

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

**August 27, 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 3:00 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  
Yvonne Herrera, Finance Director  
Eric Loucks, Citizen  
Anna Hamilton, Commissioner, [Alternate]  
Katherine Miller, County Manager  
Greg Shaffer, County Attorney

**Member(s) Excused:**

Henry Roybal, Commissioner

**Others Present:**

Lori Armjio, Treasurer's Office  
Daniel Fresquez, County Manager's Office

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

Commissioner Hamilton moved to approve the minutes as published. Mr. Loucks seconded and the minutes were unanimously [7-0] approved by roll call vote.

**Results from Fiscal Agent**

Treasurer Varela reported he met with Sunflower Bank last week and discussed the imminent lock-box season and the possibility of increasing duration of boxes during COVID. At the meeting they also discussed the Jaguar software system for payment processing/remote deposit capture. The bank will work with County IT on this item. COVID-wise, The Treasurer emphasized he wanted to keep person to person contact to a minimum.

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Regarding the remote processing, Ms. Herrera said additional analysis is required for the recording of departmental payments to the AS400, post audit, to ensure deposits within 24 hours. Land use and community centers are examples of departments that receive payments and she recommended working with the Treasurer's Office to develop a process before implementation.

### **Economic Outlook**

Treasurer Varela said there was little change, although the yield is lower with a greater curve. The economy is COVID-related. Tech stocks are dominating the market. Target, a general merchandise retail store, experienced its strongest sales in its history. Other large retailers, Home Depot, Lowe's, and Walmart, were essential retailers and have all done well during the pandemic.

Santa Fe County has seen an increase in building permits that could be attributed to the low interest rates, stated Treasurer Varela. He noted that USA was making more products than pre-COVID. The investment strategy is to have call protection with higher yield.

### **Delinquent Collections**

Treasurer Varela presented a graph for July, depicting the delinquent collections on mobile homes and real property was \$982,407.27. Year-to-date was \$3,250,240.08. July's collections were high because unpaid property tax rolls will be forwarded to the State Property Tax Division for collection.

### **Proposed Investment Policy Changes**

Treasurer Varela said he was proposing changes to Article 3, Section C, Paragraph 2, and following discussion, Attorney Shaffer recommended clarifying the language that the Investment Committee or Board of Finance meet a minimum of 10 times a year; six times as the Investment Committee and four times or quarterly as the Board of Finance.

In regard to a month where there is no meeting for lack of a quorum or other circumstances, the Attorney recommended that the Treasurer or Treasurer's Office make available the monthly schedule of investments and balance sheets to the Investment Committee members. Attorney Shaffer offered to present language at the next IC meeting.

Regarding Exchange Traded Funds (ETFs), under permitted investments on page 8, Treasurer Varela expressed concern that duration can harm the interest rates. Attorney Shaffer said preserving the County's principle is the primary concern.

Manager Miller requested extending the discussion on ETFs further and possible reduction of the percentage for investing at the next meeting.

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

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

- There are 70 operational accounts with a total of \$132,456,490.77

- GOB 2011 Series contains one money market account at \$4,512,033.51
- Housing has one account at \$4,001,951.06
- GOB 2013 Series has three accounts totaling \$4,385,775.91
- GRT 2019 Series has one accounts totaling \$14,620,659.74
- GOB 2018 Series has four accounts for \$11,001,714.05
- Core Portfolio has 45 accounts with a total of \$27,163,712.43
- The Schwab Account has 22 accounts with \$32,980,618.08

Grand total at US Bank and Enterprise is 119 accounts with \$231,122,955.54

- There are four CDs at local credit unions and one CDAR totaling \$1,260,901.46
- The Studio lockbox has \$5,157,035.29

Total of those six accounts: \$6,417,936.75

- First National/Sunflower has 40 accounts for a total of \$32,478,309.69
- UBS has six accounts with \$28,538,993.44
- BNY Mellon has one account with \$2,794,512.66

Total of those 52 accounts is \$70,229,752.54

Grand total of all 199 accounts at the end of July 2020 was \$301,352,708.08

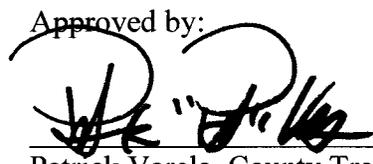
Treasurer Varela reviewed calls, maturities and purchases. He said there was a loss of yield but not of principle.

Manager Miller recalled a past conversation the committee had regarding whether university (UNM or NMSU) issued bonds are allowable in the County's portfolio. She emphasized that the Investment Policy needs to be in compliance with statute and asked staff to investigate whether an amendment is necessary to the policy.

Attorney Shaffer said that was analyzed and appeared authorized by State law and statute. He offered to continue to research the issue and report back at the September IC meeting.

**Adjournment**

Treasurer Varela declared the meeting adjourned at 4:40 p.m.

Approved by:  
  
 Patrick Varela, County Treasurer

Respectfully submitted by:  
  
 Karen Farrell, Wordswork

Santa Fe County  
 Investment Committee: August 27, 2020

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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 25TH Day Of September, 2020 at 12:44:43 PM  
And Was Duly Recorded as Instrument # 1929097  
Of The Records Of Santa Fe County



Deputy *E. Herrera*  
*Martinez* )  
Witness My Hand And Seal Of Office  
Geraldine Salazar  
County Clerk, Santa Fe, NM