

EL PASO FIREMEN & POLICEMEN'S PENSION BOARD OF TRUSTEES
REGULAR MEETING HELD
Thursday, March 18, 2010 at 1:00 PM
El Paso Firemen and Policemen's Pension Fund Office
Chase Tower, Suite 1616
201 East Main, El Paso, Texas 79901

MINUTES

MEMBERS PRESENT:

Mayoral Appointments:

Dr. Robert Tollen

City Manager Appointments

Mr. William F. Studer

Police Department

Commander Mark Austin
Detective Stanley Hayes
Sergeant Tyler Grossman

Fire Department

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

OTHERS PRESENT:

Mr. Robert J. Stanton - Secretary
Ms. Christina Ramirez – Specialist

MEMBERS ABSENT:

Mr. John D. Davis, III
Mr. Presi Ortega
Ms. Terri Garcia

Item 1. Call to order.

Vice Chair Austin called the regular meeting of the El Paso Firemen & Policemen's Pension Fund Board of Trustees to order at 1:00 p.m.

Item 2. Approve Minutes of Board Meeting held February 17, 2010.

Mr. Hayes moved to approve the minutes of the meeting held February 17, 2010, seconded by Mr. Johnson and passed by the Board.

Item 3. Consideration and approval of the Financial Report for month ending February 28, 2010 as recommended and approved by the Budget & Finance Committee.

Dr. Tollen reporting for the Budget and Finance committee recommended approval of the Financial Report for the month ending February 28, 2010.

Mr. Johnson moved to approve the Financial Reports for the month ending February 28, 2010, seconded by Mr. Hayes and passed by the Board.

Item 4. Discussion and action on approving budget increase to Account #2535 Workers Compensation in the amount of \$1,500.00 due to rate increase resulting from payroll amendment audit; and to Account #2540 Unemployment Insurance in the amount of \$240.00 due to increase in tax rate subsequent to 2010 Budget approval, as recommended and approved by the Budget & Finance Committee.

Dr. Tollen reporting for the Budget and Finance committee recommended approval of the budget increased to both accounts #2535 *Workers Compensation* and #2540 *Unemployment Insurance*. He stated that these were merely housekeeping items that were necessary due to rate increases.

Mr. Johnson moved to approve a budget increase to Account #2535 Workers Compensation in the amount of \$1,500.00 and a budget increase to Account #2540 Unemployment Insurance in the amount of \$240.00 due to increase in tax rate subsequent to 2010 Budget approval. The motion was seconded by Mr. Grossman and passed by the Board.

Item 5. Approve Pension Payrolls:

Fire	\$ 1,758,119.61
Police	\$ 2,361,624.77

Mr. Stanton stated the Pension Payrolls were in order.

Mr. Hayes moved to approve the Pension Payrolls for the month ending February 28, 2010, seconded by Mr. Johnson and passed by the Board.

Item 6. Consideration and action on work related disability retirement:

Mr. Jose Navarro

Police Department

Mr. Studer, chair of the Disability Committee, stated that the disability committee had met two weeks ago to consider the work-related disability retirement of Mr. Jose Navarro. The committee recommends approval of the work-related disability retirement for Mr. Navarro.

Mr. Hayes moved to approve the work-related disability retirement for Mr. Navarro, seconded by Mr. Johnson and passed by the Board.

Item 7. Presentation and review of 2009 year end Investment Performance, as presented by Mr. Thad Fletcher and Mr. Mehul Trivedi of Cooke & Bieler.

Mr. Thad Fletcher was not able to attend due to a death in the family. Mr. Hamblett and Mr. Lyons provided the Board with the initial background of Cooke & Bieler. Cooke & Bieler has been in the investment business for 61 years and had \$5.0 billion of assets under management which include Large, Mid and All Cap Value. The client base is 65% Institutional Clients, 21% sub advisory and mutual fund, and 14% high net worth/taxable clients. The portfolio consistently holds between 30-50 stocks with an annual turnover between 20-30%. The portfolio had a strong absolute and relative performance for the year returning over 29% and beating the Russell 1000 Value by nearly 1000 basis points. Sector allocation was strong adding close to 7% of excess return led by underweighting positions in energy and utilities and overweighting positions in media and services and technology. Stock selection was positive adding over 3% of excess return.

Chairperson Calderazzo arrived at 1:20 p.m.

Item 8. Discussion and action on retaining independent accounting firms to conduct annual audits of the financial statements of the Fund as recommended by the Actuary/Audit Committee.

Mr. Austin of the Actuary/Audit Committee moved to keep the services of the Fund's current auditing firm, Bixler & Company, for one additional year due to time constraints and because the committee was unable to check the references of the companies that submitted proposals. He further moved that the Fund re-announce an RFP for auditing services in September of 2010 in an attempt to get a bigger pool of respondents and have more time to evaluate the proposals. The motion was seconded by Mr. Grossman and passed by the Board.

Item 9. Discussion and action on Ad-Hoc Real Estate Committee and related matters at the request of Chairman Calderazzo.

Mr. Hayes made a motion to move into Executive Session for the purpose of discussing Item 9 (Discussion and action on Ad-Hoc Real Estate Committee and related matters at the request of Chairman Calderazzo), seconded by Mr. Johnson and passed by the Board.

The El Paso Firemen & Policemen's Pension Fund retired into Executive Session at 1:35 p.m. and returned to regular session at 1:50 p.m.

Chairperson Calderazzo requested volunteers for the Ad-Hoc Real Estate Committee. This Committee will be delegated with whatever tasks the board wishes to explore as an office solution for the Fund. Mr. Grossman, Mr. Johnson, and Chairperson Calderazzo volunteered to be members of the Ad-Hoc Real Estate Committee.

Dr. Tollen moved that the board approve a search for a suitable property for the pension fund offices with consideration taken for additional space which may be necessary in the future, seconded by Mr. Johnson and passed by the board.

Item 10. Discussion on due diligence visits and related matters previously discussed in Executive Sessions at the meeting of the Board of Trustees held January 20, 2010, at the request of Trustee Davis.

Mr. Johnson moved to table discussion on item 10 since Mr. Davis was not present. The motion was seconded by Mr. Grossman and approved by the board.

Item 11. Opportunity for Statements from Retired Members/Public.

None.

Item 12. Report of Executive Director.

Mr. Stanton gave an update of the Fund's value as of last evening. The Fund's assets total \$938,787,000.00 and are up from the previous month and year-end 2009. Also the Fund made the first transfer to Dimensional Fund Advisors on Monday and the second transfer will be made on April 1st. He also mentioned that the collateral deficiency that the Fund previously had in Securities Lending with Northern Trust has been zeroed out. He further stated that the Fund had received \$905,000 from securities lending in years 2007, 2008 and 2009. Mr. Austin questioned whether or not the Fund had made money in Securities Lending because of the losses that were realized as a result of those companies that went under. Mr. Stanton explained that we did make a

