

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING HELD
Wednesday, January 16, 2013 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:

Detective JD Cotham
Lieutenant Tyler Grossman

Mayoral Appointments:

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

City Manager Appointments:

Mr. William F. Studer
Ms. Terri Garcia

OTHERS PRESENT

Mr. Robert J. Stanton - Secretary
Ms. Yolanda Carreon - Assistant Secretary
Mr. Steve Moen - Partners Group

TRUSTEE MEMBERS ABSENT:

Commander Mark Austin
Chief Michael V. Calderazzo
Chief Ricci Carson

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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 1:08 p.m.

2. Reading and approval of the Minutes of the previous Board Meeting held December 19, 2012.

Dr. Tollen moved to approve the minutes of the previous Board Meeting held on December 19, 2012, seconded by Mr. Cotham and passed by the Board.

Consent Agenda

Mr. Studer requested to move Item 4-B from the Consent Agenda to New Business for further discussion. Ms. Arrieta-Candelaria requested to move Item 4-A from the Consent Agenda to New Business for further discussion.

Mr. Villanueva moved to approve the Consent Agenda with the preceding requests, seconded by Mr. Cotham and passed by the Board.

Unfinished Business

1. Discussion and action on office space as recommended and approved by the Ad-Hoc Committee on Office Space.

Reporting for the Committee, Mr. Villanueva stated that the offer on the Missouri property was rejected. The Committee is now looking at another property at 909 E. San Antonio. This is a 7,000 sq. ft. stand-alone property. An offer of \$600,000 has been made with the same details of the Letter of Intent, etc. We should be getting a reply within seven days. For the record, Ms. Arrieta-Candelaria stated this is a better location as it is downtown.

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 and December 19, 2012..

Mr. Stanton stated that Mr. Eric Ralph is finalizing the policy, he will send it to Meketa for their comments and it should be coming to the Board next month.

Dr. Tollen moved to table until next month, seconded by Mr. Cotham and passed by the Board.

Reports and recommendations of Committees

- A. Audit and Risk Management Committee - Did not meet.
- B. Investment Committee - Did not meet
- C. Benefits Committee - To be discussed under New Business.
- D. Management Development & Review Committee - Did not meet.

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- E. Ad-Hoc Committee for Office Space - Already reported.
- F. Ad-Hoc Legislative Review Committee - Did not meet.
- F. Budget & Finance Committee - Did not meet.

New Business

1. Investment Performance Review for period ended December 31, 2011 & 2012, and update as presented by Mr. Steve Moen of Partners Group.

Mr. Steve Moen presented himself before the Board of Trustees to present the Partners Group Global Real Estate Portfolio Review. Partners Group Global Real Estate 2008 has built a diversified portfolio of ten direct investments, 29 secondary transactions and 21 primary commitments. Investments are diversified by both geography and property type with vintage years spanning from 2001 through 2011. The investment multiple as of September 2012 was 1.30x. By transaction type, the investment multiple of direct investments, secondary transactions and primary commitments reached 1.35x, a.59x, and 1.4x, respectively. 26 of the 59 investment distributed a total of EUR 3.3 million during the third quarter, with EUR 1.6 million attributable to North American programs. The Program's direct debt investments in Europe are well positioned and provide downside protection through equity buffers and collateral in addition to negotiated equity participation to share in the future success of the asset. Investment partners focused on US residential assets anticipate strong rental growth rate spurred by a shift away from homeownership and limited new supply.

Partners Group Global Real Estate 20118 has built a diversified portfolio of eleven direct investments, eleven secondary transactions and ten primary commitments providing exposure to properties around the globe. Total invested capital increased from EUR 158.3 million to EUR 206.0 million during the third quarter of 2012. Distributions during the quarter totaled EUR 2.7 million, including the first distribution from Lone Star Real Estate Fund II. Alpha Asia Macro Trend Fund II's performance improved during the quarter, driven in part by its hostel investment capitalizing on a more profitable online independent travel segment. As of September 30, 2012, the investment multiple stood at 1.5x.

2. Discussion and action on approving the extension of the existing current office space lease.

The Board was informed that the leaseholder has agreed to extend the contract on a month to month basis at an additional of fifty cents (\$.50) per sq. ft.

Mr. Villanueva moved to table this item to next month's meeting, seconded by Ms. Garcia and passed by the Board.

3. Discussion and action on request for Service Connected Disability retirement for Mr. Armando Chavez, Fire Department as approved and recommended by the Benefits Committee.

After careful discussion and due consideration and at the recommendation of the Benefits Committee, Mr. Villanueva moved to approve Mr. Chavez request for a disability retirement, seconded by Motion passed unanimously by the Board.

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4. Opportunity for Statements from Retired Members/Public.

The two items pulled from the Consent Agenda were heard under this item. Under 4A, Ms. Arrieta Candelaria asked if we have received an initial report from the consultants. As per Chair Grossman, their reports will start when the Legislation convenes. Mr. Grossman stated that the Legislative Ad-Hoc committee has met with them and an item on the February agenda will address these meetings. On Item 4-B, Mr. Studer asked if we could consider handling QDRO issues locally as there is nothing particularly sophisticated on QDRO issues. Mr. Stanton explained that for the most part no, however, this one was an involved case that required special attention.

Mr. Studer moved to approve Items 4-A and 4-B pulled from the Consent Agenda, seconded by Mr. Villanueva and passed by the Board

Active Fire member Paul Thomason addressed the Board stating that after receipt of the Notice of Inadequacy letter, he wanted to extend the assistance of the Association once it is decided what the outcome will be. Mr. Studer stated that State law allows the City to do something at their discretion and the contract to do a study will soon be finalized.

Mr. Thompson also asked if the sick leave lump-sum payouts are being tracked. Mr. Stanton stated that yes, Ms. Arrieta-Candelaria was kind enough to add a code that tracks these payments.

5. Report of Executive Director. Submitted Written Report.

Mr. Stanton provided the Board with an update to his prior written report. The payroll interface file is now working with some minor glitches and Mr. Stanton thanked Ms. Arrieta-Candelaria for her assistance in assisting with this issue.

6. For Notation:

Informational Material For Review. No Action Required.

A. Service Retirement

- | | | |
|----|------------------|------------------------------------|
| 1. | John E. Crews | Fire Department <i>Unaudited</i> |
| 2. | Robert A. Garcia | Fire Department <i>Unaudited</i> |
| 3. | David Mayorga | Fire Department |
| 4. | Alexander Serna | Fire Department |
| 5. | Scott Wilcox | Fire Department <i>Unaudited</i> |
| 6. | Robert Holguinn | Police Department <i>Unaudited</i> |
| 7. | Richard Pantoja | Police Department <i>Unaudited</i> |

B. Early Retirement

Monica B. Gomez	Police Department - <i>Unaudited</i>
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C. Service/BackDrop Retirement

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|------------------------|----------------------------------|
| 1. Keith A. Cooper | Fire Department |
| 2. Kenneth Duryee | Fire Department <i>Unaudited</i> |
| 3. Ruben Esparza | Fire Department |
| 4. Steven D. Golucke | Fire Department <i>Unaudited</i> |
| 5. Steven D. Mathewson | Fire Department |
| 6. Javier Renteria | Fire Department |

D. Survivor Benefits

1. Sofia M. Aguirre, survivor of Juan F. Aguirre, Police Department.
2. Patricia E. Spencer, survivor of David Spencer, Police Department

E. Death of member(s)

- | | |
|----------------------|-------------------|
| 1. Janice K. Edwards | Police Department |
| 2. Angel Garcia | Police Department |
| 3. Estevan Gomez | Police Department |
| 4. Gerald Prichard | Police Department |

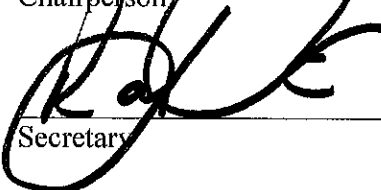
F. Cost of Living Adjustments

1. Annual Cost of Living Adjustments on January 1, 2013
2. Jose Macias Fire Department
3. Jaime Medina Police Department
4. Edmundo Montoya Police Department
5. Bertha Salcedo Police Department

7. Adjournment.

Dr. Tollen 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 2:10 p.m.


Chairperson


Secretary