

# CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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## BENEFITS COMMITTEE MINUTES

January 9, 2025

**PRESENT:** Melinda Manning - Chair, Kim Heffernan, and Sheila Simpson (left at 9:27 a.m.)

**ABSENT:** Kevin Gordon and Ryan Pope

**OTHER:** Staff - Sandy Thiry, Ty Phelps, Michelle Maxwell, Desiré Dixon, Lisa Flowers – legal counsel (arrived at 8:15 a.m.)

### OFFICIAL CALL TO ORDER

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

#### I. MEETING MINUTES APPROVAL

Sheila Simpson motioned to approve the October 10, 2024 BC meeting minutes and Kim Heffernan seconded the motion. The motion carried unanimously.

#### II. NOTEWORTHY NEWS

Sandy Thiry advised that the Social Security Fairness Act was approved and signed by President Biden on January 4, 2025. The Act repealed the Windfall Elimination Program (WEP) which reduced benefits for retirees such as firefighters with pensions that did not withhold Social Security taxes but had another job that did withhold Social Security taxes. Although Social Security benefits will be retro to January 1, 2024, it is yet to be known how the Social Security Administration will implement the change.

NASRA published the results of its public survey which collects characteristics and trends affecting the nation's largest public retirement plans. The survey represented about 90% of state and local defined benefit plans and assets as of Fiscal Year (FY) 2023. The data included information such as plan membership, plan assets and liabilities, and actuarial funding levels. The average funding level of public pension plans in the survey is 76.4% while the CFRS' current funding level is below 70%.

Sandy informed the Committee that one of the CFRS members called to advise the System that his benefit payment information on the retiree portal was compromised. A few months prior, someone tried to access that members' information via phone call to the office. However, one of the CFRS staff members was able to stop that attempt and notified the member. The Staff and U S Bank are monitoring the situation.

#### III. WORKPLAN

The Committee reviewed its 2025 workplan. Sandy Thiry submitted the Funding request to the City.

The sick and vacation conversion policy was also reviewed. Currently the City pays 20% of sick time balance up to 43 ½ days and the remainder is converted to service. The conversion method increases the unused sick time which is added to service. Since there are no contributions to service, inflating the service adds to the cost of the plan. Since this a Board policy, changes would be determined and voted on by the Board and would not require approval from City Council or legislation. The Committee would like some direction from the Board.

#### **IV. POLICIES AND REGULATIONS**

The Committee discussed the Disability Regulations edits and the idea of outsourcing opportunities. The Committee will seek input from the Board whether to pursue additional research on this topic.

The Experience Study is now due. Sandy Thiry provided an estimate from CavMac. The Committee asked Sandy to obtain a quote from CBIZ as well.

The actuarial contract for the Annual Valuation services currently held with CavMac has expired. The last contract was signed by Randy Harrington with the City of Charlotte.

#### **V. NEW BUSINESS**

No new business was presented during the January BC Meeting.

The working quorum began at 9:27 a.m. with only 2 Trustees available and the meeting ended at 10:00 a.m.

The next meeting is scheduled for Thursday, February 9, 2025 at 8:00 a.m.