



AFRF
AUSTIN FIREFIGHTERS
RETIREMENT FUND

**MINUTES
BOARD OF TRUSTEES MEETING
FRIDAY JANUARY 24, 2025, 8:30AM**

Board Members Present

Mayor Kirk Watson, Chair
John Bass, Outgoing Vice Chair
Aaron Woolverton, Incoming Vice Chair
Belinda Weaver, Treasurer
Doug Fowler, Trustee

Staff and Consultants Present

Anumeha Kumar, AFRF Executive Director
John Perryman, AFRF CFO
Debbie Hammon, 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

Community Members Present

Rene Vallejo
Virtual attendees not listed

Mayor Watson called the meeting to order at 8:31am.

Public Comments:

No public comments.

I. Consent Agenda for the following:

- a. Minutes of the regular meeting of December 20, 2024
- b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

Mayor Watson requested a moment of silence for the retired firefighter who had passed in December. Trustee Fowler made a motion to approve both items on the consent agenda as presented. Vice Chair Bass seconded the motion. The motion passed without objection.

II. Update and possible Board certification of 2024 Board of Trustees Runoff Election results

Anumeha Kumar explained that a runoff for the Annual Board of Trustees Election had been held between candidates John Bass and AJ Padilla during the first two weeks of December. She stated that the results provided by the third-party election vendor, Yes Elections, showed that John Bass had won the election. Trustee Fowler made a motion to certify John Bass as the winner of the runoff election. Trustee Woolverton seconded the motion. The motion passed without objection.

III. Election of the Vice Chair for 2025

Trustee Fowler made a motion to elect Trustee Woolverton as Vice Chair of the Board of Trustees for the 2025 calendar year. Trustee Bass seconded the motion. The motion passed without objection.

IV. Second reading of proposed changes to the Investment Policy Statement (IPS)

Anumeha Kumar stated that no additional changes had been made to the Investment Policy Statement since the first reading that had taken place at the December meeting. She explained that in accordance with the Fund's governing statute, the board would need to approve the IPS again, as they had done during the first reading, before they could adopt the proposed changes during the third and final reading in February. Trustee Weaver asked if there had been any public comments, to which Ms. Kumar clarified that public comments only applied to the Operating Procedures. Vice Chair Woolverton made a motion to approve the proposed changes to the IPS on second reading. Trustee Weaver seconded the motion. The motion passed without objection.

V. Update on proposed changes to the Investment Policy Operating Procedures

Anumeha Kumar explained that the proposed changes to the Operating Procedures had been updated based on a request from Trustee Weaver during the December board meeting to include a requirement for the Executive Director to notify the Chair or Vice Chair if a decision regarding the pursuit of a securities litigation case was made to meet a deadline preceding a board meeting date. She stated that the proposed changes had been posted to the Fund's website for public comment and would remain available for comment until the February board meeting. No motion necessary.

VI. Texas Legislative Session 89(R) status update

Anumeha Kumar informed the board that Texas Legislative Session 89(R) had started and that the Fund would be monitoring several pension-related bills, including a refiled bill from Session 88(R) by Senator Hughes pertaining to proxy voting policies. She stated that the Fund's bill related to the voluntary Funding Soundness Restoration Plan was still in draft status and the Fund was identifying potential sponsors. Mayor Watson addressed the status of the City of Austin's competing bill, to which Ms. Kumar confirmed that the City of Austin had not yet filed their anticipated bill. No motion necessary.

VII. Consider maximum number of permitted distributions for DROP participants

Anumeha Kumar addressed a request from a retired member who demanded an increase to the maximum number of permitted DROP distributions for eligible participants due to no cost-of-living adjustments having been granted since 2022. Ms. Kumar stated that she provided Trustee Fowler with his requested information pertaining to past distribution increases to inform the board as to whether they should consider another increase from an administrative and policy standpoint. Ms. Kumar explained that since 2020, the number of permitted distributions had significantly increased from four to eight, and then again to the current limit of twelve. The increases in the number of permitted distributions, she continued, had led to a notable increase in the total number of distributions processed by the Fund on an annual basis, from 107 in 2020 to 174 in 2024. Trustee Fowler asked some follow-up questions regarding the length of time dedicated to processing distribution requests, whether additional staff would become necessary, and when the software implementation work was expected to wane. In response, Ms. Kumar further detailed the DROP distribution and quality control processes and noted the potential benefit of having some additional help. She stated that the software was scheduled to go live by January 2026, but added that it could require additional work to realign the software with the governing statute if the proposed legislation passed. Trustee Fowler suggested revisiting the topic in January 2026. Vice Chair Woolverton agreed with tabling the discussion until then. Mayor Watson suggested providing a quarterly update to the board on DROP distribution numbers. No motion necessary.

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

a. General comments

No general comments.

b. Annual DROP Account Statements update

Anumeha Kumar informed the board that the annual DROP account statements had already been processed and distributed to members with DROP accounts.

c. Board Meeting Dates for 2025

Anumeha Kumar stated that the finalized board meeting dates for 2025 were provided in the board packet. Trustee Weaver identified a typo on the May board meeting date. Ms. Kumar confirmed the typo and advised that the correct date of Friday, May 23, was displayed on the Fund's website.

d. Update on 2025 Pension Conferences

Anumeha Kumar provided the board with a list of 2025 pension conferences that were available for the trustees to attend for educational purposes. She requested that they notify staff of any conferences they were interested in attending.

e. Pension Administration System (PAS) software update

Anumeha Kumar stated that staff had been working hard to ensure that the PAS software implementation remained on track for completion by 2026, with the Member Direct portal to become available to members shortly thereafter. She explained that she would come back with a more in-depth update regarding retiree payroll processing in February.

f. Newsletter update

Anumeha Kumar stated that the next newsletter would likely be distributed in February.

g. Internal financial statements, transactions, and Fund expense reports for month ending December 31, 2024

Anumeha Kumar explained that the December 2024 end-of-year financial statements indicated that the Fund had exceeded the annual budget by approximately 5%, primarily due to actuarial work related to the Funding Soundness Restoration Plan. She further explained that the Fund had paid for both the 2023 and 2024 directors and officers liability insurance and cyber security insurance in the same year for the purpose of cost savings. Ms. Kumar stated that the Fund would reevaluate the 2025 annual budget mid-year to make any necessary amendments.

IX. Roadmap for future meetings

The trustees had no questions or requests regarding the roadmap.

X. Call for future agenda items

Trustee Bass announced that he would be retiring from the Austin Fire Department (AFD) in February and had accepted a position out of state. He emphasized that his work and commitment to the board would continue. He further explained that he had made a decision regarding his retirement benefits to ensure that he received no preferential treatment following his contribution as to the development of the voluntary Funding Soundness Restoration Plan an active firefighter trustee. Trustee Bass committed to electing his benefits as if he had remained an active member following the effective date of the potential plan revisions under the proposed plan reforms. He announced his irrevocable choice to elect no DROP benefit and to further defer his COLA eligibility to age 67 if the proposed automatic COLA was adopted. He also stated that he would not accept any ad hoc COLAs if one was granted for whatever reason. Trustee Bass expressed appreciation for his time with AFD and noted that he would miss serving as a firefighter. Mayor Watson congratulated him on his retirement and thanked him for his years of service and his clear plan to avoid any perceived conflict of interest. Trustee Weaver thanked him for his continued service to the board. Trustee Fowler expressed appreciation and stated that his institutional and project knowledge was vital to the board's success. Vice Chair Woolverton echoed their sentiments and wished him luck in his future endeavors.

Hearing no objections, Mayor Watson adjourned the meeting at 8:58am.

Board Members

Mayor Kirk Watson, Chair

Aaron Woolverton, Vice Chair

Belinda Weaver, Treasurer

John Bass, Trustee

Doug Fowler, Trustee