

**NEW MEXICO**  
**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**  
**MONTHLY BOARD MEETING**

**February 25, 2016**

This meeting of the Public Employees Retirement Board was called to order by Patricia French, Chair, at approximately 10:52 a.m. on the above-cited date at the PERA Building, Senator Fabian Chavez, Jr. Board Room, 33 Plaza La Prensa, Santa Fe, New Mexico.

**1. ROLL CALL**

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

**Members Present:**

Patricia French, Chair - Municipal  
Dan Mayfield, Vice Chair - Retiree  
Dan Esquibel - Municipal  
Paula Fisher - State  
Jackie Kohlasch - States  
James Maxon - County  
Loretta Naranjo Lopez - Retiree  
John Reynolds - State  
Cathy Townes - State  
Brad Winter - *Ex-officio*

**Member(s) Absent:**

Tim Eichenberg- *Ex-officio*  
[One vacancy – Municipal position]

**Staff Members Present:**

Wayne Propst, Executive Director  
Susan Pittard, Chief of Staff-General Counsel  
Jon Grabel, Chief Investment Officer  
Greg Trujillo, Deputy Director/Chief Information Officer  
Renada Peery-Galon, ASD Director  
Natalie Cordova, Chief Financial Officer  
Misty Braswell, Assistant General Counsel  
Dana David, Assistant General Counsel  
Jude Perez, Deputy CIO  
Joaquin Lujan, Director of Rates and Credit  
LeAnne Larrañaga-Ruffy, Director of Equity  
Danna Varela, Executive Assistant  
Mark Montoya, Financial Analyst

Kristin Varela, Portfolio Manager  
Emily Lopez, Financial Specialist  
Karyn Lujan, Deferred Compensation Plan Manager  
Christine Ortega, Portfolio Manager  
Zarina Martinez, ASD  
Lalleh Dayeny, Investment Division

**Others Present:**

Paul Lium, Nationwide  
Anna Hanik Ortiz, LFC  
Jennifer Salazar, OAG  
Mark Williams, Cliffwater  
Thomas Toth, Wilshire

**2. APPROVAL OF AGENDA**

Ms. Fisher introduced the following motion:

**“RESOLVED, that the PERA Board approve the agenda.”**

Mr. Maxon seconded and the motion passed by unanimous voice vote.

**3. APPROVAL OF CONSENT AGENDA**

*[Exhibit 1: Consent Agenda]*

Ms. Fisher introduced the following motion:

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

Mr. Mayfield seconded and the motion passed by without opposition.

**4. CURRENT BUSINESS**

**A. Executive Session**

- 1. Administrative Appeal: The Board will go into Executive Session under NMSA 1978, Section 10-15-1 (H)(3) to discuss the following item:**

- a. Rob W. Rueler**

**Mr. Esquibel moved to meet in executive session to discuss the item listed above. Ms. Fischer seconded. The motion passed by unanimous roll call vote as follows:**

Patricia French	Aye
Dan Mayfield	Aye
Dan Esquibel	Aye
Cathy Townes	Aye
Jackie Kohlasch	Aye
James Maxon	Aye

Loretta Naranjo Lopez	Aye
John Reynolds	Aye
Paula Fisher	Aye
Brad Winter	Aye
Tim Eichenberg	Absent

[The Board, met in executive session from 10:53 – 11:25]

Ms. Fisher moved to return to open session. Mr. Esquibel seconded. The motion passed as follows:

Patricia French	Aye
Dan Mayfield	Aye
Dan Esquibel	Aye
Cathy Townes	Aye
Jackie Kohlasch	Not present for vote
James Maxon	Aye
Loretta Naranjo Lopez	Aye
John Reynolds	Aye
Paula Fisher	Aye
Brad Winter	Aye
Tim Eichenberg	Absent

Chair French announced that the only item discussed during executive session was that listed on the agenda.

Mr. Maxon introduced the following motion:

**“RESOLVED, that in the matter of the appeal of Rob W. Rueler, PERA ID# 109395, the Board adopt the hearing officer’s recommended findings of fact and conclusions of law, and approve the hearing officer’s recommended decision to deny claimant’s request for PERA duty disability retirement benefits and grant claimant PERA non-duty disability retirement benefits.”**

Ms. Fisher seconded and the motion passed by majority [8-1] vote with Ms. Naranjo Lopez casting the sole dissenting vote and Ms. Kohlasch not present.

**B. Investment Division**

Jon Grabel, Chief Investment Officer, said the recommendations 1-4 were discussed and unanimously approved at the SmartSave Committee meeting.

**1. Recommendation to adopt a revised asset allocation across all LifeCycle Portfolios**

SmartSave Committee Chair Reynolds introduced the following motion:

**“RESOLVED, that the PERA Board adopt a revised asset allocation across all**

**LifeCycle portfolios.”**

Ms. Naranjo Lopez seconded and the motion passed by 8-0 voice vote. [Members Kohlasch and Esquibel were not present for this action.]

2. **Recommendation to replace Fidelity Diversified International Fund with Vanguard Total International Stock Index across all LifeCycle Portfolios**

Mr. Reynolds introduced the following motion:

**“RESOLVED, that the PERA Board approve the recommendation to replace Fidelity Diversified International Fund with Vanguard Total International Stock Index across all LifeCycle Portfolios.”**

Ms. Naranjo Lopez seconded and the motion passed by unanimous [10-0] voice vote.

3. **Recommendation to add five-year increments to LifeCycle Portfolio lineup**

Mr. Reynolds introduced the following motion:

**“RESOLVED, that the PERA Board approve the recommendation to add five-year increments to LifeCycle Portfolios.”**

Mr. Mayfield seconded and the motion passed by unanimous [10-0] voice vote.

4. **Recommendation to adopt a revised roll-down schedule and formalize quarterly rebalancing of the LifeCycle Portfolios**

Mr. Reynolds introduced the following motion:

**“RESOLVED, that the PERA Board adopt a revised roll-down schedule and formalize quarterly rebalancing of the LifeCycle Portfolios.”**

Ms. Naranjo Lopez seconded and the motion passed by unanimous [10-0] voice vote.

Mr. Reynolds was appreciative of the creation of the SmartSave Committee and thanked the Chair for her trust in appointing him as its chair.

5. **Recommendation to Commit up to \$75 Million to Brookfield Infrastructure Fund III, LP**

Investment Committee Chair Esquibel said this item was discussed earlier this morning and he introduced the following motion:

**“RESOLVED, that the PERA Board commit up to \$75 million to Brookfield**

**Infrastructure Fund III, LP, as recommended by staff and subject to legal review.”**

Mr. Mayfield seconded and the motion passed by unanimous [10-0] voice vote.

**C. 2016 Legislative Session Update/Executive Director’s Report**

Mr. Propst noted his report was provided within the Board packet. He highlighted that in January over 60,000 1099 tax forms were mailed to the retirees. This year there were fewer issues with that mailing than in the past. He credited Deputy Director Trujillo and his staff for that achievement.

Mr. Propst said HB2, the appropriations/budget bill, passed with the approval of two new expansion positions, an increase in budget, some general funding to continue the administration of the State’s Social Security program and \$4.2 million to begin data cleansing and an upgrade to the RIO system.

Mr. Propst said he anticipated holding a PERA Board meeting at the new Albuquerque office in April or May.

In response to Chair French’s request for a summary of House Bill 171/Return to Work. Mr. Propst said he would ask Cavanaugh Macdonald to address this issue. He discussed the PERA 90 percent incentive (SB27) for law enforcement/public safety to work for 30 years which would provide up to \$700,000 to law enforcement in additional lifetime benefits. Cavanaugh Macdonald can discuss the mechanics of return to work, the impacts to PERA and the incentives that are available for those that work longer. During the session, there was pressure on legislators to vote favorably on HB 171. Senate Public Affairs heard the bill and took testimony; however, without the sponsor being present no action was taken on the bill and it was planned to be heard again but that did not occur. Mr. Propst opined that had there been a vote at the Senate Public Affairs Committee it would have been defeated on a bipartisan basis.

**5. OTHER BUSINESS**

Mr. Propst said he was pleased with the repairs to the building and how they have held up over the winter. Lloyd & Associates inspects the building on a quarterly basis. There are additional repairs to address sealant around the doors and windows that are scheduled for spring.

In response to Mr. Esquibel’s question about addressing issues that surfaced during the development of the strategic plan, Mr. Propst recommended adding that to the next Rules & Administration Committee agenda where he will provide a report.

**6. ADJOURNMENT**

Having completed the agenda and with no further business to come before the Board, Chair French declared this meeting adjourned at 11:50 a.m.

Approved by:



Patricia French  
Chair, PERA Board

**ATTEST:**

Wayne Propst, Executive Director

Attached Exhibit:

*Exhibit 1: Consent Agenda*