

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND
SPECIAL BOARD MEETING
Tuesday, July 22, 2014 at 8:30 AM
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
Sergeant John Schneider

Mayoral Appointments:

Dr. Robert Tollen
Mr. Presi Ortega

City Manager Appointments:

Ms. Terri Garcia

OTHERS PRESENT

Mr. Mark Austin - Assistant Secretary
Ms. Lena H. Ellis, CFO
Mr. Jeff Bridgens, Moss Adams, LLP.

TRUSTEE MEMBERS ABSENT:

Detective JD Cotham
Ms. Carmen Arrieta-Candelaria
Ms. Judy A. Balmer

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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 8:40 a.m.

Unfinished Business

1. Discussion and action on approval of the December 31, 2013 Audited Financial Statements as presented by Mr. Jeff Bridgens of Moss Adams, LLP, tabled July 16, 2014.

Mr. Paul Thompson arrived at 8:49 a.m.

Mr. Bridgens of Moss Adams brought three separate documents to review with the board. The first was the Report of Independent Auditors and Financial Statements with Required Supplementary Information and Other Supplementary Information for El Paso Firemen and Policemen's Pension Fund. The second was the Communication to Those Charged with Governance and the final was the Communication of Internal Control Related Matters.

Mr. Bridgens gave an overview of the financial statement by reviewing the table of contents and briefly talking about each item. One paragraph that was highlighted was the Opinion. It stated that the financial statements present fairly, in all material respects the plans net position, which is what a plan strives for.

The second document is a required communication by auditors and an area which should be reviewed with personnel in charge of governance. The area of significant accounting estimates has two estimates that effect financial statements, which are: Management's estimate of investments' fair values and actuarial estimates about the funded status of the retirement plans. These two areas will take on a greater significant role for the plan when GASB 68 is fully implemented.

The last document is that of internal control. Auditors look for deficiency or material weaknesses as they conduct the audit. Material weaknesses are a finding such as a misstatement of the entity's financial statement that is not detected and/or corrected on a timely basis. The fund does not have any of these findings. However there were a few deficiencies noted. They are financial close and reporting process, segregation of duties, accounting processes and procedures, monitoring and evaluation of alternative investments and fund travel expenses and travel policy. With the hiring of a CFO and the revisions of the travel policy the listed deficiencies should be corrected for the next audit.

Mr. Ortega wanted more clarification on the Investment monitoring as stated by the audit. Mr. Bridgens explained what other funds were doing to accomplish the investment oversight and what the auditor was looking for. He wanted more policy and procedures implemented by staff. Generally what you see from other funds is greater monitoring and documentation. One of the monitoring steps is participation in investment calls, obtaining investment reports and documenting what is reviewed. Due diligence trips is a second way of monitoring as long as documentation follows. This oversight is related to the private equity side of the investments.

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Mr. Bridgens reviewed the two types of auditor reporting. The first is GAAS (Generally Accepted Auditing Standards), which the fund follows and the second is GAGAS (Generally Accepted Government Auditing Standards). Mr. Bridgens feels that the fund should consider moving to the GAGAS reporting.

After careful discussion, and due consideration, Mr. Ortega moved to approve the December 31, 2013 Audited Financial Statements as presented by Mr. Jeff Bridgens of Moss Adams, LLP, which was tabled July 16, 2014, seconded by Dr. Tollen. Motion passed unanimously by the Board.


New Business


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

None

2. Adjournment.

Mr. Ortega moved to adjourn seconded by Mr. Villanueva and was passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 9:19 a.m.


Chairperson


Secretary