

MINUTES OF THE
SANTA FE COUNTY
INVESTMENT COMMITTEE

August 26, 2021

Santa Fe, New Mexico

This meeting of the Santa Fe County Investment Committee was called to order by County Treasurer Jennifer Manzanares at approximately 3:00 p.m. on the above-cited date.

In accordance with the Public Health Emergency Order issued by the State of New Mexico, and pursuant to the New Mexico Attorney General's Open Government Division Advisory during COVID-19, public entities are authorized to conduct virtual meetings.

Roll call indicated a quorum with the presence of the following members:

Members Present:

Jennifer "Jenn" Manzanares, Treasurer
Katherine Miller, County Manager
Greg Shaffer, County Attorney
Anna Hamilton, Commissioner
Yvonne Herrera, Finance Director
Eric Loucks, Citizen Member
Hank Hughes, Commissioner [Alternate]
Anna Hansen, Commissioner [Alternate]

Member(s) Excused:

Henry Roybal, Commissioner

Others Present:

Patrick Varela, Deputy Treasurer
Brian Olachea, Treasurer's Office
Victor Vigil, Treasurer's Office

Approval of Agenda

Commissioner Hamilton moved to approve the agenda and Commissioner Hansen seconded. The agenda was accepted by consensus.

Approval of Minutes: July 28, 2021

Commissioner Hamilton moved to approve the minutes and Commissioner Hughes seconded. The motion passed by unanimous voice vote. [Mr. Shaffer was not present for this action and arrived shortly thereafter.]

SFC CLERK RECORDED 02/01/2022

Results from Fiscal Agent

Treasurer Manzanares stated she met with the fiscal agent and discussed a pilot program relating to P-cards. Regarding lock box issues, she said Clerk Clark has suggested a new voting/scanning system that also has lock box capacity. Deputy Treasurer Varela said the pros are that the County would save on transactions and files would be available sooner. The cons are extra help would be needed during the busy seasons.

A discussion ensued regarding the possibility of issuing an RFP for fiscal agent. Treasurer Manzanares noted Wells Fargo (WF) has a state agreement in place and going with them would obviate the need for an RFP. However, Wells Fargo's lock box is located in California and there has always been an attempt to work locally.

Ms. Herrera said the procurement and competitive process already done by the state should be considered. Timing needs to be taken into account as well. Skipping the procurement process, would allow for concentration on implementation.

Commissioner Hamilton said local presence is always a consideration but this needs to be balanced with other factors. There have been issues with Sunflower over the years and WF has been in the news in the past. She asked Ms. Herrera about the state's experience with WF. Ms. Herrera said they had a dedicated customer service representative. WF has more structure when it comes to submitting positive pay and ACH files. Currently there is no secure transmittal process which is concerning. Statewide reconciliations were relatively easy. She said she found the service exceptional and reliable, and issues were dealt with expeditiously. With Sunflower, communication is sporadic. They are unable to process exceptions which lead to rejection of the payment, causing delays.

Commissioner Hughes asked if there were any local banks likely to participate in an RFP and added that Sunflower is not a local bank. Manager Miller said she has been dealing with fiscal agents for 23 years and the preference has always been for a local bank and it has always been challenging. Los Alamos struggled but worked hard to please. The County's account is huge and complex and this calls for a fiscal agent with the technical wherewithal to get things done. If an RFP is to be issued this needs to be done with alacrity. Last year there was insufficient time to define a scope of work so the RFP was cancelled. The RFP should already be out. Transitioning is a long and onerous process. WF is an appealing choice given they can be brought on without an RFP and they have the expertise to do the work. Sunflower might submit another proposals but most banks don't want to deal with the lock box issue.

Ms. Herrera said she did not work with lock boxes while at the state.

Commissioner Hughes said WF seemed to be the clear choice and asked how long the contract would be for. Manager Miller said the contract is typically awarded for two years initially with two-year options up to eight years. It doesn't fall in the professional services category. She reiterated changing fiscal agents is time-consuming and difficult so must be considered carefully.

Commissioner Hamilton agreed Wells Fargo looks strong for a number of reasons. The lock box needs to be looked into but they are already having problems with the lock box.

Mr. Loucks speculated that the bank he works for might be interested in proposing.

Commissioner Hansen asked if there were other large banks that the state has a contract with and Ms. Herrera said there were not.

Treasurer Manzanares said they will bring this back at the next meeting.

Economic Outlooks

Deputy Treasurer Varela provided data on the daily yield curve, which is relatively stable. He shared graphs on jobless claims, including New Mexico unemployment which is going down slowly. Inflation was at 5.37 percent for July and the CPI is still high. The big box stores suffered losses. The feds continue to buy bonds but are tapering off.

Treasurer Manzanares said the portfolio balance sheet and schedule will be available at the next meeting and recommended continuing the conversation with more information on the LGIP investments.

Portfolio Balance Sheet, Call Notices, Etc.

Mr. Olaechae provided the following information as of the end of July 2021:

- There are 38 operational accounts with a total of \$157,103,378.08
- GOB 2011 Series contains one account at \$1,055,373.92
- Housing has two accounts at \$4,026,888.33
- GOB 2013 Series has two accounts totaling \$3,628,659.40
- GRT 2019 Series has four accounts totaling \$9,692,870.03
- GOB 2018 Series has four accounts for \$8,909,469.72
- GOB 2021 Series has one account for \$25,366,003.74
- Core Portfolio has 35 accounts with a total of \$27,944,077.76
- The Schwab Account has 14 accounts with a total of \$29,879,219.59

Grand total at US Bank/Enterprise is 76 accounts with \$267,879,940.57

- There are five CDs totaling \$1,245,000.00
- The Studio lockbox at Enterprise Bank has \$4,947,817.81

Total of those six accounts is \$6,192,817.81

- First National/Sunflower has 42 accounts for a total of \$31,479,435.26
- UBS has five accounts with \$40,384,960.06
- BNY Mellon has four accounts with \$10,172,541.05

Total of various 53 accounts is \$88,229,754.18

Grand total of all 152 accounts at the end of July was \$355,835,694.75

Other Business

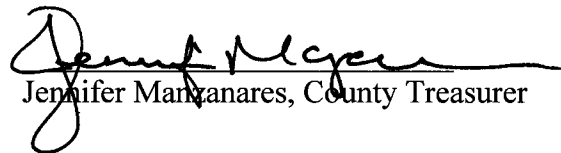
Treasurer Manzanares pointed out New Mexico Counties will be meeting on September 23rd and she proposed deferring the Investment Committee meeting to September 30th, and there was general agreement to this.

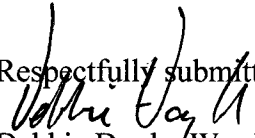
Manager Miller indicated Sunflower is in its seventh year so another year is possible.

Adjournment

Following a motion from Commissioner Hamilton and second from Commissioner Hansen, the meeting adjourned at approximately 3:50 p.m.

Approved by:

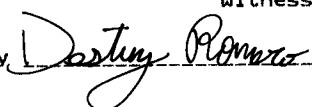

Jennifer Manzanares, County Treasurer

Respectfully submitted by:

Debbie Doyle/Wordswork

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COUNTY OF SANTA FE) INVESTMENT COMMITTEE M
STATE OF NEW MEXICO) ss PAGES: 4

I Hereby Certify That This Instrument Was Filed for
Record On The 1ST Day Of February, 2022 at 03:10:50 PM
And Was Duly Recorded as Instrument # 1979297
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Katharine E. Clark
Deputy  County Clerk, Santa Fe, NM

