

## **RETIREMENT COMMISSION MINUTES**

The Retirement Commission met on Wednesday, February 26, 2026. The following members were present: Juandiego Wade, Ben Cullop, Jason Vandever, Joseph Gilkerson, Lindsay Ideson, Josh Bontrager, Phil Garber, Casey Parker, Chris Cullinan, Tony Newberry. Others present: Sara Butler, Lisa Burch, Jamie Valencia, Frank Kosich, Rowley Molina, Barry Schmitt, Will Chitwood, James Freas and Julian Mosley (UVA student). This meeting was held at CitySpace.

### **Call to Order**

Juandiego Wade called the meeting to order at 8:30 AM. Attendees introduced themselves.

On a motion by Ben Cullop, seconded by Casey Parker, the Commission unanimously adopted the meeting agenda.

### **Approval of Minutes**

The minutes from the February 4, 2026 meeting were discussed and two changes were approved. With the changes, the minutes were approved unanimously.

### **Cybersecurity Presentation**

Rowley Molina reviewed MissionSquare's cybersecurity protection protocols and anti-fraud measures. He confirmed that MissionSquare is in alignment with the Department of Labor's cyber security guidance and that there were no cybersecurity incidents in the past year. He also shared MissionSquare's promise to reimburse participants for any loss to their accounts due to unauthorized activity through no fault of their own.

### **MissionSquare**

Frank Kosich provided the Commission with an overview of the plan balances, asset allocation by ages, website usage, loan activity and other demographics.

### **CapTrust Presentation**

Will Chitwood and Barry Schmitt updated the Commission on the state of the economy and how it relates to retirement investments. They then reviewed the investment options for the Defined Contribution plans. Based on the CapTrust matrix, the American Funds EUPAC fund is underperforming. If it doesn't turn around by the end of the next quarter, they may recommend it for termination. Barry also reported that MissionSquare voluntarily reduced expenses on three of our investment options.

### **Retiree COLA Discussion**

The Commission members discussed the possibility of making a recommendation to City Council regarding the retiree cost of living adjustment for the next fiscal year. Lisa Burch reminded the members that any COLA above 1% would need to be pre-funded to the retirement fund. Phil Garber made a motion to recommend a 2.7% COLA to Sam Sanders for inclusion in the upcoming budget. There was not a second. Chris Cullinan suggested the Commission could acknowledge that the recent COLAs are not keeping up with inflation and to ask City Council to consider several options for funding more than the 1% COLA for retirees, if there is a surplus. It was decided that a letter to Sam Sanders with the options will be drafted and

circulated among members. There was a consensus for this suggestion. It was also decided that next year, the subject of Retiree COLA will be discussed earlier in the budget cycle.

**New Business**

No new business was discussed.

**Adjournment**

The meeting adjourned at 9:58 AM.



**CITY OF CHARLOTTESVILLE  
RETIREMENT COMMISSION  
P. O. BOX 2854  
CHARLOTTESVILLE, VA 22906-2854**



March 10, 2026

To: Samuel Sanders, Jr, City Manager  
Cc: Krisy Hammill, Director, Budget and Grants Management  
Cc: Retirement Commission Members

From: Jason Vandever, City Treasurer, On behalf of the Retirement Commission

RE: Retiree COLA Recommendation

Background Information on Retiree COLA

Historically, City retirees were granted a cost of living increase equal to ½ of the cost-of-living increase granted to active employees. While this was a reasonable approach at the time, no funding mechanism existed in the past, meaning that every time a COLA was granted, the funded status of the plan decreased and the cost for providing a COLA was amortized over 20 years in the plan's funding strategy. This was not a sound financial practice, and during the Sustainability Study in 2017, the City committed to prefunding an annual 1% retiree COLA as well as a policy that any COLA in excess of 1% would be funded immediately instead of amortizing the cost into the plan.

COLA Strategy for FY27

Our understanding is that the proposed FY27 budget includes a 1% retiree COLA effective July 1, 2026, and the planned COLA matches the actuarial assumption that retirees would receive a 1% COLA each year, thus no additional funding is needed to fund this budget item.

The Commission acknowledges that this COLA does not keep pace with current inflation (running around 2.7% annually as of December 2025), or the VRS Plan 2 COLA granted in the current fiscal year (2.48%). While the Commission does not recommend matching either of these rates, there was a consensus on the Commission for the following recommendation:

Should funding become available during the FY27 budget development process, either through revised revenue estimates, or through FY25 year-end appropriations, an effort should be made to either increase the COLA granted to COLA-eligible retirees for FY27, or provide funding for a one-time retiree bonus payment. An additional 0.5% COLA would cost about \$500,000, while an additional 1% retiree bonus would cost about \$150,000.

Retiree Compensation Options and Associated Costs

Here are some alternative strategies to provide additional funding to City retirees in recognition that the current 1% COLA has not kept up with the pace of inflation in recent years:

1% Bonus: \$150,000

0.25% COLA: \$250,000

2% Bonus: \$300,000

0.50% COLA: \$500,000

The Commission appreciates your consideration of this recommendation and all you do for our City retirees.