

MINUTES OF THE
SANTA FE COUNTY
INVESTMENT COMMITTEE

July 28, 2016

Santa Fe, New Mexico

This meeting of the Santa Fe County Investment Committee was called to order by County Treasurer Patrick Varela at approximately 2:40 p.m. on the above-cited date in the County Legal 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, Treasurer
Henry Roybal, Commissioner
Miguel Chavez, Commissioner
Carole Jaramillo, Finance Director

Member(s) Excused:

Greg Shaffer, County Attorney
Katherine Miller, Manager
Andrew Leyba, Private Sector

Others Present:

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

Approval of Minutes: June 16, 2016

Commissioner Roybal moved to approve the June minutes as published. Commissioner Chavez seconded and the motion passed without opposition.

Results of Bank Meetings

Treasurer Varela stated that as a result of the Brexit events he was able to sell all the remaining long-term investments with one exception making use of a two-day window where they were at par or above. This will open the way for higher yields. However, currently they are "sitting on a lot of cash" which will be reinvested in accordance with current policies and will be used to pay bills.

Ms. Jaramillo stated Santa Fe County also was able to take advantage of Brexit through bond sales and refunding and saved a great deal of money.

Investment Policy (IP) Discussion

Ms. Jaramillo noted that there will be no BCC meetings in August so the September meeting will be busy. There was IC consensus to hold a special study session in August to acquaint the Commissioners with potential changes to the Investment Policy prior to the County Board of Finance meeting.

Treasurer Varela said he was most concerned with provisions outlined in SB56 which will allow the purchase of brokered CDs and CDARs and time if of the essence. Referring to page 9 of the IP, he said the second option was the best. “The core portfolio shall be reinvested into the core portfolio in accordance with the rest of the investment policy providing, however, that the County Treasurer may propose and the County Board of Finance may authorize specific proceeds to be reinvested in investments the maximum date of final maturity which is at least five years but no longer than ten years. Core portfolio size shall not exceed \$25 million.” He pointed out there used to be a \$35 million cap.

Ms. Jaramillo asked if there was a mechanism for taking money out in an emergency. Treasurer Varela said it would have to be approved by the County Board of Finance. It is not labeled as a permanent fund. Ms. Jaramillo speculated that they would have adequate time to access the fund.

Commissioner Chavez suggested inserting “with” before “the maximum date of final maturity...”

Commissioner Roybal moved to make that change and Commissioner Chavez seconded. The motion carried unanimously.

Treasurer Varela read from page 11 referring to the collateral policy: “The market value of eligible securities and copies of the collateral shall be submitted to the County Treasurer’s Office monthly.” He said that was added due to the issues they had been having with LANB. Commissioner Chavez said that section could be deleted later if necessary.

Commissioner Roybal moved to accept that language. Ms. Jaramillo seconded and the motion passed by unanimous voice vote.

Delinquent Collection

Update and Totals Collected

Treasurer Varela said they collected \$435,203.03 on 438 accounts. A discussion ensued regarding delinquent accounts that get sent to the state.

Mr. Lujan pointed out that in the past the state had an installment plan, with up to 36 months to pay and this is no longer true. Due to the efforts of the two specialists in the Treasurer’s Office the number of accounts sent to the state has gone down considerably.

Treasurer Varela stated the amount collected for the year was \$6,601,718.84 on 4,306 accounts. Santa Fe County has the highest collection rate in the state. He added he and Ms. Romero attend the property auctions.

Portfolio Balance Sheet, Call Notices, Etc.

Ms. Romero provided the following information as of the end of June:

- There are 35 operational accounts with a total of \$74,430,642.87
- GOB 2011 series contains one Treasury Bill and one money market totaling \$8,966,091.55
- Core Account holdings has 21 accounts that included the money market with a total of \$38,866,386.66
- GOB 2013 Series has one money market and two Treasury Bills totaling \$9,111,246.87

Grand total at Fifth Third is \$129,374,367.95

- There are four CDs at various banks and credit unions totaling \$998,000.00
- LANB has five accounts with \$6,977,419.70
- First National Santa Fe has 30 accounts for a total of \$68,784,620.67
- Subtotal of various accounts is \$107,890,983.04

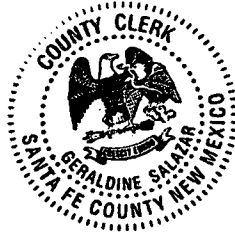
Grand total of all accounts at the end of June 2016 was \$237,265,350.99

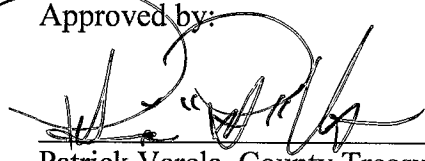
Treasurer Varela highlighted the yield at UBS.

Ms. Jaramillo said new accounts would be established for the new GOBs. The first issue will probably be around \$6 million and funds have to be spent within three years per IRS regulations. She pointed out that budget considerations were handled by the Finance Department and cash flow for projects was done by Erik Aaboe.

Adjournment

Upon motion by Commissioner Chavez and second by Commissioner Roybal this meeting was declared adjourned at 3:30 p.m.



Approved by:

 Patrick Varela, County Treasurer

Respectfully submitted by:

Debbie Doyle, Wordswork

Santa Fe County
Investment Committee: July 28, 2016

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 2ND Day Of September, 2016 at 01:09:03 PM
 And Was Duly Recorded as Instrument # 1803614
 Of The Records Of Santa Fe County

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

