

MINUTES OF THE
SANTA FE COUNTY
INVESTMENT COMMITTEE

January 26, 2017

Santa Fe, New Mexico

This meeting of the Santa Fe County Investment Committee was called to order by County Treasurer Patrick Varela at approximately 3:35 p.m. on the above-cited date in the County Legal Conference Room on the second floor of the County Administrative Building located at 102 Grant Avenue, Santa Fe, NM.

Roll was called and a quorum was indicated with the presence of the following members present:

Members Present:

Patrick Varela, Treasurer
Greg Shaffer, County Attorney
Katherine Miller, County Manager
Anna Hansen, Commissioner
Anna Hamilton Commissioner [for Commissioner Roybal]
Don Moya, County Finance Director

Member(s) Excused:

Henry Roybal, Commissioner
Andrew Leyba, Private Sector

Others Present:

Eric Lujan, Deputy County Treasurer
Theresa Romero, Treasurer's Office
Lori Armijo, Treasurer's Office

Approval of Minutes: October 20, 2016

County Manager Miller moved to approve the October minutes as published. Commissioner Hamilton seconded and the motion passed without opposition.

Treasurer Varela said he is looking for a new citizen member for the Investment Committee.

Results of Bank Meetings

Treasurer Varela stated the meeting held the previous day with First National did not go well, due to uncertainty about the anticipated merger with Sunflower. Although he had been assured three months ago that local employees would retain their positions it appears this is not true. The operations center at Cerrillos and Osage has closed and 36 jobs have been eliminated. Most departments are being transferred to Sunflower which makes it appear to be an acquisition

SFC CLERK RECORDED 02/24/2017

rather than a merger. He is monitoring identification code numbers to see if they change. He told them “if I don’t get answers from president next week and the CEO next week I would be raising the collateral to 150 percent.”

He said the contract is up soon and given the lack of trust, he may not extend it and go out for bid once again. Ms. Miller noted that changing the fiscal agent entails a great deal of work. Treasurer Varela notified the bank that the lock box definitely has to remain in Santa Fe since there are exceptions daily. He explained the lock box processes all the incoming property tax payments.

Ms. Miller suggested he put something in writing outlining contract provisions including those regarding changes in structure. Mr. Moya pointed out changing the fiscal agent is “exceedingly disruptive.”

A discussion ensued regarding the use of P-cards – purchasing cards – and a presentation will be held February 1st. If there is a change in the fiscal agent language it will have to be added to the RFP. Pros and cons were mentioned. Mr. Moya noted p-cards are especially useful for wildland fire crews and there is a direct interface with the bank. The problems include possibilities for abuse, although Treasurer Varela pointed out certain categories of purchase can be locked out by UPC codes. Reconciliation is required so paperwork is still necessary.

Mr. Moya suggested a small pilot program

Portfolio Current State

Treasurer Varela explained how the shadow account works, with a differing interest rate at night, similar to an overnight repo. He reviewed the portfolio breakdowns. He pointed out there is a large cash equivalent since he has not yet received the draw-down schedule. Mr. Moya said he would follow up on that.

Delinquent Collection

Update and Totals Collected

There are two employees in the Treasurer’s Office dedicated to delinquent collections and in December they collected nearly one million dollars. For 2016 they collected \$7,031,269.80.

Mr. Lujan spoke of changes in the state’s procedure of taking over delinquent accounts. The County can now collect on behalf of the state and is empowered to put people on payment contracts.

Treasurer Varela said mobile home red-tagging will take place in March.

Portfolio Balance Sheet, Call Notices, Etc.

Ms. Romero provided the following information as of the end of December:

- There are 43 operational accounts with a total of \$83,284,214.01
- GOB 2011 series contains two accounts totaling \$8,988,323.42
- Core Account holdings has 6 accounts with a total of \$21,823,028.75
- GOB 2013 Series has two accounts totaling \$9,124,070.43

Grand total at Fifth Third is \$123,219,636.61

- There are 12 CDs at various banks and local credit unions totaling \$2,998,006.85
- LANB studio accounts has \$5,901,081.91
- First National Santa Fe has 33 accounts for a total of \$110,371,851.62
- UBS has four accounts with \$45,709,030.13
- Subtotal of various accounts is \$107,890,983.04

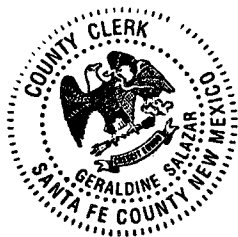
Grand total of all accounts at the end of December was \$288,199,607.12

Ms. Miller said she was glad to see New Mexico bonds on the balance sheet and asked about the Sandoval County bond and Treasurer Varela said it was a muni.

A discussion ensued regarding the Studio drawdown, which is scheduled to occur on a yearly basis and generally amounts to between \$100,000 and \$200,000 which goes into the economic development fund. Ms. Romero mentioned that LANB is difficult to work with due to the staff changes.

Adjournment

Having completed the agenda and with no further business the meeting was declared adjourned at 4:30 p.m.



Approved by:

Patrick Varela, County Treasurer

Respectfully submitted by:

Debbie Doyle, Wordswork

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss
I Hereby Certify That This Instrument Was Filed for
Record On The 24TH Day Of February, 2017 at 01:45:35 PM
And Was Duly Recorded as Instrument # 1818477
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy County Clerk, Santa Fe, NM