

**INVESTMENT COMMITTEE MINUTES
AUGUST 22, 2013
SANTA FE COUNTY**

Committee Members:

Pat Varela, Treasurer
Steve Ross, County Attorney
Daniel Mayfield, County Commissioner
Andrew Leyba, Private Sector

Kathy Holian, County Commissioner
Katherine Miller, County Manager
Teresa Martinez, Finance Director

1. Call Meeting to Order:

- A. Roll Call of Committee Members
- B. Approval of July 25, 2013 Minutes by Commissioner Holian and second by County Manager Katherine Miller

2. Current Agenda Items:

- A. Treasurer Varela began the meeting by informing the committee that three members from First National Bank of Santa Fe were going to do a presentation and we also had Sheila Duffy from Public Advisors attending the meeting.
- B. Treasurer Varela informed the committee that they met with Los Alamos National Bank regarding the \$6,500,000.00, Santa Fe Studios Account. Treasurer Varela stated that the account was 318 month loan, which 18 months of the loan was a construction loan. The duration of the loan is 26.5 years and we can't change the term. County Manager, Katherine Miller stated that we can draw 100% of the outstanding principal per the agreement with the bank. Commissioner Mayfield inquired as to who drafted the agreement, and County Attorney, Steve Ross informed the committee he was involved with drafting the agreement. Commissioner Mayfield stated that he would like for the Investment Council and the Treasurer to go before the bank with a written request that they could view the terms on this CD and would like for this to be brought back to the full board of County Commissioners, if we cannot view all the loan terms, he mentioned this loan causes him great concern.. Sheila Duffy for Public Advisors informed the committee that we do have the loan documentation on the CD which the Treasurer holds, however what we don't have is the documentation between the bank and the borrower and for confidentiality reasons we cannot have those documents. Commissioner Mayfield stated since we are guaranteeing the loan there shouldn't be confidentially on the documentation. County Attorney Steve Ross specified that we do have all our documents, the loan

between the bank and the borrower is a private loan and we cannot have access to them. County Manager Katherine Miller informed the committee that we have all the information on the loan guarantee and on the deposit conditions of the loan, that is public and the agreement on how that loan guarantee works and how we can make draws as well as how the bank makes the draws. County Manager Katherine Miller also stated that the Commission had signed off on these documents in October 2010. Treasurer Varela specified that we are receiving about \$41,000.00 every quarter and that goes into the operations account. Commissioner Mayfield got disconnected at 2:20pm on the conference call.

3. Property Tax Collection Maintenance Report:

- A. Treasurer Varela informed the committee that \$1,154,436.56 has been collected for July, 2013 however the numbers will change next month due to the resignation of one of the Tax Systems Specialist. Treasurer Varela informed the committee he had attended the NMAC Treasurer's Affiliate and in comparison with other counties we are very aggressive in collecting delinquent taxes. Treasurer Varela also informed the committee that we hosted a summit meeting here with State of New Mexico's Property Tax Division and other County Treasurers regarding tax collections. Treasurer Varela informed the committee that next year we will be hosting the NMAC Treasurer's Affiliate.

4. First National Bank of Santa Fe Presentation:

- A. Mary Chavez, Senior Vice President, David E. Marion, Managing Director/Chief Investment Officer of First Santa Fe Advisors and Nicholas Plazola, Investment Analyst came to do a presentation. Mr. Plazola presented a proposal for Santa Fe County, the recommended a portfolio comprised of the following funds and respective weightings:

	<u>Weight</u>	<u>12-Mo Yield</u>	<u>Duration</u>
1. DFA Short Term Gov. Portfolio (DFFGX)	33.3%	0.84%	2.78 Yrs
2. Payden US Government Fund (PYUSX)	33.3%	1.77%	3.00Yrs.
3. Vanguard Short-Term Federal Fund (VSGDX)	33.4%	0.60%	2.20 Yrs

Mr. Marion stated that First Advisors will charge a management fee of 25 bps on balances between \$5mm-\$10mm. Mr. Marion stated the criteria are:

- High Liquidity
- Low Cost
- Vehicles that reflect risk that we would want to take

Private Sector, Andrew Leyba inquired on how they would be paid for managing the portfolio and Mr. Marion stated they're paid for a management fee structure. Treasurer Varela mentioned that the he asked them to do a presentation because there had been discussion about investing with local banks; he also stated they charge, while we've been investing for free. County Manager,

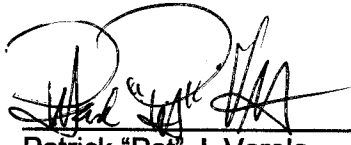
Katherine Miller informed the committee should do a Request for Proposal as far as what they would like for an advisor to do for their portfolio.

5. July's Portfolio Balance Sheet Report:

A.	1. Operations Account #2601	\$105,594,471.52
	2. GOB 2011 Refunding #0920	\$ 13,012,426.16
	3. GOB 2007 A Account #3823	\$ 346,572.30
	4. GRT 2008 JRB Account #1921	\$ 3,793,645.29
	5. GRT 2010 A&B Account #9220	\$ 534,250.48
	Grand Total for Charles Schwab	\$ 123,281,365.75
B.	1. Los Alamos National Bank	\$ 39,760,489.60
	2. LANB Various Operations Accounts	\$ 23,061,982.82
	3. First National Bank	\$ 3,008,681.96
	4. State Treasurer LGIP Accounts	\$ 641.05
	Total of Various Accounts	\$ 65,831,795.43
	GRANDTOTAL FOR ALL ACCOUNTS	\$189,113,161.18

C. Theresa Romero from the Treasurer's Office informed the committee that a new account was set up for a GOB 2013 Series #8520.

6. Adjournment:



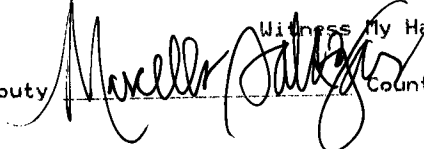
 Patrick "Pat" J. Varela
 Santa Fe County Treasurer



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

INVESTMENT COMMITTEE
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I Hereby Certify That This Instrument Was Filed for Record On The 21ST Day Of October, 2013 at 04:06:12 PM And Was Duly Recorded as Instrument # 1721172 Of The Records Of Santa Fe County

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

2013 OCT 21 PM 04:06:12