

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
Wednesday, May 15, 2019 at 1:00 PM
El Paso Firemen and Policemen's Pension Fund Office
909 East San Antonio Avenue, El Paso, Texas 79901

MINUTES

TRUSTEE MEMBERS PRESENT

Fire Division:

Chief Jerry Villanueva
Chief Ricci Carson
Lieutenant Paul Thompson

Police Division:

Officer Jerry Armendariz
Lieutenant John Schneider

Mayoral Appointments:

Dr. Robert Tollen
Ms. Leila Melendez

City Manager Appointments:

Mr. Gary M. Borsch
Mr. William Veliz

OTHERS PRESENT

Mr. Tyler Grossman – Executive Director
Ms. Christina Ramirez – Deputy Executive Director
Ms. Lena Ellis – Chief Financial Officer
Ms. Michele Amaya – Executive Assistant
Mr. Roberto Coronado – Federal Reserve Bank
Mr. Christopher Gibson & Mr. Kevin Osten – Brown Advisory
Ms. Ashley Alson – Northern Trust

TRUSTEE MEMBERS ABSENT:

Sergeant Sean Shelton
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 1:01 p.m.

2. Reading and approval of the Minutes from the previous Regular Board Meeting held on April 17, 2019.

Dr. Tollen moved to approve the minutes of the Regular Board Meeting held April 17, 2019, seconded by Mr. Carson and unanimously passed by the Board.

Consent Agenda

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

1. Internal Financial Statements for month ending April 30, 2019.

Northern Trust Financial Statements for month ending April 30, 2019.

2. Expense Reports for the month ending April 30, 2019.

3. Approve Pension Payrolls:

Fire	\$3,065,082.25
Police	\$4,080,235.84

4. Payments to Service Providers

A.	DLA Piper through February 28, 2019	\$1,616.85
B.	Lawson Attorneys – March 2019	\$4,000.00
C.	Legislative Consultants – April 2019	\$8,000.00
D.	Meketa Investment Group – 1 st Q2019	\$46,625.00
E.	Meketa Investment Group – 1 st Q2019	\$68,750.00
F.	Moss Adams – 2018 Audit progress billing	\$3,800.00

Reports and recommendations of Committees

1. Discussion and action on Disability Recall, Fire Department, as recommended by Benefits Committee.

Mr. Grossman explained that the committee reviewed the medical documentation and it was determined that the firefighter is still disabled and that his benefit should continue and no further recalls should be done. This was the recommendation from the committee.

After careful discussion and due consideration and at the recommendation of the Benefits Committee, Mr. Thompson moved to approve the disability recall for Robert A. Hansen, seconded by Mr. Veliz and passed unanimously by the Board.

Unfinished Business

New Business

1. Presentation by Mr. Roberto Coronado of the Federal Reserve Bank of Dallas.

Mr. Coronado gave a presentation on the Federal Reserve System and the economic environment of El Paso.

2. Investment Performance Review for the period ended December 31, 2018 and update, as presented by Mr. Christopher Gibson and Mr. Kevin Osten of Brown Advisory.

From inception in March of 2012 thru April 30, 2019, the Pension Fund has invested \$100M in Large Cap Growth. The portfolio did very well in 2018 and in 2019 it is outperforming the index by 300 basis points. Healthcare has been a positive for the portfolio in 2018 and so far in 2019.

3. Investment Performance Review for the period ended December 31, 2018 and update as presented by Ashley Alson of Northern Trust.

Ms. Alson explained that the Fund is invested in Northern Trust's Fixed Income strategy. It is a passive index. Fixed Income is a flagship business of Northern Trust representing 42% of total assets under management. The performance for this portfolio has been positive. The mandate is to match the performance of the benchmark. After fees are taken out there a couple of basis points above the benchmark of outperformance. The makeup looks similar to the index. A sampling of the approach is taken to match the characteristics of the benchmark.

4. Discussion and action on media and local legislation consultant.

After careful discussion and due consideration, Mr. Armendariz move to table this item until the June Board Meeting, seconded by Mr. Thompson and passed unanimously by the Board.

5. Discussion and action on specimen Domestic Relations order.

Mr. Grossman explained that in order to accommodate the Forward DROP, the specimen had to be adjusted with a third option for those members who have entered the Forward DROP and get divorced. The issue of cost has arisen because of actuarial expenses. This cost is on opinions on

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the variation from the actuary and/or attorney on the eligibility of the Domestic Relations Order (DRO). If the specimen is not used as written, the cost to get an approval for the DRO goes up.

After careful discussion and due consideration, Mr. Schneider moved to take this item to the Audit and Risk Management Committee for further review and discussion, seconded by Mr. Armendariz and passed unanimously by the Board.

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

None.

7. Report of Executive Director.

See submitted Written Report

8. For Notation:

Informational Material For Review. No Action Required.

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

9. Adjournment.

Mr. Thompson 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 2:53 p.m.



Chairperson



Secretary