1. CALL TO ORDER
Meeting was called to order at 4:02 PM.

Present:
Committee Members: Treasurer Staff:
Laura M. Montoya, County Treasurer Robert Bidal, Community Member
Kim Johnson, Treasurer’s Office
Jennifer Taylor, Deputy Treasurer
David Heil, County Commissioner
Mary Jo Trujillo, County Finance
Dianne Maes, County Manager
Katherine A. Bruch, County Commissioner

Committee Members Not Present: Portfolio Manager:
Cassandra Herrera, Director of Finance Deanne Woodring, President/Senior, GPA
Christopher Daniel, Community Member
Mario Martinez, Community Member
Robin Hammer, County Attorney
Holly Aguilar, Treasurer’s Office

Other Members of the Public Present: None.

2. APPROVAL OF AGENDA
Motion to approve the October 23, 2019 agenda by Robert Bidal; Second by David Heil; All in favor; Motion carries.

3. APPROVAL OF MINUTES
Motion to approve the July 31st, 2019 minutes by Robert Bidel, Second by David Heil. All in favor; Motion carries.

4. INTRODUCTION
Treasurer Montoya introduced the new Treasurer’s Office Administrative Assistant, Kim Johnson, to the committee.

5. STATUS OF TREASURER’S OFFICE
Treasurer Montoya began by talking about the recent New Mexico Counties Board Meeting. One of the issues that came up at the Legislative Priorities meeting was the Residential PACE program. Treasurer Montoya reported the NMC unanimously supported Assessors and Treasurers in opposing the program. Sunland Park has a commercial program they’re trying to implement with an ordinance that mixes two bills together – one that does improvement district through a bond and the other that they were trying to fix and have the word “residential” removed so that it doesn’t negatively impact the tax bill. The Governor has a directive that solar is going to happen before 2024. Also, in the Revenue Stabilization and Tax Policy Committee hearing as well as the Economic Development meeting taking place in a week, there is a full discussion on solar. Treasurer Montoya is trying to spread awareness and asking for help of those in the committee to spread the word on why this bill is not beneficial to tax payers if it were to be placed on the property tax bill. She stated that the tax bill is a sacred document and this bill creates the risk of tax payers losing their homes within 2.5 years if they don’t pay their tax
bill. Some of these solar companies are targeting the most vulnerable populations in our counties – including low income, people of color and people who don’t speak English as their first language.

Treasurer Montoya went to Doña Ana County for their county commission meeting because the PACE program was on their agenda. They had just received the AG opinion, which very clearly states that the only way to do this bill is through a district. It must then go through a vote, then a bond and then the Commissioners have to decide if they want to front that type of loan, which is essentially a 0% interest because it’s being paid for by the government. This situation could affect the housing market, as stated by Secretary Ben Carson, who has said that the housing market has been negatively impacted, particularly in California.

There is a lobbyist here in New Mexico named Cris Balzano who is attempting to meet with all the Assessors and Treasurers in New Mexico, but had yet to contact Treasurer Montoya. He is attempting to gain support for the solar programs and is working to come up with the legislation to do it. While in Doña Ana County, he and Treasurer Montoya sat down to meet and discuss some of the issues. Mr. Balzano stated that they were going to try to do a constitutional amendment through a house bill, which is not possible – it has to be a joint resolution, but they are trying to make it a constitutional amendment to make personal property exempt (calling it a tax credit, but it would be an exemption) the same way it’s exempt from residential property. Chairman Heil mentioned that solar panels don’t always increase the property value. Treasurer Montoya expanded on that, saying that solar panels are not assessed as value on a home, which is another reason they don’t belong on the tax bill. Treasurer Montoya has asked if possible, that the committee members listen to the Economic Development Committee meeting taking place in one week, as there will be a full discussion on solar. We currently don’t know the name of this bill or initiative, though the one currently being discussed is Residential PACE. It’s important to listen to the meeting because if they’re able to get one of these bills endorsed by the Economic Development Committee, that makes it more difficult because that includes democrats, republicans, house and senate that will hear this idea and possibly run with it. That’s why awareness and discussions are critical right now, so ensure everyone understands the possible repercussions to tax payers if this were to be put on the tax bill.

The other update from the Treasurer’s Office is regarding the upcoming tax bill. The bill is late and will be sent out, hopefully, by December 6, 2019. First half tax season will now be between December 10th and January 10th. This is to try to keep all counties uniform for Tyler Technologies to be able to show the accrued penalty and interest on the 11th of each month. Bernalillo County is the only county out of the 11 negatively impacted by this bill that will not be using these dates for tax season. She has a completely different software system and double the accounts so she had to be delayed even more.

This delay does affect the distribution. Treasurer Montoya reported that she had met with Sandoval County’s schools and hospitals in July to let them know of the delay because they were going through their new fiscal year process and it was important that they knew the disbursements would be later due to this delay. The SF New Mexican contacted several Treasurers and some of the schools, along with Senator Ivey-Soto, who is the sponsor of this bill, which was over 450 pages long. Treasurer Montoya wanted to bring it to the attention of the committee that there were some comments that were negative and particularly directed towards her in the article. It was stated that Treasurer Montoya doesn’t care about schools and that it’s unfortunate that a candidate running for congress would not like the schools. Treasurer Montoya reiterated how false these statements were and that when she first heard about this bill, her initial response was to go to the schools because she knew it would negatively impact their disbursements. The other reason this topic was brought up today was because the Treasurer’s Office is tracking the costs associated with this delay in informing tax payers, as are the other counties. Sandoval County would be posting about the delay in newspapers and on radio, trying to hit all areas, including rural areas and Albuquerque, because a lot of individuals who own property in Rio Rancho live in Albuquerque. Treasurer Montoya is also broadcasting it on the radio, trying to hit the different markets in order to reach as many tax payers as possible. She has also reached out to the public radio stations – all will allow for a Public Service Announcement – the issue is that they’re unable to run it as often as we need. The Treasurer’s Office is also sending emails out to any email address currently listed in Tyler; trying to reach as many people as possible. It will also be mentioned at the commission meetings to let people know “we’re going to be delayed and this is why.” Though, Senator Ivey-Soto stated that we are not required to inform tax payers, which is incorrect; tax payers must be notified 30 days prior to sending out the tax bill, as
part of the Chapter 7 statute. Also, in a previous meeting, Senator Ivey-Soto stated that the state would help to pay these costs that each county was incurring, so Treasurer Montoya is carefully tracking these costs to submit to the state. Currently the amount is at least $10,000 for Sandoval County. There were 11 counties negatively impacted by this bill.

Treasurer Montoya advised the committee that they may be asked by tax payers why Santa Fe County gave out half of their tax bills that weren’t negatively impacted by the bill and then delayed the others. The quick answer to this is: to be fair. It also ensures our calculations are correct. And the other part is delinquency. If Sandoval County staggered our tax bill, it would be more difficult to track the 1% penalty and interest when it’s late in the Tyler system.

In other Treasurer news, there are two new positions open in the Treasurer’s Office that have just been posted. One is the Tax Operations Manager and the other is a Treasury Operations Manager. Essentially, the position previously held by Larry Polanis was has been split into two, and it’s going to take very skilled people to fill these two positions. These positions are also being posted in El Paso, Arizona, and Colorado.

Finally, the audit is almost complete, it’s very close to being done. It all looks very positive.

6. STATUS OF COUNTY INVESTMENTS
Laura M. Montoya, Treasurer; Deanne Woodring, Government Portfolio Advisors

There have been a lot of changes in the county’s investment handling. There is a new portfolio manager Deanne Woodring of Government Portfolio Advisors, and a new safekeeping bank called Zions Bank. The Treasurer’s Office has transferred close to $19 Million to Zions bank within the new fiscal year and has had to reconcile between the custody bank, GPA, NMBt and STO LGIP. The August and September Treasurer’s Report have been delayed due to these changes.

Deanne Woodring presented first on market conditions. As seen in the news, the Fed is losing rates and interest rates are decreasing rapidly. Government Portfolio Advisors (GPA) is working to get the portfolio structures built. The goal is to invest – and though the rates will be slightly lower than what we’re currently seeing because of the current market, and Sandoval County’s funds have performed well because most of the money has been parked in the Local Government Investment pool (LGIP), which has a good earning rate. We are likely to see a high probability of a recession which is due to the yield curve invert. What’s expected is lower rates. The primary goal with Sandoval County’s money is to get as invested as possible and optimized within the portfolios and then hold that course.

The other topic is strategies for each of the portfolios. The Cash Management account, HCAP (changed from Indigent) Economic Development Incentive Funds are earning really well. There is currently a zero balance in the General Fund account because everything in the General Fund account was moved to Zions Bank under Cash Management. HCAP is now under the Sandoval County Cash Management account and the Economic Development Incentive Fund is still separate. There is currently a lot of money in Economic Development in LGIP. This is because Sandoval County didn’t have a portfolio manager that could invest when the funds matured from Wealth Management. Now GPA and Treasurer Montoya are working on a strategy to decide the amount of funds that need to stay in the account for liquidity and then withdraw the rest to invest in order to diversify with more return.

The AMI Kids Fund has stayed separate, even though its total is $95,000. However, these are not the final numbers as September is still being reconciled. There is more money in the General Fund account that can be invested. Once the Director of Finance finishes up the audit on her end, the Portfolio Manager will review to see what can be invested – even short term – to assist with the General Fund. The shortest investment that can be made is 1 day.

County Manager Maes asked if the full payroll could be reviewed to see if there is money available to invest. Mrs. Woodring stated that this is a different strategy called a “cash match strategy” and if she knows all the payrolls for the year, then GPA is able to go out and cash match payroll, debt service, etc., but this would be another portfolio because it is a separate strategy from those currently in place.
Treasurer Montoya said there was a different strategy used last year, which helped make additional funds for the County, and she is hoping the banks will allow her to do it again this year. The delay of the tax bill could cause an issue, however, so that will be looked into.

GPA Risk Perspective: The strategy here is to watch for maturity of Sandoval County assets and what is being purchased. It's important to keep an eye on the maturity dates to ensure money is not being lost.

7. DISCUSS 2018 COLLECTIONS AND AUDIT
LAURA M. MONTOYA, TREASURER
The tax maintenance report shows that the Treasurer’s Office is at 99.35% for collections. There is one more month to find out what the total percentage is going to be; last year it was 99.37% so the hope is to surpass that number. Every year the Treasurer’s Office has increased the collection rate even though the tax roll has also gone up every year.

8. NEXT MEETING DATES
SAN DOVAL COUNTY TREASURER’S OFFICE
The next meeting will take place the last week in January, the actual date is still being determined. Treasurer Montoya will follow up with possible dates to set the next STIC meeting.

9. NEW BUSINESS
None to report

10. ADJORN
Motion to adjourn made by Mr. Bidal. Second by Commissioner Bruch. All in favor; Motion carries. Adjourned at 5:09 p.m.