MINUTES
BOARD OF TRUSTEES MEETING
FRIDAY AUGUST 28, 2026, 10:00AM

Board Members Present
Aaron Woolverton, Chair
Doug Fowler, Vice Chair
Belinda Weaver
John Bass (virtual)
Andrew Ratoza
Jie Li

Staff and Consultants Present
Anumeha Kumar, AFRF Executive Director
John Perryman, AFRF CFO
Gina Gleason, AFRF Board & Operations Specialist
Amy Thibaudeau, AFRF Benefits Specialist
Chuck Campbell, Jackson Walker
Laurel Malone, Jackson Walker
Leo Festino, Meketa
Lauren Giordano, Meketa
Aaron Lally, Meketa (virtual)
Colin Kowalski, Meketa (virtual)

Community Members Present
Virtual attendees not listed

Chair Woolverton called the meeting to order at 10:21am.

Public Comments:

No public comments.

I. Consent Agenda for the following:

a. Minutes of the regular meeting of July 27, 2026

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

Chair Woolverton requested a moment of silence for the retired firefighter who had passed in July. Vice Chair Fowler made a motion to approve both items on the consent agenda. Trustee Weaver seconded the motion. The motion passed unanimously.

II. Receive report on Investment Committee meeting held August 28, 2026, including the following:

Item II was addressed following Items III and IV.

a. Meketa 2Q26 Investment Performance Report

Leo Festino reported that the Fund gained 7% for the second quarter, representing an increase of approximately $87 million, and noted that this was one of the Fund's strongest quarters in recent history. He stated that performance had been close to median and benchmark levels, with the Fund remaining in compliance with its investment targets. He reported that over a one-year rolling period, the Fund had returned a strong 14.5%, exceeding both its benchmark

and peers, driven in part by strength in small cap investments, which had previously been a drag on performance but have rallied over the past year. Mr. Festino reiterated a recurring point that market performance is cyclical, noting that over most 10-year rolling periods the Fund has exceeded its 7.3% assumed rate of return, with the most recent 10-year annualized return at 8.5%. He noted that the Fund is currently at a relatively weaker point in that cycle, as it has historically lagged when the stock market performs strongly, given its lower equity exposure; conversely, the Fund has typically experienced better downside protection during market corrections. Mr. Festino stated that, in the event of a major market correction or a normalization of the market, the Fund's relative performance to rise back toward the top of its peer group. No motion necessary.

b. Baillie Gifford Review

Trustee Weaver provided background on Baillie Gifford, a manager in which the Fund's international growth strategy has been invested since 2009 and explained that the committee had asked Meketa to conduct additional due diligence given the manager's lagging performance in recent years. Leo Festino reported that Baillie Gifford performed well during the Fund's first twelve years with the manager, a period in which the Fund locked in gains, reducing portfolio value, followed by weaker performance thereafter. He noted that Meketa had reviewed the causes of the recent underperformance, including meeting directly with the manager. Trustee Weaver stated that the committee had engaged in lengthy discussion and, while it had no recommendation for the board at this time, would continue evaluating the manager and provide a further update to the board in November. No motion necessary.

c. Annual Private Equity Peer Benchmarking

Trustee Weaver stated that the committee had reviewed the Fund's private equity peer benchmarking analysis, which is conducted on an annual basis. No motion necessary.

d. Private Equity Approach Discussion

Trustee Weaver reported that the committee intends to present a recommendation to the full board in November regarding the Fund's private equity approach. No motion necessary.

III. Receive report on Benefits Committee meeting held August 25, 2026, including the following:

a. Priorities for 2027 Legislative Session

Anumeha Kumar presented a term sheet to the Board outlining potential legislation for the upcoming 90th legislative session, consisting primarily of a statutory tightening and clean-up of the current disability retirement and death benefit provisions, framed around best practices and reducing potential vulnerabilities for the Fund. She explained that the main goal was to add a statutory distinction between on-duty and off-duty disability and death benefits, bolstering the on-duty disability benefit by converting the 20-years of service credit calculation to an equivalent percentage of salary so that the benefit could be provided on a tax-free basis under IRS requirements, and adjusting off-duty disability benefit levels based on whether a member applying for disability benefit is vested or non-vested. Ms. Kumar noted that the proposed changes would also clarify eligibility standards up front, providing an enduring benefit for total and permanent disabilities that prevent a member from performing any job, and a 30-month temporary disability benefit for non-permanent disabilities to give a member sufficient time to recover and secure non-firefighting employment. Regarding death benefits

for active members, Ms. Kumar explained that a similar on-duty/off-duty distinction would be added: on-duty benefits would remain unchanged, while off-duty benefits would mirror the disability retirement changes with the benefit level depending on vested or non-vested status. She added that for on-duty deaths, the Fund was still evaluating whether the tax-free calculation based on percentage of salary instead of years of service is available or not. Ms. Kumar also highlighted some additional clean-up provisions, including capping death benefits at 100% of salary in cases where dependent children receive an additional percentage on top of the 75% Joint and Survivor benefit allotted to the surviving spouse, and removing the dependent child benefit provision for retired members, which would allow members greater flexibility to name a beneficiary at retirement without being subject to a benefit reduction later in retirement. Another proposed change, she continued, applicable only to Group A vested members who terminated service prior to becoming eligible to retire; such members would not be eligible to participate in Back-DROP upon later filing for retirement benefits. Trustee Weaver asked about the funding impact of the proposed changes, to which Ms. Kumar responded that there would be no short-term impact on funding; the long-term goal was to strengthen plan provisions and eliminate potential vulnerabilities. Trustee Ratoza asked for clarification on the DROP provision, to which Ms. Kumar explained that since the DROP was intended to promote retention, members who separated from the department after vesting, but before becoming eligible to retire, would not be able to participate in Back-DROP when they later file for their annuity benefit at age fifty. Chair Woolverton made a motion to authorize the executive director to move forward with pursuing and advancing legislative changes as discussed. Vice Chair Fowler seconded the motion. The motion passed unanimously.

b. Update on 30-Month Review for Continuation of Disability Retirement Benefit for Applicant #2023-01 (Possible Closed Session)

Anumeha Kumar advised that a closed session would not be necessary and provided a brief update on the matter. She explained that the Benefits Committee had decided to request additional information from the applicant; while the applicant had previously provided some information, staff had determined upon review that further documentation was needed. She indicated that staff would follow up with the applicant and, if necessary, seek supporting information from the Fire Department. Ms. Kumar noted that the board may revisit the item at its November meeting if needed. No motion necessary.

IV. Consider approval of proposed mid-year Amended Operating Budget for 2026

Anumeha Kumar presented the proposed mid-year budget amendment, highlighting requested adjustments which included administrative increases such as furniture replacement attributed to a minor office flooding event and software costs such as a premium SharePoint subscription to securely exchange member data with the City of Austin. She identified larger requested increases for professional services, which included additional actuarial funding to cover potential analysis related to pending legislative changes, additional board/committee meeting funding anticipated from ongoing legislative discussions, and additional disability medical review funding to cover 30-month and annual reviews along with the updated schedule of disability retirement reviews. Ms. Kumar explained that the largest item was a final bulk purchase of 750 software vendor hours from LRS to complete remaining system work from the 2025 legislative session, including the military leave service purchase provision and COLA feature for Group A and Group B, noting that any unused hours could be banked for future use. Vice Chair Fowler moved to approve the proposed mid-year Amended Operating Budget for 2026 as presented. Trustee Weaver seconded the motion. The motion passed unanimously.

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

a. General comments

Anumeha Kumar reported that the nomination period for the Annual Board of Trustees election would run from September 1 through September 15, 2026. She stated that the nomination letter had already been mailed to the membership.

b. Pension Administration System (PAS) software implementation update

Anumeha Kumar reported that the PAS implementation remained on track to incorporate all legislative changes by October, despite ongoing work involving customizations and staff testing. She noted that the member portal had launched first for retirees, and Gina Gleason reported that 45% of the retired membership had already enrolled. Ms. Kumar stated that PIN letters for active member registration had been mailed in bulk the day prior, and that once enrolled, actives would be able to generate their own benefit estimates. She also noted that several electronic forms, including DROP distributions and retirement applications, were still under development, with the overall goal of completing both the Pension Gold and portal software work by early November to allow time for fine-tuning. Ms. Kumar added that LRS would formally warranty the system through December, and would continue to warranty the newer features through mid-next year.

c. Fund Newsletter Update

Anumeha Kumar reported that the next Fund Newsletter was in development and would be distributed to the membership in early September.

d. Internal financial statements, transactions, and Fund expense reports for month ending July 31, 2026

Anumeha Kumar had nothing to note beyond the budgetary amendment that the board approved in Item IV. The trustees had no questions regarding the financial statements.

VI. Roadmap for future meetings

Anumeha Kumar explained that while staff processed post-retirement beneficiary change requests, certain questions and concerns had arisen that warranted review by the Policy Committee. She noted that a Policy Committee meeting would likely be scheduled in September to address these concerns, and that an additional board meeting may be scheduled thereafter, if needed, to present any related concerns or proposed changes to the Board.

VII. Call for future agenda items

No future agenda items were called for.

Hearing no objections, Chair Woolverton adjourned the meeting at 11:06am.

Board Members

Aaron Woolverton, Chair
Doug Fowler, Vice Chair
Belinda Weaver
John Bass
Ryan Alter
Andrew Ratoza
Jie Li