

**SANTA FE COUNTY  
INVESTMENT COMMITTEE MEETING MINUTES  
JULY 15, 2010**

Meeting called to order @ 2:05 pm

Committee Members in Attendance:

Victor Montoya, County Treasurer  
Lowell Gilbert, Private Sector Member  
Teresa Martinez, Finance Director  
Penny Ellis-Green, Asst. County Manager  
Rachel Brown, County Attorney

Committee Members Absent:

Harry Montoya, County Commissioner

A motion to approve the April 22, 2010 Minutes was made by Teresa Martinez, seconded by Rachel Brown. Motion carried unanimously.

A motion to approve the July 15, 2010 Agenda was made by Lowell Gilbert, seconded by Teresa Martinez. Motion carried unanimously.

Treasurer Montoya began the meeting with the first item on the Agenda which was the investment activity since last reported to the Board of Finance on June 29, 2010 at the BCC meeting. We purchased and settled on the following government agencies (bonds), CD's and Savings Accounts.

- a. L. F. Financial, Fannie Mae Bond CUSIP #3136FMB60 in the amount of \$690,000.00 settled June 30, 2010 with a rate of 2.00%.
- b. L.F. Financial, Freddie Mac Bond CUSIP #3134G1KL7 in the amount of \$1,000,000.00 settled July 12, 2010 with a rate of 1.50%.
- c. Mutual Securities Fannie Mae Bond CUSIP #3136FMXJ8 in the amount of \$999,000.00 settled on June 23, 2010 with a rate of 1.20%.
- d. Mutual Securities Fannie Mae Bond CUSIP #313FMQ64 in the amount of \$1,000,000.00 settled on July 13, 2010 with a rate of 1.50%.
- e. Wells Fargo Bank settled on new Brokered CD on June 16, 2010 with a rate of 1.35% in the amount of \$250,000.00 with a maturity of 06/17/2013.
- f. Wells Fargo Bank settled on new Brokered CD on June 22, 2010 with a rate of 1.55% in the amount of \$240,000.00 with a maturity of 06/24/2013.
- g. Wells Fargo Bank settled on new Brokered CD on June 22, 2010 with a rate of 1.50% in the amount of \$250,000.00 with a maturity of 06/21/2013.
- h. Wells Fargo Bank settled on new Brokered CD on June 30, 2010 with a rate of 1.35% in the amount of \$250,000.00 with a maturity of 06/28/2013.

Treasurer Montoya moved on to the next item on the Agenda which was the property tax collections and distributions. Treasurer Montoya informed the committee that distributions collected for May 2010 property taxes will be made on June 20, 2010. The County's share for May 2010 collections is \$10,189,594.91. The maintenance report shows we have collected \$130,514,607.15 through May 31, 2010; through the seventh month of 2009 tax collections. He stated the tax collection rate through May was 91.59%.

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Treasurer Montoya informed the committee that the year-to-date collection rate on May 31, 2009 over May 31, 2010 shows we are down -.808%; but in dollars we were \$6,911,885.42 ahead of last year's collections.

He then informed the committee of the \$2,192,842.20 in distributions collected for June 2010 property taxes which would be made on July 20, 2010. He stated the County's share for June 2010 collections would be \$974,309.88. The year-to-date collection rate for June 30, 2009 over June 30, 2010 shows we are down -.198%; but in dollars we are \$7,936,664.75 ahead of last year's collections. The maintenance report shows we have collected \$132,269,257.00 through June 30, 2010; through the eighth month of 2009 tax collections, the tax collection rate through June 30, 2010 is 92.95%.

Treasurer Montoya moved on to the next item on the Agenda which was the County's investment portfolio as of July 13, 2010, he asked the committee to turn to page 3 of the Agenda, where the Treasurer's Portfolio Report begins, the items highlighted in yellow represent the new investments he referred to in the first item of the Agenda. The items in blue were CD's we renewed at Los Alamos National Bank and those CD's are now highlighted in yellow at the bottom of page 4 of the Agenda, as you can see the yields are a lot less.

Treasurer Montoya moved on to page 5 of the report which shows the investments with L.F. Financial, Mutual Securities and Morgan Keegan. The mauve colored items were called and replaced with the highlighted items in yellow. Again, Treasurer Montoya indicated the yields are down, and all of the government agencies are callable bonds with a 3-6 month call and most of the bonds have a 5-7 year maturity and since they are callable bonds normally mature shortly after the call.

Finally, the last page of the report indicates how much money we have at the LGIP. The Pool Contingency Reserve Fund balance is still \$356,063.02, he stated he still had not had a chance to move the \$1,560,082.33 into other accounts at Los Alamos National Bank but will try to transfer the funds before our next meeting in August. Treasurer Montoya stated with all factors in mind, the report shows the deduction of the called bonds and the matured CD's in the amount of \$2,973,462.50, adding the total investments as of June 30, 2010 in the amount of \$191,627,384.07 and the cash balance at First Community Bank in the amount of \$24,025,747.44 for a grand total of all investments and cash balances as of June 30, 2010 to be \$215,653,131.51. Treasurer Montoya informed the committee the balance at First Community Bank as of July 15, 2010, has decreased to about \$6,000,000.00 although we do have a couple of investments at the bank which are not included in the \$6,000,000.00 figure. One account is a \$20,000,000.00 CD which will mature July 2011 and the other is a \$250,000.00 CD which will mature January 2011. The CD's at First Community Bank are fully secured, they have to collateralized even though First Community Bank is no longer our fiscal agent we designated them a Financial Depository Institution a long time ago, so we can keep that amount of money at their bank because we are getting a very good interest rate yield of 2.25%.

Treasurer Montoya moved on to the next item on the Agenda which was the status of accounts at the LGIP. Treasurer Montoya referred to the last page of the County's Portfolio Report showing the State Treasurer's LGIP balance for the County as of June 30, 2010 which is \$1,560,082.33.

The next item on the Agenda which Treasurer Montoya referred to was the STO Portfolio, Maturity Schedule and Interest Earnings as of June 30, 2010. He included a copy of the Schedule of June Total Interest Earned on Investments which was \$150,666.00; for the Fiscal Year Interest Earned by the State Treasurer's Office through June 30, 2010 was \$1,863,752.00.

Treasurer Montoya included a copy of the STO report along with a copy of the Executive Summary of the LGIP. There were a couple of items he wanted to point out to the committee, (a) The LGIP Portfolio was \$778 million down from \$921.4 million at the same period last year; (b) the portfolio decreased from \$809 million in May to \$778 million in June or \$31 million less; (c) the gross yield for June month end was .27%. Treasurer Montoya stated that it appears that pool participants who had money in the Pool have used \$31 million of their money. He then asked the committee to refer to page 9 of the Agenda which shows the investment strategy for the Pool and the investment strategy plan for the next quarter. He also stated it appears that the LGIP is placing their

investments in banks. He then asked the committee to refer to page 10 of the Agenda which shows a graph of the LGIP Outstanding Investments as of June 30, 2010 and how they are allocated. He stated that the current market value or the LGIP Portfolio balance is currently \$778,015,075.00. He informed the committee that most of the investments were commercial paper, treasury bills, treasury notes and federal home loan bank bonds; they also have what is now called the LGIP Now Account and the LGIP Bank Account. One other thing Treasurer Montoya discussed was they have changed banks; from Bank of America to Wells Fargo Bank as their custody bank.

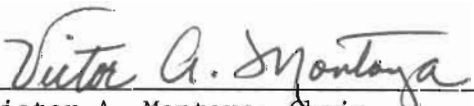
Treasurer Montoya then referred to the next page of the Agenda which was page 11 which shows the New Mexico State Treasurer New MexiGrow LGIP Maturity Schedule as of June 30, 2010. The information listed on the form covers the period from June 2010 to June 2011. It exhibits how their investments will mature month by month.

Lastly, Treasurer Montoya referred to page 13 of the Agenda which was the Weekly Market Update Report. He referred back to page 2, item #7 of the Agenda. It refers to a chart from First Empire Securities to provide information update on the Treasury yield curve and where the maximum short term yields are on U.S. Treasuries as of July 12, 2010. He asked the committee to turn to page 13 of the Agenda to the bottom center section of the Weekly Market Report showing the 3 month, 6 month, 2 year and 5 year treasury yield curve. It indicates where the treasury bills are and also shows what their yields are for last week, last month and last year. Treasurer Montoya noted another interesting point of information "Four more banks closed this week with the FDIC named receiver bringing the number of failed banks this year to 90".

The last item on the agenda was the proposed schedule for the next meeting which would be August 19, 2010 @ 2:00 pm.

Meeting adjourned at 2:23 pm.

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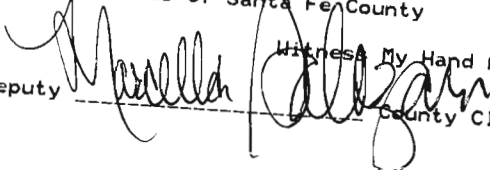
  
Victor A. Montoya, Chair

ATTEST.  
  
Valerie Espinoza  
County Clerk



COUNTY OF SANTA FE )  
STATE OF NEW MEXICO ) ss INVESTMENT COMMITTEE  
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I Hereby Certify That This Instrument Was Filed for  
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And Was Duly Recorded as Instrument # 1608612  
Of The Records Of Santa Fe County

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