

**El Paso Firemen and Policemen's
Pension Fund
Strategic Plan 2016**



Organizational Background 3

Organizational Structure 4

Mission, Vision, and Value Statements 5

SWOT Analysis 6

Short-Term Objectives 7

Long-Term Objectives 7



Organizational Background

The El Paso Firemen & Policemen's Pension Fund ("the Plan") was established in 1920 and codified in state law in 1933. The Plan is statutorily maintained pursuant to Article 6243(b), Vernon's Annotated Texas Statue under the State of Texas Constitution. The City of El Paso is the plan sponsor and the Statue charges the Board of Trustees with the fund's administration. The composition of the board is three Firefighters (elected by the fire membership), three Police Officers (elected by the police membership), three appointed by the Mayor of El Paso, and two appointed by the City Manager of El Paso. The Board of Trustees has a fiduciary responsibility to the members to ensure that they have a financially sound retirement for life. The El Paso Firemen and Policemen's Pension Fund serves over 3,500 active and retired Firefighters and Police Officers. The Plan has two divisions, Fire and Police, which are comingled to form one Pension Fund. The Plan has a two tier structure which was voted in by the members in 2007. Members hired prior to 2007 are Tier I participants and any member joining the fund after 2006 is a part of the Tier II benefits structure. The 2014 actuarial study shows the fund having a funding ratio of 81% and a funding period of 23 years for the Fire Division and 32 years for the Police Division. The fund has an unfunded liability of \$307 million dollars.



El Paso Firemen & Policemen's Pension Fund



Organizational Structure

The Plan's organizational structure is similar to that of a corporation. There is an eleven-member Board of Trustees that is mandated to administer the Plan in accordance with state law. The Board of Trustees is led by the Chairman, who is elected from within the eleven-members. The administrative staff is headed by the Fund's Executive Director. The Executive Director reports to the Board of Trustees and is the investment liaison for the investment committee with the Plan's consultants and money managers. The Executive Director has two staff members who report directly to him, the Deputy Executive Director and the Chief Financial Officer. The Deputy Executive Director oversees the Benefits Division which administers the Plan. The Chief Financial Officer is responsible for the Plan's Finance Division. This structure has proven to be effective at accomplishing the common goal of providing retirement benefits for El Paso's Fire Fighters and Police Officers.



El Paso Firemen & Policemen's Pension Fund



Mission Statement

To preserve the promise of benefits for members and beneficiaries of the El Paso Firemen and Policemen's Pension Fund.

Vision Statement

As leaders in the provision of retirement benefits, the Fund will strive for financial security and long-term sustainability.

Values

The El Paso Firemen and Policemen's Pension Fund's values are embedded with the acronym

PRIDE: **P**rofessionalism, **R**espect, **I**ntegrity, **D**uty, and **E**xcellence



El Paso Firemen & Policemen's Pension Fund



SWOT Analysis

Strengths	Weaknesses
Protected by the State of Texas Constitution in Article 6243(b) of Vernon's Statute.	Failure to meet the Actuarial Required Contribution Rate/Net Pension Obligation.
Board of Trustees	Communication with internal and external stakeholders
Professional Staff	Lack of succession planning
Professional Advisors	Lack of Emergency Operating Procedures
Established well defined Policies and Procedures	Information Technology (IT) systems and support
	Lack of Disaster Recovery Plan
	Lack of Emergency Plans
Opportunities	Threats
Forward Drop	Economy
2017 State Legislative Session	2017 Legislative Session
Exploring investment opportunities	Pension Reform
Continuing Education	Political Uncertainty
	Market Volatility
	World Events



Short-Term Objectives

- Implement new Pension Administration Software.
- Implement Forward-Drop Option.
- Enhance outreach to members.
- Meet with the Mayor, City Manager, and Council Members Quarterly.
- Develop Emergency Plans.
- Formalize Succession Planning.
- Formalize operating policies and procedures.
- Enhance IT systems and support.

Long-Term Objectives

- Resolve City Charter vs. State Law issue.
- Long-term financial sustainability.
- Elimination of unfunded liability.
- Fully develop, approve, and implement disaster recovery plan.
- Enhanced relationship with the City of El Paso.

