



BOARD OF TRUSTEES MEETING REGULAR MEETING AGENDA

Monday, September 30, 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 2554 734 8170** and **password Sept2024**, or through a telephone conference call, **toll-free dial-in number 408-418-9388** with **access code 73782024**. 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 Friday, September 27, 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 August 23, 2024
 - b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

To Discuss and Possibly Act On

2. Discuss priorities for 2025 Legislative Session, including update on Voluntary Funding Soundness Restoration Plan (FSRP)
3. Executive Director Report, including the following (Discussion Only)
 - a. General comments
 - b. Board of Trustees Election update
 - c. Update on Depository Bank Transition
 - d. Internal financial statements, transactions, and Fund expense reports for month ending August 31, 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
FRIDAY AUGUST 23, 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 (virtual)
Shira Herbert, AFRF Accounting & QC Specialist
Amy Thibaudeau, AFRF Benefits Specialist
Alyca Garrison, Jackson Walker
Leo Festino, Meketa
Aaron Lally, Meketa
Colin Kowalski, Meketa (virtual)

Community Members Present

Rene Vallejo
Jan Wesson
Greg Pope
AJ Padilla
Virtual attendees not listed

Vice Chair Bass called the meeting to order at 9:04am.

Public Comments:

No public comments.

- I. Consent Agenda for the following:
 - a. Minutes of the regular meeting of July 29, 2024
 - b. Service retirement benefits for new retirees, beneficiaries, and alternate payees

Vice Chair Bass called for a moment of silence to honor the three firefighters who had passed in June and July. Trustee Fowler made a motion to approve both items on the consent agenda. Trustee Woolverton seconded the motion. The motion passed unanimously.

- II. Meketa 2Q24 Investment Performance Review, including the following:
 - a. Economic and Market Update

Leo Festino advised that the material in the report went through June 30, 2024, but the market had since changed and there had been more volatility over the last six weeks than there had been over the prior six months. Mr. Festino stated that there had been a strong start to the year, primarily for investments heavily indexed to the S&P 500, while active management in other areas, including allocation to bonds, tended to be flat. Mr. Festino reported that the Magnificent Seven had excelled for the first half of the year with technology-oriented investments being the greatest performers. Mr. Festino also reported that US stock prices were exceeding historical averages, which implied that future returns could be somewhat lower.

Fixed income, he continued, had been flat for both the quarter and the year. Mr. Festino explained that interest rates had decreased dramatically since July and were forecasted to be cut by the Federal Reserve in the coming weeks in response to a slowing economy marked by both decreasing inflation and gradually increasing unemployment rates.

b. 2Q24 Investment Report

Aaron Lally provided a high-level overview of the Fund's second quarter performance. Mr. Lally indicated that it had not been the best quarter relative to experience over time. He addressed what hurt performance in the recent one-to-two-year term, and what worked well for the Fund over a longer five-to-ten-year term, noting that private equity and manager performance fell into both categories. Mr. Lally identified low US-equity exposure, small cap bias, and overweight fixed income as additional contributing factors to recent short-term underperformance relative to policy benchmark. Mr. Lally asserted that allocation changes were unnecessary in response to the short-term underperformance because of the tendency for trends to reverse over time. He explained that the trends of the first six months of 2024 had already begun to reverse over the past six weeks, with smaller value companies performing better than the Magnificent Seven in the start of 3Q24. Mr. Lally reiterated that performance moved in cycles and suggested that the overweight fixed income that had hurt performance over the past three years could help the Fund moving forward. Vice Chair Bass emphasized that maintaining allocations over the long term is more impactful for pension systems than reacting to short term market movements. Mr. Lally confirmed his point and advised against making any reactionary changes.

c. Private Equity Peer Performance Benchmarking

Aaron Lally reminded the board that Meketa performs an annual analysis of private equity performance at both a high-level and at a granular lever in terms of each investment peer. He reported that private equity, on an annualized basis, produced a strong return of 16% for the Fund over both the 5-year and 10-year periods. Based on the 10-year private equity composite peer groups, Mr. Lally indicated that the funds the board had invested in outperformed the other funds that they could have selected. He noted that the Fund also outperformed by being invested in the global stock market. Next, Mr. Lally provided the granular analysis of each investment relative to the other options that were available in the same vintage year. He stated that the Fund had made good selections with more investments performing in the top two quartiles than the bottom two. He provided an overview of the revenue that was generated for the Fund by investments in each of the four performance quartiles with a total of \$250 million in investment appreciation across the entire private equity class.

d. Private Equity Program Structure

Leo Festino introduced the agenda item as a continuation of past meeting dialogues, noting that their intention was to provide more specific information to help the board understand the differences between four options, including the advantages and disadvantages of each option. Mr. Festino started with the difference between a fund of funds and a fund of one, explaining that the Fund's current fund of fund approach involved an unlimited number of investors with no direct control, whereas a fund of one would involve full ownership of the vehicle with the ability to dictate terms of how the fund is run. Mr. Festino next explained two options for custom accounts, either managed by a third-party investment manager hired by the Fund, or internally directed with the support of a consultant. He specified that with a custom account run by an investment manager, the Fund would delegate the hired firm to manage the program

on the Fund's behalf and the board would only be tasked with monitoring their performance, whereas with the internally directed account, the firm would serve in a purely advisory role and the board would be in charge of voting on each individual investment, negotiating terms, and submitting all necessary documentation. Mr. Festino further detailed each of the four methods according to the number of decisions the board would need to make per year, the number of line items on the quarterly report, the associated costs, the number of portfolio companies, the designation of legal responsibilities and capital calls, the ownership of underlying fund commitments, the reporting responsibilities, the access to high quality investments and exposure control, and the concerns associated with the Freedom of Information Act (FOIA). Some of Mr. Festino's main points included that the fund of funds approach was the most expensive with the most underlying portfolio companies, that all methods provided access to high quality investments, and that taking the internally directed approach could potentially lead to missed opportunities due to time constraints associated with the board approval process for each individual investment. Trustee Weaver noted that there were many similarities between the fund of funds and the fund of one and asked if there was an advantage to one over the other. Mr. Festino replied that the fund of one would give the board more control as the sole owner of the vehicle. Aaron Lally added that a fund of one leans more on the selection skills of the firm. Trustee Fowler requested clarification on the FOIA concerns, to which Aaron Lally indicated that most requests come from database providers and some firms prefer not to deal with those requests. Alyca Garrison added that under the Texas Public Information Act, there are protections for private investments, but there is a process to follow for requesting an opinion from the Attorney General. Trustee Woolverton questioned whether Meketa considered one option to be superior to the others. Mr. Festino replied that the internally directed approach would be the least advantageous to the Fund due to the enormous time commitment, but any of the other three options would make sense for the Fund. Trustee Woolverton followed up to clarify whether the fund of funds offered the best diversification, to which Mr. Festino provided an explanation of how the alternative approaches could become just as diversified. He stated that he had no concern with concentration in either alternate approach. Vice Chair Bass reiterated that the purpose of the discussion was to determine how to continue access to private markets with a better fee structure. He requested clarification on the transition process if the Fund were to select an alternate method, to which Mr. Festino indicated that the Fund would have a mix of two strategies until the fund of funds fully matured and liquidated. Vice Chair Bass followed up with an additional question regarding the role of the board in a managed custom account, to which Mr. Festino explained that the investment manager would have full control under the contractual guidelines established by the board; he clarified that the board could change providers or amend the contract if they were discontent with performance. At the request of Anumeha Kumar, Mr. Festino presented a list of private equity program structures from comparable peer systems in Texas as sourced from public websites and annual reports. After reviewing the list, he and Mr. Lally concluded that the variety of selections indicated no clear universal best approach. Ms. Kumar explained that the two biggest potential advantages in considering a change to private equity program structure would be performance fee savings and manager fee savings; she then asked Meketa if the fee savings would be enough to justify making a change to the structure. In response, Mr. Festino emphasized that past returns cannot guarantee future returns, but stated that with models where there is no carry or sharing of performance, the Fund could potentially save a significant amount of money. Ms. Kumar and the trustees asked some additional follow-up questions regarding investment staff, the current interest rate environment, and the process for exiting funds in unfavorable market conditions. They thanked Meketa for providing detailed information about the private equity options for their consideration.

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

a. General comments

Anumeha Kumar explained that the software conversion process elicited deeper analysis of the administration of the program which, in tandem with the development of internal controls for business continuity, led to the identification of some administrative procedures in need of refinement to better align with the pension statute. The most recent identification, she continued, was an administrative procedure related to contribution crediting for the DROP program according to DROP entry date. Ms. Kumar further explained that statute contemplates that member contributions are credited to the DROP account as of the DROP entry date, however contributions for the full month were currently being credited, therefore the refinement would be to credit contributions for the appropriate pay period of the DROP entry date rather than for the full month. Ms. Kumar stated that this procedural change would take effect as of January 1, 2025, on a moving forward basis to align with statute.

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

Anumeha Kumar informed the board that the Working Group did not yet have a proposal to present to the full board but aimed to have one ready in September. She explained that they would also be presenting an update to the Pension Review Board (PRB) at the PRB meeting on September 25. Trustee Woolverton asked if the PRB presentation was a requirement, to which Ms. Kumar clarified that while the presentation is not a statutory requirement, a typical part of the FSRP process is to keep the PRB updated and informed of potential changes. She further explained that the FSRP is monitored and overseen by the PRB and if the Fund were to go through the legislative process next year, the PRB would play a key role in providing an actuarial impact statement to evaluate plan provision changes and the associated costs.

c. Board of Trustees Election Update

Anumeha Kumar notified the board that the communique regarding the annual Board of Trustees Election had been distributed to the membership via mail and email and had been posted to the Fund's website. She stated that the nomination period would again run from September 1 through September 15 and that the same outside vendor, Yes Elections, would host the election, again offering both paper and electronic ballots. Trustee Weaver asked a question regarding the method of distribution for the nomination information, to which Ms. Kumar clarified that the communique was provided to all members by mail along with a prepaid return envelope, even if they had a valid email address on file. Trustee Weaver recommended that the Fund consider making a cost-saving change in the future to determine each member's preferred method of communication and tailor the distribution accordingly.

d. Pension Administration System (PAS) Implementation Update

Anumeha Kumar informed the board that staff had been very busy working with the software vendor, LRS, to ensure that the PAS implementation remained on track with the established timeline for completion. She reported that staff had completed the first of three deliverable phases, which entailed reviewing the designs to ensure fulfillment of the requirements, providing feedback to LRS, testing the software, requesting changes from LRS, then retesting

the modified software. She stated that staff had started the cycle for the second deliverable and were currently closing out the design review phase in preparation for testing.

- e. Update on Summer Newsletter

Anumeha Kumar stated that the newsletter was on track for distribution by the end of August or early September.

- f. Update on Depository Bank Transition

Anumeha Kumar reported that the Fund was still going through the process of finalizing the necessary contracts with Frost Bank. She voiced her anticipation for the transition to be in progress by the September board meeting.

- g. Internal financial statements, transactions, and Fund expense reports for month ending July 31, 2024

Anumeha Kumar stated that the budget was on track, aside from professional services related to the Voluntary FSRP. She informed the board that staff would be looking to purchase a new copier for the office due to the current copier reaching end-of-life.

- IV. Roadmap for future meetings

The trustees had no questions or requests regarding the roadmap.

- V. Call for future agenda items

No future agenda items were called for.

Hearing no objections, Vice Chair Bass adjourned the meeting at 10:49am.

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

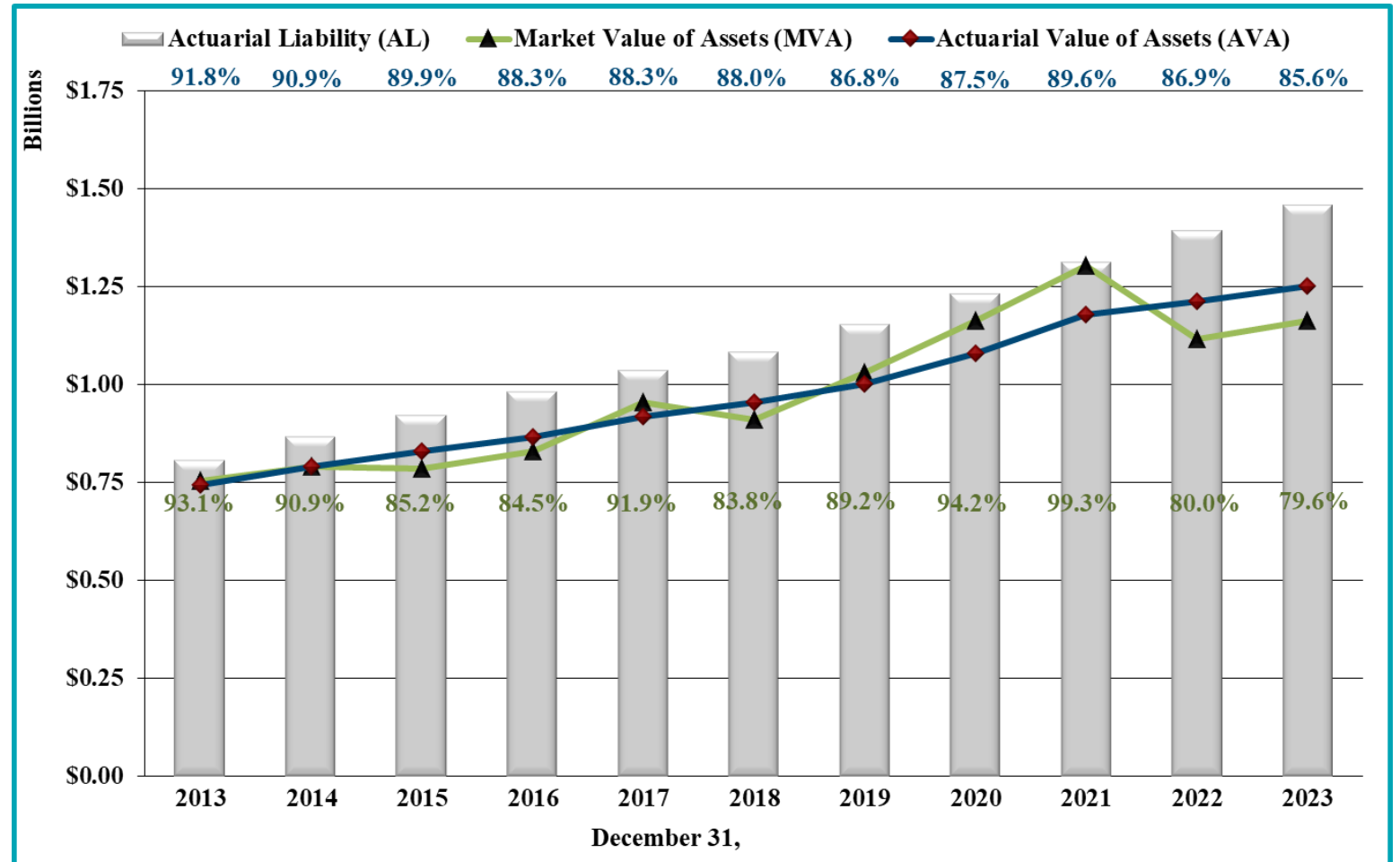
FUND STATISTICS

As of 2023 Actuarial Valuation

Actuarial Accrued Liabilities
\$1.65 Billion
Market Value of Assets
\$1.16 Billion
Funded Ratio
85.6%
Amortization Period
48.6 years
Investment Return Assumption
7.30%
Actual Investment Return (2023)
8.4%
Membership
2241 Members (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 1st 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
Multiplier	3.30%	3.00%
Avg. Salary Length	36 months	No change
Normal Retirement Eligibility	Age 50 with 10 years of service or 25 years of service at any age	No change
Early Retirement (ER) Eligibility	Age 45 with 10 years of service or 20 years of service at any age	No early retirement offered
Retro-DROP	Up to 7 years, DROP account includes benefits and member contributions accumulated with 5%	No Retro-DROP offered
Forward DROP	Up to 7 years, DROP account includes benefits and member contributions accumulated with 5%	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%
Member contribution rate (New Hire)	18.7%	17.0%
Payment Form	Joint and 75% Survivor	Single Life Annuity
Non-vested terminations	Receive contributions with 5% interest credited	Receive contributions with 0% credited interest
COLA	COLA based on CPI-U paid from NR eligibility, subject to fiscal sustainability	At retirement, must choose either: <ol style="list-style-type: none"> 1. DROP (No COLA) 2. NR with 1% Deferred COLA (No DROP)

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:

2026	13.0%
2027	17.6%
2028-2053	22.2%

* 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:

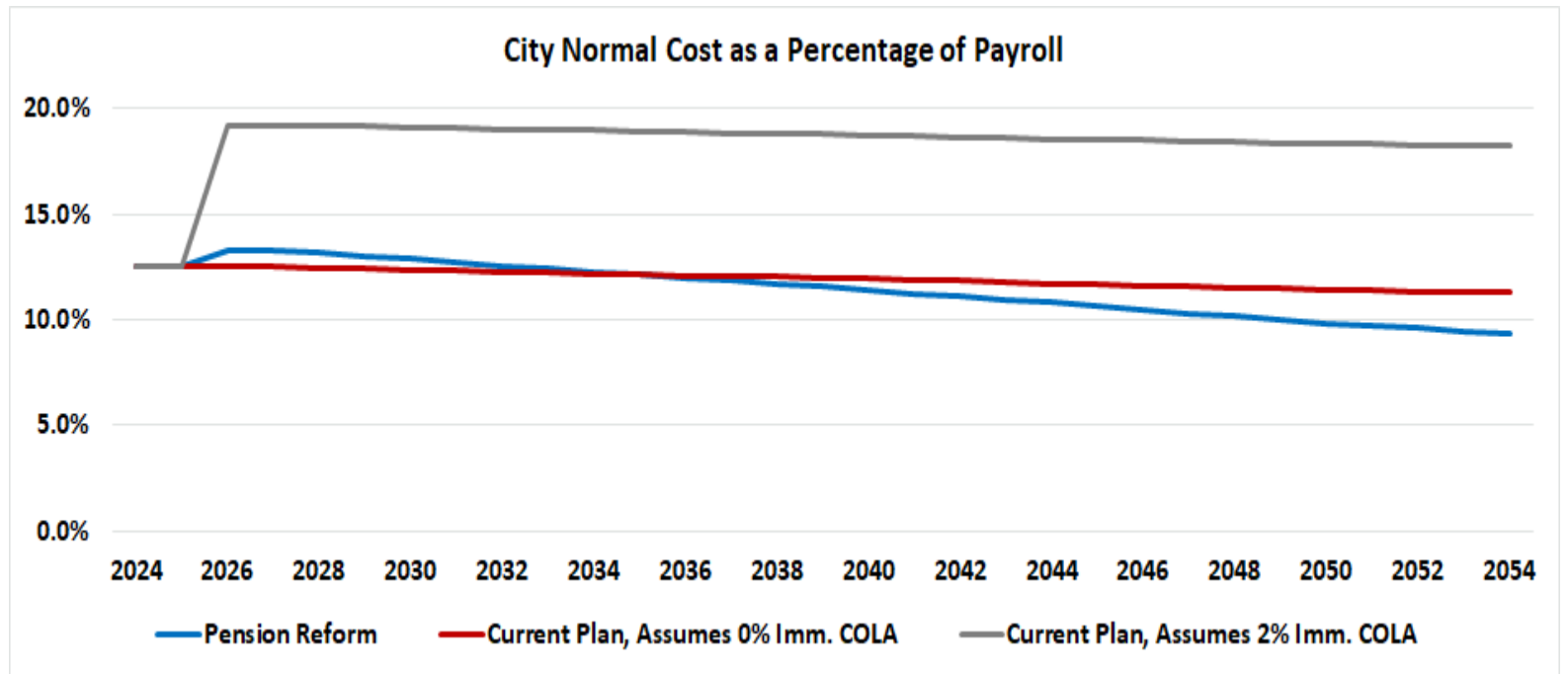
Component	Description
Normal Cost	Based on the Individual Entry Age actuarial cost method
Administration Expenses	Based on the adopted assumption by the Board, currently at 1.25% of payroll
Amortization of UAL	28-year amortization for legacy liability* and 20-year amortization of future UAL from plan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

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

TRANSITION TO ADC

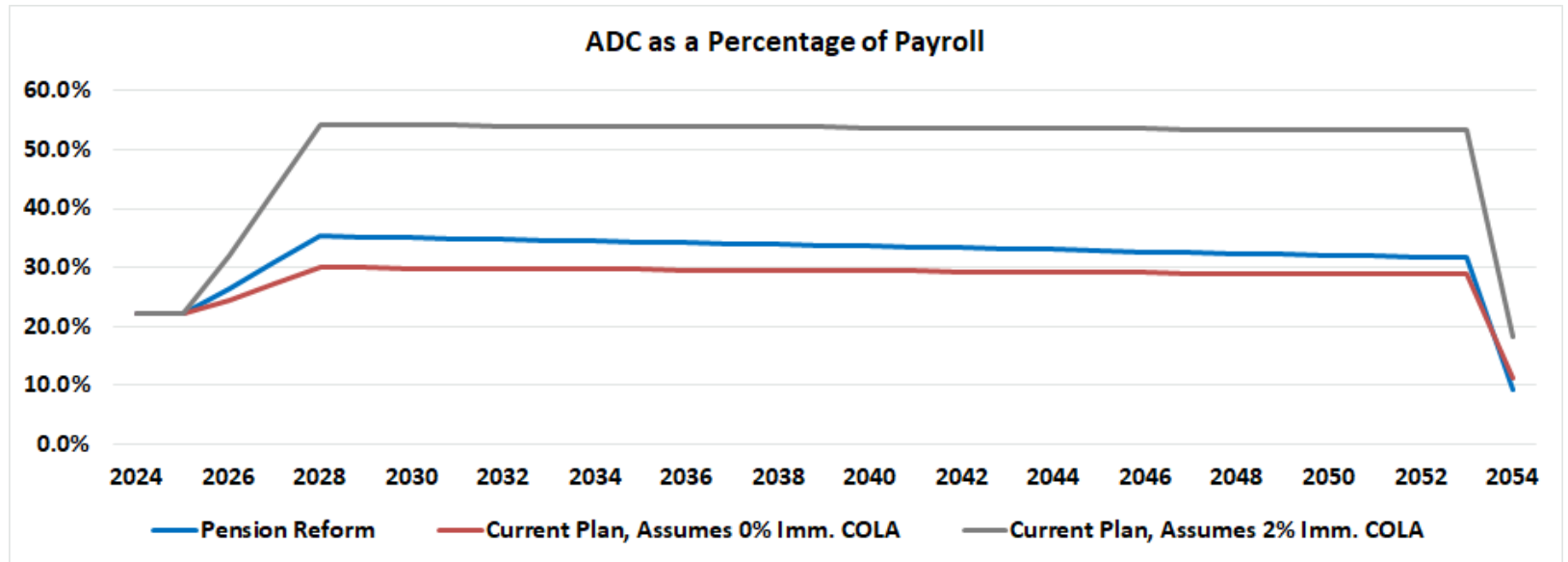
- First effective for the December 31, 2024 actuarial valuation, which impacts the 2026 calendar year contributions
 - 2026 and 2027 calendar year contributions will reflect a transition amount to the full ADC
 - 2028 calendar year contribution will reflect a full ADC contribution
- The Legacy UAL payment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

COST PROJECTIONS – CITY NC %



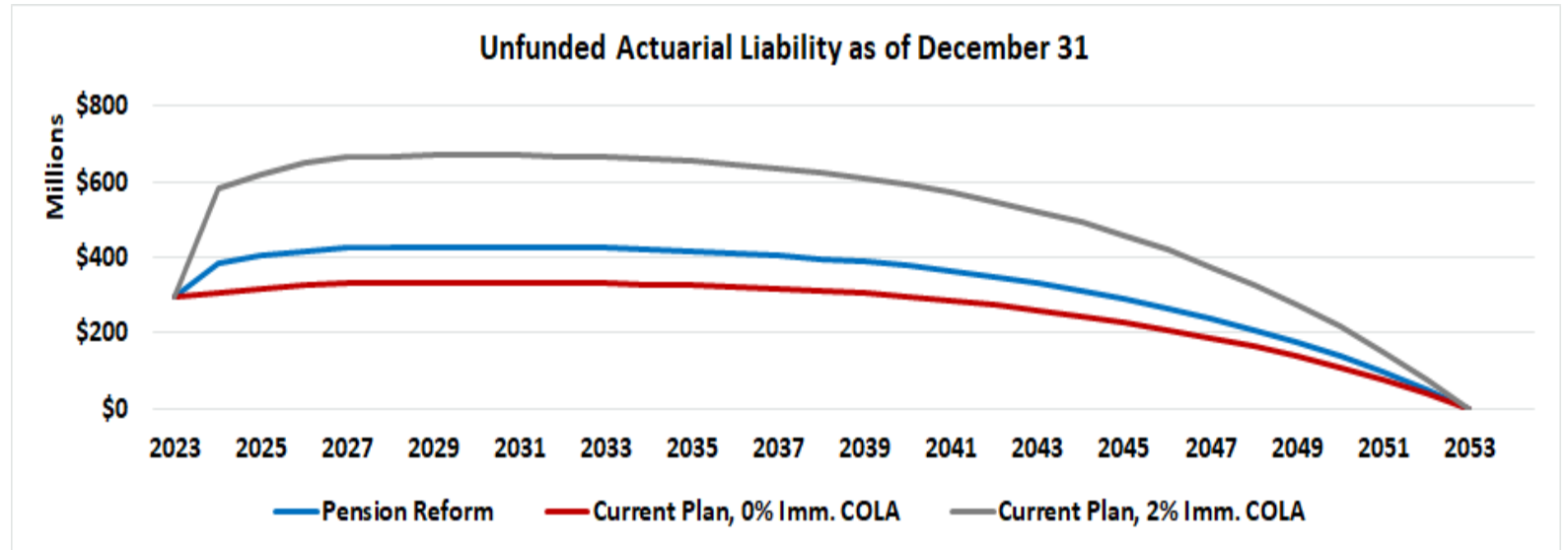
City NC %	Calendar Year					
	2026	2027	2028	2035	2045	2054
Pension Reform	13.3%	13.3%	13.2%	12.1%	10.7%	9.4%
Current Plan, 0% Imm. COLA	12.5%	12.5%	12.5%	12.2%	11.7%	11.3%
Current Plan, 2% Imm. COLA	19.2%	19.2%	19.2%	18.9%	18.5%	18.2%

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 - Aug Expensed	Remaining Budget	Percent Expended
Administrative Expenses				
Salaries and Benefits				
Salary - Executive Director	200,000.00	163,200.00	36,800.00	81.60%
Salary - Staff	486,500.00	316,166.68	170,333.32	64.99%
Health Insurance	127,310.00	84,915.22	42,394.78	66.70%
Health Insurance - Retired Staff	9,900.00	1,075.20	8,824.80	10.86%
Payroll Taxes	52,920.00	36,897.09	16,022.91	69.72%
SEP Contribution	165,375.00	118,466.69	46,908.31	71.64%
Subtotal	1,042,005.00	720,720.88	321,284.12	69.17%
SS Retiree Payroll Process Fees	34,000.00	25,022.37	8,977.63	73.60%
Building	9,783.00	5,090.82	4,692.18	52.04%
Utilities	6,525.00	2,649.63	3,875.37	40.61%
Office Expenses	18,450.00	4,282.51	14,167.49	23.21%
Computer and Software	33,200.00	17,220.19	15,979.81	51.87%
Insurance	41,500.00	23,812.00	17,688.00	57.38%
Travel	23,500.00	8,762.67	14,737.33	37.29%
Operational Cost	23,300.00	13,236.41	10,063.59	56.81%
Investment Expenses				
Financial Consulting Fee	218,000.00	144,168.44	73,831.56	66.13%
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%
Professional Services Expenses				
Accounting	25,000.00	23,000.00	2,000.00	92.00%
Actuarial Fees				
Actuarial Valuation	45,100.00	33,825.00	11,275.00	75.00%
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	164,107.75	(94,107.75)	234.44%
Investment Performance Evaluation (IPPE)	50,000.00	50,000.00	-	100.00%
Legal Fees				
Administrative	108,000.00	72,000.00	36,000.00	66.67%
Board Meeting	18,000.00	12,000.00	6,000.00	66.67%
Investment Review	40,000.00	67,526.40	(27,526.40)	168.82%
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	51,995.50	23,004.50	69.33%
Legislative Consulting	24,000.00	16,000.00	8,000.00	66.67%
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%
Total Expenses	\$ 4,635,363.00	\$ 3,315,061.93	\$ 1,320,301.07	71.52%

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

Additions

Contributions

City of Austin Contribution (22.05%)	17,792,582.58
Fire Fighter Contribution (18.7%)	15,089,401.09
Interest -Bank	318,430.51
Commission Recapture	13,375.80
Class Action Proceeds	347.56
Securities Litigation Recovery	3,262.96

Total Contributions

\$ 33,217,400.50

Deductions

Pension Retiree Payroll Expenses

Retirees Monthly Annuity	36,196,913.42
Medical Ins.	2,367,350.05
Dental Ins	302,756.59
Vision Ins.	30,292.04
Retiree W/H Tax Payable	5,139,553.08
State Tax	44,165.36
Benevolent Fund	29,200.00
Union Dues	16,450.62
Misc.	13,199.52
PAC Dues	6,129.00
Museum	48.00

Total Retiree Payroll Expenses

\$ 44,146,057.68

Pension Lump Sum Expenses

Contribution Refunds	190,616.57
DROP Distributions	22,301,670.57

Total Pension Lump Sum Expenses

\$ 22,492,287.14

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

	Total		
	Jan - Aug	Budget	% of Budget
Ordinary Income/Expense			
Income			
City of Austin Contrib (22.05%)	17,792,582.58	25,700,000.00	69.23%
Commission Recapture	13,375.80	5,000.00	267.52%
Fire Fighter Contrib (18.7%)	15,089,401.09	21,800,000.00	69.22%
Securities Litigation Recovery	3,262.96		
Other Income			
Class Action Proceeds	347.56	5,000.00	6.95%
Interest - State Street	311,826.81	250,000.00	124.73%
Interest - Sunflower Bank	2,985.19	4,000.00	74.63%
Securities Lending - State St.	3,618.51	9,000.00	40.21%
Total Income	33,217,400.50	47,773,000.00	69.53%
Operating Expenses			
Administrative Expenses			
Payroll Expenses			
Payroll Expenses - Other	479,366.68	686,500.00	69.83%
Health Insurance - Staff	84,915.22	127,310.00	66.70%
Health Insurance - Retired Staff	1,075.20	9,900.00	10.86%
Taxes	36,897.09	52,920.00	69.72%
SEP Contribution	118,466.69	165,375.00	71.64%
Total Payroll Expenses	720,720.88	1,042,005.00	69.17%
SS Retiree Payroll Process Fees	25,022.37	34,000.00	73.60%
Building Expenses			
Assessment toward 2019 Project	1,254.88	1,883.00	66.64%
Building Maintenance/Improvement		2,500.00	0.00%
Condo Association Dues	3,835.94	5,400.00	71.04%
Utilities			
Electric	1,348.94	2,000.00	67.45%
HVAC Program	0.00	50.00	0.00%
Internet & Cable & Telephone	869.89	3,500.00	24.85%
Water, Waste, Drainage	430.80	975.00	44.18%
Total Utilities	2,649.63	6,525.00	40.61%
Total Building Expenses	7,740.45	16,308.00	47.46%
Office Expenses			
Furniture (FFE)	0.00	2,000.00	0.00%
Meeting Refreshments	717.00	1,600.00	44.81%
Notary Services		250.00	0.00%
Office Maintenance	2,056.00	3,100.00	66.32%
Office Supplies (Office supplies expense)	766.76	2,500.00	30.67%

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

	Total		
	Jan - Aug	Budget	% of Budget
Postage and Delivery	386.75	5,000.00	7.74%
Printing and Reproduction	356.00	4,000.00	8.90%
Total Office Expenses	4,282.51	18,450.00	23.21%
Computer and Internet Expenses			
Hosting & Other Expenses	1,656.05	3,000.00	55.20%
Laptop/Computer	2,601.45	3,000.00	86.72%
Software/IT Services	12,962.69	27,200.00	47.66%
Total Computer and Internet Expenses	17,220.19	33,200.00	51.87%
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	6,012.67	16,000.00	37.58%
Registration fees	2,750.00	7,500.00	36.67%
Total Travel Expense	8,762.67	23,500.00	37.29%
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	4,226.41	6,000.00	70.44%
Total Operational Cost	13,236.41	23,300.00	56.81%
Investment Expenses			
Bank Custodian Services	86,412.04	110,000.00	78.56%
Financial Consulting Fee	144,168.44	218,000.00	66.13%
Investment Management Fees	1,392,192.27	1,800,000.00	77.34%
Total Investment Expenses	1,622,772.75	2,128,000.00	76.26%
Professional Fees			
Audit	23,000.00	25,000.00	92.00%
Actuarial Fees			
Actuarial Valuation	33,825.00	45,100.00	75.00%
COLA & Additional Travel	1,942.23	14,000.00	13.87%
Experience Study	23,000.00	23,000.00	100.00%
Pension Funding Research	164,107.75	70,000.00	234.44%

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

	Total		
	Jan - Aug	Budget	% of Budget
Total Actuarial Fees	222,874.98	152,100.00	146.53%
Investment Performance Evaluation (IPPE)	50,000.00	50,000.00	100.00%
Legal Fees			
Administrative	72,000.00	108,000.00	66.67%
Board Meeting	12,000.00	18,000.00	66.67%
Investment Review	67,526.40	40,000.00	168.82%
Summary Plan Descr, Records Retention & Forms	16,824.00	20,000.00	84.12%
Pension Funding Research/Legislation (2024/2025)	51,995.50	75,000.00	69.33%
Total Legal Fees	220,345.90	261,000.00	84.42%
Legislative Consulting	16,000.00	24,000.00	66.67%
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%
Total Professional Fees	871,491.70	1,275,100.00	68.35%
Total Operating Expenses	3,315,061.93	4,635,363.00	71.52%
Monthly Pension Retiree Payroll			
Retirees Monthly Annuity	36,196,913.42	53,000,000.00	68.30%
Medical Ins.	2,367,350.05	3,900,000.00	60.70%
Dental Ins	302,756.59	425,000.00	71.24%
Vision Ins.	30,292.04	43,000.00	70.45%
Retiree W/H Tax Payable	5,139,553.08	7,500,000.00	68.53%
State Tax	44,165.36	60,000.00	73.61%
Benevolent Fund	29,200.00	50,000.00	58.40%
Misc.	13,199.52	20,000.00	66.00%
PAC Dues	6,129.00	8,200.00	74.74%
Union Dues	16,450.62	25,000.00	65.80%
Museum	48.00	72.00	66.67%
Total Monthly Pension Retiree Payroll	44,146,057.68	65,031,272.00	67.88%
Pension Lump Sum			
Contribution Refunds	190,616.57	1,000,000.00	19.06%
DROP Distributions	22,301,670.57	23,000,000.00	96.96%
Total Pension Lump Sum	22,492,287.14	24,000,000.00	93.72%
Total Expense	69,953,406.75	93,666,635.00	74.68%

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

Assets

Checking/Savings		
Sunflower Bank - Operating		32,470.88
Sunflower Bank - Benefits		214,864.58
State Street T009-Cash Agg		8,408,032.27
Total Checking/Savings		<u>8,655,367.73</u>
Investments, at fair value		
Domestic Equities		268,762,746.35
Fixed Income Securities		346,280,340.50
International Equities		263,114,697.72
Real Asset		29,528,492.75
Private Equity		184,022,914.34
Real Estate		85,016,979.04
Total Investments		<u>1,176,726,170.70</u>
Total Assets		<u><u>\$ 1,185,381,538.43</u></u>

Liabilities

Current Liabilities		
Payroll Liabilities		5,606.86
Operating Admin Liabilities		7,151.02
Investment Liabilities		-
Professional Liabilities		45,482.50
Long Term Liabilities		
DROP (Guaranteed 5%)		158,576,481.19
% of Total Assets		13.38%
Total Liabilities		<u><u>\$ 158,634,721.57</u></u>

Austin Firefighters Retirement Fund

Balance Sheet

As of August 31, 2024

August

ASSETS	August
Current Assets	
Checking/Savings	
State Street T009-Cash Agg	8,408,032.27
Sunflower Bank - Benefits	214,864.58
Sunflower Bank - Operating	32,470.88
Total Checking/Savings	8,655,367.73
Other Current Assets	
Investments	
DEQ	
SSgA S&P 500 Flagship Fund	126,145,574.59
VAUGHAN NELSON	63,510,245.73
Westfield Capital Management	65,276,036.18
Westwood Capital	13,830,889.85
Total DEQ	268,762,746.35
FI	
ABERDEEN	64,661,720.72
Loomis Sayles Core Plus Bond	47,983,220.23
Pacific Asset Management	24,148,808.50
Pyramis Tactical Bond (Fidelity)	27,548,682.57
SSgA Bond Fund	123,313,519.59
SSGA TIPS	58,624,388.89
Total FI	346,280,340.50
IEQ	
Baillie Gifford	35,981,183.28
DFA Emerging Markets	28,888,466.20
Highclere	32,125,215.39
SSgA MSCI EAFE Fund	132,074,669.97
TT International	34,045,162.88
Total IEQ	263,114,697.72
NR	
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
Total NR	29,528,492.75
PE	
57 Stars Global Opportunity	6,331,043.39
Arcmont (Bluebay)Direct Lending	1,713,458.81
Constitution Ironsides Fund VII (50/50)	1,644,376.16
Constitution Ironsides III	1,586,502.96
Cross Creek Capital Partners II	10,349,426.70
Cross Creek Capital Parts III	10,430,125.95
Deutsche Bank SOF III	1,821,287.63

Austin Firefighters Retirement Fund

Balance Sheet

As of August 31, 2024

Dover Street X	35,303,377.96
Flag V	4,306,171.70
Flag VI 6	11,645,906.62
Greenspring Global Partners V	6,763,620.01
GREENSPRING VI	11,634,070.98
Harbourvest 2013 Direct	3,009,003.96
HarbourVest Coinvestment 4	7,741,161.96
LGT C Europe Small Buyouts 3	2,573,807.59
LGT Crown Asia 2	6,652,758.97
LGT Crown Global Secondaries 2	91,018.00
LGT Crown Global VI	33,213,154.96
LGT Global Secondaries III	1,928,301.00
Partners Group EM 2015	7,807,888.20
Partners Group US Dist PE 2009	188,258.04
Private Advisors Co-Inv FundIII	796,308.99
Private Equity Investors V	1,349,953.42
SVB Strategic Investors Fund IX	15,141,930.38
Total PE	184,022,914.34
RE	
Clarion Partners	64,855,851.01
Crow Holdings Realty Partners X	3,240,900.03
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
Total RE	85,016,979.04
Total Investments	1,176,726,170.70
Total Other Current Assets	1,176,726,170.70
Total Current Assets	1,185,381,538.43
TOTAL ASSETS	1,185,381,538.43
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	5,606.86
Operating Admin Liabilities	7,151.02
Investment Liabilities	0.00
Professional Liabilities	45,482.50
Total Other Current Liabilities	58,240.38
Total Current Liabilities	58,240.38
Long Term Liabilities	
DROP (Guaranteed 5%)	158,576,481.19
% of Total Assets	13.38%
Total Long Term Liabilities	158,576,481.19
Total Liabilities	158,634,721.57

Austin Firefighters Retirement Fund
General Ledger
August 2024

Date	Name	Memo/Description	Split	Amount	Balance
Sunflower Bank - Benefits					
Beginning Balance					\$ 135,634.92
08/02/2024	City of Austin	City and Member's Contributions	-Split-	1,824,359.31	1,959,994.23
08/05/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-250,000.00	1,709,994.23
08/05/2024	Austin FF Relief & Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,500,000.00	209,994.23
08/05/2024	Sunflower Bank	Wire Fee	Operational Cost:Bank Service Charges	-22.00	209,972.23
08/16/2024	City of Austin	City and Member's Contributions	-Split-	1,785,752.54	1,995,724.77
08/19/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-50,000.00	1,945,724.77
08/19/2024	Sunflower Bank	Wire Fee	Operational Cost:Bank Service Charges	-22.00	1,945,702.77
08/19/2024	Austin FF Relief & Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,700,000.00	245,702.77
08/22/2024	Sunflower Bank	Wire Fee	Operational Cost:Bank Service Charges	-16.00	245,686.77
08/22/2024	Austin FF Relief & Retirement Fund	Securities Litigation Recovery	Securities Litigation Recovery	3,206.16	248,892.93
08/22/2024	Austin FF Relief & Retirement Fund	Securities Litigation Recovery	Securities Litigation Recovery	56.80	248,949.73
08/22/2024	Sunflower Bank	Wire Fee	Operational Cost:Bank Service Charges	-16.00	248,933.73
08/27/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Operating	-100,000.00	148,933.73
08/30/2024	City of Austin	City and Member's Contributions	-Split-	1,865,561.15	2,014,494.88
08/30/2024	Austin FF Relief & Retirement Fund	Transfer to State Street	State Street T009-Cash Agg	-1,800,000.00	214,494.88
08/30/2024	Sunflower Bank	Wire Fee	Operational Cost:Bank Service Charges	-22.00	214,472.88
08/30/2024	Sunflower Bank	Interest Aug 2024	Interest:Interest - Sunflower Bank	391.70	214,864.58
Total for Sunflower Bank - Benefits				\$ 79,229.66	\$ 214,864.58

Sunflower Bank - Operating					
Beginning Balance					\$ 21,625.96
08/05/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	250,000.00	271,625.96
08/06/2024	City of Austin	Health Insurance Aug 2024	-Split-	-10,720.56	260,905.40
08/06/2024	State Street	Q2 State Street Retiree Payroll Process Fees	Fees:SS Retiree Payroll Process Fees	-8,167.70	252,737.70
08/06/2024	TASC (FSA Health Care)	FSA Aug 2024	Payroll Liabilities:Flextra Health	-200.00	252,537.70

08/06/2024	Jani-King of Austin	Aug 2024	Office Expenses:Office Maintenance	-257.00	252,280.70
08/06/2024	City of Austin	Health Insurance Retired Staff Aug 2024	Payroll Expenses:Health Insurance - Retired Staff	-478.30	251,802.40
08/06/2024	Perry Office Supplies	Office Supplies	Office Expenses:Office Supplies	-81.91	251,720.49
08/06/2024	Vaughn Nelson	Q2 2024 Investment Management Fees	Fees:Investment Management Fees	-137,869.41	113,851.08
08/07/2024	Austin FF Relief & Retirement Fund	Union Reimbursement for Legislative Consulting	Professional Fees:Legislative Consulting	2,000.00	115,851.08
08/07/2024	Montemayor Britton Bender	2023 Audit Report	Professional Fees:Accounting:Audit	-500.00	115,351.08
08/08/2024	Austin FF Relief & Retirement Fund	L. Adney Reimbursement Payment Aug 2024	Payroll Expenses:Health Insurance - Retired Staff	125.00	115,476.08
08/08/2024	Austin FF Relief & Retirement Fund	L. Adney Health Insurance Payment Aug 2024	Payroll Expenses:Health Insurance - Retired Staff	218.90	115,694.98
08/09/2024	Sunflower Bank	Bank Service Charges Jul 2024	Operational Cost:Bank Service Charges	-452.68	115,242.30
08/12/2024	Parkstone Office Condominium Comm	Aug 2024	-Split-	-874.36	114,367.94
08/19/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	50,000.00	164,367.94
08/20/2024	Schlueter Group	Legislative Consulting	Professional Fees:Legislative Consulting	-4,000.00	160,367.94
08/22/2024	Levi Ray & Shoup	Software Maintenance 10/01/2024-09/30/2025	Professional Fees:Pension Software PG I	-22,668.87	137,699.07
08/22/2024	Westwood Holdings Group	Q2 2024 Investment Management Fees	Fees:Investment Management Fees	-16,249.94	121,449.13
08/22/2024	Cheiron	Actuarial Valuation 3rd Installment	Professional Fees:Actuarial Fees:Actuarial Valuation	-11,275.00	110,174.13
08/22/2024	Shira K. Herbert	Meeting Refreshments	Office Expenses:Meeting Refreshments	-18.38	110,155.75
08/22/2024	Meketa Investments	Jul 2024	Fees:Financial Consulting Fee	-18,808.00	91,347.75
08/22/2024	Aberdeen Asset Mgmt.	Q2 2024 Investment Management Fees	Fees:Investment Management Fees	-69,457.57	21,890.18
08/27/2024	Austin FF Relief & Retirement Fund	Transfer to Operating	Sunflower Bank - Benefits	100,000.00	121,890.18
08/29/2024	Jackson Walker	Board Meeting Jul 2024	Professional Fees:Legal Fees:Board Meeting	-1,500.00	105,590.52
08/29/2024	Jackson Walker	Administrative Jul 2024	Professional Fees:Legal Fees:Administrative	-9,000.00	86,385.97
08/29/2024	Payroll	Pay Period: 08/01/2024-08/31/2024	Direct Deposit Payable	-46,271.48	65,118.70
08/30/2024	Fidelity	SEP Contributions Aug 2024	Payroll Expenses:SEP Contribution	-14,954.17	50,164.53
08/30/2024	Payroll	Tax Payment for Period: 08/01/2024-08/31/2024	Payroll Liabilities:Federal Taxes (941/943/944)	-17,693.65	32,470.88

Total for Sunflower Bank - Operating

\$ 10,844.92 \$ 32,470.88

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Road Map of Items for Board Meetings

September 2024 Board Meeting

- Board Trustee Election update
- Priorities for 2025 Legislative Session
- Update on Depository Bank Transition

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
- 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