

NEW MEXICO

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

AD HOC EXECUTIVE DIRECTOR RESOLUTION COMMITTEE

June 9, 2020

1. This meeting of the Public Employees Retirement Ad Hoc Executive Director Resolution Committee was called to order telephonically/Zoom by Lawrence Davis, Chair, at approximately 10:20 a.m. on the above-cited date.

2. **Roll Call**

Roll call indicated the presence of a quorum with the following members present:

Members Present:

Lawrence Davis, Chair
David Roybal
Susan Pittard, Chief of Staff/General Counsel
Greg Trujillo, Deputy Director/Chief Information Officer

Member(s) Absent:

Maggie Toulouse Oliver

Other Board Members Present:

Paula Fisher
Loretta Naranjo Lopez
John Melia
Dan Mayfield
John Melia
Shirley Ragin

Staff Members Present:

Wayne Propst, Executive Director
Dominic Garcia, Chief Investment Officer
Trish Winter, Executive Assistant
Karyn Lujan, SmartSave Plan Manager
Anna Williams, Chief Financial Officer

3. **Approval of Agenda**

Mr. Roybal moved to approve the agenda as published. Ms. Pittard seconded.

Ms. Naranjo Lopez said she has never heard of staff participating as committee members and asked how these appointments occurred. She requested a written report outlining how this occurred.

Board Chair Melia said he made the appointments and felt it was important to have staff serve for legality purposes.

Ms. Naranjo Lopez asked for a written legal opinion on the appointment of staff to a committee.

Committee Chair Davis said he would have this item reviewed by staff and noted that in the past, staff has been assigned to RFP committees.

The motion to approve the agenda passed by unanimous roll call vote.

4 New Business

A. Executive Director Resolution

Chair Davis said the resolution has been updated and outlines the Executive Director's roles and responsibilities throughout the organization. He underscored the last paragraph of the resolution that states, the Executive Director does not have the delegated authority to establish their own compensation or benefits. He said this was a contentious issue within the Board.

At this point, no comments or concerns have been raised, stated the Chair, and the resolution would be presented for action at the next ad hoc committee meeting.

Identifying her statement as under the Whistleblower's Act, Ms. Naranjo Lopez referred to Reed Smith, SB 72 the worse governance in the country, removal of accountability and transparency, and asked why undisclosed money from the executive director to the Board chair, embezzled funds and violations that are cause for employment termination. She went on to say that setting the board agenda is typically done by the board secretary and letting staff do it likely violates the board's fiduciary responsibilities. Further, it is likely illegal for the executive director to be sole staff contact for the board.

Ms. Naranjo Lopez said that the proposed language appears to give the executive director total authority and no oversight.

Chair Davis invited the participants to email comments and revisions regarding the proposed document.

Chair Davis said the document was drafted by reviewing other state pension charters regarding the executive director. This one was modeled after the state of Colorado's charter and was modified to meet NM PERA's agency. Ms. Pittard offered to provide the Colorado charter to the Board.

5. **Adjournment**

Upon motion and second, Chair Davis declared this meeting adjourned at 10:35 a.m.

Approved by:

Lawrence Davis, Chair
PERA - Ad Hoc Executive Director
Resolution Committee

ATTEST:

Wayne Propst, Executive Director

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