

**NEW MEXICO EDUCATIONAL ASSISTANCE FOUNDATION (NMEAF)  
BOARD OF DIRECTORS BUDGET MEETING  
NMSL BOARD ROOM  
JUNE 20, 2017  
ALBUQUERQUE, NEW MEXICO**

**PRESENT**

Pauline J. Garcia, Chair  
Dr. Dan Salzwedel, Vice Chair  
Eileen Givler, Secretary/Treasurer  
Gavin Gillette, Board Member  
Julie Filatoff, Board Member Designee  
Charles J. Piechota, Board Counsel

**OFFICERS AND STAFF**

Michael Nemelka, President & CEO  
Brad Allpass, Vice President & CFO  
Grace Tackman, Assistant VP of HR  
Lucas Covington, Assistant VP of IT  
Reginald Storment, General Counsel  
Tracy Rowe, Director of Internal Audit  
Lois Fort, Manager of Operations  
Melisa Dale, Director of GC Operations  
Oscar Garcia, Director of Marketing & Outreach.

**ABSENT**

None

*Chair Pauline J. Garcia called the meeting to order at 1:32 PM.*

**I. Roll Call**

Patricia Sierra called roll. All Board Members were present.

**II. Approval of the Agenda**

Chair Garcia requested a motion to approve the agenda. Dr. Dan Salzwedel so moved and Gavin Gillette seconded. The motion carried unanimously.

**III. FY 2018 Budget Presentation**

Brad Allpass presented the board with the proposed 2018 budget. In response to questions from Dr. Dan Salzwedel, Mr. Allpass described how revenue projections were derived. He then reviewed individual expense categories and explained the increased personnel costs caused by the hiring of two sales executives in Sage Resolutions and a Digital Media Strategist.

He informed the board that actual collection revenue in FY2017 was under the budgeted amount for that year, and the FY2018 projections were adjusted down accordingly. Michael Nemelka noted that collection revenue continues to grow more slowly than expectations.

In response to additional questions from Board members, Mr. Allpass and Michael Nemelka discussed the strategy behind the current budget, which is that the organization is not in wind-down but rather is seeking to increase revenue from debt collection, private loans, and rehabilitated loan purchases, as per the strategic plan presented in the April 2017 board meeting. Mr. Allpass informed the Board that one of the guaranty agencies from which NMEAF purchases rehabilitated loans, Montana, was merging with another industry partner and purchases would end in approximately October 2017. Michael Nemelka noted that he continues to talk with other guaranty agencies about new purchase agreements.

Mr. Allpass further informed the board that if the future expectation of the organization was not growth but managing only existing programs, approximately \$600,000 in FY2018

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expenses could be cut and an operational surplus attained in that year. Michael Nemelka reminded the board that a focus on managing existing programs with no investment in building new revenue places the organization on a path of permanent decline.

Gavin Gillette asked for an explanation of the rationale for hiring a Digital Media Strategist. Michael Nemelka explained the duties of this position and discussed how web and social media content would be used in promoting debt collection services, private student loans, and community outreach programs.

Brad Allpass informed the Board that the new budget included creation of a 3% bonus pool to be paid to staff in 2 installments based on FY2017 performance. Michael Nemelka noted that all staff members, including officers with the exception of himself, would participate in the bonus pool.

After further discussion, Chair Garcia asked for a motion to approve the 2018 budget. Dr. Dan Salzwedel moved to approve and Eileen seconded the motion. The motion carried unanimously.

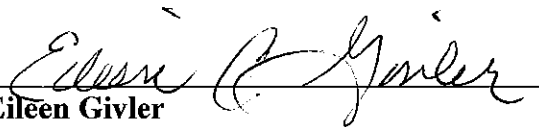
**IV. Adjournment**

Having transacted all business, Chair Garcia adjourned the meeting at 2:34 p.m.

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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**Pauline Garcia**  
**NMEAF Chair**

  
\_\_\_\_\_  
**Eileen Givler**  
**NMEAF Secretary/Treasurer**

**NEW MEXICO EDUCATIONAL ASSISTANCE FOUNDATION (NMEAF) &  
NEW MEXICO STUDENT LOANS GUARANTEE CORPORATION (NMSLGC)  
SPECIAL COMBINED BOARD OF DIRECTORS MEETING  
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NMEAF Chair Garcia asked for a motion to approve a new 3-year contract for Michael Nemelka. Julie Filatoff moved to approve and Dan Salzwedel seconded. The motion passed unanimously. NMSLGC Chair Kidd-Johnson asked for a motion to approve a new 3-year contract for Michael Nemelka. Dave Eppich moved to approve and Pauline Garcia seconded the motion. The motion also carried unanimously.

**IV. Adjournment**

All business having been conducted, the meeting adjourned at 1:29 p.m.

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

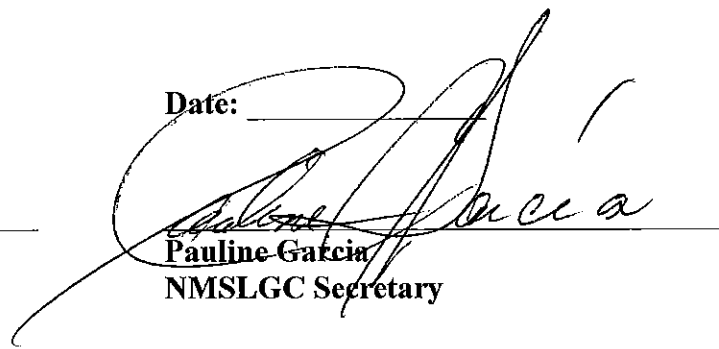
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**Pauline Garcia**  
NMEAF Chair

\_\_\_\_\_  
**Eileen Givler**  
NMEAF Secretary/Treasurer

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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**Dion Kidd-Johnson**  
NMSLGC Chair

  
\_\_\_\_\_  
**Pauline Garcia**  
NMSLGC Secretary