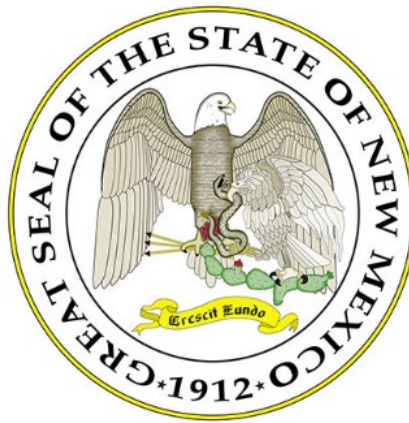


AGENDA/TABLE OF CONTENTS ON PAGE 4

REGULAR MEETING OF THE BOARD OF DIRECTORS



June 25, 2025

9:00 AM

Online: <https://meet.goto.com/NMRHCA/boardmeeting>

Telephone: 1-224-501-3412 / Access Code: 724-176-285

New Mexico Retire Health Care Authority

Regular Meeting

BOARD OF DIRECTORS

ROLL CALL

June 25, 2025

	Member in Attendance		
Ms. Saunders, President			
Mr. Salazar, Vice President			
Mr. Pyle, Secretary			
Ms. Montoya			
Ms. Alirez			
Mr. Washburn			
Ms. Sandoval			
Mr. Caruana			
Ms. Castillo-Smith			
Ms. Garcia			
Ms. Brassington			

NMRHCA BOARD OF DIRECTORS

JUNE 2025

<p>Ms. Therese Saunders, President NEA-NM, Classroom Teachers Assoc., & NM Federation of Educational Employees 5811 Brahma Dr. NW Albuquerque, NM 87120 tsaunders3@mac.com 505-934-3058</p>	<p>Ms. Donna Sandoval NM Municipal League 100 Marquette Ave City/County Building Albuquerque, NM 87102 donnasandoval@cabq.gov 505-768-2975</p>
<p>Mr. Tomas E. Salazar, PhD, Vice President NM Assoc. of Educational Retirees PO Box 66 Las Vegas, NM 87701 salazarte@plateautel.net 505-429-2206</p>	<p>Mr. Lee Caruana, MD Retired Public Employees of NM leecaruana13@gmail.com</p>
<p>Mr. Lance Pyle, Secretary NM Association of Counties Curry County Administration 417 Gidding, Suite 100 Clovis, NM 88101 lpyle@currycounty.org 575-763-3656</p>	<p>Ms. Alex Castillo Smith Deputy Cabinet Secretary NM Health Care Authority PO Box 2348 Santa Fe, NM 87504 alex.castillosmith@hca.nm.gov 505-629-8652</p>
<p>The Honorable Ms. Laura M. Montoya NM State Treasurer 2055 South Pacheco Street Suite 100 & 200 Santa Fe, NM 87505 laura.montoya@sto.nm.gov 505-955-1120</p>	<p>Ms. Renee Garcia Alternate for ERB Executive Director Educational Retirement Board PO Box 26129 Santa Fe, NM 87502-0129 renee.garcia@erb.nm.gov 505-531-9885</p>
<p>Ms. Raquel Alirez Classified State Employee 401 Broadway NE Albuquerque, NM 87102 raquel.alirez@dws.nm.gov 505-365-3474</p>	<p>Ms. Kate Brassington Alternate for PERA Executive Director Public Employees Retirement Association 33 Plaza La Prensa Santa Fe, NM 87507 kate.brassington@pera.nm.gov 505-309-1088</p>
<p>Mr. Gerry Washburn Superintendents' Association of NM 408 N Canyon Carlsbad, NM 88220 gerry.washburn@carlsbadschools.net</p>	

Regular Meeting of the
NEW MEXICO RETIREE HEALTH CARE AUTHORITY
BOARD OF DIRECTORS

June 25, 2025
9:00 AM

Online: <https://meet.goto.com/NMRHCA/boardmeeting>
Telephone: 1-224-501-3412 / Access Code: 724-176-285

<u>AGENDA</u>		<u>PAGE</u>
1. Call to Order	Ms. Saunders, President	
2. Roll Call to Ascertain Quorum	Mr. Biggs, Recorder	
3. Pledge of Allegiance	Ms. Saunders, President	
4. Approval of Agenda	Ms. Saunders, President	
5. New Entity Participation Request (Action Item) Town of Clayton	Mr. Kueffer, Executive Director	5
6. Other business	Ms. Saunders, President	
7. Date & Location of Next Board Meeting	Ms. Saunders, President	
July 24, 2025 – 9:30 AM The Lodge at Cloudcroft, Meeting Room July 25, 2025 – 9:00 AM The Lodge at Cloudcroft, Meeting Room 601 Corona Place, Cloudcroft, NM 88317		
8. Adjourn		

Retiree Health Care Authority Act

Town of Clayton Program Participation (Action Item)

Background

The New Mexico Retiree Health Care Authority (NMRHCA) and the Town of Clayton have been in communication regarding their participation in the Retiree Health Care Authority as stated during the June 3, 2025, Board Meeting. Their Governing Body met on June 11, 2025, and voted in favor of participating in the Retiree Health Care programs beginning July 1, 2025.

Per Chapter 10-7C-9 NMSA 1978, Section F – Town of Clayton will be required to begin making the appropriate employer and employee contributions determined by the board to the fund on the July 1 immediately following the adoption of the ordinance or resolution. On the following January 1, eligible retirees of those participating employers and their eligible dependents shall be eligible to receive group health insurance coverage pursuant to the provisions of the Retiree Health Care Act.

Based upon the Buy-In Analysis performed by Segal, the buy in cost for the Town of Clayton's 45 active participants totaling \$261,994. For additional information related to the calculation please see – NMRHCA Buy-In Analysis for Town of Clayton. A lump sum payment will be made to New Mexico Retiree Health Care Authority.

Recommendation

NMRHCA staff respectfully requests Board approval for inclusion of Town of Clayton as a participating employer with the New Mexico Retiree Health Care Program effective July 1, 2025. Approval of this request will allow the Town of Clayton employees who qualify to have access to benefits beginning January 1, 2026.

Ernest Sanchez Mayor
Ferron Lucero Manager
Stephanie Arellano Deputy Clerk



Town of Clayton

1 Chestnut
Clayton, NM 88415
Phone: 575-374-8331 Fax: 575-374-8497

Coby Beckner Mayor Pro-Tem
Deano Arellano Trustee
Russell Lees Trustee
Mateo Arguello Trustee

RECEIVED

MAY 27 2025

NMRHCA

Neil Kueffer, Executive Director
New Mexico Retiree Health Care Authority
6300 Jefferson Street NE
Albuquerque, NM 84109

Dear Executive Director Kueffer,

The Town of Clayton hereby provides notice that the governing body will hold a public meeting on June 11, 2025, to consider and vote on the Town's participation in coverage under the Retiree Health Care Act. If approved, a resolution formalizing this decision will be adopted during the same meeting.

In conjunction with this action, the Town of Clayton is requesting a waiver of the thirty-day notice requirement, as the public meeting is scheduled for June 11, 2025. Granting this waiver will enable the Town to initiate participation effective July 1, 2025, aligning with the start of the new fiscal year.

This notice and the request for waiver were authorized by formal action of the governing body during a duly held budget hearing on May 20, 2025.

If you have any questions, please contact my office at your convenience.

Regards,

Ferron Lucero
Town of Clayton Manager



Mehdi Riazzi FSA, MAAA, FCA, EA
Consulting Actuary
T 214.499.2722
M 214.499.2722
mriazi@segalco.com

500 North Brand Boulevard
Suite 1400
Glendale, CA 91203-3338
segalco.com

April 9, 2025

Stephanie Arellano
HR Representative/Deputy Clerk
Town of Clayton
1 Chestnut St
Clayton, NM 88415

**Re: New Mexico Retiree Healthcare Authority (NMRHCA) Buy-In Analysis
Town of Clayton**

Dear Stephanie:

As requested, we have prepared an actuarial valuation to establish the buy-in obligation for Town of Clayton to join the New Mexico Retiree Health Care Authority (NMRHCA) retiree health and life benefits program. The results of the valuation are summarized in the enclosed exhibit.

The liability was calculated as of June 30, 2024, using the data provided to us by Town of Clayton. The discount rate used for the buy-in calculation was 7.75%, which is not the same as the 7.00% used for the most recent Governmental Accounting Standards Board (GASB) Statement 74 valuation. Per the New Mexico Administrative Code, the 7.75% rate is to be used for buy-in calculations. No adjustment has been made to reflect the anticipated growth in liability after June 30, 2024.

To model future demographic experience, we have assumed that all members are covered under the Public Employees Retirement Association (PERA). The Municipal General, Municipal Police, or Municipal Fire demographic assumptions were applied based on the retirement plan group indicated in each employee's data record. The Police and Fire employees were assumed to be eligible for "Enhanced" NMRHCA premium subsidies available to public safety employees.

We have assumed 60% of eligible future retirees with 15 or more years of service and 50% of active participants with less than 15 years of service will enroll in NMRHCA at retirement. We assume 25% of eligible employees terminating prior to retirement will elect NMRHCA benefits at retirement. Because it is unknown which NMRHCA plan Town of Clayton employees will elect, we have assumed retirees will elect medical plans as shown below:

Non-Medicare Plan	Medical Election Rate (%)
Premier	75%
Value Plan	25%

Medicare Plan	Medical Election Rate (%)
BCBS Medicare Supplement	51%
BCBS Senior Plan	6%
Presbyterian Senior Plan	21%
United Healthcare Plan	16%
Humana Plan	6%

For spouse ages, wives were assumed to be 2 years younger than husbands. Of the future retirees, 35% of males and 30% of females were assumed to elect spouse coverage at retirement.

Unless otherwise noted above, the data, assumptions and plan provisions are the same as those used in the New Mexico Retiree Health Care Authority Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2024, in accordance with GASB Statement No. 74, dated November 25, 2024.

The actuarial calculations in the enclosed exhibit have been prepared under my supervision. I am a member of the Society of Actuaries and the American Academy of Actuaries. I meet the "General Qualification Standards for Statements of Actuarial Opinions" and am qualified to render the actuarial opinion contained herein.

If you have any questions or comments, please contact me at (972) 837-3053 or mriazi@segalco.com.

Sincerely,



Mehdi Riazi FSA, MAAA, FCA, EA
Vice President & Consulting Actuary

TTT/

Enclosure

cc: Debbie Donaldson, FSA, MAAA
Senior Vice President & West Health Practice Leader

Neil Kueffer
Executive Director

Town of Clayton New Mexico Retiree Health Care Authority Buy-In Study

Actuarial Accrued Liability (AAL) and Unfunded AAL (UAAL)

Participant Category	June 30, 2024
Current retirees and dependents	\$ 0
Current active members	<u>261,994</u>
Total	\$261,994

Effect of Retiree Contributions	June 30, 2024
Actuarial accrued liability before reduction for retiree contributions	\$ 693,126
Less projected retiree contributions	<u>431,132</u>
Net employer actuarial accrued liability	\$ 261,994
Actuarial value of assets	<u>0</u>
Unfunded actuarial accrued liability	\$ 261,994

Summary of Participant Data

Active Participants	June 30, 2024
Number*	45
Average age	45.3
Average years of service†	5.8
Average expected retirement age	63.9

* The employees were valued according to their retirement plan eligibility values. We had 34 municipal general, 6 municipal police, and 5 municipal fire.

† The employees hired after June 30, 2024 were assumed to have 0 years of service for the purpose of this calculation.

RESOLUTION NO. 25-35

A RESOLUTION OF THE GOVERNING BODY FOR THE TOWN OF CLAYTON, STATE OF NEW MEXICO, EXERCISING THE IRREVOCABLE OPTION TO PARTICIPATE IN COVERAGE UNDER THE RETIREE HEALTH CARE ACT, NMSA 1978, SECTIONS 10-7C-1 ET SEQ.

WHEREAS, the governing body of the **TOWN OF CLAYTON** has considered the issue of providing retiree health care coverage for its employees, retirees, their spouses, and dependents; and

WHEREAS, the Retiree Health Care Act, NMSA 1978, Sections 10-7C-1 et seq. (the "Act") affords public employers the opportunity to offer basic and optional retiree health coverage to eligible participants; and

WHEREAS, the current single basic plan of benefits rate, which may be adjusted from time to time pursuant to Section 13 of the Act, is \$_____ (as determined by the New Mexico Retiree Health Care Authority (NMRHCA)); and

WHEREAS, Section 15 of the Act requires participating employers to make employer and/or employee contributions to the Retiree Health Care Authority Fund in an amount determined by the NMRHCA Board, which may be adjusted from time to time; and

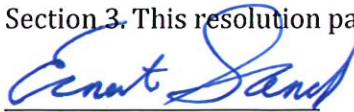
WHEREAS, the governing body of the **TOWN OF CLAYTON** has determined to irrevocably include **THE TOWN OF CLAYTON**, its employees, and its retirees in the employer/employee contribution requirements and retiree health care benefits provided under the Act;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the TOWN OF CLAYTON State of New Mexico, that:

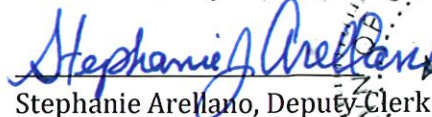
Section 1. Notification of public hearing date was sent by certified mail on May 22, 2025 along with a request to waive the 30 day notice..

Section 2. Pursuant to the terms of the Act, the **TOWN OF CLAYTON** hereby elects to be included in coverage under the Retiree Health Care Act.

Section 3. This resolution passed, adopted, and approved this 11th day of June, 2025,



Ernest Sanchez, Mayor



Stephanie Arellano, Deputy Clerk

