

**MINUTES OF THE**  
**SANTA FE COUNTY**  
**INVESTMENT COMMITTEE**

**January 28, 2015**

**Santa Fe, New Mexico**



This meeting of the Santa Fe County Investment Committee was called to order by County Treasurer Patrick Varela at approximately 2:35 p.m. on the above-cited date in the County Legal Conference Room on the second floor of the County Administrative Building located at 102 Grant Avenue, Santa Fe, NM.

Roll was called and a quorum was indicated with the presence of the following members present:

**Members Present:**

Patrick Varela, Treasurer  
Katherine Miller, Manager  
Henry Roybal, Commissioner  
Greg Shaffer, County Attorney  
Andrew Leyba, Private Sector [telephonically]

**Member(s) Excused:**

Carole Jaramillo, Finance Director  
Miguel Chavez, Commissioner

**Others Present:**

Eric Lujan, Deputy County Treasurer  
Lori Armijo, Treasurer's Office  
Theresa Romero, Treasurer's Office

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 9TH Day Of March, 2016 at 10:01:59 P  
And Was Duly Recorded as Instrument # 1788253  
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office  
Geraldine Salazar  
Deputy County Clerk, Santa Fe, NM

*E. Estrella Martinez*

**Approval of Minutes: December 17, 2015**

Commissioner Roybal moved to approve the December minutes as published. Mr. Leyba seconded and the motion passed without opposition.

**Results of Transition**

Treasurer Varela reported that County still has some money at LANB but the transition to First National Bank is basically complete. The Santa Fe Studio CD is at LANB as well as funds to cover anything that might come through the bank. The CD continues to earn interest. Ms. Romero said the balance of the LANB Studio account is \$5,901,081.91.

Treasurer Varela presented First National's collateralization material noting that the County is collateralized at 102 percent. He said the Federal Reserve Bank contacted him for

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release of funds verification. Same day ACH (automated clearing house) may be available for the County by September for a fee.

### **Investment Policy (IP) Discussion**

Treasurer Varela advised the Committee that the IP is reviewed annually. The redlines address grammatical corrections and the segregated core portfolio has been included. At last month's meeting they discussed increasing the duration for the core holdings to 10 years. Expanding it to 10 years may provide additional yield money; however, the portfolio will be diversified.

Referring to the core portfolio, Manager Miller recommended targeting a percentage of the overall portfolio for the core with a 10-year maximum. She suggested working with Finance to determine reserve amount reserves is necessary in the event of an economic downturn. In 2008 and 2010 the County did dip into its reserves.

Manager Miller requested the inclusion of New Mexico Finance Authority Bonds under allowable investments. That would fall under Investments Permitted by Policy, letter H: As permitted by Section 6.21.19 New Mexico Finance Authority Bonds.

The Treasurer requested discussion on item Q, Reporting Requirements, which currently reads: "Santa Fe County shall prepare and submit to the governing body a "monthly investment report." There are 16 items to be included in the report. He suggested the Investment Committee meetings address the requirements. Mr. Lujan asked whether Q was asking for the Board of Finance to hear a monthly report.

Manager Miller recommended amending the policy language to indicate that the monthly IC report is listed and included as part of the BCC packet at the end of the month.

Referring to the broker/dealer list, Treasurer Varela said amendments were necessary with Charles Schwab and Well Fargo Securities being removed and Mesirow Financial added. First National has no relationship with Schwab.

### **City's Plan for Public Bank Discussion**

The Treasurer said that the City continues to explore the notion of a public bank and would like the County to partner in it. He said a lot of public banks fail and he recommends the County not participate.

Manager Miller said she served on an evaluation committee to select a consultant to conduct a public bank study and the unanswered question is what void in the market this public bank would fill. She pointed out that the state has financing entities – New Mexico Finance Authority for Public Infrastructure and the Mortgage Finance Authority for Housing – that can accomplish these goals. She mentioned the Smart Money fund the state implemented for economic growth. While she did not know the success rate of the Smart Money loans she said they were underwritten by private banks and the Finance Authority. Manager Miller said the question of who the proposed public bank would be loaning to and where the demand is have not been answered. The highest priority in the County IP is to take the least amount of risk.

**Delinquent Collection**

**Update and Totals Collected**

Treasurer Varela said \$929,537 was collected during December.

**Portfolio Balance Sheet, Call Notices, Etc.**

Theresa Romero provided the following information from November:

- There are 42 operational accounts with a total of \$74,035,524.73
- GOB 2011/money market is one account at Fifth Third with \$8,961,162.39
- Core Account holdings has 27 accounts that included the money market with a total of \$31,667,975.30
- GOB 2013 Series at Fifth Third Bank: one Money Market account, \$9,096,770.94

Grand total at Fifth Third is \$123,761,433.36

- Various Banks, Credit Union CD, 4 CDs with \$998,000.00
- LANB, 6 accounts with \$11,896,744.19
- First National Bank, 29 accounts for a total of \$85,677,759.31
- Wells Fargo, one Money Market account with \$30,061,302.39
- UBS, money market account with a total of \$6,016,643.04

Grand total of all accounts at the end of December 2015 was \$258,411,882.29

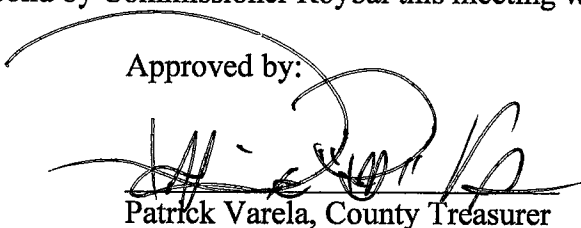
Treasurer Varela said he would move the GOB 2011 and 2013 funds that are at Fifth Third making .01 percent interest soon. He reviewed graphs of the monthly balance divided by operations, GOBs and the core account and various investments.

In regard to the Affordable Housing Fund, Manager Miller said the funds are used for related County housing programs but she agreed with the Treasurer that it could be better short-term invested.

**Adjournment**

Upon motion by Mr. Leyba and second by Commissioner Roybal this meeting was declared adjourned at 3:30 p.m.

Approved by:



Patrick Varela, County Treasurer

Respectfully submitted by:  
Karen Farrell, Wordswork

Santa Fe County  
Investment Committee: January 28, 2016

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