

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
Wednesday, September 18, 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. Lee Ellen Banks
Ms. Susanna Visconti

City Manager Appointments:

Mr. Gary M. Borsch
Mr. William Veliz

OTHERS PRESENT

Ms. Christina Ramirez – Deputy Executive Director
Ms. Lena Ellis – Chief Financial Officer
Ms. Michele Amaya – Executive Assistant
Mr. Matt Clark, PIMCO
Mr. Brooks Monroe, Invesco Real Estate

TRUSTEE MEMBERS ABSENT:

Ms. Leila Melendez

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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 21, 2019.

Mr. Shelton moved to approve the minutes of the Regular Board Meeting held August 21, 2019, seconded by Mr. Schneider and unanimously passed by the Board.

Consent Agenda

Mr. Veliz moved to approve the Consent Agenda, seconded by Mr. Borsch and passed by the Board.

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

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

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

3. Approve Pension Payrolls:

Fire	\$3,121,893.27
Police	\$4,767,250.50

4. Payments to Service Providers

A.	Salena Karam Ayoub – July	\$202.50
B.	Salena Karam Ayoub – July (Rodenhaver)	\$660.15
C.	Baillie Gifford – 2 nd Qtr. 2019	\$145,172.85
D.	Brown Advisory – 2 nd Qtr. 2019	\$152,033.52
E.	Cooke & Bieler – 2 nd Qtr. 2019 (Small Cap Value)	\$69,628.30
F.	Cooke & Bieler – 2 nd Qtr. 2019 (Large Cap Value)	\$122,467.30
G.	DLA Piper – June 2019	\$1,507.50
H.	Forma – August/September 2019	\$3,000.00
I.	Gallager – 2019/2020 Fiduciary Liability	\$27,474.00
J.	Harvest Fund Advisors LLC – 2 nd Qtr. 2019	\$114,050.15
K.	Intech – 2 nd Qtr. 2019	\$19,527.42
L.	Lawson Attorneys PLLC – thru 08/05/2019	\$3,138.71
M.	Legislative Consultants – August 2019	\$5,000.00
N.	Mondrian – 2 nd Qtr. 2019	\$183,113.03
O.	Northern Trust Company – 2 nd Qtr. 2019	\$9,040.99
P.	Northern Trust Company – 2 nd Qtr. 2019	\$36,600.60

Q.	PBI – Annual Death Audit Fee	\$500.00
R.	PIMCO – 2 nd Qtr. 2019	\$127,387.33
S.	Rudd and Wisdom – July 2019	\$11,230.25
T.	William Blair – 2 nd Qtr. 2019 (Value)	\$134,625.38
U.	William Blair – 2 nd Qtr. 2019 (Growth)	\$103,379.07

Reports and recommendations of Committees

1. Discussion and action on Disability Re-Evaluation, Police Department, as recommended by the Benefits Committee.

After careful discussion and due consideration and at the recommendation of the Benefits Committee, Mr. Shelton moved to approve the disability Re-Evaluation for Mr. Jose Acuna and continue his disability benefit as well as to remove him from any future Re-evaluations, seconded by Mr. Schneider and passed unanimously by the Board.

Mr. Villanueva explained the Re-evaluation process for new members of the Board.

Unfinished Business

New Business

1. Investment Performance Review for period ended December 31, 2018 and update, as presented by Mr. Matt Clark of PIMCO.

The Core tenets of PIMCO's investment philosophy is to assemble portfolios with diverse positions and not rely on any one sector. This philosophy smooths out experience in the long run. PIMCO uses Macro economic forecast analysis complimented with bottom up security selection options. Funding in PIMCO's portfolio began in July of 2009. On a net basis, the Fund has harvested approximately \$25M in liquidity. The investment earnings over these ten years has been \$100M with a current portfolio value of just over \$200M. Performance for the year thru August 31, 2019, is 8.6% after fees. Since inception, the performance after fees is 4.8%. For the next five years, it is reasonable to expect returns of 3% to 4%.

2. Investment Performance Review for period ended December 31, 2018 and update, as presented by Mr. Brooks Monroe of Invesco Real Estate.

Core Real Estate consists of high quality assets in some of the largest and deepest markets in the US with the best liquidity, data, and transparency. Core Real Estate provides re-occurring income on a quarterly basis with a long-term total return profile in the high single digits. It is a combination of income and capital markets appreciation. It is a consistent safe haven for investments in alternatives. Returns market wide are moderating. The 5-year return average is 10%. The trailing 1-year average is 7% to 8%. The Fund has outperformed its benchmark consistently throughout all time periods. The portfolio is very well-diversified with over 100 investments. No one tenant being greater than 1.4% of the share of revenue. The top 10 tenants have over 11 years remaining

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in their lease term. This portfolio invests in the following sectors: industrial, apartment, retail, office, and other. Industrial is the strongest performer over the last 5 years.

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

None.

4. Report of Executive Director.

See submitted Written Report

5. For Notation:

Informational Material For Review. No Action Required.


- A. Deferred Retirement
- B. Death of member(s)
- C. Cost of Living Adjustments
- D. Refund of Contributions

6. Adjournment.

Mr. Shelton 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 2:10 p.m.



Chairperson



Secretary