

**SANTA FE COUNTY
INVESTMENT COMMITTEE MEETING MINUTES
SEPTEMBER 16, 2010**

Meeting called to order @ 2:05 pm.

Committee Members in Attendance:
Absent:

Committee Members

Victor Montoya, County Treasurer
Sector
Teresa Martinez, Finance Director
Rachel Brown, County Attorney
Katherine Miller, County Manager
Harry Montoya, County Commission Chair

Lowell Gilbert, Private

A motion to approve the August 19, 2010 Minutes was made by Teresa Martinez, seconded by Rachel Brown. Motion carried unanimously.

A motion to approve the September 16, 2010 Agenda was made by Harry Montoya, seconded by Teresa Martinez. Motion carried unanimously.

Treasurer Montoya began the meeting with the first item on the Agenda the investment activity since our last Investment Committee Meeting on August 19, 2010; we purchased and settled on the following government agencies (bonds).

- a. Morgan Keegan, Fannie Mae Bond CUSIP #3136FM6RO in the amount of \$500,000.00 settled August 25, 2010 with a rate of 1.55%.
- b. Mutual Securities, Freddie Mac Bond CUSIP #3134G1PX6 in the amount of \$1,000,000.00 settled August 25, 2010 with a rate of 1.75%.
- c. LF Financial, Fannie Mae Bond CUSIP #3136FPAD9 in the amount of \$1,000,000.00 with a rate of 2.00%.

Treasurer Montoya informed the committee that all the aforementioned accounts are callable bonds they range in anywhere from 3 months to 1 year in call protection, they are 5 year bonds and will probably be called as soon as the call protection is over.

Treasurer Montoya moved on to the next item on the Agenda which was the property tax collections and distributions report; he informed the committee that distributions in the amount of \$1,208,998.20 collected for August 2010 property taxes will be made on September 20, 2010. The County's share for August 2010 collections is \$562,963.22. The maintenance report shows we have collected \$134,917,751.89 through August 31, 2010; through the tenth month of 2009 tax collections. The tax collection rate through August is 94.8%.

Treasurer Montoya informed the committee that the year-to-date collection rate on August 31, 2010 over August 31, 2009 shows we are down .03%; but in dollars we are \$8,243,966.16 ahead of last year's collections.

Commissioner Harry Montoya asked Treasurer Montoya whether the \$8,243,966.16 collection amount includes the current tax amounts due and the delinquent tax amounts.

Treasurer Montoya informed the committee that the amount does include both delinquent and current tax amounts collected.

Treasurer Montoya moved on to the next item on the Agenda which was the County's Investment Portfolio as of August 31, 2010, he asked the committee to turn to page 4 of the Agenda, where the Treasurer's Report begins. He stated that we currently have a Certificate of Deposit in the amount of \$20,000,000.00 at First Community Bank and \$5,000,000.00 at First National Bank of Santa Fe; the other CD's listed on the report are regular FDIC Certificates of Deposit. The sub-total of miscellaneous Certificates of Deposit is \$25,849,000.00. The Brokered Certificates of Deposit are with Wells Fargo Bank a total \$2,666,000.00. On the following page the items highlighted in blue are the accounts with Los Alamos National Bank that matured. The items highlighted in yellow replaced the accounts highlighted in blue with Los Alamos National Bank making the total amount at Los Alamos is \$143,314,565.66. He informed the committee that Los Alamos National Bank would like us to invest our money in government agencies (bonds) because the bank regulators have informed them that they have too much cash on hand.

Treasurer Montoya moved on to page 6 of the report which shows the investments with L.F. Financial, Mutual Securities and Morgan Keegan; the items highlighted in yellow are the new bonds mentioned in the beginning of the Agenda as new investment activity since our last meeting. The items highlighted in purple are items which matured, for a total of \$27,917,800.70.

Finally, the last page of the report indicates how much money we have at the LGIP. The Current LGIP Balance is now \$1,644,880.95; the Pool Contingency Reserve Fund is at \$271,864.21 and the Contingency Reserve Released amount is \$84,198.81. He stated he had not moved the \$1,644,141.39 to Los Alamos National Bank because now he can place the money in a savings account rather than a Certificate of Deposit so we do not have to wait until the CD matures.

Treasurer Montoya concluded his report on the portfolio with the following summary: deducting the called bonds and the matured CD's in the amount of \$1,496,750.00; and adding the investments made for August and the cash balance at First Community Bank in the amount of \$689,789.91 and the accounts at Los Alamos National Bank in the amount of \$4,000,786.87; the grand total of all investments and cash balances as of August 31, 2010 is \$203,896,284.18 excluding outstanding obligations.

County Manager Katherine Miller asked Treasurer Montoya if the county share in the amount of \$562,963.22 has already been allocated from the tax collected amount of \$1,208,998.20.

Treasurer Montoya informed County Manager Katherine Miller that our share has been allocated out of the \$1,208,998.20.

Commissioner Harry Montoya asked Treasurer Montoya why Los Alamos National Bank is encouraging us to invest in government bonds; he asked, what other options do we have?

Treasurer Montoya informed the committee that we have a list of what type of investments we can invest in which are covered in the investment policy primarily, Certificates of Deposit, T Bills and Government Agencies. Los Alamos National Bank offered to open up investment accounts at Charles Schwab & Company for a couple of reasons: one their underwriting fee is free, and second there is no charge for safekeeping investments. Under the current contract with Los Alamos National Bank we have agreed to pay them a safekeeping fee for any investments we have with them.

Commissioner Harry Montoya also asked Treasurer Montoya if the \$20,000,000.00 investment at First Community Bank was a bond and if it was safe to keep it at the bank.

Treasurer Montoya informed the committee that the \$20,000,000.00 investment at First Community Bank was a Certificate of Deposit and collateralized at 102%, also it is general fund money and we have immediate access to the funds in an emergency.

Treasurer Montoya then reported (according to the State Treasurer's website) no meeting was scheduled for August 2010. The report and agenda were dated September 15, 2010 but the LGIP Executive Summary was dated July 31, 2010, copies of the STO LGIP portfolio were presented to the committee for information. He informed the committee that pages 8, 9, 10 & 11 of the Agenda is information regarding the LGIP. He asked the committee to turn to page 10 to review the pie chart in the report which shows the LGIP portfolio report. Listed in the pie chart are FED Home Loan Bank Investments, Treasury Notes, Now Accounts and Commercial Paper. Treasurer Montoya stated that most of these investments cannot go out more than 90 days. He then asked the committee to turn to the following page of the Agenda which shows the State Treasures Maturities as of July 31, 2010. The Maturities Schedule indicates what investment is maturing on a particular month and the amount of the investment. The next page is another report from the LGIP which shows the interest earned at the LGIP to the end of July 31, 2010 and the fiscal year end through July 31, 2010.

Treasurer Montoya provided a chart from Morgan Keegan Fixed Income Research "Weekly Economic Update" to the committee for their review; the report is 7 pages long but he asked the committee to turn to page 18 of their report which is labeled "Economic

Indicators for the Week beginning September 13, 2010" the report shows where the Treasury yield curve is and where the maximum short term yields are on U.S. Treasuries as of September 13, 2010. Treasurer Montoya asked the committee to review the 91-Day T Bill; the report refers to 2009 Q4, 2010 Q1,2,3,4 and 2011 Q1,2,3,4 so as he explained there has not been a whole lot of improvement. Then he referred to the 2011 3rd quarter 2-yr Note yield at .89%; again, even though they are projecting these rates a year out, they don't reflect a whole lot of improvement in 2011 over 2010.

The next item on the Agenda was the transition from First Community Bank to Los Alamos National Bank which is substantially complete. Treasurer Montoya stated that the cash balance at First Community Bank as of the meeting date was \$167,159.95. He asked Teresa Martinez, Finance Director to give him a list of outstanding checks for the following accounts to transfer the cash balances to LANB by the end of the month of August

. The outstanding checks were provided on or about September 13, 2010.

1. Bail Bond Account Closed September 15, 2010; balance	\$	-0-
2. Inmate Trust Fund	\$	6,510.41
3. Juvenile Trust Fund	\$	3,061.92
4. Sheriff's Bond Closed September 15, 2010; balance	\$	-0-
5. Sheriff's Writ Closed September 15, 2010; balance	\$	-0-
6. Operations Account	\$	158,415.31

There are only three active accounts at First Community Bank.

Finally, the last item on the Agenda was the collection efforts of Adam Bailey and Gloria Apodaca. Treasurer Montoya stated that Adam has collected a total of \$1,748,173.53 from June 21, 2010 to September 10, 2010 and Gloria has collected \$108,868.68 from August 2, 2010 to September 13, 2010; and added that their collection efforts have really paid off.

Treasurer Montoya then discussed the investment issues with LANB and First National Bank. He asked the committee to turn to page 4 of the Agenda, the \$5,000,000.00 CD with First National Bank was redeemed last Friday, not at our request but at the bank's request because like Los Alamos National Bank the regulators feel they have too much money in the bank. First National Bank paid all the interest we would have earned to the beginning of December and we deposited the funds in our Universal Savings account at Los Alamos National Bank.

Treasurer Montoya also stated that the one good thing about investing our money at Charles Schwab was that the investment officer from Los Alamos National Bank and himself are getting together to design some reports for the government agency investments we currently have. He hopes that later on they will be able to compile all the investments together to give the committee a power point presentation.

Treasurer Montoya then moved on to the final item on the Agenda which was the continued need of cash flow analysis for the Treasurer's office to ladder investments of cash tied to the need for funds by the County. He directed the request from Teresa Martinez, Finance Director, she acknowledged the request.

Commissioner Harry Montoya asked Finance Director Teresa Martinez what she needed from the other departments in order to supply this information to the Treasurer's office. She reported she has requested the cash flow analysis from the directors and has also requested a meeting but whenever the meeting is scheduled, something comes up with a director and unfortunately it prevents us from getting a cash flow analysis done. County Manager Katherine Miller informed Finance Director Teresa Martinez and the investment committee that she would ensure we receive a cash flow analysis by pulling the director's together to provide the information we needed.

The last item on the agenda was the proposed schedule for the next meeting which would be October 21, 2010 at 2:00 pm.

Meeting adjourned at 2:56 pm.



Victor A. Montoya
Victor A. Montoya, Chair

ATTEST

Valerie Espinoza
Valerie Espinoza, County Clerk

COUNTY OF SANTA FE) INVESTMENT COMMITTEE M
STATE OF NEW MEXICO) ss PAGES: 5

I Hereby Certify That This Instrument Was Filed for
Record On The 3RD Day Of November, 2010 at 11:03:47 AM
And Was Duly Recorded as Instrument # 1615885
Of The Records Of Santa Fe County



[Signature] Witness My Hand And Seal Of Office
Deputy _____ Valerie Espinoza
County Clerk, Santa Fe, NM

SFC CLERK RECORDED 11/03/2010