



**BOARD MINUTES FOR THE REGULAR MEETING
HELD THURSDAY, JUNE 20, 2024 AT 8:30 A.M.
RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA**

Members in Attendance:

Matt Kerr, Chairman
Karl C. Rimkus, Vice-Chairman
Isaura Valdez
Karina Brasgalla
Robert Studer
Deborah G. Hamlyn
Rep. Joe Molinar
Rep. Art Fierro

Members Absent:

Rene Peña

Others in Attendance:

Robert Ash, Executive Director
Adrian Sanchez, Deputy Executive Director
Karina Chavez, Administrative Assistant
David Garcia, Benefits Supervisor
Susan Jacobs, Office of the Comptroller
Alex Browning, Callan LLC
Alex Ford, Callan LLC

- Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:35 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 May 15, 2024.

Item 3. Consideration and action on the following retirements:

	Name	Department	Service Time (estimated)
A.	Age & Service:		
1	Avila, Alex	El Paso Water	16 years 05 months
2	Bach, Sylvia	Environmental Services	36 years 07 months
3	Carreon, Antimo D.	Human Resources	24 years 06 months
4	Rascon, Alma	Streets and Maintenance	16 years 05 months
B.	Age & Service PRP:		
1	Dressen, Juergen L	Streets and Maintenance	03 years 08 months
C.	Early:		
1	Vazquez, Rebeca E	El Paso Water	14 years 06 months
D.	Deferred:		
1	Castillo, Christina	Fire	21 years 11 months
2	Valdez, Monica	Airport	15 years 00 months

Item 4. Consideration and action on survivor benefit applications for:

- A. Ortiz, Martha survivor of Alfonso E. Ortiz, retiree.
- B. Schafer, Elena survivor of Raul De La Garza, employee.

Item 5. Consideration and action on invoices as follows:

Company	Description of Service	Period	Fee Due
A. Buck Global LLC	Legal Fees	Mo. Ended 05/31/24	\$ 2,091.67
B. Carr Riggs & Ingram	Consulting Fees	Mo. Ended 05/31/24	\$ 4,500.00
C. Eduardo Miranda	Legal Fees	Mo. Ended 05/31/24	\$ 975.00
D. Gordon Davis Johnson & Shane PC	Legal Fees	Mo. Ended 05/31/24	\$ 7,589.50
E. Gordon Davis Johnson & Shane PC	Legal Fees	Mo. Ended 05/31/24	\$ 8,083.40
F. XEROX Financial Services	Copier Lease	Mo. Ended 06/30/24	\$ 348.00

Item 6. 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 Karl Rimkus to approve the Consent Agenda; seconded by Rep. Joe Molinar. The motion required polling:

Isaura Valdez	aye
Karina Brasgalla	aye
Robert Studer	aye
Deborah Hamlyn	aye

Karl Rimkus aye
Rep. Joe Molinar aye
Rep. Art Fierro aye

Motion carried.

REGULAR AGENDA

- Item 7. Discussion and action regarding the Treasurer's Report for the month ended May 31, 2024.

Susan Jacobs of the Office of the Comptroller presented on behalf of City Comptroller Margarita Marin; the Board received and reviewed the Treasurer's Report for the month ended May 31, 2024.

The Treasurer's Report is prepared monthly by the Office of the Comptroller 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 six graphs ("Net YTD Investment Income", "Net Investment Income Rate of Return", "Refunds & Administrative Expenses", "Benefits Paid to Retirees", "FY24 Pension Retiree Population", and "FY24 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.

Jacobs reviewed the statements, schedules, and graphs. The unaudited totals are for the periods ended May 31, 2024, including month, quarter, and fiscal year (nine months). Net assets available for benefits were about 967 million dollars. Contributions were approximately 41.2 million dollars (about 26.6 million from the employer and 14.6 million from employees). Benefits paid to retirees were about 59.7 million dollars. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was about 8.21 percent exceeding the target rate of return for the fiscal year of 7.25 percent.

No action was taken on this item.

- Item 8. Discussion and action regarding a report from Callan LLC regarding the Trust's investments and related matters (Alex Browning and Alex Ford, Callan).

Alex Ford of Callan LLC presented; the Board received and reviewed the investment portfolio performance reports for the month ended May 31, 2024.

Ford noted that the values in the report are based on manager statements. The report will be updated once custodial values are received.

Ford noted actual asset allocation versus target allocation. Ford advised of potential rebalancing that may be necessary later in the year for Domestic Fixed Income as that asset class approaches the lower end of its allocation range. The Investment Committee is monitoring

and will advise the Board when necessary. Ford reviewed performance by asset class and noted that valuations for private equity and real estate are not available on a monthly basis. The total fund balance was about 957 million dollars with about 30 million dollars in unrealized gains for the month. All asset classes outperformed their benchmarks in May. The total fund outperformed the Strategic Blended Index for the month but underperformed the benchmark long term. Ford attributed the underperformance to benchmarking for private equity.

No action was taken on this item.

- Item 9. Discussion and action regarding the approval of a resolution amending the meeting dates for the regular board meetings held in November and December.

Executive Director Robert Ash presented; the Board received and reviewed the resolution amending the dates for the regular board meetings held in November and December.

Ash advised that the third Wednesday of the month in December and November creates an administrative hardship due to holiday closures. The resolution proposes that the Board convene for its monthly meeting in November and December on the second Thursday of the month beginning with 2024 and moving forward. Ash noted that the Investment Committee would meet the day before the board meeting in November. Ash advised that, if approved, the custodial values will be preliminary for those months, which will impact the Treasurer's Report and investment performance portfolio reports from Callan.

Trustee Rep. Joe Molinar expressed his support for the resolution noting that the dates of the monthly meetings in November and December are regularly revised. Rep. Molinar requested information about providing the revised meeting schedule, if approved, to retirees/participants. Executive Director Robert Ash advised that meeting notifications are posted on the Trust's website, which are regularly accessed by retirees, participants, and third parties. Deputy Executive Director advised that the revised schedule, if approved, will be included in the October issue of the Trust's Compass Points Newsletter.

Motion made by Rep. Joe Molinar to approve the resolution; seconded by Karl Rimkus. None opposed. Motion carried.

- Item 10. Discussion and action regarding a report from the Executive Director.

Executive Director Robert Ash reported on the following:

- Ash reviewed upcoming conference(s) and training.
 - TEXPERS will hold their summer conference in August 2024 in San Antonio.
 - Trustees interested in attending should contact Benefits Supervisor David Garcia.
- Ash reviewed ongoing/completed project(s).
 - The State Pension Review Board ("PRB"), which is the administrative agency that oversees Texas public pension plans, recently drafted proposed guidance for lump sum distributions and the development of a funding policy. The proposed guidelines were submitted to the Trust's investment consultant and actuary. Their comments, in turn, were submitted to PRB.
 - Ash and Alex Browning of Callan LLC met with the legal counsel for PRB and their investment analyst to discuss revisions, that Callan suggested, to the proposed guidelines.
 - Ash noted that there are no material changes proposed. If the guidelines are approved, Ash anticipates minor revisions to the Trust Investment Policy Statement and disclosure with the actuary.

- A preliminary budget will be presented to the Board in July for discussion and review. Ash noted that the Board will take action on the budget in August.
- Ash, Deputy Executive Director Adrian Sanchez, and Vice-Chairman Karl Rimkus met with Interim City Manager Cary Westin and CFO Robert Cortinas to provide an overview of the Trust for 2023.
- Board Officer elections will be held in August. Officer terms will begin in September.
- Ash reviewed upcoming Trust meetings:
 - The Financial Oversight Committee will meet on July 10th to review responses to the RFP for lobbyist services.

No action was taken on this item.

Item 11. For Notation:

A. Refund of Contributions:

	Name	Department	Total Refund
1	Baeza, Michael	El Paso Water	\$ 315.82
2	Beltran Durazo, Edgar	Fire	\$ 14,388.79
3	Bruderer, Andre	Municipal Court	\$ 6,138.78
4	Caracoza, Ana	Tax	\$ 4,521.65
5	Chavez, Daniel	Parks and Recreation	\$ 1,222.45
6	De Robles, Jose	Airport	\$ 167.42
7	Diaz, Manuel	Sun Metro	\$ 1,922.90
8	Fraire, Alexxandra	Parks and Recreation	\$ 3,831.59
9	Franco, Brie	City Attorney	\$ 22,957.19
10	Gardea, Alexandria	Fire	\$ 9,596.68
11	Jaquez, Guadalupe	Streets and Maintenance	\$ 30,588.10
12	Leyton, Jonathan	El Paso Water	\$ 3,207.74
13	Lopez, Gabriel	Streets and Maintenance	\$ 2,032.38
14	Martinez, Olinka	El Paso Water	\$ 65,111.39
15	Minchaca, Marco	Environmental Services	\$ 4,292.29
16	Mueller, Daniel	Fire	\$ 650.36
17	Munoz, Vanessa	City Attorney	\$ 26,377.70
18	Padilla, Aaron	Streets and Maintenance	\$ 1,749.81
19	Palma, Geovani	Environmental Services	\$ 1,526.72
20	Reardon, Diane	Fire	\$ 693.54
21	Reveles, Ignacio	Airport	\$ 1,898.34
22	Rodriguez Loera, Bernardo	El Paso Water	\$ 3,470.43
23	Saavedra, Kimberly	Police	\$ 1,053.91
24	Salinas, Noelia	El Paso Water	\$ 8,738.97
25	Siewert, Heaven	Parks and Recreation	\$ 2,018.61
26	Vargas, Bryan	Airport	\$ 1,107.80
27	Vargas, Hector	Public Health	\$ 2,022.31
28	Villarreal, Ida	Fire	\$ 7,323.35
			\$ 228,927.02

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.

Benefits Supervisor David Garcia noted that there were no speakers to comment on any pension-related issue that was not on the agenda.

- Item 12. 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 13. Adjournment.

Motion made by Karl Rimkus to adjourn the City of El Paso Employees Retirement Trust Board Meeting on June 20, 2024; seconded by Deborah Hamlyn. None opposed. The motion was carried at 9:04 AM.



Secretary



Chairman