

**MINUTES OF THE**  
**SANTA FE COUNTY**  
**INVESTMENT COMMITTEE**

**December 20, 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 4:05 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:

**Members Present:**

Patrick Varela, Treasurer  
Bruce Frederick, County Attorney  
Stephanie Schardin Clarke, Finance Director  
Anna Hansen, Commissioner  
Eric Loucks, Citizen  
Anna Hamilton, Commissioner Alternate

**Member(s) Excused:**

Henry Roybal, Commissioner  
Katherine Miller, Manager

**Others Present:**

Eric Lujan, Deputy Treasurer  
Theresa Romero, Treasurer's Office  
Brian Olacchia, Accountant

**Approval of Minutes: November 15, 2017**

Ms. Clarke moved to approve and Commissioner Hamilton seconded. The motion passed without opposition.

**Results of Bank Meeting**

Treasurer Varela said the meeting with Sunflower focused on several issues: lock box, FTP (file transfer protocol), faulty communications between Sunflower's Kansas and Colorado facilities, reporting and charge back problems. Regarding insufficient charges, the bank is to send the NSF check back to the County rather than re-trying it for payment. Treasurer Varela said he presented Sunflower with their contract and highlighted their obligations that were not being met

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Accountant Brian Olachea said Sunflower has been running NSF checks through two and three times and the County's customer is incurring charges with each pass through rather than the bank forwarding the check to the County to handle. Ms. Romero said Sunflower has not returned any of the NSF checks to the County. Mr. Olachea said Sunflower is pushing the \$30 NSF fee multiple times plus the County has a \$35 fee for NSF.

Ms. Clarke asked whether Sunflower was holding the check for a period before retrying for payment and Mr. Olachea said the County has no way of knowing because Sunflower fails to provide documentation; meanwhile, the County is receiving calls from the public/customer.

Case in point, Ms. Romero said a \$100 rental check for using a County community center has racked up over \$100 in NSF fees after Sunflower ran it through three times.

There was consensus that this was reprehensible. According to the Treasurer, checks that are paying for multiple accounts, insufficient funds, coupons without a check are all to be returned to the County. These problems did not occur when the bank was First National. Since the change, Mr. Olachea appears to spend more of his time dealing with bank issues than with County duties.

Ms. Clarke recommended keeping a tally of the things/exceptions that need to be addressed in the scope of work being developed for the RFP.

Mr. Olachea said the charge backs are affecting the County's distribution because the debit was taken from the wrong account.

Commissioner Hansen expressed concern that the bank's mistakes reflect poorly on the County.

Mr. Frederick asked whether staff felt this was a transition issue and would be worked out. Treasurer Varela said he was unsure; however, he is sure that the County is not getting the information that is needed.

Ms. Clarke suggested the County reduce its balance maintaining enough to cover daily cash flow, thus reducing Sunflower's compensation.

#### **Discussion Items**

- A. Custodial Services**
- B. Fiscal Services**

Treasurer Varela said his office has redlined the previous Fiscal Services RFP, Finance will review it adding what that department needs and the Manager will also review it. Ms. Clarke said her inclination at this point is to work on the RFP and monitor Sunflower closely. She mentioned the lengthy process from RFP to transitioning to a new institution.

Mr. Loucks disclosed that LANB will be interested in responding to the RFP.

## Other Business

The Board reviewed the proposed IC meeting schedule for 2018. After discussing potential conflicts there was consensus that meeting at 2:30 would be helpful.

### Broker: Brandon Hodge

Treasurer Varela presented the broker information on Brandon Hodge and said the Treasurer's Office is requesting inclusion of Hodge on the County's list of approved brokers. Currently there are nine brokers on the list and staff is requesting to remove Jaime Loftin at the same time Mr. Hodge is added.

Commissioner Hamilton moved to remove Jaime Loftin from the broker list. Mr. Loucks seconded and the motion passed by unanimous voice vote.

Commissioner Hamilton moved to add Brandon Hodge to the County's approved broker list. Mr. Loucks seconded and the motion passed by unanimous voice vote.

### Portfolio Balance Sheet, Call Notices, Etc.

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

- There are 46 operational accounts with a total of \$102,684,991.55
- GOB 2011 series contains seven accounts totaling \$8,633,629.21
- GOB 2013 series has seven accounts totaling \$6,085,721.59
- Core Account has 16 accounts with a total of \$20,967,089.41

Grand total at US Bank is 76 accounts with \$138,171,431.76

- There are 24 CDs/CDARs at various banks and local credit unions totaling \$5,999,285.31
- At LANB the Studio account has \$5,551,952.28
- First National/Sunflower has 34 accounts for a total of \$113,196,939.01
- UBS has six accounts with \$46,259,511.83
- Portigon has two accounts with \$2,675,505

Grand total of all 165 accounts at the end of November was \$312,054,625.19

Treasurer Varela highlighted a couple of exchanged bonds that originally staff had trouble locating because Sunflower failed to advise that they use US Bank rather than Fifth Third Bank as a custodial.

### Matters from the Committee

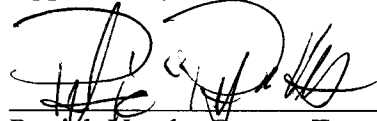
Ms. Clarke said the County does not pay any of its vendors by direct deposit and suggested that it be considered as an option that provides a savings in printing and postage. She

said she would mention it to the Manager.

### Adjournment

Upon motion by Commissioner Hansen and second by Commissioner Hamilton, and with no further business to conduct, the meeting was declared adjourned at 4:55 p.m.

Approved by:



Patrick Varela, County Treasurer

Respectfully submitted by:




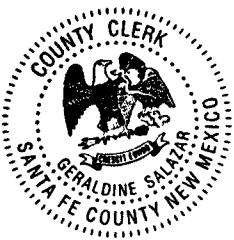
Karen Farrell, Wordswork

COUNTY OF SANTA FE )  
STATE OF NEW MEXICO ) ss

INVESTMENT COMMITTEE M  
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I Hereby Certify That This Instrument Was Filed for  
Record On The 26TH Day Of January, 2018 at 09:55:57 AM  
And Was Duly Recorded as Instrument # **1848545**  
Of The Records Of Santa Fe County

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



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