

NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
Board Meeting
January 12, 2020

1. This PERA board meeting was held on the date cited above via Zoom tele/videoconferencing. John Melia, Chair, called the meeting to order at approximately 9:00 a.m. and adjourned at 11:25 a.m.

2. **Pledge of Allegiance**

Lawrence Davis led the Pledge of Allegiance.

3. **Roll Call**

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

Members Present:

John Melia, Chair
David Roybal, Vice Chair
Paula Fisher
Steve Neel
Lawrence Davis
Roberto Ramirez
Loretta Naranjo Lopez
Francis Page
Maggie Toulouse Oliver
Tim Eichenberg (Left meeting at 11:30)
Diana Rosales Ortiz was sworn in at 9:35am

Staff Members Present:

Wayne Propst, ED
Greg Trujillo, Deputy
Susan Pittard, General Counsel
Trish Winter, Executive Assistant
Misty Schoeppner, Deputy General Counsel
Anna Williams, ASD Director/CFO
Dominic Garcia, CIO
Kristin Varela, Deputy CIO
Geraldine Gardunno, Legal
LeAnne Larranaga Ruffy, Investments
Joaquin Lujan, Investments
Karyn Lujan, SmartSave Plan Manager
Frank Mihail, Investments

Others Present:

Tom Toth, Wilshire Consulting
Ernie Marquez, AES

4. **Approval of Agenda**

Mr. David Roybal moved to remove items 5.B.1 & 2, as the new Board members were sworn in prior to the meeting. Ms. Toulouse Oliver seconded the motion. The motion to amend the agenda passed by a roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Paula Fisher	Yes
Steve Neel	Yes
Lawrence Davis	Yes
Roberto Ramirez	Yes
Loretta Naranjo Lopez	Yes
Francis Page	Yes
Maggie Toulouse Oliver	Yes
Tim Eichenberg	Yes

Mr. David Roybal moved to approve the Agenda, as amended. Ms. Toulouse Oliver seconded. The motion passed by a roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Paula Fisher	Yes
Steve Neel	Yes
Lawrence Davis	Yes
Roberto Ramirez	Yes
Loretta Naranjo Lopez	Yes
Francis Page	Yes
Maggie Toulouse Oliver	Yes
Tim Eichenberg	Yes

5. New Business

A. 2020 Board Election - State Position

1. Final Election Report by Automated Election Services and Certification of State Election

Mr. Ernie Marquez, AES, presented the report by Automated Election Services on the Certification of State Election. For the 2020 State Board Position, there were a total of 32,548 mailed ballots issued. Out of the 32,548 there was a total of about 9.51% returned ballots, or 3,094. Of the 3,094 ballots received, 3,054 were tallied through the vote tabulator; nine ballots were rejected by the tabulator for various reasons: torn, cut or over-voted and under-voted, whatever the case may be. Of the nine rejected by the tabulator, eight were successfully hand-tallied.

Also, there was a total of 20 unsigned mail ballots, which is 0.09% of all returned mail ballots. The signature was implemented for the last municipal and retiree, and now for the state. The ones that failed to sign were really low.

The official results of the 2020 PERA were as follows: there were 1,925 machine-counted ballots and three hand-counted ballots for Diana Rosales Ortiz for a total of 1,928 total votes, or 62.97% of the votes cast.

For Renada Peery-Galon, there were 1,129 machine-counted ballots, five hand-tallied for a total of 1,134 or 37.03% of votes.

The original ballots are retained and secured, along with the envelopes, for the period required by law. With canvases completed today, all reports from both elections, Municipal Retiree and for the State elections for the State position to the officials of the PERA office. They will be delivered there so the results and copy of the report sent during the regular election.

Ms. Loretta Naranjo Lopez moved to accept and certify the results of the State election to declare Ms. Diana Rosales Ortiz the winner of the State election, seconded by Tim Eichenberg. The motion was approved by a roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Paula Fisher	Yes
Steve Neel	Yes
Lawrence Davis	Yes
Roberto Ramirez	Yes
Loretta Naranjo Lopez	Yes
Francis Page	Yes
Maggie Toulouse Oliver	Yes
Tim Eichenberg	Yes

B. Oath of Office for Newly Elected Board Members

Ms. Maggie Toulouse Oliver administered the oath of office for Ms. Diana Rosales Ortiz.

C. Nomination of 20201 Board Officers

The Chair opened the floor to nominations. Mr. Lawrence Davis nominated Mr. David Roybal for the position of Board Chairperson. Ms. Loretta Naranjo Lopez nominated herself for the position of Board Chairperson. Francis Page nominated Paula Fisher.

Mr. Roybal accepted the nomination and stated his biggest goal would ensure the decorum and respect of the Board, respect between members as well as respect of goals and policies and procedures be maintained. Mr. Roybal stated another goal would be that the Board is a functioning board in getting items accomplished by working together, showing respect for each other and valuing each other's opinions. Additionally, a large goal is working with every single board member and developing a strategic plan and a vision for what we want to accomplish in 2021 with only meeting 12 times a year. This requires hard work and communication on the plan and vision. Mr. Roybal also highlighted the strategic asset allocation being very important to the strategic plan overall and the responsibility to be trustees and judiciaries of this Board and this trust for all members, which goes with the respect and strong, effective communication with each other.

Ms. Loretta Naranjo Lopez accepted the nomination and highlighted her 15 years of service on the PERA Board, having recently received the most votes in state history on a platform of transparency and accountability, representing retirees and fulfilling fiduciary duties for all PERA members, not just retirees. Ms. Naranjo Lopez's stated her goal for 2021 for PERA is to continue investing time, up to 20 hours a week, with a main focus on improving investment oversight controls, adding PERA loses up to \$100 million a month, and she feels it can do better.

Ms. Naranjo Lopez stated in 2016 she had expressed concerns to much was being allocated to bonds as rates were low and expected returns were below PERA's 7.25% target investment rate, where she felt the change should be made to private equities with an expected ROR of 19%. Ms. Naranjo Lopez stated staff does no better than a coin toss when selecting investment managers, as performance consistently falls short of the 7.25% hurdle rate in all markets up and down, calm or volatile. Out of more than 200 managers, only about half meet the hurdle rate net of fees. As Chair that would be carefully examined.

Ms. Paula Fisher accepted the nomination and stated that in a leadership role, a priority would be to develop and maintain a positive Board culture of trust and respect by keeping the meeting on task and on schedule by sticking to the agenda and staying on topic. Ms. Fisher highlighted the importance of teamwork, and would strive to meet fiduciary responsibilities in a positive manner with more collaboration and a willingness to work with one another for a positive outcome. Ms. Fisher stated a goal of ensuring all Board members feel appreciated for their hard work and look forward to meetings, working together as a group, not as an individual.

The Chair thanked the Members for accepting the nominations and indicated the vote would occur at the end of the month, and nominations from the floor can continue should any other Members wish to run.

The Chair opened the floor for nominations for the Vice Chair position. Mr. Steve Neel nominated Lawrence Davis for Vice Chair. Ms. Paula Fisher nominated Mr. Francis Page for Vice Chair.

Mr. Davis accepted the nomination for Vice Chair, and stressed the importance of board functionality and the importance of supporting the Chair. Mr. Davis stated the distraction of infighting between Members and that it takes focus away from the main goal of making sure the fund is operating at its best, as well as investment concerns, and the focus should be on discharging fiduciary duties and paying attention to the underperformance of investments, having not hit anywhere close to a 7.25% return.

Mr. Page accepted the nomination for Vice Chair, and highlighted his experience in supporting the Chair, and stated his main goal to ensure the fund is strong, safe and making money. He expressed the infighting of the Board Members has voided the confidence of the membership, and the needs of the membership must be met top to bottom.

D. Approval of 2021 Resolutions

1. Resolution No. 21-01 Open Meetings Resolution

Ms. Susan Pittard, General Counsel, explained that every year the Board is required to pass an Open Meetings Act resolution, which is resolution 21-01. The resolution provides for how notice will be made to the membership and the general public regarding Board meetings. Two substantive changes to the Open Meetings Act resolution from prior years were:

- A clarification regarding if there are any kind of delays in opening State Government that we will start the meeting alongside when State offices open.
- Regarding virtual meetings in the case of emergencies, such as the existence of public health emergency, to notify the public how virtual meetings will be conducted.

Ms. Pittard noted an error regarding the PERA website in Paragraph 4 of this resolution, so asked that the Board approve this resolution with that noted, and it will be corrected before posting.

The Chair called for questions. Hearing none, Mr. Francis Page moved to approve Resolution 21-01, seconded by Mr. Steve Neel. The motion passed with unanimous consent via a roll call vote with no discussion.

2. Resolution No. 21-02 Regarding Authorization to Act on Behalf of PERA to Transact Investment Business Required

Ms. Susan Pittard, General Counsel, explained Resolution 21-02 is the annual authorization for certain investment staff to transact business on behalf of the Association and the Fund. Specifically, it delegates to the Chief Investment Officer Dominic Garcia, Deputy Chief Investment Officer Kristin Varela, and Executive Director Wayne Propst, the ability to transact business on behalf of the Fund and the Association. This is an outward-facing resolution that we provide externally to accomplish certain transactions such as wire transfers and custody bank fund transfers.

Ms. Naranjo Lopez requested an amendment to Resolution 20-02 as follows:

The New Mexico PERA Executive Director, Chief Investment Officer and Deputy Chief Investment Officer, all three, will provide detailed reports quarterly to the full New Mexico PERA board on:

Asset and Investment Managers that did not achieve New Mexico PERA's 7.25% target analyzed investment rate of return in the most recent calendar quarter, net of fees, lower return managers as well as fee, asset and investment managers that achieved more

than 10% annualized investment rates of return in the most recent calendar quarter net of fees, high return managers to enable the New Mexico PERA board to oversee investment risk at the low and high return ends of the investment return spectrum until New Mexico PERA fully eliminates its \$6 billion funding gap.

The Investment Committee at the New Mexico PERA Board may communicate directly with any low or high return manager, with or without New Mexico PERA staff present, at the Investment Committee's sole discretion, provided that the Investment Committee supply the full Board with a fair summary of such communications each calendar quarter.

Any individual New Mexico PERA Board members may directly or indirectly contact a low or high return manager not included on the Investment Committee's quarterly summary of manager communications to the Board, with or without New Mexico PERA staff present, in the Board member's sole discretion, provided that New Mexico PERA Board members supply the Investment Committee with a fair summary of such communications each calendar quarter.

She then stated she wanted to state that quarterly investment performance reports to New Mexico PERA Board should show progress in how staff plans to invest so New Mexico PERA can start shrinking its \$6 billion unfunded liability. Ms. Naranjo Lopez questioned what the unfunded liability today is compared to the end of the session last year 2020, and what were the losses last year in the total New Mexico PERA Fund. She further stated that the 2020 end-of-year investment report showed that staff manager's selection skill was statistically no better than a coin toss. She also asserted improving manager selection could start with training and evaluation, as summarized to the Board quarterly.

The Chair called for a second to the motion. With no second, the motion failed. The Chair called for further discussion or questions on Resolution 21-02.

Mr. Page stated such a motion is unnecessary because as long as staff stay on top of things and with technology, the Board can be aware.

Mr. Lawrence Davis moved to approve Resolution 21-02 as written, seconded by Mr. Steve Neel.

Ms. Fisher commented that if there is an urgent need to speak to the CIO or Executive Director or Deputy CIO, the Board should be involved in that and has the ability to communicate with whoever was available via Zoom, because it's not just a one-person decision. Ms. Fisher stated it was important the Board Members or the Chair help in this decision making, not just one person party, so ask that it be amended.

Ms. Susan Pittard, General Counsel, noted this was intended to be an external document to be provided to managers who require authorization to enter into contracts or a private equity transaction and such. It's nothing more than that. Ms. Pittard stated this has historically been done for the last 20 years at PERA. Often investment managers will request the authorization of the Executive Director or the CIO to sign a contract or be admitted to a private equity fund.

Ms. Kristin Varela, Deputy CIO stated it was an operational document that in no way amends the IPS or the authority that's been delegated to staff in terms of implementation, but it is required in order to keep normal course of business. There are many accounts that needs to be managed that occur at the custody bank level. This document helps transact on behalf of those accounts, and that can be anywhere from cash movements to text documents to global account opening documents. It is a necessary feature for conducting business day to day and has less to do with execution authority that's been granted through the Investment Policy Statement and is more associated with just the day-to-day operational and administrative management of the fund.

Mr. Lawrence Davis asked for CEO Dominic Garcia's thoughts on the impact of approving or not approving Resolution 21-02. Mr. Garcia indicated it is a very basic resolution that PERA has done for a decade or more, indicating it was just for basic transactions to move money, to pay benefits, to raise cash every month done with normal operations.

The Chair indicated Member Naranjo Lopez made a motion to amend, which did not pass. The Chair further indicated that Member Naranjo Lopez requested that the CEO specifically and investment staff provided to her quarterly reports, and indicated they seemed informative and valuable for Ms. Naranjo Lopez, and requested Mr. Garcia speak with her after the meeting to provide that information for her as it was of interest. Mr. Garcia agreed.

The Chair called for a roll call vote to approve Resolution 21-02. The motion was approved by a roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Paula Fisher	Yes
Steve Neel	Yes
Diana Rosales-Ortiz	Yes
Lawrence Davis	Yes
Roberto Ramirez	Yes
Loretta Naranjo Lopez	No
Francis Page	No
Maggie Toulouse Oliver	Yes
Tim Eichenberg	Yes

3. Resolution No. 21-03 Setting Annual Meeting

Ms. Susan Pittard, General Counsel, explained Resolution 21-03 sets the annual meeting of the membership which is a statutory requirement for the PERA Board. Traditionally, the meeting is held in September, which allows for certification of the election results. This year's meeting is set for Thursday, September 30, 2021.

The Chair asked if the meeting had been moved to accommodate Treasurer Eichenberg's schedule because of a conflicting appointment he has every September. Ms. Pittard noted that it was done last year because it fell on the fourth Thursday of the month, on which Treasurer Eichenberg has a standing conflict with. September 30, 2021 is the fifth Thursday of the month. Treasurer Eichenberg confirmed this and moved to approve the annual meeting date of September 30, 2021, seconded by Member Naranjo Lopez. The motion was approved by a roll call vote as follows:

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

4. Resolution No. 21-04 Calling for Nominations of State and Municipal Member Positions for a Four-Year Term

Ms. Susan Pittard, General Counsel, explained Resolution 21-04 calls for nominations for one State Member for a four-year term and one Municipal Member for a four-year term. The nominating petitions are set to be received on or before April 12, 2021 and the election will be certified at the annual meeting, which will be held on September 30th.

Diana Rosales-Ortiz requested an amendment as the motion currently reads nominating petitions with original signatures must be received by Automated Election Services to be counted. Her proposal was that during this pandemic environment Automated Election Services may accept email signatures for nominations for a State candidate as long as the email address is an official State email address. With this method, only one petition signature per official email address is accepted.

Ms. Susan Pittard clarified that the amendment would allow for electronic signatures on nominating petitions, with a limitation of one signature per email address. Ms. Rosales-Ortiz confirmed that this would be helpful given the difficulties in getting physical signatures during the pandemic, while filling out the same form but submitting it via email.

Ms. Naranjo Lopez commented that it was important to be up on the technology so that people can fill out the nominating petition online, making it easier for all.

Ms. Toulouse Oliver indicated her support for the concept, and suggested that rather than prescribing the exact method, to give the appropriate committee the opportunity to set forth a process and develop a procedure, rather than trying to do it on the fly in the first Board meeting of the year, as there may be other options. She asked the resolution be amended to accept electronic petition signatures, then assign the appropriate committee for the next committee meeting to sketch out a process, as there was enough time with three board meetings before April to adopt that procedure. Ms. Toulouse Oliver expressed hesitation to making changes to a procedure on the fly and asked Ms. Pittard if there was anything in the Board bylaws or Statute that would prevent PERA from going ahead and amending this resolution to be able to accept electronic petition signatures.

Ms. Pittard indicated the administrative regulations require signed nomination petitions and indicated this would be interpreting those administrative regulations differently than had historically been done if electronic nominating petitions were accepted as signed nominating petitions. Ms. Pittard recommended a formal rulemaking process to amend the election procedures to explicitly allow electronic signatures. Ms. Pittard indicated hesitation with getting this done before April, as a delay in the filing of the acceptance of this resolution would cut off two weeks of gathering of signatures if it cannot be done.

Ms. Toulouse Oliver suggested with consensus of the Board, rather than amending this document, to deal with this in rulemaking and in procedure that comports with administrative procedures and personally committed to helping shepherd the amendment along to get it done and indicated her full support with that approach.

Ms. Naranjo Lopez commented that a direction be to get the IT to put it online and also look at a special committee meeting to make that change and have it ready for the end of the month, given the pandemic.

Mr. Page's comments were not fully captured because of audio difficulties with the Zoom meeting. The Chair supported the spirit of the amendment and changes proposed by Ms. Toulouse Oliver and asked Ms. Rosales-Ortiz how she would like to proceed. Ms. Rosales-Ortiz indicated she would like to follow the recommendations of Ms. Toulouse and withdrew her amendment. Ms. Naranjo Lopez withdrew her second.

The Chair called for a motion to adopt Resolution 21-04, Calling for Nominations of State and Municipal Member Positions for a Four-Year Term, as is. Ms. Toulouse Oliver moved, seconded by Lawrence Davis. The motion was approved as follows:

John Melia	Yes
David Roybal	Yes
Paula Fisher	no response
Steve Neel	Yes
Diana Rosales-Ortiz	Yes
Lawrence Davis	Yes
Roberto Ramirez	Yes
Loretta Naranjo Lopez	Yes

Francis Page	Yes
Maggie Toulouse Oliver	Yes
Tim Eichenberg	Yes

5. Resolution No. 21-05 Concerning Board Policy on Legislation

Ms. Susan Pittard, General Counsel, outlined annually the Board adopts a resolution regarding legislation which authorizes the Board Chair, the Legislative Committee Chair and the Executive Director or designees to testify before the Legislature regarding PERA-related legislation. Generally, takes action on actual benefit-related legislation. Generally, the Executive Director provides weekly updates to the Board via email during the course of the Legislative session and updates at regular board meetings.

Ms. Loretta Naranjo Lopez had a motion to amend for Resolution 21-05 as follows:

The New Mexico PERA Chair, Executive Director, Legislative Counsel and any lobbyists will require formal Board preauthorization by duly authorized New Mexico PERA Board resolution to directly or indirectly introduce or lobby for or against any legislation, introducing legislation or lobbying without formal New Mexico PERA Board preauthorization. By duly enacted Board resolution shall be cause for discipline up to and including termination of employment by or for New Mexico PERA, and reduction or loss of benefits, including New Mexico PERA pension.

The circumstances that require a rapid response without a duly authorized Board resolution described herein shall be those to which New Mexico PERA staff, Legislative Counsel and lobbyists had no prior knowledge and are introduced less than 72 hours before Legislative vote on the proposed legislation, or less than 72 hours if Board policies and procedures permit less minimum time required to call a special meeting of the New Mexico PERA Board.

Ms. Naranjo Lopez commented that the next Legislative session is scheduled to begin January 19th. All legislation will be submitted by that time and the Board meets on January 28. If there is anything to approve or change, Ms. Naranjo asserted the Board will have plenty of time to review.

Ms. Naranjo Lopez also questioned if there was any legislation that was submitted last week that lobbyists needed to report to us that needed attention and questioned why it was not on the agenda today to discuss the Board's direction and recommendations.

Mr. David Roybal indicated the last day to introduce legislation goes all the way up to February 18th, as an information item for the Board.

Ms. Susan Pittard, General Counsel, indicated the Executive Director was planning on giving a legislative update on the next item to provide a preview of any pre-filed legislation and anything else that he is aware of that is going to be introduced. Normally, the lobbyist has not appeared in front of the board. If that is the desire of the Board, that is the Board prerogative however, the Board has not taken any positions on legislation to date. Until that takes place, Ms. Pittard indicated such an appearance would be premature.

The Chair indicated before the session starts, all legislation that does impact PERA is brought forward and the Board votes on whether we're going to endorse it, reject it or just remain neutral on it. After that, that's when lobbyists and the Executive Director take their direction based upon those votes.

Ms. Loretta Naranjo Lopez indicated in the past lobbyists always come and speak on the Legislative session at the beginning, and expressed her concern that is not happening. With the resolution, Ms. Naranjo expressed concern it was giving rights away as a Board to make those decisions on what should be passed or not passed and requested a second to her amendment. Ms. Paula Fisher seconded with a friendly amendment with the removal of termination. Ms. Naranjo Lopez accepted this change.

Ms. Pittard made the Board aware of the potential for the Board not having any input on legislation that happens quickly. That's the Board's prerogative, but there could become a situation where there is not enough time for an actual Board meeting, especially toward the end of the session, and the Board may not have input on legislation that affects its members. Ms. Naranjo Lopez disagreed with this scenario.

Mr. Page expressed he would be voting against the resolution. Mr. Roybal expressed confusion as to what was actually included in the amendment and expressed concern with termination and being stripped of PERA retirement would be unconstitutional and sought clarity on the amendment proposed. Ms. Naranjo Lopez restated her amendment.

Ms. Pittard requested clarification on the reference to Legislative Counsel as she didn't know what Ms. Naranjo Lopez was referring to. Ms. Naranjo Lopez indicated she meant Legislative Committee Chair as the wording on the Resolution.

Mr. Neel questioned what definition Ms. Naranjo Lopez was using for lobbying. Ms. Naranjo Lopez indicated it was lobbyists that will lobby for our recommendations, or other people that have recommended anything that we feel hasn't been analyzed by the Board and restated that everything that goes through should be presented to the PERA Board and a report should be done, such as if the police want an increase in their benefits. The fiscal impact analysis need to be brought to the board to check if the Board is in favor of this benefit and if it can be afforded. Ms. Naranjo Lopez further stated she would not want the Chair and the Executive Director speaking for the Board and indicated a check and balance was required.

Mr. Neel indicated that having worked at the Legislature for five years as a fiscal economist, legislation oftentimes moves very, very quickly and PERA doesn't have the liberty of querying the entire Board with the logistics of calling the Board into session, public meeting requirements, etc. Mr. Neel indicated the Chairperson and Executive Director keep the Board in the loop as readily as possible.

The Chair indicated that his experience in the last session was that any bill concerning PERA was brought to the PERA Board. The Board took a position which gave the Board Chair, the Legislative Committee Chair, the Executive Director and lobbyists marching orders, and the orders were very clear. At the session the Board Chair, the Legislative Chair, the lobbyist, and required staff were at the Roundhouse daily and doing exactly the wishes of the Board.

The Chair further stated some Board members were up there on their own lobbying against the position that the Board had voted on. The Chair expressed his concern was more with Board members lobbying against positions that the Board had already voted on than the designees in the resolution breaking from what the Board's wishes were. The Chair indicated that if any fiduciary for PERA were to take actions or lobby in a way that was counterproductive to the oath that they took or that hurt PERA, there are disciplinary ramifications for that. The Chair indicated it was important to pass the resolution as initially presented.

Ms. Naranjo Lopez outlined the efforts of her outside community work with the Legislature and restated the key points of her amendment and made the correction that it is the Executive Director, Legislative Committee Chair and any lobbyist. Ms. Naranjo Lopez further stated her disagreement with the Chair.

Mr. Davis disagreed with Ms. Naranjo Lopez's characterization of the pace at which legislation proceeds at the Legislative level and stated the reason behind this policy is that PERA trusts the Executive Director, trusts the Board Chair.

The Chair called for a roll call vote on the amendment to Resolution 21-05. The amendment was defeated 5-4 as follows:

John Melia	No
David Roybal	No
Paula Fisher	Yes
Steve Neel	No
Diana Rosales-Ortiz	Yes
Lawrence Davis	No
Roberto Ramirez	Yes
Loretta Naranjo Lopez	Yes
Francis Page	Abstain
Maggie Toulouse Oliver	No

Mr. Neel explained his vote as being because the amendment was logistically very difficult.

Mr. Lawrence Davis moved to approve Resolution 21-05 as is. Mr. Steve Neel seconded. The motion fails 5-5 via roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Paula Fisher	No
Steve Neel	Yes
Diana Rosales-Ortiz	No
Lawrence Davis	Yes
Roberto Ramirez	No
Loretta Naranjo Lopez	No
Francis Page	No
Maggie Toulouse Oliver	Yes

Ms. Maggie Toulouse Oliver indicated she knew members voted no because the amendment did not pass, but indicated by voting no on the resolution, there was now no authorization for representation before the Legislature on behalf of the board, and asked if any of the no votes would reconsider.

Ms. Naranjo Lopez restated her position and further explained her community group doesn't have a lobbyist so it was her group's responsibility to willingly do it on a volunteer basis. She also indicated PERA has somebody watching for us on every deal that needs to be looked at and that the decision should be made by the Board, not one person and restated that there was plenty of time to look at everything.

Ms. Maggie Toulouse Oliver indicated her agreement in principle with many of Ms. Naranjo Lopez's comments and indicated that those who lobby on behalf of PERA don't ever represent positions that the Board hasn't already taken. If something were to come up in the Legislature pertaining to a bill that PERA is concerned with that isn't something already agreed to, they're not going to represent a position of the Board. They may provide a technical comment or whether things are feasible or workable or how, but they're not going to represent a Board position. The point of having representation from the Board in front of the Legislature is that they are hearing directly from the Board and not just from lobbyists. Ms. Toulouse Oliver stated that she felt it was a miscarriage that the Board was not authorizing folks to speak on the Board's behalf with this action and indicated she found it really inappropriate.

Ms. Naranjo Lopez disagreed. Ms. Toulouse Oliver indicated the vote just taken no longer authorized anyone to speak for the Board at the Legislature. Ms. Naranjo Lopez indicated nothing further could be done under Robert's Rules. Ms. Toulouse Oliver restated her position and asked for a member who voted no to reconsider, which is permissible under Robert's Rules.

The Chair asked if anyone who voted no would like to change their vote to a yes. At the request of clarification from the Chair, Mr. Page indicated if there were email updates by staff to the Board members on a daily basis, then he would be willing to change his vote. The Chair requested clarification, and indicated that during Legislative session the Board typically gets a report from Wayne every evening at the close of business on what's going on, and are constantly updated. The Board is never left out of the loop on anything. The Chair summarized Member Davis' comments that The Board Chair, the Legislative Chair, Executive Director, and lobbyists have always pushed forward the agenda set by the Board on any of these bills, whether it's for against or remain neutral. That's what they're there to do, that's the position they've always taken. The Chair indicated that if anyone worked against the Board's wishes, they should be disciplined. The Chair restated that he has seen with his own eyes other Board members lobbying against the direction that the Board has taken as a majority. The Chair then restated Ms. Toulouse Oliver comments that without this resolution passed, there will be no representation. The Chair asked again for the wish of Board if there were any votes that would like to change to yes or if it was a failed resolution.

Ms. Naranjo Lopez stated her disagreement. The Chair asked for any changed votes on the motions. Ms. Naranjo Lopez stated her disagreement. Ms. Toulouse Oliver called a Point of Order.

Point of Order

Ms. Toulouse Oliver indicated the Board took a vote and the motion failed. Pursuant to Robert's Rules, somebody voting now can make a motion to reconsider the previous question. If that motion is made, the Board can go ahead and take a revote.

There was a lively discussion that reiterated all previous points. Wayne Propst, Executive Director, stated he would happily send daily updates to the Board at the end of every day, and indicated on some days nothing would happen related to PERA legislation and he would be happy to let the Board know that when those circumstances arise. Mr. Propst indicated he gave regular updates to the Board throughout the Legislative session and always has, and stated there has never been a time when a position was taken on legislation that wasn't reflective of the wish of the Board, and that is how future sessions would be approached.

Mr. Davis highlighted the ramifications of not having representation at the Legislature and stated it was absolutely imperative that PERA have representation, and stated that since 1947 PERA has always had representation at the Legislature, and that the current vote as it stands results in sending no one to the Legislative session to represent PERA and asked that someone reconsider.

The Chair called again if there was a Member who would like to change their vote in accordance with Robert's Rules and asked for the correct procedure. Ms. Toulouse Oliver indicated that unless there is a person who voted no who would like to make a motion to reconsider, the matter is dead. However, if a person who voted no would like to make a motion to reconsider, then we have a revote. Mr. Francis Page made the motion to reconsider his vote with a guarantee that the Executive Director gives an update to the Board by email and text every day of the session.

Ms. Naranjo Lopez indicated that Robert's Rules of Order says that the motion to reconsider may be made only by a member who voted on the prevailing side in the original vote. That someone voted yes if the motion had passed, or voted no if the motion was defeated and stated it could not happen as it was already done. Ms. Toulouse Oliver indicated that since the prevailing side was the no, Mr. Page's motion was in order. The Chair called for a revote to approve Resolution 21-05 with the understanding that the Executive Director, Wayne Propst, will update the Board from the beginning to the end of the session daily through text and email.

Ms. Susan Pittard indicated this needed to be a motion for reconsideration made by Member Page regarding Resolution 21-05. Mr. Page made the motion as discussed. Ms. Diana Rosales-Ortiz seconded the motion. The vote to reconsider passed 9-1 via roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Paula Fisher	Yes
Steve Neel	Yes
Diana Rosales-Ortiz	Yes
Lawrence Davis	Yes
Roberto Ramirez	Yes
Loretta Naranjo Lopez	No
Francis Page	Yes
Maggie Toulouse Oliver	Yes

Ms. Maggie Toulouse Oliver moved to approve Resolution 21-05 as amended in the previous vote. Mr. Francis Page seconded. The motion passed 9-1 via roll call vote as follows:

John Melia	Yes
David Roybal	Yes
Paula Fisher	Yes
Steve Neel	Yes
Diana Rosales-Ortiz	Yes

Lawrence Davis	Yes
Roberto Ramirez	Yes
Loretta Naranjo Lopez	No
Francis Page	Yes
Maggie Toulouse Oliver	Yes

E. Legislative Session Update

Mr. Propst provided an update to the Board. Mr. Propst indicated there was a new Board member orientation set for this Friday. On the Legislative update, the 2021 Legislative session begins at noon on Tuesday, January 19th. It is a 60-day session. The entire 60-day session will be a virtual session, which means that only Legislators and Legislative staff are authorized to be in the building. Board members who wish to testify on PERA-related legislation or lobbyists will be presenting virtually. This is going to be a significant challenge for anybody who is interested and has issues before the session, and there will be some difficulty and some glitches. Mr. Propst stated there was a fairly good connection to Members of the Legislature, to the Legislative Finance Committee, to DFA and to the Governor's Office and was hopeful that using those connections and those phone numbers that have been accumulated over the years will allow for the easy representation of the position of the PERA Board during the 2021 session.

The FY22 appropriation request will be heard by the House Appropriations and Finance Committee on Wednesday, January 27th at 1:30. As soon as that agenda becomes available, it will be sent to all Board members and posted to the Board portal.

For the information of new Board members, the FY22 appropriation request was a slight decrease over the FY21 budget. The total request for operating budget was \$36,208,900. The Legislative Finance Committee recommendation and the Department of Finance and Administration recommendations came out late yesterday. It appears that both the LSC and DFA are recommending our request, so no issues are anticipated regarding the budget at the House Appropriations and Finance committee, or at the Senate Finance Committee or during the Legislative session, given that essentially both the LFC and DFA have agreed with our request and are recommending that it move forward.

As of Friday this last week, two bills have been pre-filed. One is House Bill 65, which has been pre-filed by Representative Bill Ream. The Board was informed last year that legislation was being introduced by Representative Ream. It's a lengthy and complicated bill, and analysis has not been completed yet, but it appears that the bill will increase employee contributions for all city, county, state, police and fire members by between 4% and 8%. That would be an increase to the employee contribution above the 2% that was approved during the last Legislative session. It also appears, that in addition to increasing contributions for virtually all PERA employees, with the exception of state police by 4% to 8%, the bill would eliminate cost of living adjustments for any future PERA retirees who have not reached the age of 60. Staff are still working through the bill to make sure they fully understand it. Staff will be bringing that piece of legislation to the Board at your January 28th meeting for consideration.

The other bill that has been pre-filed in the Senate by Senator George Munoz is a bill that was introduced last year. It relates to the treatment of certain mandatory overtime hours under the Fair Labor Standards Act. That is a bill that the Board endorsed last year. It passed the Senate, but it did not make its way through the House. Senator Munoz was a sponsor of that bill last year as well. That bill has been re-introduced by Senator Munoz. Bills may be introduced at any time during the first 30 days of the session, so there is quite a bit of time left for bills to be introduced. The House of Representatives was planning on restricting bills that Members of the House can introduce to five. It won't be known until the session actually begins next Tuesday and the House and Senate establish their rules under which they will operate during the 2021 session.

Ms. Fisher asked what the Bill number was of Senator Munoz's bill. Mr. Propst indicated there was not a number yet. The Senate has changed its procedures in terms of how pre-filed legislation is dealt with. The New Mexico Legislative website shows a list of pre-filed bills in the House which have been assigned a number. In the Senate, they're just listing the legislation, what it does, the title and the sponsor, and they will not give numbers to those pre-filed bills until the session actually begins.

Mr. Propst was asked if that would be the same as Senate Bill 62 of last year that gives preferential treatment to firemen. Mr. Propst responded it was not just for fire but it was the same bill that Senator Munoz introduced last year related to treatment of overtime hours under the FLSA.

6. Adjournment

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

Approved by:



John Melia
Chair, PERA Board

ATTEST:



Wayne Propst, Executive Director

Exhibits attached