

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND**  
**REGULAR MEETING HELD**  
**Wednesday, December 17, 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**

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**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:**

Dr. Robert Tollen  
Mr. Presi Ortega

**City Manager Appointments:**

Ms. Judy A. Balmer

**OTHERS PRESENT**

Mr. Robert J. Stanton - Secretary  
Mr. Mark Austin - Assistant Secretary  
Ms. Lena H. Ellis - CFO  
Mr. Steve Moen - Partners Group  
Mr. Tyler Jones - Partners Group

**TRUSTEE MEMBERS ABSENT:**

Ms. Terri Garcia  
Ms. Carmen Arrieta-Candelaria

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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 1:00 p.m.

2. Reading and approval of the Minutes of the previous Board Meeting held November 18, 2014

*Dr. Tollen moved to approve the minutes of the Regular Board Meeting held November 18, 2014, seconded by Mr. Ortega and unanimously passed by the Board.*

Consent Agenda

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

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

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

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

3. Approve Pension Payrolls:

Fire	\$2,344,620.17
Police	\$3,107,753.77

4. Payments to Service Providers

A.	Strasburger & Price, LLP - October 2014	\$3,716.28
B.	Sheehan, Phinney, Bass + Green September 2014	\$4,305.50
C.	Legislative Consultants	\$5,000.00

Reports and recommendations of Committees

1. Ad-Hoc Committee for Office Space

*Did not meet*

2. Investment Committee

*The committee met and will be discussed under new business.*

3. Management Development & Review Committee

*Did not meet*

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4. Budget & Finance Committee

*The committee met and will be discussed under new business*

*Mr. Cotham arrived at 1:05 p.m.*

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 1<sup>st</sup> 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 and October 16, 2014 and November 18, 2014.

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

New Business

1. Discussion and action on retaining Powers Media Works, LLC for the Fund's Strategic Communications at the request of Chairman Grossman.

*After careful discussion and due consideration, Mr. Ortega moved to have Chairman Grossman negotiate a two year contract for a lower annual fee. If it could not be agreed upon Chairman Grossman should lock in a two year contract so as not to go up in price, seconded by Mr. Villanueva. Motion passed unanimously by the Board.*

2. Investment Performance Review for period ended December 31, 2013, and update as presented by Mr. Steve Moen of Partners Group regarding Global Real Estate 2008, 2011 and 2013.

Mr. Steve Moen and Mr. Tyler Jones began their review of Partners Capital with an overview on some changes. There have been two new offices opened, one in Texas and the other in Dubai. There are also 740 employees. The fund currently invests in three vintage years of Real Estate. The first is Global RE 2008, which has 62 investments and has had an annualized net return of 7.8% since inception. The second fund is Global RE 2011, which has 59 investments with an annualized net return of 9.7% since inception and currently 76-77% of the funds are committed. Global RE 2011 has an investment in Russia as a secondary. The concern was about the volatility in the Russian economy. The investment is a secondary investment which is doing above plan expectations but the firm is watching it carefully for any drastic changes. The final investment is Global RE 2014 which has a fall 2015 closing. The market environment shows core real estate is aggressive and has a really low cap rate. Core real estate pricing has edged higher due to cheap financing. Core will continue to be in high demand. The funds target investment returns are between 13%-17%.

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3. Discussion and action on approving the 2015 Administrative & Operating Budget as approved and recommended by the Budget & Finance Committee.

Ms Lena Ellis, the funds CFO presented an overview of the 2015 budget to the Board. She reviewed a couple of changes with personnel costs and combining a couple of line items.

*After careful discussion and due consideration, Dr. Tollen moved to approve the 2015 Administrative & Operating Budget as approved and recommended by the Budget & Finance Committee, seconded by Mr. Ortega. Motion passed unanimously by the Board.*

4. Authorizing payment in the amount of \$5,000.00 for the Fund's membership renewal in TEXPERS.

*After careful discussion and due consideration, Mr. Ortega moved to authorize payment in the amount of \$5,000.00 for the Fund's membership renewal in TEXPERS, seconded by Mr. Thompson. Motion passed unanimously by the Board.*

5. Discussion and action on the commitment of \$8,000,000 to Linden Capital Partners III, L.P., as recommended by Meketa Investment Group.

*After careful discussion and the recommendation by the Investment Committee Dr. Tollen moved to approve the commitment of \$8,000,000 to Linden Capital Partners III, L.P pending legal review, seconded by Mr. Cotham. Motion passed unanimously by the Board.*

6. Authorization to transfer \$13,000.00 from the Fund's Cash Account to Lomaland West for current expenses (Rent, Parking, Utilities, and CEA Professional Services Phase 1 Design 100% complete) in connection with the property located at 909 East San Antonio, El Paso, Texas.

*After due consideration, Mr. Ortega moved to approve the transfer of \$13,000.00 from the fund's cash account to Lomaland West for current expenses (Rent, Parking, Utilities, and CEA Professional Services 100% complete) in connection with the property located at 909 East San Antonio, El Paso, Texas, seconded by Dr. Tollen and passed unanimously by the Board.*

7. Discussion on conducting search for Executive Director in anticipation of his departure in October 2015.

*A short discussion occurred on the process that the board wants to take for the search of a new Executive Director. After the discussion it was decided to place the item on the January 2015 Agenda.*

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

*None.*

9. Report of Executive Director.

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*See Report: Along with the report the Executive Director advised the Board that WAMCO funding will be completed by December 1, 2014 and that Steve Prullage, the funds actuary, has left Buck Consultants and the funds new actuary will be David Kent.*

10. Report of Chief Financial Officer.

*See Report*


11. For Notation:

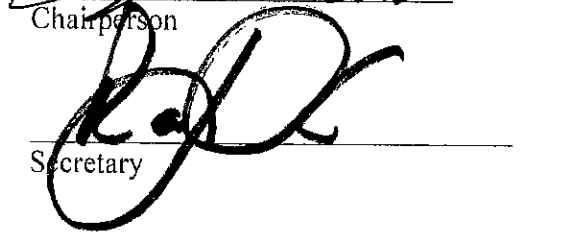
Informational Material for Review. No Action Required.

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

12. Adjournment.

*Mr. Ortega 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 2:22 p.m.*

  
Chairperson

  
Secretary