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CITY of EL PASO
EMPLOYEES RETIREMENT TRUST

BOARD MINUTES FOR THE REGULAR MEETING HELD WEDNESDAY, JULY 15, 2026, AT 8:30 A.M. RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA

Members in Attendance:

Robert Studer, Chairman
Karl C. Rimkus, Vice Chairman, in at 8:38 AM
Isaura Valdez
Karina Brasgalla
Matt Kerr
Deborah G. Hamlyn, in at 8:46 AM, out at 10:03 AM
Rene Peña, out after Item 13
Rep. Chris Canales

Members Absent:

Rep. Art Fierro

Others in Attendance:

Robert Ash, Executive Director
Adrian Sanchez, Deputy Executive Director
Karina Chavez, Administrative Assistant
Eduardo Miranda, Legal Counsel
April Shamy, Office of the Comptroller
Alex Browning, Callan LLC
Alex Ford, Callan LLC
Jacob Maliel, TA Realty
Riley FitzGerald, TA Realty
Brian Hock, BNY
Robert O'Hara, BNY

Item 1. Deputy Executive Director Adrian Sanchez called the meeting to order at 8:35 AM. Sanchez noted that a quorum was met.

PLEDGE OF ALLEGIANCE

The Retirement Trust Board recited the Pledge of Allegiance.

NOTICE TO THE PUBLIC

Benefits Supervisor Adrian Sanchez 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 June 17, 2026.

Item 3. Consideration and action on the following retirements:

	Name	Department	Service Time (estimated)
A.	Age & Service Retirement:		
1.	Castaneda, Rafael H.	Fire	13 years 06 months
2.	Escobedo Barron, Marcelo	Sun Metro	10 years 10 months
3.	Fiocca, Ernie J.	El Paso Water	33 years 03 months
4.	Galindo, Jack W.	Libraries	26 years 00 months
5.	Garcia, Luis	Streets and Maintenance	16 years 04 months
6.	Hernandez, Eulalio	El Paso Water	23 years 02 months
7.	Ibarra, Maria L.	Municipal Court	36 years 03 months
8.	Najera, Tomas	Environmental Services	23 years 03 months
9.	Nelson, Sharon E.	Police	30 years 05 months
B.	Deferred Retirement:		
1.	Bernal, Jose A.	El Paso Water	12 years 02 months
2.	Rodriguez Jr., Raul	Sun Metro	22 years 04 months

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

A. Almanzan, Charles, survivor of Maria C Almanzan, retiree.
B. Breckenridge, Peggy Lou, survivor of Benjamin C Breckenridge, retiree.
C. Jemente, Julia, survivor of Alberto J. Jemente, retiree.

Item 5. Consideration and action regarding the receipt of the death verification analysis.

Item 6. 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 Matt Kerr to approve the Consent Agenda; seconded by Karina Brasgalla. The motion required polling:

Isaura Valdez **aye**
Karina Brasgalla **aye**
Matt Kerr **aye**
Rene Peña **aye**
Rep. Chris Canales **aye**

Motion carried.

REGULAR AGENDA

Item 7. Discussion and action regarding the Treasurer's Report for the month ended June 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 June 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 June 30, 2026, including month, quarter, and fiscal year (10 months). Net assets available for benefits were about $1.19 billion, a net increase of about $133.1 million for the fiscal year. Contributions were ~$55.9 million (averaging about 5.6 million dollars per month for the fiscal year). Benefits paid to retirees were about $72 million. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was ~13.86%, exceeding the target rate of return for the fiscal year of 7.25%.

No action was taken on this item.

Item 8. Discussion and action regarding the receipt of an education session regarding custody services as prepared by BNY Mellon (Robert O'Hara, BNY).

Robert O'Hara of BNY provided an educational presentation, in compliance with Texas Pension Review Board requirements. O'Hara provided an overview of BNY's global asset servicing capabilities, core institutional accounting platform, and specialized support services. O'Hara highlighted BNY's global scale, safekeeping over $59 trillion in assets under custody and administration, and emphasized their dedicated commitment to public funds and asset owners through continuous technology reinvestments. The presentation detailed core operations including global custody, trade settlements, tax reclaims, and integrated trade-date general ledger accounting. O'Hara outlined BNY's limited partnership administration, global risk solutions (such as performance attribution, market event stress-testing, and compliance monitoring), private capital analytics, and a multi-tiered client service model designed for dedicated governance and operational support. O'Hara noted that custody fee structures with the Trust have remained consistent since 2013.

The Board discussed system operations and security. It was highlighted that external investment consultants (e.g., Callan) and the Office of the Comptroller have limited access to some BNY Mellon custodial records for timeliness in generating performance reports. Brief discussions took place regarding user access, password security protocols, platform session timeouts, and encouraging a shift from faxing to secure digital authorizations.

Trustees were requested to complete evaluation forms to receive State Board-approved educational training credits for the session. The training ended at 9:50 AM.

No action was taken on this item.

Item 9. Discussion and action regarding the receipt of an investment manager report from Mellon Investment Management (Brian Hock, BNY Investments).

Brian Hock of BNY Investments presented; the Board received and reviewed the investment manager report from Mellon Investment Management.

Hock provided an overview and firm update. Mellon has maintained a partnership with the Retirement Trust for over 30 years. As an index manager, Mellon's objective is to track benchmark performance as closely as possible. BNY serves as a global custodian with $60 trillion in assets under custody. BNY Investments oversees roughly $2.1 trillion in assets under management (AUM), within which Mellon functions as the dedicated index and cash manager with approximately $522 billion in indexing assets. Hock reviewed the index team. Led by Chief Investment Officer Marlene Walker Smith (based in Pittsburgh), the indexing team consists of 40 investment professionals averaging 15 years of experience.

Hock reviewed performance and provided a portfolio overview.
Three indexing funds (about $523 million) are managed for the Retirement Trust:

- DB SL Stock Index fund:
    - Performance: Tracked the index closely, matching the 1-year return of 22.32% (net of management fees).
    - Characteristics: Full replication holding 503 securities (versus 500 in the benchmark, S&P 500, due to share class variations). Dividend yields, sector allocations, and economic characteristics closely match the benchmark.
- DB SL ACWI ex-U.S. IMI Fund:
    - Performance and Tracking: Outperformed the benchmark (MSCI ACWI ex-U.S. IMI) by 51 basis points.
    - Key Drivers: Approximately 6 or 7 basis points derived from composition and corporate action differences via a sampling approach (holding ~5,000 securities out of ~6,000). The remaining variance (~40 basis points) stems from favorable tax withholding differences on non-U.S. dividends compared to the benchmark's assumed maximum tax rate.
- DB SL Aggregate Bond Index Fund:
    - Performance: Year-to-date return of 6.1% vs. benchmark (Bloomberg U.S. Aggregate Index) 6.2%; 1-year return virtually identical at 3.78% vs. benchmark 3.79%.
    - Sampling Strategy: Uses a sampling approach holding roughly 7,600 bonds out of the 14,000+ in the benchmark, effectively matching key characteristics, duration, and maturity dates.

Appreciation was expressed to Hock for assistance with account transitions during the year and for facilitating direct communication with CIO Marlene Walker Smith during a preceding meeting.

No action was taken on this item.

Item 10. Discussion and action regarding the receipt of an investment manager report from TA Realty (Jacob Maliel and Riley FitzGerald, TA Realty).

Jacob Maliel and Riley FitzGerald from TA Realty presented; the Board received and reviewed the investment manager report from TA Realty.

FitzGerald and Maliel provided a firm and fund overview. TA Realty was founded in 1982, manages $21 billion in assets under management (AUM) across five US offices, and is led by 24 partners averaging 29 years of real estate experience. The TA Realty Core Property Fund is an $8.7 billion open-ended private market core real estate fund with 277 institutional investors. Fund leverage sits at 22.9% with an average debt cost of 4.6%. Portfolio occupancy is currently at 93%. The fund raised approximately $1 billion over the last five quarters, maintains a small entrance queue, and currently has no redemption queue. Maliel provided portfolio management updates. Following the departure of the former co-portfolio manager in February, TA Realty selected a new co-portfolio manager. The incoming manager has signed on and is scheduled to start shortly after Labor Day.

Maliel reviewed asset and regional allocation. The portfolio is overweight to industrial, multifamily, and grocery-anchored retail with an underweight to office. The portfolio is overweighted in the South region, focusing on key growth markets (e.g., Florida, Texas, etc.).

Maliel provided a performance and market outlook. The fund reported a 1.73% net return for the second quarter, outperforming the ODCE benchmark index by 44 basis points. Long-term rolling 3-year performance continues to place the fund in the top quartile relative to the ODCE index. Real estate returns are currently driven primarily by property income rather than rapid capital appreciation. Near-term market appreciation will depend on continued rent growth and lower 10-year Treasury yields.

No action was taken on this item.

Item 11. Discussion and action regarding the receipt of an investment performance report for the month of June 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 report for the month of June 2026.

Ford provided an economic overview. Inflation through June decelerated to 3.5% year-over-year, down from 4.2% in May. The drop was largely influenced by energy market fluctuations following a ceasefire/peace deal affecting the Strait of Hormuz. The lower figure came in below consensus and market expectations.

Ford reviewed portfolio and asset allocation. Ford noted that Fixed Income is outside the Investment Policy Statement (IPS) target range; a proposed rebalancing plan will be reviewed following the "flash" report. Ford reviewed distribution activity. Private Equity cash flows showed balanced activity through distributions from older vintages and capital calls for newer vintages as the program matures. Ford noted mixed monthly equity performance: US large-cap equities were down, while US small-cap equities, Fixed Income, and Real Estate saw positive monthly performance.

Ford reviewed performance. The total estimated fiscal year-to-date (FYTD) return stands at 14.9%, outperforming the policy benchmark/strategic index by over 2.0%. Domestic Equity composite is up just under 20% FYTD (outperforming the Russell 3000 by over 2%), significantly aided by active management in small/mid-cap equities (Wellington). International Equity continued strong performance, returning over 29% FYTD. Private Equity composite up 10.8%, outperforming the Cambridge Global PE Index, a new benchmark instituted this fiscal year. Fixed Income composite had a muted total return of about 3% FYTD, outperforming the benchmark. While Real Estate composite returns came in at ~3.6% FYTD, short of the 6-8% target, the asset class has delivered eight consecutive quarters of positive returns.

No action was taken on this item.

Item 12. Discussion and action regarding a proposed asset rebalancing plan (Alex Browning and Alex Ford, Callan).

Alex Ford of Callan LLC presented; the Board received and reviewed the proposed asset rebalancing plan. Ford noted that the Investment Committee reviewed the proposal to raise $14 million from US Equity to maintain a target ratio of 75% S&P/25% small-mid cap. Proceeds will rebalance Fixed Income to maintain Investment Policy Statement compliance, with $9 million directed to the Cash account to achieve a 1.5% weighted cash level (expected to draw down over the quarter to maintain an average 1% target).

Motion made by Karl Rimkus to approve the rebalancing plan as recommended by Callan and the Investment Committee and authorize staff to take actions necessary to implement the plan, including authorization for the Board Chair or Executive Director to sign related documents; seconded by Rene Peña. The motion required polling:

Isaura Valdez	**aye**
Karina Brasgalla	**aye**
Matt Kerr	**aye**
Karl Rimkus	**aye**
Rene Peña	**aye**
Rep. Chris Canales	**aye**

Motion carried.

Item 13. Discussion and action approving a resolution regarding proposed amendments to the Trust's Investment Policy Statement (IPS) (Alex Browning and Alex Ford, Callan).

Alex Ford of Callan LLC presented; the Board received and reviewed the proposed amendments to the Trust's IPS. Ford noted that the updates incorporate recommendations from the state-mandated independent review of the Trust's investment practices and performance. The Investment Committee reviewed the recommendations and proposed updates to clarify existing language and align IPS wording with operational practices. Ford noted that the recommendations reflected no policy shortcomings.

Motion made by Rene Peña to approve the resolution approving the amendment to the Trust's Investment Policy Statement as recommended by Callan and the Investment Committee; seconded by Rep. Chris Canales. None opposed. Motion carried.

Item 14. Discussion and action regarding the proposed budget for fiscal year 2026-2027.

Deputy Executive Director Adrian Sanchez presented an initial overview of the proposed fiscal year (FY) 2027 budget.

Sanchez provided budget highlights:

- Overall Budget: Proposed overall increase of 4.5% ($4.5 million increase year-over-year).
- Operations: Actuarial services costs are higher due to a scheduled full actuarial valuation. Minor line-item updates include lease line/cloud chargebacks from the City, increased water budget, and updated investment fee estimates.
- Salaries and Benefits: Reflects a 3.5% merit increase estimate and a 3.75% CPI-based COLA estimate (subject to final July CPI data and Board approval). Includes temporary double-filling of the Executive Director position for four months during leadership transition.
- Retiree Benefits and Refunds: Payments to retirees represent the primary variance, proposing a $3.5 million increase (3.9%) alongside an additional $500,000 for member refunds (driven by Tier II employees ineligible for retirement until age 45).

Sanchez noted there were no changes to Capital Expenditures and the Fiduciary & Investment Education Budget.

No action was taken on this item.

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

A. August Board Meetings Update
   - Special Board Meeting scheduled for August 14, 2026 at 8:30 AM (estimated duration: 2-3 hours).
   - Regular Board Meeting scheduled for August 19, 2026, which will include Board Chair and Vice Chair Officer elections, approval of the FY 2027 budget, and educational training.

B. TEXPERS Summer Meeting
   TEXPERS meeting taking place August 2nd-4th; Trustees interested in attending should contact Benefits Supervisor Roman Sandoval for lodging and registration.

C. Fiscal Year End Planning
   Year-end audit preparations have begun; Baker Tilly is tentatively scheduled for field work in late October.

No action taken on this item.

Item 16. For Notation:

A. Refund of Contributions:

	Name	Department	Total Refund
1.	Caldelas, Laura	Police	$ 4,032.66
2.	Chavez, Valente	Environmental Services	$ 1,265.49
3.	Clark Jr., Crawford	Parks and Recreation	$ 231.25
4.	Corrales, Beverly	Parks and Recreation	$ 5,029.20
5.	De La Torre, Michael	El Paso Water	$ 260.62
6.	Dominguez, Amanda	Fire	$ 59,512.73
7.	Enriquez, German	El Paso Water	$ 46,749.03
8.	Estrada, Jaime N.	Fire	$ 51,695.24
9.	Flores, Jerry	Streets and Maintenance	$ 27,623.75
10.	Gonzalez, Hiram	El Paso Water	$ 10,078.79
11.	Guerrero, Perla	Fire	$ 1,516.84

12.	Heredia Solis, Luis	El Paso Water	$ 4,368.37
13.	Hernandez, Corey	El Paso Water	$ 13,383.84
14.	Hernandez, Daniel	Public Health	$ 15,066.26
15.	Hernandez, Elizabeth	Sun Metro	$ 888.81
16.	Herrera, Evelyn	Streets and Maintenance	$ 2,128.54
17.	Hollenbeck, Tyffany	Libraries	$ 9,964.28
18.	Hurtado, Alma	El Paso Water	$ 35,077.79
19.	Hurtado, Juan	Sun Metro	$ 3,074.63
20.	Jimenez, Steven	Sun Metro	$ 6,341.84
21.	Kalaeloa, Kaleb-Michael	Animal Services	$ 599.70
22.	Martinez, Karla	Fire	$ 4,195.72
23.	Medrano, Octavio	Sun Metro	$ 26,167.75
24.	Moreno, Isela	QDRO	$ 48,297.45
25.	Murrillo, Eleuterio	Streets and Maintenance	$ 2,897.45
26.	Nevarez, Sergio	Sun Metro	$ 3,359.33
27.	O Connor, Sanja	El Paso Water	$ 3,482.49
28.	Padilla, Christine	Public Health	$ 2,050.79
29.	Pullom, Jazmine	Parks and Recreation	$ 6,924.45
30.	Rivera, Gerardo	El Paso Water	$ 37,095.06
31.	Rodriguez, Robert	Sun Metro	$ 1,806.90
32.	Romero, Anthony	El Paso Water	$ 16,243.30
33.	Saenz, Jaime	International Bridges	$ 6,636.45
34.	Sanchez, Marcus	El Paso Water	$ 2,484.62
35.	Soto, Yvette	El Paso Water	$ 1,929.46
36.	Terrazas, Raul	Parks and Recreation	$ 2,605.45
37.	Ulloa, Roberto	Fire	$ 1,647.64
38.	Zayan, Ahmed	Sun Metro	$ 12,354.37
39.	Zimmerman, Dathan	Sun Metro	$ 1,731.55
			$ 480,799.89

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 Matt Kerr. None opposed. The Board retired into Executive Session pursuant to the Texas Government Code, Section 551.071 Consultation with Attorney and Section 551.074 Personnel Matters at 10:56 AM.

Motion made by Karl Rimkus to reconvene from Executive Session; seconded by Rep. Chris Canales. None opposed. Motion carried at 11:17 AM.

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 recruitment of an Executive Director.

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 July 15, 2026; seconded by Matt Kerr. None opposed. The motion was carried at 11:17 AM.

Secretary

Chairman