

**NEW MEXICO PUBLIC SCHOOLS INSURANCE AUTHORITY
BOARD OF DIRECTORS MEETING MINUTES**

**Cooperative Educational Services
4216 Balloon Park Road, NE.
Albuquerque, NM 87109
(505) 344-5470**

Thursday, April 4, 2019

1. CALL TO ORDER

Ms. Mary Parr-Sanchez, called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, April 4, 2019.

2. ROLL CALL

Ms. Katherine Chavez called roll.

Present:

Mary Parr-Sanchez, President
Chris Parrino, Vice-President
Alfred Park, Secretary
Tim Crone
Trish Ruiz (arrived after roll-call)
Ricky Williams

Absent:

David Martinez Jr.
Pauline Jaramillo
Dave Willden

Staff Members Present:

Ernestine Chavez, Executive Director
Richard Valerio, Deputy Director
Patrick Sandoval, Chief Financial Officer
Katherine Chavez, Benefits/Wellness Operations Manager
Melissa Rael, Finance/Human Resource Manager

Audience:

Martha Quintana	Erisa	David Poms	Poms & Assoc.
Kathy Payanes	Erisa	Julie Garcia	Poms & Assoc.
Stephanie Anthony	UCCI	Larry Vigil	Poms & Assoc.
Steve Valdez	Presbyterian	Richard Cangiolosi	CCMSI
Cathy Fenner	Davis Vision	Louise Carpenter	CCMSI
Jennifer Oswald	Standard	Jerry Mayo,	CCMSI
JoLou Ottino	DDNM	Greg Ramirez	CCMSI
Dr. Nura Patani	Segal	Henry Narvaez	Narvaez Law
Harris Zayae	ESI		

3. INTRODUCTION OF GUESTS

Ms. Ernestine Chavez, Executive Director, NMPSIA introduced Ms. Rika Martinez, Poms & Associates. She stated that Ms. Martinez will be making a presentation during the Legislative Update.

Ms. Chavez introduced a new staff member at NMPSIA, Ms. Melissa Rael, Finance and Human Resource Manager.

Ms. Rael stated that she has over seventeen years of experience working in state government and she is excited for the opportunity to work the Authority.

4. CITIZENS TO ADDRESS THE BOARD (five- minute time limit)

There were no citizens to address the Board.

5. APPROVAL OF THE AGENDA (Action Item)

Ms. E. Chavez stated that she will be presenting item 9.D under the Risk Advisory Committee Report. Ms. E. Chavez also stated that item 10.E was inadvertently listed as an action item and it does not require action.

Ms. E. Chavez stated that Ms. Martinez will be addressing item 7. D.

Ms. Parr-Sanchez stated that Mr. Crone will be leading the Risk Advisory Committee Report.

A motion was made to approve the agenda as amended.

MOTION: T. Crone

SECONDED: R. Williams

VOTE: Vote carried unanimously.

6. APPROVAL OF MARCH 18, 2019 MINUTES- (Action Item)

A motion was made to approve the minutes as presented.

MOTION: C. Parrino
VOTE: Vote carried.

SECONDED: T. Crone

7. ADMINISTRATIVE MATTERS

7. A Staff Update and Introduction

Ms. E. Chavez reported that she introduced Ms. Rael earlier in the agenda. She stated that there are still a couple of vacancies at NMPSIA, one in the Finance Department and one in the Benefits Department. She stated NMPSIA is working on the process to fill those positions.

7. B 2019 Spring Budget Workshop Update

Ms. E. Chavez thanked Ms. Parr-Sanchez, Mr. Parrino, Ms. Ruiz, Mr. Williams and Mr. Willden for attending the Spring Budget Workshop. She stated that she appreciates that Board members attended. Ms. E. Chavez stated that presentations were made on both the Benefits and Risk programs. She indicated that premiums for the upcoming fiscal year were presented, and there were no questions out of the ordinary from the audience.

Ms. E. Chavez stated that Ms. Julie Garcia, Poms & Associates, gave an informative presentation on sexual molestation. She stated Poms & Associates also provided a presentation on the property appraisal process. She stated that Poms & Associates provided a great presentation explaining the process.

Ms. E. Chavez stated that Mr. Jerry Mayo, CCMSI, made a presentation on Workers' Compensation. She stated that the overall message encouraged employees to report any incidents that occur in a timely.

Ms. E. Chavez stated that NMPSIA's Wellness partners and Erisa set up booths at the Spring Budget Workshop and provided the attendees with relevant literature.

Ms. Parr-Sanchez stated that this was her first year in attendance.

7. C Statute, Regulations, Policy, Legislative, and Strategic Planning Committee Update

Ms. E. Chavez stated that the Statute, Regulations, Policy, Legislative and Strategic Planning Committee met yesterday morning and reviewed legislation that could have a potential effect on NMPSIA. She stated that this group is continuing to review recommendations and updates to the Memorandum of Coverage (MOC). Ms. E. Chavez stated that the plan is to bring MOC updates to either the May or June Board meetings for review and approval.

7. D Legislative Update

Ms. E. Chavez invited Ms. Martinez and Ms. Garcia up to the table to present this item.

Ms. Martinez provided a detailed bill update for the Board to review. She directed the Board's attention to the handout outlining the bills that have been passed by the Governor and which ones have not been signed. Ms. Martinez reported that House Bill 129 was just signed yesterday. She stated that she worked closely with Representative Linda Trujillo and Ms. E. Chavez on this bill. Ms. Martinez stated that this bill defines who can carry a firearm on school property and mandates training for these individuals. She went on to report that HB 129 defines the armed school personnel can carry a firearm only when not performing any other job duty.

Ms. Martinez reported on House Memorial 57, which would create a school ethical conduct task force to combat ethical misconduct in schools. She stated that this memorial has been passed.

Ms. Martinez reported on HB 322 with respect to autism spectrum disorder coverage. She stated that this bill proposes removing age restrictions on health insurance coverage associated with the treatment of autism spectrum disorder. She stated this bill was signed.

Ms. E. Chavez stated that this bill will impact the Benefits budget, so she will be working with Segal on this. She stated that she will work with Segal to make the necessary updates as soon as possible.

Ms. Martinez reported on SB 55, which is no limitations for crimes against children. She stated that this bill will abolish statutes of limitation for crimes of abandonment or abuse of a child, criminal sexual penetration, criminal sexual contact of a minor.

Mr. Park stated that this bill is getting vetoed. There is a provision where they inadvertently lowered the penalty for criminal sexual contact.

Ms. Martinez reported on SB 131, which establishes the Interagency Pharmaceuticals Purchasing Council with NMPSIA included, which would provide coordinated procurement of pharmaceuticals and pharmaceutical benefits among certain state agencies and other governmental entities.

Ms. E. Chavez stated that NMPSIA did react with a report on data that was provided by Segal. She stated that she is not sure how this will affect NMPSIA in the long run until further research is completed.

Ms. Martinez reported on SB 147, which establishes new requirements for school evaluations, shelter in place and active shooter drills. The bill changes emergency drills to be conducted four times during each school year, at least two drills during the year to be shelter in place drills that include active shooter preparation and two would be evacuation drills. She stated that this was just signed yesterday.

Mr. Crone asked what the logic was in reducing the numbers.

Ms. Garcia stated that she thinks it was taking too much time out of education and classroom time, and may negatively impact the students.

Ms. Martinez reported on SB 204, which would add a section to both the Public School Code and to the Lynn and Erin Compassionate Use Act to allow children to be dispensed medical marijuana in schools under specified circumstances. School boards and charter school governing bodies will be required to set up rules for the use of medical marijuana, either administered by parents or by school personnel, and the school personnel involved to be determined by the school.

Ms. Martinez reported on SB 148, which would allow cost of living pension adjustment increases to retired law enforcement officers hired as school security personnel.

Ms. Martinez reported on SB 288, which would require PED to come up with rules to implement anti-bullying policies.

Ms. Ruiz thanked Ms. Garcia, Ms. Martinez and everyone involved for their hard work during the legislative session.

Ms. Garcia stated that there were some questions yesterday about Rio Rancho. She stated that Rio Rancho has twelve armed police school security officers. She stated that Rio Rancho purchased 9mm Smith and Wesson handguns, which were outlined in the guidelines. She stated that the officers are only carrying the firearms on school grounds.

8. FINANCIAL MATTERS

8. A Financial Reports- (Action Item)

Mr. Patrick Sandoval, NMPSIA Chief Financial Officer, reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 2/1/2019 through 2/28/2019. The Benefits Fund had revenues in the amount of \$25,486,314.00; expenditures in the amount of \$20,627,745.86; resulting in a surplus of \$4,858,568.14.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 2/1/2019 through 2/28/2019. The Risk Fund had revenues in the amount of \$7,009,278.68; expenditures in the amount of \$9,291,211.84; resulting in a loss of \$2,281,933.16.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 2/1/2019 through 2/28/2019. The Program Support Fund had revenues in the amount of \$109,800.00; expenditures in the amount of \$81,026.08; resulting in a surplus of \$28,773.92.

Mr. Sandoval reviewed the balance sheet for the period 2/1/2019 through 2/28/2019. Program Support had total assets of \$904,286.75, total liabilities of \$81,712.86, and fund equity of \$822,573.89. Employee Benefits had total assets of \$48,994,692.43, ending liabilities of \$25,298,596.74, and fund equity of \$23,696,095.69. Risk had assets of

\$104,227,642.52, liabilities of \$102,933,661.41, and fund equity of \$1,293,981.11. Total assets for the agency were \$ 154,126,621.70 and ending liabilities of \$128,313,971.01. Combined fund equity for the agency was \$25,812,650.69.

A motion was made to approve the February 2019 Financial Reports.

MOTION: T. Ruiz

SECONDED: R. Williams

VOTE: Vote carried unanimously.

8. B Independent Public Accountant Recommendation for FY19 Audit (Action Item)

Mr. Sandoval reported that under tab 8.B is a proposal from Kubiak, Melton & Associates, LLC to perform audit services for NMPSIA. Mr. Sandoval stated that NMPSIA is seeking approval to enter into a contract with Kubiak, Melton & Associates, LLC to perform the FY19 Audit. He stated that this is the fourth year with Kubiak, Melton, & Associates, LLC and after the sixth year NMPSIA will have to find a new auditor.

Mr. Parrino made a motion and stated that it is the recommendation of the Internal Fiscal Review Committee to approve the staff recommendation.

MOTION: C. Parrino

SECONDED: T. Ruiz

VOTE: Vote carried unanimously.

8. C Disposition of Inventory (Action Item)

Mr. Sandoval requested approval for disposition of the following inventory:

- 1 couch
- 1 end table
- 9 chairs

A motion was made to approve the disposition of inventory as presented.

MOTION: C. Parrino

SECONDED: T. Crone

VOTE: Vote carried unanimously.

9. RISK ADVISORY COMMITTEE REPORT

9. A Approval to Correct Memorandum of Coverage- MOCP021, Effective July 1, 2018- June 30, 2019 (Action Item)

Ms. E. Chavez reported that it was discovered that the dates listed on the MOC was incorrect. She stated that the MOC in the book has been updated to reflect the correct year.

A motion was made to approve the MOCP021, Effective July 1, 2018 - June 30, 2019.

MOTION: T. Ruiz

SECONDED: C. Parrino

VOTE: Vote carried unanimously.

TPA Reports

Mr. Crone reported that the full reports were given at the RAC and they are available in the monthly Board book.

9. B. 1 Property & Liability Monthly Claims Report

Mr. Crone stated that CCMSI provided a detailed report to the RAC.

9. B. 2 Property & Liability Large Losses

Mr. Crone stated that CCMSI reported there are a number of hail storm claims throughout the state.

9. B. 3 Workers Compensation Monthly Claims Report

Mr. Crone reported that there was nothing out of the ordinary with respect to monthly claims.

9. B. 4 Workers Compensation Large Losses

Mr. Crone reported that there were not any large losses to report.

9. C Loss Prevention Update

Mr. Crone stated that the RAC discussed opposition of some sheriffs to the gun laws that were passed. He stated that the RAC also discussed issues with different law enforcement agencies recognizing the authority of sheriffs.

9. D Selection of Vendor for Third-Party Workers' Compensation, Property and Liability Services and Request to Enter into Contract Negotiations (Action Item)

Ms. E. Chavez reported that the RFP Evaluation Committee for this procurement consisted of Mr. Valerio, Mr. Park, Ms. Ruiz, Mr. Willden and herself. She stated that Mr. David Poms, Poms & Associates was the technical advisor and Ms. Pamela Vigil, Program Coordinator, NMPSIA served as the Procurement Manager. Ms. E. Chavez stated it is the recommendation of the committee to select Vendor A and staff enter into the contract negotiation phase of this procurement. She stated that a draft contract will be brought to the Board next month and after it is executed, the name of the vendor can be disclosed.

A motion was made to approve the recommendation to select Vendor A and staff enter into contract negotiations.

MOTION: T. Ruiz

SECONDED: C. Parrino

VOTE: Vote carried unanimously.

10. BENEFITS ADVISORY COMMITTEE REPORT

10. A Request for SaveOn Contract Approval - Effective July 1, 2019 - June 30, 2020 (Action Item)

Ms. E. Chavez requested approval of the SaveOn Contract effective July 1, 2019 through June 30, 2020. She stated that the cost savings of this program are reflected on page three.

A motion was made to approve the SaveOn Contract as presented effective July 1, 2019 - June 30, 2020.

MOTION: T. Ruiz

SECONDED: C. Parrino

VOTE: Vote carried unanimously.

10. B Request to Issue RFP for Third-Party Administrative Services for Enrollment, Eligibility, and Billing (Action Item)

Ms. E. Chavez stated that the current contract with Erisa expires January 31, 2020. She stated that she wanted to get a head of the process and allow an adequate amount of time for staff to conduct the procurement.

A motion was made to approve the Request to Issue an RFP for Third-Party Administrative Services for Enrollment, Eligibility, and Billing.

MOTION: C. Parrino

SECONDED: T. Ruiz

VOTE: Vote carried unanimously.

10. C Selection of Vendor for IBAC RFP for Group Basic Life and AD&D, Group Voluntary Life and AD&D, and Group Long-Term Disability Coverage and Request to Enter into Contract Negotiations (Action Item)

Ms. E. Chavez stated that the IBAC Evaluation Committee has selected a finalist and staff is requesting approval to enter into the contract phase of this procurement with Vendor D, pending approval from State Purchasing. She stated that a contract will be brought back to the Board for approval, and the Vendor will be announced after there is an executed contract in place.

A motion was made to approve the recommendation as presented.

MOTION: T. Ruiz

SECONDED: C. Parrino

VOTE: Vote carried unanimously.

10. D 2019-2020 Part-time Employee Resolutions (Action Item)

Ms. E. Chavez presented Part-time Resolutions from Chama Valley Independent Schools, and indicated the resolution is standard. She stated that it is the recommendation of the Benefits Advisory Committee to approve this part-time resolution.

A motion was made to approve the Part-time Resolution from Chama Valley Independent Schools as presented.

MOTION: C. Parrino

SECONDED: T. Crone

VOTE: Vote carried unanimously.

10. E 2018 Annual Statistics Report- Erisa Administrative Services, Inc.

Ms. E. Chavez presented the 2018 Annual Statistics Report from Erisa. She stated that the average age for members is 47 years and the average salary is \$42,000.00. Ms. E. Chavez reported that there is a decline in membership on the medical side. Ms. She stated that the full report was available upon request.

10. F BCBSNM Medical Management Report

Ms. E. Chavez reported that BCBSNM presented their Semi-Annual Review at the BAC. She stated that the full report was available in the monthly Board book.

10. G IBAC Update

Ms. E. Chavez reported that the IBAC is wrapping up the Life & LTD RFP. She stated that the IBAC is currently working on the RFP for the Medical Project Manager for the medical, dental and vision RFP.

10. H Wellness Update

Ms. E. Chavez stated that the NMPSIA Wellness and Well-Being Program is moving along and has been well received. She stated that there will be a benefits, wellness event at CES on April 30, 2019. Ms. E. Chavez stated that the next opportunity for the Naturally Slim Program will be on April 15, 2019.

11. NEXT MEETING DATE AND LOCATION

Next Meeting Date and Location Scheduled for 9:00 a.m., Thursday, May 2, 2019 - Cooperative Educational Services, 4216 Balloon Park Road, NE, Albuquerque, NM 87109.

Ms. Parr-Sanchez reminded the Board that the June Committee and Board meetings will be held on June 11th and 12th.

13. ADJOURNMENT (Action Item)

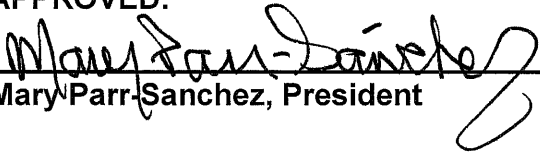
A motion was made to adjourn the NMPSIA Board Meeting.

MOTION: T. Ruiz

SECONDED: T. Crone

VOTE: Vote carried unanimously

APPROVED:


Mary Parr Sanchez, President