

EL PASO FIREMEN & POLICEMEN'S PENSION FUND
REGULAR MEETING HELD
Wednesday, September 21, 2011 at 1:00 PM
El Paso Firemen and Policemen's Pension Fund Office
Chase Tower, Suite 1616
201 East Main Drive, El Paso, Texas 79901

MINUTES

TRUSTEE MEMBERS PRESENT:

Fire Division

Chief Michael V. Calderazzo
Chief Jerry Villanueva
Chief Rick Carson

Police Division

Commander Mark Austin
Lieutenant Tyler Grossman
Detective JD Cotham

Mayoral Appointments:

Dr. Robert Tollen
Mr. Presi Ortega
Ms. Carmen Arrieta-Candelaria

City Manager Appointments

Mr. William F. Studer

OTHERS PRESENT:

Mr. Robert J. Stanton - Secretary
Ms. Yolanda Carreon - Assistant Secretary
Attorney Alan P. Cleveland, Legal Counsel
Mr. Jerry Branka - Pyramis Global Advisers
Mr. Chris Steward - Pyramis Global Advisers

TRUSTEE MEMBERS ABSENT:

Ms. Terri Garcia

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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 1:28 p.m.

2. Establishment of Quorum

Chairperson Calderazzo established a Quorum is present.

3. Reading and approval of the Minutes of the previous Board Meeting held August 17, 2011.

Mr. Cotham moved to approve the minutes of the previous Board Meeting held on August 17, 2011, seconded by Mr. Grossman and passed by the Board.

Consent Agenda

Mr. Cotham moved to approve the Consent Agenda, seconded by Mr. Austin and passed by the Board.

Unfinished Business

None at this time

Reports and recommendations of Committees

- A. Audit and Risk Management Committee - Did Not Meet.
- B. Investment Committee - Did Not Meet.
- C. Benefits Committee - Did not meet due to lack of quorum.
- D. Management Development and Review Committee - Did Not Meet.
- E. Ad-Hoc Committee for Office Space - To be discussed under New Business.

New Business

1. Investment Performance Review for period ended December 31, 2010 and update as presented by Mr. Gerry Branka and Mr. Chris Steward.

Mr. Branka spoke briefly about the Investment Team lead by Michael Strong, with Brian Hoesly and Chris Steward. The Regional Sub-Portfolios are as managed by the following: Europe: Peter Hadden and Stephen Oler, Japan: Eileen Din, and Pacific Basin Ex Japan, Henry Chan. The Investment Growth Team has ninety-four research professional in Europe, thirty-three in Japan and fifty-three research professionals in the Pacific Basin Ex Japan. Total international equity professionals are one-hundred-eighty and one-hundred eighty-eight in the Americas for a total of three-hundred sixty-eight worldwide. Mr. Branka reiterated Pyramis's International Growth Investment Process which is driven by fundamental bottom-up research, modular portfolio construction through teams of senior regional portfolio managers and close interaction between analysts and portfolio managers with individual accountability. Mr. Steward provided the investment results as of June 30, 2011. The Fund had a positive return of 5.90 year-to-date, the one-year period of 34.28, -0.94% for the three year period, 2.78% for the five year

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period and 10.93% since inception date of December 2002. The MSCI EAFE Index had a return of 30.36%, for the one year period, -1.77% for the three year period, 1.48% for the five year period and a 9.97% since inception. Investment results as of August 31, 2011 were substantially different. The Fund had a negative return of 4.960 year-to-date, the one-year period of 12.78, -1.79% for the three year period, 0.03% for the five year period and 9.34% since inception date of December 2002. The MSCI EAFE Index had a return of 10.01%, for the one year period-2.96% for the three year period, -1.48% for the five year period and an 8.38% since inception.

2. Discussion and action on clarifying/interpreting Sub-section 3.18 of the Plan Document to determine at what time must the disability or incompetence of the child exists in order for the child to be a qualified child in accordance with Sub-section 3.18 of the Plan Document.

After careful and extensive discussion and due consideration, Dr. Tollen moved to table this item for a period of 60 days for additional clarification and interpretation of language, seconded by Mr. Arrieta-Candelaria and passed by the Board.

Mr. Calderazzo absented himself at 1:55 p.m.

3. Discussion and action regarding the HEART Act with Legal Counsel in accordance with Federal Law and the Fund's Plan Document.

Attorney Cleveland informed the Board that Congress passed the HEART Act (Heroes Earnings Assistance and Relief Tax) in 2008. Under this Act, qualified retirement plans are required to treat employees who die in active military service as if they had returned to active employment with the employer and then terminated employment as a result of death for purposes of any survivor benefits provided under the plan. Under the HEART Act, plans are permitted to provide retirement plan vesting and benefit accrual service to employees who cannot return to employment as a result of death or disability that occurs while in active military service. This amendment must be adopted by the Fund by December 31, 2012 retroactive to January 1, 2010.

After careful discussion and due consideration Mr. Grossman moved to send this to our actuary for a cost analysis and to our legal counsel to draft appropriate language for the HEART Act, seconded by Mr. Ortega and passed by the Board.

4. Discussion and action on soliciting Request for Proposals for Fiduciary Liability, Director and Officers and Errors and Omissions.

After careful discussion and due consideration Mr. Ortega moved to go forward with a Request for Proposal (RFP) in our local newspaper, Pension & Investments Publication and El Paso Inc., seconded by Dr. Tollen and passed by the Board.

5. Discussion and action on soliciting Request for Proposals for Custody and Benefit Payment Services.

After careful discussion and due consideration Mr. Ortega moved to negotiate with Northern Trust to continue Custody and Benefit Payment Services based on Summit Strategies recommendations on the fee proposal, seconded by Dr. Tollen. Mr. Ortega, Dr. Tollen Mr. Villanueva, Mr. Carson, Mr.

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Austin, Mr. Grossman, Mr. Cotham, and Mr. Studer voted in favor. Ms. Arrieta-Candelaria opposed. Motion passed.

6. Discussion and action on the Application for Disability Retirement of Mr. Francisco T. Gil pursuant to the recommendation of the Benefits Committee.

Vice-Chair Austin informed the Board that the Benefits Committee did not meet due to a lack of a quorum. Mr. Austin provided the Board with a short synopsis of Mr. Gil's medical condition.

After careful discussion and due consideration Mr. Austin moved to approve the disability retirement for Mr. Francisco Gil, seconded by Ms. Carmen Arrieta-Candelaria. Mr. Austin, Ms. Carmen Arrieta-Candelaria, Mr. Calderazzo, Mr. Ortega, Dr. Tollen, Mr. Villanueva, Mr. Carson, Mr. Austin, Mr. Grossman, and Mr. Studer voted in favor. Mr. Cotham abstained. Motion passed.

Mr. Calderazzo presented himself at 3:25 p.m.

7. Discussion and action on purchasing an office building at the request of Chairman Calderazzo.

Chair Calderazzo informed the Board that it is time to aggressively search for office space as the end of the current lease is close. He asked the Board to consider delegating the project of office space to the Ad-Hoc Committee. He recommends that the Board gives them a budget and a project scope of what the Board wants. Discussion ensued with various recommendations and comments. Mr. Austin, Mr. Villanueva and Mr. Ortega volunteered to serve on the Ad-Hoc Committee For Office Space. After a lengthy discussion the following two motions were made:

(1) Mr. Studer moved to delegate the Committee to visit and explore the property at 1725 Arizona for lease purposes and report back to the Ad-Hoc Committee, seconded by Dr. Tollen and passed by the Board.

(2) Mr. Ortega moved to explore office space possibilities of about 6,500 square feet at a cost of no more than what we currently pay, and to appoint Mr. Austin as Chair of the Committee, seconded by Mr. Villanueva and passed by the Board.

8. Opportunity for Statements from Retired Members/Public.

None.

9. Report of Executive Director.

Mr. Stanton provided the Board with an update to his prior written report.

10. For Notation:

Informational Material For Review. No Action Required.

A. Service Retirement

1. Rafael H. Castaneda

Fire Department

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2. Ralph Johnson Fire Department
3. Alan Parsons Fire Department
4. Tommy Lawrence Police Department
5. Jack Matthews Police Department

B. Service/BackDrop Retirement

1. Gavin S. Teague Fire Department
2. Ricardo Ramirez Police Department

C. Survivor Benefits

1. Ms. Coetta J. Thomas, survivor of Arthur C. Thomas, Fire Department.
2. Ms. Guadalupe Borunda, survivor of Alfonso Borunda, Police Department.
3. Ms. Esperanza L. Chacon, Survivor of Henry Chacon, Police Department.

D. Cost of Living Adjustments

1. J. Scott Armstrong Fire Department
2. Steven M. Dieter Fire Department
3. Michael J. Finlay Fire Department
4. Daniel Garcia Fire Department
5. Karin Taylor Fire Department
6. Raymundo Acuna Police Department
7. Debbie Acuna Police Department
8. Gene Gwyn Police Department
9. Fernando Rojas Police Department
10. Louis Saiz Police Department

E. Refund of Contributions

1. Jorge Rangel Fire Department
2. Michael Arzaga Police Department
3. Kenny Huynh Police Department
4. Scott McFarland Police Department
5. Luis A. Ortiz Police Department

F. Death of member(s)

1. Arthur C. Thomas Fire Department
2. Thelma Ealey Police Department
3. Alfonso Borunda Police Department
4. Henry Chacon Police Department

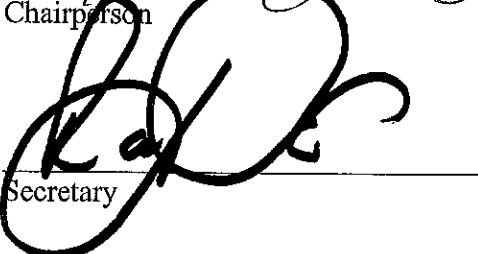
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11. Adjournment.

Mr. Ortega moved to adjourn, seconded by Mr. Austin and passed by the Board. The El Paso Firemen & Policemen's Pension Fund Board of Trustees meeting stands in adjournment at 4:06 p.m.


Chairperson


Secretary