



CITY of EL PASO

EMPLOYEES RETIREMENT TRUST

BOARD MINUTES FOR THE REGULAR MEETING HELD WEDNESDAY, JUNE 18, 2025, AT 8:30 A.M. RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA

Members in Attendance:

Robert Studer, Chairman
Karl C. Rimkus, Vice Chairman
Isaura Valdez
Karina Brasgalla
Matt Kerr
Rep. Chris Canales

Members Absent:

Deborah G. Hamlyn
Rene Peña
Rep. Art Fierro

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 Ford, Callan LLC
Jeff Heckler, Schlueter Group
Brad Schlueter, Schlueter Group

- Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:41 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 21, 2025.

Item 3. Consideration and action on the following retirements:

Name	Department	Service Time (estimated)
A. Age & Service Retirement:		
1. DeAnda, Carlos J.	Fire	35 years 04 months
2. Diaz, Vicky	Police	28 years 03 months
3. Garcia, Felix A	Fire	19 years 09 months
4. Gonzalez Jr., Manuel	Parks and Recreation	08 years 10 months
5. Lopez, Lorenzo A.	El Paso Water	24 years 11 months
6. Mata, Jesus	Sun Metro	15 years 02 months
7. Rodriguez, Juan M	El Paso Water	07 years 04 months
8. Valenzuela, Gerardo	Environmental Services	21 years 07 months
9. Villalobos, Armando	El Paso Water	22 years 06 months
10. Zambrano, Angel R.	Parks and Recreation	17 years 10 months
B. Early Retirement:		
1. Martinez III, Florencio	El Paso Water	13 years 11 months
2. Ojeda Hernandez, Jose	Environmental Services	12 years 07 months
C. Deferred Retirement:		
1. Garcia, Alfonso	Environmental Services	14 years 05 months
2. Olvera, Raul	Streets and Maintenance	10 years 07 months

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

A. Burnett, Willie survivor of Debora Burnett, retiree.

Item 5. Consideration and action on invoices as follows:

Company	Description of Service	Period	Fee Due
A. BNY Mellon	Custodial Fees	Qtr. Ended 03/31/25	\$ 38,790.88
B. Buck Global, LLC	Actuarial Fees	Mo. Ended 05/31/25	\$ 4,783.33
C. Eduardo Miranda	Legal Fees	Mo. Ended 05/31/25	\$ 800.00
D. Gordon Davis Johnson & Shane PC	Legal Fees	Mo. Ended 05/31/25	\$ 20,631.91
E. Schlueter Group of Texas, LLC	Consulting Fees	Mo. Ended 06/30/25	\$ 5,000.00
F. Xerox Financial Services	Copier Lease	Mo. Ended 06/30/25	\$ 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 Matt Kerr.
The motion required polling:**

Isaura Valdez	aye
Karina Brasgalla	aye
Matt Kerr	aye
Karl Rimkus	aye
Rep. Chris Canales	aye

REGULAR AGENDA

Item 7. Discussion and action regarding the presentation of Board Service Awards.

Benefits Technician Esmeralda Aguirre and Trustees Karina Brasgalla, Robert Studer, and Isaura Valdez were recognized for their service to the Trust. Aguirre received a 10-year Employee Service Pin and certificate; Brasgalla received a 2-year Board Service Pin; Valdez received a 4-year Board Service Pin; and Studer received a 6-year Board Service Pin. Executive Director Robert Ash advised that the awards acknowledge an individual's dedicated service and contributions to the Trust.

Chairman Robert Studer and Vice-Chairman Karl Rimkus presented the pins. Aguirre, Brasgalla, Studer, and Valdez accepted their awards and expressed their gratitude.

No action was taken on this item.

Item 8. Discussion and action regarding the Treasurer's Report for the month ended May 31, 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 May 31, 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 May 31, 2025, including month, quarter, and fiscal year (nine months). Net assets available for benefits were about 1.007 billion dollars, a net increase of about 16.1 million dollars for the fiscal year. Contributions were approximately 46.6 million dollars (about 28.4 million dollars

from the employer and 18.2 million dollars from employees). Benefits paid to retirees were about 62 million dollars. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was about 3.79 percent. Mier noted the target rate of return for the fiscal year of 7.25 percent, about 5.44 percent for the nine months ended May 31, 2025.

No action was taken on this item.

- Item 9. Discussion and action regarding the receipt of a Texas legislative session summary from the Schlueter Group of Texas ("SGT").

Jeff Heckler and Brad Schlueter of the SGT presented; the Board received and reviewed the legislative session summary.

The 89th Legislative Session has ended. Heckler reviewed session statistics. More bills were filed this session than ever before, but a smaller percentage passed; only 13.65 percent passed, compared to 15.08 percent in the previous session.

Schlueter reviewed priority bills for the Retirement Trust, including stance.

SB 312 (Hughes) / HB 4807 (Paul)

Stance: Oppose, as filed.

Status: SB 312 stalled in the Senate State Affairs Committee; HB 4807 never received a hearing. Similar bills were introduced in the prior session dealing with fiduciary duty in regards to environmental, social, and governance ("ESG") investments.

SB 2337 (Hughes) / HB 4079 (Leach)

Stance: Neutral, as the bill was not expanded beyond proxy advisor fiduciary duty in regards to ESG investments.

Status: SB 2337 passed, sent to the governor.

SB 2337 does not impact the Trust, as CEPERT does not use proxy advisory firms.

HB 3776 (Paul)

Stance: Oppose, as filed.

Status: Stalled in the House Pensions/Investments/Financial Services Committee; never received a hearing.

The bill would impose reporting requirements for proxy advisors or investment managers.

Schlueter noted other "neutral" pension-related bills. Heckler and Schlueter reviewed interim activities. The last day the governor can veto bills is June 22, 2025. June 23rd is the first day political contributions may be accepted after the 89th Legislative Session. SGT will monitor agency implementation of new legislation, monitor PRB activity, participate in stakeholder meetings/discussions, attend member/caucus/association events, and engage members and staff on Trust policy positions. In mid-2026, SGT would like to meet with the Trust to develop a clear legislative agenda and strategy for the 90th session.

Executive Director Robert Ash noted that the term for SGT's initial contract will end in 2026. The Board may extend the contract or issue an RFP at that time.

No action was taken on this item.

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

Alex Ford of Callan LLC presented; the Board received and reviewed the investment performance report for the month of May 2025.

Ford noted market volatility and contributing factors, including easing trade tensions.

Ford reviewed allocation by asset class and recent activity. Nearly 1.0 million dollars in cash distributions from mature private equity vintages were returned to the Trust's cash account, available for benefits or reallocation. Deputy Executive Director Adrian Sanchez advised that a sizable capital call of about 3.45 million dollars from Adams Street is expected in June. Executive Director Robert Ash noted that Callan assesses rebalancing needs, considering capital calls, with the aim of rebalancing on a quarterly basis. Ash advised that the Trust has sufficient cash for June, even with the upcoming capital call.

Ford reviewed active manager performance. The Investment Committee ("IC") is closely monitoring Alliance Bernstein ("AB"), a small/mid-cap equity manager, who was placed on "watch" at the last meeting. AB will report to the IC in July. Ford highlighted Arrowstreet in International Equity as one of the Trust's best-performing active managers, with an 11.7 percent fiscal year-to-date return. However, due to capacity constraints, Arrowstreet is closing many strategies and no longer accepting further contributions. The IC will evaluate the International Equity allocation. Chairman Robert Studer noted surprise at the 5-year International Equity returns (over 10 percent), given the perception of long-term underperformance relative to U.S. markets. Ford explained that while international equities have lagged the U.S., they have had modestly positive returns, and recent surges (especially a strong first quarter) have boosted the longer-term average. This also provided a diversification benefit when the S&P was down.

Ford reviewed total fund performance. Positive performance in May has helped the Trust approach its target return and discount rate as the fiscal year ends. The total fund performance was 4.42 percent fiscal year-to-date, a significant improvement from negative 70 basis points two months prior (through March). Ford noted that while meeting the target return for the fiscal year would require substantial market returns in the remaining three months, it is not out of the question given recent performance. However, global events could still impact trends.

No action was taken on this item.

- Item 11. Discussion and action regarding consideration of an amendment to the job descriptions for Retiree Benefits Clerk and Benefits Technician.

Executive Director Robert Ash presented; the Board received and reviewed the job descriptions for Retiree Benefits Clerk and Benefits Technician.

Ash informed the Board of the upcoming staffing changes due to an employee's retirement, which prompted a review of job descriptions.

Ash explained that senior staff and supervisors were consulted to determine the needs for the Benefits Technician and Retiree Benefits Clerk positions. Based on their input, amendments to both job descriptions were proposed to the Administrative Services Committee ("ASC"). These amendments, highlighted in redline documents, focus on both the tasks and qualifications for each role, with a goal of recruiting the best candidates.

Ash advised that the ASC met twice and recommended moving forward with these amendments. ASC Chair Karina Brasgalla affirmed that the proposed changes are well-reasoned and reflect the specialized nature of the roles, emphasizing the importance of combining education and experience for recruitment.

Motion made by Karl Rimkus to approve the amendments to the job descriptions of the Retiree Benefits Clerk and Benefits Technician, as recommended by the Administrative Services Committee; seconded by Karina Brasgalla. None opposed. Motion carried.

- Item 12. Discussion and action on a report from the Executive Director or Deputy Executive Director regarding:

Executive Director reported on the following:

A. TEXPERS Summer Conference

The conference will be held on August 4th and 5th at the Convention Center downtown. Board Members are encouraged to attend. Benefits Supervisor David Garcia will handle registration; Ash noted the 25 dollar registration fee. Ash estimated that TEXPERS has been in El Paso only two or three times in 30 years, highlighting the importance of local support; supervisors are encouraged to attend, and relevant personnel at the Office of the Comptroller will be notified of the conference as suggested by Board Chairman Robert Studer.

B. Staffing Update

The Trust anticipates hiring additional staff in the next one to two years, with opportunities for advancement, including for the position of Benefits Technician, as Pauline Castillo is retiring.

Ash noted that Benefits Technician Esmeralda Aguirre was recognized today for her ten years of service.

C. FOAC Presentation

As requested by the City Manager's Office, the Trust will provide a report to the City's Financial Oversight and Audit Committee ("FOAC") on July 17th. Deputy Executive Director Adrian Sanchez will present on behalf of the Trust, providing an updated version of the annual presentation given to the Mayor and City Manager.

D. Committee Work Update

Ash thanked the Administrative Services Committee for meeting twice in the last month.

A meeting for the Financial Oversight Committee ("FOC") will be arranged soon, and FOC Members should expect an email regarding dates.

E. Strategic Planning

The strategic planning meeting is scheduled for October 29th, from 9:00 AM to 1:00 PM, with lunch provided. This will be a more intensive session, conducted every five years, to review the Strategic Plan in depth.

F. Preliminary Budget

A significant change in budgeting procedure was discussed. As recommended by Chairman Robert Studer and the Executive Committee, the upcoming draft budget for the next fiscal year will include investment management fees, legal expenses, and other fees that were not traditionally included in the operating budget. This change will make the budget appear significantly larger (an increase of approximately 5.0 million dollars) but does not reflect an

increase in actual expenses; rather, it provides greater transparency and a more complete picture of administrative costs.

Investment management fees, typically paid quarterly and netted from returns, are difficult to predict accurately due to market fluctuations. The change aims to provide a more comprehensive view of expenses, even if it introduces some complexity in comparing year-over-year budgets and may require footnotes for auditors.

The process for handling investment fees (netting from returns) will remain the same; only the budgeting of an estimated amount will change. Ash encouraged the Board to review the draft budget next month and to reach out with any concerns.

No action was taken on this item.

Item 13. For Notation:

A. Refund of Contributions:

Name	Department	Total Refund
1. Alvarado, Robert	Environmental Services	\$ 1,789.13
2. Briseno, Victoria	Mayor and Council	\$ 4,168.92
3. Cadena, Javier	Environmental Services	\$ 7,288.55
4. Catinella, Thomas	El Paso Water	\$ 1,081.96
5. Crawford, Alicia	Airport	\$ 13,056.57
6. Cuellar, Sandra	Zoo	\$ 11,777.56
7. Diaz, Alejandro	Zoo	\$ 314.28
8. Duran, Rebecca	El Paso Water	\$ 4,955.18
9. Escapita, Norma	Office of the Comptroller	\$ 6,720.60
10. Guerrero, Mario	El Paso Water	\$ 2,230.84
11. Hankins, John	Sun Metro	\$ 2,302.35
12. Hawthorne, Melissa	Public Health	\$ 40,737.64
13. Hernandez, Abel	Environmental Services	\$ 12,964.32
14. Holguin, Valeria	Capital Improvement	\$ 7,122.05
15. Johansmeier, Glen	Fire	\$ 36,986.99
16. Lamas, Vanessa	El Paso Water	\$ 8,135.04
17. Lopez, Diana	El Paso Water	\$ 4,257.47
18. Martinez, Steven	Zoo	\$ 9,554.21
19. Monarrez, Leidy	Public Health	\$ 31,285.75
20. Narvaiz, Christopher	Public Health	\$ 8,142.31
21. Ortiz, Higinio	Public Health	\$ 11,195.19
22. Pena, Aaron	Parks and Recreation	\$ 8,651.49
23. Phifer, Larry	City Attorney	\$ 27,298.55
24. Quezada, Silvia	El Paso Water	\$ 834.16
25. Ramirez, Jaime	Sun Metro	\$ 37,278.99
26. Roberts-Bermudez, Gabriel	Human Resources	\$ 6,041.72
27. Rodriguez, Cristina	Animal Services	\$ 2,284.35
28. Roybal, Jessica	El Paso Water	\$ 1,726.94
29. Rubio, Jagaira	Fire	\$ 3,417.03

30.	Saenz, Olivia	Fire	\$	38,730.99
31.	Scott, James	Airport	\$	5,549.64
32.	Solis, Steven	Airport	\$	7,660.69
33.	Umana, Carlos	El Paso Water	\$	1,249.27
34.	Valencia, Gilberto	Purchasing and Strategic Sourcing	\$	5,490.30
35.	Varela, Indira	Museums and Cultural Affairs	\$	2,103.30
36.	Villarreal, Oscar	El Paso Water	\$	1,149.08
37.	Woods, Isabel	Animal Services	\$	1,792.60
38.	Yu, Jonathan	Fire	\$	15,979.17
Total:				\$ 393,305.18

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 14. 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 15. Adjournment.

Motion made by Karl Rimkus to adjourn the City of El Paso Employees Retirement Trust Board Meeting on June 18, 2025; seconded by Rep. Chris Canales. None opposed. The motion was carried at 10:08 AM.


Secretary


Chairman