

1. **CALL TO ORDER** by President Michael J. Francis at 9 am.
2. **PLEDGE OF ALLEGIANCE**
3. **MOMENT OF SILENCE** in honor of deceased RPENM members
4. **ROLL CALL OF RPENM BOARD OF DIRECTORS**

Current Board of Five: Michael J. Francis, President; Dr. Lee Caruana, 1st Vice President; Barbara Castillo 2nd Vice President; Michael Hansen, Treasurer; and Jason Quintana.

RPENM Executive Director: Miguel Gómez.

5. APPROVAL OF AGENDA

Changes in order of today's agenda: Motion approved to have early #8 - Retiree Health Care Report, since Doug Crandall is leaving the board; followed by #10 - Introduction of New Board Members.

8 - RETIREE HEALTH CARE AUTHORITY REPORT by outgoing member Doug Crandall

Update on solvency of the RHCA fund: He is happy to report that he is leaving with knowledge of \$1.4 Billion in the fund, vs. 114 Million in 2006. While it was considered solvent for only 4 years in 2014, today (2023) we are at 30 + years.

It is a great PERA Board with representatives from: the Municipal League; Finance knowledge from the City of Albuquerque; State Treasurer; and a former ERB Investment Officer. They make tough decisions. The Retiree Health Care Authority (RHCA) is a small organization with 27 full-time employees.

Ten percent of all NM adults are affected the plan, both current retirees (often with families to support) and future retirees. Thus challenges ahead: sustain fund AND still have an affordable Retiree Health Care. Tools to do this: raise rates and lower copays; change ages of eligibility.

Recent proposal to increase 2 percent with Employer: 1 percent Employee was shot down, but would have sustained us for years. Even the legislature approved increases of 1/2 % for employers and 1/4% for employees in 2022, but was not signed by the governor.

Tax Revenue Fund is UP, but state legislature will not give us \$1Billion, so raising the rates may be the only way. Important to understand that the Retiree Health Care

Authority is NOT constitutionally protected. In contrast, ERB and PERA are protected. RHCA began in 1990, and it has survived issues to starve us out! So pay attention. We may need to consider raising rates.

Also, it may be appropriate for RHCA to get our own investment advisors. Before Doug's tenure, investments were only stocks and bonds, but the State Investment Council calls the shots.

Some history of Retiree Health Care Authority: it started in Deming in 1960, around a coffee table. They formed a chapter first, and then went statewide. At the time, retirees had to be age 65 or older for health plan.

Fortunately, RPENM representation is statutorily allowed on the Retiree Health Care Authority Board. So we now have two retirees serving; however we should have FIVE members, to equitably represent 50 percent of the retirees in the state.

Biggest challenge now: Replacing Doug Crandall. He suggests Dr. Lee Caruana for the Retire Health Care Board, and recommends him now for the RHCA meeting in July in Angel Fire. (The RPENM Board later voted to have Dr. Caruana replace Mr. Crandall, outgoing RPENM member.)

As for the COLA - cost of living adjustment - we got it originally, but then it was taken away. During governor Bill Richardson's time (1990s) he said RHCA was solvent for 25 years (but neglected to say that was only IF 30 % of retirees used the plan). Truth: There was only four years left. Bottomline: Retire Health Care is not sustainable without the increase we want to have: which is to be greater than FIFTY percent funded.

Utilizing the Prudent Person Rule: it applies to ALL state agencies. We have authority!

(Definition: The prudent person principle stipulates that insurers may only invest in assets and instruments whose risks the undertaking concerned can properly identify, measure, monitor, manage, control and report and appropriately take into account in the assessment of its overall solvency needs.)

Doug Crandall recommended future actions:

- 1. Full time lobbyist - not just January and February.**
- 2. A Constitutional Amendment guaranteeing health care for all retirees, and would not require the governor's signature.** However, it does require a majority vote in both legislative chambers (House and Senate). The governor would not have veto powers in this instance. Once passed by the Legislature, then this goes to NM's voters for approval.

10 - INTRODUCTION OF NEW BOARD MEMBERS:

A. Brief introductions by RPENM's seven new board members, followed by a brief swearing in ceremony.

1. **Melanie Deason, Roswell:** Retired on disability after career as grant writer with State of NM. Lived 25 years in Santa Fe; relocated to Roswell 12 years ago for a more affordable cost of living. Grateful for PERA's pension as Social Security alone is not enough. Missing COLAs do matter.
2. **Alejandro 'Alex' Marentes, Albuquerque:** Retired from Police after 40 years; APD reality-based policing includes Mexican cartels. Active in Fraternal Order of Police.
3. **Pete Mileta Jr., Raton:** Fifteen years with Department of Transportation. Then Engineer with City of Raton; ten years with Public Works; plus City Manager.
4. **Gene Moser, Albuquerque:** Human Resource Manager; State Personnel Director; and Legislative Finance Committee Analyst with pensions.
5. **Adoph Zubia, Las Cruces/Hatch:** Retired as City Fire Chief 13 years ago. President of Fire Chiefs and Marshals. Activist so voices are heard: important to be fair and reasonable.
6. **Patty French, Albuquerque:** Retired from City of Albuquerque's Police Department. PERA Board member for 16 years and former Chair. Board member and President of AFSCME four years; lobbyist. Opposed Gov. Richardson's attempt to kill retire health care.
7. **Donald L. Wencewicz, Albuquerque:** Until 1979 was an Air Traffic Controller. Then Supervisor of Records with City of Albuquerque. Retired from Albuquerque Airport after 12 years. Union member with AFSCME and active locally with RPENM.

6. WELCOME AND INTRODUCTIONS of the RPENM Board:

A. RPENM is now meeting as a board, in person, after two + years of delays with Covid. Hopefully our in-person audience will also increase.

B. At the previous night's RPENM Board meeting, two members announced they were leaving the board: Doug Crandall, our member on the RHCA board; and Joel Pafford, who stepped down as President of RPENM's board a year ago, but remained on the Board for another year as the Immediate Past President until June 10, 2023.

C. The following members were re-elected to their positions:

Michael Francis of Dona Ana - re-elected as President.

Lee Caruana of Raton - re-elected as 1st Vice President. He is also President of Local Chapter 18 in Raton, with over 70 members and growing. This effort should encourage more chapters to form around the state and increase membership.

Barbara Castillo of Raton was re-elected as 2nd Vice President.

Michael Hansen of Albuquerque was re-elected Treasurer.

Jason Quintana of Mountainair was re-elected as a board member. He is a 2016 Department of Transportation retiree, who stresses the importance of going to the legislature in-person, as it will be more effective to get things done.

7. 2023 LEGISLATIVE REPORT by Miguel Gómez, Executive Director

A. Recent history of attempts to make changes of the PERA Board have been defeated over the past three years and appear to be defused, and hopefully put to rest for the foreseeable future. SB 72, the landmark legislation of 2020, that RPENM opposed, and permanently changed the way the COLA is calculated, is probably still the most pressing issue for members. This legislation changed the COLA from a set 2 percent to a COLA based on a formula calculated by how the retirement fund performed over a four-year average. Our recent 0.5 percent increase was a poor increase, though it is something.

B. Representative Lundstrum of Gallup sponsored legislation this session (2023) that would provide the regular COLA based on the 2020 legislation (.5% for this year), but would also provide a 13th check of two percent. The 13th check would not be compounded (in our pensions over time), but would give a little relief to retirees.

C. As Doug Crandall mentioned: Increasing funding for Retire Health Care passed in 2022, however the Governor vetoed it, although there was strong bi-partisan support for the legislation. Our goal should be to get it in the framework before the next session (2024). While getting the 13th check is not our first choice, it may be the better strategy for retirees, than the COLA reinstatement, as a realistic option that can pass the legislature and then be signed by the governor.

D. Lively discussion from the members in audience and some of RPENM board:

*** HB 210 was the Lundstrum bill number this year,** but the specific bill number and possibly sponsor may change in the future.

*** Regarding Governor appointments to the PERA Board: we were successful in defeating this legislation for several years in a row - in efforts to make it NON-partisan.** The former sponsor, Representative Anderson was defeated as well as another key supporter, the former speaker of the House, is no longer in the legislature. We also believe the Governor will not support this legislation in the future.

*** Instead state funds are being sent out: \$1K checks/couple; \$500 for adults.** Question however: is that for the greater good? Is it to buy votes or not? Many retirees get less. The retirees need a livable increase. People need to be taken care of.

* **Steven Astorga comments:** ASFCME retiree and President of ASFCME Retirees organization who is retired from four different locations, therefore has an excellent retirement already. Last session with SB 210, COLA increased, but it put caps on the aging retirees. Is this age discrimination? He is also running for PERA's Board of Retirees.

* **The 2020 legislation contained a provision for retirees earning less than \$20K/year** and that had worked at least 20 years, and would receive the usual 2% COLA for the next three years (2021 and 2022). Also, retirees that were 70 years old at the time the legislation went into effect, received the 2% COLA (for same 3 years). Beginning in 2023, however, all retirees will receive a COLA based on the new formula contained in the 2020 legislation, i.e. based on the performance of the fund (4-year average) and the level of the overall fund. Thus, no two percent for these other categories.

* **Returning board member, Patricia French, believes the 13th check is not good because only COLAs will get our pensions to increase.** How much of our retirement fund is supporting other problems?:

- * \$6 million in unfolded debt being put on retirees backs.
- * Cannabis \$money is helping if used.
- * Need actuarial numbers to justify our concerns, and then testify of the benefits.
- * Get SB 72 reduced and put responsibility where it should be.
- * Age 75 and older treated differently vs with SB 72 get all the benefits regardless of age.

* **Additional discussion was moved into New Business.**

9. TREASURER'S REPORT by Michael (Mike) Hanson

A. Income: Every July, \$30 is pulled from retirement checks of members that have opted to pay their RPENM membership dues utilizing this process, which is the overwhelming majority of our members. Approximately 3716 members translated to \$111,480 received last August. RPENM currently has approximately 5000 members. Members also have ability to pay dues on the website and we generate a significant amount of new members and dues through this process.

AMBA provides approximately \$7500/year as well as a significant number of in-kind services, which amounts to a significant contribution.

B. Expenses: See four-page Treasurers Report for details.

Rent is now \$450/month at the FOP site where we are having our RPENM meetings. (vs. AAA was 3 x that.) Other fixed expenses are monthly vs State taxes quarterly. Verizon for phone; liability insurance and property insurance. The Treasurer receives a small stipend for all the additional work performed

throughout the year. Payroll taxes are increasing with inflation - to be discussed at next budget meeting.

C. Bank balance \$153,266 - includes checking and savings, presently at Rio Grande Credit Union.

D. Fiscal Management: Schlenker & Cantrell does taxes for RPENM. As Treasurer, Mike Hansen signs 1099s and W-2s one time a year in January. Camilla Garcia is our CPA and does our Financial Reporting, including our quarterly reports. She is presently running behind, including the December quarter. It's on an Excel spread sheet.

E. RPENM has two part-time employees: Michele Benavidez provides very limited data and other services and Miguel Gómez is the ED. These salaries are fixed expenses using 1099's for non-employee compensation. (See quarterly reports.)

F. Treasurer has concerns about Rio Grande Credit Union: Suggests Nusenda for better technical support, transfer of funds, bank balance and payroll. Difficult to get return calls and even in-person support. He investigated four other credit unions and believes Nusenda would be the best choice for now. If approved, we will need a new checking account and checks. Motion requested.

Motion: Request Approval of switching from Rio Grande Credit Union to Nusenda Credit Union. Motion Seconded, and approved.

G. RPENM pays a small fee to a company to process: member payments 'not' on auto-pay, or for new members going to through the website. These show up on our bank account as "STRIPE".

H. PERA did not distribute funds for one year, but RPENM helped elect a new PERA board and worked with the PERA board and PERA staff to reestablish the automatic deduction process through PERA. One lasting change is that PERA now charges a small fee to distribute our members fees through this process and no longer provides some services, such as death notices.

11. MEMBERSHIP INPUT AND QUESTIONS

A. More comments from the audience:

- * Two members had similar concerns of not being treated well at Rio Grande Credit Union - it's just about the money coming in.
- * Why fee of \$1200 with PERA to get these funds from employee deductions? Answer: Prior agreement, less than 1 percent.
- * Why can't we get access to names/# of all retirees? Answer: Past abuses of list by others, so cannot access it now. Kept confidential by PERA.
- * Claudia Armijo, Chair of the PERA Board, and attorney, is present on behalf of herself/not RPENM. She will look into 'statutory release' and what the law allows.

- * This organization should do more to reach out to those on verge of retirement. And not put active workers against retirees. Build coalitions and reach out to the four corners of the state and protect PERA.
- * Ann Crandall often stuffed info into retirement packets. But now hard to reach retirees since PERA won't release the names.
- * Suggestions to reach out both before and after retirement: Round the Roundhouse - advertise, set up tables/booths at the legislature; put in the emails we send out to known members.
- * Retiree Health Care will allow us to come to their meetings.
- * Income from AMBA is \$7500/year.

B. COLA Committee: 0.5% discussed but concerns regarding why those working now can go 30 years and get 100 % funding. How to justify that since 100% funding in the future won't help existing retirees. We'll be paying for it with lost COLA's.

Answer from Mike Francis: Push the Albuquerque Fire Fighters Union, and others to understand that that 100% pension hurts the PERA plan worse than what existed prior. Presently, as legislation is written, the COLA's are based on the fund's rate of return. Most retirees are now \$60K - \$90K salaries, and won't have proportionally contributed to the retirement fund, yet will be paid as if they did. Not fair nor is it sustainable for new retirees to receive 6-7% salary raises, but retirees are getting Zero!

C. More lively discussion among audience members:

- * Patty French: board should pay to get actuaries, plus the impact of those facts.
- * Retired Fire board member: fights with own fire union, gets only a small interest. Recent 56 hr work week with 8% increase in pay. He argued against SB 72 because it would negatively impact the overall pension. Slippery slope!
- * Tension between retirees vs working PERA funders. Need unity/coordination together.
- * Need for outspoken retirees on the PERA board, plus one more member on it.
- * A constituent of former Representative, Phelps Anderson in SE NM, believes his influence with fire/police unions is still happening. Few years ago, she spoke at length with him when he attempted to introduce 'tricky' bills - fortunately blocked in committees. Although he's gone, she believes Anderson's 'fingerprints' are all over the contentious legislation. Pay attention.
- * RPENM board member (Fire retired): Fire got a pension based on their overtime according to a 56 hour work week plus an 8 percent pay increase. He argued against it because it will impact all pensions. This is a slippery slope!
- * How can PERA realistically pay pensions that are larger than when the person was working? And only have to be 70 years of age. It helps the 6 figures, but not the average person.
- * Now need 30 years to get 75%. and also eligible for 100%.
- * Vs. Before 2013, retired at 25 years with 75%. Without COLAs, stagnant retirement.
- * A retiree from Personnel Management mentioned: Vacancy rates are high - at 25 to 40 percent - in state government, so using argumentation (consulting services) and

travel nurses. Purpose is to stop salary increases of state employees. If that is the future, then those agencies should be paying a percentage back into the retirement fund. Why? because if these were 'traditional employees' they would have mandated percentages going into the retirement fund. Otherwise, living in the building but not paying their fair share. With NM's prior Governor there were very high vacancy rates, but if looked deeper into the budget, a select few were receiving the high salaries.

- * Retired teachers going back to the work still have to pay into retirement, but contract workers are not required, yet are receiving the state's funds. State monies should be for paying state workers, not contractors.
- * New graduates from college become travel nurses, get twice the salaries. Travel nurses pay is \$5,000 in Tennessee, but their housing eats up much of it.
- * LFC should budget the positions needed vs. Presently inflate salaries and leave the jobs vacant.
- * Las Cruces retiree: worked state government, CEO with District Attorney and Judge. Retired at age 50 with 25 years, and was a "double dipper" until two years ago, so receives a second retirement check since grandfathered in. She feels it is a privilege as a retiree, yet was lucky for another 15 years = 40 total. She has never understood how retirees and PERA are not well-connected for the greater good. Lets move forward!

12. OLD BUSINESS:

A. Future Strategy of RPENM Board to deal with COLA issues: Should there be a max limit on \$150K annual salaries, because these are NOT normal? Retirees in smaller towns aren't making these high salaries. Vs. Keep the 13th check concept. Or, return to annual 2 percent for those with smaller pensions. Example: retiree had to resign from RPENM because she could NOT afford the extra \$7/year for our \$30/year membership.

RPENM's Goals/Strategies Committee will meets within 60 days. Members are: Patty French, Adolph Zubia, Mike Francis, Lee Caruana, and Alex Marentes.

B. AMBA Mailing: Concerns that the recent insert included in the AMBA mailing is not what was requested at prior board meetings. Intent was for a card inserted with the AMBA mailing, that asks existing RPENM members to help us find other members - and join us. The insert's purpose was not to rally for joining AMBA for helicopter insurance. Instead, idea is to recruit new members, chapter development, etc. Maybe a postcard format to mail back with potential new member info.

C. The importance to build RPENM chapters in the various communities: But how to find others?

Albuquerque chapter is very weak, vs Raton is over 70 strong. Unfortunately, old days of having the list of retirees is not possible - due to misuse and selling of the lists. We don't even know who has passed away.

While the AMBA mailing might be helpful, since they use RPENM's 4000+ person mailing list, realistically RPENM should grow via newsletters and chapters/contacts by region. How to implement this? It is important that communication be expanded to help the goals of the organization.

D. Any way to have La Voz newsletter include a brief advertisement that serves all retirees? Suggest it provide contact info for websites of ASFME and RPENM and other (ERB) retirees. This lets them find us via the respective websites, and makes it easy for them to join us as dues paying members.

E. Possible solution for outreach to current RPENM retirees: Since we send out legislative alerts, we already have our members' emails. Send out a group email to all our RPENM retirees, asking them to form local chapters. Important to include a link that allows them to identify their location - town/city or county - and possibly list their board member or another contact person in their area to spear-head the chapter. This avoids our Executive Director having to manually read 4K possible email responses and create regional groups.

13. NEW BUSINESS:

A. Request for a RPENM board member to be the Secretary. Melanie Deason, new member from Roswell, volunteered. Minutes will be posted on the website. Miguel suggested the possibility of small stipend for her services. To be determined.

B. One member believes there is an urgent need to update the website and believes 2015 appears to be the theme of recent activity. Comment from the floor: Every Board member and every page is very much out of date. Needs regional contacts for chapter growth; joining by check (not just online); recruiting new members; etc. Look at the ERB website - it's classy!

Who is the IT manager for this website? Get it updated. And use a constant google group list, to reach our members.

C. Treasurer's Report will be available Quarterly and only for the Board. Future meetings - please make enough copies for board members.

D. Need to stagger the Board terms or dangerous precedent (critical knowledge lost) should every term expire together. History: with Covid delay on meeting, it became the same four year 'start/end' dates. Current board is now full at twelve members; lists will be created regarding their years of service. Next meeting of board will get the board terms staggered, and get us back on track. Be ready to volunteer for two-year terms. (Concerns expressed outside meeting: the President is only a two-year term, and not enough time to accomplish goals. Would require change to bylaws.)

E. Meetings are to be available on Zoom. Last meeting was accidentally not recorded, although was Zoomed for statewide attendance. This time - AMBA representative notified us only the day before - not available. Important we have transparency for membership participation. Fortunately, we had a larger group of members in attendance. Approximately 50 RPENM members attended in person.

F. Dr. Lee Caruana as replacement for outgoing board member, Doug Crandall: Motion to appoint Dr. Lee Caruana as NMRHCA (NM Retire Health Care Authority) member. Motion carried, with Dr. Caruana (1st Vice President) abstaining the vote.

G. Date of Fall Meeting: Saturday, October 21, 2023, likely at 9:00am at the FOP hall/large meeting room (4120 Cutler Ave., NE, Albuquerque, NM 87110) There will be some snacks provided, plus door prizes etc. With potluck after the meeting. Intent is to meet one another and network, and grow the organization.

Committee for potluck coordination: Patricia French, Melanie Deason and Mike Francis.

14. ADJOURN

Meeting adjourned at approximately 11:40 pm.

Minutes respectfully submitted,

Melanie Greer Deason, RPENM Secretary