

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING HELD
Wednesday, April 16, 2014 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
Chief Ricci Carson
FST Paul Thompson

Police Division:

Lieutenant Tyler Grossman
Detective JD Cotham

Mayoral Appointments:

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

City Manager Appointments:

Ms. Terri Garcia

OTHERS PRESENT

Mr. Robert J. Stanton - Secretary
Ms. Yolanda Carreon - Assistant Secretary
Mr. Erin Powers - Powers MediaWorks, LLC
Ms. Cindy Ramirez - El Paso Times

TRUSTEE MEMBERS ABSENT:

Ms. Judy A. Balmer
Sergeant John Schneider

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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 the previous Board Meeting held March 19, 2014.

Dr. Tollen moved to approve the minutes of the Regular Board Meeting held March 19, 2014, seconded by Mr. Thompson and passed by the Board. Ms. Garcia abstained.

Consent Agenda

Ms. Garcia requested to remove Item 1 from the Consent Agenda for discussion under New Business.

Dr. Tollen moved to approve the Consent Agenda with the exception of Item 1 to be discussed under New Business, seconded by Ms. Garcia and passed by the Board.

1. Internal Financial Statements for month ending January 31, 2014.

Northern Trust Financial Statements for month ending February 28, 2014.

2. Expense Reports for the month ending February 28, 2014.

3. Approve Pension Payrolls:

Fire	\$2,283,553.23
Police	\$3,023,795.09

4. Payments to Service Providers

A.	Baillie Gifford - (4Q2013)	\$146,993.87
B.	Buck Consultants - (4Q2013)	\$26,790.00
C.	Ice Miller, LLP - 01/31/14	\$861.84
D.	INTECH - (4Q2013)	\$80,018.88
E.	Legislative Consultants - (2/28/14)	\$5,000.00
F.	Lord Abbett - (4Q2013)	\$148,988.71
G.	Mondrian - (4Q2013)	\$161,764.76
H.	Sheehan Phinney Bass + Green - 01/31/14	\$1,774.50
I.	Strasburger & Price, LLP - 01/31/14	\$743.75

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Unfinished Business

Executive Session, Section 551.074, Texas Government Code

1. Discussion and action on Executive Director contract as approved and recommended by the Management Development and Review Committee, tabled January 15, 2014, February 19, 2014, and March 19, 2014.
2. Discussion and action on approving Chief Financial Officer contract and related matters.

Mr. Villanueva made a motion to move into Executive Session for the purpose of discussing Items 1 and 2. Mr. Carson seconded. Motion carried.

The El Paso Firemen & Policemen's Pension Fund Board of Trustees retired into Executive Session at 1:08 p.m. and returned to regular session at 2:22 p.m.

- (1) With respect to Item 1, *Ms. Garcia moved to accept the contract as drawn up by Sheehan Phinney Bass and Green with the amendment to Article 1, Section F, seconded by Mr. Carson and passed by the Board.*
- (2) With respect to Item 2, *Ms. Garcia moved to ask Sheehan Phinney Bass and Green to prepare the contract for the CFO with clarification as to Item 4 in our discussion document, seconded by Dr. Tollen and passed by the Board.*

New Business

Item 1 pulled from the Consent Agenda followed.

Item 1 – Ms. Garcia stated it was important to note that not only did we have an increase in our assets but our net investment income was greater than our deductions. As per Ms. Garcia, this had not happened in a while and we should celebrate this. Dr. Tollen was thanked for his excellent leadership. Ms. Garcia also asked whether the Fund has any input with Northern in the securities lending program reference the borrower base. Mr. Stanton replied that Northern does provide an approved vendor listing of who they lend securities to. He stated the Fund does have the option of declining if they do not want to lend to someone on the list.

Mr. Cotham moved to approve Item 1 removed from the Consent Agenda, seconded by Dr. Tollen and passed by the Board.

1. Investment Performance Review for period ended December 31, 2013 and update as presented by Mr. Joe Young of Dimensional Fund Advisors.

This item will be rescheduled for a later date.

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2. Discussion and action on retaining a Public Relations Firm/Spokesperson at the request of Chairman Grossman.

With the forthcoming new GASB rules and the on-going attacks against defined benefit plans, Mr. Thompson feels that our Fund needs to develop a strong public relations policy. He introduced Mr. Erin Powers from Powers MediaWorks, LLC who has worked with numerous firefighter groups in the state of Texas. Mr. Powers provided the Board with a short synopsis of his training and experience in this field. Additionally, Mr. Powers provided a six-month draft proposal to strengthen the Fund's internal and external communications capabilities and support the Fund's community standing by developing proactive and effective responsive "earned media" coverage of the Fund. Ms. Garcia feels we do need to position ourselves to tell our good stories not just the bad situations. She feels hiring Mr. Powers for an immediate solution is okay, but we should put a Request for Proposal (RFP) for a long term solution.

Ms. Garcia moved to go forward with the proposal from Powers MediaWorks LLC and with regards to the travel expenses that it falls within our travel policy, seconded by Mr. Cotham and passed by the Board.

The following reports were made:

Reports and recommendations of Committees

- A. Investment Committee – Dr. Tollen reported that the committee met yesterday to hear presentations on bank loans. Due diligent trips to visit Credit Suisse Asset Management, Pinebridge Investments and Western Asset Management will be conducted in the very near future. The proposed fee schedule from Meketa was also discussed. And, lastly the committee discussed those asset managers that advocate directly for eliminating defined benefit pension plans. In the future, the committee will require an item as to a manager's position on defined benefit and defined contribution plans.
- B. Ad-Hoc Committee for Office Space – Mr. Villanueva informed the Board that Cesar Molina is now under contract as Project Manager and is working on the asbestos abatement. Legal counsel is working with CEA to finalize the contract.

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

4. Report of Executive Director, Submitted Written Report.

Assets of the Fund as of yesterday were \$1,248,541 as per Mr. Stanton. The Fund continues to fund the Private Equity program. He informed the Board that Ms. Carreon has submitted a letter of resignation and her last day will be June 30th. She will continue to assist the Fund if necessary during the transition period on a part time basis.

5. For Notation:

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Informational Material For Review. No Action Required.

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

6. Adjournment.

Mr. Ortega 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 3:06 p.m.


Chairperson


Secretary