



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 FEBRUARY 7, 2023

The Big Spring Firemen's Relief and Retirement Fund Board of Trustees held a regular meeting on Tuesday, February 7, 2023 at 8:00 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 8:20 a.m.

ROLL CALL:

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

ABSENT: Trustee Todd Darden

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

Trustee Sparks arrived at 8:23 a.m.

INVESTMENT REPORT – RHI: Mr. Harrell presented the Investment Performance and Asset Allocation Analysis for the medical subsidy fund for the period ending December 31, 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 December 31, 2022, the year-to-date total net return is 5.75% for an ending market value of \$671,885.67. The current asset allocation is as follows: Fixed Income at 32.57%, Equity at 64.99% and Cash at 2.4%.

Mr. Harrell presented the Investment Performance and Asset Allocation Analysis for the relief & retirement fund for the period ending December 31, 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 December 31, 2022 the year-to-date total net return is 7.83% for an ending market value of \$14,230,243.60. The current asset allocation is as follows: Fixed Income at 23.53%, Equity at 61.73%, Specialty Funds at 11.83% and Cash at 2.9%.

Potential Purchase and/or Sale of Securities, Rebalancing of Assets: Mr. Harrell discussed the Relief & Retirement Fund Guggenheim bond manager and noted the current allocation of 14%. Mr. Harrell recommended maintaining the Guggenheim fund but splitting the allocation and directing 50% of the value to the Frost Total Return bond manager. A motion was made by Vice Chairman Brown and seconded by Trustee Cevallos to direct RHI to execute the recommendation. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustee Darden

Mr. Harrell discussed the Medical Fund Guggenheim bond manager and noted the current allocation of 20%. Mr. Harrell recommended maintaining the Guggenheim fund but splitting the allocation and directing 50% of the value to the Frost Total Return bond manager. A motion was made by Vice Chairman Brown and seconded by Trustee Cevallos to direct RHI to execute the recommendation. Motion carried by roll call vote.

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

Emerging Markets Manager Search Results & TerraCap Update: The Board noted that Mr. Harrell will attend an upcoming meeting to present the reports, results and updates and may have potential replacement candidates for Diamond Hill.

APPROVAL OF MEETING MINUTES: *January 12, 2023 Regular Meeting:* The Board reviewed the January 12, 2023 regular meeting minutes. A motion was made by Trustee Cevallos and seconded by Trustee Pederson to approve the January 12, 2023 regular meeting minutes as written. Motion carried by roll call vote.

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

REVIEW/APPROVE – LAUTERBACH & AMEN, LLP MONTHLY FINANCIAL REPORTS: The Board reviewed the Monthly Financial Report for the medical subsidy fund for the twelve-month period ending December 31, 2022 prepared by L&A. As of December 31, 2022, the net position held in trust for pension benefits is \$671,881.37 for a change in position of (\$103,821.03). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Payroll Journal and the Vendor Check Report for the period December 1, 2022 through December 31, 2022 for total disbursements of \$3,198.88.

The Board reviewed the Monthly Financial Report for the retirement fund for the twelve-month period ending December 31, 2022 prepared by L&A. As of December 31, 2022, the net position held in trust for pension benefits of the retirement fund is \$14,230,244.96 for a change in position of (\$2,783,926.22). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report and the Vendor Check Report for the period December 1, 2022 through December 31, 2022 for total disbursements of \$601.79.

A motion was made by Trustee Smith and seconded by Trustee Pederson to accept the Monthly Financial Reports as presented. Motion carried by roll call vote.

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

A motion was made by Trustee Smith and seconded by Trustee Pederson to approve the disbursements shown on the December 1, 2022 through December 31, 2022 Vendor Check Reports in the amounts of \$3,198.88 and \$601.79. Motion carried by roll call vote.

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

APPROVAL OF MONTHLY EXPENSES, TRUSTEE TRAINING EXPENSES AND OTHER EXPENSES: *Trustee Training Registration Fees and Reimbursable Expenses:* There were no trustee training registration fees or reimbursable expenses presented for approval.

L&A Invoices for Services: The Board reviewed L&A invoices #72844 dated January 20, 2023 in the amount of \$1,955 for professional services rendered in the month of December.

The Board reviewed the following other expenses:

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- RHI invoices dated February 1, 2023 in the amount of \$839.85 for the medical subsidy fund first quarter retainer and in the amount of \$7,115.12 for the retirement fund first quarter retainer.
- Commerce Bank credit card statement with a balance of \$200

A motion was made by Trustee Smith and seconded by Trustee Cevallos to approve the invoices and additional expense as presented. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustee Darden

OLD BUSINESS: *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.

Approve Medical Subsidy Benefit Payments to Retirees: The Board reviewed James Smith application for retiree medical subsidy benefits in the annual amount of \$5,092.42. A motion was made by Trustee Cevallos and seconded by Trustee Pederson to approve James Smith medical subsidy benefit in the annual amount of \$5,092.42. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustee Darden

The Board reviewed Abel Solis's application for retiree medical subsidy benefits in the monthly amount of \$500 and noted that payment will continue directly to the City.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Contribution Refund – Gavin Wade:* The Board noted that Gavin Wade submitted a contribution refund request but total contributions have not been finalized at this time. The Board will review the request at the next regular meeting.

NEW BUSINESS: *Administer Oath of Office – Jake Sparks:* Secretary Smith will administer the Oath of Office to Jake Sparks immediately following the meeting.

ADJOURNMENT: A motion was made by Trustee Smith and seconded by Trustee Sparks to adjourn the meeting at 9:28 a.m. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustee Darden

The next regular meeting is scheduled for March 9, 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