



Austin Fire Fighters Relief and Retirement Fund
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MINUTES
AUSTIN FIRE FIGHTERS RELIEF AND RETIREMENT FUND BOARD OF TRUSTEES MEETING
FRIDAY, OCTOBER 28, 2022 AT 9:00 AM

Board Members Present

Mayor Steve Adler, Chairman
Doug Fowler, Vice-Chair
Belinda Weaver, Treasurer
Jeremy Burke, Trustee
John Bass, Trustee

Staff and Consultants Present

Anumeha Kumar, Fund Executive Director
John Perryman, Fund CFO
Debbie Hammond, Benefits Specialist
Gina Gleason, Board & Operations Specialist
Shira Herbert, Accounting Specialist
Chuck Campbell, Jackson Walker
Brad Heinrichs, Foster & Foster (virtual)

Community Members Present

Rene Vallejo
Donald Lowe
Eric Pederson
Becky Brooks
Kevin Brooks
Eart Sinani
Jeanne Bulla (virtual)
Clifton Alexander (virtual)
Jan Wesson (virtual)
Alyssa Bennet, CMC (virtual)
Larry Langer, CMC (virtual)
Ryan Falls, GRS
Lewis Ward, GRS
Matt Larabee, Milliman
Nick Collier, Milliman (virtual)
William Strange, Milliman (virtual)
Mark Fenlaw, R&W
Rebecca Morris, R&W
Brandon Fuller, R&W
Jeffrey Williams, Segal
Malichi Waterman, Segal
Elizabeth Wiley, Cheiron
Heath Merlak, Cheiron
Coralie Taylor, Cheiron (virtual)
Other virtual attendees not listed

Doug Fowler called the meeting to order at 9:00 am.

Public Comments:

Rene Vallejo spoke on behalf of himself, not as a representative of ARFA. He voiced support for the changes Anu has made to the Fund, identified disruptions Jeremy Burke has caused for Fund operations, and requested the resignation of Trustee Burke.

Jeanne Bulla voiced her appreciation for all Board members, including Jeremy Burke. She emphasized the importance of maintaining an independent fund and spoke to a desire for equal treatment of LGBTQI partnerships and marriages.

Clifton Alexander identified positive accomplishments that Jeremy Burke had made for the Fund over many years of service.

Jan Wesson expressed appreciation for both Jeremy Burke and Anumeha Kumar. She shared her opinion that Trustee Burke would continue to serve the Board well if given clear rules to follow.

Becky Brooks voiced continued support for Anumeha Kumar against the antagonization of Jeremy Burke and speculated that the threat to Fund independence was nothing more than a distracting false narrative. She requested the resignation of Trustee Burke.

Kevin Brooks thanked Jeremy Burke for his previous years of service and requested his resignation from the Board.

Donald Lowe provided a reminder that the individuals currently voicing opinions about Jeremy Burke are not representative of all firefighters. The election would determine the majority opinion.

I. Minutes of the Regular Meeting on September 26, 2022

Jeremy Burke made a motion to approve the minutes of the regular meeting on September 26, 2022. Belinda Weaver seconded the motion. The motion passed unanimously.

II. Amended minutes of the Regular Meeting on August 29, 2022

Anu explained why a justification was added to the August minutes. Jeremy Burke made a motion to approve the minutes of the regular meeting on August 29, 2022. John Bass seconded the motion. The motion passed unanimously.

III. Service retirement benefits for three applicants and two beneficiaries

John Bass made a motion to approve the service retirement benefits for two applicants and one beneficiary. Mayor Adler seconded the motion. Jeremy requested the calculations for interest on the lump sum being paid to one beneficiary. The motion passed unanimously.

IV. Discussion and consideration of 2023 Cost-of-Living Adjustments (COLAs)

Brad Heinrichs from Foster & Foster presented background information on the COLA policy. He explained the projections, testing calculations partly based on the projected negative investment returns through September 2022, and results which indicated that the Fund would be unable to grant a COLA for 2023 without disrupting the long-term financial stability of the Fund. Some discussion followed. The Board agreed that it will wait for the updated COLA analysis based on actual returns through September 2022 to make a final decision at the November Board meeting. No motion necessary.

V. Discuss and consider Pension Review Board's inquiry regarding how COLAs are valued in the actuarial valuations for the Fund

Anumeha Kumar informed the Board of an inquiry received from the Pension Review Board (PRB) questioning if the history of granting COLAs by the Fund could be considered substantively automatic. Jeremy Burke praised the Fund's response to the PRB and presented questions to ask the PRB. Brad Heinrichs clarified the GASB definition of substantively automatic and indicated that the COLA policy of the Fund does not fall under that definition. No motion necessary.

VI. Discuss and consider census data and special auditor's requests regarding the errors in the data mentioned by the executive director (Jeremy Burke)

Jeremy Burke indicated that the item was covered at the Special Meeting on October 19. No motion necessary.

VII. Discuss and consider proposed changes to the Governance and Ethics Policies regarding trustee communication with Fund vendors, including during the RFP process

Anumeha Kumar informed the Board that she would work with the Fund's fiduciary counsel to research governance policies of other pension funds, best practices and bring proposed language including options for Board consideration at the next meeting. No motion necessary.

VIII. Discuss and consider a motion to request Trustee Burke to resign from the Board (John Bass and Doug Fowler)

John Bass thanked Trustee Burke for his service. He then reviewed the reasoning behind this agenda item and made a motion to request Trustee Burke to resign from the Board, effective immediately. Belinda seconded the motion. Doug Fowler and Mayor Adler supported the motion. Jeremy Burke voted against. The motion passed 4-1.

IX. Update and discussion of the 2022 Board of Trustee Election

Anumeha Kumar informed the Board of the current status of the ballot mailout, online voting option and voter turnout statistics from YesElections. She explained that duplicate voting (mail in and online) is not possible due to unique identifiers attached to each eligible voter. Jeremy Burke suggested posting additional information on the Fund website. No motion necessary.

The Board decided to address Item XI before Item X.

X. Discuss and consider RFP Proposals for Actuarial Services, including conducting Board interviews of actuarial firms that submitted proposals

Anumeha Kumar identified the six firms that responded to the Request for Proposals (RFP) for actuarial services: Cavanaugh MacDonald Consulting (CMC); Cheiron; Gabriel, Roeder, Smith & Company (GRS); Milliman; Rudd & Wisdom (R&W); and Segal.

The Board Trustees interviewed the six firms in alphabetical order, apart from Cheiron, who interviewed last due to a conflict of schedule. Each firm provided a brief introduction to their team and shared the unique qualifications that their firm had to offer. Following each introduction, the Trustees asked questions, covering topics such as peer-review processes, managing coverage for multiple accounts, methodologies for selecting inflation assumption, current challenges facing defined-benefit plans, the impact of rising inflation, determining substantively automatic COLAs, and mitigating endpoint-bias.

Following the interviews, the Trustees named their personal top choices. Doug Fowler identified Cheiron and Milliman as the frontrunners. The Board agreed to bring the two firms back for a second interview and presentation at the November Regular Board Meeting. Some discussion followed regarding topics to include in the presentations. No motion necessary.

XI. Discuss and consider the following items for 2023 Budget proposal

- a. Board travel expense for 2022 and travel expense budget for 2023 (Mayor Adler)

Anumeha Kumar updated the Board on the projected travel expenses for 2022, which has exceeded the annual budget. She reminded the Board that this was the first major travel year post-COVID and will factor that into the budget proposal for 2023.

- b. 2023 Investment Practices and Performance Evaluation

Anumeha Kumar explained the requirement for a Fund Performance Evaluation, due in 2023. The evaluation will be conducted by Meketa. Ms. Kumar recommended a wholistic evaluation of the investment portfolio over a focus on one asset class.

- c. Flat fee agreement for legal services involving benefit administration, QDRO services, and other matters with Jackson Walker for one year

Anumeha Kumar recommended the Fund enter a flat fee agreement with Jackson Walker. Ms. Kumar spoke to the ways in which Jackson Walker had been beneficial to the Fund over the past 7-8 months. She outlined the services that the flat fee would cover and compared them to the current accumulated hourly rate for 2022. Some discussion followed to clarify the terms of the flat fee agreement.

Mayor Adler left the meeting at 10:04am.

- d. The Fund joining National Association of State Retirement Administrators (NASRA)

Anumeha Kumar provided background information on NASRA and identified the benefits of becoming a member. Some discussion followed regarding access points to the NASRA subscription and the connection to Boston College's Center for Retirement Research Project.

- e. 2023/2024 Cybersecurity Insurance renewal

Anumeha Kumar explained that the Fund has met the new requirements for purchasing cyber security insurance. She will provide more information with the 2023 budget proposal.

XII. Discuss the procedure for motion to adjourn (Jeremy Burke)

Jeremy Burke voiced a concern regarding a previously missed agenda item. After some discussion, the Board agreed that asking for additional business at the end of the meeting would be more appropriate than enacting formal policy change. No motion necessary.

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

- a. General comments.

No general comments.

- b. Pension Administration Software (PAS) System contraction negotiations update

Jeremy Burke asked a question about Provalient fees, Anumeha Kumar provided clarification.

- c. Staff Updates

Anumeha Kumar introduced Gina Gleason as the new Board and Operations Specialist for the Fund and Shira Herbert as the new Accounting Specialist and Quality Assurance Analyst for the Fund.

- d. Internal financial statements, transactions, and Fund expense reports for month ending September 30, 2022

No questions from Trustees.

- e. Roadmap for future meetings

Anumeha Kumar indicated the dates for the final Regular Board Meetings of 2022. Cheiron and Milliman will return at the November 30 Meeting.

XIV. Call for future agenda items

Jeremy Burke requested Item VII to be carried over and requested a copy of the 2018 investment practices performance evaluation from Meketa.

XV. Adjournment

Hearing no objections, Doug Fowler adjourned the meeting at 3:06pm.

Board Members

Mayor Steve Adler, Chair
Doug Fowler, Vice-Chair
Belinda Weaver, Treasurer
Jeremy Burke, Trustee
John Bass, Trustee