

PERA 2020 Board

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Letter from the Board Chair

Dear PERA Members:



On behalf of the PERA Board and staff, I hope this newsletter finds you and your families safe and healthy in these unique times we are all living through.

Like our country and New Mexico, PERA has never experienced the type of challenges we have faced over the last several months. I want to thank the staff at PERA for all they have done to continue business as much as usual during this time.

Within 72 hours of deciding to close PERA's offices for the safety of our members and staff, every department within PERA was up and running remotely. Since then, PERA has paid out more than \$500 million in retirement benefits and added almost 500 new retirees to payroll. We will gradually move towards normal operations in the coming months, but do ask for your patience and understanding.

Later in this newsletter you will see an update on the Fund from PERA's CIO. Generally, the Fund has weathered the last few months well, and certainly better than the 2008 Great Financial Crisis, but recent market fluctuations underscore how important the solvency measures approved by the Legislature earlier this year were. Without those modest changes, which included protecting Cost of Living Adjustments for current and future retirees, we could have faced far more difficult choices in the future. I want to thank Governor Lujan Grisham again for her remarkable leadership to ensure PERA's solvency. Watching what is happening around the world the last few months has been a reminder of how fortunate we are to have a safe, guaranteed retirement benefit in New Mexico.

Finally, it is election time at PERA. Candidates for retiree and municipal seats on the PERA Board are featured in this newsletter, as well as an update on a state seat. We hope you will take time to get to know the candidates and to vote. Ballots for the retiree and municipal seats are scheduled to go out on August 7.

Thank you and stay safe.

John Melia
PERA Board Chair



PERA

Public Employees
Retirement Association
of New Mexico

Mission Statement

The mission of the Board of the Public Employees Retirement Association is to preserve, protect and administer the Trust to meet its current and future obligations and provide quality services to association members.

Investment Performance Update

2019 proved to be a fruitful year in the markets with global stocks producing 25%+ returns and bonds producing 8.6%. Net of fees, the PERA fund was up 14.7%.

What a difference one quarter can make. COVID-19 and its economic fallout have written a completely different story for 2020. The stress and drawdown experienced during March echoed the experience of the 2008-2009 Great Recession and in some aspects market activity in the 1930s. Although this event is nothing that could have been predicted, we are pleased to report that the Fund weathered the storm relatively well.

As you recall from previous updates, our Fund has maintained a defensive Strategic Asset Allocation, and we have spent the last few years shifting risk away from high volatility equities. This paid off well in March, as the magnitude and depth of the equity sell off reached historic levels. During this time, our defensive management

preserved approximately \$950 million of capital. Additionally, at the depths of the crisis, the Fund maintained close to \$1 billion in liquid assets, for benefit payments and favorable investment opportunities. PERA was never once stressed for cash or required to sell any disrupted assets.

As of May 31, 2020, markets and the Fund have begun to rebound from the depths of the crisis. The Fund closed at \$14.6 billion and was down 2.62% for the fiscal year. While the one-year performance is below our 7.25% required rate return, the Fund continues to meet its strategic target over longer time horizons. This crisis has been challenging, but PERA continues to be well-positioned to take advantage of market opportunity and will continue to manage the Funds of the Trust with the highest level of prudence. Going forward, combined with changes from SB72, PERA continues to be in a strong and stable position to meet its benefit obligations today and many decades to come.

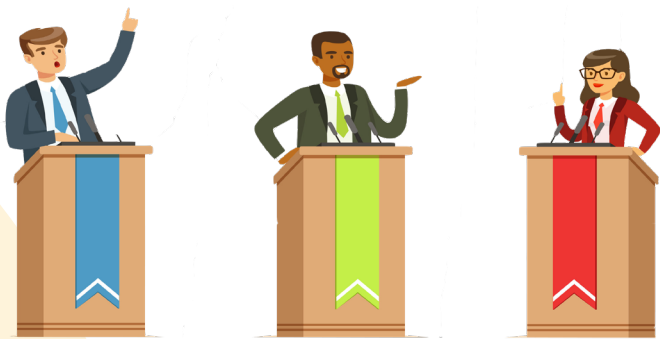
SB 72 Update

On March 2, 2020, Governor Lujan Grisham signed Senate Bill 72 (SB 72), PERA solvency legislation, into law. We are grateful to the Governor and Legislature for their leadership in passing SB 72, which will ensure a strong and stable PERA retirement for current and future generations of public employees. SB72 introduces changes to PERA's Cost of Living Adjustment (COLA) model. Approximately 70% of eligible retirees will receive an annual 2% "13th" check while the other 30% will receive a 2.5% monthly COLA. Details are as follows:

2% "13th" Check Recipients	2.5% Annual COLA Recipients
Currently qualify for a COLA	Eligible normal retirees who retired with 25 or more years of service (not including reciprocity) and whose annual pensions are not greater than \$25,000
2% of annual gross benefit will be paid each July for fiscal years 2021, 2022 and 2023	Eligible disability retirees whose annual pensions are not greater than \$25,000
Annual 2% "13th" check payment is not compounded	Eligible retirees who were age 75 or older on or before June 30, 2020
13th check recipients will move into a "Profit Share" model in fiscal year 2024	Members who meet the above requirements each year will not be moved into the "Profit Share" model
Profit Share COLA will be based on PERA's funded status and investment returns and will be compounded	2.5% annual COLA is compounded

All recipients will receive a statement by the end of July with detail of their payment. Payments will be made the last business day of July.

2020 Annual Elections



STATE POSITION

The municipal and retiree member candidates submitted the required amount of valid nominating petitions but unfortunately, there were not enough submitted by the state member candidates. This may be due to the declaration of a public health emergency and stay at home order in the State of New Mexico by Executive Order 2020-004.

During the May 2020 Board Meeting, the PERA Board voted that it is with good cause to extend the timeline for the 2020 Board election for the state member position, which shall be held in accordance with PERA

Rule 2.80.200 NMAC. The results shall be certified at the PERA annual meeting on Thursday, October 29, 2020, or as such meeting is continued thereafter.

Nominating petitions for one (1) state member position for a four-year term on the Public Employees Retirement Board are available from Automated Election Services (1-800-833-5568 ext. 6534). Nominating petitions with original signatures must be received at Automated Election Services, 7000 Zenith Ct., Rio Rancho, New Mexico 87144-6467 by 5 p.m. on Friday, August 14, 2020 to be counted.

MUNICIPAL POSITION

AES determined that two individuals submitted more than the required 150 valid nominations necessary to be an eligible candidate for the PERA Board Municipal Member position. Those candidates are:

- Christopher H. Daniel
- Roberto Ramirez

RETIREE POSITION

AES determined that two individuals submitted more than the required 50 valid nominations necessary to be an eligible candidate for the PERA Board Retiree Member position. Those candidates are:

- Francis P. Page
- Daniel J. Mayfield

Automated Election Services (AES) verified the candidates for the 2020 PERA Board election. AES's election nominations report was accepted by the PERA Board on May 28, 2020.

Please see pages 4-5 for each candidate's information.

Candidate information is also available at www.nmpera.org under "Board of Trustees: Board Elections"

BALLOTS

Automated Election Services is scheduled to mail out ballots to eligible members on August 7, 2020. Ballots must be received by the Rio Rancho Post Office by noon on September 18, 2020 in order to be counted. Ballots received after this date are invalid and will not count toward the election results.

Please make sure you vote early so your vote will count.

If you have a question about your ballot, contact Automated Election Services at 1-800-833-5568 Ext 6534.

2020 PERA Annual Meeting Thursday, October 29, 2020

The meeting will take place in the Senator Fabian Chavez, Jr. Board Room in the PERA offices located at 33 Plaza La Prensa, Santa Fe, NM 87507. All members and retirees are welcome to attend. The winners of the 2020 Municipal and Retiree Board election will be announced during the meeting.

2020 PERA Municipal Candidates

2020 PERA Board Election Questions

Questions Posed to all Municipal Candidates

1. Who is your current employer? What is your current position and how long have you held it? What are your major responsibilities?
2. How long have you been a PERA member?
3. Education - What is your highest degree attained?
4. Other relevant experience:
5. What special contribution do you believe you would make to the PERA Board?

Christopher H. Daniel



1. City of Albuquerque. Serve as Chief Investment Officer. Invest the City's investment portfolio of approximately \$800 million of capital and operating funds
2. Since February 2006
3. MBA – Finance, Georgia State University.
BA, University of North Carolina, Chapel Hill
4. Chartered Financial Analyst (CFA) Charterholder.
CFA Charter is the world's most respected and recognized investment management designation.
Certified Public Accountant (CPA), actively licensed in New Mexico.
Certified Treasury Professional (CTP) designation, the global standard of excellence in the Treasury profession.
5. I strongly believe in maintaining a healthy, viable defined benefit pension plan for all New Mexico governmental retirees and future beneficiaries (active employees) in perpetuity. I believe my investment knowledge, as well as basic understanding of pension accounting and actuarial principles will be a great addition to board oversight. I am honored to be considered a candidate for the open municipal position on the board of our public pension plan.

Roberto Ramirez



1. ABCWUA Utility Technician 2006 - Present.
2. 18 years
3. Mechanical Engineering Degree, NMSU (60hrs)
4. Independent Contract Lobbyist NM Legislative Sessions 2019 & 2020 Sessions
Lobbied in opposition of any bill during 2020 Session that would cause dramatic and harmful changes to your benefits and the SIGNIFICANT increases in your PERA contributions.
AFSME Local 624, 2003-Present
Executive Board Member; Recording Secretary. 2018 - Present
Union Steward, 2010 – Present
5. I am the only rank & file candidate running who STRONGLY believes in a defined benefit plan not a 401K. Unlike my opponent who makes over \$60 per hour doesn't understand financial hardships that PERA employees can experience. I promise to have membership's needs and funding stability first. PERA BOARD needs people with integrity and honesty! My unique perspective, interpersonal skills and common-sense approach will be a great asset

2020 PERA Retiree Candidates

2020 PERA Board Election Questions

Questions Posed to all Retiree Candidates

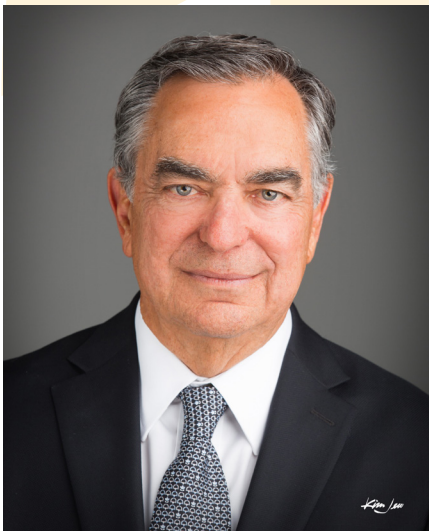
1. How long have you been a PERA member?
2. How long were you employed in your most recent PERA position? What were your major responsibilities?
3. Education - What is your highest degree attained?
4. Other relevant experience:
5. What special contribution do you believe you would make to the PERA Board?

Francis P. Page



1. A 35-year PERA member, with 24 years of service.
2. Retired from the New Mexico Corrections Department as the Budget Bureau Chief. Held positions with the Gaming Control Board (Senior Auditor), RLD - Financial Institutions Division (Senior Examiner) and Highway & Transportation Department (Senior Technician).
3. Possess MA degree in Public Affairs/Administration from NMHU and a BBA degree in Business/Financial Management from UNM.
4. I am a Certified Fraud Examiner (Retired) with ACFE and a former PERA State Board Member (2008 – 2011). I was chair of the Disability & Audit/Budget Committees and a member of the Investment Committee. Also, I am a Selective Service Board Member, Army Veteran, and RPENM Member.
5. My goals are to bring back the strength and safety of our fund during these turbulent market times, avoid future benefit cuts, be a voice for retirees and to bring stability and experience. My opponent continually votes against retirees and RPENM interests.

Daniel J. Mayfield



1. 30 years
2. 22 years. Bernalillo County Deputy County Manager-Finance, responsible for all financial matters, \$1billion.
3. MBA
4. Executive Director, NM Retiree Healthcare Authority. Certified Government Financial Manager. During my terms on the Board PERA Fund revenues were \$12 billion and PERA paid \$8 billion in benefits while hitting an all-time high of \$16.3 billion. I supported legislation, investment policies enabling PERA to survive the pandemic, and reduced the time retirees wait to receive a COLA from 7 to 2 years. Supported re-negotiated investment contracts to save \$15 million and combining offices with RHCA for better customer service. Lifelong New Mexican; Veteran; UNM (BBA); NMHU (MBA); President, RPENM; NM Distinguished Public Service Award; 30+ financial awards.
5. Integrity, experience, dedication to representing retirees, 40 years of financial experience. I understand fiduciary responsibility and will fight to protect your benefits, including annual COLAs. Endorsements: Albuquerque Retired Firefighters.

New Albuquerque Office Location

On September 1, 2020, PERA's Albuquerque Office will relocate to 6300 Jefferson St. NE 87109 (south of Osuna on the east side of the street), where it will share office space with the New Mexico Retiree Health Care Authority (NMRHCA).



You have not missed your chance to help
your community for the next 10 years.

Complete your 2020 CENSUS today!



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my2020Census.gov | English: (844) 330-2020, Spanish: (844) 468-2020 | or by mail

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