



Volume 2, Summer 2023

# El Paso Supports Our Pension Fund

By Sean Shelton

Chairman, Board of Trustees

I am so grateful to all our members and the citizens of El Paso who voted and helped pass Proposition I in the May charter amendment vote. The effect of that vote will be a long-term plus for our pension fund and all the residents of El Paso. It ensures appropriate funding levels for first responders' retirement security. It also will keep the city's bond rating at high levels, keeping taxes low. Win-win.

We owe this success to all our members who helped with yard signs, testimonials, block-walking, social media and word-of-mouth campaigns. Every little bit helped

and the final vote proved it: Nearly 60 percent of voters approved.

It was a significant victory. Politicians pay attention to final vote tallies: supporting El Paso police and firefighters pension

fund is a winning political issue. The vote outcome will help us long into the future.

We must always remember the hard work and dedication of everyone who stepped up for this.

But we have had some other "victories" in the first half of this year as well. All three of our Board's female Trustees have been recognized for their great contributions to our pension fund's excellent performance. And our executive director played a pivotal role in the Texas legislative session, reshaping some pension legislation that might have been expensive to us. Ultimately, the legislative clock ran out on the bill and nothing happened, but his efforts on our behalf – and all pension funds around the state – will benefit us in future sessions.



Sean Shelton  
Board Chair

## Thank you El Paso!

City of El Paso Charter Amendment, Proposition I  
Vote For 1

	TOTAL	VOTE %
FOR	28,486	59.12%
AGAINST	19,698	40.88%
Total Votes	48,184	

*For Passing  
Proposition I*



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# Investments, Election, Legislature: 2023 is Keeping Us Busy!

By Tyler Grossman,  
EPFPPF Executive Director

Our pension fund and the entire investing community was glad to say “Goodbye!” to 2022, a year in which rapidly increasing interest rates caused stock and bond market declines around the world. The increases were intended to stop, slow and decrease the inflation of prices for products and services. Did you notice, for example, the price of eggs last year?

Inflation undermines the buying power of pensioners’ fixed incomes. It was good that the U.S. Federal Reserve and other central banks coordinated to tamp down this threat to our members.

But, of course, their interest rate increases affected our Pension Fund’s investments. Overall, our investment return was a negative 10.3 percent in 2022.

Negative returns are never good, of course, but our previous three years helped lessen the pain: In 2021, we were up 16.11 percent; in 2020 we were up 11.2 percent; and in 2019 we gained 21.30 percent. The first three months of 2023 have been encouraging as well: our assets have gained 4.4 percent. Recovery is happening.

We always have the expectation that nothing goes straight up or straight down. Our Board plans for fluctuations. We

diversify our portfolio of investments to span all types and sizes, regions, strategies and allocations. For example, our large-, mid- and small-stock portfolios took double-digit hits in 2022. But our holdings in private companies increased 12.56 percent. And our real estate and other real assets improved by 12.08 percent. Their upward moves lessened the overall blow to our portfolio.

Going forward, we are still well positioned for whatever the economy and markets might throw at us. We constantly receive recommendations from our consultants about the economic outlook and we weigh our long-term needs.

The key is keeping a long-term view on markets and returns: our 20-year average returns remain safely above 8 percent. We focus on that future horizon so that we are not whipsawed by fast-moving, deceptive turns. It works. The status of our fund among the best in Texas proves it.

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Speaking of the long-term, how about Proposition I?

We were so glad for its passage because it ensures the future viability of our pension fund and your retirement security.



Our Board of Trustees worked with the City to put the ballot measure before voters. It was long overdue. Our charter had not been updated since the late 1960s, and yet the overall investing world has changed dramatically in those 50 years. It used to be that pension funds everywhere could buy U.S. Treasury bonds to beat inflation and provide good benefits to retirees. That ended in the late 1990s and may never be seen again. It is why we diversify.

But steady contributions come before diversification. Proposition I ensures that the City will always make the yearly contributions required to keep the pension fund healthy.

Proposition I set 18 percent of pensionable payroll as the floor on the City’s contribution. Our actuaries believe 18 percent is needed, yearly, to improve pension fund health and maintain your benefits. The new floor will help the City prioritize first responders’ retirement security during its budget process. There is always competition for funding as the

city grows. We don't want El Paso to become like so many other Texas cities that shortchanged their pension funds to pay for other items. That could not last forever, and they have been forced to take drastic steps to correct their problems. We are on a great path going forward.

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The Texas Legislature has wrapped up its regular session for 2023 and I am happy to report that police and fire pension funds in Dallas and San Antonio were able to get bills passed for the benefits of their members.

It was good to see Legislators recognize the needs of first responders in those other big cities. Legislators signaled that they want cities to attract and retain dedicated public servants. Their awareness helps all first responders and retirees, including all our members.

As a Board member on the Texas Association of Public Employees Retirement Systems, I serve on its Legislative Committee. We worked constructively with lawmakers on SB 1446, a bill that dealt with investment strategies they thought detrimental to Texas' fossil fuels. We worked to minimize the bill's impact on our system and others like us. The bill did not get to a final vote in the House of Representatives, so it was left pending at the close of session. Lawmakers may revisit it in the special sessions that are being called for other matters. We'll see.

Overall, it's been a busy 2023 so far. Investments. City Charter election. Texas Legislature. We continue to work hard on your behalf. Promise!



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## Fund Trustees Earn National Recognition

A national association that helps pension funds featured the three women who serve on our Board of Trustees for Women's History Month in March.

The National Conference of Public Employees Retirement Systems interviewed Trustees **Lee Ellen Banks**, **Susanna Visconti**, and **Leila Melendez** as its [March 19 "Public Pension Profile" feature](#).

served 11 years on the New Mexico State University Foundation board for scholarships and endowment. I so enjoyed the professional camaraderie there that I jumped at the chance to serve on the pension fund board after I was invited by the then current Mayor of El Paso. I believe that serving on Boards is a very important and positive way to



"The [El Paso Firemen and Policemen's Pension Fund](#) has a long history of elevating women to leadership roles," NCPERS wrote. "Since 2003, the fund has had at least one woman on its 11-person board of trustees, and three women have served nearly continuously from 2011. Today, three women from diverse backgrounds help oversee the fund's \$2 billion in assets."

The Trustees talked about why they serve, the enjoyment they gain from service, and advice to other women.

**Lee Ellen Banks** told NCPERS that "I have a financial background and had previously

contribute to my community. Along the way I have become extremely impressed by the commitment of public servants to their jobs, the community, and the pension fund."

**Susanna Visconti** commented on her experience contributions: "My career as a lawyer has helped me to evaluate and analyze and then make a decision based on my evaluation. This has certainly helped me in my role as trustee. We are constantly asked to evaluate a manager's presentation about the performance of a fund. Although my financial

*(continued on page 7)*



# Thank you El Paso!

# ✓ Proposition I

**“Passing Proposition I was a team effort. Voters were educated about our Proposition and supported their first responders. The Pension Fund Board is very grateful to everyone who made it happen.”**

*\*Paul Thompson, Vice Chair, El Paso Firemen and Policemen’s Pension Fund.*



City Councilwoman Cassandra Hernandez (District 3) and her crew helped promote Proposition I.



Active firefighter Peter Scruggs Voted!



Retired officer Ralph Pena and wife Laura – Voted!



Patricia Castenada Voted!





Mr. and Mrs. Armando  
Fonseca – Voted!



Retired Firefighter Eduardo  
Rodela – Voted!



Retired Officer  
Miguel Vega – Voted!



Rosanne Allen – Voted!



Enrique Davila – Voted!



Officer Danny Zamora – Voted!



Jay Nicholson and Paul Thompson



# GOT DROP?

## Monthly Information Sessions Will Help You Get It

Are you 45 years or older with 20 years of service in the El Paso Police or Fire Departments?

If so, you may be eligible to enroll in the Forward Deferred Retirement Option Plan (DROP) for a one-time lump sum distribution of your aggregate monthly service retirement benefit.

Once a member chooses to enroll in the Forward DROP, their monthly benefit amount will be locked-in and will not increase even though the member continues to work and contribute to the pension fund.

After retirement, if the member then chooses to be re-hired by one of the departments, they do not accumulate additional service or receive a change in their 36-month Final Wage that determined their forward DROP calculation.

Sound confusing? To help you get it, the El Paso Firemen and Policemen's Pension Fund's benefits staff holds meetings on the first Tuesday of each month for Forward DROP educational sessions.

If you've reached the 45/20 qualification and are thinking about a lump sum distribution, our staff will let you know how it works.

If interested in attending a meeting, please contact the pension fund in advance –

preferably one month ahead of the meeting (see future Meeting Dates chart below).

Our Benefits Specialists first review the member's file for eligibility. Then they review possible adjustments to their DROP amount per a Qualified Domestic Relations Order (QDRO) if one exists with a former spouse.

Once the Specialists run their calculations, they can tell members how much will go into their accounts each month.

Members then receive an information packet that details everything, but will still require some input from the member. The Forward DROP presentations assist our members in filling out the forms.

Forward DROPs began in 2016 and have seen steady enrollment over the years.

To get started on the Forward DROP path, call us at (915) 771-8111.





## Forward DROP Info Meetings 2023

Visit our office on the first Tuesday of every month for Forward DROP in-person education meetings!

Call (915) 771-8111 to register one-month in advance for one of the next meetings:

<b>July 5</b>	<b>August 1</b>
<b>September 5</b>	<b>October 3</b>
<b>November 7</b>	<b>December 5</b>

Meetings start at 9 a.m.

@EPFPPF HQ, 909 E. San Antonio Avenue  
El Paso, TX 79901

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# Need Info? Check Our Member Self-Service Portal for Popular Items

The Pension Fund's member portal contains statements, benefits, and beneficiary information for both active and retired members. Below, you will find the most frequently asked questions which can be retrieved by logging into your self-service portal. If you have not already created an account, please contact a Benefits Specialist with the Fund at (915) 771-8111.

## Active Members FAQs

*Annual Benefit Statement* – The Pension Fund provides active members with an annual benefit statement that shows when you will become eligible to retire, your retirement benefit, and your contribution total. It also lists beneficiaries, such as your spouse and children, who will receive your benefit if you pass away prior to retirement. If no beneficiaries are listed, make sure you provide a *Beneficiary Designation Form* to the Fund.

*Retirement Estimate* – As you near retirement, you can run retirement estimates to help you make an educated decision on when to retire and what retirement option is best for you and your family's needs.

*Forward DROP* – If you are still an active employee but have enrolled in the Forward DROP, you can review your account balance for the latest month-end.

## Retired Members FAQs

*Contact Information* – Please keep your mailing address, email address, and phone number updated in the system, for important information from us, as well as your monthly Earnings Statements and Yearly 1099 report. A *Change of Address Form* is required for updates.

*Beneficiary Information* – In the event of your death, the Plan may pay a benefit to your dependents, beneficiary, or estate.

If you are eligible and you have a qualified spouse and/or children, they will receive regular pension payments as long as they remain alive and qualified. This is why it is important to make certain that your *Beneficiary Designation* with the Fund is accurate.

*Direct Deposit* – Electronic deposits to your designated bank account are deposited on the last business day of each month. An *EFT Authorization* should be submitted to the Fund if your designated account changes.

*Tax Withholding Elections* – Tax codes change frequently. Your financial situation may also change throughout your retirement years. Keep your *Federal Tax Election* updated through the self-service portal.



## Fund Trustees' National Recognition

(Continued from page 3)

expertise may be limited, I can still ask the right questions to help me understand and make informed decisions.”

**Leila Melendez encouraged women to join Boards:** “Even if you are the only woman on that Board, you're not alone. There are women on other pension

boards. Seek one of us out for advice or support along the way. (Or to vent after a meeting - ha!) Your world doesn't end at your Board table. Go beyond it and you'll find other women supporting you.

“Also, in your service to a pension fund, you should learn

to rely on the staff. They will support you and understand the environment you're entering. Two of our woman staff members at EPFPPF have been very supportive of my work on the Board. Power in numbers creates a balance in that room.”





# Account Self-Service at the Pension Fund

**All Members** may access their personal pension fund information through the Self-Service Portal on the EPFPPF website. Features:

## Active and Retired Members

- Change of address
- Make or change beneficiary designations.
- Release of Information requests

## Retired Members

- Direct Deposit (Bank account info)
- Federal Income Tax Election Changes
- Data used to determine pension
- Pension payment information
- Prior years 1099R data



## Active Members

- Those already with Forward DROP may view balances.

The above DocuSign Forms appear on your screen with some information pre-populated so that you only have to change the information you want. Then you can sign the document digitally (online) so that you don't have to print/sign/scan/return.

**<https://tinyurl.com/Pension-Self-Service>**



## El Paso Firemen & Policemen's Pension Fund

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## Star on the River News

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### Board of Trustees

City of El Paso

Lee Ellen Banks, Mayoral Appointee  
Gary M. Borsch, City Manager Appointee  
Leila Melendez, Mayoral Appointee  
William R. Veliz, City Manager Appointee  
Susanna Visconti, Mayoral Appointee

### Police Department

Sean Shelton, Chair  
Jerry Armendariz  
John C. Schneider

### Fire Department

Paul Thompson, Vice-Chair  
Ricci J. Carson  
Daniel P. Roy

### Executive Director

Tyler Grossman



## Trustee Board Meetings

Third Wednesdays of each month 1 p.m. MT

Subject to change

Visit <https://tinyurl.com/EPFPPF-Board-Meetings>

For Agenda, Date and Time