

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING HELD
Wednesday, January 18, 2012 at 1:00 PM
El Paso Firemen and Policemen's Pension Fund Office
Chase Tower, Suite 1616
201 East Main Drive, El Paso, Texas 79901

MINUTES

TRUSTEE MEMBERS PRESENT

Fire Division

Chief Michael V. Calderazzo
Chief Rick Carson
Chief Jerry Villanueva

Police Division

Commander Mark Austin
Lieutenant Tyler Grossman
Detective JD Cotham

Mayoral Appointments:

Dr. Robert Tollen
Ms. Carmen Arrieta-Candelaria
Mr. Presi Ortega

City Manager Appointments

Mr. William F. Studer

OTHERS PRESENT

Mr. Robert J. Stanton - Secretary
Ms. Yolanda Carreon - Assistant Secretary
Mr. Sonny Franco - Accountant
Mr. Earl Hayden - Fire Association

TRUSTEE MEMBERS ABSENT:

Ms. Terri Garcia

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1. Call to order.

Chairperson Calderazzo called the Regular Meeting of the El Paso Firemen & Policemen's Pension Fund Board of Trustees to order at 1:08 p.m.

2. Establishment of Quorum

Chairperson Calderazzo established a Quorum is present.

3. Reading and approval of the Minutes of the previous Board Meeting held December 21, 2011.

Dr. Tollen moved to approve the minutes of the previous Board Meeting held on December 21, 2011, seconded by Mr. Austin and passed by the Board.

Consent Agenda

Mr. Grossman moved to approve the Consent Agenda, seconded by Dr. Tollen and passed by the Board.

Mr. Stanton noted that consolidated financial statements will now be provided on a forward basis.

Unfinished Business

1. Discussion and action on the Articles of Agreement between Local 51/International Association of Fire Fighters and the City of El Paso pending completion of actuarial study.

Two concerns on this item were pointed out by Mr. Studer. He referred to the definitions of wages and salary under state statute 6243(b). State statute defines salary as base pay plus longevity and excludes all other forms of compensation. Wages means salary, longevity and overtime pay and also excludes all other compensation. He believes that unless you can fit this sick leave pay within base pay, longevity or overtime, he does not think it qualifies. The second concern Mr. Studer voiced is in regards to damaging the fund in terms of making it more underfunded. He stated that a section under 6243(b) stops the Board from increasing retiree benefits but it does not stop the City from increasing benefits to active employees even if it has a negative impact to the fund. He pointed out that 6243(b) binds the City; however, the Plan Document does not. Chair Calderazzo stated that Mr. Studer makes a reasonable argument, but there seems to be enough of a question from a fiduciary point of view to review this issue further.

Mr. Stanton understands what Mr. Studer brings up. The Plan Document does state things that are different from 6243(b) and are currently in effect. Mr. Stanton stated this was being done long before he came here. He will research to see how this additional sick leave, vacation leave, and AWP evolved and were rolled in to the Plan Document from 6243(b). Additionally, Chair Calderazzo wants to further discuss the issue of Accident With Pay (AWP) as it relates to pension contributions. He noted that this also needs further discussion.

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No action.

Reports and recommendations of Committees

- A. Audit and Risk Management Committee - Did not meet.
- B. Investment Committee - Dr. Tollen informed the Board that the committee met this morning. Action items will be discussed under New Business.
- C. Benefits Committee - Did not meet.
- D. Management Development and Review Committee – Mr. Grossman informed the Board that the committee met this morning. An action item will be discussed under New Business.
- E. Ad-Hoc Committee for Office Space – Did not meet.
- F. Budget & Finance Committee – Did not meet.

New Business

1. Discussion and action on seeking requests for information for insurance consultant services.

Mr. Stanton informed the Board that he will search for a consultant who understands professional liability needs to assist in determining the correct amount of insurance coverage necessary to protect the Fund

No action.

2. Discussion and action authorizing the Executive Director upon this notification, confirmation, and acknowledgement of the Board's approved investment in Partners Group Global Real Estate 2011 in the amount of \$9,000,000 US which when converted to EURO's may exceed or be less than the previously approved amount of \$9,000,000 US.

Dr. Tollen moved to acknowledge and approve that the \$9,000,000 commitment to Partners Group Global Real Estate 2011 previously approved by the Board may exceed or be less than \$9,000,000 when converted to EURO's seconded by Mr. Grossman. Dr. Tollen, Mr. Grossman, Mr. Austin, Mr. Carson, Mr. Villanueva, Mr. Cotham, Ms. Arrieta-Candelaria, Mr. Ortega and Mr. Studer voted in favor. Chair Calderazzo opposed. Motion carried.

3. Discussion and action on the commitment of \$2,500,000 to Riverside Fund V as recommended by Meketa Investment Group, pursuant to the approval and recommendation of the Investment Committee.

After careful discussion, due consideration, the Investment Committee in consultation with the Fund's Alternative Investment Consultant, Meketa Investment Group, recommends the commitment of \$2,500,000 to Riverside Fund V pending legal review on motion by Dr. Tollen, seconded by Mr. Grossman and passed unanimously by the Board.

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4. Discussion and action on the commitment of \$2,500,000 to Global Infrastructure Partners II as recommended by Meketa Investment Group, pursuant to the approval and recommendation of the Investment Committee.

After careful discussion, due consideration, the Investment Committee in consultation with the Fund's Alternative Investment Consultant, Meketa Investment Group, recommends to the Board of Trustees the commitment of \$2,500,000 to Global Infrastructure Partners II, pending legal Review on motion by Dr. Tollen, seconded by Mr. Grossman and passed unanimously by the Board.

5. Discussion and action on formalizing the process for conducting periodic performance reviews for the position of Executive Director, as presented, approved and recommended by the Management Development and Review Committee.

Reporting for the Management Development and Review Committee, Mr. Grossman stated that after a couple of meetings with Mr. Bruce Lawson of Fox Lawson & Associates, a questionnaire has been accepted. The questionnaire is basic and will provide feedback from Board members to the committee in evaluating the performance of the Executive Director. He requested that this questionnaire be filled out and returned to him by the next Board meeting. Initial shared values and goals will be further discussed once the questionnaires are returned and evaluated.

Dr. Tollen moved to accept the Evaluation Form for the process of conducting periodic performance reviews for the position of Executive Director as recommended by the Management Development and Review Committee, seconded by Mr. Villanueva and passed by the Board.

6. Notification of the reclassification of the Executive Assistant to Deputy Executive Director to better reflect prior and current assignment of the duties and responsibilities of the position.

Mr. Stanton stated that this position has always been misclassified as the nature of the duties of this position is more in line with that of a Deputy Director. In his absence, the Executive Assistant performs the duties of the Executive Director and is capable of administering all aspects of this job. Ms. Arrieta-Candelaria believes this is under the authority of the Executive Director but recommends that proper job descriptions indicating the qualifications, experience and education to serve in that capacity are available for the scrutiny of the Board as well as the public.

Mr. Cotham presented himself at 2:35 p.m.

7. Discussion and action on the Board's approach to Policy Governance.

After a lengthy discussion, Mr. Austin recommends focusing on a one day meeting to set the direction everyone wants to go, and then get to the next level of bringing a facilitator to deliver whatever the Board decides.

After careful discussion and due consideration, Mr. Austin moved to set a special meeting for a plan action on a strategic plan for governance of the Board, seconded by Mr. Cotham and passed by the Board.

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8. Opportunity for Statements from Retired Members/Public.

Mr. Earl Hayden questioned why recent retirees are not receiving their payoff on time. It was explained to Mr. Hayden that the pension office cannot finalize the benefit payment until such time that the City process the final pay-off for the retiring member. Recently, the City has been late on the process of these final-payoffs. The pension office has decided to make an exception on these cases and process their benefit payment based on unaudited numbers with adjustments as soon as the City makes the final pay-out.

9. Report of Executive Director.

Mr. Stanton provided the Board with an update to his prior written report. Mr. Stanton informed the Board of the upcoming annual TEXPERS meeting and conference. He asked who will be attending as the names of the delegates need to be certified soon.

10. For Notation:

Informational Material For Review. No Action Required.

A. Service Retirement

- | | |
|------------------------|---|
| 1. Jose Muela | Fire Department (Un-Audited Leave Bal.) |
| 2. Joseph G. Osburn | Fire Department |
| 3. Raul Hernandez, Jr. | Police Department |
| 4. David A. Garcia | Police Department |

B. Service/BackDrop Retirement

- | | |
|----------------------|---|
| 1. Michael J. Lawson | Fire Department |
| 2. Michael A. Ray | Fire Department (Un-Audited Leave Bal.) |
| 3. George H. Garza | Police Department |

C. Proportionate Retirement

Manuel J. Castaneda Fire Department (Un-Audited Leave Bal.)

D. Survivor Benefits

Lucia J. Tipton, survivor of Lawrence L. Tipton, Police Department.

E. Death of member(s)

- | | |
|-----------------------|-------------------|
| 1. Robert K. Ball | Fire Department |
| 2. Estele P. Owen | Police Department |
| 3. Lawrence L. Tipton | Police Department |

F. Cost of Living Adjustments

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|------------------------|-------------------|
| 1. Roberto Holguin | Fire Department |
| 2. Stefan Happ | Police Department |
| 3. Christopher Mc Gill | Police Department |
| 4. Mark Padilla | Police Department |

G. Refund of Contributions

- | | | |
|-----------------------|-------------------|-------------------------|
| 1. Luis A. Garcia | Fire Department | (Pending Final Pay-Off) |
| 2. Oscar Candelaria | Police Department | (Pending Final Pay-Off) |
| 3. Patrick Hisa | Police Department | (Pending Final Pay-Off) |
| 4. Edward N. Nicholas | Police Department | (Pending Final Pay-Off) |
| 5. Jose L. Ruiz, Jr. | Police Department | |
| 6. Edward Tarin | Police Department | (Pending Final Pay-Off) |

H. Withdrawal of Deferred Retirement Application

Jose L. Ruiz, Jr.	Police Department
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11. Adjournment.

Mr. Studer moved to adjourn, seconded by Ms. Arrieta-Candelaria and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:57 p.m.


Chairperson


Secretary