

**THE EL PASO CITY EMPLOYEES' PENSION FUND
BOARD MINUTES FOR THE REGULAR MEETING
HELD WEDNESDAY, OCTOBER 18, 2017 AT 8:30 A.M.
CITY HALL, CITY COUNCIL CHAMBERS, 300 N. CAMPBELL**

Members in Attendance:

Karl C. Rimkus, Chairman
Rene Peña, Vice Chairman
Rebecca L. Torres
Jesus E. Garcia II
Ed Archuleta
Robert C. Studer

Members Absent:

Presi Ortega

Others in Attendance:

Eduardo Miranda, Attorney
Luis Mier, Treasury Services Coordinator 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
Esmeralda Aguirre, Benefits Technician
Paul Erlendson, Callan Associates
Enrique Martinez, City's DoIT Director
Richard Campos, City's DoIT Enterprise Applications Administrator
Edward Ozogar, City's DoIT Project Manager
Stephan Schmitz, Construction Consultant
Rudy Sambrano
Richard Sambrano
Alberto Fuentes
Elizabeth Fuentes
Christina Stokes, City's MPO
Ray Sanchez, Ghostlight
David Hicks, Salient Capital
Parag Sanghani, Salient Capital
Joseph Miletich, Mellon Capital

- Item 1. David Garcia, Payroll/Accounts Payable Specialist, called the meeting to order at 8:36 A.M. Garcia noted the Members in attendance.

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

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 September 20, 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	Armas, Gustavo	Streets	30 years 00 months
2	Gadson, Timothy	Airport	18 years 07 months *
3	Gutierrez, Jesus A.	EPWU	26 years 09 months
4	Hernandez, Rene	EPWU	39 years 03 months
5	Medina, Ricardo	Mass Transit	23 years 06 months
6	Momsen, Richarda	City Clerk	30 years 00 months
7	Reyes, Maria M.	Health	24 years 05 months
8	Rodriguez, Ignacio	SAM	14 years 04 months *
9	Williams, Jerome	Mass Transit	22 years 08 months *
B.	Early:		
1	Borja, Patricia	Mass Transit	07 years 00 months
2	Ortega Jr., Benito	Mass Transit	20 years 10 months
3	Shinaut, Jack	Mass Transit	17 years 07 months *
C.	Deferred:		
1	Salas, Teresa	Police	25 years 11 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. Ruiz, Aurora survivor of Ernesto R. Ruiz, 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 LP	Investment Fees	Mo. Ended 09/30/17	\$19,436.00	**
B.	AQR Style Premia Fund LP	Investment Fees	Mo. Ended 09/30/17	\$23,571.00	**
C.	Eduardo Miranda	Legal Fees	Mo. Ended 09/30/17	\$275.00	
D.	Callan LLC	Investment Fees	Qtr. Ended 09/30/17	\$71,326.29	
E.	Invesco Trust	Investment Fees	Qtr. Ended 09/30/17	\$25,329.99	**

F. Salient Capital Advisors LLC	Investment Fees	Qtr. Ended 09/30/17	\$69,674.07
G. Vulcan Value Partners LLC	Investment Fees	Qtr. Ended 09/30/17	\$62,526.85

- * To be paid by Directed Brokerage credits.
- ** For Notation Only – to be withdrawn from the commingled account.
- *** Performance based fee.

- Item 6. 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

Motion made by Ed Archuleta to accept the Consent Agenda and move Item 6 to the Regular Agenda; seconded by Rebecca L. Torres. The motion required polling:

Rebecca L. Torres	aye
Jesus E. Garcia II	aye
Ed Archuleta	aye
Robert C. Studer	aye
Rene Pena	aye

Motion carried.

REGULAR AGENDA

- Item 6. 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, reviewed the committee assignments. Rimkus revised the assignments for the Investment Committee. Rimkus removed himself from the Committee, assigned Jesus E. Garcia II as alternate and changed Rene Peña’s assignment from Alternate to Member of the Investment Committee. The Investment Committee assignments are as follows: Presi Ortega (Chairperson), Robert Studer, Rene Peña and Alternate: Jesus E. Garcia II.

Rimkus welcomed Garcia to the Pension Board. Garcia was appointed to fill the unexpired term of Employee Representative, Christina Stokes, on the Board of Trustees. This is Garcia’s first Board Meeting.

Motion made by Jesus E. Garcia II to accept the committee assignments and reports; seconded by Robert C. Studer. Motion carried.

- Item 7. Discussion and action regarding the presentation of a Board Service Award.

Karl Rimkus, Chairman, presented the Board Service Award to Christina Stokes in appreciation of her years of dedicated service as Chair of the Administrative Services Committee and as a member of the Board of Trustees of the El Paso City Employees' Pension Fund.

Stokes accepted the award and thanked the Board.

No action was taken on this item.

Item 8. Discussion and action regarding the election of Board Officers. *(Postponed from September.)*

Robert Ash, Pension Administrator, advised that by ordinance there are two elected officers of the Board, Chairman and Vice Chairman. Ash noted that there are two other officers, Treasurer and Secretary. The Treasurer is the Comptroller for the City, and the Board Secretary is the Pension Administrator. The Treasurer and Secretary are non-voting officers.

Pursuant to the established policy, the Board accepted nominations for Chairman and Vice Chairman to serve for a one-year period. Elections are held annually in September, amended by the Board as necessary.

Rebecca L. Torres nominated Karl C. Rimkus for Chairman. Motion carried by acclamation. No other nomination for Chairman was made.

Ed Archuleta nominated Rene Peña for Vice Chairman. Motion carried by acclamation. No other nomination for Vice Chairman was made.

Item 9. Discussion and action regarding the untimely retirement application of Alberto Fuentes.

Robert Ash, Pension Administrator, advised that former City Employee, Alberto Fuentes, is requesting to submit an untimely retirement application. The Board received and reviewed a letter of explanation from Fuentes and termination notices previously submitted to Fuentes by the City. Ash noted that an application for Regular Retirement must be made within 30 days from termination. Fuentes had exceeded that deadline. The Board discussed the necessity of the deadline.

Fuentes and his spouse, Elizabeth Fuentes, discussed the circumstances regarding Fuentes' termination and responded to questions from the Board. The Board discussed the City's termination notice process. Eduardo Miranda, Attorney, advised that the City ordinance requires a finding of "good cause" by the Board in order to allow an untimely retirement application. Miranda read an excerpt from Chapter 2.64.200 of the City ordinance, "The term 'good cause' shall mean that the failure of the applicant to timely file such application was the result of circumstances beyond the applicants control rather than intentional, or the result of conscious indifference."

Motion made by Ed Archuleta to allow Alberto Fuentes to file an untimely non-disability retirement application based upon a finding of good cause being circumstances that prevented Mr. Fuentes from filing timely; seconded by Rene Peña. The motion required polling:

Rebecca L. Torres	aye
Jesus E. Garcia II	aye
Ed Archuleta	aye
Robert C. Studer	aye

Rene Pena

aye

Motion carried.

- Item 10. Discussion and action regarding the Treasurer's Report for the month ended September 30, 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 September 30, 2017.

Mier reviewed the statement of net assets available for benefits. The unaudited totals in the statement are for the month ended September 30, 2017. Mier reviewed assets. Cash and investments have increased by about 8.7 million dollars. Unrestricted receivables decreased by approximately 111 thousand dollars. Mier reviewed the Fund's liabilities. Total liabilities increased by approximately 460 thousand dollars. Mier noted that the amount due for securities purchased increased by about 833 thousand dollars. The total net assets available for benefits increased by approximately 8.1 million dollars.

Mier reviewed the statement of changes in net assets available for benefits. The unaudited totals reflect the month ended September 30, 2017. The net change in fair value of investments increased for the month of September by about 8.7 million dollars. Mier reviewed additions. Contributions for the month were about 3.7 million dollars. Interest and dividends were about 602 thousand dollars. Mier reviewed deductions. Benefits paid to retirees totaled approximately 4.8 million dollars.

Mier noted that the totals, in the quarterly and monthly statement of changes in net assets available for benefits, match as September is the first month in the new fiscal year

Mier reviewed the investment income analysis. The year-to-date net investment return is 1.21 percent. Mier noted that the target rate of return is 7.5 percent. The Board discussed the return for the previous fiscal year.

Motion made by Rene Peña to accept the Treasurer's Report; seconded by Jesus E. Garcia II. Motion carried.

- Item 11. 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 interface file review between ADP and PTG is in progress regarding data import/export, transactions related to Pension hires and terminations from the ADP system. Campos noted that ADP canceled a morning meeting.
2. Periodic processing has been completed for March; April processing is in progress.
3. PTG requested data from the previous system, PERMIS. DoIT is reviewing the system to determine data extraction.

Robert Ash, Pension Administrator, expressed his concern with the delay in periodic processing advising that the data is necessary for migration with PTG. Campos noted the issues that cause a delay and advised of a target completion date of either December or January.

Ash discussed the progress of the steering committee and PTG and noted the continuing communication issues with ADP. ADP has failed to provide PTG with the file formats/layouts that are necessary for data transfer. Karl Rimkus, Chairman, requested assurance from the City that the new system would not be launched prior to integration with the Pension module. Enrique Martinez, City's DoIT Director, advised that parallel testing must be successful in every module prior to the launch. Trustee, Robert Studer, commented on the necessity for final approval from Pension prior to the launch of the new system. In response to concern from the Board, Martinez advised that the current system will remain active through December for retiree payments. Enrique noted that there is not a set launch date.

No action was taken on this item.

- Item 12. Discussion and action regarding the receipt of a presentation from Ghostlight Creative regarding the rebranding of the Fund (Ray Sanchez, Ghostlight.)

Karl Rimkus, Board Chairman, and Robert Ash, Pension Administrator, reviewed the progress of the rebranding. As approved by the Board, Pension Administration hired local design firm, Ghostlight Creative, for the rebranding of the Fund.

Ray Sanchez of Ghostlight presented the proposed name change, City Employees' Retirement Trust, (*subline*) El Paso, Texas. Rimkus reviewed the collaborative efforts between the firm and the Fund. Ash reviewed the due diligence of the firm noting the data collection that influenced the direction of the name change. Discussion ensued. The Board Members discussed their preferences. Board Members suggested removing the proposed subline and requested that "El Paso" be included in the name. Rimkus suggested: City of El Paso Employees' Retirement Trust. Trustee, Robert Studer suggested: El Paso, City Employees' Retirement Trust, noting that the acronym would still include C.E.R.T. as preferred by the Board. Trustee, Rebecca Torres and Vice Chairman, Rene Peña, concurred with Studer and stated their preference for "El Paso" to precede "City". Peña discussed the possible cost impact. Ash noted the opportune time for the name change with the necessity of new stationery and signage for the new facility. Ash advised that the name change would require an ordinance revision; therefore, it must be approved by the City. Rimkus advised that if the Board approves the name change today, Ghostlight can move forward with creating a slogan and logo.

Motion made by Jesus E Garcia II to recommend the name change, to include in the ordinance, as El Paso, City Employees' Retirement Trust; seconded by Rene Peña. Motion carried.

When prompted by Ash, Sanchez confirmed that Ghostlight would proceed with the amended name.

- Item 13. Discussion and action regarding meeting procedures.

Karl Rimkus, Chairman, noted that City Council and some committees recite the Pledge of Allegiance at the start of each meeting. Rimkus requested that the Trustees comment on that procedure. Trustee, Ed Archuleta, requested that a moment of prayer be observed prior to the Pledge of Allegiance. Eduardo Archuleta, Attorney, recommended that the motion specify a moment of silence. Robert Studer, Trustee, commented on the present length of the Board meetings.

Motion made by Ed Archuleta for a moment of silence followed by the Pledge of Allegiance to open the Board meetings; seconded by Rene Peña. Robert Studer opposed the motion. Motion carried.

- Item 14. Discussion and action regarding a proposed change in the Fund's Personnel Rules regarding the evaluation process for Fund's employees.

Karl Rimkus, Chairman, commented on the Board oversight of personnel evaluations. Rimkus suggested that the Pension Administrator should have the authority to approve of the staff performance evaluations. Robert Ash, Pension Administrator, reviewed the proposed revision to the Fund's Personnel Rules. Ash noted that the evaluations of the Pension Administrator and the Deputy Pension Administrator would continue to be reviewed by the Board. Ash reviewed the appeals process. Discussion ensued. Board Members expressed their agreement with the proposed change. Trustee, Ed Archuleta, suggested that the position of Pension Administrator be changed to Executive Director. Rimkus advised that the Fund's Administrative Services Committee will review job descriptions and succession planning. Ash advised that the title change may require an ordinance revision.

Motion made by Rene Peña to accept the recommendation to revise the Fund's Personnel Rules as provided in the back-up; seconded by Rebecca L. Torres. Motion carried.

- Item 15. Discussion and action regarding the proposed ordinance revision regarding Board committees.

Karl Rimkus, Board Chairman, reviewed the proposed ordinance revision (1 & 2) regarding committee membership. Eduardo Miranda, Attorney, advised that the proposed language allows for the creation of committees that may include non-Board members for the sole function of providing advice; those members will be non-voting. Rimkus read the proposed language (2), "The Board shall have the authority to establish committees whose sole function shall be to advise the Board on matters delegated to it by the Board. Such committee may be comprised of non-Board members." Miranda advised that the language (2) as proposed is consistent with the current wording of the City code. Miranda noted that any change to the basic delegation of authority will require a City ordinance. Miranda furthered that by allowing non-Board members, the Board will potentially create transparency and accountability issues with respect to those non-Board members.

Discussion ensued. Rimkus noted that the El Paso County Historical Commission appoints non-members to the committee. Trustee, Robert Studer, noted that the Fund's committees can presently invite non-members to advise the committee. Trustee, Ed Archuleta, stated that he disagrees with appointing non-members to committees. Archuleta proposed that the Board Chairman not Chair any committee and that committee decisions be deliberated by the Board when presented. Additionally, Archuleta suggested conducting committee meetings by phone or Skype in order to improve attendance. Archuleta advised that after further review of the Public Information and Meetings Act, he noticed that entities in Texas have conducted meetings by Skype. Studer concurred with Archuleta's suggestions and furthered that he does not support appointing non-members to the Fund's committees. Studer noted that non-members have not taken the Oath nor completed training. Rimkus suggested that the Board may establish training requirements for non-members. Trustee, Rebecca Torres, agreed that the Board must establish minimum qualifications for possible non-member committee appointments.

Robert Ash, Pension Administrator, advised that if the Board moves forward with the proposed language (2), Pension Administration should draft the policy procedures prior to approval that would establish the internal operations. Ash suggested that the Board delegate the review of the

draft procedures to the Fund's Administrative Services Committee. Rimkus suggested the Board hold a Special Board Meeting for further discussion.

Motion made by Ed Archuleta to adopt, in principle, number 2 of the back-up for Item 15; seconded by Rene Peña. Robert Studer opposed the motion. Motion carried.

- Item 16. Discussion and action regarding the receipt of an investment manager report from Mellon Capital (Joseph Miletich, Mellon Capital.)

Joseph Miletich, Mellon Capital, presented; the Board received and reviewed an investment manager report from Mellon Capital. (In this item, the firm will be referred to as Mellon.)

Miletich provided an overview of Fund's portfolio. The Fund has invested about 217 million dollars, distributed over four portfolios: three index funds and one actively managed strategy.

Miletich reviewed the performance of the three index funds including performance, the EB DV Stock Index Fund, the EB DV International Stock Index Fund and the EB Aggregate Bond Index Fund. Miletich noted that the firm intends to capture what the index provides noting that the returns should closely mirror or exceed the index fund. Miletich noted that the deviation from the international stock index fund is attributed to the foreign tax withholding assumption.

Miletich reviewed the performance of the BNY Mellon MCM Dynamic U.S. Equity Fund. Over the past three years, the strategy has outperformed the index by about 3.27 percent gross of fees. Miletich discussed the expected return in the S&P 500 index. The firm expects 7.5 to 7.6 percent return from the index over the next ten years. Miletich noted the firm's investment strategy.

Vice Chairman, Rene Peña, requested a market projection for the year. The firm expects to make 7.0 to 9.0 percent from the stock market. Miletich noted the geopolitical factors that may negatively impact the market.

No action was taken on this item.

- Item 17. Discussion and action regarding the receipt of an investment manager report from Salient Capital (David Hicks and Parag Sanghani, Salient Capital.)

David Hicks, Director of Institutional Investments of Salient, and Parag Sanghani, Portfolio Manager and Partner of Salient, presented; the Board received and reviewed an investment manager report from Salient Capital. (In this item, the firm will be referred to as Salient.)

Hicks provided an overview of the firm and the MLP team. The firm was founded in 2002 and has approximately 10 billion dollars under management. The MLP complex was founded in 2006 and has about five billion dollars under management. Hicks noted that there were no changes to the MLP team in the past year. Hicks reviewed the investment guidelines. The product is a Master Limited Partnerships (MLP), Hicks defined MLPs as midstream energy such as pipelines.

Hicks reviewed performance. The benchmark is the S&P MLP Index. The portfolio has outperformed the benchmark with the exception of recent underperformance.

Parag reviewed style allocation (core, growth and value) and the performance of the top 10 holdings in the portfolio. Rene Peña, Vice Chairman, requested a market projection for MLPs.

Parag responded that the absolute valuations are below average. Longer term, the firm expects normalization to occur. Parag reviewed the historical yield spreads and returns over the past 11 years.

No action was taken on this item.

Item 18. Discussion and action regarding asset rebalancing to raise cash and fund Invesco.

Paul Erlendson of Callan presented; the Board received and reviewed the rebalancing sheet. Erlendson advised that Bill Howard is leaving the firm. Erlendson will report to the Board in his place.

Erlendson reviewed the proposed rebalancing noting that the proposed activity is aligned with the Fund's strategic allocation policy. Erlendson advised that rebalancing is necessary to fund the new absolute return manager, Invesco; 15 million dollars will be allocated to Invesco, which will be funded from two sources: domestic and international equities.

Motion made by Rene Peña to authorize the transition of assets and authorize the Administrator and the investment consultant to transition those assets to Invesco and the cash account; seconded by Robert C. Studer. The motion required polling:

Rebecca L. Torres	aye
Jesus E. Garcia II	aye
Ed Archuleta	aye
Robert C. Studer	aye
Rene Pena	aye

Motion carried.

Item 19. Discussion and action regarding a report from Callan Associates (Paul Erlendson, Callan.)

Paul Erlendson of Callan presented; the Board received and reviewed the monthly "flash" report for the period ended September 30, 2017, and the table of investment returns.

Erlendson reviewed the table of investment returns. The table displays eight asset classes that are represented by market indexes and provides the annual returns from 2014 to 2016, the monthly returns for the calendar year and year-to-date returns through the end of September. Erlendson explained the mitigated risk in diversification and adhering to the allocation policy.

Erlendson reviewed the monthly "flash" report for the period ended September 30, 2017. All the figures in the report are net of investment management fees. Erlendson reviewed actual and target asset allocation.

Erlendson noted the Fund's return assumption of 7.5 percent. Erlendson reviewed a survey performed by Callan client, Alaska Retirement Management Board. The survey reviewed the return assumptions of about 170 public pension plans nationwide beginning in 2001. Erlendson reviewed the decreasing trends in the expected return assumption and historical returns. Erlendson advised that Callan believes the Fund's return assumption is achievable over the long term.

Erlendson reviewed the performance of the active managers. Erlendson reviewed the performance of Mellon Capital highlighting the outperformance of the Mellon Dynamic US

Equity portfolio. Erlendson reviewed fixed income. The largest allocation in fixed income is to the Janus Core Plus portfolio. Erlendson noted that Janus' head of domestic fixed income has left and will be replaced on November 1st; that individual does not have a direct impact on the investment results of the strategy. Erlendson reviewed international equity. Lazard International Equity is on "watch." Erlendson noted the firm's recent trend of underperformance. Erlendson reviewed the total fund excess return and contributing factors. Real estate had below benchmark return in part due to the conservative management by UBS.

Erlendson advised that Callan client conference is scheduled for January 29 - January 31, 2018, in San Francisco. Erlendson noted the speakers and topics.

In response to Trustee Robert Studer, Robert Ash, Pension Administrator, advised that Portfolio Advisors will be presenting to the Board and the Investment Committee in November; additionally, manager on "watch" Lazard will present to the Investment Committee in November. Ash and Karl Rimkus, Board Chairman, thanked Bill Howard for his service to the Fund.

No action was taken on this item.

- Item 20. Discussion and action regarding a report from the Fund's construction consultant (Stephan Schmitz.)

Karl Rimkus, Chairman, advised that Stephan Schmitz is the Fund's construction consultant. Schmitz is advising the Fund during the current construction phase and assisted with the design phase of the new facility. Schmitz will report to the Board monthly for the duration of the construction. Rimkus noted that Schmitz provides a weekly report to the Pension Administrator and Board Chairman.

The Fund's construction consultant, Stephan Schmitz, reviewed the construction progress. Schmitz listed the status for pending items:

1. The City released the grating permit on September 19th. The contractor began grating on September 23rd.
2. Schmitz inspected the worksite on October 4th; the building pad excavation was complete and the eight-inch lifts were in process. The back-fill of the building pad was completed on October 6th. A six-foot fence is surrounding the property and there is an office trailer on site.
3. On October 5th, the building permit was approved, which initiates the construction timeline. The contractor has 210 days for completion. Therefore, the completion date is May 3, 2018.
4. On October 11th, the building pad fill, compaction and testing was completed. Site grating and removal of site dirt was in progress. Schmitz noted the vast amount of excess dirt on the site.
5. On October 17th, Schmitz met with the superintendent, Steve Michel and the architect, Steve Franco. Schmitz discussed raising the building pad by a foot to address a drainage concern. Schmitz noted that there is not enough dirt on site to raise the grade. Franco will discuss the drainage concern with the engineer.
6. The concrete subcontractor that was scheduled to begin on October 16th is no longer on the project. The contractor is in the process of interviewing the other two concrete subcontractors that bid on the project. Schmitz discussed the limited availability of subcontractors due to a "construction boom" in El Paso.
7. Schmitz advised that the contractor has not provided a construction schedule. Schmitz noted that the requisite for a construction schedule is included in the specifications as

provided by the architect in the job manual. Robert Ash, Pension Administrator, advised that Pension Administration has submitted a letter to the contractor and will continue to request the schedule until received. Schmitz noted that he initially requested the schedule on August 24th.

No action was taken on this item.

- Item 21. Discussion and action regarding public fund statistics as presented by the State Pension Review Board (Rene Peña, Board Vice Chairman.)

Rene Peña, Board Vice Chairman, presented; the Board received and reviewed the public fund statistics.

Peña noted that the matric is provided by the State Pension Review Board (PRB). The PRB is the state oversight agency. Robert Ash, Pension Administrator, advised that the interim report was commissioned by the actuary committee of the PRB. Peña reviewed the amortization periods and discount rates of the Fund and of other public funds in the state. Peña requested that the Board review the complete actuarial report.

No action was taken on this item.

- Item 22. Discussion and action regarding a report from the Pension Administrator.

Robert Ash, Pension Administrator, reported on the following:

- Ash reviewed holiday hours. The City will be closing the last week of the month in December. Employees are asked to take SPD, Vacation or Leave Without Pay. Ash recommended that the Board move the December Board Meeting from December 20th to December 13th. Ash noted that the Investment Committee Meeting would be moved to December 12th. Employees will be working eight hour days during the week of Thanksgiving; Pension will still have coverage from 7:00 A.M. to 6:00 P.M.
- The City will potentially adopt a Monday thru Friday schedule in 2018. Ash advised that Pension employees have requested to work a “4x10” schedule Monday thru Friday; the Administrative Services Committee has reviewed that request. That schedule will begin after the first of the year and will be adjusted as necessary.
- PTG is making progress; some functions available now have improved the Fund’s efficiency. Pending the completion of periodic processing, additional functions will improve the efficiency of producing refunds.
- Auditors will be in the Pension Office for about two weeks beginning October 30th. The Audit Committee will have to meet for an entrance conference. Ash requested that Audit Committee Chair, Rene Peña, provide tentative meeting dates.
- Eduardo Miranda, Attorney, is reviewing the rewrite of the Personnel Rules which will be presented for review to the Administrative Services Committee and subsequently to the Board in either November or December.

Motion made by Ed Archuleta to hold the Regular Board Meeting for December on December 13th; seconded by Robert C. Studer. Motion carried.

- Item 23. For Notation:

A. Directed brokerage credit balance for month ended August 31, 2017: \$130,451.79

B. Property Development Cost:

1. Stephan Schmitz	September Const. Consultant Svc.	\$ 2,083.33
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- 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 Deputy Administrator.
- B. **Section 551.071 and 551.074**
Discussion and action regarding the annual performance evaluation of the Benefits/Budget Specialist.

Motion made by Rebecca L. Torres to accept the performance evaluations of the Deputy Administrator and of the Benefits/Budget Specialist and to make a one-time ad hoc increase of 2000 dollars effective on their anniversary date, not to be added to their base salary; seconded by Jesus E. Garcia II. The motion required polling:

Rebecca L. Torres	aye
Jesus E. Garcia II	aye
Ed Archuleta	aye
Robert C. Studer	aye
Rene Pena	aye

Motion carried.

- C. **Section 551.071 and 551.078**
Discussion and action regarding the survivor benefit application of Richard Sambrano.

Motion made by Rene Pena to request an independent medical exam for Richard Sambrano to be paid by the Pension Fund in order to have a medical doctor's evaluation before proceeding; seconded by Robert C. Studer. The motion required polling:

Rebecca L. Torres	aye
Jesus E. Garcia II	aye
Ed Archuleta	aye
Robert C. Studer	aye
Rene Pena	aye

Motion carried.

Item 25. Adjournment.

Motion made by Rebecca L. Torres to adjourn the El Paso City Employee's Pension Fund Board Meeting on October 18, 2017; seconded by Jesus E. Garcia II. Motion carried at 12:16 P.M.