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CITY of EL PASO
EMPLOYEES RETIREMENT TRUST

BOARD MINUTES FOR THE REGULAR MEETING
HELD WEDNESDAY, SEPTEMBER 16, 2026, AT 8:30 A.M.
RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA

Members in Attendance:

Karina Brasgalla, Chair
Karl C. Rimkus, Vice Chair
Isaura Valdez, in at 8:38 AM
Robert Studer
Deborah G. Hamlyn
Rene Peña
Rep. Chris Canales, in at 8:40 AM
Rep. Art Fierro, in at 8:36 AM, out at 9:46 AM

Members Absent:

Matt Kerr

Others in Attendance:

Robert Ash, Executive Director
Adrian Sanchez, Deputy Executive Director
Karina Chavez, Administrative Assistant
Roman Sandoval, Benefits Supervisor
Eduardo Miranda, Legal Counsel
April Shamy, Office of the Comptroller
Alex Browning, Callan LLC
Naseer DeMoss, BlackRock
Braden Nolan, BlackRock
Greg Garrett, Future Standard

Item 1. Deputy Executive Director Adrian Sanchez called the meeting to order at 8:34 AM. Sanchez noted that a quorum was met.

PLEDGE OF ALLEGIANCE

The Retirement Trust Board recited the Pledge of Allegiance.

NOTICE TO THE PUBLIC

Deputy Executive Director 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 Special Board Meeting of August 14, 2026, and the Regular Board Meeting of August 19, 2026.

Item 3. Consideration and action on the following retirements:

	Name	Department	Service Time (estimated)
A.	Age & Service Retirement:		
1.	Brito, Roberta Alicia	City Attorney	09 years 00 months
2.	Etiwe, Philip F.	Planning and Inspections	15 years 02 months
3.	Gonzalez Jr., Carlos	El Paso Water	25 years 02 months
4.	Perea, Raymond	Sun Metro	10 years 03 months
5.	Quinones, Luis R.	Sun Metro	10 years 08 months
6.	Reyes, Mauricio	Fire	20 years 05 months
7.	Santos, Daniel	Airport	20 years 02 months
B.	Early Retirement:		
1.	Melendez, Mike	Parks and Recreation	17 years 02 months
C.	Deferred Retirement:		
1.	Carrillo, Antonio	Environmental Services	07 years 00 months
2.	Gonzalez Duran, Gabriel	Streets and Maintenance	07 years 01 month
3.	Olmos, Norberto	El Paso Water	20 years 01 month
4.	Pelayo, Norberto	Information Technology	18 years 00 months
5.	Ruiz, Victoria M.	Airport	20 years 02 months
D.	Age & Service Retirement - Proportionate Retirement Program:		
1.	Lama, Steven Hose	Police	03 years 04 months
2.	Nieto, Bernardo	Zoo	01 years 03 months

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

A. Carreto Genera, Juana Consuelo, survivor of Tomas Genera, retiree.
B. Mendoza, Susana Gardea, survivor of David Mendoza, retiree.
C. Sarabia, Guillermina M., survivor of Jose Sarabia, 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 Karl Rimkus to approve the Consent Agenda; seconded by Deborah Hamlyn. The motion required polling:

Robert Studer	**aye**
Deborah Hamlyn	**aye**
Karina Brasgalla	**aye**
Karl Rimkus	**aye**
Rene Peña	**aye**

Motion carried.

REGULAR AGENDA

Item 6. Discussion and action regarding the Treasurer's Report for the month ended August 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 August 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 August 31, 2026, including month, quarter, and fiscal year. Net assets available for benefits were about $1.199 billion, a net increase of about $138 million for the fiscal year. Contributions were ~$67.3 million (averaging about 5.6 million dollars per month for the fiscal year). Benefits paid to retirees were about $86.8 million. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was ~14.72%, 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 BlackRock (Braden Nolan and Naseer DeMoss, BlackRock).

Braden Nolan and Naseer DeMoss of BlackRock presented; the Board received and reviewed the investment manager report from BlackRock.

DeMoss discussed management and strategy. DeMoss noted portfolio management team additions. The strategy remains focused on core-plus, multi-sector fixed income, prioritizing risk-adjusted returns, front-end curve positioning, and elevated income.

DeMoss reviewed performance. Year-to-date performance generated 46 bps of net active outperformance over the benchmark and 63 bps over the trailing 1-year period. Key contributors included structured products (ABS, non-agency mortgages, CMBS, CLOs) and agency mortgage security selection. Detractors included short CDX high-yield positions and initial rate market volatility linked to geopolitical tensions.

DeMoss reviewed duration and portfolio positioning. Portfolio duration stands at 5.88 years versus the benchmark's 5.78 years (a 10 bps overweight, primarily positioned in non-US global/emerging markets).

DeMoss provided a market outlook addressing potential Federal Reserve monetary policy actions, noting expectations for modest short-term interest rate increases. DeMoss advised that front-end higher-quality fixed income assets continue to offer attractive yields (~6%) and downside protection.

No action was taken on this item.

Item 8. Discussion and action regarding the receipt of an investment manager report from Future Standard (Greg Garrett, Future Standard).

Greg Garrett of Future Standard presented; the Board received and reviewed the investment manager report from Future Standard.

Garrett provided a portfolio and performance overview. The Trust has partnered with Future Standard for 15 years, committing a total of $230 million across four multi-strategy funds and four secondary funds. Long-term inception performance stands at a 14% net IRR and a 1.8x net multiple, with 99.5% of drawn capital distributed back to the plan.

Garrett provided cash flow highlights. Over the past year (June 2025 through June 2026), the portfolio drew $4.6 million and distributed $14.6 million, maintaining positive net cash flow for 6.5 consecutive years. Mature funds (PAPEF VII, PAPEF VIII, PAPEF IX) continue to deliver solid performance with net IRRs between 14% and 16%. Remaining stubs for PAPEF VII and PASF II are currently being prepared for sale in the secondary market to wrap up those vintage programs.

Trustee Robert Studer inquired about the performance attribution for PASF IV (6.9% net IRR) compared to PASF V. Garrett noted PASF IV was impacted by commitments made during peak 2021 market valuations, higher growth/venture exposure re-ratings, and minimal subscription line usage. Conversely, PASF V shows strong early net IRR (34.9%) driven primarily by upfront secondary entry discounts.

Garret provided market comparisons. While Private Equity underperformed recent public market rallies dominated by high-concentration mega-cap technology stocks ("Magnificent 7"), Garrett highlighted Private Equity's role as a long-term diversifier, emphasizing its mid-market focus, disciplined leverage, and steady operational value creation.

No action was taken on this item.

Item 9. Discussion and action regarding the receipt of an investment performance report for the month of August 2026 and related matters from Callan LLC (Alex Browning, Callan).

Alex Browning of Callan LLC presented; the Board received and reviewed the investment performance report for the month of August 2026.

Browning reviewed asset allocation and rebalancing. All asset classes remain within their strategic target ranges set by the Investment Policy Statement. Domestic Fixed Income is currently the furthest position below its target allocation. This is attributed to strong performance in growth assets relative to bonds, which serve as an anchor rather than a growth engine. Staff actively rebalances cash flows toward target allocations as money flows in and out.

Browning reviewed performance. The fund experienced a strong performance year, with returns over the past three years exceeding the actuarial discount rate. The total fund value reached about $1.2 billion, with a ~$19 million return in August. The estimated preliminary annual return for the total fund is 16%, which is more than double the actuarial discount rate and 277 basis points above the benchmark. Browning noted that audited performance figures will be finalized in October 2026.

Browning reviewed class composite performance. For the 1-year period, Domestic Public Equity generated a 21% return, outperforming its composite benchmark. International Equity returned 34%, significantly outperforming its benchmark. Private Equity (PE) produced a 10.62% 1-year return. Browning noted that PE offers diversification by company size and sector relative to public markets. Fixed Income outperformed its benchmark by 24 basis points, delivering an overall return of 2.13%. Real Estate generated a 5% return. Signs of market recovery are emerging with increased transaction volume and property values, supported by more accommodating lending conditions.

The Board discussed active vs. passive management. Vice Chair Karl Rimkus inquired about the overall ratio of active/passive management within the fund. Browning noted that Domestic Equity is roughly 70-80% passively managed, whereas International Equity is split closer to 50/50. Real Estate and Private Equity are inherently 100% actively managed. Overall, the fund maintains a balanced mix with total plan management fees falling below the peer group median due to passive implementations. Callan will provide a breakdown of active versus passive management at the next meeting.

No action was taken on this item.

Item 10. Discussion and action regarding the Investment Committee and Board meeting dates for November 2027.

Executive Director Robert Ash discussed a scheduling conflict: Veterans Day in 2027 falls on the second Thursday of November, which conflicts with the standard meeting schedule. Ash advised that staff in discussion with the Executive Committee recommended moving the November 2027 Board meeting to the second Wednesday of the month (November 10, 2027) and the Investment Committee meeting to the preceding day (November 9, 2027) to avoid the holiday closure. Proactive scheduling allows staff to notify investment managers in advance for travel planning. The Board considered amending the standing policy.

Motion made by Karl Rimkus to reschedule the November 2027 Board meeting date to the second Wednesday of the month (November 10, 2027) and the Investment Committee meeting to the day before (November 9, 2027); seconded by Deborah Hamlyn. None opposed. Motion carried.

Item 11. Discussion and action regarding the payment of the Prudential annual administrative fee and drawing down on the available balance.

Executive Director Robert Ash discussed the annual administrative fee structure for the group annuities (funding COLA benefits set up around 1985) managed through Prudential Insurance.

While prior Board authorization allowed ongoing payment of the annual administrative fee ($1,000) from the fund balance, staff in discussion with the Executive Committee recommended drawing down $10,000 of surplus fund balance to maintain a smaller reserve, as the participant pool continues to decrease over time. Ash noted the Trust is required to maintain a 2-month reserve balance.

Motion made by Karl Rimkus to draw down the balance with Prudential in the amount of $10,000 and pay the administrative fee using fund balance as recommended by staff; seconded by Rep. Chris Canales. Motion required polling:

Isaura Valdez	**aye**
Robert Studer	**aye**
Deborah Hamlyn	**aye**
Karl Rimkus	**aye**
Rene Peña	**aye**
Rep. Chris Canales	**aye**
Rep. Art Fierro	**aye**

Motion carried.

Item 12. Discussion and action on a report from the Executive Director regarding

A. November Investment Committee (IC) and Board Meeting Dates
Ash discussed the scheduling for the upcoming Board and IC meetings in November. Due to the Veterans Day holiday closure, the IC meeting will be held on Tuesday, November 10, 2026. (The Regular Board Meeting will be held according to the standard meeting schedule, on the second Thursday of the month.)

B. Strategic Plan Update
The Executive Committee recommended postponing the Special Board Meeting/Strategic Plan update (typically held in October) until after the new year. Postponement allows the Board to work with the incoming Executive Director and updated actuarial and audit information.

C. Audit Update
The annual audit is progressing as planned. Baker Tilly is scheduled to be on-site to conduct fieldwork towards the end of October. Staff is actively responding to information requests and completing auditor PBC (Provided by Client) items.

D. Actuarial Review Update
The actuarial review and experience study are progressing. Initial data and demographic information have been provided to Gallagher. Follow-up inquiries and detailed questions are expected in approximately six weeks. Ash discussed the acquisition. Gallagher is being acquired by Foster & Foster, with the sale expected to finalize toward the end of the year. Staff anticipates an assignment of the existing contract to Foster & Foster once the transaction closes. No material changes to contract terms are expected, though primary staffing will transition to Foster & Foster. Gallagher is expected to sign off on the current valuation before the buyout.

No action taken on this item.

Item 13. For Notation:

A. Refund of Contributions:

	Name	Department		Total Refund
1.	Alonzo, Cesar	El Paso Water	$	29,478.11
2.	Balderrama, Erick	El Paso Water	$	8,029.52
3.	Biby, Valerie	Animal Services	$	1,581.99
4.	Cabrales, Diana	Animal Services	$	4,522.57
5.	Castanon, Jacob	Airport	$	27,432.87
6.	Castillo, Jorge	Parks and Recreation	$	7,154.78
7.	Ceballos, Rebecca	Airport	$	17,778.37
8.	Contreras-Barrera, Luz	Municipal Courts	$	5,207.36
9.	Cuevas, Yadira	El Paso Water	$	6,236.27
10.	De La Riva, Emmanuel	Sun Metro	$	875.14
11.	Escapite, Arturo	Streets and Maintenance	$	1,430.70
12.	Fernandez, Nicholas	Public Health	$	2,617.81
13.	Flores, Antonio	Police	$	7,950.87
14.	Fonseca, Christopher	El Paso Water	$	11,563.98
15.	Gomez, Vicente	Capital Improvement	$	10,346.81
16.	Gonzalez, Joseph	Sun Metro	$	4,810.12
17.	Guerrero, Sergio	Information Technology	$	45,733.59
18.	Holmes, Jesus	El Paso Water	$	52,259.81
19.	Juan, Christine	Libraries	$	3,364.10
20.	Long, Daniel	Information Technology	$	5,119.45
21.	Martinez, Claudia	Environmental Services	$	5,257.73
22.	Meraz, Abel	Streets and Maintenance	$	6,534.24
23.	Morales, Edith	Police	$	9,877.06
24.	Moreno, Eduardo	Environmental Services	$	2,370.11
25.	Palma, Jesus	Capital Improvement	$	24,207.93
26.	Paulsen, Taylor	Zoo	$	13,231.05
27.	Rodriguez, Antonio	Streets and Maintenance	$	49,352.47
28.	Rubio, Peter	Streets and Maintenance	$	14,050.54
29.	Sanchez, Devin	Sun Metro	$	13,034.06
30.	Solis, Andrea	Economic Development	$	10,353.20
31.	Soto, Astrid	El Paso Water	$	7,381.72
32.	Sotomayor, Kasandra	Fire	$	7,616.19
33.	Terrin, George	Sun Metro	$	7,784.48
34.	Thomas, Jessica	El Paso Water	$	11,601.14
35.	Treadway, Brittany	Office of the Comptroller	$	5,672.13
36.	Zamora, Stephanie	Sun Metro	$	4,628.19
			$	**446,446.46**

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 Rep. Art Fierro to retire into Executive Session; seconded by Rep. Chris Canales. 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 9:46 AM.

Motion made by Karl Rimkus to reconvene from Executive Session; seconded by Rep. Chris Canales. None opposed. Motion carried at 9:59 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 14. Adjournment.

Motion made by Karl Rimkus to adjourn the City of El Paso Employees Retirement Trust Board Meeting on September 16, 2026; seconded by Rene Peña. None opposed. The motion was carried at 10:00 AM.

Secretary

Chair