

CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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QUARTERLY BOARD MEETING MINUTES

May 8, 2025

PRESENT: Vanessa Heffron – Chair, John Carr, Melinda Manning, Joey Hager, Matt Hastedt, Sheila Simpson, Kim Heffernan, Ryan Pope (arrived at 8:53 a.m.)

ABSENT: Kevin Gordon, Mike Feehley, Teresa Smith

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

GUESTS: Retiree Sylvia Smith-Phifer

AGENDA

CALL TO ORDER by Vanessa Heffron at 8:02 a.m. This meeting took place in person at the Charlotte Fire Department's General office.

I. PUBLIC FORUM

Retiree Sylvia Phifer-Smith spoke to the Board regarding her pension benefit.

II. CONSENT CALENDAR

Matt Hastedt motioned to approve the Consent Calendar which consisted of the January 23, 2025 Board Meeting minutes, Schedule of Retirements, and the Expense Reports. Kim Heffernan seconded the motion. The motion carried unanimously with 6 affirmative votes.

II. BOARD GOVERNANCE

The Board reviewed the Governance Calendar noting that the Experience Study is underway. The Board discussed the fiduciary training schedule noted as occurring quarterly. Trustees have ad-hoc access all year via conferences and webinars provided by pension plan advocates such as NASRA and NCPERS with formal review of Ethics Policy in July's annual meeting. The Governance Calendar will be updated accordingly.

Tony Bass presented the drafted FY2026 budget for the Board's review. The Board discussed the proposed range of salary expenses as well as contingency expenses that may be needed due to the office damage experienced by vandalism in early April.

MOTION: Melinda Manning motioned to accept the proposed budget with two modifications including an incremental \$25,000 to cover added remediation work/flood recovery and an increase of \$6,000 to salary and benefits. Joey Hager seconded the motion. The motion carried with 7 affirmative votes.

III. REPORTS

Investment Committee Report – John Carr

John gave an overview of the investment performance over the past year. The Committee met one time this quarter due to inclement weather and the office flooding. Despite world news and the high and low swings of the financial market, the System is only down approximately \$4 million this year compared to last year at this time. The March 31st fund balance was approximately \$662.4 million. The Committee

terminated Morgan Stanley and replaced the manager with Westwood Global Investments. Staff transitioned the funds by the end of March. April reports will begin to reflect the new manager.

Watch List Update

JPMorgan, William Blair, remain on watch.

Matt Hastedt motioned to approve the Investment Committee report and Joey Hager seconded the motion. The motion carried unanimously with 7 affirmative votes.

Benefits Committee Report – Melinda Manning

Melinda Manning provided a summary of the Benefits Committee Meetings since the January 23, 2025 Board Meeting. The Committee could not meet in April due to the flooding of the office.

Due to the repeal of the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO), the Social Security Administration began paying revised benefits to recipients earlier than originally anticipated. Some CFRS retirees have begun to receive adjusted payments from Social Security.

The Experience Study is under way and a full report is due to the Board at the July meeting.

Staff and legal are working through a packet to provide Disability Management Service firms to seek fee and service estimates for a range of outsourcing levels that can be reviewed by the Committee.

The Committee asked the Board for guidance regarding the review of the unused sick conversion policy. The Board agreed that this is an issue for the Committee to keep working through. Concerns were raised about a sufficient notification period if a change would be suggested.

A process guide for data breaches has been added to the Committee's work plan. The drafting of the guide may need other resources besides legal and staff to create.

A few House Bills remain in the State's Pension Committee and have not advanced as of May 2, 2025. Staff and legal continue to monitor the progress of each bill.

John Carr motioned to approve the Benefit's Committee report and Matt Hastedt seconded the motion. The motion carried unanimously with 7 affirmative votes.

The Board took a short break at 9:33am and returned at 9:43am

Administrator Report – Sandy Thiry

Sandy Thiry reminded the Board the financial statements as of third quarter were included in the trustee's material and noted there were no areas of concern at this time.

Staff continue to work through data issues related to the City's conversion to WorkDay from People Soft. A few items remain on the issues list which include some data that needs correction, a report that needs to be finalized to go into Production, and an issue with a wage code feeding for terminated employees.

Sandy Thiry provided an update on the remediation process of the building and CFRS' unit due to vandalism causing a flood from ceiling to floor that occurred April 5, 2025. Two insurance companies are involved – the CNB's Hartford insurance for the property damage, and the CFRS' Traveler's insurance for the CFRS' contents. Sandy has been working with Traveler's and the remediation firm to determine what insurance will consider as salvageable/non-salvageable. An onsite assessment by Traveler's may be necessary. There are many questions and issues to resolve, including reducing footsteps or even selling the unit. The Board would like to review opportunities of selling the unit with relocation.

The upcoming conferences for the quarter include NAPPA, NCGFOA and the Annual NASRA conference.

MOTION: John Carr motioned for Lisa Flowers to attend the NAPPA conference and Matt Hastedt to attend the NCGFOA conference. Melinda Manning seconded the motion. The motion carried unanimously with 7 affirmative votes.

IV. NEW BUSINESS

No new business was presented during the January Board meeting.

MOTION: Melinda Manning motioned to enter closed session at 10:13 a.m. pursuant to North Carolina General Statute §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, which privilege is here acknowledged. Discussion will pertain generally to the litigation case between the City and Sylvia Smith-Phifer.

V. CLOSED SESSION

The Board discussed Sylvia Smith-Phifer's requested benefit changes.

MOTION: Ryan Pope motioned to enter Open Session at 10:33 a.m. Sheila Simpson seconded the motion. The motion carried unanimously with 7 affirmative votes.

ADJOURNMENT

Joey Hager motioned to adjourn at 10:34 a.m. John Carr seconded the motion. The motion carried unanimously with 7 affirmative votes.

The Annual Board meeting is scheduled for Thursday, July 24, 2025.

cc: Lisa Flowers, Assistant City Attorney

