



INVESTED IN TOMORROW.

Rules & Administration Committee Meeting

meeting via zoom

Tuesday, June 8, 2021
following Audit & Budget Committee

Committee Members

Paula Fisher, *Chair*
Steve Neel, *Vice Chair*
Diana Rosales Ortiz

Shirley Ragin
Roberto Ramirez

AGENDA

1. Call to Order

2. Roll Call

3. Approval of Agenda

4. Approval of Consent Agenda

5. New Business

A. Approval of Proposed Rulemaking and Timeline

- | | | |
|---------------------------------|--|--------|
| 1. Rule 2.80.100 NMAC | General Provisions | Action |
| 2. Rule 2.80.200 NMAC | Organization and
Operations of the Public Employees Retirement
Board | Action |
| 3. Rule 2.80.1800 NMAC | Executive Director-
General Provisions | Action |
| 4. Rule 2.80.2100 NMAC | Member Contributions | Action |
| 5. Proposed Rulemaking Timeline | | Action |

Paula Fisher,
Committee Chair

7. Adjournment

Consent Agenda

Approval of Minutes of March 9, 2021 Rules & Administration Committee Meeting
Approval of Minutes of March 25, 2021 Rules & Administration Committee Meeting

Any person with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact Trish Winter at 476-9305 at least one week prior to the meeting, or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact Ms. Winter if a summary or other type of accessible format is needed.



INVESTED IN TOMORROW.

TO: Paula Fisher, Chair, Rules and Administration Committee (RAC)
Greg Trujillo, Interim Executive Director

FROM: Susan Pittard, General Counsel
Geraldine Garduno, Assistant General Counsel

RE: PERA Proposed Rule Changes 2021

DATE: June 3, 2021

This memorandum provides a summary of the proposed regulation changes, some of which are required due to PERA Act changes that occurred in the 2021 legislative session. Upon approval of the proposed rulemaking timeline and proposed regulation changes from the RAC, PERA staff will begin drafting specific and detailed revisions to the existing regulations. Staff's proposed regulation changes are as follows:

1. Rule 2.80.200.80 NMAC "ELECTIONS"- Electronic Signatures on Nominating Petitions

Rule 200 provides safeguards to ensure the validity of nominating signatures while at the same time encouraging greater election participation. The Rule mandates that nominating petitions meet certain criteria for acceptance. Specifically, a valid nomination must "...include a signature, a legible printing of the member's name, the member's current employer and one of the following:

- (a) the last four digits of the member's social security number;
- (b) the member's date of birth; or
- (c) the member's PERA identification number."

Rule 200 does not define the word "signature" and does not preclude electronic signatures. But when a nomination does not include one of the above stated criteria it is not counted.¹ The number of valid nominations determines whether a candidate is eliminated from or included on the PERA election ballot.² If electronic nominating signatures are allowed, PERA is still able to identify the signatures within the RIO pension administration system to confirm a voter's status under a specific voting group (state, municipal, county or retiree). Additionally, since other personal identifiers are required, if electronic signatures are allowed, the delicate balance between ensuring the signature's validity and allowing greater election participation should be maintained. Staff recommends amending the requirements for valid nominating

¹ Rule 2.80.200.70(A) (3).

² Rule 2.80.200.70(A) (4).

signatures to specifically allow the use of electronic signatures. Electronic signatures for nominating petitions were provided for by Board resolution during the current 2021 election cycle.

2. Rule 2.80.200.80 “ELECTIONS”- Electronic Ballots

Rule 200 provides the procedures for mailing and returning PERA’s election ballots. The Rule currently contemplates the receipt of electronic ballots in PERA elections but does not elaborate on the process. Generally, the Board’s election resolution states if a particular election will be conducted by mailed paper ballot or another allowable method. PERA Staff recommends that this Rule is changed to describe in more detail the process for sending, receiving and counting electronic ballots.

3. Rule 2.80.200.50 “COMMITTEES”-Standing Governance Committee

Rule 200 describes the composition and authority of PERA’s existing committees. Best practices for public pension plan governing bodies include a Governance Committee tasked with Board policy compliance and creating processes for Board self-assessment and compliance matters. Internal audits and fiduciary counsel have recommended the formation of such a standing committee to assist the Board in governance matters. PERA Staff renews its recommendation to create a Governance Committee.

4. Rule 2.80.2100 “MEMBER CONTRIBUTIONS”-1099s For Representatives of Deceased Members

PERA’s current Rule 2100 does not describe what documentation is required to provide a 1099 tax form to surviving family or other representative of deceased members when there is no court-appointed personal representative, executor, or administrator of the estate. Generally, PERA is prohibited from providing information in member accounts by its confidentiality statute. The confidentiality statute creates an issue for surviving representatives who require a 1099 to file taxes on behalf of the deceased member but wish to avoid the expense of probate court when no probate of the estate is required. PERA Staff recommends that for the limited purpose of providing a 1099 form, PERA will accept an affidavit from deceased members’ surviving representative. The affidavit should include the following statements:

- The deceased member’s social security number, if available;
- An identification of the affiant’s [person signing the affidavit] relationship to the deceased member;
- That the request for the 1099 is for the purpose of filing the taxes/settling the affairs of the deceased member; and
- The affiant must be the same individual who submitted the small estate affidavit to PERA for a refund of any balance on account, if applicable.

5. Rule 2.80.100.7 “GENERAL PROVISIONS” -Definitions, Section (M) and Section (Q)

Rule 100 requires change due to the passage of Senate Bill 90 and Senate Bill 315. PERA Staff recommends adding a new definition of “state police officer member” and amending the definition of “salary” for purposes of certain overtime requirements under the federal Fair Labor Standards Act.

6. Rule 2.80.600.20 “SERVICE CREDIT” – Section (C)

Rule 600 requires change to the definition of “actual service credit” to be expanded to include Adult and Juvenile Probation and Parole officers. PERA staff recommends specifically including Tier 1 adult and probation officers in the list of members who receive enhanced service credit benefits.

7. Rule 2.80.1800 “EXECUTIVE DIRECTOR”-General Provisions

Rule 1800 clarifies the authority of the executive director. Adding further clarification to the Rule concerning the Executive Director’s authority would address ongoing noncompliance with the recommendations from the Attorney General (AGO) and Office of the State Auditor (OSA). PERA Staff is working with Audit and Budget Committee Chair to address the AGO and OSA recommendations regarding conflicts that may exist between the PERA Act and PERA regulations regarding the delegated authority of the Executive Director.

PROPOSED RULEMAKING TIMELINE RULE

Draft rule amendments	May 2021
Memo to Rules and Administration Committee (RAC)	June 3, 2021
Agenda for RAC Posted	June 4, 2021
RAC meeting	June 8, 2021
Memo to Board re rule amendments	June 15, 2021
Agenda for Board meeting posted	June 18, 2021
Draft rule amendments presented at Board meeting	June 24, 2021
Continue drafting rule amendments	June 2021
Agenda for Board meeting posted	July 23, 2021
Board action taken by vote on initiating rulemaking	July 29, 2021
Final draft of rule amendments	NLT July 30, 2021
Proposed rule and notice of rulemaking submitted to NM Register	August 12, 2021
Proposed rule and notice of rulemaking published in NM Register	August 24, 2021
Proposed rule and notice of rulemaking *also posted on agency website, sunshine portal, PERA offices, and as otherwise required	August 24, 2021
Public comment period	August 24-September 25, 2021
Posting of written comments	August 24-September 29, 2021
Public hearing held by RAC	October 12, 2021
Compile record of rulemaking proceeding	October 13-November 1, 2021
Concise explanatory statement prepared	October 13-November 1, 2021
Agenda for Board meeting posted	November 19, 2021
Board adopts, amends or rejects proposed rule	November 25, 2021

Concise explanatory statement provided to public	November 25, 2021
Transmit rule to the State Records Center and Archives	NLT December 10, 2021
Submission due date for publication in NM Register	December 16, 2021
Final regulation published; rule effective date of publication	December 28, 2021

**NEW MEXICO
PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION
RULES & ADMINISTRATION COMMITTEE MEETING**

March 9, 2021

This meeting of the Public Employees Retirement Board Rules & Administration Committee Meeting was held on the date cited above via Zoom tele/video conferencing.

1. Call to Order

The meeting was called to order at 11:09 am by Chair Paula Fisher.

2. Roll Call

Roll call was undertaken by Trish Winter, Executive Assistant. Meeting attendance met quorum, with the following members present.

Committee Members Present

Paula Fisher, Chair
Steve Neel, Vice Chair
Diana Rosales Ortiz
Shirley Ragin

Committee Members Excused

Roberto Ramirez

Other Board Members Present

Lawrence Davis
Tim Eichenberg
Loretta Naranjo Lopez
Francis Page
David Roybal

Staff

Greg Trujillo, Acting Executive Director
Susan Pittard, General Counsel
Trish Winter, Executive Assistant
Anna Williams, CFO
Dominic Garcia, CIO
Geraldine Garduno, Assistant General Counsel
Kristin Varela, Deputy CIO
LeAnne Larranaga Ruffy, Co-Head of Equity
Angela Romero, Albuquerque Office Manager
Karyn Lujan, SmartSave Plan Manager

Other

Patty French

3. Approval of Agenda

A motion to approve the agenda was made by Mr. Neel and seconded by Ms. Rosales Ortiz. The motion to approve the agenda passed by roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes

Diana Rosales Ortiz	Yes
Shirley Ragin	Yes

4. **Approval of Consent Agenda**

A motion to approve the agenda was made by Mr. Neel and seconded by Ms. Fisher. Ms. Fisher noted she would like to read the previous minutes. Ms. Winter advised these draft minutes could be found on the portal in the meeting packet. The motion to approve the consent agenda passed by roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Diana Rosales Ortiz	Abstained
Shirley Ragin	Yes

5. **Unfinished Business**

A. **Public Comment Section in Board Policies and Procedures**

[Exhibit 1: Draft Public Comment Section in Board Policies and Procedures]

Ms. Fisher advised she had previously sent the public comment section of the Board Policies and Procedures to the committee members for review and had received two responses. She invited members to state any suggestions and recommendations for the procedures for public comment. Ms. Fisher noted she did not recall seeing anything on the Board's roles and duties.

Mr. Neel asked Susan Pittard, General Counsel, to speak on her recollections of prior Board discussions in December of 2020 on notice provisions for public comment. Ms. Pittard said the Rules & Administration Committee had approved a public comment policy in September of 2020, however, this policy had not been approved by the Board.

Ms. Fisher said the members of the committee could provide input, suggestions, and recommendations for the policy, from which a recommendation and action item would be forwarded to Board for approval.

Ms. Naranjo Lopez drew the Committee's attention to two different documents she had printed, one on the Board rules, and the draft procures for public comment at Board Meetings, and the different language used between the two. She made the following comments and recommendations.

Ms. Naranjo Lopez stated her opinion on the language regarding public comment, specifically on decorum and speakers acting professionally.

Ms. Naranjo Lopez also said she said any direct reference to the Executive Director or staff actions should be removed or reworded. For example, wording such as "staff will take notes on any issues that need to be followed up on", she thought would be better worded to say that the Board Chair will answer or will direct the Executive Director or appropriate staff to contact the speaker or follow up on any issues or solutions.

Mr. Page also drew the Committee's attention to two documents. The first being the draft on public comment procedures as proposed to the Board in 2020. The second document being Mr. Page's proposal to amend the policy and rules. Mr. Page said, in his opinion, he thought his changes to this procedure were critical to allow members to speak up to the Board at meetings.

Ms. Rosales Ortiz and Ms. Fisher both agreed that that members do need to be heard and given time to speak, whether three to five minutes and on any issue under Board's purview.

Mr. Neel concurred with the prior comments, he also agreed that the Board needs to hear what members' opinions are and avail themselves of those.

Ms. Fisher spoke to point three on Mr. Page's document regarding virtual meetings, and criteria outlining to specifically cover virtual meetings. She said she had a little expansion to include additional information and clarity for virtual meetings and in-person meetings.

Ms. Pittard pointed out the document is an amendment to Board policies and procedures, if the Committee decided to adopt this version, staff should be given an opportunity to delete any inconsistencies. She said one has been identified that will require modification, 2.8.5.d, which is a reference to a request to address the Board. She said this can be provided to the full Board when it comes before the Board for adoption.

Mr. Davis said he agreed with comments from Ms. Naranjo Lopez and others. He suggested the wording should be brief and concise for this.

Ms. Fisher asked Ms. Naranjo Lopez to explain her comment on notetaking. Ms. Naranjo Lopez confirmed that she was suggesting this portion be reworded so members know the Board is directing staff to take notes and follow-through, as matters for Board follow-up.

Mr. Eichenberg said he agreed as these are public meetings, he wouldn't want a member of the public shaming staff or a member of the Board with attacks that are not substantiated. He said he had somewhat of a disagreement on when the Chair should be allowed to tell someone to stop talking, and that hoped that would be put into the equation as well.

Mr. Neel agreed with Mr. Eichenberg, saying the Chair has to have the ability to provide the appropriate decorum within a public meeting.

Ms. Naranjo Lopez clarified that she was not saying that she didn't want to make sure the public was unruly, but that she thought under the Constitution they could not tell members what they can say, and they have a right to speak and say what they feel is needed to be stated. She said she thought that the Chair can already let any member know if they are out of hand.

Ms. Naranjo Lopez asked Ms. Pittard if she could provide example wording for unruly behavior. Ms. Pittard said those she had reviewed have vested the Chair with the power to enforce decorum. Ms. Naranjo Lopez asked if that could be included as one sentence, Ms. Pittard said she did not believe that a lengthy paragraph on professionalism would be needed.

Mr. Davis gave background on his perspective in dealing with City Council meetings that had become disruptive and offensive with police and security called to remove members of the public and protestors before meetings could proceed.

Ms. Rosales Ortiz said she agreed with Mr. Davis' comments and while there is the agreement with people's Constitutional right to speak, as this is a platform of professionalism and respect, she thought would set the bar to that high standard.

Ms. Fisher agreed with Ms. Rosales Ortiz and gave suggested rewording for point three of the document. Ms. Fisher said the Committee had provided good input, and these comments, suggestions, and recommendations, should now be incorporated into a final document for the Committee to review before presenting to the Board. Ms. Fisher thanked Mr. Page for initiating the process, and the members for their recommendations and suggestions to ensure the public policy is current and oversees meetings held both in-person and virtually.

Ms. Pittard asked if the Chair would like staff to incorporate the suggestions for review at the next Rules & Administration Committee Meeting. Ms. Fisher asked if another meeting would be possible before the end of the

month to review and finalize the public comments portion of the document. Ms. Pittard said this may be difficult due to the legislative session, Committee availability, Board member's schedules, and the requirement for 72 hours to notice a meeting. She suggested staff incorporate the suggestions into the document to be presented at the next Board meeting.

Ms. Fisher questioned the Committee as to meeting again before the end of the month and presenting to the Board. Mr. Neel, Ms. Naranjo Lopez, Ms. Rosales Ortiz, and Mr. Davis all agreed that they considered the Committee had reached a consensus on a conceptual level, and that staff had received sufficient guidance to compile a working draft to move forward to the next Board meeting. Mr. Davis advised that as meetings are currently operating and taking public without a policy, the sooner the policy can be put in place the better.

Mr. Page thanked the Committee for their recommendations requested Ms. Pittard incorporate revisions before the board meeting.

A motion to approve the document subject to the incorporation of the suggested amendments for presentation to the full Board at the next meeting was made by Ms. Rosales Ortiz and seconded by Mr. Neel. The motion to approve the agenda passed by roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Diana Rosales Ortiz	Yes
Shirley Ragin	Yes

6. **New Business**

A. **Executive Director Job Description**

[Exhibit 2: Draft Executive Director Job Description]

Ms. Fisher asked the Committee for recommendations and suggestions for the Executive Director Job Description, noting that she had received previous responses from Ms. Naranjo Lopez, Mr. Neel, and Ms. Ragin.

Ms. Naranjo Lopez noted there is a real risk of fraud and involvement if PERA did not disclose its current situation, including the \$6 billion funding gap, the divided Board, and numerous ethical claims and whistleblower statements against staff and selected Board.

Listing her suggested changes to the Executive Director's Job Description, Ms. Naranjo Lopez said her recommendations were to ensure that applicants have the qualifications for the job.

Mr. Neel said he thought the Job Description had been very well done, he suggested wording under the qualifications section should include "experience and/or knowledge of institutional investments and capital markets is preferred" to capture people with that experience.

Ms. Fisher said she agreed with the previous comments, and suggested additions along the lines of the knowledge of applicants.

Ms. Ragin listed her comments previously sent to the Chair in writing, noting that the draft Job Description displayed looked slightly different than the version previously sent by email. She suggested adding a summary statement; "To effectively perform this job, an individual must possess excellent oral and written communications ability to explain retirement law complexities and strategies to the public, must possess analytical and problem-solving skills, must have the ability to communicate with investment managers and custodial bank to ensure accuracy of portfolio investment reports, must have the ability to present information effectively which may be of a

controversial nature one on one or in small groups to outside organizations and officials of the state of New Mexico”.

Ms. Ragin suggested several changes to specific naming of payroll system and staff size as these should be general terms.

Mr. Davis, speaking to the section on potential applicants’ experience in the Job Description said the way it is currently worded is good, He said rather than an individual who had not run a pension before, he would want an Executive Director with a minimum of five years pension fund management experience and thought this should be included.

Mr. Davis also asked the Committee to remember there is an Executive Director Charter that still needs to be passed, as suggested by the Offices of the Attorney General and State Auditor. He said it should be ensured that the Job Description is aligned with that Charter and doesn’t contradict it, as the Charter wording currently details for the Executive Director their specific duties, authority, and 13 specific responsibilities. Ms. Fisher thanked Mr. Davis for his thorough explanation and said he had made some valid points.

Ms. Rosales Ortiz said she would like to echo previous comments regarding education and licenses or certifications as evidence of qualifications. She said wording should state an advanced professional degree as needed from applications and agrees with licenses or certification requirements.

Ms. Fisher referred to written recommendations she had made for changes to the Job Description and asked if this document was available to put on the screen. Ms. Winter confirmed this document was displayed on the meeting screen, and Ms. Fisher asked the Committee to take a minute to look at the document.

Ms. Ragin asked for clarification on which draft Job Description the Committee had initially been asked to review as they had differed, as noted by Ms. Pittard. She said she wanted to ensure her comments were appropriate.

Mr. Neel, referring to Mr. Davis’s comments on aligning the draft Executive Director Job Description with the draft Executive Director Charter, said he thought that it was important for the criterium detailed in the Job Description to dovetail into the Charter.

Ms. Fisher agreed with Mr. Neel’s comments on aligning the documents and asked Ms. Pittard how this could be done. Ms. Pittard said she was taking notes to modify the suggestions to the existing Job Description with what had been already stated but suggested somebody needed to be the keeper of the suggested changes to include them into the document. She said she was happy to do so but expressed concerns on progress at the next Board meeting if mailed out to the full Board. Ms. Fisher said she could coordinate that, and work with Ms. Pittard on incorporating suggested comments to get the draft completed.

Ms. Naranjo Lopez asked if the new Job Description could be sent to the full Board for their review and recommendations. She said this was the first time she had seen the Job Description and would like to evaluate it and review it carefully. Ms. Fisher responded that at this point the draft was specifically for the Rules & Administration Committee to discuss and review, and then it would be dispersed to the Board.

Ms. Fisher asked the Committee if there was a motion to approve the draft document to move forward subject to the incorporation of suggestions and recommendations.

Mr. Neel asked Ms. Fisher for clarification on the motion being asked for, what the logistics of working on the document were, and whether it was intended to present the document to the full Board later that month. Ms. Fisher confirmed she wanted to move the matter forward, incorporating the Committee’s recommendations and comments into a final document. She said she would assist Ms. Pittard with collating and compiling recommendations into one document. She said she wanted to be able to represent at least one document to the next Board meeting.

Mr. Neel moved a recommendation to the full Board from the Rules & Administration Committee based upon the compilation of edits enumerated at the Rules & Administration Committee. There was no seconder at this time.

Ms. Naranjo Lopez stated that as a Board member she should be able to receive these changes immediately. She said she would recommend that the Rules & Administration Committee meet to review the changes before the next Board meeting. She suggested the Committee meet again on 25 March 2021, at 9:00 am, before the next Board meeting scheduled for that date.

Ms. Fisher agreed the Committee should meet again before the next Board meeting to review this document before referring to the Board. Ms. Pittard said that can be done but reminded members that there is an Investment Committee meeting scheduled at 9:00 am that day. Ms. Fisher suggested 8:30 am if the Committee was available.

Ms. Ragin questioned whether Mr. Neel's earlier motion should be carried before the further discussion, saying she was going to second the motion. She pointed out that meeting earlier might need clarification from Ms. Pittard that notification rules were being met.

Ms. Fisher thanked Ms. Ragin for the point of order and confirmed Ms. Ragin was seconding Mr. Neel's earlier motion.

Mr. Neel restated that the motion on the floor was to refer the document for Board approval from the Rules & Administration Committee, with the inclusion of the compilation of edits that were enumerated at the Committee meeting.

Regarding the Rules & Administration Committee meeting before the next Board meeting, Mr. Neel suggested an earlier time of 7:30 as the Investment Committee might be starting at 8:30am.

The motion to refer the document for Board approval from the Rules & Administration Committee, with the inclusion of the compilation of edits that were enumerated at the Committee meeting as made by Mr. Neel and seconded by Ms. Ragin passed by roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Diana Rosales Ortiz	Yes
Shirley Ragin	Yes

Ms. Fisher suggested a Rules & Administration Committee meeting to start at 8:00 am on March 25th, before the Board meeting. Ms. Winter queried whether a different motion was needed, as the motion that the Committee had just voted on was worded to move a revised document to the full Board. Ms. Pittard confirmed that if a Rules & Administration was wanted to review the document again before presenting to the Board, the motion needed to be amended.

A motion for the Rules & Administration Committee to review the document for consistency at a meeting before the next Board meeting was made by Ms. Rosales Ortiz and seconded by Ms. Fisher. The motion passed by roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Diana Rosales Ortiz	Yes
Shirley Ragin	Yes

Ms. Fisher asked the Committee whether 8:00 am on March 25, 2021 would be sufficient. Ms. Rosales Ortiz, Mr. Neel, and Ms. Ragin confirmed their availability.

Ms. Rosales Ortiz asked whether Ms. Fisher or Ms. Pittard would be compiling the edits. Ms. Fisher responded that she would be working with Ms. Pittard and Ms. Winter to compile the edits into one document and ensure that everyone has an opportunity to review it to ensure it meets expectations.

Mr. Davis questioned what document was on the screen and where it referred to “CA suggested edits”. He asked who CA was. Page stated the document was one he had worked on, he had pulled rules and job description documents from other organizations to develop the draft. Ms. Fisher confirmed this.

Ms. Ragin said the document showing on the shared meeting screen was different and had different suggested edits than the document sent by Ms. Fisher that she had worked on to provide edits, which was why she asked earlier which document they were working from. Ms. Naranjo Lopez said that was why she had suggested a copy is sent to the full Board to look at before going to the Board to ensure they have the right copy.

Regarding the initials CA noted by Mr. Davis, Mr. Neel commented that a former Board member, Claudia Armijo, had the initials CA and these may have been her suggestions. Mr. Davis said CA may refer to Ms. Armijo, as she had previously made suggestions to document, and he was wondering who was making suggested edits.

7. Adjournment

Having completed the agenda, Chair Fisher declared this meeting adjourned at 12:23 pm.

Approved by:

Paula Fisher, Chair
PERA Rules & Administration Committee

ATTEST:

Greg Trujillo, Acting Executive Director

Attached Exhibit(s):

Exhibit 1: Draft Public Comment Section in Board Policies and Procedures

Exhibit 2: Draft Executive Director Job Description

**NEW MEXICO
RULES & ADMINISTRATION COMMITTEE MEETING
Thursday, March 25, 2021.**

1. Call to Order

This meeting of the Rules and Administration Committee was held on the date cited above via Zoom tele/videoconferencing. Chair Paula Fisher called the meeting to order at approximately 8:01 a.m.

2. Roll Call

Meeting attendance met quorum, with the following members present:

Committee Members present:

Paula Fisher, Chair
Steve Neel, Vice Chair
Shirley Ragin
Roberto Ramirez
Diana Rosales Ortiz.

Other Board Members Present

Lawrence Davis
Tim Eichenberg
Loretta Naranjo Lopez
Francis Page

Staff

Greg Trujillo, Acting Executive Director
Susan Pittard, General Counsel
Trish Winter, Executive Assistant
Anna Williams, CFO
Dominic Garcia, CIO
Misty Schoeppner, Deputy General Counsel
Kristin Varela, Deputy CIO
LeAnne Larranaga Ruffy, Co-Head of Equity
Joaquin Lujan, Co-Head of Equity

Other

Tom Toth, Wilshire Consulting
Ali Kazemi, Wilshire Consulting

3. Approval of the Agenda

Steve Neel moved to approve the agenda. Shirley Ragin seconded the motion.

The motion to approve the agenda passed by a roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz.	Yes

4. Approval of Consent Agenda

Chair Fisher stated that she had reviewed the March 9th minutes and noticed a few things had been left out. She explained that she had not listened to the audio, but her comment regarding Senate Bill 403 was dispatchers not having the duties. She further asked if the audio was still available.

In response to Chair Fisher, Steve Neel stated that audio is on their website.

Chair Fisher added that there was also another issue she wanted to look at. She requested an opportunity to listen to the audio to ensure that the audio picked up what she stated before she gives her approval of the previous meeting minutes.

Chair Fisher motioned to move the approval of the previous minutes to the next Rules and Administration Committee meeting. Steve Neel seconded the motion.

The motion passed by a roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz.	Yes

5. Unfinished Business

A. Public Comment Section in Board Policies and Procedures

Chair Fisher asked if everyone had an opportunity to review the public comments. Steve Neel confirmed that he did and made a motion to accept the changes made to the Public Comment Section of the Board Policies; Roberto Ramirez seconded the motion.

Loretta Naranjo Lopez recommended that the Committee take out Section 2.89, number 4 because the U.S. Supreme Court calls the attempts to regulate free speech a slippery slope. She further pointed out that the proposed changes may not be legal under the U.S. Constitution.

Responding, Ms. Pittard explained the changes directly reflect the requests from the Committee at the last Rules Committee meeting. She stated 2.85 was defined because it was inconsistent with the recommended changes regarding public comment. Section 2.88 exists in the Board policies and procedures and already addresses any concerns they may have about decorum during a Board meeting, whether it is by public comment or staff or Board members.

She further explained the First Amendment rights do not extend to bad behavior. If the Board did not want to entertain either racist or inflammatory rhetoric by public members, they had the purview to shut that down.

Ms. Pittard pointed out that the Board’s policies and procedures as amended pass any kind of constitutional muster.

Diana Rosales Ortiz stated that it was a great concern because historically, the Board has been known for having heated arguments and sometimes getting derogatory comments from the public or each other, and verbally attacking each other. Ms. Rosales Ortiz explained that the principle on which number 4 was put in was not to take away the public's constitutional rights but to have them be respectful when talking in the meetings.

With regards to Section 2.89 number 4, Chair Fisher asked if it was okay to keep the part where it says, ‘the speakers will always act in a professional civil manner and the use of profanity or threatening language will not be tolerated in any way, and remove everything else.

Mr. Neel explained that with any deliberative body, there is a requirement for appropriate decorum. The PERA Board is very receptive to public comment and feedback, but inflammatory or racist rhetoric is beyond compare. He further stated that he liked the way number 4 was drafted and they should be looking back to Section 2.88 to make it clear that they are willing to listen to public comment but it has to be professional and civil. Mr. Neel pointed out that even the U.S. Congress has similar rules with regard to the use of profanity and threatening language. He felt number 4 was very rational.

Ms. Pittard asked for clarification of the motion. Mr. Neel clarified that his motion was to approve as is without pulling out the section that refers back to decorum. He added that it is appropriate and that they should approve the policy as drafted.

Roberto Ramirez stated that he agreed with Mr. Neel’s comment to leave the language as is and called for the vote.

Mr. Neel reiterated his motion that the Rules Committee adopt the policy as drafted and refer it to the full Board for approval. Roberto Ramirez seconded the motion.

The motion to approve the Public Comment as drafted passed by roll call vote as follows;

Paula Fisher	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz.	Yes

B. Executive Director Job Description

Chair Fisher requested Ms. Pittard to dissect this for the Committee.

Ms. Pittard explained that they took the comments of the Rules Committee from the March 9th meeting and incorporated them into the proposal number one document that was offered by Chair Page to work from. They made some changes to add words and little problematic things that were not caught in the first go-round.

Ms. Ragin had recommended the inclusion of oversight of the internal employee payroll system. This is for the existing employees and human resources.

The next change pertained to qualifications. Ms. Ragin had proposed regarding overall skills that the Board would be looking for in an Executive Director.

With regards to knowledge, Mr. Neel had requested a change to the fundamentals of the securities industry to include institutional investing and capital markets. Ms. Pittard stated that they had put that in.

Ms. Pittard also reported that as per the Board's request, they had prepared a short memo on advertising. The Board had requested that they put together a list of the industry publications that they anticipated advertising with. This is what they had done for the most recent national search that was done for the CIO.

Ms. Pittard pointed out that the job description will need to be abbreviated for the advertisement. It was cost-prohibitive and also not appropriate to publish the entire job description. They would have an abbreviated job advertisement that would link to the full job description.

With regards to compensation, Mr. Neel asked if it would be appropriate to list the pay range even though it is a GOVX range 70. Mr. Neel said an applicant would go in and search what exactly is a pay range 70. He proposed that they put that range in rather than having somebody search for them on the internet. Mr. Neel offered to make that as a motion and further stated that all his comments were incorporated. He asked Ms. Ragin if all of hers were captured as well.

Ms. Ragin answered in the affirmative that all her comments were captured and added that she had a question and a comment. Mr. Neel decided to hold off on his motion.

Ms. Ragin agreed that they should do the pay range and asked if it would be more appropriate to have it in the job posting. She explained that some of the changes she had made to the job description were things that one wouldn't have to keep going back in and change. For example, if the State should change the actual salaries, they'd have to keep coming back in and the change description. She stated that the pay range would be more appropriately pointed out in the actual posting as opposed to in the job description. Mr. Neel concurred.

Lawrence Davis stated that he was the one who'd suggested the minimum of five years pension administration experience. He pointed out that Ms. Rosales Ortiz had agreed to insert that but the section was left out. He asked if it was inadvertent or if it could be inserted now.

Chair Fisher explained that if they are looking at a range of 70, they need to go higher than five years so 10 years or more suffice.

Mr. Davis requested that they leave the 10 years in there, but also require a minimum of five years of pension fund administration or management experience.

Chair Fisher suggested that they go with 8 years out of the 10. Mr. Davis concurred. Chair Fisher explained that the 8 years is close to 10 of pension fund management experience. Mr. Neel also concurred with Chair Fisher.

CFO, Anna Williams informed the Committee that the pay range 70 had not been approved by the DFA yet. Chair Fisher asked if that means they could not include it at this time. Mr. Neel agreed that it should not be added until DFA had approved. Ms. Williams stated that he would reach out to DFA later and let the Committee know, but at this time it cannot be included.

Mr. Ramirez inquired whether the job description will go before the full Board after approval by the Rules Committee. In response, Chair Fisher explained that it will go before the Board where members will make their input and then vote yes or no.

Chair Fisher asked if Ms. Rosales Ortiz would make the motion to include the statement that this is an exempt position serving at the pleasure of the Board.

Ms. Rosales Ortiz answered in the affirmative and confirmed that her motion was to add “at will” to the document, that the position serves at the will of the Board. Mr. Ramirez seconded the motion.

Ms. Ragin pointed out that Mr. Neel had made a motion earlier. Chair Fisher explained that Mr. Neel had held out on his motion so they would get this one done and then go back to his motion.

The motion to add “at will” passed by a roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz.	Yes

Mr. Neel proposed another amendment under education experience, bullet number three, that they insert 8 years of the 10 be directly applicable to pension administration.

Chair Fisher asked if Mr. Neel would also add investments as had been suggested. In response, Mr. Neel explained that pension administration will be the candidate’s mandate.

Ms. Ragin seconded the motion. The motion to add 8 years of pension administration to education experience passed by a roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz.	Yes

Mr. Neel moved to refer the job description as amended to the full Board. Mr. Ramirez seconded the motion. The motion passed by a roll call vote as follows:

Paula Fisher	Yes
Steve Neel	Yes
Shirley Ragin	Yes
Roberto Ramirez	Yes
Diana Rosales Ortiz.	Yes

Chair Fisher commented those who are not on the Committee will be heard and they are free to make their suggestions as well at the Board meeting once an item is out of Committee.

6. Adjournment

Chair Fisher declared the meeting adjourned at 8.46 a.m.

Approved by:

Paula Fisher, Chair
Rules & Administration Committee

ATTEST:

Greg Trujillo, Acting Executive Director