

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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BENEFITS COMMITTEE MINUTES

August 12, 2021

PRESENT: Melinda Manning - Chair, Lee Thompson, Renee Metzler, Ryan Pope

ABSENT: Sheila Simpson

OTHER: Staff - Sandy Thiry, Desiré Dixon, Tony Bass, Tyrallyn Phelps, Marvin Wilson

OFFICIAL CALL TO ORDER

Melinda Manning called the meeting to order at 8:10 a.m. and attendance was taken via roll call. Sandy Thiry informed the Committee that due to Kelly Flannery's departure from the City, her previous position will be separated into 2 roles, CFO and Treasurer. Teresa Smith has been appointed CFO and will assume the responsibility of co-signing checks for the CFRS. The City is now interviewing for a Treasurer and once hired, that person will be appointed to the Board.

I. MEETING MINUTES APPROVAL

Lee Thompson motioned to approve the minutes for the July 8, 2021 meeting and Renee Metzler seconded the motion. The motion carried via roll call vote.

II. NOTEWORTHY NEWS

Sandy Thiry informed the Committee that the various bills being tracked have not made any headway to mention at this point.

III. ACT AMENDMENT UPDATE

Sandy Thiry informed the Committee that the CFRS Act amendment bill has stalled due to an Intra Senate squabble. A new sponsor is being sought. At this point in time, the bill may only move forward with the funding change and not all changes submitted. Question arose if any intervention would be helpful to move the bill along. Staff to research.

Follow up post meeting via email to entire Board: It is not recommended that the Board get involved at this time. Instructed to let the City handle the legislative agenda since this is in their legislative package. CFRS will be notified if or when any assistance will be necessary.

Staff will continue to monitor the progress.

IV. EDUCATIONAL MODULE UPDATE

- A. The active members have completed 94% of the Overview module and 89% of the Calculation modules. The upcoming module for Disability Retirements has been reviewed by staff and legal counsel's review. Expect distribution within the next 2 weeks. The primary focus for the next module will be the annual valuation in effort to be timed with the annual valuation report later this year. Other topics of interest for future modules include the benefits for those who terminate or die prior to retirement, and Qualified

Domestic Relations Orders. Sandy also mentioned trying to do some type of education piece to the retirees, specifically around cyber security.

Speaking of education, Lisa Flowers was asked about remote meetings protocol. Lisa explained that as long as a state of emergency exists, can keep meetings remote. Once state of emergency lifts, would expect that meetings would be held in person at office again. Lisa was asked to review if remote attendance post state of emergency would be a policy or an Act change.

V. COMMUNICATIONS POLICY

Ryan Pope and Joey Hager created a rough draft communication policy, which was provided to the Committee for discussion. Having guidelines and accountability were discussed as well as having some flexibility. The Committee discussed in great length the distribution of accurate information including actions taken by the Board. Various ideas were suggested on how to communicate accurate information in a timely manner without creating additional work or adding a risk of miscommunication. The Committee confirmed that the meeting minutes are the record of meetings and therefore, suggested that Board minutes be drafted within 2 weeks after the Board meeting and provided to Chairs for review. The draft minutes be distributed immediately after review completed. Legal confirmed that draft minutes are considered public record even though not formally approved by the Board or Committee so if someone were to request the draft, the System would be obligated to provide. The Committee felt it best to shorten the administrative process time for drafting and reviewing the minutes for distribution. Staff will confirm with Committee and Board Chairs of review commitment for the revised administrative process to begin with the October Board meeting. Sandy Thiry will modify the rough draft using the same format as existing policies and will have ready for the Committee's next meeting.

VI. WORKPLAN

Sandy Thiry updated the Committee that a letter from Vanessa Heffron, which identified possible funding options as well as the effects and risks of such options, was sent to Mr. Jones, City Manager. Sandy confirmed that Mr. Jones forwarded to Ryan Bergman in the Budget office and City CFO - Teresa Smith. It is undetermined when or how this will be addressed by the City or if additional research would be requested of the Board.

VII. OLD BUSINESS

- A.** Sandy Thiry updated the Committee that she had spoken with both Committees regarding a process which will allow Members to speak during scheduled meetings. All Trustees felt the Members should be allowed to speak at the beginning of a Board Meetings however not all agreed they should have the platform at Committee Meetings. Sandy provided the Committee with her proposal. This will also be presented at the Investment Committee meeting in September. Considering the common concerns of the Members, the Benefits Committee feel it's important that the Benefits Committee meetings have the platform available to Members. Suggested guidelines include up to approximately 10 minutes on the Benefits Committee agenda and up to 15-20 minutes on the Board's agenda. Reservation must be made by noon the day before the meeting and is a first come-first serve basis.
- B.** Melinda Manning reminded the Committee of the upcoming annual valuation and of the assumptions used in the valuation. A presentation of the Annual Valuation will be prepared and reviewed by the Board in October before sending to the City. Sandy also

informed the Committee that she had spoken to the actuary and that they are prepared to provide COLA and bonus analysis, but they reminded us that as well as the market performed this past year, the System is still smoothing a loss from prior years, the City is not paying the full ADEC, and the assumed rate of return is still higher than they recommended. To further add, one year of good returns should not be the catalyst to grant COLA or Bonus, but rather all aspects of funding be considered. Melinda Manning expressed appreciation to the CFRS staff for the timely and clean data that is sent to the actuary for the Annual Valuation. This is critical in order for the actuary to have the valuation results back to the Board by October.

VIII. NEW BUSINESS

No new business was presented during the July Benefits Committee Meeting.

Ryan Pope motioned to adjourn at 9:58 a.m. and Renee Metzler seconded the motion. The motion carried via roll call.

Next Regular Meeting is scheduled for Thursday, September 9, 2021 at 8:00 a.m.