

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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REGULAR BOARD MEETING MINUTES

April 26, 2018

PRESENT: Mrs. Vanessa Heffron -Chair, Deputy Chief Kevin Gordon, (via phone till 8:50) Mrs. Lydia Crutchfield, Mr. Scott Greer, Mr. Robert Campbell, Mr. John Carr, Mr. Marvin O. Wilson Jr., Mrs. Melinda Manning, Captain Lee Thompson and Mrs. Sheila Simpson (8:12am to 10:10am)

OTHER: CFRS Administrator Mrs. Sandy Thiry, CFRS Counsel Mr. Jason Kay, City attorney Mrs. Dana Cuberson (left at 9:59) and CFRS staff member Mr. Tony Bass

ABSENT: Battalion Chief David Moore

AGENDA

A. CALL TO ORDER by Mrs. Vanessa Heffron at 8:08am.

A. Welcome Captain Lee Thompson newest Active Elected Trustee Board Member to Benefits Committee. Mr. Wilson has transitioned to the Investment Committee. The Board also welcomes Assistant City Attorney Mrs. Dana Cuberson who will replace CFRS counsel Mr. Jason Kay. The Board gave thanks to Mr. Kay for his service.

B. CONSENT AGENDA

A. Mr. Wilson noted he was omitted as not being present in the Disability Re-Examination Hearing minutes regarding Mr. Ralph Betts and minutes should be corrected. Mr. Wilson motioned that the Consent Agenda be accepted with correction to Disability Re-Exam minutes. Mr. Greer second motion. Motion carried by majority vote. Consent agenda consisted of Board minutes of the January 25, 2018 Board meeting, Re-Examination Hearing for Mr. Stikeleather January 11, 2018, Re-Examination Hearing for Mr. Betts March 1, 2018, Special Committee February 5, 2018; Expense Reports; Schedule of Retirements; and Motion Briefs for the Investment Policy Exhibit A and Investment vehicle for USBank Cash Account.

C. BOARD GOVERNANCE

A. Active Member Board Results – Mrs. Thiry presented the election final results. 1065 distributed, 490 votes for Lee Thompson, 266 votes for Tim Ramsey.

B. Election of Board Vice Chair - Chair requested a motion to open the floor for nominations for the Vice Chairperson of the CFRS Board. Mrs. Crutchfield motioned to open the floor. Mr. Carr seconded motion. Motion carried unanimously. Mr. Greer made a motion to nominate Mr. John Carr for Vice Chairperson of the CFRS Board. Seconded by Mrs. Manning. Motion carried unanimously. Mrs. Manning motioned to close nominations for Vice Chair. Mr. Greer seconded motioned. Motion carried unanimously. Mrs. Manning made a motion to vote for Vice Chair. Seconded by Mr. Greer. Motion carried unanimously. Mrs. Simpson motioned to vote Mr. Carr as Vice Chairperson for the Board. Seconded by Captain Thompson. Motioned carried unanimously.

C. Re-appointment of Citizen Trustee- Mr. Kay reminded the Board that the judge appoints the Citizen Trustee and past practice has been to make a recommendation of Citizen Trustees to judge for consideration. Mr. Carr motioned to recommend Mrs. Manning to the Judge for re-appointment. Mr. Greer seconded motion. Motioned carried unanimously.

D. REPORTS

A. BENEFIT COMMITTEE REPORT-DC Kevin Gordon and Mrs. Sandy Thiry

- A. Mrs. Thiry presented meeting discussion have centered on the Disability Regulations and Act provisions. Minute research reflected the need to manage abuse back in the day. Prior to Regs it was either total or no disability which resulted in low self-esteem, and no opportunity for member to engage in other employment. The Act was amended and Regulations adopted in 1990 to allow the Board flexibility to update in the future as necessary without having to go through State Legislation. The Act contains a provision that allows for an offset of any payment made on behalf of the City. Research into past minutes determined that the Act's reference was to Worker's Compensation payments. A Pension Offset Administrative Procedure was put into place and adopted by the Board.
- B. Mr. Dan Pliszka and Mrs. Pamela Norris for the City's Risk Management Department provided Worker's Comp education to the Committee. It appears that the CFRS has been following best practices, however, Worker's Compensation rules have changed over the years. Risk management will be following up with specific statistics regarding historical claims just for the CFD.
- C. Committee waiting on info from Project Review.
- D. Mrs. Crutchfield motion to accept report. Mr. Greer seconded motion. Motion carried unanimously.

B. INVESTMENT COMMITTEE REPORT- Mr. John Carr

- A. Mr. Carr provided overview of IC meeting discussions for the past quarter and investment manager's annual visit. Reviewed 3, 5, 10-year investment results.
- B. Mr. Carr reminded of motions that were approved in the Consent Calendar- \$4M cash draw for operating expenses; Investment policy update Appendix A ; and the Cash investment vehicle change which will provide lower fees and better return.
- C. Reviewed the two managers on Watch List – AJO and William Blair. Committee keeping an eye on both managers and will continue to review.
- D. State Street Bank – will be discontinuing class action security litigation claim filing effective June 18, 2018. Discussed what class action security litigation claims are and the current process. Fiduciary responsibility to capture any losses.
- E. Mr. Greer motioned to accept the IC report. Seconded by Mrs. Manning. Motioned carried unanimously.

Break - 8:45 am

Return - 8:50 am

C. ADMINISTRATOR'S REPORT- Administrator Mrs. Sandy Thiry

- A. Mrs. Thiry reviewed the proposed FY19 budget. Provided the Budget Narrative that details specifics to each of the administrative expense accounts. Noted that Travel & Training was increased this year due to new trustees and 2 staff members encouraged to attend Callan College, and the IFEBP conferences added for 2 staff members. Webinars will be utilized as much as possible. "Legal" remained the same as last year due to possible actions necessary as a result of the Pension Review Project and lawsuit with the City. "Actuarial" services were reduced due to the Pension Review Project will be charged to the FY18 budget. An adjustment to the account of "Meetings" to reflect a budget of \$8,000 instead of \$11,465 and "Postage" account reduced to \$4,500 from \$5,500 was suggested. Mr. Greer motioned to approve the proposed FY19 budget with these 2 edits. Mr. Carr seconded motion. Motioned carried unanimously. If adjustments will be necessary as we get into the year, Administrator to ask Board to amend the budget as applicable.
- B. Presented an estimated FYE18 budget report and noted no items of concern. "Wages" are under budget due to not having used as much overtime as scheduled for projects. "Printing" is over budget slightly mainly due to election material. "Telecommunications" slightly over budget – reviewing to ensure discount was applied. "Medical Services" estimated to go over budget if pending hearings occur by end of fiscal year. "Legal" anticipated to be under budget since did not perform any Act amendments, research or changes as anticipated with Pension Review Project in FY18. Clarified for Board what comprises "Other Professional Services"- typically it's CBIZ (pension admin system),

Tegrit (former pension admin system), ProfitCS (IT vendor), Dash Courier, Adkins Reporting Services, Go Daddy Website license.

- C. Provided an update for the Pension Review Project. Well under way and CBIZ has matched Cavanaugh Macdonald's 2017 annual valuation results. They've completed sensitivity analysis of the impact of discount rate changes and sick/vacation pay analysis is underway. Draft report will be available before the July Board meeting.
- D. CFRS has received a Disability Hearing appeal filed on 2/16/2018. Legal counsel will be handling.
- E. Provided an update for IPASMaster (pension administration system). Continual testing and validation being performed on every calculation to ensure accuracy and confidence in the system. Reviewing closely breaks in service, query results and prior service purchase calculations. Explained the use of Workflow and Case Management capabilities and provided trustees metrics pertaining to Case Management analysis as well as phone stats. Time permitting, staff will provide a presentation of IPASMaster. CFRS Member Portal ready to go live however, a few items still outstanding from CFRS deliverables (Q&A, Glossary, and implementation announcement). Instead of going live "sometime in April" as originally announced, pushing out to middle of May so that implementation is not rushed and is most successful.
- F. USBank on site meeting was held on March 19th and reviewed their suite of services, best practices and what other clients were doing. USBank to roll out a retiree portal approximately the first quarter of CY2019. More info to come as time gets closer. Most likely will hold off retiree access to the CFRS Member portal in light of this updated information. Looked at ways to further reduce fees-move to monthly payments (reduces 12 payrolls per year) or generate an advice only when a change is made to payment record. Board was not receptive to moving to monthly payments. No changes to be made at this time.
- G. Member Education- visited Battalion 4c on March 20th.
- H. Public Records Requests- Received a few extensive public records request. One was regarding hedge funds and any minutes discussing hedge funds, minutes discussing the selection of Investment Consultant, and Investment Policy changes/approvals. The other request was for various CAFRs dating back to 2001.
- I. Charlotte National Building (CNB) Update- An Active Shooter training class will be held in the CFRS office for tenants of the CNB. Class provided free of charge by CMPD. Invited trustees to attend.
- J. Conferences- confirmed upcoming conference travel. John motioned to approve Mr. Bass' attendance at the CAPP program and Mrs. Cuberson's attendance at the NAPP conference. Seconded by Captain Thompson. Motion carried unanimously.
- K. Mr. Carr motioned to approve Administrator's report. Mrs. Manning seconded motion. Motion carried unanimously.

D. OTHER

- A. Mr. Wilson Jr. acknowledged the recent deaths of two retirees.

ADJOURNMENT

Mrs. Crutchfield motioned to adjourn at 10:20 am. Mr. Thompson seconded motion. Motion carried unanimously.

Next Regular meeting is scheduled for Thursday, July 26, 2018.