



CITY of EL PASO

EMPLOYEES RETIREMENT TRUST

**BOARD MINUTES FOR THE REGULAR MEETING
HELD WEDNESDAY, MAY 21, 2025, AT 8:30 A.M.
RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA**

Members in Attendance:

Karl C. Rimkus, Vice Chairman
Isaura Valdez
Karina Brasgalla
Deborah G. Hamlyn
Rene Peña
Rep. Chris Canales
Rep. Art Fierro

Members Absent:

Robert Studer, Chairman
Matt Kerr

Others in Attendance:

Robert Ash, Executive Director
Adrian Sanchez, Deputy Executive Director
Karina Chavez, Administrative Assistant
David Garcia, Benefits Supervisor
Eduardo Miranda, Legal Counsel
Luis Mier, Office of the Comptroller
Alex Browning, Callan LLC
Alex Ford, Callan LLC
Colleen Feblowitz, Arrowstreet Capital

- Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:30 AM. Garcia noted that quorum was met.

PLEDGE OF ALLEGIANCE

The Retirement Trust Board recited the Pledge of Allegiance.

NOTICE TO THE PUBLIC

Benefits Supervisor David Garcia read the Notice to the Public.

All matters listed under the CONSENT AGENDA will be considered by the Retirement Trust 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 Retirement Trust 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 Retirement Trust Board votes on the motion to adopt the CONSENT AGENDA.

CONSENT AGENDA

- Item 2. Approve the Minutes of the Regular Board Meeting of April 16, 2025.
- Item 3. Consideration and action canvassing the election vote for Employee Representative Board Trustees held in April of 2025.
- Item 4. Consideration and action on the following retirements:

	Name	Department	Service Time (estimated)
A.	Age & Service Retirement:		
1	Avila, George	Sun Metro	21 years 05 months
2	Cantu Gutierrez, Sergio	Parks and Recreation	14 years 03 months
3	Chavez, Arturo	Environmental Services	12 years 09 months
4	Lopez, Enrique	Sun Metro	20 years 07 months
5	Loya, Margarita G	Police	28 years 02 months
6	Ortiz, Isela	Public Health	31 years 02 months
7	Resendiz, Sergio R	Streets and Maintenance	17 years 02 months
8	Rodriguez, Trinidad	Streets and Maintenance	21 years 00 months
9	Salinas, Marta	Police	30 years 00 months
10	Smyth, Eleanor A.	Environmental Services	20 years 05 months
11	Wright, Patricia	Public Health	13 years 04 months
B.	Deferred Retirement:		
1	Paredes, Lourdes	Environmental Services	10 years 08 months

- Item 5. Consideration and action on survivor benefit applications for:
- A. Anchondo de Lopez, Maria survivor of Ricardo Ortega, retiree.
- B. Soto, Maximo survivor of Blanca Estela Soto, retiree.

- Item 6. Consideration and action on invoices as follows:

Company	Description of Service	Period	Fee Due
A. Arrowstreet Capital	Investment Fees	Qtr. Ended 03/31/25	\$ 125,920.84
B. Buck Global LLC	Actuarial Fees	Mo. Ended 04 /30/25	\$ 4,783.33
C. Eduardo Miranda	Legal Fees	Mo. Ended 04/30/25	\$ 337.50
D. Gordon, Davis, Johnson & Shane	Legal Fees	Mo. Ended 04/30/25	\$ 9,966.32
E. Heitman America R.E. Trust LP	Investment Fees	Qtr. Ended 03/31/25	\$ 119,706.00
F. Mellon Investment Management	Investment Fees	Qtr. Ended 03/31/25	\$ 28,717.14
G. Schlueter Group of Texas LLC	Consulting Fees	Mo. Ended 05/31/25	\$ 5,000.00
H. UBS Realty Investors LLC	Investment Fees	Qtr. Ended 03/31/25	\$ 55,451.47
I. Wellington Management	Investment Fees	Qtr. Ended 03/31/25	\$ 141,050.37
J. Xerox Financial Services	Copier Lease	Mo. Ended 05/31/25	\$ 348.00

- Item 7. Consideration and action on the following Committee reports/appointments:
- A. Administrative Services Committee
- B. Executive Committee
- C. Facility and Maintenance Committee
- D. Financial Oversight Committee

E. Investment Committee

Motion made by Rene Peña to approve the Consent Agenda with the following floor amendments: (i) Change Item 6B to correct classification from legal expenses to actuarial costs, and (ii) change Item 6D to correct classification from actuarial expenses to legal costs; seconded by Karina Brasgalla. The motion required polling:

Karina Brasgalla	aye
Deborah Hamlyn	aye
Karl Rimkus	aye
Rene Peña	aye
Rep. Art Fierro	aye

Motion carried.

REGULAR AGENDA

Item 8. Discussion and action regarding the Treasurer's Report for the month ended April 30, 2025.

Luis Mier of the Office of the Comptroller ("OTC") presented on behalf of Deputy Chief Financial Officer/Comptroller Margarita Marin; the Board received and reviewed the Treasurer's Report for the month ended April 30, 2025.

The Treasurer's Report is prepared monthly by OTC based on information received from the Trust's custodian.

The report consists of two statements ("Statement of Net Assets Available for Benefits" and the "Statement of Changes in Net Assets Available for Benefits"), three schedules ("Quarterly Statements of Changes in Net Assets Available for Benefits", "Investment Income Analysis", and "Pension Administration Actual/Budget Comparison"), and seven graphs ("Net YTD Investment Income", "Net Investment Income Rate of Return", "Refunds & Administrative Expenses", "Benefits Paid to Retirees", "Net Assets Available for Benefits Monthly", "FY25 Pension Retiree Population", and "FY25 Retiree Benefit Paid").

The information in the report includes (i) receivables, which include amounts due to the Trust for securities sold, outstanding interest, dividends earned, and contributions as of the date of the report; (ii) liabilities, which include amounts owed by the Trust for securities purchased and accrued expenses as of the date of the report; and (iii) unrealized/realized investment income, which is an estimate of the value of the portfolio as of the reporting dates.

Mier reviewed the statements, schedules, and graphs. The unaudited totals are for the periods ended April 30, 2025, including month, quarter, and fiscal year (eight months). Net assets available for benefits were about 983 million dollars, a net decrease of about 8.4 million dollars for the fiscal year. Contributions were approximately 41.2 million dollars (about 25.1 million dollars from the employer and 16.1 million dollars from employees). Benefits paid to retirees were about 55 million dollars. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was about 1.15 percent. Mier noted the target rate of return for the fiscal year of 7.25 percent, about 4.83 percent for the eight months ended April 30, 2025.

No action was taken on this item.

- Item 9. Discussion and action regarding the receipt of an investment manager report from Arrowstreet Capital (Colleen Feblowitz, Arrowstreet).

Colleen Feblowitz of Arrowstreet presented; the Board received and reviewed the investment manager report from Arrowstreet Capital.

Feblowitz provided an overview of the firm. Arrowstreet Capital is a Boston-based quantitative equity management firm founded in 1999 with a unique investment process. Assets under management at the end of the first quarter were about 215 billion dollars, well diversified across strategies and geographies. Feblowitz reviewed management changes, including partnership additions and notable retirements. Tony Ryan (Chief Executive Officer) announced his intention to retire from Arrowstreet at the end of 2025. Ryan will likely serve as a non-executive director on the firm's Board of Directors. The search for the next CEO is ongoing.

Feblowitz reviewed portfolio performance. In the trailing 1-year period ended March 31, 2025, the Arrowstreet International Equity ACWI ex US CIT returned 7.14 percent, while its benchmark, the MSCI ACWI ex USA IMI, returned 5.5 percent, resulting in a portfolio value added return of 1.64 percent net-of-fees. Since inception, the portfolio returned 7.34 percent, an added value of almost 6.0 percent over the benchmark. Feblowitz reviewed performance contributors/detractors and market conditions.

No action was taken on this item.

- Item 10. Discussion and action regarding a receipt of a monthly performance report for April 2025 and a quarterly performance report for the quarter ended March 2025 regarding the Trust's investments and related matters from Callan LLC.

Alex Browning and Alex Ford of Callan LLC presented; the Board received and reviewed the monthly performance report for April 2025 and a quarterly performance report for the quarter ended March 2025.

Browning reviewed the performance report for the quarter ended March 2025.

Browning reviewed the domestic economy. Macroeconomic measures remained relatively similar. The unemployment rate in April and March was 4.2 percent; inflation increased by 2.3 percent in April; and the Fed held short-term rates steady at the January, March, and May 2025 FOMC meetings but noted that "the risks of higher unemployment and higher inflation have risen." Browning noted the correlation between consumer confidence and the stock market.

Browning reviewed asset class performance. Domestic equity markets were down sharply in the first quarter, while non-US markets were up, showing the importance of diversification. Private equity's short-term performance continues to lag public equity. Real estate sector appreciation turned positive, outside of Office and Hotel.

Browning reviewed recent activity for the Trust. The IPS was updated to reflect the reduction in the Newton Dynamic U.S. Equity target allocation. A U.S. core open-end real estate search to replace UBS Trumbull Property Fund and a private equity commitment pacing analysis were performed. An international equity manager search is in progress. Regarding governance and compliance, Browning advised that no corrective action is necessary as the total fund is being managed in compliance with long-term objectives and noted asset allocation.

Ford reviewed the monthly performance report for April 2025.

Ford noted market volatility and contributing factors. Ford reviewed allocation by asset class and recent activity. TA Realty was funded in early April with an initial 15 million-dollar subscription, which enabled the Trust to return to target allocation for Real Estate. Ford noted that the cash balance is sufficient to pay benefits; rebalancing is not necessary.

Ford reviewed performance. International equities outperformed domestic equities. Fixed Income had positive performance, but underperformed the index. The total fund had positive returns but underperformed the Strategic Blended Index for all reporting periods, partially attributed to the benchmarking incongruity for Private Equity. Ford does not anticipate that the Trust will meet the actuarial discount rate of 7.25 percent for the fiscal year. Ford noted that, long term, the Trust exceeded the target discount rate, with a 5-year return of 8.49 percent. Ford advised that Alliance Bernstein (now known as AB), a Domestic Equity small/mid-cap manager hired in 2021, has fallen out of compliance with the performance standards in the IPS. The Investment Committee ("IC") decided to place AB on "watch". Ford noted that moving forward, AB will report biannually to the IC.

No action was taken on this item.

Item 11. Discussion and action regarding a report from the Executive Director regarding:

Executive Director Robert Ash reported on the following:

A. TEXPERS Summer Forum

The forum will be held in El Paso in August. Ash noted details of the forum, including venue. Trustees interested in attending are encouraged to contact Benefits Supervisor David Garcia for assistance with registration.

B. Proposed State Legislation

The legislative session is coming to a close. The Schlueter Group of Texas, the Trust's lobbying group, has been working with the Trust's Executive Committee ("EC") in reviewing proposed, pension-related legislation. The EC was tracking about 10 bills. SB 312 (authored by Hughes) with companion HB 4807 had caused some concern. However, SB 312 remains in the initial stages, pending in committee, and will likely not reach additional stages before the close of the legislative session. Ash attributed the delay, potentially, to SB 2337, which was also authored by Hughes. SB 2337 addresses proxy advisors as opposed to pension funds. SB 2337 is in the later stages, out of the Senate and House.

SJR 57 by Huffman, which has been introduced consecutively through several sessions, proposes a constitutional amendment prohibiting the use of state funds to pay for the obligations of a local public retirement system. The bill has failed to pass in the past and will likely not pass before the close of this session.

Ash noted legislation impacting state-governed plans.

Vice-Chairman and EC Member Karl Rimkus commended the Board for employing a lobbyist firm, as SGT has performed well. Rimkus encourages the Board to continue to utilize lobbyists for future legislative sessions.

C. Update to City

An update was provided to the City Manager, CFO, and Mayor regarding the Trust's funded position and other relevant information. The Trust will likely present to the City's FOAC as requested by the City Manager and CFO.

D. Strategic Planning Meeting

The Trust typically holds a Strategic Planning Meeting in October. The Strategic Plan is due for a larger update as this is the fifth year for the Plan. Administrative Assistant Karina Chavez will reach out to Trustees for scheduling a Special Board Meeting, tentatively for the week of October 27th as suggested by the Executive Committee.

E. Board Membership Update

Trustees Karl Rimkus and Isaura Valdez were re-elected to serve on the Board. Ash noted election details, including platform, vote count, and candidates.

The reappointment of Trustees Matt Kerr and Rene Peña will be presented to City Council in late May.

No action was taken on this item.

Item 12. For Notation:

A. Refund of Contributions:

	Name	Department	Total Refund
1	Aguirre, Tiffany	Animal Services	\$ 3,941.39
2	Attel-Melonas, Mia	Museums and Cultural Affairs	\$ 1,330.54
3	Carrillo, Dezirae	Police	\$ 4,105.37
4	Cornejo, Elizabeth	Public Health	\$ 2,334.91
5	Crohn, Normandy	Zoo	\$ 6,461.10
6	Dunaj, Patricia	Fire	\$ 14,632.76
7	Ferman, Valerie	Community and Human Development	\$ 22,710.57
8	Flores, Nicolas	Public Health	\$ 3,550.20
9	Fuentes, Antoinette	Human Resources	\$ 12,374.87
10	Gomez, Jose	El Paso Water	\$ 3,163.75
11	Hankins, Alejandro	Sun Metro	\$ 37,236.03
12	Hidalgo, Alexander	El Paso Water	\$ 6,851.09
13	Hoover, Ross	Streets and Maintenance	\$ 1,822.80
14	Jackson, Alvin	Environmental Services	\$ 2,832.35
15	MacMillan, River	Animal Services	\$ 1,086.09
16	Medina, Estefania	Public Health	\$ 7,509.38
17	Montoya, David	Police	\$ 3,017.37
18	Nunez, Rosario	Municipal Court	\$ 1,551.70
19	Ramirez, Angel	Public Health	\$ 2,894.84
20	Rodriguez, Raphael	Zoo	\$ 4,534.56
21	Rodriguez, Enrique	Animal Services	\$ 3,489.79
22	Shaw, Nicholas	Fire	\$ 13,743.08
23	Sigala, Mauro	Streets and Maintenance	\$ 9,878.29
24	Wesson, Kiara	Fire	\$ 2,349.96
25	Williamson, Jacquelin	Planning and Inspections	\$ 50,839.13
			\$ 224,241.92

Item for notation only. No action was required on this item.

OPEN COMMENT PERIOD

The Board of Trustees allowed speakers from the public to comment on any pension-related issue that was not on the agenda. During the Open Comment Period of the meeting, the public was given an opportunity to address the Board.

There were no speakers to comment on any pension-related issue that was not on the agenda.

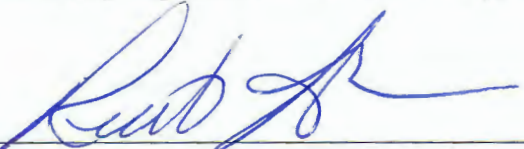
- Item 13. The Board will retire into EXECUTIVE SESSION pursuant to the Texas Government Code, Sections 551.071-551.076 and Section 551.078 to discuss any of the following:

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

No action was taken on this item.

- Item 14. Adjournment.

Motion made by Rene Peña to adjourn the City of El Paso Employees Retirement Trust Board Meeting on May 21, 2025; seconded by Rep. Chris Canales. None opposed. The motion was carried at 9:37 AM.



Secretary



Chairman