CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM
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QUARTERLY BOARD MEETING MINUTES

April 30, 2026

PRESENT: Vanessa Heffron – Chair, John Carr, Melinda Manning, Joey Hager, Sheila Simpson, Kim Heffernan, Mitali Shah, Ryan Pope (via phone), Robbie Honeycutt (left at 11:10 a.m.)

ABSENT: Matt Hastedt, Mike Feehley

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

GUESTS: Dan Gougherty – Cherry Bekaert, Lina James – Deputy City Attorney

AGENDA

CALL TO ORDER by Vanessa Heffron at 8:04 a.m. This meeting took place in person at the Charlotte Firefighters Retirement System's office.

MOTION: Melinda Manning motioned to adjust the April agenda to add the Administrator's search topic. Kim Heffernan seconded the motion. The motion carried unanimously via roll call.

I. PUBLIC FORUM

No requests were made to speak during the public forum.

II. CONSENT CALENDAR

MOTION: Melinda Manning motioned to approve the Consent Calendar which consisted of the January 22, 2026 Board Meeting minutes, Schedule of Retirements, and the Expense Reports. Sheila Simpson seconded the motion. The motion carried unanimously via roll call.

II. BOARD GOVERNANCE

The Board received a copy of the Annual Comprehensive Financial report and reviewed the Annual Audit performed by Cherry Bekaert. Dan Gougherty with Cherry Bekaert informed the Trustees that an unmodified (clean audit) opinion was issued. The financial statements were presented fairly, in all material aspects, in accordance with the applicable financial reporting framework. No issues or significant deficiencies were reported.

Dan further explained that accounting estimates are an integral part of the financial statements. Management's estimate of fair value of investments and information is provided by fund managers. The auditors evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial results were also reviewed which included total assets, additions and deductions to Plan Net Position, and membership count.

MOTION: John Carr motioned to accept the Annual Audit Report and Joey Hager seconded the motion. The motion carried unanimously via roll call.

The Board reviewed the Governance Calendar and discussed housekeeping edits. The review period of the Committee Charters will be on an annual basis by the respective Committees with Board review every 2 years.

MOTION: Melinda Manning motioned to accept the Governance Calendar with edits to the Committee Charters and the Meeting Calendar. John Carr seconded the motion. The motion carried unanimously via roll call.

III. REPORTS

A. John gave an overview of the investment performance since the January Board meeting. The Committee met three times during the quarter. The Total Fund returned 2.47% in 4Q2025, slightly trailing the Custom Index return of 2.51%, and ranked in the 24th percentile in the Callan Public Fund Sponsor universe. The 5-year return of 6.35% slightly underperformed the Custom Index return of 6.98%. The Since Inception return of 8.84% outperformed by 47 basis points and ranked in the 6th percentile.

A 50% capital call of $8,750,000 was made on April 1, 2026 to fund the new real estate fund, DWS RREEF America II fund. The contract with LaSalle was also executed and awaiting a capital call.

The Committee also met with various investment managers to review their respective portfolios along with outlooks for their asset class. The Committee continued to monitor William Blair due to changes in key personnel as well as poor relative performance. William Blair introduced new investment personnel and steps taken to turn around performance. MFS has been placed on watch status this quarter due to relative performance. Westwood Global Investments provided their first year in review with the Committee. T. Rowe Price introduced a new Relationship Manager.

U.S. Bank, custodian for the CFRS, has processed retiree benefit payments via ACH since 2014. Staff raised awareness to the Committee that U.S. Bank has now been recognized as a depository bank by the State of North Carolina. Having U.S. Bank as a depository bank for the CFRS would streamline the payment process for rollover transactions.

MOTION: The Committee made a motion to adopt U.S. Bank as an additional depository bank of the CFRS and Joey Hager seconded the motion. The motion carried unanimously via roll.

After attending and discussing Callan's annual conference the week prior, the Board expressed interest in having Callan attend a Board meeting to provide insight on the investments. Staff will reach out to Callan to coordinate.

MOTION: Joey Hager motioned to approve the Investment Committee report and Sheila Simpson seconded the motion. The motion carried unanimously via roll call.

Benefits Committee Report – Melinda Manning

Melinda Manning provided a summary of the Benefits Committee Meetings since the January Board Meeting. The Committee met twice during the quarter.

The Disability Regulations update has been submitted to the City for review and approval. Staff is monitoring the progress.

The Salary Assumption used in the annual valuation process was reviewed. CBIZ recommended that the Board review the salary scale assumption based on observed increases vs current assumption.

The Committee discussed the current actuarial vendor status, the data gathering process used for the valuation, and the Board's adopted amortization schedule.

FIRST MOTION—FAILED: The Committee motioned for Board approval to contract with CBIZ for 5 years to conduct the Annual Valuation process beginning with the FY2026 data valuation (FY ending 6/30/2026) which begins July 1, 2026. The motion failed.

Mitali Shah noted that the City's typical contract period is 3 years with the option to renew for one-year periods for a total of 5 years. There was discussion regarding whether other vendors should be considered through an RFP process and the City's responsibility under the Act to pay the costs of an actuary's annual valuation of the System. It was also discussed that the City's budget for FY27 was well under way and that the CFRS and the City would work together to cover any increase in fees for the first year.

FOLLOW-UP MOTION—PASSED: Sheila Simpson motioned to allow the Benefits Committee to negotiate the length and fees of the contract with CBIZ in accordance with the City's typical methodology for the Annual Valuation beginning with the FY2026 data valuation starting on July 1, 2026. Joey Hager seconded the motion. The motion carried unanimously via roll call.

The Committee also discussed the on-line Active Member Portal offered by CBIZ which would allow members to designate beneficiaries directly on the pension administration system, IPAS. In addition, the portal would allow retirement applications to be completed on-line directly into the pension system. This portal version would alleviate the risk of Personal Identifiable Information (PII) from being circulated through various delivery methods and improve efficiency. It also coincides with the robust Business Continuity Plan which provides for processes to continue in the event of a business disruption.

Concerns were raised about moving to on-line activity and the risk of members not being educated about their benefits and being on their own to navigate a major decision. Staff clarified that members would still be able to come into the office, sit with an analyst, and review their estimate in detail as the have been accustomed to. Only the process of entering the data and paper production is being replaced. Staff confirmed that members will still receive all the same training and access to staff and other resources.

MOTION: The Committee motioned to approve the IPAS upgrade to include the on-line Member Portal at a one-time implementation fee of $25,000 plus the quarterly maintenance fee of $3,700 subject to current contract provisions. Sheila Simpson seconded the motion. The motion carried unanimously via roll call vote.

MOTION: Joey Hager motioned to approve the Benefit's Committee report and John Carr seconded the motion. The motion carried unanimously via roll call.

The Board took a break at 9:22 a.m. and reconvened at 9:32 a.m.

Administrator Report – Sandy Thiry

Sandy Thiry provided the Board with the financial estimates for Q3FY2026 and noted there were no areas of concern at this time.

The upcoming conference for the quarter includes the NCGFOA Summer Conference and the Annual Summer NAPPA conference. Matt Hastedt is interested in attending the NCGFOA and Lisa expressed interest in attending the NAPPA conference.

MOTION: John Carr motioned for Matt Hastedt to attend the NCGFOA Summer Conference and Lisa Flowers to attend the NAPPA conference. Melinda Manning seconded the motion. The motion carried unanimously via roll call.

The staff provided an update on the current condition of the Charlotte National Building including the capital improvement requirements, security and relocation options available to the Board.

MOTION: Ryan Pope motioned to explore selling the current location of the CFRS. Sheila Simpson seconded the motion. The motion carried unanimously via roll call.

MOTION: Sheila Simpson motioned to move forward with the market valuation review for leasing options, sale price and benchmarking the inner city for competitive rates and location. Also work with the City Attorney's Office and Real Estate Division for professional and legal information. John Carr seconded the motion. The motion carried unanimously via roll call.

The Board will have a special meeting once the City comes back with benchmark options.

MOTION: John Carr motioned to approve the Administrator's report and Melinda Manning seconded the motion. The motion carried unanimously via roll call.

Search Committee

Vanessa Heffron provided updates regarding the Administrator search conducted by Korn Ferry. Lina James reminded the Board of their actions taken to date per the Board's approved minutes.

MOTION: Melinda Manning motioned to enter Closed Session at 10:25 a.m. pursuant to North Carolina General Statute §143-318.11(a)(6) to consider the qualifications and conditions of initial employment for prospective employees. John Carr seconded the motion. The motion carried unanimously via roll call.

CLOSED SESSION

There was no action taken by the Board. The Board will schedule a meeting with Korn Ferry regarding the search for the administrator.

MOTION: Joey Hager motioned to enter Open Session at 11:15 a.m. Ryan Pope seconded the motion. The motion carried via roll call.

IV. NEW BUSINESS

No new business was presented during the April Board meeting.

ADJOURNMENT

Joey Hager motioned to adjourn at 11:17 a.m. Mitali Shah seconded the motion. The motion carried unanimously via roll call.

The Annual Board meeting is scheduled for Thursday, July 23, 2026.

cc: Lisa Flowers, Assistant City Attorney