



BOARD OF TRUSTEES MEETING REGULAR MEETING AGENDA

Friday January 30, 2026, 9:00am

The regular meeting will be held in the **Board and Commissions Room at Austin City Hall, 301 W 2nd Street, Austin, Texas 78701** and will be open to the public. The meeting will also be available to the public through **signin.webex.com/join** with **meeting number 2559 712 5712** and **password Jan2026**, or through a telephone conference call, **toll-free dial-in number 650-479-3208** with **access code 5262026**. Some non-routine agenda items will have the trustee or individual who requested the item in parentheses.

How to Register for Public Comments

Members of the public may address the Board of Trustees on any matter during the Public Comment portion of the meeting. Public comments may be provided in person at the physical location of the regular meeting, virtually through WebEx, or through the toll-free dial-in number provided above. A sign-up sheet will be available at the physical location of the meeting. The Board requests that any member of the public who desires to address the Board virtually sign up to speak in advance by contacting the Fund at **staff@AFRFund.org no later than 5:00 p.m. on January 29, 2026**. All parties are asked to limit comments to 3 minutes. No discussion or action will be taken by the Board during public comments.

Public Comments

To Approve

1. Consent Agenda for the following:
 - a. Minutes of regular meeting of December 15, 2025
 - b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

To Discuss and Possibly Act On

2. Certification of 2025 Board of Trustee election results and appointment of new members to the Board of Trustees
 - a. *Place 5.* Member of the Fund who is an active firefighter
 - b. *Place 6.* Member of the Fund who is a retired firefighter
 - c. *Place 7.* Member of the public selected and appointed by the Austin City Council
3. Election of the Board Chair for 2026
4. Election of the Vice Chair for 2026
5. Trustee Survey Results for Committee Assignments



6. Consider final approval of authorized 2026 Budget
***Adoption of the AFRF Budget will have no direct impact on property tax rates**
7. Consider proposed revisions to Fund Rules, including benefit payment options for Group B and actuarial equivalence tables for Groups A and B
8. Consider maximum number of permitted distributions for DROP participants
9. Executive Director Report, including the following (Discussion Only)
 - a. General comments
 - b. Annual DROP Account Statements update
 - c. Confirmed Board Meeting Dates for 2026
 - d. 2026 Pension Conferences update
 - e. Pension Administration System (PAS) software update
 - f. Final internal financial statements, transactions, and Fund expense reports for month ending November 30, 2025
 - g. Internal financial statements, transactions, and Fund expense reports for month ending December 31, 2025
10. Roadmap for future meetings
11. Call for future agenda items

Austin Firefighters Retirement Fund
4101 Parkstone Heights Drive, Suite 270
Austin, TX 78746
(512) 454-9567

NOTE: The Board of Trustees of the Austin Firefighters Retirement Fund may meet in Executive Session on any item listed above in accordance with and as authorized by the Texas Open Meetings Act, Texas Government Code Ch. 551.

NOTE: The City of Austin is committed to compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please contact our office at (512) 454-9567 for additional information; TTY users route through Relay Texas at 711.

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AFRF
AUSTIN FIREFIGHTERS
RETIREMENT FUND

**MINUTES
BOARD OF TRUSTEES MEETING
MONDAY DECEMBER 15, 2025, 9:00AM**

Board Members Present

Aaron Woolverton, Vice Chair
Belinda Weaver, Treasurer
Ryan Alter, Trustee (virtual)
John Bass, Trustee (virtual)
Doug Fowler, Trustee

Staff and Consultants Present

Anumeha Kumar, AFRF Executive Director
John Perryman, AFRF CFO
Debbie Hammond, AFRF Benefits Manager
Gina Gleason, AFRF Board & Operations Specialist (virtual)
Shira Herbert, AFRF Accounting & QC Specialist
Amy Thibaudeau, AFRF Benefits Specialist
Chuck Campbell, Jackson Walker
Alyca Garrison, Jackson Walker
Laurel Malone, Jackson Walker
Heath Merlak, Cheiron (virtual)
Coralie Taylor, Cheiron (virtual)

Community Members Present

Andrew Ratoza
Jie Li
Rene Vallejo
Virtual attendees not listed

Vice Chair Woolverton called the meeting to order at 9:08am.

Public Comments:

No public comments.

I. Consent Agenda for the following:

- a. Minutes of the regular meeting of November 17, 2025
- b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

Trustee Fowler made a motion to approve both items on the consent agenda. Trustee Weaver seconded the motion. The motion passed unanimously.

II. Consider Committee Charters

Chuck Campbell reported that the board had recognized three standing committees through their last revision to the Governance Policy, which included an Investment Committee, a Benefits Committee, a Policy Committee, and the option to create ad hoc committees as needed. He presented the committee charters that Jackson Walker had drafted for the board, which outlined concise duties, responsibilities, and procedures based on those used by other public retirement systems. He explained that there were no legal requirements for the charters, and that while the committees would be tasked with providing recommendations to the full board, they would not be authorized to take any formal action. Mr. Campbell outlined the purpose of each committee, reporting that the Investment Committee would meet quarterly before each board meeting to

handle all investment related items, including the Investment Policy Statement; the Benefits Committee would handle all benefit related claims, including disability claims, benefit appeals, and any changes to the Disability Policy and procedures; and the Policy Committee would handle all other policies, COLA determinations, and changes to governing documents. Trustee Weaver asked some clarifying questions regarding the frequency of committee meetings and how the committee compositions would be determined. Anumeha Kumar confirmed that the Benefits and Policy Committees would only meet as needed and explained that after the charters were approved by the board, staff would survey all current and incoming trustees regarding their level of interest for each committee, which would later be provided to the Board Chair elected at the January meeting. She explained that the Chair could use the information to determine committees either during or after the January meeting, so that the Investment Committee could meet with Meketa to discuss the quarterly investment report in February.

Trustee Fowler made a motion to approve the Investment Committee Charter as presented. Trustee Weaver seconded the motion. The motion passed unanimously.

Trustee Fowler made a motion to approve the Policy Committee Charter as presented. Trustee Weaver seconded the motion. The motion passed unanimously.

Trustee Fowler made a motion to approve the Benefits Committee Charter as presented. Trustee Weaver seconded the motion. The motion passed unanimously.

III. Discussion regarding Benefit Payment Options for Group B Members

Anumeha Kumar introduced the actuaries from Cheiron with a reminder that the new Group B tier established by the pension reform changes for hires on or after January 1, 2026, would have Single Life Annuity (SLA) as their default retirement benefit. She explained that the actuaries were in attendance to educate the board on possible alternate benefit options which would allow Group B members to designate a beneficiary in exchange for a benefit reduction that would remain cost-neutral for the Fund. She noted that while there would be no Group B retirees for a long time, it was prudent for the board to consider payment options while the new pension administration software was still in development, rather than incurring additional customization expenses later. Coralie Taylor presented the five alternate retirement payment forms recommended by Cheiron, based on options that were common to other pension plans and were consistent with the benefit payment options offered to Group A. She explained how the benefit reductions were calculated with actuarial factors to keep each payment form cost-neutral for the Fund and equal in present value for the members. Ms. Taylor described the Certain and Life Annuity (C&L) option, which would ensure payments continued for a guaranteed set period if the member passed away shortly after retirement. She described four variations of Joint and Survivor Annuity (J&S) options, which included a 75% or 50% J&S, both with and without a pop-up feature. She explained that the 75% option was default for Group A, but suggested that 50% should also be offered because the benefit would come at a price for Group B members. She further explained that the pop-up feature would allow a member to revert to a full SLA payment if the beneficiary predeceased the member. Ms. Kumar added that the pop-up feature was contemplated due to Group B being restricted from making any beneficiary changes after retirement. Ms. Taylor presented some examples of how an SLA benefit amount would be impacted for each alternate payment option. Trustee Weaver requested clarification regarding the C&L period, to which Ms. Taylor explained that for a 10-year C&L, the member would be guaranteed payments for ten years, the remainder of which would go to a beneficiary if the member passed away during that period. Heath Merlak added that the option would be most attractive to a member who was single but wanted to ensure that a

dependent child received guaranteed payments in the event of their death. Ms. Kumar added that participation in Forward DROP would impact that period, to which Mr. Merlak confirmed that if a member participated in Forward DROP for seven years, the 10-year guarantee would effectively become a 3-year guarantee. Trustee Bass voiced his support for offering Group B the flexibility of alternate payment options and asked if Experience Studies would be used to update actuarial equivalence to keep the options cost-neutral on a present value basis. Mr. Merlak confirmed that one of Cheiron's recommendations for actuarial equivalence would be to review it every five years with the Experience Study and make minor adjustments accordingly. He further explained that actuarial equivalence was defined by three assumptions: mortality, interest rates, and any cost-of-living assumptions, which included the age of the participant and their beneficiary at retirement. Mr. Merlak recommended using the same assumptions for actuarial equivalence as used for the annual actuarial valuation, with some modifications to the mortality table to avoid unnecessary additional work. He presented the specific assumptions that Cheiron recommended and explained how age at retirement would impact the adjustment to the SLA benefit amount for C&L option and how the age gap between the member and their beneficiary would impact the benefit amount for any J&S option. Mr. Merlak also recommended updating the actuarial equivalence for Group A and reviewing it in conjunction with the Experience Study every five years. He noted that current actuarial equivalence for Group A had been set sometime prior to 2013 using a mortality table from 1994. Trustee Fowler directed staff to work with Cheiron and Jackson Walker to update the Fund Rules to include the actuarial equivalence for Groups A and B, and to include the benefit payment options for Group B members as discussed. Ms. Kumar stated that she would present the proposed updated Fund Rules at the January board meeting. No motion necessary.

- IV. Consideration of initial application for disability retirement benefits for Applicant #2025-02 (Closed Session)

The board entered closed session at 9:51am pursuant to Texas Government Code Section 551.0785 for deliberations involving the medical records of a recent disability applicant. The board resumed open session at 10:26am with no action taken during the closed session. Trustee Fowler made a motion to approve the application for disability retirement benefits for Applicant #2025-02. Trustee Weaver seconded the motion. The motion passed unanimously.

- V. Annual Performance Evaluation of the Executive Director (Closed Session)

The board remained in the closed session that began at 9:51am pursuant to Texas Government Code Section 551.074 to discuss personnel matters. The board resumed open session at 10:26am with no action taken during the closed session. Trustee Fowler made a motion to approve the Executive Director's salary, effective as of January 1, 2026, as discussed. Trustee Weaver seconded the motion. The motion passed unanimously.

- VI. Consider approval of the proposed 2026 Budget

Chuck Campbell informed the board that new Open Meetings Act requirements had been passed during the last legislative session that required governmental entities to post a proposed budget and a taxpayer impact statement with any agenda where a budget was to be considered. He explained that the Fund was not a taxing authority, and while the budget had been posted with the taxpayer statement, the agenda was not, he recommended taking a cautious approach of withholding final approval of the budget until January when a statement of no impact could be included on the agenda. Mr. Campbell assured the board that their Governance Policy did not require approval of the budget to occur in December and offered the option to either take no action until January or to authorize the budget subject to final approval. Trustee Fowler made a

motion to authorize the 2026 budget subject to final approval. Trustee Weaver seconded the motion. The motion passed unanimously.

Anumeha Kumar summarized the changes contained in the 2026 budget which had resulted in an overall budget decrease of 12%. She attributed the savings to bringing payroll processing in-house, noting that the State Street payroll processing fees would cease after the final quarter of 2025 had been paid, the decrease in investment management fees, the cessation of fees related to legislative work, and the reduction of fees associated with the pension software as development neared conclusion. Ms. Kumar attributed some increased expenses to the expectation of more disability retirement applications and their associated medical disability review costs and to a larger travel budget associated with trustee training conferences for the additional trustees on the expanded board. She added that the SEP-related reallocation for staff in the administrative expense portion had been addressed at a prior meeting.

VII. Executive Director Report, including the following (Discussion Only)

a. General comments

Anumeha Kumar reported that a letter had been sent out to all retirees and payees to inform them that State Street would cease to issue bank advices by mail starting in January 2026 when the Fund brings payroll in house. She explained that the monthly benefit payment receipts would be generated by the Fund's new pension administration software and would become available to retirees through the online member portal in May. Logistically, she explained, it would not be realistic for staff to produce and mail out those receipts for the approximately 900 members who received them, while also engaging in payroll and the software transition. Ms. Kumar emphasized that there would be no change to the actual benefit payments and stated that members could call the office regarding any payment concerns. She added that she would organize a member informational session if warranted by member concerns.

b. Final internal financial statements, transactions, and Fund expense reports for month ending October 31, 2025

Anumeha Kumar stated that there was nothing additional to report regarding the final version of the October financial statements, which had been presented in draft form in November. The trustees had no questions regarding the financial statements.

c. Draft internal financial statements, transactions, and Fund expense reports for month ending November 30, 2025

Anumeha Kumar informed the board that due to the early meeting date, State Street had not closed their books for November, and that staff did not have the bandwidth to prepare draft versions of the documents in advance of the meeting due to their parallel processing efforts. She stated that the final November and December statements would be available for the board to review at the January meeting.

VIII. Roadmap for future meetings

Trustee Weaver expressed her preference for the Fund staff to work with the newly elected Chair after the January meeting, rather than during the meeting, to determine the committee assignments based on the survey results. Anumeha Kumar confirmed that they would take that

approach to the assignments. No motion necessary.

IX. Call for future agenda items

No future agenda items were called for.

Hearing no objections, Vice Chair Woolverton adjourned the meeting at 10:41am.

Board Members

Aaron Woolverton, Vice Chair

Belinda Weaver, Treasurer

Ryan Alter, Trustee

John Bass, Trustee

Doug Fowler, Trustee

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CONFIDENTIAL INFORMATION

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Committee Assignments

Trustee	Investment	Benefits	Policy
Belinda Weaver	●		●
Jie Li	●		
Andrew Ratoza			●
Aaron Woolverton		●	
Ryan Alter		●	
John Bass	●		
Doug Fowler		●	●

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Austin Firefighters Retirement Fund
Proposed Operating Budget
Fiscal Year 2026

	2026 Requested Budget	2025 Approved Budget/Expended	Value Change	Percent Change
Administrative Expenses				
Salaries and Benefits				
Combined Staff Salary w 10% SEP Change	890,360.00	776,500.00	113,860.00	14.66%
SEP Contribution w 10% Reduction	129,808.00	186,000.00	(56,192.00)	-30.21%
Health Insurance - Staff	139,100.00	127,310.00	11,790.00	9.26%
Payroll Taxes	71,300.00	60,120.00	11,180.00	18.60%
Health Insurance - Retired Staff	6,000.00	6,000.00	-	0.00%
Subtotal	1,236,568.00	1,155,930.00	80,638.00	6.98%
SS Retiree Payroll Process Fees	9,000.00	34,000.00	(25,000.00)	-73.53%
Building	11,390.00	22,943.00	(11,553.00)	-50.36%
Utilities	6,875.00	6,775.00	100.00	1.48%
Office Expenses	18,350.00	18,950.00	(600.00)	-3.17%
Computer and Software	37,000.00	34,300.00	2,700.00	7.87%
Insurance	51,500.00	42,800.00	8,700.00	20.33%
Travel	46,000.00	23,500.00	22,500.00	95.74%
Operational Cost	31,400.00	24,500.00	6,900.00	28.16%
Investment Expenses				
Financial Consulting Fee	237,700.00	229,650.00	8,050.00	3.51%
Investment Management Fees	1,650,000.00	1,800,000.00	(150,000.00)	-8.33%
Bank Custodian Services	142,000.00	117,000.00	25,000.00	21.37%
Professional Services Expenses				
Accounting	25,000.00	25,000.00	-	0.00%
Actuarial Fees				
COLA & Additional Travel	10,000.00	10,000.00	-	0.00%
Actuarial Valuation	47,400.00	46,300.00	1,100.00	2.38%
Pension Funding Research	-	189,360.00	(189,360.00)	-100.00%
Legal Fees				
Administrative	132,000.00	132,000.00	-	0.00%
Board Meeting	12,000.00	18,000.00	(6,000.00)	-33.33%
Investment Review	50,000.00	50,000.00	-	0.00%
Statute, Rules, Policy and Plan Document review an	125,000.00	150,000.00	(25,000.00)	-16.67%
Pension Funding Research/Legislation (2024/2025)	-	220,593.00	(220,593.00)	-100.00%
Legislative Consulting	72,650.00	72,000.00	650.00	0.90%
Medical Disability Review	8,100.00	3,000.00	5,100.00	170.00%
Pension Software	646,815.72	741,445.00	(94,629.28)	-12.76%
Total Expenses	4,606,748.72	5,168,046.00	(561,297.28)	-10.86%

Austin Firefighters Retirement Fund
2026 Proposed Budget

	Total		
	2026 Budget	2025 Budget/Exp	% Change
Ordinary Income/Expense			
Income			
City of Austin Contrib (25.06%)	31,215,000.00	27,242,000.00	14.58%
Commission Recapture	5,000.00	5,000.00	0.00%
Fire Fighter Contrib (18.7%)	23,108,000.00	23,108,000.00	0.00%
Other Income			
Class Action Proceeds	5,000.00	5,000.00	0.00%
Interest - State Street	300,000.00	300,000.00	0.00%
Interest - Frost Bank	10,000.00	5,000.00	100.00%
Securities Lending - State St.	10,000.00	9,000.00	11.11%
Total Income	54,653,000.00	50,674,000.00	7.85%
Operating Expenses			
Administrative Expenses			
Payroll Expenses			
Salary All Staff w 10% SEP Change	890,360.00	776,500.00	14.66%
SEP Contribution w 10% Reduction	129,808.00	186,000.00	-30.21%
Health Insurance - Staff	139,100.00	127,310.00	9.26%
Payroll Taxes	71,300.00	60,120.00	18.60%
Health Insurance - Retiree Staff	6,000.00	6,000.00	0.00%
Total Payroll Expenses	1,236,568.00	1,155,930.00	6.98%
SS Retiree Payroll Process Fees	9,000.00	34,000.00	-73.53%
Building Expenses			
Assessment Toward Projects	2,400.00	1,883.00	27.46%
Building Maintenance/Improvement	3,000.00	15,250.00	-80.33%
Condo Association Dues	5,990.00	5,810.00	3.10%
Utilities			
Electric	2,250.00	2,250.00	0.00%
HVAC Program	50.00	50.00	0.00%
Internet & Cable & Telephone	3,600.00	3,500.00	2.86%
Water, Waste, Drainage	975.00	975.00	0.00%
Total Utilities	6,875.00	6,775.00	1.48%
Total Building Expenses	18,265.00	29,718.00	-38.54%
Office Expenses			
Furniture (FFE)	2,000.00	2,000.00	0.00%
Meeting Refreshments	1,000.00	1,600.00	-37.50%
Notary Services	250.00	250.00	0.00%
Office Maintenance	3,600.00	3,600.00	0.00%
Office Supplies (Office supplies expense)	2,500.00	2,500.00	0.00%

Austin Firefighters Retirement Fund
2026 Proposed Budget

	Total		
	2026 Budget	2025 Budget/Exp	% Change
Postage and Delivery	5,000.00	5,000.00	0.00%
Printing and Reproduction	4,000.00	4,000.00	0.00%
Total Office Expenses	18,350.00	18,950.00	-3.17%
Computer and Internet Expenses			
Hosting & Other Expenses	3,000.00	3,000.00	0.00%
Laptop/Computer	3,000.00	3,000.00	0.00%
Software/IT Services	31,000.00	28,300.00	9.54%
Total Computer and Internet Expenses	37,000.00	34,300.00	7.87%
Insurance Expense			
Board & Directors Liability Ins	37,500.00	29,600.00	26.69%
Commercial	2,200.00	2,000.00	10.00%
Cybersecurity Ins.	10,500.00	10,000.00	5.00%
Workers Comp Ins. (Workers Comp)	1,300.00	1,200.00	8.33%
Total Insurance Expense	51,500.00	42,800.00	20.33%
Travel Expense			
Lodging/Transportation/Per Diem	25,000.00	16,000.00	56.25%
Registration fees	21,000.00	7,500.00	180.00%
Total Travel Expense	46,000.00	23,500.00	95.74%
Operational Cost			
Association Fees (TXPERS /NCEPRS/NASRA)	9,200.00	9,100.00	1.10%
Election Servicers	4,900.00	4,900.00	0.00%
Death Verification Services	6,900.00	4,200.00	64.29%
Operational Cost - Other	10,400.00	6,300.00	65.08%
Total Operational Cost	31,400.00	24,500.00	28.16%
Investment Expenses			
Bank Custodian Services	142,000.00	117,000.00	21.37%
Financial Consulting Fee	237,700.00	229,650.00	3.51%
Investment Management Fees	1,650,000.00	1,800,000.00	-8.33%
Total Investment Expenses	2,029,700.00	2,146,650.00	-5.45%
Professional Fees			
Audit	25,000.00	25,000.00	0.00%
Actuarial Fees			
COLA & Additional Travel	10,000.00	10,000.00	0.00%
Actuarial Valuation	47,400.00	46,300.00	2.38%
Pension Funding Research	0.00	189,360.00	-100.00%
Total Actuarial Fees	57,400.00	245,660.00	-76.63%

Austin Firefighters Retirement Fund
2026 Proposed Budget

	Total		
	2026 Budget	2025 Budget/Exp	% Change
Legal Fees			
Administrative	132,000.00	132,000.00	0.00%
Board Meeting	12,000.00	18,000.00	-33.33%
Investment Review	50,000.00	50,000.00	0.00%
Statute, Rules, Policy and Plan Document review a	125,000.00	150,000.00	-16.67%
Pension Funding Research/Legislation (2024/2025	0.00	220,593.00	-100.00%
Total Legal Fees	319,000.00	570,593.00	-44.09%
Legislative Consulting	72,650.00	72,000.00	0.90%
Medical Disability Review	8,100.00	3,000.00	170.00%
Pension Software			
Pension Software PG I	0.00	50,000.00	-100.00%
Pension Software PG IV	646,815.72	691,445.00	-6.45%
Total Pension Software	646,815.72	741,445.00	-12.76%
Total Professional Fees	1,128,965.72	1,657,698.00	-31.90%
Total Operating Expenses	4,606,748.72	5,168,046.00	-10.86%
Pension Retiree Payroll			
Retirees Annuity	61,000,000.00	56,000,000.00	8.93%
Medical Ins.	3,300,000.00	3,700,000.00	-10.81%
Dental Ins	495,000.00	466,000.00	6.22%
Vision Ins.	51,000.00	47,000.00	8.51%
Retiree W/H Tax Payable	8,200,000.00	7,750,000.00	5.81%
Benevolent Fund	59,000.00	59,000.00	0.00%
Misc.	20,000.00	20,000.00	0.00%
PAC Dues	9,000.00	9,200.00	-2.17%
Union Dues	30,000.00	25,000.00	20.00%
Total Pension Retiree Payroll	73,164,000.00	68,076,200.00	7.47%
Pension Lump Sum			
Contribution Refunds	1,000,000.00	1,000,000.00	0.00%
DROP Distributions	37,000,000.00	30,000,000.00	23.33%
Total Pension Lump Sum	38,000,000.00	31,000,000.00	22.58%
Total Expense	115,770,748.72	104,244,246.00	11.06%

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AUSTIN FIREFIGHTERS RETIREMENT FUND

Fund Rules

Amended and Restated, Effective ~~September 29, 2025~~ [REDACTED], 2026

I. Purpose

Pursuant to Section 2.11 of Vernon’s Texas Civil Statutes Article 6243e.1 (the “*Act*”), the board of trustees (the “*Board*”) of the Austin Firefighters Retirement Fund (the “*Fund*”) may adopt rules desirable for the efficient administration of the Fund and in order to ensure that the Fund may satisfy the qualified plan requirements under the Internal Revenue Code of 1986, as amended (the “*Code*”). In addition, the Board has specific authority to adopt rules and procedures under various sections of the Act. These rules (the “*Rules*”) are adopted pursuant to the applicable provisions of the Act as referenced below.

II. General Fund Rules

1. Definitions. Unless otherwise specifically provided in these Rules, the terms and phrases used herein have the meanings assigned by Section 1.02 of the Act.
2. Operating Name. Pursuant to the authority granted to the Board in Section 1.031 of the Act, the Fund has adopted the name “Austin Firefighters Retirement Fund” as the name under which the Fund may operate and brand itself. Notwithstanding the previous sentence, the Fund’s legal name shall remain as the “Austin Fire Fighters Relief and Retirement Fund” as prescribed by Section 1.03 of the Act. References to “Austin Firefighters Retirement Fund” and “Austin Fire Fighters Relief and Retirement Fund” in any Fund documents and communications shall be understood as synonymous.

III. Qualified Plan Rules

1. Qualified Plan. All assets contributed to the Fund will be held in trust, separate from the assets of the municipality, and maintained and administered by the Board for the exclusive purpose and benefit of all members, retirees, and beneficiaries of the Fund. At no time before the termination of the Fund and the satisfaction of all liabilities with respect to members, retirees, and their beneficiaries shall any part of the principal or interest of the assets of the Fund be used for or diverted to purposes other than the exclusive benefit of members, retirees, and their beneficiaries. The Fund and the assets held in trust thereunder are intended to qualify under Section 401(a) of the Code, be exempt from federal taxes under Section 501(a) of the Code, and conform at all times to applicable requirements of law, regulations, and orders of duly constituted federal governmental authorities. Pursuant to Section 2.015 of the Act, the Fund shall be administered in a manner that maintains the qualified status of the Fund under Section 401(a) of the Code. Accordingly, if any provision of the Act and these Rules is subject to more than one construction, one of which will permit the qualification of the Fund, that construction that will permit the Fund to qualify and conform will prevail. At no time shall any part of the assets of the

Fund revert back to the municipality unless the reversion is due to a good faith mistake of fact.

2. Required Minimum Distributions. Effective January 1, 2003, a member's entire interest under the Fund shall be distributed, or begin to be distributed, by the required beginning date prescribed by Code Section 401(a)(9) and Treasury Regulations §§1.401(a)(9)-1 through 1.401(a)(9)-9 (the "**401(a)(9) Requirements**"), and any distribution under the Fund shall at all times comply with the 401(a)(9) Requirements. Any distribution required under the incidental death benefits requirements of Code Section 401(a) shall be treated as a distribution required by the 401(a)(9) Requirements. For purposes of clarity, provisions of the Act and these Rules may provide for the timing of distribution of benefits that is earlier than the required beginning date under the 401(a)(9) Requirements, including distributions from the DROP (as defined in Section V of these Rules), as long as such distributions otherwise comply with the 401(a)(9) Requirements.
3. Rollovers. Effective January 1, 1993, any member or eligible beneficiary who is entitled to receive any distribution that is an eligible rollover distribution is entitled to have that distribution transferred directly to another eligible retirement plan of the member's or eligible beneficiary's choice on providing direction to the Fund regarding that transfer in accordance with procedures established by the Board. For purposes of this Rule, the following terms shall be defined as provided below:

- (a) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's eligible beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Code section 401(a)(9); the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities described in Code section 402(e)(4)); and other amounts determined to not be eligible rollover distributions under applicable law, including the Code and regulations issued pursuant to the Code (see, e.g., Regulation § 1.402(c)-2, Q&A-4).

Effective January 1, 1999, an "eligible rollover distribution" also does not include any amount that is distributed on account of hardship or unforeseeable emergency.

- (b) An "eligible retirement plan" is an individual retirement account described in Code section 408(a), an individual retirement annuity (other than an endowment contract) described in Code section 408(b), that accepts the distributee's eligible rollover distribution, a qualified retirement plan described in section 401(a) or section 403(a), of the Code. The definition of eligible retirement plan shall also apply in the case of a distribution to an eligible beneficiary, or to a spouse or former spouse who is the alternate payee

under a qualified domestic relation order, as defined in section 414(p) of the Code; provided, however, if the distributee is an eligible beneficiary of a deceased member who is not a surviving Spouse, a direct rollover is only available to an individual retirement account described in Code section 408(a) or an individual retirement annuity (other than an endowment contract) described in Code section 408(b) that has been established on behalf of the eligible beneficiary as an inherited IRA (within the meaning of Code section 408(d)(3)(C)) and is subject to the requirements of Code section 401(a)(9).

Effective January 1, 2002, an “eligible retirement plan” also includes a tax sheltered annuity plan described in section 403(b) of the Code, and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Fund.

- (c) A “distributee” includes a member and a participant’s spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code section 414(p).

Effective January 1, 2007, a “distributee” also includes the eligible beneficiary of a deceased member to the extent permitted in Code Section 402(c)(11).

- (d) A “direct rollover” is a payment by the Fund to the eligible retirement plan specified by the distributee. The Fund shall be responsible for providing, within a reasonable period of time prior to making an eligible rollover distribution, an explanation to a member of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.
4. Nonforfeitability upon Plan Termination. The retirement benefit earned by a member shall become nonforfeitable, to the extent funded (if not already nonforfeitable), upon the termination or partial termination of the Fund or the complete discontinuance of contributions to the Fund.
 5. Forfeitures. Amounts representing forfeited nonvested benefits of terminated members may not be used to increase benefits payable from the Fund but may be used to offset obligations for future plan years.
 6. Code Section 401(a)(17) Limits. Effective for plan years beginning on or after January 1, 1996, the total compensation taken into account for any purpose for any member of the Fund may not exceed that annual compensation limit under Code Section 401(a)(17), as shall be periodically adjusted in accordance with guidelines provided by the United States Secretary of the Treasury. For plan year 2021, such annual compensation limit is \$290,000.
 7. USERRA. Notwithstanding any provision in the Act to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u), effective January 1, 1998, and Code

Section 401(a)(37), effective as set forth below, including, without limitation, in accordance with the provisions set forth below.

- (a) Definitions. For purposes of this paragraph 7, the following terms shall be defined as provided below:
- (i) Differential Wage Payment. The term “Differential Wage Payments” means any payment as defined in Code Section 3401(h) which is made by the municipality for a pay period after December 31, 2008, and that (a) is made to a member with respect to any period during which a member is performing Qualified Military Service; and (b) represents all or a portion of the remuneration such member would have received from the municipality if the individual was performing services for the fire department.
 - (ii) Qualified Military Service. The term “Qualified Military Service” means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any member if such member is entitled to USERRA Reemployment Rights under such chapter with respect to such service.
 - (iii) USERRA Reemployment Rights. The term “USERRA Reemployment Rights” means the rights and benefits to which a member covered under USERRA is entitled upon his or her return from Qualified Military Service. A member will not be entitled to USERRA Reemployment Rights if (a) such member did not provide advance notice of his or her military service to the fire department; or (b) such individual had more than five years of cumulative Qualified Military Service measured from his or her date of hire to his or her date of return to employment with the fire department.
- (b) Death Benefits.
- (i) Deemed Reemployment Date. A member who dies on or after January 1, 2007, while performing Qualified Military Service (an “*Eligible Deceased Member*”) will be deemed (a) to have resumed employment with the fire department as of the day preceding the date of his or her death (the “*Deemed Reemployment Date*” for purposes of this paragraph); and (b) to have terminated service on the date of his or her death.
 - (ii) Additional Benefits. To the extent the Fund provides for any benefits that are contingent upon the member’s death, then an Eligible Deceased Member will be provided with such benefits. Such benefits must be provided to all similarly-situated individuals in a uniform, non-discriminatory manner.

- (iii) Service. An Eligible Deceased Member shall receive service under the Fund for the period of the Qualified Military Service during which the member died for purposes of attaining eligibility to receive the benefits provided under the Fund and, to the extent the requirements of Section 4.02 of the Act and Rule XV are otherwise satisfied, for purposes of calculating benefits. For purposes of Section 4.02 and consistent with subparagraph 7(b)(i) above, an Eligible Deceased Member will be treated as returning to service on the day preceding the date of his or her death, and an eligible spouse or other beneficiary may file the application, make the required contributions, and provide the proof required under Section 4.02 of the Act and in accordance with Rule XV.
 - (c) Differential Wage Payments.
 - (i) Employee Status. Effective January 1, 2009, an individual receiving Differential Wage Payments from the municipality will be treated as an active member and will receive service under the Fund during such period for purposes of attaining eligibility to receive the benefits under the Fund and the calculation of such benefits.
 - (ii) Compensation. The term “Compensation” as used under the Act for purposes of calculating benefits or determining contributions will include any amounts paid by the municipality as a Differential Wage Payment.
- 8. Code Section 415 Limits. Pursuant to Section 9.03(a) of the Act, a member or beneficiary of a member of the Fund may not accrue a benefit, in excess of the benefit limits applicable to the Fund under Section 415 of the Code. The Board shall reduce the amount of any benefit that exceeds those limits by the amount of the excess. If the total benefits under this Fund and the benefits and contributions to which any member is entitled under any other qualified defined benefit plan maintained by the municipality that employs the member would otherwise exceed the applicable limits under Section 415 of the Code, the benefits the member would otherwise receive from the Fund shall be reduced to the extent necessary to enable the benefits to comply with Section 415 of the Code. For purposes of determining applicable benefit limitations under Code section 415, the limitation year shall be the calendar year.
- 9. Actuarial Assumptions. The Fund’s actuarial equivalence assumptions shall be those as specified in Appendix A of these Rules.
 - (a) Notwithstanding such Appendix A or any other plan provisions to the contrary, effective January 1, 2008, the applicable mortality table used for purposes of adjusting any benefit or limitation under §415(b)(2)(B), (C), or (D) of the Code and the applicable mortality table used to satisfy the requirements of §417(e) of the Code (if and as such requests are applicable) is the table prescribed in Treasury Regulation § 1.430(h)(3)-1.

- (b) For distributions with annuity starting dates after December 31, 2002 and before January 1, 2008, the applicable mortality table shall be the applicable mortality table provided in Rev. Rul. 2001-62.
- (c) For distributions with annuity starting dates on or prior to December 31, 2002, the applicable mortality table shall be the applicable mortality table provided in Rev. Rul. 92-19.

10. Exemption of Benefits from Judicial Process, Assignment or Alienation.

- (a) All assets held in trust under the Fund, and all rights and all accrued and accruing benefits of any member, may not be (A) held, seized, taken, subjected to, or detained or levied on by virtue of any execution, attachment, garnishment, injunction, or other writ, order, or decree, or any process or proceedings issued from or by any court for the payment or satisfaction, in whole or in part, of any debt, damage, claim, demands, or judgment against any member entitled to benefits, or (B) assigned or otherwise alienated.
- (b) The preceding provisions of these Rules shall not preclude the withholding of Federal taxes from pension benefits, the recovery by the Board of overpayments of benefits previously made to any person, the direct deposit of benefit payments to an account in a bank, savings and loan association or credit union (provided such arrangement is not an alienation), or, pursuant to any policy adopted by the Board and uniformly applied to any voluntary arrangement for the withholding and direct payment of health care or life insurance premiums or similar payments from his or her monthly benefit payments. An attachment, garnishment, levy, execution or other legal process is not considered a voluntary arrangement.

IV. Trustee Nomination Procedures

- 1. Background. Section 2.03(b) of the Act provides that, in the event only one firefighter or retiree is nominated for a position pursuant to Section 2.03(c) of the Act, the Board may appoint the sole nominated candidate through procedures established by the Board prior to any nominations, with such appointment to be held at the first board meeting in January in lieu of holding an election. The Rules in this Section IV set forth such procedures and take effect for the nominations period beginning September 1, 2015.
- 2. Notice of Nomination Period. Pursuant to Section 2.03(c) of the Act, the period for nominating candidates for the election of a member of the Board begins on September 1 and ends September 15 of each calendar year (“**Nomination Period**”). Prior to each election period, the Fund will provide notice to active members of the Nomination Period through posting at fire stations (either electronically or in a physical location where postings typically are made) and will provide notice to retirees through regular mail. In addition, notice of the Nomination Period will be posted on the Fund’s website.

3. Form of Nominations. Pursuant to Section 2.03(c) of the Act, nominations may be made in person, by mail, by telephone, or by any other method approved by the Board, including by e-mail or facsimile. Nominations must be received prior to the end of the Nomination Period, between September 1 and September 15. A nomination sent prior to the end of the Nomination Period, but not received by the Fund until after the Nomination Period, does not satisfy the above requirement.
4. Re-opening of Nominations Period. In the event that no candidate has been nominated following the Nomination Period ending September 15, the Board will re-open the Nomination Period and establish the final day of such period, which will not be later than October 31 of the same calendar year. Notice of the re-opening of the Nomination Period will be provided in the same manner as described in paragraph 2 in this Section IV.
5. Nomination of Sole Candidate. If at the end of a Nomination Period, only one candidate has been nominated, the Fund will notify members and retirees in the same manner as described in paragraph 2 in this Section IV that only one candidate has been nominated and that no election will be held. The Board will appoint this candidate to the Board at its January meeting following the nomination.

V. **DROP Distributions**

1. Background. Section 8.05(d) of the Act provides that the Board may adopt rules that modify the availability of distributions under the deferred retirement option plan (the “**DROP**”), provided that the modifications do not (A) impair the distribution rights under Section 8.05(a) of the Act, which provides for four lifetime payments prior to April 1 of the year after the member attains 70 ½ years of age or (B) cause distributions to occur later than as required under Section 401(a)(9) of the Code. The Rules in this Section V modify the availability of DROP distributions as contemplated under Section 8.05(d) of the Act.
2. Additional Distributions from DROP Account for Members. In addition to the distribution options available under Section 8.05(a) of the Act, a member who participates in the DROP may take up to twelve distributions prior to April 1 of the year after the member attains 70 ½, but no more than four distributions in any given calendar year.
3. Distributions from DROP Account by Non-Member.
 - (a) *Alternate Payees*. In accordance with Section 9.11(b) of the Act, any portion of a member’s DROP account that is awarded to an alternate payee pursuant to a qualified domestic relations order (QDRO) shall be distributed in a single lump-sum payment as soon as administratively practicable after the alternate payee is first entitled to the distribution of such amounts as determined by the Fund.
 - (b) *Designated Beneficiaries*. In accordance with Section 8.07 of the Act, if a member who participates in the DROP dies before distribution of the member’s entire DROP account, distributions will be made to the designated beneficiary for the DROP account. Distributions to the designated beneficiary must begin no later than one (1) year after the member’s death and shall be made as either a single-payment distribution or

in not more than four equal annual installments over a period of not more than 37 months.

4. Implementation. The distribution option under paragraph 2 of this Section V will apply (A) to all DROP accounts established on or after the effective date of these Rules as amended, and (B) to DROP accounts of a member established prior to the effective date of these Rules as amended, provided that any distributions taken by a member from his or her DROP account prior to the effective date of these Rules as amended will be counted against both the twelve total distribution limit and the four annual distribution limit provided in paragraph 2 of this Section V.

VI. Beneficiary Designations

1. Background. Section 7.09 of the Act provides that a retiree or member eligible to retire may designate a beneficiary for a survivor benefit on a form provided by the Fund if the Act does not otherwise provide a benefit payable to a spouse or child of the member or retiree upon his or her death. Pursuant to Section 2.11 of the Act, the Board may adopt rules it considers necessary or desirable for the efficient administration of the Fund. In addition, Section 7.09 of the Act provides that the Board may adopt rules to establish procedures for and requirements governing beneficiary designations. Through this Section VI, the Board adopts rules and procedures for designating beneficiaries under Section 7.09 of the Act, including limiting the circumstances under which such designations can be made. This Section VI is intended to replace and supersede any previous policy relating to beneficiary designations established by the Board and only applies to Group A members.
2. Form. A form established by the staff of the Fund shall be utilized for purposes of designating a beneficiary under Section 7.09 of the Act, and such form shall be the only method by which a beneficiary may be designated under such section. Any attempt by the member to designate a beneficiary other than through the form established by the Fund's staff, whether electronically, in writing or verbally, shall have no effect.
3. Eligibility—Active Members. An active member who is vested and eligible to retire may designate or change a beneficiary under Section 7.09 if such member (A) is unmarried and (B) does not have a living child who is unmarried and under the age of twenty-two (a "***Dependent Child***"). Any form submitted to the Fund following September 1, 2012 that is executed on a date on which the member submitting the form is either married or has a Dependent Child shall have no effect and be null and void. An active member is not subject to a benefit reduction described in paragraph 4 below.
4. Eligibility—Retired Members.
 - (a) A retired member may designate or change a beneficiary under Section 7.09 if no survivor benefit is otherwise payable to a surviving spouse or Dependent Child of the member if such member agrees to the benefit adjustment described in subsection (d) below.
 - (b) Notwithstanding the above, a retiree will not be eligible to designate or change a beneficiary after retirement if such retiree has already made two

designations or changes following his or her date of retirement, and such two designations or changes occurred on or after January 1, 2017.

- (c) For a post-retirement marriage that occurs on or after September 1, 2025, the retiree's spouse will not automatically become eligible for a survivor benefit from the Fund. The retiree may name such individual as a designated beneficiary in accordance with this rule if the member is otherwise eligible to do so.

For a post-retirement marriage that occurs prior to September 1, 2025, the retiree's spouse will be eligible for the survivor benefit provided under Section 7.02 of the Act if the spouse was married to the retiree on the retiree's death and for at least 24 consecutive months prior to the retiree's death. This change in beneficiary shall occur without a reduction to the member's benefit as described in subsection (d) below.

- (d) A retiree who designates or changes a beneficiary must agree to a benefit reduction for the designation or change to take effect. The benefit reduction will be determined by treating the monthly benefit amount that the retiree is receiving at the time of the designation or change of beneficiary as a single life annuity for the life of the retiree and converting such single life annuity into the form of benefit that the retiree was receiving under the Fund at the time of the designation or change, taking into account the current age of the beneficiary. The method of the conversion described above will be determined by the Fund's actuary and based on the actuarial assumptions in effect under the Fund at the time of the designation or change. The reduction described in this paragraph will apply to any designations or changes in beneficiaries on or after January 1, 2017.

5. Requirements for Beneficiaries. A beneficiary may be any living person selected by the member.
6. Termination of Beneficiary Designation. A previously-submitted beneficiary designation form shall become null and void as of (i) in the event of a post-retirement marriage prior to September 1, 2025, the date that the member's spouse would be eligible for survivor benefits under Article 7 of the Fund (if at all), or (ii) in the event of the birth or adoption of a Dependent Child, the date that the member's Dependent Child would be eligible for survivor benefits under Article 7 of the Fund. For the avoidance of doubt, a post-retirement marriage that occurs on or after September 1, 2025 shall not nullify a previously-submitted beneficiary designation form. The nullification of a beneficiary designation pursuant to this paragraph 6 shall be permanent and shall not be reinstated.
7. Reduction of Benefit for Beneficiary 10 or More Years Younger. The reduction of a beneficiary's benefit as described in Section 7.09(c) for a beneficiary of a member (active or retired) who is 10 or more years younger than the member at the time of the member's death will be determined in accordance with tables provided by the Fund's actuary and approved by the Board, as may be updated from time to time at the recommendation of the Fund's actuary. The tables as approved by the Board are set forth in Appendix B.

8. Administration. The application, administration and interpretation of this Section VI shall be at the full and absolute discretion of the Fund. Any decision relating to a beneficiary designation under this policy by the Fund shall be final and binding.
9. Termination of Provisional Beneficiary Designation. All provisional beneficiary designations made by members during the period beginning May 1, 2016 through June 1, 2016, on the special form provided by the Fund for such purpose (the "Provisional Designations") will expire at 12:00 am on November 1, 2016 (the "Expiration Date") and be null and void. No individual named under Provisional Designations will have any right or interest in the Fund following the Expiration Date solely by virtue of being named in such Provisional Designation. The Board did through action at its meeting of August 18, 2016 extend the survival period for Provisional Designations through the Expiration Date.

VII. [Repealed]

VIII. [Repealed]

IX. [Repealed]

X. **Optional Forms of Benefit**

1. Background. Section 9.10 of the Act provides the Board with the authority to approve ~~an~~ optional forms of retirement ~~annuity instead of the~~ benefits that members may elect in lieu of such member's normal form of ~~annuity~~ retirement benefit payable under ~~Section 5.04 of~~ the Act (the "**Normal Form of Benefit**"), ~~as long as provided that~~ such optional form ~~is~~ must be certified by the Fund's actuary to be the actuarial equivalent of the member's Normal Form of Benefit.
~~1. The Rule~~ Rules under this Section X ~~is~~ are intended to ~~provide additional~~ establish the optional forms of ~~benefit which~~ retirement benefits that Group A and Group B members may elect upon retirement and the requirements and procedures with respect to the member's election of such optional forms ~~and the member's election and. This Rule, as amended,~~ will take effect ~~November 1, 2016. This Rule X applies only the Group A members on~~ [REDACTED], 2026.
2. Optional Forms of Benefit for Group A Members. Under the Act, the Normal Form of Benefit for a Group A member is a **75% joint and survivor annuity**, pursuant to which the Fund (i) will pay a monthly annuity benefit to the member for life and (ii) upon the member's death, will continue to pay a reduced survivor annuity benefit to the member's spouse or other beneficiary (as determined under the Act) for life.
 - (a) ~~2.~~ Single Life Annuity. ~~Instead~~ Upon retirement and in lieu of the Normal Form of Benefit, a ~~member upon retirement may elect to choose to receive a life annuity with~~ Group A member may elect the "Single Life Annuity Option", provided that the requirements of this paragraph (a) are satisfied. The Single Life Annuity Option will provide the member with an increased monthly annuity benefit to the member for life, but will provide no survivor benefit ~~(the "~~

- i. Calculation of Single Life Annuity. The Single Life Annuity Option) ~~that is~~ will be actuarially equivalent to the Normal Form of Benefit, ~~provided that the spousal consent requirements in paragraph 3 of this Section X are satisfied. The conversion from.~~ The amount of the member's monthly annuity will be increased if the Single Life Annuity Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit to the that the member would have otherwise been eligible to receive. The method and process for such conversion to the Single Life Annuity Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions in effect under the Fund at the time of retirement set forth in Appendix A with the assumption that the member's spouse or designated beneficiary under the Normal Form of Benefit is the same age as the member, regardless of the actual age of the spouse or designated beneficiary. The method and process for such conversion to the Life Annuity Option will be determined by the Fund's actuary.
- ii. Participation in DROP. If the member elects to participate in the Fund's deferred ~~optional~~—retirement program option plan (“DROP”), the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Single Life Annuity Option election.
- iii. 3.—Spousal Consent. ~~A~~The spouse of a Group A member who elects the Single Life Annuity Option must consent to such election for the election to be valid and take effect. The consent must be in writing and witnessed by an employee or officer of the Fund or acknowledged by a notary public. If a member's spouse has been adjudicated incompetent, the consent may be given by the spouse's guardian (~~see in accordance with~~ Section 9.10(g) of the Act) and or by the member in accordance with Section 9.10(h) of the Act.

~~If a physician determines that a member's spouse is not mentally capable of managing the spouse's affairs, the consent may be given by the member if (A) the member would be qualified to serve as a guardian of the spouse and (B) the Board determines that a guardianship of the estate is not necessary (see Section 9.10(h) of the Act).~~

~~Spousal~~Notwithstanding the above, spousal consent is not required if the Board determines that (A) no spouse exists, (B) the spouse cannot be located, (C) the first anniversary of the marriage will not occur before the date that the first annuity from the Single Life Annuity Option becomes payable, or (D) a former spouse is entitled to receive a portion of the member's optional retirement benefit under a qualified domestic relations order (see Section 9.10(i) of the Act). To clarify (D) above, the spousal consent requirement will still apply as to any current spouse of a member,

even if the member has a qualified domestic relations order on file with the Fund for a former spouse.

With respect to all Board determinations under this paragraph ~~32(a)(iii)~~ of Section X, (A) the Board may request further action, information and documentation as it deems necessary to make any determinations, including, without limitation, a statement by an independent physician of the spouse's mental condition, and shall not be required to make a determination if it has not received such requested information or documentation; and (B) all such determinations will be made at sole and absolute discretion of the Board, and its determination shall be final and binding.

(b) ~~4. Guaranteed Term of Payments. A member upon retirement may elect to receive~~ Upon retirement, a Group A member may elect the "Guaranteed Term Option" (also referred to as "Option 2"), provided that the requirements of this paragraph (b) are satisfied. The Guaranteed Term Option will provide a reduced monthly annuity benefit ~~that would~~ to the member for life and will guarantee that either the member's spouse, designated beneficiary or estate, as applicable, would receive a 100% survivor benefit if the member dies within the first ten (10) years (the "Guaranteed Period") after annuity payments commence to the member for the remainder of such ten-year ~~period (referred to as "Option 2"). Option 2 is available for members who elect the Life Annuity Option~~ Guaranteed Period. Following the end of the ~~ten-year period~~ Guaranteed Period, the amount of the survivor benefit (if any) to be paid under the Guaranteed Term Option 2 will be based on the applicable terms of the Fund and these Rules, the member's monthly annuity at the time of death, the form of benefit that the member ~~has~~ elects at retirement, and in the case of a survivor who is a designated beneficiary, the age of such beneficiary. An estate is not eligible to receive a survivor benefit beyond the ~~guaranteed-10-year period~~ Guaranteed Period.

- i. Eligibility for Guaranteed Term Option. The Guaranteed Term Option may be elected by a Group A member who chooses either the Normal Form of Benefit or the Life Annuity Option.
- ii. Calculation of Guaranteed Term Annuity. The Guaranteed Term Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Guaranteed Term Option 2 is elected ~~selected~~ so that such benefit is the actuarial equivalent of the Normal Form of Benefit (taking into consideration any Life Annuity Option election, if applicable) that the member would have otherwise been eligible to receive, ~~with the~~. The method and process for such ~~reduction to~~ conversion to the Guaranteed Term Option will be determined by the Fund's actuary and shall be based on the

actuarial assumptions ~~in effect under the Fund at the time of retirement~~. set forth in Appendix A with the assumption that the member's spouse or designated beneficiary under the Normal Form of Benefit is the same age as the member, regardless of the actual age of the spouse or designated beneficiary.

iii. Participation in DROP. If the member elects to participate in DROP, (A) the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Guaranteed Term Option 2-election, and (B) the ~~ten-year-period~~Guaranteed Period will commence as of the retirement date that is selected by the member for purposes of DROP (i.e., the DROP Effective Date) and not the member's actual date of termination of active service.

iv. Beneficiary During Guaranteed Term. For purposes of payments to be made during the Guaranteed Term Option, (i) if the member was married at the time of death, the member's spouse will receive the payments, (ii) if the member was not married but had dependent children at the time of death, the payments will be made to the member's dependent children in equal shares, or (iii) if the member had no spouse or dependent children at the time of death, the beneficiary that the member designated to receive the survivor annuity benefit will receive the payments.

3. Optional Forms of Benefit for Group B Members. Under the Act, the Normal Form of Benefit for a Group B member is a **single life annuity**, pursuant to which the Fund will pay a monthly annuity benefit to the member for life, but no survivor benefit shall be payable. In lieu of the Normal Form of Benefit, a Group B member may elect one of the following options at retirement:

(a) Joint and Survivor Annuity. Upon retirement, a Group B member may elect a "**Joint and Survivor Option**", provided that the requirements of this paragraph (a) are satisfied. The Joint and Survivor Option will provide (i) a reduced monthly annuity benefit to the member for life and (ii) upon the member's death, a survivor annuity benefit in the amount elected by the member to the member's designated beneficiary for the beneficiary's life.

i. Survivor Benefit Percentage. The amount of the survivor annuity benefit payable to the member's designated beneficiary may be equal to 75% or 50%, as selected by the member at retirement.

ii. Calculation of Joint and Survivor Annuity. The Joint and Survivor Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Joint and Survivor Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Joint and Survivor Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

- iii. *Participation in DROP.* If the member elects to participate in DROP, the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Joint and Survivor Option election.
- (b) Joint and Survivor Plus Pop-Up Option. Upon retirement, a Group B member may elect the "***Pop-Up Option***", provided that the requirements of this paragraph (b) are satisfied. The Pop-Up Option will provide (i) a reduced monthly annuity benefit to the member for life and (ii) upon the member's death, a survivor annuity benefit in the amount elected by the member to the member's designated beneficiary for the beneficiary's life, with the provision that if the designated beneficiary predeceases the member, the amount being paid to the member will increase (or "pop-up") to the amount that would have been payable if the member had elected the Normal Form of Benefit.
 - i. *Survivor Percentage.* The amount of the survivor annuity benefit payable to the member's designated beneficiary may be equal to 75% or 50%, as selected by the member at retirement.
 - ii. *Calculation of Pop-Up Annuity.* The Pop-Up Option will be actuarially equivalent to the Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the Pop-Up Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the Pop-Up Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.
 - iii. *Participation in DROP.* If the member elects to participate in DROP, the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the Pop-Up Option election.
- (c) 10-Year Certain and Life. Upon retirement, a Group B member may elect the "***10-Year Certain and Life Option***", provided that the requirements of this paragraph (c) are satisfied. The 10-Year Certain and Life Option will provide a reduced monthly annuity benefit to the member for life and guarantees that, if the member dies within the first ten (10) years (the "***Certain Period***") after annuity payments commence to the member, the member's designated beneficiary would receive a monthly survivor benefit equal to 100% of the benefit that the member was receiving for the remainder of such ten-year Certain Period. Benefits will continue to be paid to the member beyond the Certain Period as long as the member is alive, but will cease at the later of the member's death or the last day of the Certain Period.
 - i. *Calculation of 10-Year Certain and Life Annuity.* The 10-Year Certain and Life Option will be actuarially equivalent to the

Normal Form of Benefit. The amount of the member's monthly annuity will be reduced if the 10-Year Certain and Life Option is selected so that such benefit is the actuarial equivalent of the Normal Form of Benefit that the member would have otherwise been eligible to receive. The method and process for such conversion to the 10-Year Certain and Life Option will be determined by the Fund's actuary and shall be based on the actuarial assumptions set forth in Appendix A.

ii. Participation in DROP. If the member elects to participate in DROP, (A) the amounts credited to a member's DROP account that relate to annuity payment amounts will be adjusted to reflect the 10-Year Certain and Life Option election, and (B) the Certain Period will commence as of the retirement date that is selected by the member for purposes of DROP (i.e., the DROP Effective Date) and not the member's actual date of termination of active service.

(d) Naming a Designated Beneficiary. A Group B member is only eligible to name a beneficiary (a "designated beneficiary") at retirement in accordance with the terms of this section and other procedures adopted by the Fund.

i. Beneficiary Designation at Retirement. If a Group B member selects an optional form of benefit that provides a survivor benefit after the member's death, (i) the member's spouse shall be deemed to be the designated beneficiary to receive such survivor benefit if the member is married at retirement, or (ii) the member may name one individual to receive the survivor benefit after the member's death if the member is not married at retirement.

ii. No Post-Retirement Beneficiary Designations. No post-retirement beneficiary designations are permitted for Group B members.

4. ~~5.~~ Election Forms. All elections for optional forms of benefit and beneficiary designations under this Section X will be made through forms and procedures established by the Fund and shall not be valid unless made pursuant to these forms and procedures. In the event of any inconsistencies between the terms of the election forms and the Act or these Rules, the Act and these Rules shall control.

5. ~~6.~~ Irrevocability. All elections made by members for optional forms of benefit shall be irrevocable and cannot be changed by members after monthly annuity payments have commenced.

XI. Procedure to Adopt or Amend Certain Rules or Policies

1. Background. Section 2.11 of the Act provides the Board with the authority to adopt rules it considers necessary or desirable for the efficient administration of the Fund. The Rule under this Section XI is intended to set out a standard process that the Board must follow to create, approve, or revise certain rules or policies of the Fund that have a direct impact on the benefits payable to members and beneficiaries. Any rule or policy shall be consistent with applicable laws and regulations, case law, and other Fund rules and policies.

2. Application. This procedure only applies to the adoption (or subsequent amendment) of a rule or policy (or section thereof) that has a direct impact on a member or beneficiary's eligibility for a Benefit (as such term is defined in Rule XIII), service credit under the Fund, or the amount or determination of a Benefit. This procedure does not apply to the adoption (or subsequent amendment) of a rule or policy that (i) does not have a direct impact on Benefits, including but not limited to the Board of Trustees' Governance Policy, Code of Ethics, the Investment Policy Statement or related procedures, or any staff related employment policies or (ii) is required to comply with federal or state law or otherwise necessary to maintain the qualified status of the plan.
3. Raising a Rule or Policy Issue. Any member of the Board may request that an item be placed on the agenda of a future meeting of the Board relating to the consideration of a new rule or policy or amendment to an existing one.
4. Proposed Draft of a Rule or Policy. Following discussion of a proposed rule or policy, or amendment to a rule or policy, at a meeting of the Board, the Board may instruct staff or legal counsel to prepare a draft of a proposed rule or policy or an amendment to an existing rule or policy for consideration at a future meeting ("**Proposed Draft**"). The Board may consider and, at its discretion, approve the Proposed Draft during any regular or special meeting of the Board. Once approved, a copy of the Proposed Draft shall be included with the Board meeting minutes and posted on the Fund's website. The posting on the website will include a request for Member comments.
5. Membership Comment Period and Adoption of the Proposed Draft. The approved Proposed Draft may not be considered for final adoption by the Board before the first regular monthly Board meeting that is two months following the month during which the Board approved the Proposed Draft. Prior to final adoption of the Proposed Draft, the Board shall consider any written comments from Members and provide the opportunity for Members to provide public comments at a Board meeting.
After hearing the Member's comments, the Board may (1) vote to adopt the Proposed Draft during the same meeting without changes or with minor changes, (2) defer the vote to adopt the Proposed Draft until any subsequent meeting if the Board determines that significant revisions to the Proposed Draft should be considered, or (3) determine not to proceed with the Proposed Draft.
6. Emergency Procedure. The Board may be faced with an emergency situation in which the need for a rule or policy or amendment to existing rule or policy is immediate and urgent. The Board may expedite the adoption process by introducing and adopting a proposed rule or policy during a single meeting if the Board determines that the expedited timing of such adoption is required for the best interest of the Fund and the circumstances surrounding the adoption were unforeseeable.
7. Posting of Rules. All Benefit-related rules and policies that are subject to this Rule XI will be posted on the Fund's website.

XII. Retirement Upon Indefinite Suspension

1. Background. The purpose of the Rule in this Section XII is to establish a standard procedure to address the circumstance in which a member who is indefinitely suspended commences his or her service retirement benefit upon the indefinite suspension.
2. Election to Commence Retirement Benefit. If a member is indefinitely suspended from active service, the member may elect to commence his or her service retirement benefit if he or she is otherwise eligible for such benefit under Article V of the Act in accordance with the requirements under this Section XII and procedures established by the Fund. A member is not required to immediately commence his or her benefit upon an indefinite suspension.
3. Indefinite Suspension with No Intent to Appeal. If the member is indefinitely suspended and does not intend to appeal such suspension, the member must certify in writing to the Fund his or her intent not to appeal. Upon receiving such certification, the Fund will treat the indefinite suspension as a standard termination of active service for purposes of the Fund as of the effective date of the suspension. If the Fund subsequently obtains knowledge that such member in fact has appealed the indefinite suspension, the Fund will take any action it deems appropriate with respect to the member's benefits, including suspend all annuity payments, prohibit distributions from DROP, or treat the member as if the member agreed to the terms of the Indefinite Suspension Addendum described below.
4. Indefinite Suspension with Intent to Appeal. If the member is indefinitely suspended and does intend to appeal such suspension, the member shall agree to the terms and conditions set forth in an Indefinite Suspension Addendum (the "Addendum") to his or her retirement benefit election forms. The terms and conditions of the Addendum will be established by the Fund and shall provide for the following:
 - (A) The member's service retirement benefit shall be calculated as if the effective date of the member's indefinite suspension was the member's date of termination of active service;
 - (B) If the member elects to participate in the Deferred Retirement Option Plan ("DROP") upon his or her indefinite suspension, no DROP distributions shall be made until a final ruling denying the member's appeal;
 - (C) If the member is reinstated to active service upon appeal, the member's retirement benefit election shall be deemed to be revoked as of the effective date of the member's return to active service, and all monthly annuity payments will immediately cease and the member's DROP account will be discontinued in the records of the Fund; and
 - (D) The member shall make repayments to the Fund to account for all monthly benefit payments made to the member during the period from the commencement of service retirement benefits upon indefinite suspension through the effective date of the member's return to active service (the "Suspension Period") in accordance with paragraph 5 below.
5. Repayment Obligation Upon Reinstatement. If the member commenced his or her service retirement benefit upon indefinite suspension and is reinstated following appeal, the member shall pay to the Fund the aggregate amount of all monthly

annuity payments received by the member during the Suspension Period (the “*Repayment Amount*”) within six (6) months of the effective date of the member’s return to active service. If a member does not fully repay the Repayment Amount within six (6) months, the Fund has the authority to take any and all action necessary to recover the Repayment Amount plus interest accrued at the actuarially assumed rate of return of the Fund for the period beginning with the commencement date of the member’s service retirement benefit through the date that no further repayment obligation under this paragraph 5 exists, including taking legal action against the member or adjusting or otherwise recovering such amounts from a member’s monthly annuity payments or DROP account upon a subsequent retirement from the Fund.

6. Qualified Domestic Relations Orders.

- (a) If a court of competent jurisdiction has issued a domestic relations order as part of a member’s divorce proceedings and the Fund has determined that such order is a qualified domestic relations order (“*QDRO*”), the service retirement benefits provided under this Section XII shall be subject to division between the member and the alternate payee pursuant to such QDRO and this paragraph 6.
- (b) The Fund shall make a reasonable attempt to contact the alternate payee and provide the alternate payee with notice of his or her rights under this Section XII once a member elects to commence a service retirement benefit upon his or her indefinite suspension.
- (c) If the member certifies to the Fund that the member does not intend to appeal his or her indefinite suspension as provided in paragraph 3 above, the Fund shall administer the service retirement benefits in accordance with the terms of the QDRO as if the indefinite suspension was a standard termination of active service as of the effective date of the suspension.
- (d) If the member does intend to appeal his or her indefinite suspension and has completed the Addendum such that the member’s service retirement benefits paid during the Suspension Period are subject to a potential repayment obligation as set forth in paragraphs 4 and 5 above, the Fund will hold any portion of the benefit due to an alternate payee under the QDRO in escrow until a final ruling denying the member’s appeal has been entered, unless the alternate payee agrees in writing to repay the aggregate amount of all monthly annuity payments received during the Suspension Period to the Fund in accordance with the terms and conditions set forth in the Addendum.
- (e) In the event the member is reinstated to active service following appeal and the alternate payee did not agree to the terms and conditions of the Addendum, all payments will immediately cease, the entire balance of the escrow account will be immediately returned to the Fund, and the alternate payee will not be entitled to receive any other payment from the Fund until benefits from the Fund subsequently commence and in accordance with the terms of the QDRO.

- (f) In the event the member is reinstated to active service following appeal and the alternate payee agreed to the terms and conditions of the Addendum, all payments will immediately cease, and the alternate payee shall pay to the Fund the aggregate amount of all monthly annuity payments received by the alternate payee during the Suspension Period within six (6) months of the effective date of the member's return to active service in accordance with paragraph 5. If the alternate payee does not fully repay such amount, the Fund has the authority to take any and all action necessary against the alternate payee in accordance with paragraph 5.
 - (g) If the member is not reinstated to active service following appeal and the alternate payee did not agree to the terms and conditions of the Addendum, the Fund shall pay any amount accumulated in the escrow account to the alternate payee as soon as administratively feasible after the final ruling denying the member's appeal. The Fund shall continue to make all subsequent payments owed to the alternate payee pursuant to the QDRO directly to the alternate payee.
- 7. Subsequent Service Retirement. If a member who commenced a retirement benefit under this Section XII is reinstated and has satisfied the requirements in paragraph 5, when the member subsequently retires from active service, the member's service retirement benefit upon such retirement will be calculated as of the member's subsequent retirement date and as if the member never commenced retirement under this Section XII.
 - 8. Effective Date. The Rules under this Section XII will apply to any member who is indefinitely suspended on or after September 1, 2017.

XIII. Appeal of Benefit Determinations

- 1. Purpose. Pursuant to Section 2.09 of the Act, the Board is responsible for determining all matters related to a Member's participation in the Fund and eligibility for any benefits provided under the Fund. The Board has determined that it is in the best interest of the Fund and its Members to set forth a process for Members and other beneficiaries of the Fund to appeal a decision of the Board or the Executive Director with respect to benefit determinations under the Fund. All appeals must be made in accordance with this Rule and otherwise be consistent with the provisions of the Act.
~~1.~~ The Board has delegated authority to the Benefits Committee of the Board to review and make recommendations to the Board regarding appeals of benefit determinations by the Fund. The Benefits Committee will perform a full and fair review of all appeals in an independent and impartial manner, and its final will make a recommendation to the full Board based on such review. The decision of the Board on appeals will be final and binding.
- 2. Defined Terms. As used in this Rule, the following terms shall have the meanings prescribed to them below:

- (a) “**Adverse Decision**” means any determination made by the Board or the Executive Director that denies or adversely impacts a Benefit of an individual Member (whether active or retired), a surviving spouse or child, alternate payee or other eligible beneficiary under the Fund. An Adverse Decision may be made in connection with a Member’s application or other request for a Benefit under the Fund or a determination that relates to a Member or other beneficiary’s Benefit including, without limitation, a determination related to the eligibility of any person to participate in the Fund or to receive, or continue to receive, a Benefit and the amount of that Benefit. An Adverse Decision does not include a determination or decision that (i) does not involve or directly impact Benefits or (ii) generally impacts Benefits under the Fund for all similarly-situated individuals.
- (b) “**Benefit**” means any amount payable by the Fund to a Member, a surviving spouse or child, alternate payee or other eligible beneficiary under the Act, including, without limitation, a service retirement benefit under Article 5 of the Act, a disability retirement benefit under Article 6 of the Act, a survivor’s benefit under Article 7 of the Act, a Member’s participation in the Deferred Retirement Option Plan (“**DROP**”) under Article 8 of the Act, or the right of an alternate payee to receive a portion of a Member’s benefit under a qualified domestic relations order.
- (c) “**Claimant**” means any Member, surviving spouse or child, alternate payee or other eligible beneficiary who appeals an Adverse Decision of his or her Benefit pursuant to this Rule.

3. Adverse Decision relating to Benefits.

- (a) *Notice of Adverse Decision.* If the Executive Director or the Board make an Adverse Decision with respect to a Benefit under the Fund, the Executive Director will provide the Member, surviving spouse or child, alternate payee or other eligible beneficiary, as applicable, with written notice of such Adverse Decision within a reasonable period of time, but not later than thirty (30) days after the Adverse Decision was made (the “**Notice of Adverse Decision**”). [The Notice of Adverse Decision may be mailed or emailed to the Claimant.](#)
- (b) *Content of Notice of Adverse Decision.* The Notice of Adverse Decision will include, at a minimum, the following information:
 - (i) the specific reason(s) for the Adverse Decision,
 - (ii) reference to the provisions of the Act upon which the Adverse Decision is based and/or the section of the Fund’s Rules or policies that was relied upon in making the Adverse Decision,

- (iii) description of any information that was not provided which may have been a reason for such Adverse Decision and an explanation of why such information is necessary,
- (iv) notice of the right of the Member, surviving spouse or child, alternate payee or other eligible beneficiary to appeal the Adverse Decision, a copy of this Rule (or directions for where to find the Rule on the Fund's website), and the deadline for filing such appeal, and
- (v) a statement that the Member, surviving spouse or child, alternate payee or other eligible beneficiary is entitled to receive, upon request and free of charge, reasonable access to and copies of all public documents, records, and other information relevant to the Adverse Decision.

4. Initiating the Appeal Process.

- (a) *Filing a Notice of Appeal.* To begin an appeal, the Claimant, or an authorized representative of the Claimant, must send written notice of the appeal to the Executive Director ("**Notice of Appeal**") which must be delivered or postmarked no later than sixty (60) days after the date that the Notice of Adverse Decision was received by the Claimant. The Notice of Appeal may be hand-delivered or mailed to the Executive Director at the Fund's address or emailed to the Executive Director.
- (b) *Content of Notice of Appeal.* The Notice of Appeal must include all relevant information regarding the Claimant and the Adverse Decision being appealed, including, without limitation, the following information:
 - (i) the Claimant's name, address, phone number, TX FIR number (if applicable), and the last four (4) digits of his or her social security number,
 - (ii) the Adverse Decision being appealed and the specific reason(s) that the Claimant disagrees with the Adverse Decision, and
 - (iii) any additional evidence that the Claimant wants the Board to consider in connection with the appeal, including, without limitation, written comments, documents, records, medical records, and other information related to the appeal, even if the Claimant had not previously submitted such documents or information to the Fund.
- (c) *Failure to Timely Submit a Notice of Appeal.* A Claimant will forfeit his or her right to appeal an Adverse Decision if the Notice of Appeal is not received or postmarked within sixty (60) days after the Claimant's receipt of the Notice of Adverse Decision.

- (d) *No Third-Party Rights.* No person other than the Claimant, or the Claimant's authorized representative, may appeal an Adverse Decision with respect to the Benefit payable to such Claimant.

5. Board's Review of Appeal.

- (a) *Standard of Review.* All appeals will be given a full and fair review, and the Board Benefits Committee will take into account all comments, documents, records, and other information submitted by the Claimant with the Notice of Appeal, without regard to whether such information was submitted or considered in the initial Adverse Decision.
- (b) *Meeting for Review of Appeal.* The Board Benefits Committee will review the Claimant's appeal ~~at one of its regular monthly meetings or at a special meeting called for purposes of the appeal.~~ The date of the meeting at which the appeal will be considered will be communicated to the Claimant at least fifteen (15) days prior to the meeting. The Claimant may request a delay or rescheduling of the meeting within five (5) days after receiving notice of the meeting if he or she can demonstrate good cause for such request, and the Executive Director will consider and respond to any such request. Portions of the meeting may be held in closed session for consultation with the Fund's attorney, discussions involving disability determinations or personal medical records, or ~~other items if and~~ otherwise as permitted under the Texas Open Meetings Act.
- (c) *Right of Claimant to Appear.* During the meeting at which the appeal is reviewed, the Claimant, or his or her representative, may appear before the Board Benefits Committee to make a brief statement concerning any facts or arguments he or she wishes to present with respect to the appeal. The Board Benefits Committee may ask the Claimant to respond to its questions or ask the Claimant to provide additional information related to the appeal. The ~~presiding officer of the Board for the meeting~~ Chairman of the Benefits Committee has final authority to set the amount of time the Claimant may have to present information. The Claimant may be represented by legal counsel or another duly authorized representative to appear on the Claimant's behalf.
- (d) *Independent Evaluation.* With respect to an appeal related to a disability retirement Benefit, the Board Benefits Committee may request that an Independent Evaluation (as defined in the Fund's "Disability Retirement Benefit Policy") be performed in connection with its review of the appeal. Any Independent Evaluation performed in connection with the Board's Benefits Committee's review of an appeal must be performed by an individual who was neither consulted in connection with the original Adverse Decision nor served on the Medical Board that reviewed the Member's application for disability retirement Benefits. The Fund will be responsible for any fees or costs incurred to obtain an Independent

Evaluation requested by the ~~Board~~Benefits Committee under this section. The Fund will provide the results of such Independent Evaluation, and any tests, reports, images, documents or other information generated in connection with such Independent Evaluation, to the Claimant within a reasonable period of time prior to its final decision of the appeal in order to provide the Claimant an opportunity to respond to the results. The ~~Board~~Benefits Committee may employ the Medical Board to assist with the review of any appeal involving a disability determination, including an appeal in which an Independent Evaluation is performed.

6. Final Decision on Appeal.

- (a) *Timing of Final Decision.* The Benefits Committee will make its recommendation to the Board no later than the next regularly scheduled meeting of the Board. The Board will make a final decision on an appeal, or determine that an extension of time to make a final decision is required, on or before the next ~~monthly~~regularly scheduled meeting following the meeting at which the ~~Board initially considers the appeal~~Benefits Committee makes its recommendation. If the Board requires more time to make a final decision, the Executive Director will provide the Claimant notice of such extension within fifteen (15) days following the Board's determination that such extension is required and will indicate the special circumstances requiring an extension of time and the date by which the Board expects to make its final decision. Such extension will generally not exceed more than sixty (60) days from the date of such extension notice unless good reason exists for a longer extension period. Once the Board has made a final decision on an appeal, the Executive Director will communicate the Board's final decision to the Claimant in writing no later than fifteen (15) days after the meeting at which the Board makes its final decision ("*Notice of Final Decision*").
- (b) *Content of Notice of Final Decision.* The Notice of Final Decision will include, at a minimum, the following information:
- (i) the reason(s) for the Board's final decision,
 - (ii) any new or additional evidence or rationale that formed the basis for the Board's final decision,
 - (iii) the provisions of the Act upon which the final decision is based and/or the section of the Fund's Rules or policies that was relied upon in making the Board's final decision,
 - (iv) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all public documents, records, and other information relevant to the Board's final decision, and

- (v) a statement of the Claimant’s rights to seek judicial review of the Board’s final decision.
- (c) *Effect of Final Decision.* The Board’s final decision following its full and fair review of the appeal and recommendation by the Benefits Committee will be made in its sole and absolute discretion and shall be final and binding on all involved parties.

XIV. Designation of Member Trustee Positions

1. Background. In connection with the legislative changes to the Act during the 89th Legislative session, the number of members of the Fund who may be elected to serve on the Board increased from three to four. Pursuant to Section 2.02(c), the Legislature granted the Board authority to specify by rule the number of such elected members who must be firefighters or retirees of the Fund. The Board believes it is in the best interest of the Fund to ensure the Board is composed of representatives from both the active firefighter members and retired members.
2. Designation. Effective as of January 1, 2026, (i) one of the four member Trustee positions is designated for and shall be filled by an active firefighter member, and (ii) one of the four member Trustees positions is designated for and shall be filled by a retired member. The two remaining member Trustee positions will continue to be elected at large from the entire member population and may be either an active firefighter or a retiree.
3. Exception. Notwithstanding as otherwise provided above, the Board may suspend the requirements set forth in Paragraph 2 above in the event the Fund does not receive a nomination for an eligible individual to serve in one of the designated positions in a given year. The Board may adopt reasonable procedures to fill such position.

XV. Military Service Credit Purchase

1. Background. Pursuant to Section 4.02 of the Act, a member of the Fund who performs active military service on or after January 1, 2026 while actively employed by the Austin Fire Department is permitted to purchase service credit under the Fund for each month that the member actively serves in the armed forces or armed forces reserves of the United States (or their auxiliaries) in accordance with rules adopted by the Board as well as the applicable requirements of Section 414(u) of the Code and USERRA. The purpose of this Rule is to outline the requirements to purchase such service credit and establish a standard process for purchasing such service credit under the Fund. This Rule shall take effect as of January 1, 2026.
2. Qualified Military Service. For purposes of this Rule, the term “*Qualified Military Service*” means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any member on or after January 1, 2026 if such member is entitled to reemployment rights under USERRA with respect to such service. In order to be recognized as Qualified Military Service, the member must have been honorably discharged.

3. Requirements to Purchase Military Service Credit.

- (a) A Member who is absent from employment with the Austin Fire Department because of active duty military service may – but is not required to – purchase one month of service credit for each month during which the member performs Qualified Military Service (“***Military Service Credit***”), provided that in no event shall a member be entitled to purchase more than a total of sixty (60) months of Military Service Credit under the Fund.
- (b) To be eligible to purchase Military Service Credit, the Member must (1) return to employment with the Austin Fire Department no later than the 180th day after the date of discharge or release from Qualified Military Service or from hospitalization continuing after discharge for no more than one year and (2) leave the member’s accumulated contributions in the Fund during the period of absence.
- (c) After returning to employment with the Austin Fire Department, the member must submit a written application with the Fund to purchase Military Service Credit which must be accompanied by satisfactory proof of such service, including at a minimum a copy of the military service record related to such Qualified Military Service showing the member’s dates of service and discharge/separation, such as a DD-214 or equivalent documentation.
- (d) To purchase Military Service Credit, the member must pay to the Fund an amount equal to the total amount of contributions that the member would have made during the period of Qualified Military Service if the member had remained in active employment with the Austin Fire Department during such period.
- (e) After the member makes the contribution set forth in subsection (d), the Fund will notify the City of the amount of Military Service Credit purchased by the member and the applicable period of Qualified Military Service. As soon as reasonably practicable, the City shall deposit an amount equal to the total amount of contributions that the City would have made during the period of Qualified Military Service if the member had remained in active employment with the Austin Fire Department during such period.
- (f) Once the Fund has received contributions from both the member and the City, the member’s records in the Fund shall be updated to reflect the purchased Military Service Credit. Military Service Credit shall be recognized by the Fund for all purposes, including to determine eligibility for retirement and benefit accrual.

4. Timing and Form of Contributions.
- (a) Military Service Credit may only be purchased in increments of one (1) full month.
 - (b) Contributions required to be paid to the Fund by this rule shall be made in a single lump-sum payment. The member may make the lump-sum contribution payment either: (1) using after-tax funds paid to the Fund via check, wire transfer, or other method approved by the Fund, or (2) through a pre-tax rollover from an eligible retirement plan or account. A member may be required to provide a statement from the eligible retirement plan or account or other satisfactory proof of the qualified status of such plan or account before a rollover will be accepted by the Fund.
 - (c) The Member must complete the purchase of Military Service Credit within five (5) years from the date of discharge associated with the Qualified Military Service to which the Military Service Credit relates.
 - (d) All service purchases must be made prior to the commencement of a monthly annuity benefit from the Fund.
 - (e) Notwithstanding the above, a member will not be eligible to purchase Military Service Credit under the Fund if the member has established credit for the same military service with another retirement system.
5. Purchase of Military Service Credit After Member's Death.
- (a) If a member dies while performing Qualified Military Service, the member's spouse may purchase Military Service Credit on behalf of the member in accordance with the terms of this rule, provided that such purchase must be made no later than ninety (90) days after the member's death.
 - (b) In no event will a designated beneficiary of a member or other non-spousal beneficiary be eligible to purchase Military Service Credit on behalf of the member.

ADOPTED at the meeting of the Board of Trustees of the Fund on ~~September 29,~~ ~~2025~~ [REDACTED], 2026, as recorded in the minutes of such meeting.

APPENDIX A

Actuarial Assumptions for Actuarial Equivalence Factors

The Board will review these actuarial assumptions periodically as needed and at least every five (5) years in conjunction with an actuarial experience study.

<u>Mortality:</u>	<u>PubS(A)-2010 Mortality Table projected with improvement scale MP-2021 based on a calculation year of 2026</u>
<u>Member:</u>	<u>Males: 93%</u> <u>Females: 7%</u>
<u>Spouse:</u>	<u>Males: 7%</u> <u>Females: 93%</u>
<u>Non-spouse Beneficiary (only applicable to Group A):</u>	<u>Males: 50%</u> <u>Females: 50%</u>
<u>Interest Rate:</u>	<u>7.30%</u>
<u>COLA:</u>	<u>Group A Members: 0.25%</u> <u>Group B Members: 1.00%</u>

Mortality:	1994 Group Annuity Mortality Table
Member:	Males: 97% Females: 3%
Spouse:	Males: 3% Females: 97%
Non-spouse Beneficiary:	Males: 50% Females: 50%
Interest Rate:	8.00%
COLA:	1.00%
Retirement Age:	50
Spouse Age:	50
Non-spouse Beneficiary Age:	50

DRAFT FOR MEMBER COMMENT

To determine the continuation percentage payable to a designated beneficiary under Appendix B, it assumes the member retires at age 50, the spouse is age 50, and the designated beneficiary is the age specified in Appendix B.

APPENDIX B

Factors for Reduction of Benefit for Group A Designated Beneficiary Who Is 10 or More Years Younger Than the Member

10-Year Rule Joint & Survivor Benefit Forms Factors	
Age Difference <u>(Retiree Age less Designated Beneficiary Age)</u> (Retiree minus Beneficiary)	<u>Percentage Payable</u> Percent Continued to <u>To Designated Beneficiary</u> Beneficiary
Less than 10	75%
10 – 14	45%
15 – 19	40%
20 – 34	35%
35+	30%

~~Please note the above table represents the percentage of the retiree's~~

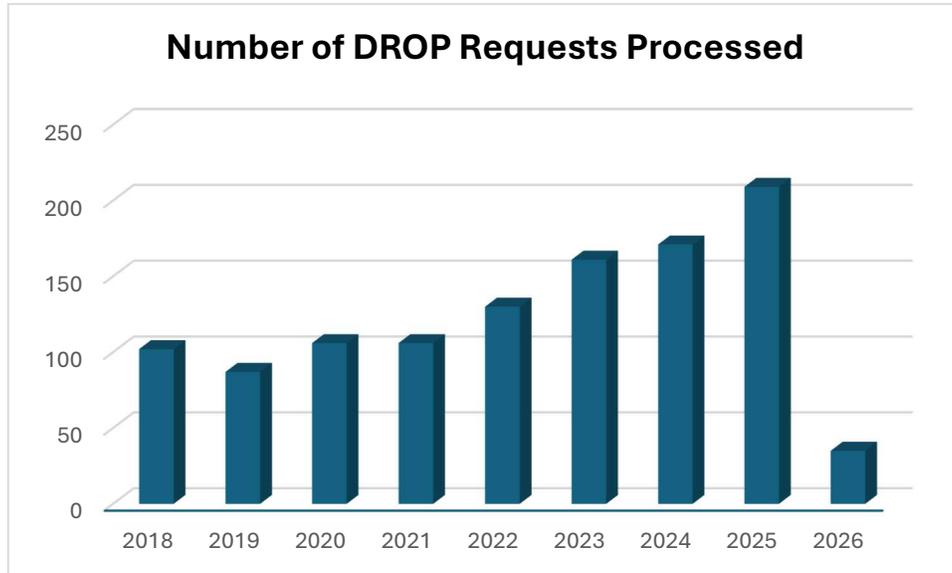
~~accrued benefit that is payable if the retiree predeceases the selected beneficiary.~~

Please note the above table represents the percentage of a Group A retiree's accrued benefit that is payable to the Designated Beneficiary if the Group A retiree predeceases the Designated Beneficiary.

Summary report:	
Litera Compare for Word 11.11.0.158 Document comparison done on 1/23/2026 11:59:18 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://imanagework.jw.com/jwdocs/45729896/7 - FINAL Fund Rules (Amended and Restated Sept 2025).docx	
Modified DMS: iw://imanagework.jw.com/jwdocs/48218855/5 - DRAFT Fund Rules (Amended and Restated Jan 2026).docx	
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Delete	84
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<u>Move To</u>	0
<u>Table Insert</u>	1
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Total Changes:	253

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DROP Distribution History



DROP Distribution Comparison by Year									
as of January 23, 2026									
	2018	2019	2020	2021	2022	2023	2024	2025	2026
Quantity	102	87	106	106	130	161	171	209	35
Total	\$ 9,934,688.80	\$ 7,967,301.64	\$ 10,669,100.74	\$ 15,002,895.29	\$ 18,563,829.93	\$ 22,567,785.03	\$ 29,649,633.04	\$ 37,566,587.70	\$ 5,384,513.63

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2026 Pension Conferences

Host	Conference	Date	Location
TEXPERS	Legislative Advocacy Workshop	TBD	TBD
NASRA	Winter Meeting	February 28 – March 2	Washington, DC
NCPERS	Communications & Member Services Summit	March 2 – 4	Westin San Diego Bayview, San Diego, CA
TEXPERS	Annual Conference	April 26 – 29	San Luis Resort, Galveston, TX
NCPERS	Accredited Fiduciary (NAF) Program	May 16 – 17	Caesars Palace, Las Vegas, NV
NCPERS	Trustee Educational Seminar (TEDS)	May 16 – 17	Caesars Palace, Las Vegas, NV
NCPERS	Annual Conference & Exhibition (ACE)	May 17 – 20	Caesars Palace, Las Vegas, NV
TEXPERS	Summer Educational Forum	TBD	TBD
NASRA	Annual Conference	August 8 – 12	Boston, MA
NCPERS	Public Pension Funding Forum	August 16 - 18	Chicago, IL
NCPERS	Accredited Fiduciary (NAF) Program	October 24 – 25	Renaissance Nashville, Nashville, TN
NCPERS	Program for Advanced Trustee Studies (PATs)	October 24 – 25	Renaissance Nashville, Nashville, TN
NCPERS	Public Safety Conference	October 25 – 28	Renaissance Nashville, Nashville, TN

2026 Confirmed Board Meeting Dates

January	Friday, January 30 at 9:00am	July	Monday, July 27
February	Friday, February 27	August	Friday, August 28
March	<i>No Meeting Scheduled</i>	September	<i>No Meeting Scheduled</i>
April	<i>No Meeting Scheduled</i>	October	<i>No Meeting Scheduled</i>
May	<i>Meeting Delayed to June</i>	November	Friday, November 20
June	Monday, June 1	December	Monday, December 14

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Austin Firefighters Retirement Fund
Operating Budget
Fiscal Year 2025

	Approved Budget	Jan - Nov Expensed	Remaining Budget	Percent Expended
Administrative Expenses				
Salaries and Benefits				
Salary - Executive Director	244,800.00	242,916.63	1,883.37	99.23%
Salary - Staff	511,500.00	472,083.37	39,416.63	92.29%
Health Insurance	127,310.00	115,306.84	12,003.16	90.57%
Health Insurance - Retired Staff	6,000.00	1,246.32	4,753.68	20.77%
Payroll Taxes	58,504.00	50,572.00	7,932.00	86.44%
SEP Contribution	182,825.00	170,500.00	12,325.00	93.26%
Subtotal	1,130,939.00	1,052,625.16	78,313.84	93.08%
SS Retiree Payroll Process Fees	34,000.00	24,961.28	9,038.72	73.42%
Building	22,943.00	7,671.88	15,271.12	33.44%
Utilities	6,775.00	5,438.44	1,336.56	80.27%
Office Expenses	18,950.00	8,711.29	10,238.71	45.97%
Computer and Software	34,300.00	20,653.16	13,646.84	60.21%
Insurance	42,800.00	-	42,800.00	0.00%
Travel	23,500.00	5,457.09	18,042.91	23.22%
Operational Cost	24,500.00	22,469.14	2,030.86	91.71%
Investment Expenses				
Financial Consulting Fee	229,650.00	209,521.12	20,128.88	91.23%
Investment Management Fees	1,800,000.00	1,484,901.48	315,098.52	82.49%
Bank Custodian Services	117,000.00	118,103.77	(1,103.77)	100.94%
Professional Services Expenses				
Accounting	25,000.00	24,150.00	850.00	96.60%
Actuarial Fees				
Actuarial Valuation	46,300.00	46,300.00	-	100.00%
COLA & Additional Travel	10,000.00	-	10,000.00	0.00%
Pension Funding Research	189,360.00	189,360.00	-	100.00%
Legal Fees				
Administrative	132,000.00	121,748.00	10,252.00	92.23%
Board Meeting	18,000.00	16,500.00	1,500.00	91.67%
Investment Review	50,000.00	7,923.00	42,077.00	15.85%
Summary Plan Descr, Records Retention & Forms	150,000.00	21,030.00	128,970.00	14.02%
Pension Funding Research/Legislation (2024/2025)	220,593.00	220,593.00	-	100.00%
Legislative Consulting	72,000.00	64,112.00	7,888.00	89.04%
Medical Disability Review	3,000.00	2,235.00	765.00	74.50%
Pension Software	741,445.00	476,756.51	264,688.49	64.30%
Total Expenses	\$ 5,143,055.00	\$ 4,151,221.32	\$ 991,833.68	80.72%

**Austin Firefighters Retirement Fund
Contributions and Deductions (Unaudited)
as of November 30, 2025**

Additions

Contributions

City of Austin Contribution (22.05%)	24,800,866.69
Fire Fighter Contribution (18.7%)	21,030,173.62
Interest -Bank	340,458.88
Commission Recapture	12,089.21
Class Action Proceeds	625.00
Securities Litigation Recovery	1,503.95

Total Contributions	<u>\$ 46,185,717.35</u>
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Deductions

Pension Retiree Payroll Expenses

Retirees Monthly Annuity	53,160,719.68
Medical Ins.	2,896,305.18
Dental Ins	442,468.94
Vision Ins.	45,302.62
Retiree W/H Tax Payable	7,358,496.77
Benevolent Fund	54,960.00
Union Dues	26,493.40
Misc.	18,149.34
PAC Dues	8,168.00

Total Retiree Payroll Expenses	<u>\$ 64,011,063.93</u>
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Pension Lump Sum Expenses

Contribution Refunds	312,397.97
DROP Distributions	34,018,095.10

of Requested DROP Distributions: 193

Total Pension Lump Sum Expenses	<u>\$ 34,330,493.07</u>
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Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through November 2025

	Total		
	Jan - Nov	Budget	% of Budget
Ordinary Income/Expense			
Income			
City of Austin Contrib (22.05%)	24,800,866.69	27,242,000.00	91.04%
Commission Recapture	12,089.21	5,000.00	241.78%
Fire Fighter Contrib (18.7%)	21,030,173.62	23,108,000.00	91.01%
Securities Litigation Recovery	1,503.95		
Other Income			
Class Action Proceeds	625.00	5,000.00	12.50%
Interest - Frost Bank	10,588.81	5,000.00	211.78%
Interest - State Street	313,434.21	300,000.00	104.48%
Securities Lending - State St.	16,435.86	9,000.00	182.62%
Total Income	46,185,717.35	50,674,000.00	91.14%
Operating Expenses			
Administrative Expenses			
Payroll Expenses			
Payroll Expenses - Other	715,000.00	756,300.00	94.54%
Health Insurance - Staff	115,306.84	127,310.00	90.57%
Health Insurance - Retired Staff	1,246.32	6,000.00	20.77%
Taxes	50,572.00	58,504.00	86.44%
SEP Contribution	170,500.00	182,825.00	93.26%
Total Payroll Expenses	1,052,625.16	1,130,939.00	93.08%
SS Retiree Payroll Process Fees	24,961.28	34,000.00	73.42%
Building Expenses			
Assessment toward 2019 Project	2,196.04	1,883.00	116.62%
Building Maintenance/Improvement	0.00	15,250.00	0.00%
Condo Association Dues	5,475.84	5,810.00	94.25%
Utilities			
Electric	1,662.73	2,250.00	73.90%
HVAC Program	0.00	50.00	0.00%
Internet & Cable & Telephone	3,145.11	3,500.00	89.86%
Water, Waste, Drainage	630.60	975.00	64.68%
Total Utilities	5,438.44	6,775.00	80.27%
Total Building Expenses	13,110.32	29,718.00	44.12%
Office Expenses			
Furniture (FFE)	0.00	2,000.00	0.00%
Meeting Refreshments	697.58	1,600.00	43.60%
Notary Services	142.27	250.00	56.91%
Office Maintenance	3,267.00	3,600.00	90.75%
Office Supplies (Office supplies expense)	820.18	2,500.00	32.81%

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through November 2025

	Total		
	Jan - Nov	Budget	% of Budget
Postage and Delivery	1,349.26	5,000.00	26.99%
Printing and Reproduction	2,435.00	4,000.00	60.88%
Total Office Expenses	8,711.29	18,950.00	45.97%
Computer and Internet Expenses			
Hosting & Other Expenses	698.84	3,000.00	23.29%
Laptop/Computer	1,806.34	3,000.00	60.21%
Software/IT Services	18,147.98	28,300.00	64.13%
Total Computer and Internet Expenses	20,653.16	34,300.00	60.21%
Insurance Expense			
Board & Directors Liability Ins	0.00	29,600.00	0.00%
Commercial	0.00	2,000.00	0.00%
Cybersecurity Ins.	0.00	10,000.00	0.00%
Workers Comp Ins. (Workers Comp)	0.00	1,200.00	0.00%
Total Insurance Expense	0.00	42,800.00	0.00%
Travel Expense			
Lodging/Transportation/Per Diem	4,557.09	16,000.00	28.48%
Registration fees	900.00	7,500.00	12.00%
Total Travel Expense	5,457.09	23,500.00	23.22%
Operational Cost			
Association Fees (TXPERS /NCEPRS)	9,080.00	9,100.00	99.78%
Election Services	2,712.13	4,900.00	55.35%
Death Verification Services	6,853.99	4,200.00	163.19%
Operational Cost - Other	3,823.02	6,300.00	60.68%
Total Operational Cost	22,469.14	24,500.00	91.71%
Investment Expenses			
Bank Custodian Services	118,103.77	117,000.00	100.94%
Financial Consulting Fee	209,521.12	229,650.00	91.23%
Investment Management Fees	1,484,901.48	1,800,000.00	82.49%
Total Investment Expenses	1,812,526.37	2,146,650.00	84.44%
Professional Fees			
Audit	24,150.00	25,000.00	96.60%
Actuarial Fees			
Actuarial Valuation	46,300.00	46,300.00	100.00%
COLA & Additional Travel	0.00	10,000.00	0.00%
Pension Funding Research	189,360.00	189,360.00	100.00%
Total Actuarial Fees	235,660.00	245,660.00	95.93%

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through November 2025

	Total		
	Jan - Nov	Budget	% of Budget
Legal Fees			
Administrative	121,748.00	132,000.00	92.23%
Board Meeting	16,500.00	18,000.00	91.67%
Investment Review	7,923.00	50,000.00	15.85%
Summary Plan Descr, Records Retention & Forms	21,030.00	150,000.00	14.02%
Pension Funding Research/Legislation (2024/2025)	220,593.00	220,593.00	100.00%
Total Legal Fees	387,794.00	570,593.00	67.96%
Legislative Consulting	64,112.00	72,000.00	89.04%
Medical Disability Review	2,235.00	3,000.00	74.50%
Pension Software			
Pension Software PG I	20,707.22	50,000.00	41.41%
Pension Software PG IV	456,049.29	691,445.00	65.96%
Total Pension Software	476,756.51	741,445.00	64.30%
Total Professional Fees	1,190,707.51	1,657,698.00	71.83%
Total Operating Expenses	4,151,221.32	5,143,055.00	80.72%
Pension Retiree Payroll			
Retirees Annuity	53,160,719.68	56,000,000.00	94.93%
Medical Ins.	2,896,305.18	3,700,000.00	78.28%
Dental Ins	442,468.94	466,000.00	94.95%
Vision Ins.	45,302.62	47,000.00	96.39%
Retiree W/H Tax Payable	7,358,496.77	7,750,000.00	94.95%
Benevolent Fund	54,960.00	59,000.00	93.15%
Misc.	18,149.34	20,000.00	90.75%
PAC Dues	8,168.00	9,200.00	88.78%
Union Dues	26,493.40	25,000.00	105.97%
Total Pension Retiree Payroll	64,011,063.93	68,076,200.00	94.03%
Pension Lump Sum			
Contribution Refunds	312,397.97	1,000,000.00	31.24%
DROP Distributions	34,018,095.10	30,000,000.00	113.39%
Total Pension Lump Sum	34,330,493.07	31,000,000.00	110.74%
Total Expense	102,492,778.32	104,219,255.00	98.34%

**Austin Firefighters Retirement Fund
Assets & Liabilities Report (Unaudited)
as of November 30, 2025**

Assets

Checking/Savings		
	Frost Bank - Benefits	208,127.07
	Frost Bank - Operating	14,483.76
	State Street T009-Cash Agg	5,177,064.50
Total Checking/Savings		<u>5,399,675.33</u>
Investments, at fair value		
	Domestic Equities	304,244,831.39
	Fixed Income Securities	374,577,780.27
	International Equities	302,639,081.12
	Real Asset	25,230,612.50
	Private Equity	151,259,808.58
	Real Estate	89,393,696.82
Total Investments		<u>1,247,345,810.68</u>
Total Assets		<u><u>\$ 1,252,745,486.01</u></u>

Liabilities

Current Liabilities		
	Payroll Liabilities	5,606.86
	Operating Admin Liabilities	7,959.99
	Investment Liabilities	-
	Professional Liabilities	36,149.28
Long Term Liabilities		
	DROP (Guaranteed 5%)	164,217,975.92
	% of Total Assets	13.11%
Total Liabilities		<u><u>\$ 164,267,692.05</u></u>

Austin Firefighters Retirement Fund

Balance Sheet

As of November 30, 2025

November

ASSETS	November
Current Assets	
Checking/Savings	
Frost Bank - Benefits	208,127.07
Frost Bank - Operating	14,483.76
State Street T009-Cash Agg	5,177,064.50
Total Checking/Savings	5,399,675.33
Other Current Assets	
Investments	
DEQ	
SSgA S&P 500 Flagship Fund	161,404,565.98
VAUGHAN NELSON	70,113,741.82
Westfield Capital Management	72,726,523.59
Westwood Capital	0.00
Total DEQ	304,244,831.39
FI	
ABERDEEN	75,455,839.77
Loomis Sayles Core Plus Bond	51,096,847.50
Pacific Asset Management	26,309,072.00
Pyramis Tactical Bond (Fidelity)	29,406,491.75
SSgA Bond Fund	130,203,617.30
SSGA TIPS	62,105,911.95
Total FI	374,577,780.27
IEQ	
Baillie Gifford	31,359,536.89
DFA Emerging Markets	35,199,322.56
DFA International Small Company	37,388,398.21
Highclere	0.00
SSgA MSCI EAFE Fund	150,435,171.43
TT International	48,256,652.03
Total IEQ	302,639,081.12
NR	
Aether Real Assets II	1,380,157.01
Aether Real Assets III	6,781,964.64
Aether Real Assets IV	9,971,613.58
Aether Real Assets V	7,096,877.27
Total NR	25,230,612.50
PE	
57 Stars Global Opportunity	4,154,467.74
Arcmont (Bluebay)Direct Lending	1,798,786.30
Constitution Ironsides Fund VII (50/50)	8,250,084.65
Constitution Ironsides III	1,597,670.86
Cross Creek Capital Partners II	7,248,209.35
Cross Creek Capital Parts III	9,417,914.00
Deutsche Bank SOF III	1,494,702.33
Dover Street X	34,227,165.34
Greenspring Global Partners V	6,956,921.01

Austin Firefighters Retirement Fund

Balance Sheet

As of November 30, 2025

GREENSPRING VI	9,428,139.04
Harbourvest 2013 Direct	2,631,053.04
HarbourVest Coinvestment 4	5,544,696.03
HighVista Flag V	1,347,857.99
HighVista Flag VI	4,278,285.40
LGT C Europe Small Buyouts 3	1,394,615.44
LGT Crown Asia 2	5,879,400.99
LGT Crown Global Secondaries 2	64,570.00
LGT Crown Global VI	19,990,544.99
LGT Global Secondaries III	1,443,092.55
Partners Group EM 2015	5,793,187.85
Partners Group US Dist PE 2009	57,832.98
Private Advisors Co-Inv FundIII	504,632.99
Private Equity Investors V	1,211,153.96
SVB Strategic Investors Fund IX	16,544,823.75
Total PE	151,259,808.58
RE	
Clarion Partners	63,155,007.99
Crow Holdings Realty Partners X	11,090,397.72
Partners Group Distressed '09	0.00
Partners Group RE Second 2011	98,328.68
Partners Group RE Second 2017	11,103,536.92
Portfolio Advisors Fund 5	3,946,425.51
Total RE	89,393,696.82
Total Investments	1,247,345,810.68
Total Other Current Assets	1,247,345,810.68
Total Current Assets	1,252,745,486.01
TOTAL ASSETS	1,252,745,486.01
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	5,606.86
Operating Admin Liabilities	7,959.99
Investment Liabilities	0.00
Professional Liabilities	36,149.28
Total Other Current Liabilities	49,716.13
Total Current Liabilities	49,716.13
Long Term Liabilities	
DROP (Guaranteed 5%)	164,217,975.92
% of Total Assets	13.11%
Total Long Term Liabilities	164,217,975.92
Total Liabilities	164,267,692.05

Austin Firefighters Retirement Fund
General Ledger
November 2025

Date	Name	Memo/Description	Split	Amount	Balance
Frost Bank - Benefits					
Beginning Balance					\$ 226,688.86
11/07/2025	Austin FF Relief & Retirement F	Transfer from Operating	Frost Bank - Operating	170,000.00	396,688.86
11/07/2025	Austin FF Relief & Retirement F	Transfer to State Street	State Street T009-Cash Agg	-1,800,000.00	-1,403,311.14
11/07/2025	City of Austin	City and Member's Contributions	-Split-	1,951,447.55	548,136.41
11/07/2025	Austin FF Relief & Retirement F	Transfer to Operating	Frost Bank - Operating	-300,000.00	248,136.41
11/21/2025	Austin FF Relief & Retirement F	Transfer to Operating	Frost Bank - Operating	-70,000.00	178,136.41
11/21/2025	Austin FF Relief & Retirement F	Transfer to State Street	State Street T009-Cash Agg	-1,900,000.00	-1,721,863.59
11/21/2025	City of Austin	City and Member's Contributions	-Split-	1,929,727.41	207,863.82
11/28/2025	Frost Bank	Interest Oct 2025	Interest:Interest - Frost Bank	263.25	208,127.07
Total for Frost Bank - Benefits				-\$ 18,561.79	\$ 208,127.07

Frost Bank - Operating

Beginning Balance					\$ 25,484.35
11/03/2025	Ace Alsup	Disability Review	Professional Fees:Medical Disability Review	-300.00	25,184.35
11/04/2025	American Express	Meeting Refreshments	Office Expenses:Meeting Refreshments	-28.94	25,155.41
11/07/2025	Aberdeen Asset Mgmt.	Q3 2025	Fees:Investment Management Fees	-80,640.88	-55,485.47
11/07/2025	City of Austin	Health Insurance Retired Staff Nov 2025	Payroll Expenses:Health Insurance - Retired Staff	-449.02	-55,934.49
11/07/2025	TASC (FSA Health Care)	FSA Nov 2025	-Split-	-433.34	-56,367.83
11/07/2025	City of Austin	Health Insurance Nov 2025	-Split-	-10,720.74	-67,088.57
11/07/2025	Meketa Investments	Oct 2025	Fees:Financial Consulting Fee	-19,466.28	-86,554.85
11/07/2025	Schlueter Group	Legislative Consulting	Professional Fees:Legislative Consulting	-4,000.00	-90,554.85
11/07/2025	Jani-King of Austin	Nov 2025	Office Expenses:Office Maintenance	-297.00	-90,851.85
11/07/2025	Austin FF Relief & Retirement F	Transfer to Operating	Frost Bank - Benefits	300,000.00	209,148.15
11/07/2025	Austin FF Relief & Retirement F	Transfer from Operating	Frost Bank - Benefits	-170,000.00	39,148.15
11/12/2025	Austin FF Relief & Retirement F L.	Adney Reimbursement Payment Nov 2025	Payroll Expenses:Health Insurance - Retired Staff	125.00	39,273.15
11/12/2025	Austin FF Relief & Retirement F L.	Adney Health Insurance Payment Nov 2025	Payroll Expenses:Health Insurance - Retired Staff	218.90	39,492.05

11/13/2025	Levi Ray & Shoup	Web Maintenance Oct 2025	Computer and Internet Expenses:Hosting & Other Ex	-40.00	39,452.05
11/18/2025	Austin FF Relief & Retirement F	Partial Refund on Election Services	-Split-	3,047.10	42,499.15
11/18/2025	Austin FF Relief & Retirement F	Union Reimbursement for Legislative Consulting	Professional Fees:Legislative Consulting	2,000.00	44,499.15
11/19/2025	Frost Bank	Bank Service Charges Oct 2025	Operational Cost:Bank Service Charges	-228.47	44,270.68
11/21/2025	Jackson Walker	Administrative Oct 2025	Professional Fees:Legal Fees:Administrative	-11,000.00	33,270.68
11/21/2025	Jackson Walker	Board Meeting Oct 2025	Professional Fees:Legal Fees:Board Meeting	-1,500.00	31,770.68
11/21/2025	Jackson Walker	Disability Review	Professional Fees:Legal Fees:Disability App	-2,748.00	29,022.68
11/21/2025	Fidelity	Nov 2025	Payroll Expenses:SEP Contribution	-15,500.00	13,522.68
11/21/2025	Amy L. Thibaudeau	Travel Reimbursement- LRS Teaming Conference	Travel Expense:Lodging/Transportation/Per Diem	-85.88	13,436.80
11/21/2025	Shira K. Herbert	Travel Reimbursement- LRS Teaming Conference	Travel Expense:Lodging/Transportation/Per Diem	-23.26	13,413.54
11/21/2025	Shira K. Herbert	Office Supplies & Meeting Refreshments	-Split-	-43.22	13,370.32
11/21/2025	Xerox	Nov 2025	Operational Cost	-28.00	13,342.32
11/21/2025	Anumeha Kumar	Travel Reimbursement for NCPERS Conference	Travel Expense:Lodging/Transportation/Per Diem	-785.50	12,556.82
11/21/2025	Austin FF Relief & Retirement F	Transfer to Operating	Frost Bank - Benefits	70,000.00	82,556.82
11/21/2025	Texas Department of State Hea	Annual Fee for Services From June 1, 2022 - May 3	Operational Cost:Death Verification Services	-2,500.00	80,056.82
11/21/2025	Amy L. Thibaudeau	Office Supplies	Office Expenses:Office Supplies	-39.34	80,017.48
11/28/2025	Parkstone Office Condominium	Nov 2025	-Split-	-864.69	79,152.79
11/28/2025	Payroll	Pay Period: 11/01/2025-11/30/2025	Direct Deposit Payable	-48,601.45	30,551.34
11/28/2025	Payroll	Tax Payment for Period: 11/01/2025-11/30/2025	Payroll Liabilities:Federal Taxes (941/943/944)	-16,067.58	14,483.76

Total for Frost Bank - Operating

-\$ 11,000.59 \$ 14,483.76

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Austin Firefighters Retirement Fund
Operating Budget
Fiscal Year 2025

	Approved Budget	Jan - Dec Expensed	Remaining Budget	Percent Expended
Administrative Expenses				
Salaries and Benefits				
Salary - Executive Director	244,800.00	264,999.96	(20,199.96)	108.25%
Salary - Staff	511,500.00	512,000.04	(500.04)	100.10%
Health Insurance	127,310.00	125,789.28	1,520.72	98.81%
Health Insurance - Retired Staff	6,000.00	1,351.44	4,648.56	22.52%
Payroll Taxes	58,504.00	53,912.69	4,591.31	92.15%
SEP Contribution	182,825.00	186,000.00	(3,175.00)	101.74%
Subtotal	1,130,939.00	1,144,053.41	(13,114.41)	101.16%
SS Retiree Payroll Process Fees	34,000.00	32,893.27	1,106.73	96.74%
Building	22,943.00	8,370.62	14,572.38	36.48%
Utilities	6,775.00	5,890.28	884.72	86.94%
Office Expenses	18,950.00	10,529.89	8,420.11	55.57%
Computer and Software	34,300.00	32,475.84	1,824.16	94.68%
Insurance	42,800.00	50,114.86	(7,314.86)	117.09%
Travel	23,500.00	5,457.09	18,042.91	23.22%
Operational Cost	24,500.00	20,364.49	4,135.51	83.12%
Investment Expenses				
Financial Consulting Fee	229,650.00	228,987.40	662.60	99.71%
Investment Management Fees	1,800,000.00	1,484,901.48	315,098.52	82.49%
Bank Custodian Services	117,000.00	118,103.77	(1,103.77)	100.94%
Professional Services Expenses				
Accounting	25,000.00	24,150.00	850.00	96.60%
Actuarial Fees				
Actuarial Valuation	46,300.00	46,300.00	-	100.00%
COLA & Additional Travel	10,000.00	10,000.00	-	100.00%
Pension Funding Research	189,360.00	189,360.00	-	100.00%
Legal Fees				
Administrative	132,000.00	130,000.00	2,000.00	98.48%
Board Meeting	18,000.00	18,000.00	-	100.00%
Disability App Review	-	6,753.00	(6,753.00)	
Investment Review	50,000.00	7,923.00	42,077.00	15.85%
Summary Plan Descr, Records Retention & Forms	150,000.00	21,030.00	128,970.00	14.02%
Pension Funding Research/Legislation (2024/2025)	220,593.00	220,593.00	-	100.00%
Legislative Consulting	72,000.00	66,112.00	5,888.00	91.82%
Medical Disability Review	3,000.00	2,235.00	765.00	74.50%
Pension Software	741,445.00	710,942.94	30,502.06	95.89%
Total Expenses	\$ 5,143,055.00	\$ 4,595,541.34	\$ 547,513.66	89.35%

**Austin Firefighters Retirement Fund
Contributions and Deductions (Unaudited)
as of December 31, 2025**

Additions

Contributions

City of Austin Contribution (22.05%)	26,869,785.05
Fire Fighter Contribution (18.7%)	22,784,766.51
Interest -Bank	367,368.98
Commission Recapture	12,089.21
Class Action Proceeds	625.00
Securities Litigation Recovery	1,503.95

Total Contributions \$ 50,036,138.70

Deductions

Pension Retiree Payroll Expenses

Retirees Monthly Annuity	58,141,452.96
Medical Ins.	3,165,217.66
Dental Ins	484,266.90
Vision Ins.	49,554.60
Retiree W/H Tax Payable	8,045,493.35
Benevolent Fund	54,960.00
Union Dues	29,047.44
Misc.	19,799.28
PAC Dues	8,908.00

Total Retiree Payroll Expenses \$ 69,998,700.19

Pension Lump Sum Expenses

Contribution Refunds	312,397.97
DROP Distributions	37,566,587.70

of Requested DROP Distributions: 209

Total Pension Lump Sum Expenses \$ 37,878,985.67

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through December 2025

	Total		
	Jan - Dec	Budget	% of Budget
Ordinary Income/Expense			
Income			
City of Austin Contrib (22.05%)	26,869,785.05	27,242,000.00	98.63%
Commission Recapture	12,089.21	5,000.00	241.78%
Fire Fighter Contrib (18.7%)	22,784,766.51	23,108,000.00	98.60%
Securities Litigation Recovery	1,503.95		
Other Income			
Class Action Proceeds	625.00	5,000.00	12.50%
Interest - Frost Bank	11,218.51	5,000.00	224.37%
Interest - State Street	335,683.27	300,000.00	111.89%
Securities Lending - State St.	20,467.20	9,000.00	227.41%
Total Income	50,036,138.70	50,674,000.00	98.74%
Operating Expenses			
Administrative Expenses			
Payroll Expenses			
Payroll Expenses - Other	777,000.00	756,300.00	102.74%
Health Insurance - Staff	125,789.28	127,310.00	98.81%
Health Insurance - Retired Staff	1,351.44	6,000.00	22.52%
Taxes	53,912.69	58,504.00	92.15%
SEP Contribution	186,000.00	182,825.00	101.74%
Total Payroll Expenses	1,144,053.41	1,130,939.00	101.16%
SS Retiree Payroll Process Fees	32,893.27	34,000.00	96.74%
Building Expenses			
Assessment toward 2019 Project	2,395.68	1,883.00	127.23%
Building Maintenance/Improvement	0.00	15,250.00	0.00%
Condo Association Dues	5,974.94	5,810.00	102.84%
Utilities			
Electric	1,769.46	2,250.00	78.64%
HVAC Program	0.00	50.00	0.00%
Internet & Cable & Telephone	3,435.07	3,500.00	98.14%
Water, Waste, Drainage	685.75	975.00	70.33%
Total Utilities	5,890.28	6,775.00	86.94%
Total Building Expenses	14,260.90	29,718.00	47.99%
Office Expenses			
Furniture (FFE)	0.00	2,000.00	0.00%
Meeting Refreshments	787.32	1,600.00	49.21%
Notary Services	142.27	250.00	56.91%
Office Maintenance	3,564.00	3,600.00	99.00%
Office Supplies (Office supplies expense)	974.36	2,500.00	38.97%

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through December 2025

	Total		
	Jan - Dec	Budget	% of Budget
Postage and Delivery	1,860.94	5,000.00	37.22%
Printing and Reproduction	3,201.00	4,000.00	80.03%
Total Office Expenses	10,529.89	18,950.00	55.57%
Computer and Internet Expenses			
Hosting & Other Expenses	1,007.30	3,000.00	33.58%
Laptop/Computer	1,806.34	3,000.00	60.21%
Software/IT Services	29,662.20	28,300.00	104.81%
Total Computer and Internet Expenses	32,475.84	34,300.00	94.68%
Insurance Expense			
Board & Directors Liability Ins	37,387.00	29,600.00	126.31%
Commercial	2,179.00	2,000.00	108.95%
Cybersecurity Ins.	10,099.86	10,000.00	101.00%
Workers Comp Ins. (Workers Comp)	449.00	1,200.00	37.42%
Total Insurance Expense	50,114.86	42,800.00	117.09%
Travel Expense			
Lodging/Transportation/Per Diem	4,557.09	16,000.00	28.48%
Registration fees	900.00	7,500.00	12.00%
Total Travel Expense	5,457.09	23,500.00	23.22%
Operational Cost			
Association Fees (TXPERS /NCEPRS)	9,080.00	9,100.00	99.78%
Election Services	2,712.13	4,900.00	55.35%
Death Verification Services	4,353.99	4,200.00	103.67%
Operational Cost - Other	4,218.37	6,300.00	66.96%
Total Operational Cost	20,364.49	24,500.00	83.12%
Investment Expenses			
Bank Custodian Services	118,103.77	117,000.00	100.94%
Financial Consulting Fee	228,987.40	229,650.00	99.71%
Investment Management Fees	1,484,901.48	1,800,000.00	82.49%
Total Investment Expenses	1,831,992.65	2,146,650.00	85.34%
Professional Fees			
Audit	24,150.00	25,000.00	96.60%
Actuarial Fees			
Actuarial Valuation	46,300.00	46,300.00	100.00%
COLA & Additional Travel	10,000.00	10,000.00	100.00%
Pension Funding Research	189,360.00	189,360.00	100.00%
Total Actuarial Fees	245,660.00	245,660.00	100.00%

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through December 2025

	Total		
	Jan - Dec	Budget	% of Budget
Legal Fees			
Administrative	130,000.00	132,000.00	98.48%
Board Meeting	18,000.00	18,000.00	100.00%
Disability App Review	6,753.00	-	
Investment Review	7,923.00	50,000.00	15.85%
Summary Plan Descr, Records Retention & Forms	21,030.00	150,000.00	14.02%
Pension Funding Research/Legislation (2024/2025)	220,593.00	220,593.00	100.00%
Total Legal Fees	404,299.00	570,593.00	70.86%
Legislative Consulting	66,112.00	72,000.00	91.82%
Medical Disability Review	2,235.00	3,000.00	74.50%
Pension Software			
Pension Software PG I	20,707.22	50,000.00	41.41%
Pension Software PG IV	690,235.72	691,445.00	99.83%
Total Pension Software	710,942.94	741,445.00	95.89%
Total Professional Fees	1,453,398.94	1,657,698.00	87.68%
Total Operating Expenses	4,595,541.34	5,143,055.00	89.35%
Pension Retiree Payroll			
Retirees Annuity	58,141,452.96	56,000,000.00	103.82%
Medical Ins.	3,165,217.66	3,700,000.00	85.55%
Dental Ins	484,266.90	466,000.00	103.92%
Vision Ins.	49,554.60	47,000.00	105.44%
Retiree W/H Tax Payable	8,045,493.35	7,750,000.00	103.81%
Benevolent Fund	54,960.00	59,000.00	93.15%
Misc.	19,799.28	20,000.00	99.00%
PAC Dues	8,908.00	9,200.00	96.83%
Union Dues	29,047.44	25,000.00	116.19%
Total Pension Retiree Payroll	69,998,700.19	68,076,200.00	102.82%
Pension Lump Sum			
Contribution Refunds	312,397.97	1,000,000.00	31.24%
DROP Distributions	37,566,587.70	30,000,000.00	125.22%
Total Pension Lump Sum	37,878,985.67	31,000,000.00	122.19%
Total Expense	112,473,227.20	104,219,255.00	107.92%

**Austin Firefighters Retirement Fund
Assets & Liabilities Report (Unaudited)
as of December 31, 2025**

Assets

Checking/Savings	
Frost Bank - Benefits	232,268.02
Frost Bank - Operating	19,911.74
State Street T009-Cash Agg	11,582,275.72
Total Checking/Savings	<u>11,834,455.48</u>
Investments, at fair value	
Domestic Equities	305,421,630.18
Fixed Income Securities	374,208,469.11
International Equities	307,031,407.71
Real Asset	22,305,354.76
Private Equity	148,712,224.89
Real Estate	89,918,986.42
Total Investments	<u>1,247,598,073.07</u>
Total Assets	<u><u>\$ 1,259,432,528.55</u></u>

Liabilities

Current Liabilities	
Payroll Liabilities	-
Operating Admin Liabilities	-
Investment Liabilities	-
Professional Liabilities	-
Long Term Liabilities	
DROP (Guaranteed 5%)	162,141,394.25
% of Total Assets	12.87%
Total Liabilities	<u><u>\$ 162,141,394.25</u></u>

Austin Firefighters Retirement Fund

Balance Sheet

As of December 31, 2025

December

ASSETS	
Current Assets	
Checking/Savings	
Frost Bank - Benefits	232,268.02
Frost Bank - Operating	19,911.74
State Street T009-Cash Agg	11,582,275.72
Total Checking/Savings	11,834,455.48
Other Current Assets	
Investments	
DEQ	
SSgA S&P 500 Flagship Fund	161,495,514.39
VAUGHAN NELSON	70,612,595.67
Westfield Capital Management	73,313,520.12
Westwood Capital	0.00
Total DEQ	305,421,630.18
FI	
ABERDEEN	76,018,714.96
Loomis Sayles Core Plus Bond	50,985,646.52
Pacific Asset Management	26,309,072.00
Pyramis Tactical Bond (Fidelity)	29,282,638.95
SSgA Bond Fund	129,866,350.77
SSGA TIPS	61,746,045.91
Total FI	374,208,469.11
IEQ	
Baillie Gifford	31,535,103.27
DFA Emerging Markets	31,058,319.07
DFA International Small Company	38,401,239.81
Highclere	0.00
SSgA MSCI EAFE Fund	154,938,395.23
TT International	51,098,350.33
Total IEQ	307,031,407.71
NR	
Aether Real Assets II	1,380,157.01
Aether Real Assets III	6,781,964.64
Aether Real Assets IV	8,510,746.68
Aether Real Assets V	5,632,486.43
Total NR	22,305,354.76
PE	
57 Stars Global Opportunity	4,022,825.17
Arcmont (Bluebay)Direct Lending	1,798,786.30
Constitution Ironsides Fund VII (50/50)	9,918,628.48
Constitution Ironsides III	1,612,115.75
Cross Creek Capital Partners II	7,674,747.03
Cross Creek Capital Parts III	8,972,430.99
Deutsche Bank SOF III	1,404,001.76
Dover Street X	33,829,303.53
Greenspring Global Partners V	6,938,957.00

Austin Firefighters Retirement Fund

Balance Sheet

As of December 31, 2025

GREENSPRING VI	9,917,751.96
Harbourvest 2013 Direct	2,202,844.04
HarbourVest Coinvestment 4	5,544,696.03
HighVista Flag V	1,347,857.99
HighVista Flag VI	2,096,776.89
LGT C Europe Small Buyouts 3	1,394,615.44
LGT Crown Asia 2	5,689,401.01
LGT Crown Global Secondaries 2	64,570.00
LGT Crown Global VI	19,348,062.65
LGT Global Secondaries III	1,443,092.55
Partners Group EM 2015	5,652,157.85
Partners Group US Dist PE 2009	57,832.98
Private Advisors Co-Inv FundIII	24,791.78
Private Equity Investors V	1,211,153.96
SVB Strategic Investors Fund IX	16,544,823.75
Total PE	148,712,224.89
RE	
Clarion Partners	62,524,259.01
Crow Holdings Realty Partners X	12,357,262.56
Partners Group Distressed '09	0.00
Partners Group RE Second 2011	98,328.68
Partners Group RE Second 2017	11,102,020.66
Portfolio Advisors Fund 5	3,837,115.51
Total RE	89,918,986.42
Total Investments	1,247,598,073.07
Total Other Current Assets	1,247,598,073.07
Total Current Assets	1,259,432,528.55
TOTAL ASSETS	1,259,432,528.55
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	0.00
Operating Admin Liabilities	0.00
Investment Liabilities	0.00
Professional Liabilities	0.00
Total Other Current Liabilities	0.00
Total Current Liabilities	0.00
Long Term Liabilities	
DROP (Guaranteed 5%)	162,141,394.25
% of Total Assets	12.87%
Total Long Term Liabilities	162,141,394.25
Total Liabilities	162,141,394.25

Austin Firefighters Retirement Fund
General Ledger
December 2025

Date	Name	Memo/Description	Split	Amount	Balance
Frost Bank - Benefits					
Beginning Balance					\$ 208,127.07
12/03/2025	Austin FF Relief & Retirement Fun	Transfer to Operating	Frost Bank - Operating	-50,000.00	158,127.07
12/05/2025	City of Austin	City and Member's Contributions	-Split-	1,931,717.36	2,089,844.43
12/08/2025	Austin FF Relief & Retirement Fun	Transfer to State Street	State Street T009-Cash Agg	-1,650,000.00	439,844.43
12/08/2025	Austin FF Relief & Retirement Fun	Transfer to Operating	Frost Bank - Operating	-200,000.00	239,844.43
12/18/2025	Austin FF Relief & Retirement Fun	Transfer to Operating	Frost Bank - Operating	-150,000.00	89,844.43
12/19/2025	Austin FF Relief & Retirement Fun	Transfer to State Street	State Street T009-Cash Agg	-1,700,000.00	-1,610,155.57
12/19/2025	City of Austin	City and Member's Contributions	-Split-	1,891,793.89	281,638.32
12/23/2025	Austin FF Relief & Retirement Fun	Transfer to Operating	Frost Bank - Operating	-50,000.00	231,638.32
12/31/2025	Frost Bank	Interest Dec 2025	Interest:Interest - Frost Bank	629.70	232,268.02
Total for Frost Bank - Benefits				\$ 24,140.95	\$ 232,268.02

Frost Bank - Operating

Beginning Balance					\$ 14,483.76
12/3/2025	Austin FF Relief & Retirement Fun	Transfer to Operating	Frost Bank - Benefits	50,000.00	64,483.76
12/03/2025	American Express	Nov 2025	-Split-	-3,658.02	60,825.74
12/04/2025	Jani-King of Austin	Dec 2025	Office Expenses:Office Maintenance	-297.00	60,528.74
12/04/2025	Meketa Investments	Nov 2025	Fees:Financial Consulting Fee	-19,466.28	41,062.46
12/04/2025	Schlueter Group	Legislative Consulting	Professional Fees:Legislative Consulting	-4,000.00	37,062.46
12/05/2025	Texas Department of State Health	Reversal of Payment	Operational Cost:Death Verification Services	2,500.00	39,562.46
12/08/2025	Austin FF Relief & Retirement Fun	Transfer to Operating	Frost Bank - Benefits	200,000.00	239,562.46
12/09/2025	Jackson Walker	Administrative Dec 2025	Professional Fees:Legal Fees:Administrative	-11,000.00	228,562.46
12/09/2025	Jackson Walker	Board Meeting Dec 2025	Professional Fees:Legal Fees:Board Meeting	-1,500.00	227,062.46
12/09/2025	Jackson Walker	Disability Review	Professional Fees:Legal Fees:Disability App	-4,005.00	223,057.46
12/09/2025	Austin FF Relief & Retirement Fun	Union Reimbursement for Legislative Consulting	Professional Fees:Legislative Consulting	2,000.00	225,057.46
12/09/2025	State Street Bank & Trust	Q3 2025	Fees:SS Retiree Payroll Process Fees	-7,931.99	217,125.47

12/09/2025	Levi Ray & Shoup	PG4 Implementation- Payment #12	Professional Fees:Pension Software PG IV	-152,016.43	65,109.04
12/09/2025	City of Austin	Health Insurance Dec 2025	-Split-	-10,720.74	54,388.30
12/09/2025	TASC (FSA Health Care)	FSA Dec 2025	-Split-	-433.34	53,954.96
12/09/2025	Austin FF Relief & Retirement Fun	L. Adney Reimbursement Payment Dec 2025	Payroll Expenses:Health Insurance - Retired Staff	125.00	54,079.96
12/09/2025	Austin FF Relief & Retirement Fun	L. Adney Health Insurance Payment Dec 2025	Payroll Expenses:Health Insurance - Retired Staff	218.90	54,298.86
12/09/2025	City of Austin	Health Insurance Retired Staff Dec 2025	Payroll Expenses:Health Insurance - Retired Staff	-449.02	53,849.84
12/16/2025	Frost Bank	Bank Service Charges Nov 2025	Operational Cost:Bank Service Charges	-233.02	53,616.82
12/18/2025	Levi Ray & Shoup	PG4 Changes: Future Plan Changes, Longevity, & I	Professional Fees:Pension Software PG IV	-82,170.00	-28,553.18
12/18/2025	Fidelity	Dec 2025	Payroll Expenses:SEP Contribution	-15,500.00	-44,053.18
12/18/2025	Austin FF Relief & Retirement Fun	Transfer to Operating	Frost Bank - Benefits	150,000.00	105,946.82
12/18/2025	Cheiron	Consulting Services Related to Payment Form Opti	Professional Fees:Actuarial Fees:COLA & Additionz	-10,000.00	95,946.82
12/23/2025	Austin FF Relief & Retirement Fun	Transfer to Operating	Frost Bank - Benefits	50,000.00	145,946.82
12/24/2025	Parkstone Office Condominium Co	Dec 2025	-Split-	-860.62	145,086.20
12/24/2025	Hub International Insurance Servic	Commercial, Board & Director Liability, & Cyber Ins	-Split-	-48,894.86	96,191.34
12/26/2025	The Hartford	Workers Comp Insurance	-Split-	-1,220.00	94,971.34
12/29/2025	Payroll	Pay Period: 12/01/2025-12/31/2025	Direct Deposit Payable	-48,601.43	46,369.91
12/30/2025	Complete IT	Nov IT Services	Computer and Internet Expenses:Software/IT Servic	-1,508.50	44,861.41
12/31/2025	Payroll	Tax Payment for Period: 12/01/2025-12/31/2025	Payroll Liabilities:Federal Taxes (941/943/944)	-16,067.62	28,793.79
12/31/2025	Payroll	Tax Payment for Period: 01/01/2025-12/31/2025	Payroll Liabilities:Federal Unemployment (940)	-252.00	28,541.79
12/31/2025	American Express	Dec 2025	-Split-	-8,630.05	19,911.74

Total for Frost Bank - Operating

\$ 5,427.98 \$ 19,911.74

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Road Map of Items for Board Meetings

January 2026 Board Meeting

- Trustee Election certification
- Appointment of new board trustees
- Chair Election
- Vice-Chair Election
- Committee assignments
- Final approval of authorized 2026 Budget
- Benefit payment options for Group B including rulemaking
- Revisit maximum number of DROP distributions permitted
- Annual DROP Account Statements
- End-of-year Budget Report
- 2026 Confirmed Board Meeting Dates
- 2026 Pension Conferences Update
- Pension Administration System (PAS) software implementation and warranty update

February 2026 Board Meeting

- Investment 101 training
- Meketa 4Q25 Report Summary, including
 - Infrastructure investment manager presentation
 - Private real estate investment discussion
- Fund Newsletter update
- Confirmation of committee assignments and committee meeting planning

June 2026 Board Meeting

- Meketa 1Q26 Report Summary including review approach to private equity investing
- Member Portal update

July 2026 Board Meeting

- 2025 Actuarial Valuation
- 2025 Financial Audit Report
- 2025 Annual Report
- Pension Administration System (PAS) implementation update
- Election timeline

- Mid-year Budget Update

August 2026 Board Meeting

- Meketa 2Q26 Report
- Meketa 2025 Fee Review

November 2026 Board Meeting

- Meketa 3Q26 Report
- Meketa Annual Fee Review
- Meketa Asset/Liability Study Discussion for 2027
- Update on Trustee Election and possible election certification
- COLA analysis presentation