CITY of EL PASO
EMPLOYEES RETIREMENT TRUST

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BOARD MINUTES FOR THE REGULAR MEETING HELD WEDNESDAY, AUGUST 19, 2026, 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, in at 8:37 AM
Rep. Art Fierro, in at 8:43 AM, out at 10:49 AM

Members Absent:

Deborah G. Hamlyn
Rene Peña

Others in Attendance:

Robert Ash, Executive Director
Adrian Sanchez, Deputy Executive Director
Karina Chavez, Administrative Assistant
Eduardo Miranda, Legal Counsel
Jose Espino, Office of the Comptroller
Alex Browning, Callan LLC
Alex Ford, Callan LLC
Jay Kloepfer, Callan LLC

Item 1. Deputy Executive Director Adrian Sanchez called the meeting to order at 8:34 AM. Sanchez noted that a quorum was met.

PLEDGE OF ALLEGIANCE

The Retirement Trust Board recited the Pledge of Allegiance.

NOTICE TO THE PUBLIC

Deputy Executive Director Adrian Sanchez 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 15, 2026.

Item 3. Consideration and action on the following retirements:

		Name	Department	Service Time (estimated)
A.	Age & Service Retirement:			
	1.	Barber, Joyce A.	Environmental Services	15 years 00 months
	2.	Berry, Jorge Francisco	Environmental Services	18 years 10 months
	3.	Flores, Armando J.	Code Enforcement	10 years 04 months
	4.	Flores, Mario	Streets and Maintenance	32 years 10 months
	5.	Garcia, David	City of El Paso Employees Retirement Trust	15 years 06 months
	6.	Horacek, Jerry L.	Streets and Maintenance	11 years 09 months
	7.	Olivares Longoria, David D.	Streets and Maintenance	12 years 11 months
	8.	Portillo, Daniel	Airport	26 years 06 months
	9.	Pouliot, Herlinda M.	Public Health	19 years 00 months
	10.	Rivera, Victor M.	Streets and Maintenance	34 years 03 months
	11.	Rojo, Maricela	Public Health	25 years 00 months
	12.	Sanchez, Margarita	Municipal Courts	23 years 07 months
	13.	Sanchez, Rose Mary	El Paso Water	18 years 00 months
	14.	Williams, Janice Rose	Police	36 years 11 months
	15.	Zuniga, Severiano L.	International Bridges	21 years 02 months
B.	Early Retirement:			
	1.	Grijalva, Tina T.	Airport	11 years 01 month
	2.	Montes, David	Environmental Services	13 years 06 months
	3.	Tonche, Christopher A.	Police	24 years 01 month
C.	Deferred Retirement:			
	1.	Santillan Goytia, Fernando	El Paso Water	13 years 00 months
	2.	Segovia, Raul	El Paso Water	07 years 02 months

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

A. Carlin, Catalina, survivor of Manuel J Carlin, retiree.
B. Guillen, Johanna L., survivor of Macario Guillen, retiree.
C. Rocha, Norma, survivor of Arturo Rocha Jr, retiree.
D. Soto, Norma P., survivor of William V Santiago, retiree.
E. Valenzuela, Maria G., survivor of Lorenzo Valenzuela, retiree.

Item 5. Consideration and action on the following Committee reports/appointments:

A. Ad Hoc Selection Committee
B. Administrative Services Committee
C. Executive Committee
D. Facility and Maintenance Committee
E. Financial Oversight Committee
F. Investment Committee

Motion made by Karl Rimkus to approve the Consent Agenda; seconded by Karina Brasgalla. The motion required polling:

Isaura Valdez	**aye**
Karina Brasgalla	**aye**
Matt Kerr	**aye**
Robert Studer	**aye**
Karl Rimkus	**aye**

Motion carried.

REGULAR AGENDA

Item 6. Discussion and action regarding the presentation of Board Service Award(s).

Chairman Robert Studer received a service award recognizing his contributions as Board Chair.

Board Vice Chair Karl Rimkus presented the award to Studer. Executive Director Robert Ash discussed Studer's tenure, emphasizing his dedication. Studer accepted the award.

No action taken on this item.

Item 7. Discussion and action regarding the Treasurer's Report for the month ended July 31, 2026.

Jose Espino of the Office of the Comptroller (OTC) presented on behalf of Deputy Chief Financial Officer/Comptroller Margarita Marin; the Board received the Treasurer's Report for the month of July 2026.

The Treasurer's Report is prepared monthly by the 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 five graphs ("Net YTD Investment Income", "Net Investment Income Rate of Return", "Refunds & Administrative Expenses", "Benefits Paid to Retirees", and "Net Assets Available for Benefits Monthly").

The information in the report includes (i) receivables, which include amounts due to the Trust as of the date of the report; (ii) liabilities, which include amounts owed by the Trust 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.

Espino reviewed the statements, schedules, and graphs. The unaudited totals are for the periods ended July 31, 2026, including month, quarter, and fiscal year (11 months). Net assets available for benefits were about $1.183 billion, a net increase of about $122.8 million for the fiscal year. Contributions were ~$61.5 million (averaging about 5.6 million dollars per month for the fiscal year). Benefits paid to retirees were about $79 million. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was ~13.28%, exceeding the target rate of return for the fiscal year of 7.25%.

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, 2026, and for the quarter ended June 30, 2026, and related matters from Callan LLC (Alex Browning and Alex Ford, Callan).

Alex Browning of Callan LLC presented; the Board received and reviewed the investment performance reports for the month of July 2026 and for the quarter ended June 30, 2026.

Browning provided a market overview. Middle East conflicts pushed oil prices up by ~23% (from $65 to $85), driving minor increases in inflation expectations, though inflation dropped by 10 bps in July. The yield curve rose beyond 1-year maturities. Under new Fed Chair Kevin Warsh, the Federal Reserve kept interest rates unchanged amid low unemployment and subdued inflation.

Browning reviewed portfolio positioning and asset allocation. Equity liquidations were directed into Fixed Income (specifically the Bloomberg Aggregate Index), bringing allocation closer to the target lower boundary (>21%). Private Equity (PE) remains near its upper target bound due to asset appreciation. Browning noted the risk/return profile. Active management added ~2.25% above target for the year as of June 30, 2026, achieving target-beating returns with lower overall risk.

Browning reviewed investment performance. Total fund returned 14.16% fiscal year-to-date (FYTD), substantially exceeding the actuarial discount rate of 7.25%. This would mark the third consecutive year the Trust surpassed its actuarial target. Browning reviewed asset class returns: Domestic Equities: Up 18.33% FYTD; International Equities: Up nearly 30% FYTD, benefiting from heavy exposure to AI/technology supply chains; Private Equity: Up ~10.5% on a time-weighted basis FYTD; Fixed Income: Coupons remain high (~4.25%), though yield fluctuations created short-term price drag; Real Estate: Showing early signs of recovery ("green shoots") supported by steady lease income.

Browning provided operational and governance updates. Key strategic activities included an International Equity structure review, capital market forecast updates, the annual IPS review, a Domestic Equity reduction in small/mid-cap weight from 35% to 25%, a shift in the Private Equity benchmark from the Russell 3000 to Cambridge Private Equity/PE Index effective fiscal year 2026, and an approved Texas Pension Review Board education session. Additionally, UBS Asset Management reported an organizational change as Matt Johnson departed after 18 years, with Larissa Belova appointed as Head of Real Estate U.S. alongside her existing roles as CIO and Lead Portfolio Manager for the Trumbull Property Fund. Callan's real assets team noted potential key-person risk due to this consolidation of leadership responsibilities and will continue to monitor the situation. Stress Testing Discussion: Callan confirmed stress tests are conducted every 1-2 years using historical crises (dot-com bubble, 2008 GFC, COVID-19) and hypothetical rate/equity scenarios to set long-term risk expectations.

No action was taken on this item.

Item 9. Discussion and action to approve a resolution authorizing a 1-year contract extension with Callan LLC for investment consulting services.

Executive Director Robert Ash addressed the Board; the Board received and reviewed the resolution authorizing a 1-year contract extension with Callan LLC for investment consulting services.

The Trust's initial 5-year contract for investment consulting services with Callan LLC is coming due near the end of the year. The Investment Committee (IC) reviewed Callan's contract and terms and discussed the possible contract extension. The IC recommended executing one of two available 1-year extensions.

Motion made by Karl Rimkus to approve; seconded by Matt Kerr. The motion required polling:

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

Motion carried.

Item 10. Discussion and action to approve a resolution adopting the budget for fiscal year 2026-2027.

Deputy Executive Director Adrian Sanchez presented; the Board received and reviewed the budget for fiscal year (FY) 2026-2027.

Mr. Sanchez updated the previous month's presentation to include adjusting the estimated CPI down from 3.75% to 3.4% (ended July), reducing the proposed overall budget by just under $3,000. Sanchez noted changes from the previous fiscal year, including: a slight increase for water utility rates; four months of funding to double-fill the Executive Director position if needed; and funding for the Research Assistant position. Executive Director Robert Ash advised that approving the resolution will cover the operating budget, including an employee cost-of-living increase per Personnel Rules, and includes fiduciary/investment education budget amounts the same as the prior year.

Motion made by Karl Rimkus to approve the resolution adopting the budget and related matters for fiscal year 2026-2027; seconded by Rep. Chris Canales. The motion required polling:

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

Motion carried.

Item 11. Discussion and action regarding a Memorandum of Understanding (MOU) between the Trust and the City of El Paso.

Executive Director Robert Ash addressed the Board; the Board received and reviewed the Memorandum of Understanding (MOU) between the Trust and the City of El Paso.

The current MOU governing operational support between the Trust and the City of El Paso (HR, Comptroller, IT, etc.) expires in October. Both entities agreed the existing agreement functions well without changes and recommended extending it for a new 5-year term.

Motion made by Karl Rimkus to approve the Memorandum of Understanding between the Trust and the City of El Paso as recommended by the Executive Committee and authorize the Board Chair to sign the Memorandum of Understanding; seconded by Karina Brasgalla. The motion required polling:

Isaura Valdez	**aye**
Karina Brasgalla	**aye**
Matt Kerr	**aye**
Karl Rimkus	**aye**
Rep. Chris Canales	**abstain**
Rep. Art Fierro	**aye**

Motion carried.

Item 12. Discussion and action regarding the approval of the job description for the position of Retirement Benefits Research and Compliance Analyst.

Executive Director Robert Ash addressed the Board; the Board received and reviewed the job description for Retirement Benefits Research and Compliance Analyst.

Following three unsuccessful recruitment attempts for a "Research Assistant," staff and the Administrative Services Committee (ASC) recommended re-titling and updating the position to "Retirement Benefits Research and Compliance Analyst" with a revised job description and wage brackets. The position is critical to maintaining compliance with required minimum distributions.

Motion made by Karl Rimkus to approve the job description for the position of Retirement Benefits Research and Compliance Analyst and wage brackets as recommended by the Administrative Services Committee; seconded by Karina Brasgalla. The motion required polling:

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

Motion carried.

Item 13. Discussion and action on a report from the Executive Director regarding:

A. Actuarial Evaluation
Staff is preparing for both a full actuarial valuation and an experience study (testing demographic/mortality assumptions).

B. Annual Audit
The Trust received the engagement letter from Baker Tilly; ongoing administrative negotiations are taking place. Auditors are expected in-office the last week of October.

C. Possible MET Changes
The State Pension Review Board (PRB) is considering changes to Minimum Education Training (MET) requirements for board members/administrators. The Executive

Committee submitted feedback to the PRB. The Trust's lobbyists will monitor for any proposed MET legislation.

D. Labor Day Work Schedule
The offices will be closed on September 7th for Labor Day, with modified working hours (8:00 AM - 5:00 PM) for the remainder of that week.

Ash expressed thanks to staff, Chairman Robert Studer, attendees, and visiting Callan representatives for the previous day's celebration.

No action taken on this item.

Item 14. Discussion and action regarding the election of Board Officers.

The election of Board Officers was conducted via paper ballot – marking the first year this method was implemented – for 2-year terms commencing in September. The election was overseen by Executive Director Robert Ash.

Board Chair Election: Trustees Karina Brasgalla and Karl Rimkus expressed their interest in serving as Chair. Trustee Robert Studer nominated Brasgalla and Rimkus.

Vote Tally:
For Karina Brasgalla: (5 votes)
Brasgalla, Karina
Canales, Chris
Fierro, Art
Studer Robert
Valdez, Isaura

For Karl Rimkus: (2 votes)
Kerr, Matt
Rimkus, Karl

Outcome: Karina Brasgalla was elected Board Chair.

Board Vice Chair Election: Rimkus expressed interest in serving as Vice Chair. Studer nominated Karl Rimkus. Brasgalla nominated Trustee Isaura Valdez. Studer nominated Rep. Chris Canales. Valdez and Canales accepted the nomination.

Vote Tally:
For Isaura Valdez: (2 votes)
Brasgalla, Karina
Valdez, Isaura

For Rep. Chris Canales: (2 votes)
Canales, Chris
Studer, Robert

For Karl Rimkus: (3 votes)
Fierro, Art
Kerr, Matt
Rimkus, Karl

Outcome: Karl Rimkus was elected Board Vice Chair.

Item 15. Discussion and action regarding the receipt of an educational session on the impact of macroeconomic factors on portfolio performance, as prepared by Callan LLC (Jay Kloepfer, Callan).

Jay Kloepfer of Callan LLC provided an educational presentation, in compliance with Texas Pension Review Board requirements, beginning at 9:35 AM. Kloepfer reviewed how major economic headlines and indicators impact the Trust's investment portfolio. The training outlined key market drivers, including persistent 3.5% CPI inflation, Federal Reserve policy, geopolitical events in Iran impacting oil prices, and market shifts across public equities, private equity, fixed income, private credit, and real estate, with a specific focus on how massive artificial intelligence capital expenditures are expanding beyond software into semiconductors, power, data center real estate, and corporate debt markets. Kloepfer concluded by advising the Board to expect heightened market volatility and lower equity returns relative to the past decade, emphasizing that long-term investment success relies on maintaining portfolio discipline rather than making short-term adjustments based on current events. The training ended at 10:46 AM.

Trustees were requested to complete evaluation forms to receive State Board-approved educational training credits for the session.

No motion was taken on this item.

Item 16. For Notation:

A. Refund of Contributions:

	Name	Department		Total Refund
1.	Aldana, Eduardo	Zoo	$	759.40
2.	Armendariz, Michelle	Public Health	$	17,924.64
3.	Barragan, Lorena	Human Resources	$	8,630.94
4.	Briceno, Dominic	Sun Metro	$	48,054.27
5.	Cabrera, Reuben	Streets and Maintenance	$	12,413.12
6.	Castanon, Kennia	Parks and Recreation	$	8,043.49
7.	Grajeda, Samuel	Streets and Maintenance	$	2,636.09
8.	Gurnea, Ashley	Zoo	$	5,682.70
9.	Hernandez, Priscilla	El Paso Water	$	37,305.67
10.	Lau, Tina	Libraries	$	9,548.73
11.	Lopez III, Ramiro	Streets and Maintenance	$	13,368.52
12.	Macias, Julian	Streets and Maintenance	$	9,977.08
13.	Martinez, Alan	Streets and Maintenance	$	5,755.56
14.	Martinez, Manuel	Sun Metro	$	51,520.55
15.	Olivares, Joshua	Streets and Maintenance	$	6,015.29
16.	Quintana, Emma	Public Health	$	4,292.41
17.	Rangel, Gloria	Mayor and Council	$	6,190.69
18.	Rodriguez, Emma	Zoo	$	572.97
19.	Rubio, Marco	Sun Metro	$	2,271.88
20.	Valdez, Lorenzo	Sun Metro	$	10,466.93
			$	**261,430.93**

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.

Motion made by Karl Rimkus to retire into Executive Session; seconded by Karina Brasgalla. None opposed. The Board retired into Executive Session pursuant to the Texas Government Code, Section 551.071 Consultation with Attorney and Section 551.074 Personnel Matters at 10:49 AM.

Motion made by Karl Rimkus to reconvene from Executive Session; seconded by Matt Kerr. None opposed. Motion carried at 11:23 AM.

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

EX1. Sections 551.071 and **551.074**
Discussion and action regarding the recruitment of an Executive Director.

No action taken on this item.

Item 17. Adjournment.

Transitioning his responsibilities, Board Chair Robert Studer stepped down from the Ad Hoc Selection Committee and appointed incoming Chair Karina Brasgalla to head the committee.

Motion made by Matt Kerr to adjourn the City of El Paso Employees Retirement Trust Board Meeting on August 19, 2026; seconded by Karina Brasgalla. None opposed. The motion was carried at 11:24 AM.

Secretary

Board Chair