



INVESTED IN TOMORROW.

PERA Board Meeting
meeting via zoom
Thursday, March 25, 2021
following Investment Committee

AGENDA

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Agenda**
- 4. Approval of Consent Agenda**
- 5. Reports of Committees**
 - A. Rules & Administration Committee**
 1. Public Comment Amendment to Board Policies & Procedures Action Paula Fisher, Rules & Administration Committee Chair
 2. Executive Director Job Description Action
 - B. Investment Committee**
 1. Long Term Goals Affirmation Action Steve Neel, Investment Committee Chair
- 6. Unfinished Business**
 - A. Election of 2021 Board Officers**
 1. Board Chair Election Action Francis Page, Acting Chair
 - B. Items removed from Consent Agenda if necessary** Action
- 7. New Business**
 - A. 2021 Legislative Wrap-up** Informational Greg Trujillo, Robero Ramirez
 - B. Amended Resolution No. 21-01 Concerning Open Meetings** Action Francis Page, Acting Chair
 - C. CIO Report** Informational Dominic Garcia, CIO
 - E. Executive Director's Report** Informational Greg Trujillo, Acting Executive Director
- 8. Public Comment**
- 9. 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 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.

2.80 Meeting Procedures

- 2.81 Meeting Schedule.** Board meetings shall be held in accordance with applicable law and according to an annual schedule adopted by the Board and published in the minutes of the Board upon adoption. The annual schedule shall identify the time and location of regular board meetings and the Board Chair may modify the adopted schedule.
- 2.82 Special/Emergency Meetings.** Subject to applicable law, the Board Chair, or any four Board Members, may call for special or emergency meetings of the Board. Any such request must be submitted to the Executive Director to coordinate.
- 2.83 Notice of Meetings.** At least 72 hours' notice of all Board and Committee meetings shall be provided to the public and in accordance with the notice provisions of the Open Meetings Act, NMSA 1978, Sections 10-15-1 to 10-15-4, as amended.
- 2.84 Meeting Agendas and Material.** To the extent practicable, the agenda and related materials for Board and standing Committee regular meetings shall generally be distributed to the Board and/or Committee Members at least 7 calendar days in advance of the meeting. The agenda shall be made available to the public before any Board or standing Committee regular meeting in accordance with Open Meetings Act, NMSA 1978, Sections 10-15-1 to 10-15-4, as amended. Members of the public who wish to obtain copies of the meeting materials may do so to the extent and in the manner the materials are available under Inspection of Public Records Act, NMSA Sections 14-2-1 *et seq.*
- 2.85 Rules of Order and Quorum**
- A. The Board and its Committees shall operate under the Open Meetings Act, NMSA 1978, Sections 10-15-1 to 10-15-4, as amended, and under the current edition of Robert's Rules of Order.
 - B. A quorum must be present for the Board or a Committee to conduct business. A majority of the Board or Committee constitutes a quorum.
 - C. Board or Committee Members may not attend meetings through delegates or authorize voting by proxy.
 - ~~D. Persons desiring to address the Board or Committee during a meeting shall make their intentions known by filling out a "Request to Address the Board" form, which may be obtained from the staff secretary of the Board.~~
- 2.86 Recusal.** Where a Board Member discloses a conflict of interest or the potential for an appearance of a conflict of interest in the outcome of an official Board or Committee action, that Board Member shall notify the Board and recuse himself/herself from opining on and voting on such action and must exit the room during the Board's deliberations and vote on such action.

2.87 Closed Session Policy The Board shall limit the business it conducts in closed session to those matters specifically authorized under applicable law. Closed sessions of the Board and its Committees shall be limited to Board Members and only those other persons who are required by the Board. Before the Board meets in closed session, the Chair shall make a written statement for the reason for closing the meeting (written statement can be included in the written agenda posted for the Board meeting, with citation to the applicable Open Meetings Act provision). All discussions and material considered in closed session shall be treated by Board Members and other attendees as confidential. Matters properly considered in closed session include:

- A. Discussions pertaining to the hiring, promotion, or removal of personnel;
- B. Deliberations on proposed decisions relating to benefit appeals and disability determinations;
- C. Discussion with, or to receive advice from, legal counsel regarding pending or threatened litigation, when discussion in open session concerning those matters would prejudice the position of the Board in the litigation.

2.88 Decorum. The Chair shall have the authority to maintain decorum at all Board and Committee meetings. The Chair may rule Board member, staff or public comments out of order. **If the Chair reasonably believes any person attending a Board or Committee meeting, other than a Board member, is engaged in willfully disruptive behavior such as to constitute trespass, the Chair may have that person physically removed from the premises and may impose other sanctions as provided by law and this Policy.**

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2.89 Public Comment. ~~The Public Employees Retirement Association (PERA) Board values and encourages input from PERA Members on any issue under the Board's purview. The purpose of these procedures is to set up a process to allow public comment at PERA Board meetings which will include Regular, Special and Annual Board Meetings, but not Committee Meetings. Also, the meeting agenda will include an agenda item labeled "Public Comment."~~

1. Based on the schedule of the meeting, the Chair will allow a time limit of 3 – 5 minutes for each speaker to address the Board on any issue under the Board's purview.
2. If the meeting is in person, anyone wishing to speak will sign-in on the Public Comment form that will be located at the back of the room. The form will include name of the individual, organizations they represent and contact number. If the meeting is virtual (i.e., Zoom or other), the person wishing to speak will click on the "raise hand" button during the appropriate time the Board is on the "Public Comment" section of the meeting.
3. If the meeting is in person, the Chair will call for the Public Comment form and when recognized by the Chair, the speaker will come to the podium, ~~introduce~~ identify themselves

for the record and, the organizations they represent, and make their comments based on the time limit established by the Chair who will maintain the clock. Once the speaker's time is up, the Chair will thank the speaker and they will return to their seats. If the meeting is virtual (i.e., Zoom or other), the Chair will have request staff bring the speaker into the meeting and then the Chair will recognize the speaker and they will introduce themselves, the organizations they represent, their contact number and make their comments based on the time limit established by the Chair who will maintain the clock. Once the speaker's time is up, the Chair will thank the speaker and have staff take them back out of the virtual meeting.

4. Speakers will always act in a professional and civil manner and will not the use of profanity or threatening language will not be tolerated in any way. If in person, if speaker uses profanity or threatening language, they will be asked to stop their comments and to sit down. If a speaker becomes unruly, they will be asked to leave the premises, if they do not, local authorities will be contacted to remove the individual or individuals. The Chair shall maintain appropriate decorum during the Public Comment period and will take appropriate action against offending behavior as noted in Section 2.88, above. If the meeting is virtual (i.e., Zoom or other), the Chair will ask staff to take them back out of the virtual meeting.

- 4.5. The Board will direct Sstaff will take notes onto make note of any issues that need to be followed up on and, as appropriate, request staff willto contact the speaker onand identify solutions to any issue presented, if applicable.

2.90 Minutes.

All Committee and Board meetings shall be documented with minutes that are reviewed and approved by the committee and the Board, respectively. All minutes shall satisfy the deadlines and other requirements of the Open Meetings Act, NMSA 1978, Sections 10-15-1 to 10-15-4, as amended.

EXECUTIVE DIRECTOR JOB DESCRIPTION

JOB DESCRIPTION:

Executive Director ~~Classification~~ – Executive Director GOVX exempt

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RESPONSIBILITIES

The Executive Director serves as the Chief Executive Officer and reports to the New Mexico Public Employees Retirement Association (PERA) Board of Trustees. The role of the Executive Director is to plan, direct, manage, and oversee the activities and operations of PERA. The Executive Director is given authority to manage all day-to-day activities of PERA.

The Executive Director leads PERA's staff in two fulltime office locations in Santa Fe and Albuquerque with four direct reports: Chief of Staff/General Counsel, Deputy Director, Chief Investment Officer, and Executive Assistant.

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DEFINITION

This is a full-time job requiring not less than 40 hours per week. The Executive Director supervises the effective administration of Board policies and assigned programs and activities of the PERA; provides leadership to the PERA employees in terms of collegiality, initiative, and ethical conduct; coordinates assigned activities with other state divisions, the legislature, and outside agencies; and provides responsible and complex administrative support to the PERA Board.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the Board and exercises direct supervision over supervisory, professional, technical, and clerical staff.

ESSENTIAL FUNCTION STATEMENTS – *Essential responsibilities and duties may include, but are not limited to the following:*

1. Plan, direct, coordinate, evaluate work of assigned staff; assign work activities, projects, and programs; review and evaluate work products, methods, and procedures; meet with staff to resolve problems.
2. Establish and maintain plans for senior management succession.
3. Achieve the long-term policies and strategic objectives established for PERA by the Board, including:
 - a. Determine appropriate methods for attaining the Board-established policies and strategic objectives,
 - b. Direct PERA employees in the furtherance of those objectives, and
 - c. Ensure the management activities and decisions are within Board-approved policies.
4. Facilitate the efficient operation of PERA and the Board's committees.
5. Regularly advise and consult with outside organizations, membership constituency groups, employers, and the legislature, ensuring effective external communications.
6. Manage essential public relations for PERA, maintaining a positive public image.
7. Maintain records for active and retired members.
8. Maintain performance records as specified by the Board.
9. Oversee the pension administration system.
10. Implement and oversee annuitant payroll system.
11. Oversee the employee payroll system.
12. Adhere to a professional code of ethics and standards of professional conduct as may be prescribed by the Board.

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EXECUTIVE DIRECTOR JOB DESCRIPTION

QUALIFICATIONS

To effectively perform this job, an individual must possess excellent oral and written communications and the ability to explain retirement plan complexities and strategies to the public. Must possess analytical and problem solving skills. Must have the ability to communicate with investment managers and custodial bank to assure accuracy of portfolio investment reports. Must have the ability to present information effectively, which may be of a controversial nature, one on one, or in small groups, to outside organizations and officials of the State of New Mexico.

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Knowledge Of:

- Principles of supervision, training, and performance.
- Operational characteristics, services, and activities of a pension program.
- Actuarial principles and their statistical application.
- Institutional investing and capital markets, including fundamentals of the securities industry.
- Principles and practices of budget preparation and administration.
- Legislative process, NM experience preferred.
- Pertinent Federal, State, and local laws, codes, rules, and regulations.

Commented [S4]: Proposed by Member Neel

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Ability To:

- Establish and maintain effective working relationships with those contacted in the course of work.
- Make sound decisions and/or recommendations.
- Communicate clearly and concisely, both orally and in writing.
- Analyze problems, identify alternative solutions, project consequences of proposed actions and implement recommendations in support of goals.
- Research, analyze and evaluate new service delivery methods and techniques.
- Oversee and participate in the management of PERA's operations, services, and activities.
- Oversee, direct, and coordinate the work of staff.
- Delegate effectively.
- Select, supervise, train, and evaluate staff while providing equal employment opportunities to all PERA employees.
- Develop and administer operational goals, objectives, and procedures.
- Prepare and administer large and complex budgets.
- Prepare clear and concise administrative financial reports.
- Interpret, explain and/or apply Federal, State, and local policies, laws, rules, regulations, court decisions and proposed legislation.
- Initiate recommendations to the Board.

OTHER MAJOR RESPONSIBILITIES INCLUDE:

Leadership:

- Act in a fiduciary role to ensure the protection of the PERA Fund,
- Provide leadership to PERA by carefully working with the Board to identify the long-term strategic direction of the organization,
- Develop and implement effective responses to issues facing PERA and its membership,
- Link long-range visions and concepts to daily work,
- Foster a culture that promotes ethical practices and integrity in all actions,

EXECUTIVE DIRECTOR JOB DESCRIPTION

- Communicate intentions, ideas, and feelings openly and directly, and welcomes openness and honesty, even in difficult negotiations with external parties’,
- Be a skillful spokesperson for PERA at the direction of the Board,
- Maintain a positive image on behalf of PERA,
- Lead change, innovation, and continuous improvement at PERA.

Interaction with the Board:

- Act as the Board’s primary advisor and assist the Trustees in meeting their fiduciary responsibilities,
- Work collaboratively with the Board Chair and Committee Chairs in developing meeting agendas,
- Provide information and education to the Board on pertinent topics,
- Be available to confer with individual Trustees when they have questions,
- Provide orientation to new Trustees as they come on the Board,
- Assist the Board in soliciting proposals and selecting outside service providers,
- Serve as the liaison between the Board and PERA staff and the outside service providers, as appropriate,
- Identify policy issues for consideration by the Board,
- Perform other duties and responsibilities as assigned by the Board.

Management:

- Organize a strong executive team that collaborates and exhibits leadership,
- Assemble, maintain, and motivate a high-performing staff,
- Maintain and enhance goals, metrics, and performance standards for staff,
- Ensure appropriate training/education for staff sufficient for them to carry out their responsibilities,
- Assign staff to support Board and Committee activities,
- Manage technology in an efficient and cost-effective way,
- Develop and recommend to the Board an annual operating budget and manage expenditures within the approved budget.

Legal and Governmental Affairs:

- Work with PERA’s internal and external legal counsel to ensure compliance with federal and state laws,
- Keep current on legal issues on both the federal and state level which may affect PERA,
- Maintain a positive relationship with the Legislature and Executive branches of state government,
- Review and analyze proposed legislation and legislative developments affecting PERA,
- Appear before the Legislature as required,
- Make recommendations to the Board on state administrative rules and proposed legislation.

Stakeholder Relations:

- Maintain visibility and good relationships with the members, beneficiaries, employers, media, related organizations, and the public,
- Oversee a public information program designed to provide timely and accurate information to stakeholders.

Investments and Actuarial Matters:

EXECUTIVE DIRECTOR JOB DESCRIPTION

- Oversee the work of the Chief Investment Officer in connection with the Investment Committee and the Board,
- Work with the actuaries on projections, legislative proposals, assumptions, and reports to the Board,
- Assure the collection, maintenance, and utilization of PERA's data to allow external actuaries to effectively measure and analyze prior results and develop assumptions for future liabilities,
- Monitor the funded status of all PERA Pension Plans,
- Initiate actuarial valuations and experience studies as required by state law and Board policy,
- Assist the Board in reviewing and adopting actuarial assumptions and funding methods in accordance with the actuarial funding policy.

Financial and Internal Controls:

- Initiate and ensure staff cooperation with an annual independent financial audit of PERA and appropriate coordination with the Board's Audit and Budget Committee,
- Respond promptly and appropriately to any issues in the auditor's management letters,
- Analyze and continuously improve business processes and quality controls throughout the organization independently and in conjunction with the internal auditor who reports directly to the Audit and Budget Committee,
- Safeguard the assets of PERA by maintaining strong internal controls throughout the organization,
- Assure the protection of plan assets and personal information against unauthorized access, including, but not limited to, the development and maintenance of effective IT infrastructure and security measures.

Benefits Administration:

- Ensure accurate and timely communication and delivery of benefits in accordance with state law, and PERA's policies and procedures,
- Maintain the appropriate level of customer service in accordance with the mission statement and as directed by the Board,
- Maintain a process for handling member and employer appeals of staff decisions or administrative rules interpretations.

EDUCATION AND EXPERIENCE:

- Bachelor's degree from an accredited college or university with major course work in management and technical disciplines related to pension management. [Experience](#) to include fiscal management, budgeting, investments/portfolio management, actuarial analysis, Board governance, working with Boards and member service organizations and understanding the legislative process. An advanced degree is preferred.
- Professional certification (i.e., CPA, JD, CFA, CFS, CIMA, CMT, ASPPA, NIPA, etc.) will be viewed favorably.
- Significant management experience (10 or more years) in the pension/retirement benefits or other customer-centric financial services sectors to oversee the administration of retirement benefits effectively and efficiently with a key emphasis on investments,
- Experience working for and with a board; understanding of the appropriate roles and responsibilities of the Board and the Executive Director,
- Experience working with elected officials and media, serving as the external face of an organization,
- Technological savvy to make the best use of technology to provide effective and efficient services to members, retirees, and beneficiaries,

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EXECUTIVE DIRECTOR JOB DESCRIPTION

- Working knowledge of institutional investment concepts and principals and a significant pool of assets,
- Working knowledge of actuarial concepts,
- Experience with drafting requests for proposal, reviewing contract documents, and monitoring performance of outside service providers.

PERSONAL CHARACTERISTICS

- Excellent interpersonal skills, ability to develop credibility and deal effectively with diverse parties and stakeholders, as well as the ability to engender teamwork among staff,
- Gravitas to effectively represent PERA to a diverse array of external stakeholders,
- Keen insight into politics and the ability to interact with elected officials and membership groups with integrity and in a way that engenders trust and confidence,
- Outstanding communication skills, including the ability to translate complex information into understandable terms,
- The highest level of honesty, ethics, and integrity,
- Ability to solve problems and make timely decisions effectively and as needed, independently,
- Strong negotiation skills and the ability to bring diverse interests together,
- Ability to balance an external focus with internal management responsibilities,
- Commitment to operating in the open environment required in the public sector,
- Focused on results; welcomes and internalizes constructive input; committed to creating and maintaining a culture of excellence focused on continuous process improvement.

COMPENSATION

PERA will offer the successful candidate a competitive base salary dependent on experience and qualifications. PERA offers a comprehensive benefits package including health, dental, and life insurance; annual and sick leave policy and other benefits that are available to State of New Mexico employees. All the PERA employees contribute towards a defined benefit retirement plan and can elect to participate in a voluntary deferred compensation plan. [GOVX Pay Range 70.](#)

WORK CONDITIONS

Normal office environment with limited, but regular, in-state, and out-of-state travel.

APPLICATION PROCESS

[GOVX](#)

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NON-DISCRIMINATION

PERA adamantly supports the principle and philosophy of equal opportunity for all individuals, regardless of age, race, gender, creed, national origin, disability, veteran status, or any other protected category pursuant to applicable federal, state, or local law.



Investment Committee Education Session: Long-Term Goals Affirmation

March 25, 2021

Dominic Garcia, Chief Investment Officer

Key Strategic Goals

1. Sustain the Trust Fund for current and future retirees
 - A. Work towards 30-year funding period of unfunded actuarial accrued liability
2. Set Strategic asset allocation to meet the actuarial assumed return over the long-run
 - A. Meet assumed actuarial return within prudent risk parameters
 - B. Maintain sufficient liquidity to meet PERA's obligations
3. Produce returns that meet or exceed benchmarks
 - A. Meet or exceed the Policy Index over the long-term
 - B. Meet or exceed the Reference Portfolio over the long-term
4. Be cost-efficient
 - A. Achieve a total investment cost at or below the benchmark cost relative to peers adjusted for fund size, allocations, and strategy.

NOTE: Objectives are set in PERA's 5-Year Strategic Plan (2018-2023), PERA's performance measures reviewed and monitored by Legislative Finance Committee (LFC) and Department of Finance & Administration (DFA), and PERA's Investment Policy Statement

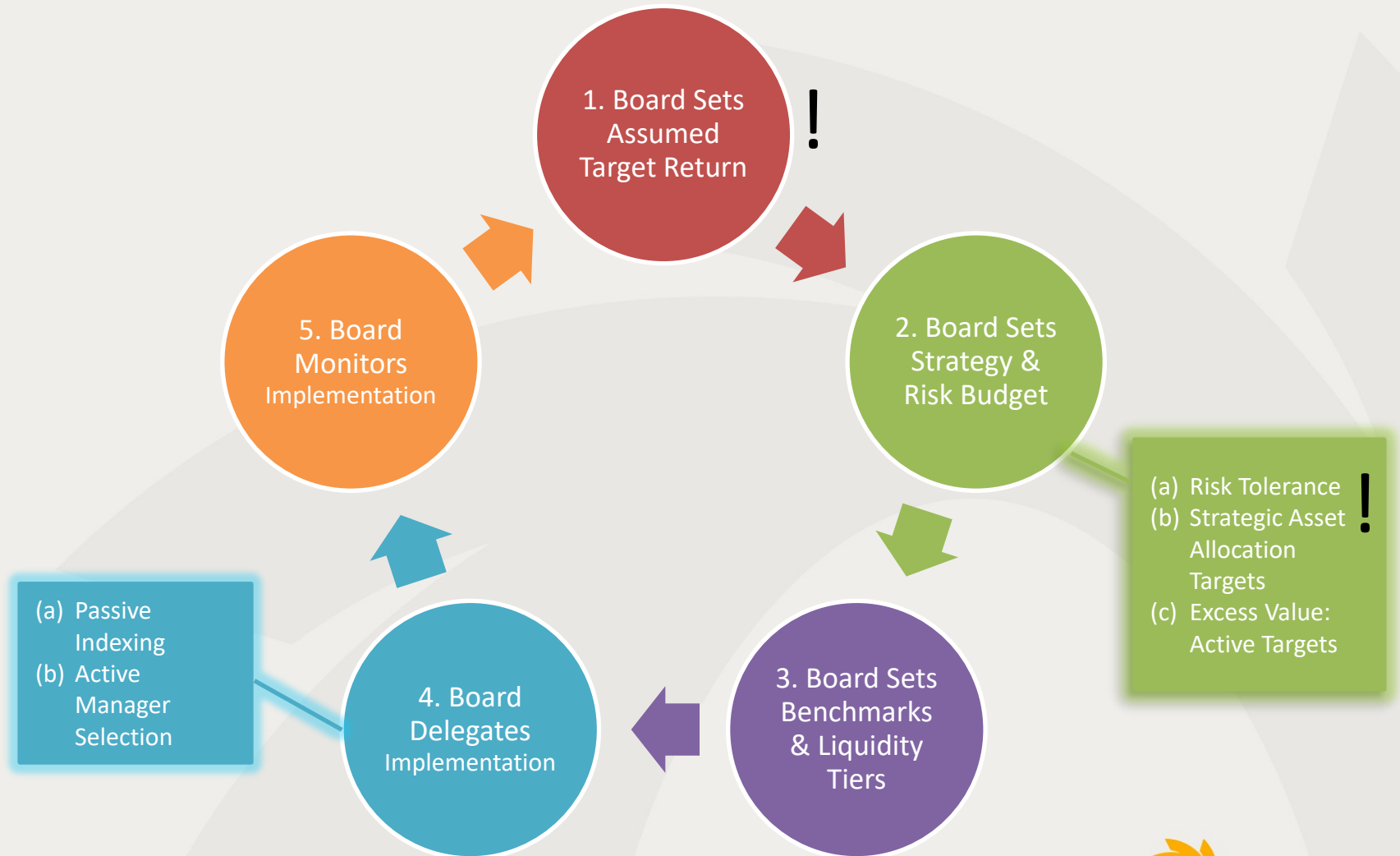
Investment Oversight: Key Measurements

Oversight	Measurement	Purpose
Goal #1 Sustainability	Negative Cash Flow	Measure ongoing progress toward pension sustainability goals
	Asset Exhaustion	
	Funded Ratio	
Goal #2 Strategic Asset Allocation	Capital Allocation	Monitor capital allocation relative to SAA targets
	Active Risk Allocation	Measure excess risk and incremental return
	Liquidity Allocation	Monitor prudent liquidity for required Fund obligations
	Performance vs Actuarial Assumed Return	Monitor the dispersion between market results and long-term strategic targets
Goal #3 Market Performance	Performance vs. Policy Index	Measure the effectiveness of Policy implementation over multiple time periods (implementation value)
	Performance vs. Reference Index	Measure the value of complexity and diversification in SAA over multiple time periods (diversification value)
	Performance vs. Peers Risk Adjusted	Compare total returns and total risk vs. peer group (Sharpe Ratio)
Goal #4 Investment Cost	Investment Cost vs. Benchmark Cost	Measure and monitor the expenses paid-out annually to implement PERA's investment strategy
Ongoing Oversight: Implementation	Cash and Rebalance Activity	Monitor ongoing cash & operational activities
	Manager Selection Delegation	Measurement of manager skill against appropriate market benchmarks and multiple time periods
	Ad-Hoc Report	Any ad-hoc reporting, as requested by the IC

Investment Strategy: Key Tenets

Key Tenets	What This Means	Implications	Appraisal
Low Risk Tolerance	<ul style="list-style-type: none"> Since Great Recession PERA/Board has had a low risk tolerance. This is intended to have more predictability, reduce volatility around returns and, importantly, reduce big drawdowns 	<ul style="list-style-type: none"> In low return environment, harder to meet 7.25% Limited upside in returns 	<p>!</p> <p>Not Aligned with Goals</p>
Diversification	<ul style="list-style-type: none"> A portfolio diversified by asset type and risk helps smooth performance across multiple economic regimes: high/low growth, high/low inflation, deflationary. Minimizes impact of bad outcomes. 	<ul style="list-style-type: none"> In stock market boom times, PERA will lag the market significantly. In stock market boom times, PERA will lag most Peers with higher stock portfolios 	<p>✓ Aligns with Goals</p>
Active Management	<ul style="list-style-type: none"> Adds incremental return of approximately 0.50% to 1.0% with minimal and diversified risk to the total fund. 	<ul style="list-style-type: none"> Incremental active return more valuable in low return environment 	<p>✓ Aligns with Goals</p>
Liquidity Management	<ul style="list-style-type: none"> A structural hierarchy which will classify asset classes according to liquidity availability and pricing sensitivity during market stress 	<ul style="list-style-type: none"> Ensures that the Fund maintains an easily accessible balance of liquid assets for the purposes of meeting financial obligations 	<p>✓ Aligns with Goals</p>

Process: Investment Governance & Oversight



Investment Actions: Key Decision Points for the Board

Key Decisions	What This Means	Implications	Appraisal
Set Actuarial Assumed Return	The absolute return the Board seeks to generate over the long term. This is used to discount the growth of liabilities over time.	<ul style="list-style-type: none"> In low return environment, generating 7.25% will be more difficult Cannot be generated every year 	<p>!</p> <p>Not Aligned with Strategy</p>
Set Strategic Asset Allocation	Targeted set of asset-types and capital allocation that is designed to meet strategy objectives and generate targeted absolute return over time.	<ul style="list-style-type: none"> Less than 50% chance current SAA will meet 7.25% 	<p>!</p> <p>Not Aligned with Goals</p>
Set Active Risk Budget	Annual budget of incremental risk and return PERA will target through active management	<ul style="list-style-type: none"> Incremental return more valuable to offset lower expected return from Strategic Asset Allocation 	<p>✓ Aligns with Goals & Strategy</p>
Set Liquidity Guidelines	Targeted liquidity tiers designed to maintain sufficient liquidity to meet the anticipated cash flow requirements of the Fund	<ul style="list-style-type: none"> In stressed market environments liquidity will be less accessible Sufficient liquidity required to meet obligations 	<p>✓ Aligns with Goals & Strategy</p>
Set Benchmarks	Annual review & approval to evaluate ability to implement Strategic Asset Allocation	<ul style="list-style-type: none"> May need to be updated if changes to Strategic Asset Allocation Policy are made 	<p>✓ Aligns with Goals & Strategy</p>

Bill	Sponsor	Title	Board Position	Status	Last Action Date	Schedule Date
HB65	Rep. Bill Rehm	Increase Certain PERA Member Contributions	N/A	Tabled in HLVMC	1/26/2021	N/A
HB162	Rep. Phelps Anderson	Public Employee Retirement Board Change	Oppose	Tabled for 2nd time in HSGEIC	3/3/2021	N/A
HB277	Rep. Jason Harper	Public Retiree Beneficiary Designation	Support	Awaiting Governor's Signature	3/20/2021	TBD
SB90	Sen. George Munoz	Certain Overtime Pay as Salary in PERA	Support Committee Substitute	Awaiting Governor's Signature	3/15/2021	TBD
SB194	Sen. Mark Moores/Rep. Matt McQueen	Public Corruption Act	Support	Passed SHPAC 7-0	2/15/2021	TBD
SB315	Sen. George Munoz	Public Safety Officer Retirement	Support w/\$5 Million Appropriation	Awaiting Governor's Signature	3/19/2021	TBD
SB403	Sen. David Gallegos	Emergency Dispatchers as Police Under PERA	Oppose	Passed SHPAC - Next step SFC	3/14/2021	TBD
SB430	Sen. Stuart Ingle	PERA Board & Meetings	Oppose	Pulled from SHPAC	3/14/2021	N/A (hopefully)
LFC Vol II - Page 109 (PDF), 104 Doc		PERA Budget Request	Scheduled for Senate Finance 2/17/2021		2/17/2021	TBD



PERA

Public Employees
Retirement Association
of New Mexico

P: (505) 476-9300

F: (505) 476-9401

Toll Free:

1 (800) 342-3422

INVESTED IN TOMORROW.

March 23, 2021

The Honorable Michelle Lujan Grisham
Office of the Governor
490 Old Santa Fe Trail, Room 400
Santa Fe, NM 87501

Re: Senate Bill 315/a

Dear Governor Lujan Grisham:

I am writing this letter on behalf of the Public Employees Retirement Board regarding passage of Senate Bill/a 315. Senate Bill 315/a amends the Public Employees Retirement Act to retroactively transfer former motor transportation and special investigation officers under the State Police, Adult Correctional Officer and Probation and Parole Officer Plan 1. Under Senate Bill 315/a, service credit earned by these members from July 1, 2015 to the present will be credited under the State Police, Adult Correctional Officer and Probation and Parole Officer Plan 1 rather than the current State General Plan 3. This will provide affected members with enhanced retirement benefits, allowing them to retire sooner and, in some cases, before certain eligibility requirements for full health care subsidies are changed.

The Public Employees Retirement Association (“PERA”) worked with the Executive during the interim to identify the full actuarial cost of the proposed legislation’s enhanced retirement benefits, which PERA’s actuaries determined to be \$5,551,935. Senate Bill 315 originally contained a \$5 million appropriation to the PERA fund to offset projected actuarial costs of moving the affected employees to the State Police, Adult Correctional Officer and Probation and Parole Officer Plan 1. The Executive Budget Recommendation supported this appropriation to address actuarial neutrality to the PERA Fund. As a result, the PERA Board voted to endorse SB 315 because it was actuarially neutral to the PERA Fund and complied with the constitutional requirements of Article XX, section 22 of the Constitution of New Mexico¹.

As you are aware, the Senate Finance Committee stripped the appropriation. House Bill 2 includes a special appropriation of \$2.4 million² to offset the actuarial costs to PERA of transferring these employees from a “normal” to an enhanced retirement plan. The remaining cost of Senate Bill 315/a, \$2.6 million, will now negatively impact the funded status of the State Police/Adult Correctional Officer Division and the PERA Fund as a whole.

¹ Article XX, section 22 of the New Mexico Constitution requires, in part: “[t]he legislature shall not enact any law that increases the benefits paid by the system in any manner or changes the funding formula for a retirement plan unless adequate funding is provided.”

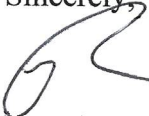
² The original Legislative Finance Committee contained a recommended \$2.4 million special appropriation to the Department of Public Safety (“DPS”) to pay the costs of social security benefits that should have been paid between FY16 and FY21.P



On behalf of the PERA Board I request the Executive consider a special or supplemental appropriation during the FY22 budget cycle to fund the full actuarial cost to PERA of Senate Bill 315/a and ensure the continued solvency of the PERA Fund. We remain in full solidarity with the PERA members affected by this legislation, however, the PERA Board is vigilant in its mission to ensure all legislation affecting the PERA Fund is actuarially cost neutral and to ensure the future solvency of the retirement system for current and future PERA members, retirees, and their beneficiaries.

Thank you for consideration of this matter. Interim Executive Director Greg Trujillo is available to discuss this matter further and coordinate any future budgetary appropriations to address our concerns regarding SB 315/a. Mr. Trujillo can be reached at (505) 238-7644.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Francis P. Page', with a long horizontal line extending to the right.

Francis P. Page, MA, CFE (Retired)
Acting Board Chair



INVESTED IN TOMORROW.

RESOLUTION NO. 20-01 - Amended
OPEN MEETINGS RESOLUTION OF THE
PUBLIC EMPLOYEES RETIREMENT BOARD

WHEREAS, Section 10-11-130 (G) of the Public Employees Retirement Act (NMSA 1978, Chapter 10, Article 11) states that all meetings of the Public Employees Retirement Board (hereinafter the "Board") shall comply with the Open Meetings Act; and

WHEREAS, Section 10-15-1 of the Open Meetings Act (NMSA 1978, Sections 10-15-1 to 10-15-4) states that, except as may be otherwise provided in the Constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission, administrative adjudicatory body or other policymaking body of any state or local public agency held for the purpose of formulating public policy, discussing public business, or for the purpose of taking any action within the authority of such body, are declared to be public meetings open to the public at all times; and

WHEREAS, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and

WHEREAS, Section 10-15-1 (D) of the Open Meetings Act requires the Board to determine at least annually what constitutes reasonable notice of its public meetings;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD THAT:

1. Inasmuch as NMSA Section 10-11-130 (G) requires the PERA Board to schedule at least four "regular" meetings a year and allows the Board to schedule further "special" meetings of the Board, the Board determines that its volume of business warrants additional regularly scheduled monthly Board meetings. Unless otherwise specified in the public notice or a Board Meeting is canceled, monthly meetings of the PERA Board shall be held at 9:00 a.m. on the last Thursday during the months of March, April, July, September, October 2021 and at 9:00 a.m. on the last Wednesday of the month during the months of May, June, August and October 2021. Moreover, the Board may schedule such additional special Board meetings as may be warranted upon the call of the Board Chair or any three Board members.

Deleted: of each month.

Public notice of any other regular Board meetings or additional special Board meetings shall be given at least ten days in advance of the meeting date in accordance with Paragraph 4, below.



33 Plaza La Prensa, Santa Fe, NM 87507 [physical/mailling address](#)

2. Public notice shall be given at least twenty-four (24) hours in advance of any emergency meetings of the Board, except where the nature of the emergency renders twenty-four (24) hour notice impractical. In such instances, public notice of less than twenty-four (24) hours is permitted for emergency meetings provided as much advance notice as is possible under the circumstances is given. An "emergency meeting" is as defined at Section 10-15-1(F) of the Open Meetings Act.

3. Public notice for Board committee meetings (including meetings of any standing Committee of the PERA Board or any ad hoc Committee, at which a quorum of the entire Board may be present or at which a recommendation may be made to a quorum of the Board) shall be provided at least seventy-two hours in advance of the meetings in accordance with Paragraph 4, below. Unless otherwise specified in the public notice or a standing Board committee meeting is canceled, meetings of the standing Board committees (the Disability Review Committee, the Rules and Administration Committee, the Audit and Budget Committee, the Legislative Committee, and the deferred compensation SmartSave Committee) shall be held on the second Tuesday of each month. Unless otherwise specified in the public notice or it is canceled, the Investment Committee shall be held in conjunction with the monthly Board meetings in accordance with Paragraph 1.

4. The public notice requirements set forth in Paragraphs 1, 2 and 3, above, are satisfied if:

(A) Written notice of the date, time and place of the meeting is posted on the PERA website www.pera.org and posted on the bulletin board located in the reception area of PERA at 33 Plaza la Prensa, Santa Fe, NM.

(B) The written notice referred to in Paragraph 4(A) also shall be mailed to broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have provided a written request for such notice, except that in the case of emergency meetings or Board committee meetings described in Paragraphs 2 and 3 hereof, notice shall be given by facsimile mail or e-mail.

5. In addition to giving such public Notice as may be applicable under Paragraphs 1, 2 or 3 hereof, Notice of Hearings on proposed rule changes shall be given by publication of a notice of the hearing in compliance with the State Rules Act, §14-4-1 et seq. and PERA Rule 2.80.200.10(B) NMAC.

6. Notices of public meetings and Board committee meetings will include an agenda for the meeting or information on how members of the public may obtain a copy of the agenda. A final agenda will be available from PERA at least seventy-two (72) hours prior to the public meeting or Board Committee meeting or, in the case of emergency meetings for which less than twenty-four hours' notice is given under Paragraphs 2 and 4 hereof, at the time the public notice is delivered under Paragraph 4(A). Copies of an agenda may be obtained by contacting Trish Winter at (505) 476-9305.

7. Individuals with a disability who are in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in meetings or hearings of the PERA Board, should contact Trish Winter at (505) 476-9305 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. If a summary or other type of accessible format is needed, please contact Trish Winter at (505) 476-9305. Each public notice issued



pursuant to this Open Meetings Resolution will contain a paragraph substantially the same as the one contained in this Paragraph 7.

8. The Board may close all or a portion of a meeting to the public as authorized by Section 10-15-l(H), (I), and (J) of the Open Meetings Act.

9. PERA shall cause a copy of this Open Meetings Act Resolution to: (A) be posted on the bulletin board in the reception area of the PERA Santa Fe office, which shall also be the official location for the posting of PERA Board and Committee open meetings notices and agendas; and (B) be mailed to the entities described in Paragraph 4(B), above, if any.

ADOPTED AND APPROVED THIS 25TH DAY OF MARCH, 2020.

Deleted: 14TH

Deleted: JANUARY

**RETIREMENT BOARD OF THE
PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION OF NEW MEXICO**

BY: _____
PERA Board Chair

ATTEST: _____
Greg Trujillo, Acting Executive Director

Deleted: Wayne Propst





Investment Committee Monthly Update

Reporting Period: January 30, 2021

Published: March 25, 2021

Market and Portfolio Updates

- **Market Update:** Markets for the 1st quarter have been mixed. At the beginning of the quarter markets saw small corrections as investors re-positioned their portfolios for 2021 and took gains from 2020. Subsequently, we have seen some bounce back across risk assets-stocks, credit, real assets; despite interest rate increases and some initial inflationary worries. Going forward, investors will process another substantive fiscal stimulus with the back drop of rising rates and inflation.
- **Preliminary flash reporting for January**, reflect a -0.29% return for the month and a 13.26% return for FYTD 2021, all net of fees. These are slightly behind the policy benchmark for the month and FYTD. Note: these returns do not include updated valuations for PERA's private assets
- **Asset movements, NAV & allocation:** In January, the fund's NAV was \$16.35 billion. The portfolio raised roughly \$45m (\$30m from Global Equity and \$15m from Real Assets) to pay for benefits and regular portfolio activity. Asset weights for end of December were within policy bands:

	<u>Actual</u>	<u>Target</u>
• Global Equity	35.2%	35.5%
• Risk Mitigation	19.2%	19.5%
• Credit	15.3%	15.0%
• Real Assets	20.1%	20.0%
• Multi risk	10.0%	10.0%

Key Strategic Goals

1. Sustain the Trust Fund for current and future retirees
 - A. Work towards 30-year funding period of unfunded actuarial accrued liability
2. Set Strategic asset allocation to meet the actuarial assumed return over the long-run
 - A. Meet assumed actuarial return within prudent risk parameters
 - B. Maintain sufficient liquidity to meet PERA's obligations
3. Produce returns that meet or exceed benchmarks
 - A. Meet or exceed the Policy Index over the long-term
 - B. Meet or exceed the Reference Portfolio over the long-term
4. Be cost-efficient
 - A. Achieve a total investment cost at or below the benchmark cost relative to peers adjusted for fund size, allocations, and strategy.

NOTE: Objectives are set in PERA's 5-Year Strategic Plan (2018-2023), PERA's performance measures reviewed and monitored by Legislative Finance Committee (LFC) and Department of Finance & Administration (DFA), and PERA's Investment Policy Statement

Investment Oversight: Key Measurements

Oversight	Measurement	Purpose
Goal #1 Sustainability	Negative Cash Flow	Measure ongoing progress toward pension sustainability goals
	Asset Exhaustion	
	Funded Ratio	
Goal #2 Strategic Asset Allocation	Capital Allocation	Monitor capital allocation relative to SAA targets
	Active Risk Allocation	Measure excess risk and incremental return
	Liquidity Allocation	Monitor prudent liquidity for required Fund obligations
	Performance vs Actuarial Assumed Return	Monitor the dispersion between market results and long-term strategic targets
Goal #3 Market Performance	Performance vs. Policy Index	Measure the effectiveness of Policy implementation over multiple time periods (implementation value)
	Performance vs. Reference Index	Measure the value of complexity and diversification in SAA over multiple time periods (diversification value)
	Performance vs. Peers Risk Adjusted	Compare total returns and total risk vs. peer group (Sharpe Ratio)
Goal #4 Investment Cost	Investment Cost vs. Benchmark Cost	Measure and monitor the expenses paid-out annually to implement PERA's investment strategy
Ongoing Oversight: Implementation	Cash and Rebalance Activity	Monitor ongoing cash & operational activities
	Manager Selection Delegation	Measurement of manager skill against appropriate market benchmarks and multiple time periods
	Ad-Hoc Report	Any ad-hoc reporting, as requested by the IC

Investment Oversight: Key Measurement Summary

Oversight	Measurement	Review	Appraisal
Goal #1 Sustainability	Negative Cash Flow	Meeting all Sustainability measures for all time periods	✓ Meets
	Asset Exhaustion		
	Funded Ratio		
Goal #2 Strategic Asset Allocation	Capital Allocation	Within re-balance bands	✓ Meets
	Active Risk Allocation	Outside bands for 4-years due to private asset measures	○ Outside Measure
	Liquidity Allocation	21% tier 1 liquidity > 10% threshold	✓ Meets
	Performance vs Actuarial Assumed Return	Near or exceed assumed return for all time periods except 20 year	✓ Meets most time periods ! Below for 20 years
Goal #3 Market Performance	Performance vs. Policy Index	Meet or exceed benchmarks for all relevant periods except 5 year	✓ Meets
	Performance vs. Reference Index	Exceeds for long time periods, below for short time periods.	✓ Meets long term goals ! Trend below in short term
	Performance vs. Peers Risk Adjusted	Meets measurement for 3 years and 5 years, behind for 1 year.	✓ Meets
Goal #4 Investment Cost	Investment Cost vs. Benchmark Cost	Cost effective vs. benchmark cost and LFC threshold	✓ Meets
Ongoing Oversight: Implementation	Cash and Rebalance Activity	Within policy guidelines	✓ Meets
	Manager Selection Delegation	Positive selection value add, at or above 60% expectation, portable alpha excess return	✓ Meets
	Ad-Hoc Report	NAV Growth of assets since Sept. 2017	+\$3.49 billion

Appendix: Scorecard

Investment Oversight: Key Measurements

Oversight	Measurement	Purpose
Goal #1 Sustainability	Negative Cash Flow	Measure ongoing progress toward sustainability goals
	Asset Exhaustion	
	Funded Ratio	
Goal #2 Strategic Asset Allocation	Capital Allocation	Monitor capital allocation relative to SAA targets
	Active Risk Allocation	Measure excess risk and incremental return
	Liquidity Allocation	Monitor prudent liquidity for required Fund obligations
	Performance vs Actuarial Assumed Return	Monitor the dispersion between market results and long-term strategic targets
Goal #3 Market Performance	Performance vs. Policy Index	Measure the effectiveness of Policy implementation over multiple time periods (implementation value)
	Performance vs. Reference Index	Measure the value of complexity and diversification in SAA over multiple time periods (diversification value)
Goal #4 Investment Cost	Investment Cost vs. Benchmark Cost	Measure and monitor the expenses paid-out annually to implement PERA's investment strategy
Ongoing Oversight: Implementation	Cash and Rebalance Activity	Monitor ongoing cash & operational activities
	Manager Activity	Measurement of manager skill against appropriate market benchmarks and multiple time periods
	Ad-Hoc Report	Any ad-hoc reporting, as requested by the IC

Goal #1: Sustainability

- PERA on track to stabilize cashflow in bottom 25th percentile outcome in all time periods
- Asset exhaustion less than 5% in all time periods (estimate)
- At median return, on path to near full funding (~97%) in 30 years
- Funding ratio stabilizes around 55%-60% in bottom 25th percentile outcome

PERA Strategic Sustainability Goal	Measurement	75 th Percentile @ 8.7%	50 th Percentile @ 7.25%	25 th Percentile @ 6.0%	Scorecard
Sustain the Trust Fund for Current and Future Retirees.	1. Stable Projected Negative Cashflow <7.25%				
	Current	-5%	-5.1%	-5.3%	Meets
	5 Years	-3.75%	-4.25%	-5%	Meets
Work towards 30-year funding period of unfunded actuarial accrued liability	10 years	-4%	-4.9%	-6%	Meets
	20 years	-3.5%	-4.5%	-6.1%	Meets
	30 years	-2.1%%	-3%	-4%	Meets
	2. Asset Exhaustion less than 5%*				
*Note: Asset exhaustion probability based on low, moderate, aggressive risk estimated portfolios.	10 years	0%	0%	0%	Meets
	20 years	>1.5%	0.5%	0.1%	Meets
	30 years	5.9%	3.2%	4.3%	Meets
	3. Forecasted Funded Ratio - path to 100% at Median				
	10 years	90%	74%	59%	Meets
	20 years	115%	82%	55%	Meets
	30 years	140%	97%	58%	Meets

Goal #2: Strategic Asset Allocation

- As of December 2020, PERA meets or is near the assumed rate of return for all reasonable intermediate and long-term periods, except for the 20-year period.
- The 20-year period includes the Great Recession and Dotcom era bust. Returns are at 5.92%
- 4-Year period equates to the actuarial smoothed investment return used for PERA's actuarial valuations.

PERA Investment Goal #2	Measurement	Total Fund Results	Assumed Return	Excess Return	Scorecard
Set Strategic Asset Allocation (Policy Portfolio) to meet the assumed return and funding goals over the long-term (10 years and longer)	FYTD	13.62%	3.56%	10.06%	Meets
	1 year	7.07%	7.25%	-0.18%	Below
	4 years	8.06%	7.25%	0.81%	Meets
	5 Years	7.90%	7.30%	0.60%	Meets
	10 years	7.16%	7.53%	-0.37%	Below
	20 years	5.92%	7.64%	-1.72%	Below
	30 years	8.35%	7.68%	0.67%	Meets
	ITD	8.86%	7.69%	1.17%	Meets
NOTE: 7.25 Annual (7.75 before July 2016)					

Goal #2: Strategic Asset Allocation (Cont'd)

- ✓ PERA's capital allocations were in line with SAA targets:

Capital Allocation				
Asset Class	Target %	Actuals %	Difference Δ	IPS Ranges %
Global Equity	35.5%	35.4%	-0.1%	+/- 5%
Credit	15.0%	15.1%	0.1%	+/- 4%
Risk Mitigation	19.5%	19.7%	0.2%	+/- 3%
Real Assets	20.0%	19.7%	-0.3%	+/- 4%
Multi-Risk	10.0%	10.0%	0.0%	+/- 4%
Total Fund	100.0%	100.0%		

- PERA's 4-year tracking error was outside of ranges, while excess return was within ranges:

Active Risk Allocation			
	4-Year Results	Target	Range
Ex-Post Tracking Error vs. Policy Index	4.04%	1.5%	1.0% - 2.0%
Ex-Post Excess Return vs. Policy Index	0.03%	1.0%	0.0% - 2.0%
Future Enhancement: Attribution (Liquid Tracking Error vs. Policy Index)			
Future Enhancement: Attribution (Illiquid Tracking Error vs. Lagged Policy Index)			
Note: Results include dispersion of benchmarking between liquid Policy indices and PERA's illiquid implementation			

- ✓ PERA's liquidity allocations were in line with liquidity guidelines:

Liquidity Allocation			
Tier	Actuals \$M	Actuals %	Guideline
Tier 1 (1-5 Days)	\$3,409	21%	Tier 1 Assets ≥ 10% Fund NAV
Tier 2 (5-90 Days)	\$7,691	47%	
Tier 3 (30-365 Days)	\$720	4%	
Tier 4 (1 Year +)	\$4,608	28%	
	\$16,428	100%	

Goal #3: Market Performance

- As of December 2020, PERA meets or exceeds its main Policy Portfolio benchmark over all intermediate and long-term time periods, except for the 5-year time period.
- Key measure of investment implementation

PERA Strategic Investment Goal #2	Measurement	Total Fund Results	Benchmark Return	Excess Return	Scorecard
Produce returns that meet or exceed Board approved Total Fund benchmarks: Meet or exceed the Policy Portfolio over the long-term	Policy Portfolio:				
	FYTD	13.62%	14.27%	-0.65%	Below
	1 Year	7.07%	6.86%	0.21%	Meets
	4 years	8.06%	7.94%	0.12%	Meets
	5 Years	7.90%	8.08%	-0.18%	Below
	10 years	7.16%	7.03%	0.13%	Meets
	20 years	5.92%	5.85%	0.07%	Meets
	30 years	8.35%	8.12%	0.23%	Meets
	ITD	8.86%	8.81%	0.05%	Meets

Goal #3: Market Performance Cont'd

- PERA lags the Reference Portfolio in short & intermediate time periods. This is primarily due to higher stock allocations in the Reference Portfolio vs. the Fund (58% vs. ~35%-40%).
- PERA is in the 83rd percentile, 54th percentile, and 38th percentile on a risk adjusted peer comparison for 1 year, 3 years and 5 years.

PERA Strategic Investment Goal #2	Measurement	Total Fund Results	Benchmark Return	Excess Return	Scorecard
Produce returns that meet or exceed Board approved Total Fund benchmarks:	Reference Portfolio:				
	FYTD	13.62%	14.77%	-1.15%	Below
	1 Year	7.07%	13.39%	-6.32%	Below
	4 years	8.06%	9.95%	-1.89%	Below
	5 Years	7.90%	9.17%	-1.27%	Below
	10 years	7.16%	7.13%	0.03%	Meets
	20 years	5.92%	6.17%	-0.25%	Below
	30 years	8.35%	7.55%	0.80%	Meets
	ITD	8.86%	8.28%	0.58%	Meets
	Risk Adjusted Peer Ranking (Sharpe Ratio):				
Meet or exceed the Reference Portfolio over the long-term	1 year	83 rd Percentile			
	3 years	54 th Percentile			
	5 years	38 th Percentile			
Median risk adjusted peer performance ranking over the long- term					

Goal #4: Investment Cost

- PERA continues to meet cost effectiveness goals. FY 2020 reported investment expense to the NM Legislature is 48 bps.
- In reviews by third-party cost evaluators, PERA continues to be cost effective and saves approximately \$27m vs. benchmark cost.

PERA Strategic Investment Goal #3	Measurement	Total Fund Results	Scorecard
Achieve a total investment cost at or below a benchmark cost relative to peers adjusted for fund size and asset mix	Annual Calendar Year	CEM Benchmarking 2020 Report: compared a custom benchmark cost of US pension peers, PERA is low cost and saves approximately 12.4 bps or \$20m in costs	Meets
Achieve a total investment cost ≤85bps	Annual Fiscal Year	FY 2020 Investment expenses: 48bps (Local Peers: ERB 69bps & SIC 51bps)	Meets

On-Going Oversight: Staff Investment Implementation & Initiatives

Initiative	Board Approval	Purpose/ Goal	Measurement
Manager Selection Delegation	Fall 2017 & Risk Budget	<ul style="list-style-type: none"> Delegate complex manager selection process and monitoring to staff. Meet & exceed benchmarks 	Selection Value Add
			Managers meeting expectations
			Portable Alpha excess return
Multi-Risk (Risk parity allocation)	Summer 2018	<ul style="list-style-type: none"> Diversify risks at total fund Additive risk/return profile 	Absolute Return/Risk
			Meet Benchmark
Net Asset Value Growth	Ad hoc Board Request	<ul style="list-style-type: none"> Measure total \$ gain/loss of investment activities Since CIO beginning 	NAV growth including benefit payouts

Manager Selection Delegation Oversight:

- Manager Selection has produced Excess Value at the total fund in all measurable time periods
- Manager selection activity is on track and meeting expectations
- PERA has 188 manager accounts, including 177 active manager accounts (58% of total NAV)
- As of FY 2021, approximately 56% of manager accounts are meeting expectations
 - Target is 60%
- Over longer time horizons, the % of manager accounts exceeding expectations is well above selection targets
- Currently, no managers are on "Watch" for termination

As of December 31, 2020	NAV (%)	FYTD	1 Year	3 Years	4 Years	5 Years
Total Fund	100.0%	13.61	7.07	6.18	8.06	7.90
Selection Index		12.11	5.52	5.65	7.63	7.52
Excess Value (Total Fund Selection)		1.50	1.55	0.53	0.43	0.38
Number of Managers (#)		188	165	137	119	98
Managers Meeting Expectations (%)	60% Target	56%	73%	80%	74%	68%
Managers Below Expectations (%)		44%	27%	20%	26%	32%
>7.25% Absolute Return (%)		61%	47%	46%	52%	33%

Managers on Watch for Termination: 0

NOTE: Meeting Expectations = Excess Return (vs. Selection Index) >0%. % = % of 12.31.20 NAV

As of December 31, 2020	NAV (%)	FYTD	1 Year	3 Years	4 Years	5 Years
Global Equity	35.4%	21.61	13.98	9.52	12.93	12.13
Selection Index		20.43	11.32	8.80	12.14	11.49
Excess Value (GE Selection)		1.18	2.66	0.72	0.79	0.64
Credit Oriented Fixed Income	15.1%	13.08	5.93	4.49	5.31	5.90
Selection Index		8.93	1.94	3.12	4.77	5.84
Excess Value (CR Selection)		4.15	3.99	1.37	0.54	0.06
Risk Reduction & Mitigation	19.7%	2.95	6.81	5.21	4.80	4.64
Selection Index		1.31	7.37	5.43	4.91	4.48
Excess Value (CR Selection)		1.64	-0.56	-0.22	-0.11	0.16
Real Assets	19.7%	6.88	-3.71	1.95	3.06	3.63
Selection Index		6.21	-4.22	1.36	2.91	3.62
Excess Value (RA Selection)		0.67	0.51	0.59	0.15	0.01
Multi-Risk Allocation	10.0%	20.60	2.73			
Selection Index		20.64	2.68			
Excess Value (MR Selection)		-0.04	0.05			

Portable Alpha & Risk Parity Oversight

- Risk parity meeting absolute return objectives since implementation
- Risk party below benchmark since implementation due to ramp up initial cost allocation
- Portable alpha meeting excess return objectives since implementation

Implementation Oversight	Measurement	Total Results	Benchmark Return	Excess Return	Scorecard
Risk Parity: meet absolute return objectives (7.45%) and benchmark over the long term	Risk Parity:				
	FYTD	20.60%	20.64%	-0.04%	Meets
	1 Year	2.73%	2.68%	0.05%	Below
	ITD (4-2019)	9.82%	10.86%	-1.04%	Meets
Portable Alpha: exceed benchmark over the long term (as of Feb 2021 estimates)	Portable Alpha:				
	Quarter	4.21%	-2.02%	6.23%	Meets
	1 Year				
	ITD	7.88%	5.19%	2.69%	Meets

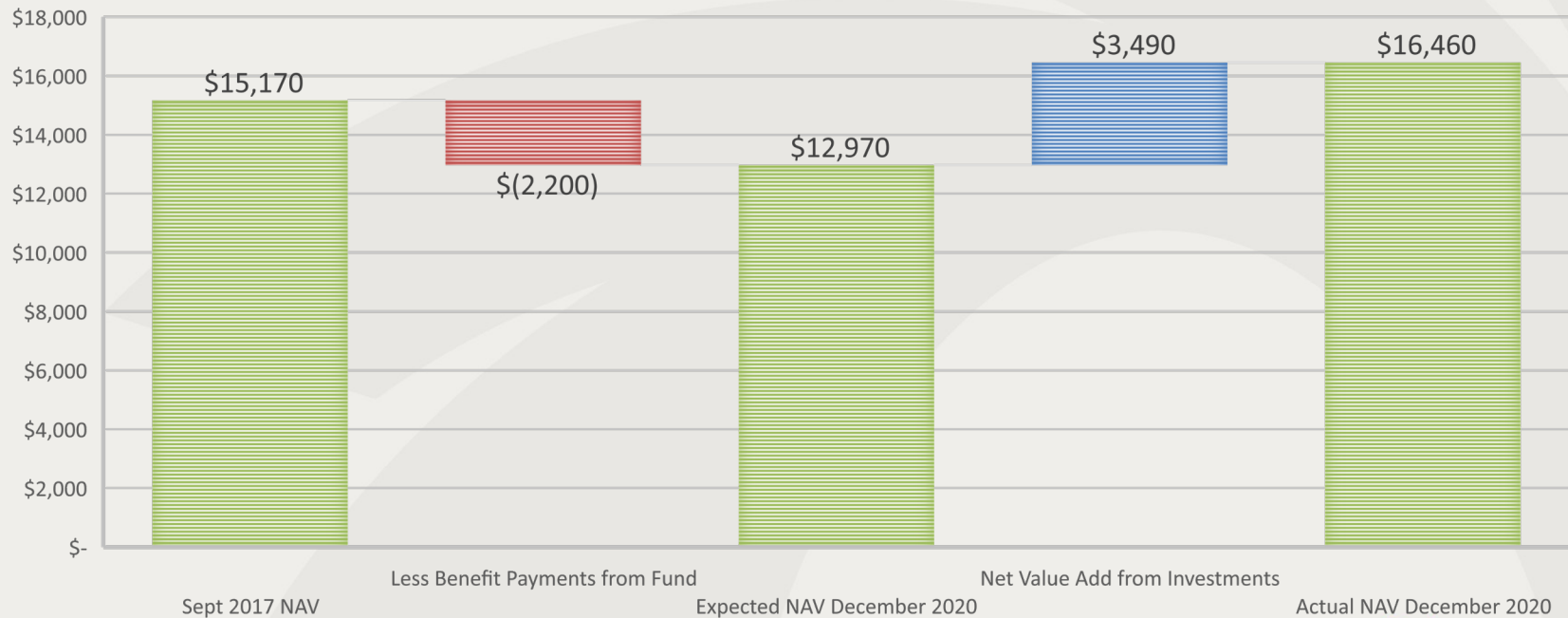
Ongoing Oversight: Net Value Add

September 2017 – December 2020

Net Value Add from Investment Activities = \$3,490,320,365

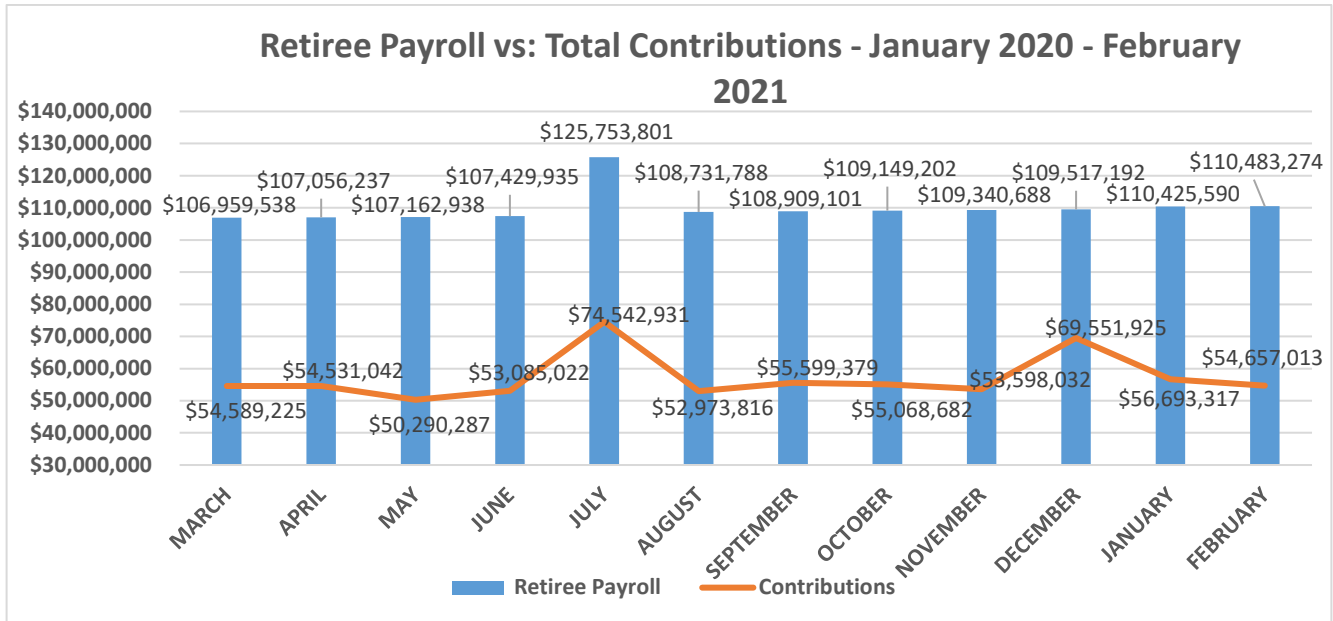
NAV GROWTH (\$MILLIONS)

■ Increase ■ Decrease ■ Total





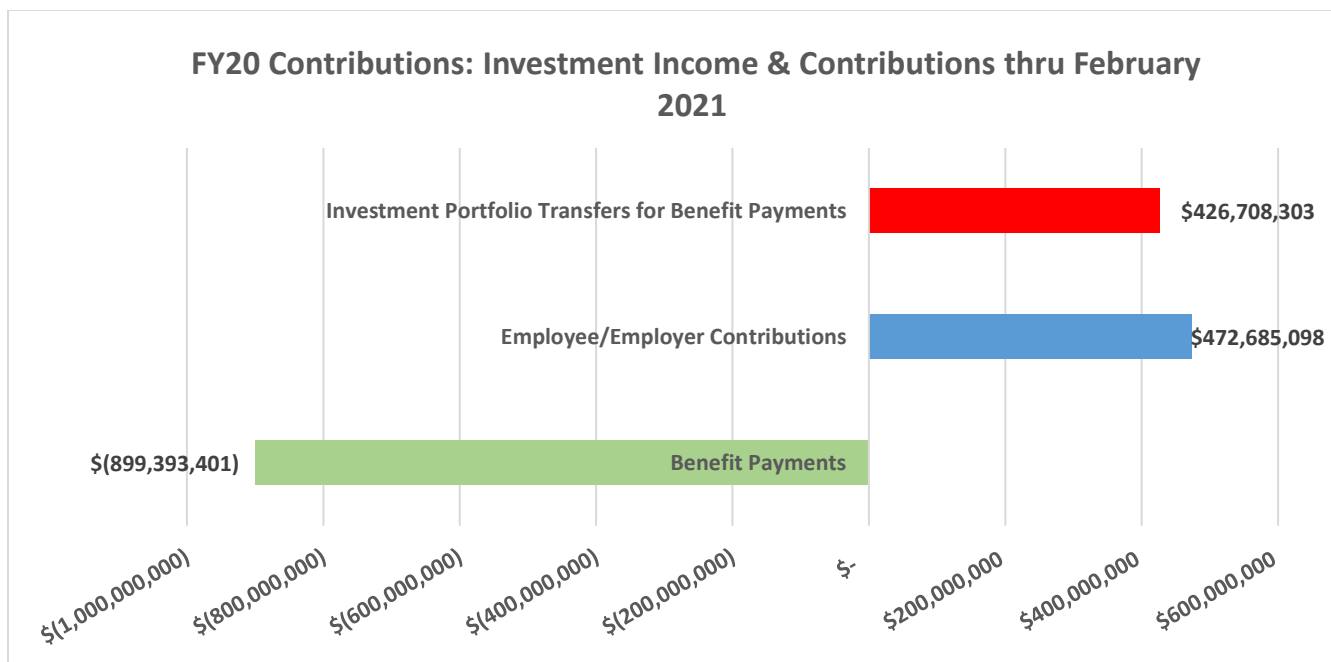
EXECUTIVE DIRECTOR'S REPORT PERA BOARD MEETING – March 25, 2021



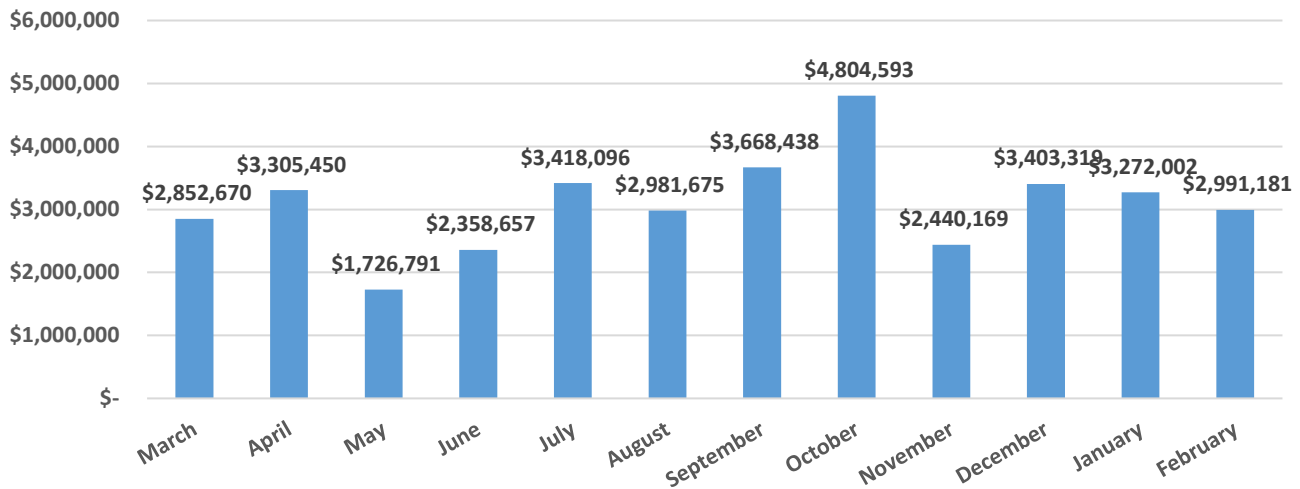
Total Retiree Payroll = \$1,320,919,284

Total Contributions: \$ 685,180,671

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



Refunds - January 2020- February 2021



**** Total Refunds Paid during this period was \$37,223,041**

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	Pending DFA approval
Investment Associate	Investments	7/1/2019	Pending DFA approval
Investment Associate	Investments	10/16/2020	On Hold
Chief Financial Officer III	ASD	5/2/2020	On Hold
Retirement Specialist II s/b I	Member Services	2/6/2021	Pending posting
Retirement Specialist I	Member Services	2/20/2021	Pending posting
Executive Director	Executive	2/12/2021	
Customer Svc Rep – A	Member Services	3/20/2021	Pending Posting
Retirement Specialist II	Member Services	4/3/2021	Pending Posting

PERA has 87 authorized FTE and currently has 9 vacancies

ADDITIONS/DEPARTURES/PROMOTIONS			
Employee	Position/Division	Date Started/Vacated	Status
Natalie Padilla	Retirement Specialist I	3/20/2021	Promotion
Joaquin Lujan	Investments/Co-Head Equity	3/27/2021	Departure
Nathan Sedillo	Retirement Specialist II	4/3/2021	Departure

2021 AIR TIME PURCHASES	
Plan Type	March Purchases
State Plan 3	3
Municipal Plan 2	1
Municipal Plan 3	3
Municipal Plan 4	0
Municipal Detention Plan 1	0
Municipal Fire Plan 5	4
Municipal Police Plan 4	0
Municipal Police Plan 5	8
State Police/Corrections Plan	<u>3</u>
TOTAL:	22

2021 AIR TIME PURCHASES	
No. of Months	March Purchases
1	2
2	1
3	1
4	2
5	1
6	1
7	2
8	2
9	2
10	2
11	0
12	<u>6</u>
TOTAL:	22

Independent Contracts Reviewed – February 2021	
Entity	# of Contracts Reviewed February 2021
New Mexico Department of Finance and Administration	1
Second Judicial District Attorney	3
New Mexico Livestock Board	1
New Mexico Medical Board	1
New Mexico Public Education Department	1
New Mexico Workers' Compensation Administration	<u>1</u>
Total:	8
<u>Denial Letter Sent</u>	
County of Mora	<u>1</u>
Total:	1
<u>Not a PERA Member</u>	
New Mexico Department of Game & Fish	<u>1</u>
Total:	1
<u>Total Contracts Reviewed</u>	10

PERA SmartSave Items of Interest – January 2021			
<u>County by Region North - Chris Day</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>	<u>In Person</u>
Colfax	1	4	
Harding		1	
Mora		1	
Rio Arriba	1	4	
San Juan	2	6	
San Miguel	2	5	
Santa Fe	11	15	
Taos	2	5	
<u>County by Region Central - Paul Lium</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>	<u>In Person</u>
Bernalillo	7	30	8
Curry	1	3	
Guadalupe	0	2	
McKinley	1	2	
Roosevelt	1	2	
Sandoval	1	3	
<u>County by Region South - Linda Miller</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>	<u>In Person</u>
Chaves		5	
Dona Ana		11	
Eddy		9	
Grant		3	
Lea		2	
Luna		2	
Otero	1	8	
Sierra		4	
Socorro		1	
SmartSave Assets as of 1/31/2021 - \$760,256,468.30			
SmartSave Participants as of 2/28/2021 – 23,072			

RETIREE HEALTH CARE AUTHORITY BOARD MEETING

March 2, 2021

The regular board meeting of the Board of Directors for the Retiree Health Care Authority was held on March 2, 2021 at 9:30 am via Go-To Meeting due to the Governors Executive Order 2020-004 declaring a state of public health emergency due to COVID-19.

Committee Reports:

- Executive Committee met to discuss the agenda.
- The Finance Committee also met, and all items discussed are on the agenda.

The Executive Directors update included the following:

- HR updates/Operations/COVID-19
 - o Greg Archuleta accepted a position at Standard Life Insurance but will be RHCA's account manager
 - o New internal General Counsel was hired, Michael Bebeau
 - o ABQ staff continues to work from home, going into the office on a rotation basis; all Santa Fe employees are in the office
- Proposed an in-person annual meeting on July 15-16 in Taos or Angel Fire assuming its safe to meet and plan to keep the sizing small
- Fall Switch Enrollment meeting planning has begun, a hybrid process of virtual and in person is being reviewed
- Curry County Board of Commissioners has adopted a resolution requesting that the Governor and legislature review the rule change and requested action to delay implementation until further consideration is provided by governmental entities.
- Taos Soil & Water Conservation District has discussed becoming an eligible employer to include five employees and potentially 10 board members. Segal is completing the actuarial calculation on the cost to join the program. If the District decides to join, the board will vote in July.
- Naturally Slim is undergoing a name change to Wondr Health, the official relaunch is scheduled for May.
- Legislative – HB2 includes language for the \$100,000 the NMRHCA requested for development of a web portal and will become effective with the Governor's signature. It also includes a 1.5 percent pay raise for all public employees.
- In regard to the Opioid Litigation, staff continues to work with the AG's office to supply information. RHCA is involved in two lawsuits, one involving opioid abuse and the other related to keeping drugs generic longer than they should have been. Staff plans to have a conversation with the AG's Office to determine whether there is a downside to the NMRHCA pursuing this on its own with the goal of receiving a direct settlement; and if so, the question is whether the NMRHCA wants to see the money go directly to the program on behalf of the membership. Staff will be making a recommendation to the board once it has more information.
- Livongo Diabetes Management Program – 495 people have enrolled, the goal is 30% of the 2200 people that are eligible.

SIC report on Fund Balance –

- As of January 31, 2020 - \$926.6 million. The fund is approaching the \$1 billion mark ahead of the expected date of June 2022.
- For the year ending December 31, 2020 the RHCA fund has posted a 9.83% return.

FY21 Q2 Budget Status Report–

RHCA is expecting a slight deficiency in contractual services, but will have a surplus in personal services/employee benefits because several positions have been vacant during the pandemic. At the March meeting, staff will request approval to transfer the surplus into contractual services to: pay SPO for HR services (as per the MOU); get a security assessment of the IT systems (\$15,000 to \$16,000); and begin the planning process to develop the web portal to be developed with the requested \$100,000 legislative appropriation.

Pharmacy Benefits Consultant RFP -

In cooperation with the members of the IBAC releasing an RFP in the fall of 2021. The previous contract cost was \$90,500 with each agency paying \$23,625. The cost could be slightly higher but the amount has been budgeted for.

Executive Session - None

Action Items:

FY21 PS Budget Adjustment Request – Approved

Pharmacy Benefits Consultant RFP – Approved

Out of State Travel Request – SALGBA, New Orleans - Approved

The next meeting will be on April 6, 2021 via Teleconference – GoToMeetings.



INVESTED IN TOMORROW.

PERA Board Meeting
March 25, 2021
CONSENT AGENDA

- 1. Approval of Minutes:** February 25, 2021
- 2. Ratification of Retirements -** Benefits processed through: 3/1/2021
 - 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. Leonard Guzman - 10 months
 - b. Gregg Hecathorn - 1 month
 - c. Daniel Galvan - 8 months
 - d. Jonathan Latona - 9 months
 - e. James Frederickson - 7 months
- 5. Resolutions**
 - a.
- 6. Educational Conferences**
 - a. Loretta Naranjo Lopez NASP Day of Education in Private Equity Virtual Conference; March 25-26, 2021; registration Fee to be paid by PERA
- 7. Setting of Meetings: April 2021 Meetings**

a. Disability Review Committee	April 13, 2021	1:00pm
c. Investment Committee	April 29, 2021	9:00am
d. Board Meeting	April 29, 2021	following Investment Committee

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 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**

Thursday, February 25, 2021

1. Call to Order

This monthly meeting of the Public Employees Retirement Board was held on the date cited above via Zoom Tele/videoconferencing. Francis Page, Acting Chair, called the meeting to order at approximately 9:06 a.m.

2. Pledge of Allegiance

Shirley Ragin led the pledge of allegiance.

3. Roll Call

Meeting attendance met quorum, with the following members present:

Board Present:

Francis Page, Acting Chair
Lawrence Davis
Tim Eichenberg
Paula Fisher
John Melia
Loretta Naranjo Lopez
Steve Neel
Shirley Ragin
Roberto Ramirez
Diana Rosales Ortiz
David Roybal
Maggie Toulouse Oliver

Staff Present:

Greg Trujillo, Acting Executive Director
Susan Pittard, General Counsel
Trish Winter, Executive Assistant
Kristin Varela, Deputy CIO
LeAnne Larranaga-Ruffy, Co-Head of Alpha
Anna Williams, ASD Director/CFO
Misty Schoeppner, Deputy General Counsel
Dominic Garcia, CIO
Marlena Riggs, Budget Director
Geraldine Garduno, Assistant General Counsel
Karyn Lujan, SmartSave Plan Manager
Frank Mihail, Portfolio Manager
Jessica Perea, IT
Isaac Olayoye, Investments

Others Present:

Tom Toth, Wilshire Consulting
Charlie Marquez, Broad Spectrum Consulting
Cait Gutierrez, REDW
Cholla Koury, Assistant AG

4. Approval of the Agenda

Steve Neel moved to approve the agenda. Lawrence Davis seconded the motion.

The motion to approve the agenda passed by a roll call vote as follows:

Francis Page, Acting Chair	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

5. Approval of Consent Agenda

Loretta Naranjo Lopez requested moving the February 9th minutes out of the Consent Agenda to Item 6 (B).

Ms. Naranjo Lopez moved to approve the Consent Agenda as amended. Diana Rosales Ortiz seconded the motion. The motion passed by a roll call vote as follows;

Francis Page, Acting Chair	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

6. Unfinished Business

A. Election of 2021 Board Officers

1. Board Chair Election.

Acting Chair Page called out the three nominees David Roybal, Paula Fisher, and Loretta Naranjo Lopez, and gave them each one minute to make speeches.

Ms. Naranjo Lopez reiterated that she is the most qualified member of the Board to be Chair as the senior of the Board and has the best qualifications and knowledge of investment. She stated that the Board is still dealing with \$6 billion unfunded liability and that [they] are not making any money or investments. She indicated that she would like to see some changes and would commit as much time as she can to the Board. She asked for the members' support and vote.

Ms. Fisher also reiterated her previous statements and stated that she has the leadership to lead the Board in a positive direction. She emphasized the importance of being professional and respecting one another. She further stated that they need to work and collaborate first.

Ms. Fisher indicated that the Board needs to look at investments because the education training had highlighted that out of 165 accounts with managers and set benchmarks, only 73% were beating the benchmarks. Ms. Fisher stated that they need to look at risk tolerance and ensure that they have strategic asset allocations in place for the portfolios to work towards positive returns.

Mr. Roybal also reiterated his statements on spending more time on investments. He concurred with Ms. Naranjo Lopez that the Board needs to start pushing on investments. He stated that he would work as a leader, as a team member, and as the chairman to help steer the Board in a positive direction. He further stated that by choosing him as chair, the Board can be very successful this year.

Acting Chair Page called for a roll call vote to elect the Board Chair.

Francis Page, Acting Chair	Paula Fisher
Lawrence Davis	David Roybal
Tim Eichenberg	Paula Fisher
Paula Fisher	Paula Fisher
John Melia	David Roybal
Loretta Naranjo Lopez	Loretta Naranjo Lopez
Steve Neel	David Roybal
Shirley Ragin	David Roybal
Roberto Ramirez	Paula Fisher
Diana Rosales Ortiz	Paula Fisher
David Roybal	David Roybal
Maggie Toulouse Oliver	David Roybal

Majority vote of 7 was not achieved. David Roybal – 6 votes, Paula Fisher – 5 votes, Loretta Naranjo Lopez – 1 vote.

The Secretary of State commented on the voting process and proposed that the candidates come to a consensus so that the Board can move forward. She acknowledged that Acting Chair Page was serving admirably in the role but reiterated that a consensus by the candidates might be helpful.

Ms. Rosales Ortiz agreed and proposed moving Francis Page to Board Chair because he had shown commitment to the position of Chair.

Ms. Naranjo Lopez questioned the ability of the Board to act on that item according to the agenda. General Counsel, Susan Pittard stated that there can be a nomination from the floor for Board Chair, which is listed on the agenda, and then they can vote on it. They cannot vote on Vice-Chair as it is not on the agenda.

Ms. Rosales Ortiz nominated Francis Page for Board Chair. Acting Chair Page indicated how he would run the PERA Board as Chair and outlined his priorities.

Acting Chair Page asked for a roll call vote. It was discussed that the members have to revote all the four candidates since Acting Chair Page was just another candidate. Tim Eichenberg stated his disagreement with that point.

Ms. Pittard explained that no one was prepared for this process and suggested that all four candidates be nominated and have another vote. She stated that it was at the Board's discretion how they want to deal with it.

Ms. Naranjo Lopez reiterated what the Secretary of State had suggested about the nominees coming to a consensus. Mr. Davis stated that according to Board policies and procedures, the members should vote on the four nominations for the individual they think is the best.

A roll call vote was done. The Majority vote of 7 was not achieved. Paula Fisher-3, David Roybal-6, Loretta Naranjo Lopez-1, Francis Page-2.

Francis Page, Acting Chair	Francis Page
Lawrence Davis	David Roybal
Tim Eichenberg	Paula Fisher
Paula Fisher	Paula Fisher
John Melia	David Roybal
Loretta Naranjo Lopez	Loretta Naranjo Lopez
Steve Neel	David Roybal
Shirley Ragin	David Roybal
Roberto Ramirez	Paula Fisher
Diana Rosales Ortiz	Francis Page
David Roybal	David Roybal
Maggie Toulouse Oliver	David Roybal

B. Items removed from Consent Agenda if necessary- Minutes of February 9, 2021

Ms. Naranjo Lopez moved to amend the February 9th minutes. She felt the verbiage on several items did not reflect her words. Acting Chair Francis Page seconded the motion.

Mr. Davis asked if the changes would be accurate because the Board meetings are recorded and what is reflected in the minute is what happened.

Ms. Pittard explained that per the Board policy, the minutes are not verbatim. If they wanted them to be verbatim, they would have to ensure that what is being asked to be put in the minutes is accurate.

The motion to approve the February 9th Special Board Meeting minutes as amended passed with a roll call vote as follows;

Francis Page, Acting Chair	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes

Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

7. New Business

B. Consideration of 2021 Legislation

1. HB 277 - Public Retiree Beneficiary Designation; Rep. Jason Harper

Greg Trujillo, Acting Executive Director, reported on legislation pertaining to PERA and stated there was not much movement on bills the Board had already taken action on. He appreciated Mr. Roberto Ramirez for his leadership on House Bill 162 and stated that it was tabled yesterday in House State Government.

Mr. Trujillo reported that there is a potential amendment to Senate Bill 90. He stated that it has not been introduced yet but he will brief the Board as soon as it is.

Mr. Trujillo also reported that there are two new items that the Board should take position on. The first is House Bill 277 introduced by Representative Harper. The bill expands options for a member to deselect the beneficiary after retirement. He stated that there is no fiscal impact but one issue with the bill that the sponsor made with staff's recommendations.

Mr. Trujillo stated they have no issue with the bill and requested that the Board take an official stance on it.

Ms. Naranjo Lopez inquired about the cost of changing the beneficiary and asked if it can be waived.

In response, Mr. Trujillo stated that that cost is in statute and is intended to offset PERA's costs. He explained that once someone retires, PERA must go back and recalculate the benefits with the actuaries. It is difficult once somebody is already taking benefit to discount that benefit going forward. That is the \$100 cost. The bill does not call for a waiving of that fee.

Maggie Toulouse Oliver moved to support the bill. Ms. Rosales Ortiz seconded the motion.

The motion to support House Bill 277 passed by a roll call vote as follows;

Francis Page, Acting Chair	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes

Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

2. SB 403 - Emergency Dispatchers as Police Under PERA; Sen. David Gallegos

Mr. Trujillo reported that Senate Bill 403 moves dispatchers at the State level into the State Police Plan 1. It also moves dispatchers at the municipal level into the Municipal Police Plan 5. He stated that they had received no data on how big the population is, who the members are, or what the salaries are making it impossible to calculate the financial impact on this bill.

Mr. Trujillo reported that PERA has had no outreach from the legislation's sponsor. He further stated that the bill came up before his time at PERA and he saw no way to support it without having an accurate fiscal impact or any outreach on it. He recommended that the Board not support the bill at this time.

Mr. Davis moved to oppose Senate Bill 403. Mr. Neel seconded the motion.

The motion to oppose SB 403 passed by a roll call vote as follows:

Francis Page, Acting Chair	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

3. Possible additional Legislation

Mr. Trujillo reported that the timeframe has passed to introduce new legislation and there is only 24 days left during the session. He will continue to monitor and update the Board on all legislation with an impact to PERA.

8. C. Executive Director Hiring Process

1. Approval of Executive Director Job Description

Mr. Davis thanked Acting Chair Page for compiling the description and stated that he had a few corrections. He felt that they should all work together on it and acknowledged that it was a good first draft.

Ms. Naranjo Lopez stated she felt it should be an advanced professional degree for the position and the experience should be 10 years of increasingly responsible management experience, including 5 years of demonstrated strength in essential responsibilities and duties.

Ms. Rosales Ortiz agreed that the executive director hiring process should be revised further. She stated that Ms. Naranjo Lopez's recommendations sounded good and suggested that the Board leave the review for the next time.

Mr. Neel also acknowledged that the draft and the recommendations are good. He was in support of reviewing the job description further.

Ms. Ragin also agreed that more time needs to be put into it. She suggested that they work with the State Human Resources Department because there are similar types of positions. She noted that there'll be varying qualifications but certain things are uniform for those levels of positions.

Ms. Fisher proposed that the committee for the executive director meet and discuss the changes and recommendations that Board members have.

Mr. Pittard informed the Board that PERA's human resource manager is available to work with the Board regarding GOVX hiring requirements. She stated that this is a GOVX position so it's different from state personnel classified positions.

With regard to who should work on the executive director job description, Ms. Pittard stated that that was up to the Board and they could assign it to the Rules and Administration Committee. She stated that the Ad-Hoc Executive Director Search Committee doesn't have a charter so it is not directly within their purview.

Mr. Davis moved to defer this to the March Board meeting. He also concurred with Ms. Pittard that it should remain with the full board, sending it to a subcommittee might delay the process.

Ms. Rosales Ortiz seconded the motion.

Acting Chair Page asked Mr. Davis if he would agree to amend his motion and have the job description go to the Rules and Administration Committee in two weeks and then have it go to the full Board in a month.

Mr. Davis stated that he would like to get the job advertisement out as soon as possible and would therefore not be willing to amend his motion. Acting Chair Page pointed out that it would go to the full Board at the end of the month. Ms. Fisher, Chair of Rules and Administration Committee, said the Committee is able to work on the job description and have it completed by the March Board meeting.

Mr. Davis amended his motion and moved to send the job description for the executive director to the Rules and Administrative Committee and then to the full Board in March. Ms. Rosales Ortiz seconded the motion.

The motion passed by a roll call vote as follows;

Francis Page, Acting Chair	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

2. Approval of Salary Range for Executive Director Position

Acting Chair Page stated that there are four options for the salary ranges, a, b, c, and d. He read out each of the four options as follows;

- a. Leave pay range at 42.
- b. Increase range to 70 and compare it to ERB.
- c. Increase range to 44 through 60.
- d. Pay \$1,000 for a NASRA Comparative Study.

General Counsel Pittard stated that the current position at ERB is a range of 70. She reported that ERB Board Executive Director has recently resigned therefore they will also be advertising for an executive director. She indicated that if both of the pension systems are advertising nationally at the same time, PERA will have a disparate pay scale if they don't reclassify the current executive director position. Currently, it is at 42.

Mr. Neel stated option D would allow them to look at comps and questioned the length of time to get that study done. Ms. Pittard said that she did not have that information and was not sure what the commitment to NASRA for that study would be. She reported the information provided to the Board in the current NASRA study shows PERA salary range is in the 25th percentile.

Ms. Naranjo Lopez wondered if the Board could do a flat line of \$100,000 and then give an incentive if they meet the hurdle rate of 7.25%.

Ms. Pittard pointed out that under the current law, the Board cannot pay an incentive fee to employees.

Mr. Davis, Ms. Rosales Ortiz and Ms. Toulouse Oliver each stated their support in increasing the pay band to ensure PERA can compete with ERB and potentially the private sector to get the best people.

Mr. Neel moved to adjust the pay band for the Executive Director position to Pay Band 70. Mr. Davis seconded the motion. The motion to adjust to Pay Band 70 passed by a roll call vote as follows;

Francis Page, Acting Chair	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Unheard
John Melia	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

Ms. Naranjo Lopez felt that the director should meet the hurdle rate and that going from 42 to 70 is too high.

3. Approval of Timeline for Executive Director Search

Ms. Naranjo Lopez questioned advertising in disagreed Pension and Investments.

Ms. Rosales Ortiz asked if staff could provide a list of alternative ways to announce the position. In response, Mr. Trujillo explained that in the industry, NASRA and P&I are the premier publications where these types of postings are advertised, he would however, provide a comprehensive list for the Board.

Mr. Davis moved to accept the timeline with possible changes. Mr. Neel seconded the motion. The motion passed by a roll call vote as follows;

Francis Page, Acting Chair	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Unheard
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

4. Appointment of Ad Hoc Executive Director Search Committee/ 5. FY22 Operating Budget Impact of Executive Director Hire

Anna Williams, ASD Director/CFO, reported there would be no impact on the fiscal year 2022 appropriation requests as the former director was factored into that budget request.

Ms. Williams reported that currently, there's a 5% vacancy savings built into the FY 22 appropriation request. Ms. Williams pointed out that if the Board gets to the end of this fiscal year without hiring an executive director, and they go into FY 22, they may have to do a bar increase.

Ms. Toulouse Oliver stated the schedule the Board had just approved will ensure they hire before the end of the fiscal year.

7.D Chief Investment Officer's Report

Dominic Garcia reported on a good and thorough Investment Committee earlier in the week. Mr. Garcia reported there had also been an education session for members. The education session included two topics; a review of the strategic goals and the approaches to meet those goals.

Mr. Garcia also reported that the PERA fund continues to hit all-time highs. The latest estimate for the AUM of the fund shows that it is roughly at 16.6 billion.

Mr. Davis requested the full Board see the slide presentations from the Investment Committee in the future, it would be beneficial so that all Board members can be on the same page.

Ms. Rosales Ortiz asked whether all Board members could attend the Investment Committee. In response, Mr. Garcia stated yes, they had sent invites to all the Board members to attend particularly for the education session.

Ms. Rosales Ortiz also confirmed that in addition to the invitation being open for all Board members, Mr. Garcia is also available to answer any questions for members interested to follow up. Mr. Garcia stated that he is always open and the members have his numbers.

Ms. Naranjo Lopez wondered why that particular meeting was scheduled two days before the Board meeting and asked Mr. Garcia to explain. Mr. Neel explained that the reason for scheduling it on Tuesday is that it ran for about three hours and he did not want to overwhelm the Board on a regular Board meeting day. He encouraged more participation at the Investment Committee.

Mr. Garcia echoed Mr. Neel's comments that having the Investment Committee separate from the Board is beneficial because there are fewer time constraints. He also agreed that the discussion was productive and that combining it with the Board meeting would limit it.

7.E. Executive Director's Report.

Mr. Trujillo reported in January, PERA sent out 45,000 annual 1099s. He stated that it was a relatively early timeframe as they were sent out in mid-January. The early timeframe ensures that they lessen the burden on the call center with people calling to ask when they are going out.

Mr. Trujillo also reported that February is a short month so the retiree payroll is going to hit tomorrow. About \$110.4 million was paid out in January. February is just under \$111 million.

Mr. Davis recognized those who had been promoted and congratulated them.

Board Recessed to Executive Session NMSA 1978, §10-15-1 (H) (7)

In re WageWorks, Inc., Securities Litigation, Case No. 4:18-CV-01523- JSW

Board reconvened to Regular Session

Members present:

Francis Page, Acting Chair
Lawrence Davis
Tim Eichenberg
John Melia
Loretta Naranjo Lopez
Steve Neel
Shirley Ragin
Roberto Ramirez
Diana Rosales Ortiz
David Roybal
Maggie Toulouse Oliver

7. F. Approval of Proposed Settlement In re WageWorks, Inc., Securities Litigation, Case No. 4:18-CV-01523-JSW

Mr. Roberto Ramirez moved to approve a \$30 million settlement. Mr. Davis seconded the motion. The motion passed by a roll call vote as follows;

Francis Page, Acting Chair Yes

Lawrence Davis	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

7.G. Trustee Reports on Educational Conference Attendance

Acting Chair Page reported that both he and Ms. Rosales Ortiz attended the NCPERS Fall Virtual Conference. He briefed the Board on what took place at the conference.

Ms. Rosales Ortiz reported that the conference was valuable. There were interactions where questions were answered in real-time. She was also happy to hear about how the COVID vaccine is going to change the dynamics of the market. She stated that the changes haven't been seen in the first quarter yet but will be seen as time goes by. She also thanked the Board for giving her that opportunity to attend the session.

9. Public Comment.

There was no public comment.

Mr. Davis stated that the Rules and Administrative committee should have a policy, before taking public comments, that establishes how, who, what, and when the comments are going to be taken. He felt that that is high priority and offered to send an initial draft to Ms. Fisher.

10. Adjournment.

Acting Chair Page declared the meeting adjourned at 11:24 AM.

Approved by:

Francis Page
Acting Chair, PERA Board

ATTEST:

Greg Trujillo, Acting Executive Director

Exhibits attached.



Ratification Report

Last Name	First Name	Middle Name	Retirement Date	Retirement Type	Reciprocity	Retirement Code
AABOE	ERIK	H.	2021/03/01	Normal	NAP	SR
APODACA	FRED	L.	2021/03/01	Normal	NAP	SR
BAILEY	FRANK	J.	2021/03/01	Normal	NAP	SR
BARR	ROBERT	B.	2021/03/01	Deferred	NAP	SR
BECENTI	ERNEST	C.	2021/03/01	Normal	NAP	SR
BLACK	JOAN	HARRIS.	2021/03/01	Deferred	NAP	SR
Bone	Janet	A.	2021/03/01	Deferred	NAP	SR
BOOTH	GEORGE	O.	2021/03/01	Deferred	NAP	SR
BRAINERD	PHILIP	A	2021/03/01	Normal	NAP	SR
BRUCK	ROBIN	M.	2021/03/01	Normal	NAP	SR
CAMACHO	JASON	E.	2021/03/01	Normal	NAP	SR
CAVAZOS	KATHRYN	G.	2021/03/01	Normal	NAP	SR
CHAVEZ	CHRISTINE	E.	2021/03/01	Normal	NAP	SR
COCA	ROSE	M.	2021/03/01	Deferred	NAP	SR
Cole	Todd	R.	2021/03/01	Normal	NAP	SR
CONLEY	PATRICIA	A.	2021/03/01	Normal	NAP	SR
COOK	NATHAN	G.	2021/03/01	Normal	NAP	SR
Craig	Mary	W.	2021/03/01	Normal	NAP	SR
DORE	DIANE	M.	2021/03/01	Normal	NAP	SR
DOTY	RICHARD	C.	2021/03/01	Normal	NAP	SR
DUBACK	DIANE	M.	2021/03/01	Deferred	NAP	SR
Ellison	Marina	A.	2021/03/01	Normal	NAP	SR
ESPINOZA	ROBERT	C	2021/03/01	Normal	NAP	SR
FINN	MARY	A.	2021/03/01	Deferred	NAP	SR
FOSTER	MARY	C.	2021/03/01	Deferred	NAP	SR
GARCIA	DEBRA	A	2021/03/01	Normal	NAP	SR
GONZALES	NANCY	R.	2021/03/01	Normal	NAP	SR
GONZALES	ROSITA	G	2021/03/01	Normal	NAP	SR
GURULE	WILLIAM	J.	2021/03/01	Deferred	NAP	SR
GUTIERREZ	BERNADETTE		2021/03/01	Normal	NAP	SR
GUTIERREZ	PATRICIA		2021/03/01	Deferred	NAP	SR
HALL	FREIDA	A.	2021/03/01	Normal	NAP	SR
HAMLIN	DAVID	J	2021/03/01	Normal	NAP	SR
INGRAHAM	JILL	L.	2021/03/01	Normal	NAP	SR
Jaramillo	Irene	B.	2021/03/01	Deferred	NAP	SR
JURY	WILLIAM	J	2021/03/01	Normal	NAP	SR



PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

KELLY	JOAN	A.	2021/03/01	Normal	NAP	SR
KILES	SHARON	K.	2021/03/01	Normal	NAP	SR
KMATZ	MARK	A.	2021/03/01	Normal	NAP	SR
LEGER	PHILIP	L.	2021/03/01	Normal	NAP	SR
LOPEZ	STEPHANIE	K	2021/03/01	Normal	NAP	SR
LOPEZ-LUCERO	JESSICA	I.	2021/03/01	Normal	NAP	SR
LUCERO	JAMES		2021/03/01	Normal	NAP	SR
LYLES	RICKY	F.	2021/03/01	Deferred	NAP	SR
MARQUEZ	DANIEL	J.	2021/03/01	Deferred	NAP	SR
MARTINEZ	EDITH	A.	2021/03/01	Normal	NAP	SR
MARTINEZ	HERNANDO		2021/03/01	Normal	NAP	SR
MCCALEB	JOHN	V.	2021/03/01	Normal	NAP	SR
MEDINA	MARCIA	A.	2021/03/01	Normal	NAP	SR
MILLER	LARRY	C.	2021/03/01	Normal	NAP	SR
MIRANDA	MAX	A.	2021/03/01	Normal	NAP	SR
NEWTON	JAMES	L.	2021/03/01	Deferred	NAP	SR
PACHECO	FRED	B.	2021/03/01	Normal	NAP	SR
PRIETO	JESUS	A.	2021/03/01	Normal	NAP	SR
QUINTANA	KATHY	A.	2021/03/01	Normal	NAP	SR
RITCH	CINDY	A.	2021/03/01	Normal	NAP	SR
ROMERO	ALFRED	A.	2021/03/01	Normal	NAP	SR
ROMERO	SHARON	E.	2021/03/01	Normal	NAP	SR
Sallee	William	E.	2021/03/01	Normal	NAP	SR
SANCHEZ	MELISSA	M.	2021/03/01	Normal	NAP	SR
SANCHEZ	RUBEN	J.	2021/03/01	Normal	NAP	SR
SANDOVAL	JOYCE	T.	2021/03/01	Normal	NAP	SR
SENA	CLARENCE	D.	2021/03/01	Normal	NAP	SR
SILVA	JIMMY	B.	2021/03/01	Deferred	NAP	SR
SILVA	THERESA	A	2021/03/01	Normal	NAP	SR
SURDI	GUY	M.	2021/03/01	Normal	NAP	SR
Sweeney	Edmond	B.	2021/03/01	Deferred	NAP	SR
TORRES	ELAINE	D.	2021/03/01	Normal	NAP	SR
TORREZ	MARIA	L.	2021/03/01	Normal	NAP	SR
TURNBOW	CHRISTOPHER	J.	2021/03/01	Normal	NAP	SR
UNDERWOOD	TERESA	M	2021/03/01	Normal	NAP	SR
VALDIVIEZO	JOHNNY	E.	2021/03/01	Normal	NAP	SR
VASQUEZ	ELFIDA		2021/03/01	Normal	NAP	SR
Velarde	Eddie	J.	2021/03/01	Normal	NAP	SR
WEISS	JOANN		2021/03/01	Deferred	NAP	SR
YGUADO	CARLOS		2021/03/01	Normal	NAP	SR
YORK	WENDY	E.	2021/03/01	Deferred	RCWJ	SR