



SANDOVAL COUNTY INVESTMENT COMMITTEE (SCIC)

REGULAR MEETING MINUTES

Commission Chambers – Sandoval County Administration Building

October 26, 2023 3:00 PM – 4:00 PM

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 3:01 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
Katherine Bruch, Commissioner (Online)

John Garcia, Deputy County Manager

Treasurer's Staff:

Orlando A. Jacquez, Senior Administrative Assistant

Portfolio Manager:

Deanne Woodring, Government Portfolio Advisors
Garrett Cudahey, Government Portfolio Advisors

Committee Members Not Present:

Cassandra Herrera, Finance Director
Christopher Daniel, Community Member
Wayne Johnson, County Manager

2. APPROVAL OF AGENDA

Motion to approve the October 26, 2023 agenda by Chairman Heil; Second by Community Member Bidal; All in favor via roll call vote; Motion carries.

3. APPROVAL OF MINUTES

Motion to approve the August 1, 2023 minutes by Community Member Kelly Wainwright; Second by Chairman Heil. All in favor via roll call vote; Motion carries.

4. INTRODUCTION

Treasurer Taylor introduces the Junior Treasurers Dani Villatoro, Rio Rancho High School and Natalia Shije, Jemez Valley High School. They are both seniors who applied to be the 2023 Junior Treasurers through written essays. They have been working hard learning how local government works, specifically the Treasurer's Office.

Next introduced were Stephen Montoya and Mike Sanchez from New Mexico Bank and Trust, who were present to answer any questions about accounts that are at NMB&T.

The Treasurers office was fully staffed at the time, and the Treasurer took time to acknowledge her hard-working team for making sure that all statutory requirements were being met. The team is also ready for the busy tax season that is approaching.

Next the Treasurer announced that the Treasurer's Office will have two interns working on Monday for 4 hours. One person will work in the vault and another in the front with the tax researchers. The inters will be paid via a program set up through Cuba High School, therefore no funds from the county will be used to pay them.

The Tax Roll was run on October 1, 2023 and the bills will be mailed out no later than November 1, 2023. The tax bills will most likely be mailed on October 31, 2023. The tax roll has increased by \$15,000.000 due to additional parcels and PIDS that were added. Chief Deputy McParlin and Treasury Operations Manager Aguilar will provide information later in this prestation. Advertisements were placed in the local newspapers, through streaming services and podcasts to boost taxpayer engagement. In addition, the Treasurer's Office will be using Engage by Cell to utilize text messages to remind taxpayers of taxes due or delinquencies. This service is more cost effective than mailings at \$15,863 vs the \$4,000 Engage by Cell charges. Text messages are likely to command higher and faster responses due to their simplicity.

The Treasurer and Sheriff Offices will be hosting their annual Food and Toy drives again. Food drive will take place October 16 through November 17 and the toy drive will take place November 27 through December 22.

Letter of Credit was received on September 29, 2023 from FHL Bank in Topeka in the amount of \$135,000,000 and is set to expire on March 29, 2024. New Mexico Bank & Trust has assured that in the event that the bank accounts near that amount, they will be able to extend an additional letter of credit to maintain collateralization.

Chief Deputy McParlin processed the tax roll on October 1, 2023. \$172,064,558.30 was charged to the Treasurer to collect for 2023 taxes. The task could not have been completed so quickly and efficiently without the help of the Tax Operations Manager, Cece Baca-Chavez and Treasury Collections Supervisor, Annette Chavez. This is the fifth year that Chief Deputy McParlin has run the tax roll, which has been the largest since she began running it. Chief Assessment Officer Ed Olona informed that this increase was due to an additional 565 new parcels and the Los Diamantes PID in addition to Mil rates and the increase in property values. The print file for the tax bills was submitted to the printer on October 4 and are expected to be mailed out on November 1 if not sooner. Tax payers who have signed up for e-statements should expect their e-mailed bills at that time as well.

Alberto Chaidez will visit rural areas of the county as part of the Outreach Collections, the schedule of where he will be is included in the tax bill.

Tax Maintenance Schedule was presented by Treasury Operations Manager, Holly Aguilar which was run just before the tax roll. The Treasurer's Office ended the tax year with a 97.63% collected on the 2022 taxes, there is still 9 years to collect on the remaining 2.37%. The 10 year collection rate is 99.38%.

Gross Receipt Tax for the first quarter of fiscal year 2023-2024 has a collection of \$7,100,000. That amount is \$1,400,000 more than was collected in the first quarter of fiscal year 2022-2023 and \$3,700,000 more than fiscal year 2021-2022.

The debt schedule has not had much activity since the beginning of the fiscal year. Payments on the 2021 & 2023 G.O. Bonds as well as a PILT bond and the Landfill funded debt payments in the following week. Next, Treasurer Taylor went on the status of the county investments.

On the investment summary there was a total of \$57,300,000 invested at the time of the committee meeting. Maturities have been allowed to stay liquid in the cash management fund for the last several months. Rob Burpo has advised moving \$5,000,000 of ARPA fund into the general fund checking by December as funding for the courthouse addition. There are two more maturities coming up that make up the difference. Funds will be able to be transferred within 24 hours of the request.

Garret Cudahey from GPA wanted to touch on the markers as there hasn't been much investment activity based on the spending needs of the county. Other than a gradual uptick in low yielding securities, there is not much more else to report. Recent events have sent long yields higher. There was a two year note that is now stable after a rebound in lows in March, April, and May, that was when there were the second, third, and fourth largest bank failures in American history. The yields were mostly related to a more resilient economy than anyone had forecasted. Interest cuts are less likely to occur at the pace originally thought. Inflation is set to head back to the mid 3% range. The housing market has been cooler in the last 12 months with an inflation rate of 1.8%. The Fed expects the inflation rate to go back to the target of 2% in the next 12 to 24 months without a recession. Wage growth is declining as 55+ age group moves out of the labor market. If inflation stays without a recession it is going to come from the fact that there was not round-trip wage growth back to a sustainable level. Despite a solid economy, deficits continue to increase leading to more Treasury supply issued into a market at the same time the Fed is running off holdings. Driving this is the decline in revenue as well as a surge in interest cost that is expected to accelerate as more debt is issued into the rate backdrop.

All of the investments continue to be within compliance. Balances continue to increase year after year. The County is earing good interest from negotiations with getting the bank rates to national averages. There is not much else to report in changes in this quarter.

Treasurer Taylor informs the committee that pink was worn in recognition of breast cancer awareness.

5. Adjourn

Treasurer Taylor asked for a motion to adjourn. So, moved by Chairman Heil, Seconded by Commissioner Katherine Bruch.