

**SANTA FE COUNTY  
INVESTMENT COMMITTEE MINUTES  
AUGUST 20, 2012**

**Committee Members:**

Victor A. Montoya, Treasurer  
Steve Ross, County Attorney  
Lowell Gilbert, Private Sector

Liz Stefanics, County Commissioner  
Katherine Miller, County Manager

**1. Call Meeting to Order:**

1. Roll call of Committee Members: Member Teresa Martinez (Absent)
2. A motion to approve the May 17, 2012 Minutes
3. A motion to approve the June 25, 2012 Minutes
4. Approval of the August 20, 2012 Agenda

**2. Current Agenda Items:**

A. Treasurer Montoya began the meeting with the Investment activity on pages 3-7. In the month of July we had only two investments, most of the investments were called, they're shown in the salmon color and all the purchases are highlighted in yellow. A Wells Fargo CD was sold that was yielding .75% and one was bought for 1.7%. On page 6 is where we bought bonds. On page 6, is the detail of a two year bond purchased.

On the next item on the agenda Treasurer Montoya informed the committee that \$218,000.00 will be lost on the investment that was in the pool. He said we may eventually lose \$52,867.91. Page 8 shows the yields that the pool (LGIP) is offering, the daily net, daily gross etc. He informed the Committee that the State Treasurer charges an administrative fee for investments of the LGIP participants.

The next item discussed concerned the money in the money market at Charles Schwab used to purchase securities; the funds in the account can set there until we settle on the security (the commitment is made but not settled). He informed the Committee that by State Statute there are only certain type of investments we can make such as US Treasuries, and Government Agencies and CD'S. Treasurer Montoya

said he has the authority to invest in Securities, however if the Board of Finance tells him to sell it, they may have to take a loss depending on the market price at the time it's sold.

County Manager, Katherine Miller asked how much has to be collateralized. Treasurer Montoya explained the investment policy has four levels at which can be collateralized ranging from 50% to 100% depending on the strength of the bank our policy has been to collateralize at 102%. He explained that if you're collateralized at 50%, financial institutions may offer a slightly higher yield on the investment however, banks have to file quarterly reports with the feds and have 45 days after the quarter ends to file the reports; that gives them four and half months to file their reports. A bank could fail or go into bankruptcy during that time and our investments would not be 100% collateralized.

On page 4, we have over \$15 million at LANB at the end of July; this amount is collateralized by letters of credit from the Federal Home Loan Bank in Dallas at 102%. Eric Loucks, the Trust Officer at LANB reported to the Treasurer that since September 2010, says we've earned about \$2.4 million in interest on Charles Schwab accounts only this does not include accounts at LANB or income from CD's.

Commissioner Stefanics asked if there's anything we can include into the investment policy to safeguard the County's funds more than what already exists. She said she doesn't want any funds put in the pool if it's not collateralized. The County Attorney and Treasurer Montoya will review the investment policy to determine if the safe guards can be improved. Regarding the low yield in the Schwab money market, we could transfer \$28 million from the Charles Schwab account into the operations account at LANB, which earns 50 basis points. However, it could affect our relationship with the bank and we would then just be moving cash from one account to another. Treasurer Montoya said our investment policy is SAFETY, LIQUIDITY, and YIELD, and we are a BUY AND HOLD Investor for the County.

Treasurer Montoya said on the County's bond accounts he's been investing short term. He recently bought \$500,000.00 each in treasury bills laddered in 3, 6, 9 month terms as well as a 1 year term.

On page 7, \$20 million cash balance at LANB as of July 31<sup>st</sup>, 2012 and is earning from .01% to .5%. He informed the Committee that 11 bonds were called in July and we had a money market cash balance of \$28.8 million at the end of July. When we get a reimbursement request from Teresa Martinez in our Finance Department, we transfer funds from the money market to the operations account.

**Next Item on the Agenda:**

Item 2, on page 1 discuss the Property Tax Collections for July 2012 at \$1,817,671.00 that was distributed on July 20, 2012 the county's share was \$775,985.79. The maintenance report shows we've collected \$143,663,434.11 through June 30, 2012, the 8<sup>th</sup> month of the 2011 tax collection period. The tax collection rate thru July 31, 2012 is 95.35%.

Year-to-Date collection rate July 31, 2012 over July 31, 2011 shows we are up .015%; and in dollars we are \$2,146,989.23 ahead of last year's collections for the same period.

**3. Other Business:**

Commissioner Stefanics asked about forming an Advisory Board or consider adding additional members to the Investment Committee to assist with Investments. This item will require additional investigation before it can be implemented.

**Adjournment:**

Meeting adjourned @ 3:25pm.

Submitted By:

*Victor A. Montoya*  
Victor A. Montoya

INVESTMENT COMMITTEE M  
PAGES: 3

COUNTY OF SANTA FE )  
STATE OF NEW MEXICO ) ss

I Hereby Certify That This Instrument Was Filed for  
Record On The 6TH Day Of November, 2012 at 11:08:15 AM  
And Was Duly Recorded as Instrument # 1686883  
Of The Records Of Santa Fe County



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