

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND**  
**REGULAR MEETING**  
**Wednesday, February 21, 2018 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:**

Sergeant JD Cotham  
Sergeant Sean Shelton

**Mayoral Appointments:**

Mr. Presi Ortega  
Dr. Robert Tollen

**City Manager Appointments:**

Mr. Gary M. Borsch

**OTHERS PRESENT**

Mr. Tyler Grossman – Executive Director  
Ms. Christina Ramirez – Deputy Executive Director  
Ms. Lena Ellis - CFO  
Mr. Phineas Troy - Summit Strategies  
Mr. Matt Jelinek – Summit Strategies  
Ms. Mary Gregory – Brown Advisory  
Mr. Kevin Osten – Brown Advisory

**TRUSTEE MEMBERS ABSENT:**

Ms. Terri Garcia  
Ms. Leila Melendez  
Lieutenant John Schneider

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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 on January 24, 2018.

*Mr. Shelton moved to approve the minutes of the Regular Board Meeting held January 24, 2018, seconded by Mr. Thompson and unanimously passed by the Board.*

Consent Agenda

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

1. Internal Financial Statements for month ending January 31, 2018.

Northern Trust Financial Statements for month ending January 31, 2018.

2. Expense Reports for the month ending January 31, 2018.

3. Approve Pension Payrolls:

Fire	\$2,879,745.30
Police	\$3,975,875.56

4. Payments to Service Providers

A. Jackson Walker, LLP	\$336.15
B. Legislative Consultants – January 2018	\$5,000.00
C. Meketa Investment Group – 3 <sup>rd</sup> Q 2017	\$68,750.00
D. Meketa Investment Group – 4 <sup>th</sup> Q 2017	\$68,750.00
E. The Northern Trust Co. – 4 <sup>th</sup> Q 2017	\$8,866.75
F. The Northern Trust Co. – 4 <sup>th</sup> Q 2017 – Custody & Benefit Payments	\$28,313.92
G. Rudd and Wisdom, Inc. – December 2017	\$921.75
H. Summit Strategies Group – 4 <sup>th</sup> Q 2017	\$58,335.00

Reports and recommendations of Committees

Unfinished Business

New Business

1. Investment Performance Review for period ended December 31, 2017 and update, as presented by Ms. Mary Gregory and Mr. Kevin Osten of Brown Advisory.

Ms. Gregory explained that currently the Fund has \$86M invested with Brown Advisory which started about 6 years ago. The Fund is invested in the US Large-Cap Growth Equity Portfolio and it is benchmarked against the Russell 1000 Growth Index. There are no changes with the firm and it is celebrating 20 years as an independent investment management firm. The current assets under management are \$61B. There are currently at 540 people across 7 or 8 offices. The Large-Cap Growth Strategy is a concentrated portfolio of 30 to 35 names and Brown Advisory feels that is how they can out-perform the benchmark over the long-term. The companies they invest in have sound sustainable business models. They have to have good solid, quality, sustainable growth prospects.

2. Presentation and review of fourth Quarter 2017 Investment Performance and update, as presented by Mr. Phineas Troy and Mr. Matt Jelinek of Summit Strategies Group.

In the fourth quarter of 2017, GDP grew at a 3% growth rate. There has been continued strong data releases from corporations in the US and abroad. The unemployment rate was at 4.1% which is the lowest rate since 2000. The Fed raised the interest rate 25 bps. All of these factors played into the strong market performance for the year. The Benchmark was at 16.10% for the year and the Fund was at 17.53% for the year. Compared to peers for the year, the Fund was in the 12<sup>th</sup> percentile.

3. Discussion and action on Strategic Initiatives and Strategic Initiative Teams.

Mr. Grossman reviewed the six Strategic Goals in the Fund's Strategic Plan 2017. He recommended that Goal A, "We will protect our interests, benefits, and autonomy by staying politically active, nurturing relationships, and being abreast of pending legislation." be assigned to the Management, Development, and Review Committee. Goal B, "We will protect the integrity of our investments with sustained due diligence of our current and future money managers." should be assigned to the Investment Committee. Goal C, "We will ensure fund diversity for continued financial stability including asset allocation evaluation." should be assigned to the Investment Committee. Goal D, "We will provide efficient, cost-effective and reliable services by exploring the innovative use of information technology." should go to the Audit and Risk Management Committee. Goal E, "We will protect our assets and organization creating and implementing a risk management plan." should be assigned to the Audit and Risk Management Committee. Goal F, "We will sustain and improve the quality of our stewardship and service through Board, Staff, and membership education." should go to the Management Development and Review Committee. If the Board agrees with these recommendations, then the Committee Chairs will be notified and the first meeting to go over these goals to decide how the Committee wants to implement the goals will be set.

*After careful discussion and due consideration, Dr. Tollen moved to proceed with the recommendations made by the Executive Director and assigned each Strategic Goal to the Committee outlined above, seconded by Mr. Cotham and passed unanimously by the Board.*

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

None.

5. Report of Executive Director.

See submitted Written Report

6. For Notation:

Informational Material For Review. No Action Required.

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

7. Adjournment.

*Mr. Ortega moved to adjourn, seconded by Dr. Tollen and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:19 p.m.*

  
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Chairperson

  
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Secretary