



AFRF
AUSTIN FIREFIGHTERS
RETIREMENT FUND

**MINUTES
BOARD OF TRUSTEES MEETING
MONDAY JANUARY 29, 2024, 9:00AM**

Board Members Present

Doug Fowler, Outgoing Vice Chair
John Bass, Incoming Vice Chair
Belinda Weaver, Treasurer
Aaron Woolverton, 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
Lori Messer, Logic Compensation Group (virtual)
Nichole Arko, Logic Compensation Group (virtual)
Elizabeth Wiley, Cheiron

Community Members Present

Rene Vallejo
Donald Lowe
Eric Pederson
Virtual attendees not listed

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

Public Comments:

Rene Vallejo introduced himself as the president of the Austin Retired Fire Fighters Association (ARFFA). Mr. Vallejo raised a concern regarding some members who participate in two retiree Facebook groups by providing partial reports on Fund meetings, which have stirred up negative comments regarding the Board and staff, including a recent suggestion for a vote of no-confidence in their leadership. Mr. Vallejo encouraged members to obtain information directly by attending the board meetings and informational sessions hosted by the Fund or by referring to the recordings of those meetings, rather than basing their opinions on a secondhand report from a single member.

- I. Consent Agenda for the following:
 - a. Minutes of the regular meeting of December 11, 2023
 - b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

Trustee Weaver motioned to approve the consent agenda. Trustee Bass seconded the motion. The motion passed unanimously.

- II. Election of the Vice Chair for 2024

Vice Chair Fowler voiced his appreciation for everything the Board and staff had accomplished during his three years as Vice Chair. He nominated Trustee Bass to take over the role of Vice Chair for 2024. Trustee Weaver seconded the nomination and thanked Vice Chair Fowler for his time and leadership, noting that the Fund had experienced a lot of improvement over that time, which had included the hiring of Executive Director Anumeha Kumar. The motion to elect Trustee Bass as Vice

Chair passed unanimously. Trustee Bass thanked the Board and acknowledged Vice Chair Fowler for a job well done.

- III. Review and consideration of application to continue the disability retirement benefits for Applicant #2024-02 (Closed Session)

The Board entered closed session at 9:09am pursuant to Texas Government Code Section 551.0785 for deliberations involving medical records for a continuation of disability retirement application. The Board resumed open session at 9:56am with no action taken during the closed session. Vice Chair Bass indicated that after a lengthy discussion, the Board had directed staff to hire a vocational expert to determine the amount the applicant would be capable of earning in an occupation either within or outside of the fire department. No motion necessary.

- IV. Discuss and consider Logic Compensation Survey update, including Executive Director salary review and conforming updates to the Personnel Policy (Closed Session)

The Board entered closed session at 9:57am pursuant to Texas Government Code Section 551.074 to discuss personnel matters. The Board resumed open session at 10:53am with no action taken during the closed session. Trustee Fowler motioned to adopt the Executive Director salary range as presented to the Board by the Logic Compensation in their Executive Director Market Salary Survey report update, without geographic differences. He clarified that his motion would include an update to the Personnel Policy. Trustee Weaver seconded the motion. The motion passed unanimously.

- V. Update on City of Austin Actuarial Audit

Anumeha Kumar informed the Board about the preliminary draft report from Athena, the City of Austin's actuarial consultant. She explained that the audit reviewed the Fund's actuarial valuations over a five-year period from 2018-2022, as required by state law, and their only significant finding pertained to the Fund's increased amortization period of 35.7 years which exceeded the 30-year period recommended by the Pension Review Board. The next step, Ms. Kumar continued, would be to provide a response to the draft report to Athena by mid-February, which would be included in the final report presented to City Council's Audit and Finance Committee and then submitted to the Pension Review Board. Ms. Kumar explained that the Fund's response would highlight the Board's awareness and proactivity regarding the amortization period, including their pursuit of developing a voluntary FSRP. She noted that the response would also acknowledge some economic and demographic assumptions that Athena had included in their report, which the Board is currently in the process of reviewing with Cheiron through the actuarial experience study. No motion necessary.

- VI. Update on the Funding Soundness Restoration Plan (FSRP) / Pension Review Board (PRB) Actuarial Committee Meeting

Anumeha Kumar reviewed the presentation she gave to the Pension Review Board at their Actuarial Committee meeting, explaining that her intention was to acknowledge that the Fund was aware of its "at-risk" status and to inform the PRB that the Board had taken a proactive stance in pursuing the development of a voluntary FSRP. She emphasized the importance of partnering with both the Fund's membership and the City of Austin to come up with a shared solution that is agreeable for all stakeholders, then stated that the goal was well-received by the PRB. Ms. Kumar informed the Board that a recording of the meeting could be viewed on the PRB website. Trustee Weaver noted that she had watched the meeting live and praised Ms. Kumar for her presentation

and proactivity. Vice Chair Bass echoed the sentiment. Ms. Kumar provided an update on the Working Group, which was currently in the process of considering different options with the Fund's actuary, Cheiron. She stated that she would provide an update to the Board and schedule another member informational session as soon as more concrete information became available, which she hoped would be sometime in March. No motion necessary.

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

a. General comments

No general comments.

b. Annual DROP Account Statements Update

Anumeha Kumar notified the Board that the annual DROP account statements had been mailed out to DROP participants and would likely be delivered by the end of the week.

c. Winter Newsletter Update

Anumeha Kumar stated that the winter newsletter was targeted for publication during the first week of February and would be posted to the Fund's website.

d. Update on 2024 pension conferences

Anumeha Kumar informed the Board of the TEXPERS, NCPERS and NASRA conferences that they would be eligible to attend in 2024. She directed the trustees to request arrangements from staff in advance of any conferences they wanted to attend.

e. Final internal financial statements, transactions and Fund expense reports for month ending November 30, 2023

Anumeha Kumar reminded the Board that the November financial statements had been presented in draft form at the December meeting. She indicated that the investment reports had been updated to reflect final numbers, but no Fund expense-related numbers had changed.

f. Internal financial statements, transactions, and Fund expense reports for month ending December 31, 2023

Anumeha Kumar reported that the final expenses for the 2023 fiscal year came in under budget, having only expended approximately 95% of the approved budget. Ms. Kumar explained that a contributing factor was the Fund's investment management fees, which decreased with the implementation of the Board's passive investment strategy. Ms. Kumar highlighted a few areas which had exceeded budget, including the legal fees and actuarial fees, but noted these expenses were due to one-time projects that had previously been discussed with the Board. Additionally, she explained, some fees were misaligned with the intended payment schedule, including remaining 2022 payments for the prior actuary that were paid in 2023, and cyber security and liability insurances which were anticipated to be paid in 2023 but will instead be paid in 2024 following fee negotiations.

Vice Chair Bass followed up on the conversations of budgetary improvements and Executive Director performance by recognizing the amount of work that had been performed both at the Executive Director and staff levels, emphasizing how dramatically their roles have expanded from prior years. Vice Chair Bass noted that anyone who had been paying attention through watching the meetings or reading the minutes could see the ongoing improvements, which he attributed to a lot of hard work. He expressed his gratitude for the initiative taken by Ms. Kumar and her staff and praised them for a job well done.

VIII. Roadmap for future meetings

Anumeha Kumar stated that all known items for 2024 were included in the roadmap and welcomed any additions from the trustees. The trustees had no questions or requests.

IX. Call for future agenda items

No future agenda items were called for.

Hearing no objections, Vice Chair Bass adjourned the meeting at 11:10am.

Board Members

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