



# CITY of EL PASO

EMPLOYEES RETIREMENT TRUST

**BOARD MINUTES FOR THE REGULAR MEETING  
HELD WEDNESDAY, AUGUST 20, 2025, AT 8:30 A.M.  
RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA**

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**Members in Attendance:**

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

**Members Absent:**

**Others in Attendance:**

Robert Ash, Executive Director / Legal Advisor  
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  
Tatiana Abbas, District 8  
Alma Rodriguez, District 8

- Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:33 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 July 16, 2025.

Item 3. Consideration and action on the following retirements:

Name	Department	Service Time (estimated)
A. Age & Service Retirement:		
1. Arredondo, Blanca A	Airport	20 years 07 months
2. Byram, Gretchen K.	El Paso Water	29 years 00 months
3. Camacho, Mary C	Parks and Recreation	17 years 10 months
4. Castillo, Paulina	City of El Paso Employees Retirement Trust	25 years 03 months
5. Chavez, Lupe	Human Resources	36 years 06 months
6. Delgado Sotelo, Jose D.	Airport	10 years 04 months
7. Dominguez, Francisco	El Paso Water	31 years 00 months
8. Duran, Arturo	El Paso Water	32 years 06 months
9. Espinosa, Luz M.	Libraries	21 years 07 months
10. Hernandez, Dolores B.	Police	16 years 06 months
11. Riley, Kevin Dale	Libraries	12 years 10 months
12. Rodriguez, Jose A.	Streets and Maintenance	26 years 09 months
13. Tarin, Jesus A	Police	12 years 09 months
B. Age & Service Retirement – Proportionate Retirement Program:		
1. Nieto, Bertha A.	Police	17 years 11 months
C. Early Retirement:		
1. Chavez, Lorena	International Bridges	17 years 01 month

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

- A. Gonzalez, Sergio R., survivor of Blanca A Molina, retiree.
- B. Olague, Sunkil Y., survivor of Manuel C Olague, retiree.

Item 5. Consideration and action on invoices as follows:

Company	Description of Service	Period	Fee Due
A. Arrowstreet Capital	Investment Fees	Qtr. Ended 06/30/25	\$ 136,183.31
B. BlackRock	Investment Fees	Qtr. Ended 06/30/25	\$ 32,867.30
C. Buck Global, LLC	Actuarial Fees	Mo. Ended 07/31/25	\$ 4,783.33
D. Eduardo Miranda	Legal Fees	Mo. Ended 07/31/25	\$ 650.00
E. Gordon, Davis, Johnson & Shane	Legal Fees	Mo. Ended 07/31/25	\$ 14,369.16
F. Heitman Am Real Estate Trust	Investment Fees	Qtr. Ended 06/30/25	\$ 121,721.00
G. Mellon Capital	Investment Fees	Qtr. Ended 06/30/25	\$ 30,893.22
H. Schlueter Group of Texas, LLC	Consultant Fees	Mo. Ended 08/31/25	\$ 5,000.00
I. UBS Realty Investors LLC	Investment Fees	Qtr. Ended 06/30/25	\$ 56,315.77
J. Xerox Financial Services	Copier Lease	Mo. Ended 08/31/25	\$ 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 Matt Kerr to approve the Consent Agenda; seconded by Deborah Hamlyn.  
The motion required polling:**

<b>Karina Brasgalla</b>	<b>aye</b>
<b>Matt Kerr</b>	<b>aye</b>
<b>Deborah Hamlyn</b>	<b>aye</b>
<b>Rene Peña</b>	<b>aye</b>
<b>Robert Studer</b>	<b>aye</b>

**Motion carried.**

### **REGULAR AGENDA**

- Item 7. Discussion and action regarding the Treasurer's Report for the month ended July 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 July 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 July 31, 2025, including month, quarter, and fiscal year (11 months). Net assets available for benefits were about 1.036 billion dollars, a net increase of about 45 million dollars for the fiscal year. Contributions were approximately 58 million dollars (about 35.2 million dollars from the employer and 22.5 million dollars from employees). Benefits paid to retirees were about 76 million dollars. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was about 7.01 percent. Mier noted the target rate of return for the fiscal year of 7.25 percent, about 6.65 percent for the 11 months ended July 31, 2025.

**No action was taken on this item.**



- Item 8. Discussion and action regarding the receipt of investment performance reports for the month ended July 31, 2025, and for the quarter ended June 30, 2025, and related matters from Callan LLC.

Alex Browning of Callan LLC presented; the Board received and reviewed investment performance reports for the month ended July 31, 2025, and for the quarter ended June 30, 2025.

The July "flash report" provided preliminary estimates of performance. The portfolio showed strong performance, largely driven by "risky" assets, and ended the month with an increase of approximately 11 million dollars in investment returns, bringing the total fund value to over 1.03 billion dollars. The fiscal year-to-date gross return is 7.71 percent, but with Private Equity returns adjusted to zero percent, the return is closer to 7.0-7.25 percent. Browning noted that reaching the 7.25 percent fiscal year-end target will be a challenge but is still possible.

Browning reviewed asset allocation and rebalancing. The portfolio is currently in non-compliance with its Investment Policy Statement due to an overweighting in Private Equity (currently over three percent above its target) and a corresponding underweighting in Fixed Income (below its lower-end target of 21 percent). An analysis will be conducted to determine a strategic approach to future Private Equity commitments. Staff is actively managing cash flows to address compliance and rebalance the portfolio.

Browning reviewed asset class performance. Domestic Equity has risen above its target allocation and continues to be the primary outperformer. International Equity has been a strong performer, with a composite return of about 13.3 percent for the fiscal year-to-date, outperforming its benchmark (11.65 percent), which highlights the benefit of country diversification. Private Equity has not been outperforming public equities for the fiscal year-to-date but has shown substantial outperformance over the longer term. Real Estate is showing more resilience, with transaction volumes increasing, particularly in multifamily, industrial, and retail sectors.

Browning provided a market review and a summary of the quarterly results, reinforcing the need to closely monitor performance to meet the fiscal year-end goals. Executive Director Robert Ash requested that the Investment Committee and the consultant review the portfolio's recent underperformance relative to its peers. Ash highlighted that while the portfolio has not performed as well as in the past, its peer rankings have also declined over the last one to five years. The goal is to understand the reasons for this trend and determine a course of action.

The Board raised a concern about recent regulatory changes allowing 401(k) plans to invest in private equity. The Investment Committee will discuss this with managers to understand its potential impact on deal-making and the overall market.

A board education session is tentatively scheduled for late October. The Investment Committee will provide recommendations for topics of interest.

**No action was taken on this item.**

- Item 9. Discussion and action approving a resolution adopting the proposed budget for fiscal year 2025-2026.

Deputy Executive Director Adrian Sanchez presented; the Board received and reviewed the proposed budget for the upcoming fiscal year (2025-2026).

Sanchez noted that the proposed budget remained largely unchanged from the previous month. The primary change was an increase of 2,076 dollars in the salary and benefits line item. This adjustment was made to reflect the cost-of-living adjustment for staff, which is based on the July Consumer Price



Index (2.7 percent). The adjustment, if approved, would be effective September 1, 2025. Sanchez noted that Trust staff do not receive City-specific benefits, such as longevity increases or minimum wage adjustments, and reviewed staff merit and cost-of-living adjustments.

Sanchez discussed the significant increase in the proposed budget compared to the prior year. The increase of 8.6 million dollars does not represent new expenditures. Instead, a large portion of the increase is due to a change in how the budget is presented. Investment fees (4.3 million dollars) and other operating expenses, which were previously listed as separate agenda items throughout the year, have been integrated into the proposed budget. Sanchez noted that the increase also includes an additional 3.5 million dollars in retirement benefits, which generally increase by about 4.0 percent each year.

**Motion made Karl Rimkus to approve the budget resolution adopting the budget and related matters for fiscal year 2025-2026; seconded by Deborah Hamlyn. None opposed. Motion carried.**

Item 10. Discussion and action regarding issuing a request for proposals ("RFP") for audit services.

Executive Director Robert Ash presented; the Board received and reviewed the RFP for audit services.

The Board discussed the annual audit and the recommendation from the Financial Oversight Committee ("FOC") to issue an RFP for audit services. CRI has been the Trust's current auditor since 2019, and their contract has been extended several times.

The FOC met on August 8<sup>th</sup> to review the Trust's audit needs and the recent audit performance. Ash noted that the audit is a requirement by law. The committee's recommendation to seek proposals was based on concerns that CRI may be unable to dedicate the necessary resources to perform the audit capably and within the required timeframe. It was noted that staffing turnover at CRI had been challenging, which may have contributed to delays in finalizing the audit.

Ash reviewed the proposed RFP. Key evaluation factors for proposals will be weighted at 50 percent for price (including a potential two-year extension) and 50 percent for the firm's experience with public pension plans and the qualifications of their staff. The term of the contract would be three years, with a two-year extension possibility.

A fast-tracked timeline was proposed to ensure a new firm is in place by October. The plan is to issue the RFP immediately and post on the Trust's website, with responses due September 10<sup>th</sup>. The FOC would then review the proposals and conduct interviews, with the goal of presenting a recommendation to the Board for approval in October.

The City requires the Trust to complete its audit within 180 days of the fiscal year end (August 31<sup>st</sup>), a deadline that now has stricter penalties for the City under a new state law. While the Trust has always met this statutory deadline, it needs to provide its audit to the City's auditors with enough lead time for them to incorporate it into the City's overall audit. This makes meeting a December deadline crucial. Therefore, the selection committee will be particularly mindful of a firm's ability to adhere to this aggressive timeline.

Ash noted that CRI has not been terminated. CRI may submit a proposal, which would be judged on the same criteria as other firms. The Board acknowledged that the cost for a new auditor might be higher than CRI's previous rates, and it was agreed that staff would be authorized to adjust the budget accordingly, with Board approval, if a new contract is awarded.



**Motion made by Karl Rimkus to issue an RFP for audit services as recommended by the Financial Oversight Committee; seconded by Rep. Chris Canales. None opposed. Motion carried.**

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

Executive Director reported on the following:

A. Senate Bill 12 (Special Session Texas Legislature)

The bill proposed in a special legislative session would prohibit Texas municipalities and counties from spending public money on lobbyists. While the bill did not pass in the first special session, it may be revived in a second session. This could potentially impact the ability of the Trust to employ lobbyists in the future, as the Trust receives some public funds. The Trust's lobbyists are aware of the issue and may propose an amendment to exclude public pension plans from the bill.

B. Strategic Planning Session

A strategic planning session is scheduled for October 29<sup>th</sup>. The Executive Committee met with staff from the City's Performance Office, who will lead the meeting. Instead of the usual annual board survey, the Performance Office will contact Board Members directly to conduct individual interviews. The responses will help shape the agenda and content for the strategic planning meeting.

C. TEXPERS Summer Forum Recap

The annual forum was held on August 4<sup>th</sup>-5<sup>th</sup>. Five Board Members and three staff members attended the event, which drew over 300 people. Ash noted that Mayor Johnson provided the opening remarks. Trustees who need to meet their mandatory education and training ("MET") requirements should send their attendance verification forms to Benefits Supervisor David Garcia. Ash noted that the El Paso forum had a higher attendance this year compared to two years ago and that the sessions were less investment-oriented than in the past. Vice-Chairman Karl Rimkus thanked Ash for his participation in a panel at the forum.

D. FOAC Presentation

Ash advised that Deputy Executive Director Adrian Sanchez presented to the City's Financial Oversight and Audit Committee. The presentation was based on the one previously given to the Mayor and City Manager. Ash advised that the committee's questions were primarily focused on the unfunded liability. The presentation was well-received.

**No action was taken on this item.**

Item 12. For Notation:

A. Qualified Domestic Relations Order for:

Luis Arturo Castaneda and Lillian Denise Castaneda

B. Refund of Contributions:

	Name	Department	Total Refund
1.	Acosta, Kenneth	El Paso Water	\$ 7,407.64
2.	Aguilar III, Francisco	El Paso Water	\$ 2,008.57
3.	Aldea, Rebecca	El Paso Water	\$ 4,103.39
4.	Apodaca, Victor	El Paso Water	\$ 1,851.51
5.	Berumen-Salcedo, Arturo	El Paso Water	\$ 8,646.26
6.	Deleon, Alexandra	Fire	\$ 170.35
7.	Dominguez, Heidi	Airport	\$ 7,068.73

8.	Gamboa, Arlet	Capital Improvement	\$	5,668.08
9.	Gonzalez, Debrah	Fire	\$	14,395.58
10.	Hayslett, Victoria	City Attorney	\$	16,866.69
11.	Hernandez, Bryan	Environmental Services	\$	7,379.86
12.	Molina, Anthony	Human Resources	\$	604.43
13.	Ordaz Jr, Juan	Streets and Maintenance	\$	38,717.93
14.	Perez, Laura	Public Health	\$	18,306.32
15.	Rodriguez, Israel	Animal Services	\$	1,498.37
16.	Rosales, Carlos	El Paso Water	\$	4,663.24
17.	Salazar, Karen	Libraries	\$	949.17
18.	Santillan, Jesus	Parks and Recreation	\$	609.32
19.	Torres, Martha	Human Resources	\$	1,480.72
20.	Vazquez, David	Environmental Services	\$	1,219.93
21.	Zaragoza, David	Environmental Services	\$	38,689.79
				<hr/>
				<b>\$ 182,305.88</b>

**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.

### **EXECUTIVE SESSION**

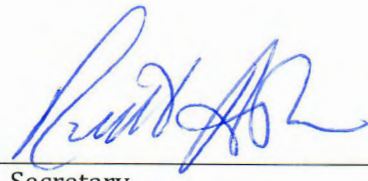
The Board will retire into EXECUTIVE SESSION pursuant to the Texas Government Code, Sections 551.071-551.076 and Section 551.078 to discuss any of the following:

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

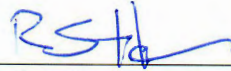
**No action was taken on this item.**

Item 13. Adjournment.

**Motion made by Karl Rimkus to adjourn the City of El Paso Employees Retirement Trust Board Meeting on August 20, 2025; seconded by Rep. Art Fierro. None opposed. The motion was carried at 9:46 AM.**



Secretary



Chairman