

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

Virtual Meeting: <https://global.gotomeeting.com/join/233396685>

Dial in: + 1(872) 240-3311  
Access Code: 233-396-685

Thursday, November 5, 2020

**1. Call to Order**

Mr. Al Park, President, called the NMPSIA Board Meeting to order at 9:00 a.m. on Thursday, November 5, 2020.

**2. Roll Call**

Ms. Pamela Vigil, called roll.

**Present via virtual meeting/telephonic meeting:**

Alfred Park, President  
Chris Parrino, Vice-President  
Trish Ruiz, Secretary  
Denise Balderas (arrived after roll call)  
Tim Crone (arrived after roll call)  
Pauline Jaramillo  
Bethany Jarrell  
Sammy Quintana  
David Martinez Jr.  
Ricky Williams (arrived after roll call)

**Absent:**

**Staff Members Present via virtual/telephonic meeting:**

Richard Valerio, Executive Director  
Patrick Sandoval, Deputy Director/Chief Financial Officer  
Melissa Rael, Human Resource/Finance Manager  
Katherine Chavez, Benefits/Wellness Operations Manager  
Pamela Vigil, Program Coordinator  
Dion Romero, Accountant/Auditor  
Claudette Roybal, Chief Procurement Officer

**Audience present via virtual/telephonic meeting:**

Ellen Clark	PFM
Martin Esquivel	Esquivel & Howington
Julie Garcia	Poms & Assoc.
Larry Vigil	Poms & Assoc.
Tammy Pargas	Poms & Assoc.
Rika Martinez	Poms & Assoc.
Richard Cangiolosi	CCMSI
Louise Carpenter	CCMSI
Kevin Sovereign	CCMSI
Jerry Mayo	CCMSI
Steve Vanetsky	CCMSI
Dr. Nura Patani	Segal
Sam Garcia	Davis Vision
Stephanie Anthony	United Concordia
JoLou Trujillo-Ottino	Delta Dental
Rich Bolstad	Delta Dental
Steve Valdez	Presbyterian
Connor Jorgensen	LFC
Joseph Simon	LESC
CS Hwa	Erisa
Kathy Payanes	Erisa
Lourdes Rael	Erisa
Mike Barios	Erisa
Martha Quintana	Standard
Lynn Weeks	BCBS
Maureen Sergel	BCBS
Marlene Mier	BCBS
Brandon Canfield	CIGNA
John Molberg	Express Scripts

**3. Introduction of Guests**

There were no guests.

Mr. Sammy Quintana addressed the Board. He stated Ms. Trish Ruiz was unsuccessful in retaining her seat on the PEC. Mr. Quintana thanked Ms. Ruiz for her extreme commitment and dedication to public education in New Mexico. Mr. Quintana stated Ms. Ruiz will be greatly missed.

Mr. Park stated Ms. Ruiz is the embodiment of the best of New Mexico and thanked her for her service.

Mr. Tim Crone stated Ms. Ruiz is a very special person and a treasure. He thanked her for everything.

Ms. Ruiz thanked the Board.

**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)**

Mr. Richard Valerio, Executive Director, NMPSIA requested that item 7.C be deleted from the agenda.

A motion was made to approve the agenda as amended.

**MOTION:** C. Parrino

**SECONDED:** S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes  
Alfred Park - Yes  
Tim Crone - Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes

**Vote carried unanimously.**

**6. Approval of October 8, 2020 Virtual Board Minutes (Action Item)**

A motion was made to approve the October 8, 2020 Virtual Board Minutes as presented.

**MOTION:** C. Parrino

**SECONDED:** T. Ruiz

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes  
Alfred Park - Yes  
Tim Crone - Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
David Martinez Jr. - Yes



Trish Ruiz - Yes

**Vote carried unanimously.**

## **7. Administrative Matters**

### **7. A Staff Update**

Mr. Valerio reported the Governor's Office, NM State Personnel and the Department of Finance and Administration have approved his appointment of Executive Director and Mr. Patrick Sandoval's appointment of Deputy Director.

Mr. Valerio reported that NMPSIA also got approval to hire a Chief Financial Officer. He stated Ms. Martha Quintana will be replacing Mr. Sandoval as Chief Financial Officer on November 16, 2020. Mr. Valerio stated Ms. Quintana has a lot of experience with NMPSIA and will bring good institutional knowledge and experience working with contractors, billing and eligibility.

Mr. Valerio stated staff has re-posted the Benefits Coordinator Position. He stated NMPSIA is exempt from the hiring freeze.

### **7. B COVID-19 Update**

Mr. Valerio reported he provided an update at the BAC and RAC. He stated COVID-19 claims costs have increased by \$1 million dollars from last month, for a total spend of \$2.6 million dollars. There are 573 claims under Blue Cross Blue Shield through September and 1033 claims under Presbyterian. Mr. Valerio stated he recently found out Presbyterian claims recorded do not include claims coming from Department of Health or UNM. He stated this will be included in the future in order to have a full picture of claims under Presbyterian.

Mr. Valerio stated NMPSIA has had the first employee test positive for COVID-19. He stated staff completed the required reporting to the Department of Health and the NM Environment Department. He stated on behalf of the RAC, BAC and the Board he reached out to this employee to offer well wishes.

### **7. C PED Surveillance Testing Requirement (Action Item)**

This Item was deleted from the agenda.

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

Mr. Valerio reported it has been a busy month working with LFC and LESC staff. He stated there was a LESC hearing yesterday.

Mr. Valerio reported there have been meetings with PED with respect to the projected rate increases. He stated it was recommended to them they request \$19.3 million dollars in funding through Public School Support to fund the employer share of increases for benefits

and risk premiums. Mr. Valerio stated they understood this recommendation. Mr. Valerio reported he met with LESC staff to discuss the increases. He stated they echoed they never want to see large rate increases that affect take home pay if there are no salary increases

Mr. Valerio reported that staff presented to the NEA Annual Delegate Counsel and presented plan scenarios and rates.

#### **7. E NMSBA Update**

Mr. Valerio reported he was invited by Ms. Pauline Jaramillo to participate in the NMSBA Regional Meetings.

#### **7. F NMASBO Update**

Mr. Valerio reported staff participated in the NMASBO Fall Bootcamp.

### **8. FINANCIAL MATTERS**

#### **8. A Financial Reports for September 2020 (Action Item)**

Mr. Sandoval reviewed the statement of revenues and expenditures for the Employee Benefits Fund for the period 9/1/2020 through 9/30/2020 The Benefits Fund had revenues in the amount of \$25,272,949.84; expenditures in the amount of \$24,663,575.41; resulting in a gain of \$609,374.43.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Risk Fund for the period 9/1/2020 through 9/30/2020 The Risk Fund had revenues in the amount of \$6,748,843.46 expenditures in the amount of \$6,568,467.61; resulting in a gain of \$180,375.85.

Mr. Sandoval reviewed the statement of revenues and expenditures for the Program Support Fund for the period 9/1/2020 through 9/30/2020. The Program Support Fund had revenues in the amount of \$116,750; expenditures in the amount of \$116,945.45; resulting in a loss of \$195.45.

Mr. Sandoval reviewed the balance sheet for the period 9/1/2020 through 9/30/2020. Program Support had total assets of \$1,037,307.21, total liabilities of \$262,848.41, and fund equity of \$774,458.80. Employee Benefits had total assets of \$61,661,691.86, ending liabilities of \$27,234,292.67, and fund equity of \$34,427,399.19. Risk had assets of \$154,458,606.58, liabilities of \$160,710,428.57, and a loss of \$6,251,821.99. Total assets for the agency were \$217,157,605.65 and ending liabilities of \$188,207,569.65. Combined fund equity for the agency was \$28,950,036.00.

A motion was made to approve the Financial Reports as presented.

**MOTION:** C. Parrino

**SECONDED:** D. Martinez Jr.



A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes  
Alfred Park - Yes  
Denise Balderas - Yes  
Tim Crone - Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes

**Vote carried unanimously.**

#### **8. B Investment Performance Review for the Quarter ended September 30, 2020 & Rebalancing of Long-Term Investments (Action Item)**

Ms. Ellen Clark presented the Investment Performance Review for the Quarter ended September 30, 2020. She stated there will not be a recommendation for a rebalancing of Long-Term Investments.

Ms. Clark reviewed the markets and the economy. She reviewed the Market Index Performance as of September 30, 2020. She stated the COVID-19 Pandemic continues to dominate the news and strongly influence the path of economic recovery. Ms. Clark stated there will likely be continual significant disruptions in economic activity until a vaccine becomes widely available.

Ms. Clark reported the overall employment situation has improved rapidly over the months since the peak in unemployment in April 2020. The speed of job recovery will depend on the evolution of COVID-19 and policy makers response. She stated equity markets focused mostly favorable data throughout the summer months.

Ms. Clark reported the S&P posted a return of 8.9% for the quarter benefiting from the reopening of businesses and increased hours of operations, the continuation of the technology rally, decreasing COVID-19 related hospitalizations in the U.S., CARES Act relief and discussions of additional fiscal stimulus. Within the S&P, 10 of the 11 sectors earned positive returns. Value stocks, as represented by the Russel 1000 Value Index, returned 5.6% lagging growth stocks, as represented by the Russel 1000 Growth Index, which returned 13.2%.

Ms. Clark reported Small-caps, as represented by the Russel 2000 Index, returned 4.9% during the quarter and lagged both mid- and large- caps. The Russel Midcap and Russel 1000 Indexes returned 7.5% and 9.5%.

Ms. Clark went on to review the Non – U.S. Equity, Fixed Income and Alternatives. She stated the Fixed Income Market is the best performing market at about 6.8%.

Ms. Clark reviewed the Benefits Fund Asset Allocation and Performance and the Risk Fund Asset Allocation and Performance as of September 30, 2020.

A full copy of the report was available in the Board Materials Packet.

A motion was made to approve the Investment Performance Review for the Quarter ended September 30, 2020, With No Rebalancing of Long-Term Investments at this time.

**MOTION:** D. Martinez Jr.

**SECONDED:** P. Jaramillo

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes  
Alfred Park - Yes  
Denise Balderas - Yes  
Tim Crone - Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
David Martinez Jr. - Yes  
Trish Ruiz – Yes

**Vote carried unanimously.**

## **9. Benefits Matters**

### **9. A Temporary Waiver of Premium Payment Penalties and Interest (Action Item)**

Mr. Valerio reported that this item was brought to the Board in April for review. He stated the Board approved adding an additional ten days to the grace period for Benefits Premium Payments, which would give the member a twenty-day grace period before they would receive a penalty and interest. He stated that there have not been any schools that have taken advantage of this, and there has only been one school that has exceeded the twenty-day grace period. Mr. Valerio stated that because COVID-19 is still ongoing and individuals are still working from home, it is the recommendation of the Benefits Advisory Committee to extend this additional ten-day grace period until February 2021.

A motion was made to approve the Temporary Waiver of Premium Payment Penalties and Interest.

**MOTION:** C. Parrino

**SECONDED:** S. Quintana



A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes  
Alfred Park - Yes  
Denise Balderas - Yes  
Tim Crone - Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
David Martinez Jr. - Yes  
Trish Ruiz – Yes

**Vote carried unanimously.**

### **9. B Express Scripts Annual Review and Strategic Planning (Action Item)**

Mr. Valerio reported that Express Scripts provided the Annual Review and Strategic Planning Presentation at the Benefits Advisory Committee Meeting. He reported the plan cost per member per month did increase by 12.8% due to increased non-specialty drug utilization and specialty drugs. He reported there were rebates that reduced the plan cost by 33.2%. Mr. Valerio stated Express Scripts provided a peer comparison and discussed the generic fill rate. He stated Express Scripts reported on the top indications and top 25 drugs. Mr. Valerio stated Express Scripts reviewed the InMynd Program, a Behavioral Health Program. He stated members will have more access to behavioral health services. The ROI on this program is 103%.

Mr. Valerio reported that it was the recommendation of the Benefits Advisory Committee to approve the annual report and the InMynd Program as presented.

**MOTION:** P. Jaramillo

**SECONDED:** C. Parrino

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes  
Alfred Park - Yes  
Denise Balderas - Yes  
Tim Crone - Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes



**Vote carried unanimously.**

**9. C Approval of New Mexico School for the Blind and Visually Impaired Agreement (Action Item)**

Mr. Valerio requested approval of the New Mexico School for the Blind and Visually Impaired Agreement. He reported they are an educational entity that purchases Limited Automobile Liability and Automobile Physical Damage Coverage.

A motion was made to approve the New Mexico School for the Blind and Visually Impaired Agreement as presented.

**MOTION:** C. Parrino

**SECONDED:** D. Balderas

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes  
Alfred Park - Yes  
Denise Balderas - Yes  
Tim Crone - Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
David Martinez Jr. - Yes  
Trish Ruiz – Yes

**Vote carried unanimously.**

**9. D Approval of NM Tech Agreement (Action Item)**

Mr. Valerio presented the NM Tech Agreement for review and approval. He stated NM Tech participates in the Benefits Program for Medical, Dental, Vision and Prescription Drug Coverages. He stated they may be adding Basic Life and Additional Life in the future. He stated if they choose to do so, staff will bring back an amendment to this agreement.

A motion was made to approve the NM Tech Agreement as Presented.

**MOTION:** P. Jaramillo

**SECONDED:** D. Martinez Jr.

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes  
Alfred Park - Yes

Denise Balderas - Yes  
Tim Crone - Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
David Martinez Jr. - Yes  
Trish Ruiz – Yes

**Vote carried unanimously.**

#### **9. E Wellness Update**

Ms. Katherine Chavez, Benefits/Wellness Operations Manager provided the Wellness Update to the Board. She reported during the month of November the focus is winter wellness. She stated in addition to the Naturally Slim, Good Measures Programs and Behavioral Health Options there are different mindfulness eating programs and pod-casts available for members. She reported there are various webinars available to members as well. Ms. Chavez reported there are opportunities to take advantage of some grief programs that are available to members.

#### **10. Risk Matters**

##### **10. A Approval of Amendment to CES Agreement (Action Item)**

Mr. Valerio presented an amendment to the Cooperative Educational Services (CES) Agreement with NMPSIA. He reported in the scope of work there was some financial information that has been removed because it is covered in the compensation section of the contract. Mr. Valerio stated that CES has asked to be allowed to purchase four lap-tops, so this language has been added. Mr. Valerio stated the request for equipment must be made to the Executive Director and Deputy Director for approval prior to purchasing.

A motion was made to approve the Amendment to the CES Agreement as Presented.

**MOTION:** T. Ruiz

**SECONDED:** S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes  
Alfred Park - Yes  
Denise Balderas - Yes  
Tim Crone - Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
David Martinez Jr. - Yes



Trish Ruiz – Yes

**Vote carried unanimously.**

## **10. B Civil Rights Commission Update**

Mr. Valerio reported the Civil Rights Commission has been meeting and they are getting ready to provide a recommendation to the Legislature on November 15, 2020. He stated they are going to allow for lawsuits regarding proposed private civil rights action against state and local governmental entities, officers and employees for violations of rights secured under the New Mexico Constitution. Mr. Valerio stated they are not going to close caps on the warrant judgements or legal fees.

Mr. Martin Esquivel, NMPSIA General Counsel reported that this originated in the special session and the legislature instructed the Civil Rights Commission to “review and assess the need for and the costs of additional insurance policies for public employees and public bodies, or for persons acting on behalf of or under the authority of public bodies” if a civil rights cause of action for violations of the New Mexico constitution were adopted.

Mr. Esquivel stated the Commission has decided to proceed with a recommendation to the NM Legislature to create a statute to allow for a private cause of action based on Civil Rights Violations. He stated the NMPSIA was asked along with Risk Management, NM Counties and NM Municipal League for input on what the cost would be to our members with respect to premiums. Mr. Esquivel stated at the time is difficult to quantify what it would cost. He stated we now know the cause of action will allow for the recovery of damages that are not capped, the recovery for attorney’s fees and they will not allow recovery for punitive damages. Mr. Esquivel stated this will certainly have an effect on the Risk Premiums. Mr. Esquivel stated this does not mean the Legislature will adopt this, but NMPSIA has a duty to advise member schools that this legislation is pending. He stated he does not feel we need to take a position on the proposed legislation, but that is up to the Board as a policy making body. Mr. Esquivel stated there is a real concern here that cannot be quantified at this time, that it will be much more costly for NMPSIA in terms of the Risk Fund and premiums. Mr. Esquivel stated this is the beginning stages and NMPSIA will be asked for additional information as this bill proceeds in the next session.

## **10. C TPA Reports**

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

Mr. Steve Vanetsky, CCMSI reported on the Property & Liability Monthly Claims Report. He stated for the month of September 2020 there were 332 open claims, 43 new claims and 44 claims were closed. Mr. Venetsky reported reserves were at \$64,414,337.25, payments were \$22,335,020.98 for a total of \$86,749,358.23.

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

There were no large losses to report.

### **10. C. 3 Workers' Compensation Monthly Claims Report**

Mr. Jerry Mayo, CCMSI provided the Workers' Compensation Monthly Claims Report for Districts as of September 30, 2020. He reported during the month of September there were 821 open claims, 109 new claims, 8 claims were re-opened, and 96 claims were closed. Mr. Mayo reported reserves were at \$14,553,906.93; payments were \$50,987,883.44; for a total of \$65,541,790.37.

Mr. Mayo reported on the Workers' Compensation Monthly Claims Report for Charter Schools as of September 30, 2020. Mr. Mayo reported during the month of September, there were 30 open claims, 5 new claims, 1 claim was re-opened, and 5 claims were closed. Mr. Mayo reported reserves were at \$599,220.63; payments were \$1,307,258.66, for a total of \$1,906,479.29.

### **10. C. 4 Workers' Compensation Large Losses**

Mr. Mayo reported there were no large losses over \$50,000 during the month of September.

### **10. D Loss Prevention Update**

Ms. Garcia reported that staff has spent a considerable amount of time researching The Stop It Program and Sandy Hook Promise. She reported that Stop It has received grant from Central NM REC to roll out the program to rural districts.

Ms. Garcia stated staff will be making a recommendation to approve a bill to go to the legislature asking the State of NM to authorize all districts to have an anonymous reporting system. Ms. Garcia stated this will be brought to the Board next month for review and approval.

Ms. Garcia reported that a lot of schools have school safety of safety-first programs. She stated Poms is looking to partner with them to add a whole series of molestation trainings that are four minutes a piece.

Ms. Garcia reported on House Memorial 57, which was discussed with the LESC yesterday. Ms. Garcia stated there is a sponsor, Representative Sarinana. She has offered to carry these recommendations.



**11. NEXT MEETING DATE AND LOCATION**

Mr. Park requested that a general discussion item be added to future agendas.

Mr. Park thanked the staff and all the vendors for their hard work during this unprecedented time.

Mr. Valerio reported the next meeting will be held virtually on December 3, 2020.

**12. ADJOURNMENT (Action Item)**

A motion was made to adjourn The NMPSIA Board Meeting at 10:03 a.m.

**MOTION:** P. Jaramillo

**SECONDED:** S. Quintana

A roll call vote was taken.

Ms. Vigil called roll:

Chris Parrino – Yes  
Alfred Park - Yes  
Denise Balderas - Yes  
Tim Crone - Yes  
Pauline Jaramillo – Yes  
Bethany Jarrell - Yes  
Sammy Quintana - Yes  
David Martinez Jr. - Yes  
Trish Ruiz - Yes  
Ricky Williams - Yes

**Vote carried unanimously.**

**APPROVED:**

  
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Mr. Alfred Park, President