



BOARD OF TRUSTEES MEETING REGULAR MEETING AGENDA

Monday December 15, 2025, 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 2551 459 8046** and **password Dec2025**, or through a telephone conference call, **toll-free dial-in number 408-418-9388** with **access code 3322025**. 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 December 12, 2025**. 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 November 17, 2025
 - b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

To Discuss and Possibly Act On

2. Consider Committee Charters
3. Discussion regarding Benefit Payment Options for Group B Members
4. Consideration of initial application for disability retirement benefits for Applicant #2025-02 (Closed Session)
5. Annual Performance Evaluation of the Executive Director (Closed Session)
6. Consider approval of proposed 2026 Budget
7. Executive Director Report, including the following (Discussion Only)
 - a. General comments



- b. Final internal financial statements, transactions, and Fund expense reports for month ending October 31, 2025
 - c. Draft internal financial statements, transactions, and Fund expense reports for month ending November 30, 2025
- 8. Roadmap for future meetings
- 9. 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 NOVEMBER 17, 2025, 9:00AM**

Board Members Present

Aaron Woolverton, Vice Chair
Belinda Weaver, Treasurer
Ryan Alter, Trustee
John Bass, Trustee (virtual)
Doug Fowler, 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
Chuck Campbell, Jackson Walker
Laurel Malone, Jackson Walker
Leo Festino, Meketa (virtual)
Colin Kowalski, Meketa (virtual)

Community Members Present

Rene Vallejo
Virtual attendees not listed

Vice Chair Woolverton called the meeting to order at 9:02am.

Public Comments:

No public comments.

- I. Consent Agenda for the following:
- a. Minutes of the regular meeting of October 24, 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.

Trustee Alter transitioned from virtual to in-person attendance at 9:06am.

- II. Meketa 3Q25 Investment Performance review, including the following:
- a. 3Q25 Investment Report

Leo Festino provided an explanation of the dynamic and total fund benchmarks currently used by the Fund for the purpose of educating the newest board member, Trustee Alter. He reviewed the Fund's 3Q25 performance, noting that the markets remained slightly ahead and little had changed. He reported that the Fund gained 4.1% for the quarter, which translated to approximately \$50 million in assets appreciation, with a year-to-date return of 10%, indicating strong performance ahead of the 7.3% annual return assumption. Mr. Festino stated that performance had lagged slightly versus the dynamic benchmark and peers but attributed the

lag to a strong rally among large tech names in the public markets; he explained that without overexposure to that specific area, lag was inevitable. Mr. Festino further explained that the Fund's asset allocation did not have a material impact on performance, and most managers had outperformed versus their peers and stated benchmarks. Over a ten-year rolling period, Mr. Festino explained that the Fund exceeded peer performance approximately 71% of the time, which was more meaningful than the shorter one-year metrics that indicated the Fund had exceeded peer performance approximately half of the time. He attributed the variations in peer performance to the Fund's larger allocation to private equity, which contributed to strong outperformance through early 2022, but had driven underperformance versus peers who were more heavily allocated to public equity in recent years. Mr. Festino briefly analyzed the Fund's calendar year returns and cash flows for benefit payments. He explained that most investment models anticipated an absolute loss every 4-5 years, an expectation with which the Fund had aligned, having experienced four years of loss over the past twenty. He reported that the annual benefit payments were approximately \$40 million in 2014 when Meketa was hired and had more than doubled over the ensuing decade to approximately \$100 million. He explained that the positions sold to generate cash flow to cover benefit payments had increased from \$10 million to \$50 million and totaled \$270 million liquidated from the portfolio over the last decade, noting that as the Fund grows and negative cash flows become more prominent, it will become more challenging for the Fund to maintain the same rate of growth as in the past. Mr. Festino encouraged the board to consider engaging in an asset-liability study for Meketa and the Fund's actuary, Cheiron, to produce a deeper analysis of the Fund's assets in relation to the liabilities that will come due in future years. Mr. Festino next reported that the Fund was well within investment policy statement ranges and that there had not been much change to the Fund's asset allocation history, aside from some small adjustments over the past couple years, which included a reduction in private equity and the addition of a target to infrastructure, which had not yet been funded. Trustee Bass provided some additional context for Trustee Alter regarding the impact of reporting and smoothing on the total fund benchmark. He emphasized that it was most useful when comparing long-term performance and should not be used as a basis for short-term decision-making. Mr. Festino detailed the performance of some individual managers, reiterating that most asset classes had done well while private equity had remained flat. Trustee Weaver asked a follow-up question regarding private equity performance, to which Mr. Festino explained that the performance was not unique to the Fund but rather was representative of the broader asset class due to a number of factors, such as inflation, which impacted all investors in the asset class over the past few years. Anumeha Kumar asked a clarifying question regarding the private equity benchmark in relation to the MSCI All Country World Index (ACWI), to which Mr. Festino explained the correlation between performance of the US stock market and the global stock market and noted that there was a significant portion of US stocks in the global equity composite. Ms. Kumar addressed the Fund's private equity investment structure and suggested that the board may want to consider moving away from fund of funds investments from a fee standpoint. Mr. Festino confirmed that it had been an ongoing topic of consideration for many years and agreed that it would be worthwhile to revisit and potentially act upon. No motion necessary.

b. Passive Framework 2.0 Recommendation – Emerging Markets Equity

Colin Kowalski addressed this agenda item following Agenda Item II.f.

Colin Kowalski provided an update on the passive framework that the board had initiated in 2023 when they made the decision to move 10% of the Fund from active into passive strategies. He explained that the first phase of the passive framework was formulaic with \$10

million moved from active managers in their respective existing index funds each month during the years of 2023 and 2024, which saved the Fund approximately \$800 thousand in fees. Mr. Kowalski explained that the second phase of the passive framework had been initiated in 2025 with the goal of moving an additional 10% of the Fund from active into passive strategies to achieve similar savings. He stated that the process for the second phase had been more subjective and included manager terminations to streamline the portfolio and eliminate underperforming active managers in favor of increasing exposure to index funds. Mr. Kowalski reviewed the termination of Westwood Large Cap Value and reallocation into the existing S&P 500 index and the termination of Highclere International Small Cap and reallocation into the new enhanced index strategy of Dimensional International Small Cap had moved a total of approximately \$43 million from active managers into passive options and resulted in approximately \$250 thousand in annual fee savings. He stated that Meketa's next recommendation for the passive framework would be to terminate TT Emerging Markets Equity Fund and redeploy the capital into an MSCI Emerging Markets Index through State Street Investment Management (SSIM). He explained the rationale for the recommendation was primarily one of coverage, since emerging markets was the only form of equity that had not been adjusted during the first phase of the passive framework. Mr. Kowalski explained that the sell-high philosophy also indicated that it would be an advantageous time to exit from TT, which experienced strong returns in 2024 and continued to benefit from a good year for emerging markets in 2025. He further explained that emerging markets was a complex asset class and that moving to a passive option would both streamline the portfolio and add simplicity. He noted that SSIM offered substantial fee savings over TT, which would save the Fund an estimated \$330 thousand annually. Trustee Fowler made a motion to terminate the Fund's investment in TT Emerging Markets Equity Fund and redeploy \$44.2 million into the SSIM MSCI Emerging Markets Index. Trustee Weaver seconded the motion. The motion passed unanimously. Leo Festino emphasized that the decision did not reflect a negative view on the manager but rather reflected a move to a different structure which would simplify the portfolio, lower costs, and achieve similar exposure and long-term performance.

c. Real Estate Recommendation

Leo Festino addressed this agenda item following Agenda Item II.d.

Leo Festino presented a time-sensitive recommendation to the board regarding a new fund vehicle that was in the process of being launched by the Fund's existing real estate manager, Clarion. Mr. Festino explained that the Clarion Lion Property Fund is a core open-ended fund that currently comprises 72% of the Fund's real estate exposure. He further explained that the fund had performed well, but Meketa had been looking for ways to bring the exposure percentage down, closer to the long-term target of 50%. He stated that the Fund was also due to make another real estate investment to bring the 7% allocation closer to the 10% target. Mr. Festino explained that Clarion's new fund vehicle would be an alternative sector fund focused initially on senior housing, storage, and built-to-rent communities. He stated that Meketa viewed it as a compelling opportunity due to the discounted fees that they were able to negotiate for seed investors. He explained that Meketa's negotiated terms would allow the Fund to make an initial commitment by December 31, 2025, which would lock in a rate of 50 basis points in perpetuity, after which the Fund could interview the manager and increase their exposure according to their comfort level within the next two years. Mr. Festino provided additional background information about the manager and the rationale for adopting the strategy. He recommended that the Fund start with an initial investment of \$5-10 million and then submit a later redemption order from the Lion Fund to increase exposure to \$30-40

million, which would maintain the same exposure to the manager while improving diversification, reducing costs, and potentially leading to a more rewarding upside in relation to shifting market dynamics. Trustee Fowler voiced agreement with the strategy but uncertainty regarding the initial investment amount. Trustee Weaver expressed preference for a conservative initial investment of \$5 million prior to the manager interview. Trustee Fowler and Chuck Campbell asked clarifying questions regarding fee terms and paperwork deadlines. Trustee Bass asked if Meketa had considered a public REIT index, to which Mr. Festino explained the reasoning for which Meketa viewed REITs as suboptimal exposure for the Fund. Trustee Bass voiced appreciation for the reduced fee opportunity. Mr. Festino emphasized Meketa's elevated level of due diligence when dealing with new funds, noting that Meketa carefully weighed benefits against potential risks before making recommendations. Trustee Fowler made a motion to invest \$5 million into the Clarion Alternative Sectors Fund. Trustee Weaver seconded the motion. The motion passed unanimously. Mr. Festino stated that he would invite the manager for the Clarion Alternative Sectors Fund to the February meeting for an interview with the board.

Trustee Alter left the meeting at 10:59am. A quorum of three trustees remained on location.

d. Core Infrastructure Manager Search

Leo Festino addressed this agenda item following Agenda Item II.b.

Leo Festino reviewed the educational overview that Meketa had provided to the board at the August meeting regarding the core infrastructure asset class, which the board had added to the Fund's portfolio earlier in the year. He highlighted that core infrastructure included assets that were essential to communities, such as transportation, utilities, and communications, and provided portfolio benefits such as a diversified return stream and inflation protection. Mr. Festino presented three manager options to the board, JP Morgan, IFM, and KKR, all of which Meketa supported and had clients invested in due to their experience with infrastructure and consistent strong performance over time. Mr. Festino informed the board that all three managers were perpetual funds invested in mature infrastructure assets with established cash flows, as opposed to new developments, which reduced risk associated with the asset class. He added that they were all invested primarily in developed economies, with JP Morgan and IFM having approximately 40-50% invested in the US and KKR having a stronger European presence. Mr. Festino explained that JP Morgan and IFM were larger and more established funds of approximately \$50-60 billion, with JP Morgan having a stronger concentration in utilities and IFM having a stronger concentration in toll roads, and both with a queue of a couple of quarters for investors to enter or exit. Mr. Festino explained that KKR was a newer fund of approximately \$12 billion with a concentration in digital infrastructure and no queue for investors to enter or exit. He added that a benefit to KKR's smaller size is that they could change direction more easily. All three funds, he continued, charged similar fees and had similar expected returns and cash yields. Mr. Festino asked the board if they would like to invite any of the three managers for an interview or if they felt comfortable deciding based on the information presented. Trustee Fowler inferred that IFM was the top recommendation, to which Mr. Festino clarified that IFM was a solid choice based on tenure, but Meketa viewed all three managers as highly qualified with different advantages, such as the ability of KKR to change direction more easily. He offered to invite one of Meketa's infrastructure subject matter experts to provide additional information to the board. Vice Chair Woolverton expressed his preference for IFM due to being larger and more established. Trustee Bass also voiced preference for IFM due to less regulatory risk but supported the option to postpone the

decision until the board conducted an interview or spoke to Meketa's infrastructure specialist. He asked if delaying the decision would have any impact on the queue or fee structure, to which Mr. Festino confirmed that the fees would remain the same, but the queue would change quarterly. Trustee Fowler made a motion to invite IFM to present at the February board meeting as a core infrastructure manager. Trustee Weaver seconded the motion and requested that Meketa's infrastructure specialist attend the interview. The motion passed unanimously.

e. Annual Investment Manager Fee Review

Colin Kowalski addressed this agenda item following Agenda Item II.c.

Colin Kowalski provided a brief administrative overview of the Fund's public market managers and their fees for the purpose of ensuring that the Fund continued to receive the best fees for their managers each year. He presented a table which listed the public market managers, their current market value, their asset class, and estimated annual fee, along with a peer ranking percentile in comparison to manager peer groups. Mr. Kowalski explained that most of the manager fees were competitively priced and better than the median. He highlighted two managers that did have steeper fees than peers but justified that both managers had outperformed during the year, noting that Westfield in particular had a performance-based fee structure, which accounted for the higher fees in relation to the outperformance. Mr. Kowalski stated that Meketa was satisfied with the positioning of the active managers. He also reviewed the Fund's movement toward index options over the past two years, reporting approximately \$1.1 million in fee savings from the reallocation of money from active to passive options. He stated that the index options were inexpensive and their performance had remained on par with active alternatives.

Trustee Fowler asked Ms. Kumar and the board a question to clarify the new processes associated with the establishment of an investment committee in 2026, to which Ms. Kumar explained that the board could potentially solicit feedback from new trustees in advance of the January meeting in order to make committee designations in January. However, she continued, the process could take longer, in which case the upcoming investment discussions and manager interviews would take place with the full board in February. Leo Festino stated that Meketa could accommodate either meeting structure in February, since the investment committee meetings would take place in tandem with board meetings. No motion necessary.

Trustee Bass left the meeting at 11:06am. A quorum of three trustees remained on location.

f. Annual Private Equity Performance Benchmarking

Colin Kowalski addressed this agenda item following Agenda Item II.a.

Colin Kowalski explained Meketa's annual benchmarking process, which involved comparing long-term returns of individual private equity managers to their peers to ensure that they aligned with expectations. The results of the benchmarking, he continued, indicated some underperformance over the recent one- and three-year periods, alignment with peer benchmarks and the public market equivalent over five- and ten-year periods, and good outperformance over the long-term. Mr. Kowalski explained that Meketa also examined the amount committed to individual partnerships and compared the internal rate of return (IRR) to peer. He described private equity as a slow-moving machine and stated that the peer rankings remained similar to previous years with many managers performing in the top quartile and

most above median. Mr. Kowalski informed the board that over the life of the private equity program, \$264.6 million had been paid in and the investment appreciation had been \$240 million, resulting in a 1.9x ratio of total value paid in (TVPI), indicating strong value creation on a total composite level. Leo Festino added that the Fund had only experienced a minor loss on their smallest and earliest investment and that the largest investments were performing the best. He stated that the private equity program had been an overall benefit for the Fund despite the flat to slightly negative performance over the last three years. No motion necessary.

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

a. General comments

Anumeha Kumar provided an update on parallel processing, in which staff had been testing the new Pension Gold IV pension administration system (PAS) software against Pension Gold I. She explained that staff had been testing every single integral piece of work in the new software and then mirrored the work in the original software to check the integrity. She announced that so far, parallel processing for November payroll and DROP distributions had been successful, and that staff would repeat the process again in December prior to the official go-live of the software in January. Ms. Kumar also reported that the software vendor, LRS, had been on-site for four days to kick off the parallel processing period and to assist the staff with working through the initial minor kinks of the process. She reported that staff had successfully tested the payroll process with State Street in preparation for the transition from working with State Street's retiree services team to the treasury team for in-house payroll processing. Ms. Kumar clarified that State Street would continue to serve as the custodian bank to distribute monthly annuity payments, but staff would take over the role of completing all payroll preparations. She explained that staff would also issue checks in specific cases, such as DROP rollovers, and that they would work with State Street to configure the Fund's newly acquired check printer for that purpose. Ms. Kumar explained that following the in-house payroll transition, retirees would no longer receive monthly ACH advices in the mail from State Street. She noted that those advices would be available through the online member portal, accessible around May, but retirees could request a copy from staff in the meantime when necessary. Ms. Kumar emphasized that despite no longer receiving ACH advices by mail, retirees would always receive their payments in their accounts on time and without errors. She noted that the change had already been communicated through the newsletter, but staff would continue to actively communicate through the website and with the aid of the retiree association to avoid catching any members off-guard. Ms. Kumar explained that the change would be part of a larger movement away from paper toward the sole use of electronic forms. She described that electronic forms would serve as the basis for new business processes and would initiate workflows for staff to follow within the new PAS software. Ms. Kumar reiterated that staff would remain very busy through early 2026 with the launch of the new software and the development of those electronic forms and workflows. She added that they would also be short-staffed for a few months with one staff member out on maternity leave.

Ms. Kumar explained that the changes associated with implementing the pension reform, including the board governance changes, would also provide an opportunity for the Fund to engage in some long-overdue policy reviews starting in 2026. The board would soon be establishing committee structures, she continued, and through those committees would be able to update policies such as the governance policy and disability policy, and establish new Fund rules related to benefit options for Group B. Ms. Kumar stated that Cheiron would attend

the December meeting to present some options for initial consideration to offer actuarially cost-neutral beneficiary designations to Group B.

b. 2026 Budgetary planning

Anumeha Kumar transitioned from the PAS software and pension reform changes update to the associated costs that the Fund could expect to incur in 2026. She explained that the costs would come from additional work with Jackson Walker and Cheiron to develop policies, rules, and new forms associated with the pension reform changes, and work with LRS to implement those changes into the new software. Ms. Kumar noted that the board had already seen a portion of the pension reform expenses for LRS but explained that the Fund was still negotiating costs for the remaining work. She added that the warranty period for the new software was set to begin in January and run through the end of 2026, but since the pension reform updates were still in progress, she hoped to negotiate an extension of the warranty period into 2027.

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

Anumeha Kumar explained that the financial statements had been provided in draft form because the books for October had not closed as of the meeting date. She stated that the final October financial statements and the draft November financial statements would be presented in December, followed by the final November and December statements in January. The trustees had no questions regarding the draft October financial statements.

IV. Roadmap for future meetings

The trustees had no questions or requests regarding the roadmap.

V. Call for future agenda items

No future agenda items were called for.

Hearing no objections, Vice Chair Woolverton adjourned the meeting at 11:21am.

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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AUSTIN FIREFIGHTERS RETIREMENT FUND INVESTMENT COMMITTEE CHARTER

I. Purpose

Pursuant to the authority granted to the Board of Trustees (the “**Board**”) of the Austin Firefighters Retirement Fund (the “**Fund**”) under its governing statute, Article 6243e.1, Vernon’s Texas Civil Statutes (the “**Act**”), and the Board’s Governance Policy, the Board has established an investment committee (the “**Investment Committee**”) to assist the Board in fulfilling its fiduciary responsibility in the investment of Fund assets. The role of the Investment Committee is advisory, and any recommendations it provides shall not be substituted for the required review and approval of investment decisions by the Board.

By adopting this Investment Committee Charter (the “**Charter**”), the Board intends to provide the Investment Committee’s organizational and governance structure and the Board’s expectations of the Investment Committee. The Board will review this Charter periodically and retains full discretion to amend or modify this Charter, from time to time, as it deems necessary and/or appropriate.

II. Investment Committee Responsibilities

- (a) Make recommendations to the Board for final action regarding:
 - 1. Investment strategy and governance framework, including the approach to asset allocation considering the risk and return objectives of the Fund;
 - 2. Investment policies, processes, and guidelines of the Fund regarding investment strategy, asset allocation, investment implementation, benchmarking, and other investment issues, including, without limitation, the Statement of Investment Policies and Objectives and the Investment Operating Procedures (the “**Investment Policies**”);
 - 3. Service providers for professional services for investment consulting, investment management, and custodial banking; and
 - 4. Investments in investment funds or other vehicles as recommended by the Fund’s investment consultant (the “**Investment Consultant**”).
- (b) Receive reports from and collaborate with the Investment Consultant regarding the investment strategy of the Fund and investment recommendations.
- (c) Monitor the management of the investment portfolio for meeting performance objectives over time and for compliance with the Investment Policies.
- (d) Assess regularly the effectiveness of investment strategy, governance, asset allocation, risk budgeting, and other long-term criteria as well as the allocation of investment resources.
- (e) Monitor the performance of the Investment Consultant, investment managers, custodians, and other key relationships relative to contractual obligations and other criteria as appropriate.

III. Composition

- (a) The Investment Committee will consist of three (3) Trustees appointed annually by the Board Chairman (each, an “***Investment Committee Member***”). Each Investment Committee Member will serve for a one-year term.
- (b) In making an appointment of an Investment Committee Member, the Board Chairman may consider each individual Trustee’s experience or expertise in investment-related matters and the individual Trustee’s ability, interest, and willingness to serve on the Investment Committee.
- (c) The Investment Committee Members will elect one Investment Committee Member to be the Chair of the Investment Committee (the “***Committee Chair***”) for a one-year term. The Committee Chair shall serve as the presiding officer of the Investment Committee.

IV. Meetings

- (a) A quorum of the Investment Committee consists of two Investment Committee Members, and the attendance of a quorum is required to hold a meeting. Any action of the Investment Committee requires two votes.
- (b) The Committee Chair (or designee) will preside over all Investment Committee meetings. The Investment Committee will meet quarterly with authority to convene additional meetings as circumstances require.
- (c) All Investment Committee Members are expected to attend and prepare for each meeting. Any member of the Board may attend an Investment Committee meeting, provided that if a quorum of the Board may be present, the meeting will be posted and conducted as a Board meeting in accordance with the Texas Open Meetings Act. The Investment Committee may invite investment managers, professional advisors, and others to attend meetings and provide pertinent information as necessary.
- (d) The Executive Director of the Fund, in consultation with the Committee Chair, will determine the agenda items for a committee meeting. Meeting agendas will be prepared and provided in advance to Investment Committee Members, along with appropriate briefing materials.

ADOPTED by the Board of Trustees at its meeting of [December 15, 2025]

AUSTIN FIREFIGHTERS RETIREMENT FUND

BENEFITS COMMITTEE CHARTER

I. Purpose

Pursuant to the authority granted to the Board of Trustees (the “**Board**”) of the Austin Firefighters Retirement Fund (the “**Fund**”) under its governing statute, Article 6243e.1, Vernon’s Texas Civil Statutes (the “**Act**”), and the Board’s Governance Policy, the Board has established a benefits committee (the “**Benefits Committee**”) to assist the Board in addressing benefit-related issues. The role of the Benefits Committee is advisory, and any recommendations it provides shall not be substituted for the required review and approval of benefits decisions by the Board.

By adopting this Benefits Committee Charter (the “**Charter**”), the Board intends to provide the Benefits Committee’s organizational and governance structure and the Board’s expectations of the Benefits Committee. The Board will review this Charter periodically and retains full discretion to amend or modify this Charter, from time to time, as it deems necessary and/or appropriate.

II. Benefits Committee Responsibilities

- (a) Make recommendations to the Board for final action regarding:
 - 1. Determination regarding any benefit claims or issues, including without limitation, initial and continuing disability retirement benefits applications;
 - 2. Determination of the appeal of any benefit determinations previously made by the Fund; and
 - 3. Disability benefit policies or procedures, including any required or appropriate changes.
- (b) Review and address all claims for benefits and benefit-related interpretations and determinations presented by the Executive Director that will require Board action.
- (c) Review and monitor administration of the disability retirement program and its effectiveness.
- (d) Review all initial disability retirement benefits applications and perform continuing review of the status of disability retirees to determine continued eligibility for benefits, including review of all accompanying documentation and reports provided by the medical board of the Fund.
- (e) Review the appeal of any benefit determination previously made by the Fund in accordance with the Fund’s claims procedures.

III. Composition

- (a) The Benefits Committee will consist of three (3) Trustees appointed annually by the Board Chairman (each, an “**Benefits Committee Member**”). Each Benefits Committee Member will serve for a one-year term.
- (b) In making an appointment of a Benefits Committee Member, the Board Chairman may consider each individual Trustee’s experience or expertise in benefit-related

matters and the individual Trustee's ability, interest, and willingness to serve on the Benefits Committee.

- (c) The Benefits Committee Members will elect one Benefits Committee Member to be the Chair of the Benefits Committee (the “**Committee Chair**”) for a one-year term. The Committee Chair shall serve as the presiding officer of the Benefits Committee.

IV. Meetings

- (a) A quorum of the Benefits Committee consists of two Benefits Committee Members, and the attendance of a quorum is required to hold a meeting. Any action of the Benefits Committee requires two votes.
- (b) The Committee Chair (or designee) will preside over all Benefits Committee meetings. The Benefits Committee will meet as circumstances require.
- (c) All Benefits Committee Members are expected to attend and prepare for each meeting. Any member of the Board may attend a Benefits Committee meeting, provided that if a quorum of the Board may be present, the meeting will be posted and conducted as a Board meeting in accordance with the Texas Open Meetings Act. The Benefits Committee may invite professional advisors and others to attend meetings and provide pertinent information as necessary.
- (d) The Executive Director of the Fund, in consultation with the Committee Chair, will determine the agenda items for a committee meeting. Meeting agendas will be prepared and provided in advance to Benefits Committee Members, along with appropriate briefing materials.

V. Confidentiality and Privacy

- (a) Pursuant to the Texas Public Information Act, all information in the custody of the Benefits Committee concerning a member of the Fund (a “**Member**”) is confidential and may not be disclosed in a form that identifies the Member. Any information or records related to a Member that are obtained by or held in the custody of the Benefits Committee, including, without limitation, an application for disability retirement benefits and accompanying documentation will be treated as confidential and will not be disclosed by the Benefits Committee to anyone other than the Executive Director, unless required by law.
- (b) The Benefits Committee shall comply with all federal rules and regulations concerning the privacy and security of “protected health information” under the Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”) and any applicable state laws, rules or regulations regarding the protection of confidential health information.

ADOPTED by the Board of Trustees at its meeting of [December 15, 2025]

AUSTIN FIREFIGHTERS RETIREMENT FUND

POLICY COMMITTEE CHARTER

I. Purpose

Pursuant to the authority granted to the Board of Trustees (the “**Board**”) of the Austin Firefighters Retirement Fund (the “**Fund**”) under its governing statute, Article 6243e.1, Vernon’s Texas Civil Statutes (the “**Act**”), and the Board’s Governance Policy, the Board has established a policy committee (the “**Policy Committee**”) to consider the general policies of the Fund, recommend new or amended policies for Board adoption, and address key policy issues including actuarial and legislative matters. The role of the Policy Committee is advisory, and any recommendations it provides shall not be substituted for the required review and approval of policy decisions by the Board.

By adopting this Policy Committee Charter (the “**Charter**”), the Board intends to provide the Policy Committee’s organizational and governance structure and the Board’s expectations of the Policy Committee. The Board will review this Charter periodically and retains full discretion to amend or modify this Charter, from time to time, as it deems necessary and/or appropriate.

II. Policy Committee Responsibilities

- (a) Make recommendations to the Board for final action regarding:
 - 1. Adoption of new policies or amendment of existing policies of the Fund;
 - 2. Actuarial-related matters, including, without limitation, adopting or changing actuarial assumptions or methods and determining the availability of cost-of-living adjustments (“**COLAs**”) and, if available, the amount of such COLAs; and
 - 3. Legislative matters.
- (b) Review feedback received from the Board and Executive Director regarding changes to Fund policies, including actuarial and legislative matters.
- (c) Review policies of the Fund periodically as recommended by the Executive Director to ensure compliance, effectiveness and consistency.
- (d) Engage with legal counsel of the Fund and other professional advisors as necessary in review of policies and policy-related matters.
- (e) Engage with the Fund’s actuary on actuarial matters, including its annual report, experience studies, actuarial assumptions and COLA determinations.
- (f) Engage with the Fund’s Executive Director and legislative consultant on any legislative matters.

Notwithstanding the above, the Policy Committee will not be responsible for (1) investment-related policies, which will be the responsibility of the Investment Committee or (2) policies related to disability retirement benefits, which will be the responsibility of the Benefits Committee.

III. Composition

- (a) The Policy Committee will consist of three (3) Trustees appointed annually by the Board Chairman (each, an “***Policy Committee Member***”). Each Policy Committee Member will serve for a one-year term.
- (b) In making an appointment of a Policy Committee Member, the Board Chairman may consider each individual Trustee’s experience or expertise and the individual Trustee’s ability, interest, and willingness to serve on the Policy Committee.
- (c) The Policy Committee Members will elect one Policy Committee Member to be the Chair of the Policy Committee (the “***Committee Chair***”) for a one-year term. The Committee Chair shall serve as the presiding officer of the Policy Committee.

IV. Meetings

- (a) A quorum of the Policy Committee consists of two Policy Committee Members, and the attendance of a quorum is required to hold a meeting. Any action of the Policy Committee requires two votes.
- (b) The Committee Chair (or designee) will preside over all Policy Committee meetings. The Policy Committee will meet as circumstances require.
- (c) All Policy Committee Members are expected to attend and prepare for each meeting. Any member of the Board may attend a Policy Committee meeting, provided that if a quorum of the Board may be present, the meeting will be posted and conducted as a Board meeting in accordance with the Texas Open Meetings Act. The Policy Committee may invite professional advisors and others to attend meetings and provide pertinent information as necessary.
- (d) The Executive Director of the Fund, in consultation with the Committee Chair, will determine the agenda items for a committee meeting. Meeting agendas will be prepared and provided in advance to Policy Committee Members, along with appropriate briefing materials.

ADOPTED by the Board of Trustees at its meeting of [December 15, 2025]

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Austin Firefighters Retirement Fund

Board of Trustees Meeting

Heath Merlak, FSA, FCA, EA, MAAA
Coralie Taylor, FSA, EA, MAAA

December 15, 2025



About Today's Material



Goal:

Determine retirement payment options for Group B participants and select assumptions for actuarial equivalence that produce cost-neutral options to the Fund and provide consistent value across all Member choices.



Payment Forms

Pension plans offer multiple payment forms at retirement

Participants choose the option that best fits their personal and financial situation

Actuarial factors keep all options equal in present value

Example: A 50% Joint and Survivor annuity pays over two lifetimes, so monthly benefits are lower than a single life annuity

Payment Form Options – Background

Common payment forms include:

Single Life Annuity (SLA)

- Benefit is only paid over the participant's lifetime
- This is the *normal* payment form for Group B

Certain and Life Annuity (C&L)

- Benefit is only paid over the participant's lifetime, guaranteed for a certain number of years (e.g., 5 or 10 years)

Payment Form Options – Background

Joint and Survivor Annuity (J&S)

- Benefit is paid over the lifetimes of both the participant and beneficiary
- Benefit can stay the same or decrease upon the death of the participant

Joint and Survivor Annuity with Pop-up Feature

- Same as regular Joint and Survivor Annuity Benefit described above, but if the beneficiary dies prior to the participant, the benefit pops up to the original Single Life Annuity benefit value

Payment Form Options – Background

Sample Illustration to Demonstrate Payment Forms

Payment Form	Benefit Payable At Retirement	Benefit Payable While Only Beneficiary Alive	Benefit Payable While Only Participant Alive
Single Life Annuity	\$5,000	N/A	N/A
10-year Certain and Life	\$4,950	N/A	N/A
50% Joint and Survivor	\$4,850	\$2,425	\$4,850
50% Joint and Survivor with Pop up	\$4,800	\$2,400	\$5,000
75% Joint and Survivor	\$4,700	\$3,525	\$4,700
75% Joint and Survivor with Pop up	\$4,650	\$3,485	\$5,000

Payment Form Options – Group B

Group B Payment Forms For Discussion

Consider options similar to Group A:

- 1) Single life annuity (normal form)
- 2) 10-Year Certain and Life
- 3) 75% Joint and Survivor

Payment Form Options – Group B

Group B Payment Forms For Discussion

Because Group B benefits are reduced for payment forms other than a single-life annuity, consider alternative payment options from those available to Group A.

1) 50% Joint and Survivor

- Provides a higher benefit while participant is alive than the 75% Joint and Survivor
- Provides benefit protection for the beneficiary

2) 50% and 75% Pop Up Joint and Survivor

- Similar to the regular Joint and Survivor options, this provides benefit protection for the beneficiary and includes a pop-up feature that increases the benefit to the SLA amount if the beneficiary predeceases the participant



Actuarial Equivalence

- Actuarial equivalence factors are developed to apply to the normal payment form (single life annuity for Group B) to provide actuarial equivalent payment forms
 - Allows members to choose alternate payment forms that are designed to be cost-neutral to the Fund and provide the same actuarial value to members
- Actuarial equivalence is based on the following inputs:
 - Mortality (expected lifetimes)
 - Interest rate
 - Cost of Living Assumptions
 - Ages of participant and beneficiary

Actuarial Equivalence – Mortality

Customary basis for mortality assumption:

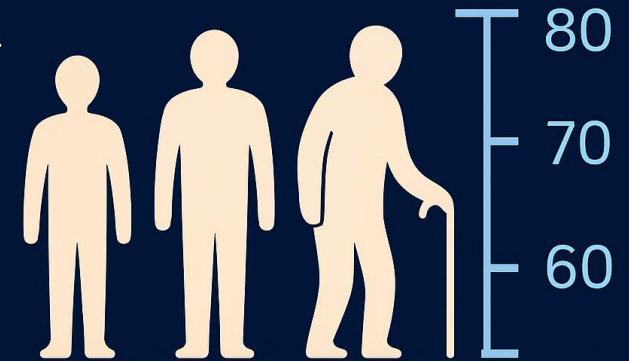
- Use standard, national based mortality tables
- Include projected mortality improvements
- Do **not** use generational tables due to annual update requirements
- Apply unisex tables reflecting workforce population

Reasonable bases for AFRF include:

- PubS(A)-2010 mortality table with MP-21 projection scale to 2026
 - Basis for **current** mortality assumption
- PubS(A)-2016 mortality table with MP-21 projection scale to 2026
 - **Most recent** national table released in 2025
- Tables would be weighted 93% male / 7% female (based on current active population)

Mortality Assumptions

Based on national tables with improvements.



Interest Rate

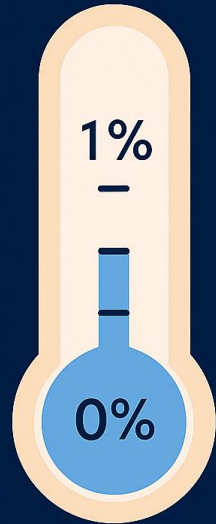
Align with Fund's
expected return:



- Customary basis for interest rate:
 - Align with the Fund's expected return
 - May vary by optional payment forms offered
- Reasonable basis for AFRF is to use the current expected return assumption for the Fund, **7.30%**

COLA

AFRF assumption:



- Customary basis for COLA:
 - Will vary depending on COLA levels, likelihood of COLAs, and other factors
- Reasonable basis for Group B is 0.00% to 2.00%

Actuarial Equivalence – Group B

Assumption	Recommendation	Rationale
Interest Rate	7.30%	Current assumption for the Fund
Mortality	PubS(A) – 2010, projected with improvement scale MP-2021 to 2026	Base mortality table and projection scale are the current assumption for the Fund. Project mortality improvements to approximately the middle point between prior and next experience study.*
Mortality Male/Female(M/F) Weighting	93% M / 7% F for participants 93% F / 7% M for beneficiaries	Based on current active population male/female mix
COLA	1.00%	Current assumption for the Fund

* Results in static mortality table so avoid annual updates to administration software.

We recommend reviewing Actuarial Equivalence in conjunction with the Actuarial Experience Studies performed every **five years** and updating as appropriate.

- Ensures that assumptions remain up-to-date
- Provides the best estimate of alternative payment options that offer equal value to participants while remaining cost-neutral to the Fund



Sample Illustration

Sample Illustration

Participant age 60 with beneficiary age 55

Payment Form	Benefit Payable At Retirement	Benefit Payable While Only Beneficiary Alive	Benefit Payable While Only Participant Alive
Single Life Annuity	\$5,000	N/A	N/A
10-year Certain and Life	\$4,928	N/A	N/A
50% Joint and Survivor	\$4,666	\$2,333	\$4,666
50% Joint and Survivor with Pop up	\$4,646	\$2,323	\$5,000
75% Joint and Survivor	\$4,515	\$3,386	\$4,515
75% Joint and Survivor with Pop up	\$4,487	\$3,365	\$5,000



Group A

- We recommend using the same assumptions for Group B's actuarial equivalence with **one adjustment** – use 0.25% for the COLA assumption, which aligns with the current valuation assumption.
- We also recommend reviewing the Actuarial Equivalence in conjunction with the Actuarial Experience Studies performed every **five years** and updating as appropriate.

Actuarial Equivalence – Group A

Assumption	Current	Recommendation
Interest Rate	8.00%	7.30%
Mortality	1994 Group Annuity Mortality Table	PubS(A) – 2010, projected with improvement scale MP-2021 to 2026
Mortality Male/Female(M/F) Weighting	97% M / 3% F for participants 97% F / 3% M for beneficiaries	93% M / 7% F for participants 93% F / 7% M for beneficiaries
COLA	1.00%	0.25%

Required Disclosures

The purpose of this report is to help the Austin Firefighters Retirement Fund identify alternative payment form options for Group B participants and select actuarial assumptions that ensure these options are actuarially equivalent to the normal payment form, the single-life annuity.

In preparing this presentation, we relied on information, some oral and some written, supplied by the Austin Firefighters Retirement Fund. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices, and our understanding of the Code of Professional Conduct, and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board, as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This presentation was prepared exclusively for the Austin Firefighters Retirement Fund for the purpose described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Heath Merlak, FSA, FCA, EA, MAAA
Principal Consulting Actuary

Coralie Taylor, FSA, EA, MAAA
Consulting Actuary



Classic Values, Innovative Advice

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CONFIDENTIAL INFORMATION

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Austin Firefighters Retirement Fund - Proposed Operating Budget
Adoption of the AFRF Budget will have no Direct Impact on Property Tax Rates
Fiscal Year 2026

	2026 Requested Budget	2025 Approved Budget/Expended	Value Change	Percent Change
Administrative Expenses				
Salaries and Benefits				
Salary w 10% SEP Change -Executive Director	291,500.00	265,000.00	26,500.00	10.00%
Staff Salary w 10% SEP Change	550,540.00	511,500.00	39,040.00	7.63%
SEP Contribution w 10% Reduction	126,310.00	186,000.00	(59,690.00)	-32.09%
Salary - Staff (w/o ED position) Retention/Merit				
Health Insurance - Staff	139,100.00	127,310.00	11,790.00	9.26%
Payroll Taxes	67,365.00	60,120.00	7,245.00	12.05%
Health Insurance - Retired Staff	6,000.00	6,000.00	-	0.00%
Subtotal	1,180,815.00	1,155,930.00	24,885.00	2.15%
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	45,300.00	42,800.00	2,500.00	5.84%
Travel	46,000.00	23,500.00	22,500.00	95.74%
Operational Cost	28,900.00	24,500.00	4,400.00	17.96%
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	4,542,295.72	5,168,046.00	(625,750.28)	-12.11%

Austin Firefighters Retirement Fund
2026 Proposed Budget

		Total		
		2026 Budget	2025 Budget/Exp	% Change
Ordinary Income/Expense				
Income				
City of Austin Contrib (25.26%)	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 Executive Director w 10% SEP Change	291,500.00		265,000.00	10.00%
Salary Staff w 10% SEP Change	550,540.00		511,500.00	7.63%
SEP Contribution w 10% Reduction	126,310.00		186,000.00	-32.09%
Salary - Staff (w/o ED position) Retention/Merit				
Health Insurance - Staff	139,100.00		127,310.00	9.26%
Payroll Taxes	67,365.00		60,120.00	12.05%
Health Insurance - Retiree Staff	6,000.00		6,000.00	0.00%
Total Payroll Expenses	1,180,815.00		1,155,930.00	2.15%
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%

Austin Firefighters Retirement Fund
2026 Proposed Budget

	Total		
	2026 Budget	2025 Budget/Exp	% Change
Office Maintenance	3,600.00	3,600.00	0.00%
Office Supplies (Office supplies expense)	2,500.00	2,500.00	0.00%
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	31,500.00	29,600.00	6.42%
Commercial	2,000.00	2,000.00	0.00%
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	45,300.00	42,800.00	5.84%
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	4,400.00	4,200.00	4.76%
Operational Cost - Other	10,400.00	6,300.00	65.08%
Total Operational Cost	28,900.00	24,500.00	17.96%
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%

Austin Firefighters Retirement Fund
2026 Proposed Budget

Total			
	2026 Budget	2025 Budget/Exp	% Change
Pension Funding Research	0.00	189,360.00	-100.00%
Total Actuarial Fees	57,400.00	245,660.00	-76.63%
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 and	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	4,542,295.72	5,168,046.00	-12.11%
Monthly Pension Retiree Payroll			
Retirees Monthly 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 Monthly 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	115,706,295.72	104,244,246.00	11.00%

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December 8, 2025

Dear Members,

This letter is to notify you that State Street will **no longer issue monthly ACH advice letters** beginning in **January 2026** when Austin Firefighters Retirement Fund transitions to in-house payroll processing. Please be assured that your monthly payments will continue to be distributed as scheduled according to your chosen payment method. As a reminder, payments are issued on the 25th day of each month, or earlier when the 25th day falls on a weekend or holiday. If you typically receive your deposit at a later date, the delay is due to the internal processing schedule of your individual bank—this will also remain unchanged.

Austin Firefighters Retirement Fund is currently developing an online member portal. This portal is estimated to become available to retired members in May 2026. Other payees will be invited to enroll by the end of the year. This portal will provide digital access to monthly payment confirmations as well as other personalized account information. You will receive further information regarding enrollment when the launch date approaches next year.

If you have any concerns regarding your monthly pension payments, please contact the Austin Firefighters Retirement Fund office using the contact information below.

Thank you,

Anumeha Kumar
Executive Director

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Austin Firefighters Retirement Fund
Operating Budget
Fiscal Year 2025

	Approved Budget	Jan - Oct Expensed	Remaining Budget	Percent Expended
Administrative Expenses				
Salaries and Benefits				
Salary - Executive Director	244,800.00	220,833.30	23,966.70	90.21%
Salary - Staff	511,500.00	432,166.70	79,333.30	84.49%
Health Insurance	127,310.00	104,824.40	22,485.60	82.34%
Health Insurance - Retired Staff	6,000.00	1,141.20	4,858.80	19.02%
Payroll Taxes	58,504.00	47,231.33	11,272.67	80.73%
SEP Contribution	182,825.00	155,000.00	27,825.00	84.78%
Subtotal	1,130,939.00	961,196.93	169,742.07	84.99%
SS Retiree Payroll Process Fees	34,000.00	24,961.28	9,038.72	73.42%
Building	22,943.00	6,973.14	15,969.86	30.39%
Utilities	6,775.00	5,272.49	1,502.51	77.82%
Office Expenses	18,950.00	8,302.79	10,647.21	43.81%
Computer and Software	34,300.00	20,613.16	13,686.84	60.10%
Insurance	42,800.00	-	42,800.00	0.00%
Travel	23,500.00	4,562.45	18,937.55	19.41%
Operational Cost	24,500.00	19,712.67	4,787.33	80.46%
Investment Expenses				
Financial Consulting Fee	229,650.00	190,054.84	39,595.16	82.76%
Investment Management Fees	1,800,000.00	1,404,260.60	395,739.40	78.01%
Bank Custodian Services	117,000.00	91,952.73	25,047.27	78.59%
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	108,000.00	24,000.00	81.82%
Board Meeting	18,000.00	15,000.00	3,000.00	83.33%
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	62,112.00	9,888.00	86.27%
Medical Disability Review	3,000.00	1,935.00	1,065.00	64.50%
Pension Software	741,445.00	476,756.51	264,688.49	64.30%
Total Expenses	\$ 5,143,055.00	\$ 3,911,022.59	\$ 1,232,032.41	76.04%

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

Additions

Contributions

City of Austin Contribution (22.05%)	22,700,746.25
Fire Fighter Contribution (18.7%)	19,249,119.10
Interest -Bank	323,094.66
Commission Recapture	12,089.21
Class Action Proceeds	625.00
Securities Litigation Recovery	960.07

Total Contributions	\$ 42,286,634.29
----------------------------	-------------------------

Deductions

Pension Retiree Payroll Expenses

Retirees Monthly Annuity	48,205,624.04
Medical Ins.	2,629,068.74
Dental Ins	400,994.68
Vision Ins.	41,080.48
Retiree W/H Tax Payable	6,672,554.23
Benevolent Fund	54,960.00
Union Dues	23,967.95
Misc.	16,499.40
PAC Dues	7,428.00

Total Retiree Payroll Expenses	\$ 58,052,177.52
---------------------------------------	-------------------------

Pension Lump Sum Expenses

Contribution Refunds	312,397.97
DROP Distributions	29,293,229.08

of Requested DROP Distributions: 169

Total Pension Lump Sum Expenses	\$ 29,605,627.05
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Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through October 2025

	Total		
	Jan - Oct	Budget	% of Budget
Ordinary Income/Expense			
Income			
City of Austin Contrib (22.05%)	22,700,746.25	27,242,000.00	83.33%
Commission Recapture	12,089.21	5,000.00	241.78%
Fire Fighter Contrib (18.7%)	19,249,119.10	23,108,000.00	83.30%
Securities Litigation Recovery	960.07		
Other Income			
Class Action Proceeds	625.00	5,000.00	12.50%
Interest - Frost Bank	10,325.56	5,000.00	206.51%
Interest - State Street	299,715.39	300,000.00	99.91%
Securities Lending - State St.	13,053.71	9,000.00	145.04%
Total Income	42,286,634.29	50,674,000.00	83.45%
Operating Expenses			
Administrative Expenses			
Payroll Expenses			
Payroll Expenses - Other	653,000.00	756,300.00	86.34%
Health Insurance - Staff	104,824.40	127,310.00	82.34%
Health Insurance - Retired Staff	1,141.20	6,000.00	19.02%
Taxes	47,231.33	58,504.00	80.73%
SEP Contribution	155,000.00	182,825.00	84.78%
Total Payroll Expenses	961,196.93	1,130,939.00	84.99%
SS Retiree Payroll Process Fees	24,961.28	34,000.00	73.42%
Building Expenses			
Assessment toward 2019 Project	1,996.40	1,883.00	106.02%
Building Maintenance/Improvement	0.00	15,250.00	0.00%
Condo Association Dues	4,976.74	5,810.00	85.66%
Utilities			
Electric	1,553.28	2,250.00	69.03%
HVAC Program	0.00	50.00	0.00%
Internet & Cable & Telephone	3,145.11	3,500.00	89.86%
Water, Waste, Drainage	574.10	975.00	58.88%
Total Utilities	5,272.49	6,775.00	77.82%
Total Building Expenses	12,245.63	29,718.00	41.21%
Office Expenses			
Furniture (FFE)	0.00	2,000.00	0.00%
Meeting Refreshments	642.71	1,600.00	40.17%
Notary Services	142.27	250.00	56.91%
Office Maintenance	2,970.00	3,600.00	82.50%
Office Supplies (Office supplies expense)	763.55	2,500.00	30.54%

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

	Total		
	Jan - Oct	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	8,302.79	18,950.00	43.81%
Computer and Internet Expenses			
Hosting & Other Expenses	658.84	3,000.00	21.96%
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	20,613.16	34,300.00	60.10%
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	3,662.45	16,000.00	22.89%
Registration fees	900.00	7,500.00	12.00%
Total Travel Expense	4,562.45	23,500.00	19.41%
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	3,566.55	6,300.00	56.61%
Total Operational Cost	19,712.67	24,500.00	80.46%
Investment Expenses			
Bank Custodian Services	91,952.73	117,000.00	78.59%
Financial Consulting Fee	190,054.84	229,650.00	82.76%
Investment Management Fees	1,404,260.60	1,800,000.00	78.01%
Total Investment Expenses	1,686,268.17	2,146,650.00	78.55%
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 October 2025

	Total		
	Jan - Oct	Budget	% of Budget
Legal Fees			
Administrative	108,000.00	132,000.00	81.82%
Board Meeting	15,000.00	18,000.00	83.33%
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	372,546.00	570,593.00	65.29%
Legislative Consulting	62,112.00	72,000.00	86.27%
Medical Disability Review	1,935.00	3,000.00	64.50%
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	1,173,159.51	1,657,698.00	70.77%
Total Operating Expenses	3,911,022.59	5,143,055.00	76.04%
Monthly Pension Retiree Payroll			
Retirees Monthly Annuity	48,205,624.04	56,000,000.00	86.08%
Medical Ins.	2,629,068.74	3,700,000.00	71.06%
Dental Ins	400,994.68	466,000.00	86.05%
Vision Ins.	41,080.48	47,000.00	87.41%
Retiree W/H Tax Payable	6,672,554.23	7,750,000.00	86.10%
Benevolent Fund	54,960.00	59,000.00	93.15%
Misc.	16,499.40	20,000.00	82.50%
PAC Dues	7,428.00	9,200.00	80.74%
Union Dues	23,967.95	25,000.00	95.87%
Total Monthly Pension Retiree Payroll	58,052,177.52	68,076,200.00	85.28%
Pension Lump Sum			
Contribution Refunds	312,397.97	1,000,000.00	31.24%
DROP Distributions	29,293,229.08	30,000,000.00	97.64%
Total Pension Lump Sum	29,605,627.05	31,000,000.00	95.50%
Total Expense	91,568,827.16	104,219,255.00	87.86%

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

Assets

Checking/Savings	
Frost Bank - Benefits	226,688.86
Frost Bank - Operating	25,484.35
State Street T009-Cash Agg	5,179,764.08
Total Checking/Savings	<u>5,431,937.29</u>
Investments, at fair value	
Domestic Equities	301,632,719.96
Fixed Income Securities	372,053,303.30
International Equities	308,650,639.61
Real Asset	24,389,529.30
Private Equity	150,934,902.45
Real Estate	89,291,030.12
Total Investments	<u>1,246,952,124.74</u>
Total Assets	<u>\$ 1,252,384,062.03</u>

Liabilities

Current Liabilities	
Payroll Liabilities	5,606.86
Operating Admin Liabilities	56.25
Investment Liabilities	80,640.88
Professional Liabilities	32,144.28
Long Term Liabilities	
DROP (Guaranteed 5%)	165,290,376.76
% of Total Assets	13.20%
Total Liabilities	<u>\$ 165,408,825.03</u>

Austin Firefighters Retirement Fund

Balance Sheet

As of October 31, 2025

	October
ASSETS	
Current Assets	
Checking/Savings	
Frost Bank - Benefits	226,688.86
Frost Bank - Operating	25,484.35
State Street T009-Cash Agg	5,179,764.08
Total Checking/Savings	5,431,937.29
Other Current Assets	
Investments	
DEQ	
SSgA S&P 500 Flagship Fund	161,007,854.90
VAUGHAN NELSON	67,705,137.68
Westfield Capital Management	72,919,727.38
Westwood Capital	0.00
Total DEQ	301,632,719.96
FI	
ABERDEEN	74,815,023.46
Loomis Sayles Core Plus Bond	50,735,444.33
Pacific Asset Management	25,905,402.00
Pyramis Tactical Bond (Fidelity)	29,247,250.68
SSgA Bond Fund	129,384,756.03
SSGA TIPS	61,965,426.80
Total FI	372,053,303.30
IEQ	
Baillie Gifford	32,550,939.92
DFA Emerging Markets	35,534,280.77
DFA International Small Company	36,558,532.85
Highclere	0.00
SSgA MSCI EAFE Fund	155,639,271.87
TT International	48,367,614.20
Total IEQ	308,650,639.61
NR	
Aether Real Assets II	1,397,196.58
Aether Real Assets III	6,862,595.85
Aether Real Assets IV	8,805,316.42
Aether Real Assets V	7,324,420.45
Total NR	24,389,529.30
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	7,597,884.38
Cross Creek Capital Parts III	9,417,914.00
Deutsche Bank SOF III	1,555,610.62
Dover Street X	34,041,511.77
Greenspring Global Partners V	6,956,921.01

Austin Firefighters Retirement Fund

Balance Sheet

As of October 31, 2025

GREENSPRING VI	9,428,139.04
Harbourvest 2013 Direct	2,608,492.03
HarbourVest Coinvestment 4	5,777,684.01
HighVista Flag V	1,356,786.02
HighVista Flag VI	4,278,285.40
LGT C Europe Small Buyouts 3	1,369,928.01
LGT Crown Asia 2	5,879,400.99
LGT Crown Global Secondaries 2	63,402.69
LGT Crown Global VI	20,266,073.97
LGT Global Secondaries III	1,443,092.55
Partners Group EM 2015	5,451,418.73
Partners Group US Dist PE 2009	60,056.98
Private Advisors Co-Inv FundIII	504,632.99
Private Equity Investors V	1,211,153.96
SVB Strategic Investors Fund IX	15,865,503.75
Total PE	150,934,902.45
RE	
Clarion Partners	63,155,007.99
Crow Holdings Realty Partners X	10,927,303.98
Partners Group Distressed '09	0.00
Partners Group RE Second 2011	103,964.32
Partners Group RE Second 2017	11,158,328.32
Portfolio Advisors Fund 5	3,946,425.51
Total RE	89,291,030.12
Total Investments	1,246,952,124.74
Total Other Current Assets	1,246,952,124.74
Total Current Assets	1,252,384,062.03
TOTAL ASSETS	1,252,384,062.03
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	5,606.86
Operating Admin Liabilities	56.25
Investment Liabilities	80,640.88
Professional Liabilities	32,144.28
Total Other Current Liabilities	118,448.27
Total Current Liabilities	118,448.27
Long Term Liabilities	
DROP (Guaranteed 5%)	165,290,376.76
% of Total Assets	13.20%
Total Long Term Liabilities	165,290,376.76
Total Liabilities	165,408,825.03

Austin Firefighters Retirement Fund

General Ledger

October 2025

Date	Name	Memo/Description	Split	Amount	Balance
Frost Bank - Benefits					
Beginning Balance					\$ 209,672.40
10/03/2025	Austin FF Relief & Retirement Transfer to Operating	Frost Bank - Operating		-50,000.00	159,672.40
10/10/2025	City of Austin	City and Member's Contributions	-Split-	1,925,759.67	2,085,432.07
10/14/2025	Austin FF Relief & Retirement Transfer to State Street	State Street T009-Cash Agg		-1,800,000.00	285,432.07
10/14/2025	Austin FF Relief & Retirement Transfer to Operating	Frost Bank - Operating		-50,000.00	235,432.07
10/16/2025	City of Austin	City Reimbursement: Schedule of Pension Amoun	Professional Fees:Accounting:Audit	5,042.00	240,474.07
10/24/2025	City of Austin	City and Member's Contributions	-Split-	1,910,002.12	2,150,476.19
10/27/2025	Austin FF Relief & Retirement Transfer to State Street	State Street T009-Cash Agg		-1,650,000.00	500,476.19
10/27/2025	Austin FF Relief & Retirement Transfer to Operating	Frost Bank - Operating		-275,000.00	225,476.19
10/31/2025	Frost Bank	Interest Oct 2025	Interest:Interest - Frost Bank	1,212.67	226,688.86
Total for Frost Bank - Benefits				\$ 17,016.46	\$ 226,688.86
Frost Bank - Operating					
Beginning Balance					\$ 15,202.55
10/03/2025	Austin FF Relief & Retirement Transfer to Operating	Frost Bank - Benefits		50,000.00	65,202.55
10/03/2025	Xerox	Sep 2025	Operational Cost	-28.00	65,174.55
10/03/2025	Jani-King of Austin	Oct 2025	Office Expenses:Office Maintenance	-297.00	64,877.55
10/03/2025	Schlueter Group	Legislative Consulting	Professional Fees:Legislative Consulting	-4,000.00	60,877.55
10/03/2025	Meketa Investments	Oct 2025	Fees:Financial Consulting Fee	-19,466.28	41,411.27
10/06/2025	Austin FF Relief & Retirement Deposit: Virtu Americas	Commission Recapture		2,269.29	43,680.56
10/07/2025	Austin FF Relief & Retirement Union Reimbursement for Legislative Consulting	Professional Fees:Legislative Consulting		2,000.00	45,680.56
10/09/2025	Austin FF Relief & Retirement L. Adney Reimbursement Payment Oct 2025	Payroll Expenses:Health Insurance - Retired Staff		125.00	45,805.56
10/09/2025	Austin FF Relief & Retirement L. Adney Health Insurance Payment Oct 2025	Payroll Expenses:Health Insurance - Retired Staff		218.90	46,024.46
10/14/2025	Montemayor Britton Bender	Schedule of Pension Amounts Audit	Professional Fees:Accounting:Audit	-5,042.00	40,982.46
10/14/2025	Matthew Turner	Medical Disability Review: Applicant 2025-01	Professional Fees:Medical Disability Review	-1,500.00	39,482.46
10/14/2025	Austin FF Relief & Retirement Transfer to Operating	Frost Bank - Benefits		50,000.00	89,482.46
10/16/2025	City of Austin	Health Insurance Oct 2025	-Split-	-10,720.74	78,761.72

10/16/2025	City of Austin	Health Insurance Retired Staff Oct 2025	Payroll Expenses:Health Insurance - Retired Staff	-449.02	78,312.70
10/16/2025	Loomis Sayles Co.	Q3 2025 Investment Management Fees	Fees:Investment Management Fees	-36,329.13	41,983.57
10/16/2025	Jackson Walker	Administrative Sep 2025	Professional Fees:Legal Fees:Administrative	-11,000.00	30,983.57
10/16/2025	Jackson Walker	Board Meeting Sep 2025	Professional Fees:Legal Fees:Board Meeting	-1,500.00	29,483.57
10/16/2025	TASC (FSA Health Care)	FSA Oct 2025	-Split-	-433.34	29,050.23
10/17/2025	Frost Bank	Bank Service Charges Sep 2025	Operational Cost:Bank Service Charges	-220.77	28,829.46
10/23/2025	Xerox	Oct 2025	Operational Cost	-28.00	28,801.46
10/23/2025	Jackson Walker	Legislative Matters Sep 2025	Professional Fees:Legal Fees:Summary Plan Descr	-1,562.00	27,239.46
10/27/2025	Fidelity	Oct 2025	Payroll Expenses:SEP Contribution	-15,500.00	11,739.46
10/27/2025	Vaughn Nelson	Q3 2025 Investment Management Fees	Fees:Investment Management Fees	-120,230.40	-108,490.94
10/27/2025	Austin FF Relief & Retirement Transfer to Operating		Frost Bank - Benefits	275,000.00	166,509.06
10/27/2025	Westfield Capital Managemen	Q3 2025 Investment Management Fees	Fees:Investment Management Fees	-46,805.82	119,703.24
10/27/2025	Fidelity Institutional Asset Mar	Q3 2025 Investment Management Fees	Fees:Investment Management Fees	-22,959.00	96,744.24
10/28/2025	Parkstone Office Condominiur	Sep 2025	-Split-	-870.17	95,874.07
10/28/2025	Parkstone Office Condominiur	Oct 2025	-Split-	-889.04	94,985.03
10/29/2025	Payroll	PayPeriod: 10/01/2025-10/31/2025	Direct Deposit Payable	-48,612.68	46,372.35
10/30/2025	Stephen Thorne	Medical Disability Review Applicant: 2025-01	Professional Fees:Medical Disability Review	-435.00	45,937.35
10/31/2025	American Express	Oct 2025	-Split-	-4,396.63	41,540.72
10/31/2025	Payroll	Tax Payment for Period: 10/01/2025-10/31/2025	Payroll Liabilities:Federal Taxes (941/943/944)	-16,056.37	25,484.35

Total for Frost Bank - Operating

\$ 10,281.80 \$ 25,484.35

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Road Map of Items for Board Meetings

December 2025 Board Meeting

- Benefit payment options for Group B
- Disability benefit application review
- Consider approval of 2026 Budget
- Committee Charters
- Executive Director Evaluation

January 2026 Board Meeting

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

February 2026 Board Meeting

- Investment 101 training
- Meketa 4Q25 Report Summary, including
 - Infrastructure investment manager presentation
 - Private real estate investment discussion
- Fund Newsletter
- Committee assignment follow-up

June 2026 Board Meeting

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