



## SANDOVAL COUNTY INVESTMENT COMMITTEE (SCIC)

### REGULAR MEETING MINUTES

Commission Chambers – Sandoval County Administration Building

July 26, 2022 –3:00-4:00PM

**Due to the Coronavirus (COVID-19) Emergency declared by Governor Michelle Lujan Grisham and the limit on the maximum number of persons gathering, except for essential functions, the Sandoval Treasurer Investment Committee Meeting was closed to the public. The meeting was made available via WebEx for committee members.**

#### 1. CALL TO ORDER

Meeting was called to order at 3:09 PM. Roll Call:

##### Present:

##### Committee Members:

Jennifer A. Taylor, County Treasurer  
Jessica McParlin, Deputy Treasurer  
Holly Aguilar, Treasury Operations Manager  
Cassandra Herrera, Director of Finance\*  
Kelly Wainwright, Community Member  
Christopher Daniel, Community Member  
Katherine Bruch, County Commission\*  
David Heil, Vice Chairman  
Wayne Johnson, County Manager

Robert Bidal, Community member\*

##### Treasurer's Staff:

Orlando A Jacquez, Senior Administrative Assistant

##### Portfolio Manager:

Deanne Woodring, Government Portfolio Advisors

Garrett Cudahey, Government Portfolio Advisors

Rashad Masari, Government Portfolio Advisors

##### Committee Members Not Present:

**\*Appeared Virtually**

**2. APPROVAL OF AGENDA** Motion to approve the July 27<sup>th</sup>, 2022 agenda by Vice Chairman Heil; Second by County Manger Johnson; all in favor via roll call vote; Motion carries.

**3. APPROVAL OF MINUTES** Motion to approve the April 26<sup>th</sup>, 2022 minutes by County Manager Johnson; Second by Vice Chair Heil. All in favor via roll call vote; Motion carries.

#### 4. STATUS OF THE TREASURER'S OFFICE

Treasurer Taylor advised the committee that the 2022 Tax bills need to be ordered early to meet the November 1<sup>st</sup> deadline due to a paper shortage. State Statute allows the Treasurer to extend the current contract until the new year to ensure tax bills are sent out by the November 1<sup>st</sup> deadline. The Treasurer has drafted an amendment with the extension and will have it filed with the County Clerk.

The 2022 annual audit is under way by Hinkle and Landers and the Treasury team is working to get everything ready. The Ten year report will begin in the next week as it is a lengthy process.

The 2022 Annual NACo Conference took place in July and which Treasurer Taylor and Deputy Treasurer McParlin had the privilege to attend. It was both beneficial and specifically helpful to our county. The Finance, Pension and Inter-governmental Affairs Committee met and discussed how the recession could affect investments. There was also discussion on what can be done to protect election workers in future elections. There was a workshop on how to become an employer of choice which informed the attendees that there are less people working for the public sector now than in 2020. Public is competing with private, and it is a nationwide issue to retain talent. The County needs to discuss how to battle this issue. Treasurer Taylor also stated that she was a voting delegate for the county, which was a new experience and honor.

The current New Mexico Bank & Trust balances are \$54.9 Million in General Fund, \$1.7 million in the Tax Payment account and the total for all funds is at \$70.3 Million.

Deputy Treasurer McParlin reviewed the delinquent list that was sent to the NM Property Tax Division with the \$125 Cost to state fee assessed. In total, there are 1,646 accounts on this list with an amount due, including penalties and interest, totaling \$1.5 Million.

The Second half property tax collection was completed and Deputy McParlin explained the methods of payment and amounts collected. Web payments were at \$2.9 Million and Point of Sale (POS) payments were at \$190,000.

Batch payments are increasing. Mortgage, escrow, and title companies are submitting payments. The total amount collected through this method is \$76.4 Million. Which was an upwards trend that was predicted the year before. This information was questioned by Chairman Heil who wanted to know how it is related to the total. The Deputy Treasurer replied that it is the total collected for second half. The Chairman asked how that percentage relates to the total amount and then requested that this information be presented during that portion of the next SCIC meeting .

Deputy McParlin reported the agenda for the Treasurer's Office, which includes an upcoming audit and the compiling of the 10-year report, as well as the tools needed and timeframe. The Deputy Treasurer thanked the County Manager and IT for loaning our office the monopod from the lobby to collaborate and cross train.

The Deputy Treasurer introduced Holly Aguilar, Treasury Operations Manager to report the Tax Maintenance Schedule .

Holly Aguilar begins with the Tax Maintenance report. With the close of the second half of the tax season, the Treasurer's Office collected \$139.8 Million of the tax roll. The collection rate for the tax roll was 96.88% which brought the 10-year collection rate to 99.22%. This is "spot on" when compared to the last 5 years. Ms. Aguilar pivots to the Gross Receipts Tax, a total of \$17.2 million have arrived for the fiscal year. LEDA designated the amounts for Intel that began arriving in December 2021. The amounts had to be deciphered through meetings with New Mexico Taxation and Revenue Department, New Mexico Economic Development Department, Sandoval County Treasurer's Office, and The Finance Department in May 2022. The money is being intercepted by New Mexico Economic Development and is then sent to the Treasurer's Office every quarter. The first five months of this intercept resulted in incorrect amounts being sent to the Treasurer's Office. The correction of this resulted in a total of \$142,000 being overpaid to Intel. The funds will be deducted from future awards, which will be determined by County Manager Johnson and/or Rob Burpo.

At the end of the 2021 – 2022 fiscal year, the county debt is at \$50.6 Million. There is an understanding that some of the debt will be paid off in the near future.

## **5. STATUS OF COUNTY INVESTMENTS**

Treasurer Taylor introduced the Status of the Treasurer's Office and hands it back over to the Treasury Operations Manager to go through the investment summary. Holly Aguilar reported that the county received the second tranch of ARPA funds in June. It bought the county cash balances near to

collateralized amounts. Working with the County Manager and the Finance Director, Cassandra Herrera, Treasurer Taylor was able to move \$13.2 Million into investments. This brought the total investments to \$49.4 Million. The investments are laddered at a 0 to 5 years maturity. With a little notice, Treasurer Taylor can transfer matured amounts back to cash amounts for use quickly.

Ms. Aguilar then introduced Deanne Woodring with Government Portfolio Advisors. Deanne let the committee know that she comes through regularly and hopes to meet in person more often. The market is volatile, but the county has been adapting and moving through positively. At the beginning of June 2021, ? were up .15 and there were discussions about trust balances being at 3.5, and that really helped a lot. The quarter ended at 2.95 and have been up as high as 3.25 on the Two Year Note . There hasn't been a dramatic of an increase and acceleration in history. It has been a challenging market on a total return of performance as it began at a low interest rate environment to being up 300 basis points. The work that is happening now is to prepare the core liquidity and making it holistic so that maturities can be pulled back and made liquid if the event arises. Going into this type of market the way the county is will be beneficial. The market is projected to go higher and the FED was being cautious until inflation came in. The county was able to make movement, even though the FED came up, as the county is already active in a higher rate environment. Getting out of short money and moving into the intermediate area is going to benefit. If inflations continues the county should be in a good position by getting more invested in the portfolio. All numbers are showing that the projection is not going higher, which does not mean they will go higher, however, it looks like things will settle off which would be a good thing. We see the Two Year Note move up and down by 120 basis points a day which is unusual. A great move made by the Treasurer's Office was the decision of where to put the invested money and how to deploy it. Overall, the county has \$47 Million invested with \$65 Million in liquid assets. There probably will not be any changes in the county's investment policy at this time as it was updated in a good way last year. There is a healthy base for the overall portfolio which is ending at \$112 Million. There is going to be a jump in the trend when the tax receipts come in. When reporting began in October 2021, the portfolios were at .57 and now they're up to .87. Any additional cash that can be added to this will make a difference.

Mr. Christopher Daniel asked if it is necessary to have \$56 Million in liquid assets or if those funds can be moved into investments. The Treasury Operations Manager, Holly Aguilar, stated that it has not been possible to move any of the liquid assets at this time, however, it will be possible after further conversations.

Treasurer Taylor stated that where the county is at the moment with their investments is wonderful and celebrates the partnership with GPA. The collection rates for the county is at the highest it has ever been. Treasurer Taylor then requested a motion to adjourn.

**6. ADJOURN** Motion by Vice Chairman Heil, second by County Manager Johnson: Meeting Adjourned by Treasurer Taylor.