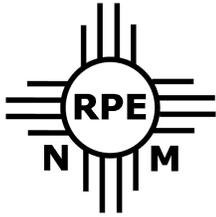


# RPENM News



## Board of Directors

### Officers

Richard Baca  
President

Ann Crandall  
1<sup>st</sup> Vice-President

Manuel Gonzales  
2<sup>nd</sup> Vice-President

Isabel T Clendenin  
Treasurer

LaRue Goodheart  
Secretary

## Board Members

Eley Bourguet  
Betty Boxx  
Wesley Brown  
Wm Oscar Jordan  
Charles (Rick) F Mack  
Victor Montoya  
Jerry Rael  
James F Robles  
Paul Torres

## Executive Director

Doug Crandall

## RPENM Office

505-280-8459

## E-Mail

RPENewMexico@aol.com

## Letter From Your President

Another new year is well underway as I am writing this, and I hope that you and your family had a wonderful Holiday Season!

There have been many changes in the short time since I became your President and I am excited about the direction RPENM is heading. Our membership is once again growing after a period of stagnation. More important, our Board is taking a more active role in shaping RPENM's future.

Last October the Board met in Ruidoso to discuss ways to increase membership and revenues of the organization. Dozens of great ideas came out of that meeting, many of which will be put in place this year. It is imperative that we

continue to grow and that we continue to explore new revenue sources if we are to continue to be successful in our main mission – the protection of the PERA trust fund, and affordable and available health care for all of New Mexico's retired public employees.

I was disappointed last year that Governor Richardson vetoed our request to have access to PERA's list of retirees. Although prospects do not look good for changing the Governor's mind in the short session this year, we will continue to lobby to regain the access we had until 1999. Recruiting is essential for the very survival of RPENM, and the PERA retiree list is the best recruiting tool available. If you

Continued On Page 2

## PERA News

PERA assets soared in 2003 as the fund approached \$9.2 billion. This is a gain of more than **\$1.5 billion** in just over a year! According to PERA Investment Director Bob Gish, this is the second biggest percentage gain in PERA's history with a 21% increase over the previous year. The only year that PERA did better was 1995 when the fund gained 27%.

Gabriel, Roeder and Smith, PERA's actuaries, reported that the overall funding of the plan was down to slightly over 95% of assets to liabilities. Actuarial valuations are determined over a four-year period to moderate stock and bond market fluctuations, so current valuations reflect at least two years of down markets. Retiree assets remain in a separate, fully funded account.

RPENM Board Member Victor Montoya was elected to a second, four-year term to the PERA Board last fall. His new

term begins in January. Victor is also a member of the NMRHCA, serving on the investment committee of both agencies. Thanks to Victor for his hard work on behalf of all retirees! Jeff Varela was elected to a third term as PERA Board Chair in January.

Continued On Page 2

## Web Sites Of Interest

PERA : [www.state.nm.us/pera/](http://www.state.nm.us/pera/)

RHCA: [www.nmrhca.state.nm.us/](http://www.nmrhca.state.nm.us/)

ERB: [www.era.state.nm.us/](http://www.era.state.nm.us/)

Soc Sec: [www.ssa.gov/](http://www.ssa.gov/)

RPENM: [www.rpenm.org/](http://www.rpenm.org/)

## Letter From Your President - Continued

know the Governor, tell him we need his help!

We are also very concerned about the proposed elimination of the New Mexico Retiree Health Care Authority as an independent agency to become just another part of the State's Risk Management Department. All RPENM members and retirees are urged to contact their State Representative and State Senator to oppose this legislation.

As you probably know by now, Luke

Quniones, RPENM past President and RPENM representative on the NM Retiree Health Care Authority Board, has resigned to spend more time with his family and other pursuits. Luke worked tirelessly on behalf of RPENM and I would like to thank him for his service and wish him all the best in the future!

Mark your calendar! **RPENM's annual meeting** will be held at the Uptown Sheraton in Albuquerque on **May 14-15, 2004**. It should be both fun and informative and I hope to see you there! ■



**Richard  
Baca,  
President**



## PERA News - Continued

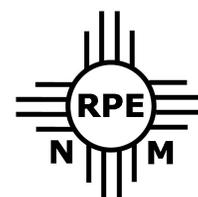
It should also be noted that the second retiree position on the PERA Board (which was added as a result of RPENM's efforts) will be up for election this year. The position is currently held by Jerry Rael, who was appointed by

the Board to replace Fabian Chavez. Jerry, who also serves on the RPENM Board, previously served two terms on the PERA Board as a State member. ■

## RPENM Annual Meeting Set For May 14-15 In Albuquerque

RPENM Board member Betty Boxx is spearheading the 2004 RPENM annual meeting to be hosted by Chapter 5 in Albuquerque. The meeting will be held at the Sheraton Uptown at Louisiana and Menaul, across the street from Coronado Mall. Betty and her volunteers have been

working hard to assure that this meeting will be well remembered by all in attendance. Details of the meeting will be provided in the next newsletter sometime in early April. **Mark your calendars now to attend!** ■



**Annual Meeting**



## Former RPENM Members Solicited

Former RPENM members who dropped out for various reasons were invited to re-join as part of a wide scale mailing. Included in the mailing was a current newsletter as well as a personal letter and a membership form. The mailing was directed mainly at those RPENM members who dropped out when PERA

changed **automatic dues** deduction from \$1 a month to \$12 annually. Over 50 prior members rejoined due to our recruiting efforts, and the mail out was considered a success! Thanks to the RPENM Membership Committee for help in this endeavor! ■



Focus  
On  
Recruiting  
And  
Funding

## Strategic Planning Session Held In Ruidoso

The RPENM Board of Directors held its first ever strategic planning session in Ruidoso on October 8, 2003. Rick Mack, RPENM member and professional trainer, voluntarily facilitated the 4-hour meeting as each board member was asked to contribute ideas designed to gain membership and/ or to improve our funding picture.

Among the ideas for increasing income were soliciting advertising for the newsletter and finding corporate sponsors to underwrite the annual and fall meetings. Membership strategies included educating and recruiting current PERA employees before they retire and offering a benefit, such as a small insurance policy, to attract and retain membership. Local chapters are also an important tool in recruiting members. The

board determined that it was crucial that all chapter members become members of the state association as well.

Another issue of discussion was to form an alliance with the Association of Educational Retirees (AER), the ERB counterpart to RPENM. Many issues such as solvency of our respective retirement funds and the New Mexico Retiree Health Care Authority are important to both agencies, and by combining our membership and resources we could better influence the Legislature and the Governor. AER and RPENM worked together in successfully promoting the passage of Constitutional Amendment 4, protecting the ERB and PERA retirement funds. ■

## Fall Board Of Directors Meeting Highlights

The annual Fall Board Meeting was held following the strategic planning session in Ruidoso. Major topics of discussion included another attempt at passing legislation to obtain the list of retirees from PERA for recruiting purposes only. Legislative committee Chair Oscar Jordan outlined several important points to discuss with Governor Richardson before any bill is written and submitted.

Another issue of importance is the content of Chapter newsletters. It is important that such newsletters reflect the mission of RPENM and do not become politically partisan. At the request of President Richard Baca and the RPENM board, Executive Director Doug Crandall sent a memo to each Chapter regarding such political content in Chapter newsletters.

RPENM's bylaws were amended at the annual meeting in Las Cruces last year, setting four-year terms for all board members with elections being held every two years. In order to accomplish this, board members who run in 2003 will be elected to a three-year term. Those elected in 2004 will be elected for four years. Bi-annual elections will begin in 2006. The goal behind the change was to significantly reduce the cost of holding elections.

Lucio (Luke) Quinones, long time RPENM representative to the New Mexico Retiree Health Care Authority Board, resigned his position at the meeting in order to spend more time enjoying retirement and his family. Luke later resigned from the RPENM Board as well, though he remains an active and enthusiastic member of RPENM. ■



Meeting  
In  
Ruidoso,  
New Mexico

## Rick Mack Named To NMRHCA Board of Directors

Rick Mack was named by the RPENM Board to replace Luke Quinones as the RPENM representative to the NM Retiree Health Care Authority Board. Rick is an active member of the RPENM Aging and

Health Care Committee, has been attending NMRHCA meetings on a regular basis, and is knowledgeable of health care issues affecting all retirees. ■

New  
Board  
Member

## NMRHCA News



PERA wasn't the only fund that has done well over the past several months. According to RPENM's representative Rick Mack, assets of the NMRHCA increased from less than \$110 million in August to well over \$115 million by year's end. The best performing sectors were non-U.S. investments and high yield bonds.

In a major development, Wellcorp has been hired by the NMRHCA Board to assess all of the health care options

offered by the authority and to come up with a strategy to cut down on costs while providing more comprehensive health care, including disease management. One of Wellcorp's key goals is to get participants to recognize NMRHCA as a brand in itself, instead of merely the administrator of various health plans. Wellcorp will be paid \$1.2 million, with a guarantee that they will save NMRHCA at least that amount during the contract period. ■

## Retiree Health Care Alert

Another less promising potential major development is that legislation had already been drafted to combine NMRHCA with several other State health care plans as the Health Care Purchasing Authority. **This legislation would essentially eliminate NMRHCA and will provide for only one PERA retiree member on a 22-person board.**

The RHCA Executive Director, Milton Sanchez, met with Ms. Jessica Sutin, the Health Policy Advisor appointed by the Governor, to discuss the effect of the new legislation on NMRHCA. The meeting was not encouraging. It is not clear that the new proposal will save money and there are major problems with the proposed legislation, including what happens to money in the RHCA fund, and who will control it. As the legislation is currently written, the director for this new

agency will have the sole authority to invest all the plan's money. This puts much too much power in the hands of a single individual!

The NMRHCA Board called an emergency meeting on January 13, 2004, and voted unanimously to oppose the proposed legislation. Other agencies are also lining up against this ill timed and ill conceived plan, which is supposed to take effect this coming July 1<sup>st</sup>! This is the sort of legislation that needs to be thoughtfully considered and discussed with all effected individuals and groups, which has not been done. **RPENM members are strongly encouraged to contact their State Representative and State Senator and to tell them to vote against this attempt to eliminate the independently run New Mexico Retiree Health Care Authority!** ■

Contact  
Your  
State  
Rep  
And  
Senator

Special  
Thanks  
To  
Jim Robles  
And  
Chapter 2

## Las Cruces Joins NMRHCA

In a surprise move, the NM Retiree Health Care Authority accepted a proposal by the City of Las Cruces to join the NMRHCA health plan! RPENM Board member Jim Robles had been a leader in the attempt to link Las Cruces to NMRHCA. Las Cruces had originally passed on joining the authority when it was first available, choosing instead to offer their own plan to retirees.

As more Las Cruces city employees retired, the cost of their own plan became prohibitive, but the cost of joining

NMRHCA was equally daunting. The NMRHCA finally agreed to allow Las Cruces to join with an up front payment of \$2.5 million. The Las Cruces City Council approved the arrangement, issuing a bond for the payment.

***Special thanks to RPENM board member Jim Robles for his commitment and dedication in getting this very important issue on the table at the NM Retiree Health Care Authority! ■***

## Message From The Executive Director

I would like to take this opportunity to thank all of RPENM's loyal members for assuring us a successful 2003! Overall statewide membership has increased by nearly 20% since January of 2002, and the ideas generated by the RPENM Board and members attending our first ever strategic planning session are sure to increase membership even more in the near future.

Many challenges confront RPENM this year. Once again, we will ask the Legislature to pass a bill allowing us access to PERA's records for recruiting, and once again we will try to convince the Governor that RPENM should be afforded the same access to PERA's records as AER (Education Retirement Association) is allowed to the ERA retiree files. There are nearly 20,000 PERA retirees, yet RPENM has approximately only 4000 members. It is

important that we get our message to all retirees, and obtaining this list is the first important step for new membership!

Other issues that will be addressed this year include finding sponsors for our meeting, soliciting advertising for our newsletters, and exploring the possibility of offering a tangible benefit such as a small insurance policy, for RPENM members.

Don't forget that elections for RPENM Board members will be held this spring. Anyone interested may contact me or any Board member for information regarding time commitments and other information. Please think about running for a position on our state RPENM Board of Directors, we need your help! ■



Doug  
Crandall

Where  
In  
The  
World  
Is  
RPENM?

## You Can Find Us On The WEB

In the last newsletter we mentioned that we would soon have a presence on the World Wide Web. Our web page will be a continuously evolving site where you'll be able to go for the latest news affecting public retirees.

Interested in getting the RPENM News via e-mail? Let our Executive Director know. You can find him at:

[www.rpenm.org](http://www.rpenm.org)  
or at the address on the front page.

