



Austin Fire Fighters Relief and Retirement Fund
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MINUTES
AUSTIN FIREFIGHTERS RELIEF AND RETIREMENT FUND BOARD OF TRUSTEES MEETING
FRIDAY, JULY 29, 2022 AT 12:00 PM

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, Executive Director
John Perryman, CFO
Kendall Twomey, Benefits Manager
Debbie Hammond, Benefits Specialist
Alyca Garrison, JW
Brad Heinrichs, F&F
Archie Montemayor, MBB

Community Members Present

Virtual attendees not listed

Vice Chairman Doug Fowler called the meeting to order at 12:01 pm. Mayor Adler is scheduled to arrive after the board meeting starts.

I. Minutes of the Regular Meeting on June 29, 2022

Jeremy Burke suggested amending item 7 of the minutes to include succession framework. Anumeha Kumar agreed. Jeremy Burke made a motion to approve the minutes. John Bass seconded the motion. With no further discussion and no objection, the motion passed.

II. Service Retirement Benefits for three applicants

Jeremy Burke had a question regarding one of the retirees. His question was tabled until later in the meeting pending clarification by Fund staff.

III. Final adoption of proposed changes to the operating procedures

Jeremy Burke made a motion to approve the procedures. Belinda seconded the motion. With no objection, the motion passed.

IV. Annual actuarial valuation

Brad Heinrichs, with Foster and Foster, presented the 2021 Actuarial Valuation. Mr. Heinrichs shared that overall, the Fund is doing well and is almost 100% funded on a market value basis. John Bass made a few comments including noting the positives of the Fund using more conservative return assumption, raised concerns regarding smoothing losses, and lastly cautioned about the Fund's market value of assets since 25% of the Fund's assets are in private equities and those don't have immediate market values. Mr. Heinrichs agreed with Trustee Bass and expanded on his

comments. Jeremy Burke asked questions regarding the Fund's GASB disclosure reporting. Belinda Weaver asked about the mortality rate used for the Fund's valuation report, specifically, relating to the 5-year improvement period and the reasoning behind that instead of a generational mortality improvement. Mr. Heinrichs explained that the mortality table used is for public safety with above median pay which is the most conservative component. Foster and Foster will then take those rates and project improvements on them, but the minimum required by the firm and recommended to AFRRF is 5 years. Anumeha Kumar clarified that the Fund is using a static improvement over five years. Foster and Foster agreed. Trustee Weaver requested that the Board delve into this more for future discussion. Mayor Adler agreed with most of John Bass's comments and further stated that he felt more confident about the large COLA granted by the Board last year especially since it was based on a more conservative return assumption and stated that the Board should consider further lowering the return assumption if the investment consultants continue to recommend that. He also expressed concerns about firefighters who passed away and did not designate beneficiaries. Anumeha Kumar agreed with Mayor Adler and stated staff plans to remind members to designate beneficiaries. The Board discussion ensued. No motion necessary.

V. Service Retirement Benefits for three applicants readdressed

The Board revisited agenda item 2, Anumeha Kumar provided the requested information to the Board. Jeremy Burke made a motion to approve the retirements. John Bass seconded the motion. The motion passed unanimously.

VI. Fiscal year 2021 annual financial audit

Archie Montemayor, with Montemayor Britton Bender, presented the 2021 Annual Financial Audit. Jeremy Burke requested Mr. Montemayor discuss the uncorrected misstatements. Mr. Montemayor explained the issue was due to timing. There was some discussion. Jeremy Burke made a motion to approve the 2021 Annual Financial Audit. Mayor Adler seconded the motion. The motion passed unanimously.

VII. Fiscal year 2021 annual financial report

Anumeha Kumar presented the report. Jeremy Burke asked if copies of the report would be made available to members. Anumeha confirmed it would be mailed upon request. Mayor Adler made a motion to approve the report. Jeremy Burke seconded the motion. With no objection, the motion passed.

VIII. Update on Pension Administration Software System

Anumeha Kumar informed the Board that the RFQ was issued on June 14, 2022, to solicit responses from qualified pension administration software vendors. The response deadline was July 6, 2022. Six responses were received from Avenu, Buck, Catapult, Foster and Foster, LRS, and Pension Tech. Anumeha Kumar informed the Board that based on the factors outlined in the RFQ, staff selected Avenu, Catapult and LRS. As part of the next step in the process, staff will issue the Scope of Work to the three selected vendors only. Jeremy Burke asked for the scores. Anumeha Kumar provided him with a copy of the scores. Board discussion ensued. No motion necessary.

IX. Update on securities litigation matter

Alyca Garrison recommended allowing Fund staff to make a determination regarding any Books and Records Demand Letter requests as they are administrative in nature. Anumeha Kumar stated that the Fund will be moving forward with the current Books and Records Demand Letter request.

She noted that the Board would get involved if the Fund receives a lead plaintiff request and that legal costs would be carefully monitored. Jeremy Burke asked that the Board be informed of future books and records requests. Anumeha Kumar agreed.

X. General comments

Anumeha explained that this section has been added to address new agenda items that come up between posting the final agenda and the actual board meeting. She noted that the only item she had was to remind the Board about the DROP procedures that have been posted on the website for several months now. With no comments received, Anumeha proposed mailing letters to Fund members to inform them of the DROP procedure change effective September 1, 2022. Jeremy Burke asked that the DROP procedures are highlighted on the website. No motion necessary.

XI. Internal financial statements

Anumeha Kumar stated that the amended budget reported at the June meeting included a petty cash line item under assets and liabilities. Fund staff will be depositing the petty cash balance into Sunflower Bank; therefore, the line item will be zeroed out in the next report. Board discussion ensued regarding other bank matters. No motion necessary.

XII. Roadmap

Anumeha Kumar stated that the DROP working group would meet to specifically address increasing the number of DROP distributions allowed. No motion necessary.

XIII. Roadmap for future meetings

No motion necessary.

XIV. Call for future agenda items

Jeremy Burke requested that Fund staff provide exit surveys to retiring firefighters. After some discussion it was decided to add this item to the agenda for the September meeting for Board consideration.

Hearing no objections, Doug Fowler adjourned the meeting at 1:38 pm.

Board Members

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