

MINUTES OF THE
SANTA FE COUNTY
INVESTMENT COMMITTEE

May 24, 2018

Santa Fe, New Mexico

This meeting of the Santa Fe County Investment Committee was called to order by County Treasurer Patrick Varela at approximately 3:00 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
Eric Loucks, Citizen
Ed Moreno, Commissioner – alternate
Stephanie Schardin Clarke, Finance Director

Member(s) Excused:

Katherine Miller, Manager
Anna Hamilton, Commissioner
Anna Hansen, Commissioner

Others Present:

Eric J. Lujan, Chief Deputy Treasurer
Theresa Romero, Treasurer's Office
Lori Armijo, Treasurer's Office

Approval of Minutes: March 29, 2018

Ms. Clarke moved to approve the minutes as published. Mr. Loucks seconded and the minutes were unanimously approved as submitted. [Commissioner Moreno was not present for this action.]

Results of Bank Meeting

Treasurer Varela stated that the last meeting with Sunflower went smoothly without issues. The bank's team and its communications with the County have improved. The custodial RFP was issued.

SFC CLERK RECORDED 06/29/2018

Results from the Government Finance Officers Association (GFOA)

Treasurer Varela said he attended with Ms. Theresa Romero and Mr. Brian Olachea. The GFOA presented information on GASB, investment and audit controls, as well as ethics and fraud workshops. New banking technology was presented with interactive ATMs/multi-purpose machines. There was discussion about banking marijuana sales money and the Treasurer said there may be a loophole by using a county charter bank. It was his understanding that this next legislative session would see a push to legalize the sale of recreational marijuana. Mr. Frederick said it seemed a stretch that a bank could accept proceeds gathered in violation of federal law.

[Commissioner Moreno arrived at this time.]

Review of 2018 Broker/Dealer List

Treasurer Varela requested the inclusion of Rosa Lares Schulte, Justin Edward Close, and Cathleen Ann Gillies to the list. He provided overviews of the brokers' professional background and conduct noting that none had any violations. Rosa Lares Schulte is an associate with Raymond James who focuses on primary and secondary markets. Gillies, with Robert Baird, focuses on primary markets. This would expand and improve the County's inventory of brokers. He also requested the removal of Katherine Rea from Cantor Fitzgerald because the broker has been non-responsive to the County. Best practice is to have a minimum of nine brokers to choose from. He noted the broker/dealer list is on the County website.

Ms. Clarke moved to accept the changes to the Broker/Dealer list as proposed by the Treasurer: Removing Cantor Fitzgerald and adding Justin Edward Close with BOK (Bank of Oklahoma) Financial Securities; Cathleen Ann Gillies with Robert W. Baird; and Rosa Lares Schulte with Raymond James. Mr. Frederick seconded and the motion passed by unanimous [5-0] voice vote.

Delinquent Collections

Treasurer Varela announced the April collection totals were \$700,747.02. He expected the collections during June and July would high because three year delinquents are forwarded to NM Tax and Revenue.

Chief Deputy Treasurer Lujan said the state is pursuing their delinquencies and have set June 26th as an auction. Last year at this time the County had close to \$8 million in collections. He anticipated the County would collect an additional \$2 million in the next few months. Aside from the collection efforts he attributed the increase to the Treasurer's revised letter to delinquent taxpayers.

Portfolio Balance Sheet, Call Notices, Etc.

Ms. Romero provided the following information as of the end of February 2018:

- There are 56 operational accounts with a total of \$112,061,148.67

- GOB 2011 Series contains two accounts totaling \$7,984,722.22
- GOB 2013 Series has three accounts totaling \$6,100,740.31
- Core Account holdings has 15 accounts with a total of \$21,112,226.13
- Charles Schwab has 16 accounts total \$54,269,365.28

Grand total at US Bank and Schwab is 76 accounts with \$201,528,202.61

- Various CDs, 27 accounts totaling \$6,750,783.63
- LANB-Studio account has \$5,551,952.28
- First National/Sunflower has 32 accounts for a total of \$36,628,357.18
- UBS has six accounts with \$46,508,534.32
- Portigon has two accounts with \$2,675,505

Grand total of all 180 accounts at the end of April was \$299,643,335.02

Ms. Clarke said locating the trustee for the two Portigon accounts was a long process and she acknowledged the research conducted by the Treasurer's office. She said Manager Miller recently signed documentation.

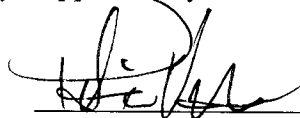
Treasurer Varela discussed the recent purchases of US Treasury Bills and CDs both providing improved returns. Mr. Loucks said the County picked up a couple of US Treasury two-year notes that provide a 90-day yield that resets weekly and as a floater it is always at the current rate.

Ms. Clarke said she was building revenue forecasts with an expected rate of growth and thanked the Treasurer's staff for their assistance. She recommended data comparisons on a month-to-month basis would be useful.

Adjournment

With no further business to conduct the meeting was declared adjourned at 4:00 p.m.

Approved by:

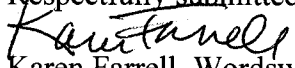


Patrick Varela, County Treasurer




COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

INVESTMENT COMMITTEE
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Respectfully submitted by:

Karen Farrell, Wordswork

I Hereby Certify That This Instrument Was Filed for
Record On The 29TH Day Of June, 2018 at 09:01:38 AM
And Was Duly Recorded as Instrument # **1861403**
Of The Records Of Santa Fe County

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

Santa Fe County
Investment Committee: May 24, 2018