

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING HELD
Thursday, October 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
FST Paul Thompson
Chief Ricci Carson

Police Division:

Lieutenant Tyler Grossman
Sergeant John Schneider
Detective JD Cotham

Mayoral Appointments:

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

City Manager Appointments:

Ms. Judy A. Balmer
Ms. Terri Garcia

OTHERS PRESENT

Mr. Robert J. Stanton - Secretary
Mr. Mark Austin - Assistant Secretary
Ms. Lena H. Ellis - CFO
Mr. Brooks Monroe - INVESCO

TRUSTEE MEMBERS ABSENT:

None

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1. Establishment of Quorum.

Chairman 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 the previous Board Meeting held September 17, 2014

Mr. Tollen moved to approve the minutes of the Regular Board Meeting held September 17, 2014, seconded by Mr. Villanueva and unanimously passed by the Board.

Consent Agenda

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

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

Northern Trust Financial Statements for month ending September 30, 2014.

2. Expense Reports for the month ending September 30, 2014.

3. Approve Pension Payrolls:

Fire	\$2,327,889.89
Police	\$3,075,358.60

4. Payments to Service Providers

A. Meketa	\$68,750.00
B. Northern Trust Company	\$28,682.81
C. Legislative Consultants	\$5,139.96
D. Sheehan, Phinney, Bass + Green - July 2014	\$7,663.15

Reports and recommendations of Committees

1. Ad-Hoc Committee for Office Space

Chairman Villanueva advised that there was not much to report but that CEA was working on getting the permits and finalize numbers for the project.

2. Investment Committee

Did not meet

3. Management Development & Review Committee

Chairman Cotham advised that the Management Development & Review Committee meet and then turned the meeting over to Board Chairman Mr. Grossman. Chairman Grossman

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advised that in 2010 the board voted to implement a Defined Benefit plan for the civilian employees of the fund. There was nothing done from the time of the vote to the year 2014 due to other factors. Mr. Grossman approached a company to get a proposal on the cost for the benefit package during the early part of 2014. He advised that the final proposal should be available for review by the committee sometime the first of November.

Unfinished Business

1. Discussion and action on increasing the contribution rates of active Members of the Fire and Police Divisions through five (5) annual step increases, conditional upon and provided that the City similarly increase its' annual contribution rate to both the Fire and Police Divisions of the Pension Fund, as of September 1st of each of the next four (4) years, effective on or about September 1, 2014, and to set forth the dates for Membership vote, tabled July 16, 2014, August 20, 2014, and September 17, 2014.

Dr. Tollen moved to table Item 1 under unfinished business for one month seconded by Mr. Villanueva and passed unanimously by the Board.

New Business

1. Investment Performance Review for period ended December 31, 2013 and update as presented by Mr. Brooks Monroe of INVESCO.

Mr. Brooks provided the Board with firm updates which included the overview of the process and stated that the process has remained the same. He also stated that the firm added Michelle Foss, Portfolio Manger to the team. The portfolio has approximately 7.2B in gross asset value over a range of 77 investments. Mr. Brooks projects that the average return will be around the 7%, which is less than our current inception return of (7-10 yrs) of 7.45%. The inception return is greater than the index, however over the last 5 yrs the portfolio has been closely tracking the index.

Mr. Brooks then explained INVESCO's process to value and invest in each property. First every property is valued on a quarterly basis and INVESCO employs a third party asset manager to manage the property. INVESCO believes that they can hire the best property manager in every market.

The last item that Mr. Brooks discussed with the board was a recent investment of an Office building in Playa Vista, California.

2. Approval of corrected 2013 Audited Financial Statements as presented by CFO Lena Ellis

The CFO advised the board that a couple of issues came out of the prior approved financial audit. One item had to do with a rounding issue and the other was a transposing issue. It should be noted that the errors had no effect on the final 2013 numbers.

After due consideration, Ms. Arrieta moved to approve the corrected 2013 Audited Financial Statements as presented by CFO Lena Ellis, seconded by Ms. Garcia and passed unanimously by the Board.

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3. Authorization to transfer \$22,500.00 from the Fund's Cash Account to Lomaland West for current expenses (Rent, Parking, Utilities, and CEA Professional Services 75% complete) in connection with the property located at 909 East San Antonio, El Paso, Texas

After due consideration, Ms. Garcia moved to approve the transfer of \$22,500 from the fund's cash account to Lomaland West for current expenses (Rent, Parking, Utilities, and CEA Professional Services 75% complete) in connection with the property located at 909 East San Antonio, El Paso, Texas, seconded by Mr. Cotham and passed unanimously by the Board.

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

None.

5. Report of Executive Director.

Submitted Written Report

Mr. Stanton advised the board that we did receive our favorable determination letter again from the IRS, which will be good for five years.

6. Report of Chief Financial Officer.

Submitted Written Report

CFO Ellis went through the submitted report to give the board and update on the progress of several different items that the CFO is working on. She highlighted areas of separation of duties and Procedures and Policies. Mrs. Garcia asked about more reporting and information that Northern can provide and was advised that communication with Northern is always ongoing and are assisting with the necessary reports.

7. For Notation:

Informational Material for Review. No Action Required.

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

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Mr. Ortega left at 2:10 p.m.

8. Adjournment.

Ms. Garcia moved to adjourn, seconded by Ms. Carmen Arrieta-Candelaria and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:23 p.m.


Chairperson


Secretary