BOARD OF TRUSTEES MEETING
REGULAR MEETING AGENDA

Friday, April 26, 9:00am

The regular meeting will be held in the **Board and Commissions Room at Austin City Hall, 301 W 2nd 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** with **meeting number 2558 826 1269** and **password Apr2024,** or through a telephone conference call, **toll-free dial-in number 408-418-9388** with **access code 2772024.** 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 no later than 5:00 p.m. on April 25, 2024**. 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 March 25, 2024
    b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

To Discuss and Possibly Act On

2. Presentation from Callan on preliminary report for the Investment Practices and Performance Evaluation (IPPE)

3. Discuss and Consider final Actuarial Experience Study report, including discussion of actuarial cost methods and cost implications of any assumption changes

4. Discussion regarding retired Fund staff health insurance benefits

5. Executive Director Report, including the following (Discussion Only)
    a. General comments
    b. Update on Voluntary Funding Soundness Restoration Plan (FSRP), including Member Info Session

c. Upcoming Retirement Seminar Update

d. Internal financial statements, transactions, and Fund expense reports for month ending March 31, 2024

6. Roadmap for future meetings

7. 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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MINUTES
BOARD OF TRUSTEES MEETING
MONDAY MARCH 25, 2024, 9:00AM

Board Members Present
John Bass, Vice Chair
Belinda Weaver, Treasurer
Doug Fowler, Trustee
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
Elizabeth Wiley, Cheiron
Health Merlak, Cheiron
Coralie Taylor, Cheiron (virtual)

Community Members Present
Rene Vallejo
Donald Lowe
Virtual attendees not listed

Vice Chair Bass called the meeting to order at 9:03am.

Public Comments:

No public comments.

I. Consent Agenda for the following:

a. Minutes of the regular meeting of February 23, 2023
b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

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

II. Update on 2024 Actuarial Experience Study, including discussion of economic and demographic assumptions

Anumeha Kumar introduced the Cheiron actuaries and informed the board that Cheiron would be making recommendations on both the economic assumptions they presented during the February meeting and on the demographic assumptions they would present during this meeting. She provided the board with the option to either consider and adopt the recommendations following their presentation or to wait until the April meeting to make their final decision. Elizabeth Wiley explained that Cheiron would make recommendations to establish an appropriate valuation model based on Fund experience and on future projections according to the Actuarial Standards of Practice, but the adoption of those assumptions would ultimately be a board decision. She reiterated that the assumptions do not determine the actual cost of the Fund. Heath Merlak shared

a chart which tracked the gain/loss trends of the Fund's unfunded liability over a 10-year period. He described the trends that Cheiron had identified in terms of liability changes and asset performance, including differences in how participants behaved in the plan, such as retiring earlier than anticipated which generated a loss for the Fund. Mr. Merlak described the sources of unfunded liability reduction, which included contributions that had paid down about $11 million and asset gains that had paid down about $80 million over the last ten years. He then described the sources of increase for the unfunded liability, which included assumption changes, such as a lowered discount rate, updated mortality tables, and benefit changes such as granting of COLAs. Ms. Wiley followed up to note that investment returns are the largest driver of risk in the plan.

Mr. Merlak addressed the two components of salary increase, which include wage inflation and merit (including promotional) increases. He further explained how salary increase and merit are calculated, both on an individual basis and as a whole, in consideration of past experience and future projections. Based on Cheiron's calculations, Mr. Merlak proposed adjusting the wage inflation from 3% to 2.5%. He noted that it is common for systems to tie wage inflation to price inflation, which Ms. Wiley later stated was also set at 2.5% and considered reasonable by Cheiron. Mr. Merlak explained that an aggregate payroll growth assumption of 2.5% is used differently for other calculations and comes into play when reviewing the Actuarially Determined Contribution. He recommended refining the merit scale based on recent experience while avoiding over-correction.

Ms. Wiley described A/E ratios, which are calculated by dividing actual experience by expected results and explained that the ratios should ideally be close to a value of one. She transitioned to the first demographic assumption of mortality and reviewed the update the board had made during the last valuation to the PubS-2010 public safety mortality table, having previously used the PubS(A)-2010, which assumed above-median pay. At that time, she continued, the board had also updated the mortality improvement to fully generational. Ms. Wiley explained that the Retirement Plans Experience Committee (RPEC) had not yet released an updated scale due to the unforeseeable future impact of COVID. Ms. Wiley recommended that the board revert back to the PubS(A)-2010 above-median tables due to the A/E ratio indicating fewer deaths than actuarially anticipated. She explained that the adjustment would add a bit more conservatism and would be more consistent with information about mortality across the country. For the improvement scale, she suggested that the board maintain fully generational improvement. Vice Chair Bass and Ms. Kumar both clarified that the mortality assumptions were being fine-tuned from Cheiron's prior recommendations, not reverting to the assumptions adopted under the previous actuary, which were not considered best practice.

Mr. Merlak explained that the current retirement rates assumption was based off years of service and first eligibility, and that the A/E ratio from Cheiron's study indicated more retirements were occurring than expected, and at an earlier age on average than anticipated. Through their analysis, Mr. Merlak explained that Cheiron determined age was a better indicator of retirement. He proposed the board change from a service-based table to an age-based table. In response to a question from Trustee Weaver, Mr. Merlak stated that public safety funds typically use age or a combination of both age and service but noted that using the combination would not add any additional accuracy for the Fund beyond age alone based on the recent experience. For termination rates, Mr. Merlak explained that the current assumption was based on service; he recommended maintaining the approach with minor refinements based on Cheiron's analysis. For disability rates, Mr. Merlak stated that the actual instance was less than the current assumption and recommended lowering the rates by one third, noting that the rate was already a very small percentage.

Mr. Merlak next addressed the DROP account balance payment assumption which currently assumes that all DROP payments were made at the valuation date, which Cheiron had determined was not occurring. He noted that 80% of members elect to take a DROP and most keep the money in the Fund, so more DROP funds come into the plan each year. Ms. Wiley added that the provision is hard-to-value, making it a challenging assumption that could incur greater potential risk due to the promised 5% interest paid to the balances. Mr. Merlak proposed using an 8-year payout assumption not to exceed age 70.5 for the existing DROP balances, while maintaining the current assumption that DROP payments were made at the time of retirement for new DROP balances. Vice Chair Bass reiterated Ms. Wiley's point about risk, explaining that it depends on a variable return against a fixed rate that is owed, and experience could vary greatly over different timeframes. Trustee Fowler asked questions regarding the impact of DROP liability on the unfunded liability or on the amortization period and whether the DROP program was a net positive or net negative for the Fund. Ms. Wiley replied that it would be difficult to determine due to the impact the benefit has on member behavior in terms of when they choose to retire, and how earlier retirements impact the Fund. Vice Chair Bass and Ms. Kumar followed up with additional clarifying questions. Trustee Fowler asked about recent trends with DROP programs in retirement systems, to which Ms. Wiley replied that they had generally been closing until the last five years when they began expanding again for recruitment and retention purposes, but with greater limitations due to identified risk. Trustee Weaver asked about the returns offered by the newer DROP programs, to which Ms. Wiley indicated that there was a large range, including some that offered no interest, some that were variable with the markets, and others that moved to lower rates for new tiers. Ms. Kumar asked questions regarding forward and retro DROP, to which Ms. Wiley stated that the Fund's current assumptions reflect no members electing forward DROP, and while members prefer retro DROPs, forward DROPs tend to incur less risk and are more common in systems that have gone through reform.

Trustee Fowler requested an explanation of Normal Cost for the membership, to which Ms. Wiley stated that it is an actuarial approach to determine the percentage of pay needed each year of a person's career to fund their retirement benefits. Mr. Merlak followed up to note that the current Normal Cost for the Fund is 30.7% with members contributing 18.7% of that amount. Vice Chair Bass added that if the total contribution rate is just enough to cover Normal Cost, the amount left to pay down the unfunded liability is minimal, and the amortization rate becomes sensitive. Ms. Wiley further explained the impact of interest on unfunded liability over time, noting that the Fund has made some progress in reducing the unfunded liability over the last ten years.

Heath Merlak addressed the DROP period assumption with a reminder that the board had adopted an assumption during the last valuation that members would elect the most valuable DROP period. He proposed that the board keep that assumption in place to build in conservatism and best capture previously granted COLAs. Regarding the beneficiary age assumption, Mr. Merlak stated that the current assumption was that beneficiaries for males were four years younger and beneficiaries for females were four years older than the member. Mr. Merlak recommended refining that assumption based on Cheiron's study to reflect beneficiaries being 3 years younger for male retirees and one year older for female retirees. Regarding the payment form assumption, Mr. Merlak explained that all payment forms offered by the Fund are adjusted on an actuarial equivalence basis, and therefore maintaining the assumption of valuing the normal payment form of the 75% joint and survivor annuity would be appropriate. Mr. Merlak stated that the current assumption for dependent children upon an active firefighter's death remained reasonable and suggested no revision.

As a final topic for consideration, Mr. Merlak suggested that the board may want to consider updating the actuarial equivalence assumptions used for Fund administration and then update the Fund Rules accordingly. He estimated that those assumptions had last been updated about 15 years ago and noted that most funds choose to make the update every 10-20 years due to the administrative complexity involved. Ms. Kumar suggested that the timing for updating those assumptions would align well with the software upgrade. Ms. Wiley added that those assumptions do not need to be updated as part of an Experience Study.

Ms. Wiley discussed economic assumptions and added that one key economic assumption for consideration is the expected return on the assets. She stated that the current assumption was 7.3% net of both investment and administrative fees. She stated that 7.3% remained reasonable but suggested that the model be adjusted to be net of investment fees only to allow a consistent basis for both funding and GASB financial reporting. Ms. Wiley proposed that 1.25% of the payroll be assumed to be needed to fund the administrative activities of the plan and be added to the Normal Cost. She noted that the assumption was easy to study and stated that she was confident with the recommendation based on both Fund history and the budgets of peer systems.

Mr. Merlak informed the board that the final steps of the Experience Study would be for Cheiron to review the actuarial cost methods and provide the cost implications of the proposed assumption changes. He stated that once those were formally approved, they would be used for the 2023 Valuation. In response to a question from Vice Chair Bass, the board confirmed that they were comfortable with making their decision. Trustee Fowler made a motion to adopt the recommended assumption changes from Cheiron. Trustee Woolverton seconded the motion. The motion passed unanimously.

III. Annual Review of the Code of Ethics Policy

Alyca Garrison stated that her presentation would be an annual review of the Code of Ethics Policy that required no action from the board. She noted that the last revision to the policy had occurred in May of the previous year. Ms. Garrison provided an educational overview of the basic principles and guidelines of trustee standards of conduct as driven by state law requirements and best practices. She defined fiduciary duties under traditional trust law and retirement plan law, which included acting with impartiality and fairness in the best interest of the Fund, investing assets of the Fund prudently, maintaining skills through education and training, protecting confidential and attorney-client privileged information, and overseeing the administration of the Fund. Ms. Garrison clarified that the day-to-day administration of the Fund is delegated to the Executive Director, pursuant to the Fund's Governance Policy. Ms. Garrison next explained the guidelines for trustee communication, including a no-contact period during vendor review that had been adopted by the board last year. She defined conflicts of interest under Chapter 176 and 171 of Texas Local Government Code and explained how conflicts of interest should be disclosed to and addressed by the board. Ms. Garrison explained the limitations and disclosure requirements related to gifts and benefits from vendors. She stated that trustees should not solicit or accept gifts and benefits from vendors except under certain carveouts, such as scheduled food or entertainment in connection with a conference, or items of minimal value, such as marketing materials. Ms. Garisson next addressed the travel policy, which the board had also updated during the prior year and explained the limitations of travel reimbursements offered to trustees for conference attendance. Ms. Garisson concluded her presentation with an explanation of the enforcement provision, including the self-regulating process for filing and handling complaints against trustees. Vice Chair Bass thanked Ms. Garrison for her presentation. No motion necessary.

IV. Discuss and consider adoption of proposed changes to the Personnel Policy, including consideration of any member comments

Anumeha Kumar informed the board that the proposed changes to the Personnel Policy had been posted to the Fund website in accordance with the Fund Rules, and that commentary had been received from one member and provided to the board in advance of the meeting. Ms. Kumar briefly addressed a concern that had been raised in the member comment regarding the Fund's public-facing name being reflected in the Personnel Policy. She explained that the legal TLFFRA legacy name contemplated in the governing statute had not changed, though the board had approved to conduct business as the Austin Firefighters Retirement Fund as part of the website overhaul and rebranding efforts that took place in 2023. Ms. Kumar clarified that no additional costs were associated with the rebranding effort; she reviewed the rationale behind the decision and then stated that the change to the Personnel Policy only reflected the change previously adopted by the board. Vice Chair Bass addressed another concern that had been raised in the member comment regarding the adopted pay range for the Executive Director position. Vice Chair Bass emphasized that the decision was not arbitrary and reiterated that the pay range had been adopted from the study conducted by Logic Compensation Group after a long process that honed in on the current Fund profile relative to local, state and national comparators, and better represented the current responsibilities of the Executive Director position. Trustee Weave voiced her agreement that the compensation study was necessary from a board perspective to reflect the new responsibilities of the Executive Director position; she motioned to adopt the Personnel Policy as amended. Trustee Fowler seconded the motion. The motion passed unanimously.

V. Discuss and consider 2024 compensation for Executive Director

The board entered closed session at 10:54am pursuant to Texas Government Code Section 551.074 to discuss personnel matters. The board resumed open session at 11:19am, with no action having been taken during the closed session. Trustee Fowler made a motion and stated, "Based upon the Logic Compensation Group survey of executive director positions for local, statewide, and national public pension systems, I move to authorize the Vice Chair to negotiate and adjust the salary of the Executive Director, retroactive to January 1, 2024, based upon the direction of the board, and to amend the budget, if necessary, to reflect such adjustment." Trustee Woolverton seconded the motion. The motion passed unanimously.

VI. Discussion regarding retired Fund staff health insurance benefits

Anumeha Kumar addressed the agenda item from a historical practice standpoint, noting that the Fund only had one retiree who elected to receive benefits through the City of Austin in accordance with the retirement benefits offered to all three retirement systems by the City. She clarified that the health insurance benefits offered to Fund staff retirees were the same as what the City offered to retired firefighters, based on their years of service, and that the Fund only paid the required employer portion for retired staff members. Ms. Kumar stated that the intention of the agenda item was to formalize the practice in writing from both a transparency and a checks and balances standpoint. Trustee Weaver noted that the reason this topic hadn't been previously addressed by the board was that the Fund did not have any staff retirees until recent years. She requested legal guidance on whether the modification was best suited for the Personnel Policy. Alyca Garrison suggested that a separate policy would be more appropriate since the Personnel Policy was intended to be an administrative policy for current employees. Ms. Kumar stated that the benefit could be formalized through a board resolution as she had seen other systems do. In response to a question from Vice Chair Bass, Ms. Garrison confirmed that the board only needed to provide

direction to staff to draft language and that no motion was necessary.

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

a. General comments

No general comments.

b. Update on Voluntary Funding Soundness Restoration Plan (FSRP)

Anumeha Kumar stated that the Working Group had been conducting research on different options with the Fund's actuary, Cheiron, and would hold another member informational session in April to update the Fund members, discuss goals, and answer any potential questions. She provided a reminder that the Fund was in the process of conducting an Actuarial Experience Study, which had put a hold on the consideration of potential benefit packages since the last informational session in December. Ms. Kumar indicated that staff would make an announcement and send out information regarding the virtual information session as soon as the date was finalized.

c. Pension Administration Software (PG IV) implementation update

Anumeha Kumar informed the board that the pension administration software project was on track, and that staff had completed the design phase for the first of three deliverables. She stated that the next step will be the development phase, in which staff will perform user testing in May and June of this year.

d. Update on Request for Information (RFI) for Depository Bank

Anumeha Kumar revisited the depository bank review that the board had conducted in July 2023 as part of the Fund's Governance Policy and vendor review schedule. She stated that the board decided to pause the RFI process at that time because no banks that had responded to the RFI were able to offer collateralized deposits beyond the threshold insured by the FDIC. Ms. Kumar informed the board that staff had followed up with at least one vendor, who informed the Fund that they had resumed offering collateralized deposits. Ms. Kumar recommended that the Fund solicit a response to the original RFI from that bank and from the Fund's current bank, so that the board could make an informed decision regarding continuation of service. Ms. Kumar reiterated that the bank under review was the local depository bank, not the Fund's custodian bank.

e. Internal financial statements, transactions, and Fund expense reports for month ending February 29, 2024

Anumeha Kumar stated that the financial budget was on track and that there were no significant changes to report. The trustees had no questions regarding the February financial statements.

VIII. Roadmap for future meetings

The trustees had no questions or requests regarding the roadmap.

IX. Call for future agenda items

No future agenda items were called for.

Hearing no objections, Vice Chair Bass adjourned the meeting at 11:29am.

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CONFIDENTIAL INFORMATION

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Callan

April 2024

Austin Firefighters Retirement Fund

Investment Practices and Performance Evaluation

Craig Chaikin, CFA
Senior Vice President

Perry Hopper, CFA, CAIA
Vice President

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Introduction

Callan LLC

- Callan was founded as an employee-owned investment consulting firm in 1973. Today, the firm serves sponsors of defined benefit and defined contribution plans, endowments, foundations, insurers, hospitals, health care systems, and nuclear decommissioning trusts, as well as other large institutional asset pools. Callan's institutional investor clients oversee more than $4.5 trillion in combined assets for which the firm provides discretionary and non-discretionary services.
- The Austin Firefighters Board of Trustees hired Callan, an independent, third-party, investment consultant, to conduct an Investment Practices and Performance Review on behalf of the Austin Firefighters Retirement Fund (AFRF) in accordance with Texas Government Code §802.109. The following documentation was obtained and reviewed in order to complete the review:
  - Pension Statute, Bylaws, and other Governing Documents
  - Investment Policy Statement
  - Operating Procedures
  - Asset Allocation and Asset-Liability Studies
  - Investment Management Fee Reviews
  - Meeting Minutes
  - Quarterly Performance Measurement Reports
  - Manager Search Due Diligence Reports
  - Annual Financial Reports
  - 2022 Actuarial Valuation
- As part of the review process, Callan also conducted due diligence interviews with several Board members, Fund staff and AFRF's ongoing investment consultant, Meketa. Meketa has a multi-year contract with AFRF and assists the Board on asset allocation, manager selection and monitoring, performance reporting and investment governance.

- Callan was retained by the Board through a competitive bid process and has no other relationships with the Fund's Trustees or Staff. As requested through the bid process, Callan will be paid a flat fee upon completion and submission of the review.
- Callan does not believe there to be any potential or appearance of any conflicts of interest.
- The following areas were included in the review process and Callan had minor suggestions where it felt enhancements could be made to documents or processes:
  - An analysis of any investment policy or strategic investment plan adopted by AFRF and its compliance with that policy or plan.
  - A detailed review of AFRF's asset allocation, including 1) the process for determining target allocations 2) the expected risk and return, categorized by asset class 3) the appropriateness of selection and valuation methodologies of alternative and illiquid assets and 4) future cash flow and liquidity needs.
  - A review of the appropriateness of investment fees and commissions paid.
  - A review of AFRF's governance processes related to investment activities, including investment decision-making processes, delegation of investment authority, and Board investment expertise and education.
  - A review of AFRF's investment manager selection and monitoring process.

Callan

IPPE Summary Matrix

Investment Practices and Performance Evaluation – Summary Matrix

Summary	Current Status	Opinion / Comments
Statement of Investment Policy	●	— The Austin Firefighters Retirement Fund maintains a thoroughly written Investment Policy Statement that includes investment goals and objectives, roles and responsibilities, asset allocation ranges, a rebalancing policy, investment guidelines and restrictions, and statements describing the risk tolerance, time horizon, and liquidity requirements of the Fund. It also maintains an Operating Procedures that includes asset class assumptions, broad and sub-asset class allocation targets, manager selection and termination procedures, fee reconciliation and payment, performance objectives, asset class guidelines and class action policy. **Compliance with the documents appears adequate.** — The IPS is reviewed at least annually.
		— **AFRF may consider: 1) combining the IPS and Operating Procedures into a single document 2) including all Fund level benchmarks used in reporting to the documents 3) including a fee management philosophy**
Asset Allocation	●	— Asset allocation is reviewed annually by the Board and Meketa with the last review in May 2023. — Meketa uses 20-year capital market projections and mean variance optimization to model the asset allocation and evaluate the most efficient mix of assets at a given level of return. — Assets are allocated in accordance with the Fund's risks and return objectives as outlined in the Investment Policy Statement and the asset allocation documented in the Operating Procedures. The assets are appropriately diversified and maintain sufficient liquidity to meet obligations.
		— **While the Board has requested the investment consultant review the impact of different scenarios on funded ratio and liquidity, it has not conducted a full asset-liability study in the last five years. The Board should consider a full asset-liability study, which integrates different asset allocation mixes and market scenarios with their potential impact on all aspects of the Fund's liabilities (i.e. funded ratio, contribution expectations, amortization period, etc.).**

● – Within Expectations (No concerns)　● – Notable (Noteworthy but no concerns)　● – Cautionary (Noteworthy with concerns)　● – Under Review (Action Required)

Investment Practices and Performance Evaluation – Summary Matrix

Summary	Current Status	Opinion / Comments
Investment Fee & Commission Review	●	– AFRF's Board annually reports on direct and indirect management fees, brokerage fees, and profit share, in compliance with PRB requirements. **Consider a formalized procedure to document performance-based fees.** – Custodial fees, investment consulting fees, and brokerage fees/commissions seem competitive when compared to industry averages. – AFRF's investment management fees appear above industry averages when compared to funds of similar sizes. However, when considering the asset allocation of the Fund, fees align closely with peers. An annual fee analysis that includes fee benchmarking may be beneficial in assessing the reasonableness of current fees. – AFRF has reduced investment management costs through strategic allocations to passive management and direct investments, demonstrating a proactive approach to fee optimization. – **Consider adding language to the IPS outlining the frequency and requirements of fee benchmarking. Texas law only requires the reporting of absolute investment management fees, which may not provide stakeholders the appropriate context. An annual fee analysis may be beneficial for monitoring manager fees and assessing reasonableness compared to peers.**
Governance Process	●	– AFRF has established a robust governance framework outlined in various policies and statutory regulations, ensuring that all operations are carried out with high standards of accountability and transparency. – The governance structure clearly defines the responsibilities of the Board of Trustees, including fiduciary oversight, investment implementation, and ensuring compliance with governance policies. – Governance documents, meeting minutes, annual reports, and investment reports are publicly available on the Fund's website, demonstrating a commitment to transparency and stakeholder engagement. – **The governance process is consistent with industry best practice and many other public funds.**

● – Within Expectations (No concerns) ● – Notable (Noteworthy but no concerns) ● – Cautionary (Noteworthy with concerns) ● – Under Review (Action Required)

Investment Practices and Performance Evaluation – Summary Matrix

Summary	Current Status	Opinion / Comments
Investment Manager Selection & Monitoring	●	— AFRF has a robust process for manager search and selection where the Board is ultimately responsible for selection but generally relies on Meketa, to lead the search process and identify appropriate candidates. — The Board reviews each candidate with Meketa and then chooses finalist candidates for due diligence interviews and makes a selection based on its confidence in the qualitative and quantitative factors presented. — AFRF monitors each investment manager on an ongoing basis, utilizing a performance report produced by Meketa, that is reviewed with the Board. Investment results are presented quarterly but can be done more frequently as necessary. The reports show Total Fund, asset class composites and individual managers against appropriate benchmarks over multiple time periods. Total Fund and managers are also compared against appropriate peers. — Meketa uses a third-party performance platform, which takes custodial and manager information to calculate performance. The system uses Modified Dietz to calculate performance for public market investments and the dollar-weighted Internal Rate of Return for private market investments. — **Both AFRF's investment manager search and monitoring processes are consistent with best practices and are similar to many comparable public pension plans.**
Overall Assessment	●	— **AFRF's investment policy, asset allocation, investment fees and commissions, governance process, and manager search and monitoring procedures appear sufficient with no material issues at this time.**

● – Within Expectations (No concerns) ● – Notable (Noteworthy but no concerns) ● – Cautionary (Noteworthy with concerns) ● – Under Review (Action Required)

Callan

Investment Policy Evaluation

Statement of Investment Policy - Summary

One of the most important actions a Board can take is to develop, follow, and periodically review an investment policy statement (IPS), which should be an active document and provide a "road map" for the ongoing prudent management of the Fund. AFRF has a clearly articulated IPS that outlines the primary goals and objectives of the Fund, investment guidelines and limitations, fiduciary responsibilities, and a rebalancing policy. The policy also clearly delineates the roles and responsibilities of the Board of Trustees, staff, the investment consultant, investment managers, and the custodian. AFRF's IPS is regularly reviewed and includes a record of all revision dates dating back to adoption in 2002.

Key observations from Callan's analysis include:

- The IPS is clear and serves as an effective guide that offers an objective course of action.
- Between the IPS and the Operating Procedures, AFRF's policies incorporate the primary components outlined by the CFA Institute. However, several key elements generally included in an IPS are outlined in the AFRF Operating Procedures, which is not made publicly available on the website.
- The IPS outlines the Fund's core investment objectives and beliefs:
  - The purpose of the Fund is to provide sufficient return and liquidity to pay the benefit obligations of the Fund on a timely and regular basis.
  - The Fund seeks to achieve consistent growth and limit excessive volatility.
  - Asset allocation is the primary tool in achieving investment goals.
  - The Fund has a long-term investment horizon and should emphasize long-term (20-years or more) returns over short-term fluctuations.
  - The primary return objective is to achieve a high likelihood of attaining a 7.3% nominal return over a long-term time horizon.
- The primary risk objectives are to:
  - Accept the minimum level of risk required to achieve the Fund's return objective.
  - Minimize the likelihood of experiencing a loss over any full market cycle.
  - Use diversification to minimize exposure to company and industry-specific risks.
- The IPS does not outline a process for conducting integrated asset-liability studies.

Statement of Investment Policy Evaluation

Does the Fund have a written Investment Policy Statement (IPS)?	— The Austin Firefighters Retirement Fund (the "Fund") maintains a thoroughly written Investment Policy Statement (the "IPS") that includes investment goals and objectives, roles and responsibilities, asset allocation ranges, a rebalancing policy, investment guidelines and restrictions, and statements describing the risk tolerance, time horizon, and liquidity requirements of the Fund.
Is the IPS readily available to stakeholders?	— Yes, the IPS is available at afrfund.org
Is the IPS reviewed regularly and revised to reflect changes to the Fund?	— The IPS dictates that the Board will formally review the Policy annually. • The IPS was reviewed at the February and May Board meetings in 2023 • The IPS was revised in 2022 and 2021 — **Consider outlining key IPS and Operating Procedure changes in the meeting minutes. 2022 meeting minutes (the most recent IPS revision is dated February 2022) reflect motions made to approve the changes without providing detail of those changes.**
Is the policy written clearly and explicitly for fiduciaries and decision makers to follow and implement?	— The IPS is clear and serves as an effective guide that offers an objective course of action.
Is there evidence that the system is following its IPS? Is there evidence to the contrary?	— Yes, it appears that AFRF is in compliance with the IPS. • No exceptions were noted.
Does the IPS include the primary components outlined by CFA Institute guidelines? **(Continued next slide…)**	— Between the IPS and the Operating Procedures AFRF's policies incorporate the primary components outlined by the CFA Institute. — **Consider combining the IPS and Operating Procedures.** — **If they cannot be combined, consider moving and/or adding the following elements to the IPS:** • A list and description of investible asset classes; • A strategic asset allocation framework outlining asset class targets and allowable ranges; • Performance benchmarks for sub asset classes and total policy benchmark. • Manager selection and termination documentation; • An outline of the process, including timeline, used by the Board to evaluate the ongoing appropriateness of all managers and asset classes. — **If some of these elements are expected to need frequent updating, consider including them in an appendix to the IPS, which will have a less procedural review process to update than the rest of the Policy.** — **Consider making the Operating Procedures available to stakeholders.** — **Consider documenting all fund-level benchmarks used in performance reporting in the policy documents. This will allow stakeholders to understand the rationale of including each benchmark and the construction methodology. Currently, two of the total fund benchmarks used in performance reports are not outlined in the policies.**

Statement of Investment Policy Evaluation

Does the IPS include the primary components outlined by CFA Institute guidelines? **(…Continued)**	●	– **Consider adding an investment management fee philosophy that outlines how the Board considers fees when seeking to achieve the most attractive risk-adjusted net return for the Fund.** – **It appears the Operating Procedures III. Asset Allocation Targets may be intended to reference Section VII instead of Section VI in the IPS.**
Does the policy follow industry best practices? If not, what are the differences?	●	– The IPS is generally aligned with industry best practices.
Are the roles and responsibilities of those involved in governance, investing, consulting, monitoring and custody clearly outlined?	●	– The IPS clearly defines the roles and responsibilities of the Board of Trustees, staff, investment consultant, investment managers, and the custodian.
Does the IPS outline the key tenets of the Board's investment beliefs and objectives?	●	– Yes, the IPS emphasizes the following core investment objectives and beliefs: ● The Fund seeks to achieve consistent growth and limit excessive volatility. ● Asset allocation is the primary tool in achieving investment goals. ● The Fund has a long-term investment horizon and should emphasize long-term (20-years or more) returns over short-term fluctuations. – **We understand that the Board is updating the IPS to include its philosophy on active and passive management.**
Does the IPS address current Pension Review Board statutes?	●	– The Texas Pension Review Board (PRB) is mandated to oversee AFRF, in regard to their actuarial soundness and compliance with state reporting requirements under Chapter 802, Texas Government Code. – **Consider including an acknowledgement that AFRF will look to meet the policies as defined by the PRB.** – **Consider adding a risk objective to consider how the volatility of assets may impact the Fund's liability amortization period. This may provide additional guardrails to better enable the Fund to stay under the 30-year time frame to amortize the unfunded actuarial liability set by the Pension Review Board.**
Does the policy take into account the current funded status of the plan, the specific liquidity needs associated with the difference between expected short-term inflows and outflows, the underlying nature of the liabilities being supported?	●	– The asset allocation is designed to maintain sufficient liquidity to meet at least three years of anticipated beneficiary payments. – The Fund maintains a target allocation of 60% or higher to liquid assets. – **Consider modelling plan liabilities and conducting integrated asset-liability studies on a periodic basis, typically every 3-5 years, to ensure that the Fund's asset allocation is designed to meet its liabilities and liquidity goals. Asset-liability studies illustrate the potential implications that asset allocation decisions have on future contribution policies. Most of Callan's public defined benefit plan clients, especially those of AFRF's size, conduct regular asset-liability studies.**

Statement of Investment Policy Evaluation

Does the IPS contain measurable outcomes for managers? Does the IPS outline over what time periods performance is to be considered?	●	– The IPS requires that investment managers maintain a consistent philosophy, perform well versus peers, add incremental value net of fees, and comply to the IPS and governing documents. – While the IPS does not contain specific performance monitoring criteria for investment managers, the Operating Procedures contain measurable outcomes and state managers will be evaluated over a full market cycle or five-year period, whichever is shorter. – **Consider adding an appendix or table that defines the benchmarks used for individual managers.** – **Consider defining shorter term periods and specify how relative performance against peers will be evaluated.** – **Consider outlining the process for new manager selection and criteria for manager termination.**
Are stated investment objectives being met?	●	– The primary objective of the Fund is to provide sufficient return and liquidity to pay the benefit obligations of the Fund on a timely and regular basis. ▶ *There have been no issues paying benefits.* – The plan has broadly met its objectives: ● Achieve a high likelihood of attaining a 7.3% nominal return over a long-term time horizon. ▶ *Meketa uses mean variance optimization on an annual basis to predict the likelihood of the Fund achieving its return objectives. In the 2023 asset allocation study, Meketa predicts that the mean expected annualized return for the Fund over the next 20 years will be 8.6%.* ▶ *As of the last three calendar year-ends (2022, 2021, 2020), the Fund had achieved its nominal return target of 7.3% annualized over the trailing 10-year periods.* ▶ *Based on Callan's capital market assumptions, the AFRF portfolio is expected to have a 51% chance of achieving its return target over the next 20 years.* ● Accept the minimum level of risk required to achieve the Fund's return objective. ▶ *The Board and consultant use efficient frontier analysis to determine an efficient asset mix.* ● Minimize the likelihood of experiencing a loss over any full market cycle. ▶ *As of the last three calendar year-ends (2022, 2021, 2020), the Fund had not incurred a negative return over the trailing 5-year or 10-year periods.* ▶ *Based on Callan's capital market assumptions, the AFRF portfolio is expected to incur a nominal loss in only 1% of scenarios over a 20-year period, a 5% chance over 10-years, and a 12% chance over 5-years.* ● Use diversification to minimize exposure to company and industry-specific risks. ▶ *The portfolio is highly diversified across asset classes, sub asset classes, and investment managers.* ● Outperform the policy index over a market cycle. ▶ *As of the last three calendar year-ends (2022, 2021, 2020), the Fund outperformed its Static Benchmark net of fees over the trailing 5-year periods.*
Will the Board be able to sustain a commitment to the polices under capital market stress?	●	– Scenario analysis, downside risk analysis, projected range of outcomes, and liquidity analysis are included in the Full Asset Allocation Reviews conducted by the consultant.

Asset Allocation Evaluation

Asset Allocation - Summary

A Fund's strategic asset allocation policy serves as the foundation of the investment program and is often the primary determinant of long term returns and risks. A well-designed asset allocation policy balances the need for asset growth, income, liquidity, and risk mitigation specific to the asset pool's objectives.

The primary return objective of the Fund is to achieve a high likelihood of attaining a 7.3% nominal return (the actuarial assumed rate of return) over the long term. The main risk objectives are to take the least amount of risk possible to achieve the return objective, minimize the risk of loss over a full market cycle, and to diversify industry and company specific risks. AFRF has established a strategic asset allocation process designed to meet these objectives. Key observations include:

- Asset allocation is reviewed annually by the Board and the consultant (Meketa). The last review took place in May 2023.
- The consultant uses 20-year capital market projections and mean variance optimization to model the asset allocation and evaluate the most efficient mix of assets at a given level of return (7.3%).
- Assets are allocated in accordance with the Fund's risks and return objectives as outlined in the Investment Policy Statement. The assets are appropriately diversified and maintain sufficient liquidity to meet obligations.
- AFRF's asset allocation policy is aligned with the GFOA's asset allocation best practices for defined benefit plans.
- The Fund's asset allocation is documented in the Operating Procedures.

Asset Class	Target (%)	Range (%)
Private Domestic Equity	20	13-27
Public Foreign Equity	22	15-29
Private Equity	15	5-25
Investment Grade Bonds	13	10-20
TIPS	5	0-10
High Yield/Bank Loans	5	0-10
Emerging Market Debt	7	0-10
Core Real Estate	5	0-10
Value Add Real Estate	5	0-10
Private Natural Resources	3	0-5
Cash	0	0-5

Asset Allocation Evaluation

Does the Fund have a formal and/or written policy for determining and evaluating its asset allocation? Is the system following this policy?	●	– Yes, AFRF's Investment Policy Statement outlines specific procedures for determining and reviewing the Fund's asset allocation. Compliance with the asset allocation process dictated in the IPS appears adequate.
Who is responsible for making the decisions regarding strategic asset allocation?	●	– As outlined in the IPS, the Board is responsible for asset allocation decisions. It exercises its duty with assistance from the investment consultant.
How often is the strategic asset allocation reviewed?	●	– Per the IPS, the strategic asset allocation is reviewed annually. AFRF was able to provide copies of the annual strategic asset allocation reviews.
How are the Fund's overall objectives expressed and measured? What methodology is used to determine and evaluate the strategic asset allocation?	●	– The Fund's risk and return objectives, as identified in the IPS, are expressed through its strategic asset allocation, which is evaluated through the asset allocation liability process where the Board reviews current and alternate target allocations. – The return objective is to achieve a high likelihood of attaining a 7.3% nominal return over the long term. Risk objectives are to take the minimum level of risk to achieve the return objective, minimize the risk of loss over a full market cycle and to diversify industry and company specific risks. – The Fund's investment consultant uses its annual capital market assumptions and mean variance optimization to review portfolios with the best risk adjusted returns along the efficient frontier. Worst case return expectations and stress testing using both historical examples and hypothetical scenarios are run and reviewed. The Board is able to evaluate different target allocations and determine the best fit to meet its objectives.
Does the Fund's investment consultant communicate their future expectations?	●	– Yes, the Fund's investment consultant reviews its capital market assumptions with the Board, which are then documented in the Fund's Operating Procedures. – Asset allocation alternatives reflect the Board and investment consultant's expectations for the markets moving forward.
How does the current actuarial assumed rate of return factor into the discussion and decision-making for setting the asset allocation? **(Continued next slide…)**	●	– The actuarial assumed rate of return is the sole return objective for the Fund as outlined in the IPS. – The annual asset allocation study uses the consultant's capital market projections in conjunction with mean variance optimization to evaluate how effective the current asset allocation target is in meeting the Fund's goals. – The full asset allocation study evaluates the likelihood of the Fund's asset allocation meeting the actuarial assumed rate of return as well as the full range of expected potential outcomes, including worst-case-scenarios. This framework also compares other optimized mixes and evaluates them against the Fund's risk and return objectives.

Asset Allocation Evaluation

How does the current actuarial assumed rate of return factor into the discussion and decision-making for setting the asset allocation? **(…Continued)**

- **Based on Meketa's 2023 asset allocation study, AFRF's expected return was 8.6%, well above the assumed rate of return of 7.3%.**
- **Callan used its 2023 capital market assumptions and asset allocation model to review AFRF's current asset allocation. Callan's model predicts a median expected return of 7.4% over the next twenty years. This assumption is below Meketa's predicted return, but still above the Fund's return target.**
- **Callan's model predicts that the current asset allocation has a 52% likelihood of achieving a 7.3% or higher return over the next 20 years and only a 1% chance of incurring a loss over that period.**

Asset Class	AFRF Target	7.3% Target Ret Port
Public Domestic Equity	20%	29%
Global ex-US Equity	22%	21%
Private Equity	15%	13%
Core US Fixed	13%	21%
TIPS	5%	0%
High Yield/Bank Loans	5%	5%
EMD	7%	0%
Core Real Estate	5%	10%
Value Add Real Estate	5%	3%
Private Natural Resources	3%	0%
	100%	100%
Expected Return	7.44%	7.30%
Standard Deviation	14.04%	13.41%
Sharpe Ratio	0.32	0.33

- **While the Board has requested the investment consultant review the impact of different scenarios on funded ratio and liquidity, it has not conducted a full asset-liability study in the last five years. The Board should consider a full asset-liability study, which integrates different asset allocation mixes and market scenarios with their potential impact on all aspects of the Fund's liabilities (i.e. funded ratio, contribution expectations, amortization period, etc.).**

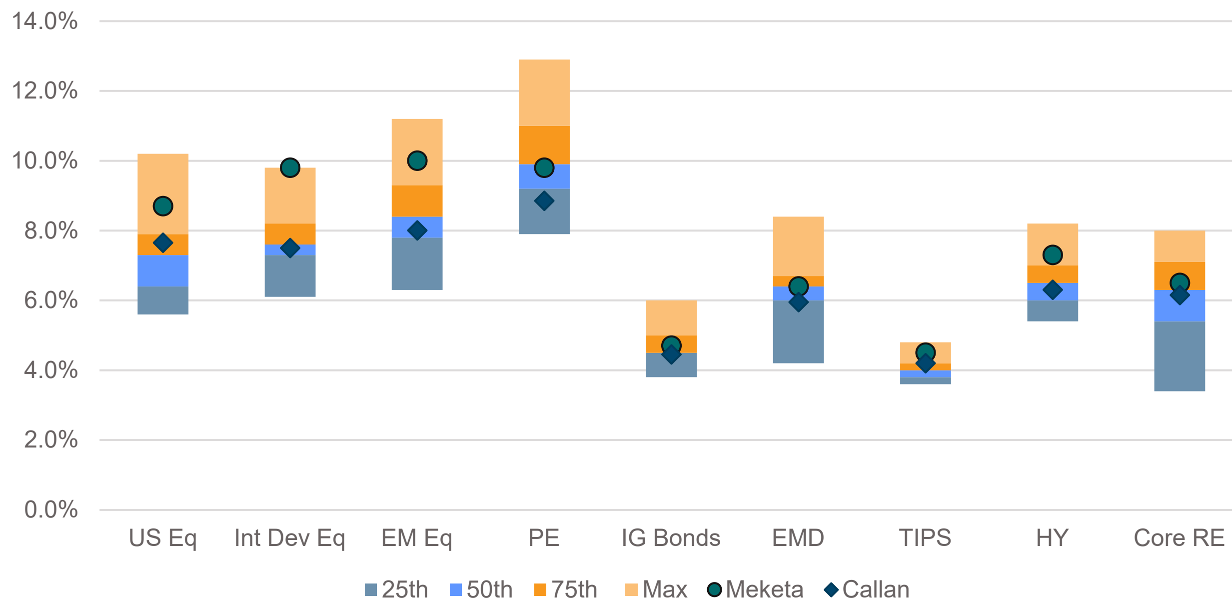
Asset modelling assumptions: 1. Private Natural Resources were modelled as Private Equity 2. Value Add Real Estate was modelled as Private Infrastructure

Asset Allocation Evaluation

Is the asset allocation approach based on a specific methodology? Is this methodology prudent, recognized as best practice, and consistently applied?

- The investment consultant develops 20-year projections of capital market performance at the start of each year. These projections are an integral component of the asset allocation studies as they incorporate the current economic and financial environment in which pension plans and investment managers operate.
- The investment consultant integrates information on the yield curve, key economic indicators, and qualitative assessments on the current environment to develop projections that are sound, defensible and consistent. Individual asset classes (equities, fixed income, cash, real estate and alternative investments) are analyzed as part of a larger system, acknowledging both the interaction between asset classes and the influence of larger macroeconomic.
- The capital market assumptions are used in the mean variance optimization that produces the risk and return metrics for the current and alternative portfolios.
- The investment consultant's capital market assumption development is reasonable and consistent with industry standards. Callan also reviewed the assumptions against Horizon Actuarial Services survey (Meketa does this as well) and the assumptions appear reasonable.

20 Year Return Expectations vs. Horizon Survey Ranges



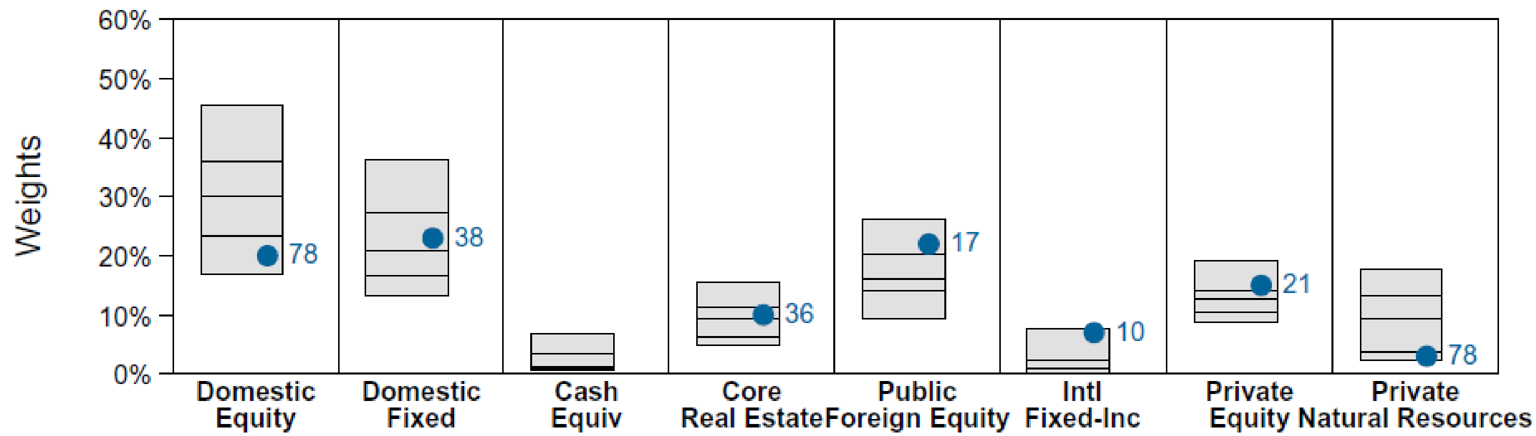
- Mean Variance Optimization is a fundamental industry standard that looks to balance the trade-off between expected returns and risk in developing an optimal asset allocation.

Asset Allocation Evaluation

How does the asset allocation compare to peer systems?

- Callan compared AFRF's asset allocation against a public plan peer group comprised of 129 Callan client and non-client portfolios with over $1 billion in assets. The Fund's target allocation to domestic equity is below median while its allocation to international equity is above. The total fixed income allocation is above median but diversified into higher risk, higher expected return strategies. The remainder of the portfolio is very diversified with allocations to core and core plus real estate, private equity, and natural resources.
- **Despite the differences with peer group medians, the Fund's portfolio is well diversified and designed to meet AFRF's long-term risk and return objectives.**
- **A recent NASRA study found the average public pension fund allocation to be 41.7% public equity, 19.7% fixed income, 11.1% real estate, 24.7% alternatives and 2.8% cash/other.**

Asset Class Weights vs Callan Public Fund Spons - Large (>1B)



	Domestic Equity	Domestic Fixed	Cash Equiv	Core Real Estate	Public Foreign Equity	Intl Fixed-Inc	Private Equity	Private Natural Resources
10th Percentile	45.57	36.34	6.84	15.48	26.15	7.66	19.14	17.86
25th Percentile	36.11	27.17	3.58	11.31	20.16	2.37	14.04	13.38
Median	30.11	20.72	1.33	9.34	16.08	0.81	12.85	9.26
75th Percentile	23.24	16.77	0.81	6.24	14.00	0.11	10.49	3.84
90th Percentile	16.97	13.19	0.52	4.89	9.41	0.02	8.89	2.20
Fund ●	20.00	23.00	-	10.00	22.00	7.00	15.00	3.00
% Group Invested	98.31%	96.61%	88.14%	79.66%	96.61%	44.07%	18.64%	13.56%

Asset Allocation Evaluation

What consideration is given to active vs. passive management?	●	— As is industry standard, the active/passive framework is not expressed through the asset allocation modeling. However, during portfolio construction and implementation discussions, each asset class is examined by the Board in terms of active investment managers' ability to reliably add value over an index on a net of fees basis. Certain asset classes (e.g., U.S. large cap equity) have shown to be areas where investment managers have struggled to add excess returns over a benchmark net of fees due to the efficiency of the asset class. Other asset classes (e.g., U.S. fixed income, U.S. small cap, non-U.S. equity and alternative assets like real estate and private equity) have shown over time that active management is rewarded either due to inherent inefficiencies in the asset class or the inability to access a passive product
		— **The AFRF portfolio has a mix of active and passive investment strategies. The Board is also in the process of updating its investment policy to express and document its views on active versus passive implementation.** — **In 2023 the Board moved approximately 10% of total assets to passive strategies in public equity and fixed income.**
Is the approach used by the system to formulate asset allocation strategies sound, consistent with best practices, and does it result in a well-diversified portfolio?	●	— Yes. Like many other public pension funds, AFRF employs a multi-step process to arrive at its asset allocation. The Fund uses an independent investment consultant to assist in the process. The Board first develops the IPS, which outlines the process to follow in determining and implementing the asset allocation as well as setting risk and return objectives. The Board then reviews and confirms the reasonableness of Meketa's annual capital market assumptions. Meketa uses a mean variance optimization tool to look at the risk and return metrics of the current and alternative asset allocations. The Board reviews these with Meketa and determines the most appropriate asset allocation moving forward. The Board and Meketa then engage in a review of the implementation, looking at active versus passive and if changes need to be made.
		— **The asset allocation process has resulted in a well diversified portfolio on an absolute basis and relative to peers. It is also structured to meet the Fund's long-term objectives, including flexibility for the DROP program assets, and to reflect the Board's active/passive philosophy.**

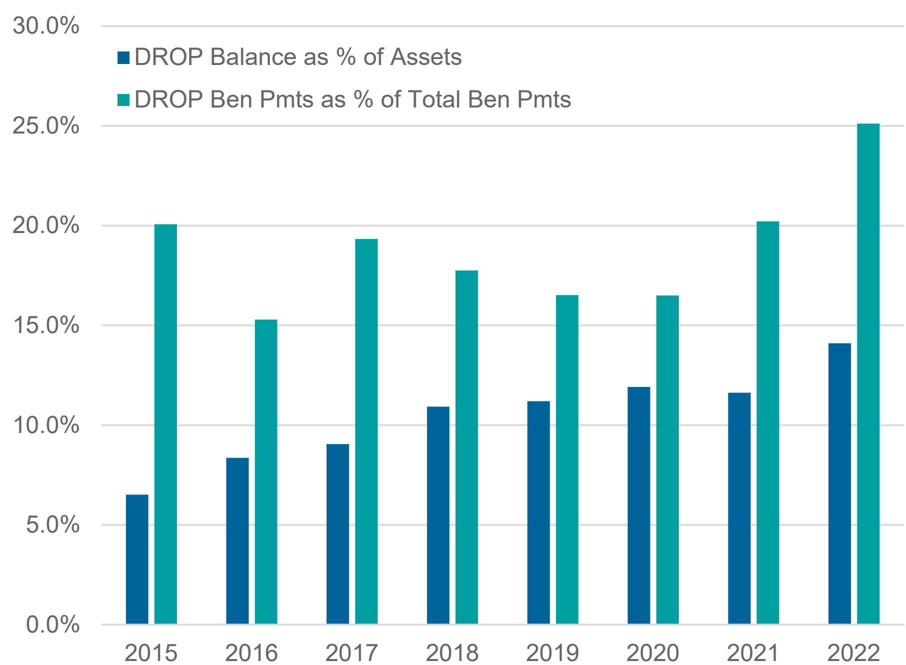
Asset Allocation Evaluation

When was the last time an asset-liability study was performed?		— The last asset-liability review was completed in 2021. In addition to looking at risk and return, it reviewed projected funded status under historical negative scenarios. The review also considered liquidity, including if the DROP program was liquidated in a single year.
	●	— **AFRF has not conducted a full asset-liability study. The Board should consider a full asset-liability study, which integrates different asset allocation scenarios and their impact on all aspects of the Fund's liabilities (i.e. funded ratio, contribution expectations, amortization period, etc.). A full asset-liability study incorporates Fund specific issues into the asset allocation process by using AFRF's specific liabilities, future liability accruals, current and future mix between active and retired participants, and assumptions. The asset-liability model is then able to stress test different combinations of asset returns, contributions and risk outcomes. Asset-liability studies attempt to model asset allocations that better match the liability experience.**
What types of stress testing are incorporated in the process?	●	— The asset allocation review uses mean variance optimization to look at worst-case returns scenarios and uses scenario analysis to stress test portfolios using actual historical examples and hypothetical scenarios.
Are the Fund's alternative investments appropriate given its size and level of investment expertise?	●	— Yes, AFRF's allocation to alternative investments is appropriate given its size, governance, and desire to create a diversified portfolio. — The investment in alternatives is consistent with what Callan sees on other public pensions of about $1 billion. NASRA recently found the average public pension has a 24.7% allocation to alternatives.

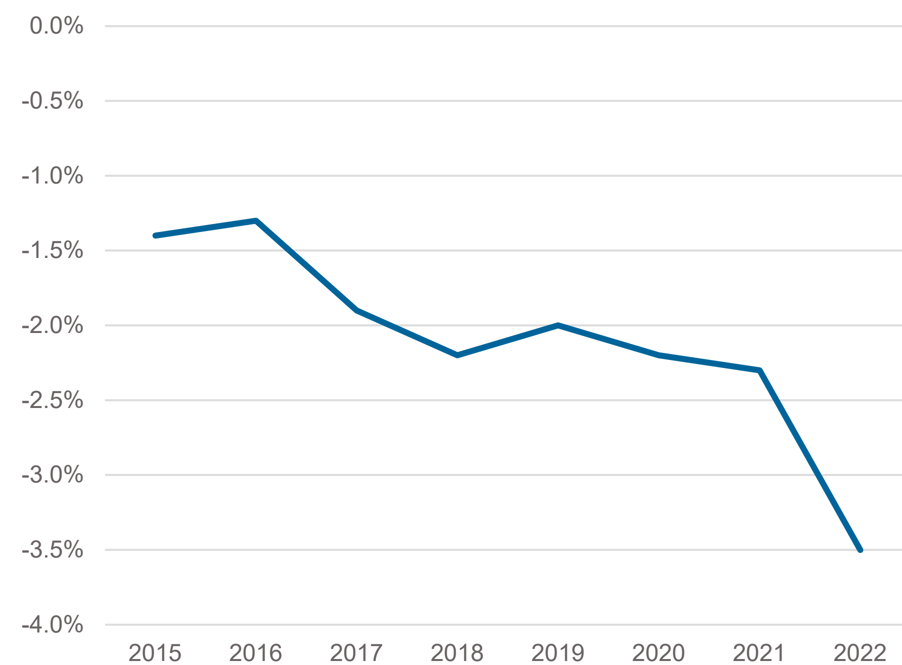
Asset Allocation Evaluation

Does the asset allocation consider the Fund's liquidity needs? Are those needs tested under different conditions?	– Yes, AFRF's asset allocation process considers maintaining appropriate liquidity for benefit payments and expenses, and stress tests current and alternate allocations to understand the pressure different market events may put on the portfolio. – The IPS dictates "no more than 40% of the Fund's assets in illiquid vehicles." According to the last review, approximately 60% of AFRF's assets are daily liquid, 10% monthly, 7% quarterly and 23% illiquid. Meketa stressed (100% DROP outflow in one year followed by negative market returns for two) an alternate portfolio with 32% illiquids, and AFRF appears to have sufficient liquidity to pay benefits and expenses. Though under this scenario illiquids increase significantly as a percentage of the total asset allocation, which could limit future flexibility. – **Callan reviewed the historical net cash flow and DROP program assets. Like most mature pensions, cash flow is negative and has increased from 1.5% of assets in 2015 to 3.5% in 2022. DROP assets and payments have steadily increased as a percentage of the total fund assets and total distributions, respectively. DROP payments account for approximately 25% of distributions. These pressures may impact the Fund's tolerance for illiquids if they continue to increase at this pace.**

DROP as Proportion of Assets and Benefit Payments



Net Cash Outflow



Investment Fee Evaluation

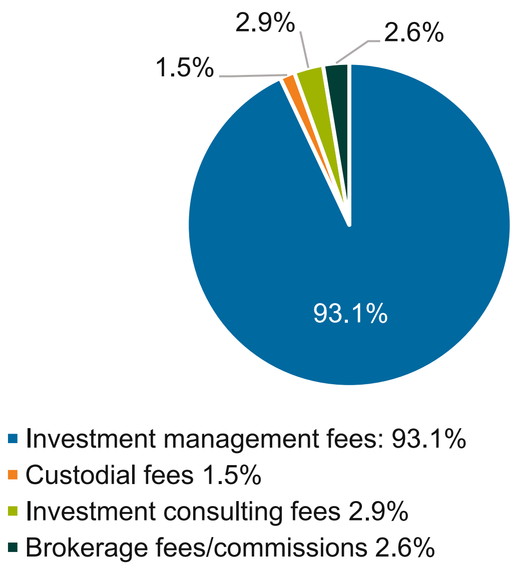
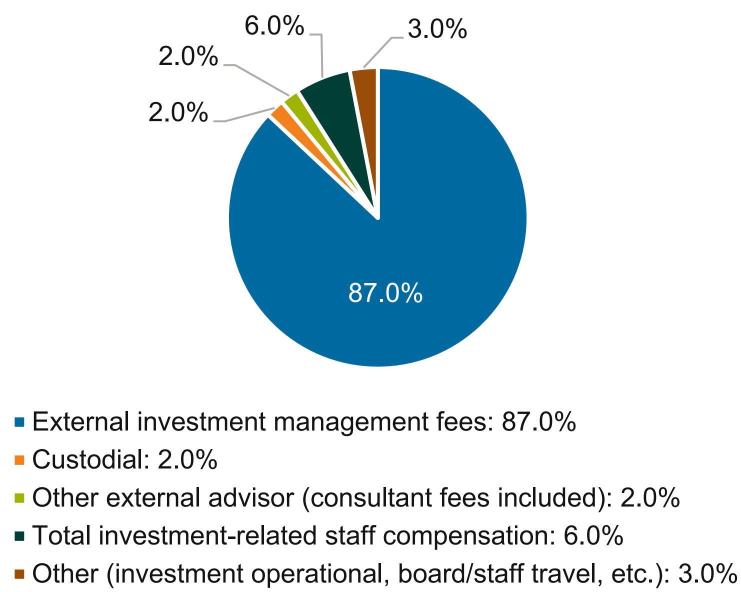
Investment Fee Evaluation - Summary

A Fund's fees are a critical component of its financial management, playing a significant role in optimizing operational efficiency and maximizing investment returns. Effective fee management ensures that the Fund's resources are utilized judiciously, contributing to overall financial health and stability.

The fee analysis evaluates the management and monitoring of fees paid to investment managers and service providers. The primary goal of the fee analysis is to ascertain that the fees paid are in line with market standards and to ensure that the Fund achieves its cost-efficiency goals without compromising investment quality.

- **Fee Reporting and Monitoring:** AFRF's Board annually reports on direct and indirect management fees, brokerage fees, and profit share, in compliance with PRB requirements. A formalized procedure to document performance-based fees may be useful to guarantee their tracking.
- **Fee Comparison and Benchmarking:** Custodial fees, investment consulting fees, and brokerage fees/commissions seem competitive when compared to industry averages. AFRF's investment management fees appear above industry averages when compared to funds of similar sizes. However, when considering the asset allocation of the Fund, fees align closely with peers. An annual fee analysis that includes fee benchmarking may be beneficial in assessing the reasonableness of current fees.
- **Operational Handling of Fees:** The Fund Staff efficiently manages the fee payment process, with recommendations to amend the Operating Procedures for more practical fee reconciliation and reporting.
- **Cost Management Initiatives:** AFRF has successfully reduced investment management costs through strategic allocations to passive management and direct investments, demonstrating a proactive approach to fee optimization.

Investment Fee Evaluation

Do the system's policies describe the management and monitoring of direct and indirect compensation paid to investment managers and other service providers?	— As required by the PRB, direct and indirect management fees, brokerage fees/commissions, and profit share are reported annually for the previous fiscal year by the Board. • To maintain data integrity in the PRB Fee Report, private market performance-based fees and fees underlying fund commitments for fund-of-fund investments are not included. — **The Board is responsible for monitoring and controlling all investment costs as defined in the Investment Costs section of the IPS.** — **The Operating Procedures also outline the Fund's policies for fee payment and reconciliation of investment manager fees.**
What are the annual fees and expenses paid by the Fund?	AFRF Fees as a Percentage of Total Investment Expenses ($7,044,378)  Callan's 2021 Cost of Doing Business Survey Fee Breakdown  — Callan's 2021 Cost of Doing Business survey (completed every five years) looks at investment-related expense trends for institutional organizations for the previous year. — **AFRF's fee breakdown seems appropriate compared to industry trends.**

Investment Fee Evaluation

How do these fees compare to peer group and industry averages for similar services? How are the fee benchmarks determined? **(Continued next slide…)**

Overall Fees vs Industry Averages

- The AFRF Fees listed below are a percentage of total fund assets ($1,114,895,362) as of 4Q 2022.
  - Based on 9/30/2023 market values, Callan estimated the weighted average investment management fees for both public and private markets to be 50 bps.

	AFRF Fees	Callan Survey	NCPERS Survey
Investment Management	0.58%	0.43%	0.39%
Custodial Fees	0.01%	0.06%	n/a
Investment Consulting	0.02%	0.05%*	n/a
Brokerage	0.02%	n/a	n/a

*Fee includes other external advisors in addition to investment consultant

- Callan's 2021 Cost of Doing Business Survey estimates fees based on the average expenses for funds with less than $2 billion in fund assets. These funds had, on average, a 10% allocation to alternatives (hedge funds, private equity, and real assets).
  - Investment manager fees have decreased by 1.9 basis points since the last survey in 2015.
- The NCPERS 2024 Public Retirement Systems Study found that the overall investment management fees were 39 basis points, 10 basis points lower than the previous year.

Investment Management Fees

- The table below summarizes the comparisons between AFRF's investment management fees and industry average investment management fees.

	Investment Management Fees
2022 AFRF PRB Reported Fees	0.58%
Callan Survey	0.43%
NCPERS Survey	0.39%
2023 AFRF Estimated Fees*	0.50%
Callan Peer Median*	0.62%

*Overall fee for both public and private funds

- According to Callan's 2021 Cost of Doing Business Survey and NCPERS Survey, the investment management fees of similar sized funds are ***lower*** than AFRF's investment management fees for 2022 and 2023. However, these surveys do not consider the impact asset allocation decisions may have on fees.
- The Callan Peer Median fee follows the same asset allocation weighting as AFRF and applies the median fee of peer groups for each strategy. The estimated investment management fee of 0.62% is ***higher*** than both 2022 and 2023 AFRF fees. The weighted average peer median fee accounts for the impact asset allocation may have on fees; private market and more niche public market strategies tend to demand higher fees on average.
- During 2023, AFRF implemented their active passive framework. Actively managed funds typically have higher fees than passive funds. The fee differences between 2022 and 2023 may be in part due to the implementation of this framework (i.e., moving 10% of funds from active to passive management).
- Summary fee tables are listed on the following slides.

Investment Fee Evaluation

How do these fees compare to peer group and industry averages for similar services? How are the fee benchmarks determined? **(…Continued)**

Public Market Fee Summary Table

Investment Manager	Mandate	Vehicle	Assets as of 9/30/2023	Estimated Fee (%)*	Estimated Fee	Peer 10th %-Tile	Peer Median	Peer 90th %-Tile
SSgA S&P 500	Large Cap Index Equity	Commingled Fund	98,554,754	0.01%	9,855	0.01%	0.02%	0.04%
Westwood Capital Large Cap Value	Large Cap Value Equity	Separate Account	30,195,923	0.50%	150,980	0.43%	0.55%	0.64%
Westfield Small/Mid Cap Growth	SMID Cap Growth Equity	Separate Account	52,850,083	0.68%	359,381	0.48%	0.65%	0.74%
Vaughan Nelson Small Cap Value	Small Cap Value Equity	Separate Account	57,296,092	0.83%	475,558	0.68%	0.80%	1.00%
SSgA MSCI EAFE Fund	International Equity	Commingled Fund	78,728,779	0.06%	47,237	0.04%	0.07%	0.09%
Baillie Gifford International Growth Fund	International Growth Equity	Mutual Fund	29,348,812	0.61%	179,028	0.51%	0.66%	0.85%
Highclere International Small Cap**	International Small Cap Equity	Commingled Fund	36,161,933	1.05%	379,700	0.75%	0.85%	1.03%
TT Emerging Markets Equity	Emerging Markets Equity	Commingled Fund	27,520,708	0.80%	220,166	0.46%	0.74%	0.85%
DFA Emerging Markets Value	Emerging Markets Equity	Mutual Fund	34,981,456	0.38%	132,930	0.46%	0.74%	0.85%
SSgA Bond Fund	Core Bond	Commingled Fund	111,890,676	0.03%	33,567	0.02%	0.04%	0.06%
Pyramis Tactical Bond Fund	Core Bond	Commingled Fund	24,717,732	0.34%	84,040	0.20%	0.23%	0.26%
Loomis Sayles Core Plus Fixed Income	Core Plus Bond	Commingled Fund	43,090,377	0.30%	129,271	0.21%	0.29%	0.35%
Aberdeen Emerging Markets Bond Fund	Emerging Markets Fixed Income	Commingled Fund	54,258,471	0.45%	244,163	0.41%	0.49%	0.60%
Aristotle Pacific	Structured Credit	Commingled Fund	22,177,023	0.41%	90,926	0.39%	0.48%	0.55%
SSgA TIPS	TIPS	Commingled Fund	54,200,727	0.03%	16,260	0.02%	0.04%	0.06%
Cash			4,883,582	-	-	-	-	-
Total			**$ 760,857,128**	**0.34%**	**$ 2,553,061**		**0.35%**	

** Equity and fixed income fees come from the Board Meeting Report provided by AFRF as of 9/30/2023.*

*** Beginning in 4Q Highclere will decrease fees by 10 bps or ~$37,000; 2Q fees were 1.15%.*

Peer Group Source: Callan 2023 Investment Management Fee Study, Callan 2023 Private Credit Fee Study.

Investment Fee Evaluation

How do these fees compare to peer group and industry averages for similar services? How are the fee benchmarks determined? **(…Continued)**

Private Market Fee Summary Table

Investment Manager	Mandate	Vehicle	Assets as of 9/30/2023	Estimated Fee (%)*	Estimated Fee	Minimum	Peer Median	Maximum
Partners Group Distressed Private Equity 2009	Special Situations	Fund of Funds	389,092	1.05%	4,085	0.30%	0.85%	1.00%
LGT Crown Global Secondaries II	Secondary Market	Fund of Funds	118,577	1.00%	1,186	0.75%	1.00%	1.25%
Private Equity Investors V	Secondary Market	Fund of Funds	1,247,181	1.75%	21,826	0.75%	1.00%	1.25%
Cross Creek Capital Partners II – B	Venture	Fund of Funds	11,593,429	1.00%	115,934	1.00%	1.78%	2.00%
LGT Crown Asia II2	Buyout	Fund of Funds	8,272,052	0.75%	62,040	2.00%	2.00%	2.00%
StepStone Global Partners V [1]	Venture	Fund of Funds	7,658,411	0.75%	57,438	1.00%	1.78%	2.00%
57 Stars Global Opportunity 3	Diversified	Fund of Funds	7,952,236	0.90%	71,570	0.30%	0.85%	1.00%
LGT Crown Europe Small Buyouts III	Buyout	Fund of Funds	3,359,674	0.75%	25,198	2.00%	2.00%	2.00%
LGT Crown Global Secondaries III	Secondary Market	Fund of Funds	1,991,780	1.00%	19,918	0.75%	1.00%	1.25%
Private Advisors Co-Investment Fund III	Co-investments	Fund of Funds	1,509,295	1.00%	15,093	0.30%	0.85%	1.00%
HarbourVest 2013 Direct	Co-investments	Fund of Funds	4,724,347	0.80%	37,795	0.30%	0.85%	1.00%
Cross Creek Capital Partners III	Venture	Fund of Funds	11,643,853	1.00%	116,439	1.00%	1.78%	2.00%
Aberdeen Flag Private Equity V	Buyout	Fund of Funds	5,011,563	0.75%	37,587	2.00%	2.00%	2.00%
StepStone Global Partners VI [1]	Venture	Fund of Funds	13,120,839	1.00%	131,208	1.00%	1.78%	2.00%
Constitution Capital Partners Ironsides III	Buyout	Fund of Funds	14,809,781	0.63%	93,302	2.00%	2.00%	2.00%
Deutsche Bank Secondary Opportunities Fund III	Secondary Market	Fund of Funds	1,948,437	1.25%	24,355	0.75%	1.00%	1.25%
Aberdeen Flag Private Equity VI	Buyout	Fund of Funds	13,815,953	0.75%	103,620	2.00%	2.00%	2.00%
Blue Bay Direct Lending Fund II	Private Debt	Direct Fund	1,684,609	1.50%	25,269	0.10%	1.00%	2.00%
Partners Group Emerging Markets 2015	Special Situations	Fund of Funds	8,556,771	0.90%	77,011	0.30%	0.85%	1.00%
LGT Crown Global Opportunities	Diversified	Fund of Funds	37,738,560	0.60%	226,431	0.30%	0.85%	1.00%
HarbourVest Co-Investment Fund IV	Co-investments	Fund of Funds	7,930,262	1.00%	79,303	0.30%	0.85%	1.00%
SVB Strategic Investors Fund IX	Venture	Fund of Funds	14,882,227	0.95%	141,381	1.00%	1.78%	2.00%
Dover Street X	Secondary Market	Fund of Funds	32,586,597	0.85%	276,986	0.75%	1.00%	1.25%
Clarion Partners Lion Properties Fund	Real Estate	Commingled Fund	75,074,827	0.94%	705,703	0.75%	0.85%	0.95%
Portfolio Advisors Global Real Estate V [2]	Global	Fund of Funds	6,220,427	0.63%	39,189	-	1.50%	-
Partners Group Global RE 2011 [3]	Global	Fund of Funds	719,410	0.90%	6,475	-	1.50%	-
Partners Group U.S. Distressed 2009 [2]	U.S. Distressed	Fund of Funds	52,282	0.90%	471	-	1.50%	-
Partners Group RE Secondary 2017 [3]	Global	Fund of Funds	12,742,526	1.25%	159,282	-	1.50%	-
Crow Holdings Realty Partners X [3, 4]	U.S.	Value Add	-	1.45%	-	-	1.50%	-
Aether Real Assets II	Diversified Real Assets	Pooled Vehicle	2,452,130	0.61%	14,958	0.77%	0.95%	1.09%
Aether Real Assets III	Diversified Real Assets	Pooled Vehicle	10,278,285	0.72%	74,004	0.77%	0.95%	1.09%
Aether Real Assets IV	Diversified Real Assets	Pooled Vehicle	10,744,837	0.85%	91,331	0.77%	0.95%	1.09%
Aether Real Assets V	Diversified Real Assets	Pooled Vehicle	8,993,739	0.85%	76,447	0.77%	0.95%	1.09%
Total			**$ 39,823,989**	**0.86%**	**2,932,833**		**1.23%**	

Alternative investment fees (Private Equity, Real Estate, and Natural Resources) come from the Manager Fee Analysis provided by AFRF as of 12/31/2019. The 2019 fee analysis includes Metropolitan Real Estate Distressed II fund in its Private Market Manager Fees, however this fund was not included in later statements, and is excluded from this fee analysis. [1] Previously named Greenspring Global Partners. [2] The carried interest incentive fee structure for opportunistic funds is 8% preferred return hurdle, 20% carried interest with a 60%/40% catch-up for GP/LPs. The 1.5% peer median fee is representative of the market fee. [3] New investment starting in 2024. The carried interest incentive fee structure for value-add funds is a 9% preferred return hurdle, 20% carried interest with a 50%/50% catch-up for GP/LPs. The 1.5% peer median fee is representative of the market fee. [4] The Management Fee Percentage in respect of the Investor shall be an amount equal to 1.45% and the Capital Contributions made by the Investor in respect of the Management Fee shall be determined accordingly. Private equity per group data was collected from partnership documents of funds Callan reviewed form 2018-2021.

Investment Fee Evaluation

How do these fees compare to peer group and industry averages for similar services? How are the fee benchmarks determined? **(…Continued)**	***Peer Benchmarking*** – In Meketa's 2022 Public Manager Fee Benchmarking analysis, the estimated annual fee for active and passive strategies were compared to the peer median fees of similar investment strategies. Fees were also ranked against these peer groups. • Three of the 12 active funds had fees above median, and all passive managers scored in the top percentile ranking. – When comparing fees to Callan's 2023 Peer Group data, AFRF weighted-average investment management fees for both public and private markets were less than the weighted-average peer median fee. • Six of the 11 active funds had fees above the peer median (one less active manager fund given termination of Sanderson International Value) and all passive fund manager fees were below the Callan Peer Group Median fees.
	– **The investment manager fees for the Fund appear higher than the industry average when compared to both the Callan and NCPERS surveys. However, investment manager fees for the Fund appear lower than industry median on a weighted-average basis, which considers the asset allocation impact of AFRF on total fees.** – **The implementation of the active passive framework may explain the decrease in investment management fees from the 2022 reported PRB fees to the 2023 estimated, asset-weighted fees.** – **The custodial fees for the Fund appear lower than the industry average when compared to the Callan 2021 Cost of Doing Business survey.** – **AFRF's investment consulting fee is lower than the survey's total for Other External Advisors which includes other service providers in addition to the investment consultant.**

Investment Fee Evaluation

Who is responsible for monitoring and reporting fees to the board? Is this responsibility clearly defined in the system's investment policies? How are fees handled operationally?	— As outlined in the Operating Procedures, Fund Staff is responsible for the review and payment of all investment manager fees. Additionally, a pre-identified Trustee shall independently verify each manager's fee payment request. Only abrdn, Loomis Sayles, Pyramis, Vaughan Nelson, Westfield Capital and Westwood invoice for their fees. Fees are automatically deducted from all other strategies. — The responsibility of reporting fees to the Board is not specifically defined in the IPS or Operating Procedures. However, Meketa reports on Fund fees annually.
	— **Consider amending the fee reconciliation and payment section of the Operating Procedures. Only six of the 49 strategies invoice for fees, which makes the current language of reconciliation and then payment impractical. Consider amending to a review and possible reconciliation of fees. Additionally, consider removing the Trustee oversight requirement in the Operating Procedures. Requiring a pre-identified trustee to verify manager's fee payments may cause governance issues. This could be perceived as a conflict as one of the Trustees responsible for broad oversight would be directly involved in the day-to-day mechanics they are responsible for overseeing.** — **Consider naming the party responsible for reporting investment management fees to the Board in the IPS.**
How is manager fee compensation reported and reviewed for reasonableness?	— Public market investment manager fees are reported quarterly in the Meketa investment reports. — Meketa conducted a public markets investment management fee benchmarking review in February 2023 (4Q22). — The most recent private markets fee benchmarking review was conducted in 2020 (4Q19). — Since Texas law began requiring fee disclosure in the annual financial reports, Meketa has amended the way it reports fees. It has been surveying all of AFRF's managers for actual fees paid and detailing those in the State required template. — The PRB Fee Report documents manager compensation by asset class, excluding private market performance-based fees and fees of underlying fund commitments for fund-of-fund investments.
	— **Consider adding language to the IPS outlining the frequency and requirements of fee benchmarking. Texas law only requires the reporting of absolute investment management fees, which may not provide stakeholders the appropriate context. An annual fee analysis may be beneficial for monitoring manager fees and assessing reasonableness compared to peers.** — **It does not appear that performance-based fees are reported or reviewed on a regular basis, though they are likely evaluated at the time of contracting.**

Investment Fee Evaluation

Does the system have appropriate policies and procedures in place to account for and control investment expenses and other asset management fees?	●	— Per the IPS, the Board monitors and controls fees through the following: • Negotiating fees • Utilizing passive management when appropriate • Performance-based fees are allowed with specific managers • In-kind asset transfers when possible to eliminate turnover expenses • Manager instruction to seek best execution — As noted above, the Operating Procedures outline that it is the responsibility of Fund Staff to reconcile and pay investment management fees. If an error is found, Fund Staff should request additional information prior to payment. If there is an error, Fund Staff is responsible for requesting the correction. Additionally, a pre-identified Trustee shall independently verify each manager's fee payment request.
		— **AFRF has consistently reviewed its investment fees with Meketa and reports on them annually per Texas law. However, as drafted, the monitoring and payment procedures in the Operating Procedures may be administratively untenable and result in potential governance issues. AFRF should consider revising as well as documenting a formal fee benchmarking practice both of which are discussed above.**
What steps has the Fund taken to manage investment management costs**?**	●	— Per the Meketa's 2019 fee report, eliminating hedge funds and increasing the allocation to index funds has helped reduce costs. Subsequent to the review, there have been three additional fee reductions by managers. — AFRF moved 10% of the Fund's investments to passive management. The move saves on fees in asset classes where active management is historically less successful than passive.
		— **Meketa has been educating the Board on using direct investments to implement the private equity and possibly real assets portfolios. Over time, this implementation may help lower costs as the fund-of-fund fee is eliminated. Callan has seen this trend with other large public pension plans.**
Is an attorney reviewing any investment fee arrangements for alternative investments?	●	— Yes.

Governance Process Evaluation

Governance Process Evaluation - Summary

Callan conducted a comprehensive review of the Austin Firefighters Retirement Fund governance processes and documentation. The Board of Trustees of the Austin Firefighters Retirement Fund is responsible for administering the Fund pursuant to the terms of Section 2.01 of Article 6243e.1 of Vernon's Texas Civil Statutes. The Fund is governed by Texas Government Code, the Pension Statute, Fund Rules, Governance Policy, Investment Policy Statement, and Operating Procedures.

- AFRF has established a robust governance framework outlined in various policies and statutory regulations, ensuring that all operations are carried out with high standards of accountability and transparency.
- The governance structure clearly defines the responsibilities of the Board of Trustees, including fiduciary oversight, investment implementation, and ensuring compliance with governance policies.
- The Board's composition and election procedures are clearly defined, promoting structured leadership and continuity.
- Board members and staff are required to complete ongoing education, ensuring they meet state requirements and maintain high ethical standards.
- Independent third parties conduct annual audits and actuarial valuations to monitor the financial stability of the Fund.
- Governance documents, meeting minutes, annual reports, and investment reports are publicly available on the Fund's website, demonstrating a commitment to transparency and stakeholder engagement.

Governance Process Evaluation

Does the Fund have a written governance policy statement outlining the governance structure?	●	– The Board of Firefighters Relief and Retirement Fund Trustees is established in Section 2.01 of Article 6243e.1, Vernon's Texas Civil Statutes and further detailed in the Fund's Governance Policy. – The Investment Policy Statement identifies the Board as the governing body providing fiduciary oversight of the Fund. Responsibilities of the Board, Staff, Consultant, Investment Managers, and Custodian Bank are all outlined in the IPS.
Is the governance structure transparent and available to the public?	●	– Yes, the AFRF Statute, Investment Policy Statement, Fund Rules, Code of Ethics, Governance Policy, Funding Policy, and Annual Financial Report are available on the Fund's website. – Board meeting agendas, minutes and quarterly investment reports are also available on the website.
Is the governance structure transparent and available to the public?	●	– Yes, the AFRF Statute, Investment Policy Statement, Fund Rules, Code of Ethics, Governance Policy, Funding Policy, and Annual Financial Report are available on the Fund's website. – Board meeting agendas, minutes and quarterly investment reports are also available on the website.
What is the composition of the Board? How is the leadership of the board selected?	●	– As detailed in the governance policy, the Board consists of five members: • The City of Austin Mayor, who serves as the presiding officer • The City Treasurer, who serves as the Secretary-Treasurer of Board • Three Elected Trustees to be selected by vote of the members – Annually, the Board elects a Vice-Chairman from among the Elected Trustees to serve as the presiding officer in the absence of the Chairman. – In the absence of both the Chairman and Vice-Chairman, the Secretary-Treasurer shall serve as the presiding officer.
How are action items confirmed?	●	– Three trustees are required for quorum. – Decisions require a majority vote of trustees assuming quorum.
What is the length of Board member terms? Are terms staggered?	●	– The Mayor and Treasurer serve on the Board for as long as they are in office. – Elected Trustees serve staggard 3-year terms with one term expiring each year. – **Staggered board structures are generally preferred as they provide continuity of leadership and preserve institutional knowledge.**

Governance Process Evaluation

What training is provided and/or required of new board members? How frequently are board members provided investment–related education?	– Each Trustee and the Executive Director must comply with the minimum and continuing education requirements under state law, including ethics and fiduciary training. – Trustees are required to complete training courses regarding their responsibilities under TOMA and the Texas Open Records Act. Trustees must complete the training not later than the 90th day after assuming their duties as a Trustee. Certificates of completion are submitted to the Executive Director for proof of compliance. – The PRB's MET program requires seven credit-hours of core content training for the first year of service as a Trustee or Executive Director and at least four credit-hours of continuing education within each two-year period subsequent to the first year of service. Semi-annual reporting of training hours and courses is required to verify compliance. – The Executive Director files required training activity reports to the PRB and monitors compliance. – **Training requirements are sufficient and establish a clear system to monitor compliance.** – **The Trustees and Executive Director have met their training requirements. Verification of completion is provided by the parties conducting the education.**
What are the minimum ethics, governance, and investment education requirements? Have all board members satisfied these minimum requirements?	– All Trustees are required to act as a fiduciary and to comply with the Board of Trustees' Code of Ethics, which includes guidance on Trustee responsibility, professional requirements, conflicts of interest, gifts and benefits, vendor contact during RFP processes, and travel policies. The Code details enforcement policies as well. – Trustees must avoid conflict of interest as outlined in Chapters 171 and 176 of Texas Local Government Code. – **The Fund appears to have adequate polices in place to address ethics, governance, and investment education. The documents and rules clearly describe responsibilities and expectations. The Fund has a standard process for confirming adherence with the requirements.**
How often does the Board meet? Are meeting agendas and minutes available to the public? How detailed are the minutes? **(Continued next slide…)**	– The Board of Trustees meets monthly with agendas developed by the Chairman and Executive Director with input from the Board. Meetings span a range of topics including: • Review of previous meeting minutes • Procedural activities, such as Trustee elections • Discussion of benefits, budget, COLA • Audit related reviews • Actuarial reviews • Investment reviews • Special projects or vendor discussions • Executive Director report • Future agendas

Governance Process Evaluation

How often does the Board meet? Are meeting agendas and minutes available to the public? How detailed are the minutes? **(…Continued)**	●	— Investments are typically reviewed in detail on a quarterly basis. — All actions taken by the Board are conducted in open session. — **Agendas and meeting minutes are comprehensive and available online. Minutes clearly include thorough documentation of all investment decisions.**
How are Fund assets held and maintained?	●	— All Fund assets are held in trust, separate from the assets of the municipality, and maintained and administered by the Board for the exclusive purpose and benefit of all members, retirees, and beneficiaries of the Fund. — Separate account investment funds are held at AFRF's custodian, State Street, who acts as the book of record. — Commingled investments are held at a custodial institution chosen by the investment manager. AFRF has State Street line-item these accounts so everything is accounted for in a single location. — **These practices are consistent with industry standard and best practice.**
Are benefits subject to a Cost-of-Living Adjustment (COLA)? If so, how is the COLA determined?	●	— COLAs can be granted annually assuming that the impact on the Fund over a ten-year period does not, as projected by the actuary: ● Increase the amortization period of unfunded accrued actuarial liabilities beyond 25 years during the projection period, or ● Lower the ratio of the actuarial value of assets divided by the actuarial accrued liability below 80% for any year in the projection period. — If a COLA is deemed appropriate by the Board and actuary, the adjustment will be based on the CPI-U (all items) for the 12-month period ending September 30th. — **According to the November 2023 Board meeting minutes, Elizabeth Wiley, a representative from the Fund's Actuary, stated that the "Fund's benefit policy is much better developed than most public pensions and that the tests are strong without being overly rigorous."** — **By having the actuary project the impact of a COLA prior to granting, it helps ensure the overall integrity of the Fund.**
Will the Board be able to sustain a commitment to the polices under capital market stress?	●	— Scenario analysis, downside risk analysis, projected range of outcomes, and liquidity analysis are included in the Full Asset Allocation Reviews conducted by the consultant.

Governance Process Evaluation

Does the Fund have policies in place to review the investment program?	●	— Yes, several independent third parties conduct audits and evaluations of AFRF. — By statute, the actuary shall conduct a valuation at least once every two years of the assets and liabilities of the Fund and a certified public accountant or firm of certified public accountants shall perform an audit of the Fund at least annually. — AFRF conducts both the audit and actuarial valuation annually. The Fund Audit is done by Montemayor Britton Bender and the Actuarial Valuation by Cheiron. — The Fund undergoes an Actuarial Experience Study every 5 years. — Additionally, Meketa, the Board's Investment Consultant, provides quarterly investment updates to review the Fund's structure and investment manager roster. Meketa will notify the Board of any issues or necessary changes. Annually, the asset allocation is reviewed to determine its continued appropriateness. — **These practices are in line with other public funds and consistent with industry best practice.**
Does the board receive impartial investment advice and guidance?	●	— Yes, the Board contracts with an independent investment consultant, Meketa, who was selected through a formal RFP process in 2014. The Board goes through a formal process as necessary but at least at the end of every contract period. — **This practice is in line with other public funds and consistent with industry best practice.**
Does the Board have policies in place to review the effectiveness of its vendors and staff? **(Continued next slide…)**	●	— As outlined in the governance policy, the Board intends to review its vendors' agreements and contracts on a staggered basis in accordance with the following frequency:

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

— The Board, at its discretion, may or may not determine that a request for qualifications or a request for proposal is necessary for a vendor review.
— The Executive Director is solely responsible for managing relationships with outside vendors and prospective vendors.

Governance Process Evaluation

Does the Board have policies in place to review the effectiveness of its vendors and staff? **(…Continued)**		– On an annual basis, the Board shall conduct an evaluation of the Executive Director to review performance for the prior year and set goals for the upcoming year. – **These practices are in line with other public funds and consistent with industry best practice.**
Who is responsible for making decisions regarding investments, including manager selection and asset allocation? How is authority allocated between the board, and internal staff members and/or outside consultants? Does the IPS clearly outline this information?	●	– The Board has ultimate responsibility for investment manager selection and asset allocation as delineated in the IPS. The Board utilizes an investment consultant to assist with asset allocation, investment manager selection and ongoing monitoring of the investment program. – The Board has delegated the day-to-day management of the Fund to Staff, which includes oversight of Fund policies and procedures, executing cash flows, oversight of budget and fee payment, and Board meeting preparation and coordination. – **Yes, roles and responsibilities are clearly outlined in the IPS.**
What additional oversight of the Fund exists?	●	– The Texas Pension Review Board provides oversight to the Austin Firefighters Retirement Fund. The primary goal of the PRB is to monitor actuarial soundness and compliance with state reporting requirements. The PRB requires: • Annual financial and actuarial reports be filed with the PRB, including transparency on fees. • An independent party conducts an Investment Practices and Performance Evaluation every three years for plans with over $100 million in assets. • Semi-annual reporting of Trustee training hours to verify education compliance. • A Funding Soundness Restoration Plan if certain actuarial triggers are met.
How often are the investment governance processes reviewed for continued appropriateness?	●	– The Board and the investment consultant review investment processes regularly when updating the IPS. – Policies are also reviewed with any statutory or regulatory changes.

Investment Manager Selection and Monitoring Evaluation

Manager Search and Selection - Summary

Austin Firefighters Retirement Fund has a robust process for manager search and selection:

- The Board is ultimately responsible for selecting investment managers but generally relies on its independent investment consultant, Meketa, to lead the search process and identify appropriate candidates.
- Meketa employs a team of research professionals that uses a defined process and qualitative and quantitative factors to monitor and review investment managers, which results in a high conviction list of strategies in each asset class.
- Meketa selects three or four candidates from the high conviction list for the relevant investment strategy that best fit the AFRF search criteria and presents those options to the Board.
- Meketa reviews each candidate with the Board, and the Board chooses finalist candidates for due diligence interviews.
- The Board makes a selection based on its confidence in the qualitative and quantitative factors presented.

Austin Firefighters monitors each investment manager on an ongoing basis, utilizing a performance report produced by Meketa, that is reviewed with the Board:

- The Board reviews and evaluates reports on the investment performance of the Fund quarterly. However, the Board meets monthly to discuss other items and can review any manager issues as necessary at those meetings.
- The reports show Total Fund, asset class composites and individual managers against appropriate benchmarks over multiple time periods. Total Fund and managers are also compared against appropriate peers.
- Meketa uses a third-party performance platform, which takes custodial and manager information to calculate performance. The system uses Modified Dietz to calculate performance for public market investments and the dollar-weighted Internal Rate of Return for private market investments.
- **Both AFRF's investment manager search and monitoring processes are consistent with best practices and are similar to many comparable public pension plans.**

Manager Search and Selection

Who is responsible for selecting investment managers?	— As outlined in AFRF's investment policy statement, the Board is ultimately responsible for selecting investment managers. The Board receives assistance from the investment consultant, Meketa, as needed.
How are the managers identified as potential candidates?	— Meketa typically leads the search process and identifies appropriate candidates. It has a research team that monitors and reviews investment managers and has a high conviction list of strategies in each asset class. — The managers on this list have been vetted through Meketa's defined manager search process and evaluated on qualitative and quantitative factors. Meketa selects three or four candidates from the high conviction list for the relevant investment strategy that best fit the AFRF search criteria and presents those options to the Board.
What is the search process?	— The Board utilizes a multi-step approach, consistent with principles of procedural due diligence for manager selection. As part of this process, the Board has outsourced key pieces to Meketa. — As noted, once the Board determines, with assistance from Meketa, a new manager is needed, Meketa typically leads the search process. Meketa has an investment manager research team that regularly monitors and reviews investment managers across public and private asset classes. This multi-phase process includes, among other criteria, analysis of a manager's organization and strategy investment team, investment philosophy and process, performance, and fees. The process includes quantitative and qualitative assessment as well as virtual and in-person meetings. Through this research process, the team develops a high conviction list of strategies in each asset class. — AFRF's consulting team at Meketa works with their research group to identify a short list (approximately three to four) of appropriate candidates. These candidates are presented to the Board in a comprehensive side-by-side written analysis. Meketa then reviews the candidates with the Board so they can have a better understanding of the strategies and differences in those presented. Following these discussions, which may take several meetings, the Board generally conducts due diligence interviews with each finalist candidate under consideration. — Final selection between candidates takes into consideration the Board's confidence in the investment philosophy and approach, the depth, structure and experience of the investment team, the portfolio construction process, and the strength of the historical track record relative to expectations. Fees are also scrutinized for competitiveness. — **AFRF's investment manager search process is consistent with best practices and follows a similar process to many comparable public pension plans.**

Manager Search and Selection

Who is responsible for developing and/or reviewing investment consultant and/or manager contracts?	– Legal counsel is responsible for review of all contracts.
What is the process for determining when an investment manager should be replaced?	– While manager replacement is at the discretion of the Board, the decision is typically initiated by Meketa. The recommendation may be for: • Continued underperformance • Significant personnel turnover • Significant changes in assets under management • Change in philosophy • Portfolio construction discipline • Regulatory, and/or litigation issues • Ownership change or change in business philosophy or approach
What is the process for monitoring individual and overall fund performance?	– The Board reviews and evaluates reports on the investment performance of the Fund quarterly. – The reports provide an economic and market update followed by an executive summary that reviews high level relative performance. This is followed by a top-down performance attribution analysis, which analyzes the Fund's performance relative to the performance of its policy targets. The report shows the actual versus target asset allocation and compliance with the IPS. Historical, net-of-fee performance for the total fund and each individual manager is examined in detail against appropriate benchmarks and peer groups. Relative returns are looked at for quarter-to-date, year-to-date, 1, 3, 5, 10-year and since inception as well as 10 calendar years. Private equity, private real estate, and natural resources investments are reviewed using more appropriate metrics such as IRR and TVPI. – As necessary, the report also provides the Board with recent portfolio updates, any managers for consideration, and relevant memos. – **Quarterly investment reporting is common across the industry. This cadence results in regular, timely meetings for any decision making without being overwhelming. Many Boards, like AFRF, meet monthly to discuss other items.**
Who is responsible for measuring the performance?	– Meketa, the Fund's investment consultant, calculates performance for the Trust using custodial and manager information. Meketa uses a third-party performance platform, which uses Modified Dietz to calculate performance for public market investments. Private market investments results are calculated using the dollar-weighted Internal Rate of Return. – **The performance platform is used by several large consulting firms, and the calculation methodology for both public and private markets is industry standard and consistent with the CFA Institute's Global Investment Performance Standards (GIPS).**

Manager Search and Selection

What valuation methodologies are used to measure private market assets? What alternative valuation methodologies exist and what makes the chosen method most appropriate?	•	– Meketa uses the quarterly capital statements from the private market managers for reporting. These are typically a quarter lagged (i.e. reported 9/30/2023 values in the 12/31/2023 report). – For those investments where liquid, observable market pricing is not available the managers conduct an appraisal process consistent with what is detailed in their fund documentation and is transparent to the funds' investors. These funds are also audited annually by an independent accounting firm to add further validity to the valuation methodologies.
		– **This is the industry standard approach for valuing private markets. For most investors, there are no avenues to obtain valuation independent from the managers.**

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Austin Firefighters Retirement Fund

CHEIRON
Classic Values, Innovative Advice

Experience Study

Actuarial Methods Review and Valuation Results Impact

April 26, 2024

Heath Merlak, FSA, EA, MAAA, FCA
Elizabeth Wiley, FSA, EA, MAAA, FCA

Agenda

- Actuarial Methods
- Summary of Experience Study Assumption and Method Changes
- Cost Impact of Experience Study Changes

Actuarial Methods

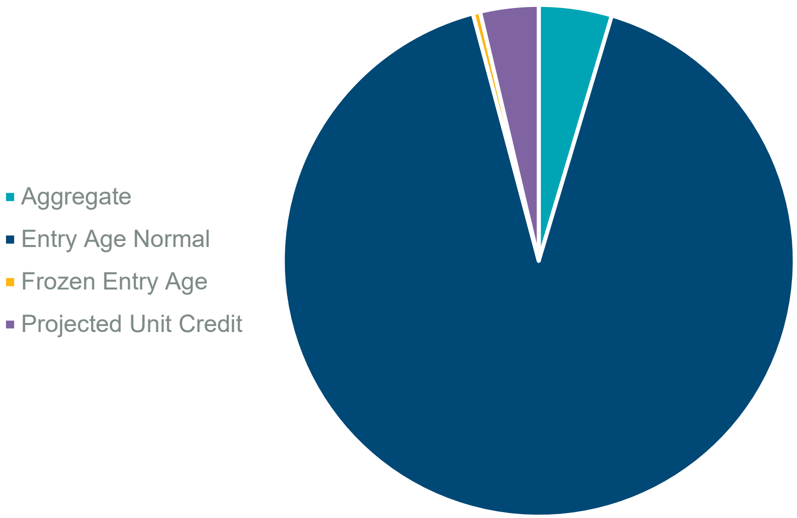
Actuarial Cost Method

Asset Valuation Method

Amortization Method

Actuarial Cost Method

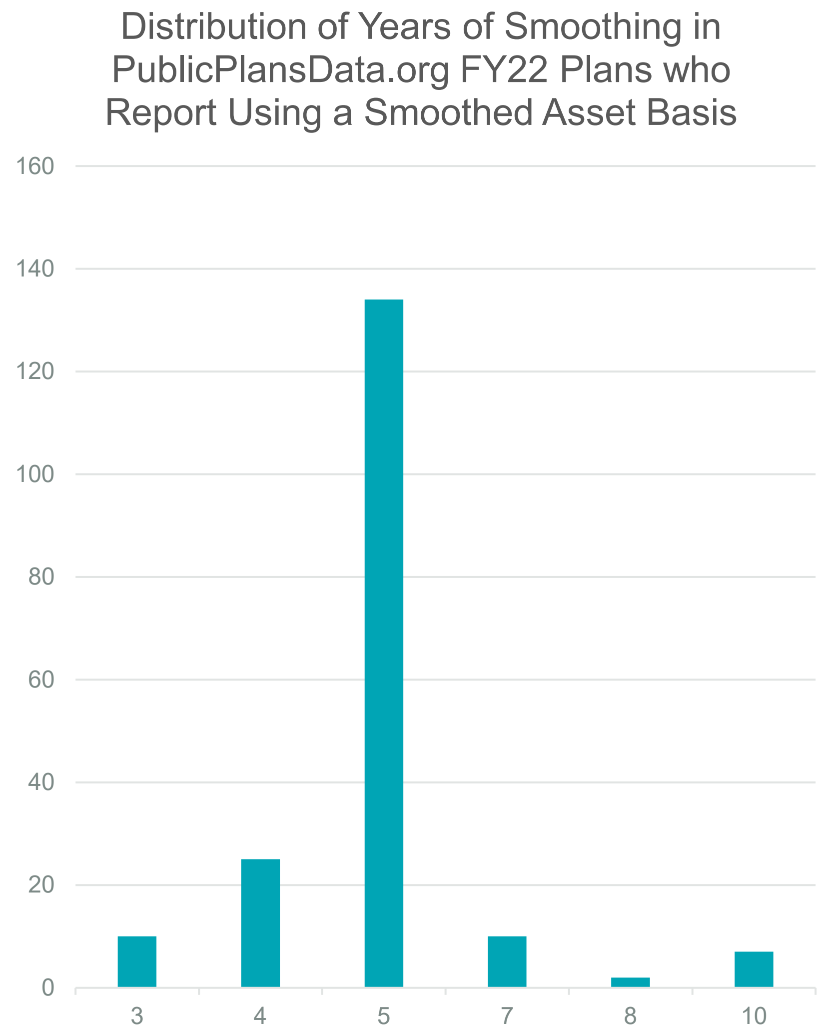
Cost Method Distribution in PublicPlansData.org FY 22



- AFRF uses the Entry Age Normal cost method
  - Allocates the cost as a level percent of pay over a member's career
  - Most prevalent cost method for public pension plans and required for GASB reporting
- No suggested changes

Asset Valuation Method

- AFRF uses a 5-year smoothing method
- Just under 90% of the 214 systems reporting their asset valuation methodology in publicplansdata.org use a smoothed actuarial value
- 134 of these 191 systems use a 5-year period (70%)



CHEIRON Classic Values, Innovative Advice

Asset Valuation Method

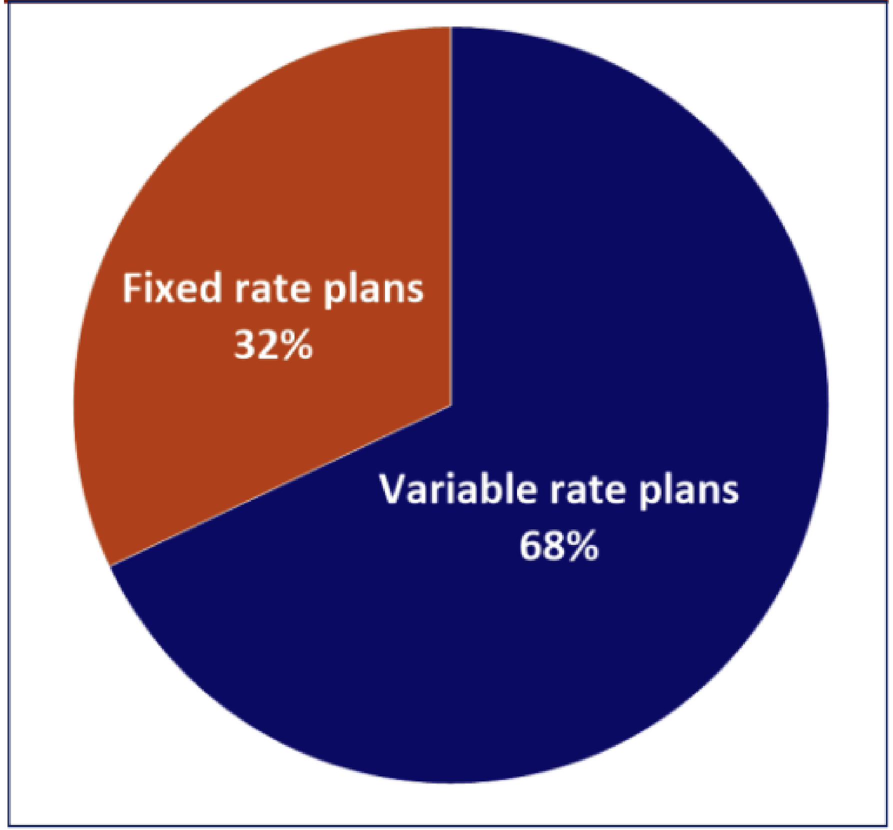
- Funds may apply corridors to their asset method to ensure the actuarial value of assets is within a reasonable range of the market value of assets
  - Common corridor for a 5-year smoothing technique is 80%/120% to ensure the actuarial value of assets is within 20% of the market value of assets
  - Corridors result in faster recognition when the Fund experiences significant asset gains or losses
  - The Fund's 5-year smoothing technique does not require corridors to be considered reasonable

- No suggested changes to the asset valuation method

Funding Basis of Public Pensions

- Similar to AFRF, approximately a third of the public pensions reporting in PPD have a fixed or statutory contribution basis
- Remaining two-thirds have some variation of a variable, actuarially determined contribution basis

Figure 1. Percentage of plans funded by variable or fixed employer contributions



Source: https://www.nasra.org//Files/Papers/NASRA%20Amortization%20Overview.pdf

Amortization Method

Amortization method defines the approach and period to amortize the Unfunded Actuarial Liability (UAL)

Currently not applicable for determining contributions (Fund's contributions are based on fixed rates), but is reflected in development of benchmark actuarially determined contributions (ADCs)

Recently updated ASOP 4 requires the actuary to disclose a reasonable ADC beginning with the December 31, 2023 actuarial report for AFRF

Current funding policy includes an ADC benchmark based on an open, 30-year, level percent of pay amortization, which is not considered a reasonable ADC as defined by ASOP No. 4, since the unfunded accrued liability (UAL) will not be paid within a reasonable amount of time. The December 31, 2023 actuarial valuation report will thus also include an ADC benchmark that is a reasonable ADC.

Experience Study Summary

Assumption Change Summary

Assumption	Prior Assumption	New Assumption
Discount Rate	7.30% net of investment and administration expenses	7.30% net of investment expenses only
Administration Expenses	N/A *(implicit in ROR)*	1.25% of payroll
Price Inflation	2.5%	No Change
Wage Inflation	3.0%	2.5%
Future COLAs	0.0%	No Change

Assumption Change Summary

Assumption	Prior Assumption	New Assumption
Salary Increases	Wage inflation plus merit scale based on years of service	Wage inflation plus refined merit scale based on years of service *(2024 and 2025 tailored to reflect increases from recent agreement)*
Mortality – Base Table	PubS-2010 tables	PubS(A)-2010 tables (above median)
Mortality – Improvement Scale	Generational mortality improvements with MP-21 from 2010	No Change
Termination	Service-based table	Refined service-based table

Assumption Change Summary

Assumption	Prior Assumption	New Assumption
Retirement	Schedule based on when first retirement eligible	Age-based table
Disability	Age-based table	Refined age-based table
Existing DROP Balances	Assumed to be paid at valuation date	Assumed to be paid over eight years (but not later than age 70 ½)
New DROP Balances	Assumed to be paid at retirement	No Change
DROP Period	Based on most valuable DROP period for each individual participant	No Change

Assumption Change Summary

Assumption	Prior Assumption	New Assumption
Beneficiary Age	Males 4 years older than females	Male participants 3 years older than females Female participants 1 year younger than males
Payment Form	Life Annuity with 75% continued to beneficiary	No Change
Dependent Children upon active death	50% of active members assumed to have dependent children	No Change

Cost Impact of Assumption Changes

Cost Impact of Assumption Changes

- Cost Impact of Assumption Changes is provided based on preliminary results as of 12/31/2023
  - Preliminary results indicate the 12/31/2023 Actuarial Liability (AL) is slightly less than expected (demographic experience gain)
    - Expected AL = $1.440 billion
    - Preliminary AL = $1.434 billion
  - 0.5% lower than expected
  - More details on the gain/loss will be provided when 12/31/2023 results are presented later this year
- Assumptions from 12/31/2022 used in baseline
- 12/31/2023 assets are based on unaudited assets

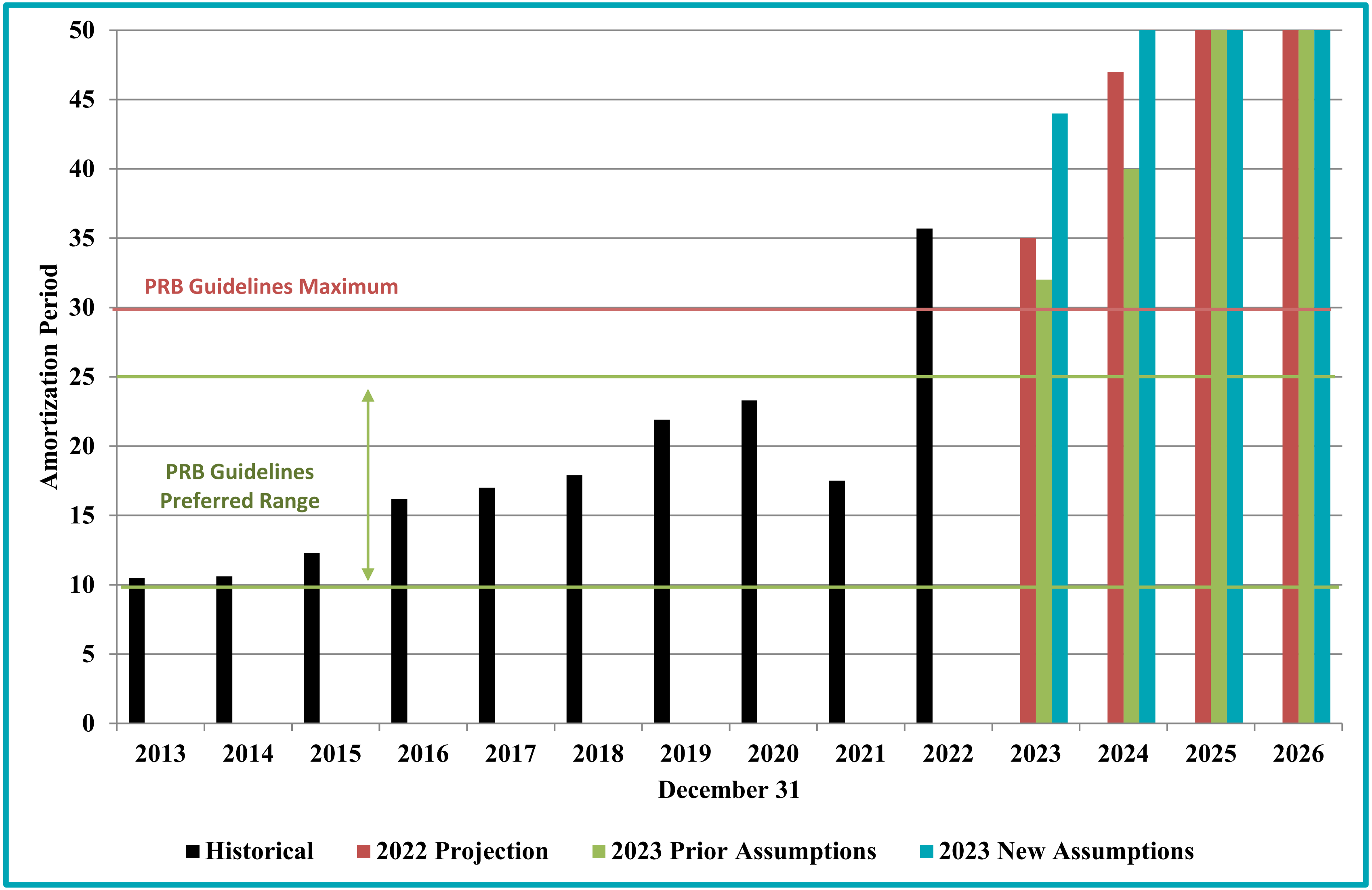
Cost Impact of Assumption Changes

Results Illustrated as of December 31, 2023	Actuarial Liability	Funded Ratio	Normal Cost + Admin. Expenses	Total Normal Cost Rate	Amortization Period
Prior to Assumption Changes	$ 1,433.6	87.17%	$ 33.8	30.71%	32.2
Assumption Change Impact					
Expected return on assets and administration expenses	$ 0.0	0.00%	$ 1.4	1.25%	14.2
Wage Growth and Merit Increases	$ 16.1	-0.97%	$ 0.3	-1.22%	(5.0)
Mortality	$ 12.2	-0.74%	$ 0.1	0.10%	6.6
Retirement	$ 6.5	-0.39%	$ 0.3	0.52%	9.0
Turnover	$ 0.2	-0.01%	$ (0.1)	-0.08%	(0.4)
Disability	$ 0.3	-0.02%	$ (0.1)	-0.10%	(0.6)
DROP Balance Payout	$ (8.6)	0.53%	$ 0.0	0.00%	(3.2)
Beneficiary Age	$ (0.8)	0.05%	$ (0.0)	-0.04%	(0.6)
After All Assumption Changes[1]	$ 1,458.2	85.70%	$ 35.6	31.04%	44.2

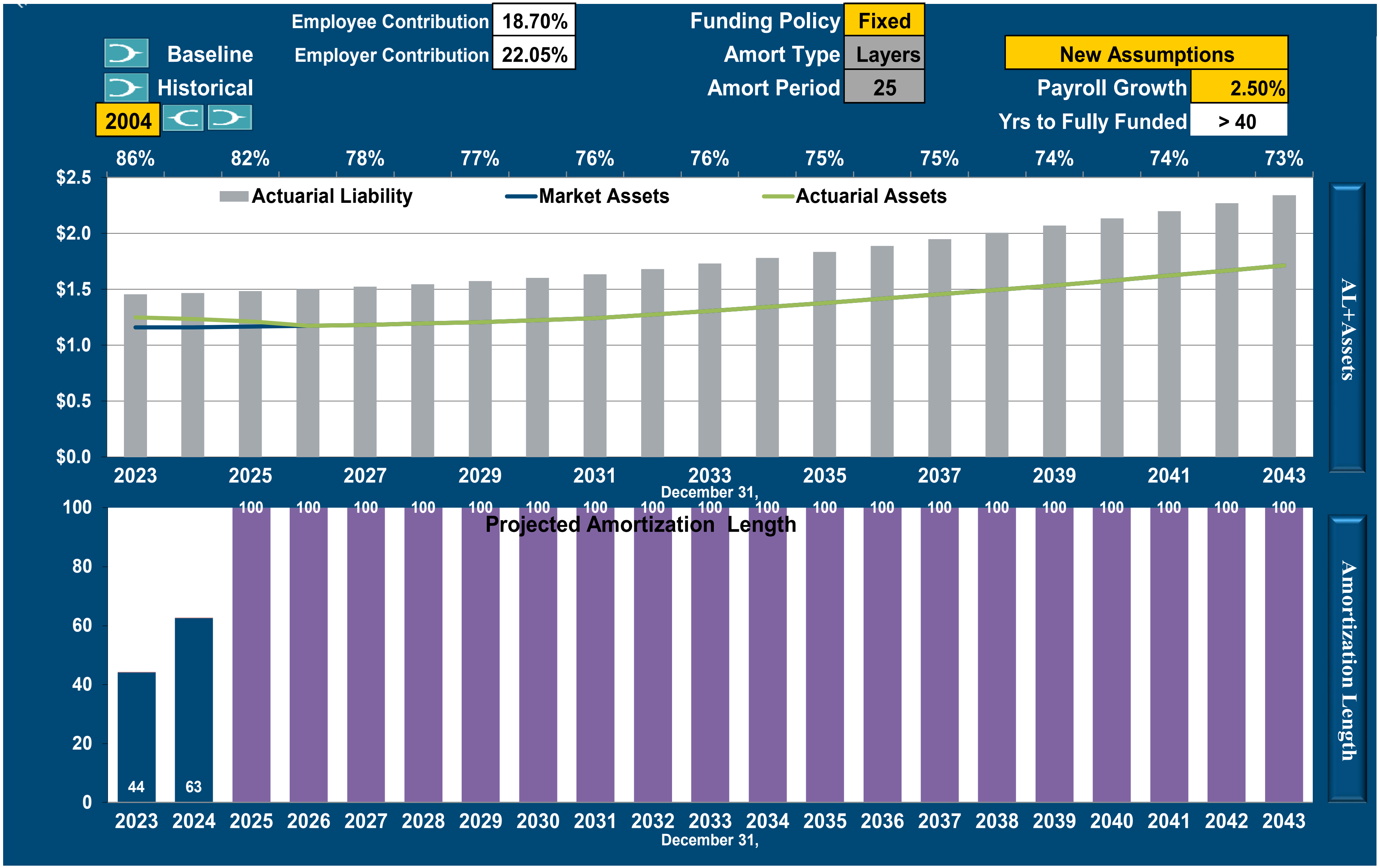
[1] Results will not sum to total due to interaction with combining all changes and the leveraging aspect of the amortization period calculation.

Magnitude of impact, particularly on amortization period, will vary with combined application

Funding Period



Preliminary 12/31/2023 Projection



Required Disclosures

The purpose of this presentation is to show the results of the 2023 experience study for the Austin Firefighters Retirement Fund (AFRF) and propose assumptions for the December 31, 2023 actuarial valuation. This presentation is for the use of AFRF and its Board in selecting assumptions for ongoing actuarial valuations.

In preparing our presentation, we relied on information, some oral and some written, supplied by the AFRF. This information includes, but is not limited to, the plan provisions, employee data from December 31, 2016, to December 31, 2023, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Cheiron utilizes and relies upon ProVal, an actuarial valuation software leased from Winklevoss Technologies for the intended purpose of calculating liabilities and projected benefit payments. Projected expected results of future valuations in this presentation were developed using P-Scan, our proprietary tool for the intended purpose of developing projections. As part of the review process for this presentation, we have performed a number of tests to verify that the results are reasonable and appropriate. We are not aware of any material inconsistencies, unreasonable output resulting from the aggregation of assumptions, material limitations or known weaknesses that would affect this presentation.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This presentation was prepared exclusively for the AFRF for the purpose described herein. This presentation is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Elizabeth Wiley, FSA, EA, MAAA, FCA
Consulting Actuary

Heath Merlak, FSA, EA, MAAA, FCA
Principal Consulting Actuary

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April 02, 2023

Dear Members,

In September 2023, AFRF received a Funding Soundness Restoration Plan (FSRP) "At Risk" notification from the Pension Review Board. In response to the FSRP notification, the AFRF Board created the "Pension Funding Working Group" comprised of two trustees, Chief Doug Fowler and John Bass. The Board directed the Working Group to collaborate with the Fund staff and actuary to assess the current financial health of the plan, project any future funding concerns, generate ideas, collaborate with the City of Austin to develop a Voluntary-FSRP, keep the membership apprised of the situation, and solicit member feedback for consideration.

We would like to formally invite you to join us for our third Working Group informational session to provide you with an update on the current financial health of the Fund and the progress made so far. The Working Group has developed broad goals to guide its efforts in the development of the V-FSRP; please see those goals outlined in the document below. At this meeting, we will be happy to answer any of your questions or concerns and receive any input or feedback you would like to share with us.

This session will be held virtually over Zoom on **Friday, April 12th**, from **8:30-10am**. You can access the meeting on **Zoom.us/join** using meeting ID: **947 7546 3774** and passcode: **637894**. There is also a direct link to the meeting available on the AFRF event calendar at AFRFund.org.

To ensure your questions are addressed, we encourage you to **submit your questions in advance of the meeting** using the link provided on the Member Informational Session event page on AFRFund.org.

Thank you and we hope to see you there.

Anumeha Kumar

Executive Director, AFRF

Goals for Pension Funding Working Group
Voluntary Funding Soundness Restoration Plan (V-FSRP)

1. **Benefit security:** Ensuring the Fund has sufficient assets to preserve the ability to pay promised benefits; thereby providing our members with a clear path to achieving retirement security. Our members do not participate in Social Security and AFRF benefits are the only source of retirement income that they have.

2. **Benefit adequacy:** Ensuring the Fund delivers an adequate level of benefits to our members, so they have a decent standard of living in retirement.

3. **Cost of Living Adjustment (COLA):** Striving to provide COLAs to provide purchasing power protection to retirees to ensure continued benefit adequacy while acknowledging the potential need for adjustments under exceptional circumstances. The Fund has had a well-developed and articulated COLA policy to self-regulate.

4. **Equitable contribution and benefit arrangement across the three Austin systems:**

   In considering pension reform, recognizing that:
   - AFRF has a history of managing the funding health of the plan extremely responsibly. The Fund should be recognized for its good stewardship and not be penalized. In fact, the Fund has a long history of the Board and its active and retired members jointly cooperating to take appropriate action when needed, including increasing member contributions significantly, foregoing COLAs for over a decade, and adopting a responsible COLA policy that has resulted in the discontinuance of COLAs at current funding levels.
   - Unlike the members of the other two systems, AFRF members do not participate in Social Security, and any reforms should consider this key difference.

5. **Actuarially Determined Pension Funding Commitment:** Ensuring that all benefits for current and future members are consistently and adequately funded through an actuarial determination of required City contributions. Any actuarially determined funding for City contributions should include appropriate determination of the portion of the liability that represents the “legacy liability.”

6. **Fund Sustainability:** Continue the almost 50-year history of active and retired members and the plan sponsor sharing in the burden of ensuring Fund sustainability.

7. **Board Composition:** Continued recognition of the stewardship and commitment to the Fund by the membership through maintaining a member-majority board while recognizing the need for significant City representation by allowing the mayoral position to be filled by either the mayor or a mayoral designee.

The following is a summary of a verbal and written discussion between an Active Member (AM) of the Fund and the AFRF Executive Director, as a representative of the Working Group (WG). The Active Member raised several points for consideration for future pension policy adjustments and both deemed the resulting conversation beneficial to share with all members.

AM: Thank you for the work you are putting into this initiative. I believe we are in this situation by and large because of at least one poor decision to increase the multiplier from 2.4% to 3.3%. Our contribution history and the liability associated with increasing lifespans support this opinion.

WG: Based on the historical data, the Fund's multiplier has increased over the years to the current factor of 3.30%. Every time the factor was increased, both actives and retirees received a benefit increase. If a benefit increase is not adequately funded, it will have the potential over time to cause a drag on a fund's long-term financial health. Please see Graph 1 below illustrating the multiplier increase for our Fund from 1984 through the present day, and Graph 2 with the corresponding contribution rates. Additional factors that may have contributed to the situation we are facing today include market downturns, the Fund's actual experience deviating from certain actuarial assumptions on a consistent basis, benefit payments such as COLAs being granted using investment gains instead of being prefunded, correction of inaccurate actuarial assumptions such as mortality rate assumption, DROP liability calculations that did not include the previously granted COLAs, and correction of member data. Graph 3 below, provided by our actuary, illustrates this point.

AM: Increasing contributions from Active Members is an untenable position. Everyone is dealing with the same inflation and loss of buying power.

WG: We understand that our current active member contribution rate of 18.70% is one of the highest in the state of Texas. The Working Group is mindful of that fact and is looking at all possible options that would not cause current member contributions to increase.

AM: It is short-sighted to give Retirees a COLA that meets or exceeds the raise the Active Members received for the same time period. I respect the care we give to our Retirees, but the Fund needs to continue growing to support the payment of future member benefits.

WG: The Working Group is trying to find the right balance for the Fund's three groups of members: retired members, current actives, and future new hires. It is a complicated task, but providing a modest and predictable form of purchasing power protection for our retired members is one of the goals outlined by the Working Group.

AM: Can you explain what occurred in terms of Retired Members annuities once the 0.9% multiplier increase went into effect in the early 2000s? Did all Retirees get an increase in their annuity retroactively or did it only affect Retirees moving forward? It seems that if Retirees are drawing more than their years of contributions were set to pay out, the Fund would need to increase money coming in.

WG: Yes, every time the multiplier was increased, pension benefits for the retirees were recalculated based on the higher multiplier. Effectively, they ended up receiving a permanent COLA with every multiplier increase. Based on what we have gathered in talking to the membership, those retiree base benefit increases were considered COLAs. The table below, provided by our actuary, illustrates this point.

AM: Please don't mess with the DROP. I would understand the need for a variable rate of return, but the DROP is a sum of money we can count on leaving to our family if we pass shortly after retirement.

WG: One of the goals for the Working Group is to preserve the benefits promised to current active members. However, they must also balance that preservation against the long-term financial sustainability of the Fund. The Working Group will be focusing on refining and clarifying the policies related to the DROP program. For current members, one area the Working Group is considering for possible change is an adjustment to the DROP interest crediting structure that would be fair and also maintain its appeal to members.

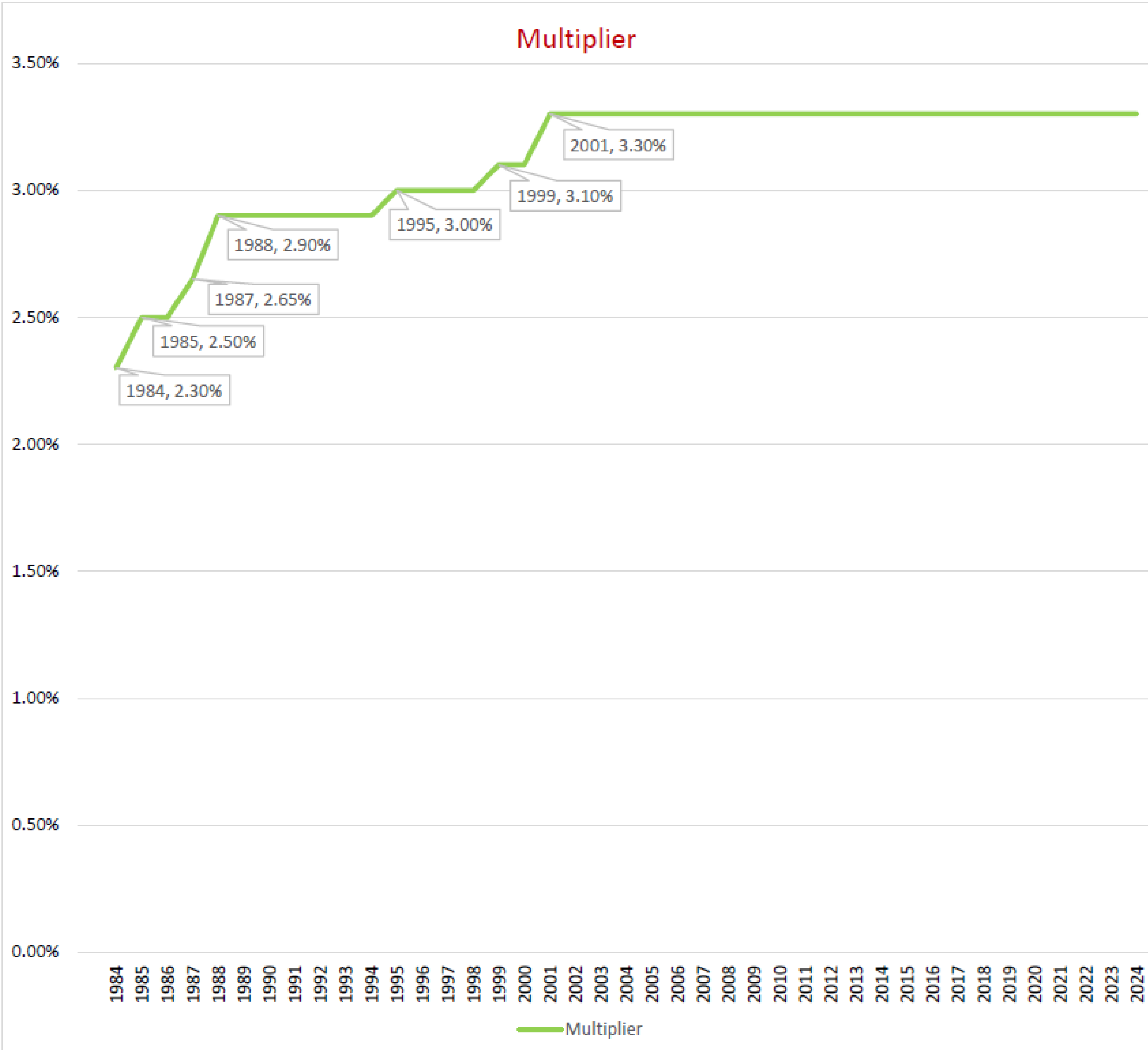
AM: A two-tiered system still matters. Please do not create inequity between the older generations and our future members.

WG: AFRF takes pride in continuing to offer a singular benefit structure to all members. However, given the current inadequate contribution arrangement that has resulted in negative funding projections, one of the levers available to and widely utilized by defined-benefit plans is adding a more-affordable tier. The Working Group is trying not to put the full burden on the shoulders of future hires, so they have focused on minimizing any potential inequities between the two tiers. Unfortunately, there is no solution without shared responsibility amongst all three membership groups.

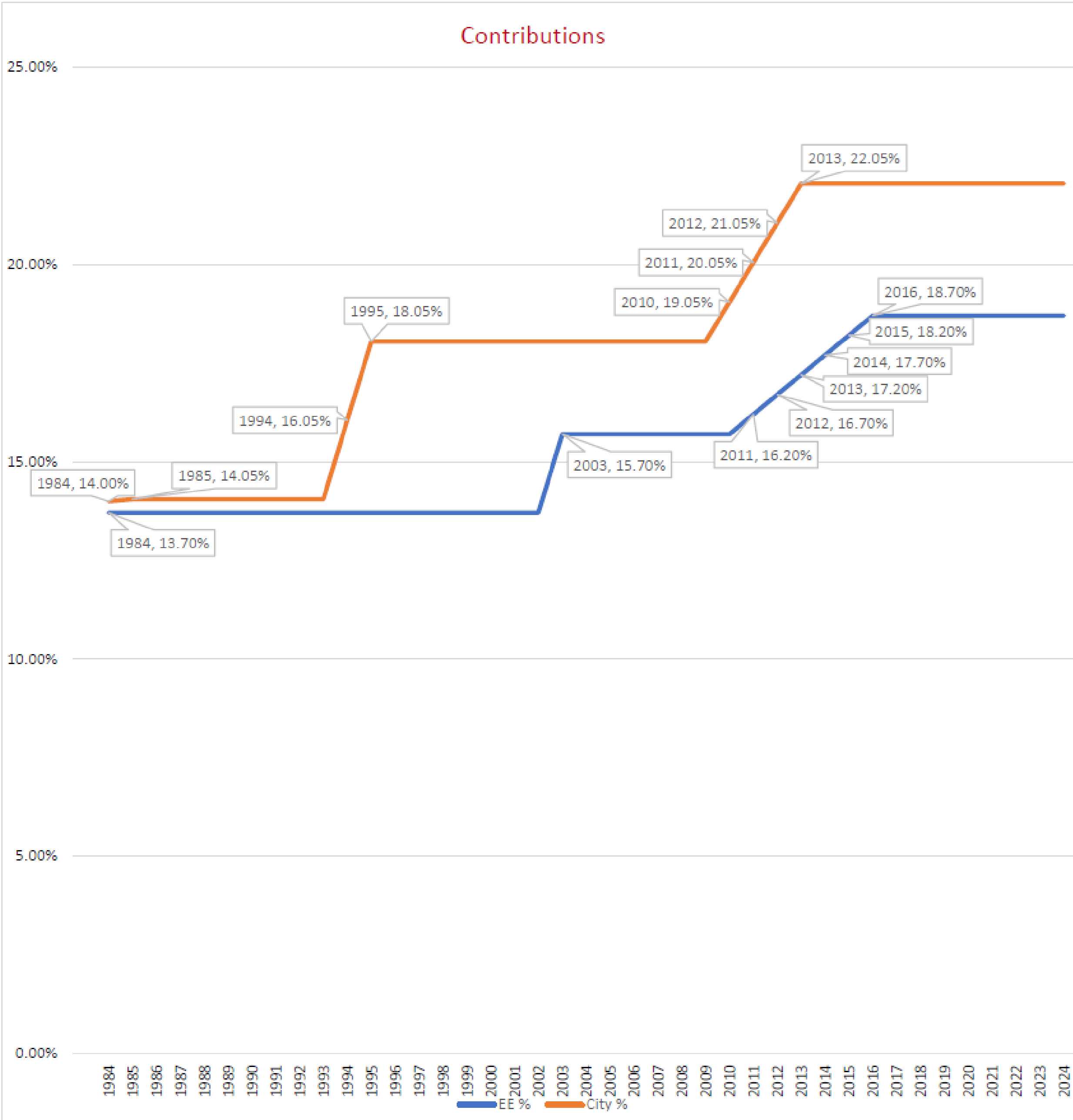
AM: Staff the Pension office as needed. Two people with outdated tech is not sufficient to oversee a billion-dollar fund like ours. You are doing a good thing and I appreciate the improvements.

WG: We strongly believe in transparency and accountability and have a dedicated and hardworking staff. We appreciate your trust and confidence in their ability to continue to bring about the needed changes within the Fund.

Graph 1

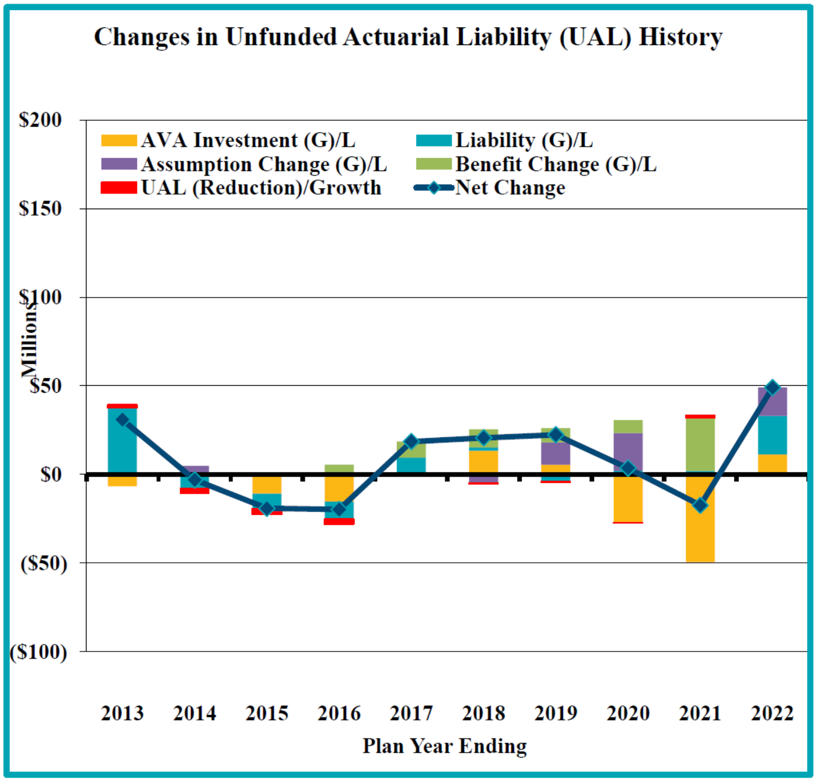

Multiplier
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
2001, 3.30%
1999, 3.10%
1995, 3.00%
1988, 2.90%
1987, 2.65%
1985, 2.50%
1984, 2.30%
1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024
Multiplier

Graph 2


Contributions
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
2013, 22.05%
2012, 21.05%
2011, 20.05%
2010, 19.05%
1995, 18.05%
1994, 16.05%
1984, 14.00%
1985, 14.05%
1984, 13.70%
2016, 18.70%
2015, 18.20%
2014, 17.70%
2013, 17.20%
2012, 16.70%
2011, 16.20%
2003, 15.70%
1984 1985 1986 1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024
EE %
City %

Graph 3

Gain/Loss Trends



Table

Historical COLAs and CPI

Year	COLA ($ monthly)	CPI-U Prior
1975	2.0%	11.96%
1976	2.0%	7.84%
1977	2.0%	5.50%
1978	2.0%	6.60%
1979	2.0%	8.21%
1980	2.0%	12.20%
1981	2.0%	12.67%
1982	2.0%	10.97%
1983	2.0%	5.01%
1984	2.0%	2.90%
1985	4.0%	4.21%
1986	3.0%	3.18%
1987	1.5%	1.76%
1988	4.0%	4.30%
1989	4.3%	4.20%
1990	4.5%	4.34%
1991	6.3%	6.16%
1992	2.9%	3.39%
1993	3.2%	2.99%
1994	2.8%	2.69%
1995	2.6%	2.96%
1996	2.9%	2.54%
1997	3.0%	3.00%
1998	2.1%	2.15%
1999	1.5%	1.49%
2000	2.6%	2.63%
2001	3.4%	3.45%
2002	2.1%	2.65%
2003	0.0%	1.51%
2004	0.0%	2.32%
2005	$ 32	3.15%
2006	$ 100	5.38%
2007	0.0%	2.06%
2008	0.0%	3.16%
2009	0.0%	4.94%
2010	0.0%	-1.29%
2011	0.0%	1.14%
2012	0.0%	3.87%
2013	$ 93	1.99%
2014	$ 64	1.18%
2015	1.3%	1.66%
2016	0.0%	-0.04%
2017	1.5%	1.46%
2018	2.2%	2.23%
2019	2.3%	2.28%
2020	1.7%	1.71%
2021	1.4%	1.37%
2022	5.4%	5.39%
2023	0.0%	8.20%
2024	0.0%	3.70%

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Austin Firefighters Retirement Fund
Operating Budget
Fiscal Year 2024

	Approved Budget	Jan - Mar Expensed	Remaining Budget	Percent Expended
Administrative Expenses				
Salaries and Benefits				
Salary - Executive Director	200,000.00	55,416.67	144,583.33	27.71%
Salary - Staff	486,500.00	114,750.00	371,750.00	23.59%
Health Insurance	127,310.00	32,046.62	95,263.38	25.17%
Health Insurance - Retired Staff	9,900.00	403.20	9,496.80	4.07%
Payroll Taxes	52,920.00	13,319.77	39,600.23	25.17%
SEP Contribution	165,375.00	42,541.67	122,833.33	25.72%
Subtotal	**1,042,005.00**	**258,477.93**	**783,527.07**	**24.81%**
SS Retiree Payroll Process Fees	34,000.00	7,923.17	26,076.83	23.30%
Building	9,783.00	1,240.62	8,542.38	12.68%
Utilities	6,525.00	707.34	5,817.66	10.84%
Office Expenses	18,450.00	1,945.70	16,504.30	10.55%
Computer and Software	33,200.00	5,156.77	28,043.23	15.53%
Insurance	41,500.00	23,812.00	17,688.00	57.38%
Travel	23,500.00	1,679.29	21,820.71	7.15%
Operational Cost	23,300.00	10,453.55	12,846.45	44.87%
Investment Expenses				
Financial Consulting Fee	218,000.00	52,672.44	165,327.56	24.16%
Investment Management Fees	1,800,000.00	454,141.17	1,345,858.83	25.23%
Bank Custodian Services	110,000.00	28,523.05	81,476.95	25.93%
Professional Services Expenses				
Accounting	25,000.00	-	25,000.00	0.00%
Actuarial Fees				
Actuarial Valuation	45,100.00	-	45,100.00	0.00%
COLA & Additional Travel	14,000.00	-	14,000.00	0.00%
Experience Study	23,000.00	5,750.00	17,250.00	25.00%
Pension Funding Research	70,000.00	54,439.75	15,560.25	77.77%
Investment Performance Evaluation (IPPE)	50,000.00	-	50,000.00	0.00%
Legal Fees				
Administrative	108,000.00	27,000.00	81,000.00	25.00%
Board Meeting	18,000.00	4,500.00	13,500.00	25.00%
Investment Review	40,000.00	-	40,000.00	0.00%
Summary Plan Descr, Records Retention & Forms	20,000.00	5,752.00	14,248.00	28.76%
Pension Funding Research/Legislation (2024/2025)	75,000.00	5,745.50	69,254.50	7.66%
Legislative Consulting	24,000.00	6,000.00	18,000.00	25.00%
Medical Disability Review	3,000.00	2,400.00	600.00	80.00%
Pension Software	700,000.00	152,016.43	547,983.57	21.72%
Pension Software Oversight	60,000.00	2,221.88	57,778.12	3.70%
Total Expenses	**$ 4,635,363.00**	**$ 1,112,558.59**	**$ 3,522,804.41**	**24.00%**

Austin Firefighters Retirement Fund
Contributions and Deductions (Unaudited)
as of March 31, 2024

Additions

Contributions	
City of Austin Contribution (22.05%)	6,911,700.58
Fire Fighter Contribution (18.7%)	5,861,623.62
Interest -Bank	93,401.13
Commission Recapture	954.03
Class Action Proceeds	262.75
Securities Litigation Recovery	-
Total Contributions	**$ 12,867,942.11**

Deductions

Pension Retiree Payroll Expenses	
Retirees Monthly Annuity	13,375,969.23
Medical Ins.	886,671.59
Dental Ins	112,551.77
Vision Ins.	11,269.34
Retiree W/H Tax Payable	1,873,524.90
State Tax	14,992.26
Benevolent Fund	29,200.00
Union Dues	6,322.50
Misc.	4,949.82
PAC Dues	2,259.00
Museum	18.00
Total Retiree Payroll Expenses	**$ 16,317,728.41**
Pension Lump Sum Expenses	
Contribution Refunds	36,142.07
DROP Distributions	8,888,342.17
Total Pension Lump Sum Expenses	**$ 8,924,484.24**

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through March 2024

	Total		
	Jan - Mar	Budget	% of Budget
Ordinary Income/Expense			
Income			
City of Austin Contrib (22.05%)	6,911,700.58	25,700,000.00	26.89%
Commission Recapture	954.03	5,000.00	19.08%
Fire Fighter Contrib (18.7%)	5,861,623.62	21,800,000.00	26.89%
Securities Litigation Recovery	0.00		
Other Income			
Class Action Proceeds	262.75	5,000.00	5.26%
Interest - State Street	91,717.89	250,000.00	36.69%
Interest - Sunflower Bank	853.08	4,000.00	21.33%
Securities Lending - State St.	830.16	9,000.00	9.22%
Total Income	12,867,942.11	47,773,000.00	26.94%
Operating Expenses			
Administrative Expenses			
Payroll Expenses			
Payroll Expenses - Other	170,166.67	686,500.00	24.79%
Health Insurance - Staff	32,046.62	127,310.00	25.17%
Health Insurance - Retired Staff	403.20	9,900.00	4.07%
Taxes	13,319.77	52,920.00	25.17%
SEP Contribution	42,541.67	165,375.00	25.72%
Total Payroll Expenses	258,477.93	1,042,005.00	24.81%
SS Retiree Payroll Process Fees	7,923.17	34,000.00	23.30%
Building Expenses			
Assessment toward 2019 Project	313.72	1,883.00	16.66%
Building Maintenance/Improvemen		2,500.00	0.00%
Condo Association Dues	926.90	5,400.00	17.16%
Utilities			
Electric	359.69	2,000.00	17.98%
HVAC Program	0.00	50.00	0.00%
Internet & Cable & Telephone	248.54	3,500.00	7.10%
Water, Waste, Drainage	99.11	975.00	10.17%
Total Utilities	707.34	6,525.00	10.84%
Total Building Expenses	1,947.96	16,308.00	11.94%
Office Expenses			
Furniture (FFE)	0.00	2,000.00	0.00%
Meeting Refreshments	208.23	1,600.00	13.01%
Notary Services		250.00	0.00%
Office Maintenance	1,028.00	3,100.00	33.16%
Office Supplies (Office supplies expense)	110.57	2,500.00	4.42%

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through March 2024

	Total		
	Jan - Mar	Budget	% of Budget
Postage and Delivery	242.90	5,000.00	4.86%
Printing and Reproduction	356.00	4,000.00	8.90%
Total Office Expenses	1,945.70	18,450.00	10.55%
Computer and Internet Expenses			
Hosting & Other Expenses	176.42	3,000.00	5.88%
Laptop/Computer	1,931.48	3,000.00	64.38%
Software/IT Services	3,048.87	27,200.00	11.21%
Total Computer and Internet Expenses	5,156.77	33,200.00	15.53%
Insurance Expense			
Board & Directors Liability Ins	23,678.00	28,500.00	83.08%
Commercial	0.00	2,000.00	0.00%
Cybersecurity Ins.	0.00	10,000.00	0.00%
Workers Comp Ins. (Workers Comp)	134.00	1,000.00	13.40%
Total Insurance Expense	23,812.00	41,500.00	57.38%
Travel Expense			
Lodging/Transportation/Per Diem	1,679.29	16,000.00	10.50%
Registration fees	0.00	7,500.00	0.00%
Total Travel Expense	1,679.29	23,500.00	7.15%
Operational Cost			
Association Fees (TXPERS /NCEPRS)	9,010.00	9,100.00	99.01%
Election Services	0.00	4,000.00	0.00%
Death Verification Services	0.00	4,200.00	0.00%
Operational Cost - Other	1,443.55	6,000.00	24.06%
Total Operational Cost	10,453.55	23,300.00	44.87%
Investment Expenses			
Bank Custodian Services	28,523.05	110,000.00	25.93%
Financial Consulting Fee	52,672.44	218,000.00	24.16%
Investment Management Fees	454,141.17	1,800,000.00	25.23%
Total Investment Expenses	535,336.66	2,128,000.00	25.16%
Professional Fees			
Audit	0.00	25,000.00	0.00%
Actuarial Fees			
Actuarial Valuation	0.00	45,100.00	0.00%
COLA & Additional Travel	0.00	14,000.00	0.00%
Experience Study	5,750.00	23,000.00	25.00%
Pension Funding Research	54,439.75	70,000.00	77.77%

Austin Firefighters Retirement Fund
Profit & Loss vs Actual
January through March 2024

	Total		
	Jan - Mar	**Budget**	**% of Budget**
Total Actuarial Fees	60,189.75	152,100.00	39.57%
Investment Performance Evaluation (IPPE)	0.00	50,000.00	0.00%
Legal Fees			
Administrative	27,000.00	108,000.00	25.00%
Board Meeting	4,500.00	18,000.00	25.00%
Investment Review	0.00	40,000.00	0.00%
Summary Plan Descr, Records Retention & Forms	5,752.00	20,000.00	28.76%
Pension Funding Research/Legislation (2024/2025)	5,745.50	75,000.00	7.66%
Total Legal Fees	42,997.50	261,000.00	16.47%
Legislative Consulting	6,000.00	24,000.00	25.00%
Medical Disability Review	2,400.00	3,000.00	80.00%
Pension Software			
Pension Software PG I	0.00	50,000.00	0.00%
Pension Software PG IV	152,016.43	650,000.00	23.39%
Total Pension Software	152,016.43	700,000.00	21.72%
Pension Software Oversight	2,221.88	60,000.00	3.70%
Total Professional Fees	265,825.56	1,275,100.00	20.85%
Total Operating Expenses	1,112,558.59	4,635,363.00	24.00%
Monthly Pension Retiree Payroll			
Retirees Monthly Annuity	13,375,969.23	53,000,000.00	25.24%
Medical Ins.	886,671.59	3,900,000.00	22.74%
Dental Ins	112,551.77	425,000.00	26.48%
Vision Ins.	11,269.34	43,000.00	26.21%
Retiree W/H Tax Payable	1,873,524.90	7,500,000.00	24.98%
State Tax	14,992.26	60,000.00	24.99%
Benevolent Fund	29,200.00	50,000.00	58.40%
Misc.	4,949.82	20,000.00	24.75%
PAC Dues	2,259.00	8,200.00	27.55%
Union Dues	6,322.50	25,000.00	25.29%
Museum	18.00	72.00	25.00%
Total Monthly Pension Retiree Payroll	16,317,728.41	65,031,272.00	25.09%
Pension Lump Sum			
Contribution Refunds	36,142.07	1,000,000.00	3.61%
DROP Distributions	8,888,342.17	23,000,000.00	38.64%
Total Pension Lump Sum	8,924,484.24	24,000,000.00	37.19%
Total Expense	26,354,771.24	93,666,635.00	28.14%
Net Income	-13,486,829.13		

Austin Firefighters Retirement Fund
Assets & Liabilities Report (Unaudited)
as of March 31, 2024

Assets

Checking/Savings	
Sunflower Bank - Operating	27,287.79
Sunflower Bank - Benefits	241,062.04
State Street T009-Cash Agg	7,021,215.48
Total Checking/Savings	7,289,565.31
Investments, at fair value	
Domestic Equites	266,533,725.71
Fixed Income Securities	333,338,509.15
International Equities	248,542,172.45
Real Asset	33,175,733.23
Private Equity	201,040,463.80
Real Estate	91,336,325.87
Total Investments	1,173,966,930.21
Total Assets	**$ 1,181,256,495.52**

Liabilities

Current Liabilities	
Payroll Liabilities	8,483.19
Operating Admin Liabilities	4,905.88
Investment Liabilities	-
Professional Liabilities	33,807.48
Long Term Liabilities	
DROP (Guaranteed 5%)	155,782,072.18
% of Total Assets	13.19%
Total Liabilities	**$ 155,829,268.73**

Austin Firefighters Retirement Fund
Balance Sheet
As of March 31, 2024

	March
ASSETS	
Current Assets	
Checking/Savings	
State Street T009-Cash Agg	7,021,215.48
Sunflower Bank - Benefits	241,062.04
Sunflower Bank - Operating	27,287.79
Total Checking/Savings	7,289,565.31
Other Current Assets	
Investments	
DEQ	
SSgA S&P 500 Flagship Fund	116,684,231.81
VAUGHAN NELSON	70,331,582.19
Westfield Capital Management	66,277,254.46
Westwood Capital	13,240,657.25
Total DEQ	266,533,725.71
FI	
ABERDEEN	62,091,773.72
Loomis Sayles Core Plus Bond	46,231,804.89
Pacific Asset Management	23,243,492.50
Pyramis Tactical Bond (Fidelity	26,487,076.27
SSgA Bond Fund	118,627,843.99
SSGA TIPS	56,656,517.78
Total FI	333,338,509.15
IEQ	
Baillie Gifford	34,328,747.92
DFA Emerging Markets	26,994,851.77
Highclere	30,607,803.54
SSgA MSCI EAFE Fund	124,711,147.73
TT International	31,899,621.49
Total IEQ	248,542,172.45
NR	
Aether Real Assets II	2,195,681.80
Aether Real Assets III	10,040,721.38
Aether Real Assets IV	10,293,127.52
Aether Real Assets V	10,646,202.53
Total NR	33,175,733.23
PE	
57 Stars Global Opportunity	7,139,394.74
Arcmont (Bluebay)Direct Lending	1,701,758.33
Constitution	12,685,211.81
Cross Creek Capital Partners II	11,032,543.37
Cross Creek Capital Parts III	10,890,454.95
Deutsche Bank SOF III	1,824,188.70
Dover Street X	34,061,003.97

Austin Firefighters Retirement Fund
Balance Sheet
As of March 31, 2024

Flag V	4,622,738.95
Flag VI 6	12,403,616.30
Greenspring Global Partners V	7,530,663.02
GREENSPRING VI	12,985,789.91
Harbourvest 2013 Direct	3,877,237.05
HarbourVest Coinvestment 4	7,345,211.94
LGT C Europe Small Buyouts 3	3,011,534.64
LGT Crown Asia 2	7,673,269.97
LGT Crown Global Secondaries 2	92,472.00
LGT Crown Global VI	34,504,708.02
LGT Global Secondaries III	2,022,613.00
Partners Group EM 2015	8,282,249.97
Partners Group US Dist PE 2009	188,469.02
Private Advisors Co-Inv FundIII	1,361,374.32
Private Equity Investors V	1,220,806.19
SVB Strategic Investors Fund IX	14,583,153.63
Total PE	201,040,463.80
RE	
Clarion Partners	68,635,043.01
Crow Holdings Realty Partners X	4,300,021.00
Partners Group Distressed '09	32,672.99
Partners Group RE Second 2011	514,283.49
Partners Group RE Second 2017	11,864,680.19
Portfolio Advisors Fund 5	5,989,625.19
Total RE	91,336,325.87
Total Investments	1,173,966,930.21
Total Other Current Assets	1,173,966,930.21
Total Current Assets	1,181,256,495.52
TOTAL ASSETS	**1,181,256,495.52**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	8,483.19
Operating Admin Liabilities	4,905.88
Investment Liabilities	0.00
Professional Liabilities	33,807.48
Total Other Current Liabilities	47,196.55
Total Current Liabilities	47,196.55
Long Term Liabilities	
DROP (Guaranteed 5%)	155,782,072.18
% of Total Assets	13.19%
Total Long Term Liabilities	155,782,072.18
Total Liabilities	**155,829,268.73**

Austin Firefighters Retirement Fund
General Ledger
March 2024

Date	Name	Memo/Description	Split	Amount	Balance
Sunflower Bank - Benefits					
Beginning Balance					**$ 135,316.05**
03/01/2024	City of Austin	City and Member's Contributions	-Split-	1,834,515.29	1,969,831.34
03/01/2024	Sunflower Bank	Wire Fee	Operational Cost:Bank Service Charges	-22.00	1,969,809.34
03/01/2024	Austin FF Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,700,000.00	269,809.34
03/01/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-50,000.00	219,809.34
03/15/2024	City of Austin	City and Member's Contributions	-Split-	1,811,507.41	2,031,316.75
03/15/2024	Austin FF Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,700,000.00	331,316.75
03/15/2024	Sunflower Bank	Wire Fee	Operational Cost:Bank Service Charges	-22.00	331,294.75
03/15/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-75,000.00	256,294.75
03/22/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-150,000.00	106,294.75
03/27/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-50,000.00	56,294.75
03/28/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-25,000.00	31,294.75
03/29/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-10,000.00	21,294.75
03/29/2024	Sunflower Bank	Wire Fee	Operational Cost:Bank Service Charges	-22.00	21,272.75
03/29/2024	Austin FF Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,600,000.00	-1,578,727.25
03/29/2024	City of Austin	City and Member's Contributions	-Split-	1,819,658.19	240,930.94
03/29/2024	Sunflower Bank	Interest Mar 2024	Interest:Interest - Sunflower Bank	131.10	241,062.04
Total for Sunflower Bank - Benefits				**$ 105,745.99**	**$ 241,062.04**
Sunflower Bank - Operating					
Beginning Balance					**$ 10,205.67**
03/01/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	50,000.00	60,205.67
03/01/2024	Austin FF Retirement Fund	L. Adney Reimbursement Payment Feb 2024	Payroll Expenses:Health Insurance - Retired Staff	125.00	60,330.67
03/06/2024	Schlueter Group	Legislative Consulting	Professional Fees:Legislative Consulting	-4,000.00	56,330.67
03/06/2024	Michael Stinson & Assoc.	Vocational Evaluation	Professional Fees:Medical Disability Review	-1,800.00	54,530.67

03/06/2024	American Express	Amex Feb 2024	-Split-	-6,445.55	48,085.12
03/07/2024	TASC (FSA Health Care)	FSA Mar 2024	Payroll Liabilities:Flextra Health	-200.00	47,885.12
03/07/2024	City of Austin	Health Insurance Retired Staff Mar 2024	Payroll Expenses:Health Insurance - Retired Staff	-478.30	47,406.82
03/07/2024	Schlueter Group	Union Reimbursement for Legislative Consulting	Professional Fees:Legislative Consulting	2,000.00	49,406.82
03/07/2024	City of Austin	Mar 2024 Health Insurance	-Split-	-10,720.56	38,686.26
03/08/2024	Austin FF Retirement Fund	L. Adney Reimbursement Payment Mar 2024	Payroll Expenses:Health Insurance - Retired Staff	125.00	38,811.26
03/08/2024	Austin FF Retirement Fund	L. Adney Health Insurance Payment Mar 2024	Payroll Expenses:Health Insurance - Retired Staff	218.90	39,030.16
03/08/2024	Sunflower Bank	Service Charges Feb 2024	Operational Cost:Bank Service Charges	-409.59	38,620.57
03/13/2024	Bill Taylor	Medical Review Payment Returned	Professional Fees:Medical Disability Review	300.00	38,920.57
03/15/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	75,000.00	113,920.57
03/19/2024	Cheiron	2024 Experience Study	Professional Fees:Actuarial Fees:Experience Study	-5,750.00	108,170.57
03/19/2024	Provaliant	Feb 2024	Professional Fees:Pension Software Oversight	-225.00	107,945.57
03/19/2024	Levi Ray & Shoup	Web Maintenance Feb 2024	Computer and Internet Expenses:Hosting & Other Expenses	-35.00	107,910.57
03/22/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	150,000.00	257,910.57
03/25/2024	Cheiron	Actuarial Cost Analysis	-Split-	-44,189.75	213,720.82
03/25/2024	Levi Ray & Shoup	PG IV Payment #5	Professional Fees:Pension Software PG IV	-152,016.43	61,704.39
03/25/2024	Meketa Investments	Feb 2024	Fees:Financial Consulting Fee	-17,557.48	44,146.91
03/25/2024	Jani-King of Austin	Apr 2024	Office Expenses:Office Maintenance	-257.00	43,889.91
03/27/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	50,000.00	93,889.91
03/28/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	25,000.00	118,889.91
03/29/2024	Austin FF Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	10,000.00	128,889.91
03/29/2024	Jackson Walker	Forms	Professional Fees:Legal Fees:Summary Plan Descr, Recor	-5,752.00	123,137.91
03/29/2024	Jackson Walker	Feb 2024 Administrative	Professional Fees:Legal Fees:Administrative	-9,000.00	114,137.91
03/29/2024	Jackson Walker	Feb 2024 Board Meeting	Professional Fees:Legal Fees:Board Meeting	-1,500.00	112,637.91
03/29/2024	Jackson Walker	Pension Funding Research	Professional Fees:Legal Fees:Pension Funding Research/L	-5,745.50	106,892.41
03/29/2024	Fidelity	SEP Contributions Mar 2024	Payroll Expenses:SEP Contribution	-15,083.33	91,809.08
03/29/2024	Payroll	Pay Period: 03/01/2024-03/31/2024	Direct Deposit Payable	-46,901.31	44,907.77
03/29/2024	Payroll	Tax Payment for Period: 03/01/2024-03/31/2024	Payroll Liabilities:Federal Taxes (941/943/944)	-17,619.98	27,287.79
Total for Sunflower Bank - Operating				**$ 17,082.12**	**$ 27,287.79**

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AUSTIN FIREFIGHTERS RETIREMENT FUND

Road Map of Items for Board Meetings

April 2024 Board Meeting

- Investment Practices and Performance Evaluation (IPPE) Update
- Funding Soundness Restoration Plan (FSRP) Update
- Board approval of Actuarial Experience Study
- Retired Fund Staff health insurance benefits
- Retirement Seminar update

May 2024 Board Meeting

- Meketa 1Q24 Report
- Operating Procedures Review
- Investment Practices and Performance Evaluation (IPPE) Update
- Update on Request for Information (RFI) for Depository Bank
- Update on City of Austin Actuarial Audit
- Update on development of Administrative Policies and Procedures, including internal controls

June 2024 Board Meeting

- Disability application review (Applicant #2024-02)
- Preliminary results of the 2023 Actuarial Valuation
- Pension Administration System (PAS) implementation update
- Funding Soundness Restoration Plan (FSRP) update

July 2024 Board Meeting

- 2023 Actuarial Valuation
- 2023 Financial Audit Report
- 2023 Annual Report
- Pension Review Board Report Submissions
- State tax withholding update

August 2024 Board Meeting

- Meketa 2Q24 Investment Report
- Meketa 2023 Fee Review
- Summer Newsletter
- Pension Administration System (PAS) implementation update

September 2024 Board Meeting

- Board Trustee Election update
- Priorities for 2025 Legislative Session

October 2024 Board Meeting

- Priorities for 2025 Legislative Session

November 2024 Board Meeting

- Meketa 3Q24 Investment Report
- Discussion and Consideration of 2025 COLA
- Update on Trustee Election and possible election certification

December 2024 Board Meeting

- End-of-year Budget Report
- 2024 Board Meeting Dates
- Pension Administration System (PAS) implementation update
- ED Evaluation
- Consideration and approval of 2025 Budget