



# STRATEGIC PLAN **2021**

**CITY of EL PASO**  
EMPLOYEES RETIREMENT TRUST



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# Administration

The Trust is administered in accordance with the trust document or pension ordinance enacted by the City Council of the City of El Paso. This trust document is found in Chapter 2.64 of the El Paso Municipal Code. The trust document provides, in part, that the Trust may make rules and regulations necessary to provide for effective administration of the Trust. The Trust is governed not only by the pension ordinance but also by any rules and regulations approved by the Retirement Trust's Board of Trustees.

The Board of Trustees (the "Board"), is a quasi-legislative and quasi-judicial body which is promulgated by the pension ordinance. There are currently 9 individuals who serve as your Retirement Trust Board of Trustees. The composition of trustees who serve on the Board are either elected by the members or appointed by the Mayor or City Council. Four employee representatives are elected and serve four (4) year terms. Five members are appointed either by City Council or the Mayor. These appointed Board members serve for a term of two (2) years. Board members may be reelected or reappointed as long as certain qualifications required by the pension ordinance are satisfied. However, appointed members of the Board have lifetime term limits of eight (8) years.

Board members are responsible for a number of decisions, which affect the management of the Trust. Board members pass rules and regulations and approve policies governing the administration of the Trust. Board members hire the Trust staff, provide a yearly budget, make investment decisions and set the policy and direction of the Trust through their efforts, and decide disability claims.

# Board of Trustees

The current members of the City of El Paso Employees Retirement Trust Board of Trustees are:

## Appointed Members

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**Matt C. Kerr**  
Chairman



**Nicholas J. Costanzo**



**Jerry Romero**



**Rep. Isabel Salcido**



**Rep. Joe Molinar**

## Elected Members

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**Karl C. Rimkus**  
Vice-Chairman



**Mario R. Hernandez**

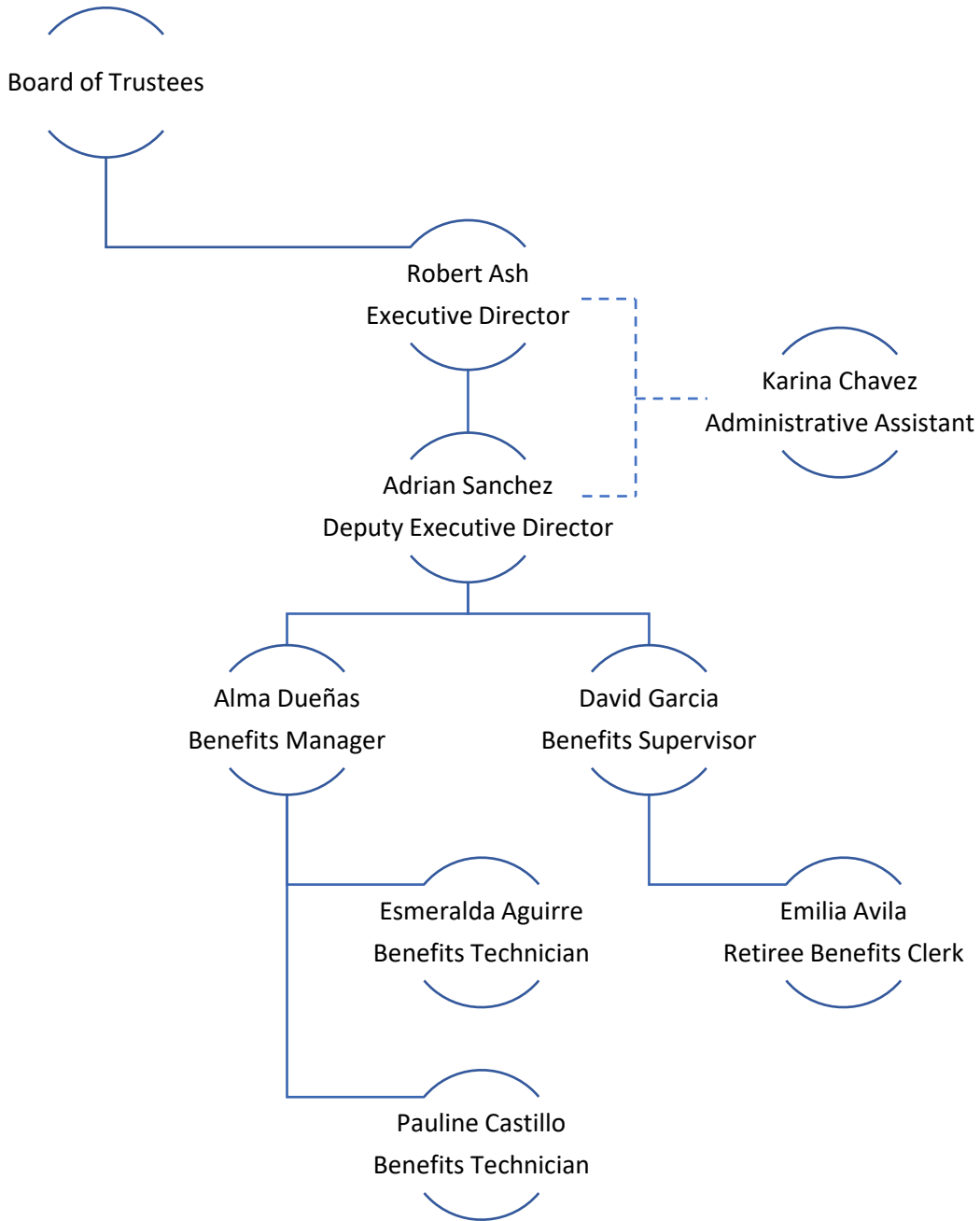


**Diana Nuñez**



**Isaura Valdez**

# Organizational Chart



The Retirement Trust Executive Director serves as Secretary to the Board but does not vote and is not counted for purposes of establishing a quorum.

The City's Comptroller serves as Treasurer of the Trust but does not vote and is not counted for purposes of establishing a quorum.

The address for Retirement Trust Administration Building is:  
1039 Chelsea Street  
El Paso, Texas 79903

# Retirement Trust at a Glance

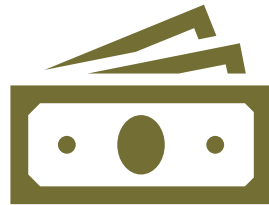


**OVER**

**3,700 & 4,100**

**RETIREES**

**PARTICIPANTS**



**\$40.7M**

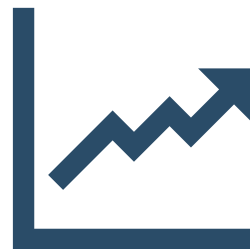
**ANNUAL CONTRIBUTIONS\***

**\$75.7M**

**ANNUAL BENEFITS PAID\***

**\$1.04B**

**NET ASSETS\***



\*Based on fiscal year ended August 31, 2021.

# Our Vision

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Provide sustainable retirement benefits and services to current and future retirees.

# Our Mission

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City of El Paso Employees Retirement Trust provides defined retirement benefits, accurate benefits information, and exceptional customer service.



# Core Values

## **Accountability**

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We must be transparent in our actions, decisions, and results.

## **Loyalty**

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We have a duty to serve in the best interest of our retirees and customers.

## **Integrity**

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We will act in good faith and with honesty in all our actions.

## **Respect**

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We will honor and consider the needs of our retirees, customers, trustees, and staff.

## **Care**

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We will take ownership of issues and give attention to detail in all our actions.

## **Reliability**

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We will work to maintain trust in our organization and will provide consistent, dependable results.



# Customers of the Trust

A customer of the Trust can be any person that the Trust interacts with on a professional basis, and may include current participants, retirees, survivors of deceased retirees, City department staff, or outside consultants and vendors. Below is a listing of the most typical customers of the Trust.

## **Participant**

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A person that currently contributes a portion of their monthly compensation to the Trust's pension fund. Current participants include most City employees (including employees of El Paso Water), and employees of the Metropolitan Planning Organization (MPO), the Camino Real Regional Mobility Authority, and of the City of El Paso Employees Retirement Trust. Some City employees that have "unclassified" positions may opt not to contribute to the pension fund and are therefore not considered participants.

## **Retiree**

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A person that has retired from active City service and that has filed an application for retirement with the Trust. A retiree may receive monthly payments as soon as the Board approves the retirement or may elect to defer receiving payments until a later date.

## **Beneficiary**

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A person that receives a benefit from the Trust, in the form of a one time, lump-sum payment, or a monthly payment, or that may potentially receive a monthly payment from the Trust. This includes retirees receiving payments, survivors listed on a retirement application, and a retiree that has deferred retirement payments. All retirees are considered beneficiaries, but not all beneficiaries are retirees.



# STRATEGIC PLAN

# Financial Sustainability

## Goals

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- Achieve a long term annualized assured actuarial rate of return that promotes sustainability of the Trust.
- Be recognized as a valued partner in the governance structure of the City.
- Decisions are made based on the vision and mission of the Trust to be accountable to the Trust stakeholders.

## Our Strategies for Success

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- Maintain board membership with interested, dedicated, and knowledgeable community leaders committed to making informed decisions in the best interest of the Trust.
- Investment Committee will continue to monitor investment performance at a minimum on a quarterly basis by reviewing the Quarterly Investment Portfolio Report and, if needed, make recommendations to the Board for adjustments.
- The Board acts on recommendations from the Investment Committee that include, but are not limited to, amendments to the Investment Policy Statement.



# Organizational Development

## Goals

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- Develop the Board and staff based on identified needs to enhance performance to maintain the success of the Trust.
- Increase operational efficiencies by implementing improvements in technology.
- Provide professional development opportunities for members of the Board and staff to enhance skills and knowledge.
- Right size staff and roles of staff to meet current and future needs of retirees and customers.

## Our Strategies for Success

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- Foster the professional relationship between the Board and staff.
- Conduct an annual evaluation/self-assessment of trustee experience and knowledge of core competencies related to fiduciary matters, governance, ethics, investments, actuarial matters, benefits administration, and risk management, which will be used to direct training provided by the Trust's financial advisor, staff, counsel, or qualified firms.
- Conduct a needs assessment and development plan with staff to identify areas for individual and team growth.
- Contract with a qualified firm to conduct a Staffing Study to gather data and make recommendations to plan for proper staff roles, growth, and succession.
- Align staff roles to operational needs of the Trust to better meet the needs of retirees and customers.
- Develop a succession plan for the Executive Director of the Trust.
- Maintain oversight of working relationships with professional partners to ensure efficient operation of the Trust.

# Exceptional Service

## Goals

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- Provide exceptional service to internal and external customers.
- Modify delivery of services as needed to meet the needs of retirees and customers.
- Identify and evaluate opportunities to increase communication, connection with retirees and customers.

## Our Strategies for Success

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- Identify behaviors that align to each of the core values.
- Use the behaviors to set clear expectations for all staff for exceptional service.
- Increase accessibility to information and support to meet the changing needs of retirees to successfully complete documents needed for the retirement process.
- Collaborate with City departments that affect the work to create efficiencies of practice.
- Promote operational efficiencies through effective internal communication.
- Identify and evaluate opportunities to connect with retirees and customers.



# Security

## Goals

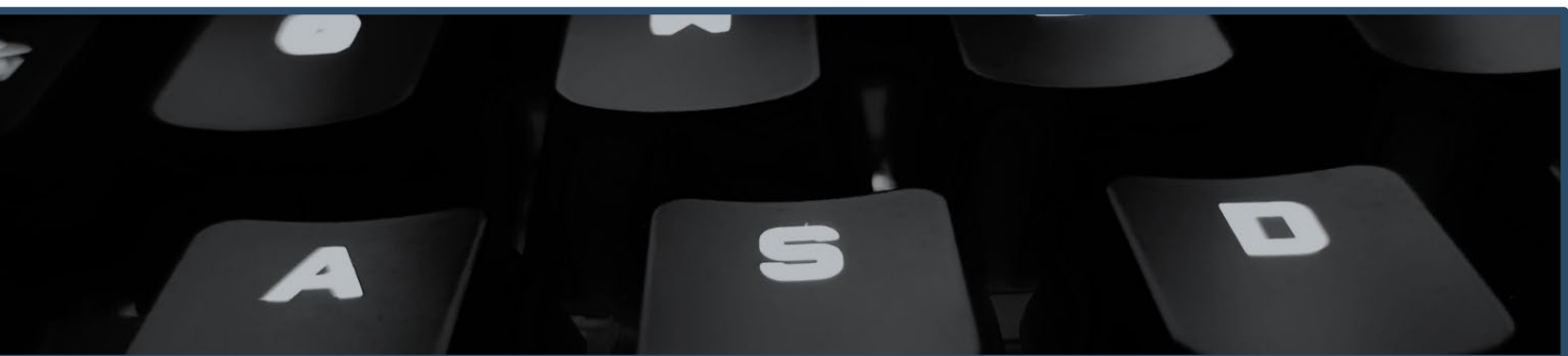
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- Establish and maintain effective physical, cyber, and operational measures for increased the security of customers, trustees, administrative staff, and data.

## Our Strategies for Success

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- In partnership with City departments, implement an audit of internal processes to ensure data and documents in the hands of the Trust are secure.
- Participate with City IT and the City Internal Auditor to conduct a cyber-security audit of the Trust's network and electronic systems including any third-party vendor partner to potentially allow online applications by retirees and customers.
- Continue to maintain and monitor security of the building and evaluate for improvements.
- Adopt a security policy to address physical, cyber, and operational measures.
- Maintain MOU with the City to define IT support for Trust security.





# SCORECARD

## Financial Sustainability

Action Items	Measure	Strategic Actions
<ul style="list-style-type: none"> <li>Achieve assumed annual rate of return on investments</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Report on investment performance from Investment Committee</li> </ul>	<ul style="list-style-type: none"> <li>Monitor work of investment consultants; monitor market predictions</li> </ul>
<ul style="list-style-type: none"> <li>Maintain Unfunded Accrued Actuarial Liability with amortization period that is consistent with guidelines established by PRB</li> </ul>	<ul style="list-style-type: none"> <li>Monitor annual reports from the Trust's actuary</li> </ul>	<ul style="list-style-type: none"> <li>Periodically assess the appropriateness of the assumed annual rate of return</li> </ul>

## Organizational Development

Action Items	Measure	Strategic Actions
<ul style="list-style-type: none"> <li>Contract with staffing management consultant</li> </ul>	<ul style="list-style-type: none"> <li>Contract in place at end of FY 2022 Q3</li> </ul>	<ul style="list-style-type: none"> <li>Hire consultant</li> <li>Create and execute contract</li> <li>Receive report from consultant</li> <li>Review report and share with Board</li> <li>Meet with Board to develop a plan of implementation</li> </ul>
<ul style="list-style-type: none"> <li>Develop Board and Staff</li> </ul>		<ul style="list-style-type: none"> <li>Complete a self assessment annually of Board to determine development needs</li> <li>Provide development opportunities to staff and Board annually</li> <li>Schedule an annual planning meeting with staff and Board with reports aligned to staff responsibilities</li> </ul>



## Organizational Development *continued*

Action Items	Measure	Strategic Actions
<ul style="list-style-type: none"> <li>Develop Board and Staff</li> </ul>		<ul style="list-style-type: none"> <li>Have staff obtain training and professional development</li> </ul>
<ul style="list-style-type: none"> <li>Maintain the value of the organization as part of the City government</li> </ul>	<ul style="list-style-type: none"> <li>Document with Board any changes to work based on conversations</li> </ul>	<ul style="list-style-type: none"> <li>3 leaders of the Trust schedule annual meeting Mayor/City Manager</li> <li>Schedule semiannual meeting with Treasurer/CFO to identify efficiencies that could benefit the City and the Trust</li> <li>Provide electronic updates from third-party vendors to City officials</li> </ul>

## Exceptional Service

Action Items	Measure	Strategic Actions
<ul style="list-style-type: none"> <li>Modify services to meet evolving needs of retirees and potential retirees</li> </ul>		<ul style="list-style-type: none"> <li>Develop “bite-size” content for the website</li> <li>Investigate adding social media for general announcements</li> </ul>
<ul style="list-style-type: none"> <li>Exceptional service to internal and external customers</li> </ul>		<ul style="list-style-type: none"> <li>Consider a one question customer service survey</li> </ul>

## Security

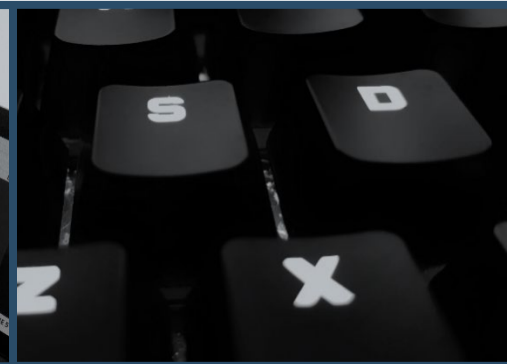
### Action Items

- Collaborate with the City to partner regarding security measures

### Measure

### Strategic Actions

- Meet with representatives of the City IT Department (“DoITS”) to discuss opportunities for increased security of data
- Work with City Internal Auditor to develop a security policy
- Complete a review of digital data, records, transmission of records, and third-party processes





## **City of El Paso Employees Retirement Trust**

Administration Building

1039 Chelsea Street

El Paso, Texas 79903

Phone: 915-212-0112

Fax: 915-212-0113

[www.eppension.org](http://www.eppension.org)

[eppension@elpasotexas.gov](mailto:eppension@elpasotexas.gov)

*Trust in a secure future*