



CITY of EL PASO

EMPLOYEES RETIREMENT TRUST

**BOARD MINUTES FOR THE REGULAR MEETING
HELD WEDNESDAY, MAY 20, 2026, AT 8:30 A.M.
RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA**

Members in Attendance:

Karl C. Rimkus, Vice Chairman
Isaura Valdez, in at 8:37 AM
Matt Kerr
Deborah G. Hamlyn
Rene Peña
Rep. Chris Canales, in at 8:42 AM
Rep. Art Fierro

Members Absent:

Robert Studer, Chairman
Karina Brasgalla

Others in Attendance:

Robert Ash, Executive Director
Adrian Sanchez, Deputy Executive Director
Karina Chavez, Administrative Assistant
David Garcia, Benefits Supervisor
Roman Sandoval, Benefits Supervisor
Eduardo Miranda, Legal Counsel
April Shamy, Office of the Comptroller
Alex Ford, Callan LLC
Colleen Febowitz, Arrowstreet Capital

- Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:33 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 April 15, 2026.

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.	Flores, Rafael	El Paso Water	19 years 10 months
2.	Gaines, Joseph E	Parks and Recreation	23 years 03 months
3.	Garcia, Adrian A.	Planning and Inspections	23 years 06 months
4.	Granados, Rodrigo S.	Sun Metro	26 years 06 months
5.	Gutierrez, Oscar S.	Sun Metro	16 years 05 months
6.	Guzman Fernandez, Fernando	Sun Metro	17 years 02 months
7.	Munoz, Rosemary	Public Health	19 years 10 months
8.	Nevarez, Juan A.	Airport	22 years 03 months
9.	Rios, Gloria L.	Airport	35 years 02 months
10.	Sanchez Jr., Jose Luis	Fire	30 years 07 months
11.	Schinagel, Joni E.	Airport	11 years 03 months
B.	Deferred Retirement:		
1.	Marquez, Erika	Public Health	10 years 04 months
2.	Morales, Victor	Streets and Maintenance	08 years 10 months

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

- A. Molinar, Ofelia M., survivor of Jesus Molinar, retiree.
- B. Morales, Maria D., survivor of Manuel A Morales, retiree.
- C. Page, Maria Del Rosario, survivor of William W. Page, 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 Rene Peña to approve the Consent Agenda; seconded by Rep. Art Fierro.
The motion required polling:**

Matt Kerr	aye
Deborah Hamlyn	aye
Karl Rimkus	aye
Rene Peña	aye
Rep. Art Fierro	aye

Motion carried.

REGULAR AGENDA

- Item 6. Discussion and action regarding the Treasurer's Report for the month ended April 30, 2026.

April Shamy 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 month of April 2026.

The Treasurer's Report is prepared monthly by the 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 five graphs ("Net YTD Investment Income", "Net Investment Income Rate of Return", "Refunds & Administrative Expenses", "Benefits Paid to Retirees", and "Net Assets Available for Benefits Monthly").

The information in the report includes (i) receivables, which include amounts due to the Trust as of the date of the report; (ii) liabilities, which include amounts owed by the Trust 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.

Shamy reviewed the statements, schedules, and graphs. The unaudited totals are for the periods ended April 30, 2026, including month, quarter, and fiscal year (eight months). Net assets available for benefits were about \$1.15 billion, a net increase of about \$93.7 million for the fiscal year. Contributions were approximately \$44.3 million (averaging about 5.5 million dollars per month for the fiscal year). Benefits paid to retirees were about \$57.4 million. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was approximately 10.18%, exceeding the target rate of return for the fiscal year of 7.25%.

No action was taken on this item.

- Item 7. Discussion and action regarding the receipt of an investment manager report from Arrowstreet Capital (Colleen Febowitz, Arrowstreet).

Colleen Febowitz of Arrowstreet Capital presented; the Board received and reviewed the investment manager report as prepared by Arrowstreet.

Febowitz provided an overview of the firm. Arrowstreet Capital is a Boston-based quantitative global equity manager founded in 1999. The firm operates as an independent private partnership. Assets under management totaled \$292 billion as of the end of the first quarter, diversified across various geographies and strategies. Febowitz provided executive management and board governance changes. The following leadership transitions over the past year were noted: (i) Chief Executive Officer: Former CEO Tony Ryan retired at the end of 2025. Brandon Hall (formerly Deputy COO at BlackRock) joined full-time in September 2025 and officially assumed the role of CEO and Executive Director on January 1, 2026. Tony Ryan will continue to serve the firm as a non-executive director on the board. (ii) Board Chair and Investment Team: Co-founder and former CIO Peter Rathjens has stepped down from his part-time role on the investment team but will continue to serve as Chair of the Board of Directors. Alex Ford of Callan advised that Callan has no concerns about the transitions.

Febowitz provided strategy and capacity updates. The international strategy has been closed to new investments since 2023. Global equity strategies recently closed to new investments. Arrowstreet is undertaking a 6-to-12-month capacity analysis project to determine if internal thresholds can be safely raised without impacting trade costs or alpha generation. If reopened, capacity will likely be allocated to global high-leverage strategies. Febowitz noted that US strategies remain open as they are less capacity-constrained and listed recently launched US funds.

Febowitz reviewed portfolio performance and attribution. The Trust has been invested in Arrowstreet's International Equity Strategy for 4.5 years, reaching its 5-year milestone in November. Over this period, the strategy has delivered annualized returns of approximately 7.8% net value return each year. Over the last 12 months, net returns for the Trust's fund reached 40.89%. This performance translated to a net value return of 15.57%, significantly exceeding the strategy's target of 2.2%. Equity allocation was the primary driver, contributing 9.06% via country and sector allocation choices, followed by equity selection, which contributed 4.02% via specific company stock selections. Febowitz noted active portfolio weights through the second quarter.

No action was taken on this item.

- Item 8. Discussion and action regarding the receipt of investment performance reports for the month of April 2026 and the quarter ended March 31, 2026, and related matters from Callan LLC (Alex Browning and Alex Ford, Callan).

Alex Ford of Callan LLC presented; the Board received and reviewed the investment performance update for the first quarter of 2026 and for the month of April 2026.

Ford provided a market overview. While March saw the S&P 500 decline by over 4% due to the geopolitical crisis, the markets experienced a robust rebound in April. This strong recovery erased March's losses and brought calendar year-to-date returns back into positive territory, with the S&P 500 up nearly 10% and small caps experiencing an exceptional run.

Ford reviewed performance and provided a peer comparison. For the first quarter, the total fund was down slightly by 20 basis points but outperformed its benchmark, effectively protecting capital in a down market. Over the trailing year, the Trust generated an overall return of approximately 15%, placing it in the top decile of public pension systems nationwide. Long-term performance metrics (7, 10, and 15 years) remain encouraging, consistently meeting the Trust's strategic objectives and exceeding the discount rate. Through April, the total fund posted a fiscal year-to-date return of 10.9%, outperforming the benchmark by 1.4%. Total Trust value has increased to approximately \$1.15 billion.

Ford provided an asset class and manager review. Over the trailing year, domestic equities rose by over 31%. The Trust's sole active Domestic Equity small/mid-cap manager, Wellington, generated a strong return of nearly 36%. While this underperformed the benchmark's 40% gain due to a speculative, low-quality market rally heavily favoring high-risk, non-fundamental companies, Callan maintains full confidence in Wellington's long-term fundamental approach. International holdings delivered stellar performance, with one manager generating a trailing 1-year return exceeding 50%, outperforming the market by over 21%. Ford noted that this excess return is well above long-term expectations (which target around 3%), driven by the manager's ability to capitalize on high market volatility and global sector dispersion. In Fixed Income, active managers BlackRock and Wellington both successfully added excess return above the Bloomberg Aggregate Index by tactically navigating high-yield and asset-backed credit

segments in a volatile yield environment. Real Estate is beginning to show positive signs of recovery. UBS, which remains on the Trust's "watch list" due to past performance challenges, has begun generating positive returns relative to the ODCE index, indicating its turnaround strategy may be gaining traction. Private Equity's long-term performance numbers reflect a prior benchmarking mismatch. Effective September 1st, the Trust transitioned to an "apples-to-apples" Private Equity benchmark, replacing the old public equity comparison. This adjustment will correct the artificial underperformance seen when public markets rally excessively.

Ford noted recent structural changes in Domestic Equity. The Trust previously increased its indexed large-cap exposure to 65% - 75% to align more closely with historical market averages. This change reduced the dollar allocation to Wellington, successfully mitigating single-manager risk in Domestic Equity. Ford indicated that while a second domestic manager may be a consideration for next year, current manager search priorities are focused on International Equity.

No action was taken on this item.

Item 9. Discussion and action on a report from the Executive Director regarding:

Executive Director Robert Ash reported on the following:

A. Introduction of a New Staff Member

Ash introduced Roman Sandoval as the organization's new Benefits Supervisor. Sandoval joins from the City of El Paso, where he worked in the Human Resources department and was recognized for his leadership in the City's Wellness Program. Sandoval will succeed David Garcia, who is retiring. Garcia's final meeting will take place next month. Sandoval will learn directly from Garcia, ensuring operational continuity.

B. Continuing Fiduciary Education

Upcoming conferences include:

- TEXPERS Summer Educational Forum
 - The forum will take place in San Antonio at the Westin on the Riverwalk from August 2nd through August 4th.
 - Board Members interested in attending were instructed to contact Benefits Supervisor David Garcia to handle arrangements.
- Ash advised that TEXPERS recently held its annual meeting at the end of April, and noted that El Paso successfully hosted the meeting in recent years.

C. Office Hours

The office will be closed/observing the Memorial Day holiday on May 25th. Temporary adjusted office hours of 8:00 AM to 5:00 PM will be in effect from Tuesday, May 26th, through Friday, May 29th. Public notices and signage will be posted accordingly. Regular office hours (7:00 AM to 6:00 PM) will resume on Monday, June 1st. Similar adjustments will occur for the 4th of July holiday.

Ash noted the upcoming legislative session and matters being monitored by management and the Trust's contracted lobbyists.

No action was taken on this item.

Item 10. For Notation:

A. Qualified Domestic Relations Order:

1. Juan Barron and Flor M. Barron

2. Anthony Michael Carnemolla and Maria Del Carmen Rosalez Carnemolla

B. Refund of Contributions:

	<u>Name</u>	<u>Department</u>	<u>Total Refund</u>
1.	Aguilar, Enrique	El Paso Water	\$ 7,360.95
2.	Arellanes, Sergio	Sun Metro	\$ 3,483.60
3.	Arellano, Jesse	Environmental Services	\$ 4,264.06
4.	Bowles, Nathaniel	Parks and Recreation	\$ 12,407.97
5.	Briseno, Victoria	Purchasing and Strategic Sourcing	\$ 6,427.49
6.	Brooks, Briana	Fire	\$ 1,267.05
7.	Chavez, Angelica	Airport	\$ 22,551.57
8.	De Reyes, Magdalena	Animal Services	\$ 1,230.90
9.	Duarte, Andrew	El Paso Water	\$ 36,212.52
10.	Gabriel, Nereida	Fire	\$ 1,481.89
11.	Gallegos, Abril	Capital Improvement	\$ 21,316.22
12.	Johnson, Kendell	Sun Metro	\$ 7,964.16
13.	Loreto, David	Streets and Maintenance	\$ 6,733.04
14.	Martinez, Yvette	Fire	\$ 15,740.81
15.	Mendez, Gabriel	Sun Metro	\$ 66,991.03
16.	Mendoza, Michael	Streets and Maintenance	\$ 2,549.65
17.	Oporto, Teresa	QDRO	\$ 186,480.39
18.	Ramirez-Corral, Juan	Parks and Recreation	\$ 18,682.04
19.	Rocha, Maria	Police	\$ 25,388.76
20.	Rodriguez, Sergio	Zoo	\$ 11,195.06
21.	Rodriguez, Zacariah	Parks and Recreation	\$ 25,642.38
22.	Ryan, Shannon	Environmental Services	\$ 2,070.58
23.	Serrano, Daniel	Planning and Inspections	\$ 61,487.62
24.	Valadez, Amber	Fire	\$ 7,761.84
25.	Valles, Ruben	Police	\$ 8,190.45
26.	Villa, Francisco	Community and Human Development	\$ 26,083.19
27.	Wheeler, Christopher	Airport	\$ 3,655.29
			\$ 594,620.51

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 11. Adjournment.

Motion made by Matt Kerr to adjourn the City of El Paso Employees Retirement Trust Board Meeting on May 20, 2026; seconded by Rep. Chris Canales. None opposed. The motion was carried at 9:26 AM.



Secretary



Chairman