



HOUSE BILL 565: Charlotte Firefighters' Retirement Changes.

2017-2018 General Assembly

Committee:	House Pensions and Retirement	Date:	June 14, 2017
Introduced by:	Rep. Clampitt	Prepared by:	Theresa Matula Committee Staff
Analysis of:	PCS to First Edition H565-CSSH-24		

OVERVIEW: *The PCS for House Bill 565 is a local bill that makes changes to the Charlotte Firefighters' Retirement System.*

CURRENT LAW: The Charlotte Firefighters' Retirement System Act is a benefit plan that was initially enacted in 1947 and has been amended numerous times since. The System provides retirement, disability, and survivor benefits to certain employees of the Charlotte Fire Department.

BILL ANALYSIS: The PCS for HB 565 is a local bill that applies only to the City of Charlotte and would amend various sections of the Charlotte Firefighters' Retirement System.

Section 1 of the PCS would amend the definition of "Compensation" to specify the maximum amount of hours as it relates to payments for unused vacation and sick leave for members with 52 hour average work weeks and for those with 40 hour work weeks. It also amends the annual compensation threshold for a member.

Section 2 of the PCS would do the following:

- Make it clear that Disability Regulations adopted by the Board of Trustees are approved by the City Council.
- Require the City of Charlotte to contribute to the Charlotte Firefighters' Retirement System an amount equal to the rate of pay approved in the Budget multiplied by 12.65% for any vacant positions.
- Adds two members, for a total of 13, to the Board of Trustees and changes the composition to the following:
 - City Manager or Deputy City Manger
 - City Finance Director or deputy finance director
 - City Treasurer
 - Three Trustees who are residents of Mecklenburg County and represent the public: one appointed by the Governor, one appointed by the Speaker of the House of Representatives, and one appointed by the President Pro-Tempore of the Senate.
 - Five members of the Retirement System from each of the following civil service ranks: Firefighter I, Firefighter II, Firefighter-Engineer, Fire Captain, and Battalion Fire Chief.
 - Two Retirees
- Clarifies that the Board of Trustees shall select a chairman by a majority vote of all members.
- Removes the city attorney as the legal advisor to the Board of Trustees and requires the Trustees to employ legal counsel as it deems necessary and beneficial.
- Provides that all changes to the Retirement System or Procedures require approval of the City Council.

Section 3 of the PCS would prohibit the City of Charlotte from using the Funds in the Charlotte Firefighters' Retirement System (CFFRS) as part of their Comprehensive Annual Financial Report (CAFR), requires that funds from the Charlotte Firefighters' Retirement System be kept in a separate bank from the City of Charlotte Operating Accounts, and prohibits the comingling of funds.

EFFECTIVE DATE: House Bill 565 would become effective July 1, 2017.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578