

**THE EL PASO CITY EMPLOYEES' PENSION FUND
BOARD MINUTES FOR THE REGULAR MEETING
HELD WEDNESDAY AUGUST 19, 2015 AT 8:30 A.M.
CITY HALL, CITY COUNCIL CHAMBERS, 300 N. CAMPBELL**

Members in Attendance:

Rene Peña, Chairman
Karl C. Rimkus, Vice Chair
Presi Ortega
Rebecca L. Torres
Pat Aauto
Christina Stokes

Members Absent:

Peter Svarzbein, City Representative *In at 8:45 A.M., Out at 8:50 A.M.
Claudia Ordaz, City Representative
America E. Luna

Others in Attendance:

Eduardo Miranda, Attorney
Patricia Hickman, Deputy Pension Administrator
David Garcia, Payroll/Accounts Payable Specialist
Karina Chavez, Retiree Coordinator/ Data Entry Clerk
Bill Howard, Callan Associates
Patricia Degman, Comptroller
Richard Campos, City's IT Enterprise Applications Administrator
Tony Ramos, Treasury Services Coordinator of Comptroller's Office
John Collier, Vulcan Value Partners

- Item 1. Rene Pena, Chairman, called the meeting to order at 8:33 A.M.

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 15, 2015.
- 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	Bonilla, Victor	EPWU	13 years 09 months
2	Colon, Asdrubal	Parks & Recreation	10 years 00 months
3	Grajeda, Adolfo	EPWU	29 years 08 months *
4	Guzman, Fred D.	Mass Transit	15 years 01 month *
5	Martinez, Pablo	EPWU	07 years 04 months
6	Muro, Raul	Fire Communications	22 years 03 months
7	Olvera, Victor M.	EPWU	07 years 02 months
8	Ortiz, Jose A.	Parks & Recreations	31 years 04 months
9	Perez, Jose L.	Dept. of Transportation	22 years 02 months
10	Reyes, Marcos	Mass Transit	14 years 06 months *
11	Robele, Hailu S.	Mass Transit	07 years 00 months *
12	Sanchez, Martha	Tax	31 years 03 months *
13	Valadez, Jose Luis	Streets	09 years 01 month
B.	Deferred:		
1	Coria, David	EPWU	24 years 09 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 survivor benefit applications for:

- A. Bustamante, Maria A. survivor of Carlos Bustamante, retiree.
- B. Lopez, Lilia survivor of Enrique Lopez, retiree.

Item 5. Consideration and action on invoices as follows:

	<u>COMPANY</u>	<u>DESCRIPTION OF SERVICE</u>	<u>PERIOD</u>	<u>FEE DUE \$\$</u>	
A.	AQR Emerging Equities Funds LP	Investment Fees	June 30, 2015	\$11,401.00	**
B.	AQR Emerging Equities Funds LP	Investment Fees	July 31, 2015	\$11,023.00	**
C.	Boston Partners	Investment Fees	Qtr. End June 30, 2015	\$50,209.40	
D.	Buck Consultants	Consulting Fees	July 31, 2015	\$2,430.00	
E.	Denver Investment Advisors	Investment Fees	June 30, 2015	\$8,236.00	**
F.	Denver Investment Advisors	Investment Fees	July 31, 2015	\$8,343.00	**
G.	Eduardo Miranda	Legal Fees	July 31, 2015	\$550.00	
H.	Gordon Davis Johnson & Shane PC	Legal Fees	June 30, 2015	\$400.16	
I.	Janus Capital Group	Investment Fees	Qtr. End June 30, 2015	\$63,770.68	
J.	Lazard Asset Management	Investment Fees	Qtr. End June 30, 2015	\$61,350.02	**
K.	Riverbridge Partners	Investment Fees	Qtr. End June 30, 2015	\$45,507.54	
L.	UBS Realty Investors LLC	Investment Fees	Qtr. End June 30, 2015	\$119,907.16	**
M.	Vulcan Value Partners LLC	Investment Fees	Qtr. End June 30, 2015	\$81,396.37	
N.	Warach, Soto & Associates	Legal Fees	July 27, 2015	\$218.00	
O.	Wedge Capital Management	Investment Fees	Qtr. End June 30, 2015	\$47,428.31	

* To be paid by Directed Brokerage credits.

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

*** Performance based fee.

**Motion made by Presi Ortega to accept the Consent Agenda; seconded by Pat Aauto.
Motion required polling:**

Presi Ortega	aye
Rebecca L. Torres	aye
Pat Aauto	aye
Christina Stokes	aye
Karl Rimkus	aye

Motion carried.

REGULAR AGENDA

Item 6. Discussion and action regarding the Treasurer's Reports for month ended July 31, 2015.

Tony Ramos, Treasury Services Coordinator, presented; revised Treasurer's Reports for month ended July 31, 2015 was distributed.

Ramos introduced Patricia Degman, Comptroller for the City of El Paso. Degman advised that beginning in September she will present the Treasurer's Report to the Board.

Ramos reviewed the statement of net assets available for benefits, the statement of changes in net assets, and the quarterly statement of changes in net assets. The accrued expenses of about 5.5 million dollars is attributed to regular expenses and benefits that were paid to retirees in July. Overall, net assets available for benefits are at about 730.9 million dollars which is a decrease of approximately 7 million dollars from last month; the fair value of investments decreased by about 6.4 million dollars from June. Year to date the Fund has seen a net decrease of 1.9 million dollars. For the quarter, the Fund has had a net decrease of approximately 12.1 million dollars; the fair value of investments decreased by about 10.2 million dollars. The contributions year to date are at about 34.5 million dollars (approximately 3.4 million dollars per month) and benefits paid to retirees are at about 44.2 million dollars, a gap of approximately 9.7 million dollars. The gap is as expected because the Fund pays out more, about 1 million dollars per month, than is received in contributions.

Ramos reviewed the investment income analysis and the corresponding chart. Through eleven months ended July 31st, the net investment income is at about 2.93 percent which is below the target rate of 7.5 percent. Ramos noted that there is one month remaining in the fiscal year.

Ramos reviewed the administration actual/budget comparison. At eleven months utilization is expected to be at 91.6 percent of the budget. The total in-house administrative expenses are slightly under budget at about 86 percent.

Motion made by Karl Rimkus to accept the Treasurer's Report for month ended July 31, 2015; seconded by Pat Aauto. Motion carried (unanimous.)

Item 7. Discussion and action regarding the monthly report from the City's Department of Information Technology.

Richard Campos, Enterprise Applications Administrator of the City's Information Technology (IT) Department, spoke. The Board received a progress report on the pending issues with the Pension Module.

Campos reviewed periodic processing. June periodic processing has been completed for employees. The July periodic processing is currently scheduled with Payroll. Rene Peña, Chairman, requested additional information regarding issues and delays. Campos advised that processing has been going smoothly even though IT continuously identifies new issues that need to be addressed during processing. Robert Ash, Pension Administrator, noted that the Fund's auditors will arrive in October; the August periodic processing will have to be closed before the annual audit.

Campos noted that IT personnel are reviewing the benefits calculation program and employee withdrawals.

No action required on this item.

- Item 8. Discussion and action regarding the approval of the annual operating and Trustee Fiduciary Investment Education budget for Fiscal Year (FY) 2015 – 2016.

Robert Ash, Pension Administrator, presented. The Board received and reviewed the proposed budget worksheets.

Ash noted that the Fund's Investment Committee reviewed the annual operating and Trustee Fiduciary Investment Education budget for FY2016 in detail during the Committee's August meeting. Rene Peña, Board Chairman and Investment Committee Member, noted that the Investment Committee was in agreement with the budget.

Ash reviewed the proposed changes to the budget. The total proposed increase is 3.50 percent. A portion of that increase is driven by the new Benefit Technician position which was recently filled. The proposed increase of 5000 dollars in materials and supplies is intended to replace outdated hardware (3000 dollars) and fund a new program, BoardPaq (1300 dollars.) Pension Administration initially inquired if the City could replace three outdated computers; however due to lack of funds, the City could not supply that equipment. The proposed funding for BoardPaq and the technology allowance of 150 dollars per Trustee is contingent on Board approval of the implementation of BoardPaq. Some operating expenditures such as travel have been decreased. Capital expenditures have increased by 500 dollars as administration plans to purchase cabinetry for storage of files.

Ash noted that the quantities listed for payments to retirees, pension plan contribution refunds, lump-sum distribution to alternate payees, and interest on pension plan contribution refunds are estimates based on input from the Fund's actuary and quantities for the year. The numbers are imprecise as actuals are affected by several variables. These revenue accounts are necessary in order to process payments.

Ash reviewed the fiduciary education expenses. As recommended by the Investment Committee, the proposed budget for Trustee fiduciary education decreased to 2000 dollars per Trustee. The actual usage for the previous fiscal year is under the budgeted amount of 2500 dollars. Ash noted that training is a requirement of the state.

Ash noted that the CPI is up 0.2 percent. That percent, which is included in salaries and wages, would be a CPI based increase to employees leaving 2.8 percent for merit increases during the year.

Motion made by Pat Adauto to accept the budget as presented for fiscal year 2015–2016; seconded by Christina Stokes. Motion required polling:

Presi Ortega **aye**
Rebecca L. Torres **aye**
Pat Aauto **aye**
Christina Stokes **aye**
Karl Rimkus **aye**

Motion carried.

Item 9. Discussion and action regarding a proposed amendment to the Fund's Personnel Rules and employee contracts regarding the use of carry-over sick leave.

Robert Ash, Pension Administrator, presented. The Board received and reviewed the proposed amendment to the Fund's Personnel Rules and employee contracts regarding the use of carry-over sick leave.

Ash noted that the item was placed on the agenda at the request of the Fund's Personnel Committee.

Ash reviewed the proposed amendment. The proposed amendment, as recommended by the Fund's Personnel Committee, allows for employees to use and be paid a maximum of 80 hours of sick leave earned while employed by the City of El Paso subject to the restrictions as outlined in the draft amendment. Previously, carry-over sick leave was allowed for pension purposes only. At the request of a Pension employee, the Personnel Committee revisited that clause. Karl Rimkus, Vice Chair, requested clarification on applicable sick leave. Ash responded that the sick leave referred to in the proposed amendment is only the sick leave that is transferred from previous employment with the City of El Paso.

Ash noted that the proposed amendment has been reviewed by legal counsel. If approved by the Board, the Fund's Personnel Rules and employee contracts (with the exception of one employee who did not formerly work for the City of El Paso) would be amended.

Motion made by Christina Stokes to approve the amended Personnel Rules and Regulations; seconded Pat Aauto. Motion required polling:

Presi Ortega **aye**
Rebecca L. Torres **aye**
Pat Aauto **aye**
Christina Stokes **aye**
Karl Rimkus **aye**
Rep. Peter Svarzbein **aye**

Motion carried.

Item 10. Discussion and action regarding the use of BoardPaq for distributing meeting information and the possible purchase of mobile device.

Robert Ash, Pension Administrator, noted that a sub-committee of the Board lead by Karl Rimkus, Vice Chair, has been moving toward automating Board processes. Automation of certain Board operations would alleviate the need for the Trustee binder and would streamline other Board processes such as Pension Board packets. Ash has personal experience with the program BoardPaq, beneath referred to as "BP", and several Trustees have tested the program.

Rimkus and David Garcia, Payroll/Accounts Payable Specialist, presented. The Board received and reviewed the BP Board Management System Presentation.

Rimkus reviewed the concept and potential advantages of BP. BP is a web-based platform that allows a one-stop portal to manage Board and Committee meetings, staff directory, etc.; users may log-in on a PC or mobile device. Some advantages include cost savings, efficiency, portability and consolidation of information. Trustee, Presi Ortega, requested additional information on cost savings. Ash responded that BP will be more than revenue neutral as far as staff efficiencies and cost. An amount cannot be quantified as printing is predicated to packet content.

Garcia provided a brief demonstration of BP including: staff directory, meetings, and documents.

Rimkus reviewed the transition plan which consists of two phases (Phase I and Phase II). Rimkus noted that the Pension Administrator, Robert Ash, has reviewed the plan. Trustee, Pat Aduato, requested a timeline. Rimkus advised that a timeline will be established based on Board approval. Ash noted that Phase II will likely continue through next year due to the vast amount of documents that need to be scanned. Rimkus requested that staff present to the Board in an upcoming Board Meeting a schedule for scanning existing records into BP.

Rimkus reviewed devices, fees, and allowance. The cost to the Fund for BP is 109 dollars per month for 15 users for an annual cost of approximately 1300 dollars; the price includes four users' access at no cost. The Board may approve a technology allowance toward the purchase of a tablet (150 dollars per Trustee allotted every five years.) The device would be owned by the Trustee, and the Trustee would be responsible for any associated costs beyond the allowance. Ash advised that the fees and allowance associated with BP are included in the annual operating budget. Rimkus recommended adding a caveat that a Trustee would not make a profit from the allowance; the allowance is only intended for reimbursement.

Motion made by Pat Aduato to approve the use of BoardPaq and Phase I of the transition plan effective September 1, 2015 including the allowance of 150 dollars [per Trustee] for purchase of the equipment needed to utilize; seconded by Christina Stokes. Motion required polling:

Presi Ortega	aye
Rebecca L. Torres	aye
Pat Aduato	aye
Christina Stokes	aye
Karl Rimkus	aye

Motion carried.

Item 11. Discussion and action regarding new reporting requirements to the State Pension Review Board.

Robert Ash, Pension Administrator, presented. The Board received and reviewed the memorandum regarding new reporting requirements to the State Pension Review Board.

Ash noted that Pension Administration has previously presented, to the Board, legislation that could potentially affect the Fund. Based on legislation passed by the 84th Legislature, the Fund has additional reporting requirements.

Ash reviewed the requirements for the actuarial valuation and the actuarial experience study. House Bill (HB) 3310 requires that the Fund perform an experience study every five years. The Fund's current schedule is every six years. The Fund's actuary presently performs an experience study after every third valuation. With the new guidelines, the actuary will have to perform an experience study after two valuations limiting the comparison. The actuarial valuation report must include a contribution rate needed for the Fund to achieve and maintain an amortization period that does not exceed 30 years. Ash noted that the Fund's amortization period is already in compliance.

Ash reviewed the requirements for establishing a restoration plan. In the case that a pension plan was to become underfunded, HB 3310 requires that the plan and the plan's sponsor come to an agreement and develop, at maximum, a 10 year "work-out" plan designed to achieve an amortization period of 40 years or less. Rene Peña, Chairman, requested the definition of "several valuations" as stated in the memorandum. Ash responded that the bill states at least two valuations which is about a four year period.

No action required on this item.

- Item 12. Discussion and action regarding the receipt of an investment manager report from Vulcan Value Partners.

John Collier, of Vulcan Value Partners, presented; the Board received and reviewed the investment manager report from Vulcan Value Partners (Vulcan.)

Collier provided an update on the firm and reviewed the firm's investment philosophy. Vulcan has managed the Fund's all cap portfolio for about 19 months. Vulcan is a value manager. Collier reviewed the firm's objectives and margin of safety. Presently, all strategies are closed to new investors. The firm is employee-owned; all employees are required to invest 100 percent of their public equities into the firm. The firm manages about 12.5 billion dollars spread across five different strategies. Although there's been an internal promotion, the investment team has not changed.

Collier provided a performance summary. At inception the firm was behind their primary index, the Russell 3000 Value. The firm has delivered 6.7 percent after fees; before fees Vulcan has been slightly ahead of their benchmark. Over the last year, Vulcan was about 2.3 percent ahead of the index. There has been a divergence between the core benchmark, Russell 3000, and the value component of that benchmark which indicates that growth stocks have been the leaders of the market over the last year. The firm is designed and geared toward generating excess return over a five year time horizon. Collier reviewed the top three contributors and the bottom three detractors driving performance.

Collier reviewed the portfolio characteristics including names purchased and exited. The portfolio shifted from small to large over the last year. Roughly 70 percent of the portfolio is presently in larger companies which shifted accordingly from 55 percent allocation last year.

No action required on this item.

Item 13. Discussion and action regarding a report from Callan Associates.

Bill Howard of Callan Associates presented; the Board received and reviewed the quarterly report for the quarter ended June 30, 2015 and the monthly “flash” report for the period ended July 31, 2015.

Howard reviewed the performance of the markets. The second quarter was dominated with Greece and China in the headlines. Greece missed an interest payment to the IMF on June 30th and subsequently had a referendum on a bail-out package that was proposed by European leaders. Greece has just finalized the terms of that package. Howard noted that it appears that Greece will stay in the Euro. The local Chinese market, A-Shares, fell by 30 percent in a span of three weeks. Volatility in that market continues; fears of a slowing economy in China have impacted the global market. On August 11th, China’s central bank devalued the Yuan which led to a sell-off in emerging markets’ currency. In developed markets, Japan’s economy contracted, and Europe’s economy grew 1.3 percent on an annualized basis for the quarter. International developed stocks were up 2 percent in July. However, the US continues to be the best developed market economy growing 2.3 percent for the second quarter. The US equity market was positive in July; the Russell 3000 was up 1.7 percent. Callan expects that the domestic GDP will be about 2.5 percent for the remainder of the year beginning with the third quarter. Howard predicted that the Fed will incrementally raise rates beginning at the end of 2015 with 25 basis points. Howard noted that the price of oil is down 44 percent which negatively impacts corporate profits.

Howard reviewed the asset class performance for the second quarter ended June 30, 2015. The fears over Greece and China and an imminent Fed rate hike led a muted equity market. The Russell 3000 was flat for the quarter. The dollar weakened in the quarter; however post-quarter the dollar has strengthened once again. International stocks outperformed the US. Emerging markets did a little better in the quarter. MLPs were challenged by the turmoil in the energy sector. Bonds sold-off in the quarter. EAFE local currency return is up about 12 percent. Emerging markets in local currency terms is positive 7 percent last year. Howard provided year to date numbers through August 18th: Russell 3000 is up 3.4 percent; EAFE is about the same in dollar terms as at the end of the second quarter; emerging markets is negative 9.5 percent; MLPs, which have sold-off further, are at negative 15.1 percent; bonds have rallied at 0.5 percent. Karl Rimkus, Vice Chair, requested a projection for MLPs. Howard responded that the forward curve for oil is upward sloping; he estimates that oil will be priced at 50 dollars a barrel next year and will continue to rise. MLPs are affected by volume and production (mass reductions in production will drive the sector lower.) MLPs represent five percent of the Fund’s portfolio.

Howard reviewed the investment performance for the quarter ended June 30, 2015. The total fund underperformed the benchmark for the quarter by less than 20 basis points. There was a negative manager effect in domestic equity, international equity, and real estate. The asset allocation effect was neutral. Over the past year, the return is positive at 2.6 percent, outperforming the benchmark. For the full year, active management added value in domestic equity, international equity, and MLPs. Howard noted that the Fund has outperformed the target on a cumulative basis over the past ten years.

Howard provided a peer comparison. Last year the Fund was slightly below median in the Public Fund Database which is comprised of Callan clients and non-clients. This is the only period that the Fund has not had a positive comparison; over the past three to fifteen years the Fund has ranked in the top quartile and for some periods in the top quintile and decile of the

peer group. Howard noted that the Fund has exceeded the target return for the last 10 to 26.5 years.

Rene Peña, Chairman, requested a peer comparison of asset allocation. Howard provided a brief review of asset allocation. Howard noted that MLPs had a negative effect on returns as a majority of public funds do not have MLP exposure.

Howard reviewed the monthly “flash” report for the period ended July 31, 2015 beginning with the performance of the Fund’s domestic equity active managers. Mellon Tangent Added, the US large cap manager, was up 1.4 percent versus the S&P 500; Fiscal Year To Date (FYTD) they are ahead of their benchmark by 1.7 percent. Vulcan, the US all cap manager, had a difficult July; FYTD they are in line with the broad Russell 3000. Boston Partners, the large cap manager with a value orientation, trailed in July as their value style has been affected by growth and the underperformance of the energy sector. Long term, Boston Partners has added value. Wedge, the small cap value manager, was affected by the value bias; they trailed in July and is behind FYTD. However, for the last three years Wedge is ahead of the index by almost 200 basis points. Riverbridge, the small cap growth manager, was positive 2 percent in July; FYTD they are up over 500 basis points.

Howard reviewed the performance of the Fund’s international equity active managers. Denver is on watch for performance. Denver’s performance was flat in July and remains behind FYTD. Denver has less than three years with the Fund. Franklin Templeton, the small cap manager with a value orientation, outperformed the index in July; for the fiscal year to date they are ahead of the index by over 450 basis points. Lazard, the all cap manager, performed well in July and FYTD. Touchstone, an emerging markets manager, is on watch for performance. Touchstone outperformed in July but is behind FYTD and for the last three years. AQR, a newer emerging markets manager, trailed the index in July and fiscal year to date.

Howard reviewed the performance of the Fund’s fixed income active managers. The Bond market index was up 70 basis points. Janus, the core plus bond manager, was behind in July and FYTD about 25 basis points behind. Franklin Templeton, the global bond manager, trailed the benchmark in July, but ahead by 300 basis points for the fiscal year to date. REITs were down 10 percent in the second quarter and up in July by 5 percent. The Invesco REIT portfolio outperformed the index FYTD.

Howard reviewed the performance of the Fund’s MLP active manager, Salient. MLPs sold-off in July. Salient outperformed the index in July and FYTD.

The total fund was positive 33 basis points in July slightly behind the target. Fiscal year to date the Fund is up 2.1 percent; it is unlikely that the Fund will reach the target rate of return of 7.5 percent for the fiscal year. Howard noted that for the last three and five years the Fund has earned a double digit return compounded annually.

The Board requested a market projection. Howard reviewed market conditions and performance factors. Howard believes that emerging markets are poised to outperform and the dollar will continue to strengthen.

The Board Members asked questions to the presenter.

Motion made by Presi Ortega to accept the investment report by Bill Howard; seconded by Karl Rimkus. Motion carried (unanimous.)

Item 14. Discussion and action regarding a report from the Pension Administrator.

Robert Ash, Pension Administrator, reported on the following:

- As of August 19th, the market was down 200 basis points. The effect of not meeting the target rate will be negative. The years to amortization and the unfunded liability will likely increase. Ash noted that there are gains that have not been “smoothed out” from the Fund’s good performance of the past six years.
- The newsletter will be published in October. Trustees are encouraged to submit their ideas.
- BNY Mellon (BNY), the Fund’s custodial bank, was in the news. BNY has reached a settlement in a civil (not criminal) suit and they will pay a fine (14.8 million dollars) for bribery in other markets.

Discussion ensued. Trustees discussed the charge and outcome. Bill Howard of Callan noted that BNY Mellon is changing their policy.

- Pension Administration will push BNY Mellon to close the fiscal year quickly as audit work is expected to begin in October.
- An actuarial review based on assets will be completed this year.

No action required on this item.

Item 15. Discussion and action regarding the following Committee reports/assignments:

- A. Actuary Committee – Committee did not meet.
- B. Ad-Hoc Facilities Committee – Committee did not meet.
- C. Audit Committee – Committee did not meet.
- D. Investment Committee – Committee did meet.

Presi Ortega read the Investment Committee minutes:

The Investment Committee met on August 18, 2015. The Committee received the monthly investment performance report for July 2015 and a quarterly investment report for the quarter ended June 30, 2015. The Committee noted that the Fund will not meet the expected return target of 7.5 percent for the current fiscal year. The Committee also reviewed the Fund’s investment managers returns net of fees from the time they were hired by the Fund.

The Committee next heard an investment performance report from Vulcan Value Partners. The Committee discussed and reviewed the investment process and portfolio performance. The Committee noted the concentrated value nature of the managed portfolio.

The Committee then discussed currency hedging. The Committee asked questions of Callan’s currency expert and evaluated the different types of currency hedging strategies. The Committee requested that Callan invite two investment managers to present to the Committee regarding two different types of currency hedging strategies.

The Committee also discussed the possibility of using absolute strategies as an asset class. After discussion the Committee requested that Callan Associates bring in an investment manager for more education regarding how absolute return strategies are managed.

Finally, the Committee reviewed the proposed operating and Trustee Fiduciary Investment Education budgets for the next year. The Committee recommends approval of the proposed budget.

The Committee is scheduled to hold its next meeting on September 15, 2015.

No action required on this item.

- E. Personnel Committee – Committee did meet.
- F. Retiree Committee – Committee did meet.

Item 16. For Notation:

A. Directed brokerage credit balance for month ended June 30, 2015: \$135,185.71

B. Refund of Contributions:

	NAME	DEPARTMENT	TOTAL REFUND	
1	Chitwood, Ronald	Engineering	\$857.70	
2	Dorethy, Joshua	Parks	\$539.95	
3	Dyess, Latish	Fire	\$1,870.29	
4	Escareno, Alejandra	Health	\$1,143.50	
5	Espinoza, Samantha M.	Health	\$6,586.97	
6	Fraire, Francisco	General Services	\$769.01	
7	Holguin, Herminia	Police	\$54,590.21	
8	Jimenez, Jorge	Police	\$15,917.78	
9	Miramontes, Joe	EPWU	\$1,017.93	
10	Moreno Jr., Arturo	Police	\$22,984.93	**
11	Moy, Rafael	Parks & Recreation	\$3,974.35	
12	Navarro, Antonio	Transportation	\$999.89	
13	Novoa, Ricardo	Mass Transit	\$9,838.93	
14	Olide, Pablo	Information Technology	\$13,313.74	
15	Palmer, Melinda	MCAD	\$466.08	
16	Perez, Ricardo	Parks & Recreation	\$25,053.34	
17	Pineda, Camilo	EPWU	\$16,216.00	
18	Rocha, Erica	Mass Transit	\$1,608.82	
19	Sifuentes, Candice Aton	Environmental Services	\$28,911.95	
20	Torres Jr., Roberto	Mass Transit	\$2,011.28	
21	Urrutia, David	Mass Transit	\$18,690.86	
			<u>\$227,363.51</u>	

* Additional interest/contributions due

** Eligible for Early Retirement

For notation, no action required on this item.

Motion made by Karl Rimkus to go into Executive Session to discuss items under Section 551.071 and 551.072; seconded by Pat Aauto. Motion carried @ 10:12 A.M. (unanimous.)

Motion made by Christina Stokes to reconvene from Executive Session; seconded by Rebecca Torres. Motion carried @ 10:35 A.M. (unanimous.)

Item 17. 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

A. **Section 551.071 and Section 551.072** Discussion and action regarding the possible sale of real property.

Motion made by Karl Rimkus to authorize the Pension Administrator to pursue the sale of a portion of the Fund's real property; seconded by Rebecca L. Torres. Motion required polling:

Rebecca L. Torres	aye
Pat Adauto	aye
Christina Stokes	aye
Karl Rimkus	aye

Motion carried.

Item 18. Adjournment

Motion made by Rebecca L. Torres to adjourn the El Paso City Employee's Pension Fund Board meeting on August 19, 2015; seconded by Karl Rimkus. Motion carried (unanimous).