

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

**Hondo Room at the Rio Hondo Center  
The Blake at Taos Ski Valley  
116 Sutton Place  
Taos Ski Valley, NM 87525  
575-776-5335**

**Thursday, August 8, 2019**

**1. CALL TO ORDER**

Ms. Mary Parr-Sanchez, called the NMPSIA Board Meeting to order at 9:25 a.m. on Thursday, August 8, 2019.

**2. ROLL CALL**

Ms. Pamela Vigil, called roll.

**Present:**

Mary Parr-Sanchez, President  
Chris Parrino, Vice-President  
Alfred Park, Secretary  
Tim Crone  
Pauline Jaramillo  
David Martinez Jr.  
Dave Willden

**Absent:**

Trish Ruiz  
Ricky Williams

**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  
Pamela Vigil, Program Coordinator  
Dion Romero, Accountant Auditor  
Melissa Larranaga, Benefits Analyst

**Audience:**

Martha Quintana	Erisa	Larry Vigil	Poms & Assoc.
Kathy Payanes	Erisa	Richard Cangioli	CCMSI
Melissa Krumholz	Segal	Brian Thomas	CCMSI
Dr. Nura Patani	Segal	Louise Carpenter	CCMSI
Sam Garcia	Davis Vision	Kevin Sovereign	CCMSI
Cathy Fenner	Davis Vision	Greg Ramirez	CCMSI
Stephanie Crouch	Standard	Jerry Mayo,	CCMSI
Stephanie Anthony	UCCI	Kim Trimble	CCMSI
Harris Zeyae	ESI	Lisa Guevara	BCBS
Adriana Lopez	PHS	Heather Ledera	BCBS
Steve Valdez	PHS	Maureen Sergel	BCBS
Sarita Loehr	PHS	Tim Farley	FCS
Cynthia Grajeda	PHS	Jose Maresma	
Martin Esquivel	Esquivel & Howington		

**3. INTRODUCTION OF GUESTS**

Ms. Parr-Sanchez thanked NMPSIA staff for arranging the retreat. She gave a special thanks to Dion for shuttling Committee and Board members back and forth.

Ms. Ernestine Chavez, Executive Director, NMPSIA introduced Mr. Brian Thomas, CCMSI.

Ms. E. Chavez introduced Mr. Jose Marisma, Wellness Coach.

**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 requested that item 9.F (Fiscal Year 2020 Special Appropriation Request) be deleted from the agenda.

Ms. E. Chavez requested that item 13. (Election of Officers) be moved after 8.D (Administrative Matters).

Ms. E. Chavez requested that Risk Matters be moved before Benefits Matters on the Agenda.

Ms. E. Chavez requested that item 12. (Executive Session) be moved right after the Financial Matters on the Agenda.

Mr. Willden stated that he has an issue with item 8.B (Anonymous Complaint Regarding NMPSIA Board of Directors Qualifications). He stated that he does not think the Board should waste their time with this Mr. Willden made a motion to strike item 8.B from the agenda.

**MOTION:** D. Willden

**SECONDED:** C. Parrino

Mr. Park stated that the Board should approve the amendments to the agenda first.

Mr. Parrino stated that the previous motion should be set aside and addressed during the discussion.

A motion was made to approve the agenda with the following amendments:

- 9.F (Fiscal Year 2020 Special Appropriation Request) be deleted from the agenda.
- 13. (Election of Officers) be moved after 8.D (Administrative Matters).
- Risk Matters be moved before Benefits Matters on the Agenda
- 12. (Executive Session) be moved right after the Financial Matters on the Agenda.

**MOTION:** C. Parrino

**SECONDED:** A. Park

**VOTE:** Vote carried unanimously.

Mr. Crone agreed with Mr. Willden that the Board should not validate this complaint. He stated that he does think the language in the statute is ambiguous and left open to complaints such as these. Mr. Crone suggested that changes be made to the language.

Ms. Parr-Sanchez stated that she appreciates Mr. Crone's comment, but right now, it is a discussion regarding the entire agenda.

Mr. Park stated that right now the Board is just approving the re-organization of the agenda.

Mr. Willden stated that he is concerned that if the Board approves the changes to the agenda, then his motion will be out of order.

Mr. Park stated that two motions could be made.

Ms. Parr-Sanchez requested that Mr. Esquivel speak to the motion made by Mr. Willden.

Mr. Esquivel stated that he agrees that an anonymous complaint is cowardly, but he does believe Ms. Chavez did the right thing by taking the information, consulting with him and then bringing it to the Board's attention as a matter of information. He stated that it is listed as an action item in an abundance of caution. Mr. Esquivel stated that it is worthwhile to hear his assessment on the situation even though no action would be taken.

He stated that his concern was that there was a threat to raise this matter with the Attorney General, and in order to avoid any accusations that this matter would be swept under the rug he would provide an assessment in a public meeting. Mr. Esquivel stated that the bottom

line of his assessment is that authority is granted to the NEA and the AFT in order to make appointments to the Board. He stated that Ms. Chavez set up meetings with NEA and AFT to discuss this complaint. Mr. Esquivel stated that there is some ambiguity within the statute, but he does not see anything that precludes the two members that were raised from continuing to serve. He stated that it would be better to address it in open session and state that the Executive Director is handling this and move forward.

Mr. Willden stated that the threat to go the Attorney General should be handled in Executive Session under pending litigation. He stated we are allowing this individual to not step up and put their name on the complaint. Mr. Willden stated that he does not like to be bullied by anonymous complaints.

Mr. Esquivel stated that the better route to go is to be as transparent as possible and he believes that the Executive Director clearly did that.

Mr. Martinez Jr. asked if the better route would be to leave this item on the agenda and table it when the Board comes to it, if so he would make that motion.

Ms. Parr-Sanchez stated that if there is a second action about this topic, then the Board would have set parameters, and the Board would have weighed in on this complaint. She stated that for that reason it is a legitimate item. She stated that she believes that she does not think it is a union member who wrote this. Ms. Parr-Stated that if someone were to make another anonymous complaint then this would be handled by the Executive Director.

Mr. Willden stated that he wanted to go on the record and state that he does not believe the Board should take up anonymous nonsense.

Ms. Parr-Sanchez asked Mr. Martinez if he wanted to continue with his prior recommendation to table.

Mr. Martinez Jr. withdrew his recommendation.

Ms. Parr-Sanchez asked whether the Board agrees to leave agenda item 8.B or remove the item from the agenda.

The previous motion with respect to striking agenda item 8.B did not pass.

Mr. Park stated that he feels item 8.B has already been thoroughly discussed. He stated that he agreed with Mr. Willden.

After discussion, Mr. Esquivel recommends that the Board not take action and move forward.

## **6. APPROVAL OF June 27, 2019 MINUTES (Action Item)**

Mr. Park thanked staff for doing a great job on this telephonic meeting.

A motion was made to approve the minutes as presented.

**MOTION:** A. Park

**SECONDED:** C. Parrino

Mr. Crone abstained from voting.

Mr. Willden abstained from voting.

**VOTE:** Vote carried.

## **7. The Science of Aging and Aging Well**

Mr. Maresma provided a detailed presentation on the Science of Aging and Aging Well. A handout was also provided to the Board summarizing key points from the presentation.

## **8. Administrative Matters**

### **8. A Open Meetings Act Resolution (Action Item)**

Mr. Esquivel stated that the New Mexico Open Meetings Act has certain requirements as to how meetings are conducted, meeting notices, agendas, etc. He stated that the Open Meetings Act requires boards to approve an annual resolution outlining how meetings will be conducted and how notice will be provided to the public. He stated that this is a statutory requirement and the details of the resolution he has drafted are consistent with what NMPSIA has already been doing for the Benefits and Risk Committee, Investment Review Committee and the NMPSIA Board of Directors Meeting.

Mr. Martinez Jr. questioned why there was not a number six on the document provided by Mr. Esquivel.

Mr. Esquivel stated that it was a typo and would be corrected.

A motion was made to approve the Open Meetings Act Resolution as amended.

**MOTION:** C. Parrino

**SECONDED:** D. Willden

**VOTE:** Vote carried unanimously.

### **8. B Anonymous Complaint Regarding NMPSIA Board of Directors Qualifications (Action Item)**

Mr. Esquivel stated that he believed the Executive Director took appropriate action with respect to this anonymous complaint. He stated that Ms. Chavez met with NEA and AFT and both agencies met with their general counsel with regard to their ability and the appointments that they have made. He stated that given his reading of the statute with regard the right to appoint and the qualifications that are set out as written, that no action will be needed at this time.

## **8. C Executive Management Compensation (Action Item)**

- 1. Executive Director Compensation**
- 2. Deputy Director Compensation**
- 3. Chief Financial Officer Compensation**

Mr. Esquivel stated that this matter was raised at the previous Board meeting and he was not yet NMPSIA General Counsel at the time. Mr. Esquivel stated that it was the desire of the Board to gather information via a subcommittee and assess several factors with respect to NMPSIA Executive Management Compensation. He stated that the sub-committee consisted of Ms. Mary Parr-Sanchez, Ms. Pauline Jaramillo, Mr. David Martinez Jr. and Ms. Trish Ruiz. Mr. Esquivel stated that the sub-committee did not vote on anything, but indicated the desire that the Executive Director be paid at the maximum compensation. He indicated the intent would be for the increase approved by the Legislature apply to the increase approved by the Board.

Mr. Esquivel provided some information to the Board outlining what the Board responsibilities are. He reported that the enabling statute of the Authority does provide the Board the authority to hire the Executive Director, which is a crucial position and provides oversight on Risk and Benefits insurance to over 200 member school districts, other educational entities and thousands of employees. Mr. Esquivel stated that enabling statute does not speak to the amount of money that can be paid to the Executive Director.

He stated that the Statute allows the Department of Finance and Administration (DFA) to prepare an annual salary plan for exempt employee salaries, including, heads of agencies and departments appointed by their respective boards and commissions. He stated that the annual exempt salary plan is published by DFA and positions such as executive directors are given an assignment of a grade. NMPSIA's Executive Director is a grade 36. He stated that this grade sets a minimum salary, maximum salary and certain midpoints. Mr. Esquivel stated that this is the spectrum the Board has to work with.

Mr. Esquivel stated that the Executive Director grade is a 36, the Deputy Director is a 34 and the Chief Financial Officer (CFO) is a 28. He stated that the Executive Director's salary at this point is \$132,599. The Deputy Director's salary is \$111,834 and the CFO's salary is \$95,585. Mr. Esquivel stated that the maximum salary for the Executive Director would be \$146,150, Deputy Director would be \$132,000 and the CFO would be \$110,357. Mr. Esquivel stated that this is the range the Board is able to consider. He stated that the subcommittee discussed the proper considerations with regard to the Executive Director and the other salaries and should include:

1. Experience related to complex health benefits and risk insurance issues.
2. Job duties and responsibilities managing members and its employees.
3. Pay equity per federal Equal Pay Act and New Mexico Fair Pay Act for Women Act (FPWA), which now applies to state entities.
4. Cost of attracting a future applicant at a competitive salary.
5. Trends in executive salaries statewide - Cabinet level increases.
6. Availability of funds to increase salaries at this time.

Mr. Esquivel stated that NMPSIA's Executive Director's responsibilities are much more significant than other agencies. NMPSIA's \$409,000,000 budget with 212 members is a very large responsibility. Mr. Esquivel stated that with respect to the Executive Director, the committee raised the issue of what exactly the job duties are. He stated that previously there was not any type of job description. He stated that when this position was opened up for applicants last fall, the job posting set out some responsibilities, but the reality is that Ms. Chavez has taken over being in control of not just Benefits, but overseeing Risk and Finance as well. He stated that one of the things that the Committee felt was important was to define what Ms. Chavez's responsibilities are, and that would provide a better sense of what the Executive Director would be entitled to. Mr. Esquivel provided the Board with a job description for review, and indicated the responsibility for the Executive Director has increased since Ms. Chavez assumed this role. He stated that Ms. Chavez has significantly more responsibility than her predecessor had.

He stated that if Ms. Chavez left for any reason, it would be difficult to replace her for the amount of money she is now being paid. Mr. Esquivel stated that this is not an evaluation. He stated that the Board should take into consideration the 36 plus years of experience that Ms. Chavez has. He stated that two members of the subcommittee felt strongly that Ms. Chavez be paid at the maximum compensation. Mr. Martinez Jr. felt that there needed to be concrete job responsibilities outlined and he would be more inclined to consider the maximum. Mr. Esquivel stated that Ms. Ruiz indicated a desire to consider the mid-point salary, but would consider the maximum if the duties were outlined.

Mr. Martinez Jr. stated that he did not have an issue with the increase in salary for the Executive Director. He stated that he wanted concrete guidelines written in place so that the salary increase could be justified. He stated that now that the guidelines are in place, he has no problem with the salary increase for the Executive Director.

Mr. Parrino asked if there was a recommendation for a proposed salary.

Mr. Park stated that there was not a recommendation made by the Committee. He stated that he appreciated the fact that the Board took the time to do the research. He stated it was a reflection of the professional operation that Ms. Chavez and her team are running to make sure that operations are running smoothly and transparently.

Mr. Esquivel stated that transparency is very important.

Ms. Jaramillo stated that the Board needed to know the job description because Ms. Chavez is doing a lot more work and she would recommend the maximum salary increase to \$146,150 for Ms. Chavez.

Mr. Park asked if a recommendation was needed for the Executive Director's salary, and separate recommendations for the Deputy Director's salary and the CFO's salary.

Mr. Willden stated that he didn't think it was the Board's decision to set the Deputy Director's Salary and the CFO's salary. He stated that the Executive Director should determine these salaries.

Mr. Esquivel stated that this was a valid point that he did consider. He stated that it is not crystal clear. He stated that the supervisory responsibility of the Deputy Director and the CFO falls within the Executive Director's realm. He stated that if the Board authorized her to make the decision, then that would be the compromise.

Mr. Park stated that the first part of the memo provided by Mr. Esquivel talks about the enabling statute that indicates the Executive Director hires the Deputy Director and the CFO.

Mr. Willden stated that there are lots of moving parts and would defer to Ms. Chavez's judgment on salary increases for the Deputy Director and CFO. He stated that if everyone was moved to the maximum then there would be no place to go.

Mr. Martinez Jr. stated that Ms. Chavez could come back with a recommendation. Mr. Willden stated that he doesn't believe that is the Board's prerogative. He stated that as long as it fits in the budget, he doesn't think the Board has to approve it.

Ms. Parr-Sanchez stated that the Board could vote on the Executive Director's salary. She further stated the decision for the Deputy Director and CFO would be made by the Executive Director.

Mr. Willden stated that his recommendation was that the Board not address the Deputy Director's salary and the CFO's salary, and that it be determined by the Executive Director. He also stated that they should not be the minimum salaries.

Mr. Parrino made a motion to raise the Executive Director's salary to maximum of \$146,150, and grant her the authority to set the Deputy Director's salary and CFO's salary.

Mr. Willden asked Ms. Chavez if she is comfortable with setting the salaries.

Ms. Chavez stated that there was confusion because last year the Board took action in appointing the Deputy Director and the CFO and setting their salaries. Mr. Willden stated he did not agree with that decision. He stated that this issue could be cleared up now.

Mr. Park stated that there was discussion about retroactive salary increases at the previous Board meeting.

Mr. Parrino stated that he would clarify the motion to make the salary increase retroactive to June 29, 2019.

**MOTION:** C. Parrino

**SECONDED:** P. Jaramillo

**VOTE:** Vote carried unanimously.

Mr. Willden suggested to Ms. Chavez that the Deputy and CFO salary increases also be retroactive.

**MOTION:** C. Parrino

**SECONDED:** P. Jaramillo

**VOTE:** Vote carried unanimously.



#### **D. Legislative Update**

Ms. Chavez reported that there would be a Legislative Finance Committee Hearing on August 27, 2019 at 2:30 p.m. in Red River New Mexico if any Board members would like to attend to let her know so information can be provided. She also stated that NMPSIA has been informed by the Legislative Education Study Committee that there will be a hearing sometime in September. She stated she would keep the Board informed about that date.

Mr. Martinez Jr. asked if the regular Board and Committee meetings will be moved if the hearings are on the same day.

Ms. Parr-Sanchez asked if the meetings could be moved to September 11, and 12<sup>th</sup>.

Ms. Jaramillo stated that her schedule conflicted with those proposed dates.

Ms. Parr-Sanchez asked if the September 9<sup>th</sup> and 10<sup>th</sup> would be work.

The Board agreed to change the September meetings to Monday September 9<sup>th</sup> and Tuesday September 10<sup>th</sup>.

#### **E. Election of Officers**

Mr. Esquivel stated that pursuant to the Administrative Code and Policies and Procedures, the August meeting is the annual meeting and requires the election of officers. He stated at this time the proper mechanism is to have the Secretary or himself is to list nominations for Board President and then open up the nominations for the Vice President and Secretary.

Mr. Willden stated that in the interest of time, he would like to vote by acclamation and appoint the current President, current Vice President and current Secretary.

Al Park stated that the motion could state that Mr. Willden nominates Ms. Parr-Sanchez for President, Mr. Parrino for Vice President and Mr. Park for Secretary.

A motion was made to nominate Ms. Parr-Sanchez for NMPSIA Board President, Mr. Parrino for NMPSIA Vice President and Mr. Al Park for Secretary by acclamation.

#### **A roll call vote was taken by Ms. Vigil.**

Mary Parr-Sanchez, President- Yes

Chris Parrino, Vice-President- Yes

Alfred Park, Secretary - Yes

Tim Crone- Yes

Pauline Jaramillo - Yes

David Martinez Jr.-Yes

Dave Willden- Yes

Absent:

Trish Ruiz  
Ricky Williams

**Vote carried unanimously.**

## **9. Financial Matters**

### **9. A Financial Reports (Action Item)**

#### **9. A. 1 May 2019**

Mr. Patrick Sandoval, NMPSIA Chief Financial Officer, reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 5/1/2019 through 5/31/2019. The Benefits Fund had revenues in the amount of \$24,527,744.66; expenditures in the amount of \$27,320,228.19; resulting in a loss of \$2,792,483.53.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 5/1/2019 through 5/31/2019. The Risk Fund had revenues in the amount of \$6,637,689.84; expenditures in the amount of \$6,845,179.53; resulting in a loss of \$207,489.69.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 5/1/2019 through 5/31/2019. The Program Support Fund had revenues in the amount of \$109,800; expenditures in the amount of \$108,504.21; resulting in a net gain of \$1,295.79.

Mr. Sandoval reviewed the balance sheet for the period 5/1/2019 through 5/31/2019. Program Support had total assets of \$947,036.53, total liabilities of \$87,080.26, and fund equity of \$859,956.27. Employee Benefits had total assets of \$49,310,725.38, ending liabilities of \$27,694,487.73, and fund equity of \$21,616,237.65. Risk had assets of \$86,508,759.63, liabilities of \$82,712,052.91, and fund equity of \$3,796,706.72. Total assets for the agency were \$136,766,521.54 and ending liabilities of \$110,493,620.90. Combined fund equity for the agency was \$26,272,900.64.

#### **9. A. 2 June 2019**

Mr. Patrick Sandoval, NMPSIA Chief Financial Officer, reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 6/1/2019 through 6/30/2019. The Benefits Fund had revenues in the amount of \$25,930,350.40; expenditures in the amount of \$20,172,694.50; resulting in a net gain of \$5,757,655.90.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 6/1/2019 through 6/30/2019. The Risk Fund had revenues in the amount of \$7,263,441.38; expenditures in the amount of \$5,402,923.08; resulting in a surplus of \$1,860,518.30.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 6/1/2019 through 6/30/2019. The Program Support Fund had revenues in the amount of \$109,800; expenditures in the amount of \$244,330.95; resulting in a loss of \$134,530.95.

Mr. Sandoval reviewed the balance sheet for the period 6/1/2019 through 6/30/2019. Program Support had total assets of \$943,305.49, total liabilities of \$217,880.17, and fund equity of \$725,425.32. Employee Benefits had total assets of \$57,063,618.71, ending liabilities of \$29,689,725, and fund equity of \$27,373,893.55. Risk had assets of \$81,967,827.35, liabilities of \$76,310,602.33, and fund equity of \$5,657,225.02. Total assets for the agency were \$139,974,751.55 and ending liabilities of \$106,218,207.66 Combined fund equity for the agency was \$33,756,543.89.

A motion was made to approve the May 2019 and the June 2019 Financial Reports.

**MOTION:** C. Parrino

**SECONDED:** D. Martinez Jr.

**VOTE:** Vote carried unanimously.

### **9. B Investment Performance Review for the Quarter Ended June 30, 2019**

Mr. Parrino reported that there were some slight modifications made to the Investment Portfolio. He stated that performance was good throughout the year.

### **9. C Request to Rebalance Investment Portfolio (Action Item)**

Mr. Parrino reported that the changes to the Investment Portfolio were not significant. He stated that the following changes were recommended:

#### **Benefits Fund**

##### **Fixed Income**

Sell \$270,000 Core Plus Bond Fund

##### **Domestic Equity**

Buy \$ 202,500 Large Cap Index Fund

Buy \$67,500 Small Mid Cap Fund

#### **Risk Fund**

##### **Fixed Income**

Sell \$115,000 Core Plus Bond Fund

##### **Domestic Equity**

Buy \$86,250 Large Cap Index Fund

Buy \$28,750 Small Mid Cap Fund

Mr. Martinez Jr. stated that the Internal Fiscal Review Committee recommends approval of the request to rebalance the Investment Portfolio.

A motion was made to approve the recommendation to approve the rebalance of the Investment Portfolio as outlined.

**MOTION:** D. Martinez Jr.

**SECONDED:** C. Parrino

**VOTE:** Vote carried unanimously.

#### **9. D Budget Adjustment Request for Program Support Category Transfer (Action Item)**

Mr. Sandoval stated that the Budget Adjustment Request (BAR) for Program Support is a category transfer of \$41,700 from other services and moving it into contractual services.

Mr. Parrino stated that it is the recommendation of the Internal Fiscal Review Committee to approve this request.

A motion was made to approve the Budget Adjustment Request for Program Support Category Transfer.

**MOTION:** C. Parrino

**SECONDED:** D. Martinez Jr.

**VOTE:** Vote carried unanimously.

#### **9. E. Fiscal Year 2021 Appropriation Request (Action Item)**

Mr. Sandoval reviewed the FY2021 Appropriation Request. He reviewed the FY20 Operating Budget and the FY21 Baseline 5- Year Buildup. Mr. Sandoval stated that Dr. Nura Patani, Segal, provided a detailed presentation on three scenarios at the Internal Fiscal Review Committee Meeting. He stated that the Internal Fiscal Review Committee selected Scenario C. Mr. Sandoval stated that with Scenario C, the agency would be asking for a total budget of \$423,318,573 which is just expenditure authority.

Mr. Parrino stated that it is the recommendation of the Internal Fiscal Review Committee to approve Scenario C as presented.

A motion was made to approve the Fiscal Year 2021 Appropriation Request- Scenario C.

**MOTION:** C. Parrino

**SECONDED:** D. Martinez Jr.

**VOTE:** Vote carried unanimously.

#### **9. F Executive Session to Discuss Threatened or Pending Litigation Pursuant to §10-15-1H(7) NMSA 1978**

A roll call vote was taken to go into Executive Session pursuant to 10-15-1H (7) NMSA 1978 and 10-15-1H (6).

Ms. Vigil called roll to enter Executive Session at 11:30 a.m.

Mary Parr-Sanchez, President – Yes  
Chris Parrino, Vice President- Yes  
Alfred Park, Secretary – Yes  
Tim Crone- Yes  
Pauline Jaramillo - Yes  
David Martinez Jr. – Yes  
Dave Willden- Yes

A roll call vote was taken to come out of Executive Session at 12:22 p.m. Ms. Parr-Sanchez stated that no action was taken in Executive Session.

Mr. Valerio called roll:

Mary Parr-Sanchez, President – Yes  
Chris Parrino, Vice President- Yes  
Alfred Park, Secretary – Yes  
Tim Crone- Yes  
Pauline Jaramillo - Yes  
David Martinez Jr. – Yes  
Dave Willden- Yes

## 10. Risk Matters

### 10. A Request to Approve Rates for Legal Panel (Action Item)

Mr. Willden reported that the RAC reviewed the rates for NMPSIA's legal panel. He stated that he felt that there might be some attorneys who choose not to work for NMPSIA because of the lower end rates on the schedule presented at the RAC. These rates were available in the Board book.

Mr. Valerio stated that after further discussion there was recommendation to change the rates that were presented at the RAC, to the following rate schedule:

<u>Years Practicing Law (from date of licensure)</u>	<u>Corresponding Hourly Rate</u>
0 to 4.99 years	\$135.00
5 to 9.99 years	\$150.00
10+ years	\$175.00

Mr. Park stated that he is in agreement with these revised rates.

A motion was made to approve the recommendation of the RAC to approve the rates for legal panel.

**MOTION:** A. Park

**SECONDED:** D. Willden

**VOTE:** Vote carried unanimously.

**10. B Request to Approve Amendment to Increase the Myers-Stevens & Toohey & Co. Contract Compensation from \$220,000 to \$229,000 for Costs Associated with Catastrophic Student Accident Insurance - Effective July 1, 2019 (Action Item)**

Mr. Willden stated that the RAC is recommending approval of an amendment to increase the Meyers-Stevens & Toohey & Co. contract compensation from \$220,000 to \$229,000 for costs associated with catastrophic student accident insurance effective July 1, 2019.

A motion was made to approve an amendment to increase the Meyers-Stevens & Toohey & Co. contract compensation from \$220,000 to \$229,000 for costs associated with catastrophic student accident insurance effective July 1, 2019

**MOTION:** D. Martinez Jr.

**SECONDED:** T. Crone

**VOTE:** Vote carried unanimously.

**10. C Workers Compensation and Property/Liability Claims Audit – 2019 (Action Item)**

Mr. Willden reported that Mr. Tim Farley, Farley Consulting Services, LLC presented the Workers Compensation and Property/Liability Claims Audit – 2019 at the RAC.

Mr. Farley provided an executive summary and recommendations to the NMPSIA Board. He stated that for Workers' Compensation, CCMSI is adequately staffed to handle the NMPSIA account. He reported that case reserves are generally accurate and the audit identified no miscalculation of temporary disability or permanent disability benefit rates.

Mr. Farley went on to report that investigation is thorough on all claims reviewed and 32% of the claims reviewed involve some element of litigation. The audit identified no litigation management deficiencies. Mr. Farley stated that the claims reviewed confirm that CCMSI is aggressively attempting to advise the involved NMPSIA member of light duty return to work possibilities.

Mr. Farley stated that Nurse Case Management services are properly utilized. He stated that all of the information was observed via remote access to CCMSI's ICE claims management information system. He stated that this system is efficient and no documentation deficiencies are observed.

Mr. Farley stated that CCMSI continues to maintain proper diary on the claims reviewed. He stated that CCMSI is required to issue a report to the Executive Director within 30 days on any claim with incurred costs of \$250,000 or more and one claim did not report any follow-up reporting to NMPSIA.

Mr. Farley reported that for Property & Liability, claims handling personnel have changed slightly. He stated that CCMSI is adequately staffed to handle the NMPSIA account. Mr. Farley identified deficiencies with respect to establishing and maintaining accurate case reserves. He stated that overall CCMSI continues to do an excellent job in claims administration for Workers' Compensation and Property & Liability.

A detailed report was provided to the Board.

Mr. Willden stated that it is the recommendation of the RAC to approve the Workers' Compensation and Property and Liability Claims Audit-2019.

**MOTION:** T. Crone

**SECONDED:** A. Park

**VOTE:** Vote carried unanimously.

## **10. D TPA Reports**

### **10.D. 1 Property & Liability Monthly Claims Report**

### **10. D. 2 Property & Liability Large Losses**

Mr. Willden stated that there were no large losses to report. He stated that there was a total incurred of approximately \$69 million dollars.

### **10. D. 3 Year-End Review of Highest Property Perils**

Mr. Willden reported that Mr. Greg Ramirez, CCMSI, reported on the highest property perils. He stated that there were many claims on the property side, but \$5 million dollars less in total incurred on the property side.

### **10. D. 4 Workers Compensation Monthly Claims Report**

### **10. D. 5 Workers Compensation Large Losses**

Mr. Willden reported that there was nothing out of the ordinary to report. He stated that for May and June there were three claims that totaled over \$50,000. A full report was available in the monthly Board book.

### **10. D. 6 Year-End Review of Bill Review and Nurse Case Management**

Mr. Willden reported that Mr. Richard Cangiolosi, CCMSI presented the year-end review of bill review and nurse case management at the RAC meeting.

## **10. E NMPSIAs Position on the Use of School Facilities as Temporary Shelters for Asylum Seeking Migrants (Action Item)**

Mr. Willden stated that Mr. Larry Vigil, Poms & Associates provided a full report to the RAC on this issue.

Mr. Vigil reported that several months ago an inquiry was received from a district requesting guidance with respect to housing asylum seeking migrants in school facilities. He stated that he reached out to other districts to see if they were asked to participate in this type of housing for asylum seeking migrants. Mr. Vigil went on to report that he received some feedback from the Mayor of Deming and Las Cruces Public Schools to see how they handled similar types of requests. He stated that during the RAC it was suggested that Poms & Associates create a flow chart and process for school districts to follow if they are going to be housing individuals for any type of event. Mr. Vigil stated that potential premium increases would be discussed at a later date.

Mr. Esquivel stated that he would like to weigh in on legal analysis on liability issues with respect to this issue moving forward.

Mr. Willden stated that the RAC is recommending that Poms & Associates work with NMPSIA look at providing a document for schools to use during emergency temporary shelter issues and review insurance costs.

A motion was made to instruct Poms & Associates work with NMPSIA and NMPSIA's General Counsel look at providing document/documents for schools to use during emergency temporary shelter issues of any kind.

**MOTION:** D. Willden

**SECONDED:** D. Martinez Jr.

**VOTE:** Vote carried unanimously

## **10. F Loss Prevention Update**

Mr. Vigil reported that Poms & Associates performed 462 school audits for safety and security, 51 Job Hazard Analysis, and over 300 training session with over 9000 individuals in the sessions for the 2018-2019 school year.

M. Willden stated that NMPSIA, Poms & Associates and CCMSI have developed flow charts for Family Medical Leave Act, Americans with Disabilities Act and Workers' Compensation. Mr. Willden stated that it is really good work and this helps the school districts tremendously.

## **11. Benefits Matters**

### **11. A Request to Approve Amendment to Increase the Segal Contract Compensation from \$285,000 to \$292,000 for Costs Associated with Life and Disability Project Manager Services – Effective January 1, 2019 (Action Item)**

Ms. E. Chavez stated that this increase is necessary because the Interagency Benefits Advisory Committee (IBAC) had some delays with the Life & Disability RFP process. She stated that the Segal Company was hired as the project manager and was to complete the work by December 2018. She stated that because of delays the work was not finished until March of 2019. Ms. Chavez stated that the Benefits Advisory is recommending approval of the increase from \$285,000 to \$292,000 for costs associated with the Life and Disability RFP Project Manager Services.

A motion was made to approve the approve the Amendment to increase the Segal contract compensation from \$285,000 to \$292,000 for costs associated with the Life and Disability RFP Project Manager Services – Effective January 1, 2019.

Mr. Willden asked if the other entities of the IBAC are pitching in on this.

Ms. Chavez stated that they were and the \$7000.00 is NMPSIA's share.



**MOTION:** A. Park  
**VOTE:** Vote carried unanimously.

**SECONDED:** P. Jaramillo

**11. B Request for Segal to Initiate RFP for Stop Loss Coverage (Action Item)**

Mr. Parrino reported that Dr. Patani did an excellent job providing history behind this and why it is vital manage risk for high cost claims. He stated that it is the recommendation of the BAC to approve the request for Segal to initiate the RFP for Stop Loss Coverage.

A motion was made to approve the recommendation to approve the request for Segal to initiate the RFP for Stop Loss Coverage.

**MOTION:** P. Jaramillo  
**VOTE:** Vote carried unanimously.

**SECONDED:** D. Martinez Jr.

**11. C West Las Vegas School Districts Request to Increase Basic Life Coverage from \$25,000 to \$50,000- Effective October 1, 2019 (Action Item)**

Mr. Parrino stated that it was the recommendation of the BAC to approve the request for West Las Vegas School District to Increase Basic Life Coverage from \$25,000 to \$50,000.

A motion was made to approve the request for West Las Vegas School District to Increase Basic Life Coverage from \$25,000 to \$50,000.

**MOTION:** P. Jaramillo  
**VOTE:** Vote carried unanimously

**SECONDED:** T. Crone

**11. D Grady Municipal School Districts Request for Second Penalty Waiver (Action Item)**

Mr. Parrino stated that it was the recommendation of the BAC to approve Grady Municipal School District's request for Second Penalty Waiver.

Mr. Martinez Jr. stated that this penalty was due to early payment.

A motion was made to approve the Grady Municipals School Districts request for Second Penalty Waiver as recommended.

**MOTION:** D. Martinez Jr.  
**VOTE:** Vote carried unanimously

**SECONDED:** P. Jaramillo

**11. E FY19 Saveon Annual Report**

Ms. E. Chavez reported that NMPSIA was happy to learn that NMPSIA did save \$2.6 million, which was more than was anticipated for FY19.

### **11. F Wellness Program Success- BCBSNM**

Mr. Parrino stated that BCBSNM did a great job in presenting all of the benefits that are available through the wellness program.

### **11. G 2018-2019 Wellness and Well-Being Highlights – Presbyterian/The Solutions Group**

Mr. Parrino stated that Presbyterian also did a great job in presenting all of the benefits available through the wellness program.

Ms. Katherine Chavez, Benefits and Wellness Operations Manager, NMPSIA reported that staff would continue to work to get awareness, engagement and outcome.

### **11. H Regional Training Update**

Ms. E. Chavez reported that there were approximately 200 participants and the focus was on prevention and wellbeing. She stated that NMPSIA is looking forward to continuing these trainings on an annual basis.

### **11. I IBAC Update**

Ms. E. Chavez reported that the IBAC will begin to work with the Medical, Dental and Vision RFP Project Manager on the RFP for medical, dental and vision. She stated that the project manager for this RFP is AON and there is a kick off conference call next week.

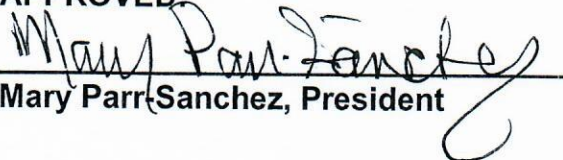
### **12. NEXT MEETING DATE AND LOCATION**

Next Meeting Date and Location Scheduled for 9:00 a.m., Tuesday, September 10, 2019 at Cooperative Educational Services, 4216 Balloon Park Road, NE, Albuquerque, NM 87109

### **13. ADJOURNMENT**

The NMPSIA Board Meeting was adjourned at 12:46 p.m.

**APPROVED:**

  
Mary Parr-Sanchez, President