

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND**  
**REGULAR MEETING**  
**Wednesday, June 21, 2017 at 1:00 PM**  
**El Paso Firemen and Policemen's Pension Fund Office**  
**909 East San Antonio Avenue, El Paso, Texas 79901**

**MINUTES**

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**TRUSTEE MEMBERS PRESENT**

**Fire Division:**

Chief Jerry Villanueva  
Lieutenant Paul Thompson  
Chief Ricci Carson

**Police Division:**

Lieutenant John Schneider  
Sergeant JD Cotham  
Sergeant Sean Shelton

**Mayoral Appointments:**

Dr. Robert Tollen  
Ms. Carmen Arrieta-Candelaria

**City Manager Appointments:**

Ms. Judy A. Balmer

**OTHERS PRESENT**

Mr. Tyler Grossman – Executive Director  
Ms. Christina Ramirez – Deputy Executive Director  
Ms. Lena Ellis - CFO  
Mr. Steve Starnes – Mondrian Investment Partners  
Ms. Liz Desmond – Mondrian Investment Partners

**TRUSTEE MEMBERS ABSENT:**

Ms. Terri Garcia  
Mr. Presi Ortega

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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 May 24, 2017.

*Dr. Tollen moved to approve the minutes of the Regular Board Meeting held May 24, 2017, seconded by Ms. Arrieta-Candelaria and unanimously passed by the Board.*

Consent Agenda

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

1. Internal Financial Statements for month ending May 31, 2017.

Northern Trust Financial Statements for month ending May 31, 2017.

2. Expense Reports for the month ending May 31, 2017.

3. Approve Pension Payrolls:

Fire	\$2,900,517.33
Police	\$3,749,724.09

4. Payments to Service Providers

A. Brown Advisory – 1 <sup>st</sup> Q 2017	\$35,003.33
B. Cooke & Bieler – 1 <sup>st</sup> Q 2017 (Large Cap Value)	\$89,590.39
C. Cooke & Bieler – 1 <sup>st</sup> Q 2017 (Small Cap Value)	\$20,812.68
D. Fisher Broyles thru April 30, 2017	\$8,418.25
E. Harvest Fund Advisors, LLC – 1 <sup>st</sup> Q 2017	\$121,329.25
F. Intech – 1 <sup>st</sup> Q 2017	\$40,594.11
G. Legislative Consultants – May 2017	\$8,203.70
H. PIMCO – 1 <sup>st</sup> Q 2017	\$107,962.77
I. Powers Mediaworks, LLC – May 2017	\$1,664.00
J. Rudd and Wisdom, Inc – thru 04/30/2017	\$2,091.00
K. Sheehan Phinney – thru 03/31/2017	\$3,240.00
L. William Blair – 1 <sup>st</sup> Q 2017 (Small Cap Growth)	\$77,957.20
M. William Blair – 1 <sup>st</sup> Q 2017 (Small Cap Value)	\$125,042.97

Reports and recommendations of Committees

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Unfinished BusinessNew Business

1. Investment Performance Review for period ended December 31, 2016 and update as presented by Mr. Steve Starnes and Ms. Liz Desmond from Mondrian Investment Partners.

Mr. Starnes explained that Mondrian has had very stable and consistent structure and management throughout their now 25 year history. They run about \$60B across a global client base. Mondrian is employee-owned. He explained the following personnel changes: Kim Nguyen is leaving the firm and will be replaced by Zsolt Mester. Nigel May, the Deputy CEO, will be retiring in the spring of 2018.

Ms. Desmond explained that Mondrian's focus is on identifying the underlying value of the companies in which Mondrian invests and looking for companies that are mispriced in the market in order to achieve attractive returns for their clients. There are three key benefits to clients: a focus on meaningful long-term real returns, an aim to preserve capital when markets are weak, and an attempt to produce returns that are less-volatile and less-risky than the underlying universe of securities from which they are choosing. When markets are strong, Mondrian does okay with good absolute returns. When markets fall, they preserve capital; so that clients have more money to invest when they go up again. Since this fund was opened, Mondrian has been able to achieve an annualized return of over 6% against a benchmark return of just over 4%. In the last quarter the Fund has achieved a 7.4% return, over the last year an 11.2% return, and since inception a 7% net return.

Mondrian will continue to use the same long-term oriented structured discipline investment philosophy. The key advantages that they bring are the consistency of their philosophy, the consistency of their investment team, and a structured detailed, disciplined long-term approach. This will approach will benefit their clients.

2. Discussion and action on the hiring of a Strategic Planning firm to assist with Strategic Planning sessions.

Mr. Grossman explained that he reached out to three firms that handle strategic planning: Catalyst Consulting Partners, Myrna Associates, and Prestige Consulting Services. Catalyst Consulting Partners came in at \$6,900. Myrna Associates have helped the Fund in the past and their cost came in at \$9,500 that price includes travel. Prestige Consulting Services came in at \$6,830. They are local and the lowest cost with the most extensive proposal. They were also recommended by a board member. Mr. Grossman therefore recommended Prestige Consulting Services to hire as the Strategic Planning firm to assist the Fund.

*After careful discussion and due consideration, Dr. Tollen moved to hire Prestige Consulting Services to facilitate the Fund's Strategic Planning Process and Workshops that will take place in August or September of this year, seconded by Mr. Shelton and passed unanimously by the Board.*

Ms. Arrieta-Candelaria requested that Item 4 be moved prior to Item 3.

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

Ms. Arrieta-Candelaria stated that next month will be her last meeting as a trustee of the Fund. Her term ends in July of 2017 and because of other commitments she will be unable to continue with the Fund. She stated that she has enjoyed her time with the Fund for the last six years.

Ms. Arrieta-Candelaria absented herself at 1:57 p.m.

3. Discussion and action on Executive Director to attend Wharton School Private Equity training.

Mr. Grossman provided the material for the classes that were discussed at the last board meeting. He explained that private equity although not the largest investment it is very important and intensive. He therefore feels that education in private equity is essential. The cost for this course is \$10,000 and has to be approved by the Board.

Mr. Thompson explained that he attended a Finance boot camp at Wharton when he first started with the Fund. He stated that it was very intense, but he does recommend these classes given by Wharton.

*After careful discussion and due consideration, Mr. Thompson moved to approve that the Executive Director attend the Wharton School for Private Equity training, seconded by Mr. Shelton and passed unanimously by the Board.*

5. Report of Executive Director.

See Submitted Written Report

6. For Notation:

Informational Material For Review. No Action Required.

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

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Mr. Thompson requested to go back to Item 4.


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

Mr. Thompson requested that going forward he will propose to the Departments that a one hour course be given to both the Police and Fire department members every year. He has seen a lack of knowledge by members of both tiers and feels the education is needed.

7. Adjournment.

*Dr. Tollen moved to adjourn seconded by Mr. Shelton and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:25 p.m.*

  
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Chairperson

  
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Secretary