

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND  
REGULAR MEETING**

**Wednesday, November 14, 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:**

Lieutenant Paul Thompson

**Police Division:**

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. Michele Amaya – Executive Assistant  
Mr. Phineas Troy – Summit Strategies Group

**TRUSTEE MEMBERS ABSENT:**

Chief Ricci Carson  
Lieutenant John Schneider  
Chief Jerry Villanueva

**EL PASO FIREMEN & POLICEMEN'S PENSION FUND**  
**November 14, 2018 - 1:00 P.M.**

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1. Establishment of Quorum.

Vice-Chairman Thompson 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 1:03 p.m.

2. Reading and approval of the Minutes from the previous Regular Board Meeting held on October 24, 2018.

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

Consent Agenda

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

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

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

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

3. Approve Pension Payrolls:

Fire	\$2,914,332.10
Police	\$4,015,256.92

4. Payments to Service Providers

A.	Arthur J. Gallagher Risk Mgmt Services, Inc. – Fiduciary Liability renewal	\$27,203.00
B.	DLA Piper – August 31, 2018	\$1,489.95
C.	Haynesboone – Heinrich, Lilli	\$457.00
D.	Legislative Consultants – October 2018	\$5,163.71
E.	Meketa Investment Group – 3 <sup>rd</sup> Q 2018	\$68,750.00
F.	The Northern Trust Company – 3 <sup>rd</sup> Q 2018	\$30,210.85
G.	Powers Mediaworks, LLC – Sept thru October 2018	\$3,328.00
H.	Summit Strategies Group – 3 <sup>rd</sup> Q 2018	\$59,565.00

Reports and recommendations of Committees

Unfinished Business

New Business

1. Investment Performance Review for the period of July 1, 2018 to September 30, 2018 and update as presented by Mr. Phineas Troy and Mr. Matt Jelinek from Summit Strategies Group.

Mr. Troy reviewed market returns thru September 30, 2018. Mr. Jelinek was not present. US tech stocks remained the best-performing asset class. GDP continues to be positive. Although value stocks have underperformed growth across recent time periods and markets, a value tilt still makes sense today for long-term investors. Emerging markets present an attractive opportunity from a fundamental and economic perspective. Valuations suggest that emerging markets are likely to be among the best-performing asset class going forward.

October presented a major shift and brought a lot more volatility. The best-performing markets from earlier in 2018 underperformed during October. Volatility is normal and is the reason investors are rewarded with high returns over long periods. In October investors found that economic growth sustainability pulled back. Also 2019 is expected to be the first year of net central bank tightening as opposed to easing.

2. Discussion and action on media consultant contract.

Mr. Grossman explained that the Fund has a contract with Powers Mediaworks. A monthly fee is paid in the amount of \$1,664.00. This contract is ending December 31, 2018. The Board may keep Powers Mediaworks as a full time consultant or move to an hourly fee with this consultant.

*After careful discussion and due consideration, Mr. Ortega moved to accept the contract with Powers Mediaworks based on an hourly rate, seconded by Mr. Shelton and passed unanimously by the Board.*

3. Discussion and action on Comply Now Program offered by legal advisors, Ice Miller, in reference to the El Paso Firemen & Policemen's Pension Fund IRS favorable determination letter.

Mr. Grossman explained that in the past the Fund had to obtain a favorable determination letter from the IRS every five years. This allowed the Fund to receive dividends and returns on a tax-free basis. This rule changed three years ago. The IRS does not provide favorable determination letters anymore. Ice Miller is the Fund's tax attorney. They have two programs that make sure the Fund is doing its fiduciary duty by trying to stay compliant with the IRS rules and regulations. Available is the Comply Now program and the Federal Law Compliance Review. Comply Now is a flat fee of \$3000 and the Compliance Review is a flat fee of \$10,000. Both programs provide reviews of the Plan for compliance with the Internal Revenue Code.

*After careful discussion and due consideration, Mr. Ortega moved to approve that the Fund participate in Ice Miller's Comply Now program and Compliance Review, seconded by Ms. Melendez and passed unanimously by the Board.*

4. Discussion on security litigation firm Labaton Sucharow.

Mr. Grossman explained that Labaton Sucharow double-billed a client and self-reported the error. They paid back the money that was double-billed and a fine for the error. Chairman Villanueva wanted the Board to be made aware of this situation because they are one of the Fund's Securities Litigation companies.

No action taken.

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.

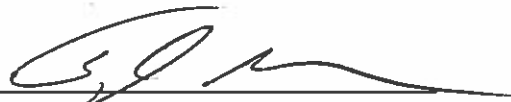
- A. Service Retirement(s)
- B. Service/Forward DROP Retirement(s)
- C. Death of member (s)
- D. Cost of Living Adjustments
- E. Refund of Contributions

8. Adjournment.

*Mr. Ortega 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 2:15 p.m.*



Chairperson



Secretary