

THE EL PASO FIREMEN & POLICEMEN'S PENSION BOARD OF TRUSTEES
REGULAR MEETING HELD
Wednesday, January 21, 2009 at 1:00 PM
El Paso Firemen and Policemen's Pension Fund Office
Chase Tower, 201 East Main, Suite 1616
El Paso, Texas 79901

MINUTES

MEMBERS PRESENT:

Mayoral Appointments:

Dr. Robert Tollen
Mr. Presi Ortega

City Manager Appointments

Mr. William F. Studer

Police Department

Chief Robert Feidner
Commander Mark Austin
Detective Stanley Hayes

Fire Department

Chief Matt G. Widtfeldt

OTHERS PRESENT:

Mr. Robert J. Stanton – Secretary
Ms. Yolanda Carreon – Assistant Secretary
Mr. Andrew D. Flewelling - L.R. Wechsler via teleconference

MEMBERS ABSENT:

Chief Michael V. Calderazzo
Chief Ralph B. Johnson
Mr. John D. Davis, III
Ms. Terri Garcia

1. **Call to order**

Vice-Chairperson Austin called the regular meeting of the El Paso Firemen & Policemen's Pension Fund Board of Trustees to order at 1:04 p.m.

2. **Approve minutes of Board meetings held December 17, 2008.**

Dr. Tollen moved to approve the minutes of the meetings held December 17, 2008, seconded by Mr. Hayes and passed by the Board.

3. **Consideration and approval of the Financial Report for the month ending December 31, 2008.**

Due to a lack of a quorum, Mr. Stanton stated the Budget & Finance Committee did not meet.

Dr. Tollen moved to approve the Financial Reports for the month ending December 31, 2008, seconded by Mr. Widtfeldt and passed by the Board.

4. **Approve Pension Payrolls:**

Fire	\$ 1,618,165.42
Police	\$ 2,143,142.04

Mr. Stanton stated the Pension Payrolls were in order.

Mr. Hayes moved to approve the Pension Payrolls for the month ending December 31, 2008, seconded by Mr. Feidner and passed by the Board.

5. **Consideration and action on service retirements:**

A. Alfred G. Rodriguez	Fire Department
B. Ruben Cisneros	Police Department

Mr. Stanton stated the documentation was in order and recommended approval for service retirements for Items 5A and 5B

Mr. Hayes moved to approve service retirements for Items 5A and 5B, seconded by Mr. Widtfeldt and passed by the Board.

6. **Consideration and action on request for early retirement.**

David S. Power	Fire Department
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Mr. Stanton stated the documentation was in order and recommended the approval for early retirement for Mr. Power.

Mr. Hayes moved to approve early retirement for Mr. Power, seconded by Mr. Widtfeldt and passed by the Board.

7. **Consideration and action on request for Back-Drop retirement.**

Roberto Rivera Fire Department

Mr. Stanton stated the documentation was in order and recommended the approval for BackDrop retirement for Mr. Rivera.

Mr. Hayes moved to approve BackDrop retirement for Mr. Rivera, seconded by Mr. Ortega and passed by the Board.

8. **Consideration and action on request for disability retirement.**

Juan M. Ramos Police Department

Mr. Studer informed the Board that the Disability Committee met and unanimously recommended approval for a disability retirement for Mr. Ramos.

Mr. Studer moved to approve disability retirement for Mr. Ramos, seconded by Mr. Ortega and passed by the Board.

9. **Discussion and action on up-date on the implementation and recent developments of the Pension Administration System by Mr. Andy Flewelling of L.R. Wechsler.**

Mr. Flewelling provided the Board with an up-date of the TACS Implementation for the current period. He provided the following highlights:

- Provided feedback and guidance to Mr. Stanton and Nashyelli regarding retiree data; participated in call with Jeff Houston regarding access to Nashyelli's PC; participated in conference call with Steve Speed and Mr. Stanton regarding access to Mellon PDA data file; monitored progress on data entry to the Mellon PDA file.
- Forwarded retiree data conversion reconciliation spreadsheet to Mr. Stanton to review with Steve Speed. Spreadsheet will be used for reconciliation across TACS, Mellon PDA (staging files), and Northern Trust.
- Reviewed tasks remaining in cutover and discussed timeline with project team; reconcile converted retiree data across systems – week of 1/19; process additional test retiree payroll cycles – week of 1/19; update production environment 1/26-2/6; cutover to production week of 2/9. Additionally, Mr. Stanton informed the Board that we currently are using some of the modules of this system.

On securing the IT Environment, Mr. Flewelling reported as follows:

- Reviewed Net-Tech invoice for services rendered in December and discussed same with Mr. Stanton and Net-Tech; Ordered replacement production and backup server equipment. Equipment will be installed following TACS cutover to production and comfort level with application stability.
- Mr. Stanton added that Net-Tech will supply a very detailed migration plan because a lot can go wrong when going from one server to another.

No action taken.

10. **Discussion and action on entering into an agreement with the Epstein Group for providing legislative consulting services to the Fund for the 2009 Legislative Session in the amount of \$30,000.00 at the request of Chairman Calderazzo.**

Mr. Stanton stated that the Epstein Group had approached the Fund to offer public affairs consulting services. They would like to assist the Fund in the current legislative session by monitoring any proposed statutory changes that may impact the Fund. He added that TEXPERS monitors state legislative activities and tracks information collectively, however they do not report directly to the Fund on issues going on.

An extensive discussion followed with some members expressing concerns as to the necessity of these services; while other members felt it important to engage someone to provide regular legislative updates to the Fund. A trip to Austin to meet with our Representatives was also suggested. It was recommended to table this item to allow Chairperson Calderazzo to present his views. In the interim, Mr. Feidner asked the Executive Director to research what other Funds are doing.

Dr. Tollen moved to table this item for one month, seconded by Mr. Widtfeldt. Dr. Tollen, Mr. Widtfeldt, Mr. Studer, Mr. Ortega, and Mr. Austin voted in favor. Mr. Hayes and Mr. Feidner opposed. Motion carried.

11. **Discussion and action on authorizing a transfer of funds in the amount of \$62,000 from Account 4084-Consulting Services to Account 2230 Salaries for federal income tax purposes after discussion with legal counsel.**

In the 2009 budget, the Board authorized \$62,000 for a contract employee to work on various projects such as procedures manuals for the different staff positions. Mr. Stanton informed the Board that in talking to legal counsel this contract employee does not meet the requirements for a contract employee. As a result of this he is requesting to transfer this allocation from Account 4084-Consulting Services to Account 2230 Salaries in order to pay this person as a regular temporary employee and pay the necessary taxes.

Dr. Tollen moved to authorize the transfer of funds in the amount of \$62,000 from Account 4084 – Consulting Service to Account 2230 Salaries, seconded by Mr. Feidner and passed by the Board.

12. **Report of Executive Director.**

Mr. Stanton provided an up-date as follows:

- Fiduciary Education Account – Account balance is approximately \$100,015.
- Assets of the Fund are at \$628,613,218 as of yesterday.
- Delegate names need to be certified to TEXPERS. Mr. Stanton urged those attending to finalize their plans with staff.
- Corinne is in the process of drafting policy and forms for qualified children who attain the age of eighteen and then turn age nineteen and attend college for purposes of making sure they continue to qualify for the benefit. She is also completing final review of Summary Plan Description for both base and 2nd tier plans; finalizing a Disability Booklet for both base and 2nd tier plans; and finalizing Steps to Retirement Booklet and Checklist.

- Mr. Stanton also reported that he is working with Legal Counsel on the Plan Governance to include the following areas: Review of duties and responsibilities in the following areas: Chairperson and Vice-Chairperson; Retirement Board Charter; Executive Director Charter; Investment Committee Charter; Audit Committee Charter; Administrative/Benefits Charter; Business Planning Charter; Service Provider Selection Policy; Board Operations Policy; Board Policy Development Policy; and Board Education Policy. At some point these will be coming to the Board for approval in order to post to our web site.
- Additionally Mr. Stanton is working on the Re-statement of the current Code of Ethics; Re-statement of Quarterly Disclosures by Board of Trustees and Staff; Conflicts of Interest for Service Providers under Texas Ethics Commission and writing of Administrative By-Laws for the operation of the Board of Trustees. He foresees a very busy 2009.

13. Opportunity for Statements from Retired Members/Public.

If you wish to make any comments, please complete the form located at the entrance door. Forward the completed form to the Executive Director or Executive Assistant for the Chairperson. The presentation will be limited to five minutes. No action may be taken by the Board unless the matter has already been noted as a topic on the agenda. For those who wish their names recorded as attending this meeting in the minutes, please sign the sheet provided next to the entrance door.

14. Committee Reports:

- A. Actuary/Audit Committee – Did not meet.
- B. Budget & Finance Committee – Already reported.
- C. Disability Committee – Already reported under Item 8.
- D. Investment Committee – Dr. Tollen reported that the committee met for the purpose of giving Mr. Ralph and Mr. Stanton the go ahead to submit a redemption request of 15% of our investment with Northern every two weeks in order to begin the rebalancing program. He also reported on the Real Estate On-Site visits which will take place early next week.
- E. Personnel Committee – Did not meet

15. For Notation: Cost of Living Adjustments

- A. Roberto Rivera Fire Department
- B. Sylvia Aguilar Police Department
- C. Jose C. Castro Police Department
- D. Henry J. DiMatteo Police Department
- E. Edward F. Provencio Police Department

16. For Notation: Death of member(s)

Marcos M. Valero Police Department

17. For Notation: Withdrawing Deferred Retirement Application

Jose A. Carrizal, Jr. – Rescinded Deferred Retirement

18. For Notation: Refund of Contributions

- A. Oscar Gonzalez Fire Department
- B. Daniel Ochoa Fire Department
- C. Jose A. Carrizal, Jr. Police Department

19. For Notation: Payments to Service Providers

- A. Eduardo Miranda, Atty. -11/30/08 \$ 225.00
- B. Reinhart Boerner Van Deuren, Attys.10/08 \$ 6,529.50
- C. Sheehan Phinney Bass + Green (10/31/08) \$ 11,783.00
- D. Summit Strategies Group (4th qtr) \$ 47,750.00

20. Adjournment.

Mr. Feidner moved to adjourn, seconded by Mr. Ortega. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting adjourned at 2:10 p.m.

Chairperson

Secretary