

**SANTA FE COUNTY
INVESTMENT COMMITTEE MEETING
AUGUST 21, 2014**

Committee Members:

Pat Varela, County Treasurer
Katherine Miller, County Manager (Absent)
Daniel Mayfield, County Commissioner (Absent)
Robert Anaya, County Commissioner

Greg Shaffer, County Attorney
Teresa Martinez, Finance Director
Andrew Leyba, Private Sector

1. Call Meeting to Order:

- A. Roll Call of Committee Members
- B. Approval of July 17, 2014 Minutes by County Commissioner, Daniel Mayfield and second by Finance Director, Teresa Martinez

2. Current Agenda Items:

Treasurer Pat Varela began the meeting by informing the committee that he attended the New Mexico Association of Counties Conference and one of the topics that they discussed was brokered CD'S, the counties have been going back and forth because of the audit in Bernalillo County stating that they are unconstitutional. Treasurer Varela mentioned that a new resolution will be introduced for clarification before the State Legislature, in the language for approval. Treasurer Varela stated that they aren't unconstitutional and he has documentation from NM Regulation and Licensing that they are allowed so they are going to take this to the Taxation & Revenue Committee and Representatives' Lucky Varela and Jim Trujillo will sponsor the Legislation.

Treasurer Varela also informed the committee that our contract with Los Alamos National Bank which is our fiscal bank will end in September and we need an extension for a Request for Proposal followed by a 6 month extension, the Treasurer has been working with the bank because they informed him they couldn't pay fifty basis points

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and now would be paying five basis points. Commissioner Robert Anaya asked if we should have been working on the RFP process and if that's why we need the extension. Also if it's now compromising our rates or the ability to get the rates that we already have. Treasurer Varela stated we have been working on it. He said the Bank approached him in March and informed him that the contract was ending in September, so he asked for an extension because they needed more time. Finance Director, Teresa Martinez informed the committee that the legal and purchasing department have been working together on the RFP; however it's been difficult in scheduling meetings with everyone involved with the process and they did go out with the RFP's and only got two responses and one was nonresponsive so they are cancelling the RFP's and quickly going out again with new ones, and are contemplating on whether to have both custodial and banking services together. Becky Meyer, Senior Accountant brought three original account analyses from the bank with all the service charges, she said the biggest piece is the FDIC Assessment that they pass through Santa Fe County. She explained when the Bank was paying 5% we were earning enough interest to offset the service fees that Los Alamos National Bank charges the county, therefore we were earning revenue and we were in the black. Ms. Meyer generated quarterly computations using actual bank balances with the .05% interest on a spreadsheet and the potential revenue loss would be significant and that would need to be expensed into a General Ledger line item. Andrew Leyba, Private Sector inquired on re-negotiating with the bank on the interest rate. Eric Loucks, Investment Officer from Los Alamos National Bank informed the committee that the bank would want to be reasonable as to what would be fair for the bank as well as the county. Mr. Loucks stated that there's other means of creating cash management as efficient as possible such as sweep accounts and if we moved the assets to a Schwab Account then the county would own the portfolio of the equivalent securities that we would be using to collateralize the deposit. Commissioner Robert Anaya made a suggestion that during the extension of the contract that there is a ZERO Sum meaning the County will not profit or LANB. He also suggested when we meet with LANB that we mention that there is a statewide price agreement with Wells Fargo and how they can compare with their rates. Treasurer Varela mentioned that LANB is now aware of the agreement and was sure it would be a topic at the meeting. Andy Leyba stated that he realizes that Wells Fargo is on the state wide price agreement but consideration needs to be taken on all levels before moving to a big bank and maybe in looking at the RFP responders, looking at competitiveness between banks and not just looking at .50 but maybe look at other services they offer where they may come under the .050 but higher than what LANB is offering. Finance Director, Teresa Martinez proposed a motion for an extension with Los Alamos National Bank with zero sum basis points and second by Commissioner, Robert Anaya and passed unanimously.

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3. New Bond Purchases:

Treasurer Varela informed the committee that he purchased several bullets for next Year's maturities. He also purchased some Fannie Mae and Freddie Mac investments.

4. Property Tax Collection Maintenance Report:

Treasurer Varela informed the committee that \$286,070.75 was collected for the Month of July and mentioned that Santa Fe County has the highest collection rate of all of the counties.

5. Portfolio Balance Sheet Report:

Theresa Romero, Department Administrator informed the committee that in the Treasurer's Investment Portfolio we have the following for the month of July:

A.	Operations Account #2601	\$116,626,603.48
	GOB 2011 Refunding #0920	\$ 10,732,355.75
	GOB 2013 Series #8520	<u>\$ 10,912,415.87</u>
	Total	\$138,271,375.10
B.	Los Alamos National Bank	\$ 9,255,583.53
	LANB Various Operations Accounts	\$ 34,781,784.95
	First National Bank	\$ 9,019,730.85
	State Treasurer LGIP Accounts	<u>\$ 641.50</u>
	Total of Various Accounts	\$ 53,057,740.83
	 GRAND TOTAL OF ALL ACCOUNTS	 \$191,329,115.93

6. Other Business:

Treasurer Varela stated that he will see about setting up a meeting with Los Alamos, He will send out an invitation to the committee members.

7. **Adjournment:**



Patrick "Pat" Varela, SF 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 21ST Day Of November, 2014 at 03:08:41 PM
And Was Duly Recorded as Instrument # **1751514**
Of The Records Of Santa Fe County

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

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