

# **SANDOVAL TREASURER'S INVESTMENT COMMITTEE (STIC)**

## **REGULAR MEETING MINUTES**

Sandoval County Treasurer's Conference Room

January 13, 2015

### **1. CALL TO ORDER**

Meeting was called to order at 4:01 PM.

#### **Present:**

##### **Committee Members:**

Laura M. Montoya, County Treasurer  
Larry Polanis, STO Treasury Controller  
Joe "Skip" Kruzich, Community Member  
Phillip Rios, County Manager  
Christopher Daniel, Community Member

##### **Treasurer Staff:**

Judi Walker, STO Deputy Treasurer

##### **Committee Members Not Present:**

Mario X. Martinez, Community Member  
Don Chapman, County Commissioner  
James Dominguez, County Commissioner

##### **Portfolio Managers:**

Paul Dickson, Vice President-Portfolio Manager, NMBT Wealth Management  
Sheila Duffy, Director-Investment Advisory Services, Public Trust Advisors

##### **Other Members of the Public Present:**

Rob Burpo, Sandoval County Financial Advisor

Treasurer Montoya introduced new Community Member, Christopher Daniel. Mr. Daniel is the Chief Investment Officer for the City of Albuquerque. He works in the City Treasury. He previously managed the Enterprise Resource Planning Program. He has a Charter Financial Analyst (CFA) charter which is the gold standard for portfolio management. He works with the City of Albuquerque's investment portfolio. Mr. Daniel is a Sandoval County resident.

### **2. APPROVAL OF AGENDA**

Motion to approve the January 13, 2015 agenda by Rios; Second by Kruzich; All in favor; Motion carries.

### **3. APPROVAL OF MINUTES**

Motion to approve the October 1, 2014 regular meeting minutes by Polanis; Second by Rios; All in Favor; Motion carries.

### **4. STATUS OF THE TREASURER'S OFFICE—Laura M. Montoya, Treasurer**

**Bonds** –Out of the four bonds on the ballot, two bonds passed. They were the library bond and the 911 Equipment bond. (\$6.22 per \$100,000 valued home) We will work with administration on those bonds. The increase will be reflected on the 2015 tax bill in November.

**Conference Schedule** – NMAC Legislative Affiliate meeting is January 20-22 (Legislative committee); NACo Legislative committee is the week of February 21 and the annual conference is in July (Vice Chair of the Finance, Pensions and Intergovernmental Affairs (FPIGA) Steering Committee; GIOA is in March; GFOA is in May.

NM EDGE is next week right before the NMAC meeting— We have two staff graduating with their Treasury Certification; that totals 7 graduates overall. The remainder of the staff is working on their Treasury Official certification and will graduate by the end of the year. I have completed my Certified Public Official certification and will complete my Treasury certification. This office will be the first county office in the state to have all staff certified.

**FIS** – FIS is the contracted company that has been doing our on-line payments and over the phone credit card, debit card and e-check options. We implemented Point of Sale at the windows during this tax season. It ran smoothly. We also assisted El Zocolo and the Clerk's office with implementation. We were assisting fire and public works as well but due to matters out of our hands, FIS will not be able to provide the service at this time.

**Auction** – PTD oversees all county auctions which are held in the Sandoval County Commission Chambers. Sandoval County auction dates were:

- June 27, 2013 - 92 properties scheduled for auction; 17 were paid in full by property owners; 6 installment agreements; 2 removed by PTD; 5 "no bid"; 67 total properties were sold at the auction. \$183,825.00.
- October 1, 2014 - 79 properties scheduled for auction; 17 were paid in full by property owners; 5 were removed by PTD as uncollectable; 8 properties were rescinded after the sale; 49 total properties were sold at the auction. \$104,600.00.
- December 17, 2014 - 134 properties scheduled for auction; 30 were paid in full by property owners; 2 "no bid"; 11 installment agreements; 91 total properties were sold at the auction. \$46,300.00.
- The three auctions consisted of 305 properties with a total \$334,725.00.

**Tax Season** – Tax season was a success. This year is our first year of community outreach. It's a pilot program in which we are working with our Senior Centers to provide two Treasurer's office liaisons to visit the centers and answer any questions regarding taxes and take payments on site. 47 accounts were paid on with a total of approximately \$11,000. **This program has impacted people that need assistance most.** For example a taxpayer in Cuba, NM said that her husband was disabled and it was hard for her to drive to the County Administration Building to pay her taxes and leave him by himself. This outreach made it easier for her to pay her taxes. Several taxpayers asked questions about bonds and taxes. I am hoping that word will get around and we can assist more people at our outreach events next year. We have several methods available to pay taxes

which may have contributed to smaller lines at the front windows and a smaller number of lock box transactions.

**5. STATUS OF COUNTY INVESTMENTS – Laura M. Montoya, Treasurer; Paul Dickson, NMBT Wealth Management; Sheila Duffy, Public Trust Advisors**

Treasurer Montoya reviewed the fees paid to date, the Mortgage Backed Securities (MBS) sold and strategy used to decide which to sell. Treasurer Montoya asked PTA to try again in January to sell the rest. The County received an overall gain of \$18,896.69 for the MBS sold in January. The portfolio is now in compliance with the investment policy.

Portfolio Manager Sheila Duffy, Public Trust Advisors reported that everything except for the General Fund looks the same as reported in the last STIC meeting. The focus was on selling the longest duration to final maturity securities which were out of compliance. All MBS have been sold but not settled yet. There are four settlement dates in January. Due to changing factors all our numbers are preliminary until final settlement. Strategy for investing the proceeds will be discussed once all MBS are settled. Treasurer Montoya stated that the investment policy has not been changed since 2008. The other portfolios are all in agencies and treasuries in the 1-3 year range. Moving forward PTA will work closely with the Treasurer to formulate a strategy to get the proceeds reinvested as quickly as possible.

Portfolio Manager Paul Dickson, NMB-T, reminded the Committee that NMB-T has had the portfolio since the first quarter of 2013. He discussed the permissibility of municipal bonds. Investments are laddered and reinvested as they mature. Currently the portfolio is approximately 69% securities, 28% agencies and 3% in municipals and cash. The maximum duration is four years however it is expected that most will be called in two years so the duration is actually shorter. The actual yield to call for the portfolio is closer to three years. The yield curve from inception of the portfolio to the present was reviewed.

Treasurer Montoya thanked Sheila Duffy and Paul Dickson for their hard work.

**6. STATUS OF 2014 COLLECTIONS – Larry Polanis, Sandoval County Treasurer's Office**

Polanis reviewed the Tax Schedule Maintenance Report for December 2014. As of December 31, 2014 55.40% of 2014 taxes have been collected. The dollar amount collected in December was \$42,265,129.00. He reviewed the tax collections for 2013, 2012 and 2011. Tax years 2013 and 2012 have not yet gone to the State for collection which means the County keeps the penalty and interest collected. Upon taking office, Treasurer Montoya started a policy of collecting taxes for 2012 and 2013 in January to allow six months to collect the delinquent taxes. The total outstanding taxes, penalty and interest for 2013/2014 delinquent taxes was \$3,694,410.91. Of that amount, \$1,544,071.82 was collected. This is a 42% collection rate.

The total outstanding taxes, penalty and interest for 2012/2013 delinquent taxes was \$3,654,069.63. Of that amount, \$1,471,965.22 was collected. This is a 40% collection rate on only those delinquent accounts that would have gone to the state. There is approximately \$400,000 in penalty and interest on the current delinquent tax collection list.

Treasurer Montoya discussed her strategy for collecting delinquent property taxes. She indicated that the Treasurer's Office is working with the Property Tax Division to maximize collections.

**7. NEXT MEETING DATES – Judi Walker, Sandoval County Treasurer's Office**

Treasurer Montoya reviewed the 2015 dates for the Board of Finance meetings and then reviewed the tentative dates for the STIC meetings. The next STIC meeting will be held on Tuesday, April 14, 2015 at 4:00 pm.

**8. NEW BUSINESS**

**9. ADJOURN**--Motion was made to adjourn at 5:04 pm by Kruzich; Second by Polanis; All in Favor; Motion Carried.