



NEW MEXICO
EDUCATIONAL RETIREMENT BOARD

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MINUTES OF THE
NEW MEXICO EDUCATIONAL RETIREMENT BOARD OF TRUSTEES
REGULAR MEETING
August 22, 2025

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. at the Albuquerque Public Schools Headquarters, 6400 Uptown Boulevard, N.E., Albuquerque, New Mexico. A quorum was established following roll call.

Members Present:

Mr. H. Russell Goff, Chair
Ms. Mary Lou Cameron, Vice Chair [virtual attendance]
Mr. Max Baca, Secretary
Ms. Christine Anaya, Designee of Hon. Laura M. Montoya, New Mexico State Treasurer
Dr. Matías Fontenla
Mr. Antonio Ortiz [virtual attendance]
Ms. Renee Ward [virtual attendance]
Dr. Reilly White

Members Excused:

Secretary Stephanie Rodriguez

Staff Present:

Mr. David Archuleta, Executive Director
Mr. Bob Jacksha, Chief Investment Officer
Mr. Steve Neel, Deputy CIO, Alternative Assets
Mr. Ian Padilla-Salazar, Executive & HR Assistant
Ms. Megan Mannila, Chief Financial Officer
Mr. Alan Myers, Portfolio Manager
Ms. Renada Peery-Galon, Deputy Director

Mr. Raul Duran, Member Services Director

Others Present:

Mr. Sam Austin, NEPC [virtual attendance]

Ms. Judith Beatty, Board Recorder

b. Approval of Agenda

Ms. Cameron moved approval of the agenda, as published. Mr. Baca seconded the motion, which passed unanimously.

c. Approval of Regular Meeting Minutes: June 27, 2025

Mr. Baca moved for approval of the June 27, 2025, minutes. Dr. Fontenla seconded the motion, which passed, with Ms. Anaya abstaining.

2. PUBLIC FORUM AND INTRODUCTIONS

Attendees introduced themselves.

3. REAPPOINTMENT OF BOARD MEMBER: DAVID ARCHULETA, EXECUTIVE DIRECTOR

Mr. Archuleta stated that AFT New Mexico has reappointed Dr. Fontenla to serve on the NMERB Board of Trustees for the next four years, beginning on June 30, 2025.

4. CONSENT AGENDA: BOARD TRAVEL

Mr. Archuleta requested approval for Ms. Ward to attend the trustee workshop in Honolulu, Hawaii, in November.

Chairman Goff requested approval to attend the NCTR Conference in October in Salt Lake City.

Mr. Baca moved for approval. Dr. Fontenla seconded the motion, which passed unanimously.

5. FY27 APPROPRIATION REQUEST: FELICIA SENA, BUDGET AND FINANCIAL SERVICES MANAGER, AND MEGAN MANNILA, CHIEF FINANCIAL OFFICER

Ms. Sena reviewed the highlights of the appropriation request.

- The bulk of the 8.7 percent increase in the personal services and employee benefits category is related to statutory increases to the employer assuming a larger portion of employee's group insurance costs. The remainder supports recommendations related to the NMERB's compensation study and ongoing recruitment and retention efforts to fully staff the agency.

- The contractual services category remains flat at \$18 million
- The other costs category includes an increase of \$113.1 thousand, or 5 percent above the FY26 approved operating budget. This includes anticipated travel and training expenses for staff and board members. It also includes an increase in postage, reporting and recording (related to death certificates), and rent of equipment related to the new building. Lastly, it supports increases in the rates received from GSD and DoIT services.

Mr. Baca moved for approval of the FY27 appropriation request presented by staff. Dr. Fontenla seconded the motion, which passed unanimously.

6. FY25 CERTIFICATION OF CAPITAL ASSETS: MEGAN MANNILA, CHIEF FINANCIAL OFFICER

Ms. Mannila presented the list of capital assets and requested approval.

Mr. Baca moved approval of the FY25 certification of capital assets presented by staff. Dr. Fontenla seconded the motion, which passed unanimously.

7. EXECUTIVE DIRECTOR'S UPDATE: DAVID ARCHULETA, EXECUTIVE DIRECTOR

a. Agency Activities

- Mr. Archuleta stated that, as reported to the board at the beginning of July, there were several instances where members did not receive their pension payment. It was determined that certain members banking information had been updated in the NMERB's records to divert members pension payments to a "bad actors" account. A total of \$41,397.39 was diverted, with five individuals being affected, including one of the NMERB's board members. To date, NMERB has recovered \$28,596.23. NMERB has changed its processes internally and will have an internal audit performed over the process in order to identify opportunities to strengthen the security.
- Mr. Archuleta stated that, in partnership with PERA, NMERB was looking at the ways to update the way monthly annuities are paid to reciprocity retirees. During the last legislative session, NMERB was looking for opportunities to share information with PERA; unfortunately, PERA's legislation did not pass. As a result, NMERB can share information with PERA, but PERA can't share information with NMERB. NMERB is trying to figure out what they can do to accommodate that going forward. Ultimately, NMERB wants the process to change before the new pension system goes live next fall. PERA is looking to put this on the Governor's call during the next legislative session.
- Mr. Archuleta reported that financial staff received an award from the Government Finance Officers Association again this year for excellence in financial reporting for the production of the 2024 Comprehensive Annual Financial Report.

- Mr. Archuleta said he was happy to report that the City of Santa Fe is processing paperwork to turn on the water in the new building. Some landscaping, including trees, will be put in shortly after that. The interior of the building is complete. In a week or two an opening date will be announced with a ribbon-cutting taking place in October.
- A board retreat is being scheduled for October 22-23, which will cover the required 8 hours of training. Speakers are expected. The retreat will be hosted in the new facility.
- Mr. Archuleta stated that, in addition to the three options offered through return to work, NMERB also offers an independent contractor avenue. Normally, NMERB receives 50-60 applications a year, but NMERB has taken a closer look this year at the applications and determined that many of the situations aren't necessarily independent contractors, and some of the applications have been rejected. Of the 52 applications received this year, 22 were approved, 19 were rejected, and 11 are under independent review. NMERB is working with these individuals and the Legislation Education Study Committee (LESC) and wants to address this as expeditiously as possible. He will be providing an update to the LESC in October in Las Cruces.

b. Retiree Health Care Authority

- NMRHCA held their annual retreat in July. Dr. Lee Caruana is now board chairperson. The board adopted a new asset allocation policy and also increased rates for healthcare insurance. On the self-insured side, the pre-Medicare rate increased by 2% for the retirees and spouses and 3% for children. The Medicare Supplement rate increased 2%. The projected costs were offset by increases in co-pays and deductibles on prescriptions. The fund's value now stands at \$1.8 billion.

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c. Other

None.

d. Staff Compensation

Mr. Archuleta stated the results of the compensation study done by REDW are on page 50 of the board book. He said he was pleased to report that there were no longer any staff members under the minimum of the recommended range.

Mr. Archuleta said the ad hoc committee recommended several options: 1) that the board approve his salary and authorize him to approve all exempt salaries; or 2) that the board approve salaries for exempt staff. His request was that he reaffirm his authority to set salaries for all staff, excluding himself, based on the REDW recommendations.

Dr. Fontenla reported that the ad hoc compensation committee has recommended approval and that the Executive Director set salaries within the recommended bands. He said he would encourage

board members to move these bands yearly, based on the cpi or another metric, at the same time that the board decides on the Executive Director's salary.

Mr. Baca and Dr. White said they supported the recommendation that the bands be adjusted annually to keep the salaries current.

Dr. Fontenla moved approval of the REDW salary band recommendations reflected on page 50 and that the Executive Director decide on individual salaries except for his own, and that these decisions are based on evaluations that are transparent, clean, and clear. Ms. Cameron seconded the motion, which passed, with Ms. Anaya in abstention.

**8. PENSION ADMINISTRATION SYSTEM MODERNIZATION PROJECT UPDATE:
KEVIN SWINSON, INFORMATION TECHNOLOGY DIRECTOR**

Mr. Swinson presented this report.

9. RETIREMENTS: RAUL DURAN, MEMBER SERVICES DIRECTOR

a. Disability

Mr. Duran reported that there has been a total of 30 disability cases in CY 2025.

b. Age & Service

Mr. Duran reported that, for the June-July bimonthly period, there have been 5 disability retirements, 18 reciprocity retirements, and 382 regular retirements, for a grand total of 405 retirements.

Mr. Baca moved for approval. Ms. Cameron seconded the motion, which passed unanimously.

10. INVESTMENT REPORTS: BOB JACKSHA, CHIEF INVESTMENT OFFICER

a. Resolution for Staff Authority – Custodial Bank

Mr. Jacksha stated that the Secretary's Certificate for the NMERB has been revised based on comments received from board members at the June meetings.

Ms. Cameron moved for approval. Mr. Baca seconded the motion, which passed unanimously.

b. International Travel Approval

Mr. Jacksha stated that DFA now requires the board to approve all international travel by staff. Travel itineraries to Seoul, London and Munich are needing approval. The trips, which take place in

September, are for attendance at limited partners advisory committees as well as due diligence visits related to continuing commitments.

Ms. Cameron commented that it is beneficial to meet the investors in person.

Mr. Baca asked that future requests include a memorandum with details on when the meetings are to take place, with whom, and for what purpose, along with additional information on the investments involved.

Mr. Baca moved for approval. Dr. White seconded the motion, which passed, with Ms. Anaya in abstention.

c. Q2 2025 Investment Report

Mr. Austin presented this report.

d. Staff Selection Committee Report

Mr. Jacksha reviewed action taken by the Staff Selection Committee.

e. Investment Committee Report

Mr. Jacksha summarized actions taken by the Investment Committee at this morning's meeting.

f. Other Investment Reports

None.

11. PROPOSED RULE CHANGES: JACOB MAULE, GENERAL COUNSEL

Mr. Maule reviewed the proposed rule changes to NMAC 2.82.5, which are necessary because of changes made during the last legislative session regarding return to work. The \$15,000 program has been increased to \$25,000, and the 36-month program has been increased to 60 months. With board approval today, NMERB will schedule a public meeting to be held at the time of the October board meeting.

Mr. Baca moved for approval of staff changes to NMAC 2.82.5, as presented by legal counsel. Dr. Fontenla seconded the motion, which passed unanimously.

Mr. Maule stated that the next changes, under NMAC 2.82.9, involve the NMERB's employer reporting and are about the NMERB's new pension administration system. It will be necessary to make the changes only after the new system comes online. This will likely come back to the board late next fall or possibly later.

Mr. Maule said this is all about the local administrative units reporting to NMERB. There are two sets of penalties, and both are being changed. 1) Monthly contribution reports from employees and LAUs will have a deadline of no later than the 15th day of the month to electronically transmit following the month for which contributions are withheld. 2) LAUs shall be assessed a penalty for not submitting contribution payments based on the total due on the invoice generated by the pension administration system. A charge of \$50 a day will be assessed for untimely contribution payments or late contributions.

12. ELECTION OF BOARD OFFICERS

Mr. Baca nominated Russell Goff as Chair.

There were no more nominations.

Dr. Fontenla seconded the nomination, which passed unanimously.

Mr. Baca nominated Mary Lou Cameron as Vice Chair.

There were no more nominations.

Dr. Fontenla seconded the nomination, which passed unanimously.

Dr. Fontenla nominated Max Baca as Secretary.

There were no more nominations.

Dr. White seconded the nomination, which passed unanimously.

13. EXECUTIVE SESSION: 11:15 a.m.

Chairman Goff moved that the board go into executive session for the following purposes:

- a. Pending litigation in which the Board is a participant (session closed per § 10-15-1(H)(7). Update regarding Katherine Chippeaux, Robert Jacksha, Duncan Manning, Nathan Sax, and Pete Werner v. The State of New Mexico, Educational Retirement Board and Department of**

Finance and Administration; Case No. D-101-CV-2023-01297 (1st Judicial District Court, Santa Fe); Jacob Maule, General Counsel to the Board.

- b. Executive Director Performance Evaluation (session closed per § 10-15-1(H)(2) limited personnel matters)

Mr. Baca seconded the motion, which passed unanimously by roll call vote.

[Board was in executive session from 11:15 a.m. to 12:50 p.m.]

Mr. Baca moved to come out of executive session. The only matters discussed in executive session were pending litigation in which the Board is a participant (session closed per § 10-15-1(H)(7). Update regarding Katherine Chippeaux, Robert Jacksha, Duncan Manning, Nathan Sax, and Pete Werner v. The State of New Mexico, Educational Retirement Board and Department of Finance and Administration; Case No. D-101-CV-2023-01297; and Executive Director's performance evaluation. Mr. Ortiz seconded the motion, which passed unanimously.

14. ACTION FROM EXECUTIVE SESSION: 12: 50 p.m.

Dr. Fontenla moved to grant the Executive Director a 5 percent raise. Dr. White seconded the motion, which passed by roll call vote, with Ms. Anaya in abstention.

15. NEXT MEETING: FRIDAY, OCTOBER 24, 2025 – LOCATION TBD

16. ADJOURN: 12:55 p.m.



Russell Goff, Chairman

ATTEST:



Max Baca, Secretary