TEACHERS’ AND STATE EMPLOYEES’ RETIREMENT SYSTEM
& LOCAL GOVERNMENTAL EMPLOYEES’ RETIREMENT SYSTEM
BOARD OF TRUSTEES MEETING
State Treasurer Dale R. Folwell, CPA, Chair
Thursday, January 26, 2017
9:30 a.m.
Teleconference Information: (866) 434-5269, Access code: 6936334
LOCATION:
Department of State Treasurer
Dogwood Conference Room, 1st Floor
3200 Atlantic Avenue
Raleigh, NC 27604

Agenda Item                  Presenter

GENERAL BUSINESS
(9:30 a.m. – 11:15 a.m.)

I. Call to Order             Dale R. Folwell, CPA, Chair
II. Introduction and Swearing-in of new members of the Board of Trustees of the Teachers’ and State Employees’ Retirement System and Local Governmental Employees’ Retirement System
   Barbara Gibson: State
   David Dear: Local
   Matthew Meredith: Local

III. Ethics Awareness and Identification of Conflicts or Potential Conflicts of Interest       Dale R. Folwell, CPA, Chair

IV. Teachers’ and State Employees’ Retirement System Minutes from the October 27, 2016, Meeting
    (Attachment: State Minutes)
    ACTION REQUIRED: Approval of Minutes
    Dale R. Folwell, CPA, Chair

V. Local Governmental Employees’ Retirement System Minutes from the October 27, 2016, Meeting
   (Attachment: Local Minutes)
   ACTION REQUIRED: Approval of Minutes
   Dale R. Folwell, CPA, Chair
VI. Adoption of Resolution of Appreciation for the service of State Treasurer Janet Cowell, for her outstanding service as Chair of the Boards of Trustees of the Teachers’ and State Employees’ Retirement System and the Local Governmental Employees’ Retirement System (Attachment: Resolutions)

**ACTION REQUIRED: Adoption of Resolution (State & Local)**

Dale R. Folwell, CPA, Chair

VII. Adoption of Resolutions of Appreciation for the services of R. Michael Bradley and James “Randy” Byrd, for their outstanding service as members of the Board of Trustees of the Local Governmental Employees’ Retirement System (Attachment: Resolutions)

**ACTION REQUIRED: Adoption of Resolutions (Local)**

Dale R. Folwell, CPA, Chair

VIII. Adoption of Resolutions of Appreciation for the services of Col. William Grey and Paula Woodhouse, for their outstanding service as members of the Board of Trustees of the Teachers’ and State Employees’ Retirement System (Attachment: Resolutions)

**ACTION REQUIRED: Adoption of Resolution (State)**

Dale R. Folwell, CPA, Chair

IX. RSD Operations Update (Attachment: GB 1)

**ACTION REQUIRED: Approval of Increase**

Thomas Causey, Deputy Director of Operations

Michael Jackson, Chief, Member Services

Nick Byrne, Deputy Director of Policy, Planning & Compliance

X. Update on the Investment Advisory Council (IAC) Meetings

John Aneralla and Michael Mebane, Members of the IAC

XI. Overview of Retirement Systems Division’s Legislative Agenda for 2017 Long Session of the North Carolina General Assembly

Edgar Starnes, Senior Policy Advisor and Legislative Liaison

Sam Watts, RSD Policy Director

XII. Increase in the amount of reemployment earnings before suspension of retirement allowance (Attachment: GB 2)

**ACTION REQUIRED: Approval of Increase**

Steve Toole, Executive Director
XIII. Presentation from Conduent (Buck Consultants) on the Boards’ Assessment

Linda VanDeventer, Conduent

XIV. Consult with the Boards of Trustees, Pursuant to N.C.G.S §143-318.11(a)(1),(3), and (5), and N.C.G.S. §132-1.2(1)

ACTION REQUIRED: Motion to Close Meeting Pursuant to G.S. §143-318.11(a)(6) & (c)

Dale R. Folwell, CPA, Chair

XV. Executive Director Assessment Report

ACTION REQUIRED: Motion to reopen Meeting

Linda VanDeventer, Conduent

BREAK
(11:15 a.m. – 11:30 a.m.)

STATE SYSTEM
(11:30 a.m. – 12:15 p.m.)

XVI. Actuarially Determined Employer Contribution (ADEC) Projections for State System
(Attachment: SS 1)

Larry Langer & Michael Ribble, Conduent

XVII. Presentations on the 2017 Fiscal Year Alternatives for the General Assembly for:
• Teachers’ and State Employees’ Retirement System
• Legislative Retirement System
• Consolidated Judicial Retirement System
• Disability Income Plan of North Carolina
• Budget Recommendations for National Guard
(Attachment: SS 2)

Steve Toole, Executive Director

XIX. Application of Charter School to become a participating employer in the Teachers’ and State Employees’ Retirement System, pursuant to G.S. 135-5.3
(Attachment: SS 3)

Steve Toole, Executive Director

The North Carolina Leadership Academy

ACTION REQUIRED – Approval of Charter School to become a participating employer in TSERS

LUNCH
(12:15 p.m. – 12:45 p.m.)

LOCAL SYSTEM
(12:45 p.m. – 1:45 p.m.)
XIX. Actuarially Determined Employer Contribution (ADEC) Projections for Local System (Attachment: LS 1)  

XX. Analysis of State Contribution Rate Stabilization Policy for the Firefighters’ and Rescue Squad Workers’ Pension Fund (Attachment: LS 2)  

**ACTION REQUIRED: Adoption of the State Contribution Rate Stabilization Policy**

XXI. Presentations on the 2017 Fiscal Year Alternatives for the Local Governmental Employees’ Retirement System Board for:  
- Local Governmental Employees’ Retirement System  
- Firefighters’ and Rescue Squad Workers’ Pension Fund  
- Register of Deeds’ Supplemental Pension Fund  
(Attachment: LS 3)

XXII. Court Cost Offset for Law Enforcement Officers (Attachment: LS 4)  

XXIII. Application of qualified political subdivision of the State to become participating employer with the System (Attachment: LS 5)

Brunswick County Airport Commission  
d.b.a. Cape Fear Regional Jetport

**ACTION REQUIRED – Approval of New Local Employer**

STATE AND LOCAL FISCAL YEAR ALTERNATIVES  
(1:45 p.m. – 2:30 p.m.)

XXIV. Public comment by any association or organization that represents North Carolina public employees or retirees - please sign in.  

XXV. Setting of 2017 Employer Contribution Rates and making recommendations to the North Carolina General Assembly for:  

1. TSERS Employer Contribution Rate (*State*)  
   (Attachment: SS 2)  
   **ACTION REQUIRED – Decision on TSERS**

2. LRS Employer Contribution Rate (*State*)  
   (Attachment: SS 2)  
   **ACTION REQUIRED – Decision on LRS**

3. CJRS Employer Contribution Rate (*State*)  
   (Attachment: SS2)  
   **ACTION REQUIRED – Decision on CJRS**
4. DIPNC Employer Contribution Rate *(State)*
   (Attachment: SS 2)
   **ACTION REQUIRED – Decision on DIPNC**

5. National Guard Appropriation Recommendation *(State)*
   (Attachment: SS 2)
   **ACTION REQUIRED – Decision on National Guard**

6. LGERS Employer Contribution Rate *(Local)*
   (Attachment: LS2)
   **ACTION REQUIRED – Decision on LGERS**

7. Firefighters’ and Rescue Squad Workers’ Pension Fund
   Appropriation Recommendation *(Local)*
   (Attachment: LS 3)
   **ACTION REQUIRED – Decision on Fire and Rescue**

8. Register of Deeds’ Supplemental Pension Fund
   Appropriation Recommendation *(Local)*
   (Attachment: LS 3)
   **ACTION REQUIRED – Decision on Register of Deeds**

**BOARDS OF TRUSTEES COMMENTS**

**APPENDIX**
- 2016 NC Comprehensive Annual Financial Report
- Charter School Financial Review
- Two-Year Evaluation of Anti-Pension Spiking Policy
- Board Members
- Calendar of Board Meetings

**DATE OF NEXT MEETING**
- Thursday, April 20, 2017 at 9:30 a.m. EST

**ADJOURNMENT**
(2:30 p.m.)

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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@nc treasurer.com or lgersboard@nc treasurer.com