

MINUTES OF THE
FIRE FIGHTERS' RELIEF AND RETIREMENT FUND BOARD OF TRUSTEES
AUSTIN, TEXAS

The regular meeting convened at the pension office at 4101 Parkstone Heights Drive, Suite 270, Austin, Texas, on November 25, 2019 at 9:00 a.m., with the following present:

Keith Johnson	Vice-Chair	Cliff Alexander	Donald G. Lowe
Belinda Weaver	Treasurer	Art Alfaro	Tommy L. Rutledge
Jeremy Burke	Trustee	Chuck Campbell	Jan Wesson
Brad Landi	Trustee	Leo Festino	
Bill Stefka	Administrator	Keith Harrison	
Linda Adney	Adm. Asst.	Michelle Kranes	
Premal Amin	Adm. Asst.	Aaron Lally	

Minutes of the regular meeting held October 24, 2019, were reviewed by the Board. A motion was made by Belinda Weaver to approve the minutes of the regular meeting held October 24, 2019. With a second from Brad Landi, the Board unanimously approved.

The second agenda item was the approval of retirement benefits for five recent applicants. After review of the benefit information, Jeremy Burke made a motion to approve benefits as stated on the benefit calculation form for retirees, with a second from Brad Landi, the Board unanimously approved.

The next item on the agenda was the approval of survivor benefits for one recent applicant. After review of the benefit information, Jeremy Burke made a motion to approve benefits as stated on the benefit calculation form. With a second from Belinda Weaver, the Board unanimously approved.

Cybersecurity was the next agenda item to be discussed. Premal Amin reviewed the current status of security measures the pension fund has in place. Mr. Amin noted he had met with several companies that provide IT services one of which the Austin police pension fund uses. After a thorough comparison and analysis of services and costs with the Board, Premal suggested that the Fund move forward with hiring Vintage IT Services to ensure that our Fund has all the necessary hardware and software in place to prevent any issues. Premal noted the cost for the Vintage IT Services include free cybersecurity training for the Fund's employees and all fees are included in the proposed Fund's 2020 budget. No motion was necessary.

Agenda item 11 was a draft of the Fund's operating budget for 2020. Premal Amin discussed the budget in detail explaining the differences in estimated and actual costs so far in 2019; as well as savings in several areas as proposed in the 2020 budget. After further review and discussion, a motion was made by Jeremy Burke to approve the 2020 budget as presented. With a second from Brad Landi, the Board unanimously approved.

Agenda item number 4 was the Q3 2019 investment performance report from the plan's investment consultant, Meketa Investment Group. Aaron Lally and Leo Festino noted the Fund return for the third quarter was driven by the overweight in private equity. Mr. Festino reported that the plan's total return of 1.2% outperformed our peer benchmark for the quarter of 0.5%. The year-to-date return through 9/30/19 is 10.4%. As of this date our 10 year return was 8.0%. Mr. Lally reviewed the private equity pacing history and recommended a \$40 million commitment to a secondary fund be considered in February of 2020. The Board thanked Mr. Lally and Festino for their report and insight. No motion was necessary.

The next agenda item discussed was a review of the draft of forms and documents related to the disability retirement benefit policy. Chuck Campbell noted he updated the forms with the input and suggestions from the trustees and staff. Chuck said the minor grammatical changes suggested at today's meeting will be updated in the disability packet and a copy will be provided to the Board and staff before the next meeting. After further review, a motion was made by Jeremy Burke to approve the disability form packet with the revisions as discussed at today's meeting. With a second from Belinda Weaver, the Board unanimously approved.

Possible legislative changes for consideration was the next item for discussion. The Board reviewed a list of statute provisions that may need updating. Some items included on the list are adding pension office staff to the pension fund, surviving spouse of retirees, and surviving beneficiary of certain unmarried members which have been discussed from time to time as needing clarification or amendments. At this time Vice Chair Keith Johnson recognized retiree Jan Wesson who had signed in for public commentary to discuss this agenda item. Ms. Wesson mentioned she supported the idea of including the staff into the pension plan; as probably do most of the retirees. She asked the Board to maintain parity for all retirees, regardless of their marital status. Jan also inquired why unmarried active members can change beneficiaries as often as they care to, while retirees are limited to two changes; without a reduction in their benefit. The Board thanked Ms. Wesson for her comments and noted they would always get input from the plan's actuary before seeking any modifications to the statute in order to maintain the integrity of the pension plan. The Board agreed this item is a work-in-progress and will continue to be discussed at future meetings in preparation for the next legislative session. No motion was necessary.

Next up was the funding policy review (second reading and member comments). Pension staff noted there has been no comment from the membership to report. The policy will continue to be posted on the afrs.org website until December 16, 2019 for member comment. No motion was necessary.

The next agenda item was the review of the plan's governance policy. Chuck Campbell noted that if they concur, the Board can approve the policy today, and it will require second and third readings at the two following monthly meetings per fund rules. A motion was made by Jeremy Burke to approve the governance policy as written. With a second from Brad Landi, the Board unanimously approved.

Agenda item 8 was the interpretation of Section 7.06 regarding dependent parent benefits. The pension board went into executive session at 11:00 a.m. as authorized by Section 551.071 of the Texas Local Government Code. At 11.41 a.m. the Board concluded their executive session and resumed the regular meeting. No further discussion was necessary, and no action was taken at this time.

Next up was the monthly review of the roadmap for future meetings. Premal Amin updated the Board on the key activities and their status. No action was necessary.

A review of the October 2019 income statement, balance sheet and general ledger reports were next. No motion was necessary on these items.

Call for future agenda items was the next item for discussion. Future items include a review of disability retirement forms and documents, cybersecurity update, legislative considerations and third reading of the plan's funding policy.

Jeremy Burke made a motion to adjourn. With a second from Belinda Weaver, the Board unanimously approved.

BOARD MEMBERS

Mayor Steve Adler, Chair
Keith Johnson, Vice-Chair
Belinda Weaver, Treasurer
Jeremy Burke, Trustee
Brad Landi, Trustee

4101 Parkstone Heights Drive, Suite 270
Austin, TX 78746
(512)454-9567/Fax (512)453-7197
Website: WWW.AFRS.ORG