RETIREMENT COMMISSION MINUTES

The Retirement Commission met on Wednesday, March 26, 2025. The following members were present: Ben Cullop, Sam Sanders, Jason Vandever, Brian Pinkston, Phil Garber, Chris Cullinan, Tony Newberry. Absent: Lindsay Ideson, Josh Bontrager. Others present: Sara Butler, Lisa Burch, Jamie Valencia, Barry Schmitt. This meeting was held at CitySpace.

Call to Order

Jason Vandever called the meeting to order at 8:35 AM.

Approval of Minutes

The minutes from the February 2025 meeting were approved unanimously.

Fee Leveling Presentation

Barry presented a proposal to make investment fees more level and transparent. He shared options on leveling fees in two different ways. One was asset based and the other was a per head fee. After much discussion, a motion was made to base fees on a per head fee and use the balance in the revenue sharing accounts to provide a one-year fee holiday for participants. The motion was approved unanimously. In light of the decision to change from asset-based fees, Barry presented a share class analysis. He recommended to implement changes for several of the defined contribution investment options. Implementing this change will result in lower fees for our participants. A motion was made to accept this recommendation, and the motion was approved unanimously.

Target Date Fund 2015

Barry Schmitt explained that T. Rowe Price's Target 2015 Fund is closing in July. He recommended that the assets in that fund are mapped to T. Rowe Price Target Income Fund. After some discussion, Brian Pinkston made a motion to accept Barry's recommendation. Chris Cullinan seconded the motion, and it was approved unanimously.

Retiree COLA Discussion

Phil Garber presented a proposal to base the retiree COLA on the consumer price index. It was decided that the Retirement Commission will review the Retiree COLA in the November or December meeting and make a recommendation to the City Manager for the next budget.

Administrative Updates

Lisa Burch notified the commission members that Kai Pacheco has accepted a job out of town and therefore resigned from the commission. His vacancy has already been advertised. She also informed the members that City Council approved the ordinance change to allow public safety officers in the 401a plan who are injured in the line of duty to apply for disability retirement on March 17. Finally, she updated the members regarding the mapping of the assets in the Calvert Equity fund to the Vanguard FTSE fund which is scheduled to take place in May.

New Business

No new business was discussed.

Adjournment

The meeting adjourned at 9:44 AM.

Bylaws of the Retirement Plan Commission
City of Charlottesville Virginia

Article I – Name

1.1 The name of this organization shall be the City of Charlottesville Retirement Plan Commission.

Article II – Authority

2.1 These bylaws are adopted pursuant to City of Charlottesville Code 19-57.
2.2 To the extent that any of these rules or regulations are deemed to conflict with the Charlottesville City Code, the Code shall take precedence.

Article III – Purpose

3.1 The principal duty of this commission shall be to administer all retirement plans sponsored by the City of Charlottesville in accordance with Article III of the City Code.
3.2 All of the funds and assets of the city's supplemental retirement or pension plan shall be maintained by the commission in a fund to be known as the retirement fund. In the retirement fund shall be accumulated all contributions made by the city pursuant to the provisions of section 19-92 and all income from the invested assets of the retirement fund. From the retirement fund shall be paid the retirement allowances and other benefits provided for under the terms of the retirement plan as set forth in article IV of this chapter and reasonable expenses therefore. The fund and the retirement plan shall be maintained for the exclusive benefit of employees or their beneficiaries.
3.3 The commission shall also oversee administration and investment offerings of the optional defined contribution plan, the deferred compensation plan and any other retirement plans offered by the City.

Article IV – Membership

4.1 The commission shall be comprised of a member of city council, the city manager, the director of finance, the director of human resources, the city treasurer, three (3) employees of the city or of any other agency participating in the city supplemental retirement or pension plan, one (1) retiree in the city's plan, and two (2) members of the community.
4.2 The three (3) employee at-large members of the commission shall be appointed by the city council from a list of eligible candidates certified to the council by the city manager. They shall be appointed for terms of two (2) years, and shall be eligible to serve up to four (4) consecutive terms; provided, that each of the employee at large members shall serve no more than four (4) full terms. Of the three (3) members initially so appointed, one (1) shall be appointed for a one-year term, and one (1) shall be appointed for a two-year term; and provided, that those employees initially appointed for terms of less than two (2) years and those appointed to fill unexpired terms shall be eligible for reappointment to four (4) full two-year terms.
4.3 Whenever a vacancy exists in any of the three (3) employee at-large positions on the commission, the city manager shall certify such fact to the city council along with a list of candidates, which shall include the name of any otherwise eligible employee whose name

has been placed in nomination by petition signed by at least fifteen (15) other employees. In the event that an insufficient number of petitions are thus presented, the city manager shall nominate an additional employee or employees, to the end that such list shall include at least two (2) nominees for every vacancy to be filled by the city council; provided, that at least thirty (30) days prior to certifying such list to city council, the city manager shall cause to be posted, in city hall and at other principal locations where employees work, a notice reciting the fact that such vacancy exists or will exist on the commission, the procedure hereinabove set forth for nominations and the date on which such list of nominees will be forwarded to the city council.

4.4 No two (2) of the three (3) at-large employee members of the commission shall be employed in the same department of city government.

4.5 Each of the two (2) community members shall be appointed by the city council to a term of two (2) years, except that appointments to fill vacancies shall be for the unexpired remainder of the vacant term. No community member shall serve for more than four (4) consecutive two (2) year terms except that a member appointed to fill an unexpired term shall be eligible for reappointment to four (4) complete two (2) year terms.

4.6 At least one (1) of the members appointed from the community shall be, at the time of the appointment, a resident of the city or the owner of a business located in the city. One (1) of the members appointed from the community shall have professional experience in money management, investment services, banking, or retirement plan administration.

4.7 The one (1) retiree member of the commission shall be appointed by the city council from the list of current retirees certified to the council by the city manager. The appointment shall be for a term of two (2) years and shall be eligible to serve four (4) full two-year terms.

4.8 Returning retirees shall be eligible to serve on the commission as a retiree member.

4.9 Members shall act as fiduciaries as set forth in the Code of Virginia 51.1-124.30 and shall undergo standard fiduciary training.

Article V – Officers and Their Duties

5.1 The council member shall be the president and the director of human resources the secretary of the commission. The secretary shall keep a correct journal of the proceedings of every meeting and shall preserve all books and papers of the commission in their office.

5.2 The president may designate another commission member to manage the meetings.

5.3 The secretary may designate a staff member to take minutes and keep records of the proceedings.

5.4 The city treasurer shall keep an account of and shall be the custodian of all money, securities, bonds and other evidence of debt belonging to the retirement fund, subject to such conditions as the commission may prescribe.

5.5 To assist it in the discharge of its responsibilities under the provisions of this article and article IV of this chapter, the commission may employ an actuary as its technical advisor and incur such other expenses as it deems necessary for the efficient administration of the retirement fund and the retirement plan.

5.6 The City Manager or City Treasurer or Director of Finance may sign on behalf of the commission to implement an approved action of the commission.

Article VI – Meetings

6.1 The commission shall meet no more often than monthly. The meeting place and time shall be determined by staff.
6.2 The commission must have a quorum present to take action. A majority of the members serving on the commission shall constitute a quorum.
6.3 The commission shall comply with the Virginia Freedom of Information Act regarding providing notice of meetings.
6.4 The commission may establish such ad hoc committees, including but not limited to, an investment sub-committee, as it deems necessary. The investment sub-committee may review fund managers and asset allocations and make recommendations to the full commission. Ad hoc committees shall comply with these bylaws.
6.5 The commission shall follow the electronic meeting policy approved in 2024.
6.6 The commission shall, through the city treasurer, make an annual report to city council on the condition of the retirement fund and the retirement plan.
6.7 Meetings of the commission shall generally be open to the public. Closed session meetings which are not open to the public will be held in accordance with the Virginia Freedom of Information Act.
6.8 An action of the commission requires a motion. A motion must be initially made by one member and seconded by a different member.

Article VII – Delinquent members

7.1 Membership is contingent pursuant to established City Code directives regarding attendance at meetings. Any member who misses three consecutive meetings or who misses more than 4 meetings within a calendar year will be considered delinquent.
7.2 A delinquent member shall be reported to the Mayor and may be subject to removal from the commission by City Council.
7.3 The commission shall adhere to the attendance guidelines from the City Council resolution approved on November 3, 2014.

Article VIII – General

8.1 A change to City Code will amend these bylaws accordingly.
8.2 These bylaws may also be amended by a two-thirds (2/3) vote of the commission membership at a duly called meeting.
8.3 The commission shall follow the City of Charlottesville's procurement policy. However, at the commission's discretion, the commission may utilize an exemption found in state code.
8.4 The commission shall adopt an investment policy statement and review the statement from time to time. The commission shall follow the investment policy when reviewing and evaluating investments. The investment policy may be amended at the discretion of the commission.
8.5 Pursuant to Section 19-92 (g), the commission shall determine annually the interest rate to be applied to member contributions as of each June 30.
8.6 The commission shall determine the qualifications for disability retirement pursuant to Section 19-151.
8.7 At its discretion, the commission may require an applicant for disability retirement or a current disability retiree to be examined by an independent medical provider at the City's expense.
8.8 The commission shall determine when mortality tables need to be changed for purposes of actuarial valuation and survivor calculations.

8.9 All members shall be covered by a fiduciary liability insurance policy paid for by the City.

8.10 The commission shall, on an annual basis, make a recommendation to City Council regarding the annual retiree cost of living adjustment.

8.11 Where appropriate, the commission shall be guided by Roberts Rules of Order. However, following Roberts Rules of Order shall not be required.

MissionSquare
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SECURE 2.0 – Section 331

Automatic Federally Declared Disaster Relief

Overview:

- Optional.
- Permits plan participants to receive qualified disaster recovery distributions.
- Distributions of up to $22,000 are automatically available to eligible plan participants who are impacted by federally declared disasters from the first day of a qualified disaster's incident period until the date that is 179 days after the latest of:
  - The date of enactment.
  - The first incident date.
  - The day that the disaster declaration is issued.
- During this period, a participant or IRA owner is eligible for a qualified disaster recovery distribution if the participant:
  - Has a principal place of abode in a qualified disaster area during the relevant disaster.
  - Sustains an economic loss by reason of the disaster

Considerations for Plan Sponsor:

- Optional provision.
- Maximum of $22,000 of vested balance can be distributed.
- Burden of improper withdrawals.
- Ongoing authorization option versus approving each withdrawal request.

Benefits to Employees:

- Ability to repay the distribution.
- Allows participant flexibility.
- Allows easier withdrawal of funds.
- No participant documentation required.
- Distribution is exempt from 10% early withdrawal penalty.

Additional resources available to support your needs:

SECURE 2.0 Webpage

Employer Guide

Changing Plan Provisions Guide

Questions? Contact MissionSquare Plan Services for employer support at (800) 326-7272 or log in to your account to use Secure Messaging.

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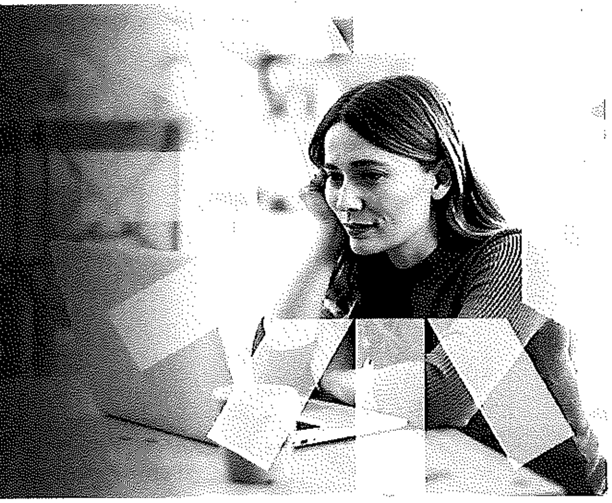
Penalty-Free Domestic Abuse Withdrawal



Did you know your employer plan allows for penalty-free withdrawals for individuals in case of domestic abuse?

We understand how challenging it can be to navigate domestic abuse. When families are in danger, relationships are broken, and uncertainty is looming, it's easy to feel overwhelmed. To support you during this difficult time, your plan offers a penalty-fee withdrawal to eligible participants who have experienced domestic abuse.

Discover the Benefit

Qualified plan participants impacted by domestic abuse are eligible to receive distributions limited to the lesser of $10,000 or 50% of your account balance up to one year after the abuse.

- Participants can self-certify the abuse occurred.
- Are exempt from early withdrawal penalty.
- Withdrawal can be repaid within three years.

If you have been impacted by domestic abuse by a spouse or partner and wish to request a distribution, please contact MissionSquare Plan Services at (800) 669-7400 and request a Penalty-Free Withdrawal for Individuals in Case of Domestic Abuse form.

For more information, contact MissionSquare Plan Services at (800) 669-7400.

MissionSquare
RETIREMENT

$1,000 Emergency Withdrawal for Certain Expenses

Did you know your employer plan allows for $1,000 emergency withdrawals for certain emergency expenses?

We understand how challenging it can be to navigate life's unexpected expenses. When cars breakdown, appliances stop working, or there is an unexpected medical expense, it's easy to feel overwhelmed. To support you during this difficult time, your plan offers $1,000 emergency withdrawal to eligible participants.

Only one emergency expense is permitted per calendar year. You may repay the emergency expense withdrawal within three years of taking the distribution. If the emergency withdrawal is not paid back, you are not permitted to take an additional distribution. Repayment can be either a payment or contribution to the plan, if permitted.

Discover the Benefit

Qualified plan participants impacted by unexpected emergency expenses are eligible to receive distributions of up to $1,000:

- Maximum withdrawal is $1,000 or the amount over your vested balance of $1,000, whichever is less.
- Reasons for withdrawal include, but are not limited to:
- No supporting documentation required.
  - medical care
  - casualty loss
  - prevent eviction/foreclosure
  - burial or funeral expense
  - auto repairs
  - other necessary emergency expenses

For more information or to request a withdrawal form, contact MissionSquare Plan Services at (800) 669-7400.

MissionSquare Retirement 777 N. Capitol Street, NE, Washington, DC 20002-4240
(800) 669-7400 **www.missionsq.org**

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Sec. 19-92. Contributions and members' contribution account.

(g) All members' contributions and interest allowances shall be credited to the member's contribution account. Accumulated contributions required to be returned to the member or required to be paid on account of the member's death shall be paid from the member's contribution account. As of each June 30, the member contribution account of each active member shall be credited with interest at a rate to be determined annually by the retirement commission. Initially, the rate shall be three (3) percent annually. Interest shall accrue on any contribution beginning on the first day of the fiscal year following the year in which the contribution was made. No interest shall be credited to the member contribution account after the effective date of the member's retirement.

(Code 1976, § 20-20; 3-1-93; 1-3-12; 6-5-17(1); 9-7-21(1) , § 2)