

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
Wednesday, November 16, 2016 at 1:00 PM
El Paso Firemen and Policemen's Pension Fund Office
909 East San Antonio Avenue, El Paso, Texas 79901

MINUTES

TRUSTEE MEMBERS PRESENT

Fire Division:

Chief Ricci Carson
Chief Jerry Villanueva
Lieutenant Paul Thompson

Police Division:

Lieutenant John Schneider
Sergeant JD Cotham

Mayoral Appointments:

Dr. Robert Tollen
Mr. Presi Ortega

City Manager Appointments:

Ms. Terri Garcia
Ms. Judy A. Balmer

OTHERS PRESENT

Mr. Tyler Grossman – Executive Director
Ms. Christina Ramirez – Deputy Executive Director
Ms. Lena Ellis – CFO

TRUSTEE MEMBERS ABSENT:

Sergeant Sean Shelton
Ms. Carmen Arrieta-Candelaria

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
November 16, 2016 - 1:00 P.M.

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1. Establishment of Quorum.

Chairman Villanueva established that a Quorum was 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 from the previous Regular Board Meeting held October 19, 2016.

Dr. Tollen moved to approve the minutes of the Regular Board Meeting held October 19, 2016, seconded by Mr. Carson and unanimously passed by the Board.

Consent Agenda

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

1. Internal Financial Statements for month ending October 31, 2016.

Northern Trust Financial Statements for month ending October 31, 2016.

2. Expense Reports for the month ending October 31, 2016.

3. Approve Pension Payrolls:

Fire	\$2,726,798.95
Police	\$3,727,901.80

4. Payments to Service Providers

A. Salena Karam Ayoub – thru 09/30/2016	\$192.50
B. Haynesboone - thru 09/30/2016	\$6,734.46
C. Legislative Consultants – September 2016	\$5,128.57
D. Meketa – 3 rd Q2016	\$68,750.00
E. Powers Media Works – August & September 2016	\$3,328.00
F. Summit Strategies Group – 3 rd Q2016	\$58,335.00
G. Xerox (Buck) – 3 rd Q2016	\$28,477.00
H. Xerox (Buck) – 3 rd Q2016 (Staff Plan)	\$11,655.00

Reports and recommendations of Committees

Unfinished Business

New Business

1. Investment Performance Review for period ended December 31, 2015 and update as presented by Mr. Jet Taylor of Metropolitan Real Estate.

Mr. Taylor's El Paso flight was cancelled. This presentation will be rescheduled in 2017.

2. Update on Lilli M. Heinrich v. El Paso Firemen & Policemen's Pension Fund.

Mr. Grossman gave an update on this case. The Fund did win the jury trial. The judgment made on October 28, 2015 dismissed all of Ms. Heinrich's claims for relief and stated that each party should bear its own costs. The Fund will have a better understanding of what they are fighting on November 23, 2016. Once this is completed, the Fund's attorney fees should be substantially reduced.

3. Discussion and action on the \$9M commitment to Newstone Capital Partners III, L.P., as approved and recommended by the Investment Committee.

Dr. Tollen spoke on behalf of the Investment Committee. He explained that Newstone is a mezzanine debt investor in the Private Equity space. The Fund has invested in Newstone before in 2010. The net IRR that the Fund has received to date is approximately 11%. Newstone has a good track record and the Fund should continue to receive an investment return anywhere from 9 to 12% on this investment going forward.

After careful discussion and due consideration and at the recommendation of the Investment Committee, Dr. Tollen moved to approve the investment of \$9M to Newstone Capital Partners III, L.P. subject to successful vetting from legal counsel, seconded by Mr. Ortega and passed unanimously by the Board.

4. Discussion and action on the \$9M commitment to Veritas Capital Fund VI, L.P., as approved and recommended by the Investment Committee.

Dr. Tollen spoke on behalf of the Investment Committee. He explained that this is a follow on investment for the Fund. The Fund currently has approximately \$10M in two prior funds of Veritas Capital. They are control equity investors in the Private Equity space primarily in Technology and Defense. The 2010 previous investment has a 15% IRR. The 2015 previous investment with Veritas does not have any meaningful data yet in terms of IRR.

After careful discussion and due consideration and at the recommendation of the Investment Committee, Dr. Tollen moved to approve the investment of \$9M to Veritas Capital Fund VI, L.P. subject to successful vetting from legal counsel, seconded by Mr. Schneider and passed unanimously by the Board.

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

None.

6. Report of Executive Director.

See submitted Written Report

7. For Notation:

Informational Material For Review. No Action Required.

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

8. Adjournment.

Mr. Ortega moved to adjourn seconded by Mr. Schneider and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 1:24 p.m.



Chairperson



Secretary