



**BOARD MINUTES FOR THE REGULAR MEETING
HELD THURSDAY, DECEMBER 12, 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 Bragalla
Matt Kerr
Rep. Joe Molinar
Rep. Art Fierro

Members Absent:

Deborah G. Hamlyn
Rene Peña

Others in Attendance:

Robert Ash, Executive Director
Adrian Sanchez, Deputy Executive Director
Karina Chavez, Administrative Assistant
David Garcia, Benefits Supervisor
Eduardo Miranda, Legal Counsel
Alex Browning, Callan LLC
Alex Ford, Callan LLC

- Item 1. Benefits Supervisor David Garcia called the meeting to order at 8:36 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 November 14, 2024.

Item 3. Consideration and action on the following retirements:

Name	Department	Service Time (estimated)
A. Age & Service Retirement:		
1. Teresa Chavez Davila	Sun Metro	19 years 02 months
2. Bustillos, Antonio	Streets and Maintenance	26 years 00 months
3. Carrizales, Felipe	Sun Metro	10 years 09 months
4. Chiw, M Leticia	Streets and Maintenance	07 years 00 months
5. Hernandez, Laura I.	Sun Metro	21 years 09 months
6. Medrano, Gabriela	Airport	21 years 03 months

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

- A. Chowning, Janice survivor of Derrell Hiatt, retiree.
- B. Ortega, Delia survivor of Benito M Ortega, retiree.
- C. Villalobos, Irma survivor of Joe L. Villalobos, retiree.

Item 5. Consideration and action on invoices as follows:

Company	Description of Service	Period	Fee Due
A. BNY Mellon	Custodial Fees	Qtr. Ended 09/30/24	\$ 40,080.63
B. Buck Global, LLC	Actuarial Fees	Mo. Ended 11/30/24	\$ 4,783.33
C. Eduardo Miranda	Legal Fees	Mo. Ended 11/30/24	\$ 662.50
D. Gordon Davis Johnson & Shane PC	Legal Fees	Mo. Ended 11/30/24	\$ 17,197.33
E. Schlueter Group of Texas LLC	Consulting Fees	Mo. Ended 12/31/24	\$ 5,000.00
F. Xerox Financial Services	Copier Lease	Mo. Ended 12/31/24	\$ 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 Matt Kerr.
The motion required polling:**

Isaura Valdez	aye
Karina Brasgalla	aye
Matt Kerr	aye
Robert Studer	aye
Karl Rimkus	aye

Motion carried.

Chairman Robert Studer requested that Trustees speak three inches from the microphone for video streaming purposes.

REGULAR AGENDA

- Item 7. Discussion and action regarding the Treasurer's Report for the month ended November 30, 2024.

Chairman Robert Studer advised that the Treasurer's Report was not available at the time of the meeting. Studer noted that Executive Director Robert Ash will provide the report to the Trustees when available. Studer requested a motion to delete Item 7.

Motion made by Karl Rimkus to delete Item 7; seconded by Karina Brasgalla. None opposed. Motion carried.

- Item 8. Discussion and action regarding a report from Callan LLC regarding the Trust's investments and related matters.

Alex Ford of Callan LLC presented; the Board received and reviewed the performance report for the month of November 2024.

Ford reviewed actual versus target allocation. Although allocation remains close to target, Callan will recommend rebalancing into Domestic Fixed Income, in the new year, as the actual percent allocation approaches the lower end of the defined range. Ford noted that the Trust's exposure to Domestic Fixed Income will be further reduced with the final maturity of the laddered bond program in December.

Ford reviewed performance and noted that valuations for Private Equity and Real Estate are not available on a monthly basis. The total fund balance was an estimated 1.01 billion dollars with about 33.4 million dollars in unrealized gains for the month. All asset-class composites outperformed their benchmarks in November. The total fund outperformed the Strategic Blended Index for the month but underperformed long term. For the last year and last five years, the total fund return exceeded the actuarial rate of return of 7.25 percent. Browning discussed market conditions and performance attribution. Chairman Robert Studer discussed market volatility and cyclical performance trends.

Ford noted that Callan met with the Trust's Investment Committee to address the underperformance of the Lazard International Equity portfolio. Lazard outperformed their benchmark for the month but underperformed long term.

No action was taken on this item.

- Item 9. Discussion and action regarding the termination of the Investment Management Agreement between Lazard Asset Management and the City of El Paso Employees Retirement Trust.

Alex Browning of Callan LLC presented; the Board received and reviewed the memorandum from Callan regarding the termination of Lazard Asset Management.

Browning advised that Lazard has failed to meet the Investment Policy Statement criteria for net of fee performance against the benchmark. At the November 13th Investment Committee ("IC") meeting, the IC continued a discussion of Lazard Asset Management's benchmark relative underperformance and arrived at the conclusion that it constituted a compliance issue with the

performance criteria as stated in the Investment Policy Statement (“IPS”). The Investment Committee discussed and reviewed Lazard’s relative underperformance over various time periods and voted to recommend to the Board that they terminate the relationship having lost confidence that the strategy could meet the IPS performance criteria.

Callan believes that the Investment Committee has followed a diligent and prudent process to arrive at the termination recommendation and supports it.

Executive Director Robert Ash noted that Callan’s recommendation was to invest the liquidated proceeds into the existing MSCI ACWI ex-US IMI Index Fund while the IC evaluates if adding another active manager to the international equity structure would be appropriate. Ash expects that, if approved, the portfolio will be liquidated by year-end.

Motion made by Karl Rimkus to terminate the investment management agreement with Lazard Asset Management LLC as recommended by the Trust’s Investment Committee and transition the assets to the ACWI ex-US Index Fund and authorize the Chairman or Executive Director to sign documents related to the termination and transition; seconded Rep. Joe Molinar. The motion required polling:

Isaura Valdez	aye
Karina Brasgalla	aye
Matt Kerr	aye
Karl Rimkus	aye
Rep. Joe Molinar	aye
Rep. Art Fierro	aye

Motion carried.

- Item 10. Discussion and action approving a contract amendment between the Trust and Carr, Riggs & Ingram LLC extending the term of the current contract.

Executive Director Robert Ash presented; the Board received and reviewed the amendment between the Trust and Carr, Riggs & Ingram LLC (“CRI”) extending the term of the current contract.

Ash noted that the Trust has employed CRI for the past six years. If approved, the amendment would extend the contract by 38 months and increase costs. Ash advised that the Financial Oversight Committee (“FOC”) reviewed the amendment and recommended approval. Ash noted that the FOC considered the increase in costs reasonable.

Motion made by Karl Rimkus to approve the contract amendment to extend the contract with the audit firm of Carr, Riggs & Ingram LLC as recommended by the Financial Oversight Committee and authorize the Chairman or Executive Director to sign related documents; seconded by Rep. Joe Molinar. The motion required polling:

Isaura Valdez	nay
Karina Brasgalla	aye
Matt Kerr	aye
Karl Rimkus	aye
Rep. Joe Molinar	aye
Rep. Art Fierro	aye

Motion carried.

Item 11. Discussion and action regarding a report from the Executive Director.

Executive Director Robert Ash reported on the following:

- Ash reviewed ongoing/completed project(s):
 - The actuarial valuation and annual audit are in process. Reports are expected in January.
 - The Trust will follow the City's schedule for the holiday closure. The Trust Office will be closed from 12/23/24 through 1/1/25.
 - In January 2025, the Trust will transition to the BoardEffect meeting platform from the BoardPaq platform, which is sunsetting.
 - Administrative Assistant Karina Chavez will provide Trustees with more information including login credentials.
- Ash provided an update on the 89th Texas Legislative Session noting a new House Speaker.
- Ash reviewed upcoming Trust meetings:
 - A Special Investment Committee will be held on 12/18/2024.
 - The Financial Oversight Committee will meet on 1/15/2025 to review the actuarial valuation and annual audit report.

No action was taken on this item.

Item 12. For Notation:

A. Refund of Contributions:

	Name	Department	Total Refund
1	Acosta, Dominic	Libraries	\$ 3,428.88
2	Barba, Christian	Environmental Services	\$ 24,388.78
3	Bustamante, Maria	Fire	\$ 311.66
4	Candelaria, Vianey	El Paso Water	\$ 6,436.90
5	Cardona, Amanda	Public Health	\$ 4,780.04
6	Cashin, Kaitlyn	Zoo	\$ 9,673.31
7	Chan, Ivan	Capital Improvement	\$ 2,382.75
8	Contreras, Gustavo	Streets and Maintenance	\$ 597.13
9	Couder, Aubrey	Community and Human Development	\$ 5,420.33
10	De Landsheer, Patrick	Fire	\$ 11,092.35
11	Del Hierro, Richard	El Paso Water	\$ 34,750.35
12	Denmark, Jesse	Sun Metro	\$ 3,258.14
13	Dominguez, Sonya	Public Health	\$ 3,659.58
14	Gates-Allen, Shariyah	El Paso Water	\$ 7,580.08
15	Gianni, Ernesto	El Paso Water	\$ 1,534.48
16	Gomez, Clarissa	Environmental Services	\$ 2,913.93
17	Gonzalez, David	Airport	\$ 4,608.34
18	Hernandez, Samantha	Libraries	\$ 4,940.67
19	Jackson, Charles	Parks and Recreation	\$ 3,011.92
20	Juarez, Michael	Parks and Recreation	\$ 9,720.42
21	Leavitt, Raymond	Animal Services	\$ 6,220.37
22	Lujan Nava, Francisco	El Paso Water	\$ 28.64

23	Luna-Torres, Madison	Police	\$	13,804.25
24	Mejia, Juan	Environmental Services	\$	1,270.52
25	Mendoza, Jared	Parks and Recreation	\$	1,888.37
26	Perez, Jesus	Environmental Services	\$	5,807.68
27	Realyvasquez, Ernesto	Police	\$	498.43
28	Rodriguez, Kimberly	Economic Development	\$	830.36
29	Romero, Francisco	Parks and Recreation	\$	1,487.18
30	Ruiz, Mariana	Tax	\$	4,504.12
31	Sanchez, Laura	Fire	\$	7,294.56
32	Sepeda, Jesus	Purchasing and Strategic Sourcing	\$	5,813.74
33	Simental, Alexandro	Public Health	\$	26,147.89
34	Strickland, Sunny	Fire	\$	4,725.75
35	Tavera, Aurelio	Police	\$	3,059.27
36	Venegas, Antonio	Environmental Services	\$	21,051.34
37	Vera, Roberto	Sun Metro	\$	20.22
38	Yanez, Jake	Environmental Services	\$	62,581.71
			Total:	\$ 311,524.44

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.

Motion made by Karl Rimkus to retire into Executive Session; seconded by Rep. Joe Molinar. None opposed. The Board retired into Executive Session pursuant to the Texas Government Code, Sections 551.071-551.076 and Section 551.078 at 9:02 AM.

Motion made by Karl Rimkus to reconvene from Executive Session; seconded by Matt Kerr. None opposed. Motion carried at 10:21 AM.

Item 13. 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**

- A. Sections **551.071** and **551.078**
Discussion and action regarding the survivor benefit application for an incapacitated adult child.

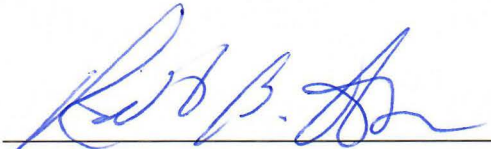
Motion made by Karina Brasgalla to approve the survivor benefit application; seconded by Rep. Joe Molinar. The motion required polling:

Isaura Valdez	aye
Karina Brasgalla	aye
Matt Kerr	nay
Karl Rimkus	nay
Rep. Joe Molinar	aye
Rep. Art Fierro	aye

Motion carried.

Item 14. Adjournment.

Motion made by Karl Rimkus to adjourn the City of El Paso Employees Retirement Trust Board Meeting on December 12, 2024; seconded by Rep. Joe Molinar. None opposed. The motion was carried at 10:22 AM.



Secretary



Chairman