

1645652

# SANTA FE COUNTY

*Resolution No. 1999-67*

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## A RESOLUTION ESTABLISHING THE SANTA FE COUNTY INVESTMENT POLICY

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WHEREAS, Section 6-10-8 NMSA 1978 provides that the Board of County Commissioners shall constitute a County Board of Finance; and

WHEREAS, the public money of the county shall be deposited in qualified depositories in accordance with terms of Section 6-10-36 NMSA 1978 or invested as otherwise provide by law, and

WHEREAS, County Treasurers, by and with the advice and consent of their respective Boards of Finance, have the power to invest all money not immediately necessary for the public uses of the counties in accordance with Section 6-10-10 NMSA 1978, and

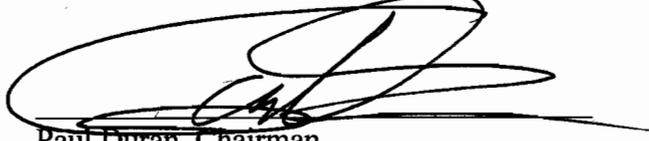
WHEREAS, it is the goal of the Santa Fe County Board of County Commissioners to establish an investment policy that directs the County Treasurer to make prudent investment decisions that conform to applicable federal and state laws which maximizes investment returns and minimizes the costs of administering investments;

NOW, THEREFORE, the Santa Fe County Board of Comissioners, acting as the Santa Fe County Board of Finance, does hereby adopt the investment policy.

1645653

PASSED APPROVED AND ADOPTED AS ATTACHED THIS 25<sup>th</sup> day of May, 1999.

BOARD OF COUNTY COMMISSIONERS



Paul Duran, Chairman



Rebecca Bustamante  
Rebecca Bustamante, County Clerk



Approved as to Form:

Denice Brown  
Denice Brown, County Attorney

COUNTY OF SANTA FE  
STATE OF NEW MEXICO 10761<sup>ISS</sup> 145  
I hereby certify that this instrument was filed  
for record on the 26 day of MAY A.D.  
19 99, at 3:55 o'clock P M  
and was duly recorded in book 1045  
page 652-658 of the records of  
Santa Fe County.

Witness my Hand and Seal of Office  
Rebecca Bustamante  
County Clerk, Santa Fe County, N.M.  
Marcella Salazar

# SANTA FE COUNTY INVESTMENT POLICY

1645654

## **I SCOPE**

This Investment Policy governs the investment activities of the Santa Fe County Treasurer pursuant to New Mexico State Statutes and local government rules, regulations, and procedures. The policy applies to all financial assets invested by the Treasurer in the exercise of his/her statutory authority. These investments include fully insured Certificates of Deposit ("CD's"), Treasury Bills, and funds authorized to the Short Term Investment Fund of the New Mexico State Treasurer, the State Investment Council, or any other and all investment funds provided by statutory authority. In the event the state statutes are amended to allow other investments or as otherwise provided by law, this policy may include those investments as permissible.

## **II INVESTMENT PHILOSOPHY**

Recognizing the important and perpetual nature of investments, the goal of protecting public funds, and the fiduciary responsibilities of the County Treasurer and the Board of County Commissioners ("BCC"), acting as the Board of Finance, the public funds shall be invested to provide significant real returns adjusted for acceptable risk and volatility. In protecting public funds, the investment shall be in a manner that insures the safety of the investment, that provides for adequate liquidity, and that maximizes investment income. The primary strategy shall be to build a high quality portfolio the duration of which will be lengthened or shortened based on the growth of the fund, the liquidity and the changes and volatility of budgetary and economic cycles.

## **III INVESTMENT OBJECTIVES**

**SAFETY:** The single most important objective of this policy is the preservation and protection of public funds.

**LIQUIDITY:** The portfolio shall remain sufficiently liquid to enable it to meet the operational requirements of the County which might be reasonably anticipated.

**RETURN:** The portfolio shall be managed in such a fashion as to generate a market rate of return through budgetary and economic cycles, taking into account the primary objectives of safety and liquidity, while minimizing administrative efforts and costs.

## **IV INVESTMENT GOALS**

1645655

The goal of Santa Fe County is to be fully invested in insured or collateralized interest bearing accounts and in compliance with section 6-10-10 NMSA, 1978

## **V INVESTMENT PROCEDURES**

Due to the liquidity, reasonable rate of return, minimal administrative effort and costs, funds will first be transferred to the State Treasurer's Short-term Investment fund pursuant to Section 6-10-1.1 NMSA, 1978.

In consideration of administrative costs and commission payments associated with investments made through broker services, brokers will only be utilized if the rate of return, net of the above stated costs, is greater than the rate of return available through the State Treasurer.

Temporary investments shall be made in accordance with Section 6-10-44 NMSA, 1978. If the County Treasurer has on hand excess funds that have not been accepted by qualified depositories, such funds, with the approval of the Board of Finance, may be temporarily invested in United States bonds or treasury certificates, the State Treasurer, the State Investment Council under such rules and regulations prescribed by law.

## **VI STANDARD OF PRUDENCE**

The standard of prudence to be applied to the investment of the County's assets shall be the "Prudent Investor" rule which in accordance to 6-8-10 NMSA, 1978 states:

*"Investments shall be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."*

## **VII DELEGATION OF AUTHORITY**

The County Treasurer, with the advice and consent of the Santa Fe County Board of Commissioners, has ultimate authority over the investment of public funds as outlined in the policy and is hereby designated as the County's Investment Officer. The Investment Officer shall be responsible for all investment transactions and shall implement and maintain the system of controls outlined in the Policy in order to regulate investment activities. The Santa Fe County Board of Commissioners may designate any other County official to act as a representative or liaison between the County Treasurer and the Board of Commissioners.

The Santa Fe County Board of Commissioners, acting as the Santa Fe County Board of Finance shall meet quarterly to review the investment transactions to ensure the proper controls are in place to guarantee the integrity and security of the County Treasurer's investment portfolio. The Board of Finance shall review a written report provided by the County Treasurer regarding the economic outlook, overall portfolio and maturity structure, potential risks and the target rate of return and actual rate of return of the portfolio. Santa Fe County Board of Finance shall direct the County Treasurer to make prudent investment decisions that conform to applicable federal and state laws which maximizes investment returns and minimizes the costs of administering investments.

The County Treasurer shall prepare a quarterly investment report to be submitted to the Board of Finance that will show cash balance of investments at a point in time, the average monthly cash balance of the investments and the yield of the investments net of the amortization of premiums and discounts and administrative fees. The County Treasurer's report shall include but not be limited to the following:

- The total amount invested by the County
- Cost basis and market value of each security, and amount invested in each type of security.
- Maturity schedule of the portfolio, yield and cash flow.
- The time weighted return for each reporting period.
- Any and all transactions that occurred during the reporting period
- Any and all realized gains or losses.
- Analysis of the portfolio.

The Treasurer and Assistant Treasurer shall be bonded according to State Statutes, 10-1-13, 6-10-38 and 4-44-35 NMSA 1978.

The County Finance Department will provide summarized budget status reports for expenditures by Departments and summarized reports showing revenue projections compared to budgeted revenues and reconciled cash balance by fund.

## **VIII CONFLICT OF INTEREST**

The County Treasurer, Board of Finance, brokers, and any or all investment officials shall disclose all personal business activity that is in conflict with the proper execution of the County's investment program, procedures, and or policy; or which could affect or impair their ability to make impartial investment decisions for the public funds on behalf of the County.

No investment official shall offer or receive reward, compensation or profit, either in money or other property or thing of value, in consideration or arrangement touching the use of the public funds or any part thereof for any purpose not authorized by law.

## **IX BROKER POLICY**

The fiduciary responsibilities of the Board of County Commissioners regarding the management of public funds adopts the following procedures:

The brokerage community provides important services necessary for the successful management of public funds. Recognizing that the value of the services varies widely from firm to firm, the County will accept a minimum of three bids and offers provided by three brokerage firms.

- Offerings and bids will be solicited on a competitive basis.
- In judging the quality of service consideration shall be given to the value of the research provided, the execution capability, commission rate or administrative fee if either is applicable or any and all costs, financial responsibility, and responsiveness.
- Consideration shall further be given primarily to local firms situated in New Mexico.
- The Broker must submit to the County Treasurer investment reports on a monthly basis.
- The firms must be a registered dealer pursuant to the Securities Act of New Mexico.
- The firm must be a member of the national Association of Securities Dealers.

## **X PERMISSIBLE INVESTMENTS**

Investments shall be in accordance with Section 6-10-10 and 6-10-10.1 NMSA, 1978. All collateral shall be based on not less than 100% collateralization. Adjusted trades for the purpose of hiding a loss are impermissible as they are inconsistent with the statutory requirement of the County Treasurer to "render true accounts of his office and doings therein." Section 6-1-39 NMSA, 1978. Attorney General Opinion 88-11.

Investments shall be in accordance with State Law, 6-10-10, and 6-10-10.1 NMSA 1978, including but not limited to the following:

Treasury Bills, Notes, Bonds, Strips, and U.S. Government securities which are backed by the full faith and credit of the U.S. Government. Negotiable securities of the State of New Mexico or of any county or municipality with the advice and

1645658

consent of the Board of Finance per sections 6-10-44, 6-10-10F, 6-10-10 NMSA,  
1978.

## XI INVESTMENT POLICY REVIEW

This Investment Policy supersedes any and all previously adopted investment policies.  
All the provisions of this policy shall be reviewed on an annual basis.

THIS INVESTMENT POLICY WAS ADOPTED BY RESOLUTION 1999- 67  
ON THE 25<sup>th</sup> DAY OF MAY, 1999.