

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
Wednesday, December 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. 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
Ms. Susie Lara- Benefits Specialist
Mr. Leandro Festino – Meketa Investment Group
Mr. Trevor Jackson – AndCo Consulting

TRUSTEE MEMBERS ABSENT:

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
December 18, 2019 - 1:00 P.M.

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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 1:07 p.m.

2. Reading and approval of the Minutes from the previous Regular Board Meeting held on November 20, 2019.

Ms. Melendez moved to approve the minutes of the Regular Board Meeting held November 20, 2019, seconded by Mr. Schneider and unanimously passed by the Board.

Consent Agenda

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

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

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

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

3. Approve Pension Payrolls:

Fire	\$2,980,848.05
Police	\$4,290,778.40

4. Payments to Service Providers

A.	Baillie Gifford – 3 rd Q19	\$141,191.59
B.	Brown Advisory – 3 rd Q19	\$186,720.80
C.	Cooke & Bieler (Small Cap Value) – 3 rd Q19	\$72,243.74
D.	Cooke & Bieler (Large Cap Value) – 3 rd Q19	\$145,761.97
E.	DLA Piper – thru September 30, 2019	\$4,050.45
F.	Forma – November 2019	\$3,000.00
G.	Harvest Fund Advisors LLC – 3 rd Q19	\$112,389.22
H.	Intech – 3 rd Q19	\$20,153.04
I.	Legislative Consultants – November 2019	\$2,500.00
J.	Meketa (General Consulting) – 3 rd Q19	\$46,625.00
K.	Meketa (Private Equity Consulting) – 3 rd Q19	\$68,750.00
L.	Mondrian – 3 rd Q19	\$136,840.64
M.	Northern Trust Bond Index – 3 rd Q19	\$9,205.00
N.	Northern Trust (Benefit Payments & Custody) – 3 rd Q19	\$32,937.50
O.	PIMCO – 3 rd Q19	\$129,347.31

P.	William Blair (Small Cap Growth) – 3 rd Q19	\$100,922.30
Q.	William Blair (Small Cap Value) – 3 rd Q19	\$133,569.30

Reports and recommendations of Committees

1. Approval/Denial of Qualified Dependent status for a disabled and non-self-supporting Police dependent in accordance with Section 3.21 “Qualified Child” of the Plan Document, as recommended by the Benefits Committee.

Mr. Shelton explained that the committee met earlier today and approved qualified dependent status for the child of member Miguel A. Torres. The child has downs syndrome and all paperwork was in order.

After careful discussion and due consideration and at the recommendation of the Benefits Committee, Mr. Shelton moved to approve the Qualified Dependent status of Myriel A. Torres, seconded by Ms. Melendez and passed unanimously by the Board.

2. Discussion and action on Executive Director’s 2019 performance review, as recommended by the Management Development and Review Committee.

Mr. Thompson explained the review presented to the Board. There were no negative findings. All comments provided by the Board were included. He added some comments on the section titled, “How to Achieve an Increase in Score.” He also explained that more goals would be added after the Strategic Planning session in 2020. Finally, he explained that the Executive Director’s salary is no longer based on this evaluation but is part of his employment contract.

After careful discussion and due consideration and at the recommendation of the Management Development and Review Committee, Mr. Thompson moved to approve the Executive Director’s 2019 Performance Review as presented, seconded by Mr. Carson and passed unanimously by the Board.

Ms. Melendez absented herself at 1:15 p.m.

Unfinished Business

New Business

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

The Fund is doing well on an absolute and relative basis. It has been a very good year. Fund assets as of November 30, 2019 were \$1.57B. The Fund’s performance thru November is up 18.1% for those 11 months. All equities managers have performed very well. Drivers of performance are equities in both the private and public markets. The one detractor has been the real estate/real assets composite.

2. Discussion and action on approval of LexisNexis Risk Solutions contract.

Mr. Grossman explained that LexisNexis can search both private and public records. This will give us an opportunity to do a more complete search. The cost for this is \$3,000 for a year and will allow us to do four searches in 2020.

After careful discussion and due consideration, Mr. Shelton moved to approve the one-time Lexis Nexis Risk Solutions contract, seconded by Mr. Veliz and passed unanimously by the Board.

3. Discussion and action on Pension Administration System Staff Plan Module.

There are currently ten members of staff. The Staff Plan will potentially have a retirement in 2020. The staff module needs to be implemented in order to fulfil the pension obligations for staff members. This module will include the staff plan and will be incorporated into the current system. The price for this module is \$47,500.00.

After careful discussion and due consideration, Mr. Thompson moved to approve the implementation of the Pension Administration System for the Staff Plan, seconded by Mr. Borsch and passed unanimously by the Board.

4. Discussion and action of Certified Employee Benefit Specialist Program Incentive.

Mr. Grossman explained that this Incentive pertains to Strategic Plan Goal F. The International Foundation has a certification with five tests to it. Each test must be passed to obtain the Certified Employee Benefit Specialist (CEBS) certification. This certification is open to all employees. For each test passed, the employee will receive \$10 per pay period. If the certification is received, the employee will receive \$100 per pay period. He further explained that \$3,000 was added to the 2020 salary budget for this year to cover the cost of this incentive.

After careful discussion and due consideration, Mr. Thompson moved to approve the Certified Employee Benefit Specialist Program Incentive, seconded by Mr. Borsch and passed unanimously by the Board.

Mr. Thompson absented himself at 1:45 p.m.

5. Discussion and action on approval of the El Paso Firemen & Policemen's Pension Fund 2020 Budget as recommended by the Budget Committee.

Mr. Villanueva explained that the Budget and Finance Committee met and went through the budget line by line. The only change that was made was to increase the number of computers purchased for the Board Room. Not only will the current computers be replaced but two additional computers will be bought.

Mr. Grossman went over the hi-lights of the 2020 budget. Overall the budget will increase by \$103,105 in 2020 primarily due to increases in Actuary Services and Capital Outlay. The Year 2020 is an actuarial valuation year. This accounts for the increase in Actuary Services. The Fund

will be purchasing new computers for the Board Room and will be implementing a new pension administration system module for the staff pension plan. This accounts for the Capital Outlay increase.

After careful discussion and due consideration, Mr. Carson moved to approve the 2020 Budget, seconded by Mr. Shelton 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/Forward DROP Retirement

B. Deferred Retirement

C. Death of member(s)

D. Cost of Living Adjustments

E. Refund of Contributions

9. Adjournment.

Mr. Schneider moved to adjourn. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:16 p.m.



Chairperson



Secretary