

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND**  
**REGULAR MEETING HELD**  
**Wednesday, September 18, 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**

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**TRUSTEE MEMBERS PRESENT**

Fire Division:

Chief Jerry Villanueva  
Chief Ricci Carson  
FST Paul Thompson

Police Division:

Lieutenant Tyler Grossman  
Commander Mark Austin

Mayoral Appointments:

Dr. Robert Tollen  
Ms. Carmen Arrieta-Candelaria

City Manager Appointments:

Ms. Terri Garcia  
Mr. William F. Studer

**OTHERS PRESENT**

Mr. Robert J. Stanton - Secretary  
Ms. Yolanda Carreon - Assistant Secretary  
Mr. Samuel Pena – Active Fire  
Mr. Gustavo Cobos – Active Fire  
Ms. Laura Gordon - City of El Paso  
Mr. David Almonte – City of El Paso  
Ms. Chris Borunda – City of El Paso

**TRUSTEE MEMBERS ABSENT:**

Mr. Presi Ortega  
Detective JD Cotham

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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 1:02 p.m.

2. Reading and approval of the Minutes of August 21, 2013.

*Dr. Tollen moved to approve the minutes of the previous Board Meeting held on August 21, 2013, seconded by Mr. Austin and passed by the Board. Ms. Garcia requested that under New Business, Item 5 a notation be made that though no formal action was taken, that the Board requested that Chair Grossman meet with the City Manager to discuss this issue.*

Consent Agenda

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

1. Internal Financial Statements for month ending July 31, 2013.

Northern Trust Financial Statements for month ending August 31, 2013.

2. Expense Reports for the month ending August 31, 2013.

3. Approve Pension Payrolls:

Fire	\$2,174,650.43
Police	\$2,865,235.85

4. Payments to Service Providers

A.	Bixler & Company (Accounting services for 2012)	\$30,000.00
B.	Moss Adams - (12/31/12 Audit final billing)	\$12,900.00
C.	Sheehan Phinney Bass + Green - 07/31/13	\$3,433.77
D.	Strasburger & Price - 07/31/13	\$19,382.00

Mr. Villanueva arrived at 1:05 p.m.

Reports and recommendations of Committees

- A. Audit and Risk Management Committee - Did not meet.
- B. Investment Committee - Did not meet. Dr. Tollen informed the Board that the committee will meet on October 1, 2013 for Small Cap presentations.
- C. Benefits Committee - Did not meet.
- D. Management Development and Review Committee - Did not meet.

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

Chair Grossman reported that he recently met with the City Manager. The June 6, 2013 letter received from Ms. Wilson was discussed. By mutual consent, a reply to this letter will not be sent until after the result of the actuarial audit is received at the beginning of the year. Mr. Grossman communicated this information to the Council members as well.

New Business

- I. Discussion and action regarding beginning the process to explore the possibility of amending the Plan Document to allow for the characterization of the hours banked in the "buy back" program as not entitled to pension credit and, therefore, would not require pension contributions by either the City or the Employees. This action contemplates obtaining an opinion from pension counsel and the pension plan's actuaries as appropriate. It also contemplates further action by the board and membership as appropriate, at the request of Trustee Studer.

Trustee Studer is requesting the Board to explore the possibility of amending the Plan Document to allow for the characterization of the hours banked in the "buy back" program as not entitled to pension credit and, therefore, would not require pension contributions by either the City or the Employees. The new sick leave incentive program under the Firefighter's Collective Bargaining Agreement, provides in part, that no pension contributions will be deducted from the annual payout of the sick leave payout. At the time of this Agreement, the Board requested Buck Consultants conduct a study on the impact on the El Paso Firemen's Pension Fund of potential changes related to sick leave. At that time, the Board took action to accept the actuarial study on the impact of sick leave changes on the Fund. In December, 2012 the City processed the buy-back sick leave with both the member and City making the required pension contributions.

Ms. Arrieta-Candelaria is requesting the Board look at what the impact would be to the Fund if we were to change the definition of wages, do not take pension contributions, and do not provide for service credit.

After substantial discussion on this issue, and the Actuary's response last year, the consensus of the board was the following:

*Ms. Garcia moved to obtain clarification of the April 11, 2012 letter from the Fund's Actuary regarding "Reduced contributions without credited service" and what this specifically means. Does this mean no contribution on the buy-back of sick leave, no credited service for the buy-back of sick leave, and does that leave accrual hurt the Fund or does it help the Fund, seconded by Ms. Arrieta-Candelaria and passed by the Board.*

For clarification purposes, Mr. Stanton noted that if a study is conducted, a four-fifths vote of the Board will be required (9 votes).

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2. Discussion and action authorizing the Executive Director to advertise for the hiring of a Chief Financial Officer not to exceed the Market 50<sup>th</sup> % ile (Median) Base Salary.

*Ms. Arrieta-Candelaria moved to authorize the Executive Director to advertise for the hiring of a Chief Financial Officer not to exceed the market 50<sup>th</sup> % ile (Median) Base Salary, seconded by Mr. Villanueva and passed by the Board.*

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

Mr. Austin stated that after the incident at Chase Tower last week in which a transformer exploded in the basement, that the Board should consider a disaster recovery process for the Fund's records. A local company will be contacted for this task.

4. Report of Executive Director, Submitted Written Report.

5. For Notation:

Informational Material For Review. No Action Required.

- A. Service Retirement (s)
- B. Deferred Retirement
- C. Cost of Living Adjustments
- D. Death of member(s)
- E. Refund of Contributions

6. Adjournment.

*Mr. Studer moved to adjourn which was 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