

**NEW MEXICO**  
**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**  
**LEGISLATIVE COMMITTEE MEETING**

**February 11, 2014**

This meeting of the Public Employees Retirement Board Legislative Committee was called to order by Vice Chair Paula Fisher, Vice Chair at 11:52 a.m. on the above-cited date in the PERA Building, Fabian Chavez Board Room, 33 Plaza La Prensa, Santa Fe, New Mexico.

Executive Director Wayne Propst called roll and a quorum was established as follow:

**Members Present:**

Paula Fisher, Vice Chair  
James Lewis  
Dan Esquibel  
Louis Martinez

**Member(s) Excused:**

Roman Jimenez, Chair  
Dianna Duran

**Other Board Members Present:**

Patricia French  
Stewart Logan  
Dan Mayfield  
Loretta Naranjo  
John Reynolds

**Staff Members Present:**

Wayne Propst, Executive Director  
Susan Pittard, General Counsel/Chief of Staff  
Sylvia Barela, ASD Director  
Judy Olson, Executive Assistant  
Jonathan Grabel, CIO  
Karen Risku, Assistant General Counsel  
Greg Trujillo, Deputy Director  
LeAnne Larrañaga-Ruffy, Portfolio Manager  
Christina Keyes, Portfolio Manager  
Roderick Ventura, Assistant General Counsel  
Jason Goeller, Portfolio Manager

**Others Present:**

Jamie Feidler, Cliffwater  
Michael Schlachter, Wilshire  
Stephen Marshall, Wilshire

**2. APPROVAL OF AGENDA**

Mr. Lewis moved to approve the agenda. His motion was seconded by Mr. Martinez and passed by unanimous [4-0] voice vote.

**3. APPROVAL OF CONSENT AGENDA**

Vice Chair Fisher said she reviewed the January 2014 minutes and found them to be accurate and in order.

Mr. Lewis moved for approval of the consent agenda. His motion was seconded by Mr. Esquibel and passed by unanimous [4-0] voice vote.

**4. CURRENT BUSINESS**

**A. Update on 2014 Legislation and Upcoming Legislative Hearings**

Mr. Propst said the three bills relating to the JRA and MRA plans passed the House Judiciary Committee. SB 304 would transfer on a temporary basis funding from the Legislative Retirement fund to the JRA and MRA fund to help shore up the funds. That bill was presented yesterday and passed the Judiciary Committee. The bills no longer have the one-time infusion of money and they may be forwarded directly to the House floor. He expected SB 304 to go to the Senate Finance Committee before the Senate Floor. The bills appear to be moving with strong bipartisan support.

PERA is also tracking SJM 15 which calls on the LCS to study the feasibility of consolidating the investment functions of the SIC, ERA, PERA and the State Treasurer's investments.

PERA is also tracking four return to work bills that have an impact on a small number of people. With the passage of SB 27, the agency has greater concern about the return to work bills because those bills could possibly impede the hiring of new tier members impacting the unfunded liability and long-term projections. The actuary is working on projections of what impact these bills could have on the fund's long-term projections.

Ms. French commended Mr. Propst on his tremendous representation for PERA. She said the entire membership is very grateful for his work. She added that representatives and senators have expressed their appreciation for Mr. Propst's expertise and attendance at the meetings.

Mr. Propst thanked the Board Chair for that recognition and said he could not perform his duties without the invaluable assistance of Susan Pittard.

Ms. Naranjo-Lopez stated it is extremely critical that the proper judicial and magistrate pension reform be passed this year. The proposal for judicial and magistrate needs to be 100 percent funded within thirty years or less or in the year 2043.

Ms. Naranjo-Lopez thanked staff and all those that have worked this year at the Legislature. She specifically wanted to thank the PERA members for making calls and sending e-mails to the legislators in order to make sure the judicial and magistrate funds are 100 percent funded in 30 years or less.

Responding to Ms. Naranjo-Lopez's question regarding amendments to the bills, Mr. Propst said the one-time appropriations were removed from the bills, the trigger was changed to 100 percent for implementation of the 2 percent COLA, the final average salary was changed to five years, and there were changes to the multiplier. The projected funded ratio under Representative Varela's bill is approximately 104 percent. The two bills for the magistrates the projected 30-year funded ration is about 90 percent. If SB 304 passes the magistrate plan will be funded at about 114 percent in 30 years.

Mr. Propst said the agency has been sensitive to the Governor's veto message of last year, and worked to insure that the plans are 100 percent funded and there is general fund cash infusion. Noting the majority of the burden is in benefit cuts, Mr. Propst added the plans contain an increase in the employer contribution which equates to \$900,000 in a state budget of over \$6 billion.

Mr. Lewis echoed Ms. French's accolades to Mr. Propst and also recognized the lobbyists' work. He asked that the Board consider acknowledging the tremendous support Representative Lucky Varela has given to the employees.

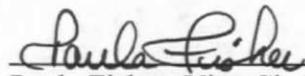
5. **OTHER BUSINESS**

None were offered.

6. **ADJOURNMENT**

Having completed the agenda and a motion and a second, Chair French adjourned the meeting at approximately 12:15 p.m.

Approved by:

  
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Paula Fisher, Vice Chair  
Legislative Committee

ATTEST:



Wayne Propst, Executive Director