

**SANTA FE COUNTY
INVESTMENT COMMITTEE MEETING
DECEMBER 18, 2014**

Committee Members:

Pat Varela, County Treasurer
Robert Anaya, County Commissioner (Telephone)
Teresa Martinez, Finance Director
Miguel Chavez, County Commissioner

Greg Shaffer, County Attorney
Katherine Miller, County Manager (Absent)
Andrew Leyba, Private Sector
Tony Flores, Deputy County Manager

1. Call Meeting to Order:

- A. Roll Call of Committee Members
- B. Approval of November 20, 2014, Investment Committee Meeting Minutes by Private Sector, Andrew Leyba and second by Finance Director, Teresa Martinez

2. Current Agenda Items:

Commissioner Chavez stated that he didn't attend the last meeting and for the record this is his first meeting that he's attending as the Vice-Chair.

Treasurer Pat Varela began the meeting by informing the committee of the December 4th bank meeting that he attended and the Treasurer and presented the committee with cash flow transfer emails that he emailed Eric Loucks, Managing Partner from Los Alamos National Bank to Charles Schwab and Mr. Loucks transfers the money. Treasurer Varela stated that \$22 Million and \$16 Million and another \$22 million was transferred, and the reason for this is because they don't have the asset capital to match our collateral and only have enough to pledge \$40 Million at 102%. Treasurer Varela mentioned, it's \$48 Million that they pledge; however the face value is \$40 Million and the par value is \$56 Million so we try and keep at or below \$40 Million and transfer it back as needed, when we hear from the Finance Department. Treasurer Varela mentioned that the distribution was \$26 Million. The Treasurer stated with all the transfers, our balance is \$192,169,887.01 in cash liquidity in the Charles Schwab account.

Treasurer Varela presented the committee members with a revised copy of the Investment Policy, the first time the copies were sent to everyone, the wrong copy was presented to the Board of Finance and per Commissioner Anaya's request, on page ten

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is the language of the collateral at 102%; however it gives the Investment Committee the flexibility to change it to 50% according to the State Treasurer's report, if the bank is sound enough to bring it down to collateralization.

Commissioner Anaya asked County Attorney, Greg Shaffer if he had an opportunity to review the Investment Policy.

County Attorney, Greg Shaffer stated he hasn't had a chance to read it; however he has questions as to what the intent was, because he read it differently as to what the terms were on the page so if the idea is to allow fluctuating collateral requirements based upon the ratios set forth in the administrative code set by the Board of Finance, he respectfully suggest wording it a little differently to a make a little more clear. Attorney Shaffer also stated that he read it as establishing certain liquidity requirements that would not be moved but rather set forth in the chart, if the intent is to have more flexibility, he suggested on having the language changed and would like for it to be circulated for additional comments and would like for the County Manager's input as well. Attorney Shaffer requested a link to the state and have it emailed to the committee members on the criteria as to what the State looks like on assessing a bank's risk.

Treasurer Varela stated that he and the committee follow three steps which are Safety, Liquidity, and Yield and the collateral that we have is at 102%, statutorily it's 50% and there's a chart that dictates what it can be and it can be anywhere from 50% to 150% depending on the risk of the bank, and at this time we are at 102% and Los Alamos National Bank is under conservancy so that's the recommended collateral through the state. Treasurer Varela stated that First National Santa Fe and Wells Fargo Bank are rated at 50% and LANB pledges US Agencies, Federal Farm Bonds, and Treasuries and we require 102% so if we have \$40, Million, they are required to pledge \$44, Million in face value not par value.

Private Sector, Andrew Leyba inquired as to what kind of discretion would we use a 50% collateralization and Treasurer Varela stated we would use the NM State Treasurer's Office risk report that we receive monthly.

Treasurer Varela stated that per Commissioner Stefanics recommendation, at the last Board of Finance meeting he drafted a sample white paper for a summary. He mentioned that he will email before the meeting and bring it to the next meeting in January so he can get everyone's thoughts.

Commissioner Chavez inquired if the types of investments that are being invested are environmentally sensitive and Treasurer Varela stated that we are limited as to what we can purchase and right now we're buying US Agencies, which are Fannie Mae and Freddie Mac which have to do with home mortgages, as well as Federal Farm Credits

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which are backed by full faith of the government. Treasurer Varela stated he's only been purchasing investments that are only three years, due to the yield curve.

3. Property Tax Collection Maintenance Report:

Treasurer Varela informed the committee that **\$353,285.85** was collected for the month of November.

4. Portfolio Balance Sheet Report:

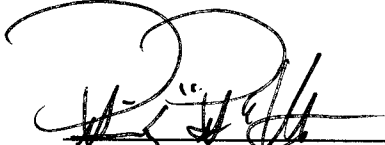
Treasurer Varela informed the committee that in the Treasurer's Investment Portfolio we have the following for the month of November:

A.	Operations Account #2601	\$ 122,022,188.53
	GOB 2011 Refunding #0920	\$ 10,732,452.53
	Core Account Holdings #7575-3300	\$ 33,330,406.60
	GOB 2013 Series #8520	\$ <u>10,912,658.72</u>
	Grand Total for Charles Schwab	\$ 176,997,706.38
B.	Los Alamos National Bank	\$ 9,255,641.35
	LANB Various Operations Accounts	\$ 24,833,337.76
	First National Bank	\$ 9,023,042.66
	Wells Fargo (Money Market Acct.)	\$ 4,000,874.60
	State Treasurer LGIP Accounts	\$ <u>641.68</u>
	Total of Various Accounts	\$ 47,113,538.05
	GRAND TOTAL OF ALL ACCOUNTS	\$ 224,111,244.43

5. Other Business:

Motion to adjourn is by Private Sector, Andrew Leyba and second by County Commissioner, Robert Anaya

6. Adjournment:



 Patrick J. "Pat" Varela, SF County 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 21ST Day Of January, 2015 at 04:08:47 PM And Was Duly Recorded as Instrument # 1755505 Of The Records Of Santa Fe County

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

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