CITY of EL PASO
EMPLOYEES RETIREMENT TRUST

BOARD MINUTES FOR THE REGULAR MEETING
HELD THURSDAY, NOVEMBER 13, 2025, AT 8:30 A.M.
RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA

Members in Attendance:

Robert Studer, Chairman
Karl C. Rimkus, Vice Chairman
Matt Kerr
Deborah G. Hamlyn
Rene Peña
Rep. Chris Canales, in at 8:38 A.M.

Members Absent:

Isaura Valdez
Karina Brasgalla
Rep. Art Fierro

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
Alex Ford, Callan LLC
Mary Ross, Wellington Management
Dave DiSilva, Wellington Management
Cara Early, Wellington Management
Edmundo Calderon, Retiree

Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:35 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 October 15, 2025 and the Special Board Meeting of October 29, 2025.

Item 3. Consideration and action on the following retirements:

	Name	Department	Service Time (estimated)
A.	Age & Service Retirement:		
1.	Borunda, Jaime	El Paso Water	30 years 06 months
2.	Calderon, Edmundo	Internal Audit	21 years 00 months
3.	Collazo Jr., Ferdinand	El Paso Water	07 years 00 months
4.	Davila, Eduardo	Public Health	06 years 09 months
5.	Deslongchamps, Anthony	Fire	29 years 09 months
6.	Hernandez, Jose G.	Sun Metro	27 years 11 months
7.	Holguin Bonilla, Mario	Animal Services	14 years 11 months
8.	Holmes, Louis Donnell	Police	30 years 01 month
9.	Paz, Sylvia Ann	El Paso Water	09 years 06 months
10.	Rodriguez, Cesar A.	Sun Metro	07 years 00 months
11.	Tovar, Alberto	Airport	18 years 10 months
B.	Age & Service Retirement – Proportionate Retirement Program:		
1.	Lau, Michael M.	Purchasing and Strategic Sourcing	18 years 01 month
C.	Deferred Retirement:		
1.	Sandoval, Roman	Human Resources	14 years 07 months

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

A. Contreras, Gloria, survivor of Carlos Contreras, retiree.
B. Gutierrez, Luz M., survivor of Gustavo A Gutierrez, retiree.
C. Martinez, Maria Y., survivor of Juan J. Martinez, retiree.
D. McCartney, Shirley A., survivor of Roy W McCartney, retiree.

Item 5. 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 Matt Kerr. The motion required polling:

Matt Kerr	**aye**
Deborah Hamlyn	**aye**
Karl Rimkus	**aye**
Rene Peña	**aye**

Robert Studer **aye**

Motion carried.

REGULAR AGENDA

Item 6. Discussion and action regarding the receipt of an investment manager report from Wellington Management (Mary Ross, Dave DiSilva, and Cara Early, Wellington Management).

Mary Ross, Dave DiSilva, and Cara Early of Wellington Management Company LLP presented; the Board received and reviewed an investment management report from Wellington.

Ross provided an overview/update of the firm. There have been no material changes to the business structure since the last meeting. Wellington is a private partnership firm with about 200 partners and about 1.3 trillion dollars of assets under management ("AUM").

Early reviewed the Core Bond Plus portfolio. The lead portfolio manager, Joe Marvan, announced his retirement, effective at the end of June 2026. Connor Fitzgerald, the backup portfolio manager, became co-portfolio manager and will lead the strategy going forward. The strategy closed the quarter at 21.4 billion dollars AUM, with strong net inflows of 1.85 billion dollars year-to-date. The Trust's portfolio has outperformed its benchmark on a year-to-date and trailing 1-year and 3-year basis. Early reviewed performance drivers: Strong performance from credit spread compression across most sectors (high yield, investment grade, corporate bonds, and securitized credit); Positioning related to duration and yield curve in advance of the election and tariff announcements detracted from performance.

DiSilva reviewed the SMID Cap Research Equity portfolio. Performance has been positive since inception. However, 2022 and year-to-date 2025 have been challenging for alpha generation, resulting in a negative net alpha of close to 3.0 percent year-to-date. The recent challenging period is attributed to a "low quality rally" led by less profitable, highly speculative stocks focused on next-generation themes like artificial intelligence ("AI"), alternative energy sources, and quantum computing. Only 22 percent of peer SMID Cap core managers have beaten the Russell 2500 index year-to-date. DiSilva reviewed performance attribution and outlook. Historically, the low-quality cohort performs well for about a 6-12 month period before fundamentals take hold and the market broadens out. This trend could be disrupted by weakness in the "Magnificent 7" stocks or an extended pause in interest rates. DiSilva noted that the firm is integrating AI for efficiency in the research process. Examples include using large language models to analyze over 20,000 company meeting notes annually and combing through complex legal documents (e.g. Google's antitrust cases).

No action was taken on this item.

Item 7. Discussion and action regarding the receipt of an investment performance report for the month of October 2025 and for the quarter ended September 30, 2025 and related matters from Callan LLC. (Alex Browning and Alex Ford, Callan).

Alex Ford of Callan LLC presented; the Board received and reviewed investment performance reports for the month of October 2025 and for the quarter ended September 30, 2025.

Ford reviewed market environment. Inflation remains above the Fed's 2.0 percent long-term target, occasionally moving towards 3.0 percent year-over-year. Employment is starting to show signs of weakness (fewer job gains, falling job openings). The Fed has pivoted toward rate cuts.

Although consumers continue to weather uncertainty and higher rates, the economy is showing continued expansion. Ford noted that the recent, longest government shutdown in history meant the Fed was "flying blind"; the only major data released was the September CPI report due to its impact on Social Security COLA payments.

Ford reviewed equity market performance and valuation. Large Cap S&P 500 continues to march higher and is considered well above one standard deviation relative to its long history (overvalued). However, corporate earnings have been resilient, supporting the higher valuations. A "low quality" rally was a key driver of market returns in the third quarter, particularly for small/mid-cap stocks. This rally favored low-quality factors (high volatility, unprofitable stocks, and highly shorted stocks) over the last six months. Active managers, who generally hold higher-quality companies (good return on capital, profitable), underperformed during this short period. In the third quarter, equity markets delivered very strong returns, largely shrugging off uncertainty (tariffs, government shutdown, etc.). The Russell 2000 was the best performer at 12.4 percent, responding positively to the speculative, "risk-on" environment and the anticipation of rate cuts.

Ford reviewed the Trust's performance. The return for the third quarter was about 5.0 percent, a benchmark shortfall of about 60 basis points. Total fund 3-year and 5-year annualized returns were about 10.8 percent and 9.4 percent, respectively. The biggest drivers of the shortfall versus the target return were Private Equity (benchmark mismatch) and Domestic Equity (structural and implementation issues). The Trust with Callan is addressing both issues to improve absolute and relative returns. The estimated value of the Trust through the end of October was 1.09 billion dollars, reaching a new high watermark. Ford noted active management attribution.

No action was taken on this item.

Item 8. Discussion and action regarding an asset rebalancing plan as prepared by Callan LLC.

Alex Ford of Callan LLC presented; the Board received and reviewed the asset rebalancing proposal, which was previously evaluated and recommended by the Investment Committee ("IC").

Ford noted that while rebalancing is often used to raise cash for benefit payments, this specific proposal is necessary to ensure compliance with the Investment Policy Statement ("IPS"). The current actual weight of the Fixed Income portfolio is 20.4 percent, which is below the minimum range established in the IPS. This underweighting has persisted for several months. To return to compliance, Callan recommended selling specific equity holdings (from Mellon ACWI ex U.S. IMI, International Equity) and allocating into Fixed Income. Ford noted that the current cash balance is over 12 million dollars, which is deemed sufficient for the next several months without further liquidation for benefit payments.

Motion made by Karl Rimkus to approve the asset rebalancing plan as prepared by Callan and recommended by the Investment Committee; seconded by Rene Peña. The motion required polling:

Matt Kerr	**aye**
Deborah Hamlyn	**aye**
Karl Rimkus	**aye**
Rene Peña	**aye**
Rep. Chris Canales	**aye**

Motion carried.

Item 9. Discussion and action regarding issuing a request for proposals ("RFP") for review of investment practices.

Executive Director Robert Ash presented; the Board received and reviewed the RFP for review of investment practices.

Ash advised that Section 802.109 of the Texas Government Code requires that certain pension funds provide a report on their investment practices and policies to the State Pension Review Board. The current 3-year cycle concludes next year, requiring a new review. This will be the third time the Trust has undertaken this process. Ash advised that the Investment Committee ("IC") has reviewed the proposed RFP. The RFP, if approved, is to be issued immediately with proposals due by the end of next month. The IC will review respondents and make a recommendation to the Board, with the final report anticipated by April 2026.

Motion made by Karl Rimkus to issue the RFP as recommended by the Investment Committee; seconded by Deborah Hamlyn. None opposed. Motion carried.

Item 10. Discussion and action to approve a resolution outlining who will lead Board meetings in the event of a temporary absence of Board leadership.

Executive Director Robert Ash presented; the Board received and reviewed the proposed resolution.

Ash noted that while the absence of both the Chair and Vice Chair is rare, the proposed resolution would establish a formal protocol as a "fail-safe" measure.

Ash reviewed the proposed succession order established by the resolution for presiding over Board meetings:
Standard Protocol: The Board Chair presides over all meetings.
Absence of Chair: The Vice Chair will preside.
Absence of both Chair and Vice Chair: The Chair of the Investment Committee will serve as Interim Board Chair. The Chair of the Administrative Services Committee will serve as Interim Vice Chair.

Motion made by Karl Rimkus to approve the resolution as recommended by the Administrative Services Committee; seconded by Rep. Chris Canales. None opposed. Motion carried.

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

A. Introduction of New Employee
   Ash introduced and welcomed the new Retirement Benefits Clerk, Maria Ceniceros. Her contract was approved last month. Ceniceros previously worked in the City's Benefits Department.
B. Audit Contract Update
   A contract was successfully negotiated with the new audit firm, Baker Tilly. The entrance conference was held, and the firm is expected to begin fieldwork later this month. Staff's top priority for the next six weeks is to diligently provide the necessary information to the auditors to meet their end-of-December deadline.
C. Actuary Work Update
   The actuary is working on the interim actuarial evaluation. Results are expected around December 19th.
D. Strategic Planning Update

Ash thanked Board Members for attending the October 29th strategic planning session. The Executive Committee will be developing more detailed tasks to achieve the goals articulated during the session.

E. BoardEffect/Diligent One Update
The platform for Board meetings is transitioning to Diligent One. The transition is now expected to occur in January, delayed from the previously anticipated November date. Staff will be available to assist Board Members with the new login process.

No action was taken on this item.

Item 12. For Notation:

A. Refund of Contributions:

	Name	Department		Total Refund
1.	Abalonoro, Mabossouwe	Sun Metro	$	7,367.40
2.	Alvarado, Roman	Streets and Maintenance	$	953.79
3.	Barton, Kellen	Zoo	$	1,932.41
4.	Carlin, Juan	Fire	$	8,579.81
5.	Carter, Ileen	Animal Services	$	8,342.52
6.	Cortez, Jesus	Fire	$	16,940.14
7.	De La Rosa, Jocelynn	Airport	$	901.52
8.	Diaz, Leo	Parks and Recreation	$	4,023.30
9.	Flores, Arturo	Animal Services	$	577.03
10.	Garcia-Negrete, Edgar	Streets and Maintenance	$	861.09
11.	Gutierrez, Jason	Fire	$	12,623.91
12.	Hargrave, Justin	Environmental Services	$	4,409.90
13.	Lopez, Victor	Airport	$	9,258.12
14.	Lu, Lu	Purchasing and Strategic Sourcing	$	749.65
15.	Macedo, Joanna	Environmental Services	$	1,154.45
16.	Mancilla, Abigail	Fire	$	33,462.68
17.	Martinez, Guadalupe	El Paso Water	$	179,497.61
18.	Mendoza, Maria	Police	$	3,406.98
19.	Mendoza, Santiago	El Paso Water	$	81,944.24
20.	Mojica, Joseph	Fire	$	1,747.28
21.	Morales, Martin	Fire	$	14,832.30
22.	Ortiz, Jesus	Community and Human Development	$	1,870.19
23.	Portillo, Ernie	Parks and Recreation	$	5,347.92
24.	Provencio, Justine	Fire	$	22,248.63
25.	Reyes, Michael	Sun Metro	$	1,143.91
26.	Rivera, Andrew	Fire	$	1,652.33
27.	Rodriguez, Alexander	El Paso Water	$	5,735.33
28.	Rodriguez, Bryan	El Paso Water	$	6,810.81
29.	Rubio, Monique	Fire	$	14,667.99
30.	Salais, Claudia	Human Resources	$	6,069.54
31.	Scott, Crystal	Public Health	$	9,240.77
32.	Stack, Christian	El Paso Water	$	9,830.55

33.	Zaragoza, Monica	Human Resources	$ 5,467.42
			$ 483,651.52

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.

Legal Counsel Eduardo Miranda advised that any Member of the Board and/or staff who may have an interest in the Executive Director position should not attend the Executive Session.

Motion made by Karl Rimkus to retire into Executive Session; seconded by Rep. Chris Canales. None opposed. The Board retired into Executive Session pursuant to the Texas Government Code, Sections 551.071-551.076 and Section 551.078 at 9:42 A.M.

Motion made by Karl Rimkus to reconvene from Executive Session; seconded by Rene Peña. None opposed. Motion carried at 9:54 A.M.

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 position of Executive Director.

Motion made by Karl Rimkus to authorize the formation of a selection committee to assist the Board in the selection and hiring of the next Executive Director; seconded by Deborah Hamlyn. A poll was taken:

Matt Kerr	**aye**
Deborah Hamlyn	**aye**
Karl Rimkus	**aye**
Rene Peña	**aye**
Rep. Chris Canales	**aye**

Motion carried.

Item 13. Adjournment.

Motion made by Karl Rimkus to adjourn the City of El Paso Employees Retirement Trust Board Meeting on November 13, 2025; seconded by Rene Peña. None opposed. The motion was carried at 9:55 AM.

Secretary

Chairman