

SANDOVAL TREASURER'S INVESTMENT COMMITTEE (STIC)

REGULAR MEETING MINUTES

2nd Floor Training Room – Sandoval County Administration Building

Tuesday, October 17, 2017 - 4:00pm – 5:00pm

1. CALL TO ORDER

Meeting was called to order at 4:00 PM.

Present:

Committee Members:

Laura M. Montoya, County Treasurer
Linda P. Gallegos, Deputy Treasurer
David Heil, County Commissioner
Mario Martinez, Community Member
Larry Polanis, STO Treasury Controller

Treasurer Staff:

Victoria Romero, Treasurer's Office

Committee Members Not Present:

Don Chapman, County Commissioner
Christopher Daniel, Community Member
Cassandra Herrera, Director of Finance
Dianne Maes, County Manager

Portfolio Manager:

Paul Dickson, Vice President-Portfolio Manager, NMBT Wealth Management

Other Members of the Public Present: None.

2. APPROVAL OF AGENDA

Motion to approve the October 17, 2017 agenda, as amended, by Polanis; Second by Heil; All in favor; Motion carries.

3. APPROVAL OF MINUTES

Motion to approve the July 18, 2017 minutes by Gallegos, Second by Polanis. All in favor; Motion carries.

4. INTRODUCTION

It was noted that County Manager Dianne Maes asked to meet with the Treasurer on Monday to review this meeting as she is out of town for a family funeral.

5. STATUS OF COUNTY INVESTMENTS

Laura M. Montoya, Treasurer; Paul Dickson, NMB-T Wealth Management

An overview of the accounts and a review of strategy were presented by Mr. Dickson. The strategy is closely aligned with the Investment Policy objectives: Preservation of Capital and Liquidity. Yield is a secondary concern. Yield to Maturity of the total portfolio is approximately 1.6%. Some of the bonds in the 4+ year maturity are expected to be called within 2 years. The county may want to maintain a short profile. The CD market is still tight and cannot be sold without a penalty. The county

may want to put the amounts coming due in Zero Coupons into T-Bills or the Federal Money Market Fund. Fannie Mae is likely to call their bond at the end of this month.

In advance of the election and the rate hike of the Federal Reserve, we allowed the portfolio to shorten and reinvested recent maturities, interest payments and called bonds into a US Treasury Money Market. It was advised by Commissioner Heil that we may want to keep the AMI Kids Bond short term for now, perhaps until the next Federal Reserve Chair. It is also uncertain if there will be an interest hike in December or not. Again, all reasons to stay short.

The yield curve was discussed. The yield curve has moved significantly higher over recent months and the short end is higher than any period since middle 2008. We are limited to no more than 8 years final maturity to protect the portfolios from exaggerated price movements on changes in interest rates. Constant maturities allow for continual reinvestments at hopefully higher rates over time. We have been able to re-invest and make money with short investments. It was suggested to consider investing in more Step Coupon Bonds.

6. STATUS OF 2016 COLLECTIONS—Larry Polanis, Sandoval Treasurer’s Office

Larry reviewed the Tax Maintenance Report. Larry also discussed Gross Receipts. We are on target with last year, with insignificant increases or decreases. The operation of producing the tax bill was covered, stressing that it is not just a print job and that Automated Elections also double checks figures to confirm accuracy in the data placed on the tax bill.

7. STATUS OF THE TREASURER’S OFFICE – Laura M. Montoya, Treasurer

Treasurer Montoya discussed opening a new bank account labeled Economic Development. There will be one account and it can have 2 line items. The account is a separate bank account from General Fund and the signors on the account will be Commissioner Heil and Commissioner Eichwald.

The Treasurer explained the updated cash handling procedure that will be used for the entire county and anyone that handles deposits on behalf of the county. This will assist with best accounting standards for audit purposes and will be in line with the county manager’s initiative to have Standard Operating Procedures for roles and responsibilities that affect the county as a whole. The auditor, county banks, legal counsel, county directors and staff that work directly with deposits are going to be visited and included in the process.

The Treasurer may add a line item for the courier expense. Treasurer Montoya stated that the bank accounts are reviewed every morning and that Commissioners are always welcome to see bank statements. Also, the summary page of the investment accounts are included in the Treasurer’s Report as a courtesy and to promote transparency. The Treasurer’s Report is sent monthly to the committee, commissioners and the county manager. The abbreviated version (without investment information) is sent to all county elected officials, directors and their designees. There is still a concern that NMFA is not getting NMFA statements to the Treasurer’s Office in a timely manner.

Treasurer Montoya reviewed the Investment Accounts Summary and Investment Fee Report. She explained the reduction in fees since 2013.

The 2017 state auction took place on August 29th. There were a total of 31 accounts paid in full before the auction; 27 accounts removed by Property Tax Division before the auction; 35 no bids and 64 accounts auctioned totaling \$206,650 with an overall total of \$276,900.

8. **NEXT MEETING DATES – Laura M. Montoya, Treasurer**

The next STIC meeting will be in January but has not been scheduled yet. We expect that it will be in the 2nd Floor Training Room of the County Administration Building.

The commission always approves the county calendar which includes the Board of Finance meetings during their first meeting in January. The Treasurer is expected to request for the second Thursday commission meeting of the months of February, May, August and November. This assists with less interference with other job duties such as legislative session, audit and tax season.

9. **NEW BUSINESS** – The next Board of Finance meeting is Thursday, November 16, 2017.

10. **ADJOURN** – Meeting adjourned at 5:09 PM.