

**New Mexico
Public Employees Retirement Association
Governance Committee Meeting
October 11, 2022**

1. Call to Order

This meeting of the New Mexico PERA Governance Committee was held on the date cited above via Zoom tele/video conferencing. Chair, Claudia Armijo, called the meeting to order at approximately 9.20 AM.

2. Roll Call

The meeting attendance met quorum with the following members present;

Committee Members Present

Claudia Armijo
Valerie Barela
Lawrence Davis
Paula Fisher
Francis Page

Committee Members Absent

Diana Rosales Ortiz

Other Board Members Present

Loretta Naranjo Lopez

Staff

Greg Trujillo, Executive Director
Trish Winter, Executive Assistant
Anna Williams, Deputy Director
Michael Shackelford, CIO
Kristin Varela, Interim CIO
Misty Schoepner, Deputy General Counsel
Karyn Lujan, SmartSave Plan Manager
Jessica Trujillo, HR Manager
Geraldine Garduno, Assistant General Counsel
Ron Gallegos, CTO

3. Approval of Agenda

Francis Page moved to approve the agenda. Paula Fisher seconded the motion. The motion passed by a unanimous roll call vote as follows;

Claudia Armijo	Yes
Valerie Barela	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Francis Page	Yes

4. Approval of July 12, 2022, Governance Committee Meeting Minutes

Francis Page moved to approve the July 12, 2022, Governance Committee Minutes. Valerie Barela seconded. The motion passed by a unanimous roll call vote as follows;

Claudia Armijo	Yes
Valerie Barela	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Francis Page	Yes

5. New Business

A. Fiduciary Counsel Quote and Potential Contract

Chair Armijo stated that only one law firm responded to the request for a quote for fiduciary counsel. This is because the Board was looking for counsel in New Mexico because a lot of the issues the Board might need legal advice on will involve not only federal law, but also state law.

The Slate Law Firm met the qualifications and believed they could provide fiduciary services. Chair Armijo mentioned that it was difficult to find a fiduciary counsel because the services are not a niche in the practice of law in New Mexico.

She stated that the law firm's proposal was very reasonable. The hourly rate was less than what PERA had been paying for an attorney that was not even licensed to practice in New Mexico. Additionally, the previous fiduciary counsel's contract had expired.

Paula Fisher moved to approve moving forward on the contract. Valerie Barela seconded.

Ms. Naranjo Lopez stated that the last time PERA considered hiring an attorney, a committee reviewed the process and an RFP was sent out throughout the country so that PERA could get a qualified attorney.

In response to Ms. Naranjo Lopez, Chair Armijo stated that the RFP had been reviewed and evaluated by the Governance Committee. She requested Deputy Director Ms. Anna Williams provide more details on the request for quote.

Ms. Williams stated that she had sent a scope of work for review to the Chair and Vice Chair. The scope of work was approved by the two, and it was then sent out to several law firms in New Mexico that specialize in fiduciary and trust work. Only Slate and Stern provided a quote in response.

Ms. Naranjo Lopez inquired whether an agenda item on the RFP had been discussed at one of the Governance Committee meetings, adding that she had not heard anything about it. She also questioned why it was being evaluated by the Governance Committee, noting that the RFP had in the past been evaluated by a separate committee.

Chair Armijo stated that nothing is more related to governance than the fiduciary counsel and fiduciary duties. That was one of the reasons for the formation of the Governance Committee. She further stated that the Committee had plenty of time to review the proposal and that the scope of work was modeled after the previous scope of work that had been distributed.

Concerning the RFP, Chair Armijo confirmed that it had not been a previous agenda item, but it was on the agenda today. Ms. Naranjo Lopez expressed concern that the process was not transparent.

Mr. Davis also stated that he did not receive the email to review the RFP. He also believed that PERA should not be limited to someone in New Mexico when it could hire the best attorneys available. He agreed with moving forward with the one law firm that responded, but suggested that the Board reconsider the RFP next year.

The motion to approve moving forward on the contract passed by a unanimous roll call vote as follows;

Claudia Armijo	Yes
Valerie Barela	Yes
Lawrence Davis	Yes
Paula Fisher	Yes
Francis Page	Yes

B. Strategic Plan Update

Ms. Williams provided a brief update on the strategic plan update adopted by the Board at its July meeting. She reported that PERA had created a worksheet with every strategy listed in the strategic plan.

From those strategies, groups of staff and additional members were created to work on each strategy. After the groups were assigned, a lead person was assigned to coordinate the strategy, such as setting up meetings, obtaining resources, and providing updates on each strategy.

She also stated that PERA had begun to organize strategy meetings in order to move the strategic plan forward. She demonstrated several examples of strategic plans with assigned groups and resources.

Chair Armijo urged the Committee to thoroughly review the attorney proposal before the Board meeting. This will allow them to vote appropriately.

Ms. Naranjo Lopez reiterated her concern about the lack of transparency.

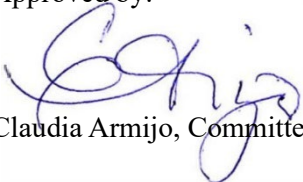
Ms. Fisher addressed the concerns about having an attorney chosen from across the country by stating that the current contract will expire in June of next year. If the newly approved contractor does not perform within that time frame, there will be an opportunity to solicit nationally.

Ms. Fisher also stated that transparency is the responsibility of the Committee. Whatever the Committee decides, the Board has the authority to vote and implement the change. She stated that the RFP had been reviewed by the Committee and that transparency had always been present. Those who were not on the Committee did not have the opportunity to view it until today.

6. Adjournment

With no further business to discuss, Chair Armijo adjourned the meeting at approximately 9:35am.

Approved by:


Claudia Armijo, Committee Chair

ATTEST:


Greg Trujillo, Executive Director