

City of El Paso Employees Retirement Trust

Treasurer's Report

Margarita M. Marin

Comptroller, City of El Paso

July 31, 2023

City of El Paso Employees Retirement Trust
Statements of Net Assets Available for Benefits

	Unaudited July 31, 2023	Audited August 31, 2022	Audited August 31, 2021	Audited August 31, 2020
<u>Assets</u>				
Cash and Investments (at fair value):				
Cash and Cash Equivalents	\$ 13,590,867	\$ 14,890,122	\$ 3,580,457	\$ 10,646,860
Cash in Escrow	1,434,113	1,481,799	1,656,688	-
Investments	908,400,220	889,739,882	1,030,992,346	862,756,738
Total Cash and Investments	<u>923,425,200</u>	<u>906,111,803</u>	<u>1,036,229,491</u>	<u>873,403,598</u>
Receivables				
Unrestricted	2,388,128	2,151,228	1,950,229	3,583,017
Restricted - commission credits	1,869	7,883	7,883	6,109
Total Receivables	<u>2,389,997</u>	<u>2,159,111</u>	<u>1,958,112</u>	<u>3,589,126</u>
Prepaid Expenses	31,294	23,210	24,021	23,837
Capital Assets	<u>2,274,409</u>	<u>2,274,409</u>	<u>2,516,531</u>	<u>2,678,419</u>
Total Assets	<u>928,120,900</u>	<u>910,568,533</u>	<u>1,040,728,155</u>	<u>879,694,980</u>
<u>Liabilities</u>				
Due to Brokers for Securities Purchased	618,266	-	-	1,164,852
Accrued Expenses	2,476,713	2,286,739	2,036,126	534,623
Deferred Revenue - commission credits	1,869	7,883	7,883	6,109
Total Liabilities	<u>3,096,848</u>	<u>2,294,622</u>	<u>2,044,009</u>	<u>1,705,584</u>
Net Assets Available for Benefits	<u>\$ 925,024,052</u>	<u>\$ 908,273,911</u>	<u>\$ 1,038,684,146</u>	<u>\$ 877,989,396</u>

Preliminary Numbers

City of El Paso Employees Retirement Trust
Statements of Changes in Net Assets Available for Benefits

	<u>Unaudited</u>	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>
	Eleven Months Ended	Year Ended	Year Ended	Year Ended
	July 31, 2023	August 31, 2022	August 31, 2021	August 31, 2020
<u>Additions</u>				
Receipts				
Contributions-Employer	\$ 29,385,790	\$ 26,096,411	\$ 25,603,188	\$ 25,296,642
Contributions-Employee	16,237,717	16,665,780	15,099,360	16,114,139
Total Receipts	<u>45,623,507</u>	<u>42,762,191</u>	<u>40,702,548</u>	<u>41,410,781</u>
Investment Income				
Interest	2,097,267	793,010	1,049,280	4,109,088
Dividends	4,099,408	3,597,637	2,548,310	2,356,890
Net Change in Fair Value of Investments	42,044,008	(89,489,954)	201,182,318	99,563,115
Gain on Disposition of Assets	-	-	-	19,939
Other	500,177	-	24,567	11,301
Less Investment Advisor Fees	(2,189,885)	(2,480,568)	(2,753,808)	(3,589,807)
Net Investment Income	<u>46,550,975</u>	<u>(87,579,875)</u>	<u>202,050,667</u>	<u>102,470,526</u>
Total Net Additions	<u>92,174,482</u>	<u>(44,817,684)</u>	<u>242,753,215</u>	<u>143,881,307</u>
<u>Deductions</u>				
Benefits Paid to Retirees	70,538,269	77,720,687	73,024,342	66,555,726
Refunds	2,926,010	5,441,578	3,804,288	3,737,266
Prudential COLA Payments	44,000	216,000	84,000	84,000
Administrative Expenses	1,868,376	1,932,893	2,441,214	2,138,910
Legal Settlement	47,686	281,393	2,704,621	-
Total Deductions	<u>75,424,341</u>	<u>85,592,551</u>	<u>82,058,465</u>	<u>72,515,902</u>
Net Increase (Decrease)	<u>16,750,141</u>	<u>(130,410,235)</u>	<u>160,694,750</u>	<u>71,365,405</u>
Beginning Net Assets Available for Benefits	<u>908,273,911</u>	<u>1,038,684,146</u>	<u>877,989,396</u>	<u>806,623,991</u>
Ending Net Assets Available for Benefits	<u>\$ 925,024,052</u>	<u>\$ 908,273,911</u>	<u>\$ 1,038,684,146</u>	<u>\$ 877,989,396</u>
<u>Reconciliation to Mellon Statements</u>				
Reported per Mellon Statement (Cash Basis)	\$ 924,589,393			
Adjustments to Accrual Basis:				
Audit Adjustments	(1,072,380)			
Accrue Contributions(Employer)	1,249,347			
Accrue Contributions(Employee)	795,776			
Accrue Investment Advisor Fees	(714,877)			
Accrue Administrative Expenses	(29,253)			
Adjust for Prepaid Insurance	8,088			
Land Sale	426,859			
Legal Settlement paid thru WestStar Bank	(228,900)			
Reported per Treasurer's Report (Accrual Basis)	<u>\$ 925,024,052</u>			

City of El Paso Employees Retirement Trust
Quarterly Statements of Changes in Net Assets Available for Benefits

	4th QTR, FY 2023 July 31, 2023	3rd QTR, FY 2023 May 31, 2023	2nd QTR, FY 2023 February 28, 2023	1st QTR, FY 2023 November 30, 2022	4th QTR, FY 2022 August 31, 2022	3rd QTR, FY 2022 May 31, 2022	2nd QTR, FY 2022 February 28, 2022	1st QTR, FY 2022 November 30, 2021
<u>Additions</u>								
Receipts								
Contributions-Employer	\$ 5,303,018	\$ 9,096,316	\$ 7,390,429	\$ 7,596,027	\$ 7,098,674	\$ 6,742,333	\$ 6,218,946	\$ 6,580,970
Contributions-Employee	3,381,066	5,218,312	3,321,751	4,316,588	4,297,392	4,076,841	3,962,294	3,784,741
Total Receipts	<u>8,684,084</u>	<u>14,314,628</u>	<u>10,712,180</u>	<u>11,912,615</u>	<u>11,396,066</u>	<u>10,819,174</u>	<u>10,181,240</u>	<u>10,365,711</u>
Investment Income								
Interest	483,189	626,832	585,465	401,781	360,553	304,458	(145,138)	273,137
Dividends	856,951	1,153,749	1,067,381	1,021,327	980,367	996,664	780,774	839,832
Net Change in Fair Value of Investments	38,238,080	1,658,134	(1,974,945)	4,122,739	(37,193,674)	(39,039,302)	(18,380,676)	5,123,698
Other	136,820	206,351	157,006	-	-	-	-	-
Less Investment Advisor Fees	(646,900)	(663,024)	(270,353)	(609,608)	(414,680)	(714,509)	(422,764)	(928,615)
Net Investment Income (Loss)	<u>39,068,140</u>	<u>2,982,042</u>	<u>(435,446)</u>	<u>4,936,239</u>	<u>(36,267,434)</u>	<u>(38,452,689)</u>	<u>(18,167,804)</u>	<u>5,308,052</u>
Total Net Additions (Reductions)	<u>47,752,224</u>	<u>17,296,670</u>	<u>10,276,734</u>	<u>16,848,854</u>	<u>(24,871,368)</u>	<u>(27,633,515)</u>	<u>(7,986,564)</u>	<u>15,673,763</u>
<u>Deductions</u>								
Benefits Paid to Retirees	13,049,129	19,344,040	19,193,920	18,951,180	18,814,481	23,539,232	17,011,129	18,355,844
Refunds	467,479	1,035,242	717,606	705,683	1,406,396	1,179,397	1,228,086	1,627,699
Prudential COLA Payments	8,000	12,000	12,000	12,000	15,000	171,000	15,000	15,000
Administrative Expenses	473,722	484,272	474,258	436,124	542,711	418,122	564,697	407,364
Legal Settlement	47,686	-	-	-	75,034	80,714	95,857	29,788
Total Deductions	<u>14,046,016</u>	<u>20,875,554</u>	<u>20,397,784</u>	<u>20,104,987</u>	<u>20,853,622</u>	<u>25,388,465</u>	<u>18,914,769</u>	<u>20,435,695</u>
Net Increase (Decrease)	<u>33,706,208</u>	<u>(3,578,884)</u>	<u>(10,121,050)</u>	<u>(3,256,133)</u>	<u>(45,724,990)</u>	<u>(53,021,980)</u>	<u>(26,901,333)</u>	<u>(4,761,932)</u>
Beginning Net Assets Available for Benefits	<u>891,317,844</u>	<u>894,896,728</u>	<u>905,017,778</u>	<u>908,273,911</u>	<u>953,998,901</u>	<u>1,007,020,881</u>	<u>1,033,922,214</u>	<u>1,038,684,146</u>
Ending Net Assets Available for Benefits	<u>\$ 925,024,052</u>	<u>\$ 891,317,844</u>	<u>\$ 894,896,728</u>	<u>\$ 905,017,778</u>	<u>\$ 908,273,911</u>	<u>\$ 953,998,901</u>	<u>\$ 1,007,020,881</u>	<u>\$ 1,033,922,214</u>

Preliminary Numbers

City of El Paso Employees Retirement Trust
Investment Income Analysis

	Year to Date	Month										
	July 31, 2023	July	June	May	April	March	February	January	December	November	October	September
<u>Detail</u>												
Interest	\$ 2,097,267	\$ 385,965	\$ 97,224	\$ 387,703	\$ 113,836	\$ 125,293	\$ 117,643	\$ 108,307	\$ 359,515	\$ 35,267	\$ 330,789	\$ 35,725
Dividends	4,099,408	571,554	285,397	261,765	609,452	282,532	222,865	585,052	259,464	240,761	562,957	217,609
Realized Gain/Loss	8,268,271	97,829	3,437,540	55,489	163,211	1,534,693	48,851	320,532	(181,429)	574,291	388,396	1,828,868
Realized Gain/Loss FFX Contracts	(110)	-	-	-	-	-	(103)	-	-	-	-	(7)
Realized Gain/Loss Current Dividends	2,045	-	-	-	-	-	2,193	-	-	-	-	(148)
Realized Gain/Loss-Non Base Currency	77	-	-	-	-	-	70	-	-	-	-	7
Unrealized Gain/Loss-Investments	33,770,794	12,248,528	22,452,440	(11,114,663)	2,157,862	8,860,754	(17,918,769)	35,516,889	(19,762,186)	37,104,806	17,087,814	(52,862,681)
Unrealized Gain/Loss Currency	2,931	1,047	696	(864)	844	808	(2,953)	383	1,577	2,541	(845)	(303)
Other	500,177	69,531	67,289	69,531	67,288	69,531	62,803	69,532	24,672	-	-	-
Per Statement of Changes in Net Assets	<u>\$ 48,740,860</u>	<u>\$ 13,374,454</u>	<u>\$ 26,340,586</u>	<u>\$ (10,341,039)</u>	<u>\$ 3,112,493</u>	<u>\$ 10,873,611</u>	<u>\$ (17,467,400)</u>	<u>\$ 36,600,695</u>	<u>\$ (19,298,387)</u>	<u>\$ 37,957,666</u>	<u>\$ 18,369,111</u>	<u>\$ (50,780,930)</u>

Summary

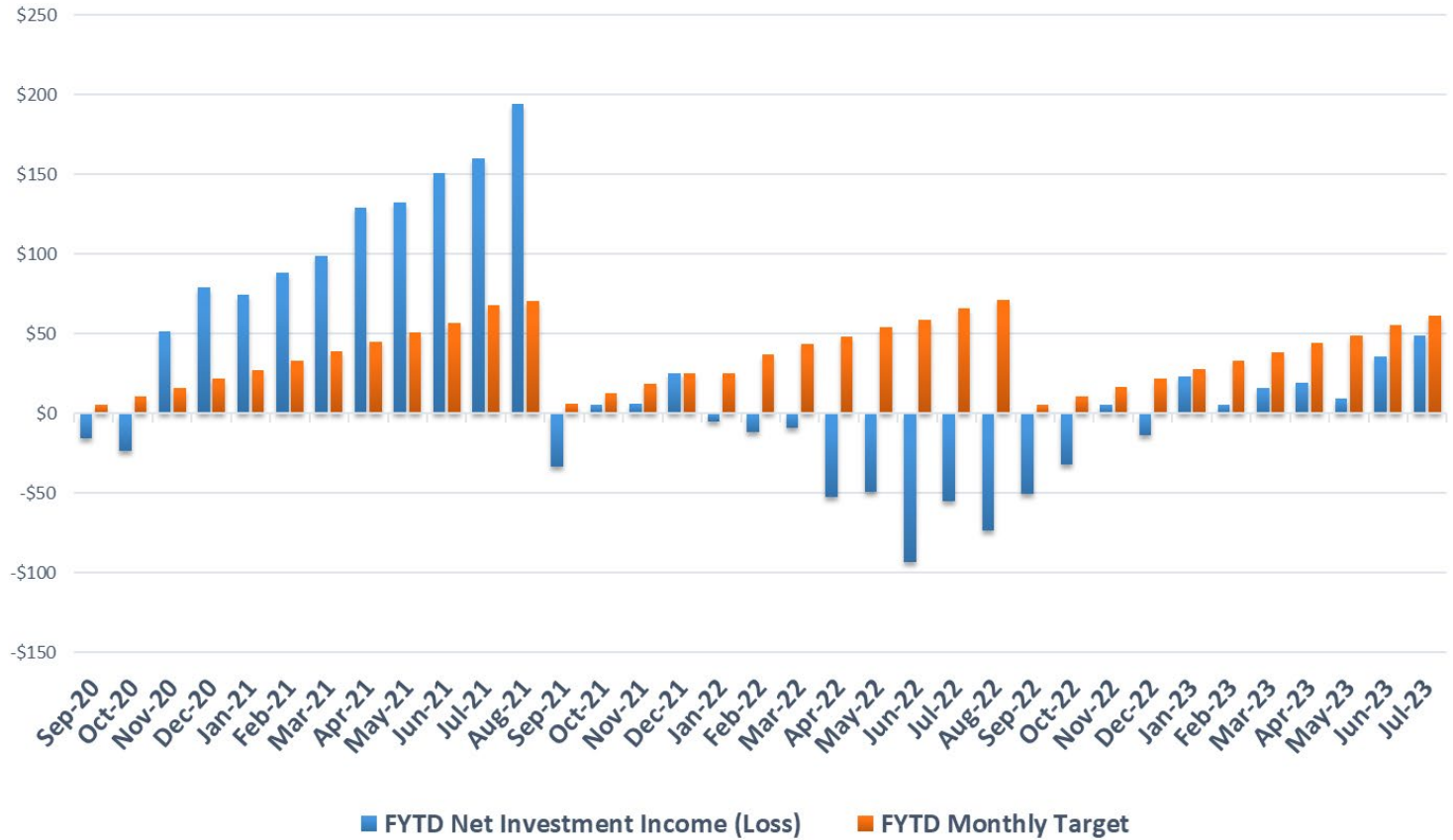
Interest	\$ 2,097,267
Dividends	4,099,408
Net Market Value Appreciation	<u>42,544,185</u>
Net Investment Income (NII)	<u>\$ 48,740,860</u>
Fiscal Year NII to Date / Avg Available Net Assets	5.32%
Net Assets Available for Benefits - August 31, 2022	\$ 908,273,911
Target Rate of Return	7.25%
Cumulative Target Rate of Return	6.65%
Fiscal Year 2023 NII Target	\$ 66,457,051

Preliminary Numbers

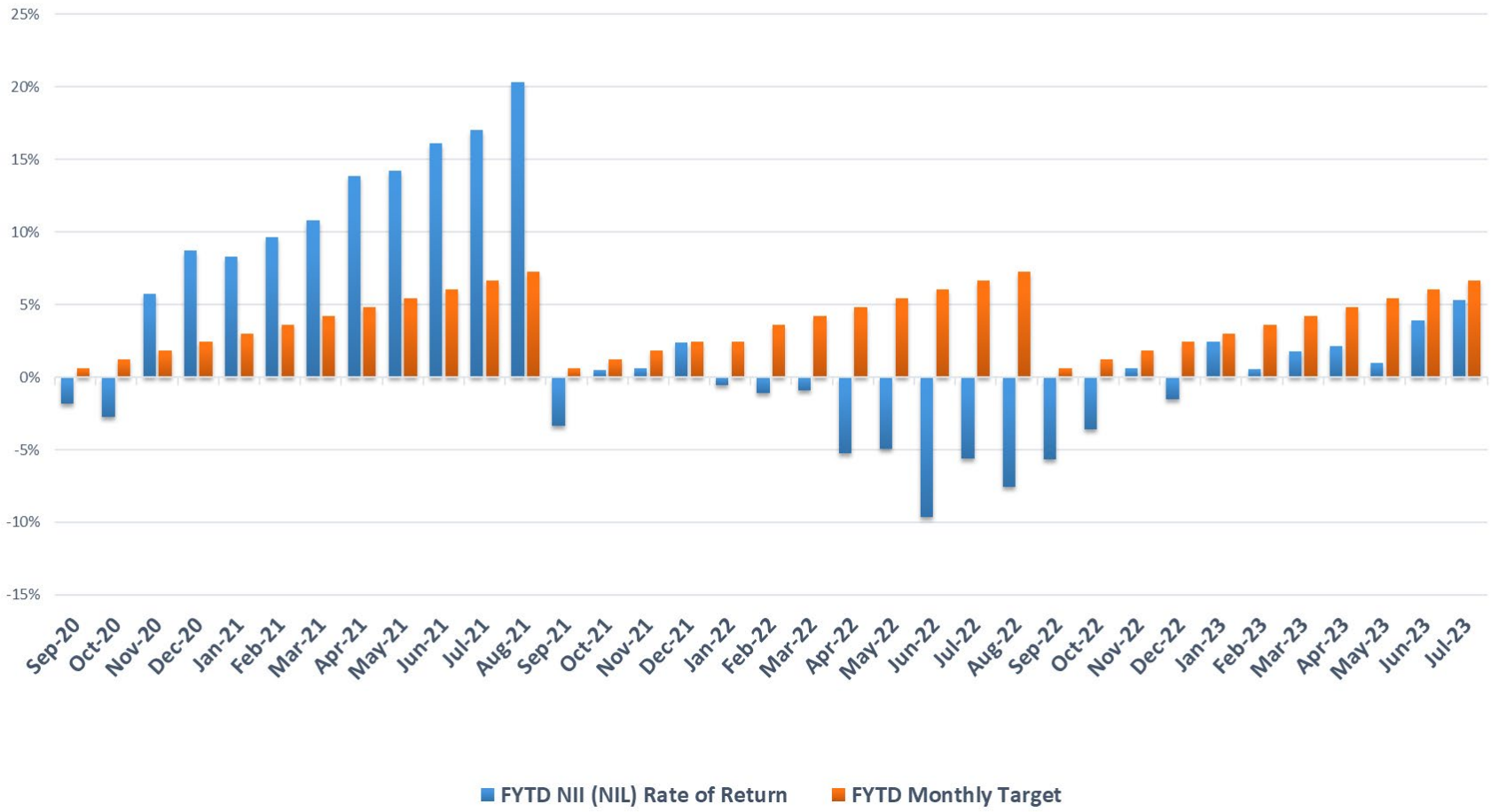
CITY OF EL PASO EMPLOYEES RETIREMENT TRUST
 CITY PENSION ADMINISTRATION ACTUAL/BUDGET COMPARISON
 For Eleven Months Ended July 31, 2023

DESCRIPTION	BUDGET	ACTUAL	PERCENT UTILIZED	UNDER(OVER) BUDGET
<u>EXPENDITURES</u>				
NON-UNIFORM WAGES AND SALARIES	\$ 715,780	\$ 597,906	83.5%	\$ 117,874
SHIFT DIFFERENTIAL - CIVILIAN	25	-	0.0%	25
EQUIPMENT ALLOWANCE	3,800	3,145	82.8%	655
WORKERS COMPENSATION- CIVILIAN	2,147	850	39.6%	1,297
UNEMPLOYMENT COMPEN - CIVILIAN	713	605	84.9%	108
POS CITY - EMPLOYER CONTRIB	39,602	28,636	72.3%	10,966
LIFE INSURANCE - CIVILIAN	400	245	0.0%	155
ALLOW(EXC MIL& UNIF)-CIVILIA	4,850	4,194	86.5%	656
INSURANCE & ANCILLARY BENEFITS	36,370	6,645	18.3%	29,725
OTHER EMPLOYEE BENEFITS	17,882	15,652	87.5%	2,230
CITY PENSION PLAN CONTRIBUTION	100,146	84,004	83.9%	16,142
FICA CITY MATCH - CIVILIAN	38,297	32,509	84.9%	5,788
FICA MED- CITY MATCH-CIVILIAN	10,335	8,635	83.6%	1,700
Salaries Wages & Employee Benefits	<u>970,347</u>	<u>783,026</u>	80.7%	<u>187,321</u>
HEALTH CARE PROVIDERS SERVICES	2,500	450	18.0%	2,050
INTERPRETER SERVICES	500	-	0.0%	500
INVESTIGATIVE SERVICES	1,800	362	20.1%	1,438
DATA PROCESS SERVICES CONTRACT	81,500	60,000	73.6%	21,500
MAINT SVCS CONTRACT-JANITORIAL	13,400	10,710	79.9%	2,690
PRINTING SERVICES CONTRACTS	7,000	2,178	31.1%	4,822
SECURITY CONTRACTS	2,500	2,220	88.8%	280
OUTSIDE CONTRACTS - NOC	8,500	4,777	56.2%	3,723
PEST CONTROL CONTRACTS	1,000	660	66.0%	340
GROUNDKEEPING HORTI CONTRACTS	4,000	3,340	83.5%	660
OFFICE EQUIP MAINT CONTRACTS	1,600	1,472	92.0%	128
MAIL ROOM CHARGES	21,000	25,396	120.9%	(4,396)
COPIER CONTRACT SERVICES	4,000	1,845	46.1%	2,155
Contractual Services	<u>149,300</u>	<u>113,410</u>	76.0%	<u>35,890</u>
OFFICE SUPPLIES	9,000	6,721	74.7%	2,279
SUPPLIES COMPUTER EQUIPMENT	29,800	942	3.2%	28,858
CLEANING SUPPLIES	1,500	757	50.5%	743
BUILDING MAINTENANCE SUPPLIES	30,500	10,041	32.9%	20,459
DATA PROCESS EQUIP	5,300	-	0.0%	5,300
Material and Supplies	<u>76,100</u>	<u>18,461</u>	24.3%	<u>57,639</u>
PHONE & INTERNET	300	-	0.0%	300
LONG DISTANCE	100	-	0.0%	100
WIRELESS COMMUNICATION SERVICE	1,800	1,731	96.2%	69
POSTAGE	600	328	54.7%	272
ELECTRICITY	9,200	7,576	82.3%	1,624
WATER	7,000	6,269	89.6%	731
NATURAL GAS OTHER	4,000	3,882	97.1%	118
TRAVEL EXPENSES - EMPLOYEES	6,500	5,208	80.1%	1,292
TRAVEL EXPENSES - BOARD MEMBER	11,000	6,256	56.9%	4,744
MILEAGE ALLOWANCES	100	-	0.0%	100
OTHER SERVICES CHARGES EXPENSE	11,500	4,232	36.8%	7,268
VEHICLES - MAINT & REPAIRS	500	229	45.8%	271
SEMINARS CONTINUING EDUCATION	675	409	60.6%	266
PROFESSIONAL LICENSES & MEMBER INSURANCE	7,000	6,015	85.9%	985
Operating Expenditures	<u>151,021</u>	<u>128,549</u>	85.1%	<u>22,472</u>
MAJOR OFFICE EQUIP & APPLIANCE	-	-	0.0%	-
AUDIO VISUAL	-	-	0.0%	-
FURNITURE AND FIXTURES	-	-	0.0%	-
Capital Outlay	-	-	0.0%	-
Total In-House Administrative Expenses	<u>\$ 1,346,768</u>	<u>1,043,446</u>	77.5%	<u>\$ 303,322</u>
Expenses paid directly by Mellon Trust		<u>824,930</u>		
Total Administrative expenses		<u>\$ 1,868,376</u>		

Net YTD Investment Income Monthly through July 31, 2023 (Millions)



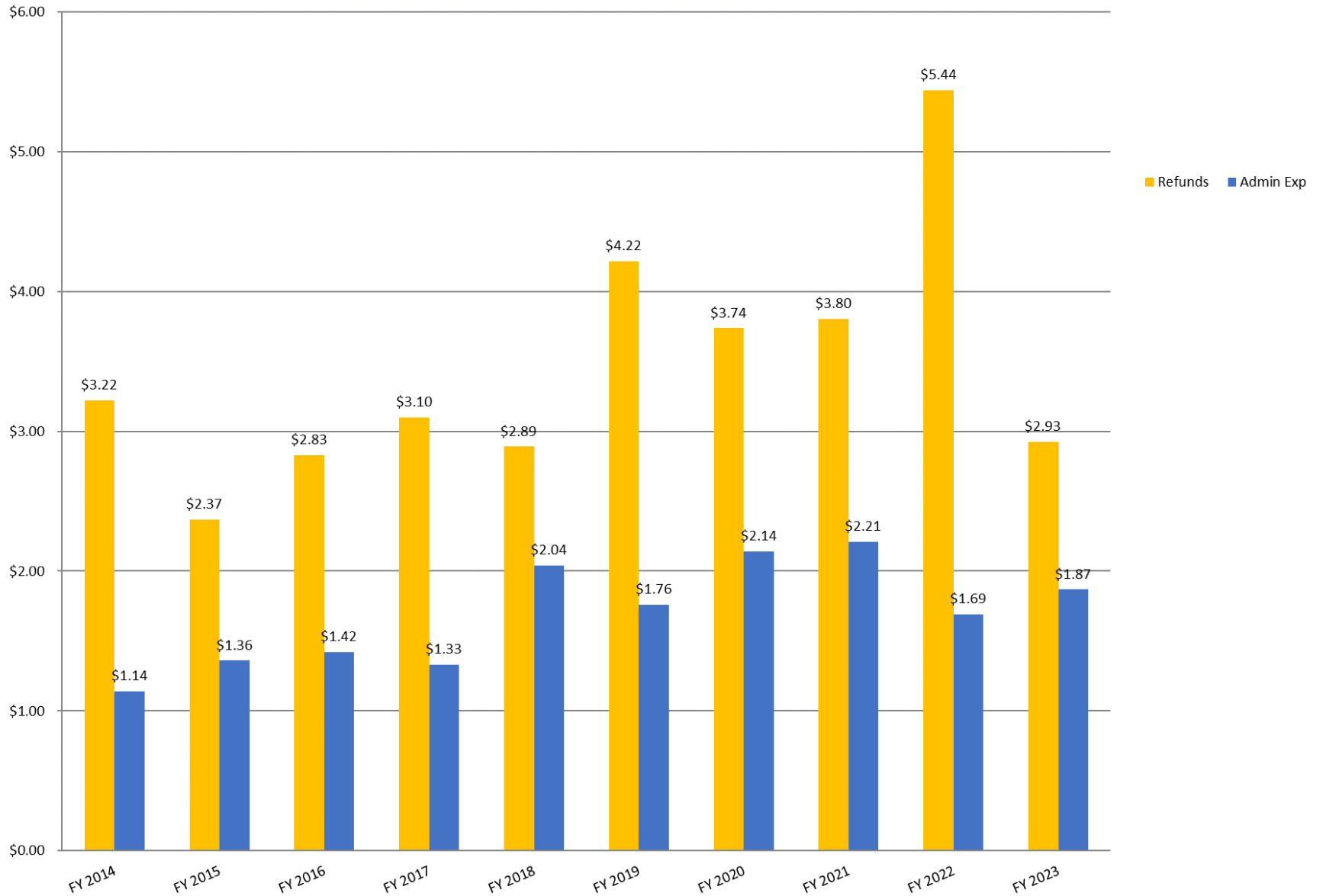
Net Investment Income Rate of Return Monthly through July 31, 2023



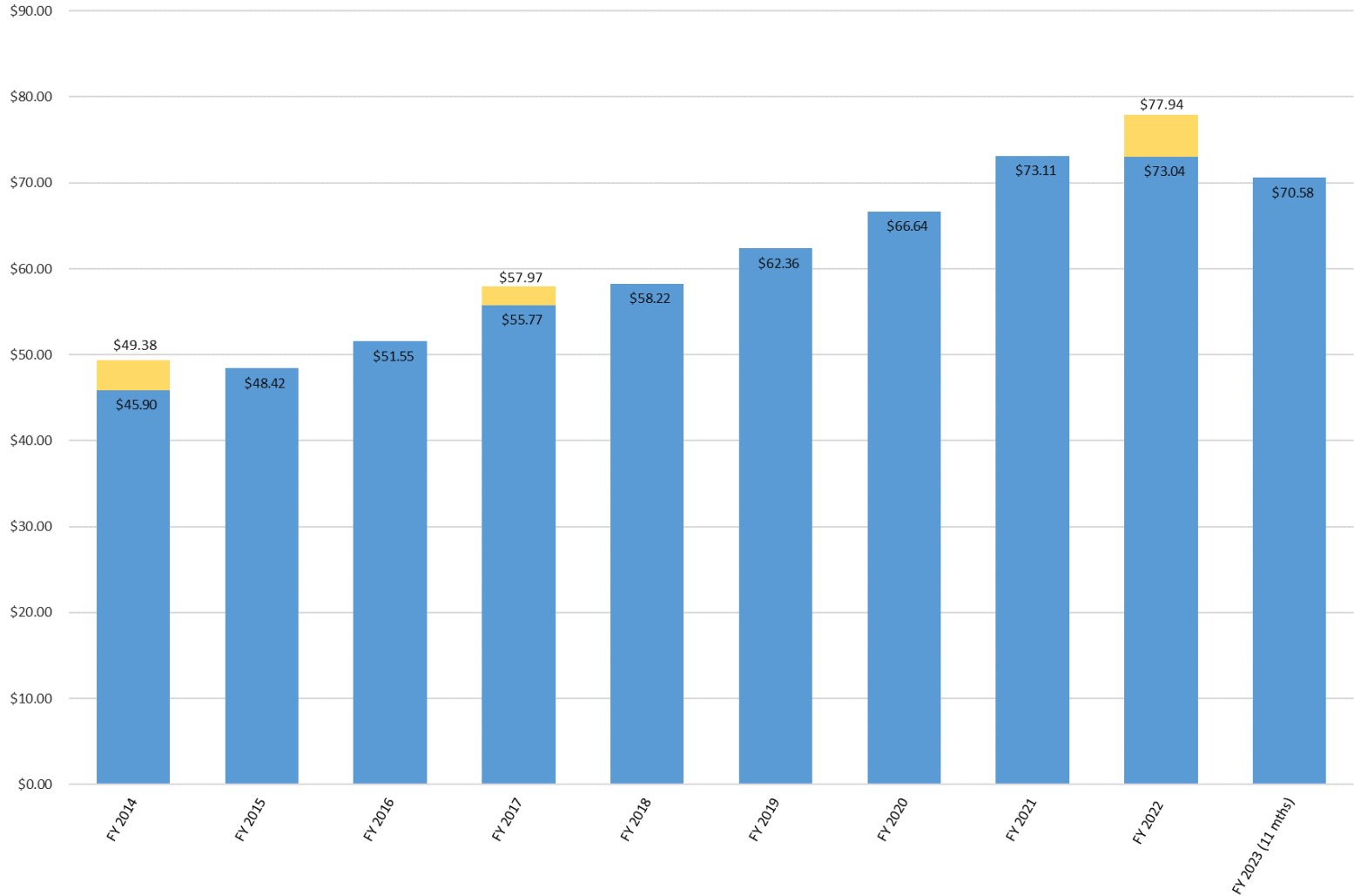
Refunds & Administrative Expenses

Yearly through July 31, 2023

(Millions)



Benefits Paid to Retirees Yearly through July 31, 2023 (Millions)



Note: Current Fiscal Year Annualized Benefit Amount \$76,998,839
13th Payments as follows: 05/20/2022- \$4,897,500; 07/21/2017 - \$2,198,400 and 05/08/2014 - \$3,480,689