

**THE EL PASO CITY EMPLOYEES' PENSION FUND  
BOARD MINUTES FOR THE REGULAR MEETING  
HELD WEDNESDAY, AUGUST 16, 2017, AT 8:30 A.M.  
CITY HALL, CITY COUNCIL CHAMBERS, 300 N. CAMPBELL**

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**Members in Attendance:**

Karl C. Rimkus, Chairman  
Rene Peña, Vice Chairman  
Presi Ortega  
Rebecca L. Torres  
Christina Stokes  
Robert C. Studer

**Members Absent:**

Ed Archuleta

**Others in Attendance:**

Eduardo Miranda, Attorney  
Luis Mier, Treasury Services Coordinator for the City of El Paso  
Charlie Lino, Assistant Comptroller for the City of El Paso  
Robert Ash, Pension Administrator  
Patricia Hickman, Deputy Pension Administrator  
David Garcia, Payroll/Accounts Payable Specialist  
Karina Chavez, Retiree Coordinator/ Data Entry Clerk  
Alma Duenas, Benefits/Budget Specialist  
Bill Howard, Callan Associates  
Enrique Martinez, City's DoIT Director  
Richard Campos, City's DoIT Enterprise Applications Administrator  
Norberto Pelayo, City's DoIT Enterprise Applications Administrator  
Jeff St. Denis, Vulcan Value Partners  
David Lawson, UBS

- Item 1. David Garcia, Payroll/Accounts Payable Specialist, called the meeting to order at 8:35. Garcia noted the Members in attendance.

**NOTICE TO THE PUBLIC**

All matters listed under the CONSENT AGENDA will be considered by the Pension Board to be routine and will be enacted by one motion in the form listed below. There will be no separate discussion of these items unless members of the Pension Board or persons in the audience request specific items be removed from the CONSENT AGENDA to the REGULAR AGENDA for discussion prior to the time the Pension Board votes on the motion to adopt the CONSENT AGENDA.

**CONSENT AGENDA**

Item 2. Approve the minutes of the Regular Board Meeting of July 19, 2017, and the minutes of the Special Board Meeting of August 10, 2017.

Item 3. Consideration and action on the following retirements:

	<u>NAME</u>	<u>DEPARTMENT</u>	<u>SERVICE TIME (EST)</u>
A.	Age & Service Retirement:		
1	Aguilera, Martha M.	EPWU	25 years 02 months
2	Aguirre, Michael R.	Mass Transit	26 years 11 months *
3	Alcantara-Garcia, Yvette	Community & Human Dev	17 years 09 months
4	Bocanegra, Martha Molinar	Library	10 years 10 months
5	Chavez, Maria E.	Capital Improvement Dev	17 years 01 month
6	Cozad, Bruce	Streets & Maintenance	10 years 00 months *
7	Lockhart, William Sheridan	Library	26 years 09 months
8	Martinez, Gilberto	Animal Services	18 years 07 months
9	Mejia, Jaime	Airport	13 years 03 months
10	Moreno, Julian Javier	Mass Transit	34 years 00 months
11	Ramirez, Carlos	DOT	40 years 07 months *
12	Yanez, Ruben	Environmental Svces	27 years 00 months *
B.	Early:		
1	Balandran, David	Mass Transit	07 years 05 months
2	Macias, Marcela	Fire-Communications	15 years 05 months *
C.	Deferred:		
1	Faria, John H.	Library	09 years 10 months
2	Soto, Veronica	Community & Human Dev	18 years 07 months
D.	PRP:		
1	Vega, Edmundo	Fire-EMS	21 years 10 months *

\* The 3-year average was used to calculate the final pension benefit.

\*\* The 12-month average was used to calculate the final pension benefit.

Item 4. Consideration and action on invoices as follows:

	<u>COMPANY</u>	<u>DESCRIPTION OF SERVICE</u>	<u>PERIOD</u>	<u>FEE DUE \$\$</u>	
A.	Allianz Global Investors	Investment	Qtr. Ended 06/30/17	\$571,818.40	**
B.	AQR Emerging Equities Fund LP	Investment	Mo. Ended 06/30/17	\$17,450.00	**

C. AQR Emerging Equities Fund LP	Investment	Mo. Ended 07/31/17	\$18,459.00	**
D. Eduardo Miranda	Legal	Mo. Ended 07/31/17	\$1,225.00	
E. Gordon Davis Johnson & Shane	Legal	Mo. Ended 06/30/17	\$14,337.52	
F. Heitman America Real Estate LP	Investment	Qtr. Ended 06/30/17	\$83,483.00	**
G. Janus Henderson Investors	Investment	Qtr. Ended 06/30/17	\$43,950.82	
H. Riverbridge Partners	Investment	Qtr. Ended 06/30/17	\$65,531.22	
I. Salient Capital Advisors LLC	Investment	Qtr. Ended 06/30/17	\$70,222.30	
J. UBS Realty Investors	Investment	Qtr. Ended 06/30/17	\$79,148.74	**
K. Wedge Capital Management	Investment	Qtr. Ended 06/30/17	\$60,278.44	

\* To be paid by Directed Brokerage credits.

\*\* For Notation Only – to be withdrawn from the commingled account.

\*\*\* Performance based fee.

Item 5. Consideration and action on the following Committee reports/assignments:

- A. Actuary Committee
- B. Administrative Services Committee
- C. Audit Committee
- D. Facilities and Maintenance Committee
- E. Investment Committee

David Garcia, Payroll/Accounts Payable Specialist, read the Notice to the Public.

**Motion made by Rene Pena to move Item 5 to the Regular Agenda; seconded by Robert C. Studer. Motion carried.**

**Motion made by Presi Ortega to approve the Consent Agenda; seconded by Rene Pena. The motion required polling:**

<b>Presi Ortega</b>	<b>aye</b>
<b>Christina Stokes</b>	<b>aye</b>
<b>Rene Peña</b>	<b>aye</b>
<b>Robert C. Studer</b>	<b>aye</b>

**Motion carried.**

David Garcia, Payroll/Accounts Payable Specialist, read each Item in the Regular Agenda prior to discussion.

## REGULAR AGENDA

Item 5. Consideration and action on the following Committee reports/assignments:

- A. Actuary Committee
- B. Administrative Services Committee
- C. Audit Committee
- D. Facilities and Maintenance Committee
- E. Investment Committee

Karl Rimkus, Chairman, advised that Trustee Christina Stokes has submitted her resignation from the Board effective immediately following the Board Meeting. Stokes expressed her gratitude to the Board and Pension staff. Rimkus reviewed the committee assignments and the resulted vacancies. Rimkus appointed himself as Chair of the Administrative Services

Committee (ASC) to replace Stokes on the ASC until such time that the Board appoints a replacement for her vacancy on the Board. Rimkus appointed Trustee, Robert C. Studer, to the Audit Committee to replace Stokes.

**Motion made by Robert C. Studer to accept the committee reports and assignments; seconded by Rene Peña. Motion carried.**

Item 6. Discussion and action regarding the Treasurer's Report for the month ended July 31, 2017.

Luis Mier, Treasury Services Coordinator for the City of El Paso, presented on behalf of Pat Degman, Comptroller; the Board received and reviewed the Treasurer's Report for the month ended July 31, 2017.

Mier reviewed the statement of net assets available for benefits. The unaudited totals in the statement are for the month ended July 31, 2017. Mier reviewed assets. Cash and investments have increased by about 8.7 million dollars. Unrestricted receivables decreased by approximately 642 thousand dollars. Mier reviewed the Fund's liabilities. Total liabilities increased by approximately 2.1 million dollars. Mier noted that the amount due for securities purchased increased by about 224 thousand dollars. The total net assets available for benefits increased by approximately 5.9 million dollars.

Mier reviewed the statement of changes in net assets available for benefits. The unaudited totals reflect the eleven months ended July 31, 2017. The net change in fair value of investments increased for the month of July by about 11.3 million dollars, an increase of approximately 68.5 million dollars for the fiscal year. Mier reviewed additions. Contributions for the month were about 3.2 million dollars and approximately 37.8 million dollars for the fiscal year. Interest and dividends totaled just over 6.2 million dollars. Mier reviewed deductions. For the fiscal year, benefits paid to retirees totaled approximately 60.2 million dollars including the COLA payment in July.

Mier reviewed the quarterly statement of changes in net assets available for benefits. Mier reviewed additions. Contributions averaged about 3.8 million dollars per month in the fourth quarter. The net appreciation in fair value continues to increase since November. The increase is attributed to the net increase in appreciation of the fair value of investments.

Mier reviewed the investment income analysis. The year-to-date net investment return is 10.33 percent. Mier noted that the target rate of return is 7.5 percent.

Rene Peña, Vice Chairman, noted that the total net change in fair value of investments of about 68 million dollars exceeded the total deductions of approximately 63 million dollars.

**No action was taken on this item.**

Item 7. Discussion and action regarding current IT issues and the potential involvement of ADP in resolving those issues.

Richard Campos, City's DoIT Enterprise Applications Administrator, reviewed the current IT issues. Campos listed the status for pending items:

1. The PTG implementation is in progress. DoIT has received various requests for information. Campos provided several examples including historical payroll earnings, paycheck deductions, personnel data, direct deposit information, retiree payroll information including federal tax withholding, job history, startup history, and account adjustments.

2. Periodic processing has been completed for January; processing for February is in progress. Campos noted that DoIT and Pension staff are addressing the error reports regarding employer contributions.

Robert Ash, Pension Administrator, requested additional information regarding the data transfer from the City to PTG. Discussion ensued. Campos reviewed the data transfer process. PTG reviews the Pension panel pages and determines what data should be transferred. DoIT will identify the underlying tables of the data requested by PTG and create an export file. Campos noted that PTG determined the data transfer method. Campos noted DoIT's continuing communication with PTG including weekly calls and meetings. Ash advised that PTG has expressed frustration with the lack of communication from ADP. Trustee, Robert C. Studer, requested additional information on the ADP contact. Ash advised that the current ADP contact has been on sick leave; however, an alternate ADP contact has not been identified. Studer advised that ADP is on site and suggested that Pension staff meet with them today. Ash confirmed that suggestion.

**No action was taken on this item.**

- Item 8. Discussion and action regarding employment practices liability insurance.

Robert Ash, Pension Administrator, presented; the Board received and reviewed the proposal for employment practices liability.

USI performed a review of the Fund's insurance needs. Ash noted that USI performs the bidding for the Fund's insurance products. USI determined that the Fund is in need of an employment practices liability policy. USI is recommending Westchester Fire. Ash noted that Westchester Fire has an "A+" rating. Discussion ensued. The Board discussed cost impact and vendors' response. Ash advised that the Fund was previously covered by the City's employment practices liability policy; however, it was determined that Fund may not have coverage under the City's policy. The City would bill the Fund a percentage of the total policy, about 500 dollars per year. The charge for the proposed policy is about 1,418 dollars per year.

**Motion made by Robert C. Studer to approve Westchester Fire; seconded by Christina Stokes. The motion required polling:**

<b>Presi Ortega</b>	<b>aye</b>
<b>Christina Stokes</b>	<b>aye</b>
<b>Rene Peña</b>	<b>aye</b>
<b>Robert C. Studer</b>	<b>aye</b>

**Motion carried.**

- Item 9. Discussion and action regarding proposed pension ordinance amendments.

Karl Rimkus, Chairman, presented; the Board received and reviewed the proposed ordinance amendments.

Rimkus reviewed the proposed ordinance amendments. Rimkus and Robert Ash, Pension Administrator, recently presented the proposed revisions to the Mayor. One proposed revision is to remove the requirement that the retiree representative member reside in El Paso. Rimkus noted that the stipulation that appointed citizens to the Board must reside in El Paso two years prior to their appointment will remain. The Board discussed the proposed term limit on Board

appointees and imposing term limits on elected members. Rimkus reviewed the amendment requested by the Mayor. The Mayor requested that an eight-year term limit be implemented for appointments to the Board effective for Board appointments made after September 1, 2017.

**Motion made by Rene Peña to accept the revisions and recommend to Council that they be enacted in ordinance; seconded by Presi Ortega. Motion carried.**

Item 10. Discussion and action regarding the approval of the annual operating and Trustee Fiduciary Investment Education budget for Fiscal Year (FY) 2017 - 2018.

Robert Ash, Pension Administrator, presented; the Board received and reviewed the proposed annual operating and Trustee Fiduciary Investment Education budget for Fiscal Year (FY) 2017 to 2018.

Ash reviewed the proposed adjustments. The proposed increase of about six percent in wages, salaries and benefits is in anticipation of a new receptionist position that will be required in the new facility. The increase also includes a Cost of Living Adjustment (COLA) of 1.7 percent and merit increases. Ash reviewed the proposed COLA. Ash noted that the COLA is a reflection of the CPI as outlined in the personnel guidelines. If approved the COLA would be effective to all Pension employees on September 1, 2017. Ash advised that the COLA is optional. Ash reviewed cost for benefits and insurance. The increase of 10 percent for benefits and insurance may be adjusted, pending data from the City. Ash reviewed payments to retirees. Ash advised of the proposed increase to payments to retirees including refunds. Ash noted that the proposed amount is an estimate of expected payments and advised that the amount can be adjusted, as necessary. When prompted by Trustee, Robert Studer, Ash reviewed the amendment procedure. Ash reviewed the new cost associated with the new software and the new facility. The maintenance cost for the new software will be 80 thousand dollars a year. Ash noted the budgeted amount for FY18 is 40 thousand dollars as the project is not expected to be completed before the end of the calendar year. Ash reviewed cost for the new facility. The new facility is expected to be completed in FY18. Ash noted the expected recurring cost for landscaping and building maintenance and the one-time cost of moving, furniture and fixtures. Those costs are expected to be capitalized and depreciated over the next three to five years.

Ash reviewed the Trustee Fiduciary Investment Education budget. The proposed budget is two thousand dollars per Trustee for the year. Ash noted that the Board does not use a majority of the budgeted amount. Pension staff would like approval to budget 15 thousand dollars total.

Discussion ensued. The Board discussed tuition reimbursement. Presi Ortega, Trustee, discussed possible education opportunities for staff including courses at City Hall.

**Motion made by Rene Peña to approve the operating budget for FY2018 to include the COLA of 1.7 percent and the Fiduciary Investment Education budget of 2000 dollars per Trustee; seconded by Robert C. Studer. The motion required polling:**

<b>Presi Ortega</b>	<b>aye</b>
<b>Christina Stokes</b>	<b>aye</b>
<b>Rene Peña</b>	<b>aye</b>
<b>Robert C. Studer</b>	<b>aye</b>

**Motion carried.**

- Item 11. Discussion and action regarding the consulting service agreement between the Fund and Stephan Schmitz.

Robert Ash, Pension Administrator, presented; the Board received and reviewed the amendment to the consulting service agreement between the Fund and Stephan Schmitz.

Ash advised that the agreement is being amended to extend the onsite visits due to a change in the expected start of construction. Karl Rimkus, Chairman, advised that the initial contract was for a period of 12 months and allowed for a six-month extension at half the monthly rate during the warranty period. Ash advised that the amendment extends the contract for a year (a total of about 12 thousand dollars) and would allow the Fund to continue to pay the current monthly amount extending the construction phase. Ash noted that the prior contract will expire tomorrow. Discussion ensued. The Board reviewed the consulting service provided by and expected of Stephan Schmitz.

**Motion made by Presi Ortega to accept the amended consulting agreement with Stephan Schmitz; seconded by Christina Stokes. The motion required polling:**

<b>Presi Ortega</b>	<b>aye</b>
<b>Christina Stokes</b>	<b>aye</b>
<b>Rene Peña</b>	<b>aye</b>
<b>Robert C. Studer</b>	<b>aye</b>

**Motion carried.**

- Item 12. Discussion and action regarding proposed pension legislation as part of the Special Session of the Texas Legislature.

Robert Ash, Pension Administrator, presented; the Board received and reviewed the proposed pension legislation as part of the Special Session of the Texas Legislature. Ash noted the atypical pension legislation in the Special Session.

Ash reviewed HB213 noting that the topic of the bill has been discussed in several sessions. The bill would amend the Texas Government Code so that the maximum annuity payable to persons who become members of Texas public retirement systems may not exceed the lesser of 1) the basic pay of a member of the United States armed forces on active duty at the highest salary for pay grade 0-10 as defined by 37 U.S.C. Section 201(a) or 2) the annual rate of basic pay for a position under level II of the Executive Schedule as defined by 5 U.S.C. Section 5323, approximately 183 thousand dollars. Ash noted that the Fund does not have a retiree that meets or exceeds that amount. Ash advised that the Board could write a letter in opposition or contact TEXPERS.

**No action was taken on this item.**

- Item 13. Discussion and action regarding the receipt of an investment manager report from Vulcan Value Partners (Jeff St. Denis, Vulcan Value Partners.)

Jeff St. Denis, Vulcan Value Partners, presented; the Board received and reviewed the investment manager report from Vulcan Value Partners. (In this item, the firm will be referred to as Vulcan.)



St. Denis provided an overview of the firm. The employee-owned firm was established in 2007 and manages over 14 billion dollars across five strategies. As of 2015, all the strategies are closed to new investors. Vulcan has managed the Fund's portfolio for about three and half years. St. Denis reviewed the all-cap strategy and the firm's investment philosophy including the firm's buy and sell discipline. Vulcan is a long-term value investor with an objective to minimize risk in the portfolio. St. Denis defined risk and outlined the requirements for investments.

St. Denis reviewed performance. St. Denis reviewed the recent outperformance and noted that since inception the firm is behind the Russel 3000 Index. St. Denis reviewed attributing factors including sector allocation relative to the index.

Discussion ensued. Karl Rimkus, Chairman, requested additional information on the firm's metrics for value. St. Denis reviewed the firm's investment requirements including the margin of safety. Vulcan defines a value investment as a high-quality business that is priced below the market value as determined by the firm. When prompted by Trustee, Presi Ortega, St. Denis reviewed the CVS investment. Ortega requested additional information on the firm's international allocation. St. Denis noted the firm's international holdings and advised that there is no defined allocation limit in the all-cap strategy. Ortega expressed his concern with possible overlap in the all-cap and international strategies. Bill Howard of Callan responded. Callan does not see meaningful overlap between the strategies. Ortega discussed the all-cap strategy with Howard and the all-cap managers. Howard estimated that there are 50-100 all-cap managers.

**No action was taken on this item.**

**Motion made by Presi Ortega to move into recess; seconded by Christina Stokes. Motion carried.**

**Motion made by Rene Peña to reconvene from recess; seconded by Christina Stokes. Motion carried.**

- Item 14. Discussion and action regarding the receipt of an investment manager report from UBS (David Lawson, UBS.)

William David Lawson, Executive Director UBS Realty, presented; the Board received and reviewed the investment manager report from UBS Realty. (In this item, the firm will be referred to as UBS.)

Lawson provided an overview of the firm noting the history of the US strategy prior to being acquired by UBS. The firm's headquarters is in Connecticut with regional offices in Dallas and San Francisco. Lawson reviewed the firm's assets by strategy. UBS currently has about 30 billion dollars in domestic real estate under management. The firm's largest open-ended core fund is the Trumbull Property Fund (TPF) with 73 percent of the total allocation. The Fund is invested in the TPF.

Lawson reviewed the TPF strategy and portfolio distribution. Lawson reviewed assets by property type and by geographic region highlighting the ten largest assets and markets. UBS diversification is driven by the proprietary inventory model. Lawson provided a comparison of the firm's allocation by property type and geographic region versus the NFI-ODCE index. Lawson noted that allocation in the West has increased, resulting in decreased allocation in the East. Lawson predicts that UBS will increase allocation in apartments and industrial properties intentionally exceeding the TPF target range. Lawson noted that allocation in hotels will likely decrease. Lawson reviewed TPF's risk-return profile relative the NFI-ODCE peers. Rene Peña, Vice Chairman, requested additional information on the firm's allocation trends. Lawson



reviewed the firm's research group. Lawson noted the publications authored by the group. When prompted by Trustee, Presi Ortega, Lawson reviewed the AgriVest Farmland Fund including performance and investors. Bill Howard of Callan advised that the Fund's Investment Committee can review the farmland strategy.

Lawson reviewed the value-added sub-strategy in the portfolio including allocation by property type. The value-added segment of the portfolio, presently at about 9.1 percent, is within the median range of five to 15 percent of gross assets. Lawson noted the average stabilized value increase of about 40 percent over the development cost for apartments and about 20 percent for industrial properties.

Lawson reviewed the TPF performance relative to the NFI-ODCE. TPF has outperformed the index over the periods beginning at 10 years and greater and outperformed in full market cycles since inception. Lawson reviewed the recent under performance and attributing factors. When prompted by Chairman Karl Rimkus, Lawson provided allocation in land leases noting that the firm maintains holdings in the main property types. Trustee, Presi Ortega, requested information on outflows due to the firm's recent underperformance. Lawson responded that for the second quarter TPF paid redemptions of about 1.2 billion dollars to fully satisfy the accumulated redemption queue. In the first quarter, TPF paid approximately 800 million in redemptions. Lawson noted that TPF received approximately 400 – 500 million dollars in deposits for the first and second quarter.

**No action was taken on this item.**

Item 15. Discussion and action regarding a report from Callan Associates (Bill Howard, Callan.)

Bill Howard of Callan presented; the Board received and reviewed the monthly "flash" report for the period ended July 31, 2017, and the quarterly report.

Howard provided a market update. U.S. GDP second quarter growth reported at 2.6 percent on strong consumer spending. Eurozone GDP grew 2.3 percent in the second quarter. Japan reported growth of four percent in the second quarter, exceeding expectations. Inflation remained low. The Fed raised rates by 25 bps in June. The Fed indicated its balance sheet could begin to be reduced in the coming months. Callan believes the Fed will raise rates in December. The U.S. Dollar continued to decline with the U.S. Dollar Index falling about five percent in the quarter and about eight percent year-to-date. Howard reviewed the asset class performance highlighting MLPs recent negative performance. Howard reviewed U.S. equity valuation metrics, corporate profits, and international equity earnings and valuations.

Howard reviewed the quarterly report. Howard reviewed the Fund's actual and target asset allocation and total fund asset class performance relative to the Callan Public Fund Sponsor Database. Howard noted that the database contains both Callan clients and non-clients. Howard reviewed the diversification of the Fund's portfolio noting the historical asset allocation; about 27 percent of the total fund is in alternatives. Howard reviewed the quarterly total fund relative attribution as of June 30, 2017. For the quarter and the last year, the active management affect was positive, driving the outperformance. Howard reviewed the cumulative returns over the past ten years and the ten-year annualized risk relative to return. The total fund has generated a higher return than the median public fund.

Howard reviewed the managers on "watch" noting the language in the Fund's Investment Policy Statement. Managers on the "watch" list are reviewed on a quarterly basis. If the manager remains on "watch" for one year, the Board should reevaluate that manager and take additional

action as necessary. Vulcan was placed on “watch” about a year ago after results from the second quarter of 2016. Callan is recommending that Vulcan be removed from “watch”. Vulcan had four straight quarters of outperformance and ranked in the top decile of the peer group for the last year. Franklin Templeton was placed on “watch” about a year ago along with Vulcan. Franklin Templeton has outperformed their index three of the last four quarters, outperforming the index by about 500 basis points for the last year, and ranking near the top third of the peer group. Callan recommends removing Franklin Templeton from “watch.” Howard noted that the Investment Committee reviewed the recent underperformance of UBS. At this time Callan does not recommend placing UBS on “watch.” Howard noted that Lazard was placed on “watch” last quarter and recommends that they remain on “watch”.

**Motion made by Presi Ortega to take Vulcan and Franklin Templeton off “watch” and that Lazard remain on “watch”; seconded Robert Studer. Motion carried.**

Howard reviewed the monthly “flash” report for the period ended July 31, 2017. Howard reviewed asset allocation and noted the recent rebalancing activity. Howard reviewed the managers’ performance noting that the fiscal year-to-date column represents eleven months ended July 31, 2017. The total return of the Fund’s portfolio was about 1.5 percent for the month and about 10.5 percent for the fiscal year. Returns are net of management fees. Discussion ensued. Howard discussed the real estate managers including leverage and historical performance.

When prompted by Trustee, Presi Ortega, Robert Ash, Pension Administrator read an excerpt from the Investment Committee Minutes:

The Committee observed that UBS real estate has not met or exceeded the benchmark return for several quarters. The Committee noted that the reason for not exceeding the benchmark return was due, in large part, to the low leverage in the manner in which the real estate investments were managed. This is conservative and should be beneficial if there is a future market correction within real estate. For this reason, the Committee recommended not to place UBS on official “Watch” status. The Committee will continue to monitor UBS performance closely.

Ash noted that some of the Board Members requested additional graphics. The discussion was postponed until next month to allow the Board Members absent to provide additional direction to Callan.

**No additional action was taken on this item.**

Item 16. Discussion and action regarding a report from the Pension Administrator.

Robert Ash, Pension Administrator, reported on the following:

- The Fund’s construction consultant will hold a pre-construction meeting likely by the end of the month. The consultant will meet with F.T. James and the architect in order to develop an action plan.
- The Fund will hold a groundbreaking ceremony on August 31<sup>st</sup>. An invitation will be extended to all Board Members, the Mayor, and District 2 Representative.
- Ghostlight is the media company contracted with the Fund to perform rebranding services. There is a survey that will be posted on the website. All Board Members are invited to participate. Karl Rimkus, Chairman, advised that Karina Chavez, Retiree Coordinator Data Entry Clerk, will revise some of the survey questions with Ghostlight. Chavez will email the appointed Trustees and Rimkus will email the elected Trustees. Elected Trustees are asked to forward the survey to City staff.

- Robert Ash thanked Christina Stokes for her service and leadership on the Board. Ash reviewed the Board Vacancy Policy advising that Chairman, Karl Rimkus, has designated the Administrative Services Committee (ASC) as the committee to review candidates. A notice will be posted on our website. Actual notice will be given to the employees that ran in the most recent election that were not elected. We will ask anyone that is interested to submit their qualifications to the ASC. Pension staff will confirm that the candidates are eligible. The ASC may choose to interview or pose written questions to the qualified employees seeking to fill the vacancy. The ASC will likely make a recommendation to the Board during the September Board Meeting.
- Rene Peña, Trustee, submitted a review of a fiduciary conference that he recently attended.

**No action was taken on this item.**

Item 17. For Notation:

A. Directed brokerage credit balance for month ended June 30, 2017: \$128,930.68

B. Qualified Domestic Relations Order:

1. Jesus Marquez, Jr and Hilda Marquez

C. Property Development Cost:

1. Joe Guadarrama      Inv.#5 Landscape Maintenance Svc.      \$ 200.00
2. Stephan Schmitz      July Construction Consultant Svc.      \$2,083.33

D. Refund of Contributions:

	NAME	DEPARTMENT	TOTAL REFUND
1	Acosta, Alejandra	Economic Dev.	\$1,675.18
2	Aguirre, Nicole	Health	\$1,445.14
3	Campos, Carlos	SAM	\$22,306.87 *
4	Chacon, Lily	IT	\$16,285.99
5	English, Madison	ESD	\$3,213.25
6	Escamilla, Rogelio	Mass Transit	\$19,382.60
7	Garcia, Raquel	Community Dev.	\$26,531.39
8	Gonzalez, Maria	Fire	\$18,265.69
9	Hernandez, Sandra	Engineering	\$8,893.02
10	Herrera, Angel	IT	\$717.75
11	Jacquez, Blanca	Health	\$3,067.34
12	Jimenez, Janice A.	Fire	\$19,569.70
13	Macias, Irene G	EPWU	\$9,124.85
14	Marquez, Lucia	QDRO	\$6,557.01
15	Martinez, Blanca Y.	Police	\$10,015.04
16	McGuigan, Marisol	Tax Office	\$3,918.22
17	McGuigan, Thomas	SAM	\$25,859.12
18	Muñoz, Alejandro	SAM	\$1,840.80
19	Sanchez, Christina	Health	\$4,073.03
20	Scalza, Linda	Parks	\$6,899.88
21	Scates, Melissa	Fire	\$1,045.64

22	Tellez, Gabriel	SAM	\$10,317.69
23	Vasquez, Sergio Aaron	EPWU	\$749.95
24	Vejil, Antyn	MCAD	\$5,608.74
<b>TOTALS</b>			\$227,363.89

- \* Eligible for Early Retirement
- \*\* Additional interest/contributions due

David Garcia advised that there are no speakers for the Open Comment Period.

**OPEN COMMENT PERIOD**

The Board of Trustees will allow speakers from the audience to comment on any pension related issue that is not on the agenda. During the Open Comment Period of the meeting, audience members who sign up to address the Board will be given an opportunity to address the Board. Unless modified by the Chair, speakers will be allowed three (3) minutes for their comments. For more information, please contact Karina Chavez at the Pension Office at (915) 212-0112.

Item 18. The Board will retire into EXECUTIVE SESSION pursuant to the Texas Government Code, Sections 551.071-551.076 and Section 551.078 to discuss any of the following:

- Section 551.071 CONSULTATION WITH ATTORNEY
- Section 551.072 DELIBERATION REGARDING REAL PROPERTY
- Section 551.074 PERSONNEL MATTERS
- Section 551.075 CONFERENCE WITH EMPLOYEES
- Section 551.076 DELIBERATION REGARDING SECURITY DEVICES
- Section 551.078 DELIBERATION REGARDING DISABILITY APPLICANT'S MEDICAL RECORDS

Item 19. Adjournment

**Motion made by Presi Ortega to adjourn the El Paso City Employee's Pension Fund Board Meeting on August 16, 2017; seconded by Rene Peña. Motion carried.**