

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING HELD
Wednesday, March 21, 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 Jerry Villanueva

Police Division

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. Tim Campbell – Baillie Gifford
Mr. Tom Record - Baillie Gifford
Mr. Thad Fletcher - Cooke & Bieler
Mr. Mehul Trivedi - Cooke & Bieler

TRUSTEE MEMBERS ABSENT:

Chief Michael V. Calderazzo
Chief Rick Carson
Ms. Terri Garcia
Commander Mark Austin

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1. Establishment of Quorum

Acting Chairperson Grossman established a Quorum is present. The Regular Meeting of the El Paso Firemen & Policemen's Pension Fund Board of Trustees was called to order at 1:01 p.m.

2. Reading and approval of the Minutes of the previous Board Meeting held February 15, 2012.

Dr. Tollen moved to approve the minutes of the previous Board Meeting held on February 15, 2012, seconded by Ms. Arrieta-Candelaria and passed by the Board.

Consent Agenda

Dr. Tollen moved to approve the Consent Agenda, seconded by Ms. Arrieta-Candelaria and passed by the Board.

Unfinished Business

None

Reports and recommendations of Committees

- A. Audit and Risk Management Committee - Did not meet.
- B. Investment Committee - To be discussed under New Business, Item 3.
- C. Benefits Committee - Did not meet.
- D. Management Development & Review Committee - To be discussed under New Business, Item 6.
- E. Ad-Hoc Committee for Office Space - Did not meet.
- F. Budget & Finance Committee - Did not meet.

New Business

1. Investment Performance Review for period ended December 31, 2011 and update as presented by Mr. Tim Campbell and Mr. Tom Record of Baillie Gifford.

Mr. Campbell and Mr. Tom Record reported that the initial appointment was March 2005 with an assets value of \$32.0 million. Value of assets as of February 29, 2012 was \$76, 956,960. Performance since inception to February 29, 2012 was 14.3% compared to the benchmark of 14.0%. The firm will have thirty-seven full time partners as of May 12, 2012: 5 new partners and 4 retirements. The top three relative stock contributors for the 12 months to February 29, 2012 were Samsung Electronics, Baidu and China National Building Materials, and the bottom three stock contributors were Vale, Petrobras and Petropavlovsk.

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2. Investment Performance Review for period ended December 31, 2011 and update as presented by Mr. Thad Fletcher and Mr. Mehul Trivedi of Cooke & Bieler.

Mr. Fletcher and Mr. Trivedi up-dated the Board with the firm overview. Cooke & Bieler has been managing equity portfolios since 1949. The firm is independent and management owed with 12 partners and 32 employees. Their client focus is institutional, private wealth and sub-advisory. Currently they manage \$4.5 billion in assets. The portfolio consistently holds between 40-50 companies with positions sizes typically ranging from 1% - 4%, limited cash, a sector size limit of 35% of portfolio, industry size limit of 20% of portfolio, and position size limit of 5%. For year ended 2011, the portfolio returned 0.7% compared to the Russell 1000 value benchmark of 0.4%. For the period of January 1, 2012 through February 29, 2012 the portfolio returned 7.1% compared to 7.9% for the Russell 1000. Since inception the portfolio returned 4.6% compared to 2.7% for the Russell 1000.

3. Discussion and action on concerns expressed by legal counsel regarding Side Letter Agreement/Most Favored Nation status with the UBS Trumbull Property Fund as approved and recommended by the Investment Committee.

After careful discussion, due consideration, and at the recommendation of the Investment Committee in consultation with the Fund's Legal Counsel, Dr. Tollen moved to vacate our position with respect to the \$18 million to UBS Trumbull Property Fund and continue the search for a core real estate manger seconded by Mr. Ortega and passed unanimously by the Board.

4. Discussion and action on approval/denial of full-time Student Request from Ms. Keesha McDonough in accordance with Section 3.18 "Qualified Child" of the Plan Document.

Mr. Villanueva moved to approve the Student Request Application of Ms. Keesha McDonough, seconded by Mr. Ortega and passed by the Board.

5. Discussion and action on approval/denial of full-time Student Request from Ms. Danielle Mendoza in accordance with Section 3.18 "Qualified Child" of the Plan Document.

Dr. Tollen moved to approve the Student Request Application of Ms. Danielle Mendoza, seconded by Ms. Arrieta-Candelaria and passed by the Board.

6. Discussion and action on performance review of the Executive Director as approved and recommended by the Management Development and Review Committee.

After careful discussion, due consideration, and at the recommendation of the Management Development and Review Committee, Dr. Tollen moved to approve, the following: 1. Mr. Stanton be provided with an overall job performance rating of superior. 2. Be compensated at the mid-range of his salary schedule. 3. Develop a Staff Succession Plan and Procure Imaging System to convert paper files to Electronic Images by October 31, 2012, seconded by Mr. Ortega and passed by the Board.

Mr. Grossman noted that the committee will also be working on contract negotiations with Mr. Stanton.

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7. Opportunity for Statements from Retired Members/Public.

None

8. Report of Executive Director.

Mr. Stanton provided the Board with an update to his prior written report.

9. For Notation:

Informational Material For Review. No Action Required.

A. Service Retirement

Timothy Fleming Police Department

B. Service/BackDrop Retirement

Juan J. Castillo Police Department

C. Survivor Benefits

Dana Burgess, survivor of Robert B. Burgess, Police Department.

D. Death of member(s)

Juan M. Ramos Police Department

E. Cost of Living Adjustments

1. Kenneth Carroll Fire Department
2. Jose Navarro Police Department
3. John Wilburn Police Department

F. Refund of Contributions

1. Samantha Campos Police Department
2. Daniel Flores Police Department

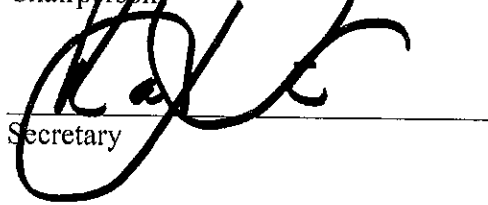
10. Adjournment.

Mr. Ortega moved to adjourn, seconded by Mr. Villanueva and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:26 p.m.

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Chairperson


Secretary