

MINUTES OF THE
SANTA FE COUNTY
INVESTMENT COMMITTEE

July 25, 2019

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.

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

Members Present:

Patrick Varela, Treasurer
Henry Roybal, Commissioner
Greg Shaffer, Interim Deputy Manager
Eric Loucks, Citizen
Gary Giron, Finance Director

Member(s) Excused:

Anna Hamilton, Commissioner
Bruce Frederick, General Counsel

Others Present:

Theresa Romero, Treasurer's Office
Lori Armijo, Treasurer's Office
Yvonne Herrera, Finance Division

Approval of Minutes: June 27, 2019

Mr. Loucks moved to approve the minutes. Mr. Giron seconded and the minutes were unanimously approved as submitted. [Commissioner Roybal was not present for this action and arrived shortly thereafter.]

Results of Bank Meeting

Treasurer Varela commented that the Federal Reserve continues to experience pressure to reduce the rate and there was an expectation the rate would come down 25 basis points. Mr. Loucks said Federal Reserve Chair Powell's recent comments indicate the reduction could be between 15 percent and 25 percent. Europe has reduced their interest rate even further.

Treasurer Varela said many of the County's investments have been called and he will be looking to reinvest with better interest rates.

SFC CLERK RECORDED 08/30/2019

The platform with Sunflower changed and there are still some issues to resolve. Yvonne Herrera, Finance Division, said the e-statements may not be available as timely as the bank stated. At this point there are no other issues. Treasurer Varela said the County continues to have problems with archives in the lock box program at Sunflower.

Finance Director Giron recommended meeting with Treasurer Varela to review the custodial bank agreement.

Investment Policy Update

Treasurer Varela reviewed the changes that were recommended by staff and approved at the previous meeting.

Interim Deputy Manager Shaffer recommended the following modifications:

- I. B. 1. Preservation of principle and protection of public money by mainly utilizing a buy and hold investing method. Market conditions are unpredictable when investing in individual securities. The County's portfolios may experience unrealized losses and gains through the duration of the investment ~~however the exact monies we invest is the exact monies we get back plus interest~~ but holding the investment until maturity minimizes the risk of realized losses.

The Prudent Investor Rule definition (II. N.) may require further review to include current language used in different formulations that refer to a "standard of care" that one exercises in making decisions, i.e., that investments will be made in "good faith" and an "ordinarily prudent person in like position would exercise in a similar circumstances...."

Treasurer Varela said he hoped to present the investment policy to the BCC in August and requested approval as modified. Mr. Shaffer offered to review the policy to ensure accuracy.

Mr. Loucks moved to approve the Investment Policy as modified (change to definition of Prudent Investor and language under Preservation of Principle) with the understanding Mr. Shaffer will review the final draft and forward it to Mr. Frederick. Commissioner Roybal seconded and the motion passed without opposition.

Delinquent Collection

Treasurer Varela said the collections in June totaled \$2,330,845.02 which included mobile homes. He noted his department has all new cashiers.

The Treasurer referred to a handout on the yield curve and noted that it appears to be flattening.

Portfolio Balance Sheet, Call Notices, Etc.

Ms. Romero provided the following information as of the end of June 2019:

- There are 77 operational accounts with a total of \$119,018,242.15
- GOB 2011 Series contains 1 account totaling \$5,129,689.54

- GOB 2013 Series has 4 accounts totaling \$6,186,536.35
- Core Account holdings has 39 accounts with a total of \$27,627,797.06
- Enterprise Bank & Trust has 23 accounts totaling \$43,061,713.24

Grand total at US Bank and Enterprise is 121 accounts with \$201,024.978.34

- There are 4 CDs at local credit unions and one CDAR totaling \$1,255,069.69
- Enterprise Bank & Trust has the Studio account totaling \$5,342,628.15
- First National/Sunflower has 37 accounts for a total of \$61,534,252.86
- UBS has six accounts with a balance of \$36,317,060.20
- BNY Mellon has one account with a balance of \$2,790,566.79

Grand total of all 199 accounts at the end of June 2019 was \$308,264,556.02

Portfolio Balance Sheet, Call Notices, New Purchases, Etc.

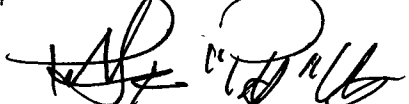
Treasurer Varela reviewed the schedule and noted the new interest rate and called CDs. He highlighted the new rates with Sunflower at 20 basis points.

Mr. Giron and Mr. Shaffer said they would provide the Treasurer with an anticipated schedule of draw downs for the next 12 month period.

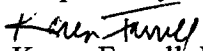
Adjournment

With no further business to conduct the meeting was declared adjourned at 4:40 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
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I Hereby Certify That This Instrument Was Filed for
Record On The 30TH Day Of August, 2019 at 02:22:00 PM
And Was Duly Recorded as Instrument # 1895485
Of The Records Of Santa Fe County


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

Santa Fe County
Investment Committee: July 25, 2019