



# 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

SEPTEMBER 9, 2021

The Big Spring Firemen's Relief and Retirement Fund Board of Trustees held a regular called meeting on Thursday, September 9, 2021 at 9:00 a.m. at the Big Spring City Council located at 307 East 4<sup>th</sup> Street, Big Spring, Texas 79720 and via videoconference in accordance with the order by the Governor of the State of Texas suspending the Texas Open Meetings Act and allow meeting by teleconference, pursuant to notice.

**CALL TO ORDER:** Chairman Delk called the meeting to order at 9:04 a.m.

### ROLL CALL:

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

**ABSENT:** None

**ALSO PRESENT:** Plan Administrator Tom Ferguson; A.J. Weber and Amanda Secor, Lauterbach & Amen, LLP (L&A); Will Harrell, RHI Investments

**APPROVAL OF MEETING MINUTES:** *August 12, 2021 Regular Meeting:* The Board reviewed the August 12, 2021 regular meeting minutes. A motion was made by Vice Chairman Sparks and seconded by Trustee Cevallos to approve the August 12, 2021 regular meeting minutes as written. Motion carried by roll call vote.

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

**NAYS:** None

**ABSENT:** None

**REVIEW/APPROVE – LAUTERBACH & AMEN, LLP MONTHLY FINANCIAL REPORTS:** The Board reviewed the Monthly Financial Report for the medical subsidy fund for the eight-month period ending August 31, 2021 prepared by L&A. As of August 31, 2021, the net position held in trust for pension benefits is \$755,881.09 for a change in position of \$71,233.75. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report and the Vendor Check Report for the period June 1, 2021 through August 31, 2021 for total disbursements of \$10,019.31.

The Board reviewed the Monthly Financial Report for the retirement fund for the eight-month period ending August 31, 2021 prepared by L&A. As of August 31, 2021, the net position held in trust for pension benefits of the retirement fund is \$16,669,856.29 for a change in position of \$1,653,750.69. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report and the Vendor Check Report for the period June 1, 2021 through August 31, 2021 for total disbursements of \$28,860.25.

A motion was made by Trustee Pederson and seconded by Trustee Darden to accept the Monthly Financial Reports as presented and to approve the disbursements shown on the June 1, 2021 through August 31, 2021 Vendor Check Reports in the amounts of \$10,019.31 and \$28,860.25. Motion carried by roll call vote.

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

**NAYS:** None

**ABSENT:** None

**INVESTMENT REPORT – RHI:** Mr. Harrell presented the Investment Performance and Asset Allocation Analysis for the medical subsidy fund for the period ending June 30, 2021. Mr. Harrell discussed the market environment, investment manager status report, summary of investment changes, total fund composite and performance by investment managers. As of June 30, 2021, the year-to-date total net return is 4.34% for an ending market value of \$738,162.59. The current asset allocation is as follows: Fixed Income at 29.94%, Equity at 66.99% and Cash at 3.1%.

Mr. Harrell presented the Investment Performance and Asset Allocation Analysis for the relief and retirement fund for the period ending June 30, 2021. Mr. Harrell discussed the market environment, investment manager status report, summary of investment changes, total fund composite and performance by investment managers. As of June 30, 2021, the year-to-date total net return is 5.16% for an ending market value of \$16,298,896.17. The current asset allocation is as follows: Fixed Income at 21.76%, Equity at 63.79%, Specialty Funds at 13% and Cash at 1.5%.

*Potential Purchase and/or Sale of Securities, Rebalancing of Assets:* Mr. Harrell discussed the Relief & Retirement portfolio and recommended terminating the Westwood Core Bond Strategy account and reallocating the proceeds to the Frost Bank on an interim basis until RHI conducts a full manager search for a suitable replacement fund. Mr. Harrell discussed the Medical Subsidy portfolio and recommended terminating the William Blair Fund and replace it with the Vanguard MidCap Growth ETF on an interim basis until RHI conducts a full manager search for a suitable replacement fund. Mr. Harrell also recommended terminating the Medical Westwood Core Bond Fund and Garcia Hamilton Core Bond Fund and reallocating the proceeds to the Guggenheim Total Return Fund. A motion was made by Vice Chairman Sparks and seconded by Trustee Darden to execute the trade recommendations as discussed. Motion carried by roll call vote.

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

*Review/Update Investment Policy:* This item was not discussed.

**APPROVAL OF MONTHLY EXPENSES, TRUSTEE TRAINING EXPENSES AND OTHER EXPENSES:** *Training Reimbursement to Trustee Cevallos:* The Board reviewed Trustee Cevallos's reimbursement request in the amount of \$1,457.93 for expenses incurred while attending the TEXPERS conference. A motion was made by Vice Chairman Sparks and seconded by Trustee Brown to approve Trustee Cevallos's reimbursement request as presented. Motion carried by roll call vote.

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

*Expense Reimbursement to Trustee Smith:* The Board reviewed Trustee Smith's reimbursement request in the amount of \$300 for the purchase of a tablet. A motion was made by Trustee Cevallos and seconded by Vice Chairman Sparks to approve Trustee Smith's reimbursement request as presented. Motion carried by roll call vote.

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

**OLD BUSINESS:** There was no old business to discuss.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** *Application for Membership – David Williams:* The Board reviewed the Application for Membership submitted by David Williams. The Board also reviewed the City of Big Spring Pre-Employment Physical Exam Packet for the member and asked the member to explain any potentially concerning findings provided in the respective medical reports. A motion was made by Trustee Darden and seconded by Trustee Cevallos to accept David Williams effective August 23, 2021 into the Big Spring Firemen's Relief and Retirement Fund. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

**NEW BUSINESS:** Trustee Darden inquired about his reimbursement request approved at the June 10, 2021 regular meeting. L&A will contact Frost Bank for an update regarding the request.

*Post-meeting note: Frost Bank confirmed the reimbursement was not processed when submitted and will expedite Trustee Darden's reimbursement request.*

Chairman Delk apprised the Board that he is awaiting receipt of the formal funding policy.

**ADJOURNMENT:** A motion was made by Vice Chairman Sparks and seconded by Trustee Pederson to adjourn the meeting at 10:42 a.m. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

The next regular meeting is scheduled for October 14, 2021 at 9:00 a.m.

---

Chanley Delk, Chairman

Attest:

---

Chad Pederson, Secretary

Minutes approved by the Board of Trustees on \_\_\_\_\_

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