

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING
Wednesday, September 16, 2020 at 1:00 PM
Via Zoom Meeting
Meeting ID: 890 3733 5989
Password: 092382

MINUTES

TRUSTEE MEMBERS PRESENT

Fire Division:

Lieutenant Paul Thompson
Chief Daniel P. Roy

Police Division:

Officer Jerry Armendariz
Sergeant Sean Shelton
Lieutenant John Schneider

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. Michele Amaya – Executive Assistant
Mr. Trevor Jackson and Mr. Tony Kay - AndCo Consulting
Mr. Jess Downer and Mr. Gerald Chew – Meketa Investment Group
Ms. Mariko Boswell and Ms. McKenzie Perciful – PIMCO
Mr. Kevin Osten and Mr. Christopher Gibson – Brown Advisory
Mr. Zach Cziryk – Financial News

TRUSTEE MEMBERS ABSENT:

Chief Ricci Carson

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1. Establishment of Quorum.

Chairman Shelton 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 1:02 p.m. This board meeting was conducted via Zoom.

2. Reading and approval of the Minutes from the previous Regular Board Meeting held on August 19, 2020.

Mr. Schneider moved to approve the minutes of the Regular Board Meeting held August 19, 2020, seconded by Mr. Borsch and unanimously passed by the Board.

Consent Agenda

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

1. Internal Financial Statements for month ending August 31, 2020.

Northern Trust Financial Statements for month ending August 31, 2020.

2. Expense Reports for the month ending August 31, 2020.

3. Approve Pension Payrolls:

Fire	\$3,058,431.28
Police	\$4,436,052.94

4. Payments to Service Providers

A.	Salena Karam Ayoub – July 2020 (General)	\$360.00
B.	Salena Karam Ayoub – July 2020 (Rodenhaver)	\$177.75
C.	Baillie Gifford – 2 nd Q20	\$149,977.04
D.	Brown Advisory – 2 nd Q2p	\$232,010.31
E.	Cooke & Bieler – 2 nd Q20 (LCV)	\$44,374.96
F.	Cooke & Bieler – 2 nd Q20 (SCV)	\$61,138.81
G.	DLA Piper – thru June 30, 2020	\$21,759.30
H.	Harvest – 2 nd Q20	\$74,846.35
I.	Lawson Attorneys PLLC – July 15, 2020	\$575.00
J.	Legislative Consultants – August 2020	\$5,000.00
K.	Masser Technologies – August 2020	\$1,400.00
L.	Masser Technologies -	\$2,691.00
M.	Mondrian – 2 nd Q20	\$104,161.45
N.	Moss Adams – Final Billing 2019 Audit	\$13,180.00
O.	PBI Research Services – Annual Death Audit	\$750.00
P.	PIMCO – 2 nd Q20	\$132,914.40
Q.	Rudd and Wisdom, Inc. – July 2020	\$792.75

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R.	William Blair – 2 nd Q20 (SCV)	\$96,382.36
S.	William Blair – 2 nd Q20 (SCG)	\$104,955.81

Reports and recommendations of Committees

1. Discussion and action on implementing digital signatures for internal and Board Documents per Goal D of the El Paso Firemen & Policemen’s Pension Fund 2020 Strategic Plan as recommended by the Audit and Risk Management Committee.

After careful discussion and due consideration and at the recommendation of the Audit and Risk Management Committee, Ms. Melendez moved to approve DocuSign to be utilized for digital signatures on internal and Board Documents, seconded by Ms. Visconti and passed unanimously by the Board.

2. Discussion and action on expanding digital signature forms available in the pension administration system per Goal D of the El Paso Firemen & Policemen’s Pension Fund 2020 Strategic Plan as recommended by the Audit and Risk Management Committee.

The pension administration system currently uses DocuSign to obtain digital signatures on many of its member forms. This item will expand this to include the majority member forms. The cost for this item is a one-time fee for creating and implementing these new forms in the Fund’s pension administration system.

After careful discussion and due consideration and at the recommendation of the Audit and Risk Management Committee, Ms. Melendez moved to approve the expansion of digital signature forms available in the pension administration system per Goal D of the El Paso Firemen & Policemen’s Pension Fund 2020 Strategic Plan, seconded by Ms. Banks and passed unanimously by the Board.

3. Discussion and action on implementing information technology and cybersecurity plan per Goal D of the El Paso Firemen & Policemen’s Pension Fund 2020 Strategic Plan as recommended by the Audit and Risk Management Committee.

Masser Technologies is the Fund’s current Information Technology Managed Services Provider (MSP). If approved, they will be expanding their services to the Fund to include the cybersecurity framework recommended by the National Institute of Standards and Technology. The additional cost to implement these changes will be covered by the amount saved with the release of Iron Mountain earlier in the year.

After careful discussion and due consideration and at the recommendation of the Audit and Risk Management Committee, Ms. Melendez moved to approve the implementation of an information technology and cybersecurity plan per Goal D of the El Paso Firemen & Policemen’s Pension Fund 2020 Strategic Plan, seconded by Ms. Visconti and passed unanimously by the Board.

4. Discussion and action on update of Investment Policy as recommended by the Investment Committee.

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Mr. Thompson explained that the main changes to the Investment Policy aligned with the changes that were made earlier this year to the asset allocation policy. An update was also made to address the new position of Executive Director/Chief Investment Officer and the duties for that new position. Language was also added to add AndCo Consulting as the Fund's General Investment Consultant and their duties and responsibilities. The assumed rate of return language was removed.

After careful discussion and due consideration and at the recommendation of the Investment Committee, Mr. Thompson moved to approve the revised Investment Policy Statement with an amendment to remove paragraph 1.42 pertaining to the assumed rate of return, seconded by Mr. Schneider and passed unanimously by the Board.

5. Discussion and action on Emerging Market Debt as recommended by the Investment Committee.

Mr. Thompson explained that the committee met on Monday of this week to interview the following Emerging Market Debt managers: 1) Eaton Vance, 2) Prudential Global Investment Management, 3) Lazard Asset Management, and 4) Wellington Management. Eaton Vance had the lowest fees and the best performance.

After careful discussion and due consideration and at the recommendation of the Investment Committee, Mr. Thompson moved to award 2.5% of the Fund's assets to Eaton Vance for Emerging Market Debt pending legal review, seconded by Mr. Roy and passed unanimously by the Board.

Unfinished Business

New Business

1. Private Equity Performance Review for the period ended March 31, 2020, as presented by Mr. Leandro Festino and Mr. Gerald Chew of Meketa Investment Group.

Mr. Jess Downer and Mr. Gerald Chew presented for Meketa Investment Group. Mr. Downer explained that the Fund had invested in over 50 private equity funds over the last ten years committing to approximately five funds per year. The total amount committed was \$285.7M. The Fund has contributed \$192.3M with \$107.2M distributed back to the Fund. The current balance as of March 31, 2020 is \$158.3M with a net IRR of 13.3% net of all fees.

2. Investment Performance Review for the period ended December 31, 2019 and update, as presented by Ms. Mariko Boswell and Ms. McKenzie Purcifull of PIMCO.

The Fund has been invested in PIMCO's Core Plus Portfolio since July of 2009. It has outperformed the benchmark 91% on a rolling 3-year basis and 98% on a rolling 5-year basis. Performance as of August 31, 2020 is 8.1% compared to the benchmark which is at 6.9%.

Ms. Visconti absented herself from the meeting at 2:15 p.m.

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3. Investment Performance Review for the period ended December 31, 2019 and update, as presented by Mr. Christopher Gibson and Mr. Kevin Osten of Brown Advisory.

Year to date performance net of fees through August 31, 2020 is 26.65%. Performance from inception to date is 16.23%. Brown Advisory is a concentrated large-growth manager that seeks to invest in businesses that support high support growth rates at reasonable valuations. It is a high-conviction, high active-share strategy that is intentionally different than the benchmark.

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

None.

5. Report of Executive Director.

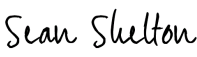
See submitted Written Report

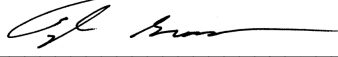
6. For Notation:
Informational Material For Review. No Action Required.

- A. Service/Forward DROP Retirement(s)
- B. Death of member(s)
- C. Cost of Living Adjustments
- D. Refund of Contributions

7. Adjournment.

Mr. Armendariz moved to adjourn, seconded by Mr. Schneider. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 2:53 p.m.

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Chairperson

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Secretary