



CITY of EL PASO
EMPLOYEES RETIREMENT TRUST

**BOARD MINUTES FOR THE REGULAR MEETING
HELD WEDNESDAY, OCTOBER 18, 2023 AT 8:30 A.M.
RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA**

Members in Attendance:

Matt Kerr, Chairman
Karl C. Rimkus, Vice-Chairman
Karina Braggalla
Deborah G. Hamlyn
Rene Peña
Rep. Joe Molinar
Rep. Art Fierro

Members Absent:

Isaura Valdez
Robert Studer

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
Craig Chaikin, 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 September 20, 2023.

Item 3. Consideration and action on the following retirements:

	Name	Department	Service Time (estimated)
A.	Age & Service Retirement:		
1	Bolduc, Mark R	El Paso Water	14 years 02 months
2	Castillo, Francisco J.	Environmental Services	09 years 10 months
3	Espinoza, Alfredo	Streets and Maintenance	12 years 04 months
4	Garcia Jr., Hector J.	Streets and Maintenance	21 years 02 months
5	Gomez, Dolores	Fire	08 years 09 months
6	Magana, Connie C.	Streets and Maintenance	23 years 06 months
7	Martinez, Jesus Eliot	Zoo	17 years 00 months
8	Morales, Ayde	El Paso Water	12 years 00 months
B.	Early		
1	Marquez, Mark Anthony	Community and Human Development	15 years 10 months
C.	Deferred:		
1	Grado, Karina	Parks and Recreation	16 years 11 months
2	Lujan, Claudia Annette	Human Resources	07 years 10 months
3	Nealis, Erik D.	Libraries	18 years 03 months
4	Prats, Gabriela M.	Airport	16 years 09 months
5	Rodriguez, Manuel J.	Human Resources	15 years 08 months
6	Romero, Jorge A.	Parks and Recreation	17 years 08 months

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

- A. De la Torre, Irene Yvonne survivor of Albert Ralph de la Torre, retiree.
- B. Guillen, Laura G. survivor of Juan Guillen, retiree.

Item 5. Consideration and action on invoices as follows:

Company	Description of Service	Period	Fee Due
A. Alliance Bernstein	Investment Fees	Qtr. Ended 09/30/23	\$ 87,453.46
B. Buck Global, LLC	Actuarial Fees	Mo. Ended 09/30/23	\$ 2,091.67
C. Callan LLC	Consulting Fees	Qtr. Ended 09/30/23	\$ 82,500.00
D. Eduardo Miranda	Legal Fees	Mo. Ended 09/30/23	\$ 1,550.00
E. Gordon Davis Johnson & Shane PC	Legal Fees – 0063	Mo. Ended 09/30/23	\$ 1,875.00
F. Gordon Davis Johnson & Shane PC	Legal Fees – 0064	Mo. Ended 09/30/23	\$ 15,112.24
G. Lazard Asset Management	Investment Fees	Qtr. Ended 09/30/23	\$ 97,233.34
H. Xerox Financial Services	Copier Lease	Mo. Ended 10/31/23	\$ 306.24

Item 6. Consideration and action regarding the receipt of the death verification analysis.

Item 7. 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:

Karina Brasgalla	aye
Deborah Hamlyn	aye
Karl Rimkus	aye
Rene Peña	aye
Rep. Art Fierro	aye

Motion carried.

REGULAR AGENDA

- Item 8. Discussion and action regarding the Treasurer's Report for the month ended September 30, 2023.

Luis Mier 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 September 30, 2023.

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 four graphs ("Net YTD Investment Income", "Net Investment Income Rate of Return", "Refunds & Administrative Expenses", and "Benefits Paid to Retirees").

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 September 30, 2023 including fiscal year (1-month). Net assets available for benefits were about 880 million dollars. Contributions were approximately 3.0 million dollars (about 1.8 million from the employer and 1.2 million from employees). Benefits paid to retirees were about 6.6 million dollars. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was negative 2.79 percent. A net investment loss of about 25 million dollars. Mier noted the target rate of return for the fiscal year of 7.25 percent, about 0.60 percent for the month. Executive Director Robert Ash discussed market volatility through the current and previous fiscal years.

No action was taken on this item.

- Item 9. Discussion and action regarding a report from Callan LLC regarding the Trust's investments and related matters (Craig Chaikin, Callan).

Craig Chaikin of Callan LLC presented; the Board received and reviewed the monthly "flash report" for the period ended September 30, 2023.

Chaikin reviewed asset allocation. Current allocation is within policy guidelines. A small overweight in Private Equity and an underweight to Fixed Income remains. Chaikin reviewed rebalancing activity. About 16.8 million dollars were reallocated from Domestic Equity to Fixed Income and Cash. Executive Director Robert Ash noted that the reallocation was almost completed by the end of the September with about 5.0 million dollars leading into October.

Chaikin reviewed performance. In September, total assets were about 875.8 million dollars with 3.9 net cash outflows and an investment loss of about 24.9 million dollars (negative 2.75 percent outperforming the Strategic Blended Index by 73 basis points). Chaikin reviewed asset class composite performance and noted that private market returns for the month are proxied to the benchmark. All composites with the exception of Domestic Equity outperformed their benchmarks for the month. Chaikin reviewed performance attribution noting that active management has added value over time.

No action was taken on this item.

- Item 10. Discussion and action regarding the approval of a resolution amending the Trust's Travel Regulations.

Executive Director Robert Ash presented; the Board received and reviewed the proposed amendments as detailed in the Trust's Travel Regulations.

Notable changes include (but not limited to): (i) Airfare will be reimbursed for actual expenses incurred by using the lowest refundable coach rates for the airline selected by the traveler. The value of an airline ticket where the employee or Trustee did not pay for such ticket is not eligible for reimbursement; (ii) The Trust will not reimburse for the use of airline rewards (including but not limited to credits, points, frequent flyer miles, etc.) which occur in conjunction with Trust business travel. Airline rewards do not translate to a cash value to be reimbursed by the Trust; (iii) The Trust will reimburse airport parking fees not to exceed actual amounts incurred or 20 dollars per day; (iv) The Trust will not reimburse for the use of hotel rewards (including but not limited to credits, points, etc.) which occur in conjunction with Trust business travel. Hotel rewards do not translate to cash value to be reimbursed by the Trust; and (v) No reimbursements will be allowed on expenses paid for by usage of City of El Paso P-cards or similar items. The Trust's policy is to only reimburse for expenses actually paid for by the requestor. No exceptions will be made.

Board Vice Chairman and Administrative Services Committee ("ASC") Chair Karl Rimkus advised that the ASC recommended approval.

Motion made by Deborah Hamlyn to approve; seconded by Rep. Joe Molinar. The motion required polling:

Karina Brasgalla	aye
Deborah Hamlyn	aye
Karl Rimkus	aye
Rene Peña	aye

Rep. Joe Molinar **aye**
Rep. Art Fierro **aye**

Motion carried.

- Item 11. Discussion and action regarding recommending amendments to Chapter 2.64 of the Municipal Code, Sections: 2.64.030, 2.64.190, 2.64.200, 2.64.205, 2.64.210, and 2.64.230.

Executive Director Robert Ash reviewed the proposed amendments, as recommended by the Administrative Services Committee, to Chapter 2.64 of the Municipal Code as detailed in the "Revision Summary".

Trustees requested the following revisions to the proposed amendments: (i) Update language to indicate "surviving spouse" as applicable replacing "widows" including in Section 2.64.230 and (ii) in reference to "pension gross compensation" found in Section 2.64.200(B)(5), make the following clarifications: (a) pension will not be withheld from ad-hoc payments but will be withheld from cost of living adjustments to salary and (b) indicate that overtime pay is included under "all forms of compensation".

Trustee Karl Rimkus requested that the revised amendments be reviewed during the Special Board Meeting. Chairman Matt Kerr concurred. Ash confirmed the directive. Trustee Rep. Joe Molinar requested that a redlined version with the Board's requested revisions be made available to Trustees prior to the Special Board Meeting. Ash confirmed and noted that back-up documents are made available to Trustees prior to all Board meetings.

The Board was advised to contact the Trust Office or Chairman Matt Kerr with any additional revisions or questions.

No action was taken on this item.

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

Executive Director Robert Ash reported on the following:

- Ash reviewed upcoming meeting(s).
 - The Special Board Meeting is scheduled for October 30, 2023, from 9:00 AM to 1:00 PM. Lunch will be served.
 - Topics will include: education on benchmarking; education on fiduciary issues from legal counsel; update on the Strategic Plan; and recommendations for ordinance amendments.
 - The Facilities and Maintenance Committee will be meeting.
- Ash reviewed upcoming conference(s).
 - TEXPERS is having a conference in April 2024 in Dallas. Registration is open.
 - The NCPERS Fall Conference will be held in Las Vegas in the last weeks of October.
 - The NCPERS annual conference will be held in Seattle in May 2024.
- Ash reviewed ongoing/completed project(s):
 - The Fall/Winter Issue of the Trust's newsletter, Compass Points, was released. Ash thanked Administrative Assistant Karina Chavez for her work on putting the newsletter together and thanked the Board and staff for their contributions.
 - The newsletter is always well received by retirees.
 - The rebalancing is complete. Ash thanked Deputy Executive Director Adrian Sanchez and Callan.
- Ash and Craig Chaikin of Callan LLC discussed increased market volatility attributed to the

conflict in the Middle East. Chaikin noted increased domestic volatility due to the Speaker of the House vacancy.

No action was taken on this item.

Item 13. For Notation:

A. Directed brokerage credit balance for the month ended August 31, 2023: \$1,869.28.

B. Qualified Domestic Relations Order

1. Juan Vicente Duran and Claudia Duran

C. Refund of Contributions:

	Name	Department	Total Refund
1	Avalos, Roberto	Sun Metro	\$ 3,245.92
2	Barraza, Crystal	Airport	\$ 35,615.32
3	Barron, Ricardo	El Paso Water	\$ 21,675.30
4	Beck, Mitchell	El Paso Water	\$ 19,493.50
5	Boroszewski, Adrian	Streets and Maintenance	\$ 711.37
6	Camacho Camarena, Ivan	El Paso Water	\$ 2,840.11
7	Camacho, Damaris	Police	\$ 8,310.38
8	Candelaria, Mia	Police	\$ 6,539.95
9	Contreras, William	Fire	\$ 725.85
10	Cordero, Erica	Fire	\$ 2,929.46
11	Cruz, Chantal	El Paso Water	\$ 191.58
12	De Santiago, Lina	El Paso Water	\$ 20,645.75
13	Deleon, Corina	Sun Metro	\$ 4,962.29
14	Elorduy, Luis	El Paso Water	\$ 136.32
15	Esquilin, Shadava	Libraries	\$ 3,018.55
16	Estrada Rodriguez, Cesar	Airport	\$ 21,592.65
17	Fauver, Michael	Fire	\$ 747.69
18	Garay, Andy	Streets and Maintenance	\$ 3,433.31
19	Goodship, Jacqueline	El Paso Water	\$ 5,057.90
20	Hampton, Tara	Municipal Court	\$ 1,766.18
21	Herrera, Paulina	Museums and Cultural Affairs	\$ 237.12
22	Hurtado, Miriam	Museums and Cultural Affairs	\$ 25,192.69
23	Jacquez, Nicole	Parks and Recreation	\$ 8,602.00
24	Juarez, Andrea	Purchasing and Strategic Sourcing	\$ 9,574.22
25	Kane, Jesse	Parks and Recreation	\$ 2,394.02
26	Kuehnel, Delaney	Fire	\$ 2,946.67
27	Lewis, Tiffany	Public Health	\$ 2,067.89
28	Lopez, Jose	Streets and Maintenance	\$ 19,840.59
29	Lugo, Christina	Parks and Recreation	\$ 2,519.24
30	Macias, Carlos	Sun Metro	\$ 3,996.12
31	Maynes, Rebecca	Zoo	\$ 538.61
32	Medrano, Ethan	Animal Services	\$ 1,004.62

33	Northey, Christopher	Parks and Recreation	\$	737.33
34	Ornelas, Clara	Parks and Recreation	\$	241.86
35	Pena, Enrique	Sun Metro	\$	2,134.12
36	Pesina, Michael	Fire	\$	1,636.06
37	Pinales, Claudia	Police	\$	9,416.51
38	Ponce, Rebecca	Streets and Maintenance	\$	14,871.84
39	Rico, Maria	Public Health	\$	4,687.01
40	Rodriguez, Miguel	Police	\$	1,224.97
41	Rojas, Renee	Animal Services	\$	61,885.87
42	Rubio, Marco	Environmental Services	\$	1,431.57
43	Schaffino, Natalie	Parks and Recreation	\$	27,459.80
44	Silva, Andi	Information Technology	\$	7,778.87
45	Terrazas, Jacob	Municipal Court	\$	272.06
46	Treharne, Tyler	Parks and Recreation	\$	4,978.36
47	Villalba, Miguel	El Paso Water	\$	12,566.95
48	Yanez, Jesus	Economic Development	\$	3,937.73
Total			\$	397,814.08

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.

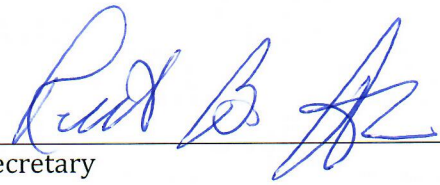
- Item 14. The Board will retire into EXECUTIVE SESSION pursuant to the Texas Government Code, Sections 551.071-551.076 and Section 551.078 to discuss any of the following:

- 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 October 18, 2023; seconded by Rep. Joe Molinar. None opposed. Motion carried.



Secretary



Chairman