

MINUTES OF THE
NEW MEXICO EDUCATIONAL RETIREMENT BOARD
TELEPHONIC/VIRTUAL MEETING

June 19, 2020

1. a. ROLL CALL: QUORUM PRESENT

A Regular Meeting of the New Mexico Educational Retirement Board was called to order on this date at 9:00 a.m. via teleconference. A quorum was established following roll call.

Members Present:

Ms. Mary Lou Cameron, Chairwoman
Mr. H. Russell Goff, Vice Chairman
Mr. Larry Magid, Secretary
The Hon. Tim Eichenberg, New Mexico State Treasurer
Mr. Adan Delgado, Deputy Secretary, PED
Dr. Donald W. Duszynski
Mr. Steven Gluckstern

Members Excused:

None.

Staff Present:

Ms. Jan Goodwin, Executive Director
Mr. Rod Ventura, Deputy Director
Mr. Bob Jacksha, Chief Investment Officer
Ms. Susanne Roubidoux, General Counsel
Ms. Elena Cardona, Deputy General Counsel
Mr. Lawrence Esquibel, Chief Information Officer
Ms. Liz Lorang, Executive Assistant, Board Liaison
Ms. Monica Lujan, Director, Member Services
Ms. Norma Henderson, CFO
Ms. Karla Leyba, Bureau Chief, Member Services

Others Present:

Mr. Allan Martin, Investment Advisor, NEPC
Mr. Sam Austin, NEPC
Ms. Chelsea Canada, Analyst, LESC
Ms. Patricia J. Turner, ERB Contract Attorney
Ms. Judith Beatty, Board Recorder

b. Approval of Agenda

Mr. Goff moved approval of the agenda, as published. Mr. Gluckstern seconded the motion, which passed by unanimous roll call vote, with Chairwoman Cameron, Mr. Goff, Mr. Magid, Mr. Eichenberg, Mr. Delgado, Dr. Duszynski and Mr. Gluckstern voting in favor.

c. Approval of Minutes: April 17, 2020

Dr. Duszynski moved approval of the April 17 minutes, as submitted. Mr. Eichenberg seconded the motion, which passed by unanimous roll call vote, with Chairwoman Cameron, Mr. Goff, Mr. Magid, Mr. Eichenberg, Mr. Delgado, Dr. Duszynski and Mr. Gluckstern voting in favor.

d. Introduction of Guests

Chairwoman Cameron welcomed guests. She noted that 107 people had joined the meeting at this point.

2. PUBLIC COMMENT: 9:10 – 9:50 a.m.

Chairwoman Cameron asked that topics raised by speakers be related to the Educational Retirement Board and that remarks be kept brief and concise in light of the long agenda. She said this portion of the meeting would be limited to 30 minutes, after which she would close the public comment portion of the meeting. She said the board was present to listen to comments but would not be taking any action based on those comments, as board meetings are conducted in accordance with the Open Meetings Act, which requires that any action items be posted at least 72 hours prior to the meeting. In addition, the Open Meetings Act does not permit the board to take action on items not posted on the agenda.

Chairwoman Cameron asked that speakers defer any comments about the rule hearing until that portion of the meeting (Item 4).

Louise Kahn

Ms. Kahn stated that she has been a community health nurse, nurse educator, and nurse practitioner in New Mexico for over 30 years, about half of them with nonprofit community organizations and half at UNM Health Sciences Center, as a clinician and nurse educator. She currently volunteers for coronavirus-related efforts in the homeless population with the Medical Reserve Corps in Bernalillo County, as well as contract tracing with the Navajo Nation and Arizona Medical Reserve Corps. She said New Mexico had its first COVID-19 death in a private prison in New Mexico this week, and conditions inside the private prisons are reported by inmates and advocates to be dangerous. In addition, there are questions about the accuracy of ICE data and little transparency, so actual numbers are not known. She said she volunteered with interfaith groups in Albuquerque last year to provide healthcare to hundreds of asylum seekers coming through Albuquerque. She wonders how many made it safely to their families and sponsors and if any are in the private for-profit detention center that her retirement funds are invested in. She would like to know what percentage of her pension check comes from those stocks so she can donate that to organizations fighting imprisonment of asylum seekers. She said she would like to honor her Jewish ancestors who did not survive the Nazi regime by demanding that the ERB divest from private prisons. In addition, the other pandemic ailing the U.S. is racism, and thought the ERB would have an amazing opportunity to help dismantle support to the racist structure

that destroys detains children and profits from human misery. She urged the ERB to be on the right side of history and divest from private prisons now.

Mirle Hernandez, teachers against child detention

Ms. Hernandez said she retired from APS in July 2019 after 28 years of service, working as a bilingual teacher and bilingual coordinator for 26 years at a Title I school. She is an immigrant from Venezuela who briefly lived in fear when she was undocumented. She became a U.S. citizen two years ago. She stated that, during her years as a teacher, she personally welcomed families, including many immigrant families, assuring them that the school was a sanctuary and the community valued them. At the school, they were clear about not using terms such as “illegals” and did not believe that immigrants should be imprisoned for risking their lives to find a welcoming home. Many times, she sat with students who were very upset because a parent or sibling had been arrested and sent to a detention center. This was and is her life work. She said she found it very painful and insulting to learn that part of her money was invested in GEO Group and Core Civic as it represents the antithesis of her values. She said these private prisons are cruel, crowded, inhumane, and very dangerous. She said California, New York, and Chicago have already divested, and it is time for New Mexico to join them. She asked the board to make the right decision and divest from these immoral stocks.

Radi Moustafa Abulhassan

Mr. Abulhassan stated that he is originally from Egypt and received a Masters and PhD from UNM, and currently works as an adjunct faculty at UNM and a full time middle school teacher at APS. He urged the ERB to divest from private detention centers where immigrants are incarcerated while waiting court decisions regarding their immigration cases. He said his concern arises from his own experience as a detainee for 6 months at Adelanto Detention Center, which is operated by GEO Group. While there, he saw and personally experienced inhumane conditions and inhuman treatment of the GEO staff toward the detainees. He was released from detention a year ago and granted asylum, but still lives with the trauma he experienced while in detention. He is in contact with people still detained there, and conditions have gotten worse under the pandemic, with people locked inside their cells for more than two days based on claim that they are trying to protect the detainees from the virus. Six or seven detainees are in one room without masks or protective equipment. He described other conditions, such as lack of hot water in the showers. When he tried to call human rights groups for help from the prison, he discovered their number was blocked, and phone calls are very expensive. He also spoke to lack of medical treatment and detainees receiving only Tylenol regardless of what their complaint was. In addition, people who were sick had to wait up to 6 hours to get medical attention. Mr. Abulhassan described other experiences he and fellow detainees went through there, and stressed that he could successfully fight for his case and win asylum because he could understand the process, had access to the language, and had connections outside of detention who helped him. In conclusion, he stated that it was very disappointing to have his own retirement money invested in detentions that persecuted him and still persecutes others like him.

Ivonne Orozco

Ms. Orozco stated that she was 2018 New Mexico Teacher of the Year and co-founder of Teachers against Child Detention at the national level and in Albuquerque. She said her family immigrated to the U.S. from Mexico 17 years ago, when she was 12. She said her fate could have been different; she could have been detained and put in a cage, and instead of visiting the White House as teacher of the year,

she could have been “part of the irreversible systemic failure and abuse of private for-profit prisons.” She said her older sister was held in ICE detention for 14 days outside of El Paso after her forged green card was questioned, and a decade later, she cries when she talks about it. Ms. Orozco requested that the board take action to divest from CoreCivic and GEO Group.

Dair Obenshain, K-12 teacher

Ms. Obenshain said she is the great-great granddaughter of slave owners and has always wondered if she would have had the courage to oppose or even recognize the “great evil of that obscenely profitable institution of slavery.” She said the Holocaust happened because people were told that it wasn’t their job to consider the consequences. She wondered what people will say to children incarcerated for profit or when their own grandchildren are jailed for protesting police brutality. She said the board can do the fiscally responsible thing and wash its hands of these corporations. She said the board can direct staff to divest of these corporations between meetings, too.

Gaile Herling

Ms. Herling said she is a retired educator from Santa Fe Public Schools and is co-founder and former coordinator of SFPS Adelante Program for children and families in homeless situations, many of whom have spent time in private detention centers, jails, and prisons. She said the board trustees have said they believe in divestment but that their hands are tied because the governor and legislature are responsible for a divestment policy. She pointed out that the board at its December 2019 meeting said a divestment policy had no binding effect on the ERB or legislature, and in fact the legislature and governor are forbidden from intervening in the ERB’s investment decisions. Therefore, she said, there is no policy holding the board back. She also pointed out that CoreCivic and GEO Group stocks have not met their benchmarks for years, and even the big banks stopped lending to them, and both corporations continue to lose lawsuits for a variety of human rights violation. She noted that one of the board trustees expressed concern at the ERB meeting in December about the potentially high cost to dump these stocks, which are less than \$1 million, but a financial expert she knows has refuted this. She added that the stocks have “already cost our students, their families and our communities dearly and the cost of keeping them are way higher and are a matter of life and death now, with COVID cases multiplying exponentially.” Ms. Herling said private prisons like to say they improve local economies, but Cibola County has to pay over \$2 million extra a year to maintain their private contract. She asked the board to be courageous and make the change by dumping these two stocks.

Lois Meyer

Ms. Meyer stated that she is an Applied Linguist and a retiree from UNM after 19 years of service as a professor and former chair of her department. She urged the board to divest her retirement funds and those of thousands of other New Mexico educators from private prisons. Prior to coming to UNM in 2000, she spent a year as a Fulbright senior researcher in Oaxaca, Mexico, where she began a collaboration with 1200 indigenous teachers, all of whom teach in rural, marginalized communities. She said her colleagues and others are not choosing to pull up roots and migrate, but are doing it because they are starving, their crops are failing due to climate change or predatory companies buying up communal lands, they face violence or government repression, and their lives are at risk. She said these people land in New Mexico private detention centers, where they are treated as criminals. She asked the board to stop investing her retirement funds in these inhumane private prison companies. She said she has advised gifted international students who come to UNM to seek advanced degrees, and a

number of them come from deeply problematic, even violent, countries such as Egypt and Colombia. Several of them have been caught up in the political morass that is the U.S. asylum process.

3. CONSENT AGENDA: BOARD TRAVEL

No requests.

4. PUBLIC RULE HEARING: AMENDMENTS TO ERB RULES: ELENA CARDONA, DEPUTY GENERAL COUNSEL, PRESIDING HEARING OFFICER

- a. **2.82.2 NMAC Membership**
- b. **2.82.4 NMAC Service Credit**
- c. **2.82.5 NMAC Retirement Benefits**
- d. **2.82.7 NMAC Annuitants and Disability Recipients**

Ms. Cardona noted that the proposed rule amendments were posted on the New Mexico sunshine portal and on the ERB website beginning on May 19, 2020, and continuing through today's date.

Ms. Cardona stated that it would not be feasible to ask everyone present to state their name for the record, as the web screen listed more than 78 people.

The following board members were present by roll call: Chairwoman Cameron; Vice Chair Goff; Mr. Delgado; Mr. Magid; Dr. Duszynski; and Mr. Gluckstern.

There were no comments from the public on the proposed rules.

Ms. Roubidoux presented the following documents, which were entered into the record: Exhibit 1, Notice of Public Rule Hearing; Exhibit 2, proposed amendment to Rule 2.82.2 (Membership); Exhibit 3, proposed amendments to Rule 2.82.4 (Service Credit); Exhibit 4, proposed amendments to Rule 2.82.5 (Retirement Benefits); Exhibit 5, proposed amendments to Rule 2.82.7 (Annuitants and Disability Recipients).

Ms. Roubidoux stated that the ERB received no written comments as of 3:00 p.m., June 18, 2020, which was the deadline for members of the public to submit written comments on the proposed rule amendments.

There were no comments from the public on Rule 2 amendments.

Mr. Goff moved to adopt the amendments to Rule 2.82.2, as presented. Dr. Duszynski seconded the motion, which passed unanimously on the following roll call vote: Chairwoman Cameron; Mr. Goff; Mr. Magid; Mr. Delgado; Dr. Duszynski; Mr. Gluckstern.

There were no comments from the public on Rule 4 amendments.

Dr. Duszynski moved to adopt the amendments to Rule 2.82.4, as presented. Mr. Goff seconded the motion, which passed unanimously on the following roll call vote: Chairwoman Cameron; Mr. Goff; Mr. Magid; Mr. Delgado; Dr. Duszynski; Mr. Gluckstern.

There were no comments from the public on Rule 5 amendments.

Mr. Gluckstern moved to adopt the amendments to Rule 2.82.5, as presented. Mr. Eichenberg seconded the motion, which passed unanimously on the following roll call vote: Chairwoman Cameron; Mr. Goff; Mr. Magid; Mr. Eichenberg; Mr. Delgado; Dr. Duszynski; Mr. Gluckstern.

There were no comments from the public on Rule 7 amendments.

Dr. Duszynski moved to adopt the amendments to Rule 2.82.7, as presented. Mr. Gluckstern seconded the motion, which passed unanimously on the following roll call vote: Chairwoman Cameron; Mr. Goff; Mr. Magid; Mr. Eichenberg; Mr. Delgado; Dr. Duszynski; Mr. Gluckstern.

The public rule hearing was adjourned at 10:16 a.m.

5. INVESTMENT REPORTS: BOB JACKSHA, CIO

[Presenters: Bob Jacksha and NEPC investment advisor Allan Martin]

a. Q1 Investment Report

Mr. Martin reviewed the Q1 performance report, with the following highlights:

- Interest rates are now the lowest in history, which has implications for the ERB's going-forward investment opportunity.
- The Fed has added \$2.3 trillion to the balance sheet in an effort to support the economy, nearly twice what was used for the global financial crisis in 2008. It is expected that inflation will stay low for the foreseeable future, but at some point that debt will have to be paid back, creating a much more challenging environment for the future.
- Over the past 5 years, the Fund returned 5.0% per annum. Over the past 3 years, the return was 4.4%.
- For the year ending 3-31-2020, net investment loss was \$147.8 million, which includes a net investment loss of \$1.25 billion during the quarter. Assets decreased from \$13.0 billion 12 months ago to \$12.4 billion on 3-31-2020, with \$475 million in net distributions during the year. The Fund returned -1.44%, outperforming the policy index by 92 basis points and ranking in the 14th percentile of its peers.

Mr. Martin noted that the portfolio was up 1.8 percent in April, showing substantial recovery in the market, but it will be a challenge to have a positive fiscal year.

Mr. Martin added that, based on the Legislative Finance Committee's tracking of all four of the state's large funds (ERB, PERA, Land Grant Permanent Fund and Severance Tax Permanent Fund), the ERB has outperformed all three of the other funds not only for the quarter, but for the one year, three year, five year and ten year periods.

Mr. Jacksha said the results in the March quarterly report along with April and May returns really reinforces the importance of focusing on long-term results. This is what the ERB regularly emphasizes in

its reports to the LFC legislators and others. In addition, there was a big divergence in relative performance versus policy in the March quarter and in April, which underperformed the policy index. One reason for this is that a lot of the returns in certain categories (credit and other private assets) are delayed, so returns in most of the credit funds, for example, were actual March results reported in April. In addition, April didn't do quite as well as the ERB hoped because they were not able to fully rebalance in equities. Although the ERB was selling some equities in late January and February, and bought back as much as possible in March and April, there was the constant need for cash, and so they were underweight in equities going into April. Today, equities are at 30+ percent, which is very close to the 31 percent target.

Mr. Jacksha also stated that, in February and March, after ERB policy was changed late last year to allow the use of derivatives to hedge, the ERB sold S&P 500 during the quarter, putting some in cash and using some of it to purchase treasury strips. Page 35 of NEPC's report reflects that the S&P 500 Index Fund outperformed the S&P 500 by 1.3 percent because the ERB sold some of the stocks and purchased treasury strips, and then left them in that account in order to show the effect.

Mr. Jacksha commented that he was a little disappointed in some of the strategies undertaken for the quarter, most notably risk parity, but some of the credit strategies also did not do as well as hoped.

Mr. Gluckstern commended Mr. Jacksha on the ERB's outperformance against the state's three other large funds.

b. May Investment Committee Report

Mr. Jacksha reported that the Investment Committee took the following action at the May meeting:

- Approved a \$50 million commitment to Raith Capital Credit Partners Separate Account for the real estate portfolio. The ERB is in two previous funds with Raith.
- Approved a \$50 million commitment to Industry Ventures Secondary Fund IX for the private equity portfolio.
- Conducted a Real Estate and Natural Resources Compliance Review. The ERB is in compliance.
- Reviewed the 4th quarter infrastructure report.
- Reviewed the proxy voting report and commission reports.
- Discussed the idea of looking at a potential policy change regarding delegation of investment responsibilities and authority to staff. The committee agreed that this should be reviewed by the Board of Trustees at its August meeting, with the committee taking up discussion prior to that.

c. Other Investment Reports

None.

**6. ALTERNATIVE RETIREMENT PLAN COMMITTEE REPORT:
LARRY MAGID, COMMITTEE CHAIR**

Mr. Magid reported that the ARP Committee held a meeting via teleconference on May 21, where Mike Sanders and Jared Hardin from Cammack Retirement Group presented a review of the TIAA and Fidelity programs as of March 31. They also updated the committee on the status of ongoing projects concerning fee levelization, the transition to Retirement Choice contracts and the return of plan servicing credits to plan participants in TIAA and Fidelity. The committee also approved a renewal of the consulting contract with Cammack for a one-year term to begin July 1. This was a small purchase contract in the amount of \$58,000.

**7. COMPARISON OF ERB & PERA RETIREMENT CONTRIBUTIONS AND BENEFITS:
JEFFREY MITCHELL AND JULIAN BACA, UNM BUREAU OF BUSINESS & ECONOMIC
RESEARCH**

Ms. Goodwin said she had contacted Dr. Mitchell and Mr. Baca to request that they prepare this report. During the last legislative session, the Governor had indicated she wanted to do something about the ERB's underfunding, which would typically be addressed by looking at current benefits or current contributions. The ERB believes that it has already addressed both the benefit side and the employee contribution side as much as possible through prior legislative changes it has made, and so wanted UNM to help drive home the point that the best way to address this issue is through employer contributions in any future changes that are made.

Ms. Goodwin commented that this was a very difficult time to be working on this report, and much of the information that Dr. Mitchell and Mr. Baca would have used was not available, but they worked very hard to get this report done. Some pieces of information in the report are therefore in draft form at this point, but the main points will remain unchanged.

Dr. Mitchell and Mr. Baca presented their report.

The report conclusions:

- PERA has consistently and substantially paid higher retirement benefits relative to salaries. PERA employee is 1998-2023 cohort will receive 54% more than ERB, despite lower average salary over career.
- COLA payments account for much of the difference—PERA kicks in after 2 years (52 y/o, now 57 y/o) vs. ERB at 65 y/o (now 67 y/o). The 1958 and 1978 cohorts received COLAs of 3% for much of their retirements, including during periods when inflation averaged 2%.
- PERA employer contribution rates have consistently been higher than ERB's since the early 1980s.
- The largest disparities occurred in the 1998 cohort when PERA increased its multiplier to 3% (compared to 2.35% for ERB).
- Benefit differential for newest cohort (2018-2048) is much lower (8%). PERA multiplier was reduced (3.0% to 2.5%). Time collecting COLA—though reduced 13 to 10 years—remains the most important difference.

Ms. Goodwin commented that this report graphically reinforces the theme that the ERB has been pointing out for a long time, which is that ERB members pay more for less.

Ms. Goodwin said she looked forward to getting the correct multiplier for the PERA 1978 cohort because her own analysis shows that, with an ERB employee and a PERA employee starting in 1980 with the same salary, the differential is over \$900,000.

Mr. Delgado asked Ms. Goodwin what she hoped would result from this report. Ms. Goodwin responded that there were two things she would like to see: 1) the ERB COLA increased for all current and future retirees; and 2) no further increases in member contributions or reductions in member benefits, and a sizable increase in the employer contribution rate to get the ERB to 100 percent funding within a reasonable amount of time.

Mr. Gluckstern commented that one of the facts that came to light in this report was systemic discrimination against female employees. He would like to see the board give some thought as to what kind of action it might want to consider to address the issue.

Ms. Goodwin said she considers this report to be a first draft because it still does not include the information on the average ERB member and the average PERA member, and the multiplier for the PERA 1978 cohort also needs to be clarified. She requested that this information not be distributed, as she expects significant changes in the report after UNM provides additional information.

Mr. Baca said the final report should be available in a month. He said their primary challenge is trying to obtain the necessary data during this difficult period.

**8. CAPITAL IMPROVEMENT REQUEST—ERB FACILITIES/ACQUISITION OF PROPERTY:
ROD VENTURA, DEPUTY DIRECTOR AND NORMA HENDERSON, CFO**

Ms. Henderson said she and Mr. Ventura presented a plan to the board last year with two options: 1) to purchase and renovate an existing building; or 2) to purchase vacant land and build on it. The board approved the first option, which was to purchase ARK Plaza and renovate it; however, the building was sold shortly before they were scheduled to present to the Executive Capital Outlay Committee. She said staff then presented the second option to the committee, which was approved.

Ms. Henderson said the lot under consideration is a 3.08-acre parcel located at 5122 Las Soleras Drive, near Presbyterian Hospital, and is listed at \$1.2 million. The building would be 24,000 square feet at a cost of \$283 per square foot, for a total construction cost of \$6.9 million. Furniture and equipment would add \$500,000, for a total project cost of \$8.6 million. This would be a three-year project, with the first phase to begin in FY 21. That phase would include planning and design and other work for a total of \$1,309,000, which has been approved by the legislature.

Ms. Henderson said the FY 2022-2026 infrastructure capital improvement plan (ICIP) includes a \$5 million request for Phase II in order to begin construction in FY 22. Phase III, to begin in FY 23, would be to complete construction and to furnish and equip the building.

Mr. Ventura stated that, although the ERB has approval to purchase this land now, it has to appear before the Board of Finance, which requires that the board approve a resolution authorizing the purchase. Although the legislature authorized this project and the funding for the first phase, the money comes from the ERB's fund and not from the general fund.

Mr. Ventura clarified that the property and building will not be included in the investment portfolio but will be an asset of the Trust.

Dr. Duszynski asked Mr. Ventura if the ERB could face potential problems in getting approval for the second phase given the current economic situation. Mr. Ventura responded that, while nothing is guaranteed, there are two factors heavily in the ERB's favor: 1) this is the second phase of an existing project, which the state will want to help finish, and is also not affected by the state's halt to capital projects; and 2) the ERB is asking permission to use its own money.

Board approval was requested for the following:

- 1. That the board authorize the purchase of the property, located at 5211 Las Soleras Drive, subject to the approval of the State Board of Finance and in accordance with applicable laws and rules for the purpose of construction of a new facility for NMERB.**
- 2. That the board authorize the request of \$5,000,000 for Phase II of the Infrastructure Capital Improvement Plan in FY 22 for construction of a new facility for NMERB.**

Mr. Gluckstern moved for approval of #1. Mr. Magid seconded the motion, which passed unanimously on the following roll call vote: Chairwoman Cameron; Dr. Duszynski; Mr. Eichenberg; Mr. Goff; Mr. Magid; Mr. Gluckstern.

Mr. Magid moved approval of #2. Mr. Goff seconded the motion, which passed unanimously on the following roll call vote: Chairwoman Cameron; Mr. Goff; Mr. Magid; Mr. Eichenberg; Dr. Duszynski; Mr. Gluckstern.

Ms. Goodwin stated that Ms. Henderson has taken a position at CNM, and this will be her last meeting with the board. She thanked her for all of the hard work she has done throughout her time at ERB and the service she has provided for the membership.

9. AGE & SERVICE RETIREMENTS: MONICA LUJAN, MEMBER SERVICES DIRECTOR

Ms. Lujan reported that 674 retirements were approved for the April-May period, broken down as follows: 2 disability applications under age 60; 20 reciprocities; and 652 regular members.

Mr. Goff moved for approval. Mr. Gluckstern seconded the motion, which passed unanimously on the following roll call vote: Chairwoman Cameron; Mr. Goff; Mr. Magid; Mr. Gluckstern.

10. DISABILITY RETIREMENTS: KARLA LEYBA, MEMBER SERVICES BUREAU CHIEF

Ms. Leyba presented the April-May status report of disability claims from Maximus Federal. She said 3 retirements were completed. Maximus Federal is currently working to update 17 cases from last year, as they were not updated by the previous vendor. In addition, the ERB is in the process of working on the development of a case management portal, which should be ready to go in the next month or so.

Mr. Gluckstern moved for approval. Mr. Goff seconded the motion, which passed on the following roll call vote: Chairwoman Cameron; Mr. Goff; Mr. Magid; Mr. Delgado; Dr. Duszynski; Mr. Gluckstern.

11. DIRECTOR'S REPORT: JAN GOODWIN, EXECUTIVE DIRECTOR

a. Update on 2020 Retirement Season

Ms. Goodwin reported 858 July 1 retirement applications, compared to 866 in 2019 and 916 in 2018.

b. NMRHCA Update

Ms. Goodwin said the NMRHCA will hold its annual retreat on July 9 and 10. While it is expected they will approve rate increases of about 6 percent for pre-Medicare retirees and 4 percent for Medicare retirees, many members in the Medicare Advantage plans will probably see rate decreases.

c. Other

Ms. Goodwin commented that, while everything looks different during this pandemic, ERB staff continues to get amazing amount of work done. This week, the ERB had its first webinar for July 1 and August 1 retirees, which went very well and was very well attended. Also, the ERB continues to hire new staff people to fill vacancies. She introduced Mariana LaRoche, the new Director of Communications.

12. BOARD SELF-EVALUATION PROCESS: MARY LOU CAMERON, CHAIR

Chairwoman Cameron said board members will receive an email shortly with the self-evaluation form. She asked that the forms be returned by July 20.

13. EXECUTIVE DIRECTOR EVALUATION PROCESS: MARY LOU CAMERON, CHAIR

Chairwoman Cameron said the Evaluation Committee will be sending out these forms to board members by the end of the day. She asked that the forms be returned by July 20, after which the Evaluation Committee will meet. Results will be shared with the board no later than the August board meeting.

14. EXECUTIVE SESSION: 12:45 p.m.

a. Limited Personnel Matters – (session closed pursuant to NMSA 1978, § 10-15-1(H)(2): (i) Compensation of Chief Investment Officer; and (ii) update regarding compensation of executive and investment professional staff

Mr. Gluckstern moved that the board go into executive session pursuant to §10-15-1(H)(2) of the Open Meetings Act for the purpose of discussing limited personnel matters regarding the compensation of the Chief Investment Officer and an update regarding compensation of executive and investment professional staff. Mr. Magid seconded the motion, which passed by roll call vote, with Chairwoman Cameron, Mr. Goff, Mr. Magid, and Mr. Gluckstern voting in favor. [Not present for the vote: Mr. Eichenberg; Mr. Delgado; Dr. Duszynski.]

Chairwoman Cameron moved to come out of executive session at 2:36 p.m., stating that the only matters discussed in executive session were limited personnel matters regarding the compensation of the Chief Investment Officer and an update regarding compensation of executive and investment professional staff. Mr. Goff seconded the motion, which passed by roll call vote, with Chairwoman Cameron, Mr. Goff, Mr. Magid, Mr. Delgado, Dr. Duszynski and Mr. Gluckstern voting in favor. [Not present for the vote: Mr. Eichenberg.]

15. ACTION FROM EXECUTIVE SESSION

Chairwoman Cameron asked attorney Patricia J. Turner to read the motion.

Ms. Turner said the motion is as follows: To authorize and direct the Executive Director to have a legal procedure and documents prepared to seek judicial clarification of the board's authority and fiduciary duty in the administration of the fund in relation to its authority over staff salary, both classified and exempt.

Chairwoman Cameron so moved. Mr. Magid seconded the motion, which passed on the following roll call vote: Chairwoman Cameron; Mr. Goff; Mr. Magid; Mr. Delgado; Dr. Duszynski; Mr. Gluckstern. [Not present for the vote: Mr. Eichenberg.]

Chairwoman Cameron asked Ms. Turner to read the motion.

Ms. Turner said the motion is as follows: Pursuant to the recommendation of the Executive Director, the board approves the salary increase of Bob Jacksha to \$350,000.

Mr. Gluckstern so moved. Mr. Magid seconded the motion, which passed on the following roll call vote: Chairwoman Cameron; Mr. Magid; Dr. Duszynski; Mr. Gluckstern. [Abstaining: Mr. Goff. Voting against: Mr. Delgado. Not present for the vote: Mr. Eichenberg.]

16. NEXT MEETING: FRIDAY, AUGUST 14, 2020 – ALBUQUERQUE

17. ADJOURN

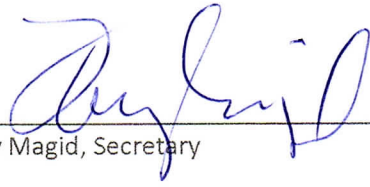
Mr. Goff moved to adjourn the meeting. Mr. Magid seconded the motion, which passed by roll call vote.

The meeting adjourned at 2:45 p.m.



Mary Lou Cameron, Chairwoman

ATTEST:



Larry Magid, Secretary