



August 27, 2019

Honorable Michelle Lujan Grisham
State of New Mexico
490 Old Santa Fe Trail Room 400
Santa Fe, NM 87501

Dear Governor Lujan Grisham,

Thank you for including the NM Municipal League in the PERA Solvency Task Force. Having the voices of NM Municipalities included in the conversation of how to solve New Mexico's pension system is important to all of our cities, towns, villages. Our members are concerned about all aspects of pension reform from how this will affect our cities budgets, our employees take home pay, and the retirees in our communities.

In meeting with our membership, we can support the concept of a risk based cost of living. This will provide long-term sustainability of the public employee's retirement fund. We understand this is a necessary model to insure all of our retirees throughout the State will receive their pension along with a sustainable cost of living in perpetuity.

The New Mexico Municipal League looks forward to working with your office as well as the House and Senate on the details of this reform package, as we know, there are many moving parts and the potential for unintended consequences is great. We would like to insure that any final package will be equitable among all divisions of PERA.

Respectfully,

A handwritten signature in black ink, reading "William F. Fulginiti". The signature is written in a cursive, flowing style.

William F. Fulginiti
Executive Director



August 27, 2019

Diego Arencón, Chairman of the PERA Solvency Task Force
Executive Policy Advisor Labor/Management Affairs
Office of Governor Michelle Lujan Grisham
diego.arencon@state.nm.us
(505) 690-7949

Dear Mr. Arencón,

New Mexico Counties wants to thank you and Governor Lujan Grisham for inviting our organization to be a part of this important Task Force and for your leadership in addressing this critical issue. The assembled group worked respectfully and diligently, and many different perspectives were presented.

NMC would like to provide a response to the Task Force's preliminary recommendations. We agree that PERA should provide for a sustainable cost of living adjustment for current and future PERA retirees, and sees considerable value in the model that provides a minimum and maximum cost of living adjustment (COLA) based on the investment return ratio. Providing incentives for employees to continue working by removing the cap on earning service credit is a positive tool for county governments and other public entities to enable them to retain valuable, experienced employees.

NMC understands the value of a substantial appropriation from the State. NMC also recognizes the value of replacing the prior PERA proposals to freeze COLA for three years with a 2% simple COLA for the next three years, to be distributed as decided by the PERA membership. Eliminating the current seven year waiting period to receive a COLA upon retirement and restoring it with a two year calendar period allows for some offset to the loss of compounding.

NMC would like the task force to address the disparity in funding levels among PERA divisions and would like to exempt Muni General and Muni Police and Muni Fire as well as State Police and Adult Correctional Plans from proposed contribution increases. As demonstrated on page four of the attached documents, the Muni

444 Galisteo Street
Santa Fe, NM 87501

877-983-2101
505-983-2101
Fax: 505-983-4396

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General and Muni Police plans are both near or above 90% funded with Muni Fire just under 50%. This graph also shows that the State General Plan is just under 32% funded. Based on this data, as well as the feedback we received from our membership, NMC is unable to support a contribution increase to the plans in which we participate.

Respectfully,



Steve Kopleman
Executive Director



Leandro Cordova
Finance and Administration
Director

CC: Mark Cage, NMC President

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August 27, 2019

The Honorable Michelle Lujan Grisham
Office of the Governor
New Mexico State Capitol, Room 400
490 Old Santa Fe Trail
Santa Fe, NM 87501

Dear Governor Lujan Grisham,

On behalf of the American Federation of State, County and Municipal Employees (AFSCME) Council 18, AFL-CIO, representing nearly 10,000 public sector workers and thousands of retirees, I would like to thank you for inviting AFSCME to be part of your 2019 PERA Solvency Task Force.

Our Executive Board has not taken an official vote in support or opposition to the current recommendation but has constantly taken the position that meaningful change requires shared sacrifice among current employees and retirees. The Executive Order you signed on February 18, 2019 and the recommendation presented by the Task Force on August 8, 2019, clearly meet those objectives.

Our union understands that pension reform is never easy but at times is necessary. We must all work together to reach one common goal: to ensure our pension fund is as healthy as possible so our current and future retirees can retire with dignity.

Just as our union played a critical role in the passage of Senate Bill 27 in 2013, we are committed to working closely with your administration, the New Mexico State Legislature, and other key stakeholders to preserve our current defined benefit plan into the future.

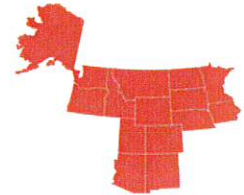
Thank you for your leadership.

Sincerely,

Connie Derr
Executive Director, AFSCME Council 18
International Vice President, AFSCME International

cc: Diego Arencon, Chair, PERA Solvency Task Force
Josh Anderson, AFSCME Representative, PERA Solvency Task Force





Via Email

August 27, 2019

Honorable Governor Michelle Lujan Grisham
New Mexico State Capitol
490 Old Santa Fe Trail, Room 400
Santa Fe, NM 87501

Dear Governor Lujan Grisham,

CWA thanks you for the opportunity to be a part of the task force pension reform. CWA Supports the recommendations made for resolving the solvency issues.

Sincerely,

A handwritten signature in black ink, which appears to read "Robin A. Gould", is written over a light blue horizontal line.

Robin Gould
CWA Staff Representative

RAG/er opeiu30 afl-cio

C: Dan Secrist
Donald Alire



ROBERT SANCHEZ
PRESIDENT

DUSTY WARDEN
SECRETARY

August 25, 2019

The Honorable Michelle Lujan Grisham
Governor of New Mexico
New Mexico State Capitol
490 Old Santa Fe Trail
Santa Fe, NM 87501

Honorable Governor Lujan Grisham,

I am writing this letter to express my support for the recommendations set forth by the New Mexico Public Employees Retirement Association Solvency Taskforce. As a taskforce, we were presented a very difficult task of ensuring that our pension system is to remain solvent, not only for our retired members, but for generations to come. Thank you for your leadership in appointing this task force.

I would like to highlight the proposal points and how they will benefit our members;

- 1) By eliminating the 7 year wait period as outlined in Senate Bill 27 and returning to a 2-year waiting period to start receiving the Cost of Living Allowance (COLA), this will allow our future retirees to collect COLAs sooner. As outlined by the actuaries, the COLAs equate to about 1.5% over the lifetime of the retirees' pension by having the 7-year deferral in place.
- 2) We all agree to make our fund solvent, all stakeholders, both retired and active are to share the recommendations. By having a "profit sharing" model, this tightens the gaps between PERA fund returns and COLAs. The key to this is having a minimum and maximum COLA. At the minimum, my retired members will have at least 0.5% COLA and up to a maximum of 5% once the fund hits 100% solvent.
- 3) By removing the cap of 90%, this allows my younger brothers and sisters that entered the fire service, to continue to work as long as they are mentally and physically capable of performing their jobs. This in turns, keeps the workforce working, and incentivizes them to stay in the great State of New Mexico instead of leaving the state to start second careers. This also is a "win – win" scenario as they will continue to contribute to the PERA fund. A large majority of my members are not eligible for Social Security benefits and this will help bridge that gap.
- 4) By addressing disparity amongst the different divisions, my members will be able to contribute 100% of their annual salary to the PERA pension. This will help offset the disparity from Municipal Fire Plans to General State Plans. Currently fire departments across the state only have 86%-92% reported to their "Final Average Salary". Again another "win – win" scenario as more money reported equates to more money contributed to the fund to address the unfunded liabilities.

As President of the New Mexico Professional Firefighters Association and a duly appointed Solvency Taskforce Member, I represent firefighters and paramedics from across the State of New Mexico. We stand ready to support the solvency recommendations to ensure the New Mexico PERA Fund is secure for the future.

Respectfully,

Robert Sanchez, President
New Mexico Professional Firefighters Association



State of New Mexico Fraternal Order of police

Madam Governor

Michelle Lujan-Grisham

August 27, 2019

Greetings,

I am writing on behalf of the members for the State of New Mexico Fraternal Order of Police. We in Law Enforcement live on a proud tradition and value what we do for our communities and our brothers and sisters in Law Enforcement. I would like to thank you for allowing me to represent our men and women of the order in the PERA Solvency Task Force. I know the importance of this issue and the long term effect it has if we do not try to come up with solutions to the much needed improvements to the PERA fund. Although it was not an easy task for us I believe we have made great strides and hope you take into consideration the recommendations the task force has provided. Please keep in mind the time, sweat, blood and tears the men and women both working and retired have put into the retirement investments.

Fraternally,

Eric N. Padilla
State President
FOP NM
318 Moreno St.
Las Vegas, NM 87701

The Honorable Michelle Lujan Grisham
Governor of the State of New Mexico
NM State Capitol Building
Santa Fe, NM 87501



August 27th, 2019

Dear Governor Lujan Grisham,

I would like to personally thank you for the creation of the PERA Solvency Task Force. As a State of New Mexico delegate for the National Association of Police Officers (NAPO), I would like to praise all of the delegates that participated in the Task Force.

The ultimate plan that was developed and approved through the Task Force will help with Public Service Retention. As you know, in the State of New Mexico, as with many other cities across the United States hiring and retention is critical. Policing in this Country is suffering a staffing shortage. One of the biggest benefits to help new Mexico's Cities, Counties and State recruit and sustain staffing levels is the fact that New Mexico has one of the best Retirement Plans. I was alarmed learning that we are only 70% Solvent at this time. It is fundamentally the legislatures' responsibility to ensure this plan is structured in a manner to successfully stand the test of time.

Regardless of what side of the Political spectrum anyone is on, financial instability in the U.S. market is a fact everyone has to contend with. Taking moderate steps today for the future of our pension is a must. I particularly like the simple COLA compromise the task force developed minimizing harm to our Retiree's. I also believe a profit sharing COLA is an intelligent step towards ensuring that PERA is strong and Solvent when current employee's need it most in their golden age.

Though there are many ways to approach this issue, I was honored to be part of this group. The Solvency Task Force in my opinion took their role seriously for the sole purpose of ensuring the hard work of past employee's and current staff across the state will be rewarded with a solvent retirement system. As Police Officers in the State of New Mexico, we do not contribute to Social Security and will not be benefiting from the federal program later in life. The Solvency of our Pension is particularly important to the men and women who heroically protect your cities, counties and state.

Thank you for your leadership and investment in gathering information from all sides of this dynamic problem. My hope is that you take the recommendations from this task force seriously as the state proceeds to tackle this solvency dilemma.

Shaun Willoughby
New Mexico State Delegate
National Association of Police Officers

Albuquerque Fire Department Retirees' association

Kerry Horton, President
5605 Sweetwater Dr. NW
Albuquerque, NM 87120
505-934-2969

8-27-2019

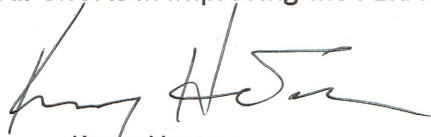
Governor Michelle Lujan Grisham

As President of the Albuquerque Fire Department Retirees Association, I represent over 600 Albuquerque Fire Department retirees, and we have come to a consensus that we support the recommendations of the PERA Solvency Task Force.

My members are well informed of the solvency issues that face our retirement fund, and even though no retiree wants to lose benefits, we are united in understanding that it is better to make small voluntary adjustments now, rather than suffer the consequences of ignoring the problem.

We have heard the arguments from other retiree groups that it is paramount that we preserve the current COLA system, and that 100% funding is an unnecessary, and ridiculous goal. The one fact that they fail to mention is that it was 100% funding that allowed the Legislators to give retirees the 3% compounding COLA windfall back in 1992. My members have enjoyed this benefit for years, but now our fund is less than 75% funded and can no longer suffer the burden of an unfunded COLA. AFDRA members are concerned about the solvency issue, and support the recommendations of the task force.

We know that you have difficult decisions to make on this issue, and we thank you for your efforts in improving the PERA Fund solvency.


Kerry Horton

