

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING HELD
Wednesday, December 19, 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 Jerry Villanueva
Chief Ricci Carson

Police Division:

Commander Mark Austin
Detective JD Cotham
Lieutenant Tyler Grossman

Mayoral Appointments:

Dr. Robert Tollen
Ms. Carmen Arrieta-Candelaria

City Manager Appointments:

OTHERS PRESENT

Mr. Robert J. Stanton - Secretary
Ms. Yolanda Carreon - Assistant Secretary

TRUSTEE MEMBERS ABSENT:

Ms. Terri Garcia
Mr. William F. Studer
Mr. Presi Ortega

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
December 19, 2012 - 1:00 P.M.

2

1. Establishment of Quorum

Chair 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 1:04 p.m.

2. Reading and approval of the Minutes of the previous Board Meeting held November 14, 2012.

Dr. Tollen moved to approve the minutes of the previous Board Meeting held on November 14, 2012, and requested correction of a couple of grammatical errors on Item 1 of Unfinished Business, seconded by Mr. Cotham and passed by the Board.

Consent Agenda

Mr. Calderazzo moved to approve the Consent Agenda, seconded by Mr. Carson and passed by the Board.

Ms. Arrieta-Candelaria arrived at 1:07 p.m.

Unfinished Business

1. Discussion and action on office space as recommended and approved by the Ad-Hoc Committee on Office Space, tabled October 17, 2012.

Mr. Austin reported to the Board on their search for office space. The committee has looked and considered several buildings. Mr. Austin stated that the best long term fit for the Fund is a building at 2525 E. Missouri. The building is 9,500 square feet; was refurbished in 2008, and has over 45 parking spaces. A non-binding letter of intent offer has been provided to the seller. Mr. Austin is requesting the Board's approval to put up a \$10,000 non-binding earnest money.

Dr. Tollen moved to approve and allocate \$10,000 earnest money for the purchase of the building at 2525 E. Missouri pending appraisal value of the property, seconded by Mr. Calderazzo and passed by the Board. Dr. Tollen, Mr. Calderazzo, Mr. Austin, Mr. Carson, Mr. Villanueva, Mr. Cotham, and Mr. Grossman voted in favor. Ms. Arrieta-Candelaria opposed. Motion carried.

2. Discussion and action on proposed Site Visit Policy as proposed by Summit Strategies and as approved and recommended by the Investment Committee, tabled November 14, 2012

The final draft policy has not been received from Summit Strategies per Mr. Stanton.

Mr. Cotham moved to table for thirty days, seconded by Mr. Calderazzo and passed by the Board.

Reports and recommendations of Committees

A. Audit and Risk Management Committee - Did not meet.

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
December 19, 2012 - 1:00 P.M.

3

- B. Investment Committee - Reporting for the Investment Committee, Dr. Tollen stated that the committee met this morning and the items will be discussed under New Business.
- C. Benefits Committee - Did not meet.
- D. Management Development & Review Committee - Did not meet.
- E. Ad-Hoc Committee for Office Space - Already reported.
- F. Ad-Hoc Legislative Review Committee - Did not meet.
- F. Budget & Finance Committee - Reporting for the Budget & Finance Committee, Chair Grossman stated that the committee met this morning and this item will be discussed under New Business, Item 3.

New Business

1. Investment Performance Review for period ended December 31, 2011 and update as presented by Ms. Beth-Ann Flynn of Metropolitan Real Estate regarding Global III and Global V Funds.

Ms. Beth-Anne Flynn presented herself before the Board of Trustees on behalf of Metropolitan Real Estate for review of the Fund's holdings with Metropolitan Real Estate Partners. Ms. Flynn provide an organizational review of the firm stating that Metropolitan is an independent management-owned real estate investment firm and registered investment adviser with the SEC. The firm currently manages 2.5B+ billion in discretionary capital commitments with over 150 institutional investors and a wide range of high net worth individuals. The eight senior investment committee members have over twenty-five years experience in real estate investments. Metropolitan typically invests in underlying funds that range in size from \$300MM to \$700MM. Metropolitan's Partnerships target returns of low-to mid teens net to investors.

2. Discussion and action on the commitment of \$2,000,000 to EnCap IX as recommended by Meketa Investment Group, pursuant to the approval and recommendation of the Investment Committee.

After careful discussion, due consideration, and at the recommendation of the Investment Committee, Dr. Tollen moved to approve the commitment of \$2.0 million to EnCap IX subject to legal review, seconded by Mr. Calderazzo and passed by the Board.

3. Discussion and action on approving the 2013 Administrative & Operating Budget as approved and recommended by the Budget & Finance Committee.

After careful discussion, due consideration, and at the recommendation of the Budget & Finance Committee, Mr. Grossman moved to approve the 2013 Administrative & Operating Budget, seconded by Mr. Cotham and passed by the Board.

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
December 19, 2012 - 1:00 P.M.

4

4. Opportunity for Statements from Retired Members/Public.

None.

5. Report of Executive Director. Submitted Written Report.

Mr. Stanton provided the Board with an update to his prior written report. He reported that our assets are climbing back up; the Securities Lending program has given us \$213,000 to date; and that capital calls continue to be a big part of this report. Also, Mr. Stanton reported that since September, 2012, the data from the City on the interface file has not been coming over. When this issue is resolved by the City, overtime will possibly be required since staff is very behind in this verification process. Ms. Arrieta-Candelaria reviewed some of the issues with the re-implementation of the PeopleSoft upgrade and stated that they are hoping to resolve all pending issues soon. Mr. Cotham questioned why a member out on worker's compensation and not paying timely contributions due to a City error would have to pay interest. Mr. Stanton stated that the interest portion is now being charged to the City and not the employee.

Chair Grossman reported the following to the Board:

1. A follow-up letter will be sent to the City reference the state requirement in which the City needs to employ an independent actuarial firm to audit the Fund's valuation to make sure the assumptions and everything in the valuation is reasonable;
2. A recent letter was sent to the Mayor from Mr. Grossman as Trustee reference inappropriate emails between Ms. Wilson and Ms. Niland regarding the Fund and the Executive Director;
3. A Notice of Funding Inadequacy letter will be hand-delivered to all City Representatives, Mayor, and City Manager prior to a mass mailing to all members. Copies of these letters are attached to these minutes.

6. For Notation:

Informational Material For Review. No Action Required.

A. Service Retirement

Emerald E. Hayden

Fire Department

B. Survivor Benefits

Banie J. Hendon, survivor of Louie L. Hendon, Sr., Fire Department.

C. Death of member(s)

- | | |
|-----------------------|-------------------|
| 1. Louie L. Hendon | Fire Department |
| 2. Juan F. Aguirre | Police Department |
| 3. Jose G. Maes | Police Department |
| 4. Mary A. Moninghoff | Police Department |
| 5. David A. Spencer | Police Department |

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
December 19, 2012 - 1:00 P.M.

5

6. George Wagnon Police Department

D. Cost of Living Adjustments

1. Gilbert Cortez	Fire Department
2. David Delgado	Fire Department
3. John Dorney	Fire Department
4. Rodrigo Garcia	Fire Department
5. Raynold Gillespie	Fire Department
6. Michael Pritchard	Fire Department
7. Osvaldo Sanchez	Fire Department
8. Bryan Slayton	Fire Department
9. Adolfo Borjon	Police Department
10. Jeffrey Gordon	Police Department
11. Bobby Lane	Police Department
12. Victor Rosales	Police Department
13. Martha Sida	Police Department

7. Adjournment.

Ms. Arrieta-Candelaria moved to adjourn, seconded by Mr. Cotham and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:18 p.m.

Chairperson



Secretary