

**THE EL PASO CITY EMPLOYEES' PENSION FUND  
BOARD MINUTES FOR THE REGULAR MEETING  
HELD WEDNESDAY SEPTEMBER 16, 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  
Pat Aauto  
Christina Stokes

**Members Absent:**

Rebecca L. Torres  
Peter Svarzbein, City Representative  
America E. Luna

**Others in Attendance:**

Eduardo Miranda, Attorney  
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  
Patricia Degman, Comptroller  
Tony Ramos, Treasury Services Coordinator of Comptroller's Office  
Norberto Pelayo, City's IT Department  
Richard Campos, City's IT Enterprise Applications Administrator  
Mark N. Osborn, Kemp Smith Law Firm  
Cynthia Osborn  
William David Lawson, Executive Director UBS

- Item 1. Rene Peña, Chairman, called the meeting to order at 8:35 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 August 19, 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	Acuna, Jorge Eduardo	Street	27-08 *
2	Alarcon, Blanca	International Bridges	17-11 *
3	Apodaca, Federico	Fleet Services	25-00 *
4	Armendariz, Ricardo	Parks & Rec	18-00
5	Avila, Alejandro	Airport	30-06 *
6	Duran, Joseph	Mass Transit	10-00 *
7	Figueroa, Alma A.	Council	23-06
8	Gonnerman, Oralia T.	Parks & Rec	18-00
9	Guevara, Candelaria	Health	21-02
10	Hernandez, Roberto	EPWU	15-07
11	Luna, Ruben	EPWU	10-11
12	Marquez, Luz Maria	Environmental Svces	23-01 *
13	Murphy, Kathryn	Legal	31-08
14	Ortiz, Diane O.	Environmental Svces	14-06
15	Ramirez, Irene D.	Engineering	34-07
16	Rodriguez, Joe	EPWU	26-05
17	Rodriguez, Victoriano	EPWU	27-08
B.	Early:		
1	Arredondo, Loretta H.	Police	23-10 *
2	Nunez, Eliberto	Engineering	21-03
3	Sanchez, Arnulfo	Mass Transit	11-01 *
4	Vega, Victor	EPWU	15-01 *
C.	Deferred:		
1	Castillo, Maria Claudia	Municipal Clerk	12-01
2	Flores, Albert	Police	16-09

\* 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. Lares, Jose M. survivor of Martha Lares, retiree.
- B. Mendez, Jaime survivor of Rosalia V. Mendez, retiree.
- C. Rakocy, Gloria C. survivor of William J. Rokocy, retiree.
- D. Rodriguez, Aracelia fbo Kimberly Rodriguez survivor of Victoriano Rodriguez, employee.
- E. Torres, Maria R. survivor of George E. Torres, 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. Buck Consultants, LLC	Consulting Fees	August 31, 2015	\$245.00	
B. Denver Investment Advisors	Investment Fees	August 31, 2015	\$7,600.00	**
C. Eddie Miranda	Legal Fees	August 31, 2015	\$886.25	
D. Franklin Templeton – CT910-75	Investment Fees	3 Mos. Ended 07/31/15	\$76,855.25	**
E. Franklin Templeton – CT432-327	Investment Fees	3 Mos. Ended 07/31/15	\$25,830.98	**
F. Mellon Capital Management Corp	Investment Fees	2 <sup>nd</sup> QTR 2015	\$52,110.07	**
G. AQR Emerging Equities Fund L.P.	Investment Fees	August 31, 2015	\$10,200.00	**

\* To be paid by Directed Brokerage credits.

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

\*\*\* Performance based fee.

**Motion made by Pat Adauto to accept the Consent Agenda as presented; seconded by Presi Ortega. Motion carried (unanimous.)**

### REGULAR AGENDA

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

Patricia Degman, Comptroller for the City of El Paso, presented; revised Treasurer's Report for month ended August 31, 2015 was distributed.

Degman noted that the figures in the report are preliminary because the activity for the close of the fiscal year has not yet been completed.

Degman reviewed the statement of net assets available for benefits and the statement of changes in net assets. The beginning fund balance that was available for benefits was 732 million dollars; the Fund is ending the year with about 725 million dollars. Total preliminary assets at the end of the period are about 729 million dollars and total liabilities are approximately 4 million dollars. Degman reviewed the subtotals and provided a comparison to the numbers in July. Total cash and investments at 718 million dollars are down 18.3 million dollars from July. The balance in July was 736 million dollars. There was a decrease in cash and cash equivalents. In receivables there is an increase of approximately 7.5 million dollars in commission credits. The fair value of investments is down from last month (4.5 million dollars in August and 7.1 million dollars in July.) The net investment income is about 8.6 million dollars; a significant decrease from August of last year.

Degman noted the slight change in the reconciliation to Mellon statements from cash to an accrual basis.

Degman reviewed the quarterly statement of changes in net assets. For the fourth quarter, interest is up but dividends are down. Contributions are about 1.3 million dollars less than the previous quarter. The contributions are at about 36 million dollars. The benefits paid to retirees are about 49 million dollars, slightly less than last year at this time. The investment advisor fees are just over a million dollars which may be due to the large volume of activity in August. In deductions, benefits paid to employees are up about 800 thousand dollars; refunds are down significantly; and administrative expenses are also down. The net decrease to the Fund for the year is about 17.2 million dollars.

Degman reviewed the investment income analysis and the corresponding chart. A decrease in value of investments began in June. The target rate of return for the year was 7.5 percent; the Fund has ended the year with less than 1 percent return.

Degman reviewed the administration actual/budget comparison. The budget for the year was 731 thousand dollars. The actuals are under budget at 91 percent. Degman noted that these preliminary figures may change with the close of the year.

Rene Peña, Chairman, highlighted the following from the Treasurer's Report: The Fund did have a net appreciation of 4.5 million dollars in fair value of investments for the year. The net appreciation for the previous year was 100 million dollars and 62 million dollars the year before that. Robert Ash, Pension Administrator, added that the last year the Fund had a negative return was in 2009.

The Board discussed the format of the presentation and requested that the Treasurer's office submit a condensed PowerPoint presentation with a balance sheet. Degman advised that she would meet with the Board Chairman and Vice Chair to create a new template as soon as possible.

**Motion made by Karl Rimkus to accept the Treasurer's Report as presented; seconded by Presi Ortega. Motion carried (unanimous.)**

- Item 7. Discussion and action regarding the receipt of an award from the GFOA for Excellence in Financial Reporting for fiscal year ended August 31, 2014.

Robert Ash, Pension Administrator, presented the Chairman with an award from the GFOA for Excellence in Financial Reporting. Ash explained that the award is not easily obtained and thanked the Board, Pension staff, the City's Financial Services Department, and the Fund's auditors and actuaries.

Ash explained the award winning CAFR is an annual report issued by Pension staff. The report is given to the City and other interested parties. The GFOA reviews the CAFR and provides comments. Pension staff then works with the Fund's actuaries and auditors to take the GFOA's comments into consideration.

Rene Peña, Chairman, accepted the award. Peña thanked Robert Ash and management for their work and effort to obtain the award. Peña added that the award represents the Fund's financial transparency and therefore gave the award to Ash.

**No action required on this item.**

- Item 8. 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. The department has completed processing for July and is currently working on August.

Campos discussed the upcoming audit. Audits are expected to begin on October 12, 2015. IT and Pension are working on the pre-audit review regarding contributions and service credits.

Campos noted that IT continues to work on the benefits calculator program and employee withdrawal process.

**No action required on this item.**

- Item 9. Discussion and action regarding the reestablishment of service credit by retirees pursuant to Municipal Code Section 2.64.120.

Robert Ash, Pension Administrator, introduced the item. Ash explained that Item 9 deals with the computation for the re-establishment of service credit once a retiree is rehired by the City. Ash advised that Mark N. Osborn of the Kemp Smith Law Firm has raised a question about the proper method of calculating the amount necessary to pay back into the Fund to re-establish service credit to tie together two service periods. When an employee retires and starts receiving benefits and then is rehired by the City, the ordinance in Section 2.64.120 H, which is included in the Board packet, prescribes a methodology or a cost necessary to establish service credit so that there is no lapse of service between the two other than the time that they were out. Osborn has written a letter to the Board indicating that he disagrees with the Pension Administration's methodology.

Osborn introduced himself to the Board and noted that he is representing his wife, Cynthia Osborn, and stated that he will refer to her as Cynthia from here on. Osborn submitted a hand-out to the Board. Cynthia worked for the City Attorney's Office until she retired in September of 2014. In June of 2015, she went back to work for EPWU in the real estate section.

Karl Rimkus, Vice Chair, requested to know if a retirement benefit has been paid in the interim. Ash responded that upon Cynthia's reemployment by the City, retirement payments were stopped pursuant to the Code. However, Pension Administration has to claim funds from Cynthia that are owed to the Fund as the payments were not stopped promptly. Presently, she is not receiving a retirement benefit.

Osborn reviewed his hand-out. Osborn noted that the second page of his hand-out is the entire section H of the Municipal Code Section 2.64.120. Osborn provided his interpretation and limitations of Subsection 3 of Section H. Osborn noted that his hand-out includes an email received by Cynthia from Alma Duenas of Pension with an amount and the hand-out also includes a calculation from the Pension Fund regarding the amounts. Osborn stated his dispute with the additional amount due and provided his interpretation of the validity and intent of risk management regarding the additional amount due.

Eddie Miranda, Attorney, advised that the dispute involves a legal interpretation of language in the ordinance and recommended that the Board move into Executive Session.

**Motion made by Presi Ortega to go into Executive Session for consultation with attorney under Section 551.071; seconded by Christina Stokes. Motion carried @ 9:04 A.M. (unanimous.)**

**The Board reconvened from Executive Session @ 9:28 A.M.**

**Motion made by Presi Ortega to take no action and allow legal counsel to continue discussion with Mr. Osborn and waive the 30 day period; seconded by Pat Adatao. Motion carried (unanimous.)**

- Item 10. 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 explained that every other month Pension Administration does a verification of persons to find unreported deaths. The report also contains a new listing as researched by Patricia Hickman, Deputy Administrator. In addition to the standard search, the new list provides exact matches by name of retirees; after research none of the names turned out to be exact matches. Although the report did not prove fruitful with this run, the additional list is only 10 dollars, an extra 60 dollars per year. Staff will continue to run the extra report from now on. There is no action to be taken; there were no unexpected names on the list.

**No action required on this item.**

- Item 11. Discussion and action regarding the payment of an annual administrative fee to Prudential and possible balance drawdown.

Robert Ash, Pension Administrator, presented; the Board received and reviewed the hand-out regarding the annual administrative fee to Prudential.

Ash noted that there is a dwindling group of annuitants, a liability that was sold in the eighties, which are paid directly by Prudential. The Fund pays only the COLA payments that were provided in the past that weren't thirteenth checks. As part of that process of paying these COLA payments, Prudential requires an annual administrative fee, which can be paid from the Fund's balance. That fee is one thousand dollars. The staff recommendation is that the Fund pay that administrative fee from the balance.

Ash advised that there is a surplus of about 35 thousand dollars; however, the Fund can draw that balance down. Pursuant to the contract, the Fund only has to keep two months of payments available.

**Motion made by Presi Ortega to pay the administrative fee for this year out of the fund balance and to reduce the fund balance to the minimum amount necessary after the payment of that administrative fee; seconded by Pat Aauto. Motion required polling:**

<b>Presi Ortega</b>	<b>aye</b>
<b>Pat Aauto</b>	<b>aye</b>
<b>Christina Stokes</b>	<b>aye</b>
<b>Karl Rimkus</b>	<b>aye</b>

**Motion carried.**

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

William David Lawson, Executive Director UBS, presented; the Board received and reviewed the investment manager report from UBS.

Lawson provided an overview of the firm. UBS is a real estate investment manager. Their headquarters is in Connecticut with regional offices in Dallas and San Francisco. Lawson reviewed the experience of the senior investment professionals in the US. The largest part of the fund is the Trumbull Property Fund (TPF) which represents 72 percent of their business in the US. The Fund invested in the Trumbull Property Fund in 2012 with an initial investment of 30 million dollars and an additional 3 million dollars in 2014. The market value as of June 30, 2015

was about 44 million dollars, which is a return of approximately 9.8% net of fees for the life of the investment.

Lawson reviewed the TPF mission, strategy, and portfolio distribution. TPF seeks to provide superior risk-adjusted returns across real estate cycles. TPF is a lower risk cycle within the NFI-ODCE and provides flexibility through open-end format. It is a growing, active fund that has held a queue of investors since the end of the recession with a current queue of about 1.2 billion dollars. TPF continues to generate a strong income return; since inception 86 percent of total return is from income.

Lawson reviewed assets by property type and by geographic region and highlighted the ten largest assets. Lawson reviewed the TPF portfolio positioning and leasing. The net operating income increased by 8.3 percent in the same property from the previous year.

Lawson reviewed the transaction activity, value creation, and performance. TPF has outperformed the NFI-ODCE in the ten year time period and underperformed in the shorter time periods. The primary reason for the underperformance is the firm's lower leverage; however, 80 percent of the time the TPF return outperformed the NFI-ODCE and TPF's income return outperformed the NFI-ODCE 100 percent of the time. Lawson provided a peer comparison.

Rene Peña, Chairman, requested clarification on the firm's risk management strategy. Lawson reviewed the firm's market exposure. Lawson advised that the largest markets have high barriers to entry which limit exposure to additional development.

Robert Ash, Pension Administrator, questioned the effect of higher interest rates on the firm. Lawson responded that rising interest rates can be beneficial if the rise represents a corresponding increase in the growth of the economy.

The Board asked questions to the presenter.

**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 monthly "flash" report for the period ended August 31, 2015.

Howard reviewed the performance of the markets. The markets became volatile in mid-August. China devalued their currency and slowed more than expected. China is the world's second largest economy following the US. China contributed 43 percent of economic growth from 2009-2015. The markets entered correction territory back on August 24, 2015. The S&P 500 peaked on July 24<sup>th</sup> and ended up correcting through August 24<sup>th</sup>. A correction is defined as a pull-back of 10 percent or more from a previous high. The previous time the markets corrected was in 2011. Since that time the S&P has moved higher and is no longer in correction mode. For the month of September to date, the S&P is up one percent. Currently the markets are watching the Fed; however, Callan does not expect that the Fed will raise interest rates. Howard reviewed the Fed mandates for increase.

Howard reviewed the monthly "flash" report for the period ended August 31, 2015. Howard noted that unlike previous reports all the returns shown are net of investment fees.

Howard reviewed the performance of the Fund's public and domestic equity active managers. The month of August was a difficult month. The Russell 3000, the broad US stock market, declined six percent in the month. For the last year the Russell 3000 was slightly positive at 0.4 percent. The Fund's domestic equity portfolio after fees was positive 0.2 percent. Mellon Tangent Added, the US large cap manager, is down one percent behind the S&P 500; however they remain ahead for the fiscal year by 21 basis points. Vulcan, the US all cap manager with a value orientation, added a little bit of value in a down month; however they trailed their benchmark for the year. Boston Partners, the large cap value manager, has struggled as their value style has been challenged; over a three year period Boston Partners is ahead of the index after fees. Wedge, the small cap value manager, has also struggled as their value style has been out of favor; however, for the last three years Wedge is ahead of the broad Russell 2000 by almost 130 basis points. Riverbridge, the small cap growth manager, was in line with the index for the month of August and positive four percent for the year. Riverbridge had the best absolute performance for the fiscal year.

Howard reviewed the performance of the Fund's international equity active managers. International equity markets were down 11.6 percent. International developed stocks declined 14 percent from their peak in May. However, the Fund's international equity portfolio outperformed the benchmark by 30 basis points for the fiscal year. Denver, the international small cap manager, is on watch. Denver was down nine percent; their index was down six percent. For the fiscal year, Denver's portfolio is down 19 percent after fees; the index was down nine percent. Callan's international equity research team will meet with the Fund's Investment Committee to further discuss Denver. Franklin Templeton is the other international small cap manager; together with Denver, they comprise about 15 percent of the portfolio. Franklin Templeton outperformed the index in August and is up over 400 basis points after fees for the fiscal year. Lazard is the Fund's largest, active manager in international equity; they have been the best performing manager for international. Lazard is about 400 basis points ahead of the index. Emerging markets are volatile and are currently in bear market territory. Through August 24<sup>th</sup>, they were down 32 percent from their peak in 2011. Touchstone, an emerging markets manager, is on watch for performance; they outperformed the index in August, but trail the index for the fiscal year by almost 200 basis points and trail 400 basis over three years. Callan is closely watching Touchstone. AQR, an emerging markets manager, were funded in May of last year. AQR outperformed in August, but are behind by about 90 basis points for the year.

Howard reviewed the performance of the Fund's private equity, fixed income, and real estate active managers. On an absolute basis, private equity had the best performance for the fiscal year. Janus is the core plus bond manager. Bonds were negative in June; rates went a little bit higher; the overall composite was up over 12.4 percent last year. Private equity is getting funded up; the long term target is seven percent. At the end of August, allocation was at 4.6 percent. The Barclays Aggregate was up 1.6 percent. The Fund's overall fixed income portfolio was down one percent. Janus Core Plus trailed in August and is behind about 70 basis points for the last year. Franklin Templeton is a global manager with a currency position which affected their portfolio; Franklin Templeton is negative 7.3 percent for the fiscal year. Callan expects that Franklin Templeton will perform well in a rising rate environment. In real estate, UBS had the second best performance for the fiscal with 11.4 percent return after fees. The Invesco REIT portfolio trails the index over the last three and five years. Howard noted that Invesco will be out of the portfolio. Those funds will be transferred to Heitman; a manager that will complement UBS.

Howard reviewed the performance of the Fund's MLP active manager, Salient. MLP's were severely impacted by the drop in oil prices. However, Salient outperformed the index over the last year.

The total fund was down about 4.3 percent in August. Fiscal year to date the Fund is down 2.6 percent net of fees; on a gross of fee basis, which is the figure reported on the CAFR, the portfolio is down 2.2 percent and behind the benchmark by 1.8 percent. The reason for the underperformance versus the benchmark is a negative active management effect in fixed income and real estate. Also for the fiscal year, the portfolio was slightly underweight in real estate. Howard noted that for the last five years the fund has increased by 9.5 percent after fees, which is ahead of the target rate. The total fund is slightly under 700 million as of August 31<sup>st</sup>.

Howard noted that the actual asset allocation is close to the target allocation. A new manager was funded in August, Principal a global REIT portfolio. Principal will replace Invesco; they were funded with 7.5 million dollars. The real estate portfolio will be rebalanced once Heitman is funded.

**Motion made by Christina Stokes to accept the report as presented; seconded by Karl Rinkus. Motion carried (unanimous.)**

Item 14. Discussion and action regarding a report from the Pension Administrator and the election of Board Officers.

A. Discussion and action regarding a report from the Pension Administrator.

Robert Ash, Pension Administrator, reported on the following:

- Ash thanked the Board for attending their respective committee meetings.
- Auditors will be at the Pension Office from Oct 12<sup>th</sup> thru Oct 22<sup>nd</sup> for field work. Once Administration has audited numbers, staff will engage the Fund's actuary pursuant to the contract with them.
- BNY Mellon has been contacted. Administration is trying to expedite the release of final numbers from the custodial bank.
- Ash advised the Board to contact David Garcia, Payroll/Accounts Payable Specialist, or Karina Chavez, Retiree Coordinator/ Data Entry Clerk, for any issues with BoardPaq.
  - Administration has not received any requests for reimbursement.
- The October Newsletter is available. The suggestions received from the Retiree Committee have already been incorporated into the draft.
  - Ash requested that the Board submit any request for changes within the next two weeks.
  - The newsletter will be printed in October.

The Board discussed Trustee attendance. Ash reviewed the ordinance and advised that Board attendance is posted in the newsletter. Trustees made several suggestions including creating an Ad-Hoc Committee.

**No action required on this item.**

B. Discussion and action regarding the election of Board Officers.

Robert Ash, Pension Administrator, advised that the Board changed the policy regarding Board elections. The Board received and reviewed the City Code regarding officers.

Pursuant to the established policy the Board accepted nominations for Chairman and Vice-Chair to serve for a one year period.

**Karl Rinkus nominated Rene Peña for Chairman; seconded by Christina Stokes. Motion carried (unanimous.)**

**Rene Peña nominated Karl Rimkus for Vice Chair; seconded by Pat Adauto. Motion carried (unanimous.)**

- Item 15. 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 has not met, but will meet next month to discuss the upcoming audit.
  - D. Investment Committee – Committee did meet.

Presi Ortega read the Investment Committee minutes:

The Investment Committee met on September 15, 2015. The Committee received the “flash” portfolio performance report for the month of August 2015. The Committee noted that the portfolio suffered losses in August due to a high amount of volatility and a market correction that started during August. The Committee requested that Callan provide additional analytics regarding the Denver International small stock portfolio.

The Committee received an annual investment manager portfolio performance report from UBS Real Estate. The Committee reviewed the performance of the real estate portfolio. The Committee had the opportunity to ask questions of UBS. No material exceptions were noted in their report.

Finally, the Committee received some training from Allianz regarding absolute return strategies. The Committee specifically spent time discussing the Allianz Structured Alpha 1000 Plus investment product. The Committee believes that this strategy should be considered further by the entire Board of Trustees. Callan was requested to update the Fund’s asset allocation to determine the effect of adding ten percent in absolute return strategies to be managed by two firms.

The next regularly scheduled meeting of the Investment Committee will be held on October 20, 2015.

**No action required on this item.**

- E. Personnel Committee – Committee did meet.

Christina Stokes read the Personnel Committee minutes:

The Personnel Committee met on September 15, 2015. The Committee reviewed the annual performance evaluation of the Deputy Pension Administrator. The Committee reviewed the Deputy Administrator’s prior goals and goals for the next year. The Committee also met with the Deputy Administrator. The Committee recommended approval of the evaluation and requested that the evaluation be placed on the next Board agenda for consideration.

The Committee then discussed the wage brackets. The Administrator noted that two employees were very close to the maximum salary as approved by the wage brackets. These employees will likely reach the top of the wage bracket with their next evaluation. The rest of the employees were in the first quartile of wages. The Committee requested additional information to determine if the wage brackets reflected the current market rates. The Committee asked that this topic be discussed again once the additional information has been obtained.

The Committee also discussed office procedures related to FMLA. The Committee reviewed the current administrative practices and provided additional guidance to the Administrator.

Finally, the Committee discussed office security. The Committee reviewed the current methods for office security and provided guidance to the Administrator regarding enhanced security measures.

The Personnel Committee will meet again in October at a date and time to be determined.

**No action required on this item.**

F. Retiree Committee – Committee did meet.

Pat Aauto read the Retiree Committee minutes:

The Retiree Committee met on September 15, 2015. The Committee reviewed a proposed newsletter which will be published next month. The Committee suggested some changes and requested that the full Board have the opportunity to review the newsletter and comment in the next couple of weeks.

The Committee also discussed how our retirees might be reminded about the Fund’s website. In the past the Fund has budgeted for coasters, with our logo and web address, which is provided to each retiree at the time their retirement application is completed. These have been very well received. Staff was recently informed that the cost would increase for the coming year. The Committee recommended staying with the coasters for another year at the higher price.

The Committee also reviewed the procedures for returned payment advices. Each month the Fund sends out pay advices to retirees and some are returned due to a wrong address. The Committee recommended that the Fund pay for an independent investigation to be performed by a private investigator in order to ascertain the correct address and existence of these retirees. There are approximately 50 of those returned advices that are being returned monthly.

Finally, the Committee discussed the reprinting of annual tax documents called 1099R’s. The staff would like the ability to reprint the 1099R’s instead of waiting on the Financial Services Department to print the duplicates. The Committee recommended that staff work with the City’s IT Department to get the programming completed to reprint the 1099R’s as needed.

**No action required on this item.**

Item 16. For Notation:

A. Directed brokerage credit balance for month ended July 31, 2015: \$135,603.32

B. Refund of Contributions:

	NAME	DEPARTMENT	TOTAL REFUND	
1	Adame, Cristobal	Airport	\$272.07	
2	Alonzo, Jaime	Mass Transit	\$27,636.79	
3	Anaya, Ana B.	OMB	\$602.14	
4	Bernal, Oscar	EPWU	\$14,367.49	
5	Bonilla, Alma	Streets & Maint.	\$18,191.28	
6	Chavez, Rodolfo	MCAD	\$26,094.77	**

7	Chavez, Valerie	Library	\$2,087.38	
8	Flores, Johnny J.	EPWU	\$18,669.91	**
9	Frias, Robert	Transportation	\$7,733.89	
10	Garcia, Rosa I.	EPWU	\$14,941.22	
11	Gates, Linda	Mass Transit	\$4,583.05	
12	Gonzalez, Sandra	Financial Services	\$9,937.38	
13	Grijalva, Jessica	Library	\$2,494.00	
14	Grizzle, Denise M.	Financial Services	\$18,991.76	
15	Hagelsieb, Karina	Financial Services	\$23,337.44	
16	Lopez, Luis	Parks & Recreation	\$9,699.71	
17	Montes de Occa, Joe	Environ. Services	\$210.84	
18	Oladimeji, Tolu	EPWU	\$20,926.22	
19	Ortega, Marisa	Health	\$14,599.46	
20	Perez, Roxana	Fire	\$1,025.12	
21	Quinonez, Diana	Police	\$52,317.77	**
22	Ransdell, Lourdes G.	Mass Transit	\$28,108.32	**
23	Torres, Jose Luis	Mass Transit	\$21,310.02	
24	Vielma, Victor	Environ. Services	\$4,651.93	
	<b>TOTALS</b>		<b>\$342,789.96</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 Presi Ortega. Motion carried @ 10:30 A.M. (unanimous.)**

**The Board reconvened from Executive Session.**

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

**Motion made by Karl Rimkus to authorize the Pension Administrator to continue negotiations for real property; seconded by Presi Ortega. Motion required polling:**

Presi Ortega            aye  
Pat Aauto                aye  
Christina Stokes        aye  
Karl Rimkus             aye

**Motion carried.**

B. **Section 551.074** Discussion and action regarding the annual performance evaluation of the Deputy Administrator.

**Motion made by Christina Stokes to approve a merit increase of .8163 percent and an ad-hoc award of 4.1837 percent for the Deputy Administrator based on performance; seconded by Pat Aauto. Motion required polling:**

Presi Ortega            aye  
Pat Aauto                aye  
Christina Stokes        aye  
Karl Rimkus             aye

**Motion carried.**

Item 18. Adjournment

**Motion made by Presi Ortega to adjourn the El Paso City Employee's Pension Fund Board meeting on September 16, 2015; seconded by Pat Aauto. Motion carried @ 11:04 A.M. (unanimous.)**

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Secretary

\_\_\_\_\_  
Chairman