



NC ALE
National ALE Alliance Member



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

DRAFT MINUTES NC ALE PROGRAM BOARD OF TRUSTEES

The regular quarterly meeting of the NC ALE Program Board of Trustees was called to order at 9:30 a.m., November 13, 2018, by the Acting Chair, Steve Toole, Executive Director, Retirement Systems Division, North Carolina Department of State Treasurer. The Chair, State Treasurer Dale R. Folwell, CPA, joined the meeting at approximately 9:50 a.m. The meeting was held in the Dogwood Conference Room of the Longleaf Building at 3200 Atlantic Avenue, Raleigh, NC, 27604. The Chair indicated there would be a public comment period for organizations and individuals to address the Board later in the agenda.

Members Present

The board members present were: Treasurer Dale R. Folwell, CPA, Chair (via telephone), Ray Grace (via telephone), Melinda Plue (via telephone), Marquita Robertson and Ben Wright (via teleconference).

Members Absent

Kody Kinsley

Guests Present

The guests attending were: Chris Catanese and Paul Souppa from Ascensus (via telephone), Anna Cunningham from the Power of the Dream, Inc. and Cheryl Walfall-Flagg from ALE National Resource Center (ANRC) (via teleconference).

Department of State Treasurer Staff Present

The staff members present were: Mary Buonfiglio, Reid Chisholm, Chris Farr, Patti Hall, Brian Jackson, Rekha Krishnan, Karah Manning, Loren de Mey, Maja Moseley and Steve Toole.

Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest

The Acting Chair noted that a copy of Marquita Robertson's most recent Statement of Economic Interest (SEI) evaluation issued by the State Board of Elections and Ethics Enforcement, as well as the updated SEI evaluations for Treasurer Folwell and Ben Wright can be found in the meeting materials. The Acting Chair stated that the evaluations are provided for board members' review and for recording in the meeting minutes pursuant to the requirements of the State Government Ethics Act. The Acting Chair encouraged all members to review the evaluations to inform and remind them of the identified actual or potential conflicts of interest. No conflicts of interest were identified by the board members.

Introduction and Swearing-in

The swearing-in of the newly appointed trustee, Marquita Robertson, was postponed until the February 2019 board meeting.

Resolution

The Acting Chair asked for a motion to adopt a resolution of appreciation for the service of Mr. John Lyon. Mr. Grace so moved, and Mr. Wright seconded. The motion passed unanimously.

Approval of Minutes

The Acting Chair entertained a motion to approve the minutes of the August 15, 2018, NC ALE Program Board of Trustees meeting, and Ms. Robertson so moved. Mr. Wright seconded, and the motion passed unanimously.

Communication and Outreach Update

The Acting Chair recognized Ms. Buonfiglio who shared the communications efforts during the quarter. She thanked Mr. Chisholm for having created the NC ABLE whitepaper intended as a legal reference for the program. Ms. Buonfiglio provided an update regarding the program's social media presence to raise public awareness and make new connections. She also noted the renewed focus on partnership with the Department of Health and Human Services.

ABLE Consortium Trust Financial Statements

Ms. Buonfiglio directed the attendees' attention to the consortium's financial statements as of June 30, 2018. She noted that the audit was performed by certified public accounting firm, Thomas and Thomas LLP, and a clean audit opinion was received. Ms. Buonfiglio highlighted several parts of the report, such as the asset balance, net fiduciary position and legislative changes summary. She noted that the financial statements constitute a valuable resource to the program's trustees.

Administrative Update

The Acting Chair recognized Mr. Catanese and Mr. Souppa. Mr. Catanese provided an overview of the quarterly administrative activities, including account and contribution information, eligibility types as well as an update on newly opened and recently closed accounts.

Mr. Souppa provided a summary of investments' performance, noting positive results.

Following the presentation, the trustees discussed the impact of market volatility on portfolio assets and requested additional reporting regarding the cash flows in the checking option.

Administrative Code Update

The Acting Chair recognized Mr. Chisholm who described the administrative rulemaking process and the program's and the department's need to codify the administrative fee charged by the program to each account in the amount of five dollars annually. Mr. Chisholm summarized staff's proposal, detailed in the board meeting materials, and noted that in the event of a fee increase, the rule-making process would be repeated, which offers less flexibility in increasing the fee. Mr. Chisholm confirmed that the staff will continue to update board members regarding the rule's progress.

Board of Trustees Comments

No comments were offered.

Public comments

No public comments were offered.

Adjournment

There being no further business before the Board, Ms. Robertson moved to adjourn, which was seconded by Mr. Grace, and the meeting was unanimously adjourned at 10:24 a.m.

Chair

Secretary