

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
Wednesday, August 21, 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
Sergeant Sean Shelton

Mayoral Appointments:

Ms. Leila Melendez
Mr. Presi Ortega
Ms. Susanna Visconti

City Manager Appointments:

Mr. Gary M. Borsch (via teleconference)
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. Leandro Festino, Meketa Investment Group
Mr. Jeremy Burton, Pinebridge
Mr. Brian Conry, Pinebridge

TRUSTEE MEMBERS ABSENT:

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
August 21, 2019 - 1:00 P.M.

2

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 and Special Board Meeting held on July 17, 2019 and July 29, 2019, respectively.

Mr. Ortega moved to approve the minutes of the Regular Board Meeting and Special Board Meeting held July 17, 2019 and July 29, 2019, respectively, seconded by Mr. Thompson and unanimously passed by the Board.

Consent Agenda

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

1. Internal Financial Statements for month ending July 31, 2019.

Northern Trust Financial Statements for month ending July 31, 2019.

2. Expense Reports for the month ending July 31, 2019.

3. Approve Pension Payrolls:

Fire	\$3,076,856.33
Police	\$4,114,055.11

4. Payments to Service Providers

A.	Salena Karam Ayoub – April (Rodenhaver)	\$45.00
B.	Salena Karam Ayoub – June (General)	\$315.00
C.	Salena Karam Ayoub – June (Rodenhaver)	\$343.50
D.	DLA Piper – May 2019	\$10,283.00
E.	Forma Group, LLC – June/July 2019	\$3,000.00
F.	Forma Group, LLC – July/August 2019	\$3,000.00
G.	Gallagher – 2019 Compensation Study	\$6,587.50
H.	Legislative Consultants – July 2019	\$5,000.00
I.	Meketa Investment Group – 2 nd Q 2019	\$46,625.00
J.	Meketa Investment Group – 2 nd Q 2019	\$68,750.00
K.	Moss Adams – Final Billing for 2018 audit	\$4,825.00
L.	Rudd & Wisdom, Inc. – June 2019	\$1,959.50

Reports and recommendations of Committees

1. Discussion and action on dissolving Ad-Hoc General Consultant Search Committee and approving the minutes from the last meeting held on July 17, 2019.

Mr. Ortega moved to dissolve the Ad-Hoc General Consultant Search Committee and approve the minutes from the last meeting held on July 17, 2019, seconded by Mr. Thompson and passed unanimously by the Board.

2. Discussion and action on the commitment to KPS Special Situations Fund V, as recommended by the Investment Committee.

Mr. Thompson explained that the Investment committee had met with Meketa today to review the investment in Fund V. This commitment has been expedited because the close for Fund V is on October 4th. The Fund has two previous commitments in KPS and they have performed well. The \$7M commitment will keep the Fund on pace to reach its 10% target in private equity.

Mr. Festino explained Meketa's vetting process for private equity investments that are recommended to their clients. He also explained the pacing schedule for the Fund's private equity program.

After careful discussion and due consideration and at the recommendation of the Investment Committee, Mr. Thompson moved to approve a \$7,000,000 commitment to KPS Special Situations Fund V pending final review and approval by Meketa Investment Group and successful vetting by legal counsel, seconded by Mr. Shelton and passed unanimously by the Board.

Unfinished Business

New Business

1. Presentation and review of second Quarter 2019 Investment Performance, as presented by Mr. Leandro Festino of Meketa Investment Group.

The markets have been fairly benign this year; so there are nice gains on the portfolio. At the end of the second quarter, the Fund was overly exposed to equities primarily in the US at the expense of most other investments. The Investment Policy statement should be reviewed once every year. The target ranges should be more symmetrical. There are two main moving parts to performance attribution: asset allocation and execution within the asset class (how managers selected their underlying securities). Domestic equities have been executed well; however stocks in developed markets have detracted. Large Cap Composite, Small Cap Composite, Emerging Markets Composite, and Private Equity Composite have all performed strongly. The Fund's performance compared to peers is very positive. The Fund rank's in the thirteenth percentile for the quarter, eighteenth percentile for the year, and in the seventeenth percentile in the three year period. Performance for the total Fund composite in the quarter is 3.4%; for the year, performance is at 13.1%.

2. Investment Performance Review for period ended December 31, 2018 and update, as presented by Mr. Jeremy Burton and Mr. Brian Conry of PineBridge.

PineBridge manages below investment grade corporate debt: high yield bonds and leveraged loans. There have been no major changes to the team. The leveraged loans have a floating rate and are almost always first lien secured loans issued by corporations. The companies range in operating income from \$75M to \$10B. The loans are tradable. Leveraged loans makeup 95% of this fund with the remaining 5% in fixed rate high yield bonds. Year to date the Fund is up over the benchmark by about 40 bps.

Mr. Shelton absented himself at 2:05 pm

3. Discussion and action on the administration of Domestic Relations orders.

Mr. Grossman explained that the resolution approved in July required some additional tweaks in order to match the DRO specimen and the Fund's Plan Document. The intent is that the new DRO specimen must be used for all DROs received with very limited exceptions. Mr. Grossman would like for the Board to allow the Executive Director to make minor grammar or wording changes to the DRO specimen so that it matches the intent of the resolution and allow him to address any exceptions that may not fit within the DRO specimen.

After careful discussion and due consideration, Ms. Melendez moved to adopt the changes to the Resolution and Fund amendments as presented of the QDRO lump sum and payback rules and to allow the Executive Director to address any nuances or anomalies that may occur, seconded by Mr. Borsch and passed unanimously by the Board.

4. Discussion and action on increased security for Pension office front door.

Because of some issues that have arisen over the last several months, it has become necessary for increased security to the Pension office front door. The plan is to place a magnetic lock, one-way screening on the glass, and a doorbell. These changes should make it so that there is less easy access for those that do not have business with the Fund to enter.

After careful discussion and due consideration, Mr. Schneider moved to allow the Executive Director to provide increased security for the Pension office front door to include a magnetic lock, one-way screening on window, an unlocking button mechanism for the door dividing the front lobby from the rest of the office and any other measures needed to for security, seconded by Mr. Veliz and passed unanimously by the Board.

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

Mr. Grossman explained that all of the paperwork submitted was in order for approval.

Mr. Ortega moved to approve the full-time Student Request Application for Ms. Madison Schlosser in accordance with Section 3.21 "Qualified Child" of the Plan Document, seconded by Ms. Melendez 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. Service/Back DROP Retirement
- D. Cost of Living Adjustments
- E. Refund of Contributions

9. Adjournment.

Mr. Ortega moved to adjourn, seconded by Mr. Armendariz and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:23 p.m.



Chairperson

Acting 

Secretary