

NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
RULES & ADMINISTRATION
COMMITTEE MEETING

December 8, 2015

This meeting of the Public Employees Retirement Board Rules & Administration Committee was called to order by Committee Chair Dan Esquibel at approximately 12:18 p.m. on the above-cited date in the PERA Building, Senator Fabian Chavez, Jr. Board Room, 33 Plaza La Prensa, Santa Fe, New Mexico.

Roll was called by Executive Director Wayne Propst and a quorum was established as follows:

Members Present:

Dan Esquibel, Chair
Dan Mayfield
Patty French
Paula Fisher
John Reynolds

Member(s) Excused:

None

Other Member(s) Present:

Loretta Naranjo Lopez
Cathy Townes
Stewart Logan
John Reynolds
Jackie Kohlasch

Staff Members Present:

Wayne Propst, Executive Director
Susan Pittard, Chief of Staff-General Counsel
Jonathan Grabel, Chief Investment Officer
Greg Trujillo, Deputy Director
Karen Risku, Deputy General Counsel
Danna Varela, Executive Assistant
Jude Perez, Deputy CIO
Natalie Cordova, Chief Financial Officer
Sam Ojinaga, Contribution Accounting Bureau Chief

Others Present:

Jamie Feidler, Cliffwater
Don Wencewicz, AFSCME Retirees

2. APPROVAL OF AGENDA

Ms. Fisher moved to approve the agenda as presented. Ms. French seconded and the motion passed without opposition.

3. APPROVAL OF CONSENT AGENDA

No action was taken on this item.

4. CURRENT BUSINESS

A. Discussion: Board Attorney

Chair Esquibel said the notion of having a dedicated Board attorney to provide legal advice to the Board has come up for discussion.

Ms. Kohlasch asked what would be the remedy if the Board attorney disagreed with the agency's attorney. Chair Esquibel said the Board's decision is final and it is the Board that provides governance that the Executive Director is charged to implement. As elected officials, it is the Board that develops the policies and rules that the agency has to follow.

Mr. Logan asked whether there was funding in next year's budget for a contract Board attorney. Mr. Propst said it was not budgeted and he pointed out that contracts require DFA approval.

Ms. French recommended that the Board Chair and Vice Chair work with staff and determine whether there is a need for this counsel and if there is, develop a scope of services that would be presented to this committee for discussion and action.

Ms. Townes asked what was expected from the proposed Board attorney that differed from the agency's counsel. Ms. French said that was a pertinent question which would be addressed as part of the scope of services.

Mr. Eichenberg suggested the agency's surplus could address funding for the Board counsel contract.

In response to Mr. Eichenberg's assertion that DFA's review was a technicality; Mr. Propst said DFA's contract review process is thorough and would compare any scope of work with PERA's four full-time attorneys, tax counsel, hearing officers, etc. to ensure there is no duplication of services.

Mr. Eichenberg recalled there was "quite a hullabaloo" regarding an option

PERA's counsel took in reference to an Albuquerque police retention issue last year. If, at that time, the Board had its own attorney, a different option may have been pursued. He said he greatly respects the Executive Director but does not always agree with him. If at some point the Board determines that their directions are not being carried out, the Board may want its own counsel to help remedy the situation.

Mr. Eichenberg said dedicated Board counsel should be present at meetings to solely represent the Board's interest and only be "looking out for the Board's interest."

Ms. Naranjo Lopez supported Board Chair French's recommendation and asked that the merging of chief of staff and general counsel positions be considered. The liabilities and soundness of the fund should be the Board's top priority.

Mr. Mayfield supported Board Chair French's recommendation and requested that he be named a participant of that working group. Ms. Kohlasch also supported Ms. French's suggestion.

Chair Esquibel pointed out that there are many boards and committees that have their own attorneys. He too supported Ms. French's recommendation and said he would communicate with Mr. Propst on advancing this discussion.

5. **OTHER BUSINESS**

None was offered.

6. **ADJOURNMENT**

Having completed the agenda and with no further business to come before the Committee, Chair Esquibel adjourned this meeting at approximately 12:40 p.m.

Approved by:



Dan Esquibel, Chair
Rules & Administration Committee

ATTEST:



Wayne Propst, Executive Director