

AGENDA

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|---|---------------|--|
| 1. Call to Order | | Paula Fisher, Board Chair |
| 2. Roll Call | | |
| 3. Approval of Agenda | Action | Paula Fisher, Board Chair |
| 4. Approval of Meeting Minutes | | Paula Fisher, Board Chair |
| A. Approval of March 28, 2024 Board Meeting Minutes | Action | |
| 5. Reports of Committees | | |
| A. Audit & Budget Committee; April 25, 2024 | | |
| 1. Approval of Committee Recommendation of PERA FY25 Operating Budget | Action | Valerie Barela, Committee Chair |
| 6. Approval of Consent Agenda | Action | |
| 7. Unfinished Business | | |
| A. Items removed from Consent Agenda if necessary | Action | |
| 8. New Business | | |
| A. 2024 Election Report | | |
| 1. Approval of Nominating Petition Counts and Candidate for State Position | Action | Ernie Marquez; Eli Lovato;
Automated Election Systems |
| 2. Approval of Nominating Petition Counts for Municipal Position | Action | |
| 3. Approval of Nominating Petition Counts for Retiree Position | Action | |
| B. Update on the Investigation Approved by the PERA Board in July 2023 | Informational | Mark Jarmie; Jarmie Law LLC |
| C. CIO Report | Informational | Michael Shackelford, CIO |
| D. Executive Director's Report | Informational | Greg Trujillo, Executive Director |
| E. Education Reports from Board Members | | |
| 1. Francis Page: NCPERS Webinar; EideBailley Webinar | Informational | |
| 2. Valerie Barela: NCPERS Webinar; EideBailley Webinar; AuditBoard Webinar | Informational | |
| 9. Public Comment (Limited to three [3] minutes, at the discretion of the Chair) | | |
| 10. Adjournment | | |

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 505-795-0712 or patriciab.winter@pera.nm.gov 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.

Audit & Budget Committee Meeting

PERA Building • Senator Fabian Chavez, Jr. Board Room
33 Plaza La Prensa • Santa Fe, NM 87507

Thursday, April 25, 2024

9:00am

Committee Members

Valerie Barela, *Chair*

Diana Rosales Ortiz, *Vice Chair*

Laura Montoya

Francis Page

Augustine Romero

AGENDA

1. **Call to Order**
 2. **Pledge of Allegiance and Salute to the New Mexico Flag**
 3. **Roll Call**
 4. **Approval of Agenda**
 5. **Approval of Audit & Budget Committee minutes**
 - A. March 12, 2024 Audit & Budget Committee minutes
 6. **New Business**

A. Approval of FY25 Operating Budget	Action	Lynette Sanders, CFO
B. Approval of Legislative Compensation Increase for Exempt Employees	Action	Anna Williams, Deputy Director
C. 2023 Audit & Budget Committee Memo of Continuity	Informational	Valerie Barela, Committee Chair
 7. **Adjournment**
-

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INVESTED IN TOMORROW.

MEMORANDUM

DATE: April 25, 2024
TO: PERA Board
THROUGH: Greg Trujillo, Executive Director
FROM: Lynette Sanders, CPA, ASD Director/CFO
SUBJECT: Fiscal Year 2025 Operating Budget

Under statute 6-3-7 NMSA 1978, Public Employees Retirement Association (PERA) must deliver its fiscal year operating budgets to the State Budget Division at Department of Finance Administration on or before May 1, 2024. The PERA board under NMAC 2.80.1800.10 shall approve the operating budget prior to submission to the Department of Finance Administration or Legislature.

PERA's Fiscal Year (FY) 2025 operating budget is based on the agency's appropriation request of \$42,135,000. House Bill 2 making general appropriations and authorizing expenditures by state agencies required by law was signed by Governor Lujan Grisham on March 6, 2024. House Bill 2 authorizes PERA \$41,370,100 in expenditures, which includes a 3% increase in the Personal Services and Employee Benefits category for legislative compensation increases for all state workers. The FY 25 operating budget decreased appropriation request amounts for the Contractual Services category and Other category. The FY 25 PERA appropriation request passed by a majority [11-1] voice vote at the Board's August 31, 2023, meeting.

- The Personal Services and Employee Benefits category appropriation request was \$10,277,500; however, the operating budget is higher based on the 3% legislative compensation increase for all state employees that will be effective in July 2024. As such, the operating budget for Personal Services and Employee Benefits category is \$10,490,800.
- The Contractual Services category appropriation request was \$26,868,900; however, the Contractual Services category was reduced by The Legislature by \$900,100. As such, the operating budget for Contractual Services category is \$25,968,800.
- The Other category appropriation request was \$4,988,500; however, the Other category was reduced by The Legislature by \$78,000. As such, the operating budget for the Other category is \$4,910,500.

The PERA FY 25 operating budget totals \$41,370,100, an increase of 3.06% from the FY24 operating budget.

If operating budget expenditures are less than operating budget revenues, funds not expended will revert to the PERA Trust Fund.





PERA

Public Employees
Retirement Association
of New Mexico

INVESTED IN TOMORROW.

PERA Board Meeting
April 25, 2024
CONSENT AGENDA

- 1. Ratification of Retirements - Benefits processed through: 4/1/2024**
 - a. Normal
 - b. Deferred
 - c. Reciprocity to ERA
 - d. Non-Duty Death
 - e. Non-Duty Disability
 - f. Reciprocity to PERA
- 2. Duty & Non-Duty Deaths**
 - a. Eugene R. Gomez
- 3. Affidavits for Free Military Service:**
 - a. Sarah M. Salas - 4 months
 - b. Adam Anaya - 4 months
 - c. Kevin Papke - 23 months
- 5. Setting of Meetings: May 2024**

a. Disability Review Committee	May 14, 2024	1:00pm
b. Board Meeting	May 30, 2024	9:00am
c. Board Required Training	May 30, 2024	following Board Meeting

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MEMORANDUM

TO: PERA Board of Directors

FROM: Eli Lovato, Election Director
Automated Election Services

SUBJECT: 2024 Petition Verification Process

DATE: April 25, 2024

State, Municipal, and Retiree Nominating Petitions were designed and made available for distribution by January 10, 2024, as required by the New Mexico Administrative Code (NMAC).

The following is a list of members requesting petitions.

STATE POSITION	MUNICIPAL POSITION	RETIREE POSITION
Edwardo Castillo	Ernest Apodaca	Adolfo (Adolf) Zubia
J. Michael A. Sisneros	Lawrence Davis	Francis P. Page
Nicholas Koluncich	Roberto Ramirez	Janine Trujillo

The following members returned the Nominating Petition to our office by the deadline of 5 PM on April 15, 2024

STATE POSITION	MUNICIPAL POSITION	RETIREE POSITION
Edwardo Castillo	Ernest Apodaca	Adolfo (Adolf) Zubia
J. Michael A. Sisneros	Roberto Ramirez	Francis P. Page
Nicholas Koluncich		

We would like to highlight the procedures used by our company to validate nomination signatures and qualify the candidates.

Upon receipt of the petitions delivered via email, faxed, or in person to our office, the sheets were counted and a receipt reflecting the number of petitions submitted was given to the candidate. The petitions were then placed in a manila folder with a label containing their name, along with a copy of the receipt. An electronic file of qualified PERA members was sent to us by Mr. Greg Trujillo. The data that was made available to us contained members' names, addresses, dates of birth, last four digits of their Social Security Numbers, and PERA identification numbers. Our IT division processed the data and set-up an AutoVote Tracking System for name verification.

NMAC Rule 2.80.200.60 C. states that, to be eligible, a candidate for the Retiree Position must have a minimum of 50 valid nomination signatures.

NMAC Rule 2.80.200.70 A (3) further states that, to be eligible, a candidate for the State and Municipal Position must have a minimum of 150 valid nomination signatures.

A valid nomination shall include a signature, a legible printing of the members 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 members date of birth.
- (c) the members PERA Identification number.

The NMAC Rule allows validation in various ways and the data we received contained identifiers to help in the verification process. Staff from Automated Election Services began the process of verifying the names on each petition on April 16, 2024 and concluded on April 19, 2024. We wanted to give the nominator the benefit of the doubt so, in many cases, we had to use every method available to qualify the nominator.

We started with their first and last names. If we could not locate them using the name, our system would allow us to check their date of birth or PERA ID as well. Many signed the petition and included their PERA ID or the last four digits of their Social Security Number, which made it easy for us to locate and validate. However, in some cases there were names that, no matter how we searched, were not located in the data and those names could not be validated. There were

a few where their handwriting was illegible, or the information was incomplete, those could not be validated either.

After careful review and tabulation of the nominating petitions by our company the following totals have been determined:

State Position	Petition Pages Submitted	Total Signatures Submitted	Total Signatures Rejected	Total Signatures Accepted
Eduardo Castillo	32	306	60	246
J. Michael A. Sisneros	28	275	51	224
Nicholas Koluncich	60	201	43	158
Municipal Position	Petition Pages Submitted	Total Signatures Submitted	Total Signatures Rejected	Total Signatures Accepted
Ernest Apodaca	29	221	38	183
Roberto Ramirez	19	182	28	154
Retiree Position	Petition Pages Submitted	Total Signatures Submitted	Total Signatures Rejected	Total Signatures Accepted
Adolfo (Adolf) Zubia	20	140	13	127
Francis P. Page	38	110	7	103

If you have any questions regarding the process or the results, please feel free to contact me at any time at 1-800-833-5568 ext. 6534.

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27 December 2023

Paula Fisher, Vice-Chair
Greg Trujillo, Executive Director
33 Plaza La Prensa
N.M. Public Employees Retirement Association
Santa Fe, N.M. 87505

RE: Investigation of PERA Board Member Loretta Naranjo-Lopez

Dear Vice-Chairperson Fisher and Executive Director Trujillo:

I have been engaged to investigate certain conduct of PERA Board Member Loretta Naranjo-Lopez. This letter, and its attachments, are my conclusions with respect to that engagement.

EXECUTIVE SUMMARY

Member Loretta Naranjo-Lopez was a candidate seeking reelection to the PERA Board in 2023. In order to allow PERA members to know the candidates better, each candidate was asked to answer the same four questions. Their answers would be published in two publications of limited circulation, *Round the Roundhouse* and PERA newsletter *LaVoz*. Member Naranjo-Lopez answered one of the questions by describing herself as a PERA employee. When PERA Executive Director Greg Trujillo informed Member Naranjo-Lopez that she was not a PERA “employee” but instead a volunteer Board member, and carefully explained the reasons for reaching that distinction, Member Naranjo-Lopez responded to him, stating that he was “flat wrong” and described his actions as “gross insubordination and election tampering.” She then copied New Mexico Attorney General Raul Torres and Deputy Attorney General Joseph Dworak with her allegations. I conclude that in so doing, Member Naranjo-Lopez violated several PERA Board policies.

Shortly thereafter, Member Naranjo-Lopez demanded that Mr. Trujillo publish her campaign flyer in the *New Mexican*, a newspaper in general circulation. Mr. Trujillo appropriately declined, reasoning that PERA could not pay for a political advertisement for a sitting Board member with PERA funds. Member Naranjo-Lopez replied accusing Mr. Trujillo of election tampering, gross insubordination, and claiming that his refusal revealed a lack of qualifications for his job. Once again Member Naranjo-Lopez copied both Attorney General Torres and Deputy Attorney General Dworak on the email. I conclude that Member Naranjo-Lopez violated several PERA Board policies by engaging in these actions.

I am unable to conclude that Member Naranjo-Lopez's actions violated the Governmental Conduct Act. While I do conclude that she made a request of Mr. Trujillo for something of value, I cannot conclude that she conditioned this request in exchange for her performing an official act. Consequently, I cannot conclude, based on the evidence before me, that Member Naranjo-Lopez violated that statute. Whether she violated other state criminal provisions regarding prohibited political activities or extortion is a question of intent, and I have insufficient evidence of Member Naranjo-Lopez's intent to make that determination.

INVESTIGATIVE REPORT

I. Background

I have been a practicing attorney in New Mexico for 41 years. I grew up in New Mexico, and returned after going to college and law school at Georgetown University.

I began my professional career as a clerk to the Hon. Oliver Seth, C.J., of the United States Court of Appeals for the Tenth Circuit in 1982. Upon leaving that position, I was appointed to be an Assistant United States Attorney, and prosecuted primarily white collar crimes for the nearly six years I worked there. I accepted the post of Director of Prosecutions for the Attorney General's Office in 1990, where I stayed for two years and then became the Director of the Civil Rights Division of the Albuquerque City Attorney's Office for an additional two years. Those were the only two jobs I have had during which I made PERA contributions. Upon leaving that office, I withdrew my PERA contributions and have had no further involvement with PERA since that time.

I entered into private practice over thirty years ago. For the majority of that time, I had an active litigation practice during which I represented police officers and employers throughout New Mexico. I was elected to the American Board of Trial Advocates, and have been an adjunct professor of trial advocacy at the UNM Law School for several years. I have also been privileged to serve as a hearing officer for the New Mexico State Bar regarding matters of attorney discipline.

Over the last several years, my practice has evolved so that I largely work as a neutral, either mediating or arbitrating a wide variety of cases. I have been elected as a member of the National Academy of Distinguished Neutrals. I am occasionally asked to conduct neutral investigations for private or governmental entities.

A. *Commencement of this Investigation*

On July 28, 2023, I received an email from Greg Trujillo, the Executive Director of PERA. The email solicited my interest in conducting an investigation regarding a PERA Board member. Prior to that initial email, I do not believe that I had ever spoken to Mr. Trujillo. Prior to our conversation, I had no knowledge of any complaints made by or against PERA or made by or against PERA Board Member Loretta Naranjo-Lopez. I also had no knowledge of the workings of PERA.

After running a conflicts check, I agreed to conduct the investigation requested, and entered into a contract with PERA defining the scope of my work. That contract is appended to this report as *Exhibit 1*.

Specifically, I have been asked to conduct an investigation of Member Naranjo-Lopez's potential misconduct and violation of PERA Board policies, to assist the Board in reviewing any potential violation of PERA Board policies, NMAC rules or New Mexico state statutes, and to draft a report regarding my findings.

During the course of my investigation, I interviewed PERA Chair Diana Rosales-Ortiz, PERA Vice Chair Paula Fisher, and Executive Director Greg Trujillo. Mr. Trujillo and PERA general counsel Anthony Montoya have been valuable professional resources during my investigation, providing me with documentation

that I requested. At no time did any of them attempt to improperly influence my investigation or the conclusions expressed herein.

I unsuccessfully attempted to interview Member Naranjo-Lopez, and sent her at least ten emails requesting that opportunity.¹ I offered to do so in person, by zoom, or telephonically. I offered to meet with her both during the week and on weekends. My emails to her, and her responses to them, are appended to this report as *Exhibit 2*.² On several occasions, I told Member Naranjo-Lopez that she was not required to meet with me, but on no occasion did she expressly refuse to do so. Instead, she simply did not respond to my requests to interview her.³ My final attempt to interview her occurred on November 30, 2023, when I wrote to her stating, “I assume from your letter that despite my repeated requests, you are declining to meet with me to discuss the allegations that led to this investigation. You’re under no obligation to talk to me, and I don’t want to be perceived as pressuring you to do so. If I’m mistaken, please let me know when works for you, and we’ll get something set up.” *Id.*

In response to my final attempt to interview Member Naranjo-Lopez, I received an email from her demanding that I “[i]mmediately and indefinitely cease and desist all activities in connection with NMPERA unless and until the NMPERA Board acts or delegates authority to act for any given matter. ... It would be unethical for you to proceed on a paid or pro bono basis without a valid board act or delegation of authority to act. (Undue influence, gross insubordination, etc.)” The email was signed by “Loretta Naranjo-Lopez, Retiree Elected Representative, in my Individual Capacity.” As this email was sent by Member Naranjo-Lopez in her individual capacity rather than on behalf of the Board, and because the email was not accompanied by any Court Order instructing me not to take further action, I continued to complete my investigation. Well before receiving this email, I had

¹ My initial request to interview Member Naranjo-Lopez was on October 5. I made subsequent requests on October 9, 17, 26, 28, 30, 31, November 13, 15, 21, 27 and 30. *See Exhibit 2.*

² Attachments not relevant to this Report have been omitted.

³ On November 14, 2023, Ms. Naranjo-Lopez wrote to me asking me to “Please send any initial questions you have in writing.” On November 15, I responded, “I decline to provide you a written outline of my questions in advance of our sitting down together. I have conducted numerous investigations in both the public and private sectors, and that’s not something I have ever done.”

conferred briefly with PERA general counsel, Anthony Montoya. He assured me of the validity of the Board's action. It is beyond the scope of my investigation to determine whether the Board had appropriate authority to enter into this contract with me.

My inability to interview Member Naranjo-Lopez significantly impaired my ability to present both sides of these issues in this report and to resolve factual disputes. It also delayed my ability to timely prepare this report and made it difficult to determine Member Naranjo-Lopez's motivations. As such, I have done the best I can with the information available to me. However, if Member Naranjo-Lopez had agreed to be interviewed, it is possible this report would have been materially different.

II. Factual Findings

A. Background

PERA is governed by a Board of Trustees ("the Board"), members of which are elected to staggered four year terms.⁴ One of the members whose term was expiring was Member Loretta Naranjo-Lopez.

For the 2023 elections, the Board's election process was straightforward: nominating petition signatures were due on April 10, 2023, to a third party election service, Automated Election Services ("AES"). That service reported the persons successfully nominated to the Board, and by April 27, 2023, the Board was to have received both AES' report and a list of approved nominees.

The Board was then to publish photographs of each candidate and their answers responding to four questions set forth by the Board. Those questions were:

1. How long have you been a PERA member? How long were you employed in your most recent PERA position? What were your major responsibilities?
2. Education – What is your highest degree attained?
3. Other relevant experience?

⁴ The State Treasurer and the Secretary of State are unelected *ex officio* members of the Board.

4. What special contribution do you believe you would make to the PERA Board?

The Board announced that it would publish candidate responses on its website in June 2023, and in *Round the Roundhouse* and in the summer edition of *LaVoz*. (See <https://www.nmpera.org/board-of-trustees/elections>). I understand *Round the Roundhouse* to be a free monthly newspaper for New Mexico state employees and *LaVoz* to be a newsletter published by PERA. The Board appropriately determined to ask each candidate the same four questions, and gave each candidate the same amount of space (150 words) to answer those questions. The candidates' answers were to be published side by side, presumably in order to allow voters to make an "apples to apples" comparison.

Member Naranjo-Lopez answered those questions on May 26, 2023, but in so doing, she answered the first question by stating, "Member Naranjo-Lopez continues to bring 39 years of NMPERA membership, public service and thought [sic] leadership to the NMPERA Board. *NMPERA has employed Member Naranjo-Lopez as a leading member for 14 years*; previously, the City of Albuquerque employed Member Naranjo-Lopez for 25 years. Member Naranjo-Lopez helps oversee \$16 billion dollars of NMPERA assets by bringing special investment skill and expertise." (emphasis supplied). *See Exhibit 3.*

Upon receiving Member Naranjo-Lopez's submission, Executive Director Trujillo wrote to her on Saturday, June 17 stating, "We've received your bio for the election info. There is an inaccuracy that needs to be corrected. It is highlighted below. *You are not and have never been an employee of PERA, you have served as an elected member of the Board in a volunteer capacity.* Please revise and get back to me or AES as soon as possible so we can complete final proofs for the ballots and other election related material. Please remember your revisions must meet the 150 word requirement. If you have any questions please let me know." (emphasis supplied). *See Exhibit 4.*

Later on June 17, Member Naranjo-Lopez responded to Mr. Trujillo stating "I am employee under various State Pension Laws. If you would like to challenge this let's schedule a meeting with you, me and the State Attorney General." (*See Exhibit 5.*) Member Naranjo-Lopez copied Attorney General Torres and Deputy

Attorney General Dworak on the email. Mr. Trujillo felt threatened by Member Naranjo-Lopez doing so on this and other emails.

Executive Director Trujillo wrote a careful response to Member Naranjo-Lopez over the remainder of the weekend and sent it to her on Monday morning, June 19, 2023. In it, he concluded that Member Naranjo-Lopez's assertion that she was a current state employee was incorrect, and he set forth his statutory analysis regarding her assertion. Director Trujillo concluded his analysis by stating, "With all of this said, I do not wish to create an adversarial conflict over this issue. The interpretation would just create too many unintended and unforeseen issues to take such a broad understanding of what constitutes an 'employee.' For these reasons, I must reiterate my initial comments in the email below that the statement is inaccurate and needs to be corrected." (*See Exhibit 6*). Mr. Trujillo proposed that Member Naranjo-Lopez change her response to state that "NMPERA Retirees has [sic] elected Member Naranjo-Lopez as a leading NMPERA board member for 14 years." *Id.*

Two days later, on June 21, 2023, at noon, Member Naranjo-Lopez again wrote to Mr. Trujillo, and again copied Attorney General Torres and Deputy Attorney General Dworak on her email, stating "Read my two lawsuits against NMPERA and others. You are flat wrong and this is gross insubordination and election tampering. Please arrange a meeting with the State Attorney General's Office at your earliest convenience to discuss." (*See Exhibit 7*). Member Naranjo-Lopez did not provide any additional rebuttal analysis in support of her conclusions.

Approximately an hour and a half later on June 21, Member Naranjo-Lopez wrote to Mr. Trujillo requesting a campaign flyer be published in the *New Mexican* (a newspaper of general circulation) as her bio, "per your [his] request." (*See Exhibit 8*). Mr. Trujillo denies ever having requested from Member Naranjo-Lopez a campaign flyer to be published in the *New Mexican*, and I find no evidence in the record supportive of his having done so.

On June 22, 2023, Mr. Trujillo wrote to Member Naranjo-Lopez, copying PERA Chair Rosales-Ortiz, declining to publish her campaign flyer in the *New Mexican*. He asserted that PERA could not pay for an advertisement in the *New Mexican* as it would be problematic to pay with PERA funds the campaign ads of

sitting Board members. He continued his request that Member Naranjo-Lopez slightly modify her initial submission to clarify that she was a PERA “Board member” and not a PERA “employee,” and informed her that he wanted to finalize the materials by the following day. *See Exhibit 9.*

The following day, on June 23, Member Naranjo-Lopez wrote back to Executive Director Trujillo in response to both issues raised by him on June 22. (*See Exhibit 10*). Member Naranjo-Lopez claimed that Mr. Trujillo’s memorandum constituted “election tampering, gross insubordination, and revealed a lack of qualifications for the job.” She demanded that her submission claiming that she was a PERA employee be published as she wrote it. She continued by stating that “the most egregious thing you are proposing is to remove reference to the \$8 billion dollars that I have added to NMPERA. That is the most value added in state history. You should be ashamed of yourself for not recognizing my massive contribution to NMPERA and to the State of New Mexico.” (*See Exhibit 10*). She also asked why Mr. Trujillo had not set up a meeting with the State Attorney General. Both Attorney General Torres and Deputy Attorney General Dworak were once again on the email. Member Naranjo-Lopez concluded by stating “Please immediately connect with the newspaper that will run this ad.” *Id.*

On June 27, 2023 Member Naranjo-Lopez again wrote Mr. Trujillo, copying Attorney General Torres and Deputy Attorney General Dworak, and added PERA Chair Rosales-Ortiz and State Treasurer Montoya. Member Naranjo-Lopez wrote that she was “appalled by the lack of disrespect [sic] she has to go through to get an add [sic] in the newspaper when we have increased our liability to \$7 billion and growing,” (*See Exhibit 11*), “My words I standby [sic] and if there are any questions about it please let me know. Please do not tamper with my election questionnaire.” *Id.*

The same day, June 27, Deputy Attorney General Dworak wrote to Member Naranjo-Lopez and asked that the Attorney General’s Office be excluded from further correspondence related to the issue, as the role of the Attorney General’s Office with PERA was limited to reviewing appeals before the Board. *See Exhibit 12.*

The PERA Board held its annual retreat in Ruidoso from July 11-13, 2023. The retreat included a Board meeting.

In advance of the meeting PERA Chair Rosales-Ortiz prepared a careful memorandum to the Board outlining her concerns with potential misconduct by Member Naranjo-Lopez. (*See Exhibit 13*). The matter relating to the potential investigation of Member Naranjo-Lopez's conduct was also placed on the Board's agenda. Member Naranjo-Lopez repeatedly tried to get the matter removed from the agenda. She aggressively accosted other Board members as they were going to eat dinner on the night before the Board meeting, and yelled at them that they needed to remove it.

The next day, Member Naranjo-Lopez tried to remove the matter from the Board's agenda by way of motion, but her attempt to do so died for lack of a second. (*See Exhibit 14, July 2023 Board meeting minutes and excerpt transcript*). Vice Chair Paula Fisher made a motion to refer the matters for investigation and to delegate to Executive Director Trujillo the authority to select an outside investigator in consultation with approval of the Board Chair and Vice-Chair. Member Tony Garcia seconded the motion. Chair Rosales-Ortiz requested an amendment removing "Chair" from the motion, leaving "Vice-Chair." Vice-Chair Fisher accepted the amendment and Member Tony Garcia seconded. The motion passed unanimously, with Member Naranjo-Lopez appropriately not voting. *Id.*

On August 1, 2023, Member Naranjo-Lopez sought to have what she described as an "article" but others viewed as a campaign flyer published in the PERA newsletter pursuant to Board Policy 3.24. (*See Exhibit 15*). That policy provides:

3.24 Publication in Re-Election Year. During the last year of their term, if a Board Member seeking re-election to the Board submits an article for publication in the PERA newsletter, it must first be approved by the Chair. If the article is written by the Chair, it must be approved by the Vice-Chair prior to publication. Neither the Chair nor Vice Chair shall unreasonably withhold their approval of such publication.

Member Naranjo-Lopez suggested that if the article was not pre-approved in time by Chairperson Rosales-Ortiz, PERA could send out a special newsletter containing her submission. Chairperson Rosales-Ortiz declined to publish a special newsletter and declined to publish Member Naranjo-Lopez's submission. It appears to me that Chairperson Rosales-Ortiz's decision not to publish Member Naranjo-Lopez's submission was well within her discretion as Board Chair, and, in my opinion, consistent with Board policies: 1.51 (Duty of Prudent Care); 1.52 (Duty of Loyalty); 1.57(B) (Duty to Prevent Co-trustees from Committing a Breach); 2.51 (Individual Board Member Responsibilities); 2.61(B) (Ensuring Board Operations and Activities are Consistent with Policy); and other applicable Board policies.

I have not considered Member Naranjo-Lopez's request of August 1, 2023, and the correspondence which followed as part of this investigation, as the Board's motion to investigate her conduct occurred prior to August 1st. I have instead confined my investigation to matters occurring prior to the Board's decision to investigate Member Naranjo-Lopez's conduct.

III. Applicable Law and Board Policies

While there are a number of potentially applicable statutes which I could have considered in drafting this investigatory report, I paid particular attention to the Governmental Conduct Act, NMSA §§ 10-16-3 and 10-16-3.1 (2021 rev.), and the criminal extortion statute, NMSA § 30-16-9 (2021 rev.). Those statutes provide:

10-16-3. Ethical principles of public service; certain official acts prohibited; penalty.

- A. A legislator or public officer or employee shall treat the legislator's or public officer's or employee's government position as a public trust. The legislator or public officer or employee shall use the powers and resources of public office only to advance the public interest and not to obtain personal benefits or pursue private interests.
- B. Legislators and public officers and employees shall conduct themselves in a manner that justifies the confidence placed in

them by the people, at all times maintaining the integrity and discharging ethically the high responsibilities of public service.

- C. Full disclosure of real or potential conflicts of interest shall be a guiding principle for determining appropriate conduct. At all times, reasonable efforts shall be made to avoid undue influence and abuse of office in public service.
- D. No legislator or public officer or employee may request or receive, and no person may offer a legislator or public officer or employee, any money, thing of value or promise thereof that is conditioned upon or given in exchange for promised performance of an official act. Any person who knowingly and willfully violates the provisions of this subsection is guilty of a fourth degree felony and shall be sentenced pursuant to the provisions of Section 31-18-15 NMSA 1978.

10-16-3.1 Prohibited political activities

- A. directly or indirectly coercing or attempting to coerce another public officer or employee to pay, lend or contribute anything of value to a party, committee, organization, agency or person for a political purpose;
- B. threatening to deny a promotion or pay increase to an employee who does or does not vote for certain candidates, requiring an employee to contribute a percentage of the employee's pay to a political fund, influencing a subordinate employee to purchase a ticket to a political fundraising dinner or similar event, advising an employee to take part in political activity or similar activities;
or
- C. violating the officer's or employee's duty not to use property belonging to a state agency or local government agency, or allow its use, for other than authorized purposes.

30-16-9 Extortion

Extortion consists of the communication or transmission of any threat to another by any means whatsoever with intent thereby to wrongfully obtain anything of value or to wrongfully compel [compel] the person threatened to do or refrain from doing any act against his will.

Any of the following acts shall be sufficient to constitute a threat under this section:

- A. a threat to do an unlawful injury to the person or property of the person threatened or of another;
- B. a threat to accuse the person threatened, or another, of any crime;
- C. a threat to expose, or impute to the person threatened, or another, any deformity or disgrace;
- D. a threat to expose any secret affecting the person threatened, or another; or
- E. a threat to kidnap the person threatened or another. Whoever commits extortion is guilty of a third degree felony.

There are number of applicable policies of the PERA Board which I considered in reaching my conclusions in this report. They include:

1.51 Duty of Prudent Care: Board Members and the Executive Director shall, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an enterprise of a like character with like aims. Good faith does not excuse failure to use prudent care in the administration of the PERA Fund.

1.54 Duty to Preserve the Trust: Board Members and the Executive Director shall preserve the trust assets through implementation of the Board Investment Policy and monitoring fund performance.

1.60 Governance Principles: The Board shall establish and communicate Board policies and priorities and then appropriately monitor performance. The Board recognizes that the achievement of its goals requires self-discipline by the Board as a whole and by individual Board Members to abide by the policies articulated herein and to govern in a manner consistent with the Board's value statement. The Board is responsible for creating and maintaining an atmosphere that encourages frank and collegial discussions both at the Board and Committee levels and between the Board and PERA management.

2.51 At all times individual Board Members shall act in the best interest of PERA consistent with their fiduciary duty, ensuring the highest standard of duty to PERA's members and beneficiaries, and in conformance to the Board's policies.

2.52 Individual Board Members shall abide by and monitor the Board's policies.

3.10 Expected Conduct: Board Members, the Executive Director and the PERA staff shall conduct themselves with integrity and dignity, exercising care, prudence and diligence required of public pension fund fiduciaries. Board Members, the Executive Director and staff should also avoid conduct that gives the appearance of impropriety.

3.11 Decision-making and Conflicts: Board Members and the Executive Director shall make decisions consistent with their fiduciary duty. No Board Member or the Executive Director shall participate in a decision or action involving any asset or benefit for his/her own interest except insofar as the benefit is incidental to the Board Member's membership as a PERA participant or retiree or deferred compensation plan participant. Board Members and the Executive Director shall disclose and refrain from participating in any discussion or decision concerning an investment, benefit or other action in which the Board Member has an interest or a conflict, including abstention from voting regarding the action.

3.23 Self-Dealing. Board Members, the Executive Director and PERA staff members shall not do any of the following:

A. Deal with the assets of PERA in their own interest or for their own account.

3.32 Illegal Gifts. No Board Member, the Executive Director or staff shall demand, exact, solicit, or extort, accept, or receive anything of value (including, but not limited to, money, meals, drinks, entertainment, lodging, travel expenses, services or other consideration) other than that lawfully received by the Board Member in his/her official capacity under Section III.E of this Policy.

3.54 Contributions: No person who is a candidate in a primary or general election for a position that qualifies the person for *ex officio* membership on the Board, no Member serving *ex officio* on the Board and no person who is a nominee for the Board by election of the membership shall accept anything of value of more than \$25.00 as a contribution from a person who:

- A. has a current contract with the retirement board or association;
- B. is a potential bidder, offeror or contractor for the provision of services or personal property to the retirement board or association;
- C. is authorized to invest public funds pursuant to state or federal law or is an employee or agent of such a person; or
- D. is an organization, association or other entity having a membership that includes persons described in Paragraphs (A) through (C) of this subsection.

15.00 Political Activities

15.10 No one who holds, or who is seeking election or appointment to, any office or employment with a state or local agency shall, directly or indirectly, use, promise, threaten or attempt to use, any office, authority, or influence, whether then possessed or merely anticipated, to confer upon or secure for any individual person, or to aid or obstruct any individual person in

securing any position, nomination, confirmation, promotion, or change in compensation or position, within the federal, state or local agency, upon consideration or condition that the vote or political influence or action of such person or another shall be given or used in behalf of, or withheld from, any candidate, officer, or political party, or upon any other corrupt condition or consideration.

IV. Conclusions

There are two closely related factual incidents which I must consider in reaching my conclusions. The first is Member Naranjo-Lopez's reaction to Executive Director Trujillo's suggested modification to her submission of responses to the four questions posed to all PERA candidates to be published in *Round the Roundhouse* and *LaVoz*. The second relates to Member Naranjo-Lopez's insistence that a campaign ad be published in the *New Mexican*.

A. *LaVoz* and *Round the Roundhouse* Submission

As noted above, each PERA Board candidate was posed four identical questions and each given 150 words to respond to them. In Member Naranjo-Lopez's response, she wrote "NMPERA has employed Member Naranjo-Lopez as a leading NMPERA Board member for 14 years." Executive Director Trujillo objected to her use of the term "employed" as inaccurate and replied that she was not a PERA employee. (*See Exhibit 4*). Member Naranjo-Lopez replied by claiming to be an employee under "various State Pension Laws." She continued by stating, "If you would like to challenge this let's schedule a meeting with you, me and the State Attorney General." (*See Exhibit 5*). As previously noted, Member Naranjo-Lopez copied Attorney General Torres and Deputy Attorney General Dworak on this correspondence.

I am troubled that Member Naranjo-Lopez sought to bring in the Attorney General's Office, as raised in *Exhibit 5*. PERA has its own general counsel, and interpretations as to the issues raised by Mr. Trujillo should have been referred to general counsel. Instead, Member Naranjo-Lopez sought to bring in the Attorney General's Office, which was well beyond the scope of that Office's role with PERA.

(See Exhibit 12). I do not find that Member Naranjo-Lopez’s copying the Attorney General’s Office on her initial correspondence to Mr. Trujillo, was, on its face, an attempt to intimidate him. There may be a more benign explanation for Member Naranjo-Lopez’s seeking to initially include the Attorney General in her communication of June 17. Her communication in *Exhibit 5* could have been an attempt by her to seek legal advice from a source outside PERA. Without an opportunity to interview Member Naranjo-Lopez, I cannot make a finding regarding whether her conduct in initially copying the Attorney General’s Office in *Exhibit 5* violates any law or Board policy.

Mr. Trujillo responded to Member Naranjo-Lopez’s contention that she was a PERA employee under various State Pension Laws with a thoughtful analysis of state law and Board rules. *See Exhibit 6*.

Member Naranjo-Lopez’s response was inappropriate. She retorted, “You are flat wrong and this is gross insubordination and election tampering. Please arrange a meeting with the State Attorney General’s office ...” *(See Exhibit 7)*. Member Naranjo-Lopez copied Attorney General Torres and Deputy Attorney General Dworak on this email.

I have not been asked to opine on whose interpretation of the law regarding whether Member Naranjo-Lopez was an employee is correct, and Member Naranjo-Lopez has not provided any legal argument setting forth her position. What is quite clear to me is that Member Naranjo-Lopez has wrongfully accused Mr. Trujillo of committing a crime.⁵ I find no evidence whatsoever that Mr. Trujillo’s suggested rewording of Member Naranjo-Lopez’s response to the four questions posed to her was criminal or constituted tampering with an election. I conclude that Member Naranjo-Lopez’s correspondence to Mr. Trujillo accusing him of gross insubordination and election tampering in *Exhibit 7* violated PERA policies 1.51 (Duty of Prudent Care); 1.60 (Governance Principles); 3.10 (Expected Conduct); and potentially 15.10 (Political Activities).

I also conclude that Member Naranjo-Lopez’s copying Attorney General Torres and Deputy Attorney General Dworak with her allegation that Mr. Trujillo was acting in violation of state law was contrary to PERA policies. In *Exhibit 7*,

⁵ NMSA 1-20-9 (2021 rev.) proscribes falsifying election documents.

Member Naranjo-Lopez inappropriately accuses Mr. Trujillo of gross insubordination and of committing a criminal act, and then copies the State's chief prosecutor on her email. Here, in my opinion, Member Naranjo-Lopez crosses the line from potentially seeking legal advice outside of PERA (*See Exhibit 5*), to threatening Mr. Trujillo's job by accusations of gross insubordination and committing a criminal act. (*See Exhibit 7*). If Member Naranjo-Lopez truly believed Mr. Trujillo was being insubordinate or had committed a crime, her concerns should have been raised to the Board as a whole, discussed by it, and an action taken by the Board.⁶ I conclude that Member Naranjo-Lopez violated PERA policies 1.51 (Duty of Prudent Care); 1.60 (Governance Principles); 3.10 (Expected Conduct); and potentially 15.10 (Political Activities) by unilaterally making those unsubstantiated allegations to Attorney General Torres and DAG Dworak.

B. Demands To Publish A Campaign Flyer In The New Mexican

On June 21, 2023, Member Naranjo-Lopez wrote to Mr. Trujillo demanding that her campaign flyer be published in the *New Mexican*. Curiously, she wrote that she was sending this to Mr. Trujillo "at [his] request," though I do not believe any such request by Mr. Trujillo was ever made. *See Exhibit 8*.

The next day, Mr. Trujillo appropriately wrote to Member Naranjo-Lopez, copying PERA Chair Rosales-Ortiz, declining to publish the campaign flyer in the *New Mexican*. (*See Exhibit 9*). He asserted that PERA could not pay for an advertisement in the *New Mexican* as it would be problematic to pay with PERA funds the campaign ads of sitting Board members. Had Member Naranjo-Lopez dropped her request to publish her campaign flyer in the *New Mexican* upon receiving Mr. Trujillo's careful response, at that point, I would likely have viewed her request as inappropriate, but not necessarily violative of any Board policy or law. That is not what happened.

⁶ Member Naranjo-Lopez frequently in correspondence signed her name as "Loretta Naranjo-Lopez, In my Individual Capacity." The term "individual capacity" is a legal term referring to the individual's status as a natural person, distinct from any other role. In so signing communications, member Naranjo-Lopez is apparently attempting to distinguish actions she is taking as a private citizen from her role as a Board member. I find this troubling, because if she is acting as a private citizen, trying to influence the Attorney General to take actions against Mr. Trujillo that would benefit her in an official capacity could be construed as violative of Board policies: 2.51 (Individual Board Member Responsibilities); 2.52 (Individual Board Member Responsibilities); 3.11 (Decision Making and Conflicts)' and 3.23 (Self-dealing). However, because I do not believe Member Naranjo-Lopez to be an attorney, and the legal issues associated with acting in an official capacity as opposed to in an individual capacity are somewhat complex, I decline to make formal findings regarding that distinction other than what is set forth in the body of this report.

Instead, two days later, Member Naranjo-Lopez wrote back to Mr. Trujillo a scathing email, accusing him of “more election tampering” and “gross insubordination.” (See Exhibit 10). Member Naranjo-Lopez’s email continued by asserting that Mr. Trujillo’s failure to publish her campaign flyer “reveals your [his] lack of qualification for the job.” Later in the memo, she asks why Mr. Trujillo did not get a meeting with the State Attorney General, and concludes by writing “Please immediately connect with the newspaper that will run this ad.” *Id.* Again, Member Naranjo-Lopez copied Attorney General Torres and Deputy Attorney General Dworak, along with State Treasurer, Laura Montoya, an *ex officio* member of the PERA Board.

Then, on June 27th, Member Naranjo-Lopez wrote again to Mr. Trujillo, again copying the Attorney General’s Office, stating:

Greg, Please make the changes in yellow. I am appalled by the lack of disrespect (sic) I have to go through to get an add on (sic) the newspaper when we have increased our liability to \$7 billion and growing. The words 134 exactly according to Property (sic) statistics. My words I standby (sic) and if there are any questions about it please let me know. Please do not tamper with my election questionnaire. Loretta Naranjo-Lopez, In my Individual Capacity. See Exhibit 11.

Executive Director Trujillo was completely correct in declining to publish a candidate’s campaign flyer in a newspaper of general circulation. To do so as Member Naranjo-Lopez demanded would have been to use the PERA budget for Member Naranjo-Lopez’s personal electoral benefit. Not only would this have violated the State Constitution’s Anti-donation Clause (See N.M. CONST. Art 9, Section 14), but it would have been contrary to the instructions of the Board to publish only candidate answers to the carefully defined questions posed in two publications of limited circulation.

I conclude that Member Naranjo-Lopez violated numerous Board policies in writing *Exhibit 10*. Those include: 1.50 (Duty of Prudent Care); 1.60 (Governance Principles, including requiring Board members to maintain an atmosphere that encourages frank and collegial discussion); 2.51 (Board Members Shall Act in the

Best Interest of PERA Consistent with Fiduciary Duties); 2.52 (Board Members Shall Abide By and Monitor the Board's Policies); 3.10 (Board Members are Required to Conduct Themselves with Integrity); 3.11 (Board Members Shall Not use PERA Assets for Own Interest); 3.22 (Self-dealing); 3.32 (Board Members Shall Not Demand Anything of Value); and 15.10 (Political Activities).

C. Potential Violations of Law

I have been asked to determine whether in my opinion, the conduct of Member Naranjo-Lopez violated the Governmental Conduct Act or the State's extortion statute.

Governmental Conduct Act

The Governmental Conduct Act provides at NMSA § 10-16-3 that

D. No ... public officer ... may request ... any ... thing of value ... that is conditioned upon or given in exchange for promised performance of an official act.

While I can certainly conclude that Member Naranjo-Lopez requested something of value by writing *Exhibit 10*, I cannot conclude that she conditioned this request in exchange for her performing an official act. Accordingly, I cannot conclude that Member Naranjo-Lopez violated that provision of the Governmental Conduct Act.

Prohibited Political Activities

Subsection (a) of NMSA § 10-16-3.1 (2021 rev.) prohibits a public officer from:

[D]irectly or indirectly coercing or attempting to coerce another public officer or employee to pay, lend, or contribute anything of value to a party, committee, organization, agency or person for a political purpose.

Here, whether Member Naranjo-Lopez's conduct violates NMSA § 10-16-3.1 depends on how the word "*coercion*" is interpreted. Coercion has been interpreted to be "police overreaching that overcomes the will of the defendant." *See State v. Chapman*, 127 N.M. 721 (1999). Stated examples of such overreaching, though by no means exhaustive, include conduct like "the use of force; brandishing of weapons; threat of violence or arrest; lengthy and abusive questioning; deprivation of food or water; and promises of leniency in exchange for consent." *See State v. Davis*, 304 P.3d 10 (2013).

Whether accusing someone of a crime and forwarding that accusation to the Attorney General constitutes coercion may also be a question of intent, which I cannot discern having been unable to interview Member Naranjo-Lopez. It may well be that Member Naranjo-Lopez genuinely and reasonably believed that Mr. Trujillo had committed a crime,⁷ in which case copying the Attorney General on such an accusation would not have violated NMSA 10-16-3.1.

I have insufficient evidence to determine if Member Naranjo-Lopez violated NMSA 10-16-3.1 (2021 rev.).

Extortion

Extortion consists of threatening someone else *with the intent* to wrongfully obtain anything of value. As with my analysis of NMSA § 10-16.3.1 above, I simply do not have sufficient information to determine Member Naranjo-Lopez's intent when she copied the Attorney General's Office with her emails.

CONCLUSIONS

I conclude, based on the evidence available to me, that Member Naranjo-Lopez's emails set forth in *Exhibits 7, 8, 10, and 11* appear to violate numerous PERA Board policies as set forth herein.

I cannot conclude, based on the evidence now available to me, if Member Naranjo-Lopez's actions constitute a crime. I have not been able to interview her, and so I cannot effectively gauge her intent.

⁷ I find no evidence that Mr. Trujillo committed any crime whatsoever.

Investigatory Report of Mark D. Jarmie

RE: Investigation of PERA Board Member Loretta Naranjo-Lopez


December 27, 2023

Page 21

At the instruction of Mr. Trujillo, I have not considered or reviewed other investigations of or Board findings regarding prior acts of alleged misconduct by Member Naranjo-Lopez, or Board action taken against her. Consequently, at his direction, I cannot determine, one way or another, whether a pattern of misconduct exists.

I appreciate the opportunity to have served you. Please let me know if I can provide you with any additional information or analysis.

Respectfully submitted,



Mark D. Jarmie

Mark D. Jarmie, LLC

INVESTED IN TOMORROW.

Investment Principles:

- Achieve a steady, compounding return that minimizes uncompensated risk
- Focus on allocating risk
- Effectively manage costs
- Institute comprehensive risk management
- Keep long term view

Key Strategic Goals:

- Sustain the Trust Fund for current and future retirees
- Set Strategic Asset Allocation to meet the actuarial assumed return over the long run
- Produce returns that meet or exceed benchmarks
- Be cost-efficient

Asset Allocation & Cash Activity:

Fiscal Year-to-Date, the Fund has experienced a gain of \$414.5 Million in its net asset value (NAV); investment gains were about \$740.2 Million less \$325.7 Million paid out in benefits to retirees (this amount represented 38% of monthly benefit payments).

Change in NAV (FYTD)	
as of: January 31, 2024	
July 1, 2023 Beginning Market Value	16,657,781,731
January 31, 2024 Ending Market Value	17,072,337,179
Market Value Change	414,555,449
FYTD Benefit Payments	(325,702,258)
Investment Gain/Losses	740,257,706

At month-end Fund held 15% of tier 1 (liquidity) assets and remains in compliance with the IPS minimum of 10%.

Asset weights at the end of the month were within policy ranges, and in compliance with IPS guidelines:

Asset Allocation			
as of: January 31, 2024	Target	Actual	Range
Global Equity	38.0%	39.4%	+/- 5%
Risk Reduction	17.0%	16.7%	+/- 3%
Credit	19.0%	18.3%	+/- 4%
Real Assets	18.0%	17.1%	+/- 4%
Multi Risk	8.0%	8.5%	+/- 4%



Implementation Update:

In January four proposals were presented to PRISM and moved forward to receive unanimous agreement by our Portfolio Fit and Process Review Team:

- \$100 million to General Catalyst XII Fund Group. General Catalyst has a full-stack venture capital investment model in which it seeks to capture the value of investing at a company's inception and inflection, focused on technology, healthcare, and global resilience.
- \$80 million to Wellington Macro Strategies Fund, L.P. Wellington Macro Strategies Fund is a diversified Global Macro fund with a multi-strategy approach to macro investing.
- \$50 million increase to Ares Pathfinder Core Fund LP. Ares Pathfinder Core is an evergreen, asset-based lending fund that seeks to utilize the high degree of credit selectivity to generate attractive returns across a broad opportunity set.
- \$50 million increase to Apollo Defined Return Fund LP. Apollo Defined Return is an evergreen, multi-asset fund that seeks to utilize a high degree of credit selectivity to generate attractive risk-adjusted returns across a broad opportunity set.

General Update:

- Custodian RFP resulted in the decision to retain the incumbent, BNY Mellon for eight years, effective July 1, 2024.

Market Summary:

During January the U.S. stock market increased, influenced by a mix of economic indicators and corporate earnings reports, and hopes the Federal Reserve completed its tightening cycle. The U.S. bond market in January saw a slight decline shaped by the Federal Reserve's monetary policy stance and inflation expectations. Bond yields rose, reflecting a market consensus that the Federal Reserve might continue to raise interest rates to combat persistent inflation. This environment led to a decrease in bond prices, particularly affecting longer-duration bonds, which are more sensitive to interest rate changes.

U.S. economy showed signs of strength to start the year. Economic growth continued as consumer spending remained robust, supported by a strong labor market with low unemployment rates and wage growth. However, the economy faced headwinds as inflation paused its downward trajectory, which affected consumer purchasing power and business investment decisions. Despite some challenges, the economy demonstrated real underlying strength.

Performance Summary:

When measuring success in implementation against key strategic goals, PERA's experience is favorable on a relative basis, while lagging on an absolute. First, some net returns have fallen below the 7.25% assumed rate of return for most short and intermediate time periods, producing 5.45%, 6.67%, 6.66% and 6.19% for the 3-, 5-, 7-, and 10-year periods. However, when measuring long-term results, the fund remains above this targeted return producing 7.55% and 8.56% for the 30-year and since inception periods. Second, relative results have been significantly favorable, exceeding PERA's diversified Policy Benchmark across most measurable time horizon. Most notably, outpacing the benchmark by 2.28%, 1.14%, 0.98% and 0.52% for the 3-, 5-, 7- and 10-year periods, respectively; displaying strong asset allocation and manager selection attribution. Finally, when measuring PERA's portfolio against national pension peers, on an absolute and risk-adjusted basis, PERA's Sharpe Ratio or risk adjusted returns have been in the top third for most time periods.

Major 1-Year Contributors: Public Stocks were up 14.21% net and outperformed its benchmark by 0.71%; Active US Equity was up 20.13% net exceeding its benchmark by 6.63%; Active Non-US Developed Equity was up 10.48% net but underperformed its benchmark by -3.02%; Liquid Credit was up 8.65% net but underperformed its benchmark by -0.94%; Alternative Liquid Credit was up 13.13% net and outperformed its benchmark by 3.54%.

Major 1-Year Detractors: Illiquid Real Estate was down -7.90% net and underperformed its benchmark by -7.83%; Bonds Plus was down -2.53%, underperforming its benchmark by -4.63%; Active Emerging Market Equity was down -4.49% net and underperformed its policy and selection benchmarks by -17.99% and -1.55%, respectively.

PERFORMANCE

Performance Summary								
as of: January 31, 2024	MTD	3M	FYTD	1-Year	3-Year	5-Year	7-Year	10-Year
Total Fund	0.22%	7.23%	4.48%	6.40%	5.45%	6.67%	6.66%	6.19%
Policy Index	-0.34%	11.89%	5.79%	7.24%	3.17%	5.53%	5.68%	5.67%
Value Add	0.56%	-4.66%	-1.31%	-0.84%	2.28%	1.14%	0.98%	0.52%
Global Equity	0.28%	8.98%	6.27%	10.55%	8.64%	10.77%	10.45%	9.06%
Policy Index	0.37%	14.51%	7.30%	12.69%	5.64%	9.19%	9.23%	8.51%
Value Add	-0.09%	-5.53%	-1.03%	-2.14%	3.00%	1.58%	1.22%	0.55%
Risk Reduction	-0.08%	6.93%	1.99%	1.15%	-2.79%	1.06%	1.43%	1.92%
Policy Index	-0.27%	8.23%	3.08%	2.10%	-3.09%	0.83%	1.25%	1.67%
Value Add	0.19%	-1.30%	-1.09%	-0.95%	0.30%	0.23%	0.18%	0.25%
Credit	0.58%	6.41%	7.39%	9.24%	4.28%	4.79%	4.87%	4.26%
Policy Index	0.13%	8.86%	8.45%	9.59%	0.53%	3.03%	3.38%	3.67%
Value Add	0.45%	-2.45%	-1.06%	-0.35%	3.75%	1.76%	1.49%	0.59%
Real Assets	-0.29%	0.64%	-0.41%	-1.00%	9.90%	6.44%	5.91%	5.67%
Policy Index	-2.99%	11.00%	2.46%	-2.19%	6.91%	4.98%	4.66%	4.38%
Value Add	2.70%	-10.36%	-2.87%	1.19%	2.99%	1.46%	1.25%	1.29%
Multi-Risk	0.83%	16.41%	4.91%	8.01%	0.34%			
Policy Index	0.96%	16.52%	5.04%	8.26%	0.27%			
Value Add	-0.13%	-0.11%	-0.13%	-0.25%	0.07%			

Risk Summary						
as of: January 31, 2024	Stnd Dev.	Sharpe	Beta	Alpha	IR	TE
1-Year						
Total Fund	6.5%	0.2%	0.6%	-0.1%	-0.3%	4.9%
Policy Index	11.2%	0.2%	1.0%	0.0%		0.0%
3-Year						
Total Fund	7.5%	0.4%	0.6%	2.4%	0.3%	5.2%
Policy Index	12.1%	0.1%	1.0%	0.0%		0.0%
5-Year						
Total Fund	7.9%	0.6%	0.6%	2.3%	0.1%	5.2%
Policy Index	12.5%	0.3%	1.0%	0.0%		0.0%
7-Year						
Total Fund	7.3%	0.7%	0.6%	2.2%	0.1%	4.6%
Policy Index	11.2%	0.4%	1.0%	0.0%		0.0%
10-Year						
Total Fund	7.0%	0.7%	0.7%	1.8%	0.1%	3.9%
Policy Index	9.8%	0.5%	1.0%	0.0%		0.0%

Staffing Update

- New Investment Associate will start in June.

Vacancies:

- Investment Associate/PM (Gov. Ex. FTE).



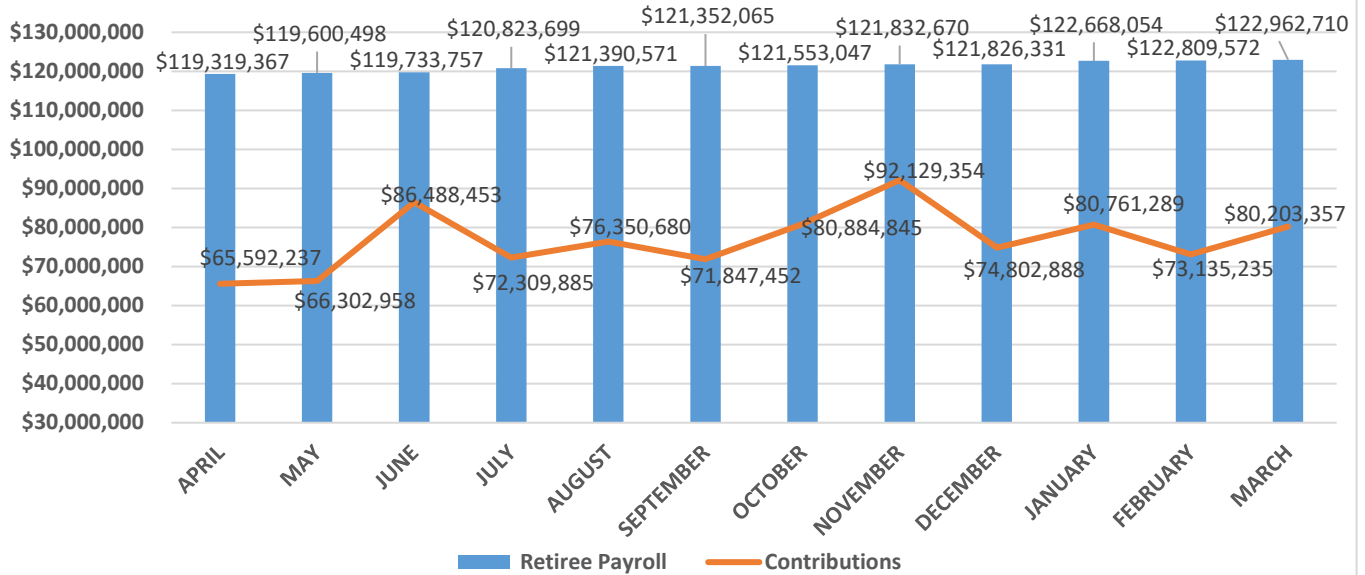
PERA

Public Employees
Retirement Association
of New Mexico

**EXECUTIVE DIRECTOR'S REPORT
PERA BOARD MEETING – April 25, 2024**

INVESTED IN TOMORROW.

Retiree Payroll vs: Total Contributions - April 2023- March 2024

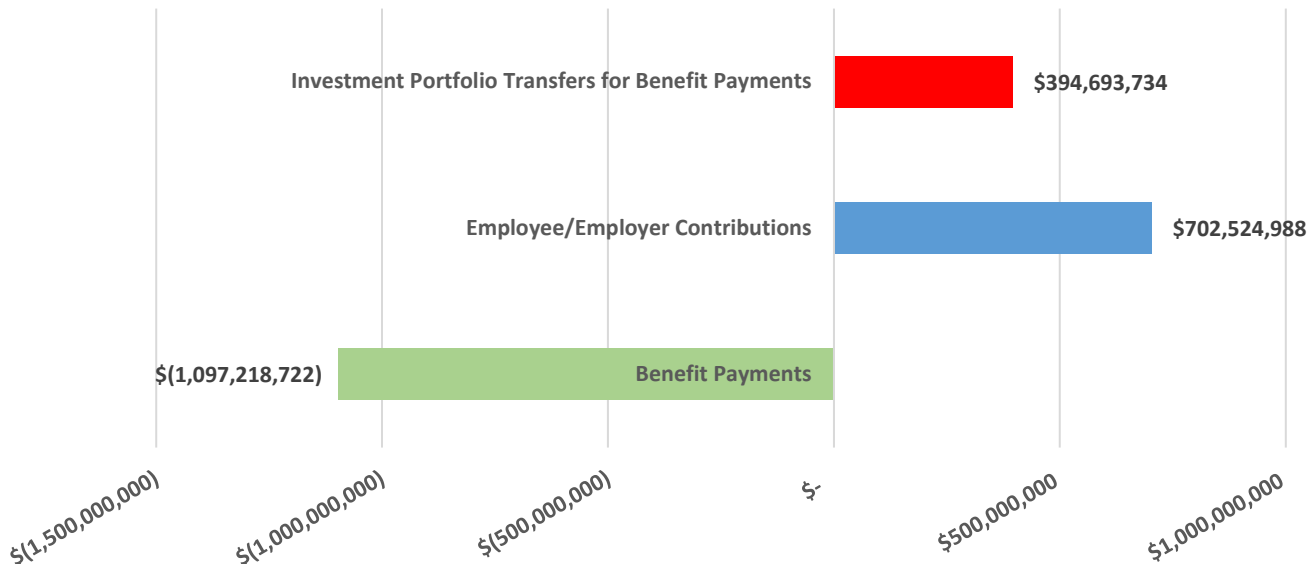


Total Retiree Payroll = \$1,455,872,341

Total Contributions: \$ 920,808,633

**** Due to adjustments to Employer reports contributions amounts are subject to change**

FY24 Contributions: Investment Income & Contributions thru March 2024



**** Total Refunds Paid during this period was \$41,435,513**

VACANCY REPORT			
Position	Division	Date Vacated	Status
Investment Associate	Investments	4/26/2024	Pending

PERA has 87 authorized FTE and currently has 1 vacancy.

ADDITIONS/DEPARTURES/PROMOTIONS			
Employee	Position/Division	Date Started/Vacated	Status
Elizabeth Sandoval	Public Relations Coordinator/Outreach	3/30/2024	New Hire
Bianca Trujillo	Retirement Specialist II/Retirements	3/30/2024	Promotion
Matt Bazan	IT Systems Admin III/IT	4/13/2024	New Hire
Theresa Romero	Retirement Specialist II/Retirements	4/13/2024	New Hire
Jose Soto	Retirement Specialist I/Call Center	4/27/2024	New Hire
Rachel Eaker	Investment Associate	6/8/2024	New Hire

2024 AIRTIME PURCHASES	
Plan Type	April Purchases
State Plan 3	9
Municipal Plan 1	0
Municipal Plan 2	0
Municipal Plan 3	3
Municipal Plan 4	0
Municipal Detention Plan 1	0
Municipal Fire Plan 5	1
Municipal Police Plan 3	0
Municipal Police Plan 4	1
Municipal Police Plan 5	4
State Police/Corrections Plan	<u>1</u>
TOTAL:	19

2024 AIRTIME PURCHASES	
No. of Months	April Purchases
1	1
2	1
3	3
4	0
5	2
6	1
7	1
8	2
9	1
10	0
11	0
12	<u>7</u>
TOTAL:	19

PERA SmartSave Items of Interest – March 2024		
<u>County by Region North – Peter Rappmund</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Bernalillo	1	6
Colfax		1
Mora		2
Rio Arriba		2
San Juan		6
San Miguel	16	5
Santa Fe	11	48
Statewide	7	84
Taos		4
<u>County by Region Central - Paul Lium</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Bernalillo	20	
Quay	3	
Guadalupe	1	
McKinley	1	
Sandoval	5	
Torrance	5	
Valencia	1	
<u>County by Region South - Linda Miller</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Catron		3
Chaves		25
Dona Ana	63	53
Eddy		17
Grant		7
Hidalgo		4
Lea		9
Lincoln		2
Luna	22	10
Otero		3
Socorro		4
Statewide		33
SmartSave Assets as of 3/31/2024 - \$844,006,526		
SmartSave Participants as of 3/31/2024 – 23,698		

2024 Independent Contracts Reviews	
Entity	# of Contracts Reviewed March 2024
NM Department of Health	1
NM Office of the Superintendent of Insurance	1
NM Supreme Court	1
NM Secretary of State	1
Fifth Judicial District Court/Roswell Magistrate Court	1
Town of Springer	1
NM Office of the State Engineer/Interstate Stream Commission	1
NM Early Childhood Education and Care Department	1
NM Court of Appeals	<u>1</u>
SubTotal:	9
<u>Reviewed, but "Needs more Info"</u>	
Fifth Judicial District Court/Roswell Magistrate Court	1
NM Public Regulation Commission	1
NM Office of the State Engineer/Interstate Stream Commission	<u>1</u>
SubTotal:	3
<u>Reviewed, but "Not in Pay Status"</u>	
NM Aging & Long-Term Care Department	<u>1</u>
SubTotal:	1
<u>Reviewed, but "Not a PERA Affiliate"</u>	
High Plains Regional Education Cooperative	<u>1</u>
SubTotal:	1
Total:	14