



Austin Fire Fighters Relief and Retirement Fund
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MINUTES
AUSTIN FIREFIGHTERS RELIEF AND RETIREMENT FUND BOARD OF TRUSTEES MEETING
MONDAY, JUNE 22, 2020 AT 9:00 AM

Board Members Present

Keith Johnson, Vice-Chair
Belinda Weaver, Treasurer
Jeremy Burke, Trustee
Brad Landi, Trustee
Bill Stefka, Administrator
Premal Amin, Asst. Administrator
Kendall Twomey, Admin. Asst.

Consultants Present

Chuck Campbell, JW
Alyca Garrison, JW
Leo Festino, Meketa
Aaron Lally, Meketa
Drew Ballard, Foster&Foster
Brad Heinrichs, Foster&Foster

Community Members Present

Jan Wesson
Cliff Alexanders
Arturo Serra
Bob Nicks
Unidentified attendees

Vice-Chair Keith Johnson called the meeting to order at 9:02 a.m.

- I. Minutes of the regular meeting on May 27, 2020

Keith Johnson requested the amend Section 5 of the May minutes to include 7.02 and 7.09 under Legislative Changes for 2021. Jeremy Burke made a motion to approve the amended minutes. Brad Landi seconded the motion. The motion passed unanimously.

- II. Service retirement benefits for one applicant

After review of the benefit information, a motion was made by Jeremy Burke to approve benefits as listed for the one applicant. The motion was seconded by Brad Landi. The motion passed unanimously.

- III. Medical Board Charter

Legal counsel Alyca Garrison noted several minor changes made in the document as a result of physicians' input; and now requires the three readings per fund rules. Belinda Weaver made a motion to clarify this is the first of three readings of the Medical Board Charter. Jeremy Burke seconded the motion. The motion passed unanimously.

- IV. Second Reading of Operating Procedures for Investing

Jeremy Burke made a motion to approve the second reading of the Operating Procedures for Investing. Brad Landi seconded the motion. The motion passed unanimously.

- V. 2019 Actuarial Valuation

Brad Heinrichs and Drew Ballard from Foster and Foster presented the 2019 Actuarial Valuation to the Board. This report included nine assumption changes as discussed and approved at the May meeting as a result of the recent actuarial experience study. In addition to the mortality rate, salary increases, retirement rates, retro-DROP elections, withdrawal rates, and disability rates; the price inflation rates were lowered from 2.75% to 2.5%, the investment return rate was lowered from 7.7% to 7.5%, and the payroll growth rate was lowered from 3.5% to 2.0%. Brad Heinrichs noted that if the market value of the plan was used in the study, rather than the actuarial value, the amortization period for the Fund would have been 15 years instead of 21. Mr. Heinrichs briefly touched upon the plan's position in response to the Pension Review Board regarding the funding policy. The Board thanked Mr. Heinrichs and Mr. Ballard for their report. No motion was necessary.

At this time retire Jan Wesson asked to address the Board under public commentary. Ms. Wesson reemphasized the need for more transparency in any possible legislative changes. Ms. Wesson stated that more of the membership should be kept apprised during the process. The discussions for sections 7.02 and 7.09 are most concerning to her in regards to who may be considered a beneficiary. Ms. Wesson stated that this work should be put on hold until it can be done correctly and in the best interests of all active and retired firefighters. The Board thanked Ms. Wesson for her comments.

VI. Possible Legislative Changes for 2021

After reviewing and discussing each section, the Board agreed to move forward with sections 3.01, 7.02, 7.04, 8.05(b), 10.01, 10.04. These sections include the following topics: Fund staff participation in pension plan, survivor benefits/designated beneficiaries, drop interest rate, pension board size and the Mayor's representative designation. Although the Board agreed section 6.04 is a (disability) policy change rather than a legislative change, the Board will continue discussing section 6.04, return to work after receiving disability benefits, in future board meetings. Chuck Campbell and Alyca Garrison will review the statute for possible edits and revisions. There was a request to contact Mayor Steve Adler to possibly weigh in.

VII. Negative Economic Impact Plan

The Board agreed to table this item. Keith Johnson requested the trustees continue gathering their input on this item and suggested the pension staff get input from the actuaries if needed. No motion was necessary.

VIII. Personnel Policies Project

The Board chose to table item 8 until further notice. Brad Landi requested the Board to individually review the Personnel Policy in the meantime.

IX. Securities Litigation Policy

Jeremy Burke had input for the Board to consider regarding this item as a possible supplement to the current policy to provide more clarity and under what circumstances the Fund may take a lead plaintiff position. Chuck Campbell agreed to review the information and report back at a later meeting.

X. Employee Compensation

Keith Johnson requested the Pension staff provide more information regarding employee compensation during the board meeting financials discussions. No motion was necessary.

XI. Financial statements, transaction, and fund expense reports

Premal Amin presented the May 2020 financial statements, transaction, and fund expense reports. No motion was necessary.

XII. Roadmap

Premal Amin presented the Roadmap to the Board which includes current and future topics and projects. Premal noted we are on track to submit all reports to the Pension Review Board on a timely basis. With the completion of the 2019 actuarial experience study and actuarial valuation, the Fund's auditors now have the

June 2020 Minutes (to be approved)

information needed to complete their 2019 Financial Audit Report.

XIII. Call for future items

Future agenda items for discussion will be legislative changes, the second reading of the Medical Board Charter, the 2019 Fund Audit Report, Securities Litigation Policy, and the third reading of the Operating Procedures for Investing.

Motion to adjourn was made by Belinda Weaver. With a second from Brad Landi, the meeting adjourned at 2:31 pm.

Board Members

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