

**NEW MEXICO EDUCATIONAL ASSISTANCE FOUNDATION (NMEAF)
BOARD OF DIRECTORS BUDGET MEETING
NMSL BOARD ROOM
June 21, 2016
ALBUQUERQUE, NEW MEXICO**

PRESENT

Pauline Garcia, Chair, NMEAF
Dr. Dan Salzwedel, Vice Chair, NMEAF
Eileen Givler, Secretary/Treasurer, NMEAF
Gavin Gillette, Board Member, NMEAF
Julie Filatoff, NM State Treasurer designee

OFFICERS AND STAFF

Michael Nemelka, President
Grace Tackman, VP of HR
Lucas Covington, VP of IT
Deena Pierce, Assistant Controller

PARTICIPATING BY TELEPHONE

Brad Allpass, CFO/VP of Finance

Chair Pauline Garcia called the meeting to order at 1:00 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 and Julie Filatoff, Board Member designee for State Treasurer. A quorum was confirmed.

II. Approval of the Agenda

Chair Garcia requested the addition of another item to the agenda. Item VIII will now be Other Business. Dr. Salzwedel moved to approve and Gavin Gillette seconded the motion. The motion passed unanimously.

III. FY 2017 Budget Presentation

Michael presented the 2016/2017 budget on behalf of Brad Allpass. Chair Garcia asked for a motion to adopt the FY 2017 NMEAF budget as presented. Dr. Dan Salzwedel moved to approve and Eileen Givler seconded. The motion passed unanimously.

IV. Discussion of Potential Need for a Private Loan Portfolio Line of Credit

Brad Allpass discussed the need to acquire a small line of credit with a local bank to hold the new private education loans. He reminded the board of the IRS' 18-Month holder requirement ahead of using tax-exempt financing. He noted that by moving the loans off the NMEAF financials into a bank credit line, the 18-month period is on hold giving NMEAF more time to accumulate more volume before a tax-exempt permanent financing is needed. Mr. Allpass stated he will provide more detail in the July board meeting.

V. 1-Year Extension of the President's Employment Agreement

Chair Garcia met with Michael Nemelka previous to the board meeting to ask if he would accept a 1-year extension of his employment agreement. Chair Garcia noted that the 1-year extension ~~was~~ needed in order to have the time necessary to consider how the president's performance should be measured and judged. Chair informed the board that Mr. Nemelka agreed to the extension, and the president's contract will now expire June 30, 2017 instead of June 30, 2016. Chair Garcia asked Charles Piechota to provide the ~~form of the extension.~~

*contract extension
document*

Chair Garcia asked for a motion to extend the president's contract to June 30, 2017. Dr. Salzwedel moved to approve and Eileen Givler seconded the motion. It passed unanimously. Charles Piechota noted that the extension will need to be approved by the NMSLGC Board as well because NMSLGC is also a party to the president's contract. Chair Garcia agreed to contact the Chair of NMSLGC board.

VI. Discussion of the Performance Evaluation Plan for the President

Gavin Gillette provided a brief summary of his analysis of the key elements of a proposed evaluation plan for the president. After further discussion the board agreed to finalize an evaluation plan for the president before June 2017. Chair Garcia instructed the personnel subcommittee to prepare a draft of a performance evaluation plan by the April 2017 board meeting. Michael Nemelka agreed to review the proposed plan and provide comments by May 30, 2017 so the new evaluation plan could take effect July 1, 2017. The board discussed the need to also begin work on changes to the president's employment contract for a longer term after June 30, 2017. Chair Garcia asked that the personnel subcommittee begin work on this as well.

VII. Next Board Meetings

Chair Pauline Garcia reminded the Board that the audit committee would meet next on Wednesday, July 13, 2016 at 2:00PM and the next regular board meeting would be Tuesday, July 19, 2016 at 1:00PM.

VIII. Other Business – New Agenda Item

Dr. Dan Salzwedel discussed creation of a budget sub-committee in order to improve the efficiency with which the board reviews and approves annual budgets. Michael Nemelka noted that Brad Allpass has previously suggested moving to a quarterly budgeting model to accomplish the same purposes. Dr. Salzwedel suggested that whether performed annually or quarterly, in his view it would be more effective if a smaller committee reviewed the proposed budget and then in the regular board budget meeting presented it for approval by the entire board. Chair Garcia asked Charles Piechota if creating a subcommittee of the board required formal board action. Mr. Piechota replied that the board could decide in a formal meeting to create subcommittees as it saw fit. After further discussion, the board decided that Chair Garcia and Eileen Givler will serve on a budget subcommittee. Charles Piechota reminded board members of the requirements of the NM Open Meetings Act as pertaining to informal meetings of board members.

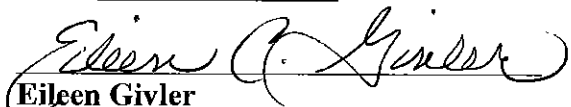
IX. Adjourn

Eileen Givler moved to approve adjournment and Dr. Salzwedel seconded the motion. The motion passed unanimously and the meeting adjourned at 2:53 PM.

Date: _____


Pauline Garcia
NMEAF Board Chair

Date: _____


Eileen Givler
NMEAF Secretary