

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING HELD
Wednesday, January 21, 2015 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

Police Division:

Lieutenant Tyler Grossman
Sergeant John Schneider
Detective JD Cotham

Mayoral Appointments:

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

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

TRUSTEE MEMBERS ABSENT:

Chief Ricci Carson

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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 December 17, 2014

Dr. Tollen moved to approve the minutes of the Regular Board Meeting held December 17, 2014, seconded by Mr. Cotham 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 November 30, 2014.

Northern Trust Financial Statements for month ending December 31, 2014.

2. Expense Reports for the month ending December 31, 2014.

3. Approve Pension Payrolls:

Fire	\$2,338,818.70
Police	\$3,104,858.43

4. Payments to Service Providers

A.	Strasburger & Price, LLP - October 2014	\$3,716.28
B.	Sheehan, Phinney, Bass + Green Nov 2014	\$4,305.50
C.	Moss-Adams Final Audit	\$6,000.00
D.	Meketa 4 th Qtr.	\$68,750.00
E.	Travis & Calhoun (Heinrich case)	\$9,835.50

Reports and recommendations of Committees

1. Ad-Hoc Committee for Office Space

Did not meet, however Mr. Villanueva gave a quick update on the progress of the building. He stated that demolition has been completed and there should be the first inspection around the first part of February on the underground roughing. He also advised the Board that Mr. Austin normally puts an item on the agenda each month for money transfer to Lomaland but since the project cost has been approved he wanted the item taken off and invoices paid when due. There were no objections.

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2. Investment Committee

Did not meet

3. Management Development & Review Committee

Will be discussed under new business

4. Budget & Finance Committee

Did not meet

Mr. Thompson 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 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, September 17, 2014, October 16, 2014, November 18, 2014, and December 17, 2014.

Chairman Grossman advised the board that there has been no response by the City in regards to the legal opinion on City Charter versus State Law. Mr. Grossman also stated that there have been several attempts to meet with the city manager, however, he has not responded or accepted. several emails and office visits by both the Chairman and the Deputy Executive Director have gone unanswered.

Dr. Tollen moved to remove Item 1 under unfinished business until there is a response by the City, seconded by Mr. Villanueva and passed unanimously by the Board.

New Business

1. Discussion and action on conducting search for Executive Director in anticipation of his departure in October 2015.

After careful discussion and due consideration, Ms. Arrieta-Candelaria moved to form a committee to research the best process of hiring a new Executive Director, seconded by Mr. Ortega. Motion passed unanimously by the Board and Mr. Grossman abstained.

2. Authorization to transfer \$39,800.00 from the Fund's Cash Account to Lomaland West for current expenses (Rent, Parking, Utilities, and 2014 Property Tax (\$26,896.29)) 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 \$39,800.00 from the fund's cash account to Lomaland West for current expenses (Rent, Parking, Utilities, and 1st

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payment to CEA Professional Services for building renovation) in connection with the property located at 909 East San Antonio, El Paso, Texas, seconded by Mr. Schneider and passed unanimously by the Board.

3. Discussion and action regarding the Request for Qualifications (RFQ) for Pension Administration System.

The current pension administration system (Tyler) no longer supports their system so the Board began discussion on the purchase of a new system. Currently one firm has taken over many of Tyler's customers and has initiated a new system for them. There are also 5 to 6 other companies that offer this type of product. Prior to completing a RFQ or and RFI the Board agreed to have Pension Technology Group (PTG) conduct a presentation on their pension administration system and how it can be incorporated or replace our current one. It will also give the board information on how to proceed in gathering information, what to look for and how to start the process.

After careful discussion and due consideration, Dr. Tollen moved to approve a presentation by PTG, seconded by Ms Balmer. Motion passed unanimously by the Board.

4. Discussion and action regarding on forward drop at the request of Chairman Grossman.

Chairman Grossman first advised that this item should have read Discussion and action regarding on a retention account. This program would be available for those who meet the minimum requirements for retirement. The way the program would work is the Officer or Firemen would continue working in their position but the retirement money and their contribution whether Fire or Police would go into a separate account, the money would be invested by the fund. The city's contribution would still be deposited into the Pension Fund. Once the firemen or police officer separated from their department they would receive the money from the separate account, paid in full (no interest or investment return). The retirement would then continue to be sent to the retiree.

After careful discussion and due consideration, Mr. Cotham moved to approve Chairman Grossman to seek and actuarial evaluation on the cost analysis associated with this program, seconded by Mr. Schneider. Motion passed unanimously by the Board.

5. Discussion and action on Executive Director's Performance reviews.

2:08 p.m. Ms Arrieta-Candelaria and Mr. John Schneider left the meeting

Mr. Cotham made the motion to enter into Executive Session at 2:08 p.m. to discuss Personnel Matters under Texas Government Code, Section 551.074, seconded by Mr. Villanueva and passed unanimously by the Committee.

The Management Development and Review Committee reconvened into public session at 2:22 p.m.

After careful discussion and due consideration, Mr. Cotham moved to accept the 2013 and 2014 Executive Director's performance reviews as completed. There will also be a 2.5% pay raise

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associated with the 2014 evaluation, which begins January 1, 2015, seconded by Mr. Ortega. Motion passed unanimously by the Board

6. Approval(s)/denial(s) of full-time Student Request Application in accordance with Section 3.18 "Qualified Child" of the Plan Document.

After careful discussion and due consideration, Mr. Villanueva moved to approve the full-time Student Request Application in accordance with Section 3.18 "Qualified Child" of the Plan Document, seconded by Mr. Ortega and passed by the board.

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

None.

8. Report of Executive Director.

See Report:

One notable item was that after considerable discussion with Linden, Linden's outside legal counsel, have agreed to the Fund's side letter provisions. Subscription Agreements will be sent upon receipt and review of the actual Side Letter language.

9. Report of Chief Financial Officer.

See Report:

Ms Ellis (CFO) advised the board that she has be working on policy development for several different items, which include Fixed Assets and Construction-in-Progress. The CFO has also completed job description reference a Senior Accountant and Accountant along with the duties of the CFO. The CFO also advised that on the financial statement there was one misprint under deductions it should have been November30, 2014 and not September 30, 2014.

10. For Notation:

Informational Material for Review. No Action Required.

- A. Service Retirement(s)
- B. Early Retirement
- C. Service/ Back Drop Retirement
- D. Proportionate Retirement (PRP)
- E. Cost of Living Adjustments
- F. Death of member(s)

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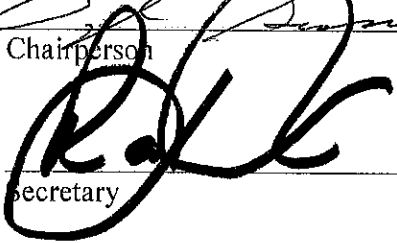
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G. Refund of Contributions

11. 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 2:36 p.m.


Chairperson


Secretary