

AUSTIN ~~FIRE FIGHTERS RELIEF AND~~FIREFIGHTERS RETIREMENT FUND

**Board of Trustees' Governance Policy**  
*Amended and Restated, Effective ~~January 23~~[●], ~~2023~~2025*

**ARTICLE 1: PURPOSE**

Under Section 2.01 of Article 6243e.1, Vernon's Texas Civil Statutes (the "*Act*"), the Board of Trustees ("*Board*") of the Austin ~~Fire-Fighters Relief and~~Firefighters Retirement Fund (the "*Fund*") is responsible for administering the Fund pursuant to the terms of the Act. The Board must also comply with certain federal and state laws and regulations in exercising its duties to the Fund, including, without limitation, Chapter 802 of the Texas Government Code.

The Board recognizes that a sound governance structure is ~~helpful in its role in administering~~critical to the effective administration of the Fund and has determined that it is prudent and in the best interest of the Fund to set forth a governance policy to best ensure such structure exists. The Board hereby adopts this "Board of Trustees' Governance Policy" (the "*Policy*") (i) to establish the framework within which the Board intends to operate and conduct itself in carrying out its responsibilities and fiduciary duties owed to the Fund, (ii) to clearly define the responsibilities of the Board, Executive Director and Fund staff, and (iii) to provide guidelines for effective communication between Trustees, Fund staff, and any third-parties. This Policy shall be applicable to all Trustees (as defined below). Notwithstanding as otherwise provided herein, the Board retains the authority to take any and all actions it determines are in the best interest of the Fund or necessary for the administration of the Fund.

All references to sections herein shall refer to sections of this Policy, unless otherwise specifically stated. Any capitalized term that is not defined herein shall have the meaning of such term as defined in the Act. To the extent any provision of this Policy is contrary to the Act or other applicable law, such law shall govern.

**ARTICLE 2: BOARD GOVERNANCE**

**§2.1. Composition of Board**

- (a) Board Members. The Board is composed of ~~five~~seven (~~5~~7) members as specified in the Act: ~~the City mayor, the City treasurer (or the person who is responsible for performing the duties of the City treasurer), and three (3) members of the Fund to be selected by vote of the members of the Fund in accordance with the Act and as further designated below~~ (each, a "*Trustee*" and collectively, the "*Trustees*"). ~~The three Trustees elected by the members of the Fund (each, an "Elected Trustee" and collectively, the "Elected Trustees") may be either retired or active members of the Fund.~~
- Place 1. Mayor of the City of Austin or a member of the Austin City Council as designated by the Mayor
  - Place 2. Chief Financial Officer (CFO) of the City of Austin or a person designated by the CFO
  - Place 3. Member of the Fund to be selected at large (either active or retired)

- Place 4. Member of the Fund to be selected at large (either active or retired)
- Place 5. Member of the Fund who is an active firefighter<sup>1</sup>
- Place 6. Member of the Fund who is a retired firefighter<sup>1</sup>
- Place 7. Member of the public selected and appointed by the Austin City Council who satisfies the requirements of Section 2.025 of the Act<sup>2</sup>

Trustees serving in Places 1 and 2 are each referred to as an “Appointed Trustee” (and collectively, the “Appointed Trustees”), and Trustees serving in Places 3, 4, 5 and 6 are each referred to as an “Elected Trustee” (and collectively, the “Elected Trustees”). The Trustee serving in Place 7 is referred to as the “Citizen Trustee”.

(b) Terms and Vacancies

(i) Appointed Trustees.

- (1) Each Appointed Trustee shall serve on the Board for so long as such individual remains in office or employed by the City of Austin in the applicable role, unless such Appointed Trustee designates another individual to serve as a Trustee.
- (2) A designee of an Appointed Trustee shall serve on the Board until the earlier of the date that: (i) such individual is no longer in office or employed by the City of Austin, (ii) the Mayor or CFO (as applicable) who designated such individual is no longer in office or employed by the City of Austin in the applicable role, or (iii) the Mayor or CFO (as applicable) designate another person to serve as a Trustee.

(ii) Elected Trustees.

- (1) ~~(b)~~ The Elected Trustees shall serve staggered terms of ~~three~~four ~~(34)~~ years each, with the term of one ~~(1)~~ Elected Trustee expiring each year. The current terms of the Elected Trustees are as follows:
  - Place 3 – Term Expires December 31, 2026
  - Place 4 – Term Expires December 31, 2027
  - Place 5 – To Be Determined<sup>3</sup>
  - Place 6 – To Be Determined<sup>3</sup>
- (2) Each Elected Trustee shall serve during the term for which he or she is elected and until a successor is elected and has qualified (i.e.,

<sup>1</sup> Pursuant to the authority granted to the Board in Section 2.02(b) of the Act, the Board adopted Rule XIV to specify that at least one of the Elected Trustees must be an active member and one must be a retired member. The Board has designated Place 5 and Place 6 for those positions, respectively.

<sup>2</sup> The Citizen Trustee must (1) be a qualified voter of the City of Austin, (2) be a current resident, and for the prior five years have been a resident, of the City of Austin, and (3) have demonstrated experience in the field of finance or investments. The Citizen Trustee may not be (i) a current or former employee or officer of the City of Austin, (ii) a current or former employee or trustee of the Fund, or (iii) a current or former member or beneficiary of the Fund.

<sup>3</sup> Pursuant to Section 58(c) of HB 2802, two trustees shall be elected during the November 2025 election. The individual who receives the highest number of votes in the November 2025 election (excluding runoffs) shall serve a 4-year term, ending on December 31, 2029, and the individual receiving the second highest number of votes in the November 2025 election (excluding runoffs) shall serve a 3-year term, ending on December 31, 2028.

taken an oath of office to serve as a Trustee), unless a vacancy results because of death, resignation, or removal.

- (3) Removal of an Elected Trustee would occur due to the Trustee no longer ~~being~~satisfying the requirements to be eligible to serve ~~due to not having the status of an active or retired member of the Fund~~(e.g., due to a change in employment status) or by operation of law applicable to members of a governing body of a governmental entity.
- (4) ~~(e)~~ Vacancies of Elected Trustees shall be filled for the remainder of that person's term at an election to be held on a date selected by the Board that must be within sixty (60) days after the date of the event that caused the vacancy.
- (5) In the event that an active member or retired member is not nominated to serve in Place 5 or Place 6, respectively, the Board may re-open the nominations period pursuant to Rule IV and request additional nominations. Alternatively, the Board may suspend the requirement set forth in Rule XIV that such position be filled by an active or retired member (as applicable) and may re-open the nominations period to elect a member at large (either active or retired).

(iii) Citizen Trustee.

- (1) The Citizen Trustee shall serve for a term of four (4) years, with the first term beginning on January 1, 2026.
- (2) The Citizen Trustee shall serve during the term for which he or she is appointed and until a successor is appointed and has qualified (i.e., taken an oath of office to serve as a Trustee), unless a vacancy results because of death, resignation, or removal.
- (3) Removal of the Citizen Trustee would occur due to the Trustee no longer satisfying the requirements to be eligible to serve (as set forth in Section 2.025 of the Act) or by operation of law applicable to members of a governing body of a governmental entity.
- (4) A vacancy in the Citizen Trustee position shall be filled for the remainder of that person's term by the City Council in the same manner as the original appointment.

(c) Trustee Elections

- (i) The Board has adopted Rule IV "Trustee Nomination Procedures" that sets forth rules regarding the nomination of candidates for Elected Trustee positions, including the process for submitting nominations and the effect if only one candidate is nominated for a given position.
- (ii) ~~(d)~~ Regular elections for the Elected Trustee positions shall be held annually by secret ballot ~~some time~~ between November 1 of each year and the first Monday in January of the following year in accordance with the Act. ~~The Board has adopted Rule IV "Trustee Election Procedures" that sets forth the process for the nomination of candidates for Elected Trustee positions, the effect if only one candidate is nominated and the appointment of such person as an Elected Trustee, and the election timing and process.~~Each year, the Board will establish a period of time during

which election ballots may be submitted (the “*Election Period*”) and the method for submitting such ballots which may include the use of a third-party vendor to conduct the election (e.g., regular mail, electronic submission, etc.).

- (iii) For ballots that are submitted through regular mail, a ballot that is postmarked by the last day of the Election Period will be considered timely submitted. The Fund will allow for a period of seven (7) days after the end of the Election Period for additional ballots that were timely postmarked to be received by the Fund before the ballots are counted or the results are certified by the Board, provided that if the seventh (7<sup>th</sup>) day falls on weekend or a federal holiday, the period for receiving ballots shall be extended until the first business day following such weekend or holiday.
- (iv) In the event a vacancy of an Elected Trustee position occurs, the Board will establish procedures for a special election to elect a replacement Trustee to serve the remainder of the term, with such election to be held within sixty (60) days after the event that caused the vacancy as provided under Section 2.03(f) of the Act. Such procedures need not be identical to the election procedures utilized for annual elections.

## **§2.2. Board Responsibilities**

- (a) The Fund is a trust established under state law created for the exclusive purpose of providing retirement, disability, and survivor benefits to the ~~fire~~fighters~~firefighters~~ employed by the City of Austin (the “*City*”) and their beneficiaries. The Board has the sole and exclusive responsibility for the administration of the Fund and the investment of Fund assets.
- (b) Each Trustee is a fiduciary of the Fund and, as a fiduciary, is responsible for discharging his or her duties solely in the interest of, and for the exclusive purpose of, providing benefits to members and retirees in accordance with the Act. As fiduciaries, Trustees shall act with honor and integrity in their administration of the Fund.
- (c) The Board is responsible for establishing the strategic vision, goals, and policies of the Fund as well as regularly monitoring the performance and operations of the Fund. In carrying out its responsibilities, the Board will act as a single entity and not as individual members.
- (d) The Board’s responsibilities include, without limitation:
  - (i) Adopting rules and performing reasonable activities it considers necessary or desirable for the efficient administration of the Fund and to maintain the qualified status of the Fund under Section 401(a) of the Internal Revenue Code of 1986, as amended;
  - (ii) Selecting, appointing, and overseeing the Executive Director to ensure efficient administration of the Fund, including, without limitation, the assignment of duties, performance evaluation, compensation, and discipline, including dismissal;
  - (iii) Approving, hearing and determining all matters related to eligibility or benefits under the Fund and any appeals thereof, including, without limitation, (1) the eligibility of any person to participate in the Fund, (2)

the eligibility of any person to receive a service, disability, or survivor's benefit and the amount of that benefit, ~~and~~ (3) whether a child or a parent of a deceased member was dependent on the member for financial support, and (4) any other determinations related to the administration of the Fund;

- (iv) Investing, reinvesting, or changing the assets of the Fund in whatever instruments or investments the Board considers prudent and in accordance with its investment policy statement and monitoring the investments made by any investment manager for the Fund;
  - (v) Monitoring the funded status of the Fund, hiring an actuary to perform periodic actuarial valuations of the Fund, approving the actuarial methods and tables used, and adopting reasonable actuarial assumptions;
  - (vi) Preparing for and attending monthly Board meetings, contributing to and participating in discussions of the Board during meetings, and working constructively with other Trustees to oversee and monitor the activities of the Fund;
  - (vii) Hiring certain third-party service providers to assist the Board in administering the Fund, including, without limitation, any investment or fund manager, attorney, actuary, accountant, professional investment counselors or consultants, or custodians (the "*Vendors*"), and monitoring their performance through the Executive Director;
  - (viii) Approving and monitoring the Fund's annual budget;
  - (ix) Keeping the money and other assets it receives for the benefit of the Fund separate from all other funds or assets of the City;
  - (x) Keeping a record of all claims, receipts, and disbursements and making disbursements only on vouchers signed by such persons as the Board designates by resolution;
  - (xi) Publishing an annual report containing a balance sheet showing the financial and actuarial condition of the Fund, an income statement showing receipts and disbursements during such year, and such additional matters as may be determined to be appropriate by the Board;
  - (xii) Determining ~~the annual~~ whether a cost-of-living adjustment, ~~if any,~~ may be granted pursuant to the parameters set forth in the Act in consultation with the Fund's actuary;
  - (xiii) Designating a medical board to assist the Board in reviewing and evaluating any applications for disability retirement;
  - (xiv) Complying with minimum training requirements under state law;
  - (xv) Respecting open meetings laws by not convening meetings with other Trustees outside the properly noticed Board meetings; and
  - (xvi) Maintaining confidentiality of member records, certain investment activity, or other Fund information that is confidential pursuant to law or contractual agreement.
- (e) To the extent appropriate and practicable, the Board may delegate its responsibilities to the Executive Director, a committee of the Board, Fund staff, or any third-party engaged by the Board for such purpose as it deems necessary and prudent in carrying out its duties owed to the Fund. Any such delegation will not

relieve the Board of its ultimate responsibility for such duties, and the Board shall be responsible for monitoring any such delegation.

### **§2.3. Board Officers**

- (a) Officers. The Board shall have ~~threetwo~~ (32) officers: the Chairman, and the Vice-Chairman, ~~and the Secretary-Treasurer.~~
- (i) ~~Chairman and Secretary Treasurer. Pursuant to the Act, the City mayor is.~~ The Board shall elect annually from its membership in open session a chair (the “Chairman”) to serve as the presiding officer of the Board, or. ~~Once elected, the Chairman, and the City treasurer is the Secretary-Treasurer, and they shall serve in such position during their respective terms of office a one (1) year term.~~
- (ii) Vice-Chairman. The Board shall annually elect from its membership in open session an alternate presiding officer, ~~or a~~ (the “Vice-Chairman.”) who shall preside in the absence or disability of the Chairman. Once elected, the ~~Vice-Chairman~~ Vice-Chairman shall serve a one (1) year term.
- (b) Election of Officers and Vacancies.
- (i) The election of officers shall occur during the first Board meeting of each calendar year.
- (ii) ~~(1) Any Elected~~ Trustee is eligible to be elected as the Vice-Chairman. Such person to serve as an officer, provided that no Trustee may hold both officer positions concurrently. Any Trustee elected as an officer should be capable of dedicating the time necessary to fulfill the required duties and responsibilities that the position entails as outlined in more detail below.
- ~~(2) In order to provide for continuity in the Board’s leadership and a smooth succession of the Vice-Chairman position from year to year, the Board may consider electing the Elected Trustee who is in the last year of his or her term on the Board as the Vice-Chairman each year, provided that in no event is any Trustee required to vote for such Elected Trustee as the Vice-Chairman.~~
- ~~(3) No Trustee may hold two officer positions concurrently.~~
- (iii) ~~(4) A Trustee may be nominated for an officer position through a motion made by another Trustee or by himself or herself. Every motion to nominate an officer must receive a second to the motion before it can be voted on. If a motion fails to receive a second, the motion dies and the Trustee cannot be voted on for the Vice-Chairman such officer position.~~
- (iv) ~~(5) A Trustee may resign from his or her position as Chairman or Vice-Chairman at any time by providing written notice to the Board.~~
- ~~(6) or The Vice-Chairman may be removed by a unanimous vote of the other four members of the Board. In the event of the resignation or removal of the Vice-Chairman an officer, a new Vice-Chairman officer shall be selected by a majority of the Board remaining Trustees to complete the term of the Vice-Chairman officer.~~
- ~~(iii) In the absence of both the Chairman and Vice-Chairman, the Secretary-Treasurer shall serve as the presiding officer until the Chairman~~



~~or Vice Chairman resumes his or her office or until a successor Vice Chairman has been elected.~~

- (c) ~~(b)~~ Duties of Chairman. In addition to the regular duties and responsibilities of a Trustee, the ~~presiding officer~~ Chairman shall be responsible for leading the Board in the conduct of Board business and ensuring the integrity of the Board's process. More specifically, the ~~presiding officer~~ Chairman shall be responsible for:
- (i) Providing leadership to the Board in terms of collegiality, civility and ethical conduct;
  - (ii) Ensuring the Board behaves consistently with its own rules and any rules imposed upon it by state or federal law;
  - (iii) Consulting with the Executive Director on Board meeting agendas;
  - (iv) ~~(iii)~~ Presiding over Board meetings and running them in an orderly manner and in accordance with the statutory requirements of the Texas Open Meetings Act, Chapter 551, Texas Government Code ("**TOMA**") and generally accepted parliamentary procedures;
  - (v) ~~(iv)~~ Providing for participation of all Board members in discussions that are fair, open, and thorough, but also timely, orderly, and kept to the point;
  - (vi) Appointing members to serve on committees;
  - (vii) ~~(v)~~ Allowing for public comment at a Board meeting in accordance with this Policy;
  - (viii) ~~(vi)~~ Addressing ethical issues that have been brought up by the Board, Fund staff, or others in accordance with the *Board of Trustees' Code of Ethics*;
  - (ix) ~~(vii)~~ Acting as the primary liaison between the Board and the Executive Director and other Fund staff;
  - (x) ~~(viii)~~ Leading the annual performance evaluation of the Executive Director; and
  - (xi) ~~(ix)~~ Performing any other duties delegated to the Chairman in this Policy, another Fund policy or rule, or reasonably related to the role of ~~presiding officer~~ Chairman, as requested by the Board.
- (d) Duties of Vice-Chairman. In addition to the regular duties and responsibilities of a Trustee, the Vice-Chairman shall be responsible for (i) serving as and performing the duties required of the Chairman if the Trustee elected to that position resigns or is unable to serve in such capacity due to absence or otherwise and (ii) performing any other duties delegated to the Vice-Chairman in this Policy, another Fund policy or rule, or reasonably related to the role of Vice-Chairman, as requested by the Board.

## **§2.4. Review of Vendors**

- (a) To ensure prudent monitoring of its Vendors, the Board will periodically review its agreements and contracts with Vendors that have been engaged to assist the Board in administering the Fund. In connection with such review, the Board may or may not determine, in its full discretion, that a request for qualifications (RFQ), request for proposal (RFP) or other method of evaluation or review is necessary to evaluate its service providers and the costs or fees incurred under such engagement.

- (b) The Board's intent is to review its Vendors on a staggered basis at least as frequently as set forth below; *provided, however*, the Board may review a contract or its engagement with any Vendor at any time within its sole discretion.

Type of Vendor	Frequency of Review
Actuary	Every 5 Years
Custodial Bank	Every 7 Years
Depository Bank	Every 4 Years
Independent Auditor	Every 5 Years
Investment Consultant	Every 5 Years
Legal Counsel	Every 5 Years

### **ARTICLE 3: BOARD MEETINGS AND CONDUCT**

#### **§3.1. Meeting Conduct; Voting Requirements**

- (a) The Board shall hold regular ~~monthly~~ meetings ~~at the Fund's office, unless an alternate location is specified~~ on such dates designated by the Board, provided that the Board must meet at least four times each calendar year (ideally, at least once per calendar quarter). The Board may hold special meetings as called by the ~~presiding officer of the Board~~ Chairman. Trustees are expected to be properly prepared for Board meetings and deliberations.
- (b) All regular and special meetings will be open to the public, and notice of such meetings will be posted at least ~~72-hour~~ three (3) business days before the scheduled ~~time~~ date of the meeting in accordance with TOMA. The Executive Director shall be responsible for posting notice of any meeting of the Board in accordance with the requirements of TOMA and Section 3.3 below.
- (c) Emergency meetings may be called in the same manner as special meetings, provided the purpose for such emergency meeting meets the statutory requirements of TOMA. An emergency meeting is one which cannot be posted within the ~~72-hour~~ time period normally required by TOMA because of an emergency, an imminent threat to public health and safety, or a reasonably unforeseeable situation as defined in Section 551.045 of TOMA. Notice of an emergency meeting must be posted at least one (1) hour before the emergency meeting is scheduled to convene in accordance with the requirements of TOMA and Section 3.3 below.
- (d) All Board meetings shall begin at the time designated in the meeting notice.
- (e) A quorum is required for the Board to conduct business. ~~Three~~ Four (34) Trustees constitute a quorum, ~~and unless there are vacancies on the Board in which case the number of Trustees required for a quorum shall be reduced accordingly. A~~ majority vote of members of the Board attending a meeting at which a quorum is present is necessary for any decision of the Board. Each member of the Board is entitled to one (1) vote. Should a quorum fail to convene, the Trustees present may continue in a workshop format for educational purposes only and no action will be taken.
- (f) The meetings of the Board shall be conducted in accordance with generally accepted rules for parliamentary procedures and applicable federal or state law, including TOMA.



- (g) All action taken will be in open session. The Board may go into closed session to discuss any matter permitted by TOMA, but no action will be taken by the Board during closed session.
- (h) The Board shall keep accurate minutes of its meetings and records of its proceedings. A resolution or order of the Board must be made by a vote recorded in the minutes of its proceedings.
- (i) A Trustee may participate remotely in a Board meeting via videoconference in accordance with the requirements of Section 551.127 of TOMA.

### **§3.2. Public Comment at Meetings.**

- (a) The Board may allow reasonable opportunity for the public to comment to the Board on any issue under the jurisdiction of the Board at the beginning of the meeting or in connection with the agenda item to which the comment relates. No Board discussion will occur after the individual completes his or her comments unless such public comment relates to a specific posted agenda item.
- (b) Persons who desire to make a public comment at a Board meeting must register to speak prior to the Board meeting in the manner prescribed by the Board. The ~~presiding officer of the Board~~Chairman may specify the length of time to be allowed for each person to speak.

### **§3.3. Notice of Meetings; Setting of Agenda**

- (a) Regular Meetings.
  - (i) For regular meetings, an initial agenda draft will be prepared and distributed to the Trustees by the Executive Director, or Fund staff as directed by the Executive Director, 7-10 days prior to the meeting. The Executive Director ~~and~~, in consultation with the Chairman, will determine the agenda items on the initial draft, including the consideration of any agenda items previously requested by a Trustee.
  - (ii) The initial agenda draft will include each subject that the Board will consider or discuss at the upcoming meeting, as well as the date, hour, and place of the meeting. The agenda may include additional documentation as required by TOMA.
  - (iii) Any suggested additions or deletions to the agenda draft must be submitted to the Executive Director within two (2) business days from receipt of the agenda draft. Items may be added to the draft agenda by the Chairman, the Executive Director, the written request of any Trustee if approved by the Chairman, or the co-sponsorship of two (2) Trustees by written request with or without the Chairman's approval. The Executive Director will finalize the agenda and distribute such final agenda to the Trustees for review at least one (1) business day prior to posting.
  - (iv) The Executive Director will post the final agenda on the Fund's website and also distribute it to the City of Austin for posting at least ~~72 hours~~three (3) business days prior to the date of the meeting.
  - (v) In the absence of the Executive Director, the ~~Vice-Chairman~~Chairman in coordination with Fund staff will be responsible for preparing and finalizing the agenda for distribution and posting.

- (b) Special Meetings.
  - (i) Special meetings may be called between the required regular monthly meetings to conduct business that requires action or other attention by the Board prior to the next regularly scheduled meeting. The Executive Director will prepare and distribute an initial agenda draft for the special meeting to the Trustees at least four (4) days prior to the meeting.
  - (ii) The agenda for a special meeting will be posted on the Fund's website and will be distributed to the Trustees and the City of Austin for posting at least ~~72 hours~~ three (3) business days prior to the special meeting.
- (c) Emergency Meetings.
  - (i) Emergency meetings are to be held only when there is an emergency or urgent public necessity due to what is deemed to be an imminent threat to public health and safety, or for a reasonably unforeseeable event or situation (such as a natural disaster, or power or communication failures) requiring immediate deliberation or action by the Board. The Board may consider an emergency item during a previously scheduled meeting instead of calling a new emergency meeting in which case a supplemental agenda notice must be published with respect to such emergency item.
  - (ii) The Executive Director will take all reasonable steps to notify the Trustees of an emergency meeting as soon as possible after the need for such emergency meeting arises.
  - (iii) The public notice of an emergency meeting or an emergency item must clearly identify the emergency or urgent public necessity and is subject to judicial review.
  - (iv) The notice of an emergency meeting and the subject matter of such meeting must be posted at least one (1) hour prior to the meeting and will be distributed to the Trustees and the City of Austin.
- (d) Closed Session.
  - (i) The Board may conduct a meeting in closed session during a regular, special or emergency meeting pursuant to an exception provided under TOMA.
  - (ii) The Board will maintain a certified agenda for each closed session held by the Board, if and as required by TOMA.

### **§3.4. Code of Ethics; Conflicts of Interest**

- (a) In addition to compliance with this Policy and any other applicable legal requirements, all Trustees are expected to be guided by the basic principles of honesty and fairness in the conduct of Fund business and to comply with the *Board of Trustees' Code of Ethics*.
- (b) Trustees shall actively avoid both the appearance and the fact of conflict of interests in accordance with Chapters 171 and 176 of the Texas Local Government Code and other applicable law.

**§3.5. Compensation; Reimbursements**

Trustees serve without compensation, but may be reimbursed for any necessary expenditures that are incurred in connection with his or her role as Trustee in accordance with the *Board of Trustees' Code of Ethics*.

**ARTICLE 4: BOARD COMMITTEES**

**§4.1. Board Committees**

- (a) The Board has determined that it is in the best interest of the Fund and consistent with best governance practices to establish committees of the Board to perform certain tasks as delegated to such committee by the Board.
- (b) The Board shall have three (3) standing committees:
  - (i) Investment Committee
  - (ii) Benefits Committee
  - (iii) Policy Committee
- (c) Each standing committee may have no more than three (3) Trustees appointed as members of the committee. No non-Board members shall be appointed to a standing committee.
- (d) Each Trustee will be designated to serve on at least one standing committee of the Board for a one-year term. Committee appointments will be made by the Chairman in his/her sole discretion at the beginning of each calendar year after consultation with each Trustee. In making such appointments, the Chairman may consider each individual Trustee's experience or expertise in the matters to be delegated to such committee and the individual Trustee's ability, interest, and willingness to serve on a given committee.
- (e) The Chairman may also create special or ad hoc committees as the situation may demand or for a specific task. Members of such special or ad hoc committees shall also be appointed by the Chairman when and as needed.

**§4.2. Committee Governance**

- (a) The Board shall adopt a committee charter for each standing committee that specifies its purpose, the specific responsibilities delegated to such committee by the Board, and any other matters related to the operation or authority of the committee. Each committee shall elect a Committee Chair who shall serve as the presiding officer of such committee.
- (b) Committee members are expected to attend and be prepared for each meeting of a committee to which they are appointed.
- (c) Any member of the Board may attend a meeting of a committee of which he or she is not a member. Public notice of a committee meeting where a quorum of the Board may be present will be posted as a Board meeting under TOMA in accordance with Article 3.
- (d) The Executive Director, in consultation with the Committee Chair, will determine the agenda items for a committee meeting.

ARTICLE 5: EXECUTIVE DIRECTOR OVERSIGHT

**§4.15.1. Designation and Responsibilities of Executive Director**

- (a) Executive Director and Fund Staff
- (i) Pursuant to §12.01 of the Act, the Board shall appoint ~~a~~ an Executive Director (previously referred to as the “Fund Administrator”) who shall administer the Fund under the supervision and direction of the Board. The ~~Board has approved the use of the title “Executive Director” as an alternative title for the title~~ use of the titles of “Fund Administrator” and ~~has authorized the use of such title~~ “Executive Director” shall be understood to be synonymous for all purposes of the Fund, including ~~public communications, announcements and the Fund’s website. All references to the title of “Fund Administrator” shall also be a reference to the title of “Executive Director” (and vice versa) for purposes of the~~ administration and interpretation of the Act and the Fund’s rules and policies.
  - (ii) Hiring of other Fund staff (other than a Chief Investment Officer, if any) will be conducted by the Executive Director, provided that the Board shall approve the budget expense for any newly created staff position of the Fund prior to the hiring of any individual to fill such position.
  - (iii) All staffing decisions will be subject to and in compliance with the Equal Employment Opportunity Policy as set forth in the Fund’s Personnel Policies.
- (b) Responsibilities of Executive Director. The Board delegates its responsibility for the day-to-day administrative and operational functions of the Fund to the Executive Director, including, without limitation:
- (i) Overseeing and managing all Fund staff, establishing and enforcing all staff policies, and managing any staff-related employment issues;
  - (ii) Managing the Fund’s assets, expenses, and investments, including, without limitation, satisfying member distributions on a monthly basis and funding any capital calls and Fund expenses as needed;
  - (iii) Communicating timely and effectively with individual Trustees and the Board as a whole on all Fund matters that require Board input or discussion;
  - (iv) Hiring, monitoring, and evaluating other Fund staff;
  - (v) Conducting benefit and retirement consultations with members of the Fund and responding to member inquiries in a timely manner;
  - (vi) Responding to requests for public information of the Fund in accordance with the Texas Public Information Act;
  - (vii) Managing the relationship and communication between the Fund and current Vendors and interfacing with prospective Vendors and other third-parties;
  - (viii) Preparing a budget for Board approval and operating the Fund in accordance with such budget; and
  - (ix) Complying with minimum training requirements under state law.

- (c) More specific responsibilities of the Executive Director may be maintained in a written job description of the position to be maintained by the Fund and reviewed by the Board from time to time.
- (d) The Executive Director may delegate certain duties of the Executive Director to other Fund staff as necessary to assist in carrying out the Executive Director's duties and responsibilities. Any such delegation will not relieve the Executive Director of his or her ultimate responsibility for such duties, and the Executive Director shall be responsible for monitoring any such delegation.

**§4.25.2. Evaluation and Oversight of Executive Director**

- (a) The Executive Director will report directly to the Board and is responsible for effectively communicating with the Board.
- (b) On an annual basis, the Board shall conduct an evaluation of the Executive Director to review performance for the prior year and set goals for the upcoming year. The Board will evaluate the performance of the Executive Director based on the achievement of such goals and the overall operation and performance of the Fund during the year.
- (c) The Board must set the compensation for the Executive Director, which will be reviewed annually by the Board. The Board will also periodically review all staff compensation to ensure that it is comparable to compensation offered by other Texas and US public pension funds.

**§4.35.3. Hiring of Executive Director**

- (a) In the event the Executive Director resigns, is removed, or is no longer able to serve as the Executive Director, the Board shall publish the open position, collect, review and screen applications and resumes, perform background checks (criminal and financial), and interview applicants. The Board may, but is not required to, involve a third-party search firm in the process. Notwithstanding the above, the Board is solely responsible for conducting the final interviews and making the final decision on filling the position.
- (b) The Board expects that any candidate applying for the Executive Director position will satisfy the following requirements:
  - (i) Bachelor's degree in business administration, accounting, finance or a related field;
  - (ii) A minimum of 5 years' experience with comparable duties at a public pension fund, trust, foundation, endowment, or a similar entity;
  - (iii) Knowledge of pension plan design, accounting principles related to defined benefit pension plans, and basic principles of business law;
  - (iv) Knowledge of investment terminology and methods of investments analysis;
  - (v) Knowledge and skills required for commonly used software packages and ability to apply computerized automated applications to standard operating procedures;
  - (vi) Ability to effectively interface with individual Trustees and the Board, active members, retirees, City of Austin staff, and Fund staff;
  - (vii) Ability to organize effectively; and

- (viii) Ability to effectively and accurately communicate, both verbally and in writing.
- (c) The Board may set forth other requirements for the Executive Director position in a written job description maintained at the Fund and may vary from any position requirements in connection with an individual hire.

## ARTICLE 56: TRAINING AND EDUCATION

### §5.16.1. Required Training

- (a) Education of Trustees and the Executive Director is essential to ensure that Trustees and the Executive Director have a full understanding of the issues facing the Fund. Each Trustee and the Executive Director must comply with the minimum and continuing education requirements under state law, including ethics and fiduciary training.
- (b) Trustees are required to complete training courses regarding their responsibilities under TOMA and the Texas ~~Open Records~~ Public Information Act. Trustees must complete the training not later than the 90<sup>th</sup> day after assuming their duties as a Trustee. Qualifying online training courses are offered by the Texas Attorney General's Office at [www.texasattorneygeneral.gov](http://www.texasattorneygeneral.gov). Certificates are awarded at completion of each online training course, which must be submitted to the Executive Director for retention and proof of education compliance.
- (c) Texas law provides that the Texas Pension Review Board ("**PRB**") establish a Minimum Education Training ("**MET**") program for Trustees and the Executive Director. The MET program requires seven (7) credit hours of core content training for the first year of service as a Trustee or Executive Director and at least four (4) credit hours of continuing education in core and/or non-core content within each two (2) year period subsequent to the first year of service as a Trustee or Executive Director. The PRB requires semi-annual reporting of training hours and courses to verify compliance. Information regarding MET can be obtained on the PRB website.

### §5.26.2. Educational Opportunities

- (a) After the first year of service, Trustees and the Executive Director shall attend at least one continuing education program every two (2) years. Continuing education programs that satisfy this requirement may include:
  - (i) Certain training classes sponsored by the Texas Association of Public Employee Retirement Systems (TEXPERS) or the National Conference on Public Employee Retirement Systems (NCPERS); or
  - (ii) Any other conference or training designed to educate public pension administrators and trustees.
- (b) Attendance at all education conferences will be consistent with the *Board of Trustees' Code of Ethics*.

### §5.36.3. Reporting

The Executive Director will file the required reports on Trustee and Executive Director training activity with the PRB, keep Trustees informed on the status of their compliance



with training requirements, and maintain records of Board education and travel expenses related to education and training.

**ARTICLE 67: BOARD COMMUNICATIONS**

**§6.17.1. Trustee Communications with Fund Staff**

- (a) The Executive Director is the Trustees' primary link to Fund operations and administration. Trustees shall direct all questions regarding any aspect of the Fund's operations to the Executive Director.
- (b) In the spirit of open communication, individual Trustees shall share any information pertinent to the Fund with the Executive Director in a timely manner, and the Executive Director shall similarly share with the Board any information pertinent to the Board's role and responsibilities in a timely manner.
- (c) Fund staff ~~work for~~serve the full Board, ~~and not individual~~ Trustees. A Trustee may not exercise authority over individual Fund staff members. Trustees are entitled to information necessary to make informed decisions relating to their role and responsibilities as a Trustee. However, to avoid the appearance of undue influence, all requests by individual Trustees for information should be directed to the Executive Director or presented at a Board meeting as opposed to being directed to individual Fund staff. Any requests by a Trustee for confidential information will be presented to the Board as a whole for consideration as to whether such information may be disclosed to the Trustee.

**§6.27.2. Trustee Communications with Members**

- (a) Information provided to members of the Fund regarding the Fund or benefits provided under the Fund is best communicated by the Fund staff who have the knowledge and expertise on the Fund's eligibility and benefit provisions. To avoid miscommunications to members, Trustees shall refrain from providing specific advice, counsel or education with respect to the rights or benefits a member or beneficiary may be entitled to pursuant to the ~~Fund Act~~ or any ~~Board~~relevant rules or policies.
- (b) In the event a member or beneficiary requests that a Trustee provide explicit advice with respect to Fund benefits or related policies, the Trustee should refer the member or beneficiary to the Executive Director or ask the Executive Director to contact the member or beneficiary. The Executive Director shall inform the Trustee of the outcome.

**§6.37.3. Trustee Communications with Vendors and Prospective Vendors**

- (a) The Executive Director shall be solely responsible for managing relationships and communications with Vendors and prospective Vendors.
- (b) Vendors are hired by and work for the full Board and not individual Trustees. Trustees shall not communicate directly with Vendors or prospective Vendors on any matters relating to the Fund without the permission and coordination of the Executive Director, except for communications with the Fund's attorney relating to the performance of the Trustee's duties.

- (c) If a Trustee wishes to communicate with a Vendor or prospective Vendor, the Trustee shall make a request to the Executive Director in advance of any communication. Communications at conferences and events with Vendors that are attended by the Trustee do not require pre-approval if such attendance is authorized by the policies of the Board.
- (d) If the request for communication with a Vendor or prospective Vendor is granted, the Trustee shall include the Executive Director in all written and electronic communications and shall notify the Executive Director within 48 hours following the completion of any oral communications. In the event the request for communication with a Vendor or prospective Vendor is denied, the Trustee may request that the denial be presented at a future Board meeting for discussion.
- (e) The Executive Director shall instruct Vendors and prospective Vendors on the restrictions relating to communications between Vendors and Trustees. Vendors and prospective Vendors will be instructed to communicate directly with the Executive Director and to not communicate with Trustees on any Fund business without the prior permission of the Executive Director. If a Vendor or prospective Vendor contacts a Trustee directly without including the Executive Director, the Trustee shall direct the Vendor to the Executive Director and immediately notify the Executive Director. Communication with Trustees that is inconsistent with this policy shall be communicated to the full Board and is grounds for termination of any contract.
- (f) All requests by individual Trustees for information or for additional work to be performed by a Vendor should be directed to the Executive Director or presented at a Board meeting for discussion by the full Board. If the Executive Director determines that an individual Board member request for a Vendor to perform additional work would incur significant costs or is overly burdensome, the Executive Director will present the request at the next Board meeting.
- (g) Trustee communications with Vendors and prospective Vendors shall also be consistent with the provisions of the *Board of Trustees' Code of Ethics*, including provisions related to the no-contact period.

**§~~6.4~~7.4. Trustee Communications with Third Parties and the Public**

- (a) The Executive Director shall serve as the spokesperson for the Fund with respect to all written or oral communication to third parties, unless the Board designates another individual to serve as spokesperson on a specified issue. To the extent possible, in situations where Board policy concerning an issue has not been established, the Board shall meet to discuss the issue prior to the spokesperson's engaging in external communications.
- (b) Trustees may indicate publicly that they disagree with a policy or decision of the Board, but shall do so respectfully and shall abide by such policy or decision of the Board to the extent consistent with their fiduciary duties. When speaking in a public setting where it is clear that the Trustee is speaking solely because of the Trustee's position on the Board, the Trustee will preface his or her remarks with the following disclaimer: "The views I express here are my own and do not necessarily reflect the views of the Board, my fellow Trustees or Fund staff."

- (c) When asked to be interviewed or otherwise approached by the media for substantive information concerning the affairs of the Fund, Trustees should generally refer the matter to the Executive Director or spokesperson and shall make no commitments to the media on behalf of the Board or the Fund. Trustees shall inform the Executive Director in a timely fashion if a personal position, opinion, or analysis was publicly communicated, such that it could receive media coverage. The Trustee shall advise as to whom the communication was made and what was discussed.
- (d) Written press releases concerning the business of Fund shall be the responsibility of the Executive Director and shall clearly and accurately reflect the provisions of the Fund and the policies of the Board. The Executive Director shall, when feasible, submit all press releases of a sensitive or high-profile nature or pertaining to Board policy to the ~~presiding officer of the Board~~Chairman for approval. Such press releases shall be shared with the Board concurrently with their release. Trustees should not prepare materials for publication or general distribution which are related to the affairs of the Fund.

**ARTICLE 78: AMENDMENT OF GOVERNANCE POLICY**

The Board will review this Policy periodically and may amend this Policy from time to time, in its sole and absolute discretion, by a majority vote of the Board ~~and in accordance with Section XI of the Fund's Rules, "Procedure to Adopt or Amend Rules or Policies"~~.



**AFRF**  
AUSTIN FIREFIGHTERS  
RETIREMENT FUND

**MINUTES  
BOARD OF TRUSTEES MEETING  
FRIDAY JULY 25, 2025, 9:00AM**

**Board Members Present**

Mayor Kirk Watson, Chair  
Aaron Woolverton, Vice Chair  
Belinda Weaver, Treasurer  
John Bass, Trustee (virtual)  
Doug Fowler, Trustee

**Staff and Consultants Present**

Anumeha Kumar, AFRF Executive Director  
John Perryman, AFRF CFO  
Debbie Hammond, AFRF Benefits Manager  
Gina Gleason, AFRF Board & Operations Specialist  
Shira Herbert, AFRF Accounting & QC Specialist  
Amy Thibaudeau, AFRF Benefits Specialist  
Alyca Garrison, Jackson Walker  
Elizabeth Wiley, Cheiron  
Heath Merlak, Cheiron  
Sean Bender, Montemayor

**Community Members Present**

Max Lars, City of Austin  
Virtual attendees not listed

**Mayor Watson called the meeting to order at 9:00am.**

Public Comments:

**No public comments.**

- I. Consent Agenda for the following:
  - a. Minutes of the regular meeting of June 27, 2025
  - b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

**Mayor Watson requested a moment of silence for the retired firefighter who had passed in June. Trustee Fowler made a motion to approve both items on the consent agenda. Trustee Weaver seconded the motion. The motion passed without objection.**

- II. Third reading and possible adoption of proposed changes to the Investment Policy Statement (IPS)

**Mayor Watson stated that the board had voted to approve the Investment Policy Statement on first reading in May, on second reading in June, and that three separate readings were required to formally adopt the proposed changes. Trustee Fowler made a motion to adopt the IPS on third reading. Vice Chair Woolverton seconded the motion. The motion passed without objection.**

- III. Consider adoption of the December 31, 2024 Actuarial Valuation

**Elizabeth Wiley introduced herself and Heath Merlak as the actuaries from Cheiron and stated that the 2024 Actuarial Valuation provided good news about the Fund's condition in reflection of the proactive legislative action taken by the board. She clarified that this valuation was the first**

performed with the pension reform from House Bill 2802 in place and was also the first to include a Risk Sharing Valuation Study (RSVS) to set the schedules for the new actuarially determined contribution (ADC) funding model over the next 30 years, as required by statute. Ms. Wiley provided an educational overview on the mechanics of pension funding and the processes that Cheiron followed to conduct the Actuarial Valuation. She reviewed historical trends over the last decade regarding assets and liabilities, noting that the Fund had strengthened some assumptions during that timeframe. She also highlighted that due to an HB 2802 provision that required the actuarial value of assets (AVA) be reset to the market value of assets (MVA), the AVA and MVA were the same for the 2024 valuation. Ms. Wiley next reviewed historical trends with payroll and member population. She stated that the active count had increased steadily on an annualized basis of 1.5% over the last 10 years, which was good for the Fund in terms of incoming contributions. In context with the rest of the membership, Ms. Wiley explained that the support ratio had been trending upwards as expected for a maturing pension plan but remained relatively low compared to most public retirement systems that typically have more than one inactive for each active member. She noted that as plans mature and benefit outflows outpace contributions, plans become more sensitive to assets changing. Ms. Wiley reviewed the contribution history, stating that contributions remained fixed through 2025 and had been fixed at a rate of 18.7% for members and 22.05% for the City of Austin for several decades. She explained the mechanics of how contributions cover normal cost and unfunded actuarial liability (UAL) and stated that the tread-water rate had increased following the 2022 down market, which contributed to the need for pension reform. Last, Ms. Wiley reviewed the amortization period, or funding period, history as a key measure of funding progress. She stated that the amortization period had been steadily increasing over the last 10 years, with the prior two years exceeding the 30-year maximum guideline set forth by the Pension Review Board (PRB). Ms. Wiley informed the board that if they had taken no action, the current amortization period would have reached 69.3 years. However, she continued, with the plan set forth in HB 2802, the amortization period will be exactly 30 years from the time when the contribution determined by the RSVS goes into effect and will continue on a declining path for a minimum of ten years. As a result of the reforms, she stated that the Fund would be very unlikely to trigger a Funding Soundness Restoration Plan in the foreseeable future.

Mr. Merlak provided an overview of the core results of the initial Risk Sharing Valuation Study. He reported that the unfunded accrued and unfunded actuarial liability was just shy of \$350 million, which set the legacy liability that would be funded over a 30-year period. He also reported that the funded ratio on an AVA and MVA basis was at 76.9%, noting that the MVA had decreased slightly due to 2024 investment returns coming in under the 7.3% assumption, and the AVA had decreased more significantly from the prior year because the actuarial value had been reset to the market value under HB 2802. He reported that the total normal cost came in at 31.32%, which was a slight increase from the prior year due to the added COLA assumption, offset by no longer providing interest on contribution refunds, which translated to an employer normal cost rate of 12.62%. Mr. Merlak further explained that the City of Austin's contribution under the ADC model would consist of three components: the employer normal cost rate, the post-2024 unfunded actuarial liability amortization rate (zero for the first year of implementation), and the legacy liability payment. He described how the corridor midpoint was calculated based on the projected membership ratio of Group A versus Group B over the next 30 years, the normal cost of each group, and the portion of the cost covered by firefighter contributions, resulting in a starting corridor midpoint of 12.62% for the 2026 calendar year that would gradually decrease over time with a corridor minimum and maximum of  $\pm 5\%$  from the midpoint. He added that the additional legacy liability payment would equate to approximately 12.44% of payroll for the 2026 calendar year. Ms. Wiley summarized the quantitative metrics included in the report to gauge and evaluate potential risks for the Fund in recognition of the tendency for reality to deviate from assumptions. Mr. Merlak noted that

assumption changes have been common across all public pension funds over the last 10 years due to factors such as decreased discount rates and the release of new mortality tables to reflect mortality improvements, which increased plan liabilities. Ms. Wiley added that it was common for pension plans to make their asset allocations more conservative as the plans mature.

Mr. Merlak used Cheiron's P-Scan model to demonstrate risk and how various market scenarios would impact the funded ratio and contribution levels over the next 30 years. He explained that under the baseline scenario with the assumed rate of return, the funded ratio would start with a few years of negative amortization during the ADC phase-in, then reach 100% funded in 2055. He further described that under the baseline scenario, the City's rate would gradually decline as Group A members retired and were replaced by Group B at a lower normal cost, and the firefighter rate would not experience a corridor increase. Trustee Weaver thanked Cheiron for their presentation and emphasized the importance of the information from a funding perspective. Trustee Bass also expressed his appreciation and reiterated that economic experience would always be independent from accounting, therefore reflecting projected experience does not change the liability but rather prepares for it. Ms. Wiley noted that the GASB 67-68 valuation was also included for financial reporting and stated that it contained the same asset information presented in accounting terms. Vice Chair Woolverton made a motion to approve the 2024 Actuarial Valuation as presented. Trustee Fowler seconded the motion. The motion passed without objection.

IV. Consider adoption of the 2024 Financial Audit

Sean Bender introduced himself as the Fund's auditor from Montemayor. He presented his clean opinion that the financial statements were presented fairly in accordance with Generally Accepted Accounting Principles (GAAP). Mr. Bender disclosed that the audit offered reasonable, but not absolute, assurance that the financial statements were presented fairly based on risk assessment and a sample of the transactions that occurred in the general ledger during the year. He stated that it was a clean and routine audit consistent with the prior year without any new accounting principles or auditing standards. Mr. Bender reviewed the accompanying *Communications with Those Charged with Governance* letter, noting that it contained no negative commentary regarding management or internal controls. Mayor Watson reiterated that it was a clean report and asked if Montemayor had identified anything that required follow-up. Mr. Bender confirmed that there were no concerns in any regard. Trustee Fowler made a motion to adopt the 2024 Financial Audit Report as presented. Trustee Weaver seconded the motion. The motion passed without objection.

V. Consider adoption of the 2024 Annual Financial Report

Anumeha Kumar outlined the content of the Annual Financial Report, which complied the Actuarial Valuation Report and the Financial Audit Report with some additional information about investments and fee reporting as required by the Pension Review Board (PRB). Ms. Kumar stated that once approved, the Annual Financial Report would be submitted to the PRB and posted to the Fund's website. Trustee Fowler made a motion to approve the 2024 Annual Financial Report as presented. Vice Chair Woolverton seconded the motion. The motion passed without objection.

VI. Update on Pension Review Board (PRB) Report Submissions

Anumeha Kumar identified the PRB-1000 as an additional report that would be submitted to the PRB, which tracked investment performance over multiple rolling periods. She noted that the 2022 down market had weighed heavily on recent rolling returns, particularly over shorter periods. No motion necessary.



VII. Consider approval of Voluntary Funding Soundness Restoration Plan (FSRP) submission to PRB

**Mayor Watson announced that the agenda item had been withdrawn. He stated that while the work for the Voluntary FSRP and its corresponding legislation had been completed, the Fund was still working to determine the proper follow-up steps for formal submission to the PRB.**

VIII. Consider proposed changes to Governance Policy pertaining to the implementation of HB 2802

**Alyca Garrison provided an overview of the most significant changes that were made to the Governance Policy to align the policy with the statutory changes made under HB 2802. She noted that changes pertaining to the September 1, 2025, and January 1, 2026, implementation dates had been prioritized but indicated that there would be additional revisions for the board to consider at a later date. Ms. Garrison first identified changes pertaining to board composition, which included adding place numbers to identify each position on the expanded board. She explained that Place 1 and 2 would be the City of Austin designated positions, Places 3 through 6 would be the elected firefighter positions and Place 7 would be the newly added citizen position. She noted that the law gave the board authority to specify how the four firefighter positions would be filled, and based on board direction from the prior meeting, Place 5 would be designated as an active member position and Place 6 would be designated as a retiree position, with both positions coming up for election during the 2025 election cycle. She added that the law stipulated that the position receiving the highest number of votes during the 2025 general election would be granted a 4-year term while the second highest would be granted a 3-year term to initiate the transition of all four firefighter positions to staggered 4-year terms. Ms. Garrison noted that nomination provisions had been left in the Fund Rules while any true election rules were pulled into the Governance Policy. She explained that the Governance Policy now outlined the responsibilities of the board Chair and Vice Chair, both of which would become elected positions selected by the board annually at their first meeting each year. Ms. Garrison highlighted some administrative changes that were added to the Governance Policy to comply with legislative changes to the Texas Open Meetings Act (TOMA). She next described three standing board committees that were added to the Governance Policy: an investment committee, a benefits committee, and a policy committee, noting that the Chair would be able to create special or ad hoc committees as necessary. She explained that committees would consist of three board members to avoid quorum issues but emphasized that all matters would eventually be brought in front of the full board. Trustee Weaver raised concerns regarding the draft language which granted the Chair sole authority to appoint committees without receiving trustee input on preferences and contained no requirements for equal distribution of committee appointments amongst trustees. Mayor Watson voiced his agreement and suggested that the Fund follow similar procedures as City Council, allowing for appointment only after board consultation. He added that the consultation would have to occur at a meeting to avoid difficulties with TOMA. Trustee Weaver followed up with an additional concern about non-committee trustees being barred from attendance due to TOMA concerns and requested that the option remain open for committee meetings to be posted as open meetings. Mayor Watson and Trustee Fowler voiced their agreement with Trustee Weaver's concerns. Ms. Garrison clarified the requests and confirmed that Jackson Walker would make those revisions. She concluded with the final change to the Governance Policy, which formalized the previously adopted title of Executive Director and clarified the Executive Director's responsibilities pertaining to staff employment and staff policy matters. Trustee Fowler made a motion to approve the revised draft of the Governance Policy as presented for member comment. Vice Chair Fowler seconded the motion. Trustee Weaver confirmed with Ms. Garrison that the motion would include the revisions requested by the board. The motion passed without objection.**

IX. Consider proposed changes to Fund Rules pertaining to the implementation of HB 2802

Alyca Garrison stated that the first update to the Fund Rules was a clear establishment of the Fund operating under the name of Austin Firefighters Retirement Fund for branding purposes, as previously adopted by board rule in accordance with statute. She clarified that the legal name of the Fund had not changed. She reiterated that portions of the Fund Rules pertaining to board elections had been moved to the Governance Policy, narrowing the Fund Rules to only the nomination process. Next, she explained that the Fund Rules had been updated to reflect a statutory change under which alternate payees awarded a DROP balance would be required to take a full distribution as soon as administratively practical after becoming entitled to the balance. Next, Ms. Garrison described a new rule pertaining to post-retirement beneficiary designations for Group A, stating that under statute, post-retirement marriages occurring after September 1, 2025, would no longer be eligible for an automatic spousal benefit after 24 months, due to the actuarial impact the former rule had on the Fund. She clarified that a spouse could still be designated as a beneficiary post-retirement, but the same rules would apply as with a non-spouse beneficiary. She further explained that members of Group B would be entitled to a single life annuity by default but added that the board would have the authority to offer joint and survivor options to Group B with future rulemaking. Ms. Garrison pointed to rules that had been repealed due to statutory changes, including two COLA rules and a benefit improvement policy. She revisited an administrative change that had been presented at the prior meeting and incorporated into the Fund Rules, which would streamline the policy process and align it with state agencies by requiring only policies pertaining to the membership, such as benefits, eligibility or service credit, to go through the member comment process. She clarified that all policies would still be discussed during an open meeting and members would still be welcome to make a public comment at that time. Ms. Garrison also revisited a prior concern from the board regarding nominations for the two designated elected trustee positions and stated that a rule had been added to allow for suspension of the active or retiree requirement if no nominations were received for the specified class. Ms. Garrison concluded with the addition of a military leave service credit purchase rule. She explained that the new law aligned with federal law and would require both the member and the City of Austin to pay the contributions that would have been made during the military service period, up to five years, to receive optional service credit under the Fund for the military leave time. Trustee Fowler made a motion to approve the revised draft of the Fund Rules as presented for member comment. Vice Chair Woolverton seconded the motion. The motion passed without objection.

X. Consider the 2025 Board of Trustees Election for two positions, including establishing an "Election Period"

Mayor Watson explained that the motion for this item would be to establish a three-week election period beginning on October 17, 2025, and ending on November 6, 2025, to elect an active member to Place 5 and a retired member to Place 6 as Alyca Garrison had outlined in the revised Governance Policy. Trustee Weaver made a motion to adopt the election period as described. Trustee Fowler seconded the motion. The motion passed without objection.

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

a. General comments

**No general comments.**

- b. Pension Administration System (PAS) software update

**Anumeha Kumar explained that the PAS software development remained on track and that staff was continually working to implement the legislative changes within the software by the January 2026 deadline to avoid incurring additional costs related to the PAS implementation timeline.**

- c. Mid-year budget update

**Anumeha Kumar postponed this agenda item pending a formal quote from the software vendor for the cost of applying the legislative changes to the new software pursuant to House Bill 2802. She noted that the item would be added to the August agenda.**

- d. Internal financial statements, transactions, and Fund expense reports for month ending June 30, 2025

**Anumeha Kumar stated that there was nothing significant to report. The trustees had no questions regarding the financial statements.**

- XII. Roadmap for future meetings

**The trustees had no questions or requests regarding the roadmap.**

- XIII. Call for future agenda items

**No future agenda items were called for.**

**Hearing no objections, Mayor Watson adjourned the meeting at 10:43am.**

**Board Members**

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