

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

## **REGULAR MEETING MINUTES**

3<sup>rd</sup> Floor Conference Room – Sandoval County Administration Building

Wednesday, July 31, 2019 - 4:00pm – 5:00pm

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

Meeting was called to order at 4:01 PM.

#### **Present:**

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

Laura M. Montoya, County Treasurer  
Katherine Bruch, County Commission  
Cassandra Herrera, Director of Finance  
Christopher Daniel, Community Member  
David Heil, County Commission  
Dianne Maes, County Manager  
Jennifer Taylor, Deputy Treasurer  
Larry Polanis, STO Treasury Controller  
Robert Bidal, Community Member

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

Holly Aguilar, Treasurer's Office

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

Mario Martinez, Community Member

##### **Portfolio Manager:**

Deanne Woodring, Government Portfolio Advisors

##### **Other Members of the Public Present:** None.

2. **APPROVAL OF AGENDA** Motion to approve the July 31, 2019 agenda by Dave Heil; Second by Robert Bidal; All in favor; Motion carries.

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

Motion to approve the April 16, 2019 minutes by Robert Bidal, Second by Christopher Daniel. All in favor; Motion carries.

### **4. INTRODUCTION**

Everyone introduced themselves. The Treasurer welcomed everyone and introduced the new Portfolio Manager, Deanne Woodring, with Government Portfolio Advisors (GPA). Ms. Woodring has worked in NM for over 20 years and lives in Portland, OR. GPA's other NM clients include the City of Albuquerque, Albuquerque Public Schools, the State Treasurer's Office and NMFA. She has been a CFA since 1989 and started GPA in 2014. GPA's philosophy is to always empower clients in whatever manner they are providing investment services. Their real focus is liquidity and core management.

### **5. STATUS OF TREASURER'S OFFICE**

Time constraints did not allow Treasurer Montoya to discuss the Status of the Treasurer's Office during this STIC meeting.

## **6. STATUS OF PORTFOLIO MANAGER/COUNTY INVESTMENTS**

A PowerPoint presentation was provided by Deanne Woodring detailing the objectives of the Investment Program and the role of GPA. Ms. Woodring explained that one of the first steps will be to obtain a custodial bank for safekeeping. She advised that the best practice by Government Finance Officers Association (GFOA) is to have an independent bank that holds the securities away from the advisor that the County is in contract with. GPA is currently onboarding the County's current investments by putting them into their system from Wealth Management. Right now the Treasurer has three proposals from Wells Fargo, US Bank and Zions Bank. Ms. Woodring gave her recommendation based on need, price and services. Once the custodial bank is selected, GPA will work on the strategy and find out the purpose of each fund. They are a big benchmark organization which they use to articulate the market and articulate what the portfolio should be doing.

Ms. Woodring went on to introduce the three potential custodial banks that have submitted proposals for services. Wells Fargo's proposal came at a cost of \$10,000.00; US Bank came in at \$7,500.00 minimum fee-.50 basis points on Assets-Transactions included; Zions Bank came in at \$2,000.00 plus transaction and ACH fee, no fee on first 10 transactions-outgoing ACH \$5.00 and wire transfers \$10.00.

Treasurer Montoya added that she had looked into the county's current safe keeper that they use with New Mexico Bank and Trust-Wealth Management, however they were unable to accommodate this service. There were no other banks in NM to choose from. Treasurer Montoya stated that she tried to negotiate with Zions Bank to have the fees waived; however they could not accommodate that. Zions Bank already works well with GPA and will be a lot less costly. The Treasurer stated that the fees will be taken out on a quarterly basis for both GPA and Zions Bank in an effort to save money on the transfer fee.

Ms. Woodring explained how the safekeeping bank will work with the county's bonds and Money Market funds. Both Ms. Woodring and Treasurer Montoya shared what the proposed portfolio structure will look like with investment portfolio. They will be taking all ten of their current investments and will consolidate into four.

Ms. Woodring explained the difference between investment funds, liquidity funds and pooling funds. GPA's onboarding of the county's current investment positions are to reconcile positions from Wealth Management and transfer to the new custodian.

Recent changes in 6-10-10 NMSA allow for more permissible funds: money market mutual funds, supranationals and A1P1 commercial paper. This statute change was drafted by Treasurer Montoya and Christopher Daniel and supported by the Treasurer's Affiliate, NMC, city of Albuquerque and Santa Fe. GPA is comfortable working with these products. Review of maturity, risk and constraints will also need to be reviewed within the investment policy.

Ms. Woodring reviewed the fund analysis report with the committee and clarified that there may be more money that may be included in the county pooled fund for investments but is not certain exactly how much. GPA would like to ensure that the county is optimizing the opportunity to invest this money. She also stated that using benchmarks is key in maintaining discipline and communicating why the portfolio is positioned the way it is.

GPA is currently working on getting all of their portfolios neutral to slightly longer benchmarks because the trend and all the numbers seen in the markets are looking recessionary in 2020. The committee then reviewed the reported income for Fiscal Year 2019 and had some discussion.

Treasurer Montoya and Ms. Woodring then went over the county's earnings from all the investment accounts. She also stated that the county will be paying GPA and the new custodial bank on a quarterly basis and both will be separate line items on the investment statements.

Ms. Woodring concluded that the action items currently in place are the custodial bank and the transfer of the securities. She also stated that she will be present at the next Sandoval County Board of Finance meeting on August 22, 2019.

It was also briefly mentioned that there may be a name change on the current Indigent investment account which will be renamed as HCAP.

#### **7. DISCUSS 2018 COLLECTIONS**

Treasurer Montoya briefly went over the Tax Maintenance Report with the committee. She reported that for the 2018 tax year, the county is currently at 97.03%; the total is 99.24% with first half and second half being completed. She pointed out the State's Property Tax Division (PTD) is currently in the Treasurer's Office working on the next auction. This year, PTD is planning to hold two auctions since last year's auction was very small (94 accounts). The county will get the principal and PTD will get the \$125.00 cost-to-state as well as the interest and penalty. As soon as the first auction is ready, the Treasurer will let the committee know. It will be held in the County Commission Chambers.

The Property Tax Bill will have a delay this tax season due to recent legislation that was passed. Treasurer Montoya stated her office will plan to educate and inform the taxpayers as soon as she receives the approval from PTD to have December 10-January 10 as the deadline date. She stated that the few taxpayers that have provided email addresses will receive this information as soon as it becomes available. The two areas that will be impacted will be Bernalillo and the Village of Corrales. The Treasurer's Office will be doing an outreach in those areas. Some side discussion was made regarding the delay and the plan to ensure that everyone is properly informed.

Larry Polanis also commented in regard to the 2016 collection rate of 99.35%. He stated that this rate is as of June 30<sup>th</sup> which is the final day before the county turns it over to the state. This would indicate the Treasurer's Office gave very little over to the state.

#### **8. NEXT MEETING DATES**

The next STIC meeting dates were not discussed.

#### **9. NEW BUSINESS**

No new business discussed.

#### **10. ADJOURN**

Motion to adjourn made by Chairman Heil. Second by Christopher Daniel. All in favor; Motion carries. Adjourned at 4:59 p.m.