

LaVoz

The Voice of the Public Employees Retirement Association of New Mexico

PERA 2018 Board

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Letter from the Board Chair



As Chair of the PERA Board of Trustees, I welcome the media's recent focus on New Mexico's pension obligations. While PERA is in much better shape than we were prior to pension reform in 2013, and we continue to offer one of the best public pension benefits in the county, I acknowledge that the Board owes a duty to our members and the state to stay on track to pay down our unfunded liabilities.

It should be noted that even Moody's recognized that the state's direct pension liabilities for PERA are "moderate" and that under Moody's own methodology for calculating liabilities, the adjusted net pension liability for PERA is lower than the median for other US states.

Nonetheless, and long before Moody's came along, the Board in January of 2017 recognized that PERA was facing headwinds in paying down our unfunded liability by 2043 and embarked on a yearlong review of the impact of the 2013 pension reforms and what further adjustments to our investment strategies, governance structures and benefit might be necessary to ensure the long-term solvency of the PERA Fund.

That review and focus on our liabilities has led to significant improvements in our governance structures and changes to our investment strategies to improve our overall risk diversification. This summer, the Board will consider other important steps such as setting a more appropriate and achievable investment return assumption and updating demographic assumptions to provide a sounder foundation for PERA. This in turn will provide a more realistic basis for analyzing the overall fiscal soundness of the Fund going forward.

The time and effort spent by the Board focusing on our liabilities over that past year and a half have also positioned us to be prepared to make recommendations to the Legislature in 2019 to fully pay off our liabilities by 2043 or sooner. While the specifics of those recommendations will be developed and debated by the Board over the summer and early fall, I want to assure our members and policy makers that the Board is committed to this process and is prepared to lead.

Even if further refinements to PERA are necessary, I am confident that they can be made in a manner that protects the core benefit that we have promised to our 90,000 members and allows New Mexico to continue to offer a

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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.

Letter from the Board Chair...Continued

safe and reasonable pension benefit for current and future generations of public employees while helping the state avoid further negative impact from pension liabilities.

In 2017, PERA made more than \$1 billion in pension payments with more than 90% of that staying in the state. That is an enormously important contribution, not only to PERA members, but to New Mexico's economy.

This year, the PERA Board will continue to focus on what is important, including ensuring our liabilities are properly managed, and our job of making sound decisions for our members and the state. Feel free to contact me with your thoughts or concerns about PERA at jmaxon@nmpera.org.

Sincerely,



James Maxon, MPA, EFO

PERA Board Chair

Fire Chief, Sandoval County Fire Department

Congratulations Dr. Jackie Kohlasch



On November 13, 2017, PERA Board Member, Jackie Kohlasch received her doctorate degree in Management in Organizational Leadership from the University of Phoenix. Dr. Kohlasch celebrated this momentous achievement at the commencement ceremony on June 16, 2018 with family and friends.

Dr. Kohlasch says, "It was very important for me to complete a doctorate to finish my educational dream I started years ago. I want to make a difference locally and globally in my life and others. I showed my children and friends that you are never too old to complete and achieve your dreams."

Dr. Kohlasch began her doctorate journey in 2008 and her dissertation was titled, "African American Women Volunteers' Retention In Community Organizations: A Qualitative Narrative Analysis Study."

Become a role model and help someone else. Integrity is the backbone of leadership. Without trust a leader is nobody. Without trust a leader will not have followers who believe in their mission or vision.

-Dr. Jackie Kohlasch, PERA Board Member

2018 Annual Elections

Automated Election Services (AES) verified the candidates for the 2018 PERA Board election. AES's election nominations report was accepted by the PERA Board on April 26, 2018.

STATE POSITION

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

- Joel Flory
- Paula Fisher
- Nick Eckert
- Stephen Neel

Information for each candidate is under the State Election Information section on the next page.

MUNICIPAL POSITION

AES determined that one individual submitted more than the required 150 valid nominations necessary to be an eligible candidate for the PERA Board State Member position. As a result, the PERA Board cancelled the Municipal Member position election for 2018 and declared Mr. Davis the winner. Mr. Davis will start his term of office in January 2019. The winning candidate is:

- Lawrence Davis

Please note there is no Retiree position up for election this year.

BALLOTS

Automated Election Services is scheduled to mail out ballots to eligible members on August 10, 2018. Ballots must be received by the Post Office by noon on September 14, 2018 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.

Please note PERA retirees will not receive a ballot because there is no Retiree position up for election this year.

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

2018 PERA Board Election Questions

Questions Posed to All 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? (Which agencies or affiliates and the type of work?)
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?

2018 PERA State Candidates

Joel C. Flory



1. I currently work for NMDOT. This is my 4th year as a highway maintenance worker. My major responsibility is to maintain state highways and safe driving conditions for the traveling public.
2. I have been a PERA member for 8 years; 4 with the Town of Taos as a mechanic and 4 with the NMDOT Questa patrol.
3. Currently, the highest degree I have obtained is an AA Pre-business/ Administration. I am pursuing a BBA Management degree at the UNM Anderson School of Management.
4. Previous experience – (2013-2017) board member for the Questa Independent Schools for 4 years; 2nd year as Board Secretary; 3rd and 4th years as the Vice-President, and attending state legislation sessions on behalf of the public schools.
5. My prior experience made me familiar with representing the interest of a public institution. I would make well educated decisions based on extensive research to further the needs of PERA members.

Paula Fisher



1. CYFD, JJS. Juvenile Correctional Officer Lead worker, 9 years. To make a positive impact working with “at-risk” youth.
2. 23 years with CYFD in various positions.
3. International Business College – Accounting diploma; Pursuing Criminal Justice degree.
4. PERA Board Member 2013-2016; Fiduciary, Trustee, Board Governance; Pension Solvency; Trustee Leadership; Certificates of Achievement in Public Policy; Certificates in Employee Benefit Plans; Held money managers accountable; Demanded and recovered \$50 million of member’s money from Wachovia Bank settlement.
5. I’m committed to protecting our defined benefit plan, and I’ve been a dedicated Trustee. I will always protect the fund with the utmost integrity and experience you deserve!

Nick Eckert



1. Chief Procurement Officer and Grant/Contract Manager for the NM Attorney General’s Office for over five years. I ensure proper management of over \$4 million in grant awards annually and adhere to strict compliance at Federal and State levels regarding all financial transactions. My duties align with the Attorney General’s mission and directly support our office’s efforts to combat Human Trafficking, Internet Crimes against Children, Medicaid Fraud and critical state-wide initiatives.
2. Over 12 years in both municipal and state plans.
3. Master’s Degree-Public Administration and Public Health (NMSU)
4. Uniquely positioned with local government financial experience as a town administrator and a former board member of Groundwork USA–Dona Ana Branch.
5. Impartial approach in bringing board trustees together for the benefit of PERA membership. I am committed to working together with the Board in order to ensure the pension plan is on a path to stability and members are educated on fund status.

Stephen Neel



1. For 12 years I have been employed at the Educational Retirement Board (ERB) as the Deputy Chief Investment Officer. My responsibilities include managing the Alternative Assets (Private Assets, Other Alternative Strategies) for pensioners of ERB. These assets account for 35% of ERB's total or about \$4.5 billion.
2. I have been employed with 3 PERA agencies (total of 17 years) LESC, LFC, and ERB. At the two Legislative Agencies I had policy and budgetary responsibilities for the two state pensions.
3. Bachelors Economics, UNM; MBA Candidate, UNM
4. 2 non-profit boards
5. There are two key elements to being an effective PERA Board member: (1) Understanding how public policy impacts public pensions; and (2) Understanding Investments/ Capital Markets. I have extensive experience in both of these. As a 40 year NM resident, I would like to be the guardian of PERA pension for future generations. I would appreciate your support. Join me at <https://www.linkedin.com/in/steve-neel-7a7579b>

2018 PERA Municipal Candidate

Lawrence Davis



1. I have served as the Audit Manager for the City of Albuquerque's (City) Office of Internal Audit (OIA) for the past five years. My primary responsibilities are to prudently manage OIA's resources and ensure our services increase the transparency, accountability, efficiency, and effectiveness of the City.
2. Over 12 years: COA – Audit; NMLFC – Program Evaluation; NMERB – Accounting
3. MBA with distinction – Finance and BBA - Accounting
4. I have more than 14 years of audit, accounting and financial management experience. My experience includes accounting for NMERB's \$11 billion retirement fund and management of multi-billion dollar corporate expense accounts. I also have fundamental knowledge of financial management principles, investment strategies, and common derivative methodologies such as futures, options, and collateralized assets.
5. EXPERIENCE, EDUCATION and DRIVE – The diversity of my work experience and education enables me to understand the unique operational and funding aspects of PERA. I am also driven to ensure PERA remains a defined benefit program and maintain the long-term solvency of our fund.

2018 PERA Annual Meeting

The PERA Annual Meeting will be held on Thursday, September 27, 2018.

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 2018 State and Municipal Board election will be announced during the meeting.

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