

MINUTES OF THE
SANTA FE COUNTY
INVESTMENT COMMITTEE

August 23, 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 3:10 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
Katherine Miller, Manager
Anna Hamilton, Commissioner
Eric Loucks, Citizen
Anna Hansen, Commissioner

Member(s) Excused:

Bruce Frederick, County Attorney
Stephanie Schardin Clarke, Finance Director

Others Present:

Ed Moreno, Commissioner – alternate
Eric J. Lujan, Chief Deputy Treasurer
Theresa Romero, Treasurer's Office
Lori Armijo, Treasurer's Office

Approval of Minutes: July 25, 2018

Mr. Loucks moved to approve the minutes as published. The motion was seconded and the minutes were unanimously [5-0] approved as submitted.

Results of Bank Meeting

Treasurer Varela stated there has been a personnel change at the bank with the departure of the treasurer/manager. The bank has assured the Treasurer's Office that the new manager, Ms. Bird, was up to speed. The new lock box system is being tested.

The Treasurer's Office has been working on debit cards and it is up to each department supervisor to determine whether one is needed. Ms. Miller said she preferred procurement cards. Debit cards which require money be placed in an account. In general, procurement cards have

SFC CLERK RECORDED 09/24/2018

been misused, although she felt the cards could be used appropriately. Treasurer Varela said debit cards can be tracked on a 24-hour basis curtailing abuse quickly by shutting down the card.

The cards are intended to assist for travel, internet best pricing, licensing maintenance software, wildland fire crews, etc. The cards would facilitate a quick purchase without a PO. The Manager mentioned the extended period of time it takes for the County to reimburse for travel expenses. This is particularly difficult for wildland crews. The Manager's Office currently has two debit cards. The debit card account is set up with money in the account, has a \$2,500 cap and is checked every 24 hours.

Supranational Discussion

Last year the State Treasurer and treasuries around the state introduced the use of supranationals as an investment vehicle to the legislature. The supra is a greener/cleaner type of bond/treasury mechanism. There are approximately 24 supra investment structures; however, the US Board of Governors recommends three: Inter-American Development Bank, International Finance Corporation and International Bank for Reconstruction. The bonds are triple-A rated, have never been called and are considered liquid because the World Bank will buy them back at 100 percent. Supras focus on early childhood development, teacher quality, school to work, climate strategies, and water and sanitation infrastructure.

The Treasurer said at this point the legislature is being asked to clarify the statute to ensure investment in the supras is permitted.

Mr. Loecks said the primary driver should be safety, yield, and liquidity, and the secondary driver is perception from the constituents. He said along with being triple-A rated there is a slightly higher yield with comparable safety and liquidity.

Treasurer Varela mentioned that social consciousness is driving some counties to purchase supranationals, which promote green development, rather than US Treasuries. He advocated legislation permitting supranationals as an investment vehicle.

Delinquent Collections

Treasurer Varela announced the July collection totals were \$1,550,781.71.

Portfolio Balance Sheet, Call Notices, Etc.

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

- There are 70 operational accounts with a total of \$116,974,368.16
- GOB 2011 Series contains 17 account totaling \$7,941,291.64
- GOB 2013 Series has 18 accounts totaling \$6,124,463.58
- Core Account holdings has 19 accounts with a total of \$27,257,949.50
- Charles Schwab has 25 accounts totaling \$53,695,931.76

Grand total at US Bank and Schwab is 124 accounts with \$211,994,004.64

- Various CDs, 5 accounts totaling \$1,251,536.15
- LANB-Studio account has \$5,551,952.28
- First National/Sunflower has 35 accounts for a total of \$24,074,726.12
- UBS has six accounts with \$31,685,511.26
- Portigon has two accounts with \$2,675,505

Grand total of 203 accounts at the end of July was \$277,233,235.45

Treasurer Varela said the papers for Portigon have been signed and he expects the account to be closed next month.

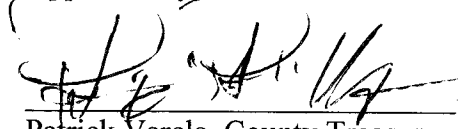
The investment schedule information has been reformatted by investment vehicle and Treasurer Varela reviewed that material. He noted that the CDs are averaged 2.11 percent yield. UBS money market is yielding 1.72 percent. US Treasuries are yielding approximately 2.4 percent and the core account provides 3.23 percent. The operational account also produces yield of approximately 3.28 percent. The entire portfolio generates an average yield of 2.24 percent.

The drawdown from the Santa Fe Studios goes directly to economic development.

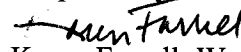
Adjournment

With no further business to conduct the meeting was declared adjourned at approximately 3:55 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
PAGES: 3

I Hereby Certify That This Instrument Was Filed for
Record On The 24TH Day Of September, 2018 at 09:17:12 AM
And Was Duly Recorded as Instrument # 1868210
Of The Records Of Santa Fe County



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