

**New Mexico  
Public Employees Retirement Association  
Board Meeting  
July 29, 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 9.00 a.m.

**2. Pledge of Allegiance**

**3. Roll call**

The meeting attendance met quorum with the following members present;

**Board Members Present**

Francis Page, Acting Chair  
Lawrence Davis  
Paula Fisher  
Loretta Naranjo Lopez  
Steve Neel  
Shirley Ragin  
Roberto Ramirez  
Diana Rosales Ortiz  
David Roybal  
Maggie Toulouse Oliver

**Board Members Absent**

John Melia

**Staff**

Greg Trujillo, Acting Executive Director  
Susan Pittard, General Counsel  
Trish Winter, Executive Assistant  
Anna Williams, CFO  
Misty Schoeppner, Deputy General Counsel  
Kristin Varela, Interim CIO  
LeAnne Larranaga Ruffy, Co-Head of Equity  
Aaron Kayser, Investment Administrator  
Frank Mihail, Investments Director  
Isaac Beckel, Investments Director  
Isaac Olaoye, Investment Accountant  
Kate Brassington, Investment Associate  
Michael Killfoil, Investment Associate  
Karyn Lujan, SmartSave Plan Manager  
Jessica Trujillo, HR Manager  
Ron Gallegos, CTO  
Angela Romero, Albuquerque Office Manager  
Geraldine Garduno, Assistant General Counsel

**4. Approval of Agenda**

Maggie Toulouse Oliver moved to approve the agenda. Loretta Naranjo Lopez seconded the motion. The motion passed with a unanimous roll call vote as follows;

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

**5. Approval of Consent Agenda**

Acting Chair Francis Page proposed a change on Item 6 of the Consent Agenda, to interchange the order of the meetings, items 6.a and 6.b.

Ms. Naranjo Lopez also proposed the removal of Items 1 and 5 from the Consent Agenda.

Maggie Toulouse Oliver moved to approve the amended Consent Agenda. Loretta Naranjo Lopez seconded the motion. The motion passed with a unanimous roll call vote as follows;

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

**6. Unfinished Business**

**A. Items removed from Consent Agenda if necessary**

**1. Approval of Minutes; June 24, 2021, and July 13, 2021.**

Lawrence Davis moved to approve minutes from the June 24, 2021, and July 13, 2021, meetings. Maggie Toulouse Oliver seconded the motion. Motion passed by a roll call vote of 9-1 as follows;

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	No
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

**B. Resolutions - Village of Los Lunas – Resolution No. 21-13**

Ms. Naranjo Lopez stated that the Board needs to carefully review the benefits being given if plans are not fully funded. She noted that retirees had been asked to give up their cost-of-living adjustment due to unfunded liability, yet other groups had been given the ability to continue the cost-of-living adjustment. Ms. Naranjo Lopez was against that and requested an extensive evaluation of each of those plans. She further stated that she would abstain from voting on this.

General Counsel, Susan Pittard explained that the resolution for the Village of Los Lunas had no actuarial impact to the fund and does not change plans. It is simply a resolution that allows the village of Los Lunas to pick up 67% of their employees' contributions to the fund. No one would be getting higher benefits under the resolution. It is a statutory option for employers to pick up employee contributions on behalf of the plans listed.

Ms. Pittard also clarified that the judicial and magistrate retirement funds do not receive a COLA every year. They receive it every third year until they are a hundred percent funded.

Ms. Ragin echoed Ms. Pittard's comments and added that the resolution will not change anything with the funds and has nothing to do with fund performance. Mr. Davis also echoed the same sentiments.

Steve Neel moved to approve Village of Los Lunas – Resolution No. 21-13. Lawrence Davis seconded the motion. Motion passed by roll call vote of 9-1 as follows;

Francis Page	Yes	
Lawrence Davis	Yes	
Paula Fisher	Yes	
Loretta Naranjo Lopez		Abstain
Steve Neel	Yes	
Shirley Ragin	Yes	
Roberto Ramirez	Yes	
Diana Rosales Ortiz	Yes	
David Roybal	Yes	
Maggie Toulouse Oliver	Yes	

Board Recessed to Executive Session at 9:20am to discuss the following;

**NMSA 1978, §10-15-1 (H) (3)**

Administrative Appeal

1. Miguel Tavarez

**NMSA 1978, §10-15-1 (H) (7)**

Pending Litigation

1. Array Technologies, Inc.
2. ChemoCentryx, Inc.

Paula Fisher moved to go to Executive Session; Loretta Naranjo Lopez seconded the motions. Motion passed as follows:

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes

David Roybal Yes  
Maggie Toulouse Oliver Yes

The Board convened in Regular Session at 10:20am.

Chair Page stated the only business discussed in Executive Session was what was on the agenda.

**Board members present**

Francis Page, Acting Chair  
Lawrence Davis  
Tim Eichenberg  
Paula Fisher  
Loretta Naranjo Lopez  
Steve Neel  
Shirley Ragin  
Roberto Ramirez  
Diana Rosales Ortiz  
David Roybal  
Maggie Toulouse Oliver

**7. New Business**

**A. Final Decision on Administrative Appeal**

**1. Miguel Tavarez (PID # 137627)**

David Roybal moved to adopt the hearing officer's recommended findings of fact and conclusions of law, approve the hearing officer's recommended decision, and deny the claimant's request for continued PERA duty disability retirement benefits. Tim Eichenberg seconded the motion. Motion passed by a roll call vote of 10-1 as follows;

Francis Page	Yes	
Lawrence Davis	Yes	
Paula Fisher	Yes	
Loretta Naranjo Lopez		No
Steve Neel	Yes	
Shirley Ragin	Yes	
Roberto Ramirez	Yes	
Diana Rosales Ortiz	Yes	
David Roybal	Yes	
Maggie Toulouse Oliver	Yes	

**7. B. Approval of Interest Rate Resolutions**

Ms. Pittard explained that each July, the Board is presented with interest rate resolutions for the purchase of forfeited service credit, claims for unremitted contributions, as well as for overpayments that are made based on fraudulent information.

The interest rate resolutions up for approval today will go into effect on January 1, 2022. There is no change in the interest rate that was approved for calendar year 2020 and 2021. The rate for both the forfeited and unremitted contributions is based on PERA's assumed rate of return, 7.25%, which represents the opportunity cost loss for not having those monies invested in the trust fund.

The interest rate for overpayments that are a result of fraudulent information is 10%.

**7.B.1; 7.B.2.; 7.B.3 Interest Repayment for Reinstatement Resolutions**

Maggie Toulouse Oliver moved to approve interest rate resolutions numbers, 21-06, 21-07, and 21-08, regarding repayment or reinstatement of forfeited service credit under the PERA Act, the Judicial Retirement Act, and the Magistrate Retirement Act. Steve Neel seconded the motion.

Motion passed by a unanimous roll call vote as follows;

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

**7.B.4; 7.B.5.; 7.B.6; 7.B.7 Interest Rate on Unremitted or Late Contributions**

Lawrence Davis moved to approve resolutions concerning interest rates applied to unremitted or late contributions for the PERA Act, the Judicial Retirement Act, the Magistrate Retirement Act, and the Legislative Retirement System. Those are resolution numbers 21-09, 21-10, 21-11, and 21-12. Shirley Ragin seconded the motion.

Motion passed unanimously by a roll call vote as follows;

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

**7.B. 8. Resolution 21-13**

Maggie Toulouse Oliver moved to approve Resolution No. 21-13 concerning the rate of interest on overpayment of benefit. Steve Neel seconded the motion. Motion passed unanimously by a roll call vote as follows;

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes

Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

**7.C. Resolution No. 21-14 Regarding Authorization to Act on Behalf of PERA in Securities Litigation Matters as Required**

Ms. Pittard explained that this is an updated resolution regarding authorization for the Executive Director and the Agency to pursue lead plaintiff status in Securities Litigation matters due to the timing constraints that PERA has with Federal Securities Litigation and when the Board is approached by the Attorney General’s office.

This is a delegation to the executive director that allows whoever is in that position, with the consultation of the AG, the General Counsel, and the Board Chair to pursue lead plaintiff litigation, as well as to communicate ongoing with the Attorney General's office, and provide them with securities data to have their stable of firms be able to monitor PERA’s portfolio in these matters.

It requires full ratification by the Board after lead plaintiff status is appointed by the federal courts. There is no change from the existing resolution. It's just updated for the Board to review and make any changes as they see fit.

Ms. Rosales Ortiz inquired if the process will be changed such that this will no longer be under the oversight of the Board.

Ms. Pittard stated that the process will not change. This just reflects the existing process that is in place. It is a replication of the 2019 resolution and needed to get in front of the Board one more time so that they're reminded that this delegation has been provided. It requires immediate prompt reporting back to the Board after the lead plaintiff status has been awarded and it also requires a vote of the Board to ratify that appointment.

Diana Rosales Ortiz moved to approve Resolution No. 21-14, regarding authorization to act on behalf of PERA in Securities Litigation matters as required. Steve Neel seconded the motion. Motion passed unanimously by a roll call vote as follows;

Francis Page	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Loretta Naranjo Lopez	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz	Yes
David Roybal	Yes
Maggie Toulouse Oliver	Yes

**7.D. Review of 2021 Rulemaking and Updated Rulemaking Timeline**

Ms. Pittard gave an update on the 2021 proposed rulemaking and stated that there's a memo on the Board portal, which gives the next steps in this process, as well as the current form of the rule amendments that staff is proposing. The memo was posted on the portal on July 2.

Staff will also ask the Board, at the August Board meeting, to formally initiate the rulemaking process and adopt a public notice which will provide those rules that staff is proposing to amend to the public. This is the first step of the formal rulemaking process.

The Board will take action on initiating the rulemaking on August 26. Final draft rules, which will be subject to any comments received from the Board, will be presented on September 15. The public hearing on the rulemaking will be by the Rules Committee on or after October 29.

### **7.E. Dates and Process for Executive Director Finalist Interviews**

Acting Chair Page reported that interviews had been scheduled for August 10 where three candidates will be interviewed. Acting Chair Page stated that the in-person interviews will be held on August 10 at 9 o'clock. They were also trying to see if they can do a hybrid interview; in person and also on Zoom. He had already talked to staff and they are working on that.

Mr. Neel inquired about the basic format of the interviews. He asked if they would be in an Executive Session and also if they will be free flow or if there will be template questions. Mr. Neel stated that the Board had already had a series of interviews with the three candidates using template questions. He suggested that for the next interviews, each Board member should be given a certain amount of time to query the candidates in what they find interesting about the individual candidate. This would also allow them to explore each of the candidates' strengths and weaknesses.

Acting Chair Page suggested that each Board member should be given 3 minutes to ask questions if all of them would be present for the interviews.

Mr. Eichenberg asked Acting Chair Page not to be finite on the one-hour limit as previously, they'd done some interviews that went quickly while others lasted longer depending on the length of the answer by each candidate.

Mr. Neel agreed with Mr. Eichenberg on having a little flexibility. He added that references should be completed before the interviews begin. Acting Chair Page stated that he would begin with staff on that.

Mr. Neel suggested that the reference calls be made by trustees because Mr. Trujillo was one of the candidates. Having two or three trustees on the line at one time would make it a fair process.

### **7.F. CIO Report**

Acting CIO, Kristin Varela, presented the monthly fund summary and explained that May is still being discussed because the fiscal year is taking longer than anticipated. A full quarterly review will be presented in August before the August Board meeting.

Ms. Varela reported that the fund continues to increase in market value with a new all-time high of \$17.44 billion for May.

Ms. Varela reported that there was a prism at the end of June. The next one will be tomorrow.

She also stated that they had determined two investments in their internal meetings that they felt should move forward to the newly established portfolio. More of these will be discussed during the August meeting.

Ms. Naranjo Lopez requested details on expected trends in the next six months or one year. Ms. Varela stated that there was continued uncertainty in the market and that more disruption might come with the new COVID variant. Growth seems to be bouncing around due to COVID implications so caution will be practiced moving forward.

Ms. Varela also stated that PERA's inflation-sensitive assets will assist in preserving capital and purchasing power. The long-term view on interest rates is that they will not remain as low as they are. PERA will continue to stay shorter duration in terms of that. Currently, both short-term and long-term interest rates are at an all-time low, an indication of consumer uncertainty in the market.

Corporations are still showing positive earnings and PERA is continuing to see growth, but there is some hesitation with the new COVID variant. Ms. Varela stated that they are not anticipating another lockdown at this point, but in case it happens, PERA is well-suited for it.

Ms. Naranjo Lopez expressed concerns about the MTD for 2.7% on the month to date. Ms. Varela explained that the 2.7% is a very strong return for the month and had an excess performance against the benchmark. The calendar year close and the reporting implications for private investments lengthen the time to get quarter one valuations coming through. In this quarter, those valuations were updated so some of that month-to-date return is just the quarter one valuations coming in on the private investments as well.

### **7.G. Executive Director's Report**

Acting Executive Director, Greg Trujillo reported that the second 13th check had been issued and was a result of the SB 72. The payments will reflect in the bank accounts tomorrow. Just under 28,000 payments were issued at \$18.2 million, about a million dollars more than what was issued last year.

Mr. Trujillo also reported that in addition to the 13<sup>th</sup> check, they are still issuing cost of living adjustments. 12,683 members received a cost-of-living adjustment of 2.5% percent. That's adding about \$650,000 each month to PERA's monthly payroll and it went smooth. Each eligible member received correspondence informing them of this. Positive feedback was received on this.

Mr. Neel appreciated Mr. Trujillo and Ms. Varela for the good work they are doing. He also asked if there were any additional developments with the PERA Board retreat.

Acting Chair Page stated that there were currently no further developments. He was planning to meet with Ms. Pittard and Mr. Trujillo to discuss setting it up.

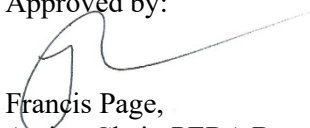
### **8. Public Comment.**

There were no comments from the public.


### **9. Adjournment**

With no further business to discuss, Acting Chair Page adjourned the meeting at 11:12am.

Approved by:

  
Francis Page,  
Acting Chair, PERA Board

ATTEST:

  
Greg Trujillo, Acting Executive Director

Exhibits attached