

MINUTES OF THE
SANTA FE COUNTY
INVESTMENT COMMITTEE

March 31, 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 3:05 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
Anna Hamilton, Commissioner
Yvonne Herrera, Finance Director
Katherine Miller, County Manager
Greg Shaffer, County Attorney

Member(s) Absent:

Rudy Garcia, Commissioner
[One vacancy]

Others Present:

Patrick Varela, Deputy Treasurer
Victor Vigil, Treasurer's Office Customer Service Specialist
Elias Bernardino, Deputy Manager
Lori Armijo, Treasurer's Office
Leandro Cordova, Deputy Manager

Approval of Agenda

There were no changes to the agenda. Manager Miller moved to approve and Commissioner Hamilton seconded. The motion passed by unanimous [5-0] roll call vote.

Approval of Minutes: February 28, 2002

Commissioner Hamilton moved to approve the February minutes. Ms. Herrera seconded. The motion passed by unanimous [5-0] roll call vote.

SFC CLERK RECORDED 07/12/2022

Results from Fiscal Agent

Treasurer Manzanares said that last week she met with Sunflower Bank representatives and the topics of lock box procedures and the second half of taxes were discussed. She noted that the office received 14 envelopes of exceptions from the bank which was very time consuming for staff to address. It's important that the bank staff is trained so the Treasurer's office is not burdened with exceptions. The bank indicated an interest in responding to the County's fiscal agent RFP.

Ms. Herrera said the RFP is expected to be issued in April.

Economic Outlook

Treasurer Manzanares said she and Deputy Treasurer Varela attended a very informative GIOA (Government Investment Officer's Association) conference last week. Deputy Varela shared a few slides from the conference highlighting that the past quarter has been "rocky" without any growth in the market. In fact, the market closed in the red, the first time in 16 months. He noted that consumer confidence has dipped with the rise of inflation. The inflation drivers are energy and food. Referring to unemployment, he noted that performing arts, sports, amusement and the clothing industry have recovered while hospitality and restaurants have not. Education has struggled to employ educators. Many of the U.S. migrant workers returned to their homeland during Covid and because of Trump's immigration policy have not returned. Mr. Varela said the supply chain issue remains.

Mr. Varela said staff is working to restructure its bond portfolio which suffered during the pandemic. Preferably, the weighted average maturity (WAM) calls would occur within two and half to three years and seven years in the core portfolio. He preferred short term investment vehicles that could be rolled up in four to six months and move to a higher interest rate.

Treasurer Manzanares shared information provided by GIOA founder Rick Phillips.

Treasurer's Office Updates

Treasurer Manzanares said the second half of tax season runs from April 10th to May 10th. The office has two new cashiers and the staff structure was altered to avail more staff to process payments. Internally, the staffing issue is improving. Delinquent letters will go out and staff will work closely with these individuals. A grant program through NM Mortgage Finance Authority may be helpful for these individuals.

Approval of Public Member of Investment Committee

Treasurer Manzanares said the office was recommending the reappointment of Eric Loucks to a two-year term on the committee. She provided some background on Mr. Loucks' professional financial career: following 15 years at Charles Schwab's he moved to Los Alamos National Bank as an investment adviser. Mr. Loucks has been a valuable contributor to the Investment Committee and the Office of the Treasurer.

Manager Miller moved to approve the Treasurer's recommendation and reappoint Eric Loucks to the Investment Committee. Commissioner Hamilton seconded and the motion passed by unanimous [5-0] roll call vote.

Portfolio Balance Sheet & Schedule [Documents available through Treasurer's Office]

Treasurer Manzanares said following a discussion in the office, it was determined that providing significant changes would be more beneficial than reciting all the numbers.

Mr. Varela reviewed the balance sheet noting the money markets, Federated Government and Reich & Tang, have been greatly reduced to approximately \$2 million over the past two months. The 2013 series also shows a reduction. At this point, 2021 has not been reduced until a better scale is provided. The Core account Federated Government money market has also been greatly reduced. CDs and Treasuries were purchased in the past months. He indicated investments are being made to recapture quickly as the Fed raises interest. The lock box for the Santa Fe Studios has been drawn down.

The overall balance at Sunflower Bank is lower because of the drawdowns for the Santa Fe Public School, community college, and debts. Smaller GOB bond series are closing out. Staff is seeking to reduce any exposure in Russia. At the end of February, the grand total for all accounts was \$405,625,417.28. He highlighted recent buys and those with Federal Farm Credit which assists farms. Liquidity has been placed in short term maturity dates to avoid exposure money market exposure. He noted that the County's operational portfolio has increased substantially over time.

Manager Miller noted that the Core Account is currently at \$31,979,032 and the policy holds it at \$25 million. However, removing the short-term investment, the total is below \$25 million. Mr. Varela concurred with the Manager's observation.

Commissioner Hamilton said a graph from 2012 to current showing investments would be useful. Manager Miller requesting that staff separate bond funds versus operating and other funds.

Manager Miller said the County received in June 2021, \$14.6 million in ARPA funds which were deposited into the operating account and accounted for in a separate fund. \$12 million of the \$29.2 million the County will receive is revenue replacement, \$2 million has been spent for affordable housing/purchase of Lamplighter, \$8 million for infrastructure projects and funds were also expended for the CONNECT and other programs within behavioral health and immigrant concerns.

Manager Miller also mentioned that it has been difficult for the County to award contracts because costs are going up exponentially. The Cerrillos Senior Center/Fire Station came in at \$800/square foot. In fact, the road striping project is incurring issues with materials sky rocketing. Employment wise, people are going to the private sector before government.

Treasurer Manzanares said many people do not want to return to the traditional work setting and the private sector can accommodate. Manager Miller said the County is working on a permanent remote work policy to replace the temporary emergency policy. It will require union negotiation.

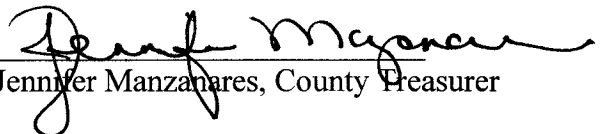
Other Business

None was presented.

Adjournment

Commissioner Hamilton moved to adjourn and Manager Miller seconded. The motion passed and the meeting adjourned at approximately 4:10 p.m.

Approved by:


Jennifer Manzanares, County Treasurer

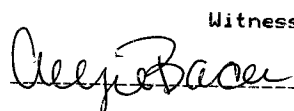
Respectfully submitted by:


Karen Farrell, Wordswork

SFC CLERK RECORDED 07/12/2022

COUNTY OF SANTA FE) INVESTMENT COMMITTEE M
STATE OF NEW MEXICO) ss PAGES: 4

I Hereby Certify That This Instrument Was Filed for
Record On The 12TH Day Of July, 2022 at 12:12:54 PM
And Was Duly Recorded as Instrument # 1992746
Of The Records Of Santa Fe County

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

