



BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND

MINUTES OF A REGULAR MEETING OF THE BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND BOARD OF TRUSTEES DECEMBER 8, 2022

The Big Spring Firemen's Relief and Retirement Fund Board of Trustees held a regular meeting on Thursday, December 8, 2022 at 8:30 a.m. at the Big Spring City Council located at 307 East 4th Street, Big Spring, Texas 79720, pursuant to notice.

CALL TO ORDER: Chairman Delk called the meeting to order at 8:43 a.m.

ROLL CALL:

PRESENT: Chairman Chanley Delk, Vice Chairman Paul Brown, Trustees Todd Darden, Chad Pederson, Sandra Smith and Jake Sparks

ABSENT: Trustee Cecil Cevallos

ALSO PRESENT: A.J. Weber, Amanda Secor and Sam Meyer, Lauterbach & Amen, LLP (L&A); Will Harrell, RHI

INVESTMENT REPORT – RHI: Mr. Harrell presented the Investment Performance and Asset Allocation Analysis for the medical subsidy fund for the period ending September 30, 2022. Mr. Harrell discussed the market environment, investment manager status report, summary of investment changes, total fund composite and performance by investment managers. As of September 30, 2022, the year-to-date total net return is (3.9%) for an ending market value of \$622,288.66. The current asset allocation is as follows: Fixed Income at 33.02%, Equity at 63.04% and Cash at 3.9%.

Mr. Harrell presented the Investment Performance and Asset Allocation Analysis for the relief & retirement fund for the period ending September 30, 2022. Mr. Harrell discussed the market environment, investment manager status report, summary of investment changes, total fund composite and performance by investment managers. As of September 30, 2022 the year-to-date total net return is (5.01%) for an ending market value of \$13,057,792.24. The current asset allocation is as follows: Fixed Income at 24.61%, Equity at 62.3%, Specialty Funds at 12.44% and Cash at 0.7%.

Potential Purchase and/or Sale of Securities, Rebalancing of Assets: Mr. Harrell recommended replacing the Vanguard US Large Cap Growth Fund with the JP Morgan Large Cap Growth Fund. A motion was made by Vice Chairman Brown and seconded by Trustee Sparks to accept the Investment Performance Report as presented and authorize RHI to execute the recommendation. Motion carried by roll call vote.

AYES: Chairman Delk, Vice Chairman Brown, Trustees Darden, Pederson, Smith and Sparks

NAYS: None

ABSENT: Trustee Cevallos

Mr. Harrell informed the Board that the capital call deadline for TerraCap was October 1, 2022. The Board requested an updated presentation from TerraCap and an updated Emerging Markets manager search from RHI.

APPROVAL OF MEETING MINUTES: *November 10, 2022 Regular Meeting:* The Board reviewed the November 10, 2022 regular meeting minutes. A motion was made by Trustee Sparks and seconded by Trustee Smith to approve the November 10, 2022 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Chairman Delk, Vice Chairman Brown, Trustees Darden, Pederson, Smith and Sparks
NAYS: None
ABSENT: Trustee Cevallos

REVIEW/APPROVE – LAUTERBACH & AMEN, LLP MONTHLY FINANCIAL REPORTS: The Board reviewed the Monthly Financial Report for the medical subsidy fund for the ten-month period ending October 31, 2022 prepared by L&A. As of October 31, 2022, the net position held in trust for pension benefits is \$649,402.94 for a change in position of (\$126,299.46). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Payroll Journal and the Vendor Check Report for the period October 1, 2022 through October 31, 2022 for total disbursements of \$2,815.77.

The Board reviewed the Monthly Financial Report for the retirement fund for the ten-month period ending October 31, 2022 prepared by L&A. As of October 31, 2022, the net position held in trust for pension benefits of the retirement fund is \$13,697,865.73 for a change in position of (\$3,316,305.45). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report and the Vendor Check Report for the period October 1, 2022 through October 31, 2022 for total disbursements of \$554.79.

A motion was made by Trustee Smith and seconded by Trustee Pederson to accept the Monthly Financial Reports as presented and to approve the disbursements shown on the October 1, 2022 through October 31, 2022 Vendor Check Reports in the amounts of \$2,815.77 and \$554.79. Motion carried by roll call vote.

AYES: Chairman Delk, Vice Chairman Brown, Trustees Darden, Pederson, Smith and Sparks
NAYS: None
ABSENT: Trustee Cevallos

APPROVAL OF MONTHLY EXPENSES, TRUSTEE TRAINING EXPENSES AND OTHER EXPENSES: *Trustee Training Registration Fees and Reimbursable Expenses:* The Board reviewed TEXPERS invoice #9277 submitted by Vice Chairman Brown in the amount of \$125 for the 2023 Advocacy Workshop.

L&A Invoices for Services: The Board reviewed L&A invoices #71997 dated November 20, 2022 in the amount of \$1,955 for professional services rendered in the month of October and #72679 dated November 29, 2022 for reimbursement for TLFRA lodging for Trustee Sparks in the amount of \$384.60.

The Board discussed upcoming training opportunities including NCPERS and OPALS.

A motion was made by Vice Chairman Brown and seconded by Trustee Pederson to approve the invoices as presented. Motion carried by roll call vote.

AYES: Chairman Delk, Vice Chairman Brown, Trustees Darden, Pederson, Smith and Sparks
NAYS: None
ABSENT: Trustee Cevallos

OLD BUSINESS: *Discussion/Possible Action – Ron Phillips DROP Benefit Overpayment:* The Board reviewed correspondence issued to Ron Phillips regarding the overpayment of his DROP benefit and noted that Nationwide will remit the full amount of his overpayment in one lump sum. A status update will be provided at the next regular meeting.

Status of 2022 Thirteenth Check to Retirees: The Board discussed the status of the 2022 thirteenth check to retirees and noted Dean Actuaries has not provided correspondence regarding the potential payments. The Board voted to not remit thirteenth checks due to market performance at the November 10, 2022 but

requested substantiating documentation from Dean Actuaries for the Fund's files. A status update will be provided at the next regular meeting.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were no applications for membership or withdrawals from the Fund.

NEW BUSINESS: *Establish 2023 Board Meeting Dates:* The Board discussed establishing the 2023 Board meeting dates. A motion was made by Trustee Smith and seconded by Trustee Darden to establish the 2023 Board meeting dates as: January 12, 2023, February 9, 2023, March 9, 2023, April 13, 2023, May 11, 2023, June 8, 2023, July 13, 2023, August 10, 2023, September 14, 2023, October 12, 2023, November 9, 2023 and December 14, 2023 at 8:30 a.m., to be held at the Big Spring City Council located at 307 East 4th Street, Big Spring, Texas 79720. Motion carried by roll call vote.

AYES: Chairman Delk, Vice Chairman Brown, Trustees Darden, Pederson, Smith and Sparks
NAYS: None
ABSENT: Trustee Cevallos

Discussion/Possible Action – New Hire Review Process: The Board discussed the current new hire review process and noted that new hires currently attend a Board meeting to address findings reported in their pre-employment physical examinations. A motion was made by Trustee Smith and seconded by Trustee Pederson to continue Board review of the pre-employment physical examinations but to excuse new hires from attendance at Board meetings for deliberation on the findings provided. Motion carried by roll call vote.

AYES: Chairman Delk, Vice Chairman Brown, Trustees Darden, Pederson, Smith and Sparks
NAYS: None
ABSENT: Trustee Cevallos

Deceased Pensioner – Rodney Phillips/Approval of Surviving Spouse Benefits – Cherry Phillips: The Board noted that Rodney Phillips passed away on November 16, 2022. The Board reviewed the surviving spouse benefit calculation for Cherry Phillips with an effective date of November 17, 2022. A motion was made by Trustee Darden and seconded by Trustee Pederson to approve the surviving spouse benefit of Cherry Phillips calculated by L&A. Motion carried by roll call vote.

AYES: Chairman Delk, Vice Chairman Brown, Trustees Darden, Pederson, Smith and Sparks
NAYS: None
ABSENT: Trustee Cevallos

Review/Approve – Affidavit of Continued Eligibility for Pension Benefits: The Board discussed the Affidavit of Continued Eligibility for Pension Benefits and reviewed the proposed form prepared by L&A. A motion was made by Trustee Darden and seconded by Trustee Pederson to issue the forms to all pension beneficiaries. Motion carried by roll call vote.

AYES: Chairman Delk, Vice Chairman Brown, Trustees Darden, Pederson, Smith and Sparks
NAYS: None
ABSENT: Trustee Cevallos

Active Trustee Nominations – Trustee Sparks: The Board noted that Jake Sparks is the incumbent Trustee and opened the floor for nominations. A motion was made by Vice Chairman Brown and seconded by Trustee Pederson to dispense with nominations and elect Jake Sparks as the active Trustee by acclamation. Motion carried by roll call vote.

AYES: Chairman Delk, Vice Chairman Brown, Trustees Darden, Pederson, Smith and Sparks
NAYS: None
ABSENT: Trustee Cevallos

Big Spring Firemen's Relief and Retirement Fund

Meeting Minutes – December 8, 2022

Page 4 of 4

ADJOURNMENT: A motion was made by Trustee Sparks and seconded by Trustee Pederson to adjourn the meeting at 9:54 a.m. Motion carried by roll call vote.

AYES: Chairman Delk, Vice Chairman Brown, Trustees Darden, Pederson, Smith and Sparks

NAYS: None

ABSENT: Trustee Cevallos

The next regular meeting is scheduled for January 12, 2023 at 8:30 a.m.

Chanley Delk, Chairman

Attest:

Sandra Smith, Secretary

Minutes approved by the Board of Trustees on _____

Minutes prepared by Amanda Secor, Plan Administrator, Lauterbach & Amen, LLP