

**NEW MEXICO
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
RULES & ADMINISTRATION COMMITTEE MEETING**

March 9, 2021

This meeting of the Public Employees Retirement Board Rules & Administration Committee Meeting was held on the date cited above via Zoom tele/video conferencing.

1. Call to Order

The meeting was called to order at 11:09 am by Chair Paula Fisher.

2. Roll Call

Roll call was undertaken by Trish Winter, Executive Assistant. Meeting attendance met quorum, with the following members present.

Committee Members Present

Paula Fisher, Chair
Steve Neel, Vice Chair
Diana Rosales Ortiz
Shirley Ragin

Committee Members Excused

Roberto Ramirez

Other Board Members Present

Lawrence Davis
Tim Eichenberg
Loretta Naranjo Lopez
Francis Page
David Roybal

Staff

Greg Trujillo, Acting Executive Director
Susan Pittard, General Counsel
Trish Winter, Executive Assistant
Anna Williams, CFO
Dominic Garcia, CIO
Geraldine Garduno, Assistant General Counsel
Kristin Varela, Deputy CIO
LeAnne Larranaga Ruffy, Co-Head of Equity
Angela Romero, Albuquerque Office Manager
Karyn Lujan, SmartSave Plan Manager

Other

Patty French

3. Approval of Agenda

A motion to approve the agenda was made by Mr. Neel and seconded by Ms. Rosales Ortiz. The motion to approve the agenda passed by roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes

Diana Rosales Ortiz Yes
Shirley Ragin Yes

4. Approval of Consent Agenda

A motion to approve the agenda was made by Mr. Neel and seconded by Ms. Fisher. Ms. Fisher noted she would like to read the previous minutes. Ms. Winter advised these draft minutes could be found on the portal in the meeting packet. The motion to approve the consent agenda passed by roll call vote as follows:

Paula Fisher Yes
Steve Neel Yes
Diana Rosales Ortiz Abstained
Shirley Ragin Yes

5. Unfinished Business

A. Public Comment Section in Board Policies and Procedures

[Exhibit 1: Draft Public Comment Section in Board Policies and Procedures]

Ms. Fisher advised she had previously sent the public comment section of the Board Policies and Procedures to the committee members for review and had received two responses. She invited members to state any suggestions and recommendations for the procedures for public comment. Ms. Fisher noted she did not recall seeing anything on the Board’s roles and duties.

Mr. Neel asked Susan Pittard, General Counsel, to speak on her recollections of prior Board discussions in December of 2020 on notice provisions for public comment. Ms. Pittard said the Rules & Administration Committee had approved a public comment policy in September of 2020, however, this policy had not been approved by the Board.

Ms. Fisher said the members of the committee could provide input, suggestions, and recommendations for the policy, from which a recommendation and action item would be forwarded to Board for approval.

Ms. Naranjo Lopez drew the Committee’s attention to two different documents she had printed, one on the Board rules, and the draft procures for public comment at Board Meetings, and the different language used between the two. She made the following comments and recommendations.

Ms. Naranjo Lopez stated her opinion on the language regarding public comment, specifically on decorum and speakers acting professionally.

Ms. Naranjo Lopez also said she said any direct reference to the Executive Director or staff actions should be removed or reworded. For example, wording such as “staff will take notes on any issues that need to be followed up on”, she thought would be better worded to say that the Board Chair will answer or will direct the Executive Director or appropriate staff to contact the speaker or follow up on any issues or solutions.

Mr. Page also drew the Committee’s attention to two documents. The first being the draft on public comment procedures as proposed to the Board in 2020. The second document being Mr. Page’s proposal to amend the policy and rules. Mr. Page said, in his opinion, he thought his changes to this procedure were critical to allow members to speak up to the Board at meetings.

Ms. Rosales Ortiz and Ms. Fisher both agreed that that members do need to be heard and given time to speak, whether three to five minutes and on any issue under Board’s purview.

Mr. Neel concurred with the prior comments, he also agreed that the Board needs to hear what members' opinions are and avail themselves of those.

Ms. Fisher spoke to point three on Mr. Page's document regarding virtual meetings, and criteria outlining to specifically cover virtual meetings. She said she had a little expansion to include additional information and clarity for virtual meetings and in-person meetings.

Ms. Pittard pointed out the document is an amendment to Board policies and procedures, if the Committee decided to adopt this version, staff should be given an opportunity to delete any inconsistencies. She said one has been identified that will require modification, 2.8.5.d, which is a reference to a request to address the Board. She said this can be provided to the full Board when it comes before the Board for adoption.

Mr. Davis said he agreed with comments from Ms. Naranjo Lopez and others. He suggested the wording should be brief and concise for this.

Ms. Fisher asked Ms. Naranjo Lopez to explain her comment on notetaking. Ms. Naranjo Lopez confirmed that she was suggesting this portion be reworded so members know the Board is directing staff to take notes and follow-through, as matters for Board follow-up.

Mr. Eichenberg said he agreed as these are public meetings, he wouldn't want a member of the public shaming staff or a member of the Board with attacks that are not substantiated. He said he had somewhat of a disagreement on when the Chair should be allowed to tell someone to stop talking, and that hoped that would be put into the equation as well.

Mr. Neel agreed with Mr. Eichenberg, saying the Chair has to have the ability to provide the appropriate decorum within a public meeting.

Ms. Naranjo Lopez clarified that she was not saying that she didn't want to make sure the public was unruly, but that she thought under the Constitution they could not tell members what they can say, and they have a right to speak and say what they feel is needed to be stated. She said she thought that the Chair can already let any member know if they are out of hand.

Ms. Naranjo Lopez asked Ms. Pittard if she could provide example wording for unruly behavior. Ms. Pittard said those she had reviewed have vested the Chair with the power to enforce decorum. Ms. Naranjo Lopez asked if that could be included as one sentence, Ms. Pittard said she did not believe that a lengthy paragraph on professionalism would be needed.

Mr. Davis gave background on his perspective in dealing with City Council meetings that had become disruptive and offensive with police and security called to remove members of the public and protestors before meetings could proceed.

Ms. Rosales Ortiz said she agreed with Mr. Davis' comments and while there is the agreement with people's Constitutional right to speak, as this is a platform of professionalism and respect, she thought would set the bar to that high standard.

Ms. Fisher agreed with Ms. Rosales Ortiz and gave suggested rewording for point three of the document. Ms. Fisher said the Committee had provided good input, and these comments, suggestions, and recommendations, should now be incorporated into a final document for the Committee to review before presenting to the Board. Ms. Fisher thanked Mr. Page for initiating the process, and the members for their recommendations and suggestions to ensure the public policy is current and oversees meetings held both in-person and virtually.

Ms. Pittard asked if the Chair would like staff to incorporate the suggestions for review at the next Rules & Administration Committee Meeting. Ms. Fisher asked if another meeting would be possible before the end of the

month to review and finalize the public comments portion of the document. Ms. Pittard said this may be difficult due to the legislative session, Committee availability, Board member’s schedules, and the requirement for 72 hours to notice a meeting. She suggested staff incorporate the suggestions into the document to be presented at the next Board meeting.

Ms. Fisher questioned the Committee as to meeting again before the end of the month and presenting to the Board. Mr. Neel, Ms. Naranjo Lopez, Ms. Rosales Ortiz, and Mr. Davis all agreed that they considered the Committee had reached a consensus on a conceptual level, and that staff had received sufficient guidance to compile a working draft to move forward to the next Board meeting. Mr. Davis advised that as meetings are currently operating and taking public without a policy, the sooner the policy can be put in place the better.

Mr. Page thanked the Committee for their recommendations requested Ms. Pittard incorporate revisions before the board meeting.

A motion to approve the document subject to the incorporation of the suggested amendments for presentation to the full Board at the next meeting was made by Ms. Rosales Ortiz and seconded by Mr. Neel. The motion to approve the agenda passed by roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Diana Rosales Ortiz	Yes
Shirley Ragin	Yes

6. New Business

A. Executive Director Job Description

[Exhibit 2: Draft Executive Director Job Description]

Ms. Fisher asked the Committee for recommendations and suggestions for the Executive Director Job Description, noting that she had received previous responses from Ms. Naranjo Lopez, Mr. Neel, and Ms. Ragin.

Ms. Naranjo Lopez noted there is a real risk of fraud and involvement if PERA did not disclose its current situation, including the \$6 billion funding gap, the divided Board, and numerous ethical claims and whistleblower statements against staff and selected Board.

Listing her suggested changes to the Executive Director’s Job Description, Ms. Naranjo Lopez said her recommendations were to ensure that applicants have the qualifications for the job.

Mr. Neel said he thought the Job Description had been very well done, he suggested wording under the qualifications section should include “experience and/or knowledge of institutional investments and capital markets is preferred” to capture people with that experience.

Ms. Fisher said she agreed with the previous comments, and suggested additions along the lines of the knowledge of applicants.

Ms. Ragin listed her comments previously sent to the Chair in writing, noting that the draft Job Description displayed looked slightly different than the version previously sent by email. She suggested adding a summary statement; “To effectively perform this job, an individual must possess excellent oral and written communications ability to explain retirement law complexities and strategies to the public, must possess analytical and problem-solving skills, must have the ability to communicate with investment managers and custodial bank to ensure accuracy of portfolio investment reports, must have the ability to present information effectively which may be of a

controversial nature one on one or in small groups to outside organizations and officials of the state of New Mexico”.

Ms. Ragin suggested several changes to specific naming of payroll system and staff size as these should be general terms.

Mr. Davis, speaking to the section on potential applicants’ experience in the Job Description said the way it is currently worded is good, He said rather than an individual who had not run a pension before, he would want an Executive Director with a minimum of five years pension fund management experience and thought this should be included.

Mr. Davis also asked the Committee to remember there is an Executive Director Charter that still needs to be passed, as suggested by the Offices of the Attorney General and State Auditor. He said it should be ensured that the Job Description is aligned with that Charter and doesn’t contradict it, as the Charter wording currently details for the Executive Director their specific duties, authority, and 13 specific responsibilities. Ms. Fisher thanked Mr. Davis for his thorough explanation and said he had made some valid points.

Ms. Rosales Ortiz said she would like to echo previous comments regarding education and licenses or certifications as evidence of qualifications. She said wording should state an advanced professional degree as needed from applications and agrees with licenses or certification requirements.

Ms. Fisher referred to written recommendations she had made for changes to the Job Description and asked if this document was available to put on the screen. Ms. Winter confirmed this document was displayed on the meeting screen, and Ms. Fisher asked the Committee to take a minute to look at the document.

Ms. Ragin asked for clarification on which draft Job Description the Committee had initially been asked to review as they had differed, as noted by Ms. Pittard. She said she wanted to ensure her comments were appropriate.

Mr. Neel, referring to Mr. Davis’s comments on aligning the draft Executive Director Job Description with the draft Executive Director Charter, said he thought that it was important for the criterium detailed in the Job Description to dovetail into the Charter.

Ms. Fisher agreed with Mr. Neel’s comments on aligning the documents and asked Ms. Pittard how this could be done. Ms. Pittard said she was taking notes to modify the suggestions to the existing Job Description with what had been already stated but suggested somebody needed to be the keeper of the suggested changes to include them into the document. She said she was happy to do so but expressed concerns on progress at the next Board meeting if mailed out to the full Board. Ms. Fisher said she could coordinate that, and work with Ms. Pittard on incorporating suggested comments to get the draft completed.

Ms. Naranjo Lopez asked if the new Job Description could be sent to the full Board for their review and recommendations. She said this was the first time she had seen the Job Description and would like to evaluate it and review it carefully. Ms. Fisher responded that at this point the draft was specifically for the Rules & Administration Committee to discuss and review, and then it would be dispersed to the Board.

Ms. Fisher asked the Committee if there was a motion to approve the draft document to move forward subject to the incorporation of suggestions and recommendations.

Mr. Neel asked Ms. Fisher for clarification on the motion being asked for, what the logistics of working on the document were, and whether it was intended to present the document to the full Board later that month. Ms. Fisher confirmed she wanted to move the matter forward, incorporating the Committee’s recommendations and comments into a final document. She said she would assist Ms. Pittard with collating and compiling recommendations into one document. She said she wanted to be able to represent at least one document to the next Board meeting.

Mr. Neel moved a recommendation to the full Board from the Rules & Administration Committee based upon the compilation of edits enumerated at the Rules & Administration Committee. There was no seconder at this time.

Ms. Naranjo Lopez stated that as a Board member she should be able to receive these changes immediately. She said she would recommend that the Rules & Administration Committee meet to review the changes before the next Board meeting. She suggested the Committee meet again on 25 March 2021, at 9:00 am, before the next Board meeting scheduled for that date.

Ms. Fisher agreed the Committee should meet again before the next Board meeting to review this document before referring to the Board. Ms. Pittard said that can be done but reminded members that there is an Investment Committee meeting scheduled at 9:00 am that day. Ms. Fisher suggested 8:30 am if the Committee was available.

Ms. Ragin questioned whether Mr. Neel's earlier motion should be carried before the further discussion, saying she was going to second the motion. She pointed out that meeting earlier might need clarification from Ms. Pittard that notification rules were being met.

Ms. Fisher thanked Ms. Ragin for the point of order and confirmed Ms. Ragin was seconding Mr. Neel's earlier motion.

Mr. Neel restated that the motion on the floor was to refer the document for Board approval from the Rules & Administration Committee, with the inclusion of the compilation of edits that were enumerated at the Committee meeting.

Regarding the Rules & Administration Committee meeting before the next Board meeting, Mr. Neel suggested an earlier time of 7:30 as the Investment Committee might be starting at 8:30am.

The motion to refer the document for Board approval from the Rules & Administration Committee, with the inclusion of the compilation of edits that were enumerated at the Committee meeting as made by Mr. Neel and seconded by Ms. Ragin passed by roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Diana Rosales Ortiz	Yes
Shirley Ragin	Yes

Ms. Fisher suggested a Rules & Administration Committee meeting to start at 8:00 am on March 25th, before the Board meeting. Ms. Winter queried whether a different motion was needed, as the motion that the Committee had just voted on was worded to move a revised document to the full Board. Ms. Pittard confirmed that if a Rules & Administration was wanted to review the document again before presenting to the Board, the motion needed to be amended.

A motion for the Rules & Administration Committee to review the document for consistency at a meeting before the next Board meeting was made by Ms. Rosales Ortiz and seconded by Ms. Fisher. The motion passed by roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Diana Rosales Ortiz	Yes
Shirley Ragin	Yes

Ms. Fisher asked the Committee whether 8:00 am on March 25, 2021 would be sufficient. Ms. Rosales Ortiz, Mr. Neel, and Ms. Ragin confirmed their availability.

Ms. Rosales Ortiz asked whether Ms. Fisher or Ms. Pittard would be compiling the edits. Ms. Fisher responded that she would be working with Ms. Pittard and Ms. Winter to compile the edits into one document and ensure that everyone has an opportunity to review it to ensure it meets expectations.

Mr. Davis questioned what document was on the screen and where it referred to “CA suggested edits”. He asked who CA was. Page stated the document was one he had worked on, he had pulled rules and job description documents from other organizations to develop the draft. Ms. Fisher confirmed this.

Ms. Ragin said the document showing on the shared meeting screen was different and had different suggested edits than the document sent by Ms. Fisher that she had worked on to provide edits, which was why she asked earlier which document they were working from. Ms. Naranjo Lopez said that was why she had suggested a copy is sent to the full Board to look at before going to the Board to ensure they have the right copy.

Regarding the initials CA noted by Mr. Davis, Mr. Neel commented that a former Board member, Claudia Armijo, had the initials CA and these may have been her suggestions. Mr. Davis said CA may refer to Ms. Armijo, as she had previously made suggestions to document, and he was wondering who was making suggested edits.

7. Adjournment

Having completed the agenda, Chair Fisher declared this meeting adjourned at 12:23 pm.

Approved by:

Paula Fisher, Chair
PERA Rules & Administration Committee

ATTEST:



Greg Trujillo, Acting Executive Director

Attached Exhibit(s):

Exhibit 1: Draft Public Comment Section in Board Policies and Procedures

Exhibit 2: Draft Executive Director Job Description