

**AMENDMENT TO
AUSTIN FIRE FIGHTERS RELIEF AND RETIREMENT FUND RULES**

***Section VIII.--COLA Adjustment Policy
Minimum Benefit Amendment***

WHEREAS, the Board of Trustees (the “Board”) of the Austin Fire Fighters Relief and Retirement Fund (the “Fund”) may adopt rules desirable for the efficient administration of the Fund pursuant to Section 2.11 of Vernon’s Texas Civil Statutes Article 6243e.1;

WHEREAS, the rules adopted by the Board are set forth in a document entitled “Austin Fire Fighters Relief and Retirement Fund Rules” (the “Rules”);

WHEREAS, at its meeting of March 26, 2018, the Board approved a draft of a proposed amendment to Section VIII of the Rules that would establish guidelines for the Board’s consideration of a minimum benefit to certain members who are receiving normal service retirement or disability benefits (the “Amendment”); and

WHEREAS, the Board submitted the Amendment for member comment pursuant to Section XI of the Rules.

NOW THEREFORE, BE IT RESOLVED, at its meeting of May 30, 2018, the Board hereby adopts the Amendment to add Paragraph 5 to Section VIII of the Rules, effective May 30, 2018, as follows:

VIII. COLA Adjustment Policy

1. Background. The purpose of the policy in this Section VIII is to provide the actuarial basis for the determination of the collective adjustment amount available for cost-of-living adjustments under Section 9.04 of the Act. Satisfaction of actuarial soundness and financial stability of the Fund must be met prior to any post-retirement adjustments under Section 9.04 of the Act.

2. Methodology. Subject to the terms of the Act, including without limitation, Section 9.04(a-4) and (b-1), a projection to measure the liabilities associated with a cost-of-living adjustment under a specified set of actuarial assumptions will be performed to demonstrate the soundness and stability of the Fund over an extended period following such adjustment.

The period for the projection will be a ten-year period beginning with the effective date of most recent actuarial valuation (which must be no more than 12 months prior to the effective date of the cost-of-living adjustment). Such projection will be based on the actuarial methods and assumptions typically utilized by the Plan, except for the following:

(A) the investment rate of return assumed for the experience on plan assets for the initial year of the projection will be equal to the product of the actual rate of return on Plan assets realized from January 1 through September 30 of such year and the Plan’s actuarial rate of return for the period October 1 through December 31 of such year; and

for the Minimum Benefit will be determined by the Board in its sole discretion and applied in a uniform manner.

This paragraph 5 does not intend to and should not be interpreted as (A) obligating the Board to consider the Minimum Benefit or to establish or increase the Minimum Benefit in any given year, (B) providing rights to any person to a future Minimum Benefit, or (C) limiting the Board's discretion to allocate any available collective adjustment amount among eligible persons in any amounts.

By: <u>Keith A. Johnson</u> , Trustee Printed Name: <u>Keith Johnson</u>	By: <u>Dimitri Nichols</u> , Trustee Printed Name: <u>Dimitri Nichols</u>
By: <u>Belinda Weaver</u> , Trustee Printed Name: <u>Belinda Weaver</u>	By: _____, Trustee Printed Name: _____
By: <u>Jeremy Burke</u> , Trustee Printed Name: <u>Jeremy Burke</u>	