

# SANDOVAL TREASURER'S INVESTMENT COMMITTEE (STIC)

## REGULAR MEETING MINUTES

Sandoval County Treasurer's Conference Room

July 23, 2014

### 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

Linda Montoya Roseborough, Chief Investments Officer, Office of the State Treasurer  
(via conference call)

Joe "Skip" Kruzich, Community Member

Mario Martinez, Community Member

James Dominguez, Community Member

Joyce Roybal, Sandoval County (for Phillip Rios)

Judi Walker, STO Deputy Treasurer

#### **Advisors:**

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

Sheila Duffy, Director-Investment Advisory Services, Public Trust Advisors

#### **Sandoval County Residents:**

Carol Dooley, Taxpayer

**Not Present:** Don Chapman, Commissioner

Phillip Rios, County Manager

### 2. APPROVAL OF AGENDA

Motion to approve the July 23, 2014 agenda by Kruzich; Second by Polanis; All in favor; Motion carries.

### 3. APPROVAL OF MINUTES

Motion to approve the April 2, 2014 Regular Meeting Minutes by Polanis; Second by Martinez; All in Favor; Motion carries.

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

Treasurer Montoya discussed:

- **NMAC & NACo Conferences** – Occurred this quarter. Several policy resolutions were worked on during the NACo conference. During the closing ceremony where the new President presides, Treasurer Montoya was been appointed to the Programs and Services Committee by President Riki Hokama.
- **NM Edge Graduates** – Four staff members, Josie Gallegos, Larry Polanis, Desirée Rivera-Lewis and Cynthia Saiz graduated with the NM Certified Treasury Official designation from NMEdge.
- **Deadlines** – There are quite a few deadlines that Treasurer Montoya discussed. These include:

- **June 10** – Full Notice of Delinquency mailed to taxpayers
- **July 1** – MVD list of all mobile homes whose property taxes are more than 30 days delinquent was mailed as required by statute
- **July 10** – Board of Finance Meeting
- **July 14** – a Tyler software update was scheduled
- **July 15** – the Delinquency List will be sent to Property Tax Division per statute
- **Reports** – The monthly report, quarterly report and end-of-year report are a “turn and burn” process for the office and Finance Office to fulfill job functions like budget audit and closure of fiscal year 2013-2014. There were some challenges as the LPL and FAFA reports were not received by July 7<sup>th</sup>. However, all three reports were completed.
- **Audit** – The office is preparing for the annual audit.
- **Timeline of Email contact w/ Rob Burpo** – There was a lot of activity in the Treasurer’s Office during this past quarter. There have been some frustrating obstacles that the Office has had to deal with which have impaired the ability to conduct business in an efficient and timely manner. There has been a distinct lack of communication and cooperation between this office and one of its former primary contractors. There are several items that were discussed in particular the way the accounts were closed with LPL and sent to NMB-T for safekeeping temporarily. Treasurer Montoya felt it was important to let the Committee know the different aspects of what occurred with the intent to realize the situation so the office can move forward and begin to find solutions. (Treasurer Montoya reviewed the *Incentive Bond Reserve Fund Summary for June 1, 2014 through June 30, 2014* handout) Accounts were closed with no online access to reconcile. Rob Burpo stated there were still 41 assets to be liquidated but did not provide additional information. No trade tickets were provided; only trade confirmations which mean the County may not have received “best price”.
- **For the Committee and new portfolio managers** – Treasurer Montoya stated:
  - Transparency (assets; fees; type of investments we won, etc.)
  - Eliminate the lack of communication
  - Reconciliation of all items
  - 12 month cash flow analysis in conjunction with bond payments, interest and principal
  - Best options for the county including looking at whether PTA can transition the assets
  - Combine all assets/investments in a report from both portfolios
  - Composite report of all investments laddered
- **Areas of concern moving forward** –
  - New Contract and how it affects the Treasurer’s Office/job duties including the investment policy
  - Not able to reconcile fee reports
  - Received end of month statements but no trade tickets
  - Do not have required information for audit
  - Library Bond liquidation

- **Rob Burpo's contract w/ County** –
- **Year-To-Date Summary** – Cash transfers from LPL to NMBT were reconciled and all cash is accounted for.
- **Summary to the Board of Finance** – “I would expect, as the elected Treasurer, and banker of this county, that as it may be the commission's privity to approve the liquidation of a county account, it is my responsibility to see that it is done in the best interest of the county and its taxpayers. To have a vender sell over \$5.5 million without my consultation or permission is simply unacceptable and unprofessional. It is particularly troubling that the vender liquidated these assets and accepted these losses under no direction or approval from the Treasurer, in particular when I am who is liable to the taxpayers and required to fulfill the bond payment requirements.”

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

STIC members received from Paul Dickson a copy of a forensic analysis of the County's legacy investments that were transferred to NMB-T for safekeeping.

Sheila Duffy from Public Trust Advisors also presented a forensic analysis of the same legacy investments.

Funds from LPL currently being held temporarily at NMB-T will be transferred to US Bank as soon as possible.

2011 GO Library Bond fund will need to be liquidated. Interest has been reinvested since 2010. Which is more prudent to liquidate as needed or to liquidate entire account at once? Treasurer Montoya will provide the Committee Members with the dollar amount that was originally invested.

Treasurer Montoya asked for recommendations from the Committee.

6. **STATUS OF INVESTMENT POLICY – Laura M. Montoya, Treasurer**

Treasurer Montoya reported that the most recent Investment Policy was given to County Manager Phil Rios in February and will hopefully be worked on in the near future.

7. **STATUS OF COLLECTIONS – Larry Polanis, Sandoval County Treasurer's Office**

Larry reviewed the Tax Schedule Maintenance Report for June 30, 2014. The collection rate for all years is 98.86%. The 1<sup>st</sup> and 2<sup>nd</sup> years' delinquent taxes can be collected before they are turned over to the State. The office shows continued improvement in current year tax collections over previous years. In 2010, current tax collections were 91.80% and have climbed to almost 95% by 2012. In 2013, current year collection rate is 95.83%. This is a ½% increase over last year. During the same period the rate of collection of first year delinquents has gone from 97.37% to just over 98%. This is an increase of about \$680,000.

**8. NEXT MEETING DATES – Judi Walker, Sandoval County Treasurer’s Office**

Prior to discussing the next meeting dates; Treasurer Montoya introduced James Dominguez who is the new member of the Committee. Tentative meeting dates discussed were September 24<sup>th</sup>, 25<sup>th</sup> or 26<sup>th</sup> and October 22<sup>nd</sup>.

**9. NEW BUSINESS**

**10. ADJOURN**

Motion was made to adjourn at 5:49 pm by Kruzich; Second by Polanis; All in Favor; Motion Carried.