



## BOARD OF TRUSTEES MEETING REGULAR MEETING AGENDA

Monday, December 11, 1:00pm

The regular meeting will be held in the **Board and Commissions Room at Austin City Hall, 301 W 2<sup>nd</sup> Street, Austin, Texas 78701** and will be open to the public. The meeting will also be available to the public through [signin.webex.com/join](https://signin.webex.com/join) with **meeting number 2556 522 5458** and **password Dec2023**, or through a telephone conference call, **toll-free dial-in number 408-418-9388** with **access code 3322023**. Some non-routine agenda items will have the trustee or individual who requested the item in parentheses.

### Public Comments

Members of the public may address the Board of Trustees on any matter during this portion of the meeting. Public comments may be provided in person at the physical location of the regular meeting, virtually through WebEx, or through the toll-free dial-in number provided above. A sign-up sheet will be available at the physical location of the meeting. The Board requests that any member of the public who desires to address the Board virtually sign up to speak in advance by contacting the Fund at [staff@AFRFund.org](mailto:staff@AFRFund.org) **no later than 5:00 p.m. on December 10, 2023**. All parties are asked to limit comments to 3 minutes. No discussion or action will be taken by the Board during public comments.

### To Approve

1. Consent Agenda for the following:
  - a. Minutes of regular meeting of November 17, 2023
  - b. Service retirement benefits for new retirees and beneficiaries

### To Discuss and Possibly Act On

1. Funding Soundness Restoration Plan (FSRP) Working Group update, including requested presentation on reforms for other city retirement systems by Ed Van Eenoo (Chief Financial Officer, City of Austin)
2. Annual Performance Evaluation of the Executive Director (ED), including report on compensation study by Logic Compensation Group
3. Discuss and consider approval of proposed 2024 Budget



4. Executive Director Report, including the following (Discussion Only)
  - a. General comments
  - b. Pension Administration Software (PG IV) implementation update
  - c. Board meeting dates for 2024
  - d. Final internal financial statements, transactions, and Fund expense reports for month ending October 31, 2023
  - e. Draft internal financial statements, transactions, and Fund expense reports for month ending November 30, 2023
5. Roadmap for future meetings
6. Call for future agenda items

**Austin Firefighters Retirement Fund**  
4101 Parkstone Heights Drive, Suite 270  
Austin, TX 78746  
(512) 454-9567

**NOTE:** The Board of Trustees of the Austin Firefighters Retirement Fund may meet in Executive Session on any item listed above in accordance with and as authorized by the Texas Open Meetings Act, Texas Government Code Ch. 551.

**NOTE:** The City of Austin is committed to compliance with the American with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please contact our office at (512) 454-9567 for additional information; TTY users route through Relay Texas at 711.

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**AFRF**  
AUSTIN FIREFIGHTERS  
RETIREMENT FUND

**MINUTES  
BOARD OF TRUSTEES MEETING  
FRIDAY NOVEMBER 17, 2023, 9:00AM**

**Board Members Present**

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

**Staff and Consultants Present**

Anumeha Kumar, AFRF Executive Director  
John Perryman, AFRF CFO  
Debbie Hammond, AFRF Benefits Manager  
Shira Herbert, AFRF Accounting & QC Specialist  
Amy Thibaudeau, AFRF Benefits Specialist  
Chuck Campbell, Jackson Walker  
Alyca Garrison, Jackson Walker  
Leo Festino, Meketa  
Elizabeth Wiley, Cheiron  
Coralie Taylor, Cheiron (virtual)  
Tim Asselin, Constitution Capital Partners  
Dan Cahill, Constitution Capital Partners  
Rob Hatch, Constitution Capital Partners

**Community Members Present**

Rene Vallejo  
Virtual attendees not listed

**Vice Chair Fowler called the meeting to order at 9:10am.**

**Trustee Weaver was not in attendance when the meeting was called to order, quorum of 3.**

Public Comments:

**No public comments.**

- I. Consent Agenda for the following:
  - a. Minutes of the regular meeting of October 30, 2023
  - b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

**Vice Chair Fowler requested a moment of silence to honor the Austin police officer who had recently died in the line of duty; he extended the sentiment to all first responders and military members who had died in the line of duty. Trustee Bass made a motion to approve the consent agenda. Trustee Woolverton seconded the motion. The motion passed unanimously.**

II. Meketa 3Q23 Investment Performance review, including the following:

a. Economic and Market Update

Leo Festino provided an overview of market performance as of September 30, 2023, noting that while markets had been rising through July, most asset classes fell by 2-4% in the subsequent months while interest rates increased. The only exception, he explained, was energy due to the increase in energy prices during the quarter. Mr. Festino described further that loss in international investments, due in part to currency conversion and fluctuating exchange rates, and encouraged the board to invest in dollar currency when possible. For the year to date, he explained, most public markets were up, with US Equities up by 13%, led by developed market equities such as Google, Apple, Microsoft and other big names focused on technology, communication services and artificial intelligence. Mr. Festino noted that inflation continued to be a topic of interest as a contributing factor to the fluctuating interest rates that led to volatility in the equity and fixed income markets. Mr. Festino described Meketa's focus on monitoring the impact of higher interest rates on the consumer-driven economy, noting that high interest rates on revolving credit card balances in combination with the resumption of student loan repayments had led to a decrease in consumer capital for goods and services, which could eventually trickle down into the economy. Mr. Festino explained that Meketa would continue to monitor the impact of interest rates in the coming quarters but reassured the board that the economy had remained strong and had been quite resilient despite prior concerns about potential recession. No motion necessary.

b. 3Q23 Investment Report

Leo Festino explained that it had been a difficult quarter with a 2.4% loss for the Fund, noting that the loss aligned with the performance of peer institutions. Mr. Festino informed the board that there was a lag in some proceedings that had not yet been marked, then reviewed the impact of lag on reporting since 1Q22. While private equity had been a drag on performance over the past two quarters, he explained, the historical performance beyond three years had been a true positive for the Fund. Mr. Festino informed the board that the Fund positions were all close to target, with a slight overweight in liquids and US equities, and a slight underweight in fixed income and international equities, with no deviations exceeding 2% from the targeted range. Mr. Festino further described Fund performance versus benchmarks, with stronger performance over the long term than the short term, relative to peer systems. Trustee Bass thanked Mr. Festino for the analysis and emphasized the importance of focusing on long-term performance over short-term performance. Trustee Bass made an additional comment regarding the 60/40 exposure split shown on the return summary graph in Meketa's report being different from the Fund's actual split, which is closer to 70/30. He stated that someone could mistakenly attribute the difference to alpha instead of beta and if the red bar was a 70/30 split, those differences might be less extreme than what's shown in the graph. Mr. Festino noted that Trustee Bass brought up a good point and that they would add additional figures in the next quarterly report to illustrate the impact of 70/30 and 80/20 splits. Mr. Festino provided more information on Fund allocation versus peers, explaining that the Fund was in the upper quartile for private equity but had a well-diversified portfolio overall to provide yields and protect against inflation. Mr. Festino overviewed the performance of a few specific managers, highlighting positive long-term performers and noting any correlations of

performance to investment in the Chinese markets, which had struggled during pandemic market closure. He then explained that the Total Value to Paid-In capital (TVPI) for liquid assets was currently 2.0x for the Fund, meaning the value created had been double the Fund's initial commitments. Mr. Festino then pointed out one specific partnership, Constitutional Capital Partners, in which the Fund had made a \$15Million commitment in 2014 to Ironsides III. Mr. Festino explained that Ironsides III had performed well and was reaching maturity after creating \$26Million in revenue for the Fund on top of their initial commitment, which translated to a 2.3x multiple. After reminding the Board about the lifecycle of the commitments, Mr. Festino segued into the Constitution Capital Partners interview that had been requested by the board during the previous meeting with Meketa. No motion necessary.

Trustee Weaver joined the meeting at 9:27am, quorum of four.

c. Passive Framework Progress Report

Leo Festino addressed passive framework following the Constitution Capital Partners Interview (Item II.d). Mr. Festino offered a reminder that the framework had begun earlier this year, noting that of the Fund's eleven public market strategies, they had essentially drawn forward one from each, apart from Sanderson which had been drawn forward twice, and with the addition of \$10Million from Westwood in November. Historically, he explained, they have tried to keep the investments within the same asset class, but due to the current overweight in domestic equities, Meketa may tactically pull from that class in December to reinvest in international equities or fixed income to rebalance the portfolio. No motion necessary.

d. Constitution Capital Partners Interview (Private Equity Fund of Funds)

Tim Asselin introduced himself, Dan Cahill, and Rob Hatch of Constitution Capital Partners. Mr. Asselin expressed his appreciation for the Fund's prior commitment to Ironsides III and informed the board that Constitution Capital Partners was now in the process of raising funds for Ironside VII. Dan Cahill provided an overview of the history of the firm. He explained their partnership investment strategy, wherein they invest in other private equity funds in the United States primarily focused on mid-market buyout, and their equity call investment strategy, wherein they invest directly in the companies alongside the private equity funds that they commit capital to. Mr. Cahill provided information about their goal of generating low to mid-twenties net internal rate of return (IRR), emphasizing the consistency of returns achieved by the previous Ironsides funds. Rob Hatch listed their core focus areas as consumer health care, business services and consumer products. He further noted their preference for low-volatility investments, their selectivity, and the close relationships they maintain with their fund managers as hands-on value-add partners. Mr. Cahill described the 20-year relationship that Constitution Capital Partners has maintained with Meketa and described the fee-break they offer to Meketa's clients as one of the lowest in the industry. Mr. Cahill concluded his presentation with a breakdown of the term sheet. Trustee Weaver questioned their focus on consumer healthcare and industrial business services, to which Mr. Cahill explained their experience and comfort in those sectors over new technologies, which tend to carry more risk. Trustee Bass expressed appreciation for the fee schedule and noted the importance of managing expectations and closely considering the features of net IRRs. Mr. Cahill agreed and noted that the IRR can be somewhat inflated in the early stages of a fund. Trustee Bass asked an additional question regarding term extension of unsold portfolio companies, to which Mr. Cahill explained that when that situation had occurred with Ironsides II, they sold that portion

of the portfolio into the secondary market and returned the money to their investors. Leo Festino informed the AFRF board and staff that the Ironsides III investment in 2014 had been two investments: one in the partnership fund and one in the co-investment fund, but Capital Partners now offered a third vehicle, a 50/50 split, which the Fund could invest in as a single line-item. Mr. Festino engaged in conversation with the representatives of Constitution Capital Partners regarding any lag in reporting to be expected with their firm. Trustee Weaver voiced her support for moving forward with Meketa's recommendation of investing in Ironsides VII due to the proven track record of the company and their attractive fee structure. Trustee Bass echoed her sentiment. Trustee Weaver made a formal motion to invest \$25Million, as recommended by Meketa, to the Constitutional Capital Partners Ironside VII fund. Trustee Woolverton seconded the motion. The motion passed unanimously.

e. Memos and Roadmap

Anumeha Kumar asked Leo Festino if he would be able to present a passive framework impact report in February, to quantify for the board the positive or negative effect the strategy had on returns at the one-year mark following implementation. Mr. Festino confirmed that he would be able to quantify the fee-savings captured during the year and prospectively into the future, but noted that performance is trickier to quantify, due to constant fluctuations in the market. He stated that he would provide updated capital market projections as usual in February. No motion necessary.

III. Discuss and Consider 2024 Cost of Living Adjustment (COLA)

Elizabeth Wiley explained that the purpose of the COLA Analysis is to ensure that changes made to the Fund's benefits preserve the Fund in terms of financial stability and actuarial soundness, while considering the impact of inflation on member purchasing power. Ms. Wiley provided an overview of the steps involved in the process. She explained that the first step of determining benefit adjustments based on inflation is purely formulaic, based on the Fund Rules and Statute and the change in CPIU, without any discretion or decision by the board, actuary, or staff. Vice Chair Fowler asked if the 9/30 Consumer Price Index (CPIU) covers a full 12-month period rather than just January through September, to which Ms. Wiley confirmed that he was correct and further clarified that the Fund's COLA Adjustment Policy is also specific to that timing. Ms. Wiley then described the next step in the COLA Analysis, which was to look at the financial stability of the Fund. She noted that looking at the most recent Valuation and projecting the impact of a granted COLA on Fund stability over the 10-year time-period as set by Fund policy is also formulaic, with a degree of professional judgment in the assumption recommended by the actuary and adopted by the board. Ms. Wiley described the two tests conducted for each year of that 10-year period, which determine the impact on the Fund's amortization period and the funded ratio. She noted that failure to meet the requirements for financial stability in any year of either test would result in an inability to grant a COLA. Ms. Wiley broke down the specifics of the COLA Analysis, noting the 3.7% CPIU exceeded the historical average. She explained that granting a COLA of the same percentage would increase Fund liability by approximately \$31Million and would further increase the amortization period, which was at 35 years as of the 2022 Valuation. Even with zero COLA granted, she concluded, the amortization period exceeded the 25-year limit for the financial stability test, indicating that no COLA could be granted for 2024 or the near-term future under the Fund's COLA Policy.

Ms. Wiley described some alternate options, which included the Fund's provision for a de minimus COLA, though she noted that the Fund's undefined projected amortization period could not meet the <0.2 year increase requirement for the de minimus COLA, and the possibility of issuing a 13<sup>th</sup>

check, which would require full funding by the plan sponsor. Vice Chair Fowler expressed his disappointment in the board's inability to grant a 2024 COLA but thanked Ms. Wiley for putting the information into perspective. He mentioned that he would further discuss the topic with the membership at the informational session scheduled for the next day at Union Hall. Then he asked Ms. Wiley how the Fund's COLA test compared to peer funds, to which Ms. Wiley replied that the Fund's benefit policy is much better developed than most public pensions and that the tests are strong without being overly rigorous. The only area for potential improvement, she continued, would be to reexamine the de minimus COLA policy. Trustee Bass thanked Ms. Wiley for the educational presentation and noted that while the results were disappointing, they aided the board in making the best decisions for the long-term health of the Fund. Without objection, Vice Chair Fowler stated that the board accepted the report, understanding that a COLA could not be granted for 2024. No motion necessary.

IV. Update and Possible Board Certification of 2023 Board of Trustees Election Results

Anumeha Kumar informed the Board that the outside election vendor, Yes Elections, had provided staff with the election results in accordance with the election timeline, and staff had posted the results to the Fund website. Ms. Kumar stated that Vice Chair Fowler had been reelected, and the Fund's statute required the board to certify the results. Trustee Weaver made a motion to approve and certify the trustee election results as presented by Yes Elections. Trustee Bass seconded the motion. The motion passed unanimously.

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

a. General comments

Anumeha Kumar reiterated the information that Vice Chair Fowler had shared regarding the member informational session scheduled for the following day at Union Hall. Ms. Kumar provided a recap of the Funding Soundness Restoration Plan (FSRP) "At-Risk" letter that the Fund had received from the Pension Review Board (PRB) and the action the Fund had taken to form a working group to obtain additional projections and analysis from Cheiron to address potential future concerns. The point of the informational session, Ms. Kumar explained, was to keep the membership apprised of the situation, to help the membership to understand the current financial health of the plan, and to solicit feedback as the working group moves forward with any ideas. Ms. Kumar noted her intention to schedule additional informational sessions as the working group progresses toward a solution.

b. Winter Fund Newsletter Update

Anumeha Kumar provided a brief update that the next edition of the newsletter was currently in progress and would be published in late January or early February.



Internal financial statements, transactions and Fund expense reports for month ending October 31, 2023

**Anumeha Kumar informed the Board that the internal financial statements were provided in draft form, as the Fund's custodian bank had not finalized the financials for the month. Ms. Kumar noted that the operating budget was current, but the financials relating to the investment managers would be presented at the December board meeting along with the final end-of-year budget. The trustees had no questions regarding the draft financial statements.**

VI. Roadmap for future meetings

**The trustees had no comments or questions regarding the roadmap for future meetings.**

VII. Call for future agenda items

**No future agenda items were requested.**

**Hearing no objections, Vice Chair Fowler adjourned the meeting at 11:02am.**

**Board Members**

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

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**CONFIDENTIAL INFORMATION**

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# FINANCIAL SERVICES DEPARTMENT

## Retirement System Reforms

- 87<sup>th</sup> Legislature – Austin Police Retirement System (APRS)
- 88<sup>th</sup> Legislature – City of Austin Employees' Retirement System (COAERS)

Ed Van Eenoo, Chief Financial Officer  
December 11, 2022



# City of Austin Reform Principles

- Honor benefit promises to the greatest extent possible
  - Benefit reductions should apply only to new employees
  - Defined contribution alternatives to defined benefit plans should be considered only as an employee option
- Maintain prudent actuarial assumptions and long-term affordability
- Employees and plan sponsor share in system sustainability and risk
- Actuarially determined funding approach for City contributions
  - APRS and COAERS model is actuarially sound with proven support from the state legislature

# City of Austin Reform Principles

- Enact more restrictive requirements for implementing future COLAs and benefit enhancements
- Establish more balanced board composition
- To the extent reforms are implemented, they should be implemented equitably across the systems

# Reform Comparison – Lower Benefit Tier

	APRS	COAERS
Lower Benefit Tier for New Hires	<ul style="list-style-type: none"><li>○ 2.5% multiplier for members hired on or after January 2022</li><li>○ Increase in retirement eligibility age</li><li>○ Reduction in normal cost from 25.1% to 19%</li></ul>	<ul style="list-style-type: none"><li>○ 2.5% multiplier for members hired on or after January 2012</li><li>○ Increase in retirement eligibility age</li><li>○ Reduction in normal cost from 20.2% to 14.2%</li></ul>

- Purple font represents changes approved for APRS in the 87th Legislature and for COAERS in the 88th Legislature.



# Reform Comparison – Funding Model

	APRS	COAERS
ADEC Model	<ul style="list-style-type: none"> <li>○ City contributions to legacy liability paid on a fixed 30-year repayment schedule</li> <li>○ Remaining City contribution rate actuarially determined within <math>\pm 5\%</math> corridor</li> <li>○ Future liability layers amortized over 30-years at a 7.25% rate of return</li> <li>○ Contribution increase phased in over 3 years</li> <li>○ Aggregate City contribution rate of approximately 33.6% of pay once fully implemented (prior statutory rate 21.7%)</li> </ul>	<ul style="list-style-type: none"> <li>○ City contributions to legacy liability paid on a fixed 30-year repayment schedule</li> <li>○ Remaining City contribution rate actuarially determined within <math>\pm 5\%</math> corridor</li> <li>○ Future liability layers amortized at the remaining amortization period of the legacy liability but no less than 20 years at a 6.75% rate of return</li> <li>○ Contribution increase phased in over 2 years</li> <li>○ Aggregate City contribution rate of approximately 20% of pay once fully implemented (current statutory rate 8% although the City voluntarily contributes 19%)</li> </ul>
Employee Contributions	<ul style="list-style-type: none"> <li>○ Increased from 13% to 15%</li> <li>○ Additional 2% contribution if upper corridor breached</li> </ul>	<ul style="list-style-type: none"> <li>○ Increase from 8% to 10% (phased in over 2 years)</li> <li>○ Additional 2% contribution if upper corridor breached</li> </ul>

- Purple font represents changes approved for APRS in the 87th Legislature and for COAERS in the 88th Legislature.

# Reform Comparison – Service Purchases

	APRS	COAERS
Service Purchases	<ul style="list-style-type: none"> <li>○ <u>Military service purchase</u>: No subsidy, made only at retirement</li> <li>○ <u>Prior service purchase</u>: Repurchased at contributions plus 8%</li> <li>○ <u>Sick leave conversion</u>: None (paid out for unused sick leave upon termination)</li> <li>○ <u>Supplementary Service Purchase</u>: Up to 5 years; made at retirement</li> <li>○ <u>Employer Purchase of Service Credit</u>: None</li> <li>○ <u>Noncontributory Service Purchases</u>: Repurchased at contributions plus 8%</li> </ul>	<ul style="list-style-type: none"> <li>○ <u>Military service purchase</u>: Remove 75% subsidy; Allow purchase only at retirement</li> <li>○ <u>Prior service purchase</u>: Calculate at actuarially neutral cost</li> <li>○ <u>Sick leave conversion</u>: Purchase allowed only at retirement; Convert the actuarial cost to an assumption to be priced into the System’s normal cost calculation and maintain the employee purchase price at employee contribution rate</li> <li>○ <u>Supplementary Service Purchase</u>: Up to 5 years; Priced at 200 basis point premium; Allow purchase only at retirement</li> <li>○ <u>Employer Purchase of Service Credit</u>: No change</li> <li>○ <u>Noncontributory Service Purchases</u>: Allow purchase only at retirement</li> </ul>

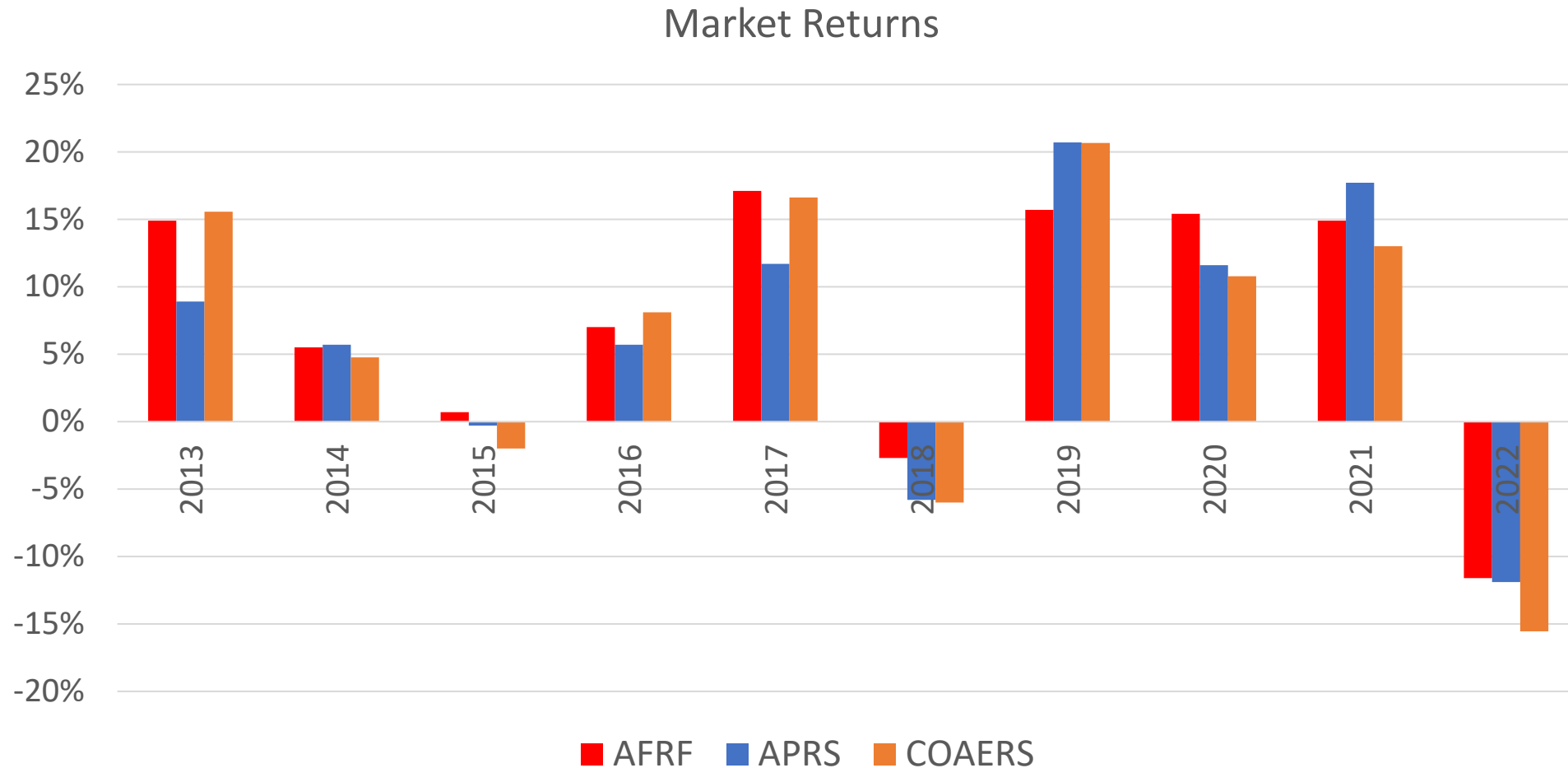
- Purple font represents changes approved for APRS in the 87th Legislature and for COAERS in the 88th Legislature.

# Reform Comparison – System Governance

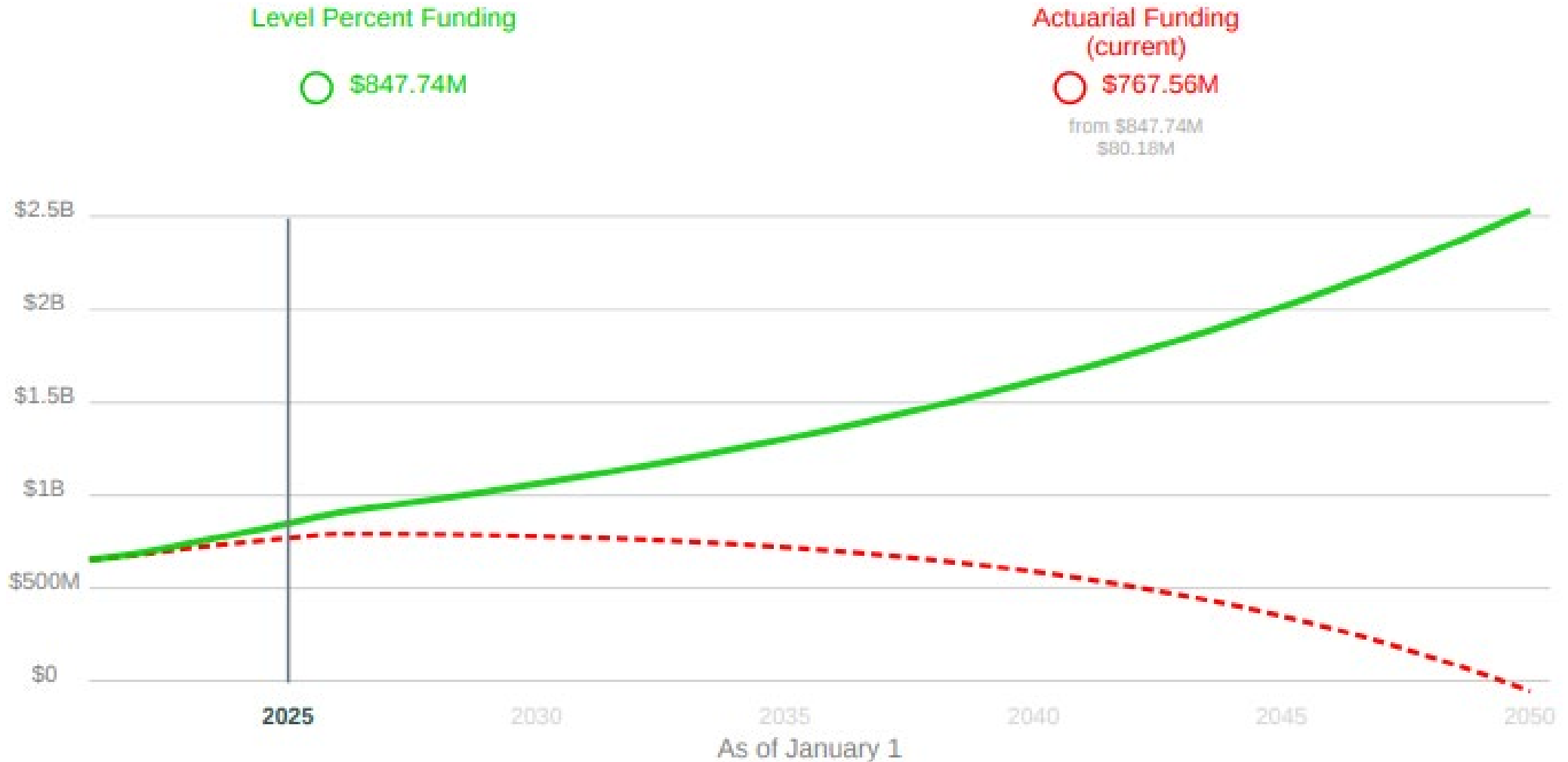
	APRS	COAERS
Actuarial Review	<ul style="list-style-type: none"> <li>Established an actuarial review and reconciliation process allowing the City to provide input on actuarial assumptions and methods</li> </ul>	<ul style="list-style-type: none"> <li>Establish an actuarial review and reconciliation process allowing the City to provide input on actuarial assumptions and methods</li> </ul>
Benefit Increases	<ul style="list-style-type: none"> <li>Future benefit increases, COLAs and lump-sum payments require legislative approval</li> </ul>	<ul style="list-style-type: none"> <li>Future COLAs and lump-sum payments require legislative approval; <b>Benefit changes require legislative action</b></li> </ul>
Board Composition	<ul style="list-style-type: none"> <li>Removed one active member seat and replaced with one City appointed citizen seat</li> </ul>	<ul style="list-style-type: none"> <li>Remove one active member seat and replaced with one City appointed seat</li> </ul>

- Purple font represents changes approved for APRS in the 87th Legislature and for COAERS in the 88th Legislature.

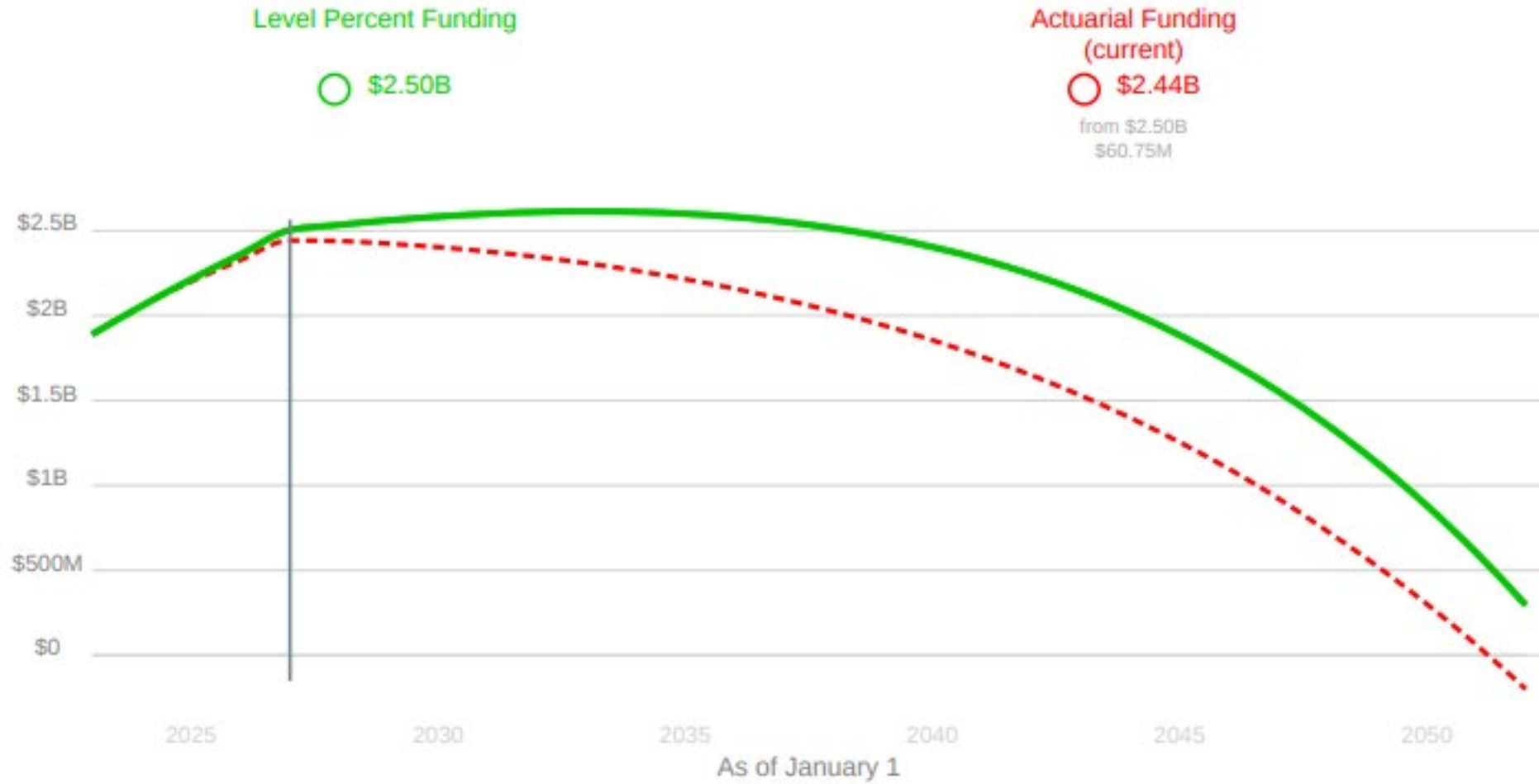
# Investment Return – Market Value Basis



# APRS: Unfunded Actuarial Accrued Liability



# COAERS: Unfunded Actuarial Accrued Liability



# AFRF: Unfunded Actuarial Accrued Liability



Questions?



FINANCIAL SERVICES  
DEPARTMENT



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Austin  
Firefighters  
Retirement Fund  
**AFRF**

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INFORMATION SESSION

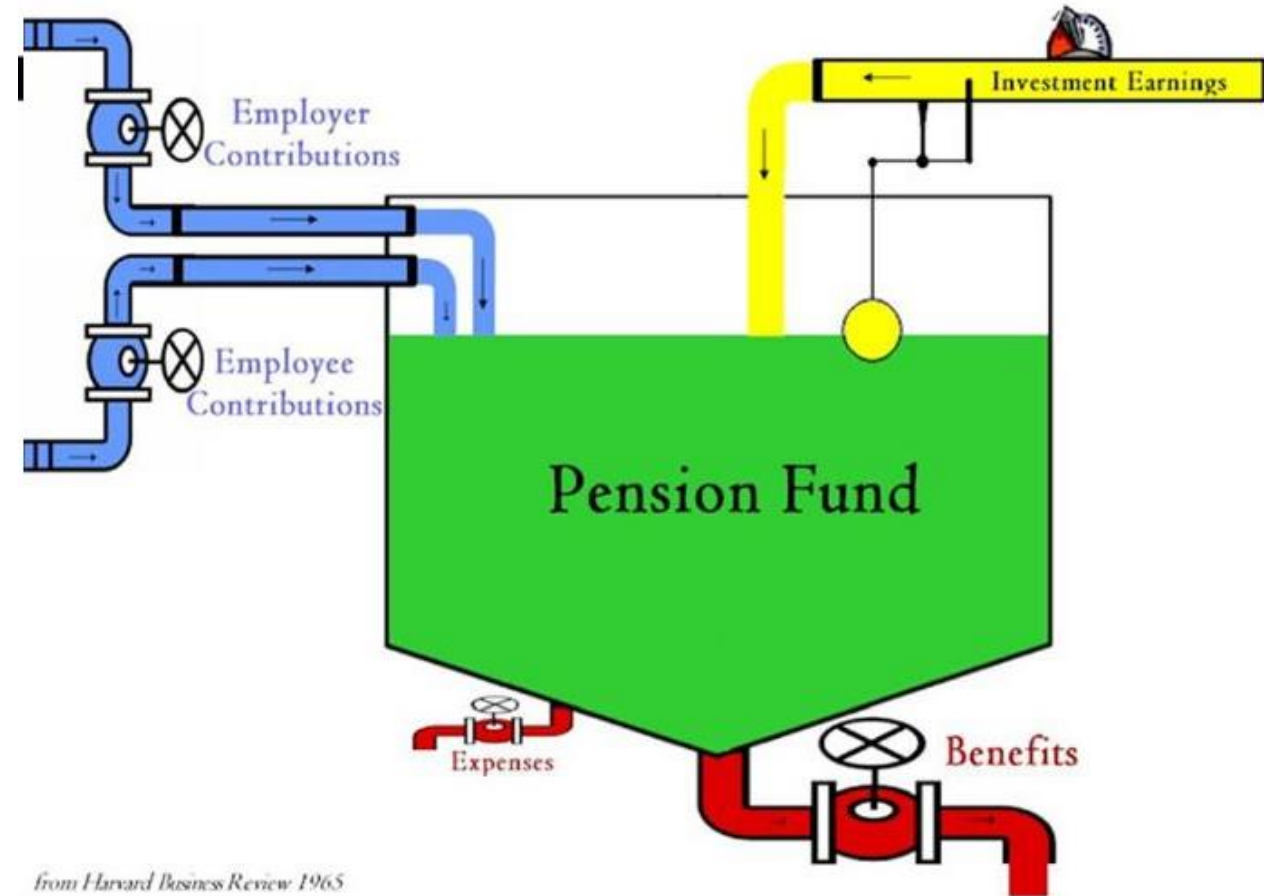
NOVEMBER 2023

# DB Plan Financing

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$$C + I = B + E$$

Contributions + Income =  
Benefits + Expenses



# DB Plan Financing Cont...

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**Contributions** and **investment earnings** pay for the future benefits owed to the plan members.



**Investment consultants**, based on the investment policy, advise the plan on the appropriate asset mix to hold to meet the plan's objectives.



**Actuaries** help quantify the cost of benefits. They use actuarial methods to calculate and predict the benefits.

# Key Financial Health Measures

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Two measures are frequently used to assess a system's financial health:

## FUNDED RATIO

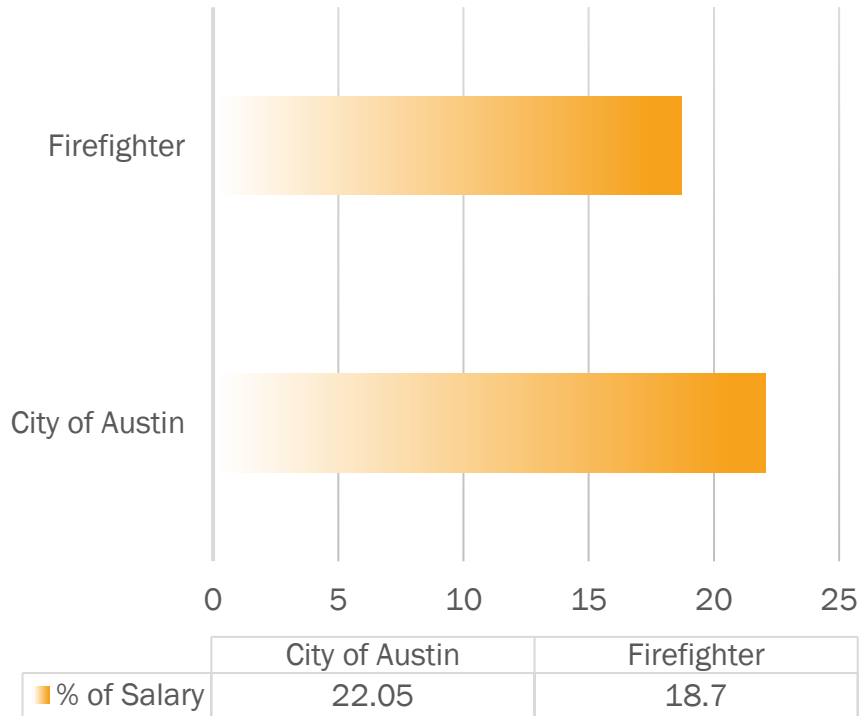
This is the proportion of a system's accrued liabilities that are covered by the assets. The funded status of AFRF as of December 2022 was **86.9%**.

## AMORTIZATION PERIOD

This is the expected time period for a system to pay off its unfunded liability. The amortization period for AFRF as of December 2022 was **35.7 years**.

# Contributions, Vesting, Eligibility

## CONTRIBUTIONS



## VESTED BENEFIT

**10 Years of Service**

Upon termination of employment with the fire department, a member may elect to leave their accumulated deposits in the Fund.

## NORMAL RETIREMENT

**Age 50 with 10 Years of Service**  
**OR 25 Years of Service at any age**

## EARLY RETIREMENT

**Age 45 with 10 Years of Service**  
**OR 20 Years of Service at any age**

# Benefit Calculation

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Years x 3.3% x Salary

Years of Service  
x 3.3%  
x Highest Average Salary  
= Monthly Benefit



**Years of Service** reflects the amount of time a member has been contributing to the Fund. Firefighters typically begin contributions 6 months after employment.



**Pension Factor** - Every DB Plan sets its own factor. The factor for AFRF is 3.3% which is higher than average for pensions.



**Highest Average Salary** is calculated from the highest 36 months of salary during the time of employment, not including any bonuses or supplemental pay.



# Additional Benefits

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**DROP : Deferred Retirement Option Plan**

**COLA: Cost-of-Living Adjustments**

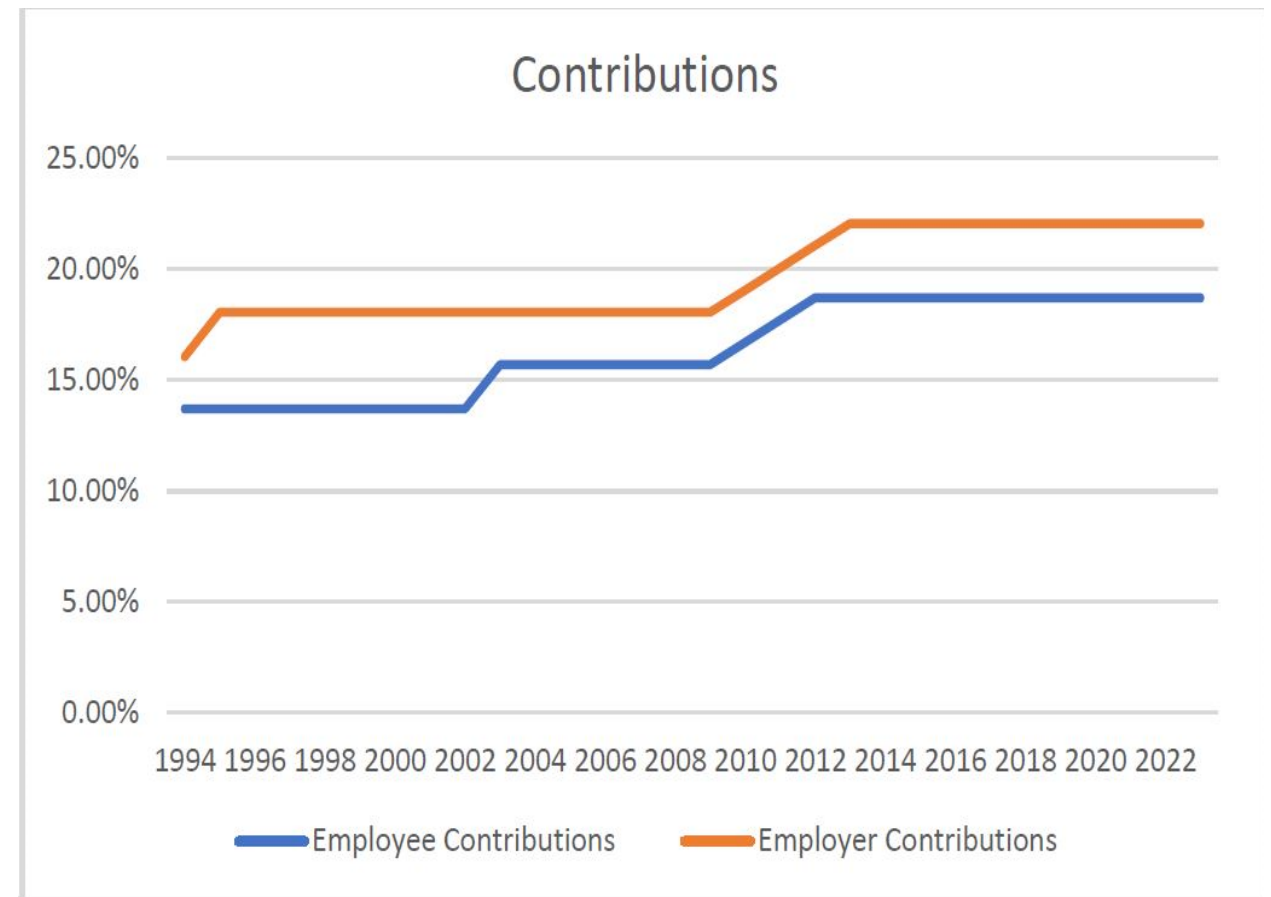
**Disability Benefits**

**Death Benefits**



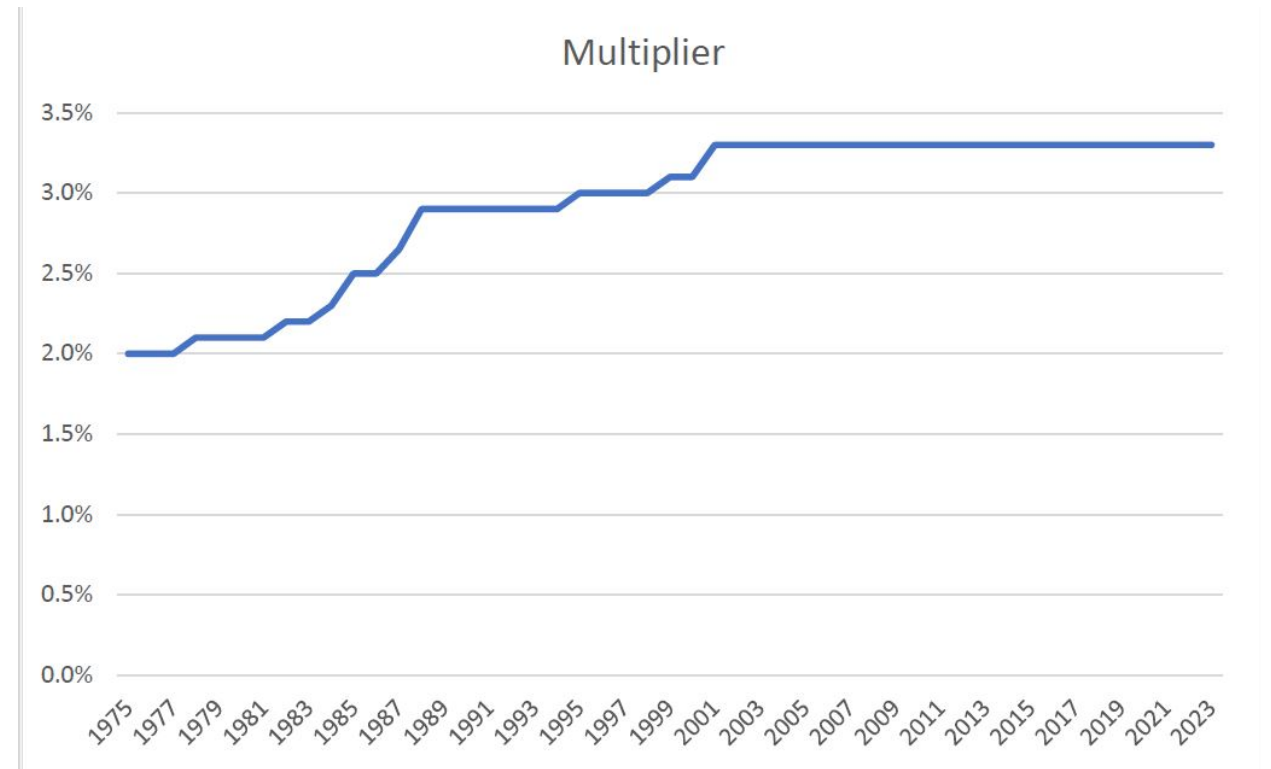
# Employer and Employee Contribution History

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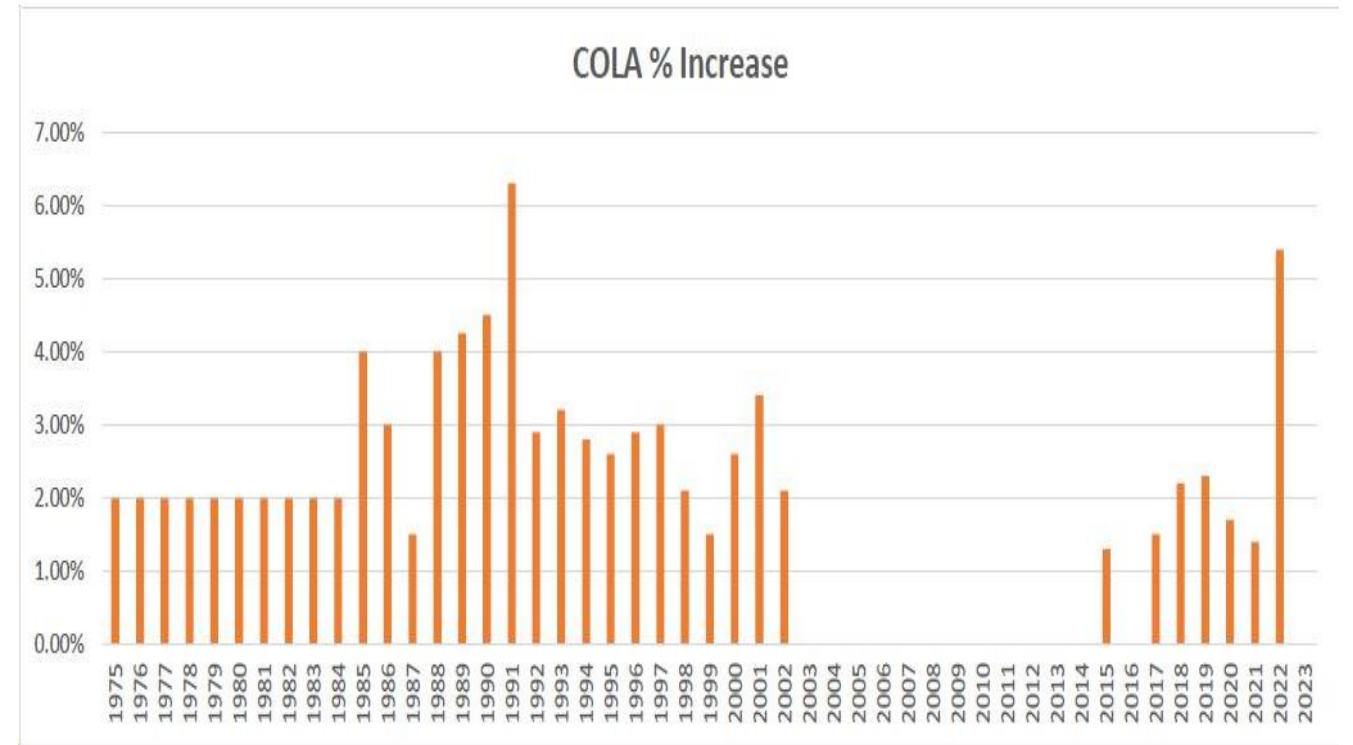
# Multiplier Change History

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# COLA History

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# Fund Statistics as of 2022 Actuarial Valuation

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Actuarial Accrued Liabilities: \$1.3Billion

Market Value of Assets: \$1.1Billion

Funded Ratio: 86.9%

Amortization Period: 35.7 years

Investment Return Assumption: 7.30%

Actual Investment Return: -10.8%

Membership: 2178 members  
(55% active, 45% annuitants)

# Changes Since Prior Valuation

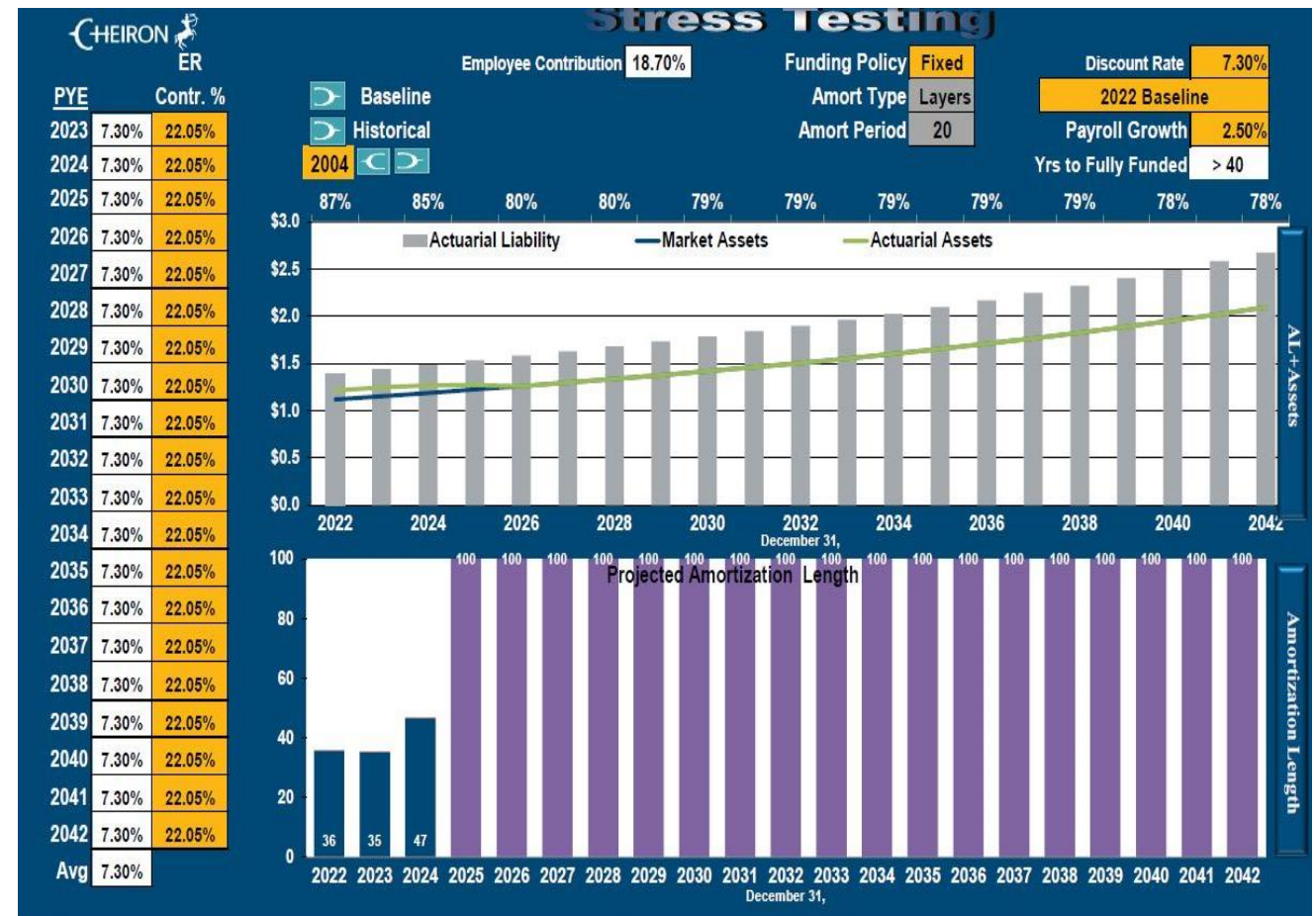
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Info provided by plan actuary,  
Cheiron

- Plan
  - No changes
- Membership Data
  - Total active membership of 1,199
  - Total inactive members of 1,014
- Actuarial Methods and Assumptions
  - Updating the mortality table to use fully generational mortality with the base PubS-2010 mortality table
  - Assume participants choose the most valuable DROP period
  - Reflect previously granted COLAs for eligible active members assumed to take DROP

# 12/31/2022 Valuation Recap

Cheiron Data



# 12/31/2022 Valuation Recap Cont..

Cheiron data





# Funding Period

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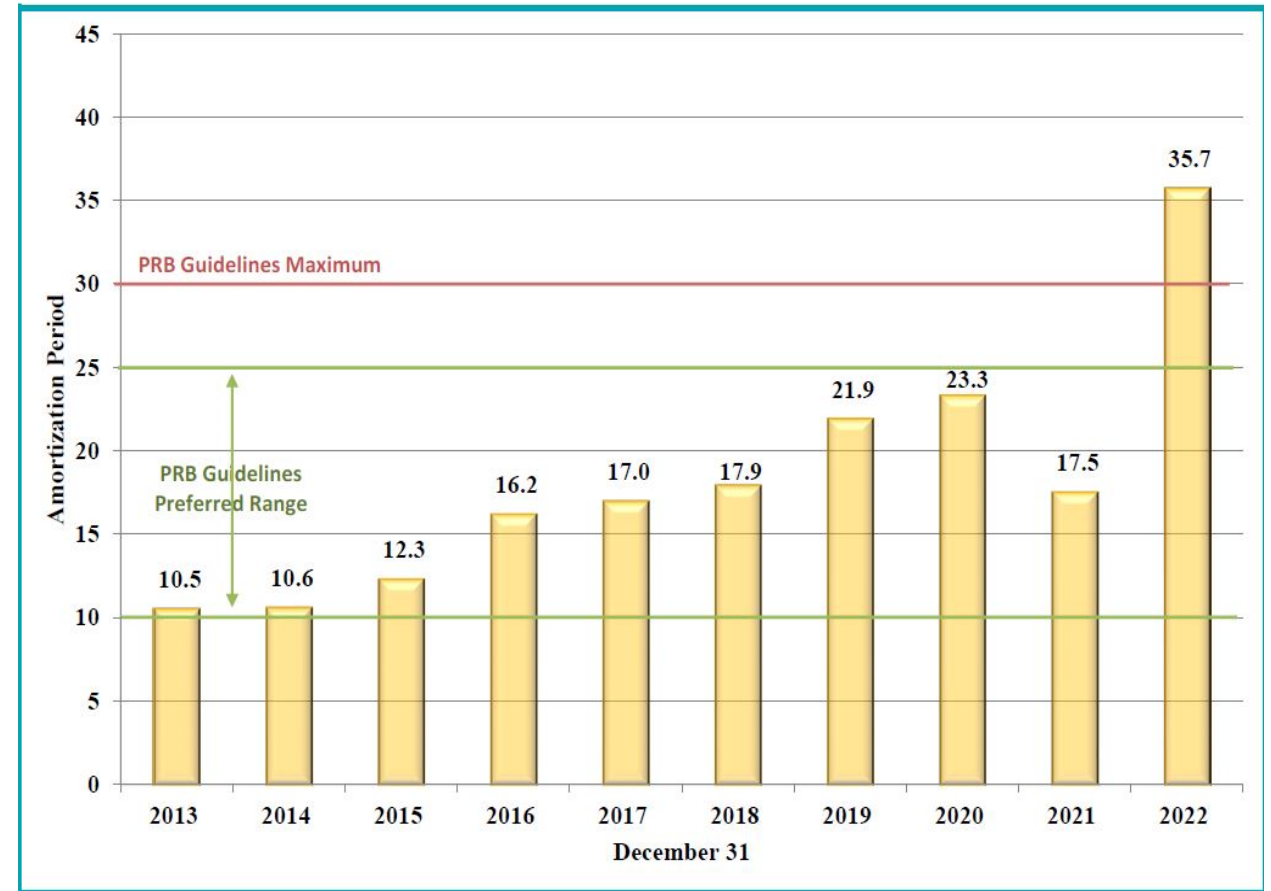
Info from 2022 AV presentation  
provided by Cheiron

- Given the actuarial valuation and the statutory contributions, how long until the current unfunded actuarial liability is anticipated to be paid off?
- Texas Pension Review Board (PRB) Funding Guidelines
  - “as brief a period as possible”
  - “not to exceed 30 years, with 10-25 years” preferred



# Funding Period History

Cheiron data



# Funding Soundness Restoration Plan (FSRP)

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PRB

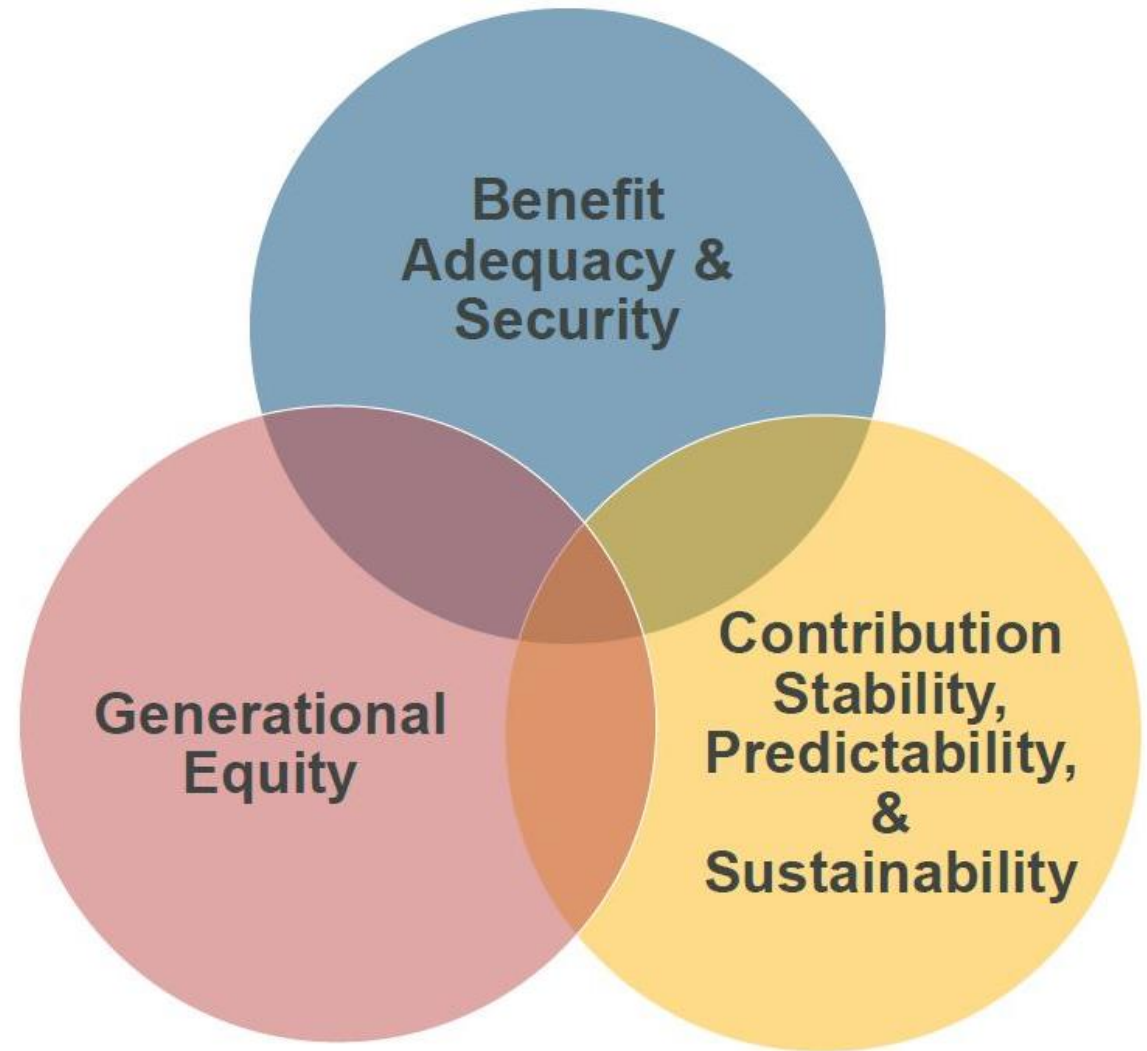
- Funding Soundness Restoration Plan (FSRP) triggered if:
  1. Funding period  $> 30$  for three consecutive valuations
  2. Funding period  $> 40$  at any valuation\*
  3. Funding period  $> 30$  & funded ratio  $< 65\%^*$
- Given the “leverage,” or rapidly increasing nature of funding periods, vitally important to assess and manage risk

# Competing Objectives

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Info from Cheiron presentation

There is no right answer, but defining and balancing these objectives is the key.



# Contact Information

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Don't hesitate to reach out.  
We're here to help!



## Austin Firefighters Retirement Fund

4101 Parkstone Heights Drive  
Suite 270  
Austin, TX 78746

512-454-9567

[staff@afrfund.org](mailto:staff@afrfund.org)

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**Executive Director  
Compensation Study Overview  
December 11, 2023**

**Austin Firefighters Retirement Fund**



**Logic Compensation Group**  
Total Rewards Consulting

# OVERVIEW

## *Presentation topics*

- ❖ Study Background
- ❖ Overview of Study Phases
- ❖ Study Initiation
- ❖ Compensation Study
  - Comparator Organizations
  - Custom Survey Data and Validation
  - Summary of Compensation Study Findings
  - Proposed Pay Range
- ❖ Recommendations

# STUDY BACKGROUND

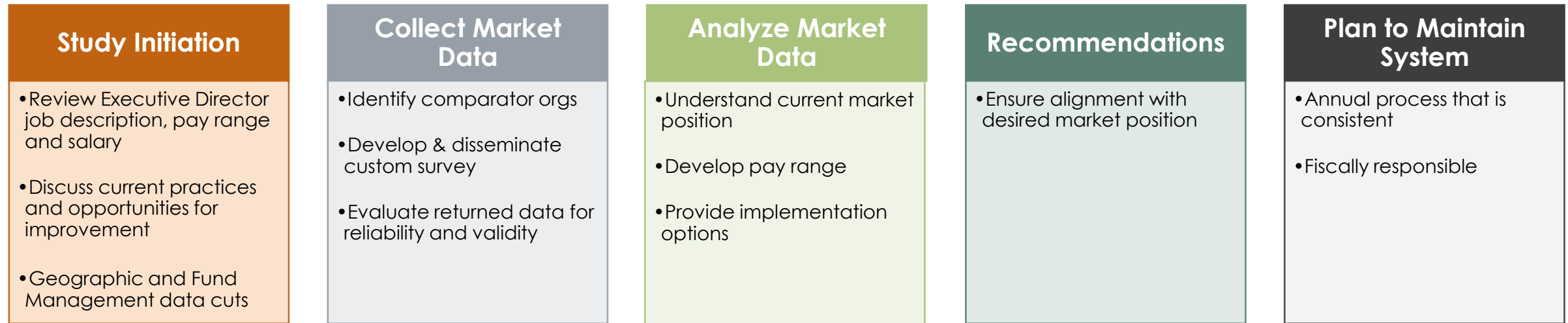
## *Study Engagement Details*

- ❖ Logic Compensation Group (Logic Comp) was engaged to perform a review of the Fund's Executive Director compensation and make recommendations regarding market competitiveness of pay.
  
- ❖ Goals of the study:
  - Conduct a custom salary survey of comparator organizations' base pay;
  - Identify the Fund's pay position in the market with which it competes for talent;
  - Develop a pay range that is aligned with the Fund's compensation philosophy.



# OVERVIEW OF STUDY PHASES

## Key Objectives & Key Deliverables



# STUDY INITIATION

## *Study Initiation & Philosophy Development*

- ❖ Met with the Fund's project team to understand the current and **desired state** for Executive Director pay.
- ❖ Assisted the Fund in identifying the **Compensation Philosophy**:
  - Goal is to achieve competitive position at the median of the market (50<sup>th</sup> percentile), plus 5%;
  - Primary comparison will be the median plus 5% of market actual salaries against the Fund's midpoint, given that is what the Fund has to compete with to recruit talent.
- ❖ Worked with the Fund to identify **comparator organizations** for the compensation survey.
  - Focus on local, statewide and national organizations that the Fund competes with for talent.

# COMPENSATION STUDY

## Market Comparator Organizations

- ❖ Twenty-nine comparator organizations were identified and categorized into 2 data cuts, Geographic and Fund Management Approach.
- ❖ Considerable Logic Comp contact was made to encourage survey participation.
  - 79% participation rate
  - Organizations in gray did not participate

Comparator	Data Cuts	
	Geographic	Fund Management
Austin Police Retirement System, TX	Local	Internal
City of Austin Employees Retirement System, TX	Local	Internal & External
City Public Service Pension Plan, TX	Local	No Response
Employees Retirement System of Texas, TX	Local	Internal
San Antonio Fire & Police Pension Fund, TX	Local	External
San Antonio Metropolitan Transit Retirement Plan, TX	Local	No Response
Teacher Retirement System, TX	Local	Internal
Texas County & District Retirement System, TX	Local	External
Texas Municipal Retirement System, TX	Local	External
Fort Worth Employees' Retirement Fund, TX	Statewide	Internal & External
City of Dallas Employee Retirement Fund, TX	Statewide	No Response
City of Houston Firefighters Relief and Retirement Fund, TX	Statewide	Internal & External
City of Houston Police Officers Pension System, TX	Statewide	External
Dallas Police & Fire Pension System, TX	Statewide	External
El Paso Firemen & Policemen Pension Fund, TX	Statewide	External

Comparator	Data Cuts	
	Geographic	Fund Management
Houston Municipal Employee Pension System, TX	Statewide	External
Charlotte Firefighters' Retirement System, NC	National	External
Fairfax County Employees'/Police Officer's Retirement System, VA	National	No Response
Firemen's Retirement System of St. Louis, MO	National	No Response
Jacksonville Police & Fire Pension, FL	National	External
Jacksonville Retirement System Pension Office, FL	National	No Response
Kansas City Employee Retirement System, MO	National	External
Kansas City Police Retirement System, MO	National	External
Miami Fire Fighter's & Police Officer's Retirement Trust, FL	National	External
Municipal Employees' Retirement System of Louisiana, LA	National	External
Municipal Police Employee's Retirement System, LA	National	External
Tampa Fire and Police Pension, FL	National	External
The Police Retirement System of St. Louis, MO	National	External
Wichita Police and Fire, KS	National	External

# COMPENSATION STUDY

## Geographic Differentials

- ❖ Applying geographic differentials is a sound compensation practice in an effort to arrive at a more precise figure for use in analyzing and setting pay.
- ❖ Just as data are trended forward to be effective for a current point in time, data should be adjusted to reflect cost of labor differences between geographic areas.
- ❖ Geographic adjustment factors are shown below:

Org	Location	Geo Factor
Austin Firefighters Retirement Fund	Austin, TX	100.0%
Austin Police Retirement System, TX	Austin, TX	100.0%
Charlotte Firefighters' Retirement System, NC	Charlotte, NC	105.7%
City of Austin Employees Retirement System, TX	Austin, TX	100.0%
Fort Worth Employees' Retirement Fund, TX	Fort Worth, TX	106.1%
City of Houston Firefighters Relief and Retirement Fund, TX	Houston, TX	100.7%
City of Houston Police Officers Pension System, TX	Houston, TX	100.7%
Dallas Police & Fire Pension System, TX	Dallas, TX	101.4%
El Paso Firemen & Policemen Pension Fund, TX	El Paso, TX	118.3%
Employees Retirement System of Texas, TX	Austin, TX	100.0%
Houston Municipal Employee Pension System, TX	Houston, TX	100.7%
Jacksonville Police & Fire Pension, FL	Jacksonville, FL	109.2%

Org	Location	Geo Factor
Kansas City Employee Retirement System, MO	Kansas City, MO	104.5%
Kansas City Police Retirement System, MO	Kansas City, MO	104.5%
Miami Fire Fighter's & Police Officer's Retirement Trust, FL	Miami, FL	105.6%
Municipal Employees' Retirement System of Louisiana, LA	Baton Rouge, LA	112.2%
Municipal Police Employees' Retirement System, LA	Baton Rouge, LA	112.2%
San Antonio Fire & Police Pension Fund, TX	San Antonio, TX	109.9%
Tampa Fire and Police Pension, FL	Tampa, FL	109.8%
Teacher Retirement System, TX	Austin, TX	100.0%
Texas County & District Retirement System, TX	Austin, TX	100.0%
Texas Municipal Retirement System, TX	Austin, TX	100.0%
The Police Retirement System of St. Louis, MO	St. Louis, MO	102.6%
Wichita Police and Fire, KS	Wichita, KS	114.6%

# COMPENSATION STUDY

## *Custom Survey Data & Validation*

### Data Collected from Comparators:

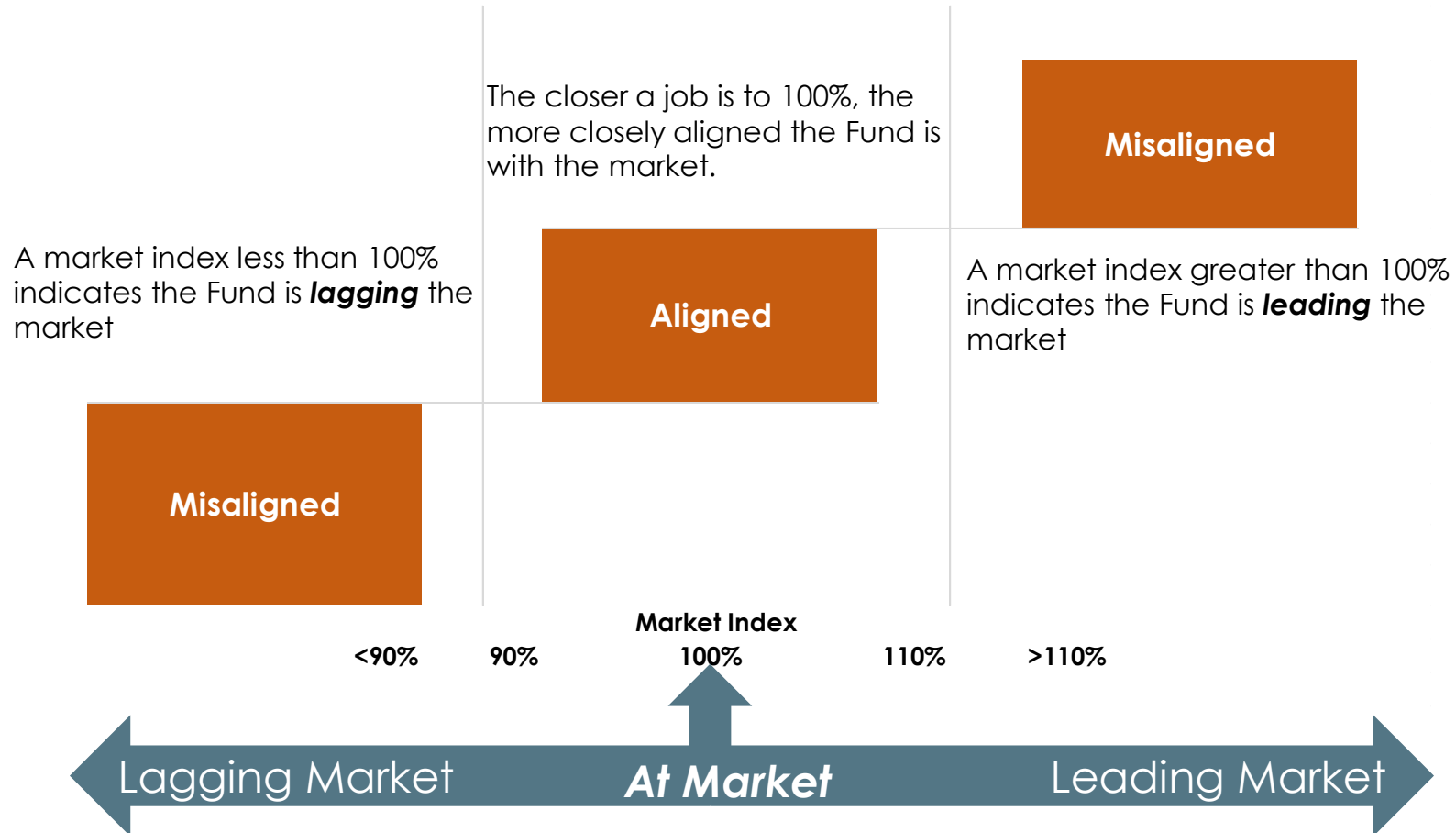
Job title	Number of incumbents
Salary range	Average actual salary

- ❖ Several data validation steps were completed to ensure the reliability of collected survey data:
  - Follow-up calls initiated by Logic Comp to clarify missing or questionable data submissions;
  - Outlier analysis was performed on reported salary data to identify extreme data;
  - Survey inputs were reviewed by multiple Logic Comp staff to ensure the integrity and validity of the data;
  - Survey data normalized to Austin based on cost of labor;
  - 5 job matches were required in order to conduct statistical analyses or draw conclusions (aligns with US Department of Justice and FTC guidelines).

# COMPENSATION STUDY

## Summary of Findings:

### Market Index Alignment Levels



# COMPENSATION STUDY

## Summary of Findings

- ❖ Targeted data cuts were assessed in evaluating the Fund's competitive position in the market.
- ❖ The Fund's primary comparisons at the 50<sup>th</sup> percentile plus 5% are:
  - Market actual salaries against the Fund's midpoint;
  - Statewide comparators as this includes the most geographically relevant comparators and includes the most organizations that use external fund management as the primary or partial strategy of fund management;
- ❖ The actual salary of the Statewide data cut is \$348,971.

Data Cut	Midpoint to Actual Salary Difference	Actual Salary Difference	Minimum Difference	Midpoint Difference	Maximum Difference
Local	42.5%	50.9%	N/A	N/A	N/A
<b>Statewide</b>	<b>47.8%</b>	<b>57.3%</b>	<b>49.6%</b>	<b>48.8%</b>	<b>48.1%</b>
National (All Orgs)	55.1%	66.1%	58.2%	58.7%	59.5%
Internally Managed	N/A	N/A	N/A	N/A	N/A
Externally Managed	55.8%	66.9%	63.5%	62.7%	62.3%
Both Internally & Externally Managed	N/A	N/A	N/A	N/A	N/A

# COMPENSATION STUDY

## Pay Range Development

- ❖ The data collected from the custom survey was utilized to develop a new pay range.
- ❖ The range was then adjusted by 2.4%, which is the projected annual market salary range increase rate for Austin, TX from the annual *WorldatWork's Salary Budget Survey 2022-2023*.
- ❖ The proposed pay range is shown below.

Job Title	Min	Mid	Max	Range Spread
Executive Director	\$274,600	\$357,000	\$439,400	60%



# COMPENSATION STUDY

## *Implementation Cost*

- ❖ The Executive Director's current salary is \$200,000.
- ❖ The incumbent would require a \$74,600 increase to be at the minimum of the proposed range.
- ❖ As this is a significant increase, Logic Comp proposes that the new pay range or employee salary increase (or both) may be implemented over a specified period of time (e.g., 2 years) instead of all at once with the intent of both:
  - Making costs more palatable to the Fund;
  - Demonstrating action to align employee pay with the market.

# RECOMMENDATIONS

## *Administrative: Maintenance of the Compensation System*

- ❖ Adopt the proposed pay range to meet the goals of the compensation study:
  - Aligns with the Fund's compensation philosophy for competitive pay;
  - Aligns the Fund's pay position in the market with other organizations with which it competes for talent.
  
- ❖ Annual adjustments to the pay range based on the cost of labor changes
  - Helps to ensure the pay range remains externally competitive.
  
- ❖ Annual increases in employee pay
  - Helps to ensure employee pay aligns with market movement;
  - Supports retention and employee value to the organization.
  
- ❖ Conduct a salary survey approximately every three (3) years
  - Validate the competitiveness of the pay system with Fund's comparator market to ensure alignment with the desired market position.

# QUESTIONS





# Thank You

Lori Messer, Principal

480.431.4702

Lori.Messer@LogicCompGroup.com

<https://logiccompgroup.com>



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**Austin Firefighters Retirement Fund  
Proposed Operating Budget  
Fiscal Year 2024**

	2024 Requested Budget	2023 Approved Budget	Value Change	Percent Change
<b>Administrative Expenses</b>				
Salaries and Benefits				
Salary - Executive Director	200,000.00	200,000.00	-	0.00%
Salary - Staff	461,500.00	461,500.00	-	0.00%
Salary - Staff (w/o ED position) Retention/Merit				
Health Insurance - Staff	127,310.00	119,000.00	8,310.00	6.98%
Health Insurance - Retired Staff	9,900.00		9,900.00	
Payroll Taxes	52,920.00	50,264.00	2,656.00	5.28%
SEP Contribution	165,375.00	157,075.00	8,300.00	5.28%
<b>Subtotal</b>	<b>1,017,005.00</b>	<b>987,839.00</b>	<b>29,166.00</b>	<b>2.95%</b>
SS Retiree Payroll Process Fees	34,000.00	34,000.00	-	0.00%
Building	9,783.00	9,383.00	400.00	4.26%
Utilities	6,525.00	6,525.00	-	0.00%
Office Expenses	18,450.00	25,450.00	(7,000.00)	-27.50%
Computer and Software	33,200.00	28,500.00	4,700.00	16.49%
Insurance	41,500.00	41,500.00	-	0.00%
Travel	23,500.00	23,500.00	-	0.00%
Operational Cost	23,300.00	21,750.00	1,550.00	7.13%
<b>Investment Expenses</b>				
Financial Consulting Fee	218,000.00	205,000.00	13,000.00	6.34%
Investment Management Fees	1,800,000.00	2,100,000.00	(300,000.00)	-14.29%
Bank Custodian Services	110,000.00	110,000.00	-	0.00%
<b>Professional Services Expenses</b>				
Accounting	25,000.00	25,000.00	-	0.00%
Actuarial Fees				
COLA & Additional Travel	14,000.00	6,000.00	8,000.00	133.33%
Actuarial Valuation	45,100.00	44,000.00	1,100.00	2.50%
Experience Study	23,000.00	-	23,000.00	
Pension Funding Research	70,000.00	-	70,000.00	
Investment Performance Evaluation	50,000.00	30,000.00	20,000.00	66.67%
Legal Fees				
Administrative	108,000.00	108,000.00		0.00%
Board Meeting	18,000.00	18,000.00		0.00%
Investment Review	40,000.00	20,000.00		100.00%
Summary Plan Descr, Records Retention & Forms	20,000.00	-		
Pension Funding Research/Legislation (2024/2025)	75,000.00	-		
Legislative Consulting	24,000.00	24,000.00	-	0.00%
Medical Disability Review	3,000.00	3,000.00	-	0.00%
Pension Software	700,000.00	700,000.00	-	0.00%
Pension Software Oversight	60,000.00	108,000.00	(48,000.00)	-44.44%
<b>Total Expenses</b>	<b>4,610,363.00</b>	<b>4,679,447.00</b>	<b>(184,084.00)</b>	<b>-1.48%</b>

Austin Firefighters Retirement Fund  
2024 Proposed Budget

	<b>Total</b>		
	<b>2024 Budget</b>	<b>2023 Budget</b>	<b>% Change</b>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
City of Austin Contrib (22.05%)	25,700,000.00	23,000,000.00	11.74%
Commission Recapture	5,000.00	6,000.00	-16.67%
Fire Fighter Contrib (18.7%)	21,800,000.00	19,500,000.00	11.79%
<b>Other Income</b>			
Class Action Proceeds	5,000.00	5,000.00	0.00%
Interest - State Street	250,000.00	60,000.00	316.67%
Interest - Sunflower Bank	4,000.00	2,000.00	100.00%
Securities Lending - State St.	9,000.00	5,000.00	80.00%
<b>Total Income</b>	<b>47,773,000.00</b>	<b>42,578,000.00</b>	<b>12.20%</b>
<b>Operating Expenses</b>			
<b>Administrative Expenses</b>			
<b>Payroll Expenses</b>			
Payroll Expenses - Salary Executive Director	200,000.00	200,000.00	0.00%
Payroll Expenses - Salary Staff	461,500.00	461,500.00	0.00%
Salary - Staff (w/o ED position) Retention/Merit			
Health Insurance - Staff	127,310.00	119,000.00	6.98%
Health Insurance - Retiree Staff	9,900.00		
Payroll Taxes	52,920.00	50,264.00	5.28%
SEP Contribution	165,375.00	157,075.00	5.28%
<b>Total Payroll Expenses</b>	<b>1,017,005.00</b>	<b>987,839.00</b>	<b>2.95%</b>
<b>SS Retiree Payroll Process Fees</b>	<b>34,000.00</b>	<b>34,000.00</b>	<b>0.00%</b>
<b>Building Expenses</b>			
Assessment Toward Projects	1,883.00	1,883.00	0.00%
Building Maintenance/Improvement	2,500.00	2,500.00	0.00%
Condo Association Dues	5,400.00	5,000.00	8.00%
Utilities			
Electric	2,000.00	2,000.00	0.00%
HVAC Program	50.00	50.00	0.00%
Internet & Cable & Telephone	3,500.00	3,500.00	0.00%
Water, Waste, Drainage	975.00	975.00	0.00%
Total Utilities	6,525.00	6,525.00	0.00%
<b>Total Building Expenses</b>	<b>16,308.00</b>	<b>15,908.00</b>	<b>2.51%</b>
<b>Office Expenses</b>			
Furniture (FFE)	2,000.00	11,000.00	-81.82%
Meeting Refreshments	1,600.00	1,600.00	0.00%
Notary Services	250.00	250.00	0.00%

Austin Firefighters Retirement Fund  
2024 Proposed Budget

	<b>Total</b>		
	<b>2024 Budget</b>	<b>2023 Budget</b>	<b>% Change</b>
Office Maintenance	3,100.00	3,100.00	0.00%
Office Supplies (Office supplies expense)	2,500.00	2,500.00	0.00%
Postage and Delivery	5,000.00	4,000.00	25.00%
Printing and Reproduction	4,000.00	3,000.00	33.33%
<b>Total Office Expenses</b>	<b>18,450.00</b>	<b>25,450.00</b>	<b>-27.50%</b>
<b>Computer and Internet Expenses</b>			
Hosting & Other Expenses	3,000.00	3,000.00	0.00%
Laptop/Computer	3,000.00	7,500.00	-60.00%
Software/IT Services	27,200.00	18,000.00	51.11%
<b>Total Computer and Internet Expenses</b>	<b>33,200.00</b>	<b>28,500.00</b>	<b>16.49%</b>
<b>Insurance Expense</b>			
Board & Directors Liability Ins	28,500.00	28,500.00	0.00%
Commercial	2,000.00	2,000.00	0.00%
Cybersecurity Ins.	10,000.00	10,000.00	0.00%
Workers Comp Ins. (Workers Comp)	1,000.00	1,000.00	0.00%
<b>Total Insurance Expense</b>	<b>41,500.00</b>	<b>41,500.00</b>	<b>0.00%</b>
<b>Travel Expense</b>			
Lodging/Transportation/Per Diem	16,000.00	16,000.00	0.00%
Registration fees	7,500.00	7,500.00	0.00%
<b>Total Travel Expense</b>	<b>23,500.00</b>	<b>23,500.00</b>	<b>0.00%</b>
<b>Operational Cost</b>			
Association Fees (TXPERS /NCEPRS/NASRA)	9,100.00	8,750.00	4.00%
Election Servicers	4,000.00	4,000.00	0.00%
Death Verification Services	4,200.00	3,000.00	40.00%
Operational Cost - Other	6,000.00	6,000.00	0.00%
<b>Total Operational Cost</b>	<b>23,300.00</b>	<b>21,750.00</b>	<b>7.13%</b>
<b>Investment Expenses</b>			
Bank Custodian Services	110,000.00	110,000.00	0.00%
Financial Consulting Fee	218,000.00	205,000.00	6.34%
Investment Management Fees	1,800,000.00	2,100,000.00	-14.29%
<b>Total Investment Expenses</b>	<b>2,128,000.00</b>	<b>2,415,000.00</b>	<b>-11.88%</b>
<b>Professional Fees</b>			
Audit	25,000.00	25,000.00	0.00%
Actuarial Fees			
COLA & Additional Travel	14,000.00	6,000.00	133.33%
Actuarial Valuation	45,100.00	44,000.00	2.50%
Experience Study	23,000.00	0.00	



Austin Firefighters Retirement Fund  
2024 Proposed Budget

	<b>Total</b>		
	<b>2024 Budget</b>	<b>2023 Budget</b>	<b>% Change</b>
Pension Funding Research	70,000.00	0.00	
Total Actuarial Fees	152,100.00	50,000.00	204.20%
Investment Performance Evaluation	50,000.00	30,000.00	66.67%
Legal Fees			
Administrative	108,000.00	108,000.00	0.00%
Board Meeting	18,000.00	18,000.00	0.00%
Investment Review	40,000.00	20,000.00	100.00%
Summary Plan Descr, Records Retention & Forms	20,000.00	0.00	
Pension Funding Research/Legislation (2024/2025)	75,000.00	0.00	
Total Legal Fees	261,000.00	146,000.00	78.77%
Legislative Consulting	24,000.00	24,000.00	0.00%
Medical Disability Review	3,000.00	3,000.00	0.00%
Pension Software			
Pension Software PG I	50,000.00	50,000.00	0.00%
Pension Software PG IV	650,000.00	650,000.00	0.00%
Total Pension Software	700,000.00	700,000.00	0.00%
Pension Software Oversight	60,000.00	108,000.00	-44.44%
<b>Total Professional Fees</b>	<b>1,275,100.00</b>	<b>1,086,000.00</b>	<b>17.41%</b>
<b>Total Operating Expenses</b>	<b>4,610,363.00</b>	<b>4,679,447.00</b>	<b>-1.48%</b>
<b>Monthly Pension Retiree Payroll</b>			
Retirees Monthly Annuity	53,000,000.00	51,000,000.00	3.92%
Medical Ins.	3,900,000.00	3,650,000.00	6.85%
Dental Ins	425,000.00	370,000.00	14.86%
Vision Ins.	43,000.00	40,000.00	7.50%
Retiree W/H Tax Payable	7,500,000.00	7,110,000.00	5.49%
State Tax	60,000.00	65,000.00	-7.69%
Benevolent Fund	50,000.00	50,000.00	0.00%
Misc.	20,000.00	20,000.00	0.00%
PAC Dues	8,200.00	7,600.00	7.89%
Union Dues	25,000.00	24,000.00	4.17%
Museum	72.00	72.00	0.00%
<b>Total Monthly Pension Retiree Payroll</b>	<b>65,031,272.00</b>	<b>62,336,672.00</b>	<b>4.32%</b>
<b>Pension Lump Sum</b>			
Contribution Refunds	1,000,000.00	1,000,000.00	0.00%
DROP Distributions	23,000,000.00	19,000,000.00	21.05%
<b>Total Pension Lump Sum</b>	<b>24,000,000.00</b>	<b>20,000,000.00</b>	<b>20.00%</b>
<b>Total Expense</b>	<b>93,641,635.00</b>	<b>87,016,119.00</b>	<b>7.61%</b>

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**Austin Firefighters Retirement Fund  
Operating Budget  
Fiscal Year 2023**

	Approved Budget	Jan - Oct Expensed	Remaining Budget	Percent Expended
<b>Administrative Expenses</b>				
Salaries and Benefits				
Salary - Executive Director	186,800.00	163,605.90	23,194.10	87.58%
Salary - Staff	461,500.00	372,462.41	89,037.59	80.71%
Health Insurance	119,000.00	111,923.73	7,076.27	94.05%
Payroll Taxes	50,264.00	75,461.43	(25,197.43)	150.13%
SEP Contribution	157,075.00	130,017.08	27,057.92	82.77%
<b>Subtotal</b>	<b>974,639.00</b>	<b>853,470.55</b>	<b>121,168.45</b>	<b>87.57%</b>
SS Retiree Payroll Process Fees	34,000.00	23,213.77	10,786.23	68.28%
Building	9,383.00	5,460.92	3,922.08	58.20%
Utilities	6,525.00	4,678.19	1,846.81	71.70%
Office Expenses	25,450.00	22,903.53	2,546.47	89.99%
Computer and Software	28,500.00	20,919.72	7,580.28	73.40%
Pension Software	700,000.00	484,397.90	215,602.10	69.20%
Insurance	41,500.00	34.00	41,466.00	0.08%
Travel	23,500.00	19,097.84	4,402.16	81.27%
Operational Cost	129,750.00	101,943.12	27,806.88	78.57%
<b>Investment Expenses</b>				
Financial Consulting Fee	235,000.00	173,793.61	61,206.39	73.95%
Investment Management Fees	2,100,000.00	1,827,849.74	272,150.26	87.04%
Bank Custodian Services	110,000.00	107,515.00	2,485.00	97.74%
<b>Professional Services Expenses</b>				
Accounting	25,000.00	23,000.00	2,000.00	92.00%
Actuarial Fees	50,000.00	69,472.50	(19,472.50)	138.95%
Legal Fees	146,000.00	152,079.00	(6,079.00)	104.16%
Legislative Consulting	24,000.00	24,000.00	-	100.00%
Medical Disability Review	3,000.00	-	3,000.00	0.00%
<b>Total Expenses</b>	<b>\$ 4,666,247.00</b>	<b>\$ 3,913,829.39</b>	<b>\$ 752,417.61</b>	<b>83.88%</b>

**Austin Firefighters Retirement Fund**  
**Contributions and Deductions (Unaudited)**  
**as of October 31, 2023**

**Additions**

**Contributions**

City of Austin Contribution (22.05%)	19,960,029.44
Fire Fighter Contribution (18.7%)	16,927,553.31
Interest -Bank	279,262.57
Commission Recapture	3,662.18
Class Action Proceeds	539.89
Securities Litigation Recovery	998.06

<b>Total Contributions</b>	<b><u>\$ 37,172,045.45</u></b>
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**Deductions**

**Pension Retiree Payroll Expenses**

Retirees Monthly Annuity	43,266,092.19
Medical Ins.	3,178,737.20
Dental Ins	346,564.13
Vision Ins.	34,482.12
Retiree W/H Tax Payable	6,111,382.58
State Tax	48,065.20
Benevolent Fund	39,920.00
Union Dues	20,025.00
Misc.	16,499.40
PAC Dues	6,630.00
Museum	60.00

<b>Total Retiree Payroll Expenses</b>	<b><u>\$ 53,068,457.82</u></b>
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**Pension Lump Sum Expenses**

Contribution Refunds	109,558.37
DROP Distributions	19,466,685.00

<b>Total Pension Lump Sum Expenses</b>	<b><u>\$ 19,576,243.37</u></b>
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Austin Firefighters Retirement Fund  
Profit & Loss vs Actual  
January through October 2023

	<b>Total</b>		
	<b>Jan - Oct</b>	<b>Budget</b>	<b>% of Budget</b>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
City of Austin Contib (22.05%)	19,960,029.44	23,000,000.00	86.78%
Commission Recapture	3,662.18	6,000.00	61.04%
Fire Fighter Contrib (18.7%)	16,927,553.31	19,500,000.00	86.81%
Securities Litigation Recovery	998.06		
<b>Other Income</b>			
Class Action Proceeds	539.89	5,000.00	10.80%
Interest - State Street	267,420.78	60,000.00	445.70%
Interest - Sunflower Bank	3,779.58	2,000.00	188.98%
Securities Lending - State St.	8,062.21	5,000.00	161.24%
<b>Total Income</b>	<b>37,172,045.45</b>	<b>42,578,000.00</b>	<b>87.30%</b>
<b>Operating Expenses</b>			
<b>Administrative Expenses</b>			
<b>Payroll Expenses</b>			
Payroll Expenses - Other	536,068.31	648,300.00	82.69%
Health Insurance	111,923.73	119,000.00	94.05%
Payroll Taxes	75,461.43	50,264.00	150.13%
SEP Contribution	130,017.08	157,075.00	82.77%
<b>Total Payroll Expenses</b>	<b>853,470.55</b>	<b>974,639.00</b>	<b>87.57%</b>
<b>SS Retiree Payroll Process Fees</b>	<b>23,213.77</b>	<b>34,000.00</b>	<b>68.28%</b>
<b>Building Expenses</b>			
Assessment toward 2019 Project	1,442.67	1,883.00	76.62%
Building Maintenance/Improvement		2,500.00	0.00%
Condo Association Dues	4,018.25	5,000.00	80.37%
<b>Utilities</b>			
Electric	1,535.92	2,000.00	76.80%
HVAC Program	35.75	50.00	71.50%
Internet & Cable & Telephone	2,585.37	3,500.00	73.87%
Water, Waste, Drainage	521.15	975.00	53.45%
<b>Total Utilities</b>	<b>4,678.19</b>	<b>6,525.00</b>	<b>71.70%</b>
<b>Total Building Expenses</b>	<b>10,139.11</b>	<b>15,908.00</b>	<b>63.74%</b>
<b>Office Expenses</b>			
Furniture (FFE)	8,924.64	11,000.00	81.13%
Meeting Refreshments	1,156.44	1,600.00	72.28%
Notary Services		250.00	0.00%
Office Maintenance	2,891.06	3,100.00	93.26%
Office Supplies (Office supplies expense)	1,587.19	2,500.00	63.49%
Postage and Delivery	4,415.01	4,000.00	110.38%

Austin Firefighters Retirement Fund  
Profit & Loss vs Actual  
January through October 2023

	<b>Total</b>		
	<b>Jan - Oct</b>	<b>Budget</b>	<b>% of Budget</b>
Printing and Reproduction	3,929.19	3,000.00	130.97%
<b>Total Office Expenses</b>	<b>22,903.53</b>	<b>25,450.00</b>	<b>89.99%</b>
<b>Computer and Internet Expenses</b>			
Hosting & Other Expenses	3,225.19	3,000.00	107.51%
Laptop/Computer	3,200.63	7,500.00	42.68%
Software/IT Services	14,493.90	18,000.00	80.52%
Pension Software PG I	28,348.61	50,000.00	56.70%
Pension Software PG IV	456,049.29	650,000.00	70.16%
<b>Total Computer and Internet Expenses</b>	<b>505,317.62</b>	<b>728,500.00</b>	<b>69.36%</b>
<b>Insurance Expense</b>			
Board & Directors Liability Ins		28,500.00	0.00%
Commercial		2,000.00	0.00%
Cybersecurity Ins.		10,000.00	0.00%
Workers Comp Ins. (Workers Comp)	34.00	1,000.00	3.4%
<b>Total Insurance Expense</b>	<b>34.00</b>	<b>41,500.00</b>	<b>0.08%</b>
<b>Travel Expense</b>			
Lodging/Transportation/Per Diem	12,467.84	16,000.00	77.92%
Registration fees	6,630.00	7,500.00	88.40%
<b>Total Travel Expense</b>	<b>19,097.84</b>	<b>23,500.00</b>	<b>81.27%</b>
<b>Operational Cost</b>			
Association Fees (TXPERS /NCEPRS)	8,384.54	8,750.00	95.82%
Election Services	2,571.59	4,000.00	64.29%
Death Vericiation Services	4,106.00	3,000.00	136.87%
Project Management Services	79,650.00	108,000.00	73.75%
Operational Cost - Other	7,230.99	6,000.00	120.52%
<b>Total Operational Cost</b>	<b>101,943.12</b>	<b>129,750.00</b>	<b>78.57%</b>
<b>Investment Expenses</b>			
Bank Custodian Services	107,515.00	110,000.00	97.74%
Financial Consulting Fee	173,793.61	235,000.00	73.95%
Investment Management Fees	1,827,849.74	2,100,000.00	87.04%
<b>Total Investment Expenses</b>	<b>2,109,158.35</b>	<b>2,445,000.00</b>	<b>86.26%</b>
<b>Professional Fees</b>			
Audit	23,000.00	25,000.00	92.00%
Actuarial Fees			
Actuarial Assistance	25,472.50	6,000.00	424.54%
Actuarial Valuation	44,000.00	44,000.00	100.00%
Total Actuarial Fees	69,472.50	50,000.00	138.95%

Austin Firefighters Retirement Fund  
Profit & Loss vs Actual  
January through October 2023

	<b>Total</b>		
	<b>Jan - Oct</b>	<b>Budget</b>	<b>% of Budget</b>
Legal Fees			
Administrative	137,020.50	108,000.00	126.87%
Board Meeting	15,000.00	18,000.00	83.33%
Investment Review	58.50	20,000.00	0.29%
Total Legal Fees	152,079.00	146,000.00	104.16%
Legislative Consulting	24,000.00	24,000.00	100.00%
Medical Disability Review		3,000.00	0.00%
<b>Total Professional Fees</b>	<b>268,551.50</b>	<b>248,000.00</b>	<b>108.29%</b>
<b>Total Operating Expenses</b>	<b>3,913,829.39</b>	<b>4,666,247.00</b>	<b>83.88%</b>
<b>Monthly Pension Retiree Payroll</b>			
Retirees Monthly Annuity	43,266,092.19	51,000,000.00	84.84%
Medical Ins.	3,178,737.20	3,650,000.00	87.09%
Dental Ins	346,564.13	370,000.00	93.67%
Vision Ins.	34,482.12	40,000.00	86.21%
Retiree W/H Tax Payable	6,111,382.58	7,110,000.00	85.95%
State Tax	48,065.20	65,000.00	73.95%
Benevolent Fund	39,920.00	50,000.00	79.84%
Misc.	16,499.40	20,000.00	82.50%
PAC Dues	6,630.00	7,600.00	87.24%
Union Dues	20,025.00	24,000.00	83.44%
Museum	60.00	72.00	83.33%
<b>Total Monthly Pension Retiree Payroll</b>	<b>53,068,457.82</b>	<b>62,336,672.00</b>	<b>85.13%</b>
<b>Pension Lump Sum</b>			
Contribution Refunds	109,558.37	1,000,000.00	10.96%
DROP Distributions	19,466,685.00	19,000,000.00	102.46%
<b>Total Pension Lump Sum</b>	<b>19,576,243.37</b>	<b>20,000,000.00</b>	<b>97.88%</b>
<b>Total Expense</b>	<b>76,558,530.58</b>	<b>87,002,919.00</b>	<b>88.00%</b>
<b>Net Income</b>	<b>-39,386,485.13</b>		

**Austin Firefighters Retirement Fund**  
**Assets & Liabilities Report (Unaudited)**  
**as of October 31, 2023**

**Assets**

Checking/Savings		
Sunflower Bank - Operating		47,921.54
Sunflower Bank - Benefits		233,180.37
State Street T009-Cash Agg		8,602,767.69
Total Checking/Savings		<u>8,883,869.60</u>
Investments, at fair value		
Domestic Equites		229,328,528.05
Fixed Income Securities		306,617,733.83
International Equities		197,446,762.52
Real Asset		33,198,813.84
Private Equity		208,618,349.85
Real Estate		93,306,674.00
Total Investments		<u>1,068,516,862.09</u>
<b>Total Assets</b>		<b><u><u>\$ 1,077,400,731.69</u></u></b>

**Liabilities**

Current Liabilities		
Payroll Liabilities		8,322.19
Operating Admin Liabilities		19,305.59
Investment Liabilities		72,570.13
Professional Liabilities		29,817.48
Long Term Liabilities		
DROP (Guaranteed 5%)		154,288,715.91
% of Total Assets		14.32%
<b>Total Liabilities</b>		<b><u><u>\$ 154,418,731.30</u></u></b>



# Austin Firefighters Retirement Fund

## Balance Sheet

As of October 31, 2023

October

ASSETS	
Current Assets	
Checking/Savings	
State Street T009-Cash Agg	8,602,767.69
Sunflower Bank - Operating	47,921.54
Sunflower Bank - Benefits	233,180.37
Total Checking/Savings	8,883,869.60
Other Current Assets	
Investments	
DEQ	
SSgA S&P 500 Flagship Fund	96,484,867.01
VAUGHAN NELSON	54,085,185.66
Westfield Capital Management	49,131,111.48
Westwood Capital	29,627,363.90
Total DEQ	229,328,528.05
FI	
ABERDEEN	53,941,836.71
Loomis Sayles Core Plus Bond	42,200,769.59
Pacific Asset Management	22,177,023.00
Pyramis Tactical Bond (Fidelity)	24,293,089.59
SSgA Bond Fund	110,203,050.57
SSGA TIPS	53,801,964.37
Total FI	306,617,733.83
IEQ	
Baillie Gifford	27,964,673.54
DFA Emerging Markets	23,481,715.33
Highclere	34,530,591.34
Sanderson	0.00
SSgA MSCI EAFE Fund	85,565,515.25
TT International	25,904,267.06
Total IEQ	197,446,762.52
NR	
Aether Real Assets II	2,452,129.32
Aether Real Assets III	10,102,049.92
Aether Real Assets IV	10,744,836.65
Aether Real Assets V	9,899,797.95
Total NR	33,198,813.84
PE	
57 Stars Global Opportunity	7,856,846.11
Arcmont (Bluebay)Direct Lending	1,754,007.79
Constitution	13,991,250.27
Cross Creek Capital Partners II	11,593,429.00
Cross Creek Capital Parts III	11,643,853.02
Deutsche Bank SOF III	1,948,436.88
Dover Street X	32,586,596.45

# Austin Firefighters Retirement Fund

## Balance Sheet

As of October 31, 2023

Flag V	5,011,562.96
Flag VI 6	13,815,953.73
Greenspring Global Partners V	7,658,411.00
GREENSPRING VI	13,120,839.07
Harbourvest 2013 Direct	4,422,397.04
HarbourVest Coinvestment 4	7,930,262.03
LGT C Europe Small Buyouts 3	3,361,325.00
LGT Crown Asia 2	8,142,052.03
LGT Crown Global Secondaries 2	118,577.00
LGT Crown Global VI	35,098,560.06
LGT Global Secondaries III	1,991,780.00
Partners Group EM 2015	8,556,770.14
Partners Group US Dist PE 2009	389,091.93
Private Advisors Co-Inv FundIII	1,509,294.99
Private Equity Investors V	1,234,822.02
SVB Strategic Investors Fund IX	14,882,231.33
<b>Total PE</b>	<b>208,618,349.85</b>
<b>RE</b>	
Clarion Partners	73,454,826.99
Metropolitan RE Distressed II	0.00
Partners Group Distressed '09	52,281.98
Partners Group RE Second 2011	694,773.28
Partners Group RE Second 2017	12,740,650.47
Portfolio Advisors Fund 5	6,364,141.28
<b>Total RE</b>	<b>93,306,674.00</b>
<b>Total Investments</b>	<b>1,068,516,862.09</b>
<b>Total Other Current Assets</b>	<b>1,068,516,862.09</b>
<b>Total Current Assets</b>	<b>1,077,400,731.69</b>
<b>TOTAL ASSETS</b>	<b>1,077,400,731.69</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
Payroll Liabilities	8,322.19
Operating Admin Liabilities	19,305.59
Investment Liabilities	72,570.13
Professional Liabilities	29,817.48
<b>Total Other Current Liabilities</b>	<b>130,015.39</b>
<b>Total Current Liabilities</b>	<b>130,015.39</b>
<b>Long Term Liabilities</b>	
DROP (Guaranteed 5%)	154,288,715.91
% of Total Assets	14.32%
<b>Total Long Term Liabilities</b>	<b>154,288,715.91</b>
<b>Total Liabilities</b>	<b>154,418,731.30</b>

**Austin Firefighters Retirement Fund**  
**General Ledger**  
 As of October 31, 2023

<u>Date</u>	<u>Name</u>	<u>Memo</u>	<u>Split</u>	<u>Amount</u>	<u>Balance</u>
<b>Sunflower Bank - Operating</b>					<b>9,993.11</b>
10/04/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Benefits	50,000.00	59,993.11
10/05/2023	Complete IT	Server Cabinet / Network Cleanup	Hosting & Other Expenses	-2,236.80	57,756.31
10/05/2023	Jani-King of Austin	Oct 2023	Office Maintenance	-257.00	57,499.31
10/05/2023	Jackson Walker	IRS Matter	Administrative	-2,728.50	54,770.81
10/10/2023	Austin FF Relief & Retirement Fund	Legislative Consulting	Legislative Consulting	2,000.00	56,770.81
10/10/2023	Sunflower Bank	Sept 2023	Bank Service Charges	-289.91	56,480.90
10/10/2023	American Express		-SPLIT-	-1,950.62	54,530.28
10/12/2023	Complete IT	Sept IT services	Software/IT Services	-1,130.80	53,399.48
10/12/2023	Yes Elections	Election	-SPLIT-	-4,796.90	48,602.58
10/12/2023	Parkstone Office Condominium Community.		-SPLIT-	-850.47	47,752.11
10/12/2023	Schlueter Group of Texas	Legislative Consulting	Legislative Consulting	-4,000.00	43,752.11
10/12/2023	Cheiron	GovInvest	Actuarial Assistance	-1,347.50	42,404.61
10/12/2023	Cheiron	Contribution review	Actuarial Assistance	-3,260.00	39,144.61
10/12/2023	TASC (FSA Health Care)	FSA Oct 2023	Health Insurance	-40.00	39,104.61
10/12/2023	City of Austin	Oct 2023	Health Insurance	-12,335.49	26,769.12
10/13/2023	Austin FF Relief & Retirement Fund	Deposit Virtu Americas	Commission Recapture	1,691.34	28,460.46
10/16/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Benefits	70,000.00	98,460.46
10/18/2023	Anumeha Kumar	Public Pension Funding Conference	Lodging/Transportation/Per Diem	-270.28	98,190.18
10/18/2023	Deborah Hammond	LRS Conference	Lodging/Transportation/Per Diem	-512.52	97,677.66
10/20/2023	Austin FF Relief & Retirement Fund	L. Adney Sept & Oct 2023	Health Insurance	1,186.64	98,864.30
10/24/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Benefits	100,000.00	198,864.30
10/24/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Benefits	50,000.00	248,864.30
10/25/2023	ASANA Enterprise	Annual Subscription	Software/IT Services	-2,999.40	245,864.90
10/25/2023	Fidelity Institutional Asset Management	Q3	Investment Management Fees	-20,170.52	225,694.38
10/25/2023	Jackson Walker	Sept 2023 Board Meeting	Board Meeting	-1,500.00	224,194.38
10/25/2023	Jackson Walker	Sept 2023	Administrative	-9,000.00	215,194.38
10/25/2023	Jackson Walker	Forms and Participant Communication	Administrative	-12,457.50	202,736.88
10/25/2023	Loomis Sayles Co.	Q3	Investment Management Fees	-36,986.33	165,750.55
10/25/2023	Levi Ray & Shoup	Annual Box Storage Fee	Operational Cost	-324.00	165,426.55
10/25/2023	Meketa Investments	Sept 2023	Financial Consulting Fee	-17,557.48	147,869.07
10/27/2023	QuickBooks Payroll Service	Created by Payroll Service on 10/24/2023	Direct Deposit Liabilities	-43,542.48	104,326.59

**Austin Firefighters Relief and Retirement Fund**  
**General Ledger**  
 As of October 31, 2023

Date	Name	Memo	Split	Amount	Balance
10/27/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Benefits	300,000.00	404,326.59
10/30/2023	Amy L Thibaudeau	Direct Deposit	-SPLIT-	0.00	404,326.59
10/30/2023	Anumeha Kumar	Direct Deposit	-SPLIT-	0.00	404,326.59
10/30/2023	Deborah Hammond	Direct Deposit	-SPLIT-	0.00	404,326.59
10/30/2023	Gina M Gleason	Direct Deposit	-SPLIT-	0.00	404,326.59
10/30/2023	John C Perryman	Direct Deposit	-SPLIT-	0.00	404,326.59
10/30/2023	Shira K Herbert	Direct Deposit	-SPLIT-	0.00	404,326.59
10/30/2023	Westfield Capital Management	Q3	Investment Management Fees	-164,276.82	240,049.77
10/30/2023	Vaughn Nelson	Q3	Investment Management Fees	-119,018.16	121,031.61
10/31/2023	United States Treasury	74-6059219 QB Tracking # -1299537002	-SPLIT-	-15,206.66	105,824.95
10/31/2023	Fidelity	Oct 2023	SEP Contribution	-13,729.17	92,095.78
10/31/2023	Cheiron	Analysis , consulting, and meetings	Actuarial Assistance	-4,255.00	87,840.78
10/31/2023	Westwood Holdings Group	Q3	Investment Management Fees	-38,963.64	48,877.14
10/31/2023	American Express		-SPLIT-	-955.60	47,921.54
<b>Total Sunflower Bank - Operating</b>				<b>37,928.43</b>	<b>47,921.54</b>
<b>Sunflower Bank - Benefits</b>					<b>213,157.47</b>
10/04/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Operating	-50,000.00	163,157.47
10/13/2023	Austin FF Relief & Retirement Fund	Deposit	-SPLIT-	1,857,121.77	2,020,279.24
10/16/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Operating	-70,000.00	1,950,279.24
10/16/2023	Austin FF Relief & Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,700,000.00	250,279.24
10/16/2023	Sunflower Bank	Wire Fee	Bank Service Charges	-22.00	250,257.24
10/24/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Operating	-100,000.00	150,257.24
10/24/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Operating	-50,000.00	100,257.24
10/27/2023	Austin FF Relief & Retirement Fund	Deposit	-SPLIT-	1,831,227.18	1,931,484.42
10/27/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Operating	-300,000.00	1,631,484.42
10/30/2023	City of Austin	GovInvest- Cheiron	Actuarial Assistance	1,347.50	1,632,831.92
10/30/2023	Austin FF Relief & Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,400,000.00	232,831.92
10/30/2023	Sunflower Bank	Wire Fee	Bank Service Charges	-22.00	232,809.92
10/31/2023	Austin FF Relief & Retirement Fund	Interest Oct 2023	Interest - Sunflower Bank	370.45	233,180.37
<b>Total Sunflower Bank - Benefits</b>				<b>20,022.90</b>	<b>233,180.37</b>

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**Austin Firefighters Retirement Fund  
Operating Budget  
Fiscal Year 2023**

	Approved Budget	Jan - Nov Expensed	Remaining Budget	Percent Expended
<b>Administrative Expenses</b>				
Salaries and Benefits				
Salary - Executive Director	186,800.00	180,272.57	6,527.43	96.51%
Salary - Staff	461,500.00	410,712.41	50,787.59	89.00%
Health Insurance	119,000.00	124,246.42	(5,246.42)	104.41%
Payroll Taxes	50,264.00	44,319.72	5,944.28	88.17%
SEP Contribution	157,075.00	143,746.25	13,328.75	91.51%
<b>Subtotal</b>	<b>974,639.00</b>	<b>903,297.37</b>	<b>71,341.63</b>	<b>92.68%</b>
SS Retiree Payroll Process Fees	34,000.00	30,914.80	3,085.20	90.93%
Building	9,383.00	6,059.84	3,323.16	64.58%
Utilities	6,525.00	5,016.58	1,508.42	76.88%
Office Expenses	25,450.00	23,717.62	1,732.38	93.19%
Computer and Software	28,500.00	23,131.10	5,368.90	81.16%
Pension Software	700,000.00	484,397.90	215,602.10	69.20%
Insurance	41,500.00	34.00	41,466.00	0.08%
Travel	23,500.00	19,097.84	4,402.16	81.27%
Operational Cost	129,750.00	121,418.82	8,331.18	93.58%
<b>Investment Expenses</b>				
Financial Consulting Fee	235,000.00	191,351.09	43,648.91	81.43%
Investment Management Fees	2,100,000.00	1,900,419.87	199,580.13	90.50%
Bank Custodian Services	110,000.00	107,515.00	2,485.00	97.74%
<b>Professional Services Expenses</b>				
Accounting	25,000.00	23,000.00	2,000.00	92.00%
Actuarial Fees	50,000.00	69,472.50	(19,472.50)	138.95%
Legal Fees	146,000.00	184,053.50	(38,053.50)	126.06%
Legislative Consulting	24,000.00	26,000.00	(2,000.00)	108.33%
Medical Disability Review	3,000.00	-	3,000.00	0.00%
<b>Total Expenses</b>	<b>\$ 4,666,247.00</b>	<b>\$ 4,118,897.83</b>	<b>\$ 547,349.17</b>	<b>88.27%</b>

**Austin Firefighters Retirement Fund  
Contributions and Deductions (Unaudited)  
as of November 30, 2023**

**Additions**

**Contributions**

City of Austin Contribution (22.05%)	21,948,844.59
Fire Fighter Contribution (18.7%)	18,614,212.87
Interest -Bank	362,298.81
Commission Recapture	3,662.18
Class Action Proceeds	6,607.23
Securities Litigation Recovery	998.06

**Total Contributions** \$ 40,936,623.74

**Deductions**

**Pension Retiree Payroll Expenses**

Retirees Monthly Annuity	47,655,534.26
Medical Ins.	3,496,268.30
Dental Ins	381,861.72
Vision Ins.	37,981.66
Retiree W/H Tax Payable	6,732,309.99
State Tax	53,062.62
Benevolent Fund	39,920.00
Union Dues	22,087.50
Misc.	18,149.34
PAC Dues	7,313.00
Museum	66.00

**Total Retiree Payroll Expenses** \$ 58,444,554.39

**Pension Lump Sum Expenses**

Contribution Refunds	109,558.37
DROP Distributions	21,465,695.73

**Total Pension Lump Sum Expenses** \$ 21,575,254.10

Austin Firefighters Retirement Fund  
Profit & Loss vs Actual  
January through November 2023

	<b>Total</b>		
	<b>Jan - Nov</b>	<b>Budget</b>	<b>% of Budget</b>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
City of Austin Contib (22.05%)	21,948,844.59	23,000,000.00	95.43%
Commission Recapture	3,662.18	6,000.00	61.04%
Fire Fighter Contrib (18.7%)	18,614,212.87	19,500,000.00	95.46%
Securities Litigation Recovery	998.06		
<b>Other Income</b>			
Class Action Proceeds	6,607.23	5,000.00	132.14%
Interest - State Street	348,937.67	60,000.00	581.56%
Interest - Sunflower Bank	4,315.29	2,000.00	215.76%
Securities Lending - State St.	9,045.85	5,000.00	180.92%
<b>Total Income</b>	<b>40,936,623.74</b>	<b>42,578,000.00</b>	<b>96.15%</b>
<b>Operating Expenses</b>			
<b>Administrative Expenses</b>			
<b>Payroll Expenses</b>			
Payroll Expenses - Other	590,984.98	648,300.00	91.16%
Health Insurance	124,246.42	119,000.00	104.41%
Payroll Taxes	44,319.72	50,264.00	88.17%
SEP Contribution	143,746.25	157,075.00	91.51%
<b>Total Payroll Expenses</b>	<b>903,297.37</b>	<b>974,639.00</b>	<b>92.68%</b>
<b>SS Retiree Payroll Process Fees</b>	<b>30,914.80</b>	<b>34,000.00</b>	<b>90.93%</b>
<b>Building Expenses</b>			
Assessment toward 2019 Project	1,599.53	1,883.00	84.95%
Building Maintenance/Improvement		2,500.00	0.00%
Condo Association Dues	4,460.31	5,000.00	89.21%
<b>Utilities</b>			
Electric	1,691.65	2,000.00	84.58%
HVAC Program	35.75	50.00	71.50%
Internet & Cable & Telephone	2,706.64	3,500.00	77.33%
Water, Waste, Drainage	582.54	975.00	59.75%
<b>Total Utilities</b>	<b>5,016.58</b>	<b>6,525.00</b>	<b>76.88%</b>
<b>Total Building Expenses</b>	<b>11,076.42</b>	<b>15,908.00</b>	<b>69.63%</b>
<b>Office Expenses</b>			
Furniture (FFE)	8,924.64	11,000.00	81.13%
Meeting Refreshments	1,304.69	1,600.00	81.54%
Notary Services		250.00	0.00%
Office Maintenance	3,405.06	3,100.00	109.84%
Office Supplies (Office supplies expense)	1,739.03	2,500.00	69.56%
Postage and Delivery	4,415.01	4,000.00	110.38%



Austin Firefighters Retirement Fund  
Profit & Loss vs Actual  
January through November 2023

	<b>Total</b>		
	<b>Jan - Nov</b>	<b>Budget</b>	<b>% of Budget</b>
Printing and Reproduction	3,929.19	3,000.00	130.97%
<b>Total Office Expenses</b>	<b>23,717.62</b>	<b>25,450.00</b>	<b>93.19%</b>
<b>Computer and Internet Expenses</b>			
Hosting & Other Expenses	3,534.88	3,000.00	117.83%
Laptop/Computer	3,200.63	7,500.00	42.68%
Software/IT Services	16,395.59	18,000.00	91.09%
Pension Software PG I	28,348.61	50,000.00	56.70%
Pension Software PG IV	456,049.29	650,000.00	70.16%
<b>Total Computer and Internet Expenses</b>	<b>507,529.00</b>	<b>728,500.00</b>	<b>69.67%</b>
<b>Insurance Expense</b>			
Board & Directors Liability Ins		28,500.00	0.00%
Commercial		2,000.00	0.00%
Cybersecurity Ins.		10,000.00	0.00%
Workers Comp Ins. (Workers Comp)	34.00	1,000.00	3.4%
<b>Total Insurance Expense</b>	<b>34.00</b>	<b>41,500.00</b>	<b>0.08%</b>
<b>Travel Expense</b>			
Lodging/Transportation/Per Diem	12,467.84	16,000.00	77.92%
Registration fees	6,630.00	7,500.00	88.40%
<b>Total Travel Expense</b>	<b>19,097.84</b>	<b>23,500.00</b>	<b>81.27%</b>
<b>Operational Cost</b>			
Association Fees (TXPERS /NCEPRS)	8,384.54	8,750.00	95.82%
Election Services	2,571.59	4,000.00	64.29%
Death Vericiation Services	4,106.00	3,000.00	136.87%
Project Management Services	89,831.26	108,000.00	83.18%
Operational Cost - Other	16,525.43	6,000.00	275.42%
<b>Total Operational Cost</b>	<b>121,418.82</b>	<b>129,750.00</b>	<b>93.58%</b>
<b>Investment Expenses</b>			
Bank Custodian Services	107,515.00	110,000.00	97.74%
Financial Consulting Fee	191,351.09	235,000.00	81.43%
Investment Management Fees	1,900,419.87	2,100,000.00	90.50%
<b>Total Investment Expenses</b>	<b>2,199,285.96</b>	<b>2,445,000.00</b>	<b>89.95%</b>
<b>Professional Fees</b>			
Audit	23,000.00	25,000.00	92.00%
<b>Actuarial Fees</b>			
Actuarial Assistance	25,472.50	6,000.00	424.54%
Actuarial Valuation	44,000.00	44,000.00	100.00%
<b>Total Actuarial Fees</b>	<b>69,472.50</b>	<b>50,000.00</b>	<b>138.95%</b>

Austin Firefighters Retirement Fund  
Profit & Loss vs Actual  
January through November 2023

	<b>Total</b>		
	<b>Jan - Nov</b>	<b>Budget</b>	<b>% of Budget</b>
Legal Fees			
Administrative	167,495.00	108,000.00	155.09%
Board Meeting	16,500.00	18,000.00	91.67%
Investment Review	58.50	20,000.00	0.29%
Total Legal Fees	184,053.50	146,000.00	126.06%
Legislative Consulting	26,000.00	24,000.00	108.33%
Medical Disability Review		3,000.00	0.00%
<b>Total Professional Fees</b>	<b>302,526.00</b>	<b>248,000.00</b>	<b>121.99%</b>
<b>Total Operating Expenses</b>	<b>4,118,897.83</b>	<b>4,666,247.00</b>	<b>88.27%</b>
<b>Monthly Pension Retiree Payroll</b>			
Retirees Monthly Annuity	47,655,534.26	51,000,000.00	93.44%
Medical Ins.	3,496,268.30	3,650,000.00	95.79%
Dental Ins	381,861.72	370,000.00	103.21%
Vision Ins.	37,981.66	40,000.00	94.95%
Retiree W/H Tax Payable	6,732,309.99	7,110,000.00	94.69%
State Tax	53,062.62	65,000.00	81.63%
Benevolent Fund	39,920.00	50,000.00	79.84%
Misc.	18,149.34	20,000.00	90.75%
PAC Dues	7,313.00	7,600.00	96.22%
Union Dues	22,087.50	24,000.00	92.03%
Museum	66.00	72.00	91.67%
<b>Total Monthly Pension Retiree Payroll</b>	<b>58,444,554.39</b>	<b>62,336,672.00</b>	<b>93.76%</b>
<b>Pension Lump Sum</b>			
Contribution Refunds	109,558.37	1,000,000.00	10.96%
DROP Distributions	21,465,695.73	19,000,000.00	112.98%
<b>Total Pension Lump Sum</b>	<b>21,575,254.10</b>	<b>20,000,000.00</b>	<b>107.88%</b>
<b>Total Expense</b>	<b>84,138,706.32</b>	<b>87,002,919.00</b>	<b>96.71%</b>
<b>Net Income</b>	<b>-43,202,082.58</b>		

**Austin Firefighters Retirement Fund**  
**Assets & Liabilities Report (Unaudited)**  
**as of November 30, 2023**

**Assets**

Checking/Savings		
Sunflower Bank - Operating		63,374.60
Sunflower Bank - Benefits		238,719.79
State Street T009-Cash Agg		4,648,990.85
Total Checking/Savings		<u>4,951,085.24</u>
Investments, at fair value		
Domestic Equites		229,328,528.05
Fixed Income Securities		306,617,733.83
International Equities		197,446,762.52
Real Asset		33,044,999.84
Private Equity		209,316,769.99
Real Estate		93,306,674.00
Total Investments		<u>1,069,061,468.23</u>
<b>Total Assets</b>		<b><u><u>\$ 1,074,012,553.47</u></u></b>

**Liabilities**

Current Liabilities		
Payroll Liabilities		8,372.69
Operating Admin Liabilities		4,759.52
Investment Liabilities		-
Professional Liabilities		37,522.48
Long Term Liabilities		
DROP (Guaranteed 5%)		153,012,336.11
% of Total Assets		14.25%
<b>Total Liabilities</b>		<b><u><u>\$ 153,062,990.80</u></u></b>

# Austin Firefighters Retirement Fund

## Balance Sheet

As of November 30, 2023

	November
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
State Street T009-Cash Agg	4,648,990.85
Sunflower Bank - Operating	63,374.60
Sunflower Bank - Benefits	238,719.79
<b>Total Checking/Savings</b>	4,951,085.24
<b>Other Current Assets</b>	
<b>Investments</b>	
<b>DEQ</b>	
SSgA S&P 500 Flagship Fund	106,484,867.01
VAUGHAN NELSON	54,085,185.66
Westfield Capital Management	49,131,111.48
Westwood Capital	19,627,363.90
<b>Total DEQ</b>	229,328,528.05
<b>FI</b>	
ABERDEEN	53,941,836.71
Loomis Sayles Core Plus Bond	42,200,769.59
Pacific Asset Management	22,177,023.00
Pyramis Tactical Bond (Fidelity)	24,293,089.59
SSgA Bond Fund	110,203,050.57
SSGA TIPS	53,801,964.37
<b>Total FI</b>	306,617,733.83
<b>IEQ</b>	
Baillie Gifford	27,964,673.54
DFA Emerging Markets	23,481,715.33
Highclere	34,530,591.34
Sanderson	0.00
SSgA MSCI EAFE Fund	85,565,515.25
TT International	25,904,267.06
<b>Total IEQ</b>	197,446,762.52
<b>NR</b>	
Aether Real Assets II	2,298,315.32
Aether Real Assets III	10,102,049.92
Aether Real Assets IV	10,744,836.65
Aether Real Assets V	9,899,797.95
<b>Total NR</b>	33,044,999.84
<b>PE</b>	
57 Stars Global Opportunity	7,856,846.11
Arcmont (Bluebay)Direct Lending	1,754,007.79
Constitution	13,761,670.41
Cross Creek Capital Partners II	11,593,429.00
Cross Creek Capital Parts III	11,643,853.02
Deutsche Bank SOF III	1,948,436.88
Dover Street X	33,386,596.45

# Austin Firefighters Retirement Fund

## Balance Sheet

As of November 30, 2023

Flag V	5,011,562.96
Flag VI 6	13,815,953.73
Greenspring Global Partners V	7,658,411.00
GREENSPRING VI	13,120,839.07
Harbourvest 2013 Direct	4,422,397.04
HarbourVest Coinvestment 4	7,930,262.03
LGT C Europe Small Buyouts 3	3,361,325.00
LGT Crown Asia 2	8,142,052.03
LGT Crown Global Secondaries 2	118,577.00
LGT Crown Global VI	35,098,560.06
LGT Global Secondaries III	1,991,780.00
Partners Group EM 2015	8,556,770.14
Partners Group US Dist PE 2009	389,091.93
Private Advisors Co-Inv FundIII	1,509,294.99
Private Equity Investors V	1,234,822.02
SVB Strategic Investors Fund IX	15,010,231.33
<b>Total PE</b>	<b>209,316,769.99</b>
<b>RE</b>	
Clarion Partners	73,454,826.99
Metropolitan RE Distressed II	0.00
Partners Group Distressed '09	52,281.98
Partners Group RE Second 2011	694,773.28
Partners Group RE Second 2017	12,740,650.47
Portfolio Advisors Fund 5	6,364,141.28
<b>Total RE</b>	<b>93,306,674.00</b>
<b>Total Investments</b>	<b>1,069,061,468.23</b>
<b>Total Other Current Assets</b>	<b>1,069,061,468.23</b>
<b>Total Current Assets</b>	<b>1,074,012,553.47</b>
<b>TOTAL ASSETS</b>	<b>1,074,012,553.47</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
Payroll Liabilities	8,372.69
Operating Admin Liabilities	4,759.52
Investment Liabilities	0.00
Professional Liabilities	37,522.48
<b>Total Other Current Liabilities</b>	<b>50,654.69</b>
<b>Total Current Liabilities</b>	<b>50,654.69</b>
<b>Long Term Liabilities</b>	
DROP (Guaranteed 5%)	153,012,336.11
% of Total Assets	14.25%
<b>Total Long Term Liabilities</b>	<b>153,012,336.11</b>
<b>Total Liabilities</b>	<b>153,062,990.80</b>

**Austin Firefighters Retirement Fund**  
**General Ledger**  
As of November 30, 2023

<u>Date</u>	<u>Name</u>	<u>Memo</u>	<u>Split</u>	<u>Amount</u>	<u>Balance</u>
<b>Sunflower Bank - Operating</b>					<b>47,921.54</b>
11/01/2023	Montemayor Britton Bender	FY2023 Schedule of Pension Amt's Rpt	Audit	-4,573.00	43,348.54
11/01/2023	Logic Compensation Group	Compensation Study	Operational Cost	-8,868.75	34,479.79
11/09/2023	Shira K Herbert	Meeting Refreshments	Meeting Refreshments	-18.70	34,461.09
11/09/2023	Complete IT	Oct 2023	Software/IT Services	-1,160.80	33,300.29
11/09/2023	Provaliant	Sept 2023	Project Management Services	-7,312.51	25,987.78
11/10/2023	Sunflower Bank	Oct 2023	Bank Service Charges	-327.58	25,660.20
11/13/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Benefits	125,000.00	150,660.20
11/14/2023	Austin FF Relief & Retirement Fund	Reimbursement from Union for Legislative Consultant	Legislative Consulting	2,000.00	152,660.20
11/14/2023	Shira K Herbert	Office Supplies	Office Supplies	-106.09	152,554.11
11/14/2023	City of Austin	Nov 2023	Health Insurance	-12,928.27	139,625.84
11/14/2023	TASC (FSA Health Care)	Nov 2023	Health Insurance	-40.00	139,585.84
11/14/2023	Schlueter Group of Texas	Legislative Consulting	Legislative Consulting	-4,000.00	135,585.84
11/14/2023	United States Treasury	Deposit Q4 2020	941 FUTA Tax	34,299.90	169,885.74
11/16/2023	Provaliant	Oct 2023	Project Management Services	-2,868.75	167,016.99
11/16/2023	Jani-King of Austin	Nov 2023	Office Maintenance	-257.00	166,759.99
11/21/2023	Austin FF Relief & Retirement Fund	L. Adney Nov 2023	Health Insurance	548.22	167,308.21
11/22/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Benefits	100,000.00	267,308.21
11/24/2023	Aberdeen Asset Mgmt.	Q3	Investment Management Fees	-72,570.13	194,738.08
11/24/2023	Jackson Walker	Oct 2023	Board Meeting	-1,500.00	193,238.08
11/24/2023	Jackson Walker	Oct 2023	Administrative	-9,000.00	184,238.08
11/24/2023	Levi Ray & Shoup	Website Maintenance	Hosting & Other Expenses	-293.75	183,944.33
11/24/2023	Meketa Investments	Oct 2023	Financial Consulting Fee	-17,557.48	166,386.85
11/24/2023	Jani-King of Austin	Dec 2023	Office Maintenance	-257.00	166,129.85
11/24/2023	State Street	Q3	SS Retiree Payroll Process Fees	-7,701.03	158,428.82
11/28/2023	Jackson Walker	Forms & Participant Communication	Administrative	-21,474.50	136,954.32
11/28/2023	Parkstone Office Condominium Community		-SPLIT-	-816.04	136,138.28
11/29/2023	QuickBooks Payroll Service	Created by Payroll Service on 11/21/2023	Direct Deposit Liabilities	-44,364.62	91,773.66
11/30/2023	Amy L Thibaudeau	Direct Deposit	-SPLIT-	0.00	91,773.66
11/30/2023	Anumeha Kumar	Direct Deposit	-SPLIT-	0.00	91,773.66
11/30/2023	Deborah Hammond	Direct Deposit	-SPLIT-	0.00	91,773.66
11/30/2023	Gina M Gleason	Direct Deposit	-SPLIT-	0.00	91,773.66

**Austin Firefighters Retirement Fund**  
**General Ledger**  
 As of November 30, 2023

Date	Name	Memo	Split	Amount	Balance
11/30/2023	John C Perryman	Direct Deposit	-SPLIT-	0.00	91,773.66
11/30/2023	Shira K Herbert	Direct Deposit	-SPLIT-	0.00	91,773.66
11/30/2023	United States Treasury	74-6059219 QB Tracking # 189306998	-SPLIT-	-13,562.38	78,211.28
11/30/2023	Fidelity	Nov 2023	SEP Contribution	-13,729.17	64,482.11
11/30/2023	American Express	Nov 2023	-SPLIT-	-1,107.51	63,374.60
<b>Total Sunflower Bank - Operating</b>				15,453.06	<b>63,374.60</b>
<b>Sunflower Bank - Benefits</b>					<b>233,180.37</b>
11/09/2023	Austin FF Relief & Retirement Fund	City and Member Contributions	-SPLIT-	1,823,805.80	2,056,986.17
11/13/2023	Austin FF Relief & Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,700,000.00	356,986.17
11/13/2023	Sunflower Bank	Wire Fee	Bank Service Charges	-22.00	356,964.17
11/13/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Operating	-125,000.00	231,964.17
11/20/2023	Austin FF Relief & Retirement Fund	Reimbursement form COA for Pension/Audit Report	Audit	4,573.00	236,537.17
11/22/2023	Austin FF Relief & Retirement Fund	City and Member Contributions	-SPLIT-	1,851,668.91	2,088,206.08
11/22/2023	Austin FF Relief & Retirement Fund	Transfer from Benefits to Operating	Sunflower Bank - Operating	-100,000.00	1,988,206.08
11/27/2023	Austin FF Relief & Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,750,000.00	238,206.08
11/27/2023	Sunflower Bank	Wire Fee	Bank Service Charges	-22.00	238,184.08
11/30/2023	Austin FF Relief & Retirement Fund	Interest Nov 2023	Interest - Sunflower Bank	535.71	238,719.79
<b>Total Sunflower Bank - Benefits</b>				5,539.42	<b>238,719.79</b>

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## Road Map of Items for Board Meetings

### December 2023 Board Meeting

- End-of-year Budget Report
- 2024 Board Meeting Dates
- PensionGold Implementation Project Update
- Salary Survey Update
- ED Evaluation
- Consideration and approval of 2024 Budget

### January 2024 Board Meeting

- Vice-Chair Election
- City of Austin Actuarial Audit Update
- Funding Soundness Restoration Plan Update
- Annual DROP Account Statements
- Fund Newsletter

### February 2024 Board Meeting

- Funding Soundness Restoration Plan Update
- Meketa 4Q23 Report
  - 2024 Asset Study
  - Investment Policy Statement Review
  - Passive Investment Framework review

### March 2024 Board Meeting

- Actuarial Experience Study Update
- Annual Ethics and Governance Policy Review

### April 2024 Board Meeting

- Investment Practices and Performance Evaluation Update
- Funding Soundness Restoration Plan Update
- Update on development of Administrative Policies and Procedures, including internal controls
- Pension Administration Software System update

### **May 2024 Board Meeting**

- Meketa 1Q24 Report
- Investment Practices and Performance Evaluation Update
- Operating Procedures Review

### **June 2024 Board Meeting**

- Legislative Session Wrap-up/Update
- Electronic Document Management System Implementation Update
- Retirement Seminar

### **July 2024 Board Meeting**

- 2023 Actuarial Valuation
- 2023 Financial Audit Report
- Pension Review Board Report Submissions

### **August 2024 Board Meeting**

- Meketa 2Q24 Report
- Meketa 2023 Fee Review
- Summer Newsletter
- PensionGold Implementation Project update

### **September 2024 Board Meeting**

- Board Trustee Election

### **October 2024 Board Meeting**

- Discussion and Consideration of 2025 COLA

### **November 2024 Board Meeting**

- Meketa 3Q24 Report
- Consideration of 2025 Budget
- Consideration and Possible Approval of 2025 COLA
- Update on Trustee Election