

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

428 East Fourth Street • Suite 205 • Charlotte, North Carolina • 28202 • (704) 626-2728 • Fax (704) 626-7365

MEETING NOTICE AND AGENDA

DATE: October 19, 2020
TO: Board of Trustees
Charlotte Firefighters' Retirement System
FROM: Sandy Thiry – Administrator

The regular quarterly meeting of the Board of Trustees of the Charlotte Firefighters' Retirement System (CFRS) will be held on Thursday, **October 22, 2020 at 8:00 A.M.** The meeting normally held at the CFRS Office, 428 East 4th Street, Suite 205, Charlotte, North Carolina will be conducted remotely due to COVID-19 restrictions. You may access this meeting by dialing (470) 869-2200 with participant code, 1482731075.

AGENDA

- I. **CALL TO ORDER** (5 minutes)
- II. **CONSENT CALENDAR** (5 minutes)
 - a. Board Minutes July 23, 2020 and the Special Meeting September 3, 2020
 - b. Expense Reports
 - c. Schedule of Retirements
- III. **BOARD GOVERNANCE** (5 minutes)
 - a. Review of Governance Calendar
- IV. **REPORTS**
 - a. Annual Valuation- Todd Green, Cavanaugh Macdonald (60-90 min)
 - b. Benefits Committee Report (15 minutes)
 - c. Investment Committee Report (15 minutes)
 - i. Motion to terminate Investment Manager AJO and reinvest funds with SSgA
 - d. Administrator Report (10 minutes)
 - i. Conferences
- V. **NEW BUSINESS**
 - a. Special Audit- Sheila Simpson
 - b. Benefit Payment- Clay Morris
 - c. Paychecks- Tom Brewer
 - d. Outside Legal Counsel, City Resolution of VHOL, Act- Section 8; 2016 VCP filing; Retiree Deaths- Marvin Wilson

If you would like copies of the agenda materials, please contact the CFRS office at (704)626-2728 or CFRS@charlottenc.gov. Please note, time allotments listed above are approximate and may vary.

Next Board Meeting: January 21, 2021

CONSENT CALENDAR

Meeting Minutes

Expense Reports

Schedule of Retirements

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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ANNUAL BOARD MEETING MINUTES

July 23, 2020

PRESENT: Vanessa Heffron – Chair, John Carr, Melinda Manning, Kelly Flannery (left @ 10:30 a.m.), Teresa Smith, Ryan Pope, Joey Hager, Lee Thompson, Sheila Simpson (left at 10:04 a.m.) and Marvin Wilson

OTHER: CFRS Staff Sandy Thiry, Tony Bass, Desiré Dixon, Sr. Assistant City Attorney Lisa Flowers

AGENDA

I. CALL TO ORDER by Vanessa Heffron at 8:00 a.m. Due to the NC Stay-At-Home order surrounding COVID-19, the Board meeting took place via teleconference. Roll call was taken with all trustees in attendance.

II. CONSENT CALENDAR

Kelly Flannery motioned to approve the Consent Calendar which consisted of the Board Meeting Minutes of May 28, 2020, Expense Reports, Schedule of Retirements, FY21 Meeting Calendar, and the Active Trustee Election Timetable. Joey Hager seconded the motion. Vote was taken via roll call with all trustees in attendance and the motion carried unanimously.

III. BOARD GOVERNANCE

- A. Governance Calendar** - Vanessa Heffron reviewed the Governance Calendar to ensure the Board is on schedule with tasks. Sandy Thiry reminded the Board that the Code of Ethics is provided to trustees and staff on annual basis and should also be reviewed periodically. The Code of Ethics will be emailed for all trustees and staff members to review, sign, and return to the office.
- B. Elections of Officers** – Vanessa Heffron reminded the Board that the election of officers occurs at the Annual Meeting and of the voting process. She then asked for a motion to open the floor for nominations for the office of Vice Chair. Ryan Pope motioned to open the floor for nominations of the Vice Chair. Marvin Wilson seconded the motion. Motion carried unanimously. Marvin Wilson nominated John Carr for Vice Chair. Sheila Simpson seconded the motion. Motion carried unanimously. Marvin Wilson motioned to close nominations of Vice Chair. Joey Hager seconded motion. Motion carried unanimously. Ryan Pope motioned to vote for John Carr as Vice Chair. Teresa Smith seconded. Motion carried unanimously. Joey Hager motioned to open nominations for Secretary. Ryan Pope seconded the motion. Motion carried unanimously. Joey Hager motioned to nominate Ryan Pope for Secretary. John Carr seconded the motion. Motion carried unanimously. Joey Hager motioned to close the nominations for Secretary. Teresa Smith seconded the motion. Motion carried unanimously. Marvin Wilson motioned to vote Ryan Pope for Secretary. John Carr seconded motion. Motion carried unanimously. Congratulations given to John Carr and Ryan Pope. Records reflect that all trustees were in attendance for all voting motions.

IV. REPORTS

A. Benefits Committee Report

Melinda Manning thanked the Benefits Committee members for their dedication over the past 2 years working through the various studies including the CBIZ Pension Review Project and funding projections analysis, overtime studies, comparison of LGERS benefits, contribution levels, and working with the Plan Sponsor to implement long-term funding goals.

Actuarial Determined Employer Contribution (ADEC)

- 1) Melinda Manning explained that the annual valuation process performed by the System's hired actuary determines the ADEC. Over the years the statutory 12.65% employer contribution rate was sufficient. Plans like CFRS which have a statutory rate are in a better funded position than other plans that can take funding holidays. However, at the current contribution rate, the ADEC continues to rise and the funded level continues to decline. Active membership plateaued beginning in 2010 creating a stagnant funding source. The number of retired members receiving benefits from the plan will soon exceed the number of active members contributing to the Plan. Enhancements by the City to employee benefits increases pension plan benefits. She reminded the Board that the funding efforts over the past two years have provided the System an additional \$1M lump-sum in Employer Contributions in FY2020 and an increase to the Employer Contribution rate to 14% beginning in FY2021, which was the first permanent increase in 30 years. Although these contributions are helpful, more needs to be done.
- 2) It has been recommended by the Actuary to update the amortization method, which the Board approved in January 2020 to be effective July 1, 2020, and for the Plan Sponsor to fund the ADEC. Concerns about the employer contribution rate were discussed including the current rate and an unrealistic view that the City would accept an unlimited contribution request. Providing the City with a 5-year plan can provide the City time to review options of what type of benefit and at what cost they want to provide to their employees. The Committee had discussed concepts of extending the averaging period, changing the definition of Compensation and the possibility the City could put new hires into the local government plan.

MOTION: The Benefits Committee presented the Board with a motion to amend the Act to increase the Employer Contribution rate to 14% effective 7/1/2020, 16% effective 7/1/2021, 18% effective 7/1/2022, 20% effective 7/1/2023, 22% effective 7/1/2024 and 24% effective 7/1/2025; and further not to exceed the ADEC in any given year but no less than 14%.

Concerns were raised about the City and the funding they are responsible for. Some trustee expressed a lack of trust in the City about promises made and not kept as well as the idea of the City wanting members to "give up" something when the City hasn't paid as much for the CFRS pension plan than they have for other City employee pension plans. The Committee and the Board will review the contribution rate annually and suggest that the proposed funding methodology be reviewed with the City in five years to see if the long-term funding goals have been met.

Sheila seconded the motion. Roll call was taken with six members voting affirmative and two members voting against. The motion carried by majority vote. All trustees were present during the vote except for Ryan Pope.

Lisa Flowers will write suggested Act language regarding the Board's recommendations to fund the System based on the approved motion.

Other Options and Act Amendment Suggestions

- 1) Melinda Manning presented an outline of the other areas identified by the Pension Review Project and aspects raised by the Plan Sponsor that the Committee has vetted.

Options	Benefit Committee Decision	Reason
Remain Status Quo	Not an option	Does not comply with fiduciary responsibility
Remain Status Quo & Bill Sponsor for Cost of Enhanced Benefits	Not an option	The ADEC includes all costs
Increase Employer Contribution	Yes, Amend the Act; 14% minimum eff 7/1/2020, with 2% incremental increase FY2022 to FY26, not to exceed the ADEC	Fiduciary Responsibility
Lower the Interest Rate applied to Return of Contributions	Yes, amend the Act	Outdated, tie to “current market conditions”
Change Cost Basis for Military Purchases	Yes, amend the Act	Provide consistency with all three types of prior service purchase costs
Restrictions (70 1/2 distribution rule)	Yes, amend the Act	IRS Mandate, SECURE Act
Increase Employee Contribution	Option not supported by Benefits Committee	The ADEC is the Sponsor’s responsibility
Change Definition of Compensation (Base Salary only)	Option not supported by Benefits Committee	Sponsor needs to determine what benefits to provide employees and at what cost
Limit/Cap Compensation for Final Average Salary	Option not supported by Benefits Committee	Sponsor needs to determine what benefits to provide employees and at what cost
Change Final Average Salary Period to 3 or 4 yrs vs 2yr	Option for City to Evaluate, Benefits Committee not opposed	Sponsor needs to determine what benefits to provide employees and at what cost

MOTION: The Benefits Committee motioned for the Board to approve recommendations for Act amendments regarding the Return of Contribution Interest Rate, Military Service Purchase Cost, IRS Mandate of 70½ Distribution Rule requirements under the SECURE Act, and further; provide the Plan Sponsor with the following options for their cost benefit analysis and decisions, which includes increasing employee contribution rate, changing the definition of Compensation (i.e.- Base Salary only), limit/cap Compensation used in Final Average Salary and changing final average period from 2 years to 3 or 4 years.

Discussion ensued regarding the recommendations including questions of the use of 100% salary cap compared to the 415 limitations, treating firefighters the same as other City employees, and overtime. It was clarified that this motion provides the Committee with direction on which options the Board is interested in, thereby needing new or revised language for Board’s subsequent approval.

John Carr seconded the motion. Roll call taken and motion carried unanimously with all trustees in attendance except for Sheila Simpson.

A Special Board Meeting was requested and granted to the Benefits Committee to present proposed amendment language for the Board’s approval to meet the Legislative timeline

The Benefits Committee Charter will be reviewed during the August Meeting to try and coordinate with the Investment Committee’s review.

MOTION: John Carr motioned to accept the Benefits Committee Report and Marvin Wilson seconded the motion. A roll call vote was taken, and the motion carried unanimously with all trustees in attendance except Sheila Simpson.

B. Investment Committee Report

Since the May 28, 2020 Board meeting, the Investment Committee met with Barrow Hanley (Domestic Fixed Income), State Street Global Advisors (Passive Domestic Fixed Income, Domestic Equity, and International Equity), AJO (Large Cap Value) and Winslow Capital Management (Large Cap Growth) to review performance. All firms have transitioned seamlessly to working from home during COVID-19. Barrow Hanley took advantage of opportunities created by the effects of the pandemic by selling off and buying high quality companies that they could not afford pre-pandemic. Winslow Capital reported strong performance in the Technology sector. The individual weightings of Amazon and Microsoft within the portfolio have drifted above the 8% maximum position weight allowed by the CFRS Investment Policy Statement unless Board approved otherwise. The increase was solely due to each stock's performance. The Committee determined that Winslow should not be penalized for CFRS limitations relative to their benchmark for these two companies for which they have a positive outlook. The Investment Policy Statement allows for exceptions to be given to any manager if short-term market conditions warrant.

MOTION: The Investment Committee has motioned to allow Winslow to temporarily exceed the maximum 8% position weighting for Amazon and Microsoft with monthly review and monitoring by the Investment Committee. Lee Thompson seconded the motion. Roll call was taken and the motion carried unanimously with all trustees present except for Sheila Simpson.

- 1) Watchlist - AJO (Large Cap Value) reported some performance improvement in 2Q 2020 and will remain on watch for continued monitoring. Morgan Stanley (Emerging Markets Equity) remains on the Watch List given the recent performance-related issues in 1Q 2020. UBS Realty also remains on watch due to recent team changes and performance concerns.
- 2) Cash Liquidation for Operating Expenses - The Committee approved a \$4M cash liquidation request to pay benefits and administrative expenses per the Board's annual budget approval. Based on the June 30, 2020 asset allocation report provided by Staff, the Committee determined that Winslow Capital Management would be the best source of funds for the \$4M withdrawal.
- 3) Charter Review - The Committee reviewed its Charter and discussed several changes which were incorporated.

MOTION: The Investment Committee has motioned for the Board to approve the Investment Committee Charter as edited by the Investment Committee including removing references to the Funding Policy since those responsibilities fall to the purview of the Benefits Committee, providing the IC authority to allow temporary exceptions based on the market, and general housekeeping.

Joey Hager seconded the motion. Roll call was taken and the motion carried unanimously with all trustees in attendance except Sheila Simpson.

MOTION: John Carr motioned to accept the Investment Committee's Report. Ryan Pope seconded the motion. Roll call vote was taken and the motion carried unanimously with all trustees in attendance except Sheila Simpson.

C. Administrator Report

Sandy Thiry provided the Board with the Administrator's report including updates as follows.

- 1) Sandy Thiry provided the Board with estimated year-end financial budget and statements for the FY20. Although still waiting for US Bank's report, a few outstanding invoices and other year-end postings, the expectation is to be under budget overall with a few line items slightly over their targeted budget. These line items include postage, actuarial services, and other professional services. Postage and other professional services are mainly due to implementation of new retiree communication process and calculator changes for the City's vacation policy, while the increased actuarial cost was a result of the Experience Study.
- 2) Staff is beginning the fiscal year-end activities which include preparing the annual valuation data files for active and retired members, reviewing FY20 accruals and reversing journal entries and preparing FYE20 investment holdings file for CFRS' and the City's financial reporting.
- 3) Due to COVID-19, the staff continues to work from home with no interruptions. At this point member education on-site visits are still on hold. Station visit requests are being documented and they will be schedule as some of the restrictions are lifted.
- 4) Public Record requests are processed as they are received and in conjunction with other deadlines.
- 5) Sandy Thiry has researched possibilities to improve the acoustics in the conference room. However, due to COVID-19, this has been put on hold.
- 6) New vendor, FRT (Financial Recovery Technologies), monitors and submits security litigation claims on behalf of the CFRS and they have recovered over \$5,900 this year.
- 7) Phone and website usage are regularly monitored for tracking and understanding of possible system improvements.

MOTION: Joey Hager motioned to accept the Administrator Report. Ryan Pope seconded the motion. The motion carried unanimously via roll call with all trustees in attendance except Sheila Simpson and Kelly Flannery.

FALLEN FIREFIGHTERS

Mr. Wilson acknowledged the retirees who recently passed away including Michael Bittikofer, Frank Pressley, Robert Ellison, and Richard "Gene" Black.

V. NEW BUSINESS

No new business was presented during this meeting.

Vanessa Heffron asked for the Trustees opinions on having the meetings via virtual calls or conference calls. The group agrees that the conference calls seems to work in the current situation of COVID-19.

ADJOURNMENT

Marvin Wilson motioned to adjourn at 10:59 a.m. John Carr seconded the motion. The motion carried unanimously via roll call with all trustees in attendance except Sheila Simpson and Kelly Flannery.

Special Board meeting tentatively scheduled for Thursday, September 3, 2020.
Next Regular meeting is scheduled for Thursday, October 22, 2020.

cc: Lisa Flowers, Assistant City Attorney

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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SPECIAL BOARD MEETING MINUTES

September 3, 2020

PRESENT: Vanessa Heffron – Chair, Joey Hager, Lee Thompson, Kelly Flannery, Marvin Wilson, Melinda Manning, Teresa Smith, Ryan Pope, and Sheila Simpson

OTHER: CFRS Staff - Sandy Thiry, Tony Bass, Desiré Dixon
Sr. Assistant City Attorney -Lisa Flowers

GUESTS: Ryan Bergman, FFII Jeff Clark, Captain Lance Patterson, retiree Allen Middleton, retiree Gary McCormick, retiree James Burke

ABSENT: John Carr

AGENDA

I. CALL TO ORDER by Vanessa Heffron at 8:01 a.m. Due to the gathering restrictions surrounding COVID-19, the Special Board Meeting took place via teleconference. Roll call was conducted with all trustees in attendance except John Carr.

II. ACT AMENDMENTS

Vanessa Heffron advised that the Special Meeting allows the Board of Trustees to discuss and vote on the proposed Act amendment updates submitted by the Benefits Committee including provisions that impact the long-term funding levels such as the employer contribution rate, prior military service purchase cost, and various changes for consistency and legal clarity. She further explained that although the Trustees would vote to either approve or deny any recommendations, anything approved still needs to be approved by the City Council before moving on to the Legislature for final approval. Melinda Manning and Lisa Flowers reviewed the individual suggested changes as indicated in the drafted red line version of the Act provided to the Trustees as outlined herein.

- a) Section 2 – Definitions – Updated 2(2) "basic benefit" to "Basic Benefit" as a defined term related to Section 17 and referenced throughout the document. Added Section 2(11a) Final Average Salary. Legal inserted draft language as a placeholder in the red line version so if the City proposed a change to the averaging period, the language would be ready for Board/Committee's discussion. The Committee discussed and determined that since this has not been a recommendation by the Committee, remove this section. In error, this section was not removed before it was provided to the Trustees for this meeting. Discussion ensued about changing the averaging period which had been a suggestion vetted by the Benefits Committee which would minimize enhancement of benefits and control the employer's contribution rate. Concerns were raised about this topic including unfavorable opinions expressed from Members prior to and during this meeting.

MOTION: Joey Hager motioned to remove Section 2(11a) from the suggested language changes. Roll call vote was taken with all present Trustees. The records reflect the motion carried with seven affirmative and one opposed vote.

- b) Section 4 – Periods of Workers' Compensation & Accident and Sickness, Family Medical Leave Act, and Long-Term Disability Benefits – Recommendation to add the language to be

consistent with the update to Section 24. The Board discussed the proposed language, “...% or, for any new periods of such leave beginning after _____, such other percentage rate as may be determined from time to time by the City upon recommendation of the Board of Trustees in accordance with Section 39 and any funding policies adopted by the Board.”. Suggestion was offered that Section 4 apply to any leaves beginning after legislature’s approval, such as July 1, 2021.

- c) Section 6 – Return from Active Military Duty. Recommendation to update the Act in recognition that the USSERA laws are amended from time to time; and include the acronym “USERRA” for Uniformed Services Employment and Reemployment Rights Act, which is referenced throughout the document.
- d) Section 7(a) – Purchase of Membership Service Credit – Recommendation to change the cost of military purchases to be consistent with the language in Section 7(b) and 7(c). Also updated for consistent use of “Membership Service Credit” within this section. Suggestion was made that the change be effective for anyone hired on or after July 1, 2021.
- e) Section 12(c) – Failure to Return From Active Military Duty – Recommendation to change “benefit accrual” to reference the defined term, “Accrued Benefit”.
- f) Section 17 – Recommendation to add “Basic Benefit” as Section title, clarify salary language to include “not to exceed the salary” related to IRS requirements, and change “basic benefit” to the defined term “Basic Benefit” for consistency throughout the document.
- g) Section 19(c) – Disability Retirement in the Line of Duty – Recommendation to change the language of “...by the disability retirement regulations” to “in accordance with the Disability Regulations” for consistency. Also change reference to disability retirement regulations to the Board’s properly named regulations. Likewise, similar changes to Section 20(b) and 20(c) Disability Retirement not in the Line of Duty.
- h) Section 23 – Post-Retirement Adjustments – Recommendation to move Section 25(d) to Section 23(b2) due to the similarity of the material in this section.
- i) Section 24 – Member Contributions – Recommendation to add the language of “% or such other percentage rate as may be determined from time to time by the City upon recommendation of the Board of Trustees in accordance with Section 39 and any funding policies adopted by the Board” which would allow the Board to recommend updates to the Employee Contribution Rate as they occur, without having to amend the Act.
- j) Section 25 (a) – City of Charlotte Contributions – Recommendation based on the Board’s prior approval to change the employer contribution rate consistent with current practice of 14% and for an incremental 2% increase up to 24% over the next five years with a floor of 14%. “Effective July 1, 2020, the City of Charlotte shall contribute to the Charlotte Firefighters’ Retirement System an amount equal to the Member’s Compensation multiplied by 14% for each and every payroll of such Member to be increased each Plan Year by 2% for the next five years to a maximum contribution rate of 24% for each and every payroll of such Member. The contribution rate shall remain at 24% unless the Actuarially Determined Employer Contribution (ADEC) rate falls below 24% in a Plan Year; in that case, the contribution rate shall be the ADEC rate or such other percentage rate as may be determined by the City upon recommendation of the Board of Trustees in accordance with Section 39 and any funding policies adopted by the Board but in no case shall the contribution rate be less than 14%.”
- k) Section 29 (a)(v) and (a)(vi) – Board of Trustees – Recommendation to change the language to “Election Regulations adopted by the Board” to reference the Board’s formal name for the regulations.
- l) Section 30 – Election of Member Trustees – Recommendation to add “Retiree” to the title and change the language “Rules and Regulations” to “the Election Regulations”. Additional changes in this section would clarify section references.
- m) Section 31 – Oath of Office – Recommendation to change the language to add “or the Mayor’s designee” which will allow flexibility to the administration of the oath of office.

- n) Section 32(e) – Vacancy on Board of Trustees – Recommendation to add “*Notwithstanding the above, the Board of Trustees may allow a vacancy of an elected Trustee for longer than 90 days if it finds it would be more practical to wait for the next election to fill the vacancy*”. This provides flexibility in cases where there is a short unexpired term, or the practical timing of a special election competes with a regular election.
- o) Section 35 – Meetings – Recommendation to (b) to add “electronic mail” and grammar corrections. Add new section (b1) “*The Board of Trustees may allow remote participation of a Trustee member in Board and Committee meetings pursuant to policies and procedures adopted by the Board.*” Add to (c) “*or, in the case of a vacancy, a majority of the current Trustees*” ...remove “*at least six*” ...and add “*from the majority of the Trustees in attendance*”. This language follows common practice.
- p) Section 36 (b) – Employment of Professional Services – Recommendation to add “*pursuant to Sections 19 and 20*” which references the disability sections.
- q) Section 51 – Restrictions – Recommendation of change reference to proper defined terms and formal regulation name.
- r) Section 54 – Errors – Recommendation to bring this section to the Board for discussion due to complexity involving fiduciary responsibility and any legal risks. Added “*If the benefit was mistakenly set too low, the System shall make a lump sum payment to the recipient of an amount equal to the difference between the benefits that should have been paid and those actually paid, plus interest at the effective rate from the date the unpaid amounts accrued to the date of payment. If the benefit was mistakenly set too high, the System may recover the amount overpaid from the recipient thereof, either directly or by deducting such amount from the remaining benefits payable to the recipient. However, if (1) the amount of the benefit was mistakenly set too high, and (2) the error was undiscovered for 3 years or longer, and (3) the error was not the result of incorrect information supplied by the affected member or beneficiary, then upon discovery of the mistake the benefit shall be adjusted to the correct level, but the recipient of the benefit need not repay to the System the excess amounts received in error.*” After the last Benefits Committee and before this meeting, Lisa Flowers was able to have a conversation with outside legal counsel regarding this topic and learned that clawing back overpayments is currently in review within the Internal Revenue Service (IRS) and guidance may be issued in the near future. Lisa stated that the current language is permissible and that the Board could wait for IRS guidance.

MOTION: Joey Hager motioned to leave Section 54 out of the proposed changes and Sheila Simpson seconded the motion. Roll call vote was taken with all present Trustees. Motion carried unanimously.

MOTION: Sheila Simpson motioned to accept the recommended changes including the suggested edits to effective dates and the exclusion of Sections 2(11a) and 54. Lee Thompson seconded the motion. Roll call vote was taken with all present Trustees. Motion carried unanimously.

Lisa Flowers will make the revisions and send to Sandy Thiry for distribution of the final edited copy to the Trustees. A draft letter with the suggested Act edits will be sent to the City council with a copy to Marcus Jones, City Manager.

Joey Hager motioned to adjourn at 9:45 a.m. Melinda Manning seconded the motion. Roll call vote was taken with all present Trustees. The motion carried unanimously.

Next Regular Board Meeting is scheduled for Thursday, October 22, 2020.

**CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
EXPENSE REPORT**

NAME: Sandy Thiry

Type	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total
DATE:								
Departure Time								
Arrival Time								
Airfare								\$0.00
Taxi/Limo/Shuttle								\$0.00
Rental Car								\$0.00
Tolls/Parking								\$0.00
Conf Sp Events								0.00
Meals								\$0.00
Tips/Misc.								\$0.00
Lodging								\$0.00
Other Gratuities								\$0.00
Registration Fees								\$0.00
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Mileage								0.0
0.575	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Other Expenses

Date	Item of Expense	Purpose	Explanation	Amount
9/11/2020	Barriers for reception area			\$53.96
9/22/2020	Public Records Law Book			\$86.88
				\$0.00
TOTAL				\$140.84

I certify the above expenses to be true and accurate:

Attendee's Signature: *Sandy Thiry* *Rec'd & Entered
9/23/2020
B*

Administrator's Signature: *Sandy Thiry*

Date	Approval Remarks/Reimbursement Comments	Amount
		\$0.00
		\$0.00

Total from Above	Deduct Prepaid Expense	Deduct Travel Advance	TOTAL Due Traveler or (Due System)
\$140.84			\$140.84

Travel from: _____ Travel to: _____

Purpose of Trip: Desk Barriers for reception desk

Chairman's Signature: _____ Treasurer's Signature: _____

Charlotte Firefighters' Retirement System
Members Presented to Board for Approval
October 22, 2020 Board Meeting

Qualification of Membership Service and 30-90 Day Election Period as defined by the Act verified with System's Administrator

Fname	MI	Lname	DOH	DOR	Station	Rank	Retirement Type
Joshua	R	Decker	2/22/1995	9/5/2020	4-C	Captain	Service
Kevin	R	Moses	8/21/1991	9/5/2020	35-C	Captain	Service
Jerry	D	Knight	1/23/1991	10/31/2020	23-B	Captain	Service
John	R	Harding	11/29/1995	12/19/2020	1-C	Battalion Chief	Early

BOARD GOVERNANCE

Board Calendar

Annual Topics		Q1 (July)	Q2 (Oct)	Q3 (Jan)	Q4 (April)
Topic	Description				
Fiduciary training/Ethics	Standard fiduciary training for all committee members	✓			✓
Governance	Current updates	✓	✓	✓	✓
CAFR Report/Update	Ensure timely filings			✓	
Annual valuation	Cav.Mac present annual funding status.		✓		
Merits	Annual reviews			✓	
System Audit – Cherry Bekaert	Ensure no deficiencies in process and controls – Board Review	✓			
Investment Policy Statement review	Review for any updates brought by IC			✓	
Annual Budget Review	Review and approve annual operating budget				✓
Officer Election	Annual officer election	✓			
FY Admin Calendar	Review CFRS Administrator FY Calendar	✓			
Delegations/governance	Review delegations and general governance structures	✓			
Charter review	Review committee charter for any updates				✓
Monthly Topics		Q1 (July)	Q2 (Oct)	Q3 (Jan)	Q4 (April)
Topic	Description				
BC Meetings	Plan design and impact on funding, current topics	✓	✓	✓	✓
IC Meetings	Regular Meetings to review Investment Managers, rebalancing asset allocation, and miscellaneous projects	✓	✓	✓	✓
Disability Hearings	As called	✓	✓	✓	✓
Ad Hoc Topics					
Funding Study	As requested. Last study CBIZ 2018				
Experience Study	Performed every 3-5 years. Last study Cav Mac 2020 (period ending 6/30/19)				
Asset Liability Study	Performed every 5 years. Last study Callan 2013				
Vendor Review	Investment Consultant, Actuary; Auditor (function of City in collaboration with CFRS)				

REPORTS

Benefits Committee Report
Investment Committee Report
Administrator Report



BENEFITS COMMITTEE REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

OCTOBER 22, 2020

TO: The Board of Trustees

FROM: Melinda Manning, Chair Ryan Pope Lee Thompson
Sheila Simpson Renee Metzler

RE: BENEFITS COMMITTEE REPORT

Summary of meetings since the July 23, 2020 Board Meeting:

August 13, 2020 – Pension Review Project; Act Amendments;
August 27, 2020 – Act Amendments
September 10, 2020 – CBIZ Study/Averaging Period & Compensation;
October 8, 2020 – Pension Review Project; Committee Charter

DISCUSSION:

1. Pension Review Project /Act Amendments

- a. CBIZ presented a funding analysis as requested by the City to review the ADEC levels based on three scenarios with the contribution rate of 14%, 14% plus an additional incremental 2%, and paying the ADEC in full. The three scenarios were projected using the newly adopted valuation assumptions and included the plan as currently written, protecting accrued benefit and changing to a 4-year final average period, and changing the definition of Compensation to base pay.

The biggest deterioration of the funding ratio would be experienced from remaining status quo. Although full funding would be achieved over a 30- year period if the employer contribution rate was increased incrementally or paid at full rate, the ADEC for the 4-year averaging period and the Compensation definition change experienced contribution rates as high as 41.3% and 24.4% respectively.

- b. The Benefits Committee was left with the question of what the City's goal is? As a result, the Committee determined that any change to the benefits platform would need to be a discussion between City's HR and budget offices.
- c. The Benefits Committee continued the review of the suggested amendment language including reference to a funding policy, military purchase costs, actuarial equivalent, and statute of limitations and some general housekeeping for punctuation, proper name references and added flexibility to make certain changes through City Council's



BENEFITS COMMITTEE REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

OCTOBER 22, 2020

approval. The SECURE Act changes need further research before presenting to the Board for suggested amendment.

- d. The Board met for a Special meeting in early September and approved the recommended suggestions for Act language edits which did not include any change to the final average period when determining benefits. There was great concern expressed by members and some trustees of changing the averaging period. The Benefits Committee noted that they would continue their review of the recent analysis performed by CBIZ.
 - d. Compensation definition was further discussed such as capping pay in some fashion, using base pay, and various other averaging scales such as averaging overtime over a longer period than two years. Discussions will continue as further research is completed regarding legality of options.
2. Staff worked with legal counsel for a comprehensive review of the Charter to present to the Committee for discussion. Most notable changes were references to a funding policy. The Committee will review the changes and present to the Board at the January Board meeting.

All Board members are welcome to attend any of the Benefit Committee meetings.



INVESTMENT COMMITTEE REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

OCTOBER 22, 2020

TO: The Board of Trustees

FROM: John Carr, Chair Kelly Flannery Joey Hager
Teresa Smith Marvin Wilson

RE: INVESTMENT COMMITTEE REPORT

Summary of meetings with managers and advisors since the July 23, 2020 Board Meeting:

- August 20, 2020 – Callan 2Q 2020 Investment Review
- September 17, 2020 – Colchester (International Fixed Income)
- October 15, 2020 – UBS Trumbull Property Fund (Real Estate)
JPMorgan Strategic Property Fund (Real Estate)

DISCUSSION:

The Committee has actively been receiving updates from our Investment Managers regarding the Covid-19 impact on our investments, on the capital markets, and their organizations. As we maneuver through this unique and unprecedented period in global history, maintaining a focus on our long-term strategic investment plan is crucial. Updates are also received from Real Estate managers regarding natural disasters and any impact to properties held within the portfolios.

SECOND QUARTER 2020 INVESTMENT PERFORMANCE REVIEW

At the August meeting, Callan provided an Investment Review for 2Q 2020. During this period, positive investment returns added \$67.5M in market value while benefit payments and operating expenses deducted \$5.1M. As a result, the ending Total Fund market value was \$556.1M as of June 30, 2020.

The Total Fund returned 13.72%, gross of fees, over the course of the Second Quarter, which outperformed the Custom Index return of 12.78%, and ranked in the 17th percentile in the Callan Public Fund Sponsor Database. The 5-year return of 6.28% versus the Custom Index return of 6.45% placed the Fund in the 35th percentile. Since Callan's reporting report inception period (32 years), the Total Fund returned 8.85% outperforming the Custom Index by 64 basis points on an annualized basis and ranked in the 9th percentile among all Public Funds in their database.

All asset classes were within their allowed allocation ranges and in-compliance with the Board-adopted Investment Policy Statement.



INVESTMENT COMMITTEE REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

OCTOBER 22, 2020

All Investment Managers' returns and organizations were reviewed with particular focus on the Watch List managers. All asset classes realized positive returns for the quarter except for Real Estate. The Mid Cap managers slightly trailed their benchmarks in the quarter. Barrow Hanley agreed to be sold, by their US-parent company BrightSphere, to one of their existing clients, a publicly-traded Australian wealth management firm, Perpetual Limited.

WATCH LIST

Although Morgan Stanley Emerging Markets Equity has trended toward improvement over the past three quarters, they remain on the Watch List for continued monitoring.

UBS Real Estate, on watch due to recent team changes and performance concerns, has developed a plan to improve performance but will take time to implement. UBS will remain on watch for continued monitoring.

Barrow Hanley was placed on watch in August 2020 due to a change in ownership per the Investment Policy Statement.

On October 14, 2020, AJO, CFRS' large cap value manager, announced that the firm will be closing on December 31, 2020.

MOTION: Terminate the AJO contract based on AJO's closure notice to the CFRS; liquidate the assets by October 30, 2020; and transfer the assets to the existing SSgA Russell 1000 Index.

INTERNATIONAL FIXED INCOME

Colchester provided a firm update and reminded the Committee that Senior Executive Officer, Paul Grice retired in the First Quarter. His duties were allocated to existing team members. Last year, Jean Lee was hired which helped with the transition of his duties. The investment team members are organized as generalists and rotate investment coverage periodically. Their investment process included decision regarding exposure to sovereign bonds and foreign currencies. Over the long-term, approximately two-thirds of their total return comes from the bonds and one-third from currencies. The year-to-date performance through August 31, 2020, slightly lagged the benchmark gross of fees by 56 basis points.

REAL ESTATE

UBS Trumbull Property Fund

UBS provided a firm update with discussion on the leadership changes which occurred in the beginning of 2020. The Trumbull Property Fund will be restructured over the next 3-4 years in an effort to liquidate the underperforming "non-strategic" properties primarily in the retail and office



INVESTMENT COMMITTEE REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

OCTOBER 22, 2020

sectors. This will leave their "core" properties in a better position to improve the Fund's overall performance. The Fund currently has a significant redemption queue which could be completed in approximately four years, pending market conditions. UBS is offering a "loyalty incentive" discount to encourage clients to maintain a four-year commitment to stay invested in the Trumbull Fund. The Committee is reviewing the fee discount program with Callan.

JPMorgan Strategic Property Fund

JPMorgan noted that the real estate team is beginning to re-enter the New York City office. Prior to Covid-19, the investment team was positioning the Fund in anticipation of a recession and has been able to manage through this period of uncertainty. The Strategic Property Fund also has a redemption queue albeit much smaller than the Trumbull Property Fund. JPMorgan anticipates being able to meet all of their outstanding redemption requests within 2-3 quarters. Similar to other core real estate funds, JPMorgan experienced a negative year-to-date return through September 30, 2020 as a result of declining property appraisals relative to positive rental income.

CASH LIQUIDATION FOR OPERATING EXPENSES

The Committee approved a \$4.5M cash liquidation request to pay benefits and administrative expenses per the Board's budget approval. Based on the September 30 month-end asset allocation report, the Committee determined that the large cap growth manager would be the best source of funds since they are the most overweight according to the Policy's target allocation.

The Investment Committee will monitor the performance of the System's investments, associated managers, and investment consultant and will make any necessary recommendations to the rest of the Board as the need arises. Detailed investment information is available in the Callan Investment Measurement Service Quarterly Review. All Board members are welcome to attend and participate in any of our monthly Investment Committee meetings.

SCHEDULE OF PORTFOLIO ALLOCATION
AS OF September 30, 2020
Reporting as of 10/14/2020

TARGET ALLOCATION	MANAGER	INCEPTION DATE	Liquidation Notice	CFRS MEETING	TARGETED ALLOCATION AS OF 09/30/2020	MARKET VALUE AS OF 09/30/2020	MARKET VALUE OF INVESTMENTS AS % OF TOTAL PORTFOLIO	VARIANCE	AUTHORIZED ALLOCATION RANGE	ADJUSTED COST AS OF 09/30/2020	MKT/COST VARIANCE
DOMESTIC STOCK:											
7.2%	ARONSON + JOHNSON + ORTIZ (LARGE CAP VALUE)	11/2005	T+3 Sweep	July	41,609,260	36,518,941	6.355%	(5,090,319)		36,521,927	(2,986)
7.2%	WINSLOW (LARGE CAP GROWTH)	12/2007	T+3 Sweep	July	41,609,260	49,728,732	8.653%	8,119,472		25,445,914	24,282,818
3.6%	MFS INVESTMENT MANAGEMENT (MID CAP GROWTH)	11/2019	T+4 Sweep	Jan	20,804,630	25,946,566	4.515%	5,141,936		19,381,495	6,565,072
3.6%	ROBECO INVESTMENT MGMT., INC. (MID CAP VALUE)	04/1998	T+3 Sweep	Jan	20,804,630	19,225,833	3.345%	(1,578,797)		18,464,932	760,901
3.6%	EAGLE ASSET MANAGEMENT (SMALL CAP GROWTH)	09/2010	T+3 Sweep	March	20,804,630	25,513,153	4.439%	4,708,523		17,074,627	8,438,526
3.6%	INV COUNSELORS OF MARYLAND (Small Cap Value)	12/1993	T+1 Wire	March	20,804,630	17,506,846	3.046%	(3,297,783)		21,170,294	(3,663,447)
7.2%	SSgA RUSSELL 1000 INDEX	11/2015	T2	June	41,609,260	44,569,144	7.755%	2,959,884		24,706,275	19,862,869
36.0%	SUBTOTAL				208,046,300	219,009,215	38.109%	10,962,916	31% - 41%	162,765,462	56,243,753
INTERNATIONAL EQUITIES:											
8.6%	MORGAN STANLEY (CORE)	09/1990	T+1 Wire	April	49,699,949	47,795,641	8.317%	(1,904,308)		2,933,958	44,861,684
4.8%	MORGAN STANLEY (EMERGING MARKETS)	02/1995	T+1 Wire	April	27,739,507	24,461,508	4.257%	(3,277,998)		15,453,849	9,007,659
4.0%	T ROWE PRICE INTL (SMALL CAP)	10/1990	T+1 Wire	April	23,116,256	29,380,990	5.113%	6,264,734		16,499,044	12,881,946
8.6%	SSgA EAFE INDEX	11/2015	T2 Notification	June	49,699,949	47,601,006	8.283%	(2,098,943)		37,723,477	9,877,530
26.0%	SUBTOTAL				150,255,661	149,239,146	25.969%	(1,016,515)	22% - 30%	72,610,327	76,628,819
REAL ESTATE:											
6.0%	UBS TRUMBULL PROPERTY FUND	10/2012	1st Business Day of Quarter	Oct	34,674,383	27,841,003	4.845%	(6,833,381)		24,029,591	3,811,412
4.0%	JPMORGAN CHASE STRATEGIC PROPERTY FUND	04/2016	Quarterly, 45 Day notice	Oct	23,116,256	20,952,257	3.646%	(2,163,999)		19,653,368	1,298,889
10.0%	SUBTOTAL				57,790,639	48,793,259	8.490%	(8,997,380)	7% - 13%	43,682,958	5,110,301
DOMESTIC FIXED INCOME:											
17.3%	BARROW HANLEY (CORE PLUS)	04/2003	T+3 Sweep	June	99,688,852	98,737,959	17.181%	(950,893)		90,103,829	8,634,130
5.8%	SSGA BARCLAYS CAPITAL AGGREGATE (INDEX FUND)	12/1999	T2	June	33,229,617	31,838,565	5.540%	(1,391,053)		15,469,558	16,369,006
23.0%	SUBTOTAL				132,918,469	130,576,524	22.721%	(2,341,946)	19% - 27%	105,573,387	25,003,136
INTERNATIONAL FIXED INCOME:											
5.0%	COLCHESTER	02/2017	1st of Month Openings	Sept	28,895,319	27,067,668	4.710%	(1,827,651)		22,831,867	4,235,801
5.0%	SUBTOTAL				28,895,319	27,067,668	4.710%	(1,827,651)	3% - 7%	22,831,867	4,235,801
INTERNAL ACCOUNT:											
	INTERNAL				0	3,220,576		3,220,576		3,220,576	
0.0%	SUBTOTAL				0	3,220,576		3,220,576	0.0%-0.0%	3,220,576	
100%	TOTAL ASSETS				\$ 577,906,388	577,906,388	100%	0		410,684,579	\$ 167,221,809

Real Estate values are as of the end of a quarter



ADMINISTRATOR REPORT
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

OCTOBER 22, 2020

TO: The Board of Trustees
FROM: Sandy Thiry, Administrator
RE: ADMINISTRATION

- **FINANCIAL STATEMENTS**
 - Final FY2020
 - Estimated Q1 FY2021
- **FYE20 ACTIVITIES**
 - Completed Annual Valuation data extracts and review
 - Working through the annual audit
 - Drafting the Financial Report due December 31, 2020
- **COVID-19 / OFFICE OPERATIONS**
 - Partial re-entering into office
 - All operations continue uninterrupted
 - CNB continues to be locked down from public access
- **MEMBER EDUCATION**
 - Kick-off of the "Education Series" project with City of Charlotte
 - Station visits still on hold due to COVID-19 restrictions
 - Follow up with Recruit classes #112 and #113 (all benefit provisions)
 - Presentation to new recruit classes #114 and #115 (concentration on disability benefit provisions)
- **ACTIVE TRUSTEE ELECTION**
 - 3-year term beginning January 1, 2021, currently held by Lee Thompson
 - First Notice emailed to actives October 1, 2020
 - Second Notice to be mailed by October 29, 2020
 - Candidacy form due November 5, 2020
 - Ballots emailed by Intelliscan, Inc November 19, 2020
 - Election results opened December 18, 2020
- **PUBLIC RECORDS REQUESTS**
 - Pertinent information of fund relationships for Real Estate including commitment amounts, purchases, sales, binding letters, etc - Anna Martinen
 - All data available for retirees post July 1, 2010; all available data for retirees pre July 1, 2010- Marvin Wilson
 - 1Q-Q2 2020 to current alternative investment (incl real estate/REITS) pertinent information including years invested, draw downs, distributions, internal rate of returns, management fees paid, etc – Bloomberg



ADMINISTRATOR REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

OCTOBER 22, 2020

- 2Q 2020 Pertinent information of fund relationships for Real Estate including commitment amounts, purchases, sales, binding letters, etc- Pitchbook
 - Investment memorandum used by the CFRS committee and consultants regarding private equity, venture capital, mezzanine,, distressed, real estate/REIT, debt and infrastructure partnerships being considered for investment; All due diligence materials and presentation material produced by Investment Managers in the course of the CFRS conducting due diligence on investments into the same classes as above.- Pitchbook
 - Asset Allocation FYE2019; list of service providers; plan discount rate; funded ratio and average age at retirement.- ISS Governance
 - Quarterly Investment Consultant Reports 12/2018 to current- Financial Investment News
 - COLAs and bonuses since 1947 to 12/31/2019 and the Administrators during those periods- Clay Morris
 - Errors that constituted the VCP, the agreement with the IRS, fines or penalties associated, the dates of the correction period - Clay Morris
- **RESEARCH ITEMS**
- Conference room acoustics – On hold due to COVID-19 and virtual meetings
 - Costs range from hundreds to thousands of dollars for sound system/amplifier
 - Who to service - one or multiple persons?
 - Concerns with noise disruptions to adjacent offices/firms
 - Concerns with volume and Closed Session privacy compliance
 - Applicability/use of Robert's Rules
 - Board has not adopted
 - Board subject to NC Open Meetings Statutes
- **OFFICE STATS**
- Security Litigation (see graphics Exhibit A)
 - Phone Metrics – July 1, 2020 through September 30, 2020 (see graphics Exhibit B)
 - Employee Portal Metrics July- September (see graphics Exhibit C)
 - Retiree Communication (Exhibit D- currently under construction, delayed due to COVID/working from home)

(cont'd to next page)



**ADMINISTRATOR REPORT
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM**

OCTOBER 22, 2020

Exhibit A – Security Litigations

Filings Aug 1, 2018 - Sep 2020		Market Loss	Recognized Loss	Settlement Fund ⁽¹⁾	% of Loss to Settlement Fund	Gross Recovered since 8/1/2018	FRT fee 15%	Net Recovered
# of Claims Filed	26		\$414,478	\$2,936,800,001	0.014%	\$0	\$0	\$0
# of Claims Paid ⁽²⁾	3	\$404,147				\$8,958	\$1,344	\$7,614
# of Claims Rejected	7							
Total	36							
# of Antitrust Cases	2			\$386,500,000		\$0	\$0	\$0
Rejection Reason								
Filed too late ⁽³⁾	0							
No recognized loss	7							

⁽¹⁾ Settlement Fund comprises the total amount of all lawsuit settlements for distribution to plaintiffs
⁽²⁾ Claims paid disbursement date - all claims through 09/30/2020 have been remitted
⁽³⁾ Claims filed too late are due to conversion to FRT from State Street Bank, where FRT filed on behalf of CFRS if the claim could not be identified as filed by State Street Bank data

Exhibit B – Phone Metrics (Includes Robo calls that are identified at onset and not answered)

3,638 Total Calls	39.54 Avg. Calls/Day	2,006 # Inbound	1,632 # Outbound	28.1% % Missed (w/VM)
08:47 Avg. Handle Time				



Users [Select Columns](#) Total 6 Users Show: 10

Name	Ext	Total Calls	Avg. Calls/Day	# Inbound	# Outbound	% Missed (w/VM)	Avg. Handle Time
Desire Dixon	102	791	8.60	364	427	39.0%	07:44
Desire Dixon	105	641	6.97	641	0	12.8%	02:14
Fax Office	110	157	1.71	155	2	100.0%	00:00
Sandy Thiry	101	644	7.00	327	317	33.3%	17:09
Tony Bass	106	380	4.13	172	208	11.6%	07:54
Tyralyn Phelps	103	1,025	11.14	347	678	16.1%	09:28



**ADMINISTRATOR REPORT
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM**

OCTOBER 22, 2020

Exhibit C – Employee Portal Metrics (Rolling 12 month as of September 30th)

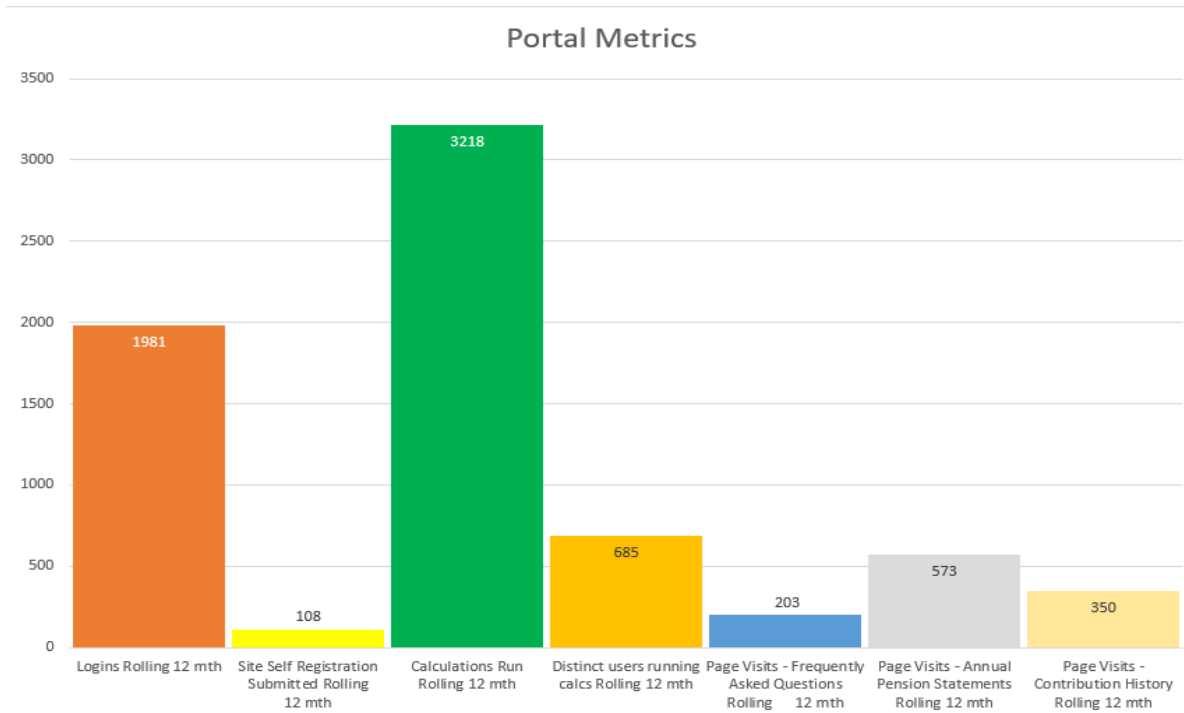


Exhibit D (Under construction)

- Articles typically sent on Tuesdays & Fridays to mitigate internet traffic jams and manage staff resources
- Death announcements sent as soon as administratively possible
- Death announcements and Drop Ins – highest volume of views

Charlotte Firefighters' Retirement System

10/08/20

Balance Sheet

Accrual Basis

As of June 30, 2020

	<u>Jun 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
10000 · Cash	
10001 · Cash-Bank of America	142,768.18
10004 · Cash & CE- USBank	3,157,634.06
10013 · Petty Cash	303.30
Total 10000 · Cash	<u>3,300,705.54</u>
10011 · Cash Equivalents- USBank Other	4,615,920.52
Total Checking/Savings	<u>7,916,626.06</u>
Other Current Assets	
10300 · Other Receivables	599,816.81
10310 · Employee Contribution Receive	310,816.89
10320 · Employer Contribution Receive	343,987.03
12100 · Prepaid assets	9,028.53
Total Other Current Assets	<u>1,263,649.26</u>
Total Current Assets	<u>9,180,275.32</u>
Fixed Assets	
15000 · Capital Assets	
15001 · Office Condominium	437,975.42
15002 · Intangible Asset-Pen Admin Sys	231,825.00
15010 · Accumulated Deprec. & Amort.	-402,215.12
Total 15000 · Capital Assets	<u>267,585.30</u>
Total Fixed Assets	<u>267,585.30</u>
Other Assets	
18000 · Marketable Securities	549,369,082.79
Total Other Assets	<u>549,369,082.79</u>
TOTAL ASSETS	<u><u>558,816,943.41</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
27000 · Accounts Payable	
27020 · Refunds	108,025.17
27030 · Investment Fees	488,911.76
27040 · Consultant Fees	47,500.00
27050 · Trust and Bank Fees	30,166.59
27060 · Administrative Fees	74,136.09
27080 · Contracts Payable	28,000.00
Total 27000 · Accounts Payable	<u>776,739.61</u>
Total Accounts Payable	<u>776,739.61</u>
Total Current Liabilities	<u>776,739.61</u>
Total Liabilities	<u>776,739.61</u>
Equity	
32000 · Fund Balance	558,868,590.51
Net Income	-828,386.71
Total Equity	<u>558,040,203.80</u>
TOTAL LIABILITIES & EQUITY	<u><u>558,816,943.41</u></u>

Charlotte Firefighters' Retirement System
Profit & Loss Budget vs. Actual
July 2019 through June 2020

	<u>Jul '19 - Jun 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
43400 · Contributions				
43410 · Members	10,416,439.53	10,843,093.00	-426,653.47	96.07%
43440 · Employer	11,449,554.24	11,615,193.00	-165,638.76	98.57%
43450 · Purchase of Military Time	298,251.07	220,000.00	78,251.07	135.57%
43460 · Purchase of Other Gov. Service	55,307.77	280,000.00	-224,692.23	19.75%
Total 43400 · Contributions	<u>22,219,552.61</u>	<u>22,958,286.00</u>	<u>-738,733.39</u>	<u>96.78%</u>
45000 · Investments				
45010 · Interest	2,788,931.62	2,542,500.00	246,431.62	109.69%
45020 · Dividends- Trustee	4,258,578.65	3,695,000.00	563,578.65	115.25%
45021 · Dividends Other	412.54	1,200.00	-787.46	34.38%
45030 · Net Realized Gain/Loss-Trustee	9,845,007.03	41,193,000.00	-31,347,992.97	23.9%
45040 · Net Realized Gain/Loss- Mgr GU	134,346.59	260,000.00	-125,653.41	51.67%
45050 · Unrealized Gain/Loss	3,105,104.34	0.00	3,105,104.34	100.0%
Total 45000 · Investments	<u>20,132,380.77</u>	<u>47,691,700.00</u>	<u>-27,559,319.23</u>	<u>42.21%</u>
Total Income	<u>42,351,933.38</u>	<u>70,649,986.00</u>	<u>-28,298,052.62</u>	<u>59.95%</u>
Gross Profit	<u>42,351,933.38</u>	<u>70,649,986.00</u>	<u>-28,298,052.62</u>	<u>59.95%</u>
Expense				
60900 · Participant Benefits				
60920 · Retirement	38,641,750.57	36,614,041.00	2,027,709.57	105.54%
60930 · Death	517,644.06	150,000.00	367,644.06	345.1%
60940 · Contribution Withdrawals	369,316.70	100,000.00	269,316.70	369.32%
Total 60900 · Participant Benefits	<u>39,528,711.33</u>	<u>36,864,041.00</u>	<u>2,664,670.33</u>	<u>107.23%</u>

Charlotte Firefighters' Retirement System
Profit & Loss Budget vs. Actual
July 2019 through June 2020

	<u>Jul '19 - Jun 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
62100 · Investment Services				
62110 · Management Fees				
62111 · Morgan Stanley	581,957.93	600,652.00	-18,694.07	96.89%
62112 · Aronson+Johnson+Ortiz	54,326.00	60,653.00	-6,327.00	89.57%
62114 · Barrow Hanley	242,234.00	231,753.00	10,481.00	104.52%
62115 · Robeco Investment Mgmt., Inc	123,417.73	251,183.00	-127,765.27	49.14%
62117 · Eagle Asset Management	154,468.64	168,160.00	-13,691.36	91.86%
62119 · Winslow Capital Management	285,556.15	207,030.00	78,526.15	137.93%
62122 · Inv. Counselors of Maryland	134,346.59	147,599.00	-13,252.41	91.02%
62123 · T. Rowe Price	242,530.70	234,341.00	8,189.70	103.5%
62125 · UBS Trumbull Property Fund	253,796.76	276,719.00	-22,922.24	91.72%
62126 · William Blair	54,253.84	181,652.00	-127,398.16	29.87%
62127 · SSGA Fixed Income	792.12	9,473.00	-8,680.88	8.36%
62128 · SSGA EAFE Index	20,296.95	27,944.00	-7,647.05	72.63%
62129 · SSGA Russell 1000	11,683.68	19,253.00	-7,569.32	60.69%
62130 · JPMorgan Chase	214,223.38	219,957.00	-5,733.62	97.39%
62131 · Colchester	153,646.00	134,565.00	19,081.00	114.18%
62132 · MFS	73,385.67	0.00	73,385.67	100.0%
Total 62110 · Management Fees	<u>2,600,916.14</u>	<u>2,770,934.00</u>	<u>-170,017.86</u>	<u>93.86%</u>
62139 · Transaction Fees	989.83	100.00	889.83	989.83%
62140 · Trust and Bank Fees	124,568.69	130,800.00	-6,231.31	95.24%
62150 · Consulting Fees	<u>190,000.00</u>	<u>190,000.00</u>	<u>0.00</u>	<u>100.0%</u>
Total 62100 · Investment Services	<u>2,916,474.66</u>	<u>3,091,834.00</u>	<u>-175,359.34</u>	<u>94.33%</u>

Charlotte Firefighters' Retirement System
Profit & Loss Budget vs. Actual
July 2019 through June 2020

	<u>Jul '19 - Jun 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
65000 · Administration				
65005 · Staff Wages and Benefits				
Total 65005 · Staff Wages and Benefits	388,098.04	379,000.00	9,098.04	102.4%
65010 · Travel and Training	30,695.03	94,825.00	-64,129.97	32.37%
65020 · Insurance	21,892.00	23,500.00	-1,608.00	93.16%
65030 · Parking	1,090.50	1,500.00	-409.50	72.7%
65040 · Auditing Services	13,000.00	13,000.00	0.00	100.0%
65050 · Condominium Fees	21,514.56	22,052.00	-537.44	97.56%
65060 · Postage	2,567.88	2,300.00	267.88	111.65%
65070 · Actuarial Services	39,000.00	25,500.00	13,500.00	152.94%
65080 · Annual Retiree Reunion	5,898.87	6,500.00	-601.13	90.75%
65090 · Legal Services	26,316.58	75,000.00	-48,683.42	35.09%
65100 · Printing Services	9,344.95	8,050.00	1,294.95	116.09%
65110 · Other Professional Services	92,336.47	93,845.00	-1,508.53	98.39%
65120 · Telecommunications	4,348.75	4,601.00	-252.25	94.52%
65130 · Office Equipment Maintenance	2,759.12	3,230.00	-470.88	85.42%
65140 · Office/Computer Supplies	5,345.11	7,040.00	-1,694.89	75.93%
65160 · Meetings	7,069.28	8,000.00	-930.72	88.37%
65170 · Professional Memberships/Dues	4,885.00	5,700.00	-815.00	85.7%
65180 · Medical Services	4,125.00	16,550.00	-12,425.00	24.92%
65190 · Office Furniture/Equipment	689.55	3,500.00	-2,810.45	19.7%
65200 · Subscriptions and Publications	768.79	1,300.00	-531.21	59.14%
65210 · Trustee Elections	4,664.11			
65220 · Miscellaneous/Contingency	0.00	15,000.00	-15,000.00	0.0%
65230 · Building Improvements	15,460.00	16,960.00	-1,500.00	91.16%
Total 65000 · Administration	<u>701,869.59</u>	<u>826,953.00</u>	<u>-125,083.41</u>	<u>84.87%</u>
Total Expense	<u>43,147,055.58</u>	<u>40,782,828.00</u>	<u>2,364,227.58</u>	<u>105.8%</u>
Net Ordinary Income	-795,122.20	29,867,158.00	-30,662,280.20	-2.66%
Other Income/Expense				
Other Expense				
80100 · Depreciation & Amortization	62,724.51	0.00	62,724.51	100.0%
Total Other Expense	<u>62,724.51</u>	<u>0.00</u>	<u>62,724.51</u>	<u>100.0%</u>
Net Other Income	-62,724.51	0.00	-62,724.51	100.0%
Net Income	<u><u>-857,846.71</u></u>	<u><u>29,867,158.00</u></u>	<u><u>-30,725,004.71</u></u>	<u><u>-2.87%</u></u>

Charlotte Firefighters' Retirement System

10/08/20

Profit & Loss

Accrual Basis

July 2019 through June 2020

	Jul '19 - Jun 20
Ordinary Income/Expense	
Income	
43400 · Contributions	
43410 · Members	10,416,439.53
43440 · Employer	11,449,554.24
43450 · Purchase of Military Time	298,251.07
43460 · Purchase of Other Gov. Service	55,307.77
Total 43400 · Contributions	22,219,552.61
45000 · Investments	
45010 · Interest	2,788,931.62
45020 · Dividends- Trustee	4,258,578.65
45021 · Dividends Other	412.54
45030 · Net Realized Gain/Loss-Trustee	9,845,007.03
45040 · Net Realized Gain/Loss- Mgr GU	134,346.59
45050 · Unrealized Gain/Loss	3,105,104.34
Total 45000 · Investments	20,132,380.77
Total Income	42,351,933.38
Gross Profit	42,351,933.38
Expense	
60900 · Participant Benefits	
60920 · Retirement	38,641,750.57
60930 · Death	517,644.06
60940 · Contribution Withdrawals	369,316.70
Total 60900 · Participant Benefits	39,528,711.33
62100 · Investment Services	
62110 · Management Fees	
62111 · Morgan Stanley	581,957.93
62112 · Aronson+Johnson+Ortiz	54,326.00
62114 · Barrow Hanley	242,234.00
62115 · Robeco Investment Mgmt., Inc	123,417.73
62117 · Eagle Asset Management	154,468.64
62119 · Winslow Capital Management	285,556.15
62122 · Inv. Counselors of Maryland	134,346.59
62123 · T. Rowe Price	242,530.70
62125 · UBS Trumbull Property Fund	253,796.76
62126 · William Blair	54,253.84
62127 · SSGA Fixed Income	792.12
62128 · SSGA EAFE Index	20,296.95
62129 · SSGA Russell 1000	11,683.68
62130 · JPMorgan Chase	214,223.38
62131 · Colchester	153,646.00
62132 · MFS	73,385.67
Total 62110 · Management Fees	2,600,916.14
62139 · Transaction Fees	989.83
62140 · Trust and Bank Fees	124,568.69
62150 · Consulting Fees	190,000.00
Total 62100 · Investment Services	2,916,474.66
65000 · Administration	
65005 · Staff Wages and Benefits	
65004 · Staff wages	298,345.51
65006 · FICA/Medicare	21,329.79
65007 · Retirement LGERS	26,631.37
65008 · Insurance	33,614.73
65009 · NC 401K	8,176.64
Total 65005 · Staff Wages and Benefits	388,098.04

Charlotte Firefighters' Retirement System

10/08/20

Profit & Loss

Accrual Basis

July 2019 through June 2020

	Jul '19 - Jun 20
65010 · Travel and Training	30,695.03
65020 · Insurance	21,892.00
65030 · Parking	1,090.50
65040 · Auditing Services	13,000.00
65050 · Condominium Fees	21,514.56
65060 · Postage	2,567.88
65070 · Actuarial Services	39,000.00
65080 · Annual Retiree Reunion	5,898.87
65090 · Legal Services	26,316.58
65100 · Printing Services	9,344.95
65110 · Other Professional Services	78,336.47
65120 · Telecommunications	4,348.75
65130 · Office Equipment Maintenance	2,759.12
65140 · Office/Computer Supplies	5,345.11
65160 · Meetings	7,069.28
65170 · Professional Memberships/Dues	4,885.00
65180 · Medical Services	4,125.00
65190 · Office Furniture/Equipment	689.55
65200 · Subscriptions and Publications	768.79
65210 · Trustee Elections	4,664.11
Total 65000 · Administration	672,409.59
Total Expense	43,117,595.58
Net Ordinary Income	-765,662.20
Other Income/Expense	
Other Expense	
80100 · Depreciation & Amortization	62,724.51
Total Other Expense	62,724.51
Net Other Income	-62,724.51
Net Income	-828,386.71

Charlotte Firefighters' Retirement System

10/09/20

Balance Sheet

Accrual Basis

As of September 30, 2020

	Sep 30, 20
ASSETS	
Current Assets	
Checking/Savings	
10000 · Cash	
10001 · Cash-Bank of America	118,910.66
10004 · Cash & CE- USBank	3,220,358.10
10013 · Petty Cash	500.00
Total 10000 · Cash	3,339,768.76
10011 · Cash Equivalents- USBank Other	3,747,361.85
Total Checking/Savings	7,087,130.61
Other Current Assets	
10300 · Other Receivables	556,834.60
12100 · Prepaid assets	9,028.53
Total Other Current Assets	565,863.13
Total Current Assets	7,652,993.74
Fixed Assets	
15000 · Capital Assets	
15001 · Office Condominium	437,975.42
15002 · Intangible Asset-Pen Admin Sys	231,825.00
15010 · Accumulated Deprec. & Amort.	-402,215.12
Total 15000 · Capital Assets	267,585.30
Total Fixed Assets	267,585.30
Other Assets	
18000 · Marketable Securities	575,090,254.34
Total Other Assets	575,090,254.34
TOTAL ASSETS	583,010,833.38
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
27000 · Accounts Payable	
27020 · Refunds	108,025.17
27030 · Investment Fees	567,577.02
27040 · Consultant Fees	47,500.00
27050 · Trust and Bank Fees	30,447.60
27060 · Administrative Fees	1,434.40
27080 · Contracts Payable	28,000.00
Total 27000 · Accounts Payable	782,984.19
Total Accounts Payable	782,984.19
Total Current Liabilities	782,984.19
Total Liabilities	782,984.19
Equity	
32000 · Fund Balance	558,040,203.80
Net Income	24,187,645.39
Total Equity	582,227,849.19
TOTAL LIABILITIES & EQUITY	583,010,833.38

Charlotte Firefighters' Retirement System
Profit & Loss Budget vs. Actual
 July through September 2020

	<u>Jul - Sep 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
43400 · Contributions				
43410 · Members	2,541,135.98	10,516,506.00	-7,975,370.02	24.16%
43440 · Employer	2,829,816.64	11,638,820.00	-8,809,003.36	24.31%
43450 · Purchase of Military Time	157,463.25	200,000.00	-42,536.75	78.73%
43460 · Purchase of Other Gov. Service	0.00	200,000.00	-200,000.00	0.0%
Total 43400 · Contributions	<u>5,528,415.87</u>	<u>22,555,326.00</u>	<u>-17,026,910.13</u>	<u>24.51%</u>
45000 · Investments				
45010 · Interest	620,585.66	3,027,997.00	-2,407,411.34	20.5%
45020 · Dividends- Trustee	681,718.80	4,388,637.00	-3,706,918.20	15.53%
45021 · Dividends Other	54.88	750.00	-695.12	7.32%
45030 · Net Realized Gain/Loss-Trustee	4,219,590.20	37,046,160.00	-32,826,569.80	11.39%
45040 · Net Realized Gain/Loss- Mgr GU	31,119.34	140,000.00	-108,880.66	22.23%
45050 · Unrealized Gain/Loss	23,766,304.79	0.00	23,766,304.79	100.0%
Total 45000 · Investments	<u>29,319,373.67</u>	<u>44,603,544.00</u>	<u>-15,284,170.33</u>	<u>65.73%</u>
46400 · Other Types of Income				
46430 · Miscellaneous Revenue	0.00	2,000.00	-2,000.00	0.0%
46450 · Securities Litigation	0.00	0.00	0.00	0.0%
Total 46400 · Other Types of Income	<u>0.00</u>	<u>2,000.00</u>	<u>-2,000.00</u>	<u>0.0%</u>
Total Income	<u>34,847,789.54</u>	<u>67,160,870.00</u>	<u>-32,313,080.46</u>	<u>51.89%</u>
Gross Profit	<u>34,847,789.54</u>	<u>67,160,870.00</u>	<u>-32,313,080.46</u>	<u>51.89%</u>

Charlotte Firefighters' Retirement System
Profit & Loss Budget vs. Actual
July through September 2020

	<u>Jul - Sep 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Expense				
60900 · Participant Benefits				
60920 · Retirement	9,797,173.27	39,382,391.00	-29,585,217.73	24.88%
60930 · Death	0.00	150,000.00	-150,000.00	0.0%
60940 · Contribution Withdrawals	0.00	200,000.00	-200,000.00	0.0%
Total 60900 · Participant Benefits	<u>9,797,173.27</u>	<u>39,732,391.00</u>	<u>-29,935,217.73</u>	<u>24.66%</u>
62100 · Investment Services				
62110 · Management Fees				
62111 · Morgan Stanley	157,680.57	601,515.00	-443,834.43	26.21%
62112 · Aronson+Johnson+Ortiz	13,883.19	57,812.00	-43,928.81	24.01%
62114 · Barrow Hanley	61,994.73	242,551.00	-180,556.27	25.56%
62115 · Robeco Investment Mgmt., Inc	12,016.15	250,685.00	-238,668.85	4.79%
62117 · Eagle Asset Management	47,837.16	147,710.00	-99,872.84	32.39%
62119 · Winslow Capital Management	62,160.91	244,830.00	-182,669.09	25.39%
62122 · Inv. Counselors of Maryland	31,119.34	140,144.00	-109,024.66	22.21%
62123 · T. Rowe Price	74,634.62	245,906.00	-171,271.38	30.35%
62125 · UBS Trumbull Property Fund	63,710.44	256,224.00	-192,513.56	24.87%
62127 · SSGA Fixed Income	3,728.42	7,821.00	-4,092.58	47.67%
62128 · SSGA EAFE Index	1,835.74	25,262.00	-23,426.26	7.27%
62129 · SSGA Russell 1000	933.77	14,718.00	-13,784.23	6.34%
62130 · JPMorgan Chase	54,505.44	214,365.00	-159,859.56	25.43%
62131 · Colchester	40,753.50	137,332.00	-96,578.50	29.68%
62132 · MFS	34,331.08	100,572.00	-66,240.92	34.14%
Total 62110 · Management Fees	<u>661,125.06</u>	<u>2,687,447.00</u>	<u>-2,026,321.94</u>	<u>24.6%</u>
62139 · Transaction Fees	120.70	500.00	-379.30	24.14%
62140 · Trust and Bank Fees	31,730.33	130,800.00	-99,069.67	24.26%
62150 · Consulting Fees	47,500.00	196,000.00	-148,500.00	24.24%
Total 62100 · Investment Services	<u>740,476.09</u>	<u>3,014,747.00</u>	<u>-2,274,270.91</u>	<u>24.56%</u>

Charlotte Firefighters' Retirement System
Profit & Loss Budget vs. Actual
July through September 2020

	<u>Jul - Sep 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
65000 · Administration				
65005 · Staff Wages and Benefits				
Total 65005 · Staff Wages and Benefits	86,422.74	425,300.00	-338,877.26	20.32%
65010 · Travel and Training	456.88	20,000.00	-19,543.12	2.28%
65020 · Insurance	19,437.00	23,500.00	-4,063.00	82.71%
65030 · Parking	0.00	1,200.00	-1,200.00	0.0%
65040 · Auditing Services	0.00	13,500.00	-13,500.00	0.0%
65050 · Condominium Fees	7,171.52	22,052.00	-14,880.48	32.52%
65060 · Postage	152.93	2,300.00	-2,147.07	6.65%
65070 · Actuarial Services	250.00	15,500.00	-15,250.00	1.61%
65080 · Annual Retiree Reunion	0.00	0.00	0.00	0.0%
65090 · Legal Services	1,092.50	50,000.00	-48,907.50	2.19%
65100 · Printing Services	764.31	8,050.00	-7,285.69	9.5%
65110 · Other Professional Services	21,439.43	94,410.00	-72,970.57	22.71%
65120 · Telecommunications	644.94	4,583.00	-3,938.06	14.07%
65130 · Office Equipment Maintenance	511.81	2,500.00	-1,988.19	20.47%
65140 · Office/Computer Supplies	1,195.31	4,000.00	-2,804.69	29.88%
65160 · Meetings	96.40	4,000.00	-3,903.60	2.41%
65170 · Professional Memberships/Dues	1,065.00	4,900.00	-3,835.00	21.74%
65180 · Medical Services	0.00	5,000.00	-5,000.00	0.0%
65190 · Office Furniture/Equipment	0.00	500.00	-500.00	0.0%
65200 · Subscriptions and Publications	579.02	600.00	-20.98	96.5%
65220 · Miscellaneous/Contingency	0.00	1,000.00	-1,000.00	0.0%
65230 · Building Improvements	0.00	250.00	-250.00	0.0%
Total 65000 · Administration	<u>141,279.79</u>	<u>703,145.00</u>	<u>-561,865.21</u>	<u>20.09%</u>
Total Expense	<u>10,678,929.15</u>	<u>43,450,283.00</u>	<u>-32,771,353.85</u>	<u>24.58%</u>
Net Ordinary Income	24,168,860.39	23,710,587.00	458,273.39	101.93%
Other Income/Expense				
Other Expense				
80100 · Depreciation & Amortization	0.00	0.00	0.00	0.0%
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
Net Other Income	0.00	0.00	0.00	0.0%
Net Income	<u><u>24,168,860.39</u></u>	<u><u>23,710,587.00</u></u>	<u><u>458,273.39</u></u>	<u><u>101.93%</u></u>

Charlotte Firefighters' Retirement System
Profit & Loss
July through September 2020

	<u>Jul - Sep 20</u>
Ordinary Income/Expense	
Income	
43400 · Contributions	
43410 · Members	2,541,135.98
43440 · Employer	2,829,816.64
43450 · Purchase of Military Time	157,463.25
Total 43400 · Contributions	<u>5,528,415.87</u>
45000 · Investments	
45010 · Interest	620,585.66
45020 · Dividends- Trustee	681,718.80
45021 · Dividends Other	54.88
45030 · Net Realized Gain/Loss-Trustee	4,219,590.20
45040 · Net Realized Gain/Loss- Mgr GU	31,119.34
45050 · Unrealized Gain/Loss	23,766,304.79
Total 45000 · Investments	<u>29,319,373.67</u>
Total Income	<u>34,847,789.54</u>
Gross Profit	34,847,789.54
Expense	
60900 · Participant Benefits	
60920 · Retirement	9,797,173.27
Total 60900 · Participant Benefits	<u>9,797,173.27</u>
62100 · Investment Services	
62110 · Management Fees	
62111 · Morgan Stanley	157,680.57
62112 · Aronson+Johnson+Ortiz	13,883.19
62114 · Barrow Hanley	61,994.73
62115 · Robeco Investment Mgmt., Inc	12,016.15
62117 · Eagle Asset Management	47,837.16
62119 · Winslow Capital Management	62,160.91
62122 · Inv. Counselors of Maryland	31,119.34
62123 · T. Rowe Price	74,634.62
62125 · UBS Trumbull Property Fund	63,710.44
62127 · SSGA Fixed Income	3,728.42
62128 · SSGA EAFE Index	1,835.74
62129 · SSGA Russell 1000	933.77
62130 · JPMorgan Chase	54,505.44
62131 · Colchester	40,753.50
62132 · MFS	34,331.08
Total 62110 · Management Fees	<u>661,125.06</u>
62139 · Transaction Fees	120.70
62140 · Trust and Bank Fees	31,730.33
62150 · Consulting Fees	47,500.00
Total 62100 · Investment Services	<u>740,476.09</u>
65000 · Administration	
65005 · Staff Wages and Benefits	

Charlotte Firefighters' Retirement System
Profit & Loss
July through September 2020

	<u>Jul - Sep 20</u>
Total 65005 · Staff Wages and Benefits	86,422.74
65010 · Travel and Training	456.88
65020 · Insurance	19,437.00
65050 · Condominium Fees	7,171.52
65060 · Postage	152.93
65070 · Actuarial Services	250.00
65090 · Legal Services	1,092.50
65100 · Printing Services	764.31
65110 · Other Professional Services	21,439.43
65120 · Telecommunications	644.94
65130 · Office Equipment Maintenance	511.81
65140 · Office/Computer Supplies	1,195.31
65160 · Meetings	96.40
65170 · Professional Memberships/Dues	1,065.00
65200 · Subscriptions and Publications	579.02
Total 65000 · Administration	<u>141,279.79</u>
Total Expense	<u>10,678,929.15</u>
Net Ordinary Income	<u>24,168,860.39</u>
Net Income	<u><u>24,168,860.39</u></u>

**CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
2020-2021 CONFERENCES**

Aug 8-12, 2020 (approve in April) (Virtual due to COVID) (Sandy)
Annual NASRA Conference, Park City, UT – virtual meeting

Sept 22-24, 2020 (approve in July) (no attendees)
Callan College, Chicago, IL

Nov 15-18, 2020 (approve in July) (no attendees)
IFEBP 66th Annual Employee Benefits Conference, Honolulu, HI

Jan 24-26, 2021 (approve in Oct) (On-Site conference cancelled due to COVID)
NCPERS Legislative Conference, Renaissance Washington DC, Washington DC

Feb 24-26, 2021 (approve in Oct)
NAPPA –Winter conference, Tempe, AZ
(extensive discussion Benefits, Fiduciary & Plan Governance, Investments & Tax)

May 22-23, 2021 (approve in January) (On-Site cancelled due to COVID)
NCPERS Annual Trustee Educational Seminar, Denver, CO
NCPERS Accredited Fiduciary Program (modules 1,2,3 & 4)

May 23-26, 2021 (approve in January)
NCPERS Annual Conference & Exhibition, Denver, CO

June 21-23, 2020 (approve in January)
40th National Conference Callan Investments Institute, San Francisco, CA

June 27-30, 2021 (approve in January)
115th Annual GFOA Conference, Chicago, IL

June (TBD), 2020 (approve in April)
NAPPA –Legal Education Conference, place TBD
(Ethics/Fiduciary, Federal & State Legislation, Investment Issues, Benefit Issues)

July 18-21, 2021
NCGFOA, Holiday Inn, Wrightsville Beach, NC

Aug (TBD), 2021 (approve in April)
Annual NASRA Conference, Pittsburgh, PA

NEW BUSINESS

Date: August 31, 2020

To: Marvin Wilson

Cc: Fellow member of the Charlotte Fire Retirement System Board of Trustees

From: Sheila C. Simpson

Dear Marvin,

In December 2017, I stood before the honorable Mayor Vi Lyles, and took an Oath of Office to affirm and uphold my duty to support the Constitution of the United States and the Constitution of the State of North Carolina.

To that end, I write to inform you that, I will not and do not graciously accept your flippant and disparaging sentiments boldly expressed on yesterday evening.

I have the utmost respect for my fellow colleagues, inclusive of you. However, I do not condone the behavior you have exhibited to me, professionally nor to our fellow Trustees to explicitly charged us with willful actions of fraud. Although I respect you as a person, I do not respect the manner in which you have at-times, elected to conduct yourself when communicating questions or areas of disagreement with the Board.

One of the greatest assets of the Charlotte Fire Retirement System (CFRS) Board is the diversity of composition it provides to seek and share different perspectives of people all united with the same goal.

That goal is the common Oath we each took.

Indeed, one of the major duties we have is the duty of care and stewardship of the CFRS financial stability and prosperity as that is the soul and lifeline of the members.

I clearly do not agree with your approach or your conclusions of fraud and allegations of misapplication of administrative matters such as the Vacation in-lieu of Holiday city sanctioned benefit.

Using a poker analogy, by way of your email, you have placed the first bet. I hereby raise it.

I am calling for the CFRS Board to commission an auditor or another certified financial analysis firm to determine what the financial impact is or would be to the system from the members of the Charlotte Fire Department who retire on or after March 25, 2019. This is the date that led to the modification of how the monthly benefits would be computed, without Garcia time and vacation that was awarded to a member for not using sick leave, a.k.a. T-13 time.

The analysis should identify for the Board the following:

The Goal:

- Quantify the assertions that have been made
- Determine if the data accurately reflects that the CFRS is being unfairly, woefully or unlawfully harmed and
- Determine if members of the system are being treated inequitably as allegedly implied.

Assumptions:

- Model members that retire at full-service eligibility. We will NOT use a real person. The data will be conducted as a simulation.
- Members retire at their current Rank.
- FY20 Top of Scale compensation should be used for all ranks of the Public Safety Pay Plan
- The top of Midpoint of the Salaried Pay Plan can be used for members who are exempt.
- The Rank on an Administrative Schedule is limited to only normal vacation time at the highest level.
- The Rank on the Operations Schedule receives vacation time at the highest level and the 11 holidays as additional vacation.
- Use the current mortality table

The Methodology:

- The selected firm must use the methodology used by the CFRS Administrator to compute a member's retirement benefit.

The Measurement:

- For each Rank, compute a monthly benefit for each work schedule. Simulate the same member as a carbon copy of him/herself and were on both schedules and was hired and retired at the same time.
- Compare the monthly retirement benefit of all Ranks for the Administrative Schedule against the Operations Schedule.
- Calculate the results and compute the difference between a person on an Administration schedule and that same person on an Operations schedule.
- Forecast the financial impact it has on the system.

As stated, I am calling for the Board to commission the review and evaluation. As Board the conditions that I have stated above can be modified to ensure that it encapsulates the root of what we attempting to discern.

You placed the bet. I raised it. It will require a vote to become the will of the Board to commence the review. We meet soon. I hereby ask Madam Chair to add this request to the agenda as New Business.

Professionally,

