

NEW MEXICO
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
RULES & ADMINISTRATION COMMITTEE

September 10, 2019

This meeting of the Public Employees Retirement Board Rules & Administration Committee was called to order by Lawrence Davis, Chair, at approximately 9:50 a.m. on the above-cited date at the PERA Building, Seminar Room, 33 Plaza la Prensa, Santa Fe, New Mexico.

1. Roll Call

Roll Call indicated the presence of a quorum with the following members present:

Members Present:

Lawrence Davis, Chair
Maggie Toulouse Oliver, Vice Chair
Shirley Ragin

Member(s) Absent:

John Melia
Claudia Armijo

Other Board Members Present:

David Roybal
Loretta Naranjo Lopez
Jackie Kohlasch

Staff Members Present:

Wayne Propst, Executive Director
Susan Pittard, Chief of Staff/General Counsel
Dominic Garcia, Chief Investment Officer
Greg Trujillo, Deputy Director
Renada Peery-Galon, Administrative Services Director
Trish Winter, Executive Assistant
Karyn Lujan, SmartSave Plan Manager
Anna Williams, Chief Financial Officer
LeAnne Larrañaga-Ruffy, Director of Equity
Joaquin Lujan, Investment Division
Ron Gallegos, Chief Information Officer

Others Present:

Lenora Chavez, Retiree

2. Approval of Agenda

Ms. Toulouse Oliver moved to approve the agenda as published. Ms. Ragin seconded and the motion passed without opposition.

3. Approval of Consent Agenda

Ms. Toulouse Oliver moved to approve the consent agenda and Ms. Ragin seconded. The motion passed.

4. Current Business

A. Approval of Revised Board Policies and Procedures

Chair Davis advised the Committee that the changes discussed at the August 13th meeting were incorporated into the draft by Fiduciary Counsel Harvey Leiderman. The majority of the changes affect the authority, responsibility and process for compensating the executive director.

Per the State Auditor's letter to the PERA Board, Chair Davis said it was imperative that the Board implement a process for compensating the ED and outlining the responsibilities and authorities of the ED. He reminded the Committee that at their August meeting there was consensus that the ED has full authority over the day-to-day operations of PERA. A resolution/charter has been created that outlines the delegation of authority to, responsibilities and compensation of the ED.

Regarding the ED's compensation, Chair Davis said the committee discussed in detail when the evaluation should occur, and the following language was newly drafted in Section 4, "Based upon the Board's evaluation of the ED's performance for the preceding fiscal year, the Board shall meet in open session prior to September 1st of the subsequent fiscal year to discuss and vote on changes to the ED's compensation for that fiscal year. The compensation of the ED shall be included in the Board's approved budget for the fiscal year in which the compensation is to be paid."

The process ensures transparency by voting in open session and application of any compensation within the upcoming fiscal year budget.

Ms. Naranjo Lopez said she had issues with the whole document.

Ms. Toulouse Oliver requested that non-committee members hold their comments until the committee members have had an opportunity to address the changes.

Referring to Section 6, external communications, Chair Davis said there was committee consensus to grant the ED full authority to discuss PERA's activities and operations of a factual nature to the legislature. The following language was proposed:

"The ED has extensive experience and institutional knowledge which are of value to the PERA organization...On legislative and legal matters for which the Board has not taken a position, the ED may provide factual information upon request and **may express his own personal views** upon consultation with the Board Chair and Vice Chair." [language in bold was discussed and later amended]

Ms. Toulouse Oliver said she supports giving the ED the ability to communicate on the Board's behalf with the legislature, and while she did not want to restrain the ED, she found the inclusion of "his own personal views" troublesome.

Following discussion on this issue, it was agreed that the Executive Director's professional opinion was the appropriate concept.

Ms. Toulouse Oliver moved to amend Article X, Executive Director, Section 6, External Communications, to amend the language eliminating "his own personal views" and adding the Executive Director's professional opinion. Ms. Ragin seconded and the motion passed by unanimous voice vote.

With the ongoing Attorney General's investigation, Ms. Naranjo Lopez said she was appalled that this committee would give the executive director so much power. She would bring up her objections at the Board meeting.

Chair Davis referred to the section on decorum which was amended to grant additional authority to the Chair to maintain decorum at all PERA Board and Committee meetings.

Also, the draft removed the references to the Chief Investment Officer.

The charter/resolution on the ED will be reviewed and adopted annually; therefore, any changes can be addressed on an annual basis.

Ms. Ragin moved to approve the revised Board policies and procedures. Ms. Toulouse Oliver seconded and the motion passed by unanimous voice vote.

B. Discussion Regarding Public Comment Section in Board Policies and Procedures

The City of Albuquerque rules for public comments were provided, and Chair Davis stated that currently PERA does not have policies and procedures for public comments. Generally, the policies and procedures establish the length of time a public member may speak, decorum for the public at the meeting, etc. He suggested this could be considered at the time of the next Board meeting.

Ms. Toulouse Oliver said she was pleased to see the concept of public comments brought to the forefront. It is important to welcome public comment, and she supported adopting a policy to that end. She recommended that public comment be placed at the top of the agenda, that a sign-up procedure be implemented, and possibly being flexible with time constraints.

Ms. Ragin said Bernalillo allows the public to sign-up to speak online as well as at the meeting.

5. Other Business

None was presented.

6. Adjournment

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

Approved by:



Lawrence Davis, Chair
PERA Rules & Administration Committee

ATTEST:



Wayne Propst, Executive Director