



## BOARD OF TRUSTEES MEETING REGULAR MEETING AGENDA

Friday, October 25, 8:30am

The regular meeting will be held in the **Board and Commissions Room at Austin City Hall, 301 W 2<sup>nd</sup> Street, Austin, Texas 78701** and will be open to the public. The meeting will also be available to the public through **signin.webex.com/join** with **meeting number 2553 308 9403** and **password Oct2024**, or through a telephone conference call, **toll-free dial-in number 408-418-9388** with **access code 6282024**. 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 Thursday, October 24, 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 September 30, 2024
  - b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

### To Discuss and Possibly Act On

2. Initiatives for 2025 Legislative Session, including the following:
  - a. AFRF Working Group pension reform proposal for a Voluntary Funding Soundness Restoration Plan (FSRP)
  - b. Consider granting authorization to Executive Director with respect to legislative initiatives
3. Executive Director Report, including the following (Discussion Only)
  - a. General comments
  - b. Pension Administration System (PAS) implementation update
  - c. Internal financial statements, transactions, and Fund expense reports for month ending September 30, 2024



4. Roadmap for future meetings
5. Call for future agenda items

***Austin Firefighters Retirement Fund***

*4101 Parkstone Heights Drive, Suite 270*

*Austin, TX 78746*

*(512) 454-9567*

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

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

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**AFRF**  
AUSTIN FIREFIGHTERS  
RETIREMENT FUND

**MINUTES  
BOARD OF TRUSTEES MEETING  
MONDAY SEPTEMBER 30, 2024, 9:00AM**

**Board Members Present**

Mayor Kirk Watson, Chair  
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 (virtual)  
Shira Herbert, AFRF Accounting & QC Specialist  
Amy Thibaudeau, AFRF Benefits Specialist  
Chuck Campbell, Jackson Walker  
Alyca Garrison, Jackson Walker

**Community Members Present**

Rene Vallejo  
Donald Lowe  
Kate Alexander, City of Austin  
Virtual attendees not listed

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

Public Comments:

**No public comments.**

- I. Consent Agenda for the following:
  - a. Minutes of the regular meeting of August 23, 2024
  - b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

**Mayor Watson called for a moment of silence to honor a retired firefighter who passed in August. Trustee Fowler made a motion to approve both items on the consent agenda. Trustee Woolverton seconded the motion. The motion passed without objection.**

- II. Discuss priorities for 2025 Legislative Session, including update on Voluntary Funding Soundness Restoration Plan (FSRP)

**Anumeha Kumar provided an update on the status of the Voluntary Funding Soundness Restoration Plan, emphasizing that the FSRP requirement had not yet been triggered but was projected to be triggered at the next valuation date in 2025. Ms. Kumar reviewed the proactive measures the board had taken by forming the Working Group to address the issue ahead of triggering the requirement. Ms. Kumar provided an overview of the information contained in the draft pension reform proposal, noting that while it had been presented to the Pension Review Board (PRB) and Fund membership for feedback, it had not yet been agreed to by the City of Austin. Ms. Kumar described the structural issue that had been identified by the Working Group and actuaries related to cost-of-living adjustments (COLAs). She explained that the Fund had historically treated COLAs as a gain-sharing mechanism, negating any investment gain cushioning that could have protected the Fund during market declines, such as had occurred in 2022. Ms.**

Kumar further explained that due to the legislative change codified in statute in 2013, which required COLAs to be granted at the full Consumer Price Index for Urban Consumers (CPIU) after passing a financial stability test, the Fund has not been able to grant a COLA for the past three years. Since Fund members do not participate in social security, she continued, a major goal that the board had established as fiduciaries was to provide some form of purchasing power protection to retirees while preserving the long-term health of the Fund. Ms. Kumar described some additional considerations, which included ensuring the proposal was not overly cost-prohibitive to the City and ensuring from a workforce management perspective that the future tier would not shoulder the entire financial burden of the reform. Ms. Kumar described one significant provision change that would require active and new members to decide between participating in the DROP program or participating in a deferred 1% automatic COLA, which would be applied annually starting at the later of age 62- or five-years post-retirement, similar to when retirees of other systems become eligible to receive social security benefits. She detailed the exceptions that would apply to current retirees and actives eligible for normal retirement at the time of implementation, to avoid any potential rush to retirement. Ms. Kumar also explained a change to the DROP provision, which intended to manage risk associated with the program, wherein the annual 5% interest credit would lower to 2.5% during years in which the Fund experienced a zero or negative annualized investment return. Additionally, she explained, the new hire group would have a 4% annual interest credit rate that would lower to 2% during such years, and they would only be eligible to participate in forward DROP, which would both help to manage risk associated with the DROP program as well as to incentivize those members to continue working past their point of normal retirement eligibility. Ms. Kumar explained that the other significant changes for the new hire group would include a single life annuity default, no option for early retirement, a 3% multiplier, and a slightly lowered contribution rate. Lastly, she added, non-vested terminated members would no longer receive interest credited to refunds. In culmination, she explained, the provision changes would result in a significantly lowered normal cost (from 31% to 25.9%) as well as a proportionally lowered long-term contribution cost for the City. Ms. Kumar stated that there had been many commonalities between the Working Group's and the City's proposals, and the City was largely in agreement with the Working Group from a funding structure and actuarially determined contribution standpoint. However, she continued, the City had concerns regarding the legacy unfunded liability and the increase to the unfunded liability that would be incurred if the proposal were to pass. Ms. Kumar explained that the Working Group viewed the issue from a long-term structural standpoint and that the proposal would put the Fund on a path of financial soundness by lowering future costs. When the Working Group presented the proposal to the PRB and the City shared their concerns, she continued, the PRB provided them with positive feedback regarding the new hire contribution rate and providing purchasing power protection to retirees and encouraged the Working Group and the City to work on an agreed upon solution.

Trustee Fowler added that while it had taken some time for the membership to develop an understanding of the matter, the Working Group had obtained some great feedback from the membership over the prior months. He emphasized that the goals of the Working Group were to come up with a sustainable plan that would provide predictable security to retirees to aid in their financial planning rather than giving rise to speculation about the approval of an ad hoc COLA each year. He explained that the Working Group had also consulted with the Austin Fire Department administration to hear their concerns regarding the impact of retirements on department vacancies and the overtime pay budget. Trustee Fowler reiterated that Fund members do not participate in social security and added that those who do qualify for social security through additional work have their benefit significantly reduced due to their participation in the Fund, making the COLA provision a very important aspect of the proposal. Trustee Fowler voiced his confidence in the current structure of the draft proposal. Vice Chair Bass thanked Anu and Trustee Fowler for their

work on the proposal and expressed his appreciation to the board and the membership for coming together to work on the FSRP on a voluntary basis, noting that by taking immediate action, they had demonstrated a level of seriousness and dedication to avoid incurring additional costs for all parties involved. He reiterated the importance of reforming the COLA structure from the standpoint of properly accounting for the cost rather than deferring the cost to the future and noted that a 1% automatic COLA would ultimately be less expensive than the historical average of ad hoc COLAs granted by the Fund. Vice Chair Bass also voiced his confidence in the DROP provision of the proposal, which both acknowledged the importance of the benefit and minimized some of the associated risk.

Trustee Weaver expressed her appreciation for all the work that had gone into developing the proposal as well as her hope for the Working Group and the City to come to an agreed upon solution before holding a vote for full board approval of the proposal. She asked a clarifying question regarding the rationale for the proposed DROP interest crediting rates, to which Vice Chair Bass and Ms. Kumar described some of the alternate options considered by the Working Group that had been less feasible due to logistical and legal considerations and the preferences shared by the membership. Ms. Kumar stated that their solution best addressed many competing goals. Trustee Fowler followed up to address the proposed lower contribution rate for new hires, stating that the decision followed discussions between the Working Group and the Austin Firefighters Association, who reported fewer applications to the cadet program and increased complaints regarding their contribution rate relative to peers in Central Texas. Ms. Kumar added that the PRB had expressed concern about new members of pension systems paying most of the cost of their benefit, which influenced the Working Group to propose a contribution rate split that was proportional to the contribution rate split of current active members. Trustee Weaver shared her concern that the significant increase in unfunded accrued liability carved out in the proposal was an obligation of the City that was not factored into the contribution rate. Ms. Kumar acknowledged the point and explained that the issue would be settled over the long term. She further explained that relative to peer systems, the unfunded liability would still be lower than that of Austin Police Retirement System (APRS) and City of Austin Employees Retirement System (COAERS), and while there had been concerns regarding firefighters retiring at a higher multiplier and level of benefit than police, the benefit for police increases with the addition of social security at age 62 while the benefit for firefighters erodes. Vice Chair Bass followed up to note that the unfunded liability should also be viewed in the context of the mandatory FSRP and the significant additional expenses that would be incurred due to lag if no voluntary action had been taken by the board. Ms. Kumar added that the PRB, the Actuarial Standards of Practice (ASOP) and the Governmental Accounting Standards Board (GASB) had all stated that ad hoc structures were not a sound way of funding COLAs and would no longer be allowed per their guidelines. Mayor Watson thanked the board and noted that they had touched on many key points for continued discussion. No motion necessary.

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

a. General comments

Anumeha Kumar stated that while there had been a delay in publishing the newsletter, it had been completed and posted to the AFRF website. Trustee Weaver commended the publication.

b. Board of Trustees Election Update

**Anumeha Kumar informed the Board that three candidates had accepted nomination, including Vice Chair Bass, Richard Meyers, and AJ Padilla. She stated that their biographies had been posted to the AFRF website and explained that staff had been following the same election procedures as in the prior year with the same third-party election vendor, YesElections.**

c. Update on Depository Bank Transition

**Anumeha Kumar reported that the depository bank transition had been completed and the Fund had received the first contribution from the City of Austin into the new Frost Bank account. She noted that the former Sunflower Bank account would remain open for one month past the completion date. Trustee Weaver asked a follow up question regarding outstanding checks and the measures taken to ensure proper timing of closure for the Sunflower Bank account. In response, John Perryman explained that most processes are done electronically, and the few checks processed through bill pay were monitored and had been completed two weeks prior. He further explained that three entities direct deposit funds into the account and all had been notified and were ready to proceed with the new account.**

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

**Anumeha Kumar stated that the budget was on track and had nothing noteworthy to report. The trustees had no questions regarding the financial reports.**

IV. Roadmap for future meetings

**Anumeha Kumar stated that some preliminary items had been added to the roadmap for early 2025 and that Gina Gleason would be reaching out to the trustees soon to schedule the 2025 board meeting dates.**

V. Call for future agenda items

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

**Hearing no objections, Mayor Watson adjourned the meeting at 9:40am.**

**Board Members**

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

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**CONFIDENTIAL INFORMATION**

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# PROPOSED PENSION REFORMS

AUSTIN FIREFIGHTERS RETIREMENT FUND

SEPTEMBER 2024

**DRAFT**

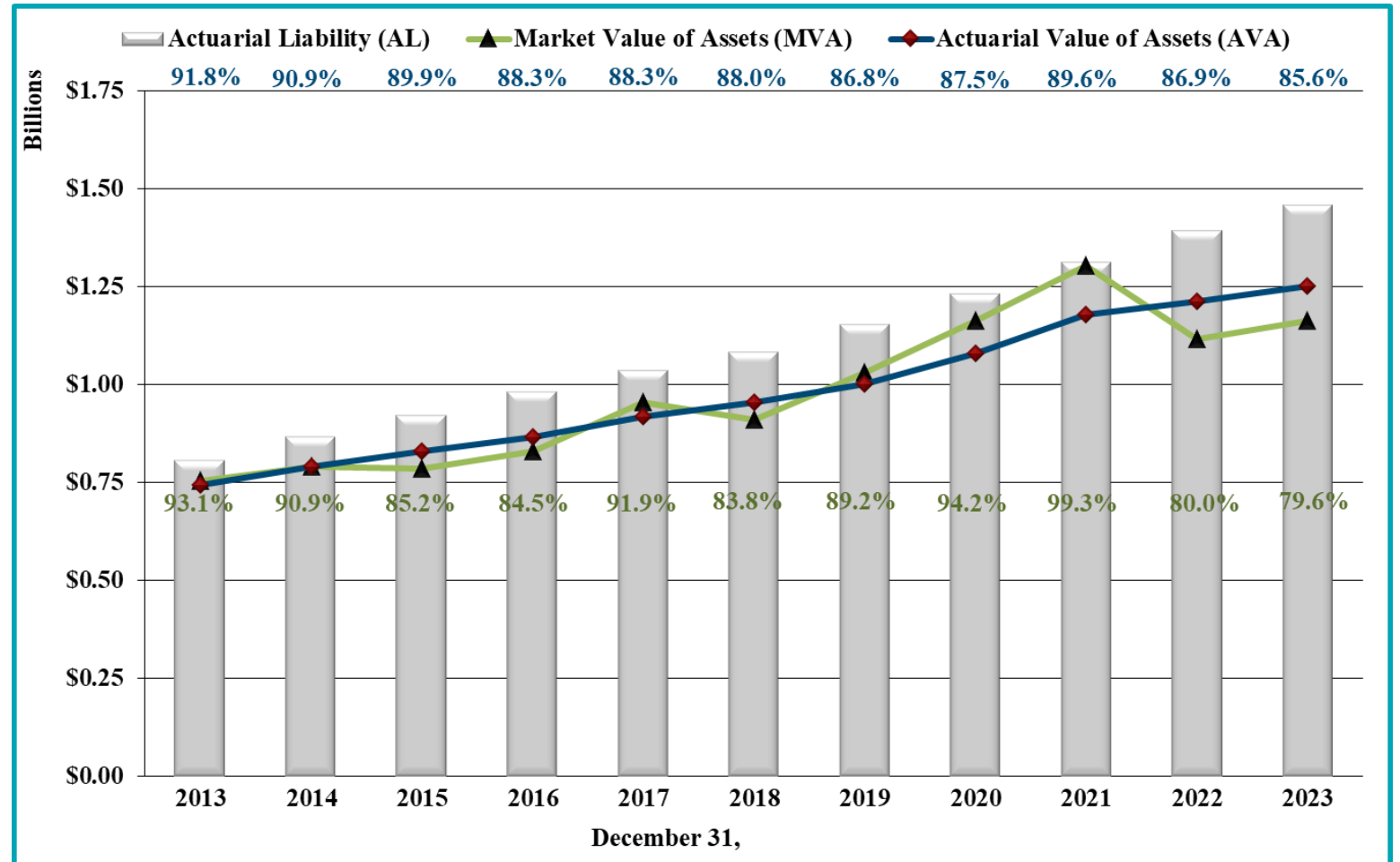
# FUND STATISTICS

As of 2023 Actuarial Valuation

<b>Actuarial Accrued Liabilities</b>
<b>\$1.65 Billion</b>
<b>Market Value of Assets</b>
<b>\$1.16 Billion</b>
<b>Funded Ratio</b>
<b>85.6%</b>
<b>Amortization Period</b>
<b>48.6 years</b>
<b>Investment Return Assumption</b>
<b>7.30%</b>
<b>Actual Investment Return (2023)</b>
<b>8.4%</b>
<b>Membership</b>
<b>2241 Members</b> (1246 active, 995 annuitants)

# FUND HISTORY

## Funded Ratio





## PROCESS AND CURRENT STATUS

- Fund Board established a Working Group to look at potential pension reform
- Working Group established goals for the reforms
- Began communications with the City of Austin and the membership, including its Retirement Plan Committee
- Developed these proposed benefit reforms considering such communications and working with the Fund actuary and attorney
- These proposals are in *draft form only and are simply an update*
  - Have NOT been formally adopted by the Board
  - Have NOT been agreed to by the City of Austin



## PRINCIPLES OF BENEFIT REFORMS

- To ensure the Fund has sufficient assets in the long-term to preserve the ability to pay promised benefits.
- To ensure the Fund delivers an adequate level of benefits to our members
- To address the funding structure to better match Fund liabilities
- To provide a more predictable COLA that can be adequately pre-funded
- To provide members financial flexibility to structure their retirement income
  - Allow members to choose the DROP vs guaranteed COLA
- To incorporate transition measures in order to prevent adverse effects relating to proposed changes
  - Accelerated DROP withdrawals or “rush to retirement”
- To take action now to save costs

## CURRENT RETIREES

- Modify the existing COLA Structure
  - **Current:** Annual, 100% CPI COLA subject to financial stability test
  - **Proposed:** Guaranteed, deferred 1% COLA
- Retain ability to participate in both DROP and COLA, but not at the same time
- Keep the current level of DROP interest rate, except for periods of negative return



# CURRENT RETIREES

## Modified COLA Structure

- **Members without DROP Accounts at 1/1/2026:**
  - Members will be eligible for 1% Automatic COLA starting the January 1<sup>st</sup> after the later of age 62 or 5 years after retirement.
  
- **Members with DROP Accounts at 1/1/2026:**
  - Members will be eligible for a 1% Automatic COLA starting January 1 following one year after the DROP balance has been completely withdrawn, but no earlier than age 67 or 5 years after retirement.
  - **Note:** Members may choose to keep the balance of DROP Accounts in the Fund past age 67. The 1% Auto COLA would start January 1 following one year after DROP balance is completely withdrawn.

## CURRENT RETIREES

### DROP Interest Rates

- Fund market return exceeds 0.0% for the calendar year:  
**5.0%** (same as now)
- Fund market return at or less than 0.0% for the calendar year:  
**2.5%**
- May choose to keep the balance of DROP Accounts in the Fund until April 1st of the year after the year in which the member attains age 70 ½ (same as now).
- The 1% Auto COLA would start 1 year after DROP balance is completely withdrawn.

## CURRENT ACTIVES

- Modify the existing COLA Structure
  - **Current:** Annual, 100% CPI COLA subject to financial stability test
  - **Proposed:** Guaranteed, deferred 1% COLA at later of age 62 or 5 years
  
- Members must choose to participate in DROP or receive a COLA
  - Members do not have opportunity for both at the same time
  - Exception for Grandfathered Actives who are currently eligible for normal retirement
  
- Keep the current level of DROP interest rate, except for periods of negative return (same as retirees)

## CURRENT ACTIVES

### Modifications to COLA Structure

- **Non-DROP Retirees:** 1% Auto COLA at the later of age 62 or 5 years after retirement.
- **DROP Retirees:** no eligibility for the 1% Auto COLA except for certain members who are grandfathered.

## CURRENT ACTIVES

### DROP Interest Rates

(Same as Retirees)

- **Pre-retirement:** DROP accumulation period interest rate is 5.0%
- **Post-retirement:**
  - Fund market return exceeds 0.0% for the calendar year:  
**5.0%** (same as now)
  - Fund market return at or less than 0.0% for the calendar year:  
**2.5%**
- Current Actives who retire with a DROP balance choose to be DROP participants---no COLA available except for certain members who are grandfathered.

# GRANDFATHERED ACTIVE MEMBERS

- Active members who are eligible for normal retirement on or before 1/1/2026 are “grandfathered”
- COLA eligibility for grandfathered members who retire with DROP Accounts at or after 1/1/2026:
  - Members would have to choose after retirement and before age 62 to either:
    - Continue participating in DROP, earning interest on their DROP account beyond age 62, or
    - Participate in the 1% automatic COLA that would start the later of age 67 or 5 years after retirement
  - If choose to continue with the DROP, no eligibility for the 1% Auto COLA.
    - DROP Interest is the same as Retirees (5% or 2.5% if negative calendar year return)
    - May choose to keep the balance of DROP Accounts in the Fund until April 1 of the year after the year in which the member attains age 70 ½ (same as now)
  - If choose to participate in the COLA, members would have to take a full DROP distribution by age 62.
    - If a member withdraws their entire DROP before age 62, the 1% Auto COLA would start at the later of age 67 or 5 years after retirement

## NEW HIRES

\*Hired after 1/1/2026

- Multiplier lowered from 3.3% to 3.0%
- Retro-DROP feature removed (Forward DROP only)
- DROP interest rate reduced to 4% or 2% if negative calendar year return
- Contribution Rate reduced from 18.7% to 17.0%
- Normal form of retirement benefit changed to Single Life Annuity (changed from Joint and 75% Survivor annuity)
- No interest credited on returned contributions for non-vested members
- DROP or deferred COLA chosen at retirement, but not both

## NEW HIRES

### Modified COLA Structure

- **Non-DROP Retirees:** 1% Auto COLA at the later of age 62 or 5 years after retirement.
- **DROP Retirees:** no eligibility for the 1% Auto COLA



## NEW HIRES

### DROP Interest Rates

- **Pre-retirement**
  - DROP accumulation period interest rate is 4.0%
  
- **Post-retirement:**
  - Fund market return exceeds 0.0% for the calendar year:  
**4.0%**
  - Fund market return at or less than 0.0% for the calendar year:  
**2.0%**
  
- Those new hires who retire with a DROP balance choose to be DROP participants - no COLA available.

## NEW HIRES

Plan Features	Current	Proposed Legislative Changes
<b>Multiplier</b>	3.30%	<b>3.00%</b>
<b>Avg. Salary Length</b>	36 months	No change
<b>Normal Retirement Eligibility</b>	Age 50 with 10 years of service or 25 years of service at any age	No change
<b>Early Retirement (ER) Eligibility</b>	Age 45 with 10 years of service or 20 years of service at any age	<b>No early retirement offered</b>
<b>Retro-DROP</b>	Up to 7 years, DROP account includes benefits and member contributions accumulated with 5%	<b>No Retro-DROP offered</b>
<b>Forward DROP</b>	Up to 7 years, DROP account includes benefits and member contributions accumulated with 5%	<b>Same as current except DROP account balances accrue interest at 4% during accumulation, upon retirement the DROP balances accrue interest at 4% if the Fund earns over 0% and 2% if the Fund earns at or below 0%</b>
<b>Member contribution rate (New Hire)</b>	18.7%	<b>17.0%</b>
<b>Payment Form</b>	Joint and 75% Survivor	<b>Single Life Annuity</b>
<b>Non-vested terminations</b>	Receive contributions with 5% interest credited	<b>Receive contributions with 0% credited interest</b>
<b>COLA</b>	COLA based on CPI-U paid from NR eligibility, subject to fiscal sustainability	<b>At retirement, must choose either:</b> <ol style="list-style-type: none"> <li>1. DROP (No COLA)</li> <li>2. NR with 1% Deferred COLA (No DROP)</li> </ol>

# ILLUSTRATED COSTS – CURRENT MEMBERS

*\$ in Millions*

Results Illustrated as of December 31, 2023	Current Design		Pension Reform Proposal
	2% Immediate	0% Immediate	1% Deferred
COLA Assumption			
Actuarial Liability (AL)			
Actives	\$677.0	\$583.5	\$597.6
Inactives, not including DROP balances	883.2	729.8	781.7
DROP Balances	147.2	147.2	152.8
Total Actuarial Liability	\$1,707.4	\$1,460.6	\$1,532.0
Actuarial Value of Assets (AVA)	1,162.7	1,162.7	1,162.7
Unfunded Actuarial Liability (UAL)	\$544.7	\$297.9	\$369.4
Funded Ratio (AVA/AL)	68.1%	79.6%	75.9%
Group A Total Normal Cost	37.9%	31.2%	31.9%
Group B Total Normal Cost			25.9%

\*City of Austin Group B Long-Term Normal Cost is 8.91%

# FUNDING STRUCTURE

## Funding Goals

- Move away from the fixed contribution rate model
- Base funding on Actuarially Determined Contribution (ADC)
- Provide safeguards to both the Fund and City on contribution increases or decreases

## ADC with Corridor

- Similar to previous funding reforms in other Texas municipalities
- Projected City Contribution rate for the next 30 years is initially established as the target
  - This target becomes the “Corridor Midpoint”
- The annual contribution rate for the City will fall within a range (or corridor) around the Corridor Midpoint

## FUNDING STRUCTURE

### Funding Process

- Similar to other Austin retirement systems
- Corridor midpoint will be established initially
- Transition period of three years
- Fund will determine the annual ADC, and City will have the opportunity to review with its own actuary and comment
- Fund will determine actuarial assumptions in connection with experience study, and City will have opportunity to review with its own actuary and comment

## FUNDING STRUCTURE

### Important Differences from Other Austin Plans

- Corridor based on a percentage of the ADC or a wider flat percentage
- No effect to contributions or benefits once corridor is breached
- No increased member contributions if high end of corridor is breached---Member contribution rate is already one of highest in Texas
- As a result, no feature added for contribution relief or benefit increases if low end of corridor breached

# LEGACY UNFUNDED ACTUARIAL LIABILITY (UAL)

- Legacy UAL based on December 31, 2024 actuarial valuation reflecting:
  - Any plan changes included as part of the V-FSRP
  - Actuarial Value of Assets reset to Market Value of Assets as of December 31, 2024\*
  - Assumes 2.5% payroll growth assumption
  - Three-year transition to full ADC
  - Legacy UAL payments are fixed dollar amounts

\*Future asset experience will be smoothed based on the asset smoothing method adopted by the Board. The current asset smoothing method spreads asset gains and losses over five years.

## LEGACY UAL PAYMENTS

Year Ending	Legacy UAL	UAL Payment During Fiscal Year
12/31/2024	\$ 385.9	\$ - *
12/31/2025	403.3	- *
12/31/2026	416.5	15.7
12/31/2027	424.4	21.8
12/31/2028	426.1	28.3
12/31/2029	427.2	29.0
12/31/2030	427.6	29.7
12/31/2031	427.3	30.4
12/31/2032	426.1	31.2
12/31/2033	424.1	32.0
12/31/2034	421.1	32.8
12/31/2035	417.1	33.6
12/31/2036	411.9	34.4
12/31/2037	405.4	35.3
12/31/2038	397.5	36.2
12/31/2039	388.1	37.1
12/31/2040	377.0	38.0
12/31/2041	364.2	39.0
12/31/2042	349.4	39.9
12/31/2043	332.5	40.9
12/31/2044	313.3	42.0
12/31/2045	291.7	43.0
12/31/2046	267.3	44.1
12/31/2047	240.0	45.2
12/31/2048	209.5	46.3
12/31/2049	175.7	47.5
12/31/2050	138.1	48.7
12/31/2051	96.5	49.9
12/31/2052	50.6	51.1
12/31/2053	-	52.4

The UAL payment as a percentage of payroll\* is estimated to be:

<b>2026</b>	<b>13.0%</b>
<b>2027</b>	<b>17.6%</b>
<b>2028-2053</b>	<b>22.2%</b>

\* Assumes 2.5% increase per year

\* Payments based on current fixed rate of 22.05%.



**ACTUARIALY  
DETERMINED  
CONTRIBUTION**  
*(without modification)*

**Actuarially Determined Contribution (ADC) equals the sum of three pieces:**

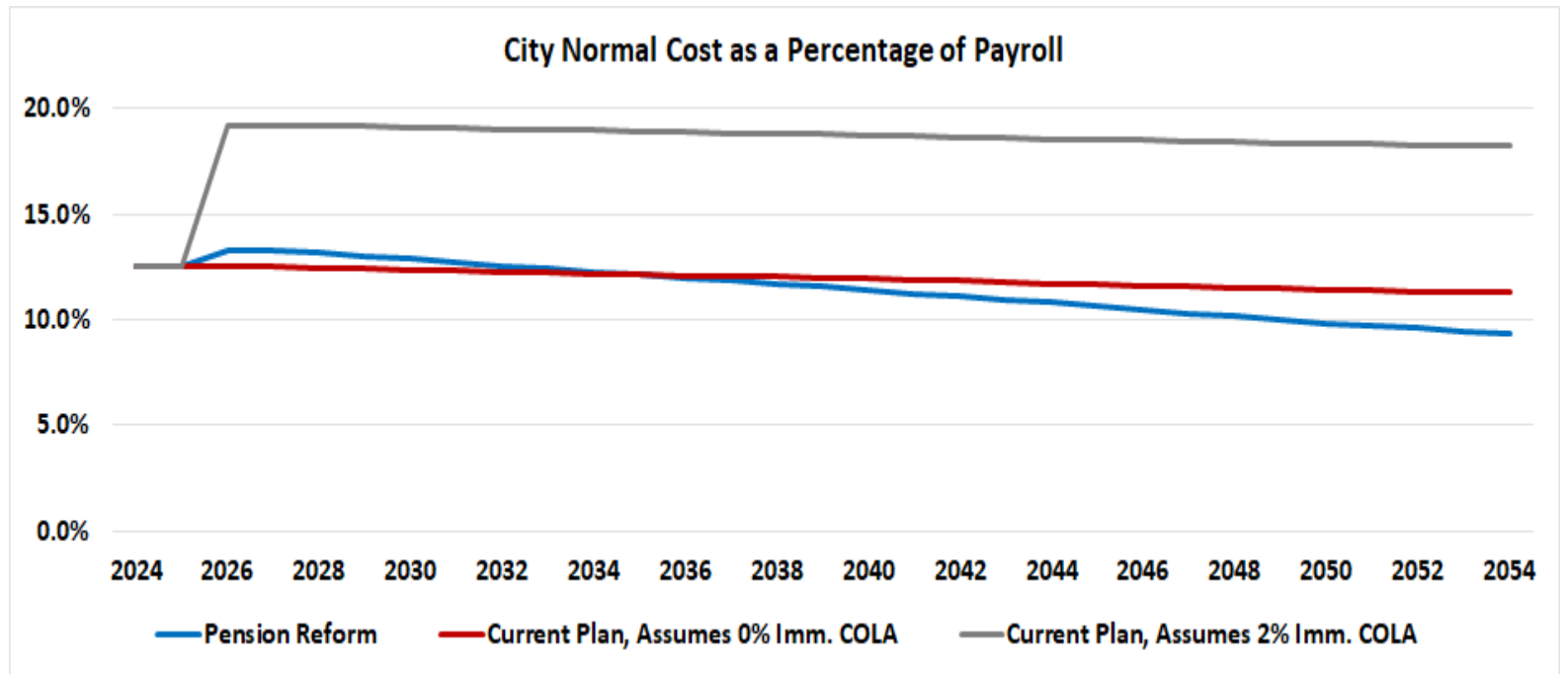
<b>Component</b>	<b>Description</b>
Normal Cost	Based on the Individual Entry Age actuarial cost method
Administration Expenses	Based on the adopted assumption by the Board, currently at 1.25% of payroll
Amortization of UAL	28-year amortization for legacy liability* and 20-year amortization of future UAL from plan experience and assumption changes

\* Based on dollar amount schedule determined with the December 31, 2024 actuarial valuation.

## TRANSITION TO ADC

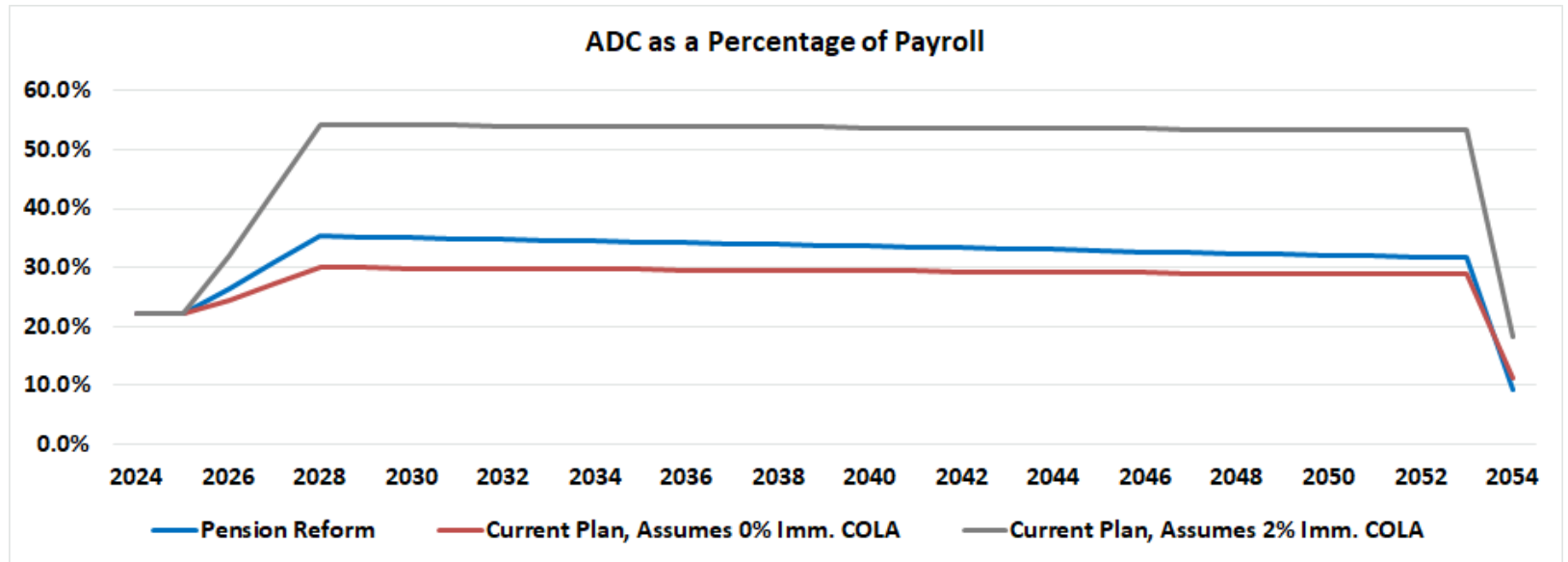
- First effective for the December 31, 2024 actuarial valuation, which impacts the 2026 calendar year contributions
  - 2026 and 2027 calendar year contributions will reflect a transition amount to the full ADC
  - 2028 calendar year contribution will reflect a full ADC contribution
- The Legacy UAL payment will increase by more than 2.5% for the initial years due to the transition to paying the full ADC

# COST PROJECTIONS – CITY NC %



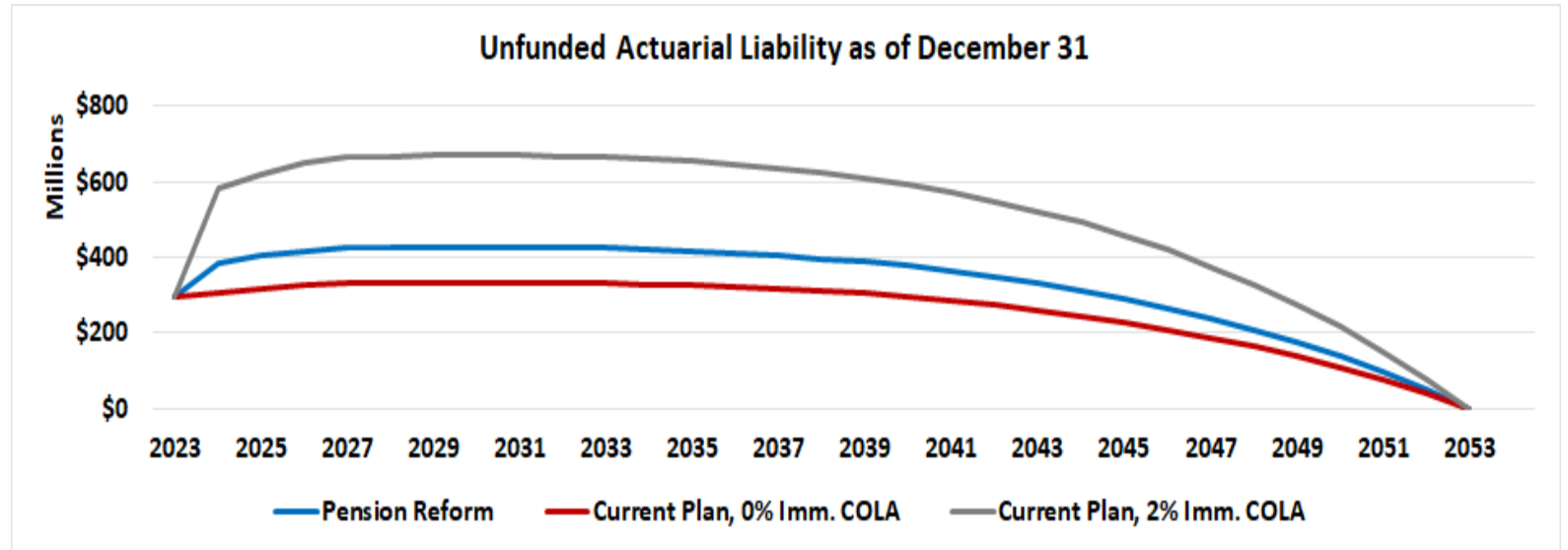
City NC %	Calendar Year					
	2026	2027	2028	2035	2045	2054
Pension Reform	13.3%	13.3%	13.2%	12.1%	10.7%	9.4%
Current Plan, 0% Imm. COLA	12.5%	12.5%	12.5%	12.2%	11.7%	11.3%
Current Plan, 2% Imm. COLA	19.2%	19.2%	19.2%	18.9%	18.5%	18.2%

# COST PROJECTIONS – ANNUAL CITY COSTS



ADC	Calendar Year					
	2026	2027	2028	2035	2045	2054
Pension Reform	26.3%	30.8%	35.4%	34.3%	32.8%	9.3%
Current Plan, 0% Imm. COLA	24.5%	27.2%	29.9%	29.6%	29.1%	11.3%
Current Plan, 2% Imm. COLA	32.1%	43.0%	54.2%	53.9%	53.6%	18.2%

# COST PROJECTIONS – UAL



UAL	Unfunded Actuarial Liability as of December 31					
	2026	2030	2035	2040	2050	2053
Pension Reform	\$416.5	\$427.6	\$417.1	\$377.0	\$138.1	\$0.0
Current Plan, 0% Imm. COLA	\$327.5	\$335.1	\$326.8	\$295.5	\$108.2	\$0.0
Current Plan, 2% Imm. COLA	\$649.2	\$671.1	\$654.6	\$591.8	\$216.7	\$0.0



# APPENDIX



# PRB PRINCIPLES OF RETIREMENT PLAN DESIGN

1. Public employers should offer a retirement benefit, and participation in the employer-sponsored primary retirement plan should be mandatory.
2. Contributions to retirement plans should be consistent with the PRB *Pension Funding Guidelines*.
3. Employers and employees should share the cost of the benefit.
4. Retirement plan vesting should occur over a short period, preferably five years or less.
5. Benefits should be designed to place employees on the path to financial security in retirement in consideration of participation or nonparticipation in Social Security.
6. A primary retirement plan should require annuitization of a substantial portion of retirement benefits.
7. In the absence of an immediate and heavy financial need, a retirement benefit should be used only for retirement.
8. Retirement benefits should be protected against the erosion of the benefit's value due to inflation; such benefits should not exceed actual inflation and should be funded in accordance with the PRB *Pension Funding Guidelines*.
9. Employers should provide death and disability benefits.
10. Employers are encouraged to offer plans that are supplemental to the primary retirement plan.
11. Retirement plan governance should represent the interests of all stakeholders, respect fiduciary standards, and be transparent and publicly accountable.
12. Retirement plan assets should be pooled and professionally invested according to prudent investor standards, giving careful consideration to cost.

Source: <https://www.prb.texas.gov/wp-content/uploads/2018/06/Principles-of-Retirement-Plan-Design.pdf>



# COA REFORM PRINCIPLES

- A. Honor benefit promises to greatest extent possible
- B. Maintain prudent actuarial assumptions and long-term affordability
- C. Employees and plan sponsor share in system sustainability and risk
- D. Actuarially determined funding approach for City Contributions
- E. Enact more restrictive requirements for implementing future COLAs and benefit enhancements
- F. Establish more balanced board composition
- G. To the extent reforms are implemented, they should be implemented equitably across the systems

Source: *Retirement System Reforms* December 11, 2022





## WORKING GROUP GOALS

### **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.

### **Benefit Adequacy**

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

### **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.

## **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.

## **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.”



## 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.

## 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.

# RELIANCE

The presentation was prepared solely for the use of the Working Group of the Austin Firefighters Retirement Fund and the City of Austin. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty to or liability to such other users.

## **Data, Methods, and Assumptions**

In preparing this presentation, we relied on information, some oral and some written, supplied by the Austin Firefighters Retirement Fund. This information includes, but is not limited to, the plan provisions, employee data, 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.

The actuarial assumptions, data, and methods for the preparation of this report are summarized in the Actuarial Valuation Report as of December 31, 2023, unless noted within this presentation. The assumptions reflect our understanding of the likely future experience of the Fund, and the assumptions as a whole represent our best estimate for the future experience of the Fund. The results of this presentation are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the Fund could vary from the results contained within this report. Please also see the Actuarial Valuation Report as of December 31, 2023 for an assessment of risk. Section II of the actuarial report identifies the primary risks to the Fund, including background information and assessment of risk.

## **Certification and Reliance Statements**

The cost estimates for the current and alternative plan designs depend on the assumptions used. For what has been used in this presentation, see the Data, Methods, and Assumptions section above.

## RELIANCE

It is imperative to recognize that the analysis provided in this report is based on models estimating such impact. The actual cost of any benefit change will be based on the actual benefits paid by the Fund. As such, if any of the design alternatives are adopted, the ultimate actual financial impact of the plan change will be based on the characteristics and behavior of members actually availing themselves of the adopted change. Thus, the greater the deviations between the actual experience and that assumed in this analysis, the more the costs actually incurred by the Fund may differ. The scope of the assignment resulting in this report does not include either qualitative or quantitative information on how actual costs may vary from those estimated.

Future actuarial measurements may differ significantly from the current measurements in this presentation due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, and changes in plan provisions or applicable law. Actuarial valuations are dependent on assumptions about future economic and demographic assumptions. Actual future experience will never conform precisely to the assumptions and may differ significantly. This deviation is a risk that pension plan sponsors undertake in relying on a pension plan's actuarial valuation results. Please see the Fund actuarial reports for more information related to these risks to the Fund.

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.

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

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

# ACTUARIAL ASSUMPTIONS AND METHODS

The following summarizes actuarial assumptions and methods that are not described in the actuarial valuation report as of December 31, 2023 and were used in the development of this presentation except where explicitly noted in this presentation.

**1. Existing DROP Balances**

Members with existing DROP balances are assumed to withdraw their balances over the next 3 years, but not later than age 70 ½.

**2. Pension Reform**

Non-grandfathered active members are assumed to choose the most valuable benefit between the DROP with no COLA and a regular retirement with the 1% automatic deferred COLA. Grandfathered active members are assumed to retire with a DROP and withdraw their balance at the earlier of the valuation assumption and age 62 to be eligible for the 1% COLA deferred to age 67. All current inactive members are assumed to receive the 1% deferred COLA beginning at the latest of age 62, 5 years of retirement, and January 1, 2027.

**3. Actuarial Value of Assets**

The Actuarial Value of Assets (AVA) is assumed to reset to the Market Value of Assets (MVA) as of December 31, 2024, estimated based on the MVA as of December 31, 2023 and the assumed 7.3% return for the year, and prospectively from December 31, 2024 based on the smoothing method described in the Actuarial Valuation Report as of December 31, 2023.

**4. Amortization Method**

The actuarially determined contribution is based on a closed, level percentage of pay amortization assuming 2.5% payroll growth. The legacy UAL and any future UAL are amortized over 28 and 20 years, respectively.

**5. New Hires**

New hire costing is based on a new entrant profile reflecting new members joining the Fund in 2022 and 2023. The profile reflects an average hire age of 29 years and pay of \$60,338.

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

	Approved Budget	Jan - Sep Expensed	Remaining Budget	Percent Expended
<b>Administrative Expenses</b>				
Salaries and Benefits				
Salary - Executive Director	200,000.00	183,600.00	16,400.00	91.80%
Salary - Staff	486,500.00	356,083.35	130,416.65	73.19%
Health Insurance	127,310.00	95,423.54	31,886.46	74.95%
Health Insurance - Retired Staff	9,900.00	1,209.60	8,690.40	12.22%
Payroll Taxes	52,920.00	40,566.01	12,353.99	76.66%
SEP Contribution	165,375.00	133,545.86	31,829.14	80.75%
<b>Subtotal</b>	<b>1,042,005.00</b>	<b>810,428.36</b>	<b>231,576.64</b>	<b>77.78%</b>
SS Retiree Payroll Process Fees	34,000.00	25,022.37	8,977.63	73.60%
Building	9,783.00	5,732.52	4,050.48	58.60%
Utilities	6,525.00	3,001.09	3,523.91	45.99%
Office Expenses	18,450.00	9,424.14	9,025.86	51.08%
Computer and Software	33,200.00	19,176.79	14,023.21	57.76%
Insurance	41,500.00	23,812.00	17,688.00	57.38%
Travel	23,500.00	9,662.67	13,837.33	41.12%
Operational Cost	23,300.00	18,519.04	4,780.96	79.48%
<b>Investment Expenses</b>				
Financial Consulting Fee	218,000.00	162,976.44	55,023.56	74.76%
Investment Management Fees	1,800,000.00	1,392,192.27	407,807.73	77.34%
Bank Custodian Services	110,000.00	86,412.04	23,587.96	78.56%
<b>Professional Services Expenses</b>				
Accounting	25,000.00	23,000.00	2,000.00	92.00%
Actuarial Fees				
Actuarial Valuation	45,100.00	45,100.00	-	100.00%
COLA & Additional Travel	14,000.00	1,942.23	12,057.77	13.87%
Experience Study	23,000.00	23,000.00	-	100.00%
Pension Funding Research	70,000.00	237,126.50	(167,126.50)	338.75%
Investment Performance Evaluation (IPPE)	50,000.00	50,000.00	-	100.00%
Legal Fees				
Administrative	108,000.00	81,000.00	27,000.00	75.00%
Board Meeting	18,000.00	13,500.00	4,500.00	75.00%
Investment Review	40,000.00	69,724.40	(29,724.40)	174.31%
Summary Plan Descr, Records Retention & Forms	20,000.00	16,824.00	3,176.00	84.12%
Pension Funding Research/Legislation (2024/2025)	75,000.00	66,608.00	8,392.00	88.81%
Legislative Consulting	24,000.00	18,000.00	6,000.00	75.00%
Medical Disability Review	3,000.00	5,345.96	(2,345.96)	178.20%
Pension Software	700,000.00	331,196.73	368,803.27	47.31%
Pension Software Oversight	60,000.00	2,728.13	57,271.87	4.55%
<b>Total Expenses</b>	<b>\$ 4,635,363.00</b>	<b>\$ 3,551,455.68</b>	<b>\$ 1,083,907.32</b>	<b>76.62%</b>



**Austin Firefighters Retirement Fund  
Contributions and Deductions (Unaudited)  
as of September 30, 2024**

**Additions**

**Contributions**

City of Austin Contribution (22.05%)	19,805,721.08
Fire Fighter Contribution (18.7%)	16,796,688.62
Interest -Bank	349,861.32
Commission Recapture	13,375.80
Class Action Proceeds	567.58
Securities Litigation Recovery	10,779.37

**Total Contributions** \$ 36,976,993.77

**Deductions**

**Pension Retiree Payroll Expenses**

Retirees Monthly Annuity	40,773,089.68
Medical Ins.	2,667,800.67
Dental Ins	341,553.07
Vision Ins.	34,189.90
Retiree W/H Tax Payable	5,786,163.26
State Tax	50,141.78
Benevolent Fund	58,750.00
Union Dues	18,474.18
Misc.	14,849.46
PAC Dues	6,892.00
Museum	54.00

**Total Retiree Payroll Expenses** \$ 49,751,958.00

**Pension Lump Sum Expenses**

Contribution Refunds	190,616.57
DROP Distributions	23,568,460.46

**Total Pension Lump Sum Expenses** \$ 23,759,077.03

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

	<b>Total</b>		
	Jan - Sep	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
City of Austin Contrib (22.05%)	19,805,721.08	25,700,000.00	77.07%
Commission Recapture	13,375.80	5,000.00	267.52%
Fire Fighter Contrib (18.7%)	16,796,688.62	21,800,000.00	77.05%
Securities Litigation Recovery	10,779.37		
<b>Other Income</b>			
Class Action Proceeds	567.58	5,000.00	11.35%
Interest - Frost Bank	145.63		
Interest - State Street	342,127.02	250,000.00	136.85%
Interest - Sunflower Bank	3,216.56	4,000.00	80.41%
Securities Lending - State St.	4,372.11	9,000.00	48.58%
<b>Total Income</b>	<b>36,976,993.77</b>	<b>47,773,000.00</b>	<b>77.40%</b>
<b>Operating Expenses</b>			
<b>Administrative Expenses</b>			
<b>Payroll Expenses</b>			
Payroll Expenses - Other	539,683.35	686,500.00	78.61%
Health Insurance - Staff	95,423.54	127,310.00	74.95%
Health Insurance - Retired Staff	1,209.60	9,900.00	12.22%
Taxes	40,566.01	52,920.00	76.66%
SEP Contribution	133,545.86	165,375.00	80.75%
<b>Total Payroll Expenses</b>	<b>810,428.36</b>	<b>1,042,005.00</b>	<b>77.78%</b>
<b>SS Retiree Payroll Process Fees</b>	<b>25,022.37</b>	<b>34,000.00</b>	<b>73.60%</b>
<b>Building Expenses</b>			
Assessment toward 2019 Project	1,411.74	1,883.00	74.97%
Building Maintenance/Improvement		2,500.00	0.00%
Condo Association Dues	4,320.78	5,400.00	80.01%
<b>Utilities</b>			
Electric	1,505.20	2,000.00	75.26%
HVAC Program	0.00	50.00	0.00%
Internet & Cable & Telephone	1,006.37	3,500.00	28.75%
Water, Waste, Drainage	489.52	975.00	50.21%
Total Utilities	3,001.09	6,525.00	45.99%
<b>Total Building Expenses</b>	<b>8,733.61</b>	<b>16,308.00</b>	<b>53.55%</b>
<b>Office Expenses</b>			
Furniture (FFE)	0.00	2,000.00	0.00%
Meeting Refreshments	804.13	1,600.00	50.26%
Notary Services		250.00	0.00%
Office Maintenance	2,313.00	3,100.00	74.61%

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

	<b>Total</b>		
	<b>Jan - Sep</b>	<b>Budget</b>	<b>% of Budget</b>
Office Supplies (Office supplies expense)	766.76	2,500.00	30.67%
Postage and Delivery	3,395.81	5,000.00	67.92%
Printing and Reproduction	2,144.44	4,000.00	53.61%
<b>Total Office Expenses</b>	<b>9,424.14</b>	<b>18,450.00</b>	<b>51.08%</b>
<b>Computer and Internet Expenses</b>			
Hosting & Other Expenses	1,725.29	3,000.00	57.51%
Laptop/Computer	2,601.45	3,000.00	86.72%
Software/IT Services	14,850.05	27,200.00	54.60%
<b>Total Computer and Internet Expenses</b>	<b>19,176.79</b>	<b>33,200.00</b>	<b>57.76%</b>
<b>Insurance Expense</b>			
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%
<b>Total Insurance Expense</b>	<b>23,812.00</b>	<b>41,500.00</b>	<b>57.38%</b>
<b>Travel Expense</b>			
Lodging/Transportation/Per Diem	6,012.67	16,000.00	37.58%
Registration fees	3,650.00	7,500.00	48.67%
<b>Total Travel Expense</b>	<b>9,662.67</b>	<b>23,500.00</b>	<b>41.12%</b>
<b>Operational Cost</b>			
Association Fees (TXPERS /NCEPRS)	9,010.00	9,100.00	99.01%
Election Services	0.00	4,000.00	0.00%
Death Verification Services	4,106.00	4,200.00	97.76%
Operational Cost - Other	5,403.04	6,000.00	90.05%
<b>Total Operational Cost</b>	<b>18,519.04</b>	<b>23,300.00</b>	<b>79.48%</b>
<b>Investment Expenses</b>			
Bank Custodian Services	86,412.04	110,000.00	78.56%
Financial Consulting Fee	162,976.44	218,000.00	74.76%
Investment Management Fees	1,392,192.27	1,800,000.00	77.34%
<b>Total Investment Expenses</b>	<b>1,641,580.75</b>	<b>2,128,000.00</b>	<b>77.14%</b>
<b>Professional Fees</b>			
Audit	23,000.00	25,000.00	92.00%
Actuarial Fees			
Actuarial Valuation	45,100.00	45,100.00	100.00%
COLA & Additional Travel	1,942.23	14,000.00	13.87%
Experience Study	23,000.00	23,000.00	100.00%

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

	<b>Total</b>		
	<b>Jan - Sep</b>	<b>Budget</b>	<b>% of Budget</b>
Pension Funding Research	237,126.50	70,000.00	338.75%
Total Actuarial Fees	307,168.73	152,100.00	201.95%
Investment Performance Evaluation (IPPE)	50,000.00	50,000.00	100.00%
Legal Fees			
Administrative	81,000.00	108,000.00	75.00%
Board Meeting	13,500.00	18,000.00	75.00%
Investment Review	69,724.40	40,000.00	174.31%
Summary Plan Descr, Records Retention & Forms	16,824.00	20,000.00	84.12%
Pension Funding Research/Legislation (2024/2025)	66,608.00	75,000.00	88.81%
Total Legal Fees	247,656.40	261,000.00	94.89%
Legislative Consulting	18,000.00	24,000.00	75.00%
Medical Disability Review	5,345.96	3,000.00	178.20%
Pension Software			
Pension Software PG I	27,163.87	50,000.00	54.33%
Pension Software PG IV	304,032.86	650,000.00	46.77%
Total Pension Software	331,196.73	700,000.00	47.31%
Pension Software Oversight	2,728.13	60,000.00	4.55%
<b>Total Professional Fees</b>	<b>985,095.95</b>	<b>1,275,100.00</b>	<b>77.26%</b>
<b>Total Operating Expenses</b>	<b>3,551,455.68</b>	<b>4,635,363.00</b>	<b>76.62%</b>
<b>Monthly Pension Retiree Payroll</b>			
Retirees Monthly Annuity	40,773,089.68	53,000,000.00	76.93%
Medical Ins.	2,667,800.67	3,900,000.00	68.41%
Dental Ins	341,553.07	425,000.00	80.37%
Vision Ins.	34,189.90	43,000.00	79.51%
Retiree W/H Tax Payable	5,786,163.26	7,500,000.00	77.15%
State Tax	50,141.78	60,000.00	83.57%
Benevolent Fund	58,750.00	50,000.00	117.50%
Misc.	14,849.46	20,000.00	74.25%
PAC Dues	6,892.00	8,200.00	84.05%
Union Dues	18,474.18	25,000.00	73.90%
Museum	54.00	72.00	75.00%
<b>Total Monthly Pension Retiree Payroll</b>	<b>49,751,958.00</b>	<b>65,031,272.00</b>	<b>76.50%</b>
<b>Pension Lump Sum</b>			
Contribution Refunds	190,616.57	1,000,000.00	19.06%
DROP Distributions	23,568,460.46	23,000,000.00	102.47%
<b>Total Pension Lump Sum</b>	<b>23,759,077.03</b>	<b>24,000,000.00</b>	<b>99.00%</b>
<b>Total Expense</b>	<b>77,062,490.71</b>	<b>93,666,635.00</b>	<b>82.27%</b>

**Austin Firefighters Retirement Fund  
Assets & Liabilities Report (Unaudited)  
as of September 30, 2024**

**Assets**

Checking/Savings	
Frost Bank - Benefits	1,831,795.94
Frost Bank - Operating	10,000.00
Sunflower Bank - Operating	11,195.13
Sunflower Bank - Benefits	86,270.08
State Street T009-Cash Agg	4,210,616.65
Total Checking/Savings	<u>6,149,877.80</u>
Investments, at fair value	
Domestic Equities	273,847,982.90
Fixed Income Securities	351,169,968.85
International Equities	269,723,284.78
Real Asset	29,528,492.75
Private Equity	182,557,871.09
Real Estate	86,437,736.70
Total Investments	<u>1,193,265,337.07</u>
<b>Total Assets</b>	<b><u><u>\$ 1,199,415,214.87</u></u></b>

**Liabilities**

Current Liabilities	
Payroll Liabilities	5,606.86
Operating Admin Liabilities	4,047.13
Investment Liabilities	35,144.19
Professional Liabilities	41,821.00
Long Term Liabilities	
DROP (Guaranteed 5%)	158,489,244.45
% of Total Assets	13.21%
<b>Total Liabilities</b>	<b><u><u>\$ 158,575,863.63</u></u></b>

# Austin Firefighters Retirement Fund

## Balance Sheet

As of September 30, 2024

September

ASSETS	September
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Frost Bank - Benefits	1,831,795.94
Frost Bank - Operating	10,000.00
State Street T009-Cash Agg	4,210,616.65
Sunflower Bank - Benefits	86,270.08
Sunflower Bank - Operating	11,195.13
<b>Total Checking/Savings</b>	<b>6,149,877.80</b>
<b>Other Current Assets</b>	
<b>Investments</b>	
<b>DEQ</b>	
SSgA S&P 500 Flagship Fund	128,835,243.20
VAUGHAN NELSON	63,306,374.49
Westfield Capital Management	67,828,148.63
Westwood Capital	13,878,216.58
<b>Total DEQ</b>	<b>273,847,982.90</b>
<b>FI</b>	
ABERDEEN	66,005,721.86
Loomis Sayles Core Plus Bond	48,622,625.83
Pacific Asset Management	24,148,808.50
Pyramis Tactical Bond (Fidelity)	27,937,936.33
SSgA Bond Fund	124,956,133.85
SSGA TIPS	59,498,742.48
<b>Total FI</b>	<b>351,169,968.85</b>
<b>IEQ</b>	
Baillie Gifford	37,886,125.62
DFA Emerging Markets	30,218,937.64
Highclere	33,135,636.99
SSgA MSCI EAFE Fund	133,310,390.99
TT International	35,172,193.54
<b>Total IEQ</b>	<b>269,723,284.78</b>
<b>NR</b>	
Aether Real Assets II	2,023,959.48
Aether Real Assets III	8,900,887.84
Aether Real Assets IV	9,480,742.66
Aether Real Assets V	9,122,902.77
<b>Total NR</b>	<b>29,528,492.75</b>
<b>PE</b>	
57 Stars Global Opportunity	5,959,436.04
Arcmont (Bluebay)Direct Lending	1,713,458.81
Constitution Ironsides Fund VII (50/50)	1,770,085.43
Constitution Ironsides III	1,586,503.00
Cross Creek Capital Partners II	9,570,760.15
Cross Creek Capital Parts III	9,913,012.23
Deutsche Bank SOF III	1,821,287.63
Dover Street X	35,624,813.00

# Austin Firefighters Retirement Fund

## Balance Sheet

As of September 30, 2024

Greenspring Global Partners V	6,560,234.00
GREENSPRING VI	12,231,511.95
Harbourvest 2013 Direct	3,009,003.96
HarbourVest Coinvestment 4	7,741,161.96
HighVista Flag V	3,796,860.91
HighVista Flag VI	11,473,427.74
LGT C Europe Small Buyouts 3	2,769,920.88
LGT Crown Asia 2	6,552,747.97
LGT Crown Global Secondaries 2	91,407.00
LGT Crown Global VI	33,536,457.04
LGT Global Secondaries III	1,909,736.00
Partners Group EM 2015	7,503,263.55
Partners Group US Dist PE 2009	188,258.04
Private Advisors Co-Inv FundIII	742,640.00
Private Equity Investors V	1,349,953.42
SVB Strategic Investors Fund IX	15,141,930.38
<b>Total PE</b>	<b>182,557,871.09</b>
<b>RE</b>	
Clarion Partners	64,855,851.01
Crow Holdings Realty Partners X	4,661,657.69
Partners Group Distressed '09	29,129.02
Partners Group RE Second 2011	504,722.67
Partners Group RE Second 2017	11,483,549.40
Portfolio Advisors Fund 5	4,902,826.91
<b>Total RE</b>	<b>86,437,736.70</b>
<b>Total Investments</b>	<b>1,193,265,337.07</b>
<b>Total Other Current Assets</b>	<b>1,193,265,337.07</b>
<b>Total Current Assets</b>	<b>1,199,415,214.87</b>
<b>TOTAL ASSETS</b>	<b>1,199,415,214.87</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
Payroll Liabilities	5,606.86
Operating Admin Liabilities	4,047.13
Investment Liabilities	35,144.19
Professional Liabilities	41,821.00
<b>Total Other Current Liabilities</b>	<b>86,619.18</b>
<b>Total Current Liabilities</b>	<b>86,619.18</b>
<b>Long Term Liabilities</b>	
DROP (Guaranteed 5%)	158,489,244.45
% of Total Assets	13.21%
<b>Total Long Term Liabilities</b>	<b>158,489,244.45</b>
<b>Total Liabilities</b>	<b>158,575,863.63</b>

**Austin Firefighters Retirement Fund**  
**General Ledger**  
September 2024

Date	Name	Memo/Description	Split	Amount	Balance
<b>Frost Bank - Benefits</b>					
Beginning Balance					\$ -
09/30/2024	Frost Bank	Interest Sep 2024	Interest:Interest - Frost Bank	145.63	145.63
09/30/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Frost Bank - Operating	-10,000.00	-9,854.37
09/30/2024	City of Austin	City and Member's Contributions	-Split-	1,841,650.31	1,831,795.94
<b>Total for Frost Bank - Benefits</b>				<b>\$ 1,831,795.94</b>	<b>\$ 1,831,795.94</b>
<b>Frost Bank - Operating</b>					
Beginning Balance					\$ -
09/30/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Frost Bank - Benefits	10,000.00	10,000.00
<b>Total for Frost Bank - Operating</b>				<b>\$ 10,000.00</b>	<b>\$10,000.00</b>
<b>Sunflower Bank - Benefits</b>					
Beginning Balance					\$ 214,864.58
09/04/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-50,000.00	164,864.58
09/05/2024	Sunflower Bank	Incoming Wire Fee	Operational Cost:Bank Service Charges	-16.00	164,848.58
09/05/2024	Austin FF Relief & Retirement Fund	Securities Litigation Recovery	Securities Litigation Recovery	5,675.08	170,523.66
09/05/2024	Sunflower Bank	Incoming Wire Fee	Operational Cost:Bank Service Charges	-16.00	170,507.66
09/05/2024	Austin FF Relief & Retirement Fund	Securities Litigation Recovery	Securities Litigation Recovery	152.71	170,660.37
09/05/2024	Sunflower Bank	Incoming Wire Fee	Operational Cost:Bank Service Charges	-16.00	170,644.37
09/05/2024	Austin FF Relief & Retirement Fund	Securities Litigation Recovery	Securities Litigation Recovery	967.67	171,612.04
09/05/2024	Sunflower Bank	Incoming Wire Fee	Operational Cost:Bank Service Charges	-16.00	171,596.04
09/05/2024	Austin FF Relief & Retirement Fund	Securities Litigation Recovery	Securities Litigation Recovery	188.97	171,785.01
09/05/2024	Sunflower Bank	Incoming Wire Fee	Operational Cost:Bank Service Charges	-16.00	171,769.01
09/05/2024	Austin FF Relief & Retirement Fund	Securities Litigation Recovery	Securities Litigation Recovery	107.13	171,876.14
09/05/2024	Sunflower Bank	Incoming Wire Fee	Operational Cost:Bank Service Charges	-16.00	171,860.14
09/05/2024	Austin FF Relief & Retirement Fund	Securities Litigation Recovery	Securities Litigation Recovery	424.85	172,284.99



09/12/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-25,000.00	147,284.99
09/13/2024	City of Austin	City and Member's Contributions	-Split-	1,878,775.72	2,026,060.71
09/16/2024	Austin FF Relief & Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,800,000.00	226,060.71
09/16/2024	Sunflower Bank	Wire Fee	Operational Cost:Bank Service Charges	-22.00	226,038.71
09/24/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-140,000.00	86,038.71
09/30/2024	Sunflower Bank	Interest Sep 2024	Interest:Interest - Sunflower Bank	231.37	86,270.08

**Total for Sunflower Bank - Benefits** **-\$ 128,594.50 \$ 86,270.08**

**Sunflower Bank - Operating**

Beginning Balance				<b>\$ 32,470.88</b>	
09/04/2024	American Express	Aug 2024	-Split-	-7,931.82	24,539.06
09/04/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	50,000.00	74,539.06
09/05/2024	Cheiron	Actuarial Valuation 4th Installment	Professional Fees:Actuarial Fees:Actuarial Valuation	-11,275.00	63,264.06
09/05/2024	Cheiron	Jun 2024 Analysis, Consulting, & Meetings- Pensi	Professional Fees:Actuarial Fees:Pension Funding R	-26,871.25	36,392.81
09/05/2024	Jani-King of Austin	Sep 2024	Office Expenses:Office Maintenance	-257.00	36,135.81
09/05/2024	Pension Benefit Information, LLC	July 2024- June 2025 Death Audit	Operational Cost:Death Verification Services	-4,106.00	32,029.81
09/06/2024	Sheikh	Office Support Services	Operational Cost	-588.00	31,441.81
09/10/2024	Austin FF Relief & Retirement Fund	L. Adney Reimbursement Payment Sep 2024	Payroll Expenses:Health Insurance - Retired Staff	125.00	31,566.81
09/10/2024	Austin FF Relief & Retirement Fund	L. Adney Health Insurance Payment Sep 2024	Payroll Expenses:Health Insurance - Retired Staff	218.90	31,785.71
09/11/2024	Schlueter Group	Legislative Consulting	Professional Fees:Legislative Consulting	-4,000.00	27,785.71
09/11/2024	Sunflower Bank	Bank Service Charges Aug 2024	Operational Cost:Bank Service Charges	-416.52	27,369.19
09/12/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	25,000.00	52,369.19
09/13/2024	TASC (FSA Health Care)	FSA Sep 2024	Payroll Liabilities:Flextra Health	-200.00	52,169.19
09/13/2024	City of Austin	Health Insurance Retired Staff Sep 2024	Payroll Expenses:Health Insurance - Retired Staff	-478.30	51,690.89
09/13/2024	City of Austin	Health Insurance Sep 2024	-Split-	-10,720.56	40,970.33
09/19/2024	Parkstone Office Condominium Comi	Sep 2024	-Split-	-856.68	40,113.65
09/23/2024	Jackson Walker	Investment Review Jul 2024	Professional Fees:Legal Fees:Investment Review	-2,198.00	37,915.65
09/23/2024	Jackson Walker	Legislative Matters Jul 2024	Professional Fees:Legal Fees:Pension Funding Rese	-14,612.50	23,303.15
09/24/2024	Austin FF Relief & Retirement Fund	Union Reimbursement for Legislative Consulting	Professional Fees:Legislative Consulting	2,000.00	25,303.15
09/24/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	140,000.00	165,303.15
09/25/2024	Cheiron	July 2024 Analysis, Consulting, & Meetings- Pens	Professional Fees:Actuarial Fees:Pension Funding R	-46,147.50	119,155.65
09/25/2024	Meketa Investments	Aug 2024	Fees:Financial Consulting Fee	-18,808.00	100,347.65

09/27/2024	Payroll	Pay Period: 09/01/2024-09/30/2024	Direct Deposit Payable	-47,553.26	52,794.39
09/30/2024	Jackson Walker	Administrative Aug 2024	Professional Fees:Legal Fees:Administrative	-9,000.00	43,794.39
09/30/2024	Payroll	Tax Payment for Period: 09/01/2024-09/30/2024	Payroll Liabilities:Federal Taxes (941/943/944)	-16,020.09	27,774.30
09/30/2024	Jackson Walker	Board Meeting Aug 2024	Professional Fees:Legal Fees:Board Meeting	-1,500.00	26,274.30
09/30/2024	Fidelity	SEP Contributions Sep 2024	Payroll Expenses:SEP Contribution	-15,079.17	11,195.13
<b>Total for Sunflower Bank - Operating</b>				<b>-\$ 21,275.75</b>	<b>\$ 11,195.13</b>

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## Road Map of Items for Board Meetings

### October 2024 Board Meeting

- Priorities for 2025 Legislative Session
- Pension Administration System (PAS) implementation update

### November 2024 Board Meeting

- Meketa 3Q24 Investment Report
- Meketa Annual Fee Review
- Operating Procedures & Investment Policy Statement (IPS) Review
- Priorities for 2025 Legislative Session
- Discussion and Consideration of 2025 COLA
- Update on Trustee Election and possible election certification

### December 2024 Board Meeting

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

### January 2025 Board Meeting

- Vice-Chair Election
- Annual DROP Account Statements
- 89 (R) Texas Legislative Session Update

### February 2025 Board Meeting

- Meketa 4Q24 Report

### March 2025 Board Meeting

- Annual Ethics and Governance Policy Review