

# SANDOVAL TREASURER'S INVESTMENT COMMITTEE (STIC)

## REGULAR MEETING MINUTES

2<sup>nd</sup> Floor Training Room – Sandoval County Administration Building

July 28, 2015

### 1. CALL TO ORDER

Meeting was called to order at 4:00 PM.

#### **Present:**

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

Laura M. Montoya, County Treasurer  
Larry Polanis, STO Treasury Controller  
James Dominguez, County Commissioner  
Joe "Skip" Kruzich, Community Member  
Mario X. Martinez, Community Member  
Cassandra Herrera, Finance Director (on behalf of Phil Rios, County Manager)

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

Judi Walker, STO Deputy Treasurer

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

Christopher Daniel, Community Member  
Don Chapman, County Commissioner

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

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

##### **Other Members of the Public Present:**

Rob Burpo

### 2. APPROVAL OF AGENDA

Motion to approve the July 28, 2015 agenda, amend the minutes to correct the date by Kruzich; Second by Herrera; All in favor; Motion carries.

### 3. APPROVAL OF MINUTES

Motion to approve the April 14, 2015 regular meeting minutes by Polanis; Second by Kruzich; All in Favor; Motion carries.

### 4. STATUS OF THE TREASURER'S OFFICE–Laura M. Montoya, Treasurer

**Bonds** – There are four bond payments coming up for a total of \$2.4 million for 2011, 2012, 2013 and 2015 GO Bonds. Once these are paid there will be approximately \$1,000,000 in the GO Debt Service. There will be additional payments in the coming weeks to the revenue account. STO has been working on arbitrage issues with Bingham.

**Training** – One staff member graduated in June with her Treasury Certification during the NMAC annual conference. There are several staff who will be taking classes in September. The STO is doing RAP training each Wednesday at 9am. This assists with risk management training. Treasurer Montoya reported that she is participating in the Star 12 classes for leadership and management development.

**Conferences** – NACo Annual Conference was last month. Treasurer Montoya was appointed by the NACo president as Vice Chair of the Finance Policy and Intergovernmental Affairs committee. She was Vice Chair of one of the five sub committees last year (Finance, Pensions and Intergovernmental Affairs). As the sub-committee met, there were 6 resolutions, one of which was cross-jurisdictional. The Voting System Guidelines was defeated and the NACo Board tabled the Home Rule Resolution until the Legislative Conference. Another resolution was considered from Transportation on the Bridge to Sustainable Infrastructure Act the Transportation Committee defeated that one because they felt current NACo policy was enough to offer support for the bill. She continues as Treasurer of Next Generation which completed a community service project at a domestic violence shelter in North Carolina.

**Tax Season** – STO is spring cleaning and updating our records; filing what needs to be filed and placed in the basement; proofing the tax bill in preparation for tax season. The Tax Roll will be received in October from the Assessor's office. A tax researcher was hired and will start August 3<sup>rd</sup>. Senior Outreach, Lockbox and Batch Payments haven't changed since the last meeting.

**Data** – Treasurer Montoya reviewed data from the STO. There were no auctions this quarter; a total of \$395,525.00 was collected for 368 properties. The Cost to State has been completed for fiscal year 2014-2015 and that total was \$351,000. Two years ago it was \$759,000. Point of Sale (POS) has a total of \$2.4 million. There are 560 tax roll changes that have been processed this tax year which is lower than previous years.

**Audit** – Larry Polanis and the Finance Director have been working on audit requirements as well as DFA requirements. Treasurer Montoya reviewed the Debt Schedule, 4<sup>th</sup> Quarter Report and the Sandoval County Debt Levy worksheet. STO has turned in our CD to the auditor. STO has completed the monthly report, is close to completing the quarterly report and 10-Year report. External audit requests are being received. The internal procedures report, miscellaneous receipts, tax documentation and a CD has been given to the auditor which includes everything except the 10-Year report. Banking and investment accounts are fully collateralized. DFA has asked for the tax maintenance report and the debt service worksheets. There are two federal quarterly reports that are due.

**Special Assessments (PID/TIDD) and Traunches** – Treasurer Montoya had a productive meeting with the county manager, the mayor and city manager of Rio Rancho, legal, PID representatives, the Assessor's office, and two of our commissioners. All agreed that there needs to be some changes made. The City of Rio Rancho has committed to adding the Treasurer and Assessor in the ordinance as far as speaking to them first before implementation of any new PID/TIDD. We will draft legislation to revise during the 2017 Legislative Session. NMAC Treasurer's Affiliate has supported a resolution for this issue.

**Legislation** – Treasurer Montoya discussed legislation regarding brokered CDs. New legislation has demanded that audits be completed by November 1<sup>st</sup> instead of November 15<sup>th</sup>. []

**5. STATUS OF COUNTY INVESTMENTS – Laura M. Montoya, Treasurer;  
Paul Dickson, NMBT Wealth Management**

Treasurer Montoya stated there is still no change to the Investment Policy to report from the last quarter meeting. It is with the County's financial advisor for review.

Public Trust Advisors notified Treasurer Montoya in writing that they are declining to extend their contract. However, they did agree to a 60 day extension until assets can be transferred to New Mexico Bank and Trust, Wealth Advisory Services.

- The Treasurer wanted confirmation from legal that they comply with the new Dodd Frank Act requirements.
- NMBT legal sent their legal opinion which verifies/agrees they can maintain the portfolio.
- NMBT has submitted a signed legal opinion from their counsel Dorsey and Whitney which states that NMBT is not subject to the recently enacted provisions of the Dodd-Frank Act.

Cassandra Herrera questioned whether or not transferring the funds from PTA to NMBT is allowed under the contract currently in effect with NMBT or will there need to be an RFP. Treasurer Montoya stated that an RFP is not needed because of the contract in place with NMBT and verified with the County Manager.

Paul Dickson reported that the portfolio can be transferred easily. Documents reopening accounts will be signed on Friday, July 31<sup>st</sup>.

Treasurer Montoya presented the investment summary handout and the portfolio currently under from Public Trust Advisors. The portfolio is in compliance. Liquidated positions were invested in treasuries between one and three years. Treasurer Montoya wanted to have this presentation to verify the assets prior to being transferred to NMBT. Clearwater Analytics will still be available for reconciliation until the accounts with PTA are closed.

- Allowable securities according to the County's investment policy are US Treasury Securities, US Agency Securities, NM Municipal Securities, CDs which the county doesn't currently invest in and Local Government Investment Pool (LGIP) in which the county does not participate.
- The Maturity/Duration Limits are stated final maturity of 8 years, the maximum Weighted Average Maturity (WAM) is 5 years, maximum Duration is 5 years and matches cash flow needs.

Paul Dickson discussed the NMBT portfolio. There have been some calls and reinvestments. The combined portfolio is about 60% treasuries, 39% agencies and a couple of small New Mexico municipal bonds. The cash is approximately .5%. Most of the securities in the profile are callable which are expected to be called before the maturity date. 40% is up to 2 years, 20% is 2-3 years and 24% 3-4 years. There has been a big change in the yield curve between when the accounts were opened and current. When the accounts were opened the yield was .8% and it's now 1.3%. Mario Martinez asked if Paul Dickson expected any transition problems of assets being transferred from PTA. Paul Dickson responded that he didn't expect any problems and NMBT will allow the ladder from PTA to roll down. Once all assets have been transferred NMBT and the Treasurer will look at them and decide how best to proceed.

## **6. STATUS OF 2014 COLLECTIONS – Larry Polanis, Sandoval County Treasurer's Office**

Treasurer Montoya stated that in January the tax report was run to show how many accounts will be turned over to Property Tax Division (PTD) in July if the staff doesn't work them.

	<b>2015</b>	Dollar Amount	<b>2014</b>	Dollar Amount
New Accounts Sent to PTD	1289	\$ 284,369.27	989	\$ 1,095,489.38
Old Accounts with PTD CTS	3826	\$ 3,319,511.06	4448	\$ 3,132,031.29
Total	5115	\$ 3,603,880.33	5437	\$ 4,227,520.67

In 2015, 880/1289 (68%) accounts sent to PTD were equal to or less than \$125.00

This is the result of outreach by the tax researchers.

For 2015 the total amount sent to PTD was \$3,319,511; for the new accounts it was \$284,369. The overall total of accounts from 2014 versus 2015 is much lower, the total dollar amount is lower and the dollar amount sent to PTD was much lower than last year. 68% of the accounts sent to PTD had less that \$125 of taxes owed. Treasurer Montoya stated that the tax researchers have done a great job collecting the delinquent taxes.

Polanis reviewed the Tax Schedule Maintenance Report for June 2015. As of June 30, 2015, 96.33% of 2014 taxes have been collected. This is an increase of .5% or \$1,350,000 which was brought in and distributed to the various agencies. This is after the 2<sup>nd</sup> half property tax collections. The collection rate for all 10 years is 99.04%. This is the first time in the county's history to have that high of a percentage for the 10 years. The first year delinquent taxes collected were increased by .25%. Net taxes charged to the Treasurer increased \$64,305,000. Taxes collected to date increased by \$64,940,000. Taxes are being collected faster than the tax roll is growing. Treasurer Montoya compared the collections from the 2010 tax year with the current year collections.

**7. NEXT MEETING DATES – Judi Walker, Sandoval County Treasurer's Office**

The next STIC meeting will be held on Tuesday, October 13, 2015 at 4:00 PM in the 2<sup>nd</sup> Floor Training Room of the County Administration Building.

**8. NEW BUSINESS – Treasurer Montoya stated that the next Board of Finance meeting will be held on August 20, 2015 at 5:30 PM.**

**9. ADJOURN - Motion was made to adjourn at 4:43 PM by Polanis; Second by Herrera; All in Favor; Motion Carried.**