

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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BENEFITS COMMITTEE MINUTES

March 14, 2024

PRESENT: Melinda Manning - Chair, Kim Heffernan (left at 10:15 a.m.), Sheila Simpson (left at 9:57 a.m.)

CALL IN: Ryan Pope

ABSENT: Kevin Gordon

OTHER: Staff - Sandy Thiry, Edward Bass, Desiré Dixon, Lisa Flowers – legal counsel, Ryan Bergman

OFFICIAL CALL TO ORDER

Melinda Manning called the meeting to order at 8:09 a.m.

I. MEETING MINUTES APPROVAL

Kim Heffernan motioned to approve the February 8, 2024 meeting minutes as presented. Sheila Simpson seconded the motion. The motion carried unanimously.

II. NOTEWORTHY NEWS

A congressional hearing was held in late February about retirement security and the need for defined benefit plan improvements. These discussion may lead to a Secure Act 3.0 that would be a follow up to the Secure Acts 1.0 and 2.0. This new version would aim employers with 10 or more employees to provide a retirement plan to workers. Additional options that could impact fire and safety workers include raising the exemption for healthcare premiums from \$3,000 to \$4,800 or even possibly index the exemption.

RingCentral hosted a webinar and provided the latest Cyber Security concerns including AI privacy issues and the reasons companies should consider hiring dedicated Cyber Security employees to help protect personal data. The trend in cyber security may lead pension Boards to include a cyber security skillset in a trustee.

III. WORKPLAN

The Committee reviewed the workplan for outstanding projects which includes the Benefit Provisions, Security Litigation, the Business Continuity Plan, and the Disability Regulations policy.

IV. POLICIES AND REGULATIONS

The Committee will discuss the Disability Regulations at a future meeting.

V. FUNDING INITIATIVE

Ryan Bergman discussed the actuarial analysis which included the current contributions and the potential increased contributions to the ADEC, as well as new employee benefit adjustments that could help the City manage plan costs. He also compared the CFRS retirement plan to LGERS and LEO retirement plans.

The City and the Committee understand there is a need for a long-term solution. The City is in their budget discussions for FY2025 which could include raising the employer contribution from the previously agreed 2% increase to even 3% or 4%.

Concerns were raised for current plan participants and inflation proofing or the ability to provide even a bonus check.

The Committee also discussed the financial and behavioral changes that could affect the ADEC including suggested edits to the disability regulations.

The working session began at 9:57 a.m. due to the lack of quorum.

VI. NEW BUSINESS

No new business was presented during the March BC Meeting.

The working session ended at 10:15 a.m.

The next monthly meeting is scheduled for Thursday, April 11, 2024 at 8:00 a.m.

