

**APPROVED**

*Board Secretary  
Vera Lyons  
2/7/2019*

## **The Education Trust Board of New Mexico**

THE HONORABLE SUSANA MARTINEZ  
GOVERNOR OF NEW MEXICO

DR. BARBARA DAMRON, CABINET SECRETARY  
NEW MEXICO HIGHER EDUCATION DEPARTMENT



BOARD MEMBERS  
DR. BARBARA DAMRON, CHAIR  
ROBERT J. DESIDERIO, VICE-CHAIR  
DR. JOSE Z. GARCIA  
DAVID JANSEN  
MARK JARMIE  
EXECUTIVE DIRECTOR  
THEODORE MILLER

**Meeting Minutes of October 25, 2018**

**Higher Education Department**

**5201 Eagle Rock NE, Suite 1A, Albuquerque NM 87113**

### **Board Members in Attendance**

Dr. Barbara Damron – Chair  
Robert Desiderio – Vice Chair (by telephone)  
Dr. Jose Garcia – Member  
David Jansen -- Member  
Mark Jarmie -- Member

### **Other Individuals in Attendance**

Theodore Miller -- Executive Director ETB  
Vera Lyons – Board Secretary ETB  
Helen Atkeson -- Hogan Lovells US LLP  
Kurt Sommer – Sommer Udall (by telephone)  
Jacqueline Berg – Sommer Udall

Janet Pacheco-Morton – Morton Accounting Services  
Andrea Feirstein – AKF Consulting  
Del Esparza – Esparza Advertising  
Eve Wakeland – Esparza Advertising  
Kay Ceserani -- Pension Consulting Alliance  
Chris Werner – OppenheimerFunds  
Keith Hyland – OppenheimerFunds  
Heather Holliday -- OppenheimerFunds  
Leslie Bednar – OppenheimerFunds  
Michele Nelson -- Court Reporter

### **1) CALL TO ORDER**

Dr. Damron, the Chair, called the meeting to order at 9:00 AM. The roll was called and five board members were present, Dr. Damron, Vice Chair Desiderio (by telephone), Dr. Garcia, Mr. Jarmie, Mr. Jansen. A quorum existed.

### **2) APPROVAL OF AGENDA**

Dr. Damron noted the agenda as presented to the Board. She wished to add an item 8(e) to the agenda to give the board an update of the legislative hearings related to the

ETB and to approve the agenda with this amendment. Mr. Jarmie so moved. Mr. Jansen seconded the motion. The motion was passed unanimously. (At this point Dr. Garcia joined the meeting.)

### **3) APPROVAL OF MINUTES**

Dr. Damron referenced the minutes of the August 28<sup>th</sup> meeting of the Board. Dr. Garcia so moved that the minutes be approved. Mr. Jansen seconded the motion. The vote to approve the minutes of the meeting of August 28<sup>th</sup> was unanimous.

### **4) PROGRAM MANAGER'S ACQUISITION REPORT**

Dr. Damron then asked Mr. Werner to report on the acquisition of OppenheimerFunds by Invesco. Mr. Werner informed the board that on Thursday, October 18 it was announced that Oppenheimer Funds was being sold by Mass Mutual to Invesco for \$5.7 billion. The acquisition is of the entire company.

He noted that portfolio managers are on 2-year retention plans.

He could not say how the acquisition would affect the New York or Denver offices, but the deal would be an integration of the two firms, so personnel cuts and space reductions would probably occur. The deal is set to close by the end of the second quarter of 2019.

He noted that he had spoken with Kathleen Beichert, and she told him that the projects slated for the New Mexico 529 program are still on track, including the programming work on the Envision system to accommodate the OppenheimerFunds' switch to the DST transfer agency system, as well as the stable value project and the RIA share class project.

Ms. Holliday stated that the DST transfer agency project was still going ahead, and that the Envision project was still moving forward.

Mr. Werner stated that no one involved with the 529 business had left the firm, and the wholesale sales team of 80 plus personnel in the field are still selling. Some of the wholesalers have retention agreements as well.

He observed that the firm is getting a lot of questions, but he has very few answers.

Mr. Hyland told the board that the marketing team would remain focused on the NM program despite the announcement.

Mr. Jarmie asked about the relationship between Invesco and the Rhode Island 529 program. He noted that the RI program is three times the size of the NM program. He asked if there were any exclusivity provisions with the RI program. Mr. Werner said that he did not have that information, but he would make inquiries about it.

Mr. Jarmie also asked Mr. Werner to express to Ms. Beichert his displeasure at traveling to New York in September for a meeting with her, and to learn that she must have known of the imminent deal. In Mr. Jarmie's view, Ms. Beichert should have delayed the meeting until after the announcement. Mr. Werner stated that he would convey

the message.

Mr. Jansen asked Mr. Werner just what exclusivity provisions would mean to the NM program. Mr. Werner replied that generally it would mean that the salesforce would be able to sell only one plan nationally, as is the case for OppenheimerFunds and NM. Mr. Werner noted that there would be exclusivity with two different state plans. That would be a conflict for the salesforce.

Mr. Werner stated that this was an important question, because he had been told that the salesforces would be merged. There would not be two separate salesforces after the closing. He noted that this could cause conflicts.

Mr. Jansen asked if that meant that after the closing the merged sales force would not be able to sell the New Mexico plan. Mr. Werner stated that he did not know the answer to the question.

Mr. Jansen asked if Mr. Werner was trying to find out the answer. Mr. Werner stated that he was, and he was also trying to find out the timing, either before or after the closing. Mr. Werner said that his team was still selling the New Mexico plan, and that he had not been contacted by Invesco.

Dr. Damron then asked Mr. Werner about the already delayed omnibus sales effort. Would the acquisition slow this even further? Mr. Werner acknowledged that the acquisition would slow the process even further. Ms. Holliday observed that brokerage firms would not want to move forward with omnibus accounting for the New Mexico plan under the current circumstances. Dr. Damron noted that this was not beneficial for the New Mexico program. Mr. Werner agreed.

Mr. Miller stated that in his experience hard business decisions have to be made with regard to the acquired firm. He did not think that the situation boded well for the New Mexico program as the smaller 529 program. It did not bode well for the current 529 sales team, especially given the merger of the two sales forces. It also didn't bode well for the OppenheimerFunds operations and administrative personnel.

He observed that the acquirer has to justify the deal financially by demonstrating cost synergies that will occur as a result of the acquisition. In addition, brokerage firms will be less likely to consider the New Mexico 529 plan when it is known that OppenheimerFunds will be merged into Invesco, and Invesco already has a large 529 program from Rhode Island.

He also observed that other 529 advisor sold plans would be trying to poach New Mexico accounts. Some 529 distributors were already offering compensation to brokers that rolled over 529 assets from one plan to another. He saw no reason why the Invesco sales force wouldn't try to encourage rollovers from the New Mexico plan to the Rhode Island plan currently.

He asked Mr. Werner if any of these observations was incorrect. Mr. Werner stated that Mr. Miller was correct, but he thought that the strong relationships between the

OppenheimerFunds sales force and the brokers would help initially. He also noted that he could not predict what would happen in the future.

Mr. Miller stated the board would need more frequent reporting on rollovers in the coming months. Mr. Werner noted that that he could provide account and asset sales activity. Ms. Holliday confirmed that rollover activity could also be reported as well.

Mr. Miller asked for a report every two weeks going forward. Mr. Werner and Ms. Holliday agreed to provide it.

Mr. Miller observed that in a short time Invesco would control OppenheimerFunds. He saw nothing to prevent the deal from closing. Mr. Werner agreed. Mr. Miller noted that already the New Mexico 529 program was only 1% of OppenheimerFunds' assets under management. For Invesco the New Mexico 529 program would be only 1/5 of 1% of assets under management. This will not make the New Mexico 529 program a priority for Invesco.

Mr. Miller found it impossible to believe that the situation would be positive for the New Mexico 529 program. He cited the recent experience with the Illinois 529 program, also run by OppenheimerFunds. Significant resources had to be devoted by the Program Manager to this \$8 billion 529 program. There was certainly not the same devotion of resources to the New Mexico 529 program, despite the fact that it was supposed to be the sole "nationally sold" advisor for the Program Manager.

Ms. Atkeson asked Mr. Werner if there had been any communication from Invesco regarding the New Mexico 529 program. Mr. Werner said that there had not.

Ms. Ceserani asked if all the portfolio management teams that manage funds in the New Mexico program had their contracts extended. Mr. Werner confirmed that this was the case for both the portfolio managers and the analysts. She also asked if Mr. Werner had been part of any discussions as to redundancies between the funds at OppenheimerFunds and Invesco. He said that he had not.

Ms. Feirstein stated that OppenheimerFunds had to get to the bottom of the exclusivity issue. She suggested that Mr. Werner call Ascensus, the program manager for Rhode Island, and ask them if there is an exclusivity provision for national distribution for the Rhode Island 529 plan.

Ms. Feirstein also observed that in her opinion OppenheimerFunds never made the New Mexico 529 plan a national plan except by default.

Ms. Atkeson stated that they were obligated to do so by contract. Ms. Feirstein noted that it was not required to be offered nationally except for 529 plans for which OppenheimerFunds serve as program manager at the time of contracting. So as that list got shorter, the New Mexico plan became the exclusive national 529 plan by default. Ms. Atkeson agreed.

Ms. Feirstein also observed that it was hard to believe that, if Invesco absorbed the Oppenheimer Funds sales staff, the New Mexico 529 plan would be offered nationally. The plan would in effect become an in-state plan only.

She repeated her observation that OppenheimerFunds needed to get the exclusivity question answered as soon as possible. Dr. Damron noted that time was an issue for the board. Ms. Feirstein agreed. Mr. Werner agreed to personally make the call to Ascensus.

Ms. Feirstein also noted that a public records request could be made to Rhode Island.

Mr. Jarmie stated that this was the most serious crisis in the history of the 529 program, and that he thought the board should meet more frequently until the matter was resolved. Dr. Damron agreed. She noted that as fiduciaries the board needed to act thoughtfully and in the best interests of the participants in the program.

#### **5) CLOSED SESSION PURSUANT TO NMSA 10-15-1(H)(6) AND (7) TO DISCUSS CONTRACT AND LEGAL MATTERS**

At this point Dr. Damron called for a motion to go into closed session to discuss legal and contract matters as provided by the Open Meetings Act. Mr. Jansen made the motion. Mr. Jarmie seconded the motion. Dr. Damron noted that only matters permitted to be discussed would be discussed in closed session, and that no action would be taken in closed session. Each board member voted individually to go into closed session. Mr. Jansen voted "Aye". Dr. Garcia voted "Aye". Mr. Jarmie voted "Aye". Mr. Desiderio voted "Aye". Dr. Damron voted "Aye".

The board went into closed session at 9:33 AM and remained in closed session until 11:47 AM. (At the end of closed session, Vice Chair Desiderio left the meeting.)

Dr. Damron called for a motion to return to open session. She noted that the only matters discussed during closed session were legal and contract matters permitted by the Open Meetings Act, and that the board had taken no actions during closed session.

Mr. Jansen made the motion. Dr. Garcia seconded the motion. Each board member individually voted "Aye" on the motion.

#### **6) CONTRACT AND LEGAL MATTERS**

Dr. Damron noted that no action would be taken under Item 6 on the Agenda.

#### **7) PUBLIC COMMENT**

The Chair called for public comment. There being none, the Chair moved on to the next agenda item.

## 8) EXECUTIVE DIRECTOR'S REPORT

Dr. Damron then asked Mr. Miller to give the Executive Director's report. Mr. Miller asked Ms. Pacheco-Morton financial report for both the trust funds and the administrative fund for the 1<sup>st</sup> quarter of fiscal 2019. She began with the report on the administrative fund.

Ms. Pacheco-Morton then reviewed the Statement of Net Position, the Statement of Activities and the review of the Budget to Actual Report. Revenue and spending in all major budget categories were within budget for the quarter. She also reviewed a new report that had been requested by the board that compared revenue and spending year over year for the quarter.

She then moved on to the fiduciary funds. The net position of the two funds at quarter-end was \$2.4 billion.

She noted that net income for the trust was negative for the quarter. Due to the outflows typical in the first quarter for college expense, redemptions exceeded subscriptions for the quarter.

Mr. Miller asked Ms. Pacheco-Morton what progress had been made in obtaining actual inflows and outflows from the trust compared with exchange activity. She noted more detailed reporting had been put into place that allowed ETB to see the totals for actual contributions and redemptions as well as internal exchanges among funds.

Mr. Miller then requested that the board approve the Open Meetings Resolution for calendar 2019. He noted that all quarterly meeting dates had been moved one week later than for 2018 in order to ensure that vendors had enough time to prepare their quarterly reports.

Dr. Damron called for a motion to approve the Open Meetings Resolution for calendar 2019. Mr. Jarmie so moved. Mr. Jansen seconded the motion. The motion was approved unanimously.

Mr. Miller then updated the board on the exempt director of marketing position. He noted that all necessary approvals had been given, and the position had been established within state government. Dr. Damron noted the time and effort it had taken to get the approval for the position. Mr. Miller noted that two candidates had been identified after interviews with himself, Del Esparza and Dr. Damron. Also a human resource consulting firm had been engaged to assess the match between the business management of ETB and the potential candidates. OppenheimerFunds marketing staff had also interviewed the two candidates, but he had not had their input yet because the interviews had just occurred the previous afternoon.

Mr. Miller asked that the board affirm the decision to fill the director of marketing position. Dr. Damron noted that she did not want the board to be micromanaging the executive director, he had the authority to hire for the position. However, she did want the board to know of the process by which candidates had been reviewed, and to affirm that Mr... Miller could proceed to a hire.

Mr. Jarmie made the motion to approve Mr. Miller's authority to hire a director of marketing. Mr. Jansen seconded the motion. The motion was approved unanimously.

Next Mr. Miller asked for authority to prepare an RFP for program management in light of the recent news that OppenheimerFunds was to be acquired by Invesco. He also noted that the costs to do so were in the budget for FY2020, therefore he was also asking the board to approve an additional \$150,000 in budget expense for FY2019 to prepare the RFP.

Dr. Damron called for a motion. Mr. Jarmie made the motion to approve the expenditure of up to \$150,000 for creation of an RFP for program management services. Mr. Jansen seconded the motion. The vote to approve the motion was unanimous.

Mr. Miller also asked for authority to issue an RFP for 529 legal services. He noted that current counsel had served the board for more than 6 years, and that, although there was an exemption from the length of contract term for ETB in the Procurement Code, he thought it was best practice required to issue an RFP. He also advised the board that large law firm hourly fees had increased in the last 6 years. The board should be prepared for significantly higher hourly rates than under the current contract. Mr. Miller noted that work on the legal counsel RFP would not begin until after the work on the program manager RFP was complete.

Dr. Damron called for a motion. Mr. Jarmie moved that Mr. Miller be given the authority to issue an RFP for 529 legal services. Mr. Jansen seconded the motion. The vote to approve the motion was unanimous.

Mr. Miller then asked the board to issue an RFP for web hosting services for the new marketing website for The Education Plan. He noted that SilverTech was the current provider of web hosting under a small contract for non-professional services. He expected SilverTech and several other providers would bid on a multiyear contract.

Dr. Damron called for a motion. Mr. Jarmie moved that MR. Miller be authorized to issue an RFP for web hosting services. Mr. Jansen seconded the motion. The vote to approve the motion was unanimous.

Dr. Damron then turned to the legislative committee update. She stated that she and Mr. Miller had presented to the Pensions and Investments Oversight Committee as well as the Legislative Finance Committee. Kay Ceserani joined Dr. Damron and Mr. Miller for the IPOC hearing.

Dr. Damron noted that both hearings went well. The IPOC hearing lasted nearly two hours, but ETB was well-received. Representative Jim Trujillo was very supportive of ETB in both hearings. One legislator asked why the program used some many funds. Dr. Damron noted that she told the legislator that ETB would review the matter and report back.

She observed that the LFC meeting also was very positive in tone.

She mentioned that the groundwork was also laid with both committees to request a change to the ETB statute to authorize a grant program.

#### **9) STRATEGIC ASSET ALLOCATION PROJECT AND OTHER INVESTMENT UPDATES**

Dr. Damron then moved to the next agenda item. Mr. Miller noted that there were three topics that would be briefly discussed. They were the Strategic Asset Allocation Project, the OppenheimerFunds annual asset allocation review and the annual derivatives review done by PCA.

Ms. Ceserani first addressed the strategic Asset Allocation Project. She noted that analytical work done by PCA had shown that the addition of some new asset classes would be beneficial to the current investment structure. One difficulty is to find a fund or funds that are available to get exposure to these asset classes. At the next meeting PCA would come to the board with more detailed recommendations.

She then addressed the annual derivatives review. She noted that with the recent revisions to the Investment Policy Statement this would be that last review of derivatives under the old procedure. PCA identified six underlying funds when the derivative screening was applied. As before these were all bond funds. PCA has given the information to OppenheimerFunds to follow up with the fund managers. Once the appropriation certifications are received from the managers, PCA will issue a report to Mr. Miller. If the report reveals any unusual derivative activity, the matter will be brought to the board's attention. Mr. Miller noted that in the past the use of futures by the bond funds was reported, but the usage of derivatives was determined to be normal activity for these types of funds. Mr. Werner noted that it is a normal process for bond funds to adjust their portfolios with the use of futures.

Mr. Werner then addressed the annual asset allocation review. In light of the fact that the current asset allocation is less than a year old, OppenheimerFunds is not recommending any changes to the current asset allocation.

Finally Ms. Ceserani stated that PCA would do a gap and redundancy analysis of the funds used in the program to assist the board in responding to the question raised in the legislative hearing regarding the number of funds used in the 529 program.

#### **10) QUARTERLY MARKETING REPORT**

Dr. Damron then asked Esparza and OppenheimerFunds marketing to present the quarterly marketing report. Ms. Wakeland addressed three key matters. The first was the campaigns that were launched or prepared for launch during the last quarter. The second was the launch of the new marketing front end website for TEP. The third was the upcoming marketing campaign with the theme of "Growth". She asked Ms. Bednar to address the Scholar'sEdge campaign.



Ms. Bednar observed that the primary focus of the marketing effort for Scholar'sEdge is the relationship with the advisors. It is really a business-to-business focus. She made reference to the "ABC's of 529 Plans" booklet. It is a form of premium that is designed for handout to key advisor relationships. It is in an easel format so that the client sees a presentation on front side while the advisor has talking points outlined on the back side. She observed that the booklet is a physical form of the digital materials available to all advisors.

She then mentioned the relationship with Strategic Insight. Oppenheimer Funds sponsored and led a session at the most recent 529 conference. The session was branded with the Scholar'sEdge logo on the conference website and at the presentation itself. This will be followed up with a 529 webinar on December 4<sup>th</sup>. Typically several hundred advisors attend these webinars. This will generate a list of advisors and their contact information for later follow up by the 529 sales team.

In addition a handle was created on LinkedIn.

A series of ads have been prepared based on the ABC's content but branded for Scholar'sEdge. When an advisor clicks on the ad it goes to the Advisors Edge website. The advisor can request further information and materials on the website.

Mr. Hyland pointed out that each page of the ABC's booklet had been separately reviewed and approved by FINRA. This made them suitable for use together or individually. Advisors can build their own custom presentations from the approved materials.

Ms. Wakeland then walked the board through the new TEP website. She noted the improvements that had been made over the old website. She also noted that the website was compatible with both computers, notepads and mobile phones.

Dr. Damron commented on the broad use among younger people of phones rather than computers. She also suggested that the imagery on the site be more reflective of the population of New Mexico.

Ms. Feirstein asked if ETB had created a full mobile app. Ms. Bednar said that it was only the marketing front end of the website, and not the transactional backend website. The backend site was not responsive. Ms. Bednar noted the costs and the security concerns around the creation of a fully transactional app. Ms. Feirstein agreed. She noted that only one 529 plan had created an app, and that it was a very expensive proposition.

Mr. Esparza observed that the new website also has much better analytical tools than the previous site.

Ms. Atkeson asked how SilverTech, the web development and hosting firm, had been to work with. Both Mr. Miller and Mr. Esparza observed that the firm had good web experience, but had never worked on a complex financial services product. There was a significant learning curve for the firm. They both thought that the firm now had a much better grasp on what is required for financial service products.

Ms. Wakeland concluded the presentation by showing the board a number of the print ads, billboards and other materials for the new "Growth" campaign. Dr. Damron mentioned that one of ETB's legislative supporters remembered very fondly the TV ads that were done a couple of years ago, and asked if there would be more of them. Mr. Esparza said there would be, and that they would be strong ads. Dr. Damron suggested that copies be sent to the legislator. Mr. Esparza agreed.

Mr. Esparza also mentioned that Research & Polling had been commissioned to do a survey of New Mexico families regarding college savings and the New Mexico 529 program.

PAGE 92

#### **11) PROGRAM MANAGER'S QUARTERLY INVESTMENT REPORT**

Mr. Werner then gave the quarterly investment report. He began with the Supplemental Investment Summary. He noted continuing volatility in the markets, but also noted that markets in the U.S. were generally positive for the quarter although international equities, particularly emerging markets, were down. In addition value continues to underperform growth as it has for some time.

He turned to the list of largest funds in the program. He noted that the list is usually pretty static, but that, due to the growth of TEP, some of the Vanguard funds were beginning to appear on the list.

He then turned to fund performance. In TEP the index age based portfolios in line with their benchmarks net of fees.

With regard to the TEP blended portfolios, the actively managed portfolios held back performance. From Portfolio 100 to Portfolio 60 the funds underperformed net of fees. He noted that the remaining Portfolios performed in line with benchmarks net of fees.

Ms. Ceserani noted that with regard to the peer groups for the underlying funds 90% of peer group funds underperformed their benchmarks. She thought this would give some perspective on the underperformance.

He then turned to Scholar'sEdge. He noted Portfolios 100 through 60 underperformed their benchmarks net of fees. Below that the Portfolios somewhat underperformed by about the amount of the fees.

The Oppenheimer International Growth Fund underperformed by almost 3.3% for the quarter. The Main Street Mid Cap Fund underperformed the benchmark by 1.6%. The Oppenheimer Developing Markets Fund underperformed by 2.21% The International Fund underperformed as previously noted, and the Global Focus Fund (formerly the Global Value Fund) underperformed by 2.2%. He noted that the T. Rowe Price Blue Chip Fund underperformed by 1.25% in Q3.

Mr. Miller asked Mr. Werner to address contributions and account numbers in the quarterly report. Mr. Werner noted that year-over-year The Education Plan was on track. Scholar'sEdge contributions were flat and accounts were down 4.6%.

## **12) INVESTMENT CONSULTANT QUARTERLY REPORT AND WATCH LIST RECOMMENDATIONS**

Dr. Damron then asked Ms. Ceserani to give the quarterly consultant's report. She then turned to the PCA economic and market overview report for 3Q 2018. She noted the continued positive performance of US markets, the declines in international markets, especially emerging markets, and weak fixed income returns. She also cautioned however that the October market numbers were down significantly from the end of the quarter in both the US and International markets.

She noted the underperformance of the Oppenheimer Main Street Fund for the year. It was the worst performer by 8.5%.

She then referenced the relative performance of the actively managed funds in the 529 program. With regard to TEP and Scholar'sEdge about 80% are acceptable or positive for the quarter.

She then turned to the Watch List Memo. She noted that two new funds qualified for watch status – the Oppenheimer Total Return Bond Fund and the Oppenheimer Small-Mid Cap Fund. The Total Return Bond Fund qualifies because of its rolling three-year performance. It has only been in the program for a year. She also asked Mr. Werner why the benchmark was listed as a credit-only benchmark as opposed to the aggregate bond benchmark. Mr. Werner said he would look into the matter. The Small-Mid Cap Fund has had a change in manager. A change in manager automatically triggers watch status.

Of the three funds on watch status from last quarter, two of them no longer qualified for watch status, but PCA recommended removing them from watch status. These were the Oppenheimer Capital Income Fund and the Main Street Mid-Cap Fund. Mr. Jarmie questioned why the Capital Income Fund should be removed from watch status. Ms.

Ceserani replied that it could remain on watch status for another quarter if the board so desired. Its performance was negative in absolute terms even though it fell within the acceptable range for the watch criteria. She noted that the Oppenheimer Main Street Fund was placed on watch six months ago. She recommended that it remain on watch status as well.

Dr. Damron asked for a motion with regard to PCA's watch status recommendations that the Oppenheimer Capital Income Fund remain on watch, the Main Street Mid-Cap Fund be removed from watch, the Main Street Funds remain on watch and the Total Return Bond Fund and the Small-Mid Cap Fund be placed on watch.

Mr. Jarmie so m oved. Mr. Jansen seconded the motion. The motion was approved unanimously.

**13) ADJOURNMENT**

Dr. Damron called for a motion to adjourn. Mr. Jansen made the motion. Mr. Jarmie seconded the motion. The vote to adjourn was unanimous. The meeting adjourned at 1:36 PM.