

**EL PASO FIREMEN & POLICEMEN'S PENSION BOARD OF TRUSTEES**  
**REGULAR MEETING HELD**  
**Wednesday, April 21, 2010 at 10:00 a.m.**  
**El Paso Firemen and Policemen's Pension Fund Office**  
**Chase Tower, Suite 1616**  
**201 East Main, El Paso, Texas 79901**

**MINUTES**

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**MEMBERS PRESENT:**

**Mayoral Appointments:**

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

**City Manager Appointments**

Ms. Terri Garcia

**Police Department**

Commander Mark Austin  
Detective Stanley Hayes

**Fire Department**

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

**OTHERS PRESENT:**

Mr. Robert J. Stanton – Secretary  
Ms. Yolanda Carreon - Assistant Secretary  
Ms. Christina Ramirez – Specialist  
Attorney Alan Cleveland  
Mr. Patrick Byrne – Goldman Sachs  
Mr. Raji Manasseh- Goldman Sachs

**MEMBERS ABSENT:**

Mr. William F. Studer  
Sergeant Tyler Grossman

**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 10:16 a.m.

**Item 2. Approve Minutes of Board Meeting held March 18, 2010.**

*Dr. Tollen moved to approve the minutes of the meeting held March 18, 2010, seconded by Mr. Johnson and passed by the Board.*

**Item 3. Consideration and approval of the Financial Report for month ending March 31, 2010 as recommended and approved by the Budget & Finance Committee.**

Ms. Garcia reporting for the Budget and Finance committee stated all reports are in order and recommended approval of the Financial Report for the month ending March 31, 2010.

*Mr. Johnson moved to approve the Financial Reports for the month ending March 31, 2010, seconded by Mr. Davis and passed by the Board.*

**Item 4. Consideration and approval of the Financial Report for Lomaland West for quarter ending March 31, 2010 as recommended and approved by the Budget & Finance Committee.**

Ms. Garcia reporting for the Budget and Finance committee stated a comprehensive report for Lomaland West was previously provided and henceforth a quarterly report for this real estate holding company will be made available to the Board.

*Mr. Johnson moved to approve the Financial Reports for Lomaland West, LLC for the month ending March 31, 2010, seconded by Dr. Tollen and passed by the Board.*

**Item 5. Approve Pension Payrolls:**

Fire	\$ 1,765,008.48
Police	\$ 2,363,929.90

Mr. Stanton stated the Pension Payrolls were in order.

*Mr. Davis moved to approve the Pension Payrolls for the month ending March 31, 2010, seconded by Mr. Johnson and passed by the Board.*

Mr. Presi Ortega presented himself at 10:20 a.m.

Mr. Mike Calderazzo presented himself at 10:25 a.m.

6. **Discussion and action on the Principles of Fiduciary Conduct as presented by Attorney Alan P. Cleveland.**

Attorney Cleveland addressed the Board of Trustees reference the need to establish basic principles of fiduciary conduct. Mr. Cleveland reviewed a draft document provided to the Board and discussed eight important principles necessary to assist them in their fiduciary responsibilities as Trustees. Mr. Calderazzo agreed that this is a top down approach of where we go from here. If the Board is comfortable and can embrace these principles to govern our conduct the next step will be to move forward to establish, revise, amend or update any policies and procedures or by-laws necessary.

*After careful discussion and due consideration, Mr. Johnson moved to adopt the Principles of Fiduciary Conduct presented with the following three revisions: Add to the title and Governance; add to # 4 the word appropriate before the word action; add to #5 the word executive before the word staff. Mr. Calderazzo seconded. Motion passed.*

7. **Presentation and review of 2009 year end Investment Performance, as presented by Mr. Patrick Byrne, Client Relationship Manager and Raji Manasseh, Client Portfolio Manager Equity Growth Team of Goldman Sachs.**

Mr. Patrick Byrne, Associate and Mr. Raji Manasseh, CFA, Client Portfolio Manager of Goldman Sachs Asset Management presented the Board with the results of the account's performance. The Fund was up 49.70% for the period of December 31, 2009 compared to 37.21% for the Russell 1000 Growth. The Fund trailed through the first quarter of 2010 with a return of 2.85% compared to a 4.65% return for the Russell 1000 Growth. The Board was informed that the relative performance may fluctuate from year to year because even the best companies experience short-term stock price volatility. Over the long-term, the Growth Team's strategy of buying high-quality growth business has rewarded patient investors with top quartile returns. Goldman believes performance is derived from more than just companies owned-portfolio weights are just as important to future excess returns. The firm currently has 35 holdings compared to the Russell 1000 Growth of 621. Average position size is 2.8% compared to 0.2% for the Russell and top ten holdings account for 41.1% of the portfolio compared to 25.4% for the Russell.

A short 15 minute break followed. The Firemen & Policemen's Board of Trustees meeting reconvened at 12:34 p.m.

8. **Discussion and action on the placement of \$3,000,000 to Veritas Capital Fund IV as recommended by Meketa Investment Group and as recommended and approved by the Investment Committee.**

*After careful discussion and due consideration, Mr. Davis moved to place \$3,000,000 with Veritas Capital Fund IV pursuant to the recommendation of the Investment Committee and Meketa Investment Group pending legal review, seconded by Dr. Tollen and passed by the Board.*

- Discussion and action on the placement of \$2,000,000 to Blackstone/GSO Capital Solutions Fund as recommended by Meketa Investment Group and as recommended and approved by the Investment Committee.**

*After careful discussion and due consideration, Dr. Tollen moved to place \$2,000,000 with Blackstone/GSO Capital Solutions Fund pursuant to the recommendation of the Investment Committee and Meketa Investment Group pending legal review, seconded by Mr. Davis and passed by the Board.*

*Dr. Tollen made a motion to move into Executive Session for the purpose of discussing Item 9. Mr. Davis seconded. Motion carried.*

*The El Paso Firemen & Policemen's Pension Fund retired into Executive Session at 12:39 p.m. and returned to regular session at 12:44 p.m.*

9. **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, tabled March 18, 2010.**

*No Action.*

10. **Discussion and authorization for the Executive Director to conduct a day educational session for the benefit of the El Paso Bar Association Family Law Division in conjunction with the Fund's Legal Counsel and Actuary.**

Mr. Stanton informed the Board that the Fund is having several on-going issues with Domestic Relations Orders. Mr. Stanton expressed his concerns and suggested that we reach out to the legal community and to our members to educate them on exactly how Domestic Relations Orders work for our members. Mr. Calderazzo suggested that the Executive Director puts together a plan in the form of a QDRO Information Program along with a budget. This project should show the goals and objectives of the program. The Executive Director will present this project to the Board who will then consider the support, endorsement and funding of this expenditure and see if this is the most effective way to resolve the problem. The Board discussed at length the necessity to provide assistance to the El Paso Bar Association and/or to the membership and beneficiaries.

*No action.*

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

Mr. Widtfeld informed the Board that he is retiring from the Fire Department as of May 2, 2010 thus resigning as a Board Trustee as well. He thanked the Board for their hard work and commitment to the Fund.

**12. For Notation:**

Informational Material For Review. No Action Required.

**13. Report of Executive Director.**

Written Report Attached. As per Mr. Stanton Fund's asset as of close of business yesterday are \$970,580,000.

**14. Committee Reports:**

- A. Actuary/Audit Committee - Did not meet.
- B. Budget & Finance Committee – Already Reported
- C. Disability Committee – Did not meet.
- D. Investment Committee – Dr. Tollen offered a publication on Private Equity to the Board members for informational purposes.
- E. Personnel Committee – Did not meet.
- F. Ad-Hoc Committee for Office Space – Did not meet.

**15. For Notation:**

A. Service Retirements

Mr. Robert W. Binkley                      Fire Department

B. Service/BackDrop Retirements

Mr. James W. Russell, Jr.                      Police Department

C. Survivor Benefits - Fire Department

Ms. Maria A. Vance/Qualified Spouse of Halver C. Vance

D. Survivor Benefits - Police Department

- 1. Ms. Yun J. Gagnon/Qualified Spouse of Mark J. Gagnon

2. Kailen Gagnon/Qualified Child of Mark J. Gagnon
3. Megan Gagnon/Qualified Child of Mark J. Gagnon

E. Refund of Contributions

Mr. Jaime A. Saavedra                      Police Department

F. Cost of Living Adjustments

1. Mr. Raymundo Resendez, III              Fire Department
2. Ms. Martha Resendez                      Fire Department
3. Mr. Ruben Salazar                          Fire Department
4. Mr. Martin Cervantes                      Police Department
5. Mr. John Haddad                            Police Department
6. Mr. Perri Parkman                           Police Department

G. Death of member(s)

Mr. Halver C. Vance                          Fire Department

H. Payments to Service Providers

- |  |    |           |
|--|----|-----------|
| 1. Meketa – 2 <sup>nd</sup> Qtr. 2009 (Consulting fee) | \$ | 8,744.97  |
| 2. Meketa – 3 <sup>rd</sup> Qtr. 2009 (Consulting fee) | \$ | 33,941.77 |
| 3. Meketa – 4 <sup>th</sup> Qtr. 2009 (Consulting fee) | \$ | 34,961.58 |
| 4. Eduardo Miranda, Atty. – 02/28/2010                 | \$ | 200.00    |
| 5. Strasburger & Price, LLP – 02/28/10                 | \$ | 4,875.00  |
| 6. Travis & Calhoun, Attys. - 02/28/10                 | \$ | 3,056.56  |

16. Adjournment.

*Mr. Ortega moved to adjourn, seconded by Mr. Davis and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 1:28. p.m.*

Chairperson

Secretary