

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND**  
**REGULAR MEETING**  
**Wednesday, September 19, 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 Ricci Carson  
Chief Jerry Villanueva  
Lieutenant Paul Thompson

**Police Division:**

Lieutenant John Schneider  
Officer Jerry Armendariz  
Sergeant Sean Shelton

**Mayoral Appointments:**

Ms. Leila Melendez  
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. Leandro Festino – Meketa Investment Group  
Mr. Jeremy Burton – Pinebridge Investments  
Mr. Phineas Troy – Summit Strategies Group  
Mr. Matt Jelinek – Summit Strategies Group  
Mr. Mark Fenlaw – Rudd & Wisdom, Inc.  
Ms. Rebecca Morris – Rudd & Wisdom, Inc.

**TRUSTEE MEMBERS ABSENT:**

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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 August 22, 2018.

*Mr. Thompson moved to approve the minutes of the Regular Board Meeting held August 22, 2018, seconded by Dr. Tollen and unanimously passed by the Board.*

Consent Agenda

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

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

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

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

3. Approve Pension Payrolls:

Fire	\$3,162,091.36
Police	\$3,886,688.65

4. Payments to Service Providers

A.	Salena Karam Ayoub – July 2018 (General)	\$157.50
B.	Salena Karam Ayoub – July 2018 (Cara Rodenhaver)	\$370.00
C.	Baillie Gifford – 2 <sup>nd</sup> Qtr 2018	\$130,686.04
D.	Brown Advisory – 2 <sup>nd</sup> Qtr 2018	\$43,714.18
E.	Cooke & Bieler – 2 <sup>nd</sup> Qtr 2018 (Large Cap Value)	\$86,070.93
F.	Cooke & Bieler – 2 <sup>nd</sup> Qtr 2018 (Small Cap Value)	\$34,449.07
G.	DLA Piper – June 2018	\$53.55
H.	Harvest Fund Advisors LLC – 2 <sup>nd</sup> Qtr 2018	\$111,034.38
I.	Intech – 2 <sup>nd</sup> Qtr 2018	\$19,357.95
J.	Lawson Attorneys – August 2018	\$2,000.00
K.	Legislative Consultants – August 2018	\$6,123.62
L.	Mondrian – 2 <sup>nd</sup> Qtr 2018	\$168,428.88
M.	Moss Adams – 2017 Audit	\$11,100.00
N.	The Northern Trust Company – 2 <sup>nd</sup> Qtr 2018 (Custody & Benefit Payments)	\$33,045.92
O.	The Northern Trust Company – 2 <sup>nd</sup> Qtr 2018	\$8,811.19

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P.	Pension Benefit Information, LLC	\$500.00
Q.	PIMCO – 2 <sup>nd</sup> Qtr 2018	\$108,773.29
R.	Rudd & Wisdom, Inc.	\$4,484.25
S.	Summit Strategies Group – London Due Diligence Trip	\$4,766.73
T.	William Blair – 2 <sup>nd</sup> Qtr 2018 (Small Cap Value)	\$136,813.68
U.	William Blair – 2 <sup>nd</sup> Qtr 2018 (Small Cap Growth)	\$106,795.42

Reports and recommendations of Committees

1. Discussion and action on hiring Meketa as the general consultant thru 2019 as recommended by the Ad-Hoc General Consultant Search Committee.

Chairman Villanueva explained that the Committee decided to hire Meketa as the general consultant thru 2019 to give the committee more time to go thru the Request for Proposal process to hire a permanent general consultant.

Mr. Grossman asked that Meketa's start date be today, September 19, 2019, instead of October 1, 2018.

*After careful discussion and due consideration and at the recommendation of the Ad-Hoc General Consultant Committee, Dr. Tollen moved to approve hiring Meketa through 2019 and begin their contract on September 19, 2018 and add \$10,000 to this year's operating budget; this was seconded by Mr. Borsch and passed unanimously by the Board.*

2. Discussion and action on Executive Director contract as recommended by the Management Development and Review Committee.

Mr. Thompson explained that the committee met last month to review Mr. Grossman's contract. Mr. Thompson asked Mr. Grossman to provide recommendations on what he wanted changed in his contract. Mr. Grossman requested the following five changes to his contract:

1. Receive a 2% automatic annual increase plus the CPI-U not to exceed a maximum of 4% per year.
2. Instead of having cell phone service provided by the Fund that he receive a cellphone and cellphone allowance of \$150 per month.
3. \$100 car allowance per month increased to \$400 per month.
4. Receive all of the points accrued on the Fund's credit card for personal use and to use whenever he wanted.
5. That he be able to sell back up to 100 hours of vacation leave each year.

The committee agreed to all of the five changes, with the some minor changes: they agreed to a car allowance of \$300 per month instead of \$400 per month. The committee agreed to allow Mr. Grossman to sell back 100 hours of vacation leave each year provided he agreed to take a mandatory two weeks (80 hours) of consecutive days off each year regardless if he sells back 100 hours or not.

*After careful discussion and due consideration and at the recommendation of the Management Development and Review Committee, Mr. Borsch moved to approve the Executive Director's contract with the above changes outlined above, seconded by Mr. Carson and passed unanimously by the Board.*

3. Discussion and action on IT contract as recommended by Audit and Risk Management Committee.

Mr. Grossman explained that in October of 2017 the Board met to establish the strategic plan for the Fund. At that time, the Fund's IT services were discussed as well as the need to go out to bid since it had not been done for over 15 years. The auditors also had concerns about not having a contract for IT services. Therefore early this year, the Fund received three bids for IT services. One was received from Personal Computers Plus (PCP), this is the current IT provider; and two other local firms also provided a proposal (Masser Technologies and ESEI). Each local site was visited and each of the vendors was asked to visit our site and make recommendations on our IT structure. Each was then asked for a proposal. Once the proposals were reviewed, PCP and Masser Technologies were selected as the two finalists. Both were asked to clarify their proposals to make certain that the proposals could be matched equally.

*Ms. Melendez made the motion to enter into Executive Session at 1:39 p.m. to discuss Consultation with Attorney under Texas Government Code, Section 551.07, seconded by Mr. Thompson and passed unanimously by the Board.*

*The El Paso Firemen & Policemen's Pension Fund reconvened into public session at 1:49 p.m.*

Mr. Grossman explained that both vendor proposals covered everything the Fund needed in an IT service provider. The only difference in pricing would be the on-site support. It was explained PCP has waived this cost before but in general there is an added cost for travel and hours for these services from PCP. Masser Technology included on-site support in its monthly total cost.

*After careful discussion and due consideration, Mr. Ortega moved to approve that the IT contract be awarded to Masser Technology, seconded by Ms. Melendez and passed unanimously by the Board.*

4. Discussion and action on the EPFPPF statement of investment policy as recommended by the Investment Committee.

Dr. Tollen explained that the Investment committee met this morning and unanimously approved the recommendation to the Board of the changes to include the due diligence process in the investment policy. This codifies the procedure of what is currently being done. There were also several administrative changes in the later part of the investment statement.

*After careful discussion and due consideration and at the recommendation of the Investment Committee, Dr. Tollen moved to approve the due diligence changes codified in the investment policy and the clarifications of administrative changes replacing old managers with new managers, seconded by Mr. Schneider and passed unanimously by the Board.*

Unfinished Business

New Business

1. Investment Performance Review for the period ended December 31, 2017 and update as presented by Mr. Matt Clark of PIMCO.

Mr. Clark explained that the global economy will continue to grow but it will slow from this point forward. The broader economy will be slower than what was seen in the last twelve months. The Portfolio returned -0.44% in 2<sup>nd</sup> quarter before fees; comparatively, the Benchmark returned -0.16%. PIMCO manages approximately \$170M for the Fund.

2. Discussion and action on the archiving of EPFPPF historical documents.

Mr. Grossman explained that all member information has now been digitized and in the pension administration system. Now the Fund's minutes and financial documents need to be archived. PDS has been contacted for a quote to digitize and format it so that it is searchable. PDS has proposed a cost of \$45,783.09 to digitize all of the Fund's historical documents. There is a \$440 fee per year to use their Click Scan software which allows us to search the documents.

*After careful discussion and due consideration, Mr. Ortega moved to award the archiving of EPFPPF historical documents to PDS at an approximate cost of \$45,783.09 plus an additional cost of \$440 per year for the search feature to be used in these documents and that this total cost be reflected in this year's budget, seconded by Mr. Thompson and passed unanimously by the Board.*

3. Approval/denial of full-time Student Request Applications in accordance with Section 3.21 "Qualified Child" of the Plan Document.

Mr. Grossman explained that all of the documentation is in order for approval.

*After careful discussion and due consideration, Mr. Ortega moved to approve the full-time Student Request Application presented in accordance with Section 3.21 "Qualified Child" of the Fund's Plan Document, seconded by Mr. Schneider and passed unanimously by the Board.*

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

E. Refund of Contributions

7. Adjournment.

*Mr. Ortega moved to adjourn, seconded by Mr. Carson and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:40 p.m.*

  
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Chairperson

  
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Secretary