



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 MARCH 14, 2024

The Big Spring Firemen's Relief and Retirement Fund Board of Trustees held a regular meeting on Thursday, March 14, 2024 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: Vice Chairman Paul Brown called the meeting to order at 8:40 a.m.

ROLL CALL:

PRESENT: Chairman Chanley Delk, Vice Chairman Paul Brown (*via video conference*) and Trustees Jake Sparks Sandra Smith, Chad Pederson and Cecil Cevallos

ABSENT: Trustees Todd Dardon

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

APPROVAL OF MEETING MINUTES: *February 8, 2024 Regular Meeting:* The Board reviewed the February 8, 2024 regular meeting minutes. A motion was made by Trustee Sparks and seconded by Trustee Smith to approve February 8, 2024 regular meeting minutes as written. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustee Darden

REVIEW/APPROVE RHI INVESTMENT REPORT: Mr. Harrell presented the Investment Performance and Asset Allocation Analysis for the relief & retirement fund for the period ending December 31, 2023. 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, 2023 the year-to-date total net return is 4.6% for an ending market value of \$15,201,540. The current asset allocation is as follows: Real Estate 4%, Fixed Income at 23%, Equity at 56%, Specialty Funds at 12% and Cash at 5%.

Mr. Harrell presented the Investment Performance and Asset Allocation Analysis for the medical subsidy fund for the period ending December 31, 2023. 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, 2023, the year-to-date total net return is 2.7% for an ending market value of \$784,435.39. The current asset allocation is as follows: Real Estate 5%, Fixed Income at 32%, Equity at 60% and Cash at 3%.

Potential Purchase and/or sale of securities, rebalancing of assets: Mr. Harrell recommended the following changes to the Board's portfolio:

- Remove Vanguard International Growth and Valued Fund and replace with MFS International Equity Fund due to the underperformance of the Vanguard Funds and the diversity and low turnover in the MFS International Fund.
- Replace Diamond Hill with Fidelity Low Price Stock.

- Reduce the Medical Subsidy plan from 65%/35% to 60%/40% in an effort to derisk the medical plan due to the size of the Fund.

A motion was made by Trustee Cevallos and seconded by Pederson to approve the changes as recommended by Mr. Harrell. Motion carried by roll call vote.

AYES: Chairman Chanley Delk, Vice Chairman Brown, Trustees Pederson, Smith, Sparks and Cevallos
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 one-month period ending January 31, 2024 prepared by L&A. As of January 31, 2024, the net position held in trust for pension benefits of the retirement fund is \$779,738.29 for a change in position of (\$4,695.72). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report and the Monthly Disbursement Report for the period January 1, 2024, through January 31, 2024 for total disbursements of \$5,484.78.

The Board also reviewed the Monthly Financial Report for the Retirement Fund for the one-month period ending January 31, 2024, prepared by L&A. As of January 31, 2024, the net position held in trust for pension benefits of the retirement fund is \$16,067,521.90 for a change in position of (\$111,657.05). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report and the Monthly Disbursement Report for the period January 1, 2024 through January 31, 2023 for total disbursements of \$2,691.53.

A motion was made by Trustee Cevallos and seconded by Trustee Pederson to accept the Monthly Financial Reports as presented and to approve the disbursements shown on the January Monthly Disbursement Reports in the amounts of \$2,691.53 and \$5,484.78. Motion carried by roll call vote.

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

APPROVAL OF MONTHLY EXPENSES, TRUSTEE TRAINING EXPENSES AND OTHER EXPENSES: *Trustee Training Registration Fees and Reimbursable Expenses:* The Board reviewed the following invoices for approval.

L&A Invoices for Services: The Board reviewed L&A invoice #87956 in the amount of \$2,075.00 for professional services rendered for February.

RHI Invoice: The Board reviewed RHI invoices in the amounts of \$8,100.77 and \$980.54.

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

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

OLD BUSINESS: *Status Update – Affidavits of Continued Eligibility:* L&A updated the Board on the status of the Affidavits of Continued Eligibility. The Board authorized L&A to send second requests to all

outstanding pensioners once the original due date has passed. Further discussion will be held at the next regular meeting.

Discussion/Action 2022 Retiree Thirteenth Check: The Board noted that the investment return was not met. A motion was made by Trustee Cevallos and seconded by Trustee Sparks to not award a thirteenth check to pensioners due to not meeting the requirements. Motion carried by roll call vote.

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

Review/Approve 2022 Final Actuarial Valuation: The Board reviewed the revised final actuarial valuation prepared by Dean Actuaries. A motion as made by Trustee Cevallos and seconded by Trustee Sparks to approve the revised Actuarial Valuation as presented. Motion carried by roll call vote.

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

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Contribution Refunds – Dawson Laurengo, Bryan Kleman and Garrett Ellis:* The Board reviewed the contribution refund submitted by Dawson Laurengo. A motion was made by Trustee Sparks and seconded by Trustee Pederson to approve the refund as presented. Motion carried by roll call vote.

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

The Board noted that L&A is awaiting additional pay periods for Braun Kleman and Garrett Ellis to verify the contributions are correct before issuing refunds.

NEW BUSINESS: *Status Update – Member Contributions for Medical Subsidy Fund:* The Board noted that the member contribution rate for the medical subsidy fund has increased. A motion was made by Trustee Sparks and seconded by Cevallos to approve the increase as presented. Motion carried by roll call vote.

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

Review/Approve BMO Bank Documents: L&A informed the Board they will send documents needed for signature to open the BMO Bank account. Further discussion will be held at the next regular meeting.

Approve Retiree Medical Subsidy Benefit Payments – Steven Hedges: The Board reviewed Steven Hedges’ application for reimbursement for the retiree medical subsidy Fund. A motion was made by Trustee Sparks and seconded by Trustee Darden to approve Steven Hedges’ medical subsidy reimbursement in the amount of \$4,251.52. Motion carried by roll call vote.

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

ADJOURNMENT: A motion was made by Trustee Pederson and seconded by Trustee Sparks to adjourn the meeting at 9:38 a.m. Motion carried by roll call vote.

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

The next regular meeting is scheduled for April 11, 2024 at 8:30 a.m.



Chanley Delk, Chairman

Attest:



Sandra Smith, Secretary

Minutes approved by the Board of Trustees on 4/11/24

Minutes prepared by Sam Meyer, Plan Administrator, Lauterbach & Amen, LLP