

**NEW MEXICO**  
**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**  
**LEGISLATIVE COMMITTEE MEETING**

**March 14, 2017**

This meeting of the Public Employees Retirement Board Legislative Committee was called to order by Chair Cathy Townes at approximately 10:30 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:**

Cathy Townes, Chair  
Dan Mayfield, Vice Chair  
Patty French  
James Maxon  
Loretta Naranjo Lopez

**Member(s) Absent:**

Maggie Toulouse Oliver

**Other Member(s) Present:**

Dan Esquibel  
John Melia  
Jackie Kohlasch  
Claudia Armijo  
John Reynolds

**Staff Members Present:**

Wayne Propst, Executive Director  
Susan Pittard, Chief of Staff-General Counsel  
Greg Trujillo, Deputy Director  
Karen Risku, Deputy General Counsel  
Renada Peery-Galon, ASD Director  
Anna Williams, Chief Financial Officer  
Dana David, Assistant General Counsel  
Jude Pérez, Deputy CIO  
Trish Winter, Executive Assistant  
Karyn Lujan, Smart Save Plan Manager  
LeAnne Larrañaga-Ruffy, Director of Equity  
Kristin Varela, Portfolio Manager  
Emily Lopez, Financial Specialist  
Christine Ortega, Portfolio Manager  
Mark Montoya, Investments Division

**Others Present:**

Paul Lium, Nationwide

**2. APPROVAL OF AGENDA**

Ms. French moved approval. Her motion was seconded by Ms. Naranjo Lopez and passed by unanimous voice vote.

**3. APPROVAL OF CONSENT AGENDA**

Chair Townes said she reviewed the consent agenda and found it accurate.

Ms. French moved approval. Mr. Mayfield seconded and the motion passed by unanimous [5-0] voice vote.

**4. CURRENT BUSINESS**

**A. 2017 Legislative Session Update**

Chair Townes said she appreciated Mr. Propst's electronic updates and asked for any additional information.

Executive Director Propst thanked Chair Townes for her support throughout the session. The session ends Saturday, March 18<sup>th</sup> and he highlighted the following bills:

- **SB 75:** The deferred compensation bill passed the House and Senate and awaits the Governor's signature. He congratulated Karyn Lujan for her hard work on the bill and noted it was the first update to the Deferred Compensation Act since 1981.
- **HB 34:** The change to reciprocity was endorsed by PERA and IPOC and without a fiscal impact the bill was not subjected to the Senate Finance Committee. It may pass before March 18<sup>th</sup>. He acknowledged Greg Trujillo's tremendous attention to this bill.
- **HB 202:** This started as a tax bill to close loopholes and during the committee process a provision was added that would suspend the State's annual distribution of \$900,000 to the Legislative Fund for a two-year period. Senator Smith as well as LFC staff listened to the PERA's concerns about diverting pension funds for non-pension purposes. The bill awaits the Governor's signature.

Ms. French thanked Chair Townes for her availability during the session. Mr. Mayfield added his appreciation for the Chair's assistance during the session.

Ms. Naranjo Lopez said using pension funds to address the deficit in the state budget is disturbing. The legislators need to be advised that doing so is a tremendous disservice to the public employees and they should be aware of PERA's unfunded liability. General Counsel Pittard pointed out that HB 202 does not take money out of the trust fund or the corpus. Instead the bill uses funds that normally flowed into the

legislative fund, which at this time is overfunded.

**5. OTHER BUSINESS**

Mr. Maxon said the Board had a successful strategic session last month and this morning's audit training was very beneficial.

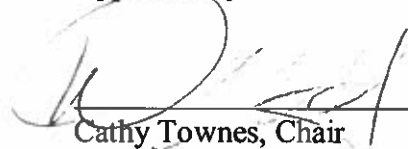
Mr. Maxon said he along with the Board Chair and staff have been discussing the idea of highlighting a PERA staff member in *La Voz*.

Ms. Naranjo Lopez said she has received calls from members wanting to know whether PERA has an account with Wells Fargo. Deputy CIO Pérez said he has been responding to public inquiries regarding Wells Fargo. PERA does not bank nor hold any accounts at Wells Fargo; however, PERA does hold Wells Fargo public stock in passive indexes.

**6. ADJOURNMENT**

Chair Townes declared the meeting adjourned at approximately 10:55 a.m.

Approved by:

  
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Cathy Townes, Chair  
Legislative Committee

ATTEST:

  
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Wayne Propst, Executive Director