

**NEW MEXICO EDUCATIONAL ASSISTANCE FOUNDATION (NMEAF)
BOARD OF DIRECTORS MEETING
NMEAF BOARD ROOM
October 25, 2022
ALBUQUERQUE, NEW MEXICO**

BOARD OF DIRECTORS

Dr. Dan Salzwedel, Chair
Gavin Gillette, Vice Chair
Julie Filatoff, Secretary/Treasurer
Alex Heubeck, Board Member
Andrew Jacobson, Board Member

OFFICERS AND STAFF

Brad Allpass, President & CEO
Grace Tackman, VP of Administrative Service
Tracy Rowe, Asst. VP of Finance
Estevan Martinez, Asst. VP of IT
Lois Fort, Director of Operations
Reginald Storment, General Counsel
Melissa Dale, Director of GC

Charles J. Piechota, Board Counsel

Chair Dr. Dan Salzwedel called the meeting to order at 1:30pm.

I. Roll Call

Anna Smith called roll. Dr. Dan Salzwedel, Julie Filatoff, Alex Heubeck, and Andrew Jacobson were present in person. Gavin Gillette attended via Zoom.

II. Introduction of Visitors

Mr. Allpass introduced Chip Martin of DataCom Industries Inc./Cubit Fund; Charles Piechota board counsel; Chris Garner of Pattillo, Brown & Hill LLP.; Audrey Jaramillo from JAG; Kevin Powers, potential board member; and Tara Trafton and Alex Montaña, Yearout Energy.

III. Approval of the Agenda

Dr. Salzwedel requested three items be moved to the end of the agenda.

1. VI. Election of Board Officers
2. VII. Appointment of Kevin F Powers to board
3. VIII. Audit Committee Assignment

Ms. Filatoff moved to approve the agenda as amended and Mr. Heubeck seconded the motion. The motion passed 5-0.

IV. Approval of July 26, 2022 Board Meeting Minutes

Ms. Filatoff moved to approve the July 26, 2022 board meeting minutes and Mr. Jacobson seconded the motion. The motion passed 5-0.

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V. Approval of NMEAF Officers

- a. Brad Allpass President and CEO
- b. Grace Tackman Vice President HR and Administrative Services
- c. Estevan Martinez Assistant Vice President Information Technologies
- d. Tracy Rowe Assistant Vice President Finance

Mr. Allpass stated that the slate of officers is the same as last year. Mr. Heubeck moved to approve the slate of NMEAF officers as stated in the agenda and Ms. Filatoff seconded the motion. The motion passed 5-0.

VI. Annual Approval of Board Policies

- a. NMEAF Escheatment Policy
- b. NMEAF Purchasing Policy
- c. NMEAF Travel and Reimbursement Procedures

Mr. Allpass explained policy items a. and b. did not have changes. Policy item c. NMEAF Travel and Reimbursement Procedures had a few minor changes highlighted in red. These are mainly for clarification, no real change to how the policy operates. One change not highlighted is after the date on the first paragraph “January 21, 2014”, a statement will be added approved by the board annually. Ms. Filatoff pointed out a few minor typographical errors. Ms. Filatoff moved to approve the policies as amended and Mr. Heubeck seconded the motion. Approved 5-0.

VII. Audit Committee Report

- a. Mr. Heubeck presented the Audit Committee report. The Audit Committee meeting was held October 11. Mr. Heubeck stated there were no findings. Mr. Garner gave a presentation of the Exit Conference, explaining that the audit is designed to obtain reasonable assurance. Mr. Garner stated that there were no findings or difficulties encountered during the audit. Mr. Garner stated that there was a small change; the Foundation had to implement a new standard regarding leases. This change of lease assets and liabilities had a very small impact on the financials.
- b. Approval of June 30, 2022 Audited Financial Statements.
Mr. Heubeck moved to approve the June 30, 2022 audited financial statements as submitted and Ms. Filatoff seconded the motion. Approved 5-0.

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VIII. Resolution Indemnifying CUBIT FUND LLC Investment Committee Members

Mr. Allpass stated that during the discussion yesterday with the NMSLGC Board a decision was made to table the item for now. Mr. Allpass recommended that the Foundation table the discussion as well. Dr. Salzwedel explained the issue with the NMSLGC board was that there wasn't a sufficient fence separating the committee members' duties and the fund manager's duties. The observation role of the committee members could cross over to advising too easily. Dr. Salzwedel further stated there are lines of communication that need to be established. The board tabled this item.

IX. Building Energy Replacement/Upgrade

Mr. Allpass introduced Ms. Trafton and Mr. Montaña. Ms. Trafton explained that in performing the energy study a billing error was discovered. NMEAF was being charged NMGR (New Mexico Gross Receipt Tax), which will be removed and will result in a \$7900 savings annually. The utility company will also issue a check for three years back for a combined amount of \$18,000. Ms. Trafton stated the numbers for the three scenarios from July's board meeting have been revised.

1. Base: new LED lighting, transformers, HVAC Equipment. Cost revised from \$2.24M to \$1.74M. Estimated building value added \$1.16M
2. Base+ Rooftop Solar: includes all Base and rooftop solar 180kW. Cost revised from \$2.82M to \$2.23M. Estimated building value added \$1.58M
3. Base+ Solar Carport & EV: includes all Base and solar carport & EV charger 225kW. Cost revised from \$3.37M to \$2.49M. Estimated building value added \$1.66M

Mr. Montaña explained that the solar scenarios will be eligible for the Inflation Reduction Act Direct Payment. Dr. Salzwedel asked if there is a deadline for this Act. Mr. Montaña stated it is 5-10 years out. The rooftop option would result in a payment of \$137,000 under this Act, and the carport option payment would be \$200,000, which are reflected in the lower amounts listed. Mr. Montaña stated that after approval from the board of the preferred scenario, an IGA report and contract will be delivered first week of November, followed by a purchase order. The project will be implemented from December 2022 through June 2023(timeframe pending equipment availability).

Mr. Allpass presented a spreadsheet showing the three scenarios with the NPV (net present value) in five- year increments, up to 25 years, for total cost and increase of

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building value. The results show that financially the rooftop scenario is the more attractive option.

Andrew Jacobson left meeting 3:31pm

After much discussion Mr. Gillette moved to accept management's recommendation and approve the Rooftop Solar option and Mr. Heubeck seconded the motion. Approved 4-0

X. President's Report

Mr. Allpass presented the President's Report.

- a. The latest on the Department of Education's Loan Forgiveness program is that it's been paused presently, pending litigation from several states. The eligibility for Loan Forgiveness on consolidated pre-defaulted FFELP loans was suddenly cut-off on September 28, 2022 for those who had not consolidated already. The cut-off was unforeseen because the government had just advised that there is ample time since the deadline to apply is not until December 2023. This abrupt cut-off left NMEAF with frustrated borrowers.
- b. Mr. Martin stated that the CUBIT Fund is ready to go. RBC has been selected as the place to deposit the funds.
- c. Mr. Allpass stated that Collection Resources Inc. has been pulled into in house management and the NMEAF collection staff are working the CRI portfolio. Mr. Allpass stated that the eventual plan is to not manage CRI internally. All the former owners are out of the business and NMEAF staff are running it for now with the intention of new managers operating CRI.

XI. Financial Report

Ms. Rowe stated that the first thing to address is the service agreement approval. Mr. Allpass stated that the agreement was approved by the NMSLGC board yesterday. Ms. Filatoff moved to approve the agreement as presented with one minor typographical correction and Mr. Heubeck seconded the motion. Approved 4-0.

Ms. Rowe presented the financials, stating that for the first time since 2008 NMEAF did not have to pay the Department of Education a net amount for servicing the loans. NMEAF was able to make a small deposit. Ms. Rowe explained that the rise of interest rates is benefiting the portfolio.

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XII. Community Outreach Report

Ms. Tackman stated that New Mexico is third in the nation in increase of FAFSA completions. The state is now just 4% below the national average of FAFSA completions. Ms. Tackman attributed the increase in part due to the Outreach Department's Data Use Agreement contracts with many high schools. Ms. Tackman shared that the Outreach Department held an Annual FAFSA Training session at CNM at the end of September for high school counselors. CNM provided the auditorium and ENLACE provided the lunch. There was also a FAFSA kickoff at the Balloon Fiesta this year, attended by several schools and Stephanie Rodriguez, Cabinet Secretary of HED (Higher Education Department). Ms. Tackman emphasized partnering is beneficial and she will continue to work on strengthening the partnerships with HED and PED (Public Education Department). Ms. Tackman stated that in November, the Outreach Department is launching Free College Application month for most colleges in New Mexico. Outreach is also partnering with NCAN(National College Attainment Network) to work on a state college application. Ms. Tackman explained that if all colleges in the state use the same application, the Outreach Department can help with both the college and FAFSA applications. The same application for all colleges in the state would help reduce barriers.

XIII. Organizational and Department Reports

Mr. Allpass asked if any departments had anything they wanted to talk with the board about regarding their reports in the packet. Mr. Martinez stated that the IT Department is working on adding other revenue streams by providing services with various partners.

XIV. Election of Board Officers

Dr. Salzwedel stated there are three positions to vote on. (Dr. Salzwedel is retiring today) Mr. Allpass stated that Mr. Gillette has agreed to the Chair position, Mr. Heubeck agreed to the Vice Chair position and Mr. Jacobson as secretary for the coming year. (Ms. Filatoff is retiring December 2022) Ms. Filatoff moved to approve the slate as presented and Mr. Heubeck seconded the motion. Approved 4-0.

XV. Appointment of Kevin F. Powers to Board Term Through 2026

Dr. Salzwedel introduced Mr. Powers and shared his background. Mr. Powers served as both a Regent and an Officer at Northern New Mexico College. He has extensive experience with higher education. He has also been an analyst for the legislature in the

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Taxation and Revenue Department. Dr. Salzwedel expressed that Mr. Powers has many skills to bring to this board. Dr. Salzwedel moved to appoint Mr. Powers to the NMEAF Board and Mr. Heubeck seconded the motion. Approved 4-0.

XVI. Audit Committee Assignment

As the new Chair, Mr. Gillette appointed Mr. Powers as the Audit Committee Chair.

XVII. Other Matters

The next Board Meeting: January 24, 2023

XVIII. Executive Session

There was no executive session held.

XIX. Adjournment

Mr. Heubeck moved to adjourn the meeting and Ms. Filatoff seconded the motion. The motion passed 4-0.

Meeting adjourned 4:53pm.

Date 01/30/2023



Gavin Gillette, Chair

Date 01/30/2023



Andrew Jacobson, Secretary

SIGNATURE CERTIFICATE





REFERENCE NUMBER

54914660-7EDA-462D-B3C0-9A94B6967F7D

TRANSACTION DETAILS	DOCUMENT DETAILS
<p>Reference Number 54914660-7EDA-462D-B3C0-9A94B6967F7D</p> <p>Transaction Type Signature Request</p> <p>Sent At 01/30/2023 15:44 EST</p> <p>Executed At 01/30/2023 23:24 EST</p> <p>Identity Method email</p> <p>Distribution Method email</p> <p>Signed Checksum 7ff35a3417a8bc2e93700cfd2faf20fda1f1a079caac5c9f4df3580d3b001161</p> <p>Signer Sequencing Disabled</p> <p>Document Passcode Disabled</p>	<p>Document Name 10252022 Nmeaf Board Meeting Minutes Final</p> <p>Filename 10252022_nmeaf_board_meeting_minutes_final_.pdf</p> <p>Pages 6 pages</p> <p>Content Type application/pdf</p> <p>File Size 239 KB</p> <p>Original Checksum 2a107037c574bde94f0aa843156f34d3049e7aad8c609e6ab46973353af2b84</p>

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
<p>Name Gavin Gillette</p> <p>Email gavingillette@aol.com</p> <p>Components 2</p>	<p>Status signed</p> <p>Multi-factor Digital Fingerprint Checksum b8a41dfb4ed05f2e4bc1b4725651db068b4c0ce7ac4b7861eb1c5d272b90603b</p> <p>IP Address 172.58.8.194</p> <p>Device Chrome via Windows</p> <p>Drawn Signature </p> <p>Signature Reference ID FA315A34</p> <p>Signature Biometric Count 19</p>	<p>Viewed At 01/30/2023 23:23 EST</p> <p>Identity Authenticated At 01/30/2023 23:24 EST</p> <p>Signed At 01/30/2023 23:24 EST</p>
<p>Name Andrew Jacobson</p> <p>Email ajacobson11@cnm.edu</p> <p>Components 2</p>	<p>Status signed</p> <p>Multi-factor Digital Fingerprint Checksum 6d6e311ebfa4897f68f6394583553d07c732876d2bc643ccb93b76e8c28adf65</p> <p>IP Address 198.133.178.20</p> <p>Device Safari via Mac</p> <p>Drawn Signature </p> <p>Signature Reference ID 10C8C7D6</p> <p>Signature Biometric Count 1</p>	<p>Viewed At 01/30/2023 16:31 EST</p> <p>Identity Authenticated At 01/30/2023 16:31 EST</p> <p>Signed At 01/30/2023 16:31 EST</p>

AUDITS

TIMESTAMP	AUDIT
01/30/2023 15:44 EST	Anna Smith (smitha@nmeaf.org) created document '10252022_nmeaf_board_meeting_minutes_final_.pdf' on Chrome via Windows from 50.233.246.62.
01/30/2023 15:44 EST	Gavin Gillette (gavingillette@aol.com) was emailed a link to sign.
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