



INVESTED IN TOMORROW.

## **PERA Board Meeting**

meeting via zoom

**Thursday, August 27, 2020**

9:00 a.m.

### **AGENDA**

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Roll Call**
- 4. Approval of Agenda**
- 5. Approval of Consent Agenda**
- 6. Unfinished Business**

- A.** Items removed from July 30, 2020 Consent Agenda
  - a. April 30, 2020 Board meeting minutes
  - b. May 28, 2020 Board meeting minutes
- B.** Items removed from July 30, 2020 Agenda
  - a. Request for Payment of Magazine and Newspaper Subscriptions for PERA Board members
- C.** Items removed from Consent Agenda if necessary

- 7. New Business**

- |   |               |  |
|---|---------------|--|
| <b>A.</b> Termination of withholding of AFSCME Retiree Chapter 18 membership dues from PERA retirement benefits   | Action        | John Melia, Board Chair                                    |
| <b>B.</b> 2020 Election Report from AES <ol style="list-style-type: none"><li><b>1.</b> Approval of Nominating Petitions Counts and Candidates for State Position</li></ol> | Action        | Ernie Marquez,<br>Automated Election Services              |
| <b>C.</b> Approval of FY22 Appropriation Request  | Action        | David J. Roybal, Audit & Budget<br>Chair, Board Vice Chair |
| <b>D.</b> Appointment of Ad Hoc Governance Committee Members  | Informational | John Melia   |
| <b>E.</b> Executive Director's Report   | Informational | Wayne Propst,<br>Executive Director                        |

- 8. Adjournment**

Any person with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Trish Winter at 505-476-9305 or [patriciab.winter@state.nm.us](mailto:patriciab.winter@state.nm.us) at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact Ms. Winter if a summary or other type of accessible format is needed.

**NEW MEXICO**  
**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**  
**BOARD MEETING**

**April 30, 2020**

**1.** This monthly meeting of the Public Employees Retirement Board was called to order by John Melia, Chair, at approximately 9:00 a.m. on the above-cited date.

Chair Melia made the following statement: In accordance with the Public Health Emergency Order issued by the State of New Mexico, and pursuant to the New Mexico Attorney General's Open Government Division Advisory during Covid-19 stated Public Health Emergency, which authorizes public entities to conduct virtual meetings, PERA's Board of Trustees meeting is being conducted today, April 30, 2020, through a webinar. Please note that this meeting is open to the public, and all interested persons may attend by using the dial-in number or virtual webinar meeting information provided on PERA's website.

**2. & 3. Roll Call**

Roll call followed the Pledge of Allegiance and indicated a quorum with the following members present:

**Members Present:**

John Melia - Municipal, Chair  
David Roybal - State  
Lawrence Davis - Municipal  
Tim Eichenberg - *Ex-officio*  
Paula Fisher - State  
Patricia French - Municipal  
Dan Mayfield - Retiree  
Steve Neel - State  
Loretta Naranjo Lopez - Retiree  
Shirley Ragin - County

**Member(s) Absent:**

Claudia Armijo - State  
Maggie Toulouse Oliver - *Ex-officio*

**Staff Members Present:**

Wayne Propst, Executive Director  
Susan Pittard, Chief of Staff/General Counsel  
Dominic Garcia, Chief Investment Officer  
Greg Trujillo, Deputy Director  
Renada Peery-Galon, Administrator Services  
Director Trish Winter, Executive Assistant  
Kristin Varela, Deputy Chief Investment Officer  
Anna Williams, Chief Financial Officer  
Ron Gallegos, IT

**Others Present:**

Tom Toth, Wilshire

## **Chair's Statement**

Chair Melia encouraged the Board members participating, to be patient with each other, staff and the consultants participating today, given the limitations of virtual technology. In accordance with the Attorney General's Advisory Guidance, Chair Melia said today's investment committee will be conducted as follows: 1) We will adhere to the agenda; 2) Please address all comments/questions regarding any agenda item through the Chair, in order to minimize confusion for the participants and listening public; 3) Please wait to be called on by the Chair, and identify yourself by name prior to speaking; and 4) Greg Trujillo will be today's meeting administrator, he can identify who is participating in the meeting either by Zoom or telephonically. If you are participating through Zoom, please use the raise your hand tool to be recognized by the Chair to speak. Do not speak over another speaker. If there is any unnecessary disruption, Mr. Trujillo will be asked to mute audio to regain the appropriate level of decorum necessary to complete the business of the Board today. Lastly, all votes of the committee will be conducted by roll call vote.

### **4. Approval of Agenda**

Mr. Mayfield moved to approve the agenda as published. Mr. Davis seconded.

Ms. Naranjo Lopez said that, according to Robert's Rules of Order, Eleventh Edition, page 360, "New Business" is an opportunity for members to introduce new items of business. She suggested that the items under today's agenda as New Business are incorrectly labeled. Chair Melia offered to look into that with staff.

Ms. Naranjo Lopez said she would be voting against the agenda because it is incorrectly sequenced.

Chair Melia remarked that items B. 2 Approval of Annual Active Risk Budget & Active Target Returns and B. 3, 2020 Investment Committee Work Plan were not dealt with at the April 28<sup>th</sup> Investment Meeting and requested amending the agenda to remove those two items.

[Board members Eichenberg and Fisher joined the meeting at this time.]

Mr. Neel moved to amend the agenda with the removal of items B. 2 and 3 and Mr. Mayfield seconded. The motion to amend the agenda passed by unanimous roll call vote.

Mr. Mayfield moved to approve the agenda as amended and Ms. French seconded. The motion passed by majority [9-1] roll call vote with Ms. Naranjo Lopez voting against.

Ms. French requested that the Chair review Robert's Rules and address the discrepancy brought forward by Ms. Naranjo Lopez regarding new business.

## **5. Approval of Consent Agenda**

*[Exhibit 1: Agenda]*

Mr. Davis moved to approve and Mr. Neel seconded. The motion passed by majority [8-2] roll call vote with Members French and Naranjo Lopez voting against.

## **6. New Business**

### **A. Approval of FY 21 Operating Budget**

Mr. Roybal, Chair of the Audit & Budget Committee, said that PERA's FY21 operating budget is based on the request of \$36.2 million which is a decrease of 1+ percent from the FY20 budget. He reminded the Board that PERA's FY21 appropriation request was approved by the Board at its August meeting. This budget is based on that appropriation request. The appropriation budget goes through a legislative process, and during that process the budget was decreased by \$19,200 for salaries and benefits to hold them flat to the FY20 operating budget. They also provided an increase of \$276,400 for a 4 percent compensation increase for the employees. An additional \$28,300 in the personal services and benefits category for a 5 percent increase for the PERA contribution rate. Overall, the FY21 operating budget totals \$36.4 million which is still a decrease of .35 percent from the FY20 operating budget and Mr. Roybal offered kudos to the PERA staff. There is a budget vacancy rate of 3.9 percent.

The Governor has stated that a special session will be called to discuss the revenue shortfalls.

Mr. Roybal said that PERA's operating budget is derived from the trust fund, and any amounts not used revert to the trust fund. As a budget director for the State, Mr. Roybal said he is familiar with, and appreciates the clarity of, the budget presented by PERA.

Chair Melia opened the floor for discussion and questions.

Mr. Mayfield moved to approve the FY21 Operating Budget.

Ms. French recognized that while the budget is a slight decrease from last year the significant increase from a few years ago overrides it. She noted that the state approved the budget before the financial shortfalls surfaced. In an effort to protect the membership's money, she asked whether staff investigated reducing the budget with the pandemic's affect on the market, oil and gas and the state.

Mr. Roybal said he understood the questions brought up by Ms. French would be addressed during the special session. Once called, if the session results in an overall cut to all budgets, then staff will make those reductions. At this point, departments are required to submit budgets at the level approved by the legislature. Ms. French said she preferred being proactive rather than reactive.

Renada Peery-Galon, Administrator Services Director, said it is anticipated that a special session will be called. It is unknown what actions will result, but there will be changes to the General Appropriation Act. Decreases are expected and the operating budget will be adjusted to meet those changes.

Ms. Peery-Galon said that the focus of the cuts are usually on general fund revenues and PERA has general fund dollars to operate the Social Security Administration Program.

Ms. Naranjo Lopez announced that she will be voting against the budget because salaries should have been cut similar to the cuts retirees are experiencing. She said retirees are being made to

pay for plans that are not appropriately funded. Approving this budget when \$55 million is being taken from retirees is concerning, offered Ms. Naranjo Lopez.

Mr. Neel offered a second to Mr. Mayfield's motion to approve the FY21 Operating Budget.

Ms. Fisher remarked that the budget should be tabled, reviewed and reconsidered in light of the pandemic. Ms. Peery-Galon noted that submission of a budget altered from what was approved by the legislature will be an audit finding on the agency.

Ms. Naranjo Lopez suggested PERA receive permission to adjust the budget rather than wait for a special session. She recommended an outside organization review the budget.

Chair Melia noted that the state provided a contribution to the fund to pay the retirees a 2 percent COLA.

Mr. Neel supported austerity and frugality in the budget and recognize that the budget needs to be submitted to the state tomorrow.

For the record, Ms. French said she would vote against the budget, and it was not to harm the agency but rather be proactive.

The motion passed by majority [7-3] roll call vote with Members French, Naranjo Lopez and Fisher voting in the negative.

**B. Approval of Investment Committee Action Items**

**1. Approval of Liquidity Risk Management Parameters, IPS amendment**

Steve Neel, chair of the Investment Committee, said the committee met on Tuesday for over four hours. The amendment to the IPS basically breaks down the portfolio with regard to levels of liquidity, and requires that the fund retains a certain level of liquidity, specifically in the most liquid asset class – core bonds and overlay strategies. The importance of this is to ensure PERA does not find itself in a liquidity crunch and be forced to sell illiquid instruments. Historically, a number of public plans have been harmed by that.

Chief Investment Officer Garcia added that this is a strong policy enhancement as a risk management and governance tool around liquidity. Currently, PERA has a very strong liquidity position.

Mr. Mayfield said this IPS amendment is very prudent and he moved to approve. Mr. Davis seconded.

Ms. Naranjo Lopez said that, “without qualified staff to implement such provisions or policies – this is misleading and could undermine the public trust” and she would be voting against this item.

The motion passed by majority [9-1] roll call vote with Ms. Naranjo Lopez voting in the negative.

### **C. Executive Director's Report**

Executive Director Wayne Propst said that he has been sending updates to the Board on a more frequent basis. He noted that the 3<sup>rd</sup> quarter budget report shows PERA on track to save more than \$400,000 in salaries and benefits, and an additional \$1 million plus in other categories. Those monies will revert back to the trust fund.

The office is closed and it is anticipated the closure will continue at least until mid-May. A number of PERA's member entities have contacted the agency to discuss the impact of furloughs on the accrual of PERA service credit. In 2010 the PERA Board held an emergency administrative rule making, allowing part-time employees to acquire service credit otherwise eligible, without the furlough. Staff may be bringing a similar emergency rule making before the Board in May.

Ms. French recalled that PERA staff was not affected by the furloughs because they are not paid through the general fund. She understood that working 30 and more hours will have no impact on a pension, but less than 30 hours would. Mr. Propst said the Board did amend the policy for part-time employees and he would review that policy. He offered to investigate what Santa Fe City Council recently enacted regarding furloughs as well as other municipalities and counties, and report back to the Board.

Ms. French requested updates on the health of staff and Board members.

Mr. Propst said he was very proud of how well PERA staff has adjusted to working remotely and meeting payroll. At this point, contributing accounting staff is working remotely and the remittance process has been running smoothly. Late penalties have been waived. He anticipated things would become more difficult as budgetary strains are incurred.

### **7. Adjournment**

Having completed the agenda and with no further business to come before the Board, Chair Melia declared the meeting adjourned at 10:05 p.m.

Approved by:

John Melia  
Chair, PERA Board

ATTEST:

Wayne Propst, Executive Director

Exhibits attached

*Exhibit 1: Consent Agenda*

**NEW MEXICO**  
**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**  
**BOARD MEETING**  
**May 28, 2020**

1. This monthly meeting of the Public Employees Retirement Board was called to order by John Melia, Chair, at approximately 9:00 a.m. on the above-cited date.

Chair Melia made the following statement: In accordance with the Public Health Emergency Order issued by the State of New Mexico, and pursuant to the New Mexico Attorney General's Open Government Division Advisory during Covid-19 stated Public Health Emergency authorizes public entities to conduct virtual meetings. PERA's Board of Trustees meeting is being conducted today, April 30, 2020, through a webinar. Please note that this meeting is open to the public, and all interested persons may attend by using the dial-in number or virtual webinar meeting information provided on PERA's website.

**2. & 3. Roll Call**

Roll call followed the Pledge of Allegiance and indicated a quorum with the following members present:

**Members Present:**

John Melia - Municipal, Chair  
David Roybal - State  
Claudia Armijo - State  
Lawrence Davis - Municipal  
Tim Eichenberg - *Ex-officio*  
Paula Fisher - State  
Patricia French - Municipal  
Dan Mayfield - Retiree [late appearance]  
Steve Neel - State  
Loretta Naranjo Lopez - Retiree  
Shirley Ragin - County  
Maggie Toulouse Oliver - *Ex-officio* [late appearance]

**Member(s) Absent:**

None

**Staff Members Present:**

Wayne Propst, Executive Director  
Susan Pittard, Chief of Staff/General Counsel  
Dominic Garcia, Chief Investment Officer  
Greg Trujillo, Deputy Director  
Trish Winter, Executive Assistant  
Ron Gallegos, IT  
Anna Williams, Chief Financial Officer

**Others Present:**

Ernie Marquez, Automated Election Services

Chair Melia encouraged the Board members to participate and to be patient with each other, staff and the consultants participating. He asked that members not speak over each other speaker. Lastly, all votes of the committee will be conducted by roll call vote.

#### **4. Approval of Agenda**

Mr. Davis moved to approve the agenda as published. Mr. Neel seconded.

Ms. Naranjo Lopez requested the removal of item 7.C., “Termination of withholding of RPENM membership dues from PERA retirement benefits.” She said this item appears to be a “blatant retaliation” about recent litigation brought forward against PERA’s Executive Director. Public comments and independent legal advice should be obtained before moving forward on this item.

Chair Melia requested that Ms. Naranjo Lopez either introduce a motion to amend the agenda or wait until the item occurs and discuss it then.

Ms. Naranjo Lopez said her request was in the form of a motion and according to Robert’s Rules, the agenda was incorrect and should include “Current Business. “New Business” should allow Board members to speak on any matters. Chair Melia said that, following the last meeting he spoke with the parliamentarian about the structure of PERA’s agenda and he advised that the agenda was in accordance with Robert’s Rules.

Mr. French seconded the amendment to remove item C.

Under discussion of the amendment, Ms. Naranjo Lopez asked where PERA’s independent attorney from Park & Associates was. She requested that he participate in this Zoom meeting. She went on to say that Reed Smith should not be consulting on the RPENM matter and it was a waste of money to have done so. She asked who requested the inclusion of C on today’s agenda.

Mr. Eichenberg asked if Ms. Naranjo Lopez could expound on why she wants 7.C removed. Ms. Armijo said she too would like to hear the reason; however, further comments should be made at the appropriate time. Ms. Naranjo Lopez said there was nothing provided from the attorneys explaining legal ramifications nor was there a cost analysis.

The amendment to remove item 7.C failed by majority [5-6] roll call vote:

John Melia	No
David Roybal	No
Lawrence Davis	No
Claudia Armijo	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
Patricia French	Yes
Dan Mayfield	No
Steve Neel	No
Loretta Naranjo Lopez	Yes



Shirley Ragin	No
Maggie Toulouse Oliver	Not present for this action

The motion to approve the agenda passed by majority [6-5] roll call vote:

John Melia	Yes
David Roybal	Yes
Lawrence Davis	Yes
Claudia Armijo	No
Tim Eichenberg	No
Paula Fisher	No
Patricia French	No
Dan Mayfield	Yes
Steve Neel	Yes
Loretta Naranjo Lopez	No
Shirley Ragin	Yes
Maggie Toulouse Oliver	Not present for this action

**5. Approval of Consent Agenda**  
*[Exhibit 1: Agenda]*

Mr. Davis moved to approve and Mr. Neel seconded.

Ms. Naranjo Lopez requested the removal of items 1 and 5 a. and b. Item 1, the approval of minutes contained an error in the amount received from the legislature by failing to adequately explain that of the \$76 million requested, PERA is only receiving \$50 million, and how the 13<sup>th</sup> check will be covered. Further, no supporting information was provided for the two resolutions under item 5.

Pursuant to Ms. Naranjo Lopez' request, Ms. Armijo said items 1 and 5 are removed from the consent agenda and she requested discussion on those items occur at the appropriate time in the agenda.

The motion to approve the consent agenda passed by unanimous [11-0] roll call vote.  
[Ms. Toulouse Oliver was not present for this action.]

**6. Report of Committees**  
**A. Approval of Annual Risk Budget & Action Target Return**

Mr. Neel, Chair of the Investment Committee, said over the past two months the committee has been very active and has received multiple education sessions. The risk budget was evaluated with a series of presentations from staff and the consultant. The committee recommends the active risk budget with a target of 1.5 percent up to 2 percent. This is essentially the same range PERA had in 2019 with minor tweaks within the composition of the risk budget. Much of the increase/change was driven by private market strategies.

Dominic Garcia, Chief Investment Officer, said this item comes forward as part of the

plan's regular governance procedures. The additional active risk is expected to provide additional return as well as taking advantage of some recent market distress.

For the record, Ms. Naranjo Lopez offered a statement that she stated was made under the Whistleblower's Act: "In March we lost \$1 billion in equities...proof that NM PERA is being defrauded. The CIO and Wilshire have long been insisting on a strategy they call risk matching. The actual results show that risks are not matched within asset classes. If the strategy worked there would be other investments to offset some or all of these losses. The strategy imposed on NM PERA by the CIO and Wilshire does not work as advertised in up markets, down markets or volatile markets. The CIO and Wilshire, offer no alternatives, only fraud. I move to fire the CIO, Dominic Garcia and Wilshire and to replace them with a team and strategy that are effective. I have asked to receive investment related publications from the *Wall Street Journal* and *Barron's* and my request has not been addressed for over one year. My question is why. Our CIO and 11-person investment staff have not yet demonstrated that they are qualified. Wilshire is operating in violation of Security's laws, staff is hostile to investment managers and talent, and nobody in the NM PERA eco-system can make money in down and volatile markets. Recent allocations are chasing yield instead of generating above-market returns by anticipating yield gains. The buck stops with the Board. While staff prefers to keep the Board blind, deaf and dumb related to investments, consider rethinking our fiduciary duties. It cost NM PERA about 200 million each year to retain Wayne Propst, Susan Pittard, Dominic Garcia and Wilshire...Being puppets for staff violates our statutory duties."

Mr. Mayfield moved to approve the annual risk budget and active target return. Mr. Davis seconded.

Responding to Mr. Davis's question, Mr. Garcia said some of the underlying allocations have changed, in particular an increase to the private market. Approximately 80 percent of the risk will be in private market allocations and that percentage has increased over the years. Additionally, the expected return has increased to 1.6 percent active return over the next 10 years. There are more opportunistic strategies, particularly regarding credit as a result of the recent market distress. The risk remains the same.

Mr. Garcia confirmed that a manager can meet its benchmark and not generate return. He said the active strategy expects the manager(s) to exceed the benchmark.

[Ms. Toulouse Oliver joined the meeting at this point.]

The motion passed by majority [11-1] roll call vote with Ms. Naranjo Lopez casting the nay vote.

### **Board will meet in Executive Session Pursuant NMSA 1978 Section 10-15-1(H)(3) Administrative Appeal – Final**

#### **1. Nicolette Barela**

Mr. Roybal moved to meet in executive session and Mr. Mayfield seconded. The motion passed by unanimous [12-0] roll call vote:

[The Board met in executive session from 9:50 a.m. to 10:50 a.m.]

Mr. Mayfield moved to return to open session noting the only item discussed was that listed on the agenda. Mr. Neel seconded. The motion passed by unanimous [12-0] roll call vote.

**7. NEW BUSINESS**

**a. Administrative Appeal – Final**

**1. Nicolette Barela**

Mr. Mayfield introduced the motion that in the matter of the appeal of Nicolette Barela, PERA ID# 495820, the Board adopt the Hearing Officer's recommended findings of fact and conclusions of law, Approve the Hearing Officer's recommended decision, and deny the claim in its request for PERA duty disability retirement benefits. Mr. Davis seconded. The motion passed by roll call vote without opposition and Ms. Naranjo Lopez abstaining.

**B. 2020 Board of Trustees Election**

**1. 2020 Election Report from AES**

Ernie Marquez, Automated Election Services, outlined the PERA members who requested nominating petitions: State, Lisa Medina Lujan and J. Michael Sisneros; Municipal, Christopher H. Daniel and Roberto Ramirez; Retiree, Jesus Frith, Dan Mayfield, Francis Page and Jane Marentes. Those that returned petitions were State, Michael Sisneros; Municipal, Christopher H. Daniel and Roberto Ramirez; and Retiree, Jesus Frith, Dan Mayfield and Francis Page.

Following review of the nominating petition signatures against the data provided by PERA, which was date of birth, last four digits of the Social Security number, and PERA ID number to ascertain qualification, the following number of signatures were accepted:

State:

Jay Michael Sisneros	26 signatures - does not qualify
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Municipal:

Christopher Daniel.	238 signatures
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Roberto Ramirez	167 signatures
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Retirees:

Francis Page	123 signatures
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Don Mayfield	116 signatures
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Jesus Frith	26 signatures – does not qualify
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Ms. Naranjo Lopez said the coronavirus impacted all of the candidates' abilities to obtain signatures. She recommended opening the slots to all of those that provided petitions.

Ms. Naranjo Lopez moved to “amend the reporting until we have the election for all state, municipal and retirees.” Chair Melia cautioned against changing rules midway in the process.

**a. Approval of Nominating Petitions Counts and Candidates for State Position**

Ms. Toulouse Oliver said in the future, the Board may want to consider amending the rules regarding signature collection. At this point, changes would be unfair to those who were able to collect the necessary signatures.

Ms. Toulouse Oliver moved to accept the results for the State position. Ms. Armijo seconded.

Ms. Armijo said the rules regarding signatures are antiquated.

Ms. Fisher suggested extending the deadline for submitting petitions.

Chair Melia pointed out that the petition process began in January 2020 before Covid-relate restrictions were established. There were multiple candidates able to collect signatures and it was unfair to change the rules midway in the process. However, moving forward the process should be evaluated and updated. The action before the Board is approving the petition counts and candidates for the three positions.

The motion passed by unanimous [11-0] roll call vote. [Mr. Eichenberg was not present for this action.]

**b. Approval of Nominating Petitions Counts and Candidate for Municipal Position**

Mr. Roybal moved to approve the nominating petitions count and candidates for the municipal position. Mr. Neel seconded.

The motion passed by unanimous [11-0] roll call vote. [Mr. Eichenberg was not present for this action.]

**c. Approval of Nominating Petitions Counts and Candidates for Retiree Position**

Mr. Roybal moved to approve the nominating petitions count and candidates for the retiree position. Mr. Neel seconded.

The motion passed by unanimous [11-0] roll call vote. [Mr. Eichenberg was not present for this action.]

**2. Action Regarding 2020 State Position Election**

Ms. Armijo introduced a motion to accept option #1, to extend the deadline for return of nominating petitions for the State member position, as laid out by Ms. Pittard in her memo to the Board, as well as the Resolution 2020-06 and timeline. Ms. Toulouse Oliver seconded.

Mr. Davis said he preferred option #2 because it reduces the number of signatures necessary, thus limiting exposure during the pandemic. Ms. Armijo said while that is a good point she asked whether electronic signatures were possible.

Susan Pittard, Chief of Staff/General Counsel, said electronic signatures would be a departure from the current rules and January 2020 resolution on how the election was to be held.

Ms. French pointed out that people are going back to work and she supported option #1 which gives candidates the opportunity to gain signatures. She added that she was unable to find anything on the City of Albuquerque's website announcing the election.

The motion passed by majority [11-1] roll call vote with Mr. Davis voting against.

**C. Termination of withholding of RPENM membership dues from PERA retirement benefits**

Ms. Armijo moved that PERA no longer withhold RPENM or AFSCME dues from PERA. Mr. Neel seconded.

In an effort to safeguard the public trust, Ms. Naranjo Lopez said the Board remains captive and completely under the dominion and control of the Executive Director. She said this agenda item appears to be in retaliation for litigation. RPENM has been supporting PERA since 1962. She asked why suspend withholding dues now. Public comment and independent legal advice should occur on this item. She asked where PERA's counsel, Park & Associates were, said Reed Smith's charges were inappropriate, and asked who put this item on the agenda. She asked if Board member Mayfield, staff members, any legislators, law firm, or union members were involved in this agenda item.

Ms. Naranjo Lopez asked whether this action would pose a legal risk to the Board members. She anticipated pushback from members of RPENM and their allies. She asked whether a cost/benefit analysis has been conducted on this proposal and pointed out that PERA has benefitted from volunteer hours RPENM's membership has provided over the years. She suggested PERA pay RPENM's legal cost or even settle the matter.

Continuing her comments, Ms. Naranjo Lopez said she won her seat on the Board with the most votes in history running on a platform of transparency and accountability. She then asked Chair Melia if he ever received money from Wayne Propst and said if he did, that undermines his authority to serve as chair. She requested a formal investigation and forensic audit regarding any financial relationship between the Chair and Mr. Propst.

Concluding her comments, Mr. Naranjo Lopez said the documents on the Board portal are a form of censorship of both RPENM and its membership.

Ms. French said she sees this issue as an example of people in power hating to be challenged in the courts. This item clearly appears to be in retaliation of RPENM's right to freedom of speech. She requested an itemized statement on the \$13,000 invoice from Parks. She reminded the Board of \$130,000 that recently went out of PERA in promotions and raises.

Ms. French asked the Board members not to support this because it's wrong and PERA will be back in court.

Ms. Toulouse Oliver said she was considering a motion to table which takes precedence over the current motion. That was verified by staff.

Mr. Toulouse Oliver noted that providing administrative services to RPENM may be considered a violation of the Anti-Donation Clause, although withholding dues may not fall within that category. Additional time is needed for this item. Withholding union dues is at risk

throughout the country.

Ms. Toulouse Oliver moved to table this agenda item. Mr. Eichenberg seconded. The motion to table failed by [6-6] roll call vote as follows:

John Melia	No
David Roybal	No
Lawrence Davis	No
Claudia Armijo	No
Tim Eichenberg	Yes
Paula Fisher	Yes
Patricia French	Yes
Dan Mayfield	No
Steve Neel	No
Loretta Naranjo Lopez	Yes
Shirley Ragin	Yes
Maggie Toulouse Oliver	Yes

The vote on the motion to terminate withholding membership dues for RPENM and the AFSCME retiree association passed by majority [7-5] roll call.

John Melia	Yes
David Roybal	Yes
Lawrence Davis	Yes
Claudia Armijo	Yes
Tim Eichenberg	No
Paula Fisher	No
Patricia French	No
Dan Mayfield	Yes
Steve Neel	Yes
Loretta Naranjo Lopez	No
Shirley Ragin	Yes
Maggie Toulouse Oliver	No

Ms. Toulouse Oliver said her tabling motion was proposed in order to gain more time on this issue. She said this action will cast an anti-union reflection on the PERA organization and that concerns her.

Ms. Naranjo Lopez said it was unfortunate the membership was not given an opportunity to address this issue and there was a failure in transparency.

Mr. Davis said the vote is not anti-union but rather conserving PERA's resources to support third parties.

Ms. French pointed out that PERA has been collecting these dues for years and she doubted legal staff would have permitted it if it were a violation of the Anti-Donation Clause. She said she was shocked, saddened and disgusted by this Board action and added that it may result in a crippling of these retirement organizations.

Mr. Davis commented that RPENM is a well run organization and could collect its own dues.

Commenting that the retired firefighters have an organization, Chair Melia said they collect their own dues. Should PERA be collected that organization's dues as well.

Explaining her affirmative vote, Ms. Armijo said while she sees it as "absolutely retaliatory" in nature and finds that to be wrong, it should be applied evenhandedly.

Mr. Eichenberg said the retaliation was obvious. He requested that staff present the administrative and electronic costs to PERA on providing dues for other organizations. Perhaps PERA can charge for these services and make it an income collecting endeavor. Chair Melia said he would talk to Deputy Director Trujillo regarding this suggestion.

Mr. Ragin said she struggled on her vote; however, administratively it is very costly to withhold dues with reconciliations, etc.

Mr. Mayfield said he looked forward to reviewing a report regarding cost of the deductions.

Ms. Fisher requested that staff provide information on why, after many years of providing this service, termination was proposed.

#### **D. Update on Municipal and County Furloughs/Possible PERA Impact on Service Credit**

Mr. Trujillo said staff was bringing this forward as an information item. Staff has talked to a number of municipalities regarding furloughs and how it would affect PERA members' service. The City of Santa Fe provided a proposal on furloughs and with more municipalities imposing furloughs, staff may propose an emergency rulemaking hearing to address the impact.

Ms. Pittard noted that in the past an emergency rule was passed to address individual entities. At this point, PERA has not received any formal requests.

Ms. French recalled that the PERA Board acted to protect the membership and avoid harm to service credits.

#### **E. Executive Director's Report**

Executive Director Wayne Propst said his report was provided to the Board electronically. The agency will be expanding the number of staff present at both its Santa Fe and Albuquerque offices starting June 1<sup>st</sup>. Opening the offices to the public will take additional time in anticipation of arrival of ordered PPE and then will open only by scheduled appointment.

Ms. French said she was unable to find information regarding PERA's election on the City of Albuquerque's portal. She requested documentation verifying that PERA informed

Albuquerque of the election.

Mr. Mayfield commented that PERA has done a very good job in increasing the fund and maintaining a good balance to pay its members. Mr. Propst agreed, commended CIO Garcia for the fund's performance.

### **Items Pulled from the Consent Agenda**

#### **1. Approval of the Minutes: April 30, 2020**

Mr. Davis moved to approve and Ms. Toulouse Oliver seconded.

There was a question of why the minutes were removed from the consent and Ms. Naranjo Lopez was not present to answer.

Ms. Armijo moved to table action on the minutes. Ms. French seconded. The motion passed [9-1] majority vote with Mr. Davis voting no and Ms. Naranjo Lopez not present for this action.

#### **5. Resolutions [See Exhibit I]**

Ms. Pittard said these resolutions are adopted by statute by individual entities who want to affiliate with PERA. This resolution has followed the process as set forth in statute for adoption of the lowest municipal plan in both the general plan, the police plan and fire plan for the City of Rio Communities. There are two resolutions (2020-172 and 2020-173). Staff routinely puts these on the consent agenda for approval.

Mr. Davis moved to approve the resolutions 2020-172 and 2020-173. Mr. Neel seconded.

Ms. French said she understood Ms. Naranjo Lopez's concerns were in regards to the solvency of the fund and people were receiving time that they have not contributed to.

Ms. Pittard said the resolutions call for the affiliation of a new employer under the lowest municipal plans currently opened under the PERA Act. This is on a go-forward basis. Most of the 31 plans are open under the Act and municipalities or newly created entities can affiliate at any time.

The motion passed by unanimous [11-0] roll call vote. Ms. Naranjo Lopez was not present.

#### **8. Adjournment**

Having completed the agenda and with no further business to come before the Board, Chair Melia declared the meeting adjourned at 12:15 p.m.

Approved by:



John Melia  
Chair, PERA Board

ATTEST:

Wayne Propst, Executive Director

Exhibits attached

*Exhibit 1: Consent Agenda*

DRAFT

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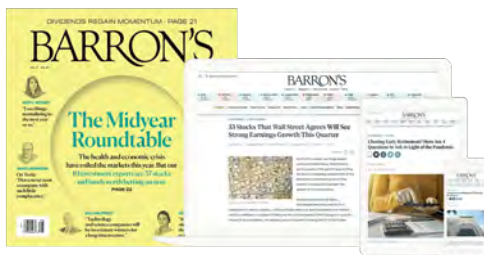
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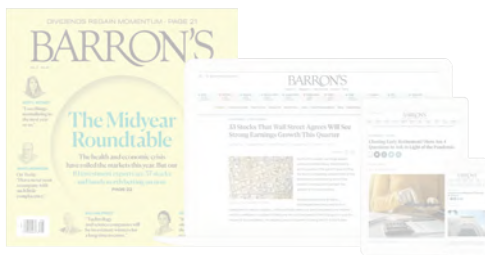
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<a href="#">View promo</a>	(Renews at: \$37/mo.)	(Renews at: \$37/mo.)	(Renews at: \$39/mo.)
	12 mo. total: <b>\$345</b>	12 mo. total: <b>\$345</b>	12 mo. total: <b>\$363</b>
<b>6 Months:</b>	Upfront Cost: <b>\$111</b>	Upfront Cost: <b>\$111</b>	Upfront Cost: <b>\$117</b>
<a href="#">View promo</a>	(Renews at: \$37/mo.)	(Renews at: \$37/mo.)	(Renews at: \$39/mo.)
	12 mo. total: <b>\$333</b>	12 mo. total: <b>\$333</b>	12 mo. total: <b>\$351</b>
<b>12 Months:</b>	Upfront Cost: <b>\$311</b>	Upfront Cost: <b>\$311</b>	Upfront Cost: <b>\$328</b>
<a href="#">View promo</a>	(Renews at: \$37/mo.)	(Renews at: \$37/mo.)	(Renews at: \$39/mo.)
	12 mo. total: <b>\$311</b>	12 mo. total: <b>\$311</b>	12 mo. total: <b>\$328</b>

INVESTED IN TOMORROW.

## Memorandum

From: Greg Trujillo, Deputy Director

To: John Melia, Board Chairman

Date: August 27, 2020

Subject: RPENM & AFSCME Dues – Collection Procedures

PERA has historically withheld dues from retired members that elect to participate in the Retired Public Employees of New Mexico (RPENM) and the American Federation of State, County and Municipal Employees (AFSCME) retiree organizations. Per the Board's direction PERA did not withhold dues for RPENM in 2020. PERA did withhold dues of \$24.00 for each AFSCME member in 2020.

PERA staff performs administrative tasks such as adding withholdings for new members, removing members that no longer want to participate or are deceased and taking calls from members on what the dues are for. If a member requests a refund of their dues, we must direct them to either group to request such a refund, PERA will not issue a refund as it has already forwarded the funds to the appropriate organization. In the past few years considerable time was spent working with RPENM to assist in cleaning up their membership lists, specifically working to remove deceased members from their lists. It should be noted PERA does not receive any sort of administrative fee for this support.

Below is the number of members of each organization and amount of dues collected since FY2014:

	RPENM	DUES	AFSCME	DUES
FY2014	3,127	\$ 75,048.00	1,961	\$ 29,415.00
FY2015	3,102	\$ 93,060.00	1,881	\$ 28,235.00
FY2016	3,776	\$ 113,280.00	1,771	\$ 42,504.00
FY2017	3,922	\$ 117,660.00	1,675	\$ 40,200.00
FY2018	4,242	\$ 127,260.00	1,588	\$ 38,112.00
FY2019	4,273	\$ 128,190.00	1,505	\$ 36,120.00
FY2020	N/A	N/A	1,583	\$ 37,992.00
Totals:		\$ 654,498.00		\$ 252,578.00





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## MEMORANDUM

TO: Public Employee Retirement Association  
Board of Directors

FROM: Ernie Marquez, Election Director  
Automated Election Services

SUBJECT: 2020-12 Petition Verification Process

DATE: August 20, 2020

State Petitions were made available for distribution June 10, 2020 as required by PERA Rule 2.80.200.50-.80 NMAC, section 2.80.200.70.

The following is a list of members requesting petitions;

### STATE POSITION

Diana Rosales- Ortiz

Judy Paquin

J. Michael Sisneros

Renada Peery-Galon

The following members returned nominating petition in- person to my office at 7000 Zenith Court in Rio Rancho New Mexico by the deadline of 5 PM on August 14, 2020.

### STATE POSITION

Diana Rosales- Ortiz

Renada Peery-Galon

I received an email from Ms. Judy Paquin and Mr. Sisneros advising us that they would not be submitting any petitions.

Upon receipt of the petitions, the sheets were counted and a receipt reflecting the number of petitions submitted was given to the candidate. The petitions were then placed in a manila folder with a label containing their name with a copy of the receipt. An electronic file of qualified State PERA members was provided to Automated Election Services (AES) by Mr. Greg Trujillo for qualifying members who signed the individual petition.

The data provide contained the member name, address, date of birth, last four digits of their social security number and PERA identification numbers. Our IT division worked the data and set-up a Tracking System for name verification.

NMAC Rule 2.80.200.70 A (3) states that in order to be eligible a candidate must have a minimum of 150 valid nominations. A valid nomination shall include a signature, a legible printing of the members name the member's current employer and one of the following;

- (a) the last four digits of the member's social security number;
- (b) the members date of birth; or
- (c) the members PERA Identification number.

NMAC Rule 2.80.200.70 allows validation in various ways and the data we received contained identifiers to help in the verification process. Mr. Eli Lovato and I, both Senior Election Directors with Automated Election Services verified the names on the petitions.

To qualify the signature on the petition, we searched the member by their last and first name and compared it with the four digits of the social, date of birth or PERA ID number listed on the petition. In some cases, there were names that no matter how we searched were not located in the data, those names were not validated. There were a few that were illegible, or the information was incomplete, so those names were also not validated.

After close review and tabulation of the nominating petitions by our company the following totals have been determined:



<b>State Position</b>	<b>Petition Pages Submitted</b>	<b>Total Signature Submitted</b>	<b>Total Signature Rejected</b>	<b>Total Signatures Accepted</b>
Diana Rosales-Ortiz	112	444	69	375
Renada Peery-Galon	26	172	17	155

If you have any question regarding the process or the results, please feel free to contact me at anytime at 1-800-833-5568 ext. 6534.



# PERA

Public Employees  
Retirement Association  
of New Mexico

John Melia,  
Chair, Municipal Member  
Wayne Propst  
Executive Director

P: (505) 476-9300  
F: (505) 476-9401  
Toll Free:  
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INVESTED IN TOMORROW.

## MEMORANDUM

**DATE:** August 20, 2020

**TO:** PERA Board of Trustees

**FROM:** Anna Williams, Administrative Services Director/CFO

**SUBJECT:** Fiscal Year 2022 Appropriation Request

The Public Employees Retirement Association (PERA) Fiscal Year (FY) 2022 appropriation request is a total budget of \$36,210,781, a decrease of .04% from PERA's FY21 operating budget. The FY21 operating budget was relatively flat to the FY20 operating budget with a 1.13% decrease. PERA's operating budgets has remained flat for the past three years. In addition, a majority of PERA's budget is related to investment activities, which requires PERA to meet a 7.25 percent actuarial hurdle rate. Accordingly, PERA's FY 22 flat budget request reflects expenditures associated with ensuring PERA has the tools to work on meeting our actuarial hurdle.

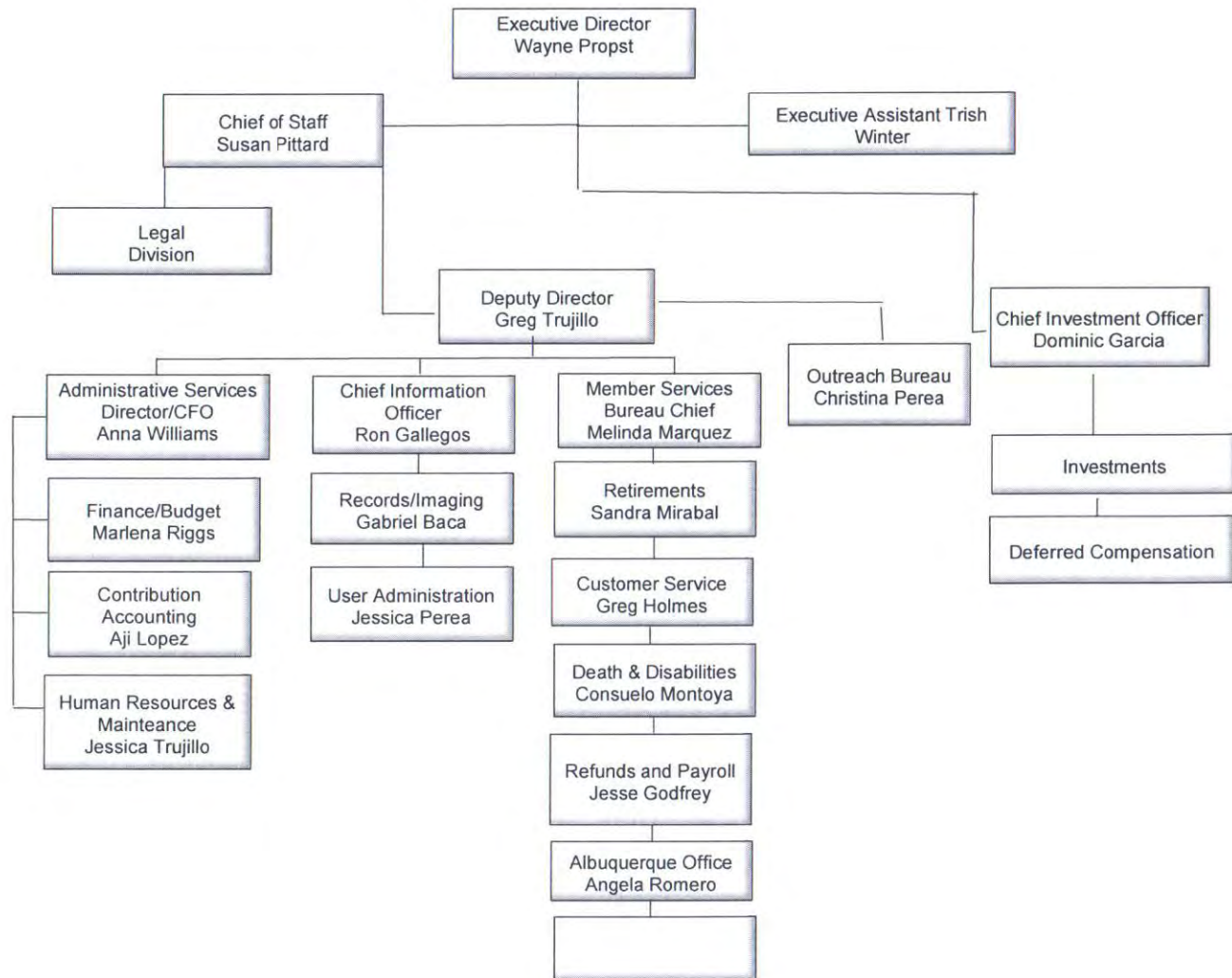
The following are a few highlights of the FY22 appropriation request:

- A decrease of \$19,593, or 0.24% in *Personal Services and Employee Benefits* (200 category) that includes a factored 5% vacancy savings;
- A decrease of \$313,000, or 1.19% in *Contractual Services* (300 category) as a result of realignment of budget to the *Other* category;
- An increase of \$319,874 or 18.61%, in the *Other* (400 category) is realignment for Information Technology (IT) maintenance from the *Contractual Services* category to the *Other* category and acquiring cyber insurance and increase in postage;
- Fixed General Services Department and Department of Information Technology services and fees totaling \$236,970 for Workers' Compensation, unemployment, employee liability insurance, vehicle insurance, vehicle lease, property insurance, Information Services Division, Human Capital Management, and telecommunications;
- No requests for expansions or IT appropriations pertaining to special initiatives.

If actual operating expenditures are less than the operating budget revenues, funds not expended will revert to the Trust Fund. PERA will revert approximately \$6.6 million for FY20, and we reverted \$6.1 million in FY19 and \$1.2 million in FY18.



**FY22 APPROPRIATION REQUEST  
ORGANIZATION CHART  
FORM S-2**



## Public Employees Retirement Association

BU PCode Department ReportCatg

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## Budget Review System

## S-8 Financial Summary

(Dollars in Thousands)

		FY2020	FY2020	FY2021	FY2022 Agency Request			FY2022 Recommendation			FY2022
		Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
SOURCES											
111	General Fund Transfers	80.3	80.3	52.8	48.7	0.0	48.7	0.0	0.0	0.0	0.0
112	Other Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
120	Federal Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
130	Other Revenues	36,542.4	36,542.4	36,170.7	36,162.1	0.0	36,162.1	0.0	0.0	0.0	0.0
150	Fund Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE, TRANSFERS		36,622.7	36,622.7	36,223.5	36,210.8	0.0	36,210.8	0.0	0.0	0.0	0.0
SOURCES		36,622.7	36,622.7	36,223.5	36,210.8	0.0	36,210.8	0.0	0.0	0.0	0.0
USES											
200	Personal Services and Employee Benefits	8,164.8	7,718.4	8,197.8	8,178.2	0.0	8,178.2	0.0	0.0	0.0	0.0
300	Contractual Services	27,069.2	20,518.7	26,306.8	25,993.8	0.0	25,993.8	0.0	0.0	0.0	0.0
400	Other	1,388.7	1,786.5	1,718.9	2,038.8	0.0	2,038.8	0.0	0.0	0.0	0.0
EXPENDITURES		36,622.7	30,023.6	36,223.5	36,210.8	0.0	36,210.8	0.0	0.0	0.0	0.0
500	Other Financing Uses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER FINANCING USES		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
USES		36,622.7	30,023.6	36,223.5	36,210.8	0.0	36,210.8	0.0	0.0	0.0	0.0
FTE POSITIONS											
810	Permanent	87.0	0.0	87.0	87.0	0.0	87.0	0.0	0.0	0.0	0.0
820	Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
830	Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FTEs		87.0	0.0	87.0	87.0	0.0	87.0	0.0	0.0	0.0	0.0
FTE POSITIONS		87.0	0.0	87.0	87.0	0.0	87.0	0.0	0.0	0.0	0.0



## Public Employees Retirement Association

## Budget Review System

BU PCode Department ReportCatg

## S-9 Account Code Expenditure Summary

36600 P640 0000000000 000000 D Simon Miller

(Dollars in Thousands)

	FY2020	FY2020	FY2021	FY2022 Agency Request			FY2022 Recommendation			FY2022
	Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
520100 Exempt Perm	1,943.4	1,540.5	1,821.9	1,853.7	0.0	1,853.7	0.0	0.0	0.0	0.0
520200 Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520300 Perm/Full	4,002.6	3,951.2	4,101.2	4,046.9	0.0	4,046.9	0.0	0.0	0.0	0.0
520400 Perm/Part	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520500 Temporary	0.0	22.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520600 Pd Sick Leave	0.0	10.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520700 Overtime	0.0	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520800 Annl/Comp Pd	0.0	94.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520900 Shift Diff	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
521100 Group Ins	611.0	618.5	621.1	649.4	0.0	649.4	0.0	0.0	0.0	0.0
521200 Retirement	1,020.7	946.8	1,052.4	1,041.5	0.0	1,041.5	0.0	0.0	0.0	0.0
521300 F.I.C.A.	439.4	391.8	440.8	436.3	0.0	436.3	0.0	0.0	0.0	0.0
521400 Workers' Comp	0.8	0.8	0.8	0.8	0.0	0.8	0.0	0.0	0.0	0.0
521410 GSD WC Premium	5.6	5.5	6.8	4.9	0.0	4.9	0.0	0.0	0.0	0.0
521500 Unempl Comp	3.3	3.3	12.1	5.1	0.0	5.1	0.0	0.0	0.0	0.0
521600 Empl Lblty	19.5	19.4	21.5	22.2	0.0	22.2	0.0	0.0	0.0	0.0
521700 Retiree Healthcare	118.5	109.8	119.2	117.4	0.0	117.4	0.0	0.0	0.0	0.0
521900 Other Empl Bnft	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
523000 COVID-Related Admi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
523100 COVID-Related EFML	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
523200 COVID-Related Time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>200</b> Personal Services and Employee Benefits	8,164.8	7,718.4	8,197.8	8,178.2	0.0	8,178.2	0.0	0.0	0.0	0.0
535100 Med Services	200.0	101.7	205.0	210.0	0.0	210.0	0.0	0.0	0.0	0.0
535200 Prof Services	705.3	674.0	745.4	739.0	0.0	739.0	0.0	0.0	0.0	0.0
535300 Other Cntrl	22,643.9	17,473.5	22,341.8	22,073.6	0.0	22,073.6	0.0	0.0	0.0	0.0
535309 Other Svcs InterA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535310 Other Svcs Comp U	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535400 Audit	180.5	160.3	165.9	172.5	0.0	172.5	0.0	0.0	0.0	0.0

## Public Employees Retirement Association

## Budget Review System

BU PCode Department ReportCatg

## S-9 Account Code Expenditure Summary

36600 P640 0000000000 000000 D Simon Miller

(Dollars in Thousands)

	FY2020	FY2020	FY2021	FY2022 Agency Request			FY2022 Recommendation			FY2022
	Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
535409 Auditing Svcs - I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535500 Attorney Fees	1,439.7	852.7	1,430.0	1,430.0	0.0	1,430.0	0.0	0.0	0.0	0.0
535600 IT Services	1,899.8	1,256.5	1,418.7	1,368.7	0.0	1,368.7	0.0	0.0	0.0	0.0
535800 Capital Prof Contr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535900 Insurance Contr Pr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
536000 General Admin Insu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>300 Contractual Services</b>	<b>27,069.2</b>	<b>20,518.7</b>	<b>26,306.8</b>	<b>25,993.8</b>	<b>0.0</b>	<b>25,993.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
542100 Instate M & F	4.9	1.7	4.9	4.6	0.0	4.6	0.0	0.0	0.0	0.0
542200 Instate M & L	8.2	1.8	7.6	6.2	0.0	6.2	0.0	0.0	0.0	0.0
542300 Brd/Comm Exp	29.8	7.3	29.8	24.2	0.0	24.2	0.0	0.0	0.0	0.0
542400 Empl Partial Day I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542500 Trans Fuel/Oil	2.5	1.2	2.5	2.5	0.0	2.5	0.0	0.0	0.0	0.0
542600 Trans Parts	3.0	4.3	3.0	5.0	0.0	5.0	0.0	0.0	0.0	0.0
542700 Trans Insurance	0.1	0.1	0.5	0.4	0.0	0.4	0.0	0.0	0.0	0.0
542800 Trans Pool	4.4	4.5	5.6	5.8	0.0	5.8	0.0	0.0	0.0	0.0
542900 Trans Other	0.1	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0
543000 DGF Habitat/Land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543009 DGF Habitat/Land I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543100 Grounds/Rdways	13.8	14.5	15.0	13.8	0.0	13.8	0.0	0.0	0.0	0.0
543200 Furn/Fix/Eqpmt	22.0	1.8	14.0	22.0	0.0	22.0	0.0	0.0	0.0	0.0
543300 Bldgs/Struct	60.0	80.2	60.0	40.0	0.0	40.0	0.0	0.0	0.0	0.0
543400 Property Ins	4.7	4.7	5.2	5.0	0.0	5.0	0.0	0.0	0.0	0.0
543500 Maint Supplies	1.0	2.0	1.0	1.5	0.0	1.5	0.0	0.0	0.0	0.0
543600 Lndry/Dry CIng	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543700 Maint Svcs	1.5	0.0	1.5	1.5	0.0	1.5	0.0	0.0	0.0	0.0
543820 IT Maintenance	8.0	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543830 IT HW/SW Agreement	0.0	478.5	353.5	562.6	0.0	562.6	0.0	0.0	0.0	0.0
543900 Other Maint	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



## Public Employees Retirement Association

## Budget Review System

BU PCode Department ReportCatg

## S-9 Account Code Expenditure Summary

36600 P640 0000000000 000000 D Simon Miller

(Dollars in Thousands)

	FY2020	FY2020	FY2021	FY2022 Agency Request			FY2022 Recommendation			FY2022
	Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
544000 Suppl-Inv Exmpt IT	96.3	180.6	78.0	85.3	0.0	85.3	0.0	0.0	0.0	0.0
544100 Office Supplies	21.2	12.0	20.5	16.1	0.0	16.1	0.0	0.0	0.0	0.0
544200 Med/Lab/Prsnl Sp	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544300 Drugs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544400 Field Supplies	1.0	0.5	0.5	1.0	0.0	1.0	0.0	0.0	0.0	0.0
544500 Food	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544600 Kitchen Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544700 Clothing/Unfrm	0.3	0.3	0.3	0.4	0.0	0.4	0.0	0.0	0.0	0.0
544800 Educ/Rec Spls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544900 Invent Exempt	14.0	7.0	14.0	14.0	0.0	14.0	0.0	0.0	0.0	0.0
545600 Rep/Recording	15.5	7.0	15.5	10.5	0.0	10.5	0.0	0.0	0.0	0.0
545700 DOIT ISD Services	16.6	8.3	13.0	9.2	0.0	9.2	0.0	0.0	0.0	0.0
545710 DOIT HCM Assess	36.1	36.1	36.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
545810 DoIT Radio Comm	0.0	0.0	0.0	32.0	0.0	32.0	0.0	0.0	0.0	0.0
545900 Prntng/Photo	89.8	76.7	92.5	90.2	0.0	90.2	0.0	0.0	0.0	0.0
546100 Postage/Msgr	105.1	179.2	105.1	140.4	0.0	140.4	0.0	0.0	0.0	0.0
546310 Utilities - Sewer	6.5	2.8	4.0	6.5	0.0	6.5	0.0	0.0	0.0	0.0
546320 Utilities - Elect	75.0	70.4	70.0	70.0	0.0	70.0	0.0	0.0	0.0	0.0
546330 Utilities - Water	4.0	3.4	4.5	4.5	0.0	4.5	0.0	0.0	0.0	0.0
546340 Utilities - Ngas	30.0	15.9	28.0	25.0	0.0	25.0	0.0	0.0	0.0	0.0
546350 Utilities - Propn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
546400 Rent/Bldg/Land	77.9	76.9	82.8	107.2	0.0	107.2	0.0	0.0	0.0	0.0
546409 Rent - Interagency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
546500 Rent of Equip	111.6	87.1	111.6	111.6	0.0	111.6	0.0	0.0	0.0	0.0
546600 Telecomm	3.0	4.1	3.3	3.1	0.0	3.1	0.0	0.0	0.0	0.0
546610 DOIT Telecomm	142.5	151.3	140.5	151.6	0.0	151.6	0.0	0.0	0.0	0.0
546700 Subs and Dues	106.9	128.7	117.6	144.6	0.0	144.6	0.0	0.0	0.0	0.0
546800 Empl Trng/Educ	31.9	32.3	33.9	43.4	0.0	43.4	0.0	0.0	0.0	0.0
546810 Board Member Trng	14.5	11.0	14.5	14.5	0.0	14.5	0.0	0.0	0.0	0.0

## Public Employees Retirement Association

## Budget Review System

BU PCode Department ReportCatg

## S-9 Account Code Expenditure Summary

36600 P640 0000000000 000000 D Simon Miller

(Dollars in Thousands)

	FY2020	FY2020	FY2021	FY2022 Agency Request			FY2022 Recommendation			FY2022
	Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
546900 Advertising	1.7	0.2	1.3	1.7	0.0	1.7	0.0	0.0	0.0	0.0
547000 Legal Settlements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547200 Grants/Indvdl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547300 Care/Support	0.0	0.0	0.0	45.7	0.0	45.7	0.0	0.0	0.0	0.0
547400 Grants/Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547410 Grants Pub Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547420 Grants Higher Ed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547430 Grants Native Amer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547440 Grants to Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547450 Grants to Other Ag	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547500 Purch/Resale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547600 Commissions Pd to	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547700 Debt Svc/Prncpl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547800 Debt Svc/Intrst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547900 Misc Other Exp	26.6	27.4	30.6	30.3	0.0	30.3	0.0	0.0	0.0	0.0
547999 Prior Year Expense	0.0	5.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548100 Land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548110 Land - Improvement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548200 Furn/Fixtures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548300 IT Equip	75.0	0.0	75.0	60.0	0.0	60.0	0.0	0.0	0.0	0.0
548400 Other Equip	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548600 Animals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548700 Lbr/Museum Acq	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548800 Auto/Aircraft/RecW	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548900 Bldgs/Struct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
549600 O/S M & F	47.4	23.3	47.4	50.8	0.0	50.8	0.0	0.0	0.0	0.0
549700 O/S M & L	52.8	26.7	52.8	55.0	0.0	55.0	0.0	0.0	0.0	0.0
549800 O/S Board M/F	9.0	3.2	9.0	8.5	0.0	8.5	0.0	0.0	0.0	0.0
549900 O/S Board M/L	12.5	4.2	12.5	10.5	0.0	10.5	0.0	0.0	0.0	0.0



## Public Employees Retirement Association

## Budget Review System

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## S-9 Account Code Expenditure Summary

36600 P640 0000000000 000000 D Simon Miller

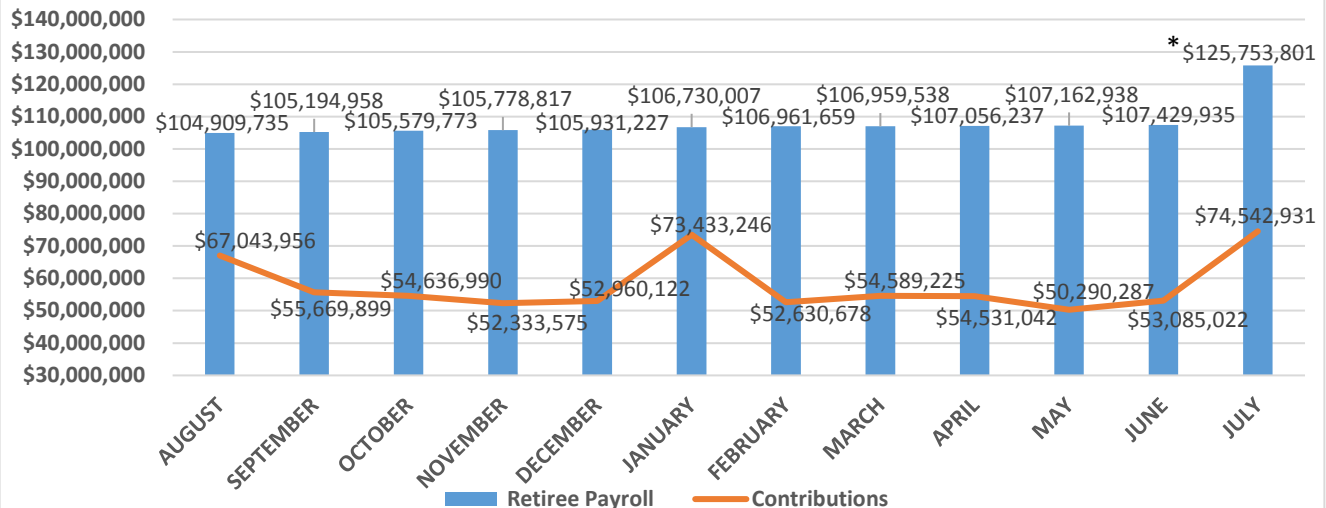
(Dollars in Thousands)

		FY2020	FY2020	FY2021	----- FY2022 Agency Request -----			----- FY2022 Recommendation -----			FY2022
		Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
400	Other	1,388.7	1,786.5	1,718.9	2,038.8	0.0	2,038.8	0.0	0.0	0.0	0.0
555100	Oth Fin Uses - Int	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
555106	Oth Fin Uses - Int	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
555200	Oth Fin Uses - Com	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
500	Other Financing Uses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>		36,622.7	30,023.6	36,223.5	36,210.8	0.0	36,210.8	0.0	0.0	0.0	0.0



## EXECUTIVE DIRECTOR'S REPORT PERA BOARD MEETING – August 27, 2020

**Retiree Payroll vs: Total Contributions - August 2019- July 2020**



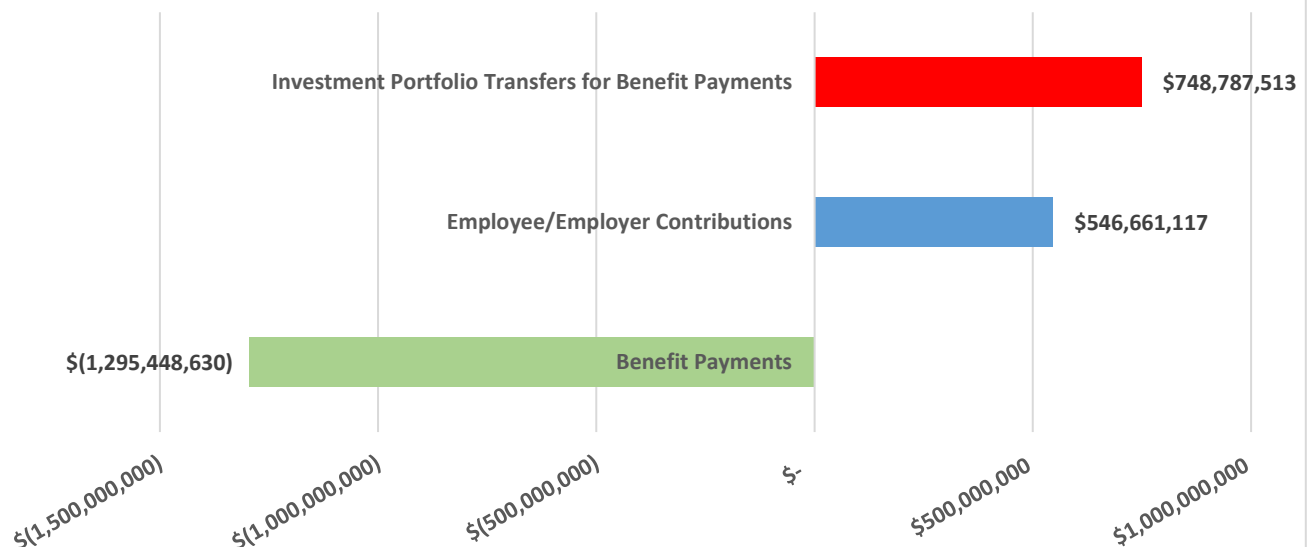
**Total Retiree Payroll = \$1,295,448,625**

**Total Contributions: \$ 695,746,973**

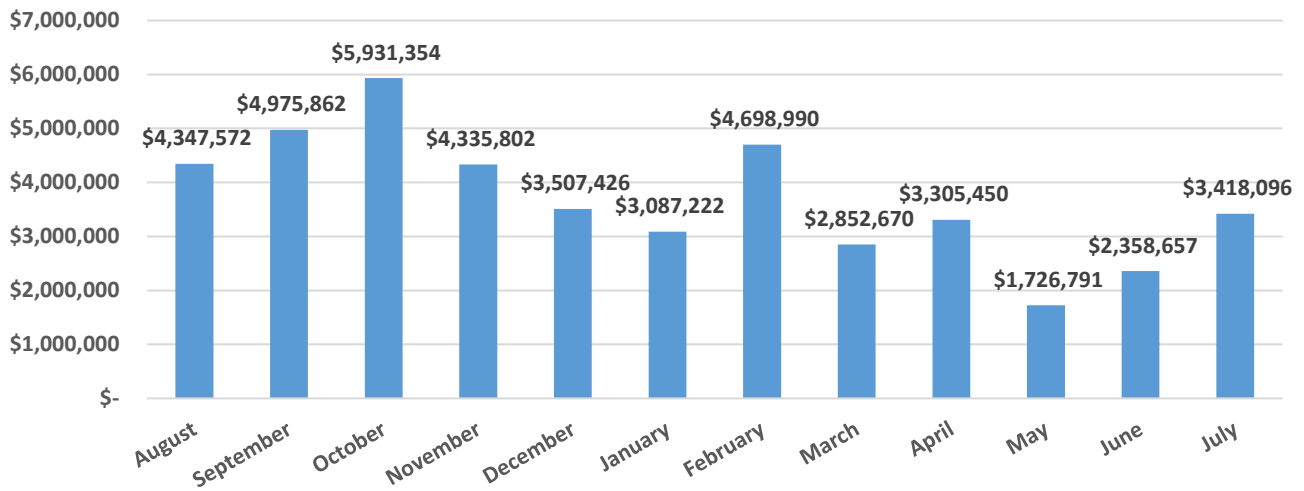
\*Includes 17.5 million of 13<sup>th</sup> check payments

**Due to adjustments to Employer reports contributions amounts are subject to change**

**FY20 Contributions: Investment Income & Contributions thru July 2020**

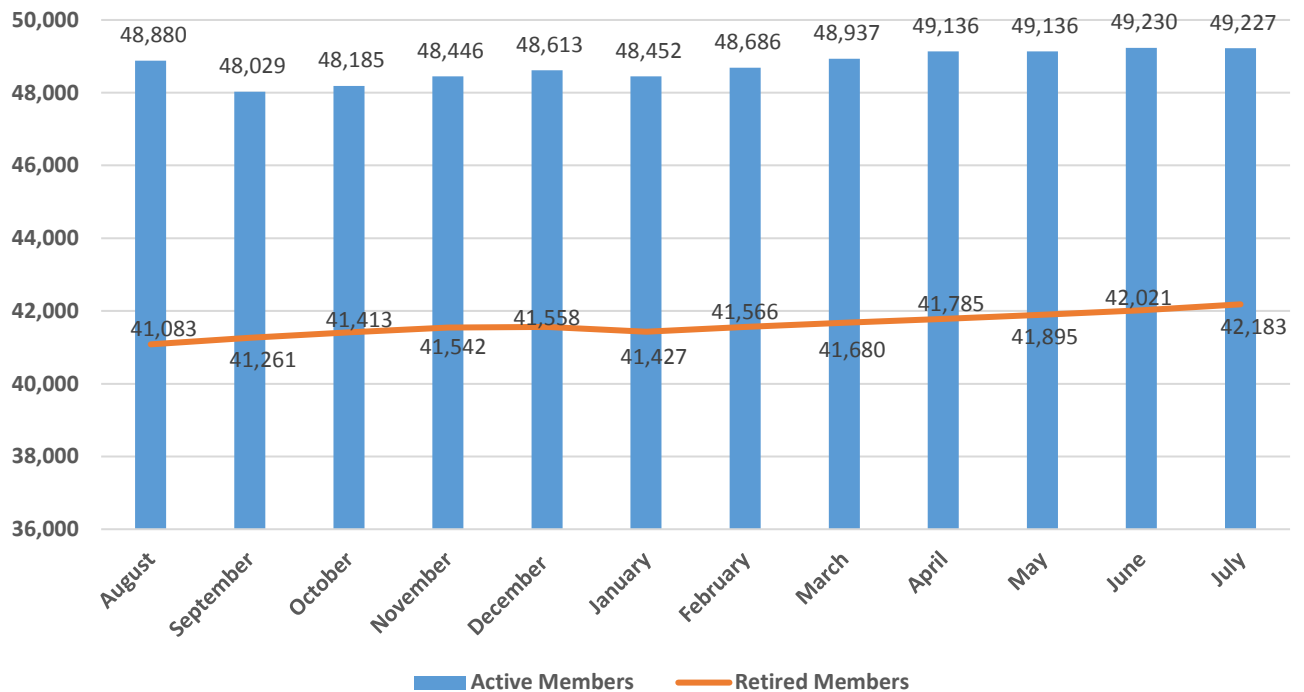


### Refunds - August 2019 - July 2020



**\*\* Total Refunds Paid during this period was \$44,545,897**

### Active Members vs: Retired Members - August 2019 - July 2020



VACANCY REPORT			
Position	Division	Date Vacated	Status
Attorney	Legal Division	4/30/2019	On Hold
Financial Analyst Advanced	Investments	6/29/2019	Pending Reclassification
Investment Associate	Investments	7/1/2019	On Hold
Investment Associate	Investments	7/1/2019	On Hold
Investment Associate	Investments	7/1/2019	On Hold
Business Operations Spec – B	Records	2/2/2020	On Hold
Chief Financial Officer III	ASD	5/2/2020	Pending Interview

*PERA has 87 authorized FTE and currently has 7 vacancies*

ADDITIONS/DEPARTURES/PROMOTIONS			
Employee	Position/Division	Date Started/Vacated	Status
Anna Williams	Administrative Services Director	5/2/2020	Promotion

2020 AIR TIME PURCHASES	
Plan Type	July Purchases
State Plan 3	6
Municipal Plan 2	1
Municipal Plan 3	8
Municipal Plan 4	1
Municipal Detention Plan 1	0
Municipal Fire Plan 5	2
Municipal Police Plan 4	1
Municipal Police Plan 5	1
State Police/Corrections Plan	<u>1</u>
<b>TOTAL:</b>	<b>21</b>

2020 AIR TIME PURCHASES	
No. of Months	July Purchases
1	5
2	2
3	2
4	1
5	0
6	0
7	0
8	2
9	0
10	1
11	0
12	<u>8</u>
<b>TOTAL:</b>	<b>21</b>

Independent Contracts Reviewed – July 2020	
Entity	# of Contracts Reviewed
City of Hobbs	1
New Mexico Public Education Department	1
New Mexico Human Services Department	2
New Mexico Medical Board	1
New Mexico Legislative Education Study Committee	1
New Mexico Legislative Finance Committee	1
New Mexico Taxation and Revenue Department	3
New Mexico Educational Retirement Board	1
General Services Department/State Purchasing Division	1
Southeastern New Mexico Economic Development District	1
City of Albuquerque	1
<b>Total:</b>	<b>14</b>
<b><u>Reviewed, but “Not in Pay Status</u></b>	
New Mexico, Children, Youth and Families Department	1
<b>Total:</b>	<b>1</b>
<b><u>Reviewed, but not a PERA Affiliated Agency</u></b>	
Museum of International Folk Art	<u>1</u>
<b>Total:</b>	<b>1</b>
<b><u>Reviewed, but Need More Information</u></b>	
New Mexico Medical Board	1
<b>Total:</b>	<b>1</b>
<b><u>Total Contracts Reviewed</u></b>	<b>17</b>

PERA SmartSave Items of Interest – July 2020			
<u>County by Region North - Chris Day</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>	<u>In Person</u>
Colfax		4	
Rio Arriba		5	
San Juan	2	8	
San Miguel		6	
Santa Fe	7	16	
Taos	1	6	
<u>County by Region Central - Paul Lium</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>	<u>In Person</u>
Bernalillo	8	23	10
Curry		2	
De Baca		1	
Roosevelt		1	
<u>County by Region South - Linda Miller</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>	<u>In Person</u>
Chaves		10	
Dona Ana		19	1
Eddy		12	
Grant		2	
Luna		1	
Otero		1	
Sierra		2	
Socorro		2	
SmartSave Assets as of 7/31/2020 - \$685,407,918			
SmartSave Participants as of 7/31/2020 – 23,262			



INVESTED IN TOMORROW.

**PERA Board Meeting**  
**August 27, 2020**  
**CONSENT AGENDA**

- 1. Approval of Minutes:** July 30, 2020
- 2. Ratification of Retirements -** Benefits processed through: 8/1/2020
  - a. Normal
  - b. Deferred
  - c. Reciprocity to ERA
  - d. Non-Duty Death
  - e. Non-Duty Disability
  - f. Reciprocity to PERA
- 3. Duty & Non Duty Deaths**
  - a.
- 4. Affidavits for Free Military Service:**
  - a. Roland Alarid - 19 months
  - b. Faron Rodriguez - 8 months
  - c. Jesnick Cuoco - 1 month
  - d. James Frederickson - 7 months
- 5. Resolutions**
  - a. San Juan County, Resolution # 20-21-12 Establishing a Work Period for Bloomfield Certified Fire Personnel.
- 6. Setting of Meetings: September 2020 Meetings**

a. SmartSave Committee	September 8, 2020	9:00am
b. Audit & Budget Committee	September 8, 2020	following SmartSave Committee
c. Rules & Administration Committee	September 8, 2020	following Audit & Budget Committee
d. Disability Review Committee	September 8, 2020	1:00pm

Any person with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Trish Winter at 505-476-9305 or [patriciab.winter@state.nm.us](mailto:patriciab.winter@state.nm.us) at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact Ms. Winter if a summary or other type of accessible format is needed.

# **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

## **BOARD MEETING**

**July 30, 2020**

1. This monthly meeting of the Public Employees Retirement Board was held on the date cited above via Zoom tele/videoconferencing. John Melia, Chair, called the meeting to order at approximately 9:08 a.m.

### **2. & 3. Pledge of Allegiance and Roll Call**

Following the Pledge of Allegiance, Trish Winter, Executive Assistant, undertook the roll call. Meeting attendance met quorum, with the following members present:

#### **Members Present:**

John Melia – Municipal, Chair  
David Roybal – State, Vice-Chair  
Claudia Armijo – State  
Lawrence Davis – Municipal  
Paula Fisher – State  
Patricia French – Municipal  
Dan Mayfield – Retiree  
Loretta Naranjo Lopez – Retiree  
Steve Neel – State  
Shirley Ragin – County  
Tim Eichenberg – *Ex-officio*

#### **Member(s) Absent:**

Maggie Toulouse Oliver – *Ex-officio*

#### **Staff Members Present:**

Susan Pittard, Chief of Staff/General Counsel  
Wayne Propst, Executive Director  
Greg Trujillo, Deputy Executive Director  
Trish Winter, Executive Assistant

#### **Others Present:**

Jessica Bundy, REDW  
Caitlin Gutierrez, REDW

### **4. Approval of Agenda**

Ms. Loretta Naranjo Lopez requested removal and deferral of Agenda Items C and D to the next Board meeting giving the following reasons:

Agenda Item C – Presentation of Governance Audit: Ms. Naranjo Lopez expressed concerns that the Board, as a whole, has not previously reviewed this report, which includes statements of Board recommendations. Ms. Naranjo Lopez suggested an investigation into who purportedly spoke on behalf of the Board regarding this content. She requested the full Board review this report as a whole and the statements within it for consideration at the next Board meeting.

Agenda Item D – Request for Payment of Magazine and Newspaper Subscriptions for Trustee Loretta Naranjo Lopez: Ms. Naranjo Lopez recommended these magazines and resources would be beneficial to all Board members, based on her experience as an investor with the New Mexico Care Board. She noted the Board has a duty to maximize returns and suggested, as a public employee's



retirement association, a discount may be available. Deferral requested to allow consideration of full Board membership.

Ms. Patricia French seconded the motion to remove and defer Agenda Items C and D.

***Discussion:***

Mr. Tim Eichenberg requested that the Board consider the removal and deferral of Agenda Items C and D as separate items and a vote on each.

Agenda Item C – Presentation of Governance Audit: Ms. Naranjo Lopez reiterated the motion to remove this item and defer to the next Board meeting, citing the reasons as noted previously. Ms. French seconded the motion. The motion to remove and defer Agenda Item C failed with a roll call vote of seven to four as follows:

John Melia	No
David Roybal	No
Claudia Armijo	Yes
Lawrence Davis	No
Paula Fisher	Yes
Patricia French	Yes
Dan Mayfield	No
Loretta Naranjo Lopez	Yes
Steve Neel	No
Shirley Ragin	No
Tim Eichenberg	No

Item D -- Request for Payment of Magazine and Newspaper Subscriptions for Trustee Loretta Naranjo Lopez: Ms. Naranjo Lopez reiterated the motion to remove this item and defer to the next Board meeting, citing reasons as noted previously, and noted that the subscriptions are for the Wall Street Journal and Barron's. Ms. Naranjo Lopez suggested a rewording of the Agenda item to recommend these named subscriptions for the whole Board. Ms. Naranjo Lopez also queried the inclusion of this matter as an Agenda item for Board members, as materials requested in the past, such as books and subscriptions have been provided to Board members. Member Patricia French suggested the item should be reworded, 'for those who would like to subscribe', saying that the subscriptions should not be obtained for everyone if they do not want it. Ms. Naranjo Lopez agreed.

Chair John Melia proposed a motion to remove and defer Agenda Item D to the next Board meeting, and for Ms. Naranjo Lopez to clarify by email the wording of the action item. Ms. Naranjo Lopez clarified verbally that, if deferred, the Agenda Item for next month's meeting should state 'request for payment of magazine and newspaper for the Wall Street Journal and Barron's for all Board members that would like to have a subscription'. Ms. French seconded the motion. The motion to remove and defer the reworded Agenda Item D to the next Board meeting was passed by a unanimous roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Claudia Armijo	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Patricia French	Yes
Dan Mayfield	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Tim Eichenberg	Yes

Mr. Dan Mayfield moved to approve the Agenda as amended. Ms. Fisher seconded. The motion to approve the Agenda as amended was passed by roll call vote on a vote of nine to one as follows:

John Melia	Yes
David Roybal	Yes
Claudia Armijo	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Patricia French	[no vote – audio problems]
Dan Mayfield	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Shirley Ragin	Yes
Tim Eichenberg	Yes

**5. Approval of Consent Agenda**  
*[Exhibit 1: Consent Agenda]*

Ms. Loretta Naranjo Lopez requested Item 1 on the Consent Agenda: Approval of Minutes April 30, 2020, and May 2020 be moved, and placed at the end of the current Agenda. Mr. Dan Mayfield moved the motion to approve the Consent Agenda with the move of Item 1, the Approval of Minutes from April 30, 2020 and May 28, 2020 to the current Agenda. Seconded by Ms. Fisher. The Consent Agenda, as amended, was approved by unanimous roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Claudia Armijo	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Patricia French	[no vote – audio problems]
Dan Mayfield	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Tim Eichenberg	Yes

**6. Unfinished Business (Removed from Consent Agenda)**

***Discussion re Agenda***

Ms. Trish Winter, Executive Assistant, confirmed that at the May 28, 2020, Board meeting Ms. Loretta Naranjo Lopez requested moving the minutes from the Consent Agenda to the regular Agenda, that was done. Ms. Naranjo Lopez was no longer present at the meeting when the item occurred.

***Discussion re previous minutes***

Ms. Naranjo Lopez advised that the Board meeting minutes of April 30, 2020 stating, “Ms. Naranjo Lopez said she would be voting against the Agenda because it is incorrectly sequenced” is incorrect. Ms. Lopez advised she was specifically referring to the Robert’s Rules of Order, which she considers are not being followed during Board meetings. Ms. Naranjo Lopez requested written clarification on the interpretation/definition of the Robert’s Rules of Business for Board meetings. Mr. Melia will seek advice from the Parliamentarian.

Ms. Naranjo Lopez advised that the Board meeting minutes from May 28, 2020, do not include a statement she made about allegations of a bribe, and a whistle-blower statement she read

verbatim at the meeting as an exhibit. Ms. Naranjo Lopez also expressed concern that other member's exhibits are attached to minutes as a part of the record, but hers are not.

Chair John Melia advised the minutes and audio of these two meetings will be reviewed for accuracy by Ms. Trish Winter, Executive Assistant. Any amendments and/or attachment of Ms. Naranjo Lopez's whistle-blower statement are to be incorporated and/or attached as an exhibit if found to be an accurate record of the meeting.

***Discussion re Board meeting minutes format, content, and release***

Chair John Melia noted that the responsibility for the recording of the minutes has changed. Ms. Trish Winter confirmed she is not transcribing the minutes. Ms. Patricia French and Susan Pittard, Chief of Staff/General Counsel, confirmed the accepted practice of Board meeting minutes is non-verbatim. Verbatim content/statements read during the meeting should be attached to minutes for reference as exhibits. Mr. Lawrence Davis queried whether there is a legal requirement to publish minutes within a specified time-period given delays releasing minutes in recent months. Members responded there is not.

**Executive Session – Board recess to Executive Session pursuant to NMSA 1978, Section 10-15-1(H) (3)**

Ms. Naranjo Lopez moved to go into Executive Session as above. Mr. Lawrence Davis seconded. The motion passed by roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Claudia Armijo	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Patricia French	Yes
Dan Mayfield	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Tim Eichenberg	Yes

Mr. Eichenberg advised he would not participate in the Executive Session but would return when the meeting resumed.

*[break in audio recording]*

Ms. Naranjo Lopez moved to come out of executive session. Ms. Neel seconded the motion. The motion passed by roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Claudia Armijo	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Patricia French	Yes
Dan Mayfield	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Tim Eichenberg	Yes

Chair Melia advised the only matter discussed in the Executive Session was the Administrative Appeal of Mr. Justin Baca. Chair Melia also advised he was not present and did not participate in the Executive Session due to his previous relationship with Mr. Baca.

## **7. New Business**

### **A. Final Decision on Administrative Appeal**

Mr. Roybal moved that in the matter of the Appeal of Justin Baca, PERA ID 515559 the Board adopt the Hearing Officer's recommended findings of fact and conclusions of law, approve the Hearing Officer's recommended decision, and deny the claimant's request for PERA Duty Disability Retirement Benefits. Ms. Fisher seconded the motion. The motion passed by roll call vote of nine to zero with two abstentions.

John Melia	Abstained
David Roybal	Yes
Claudia Armijo	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Patricia French	Yes
Dan Mayfield	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Tim Eichenberg	Abstained

### **B. Approval of Interest Rate Resolutions**

*[Exhibit 2: Interest Rate Resolutions]*

Susan Pittard, Chief of Staff/General Counsel, briefed the Board on their required approval of annual interest rate resolutions, to become effective on January 1, 2021. The proposed resolutions did not have any changes from those currently in effect. Ms. Pittard advised the rate applied for both forfeited and unremitted contributions is at 7.25%, which represents the opportunity cost lost for not having the money in the trust fund to be invested. The only resolution different is that for overpayments which are gained by providing PERA with fraudulent information. This rate is set at 10%.

Resolutions 20-07, 20-08, and 20-09 (Agenda items B 1, 2, and 3) are for forfeited service credit under the PERA, JRA and Magistrate plans respectively.

Resolutions 20-11, 20-12, and 20-13 (Agenda items B 5, 6, and 7) are for unremitted contributions or late contributions that are not paid to PERA under the PERA Act, JRA, or MRA respectively. Resolution 20-13 is for unremitted contributions applied to the legislative plan.

Resolution 20-14 (Agenda item B 8) is for the overpayment of benefits gained by fraudulent information that is set at 10%.

There were no questions from the Board

[Ms. French excused herself from the remainder of the meeting.]

Mr. Mayfield moved to approve Resolutions 20-07, 20-08, and 20-09 concerning interest on repayments for reinstatement of forfeited service credit for funds. Mr. Neel seconded. The motion was passed by unanimous roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Claudia Armijo	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Dan Mayfield	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Tim Eichenberg	Yes

Mr. Davis moved to approve Resolutions 20-10, 20-11, and 20-12 concerning interest rate as applied to unremitted or late PERA contributions for funds. Mr. Mayfield seconded. The motion was passed by unanimous roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Claudia Armijo	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Dan Mayfield	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Tim Eichenberg	Yes

Mr. Mayfield moved to approve Resolution 20-13 concerning the interest rate of unremitted member contributions for the legislative and lieutenant funds. Mr. Neel seconded. The motion was passed by unanimous roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Claudia Armijo	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Dan Mayfield	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Tim Eichenberg	Yes

Mr. Mayfield moved to approve Resolution 20-14 concerning the rate of interest on the overpayment of benefit. Mr. Neel seconded. The motion was passed by unanimous roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Claudia Armijo	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Dan Mayfield	Yes

Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Tim Eichenberg	Yes

### **C. Presentation of the Governance Audit**

*[Exhibit 3: Governance Audit]*

Ms. Jessica Bundy and Ms. Caitlyn Gutierrez from REDW presented the 2020 Internal Governance Audit, the purpose and objectives of which were to evaluate the overall governance of PERA to determine compliance with fiduciary requirements, laws, regulations, and best practices. The evaluation included whether Board training complied with the New Mexico Administrative Code, the controls and processes in place for identifying Code of Conduct violations, controls surrounding the approval of investment policy changes, and compliance with asset allocation benchmarks.

Due to the magnitude of PERA's governance area, the scope of the audit focused and prioritized areas and outcomes with the most impact on improving the PERA governance structure. Audit observations were split into two groupings. These are critical high-risk observations affecting Board productivity, transparency, and effectiveness and reporting and administration areas of importance that may require improvement.

The presentation to the Board summarized the Governance Audit findings into the two groupings as mentioned. A summary of each observation and related recommendations was presented for each grouping, followed by Management and Board responses already provided.

Board Policy was found to be in place, which included detail of requirements to be followed. However, to ensure consistency, some procedures and monitoring were lacking. The report recommendations are intended to build a foundation for a good governance structure, and then expand into other areas of concern and risk.

Observation 1, communication and decision-making, was broken down into five distinct pieces, with recommendations for each:

Strategic direction: Board Policy Section 2.10 addresses the need for a strategic direction for PERA, and states the Board will delegate the strategic objectives to the Executive Director and Chief Investment Officer, who subsequently delegate to staff. A Board questionnaire identified a trend where all Board members and Executive Management who responded felt there was either not a unified vision at the Board management level or actions by the Board gave the appearance a unified vision did not exist, which impacts on the ability of the Board to act as a cohesive group when making decisions. It was recommended that the Board, in collaboration with management, develop a long-term strategic vision for the Agency, and ensure all decisions made adhere to that vision. Management will be responsible for the execution, while the Board will function as an oversight body and perform periodic monitoring to ensure compliance with performance metrics.

Integrity and fiduciary responsibility: Board Policy Section 1.4 states that Board members are to act with integrity when meeting fiduciary responsibility to members and beneficiaries, and engage in inclusive decision-making processes. This supports expectations that the Board speaks in a unified voice. The review of Board meeting audio observed many decisions were despite the majority vote made. Board members continued to speak on decisions in subsequent meetings, therefore giving the appearance that the Board does not have a unified voice. It was recommended that the Board put procedures in place to ensure once a majority vote is made, that the Board accepts the decision, and any non-compliance at future meetings is addressed.

Discussions and conduct: Board Policy Section 1.60 assigns responsibility to the Board for creating and maintaining an atmosphere that encourages frank and collegial discussions at Committee, Board, and management levels. Board Policy 3.10 discusses the need for Board members, management, and staff to conduct themselves in a way that is expected of a fiduciary. The review of Board meeting audio found several instances where disagreements between Board members resulted in negative commentary and accusations regarding other Board members, staff and consultant qualifications, and competency. It was recommended that the Board consider implementing an Oversight Committee to monitor compliance with Board Policy and procedure consistently and address repeated occurrences of noncompliance with disciplinary measures.

Meeting conduct: Board Policy Section 2.51 requires Board members to act in the best interests of PERA consistent with their fiduciary duty. NMSA also addresses this by asking Board members to conduct themselves in a manner that justifies the confidence placed in them by the people. The review of Board meetings identified two instances where a quorum was lost when Board members intentionally walked out of the meeting to avoid a vote being placed, thus resulting in the delay of critical business. It was recommended, again, that the Board consider disciplinary action under Policy Section 9.34 should this occur again.

Complaints process: It was determined there is no formal process in place to address complaints or concerns by Board members, management, or staff via an internal process. Because of this, external legal representation was obtained, resulting in legal fees paid by PERA of approximately \$50,000, which ultimately resulted in no additional resolution. It was recommended that PERA implement a formal complaint process, similar to the one that is already in place for member and beneficiary complaints to allow the Board and management to express their concerns in a formalized manner. Should those concerns not be addressed internally, it was recommended that procedures be implemented for escalation to either to the Office of State Auditor, or other oversight agency, as appropriate.

The management response to Observation 1 was that they are available to assist the Board in developing its five-year Strategic Plan and an Annual Work Plan that verifies all requirements to policy and procedure. They also believe a standing Governance Committee could potentially be tasked with monitoring code of conduct, and review complaints. Management responded they could assist the Board to develop a formal complaint process for Board members at their request.

The Board response for Observation 1 agrees with the need to establish a unified vision and develop processes to ensure good communication and consistent decision-making. They will work to develop an Oversight Committee, who will be tasked with reviewing current policy and procure and proposing changes, with a strong consideration towards enhancing the accountability, monitoring and disciplinary function of the Board. This should be completed by the end of the FY21. To focus on the short term, a standing informational Agenda item will be added to each Board meeting for the rest of 2020. This will focus on the observations identified during this audit, and any progress made.

Observation 2 relates to non-financial conflict of interest reporting. The current Board Policy includes what Board members are not allowed to engage in when serving in the Board capacity, as well as how they must conduct themselves during discussion or a vote when a conflict may exist. The testing determined that there were several instances where a conflict appeared to exist at the Board level, but there was no process in place to identify and discuss that conflict to ensure it did not impair fiduciary responsibility. Board policies were revised in December 2019 to require disclosure of affiliations that may impair independence. As at the time of testing, the process had not been completed. It was recommended that while the update to policy is a great start, a form should be developed for the required reporting of those conflicts, to be provided to the Executive Director for reporting at the next Board meeting. It was also recommended that a process be implemented to monitor conflicts. This should be undertaken annually, as is required by current policy, but also periodically to ensure that conflicts are timely addressed as they arise. Training on the standards of

conduct section of the Board Policy was also recommended. The recommendation also included that the Rules and Administration Committee be tasked with enforcing standards of conduct, monitoring compliance, and reporting exceptions periodically.

The management response for Observation 2 agrees that the development of a non-financial conflict of interest form could assist Board members to accurately disclose potential conflicts or perceived conflicts of interest and that they will work with the Board at their request to provide educational opportunities to identify any actual or perceived conflicts. They will also develop an annual curriculum for such training. Once the process is adopted, they will assist the Board to facilitate compliance as needed. Management believes a Governance Committee could provide appropriate oversight for monitoring conflicts of interest.

The Board response for Observation 2 agreed that enhancements can be made to the non-financial conflict of interest policy, and they will work with management to implement a process to discuss. Also, they will task the Oversight Committee developed in Observation 1 with ensuring compliance with the Standards of Conduct policies by the end of FY21.

Observation 3 relates to the annual evaluation of the Board, as is required by Board Policy Section 2.19. Testing determined that this self-evaluation has not taken place, and recommend that PERA conduct a formalized self-evaluation annually, with mandatory attendance to ensure all voices are heard on the Board.

The Board response for Observation 3 agreed to the findings that an evaluation is needed. This will be conducted by the end of the FY21. This is a Board only response as a Board related requirement.

Observation 4 addresses the Meeting Agenda and materials process under Board Policy Section 2.84. This requires a seven-day advance posting time of related materials before the scheduled Board or Committee meeting. Testing identified meetings where the Agenda was and the initial materials were not uploaded or posted at least seven days prior. Also, the review of Board meeting minutes indicated the approval of the Agenda often takes a significant amount of time due to a lot of movement of items either off the Agenda or onto the Consent Agenda. It was recommended that PERA consider reevaluating the Agenda and materials process to ensure information is uploaded at least seven days before ensure there is adequate time to review materials so Board members are prepared to make decisions.

The Management response to Observation 4 advises of the attempt, to the extent practicable, to post the Board an Agenda seven days before meetings. They explain that the way Board portal works is even if they're posted seven days prior, any subsequent changes replace the footprint date and make it appear that those materials are posted outside of the seven-day window. They will work on improving those communications and efficiency of receiving materials and approval of Agendas from the Board and Committee Chairs.

The Board's response to Observation 4 indicates there will be a review of the process to compile Agenda items and related material to determine if improvements can be made to ensure adequate review of materials in advance of the Board meeting. This will be completed by the end of the FY21.

Observation 5 covers the Annual Evaluation of the Executive Director. As per Board Policy, an annual evaluation of the Executive Director should be occurring. Testing determined that this evaluation did not occur in FY19. It was thought that an evaluation in FY20 did not occur, however, due to the testing timeline it was uncertain if this would occur in a later meeting. It was recommended that the Board implement a process to ensure that Executive Director Evaluation is performed annually, with any action items developed during the evaluation monitored regularly. It was also



recommended that 360 evaluations be considered to incorporate feedback from all levels of the organization.

The Board's response to Observation 5 agrees an evaluation needs to take place and will conduct one by the end of FY21.

Observation 6 relates to the reporting of gifts. Board Policy states that, at least semi-annually, Board members, the Executive Director, and Executive Staff are to disclose anything of value received in their capacity as a PERA Board member or Management via the gift reporting form. The audit process found instances where the form was not submitted timely or not submitted at all. Also, it was found that there was no review in place by Management or the Board to determine if any gifts received violated policy or state statute. It was recommended that PERA should implement an independent review of the gift reporting forms for compliance purposes by designating an appropriate individual from management to review and sign off on the forms and ensure that potential issues are addressed. An update of Board Policy was also recommended to better define the timing of when the report should be filed so the deadline is clear. The current policy states immediately following, which is a little bit vague.

The Management's response to Observation 6 agreed with the independent review of gift reporting to comply with best practices and attempts to assist Board members in complying with reporting requirements. PERA contractually requires external professional service providers to report gifts to Board members and staff. Management will commence reporting compliance with gift recording to the Board at their regular meetings on a bi-annual basis. Management believes a Governance Committee could be best suited to receive forms on gift reporting and form oversight over this compliance function.

The Board response to Observation 6 is in agreeance and an informal Agenda item will be added to inform Board members who have yet to submit their gift reporting forms that they are due. This will take place beginning in FY21.

Observation 7 relates to external education reporting. According to Board Policy, each Board member is required to verbally report to the Board on any event requiring outside travel of New Mexico, which PERA has paid, within 60 days of the travel being completed. Testing of the Board audio minutes determined reporting on education travel is not being done consistently under this policy. It was recommended that PERA should consider implementing a process where Board members are reporting on out of state travel within the 60-day requirement. Alternatively, since Board meetings typically have a full Agenda, it was recommended the Board consider implementing a questionnaire that the Board member can fill out before the meeting. This could then be included in the Board packet and reviewed by all Board members for informational purposes only.

The Management response to Observation 7 suggests that when an in-person report is not practical with existing deadlines, Board members be allowed to provide a written report for the record. This alternative will require modification to the current Board Policies and Procedures. Additionally, management will provide a quarterly report to the Board at the regular meeting on all Board travel, and the costs associated with the travel.

The Board's response to Observation 7 agrees, and the Board procedures will be updated to convert external education reporting to a written process, which will be included in the Board packet. These changes will take place in FY21.

Observation 8 relates to Education Affidavits. According to NMAC, each Board member shall annually certify his or her compliance with the statutory requirements via the education affidavits on or before December 31 of each calendar year. Testing determined that affidavits are not being completed timely or being consistently signed and dated. It was recommended PERA should implement a process to ensure all education affidavits are certified before the December 31 deadline.

An internal review of each of the forms was also recommended to ensure the Board members are receiving the required amount of education, and compliance with training requirements.

The Management response to Observation 8 states that they will provide monthly reminders during the fourth quarter of the calendar year to track Board member compliance with this requirement. Management will report on the status of the completed education affidavits annually to the Board at their regular meeting.

The Board's response to Observation 8 agrees. An informal Agenda item will be added to inform Board members who have yet to submit their education affidavits that they are due. This will take place beginning in FY21.

Observation 9 relates to process improvement recommendations over Board education costs. Testing determined that PERA is tracking Board education costs on a fiscal year basis to align with the Agency's budget process. However, to conform with statutory requirements and certifying compliance on or before the December 31 NMAC deadline, externally provided training is tracked on a calendar year basis. It was recommended the Board consider updating the Policies and Procedures to align with the NMAC section of tracking the education costs on a calendar year basis, to ensure both matches.

Also, Board Policy states that a Board member may attend one, ideally two, relevant education conferences or seminars each fiscal year, if adequate funding is provided. Testing found that there were some instances where Board members attended three conferences during the fiscal year. It was recommended that the Board consider a per person budget that aligns with the requirements of the Board Policy, as opposed to an overall budget. This would ensure that all Board members have the opportunity to attend training if they desired. Additionally, it was recommended the Board consider presenting the total travel costs per Board member throughout the year to determine if Board member's education requests are responsible and compliant with the Board Policy and not exceeding that budget.

Ms. Bundy concluded the presentation by asking if Management or the Chair Melia had anything to add to the summary of responses.

Mr. Propst advised he had nothing further to add to the Management responses already provided, and that the administrative areas for improvement have all been noted and taken to heart. He expressed thanks and appreciation to Ms. Bundy and Ms. Gutierrez of REDW for their work and recommendations to PERA to ensure compliance with all Board Policies and Procedures.

Chair Melia said that he appreciated all the hard work that had gone into the audit, and that although this was not a good audit for the Board, he felt members would already have known some issues needed addressing. Chair Melia advised for the remainder of his time as Board Chair he wished to focus on, and be dedicated to addressing the issues raised, and saw them as areas of opportunity. He indicated that in collaboration with the expertise of the Board, Management, and REDW, the work undertaken in the audit, and in the future to fix issues would be appreciated.

### ***Questions and feedback***

Ms. Loretta Naranjo Lopez reiterated her earlier statement that she would like an investigation into who purportedly spoke on behalf of the Board, as the Board as a whole had not reviewed the matters raised in the report presented by REDW. Ms. Naranjo Lopez asked that REDW respond to the question of who provided the Board's response. Ms. Naranjo Lopez advised that because the full Board had not reviewed discussed, provided responses to, or approved the report she considered it false and misleading. She also voiced concerns that if depending on who drafted the responses, in particular, if staff had done so, that it raises an issue of bias.

Chair Melia responded to Ms. Naranjo Lopez's question, advising that as he was the person responsible for the Board responses to the REDW report, he was the appropriate person to answer. Chair Melia advised that the audit findings were given to him, as Chair of the Board, and David Roybal as Vice-Chair of the Board and Chair of the Audit and Budget Committee. As per past practice with audit findings, the Board responses were compiled by himself as the Chair in conjunction with Mr. Roybal in his capacity as the Vice-Chair and the Chair of the Audit and Budget Committee, together with Ms. Bundy and Ms. Gutierrez of REDW. He advised that staff were not spoken with, and did not contribute to the responses given. He advised that no actions had been enforced, nor rules or policies changed without proper Board procedures.

Ms. Bundy of REDW advised that it is a normal process for an internal audit to rise to the level of the Chair, and the Vice-Chair of the Audit Committee and since Mr. Roybal is both the Vice-Chair and the Audit Committee Chair, that appears appropriate. Ms. Bundy also advised that the last Governance Audit also went through a similar process with the Chair, the Vice-Chair, and the Audit Committee Chair.

Ms. Naranjo Lopez thanked Chair Melia and Ms. Bundy for their responses to her question and confirmed the names of the people who contributed to the audit responses. She restated her position that she considers decisions should be made and voted on as Board.

Dan Mayfield thanked Chair Melia and Vice-Chair Mr. Roybal for the work and time taken to respond to the audit findings. Mr. Mayfield's feedback indicated he considered the responses to be well thought out and provided the Board many areas to work on. Mr. Mayfield mentioned that the Board had the prerogative during the meeting underway if they want to change any of those answers as they see fit.

Chair Melia advised he wished to provide further follow-up to the audit by saying that any changes, or anything new, different, or that needs enforcing is going to take the full committee. He expressed concern that some of the issues raised have been occurring for so long they may seem normal to the Board. Mr. Melia mentioned no fault or blame was being apportioned to any particular Board members, and that as Board members who meet once a month, and with Board member turnover, it can be difficult to keep on top of and enforce policies and procedures as compared to a PERA employee, working with them daily. He said the Oversight Committee to be established would work with the Board, staff, and REDW. There will be standing Agenda item on future Board meetings to address issues identified and raised by the Oversight Committee more efficiently and can modify any processes that need to be, and enforce the framework that is already in place.

Steve Neel thanked both Chair Melia and Vice-Chair Roybal for their thoughtful responses to the audit, saying he considered they made a lot of sense, and that he feels completely comfortable with Chair Melia speaking on his behalf. Mr. Neel advised he considered the REDW report to be a fair and objective read of the Board, pointing to what he would describe as the most critical issue within the Board, and its management. Mr. Neel mentioned that REDW is the second third-party organization that has pointed out the Board's dysfunction, the first being the State Auditor. Mr. Neel thanked Ms. Bundy and Ms. Gutierrez for their work and spoke of the challenge of assessing a client, or your bosses, and that he thought the report had been done thoughtfully and well. Mr. Neel asked the extent to which they had worked with Boards and Commissions audits in the past.

Ms. Bundy advised she has worked in public accounting for the past 15 years. Ms. Bundy estimated annually working with about 50 clients over that period, with some variance year to year. Ms. Bundy advised she and Ms. Gutierrez both work directly and interact with clients and Boards around reporting and refining processes following audit findings, as well as with other REDW colleagues.

Mr. Neel acknowledged the importance of having that experience to draw from for the recommendations and best practices for Board moving forward, and that he considered they are in a position to assess and to make recommendations.

Lawrence Davis thanked EDW and the Board Chair for the report and as a previous auditor himself, acknowledged the challenges of reporting dysfunction factually, and making suggestions for governance to move forward. Mr. Davis spoke to the difficulty as Board members to acknowledge and accept changes are needed, however, that the Board owes it the members who have a vested interest in their retirement to move on and implement change rather than continually revisit past issues, which stall progress and improving efficiencies.

Chair Melia thanked REDW again and asked that the takeaway be a commitment to the clearing and resolving the issues identified in the audit. Ms. Bundy thanked the Board for their time, and resolve to take the findings seriously, and look to making improvements in the future.

#### **E. Strategic Planning Workplan Discussion**

*[Exhibit 4: Strategic Planning document]*

Chair Melia presented the draft of the Strategic Planning document compiled with PERA staff, and previously circulated to Board members for input and feedback. Mr. Melia advised the only feedback received was from Ms. Naranjo Lopez, who requested the inclusion of presenters external to PERA as neutral third parties with experience and expertise. Mr. Melia agreed and advised this had been discussed with Wayne Prost, Executive Director, and Dominic Garcia, Chief Investment Officer, who are actively working on including outside speakers. The first workgroup with an external presenter had been scheduled following this Board meeting, however, due to the presenter being unable to attend this was canceled. Ms. Loretta Naranjo Lopez thanked Chair Melia and the members of the Board for considering and implementing her suggestions.

Lawrence Davis queried the discount rate of 7.25 under the sitting investment strategy, noting other funds have recently adjusted their discount rates. Stephen Neel confirmed ERB have recently lowered their discount rate. Chair Melia acknowledged the trend and advised he has raised the discount rate with Mr. Propst, Executive Director, and Mr. Garcia, Chief Investment Officer. Mr. Melia advised that before changes are made to the discount rate, the intricacies of how it applies to PERA's risk share model and Senate Bill 72 need to be understood, which will be part of the education process going forward.

#### **F. Executive Director's Report**

*[Exhibit 4: Executive Director's Report]*

Wayne Propst, Executive Director, presented the Executive Director's Report. Items brought to the attention of the Board included:

The interim Legislative Committees have been delayed due to COVID-19. The first hearing is scheduled for August 19, 2020. The Agenda was pending, however, it was expected the focus would be on the impact of COVID-19 over the next six to 12 months, both administratively for the Agency, and in terms of investments. Mr. Propst will be presenting and will share his presentation with the Board via the Board portal as soon as completed.

The mailing of COLA and 13<sup>th</sup> Check letters to members had been completed in the previous week. Member Services staff handled approximately 500 calls on the Monday following the mail out, with a positive response from members so far. Mr. Propst thanked Mr. Trujillo and his staff, the User Administration staff, IT staff, and Member Services staff, and acknowledged the work of these teams in implementing changes to legislation.

Preparation of Active Member Statements will commence in the next one to two weeks, with approximately 75,000 active members due to Annual Statements later in August. Ballots for the municipal and retiree seats for the upcoming Board election seats will also be mailed shortly.

Audit fieldwork for FY20 has begun, led by Anna Williams, Chief Financial Officer. That audit process will continue over the next several months, leading to the release of the comprehensive Annual Financial Report in January 2021.

The PERA website has been revised and refreshed over the past several weeks to improve navigation and appearance. This project was led by Christina Perea, Outreach Director. Mr. Propst encouraged the Board members to visit the website, and welcomed suggestions for further improvements.

Iterations of staff schedules for staff working in the PERA offices and remotely have been revised as per Executive Orders from the Governor's Office due to the COVID-19 pandemic. The Agency is currently focused on how to work with staff schedules and needs of people who have school-aged children to address any specific needs that they have in terms of their work schedule. An updated schedule will be released in the next week to cover August and most likely September 2020. Mr. Propst advised staff seem to be doing well, and are continuing to do their best to service members.

All critical tasks, such as payroll are being completed. Mr. Propst advised he believed 174 retirees had been added to the payroll this month, a high since the beginning of the pandemic. The payroll payout for the next day was for us over \$110 billion in benefits, including 13<sup>th</sup> checks and the cost of living adjustments.

Chair Melia thanked Mr. Propst and his staff for the report, and their efforts to accommodate staff, and ensuring the core service of members have received payments has continued during recent events.

Greg Trujillo, Deputy Executive, provided an update on the upcoming Board elections. The election edition of *La Voz* was due to be mailed in the next day or so, with information retiree election and municipal legislation. The election vendor is AES. Members will receive their mail ballots by next Friday, August 7, 2020. The due date for the return of ballots to AES is by September 18, 2020, at noon, and results will be known from those two elections that night. The Board will certify those results in their Annual Meeting in October 2020.

Mr. Trujillo reminded the Board of their adoption of post-election recommendations made by AES in November of 2019. These included the recommendation that people voting in the election sign the returning envelope with the returned ballot. The requirement for this cycle is that all returned ballot envelopes include the member's signature. If a ballot envelope is returned without a signature, the ballot will not be counted.

### ***Questions and discussion:***

Lawrence Davis questioned the spike in contributions in January presented in the graph from the Executive Director's Report. Mr. Propst and Mr. Trujillo advised this would have been a three pay period month.

Mr. Davis thanked and praised Mr. Propst, Mr. Trujillo, Ms. Winter, Ms. Pittard, and all PERA staff for their work and commitment to members during current pandemic circumstances.

Chair Melia queried a significant upwards spike showing in numbers of active members over May/June as presented in the Executive Director's Report. Mr. Trujillo advised this could be due to the incorrect inclusion of active volunteer firefighters, who are not usually included in the active

count, as they are not paying contributions. Mr. Trujillo apologized and said he would review the report.

Dan Mayfield thanked Mr. Propst and Mr. Trujillo and their staff for the very clear and understandable letter that went out to retirees. He advised he was received a lot of favorable feedback from members.

Paula Fisher queried whether the inclusion of Juvenile Correction and Probation Officers with the Adult Corrections and State Place fun was still going to take effect. Mr. Propst advised as part of Senate Bill 72, this was due to take effect from July 1. However, there is a provision in Senate Bill 72 that requires an election to be held, which has not occurred yet. Mr. Propst indicated he expected this would take place in spring, with the plan to become effective for the first pay period after July 1 of 2021.

## **7. Adjournment**

Having completed the Agenda and with no further business to come before the Board, Chair Melia declared the meeting adjourned at 11:40am.

Approved by:

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John Melia  
Chair, PERA Board

ATTEST:

Wayne Propst, Executive Director

Exhibits attached

*Exhibit 1: Consent Agenda*

*Exhibit 2: Interest Rate Resolutions*

*Exhibit 3: Governance Audit*

*Exhibit 4: Strategic Planning document*

*Exhibit 5: Executive Director's Report*



## Ratification Report

Last Name	First Name	Middle Name	Retirement Date	Retirement Type	Reciprocity
Abeita	Klo	R.	2020/08/01	Normal	NAP
ALEXANDER	JOHN	S.	2020/08/01	Normal	NAP
ANAYA	CORDELIA	L.	2020/08/01	Normal	NAP
ARAGON	FRANK	A.	2020/08/01	Normal	NAP
ARCHULETA	TAMMY	JO.	2020/08/01	Normal	NAP
ARMIJO	KEVIN	C.	2020/08/01	Normal	NAP
ARROSSA	CYNTHIA	L.	2020/08/01	Deferred	NAP
AVALLONE	SARAH	L.	2020/08/01	Normal	NAP
BACA	ARCY	M.	2020/08/01	Normal	NAP
BARELA	CHRIS	M.	2020/08/01	Normal	NAP
BARNHART Y CHAVEZ	SANDY	C.	2020/08/01	Deferred	NAP
BAYS	TREY	J	2020/08/01	Normal	NAP
BEAVER	JOSEPH	B.	2020/08/01	Normal	NAP
BENBOW	SUSAN	K.	2020/08/01	Deferred	NAP
BONNER	GLORIA	G.	2020/08/01	Normal	NAP
BRANCH	ADRIANNE	M.	2020/08/01	Normal	NAP
BRITT	KENNETH	D.	2020/08/01	Normal	NAP
BROKAW	BRYCE	C.	2020/08/01	Deferred	NAP
BROWN	LYNDA		2020/08/01	Deferred	NAP
CANDELARIA	CARLOS	V.	2020/08/01	Normal	NAP
CHAMBERS	JAMES	W	2020/08/01	Normal	NAP
CHAVEZ	RAYMOND	A.	2020/08/01	Deferred	NAP
CHAVEZ	STEPHEN	B.	2020/08/01	Normal	NAP

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Public Employees  
Retirement Association  
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**INVESTED IN TOMORROW.**

CHRISTIE	MORRIS	G.	2020/08/01	Normal	NAP
CUNNINGHAM	DOUGLAS	D.	2020/08/01	Normal	NAP
DAVIS	DAVID	R	2020/08/01	Deferred	NAP
DROBIK	SIMON	E	2020/08/01	Normal	NAP
DUARTE	CATHERINE		2020/08/01	Normal	NAP
DUARTE	OSCAR	V.	2020/08/01	Normal	NAP
DUNGAN	DEBORAH	S.	2020/08/01	Normal	NAP
DURAN	EMMA	D.	2020/08/01	Normal	NAP
ESPARZA	CHRISTINE	M.	2020/08/01	Normal	NAP
ESQUIBEL	TIMOTHY	M.	2020/08/01	Normal	NAP
FELDMAN	ROSEMARY	M.	2020/08/01	Normal	NAP
FIELDS	JEFF	D.	2020/08/01	Normal	NAP
FLEMING	SHARON		2020/08/01	Normal	NAP
FRISLID	TERRENCE	A.	2020/08/01	Normal	NAP
GAGE	LAURA	D.	2020/08/01	Normal	NAP
GALLARDO	GUS		2020/08/01	Normal	NAP
GALLEGOS	MARTIN	D.	2020/08/01	Normal	NAP
GARCIA	DEBRA	L	2020/08/01	Normal	NAP
GARCIA	MARTHA	G.	2020/08/01	Normal	NAP
GARCIA	RICHARD	G.	2020/08/01	Normal	NAP
GARCIA	SANDRA	B.	2020/08/01	Normal	NAP
GARDNER	KEVIN	T.	2020/08/01	Normal	NAP
GIBSON	JAMES	E.	2020/08/01	Normal	NAP
GILBRETH	JANE		2020/08/01	Normal	NAP
LANDRETH					
GONZALES	ANNE	L	2020/08/01	Normal	NAP
Gutierrez	Monica	A.	2020/08/01	Normal	NAP
HAHN-CORDES	LISA	C.	2020/08/01	Normal	NAP

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HARPER	MELONY	J.	2020/08/01	Deferred	NAP
HEINZMAN	PETER	F.	2020/08/01	Normal	NAP
HENDERSON	FELICIA	A.	2020/08/01	Normal	NAP
HERRING	TONYA	N.	2020/08/01	Normal	NAP
HOBDAY	ROGER	A.	2020/08/01	Deferred	NAP
HOLDEN	BOBBY	S	2020/08/01	Normal	NAP
Hood	Cynthia	L.	2020/08/01	Normal	NAP
JOHNSON	EULALIA		2020/08/01	Normal	NAP
Kassouf	Mark	E.	2020/08/01	Normal	NAP
LACROIX	JACOB	V.	2020/08/01	Normal	NAP
LANDEN	MICHAEL	G.	2020/08/01	Normal	NAP
LARA	SHANNA	N.	2020/08/01	Normal	NAP
LONG	BENNIE	L.	2020/08/01	Normal	NAP
LOVELACE	DERRICK	J.	2020/08/01	Normal	NAP
LUCERO	LOYOLA		2020/08/01	Normal	NAP
LUJAN	RAYMOND	J.	2020/08/01	Normal	NAP
LUNA	RICHARD		2020/08/01	Normal	NAP
LYONS	CYNTHIA	M.	2020/08/01	Normal	NAP
MAES	CONSTANCE	M.	2020/08/01	Normal	NAP
MAES	SANDRA	L.	2020/08/01	Normal	NAP
MARTIN	LINDA	J	2020/08/01	Deferred	NAP
MARTINEZ	JOHN	J	2020/08/01	Deferred	NAP
MASON	SHERYON	J	2020/08/01	Normal	NAP
MCCULLOUGH	DARRYL	L.	2020/08/01	Normal	NAP
McGee	Eric	W.	2020/08/01	Normal	NAP
MELANCON	DEBORAH	L.	2020/08/01	Normal	NAP
MENDEZ	JOHNNY	R.	2020/08/01	Normal	NAP
MILLER	PATRICIA	D	2020/08/01	Normal	NAP

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MITCHELL	DONALD	E.	2020/08/01	Deferred	NAP
MONTAGUE	BETTY	LOUISE.	2020/08/01	Normal	NAP
MONTANO	EMILY	G.	2020/08/01	Normal	NAP
MONTOYA	ESTHER	S	2020/08/01	Normal	NAP
MUNOZ	DAVID	R.	2020/08/01	Normal	NAP
MURRAY	GAIL	R.	2020/08/01	Normal	RCWP
NIETO	JOSEPH	C.	2020/08/01	Normal	NAP
PACHECO	JOSEPH	A.	2020/08/01	Normal	NAP
PAIZ	VERONICA	E.	2020/08/01	Normal	NAP
PARSONS	SCOTT	W.	2020/08/01	Normal	NAP
PENNELLA	DAVID	R.	2020/08/01	Normal	NAP
Peters	Joel	R.	2020/08/01	Normal	NAP
QUESADA	ADAM	B.	2020/08/01	Normal	NAP
QUINTANA	SHAWN	R.	2020/08/01	Normal	NAP
Quintero	Regina	M.	2020/08/01	Normal	NAP
RAMIREZ	WALTAMAD		2020/08/01	Normal	NAP
REECE	DANIEL	W.	2020/08/01	Normal	NAP
REECE	DIANNA	L.	2020/08/01	Normal	NAP
REID	SARA	T.	2020/08/01	Normal	NAP
RICHARDSON	MICHAEL	E.	2020/08/01	Deferred	NAP
RODRIGUEZ	ALMA	D.	2020/08/01	Normal	NAP
RODRIGUEZ	OTIS	C.	2020/08/01	Normal	NAP
RODRIGUEZ	PAMELA	L	2020/08/01	Normal	NAP
RODRIGUEZ	PASCUAL	H	2020/08/01	Normal	NAP
ROGERS	JOCELYN	T.	2020/08/01	Normal	NAP
ROMERO	NADINE	A.	2020/08/01	Normal	NAP
ROMERO	SANTIAGO		2020/08/01	Deferred	NAP
ROMERO	THERESA	J	2020/08/01	Normal	NAP

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ROSS	DERRICK	L	2020/08/01	Normal	NAP
ROUNDY	ELVA	K.	2020/08/01	Deferred	NAP
Ruark	Davis	R.	2020/08/01	Normal	NAP
Rudiger	Matthew	L.	2020/08/01	Normal	NAP
SAAVEDRA	STEPHANIE	L.	2020/08/01	Normal	NAP
SALAZAR	KENNETH	L.	2020/08/01	Normal	NAP
SANCHEZ	ANNETTE	M.	2020/08/01	Normal	NAP
SANCHEZ	GUADALUPE	A	2020/08/01	Normal	NAP
SANCHEZ	LYNN		2020/08/01	Normal	NAP
SANCHEZ	RHONDA	M.	2020/08/01	Normal	NAP
SANTA MARIA TURNER	VICTOR	F.	2020/08/01	Normal	NAP
SANTIAGO	MARK	K.	2020/08/01	Normal	NAP
SCROGGINS	MARK	E.	2020/08/01	Normal	NAP
Seifert	Gloria	A.	2020/08/01	Normal	NAP
SISNEROS	MICHAEL	A.	2020/08/01	Normal	NAP
SNYDER	JUANITA		2020/08/01	Deferred	NAP
SOLANA	DWAINE	M	2020/08/01	Normal	NAP
SOVERANES	OSWALDO	T.	2020/08/01	Normal	NAP
STOREY	JEANIE		2020/08/01	Normal	NAP
STUART	CHRISTOPHER	E	2020/08/01	Normal	NAP
TAFOYA	ALEXANDER	A.	2020/08/01	Normal	NAP
TAFOYA	SYLVIA	D.	2020/08/01	Normal	NAP
THIEL	KATHRYN	L.	2020/08/01	Normal	NAP
THOMAS	DEBRA	K.	2020/08/01	Normal	NAP
TIMMERMAN	SUSAN	E.	2020/08/01	Normal	NAP
TOMERLIN	RICHARD	J.	2020/08/01	Normal	NAP
TRUJILLO	MARK	M.	2020/08/01	Normal	NAP
TRUJILLO	REBECCA	J.	2020/08/01	Normal	NAP

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**INVESTED IN TOMORROW.**

TRUJILLO	TINA	L.	2020/08/01	Normal	NAP
TURNER	DEBORAH	K	2020/08/01	Normal	NAP
TWEED	FRANCES	R.	2020/08/01	Normal	NAP
VALDEZ	JEANETTE	DIANA.	2020/08/01	Normal	NAP
VANLANINGH AM	RENEE	R.	2020/08/01	Normal	NAP
VIGIL	ANTHONY	L.	2020/08/01	Normal	NAP
WALLACE	MARK	C.	2020/08/01	Normal	NAP
WANSLOW	JULIE	L	2020/08/01	Deferred	NAP
WEIMAN	LINDA	K	2020/08/01	Deferred	NAP
WHITT	PHILLIP	N	2020/08/01	Normal	NAP
WILGUESS	CHERYL	D.	2020/08/01	Normal	RCWP
WILLIAMS	GARY	D	2020/08/01	Deferred	NAP
WILLIAMS	SANDRA	G.	2020/08/01	Normal	NAP
WILSON	RONDA	G.	2020/08/01	Normal	NAP
WROTENBERY	LORI		2020/08/01	Deferred	NAP
YEARLEY	EARL	ANDY.	2020/08/01	Normal	NAP
YOUNG	THOMAS	E.	2020/08/01	Deferred	NAP

**Jack L. Fortner**  
Chairman

**Jim Crowley**  
Chairman Pro-Tem

**GloJean Todacheene**  
Member

**Michael Sullivan**  
Member

**John T. Beckstead**  
Member



**Mike Stark**  
County Manager

**Jim Cox**  
Chief Financial & Strategy Officer

100 South Oliver Drive  
Aztec, New Mexico 87410  
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**STATE OF NEW MEXICO  
SAN JUAN COUNTY  
RESOLUTION NUMBER 20-21-12**

**A RESOLUTION ESTABLISHING A WORK PERIOD  
FOR BLOOMFIELD CERTIFIED FIRE PERSONNEL**

**WHEREAS**, the Board of County Commissioners of San Juan County (Board) is the governing body of San Juan County, New Mexico, and

**WHEREAS**, the Board of County Commissioners of San Juan County approved, during its normal meeting on July 7, 2020, the Fire Services Agreement with the City of Bloomfield which encompasses various certified personnel, and

**WHEREAS**, the various certified personnel who shall be assigned to the Bloomfield Fire Stations shall accrue vacation and sick time according to San Juan County's employee handbook, Section 7, and

**WHEREAS**, those certified personnel will be compensated for holidays in the manner as outlined in San Juan County's employee handbook, Section 9, and

**WHEREAS**, Section 7(k) of the Fair Labor Standards Act (FLSA) contains a special exemption for those employees who engage in fire protection, allowing such employees to work up to 106 hours in a regular 14-day work period before overtime requirements go into effect, and

**WHEREAS**, the FLSA exemption permits employees who engage in fire protection to adopt a work period of 106 hours within a 14-day period, with any time after the 106 hours paid at overtime rates, and

**WHEREAS**, there will be three set work schedules for the certified fire personnel assigned to Bloomfield, a 96-hour work period, a 113-hour work period, and a 127-hour work period, and



**WHEREAS**, any worked hours after physically working the 106-hour work period shall be compensated at the overtime rate, and

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of County Commissioners of San Juan County, New Mexico that effective September 6, 2020, the Bloomfield Certified Fire Personnel shall follow Section 7(k) of the FLSA that employees who engage in fire protection will be paid their regular wage for up to 106 hours in a 14-day period and will be paid overtime wages for all time worked in excess of the 106 hours.

**PASSED, APPROVED, ADOPTED, AND SIGNED THIS 18<sup>TH</sup> DAY OF AUGUST, 2020.**

**BOARD OF COUNTY COMMISSIONERS  
SAN JUAN COUNTY, NEW MEXICO**

  
JACK L. FORTNER, CHAIRMAN

  
  
TANYA SHELBY, COUNTY CLERK