2017 Comprehensive Annual Financial Report

For Fiscal Year Ended
August 31, 2017 and 2016

El Paso
City Employees' Pension Fund

A Component Unit of the City of El Paso, Texas

Comprehensive Annual Financial Report
For Fiscal Year Ended August 31, 2017 and 2016

Robert Ash
Pension Administrator

El Paso City Employees' Pension Fund
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A Component Unit of the City of El Paso, Texas

Prepared by the Staff of the El Paso City Employees' Pension Fund
with assistance of the Fund's Professional Auditors,
Actuary and Investment Consultants

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El Paso City Employees' Pension Fund

PENSION ADMINISTRATION

ROBERT B. ASH, M.B.A., J.D.
Pension Administrator and Legal Advisor

PATRICIA HICKMAN
Deputy Pension Administrator

ALMA R. DUEÑAS
Benefits/Budget Specialist

PAULINE CASTILLO
Benefits Technician

ESMERALDA AGUIRRE
Benefits Technician

DAVID GARCIA
Pension Payroll / Accounts Payable Specialist

KARINA CHAVEZ
Retiree Coordinator/Date Entry Clerk

February 1, 2018

Board of Trustees

El Paso City Employees' Pension Fund

400 West San Antonio; Suite B

El Paso, Texas 79901

Members of the Board of Trustees:

Attached is the Comprehensive Annual Financial Report (hereinafter referred to as "CAFR") of the El Paso City Employees' Pension Fund. This CAFR is more detailed than the Annual Financial Report booklet which we provide to you as a quick guide regarding the accounting and actuarial position of the Fund.

The pension office staff has compiled the information included in this report from several sources. These sources included the most recent audited financial statements and actuarial valuations. As you know the Fund is guided by the plan document found in Section 2.64 of the El Paso Municipal Code but also by Rules and Regulations, not inconsistent with the plan document. Therefore some of the information in this document comes from various policies or rules approved by the Board of Trustees. We believe the contents fairly reflect the current accounting and actuarial position of the Fund as has been reported to the Board by outside professional accounting and actuarial firms.

The CAFR includes five main areas of focus:

Area One: Introductory letter, Fund organization, consultants, investment managers and Summary Plan Description.

Area Two: Financial Section which includes the most recent current audit report from the Fund's Independent Auditors including the financial statements, notes to the financial statements and supplementary information.

Area Three: Investments denoting investment activity, policies, historical returns and miscellaneous investment schedules.

Area Four: Actuarial information which includes the results from the most recent actuarial valuation.

Area Five: Recent plan changes and data.

This CAFR is designed to be a tool in order to gain additional understanding of the City Employees' Pension Fund. However, our staff remains available to answer any specific questions regarding the information contained in this report.

Financial Information

The most recent independent audit performed by the Fund's independent auditors, BKD L.L.P., contains a description of the services they provided and the methods use during the audit. Each year, as required by law, the Fund engages a professional audit firm to review the Fund's accounting information, internal controls and issue an opinion regarding the operations of the Fund and the related financial statements for the year. Included in their report are notes. The notes help explain some of the accounting treatment for certain aspects of Fund operations. In addition the Board in conjunction with Fund staff prepared a Management Discussion and Analysis (hereinafter referred to as "MD&A"). This discussion is also included in the annual audit. The MD&A highlights the financial operations during the year and identifies any significant changes made during the year.

The Fund's independent auditors have issued an unqualified opinion for many years. In addition there have been limited management comments made by the auditors as a result of their review. No management letter comments were received for the latest audit. The resulting opinions have provided reasonable assurance to the Board, plan participants and retirees that the financial statements present fairly, in all material respects, the net trust assets available for pension benefits and that the financial statements are in conformity with Generally Accepted Accounting Principles or "GAAP". There were no major accounting changes for the fiscal year ended August 31, 2017.

The Comptroller of the plan sponsor serves as Treasurer of the Fund and provides unaudited financial reports to the Board at each Board meeting. The Board is able to ask questions of the Fund Treasurer and staff regarding the Treasurer's reports. The Comptroller, or her representative(s), is also a non-voting member of the Fund's Investment Committee and attends such monthly meetings.

The Fund management provides for a system of internal controls with the purpose of providing reasonable rather than an absolute assurance that the financial statements are free from material misstatements Internal controls are evaluated by the Fund's independent auditors in the process of conducting the Fund's annual audit. While it is possible to implement certain additional internal controls the cost to incorporate these additional controls are at times not cost effective and therefore not implemented. The staff and Audit Committee of the Board discuss internal controls with the Fund's independent auditors during the entrance and exit conferences. Internal controls are considered using a cost/benefit analysis. In addition, the City's Internal Audit Department conducts reviews which include an assessment of the Fund's internal controls.

Organization

The City Employees' Pension Fund is a multi-employer defined benefit pension fund which has been in continuous operation for over 70-years. While it is currently defined as a multiple employer plan the plan currently consists of one main employer which is the City of El Paso. The participants in the plan are governed by the plan document found in Section 2.64 of the El Paso Municipal Code.

The pension staff and some related agencies employees are also participants in the pension fund. The plan is governed by a local ordinance passed by the City Council of the City of El Paso and can only be amended by the plan sponsor the City of El Paso. The fund provides benefits to retired employees of the City of El Paso except for those employees who participate in the El Paso Fire and Police Pension plans, temporary employees, some contract employees and elected officials.

The Board of Trustees of the Fund manages the Fund with the assistance of employees hired by the Board. The Board is comprised, pursuant to the plan document, of 2 elected members of the El Paso City Council, 1 retiree member, 4 elected employees who are eligible to participate in the Fund and 2 outside citizens who reside in El Paso, Texas. The 2 City Council members, the retiree representative and 2 citizen appointees are appointed by the City and serve for 2-year terms. The employee representatives are elected by Fund participants and serve 3-year terms. There are no limits on the number of terms in which a Board member may serve so long as they remain qualified to serve.

Investments

The Fund's overall investment objective is to achieve the highest level of return with a prudent level of risk. Fund investments and asset allocations are developed by the Board with the advice from the Fund's professional investment consultant. The Fund invests with a long-term objective of funding retirement benefits over generations. The Fund has developed an investment policy that is monitored and modified from time-to-time as may be desirable in the discretion of the Board with input from the Fund's professional investment consultant.

Investments are made by the Board with the goal of achieving a long term return of at least the actuarial rate of return which is currently 7.5 percent. Another goal of the Fund is to make strategic allocations to maximize possible return with a reasonable risk tolerance by diversifying the investment options within the Fund's investment portfolio.

Actuarial Information

The Board is required to perform an actuarial valuation at least every two years. The Fund hires an enrolled actuary for this purpose. The Fund's actuary, Conduent, formerly known as Buck Consultants, provides the Board with critical information regarding how well funded the plan is at the time of the actuarial valuation. The actuary also assists the Board in maintaining reasonable assumptions in the actuarial valuations by performing Experience Studies every five years. Experience studies are conducted periodically with the last one completed in 2016. The Fund has a goal of maintaining an amortization period for any unfunded actuarial accrued liability which complies with the period required by GASB and the Texas State Pension Review Board which is currently twenty-five years. The Fund has requested that interim valuations be performed in the intervening years when a full actuary is not performed. The interim valuation is used by the Board to provide a less exact snapshot in time of the Funds actuarial position. As of the end of the last fiscal year the amount of the unfunded actuarial accrued liability was $190,583,055 and the funding period was 14 years. Investment returns for the past year were positive, up about 10.29 percent, and exceeded the assumed investment return of 7.5 percent. The increase in investment returns over the assumed investment return rate is primarily responsible for the decrease in the years to amortize the unfunded liability by 3 years. The fair value of the Fund's assets increased by about $ 53 million dollars and the years to amortize the unfunded liability decreased to 14 years. The funding ratio at the end of fiscal year 2017 was 80.5 percent. The Fund's current amortization period for the unfunded actuarial accrued liability is within the goals of the Fund. The amortization period is below that required by GASB and the Texas State Pension Review Board. However, Fund management continues to strive to reduce the unfunded actuarial accrued liability and the resulting amortization period.

In order to improve the financial position of the Fund the City of El Paso in consultation with the Board of Trustees created a second tier of benefits for those participants who were hired after August 31, 2011. At that time vesting and the amount of contributions were changed. Other changes were also made to the benefits of the second tier group of participants. Member of the second tier of benefits will not generally be able to retire under the new provisions until August 2018. Please refer to the actuarial section of the CAFR regarding additional actuarial details.

This CAFR is prepared by the staff of the Board of Trustees who in concert with the Board of Trustees, as management, is responsible for the information contained in the CAFR. Fund management, its auditors, actuary and investment consultant have worked to prepare an accurate CAFR and their efforts in this regard are greatly appreciated. Information included in this CAFR is believed to be comprehensive and made based upon the best information available as of the date of completion. Much of the information necessarily related back to the end of the most recent fiscal year. Should you have any questions regarding the information in the CAFR please do not hesitate to contact me or any member of the staff.

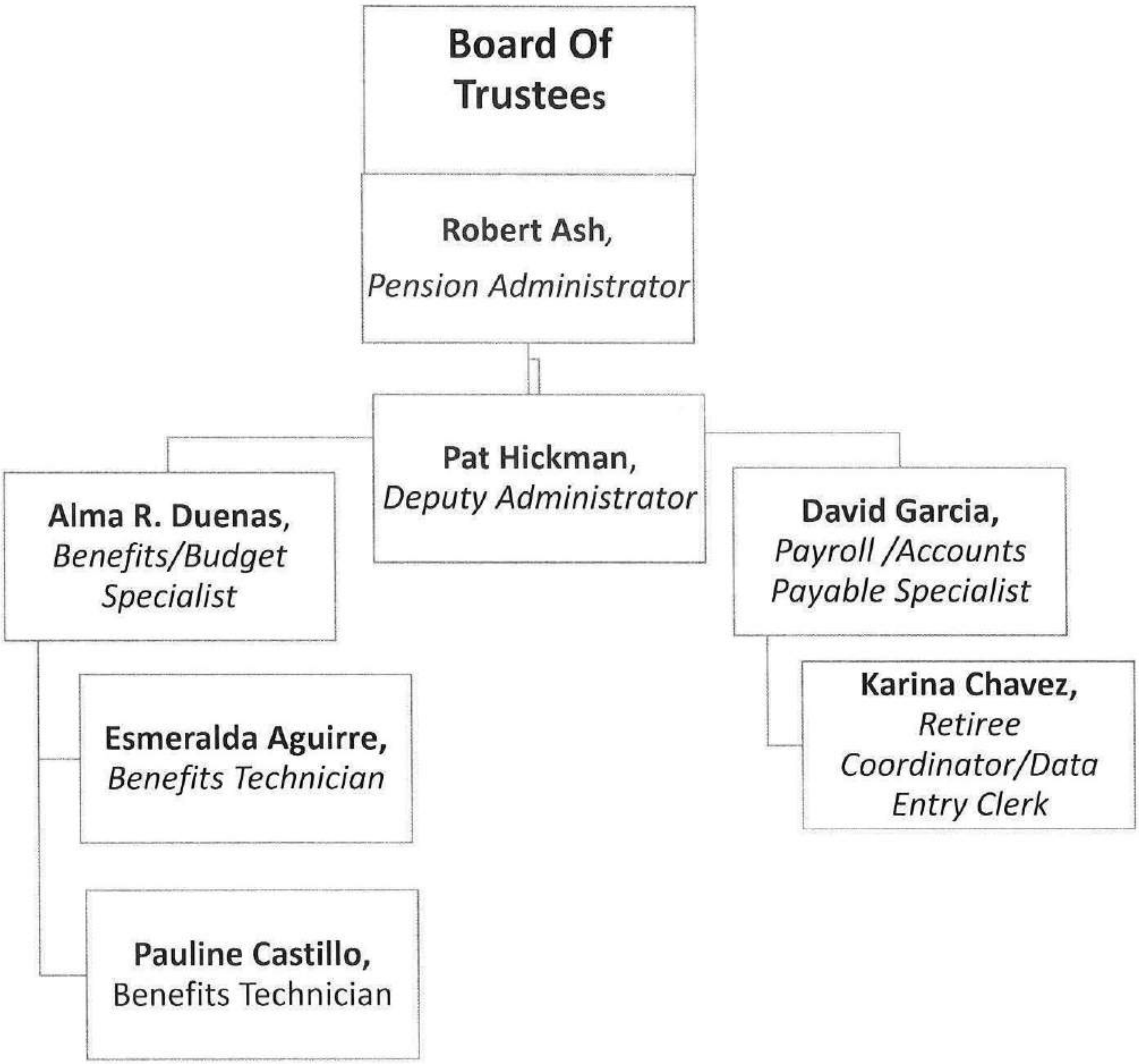
Sincerely,

Robert Ash

Administrator/Board Secretary

Board of Trustees

Administrative Organization



PROFESSIONAL SERVICE PROVIDERS

Actuary:

• Conduent

formerly known as Buck Consultants

Auditors:

• BKD, LLP

Custodian:

• BNY Mellon Asset Services

Legal Counsel:

- Eduardo Miranda, General Counsel

- Pat Gordon, Tax Counsel
Gordon, Davis, Johnson, Shane P.C.

Investment Consultants:

• Callan LLC

FINANCIAL SECTION

BKD LLP
CPAs & Advisors
14241 Dallas Parkway, Suite 1100 // Dallas, TX 75254-2961
972.702.8262 // fax 972.702.0673 // bkd.com

Independent Auditor's Report on Financial Statements and Supplementary Information

Board of Trustees
El Paso City Employees' Pension Fund
El Paso, Texas

We have audited the accompanying basic financial statements of City of El Paso Employees' Pension Fund (Fund), a component unit of the City of El Paso, Texas (City), which are comprised of the statements of fiduciary net position as of August 31, 2017 and 2016, and the statements of changes in fiduciary net position for the years then ended, and the related notes to the basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position restricted for pensions of the City of El Paso Employees' Pension Fund as of August 31, 2017 and 2016, and the changes in net position restricted for pensions for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The comparative summaries of revenues by source and expenses by type and administrative expenses and the schedule of investment manager expenses listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

BKD, LLP

Dallas, Texas
January 9, 2018

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Management's Discussion and Analysis
Years Ended August 31, 2017 and 2016

This discussion and analysis of the El Paso City Employees' Pension Fund (Fund) is for the fiscal years ended August 31, 2017 and 2016. This analysis provides a summary of the financial position of the Fund, including highlights and comparisons. For more detailed information regarding the Fund's financial activities, the reader should also review the actual financial statements, including notes and supplementary schedules.

2017 Highlights

Net position held in trust for pension benefits (net position) increased during the fiscal year 2017 by $53.3 million.

The major reason for the increase in net assets was due to the performance of the capital markets, which resulted in net investment gain of $75.3 million. Employer and plan member contributions totaled $40.5 million, an increase of $2.2 million over the previous fiscal year. The increase in contributions was primarily due to an increase in employee pay rates. The cash balance includes cash held by investment managers used for investments and cash at the fund's custodial bank used to pay for operation expenses.

Benefit payments made during fiscal year 2017 totaled $57.9 million, an increase of $6.4 million over fiscal year 2016 mainly due to an increase in number of retirees and larger benefit payments to the new retirees as well as an $800 cost of living adjustment per beneficiary. The cost of living adjustment led to a total payment increase of $2.2 million.

2016 Highlights

Net position held in trust for pension benefits (net position) increased during the fiscal year 2016 by $22.72 million.

The major reason for the increase in net assets was due to the performance of the capital markets, which resulted in net investment gain of $40.26 million. Employer and plan member contributions totaled $38.26 million, an increase of $0.74 million over the previous fiscal year. The increase in contributions was primarily due to an increase in employee pay rates.

Benefit payments made during fiscal year 2016 totaled $51.55 million, an increase of $3.13 million over fiscal year 2015 mainly due to an increase in number of retirees and larger benefit payments to the new retirees.

Financial Statements

The financial statements of the Fund include statements of fiduciary net position and changes in fiduciary net position available for benefits. The purpose of these statements is to present information about the Fund's present and future ability to pay benefits when they are due. These statements are presented using an economic resource measurement focus and the accrual basis of accounting. The financial statements also include notes that explain the history and purpose of the Fund, significant accounting policies, investment details, statutory disclosures and other required information regarding the financial position of the Fund.

Summarized Financial Information

The following table displays the total assets, liabilities and net position of the Fund:

	2017	2016	2015	Changes 2017 – 2016	Changes 2016 – 2015
Assets	$ 779,979,862	$ 724,891,259	$ 704,221,704	7.60%	2.94%
Liabilities	3,427,239	1,787,816	3,833,535	91.70%	-53.36%
Net position	$ 776,552,623	$ 723,103,443	$ 700,388,169	7.39%	3.24%

Total net position increased by $53,339,949, or 7.38%, during fiscal year 2017 to $776,443,392. The increase in net position is primarily a result of the fair value of investment assets increasing due to positive performance of the capital markets during the current year. Total net position increased by $22,715,274, or 3.24%, during fiscal year 2016 to $723,103,443. The increase in net position was primarily a result of the fair value of investment assets increasing due to positive performance of the capital markets during the year.

The following table displays the changes in plan net position of the Fund:

	2017	2016	2015	Changes 2017 – 2016	Changes 2016 – 2015
Contributions	$ 40,481,412	$ 38,256,360	$ 37,512,848	5.82%	1.98%
Net investment income	75,370,973	40,260,073	(17,872,916)	87.21%	-325.26%
Total additions	115,852,385	78,516,433	19,639,932	47.55%	299.78%
Benefits paid to plan members	57,972,792	51,554,209	48,419,841	12.45%	6.47%
Refunds	3,104,773	2,829,420	2,369,096	9.73%	19.43%
Administrative expenses	1,325,640	1,417,530	1,355,351	-6.48%	4.59%
Total deductions	62,403,205	55,801,159	52,144,288	11.83%	7.01%
Changes in net position	$ 53,449,180	$ 22,715,274	$ (32,504,356)	135.30%	-169.88%

Contributions increased during fiscal years 2017 and 2016 primarily due to increases in employee pay rates. Benefits paid increased during fiscal year 2017 due to an increase in the number of retirees, larger benefit payments to new retirees and an $800 increase in cost of living adjustments per beneficiary.

Administrative expenses decreased during fiscal year 2017 related to a decrease in consulting and actuary fees. During fiscal year 2016, administrative expenses increased due to an increase in wages and benefits, consulting and actuary fees.

Financial Contact

Any questions regarding the financial statements of the Fund should be directed to the Fund Administrator, 400 W. San Antonio Ave., Suite B, El Paso, Texas 79901 or by telephoning (915) 541-4765.

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Statements of Fiduciary Net Position
August 31, 2017 and 2016

Assets

	2017	2016
Cash and Cash Equivalents	$ 10,597,586	$ 4,282,013
Receivables		
Commission credits receivable	128,931	129,071
Due from brokers for securities sold	967,188	106,384
Employer contributions	947,003	798,026
Plan member contributions	596,022	508,187
Accrued interest and dividends	620,705	681,755
Total receivables	3,259,849	2,223,423
Prepaid Insurance	21,857	21,727
Investments, At Fair Value		
U.S. government securities	27,104,666	43,300,364
Corporate bonds and notes	42,183,834	43,465,129
Absolute return investments	109,573,856	66,205,813
Corporate stocks	83,883,305	74,680,591
Bank collective investment funds	176,342,988	173,439,189
Commingled funds		
Fixed income	74,742,206	92,599,383
Corporate stocks	89,269,106	66,554,397
Real estate investment funds		
Real estate investment trust	-	9,097,984
Private real estate	67,975,022	64,365,434
Private equity investments	57,103,830	46,875,666
Master limited partnerships	37,030,451	37,029,801
Total investments at fair value	765,209,264	717,613,751
Capital Assets, Land	891,306	750,345
Total assets	779,979,862	724,891,259

Liabilities

	2017	2016
Due to brokers for securities purchased	1,715,974	730,468
Accrued expenses	726,570	928,277
Accrued drawdown	855,764	-
Unearned revenue – commission credits	128,931	129,071
Total liabilities	3,427,239	1,787,816
Net Position Restricted for Pensions	$ 776,552,623	$ 723,103,443

See Notes to Finanical Statements

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Statements of Changes in Fiduciary Net Position
Years Ended August 31, 2017 and 2016

	2017	2016
Additions		
Contributions		
Employer	$ 25,327,071	$ 23,370,111
Plan members	15,154,341	14,886,249
Total contributions	40,481,412	38,256,360
Investment Income		
Net appreciation in fair value of investments	74,716,005	37,856,062
Interest	3,808,906	4,444,138
Dividends	2,582,152	2,980,264
Securities lending income	68,169	138,705
Investment advisor fees	(5,783,774)	(5,104,720)
Securities lending fees	(22,691)	(47,844)
Miscellaneous income/(expense)	2,206	(6,532)
Net investment income	75,370,973	40,260,073
Total additions	115,852,385	78,516,433
Deductions		
Benefits paid to plan members	57,972,792	51,554,209
Refunds	3,104,773	2,829,420
Administrative expenses	1,325,640	1,417,530
Total deductions	62,403,205	55,801,159
Net Increase in Net Position	53,449,180	22,715,274
Net Position Restricted for Pensions, Beginning of Year	723,103,443	700,388,169
Net Position Restricted for Pensions, End of Year	$ 776,552,623	$ 723,103,443

See Notes to Finanical Statements

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Notes to Financial Statements
August 31, 2017 and 2016

Note 1: Reporting Entity and Summary of Significant Accounting Policies

The El Paso City Employees' Pension Fund (Fund or Plan) is a single-employer Public Employee Retirement System (PERS) defined benefit plan administered by the Board of Trustees (Board) of the Fund and was established in accordance with authority granted by Chapter 2.64 of the *El Paso City Code*. The Fund is a component unit (fiduciary fund type) of the City of El Paso, Texas (City).

Basis of Accounting

The accounting policies of the Fund have been established to conform to generally accepted accounting principles for state and local governments as promulgated by authoritative pronouncements issued by the Governmental Accounting Standards Board. The Fund is accounted for on an economic resources measurement focus using the accrual basis of accounting.

Valuation of Investments

Investments are stated at fair value in the accompanying statements of fiduciary net position. The fair value of marketable investments, including U.S. government securities, corporate bonds and stocks, is determined by the latest bid price or by the closing exchange price at statements of fiduciary net position dates. The fair value of investments in bank collective investment, commingled funds, real estate investment funds and private equity limited partnerships are determined by the investment managers based on the fair values of the underlying securities in the funds. In general, the fair value of the underlying securities held in the real estate investment funds are based upon property appraisal reports prepared by independent real estate appraisers (members of the Appraisal Institute or an equivalent organization) within a reasonable amount of time following acquisition of the real estate and no less frequently than annually thereafter. In general, the fair value of the underlying securities held in the private equity limited partnerships are based on ASC 820 – *Fair Value Measurements and Disclosures*, and limited partnership financial statements are audited by independent certified public accountants. Bank collective investment funds are governed by Section 9.18 of Regulation 9 issued by the Office of Comptroller of the Currency and by other applicable regulations as defined by the Mellon Bank, N.A. Employee Benefit Collective Investment Fund Plan.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Net appreciation (depreciation) in fair value of investments reflected in the accompanying statements of changes in fiduciary net position represents gains or losses realized during the year plus or minus the change in the net unrealized gains or losses on investments. The change in net unrealized gains or losses on investments represents the change in the difference between the cost and fair value of investments at the beginning versus the end of the fiscal year.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation.

Securities Lending Transactions

The Fund enters into securities lending transactions with broker/dealers for which fees are paid to the Fund and are recognized as revenue during the periods in which they were loaned. The Board may legally and contractually authorize the use of the Fund's securities for lending transactions. The securities involved in the lending transactions continue to be recorded at fair value in the accompanying financial statements. Parameters are established by the Fund's investment guidelines for securities lending transactions. These guidelines require that all securities lending occur with specified broker/dealers and that securities lending transactions be collateralized using U.S. issuer securities at 102% and non-U.S. issuer securities at 105% of the fair value of the securities loaned. U.S. issuer securities used as collateral are marked to market on a daily basis to evaluate whether the collateralization requirements of the fair value of investments is always maintained. The Fund may not pledge or sell the collateral securities except on default of the borrower and therefore are not recorded as assets in the accompanying financial statements. Because of this, the Fund administration believes there is some minimal credit risk associated with securities lending transactions. There is no loss indemnification provided to the Fund by the investment managers or broker/dealers.

Revenue and Expense Recognition

Plan member and employer contributions are recognized (additions) in the period in which plan member services are performed. Benefits and refunds are recognized when paid in accordance with the terms of the Plan. Expenses (deductions) are recognized as incurred.

The Fund's brokers accumulate commission rebates that are restricted for use by the Fund under agreements with the brokers for capital expenditures, research and development and investment-related expenditures. Proposed expenditures of these funds go before the Board for approval. Brokers provide the Fund detailed statements on commission rebates with credits earned and requested payments. Knowing that direct brokerage commission rebates are available, investment managers use these brokers as directed by the Fund's *Investment Rules and Regulations*. The available credits are reported as unearned revenue until such time as qualifying expenditures are made, in which time the use of the credits is reported as a reduction in the appropriate expense categories in the accompanying statements of changes in fiduciary net position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Fund's management to make estimates and assumptions that affect reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities and the actuarial valuation of the Fund's benefits at the date of the financial statements, and the reported changes in fiduciary net position during the reporting period. Actual results may differ from those estimates.

Note 2: Description of the Retirement Plan

Substantially all full-time employees of the City are eligible to participate in the Plan, except for uniformed firefighters and police officers who are covered under separate plans. Nonemployer contributions are limited to participating employees of the Fund.

The designated purpose of the Fund is to provide retirement, death and disability benefits to participants or their beneficiaries. The Fund is administered a the Board of Directors, which is comprised of two citizens, who are not officers or employees of the City, nominated by the mayor and approved by city council, four elected City employees, a retiree and two district representatives as designated by city council. The Board contracts with an independent pension custodian, investment managers, an investment consultant, an actuary and an attorneys to assist in managing the Fund.

The Fund's membership was as follows at August 31:

	2017	2016
Inactive plan members (or their beneficiaries) currently receiving benefits	3,011	2,851
Inactive plan members entitled to but not yet receiving benefits	83	78
Active plan members	4,217	4,251
Total plan members	7,311	7,180

Through August 31, 2017 and 2016, the City is the only contributing employer. The Fund pays direct administrative costs. The City provides indirect administrative support such as IT services. The Fund reimburses the City for various direct costs of processing pension checks, such as postage and supplies.

Contribution rates for the Fund are based upon local statutes as enacted by the El Paso City Council and are not actuarially determined. However, each time a new actuarial valuation is performed, contribution requirements are compared to the actuarially determined amount necessary to fund service costs and amortize the unfunded actuarial accrued liability (using entry-age-normal cost method) over 30 years. As of the most recent actuarial valuation, the contribution rate was 23.00% of annual covered payroll.

Contributions were made as follows:

	Employer Contributions		Employee Contributions		Total	
For the Years Ended August 31,	Amount	Stated Percentage of Covered Payroll	Amount	Stated Percentage of Covered Payroll	Amount	Stated Percentage of Covered Payroll
2017	$ 25,327,071	14.05%	$ 15,154,341	8.95%	$ 40,481,412	23.00%
2016	23,370,111	14.05%	14,886,249	8.95%	38,256,360	23.00%
2015	22,916,913	14.05%	14,595,935	8.95%	37,512,848	23.00%

The Fund is not required to maintain any legally required reserves.

Participation is mandatory for classified employees (except permanent part-time employees). For nonclassified employees, participation is mandatory for employees hired after July 1997. Classified employees include all persons who are permanent, full-time employees and are not otherwise excluded from the Fund.

Members who were first participants prior to September 1, 2011, accrue benefits based on Tier I provisions as follows:

- Participants who leave the Plan before completion of five years of service receive a refund of their contributions. Participants leaving the Plan with more than five years but less than 10 years of service may receive a refund of their contributions plus interest at 5.5% compounded annually.

  Participants become fully vested after reaching 40 years of age and 10 years of service or 45 years of age and seven years of service. Normal retirement is the earlier of: (i) 55 years of age with 10 years of service, (ii) 60 years of age with seven years of service or (iii) 30 years of service, regardless of age. Participants who have met the minimum vesting requirements may retire, but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarially reduced pension benefit payment upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.5% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, or 2.5%, of the average monthly base salary received by the employee during the year immediately prior to retirement, or 2.5%, of the monthly base salary pay for the month immediately prior to retirement, whichever is greater, multiplied by the number of completed years of service, plus .2083 of 1% of such average for each additional completed or fractional part of a month of service.

Members who were first participants on or after September 1, 2011, accrue benefits based on Tier II provisions as follows:

- Participants who leave the Plan before completion of seven years of service receive a refund of their contributions. Participants leaving the Plan with more than seven years but less than 10 years of service may receive a refund of their contributions plus interest at 3% compounded annually.

  Participants become fully vested after reaching 45 years of age and seven years of service. Normal retirement is the earlier of: (i) 60 years of age with seven years of service or (ii) 35 years of service, regardless of age. Participants who have met the minimum vesting requirements may retire, but defer receiving pension payments until they reach normal retirement age. Alternatively, such vested participants may elect an early retirement, which will provide an actuarially reduced pension benefit payment upon termination. Persons retiring and eligible to receive benefits receive monthly pension payments in the amount of 2.25% of average monthly gross earnings received by the employee during the three years immediately prior to retirement, multiplied by the number of completed years of service, plus .1875 of 1% of such average for each additional completed or fractional part of a month of service, limited to 90% of the three-year average final pay.

  A pension benefit is available to surviving spouses and dependents. The Plan includes no automatic increase in retirement benefits. However, the Board, at its discretion after consideration of a recent actuarial review of the funding status, may provide ad-hoc cost of living or other increases in retirement benefits.

Note 3: Net Pension Liability

The components of the net pension liability of the City at August 31, 2017, were as follows:

Total pension liability	$ 975,995,580
Plan's fiduciary net pension	776,552,623
City's net pension liability	$ 199,442,957
Plan's fiduciary net position as a percentage of total pension liability	79.57%

Actuarial Assumptions

The total pension liability as of August 31, 2017, was determined based on July data using the following actuarial assumptions:

Cost of living benefit increases	None
Inflation	3.0%
Salary increases	3.0% , average, including inflation
Investment rate of return	7.5%, compounded annually, net of expenses
Actuarial cost method	Entry-age - normal-level percentage of pay
Asset valuation method	Plan invested assets are reported at fair value

Mortality rates for non-disabled participants are based on the RP-2014 employee tables with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.

The actuarial assumptions used in the September 1, 2016, valuation were based on the results of an actuarial experience study performed in 2016.

The long-term expected rate of return on pension fund investments was determined using a building-block method in which best-estimate ranges of future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension fund's target asset allocation as of August 31, 2017 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Fixed income	1.69%
Domestic equity	9.41%
International equity	7.84%
Real estate	6.46%
Alternative	7.39%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the City will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension fund investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City's calculation using the discount rate of 7.5%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
City's net pension liability	$ 314,936,769	$ 199,442,957	$ 103,730,031

Note 4: Deposits, Cash Equivalents, Investments and Security Lending

The Fund's cash equivalents and investments are managed by various investment managers who have discretionary authority over the assets managed by them, within the investment guidelines established by the Board, under contracts with the Fund. The cash equivalents and investments are held by the Fund's custodian in the Fund's name. The cash equivalents and investments are uninsured and generally consist of short-term securities, U.S. and foreign government securities, domestic and foreign corporate debt and equity securities, real estate trusts and financial derivatives. Certain investment managers have invested in certain bank collective investment funds, which invest primarily in U.S. corporate stocks and government bonds. The bank collective funds may also invest in foreign exchange contracts, stock index futures and temporary collective investment funds and may enter into collateralized securities lending transactions. Certain investment managers also invest in private equity limited partnerships.

Through adherence to the Fund's Investment Rules and Regulations, management attempts to limit or mitigate certain risks. Certain of these requirements are listed below:

- **Large Cap Index Equity Managers** – Investment is passively managed and is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. Permissible investments are S&P 500 Index commingled funds or exchange-traded funds (ETFs).

- **Large Cap Dynamic Managers** – Investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The portfolio will actively allocate assets across the equity, fixed income and cash markets of the U.S. The assets of the portfolio may be invested in securities, derivatives and a combination of other collective funds. Long and short positions in financial futures, options on financial futures, index options, exchange-traded options and over-the-counter options, may be used.

- **Small/Mid Cap Equity Managers** – Under current policies, the portfolio will invest primarily in equity and equity-related securities of issuers that are located in the United States with market capitalizations greater than $500 million and under $15 billion; the market capitalization of certain securities may be less than or greater than this range at times. The portfolio may invest in publicly traded stocks of U.S. corporations, American depositary receipts (ADRs), publicly traded stocks of foreign corporations listed on U.S. stock exchanges, ETFs and short-term investments, money market instruments or equivalent. The maximum position size in any one company will be 5% of the portfolio value at the time of purchase and shall not exceed a maximum appreciated position size of 8% of the portfolio value. Leverage, short sales and buying and selling on margin are not permitted.

- **All Cap Equity Managers** – Under current policies, the portfolio will invest primarily in equity and equity-related securities of issuers that are located in the United States with market capitalizations that span the broad equity market in a concentrated manner, generally with 20 – 80 holdings. The portfolio may invest in publicly traded stocks of U.S. corporations, ADRs, publicly traded stocks of foreign corporations, ETFs and short-term investments, money market instruments or equivalent. Leverage, short sales and buying and selling on margin are not permitted.

- **International Equity-Developed Country Index Managers** – Investment is passively managed and is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. Permissible investments are MSCI EAFE Index commingled funds or ETFs.

- **International Equity-All Country Managers** – Investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The portfolio will invest primarily in equity-related securities of issuers that are located in, or that do significant business in, countries other than the United States, including emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. The maximum position size will be 6% in any one company. The maximum position size will be 35% in any one country. The maximum emerging markets weight is the MSCI ACWI ex-US IMI Index weight plus 15%.

- **International Equity-Emerging Markets Managers** – Investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The portfolio will invest in equity and equity-related securities of at least 80% of its assets in issuers that are located in, or that do significant business in emerging market countries. The portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. The maximum position size will be 6% in any one company. The maximum position size will be 20% in any one country.

- **International Equity-All Country Small Cap Managers** – Investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The portfolio will primarily invest in equity and equity-related securities of issuers that are located in, or that do significant business in, countries other than the United States, including emerging market countries. The Portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries. The maximum position size will be 6% in any one company. The maximum position size will be 35% in any one country. The maximum emerging market weight is the MSCI ACWI ex-US Small Cap Index weight plus 15%.

- **Fixed Income Core Index Managers** – Investment is passively managed and is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. Permissible investments are Barclays Capital Aggregate Index commingled funds or ETFs.

- **Fixed Income Core Plus Managers** – Under current policies, except for U.S. Treasury, its agencies, agency MBS, and approved derivative products, the fixed income account shall not contain more than 5% of any issuer. The account will not invest more than 15% in cash and cash equivalents and will not invest in equity securities, with the exception of preferred and convertible preferred securities, in which no more than 10% will be invested. The account may invest up to 15% in illiquid securities. The account may invest up to 35% in non-investment grade bonds; defined as bonds that are rated non-investment grade by two of the three major ratings agencies. The dollar weighted credit quality of the account will generally be AA or less, with a minimum dollar weighted-average quality of BBB-. The effective duration of the account should range between +25%/-40% of the benchmark's duration. The account will not employ leverage.

- **Fixed Income Opportunistic Managers** – Under normal market conditions, the fund may invest up to 50% in bonds that are rated below investment grade (below BBB-/Baa3) by the various credit rating agencies, or securities that are not rated. In addition, the fund may leverage its capital. In normal market conditions, the manager may borrow up to 35% of the fund for investment purposes. If the investment manager believes market conditions are unfavorable to participants, the manager may invest up to 100% of the fund in U.S. or non-U.S. currency denominated short-term investments, including cash or cash equivalents.

- **Real Estate Managers** – Real estate investments will be diversified to the extent possible by geographic location and property type. For real estate investment trusts (REITs), managers cannot invest in undeveloped, non-income producing property, cannot invest in funds where leverage is intended to exceed 30% of the fair value of the fund and cannot invest in non-U.S. real estate. For private real estate investments, managers should diversify the portfolio by property type and by various geographic regions of the U.S. Leverage is limited to no more than 30% of the fund. The quarterly standard deviation of returns for REITs and private real estate should be no greater than 150% of their respective benchmark indices.

- **Private Equity Managers** – As private equity fund-of-funds vehicles are commingled, closed-end, finite-life limited liability entities, the investment guidelines will be determined by the fund-of-funds legal documentation. The pooled/fund-of-funds vehicle should not represent more than 20% of the total fair value of the pooled/fund-of-funds. It is also preferred that this holds true for any other investor in the pooled/fund-of-funds. The manager of the fund-of-funds vehicle shall be a bank or a registered advisor under the *Investment Advisors Act of 1940*. If the fund-of-funds provides the option of receiving distributions in cash or securities, the trust will opt to receive cash.

- **Master Limited Partnerships** – Investment objective is to achieve long-term growth of capital and out-perform the S&P MLP Index. Management of the portfolio will seek to achieve the investment objective through investments primarily in master limited partnerships (MLPs) and energy-related C-corporations. Security and sector selection, portfolio structure and timing of purchases and sales are delegated to the manager of the portfolio, subject to these guidelines: the portfolio will hold approximately 20 – 30 securities, no single security will exceed the greater of 10% of the portfolio's fair value or 120% of the security's weight within the benchmark, cash and cash equivalents will be no more than 10% of the portfolio's assets. Authorized investments include MLPs, securities of energy-related C-corporations and limited liability energy companies that trade on United States stock exchanges, as well as initial public offerings of these investments.

- **Absolute Return** – Investment is made using commingled funds. As such, the investment guidelines are governed by the fund's prospectus. The assets may be invested in common stock, ADRs, global depositary receipts (GDRs), preferred stock, ETFs, participation notes, fixed income securities, futures, options, real estate (tradable securities), commodities (tradable securities) and cash and cash equivalents. Currency exposures may be obtained through currency spot, forward, and swap contracts.

The following was the Board's adopted asset allocation policy as of August 31, 2017:

Asset Class	Target Allocation
Domestic equity	24%
International equity	16
Fixed income	19
Real estate	10
Absolute return	15
Private equity	10
Master limited partnerships	5
Cash	1
	100%

The preceding target allocation was amended in 2017. This was done to reflect a reduction in the previous allocation to international equity and fixed income and to increase the allocation to absolute return and private equity. The previous target allocation was 20% international equity, 25% fixed income, 23% domestic equity, 10% absolute return, 10% Real estate, 7% private equity and 5% master limited partnerships.

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Fund's investment policy does not specifically address custodial credit risk for deposits. As of August 31, 2017 and 2016, the Fund holds no deposits.

Investments

Interest rate risk is the risk that the fair value of securities will fall due to changes in market interest rates. The Fund's policy is to minimize interest rate risk by structuring the investment portfolio so that the duration securities are held and the coupon rates of such are appropriately diversified.

As of August 31, 2017 and 2016, the Fund had the following investments subject to interest rate risk:

	2017		2016	
Investment Type	**Fair Value**	**Weighted-Average Maturity (in Years)**	**Fair Value**	**Weighted-Average Maturity (in Years)**
Cash equivalents (money market funds)	$ 9,853,245	0.15	$ 3,599,705	0.09
Government fixed income	27,104,666	23.03	43,465,129	18.65
Corporate bonds and notes	42,183,835	8.56	43,300,364	8.62
Bank collective investment funds	37,533,947	8.19	44,441,334	7.78
Commingled funds	37,208,259	3.38	48,158,049	3.00
Total fair value	$ 153,883,952		$ 182,964,581	
Portfolio weighted-average maturity		9.23		9.15

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. Nationally-recognized statistical rating organizations assign ratings to measure credit risk. These rating agencies assess a firm's or government's willingness and ability to repay its debt obligations based on many factors.

The Fund employs one core bond manager that primarily invests in U.S. fixed income and non-U.S. fixed income securities. The Fund also invests in two commingled funds, one passive core fixed income index fund and one opportunistic fixed income fund. The investment management agreement between the Fund and its core bond manager contains specific guidelines that identify permitted fixed income investments.

Permitted securities and derivatives for the Fund's opportunistic income fund include fixed and floating-rate debt securities and debt obligations of governments and government-related or corporate issuers worldwide; foreign currencies or securities linked to assets or currencies of any nation; and derivatives on any of the previously mentioned securities. 50% of the total net assets in the opportunistic fixed income fund may be invested in bonds that are rated below investment grade (below BBB-) or securities that are not rated.

The Fund's investment policy indicates that the fixed income core plus manager may invest up to 35% of net assets in non-investment grade bonds, at time of purchase. The fixed income core plus portfolio obligations will generally have a dollar weighted average credit quality of generally AA or less, with a minimum dollar weighted average credit quality of BBB-.

El Paso City Employees' Pension Fund
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The following table identifies the credit quality of the Fund's fixed income strategies based on portfolio holdings as of August 31, 2017 and 2016.

S&P Quality Rating	Total Fair Value	Asset-Backed Securities	Commercial Mortgage-Backed Securities	Collateralized Mortgage Obligations	Corporates (a)	Government & Agency Obligations (b)
U.S. Treasuries	$ 23,417,126	$ -	$ -	$ -	$ -	$ 23,417,126
GNMA Securities	5,130,296	-	-	-	-	5,130,296
AAA	1,330,537	102,693	33,121	-	404,953	789,771
AA+	24,147,528	124,680	138,150	-	183,959	23,700,739
AA	6,909,096	-	-	-	195,795	6,713,301
AA-	1,422,912	-	-	-	1,297,965	124,947
A+	1,921,021	-	-	-	1,686,105	234,916
A	3,108,535	117,440	-	-	2,969,173	21,922
A-	7,809,807	-	-	-	4,114,679	3,695,128
BBB+	12,171,589	-	103,055	-	11,407,027	661,507
BBB	10,555,594	167,096	-	-	7,835,514	2,552,984
BBB-	17,593,261	-	-	-	12,919,565	4,673,696
BB+	2,107,252	-	82,604	-	2,024,648	-
BB	6,338,555	-	85,021	-	1,053,768	5,199,766
BB-	2,384,544	-	-	-	1,483,069	901,475
B+	1,109,502	-	54,546	-	897,430	157,526
B	265,849	-	86,984	-	178,865	-
B-	4,175,578	-	-	-	-	4,175,578
CCC	-	-	-	-	-	-
CCC-	-	-	-	-	-	-
D	-	-	-	-	-	-
NR	12,132,124	269,488	495,334	-	2,178,880	9,188,422
Totals	$ 144,030,707	$ 781,397	$ 1,078,815	$ -	$ 50,831,395	$ 91,339,100

S&P Quality Rating	Total Fair Value	Asset-Backed Securities	Commercial Mortgage-Backed Securities	Collateralized Mortgage Obligations	Corporates (a)	Government & Agency Obligations (b)
U.S. Treasuries	$ 37,770,738	$ -	$ -	$ -	$ -	$ 37,770,738
GNMA Securities	11,119,310	-	-	-	-	11,119,310
AAA	1,358,650	142,245	27,159	-	203,530	985,716
AA+	24,430,048	-	187,635	-	344,142	23,898,271
AA	5,959,609	-	244	-	555,152	5,404,213
AA-	1,213,008	-	-	-	1,025,858	187,150
A+	1,846,625	-	-	-	1,583,317	263,308
A	2,739,330	-	-	-	2,712,513	26,817
A-	18,142,827	-	-	-	5,765,458	12,377,369
BBB+	10,091,163	354,914	-	-	8,976,488	759,761
BBB	15,014,659	167,866	-	-	8,940,749	5,906,044
BBB-	20,083,644	-	-	-	14,996,248	5,087,396
BB+	3,351,557	-	163,054	-	2,391,188	797,315
BB	9,253,656	-	29,184	-	2,039,903	7,184,569
BB-	3,703,583	-	329,597	-	1,659,092	1,714,894
B+	485,331	-	-	-	265,995	219,336
B	168,201	-	168,201	-	-	-
B-	1,625,160	-	653,335	-	-	971,825
CCC+	-	-	-	-	-	-
CCC	1,525,106	-	-	-	42,774	1,482,332
CCC-	16,789	-	-	-	16,789	-
D	15,528	-	-	-	15,528	-
NR	9,450,354	270,387	557,865	-	1,500,622	7,121,480
Totals	$ 179,364,876	$ 935,412	$ 2,116,274	$ -	$ 53,035,346	$ 123,277,844

(a) Corporate Bonds include convertible preferred stocks and convertible preferred bonds.

(b) Includes international and municipal holdings.

At August 31, 2017 and 2016, the Fund held various bond instruments in the aggregate fair value of $144,030,707 and $179,364,876, respectively. Fixed income core plus portfolios held bond instruments with ratings of BBB or better by Standard & Poor's. Approximately 5% of the portfolio was of non-investment grade bonds as of August 31, 2017.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's investment policy does not allow for the investment portfolio to hold more than 10% in any one company. The following table presents the fair value of investments that represents 5% or more of the Fund's net position at August 31, 2017 and 2016.

These investments were in bank collective investment and commingled funds, which consist of diversified portfolios of investments as described above, and none of these investments consist of any one company holding 5% or more of the total investment.

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	Shares/ Par Value		Fair Value
August 31, 2017			
EB MCM Daily Valued International Specialized Investment Fund			
Mellon Capital Management Corporation	135,488	$	60,090,017
EB MCM Daily Valued Stock Index Fund			
Mellon Capital Management Corporation	18,995		66,081,007
EB MCM Daily Valued Dynamic U.S. Equity Fund			
Mellon Capital Management Corporation	187,489		50,171,937
Allianz Structed Alpha 1000 Plus LLC			
Allianz Structed Alpha 1000 Plus LLC	57,584,830		57,584,830
August 31, 2016			
EB MCM Daily Valued International Specialized Investment Fund			
Mellon Capital Management Corporation	169,236	$	63,646,530
EB MCM Daily Valued Aggregate Bond Index Fund			
Mellon Capital Management Corporation	87,451		44,441,334
Franklin Templeton Global Multisector Plus Trust			
Franklin Templeton Investments	3,886,848		48,158,049
EB MCM Daily Valued Stock Index Fund			
Mellon Capital Management Corporation	17,146		51,311,613
EB MCM Daily Valued Dynamic U.S. Equity Fund			
Mellon Capital Management Corporation	192,589		43,692,734
Allianz Structed Alpha 1000 Plus LLC			
Allianz Structed Alpha 1000 Plus LLC	37,374,376		37,374,376

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Fund's investment policy allows 13% – 19% of equity securities be invested in foreign markets. The Fund's exposure to foreign currency risk at August 31, 2017 and 2016, was as follows:

Local Currency Name	Equity	Fixed Income	Real Estate	Total
Argentine Peso	$ -	$ 1,935,706	$ -	$ 1,935,706
Australian Dollar	4,266,391	-	-	4,266,391
Brazilian Real	1,554,956	5,199,766	-	6,754,722
British Pound	12,711,136	-	-	12,711,136
Canadian Dollar	2,137,561	-	-	2,137,561
Columbian Peso	-	1,730,797	-	1,730,797
Danish Krone	1,216,206	-	-	1,216,206
Euro Currency Unit	26,641,151	-	-	26,641,151
Ghanaian Cedi	-	2,097,208	-	2,097,208
Hong Kong Dollar	10,784,815	-	-	10,784,815
Indian Rupee	2,688,428	3,587,919	-	6,276,347
Indonesian Rupiah	24,192,027	3,821,392	-	28,013,419
Japanese Yen	26,157,746	-	-	26,157,746
Mexican Peso	1,035,441	8,015,799	-	9,051,240
Phillipine Peso	478,253	628,442	-	1,106,695
South African Rand	1,797,254	806,855	-	2,604,109
South Korean Won	5,112,748	-	-	5,112,748
Swedish Krona	2,864,427	-	-	2,864,427
Swiss Franc	5,800,267	-	-	5,800,267
Taiwanese Dollar	4,181,711	-	-	4,181,711
Thai Baht	883,652	1,752,770	-	2,636,422
Other	4,120,609	636,745	-	4,757,354
Total	$ 138,624,779	$ 30,213,399	$ -	$ 168,838,178

Local Currency Name	Equity	Fixed Income	Real Estate	Total
Australian Dollar	$ 8,116,484	$ -	$ 597,850	$ 8,714,334
Brazilian Real	2,572,419	7,077,936	-	9,650,355
British Pound	20,696,838	1,408	400,058	21,098,304
Canadian Dollar	2,653,372	82,757	-	2,736,129
Chineses Renminbi	4,272,492	-	-	4,272,492
Columbian Peso	70,645	1,754,284	-	1,824,929
Danish Krone	1,732,658	-	-	1,732,658
Euro Currency Unit	27,837,341	809,193	1,208,529	29,855,063
Hong Kong Dollar	8,302,408	-	668,123	8,970,531
Indian Rupee	2,141,787	-	-	2,141,787
Indonesian Rupiah	1,061,023	5,062,936	-	6,123,959
Isaeli Shekel	1,629,316	-	-	1,629,316
Japanese Yen	23,740,738	-	1,117,493	24,858,231
Malaysian Ringgit	851,795	5,577,596	-	6,429,391
Mexican Peso	1,303,572	6,921,484	63,625	8,288,681
Norwegian Kroner	1,294,809	-	-	1,294,809
Phillipine Peso	724,317	1,583,427	-	2,307,744
Serbian Dinar	-	1,714,894	-	1,714,894
South African Rand	3,491,314	75,091	-	3,566,405
South Korean Won	4,837,812	5,249,862	-	10,087,674
Swedish Krona	3,138,477	-	-	3,138,477
Swiss Franc	7,267,265	-	-	7,267,265
Taiwanese Dollar	4,148,860	-	-	4,148,860
Ukranian Hryvnia	-	1,482,332	-	1,482,332
Uruguyan Peso	-	2,327,263	-	2,327,263
Other	4,443,489	1,512,423	87,593	6,043,505
Total	$ 136,329,231	$ 41,232,886	$ 4,143,271	$ 181,705,388

Security Lending Transactions

State statutes and board of trustees' policies permit the Fund to lend its securities to broker/dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Fund currently participates in a security lending short duration lending pool. All securities loans can be terminated on demand by either the Fund or the borrower, although the average term of the loans is one week. The relationship between the maturities of the investment pool and the system's loans is affected by the maturities of the securities loans made by other entities that can use the agent's pool, which the Fund cannot determine.

Custodial credit risk for securities lending transactions is the risk that, in the event of the failure of the counterparty, the system will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For the years ended August 31, 2017 and 2016, the Fund had no credit risk exposure to borrowers because the amounts the Fund owes the borrowers exceed the amounts the borrowers owe the Fund. Fair value of securities loaned by type of investment at August 31, was as follows:

	2017	2016
Corporate stocks	$ 18,206,098	$ 20,088,805

Rate of Return

For the years ended August 31, 2017 and 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.29% and 6.36%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 5: Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at August 31, 2017 and 2016:

		2017 Fair Value Measurements Using		
	8/31/2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
U.S government securities	$ 27,104,666	$ -	$ 27,104,666	$ -
Corporate bonds and notes	42,183,835	-	42,183,835	-
Total debt securities	69,288,501	-	69,288,501	-
Corporate stocks				
All cap equity	28,678,712	28,678,712	-	-
Small/Mid cap equity	55,204,592	55,204,592	-	-
Total corporate stocks	83,883,304	83,883,304	-	-
Master limited partnerships	37,030,451	37,030,451	-	-
Total investments by fair value level	190,202,256	$ 120,913,755	$ 69,288,501	$ -
Investments measured at the net asset value (NAV) (a)				
Absolute return investments	109,573,856			
Bank collective investment funds				
Large cap index	66,081,007			
Large cap dynamic	50,171,964			
International equity developed	60,090,017			
Total bank collective investment funds	176,342,988			
Commingled funds – fixed income				
Fixed income opportunistic	37,208,259			
Fixed Income core index	37,533,947			
Total commingled funds - fixed income	74,742,206			
Commingled funds – corporate stocks				
International equity – all country	31,683,453			
International equity – all country small cap	28,027,381			
International equity – emerging markets	29,558,272			
Total commingled funds – corporate stocks	89,269,106			
Real estate				
Private real estate	67,975,022			
Total real estate	67,975,022			
Private equity investments	57,103,830			
Total investments measured at the NAV	575,007,008			
Total investments measured at fair value	$ 765,209,264			

		2016		
		Fair Value Measurements Using		
	8/31/2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S government securities	$ 43,300,364	$ -	$ 43,300,364	$ -
Corporate bonds and notes	43,465,129	-	43,465,129	-
Total debt securities	86,765,493	-	86,765,493	-
Corporate stocks				
All cap equity	24,156,696	24,156,696	-	-
Small/Mid cap equity	50,523,895	50,523,895	-	-
Total corporate stocks	74,680,591	74,680,591	-	-
Master limited partnerships	37,029,801	37,029,801	-	-
Total investments by fair value level	198,475,885	$ 111,710,392	$ 86,765,493	$ -
Investments measured at the net asset value (NAV) (a)				
Absolute return investments	66,205,813			
Bank collective investment funds				
Large cap index	51,311,613			
Large cap dynamic	43,692,733			
International equity developed	63,646,530			
International equity – emerging markets	14,788,313			
Total bank collective investment funds	173,439,189			
Commingled funds – fixed income				
Fixed income opportunistic	48,158,049			
Fixed Income core index	44,441,334			
Total commingled funds - fixed income	92,599,383			
Commingled funds – corporate stocks				
International equity – all country	31,575,340			
International equity – all country small cap	19,607,770			
International equity – emerging markets	15,371,287			
Total commingled funds – corporate stocks	66,554,397			
Real estate				
Private real estate	64365434			
Real estate investment trust	9,097,984			
Total real estate	73,463,418			
Private equity investments	46,875,666			
Total investments measured at the NAV	519,137,866			
Total investments measured at fair value	$ 717,613,751			

(a) Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of fiduciary net position.

The following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of fiduciary net position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended August 31, 2017.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

Investments Measured at the NAV

	Fair Value at 8/31/2017	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Absolute return investments	$ 109,573,856		Daily	Daily to 30 days
Large cap index	66,081,007		Daily	1 day
Large cap dynamic	50,171,964		Daily	Daily
International equity – developed	60,090,017		Daily	2 days
Fixed income opportunistic	37,208,259		Daily	Daily
Fixed Income core index	37,533,947		Daily	2 days
International equity – all country	31,683,453		Daily	3 days
International equity – all country small cap	28,027,381		Daily	Daily
International equity – emerging markets (commingled)	29,558,272		Daily	30 days
Private real estate	67,975,022		Daily	90 days
Real estate investment trust	-		Daily	Daily
Private equity investments	57,103,830	$ 57,563,923	Daily	5 days
Total investments measured at the NAV	$ 575,007,008			

See *Footnote 4* for descriptions of investments measured at the NAV

Note 6: Fund Termination

Although not anticipated, should the Fund terminate at some future time, its net position generally will not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated benefits will be paid depends on the priority of those benefits. Benefits under the Fund are not guaranteed by the Pension Benefit Guaranty Corporation.

Note 7: Plan Tax Status and ERISA

The Fund is a PERS and is exempt from federal income taxes and the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). Additionally, the Plan obtained its latest determination letter on May 29, 2013, in which the Internal Revenue Service stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the *Internal Revenue Code* (IRC) and therefore not subject to tax. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the IRC.

Note 8: Related Party Transactions

An affiliate of the Fund's custodian is an investment manager for the Fund, which managed \$213,876,935 and \$217,880,584 of the Fund's investments at August 31, 2017 and 2016, respectively. As of August 31, 2017 and 2016, the Fund accrued investment management fees of \$38,000 and \$133,416 respectively, for the services of that investment manager. For the years ended August 31, 2017 and 2016, the Fund incurred \$225,738 and \$196,335, respectively, in management fees with this investment manager.

Required Supplementary Information

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Schedule of Changes in Net Pension Liability and Related Ratios

	2017	2016	2015
Total Pension Liability			
Service cost	$ 20,418,111	$ 23,021,764	$ 22,243,250
Interest	70,199,486	66,845,529	64,244,529
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	(22,728,241)	115,295
Changes in assumptions	-	37,572,898	-
Benefit payments, including refunds of plan member contributions	(60,394,115)	(54,383,629)	(50,788,937)
Net Change in Total Pension Liability	30,223,482	50,328,321	35,814,137
Total Pension Liability, Beginning of Year	945,772,098	895,443,777	859,629,640
Total Pension Liability, End of Year	$ 975,995,580	$ 945,772,098	$ 895,443,777
Plan Fiduciary Net Position			
Employer contributions	$ 25,327,071	$ 23,370,111	$ 22,916,913
Plan member contributions	15,154,341	14,886,249	14,595,935
Net investment income	75,370,973	40,260,073	(17,872,916)
Benefit payments, including refunds of plan member contributions	(61,077,565)	(54,383,629)	(50,788,937)
Administrative expense	(1,325,640)	(1,417,530)	(1,355,351)
Net Change in Plan Fiduciary Net Position	53,449,180	22,715,274	(32,504,356)
Plan Fiduciary Net Position, Beginning of Year	723,103,443	700,388,169	732,892,525
Plan Fiduciary Net Position, End of Year	$ 776,552,623	$ 723,103,443	$ 700,388,169
City's Net Pension Liability, End of Year	$ 199,442,957	$ 222,668,655	$ 195,055,608
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	79.57%	76.46%	78.22%
Covered – Employee Payroll	$ 161,026,109	$ 156,336,028	$ 158,990,084
Plan's Net Pension Liability as a Percentage of Covered – Employee Payroll	123.86%	142.43%	122.68%

Note: This schedule is presented to illustrate the requirement to show 10 years of information. However, until a full 10-year trend is compiled, years for which the information is available will be presented.

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Schedule of Investment Returns

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	10.29%	6.36%	-2.86%	17.22%

Note: This schedule is presented to illustrate the requirement to show 10 years of information. However, until a full 10-year trend is compiled, years for which the information is available will be presented.

Other Supplementary Information

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Comparative Summary of Revenue by Source and Expenses by Type

Revenue by Source*

Years Ended August 31,	Interest, Dividends and Net Securities Lending Income	Employer Contributions (a)	Plan Member Contributions (a)	Net Appreciation (Depreciation) in Fair Value of Investments	Total	Employer Contributions As a Percentage of Covered Payroll
2017	$ 6,459,227	$ 25,327,071	$ 15,154,341	$ 74,716,005	$ 121,656,644	14.05%
2016	7,563,107	23,370,111	14,886,249	37,856,062	83,675,529	14.05%
2015	7,433,579	22,916,913	14,595,935	(21,734,515)	23,211,912	14.05%
2014	8,039,815	21,830,044	14,039,600	103,082,579	146,992,038	13.45%
2013	9,096,062	20,499,707	13,328,629	63,890,162	106,814,560	12.85%
2012	5,161,832	19,181,091	12,607,172	43,642,344	80,592,439	12.25%

*Excludes increase (decrease) in commission credits receivable.

Expenses by Type

Years Ended August 31,	Benefits	Refunds	Investment Fees (b)	Administrative Expenses	Total
2017	$ 57,972,792	$ 3,104,773	$ 5,783,774	$ 1,325,640 (c)	$ 68,186,979
2016	51,554,209	2,829,420	5,104,720	1,417,530 (c)	60,905,879
2015	48,419,841	2,369,096	3,510,570	1,355,351	55,654,858
2014	49,375,280	3,217,554	3,336,994	1,143,272	57,073,100
2013	43,021,060	2,159,129	2,932,444	1,176,347	49,288,980
2012	41,688,297	2,605,377	2,097,716	1,108,470	47,499,860

(a) Employee and employer contribution rates are based upon local statutes; contribution rates are not actuarially determined.

(b) Investment fees are made up entirely of investment manager fees.

(c) Detail listed on Comparative Summary of Administrative Expenses.

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Comparative Summary of Administrative Expenses
Years Ended August 31, 2017 and 2016

	2017	2016
Custodial fees	$ 103,531	$ 190,160
Consulting fees	279,135	285,856
Legal	28,956	16,271
Travel/education – trustee per diem (1)	2,206	2,487
Travel/education – employee	6,708	2,631
Audit/accounting	40,000	38,693
Actuary	64,403	53,731
Wages and benefits	647,099	680,688
Other operating expenses	82,684	84,166
Liability insurance	70,918	62,847
Total administrative expenses	$ 1,325,640	$ 1,417,530

(1) Other trustee travel expenses in the amount of $2,206 and $1,966 for the years ended August 31, 2017 and 2016, respectively, were paid from directed brokerage commission credits and are noted with the increase in commission credits receivable in the statements of changes in fiduciary net position.

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Schedule of Investment Manager Expenses
For the Years Ended August 31, 2017 and 2016

	2017		2016	
	Fair Value of Assets Under Management	Total Fees	Fair Value of Assets Under Management	Total Fees
Fixed Income Managers	$ 69,288,500	$ 185,338	$ 86,765,493	$ 230,724
Equity Managers	83,883,305	736,229	74,680,591	697,197
Bank Collective Investment Funds Managers	176,342,988	225,738	158,650,876	196,334
Commingled Fixed Income Funds Managers	89,269,106	373,145	92,599,383	243,310
Commingled Equity Funds Managers	74,742,206	437,549	81,342,710	519,526
Real Estate Investment Trust Managers	-	24,149	9,097,984	77,525
Private Real Estate Managers	67,975,022	649,344	64,365,434	581,232
Private Equity Managers	57,103,830	813,585	46,875,666	604,851
Absolute Value Managers	109,573,856	2,049,790	66,205,813	1,758,025
Master Limited Partnership Managers	37,030,451	288,907	37,029,801	195,996
Total investment manager fees	$ 765,209,264	$ 5,783,774	$ 717,613,751	$ 5,104,720

INVESTMENT SECTION

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February 28, 2018

Board of Trustees
El Paso City Employees' Pension Fund
400 W. San Antonio Avenue, Suite B
El Paso, TX 79901

RE: Report on Fiscal Year 2017 Investment Activities

Dear Board Members:

The El Paso City Council created a City Employees' Pension Board of Trustees that makes investments for the sole interest of the participants and beneficiaries of the Fund. The primary purpose of the investments is to generate rates of return at a reasonable and controlled level of risk that enable the Fund to pay all pension benefit obligations when due. Thus, the assets of the Fund are invested in accordance with these investment objectives: (1) contain total plan costs to the lowest reasonable level; (2) provide the greatest flexibility in funding retirement benefits for participants; (3) keep assets above 100% of accrued vested liabilities; (4) grow total plan assets over time on a real dollar basis at a compound rate of increase which, combined with contributions, will provide for the payment of current and future benefits.

The Fund maintains a policy of broad diversification with the long-term objective of achieving a consistent, positive return on Fund assets. Although speculation is avoided, the Board understands that an above-average return is associated with a certain degree of risk. Risk, to be assumed, must be considered appropriate for the return anticipated and consistent with the total diversification of Fund assets.

Fund assets are to be invested with the care, skill, and diligence that a prudent person acting in a like capacity would undertake. The Board acknowledges that, in the process, they have the objective of controlling the costs involved with administering and managing the investments of the Fund.

In establishing its risk tolerance, the Board considered its ability to withstand short and intermediate-term volatility in market conditions. The Board also reviewed the long-term characteristics of various asset classes, focusing on balancing risk with expected return. Accordingly, the Board selected these seven asset classes for investments: domestic equity; international equity; fixed income; private equity; real estate; MLPs and absolute return. As of August 31, 2017, the Fund exhibits the following allocations to the aforementioned asset classes.

Asset Class	Fair Value $(000)	Allocation (%)
Domestic Equity	202,053	26%
International Equity	149,360	19%
Fixed Income	146,491	19%
Private Equity	56,411	7%
Real Estate	68,147	9%
MLP	37,205	5%
Absolute Return	109,574	14%
Cash	6,142	1%
Total Fund	**775,383**	**100%**

The Board, with information provided by their investment consultant, closely monitors the Fund's asset mix to assure compliance with the adopted Investment Policy Statement and appropriate city ordinances that regulate the investment process.

On an ongoing basis, the Board implements a performance measurement and evaluation process that examines rates of return for the Fund in total, the seven major asset classes, and individual managers. The Board compares returns to broad market indices and relevant "peer groups" of investment managers with similar investment styles. Investment measurements and comparisons have been made using standard performance evaluation methods and the results are presented in a manner consistent with the investment industry. All returns are time-weighted rates of return calculated by the Fund's financial consultant on the basis of fair value and cash flow data provided by the Fund's bank custodian.

The Fund's total return and target benchmark return for the fiscal year, the last three years, and the last five years ended August 31, 2017 are provided in the table below. For the fiscal year, all asset classes provided positive returns on an absolute basis. Domestic and international equity, fixed income and MLPs outperformed their respective benchmarks as well.

	Annualized Returns		
	1 Year	3 Year	5 Year
Total Fund	**10.63%**	**4.52%**	**8.40%**
Strategic Blended Index	10.09%	4.99%	8.61%

Yours truly,

Alex Browning

Alex Browning
Senior Vice President

Investment Mangers

Domestic Equity

- Mellon Equity Index
- Mellon Dynamic US Equity
- Vulcan All Cap
- Wedge
- Riverbridge

International Equity

- Mellon International Stock Index
- Franklin Templeton Int'l Equity
- Lazard International Equity
- AQR Emerging Markets

Private Equity

- PAPEF VII
- PASF II
- PAPEF VIII
- PASF III

Domestic Fixed Income

- Mellon Aggregate Index
- Janus Core Plus
- Franklin Templeton Global Plus

Real Estate

- USB Trumbull Fund
- Heitman

MLP

- Salient Advisors

Absolute Return

- Allianz
- AQR Style Premia
- Invesco

Investment Guidelines

General

The Board is responsible for the investment of all assets and for establishing policies and practices. All investments shall be made for the purposes of providing benefits to participants and their beneficiaries and defraying the expenses related to administering the Fund as determined by the Board.

The Board may, at its discretion, retain investment advisors to manage all or a portion of the Fund assets. These advisors shall be selected from established and financially sound organizations which have a proven and demonstrable record in managing funds with characteristics appropriate for the risk/return profile of the Fund assets. The selection process will involve a disciplined approach that will be fully documented for the Board's records.

All assets should be properly diversified to reduce the potential of a single security or single sector of securities having a disproportionate impact on the portfolio.

Given the expense, difficulty of obtaining adequate diversification, related custody costs and ultimate size of the Fund's commitments to various asset classes, commingled funds may be used as the vehicle for the investment in such asset classes. In such cases, the investment guidelines will be governed by the fund's prospectus.

The following guidelines would apply to investment mandates utilized by the Fund:

Large Cap Index Equity

Investment Guidelines

This investment will be passively managed. Permissible investments are S&P 500 Index commingled funds or Exchange Traded Funds (ETFs).

In order to ensure adequate diversification and prudently manage the costs associated with the custody of opportunistic fixed income investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's prospectus.

Large Cap Dynamic

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's prospectus.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the S&P 500 Index.

Investment Strategy

The Portfolio will actively allocate assets across the equity, fixed income, and cash markets of the United States. The volatility of the portfolio should be similar or less than the S&P 500 Index. The assets of the Portfolio may be invested in securities, derivatives, and a combination of other collective funds.

Portfolio Restrictions

Long and short positions in financial futures, options on financial futures, index options, exchange-traded options, and over-the-counter options, may be used.

Cash investments or assets used as collateral underlying the derivatives positions may be comprised of other collective funds and short to medium-term debt of investment grade that may include, without limitation, Treasury bills and notes, corporate obligations, commercial paper, repurchase agreements, and obligations of government sponsored enterprises.

Small/Mid Cap Equity

Investment Guidelines

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the Russell 2500 Index.

Investment Strategy

The Portfolio will invest primarily in equity and equity-related securities of issuers that are located in the United States with market capitalizations greater than $500 million and under $15 billion; the market capitalization of certain securities may be less than or greater than this range at times. The portfolio may invest in publicly traded stocks of U.S. corporations, American Depository Receipts (ADRs), publicly traded stocks of foreign corporations listed on U.S. stock exchanges, Exchange Traded Funds (ETFs), and short-term investments, money market instruments or equivalent.

Portfolio Restrictions

Company Weightings – The maximum position size in any one company will be 5% of the portfolio value at the time of purchase and shall not exceed a maximum appreciated position size of 8% of the portfolio value.

Leverage, short sales, and buying and selling on margin are not permitted.

Cash – Under normal circumstances, the Portfolio may invest up to 5% of its assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions).

All Cap Equity

Investment Guidelines

Investment Objective

The investment objective is to achieve long-term capital appreciation and outperform the Russell 3000 Index. In addition, the goal is to achieve a meaningful return above inflation over a 5-year period.

Investment Strategy

The Portfolio will invest primarily in equity and equity-related securities of issuers that are located in the United States with market capitalizations that span the broad equity market in a concentrated manner, generally with 20-80 holdings. The portfolio may invest in publicly traded stocks of U.S. corporations, American Depository Receipts (ADRs), publicly traded stocks of foreign corporations, Exchange Traded Funds (ETFs), and short-term investments, money market instruments or equivalent.

Portfolio Restrictions

Leverage, short sales, and buying and selling on margin are not permitted.

Cash – The Portfolio may hold cash if securities meeting the manager's criteria are not available.

International Equity-Developed Index

Investment Guidelines

This investment will be passively managed. Permissible investments are MSCI EAFE Index commingled funds or Exchange Traded Funds (ETFs).

In order to ensure adequate diversification and prudently manage the costs associated with the custody of opportunistic fixed income investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's prospectus.

International Equity-All Country

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's prospectus.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the MSCI ACWI ex-US IMI Index.

Investment Strategy

The Portfolio will invest primarily in equity and equity-related securities of issuers that are located in, or that do significant business in, countries other than the United States, including emerging market countries. The Portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries.

Portfolio Restrictions

Company Weightings – The maximum position size will be 6% in any one company.

Country Weightings – The maximum position size will be 35% in any one country. The maximum emerging markets weight is the Index weight plus 15%.

Cash – Under normal circumstances, the Portfolio may invest up to 5% of its assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions).

International Equity-Emerging Markets

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's prospectus.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the MSCI Emerging Markets Index.

Investment Strategy

The Portfolio will invest primarily in equity and equity-related securities of at least 80% of its assets in issuers that are located in, or that do significant business in emerging market countries. The Portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries.

Portfolio Restrictions

Company Weightings – The maximum position size will be 6% in any one company.

Country Weightings – The maximum position size will be 20% in any one country.

Cash – Under normal circumstances, the Portfolio may invest up to 5% of its assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions).

International Equity-All Country Small Cap

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of international investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's prospectus.

Investment Objective

The investment objective is to achieve long-term capital appreciation and out-perform the MSCI ACWI ex-US Small Cap Index.

Investment Strategy

The Portfolio will invest primarily in equity and equity-related securities of issuers that are located in, or that do significant business in, countries other than the United States, including emerging market countries. The Portfolio will invest in securities denominated in the currencies of a variety of countries, including emerging market countries.

Portfolio Restrictions

Company Weightings – The maximum position size will be 6% in any one company.

Country Weightings – The maximum position size will be 35% in any one country. The maximum emerging markets weight is the Index weight plus 15%.

Cash – Under normal circumstances, the Portfolio may invest up to 5% of its assets in cash and cash equivalents (exclusive of cash necessary for the settlement of transactions).

Fixed Income Core Index

Investment Guidelines

This investment will be passively managed. Permissible investments are Barclays Capital Aggregate Index commingled funds or Exchange Traded Funds (ETFs).

In order to ensure adequate diversification and prudently manage the costs associated with the custody of opportunistic fixed income investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's prospectus.

Fixed Income Core Plus

Investment Guidelines

Investment Objective:

- Provide a total return that exceeds that of the Benchmark Portfolio with a commensurate amount of risk (risk as defined by standard deviation).

A. Main Objective

The main objective for the management of the account is to outperform the benchmark, the Barclays U.S. Aggregate Bond Index, in a risk adjusted manner. The strategy is designed for long term investors who primarily seek total return.

B. Investment Universe and Limitations

1. **Allowable Investments**
    a. Corporate bonds and notes
    b. Government securities, including agencies
    c. Certificate of deposit
    d. Discount notes
    e. Repurchase agreements
    f. Bank Loans
    g. Asset backed and mortgage backed securities
    h. Depository receipts
    i. Real estate investment trusts (debt only)
    j. Publicly traded limited partnerships (debt only)
    k. Preferred and convertible preferred.
    l. 144A securities

2. **General Restrictions**
    a. The effective duration of the account will generally be +25%/-40% of the benchmark index, under normal circumstances.

    b. The account will generally not invest more than 15% of its net assets in cash and cash equivalents.

    c. The maximum issuer position size will be limited to 5% of net assets at the time of purchase, excluding those issued by the U.S. Government, its agencies, agency MBS, and approved derivative products.

    d. The account will not invest in equity securities, with the exception of preferred and convertible preferred securities, in which no more than 10% will be invested.

e. The account may invest up to 15% of net assets at time of purchase, in illiquid securities. 144A securities deemed liquid by the Portfolio Manager or Head Fixed Income Trader will not be considered in the illiquid concentration.

f. The account may invest up to 35% in non-investment grade bonds, at time of purchase. Non-investment grade bonds are defined as bonds that are rated non-investment grade by two of the three major ratings agencies (BB+ or lower by Standard & Poor's Rating Service and Fitch, Inc., or Ba1 or lower by Moody's Investors Service, Inc.).

g. The dollar weighted average credit quality of the account will generally be AA or less, with a minimum dollar weighted average credit quality of BBB-.

h. For split rated securities, the following methodology will be used:

   i. If the security is rated by all three rating agencies (S&P, Moody's, and Fitch), the middle rating will apply.

   ii. If the security is rated by all three rating agencies with two or more ratings the same, the majority rating will apply.

   iii. If the security is rated by only two rating agencies the lowest rating will apply.

3. **Foreign Securities**
   a. The account may invest in U.S. dollar denominated securities issued by non-U.S. domiciled issuers and/or entities, although it intends to primarily invest in securities issued by U.S. domiciled issuers and/or entities.

4. **Derivatives**
   a. The account may invest in over the counter (OTC) and exchange traded futures, options, swaps (including index credit default swaps) and structured products. (Agreements will need to be put in place with counterparties prior to trading in these types of instruments.)

   b. The use of interest rate derivatives is acceptable to manage overall duration of the portfolio.

   c. The client will be notified prior to investing in any other type of derivative not referenced above.

5. **Short Selling**
   a. The account may sell securities short, including futures, swaps, structured products and call options.

6. **Miscellaneous**
   a. The account is to be managed in USD.

   b. The account will not employ leverage.

   c. Investment types not explicitly allowed in these guidelines may still be used by the manager if deemed to be appropriate. Client permission will be sought if the investment type is intended to be a primary strategy, defined as greater than 5% of net assets of the account.

Fixed Income Opportunistic

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of opportunistic fixed income investments, this investment will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's prospectus.

Purpose and Investment Policies

The fund's principal investment objective is to maximize, consistent with prudent investment management, total investment return consisting of a combination of interest income, capital appreciation, and currency gains. The fund will employ a long-term fundamental, research-driven approach and will focus on identifying potential sources of high total return worldwide.

Under normal market conditions, the fund's primary investments will include fixed- and floating-rate debt securities and debt obligations of governments, and government-related or corporate issuers worldwide; foreign currencies or securities linked to assets or currencies of any nation; and derivatives on any of the previously mentioned securities. As part of the strategy, the fund may have short exposures. Under normal market conditions, the Fund may invest up to 50% of total net assets in bonds that are rated below investment grade (below BBB-/Baa3) by the various credit rating agencies, or securities that are not rated.

Eligible Securities

The fund may invest (but is not required or limited to investing) in the following instruments:

- U.S. Treasury securities
- Government/sovereign bonds
- Government-related bonds
- Supranational bonds
- Inflation-linked government bonds
- Mortgages, including mortgage-backed securities (MBS), asset-backed securities (ABS) and commercial-backed securities (CMBS)
- Corporate bonds, including investment grade and high-yield bonds
- Municipal bonds
- Convertible bonds and convertible preferred stock

- Emerging market debt securities
- Bank loans
- Private placement debt securities, including 144A securities
- Collateralized debt obligations and collateralized loan obligations
- Money market instruments, cash and cash equivalents
- Exchange traded funds/notes, mutual funds, and other open-end investment structures

Derivative Exposure
In addition to the securities listed above, derivatives (including, but not limited, to those listed below) may be used by the fund, including for the purposes of managing the risks of the portfolio and gaining exposure to certain asset classes.

- Forward currency exchange contracts (including, but not limited to, cross-currency forwards)
- Buying and selling over-the-counter and exchange traded options (including, but not limited to, currency options and options on interest rates)
- Swaps (including, but not limited to, credit default swaps (single name and index/basket), total return swaps, interest rate swaps, currency swaps, cross currency swaps)
- Futures and options on futures (including, but not limited to, futures on interest rates, bonds, fixed income indexes, securities and currencies)
- Structured notes or securities (including, but not limited to, credit linked notes), including where coupon or principal payments are linked or indexed to non-U.S. exchange rates, index returns, yield curve shapes, or other eligible investments

There are no limitations with respect to the number or combination of derivative instruments which may be used at any given time or the frequency with which the investment manager may use derivatives to implement the investment strategy. The investment manager may use derivatives for hedging purposes, as well as for gaining long and short exposures.

Under normal market conditions, the investment manager generally expects to utilize derivatives to gain exposures in an amount comparable to an equivalent unleveraged portfolio of bonds, but may exceed this amount on an opportunistic basis.

The fund may take advantage of opportunities in other derivative instruments which are not presently contemplated for the Fund or which are not currently available but which may be developed, to the extent such opportunities are consistent with the Fund's investment objective.

Leverage

The fund may leverage its capital if the investment manager believes that the use of leverage may enable the fund to achieve a higher rate of return. Accordingly, the fund would pledge its securities to the lender in order to borrow additional funds for investment purposes. Under normal market conditions, the investment manager generally does not expect to borrow additional funds for investment purposes, but on an opportunistic basis, may borrow up to 35% of total net assets of the fund for investment purposes (this excludes short-term borrowings for temporary cash management purposes). The investment manager may utilize derivative instruments including, but not limited to, futures, swaps, forwards, and options for both hedging and investment purposes, which may be considered by some as forms of leverage but are not included in this limit.

Temporary Investments

When the investment manager believes market or economic conditions are unfavorable for participants, is unable to locate suitable investment opportunities, or seeks to maintain liquidity, the investment manager may invest up to one hundred percent (100%) of the fund's assets in U.S. or non-U.S. currency denominated short-term investments, including cash or cash equivalents.

Real Estate

Investment Guidelines

The Board reserves the right to consider investment of the Fund's assets in real property, either on a direct basis or as a participant in a commingled real estate fund managed by a bank, insurance company, or other professional real estate investment manager. Real estate investments will be diversified to the extent possible both by geographic location and property type.

Private real estate managers are expected to invest in private real estate equity located within the United States or the District of Columbia. The following types of investments may be purchased by the manager: private real estate equity, equity-orientated debt, mortgages, construction loans, mezzanine debt on real estate, and private investment vehicles in such instruments designed for tax-exempt investors. The emphasis in the portfolio will be on investments in the stabilized operating stages of their life cycle; however, riskier equity investments in the development, leasing, and redevelopment stages will also be considered in minority positions in the portfolios. The manager should manage risk by using investment quality assets for their type and location. The portfolio should be diversified by property type (office, retail, industrial, or residential) and by the various geographic regions of the country. Leverage is to be limited to no more than 30% of the fund.

Master Limited Partnerships

Investment Guidelines

Investment Objective

The investment objective is to achieve long-term growth of capital and out-perform the S&P MLP Index.

Investment Strategy

Management of the portfolio will seek to achieve the investment objective through investments primarily in MLPs and energy-related C-corporations. Security and sector selection, portfolio structure and timing of purchases and sales are delegated to the manager of the portfolio, subject to these guidelines.

Portfolio Restrictions

- The portfolio will hold approximately 20-30 securities.
- No single security will exceed the greater of 10% of the portfolio's market value or 120% of the security's weight within the benchmark.
- Cash and Cash Equivalents will be no more than 10% of the portfolio's assets
- Authorized investments include MLPs, securities of energy-related C-corporations and limited liability energy companies that trade on United States stock exchanges, as well as initial public offerings ("IPOs") of these investments.

Private Equity

Investment Guidelines

Introduction

The private equity investments made on behalf of El Paso City Employees' Pension Fund ("EPCEPF") will consist primarily of limited partnership investments in diversified private equity portfolios (e.g., venture capital, acquisition, special situation, subordinated debt, and restructuring funds, etc.). EPCEPF will invest in private equity through institutional closed-end, finite-life commingled private equity fund-of-funds vehicles. Eligible fund-of-funds may employ either a primary partnership or secondary partnership strategy. The fund-of-funds vehicles will be limited liability partnerships, limited liability corporations, or group trusts. Investments directly in stand-alone corporate finance limited partnerships and direct investments in companies are not currently considered appropriate. The vehicle's manager(s) will have discretion with respect to the management of the fund-of-funds investment program, operating within the parameters delineated in the commingled fund's legal documentation.

To maintain an appropriate funded status on a net asset value basis, EPCEPF will be required to make periodic commitments to additional fund-of-funds vehicles managed by either the same or different fund-of-funds managers. EPCEPF's staff will work with the consultant and the managers to determine appropriate commitment timing and amounts and periodically present a recommended plan to the Investment Committee.

To ensure adequate access and diversification, EPCEPF may utilize multiple fund-of-funds providers. There is no specific limit to the number of vendors to be utilized. However, EPCEPF will limit the number of vendors employed to the extent practical. Only those firms committed to providing ongoing access to the private equity arena through fund-of-funds offerings, that have a demonstrated record of investing client funds in top tier private equity partnerships and that limit assets accepted for management to sums that can in fact be committed in top tier funds will be considered.

EPCEPF recognizes that many well-qualified fund-of-funds providers make direct private equity investments within the fund-of-funds vehicles. Such investments are permissible provided that they constitute a comparatively small portion of the total fund of funds asset base (typically less than 20%). These direct investments are not required and EPCEPF's staff, when provided a choice, may elect to exclude such investments.

Investment Objective

The investment objective of the private equity allocation is to achieve consistent positive real returns and to maximize long-term total return within prudent levels of risk through capital appreciation and diversification. EPCEPF's holdings will be professionally managed on a cash-to-cash basis and will have broad exposure to all key private corporate finance strategies (e.g., venture capital, acquisition, special situation, etc.), with allocations to the various strategies diversified in a manner consist with institutional private equity programs generally.

Performance Objectives

Due to the inevitability of short-term market fluctuations that may cause variations in the investments' performance and the long lead-time associated with private equity, it is intended that the performance objectives outlined below will be achieved by the fund-of-funds over the life of the vehicle(s), generally 12 years. However, the Board reserves the right to evaluate the funds' interim performance. Annual performance will be evaluated to test progress toward attainment of these longer-term goals. It is understood that there are likely to be short-term periods during which performance deviates from expectations. Minimum expectations are as follows:

1. It is expected that the private equity program will over rolling 5-year periods provide net of fee returns in excess of those available in the public markets. The return target for the private equity program is the Russell 3000 Index plus 300 basis points calculated on a time-weighted basis. The rate of return for the fund-of-funds will also be calculated on an internal rate of return basis net of all fees and expenses.

2. The fund's IRR performance will also be benchmarked on a vintage year basis against peer groups in the Thomson Reuter's Private Equity Database. These return comparisons will be net of underlying partnership fees and expenses, but gross of the fund-of-funds' fees and expenses. It is expected that the vehicles will attain performance rankings consistent with the top-quartile levels of return evidenced in the database.

Attainment of these objectives does not guarantee continued investment by the Board in a specific manager's fund-of-funds vehicles, nor does failure to achieve these guidelines ensure a lack of future investment support for follow-on vehicles. Providers are selected at the discretion of the Board.

In private equity investing there is the risk of sustaining a loss on any of the individual investments. It is EPCEPF's expectation that, while specific investments may incur losses of all or part of capital invested, a diversified portfolio of holdings will produce a positive rate of return in the expected range set forth above.

Guidelines

As private equity fund-of-funds vehicles are commingled, closed-end, finite-life limited liability entities, the investment guidelines will be determined by the fund-of-funds legal documentation. But, the vehicle's manager in managing the portfolio should take prudent care. In addition, the following stipulation(s) apply:

- The EPCEPF funds invested in the pooled/fund-of-funds vehicle should not represent more than 20% of the total market value of the pooled/fund-of-funds. It is also preferred that this holds true for any other investor in these pooled/fund-of-funds.

- The manager of the fund-of-funds vehicle shall be a Bank or a registered advisor under the Investment Advisors Act of 1940.

- If the fund-of-funds provides the option of receiving distributions in cash or securities, the Trust will opt to receive cash.

Reporting Requirements

Reporting requirements will be governed by the fund-of-funds legal documentation, which at a minimum will provide for quarterly unaudited financial statements and other relevant investment holdings-related exhibits, and annual audited financial statements and relevant investment holdings-related exhibits.

Absolute Return

Investment Guidelines

In order to ensure adequate diversification and prudently manage the costs associated with the custody of absolute return investments, these investments will be made using a commingled fund.

As such, the investment guidelines will be governed by the fund's prospectus.

Investment Objective

The investment objective is to achieve long-term growth of capital with less volatility than public equities and out-perform the 60% MSCI ACWI/40% BC Global Aggregate Index.

Investment Strategy

Management of these types of portfolios will seek to achieve the investment objective through a variety of investments detailed in the section below. Security and sector selection, portfolio structure and timing of purchases and sales are delegated to the manager of the portfolio, subject to these guidelines.

Portfolio Restrictions

Permissible Investments include the following:

- Common Stock
- ADRs
- GDRs
- Preferred Stock
- Exchange-traded Funds ("ETFs")
- Participation Notes
- Fixed Income Securities
- Futures
- Options
- Real Estate (tradable securities)
- Commodities (tradable securities)
- Cash and Cash Equivalents

Currency exposures may be obtained through currency spot, forward, and swap contracts.

Cash

Investment Guidelines

The investment objective is to produce a return that equates to prevailing short-term rates applicable to the quality specified below.

All monies not deployed in other permitted investments shall be invested in short-term investment vehicles as provided below.

Money market instruments shall include:

- Direct obligations of the U.S. Treasury including bills, notes, and bonds, and repurchase agreements secured by those obligations.
- U.S. Government and U.S. Treasury money market mutual funds that are SEC registered and comply with Rule 2(a)-7 under the Investment Company Act of 1940. The investment guidelines will be governed by the fund's prospectus.

Investment Manager Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2017. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended August 31, 2017

	Last Month	Last Year	Last 3 Years	Last 5 Years
Domestic Equity	(0.69%)	16.16%	8.71%	14.08%
Russell 3000 Index	0.19%	16.06%	9.08%	14.27%
Excess Return	(0.88%)	0.09%	(0.37%)	(0.19%)
Mellon Equity Index (06/94)	0.30%	16.25%	9.56%	14.59%
S&P 500 Index	0.31%	16.23%	9.54%	14.34%
Excess Return	(0.00%)	0.01%	0.01%	0.25%
Mellon Dynamic US Equity (12/13)	0.90%	17.95%	12.30%	-
S&P 500 Index	0.31%	16.23%	9.54%	14.34%
Excess Return	0.60%	1.72%	2.75%	-
Vulcan All Cap (12/13)	(3.25%)	16.74%	6.75%	-
Russell 3000 Index	0.19%	16.06%	9.08%	14.27%
Excess Return	(3.44%)	0.68%	(2.33%)	-
Wedge (12/11)	(2.48%)	12.22%	7.38%	13.78%
Wedge Spliced Index*	(0.83%)	13.22%	6.54%	12.23%
Excess Return	(1.65%)	(1.00%)	0.84%	1.54%
Riverbridge (10/13)	(1.37%)	16.12%	8.10%	-
Riverbridge Spliced Index****	(0.83%)	13.22%	6.54%	12.44%
Excess Return	(0.54%)	2.90%	1.56%	-
International Equity	0.61%	20.17%	3.08%	7.60%
MSCI ACWI ex-US IMI Index	0.60%	18.98%	2.75%	7.74%
Excess Return	0.01%	1.19%	0.33%	(0.14%)
Mellon International (03/13)	(0.03%)	17.90%	3.07%	-
MSCI EAFE Index	(0.04%)	17.64%	2.83%	8.48%
Excess Return	0.00%	0.26%	0.25%	-
Franklin Templeton Int'l Equity (04/13)	0.22%	21.41%	5.34%	-
MSCI ACWI ex-US Small Cap	1.08%	19.57%	5.31%	10.30%
Excess Return	(0.87%)	1.85%	0.04%	-
Lazard International Equity (04/13)	(0.06%)	15.75%	2.24%	-
MSCI ACWI ex-US IMI	0.60%	18.98%	2.75%	7.74%
Excess Return	(0.66%)	(3.23%)	(0.51%)	-
AQR Emerging Markets (05/14)	3.15%	30.19%	2.97%	-
MSCI Emerging Mkts Idx	2.27%	24.99%	2.75%	5.67%
Excess Return	0.88%	5.20%	0.22%	-
Private Equity	0.00%	9.59%	11.71%	-
Russell 3000 Index	0.19%	16.06%	9.08%	14.27%
Excess Return	(0.19%)	(6.48%)	2.63%	-
PAPEF VII (01/13)*****	0.00%	8.83%	9.54%	-
Russell 3000 Index	0.19%	16.06%	9.08%	14.27%
Excess Return	(0.19%)	(7.23%)	0.46%	-
PASF II (01/13)*****	0.00%	7.57%	14.12%	-
Russell 3000 Index	0.19%	16.06%	9.08%	14.27%
Excess Return	(0.19%)	(8.49%)	5.04%	-
PAPEF VIII (04/16)*****	0.00%	1.53%	-	-
Russell 3000 Index	0.19%	16.06%	9.08%	14.27%
Excess Return	(0.19%)	(14.53%)	-	-

* Wedge Index was Russell 2500 through 12/31/2013, Russell 2000 through 6/30/2016, and Russell 2500 thereafter.
** All returns are net of fees.
*** Fiscal Year is September 1st - August 31st.
**** Riverbridge Index was Russell 2000 through 6/30/2016 and Russell 2500 thereafter.
***** Portfolio Advisors is lagged 1 quarter and revalued once each quarter.

Investment Manager Excess Returns

The table below details the rates of return for the fund's investment managers over various time periods ended August 31, 2017. Negative manager excess returns are shown in red, positive excess returns in green. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended August 31, 2017

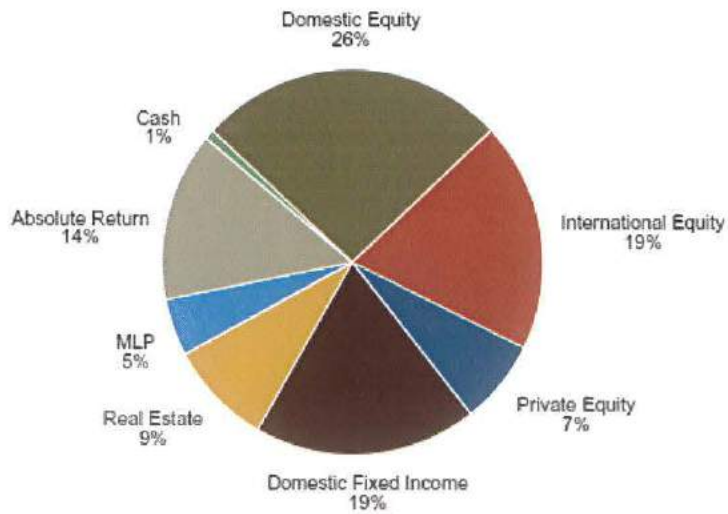
	Last Month	Last Year	Last 3 Years	Last 5 Years
Fixed Income	**0.58%**	**3.13%**	**2.15%**	**2.67%**
Blmbg Aggregate Index	0.90%	0.49%	2.64%	2.19%
Excess Return	**(0.32%)**	**2.64%**	**(0.50%)**	**0.48%**
Mellon Agg Index (01/06)	0.87%	(0.14%)	2.23%	1.92%
Blmbg Aggregate Index	0.90%	0.49%	2.64%	2.19%
Excess Return	**(0.03%)**	**(0.64%)**	**(0.41%)**	**(0.27%)**
Janus Core Plus (11/12)	0.75%	1.47%	2.43%	-
Blmbg Aggregate Index	0.90%	0.49%	2.64%	2.19%
Excess Return	**(0.15%)**	**0.98%**	**(0.21%)**	-
Franklin Templeton Global Plus(11/12)	0.00%	9.29%	1.15%	-
Blmbg Multiverse Index	0.97%	0.80%	0.86%	1.17%
Excess Return	**(0.97%)**	**8.48%**	**0.30%**	-
Real Estate	**0.00%**	**4.22%**	**7.47%**	**8.38%**
Real Estate Benchmark****	0.50%	5.05%	9.30%	10.27%
Excess Return	**(0.50%)**	**(0.83%)**	**(1.82%)**	**(1.89%)**
UBS Trumbull Fund (01/12)***	0.00%	4.23%	8.29%	8.56%
NFI-ODCE Equal Weight Net	0.50%	6.91%	10.26%	10.68%
Excess Return	**(0.50%)**	**(2.68%)**	**(1.97%)**	**(2.12%)**
Heitman (10/15)***	0.00%	6.77%	-	-
NFI-ODCE Equal Weight Net	0.50%	6.91%	10.26%	10.68%
Excess Return	**(0.50%)**	**(0.14%)**	-	-
MLPs				
Salient Advisors (08/14)	(4.70%)	0.05%	(11.45%)	-
S&P MLP Index	(4.40%)	(1.19%)	(13.54%)	0.50%
Excess Return	**(0.30%)**	**1.24%**	**2.09%**	-
Absolute Return				
Allianz (11/15)	(0.10%)	8.96%	-	-
60% ACWI/40% BC Gbl Agg	0.63%	10.08%	-	-
Excess Return	**(0.73%)**	**(1.12%)**	-	-
AQR Style Premia (4/16)	1.26%	10.28%	-	-
60% ACWI/40% BC Gbl Agg	0.63%	10.08%	-	-
Excess Return	**0.63%**	**0.20%**	-	-
Invesco (7/17)	0.00%	-	-	-
60% ACWI/40% BC Gbl Agg	0.63%	10.08%	-	-
Excess Return	**(0.63%)**	-	-	-
Cash	**0.20%**	**1.50%**	**1.76%**	**1.15%**
3-month Treasury Bill	0.09%	0.62%	0.29%	0.20%
Excess Return	**0.11%**	**0.88%**	**1.47%**	**0.95%**
Total Fund	**(0.14%)**	**10.30%**	**4.42%**	**8.34%**
Strategic Blended Index*	0.26%	10.09%	4.99%	8.61%
Excess Return	**(0.40%)**	**0.21%**	**(0.58%)**	**(0.27%)**

* Current Month Target = 27.0% Russell 3000 Index, 19.0% Blmbg Aggregate, 16.0% MSCI ACWI ex US IMI, 10.0% NCREIF NFI-ODCE Eq Wt Net, 9.0% MSCI ACWI, 7.0% Russell 3000 Index, 6.0% Blmbg Global Aggregate, 5.0% S&P MLP Index and 1.0% 3-month Treasury Bill.
*** UBS Trumbull and Heitman are re-valued once a quarter.
**** The Real Estate Benchmark is the NFI-ODCE Equal Weight Net as of 1/31/2017.

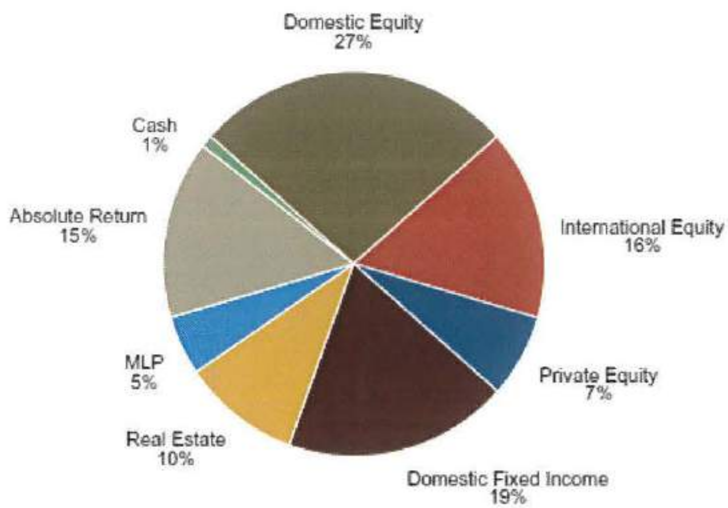
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of August 31, 2017. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



Asset Class	$Dollars Actual	Percent Actual	Percent Target	Percent Difference	$Dollars Difference
Domestic Equity	202,052,801	26.1%	27.0%	(0.9%)	(6,841,172)
International Equity	149,360,063	19.3%	16.0%	3.3%	25,571,049
Private Equity	54,749,135	7.1%	7.0%	0.1%	591,440
Domestic Fixed Income	146,491,066	18.9%	19.0%	(0.1%)	(508,389)
Real Estate	68,147,132	8.8%	10.0%	(1.2%)	(9,221,004)
MLP	37,204,996	4.8%	5.0%	(0.2%)	(1,479,072)
Absolute Return	109,534,346	14.2%	15.0%	(0.8%)	(6,517,862)
Cash	6,141,813	0.8%	1.0%	(0.2%)	(1,595,000)
Total	773,681,352	100.0%	100.0%		

*Current Month Target Performance is calculated using monthly rebalancing.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of August 31, 2017, with the distribution as of July 31, 2017. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	August 31, 2017				July 31, 2017	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity	**$202,052,801**	**26.12%**	**$(3,125,810)**	**$(1,309,480)**	**$206,488,091**	**26.58%**
Mellon Equity Index	66,081,017	8.54%	(3,000,000)	197,794	68,883,223	8.87%
Mellon Dynamic US Equity	50,171,964	6.48%	0	448,097	49,723,867	6.40%
Vulcan All Cap	28,897,154	3.74%	0	(970,091)	29,867,246	3.84%
Wedge	27,845,249	3.60%	(60,278)	(646,573)	28,552,100	3.68%
Riverbridge	29,057,417	3.76%	(65,531)	(338,707)	29,461,655	3.79%
International Equity	**$149,360,063**	**19.31%**	**$(3,019,473)**	**$918,643**	**$151,460,892**	**19.50%**
Mellon International Stock Index	60,090,019	7.77%	(3,000,000)	(43,968)	63,133,988	8.13%
LSV*	937	0.00%	0	8	929	0.00%
Franklin Templeton Int'l Equity	28,027,381	3.62%	0	60,246	27,967,135	3.60%
Lazard International Equity	31,683,453	4.10%	0	(19,109)	31,702,563	4.08%
AQR Emerging Markets	29,558,272	3.82%	(19,473)	921,467	28,656,278	3.69%
Private Equity	**$54,749,135**	**7.08%**	**$0**	**$0**	**$54,749,135**	**7.05%**
PAPEF VII	25,393,340	3.28%	0	0	25,393,340	3.27%
PASF II	15,594,559	2.02%	0	0	15,594,559	2.01%
PAPEF VIII	9,364,157	1.21%	0	0	9,364,157	1.21%
PASF III	4,397,079	0.57%	0	0	4,397,079	0.57%
Domestic Fixed Income	**$146,491,066**	**18.93%**	**$(98,581)**	**$961,857**	**$145,627,790**	**18.75%**
Mellon Aggregate Index	37,533,937	4.85%	(54,630)	384,321	37,204,247	4.79%
Janus Core Plus	71,748,870	9.27%	(43,951)	577,536	71,215,284	9.17%
Franklin Templeton Global Plus	37,208,259	4.81%	0	0	37,208,259	4.79%
Real Estate	**$68,147,132**	**8.81%**	**$0**	**$0**	**$68,147,132**	**8.77%**
UBS Trumbull Fund	34,579,056	4.47%	0	0	34,579,056	4.45%
Heitman	33,568,076	4.34%	0	0	33,568,076	4.32%
MLP	**$37,204,996**	**4.81%**	**$(70,222)**	**$(1,766,576)**	**$39,041,794**	**5.03%**
Salient Advisors	37,204,996	4.81%	(70,222)	(1,766,576)	39,041,794	5.03%
Absolute Return	**$109,534,346**	**14.16%**	**$0**	**$415,202**	**$109,119,144**	**14.05%**
Allianz	57,584,830	7.44%	0	(57,086)	57,641,917	7.42%
AQR Style Premia	38,037,756	4.92%	0	472,288	37,565,468	4.84%
Invesco	13,911,759	1.80%	0	0	13,911,759	1.79%
Cash	**$6,141,813**	**0.79%**	**$3,952,348**	**$10,917**	**$2,178,548**	**0.28%**
Total Fund	**$773,681,352**	**100.0%**	**$(2,361,738)**	**$(769,437)**	**$776,812,527**	**100.0%**

*Fund has been liquidated, only cash position remains.

EL PASO CITY EMPLOYEES' PENSION FUND
(A Component Unit of the City of El Paso, Texas)
SCHEDULE OF MANAGEMENT FEES AND BROKER COMMISSIONS
AUGUST 31, 2017

MANAGEMENT FEES	
FIXED INCOME MANAGERS	$185,338.00
EQUITY MANAGERS	$736,229.00
BANK COLLECTIVE INVESTMENT FUNDS MANAGERS	$225,738.00
COMMINGLED FIXED INCOME FUNDS MANAGERS	$373,145.00
COMMINGLED EQUITY FUNDS MANAGERS	$437,549.00
REAL ESTATE INVESTMENT TRUST MANAGERS	$24,149.00
PRIVATE REAL ESTATE MANAGERS	$649,344.00
PRIVATE EQUITY MANAGERS	$813,585.00
ABSOLUTE VALUE MANAGERS	$2,049,790.00
MASTER LIMITED PARTNERSHIP MANAGERS	$288,907.00
TOTAL	$5,783,774.00

BROKER COMMISSIONS	
BARCLAYS CAPITAL LE, NEW JERSEY	$3,963.51
BERNSTEIN SANFORD C & CO, NEW YORK	$1,976.67
CANTOR FITZGERALD & CO INC, NEW YORK	$6,820.20
CITIGROUP GBL MKTS INC, NEW YORK	$1,162.02
GOLDMAN SCAHS & CO, NY	$5,306.58
J.P. MORGAN CLEARING CORP, NY	$4,144.48
JONESTRADING INSTL SVCS LLC, WESTLAKE	$6,529.23
MERRILL LYNCH PIERCE FENNER SMITH INC NY	$8,398.29
MORGAN STANLEY & CO INC, NY	$2,276.16
NATIONAL FINL SVCS CORP, NEW YORK	$1,405.16
PERSHING LLC, JERSEY CITY	$5,789.71
STIFEL NICOLAUS	$2,030.71
WELLS FARGO SECURITIES LLC, CHARLOTTE	$1,052.44
WILLAM BLAIR & CO, CHICAGO	$1,461.10
OTHER	$5,251.31
TOTAL	$57,567.57

ACTUARIAL SECTION

CONDUENT

December 1, 2017

David J. Kershner
Principal, Wealth
David.Kershner@conduent.com
602.803.6174

Mr. Robert B. Ash
Pension Administrator
El Paso City Employees' Pension Fund
400 West San Antonio, Suite B
El Paso, TX 79901-1196

Re: September 1, 2017 Roll-Forward Valuation Results

Dear Mr. Ash,

This report provides the results of the September 1, 2017 roll-forward valuation of the El Paso City Employees' Pension Fund (Fund). It is based on a roll-forward of the September 1, 2016 valuation liabilities (assuming no liability gains or losses during the year) and the August 31, 2017 asset statement that was provided to us by the City.

The primary purpose of the roll-forward valuation is to present the estimated actuarial position of the El Paso City Employees' Pension Fund as of September 1, 2017.

Use of this report for any other purpose or by anyone other than the City or the Board may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Conduent will not accept any liability for any such statement made without prior review by Conduent.

This roll-forward valuation is based on the participant data, plan provisions, and actuarial assumptions and methods described in the September 1, 2016 actuarial valuation report.

Where presented, references to "funded ratio" and "unfunded accrued liability" typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the Fund if the Fund were to settle (i.e., purchase annuities) for a portion or all of its liabilities.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

This report was prepared under my supervision and in accordance with all applicable Actuarial Standards of Practice. I am a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries and a Fellow of the Conference of Consulting Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

I am available to discuss this report with you at your convenience. I can be reached at 602-803-6174.

Sincerely,

David J. Kershner, FSA, EA, MAAA, FCA
Principal

	September 1, 2017	September 1, 2016
Membership[1]		
Active		4,217
Terminated with deferred benefits		141
Retired paid from Fund[2]		2,863
Compensation		
Total		$ 156,336,028
Average		$ 37,073
Assets		
Market value	$ 776,137,711	$ 723,103,443
Actuarial value	$ 785,412,525	$ 749,026,818
Valuation Results		
Actuarial Accrued Liability (AAL)	$ 975,995,580	$ 945,772,098
Actuarial Value of Assets (AVA)	$ 785,412,525	$ 749,026,818
Funded ratio (AVA/AAL)	80.5%	79.2%
Unfunded Actuarial Accrued Liability (UAAL)	$ 190,583,055	$ 196,745,280
UAAL funding period	14 years	17 years

[1] Census data as of July 1 preceding valuation date.

[2] Excludes retirees for whom annuities were purchased from Prudential, but whose cost-of-living increases are paid by the Fund.

CONDUENT

CONDUENT

14911 Quorum Drive
Suite 200
Dallas, TX 75254

tel: 972-628-6800

January 20, 2017

Mr. Robert B. Ash
Pension Administrator
El Paso City Employees' Pension Fund
400 West San Antonio, Suite B
El Paso, TX 79901-1196

We certify that the information contained in this report is accurate and fairly presents the actuarial position of the El Paso City Employees' Pension Fund (the Fund) as of September 1, 2016.

Purpose of This Report

The primary purpose of the valuation report is to determine the adequacy of the current contribution rate of the City, to describe the current financial condition of the Fund, and to analyze changes in the Fund's condition. In addition, the report provides information required by the Governmental Accounting Standards Board Statement No. 67 (GASB 67). GASB 67 is an amendment of GASB Statement No. 25 and was issued in 2012. This standard took effect for the Fund in the fiscal year ended August 31, 2014. Additionally, historical funding information is included as part of this report.

Valuations are prepared biennially, as of September 1 of even years. September 1 is the first day of the Fund's plan year. Interim valuations are prepared as of September 1 of odd years based on updated assets and a roll forward of liabilities from the previous valuation.

Use of this report for any other purpose or by anyone other than the Fund and its auditors may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, Conduent recommends requesting it to perform an advance review of any statement, document, or filing based on information contained in this report. Conduent will accept no liability for any such statement, document or filing made without prior review by Conduent.

Financing Objectives

The member and employer contribution rates are established by ordinance. The City currently contributes 14.05% of total salary and the Member contributes 8.95% of total salary effective as of September 1, 2014. These rates are intended to be sufficient to pay the normal cost and to amortize the Fund's unfunded actuarial accrued liability.

Progress Toward Realization of Financing Objectives

As of September 1, 2016, the normal cost percent is 12.19% of total salary. This is less than the 23.00% of total salary combined rate currently required by law, so the current contribution rates result in 10.81% of total salary available to amortize the unfunded actuarial accrued liability (UAAL). The number of years to amortize the UAAL is 17. This amount is more than the 11 years to amortize the UAAL calculated as of September 1, 2014. The increase in amortization period is primarily the result of worse-than-expected market returns on assets.

Benefit Provisions

The actuarial valuation reflects the benefit and contribution provisions set forth in the Fund's statutes. A summary of the benefit provisions used in the valuation is presented in Schedule B. There were no changes in benefit provisions since the previous valuation.

Actuarial Assumptions and Methods

The actuarial assumptions and methods used in the valuation are presented in Schedule C. Mortality rates, retirement rates, disability rates, termination rates, expected overtime rate, expected rate of inflation, and expected salary increases were all changed from the previous valuation as a result of the experience study presented to the Board in September 2016. In our opinion, the assumptions used are reasonable and represent our best estimate of the long-term expectations under the Fund. The assumptions comply with the requirements of GASB 67.

Data

Member data for retired, active, and inactive members was supplied as of July 1, 2016 by the City. The City is solely responsible for the accuracy and comprehensiveness of the data. We did not verify the accuracy of the data, but did perform tests for consistency and reasonableness. Asset information was supplied by the City.

Trend Data and Supporting Schedules

The City prepared all trend data schedules in the financial section of Comprehensive Annual Financial Report (CAFR). The City also prepared all supporting schedules in the actuarial section of the CAFR.

Actuarial Certification

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

Where presented, references to "funded ratio" and "unfunded accrued liability" typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the Fund if the Fund were to settle (i.e., purchase annuities) for a portion or all of its liabilities.

David Kershner is a Fellow of the Society of Actuaries and an Enrolled Actuary. Janie Shaw is an Associate of the Society of Actuaries. Both are Members of the American Academy of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice. We are available to answer questions about the material presented in this report.

Conduent HR Services

Janie Shaw

Janie Shaw, ASA, MAAA
Consultant, Retirement

David J. Kershner, FSA, EA, MAAA
Principal, Retirement

DK/em
ElPasoCity 011817 DD DK_AVRRpt_ 2016

Section 1 – Summary of Valuation Results

	September 1, 2016	September 1, 2014
Membership[1]		
Active	4,217	4,149
Terminated with deferred benefits[2]	141	150
Retired paid from Fund[3]	2,863	2,627
Compensation		
Total	$ 156,336,028	$ 153,613,608
Average	$ 37,073	$ 37,024
Assets		
Market value	$ 723,103,443	$ 732,528,317
Actuarial value	$ 749,026,818	$ 663,063,411
Valuation Results		
Unfunded actuarial accrued liability (UAAL)	$ 196,745,280	$ 196,681,524
Funding period	17 years	11 years
Funding		
Actuarial accrued liability (AAL)	$ 945,772,098	$ 859,744,935
Assets (actuarial)	$ 749,026,818	$ 663,063,411
Funding ratio	79.2%	77.1%
Unfunded AAL	$ 196,745,280	$ 196,681,524
GASB 67		
Discount rate	7.50%	7.50%
Total pension liability	$ 945,772,098	$ 859,744,935
Fiduciary net position	$ 723,103,443	$ 732,528,317
Net pension liability	$ 222,668,655	$ 127,216,618

1 Census data as of July 1 preceding valuation date.
2 Excludes terminated members entitled to refunds of contributions paid after July 1.
3 Excludes retirees for whom annuities were purchased from Prudential, but whose cost-of-living increases are paid by the Fund.

Section 2 – Comments on the Valuation

Overview

The overall funded position of the Fund has increased since the September 1, 2014 valuation. The Fund is now in a better funding position on an actuarial value of assets basis. This is primarily due to a combination of lower-than-expected salary increases, recognition of deferred asset gains from previous years, and changes in actuarial assumptions.

Section 3 shows in more detail the changes to the UAAL, the funding cost, and the funding period based on the current contribution rates.

Funding Status

There are two significant measures of the funded status of the Fund. The first is the 30-year funding cost. This is the City contribution rate required to pay the normal cost and to amortize the UAAL over a 30-year period. This rate is currently 10.41% of total salary compared with the City's actual contribution rate of 14.05% of total salary. Section 3 shows a reconciliation of the changes between the 2014 and 2016 figures.

The other measure is the funding period. This is the length of time in years that will be required to amortize the UAAL based on the current contribution rate. This period is 17 years, compared to a period of 11 years in 2014.

The UAAL is the excess of the liability assigned to prior years (the actuarial accrued liability) over the actuarial value of assets. Section 3 shows a reconciliation of this amount between 2014 and 2016.

GASB Standards

Section 4 provides information required under GASB 67. This standard amended GASB 25 and took effect in the fiscal year ending August 31, 2014. The required reporting for the Fund under Governmental Accounting Standards Board Statement No. 68 will be covered in a separate report/letter. This standard amended GASB 27 and took effect in the fiscal year ending August 31, 2015. Section 5 of this report provides historical information previously provided under GASB 25 and 27

Benefit Provisions

Schedule B summarizes the benefit provisions of the Fund. The provisions were changed effective September 1, 2011 so that Members of the Fund prior to September 1, 2011 are eligible for the First Tier Plan and Members of the Fund on or after September 1, 2011 are eligible for the Second Tier Plan. There are no significant benefits which were not taken into account in this valuation.

Actuarial Assumptions and Methods

Schedule C describes the actuarial assumptions and methods used for this valuation. An experience study was performed in 2016. As recommended in that study, the Board adopted actuarial assumption changes in 2016 to better reflect anticipated experience of the Fund.

Financial Data

The financial data used in this report was provided by the City.

Section 6 reconciles the Fund's assets between 2014 and 2016 and shows the development of the actuarial value of assets (AVA). Rather than using the market value for cost calculations, we use an adjusted market value, which phases in gains and losses (compared to the assumed investment return rate) over five years.

Section 2 – Comments on the Valuation (continued)

Membership Statistics

Data on active members and on retired members was supplied by the City. The active membership increased from 4,149 to 4,217 between 2014 and 2016, a 1.6% increase over the two year period, while payroll grew from $153.6 million to $156.3 million over the same period, a 1.8% increase. Schedule A includes a summary of the membership data.

Section 3 – Actuarial Funding Requirements

Actuarial Cost, Margin and Funding Period

		September 1, 2016	September 1, 2014
1.	Covered Payroll	$ 156,336,028	$ 153,613,608
2.	Actuarial present value of future pay	$ 1,204,554,432	$ 1,035,206,280
3.	Current contribution rates		
	a. City	14.05%	14.05%
	b. Member	8.95%	8.95%
	c. Total	23.00%	23.00%
4.	Normal cost rate		
	a. Total (before adjustment for overtime)	12.68%	14.48%
	b. Total (after adjustment for overtime)	12.19%	14.20%
	c. Member contribution rate	8.95%	8.95%
	d. Employer normal cost rate (4b – 4c)	3.24%	5.25%
5.	Actuarial present value of future benefits	$ 1,098,509,600	$ 1,009,642,804
6.	Actuarial present value of future normal costs (4a x 2)	$ 152,737,502	$ 149,897,869
7.	Actuarial accrued liability (5 – 6)	$ 945,772,098	$ 859,744,935
8.	Actuarial value of assets	$ 749,026,818	$ 663,063,411
9.	Unfunded actuarial accrued liability (UAAL) (7 – 8)	$ 196,745,280	$ 196,681,524
10.	30-year funding cost for City*		
	a. Employer normal cost rate (4d)	3.24%	5.25%
	b. Amortization rate	7.17%	7.02%
	c. Total	10.41%	12.27%
11.	Margin over/(under) 30-year cost (3a – 10c)*	3.64%	1.78%
12.	Funding period to amortize UAAL*	17 years	11 years

* 30-year funding cost as calculated under previous accounting standards. The actual funding period is calculated based on level contributions as a percentage of payroll and reflects the provisions of the second tier plan for Members on or after September 1, 2011. The normal cost rate as of September 1, 2016 based on the provisions of the second-tier plan is 10.87% (before adjustment for overtime).

Section 3 – Actuarial Funding Requirements (continued)

Analysis of Change in UAAL

1.	UAAL as of September 1, 2014	$	196,681,524
2.	Changes due to:		
	a. Expected increase		2,170,669
	b. Actual contributions greater than expected		(2,632,020)
	c. Other changes including liability experience		(22,734,597)
	d. Asset experience		(14,313,194)
	e. Assumption changes		37,572,898
	Total Changes	$	63,756
3.	UAAL as of September 1, 2016	$	196,745,280

Analysis of Change in Funding Cost

1.	30-year funding cost as of September 1, 2014	12.27%
2.	Changes due to:	
	a. Actual contributions greater than expected	(0.09)%
	b. Other changes including liability experience	(1.16)%
	c. Asset experience	(0.52)%
	d. Assumption changes	(0.09)%
	Total	(1.86)%
3.	30-year funding cost as of September 1, 2016	10.41%

Section 3 – Actuarial Funding Requirements (continued)

Analysis of Change in Funding Period

1.	Funding period as of September 1, 2014	11 years
2.	Changes due to:	
	a. Passage of time	(2)
	b. Actual contributions greater than expected	0
	c. Other changes including liability experience	2
	d. Asset experience	4
	e. Assumption changes	2
	Total	6
3.	Funding period as of September 1, 2016	17 years

Section 4 – GASB 67 Information

Net Pension Liability

The components of the net pension liability at August 31, 2016 are as follows:

Total pension liability	$	945,772,098
Plan fiduciary net position	$	723,103,443
Plan's net pension liability	$	222,668,655
Plan fiduciary net position as a percentage of the total pension liability		76.46%
Net pension liability as a percentage of covered-employee payroll		142.43%

Actuarial Cost Method

Entry Age Normal – Level Percentage of Pay

Asset Valuation Method

Plan invested assets are reported at fair value.

Actuarial Assumptions

The total pension liability as of August 31, 2016 was determined based on July 2016 data using actuarial assumptions outlined in Schedule C. There was no required adjustment in discount rate as of August 31, 2016.

The long-term expected rate of return on pension fund investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension fund's target asset allocation as of August 31, 2016 are summarized in the following table:

Asset Class	Long-Term Expected Rate of Return
Domestic Equity	9.41%
International Equity	7.84%
Fixed Income	1.69%
Real Estate	6.46%
Alternatives	7.39%

The assumed annual inflation rate is 3.00%.

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	$334,907,282	$222,668,655	$128,639,579

Section 4 - GASB 67 Information (continued)

Schedules of Required Supplementary Information

Schedule of Changes in Plan's Net Pension Liability and Related Ratios

		2016
Total pension liability		
Service cost	$	23,021,764
Interest	$	66,845,529
Changes of benefit terms	$	0
Differences between expected and actual experience	$	(22,728,241)
Changes of assumptions	$	37,572,898
Benefit payments	$	(54,383,629)
Net change in total pension liability	$	50,328,321
Total pension liability-beginning	$	895,443,777
Total pension liability-ending (a)	$	945,772,098
Plan fiduciary net position		
Contributions-employer	$	23,370,111
Contributions-employee	$	14,886,249
Net investment income	$	40,260,073
Benefit payments, including refunds of employee contributions	$	(54,383,629)
Administrative expense	$	(1,417,530)
Other	$	0
Net change in plan fiduciary net position	$	22,715,274
Plan fiduciary net position-beginning	$	700,388,169
Plan fiduciary net position-ending (b)	$	723,103,443
Authority's net pension liability-ending (a)-(b)	$	222,668,655
Plan fiduciary net position as a percentage of the total pension liability		76.46%
Covered-employee payroll	$	156,336,028
Net pension liability as a percentage of covered-employee payroll		142.43%

The actuarially determined contribution required to be disclosed under GASB 67 was not determined since City and Member contribution rates are established by ordinance.

Section 4 - GASB 67 Information (continued)

Table 1 – Projection of Fiduciary Net Position (000's omitted)

Fiscal Year Ending 8/31	Beginning Fiduciary Net Position	Member Contributions	Employer Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	Ending Fiduciary Net Position
2017	723,103	15,333	24,071	62,418	1,460	54,830	753,459
2018	753,459	13,257	22,206	62,401	1,504	55,462	780,480
2019	780,480	12,589	22,487	65,392	1,549	57,363	805,978
2020	805,978	11,962	22,798	68,448	1,595	59,149	829,843
2021	829,843	11,359	23,133	71,500	1,643	60,815	852,007
2022	852,007	10,792	23,498	74,534	1,693	62,356	872,427
2023	872,427	10,251	23,890	77,652	1,743	63,766	890,938
2024	890,938	9,710	24,300	80,837	1,796	65,030	907,346
2025	907,346	9,188	24,735	83,855	1,850	66,144	921,710
2026	921,710	8,686	25,195	83,041	1,905	67,248	937,892
2027	937,892	8,200	25,681	85,895	1,962	68,354	952,270
2028	952,270	7,737	26,194	88,567	2,021	69,334	964,946
2029	964,946	7,288	26,734	91,001	2,082	70,196	976,082
2030	976,082	6,858	27,301	93,276	2,144	70,950	985,771
2031	985,771	6,446	27,896	95,452	2,208	71,601	994,052
2032	994,052	6,040	28,516	97,398	2,275	72,156	1,001,091
2033	1,001,091	5,666	29,171	99,105	2,343	72,629	1,007,109
2034	1,007,109	5,309	29,855	100,599	2,413	73,035	1,012,295
2035	1,012,295	4,962	30,567	101,940	2,486	73,385	1,016,784
2036	1,016,784	4,630	31,310	103,036	2,560	73,694	1,020,821

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Table 1 – Projection of Fiduciary Net Position (000's omitted)

Fiscal Year Ending 8/31	Beginning Fiduciary Net Position	Member Contributions	Employer Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	Ending Fiduciary Net Position
2037	1,020,821	4,313	32,084	103,965	2,637	73,976	1,024,592
2038	1,024,592	4,004	32,888	104,639	2,716	74,250	1,028,379
2039	1,028,379	3,712	33,726	105,136	2,798	74,533	1,032,416
2040	1,032,416	3,431	34,595	105,396	2,882	74,844	1,037,008
2041	1,037,008	3,157	35,497	105,402	2,968	75,209	1,042,501
2042	1,042,501	2,902	36,435	105,156	3,057	75,651	1,049,277
2043	1,049,277	2,656	37,408	104,691	3,149	76,200	1,057,701
2044	1,057,701	2,426	38,418	103,948	3,243	76,885	1,068,238
2045	1,068,238	2,206	39,464	102,910	3,341	77,740	1,081,398
2046	1,081,398	2,003	40,551	101,677	3,441	78,801	1,097,635
2047	1,097,635	1,807	41,675	100,296	3,544	80,100	1,117,377
2048	1,117,377	1,612	42,835	98,750	3,650	81,669	1,141,092
2049	1,141,092	1,421	44,033	97,011	3,760	83,545	1,169,321
2050	1,169,321	1,238	45,273	95,097	3,873	85,767	1,202,630
2051	1,202,630	1,070	46,556	92,927	3,989	88,382	1,241,723
2052	1,241,723	915	47,885	90,627	4,108	91,438	1,287,226
2053	1,287,226	763	49,257	88,150	4,232	94,982	1,339,846
2054	1,339,846	629	50,678	85,463	4,359	99,070	1,400,402
2055	1,400,402	511	52,149	82,648	4,489	103,761	1,469,685
2056	1,469,685	402	53,668	79,571	4,624	109,117	1,548,677
2057	1,548,677	315	55,242	76,377	4,763	115,209	1,638,304
2058	1,638,304	239	56,868	73,016	4,906	122,106	1,739,596

Table 1 – Projection of Fiduciary Net Position (000's omitted)

Fiscal Year Ending 8/31	Beginning Fiduciary Net Position	Member Contributions	Employer Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	Ending Fiduciary Net Position
2059	1,739,596	178	58,550	69,572	5,053	129,884	1,853,584
2060	1,853,584	127	60,286	66,033	5,204	138,620	1,981,380
2061	1,981,380	89	62,079	62,434	5,361	148,396	2,124,151
2062	2,124,151	61	63,931	58,825	5,521	159,298	2,283,094
2063	2,283,094	40	65,841	55,234	5,687	171,415	2,459,468
2064	2,459,468	25	67,810	51,691	5,858	184,839	2,654,594
2065	2,654,594	14	69,840	48,195	6,033	199,670	2,869,890
2066	2,869,890	8	71,933	44,781	6,214	216,013	3,106,848
2067	3,106,848	3	74,089	41,448	6,401	233,980	3,367,071
2068	3,367,071	1	76,311	38,224	6,593	253,690	3,652,257
2069	3,652,257	-	78,600	35,112	6,791	275,271	3,964,226
2070	3,964,226	-	80,958	32,123	6,994	298,858	4,304,924
2071	4,304,924	-	83,386	29,258	7,204	324,597	4,676,445
2072	4,676,445	-	85,888	26,523	7,420	352,646	5,081,036
2073	5,081,036	-	88,465	23,919	7,643	383,173	5,521,112
2074	5,521,112	-	91,119	21,450	7,872	416,359	5,999,267

Section 4 - GASB 67 Information (continued)

Table 2 – Actuarial Present Values of Projected Benefit Payments (000's omitted)

			Benefit Payments		Present Value of Benefit Payments		
Fiscal Year Ending 8/31	Beginning Fiduciary Net Position	Benefit Payments	Funded Portion	Unfunded Portion	Funded Portion at 7.50%	Unfunded Portion at 2.75%	Using a Single Discount Rate of 7.50%
2017	723,103	62,418	62,418	-	60,201	-	60,201
2018	753,459	62,401	62,401	-	55,986	-	55,986
2019	780,480	65,392	65,392	-	54,576	-	54,576
2020	805,978	68,448	68,448	-	53,142	-	53,142
2021	829,843	71,500	71,500	-	51,638	-	51,638
2022	852,007	74,534	74,534	-	50,073	-	50,073
2023	872,427	77,652	77,652	-	48,529	-	48,529
2024	890,938	80,837	80,837	-	46,994	-	46,994
2025	907,346	83,855	83,855	-	45,348	-	45,348
2026	921,710	83,041	83,041	-	41,775	-	41,775
2027	937,892	85,895	85,895	-	40,196	-	40,196
2028	952,270	88,567	88,567	-	38,555	-	38,555
2029	964,946	91,001	91,001	-	36,850	-	36,850
2030	976,082	93,276	93,276	-	35,136	-	35,136
2031	985,771	95,452	95,452	-	33,448	-	33,448
2032	994,052	97,398	97,398	-	31,748	-	31,748
2033	1,001,091	99,105	99,105	-	30,051	-	30,051
2034	1,007,109	100,599	100,599	-	28,376	-	28,376
2035	1,012,295	101,940	101,940	-	26,748	-	26,748

Table 2 – Actuarial Present Values of Projected Benefit Payments (000's omitted)

Fiscal Year Ending 8/31	Beginning Fiduciary Net Position	Benefit Payments	Benefit Payments: Funded Portion	Benefit Payments: Unfunded Portion	Present Value of Benefit Payments: Funded Portion at 7.50%	Present Value of Benefit Payments: Unfunded Portion at 2.75%	Present Value of Benefit Payments: Using a Single Discount Rate of 7.50%
2036	1,016,784	103,036	103,036	-	25,149	-	25,149
2037	1,020,821	103,965	103,965	-	23,606	-	23,606
2038	1,024,592	104,639	104,639	-	22,101	-	22,101
2039	1,028,379	105,136	105,136	-	20,657	-	20,657
2040	1,032,416	105,396	105,396	-	19,263	-	19,263
2041	1,037,008	105,402	105,402	-	17,920	-	17,920
2042	1,042,501	105,156	105,156	-	16,631	-	16,631
2043	1,049,277	104,691	104,691	-	15,402	-	15,402
2044	1,057,701	103,948	103,948	-	14,226	-	14,226
2045	1,068,238	102,910	102,910	-	13,101	-	13,101
2046	1,081,398	101,677	101,677	-	12,041	-	12,041
2047	1,097,635	100,296	100,296	-	11,049	-	11,049
2048	1,117,377	98,750	98,750	-	10,120	-	10,120
2049	1,141,092	97,011	97,011	-	9,248	-	9,248
2050	1,169,321	95,097	95,097	-	8,433	-	8,433
2051	1,202,630	92,927	92,927	-	7,666	-	7,666
2052	1,241,723	90,627	90,627	-	6,954	-	6,954
2053	1,287,226	88,150	88,150	-	6,292	-	6,292
2054	1,339,846	85,463	85,463	-	5,675	-	5,675
2055	1,400,402	82,648	82,648	-	5,105	-	5,105
2056	1,469,685	79,571	79,571	-	4,572	-	4,572

Table 2 – Actuarial Present Values of Projected Benefit Payments (000's omitted)

Fiscal Year Ending 8/31	Beginning Fiduciary Net Position	Benefit Payments	Benefit Payments: Funded Portion	Benefit Payments: Unfunded Portion	Present Value of Benefit Payments: Funded Portion at 7.50%	Present Value of Benefit Payments: Unfunded Portion at 2.75%	Present Value of Benefit Payments: Using a Single Discount Rate of 7.50%
2057	1,548,677	76,377	76,377	-	4,082	-	4,082
2058	1,638,304	73,016	73,016	-	3,631	-	3,631
2059	1,739,596	69,572	69,572	-	3,218	-	3,218
2060	1,853,584	66,033	66,033	-	2,841	-	2,841
2061	1,981,380	62,434	62,434	-	2,499	-	2,499
2062	2,124,151	58,825	58,825	-	2,190	-	2,190
2063	2,283,094	55,234	55,234	-	1,913	-	1,913
2064	2,459,468	51,691	51,691	-	1,665	-	1,665
2065	2,654,594	48,195	48,195	-	1,444	-	1,444
2066	2,869,890	44,781	44,781	-	1,248	-	1,248
2067	3,106,848	41,448	41,448	-	1,075	-	1,075
2068	3,367,071	38,224	38,224	-	922	-	922
2069	3,652,257	35,112	35,112	-	788	-	788
2070	3,964,226	32,123	32,123	-	671	-	671
2071	4,304,924	29,258	29,258	-	568	-	568
2072	4,676,445	26,523	26,523	-	479	-	479
2073	5,081,036	23,919	23,919	-	402	-	402
2074	5,521,112	21,450	21,450	-	335	-	335

Section 5 – Historical Funding Information*

Historical Funding Detail

Period Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)-Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
August 31, 2006	471.2	568.6	97.4	82.9%	124.0	78.5%
August 31, 2007						
August 31, 2008	552.8	631.6	78.8	87.5%	136.5	57.7%
August 31, 2009						
August 31, 2010	569.7	710.0	140.3	80.2%	143.1	98.0%
August 31, 2011						
August 31, 2012	581.7	788.2	206.5	73.8%	147.7	139.8%
August 31, 2013						
August 31, 2014	663.1	859.7	196.7	77.1%	153.6	128.0%
August 31, 2015						
August 31, 2016	749.0	945.8	196.8	79.2%	156.3	125.9%

Schedule of Employer Contributions

Period Ending	Annual Required Contribution*	Percentage Contributed
August 31, 2007	15,672,702	93%
August 31, 2008	16,236,240	102%
August 31, 2009	17,245,402	100%
August 31, 2010	17,626,236	100%
August 31, 2011	18,356,531	98%
August 31, 2012	19,605,418	100%
August 31, 2013	21,075,292	97%
August 31, 2014	22,649,727	96%

* Historical funding information provided in this section was previously required under GASB 25 and 27, which have been amended by GASB 67 (effective for fiscal year ending August 31, 2014) and by GASB 68 (effective for fiscal year ending August 31, 2015).

Section 6 – Summary of Asset Information

Reconciliation of Fund Assets

	Period Ending August 31, 2016	Period Ending August 31, 2015
1. Market value of fund at beginning of period	$ 700,388,169	$ 732,528,317
2. Contributions		
a. City	$ 23,370,111	$ 22,916,913
b. Member	14,886,249	14,595,935
c. Total	$ 38,256,360	$ 37,512,848
3. Benefit payments	(54,383,629)	(50,788,937)
4. Investment earnings	40,260,073	(17,508,708)
5. Administrative expenses	(1,417,530)	(1,355,351)
6. Market value of assets at end of period	$ 723,103,443	$ 700,388,169

Section 6 – Summary of Asset Information (continued)

Determination of Excess Earnings To Be Deferred

	Period Ending	
	August 31, 2016	August 31, 2015
1. Market value at beginning of period	$ 700,388,169	$ 732,528,317
2. New cash flows		
a. City contributions	$ 23,370,111	$ 22,916,913
b. Member contributions	14,886,249	14,595,935
c. Benefit payments	(51,554,209)	(48,419,841)
d. Refunds	(2,829,420)	(2,369,096)
e. Total	$ (16,127,269)	$ (13,276,089)
3. Weighted new cash flows (2e x 50%)	$ (8,063,635)	$ (6,638,045)
4. Assets available (1 + 3)	$ 692,324,534	$ 725,890,272
5. Assumed investment return rate	7.50%	7.50%
6. Expected net return (4 x 5)	$ 51,924,340	$ 54,441,770
7. Actual net return		
a. Total investment return	$ 40,260,073	$ (17,508,708)
b. Administrative expenses	(1,417,530)	(1,355,351)
c. Net return	$ 38,842,543	$ (18,864,059)
8. Gains/(losses) subject to deferral (7c - 6)	$ (13,081,797)	$ (73,305,829)

Section 6 – Summary of Asset Information (continued)

Calculation of Actuarial Value of Assets

1. Market value of assets as of August 31, 2016 $ 723,103,443

2. Deferral amounts

	Year	Total Gain/(Loss)	Percent Deferred	Deferral Amount
a.	2015-2016	$ (13,081,797)	80%	$ (10,465,438)
b.	2014-2015	(73,305,829)	60%	(43,983,498)
c.	2013-2014	58,645,440	40%	23,458,176
d.	2012-2013	25,336,927	20%	5,067,385
e.	Total			$ (25,923,375)

3. Actuarial value of assets (1 – 2e) $ 749,026,818

Schedule A - Membership Data

		September 1, 2016*		September 1, 2014*
1. Active members				
a. Number vested		2,008		1,996
b. Number non-vested		2,209		2,153
c. Total		4,217		4,149
d. Covered payroll	$	156,336,028	$	153,613,608
e. Average annual pay	$	37,073	$	37,024
f. Average age		46.5		46.8
g. Average service (years)		10.6		10.7
2. Retired members				
a. Number currently being paid from fund**		2,863		2,627
b. Total current annual benefit	$	52,488,661	$	46,393,663
c. Average current annual benefit	$	18,333	$	17,660
d. Average age		69.4		69.1
3. Deferred vested members				
a. Number entitled to deferred benefits***		141		150
b. Total deferred annual benefit	$	1,949,199	$	1,981,100
c. Average deferred annual benefit	$	13,824	$	13,207
d. Average age		49.7		49.1

* Census data provided as of July 1 preceding valuation date and assumed to be the same as September 1 census data. Compensation amounts have been adjusted for two months at assumed salary increases.

** Excludes retirees for whom annuities were purchased from Prudential, but whose cost-of-living increases are paid by the Fund (229 as of July 1, 2014 and 198 as of July 1, 2016).

*** Excludes terminated members entitled to refunds of contributions paid after July 1 (236 members with $2,112,493 in contributions as of July 1, 2014 and 311 members with $3,002,034 in contributions as of July 1, 2016).

Schedule B - Summary of Benefit Provisions as of September 1, 2016

The First Tier Plan

1. Final Wages: The greatest of (i) average of Member's total earnings in the 36 months before retirement, (ii) average of Member's base pay for the year before retirement, or (iii) Member's base pay in the month preceding retirement.

2. Member: All classified civil service employees of the City of El Paso, except for members of the Policemen's or Firemen's Pension Fund. Permanent part-time employees and certain full-time employees not in the classified civil service are not required to participate but may elect to do so. Special rules apply to certain "grant-funded" employees. The First Tier Plan applies to employees who become plan participants prior to September 1, 2011.

3. Credited Service: Years and months of service while a Member. At retirement, a Member may convert unused sick leave to service under the plan. An unlimited amount of sick leave may be converted to benefit service. Alternatively, up to six months of sick leave may be applied to meet a benefit eligibility requirement, but if so used, such service cannot also be used in the calculation of the benefit amount.

4. Contribution Rates: Effective September 1, 2014, active members contribute 8.95% of his/her wages per year. The City contributes 14.05% of the member's wages per year.

5. Service Retirement Benefits:

   a. Normal Retirement Benefit

Eligibility	Age 55 with 10 years of Credited Service, age 60 with 7 years of Credited Service, or 30 years of Credited Service, if earlier.
Benefit	2.50% of Final Wages times years of Credited Service, subject to a minimum monthly benefit of $75.

   b. Early Retirement Benefit

Eligibility	Age 40 with 10 years of Credited Service, or age 45 with at least 7 years of Credited Service.
Benefit	2.50% of Final Wages times years of Credited Service, multiplied by the appropriate actuarial reduction factor.

   c. Deferred Retirement Benefit

Eligibility	Age 40 with 10 years of Credited Service, or age 45 with at least 7 years of Credited Service.
Benefit	2.50% of Final Wages times years of Credited Service, payable at early retirement age reduced in accordance with the Early Retirement Benefit or unreduced at normal retirement age.

   d. Withdrawal (Refund) of Contributions

Eligibility	Immediate.

Schedule B - Summary of Benefit Provisions as of September 1, 2016 (continued)

Benefit	Total employee contributions without interest. If the member has more than five years of service, contributions are paid with interest, credited annually at 5.5%. No other benefits are payable under the Fund once the contributions are withdrawn.

6. Survivor Benefits

Qualified Surviving Spouse or Child Benefit

Eligibility	Death of a Member due to a job-related accident or age 40 with ten years of service or age 45 with seven years of service.
Benefit	Amount payable if Member had retired immediately prior to death with a Joint and 100% option, subject to a $75 per month minimum benefit. If death is due to a job-related accident, there is a minimum $550 per month benefit and the benefit is computed as if the Member were age 70 with 30 years of service. Benefits payable to the surviving spouse continue for life or until remarriage. If Member was not eligible for Early Retirement or death was not due to a job-related accident, a refund of contributions is available to the beneficiary, as described above.

7. Disability Retirement Benefit

Eligibility	Disability as a result of a job-related cause or any injury not due to the Member's own fault if Member has seven years of service.
Benefit	2.50% of Final Wages times Credited Service, with a minimum benefit of $75 per month (or $250 per month if disability is job-related).

8. Normal Form of Retirement Benefit: Joint and 2/3 survivor annuity. Optional forms of benefit are life only, joint and 100% survivor, joint and 50% survivor, and modified cash refund.

Schedule B - Summary of Benefit Provisions as of September 1, 2016 (continued)

The Second Tier Plan

1. Final Wages: The average of Member's total earnings in the 36 months before retirement.

2. Member: All classified civil service employees of the City of El Paso, except for members of the Policemen's or Firemen's Pension Fund. Permanent part-time employees and certain full-time employees not in the classified civil service are not required to participate but may elect to do so. Special rules apply to certain "grant-funded" employees. The Second Tier Plan applies to employees who become plan participants after August 31, 2011.

3. Credited Service: Years and months of service while a Member. At retirement, a Member may convert unused sick leave to service under the plan. An unlimited amount of sick leave may be converted to benefit service. Alternatively, up to six months of sick leave may be applied to meet a benefit eligibility requirement, but if so used, such service cannot also be used in the calculation of the benefit amount.

4. Contribution Rates: Effective September 1, 2014, active members contribute 8.95% of his/her wages per year. The City contributes 14.05% of the member's wages per year.

5. Service Retirement Benefits:

   a. Normal Retirement Benefit

Eligibility	Age 60 with 7 years of Credited Service, or 35 years of Credited Service, if earlier.
Benefit	2.25% of Final Wages times years of Credited Service, subject to a minimum monthly benefit of $75, limited to 90% of the 3-year final average pay.

   b. Early Retirement Benefit

Eligibility	Age 45 with 7 years of Credited Service.
Benefit	2.25% of Final Wages times years of Credited Service, multiplied by the appropriate actuarial reduction factor.

   c. Deferred Retirement Benefit

Eligibility	Age 45 with 7 years of Credited Service.
Benefit	2.25% of Final Wages times years of Credited Service, payable at early retirement age reduced in accordance with the Early Retirement Benefit or unreduced at normal retirement age.

   d. Withdrawal (Refund) of Contributions

Eligibility	Immediate.
Benefit	Total employee contributions without interest. If the member has more than seven years of service, contributions are paid with interest, credited annually at 3.0%. No other benefits are payable under the Fund once the contributions are withdrawn.

Schedule B - Summary of Benefit Provisions as of September 1, 2016 (continued)

6. Survivor Benefits

Qualified Surviving Spouse or Child Benefit

Eligibility	Death of a Member due to a job-related accident or age 45 with seven years of service.
Benefit	Amount payable if Member had retired immediately prior to death with a Joint and 100% option, subject to a $75 per month minimum benefit. If death is due to a job-related accident, there is a minimum $550 per month benefit and the benefit is computed as if the Member were age 70 with 30 years of service. Benefits payable to the surviving spouse continue for life or until remarriage. If Member was not eligible for Early Retirement or death was not due to a job-related accident, a refund of contributions is available to the beneficiary, as described above.

7. Disability Retirement Benefit

Eligibility	Disability as a result of a job-related cause or any injury not due to the Member's own fault if Member has seven years of service.
Benefit	2.25% of Final Wages times Credited Service, with a minimum benefit of $75 per month (or $250 per month if disability is job-related).

8. Normal Form of Retirement Benefit: Joint and 2/3 survivor annuity. Optional forms of benefit are life only, joint and 100% survivor, joint and 50% survivor, and modified cash refund.

Schedule C - Statement of Actuarial Methods and Assumptions (Effective as of September 1, 2016)

Basis for Assumptions: The economic and demographic assumptions used in the valuation were adopted by the Board in consultation with Conduent. The Board's established practice is to review the experience of the Fund periodically to determine if any changes to the valuation assumptions are warranted. In general, the assumptions used in the valuation are based on recommendations made and approved by the Board as part of an Experience Study covering plan years from September 1, 2010 through August 31, 2014.

Investment Return: 7.50% per annum, compounded annually, net of expenses. This rate reflects an underlying inflation rate of 3.00% and a real rate of return of 4.50%.

Separations Before Normal Retirement: Representative values of the assumed annual rates of withdrawal are as follows:

	Withdrawal					
	Years of Credited Service					
Age	1	2	3	4	5	>=6
25	10.0%	10.0%	9.00%	8.00%	7.00%	9.0%
30	10.0%	10.0%	9.00%	8.00%	7.00%	10.0
35	10.0%	10.0%	9.00%	8.00%	7.00%	5.0
40	10.0%	10.0%	9.00%	8.00%	7.00%	4.0
45	10.0%	10.0%	9.00%	8.00%	7.00%	2.5
50	10.0%	10.0%	9.00%	8.00%	7.00%	1.5
55	10.0%	10.0%	9.00%	8.00%	7.00%	1.5
60	10.0%	10.0%	9.00%	8.00%	7.00%	1.5

Mortality: Mortality rates for non-disabled participants are based on the RP-2014 employee tables with Blue Collar adjustment projected to 2030 using Scale BB. Mortality rates for disabled participants are based on the RP-2014 Tables for Disabled Lives.

Disability: None assumed.

Death: 5% of deaths among active participants are assumed to be job-related deaths. The remaining 95% of deaths are assumed not to be job-related.

Schedule C - Statement of Actuarial Methods and Assumptions (Effective as of September 1, 2016) (continued)

Salary Increases: Representative values of the assumed annual rates of future salary increase attributable to longevity and promotion are as follows:

Years of Service	Annual Rate of Salary Increase
0	4.50%
1	4.50
2	4.50
3	4.00
4	4.00
5	4.00
6	4.00
7	3.50
8	3.50
9	3.50
10	3.50
11	3.50
12	3.00
13	3.00
14	3.00
15	3.00
16	3.00
17	3.00
18	3.00
19	3.00
20	3.00
21	3.00
22	3.00
23	3.00
24 or more	3.00

Total payroll is assumed to increase 3.00% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.

Overtime is assumed to be 4% of base and longevity pay.

Schedule C - Statement of Actuarial Methods and Assumptions (Effective as of September 1, 2016) (continued)

Retirement Rates: The percentage of those eligible for normal retirement assumed to retire at various ages is as follows:

Retirement Rates*

	Tier 1			Tier 2	
Age	Male	Female	Age	Male	Female
45	10.0%	9.0%	45	5.0%	5.0%
50	10.0	9.0	50	5.0	5.0
55	12.0	10.0	55	8.0	7.0
62	20.0	10.0	62	10.0	7.0
65	20.0	20.0	65	10.0	12.0
70	40.0	25.0	70	40.0	20.0
75	100.0	100.0	75	100.0	100.0

Spouses: 100% of active members are assumed to be married with the male three years older than the female. No children's benefits were valued because of the assumption that 100% of members are married.

Form of Payment: 85% of participants eligible for early retirement are assumed to be paid through a joint and 2/3 survivor annuity. The remaining 15% of participants eligible for early retirement are assumed to elect a refund of contributions.

Future Expenses: None assumed.

Valuation Method: The method used to determine Normal Cost and Accrued Actuarial Liability is the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, an annual Normal Cost is determined for each covered active Member which is the contribution required to provide all the projected pension benefits assuming this contribution is payable over a period ending on the date of retirement (separation from active service) and expressed as a level percentage of compensation. The Actuarial Accrued Liability is determined as the excess of the total present value of all pension benefits over the total present value of future Normal Costs. The Unfunded Actuarial Accrued Liability as of the valuation date is determined as the excess of the Actuarial Accrued Liability over the actuarial value of assets of the Fund.

The Normal Cost and Accrued Actuarial Liability are derived by making certain assumptions as to the rates of interest, mortality, turnover, etc., which are assumed to reflect experience for many years into the future. Since actual experience will differ from the assumptions, the costs determined must be regarded as estimates of the true costs of the Fund. The effects of any actuarial gains or losses are immediately reflected in the Unfunded Actuarial Accrued Liability and the Normal Cost.

Actuarial Value of Assets: The actuarial value of assets is calculated based on the following formula:

$$\begin{aligned} MV \quad & - (8/10) \times G/(L)_1 - (6/10) \times G/(L)_2 \\ & - (4/10) \times G/(L)_3 - (2/10) \times G/(L)_4 \end{aligned}$$

where:

MV = the market value of assets as of the valuation date

$G/(L)_i$ = the asset gain or (loss) (i.e., actual return on assets less expected return on assets) for the i-th year preceding the valuation date.

Schedule C - Statement of Actuarial Methods and Assumptions (Effective as of September 1, 2016) (continued)

Changes since previous valuation:

Mortality rates, retirement rates, disability rates, termination rates, expected overtime rate, expected rate of inflation, and expected salary increases were all changed from the previous valuation as a result of the experience study presented to the Board in September 2016. These changes increased the actuarial present value of future benefits by $41.9M, and the actuarial accrued liability by $37.6M.

Schedule D – Glossary of Terms

Following is a glossary of some of the commonly used actuarial terms.

Actuarial Accrued Liability	The portion, as determined by a particular cost method, of the total present value of benefits that is attributable to past service credit.
Actuarial Assumptions	Estimates of future experience with respect to rates of mortality, disability, turnover, retirement rate or rates of investment income and salary increases. Actuarial assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
Actuarial Gain (Loss) or Liability/Asset Experience	A measure of the difference between actual and expected experience based upon a set of actuarial assumptions. Examples include higher than expected salary increases (loss) and a higher return on fund assets than anticipated (gain).
Actuarial Present Value of Future Benefits	Also referred to as the present value of benefits. It is the value, as of a specified date, of an amount payable in the future, where the amount has been adjusted to reflect both the time value of money and the probability that the payment is actually made.
Actuarial Present Value of Future Normal Costs	The value, as of a specified date, of future normal costs, equal to the employer normal cost rate times the actuarial present value of future pay.
Actuarial Present Value of Future Pay	The value, as of a specified date, of future pay where the amount has been adjusted to reflect both the future value of money and the probability that the payment is actually made.
Amortization Rate or UAAL Payment	That portion of the pension plan contribution which is designed to pay off (amortize) the unfunded actuarial accrued liability in a systematic fashion. Equivalently, it is a series of periodic payments required to pay off a debt.
Cost-of-living adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Covered Payroll	The rate of pay as of a specified date adjusted with a half-year salary increase based on the assumed salary increase assumptions.
Entry Age Actuarial Cost Method	This method assumes that the annual costs are the level premiums needed from entry age until retirement age to fund the ultimate retirement benefit. These premiums are expressed as a percentage of salary. The portion of this actuarial present value allocated to a valuation year is called the normal cost.

Schedule D – Glossary of Terms (continued)

Funding Policy	The policy for the amounts and timing of contributions to be made by the employer, members and any other sources to provide the benefits promised by the pension plan.
Net pension liability (GASB 67)	The liability of employers and nonemployer contributing entities to plan members for benefits provided through a defined benefit pension plan.
Noneconomic Actuarial Assumptions	Probabilities that members will separate from active service for causes such as retirement, disability, death and withdrawal, as well as rates of post-retirement mortality. The probabilities reflect the experience of the Plan's membership.
Normal Cost	The ongoing annual cost allocated to the system by a particular actuarial cost method for providing benefits (future cost). Normal cost payments are made during the working lifetime of the member.
Plan Fiduciary Net Position (GASB 67)	Assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources.
Real rate of return	The rate of return on an investment after adjustment to eliminate inflation.
Service cost (GASB 67)	The portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
Total pension liability (GASB 67)	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service in conformity with the requirements of GASB.
Unfunded Actuarial Accrued Liability	The excess of the actuarial accrued liability over the actuarial value of assets.
Vested Benefit	The benefit an employee is entitled to even if the employee separates from active service prior to normal retirement age.

Table 1 - The Number and Average Annual Wages of Active Members Distributed by Fifth Age and Service as of September 1, 2016

Attained	Years of Credited Service										
Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
Under 25	53 25,035	37 26,694	0 0	0 0	0 0	0 0	0 0	0 0	0 0	0 0	90
25 to 29	76 29,969	194 29,495	20 28,166	0 0	0 0	0 0	0 0	0 0	0 0	0 0	290
30 to 34	73 30,669	258 34,306	113 36,483	18 36,214	0 0	0 0	0 0	0 0	0 0	0 0	462
35 to 39	51 33,271	165 33,589	143 35,760	65 37,736	12 39,668	0 0	0 0	0 0	0 0	0 0	436
40 to 44	38 38,583	164 33,199	148 39,401	105 42,760	61 40,919	6 46,725	0 0	0 0	0 0	0 0	522
45 to 49	31 29,875	106 35,963	150 37,058	116 39,812	112 39,607	69 43,939	24 45,807	0 0	0 0	0 0	608
50 to 54	25 34,830	106 34,192	139 33,673	124 36,152	100 39,421	101 44,409	85 44,297	25 48,669	0 0	0 0	705
55 to 59	16 27,678	82 32,362	108 33,974	128 36,912	98 40,363	72 40,460	78 48,665	32 49,839	6 49,109	0 0	620
60 to 64	5 29,423	36 45,753	81 35,678	79 37,235	59 37,472	44 46,369	30 45,553	13 49,808	10 65,611	3 98,992	360
65 to 69	0 0	12 31,255	26 45,093	21 35,523	18 41,663	6 38,969	7 36,222	4 34,531	3 37,072	1 33,743	98
70 & up	0 0	1 56,283	7 35,159	7 46,150	3 41,332	3 32,699	3 41,238	0 0	0 0	2 40,522	26
Total	368	1,161	935	663	463	301	227	74	19	6	4,217

Table 2 - The Number and Annual Retirement Allowances of Retired Members, Disabled Members and Beneficiaries by Age as of July 1, 2016

Age	Number	Benefit	Average Benefit
Less than 20	2	$ 34,469	$ 17,235
31	1	24,161	24,161
35	1	7,999	7,999
43	2	25,149	12,575
44	1	32,013	32,013
45	2	18,727	9,364
46	6	52,796	8,799
47	2	15,909	7,955
48	1	4,529	4,529
49	6	59,020	9,837
50	11	184,196	16,745
51	7	74,357	10,622
52	11	152,705	13,882
53	14	302,896	21,635
54	29	534,103	18,417
55	25	567,819	22,713
56	43	957,870	22,276
57	65	1,313,736	20,211
58	83	1,783,333	21,486
59	79	1,634,818	20,694
60	90	1,660,379	18,449
61	100	2,097,303	20,973
62	82	1,568,544	19,129
63	127	2,662,161	20,962
64	114	2,482,931	21,780
65	111	2,346,189	21,137
66	119	2,267,223	19,052
67	107	1,906,710	17,820
68	123	2,822,082	22,944
69	118	2,607,231	22,095
70	149	3,008,977	20,194
71	100	1,831,091	18,311
72	84	1,458,124	17,359
73	95	1,524,161	16,044
74	86	1,735,534	20,181
75	67	1,344,879	20,073
76	73	1,227,354	16,813

Table 2 - The Number and Annual Retirement Allowances of Retired Members, Disabled Members and Beneficiaries by Age as of July, 2016 (continued)

Age	Number	Benefit	Average Benefit
77	65	985,971	15,169
78	66	996,189	15,094
79	69	1,039,621	15,067
80	64	884,023	13,813
81	68	1,065,529	15,670
82	61	928,949	15,229
83	39	532,571	13,656
84	53	762,309	14,383
85	35	422,123	12,061
86	36	494,510	13,736
87	40	500,313	12,508
88	35	425,358	12,153
89	19	229,621	12,085
90	26	291,373	11,207
91 & over	51	598,723	11,740
TOTAL	2,863	$ 52,488,661	$ 18,333

Table 3 - The Number and Future Annual Allowances of Terminated Members, Entitled to a Future Benefit by Age as of July 1, 2016

Age	Number	Benefit	Average Benefit
Less than 30	1	$ 4,290	$ 4,290
31	1	1,800	1,800
33	1	2,520	2,520
34	1	5,660	5,660
36	1	4,440	4,440
37	2	17,187	8,594
38	1	1,200	1,200
39	2	8,160	4,080
40	3	15,720	5,240
41	2	12,687	6,344
42	3	19,162	6,387
43	2	25,941	12,971
44	4	29,119	7,280
45	4	60,810	15,203
46	7	216,743	30,963
47	4	51,550	12,888
48	4	45,556	11,389
49	6	103,065	17,178
50	7	87,720	12,531
51	12	163,901	13,658
52	11	186,786	16,981
53	16	233,375	14,586
54	15	238,526	15,902
55	12	190,787	15,899
56	7	74,209	10,601
57	2	24,960	12,480
59	5	69,589	13,918
60	1	8,137	8,137
61	1	15,120	15,120
62	1	3,120	3,120
64	1	20,400	20,400
68	1	6,959	6,959
TOTAL	141	$1,949,199	$ 13,824

STATISCTICAL SECTION

El Paso City Employees' Pension Fund
Statements of Changes in Net Position Available for Benefits

	2017	2016	2015	2014	2013	2012	2011
Additions							
Contributions							
Employer	25,327,071	23,370,111	22,916,913	21,830,044	20,499,707	19,181,091	17,948,799
Participants	15,154,341	14,886,249	14,595,935	14,039,600	13,328,629	12,607,172	11,938,545
Total contributions	40,481,412	38,256,360	37,512,848	35,869,644	33,828,336	31,788,263	29,887,344
Investment Income							
Net appreciation (depreciation) in fair value of investments	74,716,005	37,856,062	(21,734,515)	103,082,579	62,831,147	43,642,344	65,579,647
Interest	3,808,906	4,444,138	4,888,211	5,484,840	4,183,790	1,306,942	2,899,936
Dividends	2,582,152	2,980,264	2,359,009	2,373,927	4,490,895	3,708,793	2,865,256
Securities lending income, net of expenses	45,478	90,861	126,526	117,691	273,912	146,097	146,709
Investment advisor fees	(5,783,774)	(5,104,720)	(3,510,570)	(3,336,994)	(1,873,429)	(2,097,716)	(2,546,539)
Increase in commission credits receivable	2,206	(6,532)	(1,577)	1,146	15,076	7,358	8,927
Net investment income (loss)	75,370,973	40,260,073	(17,872,916)	107,723,189	69,921,391	46,713,818	68,953,936
Total additions (deductions)	115,852,385	78,516,433	19,639,932	143,592,833	103,749,727	78,502,081	98,841,280
Deductions							
Benefits paid to participants	57,972,792	51,554,209	48,419,841	49,375,280	43,021,060	41,688,297	37,686,480
Refunds	3,104,773	2,829,420	2,369,096	3,217,554	2,159,129	2,605,377	1,896,665
Administrative expenses	1,325,640	1,417,530	1,355,351	1,143,272	1,176,347	1,108,470	918,940
Total deductions	62,403,205	55,801,159	52,144,288	53,736,106	46,356,536	45,402,144	40,502,085
Change in Net Position	53,449,180	22,715,274	(32,504,356)	89,856,727	57,393,191	33,099,937	58,339,195
Net Position Available for Benefits, Beginning of Year	723,103,443	700,388,169	732,892,525	643,035,798	585,642,607	552,542,670	494,203,475
Net Position Available for Benefits, End of Year	$ 776,552,623	$ 723,103,443	$ 700,388,169	$ 732,892,525	$ 643,035,798	$ 585,642,607	$ 552,542,670

El Paso City Employees' Pension Fund
Statements of Changes in Net Position Available for Benefits
(Continued)

	2010	2009	2008	2007	2006	2005	2004
Additions							
Contributions							
Employer	17,626,236	17,245,402	16,505,427	14,574,850	13,239,686	12,707,913	12,987,074
Participants	11,814,128	11,533,666	11,169,467	9,763,642	8,872,231	8,492,888	8,578,958
Total contributions	29,440,364	28,779,068	27,674,894	24,338,492	22,111,917	21,200,801	21,566,032
Investment Income							
Net appreciation in fair value of investments	36,543,336	(49,772,720)	(32,191,401)	58,337,028	38,528,649	54,252,571	25,698,944
Interest	3,096,694	2,198,128	1,390,187	2,647,484	3,573,996	4,489,414	6,442,852
Dividends	2,696,987	2,967,150	5,223,787	4,256,079	2,515,307	2,179,770	3,120,981
Securities lending income, net of expenses	116,128	378,898	478,113	250,126	209,120	152,895	95,097
Investment advisor fees	(3,195,031)	(1,876,814)	(3,066,724)	(1,778,283)	(2,520,589)	(1,574,475)	(2,074,403)
Increase in commission credits receivable	35,815	37,452	(15,560)	46,965	30,455	54,352	(34,444)
Net investment income (loss)	39,293,929	(46,067,906)	(28,181,598)	63,759,399	42,336,938	59,554,527	33,249,027
Total additions (deductions)	68,734,293	(17,288,838)	(506,704)	88,097,891	64,448,855	80,755,328	54,815,059
Deductions							
Benefits paid to participants	35,223,728	32,854,259	30,114,367	30,189,990	25,754,190	23,932,789	22,120,587
Refunds	1,987,231	2,027,657	2,513,020	2,213,943	2,150,218	2,254,148	1,805,758
Administrative expenses	753,466	748,789	847,517	723,690	647,095	534,143	539,265
Total deductions	37,964,425	35,630,705	33,474,904	33,127,623	28,551,503	26,721,080	24,465,610
Change in Net Position	30,769,868	(52,919,543)	(33,981,608)	54,970,268	35,897,352	54,034,248	30,349,449
Net Position Available for Benefits, Beginning of Year	463,433,607	516,353,150	550,334,758	495,364,490	459,467,138	405,432,890	375,083,441
Net Position Available for Benefits, End of Year	$ 494,203,475	$ 463,433,607	$ 516,353,150	$ 550,334,758	$ 495,364,490	$ 459,467,138	$ 405,432,890

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Comparative Summary of Revenue by Source and Expenses by Type

Revenue by Source*

Years Ended August 31,	Interest, Dividends and Net Securities Lending Income	Employer Contributions (a)	Plan Member Contributions (a)	Net Appreciation (Depreciation) in Fair Value of Investments	Total	Employer Contributions As a Percentage of Covered Payroll
2017	$ 6,459,227	$ 25,327,071	$ 15,154,341	$ 74,716,005	$ 121,656,644	14.05%
2016	7,563,107	23,370,111	14,886,249	37,856,062	83,675,529	14.05%
2015	7,433,579	22,916,913	14,595,935	(21,734,515)	23,211,912	14.05%
2014	8,039,815	21,830,044	14,039,600	103,082,579	146,992,038	13.45%
2013	9,096,062	20,499,707	13,328,629	63,890,162	106,814,560	12.85%
2012	5,161,832	19,181,091	12,607,172	43,642,344	80,592,439	12.25%

*Excludes increase (decrease) in commission credits receivable.

Expenses by Type

Years Ended August 31,	Benefits	Refunds	Investment Fees (b)	Administrative Expenses	Total
2017	$ 57,972,792	$ 3,104,773	$ 5,783,774	$ 1,325,640 (c)	$ 68,186,979
2016	51,554,209	2,829,420	5,104,720	1,417,530 (c)	60,905,879
2015	48,419,841	2,369,096	3,510,570	1,355,351	55,654,858
2014	49,375,280	3,217,554	3,336,994	1,143,272	57,073,100
2013	43,021,060	2,159,129	2,932,444	1,176,347	49,288,980
2012	41,688,297	2,605,377	2,097,716	1,108,470	47,499,860

(a) Employee and employer contribution rates are based upon local statutes; contribution rates are not actuarially determined.

(b) Investment fees are made up entirely of investment manager fees.

(c) Detail listed on Comparative Summary of Administrative Expenses.

El Paso City Employees' Pension Fund
(A Component Unit of the City of El Paso, Texas)
Schedule of Average Benefit Payment Amounts

	Number Receiving Benefits	Total Current annual benefit	Average current annual benefit	Average monthly benefit
September 1, 2016	2,863	$52,488,661	$18,333	$1,528
September 1, 2014	2,627	$46,393,663	$17,660	$1,472
September 1, 2012	2,399	$40,881,148	$17,041	$1,420
September 1, 2010	2,172	$35,674,776	$16,425	$1,369
September 1, 2008	1,944	$30,512,360	$15,696	$1,308
September 1, 2006	1,743	$26,086,939	$14,967	$1,247
September 1, 2004	1,579	$22,488,610	$14,242	$1,187

El Paso City Employees' Pension Fund

(A Component Unit of the City of El Paso, Texas)

Average Benefit Payments by Years of Credited Service

Member Retiring & Receiving Benefit During Fiscal Year

		Years of Credited Service						
		7-10	11-15	16-20	21-25	26-30	30+	All
2017	Average monthly benefit	$ 628	$ 1,059	$ 1,777	$ 2,194	$ 3,228	$ 3,536	$ 2,002
	Average monthly salary	$ 2,939	$ 3,191	$ 3,741	$ 3,740	$ 4,467	$ 4,105	$ 3,696
	Number of retirees	29	33	38	33	37	17	188
2016	Average monthly benefit	$ 782	$ 1,167	$ 1,829	$ 2,161	$ 2,773	$ 4,232	$ 1,925
	Average monthly salary	$ 3,760	$ 3,303	$ 3,869	$ 3,701	$ 3,801	$ 4,674	$ 3,921
	Number of retirees	29	30	31	34	30	11	165
2015	Average monthly benefit	$ 784	$ 1,211	$ 1,795	$ 2,373	$ 2,780	$ 3,920	$ 1,910
	Average monthly salary	$ 3,582	$ 3,662	$ 3,845	$ 4,061	$ 3,796	$ 4,363	$ 3,797
	Number of retirees	26	36	30	33	19	13	157
2014	Average monthly benefit	$ 803	$ 1,346	$ 1,423	$ 1,993	$ 2,697	$ 3,399	$ 1,786
	Average monthly salary	$ 3,766	$ 3,877	$ 3,136	$ 3,539	$ 3,678	$ 3,688	$ 3,624
	Number of retirees	23	32	22	30	21	12	140

Note: This schedule is presented to illustrate the requirement to show 10 years of information. However, until a full 10-year trend is complied, years for which the information is available will be presented.

EL PASO CITY EMPLOYEES' PENSION FUND
FY2017 ADOPTED BUDGET

ACCT #	DESCRIPTION	FY2017 ADOPTED BUDGET
501000	Salaries & Wages	505,438
501002	Overtime Pay	1,519
501010	Shift Differential	20
501020	Equipment Allowance	3,800
501100	Worker's Compensation	1,500
501101	Unemployment Compensation	539
501108	Pretax Fund Health Employee	29,682
501114	Life Insurance	612
501117	Car Allowance	4,912
501118	Insurance & Ancillary Benefits	16,072
501120	Other Employee Benefits (Def Comp)	11,185
501124	Fund Pension Plan Contribution	71,230
501129	FICA Fund Match	29,220
501130	FICA Med - Fund Match	7,327
	SUBTOTAL - WAGES & BENEFITS	**683,056**
521120	Health Care Providers Services	1,000
522090	Printing Services Contracts	9,900
522150	Outside Contracts - NOC	8,000
522260	Building/Facility Maintenance Contracts	500
523020	Print Shop Alloc-Interfund Services	150
523040	Mail Room Charges	21,000
524000	Buildings - Lease	18,500
524130	Copier Contract Services	5,500
	SUBTOTAL - CONTRACTUAL SERVICES	**64,550**
531000	Office Supplies	10,000
531010	Office Equip Supplies & Maint under $500	500
531030	Publications & Subscriptions	100
531040	Computer Equip Supp & Maint	2,000
	SUBTOTAL - MATERIALS & SUPPLIES	**12,600**
540000	Phone	300
540010	Long Distance	100
540030	Postage	600
542010	Fiduciary & Investment Education Expense	6,000
542020	Trustee Fiduciary & Investment Ed Expense	15,000
544020	General Liability Insurance Expense	1,500
544060	Other Services/Charges Expense	4,000
544120	Seminars/Continuing Education Exp	600
544140	Prof Licenses & Memberships Exp	5,500
544240	Tuition Reimbursement	4,000
	SUBTOTAL - OPERATING EXPENDITURES	**37,600**
580080	Major Office Equipment & Appliances	500
580090	Furniture & Fixtures	1,000
	SUBTOTAL - CAPITAL OUTLAY	**1,500**
	TOTAL	**799,306**