



**PERA**

Public Employees  
Retirement Association  
of New Mexico

INVESTED IN TOMORROW.

## **Governance Committee Meeting**

Meeting via Zoom

**Tuesday, October 11, 2022**

**following SmartSave Committee**

### **Committee Members**

Claudia Armijo, *Chair*

Diana Rosales Ortiz, *Vice Chair*

Valerie Barela

Lawrence Davis

Paula Fisher

Francis Page

### **AGENDA**

**1. Call to Order**

**2. Roll Call**

**3. Approval of Agenda**

**4. Approval of July 12, 2022 Governance Committee Minutes**

**5. New Business**

**A.** Fiduciary Counsel Quote and  
Potential Contract

Action

Claudia Armijo, Committee Chair;  
Anna Williams, Deputy Director;  
Misty Schoeppner, Acting General  
Counsel

**B.** Strategic Plan Update

Informational

Anna Williams, Deputy Director

**6. 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) 795-0712 or [patriciab.winter@state.nm.us](mailto:patriciab.winter@state.nm.us) at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact Ms. Winter if a summary or other type of accessible format is needed.

INVESTED IN TOMORROW.

## MEMORANDUM

**DATE:** October 11, 2022

**TO:** Governance Committee

**THROUGH:** Greg Trujillo, Executive Director

**FROM:** Anna Williams, CPA, Deputy Director

**SUBJECT:** Fiduciary Counsel

The Public Employees Retirement Association (PERA) issued an RFP in April of 2018 for a fiduciary counsel for the board of directors. Based on the RFP a four-year contract was awarded to Reed Smith LLP. The Reed Smith contract expired on June 30, 2022 and there was a request from the board chair and members to obtain a fiduciary counsel that was licensed to practice in New Mexico. As such, the staff reached out to several local attorneys for a quote based on a scope of work for fiduciary counsel. Currently, only one attorney has submitted a proposal for services which is Slate Stern.

STATE OF NEW MEXICO

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

**PROFESSIONAL SERVICES CONTRACT # 23 366 0100 00006**

THIS AGREEMENT is made and entered into by and between the State of New Mexico, **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**, hereinafter referred to as the "Agency," and **SLATE STERN LAW** hereinafter referred to as the "Contractor," and is effective as of the date set forth below upon which it is executed by the General Services Department/State Purchasing Division (GSD/SPD Contracts Review Bureau).

IT IS AGREED BETWEEN THE PARTIES:

**1. Scope of Work.**

The Contractor shall perform the following work:

Contractor shall provide external fiduciary legal counsel services related to governance of a public pension plan as requested by the PERA Board and the PERA Executive Director on behalf of the PERA Board. Such legal services shall be limited to matters related to fiduciary and governance advice and recommendations, including, but not limited to, the application of Article XX Section 22 of the New Mexico Constitution, trust law principles generally, the Public Employees Retirement Act, the Governmental Conduct Act, and New Mexico law applicable to the PERA retirement systems. Legal opinion requests from the PERA Board may include advice and consultation including conflicts of interests, gift and campaign reporting requirements, and advice and consultation regarding necessary related statutory, rule or board policy amendments related to Board governance and fiduciary matters.

In addition, the Contractor shall keep the PERA Board up to date on legal developments regarding fiduciary duties, give advice and consult on fiduciary liability and insurance and assist with other fiduciary matters, as requested.

**2. Compensation.**

A. The total amount payable to the Contractor under this Agreement, excluding

gross receipts tax and expenses, shall not exceed (\$**60,000**). The New Mexico gross receipts tax levied on the amounts payable under this Agreement totaling **\$5,064** shall be paid by the Agency to the Contractor. The total amount of the monies payable to the Contractor under this Agreement, including gross receipts tax, shall not exceed **\$65,064**. Contractor shall be paid hourly at a rate of **\$225.00**. This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein. The parties do not intend for the Contractor to continue to provide services without compensation when the total compensation amount is reached. Contractor is responsible for notifying the Agency when the services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid for services provided in excess of the total compensation amount without this Agreement being amended in writing prior to those services in excess of the total compensation amount being provided.

B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work, and to approval by GSD/SPD. All invoices MUST BE received by the Agency no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

C. Contractor must submit a detailed statement accounting for all services performed and expenses incurred. If the Agency finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the Agency that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the agency shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

**3. Term.**

THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE GSD/SPD. This Agreement shall terminate on **(JUNE 30, 2023)** unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with NMSA 1978, § 13-1-150, no contract term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in NMSA 1978, § 13-1-150.

**4. Termination.**

A. Grounds. The Agency may terminate this Agreement for convenience or cause. The Contractor may only terminate this Agreement based upon the Agency's uncured, material breach of this Agreement.

B. Notice: Agency Opportunity to Cure.

1. Except as otherwise provided in Paragraph (4)(B)(3), the Agency shall give Contractor written notice of termination at least thirty (30) days prior to the intended date of termination.

2. Contractor shall give Agency written notice of termination at least thirty (30) days prior to the intended date of termination, which notice shall (i) identify all the Agency's material breaches of this Agreement upon which the termination is based and (ii) state what the Agency must do to cure such material breaches. Contractor's notice of termination shall only be effective (i) if the Agency does not cure all material breaches within the thirty (30) day notice period or (ii) in the case of material breaches that cannot be cured within thirty (30) days, the Agency does not, within the thirty (30) day notice period, notify the Contractor of its intent to cure and begin with due diligence to cure the material breach.

3. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor (i) if the Contractor becomes unable to perform the services contracted for, as determined by the Agency; (ii) if, during the term of this Agreement, the Contractor is suspended or debarred by the State Purchasing Agent; or (iii) the Agreement is terminated pursuant to Paragraph 5, "Appropriations", of this Agreement.

C. Liability. Except as otherwise expressly allowed or provided under this Agreement, the Agency's sole liability upon termination shall be to pay for acceptable work performed prior to the Contractor's receipt or issuance of a notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect either party's liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE AGENCY'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.

D. Termination Management. Immediately upon receipt by either the Agency or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the Agency; 2) comply with all directives issued by the Agency in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the Agency shall direct for the protection, preservation, retention or transfer of all property titled to the Agency and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the Agency upon termination and shall be submitted to the agency as soon as practicable.

**5. Appropriations.**

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, this Agreement shall terminate immediately upon written notice being given by the Agency to the Contractor. The Agency's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the Agency proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.

**6. Status of Contractor.**

The Contractor and its agents and employees are independent contractors performing professional services for the Agency and are not employees of the State of New Mexico. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are reportable by the Contractor for tax purposes, including without limitation, self-employment, and business income tax. The Contractor agrees not to purport to bind the State of New Mexico unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

**7. Assignment.**

The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the Agency.

**8. Subcontracting.**

The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the Agency. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the Procuring Agency.

**9. Release.**

Final payment of the amounts due under this Agreement shall operate as a release of the Agency, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

**10. Confidentiality.**

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the Agency.

**11. Product of Service -- Copyright.**

All materials developed or acquired by the Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to the Agency no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

**12. Conflict of Interest; Governmental Conduct Act.**

A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

1) in accordance with NMSA 1978, § 10-16-4.3, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any Agency employee while such employee was or is employed by the Agency and participating directly or indirectly in the Agency's contracting process.

2) this Agreement complies with NMSA 1978, § 10-16-7(A) because (i) the Contractor is not a public officer or employee of the State; (ii) the Contractor is not a member of the family of a public officer or employee of the State; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the State, a member of the family of a public officer or employee of the State, or a business in which a public officer or employee of the State or the family of a public officer or employee of the State has a substantial interest, public notice was given as required by NMSA 1978, § 10-16-7(A) and this Agreement was awarded pursuant to a competitive process;

3) in accordance with NMSA 1978, § 10-16-8(A), (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the State within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the State whose official act, while in State employment, directly resulted in the Agency's making this Agreement;

4) this Agreement complies with NMSA 1978, § 10-16-9(A) because (i) the Contractor is not a legislator; (ii) the Contractor is not a member of a legislator's family; (iii) the Contractor is not a business in which a legislator or a legislator's family has a substantial interest; or (iv) if the Contractor is a legislator, a member of a legislator's family, or a business in which a legislator or a legislator's family has a substantial interest, disclosure has been made as required by NMSA 1978, § 10-16-7(A), this Agreement is not a sole source or small purchase contract, and this Agreement was awarded in accordance with the provisions of the Procurement Code;

5) in accordance with NMSA 1978, § 10-16-13, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement, or any procurement related to this Agreement; and

6) in accordance with NMSA 1978, § 10-16-3 and § 10-16-13.3, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the Agency.

C. Contractor's representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the Agency relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the Agency if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the Agency and notwithstanding anything in the Agreement to the contrary, the Agency may immediately terminate the Agreement.

D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

**13. Amendment.**

A. This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

B. If the Agency proposes an amendment to the Agreement to unilaterally reduce funding due to budget or other considerations, the Contractor shall, within thirty (30) days of receipt of the proposed Amendment, have the option to terminate the Agreement, pursuant to the termination provisions as set forth in Article 4 herein, or to agree to the reduced funding.

**14. Merger.**

This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

**15. Penalties for violation of law.**

The Procurement Code, NMSA 1978 §§ 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities, and kickbacks.

**16. Equal Opportunity Compliance.**

The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

**17. Applicable Law.**

The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, § 38-3-1 (G). By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

**18. Workers Compensation.**

The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the Agency.

**19. Records and Financial Audit.**

The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement's term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the Agency, the Department of Finance and Administration and the State Auditor. The Agency shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the Agency to recover excessive or illegal payments



**20. Indemnification.**

The Contractor shall defend, indemnify and hold harmless the Agency and the State of New Mexico from all actions, proceeding, claims, demands, costs, damages, attorneys' fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the Agency and the Risk Management Division of the New Mexico General Services Department by certified mail.

**21. New Mexico Employees Health Coverage.**

A. If Contractor has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Contractor certifies, by signing this agreement, to have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed \$250,000 dollars.

B. Contractor agrees to maintain a record of the number of employees who have (a) accepted health insurance; (b) declined health insurance due to other health insurance coverage already in place; or (c) declined health insurance for other reasons. These records are subject to review and audit by a representative of the state.

C. Contractor agrees to advise all employees of the availability of State publicly financed health care coverage.

**22. Invalid Term or Condition.**

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

**23. Enforcement of Agreement.**

A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

**24. Notices.**

Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

**To the Agency:**

Misty Schoeppner, Interim Chief of Staff-General Counsel

Public Employees Retirement Association

33 Plaza La Prensa

Santa Fe, NM 87507

505-476-9355

**To the Contractor:**

**Physical:**

Slate Stern Law

1701 Old Pecos Trail

Santa Fe, NM 87505

(505) 814-1517

**Mailing:**

Slate Stern Law

1701 Old Pecos Trail

Santa Fe, NM 87505

**25. Authority.**

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

**IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the GSD/SPD Contracts Review Bureau below.**

By: \_\_\_\_\_ Date: \_\_\_\_\_

Greg Trujillo –Executive Director

By: \_\_\_\_\_ Date: \_\_\_\_\_

Misty Schoeppner, Interim General Counsel

By: \_\_\_\_\_ Date: \_\_\_\_\_

Lynette Kennard – Chief Financial Officer

By: \_\_\_\_\_ Date: \_\_\_\_\_

Contractor

Slate Stern Law

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

ID Number: 03-518826-00-0

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Taxation and Revenue Department

This Agreement has been approved by the GSD/SPD Contracts Review Bureau:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
GSD/SPD Contracts Review Bureau



July 8, 2022

**ELECTRONIC MAIL**

Ms. Anna Williams, CPA  
Deputy Director  
Public Employees Retirement Association (PERA)  
33 Plaza La Prensa  
Santa Fe, New Mexico 87507

RE: **PROPOSAL FOR LEGAL SERVICES**

Dear Ms. Williams:

Thank you for the opportunity to provide a proposal for legal services to the PERA related to fiduciary and governance advice and recommendations, including, but not limited to, the application of Article XX Section 22 of the New Mexico Constitution, trust law principles generally, the Public Employees Retirement Act, the Governmental Conduct Act, and New Mexico law applicable to the PERA retirement systems. I can say unequivocally that I would have a distinct interest in providing fiduciary and governance advice to PERA, not so much because of any financial remuneration I may receive for that work but because it is an area of law wherein I have a distinct interest.

(This space is intentionally left blank)

**Ms. Anna Williams, CPA**  
**Deputy Director**  
**Public Employees Retirement Association (PERA)**  
**July 8, 2022**  
**Page 2**

### **About Slate Stern:**

Slate Stern Law was founded 20 years ago. Slate has previously served as General Counsel to northern New Mexico's largest private conglomerate with more than a 100 subsidiaries. Slate is AV rated by Martindale-Hubbell. He has also been awarded the Judicial Edition AV Preeminent award from Martindale-Hubbell®'s. It is its highest available rating. Slate's legal ability and ethical standards were evaluated by members of the bar and judiciary in a confidential assessment. The Judicial Award of the Martindale-Hubbell® AV Preeminent™ is especially noteworthy because it is based on the confidential opinions and recommendation of members of the judiciary familiar with Slate as a practicing attorney. The Judicial Edition award indicates that judges before whom Slate practices have given him the highest ratings available on his legal ability and ethical standards. Slate is recognized in the top 5% of attorneys in New Mexico by SuperLawyers, is ranked as one to the Top Attorneys in the Southwest and as one an America's Most Honored Lawyers, which is a distinction given to 1% of the lawyers in the United States.



At Slate Stern Law, we know that every trusted relationship begins with understanding. That is why I take the time to listen critically, learn the unique attributes of each client's business, and work together to build a foundation for success that goes beyond providing legal services. While doing so, I draw upon an exceptionally broad base of experienced of colleagues and a deep knowledge of the industries and sectors I serve. This blend of active understanding grounded by informed perspective equips Slate Stern Law to deliver uniquely creative, yet efficient, legal counsel. By consistently offering our clients cost-effective and innovative legal counsel, we have established ourselves as trusted advisors. My firm's Client Service Standards, upheld to by my staff, affirm our commitment to put the needs of our clients first and to pursue excellence in all that we do. Slate Stern Law meets the ever-evolving needs of today's business with innovation, focus and commitment. I am dedicated to providing accessible, responsive service. Slate Stern Law serves as a counselor to corporations, financial institutions, family-owned businesses, exempt organizations and individuals. Throughout our history, we have relied on entrepreneurship, teamwork and dedicated service to help our clients achieve their business

**Ms. Anna Williams, CPA**  
**Deputy Director**  
**Public Employees Retirement Association (PERA)**  
**July 8, 2022**  
**Page 3**

goals. Our client-driven approach is firmly rooted in creative thinking, intelligent advice and conscientious service, no matter what area of business law our clients require.

For almost two decades Slate served as a members of the State Bar Ethics Committee and currently serves as Assistant Disciplinary Counsel to the New Mexico Supreme Court's Disciplinary Committee.

### **Slate Stern Service Standards: Our Commitments; Your Assurances**

#### **Understand your business**

We know our success depends on achieving cost-effective, practical results for our clients. Accordingly, we will make every effort to understand the business or personal circumstances that gave rise to the legal matters you bring us and to represent you and your interests as aggressively as we would our own. Protecting and advancing your best interests as a client is our most important service.

#### **Understand your needs**

At all times, we will seek to fully understand what your needs are, what you expect from us and when you expect it. If we feel that another service provider is in a better position to meet your needs or expectations, we will tell you and help you find the best resource for your needs.

#### **Respond promptly to your communications**

We will respond to your phone calls and e-mails as quickly as possible and no later than one business day after you contact us. However, every client has a different definition of "responsiveness." Slate and his staff will go out of their way to understand how you define the term, and will then make every effort to meet or exceed your expectations.

#### **Be accessible when needed**

Slate and staff check their voice mail and e-mail regularly, whether or not they are in the office.. When Slate is traveling, working outside the office or otherwise unavailable, his secretary,

**Ms. Anna Williams, CPA**  
**Deputy Director**  
**Public Employees Retirement Association (PERA)**  
**July 8, 2022**  
**Page 4**

assistant or another lawyer familiar with you and your needs will make every effort to assist you until such time that Slate personally gets back to you.

### **Set and meet deadlines toward the completion of your work**

We will seek to understand your timetable for getting projects done, set specific deadlines for getting work back to you and then meet or beat those deadlines. If we ever feel that your timetable will compromise our ability to provide you with a quality work product, we will tell you and work with you to find a way to meet your needs.

### **Avoid surprises**

Different clients have different information needs. At the outset of a matter, we will ask you the extent to which and how often you want to be kept informed. Thereafter, according to your wishes, we will keep you informed of your work-in-progress, send you copies of all relevant paperwork and notify you promptly of meaningful developments.

### **Respect your finances**

We will strive to be efficient and cost effective in our delivery of services. We will:

- Promptly send you our bills
- Ensure our bills are clear and easy to understand
- Notify you promptly when we encounter or anticipate unexpected costs
- Resolve any billing questions or issues promptly and fairly

### **Staff your matters cost-effectively**

Our objective in representing you is not to bill hours; rather, it is to help you resolve your legal-related business and personal matters as quickly, as successfully and as cost-effectively as possible. This may involve having different, paralegals or staff within the firm work on your matters. We will, if you wish, discuss with you how we plan to staff your matter and why.



**Ms. Anna Williams, CPA**  
**Deputy Director**  
**Public Employees Retirement Association (PERA)**  
**July 8, 2022**  
**Page 5**

### **Welcome your ideas, your resources and your feedback**

Since our success depends on your success, we welcome your ideas and suggestions. We also welcome any resources you can provide to help us resolve your legal matters as quickly and cost-effectively as possible, including in-house legal resources and any prior work product that will help us avoid a duplication of effort on your behalf. Most importantly, we want your feedback – positive or negative – because it is the only way that we can improve. We want you always to feel free to communicate your ideas, suggestions or dissatisfaction with Slate.

### **Resolve your concerns**

Slate believes in the value of the legal work and the client service that we provide our clients. As a client of our firm – and the only person whose evaluation of our work matters to us – these Client Service Standards reflect my commitment to you to put your needs first. Your complete satisfaction and respect are the ultimate goals of our relationship.

### **Charge for Legal Services**

Slate Stern Law will charge for its services at an hourly rate matching any other competitive proposal submitted to PERA in response to its Request for Proposal.

With thanks for your courtesies,

I am respectfully,

**SLATE STERN LAW**



By, \_\_\_\_\_  
Slate Stern

Enclosures

# Key Strategic Goals and Objectives

Goals	Objectives
<b>1. Effective Governance</b>	A. Enhance Board governance, policies, oversight and decision-making
	B. Prioritize investment oversight
	C. Effective use of external advisors
<b>2. Stakeholder Engagement</b>	A. Effectively engage stakeholders
	B. Effectively engage with Policymakers
<b>3. Organizational Excellence</b>	A. Attain and maintain adequate staffing levels along with succession planning and retention
	B. Continually assess and strengthen cyber security
	C. Continually assess and strengthen internal controls
<b>4. Meet Risk-Adjusted Investment Targets</b>	A. Review and improve as necessary the asset liability planning process
	B. On an ongoing basis Improve understanding of actuarial risks with changing workforce
	C. Develop & enhance investment staff capabilities
<b>5. Exceptional Member Service</b>	A. Continuous improvement of member service levels

Goals	Objectives	Strategies
<b>1. Effective Governance</b>	A. Enhance Board governance, policies, oversight and decision-making	A. Develop an effective Board onboarding and continuing education program B. Develop a strategic plan with full Board engagement and buy-in C. Develop a Board strategic agenda and plan to anticipate key decision timing D. Review and Enforce Board policies and procedures
	B. Prioritize investment oversight	A. Implement an investment governance framework with checks and balances B. Clearly define the roles of investment staff and the role of each consultant C. Develop an exception-based investment performance reporting approach
	C. Effective use of external advisors	A. Clearly identify who are advisors to the Board and ensure the Board is engaged in their selection B. Implement a biennial goal-setting and evaluation process for each Board advisor C. Ensure the Board conducts an RFP process as required for each advisor
<b>2. Stakeholder Engagement</b>	A. Effectively engage stakeholders	A. Identify stakeholders; categorize by groups B. Strengthen PERA communications resources and improve messaging, make recommendations to Governance Committee C. Develop stakeholder education and outreach short- and long-term plans, make recommendation to Governance Committee
	B. Effectively engage with Policymakers	A. Identify key legislative stakeholders and PERA roles and responsibilities for communications B. Build methods and lines of communication C. Meet with Policymakers to educate and take questions and recommendations

Goals	Objectives	Strategies
<b>3. Organizational Excellence</b>	A. Attain and maintain adequate staffing levels along with succession planning and retention	<ul style="list-style-type: none"> <li>A. Create an organizational development plan</li> <li>B. Develop a succession planning process for all key positions and retirement-eligible staff</li> <li>C. Benchmark compensation and ensure PERA has competitive levels</li> <li>D. Develop relationships and internship programs with local universities</li> </ul>
	B. Continually assess and strengthen cyber security	<ul style="list-style-type: none"> <li>A. Regularly have third party vulnerability and penetration testing</li> <li>B. Develop a Board-approved ransomware policy in case of attack</li> <li>C. Ensure the PERA business continuity plan is complete and ready</li> </ul>
	C. Continually assess and strengthen internal controls	<ul style="list-style-type: none"> <li>A. Ensure an effective internal audit function with Audit Committee oversight</li> <li>B. Develop an enterprise compliance program</li> <li>C. Engage third party firm(s) to review PERA internal controls</li> </ul>

Goals	Objectives	Strategies
<b>4. Meet Risk-Adjusted Investment Targets</b>	A. Review and improve as necessary the asset liability planning process	A. Implement a multi-year asset liability management process integrated with Board continuing education support B. Have the general investment consultant review asset allocation methodologies with the Board C. Board review and adopt an investment statement
	B. On an ongoing basis Improve understanding of actuarial risks with changing workforce	A. Direct the actuary to develop a risk and sensitivity analysis B. Implement additional Board training as recommended by Investment Staff
	C. Develop & enhance investment staff capabilities	A. Develop a competitive CIO compensation package with appropriate goals, metrics, and incentives B. Direct the CIO to develop a long-term investment staffing and development plan C. Develop effective Board investment oversight policies and practices
<b>5. Exceptional Member Service</b>	A. Continuous improvement of member service levels	A. Develop a long-range pension administration technology strategy and plan B. Participate in CEM Pension Administration benchmarking to identify improvement opportunities C. Develop a member satisfaction survey progra

# Board Strategic Plan Status Report

Goal	1. Effective Governance
Objective	1.A Enhance Board governance, policies, oversight and decision-making
Potential Strategy	1.A2 Develop a strategic plan with Board engagement and buy-in.
Priority: High, Medium, Low	Medium
Who?	Board and staff time
Resources	
Responsible Parties	Board Chair and Greg
Estimated Duration	Completed
Start Date	
Completion Date	Jul-22
Plan and Current Status	Strategic Plan adopted by the Board in July 2022
Green (On Target), Yellow (Not on Target), Red (Past Due)	Green

Example of two of the tabs in the Strategic Plan worksheet where PERA will track the groups and status of each strategy.

Goal	3. Organizational Excellence
Objective	3.C Continually Review & Strengthen internal controls
Potential Strategy	3.C.1 Ensure an effective internal audit function with Audit Committee oversight
Priority: High, Medium, Low	High
Who?	PERA staff and PERA Boada
GROUP	Audit Chair, Lynette Kennard, and Anna Williams
Resources	PERA staff, board members, auditors
Responsible Parties	Lynette
Estimated Duration	Ongoing
Start Date	22-Jul
Completion Date	
Status	Setting up initial meetings
Green (On Target), Yellow (Not on Target), Red (Past Due)	Green