



**BOARD MINUTES FOR THE REGULAR MEETING  
HELD WEDNESDAY, AUGUST 21, 2024 AT 8:30 A.M.  
RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA**

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**Members in Attendance:**

Matt Kerr, Chairman  
Karl C. Rimkus, Vice-Chairman  
Isaura Valdez  
Karina Brasgalla  
Robert Studer  
Deborah G. Hamlyn  
Rene Peña  
Rep. Joe Molinar  
Rep. Art Fierro

**Members Absent:**

**Others in Attendance:**

Robert Ash, Executive Director  
Adrian Sanchez, Deputy Executive Director  
Karina Chavez, Administrative Assistant  
David Garcia, Benefits Supervisor  
Eduardo Miranda, Legal Counsel  
Luis Mier, Office of the Comptroller  
Alex Browning, Callan LLC  
Alex Ford, Callan LLC  
Hannah Ross, BLBG  
Amanda Rekemeier, BLBG

- Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:31 AM. Garcia noted that quorum was met.

**PLEDGE OF ALLEGIANCE**

The Retirement Trust Board recited the Pledge of Allegiance.

**NOTICE TO THE PUBLIC**

Benefits Supervisor David Garcia read the Notice to the Public.

All matters listed under the CONSENT AGENDA will be considered by the Retirement Trust Board to be routine and will be enacted by one motion in the form listed below. There will be no separate discussion of these items unless members of the Retirement

Trust Board or persons in the audience request specific items be removed from the CONSENT AGENDA to the REGULAR AGENDA for discussion prior to the time the Retirement Trust Board votes on the motion to adopt the CONSENT AGENDA.

### CONSENT AGENDA

Item 2. Approve the Minutes of the Regular Board meeting of July 17, 2024.

Item 3. Consideration and action on the following retirements:

Name	Department	Service Time (estimated)
A. Age & Service Retirement:		
1 Aguirre, Cecilia M.	Fire	29 years 00 months
2 Concepcion, Bertha Alicia	Police	23 years 05 months
3 Evans, Terrance	Sun Metro	27 years 11 months
4 Garcia, Jose E.	Sun Metro	23 years 08 months
5 Macias, Salome	Environmental Services	16 years 08 months
6 McKnight, Joel W.	Parks and Recreation	16 years 03 months
7 Moreno, Mario J.	Sun Metro	15 years 09 months
8 Nieves, Juan	El Paso Water	17 years 07 months
9 Ramirez, Robert	Libraries	15 years 03 months
10 Zarate, Jesus M	Sun Metro	20 years 07 months
B. Deferred:		
1 Avila, Myra Yuriria	Environmental Services	16 years 07 months

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

- A. Enriquez, Maria G. survivor of Tomas E. Enriquez, retiree.
- B. Marquez, Eloisa survivor of Alfredo Marquez, retiree.
- C. Muniz, Marina survivor of Benjamin Muniz, retiree.
- D. Rodriguez, Ernestina E. survivor of Jose Rodriguez Jr., retiree.

Item 5. Consideration and action on invoices as follows:

Company	Description of Service	Period	Fee Due
A. Arrowstreet Capital	Investment Fees	Qtr. Ended 06/30/24	\$ 122,721.42
B. BNY Mellon	Custodial Fees	Qtr. Ended 06/30/24	\$ 39,922.32
C. Buck Global, LLC	Actuarial Fees	Mo. Ended 07/31/24	\$ 2,091.67
D. Callan LLC	Consultant Fees	Qtr. Ended 06/30/24	\$ 82,500.00
E. Eduardo Miranda	Legal Fees	Mo. Ended 07/31/24	\$ 687.50
F. Gordon Davis Johnson & Shane PC	Legal Fees - 0063	Mo. Ended 07/31/24	\$ 525.00
G. Gordon Davis Johnson & Shane PC	Legal Fees – 0064	Mo. Ended 07/31/24	\$ 14,553.76
H. Heitman America R.E. Trust LP	Investment Fees	Qtr. Ended 06/30/24	\$ 120,869.00
I. Lazard Asset Management	Investment Fees	Qtr. Ended 06/30/24	\$ 91,475.69
J. Mellon Investment Management	Investment Fees	Qtr. Ended 06/30/24	\$ 21,793.01
K. Newton Investment Management	Investment Fees	Qtr. Ended 06/30/24	\$ 70,836.04
L. UBS Realty Investors LLC	Investment Fees	Qtr. Ended 06/30/24	\$ 62,916.67
M. Wellington Management	Investment Fees	Qtr. Ended 06/30/24	\$ 129,935.27
N. XEROX Financial Services	Copier Lease	Mo. Ended 08/31/24	\$ 348.00

Item 6. Consideration and action on the following Committee reports/appointments:

- A. Administrative Services Committee
- B. Executive Committee
- C. Facility and Maintenance Committee
- D. Financial Oversight Committee
- E. Investment Committee

**Motion made by Karl Rimkus to approve the Consent Agenda; seconded by Robert Studer. The motion required polling:**

<b>Isaura Valdez</b>	<b>aye</b>
<b>Karina Brasgalla</b>	<b>aye</b>
<b>Robert Studer</b>	<b>aye</b>
<b>Deborah Hamlyn</b>	<b>aye</b>
<b>Karl Rimkus</b>	<b>aye</b>
<b>Rene Peña</b>	<b>aye</b>
<b>Rep. Joe Molinar</b>	<b>aye</b>
<b>Rep. Art. Fierro</b>	<b>aye</b>

**Motion carried.**

### **REGULAR AGENDA**

Item 7. Discussion and action regarding the Treasurer's Report for the month ended July 31, 2024.

Luis Mier of the Office of the Comptroller ("OTC") presented on behalf of City Comptroller Margarita Marin; the Board received and reviewed the Treasurer's Report for the month ended July 31, 2024.

The Treasurer's Report is prepared monthly by OTC based on information received from the Trust's custodian.

The report consists of two statements ("Statement of Net Assets Available for Benefits" and the "Statement of Changes in Net Assets Available for Benefits"), three schedules ("Quarterly Statements of Changes in Net Assets Available for Benefits", "Investment Income Analysis", and "Pension Administration Actual/Budget Comparison"), and seven graphs ("Net YTD Investment Income", "Net Investment Income Rate of Return", "Refunds & Administrative Expenses", "Benefits Paid to Retirees", "Net Assets Available for Benefits Monthly", "FY24 Pension Retiree Population", and "FY24 Benefit Paid").

The information in the report includes (i) receivables, which include amounts due to the Trust for securities sold, outstanding interest, dividends earned, and contributions as of the date of the report; (ii) liabilities, which include amounts owed by the Trust for securities purchased and accrued expenses as of the date of the report; and (iii) unrealized/realized investment income, which is an estimate of the value of the portfolio as of the reporting dates.

Mier reviewed the statements, schedules, and graphs. The unaudited totals are for the periods ended July 31, 2024, including month, quarter, and fiscal year (11 months). Net assets available for benefits were about 984 million dollars a net increase of about 70 million dollars from the previous fiscal year. Contributions were approximately 51 million dollars (about 33 million from the employer and 18 million from employees). Benefits paid to retirees were about 73 million dollars. The rate of return, which is the fiscal net investment loss/gain over the average

net assets available for benefits, was about 10.71 percent exceeding the target rate of return for the fiscal year of 7.25 percent.

**No action was taken on this item.**

- Item 8. Discussion and action regarding a presentation from securities litigation firm, Bernstein Litowitz Berger & Grossmann (“BLBG”) LLP (Amanda Rekemeier and Hannah Ross, BLBG).

Amanda Rekemeier and Hannah Ross presented; the Board received and reviewed the portfolio monitoring and securities litigation presentation.

Rekemeier provided an overview of the firm. BLBG has monitored the Trust’s portfolio since February 2023. Portfolio monitoring and claims evaluation services are provided at no charge to clients. With the Trust, the firm works to protect shareholder rights and evaluate potential losses caused by fraud. Ross reviewed securities class action litigation and the impact of securities fraud. Through securities litigation, defrauded investors can recover their losses. Rekemeier reviewed the firm’s selective approach to litigation, development of proprietary cases, and method of monitoring the Trust’s portfolio.

Executive Director Robert Ash noted the Trust’s investment assets are invested in commingled vehicles. Securities are not denominated in the Trust’s name, which limits the Trust’s ability to serve as lead plaintiffs in securities litigation cases.

**No action was taken on this item.**

- Item 9. Discussion and action regarding the receipt of an investment portfolio report for the quarter ended June 30, 2024, from Callan LLC (Alex Ford, Callan).

Alex Ford of Callan LLC presented; the Board received and reviewed the investment portfolio performance report for the quarter ended June 30, 2024.

Ford provided a market overview. U.S. real GDP rose 2.8 percent in the second quarter above expectations. The Fed held short-term rates steady at the June Federal Open Market Committee (“FOMC”) meeting, with a current target range of 5.25-5.50 percent. The unemployment rate was 4.1 percent in June, a slight increase from the May reading of 4.0 percent. Ford noted the current election year and discussed historical presidential election year returns versus a non-presidential year. Returns in a presidential election year were less volatile than returns in non-presidential election years.

Ford reviewed market performance by asset class. Equity returns were concentrated, while rate uncertainty led to bond market volatility. Emerging markets and non-U.S. small cap equities also posted gains but U.S. small cap and developed non-U.S. stocks fell. Ford reviewed performance attribution. The ‘Magnificent Seven’ continue to drive divergence in performance across cap and style. In real estate, all property sectors and regions experienced negative appreciation, except for hotels. The valuations are reflective of higher interest rates, which have put upward pressure on capitalization rate and discount rate assumptions.

Ford reviewed the Trust’s portfolio. Ford noted recent activity and notable investment manager organizational changes. Effective September 3, 2024, Hanneka Smits of BNY Mellon Asset Management will retire, to be succeeded by Jose Minaya. While this departure is notable, Callan does not view it as material and will continue to monitor. Ford reviewed performance and asset allocation. Ford advised that the portfolio met its primary objective long term exceeding the

7.25 percent actuarial rate of return, and noted the funded ratio has been steady at around 80 percent over several years. Ford reviewed asset class weighting, return, and rankings relative to peers. The Trust ranked below median near term. Ford advised that a relative overweight to private equity detracted from performance. The Trust continued to rank over median long term.

**No action was taken on this item.**

- Item 10. Discussion and action regarding a report from Callan LLC regarding the Trust's investments and related matters including an investment portfolio report for the month ended July 31, 2024 (Alex Browning, Callan).

Alex Browning of Callan LLC presented; the Board received and reviewed the investment performance flash report for the month ended July 31, 2024.

Browning noted actual asset allocation versus target allocation. Browning reviewed performance by asset class and noted that valuations for private equity and real estate are not available on a monthly basis. The total fund balance was about 982 million dollars with about 20.5 million dollars in unrealized gains for the month. The domestic equity and fixed income asset classes outperformed their benchmarks in July, while international equities underperformed. The total fund outperformed the Strategic Blended Index for the month but underperformed the benchmark long term. For the fiscal year, the total fund return, at about 11.10 percent, is above the actuarial rate of return.

**No action was taken on this item.**

- Item 11. Discussion and action amending the Trust's Investment Policy Statement to amend the asset allocation.

Alex Browning of Callan LLC presented; the Board received and reviewed the draft amendment to the Investment Policy Statement.

Browning noted that the Board recently approved a change to the asset structure. Investment Committee Chair Robert Studer advised that the restructure resulted from active management underperformance relative to the index. Browning reviewed the draft changes. In Section 4, Page 15: Asset Class Structure: Weights to Large Cap Index and Dynamic under Domestic Equity changed to reflect a 25 percent reallocation of Dynamic assets to the Index.

**Motion made by Karl Rimkus to approve the proposed amendment to the Trust's Investment Policy Statement, as recommended by Callan, and authorize the Chairman to sign related documents; second by Deborah Hamlyn. None opposed. Motion carried.**

- Item 12. Discussion and action approving a resolution adopting the proposed budget for fiscal year 2024-2025.

Deputy Executive Director Adrian Sanchez presented; the Board received and reviewed the proposed budget for fiscal year 2024-2025.

The total budget consists of salaries/benefits, operations, capital expenditures, payments to retirees/alternate payees, and refunds/interest. Sanchez reviewed the updates made following the July presentation. The only update made to the budget was an adjustment to wages based on the CPI, which was reduced from the estimate of 3.25 percent to 2.9 percent. Sanchez noted that

he did not receive any inquiries.

**Motion made by Karl Rimkus to approve the budget resolution adopting the proposed budget and related matters for fiscal year 2024-2025; seconded by Rep. Joe Molinar. The motion required polling:**

<b>Isaura Valdez</b>	<b>aye</b>
<b>Karina Brasgalla</b>	<b>aye</b>
<b>Robert Studer</b>	<b>aye</b>
<b>Deborah Hamlyn</b>	<b>aye</b>
<b>Karl Rimkus</b>	<b>aye</b>
<b>Rene Peña</b>	<b>aye</b>
<b>Rep. Joe Molinar</b>	<b>aye</b>
<b>Rep. Art. Fierro</b>	<b>aye</b>

**Motion carried.**

Item 13. Discussion and action regarding the selection of a firm to provide lobbying services.

Executive Director Robert Ash presented; the Board received and reviewed the request for proposals ("RFP") for lobbying services.

Ash provided an overview of the RFP process. The initial draft of the RFP was reviewed and approved by the Board in May as recommended by the Financial Oversight Committee ("FOC"). The RFP was issued in early June with submission deadlines for questions and responses in mid and late June, respectively. Proposals were reviewed by the FOC. The FOC interviewed some of the respondents in August. The FOC recommended that The Schlueter Group of Texas be selected.

**Motion made by Karl Rimkus to allow the Executive Director to negotiate a contract for lobbying services with The Schlueter Group of Texas and authorize the Board Chairman or Executive Director to sign related documents; seconded by Rene Peña. The motion required polling:**

<b>Isaura Valdez</b>	<b>aye</b>
<b>Karina Brasgalla</b>	<b>aye</b>
<b>Robert Studer</b>	<b>aye</b>
<b>Deborah Hamlyn</b>	<b>aye</b>
<b>Karl Rimkus</b>	<b>aye</b>
<b>Rene Peña</b>	<b>aye</b>
<b>Rep. Joe Molinar</b>	<b>aye</b>
<b>Rep. Art. Fierro</b>	<b>aye</b>

**Motion carried.**

Item 14. Discussion and action regarding the election of Board Officers.

Executive Director Robert Ash advised that by ordinance there are two elected officers of the Board, Chairman and Vice-Chairman. Elections are held in even-numbered years at the Regular Board Meeting held in August. The term for an elected officer is two years. Ash noted that per the Trust's Board Officer Election Policy, there is a four-year lifetime limit to serve as Board Chairman. There is no Trustee on the Board who has met that limit, and there are no lifetime limitations on the number of terms a Trustee may serve as Vice-Chairman.

Pursuant to the established policy, the Board accepted nominations for Board Chairman. Ash noted that Chairman Matt Kerr will not accept a nomination as he is stepping down from his position as Chair.

**Deborah Hamlyn made a motion to nominate Robert Studer for Board Chairman; seconded by Karina Brasgalla. Studer accepted the nomination.** No other nominations were made. Ash declared the nominations closed. **Ash requested a motion that Robert Studer be elected by acclamation. None opposed. Motion was made, accepted, and carried.**

Pursuant to the established policy, the Board accepted nominations for Board Vice-Chairman.

**Robert Studer nominated Isaura Valdez for Vice-Chairman; seconded by Rep. Joe Molinar. Valdez accepted the nomination.**

**Matt Kerr nominated Karl Rimkus; seconded by Deborah Hamlyn. Rimkus accepted the nomination.**

**Votes for Vice-Chairman were recorded:**

<b>Isaura Valdez</b>	<b>for Isaura Valdez</b>
<b>Karina Brasgalla</b>	<b>for Isaura Valdez</b>
<b>Robert Studer</b>	<b>for Isaura Valdez</b>
<b>Deborah Hamlyn</b>	<b>for Karl Rimkus</b>
<b>Matt Kerr</b>	<b>for Karl Rimkus</b>
<b>Karl Rimkus</b>	<b>for Karl Rimkus</b>
<b>Rene Peña</b>	<b>for Karl Rimkus</b>
<b>Rep. Joe Molinar</b>	<b>for Isaura Valdez</b>
<b>Rep. Art Fierro</b>	<b>for Karl Rimkus</b>

Ash announced the totals: 5-votes for Karl Rimkus and 4-votes for Isaura Valdez. **Motion carried for Karl Rimkus to serve as Vice-Chairman.**

Ash noted that the terms will begin in September. Kerr noted that he has held the position for 3-years and advised that he stepped down to allow for new leadership. Kerr expressed his gratitude to the Board for their support.

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

Executive Director Robert Ash reported on the following:

- Ash reviewed ongoing/completed project(s):
  - A/V equipment improvements are ongoing in the Executive Conference Room and Boardroom.
- Ash reviewed upcoming Trust meetings:
  - The Administrative Services Committee is expected to meet to review the preliminary organizational review.
  - The Special Board Meeting will be held on October 28<sup>th</sup> at 9:00 am at the Trust Administration Building.
    - Staff development was held on August 8<sup>th</sup>. Staff reviewed the Strategic Plan and their recommendations will be heard during the Special Board Meeting.
  - The November and December board meetings will be held on the second Thursday

of the month, as approved by the Board.

**No action was taken on this item.**

Item 16. For Notation:

A. Qualified Domestic Relations Order

1. Gabriel Alvarez and Lilia Martinez

B. Refund of Contributions:

	Name	Department	Total Refund
1	Acosta, Jenna	Public Health	\$ 710.94
2	Adriano, Lilly	Museums and Cultural Affairs	\$ 5,398.04
3	Aguirre, Carolina	Police	\$ 27,876.32
4	Armendariz, Gabriel	Environmental Services	\$ 22,166.64
5	Cabral, Deivy	Animal Services	\$ 2,024.12
6	Calderon, Jose	Sun Metro	\$ 1,140.98
7	Castaneda, Daisy	Police	\$ 21,811.91
8	Castro, Herman	City Clerk	\$ 1,903.46
9	Castro, Jacqueline	Fire	\$ 34,614.06
10	Cholico Ramirez, Hector	El Paso Water	\$ 6,019.78
11	Coomes, Nichole	Zoo	\$ 5,019.64
12	Cruz, Carlos	Environmental Services	\$ 1,036.75
13	Cruz, Luis	Fire	\$ 1,024.65
14	De La Torre, Cesar	Information Technology	\$ 21,756.00
15	Diaz, Gilbert	Sun Metro	\$ 1,800.17
16	Elorduy, Ailini	Human Resources	\$ 5,152.65
17	Espinoza, Audry	Fire	\$ 10,702.19
18	Esslinger, Tyler	Fire	\$ 2,773.23
19	Garcia Zepeda, Noelyn	El Paso Water	\$ 6,838.90
20	Gartner, Courtney	Libraries	\$ 4,601.50
21	Gonzalez, Araceli	Purchasing and Strategic Sourcing	\$ 8,200.44
22	Harris, Sara	El Paso Water	\$ 10,972.13
23	Hernandez, Angelica	El Paso Water	\$ 777.28
24	Hernandez, Osvaldo	Sun Metro	\$ 987.15
25	Hernandez, Roberto	Information Technology	\$ 1,088.44
26	Herrera, Debbie	El Paso Water	\$ 435.04
27	Herrera-Goudeau, Dianna	Libraries	\$ 2,660.04
28	Ibarra, Matthew	Mayor and Council	\$ 17,459.70
29	Jacquez, Eliza	Animal Services	\$ 1,449.98
30	Lawson, Allison	Public Health	\$ 9,366.16
31	Lozano, Cynthia	Planning and Inspections	\$ 4,712.27
32	Lozano, Raymundo	Public Health	\$ 495.30
33	Lujan, Daniela	Streets and Maintenance	\$ 5,448.32
34	Martinez, Jesus	Streets and Maintenance	\$ 778.68



35	Martinez, Monica	Police	\$	4,832.52
36	Medina, Blanca	Public Health	\$	13,290.71
37	Menchaca, Alicia	Parks and Recreation	\$	98.67
38	Mendez, Jesus	Environmental Services	\$	12,645.10
39	Monarez, Manuel	Public Health	\$	7,580.17
40	Munoz, Chance	Environmental Services	\$	1,406.09
41	Nail, Jacob	Sun Metro	\$	806.38
42	Nieves, Jessica	Airport	\$	19,680.59
43	Ochoa, Evelyn	Police	\$	8,213.46
44	Orozco, Anna	El Paso Water	\$	825.64
45	Ortiz Jr., Saul	El Paso Water	\$	5,436.91
46	Partida, Pedro	Public Health	\$	17,081.36
47	Pena, Yissely	Fire	\$	10,837.80
48	Pigford, Malay	Fire	\$	1,138.68
49	Reyes, Mario	Environmental Services	\$	2,816.86
50	Reyes-Rodriguez, Wilfredo	Streets and Maintenance	\$	972.54
51	Rocha, Erica	Fire	\$	1,096.50
52	Rodriguez, Kelli	Police	\$	9,182.98
53	Rodriguez, Melissa	Municipal Court	\$	9,838.01
54	Rojo, Martha	Information Technology	\$	53,627.81
55	Sandoval, Mirna	El Paso Water	\$	1,490.42
56	Sierra, Maria	Police	\$	2,649.11
57	Silva, Catherine	Animal Services	\$	5,591.91
58	Soto, Veronica	Human Resources	\$	260.28
59	Valencia, Juan	Public Health	\$	1,318.95
60	Vargas, Jacqueline	Animal Services	\$	1,132.30
61	Venzor, Rafael	Environmental Services	\$	4,398.38
62	Zamora, David	Streets and Maintenance	\$	34,906.05
			\$	<b>482,359.04</b>

**Item for notation only. No action was required on this item.**

**OPEN COMMENT PERIOD**

The Board of Trustees allowed speakers from the public to comment on any pension-related issue that was not on the agenda. During the Open Comment Period of the meeting, the public was given an opportunity to address the Board.

There were no speakers to comment on any pension-related issue that was not on the agenda.

Item 17. The Board will retire into EXECUTIVE SESSION pursuant to the Texas Government Code, Sections 551.071-551.076 and Section 551.078 to discuss any of the following:

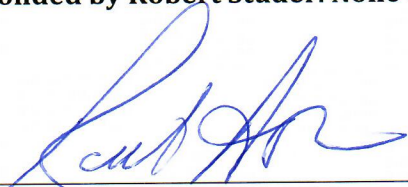
- Section 551.071 CONSULTATION WITH ATTORNEY
- Section 551.072 DELIBERATION REGARDING REAL PROPERTY
- Section 551.074 PERSONNEL MATTERS
- Section 551.075 CONFERENCE WITH EMPLOYEES


Section 551.076 DELIBERATION REGARDING SECURITY DEVICES  
Section 551.078 DELIBERATION REGARDING DISABILITY APPLICANT'S MEDICAL RECORDS

**No action was taken on this item.**

Item 18. Adjournment.

**Motion made by Rep. Joe Molinar to adjourn the City of El Paso Employees Retirement Trust Board Meeting on August 21, 2024; seconded by Robert Studer. None opposed. The motion was carried at 9:53 AM.**

  
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Secretary

  
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Chairman