

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING HELD
Wednesday, June 17, 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:

FST Paul Thompson
Chief Ricci Carson
Chief Jerry Villanueva

Police Division:

Sergeant John Schneider
Lieutenant Tyler Grossman

Mayoral Appointments:

Dr. Robert Tollen

City Manager Appointments:

Ms. Terri Garcia

OTHERS PRESENT

Mr. Robert J. Stanton - Secretary
Mr. Mark Austin - Assistant Secretary
Ms. Lena H. Ellis - CFO
Ms Melissa Platt - Mondrian
Mr. Stephen Starnes - Mondrian

TRUSTEE MEMBERS ABSENT:

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

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1. Establishment of Quorum.

At 1:04 pm Chairman Grossman was unable to establish a quorum so item #1 under new business was presented first.

Chairman Grossman was able to establish a Quorum at 1:40 pm. The Regular Meeting of the El Paso Firemen & Policemen's Pension Fund Board of Trustees was called to order at 1:40 p.m.

2. Reading and approval of the Minutes of the previous Board Meeting held May 20, 2015 and Special Board Meeting held May 27, 2015.

Mr. Villanueva moved to approve the minutes of the Regular Board Meeting held May 20, 2015 and Special Board Meeting held May 27, 2015. seconded by Dr Tollen 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 April 30, 2015.

Northern Trust Financial Statements for month ending May 31, 2015.

2. Expense Reports for the month ending May 31, 2015.

3. Approve Pension Payrolls:

Fire	\$2,519,520.79
Police	\$3,267,476.27

4. Payments to Service Providers

A. Summit 2 nd Qtr 2015	\$68,750.00
B. Sheehan, Phinney, Bass + Green - April 2015	\$9,599.23
C. Legislative Consultant Services - June 2015	\$8,000.00
D. Powers Mediaworks Inc. May 2015 and June 2015	\$3,328.00
E. Strasburger & Price Attorney Thru May 2015	\$1,543.75

Ms Terri Garcia arrived at 1:10 pm

Reports and recommendations of Committees

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1. Investment Committee

Did not meet

2. Ad-Hoc Committee for Office Space

Mr. Villanueva updated the board on the building at 909 E. San Antonio. The fund will begin the move to the office on Wednesday June 24, 2015.

Unfinished Business

1. Discussion and action on migrating current pension administration system over to Pension Technology Group (PTG) PensionPro, tabled April 15, 2015 and May 20, 2015.

Dr Tollen moved to table item for one month seconded by Mr. Thompson and passed unanimously by the Board.

2. Discussion and action on amending Staff Retirement Plan for compliance with federal law requirements for submission to the IRS for a favorable determination letter, as presented by Attorney Mary Beth Braitman of Ice Miller, tabled May 20, 2015.

It should be noted that there is no change to the benefit structure to the amended staff retirement plan and that the only issue was the compliance for the favorable determination letter.

After careful discussion and due consideration, Dr. Tollen moved to approve amending Staff Retirement Plan for compliance with federal law requirements for submission to the IRS for a favorable determination letter, seconded by Mr. Schneider and passed by the Board.

New Business

1. Investment Performance Review for period ended December 31, 2014 and update as presented by Mr. Steve Starnes and Ms Melissa Platt of Mondrian Investment Partners.

Mr. Steve Starnes and Ms Melissa Platt provided the Board with a portfolio overview and the fund's performance. There have been two new additions in the portfolio; Christopher Davis and Zsolt Mester assistant portfolio managers. There will also be two retirements in September 2015; Christopher Moth, Director Chief Investment Officer, and John Kirk, Deputy Chief Executive Officer. Ms Platt began by discussing Mondrian's investment philosophy. There has been no change in the philosophy and the methodology is a value approach which emphasizes yield and future real growth in dividends. Mondrian is consistent with the dividend discount methodology which compares value across all securities, markets and sectors. Mondrian has a long term focus resulting in low turnover and reduced transaction costs. As of March 31, 2015 the fund returned 9.4% since inception as compared to the benchmark MSCI EAFE of 9.0% giving the funds relative performance .4% with a market value of \$152,484,006 US.

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The benchmark equity market returns were affected by divergent central bank policies. strong local market returns tempered by currency weakness and the challenging economic and geopolitical environment in Europe.

The last item discussed was the investment strategy summary. It was noted that the fund sector allocation was lower in Financials and Materials. Mondrian began to build the position in Sweden-based TeliaSonera. They increased energy exposure by adding BP and AMEC Foster Wheeler and decreased exposure to France.

2. Discussion and action on approving lease agreement between the El Paso Firemen & Policemen's Pension Fund and Lomaland West, LLC, for the property located at 909 East San Antonio Street, El Paso, Texas.

Mr. Villanueva moved to table item for one month seconded by Mr. Carson and passed unanimously by the Board.

3. Discussion and action on City of El Paso Charter, Civil Service Article 6 Section 6.13-11.D

No Action

Ms Terri Garcia left at 2:25 pm

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

None

5. Report of Executive Director.

Submitted Written Report.

6. Report of Chief Financial Officer.

Submitted Written Report.

7. For Notation:

Informational Material For Review. No Action Required.

- A. Service Retirement(s)
- B. Deferred Retirement
- C. Proportionate Retirement (PRP)

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D. Cost of Living Adjustments

8. Adjournment.

Mr. Villanueva moved to adjourn seconded by Mr. Thompson and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:45 p.m.

Chairperson

Secretary