

**New Mexico
Public Employees Retirement Association
Board Meeting
June 24, 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 9:40 a.m.

2. Roll call

The meeting attendance met quorum with the following members present;

Board Members Present

Francis Page, Acting Chair
Lawrence Davis
Tim Eichenberg [out at 10am]
Paula Fisher
Loretta Naranjo Lopez
Steve Neel
Diana Rosales Ortiz
David Roybal

Board Members Absent

John Melia
Shirley Ragin
Roberto Ramirez
Maggie Toulouse Oliver

Staff

Susan Pittard, General Counsel
Trish Winter, Executive Assistant
Anna Williams, CFO
Kristin Varela, Interim CIO
LeAnne Larranaga Ruffy, Interim Deputy CIO
Misty Schoeppner, Deputy General Counsel
Marlena Riggs, Budget Director
Karyn Lujan, SmartSave Plan Manager
Jessica Trujillo, HR Manager
Geraldine Garduno, Assistant General Counsel
Isaac Beckel, Investments
Frank Mihail, Investments
Aaron Kayser, Investment Compliance Manager
Isaac Olaoye, Investment Accountant

Others in Attendance

Rose Dean, Wilshire Consulting
Tom Toth, Wilshire Consulting

3. Approval of Agenda

Loretta Naranjo Lopez stated that she would not be voting on the approval on the basis that there may be corruption of appointment and operation of the AdHoc Committee. She further stated that the Committee needs to be dissolved so the whole Board can complete their own review.

Paula Fisher moved to approve the agenda. Tim Eichenberg seconded the motion. The motion passed by a roll call vote of 7 to 1 as follows;

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

4. Approval of the Consent Agenda.

Ms. Naranjo Lopez proposed the removal of the minutes and the Artesia and Harding County Resolution from the Consent Agenda and moved to Item 6 under unfinished business.

Tim Eichenberg moved to approve the amended Consent Agenda. Paula Fisher 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
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes

5. Reports of Committees

A. AdHoc Executive Director Search Committee

1. Accept AdHoc ED Search Committee Recommendations of Executive Director Applicant Finalists.

Ms. Fisher reported that the AdHoc Committee moved to forward to the Board the Executive Director Search Committee recommendations for the applicant finalists, which are five. The Committee moved forward to the Board to approve those five applicants for interviews.

Steve Neel requested Ms. Naranjo Lopez to give more detail on her earlier comments concerning the AdHoc Committee.

Ms. Naranjo Lopez emphasized that she would vote no to the AdHoc Search Committee recommendations for the following reasons;

- i. Only state employees were involved in the search process for the executive director position. Those who were in the room were the human resources director, who is the acting director staff, David Roybal, and Paula Fisher.
- ii. Greg Trujillo, the Acting Director, has the least qualifications and has a conflict of interest, the employee of the New Mexico PERA involved in the selection of the AdHoc Executive Director Search Committee.
- iii. The Board cannot be eliminated from the processes of the AdHoc Search Committee review and comment.
- iv. The interim Executive Director had access to all the applications and filed them second to last.
- v. Staff was involved in the selection process from beginning to end.
- vi. Many of the applicants met all criteria and then some but were eliminated.
- vii. If there is a single state in place as a finalist, can the state representatives on the Board vote without themselves having a conflict of interest?
- viii. The Chair of the Board spoke to Board Council without Board request as required under the contract. State in place also have part of three-year voting block conflict of interest in GSA violations. This is a violation of the contract and the procurement code. The New Mexico PERA Act and the Procurement Code were not followed. It is a Board that is supposed to select, not the General Counsel or outside counsel Reed Smith.
- ix. Under Board Policies, Greg Trujillo should not have attended the AdHoc Committee meetings. In the minutes, he attended all meetings and this automatically disqualifies him.

Acting Chair Page stated that he is the one who set up the Committee and it was in no way meant to be biased. It was meant to be fair and impartial. He explained that Mr. Trujillo is a current employee, acting as the Executive Director, and that is why he attended those meetings. Mr. Trujillo was absent from today's meeting because of the process of the Search Committee.

Acting Chair Page further addressed the Search Committee meeting between Chair Fisher, Vice Chair Roybal, and the HR person, who was only present to provide HR assistance and expertise. The Committee Chair and Vice-Chair made their decisions and were assisted by the HR staff. Acting Chair Page reiterated that there was no partiality at all in the process.

Mr. Neel asked the Chair of the Committee, Ms. Fisher, to respond to Ms. Naranjo Lopez's assertions.

Ms. Fisher echoed Acting Chair Page's sentiments. She stated that they acted accordingly and followed all the rules. She confirmed that she and Mr. Roybal met with the HR person. The HR person had no input at all and allowed Ms. Fisher and Mr. Roybal to discuss the applicants and discern if they met the minimum qualifications.

These minimum qualifications had already been stated and approved by the Board. Ms. Fisher emphasized that everything they did was approved prior by the Board and that Mr. Trujillo was not on the call. He did not take part in any of the AdHoc Committee processes.

Ms. Naranjo Lopez had further arguments and Acting Chair Page responded by reiterating the process was being handled in a fair and open manner.

Acting Chair Page inquired if any of the Board members wanted to adjust the list of the five finalists before it moves forward to the Board. Ms. Naranjo Lopez stated that she had given her outstanding members' selection. She also asked if those names would be added to the list before accepting the Committee recommendations.

Ms. Winter pointed out that the action item is to accept the Committee's recommendations. Therefore, a motion must first be made for that and seconded, and then one can amend the motion if they so wish.

Paula Fisher moved to accept AdHoc Committee Recommendations of ED finalists. David Roybal seconded the motion. The motion passed by a roll call vote of 7-1 as follows;

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

Tim Eichenberg left meeting at 10:00 am. Quorum is now at 7.

Ms. Naranjo Lopez requested to amend the motion and add other applicants. Acting Chair Page pointed out that the motion had already been passed. Ms. Naranjo Lopez asked if the process allowed her to accept the AdHoc Search Committee recommendations and add other applicants. Ms. Pittard explained that the amendment was supposed to be made before the motion was voted upon. Since the motion had already been passed, Ms. Naranjo Lopez could make her amendment on Item 5.A.2. before the adoption of the AdHoc Committee recommendations.

Ms. Pittard suggested that Ms. Naranjo Lopez could make a motion to rescind the motion.

Ms. Naranjo moved to rescind the motion and to amend Item 5.A.1 to accept AdHoc ED Search Committee recommendations of Executive Director applicant finalists to include the most outstanding of the total 15, which was Vikas Prabhakar, Ronald Viera, and Kenneth Gurrola. Diana Rosales Ortiz seconded the motion. She also encouraged other members who wanted to add other candidates' names to do so at this time.

Mr. Davis requested details on why Ms. Naranjo Lopez wanted the specific candidates added to the list since they did not meet the minimum qualifications. He stated that he wanted to avoid wasting both the candidates' time and the Board's time.

Ms. Naranjo Lopez stated that she had reviewed all the candidates and according to her, all her outstanding candidates had investment backgrounds.

Mr. Roybal echoed Mr. Davis' request to have Ms. Naranjo Lopez give reasons on why she believed the candidates were outstanding. He acknowledged that they might have missed something during the evaluation process and that it would only be fair to give everyone worthy a chance to be interviewed.

Ms. Naranjo Lopez stated that those candidates have higher degrees, more than 10 years minimum required, public pension backgrounds, certifications, and board of directors' qualifications.

Ms. Fisher explained that they were looking at candidates who had all the requirements or at least the five minimum requirements as approved by the Board. Some of the others were missing a few, even though they had investment backgrounds.

Ms. Naranjo Lopez argued that the Board did not discuss that the candidates should not have investment background, which is a necessity. This was reason enough to go back to the drawing board. Ms. Fisher emphasized that they do have that background and that is why the five applicants qualified.

The motion to rescind the vote on Item 5.A.1 failed by a roll call vote of 5 to 2 as follows;

Francis Page	No
Lawrence Davis	No
Paula Fisher	No
Loretta Naranjo Lopez	Yes
Steve Neel	No
Diana Rosales Ortiz	Yes
David Roybal	No

5.A.2. Adopt AdHoc ED Search Committee recommendations for Video Interviews with Board of Trustees and Finalist Applicants.

Ms. Fisher stated that the whole Board would be taking part in this process together with the finalist applicants.

Ms. Naranjo Lopez declared that she would be voting no on this action item because the process is corrupt and there is a conflict of interest, violation of government conduct act, and procurement code. She felt that the competition was not fair and open and further asserted that there was evidence that Mr. Trujillo violated policy by contacting staff about the RFP.

Ms. Pittard cautioned the Board to avoid making unsubstantiated statements without any proof. She stated that there should be an end to the dispersions of PERA staff as related to that process. In addition, she stated that staff would prefer not to be involved in the process at all because it opens them up to more criticism, and noted that by allowing further discussion and allegations of fraud, the Board was opening itself up to liability.

Ms. Fisher requested Ms. Naranjo Lopez to forward anything that she would like to be in the minutes so that the agenda could move forward. Ms. Naranjo Lopez pointed out that under Robert's Rules, she is allowed to finish her statements. She wanted her statement to be on the meeting's video. Acting Chair Page noted that he had given Ms. Naranjo Lopez many chances to put her points across. He decided to move forward with the agenda.

Ms. Rosales Ortiz reminded Ms. Naranjo Lopez and Acting Chair Page that the Board had approved professional behavior during meetings and to avoid personal attacks on the staff. She also suggested that Ms. Naranjo Lopez air her comments under Item 8 for Public Comments so that it can be on the record.

Diana Rosales Ortiz moved to adopt AdHoc Committee Recommendations of video interviews. Paula Fisher seconded the motion. The motion passed by a roll call vote of 6-1 as follows;

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes

6. Unfinished Business.

A. Items removed from Consent Agenda if necessary.

1. Minutes.

Ms. Naranjo Lopez stated that she would be voting no on the motion to approve the minutes because there has not been an effective process to ensure accuracy and completeness of the Board minutes. The abbreviated minutes are as such abbreviated. She further stated that if a member would like to make a statement for the record, that section of the minutes should be verbatim. The motion should also be verbatim.

Paula Fisher moved to approve May 27, 2021 Board meeting Minutes. David Roybal seconded the motion. Motion passed by a roll call vote of 6-1 as follows;

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes

2. Artesia Resolution and Harding County Resolution

Ms. Naranjo Lopez requested information on the funding percentages for each of these plans for the last five years per the actuary. She stated that if they are not fully funded, the Board has no authority under the law to approve them. It would require changes in legislation beyond what is enacted in 2021. She would therefore vote no for lack of review and violations of the state statute for the two resolutions.

Ms. Pittard explained that the PERA Act allows their affiliated public employers to move into higher plans when their governing entity chooses to do so by their governing body. Not allowing this to happen would be a violation of the law. Ms. Pittard further explained that this motion would allow Artesia to pick up 75% of their employees' contributions, which is allowable under the PERA Act. It has nothing to do with the funding of the plan.

In response to Ms. Naranjo Lopez's question, Ms. Pittard stated that these plans were not fully funded. The Board members were aware of this since they were presented with the actuarial valuations. None of PERA's funds had been fully funded from last year.

Ms. Pittard reiterated that this has nothing to do with the funding. It will only allow the employer to pick up the contributions on behalf of their employee. Ms. Naranjo Lopez argued that the plans had to be fully funded, otherwise, they would be violating the Statute.

Ms. Pittard stated that what Artesia wanted to do was appropriate under existing law. Ms. Naranjo Lopez further requested information on the State Statute that Ms. Pittard was referring to and the funding percentages for the last five years. Ms. Pittard responded that the State Statute is on Resolution Section 1011-5. All the percentages and valuations for the last five years are on PERA's website.

Lawrence Davis moved to approve Artesia Resolution and Harding County Resolution. Steve Neel seconded. Motion passed unanimously. Ms. Naranjo Lopez abstained.

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	abstain
Steve Neel	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes

7. New Business.

A. Discuss Dates and Process for Executive Director Finalist Interviews

Acting Chair Page stated that it was discussed in the Committee hearing about trying to set a date for the interviews of the five applicant finalists.

Ms. Naranjo Lopez recommended that the regular scheduled dates for the Board and Committee meetings be used since they are already on the calendar. She proposed they do the interviews on the second Tuesday that they usually meet.

Acting Chair Page reiterated that emails would be sent out for members to propose the dates that they will be available for the interviews. He had earlier proposed Tuesday, July 13.

Mr. Neel asked for clarification around the interviews being done in Executive Session versus open session. Ms. Pittard related that the Open Meetings Act allows for limited personnel matters to be discussed in Executive Session. Closely related to this includes interviewing of candidates. She strongly recommended that the interviews be done in an executive session, though it is not a requirement. She noted that the last go-round in 2012 was done in executive session. It was at the Board's discretion to decide on the way forward.

Ms. Pittard further pointed out that some candidates may choose not to participate in a publicly conducted interview due to their current employment situation. Mr. Neel agreed with Ms. Pittard's comments but also acknowledged Ms. Naranjo Lopez's concerns about transparency. He requested Ms. Pittard to look up how the process has been done historically and get back to the Board with the information.

Acting Chair Page confirmed that emails will be sent out today with possible dates. The list of possible questions established in April will also be sent out.

8. Public Comment.

Acting Chair Page invited Ms. Naranjo Lopez to complete her statement on Item 5. A. 2.

Ms. Naranjo Lopez wanted it to be on record that she voted no on the Item because she believed that the process was corrupt, there was a conflict of interest, and violation of the government conduct Act, Board Policies, and Procurement Code. She felt that the competition was not fair and open.

SmartSave Plan Manager, Karyn Lujan, reminded the Board members that PERA has about 80 employees outside of the investments and executive director's office. Most of these employees are the worker bees of PERA and they dial in and listen to the meetings. When they hear accusations of other staff members, it kills the morale of the department. Ms. Lujan cautioned the Board against making such accusations as those words hurt people and might lead to the loss of valuable employees.

Mr. Davis appreciated and thanked PERA's employees for their service. He acknowledged that some comments are made during meetings that should not be made, but those opinions are not shared by a majority of the Board. He encouraged the staff to keep working hard and even shared positive feedback from the public on how they appreciate what the staff is doing. Acting Chair Page echoed Mr. Davis' comments.

Mr. Neel also agreed with Mr. Davis and appreciated PERA staff. He noted that they were second to none and that the allegations made against them were outlandish and unsubstantiated. He also thanked the staff for their hard work.

Ms. Fisher also echoed Mr. Davis's comments and added that she also receives positive feedback from the public. She encouraged staff to keep up with the great job.

Ms. Rosales Ortiz also echoed the other members and recognized that the efforts of staff to keep the fund afloat in the absence of an executive director and during the pandemic. Acting Chair Page echoed these comments too.


9. Adjournment

With no further business to discuss, Acting Chair Page adjourned the meeting at approximately 10:55 AM.

Approved by:


Francis Page, Acting Board Chair

ATTEST:


Susan Pittard, General Counsel

Attached Exhibit(s):