

SANTA FE COUNTY  
INVESTMENT COMMITTEE MEETING MINUTES  
January 19, 2012

**Committee Members in Attendance:**

Victor A. Montoya, County Treasurer  
Stephen Ross, County Attorney  
Teresa Martinez, Finance Director

Liz Stefanics , Commission Chair  
Katherine Miller, County Manager

**I. Call Meeting to Order:**

1. Roll call of Committee Members
2. Approval of December 19, 2011 Minutes: Motion to approve by Teresa Martinez and second by Stephen Ross.
3. Approval of January 19, 2012 Agenda: Motion to approve by Liz Stefanics and second by Teresa Martinez.

**II. Current Agenda Items:**

1. Investment activity for the month of December 2011 is as follows: we purchased and settled on the following Government Agencies, and CD's:

On page three, we start with Wells Fargo we bought 3 CD's these are Brokered CD's and each is in the amount of \$250,000.00 for 1.25 to 2 years. The yields are listed and interest is paid semi-annually.

On page four, we bought 5 discount notes from Charles Schwab highlighted in yellow that go into 3823 account, Series 2001 A GOB account. The next item is a Fannie Mae Bond that goes into 1921 account for the GRT 2008 Judicial Revenue Bond. Followed by several bonds bought from the 2601 Operations account the quantity is in the third column followed by the yields. The strategy is to buy step bonds that have the highest coupon yields with a minimum of 3 months call protection and a maximum of one year and a good chance of being called as soon as the call protection expires.

Yields range from 1% to 3.09% with a maximum of a 15 year maturity. In the event we are forced to keep these bonds yields would go up as high as 6%.

2. Property Tax Collections and Distributions:
  - a. The \$42,236,072.97 in property taxes collected for December 2011 will be distributed on January 20, 2012. The County's share for December 2011 collections is \$16,031, 981.51. The maintenance report shows we have collected \$81,637,794.48 through December 31, 2011 (the second month of 2011 tax collections). The tax collection rate through

December 31, 2011 is 53.8% we are more than half collected for the first two months.

- b. Year-to-date collection rate December 31, 2011 over December 31, 2010 shows we are up 3.9%; and in dollars were are \$3,059,077.53 over last year's collections.
3. Item 3 regarding the balances at State Treasurer's as shown in the portfolio was \$639.38 with no change in the Contingency Reserve at \$271,864.21.
4. On page eight is a chart from MoganKeegan the primary purpose of the chart is to show Treasury yield curve and what Treasury Bills are currently yielding at this date. A Treasury bill investment would have to go out for seven years to get a 1.29% return.
5. Collection efforts of Adam Bailey on delinquent accounts for the fiscal year are as follows:

Through June 17, 2011	\$4,988,307.72
From June 18, 2011 through September 30, 2011	\$1,033,160.45
From October 9, 2011 through October 31, 2011	\$ 487,875.20
From November 1, 2011 through November 30, 2011	\$ 162,992.37
From December 1, 2011 through December 31, 2011	<u>\$ 200,378.24</u>
Total	\$6,872,713.98

Gloria Apodaca collections efforts for the fiscal year are as follows:

Through June, 15, 2011	\$1,056,990.02
From June 18, 2011 through October 31, 2011	\$ 517,502.57
From October 9, 2011 through October 31, 2011	\$ 75,443.91
From November 1, 2011 through November 30, 2011	\$ 214,923.55
From December 1, 2011 through December 31, 2011	<u>\$ 44,403.33</u>
Total	\$1,864,860.05

The collection effort is being supplemented by James Faigle from the State Property Tax office; he is working with individuals to pay their delinquent property taxes. Property Tax can offer the individual a contract (up to 36 months) to pay their delinquent property tax before the State auctions their property.

### III. Verification Audit Report

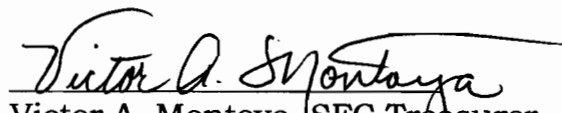
In December the Committee discussed the Verification Audit Report of delinquent property tax payments from the Santa Fe County Treasurer's office that was performed by TRD's, Internal Audit Bureau. We discussed the need to respond sometime soon since it appears we have under remitted penalty, interest and cost to the state. Does Finance have any idea when the final calculation will be completed? The response from Teresa Martinez indicated she has not heard back from Becky Meyers and would get an answer.

One of the issues brought up at the County Treasurer's Affiliate conference by Pat Padilla, from Bernalillo County concerned the Verification Audits conducted by the Property Tax Division. In two years period there were only 4 counties audited Lincoln, Otero, Bernalillo and Santa Fe. The question was: is it cost effective for Property Tax to spend that amount of time for the small amount of money that is potentially being unremitted? The new ASD director and the Bureau Chief, John Gallegos from DFA were there. Another question asked "since this is a verification audit and not a formal audit are we going to have to remit the funds in question? Mr. Gallegos did not commit to a response.

**IV. Other Business:**

1. The Treasurer requests an updated cash flow analysis from Finance for the purpose of projecting how long funds (not needed for immediate needs) can be invested for. This would help the Treasurer to make investment decisions tied to the needs of the County.
2. The Investment Committee Meeting scheduled for February 16, 2012 is cancelled due to County Board of Finance meeting on Tuesday February 28, 2012. The next Investment Committee meeting is scheduled for March 15, 2012 at 2PM.

Adjournment at 2:35PM

  
Victor A. Montoya, SFC Treasurer



COUNTY OF SANTA FE )  
STATE OF NEW MEXICO ) ss

INVESTMENT COMMITTEE M  
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I Hereby Certify That This Instrument Was Filed for  
Record On The 15TH Day Of March, 2012 at 04:17:26 PM  
And Was Duly Recorded as Instrument # 1663385  
Of The Records Of Santa Fe County

Deputy  )  
Witness My Hand And Seal Of Office  
Valerie Espinoza  
County Clerk, Santa Fe, NM