

MINUTES OF THE
SANTA FE COUNTY
INVESTMENT COMMITTEE

June 25, 2015

Santa Fe, New Mexico

This meeting of the Santa Fe County Investments Committee was called to order by County Treasurer Patrick Varela at approximately 2:00 p.m. on the above-cited date in the County Manager's 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, County Treasurer
Miguel Chavez, County Commissioner
Katherine Miller, County Manager
Carole Jaramillo, County Finance Director
Greg Shaffer, County Attorney

Member(s) Excused:

Robert Anaya, County Commissioner
Andrew Leyba, Private Sector

Others Present:

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

Approval of Minutes: May 21, 2015

For clarity's sake, Manager Miller asked that on page 2, where it refers to the sold bonds, it should be noted that it was their "maturity period" that was referred to. Those corrections were made to the minutes prior to filing.

Manager Miller moved approval as corrected. Ms. Jaramillo seconded and the motion to approve the May 21, 2015 minutes as corrected passed by [4-0] voice vote. [Commissioner Chavez was not present for this vote and arrived shortly thereafter.]

Results of LANB Meeting

Treasurer Varela said he and Ms. Jaramillo meet with LANB to discuss the transition to First National Bank (FNB) of Santa Fe. He expected everything, including the Schwab account(s), to be in place by the end of the month. First National appears ready and eager to complete the transition.

The CD serving as collateral for the Santa Fe Studio will remain at LANB.

Ms. Jaramillo said there were outstanding issues with the FNB contract regarding the cash management master agreement. She understood that following FNB's counsel review, the County Legal Department would conduct a review of the contract. There were no problems with the PSA or the global addendum.

Ms. Jaramillo verified that the memo within the BCC's June 30th meeting packet requests authority for the manager to sign off on the master agreement, PSA, the global addendum, and other addenda. Manager Miller mentioned the importance of moving this process along.

Ms. Jaramillo said the bank serves a large function in property tax collection, and it is important the transition is completed before then.

Update of GIOA (Government Investment Officers Association)

Treasurer Varela attended a GIOA meeting and was advised that the Freddie Max and Fannie Maes are being phased out, and will be replaced with Green Bonds which are considered to have greater sustainability.

Formal Reserve Policy - Discussion

Manager Miller said the County has formally approved a reserve policy. There is a statutory requirement to earmark, within a financial statement, reserve funds into the budget process to protect the County during economic downturn and emergencies. The County has been doing it semi-informally in the sense that the BCC has passed it in the annual budget, but there was no written policy identifying the reserve categories – economic downturn, infrastructure emergencies, uninsured losses, major repair to infrastructure, flooding emergencies – and their ranges. At the June 9th BCC meeting a policy was presented, and at the June 30th meeting the actual fund allocations to the different reserves will be spelled out.

Treasurer Varela asked whether a policy should be included within the County's Investment Policy. Ms. Jaramillo said it basically designates cash within the fund balance and is separate from investing.

Manager Miller said the cash flow report should provide the information the Treasurer's Office needs in terms of investment periods and cash projections for the year. Ms. Jaramillo said she would make sure Treasurer Varela and his office receives the cash flow reports.

In terms of making changes to the investment policy, Mr. Shaffer said that it raises a good point in that it may be appropriate to include a statement that some corpus of investments are liquid. He suggested broaching the topic with the County's financial advisor about an amount to be mandated as a liquid assets/cash.

Manager Miller said the state statutory reserves can be in longer term investments while a portion of other reserves should be easier to gain.

Treasurer Varela recommended that a section on reserves be developed and integrated within the Investment Policy.

Delinquent Collection

Update and Totals Collected

Treasurer Varela said the total amount of delinquent collections in May was \$266,208.03. Year-to-date collections equal \$1,457,180.44.

Staff wise, Treasurer Varela said they have lost an accountant and a cashier.

Economic Outlook

Treasurer Varela said his office tracks, along with other things, the AGG graph and 5-year treasury. During April he sold \$4 million in the long term bonds. The 5-year treasury is earning 1.70 percent. He understood the Federal fund rate would be increased in September and then held at the new rate until after the new year.

Portfolio Balance Sheet, Call Notices, Etc.

Theresa Romero provided the following information from May:

- There are 54 operational accounts with a total of \$83,495,738.24
- GOB 2011 Refunding (#0920), two accounts with \$9,878,019.34
- Core Account, 32 accounts with a total of \$31,701,100.80
- GOB 2013 Series (#8520) has \$9,096,448.81

Grand total at Charles Schwab is \$134,171,307.19

- LANB Savings Accounts, CDs and SF Studio: \$17,842,555.60
- LANB Operations Accounts, 21 accounts with \$51,875,220.04
- First National Bank, two accounts for a total of \$9,029,793.50
- Wells Fargo, one account with \$30,024,312.24
- State Treasurer LGIP, 12 accounts for \$26,906.52

Total of the Various Accounts is \$108,798,791.50

Grand total of all accounts at the end of May 2015 was \$242,970,098.69

Manager Miller recalled that in the past Charles Schwab provided a pie chart of the County's overall portfolio, and she asked staff to request a current chart of the total portfolio that


includes the maturity dates of bonds. Treasurer Varela said 2030 may be the furthest out maturity date.

Ms. Jaramillo asked if the Local Government Investment Plan provided a response to how the County can adopt/write-off loss.

Adjournment

Upon motion by Ms. Jaramillo and second by Commissioner Chavez, this meeting was declared adjourned at 2:55 p.m.

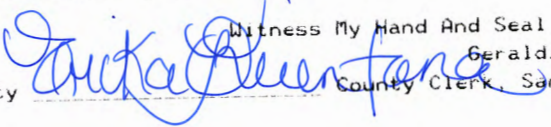
Approved by:


Patrick Varela, County Treasurer

Respectfully submitted by:

Karen Farrell, Wordswork



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 21ST Day Of July, 2015 at 11:50:21 AM
And Was Duly Recorded as Instrument # 1770034
Of The Records Of Santa Fe County
Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy  County Clerk, Santa Fe, NM

SEC. CLERK RECORDED 07/21/2015