



SANDOVAL COUNTY INVESTMENT COMMITTEE (SCIC)

REGULAR MEETING MINUTES

Commission Chambers – Sandoval County Administration Building

January 23, 2024 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 3:00 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
John Garcia, Deputy County Manager

Cassandra Herrera

Katherine Burch, County Commissioner (Virtual)

Treasurer's Staff:

Orlando A. Jacquez, Senior Administrative Assistant

Portfolio Manager:

Deanne Woodring, Government Portfolio Advisors

Committee Members Not Present:

Wayne Johnson, County Manager

2. APPROVAL OF AGENDA

Motion to approve the January 23, 2024 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 October 26, 2023 minutes by Community Member Bidal; Second by Chairman Heil and Commissioner Bruch. All in favor via roll call vote; Motion carries.

4. INTRODUCTION

Treasurer Taylor began with the status of the Treasurer's Office. There are two open positions. One for a Tax Researcher and the other for an Accounting Specialist. Both of the positions were vacated due to the employees finding higher paying positions outside of the county. The Treasurer expressed hopefulness that positions can be filled quickly after their posting online.

The Treasurer provided the committee with an update on the Junior County Treasurer Program and announced that the students were almost finished with their assignments; the final being a mock Board of Finance Meeting on February 2, 2024 at 3:00PM and will be live on the county website. Treasurer Taylor expected 4 out of 5 commissioners to be in attendance and thanked them for their participation. After the mock Board of Finance, they will be publicly recognized at the County Commission meeting on February 28, 2024.

The Treasurer reminded the committee that SMS or text messaging services were purchased in order to send text reminders to the taxpayers. There were some lessons learned in the initial sending of the reminder text, but learning came from it. The initial text went to everyone on the list, next time it will only go to people who have not yet paid. Commission Bruch asked if the Treasurer could explain how to sign up for text reminders so that the people watching the live stream would know how to do it. The Treasurer stated that there is a simple online form on the Treasurer's page on the County website or the taxpayers can call the office to get signed up.

The final community outreach of 2023 was the 3rd annual toy drive. It was successful with 1,200 toys donated to Chapter Houses on the Navajo Nation in Sandoval County. The entire County came forward to donate and help wrap gifts. Treasurer Taylor thanked the county staff and all that contributed to make the outreach successful.

The County achieved a fiscal year large county audit and accountability award. This is the third time in a row that the award has been achieved. Credit was given to those who worked to achieve this award, particularly Cassandra Herrera, Finance Director and Treasurer's Vault staff. Deputy County Manager, John Garcia expressed his gratitude for the Offices and Departments for their work.

Treasurer Taylor attended the 2024 New Mexico Legislative Conference in January, which she was also able to attend the Treasurer Affiliate meeting where she was once again elected Secretary of the Treasurer's Affiliate.

The New Mexico Bank & Trust balances are reported, \$49,088,685 in the General Fund and \$17,868,263 in the Tax Payment account. The total of the balances is \$73,300,000 in all accounts. \$69,000,000 was sent out the week prior in distribution funds. There are funds sitting in three other banks, Century Bank (Balance of \$6,100,000,) for loan payments, Jemez Valley Credit Union, (Balance of \$144,483.28,) and Well Fargo, (Balance of \$26,842.83,) which serve rural communities.

The presentation is handed over to Deputy Treasurer Jessica McParlin. The first half of tax collection for 2023 has been successful and she is pleased to share the information with the committee. The first slide reflects batch payments that were processed. The batch payments consist of mortgage companies, escrow companies, Tax Servicing agents and those property owners who have a large amount of accounts to pay on. For 2023 \$45,291,443.32 was collected, keep in mind this for the 1st half only. The next slide is tracking the dollar amount of payments our Tax Researchers processed in office for the first half tax season. That amount was \$50.6 million dollars.

Next slide shows the amounts collected throughout the year utilizing web and point of sale transactions, highlighted are the 1st half property taxes that were processed through our web and point of sale. That amount was \$12,254,944.16 million dollars. The following slide represents the payments that were processed by our wonderful bank New Mexico Bank and Trusts, lock box services. They only assist in processing our 1st half payments, this year they processed \$19,829,349.41. Lastly are the taxes collected and processed from our outreach collection efforts. Tax Researcher Alberto Chaidez visited those rural communities for 1st half tax collections and processed \$109,595.36. There were no questions.

The Presentation is handed over to Treasury Operations Manager Holly Aguilar. She began with the Tax Maintenance Schedule. As the Deputy Treasurer pointed out, the office successfully made it through the 1st half tax collection season. 57.66% of the 2023 tax roll was collected, which is over ½ collected. The

tax year will begin with a 94.10% on our 10-year collection rate. Next was the presentation of Gross Receipts Tax. A total \$7.1 M was collected during the last quarter. This is \$1.6 M more than 2nd quarter 2023 and \$3.2M more than 2nd quarter 2022. On the Calendar year comparison, we received a total of \$26.2 M during 2023 which is \$5M more than 2022. There were no questions. Debt Schedule. The Magistrate and District Courthouse loans were closed on in December increasing the County debt by \$37 Million. We made a total of \$678,000 in debt payments in December. Two new NMFA Loans were closed on the previous week. They will show up on the next debt schedule. There are no questions.

Treasurer Taylor introduces the Investment Portion of the meeting. She turned the meeting back over to Holly Aguilar who began with a report on the investment Summary. We currently have \$517,000 invested in a CD at NMB&T \$3 Million invested in LGIP's, and \$50.9 Million invested at Zion's for a total of \$54.6 million in investments. Deputy County Manager asks what kind of interest rates are on the CDs. Holly Aguilar says that she will get the information to him after returning to her office. Treasurer Taylor informs him that the funds there will be moved for better investing in the future. The meeting is turned over to Deanne Woodridge from GPA.

Deanne began with the Market looking at a two-year treasury note (lower risk) vs a ten-year treasury note. It is inverted at the moment. The bank is paying 4.25% at the moment, so the short term is making money. Federal funds are continued to be held high. Because of this she recommends moving any extra liquidity into investments. The market anticipates rates to drop to 3.5% and the Fed says 2.5%. She says it will most likely fall in the middle. Inflation has come down from it's highs. The Fed is pushing for a 2% target, housing market has not come down in general. There isn't much turn over as interest rates are around 6%. People are not selling their homes. Services are being stubborn. This is the last leg of inflation that the Fed is struggling to control. Labor market ended on a strong note last year, however, there is still a lot of turnover. Moving on to the portfolio the first slide is the compliance report. The County is 100% in compliance with State Statutes and County Policy. Core liquidity is what is invested, It goes out to two year. She said that there is more liquidity than she would like. Recommend parking short bills that will still be accessible. Deanne suggested keeping the bank deposits at around \$40 million. Next is the funds that GPA is tracking. She recommends moving more in to the cash matched account. The market value is not down as much as expected, it came down dramatically in December, but the county is sitting on unrealized losses, however, it is expected to flip. Balances are a slightly lower than last year, but not by much. The county should continue to keep investing at higher rates in the cash matched to keep a high yield and reinvesting them. Keeping the money moving and flexible is the key. In December 2022 there was book yield of 1.76% which earned income of \$156,632 vs December 2023 where the book yield was 3.56% which earned income of \$320,468. Have not taken on more risk, just continued holding the course. There were not a lot of changes in the last quarter regarding the strategy. Liquidity did come down as well as unrealized losses. Returns are still holding good. Short maturity is still generating the bulk of return, it is recommended to spread it out. The next slides show information where the funds are spread out in the portfolio. Ultimately it is recommended that the liquidity be brought down, however everything is in a good place. Mr. Christopher Daniel asked what the countywide monthly expenditures are. It seems that there is an overly large amount in the bank account and suggested to do overnight purchase agreements as it is a great tool to generate interest earned. Treasurer Taylor responds that the liquidity needs to stay at a certain balance as per State Statutes. Director Herrera interjected to say that the funds belong to things like libraries that are billed at the end of the month. She said that there needs to be funds when she pays out. In addition some that money is

ARPA money that needs to be spent very quickly that will take the balances down. The option is discussed and Treasurer Taylor acknowledges that it is a good idea, but that the advice and input from Deanne and Director Herrera will ultimately guide any decisions. Deputy Manager Garcia asked if inflation will be stable and what is the impact of medical inflation on inflation. Deanne responded that the numbers are difficult to predict. There has been unheard of movement. The volatility of it is expected to slow down. Deputy County Manager agreed that all the funds do not need to be sitting in the bank.

5. Adjourn

Treasurer Taylor asked for a motion to adjourn. So, moved by Community Member Bidal Seconded by Community Member Wainwright.