

**THE EL PASO FIREMEN & POLICEMEN'S PENSION BOARD OF TRUSTEES**  
**REGULAR MEETING HELD**  
**Wednesday, September 16, 2009 at 1:00 PM**  
**El Paso Firemen and Policemen's Pension Fund Office**  
**Chase Tower, 201 East Main, Suite 1616**  
**El Paso, Texas 79901**

**MINUTES**

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**MEMBERS PRESENT:**

**Mayoral Appointments:**

Mr. Presi Ortega  
Dr. Robert Tollen  
Mr. John D. Davis, III

**City Manager Appointments**

Ms. Terri Garcia  
Mr. William F. Studer

**Police Department**

Commander Mark Austin  
Detective Stanley Hayes  
Sgt. Tyler Grossman

**Fire Department**

Chief Michael V. Calderazzo  
Chief Matt G. Widtfeldt  
Chief Ralph B. Johnson

**OTHERS PRESENT:**

Mr. Robert J. Stanton – Secretary  
Ms. Yolanda Carreon – Assistant Secretary  
Ms. Christina Ramirez – Specialist  
Ms. Corinne Koch – Operations/Consulting  
Mr. Wade Warling – Active Fire  
Mr. Victor Acosta – Active Fire  
Mr. Earl Hayden – Active Fire

1. **Call to order**

Chairperson Calderazzo called the regular meeting of the El Paso Firemen & Policemen's Pension Fund Board of Trustees to order at 1:05 p.m.

2. **Approve minutes of Board Meeting held August 19, 2009.**

*Ms. Garcia moved to approve the minutes of the meeting held August 19, 2009, seconded by Mr. Ortega and passed by the Board.*

3. **Consideration and approval of the Financial Report for the month ending August 31, 2009, as recommended by the Budget & Finance Committee.**

Ms. Garcia, reporting on behalf of the Budget and Finance Committee, stated that the documentation was in order. Ms. Garcia will provide details on a discussion regarding Securities Lending under Committee Reports.

*Ms. Garcia moved to approve the Financial Reports for the month ending August 31, 2009, seconded by Dr. Tollen and passed by the Board.*

4. **Approve Pension Payrolls:**

Fire	\$ 1,691,524.05
Police	\$ 2,224,189.18

Mr. Stanton stated the Pension Payrolls were in order.

*Mr. Hayes moved to approve the Pension Payrolls for the month ending August 31, 2009, seconded by Mr. Davis and passed by the Board.*

5. **Consideration and action on request for Service Retirement. (Audited)**

A. Mr. Manuel Dominguez	Fire Department
B. Mr. Johnny Aguilar	Police Department
C. Ms. Linda N. Olvera	Police Department

Mr. Stanton stated the documentation was in order and recommended approval for service retirement for Items 5A – 5C.

*Mr. Hayes moved to approve service retirement for Items 5A thru 5C, seconded by Mr. Davis and passed by the Board.*

6. **Consideration and action on request for Early Retirement. (Un-Audited)**

Mr. Armando Aguilar	Police Department
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Mr. Stanton stated the documentation was in order; leave entitlement has been audited and recommended approval for early retirement for Mr. Aguilar.

*Mr. Hayes moved to approve early retirement for Mr. Aguilar, seconded by Mr. Davis and passed by the Board.*

7. **Consideration and action on request for survivor benefits**

Ms. Isabel M. Martinez, survivor of Jesus R. Martinez, Police Department

Mr. Stanton stated the documentation was in order and recommended approval for survivor benefits for Ms. Martinez.

*Mr. Davis moved to approve survivor benefits for Ms. Martinez, seconded by Mr. Hayes and passed by the Board.*

8. **Discussion and action regarding Credited Service maximums for any period of employment or re-employment in excess of twenty-eight years.**

Chairperson Calderazzo stated that an agenda item to discuss this issue was requested as a result of last month's meeting. The issue of removing the cap or increasing it is open for discussion. For the record, Mr. Calderazzo read the section of 6243(b) which governs changes to the benefit structure of the plan. Basically he read.....*the Board of Trustees may, by majority vote of the whole board, modify or change prospectively or retroactively in any manner whatsoever any of the benefits provided by this Act....except that of course they have to be increases to pension benefits. Further.....the change must be approved by a qualified actuary selected by a four-fifths vote of the Board; the actuary's approval must be based on an actuarial finding that the change is supported by the existing funding status of the fund.* Mr. Calderazzo stated that once the Board decides whatever change it wants, an actuary will need to approve the benefit change.

Mr. Davis opinion is that people stay on the job for different reasons but they know coming in that the pension fund will not give them beyond the 28 years of credited service and they still choose to stay. His concern is that if the current 18 or 23 members are allowed to go beyond the cap, what happens to those that have recently left with more than 28 years of service.

Mr. Studer stated that from an actuarial standpoint if we allow members to work beyond the 28 years with some type of a reduced benefit, and if you double the number of people that are then willing to work past the 28 years, he thinks that this would probably be a positive impact to the fund. If the number that elect to stay goes up substantially there is a lot more money coming in to the fund.

Mr. Johnson feels that the timing right now is bad. We have just gone through a pretty rough time negotiating with the City on the underfunding but if there is going to be any benefits to be enhanced it should be the Tier II members. We should try to make everybody comparable before we start looking to enhance one of the tiers above the other tier.

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*After considerable discussion and due consideration, Mr. Ortega moved to engage the services of our actuary for a study of removing the cap and the impact on whether this can improve the funding level of the Fund, seconded by Ms. Garcia. Mr. Ortega, Ms. Garcia, Mr. Johnson, Mr. Widtfeld, Mr. Calderazzo, Mr. Studer, and Mr. Grossman voted in favor. Mr. Davis, Mr. Austin and Mr. Hayes voted against. Dr. Tollen abstained. Motion failed as it required a 4/5 vote.*

9. **Up-date on the implementation of the Pension Administration System by Mr. Andy Flewelling.**

A status report was presented to the Board by Mr. Stanton. He informed the Board that staff is moving forward with the process. Ms. Garcia commented that she was under the impression that all the Builds had been completed at this point. Ms. Ramirez stated that we are still working on the past payrolls; the builds are totally separate from the payroll process. The payroll is moving along but there are other issues with other modules that are not working correctly. A brief update on the IT environment was also provided by Mr. Stanton.

10. **Discussion and action on re-establishing the Ad-Hoc Committee for Office Space.**

Volunteers were requested to continue the Ad-Hoc Committee for office space and to continue to explore the idea of owning our own offices. Mr. John Davis, Mr. Presi Ortega and Mr. Ralph Johnson graciously accepted to continue with this project.

11. **Discussion and action establishing a Customer Service/Communications Committee.**

Temporary reassignments of committee's have been assigned by Chair Calderazzo. Before permanent assignments are made he would like to create a committee to work closely with staff on issues such as customer service direction, feedback, and member education from employment to retirement. Mr. Widtfeldt and Mr. Ortega volunteered for this committee.

12. **Discussion and action regarding the approval process of Member Applications for service, service/backdrop, early retirement, deferred, and survivor benefits retirements.**

Mr. Stanton explained that there are no provisions under statute to allow the Board to approve retirement applications. Once a member meets the requirements he can retire without further approval. The only provision under statue is that the Board must approve pension payrolls every month and those are approved in arrears. The current issue with bringing a completed application to the Board is the possibility that the City cannot get timely payoffs in order to get the applications on the agenda. Mr. Studer stated that the City is making every effort to have the final payoff processed within a month.

*Mr. Johnson moved to bring service, service/backdrop, early retirement, deferred, and survivor benefits retirement applications to the Board for notation purposes only, seconded by Dr. Tollen and passed by the Board.*

*Mr. Davis made a motion to move into Executive Session for the purpose of discussing Item 13. Dr. Tollen seconded. Motion carried.*

*The El Paso Firemen & Policemen's Pension Fund retired into Executive Session at 2:07 p.m. and returned to regular session at 2:17 p.m.*

13. **Discussion and action on results of asset search reference survivor benefits overpayments.**

*Ms. Garcia moved to file a judgment against Ms. Christina Buonvino to recover amount owed to the Fund, seconded by Mr. Grossman and passed by the Board.*

*Ms. Garcia moved to file a judgment against Ms. Elaine Madrid to recover amount owed to the Fund, seconded by Mr. Ortega and passed by the Board.*

14. **Report of Executive Director.**

Mr. Stanton provided an up-date as follows:

- Assets of the Fund are a little less than \$890,000,000.
- Fiduciary account is about \$108,000 and we will get that back down again.
- Still working with Alan Cleveland on governance issues basically duties, responsibilities, roles of the Chairperson, Committee roles, etc.

15. **Opportunity for Statements from Retired Members/Public.**

Mr. Hayden from the Fire Association invited the Fund to send a representative to their next meeting to address the association membership on retirement issues. Mr. Stanton stated a representative will be present.

16. **Committee Reports:**

- A. Actuary/Audit Committee – Did not meet.
- B. Budget & Finance Committee – Ms. Garcia reviewed a report provided by Northern Trust on the collateral deficiency in the securities lending collateral pool. The Budget & Finance Committee has requested staff to continue to provide this report and their recommendation is to continue to stay with the process that we have been undergoing which is to allow the markets to improve and make that correction to get this liability off as opposed to applying hard dollars.
- C. Disability Committee – Did not meet.
- D. Investment Committee – Dr. Tollen informed the Board that the Fund will be receiving its initial Management Fee Capital Call in the amount of \$90,661.23 from KPS Special Situations. Additionally, under Partners Group the Fund will be receiving its second distribution in the amount of 353,719.71 EURO or approximately \$516,137.93 dollars.
- E. Personnel Committee – Did not meet.

17. **For Notation:**

A. **Cost of Living Adjustments**

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|---------------------------|-------------------|
| 1. Mr. Victor Bulos       | Police Department |
| 2. Mr. Ruben Mendez       | Police Department |
| 3. Mr. Matthew Miertschin | Police Department |
| 4. Mr. Jose Molinar       | Police Department |
| 5. Mr. Gabriel Serna      | Police Department |

B. **Death of member(s)**

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|--------------------------|-------------------|
| 1. Mr. James C. Cox      | Fire Department   |
| 2. Mr. David A. Denman   | Fire Department   |
| 3. Mr. Jesus R. Martinez | Police Department |

C. **Refund of Contributions**

Jesus Rodriguez Jr.	Police Department
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D. **Payments to Service Providers**

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| 1. Ferdinando Ins. Asso.                                   | \$ | 37,645.00 |
| 2. Goldman Sachs – 2 <sup>nd</sup> Q2009 (Perf. Fees)      | \$ | 34,679.00 |
| 3. Sheehan Phinney Bass + Green – 07/31/09                 | \$ | 6,644.37  |
| 4. Travis & Calhoun – 07/31/09                             | \$ | 2,681.13  |
| 8. Eduardo Miranda, Atty. – 07/31/2009                     | \$ | 200.00    |
| 9. Mondrian – Period ending 06/30/2009                     | \$ | 37,408.84 |
| 10. Pyramis Global Advisors – 2 <sup>nd</sup> Q2009        | \$ | 90,278.00 |
| 11. Sheehan Phinney Bass + Green – 05/31/09                | \$ | 19,101.85 |
| 12. Sheehan Phinney Bass + Green – 06/30/09                | \$ | 5,585.75  |
| 13. Sterling Johnson Capital Mgmt. – 2 <sup>nd</sup> Q2009 | \$ | 40,385.20 |
| 14. Strasburger & Price, L.L.P. - 06/30/09                 | \$ | 1,500.00  |
| 15. Strasburger & Price, L.L.P. – 06/30/09                 | \$ | 1,968.75  |

18. **Adjournment.**

*Mr. Hayes moved to adjourn, seconded by Mr. Johnson and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 3:30 p.m.*

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Chairperson

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Secretary