



# CITY of EL PASO

EMPLOYEES RETIREMENT TRUST

**BOARD MINUTES FOR THE REGULAR MEETING  
HELD WEDNESDAY, JANUARY 21, 2026, 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  
Karina Brasgalla  
Matt Kerr  
Deborah G. Hamlyn  
Rene Peña  
Rep. Chris Canales, in at 8:34 AM  
Rep. Art Fierro, in at 8:47 AM

**Members Absent:**

Isaura Valdez

**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  
Jose Espino, Office of the Comptroller  
Alex Browning, Callan LLC  
Alex Ford, Callan LLC  
Aaron Hamilton, Baker Tilly  
Kory Hoggan, Baker Tilly  
David Kershner, Gallagher  
Matt Autrey, Adams Street Partners  
Scott White, Adams Street Partners

- Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:32 AM. Garcia noted that a 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 December 11, 2025.

Item 3. Consideration and action on the following retirements:

<u>Name</u>	<u>Department</u>	<u>Service Time (estimated)</u>
A. Age & Service Retirement:		
1. Anchondo, Lucinda	Police	18 years 01 month
2. Barraza, Jesus	El Paso Water	24 years 04 months
3. Canales, Jose Alberto	Parks and Recreation	22 years 07 months
4. Flores, Leonardo M.	Planning and Inspections	16 years 04 months
5. Hernandez, Patricia B.	Municipal Court	31 years 02 months
6. Huerta, Lidia	Sun Metro	12 years 02 months
7. Jimenez, Susana	Streets and Maintenance	11 years 05 months
8. Juarez, Toby L.	El Paso Water	08 years 06 months
9. Mier, Luis H.	Office of the Comptroller	09 years 06 months
10. Nava, Rosemary	Sun Metro	15 years 07 months
11. Williams, Woody R.	El Paso Water	10 years 01 month
B. Deferred Retirement:		
1. Leos, Joy D.	Public Health	12 years 03 months
2. Luna R., Norma	Airport	09 years 01 month
3. Ochoa, Enrique R.	El Paso Water	12 years 10 months
4. Olmedo, Carlos	International Bridges	10 years 04 months

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

- A. Aguilar, Otilia survivor of Hector Aguilar, retiree.
- B. Tellez, Rachel K. survivor of Raul C Tellez, retiree.
- C. Torres, Christina survivor of Roman Torres, retiree.

Item 5. Consideration and action regarding the receipt of the death verification analysis.

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 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>

**Karl Rimkus**                      **aye**  
**Rene Peña**                        **aye**

**Motion carried.**

### **REGULAR AGENDA**

- Item 7. Discussion and action regarding the Treasurer's Report for the months of November and December 2025.

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 months of November and December 2025.

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

Espino reviewed the December Treasurer's Report. 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", "FY26 Pension Retiree Population", and "FY26 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.

Espino reviewed the statements, schedules, and graphs. The unaudited totals are for the periods ended December 31, 2025, including month, quarter, and fiscal year (four months). Net assets available for benefits were about 1.103 billion dollars, a net increase of about 46 million dollars for the fiscal year. Contributions were approximately 22.2 million dollars (about 13.6 million dollars from the employer and 8.7 million dollars from employees). Benefits paid to retirees were about 28.5 million dollars. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was approximately 5.13 percent. Espino noted that investments exceeded the target rate of return for December of approximately 2.42 percent.

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

- Item 8. Discussion and action regarding the receipt of the annual financial audit as prepared by Baker Tilly US, LLP (Aaron Hamilton and Kory Hoggan, Baker Tilly).

Aaron Hamilton and Kory Hoggan of Baker Tilly presented; the Board received and reviewed the annual financial audit as prepared by Baker Tilly.

The audit is currently being wrapped up following a compressed timeline that began in mid-November. Successful completion was attributed to the "rallying" of teams from Baker Tilly, the

Trust, investment advisors, custodians, and the City. The final financial statements are undergoing a final quality control process and will be available for submission shortly.

Baker Tilly issued an "unmodified opinion," which indicates that the financial statements are accurate and complete in all material respects. The firm reported no findings or internal control deficiencies in the required report on internal processes. There were no management comments included in their report. Key focus areas included the valuation of alternative investments, actuarial assumptions for pension liability (GASB 67), and the assessment of management override of controls.

Hamilton reviewed the Trust's financial position. Employer and employee contributions increased by approximately 7.2 million dollars over the previous year, driven primarily by City pay increases. The Trust maintains a position of over 1.0 billion dollars in net assets. Despite good investment performance, the City's net pension liability increased because the change in plan fiduciary position did not exceed the increase in total pension liability. The audit noted a modest decrease in the funded status.

**Motion made by Karl Rimkus to accept the annual audit as prepared by Baker Tilly as well as the Annual Comprehensive Financial Report ("ACFR") and authorize its release to interested parties; seconded by Rep. Chris Canales. None opposed. Motion carried.**

- Item 9. Discussion and action regarding the receipt of an interim actuarial valuation as prepared by Gallagher (David Kershner, Gallagher).

David Kershner of Gallagher presented; the Board received and reviewed the interim actuarial valuation.

Kershner provided an overview of the interim valuation. The purpose of the valuation is to assess the plan's financial status by comparing assets and liabilities. As this is an interim valuation, updated census data was not collected; instead, liabilities were projected forward from the previous year. A full valuation with updated member data will occur in 2026.

Kershner reviewed key financial metrics and improvements. All key performance metrics improved since the prior year due to an 8.7 percent market return (exceeding the 7.25 percent assumption) and City contributions that exceed the actuarially determined rate. Kershner reviewed metrics from the interim valuation and the 2024 valuation. The unfunded actuarial accrued liability decreased to approximately 301 million dollars from 313.5 million dollars. The funded ratio increased to 77.8 percent from 76.3 percent. The funding period decreased to 15 years from 16 years. The City actuarially determined contribution ("ADC") decreased to 11.92 percent from 12.12 percent. The City maintains a fixed contribution rate of 14.05 percent, which remains higher than the ADC, which creates a "margin" that allows the unfunded liability to be paid off faster than the standard 25-year schedule. Kershner noted asset smoothing. The Trust uses a 5-year smoothing method to dampen market volatility. This is the final year the plan must recognize the significant asset loss from FY2022.

Kershner discussed a possible cost-of-living increase for retirees and beneficiaries. The actuary evaluated the possibility of issuing a cost-of-living adjustment ("COLA") or a 13th check based on its 2019 Funding Policy. The Policy requires that the funded ratio must be at least 80 percent after the increase, and a benefit increase cannot decrease the funded ratio by more than 1.0 percent. While the second condition was met, the first was not, as the current funded ratio (77.8 percent) is already below the 80 percent threshold. Therefore, no benefit increases can be granted at this time.

Kershner highlighted how the Retirement Trust compares to other major municipal plans in Texas as of 2024/2025. The Trust's 15-year funding period is notably shorter than that of other large cities such as Dallas, Fort Worth, and Austin. Kershner emphasized that because the City contributes a fixed 14.05 percent (which is higher than the required 11.92 percent), the Trust is paying down its debt significantly faster than required by state law (which generally mandates a period of 30 years or less). While the Trust's 77.8 percent ratio is slightly below the 80 percent "resilience" threshold used by some analysts, it is trending upward. In contrast, several other major Texas cities have faced "infinite" or 30+ year amortization periods that required legislative intervention. While the Trust is not yet at the "80 percent funded" mark required for benefit increases (COLAs), its aggressive amortization schedule puts it in a stronger long-term position than many of its Texas peers. The Trust's 7.25 percent assumption is slightly higher than the 7.0 percent standard used by Houston and Austin, though it remains within the typical range for Texas municipal plans.

Kershner provided a future outlook, including potential challenges. The City recently granted larger salary increases than were assumed. While not reflected in this interim report, these larger salary increases are expected to result in an "actuarial loss" (increased liability) in the 2026 full valuation.

**Motion made by Karl Rimkus to accept the interim actuarial valuation as prepared by Gallagher and authorize its release to interested parties; seconded by Matt Kerr. None opposed. Motion carried.**

- Item 10. Discussion and action regarding the receipt of an investment manager report from Adams Street Partners (Matt Autrey and Scott White, Adams Street).

Matt Autrey and Scott White of Adams Street Partners presented; the Board received and reviewed the investment manager report from Adams Street.

White provided an overview of the firm. Adams Street Partners is a 65 billion dollar asset manager specializing in private equity and private credit. The firm is 100 percent employee-owned and operates 13 offices globally with over 300 employees. The firm has managed a private equity mandate for the Trust since 2022. White addressed the role of founder Bon French, noting that French remains Chairman of the Board but transitioned day-to-day management to Jeff Diehl approximately 10 years ago.

Autrey provided a market outlook. While transaction volume has slowed, high-quality, resilient businesses still command healthy multiples. The portfolio is intentionally overweight in healthcare, technology, and industrials, which are sectors currently showing high durability. Adams Street emphasizes "low leverage" strategies, avoiding high debt on portfolio companies to ensure growth is sustainable and less vulnerable to market fluctuations. Autrey noted a strong outlook for the secondary market as large entities (like endowments) seek liquidity, allowing Adams Street to acquire assets at attractive entry points.

Autrey reviewed portfolio performance. The 2022 Global Program was 100 percent committed as of September 30, 2025. It is currently holding a 1.3x multiple and a 22 percent net IRR. The 2025 Global Program is currently 44 percent committed, with investments already made in 15 funds and several direct companies. The firm reported that their returns have consistently performed in the upper quartile or upper half of the Burgiss industry benchmark.

Autrey reviewed future expectations. Despite a "frozen" IPO market, the portfolio remains insulated because its small-to-mid-market assets are attractive to larger strategic corporate

buyers and private equity funds. Increased capital drawdowns and distribution activity are expected in the latter half of the year as the funds mature.

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

- Item 11. Discussion and action regarding the receipt of an investment performance report for the month of December 2025 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 report for the month of December 2025.

Browning reviewed asset allocation, including rebalancing. Following the termination of Alliance Bernstein, assets were moved to the Wellington Small-Mid Cap manager and the S&P 500 Index to achieve the revised 75/25 Large-to-Mid/Small-Cap structure recently approved by the Board. Staff is actively rebalancing toward Fixed Income to bring it closer to its target, as it remains underweight due to slower growth compared to equities. Private Equity remains above its 13 percent target allocation. A new benchmark for Private Equity will be implemented starting with the fourth quarter report to better represent the market compared to public proxies. Browning noted that approximately 1.0 to 1.5 percent of the total fund is maintained in cash to cover benefit payments, expenses, and capital calls.

Browning reviewed performance. The total fund return was 66 basis points, above the benchmark, contributing to a strong 1-year return of 14.9 percent. The 1-year performance exceeds the actuarial rate of 7.25 percent. Browning reviewed performance by asset class. International Equity had surprising outperformance, up over double the U.S. market in the last year. Domestic Equity remained flat for the month. Fixed Income reported slightly negative returns due to a steepening yield curve. Browning noted that Real Estate and Private Equity are proxied to their benchmarks. The Board noted that the Trust remains in the redemption queue for the UBS Trumbull Fund. UBS has outperformed their benchmark over the last year.

**No action taken on this item.**

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

Executive Director Robert Ash reported on the following:

- A. Government Finance Officers Association Award (“GFOA”)  
The Trust received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. This award recognizes the quality of the Annual Comprehensive Financial Report. Ash expressed his gratitude to Deputy Executive Director Adrian Sanchez and Benefits Supervisor David Garcia for their work in compiling the report.
- B. Revised Office Hours  
Effective February 9<sup>th</sup>, office hours will expand to 7:00 AM to 6:00 PM, Monday through Friday. This schedule will remain in place from February through October.
- C. Administrative Services Committee Meeting  
The Administrative Services Committee is scheduled to meet next Monday.
- D. Upcoming Education Conferences  
Continuing education opportunities include TEXPERS in Galveston (April 26–29) and NCPERS in Las Vegas (May). Board Members interested in attending should contact Benefits Supervisor David Garcia for registration.

E. RVK Contract

A contract with RVK has been finalized to review investment policies, practices, and procedures. Work is expected to begin shortly, with a final report due in April.

Ash noted that an RFP for executive search services was issued at the beginning of January. Responses are due by February 2<sup>nd</sup>, after which the search committee will meet to review submissions.

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

Item 13. For Notation:

A. Refund of Contributions:

	<u>Name</u>	<u>Department</u>	<u>Total Refund</u>
1.	Acosta, Abraham	Capital Improvement	\$ 6,927.62
2.	Brown, Jason	Streets and Maintenance	\$ 18,761.57
3.	Bustillos, Julio	Parks and Recreation	\$ 1,905.66
4.	Camacho, Sandra	Sun Metro	\$ 775.41
5.	Campos, Ivan	Planning and Inspections	\$ 17,307.06
6.	Carter, Brandon	El Paso Water	\$ 11,961.65
7.	Castrellon, Stephanie	Police	\$ 18,202.64
8.	Castro, Luisa	Fire	\$ 4,514.74
9.	Estala, Nathan	Environmental Services	\$ 352.78
10.	Fuentes, Valeria	Fire	\$ 3,514.78
11.	Garcia, Esteban	Streets and Maintenance	\$ 10,139.23
12.	Garcia, Miriam L.	QDRO	\$ 228,596.37
13.	Gomez-Parra, Jose F.	Streets and Maintenance	\$ 1,515.22
14.	Hernandez, Christopher	Municipal Court	\$ 13,386.45
15.	Hinojos, Alyssa	Fire	\$ 1,226.71
16.	Johnson, Taylor	Fire	\$ 1,668.33
17.	Marquez, Luz	Streets and Maintenance	\$ 1,661.64
18.	Millner, Tyquan	Environmental Services	\$ 3,087.20
19.	Morales, Alejandro	Fire	\$ 57,604.81
20.	Padilla, Diana	Mayor and Council	\$ 4,222.10
21.	Pardo, Ignacio	Fire	\$ 32,842.59
22.	Parker, Jessica	Zoo	\$ 1,473.79
23.	Ramirez, Rocio	El Paso Water	\$ 6,301.60
24.	Raudry, Robert	El Paso Water	\$ 14,523.96
25.	Rivas, Edward	Sun Metro	\$ 39,856.62
26.	Rodriguez, Jorge	Public Health	\$ 12,794.28
27.	Roque, Christian	Municipal Court	\$ 3,120.06
28.	Saldana, Codi	Parks and Recreation	\$ 1,254.40
29.	Salgado, Jose	Streets and Maintenance	\$ 5,188.34
30.	Salido III, Esau	El Paso Water	\$ 7,964.52
31.	Santillanes, Evelyn	Fire	\$ 7,706.18
32.	Valdivia, Liliana	Office of the Comptroller	\$ 6,571.57

33. Vasquez, Nathaniel	Animal Services	\$	1,102.56
34. Velasco, Felix	Human Resources	\$	7,131.93
35. Velasquez, Angel	Information Technology	\$	32,871.13
36. Zacarias, Ian	Environmental Services	\$	6,039.46
		<b>Total:</b>	<b>\$ 594,074.96</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 14. Adjournment.

**Motion made by Karl Rimkus to adjourn the City of El Paso Employees Retirement Trust Board Meeting on January 21, 2026; seconded by Rene Peña. None opposed. The motion was carried at 10:05 AM.**

  
Secretary

  
Chairman