

# AFRF News

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Issue #1

Austin Firefighters Retirement Fund

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## Letter from the Board

- By Vice Chairman Doug Fowler

**Over the past year, the Fund has undergone significant changes in administration and staffing, which has resulted in many improvements to the Fund. We have taken big steps forward in implementing best practices for our trustees and staff, and in providing better and more efficient service to our members.**

I'm proud to have played a role in those changes and look forward to seeing improvements continue to unfold in the Fund's future, particularly in the much-needed modernization of our Pension Administration Software (PAS) system and implementing checks and balances to monitor Fund activities and minimize any errors.

I would also like to acknowledge that these are challenging times for both the Fund and its members, given the state of inflation and investment performance of retirement systems across the country. While the Board was disappointed in its inability to grant a COLA in 2023, we had to follow the actuary's recommendation and put the mission of safeguarding the Fund's long-term health at the forefront of our decision. We recently hired a new actuary and I intend to revisit our COLA policy with them to ensure that it is functioning as intended. Despite an unfavorable return average through September 2022, we remain highly confident in our Fund's financial stability. I would like to thank this Board, the staff, all our consultants, and our members for their dedication and work in maintaining our Fund's health and success through these trying times.



## Letter from the Fund

- By Executive Director Anumeha Kumar

**2022 has been a productive year for the Fund with many changes and improvements. First, I would like to thank you for your support in expanding the Fund staff from three to six. We have gathered a professional and highly dedicated group of individuals who are honored to serve you and your families. Staff are focused on providing responsible stewardship of Fund assets, maintaining appropriate controls in day-to-day Fund business, and delivering excellent customer service to you.**

Since I started my tenure in March, we have made significant progress toward achieving many of the short- and long-term goals I outlined for the Fund. We have been focusing on improving the quality of member consultations and retiree services, including offering the option for virtual consultations and defining procedures for processing member requests to minimize benefit errors. We have been prioritizing member education and communication, including participation in AFD HR retirement seminars and holding cadet training classes. We enhanced our IT security infrastructure to ensure member data protection. We assisted the Board to procure a new PAS system with the goal to provide members a secure and on-demand service through the member portal, which we expect to go live in 2025. Finally, we promised you a newsletter this year, and we hope you like this brand new first edition.

It has been a busy year for the Fund staff, but we have worked hard to ensure the transition and changes at the pension office do not impact our core mandates, including processing retiree payments timely and accurately, and providing exceptional customer service to our members. The AFRF staff sincerely appreciates the service that Austin firefighters provide to keep our community safe and are committed to providing quality service to you. Please do not hesitate to contact me directly if you need anything and let us know how we may serve you better.

## Meet Our Staff

**Anumeha Kumar** joined AFRF as Executive Director in March 2022. Prior to joining AFRF, Anu served as Executive Director of the Texas Pension Review Board for seven years, where she successfully led the agency through four Texas Legislative sessions. Anu has over twelve years of public service experience, including public pension policy and finance.

**John Perryman** joined AFRF as Chief Finance Officer in March 2022. John brings to the Fund over 20 years of public service experience in state government, including financial, retirement, and human resource management experience.

**Kendall Twomey** has served AFRF as Benefits Manager for three years, since January 2020. Prior to joining the Fund, Kendall served for eight years as an elementary educator.

**Debbie Hammond** joined AFRF as the Benefits Specialist in June 2022. Debbie has fourteen years of experience in the state retirement system within the customer benefits division.

**Gina Gleason** joined AFRF as the Board and Operations Specialist in October 2022. Prior to joining the Fund, Gina served for ten years as an elementary educator in Austin ISD. Gina is the author and photographer for this newsletter.

**Shira Herbert** joined AFRF as the Accounting Specialist and Quality Assurance Analyst in October 2022. Shira brings to the Fund twenty-two years of financial and retirement experience.



### Board of Trustees Election Update

AFRF held an annual election to select a member to serve as Board Trustee. The election was conducted by an outside vendor, YesElections, and ran from October 25 through November 15, offering an online voting system for the first time in Fund history. Aaron Woolverton won 67% of the 829 total votes cast and will begin his three-year term in January 2023. Aaron retired from AFD as an Assistant Chief in 2020, after nearly 29 years of service to the department. Aaron aims to ensure that the Fund is well-managed, ethically and professionally governed, and both efficient and transparent in its decisions and processes.



### Goodbye to Board Chair Mayor Adler and Trustee Burke

The Austin Fire Fighters Relief and Retirement Fund would like to thank Mayor Steve Adler for eight years of service as Chair of the Board of Trustees. During his time as Chair, Mayor Adler helped to lead the Fund through many significant accomplishments, including expanding the Fund staff to better serve the needs of Fund members. Mayor Adler's position as Board Chair will be filled by the newly elected Mayor of Austin, Kirk Watson, who was endorsed by the Austin Firefighters Association during his campaign. The Fund would also like to thank Jeremy Burke for his twelve years of service to the Board. During his time as Trustee, he sought to safeguard the benefits of all Fund members and beneficiaries of the Fund.

### The State of the Fund

**Investment Performance** | With the current turbulence in the equity market, the Fund's investment return through September 2022 was -14.5%. Over the long term, the Fund continues to be a top-performing plan relative to its peers with a total asset value of 1.1 billion dollars. The Board, along with its consultant, will continue to monitor the markets closely. The Board will also focus on maximizing returns efficiently, including finding ways to reduce investment fees moving forward.

**2023 COLA Update** | In November, the Fund's actuary performed a Cost-of-Living Adjustment (COLA) Analysis in accordance with the Fund's Benefits Adjustment Policy. Based on the results of the analysis, the actuary recommended not to grant a COLA in 2023. While the Fund has been proud to have a strong history of granting COLAs, the Board followed the actuary's recommendation to preserve the actuarial soundness and financial stability of the Fund. We acknowledge that this is difficult news to receive, given the extreme inflation in the current economy, and we appreciate your understanding of the decision made.

**DROP Distribution Increase** | The Board has approved an increase in the maximum number of DROP distributions from 8 to 12, effective December 2022. The limit of 4 distributions per calendar year remains the same. As a reminder, DROP distribution requests must be submitted by the 15<sup>th</sup> of the month in order to receive the funds within the same month. Any later requests will be processed in the following month.

**PAS Software Update** | The Board followed a transparent and robust competitive bidding process to select a vendor for the Pension Administration Software (PAS) services. After much discussion and consideration, the Board decided to continue services with the current PAS vendor, Levi Ray & Shoup (LRS), and upgrade the outdated software to a modern interface that will serve the Fund for decades to come. The implementation is expected to take three years. Once implemented, members will have access to a secure online self-service portal to obtain pension information such as DROP balances, 1099s, and member service forms. In the meantime, staff is working to modernize their workflow using Asana Forms. For security reasons, we will soon be requesting that digital forms be submitted through a link that we will provide with any emailed forms.

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### In Remembrance

To the families and friends of those who passed this year, the AFRF Board and Staff would like to extend our deepest sympathies for your loss and express our gratitude for the years of service they have provided to the citizens of Austin.

**Darrell Zane Carson** | 1958-2022

**Jack Floyd** | 1952-2022

**Emmett Glosson** | 1925-2022

**Jay Jennings** | 1963-2022

**Fred Maass** | 1938-2022

**John Michel** | 1944-2022

**Joe Olague Jr.** | 1948-2022

**Jerry Skiles** | 1949-2022

**Scott Toupin** | 1958-2022

**Miguel Vasquez** | 1950-2022



### The State of the Fund, Continued

**Actuarial Services Update** | In October, Foster & Foster resigned from their role as actuary for the Fund. In September, the Fund issued a Request for Proposals (RFP) for Actuarial Services. The Board conducted initial interviews of six firms during the October Regular Board Meeting and followed up with an in-depth interview of the finalists, Cheiron and Milliman, at the November Board Meeting. After much discussion and consideration, including reference checks for both firms, the Board decided to hire Cheiron. The firm will begin serving the Fund as of January 2023.



### Congratulations 2022 Retirees!

The AFRF Staff would like to formally congratulate you on your retirement. We thank you for your many years of service to the citizens of Austin!

|                     |                  |                     |                    |
|---------------------|------------------|---------------------|--------------------|
| Frank Alvarez       | David Glover     | Glasco Martin III   | Christopher Qualls |
| David Bethke        | Davis Haden      | Justin McNair       | Barbara Scotti     |
| Duane Carter        | Jason Hall       | Tracy McNair        | Mason Simmons      |
| Stephen Cote        | Scott Hembree    | Lisa Millman        | Ronnie Tidwell     |
| Stuart Crane        | Mary Ann Hubbard | Jonathan Moncrieff  | Thaddeus Troyer    |
| Douglas Denzer      | Scott Janecek    | Eric Novaez         | Bryan Wagers       |
| Derrick Dixon       | John Kollman     | Michael Pettit      | Travis Walden      |
| Daniel Dominguez    | Bryan Knox       | Jonathon Poole      | Johnny Weddle      |
| Christopher Donohue | Romon Lewis      | Tice Porterfield II | Danny Wynn         |
| Lloyd Fernung       | Jody Maier       | Brad Price          | John Young         |

### Member Services

**Contact Information** | Please keep your contact information up to date with the AFRF staff, including your phone number, mailing address, and personal email.

**Website Membership** | All membership requests for [afrs.org](http://afrs.org) will cease to be approved due to limited functionality and security concerns. AFRF is working with LRS to debut a completely new website as the first step toward the implementation of their modernized PAS system. The public website is estimated to go live in May 2023. In the meantime, you may request and submit forms by contacting the pension office directly. Identity verification is always required prior to processing.

**Beneficiary Designation** | If you are an active member and have not yet designated a beneficiary, please contact AFRF as soon as possible to do so. It is important to have a beneficiary on file and there is no limit to changing that designation while active.

**QDRO Forms** | The Fund can only administer correctly executed QDRO forms for divorced members, not divorce decrees. Members can find model QDRO forms on [afrs.org](http://afrs.org).

**Considering Retirement?** | Schedule a benefits counseling session either virtually or in-person at the AFRF office.

### Important Dates

#### December

**01** | DROP Distribution Increase Effective  
**23-26** | Office Closed for Christmas Holiday

#### January

**02** | Office Closed for New Year Holiday  
**15** | Deadline for January DROP Request  
**16** | Office Closed for MLK Day  
**23** | January Regular Board Meeting  
**23** | New Board Chair and Trustee Start-Date  
**30** | DROP Account Statements Mailed

#### February

**15** | Deadline for February DROP Request  
**20** | Office Closed for Presidents' Day  
**24** | February Regular Board Meeting

#### March

**15** | Deadline for March DROP Request  
**27** | March Regular Board Meeting

#### April

**15** | Deadline for April DROP Request  
**24** | April Regular Board Meeting

#### May

**09** | Annual AFD Retirement Party  
**15** | Deadline for May DROP Request  
**26** | May Regular Board Meeting  
**29** | Office Closed for Memorial Day

Updates to this calendar can be found on the [afrs.org](http://afrs.org) home page. June - December 2023 will be included in the Summer Newsletter.



### Connect with Us

#### Austin Firefighters Retirement Fund

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Austin, TX 78746

**Phone** | 512-454-9567

**Fax** | 512-453-7197

**Office Hours** | 8am - 5pm, Monday - Friday

**Web** | [afrs.org](http://afrs.org)

Disclaimer: This newsletter is provided as a courtesy to AFRF members and their beneficiaries. While AFRF has made every effort to provide correct information, it does not offer a legal guarantee of the accuracy of the information contained or referenced herein. All images are credited to Gina Gleason unless noted otherwise.