

City of El Paso Employees Retirement Trust

Treasurer's Report

Margarita M. Marin

Comptroller, City of El Paso

February 29, 2024

City of El Paso Employees Retirement Trust
Statements of Net Assets Available for Benefits

	Unaudited February 29, 2024	Audited August 31, 2023	Audited August 31, 2022	Audited August 31, 2021
<u>Assets</u>				
Cash and Investments (at fair value):				
Cash and Cash Equivalents	\$ 9,560,373	\$ 8,049,200	\$ 14,890,122	\$ 3,580,457
Cash in Escrow	1,434,113	1,434,113	1,481,799	1,656,688
Investments	945,435,380	902,562,095	889,739,882	1,030,992,346
Total Cash and Investments	<u>956,429,866</u>	<u>912,045,408</u>	<u>906,111,803</u>	<u>1,036,229,491</u>
Receivables				
Unrestricted	2,856,806	2,875,002	2,151,228	1,950,229
Restricted - commission credits	-	1,869	7,883	7,883
Total Receivables	<u>2,856,806</u>	<u>2,876,871</u>	<u>2,159,111</u>	<u>1,958,112</u>
Prepaid Expenses	63,612	25,035	23,210	24,021
Capital Assets	<u>2,032,287</u>	<u>2,032,287</u>	<u>2,274,409</u>	<u>2,516,531</u>
Total Assets	<u>961,382,571</u>	<u>916,979,601</u>	<u>910,568,533</u>	<u>1,040,728,155</u>
<u>Liabilities</u>				
Due to Brokers for Securities Purchased	677,533	618,266	-	-
Accrued Expenses	2,353,998	2,047,575	2,286,739	2,036,126
Deferred Revenue - commission credits	-	1,869	7,883	7,883
Total Liabilities	<u>3,031,531</u>	<u>2,667,710</u>	<u>2,294,622</u>	<u>2,044,009</u>
Net Assets Available for Benefits	<u>\$ 958,351,040</u>	<u>\$ 914,311,891</u>	<u>\$ 908,273,911</u>	<u>\$ 1,038,684,146</u>

City of El Paso Employees Retirement Trust
Statements of Changes in Net Assets Available for Benefits

	Unaudited	Audited	Audited	Audited
	Six Months Ended	Year Ended	Year Ended	Year Ended
	February 29, 2024	August 31, 2023	August 31, 2022	August 31, 2021
<u>Additions</u>				
Receipts				
Contributions-Employer	\$ 17,689,178	\$ 33,055,632	\$ 26,096,411	\$ 25,603,188
Contributions-Employee	10,614,972	18,582,860	16,665,780	15,099,360
Total Receipts	<u>28,304,150</u>	<u>51,638,492</u>	<u>42,762,191</u>	<u>40,702,548</u>
Investment Income				
Interest	1,138,630	2,194,209	793,010	1,049,280
Dividends	2,417,415	4,372,122	3,597,637	2,548,310
Net Change in Fair Value of Investments	55,281,730	33,125,191	(89,489,954)	201,182,318
Other	319,006	-	-	24,567
Less Investment Advisor Fees	(1,068,024)	(1,959,424)	(2,480,568)	(2,753,808)
Miscellaneous Income	-	50	-	-
Net Investment Income (Loss)	<u>58,088,757</u>	<u>37,732,148</u>	<u>(87,579,875)</u>	<u>202,050,667</u>
Total Net Additions (Reductions)	<u>86,392,907</u>	<u>89,370,640</u>	<u>(44,817,684)</u>	<u>242,753,215</u>
<u>Deductions</u>				
Benefits Paid to Retirees	39,612,528	77,122,747	77,720,687	73,024,342
Refunds	1,797,781	3,848,122	5,441,578	3,804,288
Prudential COLA Payments	24,000	48,000	216,000	84,000
Administrative Expenses	919,449	2,266,105	1,932,893	2,441,214
Legal Settlement	-	47,686	281,393	2,704,621
Total Deductions	<u>42,353,758</u>	<u>83,332,660</u>	<u>85,592,551</u>	<u>82,058,465</u>
Net Increase (Decrease)	<u>44,039,149</u>	<u>6,037,980</u>	<u>(130,410,235)</u>	<u>160,694,750</u>
Beginning Net Assets Available for Benefits	<u>914,311,891</u>	<u>908,273,911</u>	<u>1,038,684,146</u>	<u>877,989,396</u>
Ending Net Assets Available for Benefits	<u>\$ 958,351,040</u>	<u>\$ 914,311,891</u>	<u>\$ 908,273,911</u>	<u>\$ 1,038,684,146</u>
<u>Reconciliation to Mellon Statements</u>				
Reported per Mellon Statement (Cash Basis)	\$ 951,814,117			
Adjustments to Accrual Basis:				
Audit Adjustments	4,232,364			
Accrue Contributions(Employer)	1,642,258			
Accrue Contributions(Employee)	1,047,182			
Accrue Investment Advisor Fees	(594,654)			
Accrue Administrative Expenses	(26,761)			
Adjust for Prepaid Insurance	38,575			
Land Sale	426,859			
Legal Settlement paid thru WestStar Bank	(228,900)			
Reported per Treasurer's Report (Accrual Basis)	<u>\$ 958,351,040</u>			

City of El Paso Employees Retirement Trust
Quarterly Statements of Changes in Net Assets Available for Benefits

	2nd QTR, FY 2024 <u>February 29, 2024</u>	1st QTR, FY 2024 <u>November 30, 2023</u>	4th QTR, FY 2023 <u>August 31, 2023</u>	3rd QTR, FY 2023 <u>May 31, 2023</u>	2nd QTR, FY 2023 <u>February 28, 2023</u>	1st QTR, FY 2023 <u>November 30, 2022</u>
<u>Additions</u>						
Receipts						
Contributions-Employer	\$ 9,673,398	\$ 8,015,780	\$ 8,972,860	\$ 9,096,316	\$ 7,390,429	\$ 7,596,027
Contributions-Employee	6,168,237	4,446,735	5,726,209	5,218,312	3,321,751	4,316,588
Total Receipts	<u>15,841,635</u>	<u>12,462,515</u>	<u>14,699,069</u>	<u>14,314,628</u>	<u>10,712,180</u>	<u>11,912,615</u>
Investment Income						
Interest	561,471	577,159	580,131	626,832	585,465	401,781
Dividends	1,236,720	1,180,695	1,129,665	1,153,749	1,067,381	1,021,327
Net Change in Fair Value of Investments	55,363,373	(81,643)	28,749,505	1,658,134	(1,974,945)	4,122,739
Other	150,726	168,280	206,401	206,351	157,006	-
Less Investment Advisor Fees	(584,376)	(483,648)	(416,439)	(663,024)	(270,353)	(609,608)
Miscellaneous Income	-	-	50	-	-	-
Net Investment Income (Loss)	<u>56,727,914</u>	<u>1,360,843</u>	<u>30,249,313</u>	<u>2,982,042</u>	<u>(435,446)</u>	<u>4,936,239</u>
Total Net Additions (Reductions)	<u>72,569,549</u>	<u>13,823,358</u>	<u>44,948,382</u>	<u>17,296,670</u>	<u>10,276,734</u>	<u>16,848,854</u>
<u>Deductions</u>						
Benefits Paid to Retirees	19,884,496	19,728,032	19,633,607	19,344,040	19,193,920	18,951,180
Refunds	1,133,069	664,712	1,389,591	1,035,242	717,606	705,683
Prudential COLA Payments	12,000	12,000	12,000	12,000	12,000	12,000
Administrative Expenses	423,638	495,811	871,451	484,272	474,258	436,124
Legal Settlement	-	-	47,686	-	-	-
Total Deductions	<u>21,453,203</u>	<u>20,900,555</u>	<u>21,954,335</u>	<u>20,875,554</u>	<u>20,397,784</u>	<u>20,104,987</u>
Net Increase (Decrease)	<u>51,116,346</u>	<u>(7,077,197)</u>	<u>22,994,047</u>	<u>(3,578,884)</u>	<u>(10,121,050)</u>	<u>(3,256,133)</u>
Beginning Net Assets Available for Benefits	<u>907,234,694</u>	<u>914,311,891</u>	<u>891,317,844</u>	<u>894,896,728</u>	<u>905,017,778</u>	<u>908,273,911</u>
Ending Net Assets Available for Benefits	<u>\$ 958,351,040</u>	<u>\$ 907,234,694</u>	<u>\$ 914,311,891</u>	<u>\$ 891,317,844</u>	<u>\$ 894,896,728</u>	<u>\$ 905,017,778</u>

City of El Paso Employees Retirement Trust
Investment Income Analysis

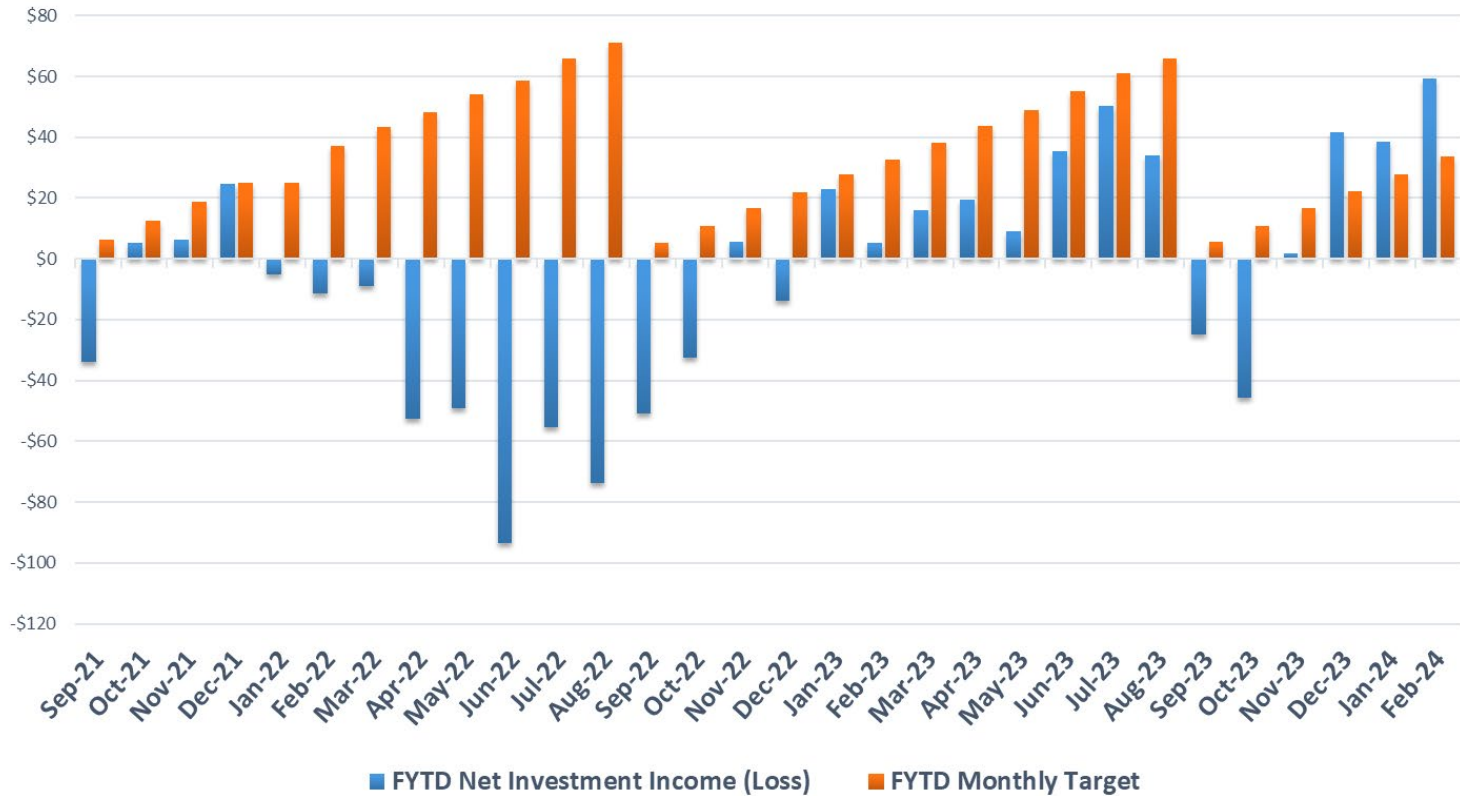
	Year to Date	Month					
	February 29, 2024	February	January	December	November	October	September
<u>Detail</u>							
Interest	\$ 1,138,630	\$ 79,984	\$ 382,075	\$ 99,412	\$ 102,350	\$ 392,243	\$ 82,566
Dividends	2,417,415	276,341	673,042	287,337	316,211	587,262	277,222
Realized Gain/Loss	5,115,858	173,054	361,432	1,252,275	34,970	78,410	3,215,717
Unrealized Gain/Loss-Investments	50,168,785	20,149,202	(4,673,362)	38,104,206	47,011,248	(21,801,112)	(28,621,397)
Unrealized Gain/Loss Currency	(2,913)	-	(4,547)	1,113	1,495	166	(1,140)
Other	319,006	48,026	51,338	51,362	49,681	51,897	66,702
Per Statement of Changes in Net Assets	<u>\$ 59,156,781</u>	<u>\$ 20,726,607</u>	<u>\$ (3,210,022)</u>	<u>\$ 39,795,705</u>	<u>\$ 47,515,955</u>	<u>\$ (20,691,134)</u>	<u>\$ (24,980,330)</u>

<u>Summary</u>	
Interest	\$ 1,138,630
Dividends	2,417,415
Net Market Value Appreciation	<u>55,600,736</u>
Net Investment Income (NII)	<u>\$ 59,156,781</u>
Fiscal Year NII to Date / Avg Available Net Assets	6.32%
Net Assets Available for Benefits - August 31, 2023	\$ 914,311,891
Target Rate of Return	7.25%
Cumulative Target Rate of Return	3.63%
Fiscal Year 2024 NII Target	\$ 67,205,974

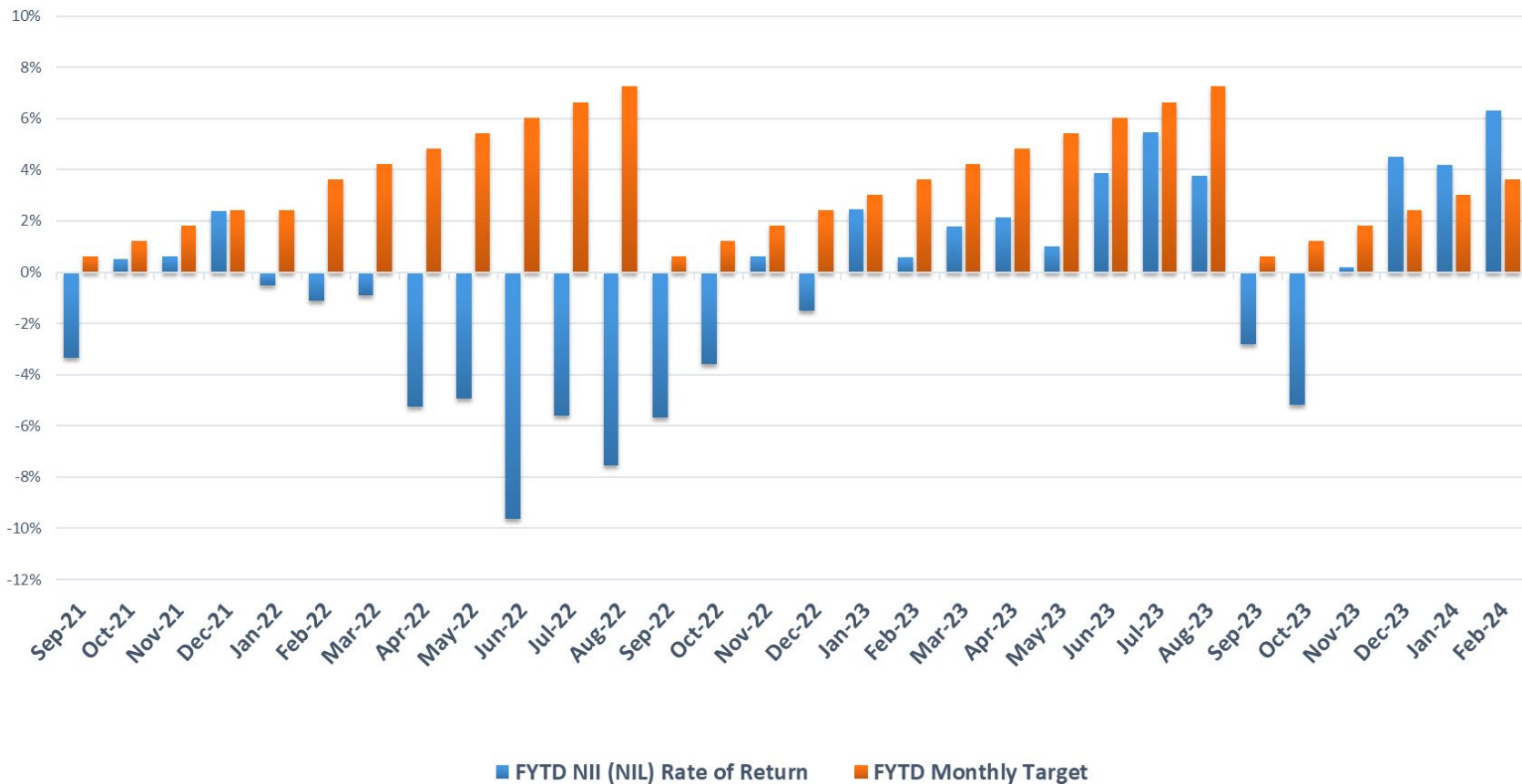
CITY OF EL PASO EMPLOYEES RETIREMENT TRUST
 CITY PENSION ADMINISTRATION ACTUAL/BUDGET COMPARISON
 For Six Months Ended February 29, 2024

DESCRIPTION	BUDGET	ACTUAL	PERCENT UTILIZED	UNDER(OVER) BUDGET
<u>EXPENDITURES</u>				
NON-UNIFORM WAGES AND SALARIES	\$ 763,395	\$ 338,310	44.3%	\$ 425,085
SHIFT DIFFERENTIAL - CIVILIAN	25	-	0.0%	25
EQUIPMENT ALLOWANCE	3,800	1,612	42.4%	2,188
TEMPORARY SERVICES CONTRACTS	80,000	0	0.0%	80,000
WORKERS COMPENSATION- CIVILIAN	2,290	790	34.5%	1,500
UNEMPLOYMENT COMPEN - CIVILIAN	760	342	45.0%	418
POS CITY - EMPLOYER CONTRIB	39,602	14,800	37.4%	24,802
LIFE INSURANCE - CIVILIAN	400	139	0.0%	261
ALLOW(EXC MIL& UNIF)-CIVILIA	4,850	2,150	44.3%	2,700
INSURANCE & ANCILLARY BENEFITS	36,370	1,319	3.6%	35,051
OTHER EMPLOYEE BENEFITS	17,882	7,871	44.0%	10,011
CITY PENSION PLAN CONTRIBUTION	106,835	45,599	42.7%	61,236
FICA CITY MATCH - CIVILIAN	41,200	16,331	39.6%	24,869
FICA MED- CITY MATCH-CIVILIAN	11,026	4,905	44.5%	6,121
Salaries Wages & Employee Benefits	<u>1,108,437</u>	<u>434,168</u>	39.2%	<u>674,269</u>
HEALTH CARE PROVIDERS SERVICES	2,500	-	0.0%	2,500
INTERPRETER SERVICES	500	-	0.0%	500
INVESTIGATIVE SERVICES	1,800	565	31.4%	1,235
DATA PROCESS SERVICES CONTRACT	81,500	40,000	49.1%	41,500
MAINT SVCS CONTRACT-JANITORIAL	13,700	5,355	39.1%	8,345
PRINTING SERVICES CONTRACTS	7,000	535	7.6%	6,465
SECURITY CONTRACTS	2,500	750	30.0%	1,750
OUTSIDE CONTRACTS - NOC	15,700	2,357	15.0%	13,343
PEST CONTROL CONTRACTS	1,000	190	19.0%	810
GROUNDKEEPING HORTI CONTRACTS	4,000	-	0.0%	4,000
OFFICE EQUIP MAINT CONTRACTS	1,600	-	0.0%	1,600
MAIL ROOM CHARGES	30,000	14,832	49.4%	15,168
COPIER CONTRACT SERVICES	4,000	410	10.3%	3,590
Contractual Services	<u>165,800</u>	<u>64,994</u>	39.2%	<u>100,806</u>
OFFICE SUPPLIES	9,000	7,262	80.7%	1,738
SUPPLIES COMPUTER EQUIPMENT	29,800	1,370	4.6%	28,430
CLEANING SUPPLIES	1,500	-	0.0%	1,500
BUILDING MAINTENANCE SUPPLIES	40,500	6,153	15.2%	34,347
DATA PROCESS EQUIP	4,500	-	0.0%	4,500
Material and Supplies	<u>85,300</u>	<u>14,785</u>	17.3%	<u>70,515</u>
PHONE & INTERNET	300	-	0.0%	300
LONG DISTANCE	100	-	0.0%	100
WIRELESS COMMUNICATION SERVICE	2,100	1,000	47.6%	1,100
POSTAGE	600	346	57.7%	254
ELECTRICITY	11,500	4,101	35.7%	7,399
WATER	7,000	3,609	51.6%	3,391
NATURAL GAS OTHER	4,500	2,163	48.1%	2,337
TRAVEL EXPENSES - EMPLOYEES	10,100	2,759	27.3%	7,341
TRAVEL EXPENSES - BOARD MEMBER	16,000	59	0.4%	15,941
MILEAGE ALLOWANCES	100	-	0.0%	100
OTHER SERVICES CHARGES EXPENSE	11,500	1,024	8.9%	10,476
VEHICLES - MAINT & REPAIRS	500	204	40.8%	296
SEMINARS CONTINUING EDUCATION	675	-	0.0%	675
PROFESSIONAL LICENSES & MEMBER INSURANCE	7,000	5,178	74.0%	1,822
Operating Expenditures	<u>166,075</u>	<u>107,240</u>	64.6%	<u>58,835</u>
Total In-House Administrative Expenses	<u>\$ 1,525,612</u>	<u>621,187</u>	40.7%	<u>\$ 904,425</u>
Expenses paid directly by Mellon Trust		<u>298,262</u>		
Total Administrative expenses		<u>\$ 919,449</u>		

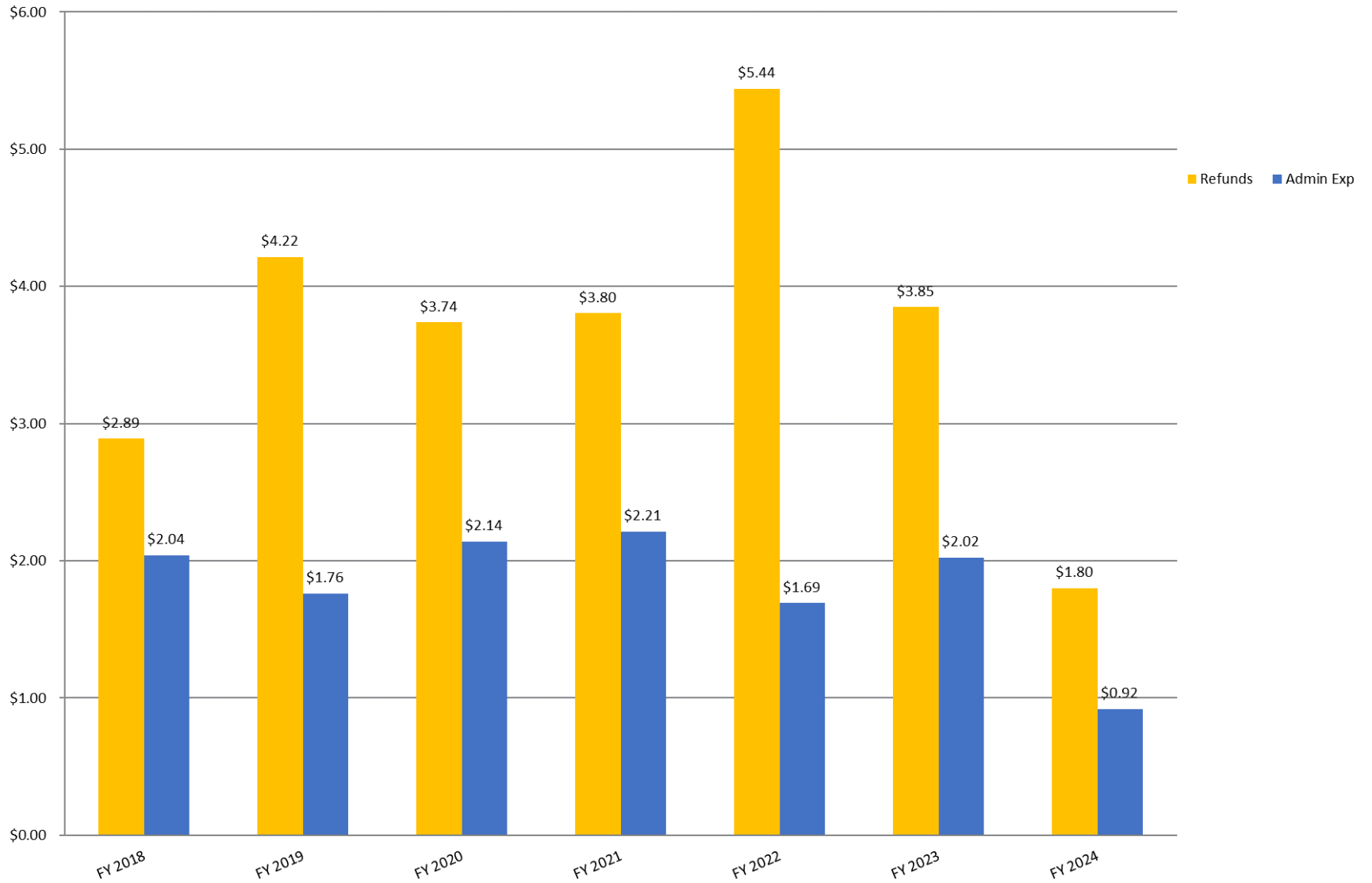
Net YTD Investment Income
Monthly through February 29, 2024
(Millions)



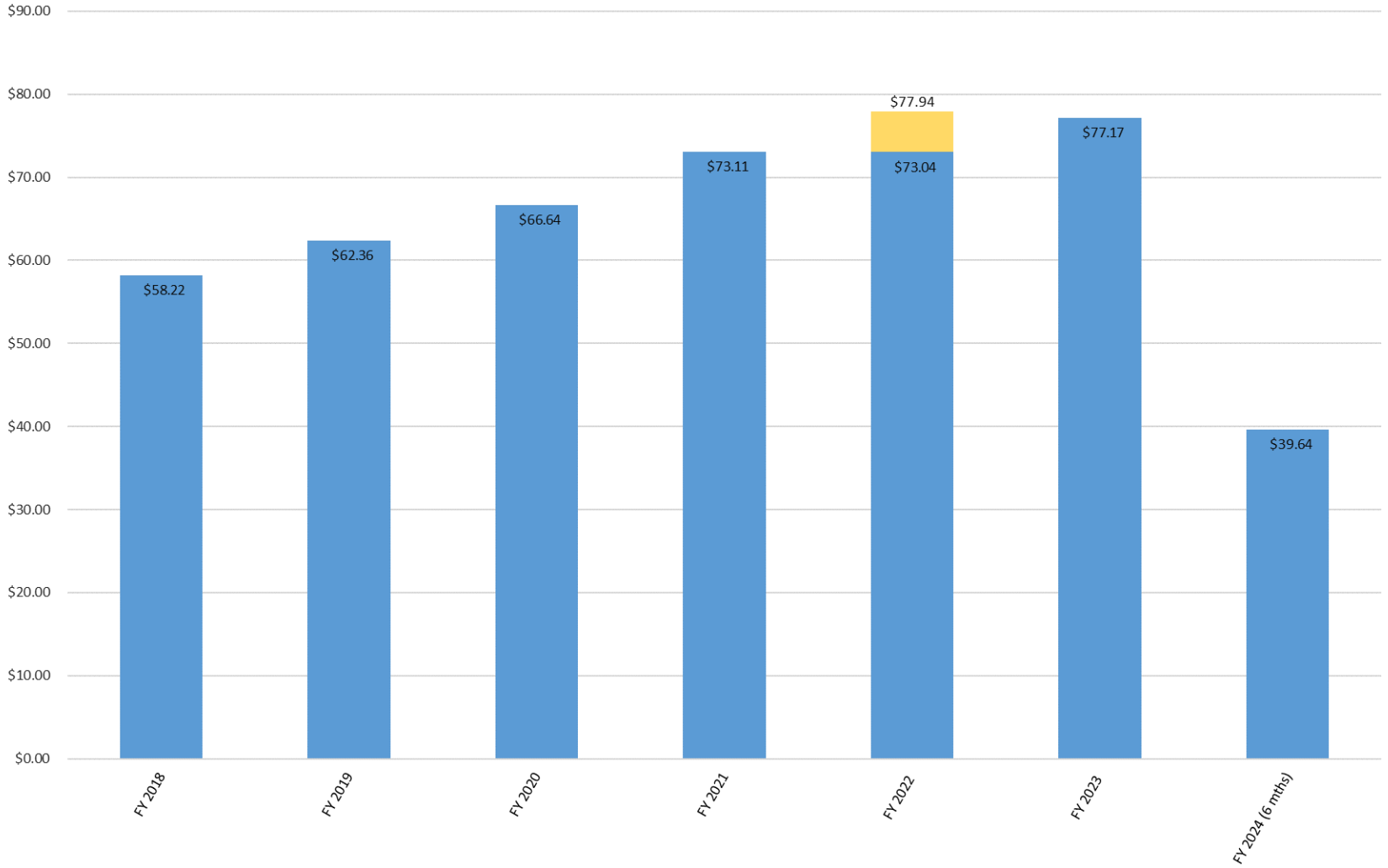
Net Investment Income Rate of Return Monthly through February 29, 2024



Refunds & Administrative Expenses Yearly through February 29, 2024 (Millions)



**Benefits Paid to Retirees
Yearly through February 29, 2024
(Millions)**



**Note: Current Fiscal Year Annualized Benefit Amount \$79,273,056
13th Payment as follows: 05/20/2022- \$4,897,500**