

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND
SPECIAL BOARD MEETING
Monday, April 8, 2013 at 2:00 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
Chief Michael V. Calderazzo
Chief Ricci Carson

Police Division:

Commander Mark Austin
Detective JD Cotham
Lieutenant Tyler Grossman

Mayoral Appointments:

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

City Manager Appointments:

Ms. Terri Garcia
Mr. William F. Studer

OTHERS PRESENT

Mr. Robert J. Stanton, Executive Director
Ms. Christina Ramirez - Benefits Manager
Mr. Ron Martin - (EPMPOA)
Mr. Octavio Cobos - Local 51
City Council Representative Susie Byrd - City of El Paso

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1. Establishment of Quorum

Chair Grossman established a Quorum is present. The Special Board Meeting of the El Paso Firemen & Policemen's Pension Fund Board of Trustees was called to order at 2:02 p.m.

New Business

1. Discussion and action on amending House Bill 2136.

Chair Grossman began by stating that Representative Byrd had requested this meeting and asked that the Board consider amending House Bill 2136. This amendment would require the Fund to submit to an annual management audit if the City increases its contributions to the Fund.

Mr. Cotham arrived at 2:04 p.m.

Representative Byrd arrived at 2:05 p.m.

Representative Byrd began by stating that she was on the City of El Paso's audit committee. They manage the internal audit function of the City of El Paso. About two months ago at a meeting, Edmundo Calderon (the City's internal auditor) mentioned that he was going to be providing an audit for the City Employees' Pension Fund at their request. Representative Niland was also at this meeting and requested that Mr. Calderon conduct an audit for the El Paso Firemen and Policemen's Pension Fund. Ms. Byrd stated that because the City is such a large contributor to the Fund that an independent, on-going audit function that helps identify inefficiencies within the organization that reports back to the Audit Committee of the City Council and the Fund should be established. This should be done not by board policy but by state policy. Ms. Byrd also stated that if this on-going audit function was not included in House Bill 2136, she would not be able to support the proposed state legislation increasing both member contributions and City contributions.

Mr. Calderazzo, Mr. Cotham, Mr. Martin, Mr. Cobos, Mr. Austin, Mr. Ortega, and Chair Grossman all spoke in opposition to the Fund adding this audit function to state policy. They all felt that this audit function was necessary but it should be addressed by the pension fund board and not attached to state policy. The Board did begin the process to address the Fund's need for an audit function at their last board meeting and tasked the Fund's Audit Committee to begin looking at some of the concerns recently raised by the El Paso Times.

Representative Byrd left at 2:37 pm.

Ms. Arrieta-Candelaria and Mr. Studer arrived at 2:37 pm.

Mr. Ortega asked if the Fund's Plan Document could be changed to add this audit function.

Ms. Arrieta-Candelaria and Mr. Studer also feel that an independent audit function is needed by the Fund to add credibility to any issues that may arise from time to time. A commitment should be made by the Board to have periodic audits as issues come up.

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Dr. Tollen stated that the Fund should not add this audit function to state policy. The Fund should maintain its independent status and handle these issues internally with its own policy.

No Action.

2. Discussion and action on endorsing House Bill 2136 in its current form.

After careful discussion and due consideration, Mr. Austin moved to endorse House Bill 2136 in its current form, seconded by Mr. Cotham and passed unanimously by the Board.

3. Adjournment.

Mr. Austin moved to adjourn, seconded by Mr. Ortega and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:48 p.m.

Chairman

Secretary

