



State of New Mexico
Educational Retirement Board

701 Camino de los Marquez Santa Fe, New Mexico 87505
Toll Free 1(866) 691-2345 Main Office (505) 827-8030



MINUTES OF THE
NEW MEXICO EDUCATIONAL RETIREMENT BOARD OF TRUSTEES
SPECIAL MEETING/VIA WEBINAR
July 31, 2024

1. a. **ROLL CALL: QUORUM PRESENT**

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

Members Present:

Mr. H. Russell Goff, Chair
Ms. Mary Lou Cameron, Vice Chair
Mr. Larry Magid, Secretary
Mr. Max Baca
Dr. Matías Fontenla
Mr. Antonio Ortiz
Dr. Reilly White [sworn in during meeting]

Members Excused:

Hon. Laura M. Montoya, NM State Treasurer
Mr. Mario Suazo

Staff Present:

Mr. David Archuleta, Executive Director
Mr. Randall Cherry, General Counsel
Mr. Lawrence Esquibel, Deputy Director
Mr. G. Alan Myers, Sr. Portfolio Manager, Public Markets & Credit
Mr. Bob Jacksha, Chief Investment Officer
Ms. Renada Peery-Galon, ASD Director/CFO

Others Present:

Ms. Judith Beatty, Board Recorder

b. Approval of Agenda

Dr. Fontenla moved for approval of the agenda, as published. Mr. Ortiz seconded, and the motion passed unanimously.

2. SWEARING IN OF NEW BOARD MEMBER: DR. REILLY WHITE

Dr. White was sworn in.

**3. CUSTODY BANK RFP: BOB JACKSHA, CHIEF INVESTMENT OFFICER;
G. ALAN MYERS, SR. PORTFOLIO MANAGER, PUBLIC MARKETS & CREDIT**

Mr. Archuleta said that, based on suggested changes by board members at the June 28 meeting, a redlined document was sent out to board members two weeks ago with a request that they make any additional changes or additions as of last week.

Mr. Baca asked Mr. Myers to clarify the differences between Item 2 (Offeror's services provided, 25%) and Item 3 (Offeror's relationship and client service, 20%) under the evaluation matrix on page 5.

Mr. Myers explained that Item 2 refers to the services they will provide to the NMERB, and Item 3 refers to client service, which would be the people the NMERB would be working with directly. Right now, the NMERB works with several teams at State Street, and the different teams have a client services manager, with the next level up being the relationship manager.

Mr. Myers said Section D is information for the offeror so they can understand the general areas they will be judged on, and then it will be up to the committee to break that down and decide on a scoring matrix. Appendix A, Section 2 lays out the criteria used for the evaluation.

Mr. Jacksha commented that something the committee would look at with any third-party relationship is who they are going to be talking to directly, what is that person's experience, and what access do they have to the resources of the entire firm. While these are not quantifiable criteria, these are very important.

Mr. Baca said it worried him that certain criteria were not quantifiable, which is why there should always be someone else to look at Appendix A. Mr. Jacksha said the NMERB wants to make sure the offeror is handling clients that have multi-asset portfolios with private assets that are more involved than just stocks and bonds, i.e., similar clients and similar assets so that NMERB isn't going to end up training them.

Mr. Baca suggested rewording Item 3 that talks about a client portfolio or the like, so it is more quantifiable and less ambiguous.

Mr. Jacksha said he would leave it up to the committee to determine what the language should read.

Mr. Magid questioned why the board is involved at this level of review given that Investment staff has been making investments for years without the board. He commented that this is a waste of time and money and imposes a lot of unnecessary stress on investment staff.

Mr. Archuleta responded that this came about because of action taken by the board agreeing to the extension of this agreement for an additional year. There have been issues with the current custody bank, and it has been at least ten years since this contract has been put out to bid. He said staff wants to be able to confidently express to the stakeholders, the board, and others that the ERB is getting the services it deserves at the appropriate price.

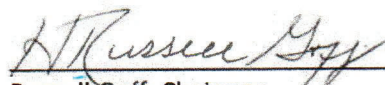
Mr. Magid said he appreciated that, but feels it is a staff decision and that the board shouldn't be involved at all.

Mr. Jacksha added that it was staff's preference not to do an RFP, but by policy the board retains approval for the custody agreement and the general consultant contract. Everything else is approved by the Staff Selection committee. If the board wants to consider a policy change in the future, staff can certainly do that.

Mr. Baca moved to approve the custody bank RFP. Dr. White seconded the motion, which passed by roll call vote with Mr. Magid voting against the motion.

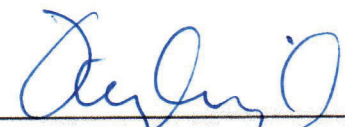
4. **NEXT MEETING: FRIDAY, AUGUST 23, 2024 – ALBUQUERQUE**

5. **ADJOURN: 9:25 a.m.**



Russell Goff, Chairman

ATTEST:



Larry Magid, Secretary