

MINUTES OF THE
SANTA FE COUNTY
INVESTMENT COMMITTEE

February 25, 2021

Santa Fe, New Mexico

This meeting of the Santa Fe County Investment Committee was called to order by County Treasurer Jennifer Manzanares at approximately 3:20 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:

Jennifer Manzanares, Treasurer
Katherine Miller, County Manager
Anna Hamilton, Commissioner
Hank Hughes, Commissioner [Alternate]
Yvonne Herrera, Finance Director
Eric Loucks, Citizen

Member(s) Excused:

Henry Roybal, Commissioner
Greg Shaffer, County Attorney

Others Present:

Patrick Varela, Deputy Treasurer
Lori Armijo, Treasurer's Office
Brian Olachea Treasurer' Office

Approval of Minutes: January 28, 2021

Commissioner Hughes moved to approve the minutes as published. Manager Miller seconded and the minutes were unanimously [5-0] approved by roll call vote. [Commissioner Hamilton abstained.]

SFC CLERK RECORDED 03/31/2021

Results from Fiscal Agent

Treasurer Manzanares noted there was a meeting with Sunflower Bank the week prior where the economic forecast and remote deposit capture were discussed. The fiscal agent RFP was cancelled. Manager Miller suggested an extension of two years for the fiscal agent contract. This would add up to six years and an eight-year contract is possible with non-professional services contracts.

Ms. Herrera said timing is crucial with an RFP of this nature and she recommended the process start in the fall to avoid conflicting with the end of the fiscal year. She noted that since at least four months are required for transition, and there is a danger of losing access to information, having the transition closer to the end of the calendar year would impact reconciliations less. It's important to avoid coinciding with the audit period. Manager Miller noted there is never a good time. Sunflower should be given plenty of notice of an extension. She suggested a deadline of either June 30, 2022 or June 30, 2023, with the RFP process starting nine months prior. Transitioning is inevitably messy as two accounts have to run in parallel for some period of time. She said she would meet with the Treasurer and Finance Director to firm up details and report back at the next meeting.

Continuous Improvements

Treasurer Manzanares provided details on Check 21 Process, Receipts Scanning, Investments, tracking market conditions, identifying trends, and GFOA policy certification.

Deputy Treasurer Varela said the Check 21 and Remote Deposit Capture are deployed around the county as well as five in the Treasurer's Office using Jaguar software that holds the transactions until transmission. At this point it is running smoothly. The duration period may have to be extended to 120 days rather than 90 days. Ms. Herrera asked if this would comply with check retention policies, give that auditors require checks to be retained for a year post-audit. Treasurer Manzanares stated she spoke to the State Director for Records Management who sent the suggested retention and disposal schedule. Deputy Treasurer Varela said currently Public Works is keeping checks for 90 days.

Deputy Treasurer Varela noted the bulk of the warehouse items at the detention center are scanned but each scan takes two to three minutes and this needs to be streamlined. Additionally, a recommendation stemming from last year's internal audit will result in emails going out to all stakeholders as trades occur.

The Treasurer's Office is looking at new software to better track investments and trades. Deputy Treasurer Varela advised modifications to the Investment Policy could lead to GFOA certification for excellence. Treasurer Manzanares said this process will be discussed in detail at the next meeting.

Delinquent Collections

Treasurer Manzanares stated they are working on how to make delinquent collections more efficient. The total for the month of November was \$158,489.07, and total for the year was \$4,743,533.71. December has yet to be tabulated due to staffing constraints.

Economic Outlook

Deputy Treasurer Varela presented graphs, noting it had been a wild month in the market. The ten-year yield curve continue to rise, breaking 150 basis points. Federal Reserve Chairman Powell is not anticipating a rise in the fed rate until 2023. Mortgage rates could rise. The aggregated bond market dropped. Unemployment figures are looking better. There was a spike in the oil market and barrel prices could go up further. The auto industry is being impacted by shortfalls in computer chips. He noted they were able to realize a profit in selling off the problematic USB investment.

Mr. Loucks indicated the fed is keeping the short rates low, moving up only a bit.

Portfolio Balance Sheet, Call Notices, Etc.

Mr. Olachea provided the following information as of the end of December 2020:

- There are 70 operational accounts with a total of \$133,407,836.32
- GOB 2011 Series contains one account at \$4,437,463.10
- Housing has two accounts at \$4,001,287.05
- GOB 2013 Series has three accounts totaling \$4,035,161.34
- GRT 2019 Series has four accounts totaling \$11,025,376.71
- GOB 2018 Series has four accounts for \$10,013,986.92
- Core Portfolio has 43 accounts with a total of \$27,353,143.77
- The Schwab Account has 23 accounts with \$31,846,397.78

Grand total at US Bank and Enterprise is 117 accounts with \$226,120,652.99

- There are four CDs at and one CDAR totaling \$1,263,883.46
- The Studio lockbox at Enterprise Bank has \$4,947,817.81
-

Total of those six accounts is \$6,211,701.27

- First National/Sunflower has 41 accounts for a total of \$59,035,070.51
- UBS has six accounts with \$40,433,181.67
- BNY Mellon has four accounts with \$11,738,731.95

Total of those 53 accounts is \$117,418,685.40

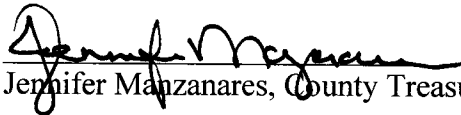
Grand total of all 202 accounts at the end of January was \$343,539,338.39

Treasurer Manzanares indicated Ms. Armijo will send out potential dates for the Investment 101 class in March.

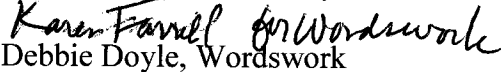
Adjournment

Following motion from Commissioner Hamilton and second from Manager Miller, this meeting was adjourned at 4:03 p.m.

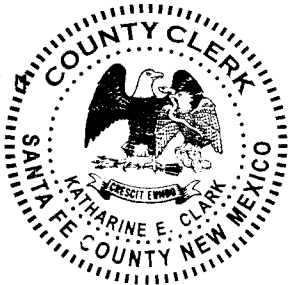
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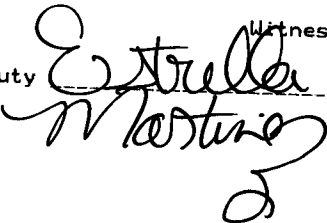

Jennifer Manzanares, County Treasurer

Respectfully submitted by:


Debbie Doyle, Wordswork

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss
INVESTMENT COMMITTEE
PAGES: 4
I Hereby Certify That This Instrument Was Filed for
Record On The 31ST Day Of March, 2021 at 10:55:35 AM
And Was Duly Recorded as Instrument # 1948313
Of The Records Of Santa Fe County



Deputy  Witness My Hand And Seal Of Office
Katharine E. Clark
County Clerk, Santa Fe, NM

SFC CLERK RECORDED 03/31/2021