

NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
LEGISLATIVE COMMITTEE MEETING

January 9, 2018

This meeting of the Public Employees Retirement Board Legislative Committee was called to order by Vice Chair Dan Mayfield at approximately 9:35 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 call indicated the presence of a quorum as follows:

Members Present:

Dan Mayfield, Vice Chair
James Maxon
Maggie Toulouse Oliver
Jackie Kohlasch [appointed]

Member(s) Absent:

Cathy Townes, Chair
Patty French [excused]
Loretta Naranjo Lopez [excused]

Other Member(s) Present:

John Melia
Claudia Armijo
Natalie Cordova

Staff Members Present:

Wayne Propst, Executive Director
Susan Pittard, Chief of Staff/General Counsel
Greg Trujillo, Deputy Director
Karen Risku, Deputy General Counsel
Dominic Garcia, CIO
Renada Peery-Galon, ASD Director
Dana David, Assistant General Counsel
Misty Braswell, Assistant General Counsel
Anna Williams, CFO
Jude Pérez, Deputy CIO
Trish Winter, Executive Assistant
LeAnne Larrañaga-Ruffy, Director of Equity
Karyn Lujan, Deferred Compensation Plan Manager
Kristin Varela, Portfolio Manager of Real Returns
Christine Ortega, Portfolio Manager
Anna Murphy, Compliance Officer
Mark Montoya, Investment Analyst

Others Present:

Ernie Marquez, Automated Election Services

Don Wencewicz, AFSCME

2. APPROVAL OF AGENDA

Secretary Toulouse Oliver moved approval. Her motion was seconded by Mr. Maxon and passed by unanimous voice vote.

3. APPROVAL OF CONSENT AGENDA

Secretary Toulouse Oliver moved approval. Mr. Maxon seconded and the motion passed by unanimous [4-0] voice vote.

4. CURRENT BUSINESS

A. 2018 Legislative Session Update

Vice Chair Mayfield referred to the report within the committee packet. He reviewed the dates for PERA hearings and noted the 30-day session begins Tuesday, January 16, 2018.

Executive Director Propst said both the LFC and DFA recommendations regarding PERA's FY19 budget have been released. A summary comparison of the executive and legislative budget recommendation will be posted on the Board Portal. From a staff perspective, both LFC and DFA have forwarded very good recommendations.

A Senate Finance Committee Hearing is scheduled for Tuesday, January 30th at 1 p.m. at which time PERA's budget as well as solvency projections will be discussed, stated Mr. Propst. That presentation will be posted on the Board Portal.

HB21 has been pre-filed and is an attempt to address retention of public safety officers, particularly police. Mr. Propst said the bill would allow municipalities and counties to access the Law Enforcement Protect Fund to provide retention bonuses for certain law enforcement positions. The bonuses would not be considered wages for pension calculations and thus have a minimum administrative impact on PERA. The Fund has specific uses and at this point bonuses are not included.

A bill is expected to be introduced that would forfeit PERA pension benefits by elected officials upon conviction for certain criminal offenses. Mr. Propst said PERA general counsel was asked to assist in the technical drafting of the bill. The bill has no impact on PERA.

Regarding ERB's proposed bill to exempt certain discussions related to information technology and cyber security from the Open Meetings Act, Mr. Propst said

PERA has the same security concerns. In fact, he said he would be reluctant to discuss the annual external review of PERA's IT security of membership data in an open meeting. Mr. Propst confirmed that the bill provides a statewide exemption from the Act.

Secretary Toulouse Oliver said she would support this type of bill and would like to see all cyber security related documents exempted from IPRA (Inspection of Public Records Act) as well. She offered to work on this bill.

Ms. Armijo agreed with the Secretary and supported ERB's proposed bill. She said IPRA requires agencies to be transparent in their business and PERA's business is not cyber security. The security of PERA should not be IPRA-able. Stating she was unsure of the Committee's process, Ms. Armijo said this would be an important bill for the Board to review and have a position on. Mr. Propst said that would be helpful for staff.

Regarding an expected bill to restrict the ability of legislators to select non-spouse dependents as beneficiaries of their legislative pensions, Mr. Propst said Senator Ingle has requested PERA's staff assistance in drafting the bill. The concern is a legislator may name a child or grandchild as a beneficiary. Mr. Propst noted that there is an actuarial reduction that is used to calculate benefits all beneficiaries based on their age.

Ms. Armijo noted the similarity of the expected bill and the Judicial Retirement Act. She said the Board should consider supporting this bill.

Other possible legislation was reviewed. The governor had mentioned a bill that would reduce the contribution rates for certain members of the State Police and Adult Correctional Officers and divert those funds to other purposes such as salary increases for those members. Mr. Propst said this is an issue that would be helpful to have a Board position on.

Senator Muñoz approached PERA staff regarding legislation that would exempt ERB, SIC and PERA staff, primarily investment staff, from the State Personnel Act, stated Mr. Propst.

Secretary Toulouse-Oliver said she could support this bill noting that it would provide greater staffing flexibility. She recommended that staff work with the senator.

The staff report indicated that Charlie Marquez will be assisting PERA as its government affairs contractor. Mr. Propst provided his cell phone number and invited questions.

General Counsel Susan Pittard said there are actually two bills regarding the forfeiture of PERA pension benefits of an elected official. There is criminal statute creating the Public Corruptions Act and new material in a companion bill that would amend the PERA Act to provide for forfeiture of service credit while campaigning or during the term of an elected official's career.

Secretary Toulouse Oliver offered her office as a respite during the session.

5. **OTHER BUSINESS**

None was presented.

6. **ADJOURNMENT**

Vice Chair Mayfield declared the meeting adjourned at approximately 10:00 a.m.

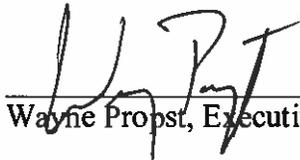
Approved by:



Dan Mayfield, Vice-Chair
Legislative Committee

James Maxon
Board Chair

ATTEST:



Wayne Propst, Executive Director