

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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

MEETING NOTICE AND AGENDA

DATE: January 17, 2025

TO: Board of Trustees
Charlotte Firefighters' Retirement System

FROM: Sandy Thiry – Administrator

The Annual meeting of the Board of Trustees of the Charlotte Firefighters' Retirement System (CFRS) will be held on Thursday, **January 23, 2025 at 8:00 A.M.** The meeting will be held at the CFRS Office, 428 East 4th Street, Suite 205, Charlotte, North Carolina. To join the meeting remotely, you may dial 1(650) 419-1505 and use access code – 636892625.

AGENDA

- I. **CALL TO ORDER** (5 minutes)
- II. **PUBLIC FORUM** (15 minutes)
- III. **CONSENT CALENDAR** (5 minutes)
 - a. Board Minutes October 24, 2024
 - b. Schedule of Retirements
 - c. Expense Reports
- IV. **BOARD GOVERNANCE** (35 minutes)
 - a. Annual Audit - Cherry Bekaert
 - b. Review of Governance Calendar
- V. **REPORTS** (60 minutes)
 - a. Investment Committee Report (20 minutes)
 - i. Motion regarding investment managers
 - b. Benefits Committee Report (20 minutes)
 - c. Administrator Report (20 minutes)
 - i. Conference Approval
- VI. **NEW BUSINESS**
- VII. **CLOSED SESSION**
 - a. Adopt a motion to enter closed session pursuant to North Carolina General Statute §143-318.11(a)(6) to Consider the Performance of Members of the System's Staff.

If you would like copies of the agenda materials, please contact the CFRS office at (704) 626-2728 or CFRS@charlottenc.gov. Alternatively, you may find the meeting material by visiting www.charlottefireretire.com/Reports. Please note, time allotments listed above are approximate and may vary.

If you would like to address the Board during the Public Forum session, please contact the CFRS office prior to 3pm ET the day before the meeting to sign up. You will need to provide your name, address, daytime phone number, and topic. Speakers will be placed on the agenda based on order of receipt and be limited to no more than 3 minutes for their comments. However, the Chairperson has the discretion to shorten the time if an unusually large number of individuals have registered to speak. You may also submit written comments. You may read complete rules of the Public Forum session in the Board Ops Policy by visiting www.charlottefireretire.com/Reports.

Next Board Meeting: April 24, 2025

Consent Calendar

Meeting Minutes

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

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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QUARTERLY BOARD MEETING MINUTES

October 24, 2024

PRESENT: Vanessa Heffron – Chair , John Carr (left at 10:00 a.m.), Melinda Manning, Joey Hager, Matt Hastedt, Teresa Smith, Sheila Simpson, Kevin Gordon (left at 10:20 a.m.), Kim Heffernan, Mike Feehley, Ryan Pope (via phone)

STAFF: Sandy Thiry, Ty Phelps, Tony Bass, Michelle Maxwell, Desiré Dixon, and Lisa Flowers - Sr. Assistant City Attorney

GUESTS: Todd Green - Cavanaugh Macdonald, Jordan Paschal - City Budget Analyst, Tory Summey – Parker Poe, Legal Counsel, several CFRS members.

AGENDA

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

I. PUBLIC FORUM

There were no speaker requests for the public forum.

II. CONSENT CALENDAR

Joey Hager motioned to accept the Consent Calendar which consisted of the July 25, 2024 Board Meeting Minutes, Schedule of Retirements, and Expense Reports. Mike Feehley seconded the motion. The motion carried unanimously.

II. BOARD GOVERNANCE

The Board reviewed the Governance Calendar and the Annual Actuarial Valuation. The Experience Study is presently due since the last report was completed through fiscal year 2018. Although there are some proposed changes in The Act that will be considered by City Council, it is not necessary for the Actuary to wait for those updates to complete the Study.

Todd Green provided the Annual Valuation results beginning with an overview of the Actuary's responsibilities. He provided a comprehensive summary of the funded status of the System as of July 1, 2024. The funding level decreased from 70.1% to 68.8%. He discussed the various assumptions such as turnover, retirement rate, mortality rate and salary increase and how they affect the cost on the system if the actual occurrence met the assumption.

A five-year smoothed market value of plan assets was used for the actuarial value of assets. Smoothing of gains and losses help reduce the volatility of the plan's value due to extreme market fluctuations. The actuarially determined employer contribution rate based upon the Board's adopted funding policy is 40.91%, an increase from 38.57% from the prior year. The employer contribution of 20.39% leaves a contribution shortfall of approximately 20% of payroll.

The market asset returns averaged 9.84% versus the assumed rate of return of 7.00%, while the actuarial rate of return averaged 5.32%. A COLA or bonus check was not recommended by the actuary due to the

current funding position. Joey Hager motioned to accept the Annual Actuarial Valuation Report and Sheila Simpson seconded the motion. The motion carried unanimously.

III. REPORTS

Investment Committee Report – John Carr

The Total Fund returned .75% over the course of the Second Quarter 2024, trailing the Custom Index return of 1.41% and ranked at the 85th percentile in the Callan Public Fund Sponsor Database. As of June 30, 2024, the Total Fund market value was \$647,237,271.

Callan provided a Real Estate Review analysis which included the comparison of the current CFRS real estate structure to peers as well as other investment vehicles. The CFRS' real estate investment target of 11% contains core real estate only compared to peer's targets of 7% core real estate and 4% alternatives. The report reflected the current real estate structure to be appropriate. However, to smooth near-term volatility within the 11% target allocation an option could include adding a complimentary core real estate open-ended commingled fund to further diversify the existing manager structure. The committee will be discussing this topic in the upcoming months.

The committee motioned and approved a \$4MM cash draw for operating expenses from the SSgA Russell 1000 Index Fund.

Watch List Update

JPMorgan, William Blair, and Morgan Stanley remain on the watch.

Melinda Manning motioned to approve the Investment Committee report and Joey Hager seconded the motion. The motion carried unanimously.

Benefits Committee Report – Melinda Manning

Melinda Manning provided a summary of the Benefits Committee Meetings since the July 25, 2024 Board Meeting.

During the second quarter, the Benefits Committee continued vetting the suggested options for pension reform as directed by the Board which included: The City contribution increase to reach the full Actuarial Determined Employer Cost (ADEC) by July 1, 2029 increasing the EE contribution rate to 14% for current members and new hires, changing the definition of Compensation to Annual Base Salary for new hires only, changing the Final Average Salary (FAS) from a 2-year average period to 3-years for new hires only, eliminating 2-year accrual of Unused Sick time from FAS, capping Unused Sick time accrual to not exceed the total number of annual sick days allotted by the City Council multiplied by the number of years of total membership. Section 54 for Errors has been enhanced and a statute of limitation period for the recapture of overpaid benefits was included.

The Committee motioned for the Act edits as presented. However, the definition of Compensation needed further discussion by the Board so a special meeting will be scheduled to discuss the definition and removed from the edits to be voted on. An edit was suggested for capping the employee contributions not to exceed a 1.5% rate increase per year and not to exceed the City's contribution rate. Also included in the motion were the previously approved Amendment changes which were presented to the City Council in 2021 for approval.

MOTION: Sheila Simpson motioned to approve the suggested Act amendments as presented with the edits to exclude the definitions of compensation and capping the employee contribution rate as noted. Ryan Pope seconded the motion. The motion carried with at least 6 affirmative votes and noted 1 opposed.

A special meeting to discuss the definition of compensation which will be presented to the City Council and legal for approval in January 2025, will be scheduled.

Joey Hager motioned to approve the Benefit's Committee report and Mike Feehley seconded the motion. The motion carried unanimously.

Administrator Report – Sandy Thiry

Due to agenda topics that required attention, Sandy Thiry directed the Board to the printed Administrator's report and noted that the financial reports were included. She advised that there were no issues or areas of concern. She informed the Board that most of the quarter had been spent on WorkDay go live issues and implementing new processes with the co-sourcing to CBIZ.

The Board discussed the upcoming conferences which included NAPPA Winter Seminar, Charlotte, March 1st - 3rd, 2025 NASRA Winter Conference, Washington DC, March 1st - 3rd, 2025 and noted the Callan Conference will be held April 27th - 29th, 2025.

MOTION: Matt Hastedt motioned for Lisa Flowers to attend the NAPPA Winter conference and Kim Heffernan seconded the motion. The motion carried unanimously.

Matt Hastedt motioned to approve the Administrator's Report and Mike Feehley seconded the motion. The motion carried unanimously.

IV. NEW BUSINESS

No new business was presented during the October Board meeting.

The Board took a short break from 10:17 a.m. to 10:25 a.m.

Melinda Manning motioned to enter Closed Session at 10:25 a.m. 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 attached lawsuit, which is a public document. Sheila Simpson seconded the motion. The motion carried unanimously.

Melinda Manning motioned to go into Open Session at 11:13 a.m. and Teresa Smith seconded the motion. The motion carried unanimously. The Board hired Mr. Tory Summey from Parker Poe as legal counsel in regard to the Smith-Phifer settlement.

ADJOURNMENT

Joey Hager motioned to adjourn at 11:15 a.m. Mike Feehley seconded the motion. The motion carried unanimously.

Next Regular meeting is scheduled for Thursday, January 23, 2025.

cc: Lisa Flowers, Assistant City Attorney

Schedule of retirement

Charlotte Firefighters' Retirement System
Members Presented to Board for Approval
January 23, 2025 Board Meeting

Qualification of Membership Service and 30-90 Day Election Period as defined by the Act verified with System's Administrator

Fname	MI	Lname	DOH	DOR	Station	Rank	Retirement Type
Aaron	N	Lovett	12/1/1999	12/14/2024	5-B	Captain	Service
Philip	B	Turpin	11/29/1995	12/21/2024	40-B	Captain	Service
Gary	B	Bradford	7/5/2000	12/28/2024	17-A	Captain	Service

Expense Reports

**CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
EXPENSE REPORT**

NAME: Sandy Thiry

Type	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total
DATE:								
Departure Time								
Arrival Time								
Airfare								\$0.00
Taxi/Limo/Shuttle								\$0.00
Rental Car								\$0.00
Tolls/Parking								\$0.00
Conf Sp Events								0.00
Meals								\$0.00
Tips/Misc.								\$0.00
Lodging								\$0.00
Other Gratuities								\$0.00
Registration Fees								\$0.00
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Mileage								0.0
0.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Other Expenses

Date	Item of Expense	Purpose	Explanation	Amount
10/30/2024	under desk file cabinet			\$64.34
10/23/2024	Sympathy/Birthday Cards			\$31.10
10/19/24-11/13/24	Various Meetings			\$592.41
TOTAL				\$687.85

I certify the above expenses to be true and accurate:

Attendee's Signature: _____

Sandy Thiry

Administrator's Signature: _____

Sandy Thiry

Date	Approval Remarks/Reimbursement Comments	Amount
		\$0.00
		\$0.00

Total from Above	Deduct Prepaid Expense	Deduct Travel Advance	TOTAL Due Traveler or (Due System)
\$687.85			\$687.85

Travel from: _____ Travel to: _____

Purpose of Trip: _____

Chairman's Signature: _____

Treasurer's Signature: _____

**CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
EXPENSE REPORT**

NAME: Sandy Thiry

Type	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total
DATE:								
Departure Time								
Arrival Time								
Airfare								\$0.00
Taxi/Limo/Shuttle								\$0.00
Rental Car								\$0.00
Tolls/Parking								\$0.00
Conf Sp Events								0.00
Meals								\$0.00
Tips/Misc.								\$0.00
Lodging								\$0.00
Other Gratuities								\$0.00
Registration Fees								\$0.00
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Mileage								0.0
0.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Other Expenses

Date	Item of Expense	Purpose	Explanation	Amount
11/16-11/18	Dollar Tree; Hobby Lobby; Aldi			\$78.25
11/22-11/26	Target, Marshall's, Kohl's, Michael's			\$54.41
TOTAL				\$132.66

I certify the above expenses to be true and accurate:

Attendee's Signature: *Sandy Thiry*

Administrator's Signature: *Sandy Thiry*

*Rec'd & Entered
12/4/24*

Date	Approval Remarks/Reimbursement Comments	Amount
		\$0.00
		\$0.00

Total from Above	Deduct Prepaid Expense	Deduct Travel Advance	TOTAL Due Traveler or (Due System)
\$132.66			\$132.66

Travel from: *PA* Travel to: _____

Purpose of Trip: Holiday party

Chairman's Signature: _____ Treasurer's Signature: _____

**CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
EXPENSE REPORT**

NAME: Sandy Thiry

Type	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total
DATE:								
Departure Time								
Arrival Time								
Airfare								\$0.00
Taxi/Limo/Shuttle								\$0.00
Rental Car								\$0.00
Tolls/Parking								\$0.00
Conf Sp Events								0.00
Meals								\$0.00
Tips/Misc.								\$0.00
Lodging								\$0.00
Other Gratuities								\$0.00
Registration Fees								\$0.00
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Mileage								0.0
0.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Other Expenses

Date	Item of Expense	Purpose	Explanation	Amount
12/12/2024	Misc- holiday party (Dollar General)			\$30.47
12/12/2024	Misc- holiday party; desk chair pad (Dollar General/A			\$20.35
12/12/2024	Holiday Party meal			\$600.43
12/14/2024	Holiday Party- staff			\$215.76
12/14/2024	Holiday party - dessert			\$33.69
TOTAL				\$900.70

I certify the above expenses to be true and accurate:

Attendee's Signature: *Sandy Thiry*

Administrator's Signature: *Sandy Thiry*

*Rec'd & Entered
12/18/24
B*

Date	Approval Remarks/Reimbursement Comments	Amount
		\$0.00
		\$0.00

Total from Above	Deduct Prepaid Expense	Deduct Travel Advance	TOTAL Due Traveler or (Due System)
\$900.70			\$900.70

Travel from: _____ Travel to: _____

Purpose of Trip: Holiday party

Chairman's Signature: _____ Treasurer's Signature: *[Signature]*

**CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
EXPENSE REPORT**

NAME: Sandy Thiry

Type	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total
DATE:								
Departure Time								
Arrival Time								
Airfare								\$0.00
Taxi/Limo/Shuttle								\$0.00
Rental Car								\$0.00
Tolls/Parking								\$0.00
Conf Sp Events								0.00
Meals								\$0.00
Tips/Misc.								\$0.00
Lodging								\$0.00
Other Gratuities								\$0.00
Registration Fees								\$0.00
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Mileage								0.0
0.67	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Other Expenses

Date	Item of Expense	Purpose	Explanation	Amount
1/2/2025	NetCore renewal (previous PepiPost/retiree email dis			\$75.60
1/6/2025	Recruit class presentation (staff lunch)			\$40.38
				\$0.00
TOTAL				\$115.98

I certify the above expenses to be true and accurate:

Attendee's Signature: Sandy Thiry

Administrator's Signature: Sandy Thiry

Entered 1/8/25

Date	Approval Remarks/Reimbursement Comments	Amount
		\$0.00
		\$0.00

Total from Above	Deduct Prepaid Expense	Deduct Travel Advance	TOTAL Due Traveler or (Due System)
\$115.98			\$115.98

Travel from: _____ Travel to: _____

Purpose of Trip:

Chairman's Signature: _____ Treasurer's Signature: _____

Board Governance

Annual Audit

Board Calendar

Annual Topics		Q1 (July)	Q2 (Oct)	Q3 (Jan)	Q4 (April)
Topic	Description				
Fiduciary Training/Ethics	Standard fiduciary training for all committee members	✓	✓	✓	✓
Governance	Current updates	✓	✓	✓	✓
Annual Financial Report/Update	Ensure timely filings			✓	
Annual Valuation	Cavanaugh Macdonald present annual funding status.		✓		
Merits	Annual reviews			✓	
System Audit – Cherry Bekaert	Ensure no deficiencies in process and controls – Board Review			✓	
Investment Policy Statement Review	Review for any updates brought by IC			✓	
Annual Budget Review	Review and approve annual operating budget				✓
Officer Election	Annual officer election	✓			
FY Admin Calendar	Review CFRS Administrator FY Calendar	✓			
Delegations/Governance	Review delegations and general governance structures	✓			
Charter Review	Review committee charter for any updates				✓
Policies & Regulations Review	Review for any updates (due dates TBD based on policy review project)	TBD			
Monthly Topics		Q1 (July)	Q2 (Oct)	Q3 (Jan)	Q4 (April)
Topic	Description				
BC Meetings	Plan design and impact on funding, current topics (Elect Committee Chair Aug)	✓	✓	✓	✓
IC Meetings	Regular Meetings to review Investment Managers, rebalancing asset allocation, and miscellaneous projects (Elect Committee Chair Aug)	✓	✓	✓	✓
Disability Hearings	As called	✓	✓	✓	✓
Ad Hoc Topics					
Funding Study	As requested. Last study by CBIZ 2018				
Experience Study	Performed every 3-5 years. Last study by Cav Mac 2020 (5 yr period ending 6/30/19)				
Asset Liability Study	Performed every 5 years. Last study by Callan 2022	✓			
Vendor Review	Investment Consultant, Actuary; Auditor (function of City in collaboration with CFRS)				

Reports

Investment Committee



INVESTMENT COMMITTEE REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

JANUARY 23, 2025

To: The Board of Trustees

FROM: John Carr, Chair Teresa Smith Matt Hastedt Joey Hager Mike Feehley

RE: INVESTMENT COMMITTEE REPORT

Summary of meetings since the October 24, 2024 Board Meeting:

November 21, 2024	Quarterly Performance Review– Callan (Investment Consultant); Manager Fee Review; Real Estate & International Equity Review
December 19, 2024	Cancelled
January 16, 2025	Midcap Equity Manager Updates; International Equity Manager Interviews

THIRD QUARTER 2024 INVESTMENT PERFORMANCE REVIEW

The Third Quarter's investment performance provided strong returns across the board. The Total Fund returned 6.08% over the course of the Third Quarter 2024, beating the Custom Index return of 5.77% and ranked at the 6th percentile in the Callan Public Fund Sponsor Database. Since Inception, the Total Fund yielded a return of 8.77% and outperformed the Custom Index by 51 basis points on an annualized basis, ranking in the 11th percentile.

As of September 30, 2024, the Total Fund market value was \$683,040,620.

MANAGER FEE REVIEW

Callan reviewed the annual investment fee analysis for all of CFRS' money managers. All manager fees were in-line, or below, their respective peer groups.

CORE REAL ESTATE & INTERNATIONAL EQUITY REVIEWS

The Committee continued discussions with Callan regarding the Core Real Estate and the International Equity structures within the portfolio, including an option to add a complimentary core real estate open-ended commingled fund to further diversify the existing manager structure.

The Committee interviewed potential International Equity Manager candidates that would complement the System's asset allocation and long-term goals.

MOTION: To hire Westwood Developed Markets ex-US Equity Fund as a replacement for Morgan Stanley International Equity Fund.

WATCH LIST UPDATE

JP Morgan Strategic Property Fund, who was placed on watch effective November 16, 2023 due to a change in key personnel pursuant to the Investment Policy Statement, continued to be closely monitored. The CFRS remains in the redemption queue until a long-term plan can be determined.



INVESTMENT COMMITTEE REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

JANUARY 23, 2025

Morgan Stanley International Equity Fund was placed on watch effective June 20, 2024 due to performance issues pursuant to the Investment Policy Statement. The Committee is recommending to terminate Morgan Stanley and replace them with Westwood Global Investments.

William Blair Small Cap Value was placed on watch effective June 20, 2024 due to key personnel changes pursuant to the Investment Policy Statement.

ASSET ALLOCATION REVIEW

Each month, the Investment Committee reviewed the asset allocation reports. All asset classes were within the allowable ranges, except for Private Real Estate as noted in previous reports.

MIDCAP EQUITY MANAGER UPDATES

BOSTON PARTNERS MIDCAP VALUE

Boston Partners was hired by the CFRS on May 28, 1998. As of December 31, 2024 all reporting periods, except the 1-year period, have beat the benchmark. There have been no firm or investment team changes over the past year.

MFS MIDCAP GROWTH

As of November 30, 2024, the 1-year, 3-year, and Since Inception periods have lagged the benchmark. Recent performance concentration is becoming a concern in the midcap growth market.

SCHEDULE OF PORTFOLIO ALLOCATION
AS OF October 31, 2024
Reporting as of 11/18/2024

TARGET ALLOCATION	MANAGER	INCEPTION DATE	Liquidation Notice	CFRS MEETING	TARGETED ALLOCATION AS OF 10/31/2024	MARKET VALUE AS OF 10/31/2024	MARKET VALUE AS % OF TOTAL PORTFOLIO	VARIANCE	AUTHORIZED ALLOCATION RANGE	ADJUSTED COST AS OF 10/31/2024	MKT/COST VARIANCE
DOMESTIC STOCK:											
3.8%	MFS INVESTMENT MANAGEMENT (MID CAP GROWTH)	11/2019	T+4 Sweep	Jan	25,457,232	23,180,425	3.46%	(2,276,807)		17,014,550	6,165,875
3.8%	BOSTONPARTNERS (ROBECO) (MID CAP VALUE)	04/1998	T+3 Sweep	Jan	25,457,232	31,703,116	4.73%	6,245,883		25,044,451	6,658,665
3.8%	EAGLE ASSET MANAGEMENT (SMALL CAP GROWTH)	09/2010	T+3 Sweep	March	25,457,232	27,230,998	4.06%	1,773,766		21,048,407	6,182,591
3.8%	WILLIAM BLAIR (ICoM) - SMALL CAP VALUE	12/1993	T+1 Wire	March	25,457,232	27,417,165	4.09%	1,959,933		25,761,541	1,655,625
22.8%	SSGA RUSSELL 1000 INDEX	11/2015	T+1 Wire (noon)	Sept	152,743,394	172,488,954	25.75%	19,745,560		91,359,294	81,129,660
38.0%	SUBTOTAL				254,572,323	282,020,659	42.10%	27,448,335	33% - 43%	180,228,243	101,792,415
INTERNATIONAL EQUITIES:											
5.3%	MORGAN STANLEY (CORE)	09/1990	T+1 Wire	April	35,506,140	37,780,386	5.64%	2,274,246		1,644,703	36,135,682
5.3%	WELLINGTON MANAGEMENT COMPANY (NON-U.S. EQUI)	06/2023	T+ Wire	Sept	35,506,140	34,895,206	5.21%	(610,934)		32,151,322	2,743,884
4.8%	LAZARD (LAZARD / WILMINGTON COLLECTIVE TRUST) ¹	08/2021	T+5 Wire	July	32,156,504	35,874,383	5.35%	3,717,879		33,504,723	2,369,660
4.0%	T ROWE PRICE INTL (SMALL CAP)	10/1990	T+1 Wire	April	26,797,087	27,341,116	4.08%	544,029		13,933,144	13,407,972
6.6%	SSGA EAFE INDEX	11/2015	(noon)	Sept	44,215,193	45,823,708	6.84%	1,608,515		25,719,987	20,103,721
26.0%	SUBTOTAL				174,181,063	181,714,798	27.12%	7,533,735	22% - 30%	106,953,880	74,760,919
REAL ESTATE:											
5.5%	UBS TRUMBULL PROPERTY FUND ²	10/2012	1st Business Day of Quarter Quarterly, 45 Day notice	Oct	36,845,994	26,374,560	3.94%	(10,471,434)		25,996,502	378,058
5.5%	JPMORGAN CHASE STRATEGIC PROPERTY FUND	04/2016	Day notice	Oct	36,845,994	19,213,481	2.87%	(17,632,513)		19,765,603	(552,122)
11.0%	SUBTOTAL				73,691,988	45,588,041	6.80%	(28,103,947)	8% - 14%	45,762,105	(174,063)
DOMESTIC FIXED INCOME:											
10.0%	BARROW HANLEY (CORE PLUS)	04/2003	T+3 Sweep	June	66,992,717	63,735,917	9.51%	(3,256,800)		65,683,992	(1,948,076)
10.0%	NEUBERGER BERMAN (CORE PLUS)	07/2023	T+3 Sweep	June	66,992,717	62,720,872	9.36%	(4,271,844)		62,598,561	122,311
5.0%	SSGA BARCLAYS AGGREGATE (INDEX FUND)	12/1999	T+1 Wire (noon)	Sept	33,496,358	31,586,870	4.71%	(1,909,488)		20,618,619	10,968,251
25.0%	SUBTOTAL				167,481,792	158,043,659	23.59%	(9,438,132)	21% - 29%	148,901,172	9,142,487
INTERNAL ACCOUNT:											
	INTERNAL				0	2,560,009	0.38%	2,560,009		2,560,009	
0.00%	SUBTOTAL				0	2,560,009	0.38%	2,560,009	0.0%-0.0%	2,560,009	
100.0%	TOTAL ASSETS				\$ 669,927,167	669,927,167	100.00%	0		484,405,409	\$ 185,521,758

¹ Lazard balance is typically one month in arrears

² UBS Trumbull Property Fund balance is typically one quarter in arrears

Additional \$4,000,000.00 cash receipt related to SSGA Russell 1000 INDEX

REAL ESTATE - Below target due to market volatility and being in the JPMCB redemption queue

SCHEDULE OF PORTFOLIO ALLOCATION
AS OF December 31, 2024
Reporting as of 01/21/2025

TARGET ALLOCATION	MANAGER	INCEPTION DATE	Liquidation Notice	CFRS MEETING	TARGETED ALLOCATION AS OF 12/31/2024	MARKET VALUE AS OF 12/31/2024	MARKET VALUE AS % OF TOTAL PORTFOLIO	VARIANCE	AUTHORIZED ALLOCATION RANGE	ADJUSTED COST AS OF 12/31/2024	MKT/COST VARIANCE
DOMESTIC STOCK:											
3.8%	MFS INVESTMENT MANAGEMENT (MID CAP GROWTH)	11/2019	T+4 Sweep	Jan	25,326,877	23,999,369	3.60%	(1,327,509)		17,642,594	6,356,775
3.8%	BOSTONPARTNERS (ROBECO) (MID CAP VALUE)	04/1998	T+3 Sweep	Jan	25,326,877	31,637,916	4.75%	6,311,038		25,549,864	6,088,052
3.8%	EAGLE ASSET MANAGEMENT (SMALL CAP GROWTH)	09/2010	T+3 Sweep	March	25,326,877	27,575,372	4.14%	2,248,494		21,776,329	5,799,043
3.8%	WILLIAM BLAIR (ICoM) - SMALL CAP VALUE	12/1993	T+1 Wire	March	25,326,877	27,951,083	4.19%	2,624,206		26,832,154	1,118,930
22.8%	SSGA RUSSELL 1000 INDEX	11/2015	T+1 Wire (noon)	Sept	151,961,264	174,320,511	26.15%	22,359,247		87,356,043	86,964,468
38.0%	SUBTOTAL				253,268,774	285,484,251	42.83%	32,215,477	33% - 43%	179,156,983	106,327,268
INTERNATIONAL EQUITIES:											
5.3%	MORGAN STANLEY (CORE)	09/1990	T+1 Wire	April	35,324,329	34,453,519	5.17%	(870,810)		1,641,718	32,811,801
5.3%	WELLINGTON MANAGEMENT COMPANY (NON-U.S. EQUI)	06/2023	T+ Wire	Sept	35,324,329	34,206,788	5.13%	(1,117,541)		32,237,464	1,969,324
4.8%	LAZARD (LAZARD / WILMINGTON COLLECTIVE TRUST) ¹	08/2021	T+5 Wire	July	31,991,845	33,473,790	5.02%	1,481,945		33,504,723	(30,933)
4.0%	T ROWE PRICE INTL (SMALL CAP)	10/1990	T+1 Wire	April	26,659,871	26,815,944	4.02%	156,073		13,933,144	12,882,799
6.6%	SSGA EAFE INDEX	11/2015	(noon)	Sept	43,988,787	44,531,133	6.68%	542,346		25,717,849	18,813,284
26.0%	SUBTOTAL				173,289,161	173,481,175	26.03%	192,014	22% - 30%	107,034,899	66,446,276
REAL ESTATE:											
5.5%	UBS TRUMBULL PROPERTY FUND ²	10/2012	1st Business Day of Quarter Quarterly, 45 Day notice	Oct	36,657,322	26,335,468	3.95%	(10,321,854)		26,181,288	154,181
5.5%	JPMORGAN CHASE STRATEGIC PROPERTY FUND	04/2016	Day notice	Oct	36,657,322	18,538,738	2.78%	(18,118,585)		18,931,188	(392,450)
11.0%	SUBTOTAL				73,314,645	44,874,206	6.73%	(28,440,439)	8% - 14%	45,112,475	(238,269)
DOMESTIC FIXED INCOME:											
10.0%	BARROW HANLEY (CORE PLUS)	04/2003	T+3 Sweep	June	66,649,677	63,550,313	9.53%	(3,099,364)		66,115,310	(2,564,997)
10.0%	NEUBERGER BERMAN (CORE PLUS)	07/2023	T+3 Sweep	June	66,649,677	62,473,248	9.37%	(4,176,430)		62,962,944	(489,696)
5.0%	SSGA BARCLAYS AGGREGATE (INDEX FUND)	12/1999	T+1 Wire (noon)	Sept	33,324,839	31,408,043	4.71%	(1,916,796)		20,617,947	10,790,096
25.0%	SUBTOTAL				166,624,193	157,431,604	23.62%	(9,192,590)	21% - 29%	149,696,201	7,735,403
INTERNAL ACCOUNT:											
	INTERNAL				0	5,225,538	0.78%	5,225,538		5,225,538	
0.00%	SUBTOTAL				0	5,225,538	0.78%	5,225,538	0.0%-0.0%	5,225,538	
100.0%	TOTAL ASSETS				\$ 666,496,773	666,496,773	100.00%	(0)		486,226,095	\$ 180,270,677

¹ Lazard balance is typically one month in arrears

² UBS Trumbull Property Fund balance is typically one quarter in arrears

REAL ESTATE - Below target due to market volatility and being in the JPMCB redemption queue

Benefits Committee



BENEFITS COMMITTEE REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

JANUARY 23, 2025

TO: The Board of Trustees

FROM: Melinda Manning, Chair Kevin Gordon Kim Heffernan Ryan Pope Sheila Simpson

November 14, 2024 – Canceled

December 12, 2024 – Canceled

January 9, 2025 – Work Plan; Noteworthy News; Polices & Regulations

Summary of meetings since the October 24, 2024 Board Meeting:

DISCUSSION:

1. Noteworthy News

- a. The Social Security Fairness Act was approved by the Senate by a vote of 76-20, which repeals the Windfall Elimination (WEP) and the Government Pension Offset (GPO). The bill was presented to the President on December 27, 2024 and he signed on January 5, 2025. Challenges of implementing the Act include recalculation of benefits paid after December 2023 and how to pay the retroactive benefit portion.
- b. NASRA Annual Public Fund Survey has been published. Summary of Findings include that the aggregate funding level in FY2023 for plans surveyed was 76.4%, up from 76.1% in FY2022 and that the aggregate actuarial value of assets grew in FY23.
- c. A retiree's access to USBank experienced fraudulent activity.

2. Committee's Work Plan

- a. The Committee continues to utilize the Work Plan to remain focused on the various projects and policy reviews. See Exhibit 1 attached.

3. Policies & Regulations

- a. The Business Continuity Plan and the Securities Litigation Policy are under review with legal counsel. Staff continues to work with legal counsel regarding updating vendor contracts. Some contracts impact the Business Continuity Plan.
- b. Disability Regulations review was resurrected. Staff raised awareness that there are companies that process and manage disability applications. Outsourcing the application and disability determination process could save the System money and provide efficiency to the application process. Staff to continue to do further research.
- c. The Board's policy of converting unused sick time converted to Service was discussed. There is an inflationary component within the formula which results in more than 228 days given as a year of service. The Committee would like the Board to review this policy.

4. Funding Initiative

- b. The Staff and legal counsel worked together to draft communication to the City. The package was delivered to the mayor and City Manager earlier this month.



BENEFITS COMMITTEE REPORT

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

JANUARY 23, 2025

Exhibit 1 - Work Plan

Benefits Committee 2025 Work Plan (in progress)						
Funding	Assigned to	CY24	1Q 2025	2Q 2025	3Q 2025	4Q 2025
Monitor Legislation Progress	Counsel, Staff					
COLA (3% pd to ret/ben DOR<1/3/2000)	paid 7/15/2022					
Benefit provisions						
Education						
MySuccess Learning Modules						
"CFRS Overview"	launched 2/11/2021					
"CFRS Benefit Calculation"	launched 3/29/2021					
"CFRS Disability Pension Benefit Calculator"	launched 9/14/2021					
"CFRS Pension Tracking" (annual val process)	launched 2/21/2022					
"CFRS Pension Benefits"	launched 4/22/2022					
Retiree- Cyber Security education	Staff					
Governance						
Committee Charter	amended 1/26/2023					
Policies						
Board Operations Policy (New)	Committee, Legal					
Business Continuity Plan (New)	Staff, legal					
Communications Policy (New)	adopted 4/27/2023					
Ethics Policy	amended 1/26/2023					
Funding Policy	adopted 10/28/2021					
Securities Litigation Policy	Committee, Legal					
Surveillance Policy	amended 1/26/2023					
Travel Policy	amended 4/27/2023					
Processes						
Citizen Trustee Searches						
Regulations						
Disability Regulations	amended by City Council 7/1/2015					
Election Regulations	amended 7/25/2019					
System Administration Sustainability						
Experience Study						
Professional Services						
Hired Legal Counsel/DBL-ERISA(Review)	Committee					
Hired Legal Counsel/Policies	Board selected 4/28/22					
Actuarial Service Provider (Review)	Committee					
Medical Board Contract	adopted 11/15/2021					
Other						
Citizen Trustee Searches (New)	Staff					
CFRS History timeline*	Staff					

Legend:
 In progress
 Completed
 Pending further action by Board
 Impending

* Researched issues/events - for historical reference only

Administrator Report

	Current Conversion Policy (without any vacation rollover included) (25 year career)	Current Conversion Policy (with vacation rollover included- assumes 10 years x 32 days) (25 year career)	Proposed Conversion Policy (without any vacation rollover included) (25 year career)	Proposed Conversion Policy (with vacation rollover included- assumes 10 years x 32 days) (25 year career)
Accrued Sick Days (12 sick days/year)	300	620	300	620
City Payout (20%, not to exceed 43.5 days)	- 43.5	- 43.5	- 43.5	- 43.5
Residual days to convert to service	= 256.5	= 576.5	= 256.5	= 576.5
Work days in a year (52 hr shift)	/228	/228	228	228
Days in a calendar year	x365	x365		
Days added to service	= 411	= 923	= 28.5	= 120.5
	1 yr 46 days	2 years 193 days	1 year 29 days	2 year 121 days

**Example assumes no sick days taken in the 25 year career and 10 years of 20 vac + 12 holidays rolled over
Note: 1 year of additional service can add approx \$200- \$300 a month in benefits.

VACATION

Full Time

- 0<3 yrs = 10 days (80 hrs)
- 3<9 yrs = 15 days (120 hrs)
- 9<14 yrs = 18 days (144 hrs)
- 14+ yrs = 20 days (160 hrs)



ADMINISTRATOR REPORT
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

JANUARY 23, 2025

TO: The Board of Trustees

FROM: Sandy Thiry

- **FINANCIAL STATEMENTS**
 - Annual Financial Report FY2024; Estimated Q2FY2025
- **CONFERENCE APPROVAL**
 - Callan College, virtual session, March 11-13, 2025
 - Callan Annual Conference, Scottsdale AZ, April 27 -29, 2025
 - NCPERS Annual Conference, Denver CO, May 18-21, 2025
 - GFOA National Annual Conference, Washington DC, June 29-July 2, 2025
 - Note: early bird registration due by Jan 31st
 - GFOA Membership – Tony Bass
- **NEW ENTERPRISE RESOURCE PLANNING (ERP) FOR THE CITY**
 - WorkDay Issues
 - Continue to work with City programmers through data issues
- **OFFICE OPERATIONS**
 - Consultations, applications and station visits continue to fill the calendar- booking into May 2025.
 - Staff back to working in office 4 days with everyone wfh on Fridays.
- **PENSION ADMINISTRATION SUSTAINABILITY**
 - CBIZ and USBank contracts are under legal review.
 - Co- sourcing/BCP compliance project with CBIZ was implemented
 - Continue to improve our communications and documenting new processes.
 - Streamlining election forms and adding death letters to automation process has stalled due to resources redirected to managing data issues with WorkDay.
 - Tony transitioned mid-November
- **CHARLOTTE NATIONAL BUILDING**
 - HVAC was replaced in the spring with a refurbished unit which now has performance issues.
 - All Condo owners served with lien for non-payment of HVAC
- **PUBLIC RECORDS REQUESTS**
 - Investment/Financial Related Requests – (3) With Intelligence, Bloomberg, University of Central FL (approximate total time spent to process – 2 hours 15 min)
 - Benefits Related Requests – () (approximate time spent to process – 0 minutes)
 - Other – () (approximate total time spent to process 0 minutes)
- **KUDOS**

multiple pension applicants - "Thanks for all that everyone does"; "the members really appreciate the CFRS"



**ADMINISTRATOR REPORT
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM**

JANUARY 23, 2025

- **OFFICE WORK PLAN & STATS (EXHIBITS ATTACHED)**

Administrative Work Plan 2025* (in progress)										
IC Projects	(assigned)	C Y	1Q 2025	2Q 2025	3Q 2025	4Q 2025				
RFP- Investment Consultant	Sandy/IC	■								
Scope/Drafting/Posting	Sandy/IC	■								
Interviews/Selection/Notification	Sandy/IC	■								
Contract	Sandy/Lisa	■								
Core Real Estate & Int'l Equity Reviews	Sandy/IC	■	■							
BC Projects										
Funding Initiative	Sandy/Lisa	■	■							
Policies										
Business Continuity Plan	Sandy/Lisa	■	■							
CBIZ Contract	Sandy/Lisa	■	■							
US Bank contract	Sandy/Lisa	■	■							
Disability Regulations	Sandy/Lisa/BC	■	■							
Securities Litigation Policy	Sandy/Lisa	■	■							
Experience Study										
Actuarial Contract			■							
City Projects										
WorkDay Transition HR										
Define reports/testing/Go-live	All staff	■	■							
Issues Resolutions		■	■							
System Administration Sustainability										
New Hire		■	■							
Training	Sandy/Ty	■	■							
Co-sourcing - CBIZ										
Define Processes, Steps, Role Clarity	Sandy/staff	■	■							
Testing/On site workflow/Go Live- mid Aug	Sandy/staff	■	■							
Process Documentation and streamlining	Sandy/staff	■	■							
Financials - City										
Define Processes, Steps, Role Clarity	Sandy/Tony	■	■							
Testing/Go Live (est July 2025)	Sandy/Tony	■	■							
Disability Cases										
Member 1	Sandy/Desire	■	■							
Member 2	Sandy/Lisa	■	■							
Member 3 - subsequent hearing	Sandy/Desire	■	■							
Process Documentation & Updates										
Process Documentation - all positions	All staff	■	■							
Efficiency Projects										
ACH/Wire project BofA	Sandy/Tony	■	■							
ACH/Wire project US Bank	Sandy/Tony	■	■							
Records Retention										
Archiving records (paper & electronic)	Sandy/Desire	■	■							
Paperless pension files	Sandy/Tony/Desire	■	■							
Updating forms in IPAS (pension admin system)	Sandy/Ty	■	■							
*Does not include day to day functions										
		Legend:	■	In progress	■	Completed	■	Pending further action by Board or Committee	■	Impending



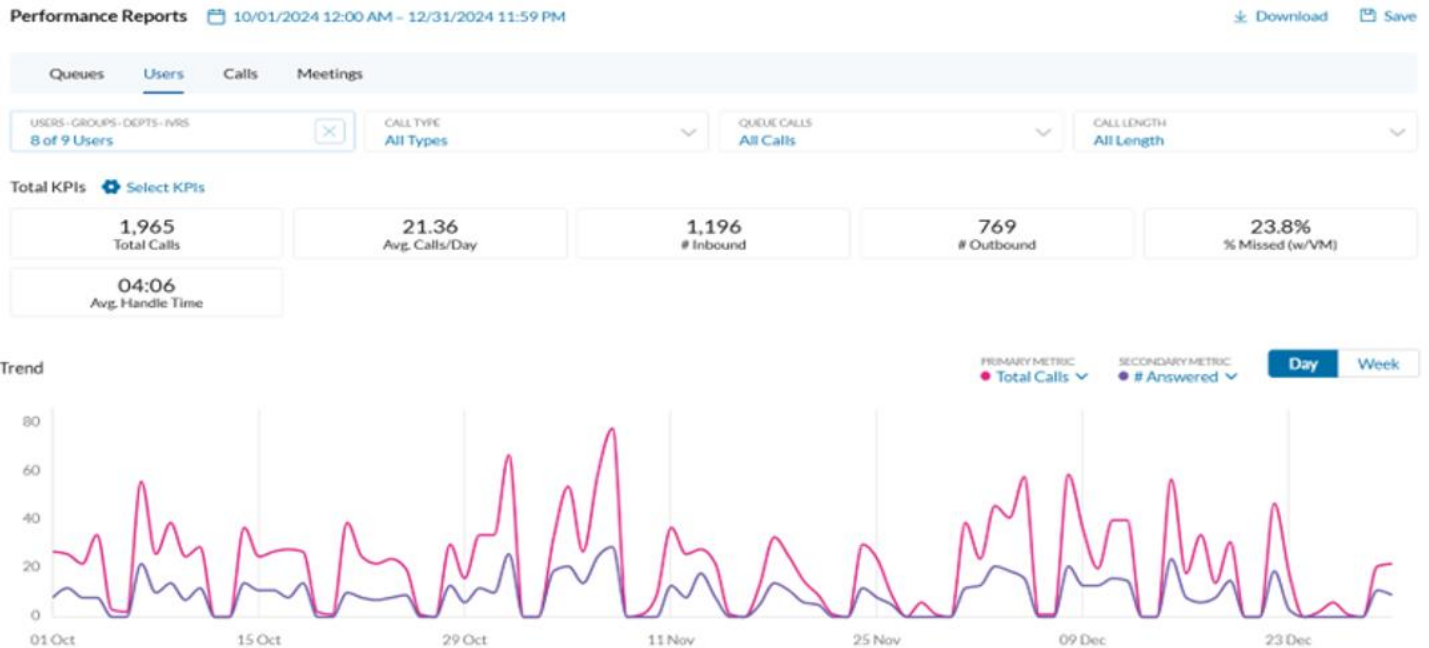
ADMINISTRATOR REPORT
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

JANUARY 23, 2025

Exhibit A – Security Litigations (Oct - Dec)

Charlotte Firefighters' Retirement System							Period from 2024-10-01 to 2024-12-31
Status Report							
Settled Class Action - Claim Status Summary							
Status	# Cases	Settlement Fund	# Claims	Total Recognized Loss	Pro Rata Shares	\$ Recovered	
Newly Filed	7	\$999,600,000	7	\$49,891	-	-	
Previously Filed	19	\$1,789,104,174	23	\$457,518	-	-	
Total	26	\$2,788,704,174	30	\$507,408	0	\$0	
					Gross Recovered Since 08/01/2018	\$106,058.00	
					FRT fee 15%	\$15,908.81	
					Net Recovered Since 08/01/2018	\$90,149.19	

Exhibit B – Phone Metrics (Oct - Dec) (Includes Robo calls that can be identified at onset and not answered)





**ADMINISTRATOR REPORT
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM**

JANUARY 23, 2025

Exhibit C – Employee Portal Metrics (Oct - Dec)

Q4 - 2024			
Measurement		Measurement	Actual_users
Logins	544	Page Visits - Pay History	133
Password Changes	53	Page Visits - Forms	4
Username Update	34	Page Visits - Related Links	6
Profile Fields Update	1	Page Visits - Glossary	3
Site Self Registration Submitted	13	Page Visits - Frequently Asked Questions	30
Calculations Run	913	Page Visits - Contact Us	5
Accrued Benefit Calculations Run	142	Page Visits - Annual Pension Statements	44
Calculations Viewed	421	Page Visits - Benefit Summary	336
Contact Us Messages Submitted	0	Page Visits - Contribution History	57
Beneficiary Pre-Retirement Form Downloaded	1	Distinct users running calcs	210
Benefit Statement Downloaded	203	Average calcs per distinct user	4.3951
Employee Certification Form for Service Purchases Form Downloaded	0	Distinct users running accrued benefit calcs	88
Page Visits - Personal Data	68	Average accrued benefit calcs per distinct user	1.61683
Page Visits - Service and Date History	56		
	Average Age	Average Service	
Registration	42.64847267		15.822937
Calculation	46.65973733		20.508307

Charlotte Firefighters' Retirement System Balance Sheet

As of December 31, 2024

Dec 31, 24

ASSETS

Current Assets

Checking/Savings

10000 - Cash

10001 - Cash-Bank of America 120,022.63

10004 - Cash & CE- USBank 5,183,002.36

10013 - Petty Cash 500.00

Total 10000 - Cash 5,303,524.99

10011 - Cash Equivalents- USBank Other 1,002,902.81

Total Checking/Savings 6,306,427.80

Other Current Assets

10300 - Other Receivables 900,714.09

12100 - Prepaid assets 21,200.46

Total Other Current Assets 921,914.55

Total Current Assets 7,228,342.35

Fixed Assets

15000 - Capital Assets

15001 - Office Condominium 440,126.90

15002 - Intangible Asset-Pen Admin Sys 231,825.00

15010 - Accumulated Deprec. & Amort. -615,556.90

Total 15000 - Capital Assets 56,395.00

Total Fixed Assets 56,395.00

Other Assets

18000 - Marketable Securities 679,500,287.99

Total Other Assets 679,500,287.99

TOTAL ASSETS 686,785,025.34

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

27000 - Accounts Payable

27020 - Refunds 204,713.97

27030 - Investment Fees 11,641.16

27040 - Consultant Fees 48,750.00

27060 - Administrative Fees 3,479.49

Total 27000 - Accounts Payable 268,584.62

Total Accounts Payable 268,584.62

Total Current Liabilities 268,584.62

Total Liabilities 268,584.62

Equity

32000 - Fund Balance 646,559,492.16

Net Income 39,956,948.56

Total Equity 686,516,440.72

TOTAL LIABILITIES & EQUITY 686,785,025.34

Charlotte Firefighters' Retirement System

Profit & Loss Budget vs. Actual

July through December 2024

	<u>Jul - Dec 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
43400 · Contributions				
43410 · Members	6,762,515.31	12,861,372.00	-6,098,856.69	52.58%
43440 · Employer	13,558,306.71	22,764,120.00	-9,205,813.29	59.56%
43450 · Purchase of Military Time	194,671.43	300,000.00	-105,328.57	64.89%
43460 · Purchase of Other Gov. Service	114,186.83	300,000.00	-185,813.17	38.06%
Total 43400 · Contributions	<u>20,629,680.28</u>	<u>36,225,492.00</u>	<u>-15,595,811.72</u>	<u>56.95%</u>
45000 · Investments				
45010 · Interest	2,391,959.30	5,212,881.00	-2,820,921.70	45.89%
45020 · Dividends- Trustee	1,447,166.82	4,205,536.00	-2,758,369.18	34.41%
45021 · Dividends Other	545.40	1,500.00	-954.60	36.36%
45030 · Net Realized Gain/Loss-Trustee	6,081,938.21	44,844,094.00	-38,762,155.79	13.56%
45040 · Net Realized Gain/Loss- Mgr GU	188,391.89	330,000.00	-141,608.11	57.09%
45050 · Unrealized Gain/Loss	35,976,870.96	0.00	35,976,870.96	100.0%
Total 45000 · Investments	<u>46,086,872.58</u>	<u>54,594,011.00</u>	<u>-8,507,138.42</u>	<u>84.42%</u>
Total Income	<u>66,716,552.86</u>	<u>90,819,503.00</u>	<u>-24,102,950.14</u>	<u>73.46%</u>
Gross Profit	66,716,552.86	90,819,503.00	-24,102,950.14	73.46%
Expense				
60900 · Participant Benefits				
60920 · Retirement	25,311,197.56	51,982,477.00	-26,671,279.44	48.69%
60930 · Death	0.00	250,000.00	-250,000.00	0.0%
60940 · Contribution Withdrawals	178,838.85	450,000.00	-271,161.15	39.74%
Total 60900 · Participant Benefits	<u>25,490,036.41</u>	<u>52,682,477.00</u>	<u>-27,192,440.59</u>	<u>48.38%</u>
62100 · Investment Services				
62110 · Management Fees				
62111 · Morgan Stanley	85,908.55	240,000.00	-154,091.45	35.8%
62114 · Barrow Hanley	36,797.00	143,498.00	-106,701.00	25.64%
62115 · Robeco Investment Mgmt., Inc	20,096.54	200,966.00	-180,869.46	10.0%
62117 · Eagle Asset Management	51,374.39	169,989.00	-118,614.61	30.22%
62122 · William Blair (ICoM)	111,658.47	195,097.00	-83,438.53	57.23%
62123 · T. Rowe Price	73,866.27	249,487.00	-175,620.73	29.61%
62125 · UBS Trumbull Property Fund	101,366.50	191,374.00	-90,007.50	52.97%
62127 · SSGA Fixed Income	1,045.21	7,200.00	-6,154.79	14.52%
62128 · SSGA EAFE Index	3,852.71	21,200.00	-17,347.29	18.17%
62129 · SSGA Russell 1000	6,743.24	28,000.00	-21,256.76	24.08%
62130 · JPMorgan Chase	48,647.06	238,459.00	-189,811.94	20.4%
62131 · Colchester	0.00	0.00	0.00	0.0%
62132 · MFS	31,755.45	106,795.00	-75,039.55	29.74%
62133 · Lazard Asset Management	76,733.42	130,491.00	-53,757.58	58.8%
62134 · Neuberger Berman	0.00	91,811.00	-91,811.00	0.0%
62135 · Wellington	54,234.31	183,180.00	-128,945.69	29.61%

Charlotte Firefighters' Retirement System

Profit & Loss Budget vs. Actual

July through December 2024

	<u>Jul - Dec 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Total 62110 · Management Fees	704,079.12	2,197,547.00	-1,493,467.88	32.04%
62139 · Transaction Fees	46.93	325.00	-278.07	14.44%
62140 · Trust and Bank Fees	38,292.69	146,000.00	-107,707.31	26.23%
62150 · Consulting Fees	97,500.00	195,000.00	-97,500.00	50.0%
Total 62100 · Investment Services	<u>839,918.74</u>	<u>2,538,872.00</u>	<u>-1,698,953.26</u>	<u>33.08%</u>
65000 · Administration				
65005 · Staff Wages and Benefits				
Total 65005 · Staff Wages and Benefits	239,586.38	617,704.00	-378,117.62	38.79%
65010 · Travel and Training	4,008.19	80,000.00	-75,991.81	5.01%
65020 · Insurance	63,238.65	72,100.00	-8,861.35	87.71%
65030 · Parking	489.00	1,500.00	-1,011.00	32.6%
65040 · Auditing Services	18,000.00	23,000.00	-5,000.00	78.26%
65050 · Condominium Fees	12,550.16	36,837.00	-24,286.84	34.07%
65060 · Postage	301.31	1,550.00	-1,248.69	19.44%
65070 · Actuarial Services	11,000.00	15,000.00	-4,000.00	73.33%
65080 · Annual Retiree Reunion	0.00	3,600.00	-3,600.00	0.0%
65090 · Legal Services	12,020.39	66,000.00	-53,979.61	18.21%
65100 · Printing Services	3,948.92	6,700.00	-2,751.08	58.94%
65110 · Other Professional Services	43,282.84	150,674.00	-107,391.16	28.73%
65120 · Telecommunications	3,597.06	5,447.00	-1,849.94	66.04%
65130 · Office Equipment Maintenance	0.00	200.00	-200.00	0.0%
65140 · Office/Computer Supplies	2,818.87	9,570.00	-6,751.13	29.46%
65160 · Meetings	3,158.89	5,500.00	-2,341.11	57.43%
65170 · Professional Memberships/Dues	5,540.00	5,670.00	-130.00	97.71%
65180 · Medical Services	3,659.37	15,000.00	-11,340.63	24.4%
65190 · Office Furniture/Equipment	64.34	2,000.00	-1,935.66	3.22%
65200 · Subscriptions and Publications	144.78	1,000.00	-855.22	14.48%
65220 · Miscellaneous/Contingency	0.00	5,000.00	-5,000.00	0.0%
65230 · Building Improvements	2,240.00	2,250.00	-10.00	99.56%
Total 65000 · Administration	<u>429,649.15</u>	<u>1,126,302.00</u>	<u>-696,652.85</u>	<u>38.15%</u>
Total Expense	<u>26,759,604.30</u>	<u>56,347,651.00</u>	<u>-29,588,046.70</u>	<u>47.49%</u>
Net Ordinary Income	39,956,948.56	34,471,852.00	5,485,096.56	115.91%
Other Income/Expense				
Other Expense				
80100 · Depreciation & Amortization	0.00	0.00	0.00	0.0%
Total Other Expense	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
Net Other Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
	<u><u>39,956,948.56</u></u>	<u><u>34,471,852.00</u></u>	<u><u>5,485,096.56</u></u>	<u><u>115.91%</u></u>

Charlotte Firefighters' Retirement System Profit & Loss

July through December 2024

Jul - Dec 24

Ordinary Income/Expense

Income

43400 · Contributions

43410 · Members	6,762,515.31
43440 · Employer	13,558,306.71
43450 · Purchase of Military Time	194,671.43
43460 · Purchase of Other Gov. Service	114,186.83

Total 43400 · Contributions 20,629,680.28

45000 · Investments

45010 · Interest	2,391,959.30
45020 · Dividends- Trustee	1,447,166.82
45021 · Dividends Other	545.40
45030 · Net Realized Gain/Loss-Trustee	6,081,938.21
45040 · Net Realized Gain/Loss- Mgr GU	188,391.89
45050 · Unrealized Gain/Loss	35,976,870.96

Total 45000 · Investments 46,086,872.58

Total Income 66,716,552.86

Gross Profit 66,716,552.86

Expense

60900 · Participant Benefits

60920 · Retirement	25,311,197.56
60940 · Contribution Withdrawals	178,838.85

Total 60900 · Participant Benefits 25,490,036.41

62100 · Investment Services

62110 · Management Fees

62111 · Morgan Stanley	85,908.55
62114 · Barrow Hanley	36,797.00
62115 · Robeco Investment Mgmt., Inc	20,096.54
62117 · Eagle Asset Management	51,374.39
62122 · William Blair (ICoM)	111,658.47
62123 · T. Rowe Price	73,866.27
62125 · UBS Trumbull Property Fund	101,366.50
62127 · SSGA Fixed Income	1,045.21
62128 · SSGA EAFE Index	3,852.71
62129 · SSGA Russell 1000	6,743.24
62130 · JPMorgan Chase	48,647.06
62132 · MFS	31,755.45
62133 · Lazard Asset Management	76,733.42
62135 · Wellington	54,234.31

Total 62110 · Management Fees 704,079.12

62139 · Transaction Fees 46.93

62140 · Trust and Bank Fees 38,292.69

62150 · Consulting Fees 97,500.00

Charlotte Firefighters' Retirement System Profit & Loss

July through December 2024

Jul - Dec 24

Total 62100 · Investment Services	839,918.74
65000 · Administration	
65005 · Staff Wages and Benefits	
Total 65005 · Staff Wages and Benefits	239,586.38
65010 · Travel and Training	4,008.19
65020 · Insurance	63,238.65
65030 · Parking	489.00
65040 · Auditing Services	18,000.00
65050 · Condominium Fees	12,550.16
65060 · Postage	301.31
65070 · Actuarial Services	11,000.00
65090 · Legal Services	12,020.39
65100 · Printing Services	3,948.92
65110 · Other Professional Services	43,282.84
65120 · Telecommunications	3,597.06
65140 · Office/Computer Supplies	2,818.87
65160 · Meetings	3,158.89
65170 · Professional Memberships/Dues	5,540.00
65180 · Medical Services	3,659.37
65190 · Office Furniture/Equipment	64.34
65200 · Subscriptions and Publications	144.78
65230 · Building Improvements	2,240.00
Total 65000 · Administration	<u>429,649.15</u>
Total Expense	<u>26,759,604.30</u>
Net Ordinary Income	<u>39,956,948.56</u>
Net Income	<u><u>39,956,948.56</u></u>

Date notified	Issue	completed	Impact	Comments
9/26/2024	Contribution report -replaces PS version		Pension Admin	
10/11/2024	Unused Vac or Sick payout information incorrect		Pension Admin	Vacation & sick balances not accurate. (Missing last week of accrual l; adjustments for reclassifying Garcia to Vacation does not reduce final Vac balance)
11/5/2024	"Paid Wages" not correlated to EE contributions		Pension Admin	Pensionable eligible wages received don't match pay details eligible wages.
1/9/2025	52 hour shift vs scheduled days worked)48-72)- paid time other than regular time does not equate to 52		Pension Admin	emailed Patricia Jenkins, Bill Majercsik and Sheila Simpson
1/3/2025	Exception approval for salaried staff not working	monitoring	CFRS Staff	emailed Patricia Jenkins
1/7/2025	Staff (Michelle) cannot access active FF paychecks		CFRS Staff	emailed Patricia Jenkins
10/4/2024	Cannot print pay slip	yes	CFRS staff	
10/23/2024	Cannot report work absence (Vac/Comp taken)	yes	CFRS staff	
10/24/2024	Remote user access- -cannot view FF records - cannot view CFRS staff records	12/6/2024	CFRS staff/Pension Admin	Erick Lenger was working with mark Melton (CFRS IT) to figure out solution, no update since 10/14/2024. (Had notified that we could see all CFDs personnel records and not just the CFRS members. Once corrected, we no longer see any FF records). Emailed Amelia Bionde 11/7/2024 - ticket 710517
11/7/2024	Recruits not included in the Demographic file	11/8/2024	Pension Admin	Not included on the demo file; Bill stated corrected 11/8; SJT/CBIZ to watch the 11/29 file load
11/7/2024	Transfer/Rehire Dates	11/14/2024	Pension Admin	Rehire/transfer (example McCrimmon)
10/2/2024	Phone formatting too long	10/11/2024	Pension Admin	
10/3/2024	Missing multiple apps on Sandy's record	yes	CFRS staff	3 tickets have been assign 710500; 710862; and 711795 but not sure what each one is for.
10/3/2024	Hire Date & Standard Hours for rehired/trfr FFS an issue	10/23/2024	Pension Admin	reviewed and provided Bill with data to load
10/8/2024	job title- too long in WD	yes	Pension Admin	Bill truncated the field by dropping off last characters that exceed the limit
10/2/2024	Receive duplicate rows for salary	yes	Pension Admin	WorkDay processes the FF pay cycle. If the pay cycle ends in the middle of a pay week, there will be 2 records generated (partial of end pay cycle, partial of beg pay cycle).
11/1/2024	No notification that the files have been sent to CBIZ	11/6/2024	Pension Admin	
10/11/2024	Terminations- hourly rate is passed as zero	11/14/2024	Pension Admin	M Grade- Dwiggins, M Morton; Killian
10/2/2024	Rec'd new wage code RADJ- was not provided to CFRS during discovery	yes	Pension Admin	Requested CBIZ to program; completed with CBIZ
10/11/2024	Extract Files named incorrectly - causes issue with CBIZ	Yes	Pension Admin	reminded again 11/7/2024; corrected for 11/29 (paycheck 12/6)
10/16/2024	Future status dates- being sent in the file; cannot be included until the PP applicable	yes		
11/7/2024	Effective Date on Extract Files not consistent with paycheck date	yes	Pension Admin	
10/4/2024	LTD EE contribution balance incorrect	1/2/2025	Pension Admin	City Identified issue- working on resolution
10/30/2024	Do not receive LWOP codes with hours/wages assoc.	1/3/2025	Pension Admin	explained example: military leave and the requirement to have leave WP code, hours and pay commensurate
12/30/2024	Prior payroll adjustments eff dates same as current payroll date	1/3/2025	Pension Admin	
12/30/2024	Cannot access terminated FF records for final checks	yes	Pension Admin	emailed Patricia Jenkins and she is researching with security