

**SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS
REGULAR MEETING**

October 28, 2008

- Paul Campos, Chair – District 4
- Virginia Vigil, Vice Chair – District 2
- Michael Anaya – District 3
- Harry Montoya – District 1
- Jack Sullivan – District 5



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 163

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SANTA FE COUNTY
REGULAR MEETING
BOARD OF COUNTY COMMISSIONERS

October 28, 2008

This regular meeting of the Santa Fe Board of County Commissioners was called to order at approximately 10:05 a.m. by Chair Paul Campos, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Following the Pledge of Allegiance and State Pledge, roll was called by County Clerk Valerie Espinoza and indicated the presence of a quorum as follows:

Members Present:

Commissioner Paul Campos, Chair
Commissioner Virginia Vigil, Vice Chairman
Commissioner Jack Sullivan,
Commissioner Harry Montoya
Commissioner Mike Anaya

Members absent:

[None]

V. INVOCATION

An invocation was given by Chaplain Jose Villegas.

VI. APPROVAL OF THE AGENDA

- A. Amendments**
- B. Tabled or Withdrawn Items**

ROMAN ABEYTA (Count Manager): Thank you, Mr. Chair. We have the following amendments. One is under item X. Matters from the Commission, we added I, which is discussion and approval of community funds to support the New Mexico Hispanic Music Association, J. Discussion and possible approval of community funds for the Edgewood Senior Center, and K. Discussion and possible approval of expenditure of community funds for Pojoaque Schools.

Continuing through the agenda, Mr. Chair, under item XIII. Staff and Elected Official Items, page 7, A. the County will need to go into a Board of Finance Meeting at 1:30, and there are two items from the County Treasurer's office.

Item C. Community Services Department, staff is recommending tabling of 3, which is the approval to amend the Fire Department's volunteer incentive program resolution. And those are the changes from staff.

CHAIRMAN CAMPOS: Commissioners, any changes.

COMMISSIONER VIGIL: Move to approve as amended.

CHAIRMAN CAMPOS: Commissioner Vigil, did you want to move something up on item X. D?

COMMISSIONER VIGIL: I do, Mr. Chair. Thank you for reminding me about that. We do have a proclamation today to present to Esperanza Shelter and I'd like that to be the first item under Matters from the Commission. And with that, I will continue with my motion to approve.

COMMISSIONER MONTOYA: Second.

CHAIRMAN CAMPOS: As amended.

The motion to approve the agenda as amended passed by unanimous [5-0] voice vote.

VII. APPROVAL OF CONSENT CALENDAR

A. Consent Calendar Withdrawals

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: A. 22, B. 5, and B. 19.

CHAIRMAN CAMPOS: Anything else? Commissioner Vigil? Commissioner Anaya? Commissioner Montoya? None?

COMMISSIONER VIGIL: Move to approve as amended.

COMMISSIONER MONTOYA: Second.

CHAIRMAN CAMPOS: So we're moving to withdraw these matters from the Consent Calendar.

The motion passed by unanimous [5-0] voice vote.

VIII. APPROVAL OF MINUTES

A. September 30, 2008

CHAIRMAN CAMPOS: Commissioner Sullivan, do you have a motion.

COMMISSIONER SULLIVAN: Mr. Chair, I have some typographical

corrections, and I move to approve with the corrections.

COMMISSIONER VIGIL: Second.

CHAIRMAN CAMPOS: Discussion?

The motion to approve the minutes as corrected passed by unanimous [4-0] voice vote, with Commissioner Montoya abstaining.

IX. MATTERS OF PUBLIC CONCERN – NON-ACTION ITEMS

CHAIRMAN CAMPOS: This is an opportunity for members of the public to come forward and discuss any issues of public importance that is not on the agenda today. So is there anyone in the audience who would like to come forward at this time. I don't see anyone so this part of the meeting is closed.

X. MATTERS FROM THE COMMISSION

D. Proclamation Declaring October 2008 As Domestic Violence Awareness Month in Santa Fe County (Commissioner Vigil)

COMMISSIONER VIGIL: Thank you, Mr. Chair. I'm really pleased that I'm actually able to do this before the Board of County Commissioners. I'd like to introduce some guests here who have come from Esperanza. Mary Chavez, would you please stand? She's the president of the board. Carla Quintana, who I used to work with at the Community College as a board member, and Sherry Taylor, the new executive director, and James Leehan. Thank you. I appreciate you're being here.

With that, I'd like to read the proclamation and then present it to you all. And then hopefully if our picture-taker is here we'll have some pictures taken.

Whereas, domestic violence in America is intolerable, unacceptable, must be stopped and deserves considerable public attention; and

Whereas, children who witness domestic violence often grow up believing that physical cruelty in relationships is acceptable behavior, and thus they tend to perpetuate the cycle of violence in society; and

Whereas, many federal, state and local programs addressing the domestic violence problem have achieved success bringing greater safety to families; and

Whereas, throughout the country and in New Mexico an increasing number of businesses are adopting policies to address family violence issues as such issues negatively impact their workplace; and

Whereas, the policy of the state of New Mexico is to eliminate domestic violence, sexual assault and stalking, and to eliminate tolerance for these offenses in any form and any place, whether at home or at the workplace or elsewhere; and

Whereas, Esperanza Shelter has been a trustworthy and reliable resource for strengthening battered families for over 30 years in Santa Fe County; and

Whereas, anyone can be a victim of domestic violence, regardless of age, sex, ethnicity, socio-economic status or religion; and

Whereas, we must continue to hold domestic abusers accountable, punish them to the fullest extent of the law and prevent them from inflicting more abuse.

Now, therefore, be it resolved that we the Board of Santa Fe County Commissioners hereby proclaim October 2008 as Domestic Violence Awareness Month.

With that I'd like to present this proclamation. First of all, motion to approve it.

COMMISSIONER MONTOYA: So moved.

COMMISSIONER ANAYA: Second.

The motion passed by unanimous [5-0] voice vote.

COMMISSIONER VIGIL: And with that I'd like to present this to our guests here from Esperanza Shelter with a sort of precursor comment. I used to be an assistant district attorney and I prosecuted domestic violence cases, and the horrificness of the experience of some of the victims overwhelmed me. Since then I think our district attorney's office has incorporated a system of reparations programs and it's helpful to that extent. But at the time I was there there was no place for the victim to turn to except Esperanza. So I really appreciate your history of assisting, particularly the victims and their families.

With that, would you please come forward.

MARY CHAVEZ: I would just like to address you and thank you very much for this proclamation. Domestic violence is an issue and I thank you all for this special recognition.

CHAIRMAN CAMPOS: Thank you for all the hard work you do every day. We appreciate it very much.

COMMISSIONER MONTOYA: Yes, thank you. Appreciate it.

- X.
 - A. **Discussion and Possible Approval for an Expenditure of Community Funds in the Amount of \$2,500 to the Santa Fe Performing Arts After School Program (Commissioner Vigil)**
 - B. **Discussion and Possible Approval for an Expenditure of Community Funds in the Amount of \$2,500 to IMPACT Personal Safety After School Program (Commissioner Vigil)**
 - C. **Discussion and Possible Approval for an Expenditure of Community Funds in the Amount of \$1,500 to Santa Fe Fiestas Inc. After School Mariachi Workshop Programs (Commission Vigil)**
 - E. **Discussion and Possible Approval for an Expenditure of Community Funds in the Amount of \$3,000 to Santa Fe County Teen Court Graffiti**

- Abatement Program (Commissioner Vigil)**
- F. Discussion and Possible Approval for an Expenditure of Community Funds in the Amount of \$2,000 for Santa Fe County Public Works Department for Graffiti Removal Program (Commissioner Vigil)**
 - G. Discussion and Possible Approval for an Expenditure of Community Funds in the Amount of \$7,000 for the Provision of Contracting for Administrative and Government Affairs Consulting Services for the Purpose of Planning Santa Fe County Projects (Commissioner Montoya)**
 - H. Discussion and Possible Approval for an Expenditure of Community Funds in the Amount of \$1,000 to Santa Fe Public Schools for Capital High School's Drill Team to Purchase Uniforms and Equipment (Commissioner Vigil)**
 - I. Discussion and Possible Approval for an Expenditure of Community Service Funds in the Amount of \$500 to the New Mexico Hispanic Music Association to Support Their 18th Annual Award Show Program Book (Commissioner Montoya) [Exhibit 1]**
 - J. Discussion and Possible Approval for an Expenditure of Community Funds in the Amount of \$1,000 for Expenses for the Edgewood Senior Center Expansion Dedication on November 7, 2008 (Commissioner Anaya)**
 - K. Discussion and Possible Approval for an Expenditure of Community Service Funds in the Amount of \$2,000 to the Pojoaque Schools to Support the Pojoaque Girls' Soccer Program (Commissioner Montoya) [Exhibit 2]**

COMMISSIONER VIGIL: Mr. Chair, I actually have items A, B, C, E, F, and H. Could I just briefly explain each one of them and maybe request a motion to accept them.

COMMISSIONER ANAYA: Mr. Chair, Commissioner Vigil, I look at all these and I really don't need any explanation. I was going to make a motion to accept all of them. Unless you want to –

COMMISSIONER VIGIL: I'm happy to second your motion, and perhaps maybe if there are discussions.

COMMISSIONER ANAYA: That's fine, but I looked at everything and everything looks fine to me.

COMMISSIONER VIGIL: If that is a motion I will second it.

COMMISSIONER ANAYA: That's a motion.

COMMISSIONER VIGIL: Mr. Chair, will you accept that?

CHAIRMAN CAMPOS: Is there any discussion or objection to that motion?

COMMISSIONER ANAYA: And that motion, Mr. Chair, would be for items A, B, C, E, F, G, H, I, J, K.

CHAIRMAN CAMPOS: All of them, right?

COMMISSIONER ANAYA: Yes.

COMMISSIONER VIGIL: Including Commissioner Montoya's?

COMMISSIONER ANAYA: All of them.

COMMISSIONER VIGIL: Okay. So the only item that we aren't taking action on is the one we just did, item D.

COMMISSIONER ANAYA: That's correct.

COMMISSIONER VIGIL: I will second that.

CHAIRMAN CAMPOS: Are there any objections to the motion?

The motion passed by 4-0 voice vote with Commissioner Campos abstaining.

XI. APPOINTMENTS/REAPPOINTMENTS/RESIGNATIONS

A. Reappointment of Barbara Jeffe As the Member to Area 3 of the Road Advisory Committee Within Commission District II (Growth Management Department)

CHAIRMAN CAMPOS: Is there a motion?

COMMISSIONER ANAYA: So moved.

CHAIRMAN CAMPOS: Is there a second?

COMMISSIONER VIGIL: Second.

The motion passed by unanimous [5-0] voice vote.

B. Appointment of Joe McLaughlin to the DWI Planning Council (Community Services Department)

CHAIRMAN CAMPOS: Any questions?

COMMISSIONER MONTOYA: Move for approval.

CHAIRMAN CAMPOS: Is there a second?

COMMISSIONER VIGIL: Second.

COMMISSIONER SULLIVAN: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: I would suggest a brief résumé would help on these appointments.

BECKY BEARDSLEY (DWI Coordinator): Mr. Chair, Commissioner, I apologize for not submitting that. We actually have an application form that they are required to fill out that talks about their qualifications and what area of the community they'll be serving and so on and so forth. I'll be happy to get that to you.

COMMISSIONER SULLIVAN: And perhaps you could just tell me what the

qualifications on Mr. McLaughlin are.

MS. BEARDSLEY: Joe McLaughlin is a sergeant with the Santa Fe County Sheriff's office and so he heads up the DWI team over there and also he's a great resource not only to the community but to our DWI Planning Council.

COMMISSIONER SULLIVAN: Okay. Thank you.

The motion passed by unanimous [5-0] voice vote.

XI. C. Appointment of Six (6) Initial Members to the Joint City/County Food Policy Council (Community Services Department)

CHAIRMAN CAMPOS: I guess this is the first time we've had this group.

MS. BEARDSLEY: Mr. Chair, yes it is.

CHAIRMAN CAMPOS: Could you briefly give us some context.

MS. BEARDSLEY: There was a resolution that created a Santa Fe County – the Food Policy Council. There was a resolution that was brought a few months ago that was approving the Food Policy Council. In that resolution it calls for the council members to be appointed. Some of them were to be appointed by the City and some of them by the County. The two entities have been meeting and have come up with a recommended list of individuals. As you can see, there are two-year and three-year terms to be served by the various members and so there's just a recommendation that was made for some of them to be two years, some of them three years, and these individuals, their résumés have been included in the packets. They have been recommended as the kind of people that would be able to serve efficiently on this council. Steve Shepherd asked me to present this to you today and said that if you have any changes that you'd like to recommend in terms of terms, changing some of the two-year recommendations to three years or vice versa that they would be happy to consider any of that.

CHAIRMAN CAMPOS: Okay. You're saying there's six appointments, two by the City and two by the County?

MS. BEARDSLEY: No, actually there's six by the County and seven by the City.

CHAIRMAN CAMPOS: Six and seven.

MS. BEARDSLEY: Two of the County appointments are actually County members in this recommendation. Patrick Torres and Steve Shepherd are the recommended individuals for the County appointments, and Terrie Rodriguez who works with the City – I believe she works with – I don't remember what department she works with. She's the one that is being recommended with the City right now, as well as a designee by the City Manager. And then there are nine appointments that are City/County appointments, and those are all community members.

CHAIRMAN CAMPOS: Okay. Any questions?

COMMISSIONER MONTTOYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Montoya.

COMMISSIONER MONTTOYA: Becky, how were these people selected?

MS. BEARDSLEY: Mr. Chair, Commissioner, I'm not sure if they were recommended by the individuals that headed up the original food policy. I wasn't involved in it. I'm sorry.

COMMISSIONER MONTTOYA: Oh. So like we're recommending Sarah Noss, Tony McCarty, Mark Winne and Steve Warshawer?

MS. BEARDSLEY: Yes.

COMMISSIONER MONTTOYA: And the "other" category, do you know what that is? We have three of our appointments that are under "other" category.

MS. BEARDSLEY: Oh, again, those other, the other category are community members. They're not –

COMMISSIONER MONTTOYA: So "other" designates them as community members, as opposed to –

MS. BEARDSLEY: They're community members; they're not employees of the City or the County.

COMMISSIONER MONTTOYA: Or the Farmers Market or –

MS. BEARDSLEY: As I said, two of the County members are actually employees of the County, and then two of the City members are employees of the City, and then the other nine members are made up of community members from different organizations.

COMMISSIONER MONTTOYA: Mr. Chair, I guess it would just be good if I could get some information on how these people were recruited.

CHAIRMAN CAMPOS: Commissioner Montoya, is there any person that you would like to have on this?

COMMISSIONER MONTTOYA: Would you like to defer action on this at this point? Until the next meeting?

COMMISSIONER MONTTOYA: Is this time-sensitive?

MS. BEARDSLEY: I believe it is yes.

COMMISSIONER MONTTOYA: Sherry Hooper's here, and maybe you could answer some of these questions. Thank you for coming.

SHERRY HOOPER: There was a small committee, many of you know that, to put together the idea of a food policy council for the City and the County, and that small group also tried to recruit people to make suggestions as appointees for a Food Policy Council. We tried to look at all sorts of things. People from the food industry. People from farming and agriculture. People who represent non-profits. So we tried to get a good mix of people. And then Steve Shepherd and Terrie Rodriguez sat down and divided that group up according to County appointees and City appointees.

COMMISSIONER MONTTOYA: Okay. And then regarding the "other" category, what is that?

MS. HOOPER: The other. What we tried to do in the resolution was we tried to point out those areas that should absolutely be represented on the Food Policy Council, and then we took people who we believed would be helpful in looking at sustainability issues, for example, and we added them to it. But the resolution does allow for other members.

COMMISSIONER MONTOYA: Okay. Thank you. Mr. Chair, I'll move for approval.

CHAIRMAN CAMPOS: Is there a second?

COMMISSIONER ANAYA: Second.

CHAIRMAN CAMPOS: Discussion?

The motion passed by unanimous [5-0] voice vote.

XII. CONSENT CALENDAR

A. Budget Adjustments

- 1. Resolution No. 2008-163. A Resolution Requesting an Increase to the General Fund (101) to Budget a Grant Awarded Through the New Mexico Department of Public Safety for the 2008 New Mexico State Legislative Funds for the Regional Drug Task Forces/\$40,000 (County Sheriff's Office)**
- 2. Resolution No. 2008-164. A Resolution Requesting an Increase to the General Fund (101)/HIDTA Program to Budget Prior Fiscal Year 2008 Grant Balance for Expenditure in Fiscal Year 2008/\$9,375 (County Sheriff's Office)**
- 3. Resolution No. 2008-165. A Resolution Requesting an Increase to the General Fund (101)/Region III Grant Program to Budget a Grant Awarded By the Justice Assistance Grant Program Through the New Mexico Department of Public Safety for Expenditure in Fiscal Year 2009/\$64,064 (County Sheriff's Department)**
- 4. Resolution No. 2008-166. A Resolution Requesting a Budget Decrease to the GOB Series 2001 Fund (353) to Realign the Fiscal Year 2009 Budget with the Available Fiscal Year 2008 Balance/\$759,643 (Administrative Services Department)**
- 5. Resolution No. 2008-167. A Resolution Requesting an Increase to the State Special Appropriations' Fund (318) to Budget a Grant Awarded Through the New Mexico Department of Finance and Administration for the Chimayo Museum/\$70,000 (Community Services Department)**
- 6. Resolution No. 2008-168. A Resolution Requesting an Increase to the State Special Appropriations' Fund (318) to Budget a Grant**

- Awarded Through the New Mexico Aging and Long-Term Services Department for the Edgewood Senior Center/\$15,000 (Community Services Department)**
7. **Resolution No. 2008-169. A Resolution Requesting a Budget Transfer From the General Fund (101) to the State Special Appropriations Fund (318) to Cover a Budget Shortfall for the Eldorado Senior Center/\$100,000 (Community Services Department)**
 8. **Resolution No. 2008-170. A Resolution Requesting a Budget Transfer From the General Fund (101) to the State Special Appropriations Fund (318) to Cover a Budget Shortfall for the Cundiyo Community Center/\$200,000 (Community Services Department)**
 9. **Resolution No. 2008-171. A Resolution Requesting a Budget Transfer From the General Fund (101) to the State Special Appropriations' Fund (318) to Cover a Budget Shortfall for the Galisteo Park/\$30,000 (Community Services Department)**
 10. **Resolution No. 2008-172. A Resolution Requesting to Establish Fund (333) for GRT Revenue Bond Series 2008 and to Budget Bond Proceeds Issued for Construction of a New Judicial Complex/\$30,079,437 (Administrative Services Department/Finance)**
 11. **Resolution No. 2008-173. A Resolution Requesting an Increase to the General Fund (101) to Budget Prior Fiscal Year 2008 Cash Balance for Capital Expenditures in Fiscal Year 2008/\$1,252 (Growth Management Department)**
 12. **Resolution No. 2008-174. A Resolution Requesting an Increase to the Fire Tax ¼ % Fund (222) to Budget Prior Fiscal Year 2008 Cash Balance to Renovate and Upgrade the La Puebla Fire Station/\$50,000 (Community Services Department)**
 13. **Resolution No. 2008-175. A Resolution Requesting an Increase to the Fire Operations Fund (244) to Budget Forestry Reimbursement Revenue Received for the Big Springs Fire and the Hondo Fire/\$7,873 (Community Services Department)**
 14. **Resolution No. 2008-176. A Resolution Requesting an Increase to the Fire Operations Fund (244) to Budget Movie Production Stand-By Revenue Received for the Legions Movie/\$82,884.09 (Community Services Department)**
 15. **Resolution No. 2008-177. A Resolution Requesting an Increase to the Fire Operations Fund (244) to Budget Movie Production Stand-By Revenue Received for the Crazy Heart Movie/\$1,812.50**

- (Community Services Department)
16. Resolution No. 2008-178. A Resolution Requesting a Decrease to the Road Projects Fund (311) to Reduce Budget for a State Grant From the New Mexico Department of Transportation for County Road 55 That Was Budgeted Twice in Error/\$30,000 (Growth Management Department)
 17. Resolution No. 2008-179. A Resolution Requesting an Operating Transfer From the Capital Outlay GRT Fund (213) to the Road Projects Fund (311) for the Acquisition of Right-of-Ways for South Meadows/\$238,500 (Growth Management Department)
 18. Resolution No. 2008-180. A Resolution Requesting an Increase to the Road Projects Fund (311) to Budget an Agreement with La Tierra Association for Road Maintenance, Repair and Improvements/\$10,000 (Growth Management Department)
 19. Resolution No. 2008-181. A Resolution Requesting an Increase to the Detox Program Fund (242)/Access to Recovery Program to Realign the Fiscal Year 2009 Budget with the Actual Agreement with Value Options/\$24,693 (Community Services Department)
 20. Resolution No. 2008-82. A Resolution Requesting an Increase to the General Fund (101)/Natural Resources to Budget Additional Funds Awarded Through a Grant Agreement with the United States Department of the Interior – Bureau of Reclamation - Upper Colorado Region for the Purpose of Creating a Comprehensive Water Conservation Plan for Expenditure in Fiscal Year 2009/\$10,000 (Growth Management Department)
 21. Resolution No. 2008-183. A Resolution Requesting an Increase to the General Fund (101)/Natural Resources to Budget Additional Funds Awarded Through a Grant Agreement with the United States Department of the Interior – Bureau of Reclamation – Upper Colorado Region for the Purpose of Development, Implementation and Outreach for the County Water Conservation Program for Expenditure in Fiscal Year 2009 - \$50,000 (Growth Management Department)
 22. Resolution No. 2008-___. A Resolution Requesting an Increase to the Capital Outlay GRT Fund (213) to Budget Prior Fiscal Year 2008 Cash Balance for Water and Wastewater Projects in Fiscal Year 2009 (Growth Management Department) ISOLATED FOR DISCUSSION
- B. Miscellaneous
1. Request Approval of the Accounts Payable Disbursements Made for All Funds for the Month of September 2008 (Administrative

- Services Department)
2. **Request Approval for PA #09-AL-FTE164-091 Between the New Mexico Department of Transportation and the Sheriff's Office Be Granted for Continued Funding for the 4 Term Law Enforcement Officers for Fiscal Year 08-09 \$350,600.00 (Sheriff's Department)**
 3. **Resolution No. 2008-184. A Resolution Proclaiming October As Santa Fe County Fire Prevention Month (Community Services Department/Fire)**
 4. **Resolution No. 2008-185. A Budget Resolution Increase in the Amount of \$1,469,497 to Complete Construction of the New Public Works Facility (Community Services Department)**
 5. **Request Approval to Enter Into Contract #29-0043-CSD/RM for \$142,736.23, Inclusive of Applicable New Mexico Gross Receipts Tax, with HB Construction for the Remodel of the El Rancho Community Center Kitchen (Community Services Department)**
ISOLATED FOR DISCUSSION
 6. **Approval of Grant Agreement Amendment No. 1 Between Santa Fe County and DFA for Addition of Chimayo Museum in the Amount of \$70,000 for Total Funds of \$1,937,000 (Community Services Department)**
 7. **Resolution No. 2008-186. A Resolution Granting Authority to the County Manager to Execute Agreements with the Public Service Company of New Mexico Related to the Construction of the New First Judicial Courthouse (Community Services Department)**
 8. **Request Approval of a Real Estate Acquisition Agreement Between Santa Fe County and the Madrid Landowners Association, Inc. for the Transfer of the Madrid Ballpark Grandstands to the County (Community Services Department)**
 9. **Request Approval of a Service Agreement with the Madrid Landowners Association for Planning, Management, and Improvements At the Santa Fe County Madrid Ballpark Grandstands Facility (Community Services Department)**
 10. **Approval of Grant Agreement Between Santa Fe County and DFA in the Amount of \$119,411.31 for the Nambe Headstart and Youth and Agricultural Facility (Community Services Department)**
 11. **Approval of 2006 Grant Agreement Amendment No. 4 Between Santa Fe County and DFA Removing \$200,000 From the Pojoaque Valley Community Center and Reauthorizing to the Nambe Headstart (Community Services Department)**
 12. **Resolution No. 2008-187. A Resolution Granting Authority to the County Manager to Execute the Purchase Agreement and Closing**

- Documents for the South Santa Fe County Youth Agricultural Facility Property, Stanley, New Mexico (Community Services Department)**
13. **Resolution No. 2008-188. A Resolution Granting Authority to the County Manager to Execute a Lease Agreement to Provide Temporary Parking and Office Space During the Construction of the New First Judicial District Courthouse (Community Services Department)**
 14. **Request Approval of the Revised Amendment No. 1 to the Memorandum of Agreement Between the County of Santa Fe and the City of Santa FE for the Siler Extension Project (Growth Management Department)**
 15. **Request Approval to Enter Into a Lease Agreement with Wagner Equipment for 60 Months At \$2,081.26 per Month for a Caterpillar 928H Wheel Loader, Lease Number M410927 to Be Funded Out of the Road Maintenance FY09 Capital Funding (Growth Management Department)**
 16. **Request Approval to Enter Into a Lease Agreement with Wagner Equipment for 60 Months at \$1,619.46 Per Month for a Caterpillar CS-433E Vibratory Soil Compactor, Lease Number M411498 to Be Funded Out of the Road Maintenance FY09 Capital Funding (Growth Management Department)**
 17. **Request Approval to Enter Into a Lease Agreement with Wagner Equipment for 60 Months At \$2,081.26 per Month for a Caterpillar 938H Wheel Loader, Lease Number M411911 to Be Funded Out of the Road Maintenance FY09 Capital Funding (Growth Management Department)**
 18. **Request Approval to Award Construction Agreement #29-0035-UT/RSM to the Lowest-Cost, Responsive Bidder, RMC Inc. for the Via Don Toribio/Paseo de Tercero Sewer System Improvements Project in the Amount of \$154,712.00 Excluding Applicable New Mexico Gross Receipts Tax (Growth Management Department)**
 19. **Resolution No. 2008-__ . A Resolution Approving Salary Increases for Santa Fe County Elected Officials (Legal Department)**
ISOLATED FOR DISCUSSION
 20. **Resolution No. 2008-189. A Resolution Authorizing Legal Holidays and Closing of County Offices for Calendar Year 2009 (Human Resources Department)**

CHAIRMAN CAMPOS: Is there a motion to approve the Consent Calendar

with the exceptions noted earlier in the meeting?

COMMISSIONER MONTTOYA: So moved.

COMMISSIONER SULLIVAN: Second.

CHAIRMAN CAMPOS: Discussion?

The motion passed by unanimous [5-0] voice vote.

XII. A. 22. Resolution No. 2008-190. A Resolution Requesting an Increase to the Capital Outlay GRT Fund (213) to Budget Prior Fiscal Year 2008 Cash Balance for Water and Wastewater Projects in Fiscal Year 2009 (Growth Management Department)

COMMISSIONER SULLIVAN: Mr. Chair, my question on this – this is a large budget adjustment of almost \$2.4 million. The purpose, according to the memorandum seems to be for the purchase of water rights which are coming up. Then it mentions also other projects. And then I see in the budget resolution that it also talks about \$.2 million in grounds and roadways. And then it further breaks it down on the third page to about \$1.1 million in water rights and then \$1.1 million in various water/wastewater projects. My question was what the various project are. And then \$125,000 for repaving. So it appears that just about maybe half of this is for water rights and then I was curious as to what the other half was about.

DOUG SAYRE (Water Operations Division): Mr. Chair, Commissioners, what we are trying to do here is that in our budget we did not get budgeted for this in the 2009 budget for a lot of these projects. As Commissioner Sullivan has brought up, a lot of this is for the purchase of water rights, which had been approved and we needed to put the budget in here so that that was covered. The other is the various – some other water projects and wastewater projects that we anticipate need to be done, as well as some repaving that was part of a water project that we did. So we were trying to just bring all these project forward to you to see what was specific on those projects. I do note that there's two projects – the Glorieta Estates and the East Glorieta, probably should be deleted at the present time because those are anticipated, but those things would have to come before you for possible funding, and they are not ready for that yet. So maybe I could answer some more specific questions related to this, Mr. Chair and Commissioner Sullivan.

COMMISSIONER SULLIVAN: Well, Doug, are these coming out of our capital improvements bond, or where does this money come from?

MR. SAYRE: I would say – I would defer to Teresa to say where it's coming from.

TERESA MARTINEZ (Finance Director): Mr. Chair and Commissioner Sullivan, this is actually the capital outlay GRT fund, so this is the one that has the designated percentages for water, roads, and other projects. So just to explain, each year we budget revenue and expense equal to what we think what we'll collect in tax that fiscal year, what

we'll collect in GRTs. So at this point we've already exceeded that budget authority. So what I asked Millie to do was prepare a list of all the projects we knew were up and coming and then we take care of the budget authority in one shot rather than coming in each time a project is ready. So that's what this is. And I don't know – did everybody have an attached list of the projects? Okay. So this is budgeting GRT cash balance to accommodate these projects.

COMMISSIONER SULLIVAN: Okay, but I thought that GRT on the water category was all allocated to Buckman.

MS. MARTINEZ: The regional side is currently all allocated to –

COMMISSIONER SULLIVAN: I thought our side was too.

MS. MARTINEZ: But we've exceeded what we have on the bond, so we've allowed a small percentage of this, given that we'll have receipt collections over the next four or five years, that will accommodate the Buckman project. So we've allowed some small projects to occur on the County's side.

COMMISSIONER SULLIVAN: Wait a minute. We've exceeded what?

MS. MARTINEZ: On Buckman, we have everything right now on GO bonds. Anything related to GO bonds is already earmarked and encumbered for Buckman. So what we've chosen to do, in coordination with our bond counsel and our financial advisor is to spend the bond money first and let the GRT cash balance grow so that we don't run into any arbitrage issues, and also that we have the funding right now. The City has gone out a couple of times and they were not able to refinance. So it's kind of redirected our finance plan. So right now, every GO dollar that we've done is earmarked for Buckman is being used for Buckman.

COMMISSIONER SULLIVAN: Right. But that's only at the beginning. That's only \$35 million or something like that, isn't it? That's only half of what we owe.

MS. MARTINEZ: Right.

COMMISSIONER SULLIVAN: So we still have to pay the other half.

MS. MARTINEZ: We do.

COMMISSIONER SULLIVAN: Which will come from GRT, which we've been saving in our piggybank. And this is the first time – correct me. Maybe I missed it in the past. Is this the first time we're dipping into that water piggybank.

MS. MARTINEZ: This is the first time we're dipping into the water piggybank.

COMMISSIONER SULLIVAN: Okay. That was my concern. Because aren't we going to need all of the money in the piggybank?

MS. MARTINEZ: Yes. We're going to need as much as we can. But also the City is actively recruiting grants and loans and so to give you a constant update as to where that's at and to identify what's shared dually by the City and the County, and what may be also just a City loan. So I have a meeting this week. I'll get an update from the team. But right now this is what we're proposing to try to attempt to fund these projects.

COMMISSIONER SULLIVAN: But now, Mr. Sayre has indicated that the

Glorieta Estates and the East Glorieta are not projects that are ready for funding through this mechanism. Is that right?

MR. SAYRE: Mr. Chair, Commissioner Sullivan, that's correct. We don't have a JPA with them. They've just come to us and said that they need this funding, so we were trying to anticipate some of this, but probably didn't get all the paperwork done properly. So that's why I was saying we need to take those two off.

COMMISSIONER SULLIVAN: So this authorization should be for \$100,000 less than what we're currently looking at.

MR. SAYRE: Commissioner Sullivan, James brings up – they're coming to us and asking for funding, and so we anticipate that that's going to be necessary. So I think that's why we were saying, well, could we go ahead and put it on possible budget for consideration?

COMMISSIONER SULLIVAN: Well, I guess that's where I'm having a concern, and that is that – our these projects, just as any project comes into the staff and asks for funding is the staff going to say, Okay, fine. We'll fund those out of the bond fund? Or do these projects come to the Commission in the form of a capital improvement recommendation. This was on the Consent Calendar. This wasn't a part of our capital improvement plan and I don't know which of these are a part of our CIP priorities either. I don't think any of them are right now. But I'm not saying that they're bad projects but I'm just saying I don't quite understand the process here. If we're going to start chipping away at that water gross receipts tax fund what's the process that we're going to be doing that?

MR. ABEYTA: Mr. Chair, Commissioner Sullivan, we're not going to start chipping away at that. As Doug said, we've identified major projects. The purchase of the water rights that we need to fund. As far as Glorieta Estates and some of these others, they would still need to come before the Commission to get approval for that project. Now, if you feel more comfortable reducing this amount by \$100,000 then we can do that. And then we could have the discussion with some of these projects with the Commission, and then we'd just have to come back and ask for reauthorization or movement of the \$100,000. We were just trying to get ahead of the game, not necessarily committing to these projects but knowing that they are going to be coming in because they are having severe water problems there. We thought, well, maybe we might want to just include them in this but we could always deduct it and just come back after the Board actually signs off on some of those projects.

COMMISSIONER SULLIVAN: Well, I know each one, and we've got \$1.7 million in water projects and \$650,000 in wastewater projects. I know as each of these communities have come to us in the past, as La Cienega has done, certainly, and Agua Fria and many others and they're worthwhile projects and they're critical needs. But in each case we've had to review them because we have this issue of are we providing funds in accordance with the anti-donation clause. So we have that in each case. And I see in the Consent Calendar this time we finally after two years got through the Madrid grandstands acquisition. And that was a major accomplishment. I know that it pleases Commissioner Anaya and his district. But each one of these – I'm still a little concerned and not completely

on board with the idea that we just put these in the queue and then we budget for them and then suddenly we've created an entitlement to these communities before they've even come to the Commission. I'm not so much concerned about the dollar – whether it's \$100,000 here or \$100,000 there. I'm just concerned about what our process is for, first of all evaluating these requests, and then second of all having the Commission make the decision as to where their priorities are.

MR. ABEYTA: Mr. Chair, Commissioner Sullivan, there still needs to be an evaluation on these projects and sign off by the Commission. So maybe if you feel more comfortable taking off Glorieta Estates and East Glorieta – maybe leave the amount but the actual – well, we could either take off the \$100,000 – it'd be easier to just take off the \$100,000, Mr. Chair, and then once the Board considers that we could come back and ask for \$100,000 if the Board chooses to fund those projects.

COMMISSIONER SULLIVAN: All of these – let me just clarify, Mr. Abeyta – all of these other projects here are County projects. Is that correct? Like the Agua Fria laterals, Ben Lane. That's a County-initiated and County-constructed project. That's not a mutual domestic or a water and sanitation district.

MR. ABEYTA: Right.

COMMISSIONER SULLIVAN: Vista Aurora, Lopez Lane sewer line, that's part of the County sewer system. Is that correct?

MR. ABEYTA: Yes.

COMMISSIONER SULLIVAN: Okay. So all these other projects have been evaluated, I assume, by our own staff.

MR. ABEYTA: Yes.

COMMISSIONER SULLIVAN: Okay. And are needed as a part of the County's wastewater system, which I'm a big supporter of, that we get that extended as far as we can. So I guess that the only ones that I feel we should – where we have projects that are outside our County-authorized and approved projects, that we have this. We're not to put them in the queue until we've approved their viability.

MR. ABEYTA: Staff's okay with that.

COMMISSIONER SULLIVAN: So I would move for approval of the transfer in the amount of \$2,279,557 to exclude, at the present time, the water projects 3 and 4, not to indicate that they couldn't be considered in the future.

COMMISSIONER MONTROYA: Second.

CHAIRMAN CAMPOS: I have a question about Glorieta Estates and East Glorieta, Teresa. I understand you had a meeting with the folks in Glorieta in the last month or two.

MR. ABEYTA: Yes, Mr. Chair. They came to us with concerns regarding water quality issues that they're having. They have some state funding. They're going to request more funding from the state this coming session. So we've told them to go ahead and make those requests to the state, and then we explained to them the process that Commissioner Sullivan had that we would have to work out some kind of agreement and

then come forward before the Board of County Commissioners for approval before the County was able to commit any funds to it. And we talked about the different commitments and requirements and that there would still need to be an evaluation done by staff. But we did not make any commitments to them.

CHAIRMAN CAMPOS: Okay. Are these mutual domestics?

MR. ABEYTA: Yes.

CHAIRMAN CAMPOS: They're two mutual domestics that have come to ask assistance.

MR. ABEYTA: Yes.

CHAIRMAN CAMPOS: And the first one is simply engineering. Is that for viability determination of the project?

MR. ABEYTA: I'll let Doug answer that.

MR. SAYRE: Mr. Chair, basically it's a whole project but I think we put in – initially they asked for an evaluation of the engineering that would have to be necessary for that particular project. And so that's why we put that part in. I think we would also try to fund whatever other facilities need to be done. Specifically, they need another tank at a higher elevation and they also need some line work to move water to that tank. They also have a radium issue that we have to look at as far as how that's going to be addressed, because they're exceeding the standard on radium right now, and we are trying to look at regionalization of the area with the system, and also discussing with the Glorieta Baptist Assembly about the possible connection to their system to provide good quality water. So we're trying to address all this to you but that was the reason we're saying that perhaps we're a little bit, the cart before the horse about coming to the Commission. But it's just been presented to us that they have some severe problems and we're trying to anticipate some need out there.

CHAIRMAN CAMPOS: So they have severe problems and they have a plan, and they've asked us to participate in the plan and they've asked you for some money.

MR. SAYRE: Correct.

CHAIRMAN CAMPOS: Is that right? And the plan seems to be viable at this point in time?

MR. SAYRE: Very much so.

CHAIRMAN CAMPOS: Okay. And how many families are affected?

MR. SAYRE: My recollection is there are 35 families connected with the Glorieta Estates. The Glorieta East, we're trying to find out how many families are affected there. I'm not sure about that. We're meeting with NMED to find out what the extent of the Glorieta East system is. But it's similar. They need a new tank and they probably need some waterlines to connect to that new tank.

CHAIRMAN CAMPOS: And again, we're dealing with a mutual domestic.

MR. SAYRE: Yes, sir.

CHAIRMAN CAMPOS: And have they talked about increasing their rates to at least partially fund some of their needs?

MR. SAYRE: Mr. Chair, at the present, what we're trying to do is look at, okay, what agreements need to be facilitated between the County and NMED and that would be one of the items that we're going to address, probably in the agreement that NMED had. But it could also be addressed in the JPA that we have with them.

CHAIRMAN CAMPOS: Now, there's been a suggestion that these two items may be premature but yet you brought them forward at this point because you thought they were of sufficient importance.

MR. SAYRE: I agreed they would come to us and we anticipated that that was probably going to be in the first part of next year that we're going to need to look at how we possibly fund these things or help them get money to do the improvements, and I think it was just, as I say, kind of I guess planning ahead. We anticipated slightly for these, but because of the severity of their problem we thought maybe it might be wise to bring it to the Board's attention at this point in time.

CHAIRMAN CAMPOS: Okay. Commissioner Vigil.

COMMISSIONER VIGIL: I'm not in favor of the motion to remove Glorieta Estates and East Glorieta from this matrix. Of all the communities in Santa Fe County that are in dire need, and we've heard from many of them, Glorieta doesn't come to us. And I don't know if they don't know how to mobilize, they don't have a neighborhood association. There are very many independent rural settings there, so that may be part of the component. But if radon is part of this, if a need for a water tank is part of this, and I'm also thinking that part of this – I don't know if it's been communicated to you – but if they are going to the State Water Authority or to the legislators, having Santa Fe County support them could be a leverage for them to get some additional funds.

If they don't have a start somewhere, especially in their dire need, I think frankly, we are just turning our backs on this community who we haven't really created a focus for. So I think we should leave it there. If they have to come to us for a JPA or a memorandum of agreement, we can work out all the details, work with the issues with regard to anti-donation that is of concern, and take care of them now. But I think this community needs to know that Santa Fe County supports them in their dire need.

CHAIRMAN CAMPOS: Question for our County Manager. Mr. Abeyta, we've talked about mutual domestics, and as I understand it you cannot create a mutual domestic anymore but we're dealing with mutual domestics that were created years ago. A lot of them are failing, a lot of them are having problems with management, collection of money, and they were designed to be self-sustaining. Yet for some reason or another they're no longer self-sustaining and they have to go to the legislature to get money. Now they're coming to the County to get money. Have you done any more analysis on that mutual domestic issue?

MR. ABEYTA: Mr. Chair, we are actually taking a look at that. We are gathering information, not only that we have, but also that the state has on mutual domestics. We want to have an inventory from northern Santa Fe County to south, of all the mutual domestics, their status and what the issues are so that we can start planning for what role the

County may have to take in the future. So I would expect to have that information, hopefully by the first of next year.

CHAIRMAN CAMPOS: Okay. Commissioner Sullivan.

COMMISSIONER SULLIVAN: I don't think –

MR. SAYRE: I just wanted to advise you that we have met with NMED and what the County Manager advised you on, we are trying to get that list up so we get an evaluation of all these systems in Santa Fe County so we can come to you and say, these are severe problems, these are probably upcoming problems, but with all the mutual domestics, because as Commissioner Vigil has stated, they seem to be coming from all areas of Santa Fe County and we are trying to get a better picture of what the need is for water system improvements for the county.

CHAIRMAN CAMPOS: And what our role will be and what's their role. They're designed to be self-sustaining. They're supposed to support themselves and generate their own funds somehow. So we have to do the big picture analysis. Commissioner Sullivan.

COMMISSIONER SULLIVAN: And that's my point. I need to clarify what may have been inferred from Commissioner Vigil's comments. I'm not against the Glorieta Estates or any water system that needs assistance. I think though that the mechanism for doing that is not by putting it into a budget adjustment. I think the mechanism for doing that is by taking a look comprehensively at all of these problems or communities that we have and deciding how we're going to fund them, particularly since this is our first premiere decision to tap into these water gross receipts tax funds from that bond issue.

So I think we have a responsibility to all of these associations that have problems to say, okay, we're going to have a public forum and we're going to look at all of the issues that you're dealing with and the severity of them, how we can fund you and not only financially but legally how we can fund you. And of course I didn't bring up Glorieta Estates and Glorieta; Mr. Sayre himself brought that up as ones that were still not quite as far down the road. But I think we have to give the Commission and next year's Commission an opportunity to review all of these and see what our role is in them. Hopefully, we can help them and hopefully we can help them legally without having to buy every single one of them out.

And there's lots of alternatives in between that. Many of them don't want to be bought out; they want to maintain their autonomy and we always have to deal with that political issue with these small communities. They don't want to raise their rates. They want to retain their autonomy and they see very often Santa Fe as having control and they don't want to relinquish that control that they feel they already have. There are a lot of issues here beyond just the budget adjustment and that's what I was trying to get at in this particular Consent Calendar item.

JAMES LUJAN (Growth Management Director): Mr. Chair, Commissioner, I think what alarmed us on this on in Cañoncito was the radium, and they were feeling that at any day they may not be able to drink their water, so we were just getting prepared. We have been doing evaluations on all the water systems and looking at them. The only ones coming

to us are the ones with really severe problems, and I believe we're going to get those by default anyway because they're not going to have water. They're the only ones that are coming to us. So we've been looking at that and doing a good evaluation of all these things.

So I think in the long run, rate raises or whatever they're doing, we will probably get these communities by default because they're going to be without water one of these days and they're going to go with our fees by no choice. So we're working with all the communities in looking at that. But the radium issue was the big one for Cañoncito and we're just getting prepared to see if we might have to in Cañoncito to get them water in a quick manner.

CHAIRMAN CAMPOS: So are you talking about Cañoncito or Glorieta?

MR. LUJAN: I'm sorry. Glorieta.

CHAIRMAN CAMPOS: Because Cañoncito does have a radium issue also.

MR. LUJAN: They both have problems.

CHAIRMAN CAMPOS: They have a treatment plant coming on line, correct?

MR. SAYRE: Mr. Chair, Commissioners, yes. They do have one coming on line. But they also want us to get that waterline out there so that they don't have to do this in the future.

CHAIRMAN CAMPOS: I understand that but I don't figure that's going to happen in the near term.

COMMISSIONER SULLIVAN: But isn't that waterline, Mr. Chair, part of the bond issue? Mr. Sayre, isn't that waterline part of the bond issue on the November 4th ballot?

MR. SAYRE: Mr. Chair, Commissioner Sullivan, absolutely it is. That's –

COMMISSIONER SULLIVAN: Okay. So Cañoncito's radium problems, we've talked about many times, and that's ultimately led to one of the issues that I hope the voters will approve on the bond issue which proposes to get a waterline out into that area. But we're not talking about Cañoncito here. We're talking about another mutual domestic. Is that correct?

MR. SAYRE: Yes.

COMMISSIONER SULLIVAN: All right. Okay. It's Glorieta.

MR. SAYRE: You're correct on both counts.

COMMISSIONER SULLIVAN: Just to make that clarification. Thank you.

MR. SAYRE: We're talking about the bond issue for Cañoncito, Eldorado, and we're talking about Glorieta Estates separately, but they have the same problems as far as radium.

COMMISSIONER SULLIVAN: Mr. Chair, if the Commission feels they want to keep their money the same, I'm not dead-set against doing that. I'm just trying to point out that we need a system to be sure that we don't just establish the priorities for the mutual domestics by a Consent Calendar budget adjustment. The Commission needs to review the legal and financial issues and make an informed decision in front of the public about where these monies are going and how they're going to be done. So I'm not dead-set against the \$100,000 one way or the other but I do want to be sure that we know what we're investing in

here.

CHAIRMAN CAMPOS: I have another question for Mr. Sayre. This vote, this bond vote, is it expressly for the Cañoncito line? I thought it was couched in broader language so that the money could be used for the water projects depending on how priorities change and how things are assessed in the future.

MR. ABEYTA: Mr. Chair, you're correct. It's broad. That's just been one project that we've identified as a potential project to use on that funding. But you're right. All of those projects that are listed – as priorities change we may choose to fund other projects that we haven't identified at this point with that money.

CHAIRMAN CAMPOS: Okay. I know that the folks in Glorieta have an emergency and their situation is severe. I think we need to deal with it now and make, as Commissioner Vigil said, a commitment to them that they could leverage at the legislature. And I would go along with the staff proposal. But we do have a motion unless it wants to be amended.

COMMISSIONER MONTOYA: Mr. Chair, I withdraw my second.

CHAIRMAN CAMPOS: Okay, there is no motion. Is there another motion?

COMMISSIONER VIGIL: Move to approve with recommendations by staff.

CHAIRMAN CAMPOS: Is there a second?

COMMISSIONER MONTOYA: Second.

The motion passed by unanimous [5-0] voice vote.

MR. SAYRE: Thank you very much.

XII. B. 5. Request Approval to Enter Into Contract #29-0043-CSD/RM for \$142,736.23, Inclusive of Applicable New Mexico Gross Receipts Tax, with HB Construction for the Remodel of the El Rancho Community Center Kitchen (Community Services Department)

COMMISSIONER SULLIVAN: Mr. Chair, my question about this particular one was this project for \$142,736.23 was a no-bid project, and that was my first question is why we felt necessary to do it without bid. The second was why we've decided to go with CES. My experience with CES is that although convenient as kind of a state funding pool has traditionally been quite expensive. And usually when you can go out to bid you can better the CES prices substantially. So those were my two questions on that one.

PAUL OLAFSON (Community Services): Mr. Chair, Commissioners, Commissioner Sullivan, yes, the reason we decided to go with CES on this project was we were remodeling just the kitchen equipment in the El Rancho equipment in the El Rancho Community Center and we realized we had some larger Code issues for the commercial kitchen that prepares the food for the seniors program there, and we were looking for the most rapid and fastest way to get this turned around so that we could get the kitchen back up

and running for the seniors. Currently it is closed down.

And so we went through the CES contract as a means to do this as quickly as possible to get the kitchen open, get the meals back for the seniors. And you're correct, there is an overhead premium for using the CES contract. I believe it's two percent on this contract. But due to the time constraints and the need to get this kitchen remodeled so that we could get it open and go for the seniors we determined it would be more expedient to go through this manner than through the traditional bidding process. And it wasn't to exclude the bidding process it was just the time sensitivity of getting this kitchen open and running for the seniors.

COMMISSIONER SULLIVAN: Well, my own professional experience has been it's not just the two percent that CES charges it's the fact that they have a statewide negotiating agreement, and it's not necessarily a statewide price. Like you can buy gravel from statewide, but it simply authorizes them to be a sole negotiator. Well, any time you're a sole negotiator you don't have a really competitive bidding environment. And certainly, if it's an emergency, pumps are down or people are out of water or something like that, then perhaps there is justification for doing that, but it seems like remodeling a kitchen, while obviously an important thing for health and safety, it's probably not something in that same category of an emergency.

Was there any contact with any contractors to see if there was any particular interest in this job? Sometimes contractors just aren't interested in remodels because they're fairly complicated projects.

MR. OLAFSON: Mr. Chair, Commissioner Sullivan, we did not go out to any bidding process and we didn't do any even informal contact of contractors on this. And because when this came up at the beginning of the spring we were still in a situation, the economy hadn't quite changed to the point that we were getting so many contractors interested in contracts. We were afraid that a bidding process would take so long, and we may or may not get a competitive bid, that this would be the more expedient way to get the kitchen up and running. And I agree that it's not a health emergency, however, it was stressed that the seniors do rely on this service and the sooner we could get it running the better.

We do not traditionally do this. We do traditionally go out to bid and in this circumstance we determined that time sensitivity was important enough to make this move forward.

COMMISSIONER SULLIVAN: That's all the questions I had. Thank you,
Mr. Chair.

CHAIRMAN CAMPOS: Any other questions? Okay.

COMMISSIONER MONTOYA: Move for approval.

CHAIRMAN CAMPOS: Is there a second?

COMMISSIONER ANAYA: Second.

CHAIRMAN CAMPOS: Discussion?

The motion passed by unanimous [5-0] voice vote.

XII. B. 19. Resolution No. 2008-191. A Resolution Approving Salary Increases for Santa Fe County Elected Officials (Legal Department)

COMMISSIONER SULLIVAN: Thank you, Mr. Chair. It's appropriate that this be indicated under the Bingo category, under B-19, because it's a bit of a crapshoot. I wonder – It's my understanding and correct me, Mr. Abeyta, that these are the new statutory rates or maximums that are allowed for Santa Fe County. Is that what we're looking at here?

STEVE ROSS (County Attorney): Mr. Chair, Commissioner Sullivan, that's correct.

COMMISSIONER SULLIVAN: Okay. One of the items under here is the County Surveyor, which we've had discussions in the past about the advisability of continuing with the County Surveyor. For some reason we continue to do it. And now we're going to pay the County Surveyor more. I believe it's currently in the \$19,000 and now it looks like \$22,358. What services, if any, are we getting from our County Surveyor?

MR. ABEYTA: Mr. Chair, Commissioner Sullivan, the current County Surveyor, I'm not sure what if much we get in the way of services from the current County Surveyor. So I couldn't tell you.

COMMISSIONER SULLIVAN: Okay. So we have a new County Surveyor coming in on January 1st, and I think you've at least had some discussions with him as to how he might address this gap, shall we say. Could you give us an update on those?

MR. ABEYTA: Mr. Chair, Commissioner Sullivan, yes. The new County Surveyor has met with us. He was very concerned about abolishing this position. We let him know what our concerns were with the position and kind of the lack of product that we have seen from it, and he has started talking to our GIS section, Public Works, the road section, and we're going to try to come up with a list of duties or projects that he could work on for us, and we would bring that forward for the Commission to consider before we – or while we make the decision as to whether or not we want to pursue legislation to abolish this position in January with this coming legislative session.

COMMISSIONER SULLIVAN: Okay. And when would these changes take place?

MR. ABEYTA: He doesn't officially take office until January but we would expect we would probably have some kind of preliminary agreement or list of potential projects that we could bring to the Commission as an information item by December.

COMMISSIONER SULLIVAN: How about these changes in salary, for County Commissioners, the Treasurer, the Assessor, the Sheriff, the County Clerk, the Probate Judge, and the County Surveyor. When would those take effect?

MR. ROSS: Mr. Chair, Commissioner Sullivan, the newly elected officials' salaries would take effect on January 1 but for those who are not newly elected, such as the Assessor, they would take effect in two years.

COMMISSIONER SULLIVAN: Unless that constitutional amendment is passed. Is that right?

MR. ROSS: I'd have to take a look at that.

COMMISSIONER SULLIVAN: The one allowing mid-term increases. But in any case, with regard to the County Surveyor, the new County Surveyor coming in then would be eligible for this higher salary.

MR. ROSS: Correct. Correct.

COMMISSIONER SULLIVAN: As would of course the new Commissioners coming in.

MR. ROSS: The new Commissioners and Commissioner Vigil.

COMMISSIONER SULLIVAN: Commissioner Vigil, because she was re-elected, and the Probate Judge as well, right?

MR. ROSS: Not the Probate Judge, the County Clerk.

COMMISSIONER SULLIVAN: The County Clerk was re-elected. Okay. So the only two that it would not apply to would be the Probate Judge and the Assessor.

MR. ROSS: Correct. And the Sheriff.

COMMISSIONER SULLIVAN: And the Sheriff, until their re-election.

MR. ROSS: Correct.

COMMISSIONER SULLIVAN: Okay. Well, I still wonder, when we have this uncertainty, a) what the current County Surveyor is doing and then b) what the new County Surveyor might do, whether it's wise to increase his salary until we have some concept of what the surveyor is going to do for the County. Is this, Mr. Ross, is there just one opportunity to do this, or does the Commission have the opportunity – they don't have the opportunity to do it after he's already on board, do they? After January 1st?

MR. ROSS: That's correct. Right. After he's already on board.

COMMISSIONER SULLIVAN: After he's already on board –

MR. ROSS: Unless the constitutional amendment –

COMMISSIONER SULLIVAN: Unless the amendment passes, then the new Commission could not increase his salary to \$22,358.

MR. ROSS: Correct.

COMMISSIONER SULLIVAN: Or they could, but it wouldn't apply to him until the next election.

MR. ROSS: I have to look at how the timing issues work out. If the constitutional amendment does pass I will look at that to make sure that we're all on the same page on that issue.

COMMISSIONER SULLIVAN: Okay. That's all the questions I have. I had a concern on getting our dollars worth on the surveyor, being the only county in the 33 that has a County Surveyor.

CHAIRMAN CAMPOS: I understand. Is there any update on that County Surveyor? I know we've thought about going to the legislature and asking them to eliminate the position. Have we done so? I just don't remember.

MR. ROSS: Mr. Chair, we did have a bill I think two years ago that didn't get out of the legislature.

CHAIRMAN CAMPOS: What happened?

MR. ROSS: I'm looking for Rudy, but it didn't get anywhere.

CHAIRMAN CAMPOS: Is it because there was active opposition or just got delayed at the very end?

MR. ABEYTA: Mr. Chair, it's my understanding that the surveying community came out and opposed our proposal to abolish that position.

CHAIRMAN CAMPOS: Interesting. Are we going to make another attempt to abolish that position? Or are we going to just –

MR. ABEYTA: Either in November or December I'll bring forth potential projects and kind of a preliminary agreement with the newly elected surveyor and see if after hearing that whether or not this Commission still wants to pursue legislation in January. He's very concerned, the new surveyor, and he is stating he is committed to working with us and working this out because he and the surveying community feel that it is an important, needed position. So he just wanted – he wants the opportunity to be able to convey that to this Commission before we make that decision again.

CHAIRMAN CAMPOS: And a question for Mr. Ross. Do we have discretion to – is it all up or down? All or nothing? Or can we go to every position and say we approve this, we approve this, we approve that, we don't approve this?

MR. ROSS: We'll you certainly could approach the decision-making in that manner. These are of course maximum salaries.

CHAIRMAN CAMPOS: These are maximums. But we have the authority to select which we want to move up to maximums and which we do not. Is that –

MR. ROSS: I think so. I think that's correct.

CHAIRMAN CAMPOS: Okay. Is there a motion or anything going on?

COMMISSIONER SULLIVAN: Mr. Chair, I would just – and my thought here is if we're doing this bargaining that we're in a better position to bargain if we haven't increased the salary yet and we could still bring this resolution back in December's meeting if that bargaining went forward positively and if the Commission at that time said, Yes, it looks like this is \$22,000 worth of services, then the Commission could accept that maximum, but for the time being leaving it at the current salary because I think, as the County Manager has already testified, that we're not getting any services at present so we might as well not pay as much for no services as pay more for no services. So I would move that Resolution 2008-191 be adopted with the exception that item G relating to the County Surveyor not be changed from the current salary pending further evaluation.

CHAIRMAN CAMPOS: Okay. Is there a second?

COMMISSIONER VIGIL: I'll second it.

CHAIRMAN CAMPOS: Okay. Let's have a little discussion.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Anaya.

COMMISSIONER ANAYA: What's the current salary?

COMMISSIONER MONTOYA: It's \$19,000-something.

COMMISSIONER ANAYA: Oh, \$19,000. Thank you.

COMMISSIONER VIGIL: I have some discussion, Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Vigil.

COMMISSIONER VIGIL: Roman, is it possible to create some kind of a fee for service with the new surveyor? Part of the problem we had was there was no clear identification with regard to what kind of services? For what purposes? To what extent those services would be utilized by the County? I think if we could do a fee for services agreement with the surveyor it will be a lot easier to know that our money, the salary is being utilized appropriately. Is that possible?

MR. ROSS: Mr. Chair, Commissioner Vigil, there's some constitutional restrictions on doing something like that. We could probably, if the new surveyor is willing to work with us, we could probably make such an arrangement with him but in no event could the salary increase above what's –

COMMISSIONER VIGIL: No, I'm talking about fee for service with a salary cap.

MR. ROSS: Right. Up to the salary cap. You'd have to be very clear about that.

COMMISSIONER VIGIL: That's all I have, Mr. Chair.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Montoya.

COMMISSIONER MONTOYA: On that, for newly elected, that covers re-elected officials also?

MR. ROSS: Yes, re-elected.

COMMISSIONER MONTOYA: Okay.

CHAIRMAN CAMPOS: Okay, there's a motion, there's a second. Any further discussion?

The motion passed by unanimous [5-0] voice vote.

X. OTHER MATTERS FROM THE COMMISSION

CHAIRMAN CAMPOS: Commissioner Montoya, do you have anything?

COMMISSIONER MONTOYA: Yes, Mr. Chair, I do. I gave you a copy of the discussion that we had with the North Central Regional Transit District staff on October 22nd. I just wanted to bring that to your attention, because there was some discussion at the Regional Planning Authority meeting by the members that expressed some concerns about the language that was in the print ad, and I just wanted to have you have this for the record, in terms of what was discussed. They did change the language on the website which they were

able to do. After a lot of discussion the inserts that were printed would have cost about another \$8400 to have had to redo those, so Councilor Rosemary Romero and myself deferred to staff as to whether or not they were going to put those out in the manner in which they were printed. So we have not heard back but my guess is that they're probably going to put them out knowing that the RPA has expressed their concerns about the language on there.

And Mr. Chair, the other thing that came up yesterday was through the New Mexico Acequia Association. They were fielding questions about one of the bonds, and I believe it's Bond D, that talks about \$8 million to acquire water rights. And apparently that Bond D is one of the state questions. And it's getting confused with our bond question, which is also for \$8 million for different water and wastewater projects. So I'm just bringing that to your attention in hopes that people don't get confused between what's being asked on our question and what's going on with the Bond D question, and confusing it that Santa Fe County is the one that's asking for \$8 million to acquire water rights, and the fear that those water rights that are going to be acquired are from the acequias. So taking those away from current acequia systems. So I just wanted to bring that to your attention. I don't know Steve. Did you or Roman see those? Have any thoughts other than what I just said?

MR. ROSS: Well, Mr. Chair, Commissioner Montoya, of course in our conjunctive management policy draft that's been circulating for three or four months that is going to come back in front of you soon, there's the long-standing I think unwritten policy of this Board not to purchase acequia water rights. And we haven't purchased acequia water rights. That helps.

COMMISSIONER MONTOYA: Thank you. That does help. That's all I had, Mr. Chair.

CHAIRMAN CAMPOS: Any comments on that particular issue? Okay. Commissioner Sullivan.

COMMISSIONER SULLIVAN: On that particular issue, I think for the public that weren't at the RPA meeting, it's very clear that we've had problems with the NCRTD, the transit district, in implementing anything that Santa Fe County has wanted, including service to Route 14 and the Community College District, notwithstanding the fact that they get \$1.5 to \$2 million a year in federal funds, Santa Fe County has only seen \$70,000 of that. This was another unfortunate indication of that lack of communication, more specifically, Jon Bulthuis from the City saw a draft of this particular insert that was going in the papers and made specific recommendations that it be more general and not so specific in nature because the board had no authority to make those commitments of Santa Fe County, if the board was going to abide by its resolution that 43 percent of the money would come back to Santa Fe County if the tax passes.

They didn't do that and they went ahead and printed the document and then I guess took the position that it's better to ask for forgiveness than it is for permission. And we now have a document and what the voting public needs to understand is what is printed in that document, which will be going out – there was an article in the *New Mexican* this morning about it – those routes and those changes and enhancements have not approved at all and the

Regional Transit District has no authority to approve those. So what you read in that you have to take with a grain of salt that it is put out as an advocacy position for approval of a tax that they will not have, if that tax is approved, they will not have the authority to establish those routes.

So it's a very unfortunate situation and once again we're going to have to ask the voters to wade through the lack of accurate information that they've been provided and to make their decision as best they can.

CHAIRMAN CAMPOS: Okay. On that issue? Commissioner Vigil.

COMMISSIONER VIGIL: I think it's – I disagree, respectfully, Commissioner Sullivan. I don't think it's inaccurate information. In fact, the NCRTD did take official action on these and it was in that sense that they moved forward with the advertisement. And part of the problem they had was a practical one because we removed ourselves from the RTD and then we reinstated ourselves, and so when official action was taken we had a substitute representative. Our substitute representative was there who abstained from the vote. But the NCRTD did take official action. They do have the authority to approve these routes. Those routes will very likely be amended through the Regional Planning Authority once the City and the County roll up their sleeves and are able to identify the highest and best needs for ridership.

So I don't agree that they asked for forgiveness instead of permission. In fact they just moved forward in the fashion that they were required to do so to meet certain timelines. So with that, I'm concerned about the mischaracterization of what's just been going on with the RTD. And that's it, Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Anaya, do you have anything else?

COMMISSIONER ANAYA: Thank you, Mr. Chair. I completely agree with Commissioner Vigil. I don't have anything else. I just want to wish everybody happy holiday. Happy Halloween.

CHAIRMAN CAMPOS: Commissioner Vigil.

COMMISSIONER VIGIL: I have nothing at this point. Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Mr. Chair, I would just take this opportunity to recommend to the public that they vote no on the so-called regional transit issue, which is not even defined as to what the issue is on the voting initiative. I cannot see any justification for Santa Fe County voters voting for a tax increase, particularly in these economic times, when only 43 percent of that money will come back to Santa Fe County. And I think that a no vote is the appropriate vote in light of what we've seen from the NCRTD in terms of their performance, and in light of the other issues as well regarding the Rail Runner. Thank you.

CHAIRMAN CAMPOS: Okay.

COMMISSIONER VIGIL: I have a question, Mr. Chair. A legal one.

CHAIRMAN CAMPOS: Question.

COMMISSIONER VIGIL: Steve, if this is something you'd like to get back with me later, I'd really appreciate it. Is it not inappropriate to campaign in a public forum for referendums or for candidates?

MR. ROSS: Mr. Chair, Commissioner Vigil, let's talk about that later, and we'll have a complete discussion about what the situation is. We're not supposed to have any campaigning within 100 feet of a polling place, and polling's going on in the hallway here so we need to be careful about that today because of the unique circumstances.

COMMISSIONER VIGIL: Thank you for clarifying that.

COMMISSIONER SULLIVAN: But aside from that, elected officials are certainly free to express their opinion to the public on how they feel about issues and I would strongly disagree, Commissioner Vigil. I'm very sorry that you're on the other side of this issue. I think it's very important to the voters. I think the voters will of course make the decision and what I've primarily tried to do is get information out to the voters that they haven't had with regard to this tax issue and which they're still, as we see just recently here, being confused by the nature of. So that's my concern, is that we have sufficient adequate and accurate information to the voters. Thank you.

CHAIRMAN CAMPOS: Okay. Let's finish this part of the meeting. I have no comments.

XIII. STAFF AND ELECTED OFFICIALS' ITEMS

B. Administrative Services Department

1. Review and Discussion of the Quarterly Financial Report

MS. MARTINEZ: Mr. Chair, Commissioners, enclosed in your packet is the standard chart that we normally include, a summary spreadsheet that shows by fund revenues and expenditures, kind of identifying whether or not the revenues reached the 25 percent mark for the first quarter, and identifying any expenditures that may be in excess of that first quarter benchmark. So I'll identify – within the written memo I've highlighted the revenue issues and the expenditure issues.

With regard to revenue, we have certain areas that came in over budget and we had definitely areas that came in under budget. Property tax collections are in line, basically, with the budgeted amounts for the first quarter, and the true test will be in December and January once we see the material collection come in.

Countywide, and the unincorporated GRT did really well the first quarter. And we are predicting for the year probably a two percent drop. We believe that the Rail Runner and all construction activities going on in the city and the county right now are going to carry it until December. So we did nine percent better than what we budgeted, and when I compared this to last fiscal year at this quarter, it was a two percent increase, as opposed to the City being down four percent in the first quarter, which was about \$800,000, \$900,000 for them. We had the reverse situation, seeing an increase of about \$859,000. So that's good news.

And I suspect that once January and February come around, we'll see the GRT drop significantly.

With regard to revenues generated from motor vehicle and cigarette taxes, they were

under budget by a total of \$53,000. Ambulance fees were higher than budget by \$74,000. Construction permits were slightly under budget by a total of \$5500, and solid waste fees were under budget by \$12,600. County Clerk recording fees fell under budget by \$20,000. Investment income is over budget by \$443,000, and of significant concern for us is the road fund gasoline tax. It fell significantly under budget by a total of \$61,000 for the first quarter, so we'll be watching this one closely and if the impacts continue the remainder of the fiscal year that may affect operations. So we'll have a better idea in December as to how that's doing. But it has a red flag on it for right now. So we're watching it.

CHAIRMAN CAMPOS: Come again.

MS. MARTINEZ: The road fund gasoline tax was significantly under budget for the first quarter. And if it continues in that fashion that will affect our operations.

CHAIRMAN CAMPOS: How far off is it?

MS. MARTINEZ: \$61,000.

CHAIRMAN CAMPOS: \$61,000?

MS. MARTINEZ: Yes. And with regard to expenditure activity, there's nothing really of alarm. I just wanted to point out that the bond fund and the debt service funds [inaudible] Like we spent at least 55 percent to 80 percent, but most of our debt service payments are due July 1st, so there's no area of concern with regard to expenditures right now.

I want to speak a little bit to the state of the economy. Current market conditions have us all scared. Governmental agencies and the public as well. So we're doing a couple things internally to try and give taxpayers some satisfaction that the County is totally aware of the current situation and that we're watching certain things. We're currently working on a report that will be given to Roman. We'll have a little more detailed report for you tomorrow, but we're looking at many cost-saving measures. Take-home vehicles was the first. We're going to be looking at cell phones. We're going to be looking at maybe reducing expenditures or freezing expenditures altogether. Most of that recommendation will probably come to you by December 1st or mid-year, depending on how property tax collections materialize.

I want to point out that the immediate area of concern in the County – there's a couple of areas that we're really watching closely. The Corrections Department is one. We've had two significant contracts lost, both for the adult function and the juvenile function. With regard to the Department of Corrections contract at the adult function, that revenue had previously been relied upon to make the debt service payment of about \$2.4 million. So we're working closely with HR and Corrections Director to make sure that we get the population into our facility. Unfortunately, and fortunately, inmate population has taken a downward turn, and that was a result of the DOC loss of contract. So Annabelle's out there right now. I know she's recruiting. She made a presentation at the Association of Counties meeting in Ruidoso. So we're doing everything we can to work with entities that are either maxed out in their facility or don't have a facility for inmates.

Right now, at both the juvenile and the adult facility population numbers are down. And we'll have detailed information for you as well tomorrow. As a note, revenues collected

for the care of prisoners for the first quarter were under budget by six percent. And we'll probably see higher percentage numbers come September. I think the last of the DOC inmates exited our facility in August. So we'll keep a high eye on that.

We also have to watch services that are supported by the St. Vincent MOA. So we're looking at that. And we're negotiating that now; that will probably be on the November agenda for you. But we have CARE Connection, we have health services, we have senior services that are all supported by that MOA. So we want to bring that to your attention with more detail as well tomorrow.

And I think I don't intend to go through the pie charts or the spreadsheet unless you have any specific questions, so I will stand for questions right now.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Montoya.

COMMISSIONER MONTOYA: Teresa, under the property tax collections, do we anticipate that some people may not be able to afford to pay their taxes as a result of what's going on?

MS. MARTINEZ: Mr. Chair, Commissioner Montoya, we very much do. If they – people right now are struggling to pay their house payments. So if they're struggling to pay their house payment it's in all likelihood going to be difficult to make property tax. We have noted – the last recession we went through was in 2002 and 2003 and we saw that in 2003 property tax collections were down by almost a million, \$900,000. So we'll have to wait and see in December but very much so it's on our radar and I guarantee collections will be done in December and January.

COMMISSIONER MONTOYA: Then Mr. Chair, Roman, on the Corrections Department, being that we lost one contract. Have we – I know Española, the City, has expressed some interest in having their inmates housed in our facility as opposed to having to go all the way to Gallup. Have we had that meeting yet? Do you know if –

MR. ABEYTA: Mr. Chair, Commissioner Montoya, we've been having a hard time scheduling a time with Councilor Herrera. So maybe if you can talk to him you might want to set something up also because you may have better access to him that we – or better luck with him than we have. But we are trying.

COMMISSIONER MONTOYA: Okay. Okay. Thank you, Mr. Chair. Thank you, Teresa.

COMMISSIONER SULLIVAN: Teresa, in your report I see that our youth facility now has a population of only twelve, and Annabelle gave me an update just a few weeks ago, and I appreciate that, to let me know where things were. And a commitment from other agencies of another 18. Well, that's still only 30 potential and only 12 now and my recollection was that facility holds about 100 in that youth facility. What are we going to do? This is really critical. This is not, it's going to get better next year.

MS. MARTINEZ: Right. Mr. Chair, Commissioner Sullivan, we're all on the same page as you are and very concerned and working closely together. My understanding is that CYFD had put additional training requirements and those requirements I think were

completed a week, about a week and half ago. And once those training requirements were completed, Annabelle was then going to start transitioning in the 18 committed that we have for the juvenile, and then start recruiting.

If you look at all the reports there is a shortfall in beds for the juvenile population, and most of that is in the northern part of the county, so she's trying to work with all of those respective agencies and get people into the facility, if you will.

COMMISSIONER SULLIVAN: I wonder – I think we're at a crisis point here and I guess we'll discuss it more in our workshop tomorrow at Bishop's Lodge. But we've got to make some critical decisions here. Either we close that facility down and stop the bleeding, or we promote it. And my question is is that Annabelle's job, quite frankly? She's got to run two correctional institutions and deal with the Department of Justice and the list is as long as your arm as to what that poor lady has to do. I just question whether it's in her job description to also have to go out and get 70 more beds for the youth facility.

This thing is draining us. And it's wonderful to have a youth facility in Santa Fe where incarcerated youth and their parents can be local, because they do say that parental support for youth is one of the key factors in getting them out of that mode. But of these 30 there's only a handful that are actually from Santa Fe County. They're from other areas. And it's not that we don't want to provide the best service possible but the question is how far does our obligation go. So I think what we need to talk about tomorrow is are we going to keep this facility open or not? And if everybody says, Okay, it's a wonderful facility and it's good for our local youth. All right. You've made that commitment. Now, how are you going to fund it. This thing is bleeding us to death. If you say yes, we're going to keep it open. We're going to keep all of those training requirements and those personnel that they require to provide these educational services and these rehabilitative services, we've got to spend that money.

But then we've also got to get someone out there on the road and hustling business. And I don't know that that's Annabelle Romero's job. I think that we've got to support her more than we are doing if we're going to fill this facility and make it pay. We just keep pushing this off and saying, well, it's going to get better, and we're going to do this and there may be a contract. And that went all the way back to the days of Mr. Parrish, when he was the Corrections Director. It's always going to get better. And it never got better. It would stabilize from time to time. And now with the economy as it is it's getting less better.

Have you, and I know as Finance Director you're looking at the dollar side of it and Roman has to look at the policy side of it. But is there anything you can shed, any light you can shed on this as to what you think we should do?

MS. MARTINEZ: This will be in tomorrow's report, Mr. Chair, Commissioner. Exactly everything you just said is what we've been looking at. We've been working with Annabelle and her staff. The options obviously are close the function. A second option is to determine do we run it for Santa Fe County children and only cover a base level of expenditure which would mean, okay, if we have anywhere from two to ten to 15 children, then how many more beds would we need to recruit just to sustain operations. And obviously

if we close it – we currently have two children that are county children right now. It would be definitely cheaper to contract them out to another agency than continue to run the operation. But as you explained, the parental interaction is very important, so we're looking at the various options and trying to recommend it.

If you're asking from a financial perspective, I would have to recommend that we close or run it just for county children at base level expenditures, because you're correct. We're operating at a net loss, and it is crisis mode right now. I call – every Monday I have the counts sent to me so that I know what our population is and I haven't seen it increase. So I have a call into Annabelle. We're going to work together to see how those 18 committed children would transition in, and then based on tomorrow's discussion, do we even entertain the 18 children or do we just get sufficient children to cover the basic expenditures for county level children only.

So we have several options out there and some tough decisions are going to have to be made with regard to this function.

COMMISSIONER SULLIVAN: Well, thank you. I look forward to hearing that report tomorrow. Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Any other questions? Ms. Martinez, it just seems to me that the crisis that we're looking at financially in this country is going to be more than just a few months; it may be a few years. And it seems that revenues will likely go down.

MS. MARTINEZ: Mr. Chair, that's correct.

CHAIRMAN CAMPOS: So I understand you're working on a plan with the County Manager. When will we see that?

MS. MARTINEZ: You'll see a tentative report tomorrow.

CHAIRMAN CAMPOS: Tomorrow?

MS. MARTINEZ: Yes. And it will identify areas that we definitely see for freezing or reduction. It will highlight the critical areas that we definitely have to take a hard look at and determine whether they'll continue operations. This may very well be the last year of their operations if the revenues do not continue. We've been very fortunate. I want to let you know that there's a lot of agencies at the start of this fiscal year that couldn't even balance their budget. They were at a deficit. The City currently is at a \$4 million deficit. Santa Fe County is very fortunate that we have a solid fund balance that will probably carry us through an 18-month recession. If we exceed that then we're going to be in the same shape that everyone else is.

So we're going to recommend many cost-cutting measures, many freezes, many holds, and I think that's all in an effort not to offend people but to continue and sustain our current programs and our current staffing. That's our goal right now.

CHAIRMAN CAMPOS: As far as the children's facility, do we have a good relationship with CYFD? A good understanding? I've heard both, there is and there isn't. When we took on the children's facility a number of years ago, staff – we had a committee appointed – staff members made a recommendation to do it; it's all going to work out; projections are positive. It hasn't worked out that way. And CYFD I understand is not totally

comfortable with what the County is doing.

MS. MARTINEZ: Mr. Chair, I'll find the right person to answer that.

CHAIRMAN CAMPOS: Okay. Let's deal with that later. But I do agree that it's a very prominent issue for our consideration.

COMMISSIONER MONTOYA: Mr. Chair, Roman, is Annabelle going to be at that meeting tomorrow?

MR. ABEYTA: Yes.

COMMISSIONER MONTOYA: She will? Okay.

CHAIRMAN CAMPOS: Thank you.

MS. MARTINEZ: Thank you.

XIII. B. 2. Presentation From Impressions Advertising of the Santa Fe County Advertising & Promotional Efforts for Fiscal Year 2008 and Upcoming Efforts for Fiscal Year 2009

RUSS ROUNTREE: Good morning, Mr. Chair, members of the Commission. My name is Russ Rountree. I am president of Impressions Advertising. We currently hold the promotional contract for generating tourism to Santa Fe County. You have a packet that was placed with your meeting packet that includes a cover of the marketing goals and marketing tactics for fiscal year 09 as well as some results of the previous fiscal year budget, and the immediate plan is included in the packet as well that we are working on for fiscal year 09.

Our marketing goals include increasing the number of visitors to Santa Fe County, increase the awareness of Santa Fe County as a travel destination, increase the length of overnight stays, increase visitor spending on overnight stays, increase visitor spending on total visitation expenditures, increase repeat visits and increase ad inquiries – conversion rates, and web user sessions. Our tactics to attempt to reach these goals include a national and regional print advertising campaign. It consists of the campaign that you saw last year. We're working with the same creative which is: Santa Fe, it's no place like home. We will also have an in-state broadcast cable advertising program. We're partnering with the Santa Fe Convention and Visitors Bureau, receiving what the industry calls B-roll, which is additional footage that they're using for their promotional efforts. They received a slight funding supplement to their budget from the County Lodgers' Tax Advisory Board and in exchange for that increase in their item they are turning over the footage from that shoot to us that we'll be able to use to put together our advertising program that will air statewide on both broadcast and cable outlets.

We will continue with our on-line marketing projects that we have this past year. We advertised in Dallas, Denver, Oklahoma, Phoenix and Houston. Quite successful program. Not very expensive but the yield on it is pretty impressive. We will continue with our public relations promotional campaign and a big project that we'll be undertaking this year is a research project that the board has asked us to undertake. The research project will primarily

answer and shed light on some things like where do people come from when they visit Santa Fe County? What are people doing when they get here? Why are they coming to visit the county? And are the messages in the advertising program appealing to those people who visit Santa Fe County? We'll also receive information as far as number of overnight visitors to the county, average length of stay, visitor spending and total visitation expenditures.

The lodging properties will be assisting us in this research program. They will be handing this survey out to their guests, either through their front desk or in-room. Our firm will collect these on a monthly basis, tabulate them and present quarterly reports to the Board, as well as a final year-end report on this. The board's intent is that it gives some qualitative analysis that they will be able to show to the Board of County Commissioners as to the strength of visitation and tourism into Santa Fe County, as well as hopefully the effectiveness of the advertising and promotional campaigns.

And then as just a brief recap from fiscal year 08, some of the marketing results that we've seen this past year, an increase in lodgers' tax collection of about three percent over the previous fiscal year, an increase of about 26 percent for advertising inquiries over the previous year, and an increase in website inquiries of almost 92 percent for fiscal year 08 over fiscal year 07. If there are any questions from any of the members of the board I'd certainly take those at this point.

CHAIRMAN CAMPOS: Commissioner.

COMMISSIONER VIGIL: Thank you. Thank you, Mr. Rountree. Appreciate the update on this. This may be a question for our Finance Department and I don't know if Evelyn or anyone – Teresa is here. Is there a component of the lodgers' tax that is reserved for capital improvements to promote tourism?

MS. MARTINEZ: Mr. Chair, Commissioner Vigil, we don't have a set-aside reserve if you will. Fund 214, which is basically the bricks and mortar fund, has been growing a cash balance and that basically is earmarked for exhibit halls, welcome centers, those types of things. But there's no set reserve, if you will, just a cash balance.

COMMISSIONER VIGIL: Have we utilized those funds in the last couple of years, maybe three years, for capital improvement purposes?

MS. MARTINEZ: Probably not. The last time we did anything of that nature would have been for the County Fairgrounds when we were approached by Mr. Torres. So it's been growing cash. I don't recall anything in the last three years.

COMMISSIONER VIGIL: Okay. Has the Lodgers' Tax Advisory Board discussed that fund in terms of recommendations for improvements, perhaps to the County Fairgrounds?

MS. MARTINEZ: Typically, they haven't. Typically if someone approaches us – but they're going to have a meeting this week. I can ask Evelyn to add that as another issue under administration if you'd like, and they can start thinking about that, put that on the agenda.

COMMISSIONER VIGIL: I think they should discuss some of the options and staff should come forth with them with some of the capital improvement options. The only

one that comes to mind for me is the County Fairgrounds and it's become more apparent as I've heard that people are going out there and voting. And so those are the comments that really brought this issue to mind for me. So it might not be a bad idea so that that fund doesn't sort of accumulate and we get other projects that could create a benefit for the purposes of this fund come forth. Thank you.

The other comment I had is I note that the 400-year anniversary group will be contacting – and they have contacted me and perhaps some of the other Commissioners with regard to assistance and those promotional, marketing programs. I don't know if they have come before the Lodgers' Advisory Board, if they're on a future agenda. I know they want to come before the Commission.

MS. MARTINEZ: Mr. Chair, Commissioner Vigil, I attended one meeting when Mr. Bonall came and introduced it and I believe he's placed himself if not on another agenda, he's contacted Evelyn and is very much working the Lodgers' Tax Board with regard to that celebration.

COMMISSIONER VIGIL: And I know that at our next presentation they may be coming forth just to give us an overview, but I think if it is funding that we need to support them with they need to go to the Lodgers' Tax Advisory Board. So I'm glad to know that there has been contact made. Thank you.

COMMISSIONER MONTOYA: Mr. Chair, along those same lines, what about like the Fiesta Council. Because they come before us and request and it seems like this would be an appropriate source for that expenditure as well.

MS. MARTINEZ: Mr. Chair, Commissioner Montoya, they have probably approached us for the last three or four fiscal years and we've actually given them money each fiscal year with regard to maybe some of the programs. I think most of the funding has gone to program distribution and actually creation of that print program. So they are using the Lodger's Tax Advisory Board for that function.

COMMISSIONER MONTOYA: Okay. And then a question for Mr. Rountree. In terms of the website advertising that you're talking about, are we utilizing it on our website, santafecounty.org?

MR. ROUNTREE: Commissioner Montoya, Mr. Chair and members of the Board, it's my understanding – I've met with Mr. Ulibarri about him putting a link. I don't know if he's actually a person but he and I have met about that. I don't know whether that link was put up or not, but it was certainly offered that the tourism link be placed on the County proper website. Yes.

COMMISSIONER MONTOYA: Okay. So is that potential – at least has been discussed?

MR. ROUNTREE: Yes. Certainly from a technical standpoint there's nothing that prohibits that and from a philosophical standpoint there's obviously no problem there as well.

COMMISSIONER MONTOYA: And I'm curious. Just in terms of content, in terms of what you send out – Dallas, Denver, wherever. Do you include sites like we have in

northern Santa Fe County, like the santuario, the pueblos, those sorts of tourist destination sites? Galisteo has some. Throughout the rural parts of the county. What type of promotion are we getting in that northern Santa Fe County, southern Santa Fe County?

MR. ROUNTREE: Commissioner Montoya, Mr. Chair, members of the Board, yes, the fulfillment piece we currently have lists not only cultural and historical sites of interest to visitors but also businesses found within the various communities throughout the county that are tied to tourism, that being restaurants, hotel establishments and other visitor-type areas. But as far as your question with respect to the santuario and other cultural and historic sites, yes, they are included in our promotional material, and they're extensively listed throughout our website that I might just add is currently being revised, being updated. There's a lot of content on the current tourism website, and it's a little bit cumbersome to have the person viewing that site get around the various portions of the site. It's kind of set up in a more – I don't know. I can't recall if it's right brain or left brain, but it's not the way you'd normally, that you and I perhaps would go through a site. So we're revamping that. We're keeping all the content, just making it a lot more user-friendly.

COMMISSIONER MONTOYA: Okay. Thank you. I appreciate that. And then regarding – are there any potential avenues to take in terms of joint advertising, say with some of the pueblos and what they're doing – to piggyback off of them, maybe, or help each other out?

MR. ROUNTREE: Commissioner Montoya, Mr. Chair, members of the Board, as I'm sure you're aware, this is a little bit of a sticky area to get into here, vis-à-vis the lodgers' tax issue. Most of the pueblos, or all of the pueblos that have lodging facilities charge a lodgers' tax but it does not go to a municipality other than the sovereign pueblo or the reservation of which they sit or operate on. So there's been a belief from the Lodgers' Tax Board, which they also feel is the feeling of the Board of County Commissioners that without paying to be a part of our county promotion through some type of funding mechanism, be that a portion of the lodgers' tax that they raise, it's not fair to those other entities that pay true lodgers' tax to the County for promotion.

I know that there has been a bit of discussion and I believe it was taken on an administrative level between pueblo and administrators of the County to have some type of discussion about some joint publicity there and promotional efforts but I don't think it was met with much agreement on behalf of the pueblos.

COMMISSIONER MONTOYA: All right. Thank you.

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Just a quick one, Russ. The three percent increase in lodgers' tax that you indicated for this past year, what has historically been the increase in prior years?

MR. ROUNTREE: Commissioner Sullivan, Mr. Chair, members of the Board, it's been anywhere in the neighborhood of about two to seven percent over previous years. There's been a couple of years where it's just barely eked out at a positive number. So that's pretty much been the annual number that's pegged for an increase there over the last four or

five years.

COMMISSIONER SULLIVAN: So we're not doing too bad, is that what you're saying? Or we're kind of holding our own?

MR. ROUNTREE: Commissioner Sullivan and Mr. Chair, when we look at other areas and specifically the City of Santa Fe we're doing fairly well. They've had a difficult time in increasing their lodgers' tax. And this is preceding the current economic situation. They were not increasing their lodgers' tax collection at quite the rate that the county had been. So we consider it, yes, a moral victory that we're doing pretty well.

COMMISSIONER SULLIVAN: Okay. Thank you.

CHAIRMAN CAMPOS: Thank you very much.

MR. ROUNTREE: Thank you for your time.

CHAIRMAN CAMPOS: Mr. Abeyta, we have about ten minutes before the lunch break. Which item do you think we should take? Should we just take them in order?

MR. ABEYTA: I think we should, Mr. Chair. We had a discussion regarding this last month but we do have to have the public hearing on the fire impact fees. But I think we could get through it in the next ten minutes.

CHAIRMAN CAMPOS: So you want to do that first, and that's a public hearing.

MR. ABEYTA: Yes.

XIII. C. Community Services Department

1. Presentation, Review and Discussion of Updates and Amendments to the Land Use Assumptions, Capital Improvement Plan and Impact Fees Schedule for the Santa Fe County Fire and Rescue Impact Fee Ordinance, to Include Recommendations From the Advisory Committee and Fire Department Staff (Community Services/Fire) (Public Hearing)

DAVE SPERLING (Deputy Fire Chief): Mr. Chair, Commissioners, I'm here to give you this afternoon an overview of our impact fee program. I'll just take a couple of minutes. The ordinance was first approved in August of 1995 with an update done approximately five years later in 2002. The intent of the impact fee program for fire and rescue impact fees is to collect fees based on gross covered floor areas of new residential and commercial development throughout the county. It's generated by new development in fire district in particular, and the funds are used for capital improvements only – fire stations, apparatus and equipment. It's not for personnel or operating costs.

We use a formula where we classify land use per NFPA 12-31, and that's basically by risk associated with both the use and the occupancy type. Riskiest structures place higher burdens on vehicles and stations. That's kind of the basis of the NFPA 12-31. The impact fee program is an essential mechanism for partially funding capital improvements throughout the

15 volunteer fire districts. Those capital improvements that are related directly to growth over the next five years.

We're required by ordinance and the Development Fees Act to update the capital improvement plan and the land use assumptions approximately every five years. We're also required to use an advisory committee, which we did. This year we had five members on our advisory committee including Chair Robert Larragoite, Bill Agnew, Helen Boyce, Bennie Gomez and Bob Lockwood. And I would like to recognize their hard work and dedication on the advisory committee. We met four times and they were most helpful. We also used a contractor, Southwest Planning and Marketing, Bruce Poster.

The basis of the land use assumptions is to kind of look in the crystal ball for the next five years and decide what residential and commercial growth will look like in Santa Fe County. According to the work done by the advisory committee and Southwest, they're estimating over the next five-year period that growth projections will continue at a consistent pace with the last five-year period. A slight increase in county growth and a slight decrease in city growth, with a substantial increase in the regional planning area. Commercial growth is estimated to increase by 2.51 million square feet through 2012, and all those figures are located in the land use assumption plan.

The CIP basis, forecast for land use growth from the land use assumption plan is converted to estimates of capital improvement needs for the next period. It incorporates both existing Fire Department inventory and current existing needs which have not been met, and then we anticipate capital improvement needs to meet growth through 2012. As you look through the plan you'll see the fire districts' capital improvement needs are listed at \$9.775 million, and those are summarized in Exhibit 7, columns 3 and 4. The total department needs exceed \$17 million. Those include existing needs as well as projected needs over the next five years.

The committee came up with a recommendation and it was to adopt the land use assumption plan, adopt the CIP, and raise the impact fee level to a level needed to meet capital improvement needs for the next period, which would mean an increase in residential Class 7 construction, for instance, of from 275 cents per square foot to 85 cents per square foot – quite a significant increase.

Staff recommendations are to concur with all the recommendations from the advisory committee with the exception of the fee increase. We're recommending as staff that we maintain the current fee schedule for NFPA Classes 3 through 7 that was established in 1996 and renewed in 2001. This would represent no increase in fees for the update period 2007 through 2012. And part of our reasoning for this was we recognized the potential hardship resulting from an increase on Santa Fe County residents. We also recognize that the current industry is undergoing a downturn and that there are also inflation concerns out there.

But I would like to stress that the impact fee program in its current configuration is truly an essential program to fund a portion of the department's capital improvement needs. And I'd be happy to stand for any questions.

CHAIRMAN CAMPOS: Questions? Commissioner Montoya.

COMMISSIONER MONTOYA: What percent increase is being recommended by the committee?

MR. SPERLING: Mr. Chair, Commissioner Montoya, the committee recommended an increase from 27 cents a square foot to 85 cents a square foot. So it's about three times.

COMMISSIONER MONTOYA: About three times?

MR. SPERLING: About three times the current.

COMMISSIONER MONTOYA: Okay. And are we going to be able to continue at the same rate and fee that we've been operating on for 13 years now?

MR. SPERLING: Commissioner Montoya, again we recognize the hardships that an increase in fees at this time will have on Santa Fe County residents. I think that a portion of the fees, a portion of what we use for capital improvements over the next five years is funded by the capital improvements plan and program. It's certainly not going to fund everything that we need. There are other mechanisms that we're looking at to do that.

COMMISSIONER MONTOYA: So this will help complement those then.

MR. SPERLING: It will. It will help complement what we currently have in the pipeline.

COMMISSIONER MONTOYA: And did all of the advisory committee members concur? Was it a unanimous vote?

MR. SPERLING: Commissioner Montoya, to increase the fees in the recommendation?

COMMISSIONER MONTOYA: Right.

MR. SPERLING: It was a unanimous vote.

COMMISSIONER MONTOYA: It was unanimous? Okay.

MR. SPERLING: Yes, sir.

COMMISSIONER MONTOYA: Okay. I think that's all I have. Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Vigil.

COMMISSIONER VIGIL: Thank you. One of the concerns I have, and I recognize this is probably true only because it's a capital improvements plan but as I look at all of this, La Tierra fire station is not mentioned at all. Do you want to explain that?

MR. SPERLING: Commissioner Vigil, the La Tierra fire station is part of the Agua Fria fire district and Agua Fria fire district, we're anticipating the greatest needs of all the fire districts to arise over the next five-year period in that district, both in commercial and residential development. Certainly the La Tierra station will play an essential role in the near future in meeting those needs.

COMMISSIONER VIGIL: But there is no planned improvements? Capital improvements? If the answer is yes, there are no plans, what are the plans for manpower coverage there?

STAN HOLDEN (Fire Chief): Mr. Chair, Commissioner Vigil, your point is very well taken. There are significant plans for the development of La Tierra fire station

specifically, but the station is a part of the Agua Fria fire district and so all the plans that are developed within the Agua Fria fire district incorporate La Tierra. And La Tierra includes from a different funding source, because impact fees by law cannot be utilized for personnel. They can only be utilized for capital expenditure.

And so we have within our existing infrastructure plan monies to expand the La Tierra fire station. As a matter of fact we're working with Community Services Projects and Facilities management now to let an RFP for architectural and engineering services for the expansion of both the La Tierra station and the Pojoaque station to accommodate the new paid staff that this Commission has approved. And that paid staff of course is being funded from a different source.

COMMISSIONER VIGIL: So, Stan, are you saying that because it's included as the Agua Fria fire district that you haven't listed it here; it's inclusive under the matrix for Agua Fria?

CHIEF HOLDEN: That's correct, ma'am.

COMMISSIONER VIGIL: Is that correct?

CHIEF HOLDEN: That's correct.

COMMISSIONER VIGIL: Okay. I wonder, would it be difficult to include it as a separate item so that I don't make the mistake of looking at this and saying, oh, my God, they've discluded this. Or is there a difficulty in doing that?

CHIEF HOLDEN: There's not a difficulty in doing that. The problem is that by state law and by ordinance the monies have to be collected within a fire district and expended within the same fire district. And so our tendency has been to look at each and every fire district when we come up with a capital improvement plan and only refer to it as plans within those fire districts. So in other words, we would not look in Pojoaque and identify the Nambe station as a specific plan, nor would we in Tesuque for the Tesuque station too. It's all encompassing. And I apologize if it's confusing for doing it that way, but that's --

COMMISSIONER VIGIL: Part of the problem is that I guess Agua Fria includes more than one site.

CHIEF HOLDEN: Yes, that's true.

COMMISSIONER VIGIL: And Tesuque and Pojoaque. Do they or don't they?

CHIEF HOLDEN: They all have multiple sites. Every fire district in the county with the exception of Galisteo and Glorieta, have multiple sites.

COMMISSIONER VIGIL: Maybe a preface to explain that in the capital improvement plan.

CHIEF HOLDEN: We could do that.

COMMISSIONER VIGIL: Would be really helpful. Because as I reviewed it I thought there are districts or areas or sites that are discluded. So I would just recommend you amend the capital improvement plan to identify what sites are within what districts.

CHIEF HOLDEN: Yes, ma'am. We will do that.

COMMISSIONER VIGIL: Thank you.

CHAIRMAN CAMPOS: Any other questions? Commissioner Sullivan.

COMMISSIONER SULLIVAN: Chief Sperling or Stan, whoever, I was surprised at the large increase that you're projecting in commercial growth in the La Cienega fire district of 1,095,00 square feet, and the closest even to that anywhere is Edgewood and Pojoaque, around 400,000, 480,000 square feet. How far does the La Cienega district go? Does that include Airport Road? I'm just wondering what's going on in La Cienega that I haven't heard of lately. So we got a million square feet of commercial in there in the next five years.

MR. SPERLING: Commissioner Sullivan, it is a large fire district. It does go up to the Airport Road area and incorporates a lot of the growth that's going on in the regional planning area surrounding the city on that southwest area.

COMMISSIONER SULLIVAN: Does that include the Community College District also? La Cienega?

MR. SPERLING: Yes, it does.

COMMISSIONER SULLIVAN: And Route 14?

MR. SPERLING: Yes.

COMMISSIONER SULLIVAN: Okay. So that's a real big area in terms of just surface area. And the other question I had was, of the Classes 3 through 7, you indicate in the report, residential is Class 7; everything else is commercial, right? Classes – well, I didn't quite understand that. In the report it said residential, Class 7 and then it said commercial, Class 3 to 7. So is there a difference between the Class 7 residential and the Class 7 commercial?

MR. SPERLING: Commissioner Sullivan, if you refer to your capital improvement plan.

COMMISSIONER SULLIVAN: I was looking at Exhibit 5.

MR. SPERLING: If you look at beginning on page 3 of the capital improvement plan, some of the hazard occupancies under each classification are listed. And Class 7 includes residential, but also hotels, motels, bed and breakfasts, which would be considered commercial.

COMMISSIONER SULLIVAN: Okay. So all residential, regardless if it's condominiums or apartments or single-family homes is classified as 7.

MR. SPERLING: Commissioner Sullivan, that's correct.

COMMISSIONER SULLIVAN: Okay. And the staff recommendation is that at this current time there be no increase in impact fees in any of the Classes, 3 through 7. Is that correct?

MR. SPERLING: Commissioner Sullivan, that's correct.

COMMISSIONER SULLIVAN: Okay. Thank you very much.

CHAIRMAN CAMPOS: Okay. This is a public hearing. Anyone here who would like to testify – state your opinion for or against – now has the opportunity to do so. Okay, no one having come forward the public hearing is closed. Discussion?

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Anaya, are you going to make a motion?

COMMISSIONER ANAYA: Yes, sir.

CHAIRMAN CAMPOS: Well, let's have discussion first. If there's any discussion, I'd like to have it before a motion. Any discussion? Okay, Commissioner Anaya.

COMMISSIONER ANAYA: Move for approval as per staff recommendation.

CHAIRMAN CAMPOS: What is staff recommendation?

COMMISSIONER ANAYA: Leaving it the same.

CHAIRMAN CAMPOS: Exactly the way it is. Is there a second on that?

COMMISSIONER VIGIL: There was one exclusion, wasn't there?

CHIEF HOLDEN: Mr. Chair, if I could just clarify real quick.

COMMISSIONER MONTOYA: Second.

CHAIRMAN CAMPOS: Just a second. You're seconding the motion of Commissioner Anaya to maintain all rates exactly the same.

COMMISSIONER MONTOYA: Exactly.

CHAIRMAN CAMPOS: Stan Holden.

CHIEF HOLDEN: I just wanted to point out that even though we're recommending that the rates stay the same, the fee stays the same, that the land use assumptions and the capital improvement plan are new. So they're updated, based on the newest information. So those are the things that the Commission needs to update and approve in regard to this so. So I didn't want the Commission to believe we were leaving everything exactly the same, because the Developmental Fee Act, which is the enabling legislation, and the County fire and rescue impact fee ordinance requires that the land use plan and the capital improvement plan be updated regularly. So that's what we're coming forward with, as part of the recommendation.

CHAIRMAN CAMPOS: Is that's what before us today, Stan? Is today, we're just talking about the increases today?

CHIEF HOLDEN: Well, I'm going to defer to counsel, because in reading the caption, the caption, Mr. Chair, says presentation, review and discussion of updates and amendments to the land use assumptions, capital improvement plan, and impact fees. So I would think they would include all three. But unfortunately, it does not include the term "approval" in the caption. It was our intent to seek approval but we may need to have a subsequent meeting based on the counsel's recommendation.

MR. ROSS: Well, Mr. Chair, we're not making any changes so I'm not sure any action is needed.

COMMISSIONER MONTOYA: Other than updating the –

MR. ROSS: Well, we're required to update the land use assumptions periodically, but we're not making any changes.

CHAIRMAN CAMPOS: To the assumptions.

MR. ROSS: Well, no. To the rates.

CHAIRMAN CAMPOS: What about the assumption issue?

MR. ROSS: Well, the assumptions we're required to look at periodically, but since there's no change that's recommended and the Commission doesn't seem inclined to make a change you don't probably need a motion.

CHAIRMAN CAMPOS: To change them.

MR. ROSS: We would need a motion to change them, to change the impact fees, but since we're not, I'm not sure we need to take any specific action.

CHAIRMAN CAMPOS: Other than that. Okay. So there's a motion.

Discussion?

COMMISSIONER ANAYA: I'll withdraw my motion then.

COMMISSIONER MONTOYA: And my second.

CHAIRMAN CAMPOS: There was a motion to leave the fees as they were, and now it's been withdrawn?

COMMISSIONER VIGIL: Yes. And so has the second. Interesting. Is there another motion? It's lunchtime guys. Let's get to the –

COMMISSIONER SULLIVAN: Mr. Chair, I don't think we need a motion.

CHAIRMAN CAMPOS: We don't need a motion because it's already – we're just going to leave it alone. Well, we don't know that there's not going to be a motion to increase, do we? Is there a motion to increase the rates?

COMMISSIONER VIGIL: I think the issue is that it has not been noticed appropriately for an action item, Mr. Chair.

CHAIRMAN CAMPOS: Is that correct?

MR. ROSS: Well, certainly we couldn't take action to increase the rates.

CHAIRMAN CAMPOS: We cannot.

MR. ROSS: Based on the caption that we have in front of us. It's a discussion item.

CHAIRMAN CAMPOS: Okay. So then we're just not going to do anything on this case. Is that right?

MR. ROSS: And the fees stay the same unless there is some action. Correct.

CHAIRMAN CAMPOS: Okay. So if anybody wants to have this item for increase, the caption has to change. Is there any support for that on this Commission? Okay. So it's about 12:10 and I guess we'll break to about 1:30.

MR. ABEYTA: Yes, Mr. Chair, at which time we will go into a Board of Finance.

CHAIRMAN CAMPOS: Okay. So we'll break till 1:30, unless there's an objection.

[The Commission recessed from 12:10 to 1:35.]

CHAIRMAN CAMPOS: It's about 1:35 and we're going to be on item XIII. Staff and Elected Official Items.

XIII. Board of Finance (Treasurer's Office)

COMMISSIONER ANAYA: I move that we go into Board of Finance.

CHAIRMAN CAMPOS: Okay, is there a second?

COMMISSIONER SULLIVAN: Second.

The motion passed by unanimous [3-0] voice vote. [Commissioners Vigil and Montoya were not present for this action.]

CHAIRMAN CAMPOS: Okay, we're now acting as the Santa Fe County Board of Finance. There's two items, A. 1 and A. 2. Mr. Montoya has asked that we reverse the order and have A. 2 first. And he needs about 30 minutes to make his presentations on item 1 and 2. Is there any objection to that?

XIII. A. 2. Resolution No. 2008-___. A Resolution Designating the First National Bank of Santa Fe As a Depository Financial Institution for Santa Fe County As Outlined in the County's Investment Policy, Resolution No. 2007-102 [Exhibit 3: Updated Memo and Supplementary Information]

VICTOR MONTOYA (County Treasurer): Good afternoon, Commissioners. Chairman Campos and Commissioners, on today's agenda, October 28th, we have for your consideration a request from First National Bank of Santa Fe, pursuant to Section 9-B of the County's investment policy, First National Bank has applied to become a depository financial institution authorized to receive deposits of Santa Fe County's funds.

I guess in brief, First National Bank of Santa Fe made a presentation to the County's investment committee on September 11th where we considered the following information. They proposed the following rates on certificates of deposit for a \$5 million investment, with a yield of three percent for 12 months and 3.1 percent for 24 months, paid by check quarterly. The bank stated that they are a well capitalized financial institution with income of \$7.5 million through August of 2008. They are financially strong and qualified for a Class A risk classification, the highest available under our investment policy. The committee informed them to be prepared to answer the following questions at a minimum: How competitive their rates were, what percentage of the funds would be invested in the community, how does the bank support and participate in community events and programs?

In addition to the proposed resolution designating First National Bank as a depository financial institution, I've included – I've handed out now – a copy of their cover letter and application that includes their rate sheet with proposed CD rates, their risk assessment ratios for banks, a certificate of their charter, quarterly call report for the period ending 6/30/2008,

and the 2007 annual report, and their bankrate.com rating for the First National Bank. I did not include all the other information in your packets because there's just a lot to hand out, but if you need any additional information we'll be happy to supply it.

With that, I'd like to introduce the team from the First National Bank. With me here today I have Kathy McGee, stand up. She's vice president of corporate banking. Jennifer Lind, senior vice president, and Michael Ragsdale, chief financial officer. And we know stand for any questions you may have.

CHAIRMAN CAMPOS: Mr. Montoya, is this a locally owned bank?

MR. MONTOYA: Yes.

CHAIRMAN CAMPOS: How many depository banks does the County have?

MR. MONTOYA: Right now I believe we have, I think it's – let's see, we have First Community Bank, Los Alamos National Bank, Wells Fargo, and that's it. This will be the fourth one.

MR. MONTOYA: How do you divide up the deposits between your other – let's say and this bank? How do you divide it up?

MR. MONTOYA: Well, the way I've been allocating the share of deposits is primarily based on how competitive they are with their rates. And so the more competitive they are the more that I invest with them. Because we want to make sure that as much of the money that we invest with them is kept here in the community so that the citizens of Santa Fe County have access to auto loans, construction loans, that type of thing. And so that's – we do have some procedures in our actual investment policy for the County, but there is – I think in statute they have what is called the fair share for the banks that are available, but in our case I've been advised in the past by one of our County Attorneys who's no longer here, that just because they're willing to give us their minimum rate that we don't really have to take that and we could probably make an argument for not investing with them if they can't be competitive with the other banks that give us really good rates.

CHAIRMAN CAMPOS: How much money do you have deposited here with our depositories at the present time?

MR. MONTOYA: In total?

CHAIRMAN CAMPOS: Roughly.

MR. MONTOYA: I could give you a rough idea. I have in my presentation on the next item, it has my investment policy. I have the entire amount of our County's investments in CDs, government agencies, the Local Government Investment Pool, and I think that's it.

CHAIRMAN CAMPOS: Okay.

MR. MONTOYA: So if you want to wait till then or I could tell you –

CHAIRMAN CAMPOS: We can do that.

MR. MONTOYA: Okay.

CHAIRMAN CAMPOS: Any questions for Mr. Montoya? Commissioner Montoya.

COMMISSIONER MONTOYA: Victor, I was unable to attend the last

Finance Committee meeting. Was this on the agenda for that meeting?

MR. MONTOYA: I think it was the meeting before.

COMMISSIONER MONTOYA: The meeting before?

MR. MONTOYA: Before. And at that time I think the committee agreed to ask the Commission to – or the committee recommended that they be made a financial – this depository institution.

COMMISSIONER MONTOYA: Okay. And how are they going to be in terms of competitive rates with the other depositories that we have now?

MR. MONTOYA: Well, Commissioner, of course we have a lot of history now with both First Community Bank and Los Alamos National Bank, and some of those investments will be maturing both this year and next year. So those rates will not be as high going forward because fed funds are now 1 ½ percent and currently, even with our repo account over at First Community Bank, that has dropped down now to one percent on that. So I think that the rates quoted here are very competitive.

COMMISSIONER MONTOYA: So they're actually higher?

MR. MONTOYA: Yes. In some instances they're higher. But actually, I've been buying quite a few what's called brokered CDs from Wells Fargo, and Wells Fargo, I think the lowest rate that I'm getting there is about 3.1, and as high as 3.65, and I have one particular CD at 5.19. So I've actually done quite well on some of those yields that we're getting.

COMMISSIONER MONTOYA: With Wells Fargo.

MR. MONTOYA: With Wells Fargo. But those are all – those brokered CDs are all \$100,000 or less. And now, since the bailout, we can now get FDIC insurance of up to \$250,000, but that's only available through December 31st of 2009, unless they extend the period for those particular CDs.

COMMISSIONER MONTOYA: Okay. Thank you.

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Mr. Chair, I have a question for the First National. In your – this is the first time we've seen them. Victor has learned not to hand them out ahead of time. And so –

MR. MONTOYA: I apologize, Commissioner Sullivan.

COMMISSIONER SULLIVAN: In your consolidated reports, what does RCON mean? I see numbers in almost all of these columns and it's like RCONF 662, as opposed to – well, as opposed to I don't know what? What does that mean?

MICHAEL RAGSDALE: RCON, I'm not absolutely sure what the acronym stands for. It's just a regulatory reference call report line item. That's all that is. We issue these call reports on a quarterly basis to the FDIC.

COMMISSIONER SULLIVAN: Okay, like for example, I'll just pick a page, 39, item – loan secured by 1-4 family residential properties. It says RCONF 661. What would that mean? Would that mean 661 loans secured by 1-4 family properties?

MR. RAGSDALE: Oh, no. Again, the RCON, 5601, 5612 and so forth, is

strictly just an internal reference for regulatory purposes. That has no meaning to our numbers. Our numbers, First National Bank of Santa Fe actually would appear to the right of that, the 000s represent our numbers.

COMMISSIONER SULLIVAN: Okay. So those aren't – so we have to look to the right and then we find your numbers.

MR. RAGSDALE: Yes, sir. That's correct.

COMMISSIONER SULLIVAN: Like on the page before that, commercial industrial loans, 225, and so forth. Okay. Then in the notes, under asset quality analysis, they indicate a below normal reserve coverage for non-performing loans. Could you comment on that?

MR. RAGSDALE: At First National Bank of Santa Fe we have a below normal reserve over non-performing assets because we have very few non-performing assets. In fact our non-performing assets, I could probably literally count on my hand. As it goes with financial institutions in this time First National Bank of Santa Fe has maintained our asset quality all along the way. We're not – we haven't been subject to the problems that you're reading about in the *Wall Street Journal* and so forth in regards to lending in sub-prime products. We've maintained our lending standards and therefore we have very few non-performing assets.

COMMISSIONER SULLIVAN: And what would a normal reserve coverage be?

MR. RAGSDALE: On a non-performing asset we may cover 100 percent. If we had a \$100,000 non-performing asset we may have a reserve on it to the tune of \$100,000.

COMMISSIONER SULLIVAN: But when they say you have a below normal reserve coverage, what is your reserve coverage?

MR. RAGSDALE: Commissioner, would you mind pointing me to the page that you're referencing?

COMMISSIONER SULLIVAN: It's page 3 of 5 in the – it says holding company information, First National Bank of Santa Fe. It's the last document in the packet that you handed out, under asset quality analysis.

MR. RAGSDALE: This is the independent analysis that we've pulled off the internet, and I believe that what they're referring to, or I'm sure what they're referring to is that as far as normal reserve coverage on non-performing loans, we may be below normal, and based upon on our internal assessment, we have maybe decided that we do not need 100 percent coverage on non-performing assets. More importantly what I would say is that as far as non-performing assets goes I've looked at statistics across financial institutions that are our size nationwide and our ratio of non-performing assets to total assets is in the five percentile. We've always been known to be very low in the number of non-performing assets compared to our competitors.

COMMISSIONER SULLIVAN: And then one last question, Mr. Chair, was in other institutions that we've looked at for depository services, they've given us a document on their community profile and community services. I didn't see that in here so perhaps you

could tell me what your community services are, or if it is in here, perhaps you could point me to it.

JENNIFER LIND: I can tell you a little bit about what's in the document that Kathy's going to hand out to you. *[Exhibit 4]* One of the things that we really pride ourselves on at First National Bank of Santa Fe is our involvement in the community. And we encourage all of our employees to be very involved. We give them time away from their job to be involved. We encourage that if they want to be a coach of their son's basketball team and that's what's important to them at their time in their life, we encourage that. We think that the involvement that they have in the community doing such things is a good representation of First National Bank in the community. We want to be leaders, not just in what we're doing every day at the bank but also what we're doing in the community.

We all have children and families and this is very important to how we lead our lives and we want to be leaders in their lives as well. So we really very much encourage that participation by our employees. About 35 percent of our staff and our board give their time and talent and service to the community. We just this last year did about 4,500 hours of bank-sponsored and personal time devoted to community service on an annual basis.

Just recently an example of something that we've done is we've gotten very involved with Homewise and the affordable housing program that they offer to the folks here in Santa Fe that are looking to buy a home at a certain income level. And so we had Homewise come in and give a presentation to our employees and show them how they too could participate in this program. We have an employee on our staff that is completely devoted to that connection with Homewise. And so we have one employee, full-time equivalent staff that all she does is be our community liaison with entities like Homewise. She works with the Federal Home Loan Bank. We do Habitat for Humanity. I think we went out twice this year and spent two days each time and helped build homes, and we give our employees the day off to go do that.

So we're very, very involved in the community in lots of different ways. I'd be happy to answer any specific questions that you have.

COMMISSIONER SULLIVAN: Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Any other questions? Commissioner Vigil, you have a motion?

MR. MONTOYA: Mr. Chair, if I could just add one other thing. I would just like to say that if approved, the committee recommends the collateralization of 102 percent, which is our standard when using an irrevocable letter of credit. The only exception would be if they pledged government agencies as security. Thank you, Commissioners.

CHAIRMAN CAMPOS: Does that have to be part of our motion, Mr. Montoya, or is that in your discretion? Or is it part of County policy?

COMMISSIONER VIGIL: It's investment policy.

MR. MONTOYA: Yes, it's investment policy. Well, we can go down to as little as 50 percent, but because, especially nowadays with these financial conditions that we have, we can go down to as little as 50 percent collateral based on their risk analysis rating. However, I recommend that we keep it at 102 percent. I don't know if this is true or not but I

have heard that there is some conflict between the constitution and state law, and according to the constitution, I've been informed that the constitution requires us to charge 102 percent, whereas state law allows us to go down to as low as 50 percent collateral. But since I've been the Treasurer here I've required 102 percent of any investment that's made where they're using a letter of credit, and if they're using pledged securities, it's at least 100 percent in that area.

CHAIRMAN CAMPOS: Thank you. Commissioner Vigil, you have a motion?

COMMISSIONER VIGIL: I do. Mr. Chair, I move that we adopt this resolution.

COMMISSIONER SULLIVAN: Do we have a copy of the resolution somewhere? There's nothing in the packet. Do you have one?

MR. MONTOYA: Mr. Chair, Commissioners, I was remiss in getting information to Legal, and they were drafting it I think an hour before lunch, and I don't know if he finished it or not but it's my fault and I'd just like to apologize for not having it here on a timely basis.

COMMISSIONER VIGIL: Mr. Chair, with that, I'll withdraw my motion until we receive a copy of that resolution. I'm hoping that it will be done before the end of the day and we can take action on it.

MR. MONTOYA: Thank you, Commissioner, Mr. Chair.

XIII. A. 1. In Accordance with Santa Fe County's Investment Policy, 2007-102, the County Treasurer Will Present the County's Investment Portfolio to the County Board of Finance for the Quarter Ending September 30, 2008 and the Treasurer's Investment Plan for the Foreseeable Future [Exhibit 5]

MR. MONTOYA: Mr. Chair, Commissioners, during the past nine months the financial world and its markets have been turned upside down, both domestically and globally and have suffered their greatest losses since the Great Depression. Some of these examples include the insolvency and bankruptcy of Freddie Mac, Fannie Mae, and their takeover by the federal government, the bankruptcy of Merrill Lynch, the bankruptcy or near collapse of many investment banks and the bankruptcy of Wachovia Bank and its likely takeover by Wells Fargo.

In terms of our investments, we have not suffered any losses to date, as we do not invest in equities, CMOs (collateral mortgage obligations), mortgage-backed securities and other sub-prime lending instruments. Our investments consist of government agencies, which are bonds, certificates of deposit in excess of \$100,000, and funds invested by the State Treasurer and the Local Government Investment Pool. All our investments are secured or collateralized by the full faith and credit of the federal government, or 102 percent by an

irrevocable letter of credit or pledged government agencies where we require 102 percent collateral. The only place where we have some exposure is the commercial paper and money market funds that the State Treasurer invests in, as we are not collateralized by the State Treasurer.

I have attached a copy of some additional information that I'll refer you to a little bit later in my presentation. This memorandum is submitted to present the County Treasurer's investment plan for the foreseeable future and to give the County Board of Finance a status report of the County's investments. My primary objective is to ensure that the County's portfolio contains safe, liquid and diversified investments while earning a market rate of return on all money that is not immediately required to meet the County's cash flow needs. Part of this is to diversify the portfolio and invest in all permitted investment authorized under the policy.

We have interest-bearing accounts, certificates of deposit insured by the FDIC with new limits of up to \$250,000 or collateralized at 102 percent for CD investments over \$250,000. We also have government agencies – treasury bills, which I don't have any of, and other debt securities issued by and backed by the full faith and credit of the United States.

I continue to look for investments that benefit our economy here in Santa Fe County that will assist banks, credit unions, with the ability to provide mortgage loans, auto loans and construction financing to our county constituents. The investments currently in financial depository institutions for the County are as follows: with First Community Bank, in addition to our demand deposits, we have \$5 million in a seven-month certificate of deposit and \$10 million. Each one of those is yielding 3.55 and 3.75 for the 13-month CD. The balances in our bank accounts are swept into an overnight repurchase agreement and redeemed the following morning. The overnight repo is currently one percent due to the drop in fed funds rate.

Should fed funds be lowered another quarter of a percent in the future our overnight repo accounts would yield half a percent. All investments are secured at 102 percent by the banks' pledging of securities.

COMMISSIONER VIGIL: Mr. Chair, I have a question with regard to that.

CHAIRMAN CAMPOS: Go ahead.

COMMISSIONER VIGIL: Victor, thank you very much for the report thus far. Now, the Feds did lower the rate today. Are we impacted to this extent by the lowering of the rates?

MR. MONTOYA: On the overnight repo account we will be impacted because the policy or the agreement that we have with the bank, First Community, and this is the only bank that we have a repo account, they pay us fed funds less 50 basis points. So it will impact us. So from now on probably starting the 1st of November their rate will then be half a percent on the overnight repo account.

COMMISSIONER VIGIL: Okay. And if the Feds choose to lower the rates even more, will there be a different or a more exhaustive analysis of our returns?

MR. MONTOYA: Yes.

COMMISSIONER VIGIL: Okay.

MR. MONTOYA: With Los Alamos National Bank, this bank received financial depository institution status from the County Board of Finance in August of 2005. We currently have \$20.1 million invested in CDs, fully collateralized at 102 percent with an irrevocable letter of credit issued by the Federal Home Loan Bank in Dallas. Los Alamos National Bank has offered the County some of the most competitive rates that we enjoy today. Currently, these are just some examples. I think this amount totals out to about \$13 million out of the \$20 million, and I gave you the highest CD rates here. As you can tell, some of these will mature in August of 2009, August of 2010. I have \$5 million maturing now on November 1st and \$5 million on April the 26th. These rates beat both First Community Bank and the Local Government Investment Pool. We expect to increase this category by an additional \$20 million on the 1st of November from the gross receipt bond sale.

That investment will be laddered out to the time that the director of Community Services gave me a timeline as to when he would need the funds. I anticipate that we will be able to get a much better rate of return, probably around 3.50 on this particular \$20 million. At the pool, we're currently in September earning 1.7. So it's probably double, at least double what we would get at the pool.

With Wells Fargo, this is the third bank to receive financial depository status. We use this bank to invest in brokered CDs. All are insured by the FDIC up to \$100,000, and since the bailout, that amount has gone up to \$250,000. Currently we have approximately \$3.3 million in these types of CDs with yields ranging from 3.1 to 5.19. The State Treasurer's Local Government Investment Pool, to provide a comparison of how investments are doing compared to the LGIP, here are the results for the LGIP for the last three months. September was 1.71, August was 2.50, July was 2.4, and the current investment balance at the LGIP for September was approximately \$90,100,000.

Government agencies or bonds, as part of our diversification of assets have increased our holdings to \$51.1 million. We expect to increase this category by another \$7.5 million by the end of this month from the gross receipts bond sale. These investments are again laddered to meet our cash flow needs as the projects materialize.

In closing, I have attached a copy of the Treasurer's report which shows all investments in CDs, government bonds, the Local Government Investment Pool and demand deposits that we have made to date. These investments show the principal investment, the effective annual interest rate, the term, and maturity. The County's total portfolio as of the end of September was approximately \$188,100,000. The County Treasurer's Investment Committee has been meeting regularly since April of 2005. I present an agenda to the committee each month that includes what investments have been made or matured and the minutes for the prior month. I strive to keep the committee informed by having our local banks and other entities make presentations to the committee on how they intend to use County funds to improve the economy of Santa Fe County. I want to thank the Investment Committee for their hard work and commitment to attend these monthly meetings. I know

they have many commitments and obligations they have to attend to on behalf of the County.

Before I stand for questions, Commissioners, I just wanted to give you an example of some of the issues that the committee discusses. For example, I think in the month of August we met regarding our custody bank, that's First Community Bank, and at that time I had read in the *Albuquerque Journal Outlook* that they were having problems and were closing down their Utah operations, and they were going to write off about \$280 million in commercial loans. So I brought that to the attention of the committee. I then asked Ron Sanchez, the regional vice president for First Community Bank to make a presentation to the committee and let us know about the status of their bank.

At that time the bank's stock price was around \$4 a share and so I was very concerned because that is our custody bank. And they came in and made their presentation and gave us their assurances of how they had addressed their deficiencies and their problems.

When Freddie Mac and Fannie Mae were going under I was again very concerned because we hold a lot of debt on Freddie Mac and Fanny Mae and we bought a lot of their agencies. Those particular agencies did not have the full faith and credit of the United States government. They only had the implied full faith and credit. However, since they've now been taken over by the federal government those are secured debt also, so – but again, I brought that information up to the committee and let them know about my concerns, and finally, Commissioners, I have attached a copy here, pages 4, 5, 6, and 7 of our portfolio with the different yields. Starting on page 8 I have the executive summary from the State Treasurer regarding the Local Government Investment Pool and I've highlighted some of the concerns that they express regarding the pool, and it's broken up into three portions. First is the investment strategy employed during the past quarter, the investment strategy plan for the next quarter, and the asset mix and target securities.

On page 9 you'll see a graph that depicts the investments of the pool. The items that I am most concerned about are item #2, called commercial paper discount-based and money market funds. Since we are in a pool we are out automatically – our investments at the pool are prorated based on the total amount that's invested at the pool. So on page 12 – well, let me start off with page 11, actually. I talked to Joelle Mevi Who is the director of investments over at the Local Government Investment Pool and she informed me that she compiled a schedule for me of the County's pro rata share of the LGIP commercial paper holdings, which is attached, and where we might have some exposure on our investments at the pool. And that's on page 12.

So we have roughly 11 accounts on here right now and we actually have one more that came from the sale of the GO bonds that's \$32.5 million. But as you can see, just on these 11 accounts, our potential exposure is approximately \$3.9 million. That's one of the reasons, another reason why I'm proposing investing some of this money with Los Alamos National Bank and government agencies, because that should reduce our exposure at the pool in those two specific accounts.

One of the principal concerns that they had was the money market fund, and on page 13, their manager for the money market funds called the reserve where they state the board of

trustees of the reserve fund announced on September 30th that it has voted to liquidate the assets of the reserve US government fund. Now, I've been, I guess, informed by the pool that they do not plan to liquidate these assets and as they mature they hope to realize everything that they have in there. But it's going to take some time. So with that, Commissioners, I think that concludes my presentation and I'll stand for any questions.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner.

COMMISSIONER MONTOYA: Victor, which portion are you talking about on page 12 that we're going to invest with LANB?

MR. MONTOYA: On page 12?

COMMISSIONER MONTOYA: Yes. I think that's where you had referenced.

MR. MONTOYA: Okay. On page 12, this amount that's shown on here, that's just a pro rata share of the \$30 million gross receipt bond that's invested in money market funds or commercial paper. So that would be \$820,000 of the \$3 million would be in there. But the total amount in account #7904 is \$30 million-plus. I think it's about \$30,080,000. Because we've been earning some interest on that. But out of that \$30 million I'm proposing to invest \$27.5 in government agencies and CDs.

COMMISSIONER MONTOYA: So are we looking at distributing some of these investments from the LGIP to LANB?

MR. MONTOYA: Well, LANB and government agencies, Commissioner.

COMMISSIONER MONTOYA: Okay. To those two.

MR. MONTOYA: Yes. So I'd be buying like federal home loan bank bonds, and like I say the yields on those are more than double of what we're getting at the pool. And then at the pool there's some insecurity based on those money market funds and commercial paper. Those are the only two items that are not collateralized at the pool, because the rest are treasuries and government agencies that they invest in.

So we'll pretty much be eliminating the majority of those investments then?

MR. MONTOYA: No, Commissioner. We still need to be allocated. I'm just reducing how much.

COMMISSIONER MONTOYA: Oh, reducing, yes. Not eliminating but reducing.

MR. MONTOYA: Yes.

COMMISSIONER MONTOYA: Okay. And based on the rates that we're seeing here for LANB, going back to the previous agenda item, higher than what First National can offer.

MR. MONTOYA: That's correct, Mr. Chair and Commissioner Montoya.

COMMISSIONER MONTOYA: So I guess my question would be do we need another institution then as a depository if we have one that offers something that's significantly better?

MR. MONTOYA: Well, Commissioner, I guess what I feel is they are pretty competitive, especially in this day and age. I guess the rates that were quoted to me by Los

Alamos National Bank, I pretty much need to act on them by the first of the month because they won't be guaranteed beyond that date. And I'm hoping that he's not going to retract due to the drop in fed fund rates. These rates are getting very competitive and usually they don't want to quote them to you for more than like a few days because they're changing so rapidly in the market place.

But I think it would be a goodwill gesture to add one more, and they're all local banks here in Santa Fe County. And I think it's a fairly competitive rate. We don't have to do \$5 million. That's how much they would like. I don't know if it would affect the yield. They just did comment to me that the rates had dropped but since they had quoted that in writing that they were willing to honor it.

COMMISSIONER MONTOYA: Okay. So we don't have to be obligated to invest with any of them if we chose not to. We could go all with one.

MR. MONTOYA: Right, Commissioner. But then you won't be diversified, okay? And so you'll have all your eggs in one basket. So if anything happens to one -- you never know. I'm always kind of pessimistic. That's why I require 102 percent collateral and that's why I recommend that amount to the Board, because you never know what can happen. Many of these government agencies are also valued on a day-to-day basis and of course the higher the interest rate the more marketable they are. If there was ever a chance that we had to cash one in basically we are buy and hold, because there's no way that we want to appear in the newspaper saying that we sold an investment and we had to take a loss because that's hard to explain.

COMMISSIONER MONTOYA: Yes. Okay. Thank you, Madam Chair.

COMMISSIONER VIGIL: Are there any other further questions or comments. Thank you, Mr. Montoya. With that, I'll entertain a motion to come out of the Board of Finance Board meeting and go into a County Commission meeting.

MR. ROSS: Mr. Chair, it's Steve in the Legal Department here. It looks like we have a resolution on the table that we didn't take action on.

COMMISSIONER VIGIL: And what we did, Mr. Ross, while you were gone is request that once it was available it would be distributed to us and we could review it for quick action.

MR. ROSS: Never mind.

COMMISSIONER VIGIL: Will that be available before the end of the day?

COMMISSIONER MONTOYA: Madam Chair, if it's not time-sensitive I would suggest that maybe we just table this to our next meeting.

COMMISSIONER VIGIL: Is it time-sensitive?

MR. MONTOYA: I think that the bank, they wanted us to bring it before you since last month. We told them it was too late in the month to do that and that the earliest we could do it would be today.

COMMISSIONER VIGIL: Okay. Let's move forward this way. If it does become available before the end of the meeting day we will consider it. So we'll continue it until it becomes available. If it is not available we will have to continue it until our November

18th meeting.

MR. MONTOYA: Okay. Thank you, Madam Chair.

COMMISSIONER VIGIL: Does that make sense, Mr. Ross?

MR. ROSS: Sure does, and I'll find out where the resolution is.

COMMISSIONER VIGIL: Okay. Thank you. So with that, in order to go to our next item we will need to get out of the Board of Finance meeting and go into a County Commission meeting. Do I have a motion?

COMMISSIONER ANAYA: So moved.

COMMISSIONER VIGIL: Is there a second?

COMMISSIONER SULLIVAN: Second.

The motion passed by unanimous [4-0] voice vote. [Commissioner Campos was not present for this action.]

COMMISSIONER VIGIL: If there's no opposition to this, Commissioner Campos will be returning shortly, and he has asked that we consider moving items XIII. C. 4 as our next item for discussion.

XIII. C. 4. Request Approval to Enter Into Contract #29-0)22-CSD/HGR for \$38,112,000.000, Excluding Applicable New Mexico Gross Receipts Tax, with Bradbury Stamm Construction, Inc. for Construction of the New First Judicial District Courthouse (Community Services Department)

COMMISSIONER VIGIL: If there's no objection I'm going to ask staff to come forward and give the presentation. And Commissioner Campos is here; I'll turn over the meeting to him.

JOSEPH GUTIERREZ (Community Services Director): Mr. Chair, members of the Commission, it's with great pleasure that I come to you today to discuss the contract award for the lowest bid for the First Judicial District. And before I have discussion on it I just want to introduce the people that have been participating in this process. I was just talking to Judge Hall and we estimate that this process has taken about 2 ½ years now, as we've gone in front of the Commission on different things. And I want to recognize Chief Judge Stephen Pfeffer, Judge Jim Hall, Judge Tim Garcia, Steven Pacheco, who's the court administrator, John Lehman, who's the chief architect with NCA on this project, Eduardo Ramirez, who's with Gerald Martin, and also Dennis Town, who is the vice president of operations with Bradbury Stamm is here with us also.

In addition the staff that put significant time on this project was also Paul Olafson of my staff, Steve Ross spent many hours with us, the support of the County Manager, Teresa in Finance, Richard Martinez in our office and Henry Roblero, the procurement manager.

In front of you today for consideration and approval is the award to the lowest bid for the construction agreement for the First Judicial District Courthouse. We went out to bid in September I believe, and we had a bid opening in October. We received four bids. We received a bid from Bradbury Stamm Construction, Cameron Swinerton, Hensel Phelps Construction, and Jaynes Corporation. We have very good participation in this process.

Bradbury Stamm was the lowest bidder. The base bid that they came in with for the project was \$35,930,000. The bid contained one add alternate. That was for the second level of underground parking. Their bid was \$2,182,000. The total bid with the add alternate was \$38,112,000. In addition we also – there was a requirement in the RFP that the bidders submit by 10:00 by the next day a certification of subcontractors regarding equal opportunity. Bradbury Stamm was late in submitting this item to the procurement manager. We're also asking that the Board authorize waiver of submittals deadline of the submission of the certification of subcontract regarding equal opportunity form. We felt that it was onerous and difficult to comply with this. It wasn't a major item. It didn't change the amount of the bid. So in your action today we're asking for those two items to award the bid and the waiver of this item. And also staff and the participants of this process are here if you should have any questions.

CHAIRMAN CAMPOS: Thank you, Mr. Gutierrez. Questions of Mr. Gutierrez?

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Montoya.

COMMISSIONER MONTOYA: Joseph, this will be 24 months beginning the signing of the contract?

MR. GUTIERREZ: Mr. Chair, Commissioner Montoya, it will be a 24-month process. We're estimating that we really get started more at like the first of the year. So about 24 months from January is what we're estimating. We haven't sat down with the contractor to finalize that but more or less that's the timeframe we're looking at.

COMMISSIONER MONTOYA: Okay. Thank you.

CHAIRMAN CAMPOS: Okay, any other questions?

COMMISSIONER MONTOYA: Mr. Chair, move for approval.

COMMISSIONER ANAYA: Second.

COMMISSIONER VIGIL: I heard a second, but I assume that the motion includes both requests from staff to waive the deadline and to approve the contract. Is that correct, Commissioner?

COMMISSIONER MONTOYA: Yes.

CHAIRMAN CAMPOS: The base contract with the additive, right?

COMMISSIONER MONTOYA: Correct.

CHAIRMAN CAMPOS: Is that correct?

MR. GUTIERREZ: That's correct.

CHAIRMAN CAMPOS: That's what you want?

MR. GUTIERREZ: Mr. Chair, that's correct.

CHAIRMAN CAMPOS: Are you ready to get what you want?
MR. GUTIERREZ: We're ready to move forward.

The motion passed by unanimous [5-0] voice vote.

MR. GUTIERREZ: Mr. Chair, members of the Commission, I would also like to ask you, we were planning a groundbreaking ceremony for the courthouse and we'd like to do it November 18th. November 18th is your next Commission meeting which starts at 1:00. We thought that we could have the groundbreaking ceremony at 11:30 at the actual site and we would start the invitations and coordination of that activity if it meets with your schedules for that date. We feel that this is probably better than December, and this Commission has taken the historic action of moving forward on this project. So if that meets with your approval.

COMMISSIONER VIGIL: What's the time again?

COMMISSIONER MONTOYA: 11:30?

MR. GUTIERREZ: Tentatively 11:30 on the 18th.

COMMISSIONER SULLIVAN: Is our meeting at 1:00 on the 18th?

MR. ABEYTA: Mr. Chair, Commissioner Sullivan, yes. We're only having one meeting in November so we expect we may have a larger agenda than usual. And plus we also need to still discuss with the Commission and Housing and how we're going to accommodate those. So we may start at 1:00 and do Housing from 1:00 to 2:00, then Health 2:00 to 3:00 and then regular BCC from 3:00 on.

COMMISSIONER SULLIVAN: Is that going to be a land use meeting?

MR. ABEYTA: It is a land use meeting.

COMMISSIONER MONTOYA: We'll be here all night.

MR. GUTIERREZ: We'll try to have a big lunch for you on the 18th.

CHAIRMAN CAMPOS: I won't be able to be here the 18th, likely, but that's okay. If you guys want to do it on the 18th that would be good. Judges, would you like to say anything? Add anything. Come forward and you can speak into the mike.

STEPHEN PFEFFER: Good afternoon. I'm Judge Stephen Pfeffer, First Judicial District and once again we want to thank you for your help in this long process. We much appreciate what you all have done. We're very excited about this bid and that we're ready to go forward. Thank you very much on behalf of the Judges.

CHAIRMAN CAMPOS: Thank you, Judge.

COMMISSIONER MONTOYA: Thank you, Judge.

CHAIRMAN CAMPOS: Any other comments? Thank you very much.

COMMISSIONER SULLIVAN: Mr. Chair, I would say that our judiciary has really been intimately involved in this project from the beginning and that's really helped, I think. It hasn't gotten us any more money but it certainly has helped in terms of really analyzing what a one-time facility like this needs and how it can operate and how it can function. So we've been really fortunate to have all that expertise available to us. And we've

gotten good bid prices here, as Joseph just said. I think it was well below the estimate. What was the estimate, Joseph?

MR. GUTIERREZ: Mr. Chair, Commissioner Sullivan, we had our latest estimates from both our construction manager and from our architect and they were both a little lower than \$44 million.

COMMISSIONER SULLIVAN: Did that include the second –

MR. GUTIERREZ: That included the second level of parking.

COMMISSIONER SULLIVAN: So we're about \$6 million under the estimated budget, which ain't bad. And we did get four bids, which is good, bearing in mind and recalling that when the City of Santa Fe put out its convention center they got one bid, which they had to turn down as being over budget, and then they had to rebid it. So we're not doing too bad. And again, I just want to thank those, not only on the staff but our judges for living through the bond election, which was a torturous thing, I know, and then living through the financial constraints that Joseph put on you to keep this think within budget. So we're really anxious to get it coming out of the ground now and to see the finished product. So thanks to everyone.

CHAIRMAN CAMPOS: Thank you very much. Appreciate it.

XIII. C. 2. Discussion and Review of Potential Projects for Community Development Block Grant (CDBG) Application for 2009 Grant Cycle – Public Hearing (Community Services Department)

CHAIRMAN CAMPOS: Who's here to present?

MR. OLAFSON: Mr. Chair, Commissioners, I'm here with Rudy Garcia. Rudy's going to outline some of the CDBG processes and I'm going to talk specifically about the project. I'll turn it over to Rudy.

RUDY GARCIA (Community Projects Division): Mr. Chair, Commissioners, we're going to try to move forward this year on the CDBG application. The deadline is actually December 19th. We have been in contact with Barbara Deaux. She's from the New Mexico North Central Economic Development Division. The County is a participant in her membership, so what I can mention early, we will be talking with her. She will be definitely assisting us with this CDBG application when it does move forward.

In your packet there it actually talks a little bit about a Valle Vista sewer system upgrade. We've had some preliminary talks with our Utility Division with some directors as well as the County Manager and this could be a potential project we may be moving forward with. If we do move forward with this project, the Utility, Jonathan and Doug as well as James Lujan and myself and Paul will actually be the team that will be assisting Barbara to place this application together and then get it submitted hopefully by December 19th.

This is the first public hearing so at this time we would actually need to have no action on the Valle Vista or any other projects. If there is any projects that you guys would

like us to consider please bring them up at this time or if the general public has any projects that they have in mind this is the time to do it. We will be coming back at the November 18th meeting for hopefully adoption of a resolution, as well as the project that staff recommends for the CDBG application.

COMMISSIONER VIGIL: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner.

COMMISSIONER VIGIL: Thank you. Rudy, there is a really strong qualification for these dollars that they service low-income family. The Valle Vista project I know is in the vicinity of the Valle Vista affordable housing. But isn't that project intended to address wastewater treatment for the entire southern region? And would that put us in a vulnerable position for not qualifying for the service require for all low-income?

MR. GARCIA: Mr. Chair, Commissioner Vigil, let me see if I can try to answer that. If not, Doug can answer the technical aspects of it. Based off of the census tract that the Valle Vista Subdivision is located in, we have done some research work with DFA. We have to be at 51 percent or lower of low to moderate income levels to apply for this CDBG application. This week we had checked with a former employee that works with DFA. That tract is actually a 53, 54 percent to low to moderate income levels so therefore we would qualify for this. Right now the Valle Vista Subdivision, and the Utility as well as the County has upgraded all of the service lines to this treatment plant. The treatment plan is still as it existed many, many years ago so it does need upgrading for the existing plant.

In the future there could be a possibility that we could add to this plant before everything within that southern area that you're describing.

COMMISSIONER VIGIL: Okay. It seems to me – I guess a couple of comments – it seems to me that if we do pursue this project, if we are able to get some funding for it, that this would be a focus for us and we would steer ourselves away from the state penitentiary wastewater treatment contract that we have with them right now and working with the State on that. Is that sort of a weaning intention here?

MR. GARCIA: Mr. Chair, Commissioner Vigil, that's a possibility that that could happen that way, because right now we're on a year-to-year basis with the state penitentiary for their wastewater treatment plan.

COMMISSIONER VIGIL: Okay. And I guess the other sort of comment I have and I'm not sure if you've spoken sufficiently with DFA representative, but the CDBG block grants are really federal dollars that trickle down to the states, that trickle down to local government. And not knowing what's going to happen to the federal budget is DFA still allowing applications and have you had discussions as to whether or not this is one of those projects that might be cut?

MR. GARCIA: Mr. Chair, Commissioner Vigil, in speaking with DFA, Robert Apodaca's shop, this is money that's out of the HUD budget, and this money is supposedly already set aside so the way I understand it there is no federal cuts that actually happen to these dollars.

COMMISSIONER VIGIL: Thus far, but if the federal government decides to

meet early on they do threaten this, or is this budget part of last year's allocation.

MR. GARCIA: Commissioner, I'm not too sure if it's part of last year's allocation, but you are right. It depends on where the federal government goes. They could cut it but as of today, DFA is still going to accept applications for this roughly \$13 or \$14 million.

COMMISSIONER VIGIL: Okay. Thank you. Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Any other questions?

COMMISSIONER MONTOYA: Mr. Chair, in terms of project readiness, Rudy, where is this in terms of funds, because we have had some discussions with – I've had discussions with Roman about the possibility of current projects, depending on where they're at on level of readiness and ready to move forward and complete. Kind of where are we with funding and moving forward with it and getting it done, basically?

MR. GARCIA: Mr. Chair, Commissioner Montoya, in my opinion, the hardest part is going to gathering a lot of information at the timing of the deadline. Some of the positives that we have on it is we already have some property that's secured for it. We have a PER, which is a preliminary engineering report and it's in a draft format that is done for this project. Once again, I did mention earlier the mode of moderate income area, that's a benefit, positive for them. Our public hearings – as you know, a CDBG application is based on ranking so some of the items I'm describing to you we will get a ranking score on what you're exactly talking about.

COMMISSIONER MONTOYA: Are they still averaging about \$300,000?

MR. GARCIA: Mr. Chair, in the last two or three years the DFA was allocating up to \$300,000. This year they're going up to \$500,000, so we're going to apply for up to \$500,000. And also in speaking with our Finance Division, the County actually has money allocated for this particular project based off the gross receipt tax that I believe you all have looked at or approved.

COMMISSIONER MONTOYA: So there is some money already available to go toward the project.

MR. GARCIA: Yes.

COMMISSIONER MONTOYA: I guess the reason I'm asking this question also is because I don't want to fall into the predicament that we ran into where this is the first time we're going to apply in what? Three years? Because we haven't completed previous projects?

MR. GARCIA: Mr. Chair, Commissioner Montoya, it's about three years, yes.

COMMISSIONER MONTOYA: Okay. Because this is a pretty good source of funding for infrastructure especially, and we lost close to a million dollars of opportunity because we didn't get a project done. What was the project?

COMMISSIONER VIGIL: The Nancy Rodriguez Community Center.

COMMISSIONER MONTOYA: Oh, it was the Nancy Rodriguez Community Center? So because of not appropriate funding that we had for that – that's why I'm asking. Are we right there to get this thing done as soon as we submit this application. I think it's

important that we start thinking that way for all of our projects, because otherwise the way the dollar is now and with the threat of cuts coming up from the state, I think we just need to be ready to move on all of these projects.

MR. GARCIA: Mr. Chair, Commissioner Montoya, that's probably a question that Doug could probably answer, because this project will be administered if we do receive any dollars, from the Water Utility Company, so maybe Doug can speak on to whether it's ready or not.

MR. SAYRE: Thank you, Mr. Chair and Commissioner Montoya. We're ready to move on this. We're just trying to get the things together so that we can get it set up so that we can get the design so we can finish the project. This one is more of a need because that plant's in very bad condition and we need to go ahead and get it improved. Whereas like some of the facilities up north, I think we have a facility but we don't have a system in to get it there, like in the Sombrillo/Arroyo Seco area, which we're finishing up on the PER on that. But this one is probably more critical just because of the need. And that we have almost all the area, that immediate area, is low to moderate income. It will be a higher qualification as far as we're concerned.

COMMISSIONER MONTOYA: Okay. So how much money is needed to complete the project? That's really what I'm getting at in terms of making sure that we're ready to complete a project so that we don't start missing cycles of CDBG funds, if, as Commissioner Vigil has alluded, they're still available after this year.

MR. SAYRE: Mr. Chair and Commissioner Montoya, any of these projects that we have, we probably don't have sufficient funding at this point. I think we have to allocate. I think we'll look at doing a uniform funding application to the state to get possible loan or other grant funds. Whether it's this project or whether it's the one up north, we would be in the same predicament because we don't have sufficient funding presently, but this one has the possibility of –

COMMISSIONER MONTOYA: So how close are we going to get if we get this \$500,000, to finishing that project in Valle Vista?

MR. SAYRE: Finishing the project?

COMMISSIONER MONTOYA: That's my question.

MR. SAYRE: If we get this \$500,000 plus the – we had allocated –

COMMISSIONER MONTOYA: I don't even know what we've allocated.

MR. SAYRE: Well, whatever it is. We have looked at some allocation of about \$2 million from GRT to go into this project, so we will be able to get the first phase done.

COMMISSIONER MONTOYA: With \$2.5 million? Okay.

MR. SAYRE: But we would like to consider a slightly larger facility if we can regionalize, and that's one of the things that we're trying to do with any of these projects is say that they're regional facilities and not just for a particular area. Because the state's pushing on us for us to do that too.

COMMISSIONER MONTOYA: Okay. Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Okay. Is there a motion? It's just discussion? Oh, this is a public hearing, isn't it?

MR. OLAFSON: Discussion and public hearing.

CHAIRMAN CAMPOS: Today's a public hearing. So we need a public hearing. Anyone who would like to speak for or against this proposal please come forward now. Okay, no one having come forward the public hearing is closed, and we will hear this again when, Mr. Garcia?

MR. GARCIA: Mr. Chair, at the November meeting.

CHAIRMAN CAMPOS: Okay. November 18th. Thank you very much. Okay, I'm going to ask the Commission to let us move from this point to XIII. D. 2, which involves a grant agreement with the State of New Mexico Department of Finance and Administration for an economic development project in the amount of \$10 million. Is there any objection? Okay, let's move there.

XIII. D. Growth Management Department

2. Consideration and Approval of a Grant Agreement with the State of New Mexico, Department of Finance and Administration and the Economic Development Department, for an Economic Development Project in Santa Fe County \$10,000,000

CHAIRMAN CAMPOS: Who's going to take the lead for staff?

MR. ROSS: Mr. Chair, I can do that. This is sort of a follow-on on all the work we've been doing on the film and media studio project out on South 14. This is a grant agreement that was sent to us by the state and it contains a fairly sizeable appropriation for a film and media studio project in Santa Fe County and the total amount of the grant is \$10 million divided between appropriations from the Department of Finance and Administration of \$6.5 million, and the Economic Development Department in the amount of \$3.5 million. It's a fairly straightforward grant agreement. It's a reimbursement-based grant agreement. In other words we expend money and they reimburse us for those expenditures.

We have Mr. Hool and Mr. Rubin here who represent of course Santa Fe Studios with whom we have an agreement concerning a film and media studio project in Santa Fe County. I will note that there is some discussion still occurring with the Department of Finance and Administration on behalf of the Santa Fe Studio folks concerning some of the boiler plate in this grant agreement. So one of the things we're going to be asking you for today, if you approve this agreement is a little latitude to make minor changes in the agreement should those be approved by the department. I have already reviewed the agreement and asked them to make a few changes, which they did. And I think the changes the studios are asking are in large part further cleanup of what is a form agreement that the state uses for a number of different activities.

So with that, I think we all know what the project is. I'll stand for questions.

CHAIRMAN CAMPOS: Questions for Mr. Ross.

COMMISSIONER SULLIVAN: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Mr. Ross, who will build this facility?

MR. ROSS: The studio, Santa Fe Studios will build it.

COMMISSIONER SULLIVAN: Okay, what monitoring or oversight will the County have in that regard. The advantage here with state funds and a public entity is we have a requirement to go out to bids and obtain the lowest bidder and we monitor of course the performance of the contractor and so forth. Do we have those types of controls in place on this \$10 million project?

MR. ROSS: Mr. Chair, Commissioner Sullivan, it's an economic development project so we didn't go out to bid. We've gone through the Board of Finance for approval to sell the land to the studios and we have an agreement with them concerning the economic development project that will be built there. And there's certain economic development obligations that the contractor has. There's no bidding involved in this type of a project.

COMMISSIONER SULLIVAN: But this doesn't say how big a studio they're going to build. It says they're going to build a studio, to furnish and equip. I guess what my concern is is, and it's nothing to do with the organization here that's proposing this is this company is not a construction company. This company is a motion picture and development company. Where are the controls that we're sure that the public funds are spent appropriately, that contracts are administered and they're not subcontracted out to friends and brothers and cousins and there's that level of accountability that we would expect on any project that's funded by the state or the County.

MR. ROSS: Mr. Chair, Commissioner Sullivan, it is an economic development project and the studios are not required to comply with the procurement code or any of the other technicalities, laws and things like that that the government is required to comply with. We do have a project participation agreement with them and they have certain obligations under that agreement, among them to build the studio project as described in that document and to deliver a large number of hours of employment to the county at large. But other than that, this is a private entity and they don't have to follow the procurement code or any of the other items. But since this is a reimbursement-based grant any of these funds that go through the project will have to be properly spent. In other words they can't build an airplane manufacturing plant or something like that instead of a film studio, which is what we've agreed that they will build.

COMMISSIONER SULLIVAN: But shouldn't we be a little more specific and say at least how big this studio is that they're going to build for \$10 million?

MR. ROSS: In the project participation agreement we do specify the exact square footage of the required structures.

COMMISSIONER SULLIVAN: Okay. And we make a reference to that agreement in this agreement?

MR. ROSS: No, this is a state grant agreement. They're granting us funds, the

\$10 million is coming to the County under the terms of this standard form lease with the state. It's going to be dispersed pursuant to our economic development ordinance, the ordinance that we enacted to approve the studios project, pursuant to the terms of that ordinance. This requires us to move the project through our economic development process and we already have a qualifying project on the ground ready to go.

COMMISSIONER SULLIVAN: I know in federal economic development grants they require there be procurement in accordance with federal guidelines for procurement, the Brooks Law and so forth. I just feel that – and maybe it's in the project participation agreement, which I don't recall, that we need to have the ability not only of oversight but to audit and to ensure that there's a mechanism for mediating in the event we disagree with some expenditures that may come in for reimbursement. How do we do that?

MR. ROSS: Well, Mr. Chair, Commissioner Sullivan, the project participation agreement does provide for limited oversight on the part of the County, auditing, record keeping, things like that. But the obligations that the studio has under that agreement are fairly broad, i.e., to create a studio project and to create a number of hours of jobs. And it's not more specific than that.

COMMISSIONER SULLIVAN: Although you say it is specific in terms of – do you recall how many square feet it is that they're going to be building?

MR. ROSS: I can't remember off the top of my head. You recall the diagram and it had the various phases of the studio project. What we agreed to was to contract for the first phase, which was I think four soundstages and a number of other associated facilities. Those are what are the subject of our current PPA, project participation agreement. They have to build that stuff.

COMMISSIONER SULLIVAN: Of course there's a variety of ways one can build things. They can build them expensively or they can build them cheaply or they can build them large or small. I'm more concerned with our ability – \$10 million – to monitor those expenditures. The same issue comes up when we do special assessment districts, like for roads, where we say, where for example we've said in the past to developers, you build the road and then they select whatever contractor they want and it's entirely possible for that contractor to inflate prices as a part of that agreement. And further there could be some undesirable consequences of those price inflations that if we don't have some ability to monitor that it seems to me that we may ultimately become responsible for it. And I know we don't have a number of staff that are available to be running around monitoring soundstage construction and they probably wouldn't be familiar with what those specific needs were anyway, but I'm still a little nervous about our being the fiscal agent here without having the ability and some funding for an oversight role.

MR. ROSS: Mr. Chair, Commissioner Sullivan, I guess the distinction between this project, at least in my mind, between this project and a special assessment district or a public improvement district, a special district that's set up, that's created to build public infrastructure is that this project is intended to create private infrastructure. So in my mind it's the choice of the studio to build cheaply or expensively and I think knowing the

people who are doing it, they are not going to build cheaply. They are going to build a high quality item. But it is an economic development project to benefit a private entity. That's the difference between what we do on economic development projects and what we do on public projects. We expect in public projects that a different standard be achieved and different level of assurances be given than is typical in private industry. So this is in the first instance and last, a private project that's getting government support through the exception provided in our constitution.

COMMISSIONER SULLIVAN: I think that's an important difference, obviously, that it's a private facility, unless something happens and we end up taking it over as a result of non-performance. I worry about for example on page 5 under Article VII where it says strict accountability of receipts and disbursements, project records. It doesn't say casual accountability. It says for a period of six years following a project's completion the grantee – that's us, Santa Fe County – shall maintain all project-related records, including but not limited to all financial records, requests for proposals, invitations to bids, selection and award criteria, contracts and subcontracts, advertisements, minutes of pertinent meetings, as well as record sufficient to fully account for the amount and disposition of the total funds. That seems pretty specific that we need to be attending construction meetings; we need to be involved in the procurement; we need to have that oversight if not the final decision-making, at least an oversight function in order to comply with that Article VII A. Am I reading that too strictly?

MR. ROSS: Mr. Chair, Commissioner Sullivan, that article requires us to keep records for six years. I don't read that as requiring us to issue a request for proposal or do any additional monitoring. The operative language is in Article XII D which says that we, the grantor, are strictly accountable for the proceeds of the grant until such times the funds have been expended in accordance with the Local Economic Development Act in state law. Since this is a reimbursement grant when we're requested to reimburse the studios for an expenditure we're going to ask for backup documentation and we're going to want to see what's built with that, with those funds, or what they did with them. Then we're going to turn around and provide that same information to the Department of Finance and Administration.

Only when they have the information are they going to issue us a check then we'll in turn issue the studios a check. That whole process exhausts, in my mind, our obligations under the Local Economic Development Act and we're strictly accountable only until such time as we've paid out the \$10 million, and then we're not accountable after that, because we have followed the Local Economic Development Act in our own ordinance.

Because of the process that's used in these reimbursement grants I really don't think we have a whole lot to worry about and we've agreed with the Department of Finance and Administration that no procurement is needed for this and if there is procurement needed, we have because we have this relationship with this particular group, we have a sole source procurement here, even assuming we did need to comply with the procurement code.

But the way myself and the lawyers from the department are looking at this, the Local Economic Development Act and the constitutional amendment exempt this project from the

procurement code.

COMMISSIONER SULLIVAN: That's all the questions I had, Mr. Chair, but it doesn't diminish the fact that I'm not at all comfortable with the oversight role that we would have here with this large a capital expenditure and the fact that we're not dealing with a Bradbury and Stamm here, we're dealing with a movie company which is going to be hiring a Bradbury and Stamm or another contractor. And those contractors will be hiring subcontractors and those subcontractors will be hiring employees, and those employees need to have insurance and those subcontractors have to have bonds. There's just the whole contracting process which I don't think this entity is familiar with, particularly in New Mexico. This is their first project.

Now whether we would be comfortable bringing a third party in for monitoring, the way we did on our own building for the district court is something that we should think about. I'd like to see this be a successful project. I'd like to see it move forward, but trust but verify, is a good way to look at these. Thank you.

CHAIRMAN CAMPOS: Commissioner Vigil.

COMMISSIONER VIGIL: Mr. Chair, I'm far more trusting than Commissioner Sullivan and I think Article V that identifies the payment procedures and deadlines set out by DFA is certainly sufficient oversight for this economic development project. And with that I move for approval.

COMMISSIONER MONTROYA: Second.

CHAIRMAN CAMPOS: Another question for Mr. Ross. Mr. Ross, just a follow-up to what Commissioner Sullivan was asking. You're saying that there is no legal authority for the County to take any more oversight either as to the plans or the construction quality or anything like that?

MR. ROSS: Mr. Chair, I'm not sure that's an accurate statement. I think there is legal authority for the County to do that but I think if it was going to be an issue we should have included it in the project participation agreement, and we did not.

CHAIRMAN CAMPOS: Okay. And our ordinance authorizes the County Commission to set certain standards and requirements?

MR. ROSS: Not specifically it doesn't.

CHAIRMAN CAMPOS: But implicitly we have that authority? We just didn't use it.

MR. ROSS: Right.

CHAIRMAN CAMPOS: Okay. Any further discussion?

The motion passed by majority 4-1 voice vote with Commissioner Sullivan casting the nay vote.

XIII. D. 1. Resolution No. 2008-192. A Resolution Approving a Memorandum of Agreement Between the Board of County Commissioners of Santa Fe County and the North Central Regional Transit District

CHAIRMAN CAMPOS: Who's going to present?

MR. ROSS: Mr. Chair, I think I can take this one also. This MOA between the North Central Regional Transit District and the County was actually prepared at the suggestion of the City. As you recall, I think it was in August, when the County rejoined the North Central Regional Transit District, we enacted a resolution and then the North Central Regional Transit District enacted a resolution that accepted the terms of our resolution. And what this document does is put that entire – the contents of both those resolutions into a formal agreement between the County and the regional transit district, with one exception. There's been one sentence added. That appears in paragraph 1. It's the last sentence of paragraph 1 on page 2, the top of the page. It says, "The revenue described in the previous sentence shall be remitted to the County immediately upon receipt by the district after distribution to the district from the state of New Mexico."

What that means is that there was some concern expressed during a recent RPA meeting that there were no time tables in the two resolutions that we enacted requiring the North Central Regional Transit District to turn over the 86 percent of 1/6 percent that it's required to under the two resolutions at any particular time. So they could receive the funds, the first payment is typically received in September from the gross receipts tax and they could wait until December to disburse it to the RPA for distribution for regional transit projects. So that sentence was added. I think there's some concern on the part of some at the district about the word "immediately" and I've discussed that with them and asked them to suggest alternative language but they have not yet proposed alternative language. I suggested we might soften that word a little bit if that's a concern and put in a timeframe, two or three weeks came to mind, 21 days, even 30 days. But the concept is that the transit district not wait until the end of the fiscal year to remit the 86 percent and have us carry the cost of providing the transportation for the entire year. That's what the concept was.

But the remainder of this document is lifted verbatim from the two resolutions. And with that, I'll stand for questions.

CHAIRMAN CAMPOS: Questions? Okay.

COMMISSIONER ANAYA: Move for approval.

COMMISSIONER VIGIL: I'd like to second that motion, Mr. Chair, but would you, Commissioner Anaya, include in your motion Steve Ross' recommendation on the top of page 2 that allows the revenue to be remitted to the County within 30 days?

COMMISSIONER ANAYA: Yes.

COMMISSIONER VIGIL: With that I will second the motion.

CHAIRMAN CAMPOS: Okay. Discussion? Commissioner Sullivan.

COMMISSIONER SULLIVAN: I think this agreement is important, that we do solidify, as Mr. Frank Katz has recommended, these resolutions, and I think Mr. Ross

crafted the resolutions very carefully and a good case could be made that those resolutions were a contract, are a contract. But I guess where there are as many attorneys there are as many opinions. So I think in this case, particularly in our experience of dealing with the NCRTD a belt and suspenders approach is a good approach. I think "immediately" is fine. I don't know why they would want to hold the money for 30 days unless they would like to pay us interest on it. I think 21 days or 15 days or 5 days is adequate but whatever the Board decides, so be it. I think it's good that we have some definitive time period in there so we don't have to fight this battle every time.

CHAIRMAN CAMPOS: So you don't recommend any change to the motion?
No? Okay.

The motion passed by unanimous [5-0] voice vote.

CHAIRMAN CAMPOS: Okay, we're going to go back to XIII. A. 2.

XIII. A. 2. Resolution No. 2008-193. A Resolution Designating the First National Bank of Santa Fe As a Depository Financial Institution for Santa Fe County As Outlined in the County's Investment Policy, Resolution No. 2007-102

CHAIRMAN CAMPOS: The resolution has been presented. Do we need more time to review this? Do you want to take a couple minute break?

COMMISSIONER ANAYA: Mr. Chair, do we need to go back into the Board of Finance? I move we go back into the Board of Finance.

COMMISSIONER VIGIL: Second.

COMMISSIONER VIGIL: Victor, I'm just going to ask for a nod. This is just really basic boilerplate resolution that we've enacted and taken action on with all the other banks, correct? Is that correct? Just included First National Bank. Mr. Chair, I move for approval.

COMMISSIONER MONTOYA: Second.

CHAIRMAN CAMPOS: Okay, there's a motion and second. Any discussion?

The motion passed by unanimous [5-0] voice vote.

COMMISSIONER MONTOYA: I move that we go back into our regular BCC meeting.

COMMISSIONER ANAYA: Second.

CHAIRMAN CAMPOS: We adjourn as the Board of Finance.

The motion passed by unanimous [5-0] voice vote.

XIII. E. Regional Planning Authority

2. Consideration of and Approval of the Sixth Amended and Restated Regional Planning Authority Joint Powers Agreement

MARY HELEN FOLLINGSTAD (RPA Director): Mr. Chair, members of the Board of County Commissioners, this is a joint powers agreement version. You've seen most of it before but the new text that's here has to do with additions of language that's been developed by the RPA and approved by the RPA and it's been approved by two City committees – City Finance and City Public Works and will go to the City Council I think next week or the next time they a meeting. And it adds language creating the Regional Planning Authority as the oversight entity to manage the budget and the service plan for the Regional Transit District 86 percent of GRT funds that you just were considering under the MOA, and that's the gist of it.

COMMISSIONER MONTOYA: Mr. Chair, move for approval.

COMMISSIONER VIGIL: Second.

MR. ROSS: Mr. Chair, there is one significant typo I noticed in the draft. On page 10, F. Transit financing. To eliminate confusion about which tax we're talking about it should read "County Regional Transit gross receipts tax">

MS. FOLLINSTAD: That is an oversight. I hadn't noticed that before.

COMMISSIONER MONTOYA: County regional transit gross receipts tax. I amend my motion to reflect that.

COMMISSIONER VIGIL: I second the motion.

COMMISSIONER SULLIVAN: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Sullivan.

CHAIRMAN CAMPOS: One of the things, and I think maybe the word "initially" get put quite in the right place. On page 11, G, we had a discussion at the – not the last Regional Planning meeting but the one before – about this requirement that we would take funds, or the RPA would take funds from this gross receipts tax to employ a planner, or Santa Fe Trails would employ a transit service development planner. And I expressed my feelings that over the years what the County has needed for its planning and transit planning efforts has been a transit service development planner, and we've asked the feds to help out on that through the MPO and they haven't.

But if that passes and the RPA does become a transit planning organization my feeling was that we really needed to have a counterpart who definitely represented the County and worked cooperatively with Santa Fe Trails. The RPA felt at least for now it would be fine to have this person be an employee of Santa Fe Trails, and so I said, Well, maybe we shouldn't put it into the joint powers agreement forever, but say at least initially that's the way we would do it and it might change later. But kind of the way the wording ended up was that the RPA director shall initially work closely with Santa Fe Trails. Well, I think of course we want the RPA

director to work closely with Santa Fe Trails continuously, not just initially.

The intent was I think that the word initially be in front of the word "shall" or rather in front of the word "staff" so that it would read the RPA director shall work closely with a Santa Fe Trails Transit service development planner who shall initially staff the expanded role of the RPA. And then as the RPA got its feet wet and got into the business of transit planning and development and it might take a different direction. I don't know. But we want to give them that flexibility. So it was kind of a quick change to the motion and everybody said, Okay, "initially" is fine and it just seems like the initially didn't get in the right place. So I think that we should probably correct that and put it in front of initially staff and then as things change the RPA may decide differently how they want to staff their transit.

CHAIRMAN CAMPOS: Makes sense.

COMMISSIONER VIGIL: I don't understand the recommendation. What is it?

CHAIRMAN CAMPOS: Move the word "initially".

COMMISSIONER SULLIVAN: Move the word "initially" in G on page 11.

COMMISSIONER MONTOYA: Remove.

COMMISSIONER SULLIVAN: No, move, not remove. Move it in front of the word "staff" on the next line, so that "shall initially staff the expanded role of the RPA".

COMMISSIONER MONTOYA: Mr. Chair, Commissioner Sullivan, was there any discussion or Mary Helen, at the RPA about the RPA hiring a transit planner?

MS. FOLLINSTAD: There was some but it was a confusing conversation. There are minutes and things but what ended up in the motion was that the word "initially" would be inserted and that would be the only change to the whole document that was presented that day. But I understand what Commissioner Sullivan is referring to is how to staff it, is confusing, but the main body of the joint powers agreement does allow the RPA to employ as many people as it wants to to work on this. I think Commissioner Sullivan's concern is that the County needs a transit planner, but the RPA may need to hire one also. But the RPA already has authority within the body of the document to do that. There was a planner working with RPA staff before but there hasn't been enough work in the last two years to justify two people working on RPA.

But now with new ideas that the RPA is looking there might be more work, and so they can add any they want. But I think there's two things going on here. One is, should RPA have staff and it can do that and Jack's concern is that the County also needs someone.

COMMISSIONER SULLIVAN: Well, Mr. Chair, my concern, and Commissioner Montoya, was that this particular provision – certainly the RPA can hire as many people as it wants, as long as the City and the County agree somehow to foot the bill. But my concern here was this particular provision allocates a portion of the regional transit gross receipts tax revenue to that function, and so I just didn't want to commit the RPA in perpetuity, or at least for 15 years, the length of that tax, to staffing this person at Santa Fe Trails. They may change their mind as to how they want to set that function up once they get more deeply into it. And so I just said we should put in the word "initially" and that's what Ms. Follinstad did, but I think "initially" should be in front of the word "staff". That's the only difference.

MS. FOLLINSTAD: Mr. Chair and members of the Commission, I think that

what he's saying makes sense.

CHAIRMAN CAMPOS: Makes sense to me too. Otherwise, it really doesn't work, where the word "initially" is placed, it didn't make a lot of sense. And I think just the idea is that they will initially have the Trails act as staff, but that the idea that eventually you may evolve into having an RPA with its own transit person.

COMMISSIONER MONTOYA: So why couldn't that be done right away? Because there was no agreement?

COMMISSIONER SULLIVAN: It could be.

MS. FOLLINSTAD: It could be.

COMMISSIONER SULLIVAN: Commissioner and Mr. Chair, it could be done right away, and that's what I advocated for. But –

COMMISSIONER MONTOYA: That makes sense.

COMMISSIONER SULLIVAN: But the rest of the RPA disagreed with me, which is absolutely astounding.

COMMISSIONER MONTOYA: I find that hard to believe.

COMMISSIONER SULLIVAN: I find that hard to believe too, and it was probably the first time in eight years it's happened. But having dealt with that, I suggested the word "initially" and that seemed to satisfy everyone.

MS. FOLLINSTAD: Mr. Chair, there is adequate budget if RPA wants to to hire somebody right now, if they want to, if the tax passes, to work with everybody to do this. We would just need to put that through personnel.

CHAIRMAN CAMPOS: If we remember the Buckman Board issue where there was a lot of discomfort with the City running the entire staffing show, and eventually we decided that we needed our own attorney, to get independent counsel and that the counsel not really be serving the City and advising the Buckman Board on the same issues. This is a lot of money and it's really a County tax. It truly is County money. So I don't think that's a big deal.

COMMISSIONER MONTOYA: What's not?

CHAIRMAN CAMPOS: Having the RPA hire its own expert so that –

COMMISSIONER MONTOYA: Exactly. That's what this project needs.

CHAIRMAN CAMPOS: Exactly. Otherwise you get one entity controlling or attempting to control another.

COMMISSIONER MONTOYA: Yes.

COMMISSIONER SULLIVAN: Mr. Chair, if that's the desire of the Commission then this language doesn't achieve that, because even if we took "initially" out it would still read that Santa Fe Trails would staff the transit planner and we would pay for it with gross receipts tax. So if the desire was –

COMMISSIONER MONTOYA: I think it needs to be independent of Santa Fe Trails.

COMMISSIONER SULLIVAN: I agree. I'm just pointing out that if that's our feeling that this G, either with or without the "initially" doesn't achieve that goal. Initially was a compromise that I brought in to try to soften the language.

MS. FOLLINSTAD: Mr. Chair and members of the Commission, under C, Personnel, in the general instructions on how the RPA is to be managed and administered, there is wording there that would allow, and there's budget available, that would allow you to initially, before the tax started to accrue, to have someone – get somebody on board.

COMMISSIONER MONTOYA: Where?

MS. FOLLINSTAD: And it would be part of the City-County budget.

COMMISSIONER MONTOYA: Where are you talking about?

COMMISSIONER MONTOYA: It's under C, Personnel, and it's on page 8. It's any additional staff necessary to carry out the objectives of the RPA and this is going to become one of the RPA's objectives, so there could be someone added right away if the RPA so desired, the way this joint powers agreement is structured. And the City and County pay for it jointly. And when the gross receipts tax started to come in then how it was budgeted could be shifted.

COMMISSIONER VIGIL: Mr. Chair, I move we approve this with the changes are recommended by Steve Ross, to include the transit on page 10, and to remove "initially" on page 11 under item G. I don't think either place necessitates "initially".

CHAIRMAN CAMPOS: Did you get a second to that?

COMMISSIONER ANAYA: Second.

CHAIRMAN CAMPOS: There's a second. I disagree with that, with the motion. I think the word "initially" is important. And if Commissioner Montoya wants to move forward with the RPA hiring its own up front, I would support that. So is there discussion on the record or would you like to have discussion?

COMMISSIONER VIGIL: I have a question. Do we have the option of hiring a transit director, Mr. Ross, under this agreement, whether we include initially or don't?

MR. ROSS: Mr. Chair, Commissioner Vigil, as Ms. Follingstad pointed out, the RPA has the authority to hire additional staff under the main agreement. So this is a more specific paragraph. If the paragraph were gone, for example, the RPA could hire its own staff, but this seems to be saying that the RPA will use City staff instead of hiring its own staff to do this particular task, to get us off the ground.

COMMISSIONER VIGIL: So if we included the word "initially" would that give us the direction that the City would not be able to hire their own staff?

MR. ROSS: What it would do is say that initially, instead of hiring a permanent staff member under Ms. Follingstad that the City would provide her with somebody, this transit service development planner, basically on loan.

COMMISSIONER VIGIL: Okay. So our concern is to gain someone with a sense of objectivity that would create a balance of the interests of both the City and the County, so that "initially" in your mind, Mr. Ross, should be included at which place in this agreement? Should it be as recommended by Commissioner Sullivan on the second line under item G, or should it remain on the first line under item G?

MR. ROSS: Mr. Chair, Commissioner Vigil, I thought Commissioner Sullivan's suggestion was a good one.

COMMISSIONER VIGIL: Okay. Well, I will sort of amend my motion to

include “initially” on the second line under item G.

CHAIRMAN CAMPOS: Before the word “staff”>

COMMISSIONER VIGIL: Right.

COMMISSIONER ANAYA: I agree.

CHAIRMAN CAMPOS: Discussion?

COMMISSIONER MONTOYA: Mr. Chair, what if we just said under G, Transit Staff, refer to IV. C? Which is what Mary Helen was referring to on page 8 under Personnel. Transit staff –

COMMISSIONER SULLIVAN: Shall be retained in accordance to IV. C. Is that what you’re saying.

CHAIRMAN CAMPOS: You could also just delete the whole thing. It’s already there. If that’s what you want.

COMMISSIONER VIGIL: Is the language approved by the RPA?

MS. FOLLINSTAD: This version was adopted by the RPA to add the word initially. And the City Council, the Finance Committee and the Public Works Committee last night have both approved it the way it is now. It hasn’t gone to the full Council yet. And so my suggestion would be maybe to go with what Commissioner Sullivan is saying. Jon Bulthuis who is the City transit director works for Santa Fe Trails and has a considerable amount of expertise in running buses and so – and he drafted this, so I think they can lend a lot of expertise to the circumstances. And I’ve had meetings with Jack Kolkmeier and Jon on how we’re going to plan this and get it going if the tax passes.

COMMISSIONER VIGIL: I remain with my motion then.

COMMISSIONER MONTOYA: To move the “initially” to before “staff”.

CHAIRMAN CAMPOS: I have a question. If the tax passes when will the money be available?

MS. FOLLINSTAD: Not until June of 2009. It will accrue. So there will be a good six months of work to do. And the train is going to start. It was here last Saturday and I think there’s something – I can’t remember the details precisely but DOT is going to be helping us also in the beginning with maintenance and other things, financing, some of that stuff. I don’t know about buses out there, but Park & Ride will probably be there.

CHAIRMAN CAMPOS: Okay. Any further discussion?

The motion passed by unanimous [5-0] voice vote.

COMMISSIONER MONTOYA: Mr. Chair, Mary Helen, from now on could we make sure that we put the regional transit as a discussion for our RPA meeting?

MS. FOLLINSTAD: Yes, sir.

COMMISSIONER MONTOYA: Well, I guess –

MS. FOLLINSTAD: It will be.

COMMISSIONER MONTOYA: If the tax passes.

MS. FOLLINSTAD: Once we take this to DFA it will really be official. You’ve

passed it and then the City is going to pass it in a day or two, so if we take it to DFA.

COMMISSIONER MONTOYA: Whether or not the tax passes we still need to have a transit discussion every meeting.

MS. FOLLINSTAD: Okay. No problem.

COMMISSIONER MONTOYA: That way we can start working on the service plan.

MS. FOLLINSTAD: Exactly.

COMMISSIONER MONTOYA: Okay. All right. Thank you.

CHAIRMAN CAMPOS: Thank you very much.

XIII. F. Matters from the County Manager

1. Update on Various Issues

MR. ABEYTA: Nothing, Mr. Chair.

XIII. G. Matters from the County Attorney

1. Executive Session

1. Pending and Threatening Litigation

2. Limited Personnel Issues

MR. ROSS: Mr. Chair, we need to go into closed executive session to discuss pending and threatened litigation and limited personnel issues.

CHAIRMAN CAMPOS: How long do you think this will take?

MR. ROSS: Oh, probably an hour.

CHAIRMAN CAMPOS: One hour. Okay. Is there a motion to do that?

COMMISSIONER MONTOYA: So moved.

CHAIRMAN CAMPOS: Is there a second?

COMMISSIONER SULLIVAN: Second.

The motion passed by unanimous [5-0] roll call vote with Commissioners Anaya, Montoya, Sullivan, Vigil and Campos all voting in the affirmative.

COMMISSIONER SULLIVAN: What time is the meeting tomorrow?

MR. ABEYTA: 9:00.

COMMISSIONER SULLIVAN: Until?

MR. ABEYTA: 9:00 to 11:30.

COMMISSIONER SULLIVAN: 9:00 to 11:30.

CHAIRMAN CAMPOS: Mr. Abeyta, Valerie Espinoza has asked for this room back as soon as possible. Could we do that at this point?

MR. ROSS: Mr. Chair, what I suggest is that we adjourn the executive session tomorrow morning when we open at Bishop's Lodge. That's permissible.

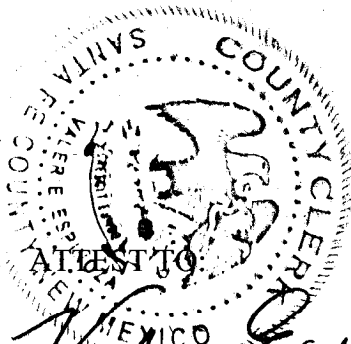
CHAIRMAN CAMPOS: Why don't we do that, because she's got a lot of people out there and we can ask her to start moving in here.

[The Commission recessed at 3:30 and reconvened the following morning at 9:15 a.m, prior to the County Retreat held at Bishop's Lodge.]

Commissioner Sullivan moved to come out of executive session where the only things discussed were pending and threatened litigation and limited personnel matters. Commissioner Montoya seconded and the motion carried by unanimous 4-0 voice vote. [Commissioner Vigil was not present for this action.]

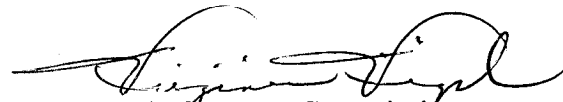
XIV. ADJOURNMENT

Chairman Campos declared this meeting adjourned at 9:15 a.m.




ATTEST TO:
VALERIE ESPINOZA
SANTA FE COUNTY CLERK

Approved by:



Board of County Commissioners
Paul Campos, Chairman

Respectfully submitted:



Karen Farrell, Wordswork
227 E. Palace Avenue
Santa Fe, NM 87501



SFC CLERK RECORDED 11/26/2008

MEMORANDUM

DATE: October 28, 2008
TO: Board of County Commissioners
VIA: Roman Abeyta, County Manager
FROM: Lisa A. Roybal, Constituent Services Liaison on Behalf of Commissioner Harry B. Montoya
RE: Discussion and Possible Approval for an Expenditure of Community Service Funds in the Amount of \$500 to the New Mexico Hispano Music Association to support their 18th Annual Award Show Program Book (Commissioner Montoya)

ISSUE:

On the agenda, under Matters from the Commission for your consideration is:

Discussion and Possible Approval for an Expenditure of Community Service Funds in the Amount of \$500 to the New Mexico Hispano Music Association to support their 18th Annual Award Show Program Book (Commissioner Montoya)

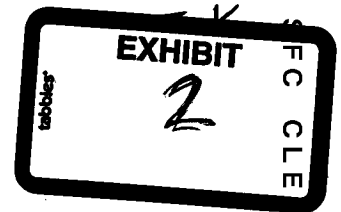
The New Mexico Hispano Music Association, a non profit organization, was founded in 1991 with the purpose of helping preserve through music, the unique culture and heritage of New Mexico. Currently, the New Mexico Hispano Music Association (NMHMA) consists of nearly 400 musicians, producers and /or music artists. On January 17, 2009 the NMHMA will host its 18th Annual Award Show to be held at the Ohkay Conference Center in Espanola. The event has been sold out in advance for the last several years.

One of the sources for revenue for their organization is advertising in their Program Book which is distributed at the events.

Commissioner Harry B. Montoya has requested \$500 of District 1 Community Service Funds to be allocated to funding a full page advertisement for Santa Fe County to support the Association's efforts.

REQUEST ACTION:

Commissioner Montoya respectfully requests the Board of County Commissioners support this agenda item and approve this agenda item.



REC C LE
K R E C O R D E D 1 1 / 2 6 / 2 0 0 8

MEMORANDUM

DATE: October 28, 2008
TO: Board of County Commissioners
VIA: Roman Abeyta, County Manager
FROM: Lisa A. Roybal, Constituent Services Liaison on Behalf of Commissioner Harry B. Montoya
RE: Discussion and Possible Approval for an Expenditure of Community Service Funds in the Amount of \$2,000 to the Pojoaque Schools to support the Pojoaque Girls Soccer Program (Commissioner Montoya)

ISSUE:

On the agenda, under Matters from the Commission for your consideration is:

Discussion and Possible Approval for an Expenditure of Community Service Funds in the Amount of \$2,000 to the Pojoaque Schools to support the Pojoaque Girls Soccer Program (Commissioner Montoya)

Commissioner Harry B. Montoya has requested \$2,000 of District 1 Community Service Funds to be allocated to the Pojoaque Schools for the Pojoaque Girls Soccer Program for 2008-2009. Funding will provide the program with the necessary funds to assist in paying in purchasing new soccer equipment necessary for the development of these young student-athletes, soccer balls, goalie equipment, soccer bags, new uniforms, as well as soccer camp.

REQUEST ACTION:

Commissioner Montoya respectfully requests the Board of County Commissioners support this agenda item and approve this agenda item.

Good afternoon Commissioners:.....October 28, 2008

On today's agenda October 28, 2008 we have for your consideration a request from First National Bank of Santa Fe. Pursuant to Section IX.B of the County's Investment Policy (Resolution 2007-102), First National Bank has applied to become a Depository Financial Institution, authorized to receive deposits of Santa Fe County ("County") funds.

Under state statute and the County's Investment Policy, the Board of County Commissioners ("BCC"), acting as the County Board of Finance, is responsible for selecting Depository Financial Institutions and establishing the minimum collateral levels they must maintain as security for County Deposits. The investment committee reviewed First National's application and recommends designation as a Depository Financial Institution. If approved, the Committee recommends a collateralization of 102%, which is our standard when using an irrevocable letter of credit the only exception would be if they pledge government agencies as security.

In brief: First National Bank of Santa Fe made a presentation to the County's Investment Committee on September 11, 2008 where we considered the following information:

- They proposed the following rates on Certificates of Deposit, for a \$5.0 million investment, a yield of 3.00% for 12 months; and 3.10% yield for 24 months paid by check quarterly.
- The bank stated they were a well capitalized financial institution with income of \$7.5 million through August 2008, financially strong and qualified for a Class A Risk Classification, the highest available under our Investment Policy; and
- The committee informed them to be prepared to answer the following questions: How competitive their rates are? What percentage of the funds will be invested in the community? How does the bank support and participate in community events and programs.

In addition to the proposed resolution designating First National Bank as a Depository Financial Institution, I have included the following in your packet:

- A. Copy of their cover letter and application that includes their rate sheet with proposed CD rates being offered to the County, and Certificate of Charter; and
- B. Their Risk Assessment Ratios for Banks, Quarterly Call Report for period ending 06-30-2008; and
- C. 2007 Annual Report and Bankrate.com rating for First National Bank.

I did not include all the other information in your packet because of their size. I will have the entire application at Tuesday's BCC meeting and would be pleased to provide copies of any of the omitted attachments to any Commissioner who desires them.

With that I would like to introduce the team from the First National Bank of Santa Fe: Kathy McGee, Vice President of Corporate Banking; Jennifer Lind, Senior Vice President; and Michael Ragdon, Chief Financial Officer. We now stand for any questions you may have.

Ragsdale,

SFC CLERK RECORDED 11/26/2008



September 11, 2008

Mr. Victor Montoya
County Treasurer
County of Santa Fe
102 Grant Ave.
Santa Fe, NM 87504

RE: Application to Become a Depository Financial Institution

Dear Mr. Montoya:

This letter is to confirm our interest in doing business with the County of Santa Fe.

Following are highlights of the merits as to why we believe First National Bank of Santa Fe is the right place for Santa Fe County to place the public's deposits:

- First National Bank of Santa Fe was founded in 1870 and is the oldest bank in the Southwest.
- We are a fully qualified, safe and sound, local bank with average total assets for August 2008 in the amount of \$561 million.
- First National Bank of Santa Fe does not participate in the sub-prime lending market, and adheres to stringent lending practices.
- The most current report on Bankrate.com, Safe & Sound® ratings state, *"We are of the opinion that, as of March 31, 2008, this bank exhibited a sound condition, characterized by very solid overall, sustainable profitability, good asset quality, strong capitalization, and seemingly ample liquidity."*
- Our Bank Chairman, President and C.E.O., Greg Ellena states in our 2007 Annual Report, *"We are equally proud of our culture and commitment to our core values of integrity and honesty. We care - about our people, our clients and our communities. We work to know our clients - their needs, their goals, their unique circumstances - so that we can provide great service and value."*
- Our Corporate Banking Department, headed up by Kathy McGee, offers the personal approach and will handle any of your banking needs or questions.
- We have read, understand and will comply with the Santa Fe County Investment Policy, Resolution No. 2004-107.

First National Bank of Santa Fe is interested in CD's in the following maturities:

- | | | |
|-------------|-------|--|
| • 24 Months | 3.10% | Interest payable at maturity or by check quarterly |
| • 12 Months | 3.00% | Interest payable at maturity |
| • 6 Months | 2.55% | Interest payable at maturity |

The following documents are enclosed for reference:

1. Risk Analysis
2. Quarterly Call Report for 6/30/08
3. Certificate of Charter, issued by the Office of Comptroller of the Currency (We are a Federally-Chartered Bank.)
4. 2007 First National Bank of Santa Fe Annual Report
5. Business card for our Corporate Banking Senior Account Manager, Kathy McGee

Please call me at 992-2301 if you have any questions, or need further information.

We look forward to working closely with you on any of your banking needs!

Sincerely,



Kathy B. McGee
Vice President & Sr. Account Manager
Corporate Banking

Enclosures

No. 1750

Treasury Department,

Office of Comptroller of the Currency.

Washington, December 13, 1870.

Whereas, by satisfactory evidence presented to the undersigned, it has been made to appear that The First National Bank of Santa Fe in the County of Santa Fe and State of New Mexico has been duly organized under and according to the requirements of the Act of Congress entitled "An Act to provide a National Currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864, and has complied with all the provisions of said Act required to be complied with before commencing the business of Banking under said Act:

Now, therefore, I, William B. Coulburn, Comptroller of the Currency, do hereby certify that The First National Bank of Santa Fe in the County of Santa Fe and State of New Mexico is authorized to commence the business of Banking under the Act aforesaid.

In testimony whereof, witness my hand and seal of office, this 13th day of December, 1870.

13

William B. Coulburn

Comptroller of the Currency.



SFC CLERK RECORDED 11/26/2008

RISK ASSESSMENT RATIOS FOR BANKS

RATIOS	LINE REFERENCE*	AMOUNT IN THOUSANDS	RATIO	% LEVEL OF COLLATERALIZATION REQUIRED
1 TOTAL STATE DEPOSITS EQUITY CAPITAL	<u>B3 + B4</u> A1	\$ 30,214 \$ 49,188	<u>61.43%</u>	
2 TOTAL STATE DEPOSITS TOTAL DEPOSITS	<u>B3 + B4</u> A2	\$ 30,214 \$ 490,797	<u>6.16%</u>	
3 TOTAL LOANS TOTAL DEPOSITS	<u>A4</u> A2	\$ 387,069 \$ 490,797	<u>78.87%</u>	(50% or 75% or 100 %) (See Ratios Chart Below)
4 PRIMARY CAPITAL ASSETS	<u>A1 + A5</u> A3 + A5	\$ 52,897 \$ 581,605	<u>9.10%</u>	50%
5 NET INCOME AVERAGE ASSETS	<u>C5</u> D7	\$ 12,078 \$ 535,341	<u>2.26%</u>	50%
6 NON-PERFORMING LOANS PRIMARY CAPITAL	<u>A6 + A7</u> A1 + A5	\$ 3,243 \$ 52,897	<u>6.13%</u>	50%

* ALL LINE REFERENCES ARE TO STO-page 2


PERCENTAGE LEVEL OF COLLATERALIZATION REQUIRED

RATIOS	50%	75%	100%
4 PRIMARY CAPITAL ASSETS	Above 6.00%	5.00% - 6.00%	Less than 5.00%
5 NET OPERATING INCOME AVERAGE TOTAL ASSETS	Above .61%	.51% - .60%	Less than .51%
6 NON-PERFORMING LOANS PRIMARY CAPITAL	Under 34.9%	35.0% - 49.9%	Above 49.9%

THE PERCENTAGE LEVEL OF COLLATERALIZATION REQUIRED FOR THIS FINANCIAL INSTITUTION
IS **50%**

June 30, 2008

PREPARER'S NAME:
PHONE NUMBER:


Julie N. Kincheloe-Martinez
(505) 992-2023

Board of Governors of the Federal Reserve System
OMB Number: 7100-0036
Federal Deposit Insurance Corporation
OMB Number: 3064-0052
Office of the Comptroller of the Currency
OMB Number: 1557-0081
Expires March 31, 2010

Federal Financial Institutions Examination Council



Consolidated Reports of Condition and Income for
A Bank With Domestic Offices Only—FFIEC 041

Report at the close of business June 30, 2008

This report is required by law: 12 U.S.C. Section 324 (State member banks);
12 U.S.C. Section 1817 (State nonmember banks); and 12 U.S.C. Section
161 (National banks).

This report form is to be filed by banks with domestic offices only. Banks with
foreign offices (as defined in the instructions) must file FFIEC 031.

NOTE: Each bank's board of directors and senior management are
responsible for establishing and maintaining an effective system of internal
control, including controls over the Reports of Condition and Income. The
Reports of Condition and Income are to be prepared in accordance with
Federal regulatory authority instructions. The Reports of Condition and
Income must be signed by the Chief Financial Officer (CFO) of the reporting
bank (or by the individual performing an equivalent function) and attested to
by not less than two directors (trustees) for State nonmember banks and three
directors for State member and National banks.

We, the undersigned directors (trustees), attest to the correctness of the
Reports of Condition and Income (including the supporting schedules) for this
report date and declare that the Reports of Condition and Income have been
examined by us and to the best of our knowledge and belief have been
prepared in conformance with the instructions issued by the appropriate
Federal regulatory authority and are true and correct.

I, the undersigned CFO (or equivalent) of the named bank, attest that the
Reports of Condition and Income (including the supporting schedules) for this
report date have been prepared in conformance with the instructions issued
by the appropriate Federal regulatory authority and are true to the best of my
knowledge and belief.

Director (Trustee)

Director (Trustee)

Director (Trustee)

Signature of Chief Financial Officer (or Equivalent)

Date of Signature

Submission of Reports

Each bank must prepare its Reports of Condition and Income (Call Report)
data by either:

- (a) Using computer software to prepare its Call Report and then submitting
the report data directly to the FFIEC's Central Data Repository (CDR), an
Internet-based system for data collection (<https://cdr.ffiec.gov/cdr/>), or
- (b) Completing its Call Report in paper form and arranging with a software
vendor or another party to convert the data into the electronic format that
can be processed by the CDR. The software vendor or other party then
must electronically submit the bank's data file to the CDR.

To fulfill the signature and attestation requirement for the Reports of
Condition and Income for this report date, attach your bank's completed
signature page (or a photocopy or a computer-generated version of this page)
to the hard-copy record of the data file submitted to the CDR that your bank
must place in its files.

The appearance of your bank's hard-copy record of the submitted data file
need not match exactly the appearance of the FFIEC's sample report forms,
but should show at least the caption of each Call Report item and the
reported amount.

For technical assistance with submissions to the CDR, please contact the CDR
Help Desk by telephone at (888) CDR-3111, by fax at (301) 495-7864, or by e-
mail at CDR.Help@ffiec.gov.

First National Bank of Santa Fe
Legal Title of Bank (RSSD 9017)

Santa Fe
City (RSSD 9130)

NM
State Abbrev. (RSSD 9200)

87504-
Zip Code (RSSD 9220)

FDIC Certificate Number 2239_
(RSSD 9050)

Contact Information for the Reports of Condition and Income

To facilitate communication between the Agencies and the bank concerning the Reports of Condition and Income, please provide contact information for (1) the Chief Financial Officer (or equivalent) of the bank signing the reports for this quarter and (2) the person at the bank--other than the Chief Financial Officer (or equivalent)--to whom questions about the reports should be directed. If the Chief Financial Officer (or equivalent) is the primary contact for questions about the reports, please provide contact information for another person at the bank who will serve as a secondary contact for communications between the Agencies and the bank concerning the Reports of Condition and Income. Enter 'none' for the contact's e-mail address or fax number if not available. Contact information for the Reports of Condition and Income is for the confidential use of the Agencies and will not be released to the public.

Chief Financial Officer (or Equivalent) Signing the Reports

Other Person to Whom Questions about the Reports Should be Directed

Michael Ragsdale
Name (TEXT C490)

Senior Vice President & CFO
Title (TEXT C491)

MRagsdale@1stnationalbanknm.com
E-mail Address (TEXT C492)

(505)992-2043
Telephone: Area code/phone number/extension (TEXT C493)

(505)992-2025
FAX: Area code/phone number (TEXT C494)

Kevon Zehner
Name (TEXT C495)

Vice President & Controller
Title (TEXT C496)

KZehner@1stnationalbanknm.com
E-mail Address (TEXT 4086)

(505)992-2121
Telephone: Area code/phone number/extension (TEXT 8902)

(505)992-2025
FAX: Area code/phone number (TEXT 9116)

Emergency Contact Information

This information is being requested so the Agencies can distribute critical, time sensitive information to emergency contacts at banks. Please provide primary contact information for a senior official of the bank who has decision-making authority. Also provide information for a secondary contact if available. Enter 'none' for the contact's e-mail address or fax number if not available. Emergency contact information is for the confidential use of the Agencies and will not be released to the public.

Primary Contact

Secondary Contact

Michael Ragsdale
Name (TEXT C366)

Senior Vice President & CFO
Title (TEXT C367)

MRagsdale@1stnationalbanknm.com
E-mail Address (TEXT C368)

(505)992-2043
Telephone: Area code/phone number/extension (TEXT C369)

(505)992-2025
FAX: Area code/phone number (TEXT C370)

Kathy Garcia
Name (TEXT C371)

Security Officer & AVP
Title (TEXT C372)

KGarcia@1stnationalbanknm.com
E-mail Address (TEXT C373)

(505)992-2041
Telephone: Area code/phone number/extension (TEXT C374)

(505)992-2025
FAX: Area code/phone number (TEXT C375)

3
CLERK
RECORDED 11/26/2008

USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information

This information is being requested to identify points-of-contact who are in charge of your depository institution's Section 314(a) searches and who could be contacted by federal law enforcement officers for additional information related to anti-terrorist financing and anti-money laundering. Please provide information for a secondary contact if available. Information for a third and fourth contact may be provided at the bank's option. Enter 'none' for the contact's e-mail address or fax number if not available. USA PATRIOT Act contact information is for the confidential use of the Agencies and the Financial Crimes Enforcement Network (FinCEN) and will not be released to the public.

Primary Contact

Kathy Garcia
Name (TEXT C437)

Security Officer & AVP
Title (TEXT C438)

KGarcia@1stnationalbanknm.com
E-mail Address (TEXT C439)

(505)992-2041
Telephone: Area code/phone number/extension (TEXT C440)

(505)992-2025
FAX: Area code/phone number (TEXT C441)

Third Contact

Christopher Madonia
Name (TEXT C870)

AVP, Risk Management/Compliance Officer
Title (TEXT C871)

cmadonia@1stnationalbanknm.com
E-mail Address (TEXT C872)

(505)992-2080
Telephone: Area code/phone number/extension (TEXT C873)

(505)992-2045
FAX: Area code/phone number (TEXT C874)

Secondary Contact

Michael Ragsdale
Name (TEXT C442)

Senior Vice President & CFO
Title (TEXT C443)

MRagsdale@1stnationalbanknm.com
E-mail Address (TEXT C444)

(505)992-2043
Telephone: Area code/phone number/extension (TEXT C445)

(505)992-2025
FAX: Area code/phone number (TEXT C446)

Fourth Contact

Name (TEXT C875)

Title (TEXT C876)

E-mail Address (TEXT C877)

Telephone: Area code/phone number/extension (TEXT C878)

FAX: Area code/phone number (TEXT C879)

Consolidated Report of Income for the period January 1, 2008 - June 30, 2008

All Report of Income schedules are to be reported on a calendar year-to-date basis in thousands of dollars.

Schedule RI - Income Statement

Dollar Amounts in Thousands

	Bil	Mil	Thou	
1. Interest income:				
a. Interest and fee income on loans:				
(1) Loans secured by real estate:				
(a) Loans secured by 1-4 family residential properties	RIAD4435	3,484		1.a.(1)(a)
(b) All other loans secured by real estate	RIAD4436	8,612		1.a.(1)(b)
(2) Commercial and industrial loans	RIAD4012	594		1.a.(2)
(3) Loans to individuals for household, family, and other personal expenditures:				
(a) Credit cards	RIADB485	0		1.a.(3)(a)
(b) Other (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)	RIADB486	434		1.a.(3)(b)
(4) Loans to foreign governments and official institutions	RIAD4056	0		1.a.(4)
(5) All other loans ⁽¹⁾	RIAD4058	54		1.a.(5)
(6) Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(5))	RIAD4010	13,178		1.a.(6)
b. Income from lease financing receivables	RIAD4065	0		1.b.
c. Interest income on balances due from depository institutions ⁽²⁾	RIAD4115	91		1.c.
d. Interest and dividend income on securities:				
(1) U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	RIADB488	894		1.d.(1)
(2) Mortgage-backed securities	RIADB489	1,462		1.d.(2)
(3) All other securities (includes securities issued by states and political subdivisions in the U.S.)	RIAD4060	589		1.d.(3)
e. Interest income from trading assets	RIAD4069	0		1.e.
f. Interest income on federal funds sold and securities purchased under agreements to resell	RIAD4020	97		1.f.
g. Other interest income	RIAD4518	132		1.g.
h. Total interest income (sum of items 1.a.(6) through 1.g)	RIAD4107	16,443		1.h.
2. Interest expense:				
a. Interest on deposits:				
(1) Transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RIAD4508	50		2.a.(1)
(2) Nontransaction accounts:				
(a) Savings deposits (includes MMDAs)	RIAD0093	1,385		2.a.(2)(a)
(b) Time deposits of \$100,000 or more	RIADA517	1,435		2.a.(2)(b)
(c) Time deposits of less than \$100,000	RIADA518	1,308		2.a.(2)(c)
b. Expense of federal funds purchased and securities sold under agreements to repurchase	RIAD4180	54		2.b.
c. Interest on trading liabilities and other borrowed money	RIAD4185	283		2.c.

(1) Includes interest and fee income on "Loans to depository institutions and acceptances of other banks," "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Other loans."

(2) Includes interest income on time certificates of deposit not held for trading.

Schedule RI

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Schedule RI - Continued

Dollar Amounts in Thousands

	Bil	Mil	Thou	
d. Interest on subordinated notes and debentures	RIAD4200		0	2.d.
e. Total interest expense (sum of items 2.a through 2.d)	RIAD4073	4,515		2.e.
3. Net interest income (item 1.h minus 2.e)	RIAD4074	11,928		3.
4. Provision for loan and lease losses	RIAD4230	334		4.
5. Noninterest income:				
a. Income from fiduciary activities (1)	RIAD4070	1,006		5.a.
b. Service charges on deposit accounts	RIAD4080	855		5.b.
c. Trading revenue (2)	RIAD4220	0		5.c.
d.				
(1) Fees and commissions from securities brokerage	RIAD4886	0		5.d.(1)
(2) Investment banking, advisory, and underwriting fees and commissions	RIAD4888	141		5.d.(2)
(3) Fees and commissions from annuity sales	RIAD4887	0		5.d.(3)
(4) Underwriting income from insurance and reinsurance activities	RIAD4386	1		5.d.(4)
(5) Income from other insurance activities	RIAD4387	0		5.d.(5)
e. Venture capital revenue	RIAD4491	0		5.e.
f. Net servicing fees	RIAD4492	1		5.f.
g. Net securitization income	RIAD4493	0		5.g.
h. Not applicable				
i. Net gains (losses) on sales of loans and leases	RIAD5416	112		5.i.
j. Net gains (losses) on sales of other real estate owned	RIAD5415	0		5.i.
k. Net gains (losses) on sales of other assets (excluding securities)	RIAD4496	0		5.k.
l. Other noninterest income (*)	RIAD4497	845		5.l.
m. Total noninterest income (sum of items 5.a. through 5.l)	RIAD4379	2,961		5.m.
6.				
a. Realized gains (losses) on held-to-maturity securities	RIAD3521	0		6.a.
b. Realized gains (losses) on available-for-sale securities	RIAD3196	0		6.b.
7. Noninterest expense:				
a. Salaries and employee benefits	RIAD4135	5,218		7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	RIAD4217	1,157		7.b.
c.				
(1) Goodwill impairment losses	RIAD4216	0		7.c.(1)
(2) Amortization expense and impairment losses for other intangible assets	RIAD4232	0		7.c.(2)
d. Other noninterest expense (*)	RIAD4092	2,642		7.d.
e. Total noninterest expense (sum of items 7.a. through 7.d)	RIAD4093	9,017		7.e.
8. Income (loss) before income taxes and extraordinary items and other adjustments (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e.)	RIAD4301	5,538		8.
9. Applicable income taxes (on item 8)	RIAD4302	0		9.
10. Income (loss) before extraordinary items and other adjustments (item 8 minus item 9)	RIAD4300	5,538		10.
11. Extraordinary items and other adjustments, net of income taxes (*)	RIAD4320	0		11.
12. Net income (loss) (sum of items 10 and 11)	RIAD4340	5,538		12.

(1) For banks required to complete Schedule RC-T, items 12 through 19, income from fiduciary activities reported in Schedule RI, item 5.a. must equal the amount reported in Schedule RC-T, item 19.

(2) For banks required to complete Schedule RI, Memorandum item 8, trading revenue reported in Schedule RI, item 5.c. must equal the sum of Memorandum items 8.a through 8.e.

(*) Describe on Schedule RI-E - Explanations

Schedule RI

6

Schedule RI - Continued

Memoranda

Dollar Amounts in Thousands

	Bil	Mil	Thou	
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes	RIAD4513	34		M.1.
2. Income from the sale and servicing of mutual funds and annuities (included in Schedule RI, item 8) ...	RIAD8431	91		M.2.
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b)	RIAD4313	0		M.3.
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3))	RIAD4507	443		M.4.
5. Number of full-time equivalent employees at end of current period (round to nearest whole number)	RIAD4150	177		M.5.
6. Memorandum item 6 is to be completed by:				
• banks with \$300 million or more in total assets, and				
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans.				
Interest and fee income on loans to finance agricultural production and other loans to farmers (included in Schedule RI, item 1.a.(5)) ⁽¹⁾				
7. If the reporting bank has restated its balance sheet as a result of applying push down accounting this calendar year, report the date of the bank's acquisition ⁽²⁾	RIAD4024	0		M.6.
8. Trading revenue (from cash instruments and derivative instruments) (sum of Memorandum items 8.a through 8.e must equal Schedule RI, item 5.c) (To be completed by banks that reported average trading assets (Schedule RC-K, item 7) of \$2 million or more for any quarter of the preceding calendar year.):	RIAD9106			M.7.
a. Interest rate exposures	RIAD8757	N/A		M.8.a.
b. Foreign exchange exposures	RIAD8758	N/A		M.8.b.
c. Equity security and index exposures	RIAD8759	N/A		M.8.c.
d. Commodity and other exposures	RIAD8760	N/A		M.8.d.
e. Credit exposures	RIADF186	N/A		M.8.e.
9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:				
a. Net gains (losses) on credit derivatives held for trading	RIADC889	0		M.9.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading	RIADC890	0		M.9.b.
10. To be completed by banks with \$300 million or more in total assets: ⁽¹⁾				
Credit losses on derivatives (see instructions)	RIADA251	0		M.10.
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?	RIADA530	YES		M.11.

Dollar Amounts in Thousands

	Bil	Mil	Thou	
Memorandum item 12 is to be completed by banks that are required to complete Schedule RC-C, part I, Memorandum items 8.b and 8.c				
12. Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties (included in Schedule RI, item 1.a.(1)(a))	RIADF228	N/A		M.12.

(1) The asset size tests and the five percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2007, Report of Condition.

(2) For example, a bank acquired on March 1, 2008, would report 20080301.

Schedule RI

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Schedule RI - Continued

Memoranda (continued)

Dollar Amounts in Thousands

Bil | Mil | Thou

Memorandum item 13 is to be completed by banks that have elected to account for assets and liabilities under a fair value option.

13. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:

- a. Net gains (losses) on assets
 - (1) Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk
- b. Net gains (losses) on liabilities
 - (1) Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk

	Bil	Mil	Thou
RIAD551			N/A
RIADF552			N/A
RIADF553			N/A
RIADF554			N/A

M.13.a.

M.13.a.(1)

M.13.b.

M.13.b.(1)

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Schedule RIA

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Schedule RI-A - Changes in Equity Capital

Indicate decreases and losses in parentheses.

Dollar Amounts in Thousands		Bil	Mil	Thou	
1. Total equity capital most recently reported for the December 31, 2007, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	RIAD3217		47,051		1.
2. Restatements due to corrections of material accounting errors and changes in accounting principles (*)	RIADB507		0		2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2)	RIADB508		47,051		3.
4. Net income (loss) (must equal Schedule RI, item 12)	RIAD4340		5,538		4.
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	RIADB509		0		5.
6. Treasury stock transactions, net	RIADR510		0		6.
7. Changes incident to business combinations, net	RIAD4356		0		7.
8. LESS: Cash dividends declared on preferred stock	RIAD4470		0		8.
9. LESS: Cash dividends declared on common stock	RIAD4460		4,900		9.
10. Other comprehensive income (1)	RIADB511		(275)		10.
11. Other transactions with parent holding company (*) (not included in items 5, 6, 8, or 9 above)	RIAD4415		0		11.
12. Total equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 28)	RIAD3210		47,414		12.

(*) Describe on Schedule RI-E - Explanations

(1) Includes changes in net unrealized holding gains (losses) on available-for-sale securities, changes in accumulated net gains (losses) on cash flow hedges, and pension and other postretirement plan-related changes other than net periodic benefit cost.

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Schedule RI-B -- Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses

Part I. Charge-offs ⁽¹⁾ and Recoveries on Loans and Leases

Part I includes charge-offs and recoveries through the allocated transfer risk reserve.

	Dollar Amounts in Thousands		(Column A)		(Column B)		
			Charge-offs; Calendar YTD		Recoveries; Calendar YTD		
1. Loans secured by real estate:							
a. Construction, land development, and other land loans:							
(1) 1-4 family residential construction loans			RIADC891	0	RIADC892	0	1.a.(1)
(2) Other construction loans and all land development and other land loans			RIADC893	0	RIADC894	0	1.a.(2)
b. Secured by farmland			RIAD3584	0	RIAD3585	0	1.b.
c. Secured by 1-4 family residential properties:							
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit			RIAD5411	0	RIAD5412	0	1.c.(1)
(2) Closed-end loans secured by 1-4 family residential properties:							
(a) Secured by first liens			RIADC234	0	RIADC217	0	1.c.(2)(a)
(b) Secured by junior liens			RIADC235	0	RIADC218	0	1.c.(2)(b)
d. Secured by multifamily (5 or more) residential properties			RIAD3588	0	RIAD3589	0	1.d.
e. Secured by nonfarm nonresidential properties:							
(1) Loans secured by owner-occupied nonfarm nonresidential properties			RIADC895	0	RIADC896	0	1.e.(1)
(2) Loans secured by other nonfarm nonresidential properties			RIADC897	0	RIADC898	0	1.e.(2)
2. Loans to depository institutions and acceptances of other banks			RIAD4481	0	RIAD4482	0	2.
3. Not applicable							
4. Commercial and industrial loans			RIAD4638	0	RIAD4608	0	4.
5. Loans to individuals for household, family, and other personal expenditures:							
a. Credit cards			RIADB514	0	RIAD3515	0	5.a.
b. Other (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)			RIADB516	43	RIADB517	7	5.b.
6. Loans to foreign governments and official institutions			RIAD4643	0	RIAD4627	0	6.
7. All other loans ⁽²⁾			RIAD4644	0	RIAD4628	0	7.
8. Lease financing receivables			RIAD4266	0	RIAD4267	0	8.
9. Total (sum of items 1 through 8)			RIAD4635	43	RIAD4605	7	9.

(1) Include write-downs arising from transfers of loans to a held-for-sale account.

(2) Includes charge-offs and recoveries on "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Other loans."

Schedule RI-B - Continued

Part I. Continued

Memoranda

	(Column A)		(Column B)		
	Charge-offs: Calendar YTD		Recoveries: Calendar YTD		
Dollar Amounts in Thousands					
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above	RIAD5409	0	RIAD5410	0	M.1.
2. Memorandum items 2.a thru 2.d are to be completed by banks with \$300 million or more in total assets: ⁽²⁾					
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1, above)	RIAD4652	0	RIAD4662	0	M.2.a.
b. Loans to and acceptances of foreign banks (included in Schedule RI-B, part I, item 2, above)	RIAD4654	0	RIAD4664	0	M.2.b.
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 4, above)	RIAD4646	0	RIAD4618	0	M.2.c.
d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RI-B, part I, item 8, above)	RIADF185	0	RIADF187	0	M.2.d.
3. Memorandum item 3 is to be completed by: ⁽²⁾					
• banks with \$300 million or more in total assets, and					
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans.					
Loans to finance agricultural production and other loans to farmers (included in Schedule RI-B, part I, item 7, above)	RIAD4655	0	RIAD4665	0	M.3.

	Dollar Amounts in Thousands				
			Bit	Mill	
Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.					
4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses)	RIADC388			N/A	M.4.

(2) The \$300 million asset size test and the five percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2007. Report of Condition.

Schedule RIBII

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Schedule RI-B - Continued

Part II. Changes in Allowance for Loan and Lease Losses

Dollar Amounts in Thousands

	Bil	Mil	Thou	
1. Balance most recently reported for the December 31, 2007, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	RIADC3522		3,924	1.
2. Recoveries (must equal part I, item 9, column B, above)	RIADC4605		7	2.
3. LESS: Charge-offs (must equal part I, item 9, column A, above less Schedule RI-B, part II, item 4)	RIADC079		43	3.
4. LESS: Write-downs arising from transfers of loans to a held-for-sale account	RIADC5523		0	4.
5. Provision for loan and lease losses (must equal Schedule RI, item 4)	RIADC230		334	5.
6. Adjustments (see instructions for this schedule) (*)	RIADC233		(342)	6.
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (must equal Schedule RC, item 4.c)	RIADC3123		3,880	7.

Memoranda

Dollar Amounts in Thousands

	Bil	Mil	Thou	
1. Allocated transfer risk reserve included in Schedule RI-B, part II, item 7, above	RIADC435		0	M.1.
<i>Memorandum items 2 and 3 are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.</i>				
2. Separate valuation allowance for uncollectible retail credit card fees and finance charges	RIADC389		N/A	M.2.
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges	RIADC390		N/A	M.3.
<i>Memorandum item 4 is to be completed by all banks.</i>				
4. Amount of allowance for post-acquisition losses on purchased impaired loans accounted for in accordance with AICPA Statement of Position 03-3 (included in Schedule RI-B, part II, item 7, above)	RIADC781		0	M.4.

(*) Describe on Schedule RI-E - Explanations

Schedule RI-E - Explanations

Schedule RI-E is to be completed each quarter on a calendar year-to-date basis.

Detail all adjustments in Schedule RI-A and RI-B, all extraordinary items and other adjustments in Schedule RI, and all significant items of other noninterest income and other noninterest expense in Schedule RI. (See instructions for details.)

Dollar Amounts in Thousands

		Bill	Mil	Thou
1. Other noninterest income (from Schedule RI, item 5.i)				
Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 5.i:				
a. Income and fees from the printing and sale of checks	RIADC013	43		1.a.
b. Earnings on/increase in value of cash surrender value of life insurance	RIADC014	181		1.b.
c. Income and fees from automated teller machines (ATMs)	RIADC016	142		1.c.
d. Rent and other income from other real estate owned	RIAD4042	0		1.d.
e. Safe deposit box rent	RIADC015	85		1.e.
f. Net change in the fair values of financial instruments accounted for under a fair value option	RIADF229	0		1.f.
g. Bank card and credit card interchange fees	RIADF555	0		1.g.
h. TEXT446 Credit Card Merchant Discount	RIAD4461	54		1.h.
i. TEXT4462 Money Fund Commission Income	RIAD4462	91		1.i.
j. TEXT4463 Customer Investment Fees	RIAD4463	50		1.j.
2. Other noninterest expense (from Schedule RI, item 7.d)				
Itemize and describe amounts greater than \$25,000 that exceed 3% of Schedule RI, item 7.d:				
a. Data processing expenses	RIADC017	641		2.a.
b. Advertising and marketing expenses	RIAD0497	130		2.b.
c. Directors' fees	RIAD4136	101		2.c.
d. Printing, stationery, and supplies	RIADC018	144		2.d.
e. Postage	RIAD8403	122		2.e.
f. Legal fees and expenses	RIAD4141	0		2.f.
g. FDIC deposit insurance assessments	RIAD4146	0		2.g.
h. Accounting and auditing expenses	RIADF556	124		2.h.
i. Consulting and advisory expenses	RIADF557	137		2.i.
j. Automated teller machine (ATM) and interchange expenses	RIADF558	108		2.j.
k. Telecommunications expenses	RIADF559	212		2.k.
l. TEXT4464 Contributions	RIAD4464	104		2.l.
m. TEXT4467 Internet Bill Paying Expense	RIAD4467	98		2.m.
n. TEXT4468 Business Development	RIAD4468	88		2.n.
3. Extraordinary items and other adjustments and applicable income tax effect (from Schedule RI, item 11) (itemize and describe all extraordinary items and other adjustments):				
a. (1) TEXT4469	RIAD4469	0		3.a.(1)
(2) Applicable income tax effect	RIAD4486	0		3.a.(2)
b. (1) TEXT4487	RIAD4487	0		3.b.(1)
(2) Applicable income tax effect	RIAD4488	0		3.b.(2)
c. (1) TEXT4489	RIAD4489	0		3.c.(1)
(2) Applicable income tax effect	RIAD4491	0		3.c.(2)

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Schedule RIE **13**

Schedule RI-E - Continued

Dollar Amounts in Thousands

- 4. Restatements due to corrections of material accounting errors and changes in accounting principles (from Schedule RI-A, item 2) (itemize and describe all restatements):
 - a. Cumulative-effect adjustment resulting from the initial adoption of FAS 159, Fair Value Option
 - b. [TFXTB52]
- 5. Other transactions with parent holding company (from Schedule RI-A, item 11) (itemize and describe all such transactions):
 - a. [TEXT4498]
 - b. [TEXT4499]
- 6. Adjustments to allowance for loan and lease losses (from Schedule RI-B, part II, item 6) (itemize and describe all adjustments):
 - a. [TFXT452] Transfer to commitment reserve
 - b. [TFXT452] Reclass to unfunded commitment

	Bill	Mil	Thou	
[REDACTED]				
RIAD465			0	4.a.
RIADB527			0	4.b.
[REDACTED]				
RIAD4498			0	5.a.
RIAD4499			0	5.b.
[REDACTED]				
RIAD4521		(353)		6.a.
RIAD4522			11	6.b.

- 7. Other explanations (the space below is provided for the bank to briefly describe, at its option, any other significant items affecting the Report of Income):
 - a. Comments?
 - b. Other explanations:
[TEXT 4769]

	Yes/No	
[REDACTED]		
BIAD4769	YES	7.a.
[REDACTED]		

Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for June 30, 2008

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Schedule RC - Balance Sheet

Dollar Amounts in Thousands

		Bil	Mil	Thou	
ASSETS					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a. Noninterest-bearing balances and currency and coin ⁽¹⁾	RCON0081		15,985		1.a.
b. Interest-bearing balances ⁽²⁾	RCON0071		655		1.b.
2. Securities:					
a. Held-to-maturity securities (from Schedule RC-B, column A)	RCON1754		0		2.a.
b. Available-for-sale securities (from Schedule RC-B, column D)	RCON1773		135,978		2.b.
3. Federal funds sold and securities purchased under agreements to resell:					
a. Federal funds sold	RCONB987		1,000		3.a.
b. Securities purchased under agreements to resell ⁽³⁾	RCONB988		0		3.b.
4. Loans and lease financing receivables (from Schedule RC-C):					
a. Loans and leases held for sale	RCON5369		412		4.a.
b. Loans and leases, net of unearned income	RCONB528		401,708		4.b.
c. LESS: Allowance for loan and lease losses	RCON3123		3,880		4.c.
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)	RCONB529		397,828		4.d.
5. Trading assets (from Schedule RC-D)	RCON3545		0		5.
6. Premises and fixed assets (including capitalized leases)	RCON2145		8,768		6.
7. Other real estate owned (from Schedule RC-M)	RCON2150		0		7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)	RCON2130		0		8.
9. Not applicable					
10. Intangible assets:					
a. Goodwill	RCON3163		0		10.a.
b. Other intangible assets (from Schedule RC-M)	RCON0426		0		10.b.
11. Other assets (from Schedule RC-F)	RCON2160		15,038		11.
12. Total assets (sum of items 1 through 11)	RCON2170		575,664		12.

(1) Includes cash items in process of collection and unposted debits.
 (2) Includes time certificates of deposit not held for trading.
 (3) Includes all securities resale agreements, regardless of maturity.

Schedule RC

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Schedule RC - Continued

Dollar Amounts in Thousands

		Bil	Mill	Thou	
LIABILITIES					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)	RCON2200		493,995		13.a.
(1) Noninterest-bearing ⁽¹⁾	RCON6631		77,301		13.a.(1)
(2) Interest-bearing	RCON6636		416,694		13.a.(2)
b. Not applicable					
14. Federal funds purchased and securities sold under agreements to repurchase:					
a. Federal funds purchased ⁽²⁾	RCONB993		100		14.a.
b. Securities sold under agreements to repurchase ⁽³⁾	RCONB995		1,444		14.b.
15. Trading liabilities (from Schedule RC-D)	RCON3548		0		15.
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)	RCON3190		30,000		16.
17. Not applicable					
18. Not applicable					
19. Subordinated notes and debentures ⁽⁴⁾	RCON3200		0		19.
20. Other liabilities (from Schedule RC-G)	RCON2930		2,711		20.
21. Total liabilities (sum of items 13 through 20)	RCON2948		528,250		21.
22. Minority interest in consolidated subsidiaries	RCON3000		0		22.
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus	RCON3838		0		23.
24. Common stock	RCON3230		1,100		24.
25. Surplus (exclude all surplus related to preferred stock)	RCON3839		5,650		25.
26.					
a. Retained earnings	RCON3632		45,173		26.a.
b. Accumulated other comprehensive income ⁽⁵⁾	RCONB530		391		26.b.
27. Other equity capital components ⁽⁶⁾	RCONA130		(4,900)		27.
28. Total equity capital (sum of items 23 through 27)	RCON3210		47,414		28.
29. Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)	RCON3300		575,664		29.

Memorandum

To be reported with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2007

	Number
RCON6724	N/A M.1.

- 1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
- 2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
- 3 = Attestation on bank management's assertion on the effectiveness of the bank's internal control over financial reporting by a certified public accounting firm
- 4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
- 5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
- 6 = Review of the bank's financial statements by external auditors
- 7 = Compilation of the bank's financial statements by external auditors
- 8 = Other audit procedures (excluding tax preparation work)
- 9 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.
 (2) Report overnight Federal Home Loan Bank advances in Schedule RC, item 16. "Other borrowed money."
 (3) Includes all securities repurchase agreements, regardless of maturity.
 (4) Includes limited-life preferred stock and related surplus.
 (5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and minimum pension liability adjustments.
 (6) Includes treasury stock and unearned Employee Stock Ownership Plan shares.

Schedule RCA

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Schedule RC-A - Cash and Balances Due From Depository Institutions

Schedule RC-A is to be completed only by banks with \$300 million or more in total assets.
Exclude assets held for trading.

Dollar Amounts in Thousands

		Bit	Mill	Thou	
1. Cash items in process of collection, unposted debits, and currency and coin:					
a. Cash items in process of collection and unposted debits	RCON0020		7,419		1.a.
b. Currency and coin	RCON0080		5,276		1.b.
2. Balances due from depository institutions in the U.S:					
a. U.S. branches and agencies of foreign banks	RCON0083		0		2.a.
b. Other commercial banks in the U.S. and other depository institutions in the U.S.	RCON0085		1,940		2.b.
3. Balances due from banks in foreign countries and foreign central banks:					
a. Foreign branches of other U.S. banks	RCON0073		0		3.a.
b. Other banks in foreign countries and foreign central banks	RCON0074		0		3.b.
4. Balances due from Federal Reserve Banks	RCON0090		2,005		4.
5. Total (sum of items 1 through 4) (must equal Schedule RC, sum of items 1.a and 1.b)	RCON0010		16,640		5.

Schedule RCB

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Schedule RC-B - Securities

Exclude assets held for trading.

	(Column A) Held-to-maturity Amortized Cost	(Column B) Held-to-maturity Fair Value	(Column C) Available-for- sale Amortized Cost	(Column D) Available-for- sale Fair Value	
Dollar Amounts in Thousands					
1. U.S. Treasury securities	RCON0211 0	RCON0213 0	RCON1286 0	RCON1287 0	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities):					
a. Issued by U.S. Government agencies ⁽¹⁾	RCON1289 0	RCON1290 0	RCON1291 0	RCON1293 0	2.a.
b. Issued by U.S. Government-sponsored agencies ⁽²⁾	RCON1294 0	RCON1295 0	RCON1297 39,015	RCON1298 39,437	2.b.
3. Securities issued by states and political subdivisions in the U.S.	RCON8496 0	RCON8497 0	RCON8498 20,899	RCON8499 21,030	3.
4. Mortgage-backed securities (MBS):					
a. Pass-through securities:					
(1) Guaranteed by GNMA	RCON1698 0	RCON1699 0	RCON1701 525	RCON1702 551	4.a.(1)
(2) Issued by FNMA and FHLMC	RCON1703 0	RCON1705 0	RCON1706 65,689	RCON1707 65,506	4.a.(2)
(3) Other pass-through securities	RCON1709 0	RCON1710 0	RCON1711 0	RCON1713 0	4.a.(3)
b. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS):					
(1) Issued or guaranteed by FNMA, FHLMC, or GNMA	RCON1714 0	RCON1715 0	RCON1716 1,109	RCON1717 1,104	4.b.(1)
(2) Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	RCON1718 0	RCON1719 0	RCON1731 0	RCON1732 0	4.b.(2)
(3) All other mortgage-backed securities	RCON1733 0	RCON1734 0	RCON1735 0	RCON1736 0	4.b.(3)
5. Asset-backed securities (ABS)	RCONC026 0	RCONC988 0	RCONC989 0	RCONC027 0	5.
6. Other debt securities:					
a. Other domestic debt securities	RCON1737 0	RCON1738 0	RCON1739 0	RCON1741 0	6.a.
b. Foreign debt securities	RCON1742 0	RCON1743 0	RCON1744 0	RCON1746 0	6.b.
7. Investments in mutual funds and other equity securities with readily determinable fair values ⁽³⁾			RCONA510 8,350	RCONA511 8,350	7.
8. Total (sum of items 1 through 7) (total of column A must equal Schedule RC, item 2.a) (total of column D must equal Schedule RC, item 2.b.)	RCON1754 0	RCON1771 0	RCON1772 135,587	RCON1773 135,978	8.

(1) Includes Small Business Administration "Guaranteed Loan Pool Certificates," U.S. Maritime Administration obligations, and Export-Import Bank participation certificates.

(2) Includes obligations (other than mortgage-backed securities) issued by the Farm Credit System, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financing Corporation, Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.

(3) Report Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock in Schedule RC-F, item 4.

Schedule RC-B - Continued

Memoranda

Dollar Amounts in Thousands

	Bil	Mil	Thou	
1. Pledged securities ⁽¹⁾	RCON0416	53,932		M.1.
2. Maturity and repricing data for debt securities (excluding those in nonaccrual status): ^{(1) (2)}				
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of: ^{(3) (4)}				
(1) Three months or less	RCONA549	6,307		M.2.a.(1)
(2) Over three months through 12 months	RCONA550	30,234		M.2.a.(2)
(3) Over one year through three years	RCONA551	4,137		M.2.a.(3)
(4) Over three years through five years	RCONA552	11,914		M.2.a.(4)
(5) Over five years through 15 years	RCONA553	7,875		M.2.a.(5)
(6) Over 15 years	RCONA554	0		M.2.a.(6)
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of: ^{(3) (5)}				
(1) Three months or less	RCONA555	334		M.2.b.(1)
(2) Over three months through 12 months	RCONA556	830		M.2.b.(2)
(3) Over one year through three years	RCONA557	4,963		M.2.b.(3)
(4) Over three years through five years	RCONA558	109		M.2.b.(4)
(5) Over five years through 15 years	RCONA559	58,452		M.2.b.(5)
(6) Over 15 years	RCONA560	1,369		M.2.b.(6)
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of: ⁽⁶⁾				
(1) Three years or less	RCONA561	1,104		M.2.c.(1)
(2) Over three years	RCONA562	0		M.2.c.(2)
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above)	RCONA248	37,785		M.2.d.
3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer)	RCON1778	0		M.3.
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):				
a. Amortized cost	RCON8782	0		M.4.a.
b. Fair value	RCON8783	0		M.4.b.

(1) Includes held-to-maturity securities at amortized cost and available-for-sale securities at fair value.
 (2) Exclude investments in mutual funds and other equity securities with readily determinable fair values.
 (3) Report fixed rate debt securities by remaining maturity and floating rate debt securities by next repricing date.
 (4) Sum of Memorandum items 2.a.(1) through 2.a.(6) plus any nonaccrual debt securities in the categories of debt securities reported in Memorandum item 2.a that are included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, sum of items 1, 2, 3, 5, and 6, columns A and D, plus mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-B, item 4.a, columns A and D.
 (5) Sum of Memorandum items 2.b.(1) through 2.b.(6) plus any nonaccrual mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, item 4.a, sum of columns A and D, less the amount of mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-B, item 4.a, columns A and D.
 (6) Sum of Memorandum items 2.c.(1) and 2.c.(2) plus any nonaccrual "Other mortgage-backed securities" included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, item 4.b, sum of columns A and D.

Schedule RCB

Schedule RC-B - Continued

Memoranda (continued)

Dollar Amounts in Thousands

Memorandum items 5.a through 5.f are to be completed by banks with \$1 billion or more in total assets. (1)

5. Asset-backed securities (ABS) (for each column, sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5):

- a. Credit card receivables
- b. Home equity lines
- c. Automobile loans
- d. Other consumer loans
- e. Commercial and industrial loans
- f. Other

	(Column A) Held-to-maturity Amortized Cost	(Column B) Held-to-maturity Fair Value	(Column C) Available-for- sale Amortized Cost	(Column D) Available-for- sale Fair Value	
	RCONB838	RCONB839	RCONB840	RCONB841	
	N/A	N/A	N/A	N/A	M.5.a.
	RCONB842	RCONB843	RCONB844	RCONB845	
	N/A	N/A	N/A	N/A	M.5.b.
	RCONB846	RCONB847	RCONB848	RCONB849	
	N/A	N/A	N/A	N/A	M.5.c.
	RCONB850	RCONB851	RCONB852	RCONB853	
	N/A	N/A	N/A	N/A	M.5.d.
	RCONB854	RCONB855	RCONB856	RCONB857	
	N/A	N/A	N/A	N/A	M.5.e.
	RCONB858	RCONB859	RCONB860	RCONB861	
	N/A	N/A	N/A	N/A	M.5.f.

(1) The \$1 billion asset size test is generally based on the total assets reported on the June 30, 2007. Report of Condition.

Schedule RC-C -- Loans and Lease Financing Receivables

Part I. Loans and Leases

Do not deduct the allowance for loan and lease losses or the allocated transfer risk reserve from amounts reported in this schedule. Report (1) loans and leases held for sale at the lower of cost or market value and (2) loans and leases held for investment, net of unearned income, and (3) loans and leases accounted for at fair value under a fair value option. Exclude assets held for trading and commercial paper.

Dollar Amounts in Thousands

	(Column A) To Be Completed by Banks with \$300 Million or More in Total Assets (1)	(Column B) To Be Completed by All Banks	
1. Loans secured by real estate:			
a. Construction, land development, and other land loans:			
(1) 1-4 family residential construction loans			
(2) Other construction loans and all land development and other land loans		RCONF158 16,176	1.a.(1)
b. Secured by farmland (incl. farm residential & other improvements)		RCONF159 25,581	1.a.(2)
c. Secured by 1-4 family residential properties:		RCON1420 0	1.b.
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit			
(2) Closed-end loans secured by 1-4 family residential properties:		RCON1797 28,195	1.c.(1)
(a) Secured by first liens			
(b) Secured by junior liens		RCON5367 62,875	1.c.(2)(a)
d. Secured by multifamily (5 or more) residential properties		RCON5368 4,627	1.c.(2)(b)
e. Secured by nonfarm nonresidential properties:		RCON1460 20,779	1.d.
(1) Loans secured by owner-occupied nonfarm nonresidential properties			
(2) Loans secured by other nonfarm nonresidential properties		RCONF160 41,757	1.e.(1)
2. Loans to depository institutions and acceptances of other banks		RCONF161 170,474	1.e.(2)
a. To commercial banks in the U.S.:		RCON1288 0	2.
(1) To U.S. branches and agencies of foreign banks			
(2) To other commercial banks in the U.S.	RCONB532 0		2.a.(1)
b. To other depository institutions in the U.S.	RCONB533 0		2.a.(2)
c. To banks in foreign countries:	RCONB534 0		2.b.
(1) To foreign branches of other U.S. banks	RCONB536 0		2.c.(1)
(2) To other banks in foreign countries	RCONB537 0		2.c.(2)
3. Loans to finance agricultural production and other loans to farmers		RCON1590 0	3.
4. Commercial and industrial loans		RCON1766 18,687	4.
a. To U.S. addressees (domicile)	RCON1763 18,687		4.a.
b. To non-U.S. addressees (domicile)	RCON1764 0		4.b.
5. Not applicable			
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):			
a. Credit cards		RCONB538 0	6.a.
b. Other revolving credit plans		RCONB539 1,249	6.b.
c. Other consumer loans (includes single payment, installment, and all student loans)		RCON2011 9,745	6.c.
7. Loans to foreign governments and official institutions (including foreign central banks)		RCON2081 0	7.
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.		RCON2107 200	8.
9. Other loans		RCON1563 1,775	9.
a. Loans for purchasing or carrying securities (secured & unsecured)	RCON1545 0		9.a.
b. All other loans (exclude consumer loans)	RCON1564 1,775		9.b.

(1) The \$300 million asset size test is generally based on the total assets reported on the June 30, 2007, Report of Condition.

Schedule RCCI

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Schedule RC-C - Continued

Part I. Continued

Dollar Amounts in Thousands	(Column A)	(Column B)	
	To Be Completed by Banks with \$300 Million or More in Total Assets (1)	To Be Completed by All Banks	
10. Lease financing receivables (net of unearned income)		RCON2165 0	10.
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases)	RCONF162 0		10.a.
b. All other leases	RCONF163 0		10.b.
11. LESS: Any unearned income on loans reflected in items 1-9 above		RCON2123 0	11.
12. Total loans and leases, net of unearned income (sum of items 1 through 10 minus item 11) (must equal Schedule RC, sum of items 4.a and 4.b)		RCON2122 402,120	12.

Memoranda

Dollar Amounts in Thousands				
	Bil	Mil	Thou	
1. Loans and leases restructured and in compliance with modified terms (included in Schedule RC-C, part I, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1):				
a. Loans secured by 1-4 family residential properties	RCONA576		0	M.1.a.
b. Other loans and all leases (exclude loans to individuals for household, family, and other personal expenditures)	RCONA616		0	M.1.b.
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):				
a. Closed-end loans secured by first liens on 1-4 family residential properties (reported in Schedule RC-C, part I, item 1.c.(2)(a), col. B) with a remaining maturity or next repricing date of: (1) (2)				
(1) Three months or less	RCONA564	6,484		M.2.a.(1)
(2) Over three months through 12 months	RCONA565	3,154		M.2.a.(2)
(3) Over one year through three years	RCONA566	5,304		M.2.a.(3)
(4) Over three years through five years	RCONA567	2,902		M.2.a.(4)
(5) Over five years through 15 years	RCONA568	6,817		M.2.a.(5)
(6) Over 15 years	RCONA569	37,751		M.2.a.(6)
b. All loans and leases (reported in Schedule RC-C, part I, items 1 through 10, col. B) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties (reported in Schedule RC-C, part I, item 1.c.(2)(a), col. B) with a remaining maturity or next repricing date of: (3)				
(1) Three months or less	RCONA570	130,738		M.2.b.(1)
(2) Over three months through 12 months	RCONA571	14,156		M.2.b.(2)
(3) Over one year through three years	RCONA572	68,548		M.2.b.(3)
(4) Over three years through five years	RCONA573	76,956		M.2.b.(4)
(5) Over five years through 15 years	RCONA574	30,766		M.2.b.(5)
(6) Over 15 years	RCONA575	15,610		M.2.b.(6)
c. Loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column B, above) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status)	RCONA247	87,897		M.2.c.

(1) Report fixed rate loans and leases by remaining maturity and floating rate loans by next repricing date.
 (2) Sum of Memorandum items 2.a.(1) through 2.a.(6) plus total nonaccrual closed-end loans secured by first liens on 1-4 family residential properties included in Schedule RC-N, item 1.c.(2)(a), column C, must equal total closed-end loans secured by first liens on 1-4 family residential properties from Schedule RC-C, part I, item 1.c.(2)(a), column B.
 (3) Sum of Memorandum items 2.b.(1) through 2.b.(6) plus total nonaccrual loans and leases from Schedule RC-N, sum of items 1 through 8, column C, minus nonaccrual closed-end loans secured by first liens on 1-4 family residential properties included in Schedule RC-N, item 1.c.(2)(a), column C, must equal total loans and leases from Schedule RC-C, part I, sum of items 1 through 10, column B, minus total closed-end loans secured by first liens on 1-4 family residential properties from Schedule RC-C, part I, item 1.c.(2)(a), column B.

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Schedule RC-C - Continued

Part I. Continued

Memoranda (continued)

Dollar Amounts in Thousands

	Bil	Mil	Thou	
3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, part I, items 4 and 9, column B ⁽⁴⁾	RCQNZ746	37		M.3.
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties (included in Schedule RC-C, part I, item 1.c.(2)(a), column B)	RCQNF5370	14,182		M.4.
5. To be completed by banks with \$300 million or more in total assets: Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-C, part I, items 1.a through 1.e, column B) ⁽⁵⁾	RCQNB8837	0		M.5.
<i>Memorandum item 6 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.</i>				
6. Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a	RCQNC391	N/A		M.6.
<i>Memorandum item 7 is to be completed by all banks.</i>				
7. Purchased impaired loans held for investment accounted for in accordance with AICPA Statement of Position 03-3 (exclude loans held for sale):				
a. Outstanding balance	RCQNC779	0		M.7.a.
b. Carrying amount included in Schedule RC-C, part I, items 1 through 9	RCQNC780	0		M.7.b.
8. Closed-end loans with negative amortization features secured by 1-4 family residential properties:				
a. Total carrying amount of closed-end loans with negative amortization features secured by 1-4 family residential properties (included in Schedule RC-C, part I, items 1.c.(2)(a) and (b))	RCQNF230	0		M.8.a.
<i>Memorandum items 8.b and 8.c are to be completed by banks that had closed-end loans with negative amortization features secured by 1-4 family residential properties (as reported in Schedule RC-C, part I, Memorandum item 8.a) as of December 31, 2007, that exceeded the lesser of \$100 million or 5 percent of total loans and leases, net of unearned income (as reported in Schedule RC-C, part I, item 12, column B).</i>				
b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties	RCQNF231	N/A		M.8.b.
c. Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the carrying amount reported in Memorandum item 8.a above	RCQNF232	N/A		M.8.c.
9. Loans secured by 1-4 family residential properties in process of foreclosure (included in Schedule RC-C, part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b))	RCQNF577	19		M.9.
10. Loans measured at fair value (included in Schedule RC-C, part I, items 1 through 9):				
a. Loans secured by real estate:				
(1) Construction, land development, and other land loans	RCQNF578	0		M.10.a.(1)
(2) Secured by farmland (including farm residential and other improvements)	RCQNF579	0		M.10.a.(2)
(3) Secured by 1-4 family residential properties:				
(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCQNF580	0		M.10.a.(3)(a)
(b) Closed-end loans secured by 1-4 family residential properties:				
(1) Secured by first liens	RCQNF581	0		M.10.a.(3)(b)(1)
(2) Secured by junior liens	RCQNF582	0		M.10.a.(3)(b)(2)
(4) Secured by multifamily (5 or more) residential properties	RCQNF583	0		M.10.a.(4)
(5) Secured by nonfarm nonresidential properties	RCQNF584	0		M.10.a.(5)
b. Commercial and industrial loans	RCQNF585	0		M.10.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):				
(1) Credit cards	RCQNF586	0		M.10.c.(1)
(2) Other revolving credit plans	RCQNF587	0		M.10.c.(2)
(3) Other consumer loans (includes single payment, installment, and all student loans)	RCQNF588	0		M.10.c.(3)
d. Other loans	RCQNF589	0		M.10.d.

(4) Exclude loans secured by real estate that are included in Schedule RC-C, part I, items 1.a through 1.e, column B.

(5) The \$300 million asset size test is generally based on the total assets reported on the June 30, 2007, Report of Condition.

Schedule RCCI

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Schedule RC-C - Continued

Part I. Continued

Memoranda (continued)

Dollar Amounts in Thousands

	Bil	Mil	Thou	
11. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-C, part I, Memorandum Item 10):				
a. Loans secured by real estate:				
(1) Construction, land development, and other land loans	RCOJF590		0	M.11.a.(1)
(2) Secured by farmland (including farm residential and other improvements)	RCONF591		0	M.11.a.(2)
(3) Secured by 1-4 family residential properties:				
(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONF592		0	M.11.a.(3)(a)
(b) Closed-end loans secured by 1-4 family residential properties:				
(1) Secured by first liens	RCONF593		0	M.11.a.(3)(b)(1)
(2) Secured by junior liens	RCONF594		0	M.11.a.(3)(b)(2)
(4) Secured by multifamily (5 or more) residential properties	RCONF595		0	M.11.a.(4)
(5) Secured by nonfarm nonresidential properties	RCONF596		0	M.11.a.(5)
b. Commercial and industrial loans	RCONF597		0	M.11.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):				
(1) Credit cards	RCONF598		0	M.11.c.(1)
(2) Other revolving credit plans	RCONF599		0	M.11.c.(2)
(3) Other consumer loans (includes single payment, installment, and all student loans)	RCONF600		0	M.11.c.(3)
d. Other loans	RCONF601		0	M.11.d.

Schedule RC-C - Continued

Part II. Loans to Small Businesses and Small Farms

Schedule RC-C, Part II is to be reported only with the June Report of Condition.

Report the number and amount currently outstanding as of June 30 of business loans with "original amounts" of \$1,000,000 or less and farm loans with "original amounts" of \$500,000 or less. The following guidelines should be used to determine the "original amount" of a loan: (1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was most recently approved, extended, or renewed prior to the report date. However, if the amount currently outstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date. (2) For loan participations and syndications, the "original amount" of the loan participation or syndication the entire amount of the credit originated by the lead lender. (3) For all other loans, the "original amount" is the total amount of the loan origination or the amount currently outstanding as of the report date, whichever is larger.

Loans to Small Businesses

1. Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), and all or substantially all of the dollar volume of your bank's "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4, have original amounts of \$100,000 or less (If your bank has no loans outstanding in both of these two loan categories, answer this question "NO.")

	Yes/No
RCON6999	NO

1.

If YES, complete items 2.a and 2.b below, skip items 3 and 4, and go to item 5.

If NO and your bank has loans outstanding in either loan category, skip items 2.a and 2.b, complete items 3 and 4 below, and go to item 5.

If NO and your bank has no loans outstanding in both loan categories, skip items 2 through 4, and go to item 5.

2. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:

- a. "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2) (Note: Sum of items 1.e.(1) and 1.e.(2) divided by the number of loans should NOT exceed \$100,000.)
- b. "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4. (1) (Note: Item 4 (1), divided by the number of loans should NOT exceed \$100,000.)

	Number
RCON5562	N/A
RCON5563	N/A

2.a.

2.b.

3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2) (sum of items 3.a through 3.c must be less than or equal to Schedule RC-C, part I, sum of items 1.e.(1) and 1.e.(2)):

- a. With original amounts of \$100,000 or less
- b. With original amounts of more than \$100,000 through \$250,000
- c. With original amounts of more than \$250,000 through \$1,000,000

4. Number and amount currently outstanding of "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4 (sum of items 4.a through 4.c must be less than or equal to Schedule RC-C, part I, item 4):

- a. With original amounts of \$100,000 or less
- b. With original amounts of more than \$100,000 through \$250,000
- c. With original amounts of more than \$250,000 through \$1,000,000

	(Column A) Number of Loans	(Column B) Amount Currently Outstanding	
RCON5564	34	RCON5565	1,430
RCON5566	68	RCON5567	9,515
RCON5568	98	RCON5569	43,757
RCON5570	224	RCON5571	4,369
RCON5572	41	RCON5573	4,235
RCON5574	20	RCON5575	3,969

3.a.

3.b.

3.c.

4.a.

4.b.

4.c.

(1) Banks with \$300 million or more in total assets should provide the requested information for "Commercial and industrial loans" based on the loans reported in Schedule RC-C, part I, item 4.a, column A, "Commercial and industrial loans to U.S. addressees."

Schedule RC-C - Continued

Part II. Continued

Agricultural Loans to Small Farms

5. Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b, and all or substantially all of the dollar volume of your bank's "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3, have **original amounts** of \$100,000 or less (If your bank has no loans outstanding in both of these two loan categories, answer this question "NO.")

	Yes/No
RCON 6860	NO

5.

If YES, complete items 6.a and 6.b below, and do not complete items 7 and 8.
 If NO and your bank has loans outstanding in either loan category, skip items 6.a and 6.b and complete items 7 and 8 below.
 If NO and your bank has no loans outstanding in both loan categories, do not complete items 6 through 8.

6. Report the total **number** of loans **currently outstanding** for each of the following Schedule RC-C, part I, loan categories:

a. "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b, (Note: Item 1.b divided by the number of loans should NOT exceed \$100,000.)

b. "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3 (Note: Item 3 divided by the number of loans should NOT exceed \$100,000.)

	Number
RCON 5576	N/A
RCON 5577	N/A

6.a.
6.b.

7. Number and amount **currently outstanding** of "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b (sum of items 7.a through 7.c must be less than or equal to Schedule RC-C, part I, item 1.b):

Dollar Amounts in Thousands

a. With **original amounts** of \$100,000 or less

b. With **original amounts** of more than \$100,000 through \$250,000

c. With **original amounts** of more than \$250,000 through \$500,000

8. Number and amount **currently outstanding** of "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3 (sum of items 8.a through 8.c must be less than or equal to Schedule RC-C, part I, item 3):

a. With **original amounts** of \$100,000 or less

b. With **original amounts** of more than \$100,000 through \$250,000

c. With **original amounts** of more than \$250,000 through \$500,000

(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
RCON 5578	N/A	RCON 5579	N/A	7.a.
RCON 5580	N/A	RCON 5581	N/A	7.b.
RCON 5582	N/A	RCON 5583	N/A	7.c.
RCON 5584	N/A	RCON 5585	N/A	8.a.
RCON 5586	N/A	RCON 5587	N/A	8.b.
RCON 5588	N/A	RCON 5589	N/A	8.c.

Schedule RC-D - Trading Assets and Liabilities

Schedule RC-D is to be completed by banks that reported average trading assets (Schedule RC-K, item 7) of \$2 million or more in any of the four preceding calendar quarters.

Dollar Amounts in Thousands

	Bil	Mil	Thou	
ASSETS				
1. U.S. Treasury securities	RCON3531	N/A		1.
2. U.S. Government agency obligations (exclude mortgage-backed securities)	RCON3532	N/A		2.
3. Securities issued by states and political subdivisions in the U.S.	RCON3533	N/A		3.
4. Mortgage-backed securities (MBS):				
a. Pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA	RCON3534	N/A		4.a.
b. Other mortgage-backed securities issued or guaranteed by FNMA, FHLMC, or GNMA (include CMOs, REMICs, and stripped MBS)	RCON3535	N/A		4.b.
c. All other mortgage-backed securities	RCON3536	N/A		4.c.
5. Other debt securities	RCON3537	N/A		5.
6. Loans:				
a. Loans secured by real estate:				
(1) Construction, land development, and other land loans	RCONF604	N/A		6.a.(1)
(2) Secured by farmland (including farm residential and other improvements)	RCONF605	N/A		6.a.(2)
(3) Secured by 1-4 family residential properties:				
(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONF606	N/A		6.a.(3)(a)
(b) Closed-end loans secured by 1-4 family residential properties:				
(1) Secured by first liens	RCONF607	N/A		6.a.(3)(b)(1)
(2) Secured by junior liens	RCONF611	N/A		6.a.(3)(b)(2)
(4) Secured by multifamily (5 or more) residential properties	RCONF612	N/A		6.a.(4)
(5) Secured by nonfarm nonresidential properties	RCONF613	N/A		6.a.(5)
b. Commercial and industrial loans	RCONF614	N/A		6.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):				
(1) Credit cards	RCONF615	N/A		6.c.(1)
(2) Other revolving credit plans	RCONF616	N/A		6.c.(2)
(3) Other consumer loans (includes single payment, installment, and all student loans)	RCONF617	N/A		6.c.(3)
d. Other loans	RCONF618	N/A		6.d.
7. Not applicable				
8. Not applicable				
9. Other trading assets	RCON3541	N/A		9.
10. Not applicable				
11. Derivatives with a positive fair value	RCON3543	N/A		11.
12. Total trading assets (sum of items 1 through 11) (must equal Schedule RC, item 5)	RCON3545	N/A		12.
LIABILITIES				
13.				
a. Liability for short positions	RCON3546	N/A		13.a.
b. Other trading liabilities	RCONF624	N/A		13.b.
14. Derivatives with a negative fair value	RCON3547	N/A		14.
15. Total trading liabilities (sum of items 13.a. through 14) (must equal Schedule RC, item 15)	RCON3548	N/A		15.

Schedule RCD

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Schedule RC-D - Continued

Memoranda

Dollar Amounts in Thousands

	Bil	Mil	Thou	
1. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, item 6.a.(1) through 6.d):				
a. Loans secured by real estate:				
(1) Construction, land development, and other land loans	RCONF625		N/A	M.1.a.(1)
(2) Secured by farmland (including farm residential and other improvements)	RCONF626		N/A	M.1.a.(2)
(3) Secured by 1-4 family residential properties:				
(a) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONF627		N/A	M.1.a.(3)(a)
(b) Closed-end loans secured by 1-4 family residential properties:				
(1) Secured by first liens	RCONF628		N/A	M.1.a.(3)(b)
(2) Secured by junior liens	RCONF629		N/A	M.1.a.(3)(b)
(4) Secured by multifamily (5 or more) residential properties	RCONF630		N/A	M.1.a.(4)
(5) Secured by nonfarm nonresidential properties	RCONF631		N/A	M.1.a.(5)
b. Commercial and industrial loans	RCONF632		N/A	M.1.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):				
(1) Credit cards	RCONF633		N/A	M.1.c.(1)
(2) Other revolving credit plans	RCONF634		N/A	M.1.c.(2)
(3) Other consumer loans (includes single payment, installment, and all student loans)	RCONF635		N/A	M.1.c.(3)
d. Other loans	RCONF636		N/A	M.1.d.
2. Not applicable				
3. Loans measured at fair value that are past due 90 days or more: (1)				
a. Fair value	RCONF639		N/A	M.3.a.
b. Unpaid principal balance	RCONF640		N/A	M.3.b.
<i>Memorandum items 4 through 10 are to be completed by banks that reported average trading assets (Schedule RC-K, item 7) of \$1 billion or more in any of the four preceding calendar quarters. (1)</i>				
4. Asset-backed securities:				
a. Residential mortgage-backed securities	RCONF641		N/A	M.4.a.
b. Commercial mortgage-backed securities	RCONF642		N/A	M.4.b.
c. Credit card receivables	RCONF643		N/A	M.4.c.
d. Home equity lines	RCONF644		N/A	M.4.d.
e. Automobile loans	RCONF645		N/A	M.4.e.
f. Other consumer loans	RCONF646		N/A	M.4.f.
g. Commercial and industrial loans	RCONF647		N/A	M.4.g.
h. Other	RCONF648		N/A	M.4.h.
5. Collateralized debt obligations:				
a. Synthetic	RCONF649		N/A	M.5.a.
b. Other	RCONF650		N/A	M.5.b.
6. Retained beneficial interests in securitizations (first-loss or equity tranches)	RCONF651		N/A	M.6.
7. Equity securities:				
a. Readily determinable fair values	RCONF652		N/A	M.7.a.
b. Other	RCONF653		N/A	M.7.b.
8. Loans pending securitization	RCONF654		N/A	M.8.

(1) NOTE: Completion of Memorandum items 3.a and 3.b and Memorandum items 4 through 10 of Schedule RC-D is optional for the March 31, 2008, report date only. Memorandum items 3.a and 3.b must be completed by all banks and Memorandum items 4 through 10 must be completed by all banks that meet the \$1 billion reporting threshold beginning June 30, 2008.

Schedule RC-D - Continued

Memoranda (continued)

Dollar Amounts in Thousands

9. Other trading assets (itemize and describe amounts included in Schedule RC-D, item 9, that are greater than \$25,000 and exceed 25% of the item):

- a. TFXTF655
- b. TFXTF656
- c. TFXTF657

10. Other trading liabilities (itemize and describe amounts included in Schedule RC-D, item 13.b, that are greater than \$25,000 and exceed 25% of the item):

- a. TFXTF658
- b. TFXTF659
- c. TFXTF660

		Bil		Mil		Thou	
RCONF655						N/A	M.9.a.
RCONF656						N/A	M.9.b.
RCONF657						N/A	M.9.c.
RCONF658						N/A	M.10.a.
RCONF659						N/A	M.10.b.
RCONF660						N/A	M.10.c.

Schedule RCE

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Schedule RC-E - Deposit Liabilities

Dollar Amounts in Thousands	(Column A) Total transaction accounts (including total demand deposits)	(Column B) Memo: Total demand deposits (included in col A)	(Column C) Total nontransaction accounts (including MMDAs)
Deposits of:			
1. Individuals, partnerships, and corporations (include all certified and official checks)	RCONB549 94,648		RCONB550 336,833 1.
2. U.S. Government	RCON2202 35		RCON2520 0 2.
3. States and political subdivisions in the U.S.	RCON2203 6,618		RCON2530 55,723 3.
4. Commercial banks and other depository institutions in the U.S.	RCONB551 138		RCONB552 0 4.
5. Banks in foreign countries	RCON2213 0		RCON2236 0 5.
6. Foreign governments and official institutions (including foreign central banks)	RCON2216 0		RCON2377 0 6.
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a)	RCON2215 101,439	RCON2210 77,126	RCON2385 392,556 7.

Memoranda

Dollar Amounts in Thousands	Bil	Mil	Thou	
1. Selected components of total deposits (i.e., sum of item 7, columns A and C):				
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts	RCON6835 12,307			M.1.a.
b. Total brokered deposits	RCON2365 0			M.1.b.
c. Fully insured brokered deposits (included in Memorandum item 1.b above): (1)				
(1) Brokered deposits issued in denominations of less than \$100,000	RCON2343 0			M.1.c.(1)
(2) Brokered deposits issued in denominations of \$100,000 and certain brokered retirement deposit accounts	RCON2344 0			M.1.c.(2)
d. Maturity data for brokered deposits:				
(1) Brokered deposits issued in denominations of less than \$100,000 with a remaining maturity of one year or less (included in Memorandum item 1.c.(1) above)	RCONA243 0			M.1.d.(1)
(2) Brokered deposits issued in denominations of \$100,000 or more with a remaining maturity of one year or less (included in Memorandum item 1.b above)	RCONA244 0			M.1.d.(2)
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law) (to be completed for the December report only)	RCON5590 N/A			M.1.e.
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.c must equal item 7, column C above):				
a. Savings deposits:				
(1) Money market deposit accounts (MMDAs)	RCON6810 216,174			M.2.a.(1)
(2) Other savings deposits (excludes MMDAs)	RCON0352 26,858			M.2.a.(2)
b. Total time deposits of less than \$100,000	RCON6648 61,531			M.2.b.
c. Total time deposits of \$100,000 or more	RCON2604 87,993			M.2.c.
(1) Individual Retirement Accounts (IRAs) and Keogh Plan accounts included in Memorandum item 2.c, "Total time deposits of \$100,000 or more," above	RCONF233 3,979			M.2.c.(1)

(1) Report brokered retirement deposit accounts eligible for \$250,000 in deposit insurance coverage in Memorandum item 1.c.(1) only if they have been issued in denominations of less than \$100,000 (see instructions). Report brokered retirement deposit accounts in Memorandum item 1.c.(2) if they have been issued either in denominations of exactly \$100,000 through exactly \$250,000 or in denominations greater than \$250,000 and participated out by the broker in shares of exactly \$100,000 through exactly \$250,000 or less.

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Schedule RC-E - Continued

Memoranda (continued)

Dollar Amounts in Thousands

		Bil		Mil		Thou	
3. Maturity and repricing data for time deposits of less than \$100,000:							
a. Time deposits of less than \$100,000 with a remaining maturity or next repricing date of: (1) (2)							
(1) Three months or less							
(2) Over three months through 12 months							
(3) Over one year through three years							
(4) Over three years							
b. Time deposits of less than \$100,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) and 3.a.(2) above) (3)							
4. Maturity and repricing data for time deposits of \$100,000 or more:							
a. Time deposits of \$100,000 or more with a remaining maturity or next repricing date of: (1) (4)							
(1) Three months or less							
(2) Over three months through 12 months							
(3) Over one year through three years							
(4) Over three years							
b. Time deposits of \$100,000 or more with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above) (3)							

- (1) Report fixed rate time deposits by remaining maturity and floating rate time deposits by next repricing date.
- (2) Sum of Memorandum items 3.a.(1) through 3.a.(4) must equal Schedule RC-E, Memorandum item 2.b.
- (3) Report both fixed and floating rate time deposits by remaining maturity. Exclude floating rate time deposits with a next repricing date of one year or less that have a remaining maturity of over one year.
- (4) Sum of Memorandum items 4.a.(1) through 4.a.(4) must equal Schedule RC-E, Memorandum item 2.c.

Schedule RCF

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Schedule RC-F - Other Assets

Dollar Amounts in Thousands

		Bil	Mill	Thou	
1. Accrued interest receivable (1)	RCONB556		2,267		1.
2. Net deferred tax assets (2)	RCON2148		0		2.
3. Interest-only strips receivable (not in the form of a security) on: (3)					
a. Mortgage loans	RCONA519		0		3.a.
b. Other financial assets	RCONA520		0		3.b.
4. Equity securities that DO NOT have readily determinable fair values (4)	RCON1752		1,789		4.
5. Life insurance assets	RCONC009		8,465		5.
6. All other assets (itemize and describe amounts greater than \$25,000 that exceed 25% of this item) ...	RCON2168		2,517		6.
a. Prepaid expenses	RCON2166		0		6.a.
b. Repossessed personal property (including vehicles)	RCON1578		0		6.b.
c. Derivatives with a positive fair value held for purposes other than trading	RCONC010		0		6.c.
d. Retained interests in accrued interest receivable related to securitized credit cards	RCONC436		0		6.d.
e. TFX3549 Miscellaneous Assets	RCON3549		879		6.e.
f. TFX3550 Bancsmart Receivable	RCON3550		727		6.f.
g. TFX3551 Computer Software	RCON3551		667		6.g.
7. Total (sum of items 1 through 6) (must equal Schedule RC, item 11)	RCON2160		15,038		7.

(1) Includes accrued interest receivable on loans, leases, debt securities, and other interest-bearing assets.

(2) See discussion of deferred income taxes in Glossary entry on "income taxes."

(3) Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule RC, item 2.b, or as trading assets in Schedule RC, item 5, as appropriate.

(4) Includes Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

Schedule RC-G - Other Liabilities

		Dollar Amounts in Thousands		
			Bil Mil Thou	
1.				
a.	Interest accrued and unpaid on deposits ⁽¹⁾	RCON3645	1,405	1.a.
b.	Other expenses accrued and unpaid (includes accrued income taxes payable)	RCON3646	736	1.b.
2.	Net deferred tax liabilities ⁽²⁾	RCON3049	206	2.
3.	Allowance for credit losses on off-balance sheet credit exposures	RCONB557	0	3.
4.	All other liabilities (itemize and describe amounts greater than \$25,000 that exceed 25% of this item)	RCON2938	364	4.
a.	Accounts payable	RCON3066	0	4.a.
b.	Deferred compensation liabilities	RCONC011	0	4.b.
c.	Dividends declared but not yet payable	RCON2932	0	4.c.
d.	Derivatives with a negative fair value held for purposes other than trading	RCONC012	0	4.d.
e.	TFXT3552 Unfunded Commitment Reserve	RCON3552	353	4.e.
f.	TFXT3553	RCON3553	0	4.f.
g.	TFXT3554	RCON3554	0	4.g.
5.	Total (sum of items 1 through 4) (must equal Schedule RC, item 20)	RCON2930	2,711	5.

(1) For savings banks, include "dividends" accrued and unpaid on deposits.

(2) See discussion of deferred income taxes in Glossary entry on "income taxes."

Schedule RCK

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Schedule RC-K - Quarterly Averages⁽¹⁾

Dollar Amounts in Thousands

ASSETS

	Bil	Mil	Thou	
1. Interest-bearing balances due from depository institutions	RCON3381	1,209		1.
2. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities) ⁽²⁾	RCONB558	39,428		2.
3. Mortgage-backed securities ⁽²⁾	RCONB559	72,337		3.
4. All other securities (includes securities issued by states and political subdivisions in the U.S.) ⁽²⁾ ⁽³⁾	RCONB560	26,795		4.
5. Federal funds sold and securities purchased under agreements to resell	RCON3365	1,088		5.
6. Loans:				
a. Total loans	RCON3360	400,658		6.a.
b. Loans secured by real estate:				
(1) Loans secured by 1-4 family residential properties	RCON3465	85,202		6.b.(1)
(2) All other loans secured by real estate	RCON3466	241,487		6.b.(2)
c. Commercial and industrial loans	RCON3387	19,276		6.c.
d. Loans to individuals for household, family, and other personal expenditures:				
(1) Credit cards	RCONB561	0		6.d.(1)
(2) Other (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)	RCONB562	11,354		6.d.(2)
7. To be completed by banks with \$100 million or more in total assets:				
Trading assets ⁽⁴⁾	RCON3401	0		7.
8. Lease financing receivables (net of unearned income)	RCON3484	0		8.
9. Total assets ⁽⁵⁾	RCON3368	573,853		9.
LIABILITIES				
10. Interest-bearing transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts) (exclude demand deposits)	RCON3485	20,175		10.
11. Nontransaction accounts:				
a. Savings deposits (includes MMDAs)	RCONB563	249,953		11.a.
b. Time deposits of \$100,000 or more	RCONA514	80,016		11.b.
c. Time deposits of less than \$100,000	RCONA529	65,049		11.c.
12. Federal funds purchased and securities sold under agreements to repurchase	RCON3353	6,328		12.
13. To be completed by banks with \$100 million or more in total assets:				
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) ⁽⁴⁾	RCON3355	30,000		13.

Memorandum

Dollar Amounts in Thousands

	Bil	Mil	Thou	
1. Memorandum item 1 is to be completed by: ⁽⁴⁾				
• banks with \$300 million or more in total assets, and				
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans.				
Loans to finance agricultural production and other loans to farmers	RCON3386	0		M.1.

(1) For all items, banks have the option of reporting either (1) an average of DAILY figures for the quarter, or (2) an average of WEEKLY figures (i.e., the Wednesday of each week of the quarter).
 (2) Quarterly averages for all debt securities should be based on amortized cost.
 (3) Quarterly averages for all equity securities should be based on historical cost.
 (4) The asset size tests and the five percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2007, Report of Condition.
 (5) The quarterly average for total assets should reflect all debt securities (not held for trading) at amortized cost, equity securities with readily determinable fair values at the lower of cost or fair value, and equity securities without readily determinable fair values at historical cost.

Schedule RC-L - Derivatives and Off-Balance Sheet Items

Please read carefully the instructions for the preparation of Schedule RC-L. Some of the amounts reported in Schedule RC-L are regarded as volume indicators and not necessarily as measures of risk.

Dollar Amounts in Thousands		Bil	Mil	Thou
1. Unused commitments:				
a. Revolving, open-end lines secured by 1-4 family residential properties, e.g., home equity lines	RCON3814	38,415		1.a.
b. Credit card lines	RCON3815	0		1.b.
c.				
(1) Commitments to fund commercial real estate, construction, and land development loans secured by real estate:				
(a) 1-4 family residential construction loan commitments	RCONF164	7,899		1.c.(1)(a)
(b) Commercial real estate, other construction loan, and land development loan commitments	RCONF165	21,374		1.c.(1)(b)
(2) Commitments to fund commercial real estate, construction, and land development loans NOT secured by real estate				
d. Securities underwriting	RCON6550	1,518		1.c.(2)
e. Other unused commitments	RCON3817	0		1.d.
2. Financial standby letters of credit				
a. Amount of financial standby letters of credit conveyed to others	RCON3818	32,454		1.e.
3. Performance standby letters of credit				
a. Amount of performance standby letters of credit conveyed to others	RCON3819	4,776		2.
4. Commercial and similar letters of credit				
a. Amount of commercial and similar letters of credit conveyed to others	RCON3820	0		2.a.
5. Not applicable				
6. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank)				
	RCON3821	0		3.
	RCON3822	0		3.a.
	RCON3411	500		4.
	RCON3433	0		6.

Dollar Amounts in Thousands	(Column A) Guarantor	(Column B) Beneficiary	
7. Credit derivatives:			
a. Notional amounts:			
(1) Credit default swaps	RCONC968	0 RCONC969	0 7.a.(1)
(2) Total return swaps	RCONC970	0 RCONC971	0 7.a.(2)
(3) Credit options	RCONC972	0 RCONC973	0 7.a.(3)
(4) Other credit derivatives	RCONC974	0 RCONC975	0 7.a.(4)
b. Gross fair values:			
(1) Gross positive fair value	RCONC219	0 RCONC221	0 7.b.(1)
(2) Gross negative fair value	RCONC220	0 RCONC222	0 7.b.(2)

Dollar Amounts in Thousands		Bil	Mil	Thou
8. Spot foreign exchange contracts	RCON8765	0		8.
9. All other off-balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 28, "Total equity capital")				
a. Securities borrowed	RCON3430	0		9.
b. Commitments to purchase when-issued securities	RCON3432	0		9.a.
	RCON3434	0		9.b.
c. Standby letters of credit issued by a Federal Home Loan Bank on the bank's behalf	RCONC978	0		9.c.
d. TEXT3553	RCON3555	0		9.d.
e. TEXT3556	RCON3556	0		9.e.
f. TFXT3557	RCON3557	0		9.f.

Schedule RCL

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Schedule RC-L - Continued

Dollar Amounts in Thousands

Bill | Mil | Thou

10. All other off-balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 28. "Total equity capital")	RCON5591	0	10.
a. Commitments to sell when-issued securities	RCON3435	0	10.a.
b. TEXT559g	RCON5592	0	10.b.
c. TEXT559h	RCON5593	0	10.c.
d. TEXT559i	RCON5594	0	10.d.
e. TFXT559f	RCON5595	0	10.e.
11. Year-to-date merchant credit card sales volume:			
a. Sales for which the reporting bank is the acquiring bank	RCONC223	13,982	11.a.
b. Sales for which the reporting bank is the agent bank with risk	RCONC224	347	11.b.

	(Column A) Interest Rate Contracts	(Column B) Foreign Exchange Contracts	(Column C) Equity Derivative Contracts	(Column D) Commodity and Other Contracts	
Dollar Amounts in Thousands					
12. Gross amounts (e.g., notional amounts) (for each column, sum of items 12.a through 12.e must equal sum of items 13 and 14):					
a. Futures contracts	RCON8693	RCON8694	RCON8695	RCON8696	
	0	0	0	0	12.a.
b. Forward contracts	RCON8697	RCON8698	RCON8699	RCON8700	
	0	0	0	0	12.b.
c. Exchange-traded option contracts:					
(1) Written options	RCON8701	RCON8702	RCON8703	RCON8704	
	0	0	0	0	12.c.(1)
(2) Purchased options	RCON8705	RCON8706	RCON8707	RCON8708	
	0	0	0	0	12.c.(2)
d. Over-the-counter option contracts:					
(1) Written options	RCON8709	RCON8710	RCON8711	RCON8712	
	0	0	0	0	12.d.(1)
(2) Purchased options	RCON8713	RCON8714	RCON8715	RCON8716	
	0	0	0	0	12.d.(2)
e. Swaps	RCON3450	RCON3826	RCON8719	RCON8720	
	13,500	0	0	0	12.e.
13. Total gross notional amount of derivative contracts held for trading	RCONA126	RCONA127	RCON8723	RCON8724	
	0	0	0	0	13.
14. Total gross notional amount of derivative contracts held for purposes other than trading	RCON8725	RCON8726	RCON8727	RCON8728	
	13,500	0	0	0	14.
a. Interest rate swaps where the bank has agreed to pay a fixed rate	RCONA589				
	13,500				14.a.
15. Gross fair values of derivative contracts:					
a. Contracts held for trading:					
(1) Gross positive fair value	RCON8733	RCON8734	RCON8735	RCON8736	
	0	0	0	0	15.a.(1)
(2) Gross negative fair value	RCON8737	RCON8738	RCON8739	RCON8740	
	0	0	0	0	15.a.(2)
b. Contracts held for purposes other than trading:					
(1) Gross positive fair value	RCON8741	RCON8742	RCON8743	RCON8744	
	0	0	0	0	15.b.(1)
(2) Gross negative fair value	RCON8745	RCON8746	RCON8747	RCON8748	
	0	0	0	0	15.b.(2)

Schedule RC-M - Memoranda

Dollar Amounts in Thousands

		Bil	Mill	Thou	
1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:					
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests	RCON6164		709		1.a.
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of \$500,000 or 5 percent of total capital as defined for this purpose in agency regulations	RCON6165		1		1.b.
2. Intangible assets other than goodwill:					
a. Mortgage servicing assets	RCON3164		0		2.a.
(1) Estimated fair value of mortgage servicing assets	RCONA590		0		2.a.(1)
b. Purchased credit card relationships and nonmortgage servicing assets	RCONB026		0		2.b.
c. All other identifiable intangible assets	RCON5507		0		2.c.
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10.b)	RCON0426		0		2.d.
3. Other real estate owned:					
a. Direct and indirect investments in real estate ventures	RCON5372		0		3.a.
b. All other real estate owned:					
(1) Construction, land development, and other land	RCON5508		0		3.b.(1)
(2) Farmland	RCON5509		0		3.b.(2)
(3) 1-4 family residential properties	RCON5510		0		3.b.(3)
(4) Multifamily (5 or more) residential properties	RCON5511		0		3.b.(4)
(5) Nonfarm nonresidential properties	RCON5512		0		3.b.(5)
(6) Foreclosed properties from "GNMA loans"	RCONC979		0		3.b.(6)
c. Total (sum of items 3.a and 3.b) (must equal Schedule RC, item 7)	RCON2150		0		3.c.
4. Investments in unconsolidated subsidiaries and associated companies:					
a. Direct and indirect investments in real estate ventures	RCON5374		0		4.a.
b. All other investments in unconsolidated subsidiaries and associated companies	RCON5375		0		4.b.
c. Total (sum of items 4.a and 4.b) (must equal Schedule RC, item 8)	RCON2130		0		4.c.
5. Other borrowed money:					
a. Federal Home Loan Bank advances:					
(1) Advances with a remaining maturity or next repricing date of: (1)					
(a) One year or less	RCONF055		4,500		5.a.(1)(a)
(b) Over one year through three years	RCONF056		21,000		5.a.(1)(b)
(c) Over three years through five years	RCONF057		4,500		5.a.(1)(c)
(d) Over five years	RCONF058		0		5.a.(1)(d)
(2) Advances with a REMAINING MATURITY of one year or less (included in item 5.a.(1)(a) above) (2)	RCON2651		0		5.a.(2)
(3) Structured advances (included in items 5.a.(1)(a)-(d) above)	RCONF059		0		5.a.(3)
b. Other borrowings:					
(1) Other borrowings with a remaining maturity or next repricing date of: (3)					
(a) One year or less	RCONF060		0		5.b.(1)(a)
(b) Over one year through three years	RCONF061		0		5.b.(1)(b)
(c) Over three years through five years	RCONF062		0		5.b.(1)(c)
(d) Over five years	RCONF063		0		5.b.(1)(d)
(2) Other borrowings with a REMAINING MATURITY of one year or less (included in item 5.b.(1)(a) above) (4)	RCONB571		0		5.b.(2)
c. Total (sum of items 5.a.(1)(a)-(d) and items 5.b.(1)(a)-(d)) (must equal Schedule RC, item 16)	RCON3190		30,000		5.c.

(1) Report fixed rate advances by remaining maturity and floating rate advances by next repricing date.
 (2) Report both fixed and floating rate advances by remaining maturity. Exclude floating rate advances with a next repricing date of one year or less that have a remaining maturity of over one year.
 (3) Report fixed rate other borrowings by remaining maturity and floating rate other borrowings by next repricing date.
 (4) Report both fixed and floating rate other borrowings by remaining maturity. Exclude floating rate other borrowings with a next repricing date of one year or less that have a remaining maturity of over one year.

Schedule RCM

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Schedule RC-M - Continued

6. Does the reporting bank sell private label or third party mutual funds and annuities? RCONB569 | Yes/No | YES | 6.

7. Assets under the reporting bank's management in proprietary mutual funds and annuities RCONB570 | Dollar Amounts in Thousands | Bil | Mil | Thou | 0 | 7.

8. Primary Internet Web site address of the bank (home page), if any (Example: www.examplebank.com) [TEXT408] www.fnb-sf.com | 8.

9. Do any of the bank's Internet Web sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the Web site? RCON4088 | Yes/No | YES | 9.

10. Secured liabilities:
 a. Amount of "Federal funds purchased" that are secured (included in Schedule RC, item 14.a) RCONF064 | Dollar Amounts in Thousands | Bil | Mil | Thou | 0 | 10.a.
 b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a)-(d)) RCONF065 | 0 | 10.b.

Schedule RC-N - Past Due and Nonaccrual Loans, Leases, and Other Assets

Dollar Amounts in Thousands	(Column A)	(Column B)	(Column C)	
	Past due 30 through 89 days and still accruing	Past due 90 days or more and still accruing	Nonaccrual	
1. Loans secured by real estate:				
a. Construction, land development, and other land loans:				
(1) 1-4 family residential construction loans	RCONF172 0	RCONF174 0	RCONF176 533	1.a.(1)
(2) Other construction loans and all land development and other land loans	RCONF173 0	RCONF175 0	RCONF177 0	1.a.(2)
b. Secured by farmland	RCON3493 0	RCON3494 0	RCON3495 0	1.b.
c. Secured by 1-4 family residential properties:				
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCON5398 0	RCON5399 0	RCON5400 69	1.c.(1)
(2) Closed-end loans secured by 1-4 family residential properties:				
(a) Secured by first liens	RCONC236 1,911	RCONC237 1,164	RCONC229 463	1.c.(2)(a)
(b) Secured by junior liens	RCONC238 0	RCONC239 0	RCONC230 0	1.c.(2)(b)
d. Secured by multifamily (5 or more) residential properties	RCON3499 0	RCON3500 0	RCON3501 0	1.d.
e. Secured by nonfarm nonresidential properties:				
(1) Loans secured by owner-occupied nonfarm nonresidential properties	RCONF178 0	RCONF180 0	RCONF182 0	1.e.(1)
(2) Loans secured by other nonfarm nonresidential properties	RCONF179 0	RCONF181 0	RCONF183 1,806	1.e.(2)
2. Loans to depository institutions and acceptances of other banks	RCONB834 0	RCONB835 0	RCONB836 0	2.
3. Not applicable				
4. Commercial and industrial loans	RCON1606 225	RCON1607 977	RCON1608 50	4.
5. Loans to individuals for household, family, and other personal expenditures:				
a. Credit cards	RCONB575 0	RCONB576 0	RCONB577 0	5.a.
b. Other (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)	RCONB578 326	RCONB579 21	RCONB580 13	5.b.
6. Loans to foreign governments and official institutions	RCON5389 0	RCON5390 0	RCON5391 0	6.
7. All other loans (1)	RCON5459 0	RCON5460 0	RCON5461 0	7.
8. Lease financing receivables	RCON1226 0	RCON1227 0	RCON1228 0	8.
9. Debt securities and other assets (exclude other real estate owned and other repossessed assets)	RCON3505 0	RCON3506 0	RCON3507 0	9.

(1) Includes past due and nonaccrual "Loans to finance agricultural production and other loans to farmers" "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Other loans."

Schedule RC-N - Continued

Amounts reported in Schedule RC-N, items 1 through 8, above include guaranteed and unguaranteed portions of past due and nonaccrual loans and leases. Report in item 10 below certain guaranteed loans and leases that have already been included in the amounts reported in items 1 through 8.

Dollar Amounts in Thousands	(Column A)	(Column B)	(Column C)	
	Past due 30 through 89 days and still accruing	Past due 90 days or more and still accruing	Nonaccrual	
10. Loans and leases reported in items 1 through 8 above which are wholly or partially guaranteed by the U.S. Government	RCON5612	RCON5613	RCON5614	10.
a. Guaranteed portion of loans and leases included in item 10 above (exclude rebooked "GNMA loans") ..	RCON5615	RCON5616	RCON5617	10.a.
b. Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 10	RCONC866	RCONC867	RCONC868	10.b.

Memoranda

Dollar Amounts in Thousands	(Column A)	(Column B)	(Column C)	
	Past due 30 through 89 days and still accruing	Past due 90 days or more and still accruing	Nonaccrual	
1. Restructured loans and leases included in Schedule RC-N, items 1 through 8, above (and not reported in Schedule RC-C, Part I, Memo item 1):				
a. Loans secured by 1-4 family residential properties	RCONF661	RCONF662	RCONF663	M.1.a.
b. Other loans and all leases (exclude loans to individuals for household, family, and other personal expenditures)	RCON1658	RCON1659	RCON1661	M.1.b.
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7. above	RCON6558	RCON6559	RCON3560	M.2.
3. Memo items 3.a. through 3.d are to be completed by banks with \$300 million or more in total assets: (1)				
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1. above)	RCON1248	RCON1249	RCON1250	M.3.a.
b. Loans to and acceptances of foreign banks (included in Schedule RC-N, item 2. above)	RCON5380	RCON5381	RCON5382	M.3.b.
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RC-N, item 4, above)	RCON1254	RCON1255	RCON1256	M.3.c.
d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RC-N, item 8. above)	RCONF166	RCONF167	RCONF168	M.3.d.

(1) The \$300 million asset size test and the 5% of total loans test are generally based on the total assets and total loans reported on the June 30, 2007, Report of Condition.

Schedule RC-N - Continued

Memoranda (continued)

	(Column A) Past due 30 through 89 days and still accruing	(Column B) Past due 90 days or more and still accruing	(Column C) Nonaccrual	
Dollar Amounts in Thousands				
4. Memorandum item 4 is to be completed by: ⁽¹⁾				
• banks with \$300 million or more in total assets				
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, part I, item 3) exceeding five percent of total loans: Loans to finance agricultural production and other loans to farmers (included in Schedule RC-N, item 7, above) ⁽¹⁾	RCON1594	RCON1597	RCON1583	M.4.
5. Loans and leases held for sale and loans measured at fair value (included in Schedule RC-N, items 1 through 8, above):				
a. Loans and leases held for sale	RQONC240	RQONC241	RQONC226	M.5.a.
b. Loans measured at fair value: ⁽²⁾				
(1) Fair value	RCONF664	RCONF665	RCONF666	M.5.b.(1)
(2) Unpaid principal balance	RCONF667	RCONF668	RCONF669	M.5.b.(2)

	(Column A) Past due 30 through 89 days	(Column B) Past due 90 days or more	
Dollar Amounts in Thousands			
Memorandum item 6 is to be completed by banks with \$300 million or more in total assets:			
6. Interest rate, foreign exchange rate, and other commodity and equity contracts: Fair value of amounts carried as assets ⁽¹⁾	RCON3529	RCON3530	M.6.

	Dollar Amounts in Thousands			
		Bil	Mil	Thou
7. Additions to nonaccrual assets during the quarter	RCONC410		1,930	M.7.
8. Nonaccrual assets sold during the quarter	RCONC411		0	M.8.

(1) The \$300 million asset size test and the five percent of total loans test are generally based on the total assets and total loans reported on the June 30, 2007. Report of Condition.
 (2) NOTE: Completion of Memorandum items 5.b.(1) and (2) of Schedule RC-N is optional for the March 31, 2008, report date only. These items must be completed by all banks beginning June 30, 2008.

Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments

All banks must complete items 1 and 2, Memorandum item 1, and, if applicable, Memorandum items 2 and 3 each quarter. Each bank that reported \$1 billion or more in total assets in its March 31, 2007 Report of Condition must complete items 4 and 5 each quarter. In addition, each bank that reported \$1 billion or more in total assets in two consecutive Reports of Condition beginning with its June 30, 2007 report must begin to complete items 4 and 5 each quarter starting six months after the second consecutive quarter in which it reports total assets of \$1 billion or more. Each bank that becomes insured by the FDIC on or after April 1, 2007 must complete items 4 and 5 each quarter. Any other bank may choose to complete items 4 and 5, but the bank must then continue to complete items 4 and 5 each quarter thereafter.

		Dollar Amounts in Thousands			
		Bil	Mil	Thou	
1.	Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	RCONF236	495,400		1.
2.	Total allowable exclusions	RCONF237	0		2.
3.	Not applicable				
4.	Total daily average of deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	RCONF238	N/A		4.
5.	Total daily average of allowable exclusions	RCONF239	N/A		5.

Memorandum

		Dollar Amounts in Thousands			
		Bil	Mil	Thou	
1.	Total deposits of the bank (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):				
a.	Deposit accounts (excluding retirement accounts) of \$100,000 or less: ⁽¹⁾				
	(1) Amount of deposit accounts (excluding retirement accounts) of \$100,000 or less	RCONF049	239,261		M.1.a.(1)
	Number				
	(2) Number of deposit accounts (excluding retirement accounts) of \$100,000 or less (to be completed for the June report only)	RCONF050	27311		M.1.a.(2)
b.	Deposit accounts (excluding retirement accounts) of more than \$100,000: ⁽¹⁾				
	(1) Amount of deposit accounts (excluding retirement accounts) of more than \$100,000	RCONF051	243,432		M.1.b.(1)
	Number				
	(2) Number of deposit accounts (excluding retirement accounts) of more than \$100,000	RCONF052	853		M.1.b.(2)
c.	Retirement deposit accounts of \$250,000 or less: ⁽¹⁾				
	(1) Amount of retirement deposit accounts of \$250,000 or less	RCONF045	12,707		M.1.c.(1)
	Number				
	(2) Number of retirement deposit accounts of \$250,000 or less (to be completed for the June report only)	RCONF046	1283		M.1.c.(2)
d.	Retirement deposit accounts of more than \$250,000: ⁽¹⁾				
	(1) Amount of retirement deposit accounts of more than \$250,000	RCONF047	0		M.1.d.(1)
	Number				
	(2) Number of retirement deposit accounts of more than \$250,000	RCONF048	0		M.1.d.(2)
Memorandum item 2 is to be completed by banks with \$1 billion or more in total assets.					
2.)					
2.	Estimated amount of uninsured deposits (see instructions)	RCONF597	N/A		M.2.
3.	Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent saving association's Call Report or Thrift Financial Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:				
	a. Legal title	TEXTA548			M.3.a.
	b. FDIC Certificate Number	RCONA545	00000		M.3.b.

(1) The dollar amounts used as the basis for reporting in Memoranda items 1.a and 1.d reflect the deposit insurance limits in effect on the report date.
 (2) The \$1 billion asset size test is generally based on the total assets reported on the June 30, 2007, Report of Condition.

Schedule RC-P - 1-4 Family Residential Mortgage Banking Activities in Domestic Offices

Schedule RC-P is to be completed by (1) all banks with \$1 billion or more in total assets ⁽¹⁾ and (2) banks with less than \$1 billion in total assets at which either closed-end (first and junior lien) 1-4 family residential mortgage loan originations and purchases for resale ⁽²⁾ from all sources, loan sales, or quarter-end loans held for sale in domestic offices exceed \$10 million for two consecutive quarters.

NOTE: Completion of items 1.c.(1) and (2), 2.c.(1) and (2), 3.c.(1) and (2), 4.c.(1) and (2), 5.b, and 6.c.(1) and (2) of Schedule RC-P is optional for the March 31, 2008 report date only. These items must be completed by all banks required to complete Schedule RC-P beginning June 30, 2008.

Dollar Amounts in Thousands

	Bil	Mil	Thou	
1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale: ⁽²⁾				
a. Closed-end first liens			N/A	1.a.
b. Closed-end junior liens			N/A	1.b.
c. Open-end loans extended under lines of credit:				
(1) Total commitment under the lines of credit			N/A	1.c.(1)
(2) Principal amount funded under the lines of credit			N/A	1.c.(2)
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale: ⁽²⁾				
a. Closed-end first liens			N/A	2.a.
b. Closed-end junior liens			N/A	2.b.
c. Open-end loans extended under lines of credit:				
(1) Total commitment under the lines of credit			N/A	2.c.(1)
(2) Principal amount funded under the lines of credit			N/A	2.c.(2)
3. 1-4 family residential mortgage loans sold during the quarter:				
a. Closed-end first liens			N/A	3.a.
b. Closed-end junior liens			N/A	3.b.
c. Open-end loans extended under lines of credit:				
(1) Total commitment under the lines of credit			N/A	3.c.(1)
(2) Principal amount funded under the lines of credit			N/A	3.c.(2)
4. 1-4 family residential mortgage loans held for sale at quarter-end (included in Schedule RC, item 4.a):				
a. Closed-end first liens			N/A	4.a.
b. Closed-end junior liens			N/A	4.b.
c. Open-end loans extended under lines of credit:				
(1) Total commitment under the lines of credit			N/A	4.c.(1)
(2) Principal amount funded under the lines of credit			N/A	4.c.(2)
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans (included in Schedule RI, items 5.f, 5.g, and 5.i):				
a. Closed-end 1-4 family residential mortgage loans			N/A	5.a.
b. Open-end 1-4 family residential mortgage loans extended under lines of credit			N/A	5.b.
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter:				
a. Closed-end first liens			N/A	6.a.
b. Closed-end junior liens			N/A	6.b.
c. Open-end loans extended under lines of credit:				
(1) Total commitment under the lines of credit			N/A	6.c.(1)
(2) Principal amount funded under the lines of credit			N/A	6.c.(2)

(1) The \$1 billion asset size test is generally based on the total assets reported on the June 30, 2007, Report of Condition.

(2) Exclude originations and purchases of closed-end 1-4 family residential mortgage loans that are held for investment.

Schedule RC-Q - Financial Assets and Liabilities Measured at Fair Value

Schedule RC-Q is to be completed by banks that have adopted FASB Statement No. 157, "Fair Value Measurements," and (1) have elected to account for financial instruments or servicing assets and liabilities at fair value under a fair value option or (2) are required to complete Schedule RC-D--Trading Assets and Liabilities.

Fair Value Measurements for Assets and Liabilities under a Fair Value Option and Trading Assets and Liabilities (Included in Schedule RC)

	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements
ASSETS					
1. Loans and leases	RCONF243 N/A	RCONF682 N/A	RCONF690 N/A	RCONF244 N/A	RCONF245 N/A
2. Trading assets	RCONF246 N/A	RCONF683 N/A	RCONF691 N/A	RCONF247 N/A	RCONF248 N/A
a. Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule RC-Q, item 2, above)	RCONF240 N/A	RCONF684 N/A	RCONF692 N/A	RCONF241 N/A	RCONF242 N/A
3. All other financial assets and servicing assets	RCONF249 N/A	RCONF685 N/A	RCONF693 N/A	RCONF250 N/A	RCONF251 N/A
LIABILITIES					
4. Deposits	RCONF252 N/A	RCONF686 N/A	RCONF694 N/A	RCONF253 N/A	RCONF254 N/A
5. Trading liabilities	RCONF255 N/A	RCONF687 N/A	RCONF695 N/A	RCONF256 N/A	RCONF257 N/A
6. All other financial liabilities and servicing liabilities	RCONF258 N/A	RCONF688 N/A	RCONF696 N/A	RCONF259 N/A	RCONF260 N/A
7. Loan commitments (not accounted for as derivatives)	RCONF261 N/A	RCONF689 N/A	RCONF697 N/A	RCONF262 N/A	RCONF263 N/A

Schedule RC-R - Regulatory Capital

Dollar Amounts in Thousands

	Bil	Mil	Thou	
Tier 1 capital				
1. Total equity capital (from Schedule RC, item 28)	RCON3210	47,414		1.
2. LESS: Net unrealized gains (losses) on available-for-sale securities (if gain, report as positive value; if loss, report as negative value) ⁽¹⁾	RCON8434	391		2.
3. LESS: Net unrealized loss on available-for-sale EQUITY securities (report loss as positive value)	RCONA221	0		3.
4. LESS: Accumulated net gains (losses) on cash flow hedges (if a gain, report as a positive value; if a loss, report as a negative value)	RCON4336	0		4.
5. LESS: Nonqualifying perpetual preferred stock	RCONB588	0		5.
6. Qualifying minority interests in consolidated subsidiaries	RCONB589	0		6.
7.				
a. LESS: Disallowed goodwill and other disallowed intangible assets	RCONB590	0		7.a.
b. LESS: Cumulative change in fair value of all financial liabilities accounted for under a fair value option that is included in retained earnings and is attributable to changes in the bank's own creditworthiness (if a net gain, report as positive value; if a net loss, report as negative value)	RCONF264	0		7.b.
8. Subtotal (sum of items 1 and 6, less items 2, 3, 4, 5, 7.a, and 7.b)	RQONC227	47,023		8.
9.				
a. LESS: Disallowed servicing assets and purchased credit card relationships	RCONB591	0		9.a.
b. LESS: Disallowed deferred tax assets	RCON5610	0		9.b.
10. Other additions to (deductions from) Tier 1 capital	RCONB592	0		10.
11. Tier 1 capital (sum of items 8 and 10, less items 9.a and 9.b)	RCON8274	47,023		11.
Tier 2 capital				
12. Qualifying subordinated debt and redeemable preferred stock	RCON5306	0		12.
13. Cumulative perpetual preferred stock includible in Tier 2 capital	RCONB593	0		13.
14. Allowance for loan and lease losses includible in Tier 2 capital	RCON5310	3,880		14.
15. Unrealized gains on available-for-sale equity securities includible in Tier 2 capital	RCON2221	0		15.
16. Other Tier 2 capital components	RCONB594	0		16.
17. Tier 2 capital (sum of items 12 through 16)	RCON5311	3,880		17.
18. Allowable Tier 2 capital (lesser of item 11 or 17)	RCON8275	3,880		18.
19. Tier 3 capital allocated for market risk	RCON1395	0		19.
20. Deductions for total risk-based capital	RCONB595	0		20.
21. Total risk-based capital (sum of items 11, 18, and 19, less item 20)	RCON3792	50,903		21.
Total assets for leverage ratio				
22. Average total assets (from Schedule RC-K, item 9)	RCON3368	573,853		22.
23. LESS: Disallowed goodwill and other disallowed intangible assets (from item 7.a above)	RCONB590	0		23.
24. LESS: Disallowed servicing assets and purchased credit card relationships (from item 9.a above)	RCONB591	0		24.
25. LESS: Disallowed deferred tax assets (from item 9.b above)	RCON5610	0		25.
26. LESS: Other deductions from assets for leverage capital purposes	RCONB596	0		26.
27. Average total assets for leverage capital purposes (item 22 less items 23 through 26)	RQONA224	573,853		27.
Adjustments for financial subsidiaries				
28.				
a. Adjustment to Tier 1 capital reported in item 11	RCONC228	0		28.a.
b. Adjustment to total risk-based capital reported in item 21	RCONB503	0		28.b.
29. Adjustment to risk-weighted assets reported in item 62	RCONB504	0		29.
30. Adjustment to average total assets reported in item 27	RCONB505	0		30.

(1) Report amount included in Schedule RC, item 26.b, "Accumulated other comprehensive income."

Schedule RCR

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Schedule RC-R - Continued

Capital ratios

(Column B is to be completed by all banks. Column A is to be completed by banks with financial subsidiaries.)

	(Column A) Percentage (Banks with Financial Subsidiaries)	(Column B) Percentage (All Banks)	
31. Tier 1 leverage ratio ⁽²⁾	RCON7273	0 RCON7204	8.19 31.
32. Tier 1 risk-based capital ratio ⁽³⁾	RCON7274	0 RCON7206	10.89 32.
33. Total risk-based capital ratio ⁽⁴⁾	RCON7275	0 RCON7205	11.79 33.

(2) The ratio for column B is item 11 divided by item 27. The ratio for column A is item 11 minus item 28.a divided by (item 27 minus item 30).

(3) The ratio for column B is item 11 divided by item 62. The ratio for column A is item 11 minus item 28.a divided by (item 62 minus item 29).

(4) The ratio for column B is item 21 divided by item 62. The ratio for column A is item 21 minus item 28.b divided by (item 62 minus item 29).

Schedule RC-R - Continued

Banks are not required to risk-weight each on-balance sheet asset and the credit equivalent amount of each off-balance sheet item that qualifies for a risk weight of less than 100 percent (50 percent for derivatives) at its lower risk weight. When completing items 34 through 54 of Schedule RC-R, each bank should decide for itself how detailed a risk-weight analysis it wishes to perform. In other words, a bank can choose from among its assets and off-balance sheet items that have a risk weight of less than 100 percent which ones to risk-weight at an appropriate lower risk weight, or it can simply risk-weight some or all of these items at a 100 percent risk weight (50 percent for derivatives).

Balance Sheet Asset Categories

	(Column A) Totals (from Schedule RC)	(Column B) Items Not Subject to Risk- Weighting	(Column C) Allocation by Risk Weight Category 0%	(Column D) Allocation by Risk Weight Category 20%	(Column E) Allocation by Risk Weight Category 50%	(Column F) Allocation by Risk Weight Category 100%
34. Cash and balances due from depository institutions (Column A equals the sum of Schedule RC items 1.a and 1.b)	16,640	RCONC869 0	RCONB600 7,281	RCONB601 9,359	RCONB606	RCONR602 0
35. Held-to-maturity securities	0	RCONB603 0	RCONB604 0	RCONB605 0	RCONB607	RCONB607 0
36. Available-for-sale securities	135,978	RCONB608 392	RCONB609 551	RCONB610 133,123	RCONB611 1,912	RCONB612 0
37. Federal funds sold and securities purchased under agreements to resell	1,000	RCONC275 1,000	RCONC063 0	RCONC064 1,000	RCONB520	RCONB520 0
38. Loans and leases held for sale	412	RCONB617 0	RCONR618 0	RCONB619 0	RCONB620 412	RCONB621 0
39. Loans and leases, net of unearned income	401,708	RCONB622 0	RCONB623 3,522	RCONB624 0	RCONB625 83,654	RCONB626 314,532
40. LESS: Allowance for loan and lease losses	3,880	RCON3123 3,880				
41. Trading assets	0	RCONB627 0	RCONR628 0	RCONR629 0	RCONB630 0	RCONB631 0
42. All other assets (1)	23,806	RCONB640 203	RCONB641 0	RCONB642 1,586	RCONB643 0	RCON5339 22,017
43. Total assets (sum of items 34 through 42)	575,664	RCONB644 (3,285)	RCON5320 11,354	RCON5327 145,068	RCON5334 85,978	RCON5340 336,549

(1) Includes premises and fixed assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, intangible assets, and other assets.

Schedule RC-R - Continued

Derivatives and Off-Balance Sheet Items

	(Column A) Face Value or Notional Amount	Credit Conversion Factor	(Column B) Credit Equivalent Amount (1)	(Column C) Allocation by Risk Weight			(Column D) Allocation by Risk Weight			(Column E) Allocation by Risk Weight			(Column F) Allocation by Risk Weight
				Category 0%	Category 20%	Category 50%	Category 100%	Category 100%	Category 50%	Category 100%			
Dollar Amounts in Thousands													
44. Financial standby letters of credit	RCONB546 4,776	1.00 or 12.5 (2)	RCONB547 4,776	RCONR548 0	RCONR581 0	RCONB582 0	RCONB583 4,776						44.
45. Performance standby letters of credit	RCON3821 0	50	RCONB650 0	RCONB651 0	RCONB652 0	RCONB653 0	RCONB654 0						45.
46. Commercial and similar letters of credit	RCON3411 500	20	RCONR655 100	RCONB656 0	RCONR657 100	RCONR658 0	RCONB659 0						46.
47. Risk participations in bankers acceptances acquired by the reporting institution	RCON3429 0	1.00	RCONB660 0	RCONB661 0	RCONB662 0		RCONB663 0						47.
48. Securities lent	RCON3433 0	1.00	RCONB664 0	RCONB665 0	RCONB666 0	RCONB667 0	RCONB668 0						48.
49. Retained recourse on small business obligations sold with recourse	RCONA250 0	1.00	RCONB669 0	RCONB670 0	RCONB671 0	RCONB672 0	RCONB673 0						49.
50. Recourse and direct credit substitutes (other than financial standby letters of credit) subject to the low-level exposure rule and residual interests subject to a dollar-for-dollar capital requirement	RCONB541 0	12.5 (3)	RCONB542 0										50.
51. All other financial assets sold with recourse	RCONB675 7,915	1.00	RCONB676 7,915	RCONB677 0	RCONB678 0	RCONR679 7,915	RCONR680 0						51.
52. All other off-balance sheet liabilities	RCONB681 0	1.00	RCONB682 0	RCONB683 0	RCONB684 0	RCONB685 0	RCONB686 0						52.
53. Unused commitments with an original maturity exceeding one year	RCONR333 28,913	50	RCONR687 14,457	RCONR688 0	RCONR689 0	RCONR690 0	RCONR691 14,457						53.
54. Derivative contracts			RCONA167 68	RCONB693 0	RCONB694 68	RCONB695 0							54.

(1) Column A multiplied by credit conversion factor.
 (2) For financial standby letters of credit to which the low-level exposure rule applies, use a credit conversion factor of 12.5 or an institution-specific factor. For other financial standby letters of credit, use a credit conversion factor of 1.00. See instructions for further information.
 (3) Or institution-specific factor.

Schedule RC-R - Continued

	Dollar Amounts in Thousands			
	(Column C) Allocation by Risk Weight Category 0%	(Column D) Allocation by Risk Weight Category 20%	(Column E) Allocation by Risk Weight Category 50%	(Column F) Allocation by Risk Weight Category 100%
55. Total assets, derivatives, and off-balance sheet items by risk weight category (for each column, sum of items 43 through 54)	RCONB696 11,354	RCONB697 145,236	RCONB698 93,893	RCONB699 355,782
56. Risk weight factor	x 0%	x 20%	x 50%	x 100%
57. Risk-weighted assets by risk weight category (for each column, item 55 multiplied by item 56)	RCONB700 0	RCONB701 29,047	RCONB702 46,947	RCONB703 355,782
58. Market risk equivalent assets				RCON1651 0
59. Risk-weighted assets before deductions for excess allowance for loan and lease losses and allocated transfer risk reserve (sum of item 57, columns C through F, and item 58)				RCONB704 431,776
60. LESS: Excess allowance for loan and lease losses				RCONA277 0
61. LESS: Allocated transfer risk reserve				RCON3128 0
62. Total risk-weighted assets (item 59 minus items 60 and 61) ...				RCONA223 431,776

Memoranda

	Dollar Amounts in Thousands			
	Bil	Mil	Thou	
1. Current credit exposure across all derivative contracts covered by the risk-based capital standards	RCON8764		0	M.1.

	Dollar Amounts in Thousands					
	(Column A) With a remaining maturity of one year of less		(Column B) With a remaining maturity of over one year through five years		(Column C) With a remaining maturity of over five years	
2. Notional principal amounts of derivative contracts: (1)						
a. Interest rate contracts	RCON3809	0	RCON8766	13,500	RCON8767	0
b. Foreign exchange contracts	RCON3812	0	RCON8769	0	RCON8770	0
c. Gold contracts	RCON8771	0	RCON8772	0	RCON8773	0
d. Other precious metals contracts	RCON8774	0	RCON8775	0	RCON8776	0
e. Other commodity contracts	RCON8777	0	RCON8778	0	RCON8779	0
f. Equity derivative contracts	RCONA000	0	RCONA001	0	RCONA002	0
a. Credit derivative contracts:						
(1) Investment grade	RCONC980	0	RCONC981	0	RCONC982	0
(2) Subinvestment grade	RCONC983	0	RCONC984	0	RCONC985	0

(1) Exclude foreign exchange contracts with an original maturity of 14 days or less and all futures contracts.

Schedule RC-S - Servicing, Securitization, and Asset Sale Activities

Bank Securitization Activities

	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases and All Other Assets
	RCONB705	RCONB706	RCONB707	RCONB708	RCONB709	RCONB710	RCONB711
1.	0	0	0	0	0	0	0
	RCONB712	RCONB713	RCONB714	RCONB715	RCONB716	RCONB717	RCONB718
2.a.	0	0	0	0	0	0	0
	RCONC393	RCONC394	RCONC395	RCONC396	RCONC397	RCONC398	RCONC399
2.a.	0	0	0	0	0	0	0
	RCONC400	RCONC401	RCONC402	RCONC403	RCONC404	RCONC405	RCONC406
2.b.	0	0	0	0	0	0	0
	RCONB726	RCONB727	RCONB728	RCONB729	RCONB730	RCONB731	RCONB732
2.c.	0	0	0	0	0	0	0
	RCONB733	RCONB734	RCONB735	RCONB736	RCONB737	RCONB738	RCONB739
3.	0	0	0	0	0	0	0
	RCONB740	RCONB741	RCONB742	RCONB743	RCONB744	RCONB745	RCONB746
4.a.	0	0	0	0	0	0	0
	RIADB747	RIADB748	RIADB749	RIADB750	RIADB751	RIADB752	RIADB753
4.b.	0	0	0	0	0	0	0
	RIADB754	RIADB755	RIADB756	RIADB757	RIADB758	RIADB759	RIADB760
5.a.	0	0	0	0	0	0	0
5.b.	0	0	0	0	0	0	0

- Dollar Amounts in Thousands
- Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements
 - Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1 in the form of:
 - Credit-enhancing interest-only strips (included in Schedules RC-B or RC-F or in Schedule RC, item 5)
 - Subordinated securities and other residual interests
 - Standby letters of credit and other enhancements
 - Reporting bank's unused commitments to provide liquidity to structures reported in item 1
 - Past due loan amounts included in item 1:
 - 30-89 days past due
 - 90 days or more past due
 - Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):
 - Charge-offs
 - Recoveries

Schedule RC-S - Continued

	(Column A) 1-4 Family Residential Loans	(Column B) Home Equity Lines	(Column C) Credit Card Receivables	(Column D) Auto Loans	(Column E) Other Consumer Loans	(Column F) Commercial and Industrial Loans	(Column G) All Other Loans, All Leases and All Other Assets
		RCONB761	RCONB762			RCONB763	
6.a.							
6.b.		RCONB500	RCONB501			RCONB502	
7.a.		RCONB764	RCONB765			RCONB766	
7.b.		RCONB767	RCONB768			RCONB769	
8.a.		RIADR770	RIADR771			RIADB772	
8.b.		RIADB773	RIADB774			RIADB775	
9.	RCONB776	RCONB777	RCONB778	RCONB779	RCONB780	RCONB781	RCONB782
	0	0	0	0	0	0	0
10.	RCONB783	RCONB784	RCONB785	RCONB786	RCONB787	RCONB788	RCONB789
	0	0	0	0	0	0	0
11.	RCONB790	RCONB791	RCONB792	RCONB793	RCONB794	RCONB795	RCONB796
	7,915	0	0	0	0	0	0
12.	RCONB797	RCONB798	RCONB799	RCONB800	RCONB801	RCONB802	RCONB803
	7,915	0	0	0	0	0	0

Dollar Amounts in Thousands

6. Amount of ownership (or seller's) interests carried as:

a. Securities (included in Schedule RC-B or in Schedule RC, item 5)

b. Loans (included in Schedule RC-C)

7. Past due loan amounts included in interests reported in item 6.a:

a. 30-89 days past due

b. 90 days or more past due

8. Charge-offs and recoveries on loan amounts included in interests reported in item 6.a (calendar year-to-date):

a. Charge-offs

b. Recoveries

For Securitization Facilities Sponsored By or Otherwise Established By Other Institutions

9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements

10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures

Bank Asset Sales

11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank

12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11

Schedule RCS

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Schedule RC-S - Continued

Memoranda

Dollar Amounts in Thousands

	Bil	Mill	Thou	
1. Small business obligations transferred with recourse under Section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994:				
a. Outstanding principal balance	RCONA249		0	M.1.a.
b. Amount of retained recourse on these obligations as of the report date	RCONA250		0	M.1.b.
2. Outstanding principal balance of assets serviced for others:				
a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements	RCON3804		0	M.2.a.
b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements	RCON3805		629	M.2.b.
c. Other financial assets (includes home equity lines) ⁽¹⁾	RCONA591		16,730	M.2.c.
d. 1-4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end (includes closed-end and open-end loans)	RCONF699		0	M.2.d.
3. Asset-backed commercial paper conduits:				
a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:				
(1) Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCONB806		0	M.3.a.(1)
(2) Conduits sponsored by other unrelated institutions	RCONB807		0	M.3.a.(2)
b. Unused commitments to provide liquidity to conduit structures:				
(1) Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCONB808		0	M.3.b.(1)
(2) Conduits sponsored by other unrelated institutions	RCONB809		0	M.3.b.(2)
4. Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, col C ⁽²⁾	RCONC407		N/A	M.4.

(1) Memorandum item 2.c is to be completed if the principal balance of other financial assets serviced for others is more than \$10 million.

(2) Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

Schedule RC-T - Fiduciary and Related Services

Items 12 through 18, items 20 through 23, and Memorandum item 4 will not be made available to the public on an individual institution basis.

		Yes/No	
1. Does the institution have fiduciary powers? (If "NO," do not complete Schedule RC-T.)	RCONA345	YES	1.
2. Does the institution exercise the fiduciary powers it has been granted?	RCONA346	YES	2.
3. Does the institution have any fiduciary or related activity (in the form of assets or accounts) to report in this schedule? (If "NO," do not complete the rest of Schedule RC-T.)	RCONB867	YES	3.

If the answer to item 3 is "YES," complete the applicable items of Schedule RC-T, as follows:

Institutions with total fiduciary assets (item 9, sum of columns A and B) greater than \$250 million (as of the preceding December 31) or with gross fiduciary and related services income greater than 10% of revenue (net interest income plus noninterest income) for the preceding calendar year must complete:

- Items 4 through 19 quarterly,
- Items 20 through 23 annually with the December report, and
- Memorandum items 1 through 4 annually with the December report.

Institutions with total fiduciary assets (item 9, sum of columns A and B) greater than \$100 million but less than or equal to \$250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 23 annually with the December report, and
- Memorandum items 1 through 4 annually with the December report.

Institutions with total fiduciary assets (item 9, sum of columns A and B) of \$100 million or less (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 10 annually with the December report, and
- Memorandum items 1 through 3 annually with the December report.

FIDUCIARY AND RELATED ASSETS

	(Column A) Managed Assets	(Column B) Non- Managed Assets	(Column C) Number of Managed Accounts	(Column D) Number of Non- Managed Accounts	
Dollar Amounts in Thousands					
4. Personal trust and agency accounts	RCONB868 135,597	RCONB869 16,229	RCONB870 196	RCONB871 10	4.
5. Retirement related trust and agency accounts:					
a. Employee benefit - defined contribution	RCONB872 0	RCONB873 15,581	RCONB874 0	RCONB875 6	5.a.
b. Employee benefit - defined benefit	RCONB876 0	RCONB877 0	RCONB878 0	RCONB879 0	5.b.
c. Other retirement accounts	RCONB880 7,149	RCONB881 10,954	RCONB882 32	RCONB883 55	5.c.
6. Corporate trust and agency accounts	RCONB884 0	RCONB885 1,572	RCONC001 0	RCONC002 48	6.
7. Investment management agency accounts	RCONB886 64,048		RCONB888 102		7.
8. Other fiduciary accounts	RCONB890 0	RCONB891 0	RCONB892 0	RCONB893 0	8.
9. Total fiduciary accounts (sum of items 4 through 8)	RCONB894 206,794	RCONB895 44,336	RCONB896 330	RCONB897 119	9.
10. Custody and safekeeping accounts		RCONB898 55,205		RCONB899 70	10.

Schedule RCT

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Schedule RC-T - Continued

FIDUCIARY AND RELATED SERVICES INCOME

Dollar Amounts in Thousands

	Bil	Mil	Thou	
11. Not applicable				
12. Personal trust and agency accounts	RIADB904	525		12.
13. Retirement related trust and agency accounts:				
a. Employee benefit - defined contribution	RIADB905	3		13.a.
b. Employee benefit - defined benefit	RIADB906	0		13.b.
c. Other retirement accounts	RIADB907	25		13.c.
14. Corporate trust and agency accounts	RIADA479	24		14.
15. Investment management agency accounts	RIADB908	168		15.
16. Other fiduciary accounts	RIADA480	0		16.
17. Custody and safekeeping accounts	RIADB909	102		17.
18. Other fiduciary and related services income	RIADB910	159		18.
19. Total gross fiduciary and related services income (sum of items 12 through 18) (must equal Schedule RI, item 5.a)	RIAD4070	1,006		19.
20. Less: Expenses	RIADQ058	N/A		20.
21. Less: Net losses from fiduciary and related services	RIADA488	N/A		21.
22. Plus: Intracompany income credits for fiduciary and related services	RIADR911	N/A		22.
23. Net fiduciary and related services income	RIADA491	N/A		23.

Memoranda

Dollar Amounts in Thousands

	Bil	Mil	Thou	
1. Managed assets held in personal trust and agency accounts:				
a. Noninterest-bearing deposits	RCON3913	N/A		M.1.a.
b. Interest-bearing deposits	RCONB914	N/A		M.1.b.
c. U.S. Treasury and U.S. Government agency obligations	RCON3915	N/A		M.1.c.
d. State, county and municipal obligations	RCON3916	N/A		M.1.d.
e. Money market mutual funds	RCONB917	N/A		M.1.e.
f. Other short-term obligations	RCONB918	N/A		M.1.f.
g. Other notes and bonds	RCON3919	N/A		M.1.g.
h. Common and preferred stocks	RCON3920	N/A		M.1.h.
i. Real estate mortgages	RCONB921	N/A		M.1.i.
j. Real estate	RCON3922	N/A		M.1.i.
k. Miscellaneous assets	RCONB923	N/A		M.1.k.
l. Total managed assets held in personal trust and agency accounts (sum of Memorandum items 1.a through 1.k) (must equal Schedule RC-T, item 4, column A)	RCONB868	N/A		M.1.l.

	(Column A) Number of Issues	(Column B) Principal Amount Outstanding	
2. Corporate trust and agency accounts:			
a. Corporate and municipal trusteeships	RCONB927	N/A	M.2.a.
b. Transfer agent, registrar, paying agent, and other corporate agency	RCONB929	N/A	M.2.b.

Schedule RC-T - Continued

Memoranda (continued)

Dollar Amounts in Thousands	(Column A)		(Column B)		
	Number of Funds		Market Value of Fund Assets		
3. Collective investment funds and common trust funds:					
a. Domestic equity	RCONB931	N/A	RCONB932	N/A	M.3.a.
b. International/Global equity	RCONB933	N/A	RCONB934	N/A	M.3.b.
c. Stock/Bond blend	RCONB935	N/A	RCONB936	N/A	M.3.c.
d. Taxable bond	RCONB937	N/A	RCONB938	N/A	M.3.d.
e. Municipal bond	RCONB939	N/A	RCONB940	N/A	M.3.e.
f. Short term investments/Money market	RCONB941	N/A	RCONB942	N/A	M.3.f.
g. Specialty/Other	RCONB943	N/A	RCONB944	N/A	M.3.g.
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g)	RCONB945	N/A	RCONB946	N/A	M.3.h.

Dollar Amounts in Thousands	(Column A)		(Column B)		(Column C)		
	Gross Losses Managed Accounts		Gross Losses Non-Managed Accounts		Recoveries		
4. Fiduciary settlements, surcharges, and other losses:							
a. Personal trust and agency accounts	RIADB947	N/A	RIADB948	N/A	RIADB949	N/A	M.4.a.
b. Retirement related trust and agency accounts	RIADR950	N/A	RIADB951	N/A	RIADB952	N/A	M.4.b.
c. Investment management agency accounts	RIADB953	N/A	RIADR954	N/A	RIADB955	N/A	M.4.c.
d. Other fiduciary accounts and related services	RIADB956	N/A	RIADB957	N/A	RIADR958	N/A	M.4.d.
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 21)	RIADB959	N/A	RIADB960	N/A	RIADB961	N/A	M.4.e.

Person to whom questions about Schedule RC-T - Fiduciary and Related Services should be directed:

Johnny Crowley, Sr. Vice President & Trust Officer

Name and Title (TEXT B962)

JCrowley@1stnationalbanknm.com

E-mail Address (TEXT B926)

(505)992-2410

Telephone: Area code/phone number/extension (TEXT B963)

(505)984-7444

FAX: Area code/phone number (TEXT B964)

Schedule NARR

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**Optional Narrative Statement Concerning the Amounts
Reported in the Reports of Condition and Income**

The management of the reporting bank may, if it wishes, submit a brief narrative statement on the amounts reported in the Reports of Condition and Income. This optional statement will be made available to the public, along with the publicly available data in the Report of Condition and Income, in response to any request for individual bank report data. However, the information reported in Schedule RC-T, items 12 through 18, items 20 through 23, and Memorandum item 4, is regarded as confidential and will not be released to the public. **BANKS CHOOSING TO SUBMIT THE NARRATIVE STATEMENT SHOULD ENSURE THAT THE STATEMENT DOES NOT CONTAIN THE NAMES OR OTHER IDENTIFICATIONS OF INDIVIDUAL BANK CUSTOMERS, REFERENCES TO THE AMOUNTS REPORTED IN THE CONFIDENTIAL ITEMS IN SCHEDULE RC-T, OR ANY OTHER INFORMATION THAT THEY ARE NOT WILLING TO HAVE MADE PUBLIC OR THAT WOULD COMPROMISE THE PRIVACY OF THEIR CUSTOMERS.** Banks choosing not to make a statement may check the "No comment" box below and should make no entries of any kind in the space provided for the narrative statement; i.e., **DO NOT** enter in this space such phrases as "No statement," "Not applicable," "N/A," "No comment," and "None."

All information furnished by the bank in the narrative statement must be accurate and not misleading. Appropriate efforts shall be taken by the submitting bank to ensure the statement's accuracy. The statement must be signed, in the space provided below, by a senior officer of the bank who thereby attests to its accuracy.

If, subsequent to the original submission, material changes are submitted for the data reported in the Reports of Condition and Income, the existing narrative statement will be deleted from the files, and from disclosure; the bank, at its option, may replace it with a statement, under signature, appropriate to the amended data.

The optional narrative statement will appear in agency records and in release to the public exactly as submitted (or amended as described in the preceding paragraph) by the management of the bank (except for the truncation of statements exceeding the 750-character limit described above). **THE STATEMENT WILL NOT BE EDITED OR SCREENED IN ANY WAY BY THE SUPERVISORY AGENCIES FOR ACCURACY OR RELEVANCE. DISCLOSURE OF THE STATEMENT SHALL NOT SIGNIFY THAT ANY FEDERAL SUPERVISORY AGENCY HAS VERIFIED OR CONFIRMED THE ACCURACY OF THE INFORMATION CONTAIN THEREIN. A STATEMENT TO THIS EFFECT WILL APPEAR ON ANY PUBLIC RELEASE OF THE OPTIONAL STATEMENT SUBMITTED BY THE MANAGEMENT OF THE REPORTING BANK.**

The optional statement must be entered on this sheet. The statement should not exceed 100 words. Further, regardless of the number of words, the statement must not exceed 750 characters, including punctuation, indentation, and standard spacing between words and sentences. If any submission should exceed 750 characters, as defined, it will be truncated at 750 characters with no notice to the submitting bank and the truncated statement will appear as the bank's statement both on agency computerized records and in computer-file releases to the public.

Comments? NO
(RCON 6979)

BANK MANAGEMENT STATEMENT (Please type or print clearly):
(TEXT 6980)

FIRST NATIONAL BANK OF SANTA FE
62 LINCOLN AVE
SANTA FE, New Mexico 87501
STAR RATING 4 ****
Predictive Indicator neutral
As of June 30, 2008
Federal Reserve System Identifier 787253

HOLDING COMPANY INFORMATION

(Based on data from the previous quarter.)

Holding company data is in thousands and percent. Zero assets indicates that the data is not reported.

High Holder	Ownership	Assets	Equity	Equity to Assets	Net Income
NEW MEXICO BANQUEST CORPORATION	wholly-owned				

Please click on the holding company link to check the ratings of any affiliated institutions whose conditions could impact the bank about which you have inquired.

INTRODUCTION

U.S. commercial banks are chartered under either federal or state jurisdiction for the purposes of accepting funds for deposit and extending loans to either individual or business borrowers. Banks are subject to credit, interest rate, and operational risk, and, because of both their public purpose and their importance to the nation's economy, banks are the object of intense regulatory scrutiny.

The Bankrate proprietary commercial bank rating model analyzes capitalization, asset quality, earnings, and liquidity and produces composite and component "Star" ratings that can be used as a measure of the rated entity's financial safety and soundness. Additionally, early warning components of the model highlight operating characteristics of immediate concern and recommended follow-up actions.

INSTITUTIONAL HIGHLIGHTS

<i>Institution Name</i>	<i>FIRST NATIONAL BANK OF SANTA FE</i>	
<i>Report Date</i>	<i>June 30, 2008</i>	
<i>Report Period</i>	<i>6 months</i>	
<i>Star Composite Rating, Percentile Rank</i>	<i>4 ****</i>	<i>55.90</i>
<i>Predictive Indicator</i>	<i>neutral</i>	
<i>Earnings Rating, Percentile Rank</i>	<i>5</i>	<i>88.25</i>
<i>Asset Quality Rating, Percentile Rank</i>	<i>3</i>	<i>34.09</i>
<i>Capital Rating, Percentile Rank</i>	<i>3</i>	<i>34.56</i>
<i>Liquidity Rating, Percentile Rank</i>	<i>4</i>	<i>24.75</i>
<i>Institution Asset Size</i>	<i>575.6640 million</i>	
<i>Deposits</i>	<i>493.9950 million</i>	

<i>Loans</i>	<i>397.8280 million</i>
<i>Equity</i>	<i>47.4140 million</i>
<i>Net Profit/Loss</i>	<i>5.5380 million</i>

COMPONENT HIGHLIGHTS**EARNINGS Highlights**

Component Star Rating: 5

Bank profitability is critical to building capital, establishing adequate loss reserves, and providing dividends to shareholders.

Key Earnings information and ratios:	Ratio (%)	Assessment
Return on Equity	23.13	Very Healthy
Net Interest Margin	4.41	Higher Than Peer
Level of Non-interest Income (1)	1.02	Below Normal
Overhead (1)	3.12	Below Standard

(1) As a percentage of average assets.

ASSET QUALITY Highlights

Component Star Rating: 3

Asset quality is a major determinant of the viability of any banking institution. Poor asset quality will have a very direct impact upon the other components and bank regulators invest substantial amounts of time and resources in gauging the quality of a bank's loans and investments.

Key Asset Quality information and ratios:	Ratio (%)	Assessment
Nonperforming Asset Ratio (2)	9.93	Somewhat Higher Than Standard
Loss Reserve Coverage (3)	76.14	Below Normal
Loan Yield	6.75	Conservative
Asset Growth Rate	4.54	Normal

(2) Nonperforming Assets/Equity plus Loss Reserves

(3) Loan Loss Reserves/Nonperforming Loans

CAPITAL Highlights

Component Star Rating: 3

Bank capitalization stands as a protection against loss for bank customers, creditors, shareholders, and the Federal Deposit Insurance Corporation (FDIC). Regulators place a high degree of importance upon assessments of capitalization and assign regulatory benchmarks as determinants of capital adequacy.

Key measures of Capital Adequacy:	Ratio (%)	Assessment
Net Worth to Total Assets	8.24	Approximates Peer Norm
Regulatory Capital Ratio	11.79	Exceeded Requirement

LIQUIDITY Highlights

Component Star Rating: 4

Liquidity provides funding for normal bank operations and represents a reserve for unanticipated disintermediation. Liquidity can be both an asset and a liability concept.

Key measures of Liquidity:	Ratio (%)	Assessment
Balance Sheet Liquidity (4)	4.89	Moderate
Purchased Liabilities (5)	20.77	No Greater Than Average Dependence

(4) Cash and Equivalents/Total Assets

(5) Jumbo CD's and Borrowings/Total Assets

Early Warning Highlights

Early warning indicators identify areas of potential concern, which may lead to financial deterioration and thus, require inquiry or in-depth investigation.

For this bank we have noted:

- Non-Interest Income
- Commercial Real Estate and Construction Lending
- Capital Adequacy

INSTITUTION COMMENTARY

OVERVIEW of Institution

Organized in 1870, FIRST NATIONAL BANK OF SANTA FE is a nationally chartered commercial bank, which, as of June 30, 2008, reported \$575.6640 million in total assets. At that date, loans and deposits held by the bank amounted to \$397.8280 million and \$493.9950 million, respectively. The bank's June 30, 2008 equity base of \$47.4140 million produced an Equity/Assets ratio of 8.24%, as of that date.

COMPOSITE SUMMARY

Bankrate believes that, as of June 30, 2008, this bank exhibited a sound condition, characterized by very solid overall, sustainable profitability, satisfactory asset quality, mid-range capitalization and seemingly ample liquidity.

EARNINGS ANALYSIS

For the six months ended June 30, 2008, the bank recorded net income of \$5.5380 million, which represented a return on average assets (ROA) of 1.91%. Year earlier six month results amounted to a net profit of \$5.9520 million, or a 2.19% annualized ROA. An ROA of at least 1.0% is deemed satisfactory in accordance with banking industry standards, and the industry's ROA for the first six months of 2008 was approximately 0.5%. We have concluded that for the first six months of 2008, the bank achieved a very healthy return on equity. We deem net interest margin to have been meaningfully higher than peer. Noninterest income was below normal, and management should be questioned as to the outlook for this source of revenue. We also observed overhead ratios that were below standard, a sign of good expense control. Importantly, net interest margins, noninterest income components, and overhead expense levels represent operating factors that combine to impact overall operating results.

ASSET QUALITY ANALYSIS

The bank revealed, as previously stated, satisfactory asset quality. Our conclusion with respect to asset quality incorporates our analysis of data depicting regional economic conditions as well as our computations of a somewhat higher than standard June 30, 2008 nonperforming asset ratio, below normal reserve coverage for nonperforming loans, and apparently acceptable quality, or no greater than average, holdings of commercial real estate and construction loans, two categories that can intensify credit risk.

Commercial real estate and construction loans should be examined for:

- Loan underwriting and appraisal standards that differ from normal bank guidelines.
- Loan-to-value benchmarks deemed not in conformance with prudent underwriting requirements.
- Speculative construction activity.
- The deferral of interest payments during construction periods.
- The funding of the entire amount of construction costs and land valuation.

Other asset categories, such as farm and consumer loans, which may carry more than usual default potential, should not have a substantial negative impact upon future results.

Loan yield can measure financial reward versus credit risk. Excessive loan yield may be an indicator of existing or future problems. Our loan review indicates that the bank has assumed a seemingly prudent position between credit risk and financial reward.

CAPITAL ANALYSIS

For the one year period ended June 30, 2008, the bank reported a below normal rate of growth in equity capital. Balance sheet structural changes, through the one year period of time ended June 30, 2008, have improved the bank's capital position. Our analytical methodology does take into account the quantity, quality, and durability of net worth, and, as set forth above, we have determined, based upon our series of tests, that the bank demonstrates mid-range capitalization. We have calculated the bank's June 30, 2008 Total Risk-Based Capital position, a computation used by industry regulators, and have concluded that this bank exceeded the requirement, set by regulation, for this test. Notwithstanding any of the information contained within this section, we believe, based upon our analysis, that the institution should consider plans for enhancing reported capitalization.

LIQUIDITY ANALYSIS

As of June 30, 2008, the bank displayed moderate balance sheet liquidity and a no greater than average reliance upon wholesale, or non-core liabilities, which include all borrowings, such as Federal Home Loan Bank Advances, and uninsured CD's greater than \$100,000.

Accounting principles require some securities to be categorized as "Available-for-Sale." Changes in market value of these securities are reflected through the GAAP (Generally Accepted Accounting Principles) net worth of the institution. Based upon the bank's present balance sheet, changes in the value of the current level of securities reported as "Available-for-Sale" are very likely to have a substantial impact upon future net worth of the bank.

INSTITUTION SUMMARY

This bank has been rated sound.

Positive factors that impacted that rating follow:

- Earnings

As noted previously, early warning indicators, possibly requiring specific investigation include:

- Non-Interest Income
- Commercial Real Estate and Construction Lending
- Capital Adequacy

PREDICTIVE INDICATOR

As stated, we have determined a composite Star rating for this bank of 4 **** , indicative of a sound financial

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condition. At times, financial conditions of banks change rapidly and significantly. Hence, our Safe & Sound Star ratings should not be deemed predictive of likely future ratings. However, in view of early warning indicators set forth within this report, in combination with the institution's financial data, we believe that the Star rating for this institution is unlikely to change within the ensuing twelve month period.

Safe & Sound® ratings

RATE UPDATE Search FDIC-insured high-yielding CDs.

**FIRST NATIONAL BANK OF SANTA FE
SANTA FE, New Mexico****Financial summary (\$ in Thousands)**

	2008 6 mos.	2007 Year	2006 Year
Total Assets	\$575,664	\$583,153	\$536,856
Loans Receivable, Net	397,828	386,773	369,088
Mortgage-Backed Securities	67,161	43,089	18,464
Investments	68,817	78,071	85,787
Deposits	493,995	530,500	488,434
Borrowings	31,544	3,041	1,943
Equity	47,414	47,051	43,760
Net Interest Income	11,928	23,899	23,229
Fee Income	2,961	5,882	5,739
Overhead	9,017	17,527	17,428
Net Operating Income	5,538	12,131	10,990
Net Income	5,538	12,131	11,390

Ratio Analysis:

	%	%	%
Profitability			
Return on Assets	1.91	2.19	2.26
Operating Return on Assets	1.91	2.19	2.18
Return on Equity	23.13	26.87	27.02
Net Interest Margin	4.41	4.62	4.96
Fee Income / Assets	1.02	1.06	1.14
Overhead / Assets	3.12	3.16	3.45

Asset Quality

Nonperforming Assets / Assets	0.89	0.18	0.01
Nonperforming Assets / Equity & Loss Reserves	9.93	2.04	0.15
Loss Reserves / Loans	0.98	1.01	1.03
1-4 Fam Mtg + MBS / Assets	28.29	24.04	21.96
Commercial Real Estate Loans / Assets	40.48	38.85	36.15
Construction Loans / Assets	7.25	5.97	9.24
Commercial & Industrial Loans / Assets	3.25	3.12	3.15
Consumer Loans / Assets	1.91	1.97	2.20

Capitalization

Equity / Assets	8.24	8.07	8.15
-----------------	------	------	------

Tangible Capital / Tangible Assets	8.24	8.07
Risk-based Capital Ratio	11.79	11.93
Liquidity		
Loans / Deposits	80.53	72.91
Non-Interest Bearing Deposits / Deposits	15.65	14.25
Jumbo CDs & Borrowings / Assets	20.77	13.49

To view our methodology, click here.

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Community Development Service
09/11/08

The staff and board of directors of **First National Bank of Santa Fe** are actively involved in *making a difference in people's lives* by reinvesting resources in our entire communities, including low-moderate income families. Our legacy of service is deeply woven into the economic, social and cultural fabric of our communities and impacts many Santa Fe, Los Alamos, Albuquerque, New Mexico groups, organizations and individuals from a wide range of sectors including:

- Affordable Housing
- Families at risk
- Children at risk
- The Homeless
- Education
- Health
- Arts
- History/Culture
- Youth
- Neighborhood Schools

Whether through bank-sponsored volunteerism, bank-sponsored philanthropy or bank-sponsored community service, **First National Bank of Santa Fe** exemplifies social, economic and environmental stewardship in a multitude of ways.

- **Over 35% of our staff and members of our board give of their time and talent in service to our communities.**
- **Over 4,500 hours of bank-sponsored and personal time is devoted to community service on an annual basis.**
- **As of June 30, 2008, First National Bank of Santa Fe has donated and/or committed over \$125,000 to more than 120 community nonprofit organizations and groups serving the needs of our communities.**
- **FNBS contributes marketing materials, printing, advertisement and provides venues for numerous community activities, fund-raising events, traditional community events, nonprofit organizations and schools.**

*In 2007, First National Bank of Santa Fe was awarded a HELP grant from Federal Home Loan Bank in the amount of \$50,000 to provide down payment assistance to low-income families in Santa Fe wanting to purchase a home. In partnership with Homewise, Inc, our bank provided a \$6,000 grant to each of eight (8) low-income families for their first home. In 2008, we were once again awarded a \$50,000 HELP grant and are in the process of distributing the funds through Homewise, Inc. to assist families with the purchase of a home.

SFC CLERK RECORDED 11/26/2008

Throughout the past five years, a number of community-based needs assessments, economic development planning and land-use planning initiatives have been completed. Among the entities conducting the various assessments and surveys are the City of Santa Fe, Homewise, Inc. and State of New Mexico. The studies consistently identified lack of affordable housing as a priority concern and the situation needing immediate attention.

In response to the identified housing needs, First National Bank of Santa Fe has taken an active role with community partners striving to provide access to affordable housing for low-moderate income families, work force families having to commute daily and those needing financial literacy training in order to become eligible for financing.

*FNBSF's support is offered to our community partners in a number of effective ways that help provide access to affordable housing for area families. In 2006 and 2007 FNBSF provided over \$4 million in direct mortgage financing for affordable housing in Santa Fe.

*FNBSF also provides funding to Homewise, Inc. and Santa Fe Community Housing Trust for community-wide financial literacy training workshops, particularly for low-moderate income families. The programs provide technical assistance and guidance to our community to help in the homeownership process and to help families learn more about financial management.

*The Bank also sponsors a Financial Fitness program for its employees to provide assistance for those wanting to purchase a home or learn more about personal finance management. The classes are offered in bank venues at times that are most convenient for employees to attend. The classes are also intended to provide technical support for those employees wanting to qualify for a home purchase.

First National Bank of Santa Fe continues to promote the history and diverse cultures of New Mexico and Santa Fe by active participation and promotion of many cultural events such as sponsoring the Santa Fe Hispanic Chamber of Commerce Spanish Market Reception.

First National Bank of Santa Fe is guided by the principle that more can be accomplished when we work at the **community level** - from helping to provide homes for low-income families, helping to provide health care to those who cannot afford it, helping to provide financial literacy training, mentoring at-risk children, helping to feed, clothe and shelter the homeless, providing support services to the elderly, providing support for children and the arts, volunteering at our local schools to providing resources for small business development.



SEC CLERK RECORDED 11/26/2008

Memorandum

To: Santa Fe County Board of Finance

From: Victor A. Montoya, County Treasurer

Date: 10/28/2008

Subject: Santa Fe County Treasurer's Investment Plan

During these past nine months, the financial world and its markets have been turned upside down and our markets both domestically and globally have suffered their greatest losses since the great depression. Some of these examples include the insolvency and bankruptcy of Freddie Mac and Fannie Mae and their takeover by the federal government; the bankruptcy of Merrill Lynch; the bankruptcy or near collapse of many investment banks; and the bankruptcy of Wachovia Bank and its likely takeover by Wells Fargo.

In terms of our investments, we have not suffered any losses to date, as we do not invest in equities, CMO's (collateralized mortgage obligations), MBS (mortgage backed securities), and other sub-prime lending instruments. Our investments consist of government agencies (bonds), certificates of deposit (in excess of \$100,000) and funds invested by the State Treasurer in the Local Government Investment Pool.

All our investments are secured or collateralized by the full faith and credit of the federal government, or 102% by an irrevocable letter of credit or pledged government agencies, where we require 102% collateral. The only place we may have some exposure is the commercial paper and money market funds that the State Treasurer invests in, as we are not collateralized or secured by the State Treasurer. See attached information from the State Treasurer's office.

In accordance with Santa Fe County's Investment Policy (Resolution No. 2007-102), this memorandum is submitted to present the County Treasurer's investment plan for the foreseeable future and to give the County Board of Finance a status report of the County's investments.

My primary objective is to insure the County's portfolio contains safe, liquid and diversified investments while earning a market rate of interest on all money that is not immediately required to meet the County's cash flow needs. Part of that investment plan is to diversify the portfolio and invest in all permitted investments authorized in the policy as follows:

October 28, 2008

SFC CLERK RECORDED 11/26/2008

1. Interest bearing accounts;
2. Certificates of deposit insured by the FDIC (with limits up to \$250,000), or collateralized at 102% for CD's investments over \$250,000;
3. Government agencies (bonds), treasury bills, or other debt securities issued by and backed by the full faith and credit of the United States. These investments are fully collateralized as provided for in our investment policy.

I continue to look for investments that benefit our local economy here in Santa Fe County that will assist banks and credit unions with the ability to provide mortgage loans, auto loans and construction financing to our county constituents.

The investment made in the two banks that are classified as Financial Depository Institutions for the County is as follows:

1. **First Community Bank:** This bank is also our custody bank and we have invested \$5 million in a seven month Certificate of Deposit that yields 3.55%, and a \$10 million Certificate of Deposit currently yielding 3.75% for thirteen months. The balances in our bank accounts are swept into an overnight repurchase account and redeemed the following morning, this overnight repo account is currently yielding 1.00% due to the drop in fed funds rate to 1.50%. This bank's repo yield is fed funds less 50 basis points.

Should fed funds rates be lowered by another .25% in the future, our overnight repo accounts would yield .50%. All investments are secured at 102% by the bank's pledging of securities. See attached charts on First Community Bank balances.

2. **Los Alamos National Bank:** This bank received Financial Depository Institution status from the County Board of Finance in August 2005, and we currently have \$20.1 million invested in Certificates of Deposit fully collateralized at 102% with an irrevocable letter of credit from the Federal Home Loan Bank in Dallas. LANB has offered the County some competitive rates examples as follows:

- a. The \$1.0 million 24 month CD @ 5.40%; maturing 08-06-2009
- b. The \$2.0 million 60 month CD @ 5.40%; maturing 08-05-2010
- c. The \$5.0 million 36 month CD @ 4.75%; maturing 11-01-2008
- d. The \$5.0 million 12 month CD @ 3.00%; maturing 04-26-09.

These rates beat both First Community Bank and the Local Government Investment Pool (see attached Treasurer's Report for other yields). We expect to increase this category by \$20.0 million on the first of November from the gross receipt bond sale. These investments will be laddered to meet our cash flow needs as the projects materialize according to the schedule provided to me by the Director of Community Services.

October 28, 2008

SEC CLERK RECORDED 11/26/2008

3. **Wells Fargo:** This is the third bank to receive Financial Depository Institution status from the County Board of Finance. We use this bank to invest in brokered CD's all insured by the FDIC up to \$100,000. Wells Fargo shops bank rates through out the country and provides us with the yields, maturity dates, and payment dates. Currently we have approximately \$3,332,000 in these types of CD's with yields ranging from 3.10% to %5.19%. In October 2008, the bailout approved FDIC insurance of up to \$250,000 through December 31, 2009.
4. **State Treasurer Local Government Investment Pool:** A copy of the State Treasurer's *Investment Outlook* is attached for your information. Finally, to provide a comparison of how our investments are doing compared to the LGIP, here are the results for the last three months:
 - a. September 30, 2008 yield 1.71%.
 - b. August 31, 2008 yield 2.50%.
 - c. July 31, 2008 yield 2.40%.

The current investment balance at the LGIP for September 2008 was approximately \$90,084,934.86.

5. **Government Agencies (Bonds):** As part of diversification of our assets, we have increased our holdings to \$51.1 million. We expect to increase this category by \$7.5 million at the end of this month from the gross receipt bond sale. These investments are laddered to meet our cash flow needs as the projects materialize

In closing, I have attached a copy of "The Treasurer's Report" which shows all investments in CD's, Government Bonds, the Local Government Investment Pool, and demand deposits we have made to date. These investments show the principal investment, the effective annual interest rate, the term, and maturity date and how we receive the income. The County's total portfolio as of September 30, 2008 was approximately \$188,110,056.38.

The County Treasurer's Investment Committee has been meeting regularly since April 2005, I present an agenda to the Committee each month that includes what investments have been made or matured, and minutes from the prior month. I strive to keep the Committee informed by having our local banks and other entities make presentations to the committee on how they intend to use County funds to improve the economy of Santa Fe County when they apply for **Depository Financial Institution** status. I want to thank the Investment Committee for their hard work and commitment to attend these monthly meetings. I know they have many commitments and obligations they have to attend to on behalf of the County.

Mr. Chair and Commissioners that concludes my portion of the presentation, the Finance Director will now provide an overview of the cash flow receipts and disbursements for you. Thank you for your kind attention and I make myself available to any questions you might have.

SANTA FE COUNTY
TREASURER'S PORTFOLIO REPORT

CERTIFICATES OF DEPOSIT

Security Description	Renewal Date	Invested Amount	Effective Annual Interest Rate	Term	Maturity Date	Interest Check to be Paid
Guadalupe Credit Union - CD, #11034009	7/1/2008	\$ 100,000.00	2.71%	6 mo.	1/1/2009	Monthly
Omni National Bank - Acct #81151723	10/12/2007	\$ 99,000.00	5.02%	1 yr	10/12/2008	Monthly
Advanta Bank Corp. - Acct. #3501028306	11/2/2007	\$ 99,000.00	5.02%	1 yr	10/29/2008	Monthly
First Community Bank - CD, #4650468967	4/7/2008	\$ 5,000,000.00	3.55%	7 mo.	11/7/2008	Monthly
First Community Bank - CD, #4650464878	4/1/2008	\$ 10,000,000.00	3.75%	13 mo.	5/1/2009	Monthly
MarqBank - Acct #000000108090 (renewal of #105343 above)	5/1/2008	\$ 99,000.00	3.60%	12 mo.	5/1/2009	Monthly
State Employees Credit Union - Acct #3000414460	12/5/2007	\$ 100,000.00	4.91%	15 mo.	3/6/2009	Quarterly
Mercantile Bank of Michigan	11/21/2007	\$ 100,000.00	4.70%	18 mo.	5/21/2009	Monthly
Countrywide Bank - thru Multi-Bank Securities, Inc. Cusip #22238YN41	11/28/2007	\$ 100,000.00	4.75%	12 mo.	11/28/2008	Monthly
Signature Bank-Co - thru Multi-Bank Securities, Inc. Cusip #82669NAT6	11/29/2007	\$ 100,000.00	4.70%	18 mo.	5/29/2009	Monthly
Nature Coast Bank - thru Multi-Bank Securities, Inc. Cusip #63901YAK9	11/30/2007	\$ 97,000.00	4.70%	14 mo.	1/30/2009	Semi-Annual
E Trade Bank-thru Multi-Bank Securities, Inc. Cusip # 26924VMB2	12/7/2007	\$ 97,000.00	4.75%	18 mo.	6/8/2009	Semi-Annual
Miscellaneous Certificates of Deposit		\$ 15,991,000.00				
Los Alamos National Bank - Acct #0030489162	8/6/2007	\$ 1,000,000.00	5.40%	24 mo.	8/6/2009	Monthly
Los Alamos National Bank - Acct #0030489172	8/5/2008	\$ 1,000,000.00	3.20%	12 mo.	8/5/2009	Monthly
Los Alamos National Bank - Acct #0030489133	8/5/2005	\$ 1,000,000.00	4.90%	48 mo.	8/5/2009	Monthly
Los Alamos National Bank - Acct #0030489134	8/5/2005	\$ 2,000,000.00	5.40%	60 mo.	8/5/2010	Monthly
Los Alamos National Bank - Acct #0030489173	8/6/2008	\$ 100,000.00	3.85%	36 mo.	8/6/2011	Monthly
Los Alamos National Bank - Acct #0030489165	11/1/2005	\$ 3,000,000.00	4.75%	12mo.	11/1/2008	Monthly
Los Alamos National Bank - Acct #0030489137	11/1/2008	\$ 2,000,000.00	4.75%	36 mo.	11/1/2008	Monthly
Los Alamos National Bank - Acct #0030489171	8/1/2008	\$ 1,000,000.00	3.20%	12 mo.	8/1/2009	Monthly
Los Alamos National Bank - Acct #0030489168	7/27/2008	\$ 1,000,000.00	3.50%	24 mo.	7/27/2010	Monthly
Los Alamos National Bank - Acct #0030489169	7/31/2008	\$ 1,000,000.00	3.35%	18mo.	1/31/2010	Monthly
Los Alamos National Bank - Acct #0030489166	11/30/2007	\$ 1,000,000.00	4.75%	12 mo.	11/30/2008	Monthly
Los Alamos National Bank - Acct #0030489167	4/26/2008	\$ 5,000,000.00	3.00%	12 Mo.	4/26/2009	Monthly
Los Alamos National Bank - Acct #0030489170	7/31/2008	\$ 1,000,000.00	3.35%	18 mo.	1/31/2010	Monthly
		\$ 20,100,000.00				

LANB Certificates of Deposit

4

**SANTA FE COUNTY
TREASURER'S PORTFOLIO REPORT**

BROKERED CERTIFICATES OF DEPOSIT

Account Description	Issue Date	Rate	Term	Amount	Rate	Maturity
Wells Fargo - CD, #8683694130	4/13/2008	5.19%	18 mo.	100,000.00		10/13/2008
Wells Fargo - CD, Discover Bank Cusip #25467R5A7	2/20/2008	3.30%	12 mo.	97,000.00		2/20/2009
Wells Fargo - CD, Hillcrest Bank Cusip #43147YHJ1	2/20/2008	3.20%	9 mo.	97,000.00		11/20/2008
Wells Fargo - CD, Wash. Mutual Bank Cusip #9393794V2	2/20/2008	3.35%	12 mo.	97,000.00		2/20/2009
Wells Fargo - CD, Franklin Bank Cusip #352465QA9	2/20/2008	3.20%	9 mo.	97,000.00		11/20/2008
Wells Fargo - CD, Lone Star NB Cusip #542299DD1	2/22/2008	3.25%	12 mo.	97,000.00		2/20/2009
Wells Fargo - CD, Paragon CMRL Bank Cusip #69911QK46	2/22/2008	3.25%	12 mo.	97,000.00		2/20/2009
Wells Fargo - CD, Wachovia Bk FSB Houston TX Cusip #92979HBGO	4/9/2008	4.25%	5 yrs.	97,000.00		4/9/2013
Wells Fargo - CD, Investors Crmnty Bk Manitowa WI. Cusip #46147UHW3	4/9/2008	3.50%	2 yrs.	100,000.00		4/9/2010
Wells Fargo - CD, BankUnited FSB Coral Gables, FL Cusip # 066519AA7	4/9/2008	3.55%	2 yrs.	97,000.00		4/9/2010
Wells Fargo - CD, Riverside NB FL Ft. Pierce, FL Cusip #769174DA8	4/11/2008	3.50%	2 yrs.	97,000.00		4/12/2010
Wells Fargo - CD, Delta Tr. & Bk Parkdale, AZ Cusip #247816AP6	4/11/2008	3.55%	2 yrs.	100,000.00		4/9/2010
Wells Fargo - CD, Riverside Gulf Coast, Cor FL Cusip #76882SBP5	4/11/2008	3.65%	30 mo.	97,000.00		10/12/2010
Wells Fargo - CD, Firstbank of Puerto Rico Cusip #337629RD3	4/11/2008	3.65%	30 mo.	97,000.00		10/12/2010
Wells Fargo - CD, Amcore Bk Rockford, IL Cusip #02341VTJ4	4/11/2011	3.80%	3 yrs.	97,000.00		4/11/2011
Wells Fargo - CD, Choice Financial Group, Cusip #17037TDA2	4/16/2008	4.00%	4 yrs.	97,000.00		4/16/2012
Wells Fargo - CD, Southern CrmntyFayettev, GA Cusip #84262RAX5	4/16/2008	3.60%	30 mo.	100,000.00		10/15/2010
Wells Fargo - CD M & I Bank FSB Las Vegas, NV Cusip #553036GG3	4/18/2008	5.20%	10.5 Yrs.	100,000.00		10/18/2018
Wells Fargo - CD M & I Marshall & Iisley Bk Milwa. WI Cusip # 55405PGL7	4/18/2008	5.20%	10.5 Yrs.	100,000.00		10/18/2018
Wells Fargo-CD Midfirst Bk Oklahoma City Ok Cusip # 59740L6T6	9/10/2008	3.10%	9mo.	100,000.00		6/10/2009
Wells Fargo-CD New South Fed SB Irondale Ala Cusip #64880T7D3	9/10/2008	3.25%	9mo.	96,000.00		6/10/2009
Wells Fargo-CD Standard Bk & Tr Co IL Cusip # 853117EC9	9/10/2008	3.10%	9mo.	97,000.00		6/10/2009
Wells Fargo-CD Home Federal Savings Bk MN Cusip# 43708WGY4	9/10/2008	3.50%	1yr.	96,000.00		9/10/2009
Wells Fargo-CD Cit Bk Salt Lake City Utah Cusip # 17284PH81	9/10/2008	3.55%	1yr.	96,000.00		9/10/2009
Wells Fargo-CD Capital One Bk(USA)Natl Assn. Cusip# 140420DJ6	9/10/2008	3.45%	9mo.	96,000.00		6/10/2009
Wells Fargo-CD Premier American Bk Miami Fla Cusip# 74046QAM5	9/10/2008	3.25%	9mo.	100,000.00		6/10/2009
Wells Fargo-CD NCB Savings Bank FSB Cusip#628625EB3	9/11/2008	3.50%	1yr.	96,000.00		9/11/2009
Wells Fargo-CD Bank Fayetteville N A Ark Cusip# 06209PAV2	9/12/2008	3.65%	15mo.	100,000.00		12/14/2008
Wells Fargo-CD GMAC Bk Midvale UT Cusip# 36185AWQ7	9/12/2008	3.30%	9mo.	97,000.00		6/12/2009
Wells Fargo-CD Minnwest Bk Metro Rochester MN Cusip# 604260ARO	9/12/2008	3.30%	9mo.	97,000.00		6/12/2009
Wells Fargo-CD New Century Bk Chicago IL Cusip# 64333PEF6	9/12/2008	3.20%	9mo.	100,000.00		6/12/2009
Wells Fargo-CD Wachovia Mortgage FSB Cusip# 929781GZ9	9/12/2008	3.35%	9mo.	97,000.00		6/12/2009
Wells Fargo-CD Signature Ark Fayetteville Cusip# 82669LGN1	9/13/2008	3.30%	9mo.	100,000.00		6/17/2009
Wells Fargo-CD Farmers & Merchants Statesboro GA Cusip#30837NCU7	9/17/2008	3.65%	15mo.	100,000.00		12/17/2008

\$ 3,332,000.00

\$ 39,423,000.00

Wells Fargo Brokered Certificates of Deposit

Total Certificates of Deposit



**SANTA FE COUNTY
TREASURER'S PORTFOLIO REPORT**

INVESTMENT IN GOVERNMENT AGENCIES (BONDS)

Called	Agency	Call Date	Face Value	Yield	Term	Maturity
	BROOKSTREET SECURITIES CORP.					
	Federal Home Loan Bank Corp-Cusip #31339XVU5	5/21/2007	\$ 1,786,218.75	5.35%	6.0 years	7/9/2013 Semi-Annual
	JEFFERIES & COMPANY					
	Fannie Mae Bond-Cusip#3136F8ZS7	12/28/2007	\$ 4,000,000.00	5.00%	4.5 years	6/27/2012 Semi-Annual
	Federal Farm Credit Bank-Cusip #31331YYL8	3/20/2008	\$ 1,000,173.33	3.12%	2 years	3/20/2010 Semi-Annual
	MORGAN-KEEGAN					
	Federal Farm Credit Bank-Cusip #31331YTJ9	2/27/2008	\$ 1,993,893.89	4.00%	4 years	2/13/2012 Semi-Annual
	LF ROTHSCHILD LLC					
	Freddie Mac Bond-Cusip #3128X6UX2	12/18/2007	\$ 9,971,875.00	5.25%	10 years	12/18/2017 Semi-Annual
	Federal Home Loan Bank-Cusip #3133XMLGA	10/9/2007	\$ 1,000,000.00	5.20%	5 years	10/9/2012 Semi-Annual
	Federal Home Loan Bank-Cusip #3133XMRN3	10/30/2007	\$ 1,999,000.00	5.01%	5 years	10/30/2012 Semi-Annual
	Freddie Mac Bond-Cusip #3128X6SE7	12/12/2007	\$ 426,933.28	5.00%	6 years	12/12/2013 Semi-Annual
	Federal Home Loan Bank-Cusip #3133XMQN4	11/7/2007	\$ 1,000,000.00	5.00%	4 years	11/7/2011 Semi-Annual
	Federal Home Loan Bank-Cusip#3133XPAM6	2/8/2008	\$ 3,509,122.50	5.45%	15 years	2/8/2023 Semi-Annual
	Federal Home Loan Bank-Cusip #3133XPEN0	2/13/2008	\$ 2,000,000.00	5.30%	10 years	2/13/2018 Semi-Annual
	Federal Home Loan Bank-Cusip #3133XPGN8	2/19/2008	\$ 2,000,000.00	5.00%	8.5 years	8/19/2016 Semi-Annual
	Fannie Mae Bond-Cusip #3136F87F6	3/5/2008	\$ 2,000,000.00	5.00%	10 years	3/5/2018 Semi-Annual
	MUTUAL SECURITIES, INC.					
	Fed Farm Credit Bank-Cusip #31331X7J5	10/15/2007	\$ 1,000,000.00	5.05%	5 years	10/15/2012 Semi-Annual
	Federal Home Loan Bank-Cusip #3133XMX4	11/19/2007	\$ 1,999,000.00	5.11%	7 years	11/19/2014 Semi-Annual
	Fannie Mae Bond-Cusip #3136F8XM2	11/28/2007	\$ 2,000,000.00	5.00%	10 years	11/28/2017 Semi-Annual
	Freddie Mac Bond-Cusip #3128X6RY4	12/11/2007	\$ 2,500,000.00	5.20%	8 years	12/11/2015 Semi-Annual
	Fannie Mae Bond-Cusip #3136F8YT6	12/19/2007	\$ 2,000,000.00	4.99%	5 years	12/19/2012 Semi-Annual
	Federal Home Loan Bank-Cusip #3133XND55	12/12/2007	\$ 2,000,000.00	5.25%	7 years	12/12/2014 Semi-Annual
	Fannie Mae Bond-Cusip # 31355A1CD7 (DTC Safekeeping)	1/25/2008	\$ 1,990,000.00	4.50%	12 years	1/23/2020 Semi-Annual
	Fannie Mae Bond-Cusip #3136F87F6	3/5/2008	\$ 1,996,250.00	5.04%	10 years	3/5/2018 Semi-Annual
	Freddie Mac Bond-Cusip #3128X7DM3	4/1/2008	\$ 1,500,000.00	4.00%	6 years	4/1/2014 Semi-Annual
	Fannie Mae Bond-Cusip #31398ARR5	6/10/2008	\$ 997,520.83	3.28%	2 years	6/10/2010 Semi-Annual
	Fannie Mae Bond-Cusip #3136F9UB7	6/24/2008	\$ 2,500,000.00	4.00%	5 years	6/24/2013 Semi-Annual
	Fannie Mae Bond-Cusip#3136F9A86	8/18/2008	\$ 1,000,000.00	3.60%	2 years	8/18/2010 Semi-Annual
	Fannie Mae Bond-Cusip #31398ANY4	9/5/2008	\$ 1,497,729.17	3.55%	2.5 years	2/25/2011 Semi-Annual
	Federal Home Loan Bank-Cusip #3133XSA73	9/26/2008	\$ 1,993,311.11	3.16%	1 year	9/24/2009 Semi-Annual
New	LF FINANCIAL LLC					
New	Federal Home Loan Bank-Cusip #3133XSF60	10/2/2008	\$ 1,000,000.00	3.63%	1 year	10/2/2009 Semi-Annual
New	Federal Home Loan Bank-Cusip #3133XSF67	10/2/2008	\$ 1,000,000.00	3.40%	6 months	4/2/2009 Semi-Annual

\$ 59,661,027.86

Total Government Agencies (Bonds)

**SANTA FE COUNTY
TREASURER'S PORTFOLIO REPORT**

4:36 PM 10/7/2008

LOCAL GOVERNMENT INVESTMENT POOL								
Santa Fe County Treasurer-Account #7081-1326	Balance	9/30/2008	\$	19,673,843.11	1.71%	30 days	30 days	Monthly
Santa Fe County Treasurer-Account #7574-2902		9/30/2008	\$	85,339.08	1.71%	30 days	30 days	Monthly
Santa Fe County Treasurer-Account #7579-2971		9/30/2008	\$	1,316,955.76	1.71%	30 days	30 days	Monthly
Santa Fe County Treasurer-Account #7580-2972		9/30/2008	\$	545,790.85	1.71%	30 days	30 days	Monthly
Santa Fe County Treasurer-Account #7724-4186		9/30/2008	\$	3,503,332.03	1.71%	30 days	30 days	Monthly
Santa Fe County Treasurer-Account #7765-5257		9/30/2008	\$	1,338,773.15	1.71%	30 days	30 days	Monthly
Santa Fe County Treasurer-Account #7813-9104		9/30/2008	\$	4,749,007.27	1.71%	30 days	30 days	Monthly
Santa Fe County Treasurer-Account #7832-10580		9/30/2008	\$	22,736,044.98	1.71%	30 days	30 days	Monthly
Santa Fe County Treasurer-Account #7864-11172		9/30/2008	\$	4,493,955.31	1.71%	30 days	30 days	Monthly
Santa Fe County Treasurer-Account #7885-11608		9/30/2008	\$	1,556,275.31	1.71%	30days	30 days	Monthly
Santa Fe County Treasurer-Account #7904-12031		9/30/2008	\$	30,085,618.01	1.71%	30days	30days	Monthly

New

NOTE

Total LGIP Investments as of September 30, 2008
 Deduct Called Bonds & Matured CD's
 Grand Total All Investments as of September 30, 2008
 First Community Bank Cash Balance
 Grand Total All Investments & Cash Balance August 11, 2008

\$ 90,084,934.86
 \$ (8,500,000.00)
 \$ 156,171,894.72
 \$ 7,441,093.66
 \$ 188,110,056.38

8/31/2008

8002/92/11 DECEMBER 11 2008

Victor A. Montoya
September 2008

NEW MEXICO STATE TREASURER'S EXECUTIVE SUMMARY OF INVESTMENT ACTIVITY

As of September 30, 2008

Investment Strategy Employed During the Past Quarter

- **New MexiGROW LGIP:** Asset mix and asset types purchased for the portfolio maintained a 99% level of A-1+ rated investments and the weighted average maturity (WAM) was maintained at 60 days or less, averaging 26 days. ~~Investment strategy remained the same and consistent with that of prior quarters until the week of September 15th. The events of that week, starting with the Lehman Bros. bankruptcy and leading to the massive crippling of investment money funds, led STO to decide to completely liquidate most LGIP money market and US Agency holdings in favor of unusually large participant redemptions.~~
- Strategy for re-investment of the liquidated proceeds was conservatively directed: utilizing only the interest-earning bank account (with 100% collateralization) and a pure government money market fund from STO's custody bank. During the week of September 22, some of the liquidity was reinvested in high-yielding, short-term, new issue bullet securities offered by FHILB.
- S&P renewed the AAA rating for the LGIP in August and the rating was maintained through the end of the quarter.
- The unprecedented events of September and the continuing market instability through quarter-end are cause for STO to re-evaluate the strategy and direction of LGIP portfolio management. Options for handling extreme market events and the potential impact to the LGIP will be thoroughly examined.

Investment Strategy Plan for the Next Quarter

- **New MexiGROW LGIP:** Compliance with rating criteria will continue to mandate the investing strategy for the LGIP. Market events of the past quarter have proven the need to establish an overnight repurchase program for the LGIP and the process is currently underway: Columbia Management is identifying A-1+ repo counterparties for inclusion in the LGIP repo program. Investment will continue on a consistent and educated basis to place cash positions into fixed income US Government securities. Continuous market monitoring is ongoing.
- Because AAA rated prime money market funds have proven vulnerable to extreme market events, it is now apparent that those types of investment are not sufficiently safe for the LGIP portfolio, even though they have been a source of significant earnings over the past two years. Investment in this type of money market fund is on indefinite hold.
- Investment in commercial paper for the LGIP portfolio is on indefinite hold.

Asset Mix and Maturity Targets

- **New MexiGROW LGIP:** Asset mix and maturity targets going forward will continue to comply with policy, statute and rating criteria. Until a re-evaluation of the investment direction for the LGIP portfolio is completed, a conservative asset allocation will primarily be concentrated in US Treasury and Agency securities, the collateralized bank account, governmental money market funds, and a collateralized overnight repurchase program.

NEW MEXICO STATE TREASURER'S OFFICE
 LGIP FUND (4101)
 PORTFOLIO CLASSIFICATION SUMMARY

INVESTMENTS OUTSTANDING AS OF 09/30/08

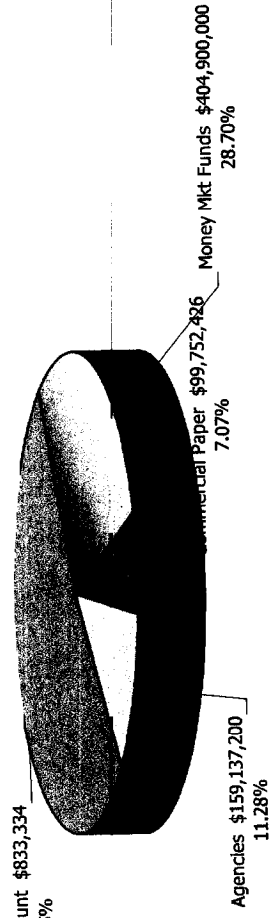
- o Yield shown is avg 365-day-basis equivalent weight by cost-basis
- o Avg-Term is par-weighted term-to-maturity or MBS-Avg-Life in Years.
- o Cost-Basis is US\$ Book Value

ASSET CLASSIFICATION	ITEMS	YIELD	AVG-TERM	PRINCIPAL	COST-BASIS	MARKET-VALUE	GAIN (LOSS)	%MARKET
LGIP BANK ACCOUNT	1	1.9455	.00270	747,150,319	747,150,319	747,150,319	0	52.95%
COMMERCIAL PAPER-DISCOUNT BASED	10	2.7337	.08931	100,000,000	99,752,426	99,752,426	0	7.07%
FED HOME LOAN BANKS DISC NT	4	3.0782	.27019	80,000,000	79,305,133	79,411,700	106,567	5.63%
FED HOME LOAN BANKS FLOAT-FIX	1	3.8210	.49590	25,000,000	25,000,000	24,991,500	(8,500)	1.77%
FED HOME LOAN MORTGAGE CORP BDS	2	2.4896	.52177	55,000,000	55,000,000	54,734,000	(266,000)	3.88%
MONEY MARKET FUNDS	2	1.7862	.00333	404,900,000	404,900,000	404,900,000	0	28.70%
	20	2.0736	.05312	1,412,050,319	1,411,107,878	1,410,939,945	(167,933)	100.00%

Days

LGIP PORTFOLIO - \$1,410,939,945
 September 30, 2008

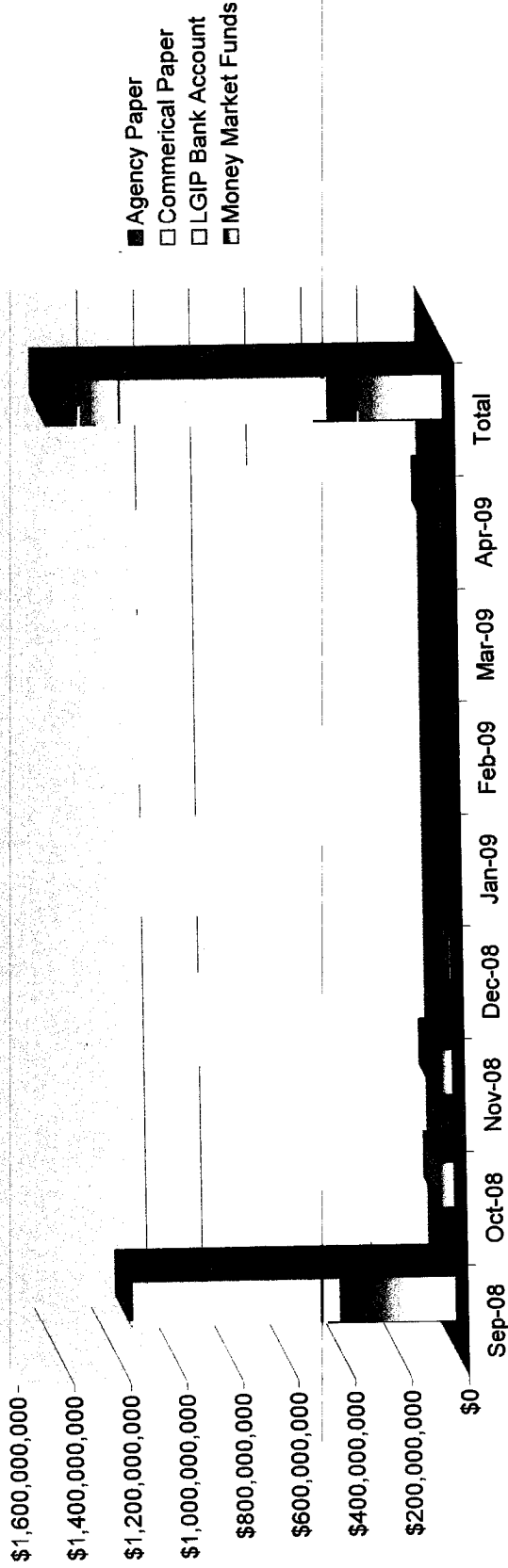
LGIP Bank Account \$833,334
 0.05%



New Mexico State Treasurer
 New MexiGrow LGIP
 Maturity Schedule
 9/30/2008

	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	Total
Money Market Funds	404,900,000								404,900,000.00
LGIP Bank Account	747,150,319								747,150,319.05
Commerical Paper	0	50,000,000	40,000,000	10,000,000					100,000,000.00
Agency Paper	0		20,000,000		35,000,000	25,000,000	25,000,000	55,000,000	160,000,000.00
Total	\$ 1,152,050,319.05	\$ 50,000,000.00	\$ 60,000,000.00	\$ 10,000,000.00	\$ 35,000,000.00	\$ 25,000,000.00	\$ 25,000,000.00	\$ 55,000,000.00	\$ 1,412,050,319.05

Maturities as of 9/30/2008



Victor A. Montoya

From: Mevi, Joelle, STO [Joelle.Mevi@state.nm.us]
Sent: Friday, October 03, 2008 5:03 PM
To: Victor A. Montoya
Cc: Bargas, Kirene, STO
Subject: LGIP questions
Attachments: SF County ProRata Share of LGIP 9-08.xls; Reserve Govt Treas Liq 2008_1001 FINAL.pdf

Hi Victor,

As you requested, I've compiled a schedule of the County's pro-rata share of the LGIP's commercial paper holdings, which is attached. There are 8 positions with five issuers; ranging from \$10 million to \$20 million per issuer. Ratings on these securities range from A-1 to A-1+. The weighted average maturity of the LGIP's commercial paper is 37 days. The LGIP holds a money market fund with The Reserve, which is being liquidated under guidance from the SEC. This is a governmental fund comprised of Treasuries, Agencies, and collateralized repo: it is AAA rated and has a \$1 NAV. I've attached the most recent press release STO has received regarding this fund. Please let me know if you have any other questions or concerns.

Joelle Mevi, CGFM
 Chief Investment Officer
 Office of the New Mexico State Treasurer
 2019 Galisteo Street, Bldg K
 Santa Fe, NM 87505
 (505) 955-1125
 (505)955-1180 fax
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Note: share percentages based on Sept. 08 average balances.

	STO #	SF County AVG. Balance	SF County Ratio to Total	SF County Pro Rata Share of CP
Commercial Paper Total				80,000,000.00
Sept. 2008	7081	20,338,981.65	1.30%	1,040,442.39
	7574	85,333.06	0.01%	4,365.22
	7579	1,316,862.91	0.08%	67,364.24
	7580	545,752.37	0.03%	27,918.01
	7724	3,503,085.03	0.22%	179,200.62
	7765	1,338,678.76	0.09%	68,480.23
	7813	4,748,672.44	0.30%	242,918.76
	7832	22,734,441.96	1.45%	1,162,982.38
	7864	4,493,638.46	0.29%	229,872.47
	7885	1,556,165.58	0.10%	79,605.79
	7904	16,044,452.30	1.03%	820,755.37
		76,706,064.52	4.90%	3,923,905.47



IMMEDIATE RELEASE

IMPORTANT NOTICE REGARDING U.S. GOVERNMENT FUND

New York, October 1, 2008 - The Board of Trustees of The Reserve Fund (the "Trust") announced on September 30, 2008 that it has voted to liquidate the assets of The Reserve U.S. Government Fund (the "Government Fund"), a series of the Trust.

The Board and the Government Fund's adviser are working diligently and in conjunction with the Securities and Exchange Commission to develop a plan to distribute the assets of the Government Fund in a fair and equitable manner. The Fund cannot currently estimate when distributions to investors will be made. However, the Board and the Fund's adviser are acting as expeditiously as markets permit to restore liquidity to investors. As developments occur, every effort will be made to communicate them to investors.

Beginning October 2, 2008, we will post on our website each day the holdings of the Government Fund as of the close of business at the end of the previous business day. We will also post on our website each day the maturity schedule of the assets in the Government Fund, the average weighted maturity and the nature of the holdings.

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October 1, 2008

Dear *New MexiGROW* LGIP Participant;

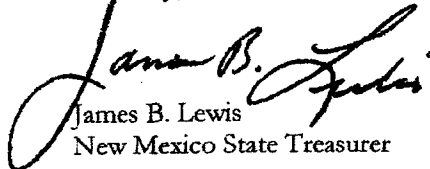
Recent market events have caused significant concern for public-funds investors. Events such as the conservatorship of Fannie Mae and Freddie Mac; the failures of IndyMac and Washington Mutual banks; the last-minute buyouts of Merrill Lynch and Wachovia Bank; the Lehman Brothers bankruptcy; and the multitude of billion-dollar 'Band-Aids' extended by the Federal Reserve Board, the FDIC and the U.S. Treasury have proven the fragility of a market still reeling in the aftermath of the sub-prime mortgage crisis. As State Treasurer, I am duly concerned about the impact these financial market events may have on New Mexico and its economy, local communities, and citizens. **As my staff and I learned this month, even AAA rated liquidity investments such as money market funds, which were previously considered safe, are vulnerable to market risks and even more so to sudden investor reaction.** Because the *New MexiGROW* LGIP is a money market fund that we manage for you, I want to give you an update on the status of the fund.

The *New MexiGROW* LGIP continues to be rated 'AAAm' by Standard & Poor's. In order to maintain the rating and prove compliance to the rating criteria, the Treasurer's Office submits detailed weekly portfolio inventory reports to S&P. **The *New MexiGROW* LGIP is assigned a 'principal stability fund rating', which signifies that the pool seeks to provide a stable net asset value (NAV) of \$1.00 per share and that investment management guidelines are consistent with that objective.** The 'AAAm' rating further signifies an extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. Safety of capital is the primary objective of all Treasurer's Office investments. Investment management is mandated by the State Treasurer's Investment Policy and by state statutes, specifically NMSA 1978, Section 6-10-10. The New Mexico State Board of Finance also provides oversight for the pool portfolio as well as all other funds under the management of the Treasurer's Office.

During the week of September 15, 2008, the majority of AAA rated Prime institutional money market fund and U.S. Agency discount note holdings were liquidated from the LGIP portfolio. The purpose of this action was to provide liquidity in the event that market conditions might cause participants to withdraw funds. The cash proceeds have been placed in an interest-bearing bank account and in government-security money market funds, which earn lower yields but are safer, fully-collateralized or full-faith-and-credit investments.

You may notice that the yield on your account statement for September is lower than previous months; this is reflective of the liquidation and subsequent investment in safer securities. Current portfolio holdings include approximately \$747 million (53%) in an interest-bearing bank account which is 100% collateralized; \$405 million (29%) in AAA rated institutional U.S. Government security money market funds; \$160 million (11%) in U.S. Agency discount notes and bonds; and \$100 million (7%) in A-1/P1/F1 rated commercial paper. The weighted average maturity (WAM) of the portfolio is 19 days and the current net yield of the pool is approximately 2.0%. Risks that should be considered with investment in the *New MexiGROW* LGIP include *market risk, liquidity risk and credit, or financial, risk.* Please contact the Treasurer's Office with any questions.

Sincerely,



James B. Lewis
New Mexico State Treasurer



Joelle Mevi
Chief Investment Officer



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New MexiGROW LGIP deposits are not guaranteed or insured by any bank, the State of New Mexico, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency. *New MexiGROW* LGIP deposits involve certain investment risks. Yield and total return may fluctuate and are not guaranteed.