

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

**January 27, 2022**

**Santa Fe, New Mexico**

This meeting of the Santa Fe County Investment Committee was called to order by County Treasurer Jennifer Manzanares at approximately 3:00 p.m. on the above-cited date. This meeting was conducted on a virtual platform.

Roll call indicated a quorum with the presence of the following members:

**Members Present:**

Jennifer "Jenn" Manzanares, Treasurer  
Rudy Garcia, Commissioner  
Anna Hamilton, Commissioner  
Yvonne Herrera, Finance Director  
Katherine Miller, County Manager  
Greg Shaffer, County Attorney

**Member(s) Excused:**

Eric Loucks, Citizen Member

**Others Present:**

Hank Hughes, Commissioner [Alternate]  
Anna Hansen, Commissioner  
Henry Roybal, Commissioner  
Patrick Varela, Deputy Treasurer  
Victor Vigil, Treasurer's Office  
Elias Bernardino, Deputy Manager  
Brian Olachea, Treasurer's Office Operations Manager

**Approval of Agenda**

There were no changes to the agenda. Commissioner Hamilton moved to approve and Commissioner Garcia seconded. The motion passed by unanimous roll call vote. [Manager Miller was not present for this action.]

SFC CLERK RECORDED 03/04/2022

## **Approval of Minutes**

Treasurer Manzanares noted that the August 26, 2021 minutes were corrected. [These minutes were approved as corrected at the October 28, 2021 Investment Committee meeting.]

### **October 28, 2021**

Treasurer Manzanares noted that a comment attributed to Ms. Herrera under “Other Business” on page 4 was removed from the record.

Commissioner Hamilton moved to approve the minutes as amended. Ms. Herrera and Commissioner Garcia seconded. The motion passed by unanimous roll call vote. [Manager Miller was not present for this action and arrived shortly thereafter.]

### **Results from Fiscal Agent**

Treasurer Manzanares discussed the delay that occurred in getting property tax bills mailed and identified HB 407, regarding school districts, as well as an election in Edgewood as contributors to the late mailing. The Treasurer’s Office has been short of staff which impacts the entire team. This afternoon, she signed three employee agreements and was pleased to have additional staff. Delinquency bills will be issued next week.

The Treasurer’s Office experienced a large increase in what is referred to as “exceptions” in the property tax returns. Fiscal agent Sunflower Bank forwarded exceptions and many were because the taxpayer failed to include the payment coupon as instructed. Those exceptions added to the processing time.

Treasurer Manzanares reported that the individual who had processed business licenses left the Treasurer’s Office mid-December and one of the delinquent tax specialists has taken over that task.

Manager Miller said her office received a complaint from a resident regarding a solid waste permit check that has not cleared and that the phones at the Treasurer’s Office are not being attended to. Manager Miller asked whether enlisting temporary employees for the Treasurer’s Office was warranted especially to catch up on mail. Treasurer Manzanares thanked the Manager for the offer and said her office is making progress. She expressed her apologies to any taxpayer unable to reach the office. With the three new staff members, she felt they could quickly get up to speed.

Manager Miller repeated that if there is a need for additional help, she urged the Treasurer to reach out and added that Covid has complicated staffing a great deal. She said the private sector is also experiencing staffing issues.

Treasurer Manzanares said Victor Vigil is reviewing each of the “exceptions” sent over by Sunflower Bank and then the issues will be discussed with the bank.

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Manager Miller noted that the fiscal agent contract extends to June 30, 2022. She said the County would be hard-pressed to release an RFP and successfully transition the agent in that time period. The contract can be extended an additional year which she recommended considering unless there is complete dissatisfaction with the agent. If that is the case, her recommendation was to use the State's price agreement and have staff conduct an evaluation of Wells Fargo Bank or issue an RFP next year. Treasurer Manzanares said Bill Taylor is requesting the development of an RFI from Wells Fargo and her staff will provide the scope to him next week.

Manager Miller confirmed that Wells Fargo is the only provider on the state price agreement. She noted that county treasurers' services differ from the state's needs. Counties require lock box services that a fiscal agent has to be able to handle. The fiscal agent needs to work well with governmental accounting procedures and fund accounting. There is a balance in finding a bank that has the sophistication to provide the variety of services the County needs for both the administrative side and the Treasurer's Office side. There is also the custody bank, the entity that holds the securities, notes and bonds, and in the event they are not the same as the fiscal agent, they must be able to work together.

Finance Director Herrera said a basic need from the fiscal agent is customer service which is not a strong suit for the current agent. Obtaining bank statements in a timely manner is very important for monthly reconciliations. Additionally, the County has "positive pay" where they provide the bank with a file of payments that have been issued and before a payment is redeemed the bank will compare that to the information provided to make sure the check is valid. The County seeks to reduce the risk of someone making an error or intentionally trying to change payment information. The County would like to work with a fiscal agent to automate processes and send files through a secure site to eliminate risk and opportunity for fraud or theft. She noted that the bank is provided accurate information on the daily generated payments.

Commissioner Garcia asked whether the County was equipped to accept tax and other payments online. He said a resident with many properties has to write separate checks for each tax bill. Staff from the Treasurer's Office explained that the website contains links where the resident can pay by credit, debit or eCheck. Each payment has a different charge. A resident can create a personal profile which will send updates and notifications of when bills are to be paid.

### **Economic Outlook**

Deputy Treasurer Varela said a great deal has occurred in the markets since the October 2021 Investment Committee meeting. He provided data on how the Treasuries were responding from one month to 30 year periods. The County uses the five-year benchmark to match its operational portfolio although the core portfolio is 10 years. The curve has improved and better reflects that of a natural yield curve. Inflation has been increasing over the past nine months. Federal Reserve Chair Powell indicated that rate hikes may be "front loaded," although Mr. Varela doubted that would occur. The manufacturing indices incurred a drastic drop in December and January. Computer chip demand is high and supply is low. The bond market is starting to climb as market conditions improve.

## Portfolio Balance Sheet & Schedule

Mr. Olachea, Operations Manager, reviewed the November 2021 balance sheet as follows:

- There were 44 operational accounts with a total of \$170,510,826.20
- GOB 2011 Series contained one account at \$1,055,372.36
- Housing had two accounts at \$4,052,490.62
- GOB 2013 Series had three accounts totaling \$3,630,835.23
- GRT 2019 Series had four accounts totaling \$9,728,336.86
- GOB 2018 Series had four accounts for \$8,909,752.38
- GOB 2021 Series had three accounts for \$20,518,148.40
- Core Portfolio had 45 accounts with a total of \$31,136,615.74
- GOB 2015 Series had one account with a total of \$4,624,875.26
- GOB 2017 Series had one account with a total of \$8,141,245.75
- GOB 1997 Series had two accounts with a total of \$435,204.97

Grand total at US Bank/Enterprise was 93 accounts with \$262,743,703.77

- There were five items in the various CDs category totaling \$1,245,000.00
- The Studio lockbox at Enterprise Bank had \$4,748,573.31

Total of those six accounts was \$5,993,573.13

- First National/Sunflower had 41 accounts for a total of \$40,834,012.58
- UBS had 12 accounts with \$40,374,117.06
- BNY Mellon has four accounts with \$9,979,871.64

Total of various 59 accounts was \$97,181,574.41

Grand total of all 163 accounts at the end of November was \$359,925,278.18

Mr. Olachea presented the December 2021 balance sheet as follows:

- There are 47 operational accounts with a total of \$190,558,642.57
- GOB 2011 Series contains one account at \$1,055,342.04
- Housing has two accounts at \$4,052,491.70
- GOB 2013 Series has three accounts totaling \$3,630,693.65
- GRT 2019 Series has four accounts totaling \$9,727,920.58
- GOB 2018 Series has three accounts for \$8,970,720.44
- GOB 2021 Series has three accounts for \$20,520,347.54
- Core Portfolio has 46 accounts with a total of \$31,913,648.64
- GOB 2015 Series has one account with a total of \$4,624,761.40
- GOB 2017 Series has one account with a total of \$8,141,045.31
- GOB 1997 Series has two accounts with a total of \$435,194.96

Grand total at US Bank/Enterprise is 97 accounts with \$283,630,808.13

- There are five in the various CDs category totaling \$1,245,000.00
- The Studio lockbox at Enterprise Bank has \$4,748,573.13

Total of those six accounts is \$5,993,573.13

- First National/Sunflower has 41 accounts for a total of \$68,711,536.96
- UBS has 11 accounts with \$50,369,037.74
- BNY Mellon has four accounts with \$10,011,019.55
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Total of various 58 accounts is \$135,085,167.38

Grand total of all 163 accounts at the end of December was \$418,715,975.51

Commissioner Hughes asked about unrestricted reserve funds. Manager Miller said the reserve is based on the County's audit rather than where investments are made. The audit defines committed reserve and uncommitted balances. Ms. Herrera said some of the bank balances are tied to a bond issue and that money cannot be spent on anything other than what the Board has approved for GO Bonds or if revenue bonds, where the money would be spent.

Manager Miller said the County has several buckets of reserves and there's several ways that the BCC has set policy to address reserves. First and foremost there is a statutory requirement to have 25 percent of its operating budget in reserve before DFA will approve the budget. In addition, the County has a policy that sets out reserves that looks at all operating funds. Those funds require a 25 percent reserve policy that the County put in place. Annually, the Finance Director presents a resolution to the BCC that establishes reserves as well as a resolution that provides ranges for those reserves. There are reserves for uninsured losses, disaster recovery, infrastructure failure, etc.

Ms. Herrera stated that there is a restricted reserve to satisfy debt services. The lock box for the Studios is restricted and an assigned amount is tied to the budget.

Manager Miller said it was fairly common that the County will have \$15 to \$25 million in cash used to balance the budget. She mentioned that the Corrections' budget is always challenging. As an example of reserve, she mentioned moving general fund money to the self-insurance fund to meet one of the lower range requirements in the policy.

### **Other Business**

Manager Miller informed the committee that the County was working with its financial advisors on a refunding of the 2013 bonds, the oldest issue in the County's portfolio. Refunding is similar to refinancing a home for a better interest rate. Refinancing the 2013 bonds may save around 5 percent on the debt service.

The Santa Fe Studio is asking to expand their sound stages with a \$16 million Industrial Revenue Bond (IRB). They want to use Santa Fe County's tax exempt status on their IRB. Mr. Shaffer said there will be a public hearing on the ordinance to authorize the issuance of the IRB.


Manager Miller noted that the County will forego its revenues from property tax and debt service from the expansion, not the Studio's existing facilities. At this point, the only request from the Studio to the County is the IRB.

Manager Miller said the financial advisor is updating the estimates for property tax values and debt service payments, and an estimate of GO bonding capacity for the 2022 general election. She noted the County had approximately \$50 million in proceeds from previous unspent bond issues and she wanted the Treasurer's Office to be aware of these other bond issues that will require their involvement.

### Adjournment

Commissioner Hamilton moved to adjourn and Manager Miller seconded. The motion passed and the meeting adjourned at approximately 4:15 p.m.

Approved by:

  
Jennifer Manzanara, County Treasurer

Respectfully submitted by:

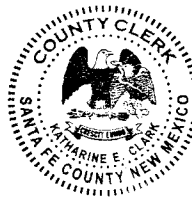
  
Karen Farrell, Wordswork

COUNTY OF SANTA FE            )  
STATE OF NEW MEXICO        ) ss        INVESTMENT COMMITTEE M  
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I Hereby Certify That This Instrument Was Filed for  
Record On The 4TH Day Of March, 2022 at 08:08:43 AM  
And Was Duly Recorded as Instrument # 1982123  
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office  
Katharine E. Clark

Deputy  County Clerk, Santa Fe, NM



SFC CLERK RECORDED 03/04/2022