AUSTIN FIREFIGHTERS RETIREMENT FUND

BOARD OF TRUSTEES MEETING
REGULAR MEETING AGENDA

Friday, June 21, 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 2553 322 9169** and **password June2024,** or through a telephone conference call, **toll-free dial-in number 408-418-9388** with **access code 58632024.** Some non-routine agenda items will have the trustee or individual who requested the item in parentheses.

Public Comments
Members of the public may address the Board of Trustees on any matter during this 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 Thursday, June 20, 2024**. All parties are asked to limit comments to 3 minutes. No discussion or action will be taken by the Board during public comments.

To Approve

1. Consent Agenda for the following:
   a. Minutes of regular meeting of May 24, 2024
   b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

To Discuss and Possibly Act On

2. Review and consideration of application to continue the disability retirement benefits for Applicant #2024-02 (Closed Session)
3. Update on Voluntary Funding Soundness Restoration Plan (FSRP)
4. Update on State Tax Withholding for 2025
5. Executive Director Report, including the following (Discussion Only)
   a. General comments
   b. Update on Pension Administration System (PAS) software implementation
   c. Internal financial statements, transactions, and Fund expense reports for month ending May 31, 2024

6. Roadmap for future meetings

7. 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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MINUTES
BOARD OF TRUSTEES MEETING
FRIDAY MAY 24, 2024, 8:30AM

Board Members Present
Mayor Kirk Watson, Chair
John Bass, Vice Chair
Belinda Weaver, Treasurer
Doug Fowler, Trustee
Aaron Woolverton, Trustee

Staff and Consultants Present
Anumeha Kumar, AFRF Executive Director
John Perryman, AFRF CFO
Gina Gleason, AFRF Board & Operations Specialist
Shira Herbert, AFRF Accounting & QC Specialist
Amy Thibaudeau, AFRF Benefits Specialist
Alyca Garrison, Jackson Walker
Chuck Campbell, Jackson Walker
Laurel Malone, Jackson Walker
Leo Festino, Meketa
Colin Kowalski, Meketa
Craig Chaikin, Callan (virtual)
Gwen Lohmann, Callan (virtual)
Ryan Meyer, Frost (virtual)
Sybil Daniels, Frost (virtual)

Community Members Present
Kate Alexander, City of Austin (virtual)
Mark Littlefield, City of Austin
Rene Vallejo
Bob Nicks
Greg Pope
Christine Jones
Virtual attendees not listed

Mayor Watson called the meeting to order at 8:30am.

Public Comments:

No public comments.

I. Consent Agenda for the following:

a. Minutes of the regular meeting of April 26, 2024

Trustee Fowler made a motion to approve the minutes of the regular meeting on April 26, 2024. Vice Chair Bass seconded the motion. The motion passed without objection.

b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

Trustee Fowler made a motion to approve the service retirement benefits for new retirees, beneficiaries, and alternate payees. Vice Chair Bass seconded the motion. The motion passed without objection.

II. Presentation from Callan on final report for the Investment Practices and Performance Evaluation (IPPE), including Fund Response

Craig Chaikin reviewed the information he had presented at the April 2024 board meeting for the

preliminary IPPE. He reiterated that all the Fund processes, procedures, and documents were sufficient and consistent with industry best practices, and that the Fund was performing well from a governance perspective. He noted that the only substantive addition to the final IPPE was the inclusion of the Fund response, which was also consistent with Callan's expectations. Anumeha Kumar thanked Callan for their report and stated that she was pleased with the affirmative results. Ms. Kumar explained that the next step, pending Trustee acceptance, would be to submit the IPPE to the Pension Review Board. The trustees had no object to proceeding with the submission. No motion necessary.

III. Meketa 1Q24 Investment Report

a. Economic and Market Update

Leo Festino and Colin Kowalski introduced themselves as the Fund's investment consultants from Meketa. Mr. Kowalski provided an overview of the economic and market landscape for 1Q24, in which he indicated that most major indexes were up strongly in 2023 led by US equities, which had carried over into 2024, especially with risk assets. He explained the impact that excitement over Artificial Intelligence (AI) had on pushing tech companies to outperform and lead the market in 2023, and how the market returns had broadened out in 2024 to other segments, such as utilities and the industrial sector, which have benefitted from the AI boom. Mr. Kowalski explained that foreign equity returns had been positive but more muted than US equities, which could be attributed in part to the current strength of the US dollar. Mr. Kowalski stated that emerging markets had stalled relative to their developed peers, largely due to struggles in China's property sector and their management of reopening post COVID. Regarding fixed income categories, Mr. Kowalski explained that the returns were more muted or negative at the start of 2024 due to inflation, economics, and the response of the Federal Reserve. He further explained that the economy has remained strong overall with lowering inflation and a strong employment market, but the yield curve had remained inverted for two years, which typically precedes a recession. Mr. Kowalski noted that Meketa would continue to monitor that situation, along with other potential risks regarding inflation and global tensions. He concluded that Meketa was optimistic overall in terms of the economic and market conditions. Trustee Weaver asked a question regarding commercial real estate and the impact on the Fund's real estate portfolio, to which Mr. Festino explained that there had been a greatly reduced demand for office space due to higher interest rates and the shift to remote work following COVID. He explained that AFRF does have real estate holdings through Clarion, but they've been underweighted in office space and are targeting a further decrease from 14% to 10%. No motion necessary.

b. 1Q24 Investment Report

Leo Festino stated that the total fund performance for 1Q24 was positive and earned 3% net of fees, which would equate to over 12% annualized and exceed the Fund's actuarial investment return assumption. He explained that the return translated to approximately $35 million in net investment earnings and fell slightly behind peers and benchmarks, due in part to a lag in private market reporting. Mr. Festino asserted that the public markets managers had performed well, exposures were within policy ranges, and Meketa was pleased with the overall investment performance. He explained that the main driver for performance had been private equity reporting and that short term lag is reasonable so long as long term performance remains positive. Trustee Bass thanked Mr. Festino for addressing lag and reiterated that seesaw periods in public markets with significant variations in performance can make lag more noticeable within the total fund performance. Mr. Festino followed up to note that

investments in fund of funds add further delay to the reporting. Mr. Festino next described the impact that choice of benchmark can have on relative performance. He explained that the Fund uses public stocks as a benchmark, which are more volatile than private equity because they are marked daily rather than quarterly, so when stocks are performing especially well the lag impact on private equity performance can be more pronounced in terms of meeting the benchmark. Overall, he continued, the asset allocations were all very close to their targets, were within the Investment Policy Statement ranges, and both the overweighted US equity and underweighted real estate had a beneficial impact. Mr. Festino stated that the Fund continued to perform well on a risk adjusted basis with low volatility. He highlighted the changes in performance of some individual managers, including the impact of exposure to China through Baillie Gifford. Mr. Festino concluded the report with an overview of the fund of fund commitments, in which he explained that while each fund has its own net internal rate of return (IRR), the overall performance has done well with a 1.9 multiple, meaning that the Fund has nearly doubled its initial investment over the past decade. No motion necessary.

c. Private Equity: Annual Pacing History Review

Colin Kowalski provided an overview of the annual private equity review, in which Meketa assessed the pacing and evolution of capital calls and distributions over time to plan for the program going forward. Mr. Kowalski stated that the program had started in 2009 with many initial capital calls and had since begun to mature and realize investments around 2019. Leo Festino clarified that maturity means that the program had become self-sustaining and that distributions from the program are enough to fund future capital calls. Mr. Kowalski added that at the current point of maturity, the Fund is also receiving $9 million per quarter, on average, to help pay benefits and other expenses. He concluded with an explanation of Net Asset Value (NAV) and reminded the board that they had made a new commitment to Constitution Capital in 2023. No motion necessary.

d. Private Equity Approach: Fund of Funds vs. Specialty Consultant

Leo Festino explained that the intent of the agenda item was to compare options for deploying capital into private assets from a fee-savings perspective, due to the high expenses associated with private equity fund of funds (FOF) investments. He clarified that the presentation would be better considered a comparison between FOFs and primary funds. Mr. Festino explained the advantages and disadvantages of remaining invested in FOFs versus investing directly in primary funds. He listed control over allocations, lack of contractual obligations, and a lower cost structure without profit sharing as the main advantages of direct primary investments. He listed a higher administrative burden and greater need for oversight as potential disadvantages. Mr. Festino followed up to explain that a way to mitigate those disadvantages would be to outsource the responsibilities to a manager like Meketa who would run that part of the investment program. Mr. Festino also explained how reporting would be impacted from a budgetary standpoint, as FOF expenses and profit shares are not reported in the financial statements but payments to a manager would be, which could negatively impact perception of expenses despite achieving lower overall costs. Trustee Fowler asked how large the Fund would need to be to consider primary investment and how many people it would take to manage. Mr. Festino confirmed that the Fund already had enough assets to do so but suggested that the best option for the Fund would be to outsource the work rather than hire additional staff. The trustees engaged in further conversion regarding discretionary versus non-discretionary and the liabilities associated with hiring an expert to make private equity investment decisions.

Anumeha Kumar clarified that the agenda item was for informational purposes only, and no decision would be needed until next year. No motion necessary.

IV. Discuss and consider Request for Information (RFI) for Depository Bank, including presentation from a responsive bank

Anumeha Kumar reviewed the RFI process that the board had initiated in 2023 to evaluate the current depository bank, Sunflower Bank, but had decided to pause due to lack of satisfactory responses. She informed the board that one of the original respondents, Frost Bank, had followed up to inform the Fund that they were now able to offer the collateralized deposits required by the original RFI. Ms. Kumar explained that in addition to collateralized deposits, the Fund also compared the earning credit rate and service charges to those of Sunflower Bank. Ms. Kumar informed the trustees that a document in their board packet compared the offerings of Sunflower Bank and Frost Bank. She highlighted that Frost offered collateralized deposits that exceeded 100%, Frost offered a higher earnings credit rate than Sunflower, and Frost had lower service charges than Sunflower. Ms. Kumar made a recommendation for the board to approve the selection of Frost as the Fund's new depository bank. She explained that if approved, the transition from Sunflower would take two to three months. Ryan Meyer and Sybil Daniels introduced themselves as representatives of Frost Bank and provided a brief overview of the offerings of Frost Bank. In their presentation, they focused on their high level of customer service, technology on par with larger banks, and their ability to match the services requested in the RFI. Mayor Watson called for a motion to approve the agenda item as recommended. Trustee Woolverton made the motion to hire Frost Bank. Trustee Fowler seconded the motion. Mayor Watson added that Frost should be briefed in the day-to-day operations of the Fund. The motion passed without objection.

V. Update on City of Austin Actuarial Audit

Anumeha Kumar revisited the actuarial audit that had been performed by the City of Austin for all three pension systems as part of a statutory requirement. She explained that the audit had been presented to the Audit and Finance Committee of the City Council on May 10, 2024, and will be subject to final approval by the full Council before it is submitted to the Pension Review Board (PRB) along with the Fund's written response. Ms. Kumar informed the board that an article written by the *Austin Monitor* following the Audit and Finance Committee meeting had raised some concerns among the Fund's membership. Ms. Kumar noted that the Fund had followed up to provide clarification to the article, which emphasized that the Fund was not in a state of crisis, delineated that the Voluntary Funding Soundness Restoration Plan (FSRP) had been a proactive board decision and not a triggered requirement, and explained why the Fund did not consider the amortization period to be a "finding" made by the City's actuarial firm performing the audit. Additionally, Ms. Kumar explained that the plan changes referenced in the article were applicable to the City of Austin Employees Retirement System (COAERS) and Austin Police Retirement System (APRS) and were likely included for the sake of comparison but did not apply to AFRF. Ms. Kumar described the Fund's robust policy regarding cost-of-living adjustments (COLAs) which involves an actuarial determination of affordability as a prerequisite to granting a COLA. She noted that the Fund had not granted COLAs in the past two years and that the actuary had yet to make their determination for the current year. Ms. Kumar stated that the board and the City of Austin will move forward with considering potential changes to ensure the Fund remains on a path of financial stability. No motion necessary.

VI. Update on Funding Soundness Restoration Plan (FSRP) progress

Anumeha Kumar reviewed the action taken by the Fund to complete an Actuarial Experience Study

one year in advance of the state requirement as a proactive measure in conjunction with the development of the Voluntary FSRP. Ms. Kumar informed the Board that the Working Group had progressed to the next step of developing a proposal for the Voluntary FSRP and planned to present their draft proposal to the membership at their next informational session, tentatively scheduled for June 13, 2024. No motion necessary.

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

a. General comments

No general comments.

b. Update on development of Administrative Policies and Procedures, including internal controls

Anumeha Kumar provided an overview of the progress staff had made on developing administrative policies and procedures, noting that there had been no procedures or internal controls in place when she and the current Fund staff came onboard. Ms. Kumar explained the importance of procedural documentation both from a day-to-day and from a business continuity standpoint. Ms. Kumar described the staff's implementation of project management software to track customer service requests and explained the separation of duties involved in financial management tasks, all of which were being documented in written format, both for auditing purposes and to ensure the Fund continues to operate in the most efficient fashion. Trustee Weaver voiced support for the effort and asked if the policies and procedures would be integrated into the development of the new Pension Administration System (PAS) software to ensure separation of duties. Ms. Kumar explained that while not all functions could be integrated into the software from a cost standpoint, she confirmed that the major financial functions, such as payroll, retirement processing, and refunds would have workflows in the software that involved checks and balances and quality control.

c. Internal financial statements, transactions, and Fund expense reports for month ending April 30, 2024

Anumeha Kumar noted that the cost for actuarial work exceeded the original approved budget due to the work the actuary had performed regarding the development of the Voluntary FSRP. She indicated that there were no other significant items to report.

VIII. Roadmap for future meetings

The trustees had no questions or requests regarding the roadmap.

IX. Call for future agenda items

No future agenda items were called for.

Hearing no objections, Mayor Watson adjourned the meeting at 10:18am.

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Austin Firefighters Retirement Fund
Operating Budget
Fiscal Year 2024

	Approved Budget	Jan - May Expensed	Remaining Budget	Percent Expended
Administrative Expenses				
Salaries and Benefits				
Salary - Executive Director	200,000.00	102,000.00	98,000.00	51.00%
Salary - Staff	486,500.00	197,916.67	288,583.33	40.68%
Health Insurance	127,310.00	53,390.26	73,919.74	41.94%
Health Insurance - Retired Staff	9,900.00	672.00	9,228.00	6.79%
Payroll Taxes	52,920.00	23,215.04	29,704.96	43.87%
SEP Contribution	165,375.00	73,604.18	91,770.82	44.51%
Subtotal	**1,042,005.00**	**450,798.15**	**591,206.85**	**43.26%**
SS Retiree Payroll Process Fees	34,000.00	7,923.17	26,076.83	23.30%
Building	9,783.00	3,165.72	6,617.28	32.36%
Utilities	6,525.00	1,801.73	4,723.27	27.61%
Office Expenses	18,450.00	3,228.20	15,221.80	17.50%
Computer and Software	33,200.00	10,869.52	22,330.48	32.74%
Insurance	41,500.00	23,812.00	17,688.00	57.38%
Travel	23,500.00	5,663.96	17,836.04	24.10%
Operational Cost	23,300.00	11,618.27	11,681.73	49.86%
Investment Expenses				
Financial Consulting Fee	218,000.00	89,016.44	128,983.56	40.83%
Investment Management Fees	1,800,000.00	932,761.35	867,238.65	51.82%
Bank Custodian Services	110,000.00	57,715.16	52,284.84	52.47%
Professional Services Expenses				
Accounting	25,000.00	-	25,000.00	0.00%
Actuarial Fees				
Actuarial Valuation	45,100.00	-	45,100.00	0.00%
COLA & Additional Travel	14,000.00	1,597.27	12,402.73	11.41%
Experience Study	23,000.00	17,250.00	5,750.00	75.00%
Pension Funding Research	70,000.00	90,914.75	(20,914.75)	129.88%
Investment Performance Evaluation (IPPE)	50,000.00	-	50,000.00	0.00%
Legal Fees				
Administrative	108,000.00	45,000.00	63,000.00	41.67%
Board Meeting	18,000.00	7,500.00	10,500.00	41.67%
Investment Review	40,000.00	63,994.60	(23,994.60)	159.99%
Summary Plan Descr, Records Retention & Forms	20,000.00	16,824.00	3,176.00	84.12%
Pension Funding Research/Legislation (2024/2025)	75,000.00	13,781.00	61,219.00	18.37%
Legislative Consulting	24,000.00	10,000.00	14,000.00	41.67%
Medical Disability Review	3,000.00	5,345.96	(2,345.96)	178.20%
Pension Software	700,000.00	153,721.43	546,278.57	21.96%
Pension Software Oversight	60,000.00	2,615.63	57,384.37	4.36%
Total Expenses	**$ 4,635,363.00**	**$ 2,026,918.31**	**$ 2,608,444.69**	**43.73%**

Austin Firefighters Retirement Fund
Contributions and Deductions (Unaudited)
as of May 31, 2024

Additions

Contributions		
	City of Austin Contribution (22.05%)	10,887,409.39
	Fire Fighter Contribution (18.7%)	9,233,313.17
	Interest -Bank	148,260.11
	Commission Recapture	11,385.00
	Class Action Proceeds	262.75
	Securities Litigation Recovery	-
Total Contributions		**$ 20,280,630.42**

Deductions

Pension Retiree Payroll Expenses		
	Retirees Monthly Annuity	22,388,023.01
	Medical Ins.	1,477,638.94
	Dental Ins	188,063.71
	Vision Ins.	18,855.42
	Retiree W/H Tax Payable	3,138,011.50
	State Tax	26,236.10
	Benevolent Fund	29,200.00
	Union Dues	10,537.50
	Misc.	8,249.70
	PAC Dues	3,800.00
	Museum	30.00
Total Retiree Payroll Expenses		**$ 27,288,645.88**
Pension Lump Sum Expenses		
	Contribution Refunds	57,244.15
	DROP Distributions	12,799,703.35
Total Pension Lump Sum Expenses		**$ 12,856,947.50**

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through May 2024

	Total		
	Jan - May	Budget	% of Budget
Ordinary Income/Expense			
Income			
City of Austin Contrib (22.05%)	10,887,409.39	25,700,000.00	42.36%
Commission Recapture	11,385.00	5,000.00	227.70%
Fire Fighter Contrib (18.7%)	9,233,313.17	21,800,000.00	42.35%
Securities Litigation Recovery	0.00		
Other Income			
Class Action Proceeds	262.75	5,000.00	5.26%
Interest - State Street	145,867.21	250,000.00	58.35%
Interest - Sunflower Bank	1,245.18	4,000.00	31.13%
Securities Lending - State St.	1,147.72	9,000.00	12.75%
Total Income	20,280,630.42	47,773,000.00	42.45%
Operating Expenses			
Administrative Expenses			
Payroll Expenses			
Payroll Expenses - Other	299,916.67	686,500.00	43.69%
Health Insurance - Staff	53,390.26	127,310.00	41.94%
Health Insurance - Retired Staff	672.00	9,900.00	6.79%
Taxes	23,215.04	52,920.00	43.87%
SEP Contribution	73,604.18	165,375.00	44.51%
Total Payroll Expenses	450,798.15	1,042,005.00	43.26%
SS Retiree Payroll Process Fees	7,923.17	34,000.00	23.30%
Building Expenses			
Assessment toward 2019 Project	784.30	1,883.00	41.65%
Building Maintenance/Improvemen		2,500.00	0.00%
Condo Association Dues	2,381.42	5,400.00	44.10%
Utilities			
Electric	919.24	2,000.00	45.96%
HVAC Program	0.00	50.00	0.00%
Internet & Cable & Telephone	621.35	3,500.00	17.75%
Water, Waste, Drainage	261.14	975.00	26.78%
Total Utilities	1,801.73	6,525.00	27.61%
Total Building Expenses	4,967.45	16,308.00	30.46%
Office Expenses			
Furniture (FFE)	0.00	2,000.00	0.00%
Meeting Refreshments	485.76	1,600.00	30.36%
Notary Services		250.00	0.00%
Office Maintenance	1,542.00	3,100.00	49.74%
Office Supplies (Office supplies expense)	518.42	2,500.00	20.74%

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through May 2024

	Total		
	Jan - May	**Budget**	**% of Budget**
Postage and Delivery	326.02	5,000.00	6.52%
Printing and Reproduction	356.00	4,000.00	8.90%
Total Office Expenses	3,228.20	18,450.00	17.50%
Computer and Internet Expenses			
Hosting & Other Expenses	395.87	3,000.00	13.20%
Laptop/Computer	1,931.48	3,000.00	64.38%
Software/IT Services	8,542.17	27,200.00	31.41%
Total Computer and Internet Expenses	10,869.52	33,200.00	32.74%
Insurance Expense			
Board & Directors Liability Ins	23,678.00	28,500.00	83.08%
Commercial	0.00	2,000.00	0.00%
Cybersecurity Ins.	0.00	10,000.00	0.00%
Workers Comp Ins. (Workers Comp)	134.00	1,000.00	13.40%
Total Insurance Expense	23,812.00	41,500.00	57.38%
Travel Expense			
Lodging/Transportation/Per Diem	2,913.96	16,000.00	18.21%
Registration fees	2,750.00	7,500.00	36.67%
Total Travel Expense	5,663.96	23,500.00	24.10%
Operational Cost			
Association Fees (TXPERS /NCEPRS)	9,010.00	9,100.00	99.01%
Election Services	0.00	4,000.00	0.00%
Death Verification Services	0.00	4,200.00	0.00%
Operational Cost - Other	2,608.27	6,000.00	43.47%
Total Operational Cost	11,618.27	23,300.00	49.86%
Investment Expenses			
Bank Custodian Services	57,715.16	110,000.00	52.47%
Financial Consulting Fee	89,016.44	218,000.00	40.83%
Investment Management Fees	932,761.35	1,800,000.00	51.82%
Total Investment Expenses	1,079,492.95	2,128,000.00	50.73%
Professional Fees			
Audit	0.00	25,000.00	0.00%
Actuarial Fees			
Actuarial Valuation	0.00	45,100.00	0.00%
COLA & Additional Travel	1,597.27	14,000.00	11.41%
Experience Study	17,250.00	23,000.00	75.00%
Pension Funding Research	90,914.75	70,000.00	129.88%

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through May 2024

	Total		
	Jan - May	Budget	% of Budget
Total Actuarial Fees	109,762.02	152,100.00	72.16%
Investment Performance Evaluation (IPPE)	0.00	50,000.00	0.00%
Legal Fees			
Administrative	45,000.00	108,000.00	41.67%
Board Meeting	7,500.00	18,000.00	41.67%
Investment Review	63,994.60	40,000.00	159.99%
Summary Plan Descr, Records Retention & Forms	16,824.00	20,000.00	84.12%
Pension Funding Research/Legislation (2024/2025)	13,781.00	75,000.00	18.37%
Total Legal Fees	147,099.60	261,000.00	56.36%
Legislative Consulting	10,000.00	24,000.00	41.67%
Medical Disability Review	5,345.96	3,000.00	178.20%
Pension Software			
Pension Software PG I	1,705.00	50,000.00	3.41%
Pension Software PG IV	152,016.43	650,000.00	23.39%
Total Pension Software	153,721.43	700,000.00	21.96%
Pension Software Oversight	2,615.63	60,000.00	4.36%
Total Professional Fees	428,544.64	1,275,100.00	33.61%
Total Operating Expenses	2,026,918.31	4,635,363.00	43.73%
Monthly Pension Retiree Payroll			
Retirees Monthly Annuity	22,388,023.01	53,000,000.00	42.24%
Medical Ins.	1,477,638.94	3,900,000.00	37.89%
Dental Ins	188,063.71	425,000.00	44.25%
Vision Ins.	18,855.42	43,000.00	43.85%
Retiree W/H Tax Payable	3,138,011.50	7,500,000.00	41.84%
State Tax	26,236.10	60,000.00	43.73%
Benevolent Fund	29,200.00	50,000.00	58.40%
Misc.	8,249.70	20,000.00	41.25%
PAC Dues	3,800.00	8,200.00	46.34%
Union Dues	10,537.50	25,000.00	42.15%
Museum	30.00	72.00	41.67%
Total Monthly Pension Retiree Payroll	27,288,645.88	65,031,272.00	41.96%
Pension Lump Sum			
Contribution Refunds	57,244.15	1,000,000.00	5.72%
DROP Distributions	12,799,703.35	23,000,000.00	55.65%
Total Pension Lump Sum	12,856,947.50	24,000,000.00	53.57%
Total Expense	42,172,511.69	93,666,635.00	45.02%
Net Income	-21,891,881.27		

Austin Firefighters Retirement Fund
Assets & Liabilities Report (Unaudited)
as of May 31, 2024

Assets

Checking/Savings		
	Sunflower Bank - Operating	7,809.15
	Sunflower Bank - Benefits	234,229.46
	State Street T009-Cash Agg	11,185,985.04
Total Checking/Savings		11,428,023.65
Investments, at fair value		
	Domestic Equites	252,008,367.78
	Fixed Income Securities	326,721,371.80
	International Equities	243,401,262.73
	Real Asset	32,718,667.22
	Private Equity	191,393,913.15
	Real Estate	88,858,656.24
Total Investments		1,135,102,238.92
Total Assets		**$ 1,146,530,262.57**

Liabilities

Current Liabilities		
	Payroll Liabilities	8,675.19
	Operating Admin Liabilities	1,687.80
	Investment Liabilities	-
	Professional Liabilities	63,579.96
Long Term Liabilities		
	DROP (Guaranteed 5%)	156,573,026.72
	% of Total Assets	13.66%
Total Liabilities		**$ 156,646,969.67**

Austin Firefighters Retirement Fund
Balance Sheet
As of May 31, 2024

	May
ASSETS	
Current Assets	
Checking/Savings	
State Street T009-Cash Agg	11,185,985.04
Sunflower Bank - Benefits	234,229.46
Sunflower Bank - Operating	7,809.15
Total Checking/Savings	11,428,023.65
Other Current Assets	
Investments	
DEQ	
SSgA S&P 500 Flagship Fund	111,918,443.25
VAUGHAN NELSON	65,922,446.15
Westfield Capital Management	61,365,554.20
Westwood Capital	12,801,924.18
Total DEQ	252,008,367.78
FI	
ABERDEEN	61,049,910.02
Loomis Sayles Core Plus Bond	44,897,393.20
Pacific Asset Management	23,487,822.00
Pyramis Tactical Bond (Fidelity	25,850,112.00
SSgA Bond Fund	115,700,892.47
SSGA TIPS	55,735,242.11
Total FI	326,721,371.80
IEQ	
Baillie Gifford	32,932,798.10
DFA Emerging Markets	27,442,379.16
Highclere	29,718,080.87
SSgA MSCI EAFE Fund	121,611,496.18
TT International	31,696,508.42
Total IEQ	243,401,262.73
NR	
Aether Real Assets II	2,195,681.80
Aether Real Assets III	9,690,762.72
Aether Real Assets IV	10,137,512.55
Aether Real Assets V	10,694,710.15
Total NR	32,718,667.22
PE	
57 Stars Global Opportunity	6,670,094.32
Arcmont (Bluebay)Direct Lending	1,701,758.33
Constitution	3,746,769.88
Cross Creek Capital Partners II	10,527,662.50
Cross Creek Capital Parts III	10,407,494.04
Deutsche Bank SOF III	1,824,188.70
Dover Street X	34,797,322.40

Austin Firefighters Retirement Fund
Balance Sheet
As of May 31, 2024

Flag V	4,622,738.95
Flag VI 6	12,403,616.30
Greenspring Global Partners V	7,438,088.01
GREENSPRING VI	13,555,686.71
Harbourvest 2013 Direct	3,877,237.05
HarbourVest Coinvestment 4	8,109,902.04
LGT C Europe Small Buyouts 3	2,721,964.63
LGT Crown Asia 2	7,010,717.97
LGT Crown Global Secondaries 2	84,314.00
LGT Crown Global VI	34,391,013.94
LGT Global Secondaries III	1,877,962.00
Partners Group EM 2015	8,028,396.58
Partners Group US Dist PE 2009	188,469.02
Private Advisors Co-Inv FundIII	1,361,374.32
Private Equity Investors V	1,359,420.64
SVB Strategic Investors Fund IX	14,687,720.82
Total PE	191,393,913.15
RE	
Clarion Partners	66,497,513.99
Crow Holdings Realty Partners X	4,300,021.00
Partners Group Distressed '09	32,672.99
Partners Group RE Second 2011	514,283.49
Partners Group RE Second 2017	11,524,539.58
Portfolio Advisors Fund 5	5,989,625.19
Total RE	88,858,656.24
Total Investments	1,135,102,238.92
Total Other Current Assets	1,135,102,238.92
Total Current Assets	1,146,530,262.57
TOTAL ASSETS	**1,146,530,262.57**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	8,675.19
Operating Admin Liabilities	1,687.80
Investment Liabilities	0.00
Professional Liabilities	63,579.96
Total Other Current Liabilities	73,942.95
Total Current Liabilities	73,942.95
Long Term Liabilities	
DROP (Guaranteed 5%)	156,573,026.72
% of Total Assets	13.66%
Total Long Term Liabilities	156,573,026.72
Total Liabilities	**156,646,969.67**

Austin Firefighters Retirement Fund
General Ledger
May 2024

Date	Name	Memo/Description	Split	Amount	Balance
Sunflower Bank - Benefits					
Beginning Balance					238,631.55
05/09/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-50,000.00	188,631.55
05/10/2024	City of Austin	City and Member's Contributions	-Split-	1,840,265.40	2,028,896.95
05/13/2024	Sunflower Bank	Wire Fee	Sunflower Bank - Operating	-22.00	2,028,874.95
05/13/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-80,000.00	1,948,874.95
05/13/2024	Austin FF Relief & Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,700,000.00	248,874.95
05/24/2024	City of Austin	City and Member's Contributions	-Split-	1,859,911.55	2,108,786.50
05/28/2024	Sunflower Bank	Wire Fee	Interest:Interest - Sunflower Bank	-22.00	2,108,764.50
05/28/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-75,000.00	2,033,764.50
05/28/2024	Austin FF Relief & Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,800,000.00	233,764.50
05/31/2024	Sunflower Bank	Interest May 2024	Interest:Interest - Sunflower Bank	464.96	234,229.46
Total for Sunflower Bank - Benefits				**-$ 4,402.09**	**$ 234,229.46**
Sunflower Bank - Operating					
Beginning Balance					48,846.78
05/02/2024	Jani-King of Austin	May 2024	Office Expenses:Office Maintenance	-257.00	48,589.78
05/03/2024	Michael Stinson & Assoc.	Vocational Evaluation	Professional Fees:Medical Disability Review	-2,820.00	45,769.78
05/07/2024	Schlueter Group	Union Reimbursement for Legislative Consulting	Professional Fees:Legislative Consulting	2,000.00	47,769.78
05/07/2024	Levi Ray & Shoup	Update Statements, Medicare, Tobacco Premium, R	Professional Fees:Pension Software PG I	-1,705.00	46,064.78
05/08/2024	Parkstone Office Condominium Comı	May 2024	-Split-	-809.48	45,255.30
05/08/2024	Schlueter Group	Legislative Consulting	Professional Fees:Legislative Consulting	-4,000.00	41,255.30
05/08/2024	Austin FF Relief & Retirement Fund	L. Adney Reimbursement Payment May 2024	Payroll Expenses:Health Insurance - Retired Staff	125.00	41,380.30
05/08/2024	Austin FF Relief & Retirement Fund	L. Adney Health Insurance Payment May 2024	Payroll Expenses:Health Insurance - Retired Staff	218.90	41,599.20
05/09/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	50,000.00	91,599.20
05/10/2024	TASC (FSA Health Care)	FSA May 2024	Payroll Liabilities:Flextra Health	-200.00	91,399.20
05/10/2024	City of Austin	May 2024 Health Insurance	-Split-	-10,720.56	80,678.64

05/10/2024	Cheiron	Actuarial Cost Analysis	-Split-	-16,833.27	63,845.37
05/10/2024	Meketa Investments	April 2024	Fees:Financial Consulting Fee	-18,172.00	45,673.37
05/10/2024	Shira K. Herbert	USPS Certified Letter	Office Expenses:Postage and Delivery	-8.73	45,664.64
05/10/2024	Westwood Holdings Group	Q1 2024 Investment Management Fees	Fees:Investment Management Fees	-15,948.76	29,715.88
05/10/2024	Sunflower Bank	Service Charges Apr 2024	Operational Cost:Bank Service Charges	-458.94	29,256.94
05/10/2024	Provaliant	Apr 2024	Professional Fees:Pension Software Oversight	-168.75	29,088.19
05/10/2024	City of Austin	Health Insurance Retired Staff May 2024	Payroll Expenses:Health Insurance - Retired Staff	-478.30	28,609.89
05/13/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	80,000.00	108,609.89
05/20/2024	Jackson Walker	Ironside Private Equity Fund VII Review	Professional Fees:Legal Fees:Investment Review	-62,918.10	45,691.79
05/20/2024	Jackson Walker	Crow Holdings Realty Partners Review	Professional Fees:Legal Fees:Investment Review	-371.00	45,320.79
05/20/2024	Jackson Walker	Forms and Participant Communication - Mar 2024	Professional Fees:Legal Fees:Summary Plan Descr,	-9,111.00	36,209.79
05/20/2024	Jackson Walker	Partners Group Real Estate Secondary 2017 Review	Professional Fees:Legal Fees:Investment Review	-705.50	35,504.29
05/20/2024	Jackson Walker	Legislative Matters - Mar 2024	Professional Fees:Legal Fees:Pension Funding Res	-5,728.00	29,776.29
05/23/2024	Anumeha Kumar	Parking- Meeting	Travel Expense:Lodging/Transportation/Per Diem	-35.00	29,741.29
05/28/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	75,000.00	104,741.29
05/29/2024	Belinda Weaver	NCPERS Conference	Travel Expense:Lodging/Transportation/Per Diem	-944.56	103,796.73
05/29/2024	Payroll	Pay Period: 05/01/2024-05/31/2024	Direct Deposit Payable	-46,271.50	57,525.23
05/29/2024	Payroll	Tax Payment for Period: 05/01/2024-05/31/2024	Payroll Liabilities:Federal Taxes (941/943/944)	-17,693.58	39,831.65
05/30/2024	Jackson Walker	Apr 2024 Board Meeting	Professional Fees:Legal Fees:Board Meeting	-1,500.00	38,331.65
05/30/2024	Jackson Walker	Legislative Matters - Apr 2024	Professional Fees:Legal Fees:Pension Funding Res	-2,307.50	36,024.15
05/30/2024	Jackson Walker	Forms and Participant Communication - Apr 2024	Professional Fees:Legal Fees:Summary Plan Descr,	-1,961.00	34,063.15
05/30/2024	Jani-King of Austin	Jun 2024	Office Expenses:Office Maintenance	-257.00	33,806.15
05/31/2024	Jackson Walker	Apr 2024 Administrative	Professional Fees:Legal Fees:Administrative	-9,000.00	24,806.15
05/31/2024	American Express	May 2024	-Split-	-2,042.83	22,763.32
05/31/2024	Fidelity	SEP Contributions May 2024	Payroll Expenses:SEP Contribution	-14,954.17	7,809.15
Total for Sunflower Bank - Operating				**-$ 41,015.63**	**$ 7,809.15**

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Road Map of Items for Board Meetings

June 2024 Board Meeting

- Disability application review (Applicant #2024-02)
- Pension Administration System (PAS) implementation update
- Funding Soundness Restoration Plan (FSRP) update
- State tax withholding update

July 2024 Board Meeting

- 2023 Actuarial Valuation
- 2023 Financial Audit Report
- 2023 Annual Report
- Pension Review Board Report Submissions
- Depository Bank update

August 2024 Board Meeting

- Meketa 2Q24 Investment Report
- Meketa 2023 Fee Review
- Operating Procedures & Investment Policy Statement (IPS) Review
- Summer Newsletter
- Pension Administration System (PAS) implementation update

September 2024 Board Meeting

- Board Trustee Election update
- Priorities for 2025 Legislative Session

October 2024 Board Meeting

- Priorities for 2025 Legislative Session

November 2024 Board Meeting

- Meketa 3Q24 Investment Report
- Discussion and Consideration of 2025 COLA
- Update on Trustee Election and possible election certification

December 2024 Board Meeting

- End-of-year Budget Report
- 2024 Board Meeting Dates
- Pension Administration System (PAS) implementation update
- ED Evaluation
- Consideration and approval of 2025 Budget