

**MINUTES OF THE NEW MEXICO  
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION  
AUDIT & BUDGET COMMITTEE MEETING**

**July 12, 2016**

This meeting of the Public Employees Retirement Board Audit & Budget Committee was called to order by Vice Chair John Reynolds at approximately 9:36 a.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 with the following members present:

**Members Present:**

Dan Mayfield, Chair  
John Reynolds, Vice Chair  
James Maxon  
Jackie Kohlasch

**Member(s) Absent:**

Tim Eichenberg  
Brad Winter

**Other Member(s) Present:**

Patty French  
Dan Esquibel  
Paula Fisher  
Loretta Naranjo Lopez  
John Melia  
Cathy Townes

**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  
Karen Risku, Deputy General Counsel  
David Dana, Assistant General Counsel  
Renada Peery-Galon, ASAD Director  
Jude Perez, Deputy CIO  
Karyn Lujan, Deferred Compensation Plan Manager  
LeAnne Larrañaga-Ruffy, Director of Equity  
Kristin Varela, Portfolio Manager

Emily Lopez, Financial Specialist  
Christine Ortega, Portfolio Manager

**Others Present:**

Paul Lium, Nationwide  
Paul Cowie, Meketa Investment Group  
Wayne Lloyd, Lloyd & Associates  
Sheb Mirando, Lloyd & Associates

**2. APPROVAL OF AGENDA**

Ms. Reynolds moved to approve the agenda as presented. His motion was seconded by Mr. Maxon and passed by unanimous voice vote.

**3. APPROVAL OF CONSENT AGENDA**

Mr. Reynolds moved to approve the consent agenda. Ms. Kohlasch seconded and the motion passed by unanimous voice vote.

**4. CURRENT BUSINESS**

**A. Fiscal Year 2017 Operating Budget**

Renada Peery-Galon, Administrative Services Director, said the actual FY16 will not close until August 6<sup>th</sup> and staff continues to process invoices. The internal deadline is Friday, July 15<sup>th</sup>.

Ms. Peery-Galon reviewed the 2016 4<sup>th</sup> quarter budget projections highlighting that the budget is divided into three categories; 200: personal services and employee benefits; 300: contractual services; and 400: other/operating expenditures. The 200 category will end the year with a balance which is not unusual. She noted the agency has five vacancies. The 300 category includes a budget increase that occurred early in the fiscal year to complete the rammed earth exterior repairs on the building as well as three category transfer BARs (budget adjustment requests). The \$31.5 million saving in category 300 can be attributed to renegotiated manager fees in investment contracts and reduction in performance-based management fees. The 400 category included a BAR to purchase furniture for and renovations to the Albuquerque office. She reviewed the increased cost in mailing and printing. There were additional costs for the IT firewall and benchmark related subscription and dues. Ms. Peery-Galon reviewed the Board expenditures that were also included in category 400.

Ms. Peery-Galon said the FY 17 budget has been established and the fiscal year began July 1<sup>st</sup>. The categories are full and the operating expenditures have been encumbered. Based on FY 16 expenditures, she said she would be paying close attention to the printing and photo services which may be short by \$50,000, and postage and mailing may be short by \$60,000.

Mr. Esquibel asked about the additional money used for the rammed earth repair. Ms. Peery-Galon said money was budgeted in FY 15 for the repairs and the \$22,000 completed the repairs in FY 16.

Ms. Peery-Galon said out of state travel for staff was budgeted in FY 16 for \$24,700 and the projected final amount is \$28,952 for mileage and fares; however, out of state travel for meals and lodging was budgeted at \$34,000 and the actual was \$30,875.

5. OTHER BUSINESS

None was presented.

6. ADJOURNMENT

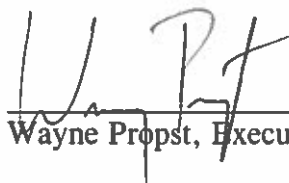
Having completed the agenda, Chair Mayfield adjourned this meeting at approximately 9:48 a.m.

Approved by:



Dan Mayfield, Chair  
Audit & Budget Committee

ATTEST:

  
Wayne Propst, Executive Director