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**May 24, 2024**

Dear Members,

This communique provides some additional clarification regarding the *Austin Monitor* article published on May 14, 2024, that contained information discussed at the City Council's Audit and Finance Committee meeting held on May 10, 2024. The information shared at the meeting lacked context, was misleading, and only provided the City's perspective without inclusion of any input from the Pension Funding Working Group Trustees or the pension office.

As we have stated in past board meetings and communiqués, **there is no crisis**. The preliminary 2023 Actuarial Valuation results indicate that AFRF's funded ratio remains strong at 85.7%. The Fund has NOT yet triggered the Funding Soundness Restoration Plan (FSRP) requirement. If the requirement is triggered in 2025, the Fund will have until 2027 to develop a plan. However, the AFRF Board took a proactive stance and formed a Pension Funding Working Group in **September of 2023** to explore options for a shared solution with the City of Austin, rather than waiting to trigger the requirement. The Board proposed to the City to jointly develop a Voluntary-FSRP and the Working Group subsequently initiated conversations with both the City and the AFRF membership. Unlike what was stated at the meeting and reported in the article, the increase in the amortization period was not a finding made by the City's actuarial consultant, Athena; the Board was already aware of the increase prior to their report.

Additionally, the plan provision changes discussed in the *Austin Monitor* article pertained to the changes made to City of Austin Employees Retirement System (COAERS) and Austin Police Retirement System (APRS). Please note, there is no legislative proposal that the Board or the Working Group has agreed to for our Fund.

At today's AFRF Board Meeting, it was announced that another virtual member information session will be scheduled for June 13. At the information session, the Working Group will present its draft proposal for a benefit reform package to the membership for consideration. The Working Group will take member feedback into consideration before finalizing a proposal for a Voluntary-FSRP and presenting it to the City for the 2025 legislative session.

As always, AFRF encourages its members and stakeholders to reach out directly to the pension office for the most up-to-date and accurate information regarding the status of the Voluntary-FSRP. The Fund's website ([AFRFund.org](http://AFRFund.org)) also serves as an excellent informational resource.

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Executive Director