

# Santa Fe County

## *Resolution No. 2006-39*

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### A Resolution Amending Resolution No. 2004 – 107 to Preauthorize Investment of County Funds in Certain Debt Securities That Are Direct Obligations of Federal Home Loan Banks and Ratifying Certain Investments

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**WHEREAS**, Resolution No. 2004-107, a Resolution Establishing Santa Fe County's Investment Policy and Repealing All Previous Resolutions Regarding Investment Policies and Investment Committees ("Investment Policy"), authorizes, in advance, the Santa Fe County Treasurer ("County Treasurer") to invest County funds in certain ways permitted by state law; and

**WHEREAS**, pursuant to NMSA 1978, § 6-10-10(F)(2), the list of permitted investments includes debt securities issued by certain federal government-sponsored enterprises (e.g., the federal home loan mortgage association, the federal national mortgage association, etc.) that are either (i) direct obligations of the government-sponsored enterprises or (ii) backed by the full faith and credit of the United States; and

**WHEREAS**, Laws 2005, Chapter 238, § 1, enacted after the Investment Policy was adopted, amended NMSA 1978, § 6-10-10(F)(2) to include federal home loan banks among the federal government-sponsored enterprises in whose debt securities county treasurers could, with the advice and consent of their County Board of Finance, invest; and

**WHEREAS**, the Board of County Commissioners of the County of Santa Fe ("BCC"), acting as the County Board of Finance, and the County Treasurer have concluded that debt securities that are the direct obligation of federal home loan banks and either (i) backed by the full faith and credit of the United States or (ii) rated at least Aaa or AAA by Moody's Investors Service, Inc. or Standard & Poor's are suitable investments for County funds; and

**WHEREAS**, the County Treasurer, with the consent of the Investment Committee, has already invested approximately \$700,000 in debt securities of federal home loan banks that are rated Aaa by Moody's Investors Service, Inc.; and

**WHEREAS**, these investments were made on the good faith but mistaken assumption that federal home loan bank debt securities were legally permitted investments included among the Investment Policy's list of federal government-sponsored enterprises in whose debt securities the County Treasurer could invest without receiving the BCC's advance approval; and

**WHEREAS**, the BCC desires to formally ratify such investments, which were previously disclosed to the BCC by the County Treasurer at his October 11, 2005 presentation to the BCC before the discovery of the fact that the investments were not preauthorized but, instead, should have been approved by the BCC in advance.

**NOW, THEREFORE**, the BCC, acting as the County Board of Finance, hereby resolves as follows:

SFC CLERK RECORDED 03/17/2006

1.) Section VII, "Permitted Investments", of the Investment Policy is hereby amended to read as follows:

"Subject to the County Board of Finance's oversight and this Policy, the Treasurer is authorized to invest County funds in the following:

- the Local Government Investment Pool;
- interest bearing accounts as well as CDs and other time deposits with Depository Financial Institutions;
- bonds, notes, or other debt securities issued by and backed by the full faith and credit of the United States; and
- bonds, notes, or other debt securities that are direct obligations of the federal home loan mortgage association, the federal national mortgage association, the federal farm credit bank, federal home loan banks, or the student loan marketing association and either (i) backed by the full faith and credit of the United States or (ii) rated at least Aaa or AAA by Moody's Investors Service, Inc. or Standard & Poor's.

NMSA 1978, §§ 6-10-10(A)-(B) (2005), 6-10-10(F)(2), 6-10-10(G)(3), 6-10-31, and 6-10-36(C)-(D) (1997); Laws 2005, Chapter 238, § 1. The Treasurer is prohibited from investing County funds in any other security, bond, or other investment product, unless the County Board of Finance authorizes such investment in advance by resolution. Furthermore, absent exceptional circumstances, the Treasurer shall hold investments until maturity."

2. The following investments in debt securities issued by federal home loan banks are hereby ratified:

Issuer	Cusip No.	Principal Amount	Maturity	Annual Interest Rate	Moody's Rating
Federal Home Loan Banks	3133XBRE7	\$300,000	11/23/2007	4.26%	Aaa
Federal Home Loan Banks	3133XPX7	\$400,000	5/19/2008	4.4%	Aaa

**PASSED, APPROVED, AND ADOPTED THIS 14<sup>th</sup> day of March 2006.**

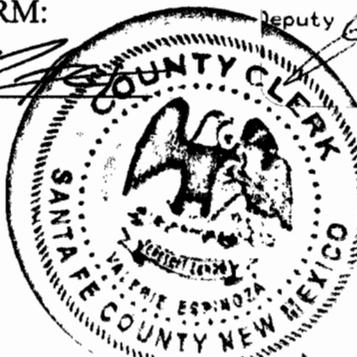
**BOARD OF COUNTY COMMISSIONERS/COUNTY BOARD OF FINANCE**

*[Signature]*  
 Harry B. Montoya, Chairman

ATTEST:  
*[Signature]*  
 Valerie Espinoza, County Clerk

APPROVED AS TO FORM:

*[Signature]*  
 Stephen C. Ross  
 County Attorney



COUNTY OF SANTA FE )  
 STATE OF NEW MEXICO ) ss  
 I Hereby Certify That This Instrument Was Filed for Record On The 17TH Day Of March, A.D., 2006 at 10:56 AM And Was Duly Recorded as Instrument # 1424683 Of The Records Of Santa Fe County  
 Witness My Hand And Seal Of Office  
 Valerie Espinoza  
 County Clerk, Santa Fe, NM

SFC CLERK RECORDED 03/17/2006