

These draft minutes are provided for informational purposes only and are subject to change prior to final approval by the Board of Trustees



Austin Fire Fighters Relief and Retirement Fund
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MINUTES
AUSTIN FIREFIGHTERS RELIEF AND RETIREMENT FUND BOARD OF TRUSTEES MEETING
MONDAY, APRIL 25, 2022 AT 9:00 AM

Board Members Present

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

Staff and Consultants Present

Anumeha Kumar, Fund Administrator
John Perryman, Chief Financial Officer
Kendall Twomey, Benefits Manager
Alyca Garrison, JW
Chuck Campbell, JW

Community Members Present

Michael McGill
Gerry Esparza
Kelly Gottschalk
Becky Brooks
Keith Johnson
Rene Vallejo
Donald Lowe
Joe Ebisa
Kim Roland
Unidentified attendees

Chairman Mayor Adler called the meeting to order at 9:02 am

- I. March 28, 2022 regular meeting minutes

Jeremy Burke proposed amendments to the minutes. Mayor Adler proposed additional amendments. Doug Fowler made a motion to approve the amended minutes. Jeremy Burke seconded the motion. The motion passed unanimously.

- II. Service Retirement Benefits for three applicants and one beneficiary.

Jeremy Burke made a motion to approve the service retirement benefits as presented. Doug Fowler seconded the motion. The motion passed unanimously. Jeremy Burke made a motion to approve beneficiary benefits. Doug Fowler seconded the motion. The motion passed unanimously.

- III. Presentation of Board member complaint under Code of Ethics

Belinda Weaver presented the ethics complaint submitted to the Fund Administrator by Vice Chair Fowler against Trustee Burke in regards to his conduct at the March 9th Special Board meeting, as well as, the letter Trustee Burke publicly released on March 10th. Per the Fund's Code of Ethics and since the complaint was submitted by the Vice Chair, Belinda Weaver as the Treasurer was assigned to review the alleged violation and investigate the accuracy of the claims raised under the complaint. Trustee Weaver determined no formal investigation was required since the basis of the allegations occurred at a public meeting with all trustees in attendance and the letter was provided to the full Board upon release. Upon review, with respect to the allegations related to the special boarding on March 9th, Trustee Burke was found to have violated the Code of Ethics by failing to respect the rights, responsibilities, and integrity of his colleagues with his conduct at the Board meeting. With respect to the open letter on March 10th, it was found that Trustee Burke violated the Code of Ethics as it pertained to speaking with a common voice and failing to respect the rights,

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responsibilities, and integrity of his colleagues with the release of the letter. Additionally, the letter and its public distribution was considered a failure to disagree with a policy or decision of the Board respectfully as contemplated under Section 6.4(b) of the Governance Policy. With respect to Trustee Burke's conduct at the March 9th Special Board meeting, Belinda Weaver recommended that no action be taken in light of the public apology Trustee Burke made at the March 27 Board meeting. With respect to Trustee Burke's letter, Trustee Weaver recommended Trustee Burke take a specialized training, specifically pertaining to trustee communication. Trustee Weaver further stated that the entire Board was already scheduled to receive and Ethics training by legal counsel at this meeting with a focus on trustee communication. This training should satisfy the specialized training recommendation for Trustee Burke. After some additional discussion, the Board requested Trustee Burke to provide any comments he may have. Jeremy Burke felt that the complaint made by Trustee Fowler was a malicious and vexatious attempt to silence an individual Trustees dissenting view. Trustee Burke expressed his belief that when a board decision regarding an objectional matter occurs, it is important that a board member records his dissent, either at the time of the vote, or within a short time period thereafter to protect against personal liability, especially when established procedures and processes were not followed at the time between the Special Board meeting vote and immediate adjournment left no time to accomplish this. Trustee Burke further expressed that if his fellow Board members truly believed that there is some semblance of accuracy to his statements, then he would welcome an impartial investigation. The rest of the Board agreed that the recommended specialized training and public apology was sufficient. No action necessary.

IV. Annual Ethics and Governance Policy Review

As part of the annual review of the Fund's Ethics Policy, Alyca Garrison and Chuck Campbell performed an ethics and governance policy training for the Trustees. Alyca Garrison reviewed the Ethics Policy and Chuck Campbell reviewed the Governance Policy with specific focus on trustee communication. Mayor Adler asked Chuck Campbell to address the question of liability as Trustee Burke raised the concern, specifically how a board member would protect themselves from personal liability and if they need to state that they disagree or give the reasons they disagree separate from and in addition to just voting "no." Additionally, Mayor Adler requested Chuck Campbell speak to whether or not there is anything that impacts the personal liability by writing letters to boards of firefighters' association and if there is a reason to do that in order to protect against potential liability. Chuck Campbell responded that all board members have individual responsibility and liability by virtue of serving on a board as a whole regardless of how they vote or otherwise. If a trustee feels that the board is doing something inappropriate or have fiduciary or legal concerns and feels that is important enough to express it then it is equally important that any counterpoint is also reflected to show why the rest of the Board felt it was a good idea. Jeremy Burke recommended that materials be distributed in a timely manner, trustee questions be answered, and adjourn meetings with a motion.

V. Second reading of proposed changes to Investment Policy and Objectives

Jeremy Burke made a motion to approve the second reading. John Bass seconded the motion. The motion passed.

VI. Update on the pension administration software system

Anumeha Kumar reminded the Board that given the Fund uses the pension administration software (PAS) to provide core services to its members, it is one of the most important decisions the Board would make and, on a staff level there is no room for error. Ms. Kumar informed the Board that the Fund's current vendor, LRS, had made an offer to upgrade the software in January of 2018. Ms. Kumar presented her initial research on the pension administration software (PAS). Based on her research and findings, more specifically due to the data conversion risk, Ms. Kumar strongly recommended the Board consider LRS. Ms. Kumar also recommended the Board has the option to issue an RFI and if the Board wants to consider changing the vendor, an RFP with a consultant, which will be costly, is strongly recommended considering the sensitive nature of the project and the various risks involved. After some discussion, the Board requested to see an RFI and have LRS provide a demo at the next board meeting. No motion necessary.

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VII. Update on correction of benefit error

Anumeha Kumar updated the Board on a benefits error discovered by LRS. Ms. Kumar stated that approximately 50 members were impacted by the error and discussed the scope of the error and timeline for completion of corrections. Ms. Kumar further stated that upon correction of the error, staff will reach out to the members impacted to inform them of the error and the steps that the Fund took to correct the error. After some discussion, no motion was necessary.

VIII. Proposed timeline for Actuarial Service RFP

Anumeha Kumar reviewed the proposed timeline for Actuarial Service RFP. Jeremy Burke requested to see the draft RFP before it is issued. No action necessary.

IX. Discussion of proposed policy for a written agenda procedure

Anumeha Kumar notified the Board that staff will work on an agenda procedure that will be presented at the next board meeting. Trustee Burke felt that there was an agenda procedure in place already. Chuck Campbell responded that there is a timing piece set forth in the Governance Policy but there is nothing about how agenda items are selected, chosen, postponed. Mr. Campbell confirmed that once the procedure is created, the Governance policy will need to be updated accordingly. No action necessary.

X. Discussion of possible changes to Board meeting dates, including the upcoming May 23 meeting date

Jeremy Burke requested the Board move the May 23rd board meeting due to the NCPERS Conference. Staff was directed to determine a new date after polling the Board. No action necessary.

XI. Update on administrative processing of lump sum distributions, including DROP

Anumeha Kumar presented the proposed procedure to administer DROP and lump-sum distribution requests with the goal to minimize errors, set expectations, and to ensure DROP interests are granted on time. Jeremy Burke requested staff post and distribute the procedure for membership comments. No action necessary.

XII. Presentation on securities litigation matter

Alyca Garrison reviewed the securities litigation matter and the recommendation to not pursue the case as lead plaintiff since the law firm that brought the case no longer recommended the Fund pursue the lead plaintiff status. Chuck Campbell reminded the Board that securities litigation is a relatively new policy and to expect more moving forward. Trustee Burke asked if legal council should provide a written report. Mr. Campbell stated that if the law firm that brought the case recommended the Fund pursue the lead plaintiff status then yes, a detailed report would have been provided. No motion necessary.

XIII. Staff Update

Anumeha Kumar notified the Board that the job posting has been published and interviews are underway for the Benefits Specialist position. No motion necessary.

XIV. Update on Deferred Compensation Committee discussion

Anumeha Kumar recommended the Board postpone discussing this until the Deferred Compensation Committee completed their RFP for a new record keeper which is estimated to conclude in December 2022. No motion necessary.

XV. Website update

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Anumeha Kumar briefly discussed plans to update the pension website for the short term with the goal to have it completed by next month. No motion necessary.

XVI. Newsletter update

Anumeha Kumar stated that a newsletter is a priority and hopes to have the first newsletter completed by August or September of 2022 after the annual financial audit and actuarial valuation are completed. No motion necessary.

XVII. Update on benefits and financial policies

Anumeha Kumar reviewed the necessity for internal controls and staff's progress on creating benefits and financial policies and procedures. Ms. Kumar informed the Board that payroll and timekeeping policies have been developed and are being followed by staff. No motion necessary.

XVIII. Internal financial statements, transactions, and Fund expense reports for month ending March 31, 2022

After some discussion following a review of the financial statements, Belinda Weaver requested staff provide information regarding short-term investment of Fund's cash account assets with the Fund's custodian bank and possible returns. No motion necessary.

XIX. Roadmap for future meetings

Some of the future agenda items include the following: Meketa 1Q22 report, operating procedures review, pension software service provider update, and City's presentation on APRS pension reform legislation. No motion necessary.

XX. Call for future items

A future agenda item was requested regarding a review of the process for service retirement benefit forms signed at Board meetings.

Hearing no objections, Vice Chair Fowler adjourned the meeting at 11:42 am.

Board Members

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