

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

**June 24, 2020**

**Santa Fe, New Mexico**

This meeting of the Santa Fe County Investment Committee was called to order by County Treasurer Patrick Varela at approximately 3:10 p.m. on the above-cited date.

In accordance with the Public Health Emergency Order issued by the State of New Mexico, and pursuant to the New Mexico Attorney General's Open Government Division Advisory during COVID-19, public entities are authorized to conduct virtual meetings.

Lori Armjio called roll and a quorum was indicated with the presence of the following members:

**Members Present:**

Patrick Varela, Treasurer  
Anna Hansen, Commissioner  
Greg Shaffer, County Attorney  
Yvonne Herrera, Finance Director  
Eric Loucks, Citizen  
Anna Hamilton, Commissioner, Alternate

**Member(s) Excused:**

Katherine Miller, County Manager  
Henry Roybal, Commissioner

**Others Present:**

Jennifer Manzanares, Treasurer's Office  
Lori Armijo, Treasurer's Office  
Daniel Fresquez, County Manager's Office

**Approval of Minutes: January 30, 2020**

Commissioner Hansen moved to approve the minutes as published. Commissioner Hamilton seconded and the minutes were unanimously [5-0] by roll call vote. [Mr. Shaffer was not present for this action.]

**Results from Fiscal Agent**

Treasurer Varela spoke of a continuing issue with the lock box. Sunflower Bank has been issuing erroneous lists of delinquencies, amounting to around 1,000 taxpayers. This makes the Treasurer's Office look bad. The bank is apologetic and is looking for ways to remedy the

SFC CLERK RECORDED 07/31/2020

situation. The RFP process for banking services is starting now, well ahead of the deadline due to the complexities involved.

### **Results from the Internal Audit Meeting**

There was no discussion of the Internal Audit meeting.

### **Economic Outlook/Commentary**

Treasurer Varela showed a graph of the daily yield curve, which is a bit more stable than the previous month. The outlook depends on pandemic factors, i.e., whether a vaccine is developed soon, as well as the tariff wars. Interest rates will continue nominal probably well into 2022 and beyond. The Treasury continues to buy up long-term maturities. A second stimulus is a possibility, which would help the consumer market rebound. He mentioned the hopeful results of Dexamethasone, an inexpensive steroid that appears to alleviate symptoms in some COVID cases.

Commissioner Hamilton said she doubts that would have a big impact on the economy. She decried the latest news that testing was being defunded, which will increase economic uncertainty.

[Attorney Shaffer joined the meeting.]

Showing various graphs, Treasurer Varela compared US economic resiliency in the face of COVID-19 with those of the top models: Singapore, Denmark and Switzerland. The US has slipped seven places to number 10.

Treasurer Varela noted that there was a \$5.5 billion yield in interest last year. While more calls are anticipated in the coming year, yield should still be good.

Mr. Loucks commented that the stock market is not equivalent to the economy. Confidence is lacking and the coming election and potential tax reform is an added uncertainty in how the corporate world will react.

### **Delinquent Collections**

Treasurer Varela presented a graph for May, where the delinquent collections on mobile homes and real property was \$417,985.92. Year-to-date was \$2,049,990.36.

Treasurer Varela mentioned House Bill 6 reducing appropriations which passed. This will expunge penalties and interest for the second half of tax year 19 and all of 20. This will necessitate work with CentralSquare software on the tables.

## **Approval of 2020/2021 Broker-Dealer List**

The list remains unchanged except the Bank of Oklahoma has been removed and Joseph Grieco was added.

Mr. Loucks moved to approve the list and Commissioner Hansen seconded.

Attorney Shaffer explained the criteria for inclusion on the list: registration under the Securities Exchange Act and the financial industry's regulator authority, must have been engaged in the fixed income security business for at least the past five consecutive years, and must have a current FINRA Series 7 license. He stated the Treasurer has determined that all of the broker-dealers on the list have met criteria. Upon approval by the Investment Committee, they will be sent a packet requesting their certification that they are familiar with and will comply with County policies and state law regarding ethics disclosure and conflicts of interest, along with disclosure of campaign contributions over \$250. The BCC will also have to approve the list, probably on the Consent Agenda.

Commissioner Hansen raised a friendly amendment that the motion include stipulation that final approval would not occur until after the signed certification packet is received. The friendly amendment was accepted by the maker of the motion and the seconder.

The motion passed by unanimous [6-0] roll call vote.

Commissioner Hamilton asked that supporting material on the broker-dealers be included in the information packet.

### **Proposed Investment Policy Changes**

Treasurer Varela indicated he has been looking into including commercial paper in the approved investments list to fill in a gap, broaden diversification and provide slightly greater yield. This has been approved by state statute and is presented today for information only.

Mr. Loucks said commercial paper is a money market instrument issued short term, no longer than 180 days. It is similar to corporate debt is secure and provides a better yield.

Commissioner Hamilton said she would like to see more information regarding level of risk, short term and long term. Treasurer Varela said this wasn't in the County investment policy before but the state has allowed it since 2019.

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

Ms. Armijo provided the following information as of the end of May 2020:

- There are 78 operational accounts with a total of \$131,878,192.85
- GOB 2011 Series contains one money market account at \$4,959,236.51
- Housing has one account at \$4,001,643.04

- GOB 2013 Series has four accounts totaling \$4,526,434.24
- GRT 2019 Series has seven accounts totaling \$18,842,581.19
- GOB 2018 Series has 18 brokered CDs for \$12,514,467.39
- Core Portfolio has 42 accounts with a total of \$27,115,442.90
- The Schwab Account has 24 accounts with \$34,268,125.12

Grand total at US Bank and Enterprise is 125 accounts with \$238,106,124.24

- There are four CDs at local credit unions and one CDAR totaling \$1,259,439.14
- The Studio lockbox has \$5,157,035.29

Total of various accounts: \$6,416, 474.43

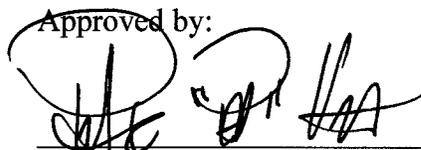
- First National/Sunflower has 40 accounts for a total of \$62,308,669.96
- UBS has six accounts with \$29,423,367.18
- BNY Mellon has one account with \$2,794,489.61

Grand total of all 207 accounts at the end of May 2020 was \$339,049,125.42

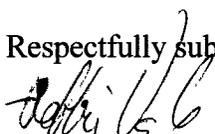
Treasurer Varela reviewed the operational accounts, highlighting new accounts, maturities and calls. He said he has been reluctant to make new purchases until it becomes clear whether reserves will have to be put into operating accounts. He pointed out the HIDTA account for the Sheriff has been closed due to the federal grant being discontinued.

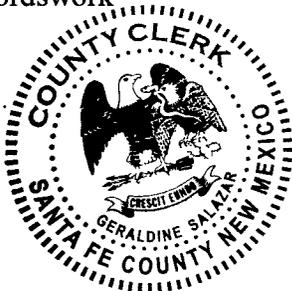
**Adjournment**

Commissioner Hamilton move to adjourn and Commissioner Hansen seconded. Treasurer Varela declared the meeting adjourned at 4:15 p.m.

Approved by:  
  
 \_\_\_\_\_  
 Patrick Varela, County Treasurer

Respectfully submitted by:

  
 Debbie Doyle, Wordswork

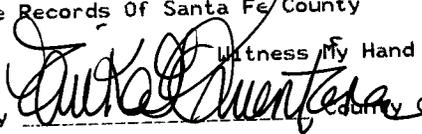


Santa Fe County  
 Investment Committee: June 24, 2020

COUNTY OF SANTA FE )  
 STATE OF NEW MEXICO ) ss

INVESTMENT COMMITTEE M  
 PAGES: 4

I Hereby Certify That This Instrument Was Filed for  
 Record On The 31ST Day Of July, 2020 at 04:10:47 PM  
 And Was Duly Recorded as Instrument # 1923687  
 Of The Records Of Santa Fe County

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

SFC CLERK RECORDED 07/31/2020