

**THE EL PASO CITY EMPLOYEES' PENSION FUND  
BOARD MINUTES FOR THE REGULAR MEETING  
HELD WEDNESDAY NOVEMBER 18, 2015 AT 8:30 A.M.  
CITY HALL, CITY COUNCIL CHAMBERS, 300 N. CAMPBELL**

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**Members in Attendance:**

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

**Members Absent:**

Christina Stokes  
America E. Luna  
Peter Svarzbein, City Representative

**Others in Attendance:**

Robert Ash, Pension Administrator  
Patricia Hickman, Deputy Pension Administrator  
David Garcia, Payroll/Accounts Payable Specialist  
Karina Chavez, Retiree Coordinator/ Data Entry Clerk  
Bill Howard, Callan Associates  
Charlie Lino, Office of Comptroller  
Norberto Pelayo, City's IT Department  
Richard Campos, City's IT Enterprise Applications Administrator  
Robb Pridemore, USI Insurance  
Brian Murphy, Portfolio Advisors  
Aaron Cantrell, Record Currency Management  
James Wood-Collins, Record Currency Management  
Hugo Bax, Record Currency Management  
Joanne Svendsgaard, Millennium Global  
Richard Benson, Millennium Global

- Item 1. Rene Peña, Chairman, called the meeting to order at 8:36 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 October 21, 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	Brooks, James Cleveland	Human Resources	07 years 05 months
2	Chavez, Javier	EPWU	19 years 07 months *
3	Diaz, Nicolas	Capital Improvements	25 years 08 months
4	Gardea, Juanita	Financial Services	20 years 07 months
5	Hernandez, Juan M.	EPWU	30 years 02 months *
6	Hernandez, Teofilo	EPWU	14 years 09 months *
7	Herrera, Carlos	Sun Metro	19 years 11 months *
8	Ontiveros, Bertha	City Attorney	08 years 04 months
9	Potts, Michael	Streets & Maint.	09 years 00 months *
10	Serna, Eduvigis	EPWU	42 years 04 months
B.	Early:		
1	Rocha-Parker, Maria	Health	22 years 03 months *
C.	Deferred:		
1	Romero, Jesus	Health	16 years 10 months
2	Stokes, Lowell	EPWU	23 years 08 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. Pedregon, Manuela T. survivor of Raul F. Pedregon, retiree.
- B. Sermeno, Maria Y. survivor of Juan Sermeno, retiree.
- C. Zavala, Teresa survivor of Raymond Zavala, 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 Fund	Investment Fees	October 31, 2015	\$9,056.00	**
B.	BNY Mellon Asset Services	Custodial Fees	Qtr Ending 06/30/15	\$42,735.17	
C.	Boston Partners	Investment Fees	Qtr Ending 09/30/15	\$47,856.08	
D.	Denver Investment Advisors	Investment Fees	October 31, 2015	\$7,913.00	**
E.	Eduardo Miranda	Legal	October 31, 2015	\$262.50	
F.	Invesco National Trust Co	Investment Fees	Qtr Ending 06/30/15	\$40,766.73	**
G.	Invesco National Trust Co	Investment Fees	Qtr Ending 09/30/15	\$31,761.41	**
H.	Janus Capital Group	Investment Fees	Qtr Ending 09/30/15	\$60,997.33	
I.	Lazard Asset Management	Investment Fees	Qtr Ending 09/30/15	\$54,409.62	**
J.	Principal Global Investors	Investment Fees	August 31, 2015	\$2,810.65	**
K.	Principal Global Investors	Investment Fees	September 30, 2015	\$4,035.33	**
L.	Principal Global Investors	Investment Fees	October 31, 2015	\$4,438.09	**

M. Riverbridge Partners	Investment Fees	Qtr Ending 09/30/15	\$41,712.70	
N. UBS Realty Investors LLC	Investment Fees	Qtr Ending 09/30/15	\$124,621.80	**
O. Wedge Capital Management	Investment Fees	Qtr Ending 09/30/15	\$41,162.96	

\* To be paid by Directed Brokerage credits.

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

\*\*\* Performance based fee.

**Motion made by Pat Aduato to approve the Consent Agenda; seconded by Karl Rimkus.  
Motion required polling:**

<b>Presi Ortega</b>	<b>aye</b>
<b>Rebecca L. Torres</b>	<b>aye</b>
<b>Pat Aduato</b>	<b>aye</b>
<b>Karl Rimkus</b>	<b>aye</b>

**Motion carried.**

## REGULAR AGENDA

Item 6. Discussion and action regarding the Treasurer's Reports for months ending October 31, 2015.

Charles Lino from the Office of the Comptroller presented; the Board received and reviewed the Treasurer's Report for the month ended October 31, 2015.

Lino noted that auditors have been in the Comptroller's Office which attributed to the delay in the release of the Treasurer's Report to the Board.

Lino reviewed the statement of net assets available for benefits and corresponding chart, the statement of changes in net assets, and the quarterly statement of changes in net assets. There has been some recovery in the first quarter of the fiscal year. From September the net assets available for benefits increased by about 30 million dollars. Lino noted the slight change in the reconciliation to Mellon statements.

Lino reviewed the investment income analysis and the corresponding chart. The net investment income for the fiscal year increased from -2.15 to 2.26 percent which is an increase of 4.41 percent in one month.

Lino reviewed the administration actual/budget comparison. For the second month of the fiscal year, utilization is expected to be at about 16.67 percent of the budget. Lino reviewed the expenditures with high utilization. He noted that the utilization for professional licenses and member fees is at 67.8 percent; those expenses are prepaid for the year. Lino advised that the utilization for the printing services contracts is down from last year.

Rene Peña, Chairman, noted that the Comptroller's Office is updating the format of the power point presentation. Lino stated that the new presentation will be ready for the December Board Meeting.

**Motion made by Rebecca L. Torres to accept the Treasurer's Report as presented;  
seconded by Karl Rimkus. Motion carried.**

- 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 stated that the September periodic processing will continue after Thanksgiving and noted that review of the benefits calculation program is ongoing.

Campos advised that employee withdrawals have been reviewed and additional work has been identified including corrections to service history for approximately 300 people.

Robert Ash, Pension Administrator, requested an update on the training intended to resolve issues with programming. Campos responded that Oracle University must create a custom course for pension training. Oracle has submitted an estimate of about 31 thousand dollars for a custom, two-day course. Campos is waiting for an itemized description of the course.

**No action required on this item.**

- Item 8. Discussion and action regarding the receipt of a death verification audit.

Robert Ash, Pension Administrator, presented; the Board received and reviewed the death verification audit.

Ash advised that the report is completed every other month. He noted that there is no action to be taken; there were no unexpected names on the list.

**No action required on this item.**

- Item 9. Discussion and action regarding the purchase of fiduciary liability insurance as recommended by USI.

Robb Pridemore of USI Insurance presented; the Board received and reviewed the fiduciary liability insurance proposal.

Pridemore reviewed the proposal for the renewal of the fiduciary liability policy. The policy has a limit of 25 million dollars and is renewing January 13, 2016. USI is recommending that the Fund renew with the current carrier, the National Conference of Public Employee Retirement Systems (NCPERS); if approved this would be the Fund's third renewal with NCPERS. NCPERS specializes in the retirement system; therefore they have continuously supplied the most competitive pricing and coverage available. Pridemore noted that the premiums with NCPERS have been stable and advised that some suppliers will not provide a quote if NCPERS is offering renewal as NCPERS rates are very competitive.

Robert Ash, Pension Administrator, reviewed the limits: 15 million dollars with an excess of 10 million dollars. Ash noted that there are currently no terms available for multiyear coverage.

Karl Rimkus, Vice Chair, requested information on the necessity of the insurance. Ash responded that the insurance protects the Board as fiduciaries of the Fund. The insurance helps insulate the Fund from claims and allegations of negligence. Trustee, Presi Ortega, requested

clarification on fees. Ash advised that the deductible for the primary would be taken from the fund balance and the deductible for the excess is the primary.

**Motion made by Karl Rimkus to accept; seconded by Pat Aauto. Motion required polling:**

<b>Presi Ortega</b>	<b>aye</b>
<b>Rebecca L. Torres</b>	<b>aye</b>
<b>Pat Aauto</b>	<b>aye</b>
<b>Karl Rimkus</b>	<b>aye</b>

**Motion carried.**

Item 10. Discussion and action regarding consideration of a service award policy.

Robert Ash, Pension Administrator, presented; the Board received and reviewed the proposed service awards policy.

Ash explained that the draft policy is intended to recognize service to the Board by Trustees, employees, and ancillary individuals that have provided long term service. In the past the Board has recognized the Fund's Treasurer for their service. Ash noted that the Personnel Committee has met several times regarding the draft policy and it is the recommendation of the Board's Vice Chair, Karl Rimkus, to proceed with a recognition policy. Ash made a floor amendment as requested by the Personnel Committee to the third paragraph under Purpose of Policy to add a sentence that reads, "This policy is to recognize faithful service to the Board of Trustees as determined by the Personnel Committee and using the guidelines articulated below." Ash noted that the Personnel Committee will be administering the policy.

**Motion made by Presi Ortega to approve; seconded by Pat Aauto. Motion carried.**

Item 11. Discussion and action regarding the receipt of an investment manager report from Portfolio Advisors.

Brian Murphy, Portfolio Advisors, presented; the Board received and reviewed the investment manager report from Portfolio Advisors.

Murphy provided an overview of the firm including organization, services, and administration. The global asset management firm is based in Connecticut with offices in Hong Kong and Switzerland. The firm manages about 35 billion dollars of assets. The firm has 81 investment professionals and is employee owned. Murphy reviewed the firm's senior team and the major institutional clients.

Murphy reviewed the Fund's portfolio. In October 2012, the Fund committed 60 million dollars to two strategies, 35 million dollars to PAPEF VII and 25 million dollars to PASF II. The target exposure is about 45 percent to primaries and about 55 percent to secondaries. Murphy defined primary and secondary investments. Overall, the Fund's portfolio has gained about six million dollars with a blended net return of 17.6 percent. Portfolio Advisors expects to draw 20 percent of capital for each strategy by the end of next year. Murphy reviewed the firm's over-commitment to the strategies in order to drive down cost and increase return; the firm has invested 105 percent into the PAPEF VII, PASF II, and the successor fund PAPEF VIII.

Murphy provided an overview of PAPEF VII including diversity, top 20 companies, assets by industry and geography, the Fund's sector allocations, and the Fund's drawn capital. About 51

percent of the capital has been drawn to date; Portfolio Advisors expects another 20 percent to be drawn in the next 12 months. The net return of the strategy is 10.4 percent. Trustee, Presi Ortega, requested additional information on sector allocation. Ortega suggested rebalancing funds into the best performing sector, Venture Capital. Murphy reviewed the cyclical nature of the sector and noted that Venture Capital was the lowest returning sector in other strategies.

Murphy provided an overview of PASF II including diversity, assets by industry and geography, and the Fund's drawn capital. About 63 percent of the Fund's capital has been drawn down, of that, about 34 percent has been distributed; therefore about 30 percent of the capital is net exposed. The current return for the strategy is 42.9 percent gross and 40.5 percent net. Murphy reviewed the performance of PA secondaries by vehicles. Ortega inquired if the Fund should commit additional funds into secondaries given their success. Murphy reviewed the firm's secondary strategy and provided a peer comparison.

Murphy reviewed the Fund's commitment to a new strategy, PAPEF VIII. In October 2015 the Fund committed an additional 25 million dollars to PAPEF VIII. Murphy reviewed the allocation by sector. The Fund in November funded 25 percent of the commitment. The portfolio currently has a net return of about 20 percent.

Rene Peña, Chairman, questioned how the market outlook could affect performance. Murphy responded that Portfolio Advisors believes that the portfolio can sustain its success as they believe market prices have not peaked. The firm believes they are able to preserve capital because of their strategies, and they believe the portfolio can outperform the public markets by 300-500 basis points.

Ortega requested a comparison for standard deviation between private equity compared to domestic stocks. Murphy responded that standard deviation is distorted due to the quarterly valuations in private equity as opposed to the constant in traditional public equity. Majority of the studies indicate that the standard deviation ranges from slightly above to 50 percent greater. Murphy explained his view on the risk of impairment and loss. He stated that credit risk is comparable to a mid-cap stock portfolio.

Ortega advised that the Investment Committee discussed increasing the target allocation into private equity from 7 to 10 percent. Bill Howard of Callan Associates stated that Callan will be performing an asset liability study in 2016 and agreed that the target allocation may be increased to 10 percent. He noted that currently the Fund has invested five percent.

**No action required on this item.**

Item 12. Discussion and action regarding Fund asset rebalancing for the month of November 2015.

Robert Ash, Pension Administrator, presented; the Board received and reviewed the asset rebalancing sheet.

Ash advised that during the month of November the Fund received a capital call from Portfolio Advisors for approximately 7.2 million dollars. Administration needed to raise cash that was due prior to the November Board Meeting. Administration needs the Board to ratify that action. Ash noted that the Board had previously approved to fund Allianz.

**Motion made by Pat Aauto to approve; seconded by Presi Ortega. Motion required polling:**

<b>Presi Ortega</b>	<b>aye</b>
<b>Rebecca L. Torres</b>	<b>aye</b>
<b>Pat Aauto</b>	<b>aye</b>
<b>Karl Rimkus</b>	<b>aye</b>

**Motion carried.**

- Item 13. Discussion and action authorizing the Board Chairman or Administrator to sign the amended and restated terms and conditions for participation in the Templeton International Smaller Companies Fund.

Robert Ash, Pension Administrator, presented; the Board received and reviewed the amended and restated terms and conditions for participation in the Templeton International Smaller Companies Fund.

Ash noted that Fund participates in Templeton's small international company fund. He advised that the Fund was notified by Templeton that the firm was changing their fees. Templeton is lowering their fees by pooling certain fees to all participants in their fund. The fee restructuring will result in a 10 basis point decrease in fees for the Fund. Administration recommends that the Board approve and authorize administration to modify the Fund's current agreement with Templeton to allow for the smaller fee.

**Motion made by Presi Ortega to approve; seconded by Rebecca L. Torres. Motion required polling:**

<b>Presi Ortega</b>	<b>aye</b>
<b>Rebecca L. Torres</b>	<b>aye</b>
<b>Pat Aauto</b>	<b>aye</b>
<b>Karl Rimkus</b>	<b>aye</b>

**Motion carried.**

**The Board went into recess at 9:20 A.M.; Motion made by Pat Aauto to reconvene from recess; seconded by Rebecca L. Torres. Motion carried at 9:23 A.M.**

- Item 14. Discussion and action regarding currency training.

Bill Howard of Callan Associates introduced the presenters: Record will provide training on dynamic currency hedging; Millennium will provide training on active currency overlay. Howard reviewed the Fund's currency exposure and noted that this is the second currency training for the Board.

Rene Peña, Chairman, requested an outlook on the dollar. Howard responded that the US dollar has generally appreciated about 18 percent for the last three quarters on a year over year basis. The dollar would be further strengthened if the Fed were to raise rates.

Aaron Cantrell and James Wood-Collins of Record Currency Management presented; The Board received and reviewed the dynamic currency hedging training booklet.

Cantrell provided a review of the firm, market risk, and passive currency hedging.

Wood-Collins reviewed dynamic hedging management styles; provided a comparison of passive versus dynamic hedging; and reviewed Record's dynamic hedging strategy and firm performance. Howard commented on average monthly liquidity. The Board discussed fees and goal.

**The Board went into recess at 10:28 A.M.; Motion made by Presi Ortega to reconvene from recess; seconded by Karl Rimkus. Motion carried at 10:33 A.M.**

Richard Benson of Millennium Global presented; the Board received and reviewed the active currency overlay training booklet. Benson noted that 60 percent of exchange transactions take place in London.

Benson provided an outlook for the dollar. He believes that the currency markets are in a dollar cycle; therefore the dollar will continue to strengthen.

Benson reviewed asset allocation including typical portfolio allocation and the characteristics of traditional asset classes and of currency markets. The Board discussed allocation including domestic and emerging markets. Benson listed examples.

Benson discussed risk including: currency risk in international asset performance, active currency overlay shifts, and skewedness of returns by risk management. Benson provided a comparison of active currency versus dynamic hedging and a comparison with international equities. Benson noted that the current divergence has not been seen in 20 years.

Benson reviewed Millennium's global active currency strategy and performance including account structure and historical return. The Board discussed strategy, fees, and goals including custodial bank fees. Benson provided case examples.

**No action required on this item.**

Item 15. Discussion and action regarding a report from Callan Associates.

Bill Howard of Callan Associates presented; the Board received and reviewed the monthly "flash" report for the period ended October 31, 2015, third quarter performance review, and the quarterly portfolio report.

Howard reviewed market performance. In the third quarter global growth slowed, particularly in China; there was a spike in volatility and a flight to "quality" as risk assets sold off as well as commodities, particularly in August and September. Europe, Japan, and China are all pursuing easy monetary policies to try to ward off deflation and spur their economies. The US has held off on raising rates because of the global slowdown and low inflation. However, the Fed is likely to raise rates in December given the recent positive job report. The core CPI was up 1.9 percent.

Howard reviewed the assets class performance for the period ended September 30<sup>th</sup>; part of the market that faired the best was the US market which was down seven percent; emerging markets, which were impacted by China, fell about 18 percent; MLPs were down 24 percent; fixed income was positive 1.2 percent. Over the last three years, US equities are up about 13 percent; international developed are positive; emerging and MLPs are negative; fixed income is positive. Howard advised that currency has had a big impact on international equity returns.



The dollar has strengthened significantly over the last three years. Howard reviewed the impact of the strengthening dollar.

Howard reviewed the market performance to date. The markets rebounded in October. Year to date compared to the last three quarters, the Russell 3000 is positive 0.8 percent; EAFE is positive 0.1 percent; emerging markets are negative 11.7 percent; MLPs are down 32.9 percent; and the BC Aggregate is up 0.7 percent. Howard provided an outlook for the price of oil. He noted that there is a high correlation between MLPs and the price of oil and reviewed market volatility.

Howard reviewed the portfolio performance for the third quarter including the quarterly total fund relative attribution. For the quarter the total fund was down 5.9 percent; the target return was down 4.9 percent. The manager effect was negative by one percent, concentrated in three areas: domestic equity, fixed income, and MLPs. Fixed income underperformed largely because of Franklin Templeton's global bond portfolio which represents 25 percent of the fixed income portfolio. Franklin Templeton for the quarter and the year had large exposure to foreign currencies. Howard noted that the Templeton portfolio is very volatile over short periods but has performed well over longer periods. MLPs underperformed their index. For the year total fund was down two percent, slightly behind the target which was down 1.8 percent. The manager effect was negative for the year due to the Templeton global bond portfolio. Howard noted that Templeton has rebounded in October. Howard reviewed the performance for real estate. The asset allocation effect was positive for the year. Howard reviewed the history of returns relative to target beginning the last quarter in 2005 to date.

Howard provided a peer comparison through Callan's Public Fund Database that includes clients and non-clients. The Fund is in the 86<sup>th</sup> percentile for the year. The median fund was down 52 basis points. However for the last three and five years the Fund is above median and in the top quartile for seven, 10, and 15 years. Trustees discussed performance, return, and the asset allocation including the absolute return strategy. Robert Ash, Pension Administrator, requested an attribution study from inception of Callan regarding declining peer rankings.

Howard reviewed the monthly "flash" report for the period ended October 31, 2015. Howard noted that all the returns shown are net of fees.

Howard reviewed the performance of the Fund's domestic equity active managers. The Mellon dynamic US equity, formerly called tangent added, produced a return of about 10 percent in October which was about 140 basis points ahead of the S&P 500; they remain ahead for the year by about 80 basis points. Mellon does not have a three year record. Vulcan, the US all cap manager, has a value approach to investing; they were behind 70 basis points in October and down four percent for the year. Vulcan does not have a three year record. Boston Partners is the Fund's longest tenured manager; they have struggled as their value approach has been challenged. Boston Partners was down 60 basis points for the month, down about 3.7 percent for the year, and behind by 25 basis points for the last five years. Callan will be reviewing the Fund's domestic equity portfolio, closely reviewing Boston Partners. Wedge, the small cap value manager, is ahead of the broad Russell 2000 by about 175 basis points for the month and ahead by about 300 basis points for the last year and three years. Riverbridge, the small cap growth manager, was flat for the month but is ahead of the index by over 200 basis points for the last year.

Howard reviewed the performance of the Fund's international equity active managers. Howard noted that Denver is on watch for performance and the Investment Committee reviewed the firm in depth. Denver has about two years with the Fund, but they are down about 11 percent

versus the index. Denver outperformed their benchmark by about 120 basis points for the last two months. Franklin Templeton, an international small cap manager, underperformed for the month but was over 230 basis points ahead of the index for the last year. Lazard has been the Fund's best performing manager in international equity, but they have had a difficult month and year; for the last year they were behind the benchmark by 85 basis points. Lazard does not have three years with the Fund. Touchstone, an emerging markets manager, is on watch; they were about 260 basis points behind the index for October and about 300 basis points for the last year. AQR, an emerging markets manager, was in line with the index for the month and behind about 140 basis points for the last year. Howard stated that an increase in rates by the Fed should positively affect performance as the managers in the Fund's portfolio typically purchase higher quality companies.

Howard reviewed the performance of the Fund's fixed income and real estate active managers. The Janus Core Plus portfolio represents 50 percent of the assets in fixed income; they outperformed the index for the month. Janus was behind the index for the last year but ahead of the index for the last three years by 44 basis points. Franklin Templeton, a global bond manager, was up 300 basis points for the month of October, behind for the year, and ahead of the index by about 250 basis points for the last three years. REIT's rallied for the month of October. However, the Invesco REIT portfolio underperformed the index for October and was behind the index by about 50 basis over the last five years. Principal, a global REIT manager, is the Fund's newest manager. Principal outperformed the index in the past two months.

Howard reviewed the performance of the Fund's MLP active manager, Salient. Salient outperformed the index for the month and was ahead of the index for the last year by about 1.2 percent.

The total fund rebounded in October, up almost 4.5 percent. The last five years were positive but trailed the index.

**Motion made by Presi Ortega to accept the report by Callan; seconded by Rebecca L. Torres. Motion carried.**

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

Robert Ash, Pension Administrator, reported on the following:

- Audit Committee will meet with the auditor, immediately following the Board Meeting.
- The actuary review is going to begin pending receipt of data from the actuary. Ash noted that the interim actuary evaluation may trail the audit by one month.
- The Personnel Committee has met to review the holiday hours; the Committee agreed to follow the City's holiday schedule.
- The Board received an update on the educational training credit hours, which will be updated with the time for the currency training received today.
- Board Meetings are completely transitioning to BoardPaq in January; paper packets will not be provided to the Board. BoardPaq has the option to print if Trustees are interested in printing information.
- Four new computers and a printer have been purchased for the office using direct brokerage funds. The computers were outdated and did not support new technology. Some tablets may be purchased for committee meetings.

**No action required on this item.**

- Item 17. Discussion and action regarding the following Committee reports/assignments:
- A. Actuary Committee – Committee did not meet.
  - B. Ad-Hoc Facilities Committee – Will be discussed in executive session.
  - C. Audit Committee – Committee will meet immediately following the Board Meeting.
  - D. Investment Committee – Committee did meet.

Presi Ortega read the Investment Committee minutes:

The Investment Committee met on November 17, 2015. The Committee received the monthly “flash” report for the month of October 2015 and the quarterly investment performance report for the period ended September 30, 2015. The Committee also received a report from Callan Associates analyzing the portfolio characteristics of Denver Investment Advisors. Denver is on “watch” status for performance. After considerable discussion no action was recommended. It was noted that Denver Investment Advisors is scheduled to report to the investment Committee next month.

The Committee then received an annual investment performance report from Portfolio Advisors. The Committee asked questions regarding the portfolio. The Committee also asked about the pacing of investments. No major exceptions were noted in their report. The Committee also reviewed the absolute return asset class. Callan provided a search report for an additional absolute return investment manager. The Committee discussed the report with Callan. The Committee recommended three firms who will be invited to present their investment products at a future meeting of the Investment Committee.

Finally, the Committee discussed and reviewed the asset rebalancing which took place during the previous month. The Committee noted a large call down by Portfolio Advisors during the month. The Committee recommends ratifying the actions to rebalance the assets to accommodate the large call down by Portfolio Advisors.

The next scheduled meeting of the Investment Committee will be held on December 16, 2015 at 1 PM.

**No action required on this item.**

- E. Personnel Committee – Committee did meet.

Pat Aduato read the Personnel Committee minutes:

The Personnel Committee met on November 12, 2015. The Committee discussed different types of service awards and reviewed different designs for service by employees’ and Board Members. In addition the Committee reviewed a draft policy concerning service awards and recommended its approval with a slight amendment.

The Committee also discussed a proposal for a salary survey for all the jobs except the Administrator/Legal Advisor. The current survey used by the Committee was based upon a TEXPERS survey. TEXPERS could not advise when the next salary survey would be completed. The cost of the proposed study is \$4,500.00 and will take approximately two months to complete. The Committee recommended that the study be completed and directed the Administrator to enter into an agreement with Segal Waters Consulting to conduct the study. Rene Peña questioned the relevance of the study to El Paso wages. Ash advised that the Personnel Committee discussed the issue and the consultant will provide new brackets for exact positions within public funds.

The Committee also reviewed the proposed work hours for the upcoming holidays. The Committee recommended approval of the schedule as proposed by the City. The Committee also discussed circumstances when an employee may request a modification of work tasks. The Committee will discuss this item with the input from the Fund's legal counsel at a later date.

Finally, the Committee reviewed the annual performance evaluation of the Fund's Benefit/Budget Specialist. The Committee reviewed the evaluation, asked the Administrator questions, and recommended approval of the evaluation. Adauto noted that the item is on the November Board Agenda in Executive Session.

The Personnel Committee will be meeting in December at a date and time to be determined.

**No action required on this item.**

F. Retiree Committee – Committee did not meet

Item 18. For Notation:

A. Directed brokerage credit balance for month ended September 30, 2015: \$135,868.83

B. Refund of Contributions:

	NAME	DEPARTMENT	TOTAL REFUND	
1	Aguirre, Leonardo	Streets & Maintenance	\$33,359.33	*
2	Alba, Lorenzo	Streets & Maintenance	\$30,608.71	
3	Bunner, Michael	Mass Transit	\$6,293.25	
4	Carrillo, Sabrina	International Bridges	\$7,186.46	
5	Cisneros, Alba	Fire	\$8,615.79	
6	Conley, Robert	Mass Transit	\$8,032.91	
7	Correa, Alejandro	Mass Transit	\$3,856.06	
8	Diamond, Benjamin	EPWU	\$2,985.92	
9	Diaz, Hector	EPWU	\$14,412.68	
10	Gitautis, Melissa	Zoo	\$5,168.81	
11	Gamez, Jesus F.	Environmental Services	\$16,053.94	
12	Gonzalez, Alisa	Library	\$6,724.25	
13	Jordan, Iris	Health	\$797.68	
14	Lax, Lela	Zoo	\$20,255.72	
15	Martinez, Antonio	Health	\$6,229.36	
16	Monserrat, Patricia	Comptrollers	\$6,598.31	
17	Montana, Tawnya	International Bridges	\$3,491.08	
18	Montes, Lorena	Environmental Services	\$11,758.60	
19	Petry, Darrel G.	Police	\$21,903.46	
20	Quesada, Lorena	Health	\$17,922.64	
21	Ramirez, John	EPWU	\$2,592.73	
22	Rodriguez, Rosa	Environmental Services	\$1,004.87	
23	Rojas, Luz M.	Environmental Services	\$6,859.78	

24	Ruiz, Maria E.	EPWU	\$1,013.81
25	Sanchez, Ana	Police	\$299.65
26	Sanchez-Aguilar, Jose H.	Environmental Services	\$9,238.02
27	Selby, Josefina G.	Health	\$2,844.30
28	Trujillo, Paulo	Zoo	\$10,685.51
			<b>\$266,793.63</b>

\* 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, 551.072 and 551.074; seconded by Rebecca L. Torres. Motion carried at 11:19 A.M.**

**Motion made by Rebecca L. Torres to reconvene from Executive Session; seconded by Karl Rimkus. Motion carried at 11:42 A.M.**

Item 19. 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 551.074** Discussion and action regarding the annual performance evaluation of the Fund's Benefit/Budget Specialist.

**Motion made by Karl Rimkus to approve the evaluation of the Fund's Benefit/Budget Specialist; seconded by Presi Ortega. Motion carried.**

B. **Sections 551.071** - Claim# 001-2015 – Cynthia Osborn

**Motion made by Karl Rimkus to approve a settlement with Cynthia Osborn as recommended by legal counsel; seconded by Presi Ortega. Motion required polling:**

<b>Presi Ortega</b>	<b>aye</b>
<b>Rebecca L. Torres</b>	<b>aye</b>
<b>Pat Aauto</b>	<b>aye</b>
<b>Karl Rimkus</b>	<b>aye</b>

**Motion carried.**

C. **Sections 551.071 and 551.072** - Discussion and action regarding real property.

**Motion made by Karl Rimkus to direct the Ad-Hoc Committee and staff to provide a solicitation for request for proposals regarding real property; seconded by Rebecca L. Torres. Motion carried.**

Item 20. Adjournment

**Motion made by Presi Ortega to adjourn the El Paso City Employee's Pension Fund Board meeting on November 18, 2015; seconded by Karl Rimkus. Motion carried @ 11:43 A.M.**