**BOARD OF TRUSTEES**

**CHARLOTTE FIREFIGHTERS’ RETIREMENT SYSTEM**

**INVESTMENT COMMITTEE CHARTER**

**Adopted April 2017**

**Revised July 2020**

**WHEREAS**, the Charlotte Firefighters’ Retirement System (System) was established pursuant to the provisions of Chapter 926 of the 1947 Session Laws, as amended, for the purpose of providing retirement, disability and survivor benefits for the uniformed employees of the Charlotte Fire Department who are subject to the provisions of the Civil Service Act contained in Chapter 333 of the 1969 Sessions Laws as amended, including the chief of the fire department where the chief was subject to the provisions of the Civil Service Act immediately prior to being appointed fire chief ; and

**WHEREAS**, the general administration, management and responsibility for the proper operation of the System are vested in the Board of Trustees (Board); and

**WHEREAS**, the Board is the designated trustee of the funds and assets of the System and is vested with the authority, responsibility and full power to hold, purchase, sell, assign, transfer, lend and dispose of any of the securities and investments in which the System shall have been invested, as well as the proceeds of said investments and any monies belonging to the System; and

**WHEREAS**, the Board has the authority to adopt the rules and regulations for the administration of the System and for the transaction of its business, and to utilize the services of Investment Fiduciaries to manage the assets of the System; and

**WHEREAS**, the Board wishes to delegate certain duties and authority to the Investment Committee, a standing committee of the Board; now

**THEREFORE, BE IT RESOLVED**, that the Board hereby continues the Investment Committee and adopts the following Charter, which may be amended from time to time by formal action of the Board:

**CHARTER**

**INVESTMENT COMMITTEE**

**BOARD OF TRUSTEES**

**PURPOSE**

The purpose of this Charter is to outline the role, composition, duties, and authority of the Investment Committee, heretofore established as a standing committee of the Board of Trustees of the Charlotte Firefighters’ Retirement System.

**DEFINITIONS**

The following terms as used in this Charter shall have the indicated meaning:

1. “Act” means Chapter 926 of the 1947 Session Laws of North Carolina, as amended.
2. “Board” means the Board of Trustees of the Charlotte Firefighters’ Retirement System.
3. “Committee” means the Investment Committee.
4. “Fund” means collectively, the System’s monies and investments.
5. “Investment Policy” means that certain Policy Statement of Investment Goals, Objectives and Guidelines, as may be amended by the Board from time to time.
6. “System” means the Charlotte Firefighters’ Retirement System.

**ROLE**

The Committee is charged to oversee the System’s investment and funding programs as relates to investments and related assumptions. Committee members, as Trustees and fiduciaries, shall: 1) discharge their duties solely in the interest of the Members, Retirees and Beneficiaries, and 2) act with the same care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims.

**MEMBERSHIP**

The Committee shall consist of five Trustees appointed by the Chairperson of the Board (“Chairperson”), except that one of the five shall be the System’s Treasurer, an ex officio member. The Committee shall elect a Committee Chairperson from among its members. At any time, a majority of the members of the Committee could petition the Board Chairperson for a vote to elect a Chairperson.

**MEETINGS**

The Committee shall generally meet once a month and may convene more or less often as circumstances require. Meetings shall conform with the “Open Meetings Law,” Article 33C of Chapter 143 of the General Statutes, G.S. 143-318.9, et seq., as amended. Committee members may attend meetings of the Committee in-person or by means of a conference telephone or similar communications device allowing all persons participating in the meeting to hear each other at the same time, to the extent permitted by law. The Committee Chairperson (or the Chairperson’s designee in the event of his or her absence) shall preside at all meetings of the Committee.

A majority of the Committee shall constitute a quorum for the transaction of business at any meeting thereof. If there are only three members present at a meeting and a motion for recommendation to the Board is split, the motion would be directed to the Board for the full Board’s decision.

The Committee Chairperson in consultation with the System’s Administrator shall set the agenda for each meeting of the Committee. Meeting agendas will be distributed in advance of the meeting. System Staff shall supply Committee members with information related to the items contained in the agenda prior to the meeting. The System’s Administrator shall attend and participate in Committee meetings at the pleasure of the Committee.

The Committee shall keep minutes of its proceedings and shall provide regular reports on its activities and recommendations to the Board.

**DUTIES**

The Committee shall have the following advisory and administrative duties:

1. Advisory Duties

1. Periodically review the Investment Policy and this Charter, and recommend changes where appropriate.
2. Periodically evaluate service providers (e.g., investment consultant, actuary, custodian) and recommend retention or replacement.
3. Periodically review the actuarial assumptions, both economic and demographic, and recommend changes where appropriate.
4. Recommend special studies (e.g., asset-liability study, actuarial experience study) as may be appropriate from time to time.

2. Investment Program

1. Oversee the System’s investment program, ensuring compliance with the Investment Policy, including approval of Fund transactions and ability to grant temporary exceptions to the Investment Policy if market conditions warrant, in accordance with the Committee’s scope of authority.
2. Conduct investment manager / fund searches as needed.
3. Monitor performance of the individual investment managers / funds in accordance with the Investment Policy.
4. Evaluate the performance of the Fund quarterly based on a comparison of actual return with the System’s absolute return objective and with other benchmarks stipulated by the Investment Policy.
5. Review all investment-related fees incurred by, or on behalf of, the System for reasonableness.

3. Funding Program

1. Monitor the System’s funding program.
2. Identify key risk areas and devise methods or metrics for monitoring associated experience development. “Risk” refers to events that may be reasonably anticipated to adversely affect the System's future financial condition.
3. Recommend accommodative strategies as may be required to respond to an over- or under-funding condition or threats to the System’s financial soundness, be they actual or anticipated.

**OVERSIGHT & REPORTING**

The Board shall maintain direction and oversight of the Committee’s activities. The Board’s direction shall be accomplished primarily through establishment of the Investment Policy as well as review of regular reports of the Committee’s activities at meetings of the Board. Any action(s) taken, not taken or deferred in accordance with this Charter or Board guidance shall be reported to the Board at the next meeting of the Board following such action(s).

Revised July 16, 2020