

# CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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

## SPECIAL BOARD MEETING MINUTES

November 1, 2021

**PRESENT:** Vanessa Heffron – Chair, Joey Hager, Lee Thompson, Marvin Wilson, Melinda Manning, Teresa Smith, Ryan Pope, Sheila Simpson, John Carr, Renee Metzler

**OTHER:** CFRS Staff - Sandy Thiry, Lisa Flowers - Sr. Assistant City Attorney

**I. CALL TO ORDER** by Vanessa Heffron at 5:02 p.m. Due to the gathering restrictions surrounding COVID-19, the Special Board Meeting took place virtually. Roll call was conducted with all trustees in attendance except.

### **II. POST-RETIREMENT ADJUSTMENT**

Vanessa Heffron refreshed the Board of the motion approved at the Quarterly Board Meeting held Thursday October 28, 2021. The exact motion was to ask the City to fund a post-retirement adjustment for the retirees to be paid in fiscal year 2023 budget.

Vanessa afforded each Trustee the opportunity to explain their thoughts and concerns regarding the motion including which type of post-retirement adjustment they could support. Lisa Flowers again clarified that according to the Act, the contributions received from the City on a weekly basis are earmarked to pay for the active Members' benefits; therefore, any funding to pay for a post-retirement benefit would have to come from other sources, such as additional funding from the City or excess investment income. However, she reminded the Board that the actuary did not recommend using excess investment income due to the current funding status of the Plan, and she also reminded the Board that per the Act any post-retirement adjustment would require City approval.

Extensive discussion ensued. Concerns were raised regarding any unintended consequences to the current funding progress by asking the City to pay for such post-retirement benefit, especially since the North Carolina General Assembly has not approved the proposed funding initiative. Various questions were raised including what type of post-retirement adjustment should be requested as well as who would be eligible to receive a post-retirement adjustment. The need for more information was expressed to better understand the retiree needs and balance that with the responsibility to uphold the funding status for all members. There was general consensus that any adjustment should be tiered to provide the most assistance to retirees who retired before the City began contributing into each employee's 401(k) plan and that additional analysis would be needed in order to support any Board request to the City.

**MOTION:** Teresa Smith motioned for additional actuarial analysis based on the same analysis done for the October 28, 2021 Board meeting (COLA, bonus, and 13<sup>th</sup> check), but breaking down the retiree population into three tiers - those who retired prior to the City's contribution to the State's 401(k) plan, January 3, 2000; those who retired after January 3, 2000 but before January 1, 2008, the date of the last COLA; and those who retired on or after January 1, 2008.

Ryan Pope seconded the motion. The motion carried via roll call vote.

Ryan Pope motioned to adjourn at 6:27pm. Lee Thompson seconded the motion. The motion carried via roll call vote.

cc: Lisa Flowers, Assistant City Attorney