

**NEW MEXICO EDUCATIONAL ASSISTANCE FOUNDATION (NMEAF)
BOARD OF DIRECTORS BUDGET MEETING
NMSL BOARD ROOM
June 23, 2015
ALBUQUERQUE, NEW MEXICO**

PRESENT

Pauline Garcia, Vice-Chair, NMEAF
Eileen Givler, Secretary/Treasurer, NMEAF
Dr. Dan Salzwedel, Board Member, NMEAF
Gavin Gillette, Board Member, NMEAF
Tim Eichenberg, NM State Treasurer
Charles Piechota, Esq., Board Counsel

OFFICERS AND STAFF

Michael Nemelka, President
Brad Allpass, CFO/VP of Finance
Grace Tackman, Assistant VP of HR
Christy Howard, Director, Operations
Dave Roybal, Director of Facilities Mgmt.
Reginald Storment, Esq.
Alejandro Zamora, Supervisor of Finance

VISITORS

Danielle Panter, Esq.

Chair Pauline Garcia called the meeting to order at 1:06 PM

I. Roll Call - NMEAF

The following board members answered “yes” to the reading of the NMEAF roll call: Pauline Garcia, Chair, Dr. Dan Salzwedel, Vice-Chair, Eileen Givler, Secretary/Treasurer, and Gavin Gillette, Board Member. A quorum was confirmed. Tim Eichenberg joined the meeting at 1:45pm.

II. Approval of the Agenda

Chair Garcia asked for a motion to approve the agenda. Dan Salzwedel moved to approve and Gavin Gillette seconded the motion. The motion carried unanimously.

III. Ratify Selection of New Retirement Plan Provider

In a previous board meeting, the Board approved issuing an RFP to search for a new retirement plan provider. Management selected the Bank of Oklahoma Financial from amongst three responding proposals. Danielle Panter, legal counsel retained by NMEAF to assist with the selection of a new provider, noted an error in the board resolution. She explained that the request to the Board is to ratify management’s decision to freeze new deposits into the TIAA-CREF plan rather than terminate the TIAA-CREF plan. She noted that in addition, the Board was being asked to ratify the selection of the Bank of Oklahoma Financial as the new plan provider, and further ratify directing all future contributions to the new plan.

Dr. Salzwedel and Chair Garcia asked for clarification on how employees would handle the change. Ms. Panter noted that the TIAA-CREF plan contracts were between TIAA-CREF and the individual employee and, therefore, not under NMEAF control. Employees must make individual decisions to move their previous retirement plan investments to the new plan. She further noted that leaving their TIAA-CREF accounts in place would be an option, especially for those employees who selected TIAA-CREF’s guaranteed return investment funds. Grace

Tackman and Brad Allpass explained that the guaranteed return investment funds do not permit lump-sum transfers to new plans, but rather require scheduled transfers subject to a 10% per year limit. They both further noted that the selection of investment plans available in the Bank of Oklahoma program were equivalent and included many of the same investments provided by TIAA-CREF.

Chair Garcia asked for a motion to approve the resolution with the changes and clarifications noted. Dan Salzwedel so moved with a second by Gavin Gillette. The motion passed unanimously.

IV. Approve Establishment of Bank Warehouse Line

In the April 2014 board meeting, the Board previously approved the strategic objective of pursuing acquisitions of existing portfolios. Michael Nemelka briefly reviewed the board resolution asking for approval to enter into one or more short-term lines of credit to “warehouse” a portfolio until permanent financing via issuance of Student Loan Revenue bonds can be completed.

Chair Garcia asked for a motion to approve. Dan Salzwedel moved to approve and Eileen Givler seconded the motion. The motion passed unanimously.

V. Approve Execution of NMEC Agreement & Creation of DBA Entity

Michael Nemelka briefly reviewed the board resolution requesting authority to enter into the NMEC agreement and create a DBA of NMEAF called the New Mexico Education Council. He noted that the former officers and members of NMEC have unanimously approved both the new relationship and the agreement. Charles Piechota clarified that NMEAF would merely begin using a DBA name, the New Mexico Education Council, and would not be creating a formal subsidiary of NMEAF.

Reginald Storment identified an error in the Agreement of Cooperation between NMEC AND NMEAF. Section C.2 should read:

Term Renewal: This Agreement will become effective upon its execution by both Parties. It will continue in effect until terminated by one of the Parties pursuant to Section C.3 of the agreement

Chair Garcia asked for a motion to approve the board resolution as outlined in the resolution and with the correction to the agreement noted by Mr. Storment. Dan Salzwedel moved to approve and Eileen Givler seconded the motion. The motion passed unanimously.

VI. FY 2015 Budget Presentation

Brad presented the budget for 2015-2016 Fiscal Year. Mr. Allpass provided an overview of NMEAF expenses for new fiscal year, and noted a projected reduction in the number of FTEs, increased expenses for health insurance premiums, and further noted an error in the FY2015 budget line item for Professional Fees which as rectified in the FY2016 budget causing a significant increase over FY2015. Mr. Nemelka explained that in the prior FY2015 Executive

budget, he did not include amounts for the payment of legal expenses associated with pursuing legal action against delinquent borrowers.

Mr. Allpass also pointed out that an IT expenditure for \$150,000 to replace the SAL legal system was moved forward into the FY2016 budget because it was not completed in FY2015.

Chair Garcia asked for a motion to approve the FY 2016 budget. Dan Salzwedel moved to approve the budget and Gavin Gillette seconded. The motion carried unanimously.

VII. Adjournment


The meeting adjourned at 2:28pm

Date: _____



Pauline Garcia
NMEAF Chair

Date: _____



Eileen Givler
NMEAF Treasurer