

**DRAFT**  
**MINUTES**

Future of Retirement Study Commission  
September 20, 2010, 1:00 p.m.  
Dawson Conference Room  
Albemarle Building, 325 N. Salisbury Street  
Raleigh, NC

The meeting was called to order by Dr. Robert Clark, Chairman at 1 pm.

Members Present

Commission members present were: Charles Abernathy, Mary Bethel, Randy Byrd, Joseph Coletti, Monda Griggs, Darleen Johns, Charles Johnson, Shirley Morrison, and Aaron Noble. Representative Deborah Ross arrived at after the meeting had started.

Members Absent

Commission members Senator Richard Stevens and Charles Perusse were absent.

DST Staff Present

Members present from the Department of State Treasurer were Michael Williamson, David Vanderweide, Christopher Jones, Julie Hochsztein, Debra Bryan, David Starling, Ellen Richardson, and Lisa Page.

Approval of Minutes

It was moved, seconded, and carried that the minutes of the meeting of the Commission held on August 23, 2010 be approved as submitted to the commission.

Power of LGERS Board to Grant COLAs

The following individuals presented to the Commission on this topic:

- Paul Meyer, NC League of Municipalities
- Rebecca Troutman, NC Association of County Commissioners
- Ed Regan, NC Retired Governmental Employees Association
- Stewart Sykes, American Public Works Association, NC Chapter
- Tom Harris, State Employees Association of NC

Aaron Noble moved, and Charles Abernathy seconded, that the proposal of the NC League of Municipalities be adopted. That proposal was that the Board of Trustees be authorized, but not required, to give any COLA between 0% and the one-year increase in the CPI (capped at 4%), subject to the availability of investment gains. Any investment gains not used to grant a COLA would instead be used to reduce the employer contribution for the fiscal year in question.

Chairman Clark offered an amendment, which was accepted, to remove the requirement that gains be used to reduce the employer contribution for the fiscal year in question, instead allowing gains to be banked to offset future losses that might increase the employer contribution.

The motion failed 5-4 with Mary Bethel, Randy Byrd, Monda Griggs, Charles Johnson, and Shirley Morrison voting against.

#### Review of Defined Contribution Choice

Chairman Clark reviewed the document “Key Points for DC Choice Optional Plan”. The Commission unanimously adopted the recommendations as written. They did not recommend any of the modifications in the questions after the numbered points. They left open the question of whether a person who switched from DB to DC would be allowed to purchase service or would start at zero years in the DB plan.

Several members reinforced the need for education on the Choice, particularly for lower paid workers.

#### Minimum Retirement Age

Chairman Clark reviewed the materials on retirement ages. The Commission requested additional information on changes in life expectancy over time and examples of benefits with unreduced ages of 55, 58, and 60. The Commission will return to this topic in the October meeting.

#### Extending Recommendations to Current Employees

Representative Deborah Ross moved, and Joseph Coletti seconded, to recommend that Defined Contribution Choice be extended to all current employees. The motion carried 9-2, with Charles Johnson and Monda Griggs voting against.

Mary Bethel moved, and Charles Abernathy seconded, to recommend that interest at market rates be paid on refunds of contributions to current members who leave before being vested. The motion passed unanimously.

David Vanderweide noted that it was probably not legally possible to change the interest rate for refunds to current vested members from 4% to market rates.

Adjournment

There being no further business the meeting was adjourned by the chairman, Robert Clark. The meeting adjourned at roughly 4 pm.

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Chairman

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Date

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Director, Retirement Systems

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Date