



**BOARD MINUTES FOR THE REGULAR MEETING
HELD THURSDAY, DECEMBER 11, 2025, AT 8:30 A.M.
RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA**

Members in Attendance:

Robert Studer, Chairman
Karl C. Rimkus, Vice Chairman, in at 8:40 AM
Isaura Valdez, in at 8:41 AM
Karina Brasgalla
Matt Kerr
Deborah G. Hamlyn
Rep. Chris Canales
Rep. Art Fierro, in at 8:43 AM

Members Absent:

Rene Peña

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
Chrissy Mehnert, Callan LLC

Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:30 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 November 13, 2025.

Item 3. Consideration and action on the following retirements:

	Name	Department	Service Time (estimated)
A. Age & Service Retirement:			
1.	Belmontes Lozano, Raul	El Paso Water	28 years 10 months
2.	Chavez, Oscar	El Paso Water	37 years 08 months
3.	Flores, Delia	El Paso Water	18 years 08 months
4.	Gutierrez, Robert M	El Paso Water	29 years 00 months
5.	McNeil, Anthony	Airport	21 years 00 months
6.	Munoz, Luis A.	Sun Metro	21 years 05 months
7.	Robles, Sammy L.	Public Health	25 years 06 months
B. Early Retirement:			
1.	Garcia, Jorge	Police	24 years 03 months

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

- A. Tapia, Guadalupe survivor of Joaquin Tapia, retiree.
- B. Urquiza, Elena survivor of Arturo Urquiza, 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 Deborah Hamlyn to approve the Consent Agenda; seconded by Matt Kerr. The motion required polling:

Karina Brascalla	aye
Matt Kerr	aye
Deborah Hamlyn	aye
Robert Studer	aye
Rep. Chris Canales	aye

Motion carried.

REGULAR AGENDA

Item 6. Discussion and action regarding the Treasurer's Report for the month ended October 31, 2025.

Jose Espino of the Office of the Comptroller ("OTC") presented on behalf of Deputy Chief Financial Officer/Comptroller Margarita Marin; the Board received and reviewed the Treasurer's Report for the month ended October 31, 2025.

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 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 October 31, 2025, including month, quarter, and fiscal year (two months). Net assets available for benefits were about 1.088 billion dollars, a net increase of about 31 million dollars for the fiscal year. Contributions were approximately 11 million dollars (about 6.7 million dollars from the employer and 4.3 million dollars from employees). Benefits paid to retirees were about 14.2 million dollars. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was approximately 3.29 percent. Espino noted that investments exceeded the target rate of return for October of approximately 1.21 percent.

Chairman Robert Studer noted that, for fiscal year 2026, "Administrative Expenses" incorporate additional existing expenditures (not new spending) in the annual budget. Studer suggested that the Treasurer's Report include a footnote to specify those additions.

No action was taken on this item.

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

Alex Browning of Callan presented; the Board received and reviewed the investment performance report for the month of November 2025.

Browning reviewed asset allocation. Overall, allocation is generally aligned with strategic goals. Private Equity is over target by about 3.0 percent. Fixed Income is underweight but remains within its strategic range. Browning advised that equities have grown faster than Fixed Income, making it difficult to maintain the proportional percentage despite staff's rebalancing efforts. Browning reviewed rebalancing. Net new income includes a capital call from Adams Street of 2.2 million dollars. A transaction from the international equity index to Fixed Income occurred to maintain the target range.

Browning reviewed performance. Overall performance for the year has been "rewarding," with November continuing this trend. Browning noted the recovery of net assets available for benefits, referencing the previous Treasurer's Report. Browning advised that asset value impacted by COVID was only recovered at the beginning of the current year, highlighting the volatility and time required to restore prior value. The total fund, at about 1.098 billion dollars, had a return of about 4.3 percent fiscal year-to-date, underperforming the Strategic Blended Index.

Browning reviewed asset class performance. For the month, Domestic Equity and Fixed Income outperformed their benchmarks. International Equity was slightly below benchmark. Browning advised of the difficulty in full replication of the index due to regional and sector constraints and specific market restrictions (e.g., India's licensing requirements). Browning will provide acceptable bounds/tolerable levels for tracking error for active management when compared to the index, as requested by Chairman Robert Studer. Fixed Income outperformed the benchmark. Monthly returns for Private Equity and Real Estate are not available (reported quarterly). Browning noted that UBS is in the process of liquidation.

No action taken on this item.

Item 8. Discussion and action regarding the selection of a firm for a review of the Trust's investment practices and to amend the operating budget to reflect the expense.

Executive Director Robert Ash presented; the Board received and reviewed the request for proposals and responses for review of the Trust's investment practices.

Ash noted that State Law Section 802.109 mandates a review of the Trust's investment practices and policies every three years by a third-party consultant. A request for proposals was issued, and two responses were received. Both firms were reviewed by the Investment Committee ("IC"). The IC recommended RVK Inc. The cost for the review is 50,000 dollars. If approved, the review would start in January with a report expected in April.

Motion made by Karl Rimkus to approve RVK Inc. to perform the investment practices review, subject to successful contract negotiations, as recommended by the Investment Committee, and to authorize the Chairman or Executive Director to sign further related documents, and further moved to amend the operating budget to reflect the cost of the review; seconded by Rep. Chris Canales. The motion required polling:

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

Motion carried.

Item 9. Discussion and action to review and amend the Trust's Investment Policy Statement ("IPS"), as proposed by Callan LLC.

Alex Ford of Callan LLC presented; the Board received and reviewed proposed amendments to the IPS.

The changes focus on three primary areas: (i) removing references to "Dynamic Equity," a strategy terminated in the previous year; (ii) adjusting the equity structure from a 65/35 Large-to-Mid/Small-Cap split to a 75/25 split to better align with current market weights and reduce tracking error; and (iii) changing the Private Equity benchmark from the public Russell 3000 to the Cambridge Global Private Equity Index to provide a more accurate "apples-to-apples" performance comparison. This change is effective September 1, 2025, the start of the fiscal year.

Motion made by Karl Rimkus to amend the Investment Policy Statement as recommended by Callan and the Investment Committee by amending Sections 4-6 to delete the Large-Cap Dynamic Equity allocation and revise the benchmark for Private Equity and the Domestic Equity asset class structure; seconded by Isaura Valdez. The motion required polling:

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

Motion carried.

Item 10. Discussion and action regarding the possible termination of investment management services provided by Alliance Bernstein.

Alex Ford of Callan LLC presented; the Board reviewed the possible termination of investment management services provided by Alliance Bernstein.

The Trust's Investment Committee ("IC") recommended the termination of Alliance Bernstein due to consistent underperformance relative to benchmarks over a 3-to-5-year period. This underperformance has triggered compliance issues with the Investment Policy Statement. Ford noted that the Investment Committee has exercised patience over several years, but confidence in a turnaround is no longer sustained. If approved, proceeds would be reallocated across the US equity portfolio.

Motion made by Karl Rimkus to terminate the investment agreement with Alliance Bernstein, approve the rebalancing as recommended by Callan and the Investment Committee, and authorize the Board Chair or Executive Director to sign related documents; seconded by Rep. Chris Canales. The motion required polling:

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

Motion carried.

Item 11. Discussion and action regarding approval of an asset rebalancing plan.

Alex Ford of Callan LLC presented; the Board received and reviewed the rebalancing plan.

Rebalancing is proposed to execute the decisions made in agenda items 9 and 10: fully liquidate the Alliance Bernstein Small-Mid Cap strategy (approximately 56 million dollars); proceeds will be distributed between the Wellington Small-Mid Cap manager and the S&P 500 Index to achieve the new 75/25 Large-to-Mid/Small-Cap structure. Additionally, raise 9.0 million dollars from the International Equity Index to fund upcoming benefit payments and capital calls.

Motion made by Karl Rimkus to approve the asset rebalancing plan prepared by Callan and recommended by the Investment Committee and authorize the Executive Director to transition the designated assets and sign related documents; seconded by Deborah Hamlyn. The motion required polling:

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

Motion carried.

Item 12. Discussion and action regarding the issuance of a request for proposals ("RFP") for executive search services.

Board Chairman and Ad Hoc Selection Committee Chair Robert Studer and Executive Director Robert Ash addressed the Board; the Board received and reviewed the RFP for executive search services.

The Ad Hoc Selection Committee recommended issuing an RFP to hire a firm to assist in the search for a new Executive Director. The selection criteria include content/completeness (10 percent), firm qualifications (25 percent), capability (25 percent), and cost (40 percent). The RFP is scheduled for release on January 5, 2026, with a firm selection expected in February and a contract start date in March.

Motion made by Karl Rimkus to authorize the release of an RFP for executive search services as recommended by the Ad Hoc Selection Committee; seconded by Deborah Hamlyn. None opposed. Motion carried.

Item 13. Discussion and action regarding an amendment to the Trust's Personnel Rules to clarify various sections and increase the authority of the Executive Director regarding certain personnel matters.

Executive Director Robert Ash presented; the Board received and reviewed the proposed amendment to the Trust's Personnel Rules.

The amendment was drafted by outside counsel and reviewed by the Administrative Services Committee ("ASC") and the Executive Committee. The Board discussed delegating broader personnel authority to the Executive Director ("ED"), including the authority to hire, fire, and sign employment agreements for all positions except the ED and Deputy ED. To ensure oversight, the Board Chair must co-sign all contracts, and the Executive Committee must be kept informed of vacancies and staff changes. Employees retain the right to appeal personnel decisions to the ASC. Salary bands and cost of living adjustments remain under Board budgetary control, while merit increases (capped at 5.0 percent) are managed by the ED based on performance evaluations.

Motion made by Karina Brasgalla to approve; seconded by Karl Rimkus. None opposed. Motion carried.

Item 14. Discussion and action regarding an education session on private equity pacing as prepared by Callan LLC.

Chrissy Mehnert of Callan LLC presented; the Board received and reviewed an education session on private equity pacing as prepared by Callan.

The educational session helps to fulfill the continuing education requirements, focusing on the mechanics and strategic management of private equity ("PE"). Mehnert detailed the structure of PE funds, emphasizing the long-term nature of commitments (often 10–15 years), the "J-curve" effect where initial fees precede returns, and the importance of pacing models to manage cash flows and vintage year diversification. Mehnert reviewed the Trust's current PE portfolio, which is over-allocated at about 16 percent, and outlined a decade-long pacing plan to reach and maintain a 13 percent target allocation using a 50/50 mix of primary and secondary fund-of-funds. The Board also discussed performance benchmarking using the Cambridge benchmark, current market trends such as the rebound in AI and IPOs, and the implications of "democratizing" private equity for retail investors.

No action was taken on this item.

Item 15. Discussion and action on a report from the Executive Director:

Executive Director Robert Ash reported on the following:

A. Update regarding the annual audit.

Ash introduced Baker Tilly as the new firm conducting the annual audit. He noted that the auditors are working within a condensed timeframe. Staff have fulfilled all initial information requests. The audit team is currently reconciling confirmations received from investment managers. Fieldwork is expected to continue until the holiday break.

B. Update regarding current actuarial work.

Actuaries are currently performing the interim valuation. Completion of the valuation is contingent upon the receipt of the final audited financial statements. The Board should expect to receive the interim valuation results in January.

C. Update regarding the office holiday schedule.

The office will be closed from December 25th through January 2nd, reopening on January 5th. Ash noted standard office hours: Monday through Friday, 8:00 AM – 5:00 PM.

D. Update regarding recent asset rebalancing.

Ash provided a status report on recent portfolio adjustments. Rebalancing from international to bonds, authorized last month, was completed on November 21st. Following the Board's decisions earlier in the current meeting, additional rebalancing is required. Management aims to complete these trades before December 24th to avoid the increased volatility and lower liquidity typical of year-end markets.

No action taken on this item.

Item 16. For Notation:

A. Refund of Contributions:

	Name	Department	Total Refund
1.	Albright, Paul	Strategic and Legislative Affairs	\$ 49,479.17
2.	Avila, Josemanuel	Animal Services	\$ 902.72
3.	Barron, Eduardo	Parks and Recreation	\$ 5,775.86

4.	Bustamante, Mario	Sun Metro	\$	2,875.90
5.	Gutierrez, Sergio	El Paso Water	\$	1,877.14
6.	Chavez, Eric	Public Health	\$	18,856.63
7.	Chiw, Jorge	Parks and Recreation	\$	9,895.36
8.	Diaz, Fernando	Sun Metro	\$	60,633.08
9.	Fierro-Guzman, Manuel	Planning and Inspections	\$	24,340.84
10.	Flores, Angel	Parks and Recreation	\$	2,936.62
11.	Flores, Destiny	Animal Services	\$	15,824.54
12.	Fonseca-Sierra, Janet	El Paso Water	\$	12,915.12
13.	Garcia, Jenny	Sun Metro	\$	1,437.68
14.	Garcia, Jose	Fire	\$	1,138.94
15.	Gonzalez, Nicky	Fire	\$	1,130.44
16.	Jimenez, Camilo	PEG	\$	62,491.74
17.	Juarez, Oscar	Airport	\$	15,817.76
18.	Lachica, Ashley	Public Health	\$	3,758.17
19.	Momsen, Anne	Libraries	\$	5,705.37
20.	Morales, Luis	Public Health	\$	2,477.88
21.	Munoz, Jasmine	Police	\$	14,189.96
22.	Ocampo, Joseph	El Paso Water	\$	3,759.37
23.	Pantoja, Diego	El Paso Water	\$	28,442.80
24.	Rios, Diana	Police	\$	4,521.71
25.	Rivers, Kelvin	Fire	\$	1,819.20
26.	Sanchez Jr, Rafael	El Paso Water	\$	5,476.63
27.	Sandum, Gilbert	Human Resources	\$	10,336.21
28.	Silva, Roberto	Municipal Court	\$	77.64
29.	Sosa, Gabriel	El Paso Water	\$	9,660.04
30.	Talamantes, Jenavy	Sun Metro	\$	412.37
31.	Tena, Christopher	El Paso Water	\$	66,057.39
32.	Torres, David	Economic Development	\$	179,818.30
33.	Varela, David	Environmental Services	\$	5,008.17
34.	Vizcarra, Priscilla	Zoo	\$	1,914.10
35.	Williams, Erica	Airport	\$	14,400.93
			\$	646,165.78

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

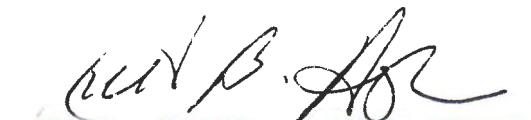
The Board will retire into EXECUTIVE SESSION pursuant to the Texas Government Code, Sections 551.071-551.076 and Section 551.078 to discuss any of the following:

- 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 17. Adjournment.

Motion made by Karl Rimkus to adjourn the City of El Paso Employees Retirement Trust Board Meeting on December 11, 2025; seconded by Rep. Art Fierro. None opposed. The motion was carried at 10:06 AM.



Secretary



Chairman