

THE EL PASO FIREMEN & POLICEMEN'S PENSION BOARD OF TRUSTEES
REGULAR MEETING HELD
Wednesday, December 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 - REVISED

MEMBERS PRESENT:

Mayoral Appointments:

Mr. Presi Ortega
Dr. Robert Tollen

City Manager Appointments

Ms. Terri Garcia
Mr. William F. Studer

Police Department

Commander Mark Austin
Detective Stanley Hayes
Sergeant 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
Mr. Rich Mackesey – Buck Consultants

MEMBERS ABSENT:

Mr. John D. Davis, III

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 1:06 p.m.

2. **Approve Minutes of Board Meeting held November 18, 2009.**

Dr. Tollen moved to approve the minutes of the meeting held November 18, 2009, seconded by Mr. Hayes and passed by the Board.

3. **Consideration and approval of the Financial Report for the month ending November 30, 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 moved to approve the Financial Reports for the month ending November 30, 2009, seconded by Mr. Grossman and passed by the Board.

4. **Approve Pension Payrolls:**

Fire	\$ 1,698,884.95
Police	\$ 2,271,787.40

Mr. Stanton stated the Pension Payrolls were in order.

Mr. Hayes moved to approve the Pension Payrolls for the month ending November 30, 2009, seconded by Mr. Johnson and passed by the Board.

5. **Discussion and action to engage Buck Consultants to provide a Retirement Plan Experience Study for the period of January 1, 2004 through December 31, 2009.**

Mr. Mackesey stated that as part of the valuation process which is done every other year we have put ourselves on a six year cycle to periodically measure assumptions against actual experience. The last experience study was performed in 2004. The valuations of the El Paso Fire and Police Pension Fund are based on assumptions for a wide variety of future events (e.g., expected return on investments, retirement age, life expectancy, salary increases, etc.). He recommends that the actual experience for the period January 1, 2004 through December 31, 2009 be reviewed to confirm the current assumptions or to be used as a basis for any changes.

Mr. Studer moved to approve engaging Buck Consultants to provide a Retirement Plan Experience Study for the period of January 1, 2004 through December 31, 2009, seconded by Dr. Tollen and passed by the Board.

6. **Discussion and action on renewing the Actuarial Consulting Services Agreement with Buck Consultants.**

Mr. Mackesey provided the Board with a five year Agreement to perform retirement consulting services. Included in this contract is the experience study for 2009 as well as year 2015. Mr. Hayes commented on the length of the contract plus stated he did not want Buck involved in legal issues; otherwise he was satisfied with Buck.

Dr. Tollen moved to renew the Actuarial Consulting Services Agreement with Buck Consultants, seconded by Mr. Ortega and passed by the Board.

7. **Discussion and action on the proposed 2010 Administrative Operating Budget as recommended and approved by the Budget & Finance Committee.**

After review and recommendation by the Budget & Finance Committee, Ms. Garcia presented the 2010 budget to the Board and stated that it is slightly under ten percent from last years' budget. An increase request will be forthcoming as the Personnel Committee is currently evaluating a Staff benefits study.

Ms. Garcia moved to approve the 2010 Administrative Operating Budget as recommended by the Budget & Finance Committee seconded by Dr. Tollen and passed by the Board.

8. **Discussion and action on Meketa Group fee structure as recommended by the Investment Committee.**

After careful discussion and due consideration, and as recommended by the Investment Committee, Dr. Tollen moved to approve the following fee structure to be presented to Meketa Investment Group, seconded by Mr. Widtfeldt

\$100,000 minimum fee, and/ or 30 basis points of the Fund's target allocation of 5% of total portfolio to be determined at the close of each quarter billed in the arrears for a term of three years, whichever is greater.

Dr. Tollen, Mr. Widtfeldt, Mr. Johnson, Mr. Austin, Mr. Hayes, Mr. Grossman, Ms. Garcia, Mr. Studer, and Mr. Ortega voted in favor. Mr. Calderazzo opposed. Motion carried.

9. **Discussion and action on the proposed Staff benefit changes as recommended and approved by the Personnel Committee.**

Mr. Hayes moved to table Item 9 for two months, seconded by Mr. Johnson and passed by the Board.

10. **Discussion and action on the payment of \$129,279.07 for the securities lending realized losses along with the purchase cost associated with the sub-fund united posted to the Fund's account.**

Mr. Stanton stated that as per previous discussions the amounts associated with realized losses and related settlement cost must be paid to the collateral pool. A tentative authorization to debit the cash account has been provided to Northern for December 17, 2009. He informed the Board that the net revenues paid from Securities Lending for the year 2009 is \$132,729.00 as of the end of July, 2009.

Dr. Tollen moved to authorize the payment of \$129,279.07 for the securities lending realized losses seconded by Mr. Hayes and passed by the Board.

11. **Discussion and action on approval/denial of full-time Student Request in accordance with Section 3.18 "Qualified Child" of the Plan Document.**

- A. Andrew S. Cabello
- B. Kaitlin M. O'Leary

Mr. Stanton stated that the documentation was in order.

Mr. Johnson moved to approve the Student Request application of Mr. Andrew S. Cabello and Ms. Kaitlin M. O'Leary seconded by Mr. Hayes and passed by the Board.

12. **Up-date on Pension Administration System by Robert J. Stanton, Executive Director.**

Mr. Stanton provided the Board with an update on the progress of the Pension Administration System. He is working with States Street and Northern Trust regarding the inclusion of check number information in the reverse feed file. Staff is currently working on addressing some issues with tax distribution codes.

13. **Report of Executive Director.**

Mr. Stanton provided an up-date as follows:

- Assets of the Fund as of yesterday are at \$926,055,000.
- Fiduciary account is about \$116,260 and we will get that back down again.
- An update on a potential EEOC claim and the Fund's insurance carrier denial of coverage was discussed.

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

None.

15. **Committee Reports:**

- A. Actuary/Audit Committee – Did not meet.

- B. Budget & Finance Committee – Ms. Garcia additionally noted that staff is working on the RFP for auditing services to be let by January 2010.
- C. Disability Committee – Already reported.
- D. Investment Committee – In addition to his earlier report, Dr. Tollen stated that the Investment Committee is still working on the negotiations with Meketa on the fee structure. Also the Committee will continue to monitor Sterling Johnston.
- E. Personnel Committee – Did not meet.

16. **For Notation:**

A. Service Retirements

Mr. Antonio Portillo, Jr. Police Department

B. Early Retirements

Mr. Efrain Sianez Police Department

C. Survivor Benefits

Ms. Alice Arevalo, survivor of Tommy Arevalo, Fire Department

D. Cost of Living Adjustments

- 1. Mr. Todd Daugherty Fire Department
- 2. Mr. Johnnie F. Eilert Fire Department
- 3. Mr. Warren Fowler Fire Department
- 4. Mr. James A. Garmon Fire Department
- 5. Mr. Stephen Henessy Fire Department
- 6. Mr. Raul Tarango Fire Department
- 7. Mr. Michael Brooks Police Department
- 8. Mr. Jeff Cole Police Department
- 9. Mr. Paul Cross Police Department
- 10. Mr. Jim Rodriguez Police Department
- 11. Ms. Rheda Sommer Police Department
- 12. Mr. Richard Wiles Police Department

E. Death of member(s)

- 1. Mr. Tommy Arevalo Fire Department
- 2. Mr. Joe S. Holguin Fire Department
- 3. Mr. Baylus E. Love Fire Department

F. Payments to Service Providers

- 1. Bixler - 2008 Audit \$ 14,785.00

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2. Eduardo Miranda, Atty. – 10/31/2009	\$	150.00
3. Eduardo Miranda, Atty. – 11/30/2009	\$	50.00
4. PIMCO 3 rd Q2009	\$	103,055.46
5. Sheehan Phinney Bass + Green – 09/30/09	\$	12,395.00
6. Sheehan Phinney Bass + Green – 10/31/09	\$	1,502.10

17. **Adjournment.**

Mr. Johnson moved to adjourn, seconded by Mr. Hayes and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 1:38 p.m.

Chairperson

Secretary