



SANDOVAL COUNTY INVESTMENT COMMITTEE (SCIC) REGULAR MEETING MINUTES

Commission Chambers – Sandoval County Administration Building
February 4, 2025 3:00 PM – 4:00 PM

1. CALL TO ORDER

Meeting was called to order at 3:00 PM. Roll Call:

Present:

Committee Members:

Jennifer A. Taylor, County Treasurer
Jessica McParlin, Deputy Treasurer
Holly Aguilar, Treasury Operations Manager
Kelly Wainwright, Community Member
Robert Bidal, Community Member
David Heil, County Commission Chairman
Christopher Daniel, Community Member
Wayne Johnson, County Manager
Katherine Burch, County Commissioner
Cassandra Herrera, Finance Director

Treasurer's Staff:

Orlando A. Jacquez, Senior Administrative Assistant

NMB&T/UMB Representative:

Melanie Velasquez, President and CEO
Tyler Sisneros, Treasury Management Officer and Team Lead

Portfolio Manager:

Deanne Woodring, Government Portfolio Advisors
Frank McDonnell, Government Portfolio Advisors

Committee Members Not Present:

Michael Meek, Commission Chairman

2. APPROVAL OF AGENDA

Motion to approve the February 4, 2025 agenda by Commissioner Katherine Burch; Second by Community Member Robert Bidal; All in favor via roll call vote; Motion carries.

3. APPROVAL OF MINUTES

Motion to approve the October 23, 2025 minutes by Community Member Kelly Wainwright; Second by Commissioner Katherine Burch. All in favor via roll call vote; Motion carries.

4. STATUS OF THE TREASURER'S OFFICE

Staffing

Treasurer Taylor began the presentation with the status of the Treasurer's Office. Long term employee, Annette Chavez, Treasury & Collections Supervisor, retired after 40 years of service. An internal candidate was selected and a start of February 3, 2025 was scheduled. Josephine Romero, Accounting Specialist, Senior, was selected to become Treasury & Collections Supervisor. Her employment with the county has been more than 20 years. The Accounting Specialist Senior position was posted to the website. A Tax Researcher position has been open since August 2024 was filled recently. The new Tax Researcher, Debby Trimarchi was scheduled to begin February 17, 2025.

Junior County Treasurers - 2024

The 2024 Junior County Treasurers presented their mock Board of Finance meeting on February 10, 2025 at 5:00PM. The meeting was open and members of the public and all commissioners are invited to attend. Mario Templeton attended the Legislative Opening Session with Treasurer Taylor and Deputy Treasurer McParlin on January 21, 2025.

1st Half Delinquent Taxes

2024 First Half Tax Collections concluded, and payments made through the mail were still being processed by the Treasurer's staff. There were approximately 8,000 delinquent accounts based off of the 2024 collection data. Tax Researchers continued to work diligently in an effort to contact all taxpayers with a goal of decreasing the number of delinquent accounts. Friendly reminders were scheduled to be mailed in March and an SMS message to remind taxpayers of the second half of taxes is scheduled to be sent April 7, 2025. There were no questions.

House Bill 47

House Bill 47 was introduced and will directly impact not only Sandoval County, but all 33 counties in the State of New Mexico. The bill, introduced by Art de la Cruz, was in regards to veterans' full exemptions. Voters approved it in November and would change the veterans' exemption from \$4,000 to \$10,000 beginning tax year 2025. It would also change the amount of exemption that disabled veterans receive based on their percentage of disability. The bill was heard January 29, 2025 in the House Government, Elections, and Indian Affairs Committee. It received a "do not pass" but a "do pass recommendation with committee substitution." The bill was included in packets given to Sandoval County Investment Committee members. The bill was scheduled to go before the house tax and revenue committee on Wednesday, February 5, 2025 at 10:30 AM. The effects of this bill may have an impact on the revenue of the county.

Commissioner Bruch questioned the timing of the bill. The language said it will be going into effect in 2025, while other language said 2026. If this is the case, then tax roll changes will have to be made in order to accommodate the bill. There were no other questions.

Letter of Credit / Bank Balances

Letter of credit, as part of the collateralization requirement by the State of New Mexico, was issued February 1, 2025 in the amount of \$100,000,000 as the \$135,000,000 expired on January 31, 2025. If during the second half of tax season, the amount collected reaches \$100,000,000, the treasurer can request an increase in the amount from the bank representatives. The Treasurer presented the bank balances. There was a total of \$61.3 million at NMB&T, (\$47.8 million in the general fund and \$2.7 million in the tax payment account.) Wells Fargo had a total of \$45,660.40, Jemez Valley Credit Union had \$149,513.94, and Century Bank had \$7.5 million. There were no questions.

Tax Collections

Chief Deputy Treasurer Jessica McParlin presented information that pertained to the first half collection of 2024 taxes. The first slide showed batch payments that were processed. Next

showed batch payments are from mortgage, escrow companies, tax lien services, and taxpayers with many accounts. \$47.2 million was collected. The next slide showed \$35.4 million collected in office. WEB and point of sale transactions collected \$14.8 million. NMB&T Lockbox collected \$18.9 million. Tax Researcher Alberto Chaidez collected approximately \$135,000 through the outreach program. Collecting at libraries instead of senior centers was more effective. There were no questions.

Tax Maintenance Schedule / GRT

Treasury Operations Manager, Holly Aguilar presented the Tax Maintenance Schedule. 58.44% of the 2024 taxes were collected. More than \$84 million was collected and there is \$80.6 million left to collect which took the 10-year collection rate to 93.80%. There were no questions.

\$6.6 million was collected in Gross Receipts Tax during the second quarter of the fiscal year. That was \$1.2 million more than fiscal year 22-23 and \$609,000 less than fiscal year 23-24. The decline was due to LEDA revenue, which was a slowing in the Intel LEDA project. There were no questions.

NMB&T / UMB Merger Update

The county was advised of NMB&T's merger with UMB in April 2024. Legal day 1 was on February 1, 2025 and NMB&T is officially a division of UMB bank. October 2025 is the target date for complete conversion. The name of the bank will change, but the bank teams will remain the same. NMB&T has always been a Net Depositor for Heartland Financial. As of 12/31/24 NMB&T holds \$2.4 billion in deposits. All of the locations and branches will remain open and more staff will be added. Ms. Velasquez emphasized the influence of public funds and deposits at NMB&T. It is unique compared to other UMB markets. A business plan was created for a more comprehensive approach to working with public funds. \$540 million is deposited in public funds. A Liquidity Specialist Team was built for managing day to day fiduciary responsibilities and collateral requirements. Will advocate for any FED rate changes and focus on treasury management services, making sure that all dollars are working for the county and protecting against fraud. Ms. Velasquez introduced Tyler Sisneros who has a background in public funds and municipalities. Mr. Sisneros shared his background and commitment have a local team of experts to work for Sandoval County. He will be the direct contact for any questions. Ms. Velasquez praised her team and personally participated in lockbox processing. As a regional bank, there will sit about \$64 billion in assets, which will allow for working with large as well as small business. There were no questions.

5. STATUS OF COUNTY INVESTMENTS

Interest Earned NMB&T Accounts

Treasurer Taylor presented the status of the County accounts at NMB&T over the past calendar year. A total of \$2.8 million in interest was earned, from January to March of 2024 and the rate was 4.25%, then from March onward it was 4.5%, then due to the FED rate drop in September, it dropped to 4.25% followed by another drop. The most recent rate was 3.75%. According to the current contract, the rate cannot drop below 3.5%.

Intragovernmental Loan

Financial advisor, Rob Burpo, asked that the county issue small, intragovernmental loans, less than \$1 million, as a way for the county to borrow its own money to pay off other debt. Finance Director, Cassandra Herrera, would determine where this money would come from. Any line item would be an interest-bearing account. The Treasurer's Office would be responsible for setting the rate at which the loans are paid back. Portfolio manager, Deanne Woodring, recommended leaving the interest at a bank level. Further discussion is needed to ensure that a loss is not incurred. The floor was opened to discussion. Committee member Chris Daniels commented that the city of Albuquerque did not have an intragovernmental loan. He then asked about the interest rate of 3.75% and if it was on deposits and earning credit rate. Ms. Velasquez informed him that it is on interest bearing accounts, the earnings credit allowance is at .75%. There are no other questions.

Investments

Holly Aguilar presented the investment summary report. There was \$3.2 million invested in LGIPs, \$70 million invested at Zion's, and \$535,000 in a CD at NMB&T. The CD was earning 4.25% in interest and matures on April 14, 2025. \$1 million in ARPA money was moved out of cash matched account and back to general fund. All ARPA funds were incumbered and spending has begun. Mr. Daniels questioned to clarify that Zion's was the custodial bank and that they are the funds that Government Portfolio Advisors (GPA) advised on. There are no other questions.

GPA Investment Presentation

Deanne Woodring of GPA introduced Frank McDonnell. Mr. McDonnell walked the committee through the quarterly investment report as of December 31, 2024. He presented a market overview. The compliance report showed that GPA is compliant in all categories. The overall allocation by asset class was reviewed. There were just under \$100 million in total assets with \$46 million in cash and cash equivalents and \$63.5 million in investments. The book yield was 3.85%. The goal was to get as close to 5% as possible. There was not been much change in the asset allocation over the last quarter. The total portfolio book yield decreased from 3.72 to 3.845. The total portfolio unrealized loss ended the quarter at -\$664,539. The strategy of GPA was to look at the yield trends, that have remained relatively unchanged since September 2024. Cash Core and Cash Liquidity are where the most changes happened. 56.22% of the reported portfolio was liquid. The rest was spread out. The spread was positive and what GPA would like to see. The Cash Core account is where duration can be taken advantage of, with a 2.26% maturity. Historically, going back to December 2023, the balance was more or less constant, beginning with \$102.6 million and finishing at \$104.1 million with a peak in June 2024 of \$119.1 million. The Cash Core account trailed the benchmark throughout the year. The difference can be explained by when the cash went into the account and when it was deployed. The expectation was to normalize in the first quarter. The Economic Development portfolio is smaller, with \$1.5 million in cash and cash equivalents and \$3.4 million in investments, book yield 4.16. The historical trend started again in December 2023 at \$4.3 million and finished December 2024 at

\$5.0 million, peaking in June 2024 at \$5.2 million. There was a steady increase in book yield, starting at 2.91% and ending at 4.16%. The Holding Report, which was put in place for disclosure reasons, was included for the committee to review. Mr. McDonnell opened the floor to questions. Mr. Daniels had a question about including different sectors that can be accessed through mutual funds or index funds. Mr. McDonnell said that those options are viable based on other clients in New Mexico and something that was constantly being considered. With the current size of the portfolio, the goal was to find the balance between the investment core and liquidity. Secondly, in terms of value, spread assets and risk assets were being priced aggressively and there was a healthy appetite for those kinds of assets. It was not the best time to get involved. It is, however, always a consideration. Treasurer Taylor stated that she has discussed this with Deanne in the past, and it was advised that the option was not in the best interest of the County. The review of the Investment Policy is scheduled to be discussed in April. There were no more questions.

6. ADJOURN

Treasurer Taylor asked for a motion to adjourn. Motion made by County Manager Wayne Johnson, Seconded by Commissioner Katherine Burch.