting that during the second quarter RSD determined one overpayment fit the description. Mr. Kinlaw discussed administrative rules noting that four rules previously approved by the Board were approved by the Rules Review Commission towards the end of June. Mr. Kinlaw closed by discussing the appendixes and noting that Gallagher (previously Buck) were present to present the first ever actuarial stress testing report for the Teachers and State Employees' Retirement System.

### **Presentation on the Defined Benefit Administration Benchmarking Analysis Report, Prepared by CEM Benchmarking**

The Chair recognized Christopher Doll with CEM Benchmarking for a presentation on the Defined Benefit Administration Benchmarking Analysis Report noting the results are for the period of January 1, 2022 through June 30, 2023. Mr. Doll began by providing a brief background of what CEM Benchmarking does noting they provide reporting on cost and performance to participating pension plans as well as provide peer-to-peer data-driven insights. Mr. Doll moved on to discuss the key takeaways of the report noting RSD's costs were \$30 per active member which was \$79 below the peer average, RSD's costs increased by 4.3% per annum over seven years while peers saw increases of 2.2%, RSD's service score was 80 slightly below the peer median of 81, and that RSD's service score has increased over the last seven years from 72 to 80.

### **Legislative Update**

The Chair recognized Taylor Matyi to provide an update on the 2024 Legislative Session. Mr. Matyi began by stating there have been five bills passed into law that impact the Retirement Systems noting that 3 of those 5 bills originated from RSD. Mr. Matyi noted the requested bills included technical corrections to make the statutes cleaner, the remainder of the service purchase rewrite project, administrative changes, and changes to the Fire and Rescue Squad Pension fund benefits and contribution. Mr. Matyi closed by noting that staff is working to put together the legislative memo that comes out in the fall of every year with hopes to present it at the October Board meeting.

### **Report from the Advisory Panel of the Firefighters' and Rescue Squad Workers' Pension Fund on the Status and Needs of the Plan**

The Chair recognized Thomas Causey for an overview of the Firefighters' and Rescue Squad Workers' Pension Fund Status and Needs of the Plan Report. Mr. Causey began by providing a brief background on the Advisory Panel and report noting that the Advisory Panel has no administrative authority but provides recommendations in the report around funding, investments, benefits, and administrative policies. Mr. Causey stated the Advisory Panel met on June 5, 2024 where staff presented updates on legislation, operations, communications, and actuarial valuations to the Advisory Panel. Mr. Causey noted that staff and the Advisory panel review the previous year's report and the Advisory Panel identified needs and recommendations for staff to capture in this year's report. Mr. Causey stated that the needs remained mainly unchanged from the previous report but that he wanted to call attention to need number 3 on page 7 noting it is something the Panel has mentioned as a strong need where currently members that reach 20 years of service receive \$170 a month beginning at age 55 but receive no additional benefit when they retire if additional service was provided after age 55 and before retirement, the Panel recommended a change to allow for additional benefits based on additional service time similar to the National Guard Pension Fund. Mr. Causey noted that most of the additional recommendations made are around communications with departments and members, including the Retirement Systems requesting more structured and frequent reporting.

Benjamin Bobzien moved to accept the report, Avril Pinder seconded the motion, and the motion passed by unanimous vote of 10-0.

#### **Firefighters' and Rescue Squad Workers' Advisory Panel Appointment Recommendation**

Avril Pinder made a motion to accept staffs recommendation to appoint Benjamin Bobzien to the Firefighters' and Rescue Squad Workers' Advisory Panel. Homer Dearmin seconded the motion, and the motion passed by a unanimous vote of 9-0. Benjamin Bobzien recused himself from the vote.

#### **Application of a Qualified Political Subdivision of the State to Become a Participating Employer with the Local Governmental Employees' Retirement System**

The Acting Chair recognized Patrick Kinlaw to present the application of Swain County Tourism Development Authority (TDA) to become a participating employer with the Local Governmental Employees' Retirement System. Mr. Kinlaw noted the Board did discuss their application at the April Board meeting and all requirements to join LGERS had been met except for obtaining the required amount of surety. Mr. Kinlaw stated that in May the TDA informed staff that they have obtained the surety which has been put in an escrow account. Mr. Kinlaw noted that is the Board approves their application they will become a participating employer effective October 1, 2024.

Jeffrey Morse made a motion to accept the application of Swain County Tourism Development Authority. Benjamin Bobzien seconded the motion and the motion passed with a unanimous vote of 10-0.

#### **Report on the Amounts and Sources of Funds Collected by Year and Amounts Expended, the Projects for Which Funds Were Expended, and Current Status of the Legislative Enactment Implementation Arrangements (LEIAs) Pursuant to N.C.G.S. §135-7(h)(5) and N.C.G.S. §128-29(g)(5)**

The Acting Chair recognized Patrick Kinlaw. Mr. Kinlaw provided a brief background on the requirements and background history of the required report. Mr. Kinlaw noted that as of June 30<sup>th</sup> the division has not identified any legislation that has resulted in implementation projects that are eligible for LEIA expenditures. Mr. Kinlaw further stated the amounts collected through June 30<sup>th</sup> have been zero and the amounts expended have been zero. Mr. Kinlaw noted that upon acceptance of the reports, staff will communicate the report to the legislature.

Avril Pinder moved to accept the report, Benjamin Bobzein seconded the motion, and the motion passed by unanimous vote of 10-0.

#### **LEIA Request to Fund the Replacement of the Integrated Imaging and Document Management System**

The Acting Chair recognized Patrick Kinlaw. Mr. Kinlaw stated that the legislative change that was recently enacted says that the LEIA can be used not just for cost saving legislation but also if the boards determine that there is an administrative or IT need that the LEIA funding should be used for to prevent interruption to the normal operation of the Retirement Systems. Mr. Kinlaw discussed that staff has discovered the need for the implementation of a new image and document management system (IDMS) noting that staff learned last October that the system currently being using will no longer be supported by the vendor after the end of 2024. Mr. Kinlaw noted that the IMDS is essential to RSD because it captures, digitalizes, and archives images and documents that are created within RSD or that come in through the mail, fax, or other means and ensures that every document goes through the people and steps necessary to process it. Mr. Kinlaw noted the department has been conducting a procurement process for a new IMDS that is still underway, but that staff expects the implementation costs for the new system will not exceed \$1 million. Mr. Kinlaw stated that staffs request is that the Board identifies this implementation project as an administrator IT purpose eligible for LEIA funding.

Homer Dearmin made a motion to accept staffs request. Avril Pinder seconded the motion, and the motion passed by unanimous vote of 10-0.

#### **Update on the Investment Advisory Committee (IAC) Meetings**

The Chair recognized Lentz Brewer to provide an update on the IAC meetings. Mr. Brewer stated that the Investment Advisory Committee (IAC) last met on May 29, 2024. Mr. Brewer stated it was reported that the total assets under management came to \$183.6 billion with retirement assets comprising \$121.7 billion of that number. Mr. Brewer noted that as of May 14<sup>th</sup> the Retirement Systems asset allocation remained largely unchanged from year end 2023 with a growth portfolio remaining underweight of 52.73%, rates in liquidity remained overweight at 35.5%, inflation sensitive assets remained underweight at 9.67%, and the multi-strategy portfolio was overweight at just over 2%. Mr. Brewer moved on to discuss portfolio returns noting the System achieved annualize return for the first quarter 2024 of 2.64%, one year returns of 8.99%, three-year return of just over 3%, a five-year return of 6%, and an annualized return of 5.82%.

#### **Public Comments**

The Chair recognized Blair Paul. Mr. Paul provide background on his time working for the State and made a recommendation to extend the Bailey vesture as a simple fix to inflationary pressures.

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

There were no Board comments.

#### **Adjournment**

There being no further business before the Board, Homer Dearmin moved to adjourn the meeting. Avril Pinder seconded the motion and the motion passed by unanimous vote of 10-0. The meeting was adjourned at 12:04 p.m.

  
CHAIR

  
SECRETARY

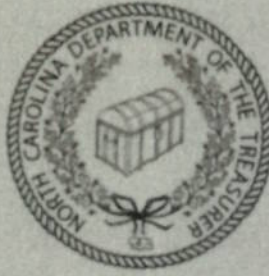
  
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## RESOLUTION

**WHEREAS, Treasurer Dale R. Folwell, CPA** served as Chair of the Boards of Trustees of the North Carolina Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System since 2017; and

**WHEREAS, Treasurer Folwell** always was interested in advancing the retirement program for state and local governmental employees; and

**WHEREAS, Treasurer Folwell** made invaluable contributions to the work of the Boards through his service; and

**WHEREAS, Treasurer Folwell's** service proved to be of the highest value in the enactment of many improvements through the years to the programs of the Teachers' and State Employees' Retirement System and the Local Governmental Employee's Retirement System; and

**WHEREAS, Treasurer Folwell** rendered outstanding leadership in preserving and promoting the Retirement Systems with maximum benefits consistent with sound funding for the State of North Carolina; and

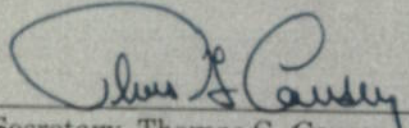
**WHEREAS, the Boards of Trustees of the Teachers' and State Employees' Retirement System and the Local Governmental Employee's Retirement System** are composed of distinguished citizens serving as Trustees.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARDS OF TRUSTEES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM THAT:**

Section 1. The Boards of Trustees hereby express their deep appreciation and gratitude to Treasurer Folwell for his leadership and public service in securing the advancement of the Retirement Systems.

Section 2. The Secretary of the Boards of Trustees is hereby directed to prepare and deliver a certified copy of this Resolution to Treasurer Folwell.

Section 3. This Resolution shall be spread upon the Minutes of the Boards of Trustees for the meeting held on October 24, 2024, in Raleigh, North Carolina.

  
Secretary, Thomas G. Causey

**LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF TRUSTEES**

**July 25, 2024 Meeting**

**AGENDA ITEM**

2a. Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest

2b. Statement of Economic Interest evaluations of members pursuant to the Ethics Act § 138A-15(c)

The following packet contains Statement of Economic Interest (SEI) evaluations issued by the State Ethics Commission. These are being provided for Board members' review and for recording in the meeting minutes pursuant to the requirements of the State Government Ethics Act. Members are encouraged to review the evaluations where any potential conflicts of interest are identified.

The new and updated SEI Evaluations provided are for:

- Benjamin Bobzein
- Matthew Calabria
- Avril Pender
- Wilson Weaver
- Nancy Vaughan
- Catherine Truitt
- Melody Reagan
- Vernon Gammon
- Homer Dearmin
- Warren "Lentz" Brewer
- Dale Folwell
- Ted Brinn (designee for Dale Folwell)





## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

May 1, 2024

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 Mr. Benjamin Bobzien  
Local Governmental Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received **Mr. Benjamin Bobzien's** 2024 Statement of Economic Interest as a prospective appointee to the **Local Governmental Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics 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. § 138A-28(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. § 138A-13.

**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 Local Governmental Employees' Retirement System Board of Trustees ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings, N.C.G.S. § 138A-36(c).

Mr. Bobzien would fill the role of an active, or retired, member of the Firemen's and Rescue Squad Pension. He is the Fire Captain for the New Hanover County Fire Rescue. In addition, he serves as a board member of the Professional Firefighters and Paramedics of North Carolina. Because he is a potential beneficiary participant of the system he has the potential for a conflict of interest. Accordingly, Mr. Bobzien should exercise appropriate caution in the performance of his public duties should issues affecting his potential benefits under the system come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. 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  
State Ethics Commission

cc: Benjamin Bobzien  
Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

May 10, 2024

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 Mr. Matthew M. Calabria  
Local Governmental Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received **Mr. Matthew M. Calabria's** 2024 Statement of Economic Interest as a prospective appointee to the **Local Governmental Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics 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. § 138A-28(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. § 138A-13.

**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 Local Governmental Employees' Retirement System Board of Trustees ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Calabria would fill the role of a county commissioner who is a participant in the Retirement System. He is a Wake County Commissioner and an of counsel attorney employed by the law firm of Wallace & Nordan LLP. Because he would serve on the board that oversees retirement allowances and benefits for counties, he has the potential for a conflict of interest. Accordingly, Mr. Calabria should exercise appropriate caution in the performance of his public duties should issues involving his benefits, Wake County, or the business of the law firm of Wallace & Nordan LLP come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. 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  
State Ethics Commission

cc: Matthew M. Calabria  
Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

April 26, 2024

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. Avril Pinder  
Local Governmental Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received **Ms. Avril Pinder's** 2024 Statement of Economic Interest as a prospective appointee to the **Local Governmental Employees' Retirement System Board of Trustees (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics 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. § 138A-28(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. § 138A-13.

**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 Local Governmental Employees' Retirement System Board of Trustees ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).



Ms. Pinder would fill the role of a county manager of a town that participates in the retirement system. Because she is the Buncombe County Manager and a potential beneficiary of the Retirement System, she has the potential for a conflict of interest. Accordingly, Ms. Pinder should exercise appropriate caution in the performance of his public duties should issues involving Buncombe County, its employees, or her own benefits, come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. § 138A-24(e), the conflict must be recorded in the minutes of the applicable board and brought to the membership's attention by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act. N.C.G.S. § 138A-15(c).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. 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  
State Ethics Commission

cc: Avril Pinder  
Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685  
RALEIGH, NC 27611  
PHONE: 919-814-3600

Via Email

June 21, 2024

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

**Re: Biennial Evaluation of Statement of Economic Interest Filed by  
The Honorable Nancy B. Vaughan  
Member of the Local Governmental Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received a 2024 Statement of Economic Interest (SEI) from **Mayor Nancy B. Vaughan** as a member of the **Local Governmental Employees' Retirement System Board of Trustees ("the Board")**. We have reviewed it for actual and potential conflicts of interest under the State Government Ethics Act ("the Act"), which requires that SEIs be evaluated every two years after initial evaluation.

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 is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. The letter is not meant to impugn the integrity of the covered person in any way. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**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 Board of Trustees ("Board") of the Local Governmental Employees Retirement System ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their

impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mayor Vaughan fills the role of a mayor or member of a governing body of a city or town participating in the Local Governmental Employees' Retirement System. She is the Mayor of the City of Greensboro. Therefore, she has the potential for a conflict of interest and should exercise appropriate caution in the performance of her public duties should issues involving her retirement allowances or other benefits, the City of Greensboro or its employees come before the Board for official action.

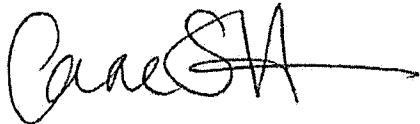
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity 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. §138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. 138A-24(e), 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. (N.C.G.S. §138A-15 (c)).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation (N.C.G.S. § 138A-14). 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 black ink, appearing to read 'Jane Steffens', with a long horizontal line extending to the right.

Jane Steffens, SEI Unit  
State Ethics Commission

cc: The Honorable Nancy B. Vaughan  
Elizabeth Hawley, Ethics Liaison  
Gregory S. McLeod, Deputy General Counsel, Office of the Governor  
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685  
RALEIGH, NC 27611  
PHONE: 919-814-3600

Via Email

June 21, 2024

The Honorable Catherine Truitt  
Superintendent of Public Instruction  
6301 Mail Service Center  
Raleigh, North Carolina 27699-6301

**Re: Biennial Evaluation of Statement of Economic Interest  
Member of the Local Government Employees Retirement System Board of Trustees**

Dear Superintendent Truitt:

Our office has received your 2024 Statement of Economic Interest (SEI) as a member of the **Local Government Employees Retirement System Board of Trustees ("the Board")**. We have reviewed it for actual and potential conflicts of interest under the State Government Ethics Act ("the Act"), which requires that SEIs be evaluated every two years after initial evaluation.

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 is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. The letter is not meant to impugn the integrity of the covered person in any way. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

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

The Board of Trustees ("Board") of the Local Governmental Employees Retirement System ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

As the Superintendent of Public Instruction, you hold an ex officio role (by statute) on the Board.

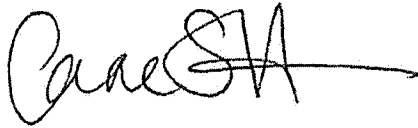
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity 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. §138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. 138A-24(e), 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. (N.C.G.S. §138A-15 (c)).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation (N.C.G.S. § 138A-14). 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 black ink, appearing to read "Jane Steffens", with a long horizontal flourish extending to the right.

Jane Steffens, SEI Unit  
State Ethics Commission

cc: Elizabeth Hawley, Ethics Liaison

Attachment: Ethics Education Guide





## STATE ETHICS COMMISSION

POST OFFICE BOX 27685  
RALEIGH, NC 27611  
PHONE: 919-814-3600

Via Email

June 21, 2024

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

**Re: Biennial Evaluation of Statement of Economic Interest Filed by Ms. Melody B. Reagan  
Member of the Local Governmental Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received a 2024 Statement of Economic Interest (SEI) from **Ms. Melody B. Reagan** as a member of the **Local Governmental Employees' Retirement System Board of Trustees ("the Board")**. We have reviewed it for actual and potential conflicts of interest under the State Government Ethics Act ("the Act"), which requires that SEIs be evaluated every two years after initial evaluation.

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 is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. The letter is not meant to impugn the integrity of the covered person in any way. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**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 Board of Trustees ("Board") of the Local Governmental Employees Retirement System ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Ms. Reagan fills the role of a member who is an active local government employee; Fair Labor Standards Act nonexempt. She is the Assistant City Manager for the City of Gastonia. In addition, a member of Ms. Reagan's immediate family is employed by the Town of Cramerton. Therefore, she has the potential for a conflict of interest and should exercise appropriate caution in the performance of her public duties should issues involving her benefits, the benefits of her immediate family member, the City of Gastonia or the Town of Cramerton and its employees come before the Board for official action.

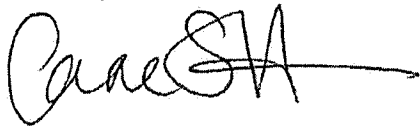
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity 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. §138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. 138A-24(e), 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. (N.C.G.S. §138A-15 (c)).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation (N.C.G.S. § 138A-14). 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 black ink, appearing to read "Jane Steffens", with a long horizontal line extending to the right.

Jane Steffens, SEI Unit  
State Ethics Commission

cc: Melody B. Reagan  
Elizabeth Hawley, Ethics Liaison  
Gregory S. McLeod, Deputy General Counsel, Office of the Governor  
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685  
RALEIGH, NC 27611  
PHONE: 919-814-3600

### Via Email

June 21, 2024

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

**Re: Biennial Evaluation of Statement of Economic Interest Filed by Mr. Cecil V. Gammon  
Member of the Local Governmental Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received a 2024 Statement of Economic Interest (SEI) from **Mr. Cecil V. Gammon** as a member of the **Local Governmental Employees' Retirement System Board of Trustees ("the Board")**. We have reviewed it for actual and potential conflicts of interest under the State Government Ethics Act ("the Act"), which requires that SEIs be evaluated every two years after initial evaluation.

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 is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. The letter is not meant to impugn the integrity of the covered person in any way. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**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 Board of Trustees ("Board") of the Local Governmental Employees Retirement System ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Gammon fills the role of a public member (not a State employee; also serves on TSERS). He is a recipient of the NC Firefighters' & Rescue Squad Workers' Pension Fund, which is administered by the Local Governmental Employees' Retirement System Board of Trustees. Therefore, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should issues involving his retirement benefits come before the Board for official action.

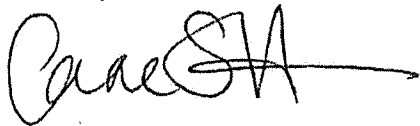
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity 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. §138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. 138A-24(e), 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. (N.C.G.S. §138A-15 (c)).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation (N.C.G.S. § 138A-14). 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 black ink, appearing to read "Jane Steffens", with a long horizontal flourish extending to the right.

Jane Steffens, SEI Unit  
State Ethics Commission

cc: Cecil V. Gammon  
Elizabeth Hawley, Ethics Liaison  
Gregory S. McLeod, Deputy General Counsel, Office of the Governor  
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

June 21, 2024

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

**Re: Biennial Evaluation of Statement of Economic Interest Filed by Mr. Homer T. Dearmin  
Member of the Local Governmental Employees' Retirement System Board of Trustees**

Dear Governor Cooper:

Our office has received a 2024 Statement of Economic Interest (SEI) from **Mr. Homer T. Dearmin** as a member of the **Local Governmental Employees' Retirement System Board of Trustees ("the Board")**. We have reviewed it for actual and potential conflicts of interest under the State Government Ethics Act ("the Act"), which requires that SEIs be evaluated every two years after initial evaluation.

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 is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. The letter is not meant to impugn the integrity of the covered person in any way. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**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 Board of Trustees ("Board") of the Local Governmental Employees Retirement System ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).



Mr. Dearmin fills the role of a city or town manager of a town participating in the Local Governmental Employees' Retirement System. He is the Town Manager for the Town of Rural Hall. Therefore, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should issues involving his retirement allowances or other benefits, the Town of Rural Hall or its employees come before the Board for official action.

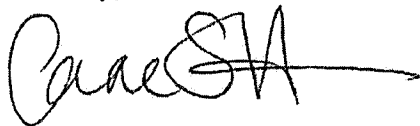
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity 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. §138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. 138A-24(e), 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. (N.C.G.S. §138A-15 (c)).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation (N.C.G.S. § 138A-14). 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 black ink, appearing to read "Jane Steffens", with a long horizontal line extending to the right.

Jane Steffens, SEI Unit  
State Ethics Commission

cc: Homer T. Dearmin  
Elizabeth Hawley, Ethics Liaison  
Gregory S. McLeod, Deputy General Counsel, Office of the Governor  
Scarlett Hargis, Office of the Governor

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

June 21, 2024

Mr. Warren Lentz Brewer  
5634 Oak Bluff Lane  
Wilmington, North Carolina 28409

**Re: Biennial Evaluation of Statement of Economic Interest  
Member of the Local Government Employees Retirement System**

Dear Mr. Brewer:

Our office has received your 2024 Statement of Economic Interest (SEI) as a member of the **Local Government Employees Retirement System Board of Trustees ("the Board")**. We have reviewed it for actual and potential conflicts of interest under the State Government Ethics Act ("the Act"), which requires that SEIs be evaluated every two years after initial evaluation.

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 is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. The letter is not meant to impugn the integrity of the covered person in any way. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**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 Board of Trustees ("Board") of the Local Governmental Employees Retirement System ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

You fill the role of a member of the Board of Trustees for Teachers' and State Employees' Retirement System to serve on the Board. As an employee of a bank whose business could intersect with the Board, you have the potential for a conflict of interest. Therefore, you should exercise appropriate caution in the performance of your public duties, should issues involving South State Bank come before the Board for official action.

In addition to the conflicts standards noted above, the Act 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. §138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. 138A-24(e), 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. (N.C.G.S. §138A-15 (c)).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation (N.C.G.S. § 138A-14). 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 black ink, appearing to read "Jane Steffens", with a long horizontal line extending to the right.

Jane Steffens, SEI Unit  
State Ethics Commission

cc: Elizabeth Hawley, Ethics Liaison

Attachment: Ethics Education Guide



## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Via Email

June 21, 2024

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

Re: **Biennial Evaluation of Statement of Economic Interest**  
**Member of the Local Governmental Employees' Retirement System Board of Trustees**

Dear Treasurer Folwell:

Our office has received your 2024 Statement of Economic Interest (SEI) as a member of the **Local Governmental Employees' Retirement System Board of Trustees ("the Board")**. We have reviewed it for actual and potential conflicts of interest under the State Government Ethics Act ("the Act"), which requires that SEIs be evaluated every two years after initial evaluation.

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 is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. The letter is not meant to impugn the integrity of the covered person in any way. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

**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 Board of Trustees ("Board") of the Local Governmental Employees Retirement System ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

As the Treasurer for the State of North Carolina, you hold an ex-officio role on the Board. Because you own financial interests in publicly owned companies, including Republic First BankCorp, General Electric and Imperial Metals Corporation, you have the potential for a conflict of interest. Therefore, you should exercise appropriate caution in the performance of your public duties should issues involving these entities come before the Board for official action.

In addition to the conflicts standards noted above, the Act 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. §138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. 138A-24(e), 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. (N.C.G.S. §138A-15 (c)).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation (N.C.G.S. § 138A-14). 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 black ink, appearing to read "Jane Steffens", with a long horizontal flourish extending to the right.

Jane Steffens, SEI Unit  
State Ethics Commission

cc: Elizabeth Hawley, Ethics Liaison

Attachment: Ethics Education Guide





## STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

### Via Email

June 21, 2024

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

**Re: Biennial Evaluation of Statement of Economic Interest Filed by Mr. Wilbur T. Brinn Jr.  
Member of the Local Governmental Employees' Retirement System Board of Trustees**

Dear Treasurer Folwell:

Our office has received a 2023 Statement of Economic Interest and 2024 No-Change form from **Mr. Wilbur T. Brinn Jr.** as a member of the **Local Governmental Employees' Retirement System Board of Trustees ("the Board")**. We have reviewed the 2023 Statement of Economic Interest for actual and potential conflicts of interest under the State Government Ethics Act ("the Act"), which requires that SEIs be evaluated every two years after initial evaluation.

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 is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. The letter is not meant to impugn the integrity of the covered person in any way. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

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

The Board of Trustees ("Board") of the Local Governmental Employees Retirement System ("LGERS") is responsible for the administration of retirement allowances and other benefits for employees of counties, cities and towns or other eligible employers participating in the System. The Board serves as trustee for LGERS funds, while the State Treasurer serves as custodian and makes investments of such funds.

The Act establishes ethical standards for certain public servants and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Mr. Brinn fills the role of your standby designee to serve on the Board.

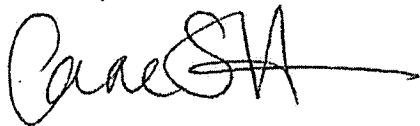
In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity 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. §138A-32(e).

When this letter cites an actual or potential conflict of interest under N.C.G.S. 138A-24(e), 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. (N.C.G.S. §138A-15 (c)).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation (N.C.G.S. § 138A-14). 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 black ink, appearing to read "Jane Steffens", with a long horizontal flourish extending to the right.

Jane Steffens, SEI Unit  
State Ethics Commission

cc: Wilbur T. Brinn Jr.  
Elizabeth Hawley, Ethics Liaison

Attachment: Ethics Education Guide