

NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
AUDIT & BUDGET
COMMITTEE MEETING

April 11, 2017

This meeting of the Public Employees Retirement Board Audit & Budget Committee was called to order by Chair Jackie Kohlasch at approximately 9:50 a.m. on the above-cited date in the PERA Building, Senator Fabian Chavez, Jr. Board Room, 33 Plaza La Prensa, Santa Fe, New Mexico.

Roll was called and a quorum established with the following members present:

Members Present:

Jackie Kohlasch, Chair
James Maxon
Dan Esquibel
Patti French [appointed]

Member(s) Excused:

Tim Eichenberg
Cathy Townes, Vice Chair
Claudia Armijo

Other Member(s) Present:

Loretta Naranjo Lopez
John Melia
Dan Mayfield
John Reynolds

Staff Members Present:

Wayne Propst, Executive Director
Susan Pittard, Chief of Staff/General Counsel
Karen Risku, Deputy General Counsel
Renada Peery-Galon, ASD Director
Dana David, Assistant General Counsel
Jude Pérez, Interim CIO
Trish Winter, Executive Assistant
Karyn Lujan, Smart Save Plan Manager
LeAnne Larrañaga-Ruffy, Director of Equity
Marlena Riggs, Financial Budget Manager
Kristin Varela, Portfolio Manager
Emily Lopez, Financial Specialist

Others Present:

Paul Lium, Nationwide

2. APPROVAL OF AGENDA

Mr. Esquibel moved to approve the agenda as presented. His motion was seconded by Mr. Maxon and passed by unanimous [4-0] voice vote.

3. APPROVAL OF CONSENT AGENDA

Mr. Maxon moved to approve. Noting that he had reviewed the minutes, Mr. Esquibel seconded. The motion passed by unanimous [4-0] voice vote.

4. CURRENT BUSINESS

A. Fiscal Year 2017 3rd Qtr Budget Projection

Renada Peery-Galon, ASD Director, introduced PERA's new financial budget manager, Marlena Riggs.

Ms. Peery-Galon reviewed PERA's budget as of March 31, 2017 for FY17. The 200 category (personal services and employee benefits) has a projected variance of \$241,137 which she attributed to vacancy savings. Currently, PERA has eight vacant positions and a vacancy rate of 9.5 percent. Two of those eight positions have accepted offers. She did not anticipate the Governor's executive orders regarding furloughs and hiring freezes would impact PERA.

The 300 category (contractual services) includes \$30.7 million in contract performance-based manager fees. Early in the fiscal year, a BAR transferred \$91,000+ from this category to the 400 category (other/operating expenditures) that covered printing and photo services, postage and mail and furniture and fixtures. Ms. Peery-Galon anticipates a shortage of \$59,000 in category 400 that she attributed to a prior year expenditure and hardware purchase. A BAR from, the 300 category will be used to address this shortfall.

Regarding the savings in the 300 category, Jude Pérez, Interim CIO, said PERA pays managers based on AUM (assets under management) and tries to predict the fees when the budget is developed.

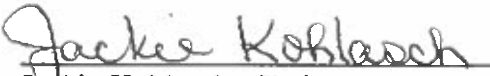
5. OTHER BUSINESS

None was presented.

6. ADJOURNMENT

Having completed the agenda, Chair Kohlasch adjourned this meeting at approximately 10:05 a.m.

Approved by:


Jackie Kohlasch, Chair
Audit & Budget Committee

ATTEST:


Wayne Propst, Executive Director