

**SANTA FE COUNTY
INVESTMENT COMMITTEE MINUTES
MARCH 20, 2013**

Committee Members:

Pat Varela, Treasurer
Steve Ross, County Attorney
Daniel Mayfield, County Commissioner
Andrew Leyba, Private Sector

Kathy Holian, County Commissioner
Katherine Miller, County Manager
Teresa Martinez, Finance Division Director

1. Call Meeting to Order:

- A. Roll Call of Committee Members
- B. Approval of February 20, 2013 Minutes By Commissioner Holian and second by Steve Ross

2. Current Agenda Items:

- A. Treasurer Varela began the meeting with informing the committee that he met with Los Alamos National Bank on March 6, 2013 regarding the lockbox procedures, and the tax rush preparation. He stated that the bank will be processing lockbox payments till May 31st this year because last year we had an overflow of mail. Treasurer Varela also mentioned that the office will be open till six every afternoon from April 8, 2013 till May 10, 2013 to better service the public.

B. Access to Charles Schwab:

Treasurer Varela informed the committee that Becky Meyer, the accountant should have access to view the Charles Schwab Accounts. Finance Director, Teresa Martinez said that she has not heard of any problems as far as Becky viewing the investments, so all appears to be well. Deputy Treasurer Lujan concurred that he assisted Becky to the Schwab web site and that she is now able to view.

C. Mobile Home Red-Tagging:

Treasurer Varela informed the committee that delinquent mobile homes are being red tagged. He stated that in 2.5 weeks, about \$33,000.00 has been collected.. Treasurer Varela said that the County lost out on

\$105,000.00, due to the fact that many of the mobile homes are un-locatable. He stated that red-tagging hadn't been done in about eight to ten years, and if they had been red-tagged every year or at least every two years, then we would have lost out on about \$60,000.00. Finance Director, Teresa Martinez asked if this represents all the mobile home parks, and Treasurer Varela stated that the project commenced on the larger mobile home parks, and this was just a small segment of mobile home parks. Deputy Treasurer, Lujan mentioned that twenty two out of thirty three mobile home parks are completed. Treasurer Varela informed the committee that we've gotten great results thus far, and we have people making payment arrangements as well. County Manager, Katherine Miller asked as to what happens as far as collecting on the \$105,000.00. Treasurer Varela stated liens were being placed on the un-locatable mobile homes and that Motor Vehicle Department sends letters to the owner via their data base. The owners may come in to pay but unless they go to the Motor Vehicle Department to transfer names, or sell them, there's no way of collecting on these mobile homes. Treasurer Varela informed the committee that Marianne Martinez, from the Treasurers' office has been working with Melvin Medina from the Mobile Home Division on locating these mobile homes. Treasurer Varela stated that Motor Vehicle Department will not transfer them to another name unless all property taxes are paid in full and the customer will need to provide a mobile home release. Treasurer Varela also stated that this is a nationwide issue. In closing on the subject Treasurer Varela stated that if the owners cannot be located, that pursuant to NMSA 7-38-77, the account must be removed from the tax roll and that there is some resistance from the assessor's office.

D. Delinquent Tax Collections:

Treasurer Varela informed the committee that the collections on the delinquent taxes for the month of February 2013 are as follows:

| | |
|-----------------|---------------------|
| Brenda Sandoval | \$239,545.88 |
| Gloria Apodaca | \$ 93,823.36 |
| Total | \$333,369.24 |

Treasurer Varela stated next month the delinquent property taxes will be collected by Brenda Sandoval and Roberta Dalton. County Manager, Katherine Miller asked if we if we are collecting on the current year taxes or if we are collecting on past years. She mentioned that if we focus on the current year, we should be up about four percent based on a budget perspective, and that she thought we would have a higher tax rate collection. Treasurer Varela informed the committee that the Treasurer's office is concentrating on any 2011 property taxes and previous years. Treasurer Varela also said he has been dealing with Taxation & Revenue

on the collections. He stated that many people have had a payment plan for three years and now the Taxation & Revenue would like for the delinquent taxpayers to get loans and credit reports. Treasurer Varela stated if they have been paying installment payments on their taxes, we should keep that in place. Treasurer Varela also mentioned that the Treasurer's offices is looking into some software to have in place as far as contacting people nationwide, that way we can contact them as far as tax collections. He said he could justify on paying for the software on a monthly basis, by the tax collections. Theresa Romero from the Treasurer's office informed the committee that delinquent tax notices will be mailed out on June 1st, 2013.

E. Operations Account Overview:

Treasurer Varela informed the committee, that when the Stock Market is down the treasuries are up and vice versa when the stock market is up. This is a graph on the Dow versus the Treasury showing the current S&P, NYSE and Treasuries where a significant drop in the treasuries is noted. He went on stating that he attended a conference In Las Vegas where economist stated with both S&P and NYSE up and Quantitative Easing slowing down, interest rates will rise and many predicted they will rise sharply, where some say as soon as June of this year. Treasurer Varela stated that the County has paper from five to past thirty years at a low interest and if there is no objection we should look at liquidating some. Treasurer Varela stated we have \$30,470,000.00 in bonds and treasuries that are far out and he does not want to invest in anything more than five years. Treasurer Varela stated that the previous Treasurer was buying callable bonds, thinking they would be called and that worked really well until now that the market changed.. He said that we have \$60,000,000.00 and he just purchased \$23,000,000.00 in a three month T Bill that matures in August. The Treasurer said we have \$69,520,000.00 in zero to five year investments, the treasurer explained that if we can get the right spread and the balances correct, then we can have a constant yearly amount. Treasurer Varela informed the committee that he reviewed a two year sample for 2011 and 2012 in the operations accounts and noticed that we are using about \$18,000,000.00 to \$22,000,000.00 a month with an average of \$5,000,000.00 and would like to tighten it up when we are not needing it and also keeping the distributions available for when we do need to use it. County Manager, Katherine Miller asked on how much we have over five years, and the Treasurer stated that we have \$30,470,000.00, which would be fine if we had the percentages to back them up, unfortunately we don't have that.

BCC CLERK RECORDED 5/16/13 11:27:16 AM

F. Portfolio Balance Sheet Report:

Theresa Romero from the Treasurer's Office informed the committee that in the Treasurer's Investment Portfolio, we have the following:

| | |
|---------------------------------------|-------------------------|
| 1. Operations Account #2601 | \$104,452,620.75 |
| 2. GOB 2011 Refunding #0920 | \$ 13,004, 671.35 |
| 3. GOB 2007 A Account #3823 | \$ 1,460,001.18 |
| 4. GRT 2008 JRB Account # 1921 | \$ 5,489,458.65 |
| 5. GRT 2010 A&B Account #9220 | <u>\$ 534,222.63</u> |
| Grand Total for Charles Schwab | \$124,940,974.56 |

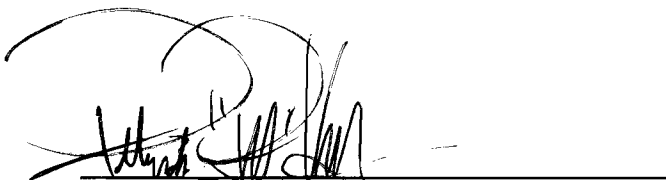
| | |
|-------------------------------------|-------------------------|
| 1. Los Alamos National Bank | \$ 23,113,527.25 |
| 2. LANB Various Operations Accts | \$ 26,315,851.69 |
| 3. First National Bank | \$ 3,002,384.03 |
| 4. State Treasurer LGIP Accounts | <u>\$ 640.82</u> |
| Grand Total for all Accounts | \$177,373,378.35 |

Treasurer Varela informed the committee that we have six investments that were called and one that matured and we have about \$2,000,000.00 that will be maturing from April to June, 2013

G. Other Business:

Proposed for next meeting: May 16, 2013 @ 2:00PM and in April the Treasurer will do the quarterly report in front of the BCC at which point a contracted investment advisor group would be on board for introduction.

Adjournment.



Patrick "Pat J. Varela
SF County Treasurer

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

INVESTMENT COMMITTEE
PAGES: 4

I Hereby Certify That This Instrument Was Filed for
Record On The 6TH Day Of May, 2013 at 11:27:16 AM
And Was Duly Recorded as Instrument # **1704640**
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Deputy Macella Salazar Geraldine Salazar
County Clerk, Santa Fe, N.M.

