

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
Wednesday, November 20, 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
Sergeant Sean Shelton

Mayoral Appointments:

Ms. Lee Ellen Banks
Ms. Leila Melendez
Ms. Susanna Visconti

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
Mr. Presi Ortega – Former Trustee
Ms. Radhika Cobb, Metropolitan Real Estate
Mr. Alec Cote, Metropolitan Real Estate

TRUSTEE MEMBERS ABSENT:

Lieutenant John Schneider

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 October 16, 2019.

Mr. Thompson moved to approve the minutes of the Regular Board Meeting held October 16, 2019, seconded by Mr. Carson and unanimously passed by the Board.

Consent Agenda

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

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

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

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

3. Approve Pension Payrolls:

Fire	\$3,302,124.78
Police	\$4,128,112.46

4. Payments to Service Providers

A.	DLA Piper – thru August 31, 2019	\$2,433.60
B.	DLA Piper – thru July 31, 2019	\$16,000.00
C.	Lawson Attorneys, LLC – September 2019	\$2,062.50
D.	Legislative Consultants – October 2019	\$5,060.83
E.	Rudd and Wisdom, Inc. – September 2019	\$2,106.25

Chairman Villanueva recognized former Trustee Ortega for his twelve years of service to the Fund.

Reports and recommendations of Committees

1. Discussion and action on passive indexing as recommended by AndCo.

Intech was hired in 2009. At that time, it was decided that the Fund would have a Large Cap Growth Fund and a Large Cap Value Fund and that an index fund would be hired in the middle because of the inefficiencies in the Large Cap world. This is why Intech was hired. Mr. Grossman

received an email from Warren DeKinder who is the Client Services Representative with Intech. He explained that Intech wanted to change their portfolio characteristics.

Both AndCo Consulting and Meketa expressed concerns with Intech. Moving to a pure passive strategy will provide a savings of \$70,000 in fees.

After careful discussion and due consideration, Mr. Thompson moved to approve the movement of assets from Intech to a purely passive index strategy with Northern Trust, seconded by Mr. Borsch and passed unanimously by the Board.

2. Discussion and action on renewal of consulting agreement with Meketa Investment Group, as recommended by Investment Committee.

Mr. Thompson explained that Meketa's contract expired last June. The contract was extended thru December of 2019 to include General Investment Consulting until a permanent consultant could be hired. For the last five years Meketa charged the Fund a flat fee of \$275,000. Their initial fee proposal was high and Mr. Grossman was asked to negotiate the fee down. Mr. Grossman was able to re-negotiate the fees originally proposed by Meketa and these new fees were approved by the Investment Committee.

After careful discussion and due consideration and at the recommendation of the Investment Committee, Mr. Thompson moved to approve a five-year contract with Meketa with a fee of \$290,000 in the year of 2020 and a COLA of 2.5% for every year thereafter, seconded by Mr. Carson and passed unanimously by the Board.

3. Discussion and action on Service-Connected Disability Retirement Application, Fire 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 an Ordinary Disability Retirement Benefit for Mr. Corbin Phelps, seconded by Mr. Thompson and passed unanimously by the Board.

Mr. Shelton absented himself at 1:35 p.m.

Unfinished Business

New Business

1. Investment Performance Review for period ended December 31, 2018 and update, as presented by Ms. Radhika Cobb and Mr. Alec Cote of Metropolitan Real Estate.

The Fund is invested in two commitments with Metropolitan Real Estate: MREP Fund III and MREP Fund V. Metropolitan is Carlyle's global real estate multi-manager platform. Below is a summary of those Funds:

Metropolitan Real Estate Fund III – 1 property left and will close in 2020
Capital Committed - \$18mm
Drawn Down - \$16.4mm
Distributed back to Fund - \$19.7mm
Remaining Unfunded Commitment - \$1.5mm
Market Value of Assets - \$2.6mm

Metropolitan Real Estate Fund V – no new purchases will close in 2021
Capital Committed - \$6mm
Drawn Down - \$5.7mm
Distributed back to Fund - \$5.3mm
Remaining Unfunded Commitment - \$0.3mm
Market Value of Assets - \$2.4mm

2. Discussion and action on giving Executive Director authority to execute contracts.

Mr. Grossman explained that currently on the investment side all contracts are executed by the Chairman of the Board; however, all administrative contacts are currently signed by the Executive Director. Attorney Parish was consulted on this matter and agreed that allowing the Executive Director to execute all contracts would be permissible. Most other Pension Funds in Texas have their investment contracts executed by their Executive Director.

After careful discussion and due consideration, Mr. Borsch moved to give the Executive Director authority to execute all contracts approved by the El Paso Firemen & Policemen's Pension Fund, seconded by Mr. Veliz and passed unanimously by the Board.

Mr. Villanueva absented himself at 2:25 p.m.

3. Discussion and action on allowing Deputy Executive Director to attend the Leadership Women program.

Mr. Grossman requested that Ms. Banks provide a summary of the Leadership Women program. She explained that she is on the Board of a Women's Leadership organization based in Dallas called Leadership Women. The flagship program is called Leadership Texas and they also run a national program called Leadership America. The Texas program exposes women to leadership strategies and issues that pertain to the various communities visited. It provides its members to issues and networking with other women leaders. She graduated from the program in 2011 and highly recommended the program.

After careful discussion and due consideration, Mr. Borsch moved to allow the Deputy Executive Director to attend the Leadership Texas program, seconded by Ms. Melendez and passed unanimously by the Board.

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

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
November 20, 2019 - 1:00 P.M.

5

None.

5. Report of Executive Director.

See submitted Written Report

6. For Notation:

Informational Material For Review. No Action Required.

A. Service/Forward DROP Retirement

B. Death of member(s)

C. Cost of Living Adjustments

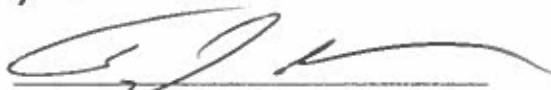
D. Refund of Contributions

7. Adjournment.

Mr. Carson moved to adjourn. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:25 p.m.



Chairperson



Secretary