



INVESTED IN TOMORROW.

Rules & Administration Committee Meeting
Senator Fabian Chavez Jr. Board Room
PERA Building • 33 Plaza La Prensa • Santa Fe, NM 87507

March 12, 2019

After Audit & Budget Committee

Committee Members

Lawrence Davis, *Chair*

Maggie Toulouse Oliver, *Vice Chair*

John Melia

Claudia Armijo

AGENDA

- 1. Roll Call**
- 2. Approval of Agenda**
- 3. Approval of Consent Agenda**
- 4. Current Business**

- | | | | |
|-----------|---|---------------|--|
| A. | 2019 Rules Committee Work Plan | Action | Lawrence Davis,
Rules & Administration
Committee Chair |
| B. | Rules & Administration Committee Charter Review | Informational | Lawrence Davis |

- 5. Other Business**
- 6. Adjournment**

Consent Agenda

Approval of Minutes of November 29, 2018, Rules & Administration Committee Meeting

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



**PERA Board Of Trustees
Rules & Administration Committee
2019 Committee WorkPlan**

MARCH	12	Committee	ACTION: Approval of Draft Work Plan review of Committee Charter
	28	Board	ACTION: Approval of Work Plan

JUNE	11	Committee	ACTION : Adopt Committee Charter ACTION: Approval of Interest Rate Resolutions Review Board Policies & Procedures
	27	Board	ACTION : Approve Committee Charter

SEPTEMBER	10	Committee	Action: Board Policies and Procedures*
	26	Board	Action: Approve Board Policies and Procedures*

DECEMBER	11	Committee	Action: Board Policies and Procedures*
	11	Board	Action: Approve Board Policies and Procedures*

* Subject to the pleasure of the Committee

NEW MEXICO PUBLIC EMPLOYEES RETIREMENT ASSOCIATION RULES AND ADMINISTRATION COMMITTEE CHARTER

I. Statement of Purpose

The purpose of the Rules and Administration Committee of the PERA Board is to:

- A. Consider and recommend to the Board new rules and amendments to or repeal of existing rules governing the organization and operation of the Board and the association.
- B. Consider and recommend to the full Board benefits administration matters requiring specific direction from the Board.
- C. Consider and recommend to the full Board changes and updates to the Board Policy and Procedures.

II. Composition

- A. The Rules and Administration Committee shall consist of:
 - 1. No more than 6 Board members as required by New Mexico Administrative Code, appointed annually by the Board Chairman at the January Board meeting, or as soon as practicable thereafter,
 - 2. A Committee Chair and Vice-Chair appointed annually by the PERA Board Chairman at the January Board meeting, or as soon as practicable thereafter,
 - 3. Board members temporarily appointed by the Committee Chair or Vice-Chair for meetings when no quorum is present.
- B. Committee members shall serve for 1 calendar year, but may be reappointed annually during the January Board meeting by the Board Chairman, or as soon as practicable thereafter.

III. Organization/Meetings

The Rules and Administration Committee or its representative shall:

- A. Publish a Committee agenda prior to each meeting, according to state statute. Formal Committee actions may not take place unless notice of contemplated action is published in the Committee agenda,
- B. The Committee Chairman shall set the agenda, in conjunction with Committee members and staff,

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- C. Meet monthly on the second Tuesday of each month, unless the Committee elects to meet more or less often, or on a different day of the month, but not less than 4 times per year according to statute and rule,
- D. Meetings shall be held according to the requirements of the Open Meetings Act,
- E. Have the Committee Chair or Vice Chair appoint other Board members temporarily to the Committee when a quorum is not present. A quorum shall be a simple majority of the Committee members,
- F. Have its meeting recorded in minutes:
 - 1. Distributed to appropriate Committee members and staff for review prior to signature by the Committee Chair,
 - 2. Signed by the Committee Chair,
 - 3. Available to the general public after being finalized and signed by the Committee Chair, and
 - 4. Approved in open session by the Committee as soon as practical after the regular Committee meeting.
- G. Communicate its actions and recommendations to the full Board as soon as practical. The Committee shall report to the full Board on actions taken in Committee meetings for full Board review.
- H. Compensate its Committee members according to State statute.

IV. Authority and Responsibilities

- A. The Rules and Administration Committee shall have the following authorities:
 - 1. To provide advisory assistance to the Board and PERA management in the development, review, and update of PERA rules,
 - 2. To provide advisory assistance to the Board and PERA management on benefits administration and operational issues,
 - 3. To delegate authority to an appropriate subcommittee, working group, manager, advisor, or PERA management/staff when deemed necessary or advisable,
 - 4. At the direction of the full Board, to direct management on rule-making,

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benefits administration, and operational issues,

5. To hold special or emergency meetings when deemed necessary,
 6. To secure and utilize outside advisors on administrative matters, the benefits system, information technology, etc., with approval from the full Board,
 7. To provide the policy and framework for:
 - a. An effective system of Board Governance and internal controls, and
 - b. PERA's compliance with laws and regulations.
 8. To request and obtain advice, assistance, documentation, or information from PERA, and meet with staff, on Committee related matters as deemed necessary or appropriate,
 9. To have full access to all books, records, facilities, or personnel of PERA,
 10. Other authorities as delegated to it by the full Board.
- B. The Rules and Administration Committee will assume the following responsibilities:
1. Review PERA rules to:
 - a. Ensure fairness and uniformity,
 - b. Determine if there is a need for revision or updating,
 - c. Resolve any conflicts within sections of the rules,
 - d. Include perceived omissions.
 2. Monitor PERA compliance with its rules and Board policies,
 3. Review Board Policies and Procedures every 5 years and recommend to the full Board potential changes and updates.
 4. Review this Rules and Administration Committee charter annually and recommend to the Committee potential changes and updates,
 5. Evaluate its performance annually (self-assessment), according to criteria

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established by the Committee, by its charter, and by Board policies and procedures,

6. Be familiar with the current PERA rules, and governing principles and guidelines,
7. Oversee the system of:
 - a. The administration of member benefits, including the effectiveness of benefits administration, and delivery and quality of member services,
 - b. The timely distribution of member annual statements, 1099R forms, COLA statements, La Voz issues, the CAFR, and other mailings by staff,
 - c. Corrective action on administrative issues and errors,
 - d. Information technology issues,
 - e. Actuarial discussions, if not presented to the full Board,
 - f. Risk management related to administrative issues,
 - g. Compliance with applicable policies, procedures, rules, laws and regulations related to the operations, information technology, and benefits administration areas.
8. Report to the full Board as soon as practicable recommendations on Committee actions regarding,
 - a. Legal proceedings or legislative matters involving PERA, as appropriate or not covered by other Board committees,
 - b. Proposed rulemaking and rulemaking timelines,
 - c. Actuarial issues as appropriate or not covered by other Board committees,
 - d. Administration of benefits, including cost effectiveness,
 - e. Review and recommendation of applicable service providers,
 - f. Status and actions regarding the RIO system.

NEW MEXICO PUBLIC EMPLOYEES RETIREMENT ASSOCIATION RULES AND ADMINISTRATION COMMITTEE CHARTER

9. Insure that Committee members have adequate and appropriate training to carry out its fiduciary duties, according to state statute, PERA rules, and Board policies,
10. Provide leadership in the development of an ethical culture in PERA's benefits administration and operational programs,
11. Perform other functions as required to carry out its fiduciary duties, and as requested by the full Board.

V. Representation/Staff Responsibilities

The Rules and Administration Committee actions will be represented and carried out by:

- A. PERA's General Counsel and staff regarding proposed rulemaking, by:
 1. Tracking perceived or proposed needs expressed by management or staff that may require rule changes,
 2. Propose rulemaking changes,
 3. Setting rulemaking timelines,
 4. Present to the Committee changes for approval,
 5. Assisting in conducting the rulemaking hearings/meetings.
- B. PERA's Executive Director and Deputy Executive Director of Member Services, for,
 1. The administration of member benefits, including but not limited to:
 - a. Member requests for information or benefit estimates,
 - b. Calculation of retirement benefits,
 - c. Determination of eligibility for disability benefits,
 - d. Timely payment of retirement benefits,
 - e. Other functions related to member services and benefits.
 2. The maintenance of PERA records,

**NEW MEXICO PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
RULES AND ADMINISTRATION COMMITTEE CHARTER**

3. The support of member services through user administration,
 4. The training of active members, retirees, and beneficiaries.
- C. PERA's Executive Director and Deputy Executive Director of Operations, for,
1. The administration, maintenance, and security of PERA's information technology assets and membership data,
 2. The maintenance of the PERA building,
 3. Other functions related to operations, information technology, etc.

Adopted this 7th day of Dec, 2010.



Oscar Arévalo
Oscar Arévalo, Rules & Administration
Committee Chair

RULES AND ADMINISTRATION COMMITTEE CHARTER

Section 1

Statement of Purpose

The PERA Board has oversight of the Plan's financial reporting, compliance with laws and policies, and risk management activities. The Audit and Budget Committee assists the Board in fulfilling its fiduciary oversight responsibilities by participating in the selection and evaluation of the System's independent external auditor and the internal auditor, keeping informed of legal and accounting developments that impact the presentation and reporting of financial information, obtaining information or briefings from the internal and external auditors, and working with PERA executive staff to develop recommendations and advice to the Board.

Section 2

Organization/Membership

The Rules and Administration Committee shall be composed of a Committee Chair and Vice-Chair, and members who are appointed annually by the PERA Board Chairman. Members shall be independent and free from conflict of interest, whether perceived or actual.

Section 3

Committee Meetings and Objectives

The Committee's main objectives are to provide general oversight and approval for PERA's rulemakings; provide general oversight and approval of PERA's budget; monitor compliance with the Board's policies and procedures and general oversight governance activities. The committee shall meet, no less than twice a year, to address matters on the committee's agenda in accordance with the open meetings act.

Section 4

Authority and Ethics

The committee shall have the following authorities; to provide policy assistance to the Board regarding development, review and update of PERA regulations; unrestricted authority within the scope of its purview. The committee shall carry out their duties with the highest level of honesty and integrity; act in the interest of the PERA membership; maintain an open avenue of communications with management, staff and the board; and maintain confidentiality and protect the ownership of information.

Adopted this ?? day of March, 2016

Paul Fisher
Rules & Administration
Committee Chair

BOARD GOVERNANCE COMMITTEE CHARTER

INTRODUCTION

The Board Governance Committee has been established to support the Board in promoting the best interests of the Fund, its members, retirees and beneficiaries through the implementation of sound Board governance policies and practices that enhance good, fair and open decision making.

AUTHORITY

To engage professional services consultants and counsel as necessary to assist the Board in its strategic planning and governance activities. All Committee actions must be ratified or adopted by the Board.

COMPOSITION

The Committee shall consist of at least five (5)

members. MEETINGS

The Committee shall meet on an as-needed basis as determined by the Committee Chair in consultation with the Board Chair.

RESPONSIBILITIES

The Board Governance Committee shall have the authority and responsibility for the following:

1. To oversee the Board's policy manual by developing processes to ensure policies are current and that the Board's actions are compliant with such policies.
2. To review and make recommendations to the Board for the format, organization and content of the Board's policies.
3. To review the overall effectiveness of the Board and recommend improvements where warranted.
4. To recommend changes in the structure of the Board meetings and the preparation of materials and records of Board actions.
5. To oversee and facilitate educational opportunities for Board members.
6. To recommend the roles and responsibilities of the various committees of the Board.
7. To oversee the process for the election of those Board members elected by members.
8. To review and recommend to the Board the Delegation of Authority to the Executive Director.
9. To identify the need for and to recommend to the Board positions on proposed legislation relating to Board governance.
10. To adhere to the Risk Management Policy established by the Board.
11. To review emerging and significant risks specific to the area of responsibility of the Board Governance Committee and to report those risks to the Board.