

## The Education Trust Board of New Mexico

THE HONORABLE MICHELLE LUJAN GRISHAM  
GOVERNOR OF NEW MEXICO

STEPHANIE RODRIGUEZ, CABINET SECRETARY  
NEW MEXICO HIGHER EDUCATION DEPARTMENT



BOARD MEMBERS  
GARY L. GORDON, CHAIR  
ROBERT J. DESIDERIO, VICE-CHAIR  
DR. JOSE Z. GARCIA  
LAWTON DAVIS  
MONT GREEN

NATALIE CORDOVA  
EXECUTIVE DIRECTOR

Meeting Minutes of  
November 2, 2022  
33 Plaza la Prensa  
Santa Fe, New Mexico 87507

### **Board Members**

Gary L Gordon, Chair  
Robert Desiderio, Vice Chair  
Dr. Jose Garcia, Member  
Lawton Davis, Member

### **ETB Staff**

Natalie Cordova, Executive Director  
Carolyn Fittipaldi, Director of Marketing  
Vera Lyons, Board Secretary

### **Meketa Investment Group**

Kay Ceserani, Managing Principal

### **Hogan Lovells**

Helen Atkeson, Partner

### **Sommer, Udall**

Cullen Hallmark, Partner

### **Ascensus**

Tom Hewitt, VP Relationship  
Management

Tom Lowe, VP Investment  
Management

### **Morton Accounting Services**

Janet Pacheco-Morton, CPA

### **Esparza Advertising**

Ashley Sterling, Account Executive  
Del Esparza, CEO

### **Sunny505**

Joanie Griffin, CEO  
Jerry Matthews, Senior Account Manager

### **Principal**

Randy Welch, Managing Director  
James Fennessey, Portfolio Manager  
Paul Schieber, Managing Director  
Jori Horn, 529 Marketing Director

**1) CALL TO ORDER**

The meeting was called to order at 8:41 AM. Mr. Gordon, Dr. Garcia, and Mr. Davis were present. There was a quorum with three of the five board members present. Mr. Mont Green provided notice prior to the meeting of inability to attend.

**2) APPROVAL OF AGENDA**

The agenda was approved unanimously.

**3) APPROVAL OF MINUTES**

A motion to approve the minutes of the August 3, 2022, board meeting was unanimously approved.

**4) PUBLIC COMMENT**

Mr. Gordon then called for any public comment. There being none, he moved to the next item.

**5) EXECUTIVE DIRECTOR'S REPORT**

Ms. Cordova provided an update regarding the FY22 annual audit process. She also mentioned the saving for success award program launch. She noted that the escheatment analysis taking place is still in process. She also mentioned the LFC budget hearing is currently scheduled on November 15<sup>th</sup>.

Ms. Pacheco-Morton first presented the quarterly financial statements for the Board's program administrative fund, noting changes to the administrative fund due to GASB 87, and then presented the financial statements for the fiduciary funds, pointing out losses due to market downturns and the impact to the financial statement amounts.

Ms. Cordova discussed the Open Meetings Act and the resolution notice before the board for action to determine reasonable notice for board meetings. She mentioned Mr. Hallmark from Sommer Udall had also reviewed the notice and was available for questions. Ms. Cordova reviewed the updates to the notice compared to last year's adopted notice and discussed why the changes were made. Mr. Gordon asked everyone to make note of the meeting dates in Schedule A. He also requested a motion to accept the open meetings act policy resolution for calendar 2023. Dr. Garcia so moved. Mr. Davis seconded. The vote to approve the motion was unanimous.

**6) PROGRAM MANAGER'S QUARTERLY OPERATIONS AND INVESTMENT REPORTS**

Mr. Hewitt presented the FY23 Q1 program manager's operations report, noting assets are down across the nation due to the market. He also noted two fund events occurred during the last quarter. Mr. Lowe presented the FY23 Q1 investment report for The Education Plan with discussion of the current market environment and performance. Ms. Atkeson discussed the history and status of the omnibus agreement with Fidelity and mentioned an amendment to the Ascensus agreement will be needed. Mr. Welch and Mr. Fennessey with Principal presented the FY23 Q1 investment report for Scholar's Edge with discussion of the current market environment and performance.

(Mr. Desiderio arrived at 9:06 AM.)

Mr. Gordon requested a brief break at 9:49 AM. The meeting reconvened at 9:58 AM

## **7) INVESTMENT CONSULTANT’S QUARTERLY REPORT AND WATCH LIST RECOMMENDATIONS**

- a) Ms. Cesarani presented the market and economy report.
- b) Ms. Cesarani presented the FY23 Q1 investment consultant’s report and watch list recommendations. Mr. Gordon requested a motion to accept the watch list recommendations that the American Fundamental Investors, PGIM Global Total Return, and JP Morgan Emerging Markets Equity funds remain on “Watch” status, and that the Principal Blue Chip fund be added to the “Watch” list. Mr. Desiderio so moved. Dr. Garcia seconded. The vote to approve the motion was unanimous.
- c) Ms. Cordova mentioned that she, Ms. Atkeson and Ms. Cesarani worked together on the Investment Policy Statement (IPS) and Monitoring Procedures and Criteria revisions before the board for consideration. Ms. Cesarani mentioned the history and recommended to adopt changes, including removing unnecessary reference to the Investment Beliefs statement. Mr. Gordon called for a motion to not continue the Investment Beliefs statement review process as it was not necessary and did not provide purpose or improvement to the IPS, as the initial beliefs have already been incorporated into the existing IPS. Mr. Desiderio so moved. The vote to approve the motion was unanimous. Mr. Gordon called for a motion to adopt the IPS as presented. Dr. Garcia so moved. Mr. Davis seconded. The vote to approved the motion was unanimous. Mr. Gordon called for a motion to adopt the Monitoring Procedures and Criteria as presented. Dr. Garcia so moved. Mr. Desiderio seconded. The vote to approved the motion was unanimous.

## **8) SCHOLAR’S EDGE MARKETING, SALES AND DISTRIBUTION REPORT**

Mr. Schieber and Ms. Horn presented the FY23 Q1 sales report and the marketing report.

## **9) THE EDUCATION PLAN MARKETING REPORT**

Ms. Fittipaldi gave some outreach highlights. She reported that the Saving for Success Award program launched on 9/28 and has accepted 45 applications from 8 counties as of 10/28 and there here have been several media interviews and articles to promote the program. She noted TEP’s recent participation in several outreach activities including events for APS, CNM, City of Albuquerque, and Public Charters Schools of New Mexico. She also noted presenting TEP in a series of 3 webinars with 1,000 state and local public body employees in partnership with PERA and presenting during a financial wellness webinar with Family Friendly New Mexico. Ms. Griffin presented the FY23 Q1 Public Relations report for Sunny 505. Mr. Matthews presented the FY23 Q1 Sunny 505 traditional marketing report. Mr. Esparza and Ms. Sterling presented the FY23 Q1 Esparza digital marketing report.

## **10) ADJOURNMENT**

Mr. Gordon called for a motion to adjourn. The meeting adjourned at 11:36 am.