

SANTA FE COUNTY  
INVESTMENT COMMITTEE MEETING MINUTES  
APRIL 29, 2011

**Committee Members in Attendance:**

Victor A. Montoya, County Treasurer  
Lowell Gilbert, Private Sector  
Teresa Martinez, Finance Director  
Stephen Ross, County Attorney

**Committee Members Absent:**

Virginia Vigil, Commission Chair  
Katherine Miller, County Manager

A motion to approve the March 17, 2011 minutes was made by Victor Montoya and seconded by Teresa Martinez.

A motion to approve the April 29, 2011 Agenda was made by Victor Montoya and seconded by Stephen Ross.

Treasurer Montoya began the meeting with the first item on the Agenda: the investment activity since the last County Board of Finance Meeting on March 17, 2011 we purchased and settled on the following government agencies (bonds), CD's, Treasury bills and savings accounts.

**Government Agencies:**

Shearson Financial, previously LF Rothschild, bought out by Shearson. We bought Freddie Mac Bond CUSIP #3134G16W9 for \$650,000.00 settled March 22, 2011 with a rate of 1.00%.

Shearson Financial, Federal Home Loan Bank CUSIP #313372VG6 for \$1,000,000.00 settled on March 30, 2011 with a rate of 1.00%.

Charles Schwab, Fannie Mae Bond CUSIP # 3136FPDZ7 in the amount of \$355,822.00 settled on April 14, 2011 with a rate of 1.37%.

Charles Schwab, U.S. Treasury Bill CUSIP #9127952Y6 in the amount of \$4,994,500.00 settled on April 14, 2011 with a rate of a rate of .147%.

Charles Schwab, U.S. Treasury Bill CUSIP #9127952K6 in the amount of \$4,000,000.00 settled on March 25, 2011 with a rate of .149%.

The last two Charles Schwab investments are based on the fact that they are only for four months keep in mind the rate is less than the price quoted above because when you see the rate at .149 that's assuming you keep the Treasury bill for a full year, when you invest for four months its 1/3 or .04966%. That might appear confusing, but without the cash flow analysis I had to do something with the money it's a better yield than 0.01% and that is why I made these two short term investments.

Property Tax Collections & Distributions:

The \$3,762,227.82 in distributions collected for March 2011 property taxes were made on April 20, 2011. The County's share for March 2011 collections was \$1,522,349.88. The maintenance report shows we have collected \$91,069,564.44 through March 31, 2011, that's through the fifth month of 2010 tax collections. The tax collection rate through March 31, 2011 is 61.19%.

The year-to-date tax collection rate March 31, 2011 over March 31, 2010 shows we are up by 7.47%; and dollars we are \$6,335,353.21 ahead of last year's collections.

Treasurer Montoya moved on to the next agenda item the County's Investment Portfolio as of March 31, 2011 starts on (pg. 3). No activity in the CD area of the local banks and no activity under Wells Fargo to report. On LANB side we have a new savings account #01-31770920; \$350,000 is the good faith deposit for the new GOB Bond 2011 Refunding issue we expect to close on in May.

On (Pg. 5) we have Shearson Financial, we bought two new bonds I spoke of earlier; then under Mutual Securities we have two Fannie Mae Bonds that were called and transferred to Charles Schwab U.S. Treasury money market. They were fairly decent rates one at 2.25% and the other at 1.5%. I also bought a couple of bonds that won't close until next month.

On (Pg. 6) the new activity on Charles Schwab account you will see the Fannie Mae bond for \$355,822.00 as stated earlier; and two new Treasury Bills (in yellow) one of those was bought on April 14, 2011 and one on March 25, 2011.

(Pg. 7) The Local Government Investment Pool (LGIP) balance as of this week is shown on the far right column plus the Pool Contingency Reserve. I left small balances in each of the reserve accounts that total \$35.57 just in case they release any additional funds. I hope to have a letter from the pool for the meeting of May 31<sup>st</sup> that clarifies the status of the reserve. If nothing else is released the County will have to eat the balances in the reserve accounts. The LGIP markets the use of the Pool with safety, liquidity, and yield, but the bottom line is they can't make you whole if they lose any money, because they don't collateralize. The other issue I have to deal with its really hard for me to compete with the Pool because they now invest in bank CD's. After what happen with the Reserve Primary Fund the Pool has about 80% of the total pool assets in banks.

The chart from Morgan Kegan on the last page (pg.11) shows the Treasury yield curve for the three month Treasury and the two year Treasury; you can tell that a month ago the yield on the three month was yielding .08% a year ago it was .15% and the current yield is .06%. The two year Treasury current yield is .64% and a month ago .73% a year ago it was 1.05%. On Treasury Bills I ladder the purchase (3 month, 6 month, 9 month, 1 year) because if we need the money we're not locked in for more

need the money we're not locked in for more than one year. This interest rate environment is very difficult to gage so I don't know what's going to happen in the future with yields.

Delinquent tax collection by Adam Bailey has collected over five million and Gloria Apodaca has collected over one million these positions have paid off.

Discussion was held on Treasury Bills and CD, the length of investments and how to possibly invest and yield better results, also was asked to make presentation to the Board Santa Fe County's Investment Plan and Portfolio. Main concern is how much money I can put out for a longer duration then the 3 month, 6 month, 9 month and 1 year.

Proposed schedule for the next meeting is Thursday July 21, 2011 at 2:00 PM.

Other Business:

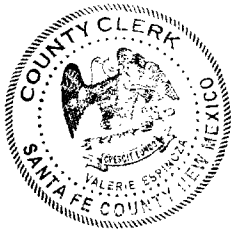
Wells Fargo/Scott Little (BNY as Trustee for SFC) Teresa Martinez will research and update First National Bank Acct. #127004028

Bear Stearns-Acct. #055-10736

First National Bank Acct. #186522491

These accounts were given to Ms. Theresa Martinez to research and to send update information on these accounts.

**Adjournment at 3:45 PM**



*Victor A. Montoya*  
Victor Montoya, 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 4TH Day Of August, 2011 at 10:44:19 AM  
And Was Duly Recorded as Instrument # **1641886**  
Of The Records Of Santa Fe County

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