NEW MEXICO
EDUCATIONAL RETIREMENT BOARD

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MINUTES OF THE

NEW MEXICO EDUCATIONAL RETIREMENT BOARD OF TRUSTEES

REGULAR MEETING

APRIL 24, 2026

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 Educational Retirement Board Main Office, 5211 Las Soleras, Santa Fe, New Mexico.. A quorum was established following roll call.

Members Present:
Mr. H. Russell Goff, Chair
Ms. Mary Lou Cameron, Vice Chair [virtual]
Mr. Max Baca, Secretary
The Hon. Laura M. Montoya, New Mexico State Treasurer [virtual]
Dr. Matías Fontenla
Ms. Renee Ward [virtual]
Dr. Reilly White

Members Excused:
Secretary Stephanie Rodriguez
Mr. Antonio Ortiz

Staff Present:
Mr. David Archuleta, Executive Director
Mr. Steve Neel, Deputy CIO, Alternative Assets
Mr. Ian Padilla-Salazar, Executive & HR Assistant
Ms. Renada Peery-Galon, Deputy Director
Mr. G. Alan Myers, Portfolio Manager, Securities & Credit
Mr. Raul Duran, Member Services Director

Mr. Jacob Maule, General Counsel

Others Present:
Mr. Sam Austin, NEPC
Ms. Emily Moran, NEPC
Ms. Judith Beatty, Board Recorder

b. Approval of Agenda

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

c. Approval of Regular Meeting Minutes: February 27, 2026

Dr. White moved for approval of the February 27, 2026, minutes. Mr. Baca seconded the motion, which passed, with Treasurer Montoya abstaining.

2. PUBLIC FORUM AND INTRODUCTIONS

Mr. Archuleta introduced Betty Patterson, past president of NEA New Mexico, who would be replacing Mary Lou Cameron on the Board of Trustees. Ms. Patterson has a master's in special education.

3. CONSENT AGENDA: BOARD TRAVEL

None.

4. MOMENT OF SILENCE, JENNIFER VIGIL: RUSSELL GOFF, CHAIR

Board members and staff observed a moment of silence for Jennifer Vigil, who passed away on March 23.

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

a. Agency Activities

- Mr. Archuleta reported that he, Steve Neel and Renee Ward participated in a panel discussion at the Cultivating the Next Wave of New Mexico's Financial Leaders event on April 20. The event was sponsored by the State Treasurers Office and was held at UNM's Anderson School of Management. The event was designed to provide students attending the University of New Mexico and New Mexico State University an opportunity to learn about internships and careers in state government in the areas of accounting, budget and investing.

Dr. White thanked Mr. Archuleta and staff for attending this event, and Treasurer Montoya for organizing it. Since the event, they have been inundated with phone calls and emails requesting additional information.

Treasurer Montoya said Dr. White assisted her in getting UNM and NMSU in this collaborative effort to motivate, inspire and encourage young people while giving them access to the people who make the hiring decisions for PERA, NMERB, SIC, Mortgage Finance Authority and the State Treasurer's Office. She commented that the ripple effect of this event for the people who attended in person and who watched it online has been overwhelming. She would like to see this event held annually.

Mr. Baca stated that students are looking at internships in their local communities so that when they hit the job market, they have some skills behind them. He said NMSU and other HED institutions can submit applications to NMED for an RPSP (Research and Public Service Project), which could provide funding to these institutions to cover the cost of internships.

- Treasurer Montoya thanked Mary Lou Cameron for her years of service to NMERB and to students and educators throughout her career.

- Mr. Archuleta stated that, in addition to looking for opportunities to permanently boost cost-of-living adjustments next year, staff has had several discussions with stakeholder groups, particularly the UNM Retiree Association, about seeking some options for supplementing cost-of-living adjustments into the future. In an effort to do that, staff will be seeking some buy-in in the interim, including discussing with the Interim what the Investments & Pensions Oversight Committee what they might be willing to pursue.

- Mr. Archuleta stated that it has been brought to his attention that the requirement to have a spouse consent to the selection of a non-spousal beneficiary is not codified and perhaps should be codified. Staff will assess whether or not legislation to this end should be pursued.

- Mr. Archuleta reported that, on April 8, 2026, an Op-Ed article appeared in the Albuquerque Journal criticizing NMERB's process for evaluating and approving independent contractors. NMERB staff does not dispute the merit of the claims made with regard to "independent contractors" paying gross receipts tax, contributing to the state's economy and the need for positions to fill, however, every declination of an independent contract provides an explanation along with information regarding NMERB's return-to-work programs.

- Mr. Archuleta stated that NMERB issued two RFPs for financial audit services. Baker Tilly US, LLP has been selected to continue to perform NMERB's financial and compliance audits and GRS to perform actuarial consulting services.

b. Retiree Health Care Authority

Mr. Archuleta reported that NMRHCA's trust fund has reached $2 billion. In 2013, the fund had a balance of just over $200 million.

c. Other

None.

6. FY27 OPERATING BUDGET: MEGAN MANNILA, ASD DIRECTOR/CHIEF FINANCIAL OFFICER; FELICIA SENA, BUDGET AND FINANCIAL SERVICES MANAGER

a. FY27 Operating Budget Adoption

Ms. Sena presented the FY27 operating budget. The bulk of the 9.6% increase in Personal Services & Employee Benefits is related to statutory increases to the employer portion of the employee's group insurance costs, ongoing recruitment and retention efforts, and the 1% salary increases.

Mr. Archuleta stated that, in addition to the 1% salary increase authorized by the legislature, he is requesting an additional amount equal to the CPI for 2025, which was 2.7% to apply to all employees who have completed their probationary period. The proposed 1.7% addition is reflected in the FY27 operating budget under Personal Services & Employee Benefits. The additional amount is totally absorbed by the appropriation dedicated to the NMERB. It also brings the NMERB up to PERA's level.

Dr. Fontenla commented that he fully supports this. If NMERB doesn't adjust employee salaries for inflation, they are essentially cutting wages, and failure to do this for a period of years means that all of the salary increases have not amounted to anything.

Treasurer Montoya pointed out that this is in fact a raise because the inflation rate has gone up only 1% in the last year, not 2.7%. She said she supports the employee raises but asked the Board to keep in mind that the state just authorized the 80/20 health insurance premium split, which is way better than a raise.

Treasurer Montoya asked if the salary increase includes the Executive Director. Mr. Archuleta responded that, in July 2025, there was a 4% salary adjustment for all employees, which also applied to him; and then in August, following his performance review, the Board authorized an additional increase of either 5% or 7%.

Chairman Goff said Mr. Archuleta's next performance review will take place in August 2026.

Treasurer Montoya said she would recommend, then, that the salary increase being requested today exclude the Executive Director.

Mr. Baca said he didn't have any issues with increasing staff salaries but noted that in 2023 NMERB was at $8 million in the Personal Services & Employee Benefits category. In 2027, it is close to $12.7 million, an increase of $4 million in a short time period. As a fiduciary of the fund, this concerned him.

Dr. White stated that he was glad to see that the 1.7% would be absorbed in the appropriation amount. He said the March data was just released for the CPI, and in a single month it went up .9%, and in the last year it went up 3.3%. Gas prices are expected to go up along with other expenses, so he thought the 1.7% increase was appropriate.

Dr. Fontenla said that the 2.7% is considered a cost-of-living adjustment by economists if it doesn't go above the inflation rate. He stated that he would prefer to include Mr. Archuleta in the 2.7% because it is a cost-of-living adjustment and not a raise. In August, the Board can review his performance and decide whether to grant him a raise.

Ms. Ward pointed out that from a strategic standpoint, this additional increase creates a unique opportunity for NMERB in positioning itself to retain and attract employees.

Treasurer Montoya moved approval of the FY27 operating budget to include a 2.7% pay increase for all employees subject to the State Personnel Act and executive exempt employees. Mr. Baca seconded the motion, which passed unanimously.

Dr. Fontenla moved to approve a 2.7% pay increase for the Executive Director. Dr. White seconded the motion, which passed, with Mr. Baca and Treasurer Montoya voting against the motion.

Treasurer Montoya said her vote against the motion was in no way a reflection of her respect, appreciation and support of Mr. Archuleta. This is a bigger issue related to all of the boards she serves on and the importance of having an equitable and streamlined process when in evaluating the performance of all directors.

Mr. Baca said he agreed with Treasurer Montoya and that this was the reason he voted against the motion.

b. <u>FY 27 Organizational Chart</u>

Ms. Sena stated that there were no changes from the previous fiscal year.

Mr. Baca moved approval of the FY27 Organizational Chart as presented by staff. Dr. Fontenla seconded the motion, which passed unanimously.

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

Mr. Swinson presented this report.

8. DISPOSAL OF INFORMATION TECHNOLOGY EQUIPMENT: KEVIN SWINSON

Mr. Swinson reviewed the list of equipment and requested approval.

Mr. Baca moved to give permission to NMERB staff to dispose of the equipment on the list presented by staff. Dr. White seconded the motion, which passed unanimously.

9. RETIREMENTS: RAUL DURAN, MEMBER SERVICES DIRECTOR

a. Disability Retirements

Mr. Duran reported that there was a total of 4 new claims during February and March, for a grand total of 10 disability cases for CY 2026.

b. Age & Services

Mr. Duran reported that, for the February-March bimonthly period, there were 4 disability retirements, 28 reciprocity retirements, and 493 regular retirements, for a grand total of 525 retirements. This is a total of 169 retirements over last year's total at this time.

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

10. INVESTMENT REPORTS: BOB JACKSHA, CHIEF INVESTMENT OFFICER

[Reporting for Mr. Jacksha: Deputy Chief Investment Officer Steve Neel]

a. International Staff Approval

Mr. Neel stated that there were three travel requests:

a. May 17-20, Hamburg, Germany. Staff member Charles Kassicieh will be conducting a review of NMERB's Igneo infrastructure investments and LPAC responsibilities, including a portfolio assessment, diligence on current fund investments and organizational / governance matters. NMERB has a longstanding relationship with Igneo with a commitment of $40 million in 2019.

b. May 31-June 3, Stockholm, Sweden. Staff member Aaron Armstrong will be reviewing NMERB's EQT infrastructure investments and LPAC-related responsibilities, including a portfolio assessment, diligence on current fund investments and organizational/governance matters. NMERB has committed approximately $80 million across EQT Infrastructure vehicles.
c. May 11-13, Toronto, Canada. Staff member Aaron Armstrong will be conducting an infrastructure hosted by NMERB consultant CBRE. The summit will cover geopolitical changes, portfolio allocation implications, discussions with industry leaders, allocation shifts, fund sessions with CBRE review, separate dialogue around NMERB's portfolio and infrastructure program. CBRE is a longstanding NMERB relationship with approximately $450 million of committed capital across four separately managed accounts.

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

b. Staff Selection Committee Report

Mr. Neel presented this report.

c. Investment Committee Report

Mr. Neel reviewed action taken at this morning's Investment Committee meeting.

d. Other Investment Reports

None.

11. EXECUTIVE SESSION: 10:40 a.m.

a. Limited Personnel Matters (session closed per § 10-15-1(H)(2))

Chairman Goff moved to enter executive session for the purpose of discussing limited personnel matters, as permitted under § 10-15-1(H)(2). Mr. Baca seconded the motion, which passed unanimously.

12. ACTION FROM EXECUTIVE SESSION: 11:15 a.m.

Chairman Goff moved to come out of executive session. The only matters discussed in executive session were limited personnel matters, as permitted under § 10-15-1(H)(2). Mr. Baca seconded the motion, which passed unanimously.

**13. NEXT MEETING: FRIDAY, FEBRUARY JUNE 26, 2026 –
5211 LAS SOLERAS DRIVE, SANTA FE**

14. **<u>ADJOURN</u>: 11:20 a.m.**

Russell Goff, Chairman

ATTEST:

Max Baca, Secretary