



INVESTED IN TOMORROW.

## **PERA Board Meeting**

Via Teleconference • Senator Fabian Chavez, Jr. Board Room  
33 Plaza La Prensa • Santa Fe, NM 87507

**Thursday, April 30, 2020**

9:00 a.m.

### **AGENDA**

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Roll Call**
- 4. Approval of Agenda**
- 5. Approval of Consent Agenda**
- 6. New Business**
  - A. Approval of FY21 Operating Budget**

	Action	David Roybal, Audit & Budget Committee Chair
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  - B. Approval of Investment Committee Action Items**

		Steve Neel, Investment Committee Chair
1. Approval of Liquidity Risk Management Parameters, IPS amendment	Action	
2. Approval of Annual Active Risk Budget & Active Target Return	Action	
3. 2020 Investment Committee Work Plan	Action	
  - C. Executive Director's Report**

	Informational	Wayne Propst, Executive Director
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- 7. 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 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.



# PERA

Public Employees  
Retirement Association  
of New Mexico

John Melia  
Chair, Municipal Member  
Wayne Propst  
Executive Director

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INVESTED IN TOMORROW.

## MEMORANDUM

**DATE:** April 24, 2020

**TO:** PERA Board of Trustees

**THROUGH:** Wayne Propst, Executive Director

**FROM:** Renada Peery-Galon, Administrative Services Director

**SUBJECT:** Fiscal Year 2021 Operating Budget

The Public Employees Retirement Association (PERA) Fiscal Year (FY) 2021 operating budget is based on the agency's appropriation request of \$36,209,700, a decrease of 1.13% from the FY20 operating budget. The FY21 PERA appropriation request passed by a majority [8-2] voice vote at the Board's August 29, 2019 meeting.

Laws 2020, Chapter 83, the General Appropriation Act (GAA) of 2020 made three changes impacting the FY21 PERA operating budget:

- A decrease of \$19,200 in the Personal Services and Employee Benefits to hold the category flat to the FY20 operating budget,
- An increase of \$276,400 in the Personal Services and Employee Benefits category for a 4% compensation increase, and
- An increase of \$28,300 in Personal Services and Employee Benefits category for a 0.5% increase in employer contribution for retirement.

The PERA FY21 operating budget totals \$36,495,200, a decrease of 0.35% from the FY20 operating budget. The budgeted vacancy rate is 3.9% in the Personal Services and Employee Benefits category. Governor Lujan Grisham may call a special session to address revenue shortfalls pertaining to the GAA. This could potentially lead to changes in the PERA FY21 operating budget. If the operating budget expenditures are less than operating budget revenues, funds not expended will revert to the PERA Trust Fund.



S-1

**FORM S-1  
CERTIFICATION**

**AGENCY NAME:** Public Employees Retirement Association

**BUSINESS UNIT:** 36600

***FY21 OPERATING BUDGET CERTIFICATION***

*I hereby certify that the accompanying summary and detailed statements are true and correct to the best of my knowledge and belief and that the arithmetic accuracy of all numeric information has been verified.*

☒ Yes, department-level budgets will be used this fiscal year

☐ No, department-level budgets will not be used this fiscal year

Wayne Propst

**AGENCY HEAD**

Executive Director

**TITLE**

John Melia

**APPROVED (Board/Commisson Chairperson)**

Board Chair

**TITLE**

Anna Williams

**AGENCY CONTACT**

Chief Financial Officer

**TITLE**

33 Plaza La Prensa, Santa Fe, NM 87507

**ADDRESS**

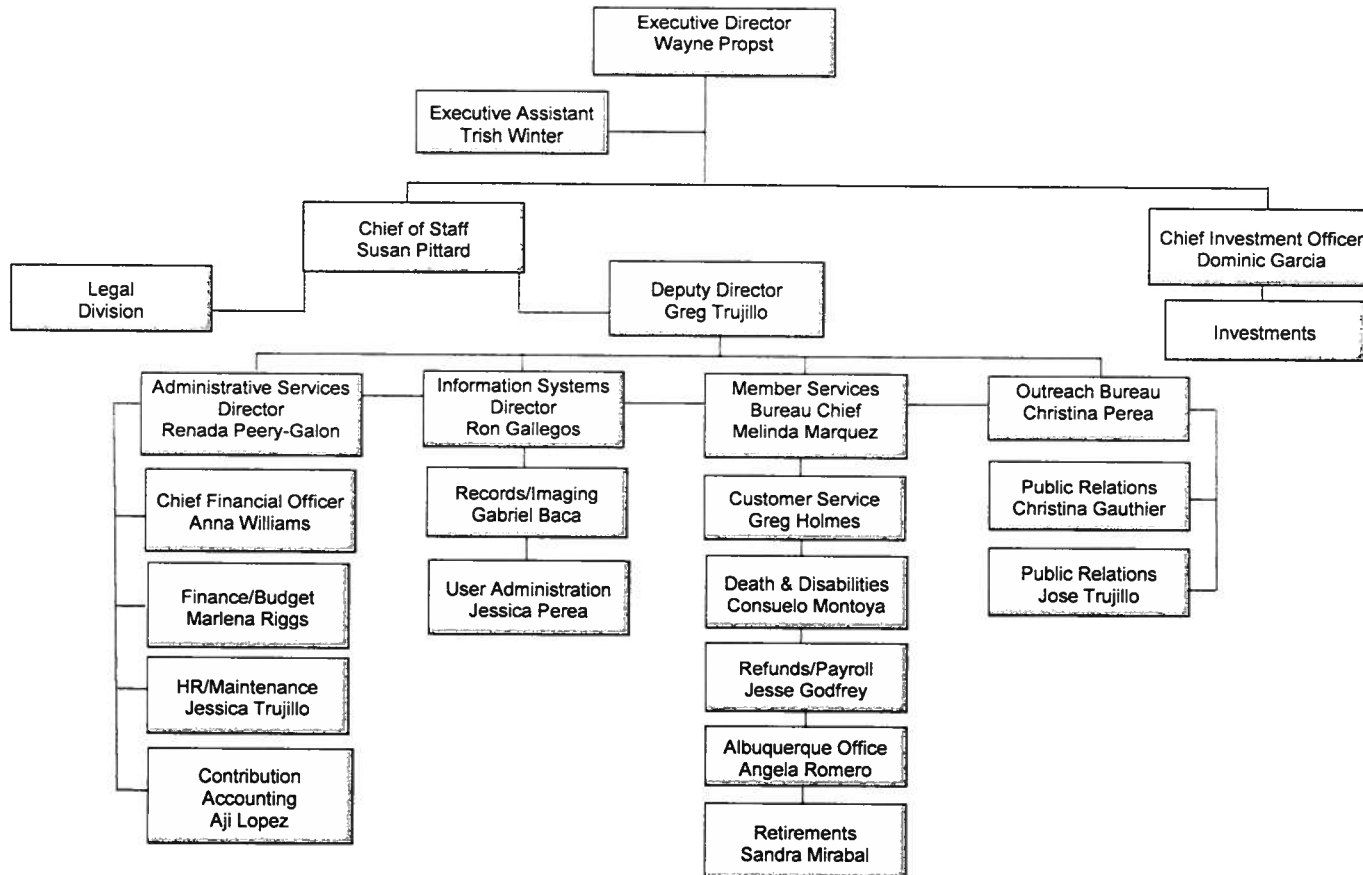
(505) 476-9313

**PHONE NUMBER**

*Note: Operating Budgets of agencies headed by a board or commission must be approved by the board or commission by official action and signed by the chairperson. Operating Budgets of other agencies must be signed by the director or secretary. Operating Budgets not properly signed will be returned.*

S-2

**FY21 OPERATING BUDGET  
ORGANIZATION CHART  
FORM S-2**



S-8/S-9

## Public Employees Retirement Association

BU PCode Department ReportCatg

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D Simon Miller

**Budget Review System**  
**S-8 Financial Summary**  
(Dollars in Thousands)

		<b>FY2019</b>	<b>FY2019</b>	<b>FY2020</b>	<b>----- FY2021 Agency Request -----</b>			<b>----- FY2021 Recommendation -----</b>			<b>FY2021</b>
		<b>Opbud</b>	<b>Actuals</b>	<b>Opbud</b>	<b>Base</b>	<b>Expansion</b>	<b>Total</b>	<b>Base</b>	<b>Expansion</b>	<b>Total</b>	<b>Opbud</b>
<b>SOURCES</b>											
111	General Fund Transfers	90.7	72.6	80.3	54.6	0.0	54.6	0.0	0.0	0.0	57.2
112	Other Transfers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
120	Federal Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
130	Other Revenues	36,298.3	30,818.1	36,542.4	36,155.1	0.0	36,155.1	0.0	0.0	0.0	36,438.0
150	Fund Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>REVENUE, TRANSFERS</b>		<b>36,389.0</b>	<b>30,890.7</b>	<b>36,622.7</b>	<b>36,209.7</b>	<b>0.0</b>	<b>36,209.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>36,495.2</b>
<b>SOURCES</b>		<b>36,389.0</b>	<b>30,890.7</b>	<b>36,622.7</b>	<b>36,209.7</b>	<b>0.0</b>	<b>36,209.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>36,495.2</b>
<b>USES</b>											
200	Personal Services and Employee Benefits	6,844.1	7,110.2	8,164.8	8,184.0	0.0	8,184.0	0.0	0.0	0.0	8,469.5
300	Contractual Services	28,179.1	22,437.8	27,069.2	26,306.8	0.0	26,306.8	0.0	0.0	0.0	26,306.8
400	Other	1,365.8	1,342.7	1,388.7	1,718.9	0.0	1,718.9	0.0	0.0	0.0	1,718.9
<b>EXPENDITURES</b>		<b>36,389.0</b>	<b>30,890.7</b>	<b>36,622.7</b>	<b>36,209.7</b>	<b>0.0</b>	<b>36,209.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>36,495.2</b>
500	Other Financing Uses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>OTHER FINANCING USES</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>USES</b>		<b>36,389.0</b>	<b>30,890.7</b>	<b>36,622.7</b>	<b>36,209.7</b>	<b>0.0</b>	<b>36,209.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>36,495.2</b>
<b>FTE POSITIONS</b>											
810	Permanent	84.0	84.0	87.0	87.0	0.0	87.0	0.0	0.0	0.0	87.0
820	Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
830	Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FTEs</b>		<b>84.0</b>	<b>84.0</b>	<b>87.0</b>	<b>87.0</b>	<b>0.0</b>	<b>87.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>87.0</b>
<b>FTE POSITIONS</b>		<b>84.0</b>	<b>84.0</b>	<b>87.0</b>	<b>87.0</b>	<b>0.0</b>	<b>87.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>87.0</b>



## Public Employees Retirement Association

## Budget Review System

BU PCode Department ReportCatg

## S-9 Account Code Expenditure Summary

36600 P640 0000000000 000000 D Simon Miller

(Dollars in Thousands)

	FY2019	FY2019	FY2020	FY2021 Agency Request			FY2021 Recommendation			FY2021
	Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
520100 Exempt Perm	1,353.6	1,451.9	1,943.4	1,937.1	0.0	1,937.1	0.0	0.0	0.0	1,935.9
520200 Term	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520300 Perm/Full	3,604.3	3,668.2	4,002.6	4,002.4	0.0	4,002.4	0.0	0.0	0.0	4,177.6
520400 Perm/Part	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520500 Temporary	0.0	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520600 Pd Sick Leave	3.6	7.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520700 Overtime	0.9	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520800 Annl/Comp Pd	10.2	24.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
520900 Shift Diff	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
521100 Group Ins	575.0	586.8	611.0	620.2	0.0	620.2	0.0	0.0	0.0	657.1
521200 Retirement	815.2	869.9	1,020.7	1,023.5	0.0	1,023.5	0.0	0.0	0.0	1,083.8
521300 F.I.C.A.	355.5	365.3	439.4	440.9	0.0	440.9	0.0	0.0	0.0	451.7
521400 Workers' Comp	0.8	0.7	0.8	0.8	0.0	0.8	0.0	0.0	0.0	0.8
521410 GSD WC Premium	4.2	4.2	5.6	6.8	0.0	6.8	0.0	0.0	0.0	6.8
521500 Unempl Comp	0.0	0.0	3.3	12.1	0.0	12.1	0.0	0.0	0.0	12.1
521600 Empl Lbly	24.8	24.6	19.5	21.5	0.0	21.5	0.0	0.0	0.0	21.5
521700 Retiree Healthcare	96.0	102.4	118.5	118.7	0.0	118.7	0.0	0.0	0.0	122.2
521900 Other Empl Bnft	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>200</b> Personal Services and Employee Benefits	6,844.1	7,110.2	8,164.8	8,184.0	0.0	8,184.0	0.0	0.0	0.0	8,469.5
535100 Med Services	130.0	102.1	200.0	205.0	0.0	205.0	0.0	0.0	0.0	205.0
535200 Prof Services	24,574.3	581.7	705.3	745.4	0.0	745.4	0.0	0.0	0.0	745.4
535300 Other Cntrl	282.8	19,172.3	22,643.9	22,341.8	0.0	22,341.8	0.0	0.0	0.0	22,341.8
535309 Other Svcs InterA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535310 Other Svcs Comp U	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535400 Audit	162.0	127.8	180.5	165.9	0.0	165.9	0.0	0.0	0.0	165.9
535409 Auditing Svcs - I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535500 Attorney Fees	1,469.7	880.3	1,439.7	1,430.0	0.0	1,430.0	0.0	0.0	0.0	1,430.0
535600 IT Services	1,560.3	1,573.6	1,899.8	1,418.7	0.0	1,418.7	0.0	0.0	0.0	1,418.7

## Public Employees Retirement Association

## Budget Review System

BU PCode Department ReportCatg

## S-9 Account Code Expenditure Summary

36600 P640 0000000000 000000 D Simon Miller

(Dollars in Thousands)

	FY2019	FY2019	FY2020	FY2021 Agency Request			FY2021 Recommendation			FY2021
	Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
535800 Capital Prof Contr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
535900 Insurance Contr Pr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
536000 General Admin Insu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>300 Contractual Services</b>	<b>28,179.1</b>	<b>22,437.8</b>	<b>27,069.2</b>	<b>26,306.8</b>	<b>0.0</b>	<b>26,306.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>26,306.8</b>
542100 Instate M & F	4.0	4.9	4.9	4.9	0.0	4.9	0.0	0.0	0.0	4.9
542200 Instate M & L	5.2	8.9	8.2	7.6	0.0	7.6	0.0	0.0	0.0	7.6
542300 Brd/Comm Exp	29.8	15.7	29.8	29.8	0.0	29.8	0.0	0.0	0.0	29.8
542400 Empl Partial Day I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
542500 Trans Fuel/Oil	2.5	2.2	2.5	2.5	0.0	2.5	0.0	0.0	0.0	2.5
542600 Trans Parts	3.0	1.9	3.0	3.0	0.0	3.0	0.0	0.0	0.0	3.0
542700 Trans Insurance	0.3	0.3	0.1	0.5	0.0	0.5	0.0	0.0	0.0	0.5
542800 Trans Pool	4.4	4.6	4.4	5.6	0.0	5.6	0.0	0.0	0.0	5.6
542900 Trans Other	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543000 DGF Habitat/Land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543009 DGF Habitat/Land I	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543100 Grounds/Rdways	11.0	31.4	13.8	15.0	0.0	15.0	0.0	0.0	0.0	15.0
543200 Furn/Fix/Eqpmt	21.8	10.4	22.0	14.0	0.0	14.0	0.0	0.0	0.0	14.0
543300 Bldgs/Struct	60.0	90.6	60.0	60.0	0.0	60.0	0.0	0.0	0.0	60.0
543400 Property Ins	27.5	27.4	4.7	5.2	0.0	5.2	0.0	0.0	0.0	5.2
543500 Maint Supplies	1.0	0.8	1.0	1.0	0.0	1.0	0.0	0.0	0.0	1.0
543600 Lndry/Dry CIng	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543700 Maint Srvc	1.3	0.0	1.5	1.5	0.0	1.5	0.0	0.0	0.0	1.5
543820 IT Maintenance	11.8	21.9	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
543830 IT HW/SW Agreement	0.0	0.0	0.0	353.5	0.0	353.5	0.0	0.0	0.0	353.5
543900 Other Maint	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544000 Suppl-Inv Exmpt IT	55.0	76.9	96.3	78.0	0.0	78.0	0.0	0.0	0.0	78.0
544100 Office Supplies	22.1	12.4	21.2	20.5	0.0	20.5	0.0	0.0	0.0	20.5
544200 Med/Lab/Prsnl Sp	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## Public Employees Retirement Association

## Budget Review System

BU PCode Department ReportCatg

## S-9 Account Code Expenditure Summary

36600 P640 0000000000 000000 D Simon Miller

(Dollars in Thousands)

	FY2019	FY2019	FY2020	FY2021 Agency Request			FY2021 Recommendation			FY2021
	Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
544300 Drugs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544400 Field Supplies	1.0	0.3	1.0	0.5	0.0	0.5	0.0	0.0	0.0	0.5
544500 Food	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544600 Kitchen Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544700 Clothing/Unfrm	0.3	0.2	0.3	0.3	0.0	0.3	0.0	0.0	0.0	0.3
544800 Educ/Rec Spls	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
544900 Invent Exempt	14.0	12.8	14.0	14.0	0.0	14.0	0.0	0.0	0.0	14.0
545600 Rep/Recording	15.5	4.1	15.5	15.5	0.0	15.5	0.0	0.0	0.0	15.5
545700 DOIT ISD Services	18.3	12.8	16.6	13.0	0.0	13.0	0.0	0.0	0.0	13.0
545710 DOIT HCM Assess	32.3	32.3	36.1	36.1	0.0	36.1	0.0	0.0	0.0	36.1
545810 DoIT Radio Comm	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
545900 Prntng/Photo	87.3	82.5	89.8	92.5	0.0	92.5	0.0	0.0	0.0	92.5
546100 Postage/Msgsr	125.8	94.3	105.1	105.1	0.0	105.1	0.0	0.0	0.0	105.1
546310 Utilities - Sewer	5.3	3.2	6.5	4.0	0.0	4.0	0.0	0.0	0.0	4.0
546320 Utilities - Elect	73.0	65.0	75.0	70.0	0.0	70.0	0.0	0.0	0.0	70.0
546330 Utilities - Water	5.0	3.4	4.0	4.5	0.0	4.5	0.0	0.0	0.0	4.5
546340 Utilities - Ngas	28.0	18.7	30.0	28.0	0.0	28.0	0.0	0.0	0.0	28.0
546350 Utilities - Propn	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
546400 Rent/Bldg/Land	75.7	76.4	77.9	82.8	0.0	82.8	0.0	0.0	0.0	82.8
546409 Rent - Interagency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
546500 Rent of Equip	140.6	85.7	111.6	111.6	0.0	111.6	0.0	0.0	0.0	111.6
546600 Telecomm	5.0	3.3	3.0	3.3	0.0	3.3	0.0	0.0	0.0	3.3
546610 DOIT Telecomm	134.1	141.1	142.5	140.5	0.0	140.5	0.0	0.0	0.0	140.5
546700 Subs and Dues	68.4	102.1	106.9	117.6	0.0	117.6	0.0	0.0	0.0	117.6
546800 Empl Trng/Educ	28.9	31.2	31.9	33.9	0.0	33.9	0.0	0.0	0.0	33.9
546810 Board Member Trng	14.5	8.4	14.5	14.5	0.0	14.5	0.0	0.0	0.0	14.5
546900 Advertising	3.0	0.2	1.7	1.3	0.0	1.3	0.0	0.0	0.0	1.3
547000 Legal Settlements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547200 Grants/Indvdl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## Public Employees Retirement Association

## Budget Review System

BU PCode Department ReportCatg

## S-9 Account Code Expenditure Summary

36600 P640 0000000000 000000 D Simon Miller

(Dollars in Thousands)

	FY2019	FY2019	FY2020	FY2021 Agency Request			FY2021 Recommendation			FY2021
	Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
547300 Care/Support	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547400 Grants/Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547410 Grants Pub Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547420 Grants Higher Ed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547430 Grants Native Amer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547440 Grants to Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547450 Grants to Other Ag	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547500 Purch/Resale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547600 Commissions Pd to	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547700 Debt Svc/Pncpl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547800 Debt Svc/Intrst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
547900 Misc Other Exp	6.5	23.7	26.6	30.6	0.0	30.6	0.0	0.0	0.0	30.6
547999 Prior Year Expense	0.0	30.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548100 Land	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548110 Land - Improvement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548200 Furn/Fixtures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548300 IT Equip	105.0	106.3	75.0	75.0	0.0	75.0	0.0	0.0	0.0	75.0
548400 Other Equip	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548600 Animals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548700 Lbry/Museum Acq	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548800 Auto/Aircraft/RecW	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
548900 Bldgs/Struct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
549600 O/S M & F	45.3	37.3	47.4	47.4	0.0	47.4	0.0	0.0	0.0	47.4
549700 O/S M & L	50.7	36.5	52.8	52.8	0.0	52.8	0.0	0.0	0.0	52.8
549800 O/S Board M/F	9.0	8.4	9.0	9.0	0.0	9.0	0.0	0.0	0.0	9.0
549900 O/S Board M/L	12.5	12.0	12.5	12.5	0.0	12.5	0.0	0.0	0.0	12.5
<b>400 Other</b>	<b>1,365.8</b>	<b>1,342.7</b>	<b>1,388.7</b>	<b>1,718.9</b>	<b>0.0</b>	<b>1,718.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,718.9</b>
555100 Oth Fin Uses - Int	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

## Public Employees Retirement Association

## Budget Review System

BU PCode Department ReportCatg

## S-9 Account Code Expenditure Summary

36600 P640 0000000000 000000 D Simon Miller

(Dollars in Thousands)

	FY2019	FY2019	FY2020	FY2021 Agency Request			FY2021 Recommendation			FY2021
	Opbud	Actuals	Opbud	Base	Expansion	Total	Base	Expansion	Total	Opbud
555106 Oth Fin Uses - Int	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
555200 Oth Fin Uses - Com	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>500</b> Other Financing Uses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	36,389.0	30,890.7	36,622.7	36,209.7	0.0	36,209.7	0.0	0.0	0.0	36,495.2

S-13

**Budget Review System**  
**S-13 - Detail of GSD/DoIT Line Items**  
(Dollars in Thousands)

			----- FY2021 -----						
BusUnit	Line Item		FY2019	FY2020	Request		Recommendation		OpBud
			Actuals	Opbud	Base	Expansion	Base	Expansion	
<b>36600 P640 PERA</b>									
	521410	GSD WC Premium	4.2	5.6	6.8	0.0	0.0	0.0	6.8
	521500	Unempl Comp	0.0	3.3	12.1	0.0	0.0	0.0	12.1
	521600	Empl Lblty	24.6	19.5	21.5	0.0	0.0	0.0	21.5
	521900	Other Empl Bnft	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	542700	Trans Insurance	0.3	0.1	0.5	0.0	0.0	0.0	0.5
	542800	Trans Pool	4.6	4.4	5.6	0.0	0.0	0.0	5.6
	543400	Property Ins	27.4	4.7	5.2	0.0	0.0	0.0	5.2
	545700	DOIT ISD Services	12.8	16.6	13.0	0.0	0.0	0.0	13.0
	545710	DOIT HCM Assess	32.3	36.1	36.1	0.0	0.0	0.0	36.1
	545810	DoIT Radio Comm	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	546610	DOIT Telecomm	141.1	142.5	140.5	0.0	0.0	0.0	140.5
<b>Subtotal for: 36600 P640 PERA</b>			<b>247.3</b>	<b>232.8</b>	<b>241.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>241.3</b>
<b>36600 PERA</b>			<b>247.3</b>	<b>232.8</b>	<b>241.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>241.3</b>

**Budget Review System**  
**S-13 - Detail of GSD/DoIT Line Items**  
(Dollars in Thousands)

BusUnit	Line Item	FY2019 Actuals	FY2020 Opbud	----- FY2021 -----				
				Request		Recommendation		OpBud
				Base	Expansion	Base	Expansion	
	<b>Grand Total</b>	<b>247.3</b>	<b>232.8</b>	<b>241.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>241.3</b>

**Totals by Line Item**

<b>521410 - Worker's Compensation - GSD Premium</b>	<b>4.2</b>	<b>5.6</b>	<b>6.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.8</b>
<b>521500 - Unemployment Compensation</b>	<b>0.0</b>	<b>3.3</b>	<b>12.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>12.1</b>
<b>521600 - Employee Liability</b>	<b>24.6</b>	<b>19.5</b>	<b>21.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>21.5</b>
<b>521900 - ERP Assessment</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>542700 - Transportation Insurance</b>	<b>0.3</b>	<b>0.1</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>
<b>542800 - Transportation Pool</b>	<b>4.6</b>	<b>4.4</b>	<b>5.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.6</b>
<b>543400 - Property Insurance</b>	<b>27.4</b>	<b>4.7</b>	<b>5.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5.2</b>
<b>545700 - ISD Services</b>	<b>12.8</b>	<b>16.6</b>	<b>13.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>13.0</b>
<b>545710 - GSD HRMS Fee</b>	<b>32.3</b>	<b>36.1</b>	<b>36.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>36.1</b>
<b>545810 - GSD Radio Communication</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>546200 - Bond Premiums</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>546610 - GSD Telecommunications</b>	<b>141.1</b>	<b>142.5</b>	<b>140.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>140.5</b>



OPBUD-3

Business Unit (Agency)	Class Code
36600	E0000
Date	Budget Reference
7/1/2020	121

State of New Mexico  
Budget Review System  
Operating Budget Input Form  
OPBUD-3

Agency Name Public Employees Retirement Association

Fund/Business Unit/ Department (Fund/Agency/Program)	Account Code	Source of Funds or Expenditure Category	Account Code Detail Amounts	Total Amount by Account Code
<b>REVENUE (Budgeted Sources)</b>				
<b>General Fund</b>				
<b>SHARE Revenue Budget Journal</b>	<b>36621OPR01</b>			
35180 / 36600 / P640	499105	General Fd. Appropriation	54,600	
			Subtotal of General Fund Transfers	54,600
<b>Other Financing Sources - Interagency</b>				
<b>SHARE Revenue Budget Journal</b>	<b>36621OPR01</b>			
35180 / 36600 / P640	499905	Other Financing Sources	2,300	
35180 / 36600 / P640	499905	Other Financing Sources	300	
			Subtotal of Other Transfers	2,600
			<b>TOTAL REVENUE</b>	<b>57,200</b>

**APPROPRIATION (Budgeted Expenditures)**

<b>SHARE Appropriation Budget Journal</b>	<b>36621OPA01</b>			
35180 / 36600 / P640	200	Personal Services / Employee benefits	53,800	
35180 / 36600 / P640	400	Other	3,400	
			<b>TOTAL APPROPRIATION</b>	<b>57,200</b>

**FOR DFA USE ONLY**

Control Number \_\_\_\_\_

SBD Analyst \_\_\_\_\_

SBD Director \_\_\_\_\_

Financial Control \_\_\_\_\_

Signature: \_\_\_\_\_

  
Chief Financial Officer

ALLOTMENT REQUEST FORM- OPERATING BUDGET (OPBUD3)								
Show amounts in whole dollars. For example: If the bill lists the appropriation as \$1.3, it should be shown as \$1,300								
AGENCY NAME: Public Employees Retirement Association			BUSINESS UNIT (Agency): 36600		FISCAL YEAR: 2021		DATE: 07/01/20	
FUNDING SOURCE <input checked="" type="checkbox"/> GENERAL FUND <input type="checkbox"/> OTHER IF OTHER/SOURCE _____						ALLOTMENT DISTRIBUTION TYPE <input checked="" type="checkbox"/> REGULAR <input type="checkbox"/> ACCELERATED		
BILL SHORT TITLE	LAWS, CHAPTER SECTION, SUBSECTION, ITEM	ITEM DESCRIPTION	P-Code	FUND	DEPARTMENT CODE	CLASS CODE	BUD-REF CODE	AMOUNT
General Appropriations Act	Laws of 2020, Chapter 83, Section 4	Social Security Administration	P640	35180	1090000000	E0000	121	\$ 54,600.00
General Appropriations Act	Laws of 2020, Chapter 83, Section 8, Item A	4% Compensation Package	P640	35180	1090000000	E0000	121	\$ 2,300.00
General Appropriations Act	Laws of 2020, Chapter 83, Section 8, Item D	Retirement Package	P640	35180	1090000000	E0000	121	\$ 300.00
TOTAL								\$ 57,200.00

REAUTHORIZATION: YES \_\_\_\_\_ NO \_\_\_\_\_ IF YES, CITE ORIGINAL LAWS, CHAPTER, SECTION, ITEM: \_\_\_\_\_

STATE BUDGET DIVISION / CAPITAL PROJECTS UNIT USE:  
 APPROPRIATION ACCT \_\_\_\_\_ OPERATING RESERVE \_\_\_\_\_ CONTINGENCY FUND \_\_\_\_\_ COMPUTER SYSTEMS ENHANCEMENT \_\_\_\_\_ TOBACCO SETTLEMENT FD \_\_\_\_\_

**IF REQUIRED**

BY LAW: ☐ I CERTIFY THAT NO OTHER FUNDS ARE AVAILABLE FOR THE PURPOSE SPECIFIED IN THE APPROPRIATION.

CFO SIGNATURE

PRINT NAME Anna Williams

APPROVED: STATE BUDGET DIVISION

CONTROL NO \_\_\_\_\_

ANALYST \_\_\_\_\_

DIRECTOR \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_

Version: Feb 2016. Supersedes all other versions

# GENERAL FUND COMPENSATION DISTRIBUTION

Show amounts in whole dollars. For example: If the bill lists the appropriation as \$1.3, it should be shown as \$1,300

AGENCY NAME: Public Employees Retirement Association			BUSINESS UNIT: 36600 BUDGET REFERENCE: 121		DATE: 07/01/20
FUND	PROGRAM CODE	DESCRIPTION	DEPARTMENT CODE FOR DISTRIBUTION	CLASS CODE	GENERAL FUND AMOUNT
35180	P640	Laws of 2020, Chapter 83, Section 8, Item A	1090000000	121	\$ 2,300.00
				TOTAL	2,300

I CERTIFY THAT NO OTHER FUNDS ARE AVAILABLE FOR THE PURPOSE SPECIFIED IN THE APPROPRIATION.

AUTHORIZED SIGNATURE



TITLE Anna Williams, Chief Financial Officer

APPROVED: STATE BUDGET DIVISION

CONTROL NO \_\_\_\_\_

ANALYST \_\_\_\_\_

DIRECTOR \_\_\_\_\_

DATE \_\_\_\_\_

DATE \_\_\_\_\_

Business Unit (Agency)	Class Code
36600	E0000
Date	Budget Reference
7/1/2020	121

State of New Mexico  
Budget Review System  
Operating Budget Input Form  
OPBUD-3

Agency Name Public Employees Retirement Association

Fund/Business Unit/ Department (Fund/Agency/Program)	Account Code	Source of Funds or Expenditure Category	Account Code Detail Amounts	Total Amount by Account Code
<b>REVENUE (Budgeted Sources)</b>				
<b>Interest On Investments</b>				
<b>SHARE Revenue Budget Journal 36621OPR02</b>				
60600 / 36600 / P640	441201	Interest On Investments	27,700	
60600 / 36600 / P640	441201	Interest On Investments	271,400	
60600 / 36600 / P640	441201	Interest On Investments	36,006,100	
60600 / 36600 / P640	442209	Rent of Land/Buildings Interagency	8,100	
			Subtotal of Other Revenues	36,313,300
			<b>TOTAL REVENUE</b>	<b>36,313,300</b>

<b>APPROPRIATION (Budgeted Expenditures)</b>				
<b>SHARE Appropriation Budget Journal 36621OPA02</b>				
60600 / 36600 / P640	200	Personal Services / Employee benefits	8,322,400	
60600 / 36600 / P640	300	Contractual Services	26,296,800	
60600 / 36600 / P640	400	Other	1,697,100	
			<b>TOTAL APPROPRIATION</b>	<b>36,316,300</b>

<b>FOR DFA USE ONLY</b>	
Control Number	
SBD Analyst	
SBD Director	
Financial Control	

Signature:   
Chief Financial Officer

Business Unit (Agency)	Class Code
36600	E0000
Date	Budget Reference
7/1/2020	121

State of New Mexico  
Budget Review System  
Operating Budget Input Form  
OPBUD-3

Agency Name Public Employees Retirement Association

Fund/Business Unit/ Department (Fund/Agency/Program)	Account Code	Source of Funds or Expenditure Category	Account Code Detail Amounts	Total Amount by Account Code
<b>REVENUE (Budgeted Sources)</b>				
<b>Other Services</b>				
<b>SHARE Revenue Budget Journal</b>	<b>36621OPR03</b>			
75500 / 36600 / P640	425902	Other Services	300	
75500 / 36600 / P640	425902	Other Services	2,700	
75500 / 36600 / P640	425902	Other Services	118,700	
		Subtotal of Other Revenues		121,700
		<b>TOTAL REVENUE</b>		<b>121,700</b>

<b>APPROPRIATION (Budgeted Expenditures)</b>				
<b>SHARE Appropriation Budget Journal</b>	<b>36621ORA03</b>			
75500 / 36600 / P640	200	Personal Services / Employee benefits	93,300	
75500 / 36600 / P640	300	Contractual Services	10,000	
75500 / 36600 / P640	400	Other	18,400	
		<b>TOTAL APPROPRIATION</b>		<b>121,700</b>

<b>FOR DFA USE ONLY</b>	
Control Number	
SBD Analyst	
SBD Director	
Financial Control	

Signature:   
Chief Financial Officer

# R Forms

**Budget Review System**  
**R-1 Detail of Transfers from the General Fund**  
**Revenue Account Code 111**  
(Dollars in Thousands)

Public Employees Retirement Association

BU PCode Department ReportCatg

36600 P640 0000000000 000000

Fund Code	Appropriation by Item	FY2019 Actuals	FY2020 Operating	----- FY2021 Agency Request -----			FY2021 Opbud
				Base Budget	Expansion	Total Request	
35180	2% Compensation Package	\$1.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
35180	Social Security Administration	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$54.6
35180	Social Security Administration	\$71.3	\$77.0	\$54.6	\$0.0	\$54.6	\$0.0
35180	4% Compensation Package	\$0.0	\$3.3	\$0.0	\$0.0	\$0.0	\$0.0
35180	4% Compensation Package	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.3
35180	Retirement Package	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.3
<b>TOTALS</b>		<b>\$72.6</b>	<b>\$80.3</b>	<b>\$54.6</b>	<b>\$0.0</b>	<b>\$54.6</b>	<b>\$57.2</b>



**Budget Review System**  
**R-4 Detail of Other Revenues**  
**Revenue Account Code 130**  
(Dollars in Thousands)

Public Employees Retirement Association

BU PCode Department ReportCatg

36600 P640 0000000000 000000

Fund Code	Revenue Account Code	Description of Other Revenue by Source	FY2019 Actuals	FY2020 Opbud	----- FY2021 Agency Request -----			FY2021 Op Bud
					Base Budget	Program Change	Total Request	
75500	425902	Deferred Compensation - Retirement Contribution Increase	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.3
75500	425902		\$0.0	\$2.6	\$0.0	\$0.0	\$0.0	\$2.7
60600	441201	Interest on Investments - Expansion	\$0.0	\$478.2	\$0.0	\$0.0	\$0.0	\$0.0
75500	425902	Deferred Compensation - 2% Compensation Package	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
75500	425902	Deferred Compensation	\$100.2	\$104.3	\$117.9	\$0.0	\$117.9	\$118.7
60600	441201	Interest On Investments	\$0.0	\$13.3	\$0.0	\$0.0	\$0.0	\$27.7
60600	441201	Interest On Investments - 4% Compensation Package	\$0.0	\$258.3	\$0.0	\$0.0	\$0.0	\$271.4
60600	441201	Interest On Investments - 2% Compensation Package	\$121.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
60600	441201	Interest On Investments	\$30,587.5	\$35,677.4	\$36,029.1	\$0.0	\$36,029.1	\$36,009.1
60600	442209	Rent of Land/Buildings Interag	\$7.8	\$8.1	\$8.1	\$0.0	\$8.1	\$8.1
<b>TOTALS</b>			<b>\$30,818.1</b>	<b>\$36,542.4</b>	<b>\$36,155.1</b>	<b>\$0.0</b>	<b>\$36,155.1</b>	<b>\$36,438.0</b>

Tuesday, April 21, 2020

Revision no. \_\_\_\_ Revision date \_\_\_\_\_

Page \_\_\_\_\_

E-1

# Budget Review System

## E-1 Personnel Listing

### Public Employees Retirement Association

BU PCode Department

36600 P640 1010000000

Org Structure	Employee Name	Employee	Position	Grade	Proj Hourly	Projected Annual Salary	RTW	Ins Carrier	Ins Range	Ins Prem
Position No.	Annv Date	Employee No.		Status		Over 128400				
LineCode	FTE	PayPlan		Spec						
36600 P640 1010000000	Propst, Wayne		40	40	86.471	\$180,551		Presbyterian - HMO		
00003456	4/4/2013	102111	A			\$52,151		PRESHC1		
001	1.00	2	007387	007387	Exec Dir Investments/Pensions					4,333
36600 P640 1010000000	Pacheco, Louella		60	60	22.520	\$47,022		Presbyterian - HMO		
00003457	7/25/2012	107401	A			\$0		PRESHA4		
003	1.00	1	H2011A	H2011A	PARALEGAL & LEGAL ASSISTANT-A					16,863
36600 P640 1010000000	Pittard, Susan		46	46	68.472	\$142,970		BC/BS - PPO		
00003459	1/24/2013	100638	A			\$14,570		BCBSPC4		
001	1.00	2	007155	007155	Chief of Staff					14,579
36600 P640 1010000000	Trujillo, Greg		28	28	67.425	\$140,783		Presbyterian - HMO		
00003485	6/18/2013	119573	A			\$12,383		PRESHC4		
001	1.00	2	007380	007380	Executive Deputy Director					12,662
36600 P640 1010000000	Winter, Patricia		24	24	41.710	\$87,090		BC/BS - PPO		
00003503	1/6/2013	117189	A			\$0		BCBSPC2		
001	1.00	2	007022	007022	Administrative Assistant III					11,055
36600 P640 1010000000	Braswell, Misty				52.436	\$109,486		BC/BS - PPO		
00045516	11/6/2012	112514	A			\$0		BCBSPC1		
003	1.00	1	LLLX46	LLLX46						4,983
36600 P640 1010000000	Garduno, Geraldine				46.718	\$97,547		Presbyterian - HMO		
10101990	10/8/2012	338654				\$0		PRESHC4		
003	1.00	1	LLLA40	LLLA40						12,662
36600 P640 1010000000	Archuleta, Laura		60	60	24.878	\$51,945		Presbyterian - HMO		
10110013	3/19/2013	121935				\$0		PRESHB2		
003	1.00	1	H2011A	H2011A	PARALEGAL & LEGAL ASSISTANT-A					11,183
36600 P640 1010000000	Vacant		30	30	40.824	\$85,241		Presbyterian - HMO		
10110728	2/6/2013		A			\$0		PRESHC1		
001	1.00	1	007085	007085	Attorney					4,333
36600 P640 1020000000	Padilla, Natalie		45	45	16.000	\$33,408		None		
00003461	6/2/2013	359483				\$0		NONEAN		
003	1.00	1	R4051A	R4051A	CUSTOMER SERVICE REPRESENTATI					0
36600 P640 1020000000	Grant, Holly		60	60	20.806	\$43,443		None		
00003462	10/8/2012	356083	A			\$0		NONEAN		
003	1.00	1	C20502	C20502	RETIREMENT SPECIALIST, LEVEL 2					0
36600 P640 1020000000	Sedillo, Nathan		60	60	21.886	\$45,698		Presbyterian - HMO		
00003468	11/22/2012	351049	A			\$0		PRESHA1		
003	1.00	1	C20502	C20502	RETIREMENT SPECIALIST, LEVEL 2					5,760
36600 P640 1020000000	Maldonado, Jessica		65	65	28.760	\$60,051		Presbyterian - HMO		
00003475	10/13/2012	109335	A			\$0		PRESHB3		
003	1.00	1	C2011A	C2011A	ACCOUNTANT & AUDITOR-A					9,191

# Budget Review System

## E-1 Personnel Listing

### Public Employees Retirement Association

BU PCode Department

36600 P640 1020000000

Org Structure	Employee Name	Employee Position	Grade	Proj Hourly	Projected Annual Salary	RTW	Ins Carrier	Ins Range	Ins Prem
Position No.	Annv Date	Employee No.	Status		Over 128400				
LineCode	FTE	PayPlan	Spec						
36600 P640 1020000000	Atler, Angelique	60	60	20.741	\$43,307		Presbyterian - HMO		
00003482	10/25/2012	346359			\$0		PRESHA2		
003	1.00	1	C20502	C20502 RETIREMENT SPECIALIST, LEVEL 2					12,746
36600 P640 1020000000	Romero, Rosa	55	55	20.141	\$42,054		Presbyterian - HMO		
00003484	1/4/2013	318157	A		\$0		PRESHA2		
003	1.00	1	C20501	C20501 RETIREMENT SPECIALIST, LEVEL 1					12,746
36600 P640 1020000000	Martinez, Theresa	60	60	26.544	\$55,424		None		
00003486	5/5/2013	125584	A		\$0		NoneBN		
003	1.00	1	C20502	C20502 RETIREMENT SPECIALIST, LEVEL 2					0
36600 P640 1020000000	Trujillo, Jose	65	65	25.022	\$52,246		BC/BS - HMO		
00003487	9/1/2012	346101	A		\$0		BCBSHB1		
003	1.00	1	B2031A	B2031A PUBLIC RELATIONS COORDINATOR-A					5,046
36600 P640 1020000000	Perea, Christina	75	75	35.202	\$73,502		None		
00003492	1/1/2013	334436	A		\$0		NONECN		
003	1.00	1	X30000	X30000 STAFF					0
36600 P640 1020000000	Holmes, Greg	70	70	29.177	\$60,922		Presbyterian - HMO		
00003493	6/20/2013	345638	A		\$0		PRESHB1		
003	1.00	1	x20000	x20000 LINE II					5,046
36600 P640 1020000000	Montoya, Consuelo	70	70	30.918	\$64,557		Presbyterian - HMO		
00003494	2/14/2013	344420	A		\$0		PRESHC3		
003	1.00	1	X20000	X20000 LINE II					7,886
36600 P640 1020000000	Chavez-Lance, Jessica	60	60	23.998	\$50,108		Presbyterian - HMO		
00003496	5/24/2013	338258	A		\$0		PRESHB4		
003	1.00	1	C20502	C20502 RETIREMENT SPECIALIST, LEVEL 2					14,763
36600 P640 1020000000	Romero, Marshall	60	60	21.850	\$45,623		Presbyterian - HMO		
00003497	11/12/2012	357996	A		\$0		PRESHA1		
003	1.00	1	C20502	C20502 RETIREMENT SPECIALIST, LEVEL 2					5,760
36600 P640 1020000000	Romero, Angela	70	70	31.085	\$64,905		Presbyterian - HMO		
00003498	10/16/2012	108516			\$0		PRESHC4		
003	1.00	1	X20000	X20000 LINE II					12,662
36600 P640 1020000000	Mirabal, Sandra	75	75	29.908	\$62,448		Presbyterian - HMO		
00003501	11/9/2012	340130	A		\$0		PRESHC4		
003	1.00	1	X30000	X30000 STAFF					12,662
36600 P640 1020000000	Ruiz, Fatima	55	55	18.500	\$38,628		Presbyterian - HMO		
00003507	12/31/2012	357254	A		\$0		PRESHA4		
003	1.00	1	C20501	C20501 RETIREMENT SPECIALIST, LEVEL 1					16,863
36600 P640 1020000000	Barela, Camylle	60	60	21.145	\$44,151		Presbyterian - HMO		
00033072	2/28/2013	354771	A		\$0		PRESHA4		
003	1.00	1	C20502	C20502 RETIREMENT SPECIALIST, LEVEL 2					16,863

# Budget Review System

## E-1 Personnel Listing

### Public Employees Retirement Association

BU PCode Department

36600 P640 1020000000

Org Structure	Employee Name	Employee No.	Employee Position	Grade	Status	Spec	Proj Hourly	Projected Annual Salary Over 128400	RTW	Ins Carrier	Ins Range	Ins Prem
Position No.	Annv Date	FTE	PayPlan									
LineCode												
36600 P640 1020000000	Nakai, Sandi			60	60		26.008	\$54,305		Presbyterian - HMO		
00034506	6/4/2013	349195		A				\$0		PRESHB1		
003		1.00	1	C1199A		C1199A BUSINESS OPERATIONS SPECIALIST,						5,046
36600 P640 1020000000	Lucero, Andrea			60	60		22.837	\$47,684		Presbyterian - HMO		
00049786	2/26/2013	349372		A				\$0		PRESHA3		
003		1.00	1	C1199A		C1199A BUSINESS OPERATIONS SPECIALIST,						10,497
36600 P640 1020000000	Trujillo, Annette			55	55		19.440	\$40,591		BC/BS - HMO		
00054809	9/8/2012	358617		A				\$0		BCBSHA3		
003		1.00	1	C20501		C20501 RETIREMENT SPECIALIST, LEVEL 1						10,497
36600 P640 1020000000	Carrillo, Christine			65	65		25.823	\$53,918		Presbyterian - HMO		
00060423	9/11/2012	102741		A				\$0		PRESHB3		
003		1.00	1	C2011A		C2011A ACCOUNTANT & AUDITOR-A						9,191
36600 P640 1020000000	Gauthier, Christina			65	65		28.342	\$59,178		BC/BS - HMO		
00063976	2/26/2013	122162		A				\$0		BCBSHB4		
003		1.00	1	B2031A		B2031A PUBLIC RELATIONS COORDINATOR-A						14,763
36600 P640 1020000000	Chavez, Ericka			60	60		22.281	\$46,523		Presbyterian - HMO		
00070810	2/19/2013	304952		A				\$0		PRESHA1		
003		1.00	1	C20502		C20502 RETIREMENT SPECIALIST, LEVEL 2						5,760
36600 P640 1020000000	Scott, Roberta			60	60		22.389	\$46,748		Presbyterian - HMO		
00073713	11/5/2012	344900		A				\$0		PRESHA4		
003		1.00	1	C20502		C20502 RETIREMENT SPECIALIST, LEVEL 2						16,863
36600 P640 1020000000	Trujillo, Dennis			60	60		21.886	\$45,698		Presbyterian - HMO		
00073714	8/15/2012	349751		A				\$0		PRESHA1		
003		1.00	1	C20502		C20502 RETIREMENT SPECIALIST, LEVEL 2						5,760
36600 P640 1020000000	Morales-Ortiz, Karen			55	55		18.910	\$39,484		Presbyterian - HMO		
00080237	5/6/2013	309742		A				\$0		PRESHA4		
003		1.00	1	C20501		C20501 RETIREMENT SPECIALIST, LEVEL 1						16,863
36600 P640 1020000000	Coriz, Arlene			60	60		25.385	\$53,004		Presbyterian - HMO		
00080238	10/3/2012	126513		A				\$0		PRESHB1		
003		1.00	1	C20502		C20502 RETIREMENT SPECIALIST, LEVEL 2						5,046
36600 P640 1020000000	Marquez, Melinda			85	85		43.842	\$91,542		Presbyterian - HMO		
10101752	12/30/2012	303872		A				\$0		PRESHC1		
003		1.00	1	X50000		X50000 ADMIN/OPS II						4,333
36600 P640 1020000000	Cordova, Brenda			60	60		25.282	\$52,789		Presbyterian - HMO		
10101753	8/18/2012	115026						\$0		PRESHB1		
003		1.00	1	C1199A		C1199A BUSINESS OPERATIONS SPECIALIST,						5,046
36600 P640 1020000000	Godfrey, Jesse			70	70		31.227	\$65,202		Presbyterian - HMO		
10108423	3/13/2013	317548						\$0		PRESHC1		
003		1.00	1	X20000		X20000 LINE II						4,333

## Budget Review System

### E-1 Personnel Listing

#### Public Employees Retirement Association

BU PCode Department

36600 P640 1020000000

Org Structure	Employee Name	Employee	Position	Grade	Proj Hourly	Projected Annual Salary	RTW	Ins Carrier	Ins Range	Ins Prem
Position No.	Annv Date	Employee No.		Status		Over 128400				
LineCode	FTE	PayPlan		Spec						
36600 P640 1020000000	Maes, Sandra		55	55	20.220	\$42,219		Presbyterian - HMO		
10108909	6/17/2013	206968				\$0		PRESHA1		
003	1.00	1	C20501	C20501 RETIREMENT SPECIALIST, LEVEL 1						5,760
36600 P640 1020000000	Chavez, Victoria		60	60	26.443	\$55,213		Presbyterian - HMO		
10108910	6/1/2013	107329				\$0		PRESHB1		
003	1.00	1	C20502	C20502 RETIREMENT SPECIALIST, LEVEL 2						5,046
36600 P640 1020000000	Trujeque, Melissa		60	60	23.522	\$49,114		Presbyterian - HMO		
10108911	3/29/2013	341403				\$0		PRESHA1		
003	1.00	1	C20502	C20502 RETIREMENT SPECIALIST, LEVEL 2						5,760
36600 P640 1040000000	Vacant		30	30	44.739	\$93,415		Presbyterian - HMO		
00003463	6/2/2013		A			\$0		PRESHC1		
001	1.00	2	007320	007320 Director of Finance & Admin.						4,333
36600 P640 1040000000	Williams, Anna		90	90	53.581	\$111,877		Presbyterian - HMO		
00003470	7/26/2012	316012	A			\$0		PRESHC4		
003	1.00	1	X63032	X63032 CHIEF FINANCIAL OFFICER III						12,662
36600 P640 1040000000	Olivas, Samantha		65	65	29.335	\$61,251		None		
00003471	4/4/2013	109139	A			\$0		NONEBN		
003	1.00	1	C1079A	C1079A HR, TRAINING & LABOR REL SPEC-A						0
36600 P640 1040000000	Riggs, Marlena		80	80	39.464	\$82,401		Presbyterian - HMO		
00003472	6/18/2013	108410	A			\$0		PRESHC4		
003	1.00	1	X40000	X40000 ADMIN/OPS I						12,662
36600 P640 1040000000	Prada, Dawn		60	60	22.357	\$46,681		Presbyterian - HMO		
00003473	6/12/2013	307039	A			\$0		PRESHA4		
003	1.00	1	C2011O	C2011O ACCOUNTANT & AUDITOR-O						16,863
36600 P640 1040000000	Martinez, Zarina		75	75	32.853	\$68,597		Presbyterian - HMO		
00003474	6/3/2013	304853	A			\$0		PRESHC2		
003	1.00	1	B3031A	B3031A FINANCIAL COORDINATOR-A						9,593
36600 P640 1040000000	Martinez, Heather		65	65	29.141	\$60,846		None		
00003476	1/1/2013	312390	A			\$0		NONECN		
003	1.00	1	C1023A	C1023A PURCHSING AGENT, XCPT WHLSALE/						0
36600 P640 1040000000	Rodriquez, Rosemary		65	65	25.327	\$52,883		None		
00003495	9/27/2012	343245	A			\$0		NONEBN		
003	1.00	1	C2011A	C2011A ACCOUNTANT & AUDITOR-A						0
36600 P640 1040000000	Lopez, Aji		80	80	41.328	\$86,293		None		
00003499	9/4/2012	325735	A			\$0		NONECN		
003	1.00	1	X40000	X40000 ADMIN/OPS I						0
36600 P640 1040000000	Rivera, Shauna		65	65	25.212	\$52,643		None		
00003502	8/21/2012	344585	A			\$0		NONEBN		
003	1.00	1	C2011A	C2011A ACCOUNTANT & AUDITOR-A						0

# Budget Review System

## E-1 Personnel Listing

### Public Employees Retirement Association

BU PCode Department

36600 P640 1040000000

Org Structure	Employee Name	Employee Position	Grade	Proj Hourly	Projected Annual Salary	RTW	Ins Carrier	Ins Range	Ins Prem
Position No.	Annv Date	Employee No.	Status		Over 128400				
LineCode	FTE	PayPlan	Spec						
36600 P640 1040000000	Martinez, Eric	60	60	23.312	\$48,675		Presbyterian - HMO		
00003508	11/10/2012	115024	A		\$0		PRESHA4		
003	1.00	1	V8099A	V8099A PLANT & SYSTEM OPERATOR, ALL OT					16,863
36600 P640 1040000000	Hayas, Valerie	65	65	27.018	\$56,414		Presbyterian - HMO		
00034505	2/12/2013	343636	A		\$0		PRESHB4		
003	1.00	1	C2011A	C2011A ACCOUNTANT & AUDITOR-A					14,763
36600 P640 1040000000	Trujillo, Jessica	70	70	31.008	\$64,745		None		
00037803	6/23/2013	333578	A		\$0		NONECN		
003	1.00	1	X20000	X20000 LINE II					0
36600 P640 1040000000	Tapia, Nicole	65	65	24.161	\$50,448		BC/BS - HMO		
10108422	9/10/2012	126734	A		\$0		BCBSHB1		
003	1.00	1	C2011A	C2011A ACCOUNTANT & AUDITOR-A					5,046
36600 P640 1050000000	Sanchez, Joel	IF	IF	48.427	\$101,116		Presbyterian - HMO		
00003478	7/16/2012	339272	A		\$0		PRESHC4		
003	1.00	1	ISSA26	ISSA26 IT SYSTEMS ADMINISTRATOR III					12,662
36600 P640 1050000000	Baca, Gabriel	IF	IF	39.418	\$82,305		Presbyterian - HMO		
00003479	7/21/2012	120388	A		\$0		PRESHC1		
003	1.00	1	IXGS26	IXGS26 IT TECHNOLOGY OFFICER					4,333
36600 P640 1050000000	Vigil, Deborah	IC	IC	28.136	\$58,748		Presbyterian - HMO		
00003483	8/1/2012	123032	A		\$0		PRESHB3		
003	1.00	1	IEUP17	IEUP17 IT END USER SUPPORT III					9,191
36600 P640 1050000000	Ortiz, Amanda	60	60	25.532	\$53,311		Presbyterian - HMO		
00003488	8/16/2012	111529			\$0		PRESHB1		
003	1.00	1	C1199A	C1199A BUSINESS OPERATIONS SPECIALIST,					5,046
36600 P640 1050000000	Sedillo, Mariah	45	45	16.494	\$34,439		None		
00003489	1/1/2013	354406	A		\$0		NONEAN		
003	1.00	1	R4199A	R4199A INFORMATION & RECORD CLERK, ALL					0
36600 P640 1050000000	Bradley, Alison	55	55	19.969	\$41,695		BC/BS - HMO		
00003490	6/2/2013	354333	A		\$0		BCBSHA1		
003	1.00	1	C1199O	C1199O BUSINESS OPERATIONS SPECIALIST,					5,760
36600 P640 1050000000	Montoya, Miranda	IE	IE	40.615	\$84,804		Presbyterian - HMO		
00003491	1/1/2013	120955	A		\$0		PRESHC1		
003	1.00	1	INEA23	INEA23 IT NETWORK ADMINISTRATOR II					4,333
36600 P640 1050000000	Baros, Renee	ID	ID	33.263	\$69,453		BC/BS - HMO		
00003500	6/17/2013	116951	A		\$0		BCBSHC4		
003	1.00	1	IQAA20	IQAA20 IT QUALITY ASSURANCE ANALYST I					12,662
36600 P640 1050000000	Gallegos, Ron	IG	IG	55.303	\$115,473		None		
00003510	1/1/2013	119271	A		\$0		NONECN		
003	1.00	1	IXGX30	IXGX30 IT CIO I OR TECH MANAGER I					0

# Budget Review System

## E-1 Personnel Listing

### Public Employees Retirement Association

BU PCode Department

36600 P640 1050000000

Org Structure		Employee Name		Employee	Position	Proj Hourly	Projected Annual Salary Over 128400	RTW	Ins Carrier	Ins Range	Ins Prem
Position No.	Annv Date	Employee No.	Employee No.	Grade	Status						
LineCode	FTE	PayPlan		Spec							
36600 P640 1050000000			Miller, Leslie	ID	ID	32.753	\$68,388		Presbyterian - HMO		
00003526	11/16/2012	121980					\$0		PRESHC1		
003	1.00	1		IQAA20	IQAA20 IT QUALITY ASSURANCE ANALYST I						4,333
36600 P640 1050000000			Vacant	50	50	16.450	\$34,348		Presbyterian - HMO		
00031653	1/1/2013						\$0		PRESHA1		
003	1.00	1		C1199B	C1199B BUSINESS OPERATIONS SPECIALIST,						5,760
36600 P640 1050000000			Martinez, Louise Sheila	45	45	16.725	\$34,922		Presbyterian - HMO		
00031654	8/29/2012	118437		A			\$0		PRESHA1		
003	1.00	1		R4199A	R4199A INFORMATION & RECORD CLERK, ALL						5,760
36600 P640 1050000000			Cordova, Ivy	IB	IB	25.000	\$52,200		Presbyterian - HMO		
00066302	1/1/2013	334135		A			\$0		PRESHB4		
003	1.00	1		IEUP15	IEUP15 IT END USER SUPPORT II						14,763
36600 P640 1050000000			Viratapu, Devi	ID	ID	31.096	\$64,928		Presbyterian - HMO		
00066860	7/15/2012	331148		A			\$0		PRESHC4		
003	1.00	1		IQAA20	IQAA20 IT QUALITY ASSURANCE ANALYST I						12,662
36600 P640 1050000000			Perea, Jessica	IF	IF	43.217	\$90,237		Presbyterian - HMO		
10109501	2/2/2013	122169					\$0		PRESHC3		
003	1.00	1		IQAA26	IQAA26 IT QUALITY ASSURANCE ANALYST III						7,886
36600 P640 1050000000			Kodali, Anupama	IE	IE	43.554	\$90,941		Presbyterian - HMO		
10109504	1/1/2013	318026					\$0		PRESHC4		
003	1.00	1		ITDA23	ITDA23 IT DATABASE ADMINISTRATOR II						12,662
36600 P640 1050000000			Vacant	IF	IF	38.730	\$80,868		Presbyterian - HMO		
10109517	11/8/2012						\$0		PRESHC1		
003	1.00	1		ICSC26	ICSC26 IT SEC & COMPLIANCE ADMIN III						4,333
36600 P640 1060000000			Lujan, Joaquin	46	46	66.300	\$138,434		None		
00003460	6/12/2013	128384					\$10,034		NONECN		
001	1.00	2		007673	007673 REAL RETURN GROUP DIRECTOR						0
36600 P640 1060000000			Garcia, Dominic	50	50	124.644	\$260,257		Presbyterian - HMO		
00003464	6/23/2013	123054		A			\$131,857		PRESHC4		
001	1.00	2		007145	007145 Chief Investment Officer						12,662
36600 P640 1060000000			Vacant	70	70	24.720	\$51,615		Presbyterian - HMO		
00003466	3/11/2013			A			\$0		PRESHB1		
003	1.00	1		C2051A	C2051A FINANCIAL ANALYST-A						5,046
36600 P640 1060000000			Montoya, Mark	65	65	26.929	\$56,228		Presbyterian - HMO		
00037802	11/10/2012	335576					\$0		PRESHB4		
003	1.00	1		C2051O	C2051O FINANCIAL ANALYST-O						14,763
36600 P640 1060000000			Olaoye, Isaac	95	95	43.316	\$90,444		BC/BS - HMO		
00068389	11/14/2012	350414		A			\$0		BCBSHC3		
003	1.00	1		Q3031A	Q3031A SECURITIES, COMMODITIES, & FIN SR						7,886



## Budget Review System

### E-1 Personnel Listing

**Public Employees Retirement Association**

**BU PCode Department**

36600 P640 1060000000

Org Structure	Employee Name	Employee	Position	Grade	Proj Hourly	Projected Annual Salary	RTW	Ins Carrier
Position No.	Annv Date	Employee No.	Status	Spec		Over 128400	Ins Range	
LineCode	FTE	PayPlan						Ins Prem
36600 P640 1060000000	Kayser, Aaron	65	65	25.450	\$53,140		BC/BS - HMO	
10104361	2/11/2013	358453	A		\$0		BCBSHB1	
003	1.00	1	B3031O	B3031O FINANCIAL COORDINATOR-O				5,046
36600 P640 1060000000	Varela, Kristin	50	50	74.256	\$155,047		Presbyterian - HMO	
10110523	9/27/2012	343246			\$26,647		PRESHC3	
001	1.00	2	007145	007145 Chief Investment Officer				7,886
36600 P640 1060000000	Ruffy-Larranaga, Leanne	46	46	68.952	\$143,972		Presbyterian - HMO	
10110613	3/26/2013	117296			\$15,572		PRESHC1	
001	1.00		007673	007673 REAL RETURN GROUP DIRECTOR				4,333
36600 P640 1060000000	Mihail, Frank	46	46	57.200	\$119,434		Presbyterian - HMO	
10110638	3/11/2013	354762			\$0		PRESHC1	
001	1.00	2	007673	007673 REAL RETURN GROUP DIRECTOR				4,333
36600 P640 1060000000	Beckel, Isaac	42	42	55.000	\$114,840		BC/BS - HMO	
10110709	1/1/2013	358256			\$0		BCBSHC4	
001	1.00	1	007749	007749 STABLE VALUE GROUP DIRECTOR				12,662
36600 P640 1060000000	Vacant	42	42	57.100	\$119,225		Presbyterian - HMO	
10111318	1/1/2013				\$0		PRESHC1	
001	1.00	2	007749	007749 STABLE VALUE GROUP DIRECTOR				4,333
36600 P640 1060000000	Rassenti, Luca	42	42	55.000	\$114,840		Presbyterian - HMO	
10111319	1/1/2013	358788			\$0		PRESHC4	
001	1.00	2	007749	007749 STABLE VALUE GROUP DIRECTOR				12,662
36600 P640 1060000000	Vacant	42	42	57.100	\$119,225		Presbyterian - HMO	
10111320	1/1/2013				\$0		PRESHC1	
001	1.00	2	007749	007749 STABLE VALUE GROUP DIRECTOR				4,333
36600 P640 3010000000	Lujan, Karyn	75	75	33.456	\$69,856		Presbyterian - HMO	
00003458	2/16/2013	122401	A		\$0		PRESHC1	
003	1.00	1	B3031A	B3031A FINANCIAL COORDINATOR-A				4,333

<b>Totals: 001</b>	<b>\$2,015,323</b>	<b>Total FTE:</b>	<b>Perm:</b>	<b>87.00</b>	<b>Total Projected Salary</b>	<b>\$6,368,223</b>
<b>002</b>	<b>\$0</b>		<b>Term:</b>	<b>0.00</b>	<b>Total Over 128400</b>	<b>\$263,214</b>
<b>003</b>	<b>\$4,352,900</b>		<b>Temp:</b>	<b>0.00</b>	<b>Total Insur. Premium</b>	<b>\$676,420</b>
<b>004</b>	<b>\$0</b>					
<b>005</b>	<b>\$0</b>					

**BUDGET REVIEW SYSTEM  
E-1B VACANCY RATE WORKSHEET**

**Public Employees Retirement Association**

**Budget Code:** 36600 P640 0000000000 000000

[Updates complete. Click below to return to BRS.](#)

<b>(Budgeted Positions Only)</b>			
<b>Estimated Personnel Costs</b>	<b>FY20 OpBud</b>	<b>Calculations from E Forms</b>	
Personal Services, Form E-1:		<b>----- FY21 -----</b>	
520100- 520500 Exempt Perm, Term, Perm/FT, Perm/PT, Temporary	6,131.0	6,368.2	6,368.2
Employee Benefits, Forms E-3 and E-3a:			
521100 Group Health Insurance	633.1	676.4	676.4
521200 Retirement	1,056.4	1,129.7	1,129.7
521300 FICA	455.4	470.8	470.8
521700 Retiree Health Care	122.6	127.4	127.4
<b>Total Estimated Personnel Costs</b>	<b>8,398.5</b>	<b>8,772.6</b>	<b>8,772.6</b>
	<b>FY20 OpBud</b>	<b>FY21 OpBud</b>	<b>FY21 Recomm</b>
<b>Personal Services from S-8/S-9 (accounts 520100 to 521900)</b>	<b>8,164.8</b>	<b>8,469.5</b>	
Less Amounts in non-salary items (accounts 520600-520900)	0.0	0.0	
Less fixed costs			
521400 Workers' Compensation	0.8	0.8	
521401 GSD Workers' Compensation Premium	5.6	6.8	
521500 Unemployment Compensation	3.3	12.1	
521600 Liability Insurance	19.5	21.5	
521900 Other Employee Benefits	0.0	0.0	
<b>Subtotal of accounts 520600 to 521900</b>	<b>29.2</b>	<b>41.2</b>	<b>0.0</b>
<b>Adjusted Amount (Personal Services less non-salary accounts and fixed costs)</b>	<b>8,135.6</b>	<b>8,428.3</b>	<b>0.0</b>
<b>Request/Recomm (Over)/Under Operating Budget</b>	<b>262.9</b>	<b>344.3</b>	<b>8,772.6</b>
<b>Budgeted Vacancy Rate</b>	<b>3.1%</b>	<b>3.9%</b>	<b>0.0%</b>

**OTHER FISCAL YEARS  
(Budgeted Positions Only)**

	<b>Budgeted Positions (From S-8 FTE)</b>	<b>Vacant Positions (See Data Entry)</b>	<b>Vacancy Rate</b>
FY20 Actual Average Vacancy Rate, Current Month (April, 2020)	87.00	6.00	6.9%
FY20 Actual Average Vacancy Rate, Year-to Date Basis (Average for FY20)	87.00	8.80	10.1%
FY19 Actual Average Vacancy Rate, Annual Basis (Average for FY19)	84.00	6.17	7.3%

E-3

**Budget Review System  
E-3 Summary by Line Codes**

Public Employees Retirement Association

BU PCode Department ReportCatg

36600 P640 0000000000000000

**Line Code**

<b>012 Retirement</b>	<b>PERA</b>	<b>87</b>	<b>ERA</b>	<b>0</b>	<b>Judicial Retirement</b>	<b>0</b>
	Salaries	\$6,368,223	Salaries	\$0	Salaries	\$0
	Rate	0.1774	Rate	0.0000	Rate	0.0000
	Total	\$1,129,723	Total	\$0	Total	\$0
	Correctional Officers	0	State Police Officers	0	Magistrate Retirement	0
	Salaries	\$0	Salaries	\$0	Salaries	\$0
	Rate	0.0000	Rate	0.0000	Rate	0.0000
	Total	\$0	Total	\$0	Total	\$0
	Juv. Corr. Officers	0				
	Salaries	\$0				
	Rate	0.0000				
	Total	\$0				
						<b>Total Retirement</b>
						<b>\$1,129,723</b>
						<b>\$263,214</b>
<b>013 FICA</b>	Total Salaries	\$6,368,223		Med Tax for Amt		<b>\$0</b>
	Amount over FICA limit	\$263,214		over FICA Limit		
	FICA salaries	\$6,105,009		or Corr. Off. or		
	FICA rate	0.0765		Juv. Corr. Off.		
	Total FICA	\$467,033				
						<b>Total FICA</b>
						<b>\$470,850</b>
<b>017 Retiree Health Care</b>	Total Annual Salaries	\$6,368,223				
	Employer Share	0.02000				
	Retiree Health Care	\$127,364				
						<b>Total Retiree Health Care</b>
						<b>\$127,364</b>

**Budget Review System  
Form E-3A**

Public Employees Retirement Association

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**011 Health Insurance**

**Presbyterian - HMO**

Salary Range	Single Coverage			Employee + Spouse			Employee + Child(ren)			Family Coverage		
	# of Empl	Premium (State)		# of Empl	Premium (State)		# of Empl	Premium (State)		# of Empl	Premium (State)	
< \$50K	8.00	5,760 =	46,080	2.00	12,746 =	25,492	1.00	10,497 =	10,497	7.00	16,863 =	118,041
\$50-60	7.00	5,046 =	35,322	1.00	11,183 =	11,183	3.00	9,191 =	27,573	4.00	14,763 =	59,052
>= \$60K	14.00	4,333 =	60,662	1.00	9,593 =	9,593	3.00	7,886 =	23,658	11.00	12,662 =	139,282

**Total Presbyterian - HMO** \$566,435

**Blue Cross/Blue Shield - HMO**

Salary Range	Single Coverage			Employee + Spouse			Employee + Child(ren)			Family Coverage		
	# of Empl	Premium (State)		# of Empl	Premium (State)		# of Empl	Premium (State)		# of Empl	Premium (State)	
< \$50K	1.00	5,760 =	5,760	0.00	0 =	0	1.00	10,497 =	10,497	0.00	0 =	0
\$50-60	3.00	5,046 =	15,138	0.00	0 =	0	0.00	0 =	0	1.00	14,763 =	14,763
>= \$60K	0.00	0 =	0	0.00	0 =	0	1.00	7,886 =	7,886	2.00	12,662 =	25,324

**Total BCBS - HMO** \$79,368

**Budget Review System  
Form E-3A**

Public Employees Retirement Association

BU PCode Department ReportCatg

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**Blue Cross/Blue Shield - PPO**

Salary Range	Single Coverage			Employee + Spouse			Employee + Child(ren)			Family Coverage		
	# of Empl	Premium (State)		# of Empl	Premium (State)		# of Empl	Premium (State)		# of Empl	Premium (State)	
< \$50K	0.00	0 =	0	0.00	0 =	0	0.00	0 =	0	0.00	0 =	0
\$50-60	0.00	0 =	0	0.00	0 =	0	0.00	0 =	0	0.00	0 =	0
>= \$60K	1.00	4,983 =	4,983	1.00	11,055 =	11,055	0.00	0 =	0	1.00	14,579 =	14,579

<b>Total BCBS - PPO</b>	<b>\$30,617</b>
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<b>Grand Total Group Health Insurance</b>	<b>\$676,420</b>
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# THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO



INVESTED IN TOMORROW.

## INVESTMENT POLICY

Revised

~~July 26, 2018~~ April 30, 2020

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

## **INVESTMENT POLICY**

### **I. INTRODUCTION**

#### **A. Statutory Authority**

The Public Employees' Retirement Association of New Mexico (PERA) was created by law in 1947 and is authorized to administer the Public Employees Retirement Act of New Mexico, NMSA 1978, Sections 10-11-1 to 10-11-142, as amended (the PERA Act), the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-8, as amended, the Judicial Retirement Act, NMSA 1978, Sections 10-12B-1 to 10-12B-19, as amended, the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 to 10-12C-18, as amended, and the Public Employees Reciprocity Act, NMSA 1978, Sections 10-13A-1 to 10-13A-4, as well as other federal and State laws relating to the administration of public employees' retirement systems in the State of New Mexico. As of April 2016, PERA administers thirty-one retirement plans under a defined benefit structure for state employees, municipal employees, county employees, police, firefighters, judges, magistrates, and legislators. PERA is governed by the Retirement Board (the Board).

#### **B. Authority and Duties of the Board**

Article XX, Section 22 of the New Mexico Constitution obligates the Board to administer and invest the PERA trust funds (the Fund) for the sole and exclusive benefit of the members, retirees and other beneficiaries of PERA. The PERA Act, NMSA 1978 §§ 10-11-132 and 10-11-133 generally describe the authority of the Board to invest the Fund. Both those sections incorporate and adopt the Uniform Prudent Investor Act (UPIA), NMSA 1978, §§ 45-7-601 to 45-7-612, which require the Board to exercise the reasonable care, skill, and caution of a prudent investor when it invests and manages assets in its capacity as trustee of the Fund. Among other things, the UPIA requires that Fund investments be diversified to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so. The Board also recognizes that care must be exercised to maintain PERA's status as a government plan that is exempt from the requirements of the federal Employees Retirement Income Security Act of 1974 and as a qualified plan that is exempt from taxation under the Internal Revenue Code.

#### **C. Mission Statement**

In recognition of its fiduciary responsibility, the Board adopts the following as the mission statement for PERA:

The mission of the Board of the Public Employees Retirement Association is to preserve, protect, and administer the trust to meet its current and future obligations and provide quality services to Association members.

#### **D. PERA Roles and Responsibilities/Delegations of Authority**

To accomplish its mission, the Board relies on PERA employees and third-party investment consultants (Investment Consultants) to properly administer the Fund and implement the investment strategies it adopts. Because of the number of parties involved, their roles in investing and managing the Fund must be clearly explained. Doing so increases operational efficiency, ensures clear lines of responsibility, and reduces or eliminates duplication of effort.

## Ethics and Conflicts of Interest

The Board, and PERA employees are obligated to act in the exclusive interest of PERA members, retirees, and beneficiaries. Investment Consultants serve in a fiduciary capacity to PERA. Board members and PERA employees shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make decisions in accordance with PERA's mission statement.

## Board of Trustees

The primary fiduciary responsibility of the Board is to ensure prudent investment and management of the Fund. It is the responsibility of the Board to ensure that PERA employees administer investments of the Fund at reasonable cost, while preserving the quality of investments. All principal investment policy decisions are subject to approval by the Board. The Board shall oversee the management of the Fund in compliance with this Investment Policy and all applicable federal and State laws and regulations concerning the administration of a government pension plan. The Board, with the assistance of PERA investment staff (Staff) and consultants, determines the strategic direction of investment of the Fund including the strategic asset allocation target, adoption of a risk budget, and the active management strategy target, all of which shall be reviewed at least semiannually.

## Investment Committee

To assist the Board in carrying out its duties, it established an Investment Committee (the Committee). The Committee makes recommendations to the Board on strategic asset allocation target, the risk budget, and the active management strategy target. The Committee establishes benchmarks, including a reference portfolio, for evaluating the performance of the total investment portfolio. The Committee shall also adopt an annual work plan and, at least quarterly, review all principal investment policy actions and performance of the portfolio. The Committee may invite Staff and Investment Consultants to inform and make recommendations to the Committee on any topic or issue pertinent to PERA's investment operations. The Committee Chair shall have the duty and the authority to set Committee meeting agendas and request specific analyses and reports from Staff and Investment Consultants.

## Executive Director

The Board appoints the Executive Director (the Director). The Director is responsible for planning, organizing, and administering the operations of PERA under policy guidance and direction from the Board. In fulfilling these investment responsibilities, the Director retains and relies on Staff and Investment Consultants.

## Chief Investment Officer and Investment Staff

Staff reports directly to the Chief Investment Officer (the CIO) who in turn reports to the Director. The CIO, with the assistance of Staff, has the responsibility and authority to assist the Board and the Committee in establishing investment and administrative policies. The CIO and Staff are responsible for implementing the policies and programs established by the Board. The CIO has primary responsibility to implement and direct all decisions necessary and appropriate to carry out the Board's investment policies, including the strategic asset allocation target, risk budget, and active management strategic target approved by the Board. The CIO shall report on all decisions and the progress of implementation of those decisions to the Committee.

The CIO and Staff shall manage the portfolio according to the Board's policies, advise and inform the Board about investments, assist with development and review of investment policies and procedures, report on the progress of the Fund in meeting its investment objectives, and monitor and report to the Board on the performance of the Fund against the appropriate benchmarks. The CIO and staff shall have

the delegated authority to evaluate, select, monitor and terminate investment vehicles and managers necessary and appropriate to implement the Board's policies. Their actions shall be disclosed to the Board periodically, as directed by the Committee. Staff exercises the same fiduciary responsibility under applicable law as the Board.

### General Counsel and Legal Staff

The Office of General Counsel and legal staff (Legal Counsel) are primarily responsible for legal compliance of the investment program and advises the Board, the Director, the CIO, and Staff on investment-related legal matters. Legal Counsel exercises the same fiduciary responsibility under applicable law as the Board.

### Third Party Service Providers

- **Investment Consultants.** Investment Consultants are hired by and accountable to the Board through the authority of the Director. Investment Consultants shall report to the Board or the Committee as directed. An Investment Consultant's duty is to work with the Board and Staff in the oversight and implementation of investment objectives.

The Board's investment strategic consultant shall provide advice and recommendations to the Board or Committee regarding its strategic objectives, risk budget, and oversight and implementation of principal investment objectives.

Investment selection and monitoring consultants shall provide advice and recommendations regarding selection of investment managers and portfolio monitoring to the CIO and Staff.

- **Custodian Bank.** The Custodian Bank serves as the bank of record for the assets comprising the Fund and is responsible for maintaining the official book of record under the supervision of Staff, calculating investment performance, and serving as the primary layer of risk control in the safekeeping of Fund assets. The Custodian Bank is responsible for the ongoing pricing and valuation of all assets, collection of income generated by those assets, and any corporate action notification. The Custodian Bank cooperates with and provides assistance to Staff and Investment Managers in the reconciliation process. PERA may opt to designate other duties to the Custodian Bank as stipulated in the professional services agreement.
- **Investment Managers.** The Board believes that external management of Fund assets optimizes the potential to maximize risk-adjusted returns and minimize the associated expenses. Investment Managers are selected by the CIO and, subject to the terms and conditions of this Policy, serve PERA through contracts that specify in principal part: investment guidelines, administrative requirements, responsibilities, and performance expectations for management of each mandate. Proxy voting is considered to be a component of the investment decision process and will be exercised in accordance with the established PERA Proxy Voting Policy. Investment Managers will report to Staff on the performance of the Fund using formats and at intervals specified by Staff. This information will be synthesized by Staff and presented to the Committee on at least a quarterly basis in accordance with established performance monitoring and oversight procedures.
- **External Legal Counsel.** The General Counsel may retain external legal counsel to advise Staff and negotiate and prepare contracts with Investment Consultants and Investment Managers to protect PERA's interests and status as a tax-exempt government plan.

## II. OVERVIEW OF INVESTMENT POLICY

### A. Purpose of the Investment Policy

The purpose of the Investment Policy (the Policy) is to explain implementation of the investment principles and objectives of the Board. The Policy provides a reference point for the management of PERA's assets. The Policy provides guidance to the Board and Staff, as well as Investment Consultants, Investment Managers, and the Custodian Bank. The Policy is intended to provide parameters that ensure prudence and care in the execution of the investment program.

It is the intent of the Policy to provide the foundation for prudent management of the Fund, including the standards and disciplines by which the Board can evaluate Staff, Investment Consultants, Investment Managers, and the Custodian Bank.

## **B. Investment Principles**

Accordingly, the Board adopts the following principles and objectives to guide its investment strategies and decisions:

- Preserve the long-term principal of the Fund.
- Maximize total return within prudent risk parameters.
- Maintain sufficient liquidity to meet PERA's obligations.

## **III. INVESTMENT OBJECTIVES**

### **A. Primary Objective**

PERA's primary objective is to prudently invest assets in order to meet its statutory obligations to its members. The Board will manage the Fund in a manner that reflects the Fund's unique liabilities and funding resources, incorporates accepted investment theory, and targets growth and returns appropriate to prudent levels of risk based on reliable empirical evidence. Accordingly, the Board adopts the following principles:

- Strategic asset allocation is the most significant factor influencing the Fund's ability to meet its stated investment objectives.
- Risk is an unavoidable component of investing and shall be taken into account in assessing investment policy and strategy. In evaluating specific investments, both the risks associated with that investment as well as the impact of the investment to the overall portfolio shall be considered.
- Diversification distributes a portfolio across asset categories to avoid excessive exposure to any one source of risk.
- The Fund's liabilities are long-term and the investment strategy must incorporate the appropriate balance between short- and long-term considerations.
- Sufficient liquidity will be maintained to meet the anticipated cash flow requirements of the Fund.

### **B. Long-Term Returns**

Due to the long-term nature of PERA's pension obligations and the inherent risks in short-term tactical investing, PERA must maintain a long-term perspective in formulating and implementing its investment policy, and in evaluating its investment performance. Therefore, the Board: (1) targets a long-term rate of return commensurate with the actuarial assumed rate of return; (2) adopts an allocation policy

developed to meet the targeted rate of return over long periods of time, while minimizing volatility (risk); (3) adopts a risk budget developed to identify the risk tolerances of the total portfolio; (4) adopts an active management strategic target; and (5) minimizes the costs of investing through efficient use of internal and/or external resources.

Investment performance is measured by the following long-term objectives:

- The actuarial assumed target rate of return is the key actuarial assumption affecting future funding rates and payment of pension obligations. Investment performance that exceeds or underperforms the target rate may materially impact future funding rates. The Board seeks to have long-term investment performance that will meet or exceed its actuarial assumed rate of return while managing risk.
- The policy benchmark is calculated by applying the investment performance of the asset class benchmarks to the Fund's asset allocation targets. The policy benchmark permits the Board to compare the Fund's actual performance to a total fund benchmark and to measure the contribution of active investment management and policy adherence.

PERA's progress in meeting these return measures will be reported to the Committee on at least a quarterly basis.

### **C. Evaluation of Risk**

The Board adopts a strategic asset allocation target that is appropriate for existing and anticipated circumstances. In targeting returns, the Board takes into account the benefit levels and structure of the plans supported by the Fund. PERA will periodically conduct and present to the Committee an asset/liability study to determine the extent to which the long-term asset allocation is consistent with the liabilities of the retirement plans that it administers. In determining a prudent level of risk for the targeted returns, PERA shall consider the total Fund risk, expected volatility, liquidity, and general sensitivity of the overall asset allocation by monitoring the major assets classes utilized by the Fund and develop a risk budget. PERA will regularly measure and monitor Fund risks in its management of the Fund.

In accordance with generally accepted principles for prudent investors, the allocation of capital across asset categories increases the probability of meeting or exceeding the Fund's objectives at a prudent level of risk. In establishing its risk tolerance, PERA will consider its ability to withstand short- and intermediate-term volatility in investment performance and fluctuations in financial condition of the Fund.

## **IV. ASSET ALLOCATION**

### **A. Strategic Asset Allocation Targets**

Based on recommendations by Staff and Investment Consultants, the Board shall choose the strategic asset allocation target based on its determination of the appropriate risk tolerance for PERA, and its long-term return expectations. Each asset class allocation percentage has a long-term target position within the overall portfolio and a maximum and minimum range around that target allocation. Asset class policy targets and ranges are listed in Appendix A, which is separately adopted by the Board.

The Board recognizes that the long-term target allocation may take an extended period to implement. Staff and Investment Consultants will provide the Board with regular updates on the status of targeted asset allocation of the Fund as a whole and the component asset classes. The Board will prudently monitor this progress and the Fund's performance throughout the implementation period.

The target allocation will be reviewed annually for significant economic and market changes, and as appropriate, to changes in the Fund's long-term goals and objectives. A comprehensive asset allocation study should be conducted at least every three years to verify or revise the targets.

### **B. Active Management Strategic Target**

Based on recommendations by Staff and Investment Consultants, the Board shall choose the active management strategic target that seeks an additional return expectation for active management over and above the strategic asset allocation target.

### **C. Risk Budgeting**

Based on recommendations by Staff and Investment Consultants, the Board shall set a risk budget that identifies the risk tolerance of the total Fund that is budgeted into two key components; 1) strategic asset allocation target risk; and 2) active risk. Active risk is the additional risk or deviation from the strategic asset allocation benchmark to achieve the active management strategic target.

### **D. Rebalancing Strategy**

The Board authorizes the CIO and Staff to rebalance the portfolio in accordance with policy guidelines and established procedures on an ongoing basis. The goal in implementing the rebalancing policy is to minimize transaction costs, market impact, and opportunity costs.

The Board adopts a rebalancing policy that considers allocation ranges rather than time periods. Upper and lower allocation limits established for each asset class are defined in Appendix A. When the allocation to all asset classes remains within these limits, Staff will use cash flow to maintain the overall allocation as closely as possible to the target.

In the event that a liquid strategy within an asset class deviates from an upper or lower allocation limit, the asset class will be rebalanced to return to its strategic asset allocation target range within ninety (90) days. Within this ninety-day window it may be impractical or costly to reallocate capital towards less liquid investment strategies within each major asset category.

Rebalancing shall consider liquidity so that investments can be converted into cash in a short time, with little or no loss in value, as necessary to facilitate the objectives of the Fund. The marketability of an asset will be considered when rebalancing within each asset category. The rebalancing strategy may be implemented through the use of the cash overlay program.

Staff will report the results of rebalancing activities to the Committee by no later than the subsequent regular meeting.

## **V. PERFORMANCE BENCHMARKS**

### **A. Total Fund Benchmark**

Each asset class is described by an associated benchmark that describes, in general terms, the opportunity set and return characteristics associated with the asset class. For certain private or more complex asset classes the benchmark serves as a proxy for expected returns rather than an approximation of the actual investments that will characterize that component of the portfolio. Those benchmarks are referred to as the "Policy Index" and are identified in Appendix B, which is separately adopted by the Committee. The Board may use the Policy Index to compare the Fund's actual performance to its Total Fund Benchmark, and to measure the contributions of active investment management and policy adherence.

## **B. Mandate-Level Benchmarks**

Benchmarks relevant to an investment shall be used as standards to measure the performance of Investment Managers. Acceptable benchmarks include but are not limited to:

- the appropriate market indices on a nominal and risk-adjusted basis;
- the performance of peers within their style group;
- adherence of the Investment Manager to the stated investment philosophy and style; and
- adherence to this Policy and the guidelines established in the investment contract.

The Board will work with Staff and the Investment Consultants to identify appropriate sub-asset class benchmarks. Staff and Investment Consultants will review the appropriateness of these benchmarks and report to the Committee on a regular basis.

## **VI. INVESTMENT GUIDELINES**

Recognizing that capital markets are global in nature, the Board shall consider asset classes that represent all investment opportunities appropriate for PERA, as long as such investments comply with the UPIA. The terms and conditions of investment contracts are subject to legal review for compliance with applicable law and applicable investment standards.

### **A. Investments**

#### **Global Equity**

An appropriately diversified Fund should include, commensurate with market conditions, global equity investments, both public and private. This allocation is structured to help the Fund meet its total return goals and will be implemented through strategies that include both liquid and illiquid mandates.

- **Public Equity.** The objective of public equity investments is to provide exposure to global economic growth opportunities and seek to capture capital appreciation and current income. The public equity allocation must anticipate long-term capital appreciation as it targets economic growth with an acceptable exposure to price volatility and the risk of loss. Public equity includes hedged investments that reduce broad market risks by isolating security-specific returns. The vehicles will utilize long and short positions along with leverage to accomplish their investment objectives. Equity-hedged investments will retain some broad market risk, but will generally be less volatile and have a lower correlation to broad equity markets over a full cycle.
- **Private Equity.** The objective of the private equity allocation is to capture a premium from making long-term, illiquid investments in predominantly non-publicly traded equity securities. In making private equity investments, PERA shall consider that private equity Investment Managers typically have concentrated portfolios and generate returns by making operational changes to the acquired businesses and often employ leverage to generate superior returns.

#### **Risk Reduction and Mitigation**

An appropriately diversified Fund should include, commensurate with market conditions, an allocation of assets for risk reduction and mitigation to provide diversification, a dependable source of current income, and downside protection. PERA shall consider the risk reduction and mitigation allocation as a component of the total investment portfolio that provides lower expected volatility and a greater expectation for the preservation of capital. The risk reduction and mitigation allocation includes, but is

not limited to the following investment types:

- **Core and Global Fixed Income.** Bonds, notes or other obligations of the U.S. government, its agencies, government-sponsored enterprises, corporations, or collateralized obligations, including but not limited to mortgages are targeted to achieve risk reduction and mitigation. In addition, these portfolios may include debt obligations of non-U.S. governmental or quasi-governmental entities and corporations with an investment grade rating, which may be denominated in foreign currencies.
- **Operating Cash Management.** In order to mitigate risk and ensure liquidity, commensurate with market conditions, the services of the State Treasurer may be used for overnight investment of short-term assets. Use of a separate or commingled short-term investment fund administered by the Custodian Bank may be considered.
- **Currency.** As means to mitigate risk while realizing returns, PERA should consider active currency strategies that do not necessarily hedge existing international holdings, but instead, seek absolute return which may include leverage, cross-hedging, emerging markets, and interest-rate futures.
- **Securities Lending:** The Board may authorize a securities lending program for all or any portion of the assets held as investments by PERA. Securities may only be loaned by the designated agent(s) by contracting for the temporary exchange of securities, for a specified fee or consideration for periods not to exceed one year, with broker-dealers, banks or other recognized institutional investors.
- **Cash Overlay:** Overlay strategies may be used to manage risk, asset allocation, and market exposures through futures, options, swap agreements, or forward agreements.

### Credit-Oriented Fixed Income

An appropriately diversified Fund should include, commensurate with market conditions, global credit-oriented fixed income investments to deliver positive returns over a complete market cycle while maintaining sufficient liquidity. Credit-oriented fixed income investments shall be targeted to provide current income and total return with a strong focus on preservation of capital. In making these investments, PERA shall consider the potential volatility as compared to the risk reduction and mitigation allocation. PERA shall also consider credit-oriented fixed income investments that utilize leverage, shorting, derivatives, and illiquidity to generate greater risk-adjusted returns. Credit-oriented fixed income investments include similar types of securities as those in the risk reduction and mitigation allocation, but may have different credit characteristics at the time of purchase.

### Real Assets

An appropriately diversified Fund should include, commensurate with market conditions, investments in real assets to generate current income and provide capital appreciation. In making such investments, PERA shall consider the benefits of diversification that these investments provide as a hedge against inflation. Real assets investments may include but are not limited to liquid and illiquid securities in real estate, infrastructure, commodities, natural resources, timber, agriculture and farmland. The real assets portfolio includes market neutral strategies—these portfolios seek to avoid elevated exposure to broad market risk through the use of hedges. Market neutral strategies shall target a zero correlation with broad market movements and provide diversification benefits for the total fund.

### Multi-Risk Allocation

An appropriately diversified Fund should include, commensurate with market conditions, investments



in balanced risk-based exposures to equalize the risk contribution of asset classes or risk factors comprised in the portfolio. In making such investments, PERA shall consider the benefits of diversification that these investments provide as a liability hedge and stabilized return generator. Multi-risk investments shall include, but are not limited to, Risk Balanced/Parity strategies. PERA shall also consider multi-risk investments that utilize leverage and derivatives to generate a greater risk adjusted return.

## **B. Other Investment Considerations**

The Board may, after consideration of pertinent investment risk and reward attributes, and liquidity, cost and administrative complexity, authorize any investment except as otherwise expressly prohibited.

### **Securities Regulations**

PERA shall consider, based on market considerations, whether engagement of Investment Managers registered under the Investment Company Act of 1940 is appropriate. This Act governs the operations of investment companies and their managers. PERA should work with its Investment Consultants and Investment Managers to ensure compliance with all federal and state securities laws including, but not limited to, the Securities Act of 1933 and the Investment Advisers Act of 1940. PERA recognizes that such registration is not applicable to all investment strategies or to investment opportunities located outside the United States.

### **Leverage**

Leverage is implicit in many investment strategies and leverage in and of itself is not strictly prohibited so long as activities do not materially increase the risk level of the Plan. Leverage will be considered when deciding to retain an Investment Manager, and the Board, in conjunction with Staff, Investment Consultants, and Investment Managers, will avoid managers who employ unreasonable levels of leverage.

### **Liquidity**

The Fund must maintain an easily accessible balance of cash equivalents and other reasonably liquid assets for the purposes of meeting the financial obligations of the Fund. The Board will govern these liquidity requirements through the utilization of a structural hierarchy, which -will classify asset classes according to liquidity availability and pricing sensitivity during market stress. Convertible Liquidity is defined as a level of access from asset classes that can be liquidated in a relatively short amount of time with minimal pricing impact. Delayed Liquidity will capture all remaining asset classes that can be sold, but at a greater expense and/or over a longer time frame. Within these two classifications asset classes will be further classified across tiered availability. Liquidity guidelines are listed in Appendix C, which is separately adopted by the Board.

### **Derivatives**

Investment Managers may use derivative instruments such as futures, options, swaps, and forwards, to implement investment strategies in a low cost, efficient manner or construct portfolios with risk and return characteristics that cannot be created with cash market securities. Derivatives may also be used within the context of a cash overlay program. The cash overlay program, administered by an Investment Manager, may buy, sell, and hold exchanged-traded derivative instruments and exchange-traded funds.

## **C. Prohibited Investments**

In accordance with UPIA guidelines, the Board, Staff, Investment Consultants, and Investment Managers are expected to perform their fiduciary duties as a prudent investor would and to conform to all applicable federal and state statutes governing the investment of retirement funds for a qualified government plan. Accordingly, the following investments are prohibited:

Investments precluded by law or regulation:

- Transactions that involve a broker acting as a "principal" where such broker is also the Investment Manager who is making the transaction are prohibited unless otherwise approved in each manager's respective PSA.
- Any other investments as specified in each Investment Manager's respective contract.
- An investment that violates the placement agent limitations set forth in the PERA Act.

## **VII. REVIEW AND APPROVAL OF INVESTMENT POLICY**

The Board shall review the Policy from time-to-time to determine if modifications are necessary or desirable but will delegate Staff to review the Policy on an annual basis. Staff will recommend modifications as warranted. If modifications are made, they shall be promptly communicated to all Investment Managers and other interested persons.

By signing this Investment Policy the Board through its Chair, indicates its agreement therewith.

Adopted: June 25, 1992  
Amended: September 14, 1993  
April 28, 1994  
September 28, 1995  
January 29, 1998  
March 23, 1998  
January 27, 2000  
September 26, 2002  
July 31, 2003  
October 31, 2003  
July 1, 2005  
September 28, 2005  
December 29, 2005  
July 27, 2006  
August 31, 2006  
September 28, 2006  
June 1, 2007  
August 30, 2007  
July 31, 2008  
June 24, 2010  
November 29, 2012  
August 28, 2014  
December 18, 2014  
September 24, 2015  
April 28, 2016  
December 14, 2017  
July 26, 2018  
April 30, 2020

By: \_\_\_\_\_  
~~James Maxon~~ John Melia, Board Chair  
Public Employees Retirement Association of New Mexico

## APPENDIX A. ASSET ALLOCATION TARGETS AND REBALANCING RANGES

Effective July 26, 2018

Asset Class	Lower Limit	Strategic Asset Allocation Target	Upper Limit
Global Equity	30.5%	35.5%	40.5%
Risk Reduction and Mitigation	16.5%	19.5%	22.5%
Credit Oriented Fixed Income	11.0%	15.0%	19.0%
Real Assets	16.0%	20.0%	24.0%
Multi-Risk Allocation	06.0%	10.0%	14.0%

Adopted: July 26, 2018

By:

James Maxon, Board Chair  
Public Employees' Retirement Association of New Mexico

## APPENDIX B. BENCHMARKS

Effective: January 1, 2019

<b>Global Equity</b>	<b>Custom Blended Benchmark</b>
Global Public Stock	MSCI ACWI IMI (\$net)
Global Low Volatility Equity	MSCI ACWI Minimum Volatility (\$net)
Hedged Equity	MSCI ACWI Minimum Volatility (\$net)
Private Equity	MSCI ACWI IMI (\$net)
<b>Risk Reduction &amp; Mitigation</b>	<b>Custom Blended Benchmark</b>
Core Fixed Income	Bloomberg Barclays U.S. Aggregate
Global Core Fixed Income	Bloomberg Barclays Global Aggregate (Hedged)
<b>Credit Oriented Fixed Income</b>	<b>Custom Blended Benchmark</b>
Liquid Credit	Bloomberg Barclays Global High Yield (Hedged)
Emerging Market Debt	50% JP Morgan EMBI Global Diversified (\$) 50% JP Morgan GBI (\$)
Illiquid Credit	Bloomberg Barclays Global High Yield (Hedged)
Credit Oriented Hedge Funds	Bloomberg Barclays Global High Yield (Hedged)
<b>Real Assets</b>	<b>Custom Blended Benchmark</b>
Liquid Real Estate	Wilshire Global REITs
Illiquid Real Estate	Wilshire Global REITs
Liquid Real Assets	Alerian MLP Index / Dow Jones – Brookfield Global Infrastructure Index / Bloomberg Barclays – U.S. TIPS / Bloomberg Commodity – Commodity Index (TR)
Illiquid Real Assets	Dow Jones – Brookfield Global Infrastructure Index / Bloomberg Commodity – Commodity Index (TR)
<b>Multi-Risk Allocation</b>	<b>Custom Blended Benchmark</b>
Risk Balance	Custom Blended Benchmark

Adopted: November 29, 2018

By: \_\_\_\_\_  
James Maxon, Board Chair  
Public Employees' Retirement Association of New Mexico

## APPENDIX C. LIQUIDITY GUIDELINES

Effective: April 30, 2020

At no time shall Tier 1 assets fall below 10% of the total fund market value. For the purposes of liquidity, tier classifications and their corresponding asset classes are as follows:

<u>Convertible Liquidity</u>		
<u>Tier 1</u>	<u>1-5 Day Liquidity</u>	<u>Core Fixed Income</u> <u>Global Core Fixed Income</u> <u>Cash and Cash Overlay</u>
<u>Tier 2</u>	<u>5-90 Day Liquidity</u>	<u>Global Public Stock</u> <u>Global Low Volatility Equity</u> <u>Liquid Credit</u> <u>Emerging Market Debt</u> <u>Liquid Real Estate</u> <u>Liquid Real Assets</u> <u>Risk Balance</u>
<u>Delayed Liquidity</u> -      -		
<u>Tier 3</u>	<u>90-365 Day Liquidity</u>	<u>Hedged Equity</u> <u>Hedged Credit / Alternative Credit</u>
<u>Tier 4</u>	<u>1 Year + Liquidity</u>	<u>Private Equity</u> <u>Illiquid Credit</u> <u>Illiquid Real Estate</u> <u>Illiquid Real Assets</u> <u>Bond Plus/Portable Alpha</u>

Adopted: April 30, 2020

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

John Melia, Board Chair

Public Employees' Retirement Association of New Mexico

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



**INVESTED IN TOMORROW.**

## **INVESTMENT POLICY**

Revised  
April 30, 2020

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

## **INVESTMENT POLICY**

### **I. INTRODUCTION**

#### **A. Statutory Authority**

The Public Employees' Retirement Association of New Mexico (PERA) was created by law in 1947 and is authorized to administer the Public Employees Retirement Act of New Mexico, NMSA 1978, Sections 10-11-1 to 10-11-142, as amended (the PERA Act), the Volunteer Firefighters Retirement Act, NMSA 1978, Sections 10-11A-1 to 10-11A-8, as amended, the Judicial Retirement Act, NMSA 1978, Sections 10-12B-1 to 10-12B-19, as amended, the Magistrate Retirement Act, NMSA 1978, Sections 10-12C-1 to 10-12C-18, as amended, and the Public Employees Reciprocity Act, NMSA 1978, Sections 10-13A-1 to 10-13A-4, as well as other federal and State laws relating to the administration of public employees' retirement systems in the State of New Mexico. As of April 2016, PERA administers thirty-one retirement plans under a defined benefit structure for state employees, municipal employees, county employees, police, firefighters, judges, magistrates, and legislators. PERA is governed by the Retirement Board (the Board).

#### **B. Authority and Duties of the Board**

Article XX, Section 22 of the New Mexico Constitution obligates the Board to administer and invest the PERA trust funds (the Fund) for the sole and exclusive benefit of the members, retirees and other beneficiaries of PERA. The PERA Act, NMSA 1978 §§ 10-11-132 and 10-11-133 generally describe the authority of the Board to invest the Fund. Both those sections incorporate and adopt the Uniform Prudent Investor Act (UPIA), NMSA 1978, §§ 45-7-601 to 45-7-612, which require the Board to exercise the reasonable care, skill, and caution of a prudent investor when it invests and manages assets in its capacity as trustee of the Fund. Among other things, the UPIA requires that Fund investments be diversified to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so. The Board also recognizes that care must be exercised to maintain PERA's status as a government plan that is exempt from the requirements of the federal Employees Retirement Income Security Act of 1974 and as a qualified plan that is exempt from taxation under the Internal Revenue Code.

#### **C. Mission Statement**

In recognition of its fiduciary responsibility, the Board adopts the following as the mission statement for PERA:

The mission of the Board of the Public Employees Retirement Association is to preserve, protect, and administer the trust to meet its current and future obligations and provide quality services to Association members.

#### **D. PERA Roles and Responsibilities/Delegations of Authority**

To accomplish its mission, the Board relies on PERA employees and third-party investment consultants (Investment Consultants) to properly administer the Fund and implement the investment strategies it adopts. Because of the number of parties involved, their roles in investing and managing the Fund must be clearly explained. Doing so increases operational efficiency, ensures clear lines of responsibility, and reduces or eliminates duplication of effort.

## Ethics and Conflicts of Interest

The Board, and PERA employees are obligated to act in the exclusive interest of PERA members, retirees, and beneficiaries. Investment Consultants serve in a fiduciary capacity to PERA. Board members and PERA employees shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make decisions in accordance with PERA's mission statement.

## Board of Trustees

The primary fiduciary responsibility of the Board is to ensure prudent investment and management of the Fund. It is the responsibility of the Board to ensure that PERA employees administer investments of the Fund at reasonable cost, while preserving the quality of investments. All principal investment policy decisions are subject to approval by the Board. The Board shall oversee the management of the Fund in compliance with this Investment Policy and all applicable federal and State laws and regulations concerning the administration of a government pension plan. The Board, with the assistance of PERA investment staff (Staff) and consultants, determines the strategic direction of investment of the Fund including the strategic asset allocation target, adoption of a risk budget, and the active management strategy target, all of which shall be reviewed at least semiannually.

## Investment Committee

To assist the Board in carrying out its duties, it established an Investment Committee (the Committee). The Committee makes recommendations to the Board on strategic asset allocation target, the risk budget, and the active management strategy target. The Committee establishes benchmarks, including a reference portfolio, for evaluating the performance of the total investment portfolio. The Committee shall also adopt an annual work plan and, at least quarterly, review all principal investment policy actions and performance of the portfolio. The Committee may invite Staff and Investment Consultants to inform and make recommendations to the Committee on any topic or issue pertinent to PERA's investment operations. The Committee Chair shall have the duty and the authority to set Committee meeting agendas and request specific analyses and reports from Staff and Investment Consultants.

## Executive Director

The Board appoints the Executive Director (the Director). The Director is responsible for planning, organizing, and administering the operations of PERA under policy guidance and direction from the Board. In fulfilling these investment responsibilities, the Director retains and relies on Staff and Investment Consultants.

## Chief Investment Officer and Investment Staff

Staff reports directly to the Chief Investment Officer (the CIO) who in turn reports to the Director. The CIO, with the assistance of Staff, has the responsibility and authority to assist the Board and the Committee in establishing investment and administrative policies. The CIO and Staff are responsible for implementing the policies and programs established by the Board. The CIO has primary responsibility to implement and direct all decisions necessary and appropriate to carry out the Board's investment policies, including the strategic asset allocation target, risk budget, and active management strategic target approved by the Board. The CIO shall report on all decisions and the progress of implementation of those decisions to the Committee.

The CIO and Staff shall manage the portfolio according to the Board's policies, advise and inform the Board about investments, assist with development and review of investment policies and procedures, report on the progress of the Fund in meeting its investment objectives, and monitor and report to the Board on the performance of the Fund against the appropriate benchmarks. The CIO and staff shall have

the delegated authority to evaluate, select, monitor and terminate investment vehicles and managers necessary and appropriate to implement the Board's policies. Their actions shall be disclosed to the Board periodically, as directed by the Committee. Staff exercises the same fiduciary responsibility under applicable law as the Board.

### General Counsel and Legal Staff

The Office of General Counsel and legal staff (Legal Counsel) are primarily responsible for legal compliance of the investment program and advises the Board, the Director, the CIO, and Staff on investment-related legal matters. Legal Counsel exercises the same fiduciary responsibility under applicable law as the Board.

### Third Party Service Providers

- **Investment Consultants.** Investment Consultants are hired by and accountable to the Board through the authority of the Director. Investment Consultants shall report to the Board or the Committee as directed. An Investment Consultant's duty is to work with the Board and Staff in the oversight and implementation of investment objectives.

The Board's investment strategic consultant shall provide advice and recommendations to the Board or Committee regarding its strategic objectives, risk budget, and oversight and implementation of principal investment objectives.

Investment selection and monitoring consultants shall provide advice and recommendations regarding selection of investment managers and portfolio monitoring to the CIO and Staff.

- **Custodian Bank.** The Custodian Bank serves as the bank of record for the assets comprising the Fund and is responsible for maintaining the official book of record under the supervision of Staff, calculating investment performance, and serving as the primary layer of risk control in the safekeeping of Fund assets. The Custodian Bank is responsible for the ongoing pricing and valuation of all assets, collection of income generated by those assets, and any corporate action notification. The Custodian Bank cooperates with and provides assistance to Staff and Investment Managers in the reconciliation process. PERA may opt to designate other duties to the Custodian Bank as stipulated in the professional services agreement.
- **Investment Managers.** The Board believes that external management of Fund assets optimizes the potential to maximize risk-adjusted returns and minimize the associated expenses. Investment Managers are selected by the CIO and, subject to the terms and conditions of this Policy, serve PERA through contracts that specify in principal part: investment guidelines, administrative requirements, responsibilities, and performance expectations for management of each mandate. Proxy voting is considered to be a component of the investment decision process and will be exercised in accordance with the established PERA Proxy Voting Policy. Investment Managers will report to Staff on the performance of the Fund using formats and at intervals specified by Staff. This information will be synthesized by Staff and presented to the Committee on at least a quarterly basis in accordance with established performance monitoring and oversight procedures.
- **External Legal Counsel.** The General Counsel may retain external legal counsel to advise Staff and negotiate and prepare contracts with Investment Consultants and Investment Managers to protect PERA's interests and status as a tax-exempt government plan.

## II. OVERVIEW OF INVESTMENT POLICY

### A. Purpose of the Investment Policy

The purpose of the Investment Policy (the Policy) is to explain implementation of the investment principles and objectives of the Board. The Policy provides a reference point for the management of PERA's assets. The Policy provides guidance to the Board and Staff, as well as Investment Consultants, Investment Managers, and the Custodian Bank. The Policy is intended to provide parameters that ensure prudence and care in the execution of the investment program.

It is the intent of the Policy to provide the foundation for prudent management of the Fund, including the standards and disciplines by which the Board can evaluate Staff, Investment Consultants, Investment Managers, and the Custodian Bank.

### **B. Investment Principles**

Accordingly, the Board adopts the following principles and objectives to guide its investment strategies and decisions:

- Preserve the long-term principal of the Fund.
- Maximize total return within prudent risk parameters.
- Maintain sufficient liquidity to meet PERA's obligations.

## **III. INVESTMENT OBJECTIVES**

### **A. Primary Objective**

PERA's primary objective is to prudently invest assets in order to meet its statutory obligations to its members. The Board will manage the Fund in a manner that reflects the Fund's unique liabilities and funding resources, incorporates accepted investment theory, and targets growth and returns appropriate to prudent levels of risk based on reliable empirical evidence. Accordingly, the Board adopts the following principles:

- Strategic asset allocation is the most significant factor influencing the Fund's ability to meet its stated investment objectives.
- Risk is an unavoidable component of investing and shall be taken into account in assessing investment policy and strategy. In evaluating specific investments, both the risks associated with that investment as well as the impact of the investment to the overall portfolio shall be considered.
- Diversification distributes a portfolio across asset categories to avoid excessive exposure to any one source of risk.
- The Fund's liabilities are long-term and the investment strategy must incorporate the appropriate balance between short- and long-term considerations.
- Sufficient liquidity will be maintained to meet the anticipated cash flow requirements of the Fund.

### **B. Long-Term Returns**

Due to the long-term nature of PERA's pension obligations and the inherent risks in short-term tactical investing, PERA must maintain a long-term perspective in formulating and implementing its investment policy, and in evaluating its investment performance. Therefore, the Board: (1) targets a long-term rate of return commensurate with the actuarial assumed rate of return; (2) adopts an allocation policy

developed to meet the targeted rate of return over long periods of time, while minimizing volatility (risk); (3) adopts a risk budget developed to identify the risk tolerances of the total portfolio; (4) adopts an active management strategic target; and (5) minimizes the costs of investing through efficient use of internal and/or external resources.

Investment performance is measured by the following long-term objectives:

- The actuarial assumed target rate of return is the key actuarial assumption affecting future funding rates and payment of pension obligations. Investment performance that exceeds or underperforms the target rate may materially impact future funding rates. The Board seeks to have long-term investment performance that will meet or exceed its actuarial assumed rate of return while managing risk.
- The policy benchmark is calculated by applying the investment performance of the asset class benchmarks to the Fund's asset allocation targets. The policy benchmark permits the Board to compare the Fund's actual performance to a total fund benchmark and to measure the contribution of active investment management and policy adherence.

PERA's progress in meeting these return measures will be reported to the Committee on at least a quarterly basis.

### **C. Evaluation of Risk**

The Board adopts a strategic asset allocation target that is appropriate for existing and anticipated circumstances. In targeting returns, the Board takes into account the benefit levels and structure of the plans supported by the Fund. PERA will periodically conduct and present to the Committee an asset/liability study to determine the extent to which the long-term asset allocation is consistent with the liabilities of the retirement plans that it administers. In determining a prudent level of risk for the targeted returns, PERA shall consider the total Fund risk, expected volatility, liquidity, and general sensitivity of the overall asset allocation by monitoring the major assets classes utilized by the Fund and develop a risk budget. PERA will regularly measure and monitor Fund risks in its management of the Fund.

In accordance with generally accepted principles for prudent investors, the allocation of capital across asset categories increases the probability of meeting or exceeding the Fund's objectives at a prudent level of risk. In establishing its risk tolerance, PERA will consider its ability to withstand short- and intermediate-term volatility in investment performance and fluctuations in financial condition of the Fund.

## **IV. ASSET ALLOCATION**

### **A. Strategic Asset Allocation Targets**

Based on recommendations by Staff and Investment Consultants, the Board shall choose the strategic asset allocation target based on its determination of the appropriate risk tolerance for PERA, and its long-term return expectations. Each asset class allocation percentage has a long-term target position within the overall portfolio and a maximum and minimum range around that target allocation. Asset class policy targets and ranges are listed in Appendix A, which is separately adopted by the Board.

The Board recognizes that the long-term target allocation may take an extended period to implement. Staff and Investment Consultants will provide the Board with regular updates on the status of targeted asset allocation of the Fund as a whole and the component asset classes. The Board will prudently monitor this progress and the Fund's performance throughout the implementation period.

The target allocation will be reviewed annually for significant economic and market changes, and as appropriate, to changes in the Fund's long-term goals and objectives. A comprehensive asset allocation study should be conducted at least every three years to verify or revise the targets.

### **B. Active Management Strategic Target**

Based on recommendations by Staff and Investment Consultants, the Board shall choose the active management strategic target that seeks an additional return expectation for active management over and above the strategic asset allocation target.

### **C. Risk Budgeting**

Based on recommendations by Staff and Investment Consultants, the Board shall set a risk budget that identifies the risk tolerance of the total Fund that is budgeted into two key components; 1) strategic asset allocation target risk; and 2) active risk. Active risk is the additional risk or deviation from the strategic asset allocation benchmark to achieve the active management strategic target.

### **D. Rebalancing Strategy**

The Board authorizes the CIO and Staff to rebalance the portfolio in accordance with policy guidelines and established procedures on an ongoing basis. The goal in implementing the rebalancing policy is to minimize transaction costs, market impact, and opportunity costs.

The Board adopts a rebalancing policy that considers allocation ranges rather than time periods. Upper and lower allocation limits established for each asset class are defined in Appendix A. When the allocation to all asset classes remains within these limits, Staff will use cash flow to maintain the overall allocation as closely as possible to the target.

In the event that a liquid strategy within an asset class deviates from an upper or lower allocation limit, the asset class will be rebalanced to return to its strategic asset allocation target range within ninety (90) days. Within this ninety-day window it may be impractical or costly to reallocate capital towards less liquid investment strategies within each major asset category.

Rebalancing shall consider liquidity so that investments can be converted into cash in a short time, with little or no loss in value, as necessary to facilitate the objectives of the Fund. The marketability of an asset will be considered when rebalancing within each asset category. The rebalancing strategy may be implemented through the use of the cash overlay program.

Staff will report the results of rebalancing activities to the Committee by no later than the subsequent regular meeting.

## **V. PERFORMANCE BENCHMARKS**

### **A. Total Fund Benchmark**

Each asset class is described by an associated benchmark that describes, in general terms, the opportunity set and return characteristics associated with the asset class. For certain private or more complex asset classes the benchmark serves as a proxy for expected returns rather than an approximation of the actual investments that will characterize that component of the portfolio. Those benchmarks are referred to as the "Policy Index" and are identified in Appendix B, which is separately adopted by the Committee. The Board may use the Policy Index to compare the Fund's actual performance to its Total Fund Benchmark, and to measure the contributions of active investment management and policy adherence.

## **B. Mandate-Level Benchmarks**

Benchmarks relevant to an investment shall be used as standards to measure the performance of Investment Managers. Acceptable benchmarks include but are not limited to:

- the appropriate market indices on a nominal and risk-adjusted basis;
- the performance of peers within their style group;
- adherence of the Investment Manager to the stated investment philosophy and style; and
- adherence to this Policy and the guidelines established in the investment contract.

The Board will work with Staff and the Investment Consultants to identify appropriate sub-asset class benchmarks. Staff and Investment Consultants will review the appropriateness of these benchmarks and report to the Committee on a regular basis.

## **VI. INVESTMENT GUIDELINES**

Recognizing that capital markets are global in nature, the Board shall consider asset classes that represent all investment opportunities appropriate for PERA, as long as such investments comply with the UPIA. The terms and conditions of investment contracts are subject to legal review for compliance with applicable law and applicable investment standards.

### **A. Investments**

#### **Global Equity**

An appropriately diversified Fund should include, commensurate with market conditions, global equity investments, both public and private. This allocation is structured to help the Fund meet its total return goals and will be implemented through strategies that include both liquid and illiquid mandates.

- **Public Equity.** The objective of public equity investments is to provide exposure to global economic growth opportunities and seek to capture capital appreciation and current income. The public equity allocation must anticipate long-term capital appreciation as it targets economic growth with an acceptable exposure to price volatility and the risk of loss. Public equity includes hedged investments that reduce broad market risks by isolating security-specific returns. The vehicles will utilize long and short positions along with leverage to accomplish their investment objectives. Equity-hedged investments will retain some broad market risk, but will generally be less volatile and have a lower correlation to broad equity markets over a full cycle.
- **Private Equity.** The objective of the private equity allocation is to capture a premium from making long-term, illiquid investments in predominantly non-publicly traded equity securities. In making private equity investments, PERA shall consider that private equity Investment Managers typically have concentrated portfolios and generate returns by making operational changes to the acquired businesses and often employ leverage to generate superior returns.

#### **Risk Reduction and Mitigation**

An appropriately diversified Fund should include, commensurate with market conditions, an allocation of assets for risk reduction and mitigation to provide diversification, a dependable source of current income, and downside protection. PERA shall consider the risk reduction and mitigation allocation as a component of the total investment portfolio that provides lower expected volatility and a greater expectation for the preservation of capital. The risk reduction and mitigation allocation includes, but is

not limited to the following investment types:

- **Core and Global Fixed Income.** Bonds, notes or other obligations of the U.S. government, its agencies, government-sponsored enterprises, corporations, or collateralized obligations, including but not limited to mortgages are targeted to achieve risk reduction and mitigation. In addition, these portfolios may include debt obligations of non-U.S. governmental or quasi-governmental entities and corporations with an investment grade rating, which may be denominated in foreign currencies.
- **Operating Cash Management.** In order to mitigate risk and ensure liquidity, commensurate with market conditions, the services of the State Treasurer may be used for overnight investment of short-term assets. Use of a separate or commingled short-term investment fund administered by the Custodian Bank may be considered.
- **Currency.** As means to mitigate risk while realizing returns, PERA should consider active currency strategies that do not necessarily hedge existing international holdings, but instead, seek absolute return which may include leverage, cross-hedging, emerging markets, and interest-rate futures.
- **Securities Lending:** The Board may authorize a securities lending program for all or any portion of the assets held as investments by PERA. Securities may only be loaned by the designated agent(s) by contracting for the temporary exchange of securities, for a specified fee or consideration for periods not to exceed one year, with broker-dealers, banks or other recognized institutional investors.
- **Cash Overlay:** Overlay strategies may be used to manage risk, asset allocation, and market exposures through futures, options, swap agreements, or forward agreements.

### Credit-Oriented Fixed Income

An appropriately diversified Fund should include, commensurate with market conditions, global credit-oriented fixed income investments to deliver positive returns over a complete market cycle while maintaining sufficient liquidity. Credit-oriented fixed income investments shall be targeted to provide current income and total return with a strong focus on preservation of capital. In making these investments, PERA shall consider the potential volatility as compared to the risk reduction and mitigation allocation. PERA shall also consider credit-oriented fixed income investments that utilize leverage, shorting, derivatives, and illiquidity to generate greater risk-adjusted returns. Credit-oriented fixed income investments include similar types of securities as those in the risk reduction and mitigation allocation, but may have different credit characteristics at the time of purchase.

### Real Assets

An appropriately diversified Fund should include, commensurate with market conditions, investments in real assets to generate current income and provide capital appreciation. In making such investments, PERA shall consider the benefits of diversification that these investments provide as a hedge against inflation. Real assets investments may include but are not limited to liquid and illiquid securities in real estate, infrastructure, commodities, natural resources, timber, agriculture and farmland. The real assets portfolio includes market neutral strategies—these portfolios seek to avoid elevated exposure to broad market risk through the use of hedges. Market neutral strategies shall target a zero correlation with broad market movements and provide diversification benefits for the total fund.

### Multi-Risk Allocation

An appropriately diversified Fund should include, commensurate with market conditions, investments



in balanced risk-based exposures to equalize the risk contribution of asset classes or risk factors comprised in the portfolio. In making such investments, PERA shall consider the benefits of diversification that these investments provide as a liability hedge and stabilized return generator. Multi-risk investments shall include, but are not limited to, Risk Balanced/Parity strategies. PERA shall also consider multi-risk investments that utilize leverage and derivatives to generate a greater risk adjusted return.

## **B. Other Investment Considerations**

The Board may, after consideration of pertinent investment risk and reward attributes, and liquidity, cost and administrative complexity, authorize any investment except as otherwise expressly prohibited.

### **Securities Regulations**

PERA shall consider, based on market considerations, whether engagement of Investment Managers registered under the Investment Company Act of 1940 is appropriate. This Act governs the operations of investment companies and their managers. PERA should work with its Investment Consultants and Investment Managers to ensure compliance with all federal and state securities laws including, but not limited to, the Securities Act of 1933 and the Investment Advisers Act of 1940. PERA recognizes that such registration is not applicable to all investment strategies or to investment opportunities located outside the United States.

### **Leverage**

Leverage is implicit in many investment strategies and leverage in and of itself is not strictly prohibited so long as activities do not materially increase the risk level of the Plan. Leverage will be considered when deciding to retain an Investment Manager, and the Board, in conjunction with Staff, Investment Consultants, and Investment Managers, will avoid managers who employ unreasonable levels of leverage.

### **Liquidity**

The Fund must maintain an easily accessible balance of cash equivalents and other reasonably liquid assets for the purposes of meeting the financial obligations of the Fund. The Board will govern these liquidity requirements through the utilization of a structural hierarchy, which will classify asset classes according to liquidity availability and pricing sensitivity during market stress. Convertible Liquidity is defined as a level of access from asset classes that can be liquidated in a relatively short amount of time with minimal pricing impact. Delayed Liquidity will capture all remaining asset classes that can be sold, but at a greater expense and/or over a longer time frame. Within these two classifications asset classes will be further classified across tiered availability. Liquidity guidelines are listed in Appendix C, which is separately adopted by the Board.

### **Derivatives**

Investment Managers may use derivative instruments such as futures, options, swaps, and forwards, to implement investment strategies in a low cost, efficient manner or construct portfolios with risk and return characteristics that cannot be created with cash market securities. Derivatives may also be used within the context of a cash overlay program. The cash overlay program, administered by an Investment Manager, may buy, sell, and hold exchanged-traded derivative instruments and exchange-traded funds.

## **C. Prohibited Investments**

In accordance with UPIA guidelines, the Board, Staff, Investment Consultants, and Investment

Managers are expected to perform their fiduciary duties as a prudent investor would and to conform to all applicable federal and state statutes governing the investment of retirement funds for a qualified government plan. Accordingly, the following investments are prohibited:

Investments precluded by law or regulation:

- Transactions that involve a broker acting as a "principal" where such broker is also the Investment Manager who is making the transaction are prohibited unless otherwise approved in each manager's respective PSA.
- Any other investments as specified in each Investment Manager's respective contract.
- An investment that violates the placement agent limitations set forth in the PERA Act.

## **VII. REVIEW AND APPROVAL OF INVESTMENT POLICY**

The Board shall review the Policy from time-to-time to determine if modifications are necessary or desirable but will delegate Staff to review the Policy on an annual basis. Staff will recommend modifications as warranted. If modifications are made, they shall be promptly communicated to all Investment Managers and other interested persons.

By signing this Investment Policy the Board through its Chair, indicates its agreement therewith.

Adopted: June 25, 1992  
Amended: September 14, 1993  
April 28, 1994  
September 28, 1995  
January 29, 1998  
March 23, 1998  
January 27, 2000  
September 26, 2002  
July 31, 2003  
October 31, 2003  
July 1, 2005  
September 28, 2005  
December 29, 2005  
July 27, 2006  
August 31, 2006  
September 28, 2006  
June 1, 2007  
August 30, 2007  
July 31, 2008  
June 24, 2010  
November 29, 2012  
August 28, 2014  
December 18, 2014  
September 24, 2015  
April 28, 2016  
December 14, 2017  
July 26, 2018  
April 30, 2020

By: \_\_\_\_\_  
John Melia, Board Chair  
Public Employees Retirement Association of New Mexico

## APPENDIX A. ASSET ALLOCATION TARGETS AND REBALANCING RANGES

Effective July 26, 2018

Asset Class	Lower Limit	Strategic Asset Allocation Target	Upper Limit
Global Equity	30.5%	35.5%	40.5%
Risk Reduction and Mitigation	16.5%	19.5%	22.5%
Credit Oriented Fixed Income	11.0%	15.0%	19.0%
Real Assets	16.0%	20.0%	24.0%
Multi-Risk Allocation	06.0%	10.0%	14.0%

Adopted: July 26, 2018

By:

James Maxon, Board Chair  
Public Employees' Retirement Association of New Mexico

## APPENDIX B. BENCHMARKS

Effective: January 1, 2019

<b>Global Equity</b>	<b>Custom Blended Benchmark</b>
Global Public Stock	MSCI ACWI IMI (\$net)
Global Low Volatility Equity	MSCI ACWI Minimum Volatility (\$net)
Hedged Equity	MSCI ACWI Minimum Volatility (\$net)
Private Equity	MSCI ACWI IMI (\$net)
<b>Risk Reduction &amp; Mitigation</b>	<b>Custom Blended Benchmark</b>
Core Fixed Income	Bloomberg Barclays U.S. Aggregate
Global Core Fixed Income	Bloomberg Barclays Global Aggregate (Hedged)
<b>Credit Oriented Fixed Income</b>	<b>Custom Blended Benchmark</b>
Liquid Credit	Bloomberg Barclays Global High Yield (Hedged)
Emerging Market Debt	50% JP Morgan EMBI Global Diversified (\$) 50% JP Morgan GBI (\$)
Illiquid Credit	Bloomberg Barclays Global High Yield (Hedged)
Credit Oriented Hedge Funds	Bloomberg Barclays Global High Yield (Hedged)
<b>Real Assets</b>	<b>Custom Blended Benchmark</b>
Liquid Real Estate	Wilshire Global REITs
Illiquid Real Estate	Wilshire Global REITs
Liquid Real Assets	Alerian MLP Index / Dow Jones – Brookfield Global Infrastructure Index / Bloomberg Barclays – U.S. TIPS / Bloomberg Commodity – Commodity Index (TR)
Illiquid Real Assets	Dow Jones – Brookfield Global Infrastructure Index / Bloomberg Commodity – Commodity Index (TR)
<b>Multi-Risk Allocation</b>	<b>Custom Blended Benchmark</b>
Risk Balance	Custom Blended Benchmark

Adopted: November 29, 2018

By: \_\_\_\_\_  
James Maxon, Board Chair  
Public Employees' Retirement Association of New Mexico

## APPENDIX C. LIQUIDITY GUIDELINES

Effective: April 30, 2020

At no time shall Tier 1 assets fall below 10% of the total fund market value. For the purposes of liquidity, tier classifications and their corresponding asset classes are as follows:

Convertible Liquidity		
Tier 1	1-5 Day Liquidity	Core Fixed Income Global Core Fixed Income Cash and Cash Overlay
Tier 2	5-90 Day Liquidity	Global Public Stock Global Low Volatility Equity Liquid Credit Emerging Market Debt Liquid Real Estate Liquid Real Assets Risk Balance
Delayed Liquidity		
Tier 3	90-365 Day Liquidity	Hedged Equity Hedged Credit / Alternative Credit
Tier 4	1 Year + Liquidity	Private Equity Illiquid Credit Illiquid Real Estate Illiquid Real Assets Bond Plus/Portable Alpha

Adopted: April 30, 2020

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

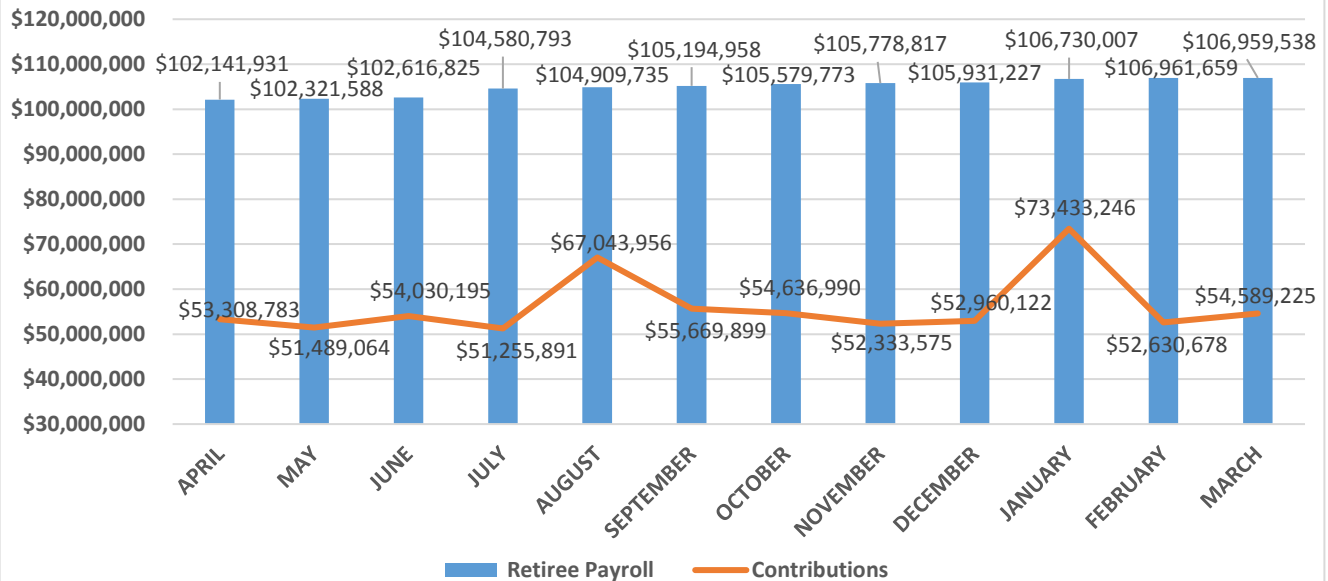
John Melia, Board Chair

Public Employees' Retirement Association of New Mexico



## EXECUTIVE DIRECTOR'S REPORT PERA BOARD MEETING – April 30, 2020

**Retiree Payroll vs: Total Contributions - April 2019- March 2020**

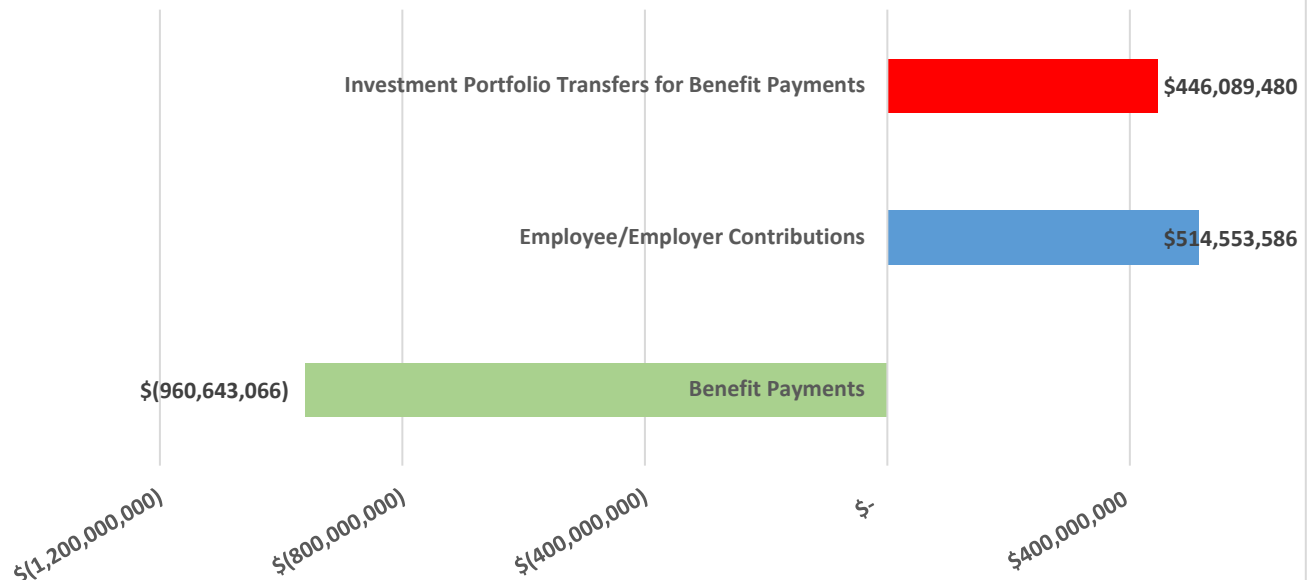


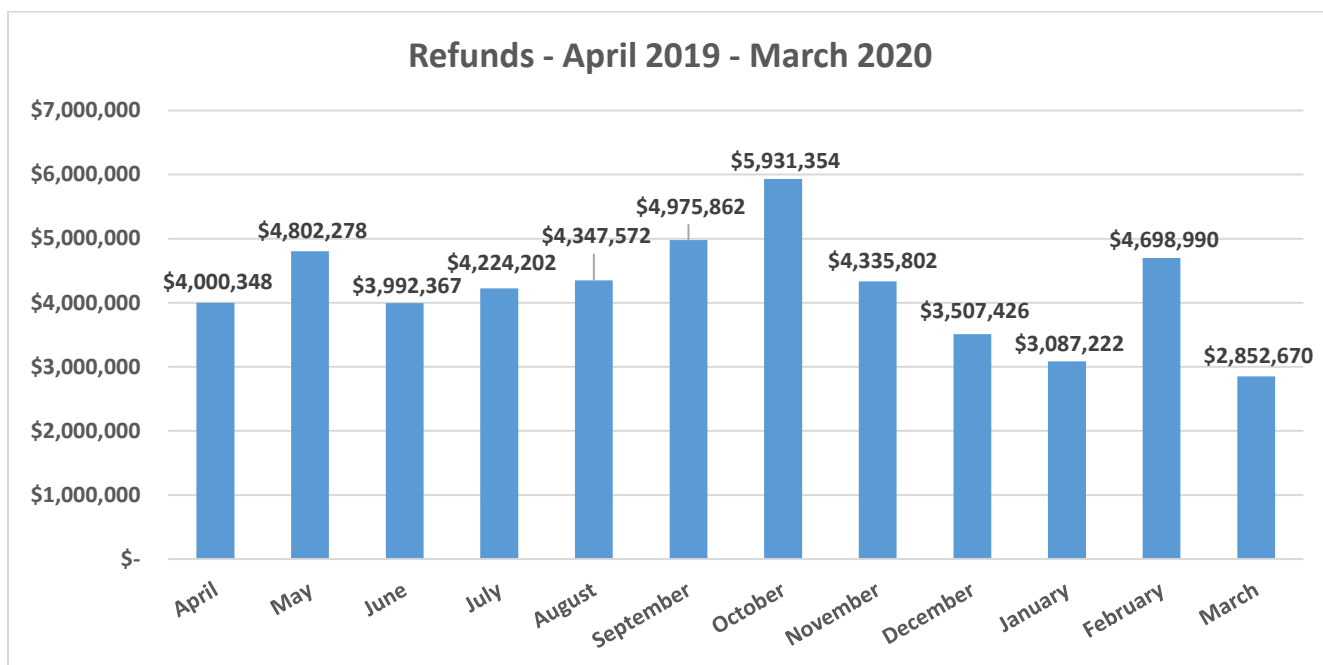
**Total Retiree Payroll = \$1,259,706,851**

**Total Contributions: \$ 673,381,624**

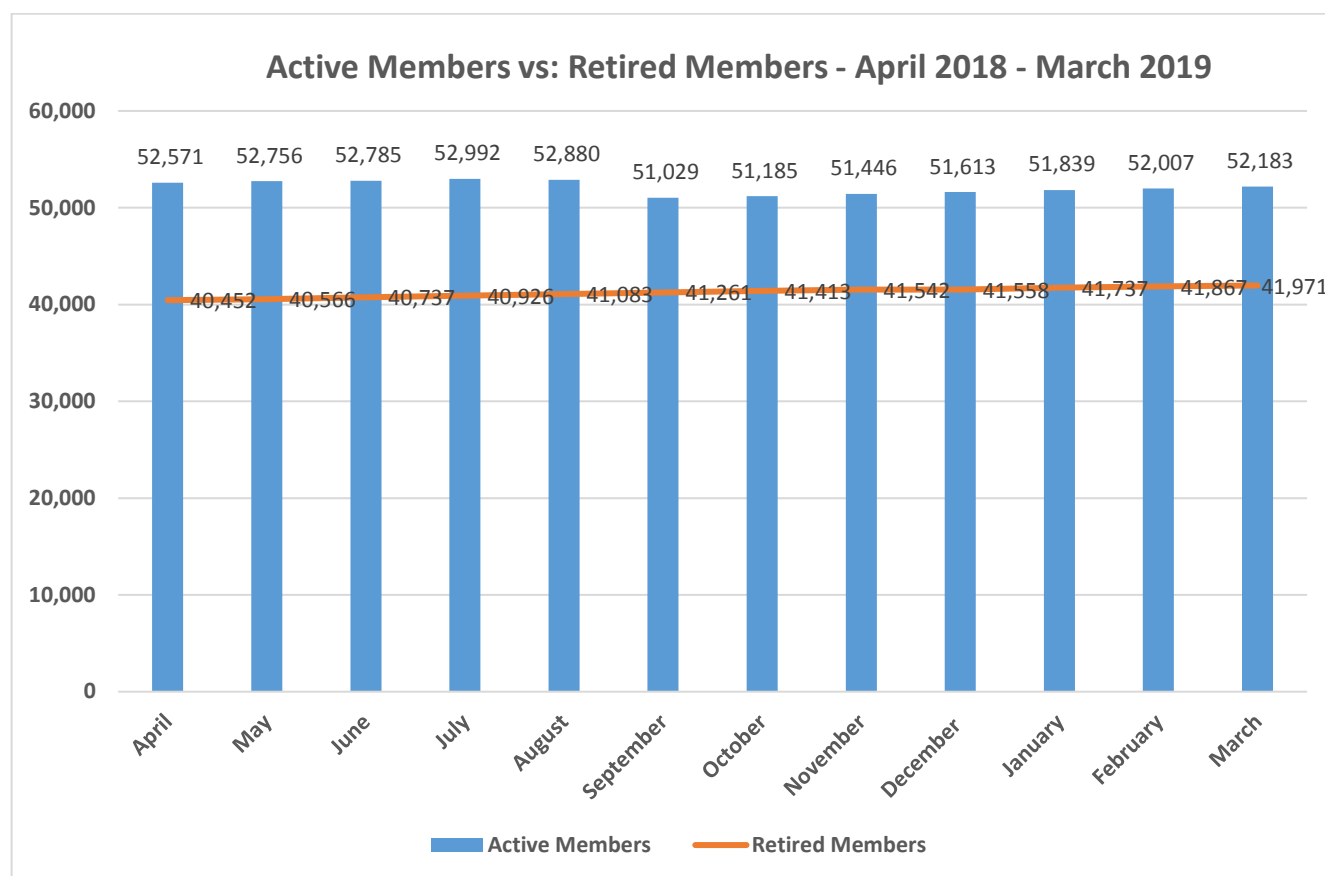
**\*\* Due to adjustments to Employer reports contributions amounts are subject to change**

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





**\*\* Total Refunds Paid during this period was \$50,756,093**





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	Interviews Underway
Investment Associate	Investments	7/1/2019	Pending Interviews
Investment Associate	Investments	7/1/2019	Pending Interviews
IT Security and Compliance III	IT	3/3/2020	Pending Hire

*PERA has 87 authorized FTE and currently has 6 vacancies*

ADDITIONS/DEPARTURES/PROMOTIONS			
Employee	Position/Division	Date Started/Vacated	Status
Sandi Nakai	Business Operations Advanced	2/8/2020	Promotion
Natalie Padilla	Customer Service Rep-A	3/7/2020	New Hire
Holly Grant	Retirement Specialist II	4/4/2020	New Hire
Renada Peery Galon	Administrative Services Director	5/1/2020	Departure
Jessica Maldonado	Accountant & Auditor A	5/1/2020	Departure

2020 AIR TIME PURCHASES		
Plan Type	February Purchases	March Purchases
State Plan 3	8	11
Municipal Plan 2	2	1
Municipal Plan 3	2	6
Municipal Plan 4	0	0
Municipal Detention Plan 1	1	0
Municipal Fire Plan 5	0	0
Municipal Police Plan 4	0	0
Municipal Police Plan 5	4	5
State Police/Corrections Plan	<u>0</u>	<u>3</u>
<b>TOTAL:</b>	<b>17</b>	<b>26</b>

2020 AIR TIME PURCHASES		
No. of Months	February Purchases	March Purchases
1	1	2
2	1	0
3	1	3
4	4	3
5	0	1
6	2	0
7	1	0
8	0	1
9	0	1
10	1	0
11	0	0
12	<u>6</u>	<u>15</u>
<b>TOTAL:</b>	<b>17</b>	<b>26</b>

PERA SmartSave Items of Interest – March & April 2020			
<u>County by Region North - Chris Day</u>	<u>Group Presentations</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>
Colfax			4
Harding			1
Mora			1
Rio Arriba			2
San Juan		4	5
San Miguel	1	3	3
Santa Fe	9	10	4
Taos			3
Union			1
<u>County by Region Central - Paul Lium</u>	<u>Group Presentations</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>
Bernalillo	3	10	30
Curry			3
Guadalupe			1
McKinley			4
Sandoval			1
<u>County by Region South - Linda Miller</u>	<u>Group Presentations</u>	<u>Individual Meetings</u>	<u>Tele-outreach</u>
Catron			1
Chaves			4
Dona Ana			47
Eddy	7	54	10
Grant	8	39	5
Hidalgo			2
Lea			7
Lincoln			3
Luna			7
Otero			10
Sierra			1
Socorro			4
SmartSave Assets as of 3/30/2020 - \$586,978,374.54			
SmartSave Participants as of 3/30/2020 - 23,266			

### PERA Fiscal Year 2020 3<sup>rd</sup> Quarter Budget Projection

Category	FY20							
	Beginning Budget	Budget Adjustment Requests/Special Appropriations	Adjusted Budget	Expended Year-To-Date	Encumbered Year-To-Date	Projected Expenditures to Year End	Total Projected Expenditures	Projected Variance
200	8,164,800	0	8,164,800	5,476,680	-	2,262,007	7,738,687	(426,113)
300	27,069,200	-501,600	26,567,600	11,107,527	14,069,210	307,364	25,484,101	(1,083,499)
400	1,388,700	501,600	1,890,300	1,345,045	247,605	165,461	1,758,111	(132,189)
<b>Total</b>	<b>36,622,700</b>	<b>-</b>	<b>36,622,700</b>	<b>17,929,252</b>	<b>14,316,816</b>	<b>2,734,831</b>	<b>34,980,898</b>	<b>(1,641,802)</b>

#### 200 Category – Personnel Services and Employee Benefits

- On April 1, 2020, PERA had 7 vacant positions and an FTE vacancy rate of 8 percent.
- PERA's Fiscal Year (FY) 2020 operating budget has a budgeted vacancy rate of 3.5 percent.

#### 300 Category – Contractual Services

- The Contractual Services category includes \$21.7 million in Investment contracts for consultants and money manager fees.
- BAR #2 moved \$507,100 into the Other (400 category) due to the Department of Finance and Administration (DFA) Financial Control Division requiring Information Technology (IT) maintenance to hit account code 543830 - IT Hardware/Software Agreements. Historically, IT maintenance purchases have utilized account code 535600 - IT Services under the 300 category.

#### 400 Category – Other

- Includes \$204,400 in Department of Information Technology and General Service Department fees for transportation insurance, state transportation pool charges, property insurance, information processing services, human capital management and telecommunications.
- BAR #1 moved \$5,000 into the Contractual Services (300 category) to pay for attorney services pertaining to a deferred compensation real estate fund that changed its investment strategy from a Separate Account to a Limited Partnership Agreement and custodial account agreement for new recordkeeper.
- BAR #3 moved \$500 into the Contractual Services (300 category) to pay attorney services pertaining to the deferred compensation real estate fund and custodial account agreement for the new recordkeeper. The attorney services fees were more than anticipated requiring PERA to process an additional category transfer BAR.

**PERA Board Meeting**  
**April 30, 2020**  
**CONSENT AGENDA**

- 1. Approval of Minutes:** January 14, 2020 and January 31, 2020
- 2. Ratification of Retirements - Benefits processed through: 4/1/2020**
  - a. Normal
  - b. Deferred
  - c. Reciprocity to ERA
  - d. Non-Duty Death
  - e. Non-Duty Disability
  - f. Reciprocity to PERA
- 3. Duty & Non Duty Deaths**
  - a. Jackie A. Romero - Non-Duty
  - b. Richard Bagley - Non-Duty
  - c. Colin Rice - Non-Duty
  - d. Marcus Montoya - Non-Duty
- 4. Affidavits for Free Military Service:**
  - a. Ramon Roybal - 9 months
  - b. Michael Lawrence - 2 months
  - c. Frank Baca - 1 month
  - d. Mark Johnson - 1.5 months
  - e. Anthony Guerrero - 4 months
  - f. Roger Ortega - 13 months
  - g. Kenneth J. Olson - 3 months
- 5. Resolutions**
  - a. Village of Williamsburg Resolutions No. 10 Authorizing Employer Pick-up of PERA Member Contributions for Determining Tax Treatment under the IRS Code
  - b. Rio Arriba County Resolution No. 2020-066 Resolution Authorizing Rio Arriba County to Pick-up PERA For the Municipal Detention Officer Plan 1 Member Contributions in Effect April 5, 2020.
- 6. Setting of Meetings: May 2020 Meetings**

a. Disability Review Committee	May 12, 2020	1:00 p.m.
b. Investment Committee	May 28, 2020	9:00 a.m.
c. Board Meeting	May 28, 2020	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 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**  
**SPECIAL BOARD MEETING**

**January 14, 2020**

This monthly meeting of the Public Employees Retirement Board was called to order by Jackie Kohlasch, Chair, at approximately 9:00 a.m. on the above-cited date in the Senator Fabian Chavez, Jr. Board Room, PERA Building, 33 Plaza La Prensa, Santa Fe, New Mexico.

**1. Roll Call**

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

**Members Present:**

John Melia - Municipal, Vice Chair  
Claudia Armijo - State  
Lawrence Davis - Municipal  
Tim Eichenberg - *Ex-officio*  
Patricia French - Municipal  
Dan Mayfield - Retiree  
Steve Neel - State  
Loretta Naranjo Lopez - Retiree  
Shirley Ragin - County  
David Roybal - State  
Jackie Kohlasch - State, Chair [departs following 5.A]  
Paula French - State [joins following 5.A]

**Member(s) Excused:**

Maggie Toulouse Oliver - *Ex-officio*

**Staff Members Present:**

Wayne Propst, Executive Director  
Susan Pittard, Chief of Staff/General Counsel  
Greg Trujillo, Deputy Director  
Renada Peery-Galon, Administrator Services Director  
Trish Winter, Executive Assistant  
Karyn Lujan, SmartSave Plan Manager  
Anna Williams, Chief Financial Officer  
Misty Schoeppner, Deputy General Counsel  
Geraldine Garduño, Assistant General Counsel  
LeAnne Larrañaga-Ruffy, Director of Equity  
Joaquin Lujan, Co-Head Alpha & Director of Rates & Credit  
Kristin Varela, Deputy Chief Investment Officer  
Christina Perea, Outreach Division Director

**Others Present:**

Artie Pepin, Director, Administrative Office of the Courts  
Lenora Chavez, Retiree  
Jesse Lopez  
Joseph E. Montoya, Retiree  
Jake Salazar, Retiree

**2. Approval of Agenda**  
*[Exhibit 1: Agenda]*

The Chair requested a motion to approve the agenda and Ms. Armijo and Ms. Naranjo Lopez responded that they have motions to amend it.

Ms. Armijo moved that approval of the agenda be heard following administering the oath of office to the newly elected members and item 5.C.5, "Resolution No. 20-05 Concerning Board Policy on Legislation" be removed. While overall she thinks the resolution is a good idea, she recommended sending it to a working group to fine-tune it and eliminate any conflicts with the PERA Act, and any inconsistent use of terms. Mr. Eichenberg seconded.

Ms. Naranjo Lopez said she would not approve the agenda because the legislative items 5. D.1. a through c and 5.D.2. a through f were unfair and inequitable. She then read from a prepared statement entitled "Response to NMPERA agenda dated 1-14-2020." *[Exhibit 2]* Her statement included three amendments to the agenda and Chair Kohlasch identified that there was a motion to amend on the floor and her motion(s) would be heard following the motion on the floor.

In response to Ms. Naranjo Lopez's statement, Mr. Eichenberg said the item on the floor is approval of the agenda, not discussion of the items on the agenda.

Ms. Armijo explained her motion to Ms. Naranjo Lopez that the new members were to be sworn in and they would vote on approving the agenda.

The motion to move the agenda approval following the item 5.A. 3 and the removal of 5.C., passed without opposition.

- 5. New Business**
- A. Oath of Office**
    - 1. Paula Fisher, State Board Member**
    - 2. Shirley Ragin, County Board Member**
    - 3. Loretta Naranjo Lopez, Retiree Board Member**

Chair Kohlasch administered the oath of office to the individuals listed above.

Following the oath, the Chair turned the gavel over to Vice Chair Melia and thanked the Board for the opportunity to serve the membership. She hoped the Board would find consensus and work for the membership. She received a round of applause.

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

Ms. Armijo said her original motion included removing item 5.C.5. from the agenda and referring it to a working group or one of the established committees. The resolution requires additional review of conflicts and other issues. Ms. French seconded the amendment.

Mr. Mayfield asked whether the executive director could conduct PERA business if the resolution is not approved. Ms. Armijo indicated that the executive director can perform his duties as outlined in the policies. She said the resolution provides additional clarity regarding delegation to the executive director.

Mr. Davis suggested amending the resolution rather than deferring action.

Ms. Naranjo Lopez identified item 5.C.6. is “another power grab by staff.”

Speaking as a senior person on the Board, Ms. French said the Board does not pass resolutions and then go back and fix errors. If there’s something wrong with the resolution it should be addressed first.

Ms. Armijo identified points within the resolution that required clarification. Vice Chair Melia supported removing it from the agenda and getting on with Board business.

General Counsel Pittard confirmed that the executive director will have necessary authority during the legislative session. She supported deferring action on the resolution and noted it would be helpful for the Board and staff can work with fiduciary counsel, who drafted the resolution, to review and revise it.

The date listed on the agenda was corrected to read Tuesday, January 14, 2020.

The motion to remove item 5.C.5 was unanimously approved.

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

Ms. Naranjo Lopez said she had additional amendments. Regarding 5.C.2., transaction of investment business, this would require Board ratification. Ms. French seconded. [withdrawn]

Ms. Armijo said the amendment was a revision to the resolution that would be appropriately handled during discussion of the item. She pointed out that the Board is currently dealing with approval of the agenda. The motion was withdrawn.

Ms. Naranjo Lopez moved to remove all of item D from the agenda. She requested an actuarial report and a cumulative variance report on the items listed under D. She said the actuary report should recommend no changes to the COLA, cap the pension salary at \$100,000 and the multiplier set for everyone at 2.52 percent. Ms. French seconded the motion.

Ms. French said she thought it was more effective to vote against legislation rather than

remove it from the agenda. She agreed that actuarial studies were necessary. Ms. Naranjo Lopez said without actuarial information the Board has failed to do meet its fiduciary responsibilities.

The motion failed with Ms. Naranjo Lopez casting the sole aye vote.

The motion to approve the agenda as amended [removing item 5.C.5] passed with Ms. Naranjo Lopez voting against.

**5. New Business (cont.)**

**B. Nomination of 2020 Board Officers**

Ms. French said in her years on the Board, nominations and voting for the chair and vice chair occurred at the first meeting. She said it was important to have someone in place as chair prior to the session starting.

**Chair Nominations:**

Ms. French nominated Claudia Armijo.

Mr. Mayfield nominated John Melia.

Mr. Eichenberg nominated David Roybal.

Vice Chair Melia recalled that the change in the nomination and voting procedure was done to allow the nominees an opportunity to formulate some ideas to provide at the next meeting. Ms. French suggested the candidates discuss their goals, etc. at the next meeting when the voting occurs.

Ms. Pittard said the process was changed by the Board in February 2019. Fiduciary counsel worked with Board members on this. It was approved in February and integrated into the new policies and procedures. The change provided for a bifurcated process with the nominations at one meeting and voting at the next meeting.

Thanking Mr. Eichenberg for nomination, Mr. Roybal said he would have to decline.

Ms. Armijo said she had not prepared a statement and Vice Chair Melia conceded that the next meeting would be an appropriate time speak.

**Vice Chair Nominations:**

Mr. Davis nominated David Roybal.

Ms. French nominated Claudia Armijo.

Mr. Roybal said he was interested in serving as vice chair and had a few thoughts he wanted to share. Those thoughts included ultimate respect to the Board members and PERA staff and all PERA members; collaboration to encourage and value the opinions of everyone; and



to promote transparency with public outreach.

Ms. Armijo said she too wanted to emphasize the points Mr. Roybal made. She wanted to make clear that she takes being a Board member very seriously and the only reason that she may leave the meeting is to attend to her boss. She said she would be prepared to make a statement at the next meeting.

**5. C. Approval of 2020 Resolutions**

**1. Resolution No. 20-01, Open Meetings Resolution**

Ms. Pittard said this resolution outlines how notice to the public is given as well as how meetings are conducted. There is one change identified in redline that provides greater consistency within the document.

Notice of meetings are posted on the PERA website and the hallway bulletin board in the PERA building. Due to the frequency of the meetings, they are not published in a newspaper. RFPs are published in a newspaper of general circulation in the State of New Mexico, e.g., *The Albuquerque Journal*.

Ms. Armijo moved to approve Resolution No. 20-01. Ms. French seconded and the motion passed by unanimous voice vote.

**2. Resolution No. 20-02, Regarding Authorization to Act on Behalf of PERA to Transact Investment Business Required**

Mr. Mayfield moved to approve Resolution 20-02. Ms. Ragin seconded.

Ms. Naranjo Lopez asked to amend the motion requiring Board pre-approval to ensure the Board follows its fiduciary responsibility and has oversight. [See Exhibit 2]

Ms. Pittard said this resolution is an operational document that is provided to third parties regarding signatories so the executive director, CIO and deputy CIO can transact business to sign documents, make capital calls, etc. Changing the document as requested by Ms. Naranjo Lopez would conflict with the Investment Policy Statement.

The amendment died without a second.

Mr. Eichenberg asked whether Ms. Pittard supervised investment staff and she responded no, that she coordinates with investment staff and the executive director but she does not directly supervise them. Investment staff reports to the CIO who is a direct report to the executive director.

The motion to pass Resolution 20-02 passed by majority voice vote with Ms. Naranjo Lopez casting the sole nay vote.

**3. Resolution No. 20-03, Setting Annual Meeting**

Ms. Pittard said the resolution sets the annual meeting, which is required by statute, for September 24, 2020. The final copy has the correct resolution number.

Mr. Eichenberg moved to approve. Mr. Mayfield seconded.

Mr. Eichenberg requested amending the date to a month that has five Thursdays either July or October, to facilitate his attendance. Ms. Armijo seconded.

Ms. Pittard said there is no requirement that the meeting occur in September; however, Resolution 20-04 will need to be amended to reflect a different timeline for the election. The results will not be certified for a period of time.

Ms. French said she didn't see a problem with postponing election results certification. She recalled that one year the annual meeting was held in October. Ms. Pittard said that the date for mailing of the ballots will need to be changed since they must be mailed 30 days prior to the annual meeting. The election timeline may also need to be changed.

Ms. Armijo said any time the Board can make an accommodation for another Board member that should be done.

The last Thursday in October was selected: October 29, 2020.

The motion to amend passed by unanimous voice vote.

The motion as amended passed by unanimous voice vote.

**4. Resolution No. 20-04, Calling for Nominations of State, Municipal and Retired Member Positions for a Four-Year Term**

Mr. Davis moved approval of Resolution 20-04. Ms. Naranjo Lopez seconded.

Ms. Pittard said the fourth "whereas" needs to reflect the changed date of the annual meeting of October 24, 2020 and Resolution 20-03 needs to be cited.

So moved Ms. Armijo, and seconded by Ms. Naranjo Lopez. The amendment passed by unanimous voice vote.

The main motion as amended passed by unanimous voice vote.

**5. Removed from the agenda**

**6. Resolution No. 20-05, Concerning Board Policy on Legislation**

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

Ms. Naranjo Lopez asked for an amendment adding language that the executive director and Board Chair have to have approval by the Board. There was no second.

Ms. French expressed concern that the session was starting within two weeks and a chair for the Legislative Committee has not been appointed. Ms. Pittard said it has been the Board's practice that the committees remain status quo until new appointments are made. Ms. Kohlasch had been chair and Dan Mayfield vice chair of the Legislative Committee.

Ms. Naranjo Lopez asked about PERA's lobbyist and requested a copy of the contract showing the contract amount and scope of services. Vice Chair Melia requested that staff provide that information.

The motion passed by majority voice vote with Ms. Naranjo Lopez voting against.

#### **D. 2020 PERA Related Legislation**

Artie Pepin, Director, Administrative Office of the Courts, said in his capacity by statute he serves as staff to an entity called the Judicial Compensation Commission created by the legislature to make recommendations on judicial compensation. That body has understood its statutory directive to include retirement as a significant part of compensation. The Commission is required, not later than December 1<sup>st</sup> of every year, to report to the legislature on its recommendations. That was accomplished this year in September and those recommendations included legislation that was brought before the Investments and Pensions Oversight Committee (IPOC) on December 4<sup>th</sup>. IPOC endorsed three items of legislation suggested/recommended by the Judicial Compensation Commission.

Mr. Pepin said he was before the PERA Board today to request its endorsement of the three bills. The bills address the judicial and magistrate funds which make up about \$120 million and are the least funded funds at about 56 percent. Both funds are predicted to reach insolvency within the next couple of decades. The commission studied a number of proposals and the three bills are suggested for the 2020 session. He reviewed the bills as follow:

##### **a. Docket Fees to General Fund**

Mr. Pepin noted that the Board has supported this bill in the past. The bill has passed through both houses and was vetoed by former Governor Martinez. The docket fees currently have a portion going to the respective retirement funds. Over time, the fees lose ground when there is a judicial compensation increase because the fees are flat. The fees have brought in about \$3 million annually for the past decade. The problem is the fees are a declining percentage of the state's contribution to retirement because the costs goes up as judicial compensation is increased. "It is a slow moving, pernicious influence on a declining fund..." The fees contribute approximately 18.5 percent to the judicial retirement account and 13 percent to the magistrate fund. The statute regarding the docket fees basically decreases the state's contribution to the retirement funds each time the judges receive wage increases.

Mr. Pepin said currently the fees go to the general fund and an appropriation is made from the general fund of a percentage to the retirement funds. The state's statutory system basically decreases the state's contributions until the statute is changed.

Mr. Pepin said it doesn't immediately affect the challenges of the two funds; however, over time it is the right thing to do.

Ms. Armijo said she is familiar with the legislation and supports it 100 percent.

Ms. Naranjo Lopez said she cannot support the proposed legislation because it lacks actuarial studies. Further, the bill should have been presented to the Board before presentation to IPOC. The plans' multipliers are too high and benefits are too high. She went on to say that IPOC approved the legislation without a quorum.

Ms. Naranjo Lopez said her recommendation to the legislature is to annually give \$200 million to PERA to seriously deal with the unfunded liability.

Vice Chair Melia urged Ms. Naranjo Lopez to stay on point with the agenda.

Responding to a question posed by Ms. French, Mr. Pepin stated that in 2015 the fees contributed \$2,466,505 to the JRA and \$402,932 to the MRA. In round figures, the docket fees provide \$3 million a year. The docket fees are considered a portion of the state's contribution and will be a fixed percentage of the employer's match. The proposed legislation says the docket fees should be added to the existing state contribution and those funds should be sent to the general fund. The employer's contribution will increase over time while the percentage remains the same.

The only impact the legislation can have is to stabilize contributions to the fund.

Ms. French asked PERA Executive Director Propst for his opinion/recommendation regarding the proposal. Mr. Propst responded that staff recommends that the Board endorse this legislation. The judicial and magistrate plans are the worst funded plans and while this will not have a significant impact on long-term solvency, the Board's actuaries recommend this bill because docket fees are not stable and not a means to fund a pension plan.

Mr. Eichenberg moved to support the proposed legislation regarding docket fees. Mr. Mayfield seconded.

Mr. Eichenberg requested a copy of the legislation and Mr. Pepin supplied copies. Mr. Pepin added that IPOC member Senator Candelaria is sponsoring the bill.

Ms. Naranjo Lopez asked why the bill did not come to the Board before IPOC and she requested email communications between anyone from the AOC and PERA staff regarding the proposal. She questioned the separation of the JRA and MRA from SB 72 when these plans contribute greatly to the unfunded liabilities.

Ms. Armijo said the solvency bill does not include either the magistrate or judicial funds. If it were included the Board would be discussing how to separate it out. The issues of the funded status are in a broad sense related but the subject matter is not.

Mr. Propst identified the magistrate, judicial, volunteer firefighters and legislative plans

as being all separate sections of the statute.

In response to Ms. Naranjo Lopez's question of why this bill did not come to the PERA Board before IPOC, Mr. Propst said he does not control the Administrative Office of the Courts. Mr. Pepin said it was his call and if that was a bad call, he would be happy to come before the Board first in the future.

The motion to support legislation regarding the docket fees passed by majority voice vote with Ms. Naranjo Lopez casting the sole nay vote.

[The Board recessed from 10:45 a.m. to 11:00 a.m.]

Vice Chair Melia asked that the Board comments be germane to the agenda topic.

**b. Legislative Retirement Funding Diversion**

Mr. Pepin said the Oil and Gas Proceeds and Pass-Through Entity Withholding Tax Act is for out-of-state oil and gas companies and generates tens of millions of dollars in revenue to the general fund. For a long time, \$2.4 million annually from that revenue stream was directed to the legislative retirement fund. Last year that was changed to \$900,000 because the legislative fund was 150 percent funded. In 2014, legislation directed that 50 percent of the \$2.4 million go to the judicial and magistrate retirement funds for a period of three years.

At the direction of the Compensation Commission, he requested that PERA determine the impact of a number of proposals regarding funding out of that revenue stream. The proposed legislation directs \$1.2 million or \$100,000 a month to each of the funds for a period five years. The legislative retirement fund will still be well funded with \$900,000 annually.

The impact of \$1.2 million in the judicial retirement fund improves its funding status by 30 percent after five years. The magistrate fund has a similar result with the additional money. Similar legislation was passed in 2014 but the governor vetoed it.

Mr. Propst advised the Board that all of the legislation under discussion can be found on the BoardPortal.

Mr. Mayfield moved to support the legislative retirement funding diversion as outlined by Mr. Pepin. Mr. Davis seconded.

Ms. Armijo said while she was unable to read the entire bill, she was very familiar with the subject. She pointed out that the money generated from the subject tax is deposited in the general fund. Stating she has no problem with the bill, she wanted it to be clear that this is general fund money and it is important it be understood as such.

Mr. Pepin agreed it is general fund money generated through tax revenue which is directed by statute to certain places.

Mr. Eichenberg asked what the Legislative Council Services' position on the bill is and

Mr. Pepin said the bill has yet to be dropped. However, in 2014 LCS found no problem with the bill.

Mr. Propst said the legislative retirement fund is over 130 percent funded with a positive unfunded actuarial accrued liability of about \$12 million. If this legislation was adopted, the legislative retirement fund would continue to be over 100 percent funded at least for the next five years. He was cautious about extending the diversion longer than that.

Ms. Armijo asked how the diversion of these funds that would have otherwise gone into the overall PERA fund would affect the overall funded ratio. Mr. Propst said the impact to the larger PERA fund would not be measurable – it's \$1.2 million in a multi-billion dollar fund. Ms. Pepin pointed out that the legislative retirement contribution has already been reduced to \$900,000 a year.

Ms. Armijo asked why contributions within the two funds were not increased. Mr. Pepin stated the solvency proposal under consideration includes an increase to both the employee and employer contributions. An influx of money from the general fund would be preferable to those increases.

Mr. Pepin said the Commission reviewed a number of scenarios and was disinclined to recommend additional employee contributions because the elected officials already contribute 10.5 percent – the fourth highest contribution of judges in the nation yet the salaries are 47<sup>th</sup> in the nation. This is effectively a temporary increase in contributions from the state side. The bill is written as \$100,000 a month for 60 months.

Ms. Armijo said she'd like an assurance that at the end of five years, the AOC is not returning for an extension and rather increases their employee and employer contributions. She offered her support but added she "did not feel good about it."

Ms. French asked whether benefit lowering was considered. Further, she could not support any reduction to the PERA fund because it is unfair to the other PERA members.

Ms. Naranjo Lopez said she will not support this legislation and understands that it has very little impact. Without a fiscal impact analysis and report from the actuary, she could not support the bill.

Ms. Armijo emphasized that this bill will not have a positive impact on PERA, in fact, it is marginally negative to the overall funded balance of the PERA fund.

Ms. Armijo called for the question and Mr. Davis seconded. The motion passed.

The motion to endorse the legislation passed by majority voice vote with Ms. French and Ms. Naranjo Lopez voting against.

### **c. Judicial and Magistrate Retirement General Fund Appropriation**

Mr. Pepin said the bill asks the legislature to make a one-time appropriation to the funds

to assist in reversing the status of insolvency to solvency. Various amounts were proposed for each of the funds based on answers received from PERA. The legislation uses \$32.5 million for judicial and \$14.5 million for magistrate.

There are 65 active magistrates and 191 retirees and inactives. The judicial has 124 active members, 26 inactive, 186 retirees for a total of 336.

Ms. Armijo recognized that the plans have a lot of retirees. She said the Board just approved a five-year plan and she was disinclined to support a lump sum infusion from the general fund. She recommended keeping an eye on the funds and revisiting the request in the future.

Stating anything that increases solvency in a plan is good for the overall situation, Mr. Mayfield moved to support the general fund appropriation. Mr. Davis seconded.

Ms. Naranjo Lopez stated that without a cumulative variance report she cannot support the proposal.

Mr. Eichenberg recalled that last year a request was made at the legislature for a \$200 million general appropriation for PERA which failed. He said the Board had little influence and questioned why its endorsement was requested. Mr. Pepin responded that the Commission hoped that PERA would support legislation that addresses the insolvency of the fund.

Mr. Eichenberg asked about the quorum issue that Ms. Naranjo Lopez mentioned regarding IPOC. Mr. Pepin said the proposals were presented to IPOC before the PERA solvency plan was presented. He did not recall who on IPOC was present and believed there were more than five. IPOC did not ask him to return for a revote because of a quorum issue.

With a tie vote, the motion failed. [Mr. Davis was not present for this vote.]

Mr. Pepin assured the Board that he would not represent endorsement on this proposal.

## **2. Pre-Filed Legislation**

### **a. SB 34 COLA Increases to Retired Law Enforcement**

Mr. Propst said this bill was introduced by Senator Brandt. Currently, there are approximately 400 return-to-work law enforcement members not receiving a cost of living adjustment. In addition, SB 27 suspended the COLA for any retired PERA member who goes back to work for an ERB affiliate. Those are usually retired police officers that go back to work for schools as resource officers. This bill would reinstate the COLA for a retired PERA member who goes back to work for an ERB affiliate as a resource officer. The bill was introduced during the last session and the Board took no position. The bill passed the House and Senate and was pocket-vetoed by the governor.

Ms. French said legislators voted for the bill because they wanted qualified people protecting the schools. The COLA should come from ERB, not PERA. Ms. Armijo agreed and said she supports the officers at the schools but the COLA requires prefunding, otherwise it will

impact the PERA fund.

Vice Chair Melia concurred with the previous speakers and said he could not support the bill.

Ms. Naranjo Lopez said this proposal should be remanded to the actuaries.

Mr. Eichenberg said he appreciates the legislation and what it is trying to accomplish. However, he agreed that ERB should pay for it. He asked if an amendment to the bill could be drafted making ERB responsible.

Mr. Propst said the Board could endorse it contingent upon an amendment requiring ERB to absorb any cost associated with it. Ms. Pittard suggested a funding source for PERA to address the cost of the COLA rather than tying it to ERB.

If the legislature backs this bill as good public policy, then the amount the COLA will cost could be calculated and the legislature could write PERA a check from the general fund to cover the cost, stated Ms. Armijo.

Mr. Propst said it is difficult to calculate the cost because ERB is the custodian of the records.

Commenting that this bill opens Pandora's box choosing which members receive a COLA and which don't, Ms. French moved to defer this item. Mr. Eichenberg seconded.

Mr. Propst observed that it has been Board practice to either endorse, oppose or remain neutral on a bill.

Ms. French withdrew her motion and introduced a motion to oppose SB 34. Ms. Armijo seconded and the motion passed by majority [10-1] voice vote with Mr. Mayfield voting against.

#### **b. SB 60 Public Employees Board Changes**

Mr. Propst reminded the Board that he reported on this reorganization of the PERA Board at its last meeting. The bill was pre-filed by Senator Muñoz. The current 12-member Board would be restructured effective 7/1/2020 with appointments as follows:

- One active member of a state general coverage plan to be appointed by the Personnel Board
- One active county member of a municipal general coverage plan to be appointed by New Mexico Association of Counties
- One active municipal member of a municipal general coverage plan to be appointed by the New Mexico Municipal League
- One public representative who is not a member and has skill, knowledge and experience in retirement investment products or retirement plan designs to be appointed by the Speaker of the House Of Representatives
- One public representative who is not a member and has skill, knowledge and



experience in retirement investment products or retirement plan designs to be appointed by the President Pro Tempore of the Senate

- The Secretary of Finance and Administration; and
- Two retired members to be appointed by the organization that represents the retired members of the association, provided that at least one of the members shall be retired from a public safety coverage plan and at least one of the members shall have skill, knowledge and experience in financial matters.

All members will serve a four-year term and no member may serve more than two four-year terms. The bill requires geographic diversity around the state and the Board would appoint a chair and vice chair by majority vote.

Mr. Eichenberg said Senator Muñoz had called him and said he was advised by the Governor's Office that this bill would not be messaged as it was not germane to the 30-day session. Mr. Propst said he was not aware of that information.

Mr. Eichenberg moved to defer because there was no reason to take action. Ms. Armijo seconded.

For the record, Ms. Naranjo Lopez said this legislation takes the voice away from the membership.

The motion to defer passed without opposition. [See Page 14 for additional action on this item.]

#### **c. SB 62 Public Employees Retirement Pay Changes**

Mr. Propst said this bill has been pre-filed by Senator Muñoz and stems from a concept that was discussed by the Governor's Task Force. The bill addresses the treatment of certain overtime hours, particularly for police and fire members under the Fair Labor Standards Act (FLSA). Generally firefighters there are approximately six hours per pay period that members within those two plans are required to work; however, they do not receive PERA credit for that work and neither the employee nor employer pays contributions for those hours. The bill allows for those six hours to be pensionable wages for purposes of PERA with the required contributions.

The financial impact was included on the portal and demonstrates there is a fund impact. The funded ratio change for municipal police and municipal fire plans is small. However, it would increase the payroll for municipal police by \$10 million and fire by about \$9 million annually. There is an impact to the unfunded liability.

Mr. Propst said staff is recommending endorsement of the bill. The City of Albuquerque as well as the City of Santa Fe have requested PERA's assistance in passing this bill. Some years ago, there were questions as to whether under FLSA the hours should be seen as overtime and pensionable wages. The bill will clarify whether those hours are pensionable.

Ms. Pittard said this legislation would make an amendment to the definition of salary and

the pertinent part would be “salaries shall not include overtime pay unless the overtime pay is required for a regular scheduled tour of duty as set forth in Section 207 (k) ... and is made on the regular payroll for the period represented by that payment. [Underlined text is new] She explained that because of the shift nature of law enforcement and fire protection the work week can exceed 40 hours.

Vice Chair Melia explained the situation further by stating as a firefighter, if he is required to show up for work, then he should receive credit and pay contributions for that time.

Ms. French said she understood a firefighter’s pension is calculated on a 56-hour week making it already higher than most PERA members. She expressed concern about the “tour of duty” language because there are APD employees working in records and 911 operators that are required to work extra duties. This is an equity problem.

Ms. Fisher agreed with Ms. French stating there are adult and juvenile correction officers who are also required to work overtime.

Mr. Propst said if certain correction officers are on FLSA schedule this bill will apply to them.

Ms. Pittard said the employer has to have adopted an FLSA schedule for its law enforcement or fire protection employee to be eligible for the provisions of this bill.

Ms. French said she wanted to be fair and equitable to the membership and requested additional information before acting on this bill.

Vice Chair Melia said under FLSA, management positions are classified differently.

Ms. Armijo said it was her opinion that the proposed legislation was fair and equitable and she would support it. In the future, she would like to discuss contributions for other employees that are required to work more than 40 hours a week.

Ms. Naranjo Lopez pointed out there was not an actuary present to provide an analysis of this bill. The firefighters’ plan is one of the highest unfunded liabilities and this bill will give them more benefits than others. She recommended that the legislature pre-fund the bill and pointed out that task force was made up of a majority of public safety employees and they support this bill.

Mr. Mayfield moved to support SB 62 and Ms. Ragin seconded for discussion.

Ms. Ragin noted that FLSA has a special exclusion for firefighters based on schedules to receive the overtime pay.

Ms. French said she understood the firefighters’ pension was based on a 66-hour week. Deputy Director Trujillo said firefighters are required to work 56 hours a week and are only able to receive PERA credit for 53.

There was mention of firefighters using vacation or sick leave for the 56 hour week that should be investigated.

Ms. French repeated that public safety were not the only employees forced to work overtime and she lobbied for more review.

Mr. Eichenberg said he has been texting with Senator Muñoz during this discussion and the senator has asked him to make a motion to oppose SB 60. Regarding SB 62, he asked who requested that the bill be drafted. Reviewing the bill drafts, Mr. Propst said he thought it was a governor's bill; however, the draft does not indicate that.

The motion to support the bill passed by majority [7-3] with Board members Naranjo Lopez, French and Fisher voting against.

Mr. Eichenberg introduced a motion to reconsider SB 60. Ms. French seconded. The motion passed without opposition.

Mr. Eichenberg moved to oppose SB 60 and Ms. French seconded. The motion passed by unanimous voice vote.

**d. SB 71 PERA and ERB Employee Compensation**

Mr. Neel recused himself from this discussion and vote.

SB 71 was pre-filed by Senator Muñoz. Mr. Propst said this bill is identical to a bill that he introduced last session. The bill would allow the ERB and PERA boards to establish compensation levels including additional compensation for investment staff. This bill was endorsed by the PERA Board last year. He questioned whether the bill would have much traction in the session but as it was pre-filed so he deemed it appropriate to be brought before the Board.

Ms. French moved to oppose SB 71. Mr. Eichenberg seconded.

Mr. Davis supported neutrality on this bill.

Ms. Armijo said she supported the bill last year; however, this year she will be opposing it. She said further discussions were necessary before she could support the bill.

Mr. Eichenberg said some of the assets realize gains in terms of five- and ten-year measurements. The bill allows for overperformance but fails to address negative performance.

Mr. Mayfield said he'd prefer neutrality or deferment on this bill.

The motion to oppose passed by majority [5-4] vote with Mr. Davis abstaining and Mr. Neel recusing himself.

**e. SB 72 PERA Solvency**

This bill was pre-filed by Senator Muñoz and is the Governor's PERA Pension Solvency legislation, an expansion of the recommendation from the Governor's Task Force, stated Mr. Propst. He reminded the Board that this bill was summarized at the last Board meeting and highlighted the following:

- The bill would increase contributions for active employees and their employers of 2 percent respectively, and a schedule to phase those increases in
- The contribution increase does not apply to state police and adult correction officers
- Employees with an annual income of \$25,000 or less are exempt from contribution increases
- In an attempt to address funded ratio disparities, the bill includes funding triggers
- Regarding the COLA, the bill would reduce the current seven-year wait period for the first COLA, and would restore the two-year wait, and provide for three 2 percent non-compounding COLAs paid to eligible retirees for FY 21, 22 and 23; thereafter, a profit share COLA would be established for eligible retirees
- COLAs are increased for certain low-income and elderly retirees
- There would be a \$76 million general fund appropriation to cover the three years of a 13<sup>th</sup> check for retirees. That appropriation from the general fund is expected to reduce PERA's unfunded actuarial accrued liability by \$700 million
- The bill eliminates the cap on final average salary/pension maximum under all plans
- Tier 2 members' vesting period would be restored to five years for both public safety and non-public safety employees
- The suspended COLAs would be restored for all grandfathered return-to-work PERA members as well as all return-to-work members working for ERB affiliates
- Juvenile correctional and adult and juvenile probation and parole officers would be transferred into the state police and adult correctional plan 1

Mr. Propst referred to a baseline ALM [asset liability management] outlook document. He said there has been a considerable concern about PERA's cash flow. Currently, there is a negative 4 percent cash flow which is manageable. However, below that number is concerning in terms of sustaining the plan. With implementation of SB 72 and only reaching 6 percent return, opposed to the mandated 7.25 percent return, the system is still sustainable.

PERA's actuaries reviewed the bill and it was determined that had this bill been introduced in 2013, the fund's problems would have been fixed.

Mr. Mayfield said there are elements of the bill that he does not like but he understands that and was prepared to support the bill.

Ms. French asked how many additional changes the Governor has added to the bill since the Board reviewed it. Mr. Propst said the two-year delay in the contribution for municipal divisions, the reduction in the vesting period from eight years to five years, the increase in the COLA for members who are 75 or older, and the transfer of juvenile correctional probation parole officers into the state police and adult correctional officer plan 1 have been added.

Ms. French said the recent *La Voz* implied that the Board endorsed this bill and that's not the case since there are now changes. She noted that the transfer of employees from the state general did not make any sense to her. Mr. Propst clarified that the transfer would reduce the unfunded liability for state general plan 3 by \$40 million and does not increase the liability for the plan. He stated it was a matter of fairness and a request of AFSCME. The change does not damage the fund or affect cash flow.

Ms. French said this transfer should be prefunded and it was unfair. Those transferring have not been paying a contribution for a 20-year retirement. Ms. Pittard said this bill will not enhance or grandfather past service credit, it "blends" service credit accruals prospectively.

Ms. French said she had asked PERA's actuary if reducing the time to receive a COLA helped the fund and he said no. She said that makes sense except in recognizing who were the members of the solvency task force.

Ms. French said the reason she opposes the bill and will continue to oppose it is: 1) she did not believe there was anyone on the task force qualified to work on the plan, and 2) staff and the Board chair who participated on the task force did not discuss plan changes with the Board. She said, "It's a rush job by unqualified people."

Ms. Naranjo Lopez said she will not support the bill and the membership wants no changes to the COLA. The bill should go to the actuary and be taken to the membership before it is considered.

Mr. Davis recognized that the bill package is not perfect but he was willing to support it because it will help the pension fund. He noted that the 5 percent after the funded ratio is over 100 percent should be seen not as a COLA but a raise.

Mr. Neel agreed that the bill was not perfect. He said it was substantively similar to the plan Ms. Armijo presented last year. The bill takes the fund in the right direction and he will support it.

Ms. Ragin agreed it was not perfect but it was a step in the right direction and she would support it.

Ms. Naranjo Lopez stated that the representative from the NM Retiree Association has said that NM PERA has significantly underperformed and recommends a committee review the situation. The Governor's Solvency Task Force was overweight with public safety representatives which shows a relationship to the pre-filed legislation.

Mr. Propst identified state general, municipal fire and municipal police as the three divisions where the current statutory contribution rates are insufficient to ever pay off their portion of the unfunded liability.

Ms. French said it appears that the most underfunded plans are not being impacted any more than other plans and in fact, some appear less impacted. She also noted that once the plan is 100 percent funded the employer not the employee has a contribution reduction according to

the bill.

Noting she was in the municipal plan which is 70 percent funded, Ms. French said she would not support shared risk as SB 27 did. The state should pay its share and the bill was not ready for implementation. If the Board supports this bill, Ms. French directed Mr. Propst to make sure the legislature is aware of the vote.

Ms. Fisher said this bill includes the COLA increases to law enforcement that was voted down by the Board in SB 34.

Ms. Armijo asked about the compounding COLA referred to in the profit sharing for COLA recipients. Ms. Pittard referred Ms. Armijo to Section 3, page 85 of the bill, and added that she has discussed with Legislative Council Services that the section needs clarification and inclusion of language regarding the amount of the increase and that all actuarial modeling had been done based on a compounding profit-share COLA.

Ms. Armijo said in the profit sharing COLA which will affect most of the people under this retirement plan, the language in the bill is incorrect. The information is that it is compounding, *La Voz* indicated that it was compounding and she trusts that it was to be compounding – but that was not included in the bill. She said staff should have advised the Board that an amendment to the bill was necessary. She trusted that Mr. Arencon has been contacted about the necessary revision.

Ms. Armijo said she supports the bill. A seven-year wait for a COLA was ridiculous and it pleased her that was changed. She appreciates the triggers in the bill and the 13<sup>th</sup> check with general fund money.

Mr. Mayfield moved to support SB 72 with the understanding that the risk share COLA is compounded: “the amount of the increase shall be determined by multiplying the amount of pension inclusive of all prior adjustments by ... and for those in the risk sharing it will be determined by excess investment returns.” [language in quotes provided by Ms. Armijo] Mr. Davis seconded.

Mr. Eichenberg asked legal counsel whether there was anything else in the bill that required an amendment. Ms. Pittard responded that she was unaware of any other amendments for the Governor’s intent to be incorporated in the bill.

Mr. Propst said Mr. Arencon is aware of amendment and the Legislative Council believes that they drafted the bill in a manner that incorporates compounding language.

Ms. French requested an amendment to eliminate restoring COLAs for return-to-work PERA retirees with ERB. Ms. Pittard said the bill restores the COLA to all retirees who returned to work before July 1, 2010 as well. Mr. Trujillo said there were 313 retirees this would affect and he estimated 80 were law enforcement working for ERB. Mr. Propst pointed out that Dr. Jenison, a DOH retiree who has contacted the Board, was affected by this issue.

Ms. French introduced an amendment that the bill is supported if “the PERA retirees that

go back to work for an ERB affiliate do not receive a COLA.” [SB 34] Ms. Fisher seconded. [This amendment was withdrawn.]

Mr. Eichenberg pointed out that SB 34 was opposed because PERA does not want to pay that COLA; however, if ERB pays it, that is fine. He recommended that Mr. Propst advise the sponsor of PERA’s position regarding payment of the COLA. He then recommended that Ms. French withdraw her motion and let Mr. Propst handle it.

Ms. Armijo said she in general has a problem with not providing a COLA to retirees. Mr. Propst said he did not have a dollar figure for the return-to-work police officers at the schools but understood there were less than 50 and the 300 grandfathered in return-to-work retirees number is decreasing daily. The impact was probably not significant.

Ms. Armijo said the bill, with the compounding amendment to ensure it does what the governor wants, is important to support.

Ms. French withdrew her amendment.

The motion to support SB 72 with the amendment regarding the risk share COLA will be compounding passed by majority [8-3] with Members French, Fisher and Naranjo Lopez voting against.

#### **f. SB 94 Retired Law Enforcement Returning to Work**

Mr. Propst said this bill was pre-filed by Senator Clemente Sanchez and has been seen by the PERA Board many times in the past. It allows retired law enforcement officers to return to employment as law enforcement patrol officers under certain conditions; the employer and employee would make contributions and the COLA would be suspended.

Mr. Mayfield’s motion to support SB 94 which died for lack of a second.

Vice Chair Melia moved to oppose SB 94 and Ms. French seconded. The motion passed by unanimous voice vote. [Ms. Fisher was not present for this action.]

#### **6. Other Business**

Ms. French requested that in the future PERA Board agendas include Public Comment.

#### **7. Adjournment**

Having completed the agenda and with no further business to come before the Board, Vice Chair Melia declared the meeting adjourned at 1:40 p.m.

Approved by:

John Melia

Vice Chair, PERA Board

ATTEST:

Wayne Propst, Executive Director

Exhibits attached

*Exhibit 1: Agenda*

*Exhibit 2: Loretta Naranjo Lopez – Response to Agenda*

DRAFT



**NEW MEXICO**  
**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**  
**BOARD MEETING**  
**January 30, 2020**

1. This monthly meeting of the Public Employees Retirement Board was called to order by John Melia, Vice Chair, at approximately 9:00 a.m. on the above-cited date in the Senator Fabian Chavez, Jr. Board Room, PERA Building, 33 Plaza La Prensa, Santa Fe, New Mexico.

**2. & 3. Roll Call**

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

**Members Present:**

John Melia - Municipal, Vice Chair  
Lawrence Davis - Municipal  
Tim Eichenberg - *Ex-officio*  
Paula Fisher - State [9:25 arrival]  
Patricia French - Municipal  
Dan Mayfield - Retiree [9:20 departure]  
Steve Neel - State  
Loretta Naranjo Lopez - Retiree  
Shirley Ragin - County  
David Roybal - State

**Member(s) Absent:**

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

**Staff Members Present:**

Wayne Propst, Executive Director  
Susan Pittard, Chief of Staff/General Counsel  
Dominic Garcia, Chief Investment Officer  
Greg Trujillo, Deputy Executive Director  
Renada Peery-Galon, Administrator Services Director  
Trish Winter, Executive Assistant  
Karyn Lujan, SmartSave Plan Manager  
Anna Williams, Chief Financial Officer  
Misty Schoeppner, Deputy General Counsel  
Geraldine Garduño, Assistant General Counsel  
LeAnne Larrañaga-Ruffy, Director of Equity

**Others Present:**

Tom Toth, Wilshire  
Bard Berls, Eide Bailly  
Thomas Rey, CliftonLarsonAllen  
Cholla Khoury, NM Office of Attorney General  
Marah deMeule, NM Office of the Attorney General  
Lenora Chavez, Retiree  
Joseph E. Montoya, Retiree

**4. Approval of Agenda**

Mr. Mayfield moved to approve the agenda as published. Mr. Neel seconded and the motion passed without opposition. [Ms. Fisher was not present for this action.]

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

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

Ms. Naranjo Lopez requested amending the Consent Agenda as follows:  
Approval of Minutes: December 10, 2019, the legal term on page 2, third paragraph is aided and abetted. Attachment of two exhibits – a statement from Claudia Armijo, dated October 25, 2019 [*Exhibit 2*] and a statement from Joan Marentes [*Exhibit 3*]. Ms. Naranjo Lopez said Ms. Armijo's statement contradicts statements offered by several Board members. Further, she requested amendment to the October 31, 2019 Board minutes to include that Ms. Armijo said she thought Mr. Neel was going to punch her. She then read the statements [*Exhibits 2 and 3*] in their entirety.

Ms. Naranjo Lopez advised the Board that the October 8<sup>th</sup> incident is still being investigated. She stated that she "condemns Reed Smith for condoning violence against women" and said that they were behind the affidavits as well as a position in the *Pension & Investment* magazine article.

The amendments did not receive a second.

The consent agenda was approved as published with Ms. Naranjo Lopez voting against. [Ms. Fisher was not present for this action.]

**6. New Business**

**A. Election of 2020 Board Officers**

**1. Board Chair Nominees Presentation of Goals & Priorities**

Mr. Melia said Ms. Armijo, the other nominee for Chair, has withdrawn from consideration. He opened the floor for additional nominations and none were offered.

Observing there were no other nominations and John Melia was the sole candidate, Mr. Mayfield moved to elect Mr. Melia by acclamation. Mr. Neel seconded.

Ms. Naranjo Lopez asked how Mr. Melia could serve as an effective Board Chair since he has already violated Board procedures when he traveled without authorization, adding that that he was not held accountable for this action while minority women have been. She also raised concerns regarding the governor's appointments to the Solvency Task Force. He offered to respond to her concerns off line.

Ms. Naranjo Lopez nominated Tim Eichenberg. Mr. Eichenberg said he was flattered but did not have the time to serve in that capacity.

There were no other nominations and the nominations were closed.

The motion to declare John Melia the Board Chair passed by majority voice vote with Ms. Naranjo Lopez voting against and Ms. French recusing herself. [Ms. Fisher was not present for this action.]

Mr. Melia thanked the Board for their confidence and said there is a lot to do this year. He hoped to weed out the distractions and stay focused on that work. His goals included promoting honesty, fairness and providing an opportunity for discussion. Sticking to the procedures and treating each other with respect will take the Board a long way. Board members were asked to email their preferences for committee appointments to him as soon as possible and he would work with the new vice chair on that task.

Ms. French said she recused herself because a vote was called before Mr. Melia shared his goals and objectives as shown on the agenda.

## **2. Vice Chair Nominee Presentation of Goals & Priorities**

Chair Melia said at the last meeting there were two nominees: Mr. Roybal and Ms. Armijo. Ms. Armijo has withdrawn herself from consideration.

The Chair opened the floor for further nominations. There were no other nominations.

Ms. Naranjo Lopez asked Mr. Roybal how he could be an effective Board Vice Chair when the governor has interfered in the role of this Board.

Mr. Neel moved to declare David Roybal vice chair and Mr. Davis seconded.

Mr. Roybal said when he was nominated at the previous meeting he mentioned his goals and priorities and he thanked Mr. Davis for the nomination. His first focus will be on respect – respect to the Board members and PERA membership. He wants to honor the diversity of the Board, collaborate and work together. Transparency is very important and he supported public outreach to educate the membership. With the new year, he wanted the PERA Board to succeed and move forward.

The motion passed by majority voice vote with Ms. French and Ms. Naranjo Lopez voting against. [Ms. Fisher was not present for this action and arrived shortly thereafter.]

[Mr. Mayfield excused himself from the remainder of the meeting.]

**B. Presentation of Released FY 19 Audit Reports**

**1. FY19 Audit Report – CliftonLarsonAllen**

Thomas Rey, CliftonLarsonAllen, presented the June 30, 2019 financial statement audit. This is neither a performance nor an internal control audit. He outlined the auditor's responsibilities which are solely to express an opinion on the financial statements which requires that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. He identified the preliminary field work and the critical audit areas of investments, contributions, benefit payments and actuarial information.

Mr. Rey provided a breakdown of the critical audit areas. The first three areas – investments, contributions, benefit payments – go through a two-phased process of understanding the internal controls and substantive procedures. With the establishment of GASB 67, the audit became more critical and this audit focuses on the accounting valuation. The actuaries are evaluated on competence, capabilities and objectivity of the specialist. Confirmation of the actuaries' independence, accreditation and prior work is considered. He discussed how they do that by reviewing a series of components and testing of the census data.

Mr. Rey stated that their independent auditors' report resulted in an unmodified/clean audit opinion. He reviewed the remaining results that were met in accordance with auditing standards. There were no material weaknesses or significant deficiencies identified. There was one finding noted under compliance and other matters and that related to the Board not approving and submitting its operations budget for FY2020 by the statutory deadline of May 1, 2019.

Mr. Rey said management was very cooperative and professional during the audit process. He highlighted that the fund had \$16.3 billion as of June 30, 2019. As a mature plan, PERA's investments are very important which resulted in \$300 million gain during the year. Benefit payments outpace the statutory contribution levels. He displayed tables showing the investment income for the defined benefits for FY19 and the net pension liabilities for the funds.

Ms. Naranjo Lopez stated that the public companies have to rotate auditors every four years and she asked why other auditors don't have a chance to look at New Mexico PERA books and records and actually audit the investment manager and investment staff to show if they are qualified to do the job.

Anna Williams, PERA Chief Financial Officer, said the auditors are rotated every six years for this audit and they are approved by OSA.

Mr. Rey explained that they read PERA's entire CAFR – statistical and actuarial sections – to ensure nothing contradicts the financial section that they render an opinion on.

As far as valuation of alternative investments, Mr. Ray said they take the entire portfolio and carve out anything that is not held in custody which is roughly 30 percent of the portfolio.

That section is audited separately. Confirming with the investment staff on due diligence. He noted that they have access to any SAS70 (Statement on Auditing Standards) for any service provider.

Mr. Ray said the majority of their audit hours are spent on the investment portfolio itself auditing the non-custodial dollars. They conduct testing of the benefit payment process and actuarial evaluations. The risk assessment is derived from the other reviews. He repeated that the audit was an opinion on the financial statement.

The entrance conference was attended by the auditors and staff, stated Ms. Williams.

Mr. Ray said his firm has been conducting this audit for PERA for four years.

Mr. Eichenberg noted that in January of 2019 there was a claim sent to the Attorney General against management of the operation that oversees the fund. He asked whether the auditors conducted due diligence on that issue. Mr. Ray said they were aware of it and read the letters and considered the issue as part of the risk assessment. Ms. Williams said she forwarded the results of the OSA and OAG to the auditor.

Mr. Eichenberg asked who brought the claim to their attention and Mr. Ray said they were aware of the issue via the press and staff. Mr. Eichenberg noted that this issue came up in June 2019 when CliftonLarsonAllen was the auditor and he asked whether they were aware of it at that time for the 18/19 audit. Mr. Ray said the firm reviews all the Board minutes.

Mr. Eichenberg asked why it was not noted in the audit as materiality in the operation that oversees the fund. Mr. Ray responded they review the materials and did not find any impact to the financial statements. Had the audit been internal control or governance it would have been included in the report.

Ms. French said she would review her records to determine if there was a finding in the past when staff turned in a budget without the Board's approval. Ms. Williams said that was brought to the auditor's attention and because it was signed and submitted it was found not to be a violation of the statute. Ms. French asked whether the information was from the Board or by the Board attorney and she asked staff to review that.

Mr. Davis congratulated staff on a good audit that resulted in no material findings and an unmodified clean opinion.

Ms. Naranjo Lopez said she had concerns with the audit because no changes are recommended to the judicial and magistrate plans. It concerned her that certain groups are treated differently and more investigation is necessary.

There were no further questions or concerns raised.

## **B. FY19 457(b) Audit Report – Eide Bailly**

Karyn Lujan, SmartSave Plan Manager, reminded the Board that when this audit was

conducted the assets of the fund were in the custody of Nationwide.

Brad Berls, Eide Bailly, said this audit rolls into the CAFR as one column; however, this is the separate report that identifies the audit. Overall, the audit was successful with an unmodified opinion. The majority of the activity is performed by Nationwide with oversight by Ms. Lujan. The majority of the net change in the plan position was a result of investment income. An analysis of the plan expenses was conducted and overall, PERA is in line with the industry. Contributions can fluctuate as participants require additional money. The investment options show that the majority of the participants are in “plain vanilla” instruments, followed by the stable value option.

Mr. Berls said there were no internal control issues noted that would rise to the level of a modification to their opinion. He said there were no disagreements with management, no journal entries or findings regarding that.

In the future, Mr. Berls said GASB 84 may have some impact on how it relates to the 457 plan and a new reporting model is expected mid-2021.

Mr. Berls said CliftonLarsonAllen has been conducting this audit for the last six year and this is their final audit. He thanked staff and Nationwide for their assistance in making this a successful audit.

Ms. French asked Ms. Lujan about any feedback she has received regarding the transition to Voya. Ms. Lujan said the participant feedback has varied – the change to the automated electronic system and new features has taken some adjustment.

Ms. French offered that she has not received any positive feedback on the change. Ms. Lujan requested that she forward negative feedback to her and she will talk to Voya.

Mr. Davis noted that the investment allocation chosen by participants’ pie chart did not add up to 100 percent. Mr. Berls apologized and said it was an entry error and he would correct it.

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

Mr. Neel moved to go into executive session according to the agenda caption above. Mr. Davis seconded. The motion passed by roll call vote as follows:

Chair Melia	Aye
Ms. Armijo	Absent
Mr. Neel	Aye
Mr. Roybal	Aye
Ms. Fisher	Aye
Ms. French	Aye
Mr. Davis	Aye
Ms. Ragin	Aye
Ms. Naranjo Lopez	Aye
Mr. Mayfield	Absent

Ms. Toulouse Oliver Absent  
Mr. Eichenberg Aye

[Marah deMuel, Assistant Attorney General, met with the Board in executive session from 10:25 a.m. to 11:20 a.m.]

Mr. Neel moved to come out of executive session and Mr. Davis seconded. The motion passed by roll call vote as follows:

Chair Melia	Aye
Ms. Armijo	Absent
Mr. Neel	Aye
Mr. Roybal	Aye
Ms. Fisher	Not Present for the vote
Ms. French	Aye
Mr. Davis	Aye
Ms. Ragin	Aye
Ms. Naranjo Lopez	Aye
Mr. Mayfield	Absent
Ms. Toulouse Oliver	Absent
Mr. Eichenberg	Not Present for the vote

**Administrative Appeal- Final Review**

**C. 1. Judanna A. Duran-Ortega; PERA ID #612065**

Mr. Davis moved that in the matter of the appeal of Judanna A. Duran-Ortega, PERA ID 612065, the Board adopt the Hearing Officer's recommended findings of fact and conclusions of law, approve the Hearing Officer's recommended decision and award the claimant a refund of Ms. Duran-Ortega's member contribution plus interest. Mr. Neel seconded and the motion passed by majority [5-2] voice vote with Members Ragin, Neel, Davis, Roybal and Melia voting aye and Members Naranjo Lopez and French voting against. [Ms. Fisher and Mr. Eichenberg were not present for this action.]

**D. Revised Resolution No. 20-04 Calling for Nominations of State, Municipal and Retired Member Positions for a Four-Year Term**

Susan Pittard, Chief of Staff/General Counsel, said the resolution has been corrected to conform to the appropriate timeline reflected in Resolution 20-03 which changed the annual meeting date to October 29, 2020.

Ms. French moved to approve Resolution 20-04. Mr. Roybal seconded and the motion passed by unanimous voice vote.

Mr. Eichenberg said he is only available for PERA's Board meeting when there are five Thursdays within the month. He asked that the Board consider changing the meeting date for him so he could participate. Chair Melia offered to look into his request.

**E. Approval of General Investment Consultant RFP Committee**

Ms. Larrañaga-Ruffly presented the recommendation from the evaluation committee.

Speaking as a member of the evaluation committee, Mr. Neel said he attended the onsite visit with Wilshire and found the process of vetting and conducting due diligence at Wilshire was robust. Wilshire's data/information advantage is impressive. The firm's ability to drill down to a portfolio company level boosted transparency in the private market. He said he was firmly in support of moving forward with Wilshire.

Ms. French said she too served on the evaluation committee and participated in the onsite due diligence. She stated she was very impressed with their presentation and security and added that their technology is top-notch.

For the record, Ms. Naranjo Lopez stated that, "Wilshire breaks the law by conducting activities that require security licenses, brokerage and investment advisory services ... I object on this criminal conduct." She said PERA staff should be doing the services that Wilshire provides and asked to review the fees Wilshire has charged.

Ms. Larrañaga-Ruffly said the fee information can be provided.

Ms. French moved to approve the general investment consultant RFP and that Wilshire be selected as the general consultant. Mr. Neel seconded. The motion passed by majority [8-1] voice vote with Ms. Naranjo Lopez casting the sole nay vote.

#### **F. Securities Litigation Update, Energy Transfer, Ltd.**

Ms. Pittard introduced Cholla Khoury, Director of Consumer and Environmental Protection at the AG's Office, present to provide an update regarding a pending securities litigation case.

Ms. Khoury said she does plaintiffs' work on behalf of the state. For PERA she monitors alleged security fraud across the country and double-checks that with PERA and other state investment holdings to make sure that New Mexico funds have not been defrauded. When allegations that cause concern and potentially have a loss for a New Mexico fund, the fund is contacted and options are explored. Those options include appointment as lead plaintiff on those cases. Energy Transfer, Ltd., is one of those cases where the potential fraud alert was flagged and Ms. Pittard was contacted.

Ms. Khoury said the public allegations are that an investigation was initiated into Energy Transfer for corruption with regard to a pipeline project in Pennsylvania. PERA has holdings in this stock which triggered the analysis. The unrealized and realized losses based on that potential fraud were significant to PERA. Following the evaluation, the AG recommended that PERA seek lead plaintiff status in that litigation. The application was submitted and at this point no lead plaintiff status has been appointed.

Ms. Khoury said her office is committed to providing top-notch legal counsel and to make this as little of burden on PERA as possible.



Ms. Pittard reminded the Board that the AG Office contracts with a bench of security litigation law firms that monitor PERA's portfolio. She said there is no cost to PERA to move forward and file for lead plaintiff status.

Ms. Neel asked if staff could quantify PERA's exposure. Ms. Pittard said for the class period from February 2017 through November 2019, the approximate losses for PERA were \$12 million. She characterized that as a significant loss for PERA and have not seen that type of loss in a single security that the AG Office has presented to PERA. She understood the investment was within an MLP.

Mr. Davis asked whether PERA currently holds equity in Energy Transfer, Ltd. Ms. Pittard said PERA still holds the security.

Ms. Khoury said under the federal securities laws these types of actions are considered class action lawsuits which means PERA and anybody who has holdings in the company are part of the class potentially harmed by the actions. If appointed by the judge, PERA's move to lead plaintiff status is to lead that class.

Ms. French asked whether staff was aware of the alleged fraud before the AG. Ms. Pittard said staff was made aware of this through PERA's security monitoring firms which monitor the portfolio. She pointed out that this is at a security level not a manager level.

Ms. Fisher asked whether this MLP was the Harvest Fund and Ms. Pittard confirmed it is.

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

Deputy Director/Chief Information Officer Trujillo referred to the report provided and stood for questions.

Ms. French requested the resumes of the new investment employees.

#### **7. Adjournment**

Having completed the agenda and with no further business to come before the Board, Chair Melia declared the meeting adjourned at 11:45 p.m.

Approved by:

John Melia  
Chair, PERA Board

ATTEST:

Wayne Propst, Executive Director

Exhibits attached

*Exhibit 1: Consent Agenda*

*Exhibit 2: Claudia Armijo's statement dated 10/25/2019*

*Exhibit 3: Joan Marentes' statement, email dated 1/29/2020*

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