

THE EL PASO FIREMEN & POLICEMEN'S PENSION BOARD OF TRUSTEES
REGULAR MEETING HELD
Wednesday, October 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:

Mr. Presi Ortega
Dr. Robert Tollen

City Manager Appointments

Ms. Terri Garcia
Mr. William F. Studer

Police Department

Commander Mark Austin
Sergeant Tyler Grossman

Fire Department

Chief Matt G. Widtfeldt

OTHERS PRESENT:

Mr. Robert J. Stanton - Secretary
Ms. Yolanda Carreon - Assistant Secretary
Mr. Gerard Branka - Pyramis Global Advisors
Mr. Brian Hoesly - Pyramis Global Advisors

MEMBERS ABSENT:

Mr. John D. Davis, III
Chief Michael V. Calderazzo
Chief Ralph B. Johnson
Detective Stanley Hayes

1. **Call to order**

Vice Chair Austin called the regular meeting of the El Paso Firemen & Policemen's Pension Fund Board of Trustees to order at 1:12 p.m.

2. **Approve minutes of Board Meeting held September 16, 2009.**

Dr. Tollen moved to approve the minutes of the meeting held September 16, 2009, seconded by Mr. Ortega and passed by the Board.

3. **Consideration and approval of the Financial Report for the month ending September 30, 2009, as recommended by the Budget & Finance Committee.**

Ms. Garcia, reporting on behalf of the Budget and Finance Committee, stated that the documentation was in order. She noted that the health insurance line item was low as invoices are sometimes back logged. The printing line item is also low as the annual report has not yet been charged to this account.

Mr. Widtfeldt moved to approve the Financial Reports for the month ending September 30, 2009, seconded by Dr. Tollen and passed by the Board.

4. **Approve Pension Payrolls:**

Fire	\$ 1,694,722.64
Police	\$ 2,234,451.78

Mr. Stanton stated the Pension Payrolls were in order.

Mr. Grossman moved to approve the Pension Payrolls for the month ending September 30, 2009, seconded by Dr. Tollen and passed by the Board.

5. **Consideration and action on disability retirement:**

Mr. Jose Acuna, Jr.

Police Department

Reporting for the Disability Committee, Mr. Studer stated that the committee had met and reviewed the Independent Medical Evaluation (IME) and all the medical documentation for Mr. Acuna and that it was their recommendation that his request for a disability retirement be granted.

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

6. **Portfolio review and presentation by Mr. Gerard Branka of Pyramis Global Advisors and related matters.**

Mr. Branka spoke briefly about the Investment Team lead by Michael Strong, with Brian Hoesly and Chris Steward. The Investment Growth Team has eighty-eight research professional in Europe, thirty-two in Japan and thirty-seven research professionals in the Pacific Basin Ex Japan. Mr. Branka reiterated Pyramis's International Growth Investment Process which is driven by fundamental bottom-up research, modular portfolio construction through teams of senior regional portfolio managers and close interaction between analysts and portfolio managers with individual accountability. Mr. Branka also apologized to the Board with regard to the manner in which Pyramis introduced the administrative and bookkeeping fee in the International Commingled Fund in which the Fund invests. The Board accepted Mr. Branka's apology on behalf of the management at Pyramis. With that, Mr. Brian Hoesly provided the investment results as of September 30, 2009. The Fund had a return of 19.24% for the period ended September 30, 2009 and an annualized return of 25.97% for the year to date. The MSCI EAFE Index had a return of 19.47%, for the three month period ending September 30, 2009 and a 28.97% return for the one year period. The Fund trailed by 3.00% for the one year period ended. Since inception of 12/31/2002 the Fund had a return of 10.94% compared to the MSCI EAFE Index of 10.32%. The top performers for Q3 2009 were, Anheuser Busch, InBev, Barclays, DnB, Volkswagen and Tencent. The top detractors were Nomura Holdings, Intesa Sanpaolo, UBS, Tokio Marine Holdings and Allianz.

7. **Discussion and action on retaining a Small Capitalization International Equity Manager as recommended by the Investment Committee.**

Reporting on behalf of the Investment Committee, Dr. Tollen stated that they met this morning and after having completed the Committee's due diligence visits to Dimensional Fund Advisors, Highclerc International Investors and Mondrian Investment Partners the following is recommended:

After careful discussion and due consideration, Dr. Tollen moved to retain Dimensional Fund Advisors as the Funds manager in the Small Cap International Equities phase which will represent 20% of our international portfolio, seconded by Mr. Widtfeldt and passed by the Board.

8. **Discussion and action on approval/denial of full-time Student Request in accordance with Section 3.18 "Qualified Child" of the Plan Document.**

After careful discussion and in accordance with Section 3.18 of the El Paso Firemen & Policemen's Pension Fund Plan Document, Dr. Tollen moved to approve the Student Request Application before the Board, seconded by Mr. Ortega and passed by the Board.

The question of paying interest on retro benefits was discussed and will be brought back to the Board next month for further discussion.

9. **Discussion and action on renewing the Fund's annual membership to TEXPERS. Fees based on total assets: Fire - \$ 1,849.06 Police - \$ 2,676.51.**

After careful discussion and due consideration, Mr. Grossman moved to approve the renewal of the annual membership fees to TEXPERS, seconded by Dr. Tollen and passed by the Board.

10. **Up-date on Pension Administration System by Robert J. Stanton, Executive Director.**

A status report was presented to the Board by Mr. Stanton. He informed the Board that there is not much to report other than we are waiting for builds from Tyler Technologies with respect to health insurance deductions. He further stated that staff is now caught up with all payrolls through October. They have not yet been posted because of the previously discussed build which should be coming from Tyler shortly.

11. **Report of Executive Director.**

Mr. Stanton provided an up-date as follows:

- Assets of the Fund as of yesterday are at \$916,437,000.
- Fiduciary account is about \$110,000 and we will get that back down again.
- Another capital call from Partners is forthcoming in the amount of 711,117.00 EURO's or approximately \$1,062,090.09. We just received from them a distribution of \$525,000 which will be going into PIMCO.
- Anyone attending Public Funds needs to contact staff soon.
- We are fully staffed now with the addition of Mr. Darrel Petry.
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12. **Opportunity for Statements from Retired Members/Public.**

13. **Committee Reports:**

- A. Actuary/Audit Committee – Did not meet.
- B. Budget & Finance Committee – Already reported
- C. Disability Committee – Already reported.
- D. Investment Committee – Dr. Tollen informed the Board that during the recent due diligence trip they also visited Baillie Gifford. He stated that it was a very pleasant feeling to see that they have a highly professional shop with very good people working the Fund's portfolio.
- E. Personnel Committee – Did not meet.

14. **For Notation:**

- A. Service Retirements

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1. Mr. Donald R. Berger Fire Department
 2. Mr. Miguel Perez Fire Department
 3. Mr. Gonzalo Chavarria Police Department
 4. Mr. Paul L. Jaso Police Department
 5. Mr. Raul Medrano Police Department
 6. Jesse R. Ramirez Police Department

B. Early Retirements

Ms. Sylvia Garcia Police Department

C. Deferred/PRP Retirements

Mr. Paul Pedroza Fire Department

D. Service/BackDrop Retirements

Gene D. Gwyn Police Department

E. Survivor Benefits

1. Carmen T. Cox, survivor of James C. Cox, Fire Department
2. Carmen Denman, survivor of David A. Denman, Fire Department

F. Cost of Living Adjustments

1. Lisa Kepple Fire Department
2. Michael Widtfeldt Fire Department

G. Death of member(s)

Ms. Alicia Muro Fire Department

H. Payments to Service Providers

1. Access Medical Evaluations \$ 1,000.00
2. Eduardo Miranda, Atty. – 08/31/2009 \$ 162.50
3. Eduardo Miranda, Atty. – 09/30/2009 \$ 50.00
4. Northern Trust Co. -Custody & Benefits \$ 12,500.00
5. Northern Trust Co. -Asset Mgmt-2Q09 \$ 13,028.51
6. Northern Trust Co. -Custody & Benefits \$ 12,500.00
7. Northern Trust Co. -Asset Mgmt-3Q09 \$ 11,466.45
8. Sheehan Phinney Bass + Green – 08/31/09 \$ 9,444.24
9. Strasburger & Price, L.L.P. – 08/31/09 \$ 750.00
10. Summit Group - 3rd Q2009 \$ 47,750.00
11. Travis & Calhoun – 08/31/09 \$ 1,099.01

15. **Adjournment.**

Mr. Ortega moved to adjourn, seconded by Mr. Widtfeldt and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:15 p.m.

Chairperson

Secretary