

NEW MEXICO
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
AD HOC EXECUTIVE DIRECTOR SEARCH COMMITTEE MEETING
May 11, 2021

This meeting of the Public Employees' Retirement Association Ad Hoc Executive Director Search Committee was held on the date cited above via Zoom tele/videoconferencing. Paula Fisher, Chair, called the meeting to order at approximately 9:56 a.m.

1. Roll Call

Trish Winter, Executive Assistant, undertook the roll call. Meeting attendance met quorum with the following members present:

Committee Members Present

Paula Fisher, Chair
David Roybal, Vice Chair
Francis Page
Diana Rosales Ortiz, *Alternate*

Committee Members Absent

Maggie Toulouse Oliver
Tim Eichenberg
Lawrence Davis, *Alternate*

Board Members Present

Loretta Naranjo Lopez (*arrived late*)

Staff

Greg Trujillo, Acting Executive Director
Susan Pittard, General Counsel
Trish Winter, Executive Assistant
Anna Williams, CFO
Misty Schoeppner, Deputy General Counsel
Kristin Varela, Deputy CIO
Karyn Lujan, SmartSave Plan Manager

2. Approval of Agenda

A motion to approve the agenda was made by Mr. Page and seconded by Mr. Roybal. The motion to approve the agenda passed by roll call vote as follows:

Paula Fisher	Yes
David Roybal	Yes
Francis Page	Yes
Diana Rosales Ortiz	Yes

3. New Business

A. Executive Director Minimum Qualifications

Chair Fisher stated in the last meeting they had discussed criteria regarding minimum qualifications. She asked Ms. Pittard to review that discussion on the criteria in terms of the applications that had been received.

Ms. Pittard responded that the Board had discussed minimum qualifications in terms of education and management experience for the Executive Director the previous month. She said she had not reviewed any of the applications. She believed this was an informational item for the Board and she had not been part of the discussions.

Chair Fisher replied that was correct, and that they did want to move forward with receiving input from the Committee on requirements for minimum qualifications. She said the education and experience had been discussed, but queried whether they wanted to move up the percentile. She asked Chair Page to speak on his input on that.

Mr. Page responded that as the due date for applications of June 1st was close, his goal was to establish a plan for how to proceed with reviewing applications after that date. Also, whether to have staff refer applications that meet the minimum qualification criteria, or have an outside entity help with this.

Ms. Pittard confirmed there were alternatives for the Board to review applications for the position. She said the Board can have staff review for minimum qualifications, and whether that was a good model or not was a decision for the Board. She said that would involve reviewing applicants' prior employment to ensure they have supervisory experience of not less than 10 years, with eight concentrated in a pension fund, and an advanced degree, etc. She said she thought there had been discussion within some Board members regarding a third party, such as an outside firm do this review, and this was also available to the Committee.

Chair Fisher noted the outside review of Executive Director applications was item 4B on the agenda for the meeting. Referring to item 4A on minimum qualifications, Chair Fisher said her suggestion was to have PERA HR staff review applications for these. She asked Chair Page to speak on their previous discussions regarding the highest percentile.

Mr. Page responded that what he thought would happen was that following either staff or outside review of applications, they would be referred to the Committee for review. He said from there, that each Committee member would score applications using the agreed scoring matrix. He said the information from each individual's scoring matrix would be entered onto a spreadsheet for analysis, which he could do. He said it was for the Committee or the Board to decide how many applicants would be selected for an interview, but that it was his suggestion this be a percentile or a minimum number. For example, if 20 applications were received, perhaps a minimum of three to five be referred for an interview, or a percentage, depending on how many applications were received.

Chair Fisher confirmed to the Committee that applications were being received and thanked Ms. Winter for responding to applicants promptly to acknowledge receipt.

Ms. Pittard said she thought the Board needed to consider how candidates who met the minimum qualifications were moved forward to the Committee, and that she was unclear on that. She said she was not suggesting that the Committee did not have access to all applications if they so choose. She asked if the Committee would then be responsible for moving forward a percentage of the applications, or whether it would be the whole Board.

Ms. Pittard also commented that each Board member would have their own list of candidates with who they want to move forward. She asked how the process would then work in practical terms, such as whether candidates moved forward to be considered by the Committee would be a consensus of those applicants, or whether the top candidates of all Board members would be considered.

Chair Fisher responded that she believed that the Committee would make those recommendations and then move forward to the Board, and asked Mr. Page if he had input on the questions asked by Ms. Pittard on the Committee making recommendations to the Board or vice versa.

Referring to the scoring matrix approved the previous month; Mr. Page said each Committee member would use the matrix to score individual candidates who had met the minimum application requirements. He said there were 10 questions on the matrix, to rank each candidate out of a total score of 30. He said the scores for each candidate would be combined into one score out of 30 so they could then decide who to move forward to the Board for an interview, whether that be the top 10 or 20 percent, or a number such as the top three or five candidates. Chair Fisher confirmed with Mr. Page that candidates would be moved forward after their matrix score.

B. Outside Review of Executive Director Applications

Chair Fisher noted this item had been briefly discussed under the previous agenda item and asked Mr. Page to speak the outside review of Executive Director applications.

Mr. Page said he had spoken with Harvey Leiderman, PERA's Fiduciary Attorney, who had recommended engaging an external entity to review applications. He said Harvey had provided the names of three companies, and that he had obtained information from their websites about who they were. Mr. Page said he thought there were issues with either option of reviewing applications, whether by internal HR staff or an external company. He noted that because it was near the end of the fiscal year they were coming close to the deadlines for establishing contracts, and so they may have to forgo engaging an outside body, meaning HR staff would have to evaluate resumes to ensure they met minimum qualifications.

Ms. Pittard noted that when "staff" is referred to in this context it should be clear that it would be PERA's HR staff who would review applications qualifications and employment history, as they do for any job search, where they then compile the list of qualified applicants. Responding, Chair Fisher said she understood.

Chair Fisher confirmed with Mr. Page that this was an action item on the agenda to establish if the Committee wanted to engage an outside entity to review applications.

Mr. Page reiterated that they were currently at the stated deadlines for establishing contractual work and that it may be difficult to engage someone at present.

Chair Fisher also noted that engaging external professional services incurred high costs and that the Committee needed to be mindful of PERA members' money as well.

Ms. Rosales Ortiz suggested due to deadline budget constraints, and with the understanding of the HR capacity as previously mentioned by Ms. Pittard, whether there could be a collaborative Committee formed between HR and Board members to review applications. She acknowledged the difficulty for anyone to make an unbiased selection. She suggested a Committee for the application review process could consist of one or two HR staff members, and the three Board members – one retiree, one state, and one municipal. Chair Fisher confirmed with Ms. Rosales Ortiz that she was suggesting using HR versus a professional service fee.

Ms. Pittard advised the Committee to be mindful that there could not be a quorum of the Board meeting in any kind of confidential scenario to evaluate the applications. She said she thought they could do something like have the HR Manager review applications and then present her findings of who was disqualified to the Committee Chair and Vice-Chair or something of that nature. She referred to Item D on the agenda, the confidentiality component to the application process, that was yet to be discussed and would need to be kept in mind for any process regarding a Committee to review the MQs.

Chair Fisher responded that she understood, and commented that the Ad Hoc Executive Director Search Committee needed to be informed, perhaps with the HR Manager reporting and discussing items, because that was their purpose as a Committee.

Mr. Page stated the timeline for professional contracts was based on state budget timelines, which could only be made to a certain date. He noted that they would also need to select an outside organization before the contract for professional services could be submitted to the state budget. He said he believed the deadline was May 15th, and that Ms. Williams could confirm that date. He reiterated that because of the state budget cycle time limits, going to an outside organization would delay the recruitment process and he was not willing to do that. He said, in his opinion, an Executive Director needed to be in place soon. He said his recommendation would be to have PERA HR staff and the Chair and Vice-Chair of the Committee work together in evaluating the resumes to the Committee.

Interjecting, Ms. Naranjo Lopez said she hoped Mr. Page was receiving and reviewing copies of applications received to date. She said she was asking that someone other than Human Resources, i.e., from the Board be involved in the initial review process. She said she thought two Board members should be involved, namely Ms. Fisher as the Chair of Rules and Procedures, and Mr. Page as Acting Board Chair.

Responding to Ms. Naranjo Lopez, Mr. Page advised he had been receiving emails with the names of applicants from Ms. Winter. Ms. Naranjo Lopez repeated that she would feel more comfortable if the Chair of the Rules Committee also received that information so two Board members were reviewing it. Chair Fisher confirmed that both she and Mr. Page had been receiving the same information.

Responding to Mr. Page's previous comments regarding deadlines, Ms. Williams confirmed the last day to submit any professional service contracts for FY2021 was May 7th. She advised if it was decided to establish a professional service contract for review of the applicants it would have to have a start date of July 1, as a new contract for FY2022.

A motion to have HR staff, the Committee Chair, and Vice-Chair review applications to go to the Ad Hoc ED Committee for review was made by Mr. Page.

Ms. Pittard advised that the meeting agenda item B was for an outside review of Executive Director applications. She said if there was no motion to have a third party do the review, then that motion would fail, and the meeting should move on. She advised that because the other process proposed to review applications was not on the current agenda, no action could be taken at that time on that process.

Ms. Naranjo Lopez said she recommended that another Ad Hoc Executive Director Search Committee be scheduled the following week with the process scheduled as an action item so it could be dealt with immediately. She also repeated her preference for the Chair of the Board to be reviewing applications with Human Resources.

Chair Fisher said she agreed with Ms. Naranjo Lopez because of the need to move forward. She requested that they place an action item on the agenda for an Ad Hoc Executive Director Search Committee meeting the following week regarding the direction of the application process.

Mr. Page suggested that the item be scheduled for a meeting on the 27th May after the Investment Committee meeting but before the Board meeting so that there would be an action item on the agendas of both the Ad Hoc Executive Director Search Committee and the Board on that date. Following a discussion on Committee member availability for that date, and the need for only a brief meeting to take action on the agenda item, Chair Fisher asked Ms. Winter to add the item for action for a meeting of the Ad Hoc Executive Director Search Committee on the 27th of May, in between the Investment Committee and Board meetings. Ms. Winter confirmed she would do, and amend the Public Notice accordingly.

C. Evaluation Criteria of Executive Director Applications

Chair Fisher noted the evaluation criteria of Executive Director applications as an informational item to be presented by Mr. Page.

Mr. Page said that he was proposing for Committee and Board approval that the Chair and Vice-Chair of the Ad Hoc Executive Director Search Committee Chair with HR staff recommend the names of applicants to go forward to the full Committee. He said Committee members received those recommendations, the Committee members would each evaluate the resumes using the matrix criteria, which he could then combine into one document if that pleased the Committee.

Chair Fisher and Ms. Pittard stated the HR Manager would review the applications. Ms. Pittard advised that the current HR Manager was Jessica Trujillo, and the HR Assistant was Samantha Olivas. She said she was not sure if Ms. Olivas would be involved, and that the review of applications would be undertaken primarily by Jessica Trujillo. She also confirmed that Jessica Trujillo was not related to Greg Trujillo.

Continuing his discussion, Mr. Page repeated that his suggestion for the process was that HR and the Chair and Vice-Chair of the Committee would review the resumes received. He said that resumes would then go to Committee members, who would use the matrix worksheet to evaluate. He said that he could compile all information from the matrix worksheets into one document for submission to the Committee after June. He said the Committee would then determine what percentage or how many applicants would go to the Board for interview.

D. Confidentiality Statement for Executive Director Applications

Mr. Page repeated that he had been speaking with Harvey Leiderman, Fiduciary Attorney, regarding the information received in resumes from applicants. He said they need to ensure every Board member maintains the confidentiality of applicants to the position, as their current employer may not be aware they have applied for the role.

Chair Fisher said she appreciated the fact that Mr. Leiderman assisted Mr. Page with what he was delivering to the Committee.

4. Adjournment

Having completed the agenda, Chair Fisher declared the meeting adjourned at 10:35 a.m. She also confirmed the next meeting on May 27th, 2021 for an action item prior to the next Board meeting.

Approved by:

Paula Fisher, Chair
PERA Ad Hoc Executive Director Search Committee

ATTEST:



Greg Trujillo, Acting Executive Director