

NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
AUDIT & BUDGET
COMMITTEE MEETING

August 31, 2017

This meeting of the Public Employees Retirement Board Audit & Budget Committee was called to order by Chair Jackie Kohlasch at approximately 10:10 a.m. on the above-cited date at the Albuquerque PERA Office, 2500 Louisiana Blvd., NE, Suite 400, Albuquerque, New Mexico.

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

Members Present:

Jackie Kohlasch, Chair
Cathy Townes, Vice Chair
James Maxon
Claudia Armijo
Dan Esquibel

Member(s) Absent:

Tim Eichenberg

Other Member(s) Present:

John Melia
Dan Mayfield
Loretta Naranjo Lopez

Staff Members Present:

Wayne Propst, Executive Director
Susan Pittard, Chief of Staff/General Counsel
Greg Trujillo, Deputy Director
Dominic Garcia, Chief Investment Officer
Jude Pérez, Deputy CIO
Karen Risku, Deputy General Counsel
Renada Peery-Galon, ASD Director
Dana David, Assistant General Counsel
Trish Winter, Executive Assistant
Joaquin Lujan, Director of Rates and Credit
LeAnne Larrañaga-Ruffy, Director of Equity
Karyn Lujan, Deferred Compensation Plan Manager
Christine Ortega, Portfolio Manager
Mark Montoya, Financial Analyst
Isaac Olaoye, Financial Analyst

Emily Lopez, Financial Specialist
Kristin Varela, Portfolio Manager of Real Returns
Marlena Riggs, Financial Budget Manager
Anna Murphy, Compliance Officer

Others Present:

Jennie Lusk, NM AG Office
Harvey Leiderman, Reed Smith, PERA Board Fiduciary Counsel
Tom Toth, Wilshire
Paul Cowie, Meketa,
Paul Lium, Nationwide
Andrew Hayward, Albourne
Mark White, Albourne
DL Heshley, FOP
Anna Hanika-Ortiz, LFC
Dianne Creser, Chapter 5
Isabel Clendenin, RPENM
Mike Clendenin, RPENM
John Rivers, RPENM
Steve Cogan, REDW
Jessica Bundy, REDW

2. APPROVAL OF AGENDA

Mr. Esquibel moved to approve the agenda as presented. His motion was seconded by Ms. Townes and passed by unanimous [5-0] voice vote.

3. APPROVAL OF CONSENT AGENDA

Ms. Townes moved to approve. Mr. Maxon seconded. The motion passed by unanimous [5-0] voice vote.

4. CURRENT BUSINESS

A. FY19 Budget Request [*Exhibit 1: PERA FY19 Budget Request*]

Renada Peery-Galon, ASD Director, presented PERA's FY19 appropriation request. State statute requires that state agencies shall fill out a budget form provided for and in the order described by the State Budget Division. The completed form shall be returned to the State Budget Division no later than September 1st of each year. She explained that the appropriation request is the first step in a lengthy budget process. The approved operating budget, while similar to what is being presented today, will not be the same.

Ms. Peery-Galon referred to the S-8, the financial summary, and S-9, the account expenditure summary and reviewed the S-8. Referring to the 200 category (personal services and employee benefits) a 5 percent vacancy rate was applied to full-time

classified positions. Also, the group insurance premium shows a 4 percent increase which will be covered by both the employer and employee. She highlighted a \$68,000+ decrease in GSD workers' compensation insurance payments and \$7,000 decrease in employee liability insurance premiums. Staff works closely with the State's Risk Management Division and the NM Administrative Code requirements. NM Risk Management has audited PERA to ensure compliance in an effort to equitably share the costs of the insurance. PERA did well and was able to pay less.

The majority of the 300 category is made up of investment contracts and over \$25 million is being budgeted for those contracts. This is a 3.72 percent increase which is attributable to an improvement in investments and thus manager fees. The category also includes IT and audits.

The 400 category (Other) has been decreased, stated Ms. Peery-Galon which aligns it better to the 2017 actual expenditures. She mentioned that GSD and DoIT have set rates for a number of items, i.e., transportation insurance, leased vehicle, property insurance, some SHARE expenses, etc. Also included in the 400 category is postage.

Ms. Kohlasch thanked Ms. Peery-Galon for her services to the agency.

Mr. Esquibel moved to approve the FY19 Budget Request. Mr. Maxon seconded and the motion passed by unanimous [5-0] voice vote.

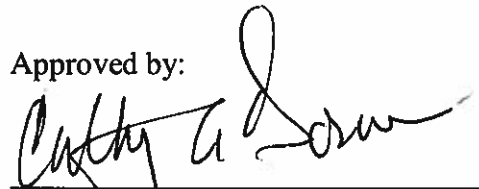
5. **OTHER BUSINESS**

None was presented.

6. **ADJOURNMENT**

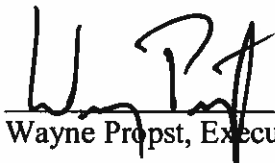
Having completed the agenda, and upon motion and second, Chair Kohlasch adjourned this meeting at approximately 10:17 a.m.

Approved by:



Jackie Kohlasch, Chair
Audit & Budget Committee

ATTEST:


Wayne Propst, Executive Director