

# Retirement Trust

2024-2025 Annual Update





# Agenda

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- I. Overview
- II. Recent Investment Portfolio Returns
- III. Financial Audit Highlights for FYE August 31, 2024
- IV. Actuarial Valuation Highlights for 2-year period ended September 1, 2024
- V. Cost of Living Adjustment (COLA) for Retirees
- VI. Conclusion

# I. Overview

- The City of El Paso Employees Retirement Trust (“Retirement Trust”) is a defined benefit plan governed by the City Charter and Chapter 2.64 of the Municipal Code.
- Assets Under Management
  - As of August 31, 2021 \$ 1,038,684,146
  - As of August 31, 2022 \$ 908,273,911
  - As of August 31, 2023 \$ 914,311,891
  - As of August 31, 2024 \$ 990,935,503
  - As of June 30, 2025 \$ 1,029,441,388\*
- Membership as of August 31, 2024:
  - Participants 4,727
  - Retirees 5,023

\*Unaudited

# Board of Trustees

## Employee Elected Members



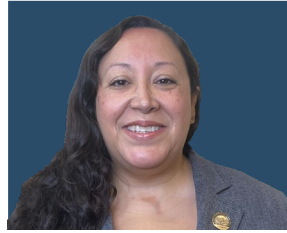
Robert Studer  
Chairman



Karl Rimkus  
Vice-Chairman



Karina Brasgalla



Isaura Valdez

## Citizen Appointees



Matt Kerr



Rene Peña

## City Council Appointees



Rep. Chris Canales



Rep. Art Fierro

## Retiree Appointee



Deborah Hamlyn

## New Appointments

- Rep. Chris Canales appointed as City Representative Appointee in January 2025.

## Reappointments

- Rep. Art Fierro was reappointed as City Representative Appointee in January 2024.
- Deborah Hamlyn reappointed as Retiree Appointee in April 2024.

## Expiring Terms

- 2 Employee Representative positions are open for election in April 2025.
  - Karl Rimkus
  - Isaura Valdez
- 2 citizen appointments will expire in April 2025.
  - Matt Kerr
  - Rene Peña



# Standing Committees



## **Administrative Services Committee**

Karina Brasgalla – Chair

Karl Rimkus

Deborah G. Hamlyn

## **Executive Committee**

Robert Studer – Board Chairman

Karl Rimkus – Board Vice-Chairman

Robert Ash – Executive Director

Adrian Sanchez – Deputy Executive Director

## **Facilities And Maintenance Committee**

Deborah G. Hamlyn – Chair

Karina Brasgalla

Rep. Art Fierro

## **Financial Oversight Committee**

Matt Kerr – Chair

Rene Peña

Isaura Valdez

## **Investment Committee**

Rene Peña – Chair

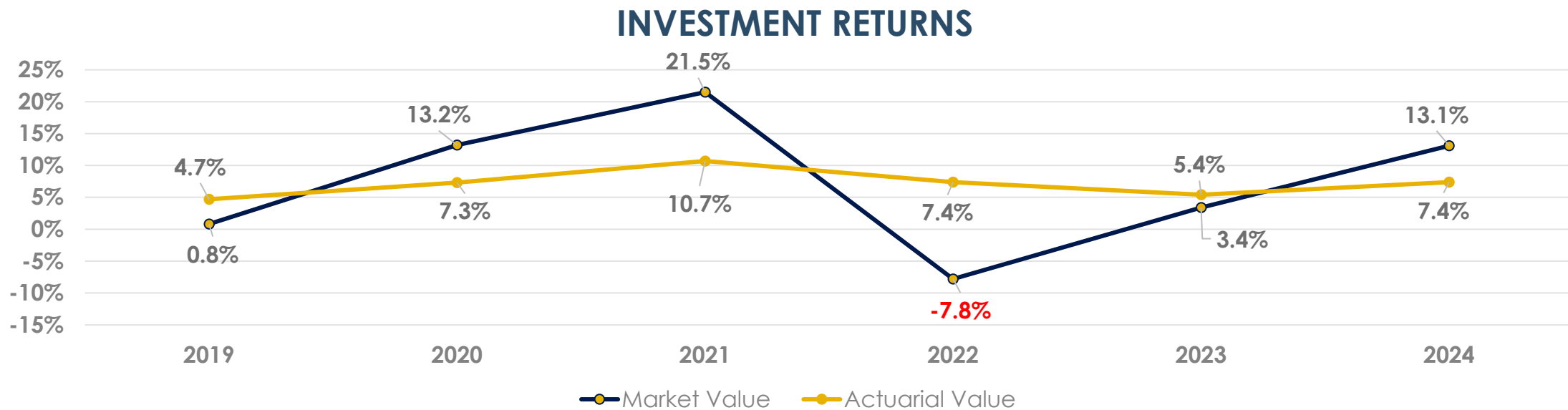
Isaura Valdez

Rep. Chris Canales

Alternate – Robert Studer

# II. Recent Investment Portfolio Returns

- The Trust has a standing Investment Committee which meets bi-monthly. Investments are reviewed on a monthly basis by the Board, the Trust's investment consultant, and the City Comptroller. Staff reviews investments on a daily basis.
- Performance



Source: City of El Paso Employees Retirement Trust - Actuarial Valuation (As of September 1, 2024)

# II. Recent Investment Portfolio Returns

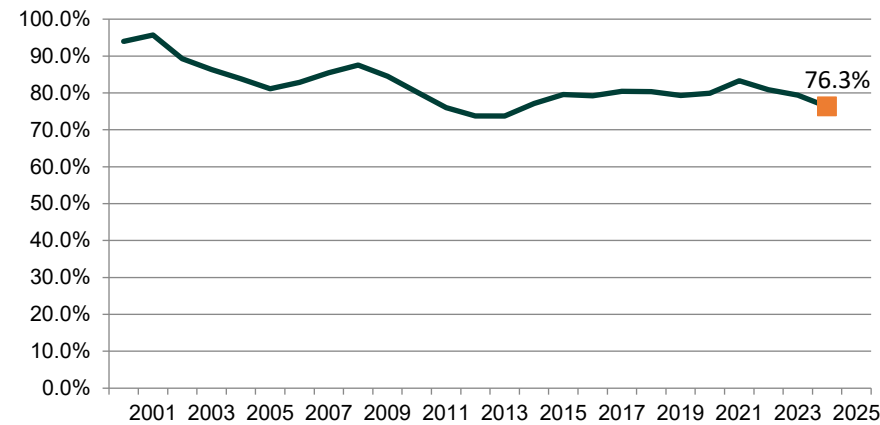
Investment Dashboard  
as prepared by Callan LLC





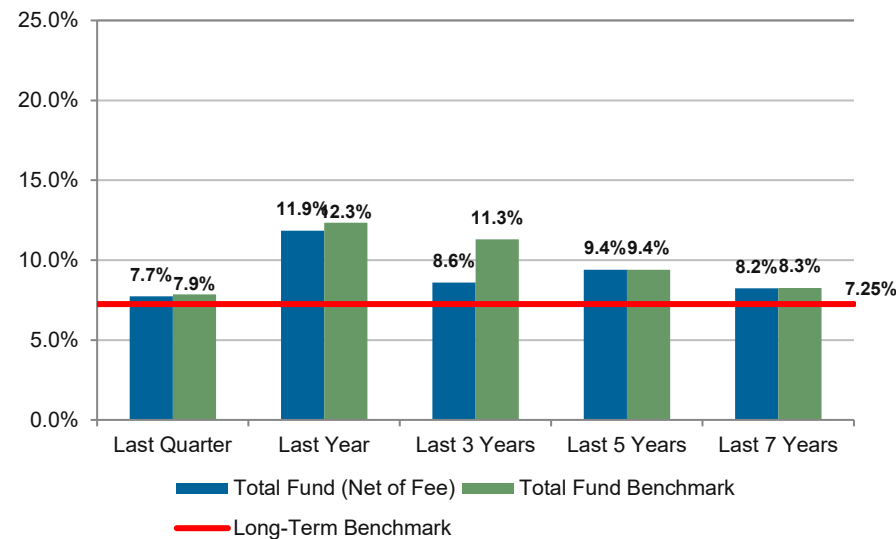
# CEPERT Dashboard – June 30, 2025

Funded Ratio: Actuarial Value of Assets



Source: City of El Paso Employees Retirement Trust

Performance Summary



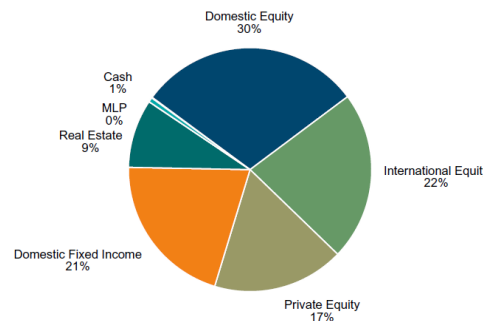
Source: Callan LLC. Returns are net of fee.

Market values will change for the full 2Q report for the PE and RE funds.

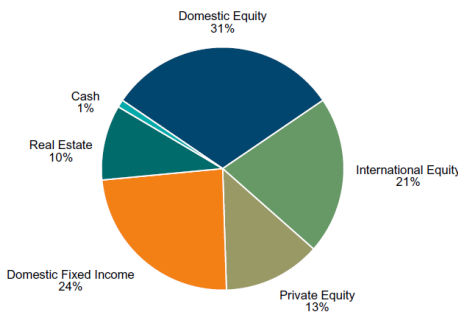
Total Portfolio Market Values (\$Millions)	Quarter Ending 06/30/25	Last 12 Months
Starting Value	\$978.4	\$961.8
Ending Value	\$1045.4	\$1045.4
Total Portfolio Returns (net of fee)	Quarter Ending 06/30/25	Last 12 Months
CEPERT Total Fund	+7.74%	+11.85%
Total Fund Benchmark	+7.85%	+12.34%
Excess Return	-0.11%	-0.49%

Source: Callan LLC. Returns are net of fee.

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$Dollars Actual	Percent Actual	Percent Target	Percent Difference	\$Dollars Difference
Domestic Equity	310,808,813	29.7%	31.0%	(1.3%)	(13,266,649)
International Equity	233,714,801	22.4%	21.0%	1.4%	14,179,820
Private Equity	182,935,901	17.5%	13.0%	4.5%	47,033,294
Domestic Fixed Income	215,655,298	20.6%	24.0%	(3.4%)	(35,241,826)
Real Estate	95,606,831	9.1%	10.0%	(0.9%)	(8,933,641)
MLP	6,966	0.0%	0.0%	0.0%	6,966
Cash	6,676,096	0.6%	1.0%	(0.4%)	(3,777,950)
Total	1,045,404,707	100.0%	100.0%		

Source: Callan LLC





### III. Financial Audit Highlights

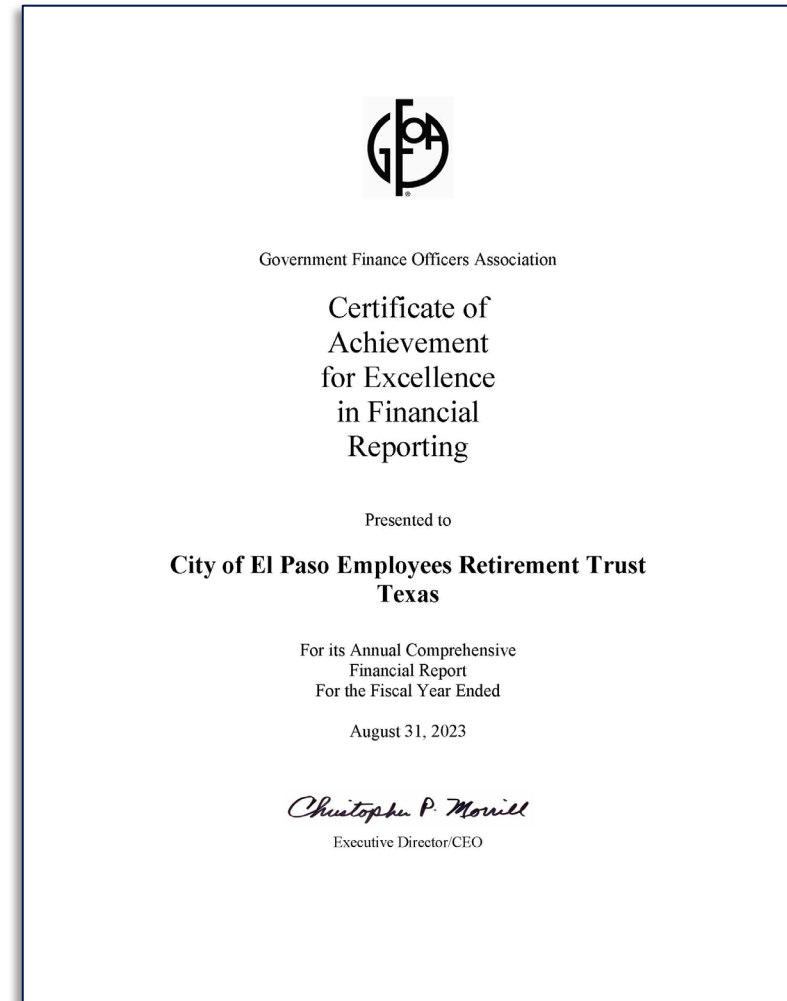
FYE August 31, 2024

- The Trust's independent auditor Carr, Riggs & Ingram ("CRI") issued an unmodified opinion on the Trust's financial statements.
- Net position held in the Trust for pension benefits increased by \$76.6M compared to an increase in FY 2023 of \$6.0M.
  - Increase was primarily due to the performance of the capital markets.
- Benefit payments were \$81.4M in FY 2024, an increase of \$4.2M from FY 2023.
- Asset value increased from approximately \$914M in FY 2023 to \$991M in FY 2024.
- Contributions totaled approximately \$55.9M in FY 2024.
  - \$34.2M by Employer and \$21.7M by Employees.
  - Each month the Trust has a negative cash flow of approximately \$3.7M (excluding investment returns) and has been steadily increasing.
- This report was provided to the City and the State Pension Review Board and is on our website for public viewing, [2024 Annual Comprehensive Financial Report](#).

### III. Financial Audit Highlights

FYE August 31, 2024

- The Trust received a GFOA Certificate of Achievement in Financial Reporting for our Fiscal Year 2023 Financial Report.
- This marks the 11<sup>th</sup> consecutive year the Trust has received this award (2013-2023).





## IV. Actuarial Valuation Highlights

September 1, 2024

- The purpose of the valuation, as required by State law, is to determine the current financial position of the Trust, determine funding adequacy based upon the current contribution rate, and analyze changes in the financial condition of the Trust since the last valuation.
- Since the 2022 valuation, the funded ratio decreased on a market value of assets from 77.5% to 75.2%. However, due to asset smoothing, the actuarial value of assets funded ratio decreased from 80.9% to 76.3%.
- Unfunded actuarial accrued liability (“UAAL”) is \$313.5M, an increase of \$61.6M from the end of FY 2023.
  - A portion of this increase is attributable to revised actuarial assumptions approved in 2023 and a result of larger than assumed participant pay increases.
- Years to amortize the UAAL decreased from 17 to 16 years. Benchmark is 30-years although the State Pension Review Board would prefer amortization periods of 25-years or less.



## IV. Actuarial Valuation Highlights

September 1, 2024

- Actuarial Accrued Liability increased from \$1.22B to \$1.32B and the actuarial value of assets rose from \$968.0M to \$1.01B from 2023 to 2024.
- The excess of the City Contribution rate over the Actuarially Determined Contribution rate is 1.93%\* (closed 25-year layered amortization).
- Capital markets have experienced high degrees of volatility during FY 2025. Investment returns have improved through June and the Trust is currently on track to meet the investment return assumption of 7.25%.

## IV. Actuarial Valuation Highlights

September 1, 2024

- Actuarial value of assets are now showing a loss of \$14.7M to be smoothed in over the next four years. This is why the market value of assets is lower than the actuarial value of assets.

Year	Total Gain/(Loss)	Percent Deferred	Deferral Amount
2023-2024	\$ 52,488,367	80%	\$ 41,990,694
2022-2023	\$ (34,794,540)	60%	\$ (20,876,724)
2021-2022	\$ (151,077,400)	40%	\$ (60,430,960)
2020-2021	\$ 122,992,282	20%	\$ 24,598,456
Total			\$ (14,718,534)*

\* This is an improvement from the prior year.



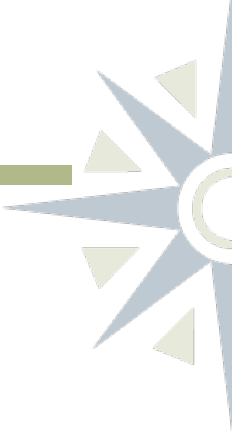
## IV. Actuarial Valuation Highlights

September 1, 2024

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- Membership counts have shown increases in the number of retirees and the number of active contributing participants.
- The amount of pension payroll continues to increase due to higher retirement payments for newly retired participants.
- The Actuarial Valuation was provided to the City and the State Pension Review Board and is on our website for public viewing, [2024 Actuarial Valuation](#).

# V. Cost of Living Adjustment (COLA)



- The Trust has issued eleven Cost of Living Adjustments since the plans inception.
  - COLAs have been issued in 1984, 1990, 1993, 1995, 1998, 2002, 2007, 2012, 2014, and 2017.
  - The last COLA was issued in May 2022 in the form of a 13<sup>th</sup> check of \$1,500, based on the September 1, 2021 Roll-Forward Valuation.
- The Trust's COLA policy was revised to include new guidelines in December 2019.
  - The funded ratio of the Plan, after the benefit increase, must be at least 80%
  - The decrease in the funded ratio due to the benefit increase is not more than 1%
- No COLA was approved as a result of the 2024 Actuarial Valuation.



## VII. Conclusion

The Retirement Trust continues to monitor performance of the Fund. The current funded position of the Trust conforms with State guidelines. The funded percentage of 76.3% is reasonable but can be improved with good asset performance. The decrease in the Trust's funded percentage was largely attributable to participant pay increases which far exceeded the assumed payroll growth. The Retirement Trust will continue to keep the City updated regarding our funded position each year. The Retirement Trust appreciates the City's continued partnership and support.



**CITY of EL PASO**  
EMPLOYEES RETIREMENT TRUST

# Questions?



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[www.eppension.org](http://www.eppension.org)