

**New Mexico
Public Employees Retirement Association
Board Meeting
April 29, 2021**

1. Call to Order

This meeting of the New Mexico PERA Board was held on the date cited above via Zoom tele/video conferencing. Acting Chair Francis Page called the meeting to order at approximately 9.04 a.m. The Pledge of Allegiance was led by David Roybal.

2. Roll call

The meeting attendance met quorum with the following members present;

Board Members Present

Francis Page, Acting Chair
Lawrence Davis
Tim Eichenberg
Paula Fisher
John Melia [in at 9:10am – out at 11:50am]
Loretta Naranjo Lopez [out at 11:40am]
Steve Neel
Shirley Ragin [out at 11:10am]
Roberto Ramirez
Diana Rosales Ortiz
David Roybal
Maggie Toulouse Oliver [out at 9:50am]

Staff

Greg Trujillo, Acting Executive Director
Susan Pittard, General Counsel
Trish Winter, Executive Assistant
Anna Williams, CFO
Dominic Garcia, CIO
Kristin Varela, Deputy CIO
LeAnne Larranaga Ruffy, Head of Equity
Misty Schoeppner, Deputy General Counsel
Geraldine Garduno, Asst. General Counsel
Karyn Lujan, SmartSave Plan Manager
Marlena Riggs, Budget Manager
Jessica Perea, IT User Admin

Other

Tom Toth, Wilshire Consulting
Ernie Marquez, AES
John Bylsma, AES
Connor Jorgenson, LFC

3. Approval of agenda

Paula Fisher moved to approve the agenda. The motion was seconded by Maggie Toulouse Oliver.

Loretta Naranjo Lopez proposed that next month's meeting agenda should include "to terminate Reed Smith for cause due to unmitigated conflict of interest and professional irresponsibility." Acting Chair Page requested they meet after the meeting to discuss that.

Steve Neel moved to amend the agenda by removing Item 7D and move it to the Rules Committee agenda. He argued that there are a number of conflicts of interest with Board members that are members of the RPENM that would require them to recuse themselves during voting on the item. He also stated that the item should have the opinion of the Attorney General as to its legality. Lawrence Davis seconded the motion.

Acting Chair Page stated that a motion had already been made and called for the vote. General Counsel, Susan Pittard explained that an amendment surpasses the motion and needs to be voted on first.

Mr. Neel quoted Section 3.3 of the Board Policies under Conflicts which stated that any action that lacks complete independence diminishes the confidence of the public in the membership and integrity of the Board. He reiterated that several Board members have memberships in the organizations under item 7D and thus should not be voting on the item. He further stated that the Board was circumventing the committee process and that the item should first go to the Rules Committee for vetting and then get the opinion of the Attorney General.

Ms. Naranjo Lopez stated that there was no conflict of interest because the Board members were not allowed to be members of RPENM due to a legal case from two years ago. There was no issue with AFSCME because they continued to take out dues.

Mr. Davis concurred with Mr. Neel that there were conflicts of interests. He pointed out that this could get to a State Ethics Board complaint issue. It therefore needs to be vetted by a subcommittee first before being brought to the full committee. Mr. Davis further stated that this is not a priority for the Board and they should be focusing more on the Executive Director Charter and on investments. Mr. Neel echoed Mr. Davis' sentiments.

Tim Eichenberg stated that Mr. Davis and Mr. Neel's arguments would be appropriate when they reach that particular item on the agenda. This discussion should be for whether to amend the motion or not.

Ms. Pittard reiterated that since there are two motions on the floor, the Board has to first vote on the motion to amend the agenda and then vote on the motion to approve the agenda. Ms. Naranjo Lopez recounted that in the past, she had asked to amend the agenda and it wasn't voted on since a Board member did not agree with the amendment. The Board had gone ahead with the vote to approve the agenda. Responding to Ms. Naranjo Lopez, Ms. Pittard stated that this is the same procedure used each time when approving the agenda. She would provide a citation later.

Acting Chair Page called the vote on the motion to amend the agenda and remove item 7D. The motion failed by a roll call vote of 7 to 5 as follows;

Francis Page	No
Lawrence Davis	Yes
Tim Eichenberg	No
Paula Fisher	No
John Melia	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	No
Diana Rosales Ortiz	No
David Roybal	Yes
Maggie Toulouse Oliver	No response

Motion to approve the agenda by Paula Fisher, seconded by Shirley Ragin. The motion passed by a roll call vote of 7 to 5 as follows;

Francis Page	Yes
Lawrence Davis	No
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	No
Loretta Naranjo Lopez	Yes
Steve Neel	No
Shirley Ragin	No
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	No
Maggie Toulouse Oliver	No response

4. Approval of Consent Agenda

Loretta Naranjo Lopez moved to remove minutes from Consent Agenda and approve the revised Consent Agenda. The motion was seconded by Paula Fisher. The motion passed unanimously as follows;

Francis Page	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

5. Reports of Committees

A. AdHoc Executive Director Search Committee

1. Executive Director Job Announcement Schedule.

Ms. Pittard presented the amended Executive Director job advertisement that was approved by the Rules Committee. She reported that it has the correct hyperlink for the PERA website which has the long job description and other information relevant to the job search.

It will be first published on May 3 in Pensions and Investments and on subsequent Sunday publications of the Albuquerque Journal and Santa Fe New Mexican. It will also be posted on other business industry websites.

Steve Neel moved to approve. Lawrence Davis seconded the motion.

Ms. Naranjo Lopez proposed to add a board member's name to the advertising of the position since she did not trust staff. She moved to have a board member's name included in the email and proposed the Chair's name.

John Melia requested the board members to act with decorum and be professional. He added that staff had worked hard and did an excellent job for the Board. The additional email could be included without making personal attacks as that was inappropriate for a public board.

Ms. Naranjo Lopez moved to include the Board Chair's email in the job ad for 2021 PERA Executive Director search. Diana Rosales Ortiz echoed Mr. Melia's sentiments and stated that a board member's email could be added for transparency. She seconded the motion.

Ms. Pittard explained that if the above motion to amend the published job ad passes, the Board would also need to amend the timeline. This is because they will have to pull the advertisement from Pensions and Investments (P&I) and it will be published again two weeks later. The Rules Committee had directed that the job ad be forwarded to P&I on April 26 for publication on May 3. Making changes to the job ad would mean a delay at P&I.

Ms. Fisher stated that the Rules Committee would like to stick to the set timeline. She suggested that any changes be forwarded to Ms. Winter who will then include them and forward them to P&I. This will avoid having to pull back the job ad.

Acting Chair Page called the vote. The motion to add the Board Chair's email to the job description as posted failed by roll call vote of 9 to 2 as follows;

Francis Page	No
Lawrence Davis	No
Tim Eichenberg	No
Paula Fisher	No
John Melia	No
Loretta Naranjo Lopez	Yes
Steve Neel	No
Shirley Ragin	No
Roberto Ramirez	No
Diana Rosales Ortiz	Yes
David Roybal	No
Maggie Toulouse Oliver	No response

The motion to approve the Executive Director job announcement schedule passed by roll call vote of 11 to 1 as follows;

Francis Page	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	No response

5. A. 2. Updated Timeline.

Ms. Pittard reported that the timeline was discussed in detail during the Rules Committee. The P&I advertisement will run for four weeks beginning May 3. There will also be Sunday publications in other newspapers. Other national pension organizations are also being to post the Executive Director position.

The deadline for receiving all applications is June 1, 2021. A database will be set up with the resumes and applications received by the deadline. The AdHoc Committee will then assess the process for how the Board will review the applications and provide finalists for interviews.

Lawrence Davis moved to approve the updated timeline. Steve Neel seconded the motion. The motion passed by a unanimous roll call vote as follows;

Francis Page	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	No response

6. Unfinished Business

A. Election of 2021 Board Officers

1. Board Chair Election.

The three candidates running for Board Chair were Paula Fisher, David Roybal, and Loretta Naranjo Lopez detailed their platforms.

Ms. Naranjo Lopez stated that each of the past four months, the rules require a majority not a plurality to designate a Chair. She pointed out that nobody was trying to build a consensus and suggested that they put it back on the agenda only when a candidate is supported by a petition or by seven members.

Acting Chair Page called the vote.

David Roybal - 6; Paula Fisher - 5; Loretta Naranjo Lopez – 1. Majority of 7 not achieved. Board Chair not elected.

Francis Page	Paula Fisher
Lawrence Davis	David Roybal
Tim Eichenberg	Paula Fisher
Paula Fisher	Paula Fisher
John Melia	David Roybal
Loretta Naranjo Lopez	Loretta Naranjo Lopez
Steve Neel	David Roybal
Shirley Ragin	David Roybal
Roberto Ramirez	Paula Fisher
Diana Rosales Ortiz	Paula Fisher
David Roybal	David Roybal
Maggie Toulouse Oliver	David Roybal

6. B. Items removed from Consent Agenda if necessary.

Ms. Naranjo Lopez stated that she would not be approving the minutes since there had been no effective process to ensure accuracy and completeness of the Board minutes. She further stated that if a member would like to make a statement for the record, that section of the minutes needs to be verbatim. The motion also needs to be verbatim. She would therefore be voting no on the motion to approve the minutes.

Lawrence Davis moved to approve the March 25, 2021 minutes. Paula Fisher seconded the motion. The motion passed by a roll call vote of 11 to 1, as follows;

Francis Page	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	(Left meeting)

7. New Business.

Administrative Appeal

1. Salina Yardman.

Motion to recess to Executive Session passed by a roll call vote. Board Recessed to Executive Session NMSA 1978, §10-15-1 (H) (3).

Francis Page	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	No response
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes

Executive session from 9:58am to 10:20am.

Board reconvened to Regular Session with the following members present;

Francis Page
 Lawrence Davis
 Paula Fisher
 John Melia
 Loretta Naranjo Lopez
 Steve Neel
 Shirley Ragin
 Roberto Ramirez
 Diana Rosales Ortiz
 David Roybal

7. A. Final Decision on Administrative Appeal.

1. Salina Yardman- PERA ID 25457

David Roybal moved to adopt the Hearing Officer’s recommendation, findings of fact and conclusions of law, approve the Hearing Officer’s recommended decision and deny the claimant’s appeal of the denial of disability benefits. Lawrence Davis seconded the motion.

The motion passed by a unanimous vote as follows;

Francis Page	Yes
Lawrence Davis	Yes
Tim Eichenberg	No response
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes

Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes

7. B. Approval of FY22 Operating Budget

1. Approval of 1.5% Legislative Compensation Increase for Exempt Employees.

Lawrence Davis moved to approve the FY22 Operating Budget. Diana Rosales Ortiz seconded the motion.

Chief Financial Officer, Anna Williams gave an overview of the operating budget that is due to LFC and DFA by May 1. Ms. Williams reported that PERA's FY22 operating budget is based on the agency's appropriation requests of \$36.2 million.

Ms. Williams gave a summary of PERA's FY22 operating budget.

Ms. Williams reported that the OPBUD-3 shows the revenue sources for PERA, which is interests and investments, as well as a breakdown of expenditures by category.

Ms. Naranjo Lopez expressed concern on the salaries provided to staff and added that she would not vote on the operating budget. She pointed out that staff would get the benefit of the 1.5% legislative increase even though their salaries were not in equity with the rest of the state employees. She also suggested that studies be done to determine whether staff should be considered as part of state employment.

Mr. Davis clarified to all members that the 1.5% increase was built within the budget as had been approved by the Governor. It was not disguised in any way.

Chief Investment Officer, Dominic Garcia gave an overview of the new hires and reported that two of them are expected to start in May. Both are qualified and reputable.

Mr. Neel pointed out that the PERA staff are managing \$16 billion in assets and so the focus should be on paying market rate compensation. He further noted that PERA's compensations are below the regional and national average. Therefore, they should put more focus on retaining high quality talent.

Mr. Garcia thanked Mr. Neel for his comments and stated that PERA had a problem retaining high quality talent because the compensation did not match that of its competitors. He suggested that the Board should see the data to compare and contrast.

Ms. Fisher noted that from the presented financial summaries, there was a big difference in pay for the same title, Retirement Specialists 2. She asked how their pays were based.

Responding to Ms. Fisher, Ms. Williams explained that there is Retirement Special 1 and Retirement Special 2. The pay varies from individual to individual as some may have stayed with PERA for a long time and thus had their pay increased. For others, it might be due to legislative experience and how much they were being paid when working at another agency before coming over to PERA.

Acting Executive Director, Greg Trujillo further explained that the appropriate placement method is also followed under the State Personnel Act. Even though individuals might be in the same classification, their years of experience and education are also considered, which may account for discrepancy within the same range. Mr. Trujillo also indicated that he had included the resumes of both new investment hires in his Executive Director report.

Ms. Naranjo Lopez stated that PERA has a \$6 billion unfunded liability that is supposed to be paid within 25 years and reach to a hundred percent but they are no longer able to do that. She disagreed with Mr. Neel's sentiments and stated that they need to show that PERA's pays good salaries and have an independent person do it because the data can be manipulated. They need to show that they are looking at a pension and salaries that are equivalent to the State.

Ms. Naranjo Lopez also stated that the Board needs to look at how employees get increases since the other state employees only get it when the Legislative Session happens and they approve it. She further indicated that the Board need to be careful not to treat other employees differently. She also appreciated and commended Ms. Williams for being professional in her work.

Acting Chair Page called the vote. The motion to approve the FY22 Operating Budget passed by a roll call vote of 10 to 1 as follows;

Francis Page	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes

Lawrence Davis moved to approve Legislative Compensation increase. Paula Fisher seconded the motion. The motion passed by a roll call vote of 10 to 1 as follows;

Francis Page	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes

7. C. 2021 Election Report

1. Approval of Nominating Petition Counts and Candidate for State Position.

Ernie Marquez with Automated Election Services, presented the report of the petition verification process and read out the members who were requesting petition as follows;

- i. Kenneth Figueroa
- ii. Claudia Armijo
- iii. Margaret Aragon de Chavez

For the Municipal Position, they were;

- i. Darren Sanchez
- ii. John Melia
- iii. Monica Sandoval
- iv. Valeria Barela

Two candidates returned nominated positions for the State position either in person or by fax or email and those were; Claudio Armijo and Kenneth Figueroa.

Only one candidate, Valerie Barela, returned the petition for the Municipal position.

Ms. Aragon de Chavez had indicated that she would not be submitting any petition. No petitions were received from Mr. Sanchez, Mr. Melia, and Ms. Sandoval.

Mr. Marquez reported that they went through a verification process where they checked all the petitions and confirmed that all the signatures, including the electronic ones, were original. They verified and qualified as many petitions as they could and determined the following totals;

For State position;

- i. Claudia Armijo got 68 petitions. The total number of signatures were 408 and 85 were rejected. Ms. Armijo got a total of 323 accepted signatures. She topped the ballot for the position.
- ii. Kenneth Figueroa had 20 petitions with 185 signatures. 21 signatures were rejected, 164 were accepted.

For Municipal position;

- i. Valerie Barela got 42 petitions with 336 signatures. 40 were rejected, 296 were accepted. Ms. Barela will be the Municipal Board member.

Ms. Rosales Ortiz noted that several signatures were ineligible and inquired if there was a way that the process can be improved such as AES having a portal where the petitions can be submitted. She also questioned why there were no signatures received electronically and wondered if there was one or different email addresses where all nominations were being sent. She also asked if it would be possible to have an auto reply. Ms. Rosales Ortiz also asked which email addresses were used for the positions and wondered if there was one exclusively for PERA for each of the positions.

Responding to Ms. Rosales Ortiz, Mr. Marquez stated that all candidates were sent a memo stating that this is the first time the electronic portion was being used. AES usually accepts only originals at the office. Three emails were sent out to each candidate where they could email their petitions.

When petitions were received, each candidate got a reply, not an auto reply, confirming the receipt of their petitions. Mr. Marquez indicated that a website and portal could be created for such services.

Mr. Neel expressed concerns about the validity of electronic signatures and requested Mr. Marquez to explain how they ensure that the election is valid. Mr. Marquez reiterated that no electronic signatures were received. He further explained that electronic signatures are not actual signatures. They are just fax copies of the petitions.

Paula Fisher moved to approve the nominating petitions of the State candidates. Loretta Naranjo Lopez seconded the motion. The motion passed by a roll call vote of 10 to 0 as follows;

Francis Page	Yes
Lawrence Davis	Yes
Tim Eichenberg	No response
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes

7. C. 2. Approval of Nominating Petition Counts for Municipal Position; Cancellation of Election, and Declaration of Winner pursuant to 2.80.200.70 (A) (6) NMAC.

Paula Fisher moved to approve nomination petition counts for Municipal position, cancellation of election and declaration of winner. Loretta Naranjo Lopez seconded the motion. The motion passed by a unanimous vote as follows;

Francis Page	Yes
Lawrence Davis	Yes
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes

Acting Chair Page congratulated all the candidates on their elections.

7. C. 3. 2020 Board Election Wrap-up.

Mr. Marquez thanked the Board for giving AES the chance to conduct the election.

He reported that the percentage reflected on the 2020 report are based on the total balance issued for both Municipal and retired combined.

All ballots cast and processed through the vote tabulators, which contain members' names and barcodes, are sealed in the AES offices. The sealed transfer cases will be kept in the warehouses for the retention required by PERA. Hard copies of the voting machine tabulator printouts and hand tally sheets for the 2020 election will be given to Mr. Trujillo, as well as an electronic copy of the daily summary reports. The daily summary reports were emailed to Mr. Trujillo on a daily basis.

Mr. Marquez pointed out that PERA would have a better election turnout if members had the choice of voting online. He stated that AES offers online voting services and they had done it in the past for the Association of Counties Board election. He suggested that for future elections, after AES had shown a good plan of how well it would work, members could be allowed to vote online or traditionally by mail.

Mr. Marquez also recommended that mail ballots be mailed out closer to the election since some members forget to mail about them when they are mailed out too early. If the ballots are mailed out with a deadline, the members would vote sooner and mail them back early enough.

Ms. Rosales Ortiz concurred with Mr. Marquez's recommendation of doing online voting. She acknowledged that some people would still want to do paper and asked if it was possible to get a hybrid model for the State election this year to get an idea of how it works. She also asked if a hybrid would increase or reduce the cost of the 2021 election.

Responding to Ms. Rosales Ortiz, Mr. Marquez stated that the cost would increase because they would have to make sure that it is secure and working well. He also recommended that the Board still mail out ballots to every voter in case there are some who would not want to vote electronically.

John Bylsma, also with Automated Election Services, further stated that it is possible to do a hybrid for the upcoming 2021 State elections. Voters could be allowed to either vote by paper or electronically. They would need to have a registration portal and a voting portal separately to keep votes anonymous and also track who has voted to avoid double voting. Mr. Bylsma stated that such a project would take about 30 to 45 days to build and test.

Ms. Pittard cautioned the Board on changing things since they were in the middle of an election. She pointed out that the Board would need to refer back to the resolution passed with regards to the timeline since a rule change would also be required. She proposed that staff should look at this and report back at the next meeting the available options for changing things with a current election with the target being the 2022 election.

Acting Chair Page requested the Rules Committee to start that process. Ms. Rosales Ortiz agreed to be part of the process. She recognized Ms. Pittard's concerns and pointed out that they would only be testing the hybrid model with one position.

Mr. Trujillo thanked Ms. Rosales Ortiz and Mr. Roberto Ramirez who had had just gone through the election cycle and brought up many improvement ideas. He also agreed that the election process needs to be reevaluated to make it more efficient.

7. D. Memorandum of Understanding (MOU) & Scope of Work (SOW) for Withholding of RPENM/AFSCME Membership dues from PERA retirement benefits effective July 1, 2021.

Acting Chair Page stated that he had placed this item on the agenda. He pointed out that the Board had removed dues for RPENM but had maintained them for AFSCME. He felt that was unfair and believed that they either do it for both groups or for none.

The Secretary of State had brought up the idea of doing an MOU with both groups. Acting Chair Page felt that was a good idea and helped work on the MOU and Scope of Work with Mr. Trujillo. Guidelines were set for the retired members and also an administrative fee was determined for the process. They would not do it for free.

Loretta Naranjo Lopez moved to approve the Memorandum of Understanding (MOU) & Scope of Work (SOW) for Withholding of RPENM/AFSCME Membership dues from PERA retirement benefits effective July 1, 2021. Paula Fisher seconded the motion.

Mr. Davis reiterated that there were conflicts of interest since some Board members were members of and had benefitted from RPENM in one way or another. He stated that the Board should avoid any action which might create the appearance of giving preferential treatment. Board Policies and Procedures also state that a member who has any affiliation or received money from an organization should refrain from voting on that issue. Board members are also required to disclose any conflicts of interest.

Mr. Davis further disclosed that he is not a member of RPENM or AFSCME and had not received any aid either financially or in kind from them. He requested other Board members to disclose the same.

Acting Chair Page asked if Mr. Davis would do it for one group and not the other. Mr. Davis stated that he would not do it for any group and added that this is a clear anti donation clause which he felt was illegal. He further stated that if PERA will be collecting dues and memberships and make it an ancillary business, they should have LFC or the Department of Health do it. He added that if they are planning on collecting dues and fees, they should charge market rates.

Acting Chair Page clarified that the collection of fees would be done to offset the cost of the work they would be doing. He did not think it was illegal to do so. Mr. Davis disagreed with Acting Chair Page and insisted that they charge market rate and not costs if they are going to do it. He pointed out that it will ultimately be the Attorney General's decision if the Board could run a side business collecting fees and charging a fee for it.

Mr. Neel concurred with Mr. Davis' sentiments. He also disclosed that he had received any support from any of the two organizations and could vote on the item. He further reiterated that the item should have first gone to the Rules Committee and then to the Attorney General for an opinion. Otherwise, the Board was circumventing the process.

Ms. Naranjo Lopez called for the question and moved that the Board vote on the item. Ms. Pittard noted that several Board members wanted to air their views. She stated that this is a debatable motion and advised the Chair to allow people to speak. Mr. Eichenberg called a point of order and indicated that Ms. Naranjo Lopez did not have the floor when she called the question. Therefore, the discussion should continue and should stick within Robert's Rules of Order that states that each person gets to speak once.

Mr. Melia disclosed that he had not received any support from or had any affiliations with either RPENM or AFSCME. He also concurred with Mr. Davis' sentiments that the PERA should not be collecting dues for anybody and seek the Attorney's General opinion.

Mr. Melia also stated that last year, he voted to not support either organization. He however recognized that AFSCME has always backed the PERA Board. Mr. Melia also stated that RPENM had a poor leadership and Board. He gave the following points concerning RPENM; one, PERA had spent about \$35,000 of members' money on lawsuits started by RPENM against the Board. Two, PERA's funds were not reimbursed from RPENM. Three, RPENM was spreading lies and misinformation against the PERA Board. He stated that working with such an organization was against their fiduciary duty.

Mr. Melia moved to amend the agreement and proposed that if PERA was going to collect dues for an organization, they should require an independent annual audit from the organizations to show where the dues are being spent. This would ensure that the Trust's money and resources are not being used to fund lawsuits against the Trust fund, to buy alcohol, or to pay for lobbyists to lobby against the Trust. He also proposed that during the audit, they should continually monitor and adjust their fees accordingly, taking into consideration the inflation cost of doing business. Lawrence Davis seconded the motion.

Mr. Davis reminded Board members who had not disclosed their affiliations or potential conflicts of interest with the two organizations that as State elected officials, they have to comply with State Ethics rules. Not disclosing such information might lead to raising issues with the commission that deals with such.

Mr. Roybal stated that he had no conflicts of interests or affiliations with either organization.

Acting Chair Page disclosed that he had joined RPENM but had been retired for 11 years. RPENM helped him with his campaign but he felt that he does not owe them anything. He also felt that he had not conflicts of interest and did not recuse himself from voting.

The motion to amend the MOU failed by a roll call vote of 6 to 4 as follows;

Francis Page	No
Lawrence Davis	Yes
Tim Eichenberg	No
Paula Fisher	No
John Melia	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Roberto Ramirez	No
Diana Rosales Ortiz	No
David Roybal	Yes

Acting Chair Page stated that the agreement is contingent upon the Attorney General's opinion as stated on Section six of the MOU. Ms. Pittard explained that Section six of the MOU was not an approval of the MOU specifically. It is the concept that it will be going to the Attorney General's office and it will be provided to the AG as part of the request.

The motion to approve the MOU and Scope of Work passed by a roll call vote of 6 to 4 as follows;

Francis Page	Yes
Lawrence Davis	No
Tim Eichenberg	Yes
Paula Fisher	Yes
John Melia	No
Loretta Naranjo Lopez	Yes
Steve Neel	No
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	No

7. E. CIO Report

Mr. Garcia provided the update on the portfolio and reported that with regards to markets, through the first quarter through March 31, markets had been mixed. There was a continued strong equity performance. However, there was a decline in returns in bonds since the interest rates had backed up an increase. This resulted in a mixed return profile that was positive from stocks but negative from bonds.

For the medium term three years, four years, and five years, the total fund is a little above 7% for three years, which is slightly behind the benchmark. For four years, the Trust fund is at about 7.5%, which is ahead of benchmark. For five years, the fund is at 8%, also ahead the benchmark.

With regards to portable alpha, the portfolio has continued to exceed benchmark since inception. March was slightly down with about 66 basis points while April has shown a strong performance and might continue to exceed the benchmark. A few allocations will be added to the program over the next quarter. Some add-on movements will be done in May and then a follow-up in June, July, August, thereafter.

Mr. Davis recognized that the program is working for portable alpha. He however had a few complications with it and requested that they put it on the agenda for the review of the investment policy statement. He felt that a few things needed to be tweaked and the process reviewed. Acting Chair Page concurred with Mr. Davis.

Mr. Neel also agreed that they'll be reviewing the investment policy in the near term. It will not be reviewed in May since the May agenda is currently full.

7. F. Executive Director's Report.

Mr. Trujillo reported that there were 10 vacancies last month. Five new hires will be starting on Monday. There was also a verbal offer for the investment group. They are also recruiting for a staff position in Death and Disability Unit.

Pertaining to a clause in Senate Bill 72 that allowed for adult and juvenile probation officers, and juvenile correctional officers to join the State Police enhanced plan, there is a formal process for this where the members must elect to participate in the new plan. Electronic ballots are out to those three populations. A total of about 760 members will be voting. They have until Monday at 11:59 PM to complete that election. The results will be brought back for the Board to ratify the election.

Senate Bill 315, the same process will be applied for the motor trans cops and the special investigation cops to move from State General Plan 3 to the State Police Plan.

Mr. Trujillo also reported that he will send the Board an update on litigation with regards to RPENM and lawsuits against Susan Pittard and Wayne Propst. He received a notification that the lawsuits had been dismissed. He will send a formal memo to the Board and inform them by writing.

Mr. Davis thanked all staff and especially Mr. Trujillo for carrying out both the responsibilities of Acting Executive Director and Deputy Director. Ms. Fisher also commended Mr. Trujillo on his work. She also appreciated the staff's hard work. Ms. Rosales Ortiz echoed Ms. Fishers sentiments. Acting Chair Page also thanked the staff and recognized the good job they do.


8. Public Comment.

There were no comments from the public.


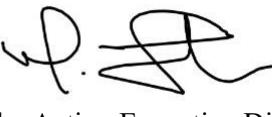
9. Adjournment

With no further business to discuss, Acting Chair Page adjourned the meeting at approximately 11.55 AM.

Approved by:


Francis Page, Acting Chair
PERA Board of Trustees

ATTEST:

Greg Trujillo, Acting Executive Director

Attached Exhibit(s):

Exhibit 1: Consent Agenda

Exhibit 2: Election Report

Exhibit 3: AFSCME & RPENM MOU's and SOW's

Exhibit 4: CIO Report

Exhibit 5: ED Report