



**BOARD MINUTES FOR THE REGULAR MEETING
HELD WEDNESDAY, SEPTEMBER 18, 2024, AT 8:30 A.M.
RETIREMENT TRUST ADMINISTRATION BUILDING, 1039 CHELSEA**

Members in Attendance:

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

Members Absent:

Deborah G. Hamlyn

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
Greg Garrett, Portfolio Advisors
Brian Murphy, Portfolio Advisors
Braden Nolan, BlackRock
Jeremy Kawaller, BlackRock
Greg Kirk, BlackRock

- Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:33 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 August 21, 2024.

Item 3. Consideration and action on the following retirements:

Name	Department	Service Time (estimated)
A. Age & Service Retirement:		
1 Barron Jr., Roberto	Streets and Maintenance	07 years 10 months
2 Garcia, Adan	Police	19 years 10 months
3 Gonzalez, Cecilia H	Public Health	32 years 04 months
4 La Rue, Mary	City Attorney	10 years 05 months
5 Ledesma, Norma	Fire	28 years 00 months
6 Murillo, Alfredo	El Paso Water	38 years 10 months
7 Pearson, Brent	Capital Improvement	21 years 00 months
8 Rios, Jose A.	El Paso Water	33 years 07 months
B. Early Retirement:		
1 Naranjo, Juan	Planning and Inspections	08 years 05 months
C. Deferred Retirement:		
1 Arenas, Jesus T.	Sun Metro	08 years 04 months
2 Burns, Brian C.	Libraries	14 years 06 months
3 Ditty, Annette Patricia	Police	13 years 06 months
4 Silva, Benjamin	Sun Metro	16 years 10 months

Item 4. Consideration and action on survivor benefit applications for:
 A. Gonzales, Dolores V. survivor of Tomas T Gonzales, retiree.
 B. Valenzuela, Socorro survivor of Ruben G. Valenzuela, retiree.

Item 5. Consideration and action on invoices as follows:

Company	Description of Service	Period	Fee Due
A. Buck Global, LLC	Actuarial Fees	Mo. Ended 08/31/24	\$ 2,091.67
B. Carr Riggs & Ingram	Consulting Fees	Mo. Ended 08/31/24	\$ 1,550.00
C. Eduardo Miranda	Legal Fees	Mo. Ended 08/31/24	\$ 687.50
D. Gordon Davis Johnson & Shane PC	Legal Fees - 0064	Mo. Ended 08/31/24	\$ 1,703.68
E. XEROX Financial Services	Copier Lease	Mo. Ended 09/30/24	\$ 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 Rep. Joe Molinar. The motion required polling:

Isaura Valdez	aye
Matt Kerr	aye
Karl Rimkus	aye
Rene Peña	aye
Rep. Joe Molinar	aye

Motion carried.

REGULAR AGENDA

Item 7. Discussion and action regarding the presentation of a Board Service Award to Mr. Matt Kerr.

Trustee Matt Kerr was recognized for his service as Board Chairman. Chairman Robert Studer presented the service award, on behalf of the Trust, to Mr. Kerr. Executive Director Robert Ash advised that the award acknowledges Kerr's dedicated service and contributions to the administration of the Trust.

Kerr accepted his award and expressed his gratitude for the recognition.

No action was taken on this item.

Item 8. Discussion and action regarding the Treasurer's Report for the month ended August 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 August 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 Retiree 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 August 31, 2024, including month, quarter, and fiscal year. Net assets available for benefits were about 996 million dollars a net increase of about 81 million dollars from the previous fiscal year. Contributions were approximately 56 million dollars (about 37 million from the employer and 19 million from employees). Benefits paid to retirees were about 80

million dollars. The rate of return, which is the fiscal net investment loss/gain over the average net assets available for benefits, was about 12.09 percent exceeding the target rate of return for the fiscal year of 7.25 percent.

Executive Director Robert Ash discussed market volatility.

No action was taken on this item.

- Item 9. Discussion and action regarding the receipt of an investment manager report from BlackRock (Braden Nolan, Jeremy Kawaller, and Greg Kirk, BlackRock).

Braden Nolan, Jeremy Kawaller, and Greg Kirk of BlackRock presented; the Board received and reviewed an investment manager performance report from BlackRock.

Kirk provided an overview of the portfolio and reviewed fund performance. The BlackRock Total Return Collective Trust Fund outperformed the Bloomberg US Aggregate Index over the month of July by 17 basis points (2.51 percent versus 2.34 percent respectively, net of fees) and outperformed the index year to date, as of 07/31/2024, by 81 basis points (2.42 percent versus 1.61 percent, net of fee). Kirk reviewed detractors and contributors to return through the end of August. As rates rallied, the portfolio was up closer to 4.0 percent year to date and 8.0 percent for the 1-year period ended 08/31/2024.

Kirk reviewed market influence and forecast. The US treasury curve bull steepened, driven by a mix of softening economic data and geopolitical factors. Both the June NFP and CPI reports fueled market confidence that the Fed will finally begin cutting interest rates at the September FOMC meeting. Kirk reviewed positioning as of 7/31/2024 including active key rate yield curve positioning, fund duration changes, and currency exposure.

No action was taken on this item.

- Item 10. Discussion and action regarding the receipt of an investment manager report from Portfolio Advisors LLC (Greg Garrett and Brian Murphy, Portfolio Advisors).

Greg Garrett and Brian Murphy of Portfolio Advisors ("PA") presented; the Board received and reviewed an investment manager report from PA.

Garrett and Murphy provided an overview of the firm. Murphy noted that Todd Hughes, who has presented to the Board with Murphy, has retired and senior PA member Garrett has transitioned into the role. Murphy discussed the firm's talent retention strategies relative to the PA merger with FS Investments. Murphy advised there hasn't been any meaningful turnover across the investment staff. Garrett confirmed that capabilities and team remain intact with some growth.

Garrett and Murphy reviewed performance. The Trust's original commitments, which total 190 million dollars across seven PA-Sponsored funds, continue to exhibit solid performance as evidenced by an aggregate net IRR since inception of 15.8 percent and a return multiple of 1.82x. Importantly, the mature funds (PAPEF VII-IX and PASF II-III) are marked at an aggregate 16.2 percent IRR and 2.05x return multiple.

From a risk mitigation perspective, the Trust's exposure to PA-Sponsored funds is well diversified. Primary fund exposure is approximately 41 percent, secondaries exposure is approximately 49 percent, and co-investment exposure is approximately 10 percent.

Collectively, the Trust has broad exposure to a multitude of industries and thousands of underlying companies. From a geographic standpoint, the Trust has approximately 75 percent exposure to the U.S., approximately 17 percent to Europe, about 5.0 percent to Asia, and approximately 3 percent exposure to the rest of the world. PA believes that this level of diversification significantly enhances the risk-return profile of the Trust's collective exposure to PA-Sponsored funds. The Trust's investments with PA are over 94 percent de-risked (Capital Returned / Capital Drawn) with the mature funds (PAPEF VII-IX and PASF II-III) being net distributors at 127 percent (Capital Returned / Capital Drawn) as of June 30, 2024. Over the past 12 months, the Trust has received distributions of 10.1 percent of total capital invested while having capital calls of only 4.6 percent of total invested capital.

No action was taken on this item.

- Item 11. Discussion and action regarding a report from Callan LLC regarding the Trust's investments and related matters (Alex Browning, Callan).

Alex Browning of Callan LLC presented; the Board received and reviewed the investment performance flash report for the month ended August 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 997 million dollars with about 16.9 million dollars in unrealized gains for the month. All asset-class composites underperformed their benchmarks in August. The total fund underperformed the Strategic Blended Index for all reporting periods. For the fiscal year, the total fund return, at about 13 percent, is above the actuarial rate of return.

No action was taken on this item.

- Item 12. Discussion and action regarding a rebalancing plan as proposed by Callan LLC (Alex Ford, Callan).

Alex Browning of Callan LLC presented; the Board received and reviewed the proposed asset rebalancing plan.

Browning advised that the Investment Committee has reviewed the plan.

Browning reviewed the proposed rebalancing and noted that a review of assets is performed quarterly. The recommendation is to reallocate funds from Domestic Equity to Cash to fund capital calls and benefits. Browning discussed Private Equity duration/maturity.

Motion made by Karl Rimkus to approve the rebalancing plan as prepared by Callan and recommended by the Investment Committee and to authorize the Executive Director to implement the plan and sign related documents; seconded by Matt Kerr. The motion required polling:

Isaura Valdez	aye
Karina Brasgalla	aye
Matt Kerr	aye
Karl Rimkus	aye
Rene Peña	aye
Rep. Art Fierro	aye

Motion carried.

- Item 13. Discussion and action regarding the receipt of a fee analysis as prepared by Callan LLC (Alex Ford, Callan).

Alex Browning of Callan LLC presented; the Board received and reviewed the investment manager fee analysis.

Browning reviewed the analysis and noted that fees are reviewed annually. The majority of the Trust's investment managers have fees at or below peer median, with few exceptions. The total plan, weighted by assets, (0.43 percent) is below peer median (0.47 percent). Chairman Robert Studer noted that those four basis points, below peer median, equate to millions of dollars for the Trust.

Browning advised that Callan periodically makes inquiries about fee concessions. Callan does not currently see an opportunity for fee reductions.

Studer noted that the Investment Committee ("IC") reviewed the study. Vice Chairman Karl Rimkus commended the IC for their due diligence in monitoring fees. Rimkus requested a dollar amount comparison. Deputy Executive Director Adrian Sanchez advised the schedule of investment manager fees will be included in the Annual Comprehensive Financial Report ("ACFR"). Sanchez advised that the 2023 schedule was presented to the Board as part of the auditor's report in the ACFR and is currently available on the Trust's website.

No action was taken on this item.

- Item 14. Discussion and action regarding the receipt of an organizational review prepared by Carr, Riggs & Ingram ("CRI").

Executive Director Robert Ash presented; the Board received and reviewed the organizational review prepared by CRI.

Ash advised that the report was completed by CRI, an independent, certified public accountant firm. Ash reviewed the timeline beginning with the initial request for proposals issued in April 2020 through delivery this year. Ash advised that an organizational review is a "goal" in the Strategic Plan.

CRI recommended maintaining the current staffing levels as employees are effectively fulfilling their roles. However, CRI recommends adding someone with an accounting background to help with reporting, drawdowns, classifications, etc. as needed.

CRI recommended streamlining workflow processes within the Benefits Payment Department and noted a potential bottleneck in the benefit payments process related to collaboration with the City for timely payroll reconciliation.

CRI recommended maintaining strong collaboration with the City for security training, as well as with CBIZ for industry insights and workforce management support.

Ash noted that the report has been reviewed by the Administrative Services Committee, and the Committee recommended accepting the report.

The Board discussed cyber security and risk mitigation. Deputy Executive Director Adrian Sanchez discussed the due diligence performed by the Trust including maintaining insurance coverage and inquiring about third-party security measures including from the Trust's custodian. Sanchez advised that CRI indicated in their report that the collaboration with the City for social engineering and IT security training indicates a commitment to staying abreast of evolving threats and industry best practices.

Trustee Isaura Valdez discussed the key performance indicators "KPI" recommended in the report. In their report, CRI recommended evaluating the operational bottlenecks to understand the additional time required by salaried employees in order to develop and implement key performance indicators related to the completion of core responsibilities. Valdez inquired if management will develop the KPIs as recommended by CRI and if those KPIs will be added to the Strategic Plan. Ash noted that the Strategic Plan will be reviewed during the Special Board Meeting in October. Valdez requested that the recommendations from the organizational review be included in the Special Board Meeting for consideration. Ash confirmed.

Motion made by Karl Rimkus to accept the organizational review as prepared by CRI and as recommended by the Administrative Services Committee; seconded by Rene Peña. None opposed. Motion carried.

- Item 15. Discussion and action regarding the payment of the Prudential annual administrative fee, drawing down on the available balance, and changing the payment amount.

Executive Director Robert Ash reviewed the notice from Prudential regarding the annual service agreement fee in reference to the liability sold to Prudential in the 1980s and COLA benefits for those annuitants. Ash advised that the staff recommendation is that (i) the yearly administrative fee be paid from the fund balance, (ii) 12,000 dollars reduce the fund balance, and (iii) the monthly amount be reduced from 4,000 dollars to 3,000 dollars. The Executive Committee ("EC") is recommending that the administrative fee be paid from the fund balance moving forward. Ash advised that if approved, as long as funds are available, staff would be authorized to pay the annual administrative fee from fund balance, without additional Board approval. Board Chairman and EC Chair Robert Studer confirmed noting that the item would return to the Board when the fund balance is depleted.

Motion made by Karl Rimkus accept the staff recommendation to draw down on the fund balance by 12,000 dollars, lower the monthly payment to 3,000 dollars, and authorize the payment of the 2024 annual fee of 1,000 dollars from the fund balance and the payment of future annual fees by drawing down from the fund balance, without further action by the Board, so long as the fund balance permits and authorize the Executive Director to sign related documents; seconded by Rene Peña. The motion required polling:

Isaura Valdez	aye
Karina Brasgalla	aye
Matt Kerr	aye
Karl Rimkus	aye
Rene Peña	aye
Rep. Art Fierro	aye

Motion carried.

Item 16. Discussion and action regarding a report from the Executive Director.

Executive Director Robert Ash reported on the following:

- Ash reviewed ongoing/completed project(s):
 - Ordinance amendments, as approved by the Board, are under review by the City. The Trust has been in discussions with the City regarding reimbursements, incentives, and the definition of “pensionable earnings”. Ash believes the uncertainties have been resolved and expects the amendments to go before City Council. Ash noted that the Trust will brief Council Representatives on the proposed amendments.
 - The City drafted a funding policy which was reviewed by the Trust’s actuary, who provided comments. The Executive Committee authorized Ash to submit comments to the City on behalf of the Trust. Ash expects the City will provide several iterations for review before finalization of the policy.
 - The audit report and actuarial valuation process will begin as the fiscal year has ended.
 - The actuary has submitted a request for information which staff will fulfill in the next weeks.
- Ash reviewed upcoming Trust meetings:
 - The Special Board Meeting will be held on October 28th at 9:00 am at the Trust Administration Building.
 - The November and December board meetings will be held on the second Thursday of the month, as approved by the Board.
- Ash discussed committees:
 - Committees will remain the same in the interim, while Chairman Robert Studer discusses assignments with Trustees. Studer advised that he does not expect major changes. He will be removing himself as Chair of the Investment Committee.

No action was taken on this item.

Item 17. For Notation:

A. Refund of Contributions:

	Name	Department	Total Refund
1	Arnold-Veilleux, Breeanna	Fire	\$ 12,313.01
2	Castillo, Kayley	Mayor and Council	\$ 1,461.30
3	Contreras, Carlos	Environmental Services	\$ 4,757.26
4	Cortez, Danny	Fire	\$ 1,148.43
5	Dalton, Karen	Office of the Comptroller	\$ 11,727.92
6	Gamboa, Christoper	Environmental Services	\$ 6,625.20
7	Gilliland, Joshua	El Paso Water	\$ 6,285.90
8	Gonzalez, Samantha	Fire	\$ 6,706.04
9	Herrera, Imelda	Environmental Services	\$ 14,583.56
10	Herrera, Samantha	Fire	\$ 13,181.46
11	Iglesias, Omar	Fire	\$ 2,471.74
12	Lozano, Salvador	Airport	\$ 60,789.13
13	Martinez, Andrew	El Paso Water	\$ 2,846.00
14	Martinez, Rocio	Public Health	\$ 4,023.31
15	Moore, Shelby	Fire	\$ 20,544.09

16	Munoz, Jacquelin	Fire	\$	10,375.28
17	Nunez, Fernie	Parks and Recreation	\$	451.50
18	Olivas, Inez	Libraries	\$	5,352.68
19	Ortega, Karla	Fire	\$	648.91
20	Perez, Hector	Airport	\$	1,609.21
21	Portillo, Juan	Streets and Maintenance	\$	19,509.27
22	Ramirez, Cynthia	Fire	\$	18,676.19
23	Ramirez, Natalia	Streets and Maintenance	\$	6,724.07
24	Rayas, Jesus	Airport	\$	5,252.52
25	Rivera, Cynthia	Police	\$	40,185.84
26	Valdez, Dominique	Fire	\$	9,737.04
27	Valtierra, Eduardo	Fire	\$	1,483.28
			Total:	\$ 289,470.14

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.

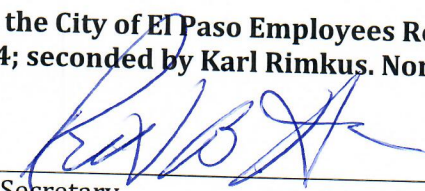
Item 18. The Board will retire into EXECUTIVE SESSION pursuant to the Texas Government Code, Sections 551.071-551.076 and Section 551.078 to discuss any of the following:

- 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 19. Adjournment.

Motion made by Matt Kerr to adjourn the City of El Paso Employees Retirement Trust Board Meeting on September 18, 2024; seconded by Karl Rimkus. None opposed. The motion was carried at 10:09 AM.



 Secretary



 Chairman

