

NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
SPECIAL BOARD MEETING

July 30, 2019

This monthly meeting of the Public Employees Retirement Board was called to order by John Melia, Vice Chair, at approximately 9:30 a.m. on the above-cited date at the PERA Building, 33 Plaza la Prensa, Senator Fabian Chavez, Jr. Board Room, Santa Fe, New Mexico.

1. Roll Call

Roll call followed the Pledge of Allegiance and indicated a quorum with the following members present:

Members Present:

John Melia - Municipal, Vice Chair
Lawrence Davis - Municipal
Patricia French - Municipal
Shirley Ragin - County
Dan Mayfield - Retiree
Loretta Naranjo Lopez - Retiree
David Roybal - State

Member(s) Absent:

Jackie Kohlasch - State, Chair
Claudia Armijo - State
Steve Neel - State
Maggie Toulouse Oliver - *Ex-officio*
Tim Eichenberg - *Ex-officio*

Staff Members Present:

Wayne Propst, Executive Director
Susan Pittard, Chief of Staff/General Counsel
Greg Trujillo, Deputy Executive Director
Renada Peery-Galon, ASD Director
Trish Winter, Executive Assistant
LeAnne Larrañaga-Ruffy, Director of Equity
Geraldine Garduño, Assistant General Counsel

Others Present:

Lenora Chavez, Retiree
Jake Salazar
Joseph E. Montoya, Retiree
V. Baca, Retiree
R. Ochoa, Retiree
Richard M. Pacheco, Retiree
Conny Martin, Retiree
JoAnn Jackson, Retiree
Michele Jackson

2. Approval of Agenda

Mr. Mayfield introduced a motion to approve the agenda as published. Mr. Roybal seconded and the motion passed without opposition.

3. Approval of Consent Agenda

Ms. French requested clarification of the term “retroactive” in regard to educational conferences that Treasurer Eichenberg attended. Executive Assistant Winter said initially, ERB was expected to pay for registration for CAPP I and PERA was expected to pay for registration for CAPP II. However, ERB ended up paying for both registrations so PERA will pay for travel expenses for both CAPP I and II. Because the original Board approval did not include expenses related to CAPP II, DFA requires that PERA approve the travel after the fact or retroactively.

Ms. French asked whether Chair Kohlasch’s travel in September was in compliance with end of a term travel restrictions. General Counsel Pittard said she reviewed the travel requests and confirmed they met the guidelines.

Regarding the June 27th minutes, page 3, Mr. Lawrence stated that he attended CAPP Part 1 in Boston.

Ms. French moved to approve the consent agenda with the correction to the minutes as noted. Her motion was seconded by Mr. Mayfield and passed without opposition.

4. Current Business

- A. **Approval of Resolution No. 19-08 Concerning Interest on Repayments for Reinstatement of Forfeited PERA Service Credit**
- B. **Approval of Resolution No. 19-09 Concerning Interest on Repayments for Reinstatement of Forfeited JRA Service Credit**
- C. **Approval of Resolution No. 19-10 Concerning Interest on Repayments for Reinstatement of Forfeited MRA Service Credit**

Vice Chair Melia recommended taking action on item A through C as they relate to repayment credits.

Mr. Mayfield moved approval of Resolution numbers 19-08, 19-09 and 19-10. His motion was seconded by Mr. Roybal and passed by unanimous [7-0] voice vote.

- D. **Approval of Resolution No. 19-11 Concerning Interest Rate as Applied to Unremitted or Late PERA Contributions**
- E. **Approval of Resolution No. 19-12 Concerning Interest Rate as Applied to Unremitted or Late JRA Contributions**
- F. **Approval of Resolution No. 19-13 Concerning Interest Rate as Applied to Unremitted or Late MRA Contributions**
- G. **Approval of Resolution No. 19-14 Concerning Interest Rate of Unremitted Member Contributions for Legislative and Lieutenant Governor Service**

Vice Chair Melia noted that items D through G are concerning the interest rate as applied to unremitted or late contributions.

Mr. Mayfield moved approval of Resolution numbers 19-11, 19-12, 19-13 and 19-14. His motion was seconded by Mr. Davis.

Ms. French stated for the record that other than the date, there were no changes made to the resolutions. Ms. Pittard confirmed that was correct.

The motion passed by unanimous [7-0] voice vote.

H. Approval of Resolution No. 19-15 Concerning Rate of Interest on Overpayment of Benefit

Mr. Mayfield moved approval of Resolution number 19-15. The motion was seconded by Ms. French and passed by unanimous voice vote.

I. Approval of Resolution No. 19-16 Regarding Authority to Act on Behalf of PERA in Securities Litigation Matters

Ms. Pittard said in 2017 PERA was approached by the Attorney General's Office requesting the passage of a resolution granting authority to the PERA executive director, in consultation with the Office of General Counsel and PERA Board Chair, to consent to serving as lead plaintiff in securities litigation cases. The AGO is actively monitoring securities cases that warranted one of New Mexico's investing agencies to seek lead plaintiff status.

The AGO has a bench of security litigation law firms who monitor the investing agencies' portfolios and alert PERA to any significant losses that warrant serving as lead plaintiff. She noted there was extra work in serving as lead plaintiff but there is also the benefit of having control over some of the litigation decision making.

Ms. Pittard noted that PERA has been named lead plaintiff in two cases. The resolution requires an annual report to the PERA Board as well as a report whenever lead plaintiff status is filed. Other than the date and signature, the resolution remains the same.

Ms. Naranjo Lopez asked whether it was necessary to delegate rather than bring the issue before the Board for approval. Ms. Pittard said that often there is insufficient time to bring a request for lead plaintiff before the Board.

Ms. Naranjo Lopez expressed concern that this was an example of the Board relinquishing its fiduciary responsibility. Ms. Pittard referred to a 2017 case pending in the 9th Circuit, where PERA is lead plaintiff. She said the Board received a briefing on May 1, 2018 regarding the case status. In that case there would not have been sufficient time to file for lead plaintiff status if the Board's approval was necessary. Again, in August 13th, 2018, PERA was appointed lead plaintiff in the PG&E class action lawsuit. Lead plaintiff needs to have the greatest losses, so ERB, PERA and SIC losses are combined to have New Mexico achieve lead plaintiff status. She said there can be less than 48 hours notice to file for lead plaintiff status.

Ms. French said she too was hesitant about this resolution but understanding there is not sufficient time to hold a special meeting, she would support the authorization. However, if time permits, she asked the request come before the Board. Ms. Pittard said that could be

accomplished and pointed out that the resolution requires staff to alert the Board after the decision is made.

Ms. Pittard said the resolution remains in effect unless withdrawn and further, the Board will review and reissue this resolution at least annually. She assured the Board that the authorization will be utilized only when there is not sufficient time to bring the request before them. She cited the final phrase in the first sentence "...require immediate legal analysis and response from PERA" and repeated that with sufficient time the request will be brought to the Board.

Ms. Naranjo Lopez moved to approve Resolution No. 19-16. Ms. French seconded and the motion passed by unanimous voice vote.

5. Adjournment

Having completed the agenda, Vice Chair Melia declared this meeting adjourned at 10:00 a.m.

Approved by:



John Melia,
Vice Chair, PERA Board

ATTEST:


Wayne Propst, Executive Director

Attached Exhibit(s):

Exhibit 1: Consent Agenda