

## AGENDA

1. **Call to Order** Diana Rosales Ortiz, Board Chair
2. **Roll Call**
3. **Approval of Agenda** Diana Rosales Ortiz, Board Chair
4. **Approval of Meeting Minutes**
  - A. Approval of October 26, 2023 Board Meeting Minutes Diana Rosales Ortiz, Board Chair
5. **Approval of Consent Agenda**
6. **Reports of Committees**
  - A. **Investment Committee - December, 12, 2023**
    1. Approval of Committee Recommendation Regarding Proposed Strategic Asset Allocation Action Francis Page, Committee Chair
    2. Approval of Committee Recommendation Regarding Benchmark Changes Action
    3. Approval of Committee Recommendation Regarding Proposed Investment Policy Statement Action
7. **Unfinished Business**
  - A. **Items removed from Consent Agenda if necessary** Action Diana Rosales Ortiz, Board Chair  
*Board will Recess to Executive Session NMSA 1978, §10-15-1 (H) (3)*  
**Administrative Appeal**
    1. **Paul Villanueva**  
*Board will Recess to Executive Session NMSA 1978, §10-15-1 (H) (2)*  
**Executive Director Evaluation**  
*Board will Convene to Regular Session*
8. **New Business**
  - A. **Final Decision on Administrative Appeal**
    1. **Paul Villanueva (PID 139083)** Action
  - B. **Executive Director Charter Discussion** Informational Diana Rosales Ortiz, Board Chair
  - C. **Executive Director's Report** Informational Greg Trujillo, Executive Director
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](mailto: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.

**PERA Board Meeting  
December 12, 2023  
CONSENT AGENDA**

- 1. Ratification of Retirements** - Benefits processed through: 11/1/2023 and 12/1/2023
  - 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. Joe D. Romo - Non-duty
- 3. Affidavits for Free Military Service:**
  - a.
- 4. Resolutions**
  - a. **Grant County** – Amended Resolution R-23-62 Authorizing an Election for Adoption (of) Municipal Fire Member Coverage Plan 4.
- 5. Setting of Meetings: January 2024**

a. Rules & Administration Committee	January 9, 2024	9:00am
b. Special Board Meeting	January 9, 2024	following Rules & Adminsitration
c. Disability Review Committee	January 9, 2024	1:00pm
d. Board Meeting	January 25, 2024	9:00am

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**AMENDED RESOLUTION NO. R-23-62**

**A RESOLUTION AUTHORIZING AN ELECTION FOR ADOPTION OF  
MUNICIPAL FIRE MEMBER COVERAGE PLAN 4**

**WHEREAS**, the Public Employees Retirement Act, NMSA 1978, Sections 10-11-1, et seq. (1995), establishes the Public Employees Retirement Association and authorizes Municipal Fire Member Coverage Plan 4 (Section 10-11-104 through Section 10-11-109 NMSA 1978) which provides a plan for retirement of Municipal Fire TIER 1 members at three percent (3.0%) pension factor per year of service which would then provide for sixty percent (60%) of final average salary at 20 years of service, and provides a plan for retirement of Municipal Fire TIER 2 members at three percent (2.5%) pension factor per year of service which would then provide for sixty-two and a half percent (62.50%) of final average salary at 25 years of service. Effective July 1, 2023, both TIERS of members are eligible to attain a maximum of one hundred percent (100%) of final average salary under which the municipal employer contributes twenty-one and nine-tenths' percent (21.90%) and the member contributes sixteen and eight-tenths' percent (16.80%) of each member's salary to the state retirement fund; and

**WHEREAS**, NMSA 1978, Section 10-11-104, requires that adoption of Municipal Fire Member Coverage Plan 4 be by election by a majority of the affected members.

**WHEREAS**, NMSA 1978, section 10-11-5(A) requires such Resolution shall be irrevocable and shall apply to all fire member employees of Grant County.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS:**

APPROVED AND ADOPTED this 16th day of November 2023.



Chris M. Ponce, Chairman

*Absent*  
\_\_\_\_\_  
Gerald W. Billings, Jr., Vice Chair



Eloy Medina, Member



Harry Browne, Member



Alicia Edwards, Member

[SEAL]



Attest:

Marisa Castrillo, Clerk

*Marisa Castrillo by ch*



**INVESTMENT COMMITTEE MEETING**  
**SENATOR FABIAN CHAVEZ JR. BOARD ROOM**  
**PERA BUILDING**

**December 12, 2023**  
9:00 am

**COMMITTEE MEMBERS**

Francis Page, Chair  
Paula Fisher, Vice-Chair  
The Honorable Treasurer, Laura Montoya  
Juan Diaz  
Tony Garcia

**AGENDA**

- 1. Roll Call**
- 2. Pledge of Allegiance**
- 3. Approval of Agenda**
- 4. Approval of Meeting Minutes**
  - A. October 26, 2023 Investment Committee minutes
- 5. New Business**

<b>ITEM</b>		<b>PRESENTER</b>
A	<u>Action Item:</u> Strategic Asset Allocation Recommendation	Michael Shackelford Chief Investment Officer  Eileen Neill Samantha Grant Verus Advisory
B	<u>Action Item:</u> Benchmark Changes Recommendation	Michael Shackelford Chief Investment Officer  Eileen Neill Samantha Grant Verus Advisory
C	<u>Action Item:</u> Investment Policy Statement Recommendation	Michael Shackelford Chief Investment Officer  Eileen Neill Samantha Grant Verus Advisory
D	<u>Information Item:</u> Annual Investment Committee Charter Review	Michael Shackelford Chief Investment Officer
E	<u>Information Item:</u> IC Chair Continuation Memo	Francis Page IC Chair
F	<u>Information Item:</u> Performance & Market Review	Michael Shackelford Chief Investment Officer

	<ol style="list-style-type: none"> <li>1. Q3 2023 Market and Total Fund Performance Review</li> <li>2. Q2 2023 Illiquid Asset Class Review <ol style="list-style-type: none"> <li>a. Private Credit</li> <li>b. Private Equity</li> <li>c. Private Real Assets</li> <li>d. Private Real Estate</li> </ol> </li> </ol>	<p>Eileen Neill Samantha Grant Verus Advisory</p> <p>Kate Brassington, Senior Portfolio Manager- Global Equity Clayton Cleek, Portfolio Manager, Credit Oriented Fixed Income Michael Killfoil, Senior Portfolio Manager – Real Assets</p> <p>Mike Krems Trevor Jackson Aksia</p> <p>James Walsh Mark White Jaclynn Bernson Albourne</p>
G	<p><u>Information Item:</u> Investment Division Compliance Update</p> <ol style="list-style-type: none"> <li>1. Custody Bank RFP Update</li> <li>2. Manager Selection Activity Report</li> <li>3. Q3 2023 Cash Activity &amp; Rebalance Update</li> <li>4. Q3 2023 Securities Lending Update</li> <li>5. Staffing Update</li> </ol>	<p>LeAnne Larrañaga-Ruffy Deputy CIO</p> <p>Sara Hume Senior Portfolio Manager</p>

## 5. Adjournment

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## **DELEGATION OF AUTHORITY TO THE EXECUTIVE DIRECTOR**

### **1. General Duties and Responsibilities**

The day-to-day administration of the Public Employees Retirement Association (PERA or Association) is hereby delegated to the Executive Director, who shall be the chief administrative officer for the Board and the association. The Executive Director shall operate the association in compliance with all applicable federal and state laws, and in accordance with rules and policies adopted by the Board. The Executive Director shall consult with the Board on all matters pertaining to the association as required by the rules, policies or resolutions adopted by the Board, act as liaison between the Board, members and retirees, employers, employer and member organizations, state agencies, the Executive Branch of Government and the Legislature. The Executive Director shall bring to the attention of the Board all matters which have a material impact on the association or the retirement systems.

### **2. Specific Duties and Authority**

- a. In administering the association, the Executive Director has the duty and is granted the authority to:

#### **i. Governance and Board Operations**

1. Present staff recommendations to the Board with respect to policies and rules for the purpose of carrying out the provisions of the laws applicable to the retirement systems administered by the association.
2. Submit to the Board reports, resolutions, and procedures, and make recommendations for legislative action on changes in the retirement systems and deferred compensation program administered by the association.
3. Identify, articulate, prioritize and schedule matters the Board will regularly address, including, in consultation with the Board Chair and Committee Chairs, setting meeting agendas as well as preparing a summary of issues to be discussed, staff or committee recommendations (if applicable), and proposed motions for the Board to consider.
4. Conduct Board elections utilizing an independent external vendor or by other means approved by the Board in accordance with Rule 2.80.200 NMAC.
5. Initiating, prosecuting, and defending appeals, writs and other litigation in the courts and administrative forums on behalf of the association as necessary to comply with and enforce applicable law and to carry out the decisions and policies of the Board. Board approval will be obtained before taking such action where required by Board policy or would otherwise be appropriate under the circumstances.

#### **ii. General**

1. Maintain membership and participate in the proceedings of nationally recognized organizations in the fields of public retirement administration, investments, and other disciplines as appropriate for the purpose of keeping informed with the latest developments applicable to public pension plan administration and to further the interests of PERA.
2. Planning, organizing, and directing the operational and strategic work of the association as deemed necessary to fulfill the functions thereof.
3. Initiate, prosecute and defend subrogation actions, appeals, and other related litigation matters, such as cross complaints, and to file liens, intervene in court proceeding, join parties to actions, consolidate actions, compromise claims, contract with outside counsel, and take other such action as necessary to recover amounts owed to the association.
4. The Executive Director shall perform such other duties as may be required for the administration of the retirement systems, other provisions of law governing the retirement systems, and for the transaction of its business.
5. The Executive Director may delegate any and all of the powers and authority delegated herein as appropriate, consistent with applicable law and Board policies. The Executive Director must act prudently with respect to delegation of duties and any such delegation must be in writing. The Executive Director must regularly evaluate performance under such delegation to assure competent performance.

**iii. Financial and Accounting Duties**

1. Negotiate, enter into, amend and terminate operational contracts for goods and services provided by external vendors and service providers, subject to the applicable limitations on authority set forth in the New Mexico Procurement Code, the procurement policies adopted by the Board, the Public Employees Retirement Act, and the New Mexico State Constitution;
2. Submit to the Board for its timely approval an annual operating budget that is appropriate to the fulfillment of PERA's mission, and timely submit the Board-approved budget to the Legislature for inclusion in the State's annual budget in accordance with the applicable statutory and constitutional requirements. The Executive Director is responsible for administering PERA's operations within authorized budget resources.
3. Prepare the Annual Comprehensive Financial Report, which covers the operations of the system for the preceding fiscal year including investment and actuarial results, and thereafter send copies of the report to oversight agencies and any other persons/entities as appropriate;
4. Negotiating, entering into, amending and terminating operational contracts that are not otherwise subject to the PERA Procurement

Procedure for Investment-Related Services, as may be necessary for the administration of the association.

5. Establishing and directing the maintenance of an effective system of internal controls and records and accounts following generally recognized accounting principles.

**iv. Investments**

1. Negotiate, enter into and terminate contracts for investment-related services provided by external vendors and service providers, subject to the limitations on authority set for the in the PERA Procurement Procedure for Investment-Related Services and, if applicable, the contract itself.
2. Negotiating, entering into, amending and terminating contracts for investment management, advice, consulting, and legal counsel and authorizing expenditures for such investment services to be paid out of budgeted funds, all subject to the terms of the PERA Procurement Procedure for Investment-Related Services and, if applicable, the contract itself.
3. Execute, on the recommendation of the Chief investment Officer, all documents or authorize the issuance of instructions, necessary to purchase, sell, convey, assign, incur debt, encumber assets or otherwise manage investments and assets of the system including, but not limited to, those involving real estate, equities, fixed income, limited partnerships, fund-of-one and commingled accounts investments, and special situations, in compliance with the Investment Policy Statement and guidelines adopted by the Board and Investment Committee, including authorized investment delegation levels. A copy of this Delegation of Authority and the most current list of discretion levels delegated to the Chief Investment Officer and investment staff shall be maintained in the Investment Policy Statement.
4. Vote, vote by proxy and otherwise act in accordance with Board policy and applicable procedure on all matters relating to the corporations, limited partnerships, limited liability companies and other entities through which the system holds title to investments, including but not limited to matters of corporate governance.
5. Make programmatic decisions regarding the system's defined contribution program, including but not limited to selecting investment options available to plan participants, subject to the limitations of the SmartSave Deferred Compensation Investment Policy Statement. Any authority the Executive Director has to enter into contracts shall be subject to the limitations imposed above.

**v. Benefit Administration**

1. Directing the determination and calculation of the amount of pensions under the retirement systems statutory scheme and make timely payment of monthly pensions, refunds to members, retirees,



beneficiaries, and former members of the retirement systems, in accordance with applicable federal and state laws.

2. Directing the collection of all overpayments of benefits and adjust pension benefits paid in accordance with NMSA 1978, Section 10-11-4.2 and Board policy.

**vi. Actuarial**

1. Directing the preparation of accurate statistical records to serve as a basis for actuarial audits, valuations, and computations in sufficient detail to permit the valuation and establishment of demographic experience factors.

**vii. Human Resources**

1. Hiring, evaluating, disciplining, promoting, dismissing and compensating such employees as may be necessary to carry out the provisions of the law applicable to the retirement systems and defining the duties thereof, *provided*, that employee compensation shall be reflected in the proposed annual budgets submitted to the Board and shall be subject to approval by the Board as part of the budgetary process.
2. The Executive Director has the authority to employ all PERA employees, subject to applicable law, and shall disclose the credentials of newly hired individuals for the positions of Deputy Director, Chief Investment Officer and General Counsel. The Executive Director shall develop and execute performance plans for all employees under their supervision. Such performance plans shall be consistent with the Executive Director's performance plan. Exempt employees shall be evaluated by the Executive Director in relation to their performance plan at least annually.

**viii. Communication**

1. In consultation with the Board Chair, act as the primary spokesperson for the system to the public, the media and the Legislature, subject to the provisions of Paragraph 3 of this subsection.
2. It is the responsibility of the Executive Director, or their designee, to act as the liaison for communication and information flow between the Board and PERA staff.
3. Be the principal legislative liaison and appear before legislative committees and address employers, employer and employee groups or other interested groups and provide information regarding the provisions of the retirement systems, operations of the association and the retirement plans it administers, and positions taken by the Board on proposed legislation and other related issues; provided, however, that the Executive Director shall not attribute any position to the Board without its prior approval.

**3. Executive Director Performance and Compensation**

- a. The Executive Director shall be formally evaluated by the Board at least annually, following the close of the fiscal year. The Board shall follow the process set out in the Executive Director Evaluation Form attached as an appendix to the Board's Policies and Procedures. Performance criteria shall primarily include objectives for outcomes that are under the Executive Director's control, but may also include outcomes for which the Executive Director may reasonably be expected to exercise influence. Performance criteria requiring additional resources shall be enforced only in the event that such incremental resources have been authorized and funded in PERA's annual budget. The performance plan which the Board adopts and monitors each year for the Executive Director shall include training and professional development. The Board shall approve training for the Executive Director in the same manner as for Board Members.
- b. The Executive Director does not have delegated authority to establish their own compensation or benefits. That authority is reserved explicitly to the Board. The annual compensation for the Executive Director shall be set by Board action, upon majority vote taken during open session at a regular or special Board meeting following the annual performance evaluation, subject to the Board's authority to modify such compensation at any time upon appropriate notice. The compensation of the Executive Director shall be included in the budget submitted to the Board for adoption for the fiscal year in which the compensation is to be paid, and is subject to final approval of that budget.
- c. The Executive Director shall be entitled to any legislative compensation increases as approved by the Legislature in the General Appropriations Act or any other legislation providing compensation increases for state employees and signed by the governor. Additional salary increases, other than legislative compensation increases, for the Executive Director shall be approved by the board at a regular or special board meeting.



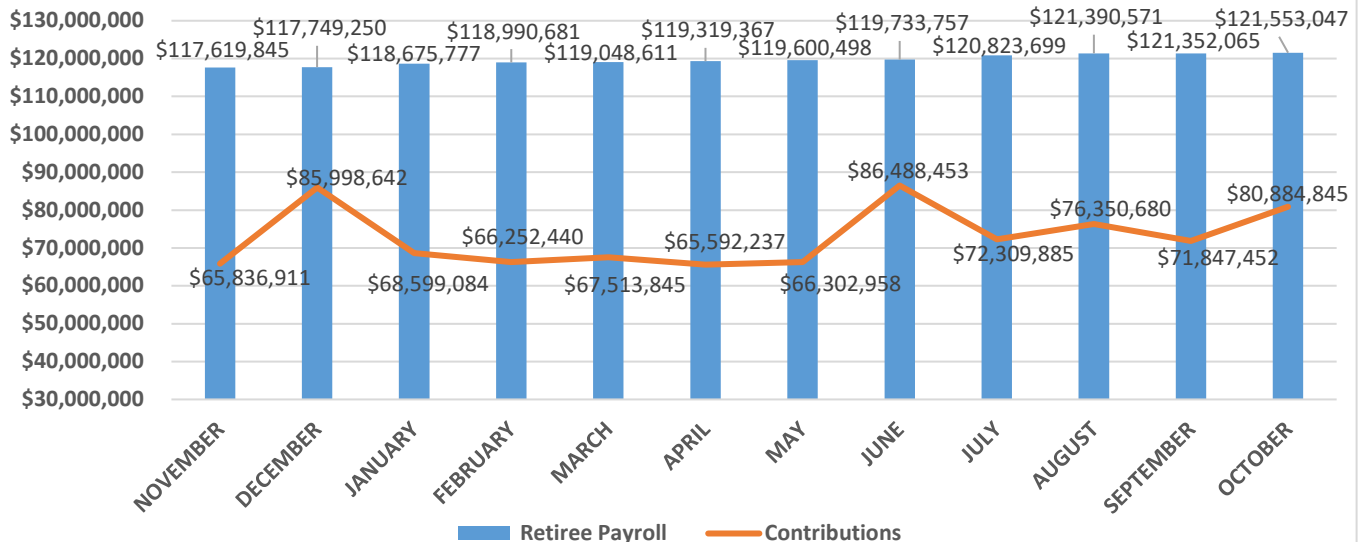
**PERA**

Public Employees  
Retirement Association  
of New Mexico

## EXECUTIVE DIRECTOR'S REPORT PERA BOARD MEETING – December 12, 2023

INVESTED IN TOMORROW.

### Retiree Payroll vs: Total Contributions - November 2022 - October 2023

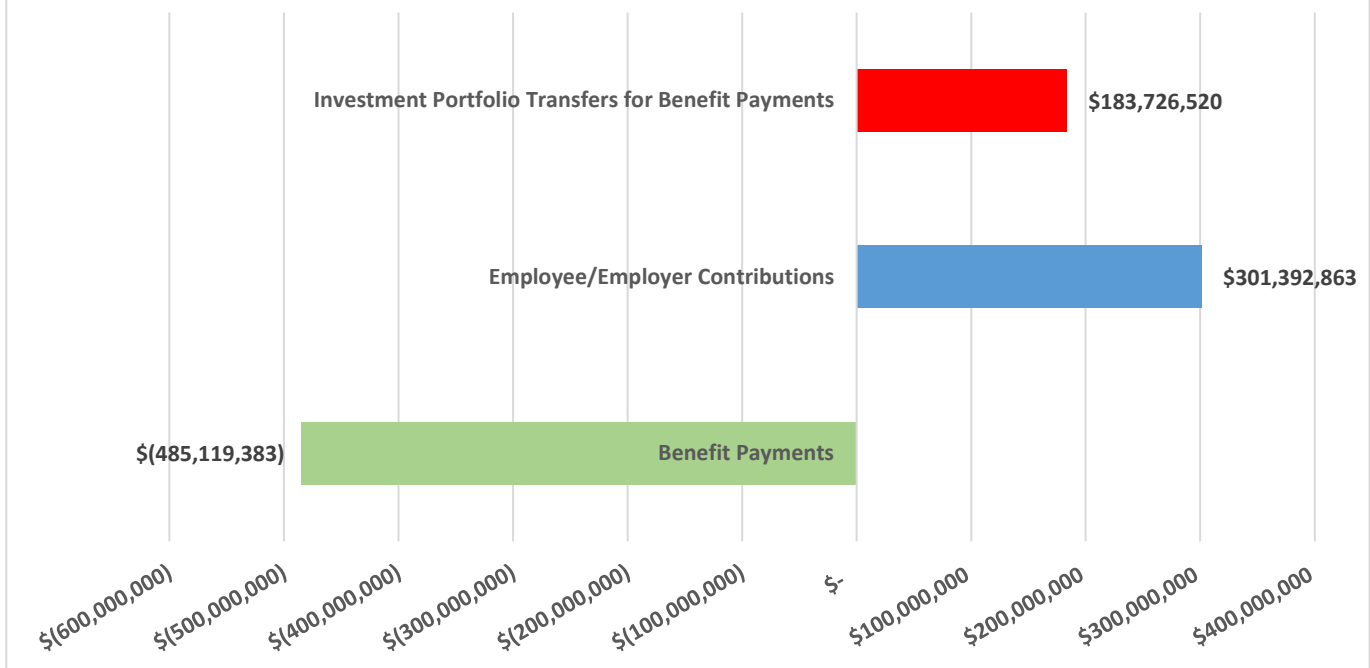


**Total Retiree Payroll = \$1,435,857,168**

**Total Contributions: \$ 855,985,508**

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

### FY24 Contributions: Investment Income & Contributions thru October 2023



**\*\* Total Refunds Paid during this period was \$18,364,657**

VACANCY REPORT			
Position	Division	Date Vacated	Status
Public Relations Coordinator	Outreach	10/21/2023	Interviewing

*PERA has 87 authorized FTE and currently has 1 vacancy.*

ADDITIONS/DEPARTURES/PROMOTIONS			
Employee	Position/Division	Date Started/Vacated	Status
Bianca Medina	Retirement Specialist II/Member Services/Albuquerque	10/28/2023	Promotion
Bianca Trujillo	Retirement Specialist I/Call Center	11/25/2023	New Hire
Lisa Blazon	Retirement Specialist 1/Member Services/Albuquerque	11/25/2023	New Hire
Florencio Chavez	Facility Manager/ASD	12/9/2023	New Hire
Samantha Olivas	HR Generalist/ ASD	12/31/2023	Retirement
Lisa Garcia	HR Generalist/ASD	1/6/2023	New Hire

2023 AIRTIME PURCHASES		
Plan Type	November Purchases	December Purchases*
State Plan 3	10	0
Municipal Plan 1	0	0
Municipal Plan 2	0	0
Municipal Plan 3	2	1
Municipal Plan 4	1	0
Municipal Detention Plan 1	0	0
Municipal Fire Plan 5	5	0
Municipal Police Plan 3	0	0
Municipal Police Plan 4	0	0
Municipal Police Plan 5	3	1
State Police/Corrections Plan	4	2
<b>TOTAL:</b>	<b>25</b>	<b>4</b>

2023 AIRTIME PURCHASES		
No. of Months	November Purchases	December Purchases*
1	3	2
2	2	0
3	1	0
4	1	0
5	1	0
6	6	0
7	0	2
8	0	0
9	3	0
10	1	0
11	0	0
12	7	0
<b>TOTAL:</b>	<b>25</b>	<b>4</b>

- Through December 8, 2023

PERA SmartSave Items of Interest – November 2023		
<u>County by Region North – Peter Rappmund</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Colfax		2
Harding	3	1
Rio Arriba	5	2
San Juan	75	15
San Miguel	6	
Santa Fe	33	49
Statewide	2	25
Taos	2	3
<u>County by Region Central - Paul Lium</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Bernalillo	83	
Cibola	15	
McKinley		4
Torrance		8
Valencia		5
<u>County by Region South - Linda Miller</u>	<u>In-Person Individual and Group Meetings</u>	<u>Virtual Individual and Group Meetings</u>
Catron	1	2
Chaves	14	20
Dona Ana	15	20
Eddy	4	
Grant	5	4
Lea	6	7
Lincoln	11	
Luna	5	8
Otero	7	3
SmartSave Assets as of 11/30/2023 - \$781,104,607		
SmartSave Participants as of 11/30/2023 – 23,568		

2023 Independent Contracts Reviews	
Entity	# of Contracts Reviewed November 2023
NM Children, Youth & Families Department	1
Middel Rio Grande Conservancy District	1
NM Eighth Judicial District Attorney's Office	1
NM Sixth Judicial District Attorney's Office	1
NM General Services Dept./Facilities Management Division	1
NM Public Education Department	1
NM Human Services Department	1
NM School for the Deaf	1
NM Aging & Long-Term Services Department	1
SF Civic Housing Authority	<u>1</u>
<b>SubTotal:</b>	<b>10</b>
<b>Reviewed, but "Not in Pay Status"</b>	
NM Commission for the Blind	<u>1</u>
<b>SubTotal:</b>	<b>1</b>
<b>Total:</b>	<b>11</b>