

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

**May 26, 2016**

This meeting of the Public Employees Retirement Board was called to order by Patricia French, Chair, at approximately 11:40 a.m. on the above-cited date at the PERA Building, 33 Plaza la Prensa, Senator Fabian Chavez, Jr. Board Room, Santa Fe, New Mexico.

**1. & 2.      ROLL CALL**

The Pledge of Allegiance occurred at the Investment Meeting. 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  
James Maxon - County  
John Melia - Municipal  
Loretta Naranjo Lopez - Retiree  
John Reynolds - State  
Brad Winter - *Ex-officio*

**Member(s) Absent:**

Cathy Townes - State [excused]  
Tim Eichenberg- *Ex-officio*  
Jackie Kohlasch – State [excused]

**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  
Renada Peery-Galon, ASD Director  
Dana David, Assistant General Counsel  
Natalie Cordova, Chief Financial Officer  
Joaquin Lujan, Director of Rates and Credit  
LeAnne Larrañaga-Ruffy, Portfolio Manager  
Mark Montoya, Financial Analyst  
Kristin Varela, Portfolio Manager  
Emily Lopez, Financial Specialist  
Karyn Lujan, Deferred Compensation Plan Manager  
Christine Ortega, Portfolio Manager

**Others Present:**

Thomas Toth, Wilshire  
Jamie Feidler, Cliffwater  
Paul Lium, Nationwide  
Dale Lattanzio, DRC Capital  
Rob Hurlbut, Agriculture Capital  
Tom Avinelis, Agriculture Capital

**2. APPROVAL OF AGENDA**

Ms. Fisher introduced the following motion:

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

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

**3. APPROVAL OF CONSENT AGENDA**

*[Exhibit 1: Consent Agenda]*

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

Mr. Maxon introduced the following motion:

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

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

**4. CURRENT BUSINESS**

- A. Staff Appreciation for 25-years of Service to PERA and retirement**
- 1. Vince Jaramillo**
  - 2. Joyce Rivera**
  - 3. Sam Ojinaga**

Mr. Propst said Sam Ojinaga is retiring and his contributions to PERA far exceed the amount of time he has been here. He highlighted the changes Mr. Ojinaga made in contributions accounting.

Mr. Propst said Vince Jaramillo has spent his entire career at PERA and has exceeded his 25 years of service. He thanked Mr. Jaramillo for his willingness to take on extra duties and recognized the remarkable service he has provided to PERA.

Joyce Rivera is retiring after 25 years, stated Mr. Propst. While institutions outlive individuals, Ms. Rivera comes close to being irreplaceable. He said she understands the complexities of member services and has tremendous institutional knowledge. She will be greatly missed, stated Mr. Propst.

The three individuals received a standing ovation. The Board thanked them individually and photos were taken.

**B. Investments:**

**1. Commitment of up to \$40 million to ACM Fund II, LLC to be funded according to the cash plan, subject to legal review by General Counsel**

Mr. Esquibel, Chair of the Investments Committee introduced the following motion:

**“RESOLVED, that the PERA Board approve a commitment of up to \$40 million to ACM Fund II, LLC, to be funded according to the cash plan, subject to legal review by General Counsel.”**

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

**2. Commitment of up to \$75 million to DRC European Real Estate Debt Fund III, LP, to be funded according to the cash plan, subject to legal review by General Counsel**

Mr. Esquibel introduced the following motion:

**“RESOLVED, that the PERA Board approve a commitment of up to \$75 million to DRC European Real Estate Debt Fund III, LP to be funded according to the cash plan, subject to legal review by General Counsel.”**

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

**C. BoardEffect Portal Demonstration**

Greg Trujillo, Deputy Director, introduced Patrick Wilson, one of the developers of BoardEffect, which provides a platform for easy management of board information. Mr. Wilson, who appeared telephonically, stated the goal of the program is to help maximize resources, manage risk, and enhance performance. The firm works with over 1,500 clients. BoardEffect allows easy management of board information, while also enabling board directors to fulfill their responsibilities of elevating organizational performance. The platform was developed to provide a web-based resource, from board books to board education, placing board-related materials on line with a private portal.

Mr. Wilson walk through the functionality of the system. He noted the program has 24/7/365 phone support. Mr. Wilson reviewed the features the portal offers: organization, security, libraries of information, meeting books, search ability, comment areas, workroom files, discussion areas, offline chat and transparency.

The following were questions and highlights of the demonstration:

Q: How does this work with the State's Open Meetings Act?

Ms. Pittard suggested there were some components that appear geared to the private sector. The Board would not be able to have closed discussions and voting within the portal.

Q: Can PERA use as much or as little of this product as desired?

A: Absolutely.

Mr. Wilson noted he was trying to show the power and capabilities of what the portal can do; however, he understood not all of the functionality may be applicable to a public Board.

Q: How do we protect draft information? Can information be prohibited from downloading?

A: Most definitely. There are a number of safeguards built into the system to help protect documents. Downloading can be prohibited and the document can be "read only" thus prohibiting printing. There are a number of safeguards in the system to compartmentalize information until it is ready for release.

Q: Does the system have the capability to IP restrict and only allow certain devices to access rather than multiple devices on the same account.

A: Reports can be generated identifying who is logging in and from where and from what.

Q: When dealing with notes, does everyone see the same notes?

A: Only the note maker will see those notes. Notes are for the note maker's use alone and can only be shared if it is emailed or messaged and copied. Likewise, documents cannot be collaboratively edited.

Q: How does the system prevent print screen functions?

A: There are a number of methods BoardEffect employs to limit information from leaving the system and uses top names in the storage and security industry. Mr. Trujillo has a copy of the BoardEffect's security resilience report. If required, additional experts can be called to address this question with the Board if required.

Q: When a Board member's term expires will they still have access to BoardEffect?

A: Absolutely not. Their code will be deactivated and they would not be able to access the system at all.

Mr. Trujillo added that administratively a former Board member could be provided download of materials that were presented while they were active Board members.

Mr. Trujillo said the archiving and document management would be particularly pertinent to the Board.

Mr. Wilson reviewed the survey capabilities of the system. Best practices can be built out with the assistance of BoardEffect experts. The directory includes information about the Board members and visibility of that information can be controlled. The system allows for an alternate contact.

Chair French requested that a copy of the presentation/demonstration be forwarded to the Board.

Q: If PERA were to desire this service, is there a trial period?

A: If PERA decided to go forward with BoardEffect at this meeting, Mr. Wilson offered PERA a 60-day opt-out period. Opt-out is BoardEffect's trial version. BoardEffect will build out the platform and provide the training – and if PERA decides to opt out within that 60-day trial period, there is no penalty.

Recognizing this was not noticed as an action item, Mr. Trujillo said he hoped the Board would give direction to move forward with this program on June 1<sup>st</sup>. The fees are reasonable with a base package running \$6,000 annually. The advance support package is an additional \$1,500.

Mr. Wilson said the \$6,000 is inclusive of training, support and the base level package. The next level is increased training and customer service with assistance in migrating data and building out the framework of the platform. There is a one-day training which is \$2,000.

Mr. Melia recommended that the Board direct staff to move forward and place it on a future agenda for formal action. There appeared to be consensus and the Chair asked Mr. Trujillo to proceed.

Mr. Trujillo thanked Mr. Wilson and said he would contact him later in the day.

### **C. Executive Director's Report**

Mr. Propst highlighted the following:

- To better serve the membership, the Albuquerque office is now open during the lunch hour;
- Ms. Pittard and Mr. Trujillo made a presentation of a general overview of PERA to the Investments and Pension Oversight Committee (IPOC) at the first 2016 interim meeting;
- New Mexico ranks 49<sup>th</sup> in the country for private sector security retirement – a number of states have begun to look at this issue and PERA recommended that IPOC consider dedicating time to this issue;
- An update on retirements regarding the final phasing of the COLA will be provided to the Board in June; and
- A special congratulation to Ms. Larrañaga-Ruffy on her recent award.

Ms. Naranjo-Lopez said that SEIU (Service Employees International Union) has been

evaluating and looking at how to bring pensions to the private sector. She recommended staff contact SEIU.

Mr. Propst said the State will be hosting a job fair in the next few weeks.

Regarding a question related to the COLA phasing period, Mr. Trujillo said after July 1<sup>st</sup> the retiree will need to wait seven years to receive a COLA or be age 65, whichever comes first.

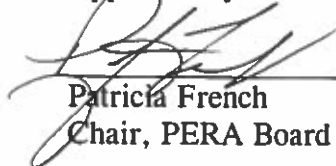
5. **OTHER BUSINESS**

None was presented.

6. **ADJOURNMENT**

Having completed the agenda and with no further business to come before the Board, Chair French declared this meeting adjourned at 12:45 p.m.

Approved by:

  
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Patricia French  
Chair, PERA Board

ATTEST:

  
\_\_\_\_\_  
Wayne Propst, Executive Director

Attached Exhibit:

*Exhibit 1: Consent Agenda*