

MINUTES OF THE
SANTA FE COUNTY
INVESTMENT COMMITTEE

January 30, 2025

Santa Fe, New Mexico

This meeting of the Santa Fe County Investment Committee was called to order by County Treasurer Jennifer Manzanares at approximately 3:00 p.m. on the above-cited date in the Johnson Conference room at 240 Grant Avenue. This meeting was conducted in a hybrid format, incorporating both in-person and virtual participation.

Roll call indicated a quorum with the presence of the following members:

Members Present:

Jennifer “Jenn” Manzanares, Treasurer
Lisa Cacari-Stone, Commissioner [remotely]
Camilla Bustamante, Commissioner [remotely]
Eric Loucks, Citizen Member
Walker Boyd, County Attorney [remotely]
Yvonne Herrera, Finance Director [remotely]
Leandro Cordova, Deputy Manager [Proxy for Manager Shaffer]

Greg Shaffer, County Manager [remotely]

Member(s) Excused:

None

Others Present:

Laura M. Montoya, State Treasurer
Anna Murphy, Sr. Portfolio Manager, State Treasurer’s Office
Lori Armijo, Treasurer’s Office Administrator
Leandro Cordova, Deputy County Manager [Webex]
Brian Olacocha, Treasurer’s Office, Operations Manager

Approval of Agenda

Mr. Loucks moved to approve the agenda as published and Deputy Manager Cordova seconded. The motion carried by unanimous roll call vote.

SFC CLERK RECORDED 04/21/2025

State Treasurer Local Government Investment Pool Presentation

State Treasurer Montoya introduced Senior Investment Manager Anna Murphy who manages the Local Government Investment Pool (LGIP) which the Treasurer stated helps cities, counties, tribal communities and others to invest. This last year there was more money invested with LGIP, and the fund earned more than it ever has. The office has beaten the benchmark in their investments, which include treasuries, agencies, mortgage-backed securities, commercial paper A1/P1, and supranationals. Their investment policy is short-term; zero to three years. The LGIP allows for counties to have diversification and liquidity needed. She said her bureau chiefs have many years of experience, and do a great service for New Mexico. There will always be checks and balances in the process, and liquidity is from 24 to 48 hours.

Ms. Murphy said that she has been with the office for six years and the team has been very consistent with tremendous experience. The LGIP has grown from \$800 million in 2019 to over \$2 billion today. The interest rate environment is a factor. She discussed the severance tax bonding fund that pays debt service. The LGIP is referred to as the short-term LGIP. A medium-term LGIP is only for the permanent fund of the State Investment Council.

The LGIP could be described as a government money market fund in terms of its structure. The pool is rated by the S&P as triple-A, and by statute must be double-A, meaning the state manages it slightly more conservatively. The stability of the principal investment is first and foremost and in tandem is the liquidity profile. The pool is made up of short-term investments and stays highly liquid. The yield is the last priority. The best way to describe the LGIP is as a government money market fund, or a 2A7 government money market fund. The difference is that the LGIP has a very low fee, which means the net yield received is higher.

Ms. Murphy emphasized that the LGIP is not a fixed rate of return fund. Regarding liquidity, up to \$30 million can be redeemed within 24 hours. Forty-eight hours is required to redeem anything up to \$60 million.

This pool is not invested in commercial paper and only invested in treasuries and government-related securities. Government-sponsored enterprises have an implicit government backing. She discussed the easing in the rate of inflation.

Treasurer Montoya said that the office's investment policy is approved by the State Board of Finance. The LGIP has had a triple-A rating for 18 years.

Mr. Loucks noted that their management fee was very favorable, and asked where it went. Treasurer Montoya said it goes straight into the General Fund, and a BAR authority is used to recoup up to 5 basis points.

Approval of Minutes: October 31, 2024

Mr. Cordova moved to approve and Commissioner Bustamante seconded. The motion passed by without opposition. [Mr. Boyd abstained]

Results from Fiscal Agent

Treasurer Manzanares said that accounts are being transitioned to US Bank from Sunflower Bank. The least active accounts have been moved. She noted that along with the Finance Department, and they are vigilant to the details.

LGIP – Discussion

Mr. Cordova said that the County’s Investment Policy would require an update to invest in the pool. At this point the County has a \$1 million limit on LGIP investment, which would not be effective. In order to utilize the pool, the County needs to update the policy.

Mr. Loucks noted that many years ago the LGIP had problems. But with 18 years of triple-A ratings they appear to have solved that issue. The fee of 5 basis points is very attractive, as is its liquidity.

Mr. Olachea suggested researching what other Class A counties are contributing within the LGIP.

Treasurer Manzanares recommended discussing this issue at next month’s meeting.

ICM Vision – Proposed meeting schedule for 2025

Treasurer Manzanares asked the committee to consider short term and money fund investments.

Mr. Loucks said that currently there is a unique interest rate environment with an effectively flat yield curve. He suggested staying as short as possible. The only reason to go long is if short term rates appear to drop. He recommended changing the County IP to invest more than \$1 million in the LGIP because it’s “simple, easy, no-brainer with somebody else running it for 5 basis points.”

Mr. Cordova liked the liquidity in the LGIF. The County has a lot of projects with expenses and the liquidity meets the County’s operational needs. He favored parking money in these short term options.

Mr. Loucks observed that the County was large enough to consider internal investment management: 5 basis points on \$400 million is a lot of money.

RFP – Investment Advisor

Treasurer Manzanares said this item is under discussion with the Purchasing Department.

Treasurer’s Office Updates

Treasurer Manzanares said that the office is discussing the position of the deputy treasurer and the structure of the office. Delinquent tax notices are going out, and the first-half of property tax

season was very successful. Lock box issues were resolved.

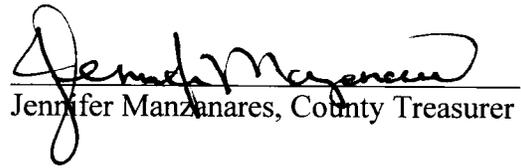
Portfolio Balance Sheet & Schedule [Reports posted on County website]

Mr. Olachea highlighted a few accounts and offered to send the balance sheets for accounts to the committee members.

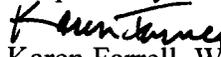
Adjournment

Motion to adjourn by Mr. Loucks and second by Ms. Herrera, Treasurer Manzanares declared this meeting adjourned at approximately 4:25 p.m.

Approved by:


Jennifer Manzanares, County Treasurer

Respectfully submitted by:

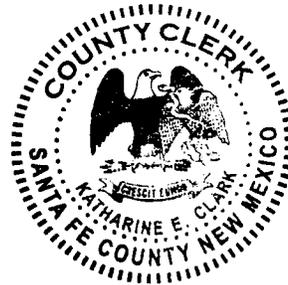

Karen Farrell, Wordswork

COUNTY OF SANTA FE) INVESTMENT COMMITTEE M
STATE OF NEW MEXICO) ss PAGES: 4

[Hereby Certify That This Instrument Was Filed for
Record On The 21ST Day Of April, 2025 at 03:38:50 PM
and Was Duly Recorded as Instrument # 2057327
of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Katharine E. Clark

Deputy  County Clerk, Santa Fe, NM



SFC CLERK RECORDED 04/21/2025