



CITY of EL PASO
EMPLOYEES RETIREMENT TRUST

**BOARD MINUTES FOR THE REGULAR MEETING
HELD WEDNESDAY, OCTOBER 16, 2024 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
Deborah G. Hamlyn
Rene Peña
Rep. Joe Molinar
Rep. Art Fierro

Members Absent:

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 8:33 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 September 18, 2024.

Item 3. Consideration and action on the following retirements:

Name:	Department:	Service Time: (estimated)
Age and Service Retirement:		
1. Cooke, Rosa	Police	26 years 04 months
2. Facio, Cecil	Municipal Court	27 years 07 months
3. Gutierrez, Alfonso	Airport	17 years 11 months
4. Lee, Brian Keith	El Paso Water	21 years 06 months
5. Ortega, Samuel	Streets and Maintenance	30 years 02 months
Deferred Retirement:		
1. Austin, Alfredo J.	Sun Metro	12 years 05 months
2. Mendoza, Arturo	Environmental Services	16 years 11 months
3. Perez, Sonia A.	Metropolitan Planning Organization	08 years 00 months

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

- A. Dominguez, Esperanza Gaitan survivor of Francisco Dominguez Jr., retiree.
- B. Labrado, Dina Lopez survivor of Rodolfo Rodriguez Jr., retiree.
- C. Nava, Teresita survivor of Jesus J. Nava, retiree.

Item 5. Consideration and action on invoices as follows:

Company:	Description of Service:	Period:	Fee Due:
A. Alliance Bernstein	Investment Fees	Qtr. Ended 09/30/24	\$ 93,218.51
B. BlackRock	Investment Fees	Qtr. Ended 09/30/24	\$ 32,708.69
C. Buck Global, LLC	Actuarial Fees	Qtr. Ended 09/30/24	\$ 4,783.33
D. Callan LLC	Consultant Fees	Qtr. Ended 09/30/24	\$ 82,500.00
E. Eduardo Miranda	Legal Fees	Mo. Ended 09/30/24	\$ 1,025.00
F. Gordon Davis Johnson & Shane PC	Legal Fees - 0064	Mo. Ended 09/30/24	\$ 4,811.04
G. Lazard Asset Management	Investment Fees	Qtr. Ended 09/30/24	\$ 95,969.54
H. Schlueter Group of Texas LLC	Consulting Fees	Mo. Ended 10/31/24	\$ 5,000.00
I. Wellington Management	Investment Fees	Qtr. Ended 09/30/24	\$ 140,820.16
J. Xerox Financial Services	Copier Lease	Mo. Ended 10/31/24	\$ 348.00

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 Rep. Joe Molinar to approve the Consent Agenda; seconded by Rene Peña.

Chairman Robert Studer requested that the motion be amended to include the deletion of Executive Session "Item 13B. Discussion and action regarding the survivor benefit application for an incapacitated adult child." Studer noted that the scheduled item is not ready for today.

Rep. Molinar withdrew his motion.

Motion made by Rep. Joe Molinar to approve the Consent Agenda and delete Executive Session Item 13B; seconded by Rene Peña. The motion required polling:

Isaura Valdez aye
Karina Brasgalla aye
Matt Kerr aye
Deborah Hamlyn aye
Rene Peña aye
Rep. Joe Molinar aye

Motion carried.

REGULAR AGENDA

- Item 8. Discussion and action regarding the receipt of an award from the GFOA for financial reporting.

Deputy Executive Director Adrian Sanchez presented the award to the Board. The Government Finance Officers Association ("GFOA") is a nonprofit professional association of the United States and Canada. The GFOA has awarded the Trust with the Certificate of Achievement for Excellence in Financial Reporting for the eleventh consecutive year with regard to the Trust's Annual Comprehensive Financial Report ("ACFR"). Sanchez advised that the GFOA indicated, "The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management."

Sanchez advised that the development of the ACFR is a collaborative effort between Trust Staff, the Office of the Comptroller, and the Trust's independent auditors, CRI. The Board congratulated staff, and Chairman Robert Studer expressed his gratitude for everyone's contributions.

No action was taken on this item.

- Item 9. Discussion and action regarding the Treasurer's Report for the month ended September 30, 2024.

Luis Mier of the Office of the Comptroller ("OTC") presented on behalf of City Comptroller Margarita Marin; the Board received and reviewed the Treasurer's Report for the month ended September 30, 2024.

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 September 30, 2024. Net assets available for benefits were about 1.007 billion dollars, a net increase of about 11.3 million dollars from the previous fiscal year. Contributions were approximately 5.0 million dollars (about 2.5 million from the employer and 2.5 million from employees). Studer noted the totals do not appear to be consistent with previous amounts. Deputy Executive Director Adrian Sanchez advised that he will research and provide that information. Benefits paid to retirees were about 6.8 million dollars. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was about 1.43 percent. Mier noted the target rate of return for the fiscal year of 7.25 percent, about 0.60 percent for the first month of the fiscal year.

Trustee Isaura Valdez requested more information on administrative expenses for the fourth quarter of Fiscal Year 2024, as the amount is larger than in previous quarters. Mier advised that he will research and provide more information.

Sanchez reviewed market volatility and trends, noting that the last time the Trust experienced a positive, September return was in 2019. Sanchez advised that the Trust exceeded 1.0 billion dollars and thanked the Investment Committee for their due diligence. Sanchez noted that not since March 2022 had the Trust reached 1.0 billion dollars.

No action was taken on this item.

- Item 10. 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 investment performance flash report for the month ended September 30, 2024.

Chaikin discussed market conditions. The Fed lowered rates by 50 basis points which positively impacted equity performance. Chaikin noted actual asset allocation versus target allocation and reviewed the rebalancing activity. Chaikin reviewed performance by asset class. The total fund balance was about 1.009 billion dollars with about 16.1 million dollars in unrealized gains for the month. All asset-class composites, except International Equity, outperformed their benchmarks in September. The total fund underperformed the Strategic Blended Index for all reporting periods. For the last year and last five years, the total fund return exceeded the actuarial rate of return.

No action was taken on this item.

- Item 11. Discussion and action regarding a report from the Deputy Executive Director.

Deputy Executive Director Adrian Sanchez reported on the following:

- Sanchez reviewed ongoing/completed project(s):
 - The actuarial valuation and audit reports are in process.
 - Sanchez noted that this will be a full actuarial valuation, which includes updated census data; that data was provided to the Trust's actuary, Gallagher, at the end of September. The valuation is ongoing.
 - Regarding the audit, the custodian has finalized the Trust's financial statements, which will be provided to the Trust's independent auditors, CRI. An entrance conference will be scheduled with CRI, in order to begin work on the audit. Sanchez noted that Trust Staff and the City collaborate with CRI to complete the audit by December. The auditor's presentation to the Board is expected in January.
 - The Compass Points Newsletter was released in October.
 - Sanchez noted that the newsletter is informative for both participants and retirees. This issue included the benefit payment schedule and Board Meeting schedule for 2024/2025, as requested by Representative Joe Molinar.
 - The issue was well received by participants and retirees.
- Sanchez reviewed upcoming Trust meetings:
 - The Special Board Meeting will be held on October 28th at 9:00 am at the Trust Administration Building; lunch will be provided.
 - Sanchez noted topics including education/presentations from the Trust's investment consultant, actuary, and lobbyists.
 - The November and December Board Meetings will be held on the second Thursday of the month, 11/14 and 12/12 respectively.

No action was taken on this item.

Item 12. For Notation:

A. Refund of Contributions:

Name:	Department:	Refund:
1. Amparan, Melissa	Fire	\$ 3,542.40
2. Arroyo, Luis	Sun Metro	\$ 11,415.03
3. Avila, Susana	Airport	\$ 25,385.57
4. Bailon, Guillermo	Streets and Maintenance	\$ 33,156.04
5. Barajas, Mark	Sun Metro	\$ 8,400.76
6. Barreras, Hector	Fire	\$ 498.10
7. Caperon, Yoatzil	Fire	\$ 1,018.43
8. Carmona, Alec	Public Health	\$ 5,737.71
9. Castellano, Annette	Police	\$ 10,626.29
10. Castillo, Ruth	Public Health	\$ 62,218.16
11. Chavez, Michael	Public Health	\$ 993.05
12. Cordero, Elizabeth	El Paso Water	\$ 14,146.74
13. Corzine, Jacqueline	Sun Metro	\$ 71,975.43
14. Cross, Keahi	Animal Services	\$ 6,423.75
15. Davalos, Harvey	Environmental Services	\$ 2,545.14
16. Garcia, Carmelita	El Paso Water	\$ 2,738.49
17. Gomez, Angeles	Fire	\$ 3,609.74
18. Gonzales, David	El Paso Water	\$ 5,084.88
19. Graham, Thomas	Sun Metro	\$ 13,867.11

20.	Hernandez, Loretta	Public Health	\$	23,096.22
21.	Hernandez, Maria	Police	\$	13,824.84
22.	Holguin, Maria - Benefit of Jose Solis	PEG	\$	129,766.77
23.	Iglesias, Mariela	Public Health	\$	3,160.88
24.	Jerome, David	Airport	\$	21,469.38
25.	Johnson, Edwin	Streets and Maintenance	\$	1,266.75
26.	Lara, Leonardo	Community and Human Development	\$	28,629.37
27.	Lopez Jr., Hector	El Paso Water	\$	7,394.17
28.	Lopez, Javier	El Paso Water	\$	6,409.99
29.	Macias Jr., Mark	El Paso Water	\$	2,257.70
30.	Marquez, Manuel	Fire	\$	5,355.90
31.	Mena, Belinda	Streets and Maintenance	\$	3,695.82
32.	Mendoza, Sonia	Municipal Court	\$	1,077.91
33.	Miramontes, Myrna	Airport	\$	3,793.91
34.	Moline, Wendy	Parks and Recreation	\$	1,525.83
35.	Munoz, Rudy	Sun Metro	\$	20,637.53
36.	Nevarez, Reymundo	Sun Metro	\$	6,810.52
37.	Ogas, Elizabeth	El Paso Water	\$	3,863.72
38.	Ortiz Arenas, Ignacia	Airport	\$	16,129.63
39.	Pollock, Jessica	Libraries	\$	869.93
40.	Ragin, Racia	Public Health	\$	11,460.49
41.	Rodriguez, Robin	Parks and Recreation	\$	14,152.82
42.	Rodriguez, Alfredo	Zoo	\$	12,390.50
43.	Rosen, Richard	Fire	\$	1,023.31
44.	Sanchez, Steven	Sun Metro	\$	49,208.18
45.	Sierra, Karina	Fire	\$	3,990.28
46.	Slater, John	Information Technology	\$	3,422.16
47.	Valdez, Monica	Airport	\$	89,063.88
			Total Refunds:	\$ 769,131.21

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 Rep. Joe Molinar. None opposed. The Board retired into Executive Session pursuant to the Texas Government Code, Sections 551.071-551.076 and Section 551.078 at 9:02 AM.

Motion made by Karl Rimkus to reconvene from Executive Session; seconded by Rep. Joe Molinar. None opposed. Motion carried at 9:45 AM.

- Item 13. 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

A. Sections **551.071** and **551.074**

Discussion and action regarding staff employment contracts.

Motion made by Karl Rimkus that the contracts of the Benefits Manager and Benefits Supervisor be amended as recommended by the Executive Director, and authorize the Chairman to sign related documents; seconded by Deborah Hamlyn. The motion required polling:

Isaura Valdez	nay
Karina Bragalla	aye
Matt Kerr	aye
Deborah Hamlyn	aye
Karl Rimkus	aye
Rene Peña	aye
Rep. Joe Molinar	aye
Rep. Art Fierro	aye

Motion carried.

- Item 14. Adjournment.

Motion made by Karl Rimkus to adjourn the City of El Paso Employees Retirement Trust Board Meeting on October 16, 2024; seconded by Matt Kerr. None opposed. The motion was carried at 9:46 AM.



Secretary



Chairman