

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND  
REGULAR MEETING  
Wednesday, September 20, 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  
Chief Ricci Carson  
Lieutenant Paul Thompson

**Police Division:**

Lieutenant John Schneider  
Sergeant Sean Shelton

**Mayoral Appointments:**

Ms. Leila Melendez  
Dr. Robert Tollen  
Mr. Presi Ortega

**City Manager Appointments:**

**OTHERS PRESENT**

Mr. Tyler Grossman – Executive Director  
Ms. Christina Ramirez – Deputy Executive Director  
Ms. Lena Ellis - CFO  
Mr. Matt Clark - PIMCO

**TRUSTEE MEMBERS ABSENT:**

Ms. Terri Garcia  
Sergeant JD Cotham

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND**  
**September 20, 2017 - 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 August 23, 2017.

*Dr. Tollen moved to approve the minutes of the Regular Board Meeting held July 19, 2017, seconded by Mr. Ortega and unanimously passed by the Board.*

Consent Agenda

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

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

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

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

3. Approve Pension Payrolls:

Fire	\$2,926,553.63
Police	\$4,002,728.20

4. Payments to Service Providers

A. Baillie Gifford – 2 <sup>nd</sup> Q2017	\$150,627.93
B. Brown Advisory – 2 <sup>nd</sup> Q2017	\$37,154.05
C. Cooke & Bieler – 2 <sup>nd</sup> Q2017 (Small Cap Value)	\$37,974.03
D. Cooke & Bieler – 2 <sup>nd</sup> Q2017 (Large Cap Value)	\$159,306.99
E. Fisher Broyles thru July 31, 2017	\$450.00
F. Harvest Fund Advisors LLC – 2 <sup>nd</sup> Q2017	\$115,473.42
G. Intech – 2 <sup>nd</sup> Q2017	\$78,956.70
H. Legislative Consultants - August 2017	\$5,000.00
I. Mondrian – 2 <sup>nd</sup> Q2017	\$195,523.76
J. Moss Adams – Audit 12/31/2016	\$10,800.00
K. The Northern Trust Company – 2 <sup>nd</sup> Q2017	\$8,750.95
L. PBI – Annual Fee	\$500.00
M. PIMCO – 2 <sup>nd</sup> Q2017	\$109,635.41
N. Rudd and Wisdom Inc. - thru July 2017	\$654.00
O. Sheehan Phinney - thru June 30,2017	\$14,782.50

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P.	Summit Strategies Group – Reimbursement of Travel Expenses	\$891.31
Q.	The Wharton School	\$10,250.00
R.	William Blair – 2 <sup>nd</sup> Q2017 (Small Cap Growth)	\$84,151.78
S.	William Blair – 2 <sup>nd</sup> Q2017 (Small Cap Value)	\$124,333.90

Reports and recommendations of Committees

Unfinished Business

New Business

1. Investment Performance Review for the period ended December 31, 2016 and update as presented by Mr. Matt Clark of PIMCO.

Mr. Clark explained that PIMCO's relationship with the Pension Fund began in May of 2003. He provided an update on the Fund's Core Plus Fixed Income Portfolio. Thru July 31, 2017, the Portfolio has outperformed the benchmark by 1.2%. The three year, five year and since inception points, all show that the portfolio has outperformed the benchmark. The state of the global economy is relatively stable for the next year. The US and Europe central banks are trying to increase interest rates slowly and are adjusting their balance sheet. However in light of where prices have moved in the market, this is the time to appropriately reduce risk on a very pragmatic basis in the Portfolio.

2. Discussion and action on approval of actuarial findings reference benefits and contributions as required under 6243(b)(10A)(b)(1).

Mr. Grossman explained that the actuarial report was previously ordered by the Board to determine the cost of the Benefit Enhancement of lowering the Tier 2 age and service requirements for retirement to 45 years of age and 20 years of service and at the same time raising contributions on the employee side to meet the City's contribution rate of 18%. With these changes the Fund's Amortization Period is lowered which helps the Fund; therefore the recommendation is to approve Conduent's (formerly Buck Consultants) study.

*After careful discussion and due consideration, Mr. Shelton moved to approve the actuarial findings reference benefits and contributions as required under 6243(b)(10A)(b)(1), seconded by Mr. Schneider and passed unanimously by the Board.*

3. Discussion and action on approval of ballot language proposed to membership for benefit and contribution changes 6243(b)(10A)(b)(2).

Mr. Grossman reviewed the proposed amendments to the plan document and the ballots with the Board. These were prepared in order to complete the Board's task of giving Tier 2 the ability to

retire at age 45 with 20 years of service, allowing Tier 2 to enter the Forward DROP at age 45 with 20 years of credited service and giving a 50% increase to the Fund's pre-1980 retirees.

*After careful discussion and due consideration, Mr. Shelton moved to approve proposed amendments to the City of El Paso Firemen & Policemen's Pension Fund [Jan 18, 2017, As Amended] including both Part I, The Base Plan, and Part II, The Second-Tier Plan, in the form presented to the Board today, this 20<sup>th</sup> of September 2017, establishing both certain Benefit Enhancements to become effective December 31, 2017 and Member Contribution Increases, to become effective in 5 annual increments beginning Sept 1, 2018, seconded by Mr. Schneider and passed unanimously by the Board.*

*Mr. Shelton also moved to approve the Board's attached Member ballots and the Board's recommendation to Members to vote their approval of such amendments by majority vote of, respectively, the Membership of the Police Division and the Membership of the Fire Division, subject to Sec. 10A of Article 6243b, Vernon's Annotated Texas Statutes, seconded by Dr. Tollen and passed unanimously by the Board.*

4. Discussion and action on benefit and contribution election dates.

Mr. Grossman reviewed the election dates with the Board.

*After careful discussion and due consideration, Dr. Tollen moved to accept the benefit and contribution election dates, seconded by Mr. Thompson and passed unanimously by the Board.*

Mr. Thompson absented himself at 2:08 p.m.

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
- B. Early Retirement
- C. Service/Forward DROP Retirement
- D. Service/Back DROP Retirement

- E. Death of member
- F. Cost of Living Adjustments
- G. 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 2:12 p.m.*

  
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Chairperson

  
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Secretary