

NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
BOARD MEETING

August 27, 2015

This meeting of the Public Employees Retirement Board was called to order by Patricia French, Chair, at approximately 10:00 a.m. on the above-cited date at the Farmington Civic Center, 200 W. Arrington, Farmington, New Mexico.

1. ROLL CALL

Roll was called by Executive Director Wayne Propst and a quorum was established with the following members present:

Members Present:

Patricia French, Chair – Municipal
Stewart Logan, Vice Chair – County
Dan Mayfield, – Retiree
Dan Esquibel - Municipal
Roman Jimenez - State
Paula Fisher - State
Jackie Kohlasch - State
Louis Martinez - Municipal
Loretta Naranjo Lopez - Retiree

Member(s) Excused:

Dianna Duran - *Ex-officio*
Tim Eichenberg - *Ex-officio*
John Reynolds - State

Staff Members Present:

Wayne Propst, Executive Director
Susan Pittard, Chief of Staff/General Counsel
Jonathan Gabel, Chief Investment Officer
Greg Trujillo, Deputy Director
Renada Peery-Galon, ASD Director
Natalie Cordova, CFO/Comptroller
Valerie Sandoval, Financial & Budget Manager
Jude Perez, Portfolio Manager
LeAnne Larrañaga-Ruffy, Portfolio Manager
Judy Olson, Executive Assistant
Karyn Lujan, Deferred Compensation Plan Manager

Others Present:

Tommy Roberts, Mayor, City of Farmington
Jamie Feidler, Cliffwater
Tom Toth, Wilshire
Eileen Neill, Wilshire
Paul Lium, Nationwide

3. **APPROVAL OF AGENDA**

Mr. Logan introduced the following motion:

“RESOLVED, that the PERA Board exclude Items A, B, C & D and just move on to Item E of the Monthly Board Meeting agenda.”

Mr. Martinez seconded, and the motion passed by unanimously.

4. **APPROVAL OF CONSENT AGENDA**

[Exhibit 1: Consent Agenda]

Chair French stated that she reviewed the minutes and found them complete and accurate.

Vice-Chair Logan introduced the following motion:

“RESOLVED, that the PERA Board approve the consent agenda as published.”

Member Fisher seconded and the motion passed by majority [8-1] voice vote with Ms. Naranjo Lopez voting in the negative stating it was a vote against the approval of the July 30, 2015 minutes.

E. **INVESTMENTS DIVISION**

E. 1. Action Item. Jonathan Gabel, PERA’s CIO introduced Karyn Lujan, Deferred Compensation Plan Manager. Ms. Lujan presented the Deferred Compensation Investment Consultant RFP Committee recommendation selection of Meketa Investment Group as the 457(b) Plan’s Investment Consultant. The members in the evaluation committee consisted of herself, Jude Perez, Daniel Mayfield, Roman Jimenez and Louis Martinez. Ms. Lujan explained how they came up with their recommendation and described the 457(b) plan in depth. She explained Meketa Investment Group indicated what their plans and objectives were. Ms. Lujan indicated she would work along side by side with Meketa and will learn from them for the betterment of our plan participants.

Jonathan Gabel indicated Mercer was the previous 457(b) Plan’s investment consultant and they did a fantastic job; however this RFP was as a result of the Procurement Policy. The contract with Mercer expires on September 30, 2015.

Members Martinez, Mayfield and Jimenez congratulated staff on their excellent work with the RFP process. Member Martinez indicated they had excellent finalists and a good plan to continue in the right direction. Member Jimenez thanked Ms. Lujan for a great job as the informal leader of the group and providing all the proper documentation to assist them in making their selection. Jonathan Grabel thanked Wilshire as our PERA adviser. They were all in agreement that Meketa Investment Group would serve PERA the best. Jonathan Grabel indicated he stood in the background in an advisory capacity and was pleased with the work provided by the evaluation committee on this RFP.

Member Logan asked about Meketa Investment Group's fees. Ms. Lujan indicated their fees are lower than Mercer's.

Member Kohlasch asked where we are with the rebranding. Mr. Grabel indicated rebranding is in process.

Member Mayfield made the following motion:

“RESOLVED, that the PERA Board Approve the Deferred Compensation Investment Consultant RFP Committee’s Recommendation in the selection of Meketa Investment Group as PERA’s Deferred Compensation Investment Consultant.”

Member Jimenez seconded the motion, and the motion carried unanimously.

E. 2. Action Item. Jonathan Grabel introduced LeAnne Larrañaga-Ruffy, PERA Portfolio Manager. Ms. Ruffy indicated the International Equity Small Cap Evaluation Committee recommended that PERA continue utilizing the investment management services of Principal Global Equities (“Principal”) for the international equity small cap mandate (approximately \$170 million).

Ms. Larrañaga-Ruffy indicated the evaluation committee consisted of herself, Mark Montoya, Patty French, Dan Mayfield and Stewart Logan. Ms. Larrañaga-Ruffy indicated Principal has done a good job thus far and have been very consistent.

Member Logan commended LeAnne Larrañaga-Ruffy and Tom Toth on their due diligence on behalf of the evaluation committee.

Member Mayfield made the following motion:

“RESOLVED, that the PERA Board Approve the International Equity Small Cap RFI Committee’s Recommendation in the selection of Principal Global Equities (“Principal”) for the International Equity Small Cap mandate.”

Member Jimenez seconded the motion, and the motion carried unanimously.

F. RULES & ADMINISTRATION

Action Item. Dan Esquibel, Chair of the Rules & Administration Committee introduced the following motion:

“RESOLVED, that the PERA Board Approve the Notice of Rulemaking.”

Member Logan seconded the motion, and the motion carried unanimously.

G. AUDIT & BUDGET

Action Item. Renada Peery-Galon, ASD Director and Valerie Sandoval, Financial & Budget Manager presented the proposed FY 17 Budget Request for the Board’s approval. Ms. Sandoval indicated the due date for submission of the FY 17 budget request to DFA and LFC is Tuesday, September 1, 2015. Member Logan asked about the three expansion positions. Ms. Peery-Galon indicated they are: 1) a Compliance Officer for Investments; 2) Legal Assistant in the Office of General Counsel; and 3) Administrative Support for ASD and Executive Office.

Chair French asked for the status of the Data Base Programmer position that was approved under the FY 16 budget. Ms. Peery-Galon indicated that position is currently in recruitment.

Ms. Sandoval indicated the FY 17 budget request is about 5% lower than last years requested budget. Member French asked if it was wise to lower our budget request. Executive Director Wayne Propst indicated PERA is being prudent and are only asking for what we need.

Member Naranjo Lopez indicated a retiree had called and asked if NMPERA could provide retiree services at the former NMPERA office since it was easier for seniors that lived nearby that area.

Member Mayfield commended and thanked Ms. Peery-Galon and Ms. Sandoval for their hard work on the budget.

The Board congratulated Director Propst, Natalie Cordova, PERA’s CFO and ASD staff for their GFOA Award of Excellence for last year’s CAFR.

Member Esquibel made the following motion:

“RESOLVED, that the PERA Board Approve the FY 17 Budget Request as presented by PERA staff.”

Member Jimenez seconded the motion, and the motion carried unanimously.

H. Executive Director's Report

Executive Director Wayne Propst indicated he felt the PERA Board retreat was a productive 3½ days. He commended the Board Chair for its success; and thanked Member Logan for all of his assistance.

Director Propst indicated the Retiree Health Care Authority would be moving into the PERA building on Friday, August 28, 2015. He looked forward to working with RHCA for a smooth transition. He believes this move will assist our members and retirees in that they will be able to meet with PERA staff and then meet with RHCA staff in the same building.

Director Propst discussed the renovations of the Albuquerque office. He indicated we are hoping to move into the new office space by December of this year.

He also indicated the GASB 68 schedules have been sent to the State Auditor.

6. OTHER BUSINESS

None was offered.

7. ADJOURNMENT

Having completed the agenda and with no further business to come before the Board, Member Logan made a motion to adjourn; Member Fisher seconded his motion. Chair French declared this meeting adjourned at 11:10 a.m.

Approved by



Patricia French
Chair, PERA Board

ATTEST:



Wayne Propst, Executive Director

Attached Exhibits:

- Exhibit 1: Consent Agenda*
- Exhibit 2: Staff Report re: Meketa Investment Group*
- Exhibit 3: Staff Report re: Principal Global Equities*
- Exhibit 4: Wilshire Report re: Principal Global Equities*
- Exhibit 5: Notice of PERA Rulemaking*
- Exhibit 6: Staff Memo re: FY 17 Budget Request*
- Exhibit 7: Executive Director's Report*