

**New Mexico Public Schools Insurance Authority
Board of Directors Meeting Minutes**

In Person:

**Poms & Associates Insurance Brokers
201 3rd Street NM, Ste. 1400
Albuquerque, NM 87102**

Virtual:

<https://us02web.zoom.us/j/89492708804?pwd=Ly9Gei96SkI3YURrRiVLYTF5OFdvQT09>

**Phone: +1 719 359 4580
Meeting ID: 894 9270 8804
Passcode: 347072**

Thursday, May 2, 2024

Draft

1. Call to Order

Mr. Al Park, President, Called the NMPSIA Board Meeting to order at 9:01 a.m. on Thursday, May 2, 2024.

2. Roll Call

Ms. Charlette Probst called roll.

Board Members Present:

Al Park, President	In Person
Chris Parrino, Vice President	In Person
Trish Ruiz, Secretary	In Person
Vicki Chavez	Virtual
Tim Crone	Virtual
Pauline Jaramillo	Virtual
Bethany Jarrell	Virtual (left 10:55)
David Martinez, Jr.	Virtual
Sammy Quintana	Virtual (attended full meeting had audio issues for votes)

Board Members Absent:

Denise Balderas
K.T. Manis

NMPSIA Staff Members Present:

Patrick Sandoval, Executive Director	In-Person
Phillip Gonzales, Chief Financial Officer	In-Person
Charlette Probst, Finance/HR Manager	In-Person
Maria Lugo, Chief Procurement Officer	In-Person
Marlene Vigil, Financial Specialist	Virtual
Claudette Roybal, Risk Program Coordinator	Virtual
Kaylei Jones, Benefits/Wellness Coordinator	In-Person
Leslie Martinez, Benefits Analyst	Virtual

Audience Present

Marsha Martinez	BAC Committee Member	Virtual
Lisa Guevara	BCBSNM	In-Person
Maureen Sergel	BCBSNM	Virtual
Samantha Mensay	BCBSNM	Virtual
Jacqueline Pacheco	BCBS	Virtual
Steve Vanetsky	CCMSI	In-Person
Jerry Mayo	CCMSI	In-Person
Louise Carpenter	CCMSI	Virtual
Courtney Barela	CCMSI	Virtual
Ryan Bond	Cigna	Virtual
David Lauck	CVS	In-Person
Gene Ruiz	Citizen	In-Person
Sam Garcia	Davis Vision	In-Person
Rich Bolstad	Delta Dental	In-Person
Stephanie Garcia	Delta Dental	In-Person
Kathy Payanes	Erisa Administrative Services	In-Person
Amy Bonal	Erisa Administrative Services	Virtual
C.S. Hwa	Erisa Administrative Services	Virtual
Audra Kahl	Espanola Public Schools	Virtual
Eric Ahner	J. Paul Taylor Academy	Virtual
LESC Staff	Legislative Education Study Commission	Virtual
Daniel Estupinan	Legislative Education Study Commission	Virtual
Joseph Simon	Legislative Finance Committee	In-Person
Eric Swartz	Myers-Stevens & Toohey	Virtual
Neil Kueffer	New Mexico Retiree Health Care Authority	Virtual
Keith Witt	New Mexico Retiree Health Care Authority	Virtual
Mallory Sampson	PFM Asset Management	Virtual
Sarah Hart	PFM Asset Management	Virtual
Tammy Pargas	Poms & Associates	In-Person
Karen Mestas Harris	Poms & Associates	Virtual

David Poms	Poms & Associates	In-Person
Julie Garcia	Poms & Associates	In-Person
Larry Vigil	Poms & Associates	In-Person
Rika Martinez	Poms & Associates	In-Person
Kevin McDonald	Poms & Associates	In-Person
Steve Valdez	Presbyterian	In-Person
Benito Gonzales	RAC Committee Member	Virtual
Tonya Lewis	Red River Valley CS	Virtual
KJ Ritterhouse	Red River Valley CS	Virtual
Debbie Donaldson	Segal	In-Person
Nura Patani	Segal	Virtual
Andrea Vargas	The Standard	In-Person
Stephanie Anthony	UCCI	In-Person

3. Introduction of Guests

Mr. Patrick Sandoval, Executive Director of NMPSIA, introduced Mr. Mark Saavedra and Ms. Vanessa Hawker with the Council of University Presidents; Ms. Mallory Sampson with PFM Asset Management; Mr. David Lauck with CVS; Ms. Ara Green and Ms. Juliane Hillock with Hozho Academy; Ms. Audra Kahl, Miss Veronica Guillen, and Ms. Holly Martinez with Espanola Public Schools; Ms. Irene Sanchez and Mr. Robert Baade with Robert F. Kennedy Charter School; Mr. Eric Aner with J. Paul Taylor, Academy; Ms. Kimberly Ritterhouse with Red River Valley Charter School; and Mr. Brian Dooley Executive Director from Region Educational Cooperative IX.

4. Citizens to Address the Board (Five-Minute Limit)

There were no citizens to address the Board.

5. Approval of Agenda (Action Item)

Mr. Sandoval requested to remove items: 9. D. Approval of Contract for Financial and Compliance Audit Services, 10. B. Approval of Part-time Resolutions Effective July 1, 2024, and item 11. B. Approval of Student Accident and Sickness Insurance Proposal.

Motion: T. Ruiz

Second: C. Parrino

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes

Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

6. Approval of Minutes (Action Item)

A. Approval of March 2024 Minutes

A motion was made to approve the March 2024 NMPSIA Board Meeting Minutes.

Motion: D. Martinez, Jr.

Second: C. Parrino

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Abstain
Bethany Jarrell	Yes
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

B. Approval of April 2024 Minutes

A motion was made to approve the April 2024 NMPSIA Board Meeting Minutes.

Motion: C. Parrino

Second: T. Ruiz

Ms. Charlette Probst called roll.

Al Park, President	Yes
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Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Abstain
Bethany Jarrell	Yes
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

7. Executive Session (Action Item)

A. Discussion of Competitive Sealed Proposals Solicited Pursuant to the Procurement Code Pursuant to §10-15-1 H (6) NMSA 1978

1. RFP# 342-2024-08 Financial and Compliance Audit Services

2. RFP # 342-2024-06 Actuarial Services

B. Discussion of Threatened or Pending Litigation Pursuant to §10-15-1 H (7) NMSA 1978

1. Christensen and Seifert v. Portales Municipal Schools

2. Tony Rubin v. West Las Vegas Schools

A motion was made to enter an Executive Session to discuss Sealed Proposals Solicited Pursuant to the Procurement Code Pursuant to §10-15-1 H (6) NMSA 1978 and Discussion of Threatened or Pending Litigation Pursuant to §10-15-1 H (7) NMSA 1978. Executive Session began at 9:10 am.

Motion: D. Martinez, Jr.

Second: T. Ruiz

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Abstain
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

7. A. 2. RFP# 342-2024-06 Actuarial Services

A motion was made to select vendor A and enter into contract negotiations for Actuarial Services.

Motion: T. Ruiz

Second: C. Parrino

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Abstain
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

8. Administrative Matters

A. Council of University Presidents

Ms. Vanessa Hawker, Executive Director for the Independent Community Colleges and Mr. Mark Saavedra, Executive Director for the New Mexico Council of University Presidents addressed the Board. Four of the seven entities they represent offer health and risk benefits through NMPSIA. Mr. Saavedra added that a higher education unified budget request has been put together for the legislature and the executive and are currently working on the request for the next session. The associations try to work together, including working with Mr. Sandoval to get an idea of what things are going to look like in terms of rate increases, going to the legislature, and trying to advocate for funding for those increases. Ms. Hawker added that in the most recent legislative session, State support was received to help offset the increase in medical insurance for the employer's share. One of the unique pressures that higher education institutions in New Mexico are facing is the Opportunity Scholarship which provides many opportunities to returning adult students.

Institutions of higher education now face pressure to keep their tuition fees at a minimal increase, whereas in the past the viewpoint for higher education institutions was split between the State of New Mexico's share and the portion to be paid by the student/parents/guardians in tuition fees. Years ago, there was pressure from the legislature to increase tuition, and state funding was kept low and is now in the process of flipping with the opportunity scholarship. There is now significant pressure and a bill that just passed this most recent session, that says institutions will keep tuition under the higher education price in the Mountain States region for opportunity reimbursement. If fees increase they will only be reimbursed for a set amount of reimbursement. Mr. Saavedra advised that due to budget cuts and the opportunity scholarship, budget increases can no longer be done through tuition. There used to be a cost share however, due to the opportunity scholarship this cost share no longer exists. Mr. Saavedra said that they would like to continue to work with the board to try to be able to work and plan for any rate increases. Board members expressed that they are facing the same challenges and it was a difficult decision to pass the rate increases while remaining fiscally responsible to be solvent.

B. Annual Meeting Update

Ms. Maria Lugo, Chief Procurement Officer with NMPSIA, provided an update on the 2024 annual meeting. The meeting is planned for July 24th and 25th in Angel Fire, New Mexico. As of April 30, the contract for lodging, meals, and the meeting space has been reviewed by NMPSIA Staff and is currently with Angel Fire Resort for edits. The main changes are as follows: first, NMPSIA staff have negotiated a special rate for lodging that is about 30% off the initial rate quoted. NMPSIA staff, with the help of Mr. Kevin McDonald from Poms and Associates, have made needed arrangements for our IT needs, which as of now, will be at no additional cost. NMPSIA is also working on the menu for the meals which will also be added to the contract, and NMPSIA is hoping to have that by the end of the week. Ms. Lugo provided a quick breakdown of the estimated costs. The negotiated room rate will be \$129.99 plus tax per night. Ms. Lugo highlighted that the resort has limited rooms with air

conditioning, and staff will do their best to get those included in our room block. Portable AC units are available on a first-come, first-serve basis for rooms without air conditioning and the resort has advised that they will do their best to block the rooms that face north as they are the cooler rooms during that time of the year. The rooms with the AC are also subject to availability at the time the contract is signed. The estimates for the meals at the resort are an average of \$21 per person per meal. The location for dinner is being researched, and NMPSIA staff will be driving up to Angel Fire to visit the possible venues.

C. Staff Update

Mr. Sandoval presented the NMPSIA Staff Update. The Benefits Manager position was posted in February and after completing interviews, Ms. Kaylei Jones was selected. Mr. Sandoval as well as the Board congratulated Ms. Jones. Ms. Kaylie Jones, Benefits Manager with NMPSIA expressed her happiness to continue her journey with NMPSIA in this new capacity. Mr. Sandoval added that with Ms. Jones' promotion a vacancy for the Benefits Coordinator position was created. The position has been posted and closed. The Executive Assistant position is currently posted and closes this week. NMPSIA staff look forward to completing interviews within the next two weeks for both positions.

9. Financial Matters

A. Approval of Financial Reports - March 2024 (Action Item)

Mr. Phillip Gonzales, Chief Financial Officer with NMPSIA, presented the Statement of Revenues and Expenditures for the period ending March 31, 2024 for the Employee Benefits Fund. Mr. Gonzales reported revenue of \$33,309,904.18 and expenses of \$35,221,408.34, for a loss of \$1,911,504.16 for March. Year-to-date revenue was \$283,715,237.26 and expenses were \$292,104,032.41 resulting in a loss of \$8,388,795.15.

Mr. Gonzales presented the Statement of Revenues and Expenditures for the period ending March 31, 2024 for the Risk Fund. Mr. Gonzales reported revenue of \$9,227,375.32 and expenses of \$7,994,776.16, for a gain of \$1,232,599.16 for March. Year-to-date revenue was \$80,815,576.29 and expenses were \$75,496,962.92 resulting in a gain of \$5,318,613.37.

Mr. Gonzales presented the Statement of Revenues and Expenditures for the period ending March 31, 2024 for the Program Support Fund. Mr. Gonzales reported revenue of \$136,957.00 and expenses of \$119,241.37, for a gain of \$17,715.63 for March. Year-to-date revenue was \$1,232,791.02 and expenses were \$1,215,871.17 resulting in a gain of \$16,919.85.

Mr. Gonzales presented the Balance Sheet for the Agency for the period ending March 31, 2024. Program Support had total assets of \$824,162.23, total liabilities of \$112,578.78, and total fund equity of \$711,583.45. Employee Benefits had total assets of \$44,483,957.52, total liabilities of \$35,291,086.28, and total fund equity of \$9,192,871.24. Risk had total

assets of \$135,936,350.70, total liabilities of \$119,262,590.40, and total fund equity of \$16,673,760.30. The total combined assets for the agency were \$181,244,470.45, the total liabilities for the agency were \$154,666,255.46, and the total fund equity for the agency was \$26,578,214.99.

A motion was made to approve the Financial Reports for March 2024 as presented.

Motion: T. Ruiz

Second: D. Martinez, Jr.

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Absent
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Yes

Vote carried unanimously.

B. Investment Performance Review for the Quarter Ended March 31, 2024

Ms. Mallory Sampson with PFM Asset Management, joined by her colleague Ms. Sarah Hart, reviewed the investment performance report for quarter ended March 31, 2024. Ms. Sampson provided a brief market overview including performance and rebalancing that has been done in the recent past.

In the domestic equity space, Ms. Sampson compared the Russell 1,000 Growth Index for the one-year figure and compared that to the Russell 2,000 index. The 1,000 Growth index is the very large companies that are growth-oriented, and the 2,000 is the smaller stocks within the US Stock market and there is a large deviation in the year-to-date column due to large technology companies. Ms. Sampson states in general, they're contributing more than the other asset classes within the domestic equity space and are pushing the overall stock market up. NMPSIA portfolios have benefited from this and overall have had strong returns in this space. For the international equity markets, comparing the emerging market space (MSCI EM) with the rest of the world (MSCI World ex), the emerging market space was lagging as counterparts which is the same as last quarter. This is due to China

continuing to struggle in a post-Covid economy. In the alternative space, Ms. Sampson highlighted that the first 2-line items are slightly negative and are representative of the real estate market. This is in reaction to the continued high interest rates that are expected to continue through 2024. The Federal Reserve was expected to cut rates 5 to 6 times, as of now, the markets are pricing in only one rate cut and so that's causing some volatility within the real estate market and in the fixed income market, represented in the fixed income section of the chart as slightly negative.

Ms. Sampson addressed the overall economy. There is strong economic growth but some slowdown is being seen. The most recent number for US GDP came out for the first quarter and is estimated at 1.6%, slightly less than expected. The fourth quarter was in the 3% range. In the labor market over the last month, over 300,000 jobs were added to the labor market. The month prior was 250,000 equating to under 4% on employment for a little over 20 months. The Federal Reserve is continuing to watch that very strong labor market, hoping that it will weaken slightly as well as watching the inflation. The Fed would like to get back to a 2% target. Inflation numbers have come in slightly above expected.

Ms. Sampson reported how NMPSIA portfolios have been impacted starting with the Benefits fund. NMPSIA started 2024 with an overall asset allocation of 65-35. Looking at the total fund performance and comparing that to the benchmark, the one quarter is the same as the year to date, 4.84% against a benchmark of 4.96% which is a slight underperformance. In the one-year column, 14.81% return slightly below the benchmark, but overall, very positive. Since inception, there has been a 6.21% against a 6.26% benchmark. Overall, there were positive returns in the domestic equity and international equity markets and fixed income helped to boost up as close as possible to that benchmark.

Ms. Sampson reviewed how the portfolios performed against peer groups. The median most common for this last quarter was 4.68%. The portfolio of the last quarter performed at 4.84%. Which is the top 43 percentile, slightly above average, but slightly underperformed against the benchmark.

In February the overall allocation moved to a 50-50 asset allocation, intending to reduce overall volatility, but still being able to hit the discount rate of 6.5%. As of the end of March that portfolio had been reallocated to that 50-50 target. From February to March the domestic equity space continued to grow like it has over the last year, and so that piece of the portfolio shifted up about 2.5%, which is slightly overweight in equity, and slightly underweight in fixed income.

Ms. Sampson presented the recommendation for the last month which was to rebalance back to that 50-50 target to take the gains from the domestic equity space and get back to the target. The next quarterly report will show the target allocation of 50- 50 for the Benefits fund and the Risk fund. For the Risk fund, which is similar, the total funds compared to the benchmark are similar numbers right on top of that benchmark. For the

one year 15.51%. There is strong performance overall, at inception, 6.35% against that 6.26% benchmark.

C. Retroactive Approval Request to Rebalance Investment Portfolio (Action Item)

Ms. Sampson presented the request for approval to retroactively rebalance NMPSIA's investment portfolio for the Benefits Fund and Risk Fund effective May 1, 2024. The Risk Fund rebalance was from US Large Cap Index and Non-US Emerging Index pools to Credit Plus Bond pool. The Benefits Fund rebalance was from the US Large Cap Index pool to the Credit Plus Bond pool.

A motion was made to approve the Retroactive Approval Request to Rebalance the Investment Portfolio.

Motion: D. Martinez, Jr.

Second: P. Jaramillo

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Absent
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Absent

Vote carried unanimously.

D. Approval of Contract for Financial and Compliance Audit Services (Action Item)

Agenda item removed.

10. Benefits Matters

A. COVID/RSV/Flu Claims Statistics for Fiscal Year 2024

Ms. Charlette Probst, Finance/HR Manager with NMPSIA, introduced Ms. Debbie Donaldson with Segal. Ms. Donaldson presented the COVID, RSV, and Flu statistics for 2024.

Segal provided an analysis based on paid claims basis from data pulled using ICD codes for four diagnosis levels. Ms. Donaldson reported the results are from medical only because catching pharmacy data for Flu and RSV are hard to track specifically. She reported that COVID vaccination data can be tracked and brought back to the board to present results for the entire fiscal year 2024, as well as vaccination data for Flu and RSV. COVID continues to be a financial driver. COVID, RSV, and Flu for all plans of the \$4.6 million for the fiscal year to date would be through February, COVID represents \$3.6 million. Ms. Donaldson explained the costs are still being driven by COVID this year. Segal can present results for the entire fiscal year 2024 and do a comparison of year to year once the information is available.

B. Approval of Part-time Resolutions Effective July 1, 2024

This item was removed.

C. Approval of CVS Caremark Drug Savings Review (Action Item)

Mr. David Lauck with CVS presented an overview of the Drug Savings Review. This is included as an additional service in the original contract and an amendment is not required. The cost of this benefit is \$.30 per member per month based on the entire membership. Staff is recommending approval of this program. Ms. Jones confirmed CVS will be working directly with the physician. Unless the physician states the member is a good candidate for this program the member will not be looped in until the physician provides approval. Mr. Martinez, Jr. asked if the members did not want the change if they had the option to continue their current medication. Mr. Lauck confirmed the decision is between the member and their physician. Mr. Sandoval added that the program also helps to identify drug interactions, which is a valuable benefit to members.

A motion was made to approve CVS Caremark Drug Savings Review.

Motion: D. Martinez, Jr.

Second: P. Jaramillo

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes

K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Absent

Vote carried unanimously.

D. Approval of Waiver of Penalty Assessments (Action Item)

1. Espanola Public Schools Payment Penalty Waiver Request

2. Hozho Academy Payment Penalty Waiver Request

3. J. Paul Taylor Academy Payment Penalty Waiver Request

4. Red River Valley Charter School Payment Penalty Waiver Request

5. Robert F. Kennedy Charter School Payment Waiver Request

Ms. Jones presented Approval of Waiver of Penalty Assessments. This list of schools have already received a prior penalty waiver in a rolling 12-month period. To have additional penalties waived, schools must make a request to the Board of Directors for approval.

As a reminder, premium payments are due on the 10th of each month. They are considered late if received after the due date and are assessed a penalty along with a Not Paid as Billed penalty. If a school does not pay as billed but is timely, they are assessed as a not paid as billed penalty only. These penalties were paid by the schools. If approved, NMPSIA will instruct Erisa to credit these penalty amounts on the June bill. Staff is requesting approval to grant these waivers.

A motion was made to approve the Waiver of Penalty Assessments.

Motion: C. Parrino

Second: T. Ruiz

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes

K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Absent

Vote carried unanimously.

B. Approval of Student Accident and Sickness Insurance Proposal (Action Item)

This item was removed.

C. 2024-2025 MOC L027 General and Automobile Liability (Action Item)

Mr. David Poms with Poms and Associates and Mr. Martin Esquivel with Esquivel and Howington reviewed the proposed changes to the liability memorandum of coverage. The purpose is to try to mitigate some of the issues that have come from recent jury awards. Some of the language was changed in 2021 as it relates to coverage for an individual but, felt that there should be some additional language. Mr. Esquivel explained a solution to the issue of providing coverage and defense to individuals who have committed criminal acts such as sexual molestation and abuse of minors. The proposal is to limit the coverage of those who plead guilty or are convicted of such crimes to \$1 million. This will prevent the district from providing coverage to bad actors who engage in criminal acts outside the scope of employment. After consulting with CCMSI and Mr. Poms, the proposal is a good solution and hope that it will be considered for a change to the existing policy.

Motion: T. Ruiz

Second: C. Parrino

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Absent

Vote carried unanimously.

D. Approval of Property and Liability Claims Handling Procedures (Action Item)

Mr. Rich Cangioli with CCMSI reviewed the Property and Liability Claims Handling Procedures. There have been two major changes in claims procedures between NMPSIA and the third-party administrator. The first change is an increase in authority from \$25,000 to \$100,000. The second change involves issuing a reservation of rights letters on any claim involving sexual abuse for any individual by an employee or member which will take place after July 1, 2024.

A motion was made to approve the changes to the Property and Liability Claims Handling Procedures.

Motion: T. Ruiz

Second: C. Parrino

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Absent

Vote carried unanimously.

E. Approval of Workers Compensation Claims Handling Procedures (Action Item)

Mr. Cangioli, stated there are no changes to the Workers' Compensation Claims Handling Procedures.

A motion was made to the Workers' Compensation Claims Handling Procedures.

Motion: C. Parrino

Second: T. Ruiz

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Yes
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Absent

Vote carried unanimously.

F. Risk Claims Committee Overview

Mr. Sandoval briefed the committee on the first Risk Claims Committee meeting that was held on April 15th. The committee consisted of Mr. Al Park, Mr. Sammy Quintana, Ms. Vicki Chavez, NMPSIA staff, Mr. Marty Esquivel, Mr. David Poms, and representatives from CCMSI. Some adjustments are being made for future meetings. The committee was briefed on selected claims by panel attorneys, case logs of potential cases going to trial, mediation logs, and claims reports.

G. Claims Settlement Authority Discussion

Mr. Sandoval communicated that due to the Risk Claims Committee, NMPSIA reviewed the structure for authority to settle or contest claims. Currently written in the Claims Handling Procedures, the NMPSIA Executive Director, Deputy Director, and the Third-Party Administrator will have authority up to \$100,000. NMPSIA Executive Director and Deputy Director, with consultation with general counsel, the broker, and the TPA, will have authority up to the self-insured retention of the claim. Any claim over the self-insured retention shall receive authorization after consultation with the Board President or the Chair of the Risk Claims Advisory Committee. If immediate approval is needed, the Co-Chair may be consulted if the Chair of the Risk Claims Advisory Committee is unavailable.

H. TPA Reports

1. Property & Liability Monthly Claims Report

Mr. Steve Vanetsky with CCMSI reported on the Property & Liability Monthly Claims Report for March 2024. Liability had 455 open claims, 32 new claims, and 33 claims were closed. Reserves were at \$27,206,759.52 and payments were at \$14,368,149.03 for a total of \$41,574,908.98. Property had 107 open claims, 14 new claims, and 29 claims

were closed. Reserves were \$64,749,040.72 and payments were \$15,488,835.08 for a total of \$80,237,875.80.

2. Property & Liability Large Losses

Mr. Vanetsky reported the following large losses: Mountain Mahogany Charter School had a water heater rupture causing water and flooding damage, Cobra Consolidated Schools had roof water leak damage due to a roofing contractor leaving maintenance work exposed to the weather conditions, Raton Public Schools reported a wind loss to the roof of the high school, temporary repairs and emergency mitigation have been completed. Taos Municipal Schools, a boiler failure caused a water leak and standing water inside the basement mechanical room and an electrical panel was compromised. All losses have been reported to the excess carriers. The boiler failure has been reported to the mechanical breakdown carrier as well.

3. Workers' Compensation Monthly Claims Report

Mr. Jerry Mayo with CCMSI, provided the Workers' Compensation Monthly Claims Report for March 2024. For March there were 1,062 open claims, 158 new claims, 31 reopened claims, and 220 claims were closed. Reserves were at \$15,385,095.75 and payments were \$50,493,920.81 for a total of \$65,879,016.56.

4. Workers' Compensation Large Losses

Mr. Mayo reported two losses resulting in air ambulance services. One out of Gallup-McKinley County Schools and the other out of Central Consolidated Schools. The air ambulance bills were negotiated down to about \$85,000 each.

I. Loss Prevention Update

Mr. Larry Vigil with Poms and Associates presented the Loss Prevention Abatement Report for March 2024. For March there was a 69.03% abatement for non-capital recommendations. There were 271 total recommendations, three (3) total capital recommendations and total non-capital were 268. The corrected non-capital was 185 and the capital was one (1). The corrected recommendations percentage for March was 68.63%.

Mr. Vigil also reported on three critical hazard letters that will be sent out. One out of Capitan Municipal Schools which has a storage area with wooden stairs with no railing and the stairs are broken. Two letters are going to Mora Independent School District, one is a makeshift storage in a building that is collapsing and the roof beams are falling where unknown chemicals are being stored. The second hazard for Mora Independent School District is that no fire drills have been conducted for this school year. Also, he briefed the committee on the toxic water condition in Gadsden Independent School District, the water utility failed to report to the community pump failures and arsenic levels that were above

accepted quantities. This area is prone to high arsenic in the ground naturally and the agricultural industry also produces some runoff. Six schools are in the area and have been advised to bring in drinking water. The district will continue to provide water until a water osmosis system can be put in. The district is currently in the RFP process for the osmosis system.

Ms. Julie Garcia with Poms and Associates reported on the newly proposed regulations from the US Department of Education regarding athletics and Title IX, set to come into effect in August. Ms. Garcia also discussed concerns about Title IX and gender identity in athletics, as well as non-compliance with safety drills in schools. Lastly, the group planned for their next meeting to focus on the development of educational videos in collaboration with other team members.

J. Anonymous Reporting Videos Update

Ms. Garcia reported that in collaboration with Zia Learning a video series was created for parents and students. The student videos featured young narrators to appeal to the younger students. The topics covered were keeping safe at school and recognizing potential predators. The committee was shown the middle school video. There is also a video for parents and high school students. Ms. Garcia asked what would be needed to add this to the training curriculum.

12. General Discussion

Mr. Sandoval and the Board thanked and congratulated Mr. Rich Bolstad from Delta Dental on his retirement. Mr. Bolstad thanked the Board and advised that Delta Dental is in the process of hiring a replacement but in the meantime, Stephanie Garcia, Michelle Toon, and Dolores Pina are available to contact for service.

Mr. Sandoval advised that on April 29th the Public Education department met with NMPSIA, the Executive, and LFC to discuss the possibility of reducing Benefit and Risk rate increases. As a result of that meeting another meeting was held May 1st with the subcommittee of the NMPSIA Board attended by Mr. Park and Miss Ruiz. During that meeting, it was determined that NMPSIA Staff will work with PED, LFC, and DFA to see if it is possible to smooth out the increases over 5 years.

Mr. Park presented the idea that BAC and RAC should be held virtual-only as they are attended primarily online. Ms. Ruiz and Mr. Parrino advised that their preference is the Hybrid option.

13. Next Meeting Date and Location: Thursday, June 6, 2024

Location: Poms & Associates 201 3rd Street, Suite 1400 Albuquerque, New Mexico 87102, and a virtual option (Action Item)

A motion was made to approve the next meeting date and location.

Motion: T. Ruiz

Second: C. Parrino

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Absent
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Absent

14. Adjournment (Action Item)

A motion was made to adjourn at 11:41 a.m.

Motion: C. Parrino

Second: T. Ruiz

A roll call vote was taken.

Ms. Charlette Probst called roll.

Al Park, President	Yes
Chris Parrino, Vice-President	Yes
Trish Ruiz, Secretary	Yes
Denise Balderas	Absent
Vicki Chavez	Yes
Tim Crone	Yes
Pauline Jaramillo	Yes
Bethany Jarrell	Absent
K.T. Manis	Absent
David Martinez, Jr.	Yes
Sammy Quintana	Absent

Approved:

X

Mr. Alfred Park
Board President