



NEW MEXICO
EDUCATIONAL RETIREMENT BOARD

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MINUTES OF THE
NEW MEXICO EDUCATIONAL RETIREMENT BOARD OF TRUSTEES
REGULAR MEETING
October 24, 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
Ms. Renee Ward
Dr. Reilly White

Members Excused:

Secretary Stephanie Rodriguez
Mr. Antonio Ortiz

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. Renada Peery-Galon, Deputy Director
Mr. G. Allen Myers, Portfolio Manager, Securities & Credit
Mr. Raul Duran, Member Services Director
Mr. Jacob Maule, General Counsel

Others Present:

Mr. Sam Austin, NEPC

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: August 22, 2025

Dr. Fontenla moved for approval of the August 22, 2025, minutes. Mr. Baca seconded the motion, which passed, with Ms. Anaya abstaining.

2. PUBLIC FORUM AND INTRODUCTIONS

Attendees introduced themselves.

3. CONSENT AGENDA: BOARD TRAVEL

No requests.

4. STAFF RETIREMENT, MELISSA MCFALL: RUSSELL GOFF, CHAIR

Chairman Goff and the board congratulated Ms. McFall upon her retirement from her position as School Reporting Compliance Advisor.

5. APPROVAL OF 2026 BOARD MEETING SCHEDULE

Mr. Baca moved to approve the 2026 Investment Committee and Board of Trustees meeting schedule, to be held on the fourth Friday of each month, with the December meeting scheduled on the second Friday. Dr. Fontenla seconded the motion, which passed unanimously.

6. AUDIT COMMITTEE REPORT: MARY LOU CAMERON, CHAIR

Mr. Archuleta reported that the Audit Committee met on October 2, 2025, to review a summary of the internal audit findings as presented by REDW. He discussed steps being taken to address unresolved issues.

7. NMERB COMMITTEE APPOINTMENTS: RUSSELL GOFF CHAIR

a. Alternative Retirement Plan Committee

Chairman Goff appointed the following: Max Baca, Chair; Dr. Fontenla; Dr. White.

b. Audit Committee

Chairman Goff appointed the following: Mary Lou Cameron, Chair; Treasurer Montoya; Ms. Ward.

c. Evaluation Committee

Chairman Goff appointed the following: Mr. Goff, Chair; Mary Lou Cameron; Max Baca

d. Investment Committee

Chairman Goff appointed the following: Dr. Fontenla, Chair; Max Baca; Mr. Goff

8. CUSTODY BANK TRANSITION UPDATE: KATHY STEVENSON, SENIOR VICE PRESIDENT, NORTHERN TRUST

Ms. Stevenson made this presentation.

9. EXECUTIVE DIRECTOR'S REPORT: DAVID ARCHULETA, EXECUTIVE DIRECTOR

a. Agency Activities

Mr. Archuleta referred to a summary of pay adjustments made for certain exempt staff, as recommended by REDW, following the August board meeting.

NMERB's intention is to collaborate with PERA to streamline the process of pay in monthly annuities to reciprocity retirees. However, PERA does not possess the same authority as NMERB in sharing reciprocal data and will pursue a legislative change in the upcoming session.

Water should be flowing into the new building by Monday, October 27. NMERB expects to move into the building by December 1, as soon as it receives a certificate of occupancy.

NMERB has received a draft of the actuarial valuation report. Thanks to their good leadership, the UAAL has been reduced from \$5.4 billion to \$4.8 billion, and the trust fund is approaching \$19 billion.

b. Retiree Health Care Authority

The NMRHCA's trust fund is now at \$1.8 billion.

c. Other

Mr. Baca noted that NMERB received 281 death notifications and 294 post-retirement death notifications. Referring to past discussion about NMERB continuing to send out checks to members who had already passed away, he asked how much progress had been made. Mr. Archuleta responded that NMERB has procured a new service to address this issue.

Responding to Chairman Goff, Ms. Garcia detailed employer and member outreach efforts over the last two months. She noted that questions about return to work have decreased markedly.

Responding to Mr. Baca regarding independent contractors, Mr. Maule said that, during the pandemic, it appears that standards for reviewing independent contractors were not being approved correctly in terms of what constituted an independent contractor. Under IRS guidance, a main hallmark is that a person is in business for themselves. A large number of applications the NMERB was receiving were primarily from individuals who were employed through a third-party service, however. If the IRS determines that a member is not an independent contractor, they can require the member to repay benefits for the entire time they were a contractor; and if the IRS were to determine the NMERB was complicit in allowing members to claim they were independent contractors when they were not, the NMERB could lose its tax shelter status.

Mr. Maule said the NMERB has had numerous conversations with different partners around the state, including many regional educational cooperatives, the Public Education Department and representatives seeking advice. The NMERB has made available the return to work programs and has had a very broad interpretation of return to work rules that would allow some of these individuals to do what they are currently doing but through return to work. One of the main issues the NMERB uncovered was that members didn't want to do return to work because most of them would fall into the now-60-month category, which requires non-refundable contributions, and so they did not want to go into that program and pay those contributions. One of the things the NMERB uncovered was that at least one of the third-party vendors has language in their contracts that is not labeled as a non-compete agreement, but in practice that's what it is. There is a financial penalty should a member go outside of that contract and work directly with an LAU. There is also an immediate termination of their employment with the third-party entity with the caveat that they not be rehired, which blocked a lot of the members that would otherwise have been able to perform these services directly for an LAU. With every one of these LAUs, they have the same type of language. There is a relatively small number of

individuals who want to do independent contract work, and so it affects them, but these third-party entities are also providing a lot of other services for the schools that are really needed. Getting blacklisted from some of these third-party entities would be devastating for the LAUs. At this point, it appears that all of the affected individuals have gone back to active employment or found another way of providing those services.

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

Mr. Swinson made this presentation.

11. RETIREMENTS: RAUL DURAN, MEMBER SERVICES DIRECTOR

a. Disability

Mr. Duran reported that there has been a total of 6 new claims during August and September for a total of 36 disability cases in CY 2025.

b. Age & Service

Mr. Duran reported that, for the August-September bimonthly period, there have been 5 disability retirements, 38 reciprocity retirements, and 280 regular retirements, for a grand total of 323 retirements.

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

12. INVESTMENT REPORTS: BOB JACKSHA, CHIEF INVESTMENT OFFICER

a. Asset/Liability Study

[Treasurer Montoya was present during the discussion on this item.]

Mr. Jacksha stated that staff has decided to postpone action on this study and proposes to schedule a special Investment Committee meeting between now and the December board meeting to allow sufficient time for review.

Mr. Austin made this presentation.

Treasurer Montoya said she has received hundreds of emails in the last two days related to the Tesla vote coming up next week regarding the Tesla board's approval of a \$1 trillion pay package for Elon Musk. She said she does not support this pay package and does not believe that the three board members up for reappointment should receive approval because they are not complying with their fiduciary responsibility to the shareholders and pensioners. She asked what policy the NMERB follows in its proxy voting process.

Mr. Jacksha stated that ISS (the NMERB's proxy voting service) and Glass Lewis are recommending a vote against the compensation package. NMERB agrees with that recommendation.

Allen Myers, portfolio Manager for Securities & Credit, said NMERB voted last Monday against the compensation package, and voted against one board member, Ira Ehrenpreis.

Mr. Jacksha said ISS automatically votes in line with NMERB's investment policy for most items, although for some items decisions are made at the staff level. NMERB is almost always in agreement with ISS recommendations.

Treasurer Montoya and Mr. Baca noted during discussion that the board only hears about the proxy votes after the fact, which is a potential concern because the board has no opportunity for input. Treasurer Montoya said there should be a process in place to address this and recommended that there be more discussion about this in the future, perhaps at a retreat.

Mr. Jacksha said one major hurdle is that the NMERB did not know what it would be voting on at the last board meeting, and to call a special board meeting on very short notice just to vote on the Tesla matter would have been logistically challenging. He said it was potentially possible that the board could be holding more meetings in the future on short notice to address individual proxy votes.

Treasurer Montoya said she does not want to overburden staff or take away from the expertise of ISS, but expressed concern that the board not become a rubberstamp and inadvertently vote against the best interests of NMERB or the pensioners.

b. International Travel Approval

Mr. Neel requested authorization for international travel by Aaron Armstrong to conduct a review of NMERB's infrastructure program and consultant-related activities, including a portfolio assessment, diligence on current fund investments and a CBRE organizational update. Activities will take place in Toronto in early November 2025 and may be conducted alongside New York travel related to an annual ILPA conference to aid in team efficiency and productivity. CBRE is a longstanding NMERB relationship with approximately \$450 million of committed capital across four separately managed accounts.

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

Mr. Neel requested authorization for him and Charles Kasscieh to travel to London to conduct due diligence of potential investments in European Private Equity as well as attend the SV Health Investors Biotech Annual Meeting and Limited Partners Advisory Committee Meeting. The meetings will take place during the week of November 17 in London.

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

c. Staff Selection Committee Report

Mr. Neel presented this report.

d. Investment Committee Report

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

e. Other Investment Reports

None.

13. PROPOSED RULE CHANGES: JACOB MAULE, GENERAL COUNSEL

Mr. Maule asked the board to appoint a hearing officer.

Mr. Baca nominated Dr. White as hearing officer. Dr. Fontenla seconded the motion, which passed unanimously.

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 was increased \$25,000, and the 36-month program was increased to 60 months. The change requested is to align the rule with statute.

Mr. Maule said no comments on the rule change were received by NMERB as of 5:00 p.m. yesterday.

There was no public comment from the floor.

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

14. EXECUTIVE SESSION: 11:40 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)

Dr. Fontenla seconded the motion, which passed unanimously by roll call vote.

[Board was in executive session from 11:40 a.m. until 1:10 p.m.]

Chairman Goff 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). Regarding Katherine Chippeaux, Robert Jacksha, Duncan Manning, Nathan Sax, and Pete Werner v. NMERB et al; Case No. D-101-CV-2023-01297; and Executive Director's performance evaluation. Session closed per § 10-15-1(H)(2). Limited personnel matters. Ms. Cameron seconded the motion, which passed unanimously.

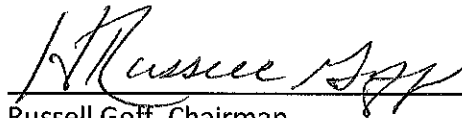
15. ACTION FROM EXECUTIVE SESSION:

Mr. Baca moved that the board authorize the NMERB general counsel to have settlement authority within counsel's recommendation range for a potential settlement at a mediation scheduled for November 12, 2025. This monetary amount as authorized is subject to privilege per NMSA § 10-15-1(H)(7). Dr. Fontenla seconded the motion, which passed unanimously.

Dr. Fontenla moved that, based on the performance evaluation of the executive director, the NMERB increase the annual salary to \$240,000. Ms. Cameron seconded the motion, which passed, with Ms. Anaya in abstention.


16. NEXT MEETING: FRIDAY, DECEMBER 5, 2025 – LOCATION TBD

17. ADJOURN: 1:15 p.m.



Russell Goff, Chairman

ATTEST:



Max Baca, Secretary