

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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SPECIAL BOARD MEETING MINUTES

November 13, 2024

- PRESENT:** Vanessa Heffron – Chair, Melinda Manning, Joey Hager, Teresa Smith, Kevin Gordon, Kim Heffernan, Ryan Pope, Matt Hastedt (arrived at 8:07 a.m.), and Mike Feehley (via phone, left at 9:25 a.m.)
- ABSENT:** John Carr and Sheila Simpson
- STAFF:** Sandy Thiry, Ty Phelps, Tony Bass, Michelle Maxwell, Desiré Dixon, and Lisa Flowers - Sr. Assistant City Attorney
- GUEST:** Tory Summey – Parker Poe (left at 8:27 a.m.) Legal Counsel and Jordan Paschal - City Budget Analyst (arrived at 9:00 a.m.)

AGENDA

CALL TO ORDER by Vanessa Heffron at 8:00 a.m. This meeting took place in person at the CFRS office.

I. CLOSED SESSION

Ryan Pope motioned to enter closed session pursuant to North Carolina General Statutes §143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body. Discussion will pertain generally to the *Sylvia Smith-Phifer v. City of Charlotte* case. Teresa Smith seconded the motion. The motion carried unanimously.

Joey Hager motioned to move into open session at 8:25 a.m. Ryan Pope seconded the motion. The motion carried unanimously. The Board agreed that the members' benefits would be recalculated using the new information that was provided by the City. It was noted that Kevin Gordon abstained in the Closed Session.

II. OPEN SESSION - ACT AMENDMENT

Melinda Manning walked through a Power Point presentation which provided the background on how the Committee came to their recommendation for the definition of Compensation for new hires. She discussed the standard goal of a 75% preretirement income replacement one needs at retirement, the CFRS formula design which provides for 78% income replacement based on a 30-year career, the funding level change over the past 3 decades, the effect of spiking on benefits, the CBIZ study from 2017 showing the cost of spiking to the plan, and the member survey that supports non-spiking. The Committee has worked collaboratively with the City during the year and focused on options that could help lower costs to the System but also take into consideration the Member's surveyed responses. Melinda Manning discussed the considerations applicable to changing the definition of Compensation in the Act including education to Members, programming requirements of City payroll and the pension administration system, and spiking concepts. Melinda reminded the Board that any change to the definition of Compensation would affect new hires on or after an effective date and not affect current members.

The Board also discussed the timeline for submitting the recommended changes for the City's approval and recommendation to the legislature as required by the Act. The Board approved submitting the recommended changes to the City in early January for the City Council's review.

Motion: Kevin Gordon motioned to accept section 29b suggested edit, and to prepare a packet for the City Council which would include this amendment as well as the previously approved suggested amendments from the October 24, 2024 Board meeting. Mike Feehley seconded the motion. The motion carried with 7 affirmative votes and 1 opposed.

New business was presented by Ryan Pope which related to non CFRS members in the pension plan. The Board determined the topic should be addressed to the City not the CFRS.

ADJOURNMENT

Matt Hastedt motioned to adjourn at 9:31 a.m. Ryan Pope seconded the motion. The motion carried unanimously.

cc: Lisa Flowers, Assistant City Attorney