

# SANDOVAL TREASURER'S INVESTMENT COMMITTEE (STIC)

## REGULAR MEETING MINUTES

2<sup>nd</sup> Floor Training Room – Sandoval County Administration Building  
April 14, 2015

### 1. CALL TO ORDER

Meeting was called to order at 4:01 PM.

#### **Present:**

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

Laura M. Montoya, County Treasurer  
Larry Polanis, STO Treasury Controller  
Joe "Skip" Kruzich, Community Member  
Mario X. Martinez, Community Member  
Phillip Rios, County Manager  
Christopher Daniel, Community Member  
Don Chapman, County Commissioner

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

Judi Walker, STO Deputy Treasurer

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

James Dominguez, County Commissioner

##### **Portfolio Managers:**

Paul Dickson, Vice President-Portfolio Manager, NMBT Wealth Management  
Sheila Duffy, Director-Investment Advisory Services, Public Trust Advisors

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

None present

### 2. APPROVAL OF AGENDA

Motion to approve the April 14, 2015 agenda by Rios; Second by Kruzich; All in favor; Motion carries.

### 3. APPROVAL OF MINUTES

Motion to approve the January 13, 2015 regular meeting minutes by Polanis; Second by Martinez; All in Favor; Motion carries.

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

**Bonds** – Out of the four bonds on the ballot, two bonds passed. Two separate bank accounts will be created for proceeds from the bonds. These accounts will be part of the General Fund and funds will be expended through the finance department due to procurement requirements. The money will get to the county May 7<sup>th</sup> and is expected to be used up quickly.

**Conference Schedule** – NMAC annual conference is in June and will be held in Bernalillo County. This conference includes NM Edge classes prior to the conference. This is the conference that includes graduation. If the classes are offered, there will be five employees graduating with their

Treasury Certification. NACo Legislative committee was the week of February 21 in which Treasurer Montoya chaired the FPIGA and was elected Treasurer of Next Generation. The annual conference is in July (Vice Chair of the Finance, Pensions and Intergovernmental Affairs (FPIGA) Steering Committee. Treasurer Montoya and Treasury Controller Polanis attended the GIOA Conference in March. Among the classes taken were: Beginning/Intermediate Bond Market University, Guiding Principles of Effective Investment Policies, Bond Market University, Securitized Products- ABS/MBS, Interest Rate Strategies, Keeping Score of your Portfolio, GASB update and Investing In and Analyzing Municipal Debt. The GFOA Conference is in May.

**Auction** – PTD oversees all county auctions which are always held in the Sandoval County Commission Chambers. We have had four auctions since 2013. As of 2014, PTD is only required to have one auction per county per year. The four auctions consisted of 368 properties with a total \$395,525.00.

**Second Half Tax Season** – The second half tax season started on Friday, April 10<sup>th</sup>. The community outreach program began today. Two tax researchers will be traveling around the county visiting community and senior centers to present to taxpayers accomplishments and duties of the office, answer questions, offer information, in particular exemptions and value freezes and process payments.

**Special Assessments (PID/TID) and Tranches** - The Treasurer and Assessor have some critical concerns regarding special assessed districts. Besides Cabezon and Mariposa, the largest tranches that the county works on are for APS which has five categories and Rio Rancho Public Schools which has three. There is now another special district “Stonegate” which is expecting to begin full force for the 2015 Tax Year. Larry Polanis presented information regarding the tranches currently in place and future requests by developers. Commissioner Chapman commented that perhaps the County should take action and the sooner the better. He asked County Manager Phil Rios to look into having an ordinance limiting the number of tranches. Commissioner Chapman stated that the County should speak with DFA before Taussig has a chance to do so. County Manager Rios stated that he would need to speak with the County Attorney to determine the legal authority the County has with municipalities. Treasurer Montoya stated that neither the Treasurer’s Office nor the Assessor’s Office has the manpower to create the reports for so many tranches for the PIDs/TIDs.

**Legislation** – Treasurer Montoya discussed the legislative session including the following House and Senate bills - HB 49, Wooley: County Notices by Email; HB 67, a, Trujillo: Property Tax Schedule Change Request; HB 218, Gallegos/Sanchez; Delinquent Tax Electronic Levy Warrants; SB 104, Sharer: Installments for Delinquent Property Taxes; SB 175, Rodriguez: Local Government Investment in Certain CD’s---Last committee. Sheila Duffy stated that there has been confusion as to whether or not brokered CDs are allowable under 6-10-10. This bill was to clarify that CDARS (certificate of Deposit Account Registry Service) are allowable. This bill passed all committees but the committee report was not read out of House Ways and Means Committee.

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

Treasurer Montoya reviewed a letter from NACo which she sent to the County Commissioners and the County Manager urging them to contact the New Mexico Congressional delegation to sign a letter to Speaker Boehner and Representative Pelosi regarding municipal bonds and the unintended consequences of the proposed legislation. She also reviewed the Investment Account Summary. Treasurer Montoya reviewed the portfolio status as it relates to comments made in the Five-Year Plan. While the portfolio may be earning less income, it is now compliant with the current Investment Policy. The overall value of the portfolio is less than it was 4 years ago due to bonds being paid and monies being paid to the two hospitals.

Portfolio Manager Sheila Duffy, Public Trust Advisors, reviewed the aggregate account information stating that this provides a snapshot of all the other accounts. General Fund liquidation continued in order to come into compliance with policy. Liquidated positions were reinvested in US Treasuries between 1-3 yrs. The aggregate portfolio is now compliant. As of March 31, 2015 – Market Value + Accrued = \$8,200,000 with a duration of 1.6 years and a yield of 51%. It is positioned for a rising rate environment.

Portfolio Manager Paul Dickson, NMB-T, stated that the portfolio is invested in US Treasuries, US Agencies and Municipals. The maturity profile range is between 1-4 years. Anything above that is callable. The current average weighted duration is 1.5 years with an average yield of 1.3%. The current portfolio value is \$8,600,000.

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

Polanis reviewed the Tax Schedule Maintenance Report for March 2015. As of March 31, 2015 58.42% of 2014 taxes have been collected. This is before the 2<sup>nd</sup> half property tax collections. The collection rate should be about 96-98% by the end of the fiscal year. The collection rate for all 10 years is 94.33%. Taxes charged to the Treasurer are up 8%. The 2014 tax roll added about \$115,000,000 to the total taxes charged to the treasurer. Since we only collect for the last 10 years, we dropped the 2004 amount when we added the current year, which reduced the total taxes charged by about \$44,500,000; of that amount \$83,115 was uncollected.

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

The next Board of Finance meeting is Thursday, May 21, 2015 at 5:30 pm in the County Commission Chambers. The next STIC meeting will be held on Tuesday, July 14, 2015 at 4:00 pm in the 2<sup>nd</sup> Floor Training Room of the County Administration Building.

**8. NEW BUSINESS – Christopher Daniel announced the CFA Society of New Mexico’s symposium entitled, “Putting Investors First, Ethics in Action”. It’s scheduled for May 21, 2015 from 7:30am – 5:00pm at the Hotel Albuquerque. Early registration (through April 30<sup>th</sup>) is \$100 and regular registration is \$135.**

**9. ADJOURN--Motion was made to adjourn at 5:05 pm by Chapman; Second by Rios; All in Favor; Motion Carried.**