

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING HELD
Wednesday, May 22, 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 Michael V. Calderazzo
Chief Jerry Villanueva
Chief Ricci Carson

Police Division:

Lieutenant Tyler Grossman
Commander Mark Austin
Detective JD Cotham

Mayoral Appointments:

Dr. Robert Tollen
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. Joseph L. Young - Dimensional Fund Advisors
Mr. Allen Pu - Dimensional Fund Advisors

TRUSTEE MEMBERS ABSENT:

Ms. Carmen Arrieta-Candelaria

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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 1:00 p.m.

2. Reading and approval of the Minutes of April 17, 2013.

Dr. Tollen moved to approve the minutes of the previous Board Meeting held on April 17, 2013, seconded by Mr. Villanueva and passed by the Board.

Consent Agenda

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

Ms. Garcia arrived at 1:06 p.m.

Unfinished Business

1. Discussion and action on performance review of the Executive Director as recommended and approved by the Management Development and Review Committee, tabled March 20, 2013, and April 17, 2013.

Mr. Calderazzo made a motion to move into Executive Session for the purpose of discussing Item I under Unfinished Business. Mr. Villanueva seconded. Motion carried.

The El Paso Firemen & Policemen's Pension Fund Board of Trustees convened into Executive Session at 1:02 p.m., and reconvened to regular session at 1:14 p.m.

Mr. Calderazzo moved to accept the performance review as it came out of the committee and to direct the Management Development and Review Committee to meet with Mr. Stanton regarding this evaluation and his goals for the year.

Mr. Studer moved to table for one month so that those Trustees that just received this information related to the travel issues brought about by a Trustee about a month ago (and that Trustee is not here today) have a chance to look through it, seconded by Ms. Garcia. Mr. Studer, Ms. Garcia and Mr. Ortega voted in favor. Mr. Calderazzo, Mr. Villanueva, Mr. Carson, Mr. Austin, Mr. Cotham, Dr. Tollen and Mr. Grossman voted against. Motion failed.

Chairperson Grossman stated there was still a motion on the table and repeated the motion:

Mr. Calderazzo moved to accept the performance review as it came out of the committee and to direct the Management Development and Review Committee to meet with Mr. Stanton regarding this evaluation and his goals for the year, seconded by Mr. Carson. Mr. Calderazzo, Mr. Villanueva, Mr. Carson, Mr. Austin, Mr. Cotham, Dr. Tollen and Mr. Grossman voted in favor. Mr. Studer, Ms. Garcia and Mr. Ortega voted against. Motion carried.

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2. Discussion and action on Buck Consultants providing GASB Estimates for the City of El Paso, tabled April 17, 2013.

Mr. Calderazzo moved to table to the next regular Board meeting, seconded by Mr. Villanueva and passed by the Board.

Reports and recommendations of Committees

- A. Audit and Risk Management Committee - Did not meet.
- B. Investment Committee – Reporting for the Investment Committee, Dr. Tollen reviewed a few things discussed at the April 22, 2013 meeting. A review of the allocation alternatives was presented and this will be coming back at the next meeting. The committee decided to do due diligence trips to Baillie Gifford and Mondrian. Additionally, Dr. Tollen stated that Mr. Ralph will come back to give an educational presentation to the Board on alternatives to be better informed reference the allocation model. Discussion ensued reference the necessity for due diligence trips.
- C. Benefits Committee - Did not meet.
- D. Management Development and Review Committee – Already reported.
- E. Ad-Hoc Committee for Office Space - Did not meet. Mr. Austin informed the Board that the Phase I Environmental Study has been completed and there were no significant issues. A special meeting will be scheduled next week to discuss a Board resolution to authorize the execution of documents and purchase of this property. Mr. Austin stated that under New Business a related item will be discussed for action by the Board. Discussion ensued.
- F. Budget & Finance Committee - Did not meet.
- G. Ad-Hoc Committee on Legislative Review – Did not meet. Mr. Villanueva informed the Board that SB1133 is in Governor's office for signature.

New Business

1. Investment Performance Review for period ended December 31, 2012 and update as presented by Mr. Joe Young and Dr. Allen, Pu of Dimensional Fund Advisors.

Mr. Young provided the Board with firm organizational update. The firm currently has 700 employees firm wide and approximately 400 in the Austin, Texas Headquarters. Currently the firm has \$283 Billion under management. As of April 30, 2013, the small cap portfolio has returned 10.98%, vs. 10.35% for the MSCI World ex USA Small Cap Index (net dividends). For the one year period, the portfolio returned 19.57%, vs. 14.68. Since account inception of April 2010, the portfolio returned a 7.76% return and a 7.56% return since portfolio inception.

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2. Discussion and action on approval of the 2013 Compensation Update Salary Schedule as recommended and approved by the Management Development & Review Committee.

Reporting for the Management Development & Review Committee, Mr. Calderazzo stated that the committee discussed the updated Compensation Study performed by Fox Lawson. It was noted that this study will establish pay ranges but there is no commitment to move anyone to these ranges or to hire any of the three positions without Board approval.

At the recommendation of the Management Development & Review Committee, Mr. Calderazzo moved to accept the committee's recommendation of the 2013 Compensation Update Salary Schedule and include also the two potentially new positions, seconded by Mr. Villanueva and passed by the Board.

3. Discussion and action on lease back to the American Cancer Society for 60 days following the closing.

After careful discussion and due consideration, Mr. Villanueva moved to allow our realtors to negotiate a sixty day lease extension, seconded by Mr. Austin and passed by the Board.

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

After careful discussion and due consideration, Mr. Calderazzo moved to approve the Student Request Application, seconded by Mr. Carson and passed by the Board.

5. Opportunity for Statements from Members/Retired Members/Public.

None.

6. Report of Executive Director.

Mr. Stanton provided the Board with a written report. He stated the portfolio has grown substantially since the end of last year. Securities Lending continues to present revenue that is put in the trustees education account for travel and education expenses. Capital distributions and capital calls continue to be processed.

7. For Notation:

Informational Material For Review. No Action Required.

- A. Service Retirement
- B. Early Retirement
- C. Service/BackDrop Retirement
- D. Death Benefits

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E. Cost of Living Adjustments

F. Death of member(s)

8. Adjournment.

Mr. Calderazzo 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 2:28 p.m.

Chairperson

Secretary