



# SANDOVAL COUNTY INVESTMENT COMMITTEE (SCIC)

## REGULAR MEETING MINUTES

Commission Chambers – Sandoval County Administration Building

July 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  
Kelly Wainwright, Community Member  
Robert Bidal, Community Member  
David Heil, County Commission Chairman  
Christopher Daniel, Community Member  
Wayne Johnson, County Manager

Katherine Burch, County Commissioner  
Cassandra Herrera (Joined virtually)

##### Treasurer's Staff:

Orlando A. Jacquez, Senior Administrative Assistant

##### Portfolio Manager:

Deanne Woodring, Government Portfolio Advisors

##### Committee Members Not Present:

Holly Aguilar, Treasury Operations Manager

### 2. APPROVAL OF AGENDA

Motion to approve the July 23, 2024 agenda by Chairman Heil; Second by Commissioner Bruch; All in favor via roll call vote; Motion carries.

### 3. APPROVAL OF MINUTES

Motion to approve the January 23, 2023 minutes by Community Member Bidal: Second by Commissioner Bruch. All in favor via roll call vote; Motion carries.

### 4. INTRODUCTION

Treasurer Taylor began the meeting with the status of the Treasurer's Office. There is one vacant position. The position has been posted since April. There were several interviews, however, as of July 23, 2024 there were no offers made. An interview is scheduled for July 24, 2024. The goal is to have the position filled by the middle of August. Customer service in the Treasurer's Office is the best in the county. There are no questions regarding staffing.

The RFP for credit card merchant service provider has been completed. There were three bid proposals and Point & Pay was re-awarded the contract. It was signed and recorded with the county clerk on June 25, 2024. The credit card transaction fee went from 2.35% to 2.29% which is a cost savings to our taxpayers. Point & Pay will also provide the Treasurer's Office with text messaging services for no additional cost to the county. Text messaging was initially tested in the Treasurer's Office during the

2023 tax season. In the past the treasurer's office has paid this expense. There were no questions regarding this contract.

Tax collection outreach initiative was planned for the upcoming tax season. After reviewing the data, the Treasurer decided that it was time to explore other options for outreach collection to improve collection in the rural areas. The Treasurer met with mayors Jack Torres of Bernalillo and Don Topper of Cochiti Lake to decide which locations would be best for outreach. The libraries were chosen as the best options, with Pena Blanca lacking a library, the Mayor of Cochiti Lake graciously offered their library for outreach. There has been no word from the mayor of Cuba, Denny Herrera, regarding the use of the Cuba Library as an outreach center. The outreach dates for the first and second half tax collection will be included in local newsletters as well as the annual tax bill insert. County Manager Johnson interjects with a comment, if the Cuba Library is not available, several county buildings in the Cuba area, including AMI Kids, can be utilized for outreach. Commission Bruch commented that this is a great program and to make sure that community leaders share the information. Treasurer Taylor agrees and mentions that there is a goal to reach out to the Placitas Library as well.

Treasurer Taylor updates the committee on the Letter of Credit that was received on March 28, 2024 from FHL Bank in the amount of \$135,000,000 which is set to expire on December 31, 2024. If the county reaches close to that amount, the bank will extend the amount for the additional collateralization. There is bank representation from New Mexico Bank & Trust, Melanie Velasquez and Erin Dominguez, if there are any questions regarding the bank balances, collateralization or interest earned. The current bank balances begin with the general fund which is at \$42.1 million, the tax payment account is at \$1.5 million with the total of all accounts at \$50.8 million. Wells Fargo bank has a balance of \$36.5 thousand, Jemez Valley Credit Union has a balance of \$147.2 thousand and Century Bank has a balance of \$6.1 million. There are no questions regarding the bank accounts.

Chief Deputy McParlin Began her presentation on the tax maintenance schedule. It showed the collection for tax year 2023 which is at 97.13%. Collection for the last 10 years is at 99.26%. Next was the report required by DFA that is used to prepare the tax levy rates. They represent the amount of taxes billed vs the amount collected by June 30, 2024, the end of the fiscal year. It shows how the tax collection has increased of the last five years along with the collection rates. \$171.5 million was billed and \$166.6 million has been collected, again that puts the county at a 97.13% collection rate for 2023. No questions were asked. The next slide shows the cost to state amounts that have been added to delinquent accounts. It is added to accounts that are delinquent more than two years and is in the amount of \$125. This amount has been added to the tax year 2021 and includes 816 accounts totaling \$96.9 thousand. The State will not be able to collect the \$24,059.68 in interest and \$9,383.91 in penalties. The Treasurer's Office works diligently to collect on these delinquent accounts to keep fees in the county. The gross receipts tax information. It was good year, we received \$6.3 M during the last quarter of the fiscal year, bringing the total received for the year to \$27.9 M. That is \$4.6 M more than we received in FY 22-23 and \$10.6M more than FY 21-22. Chairman Heil request a return to page 14 for clarification on the amounts of penalty and interest turned over to the state. Chief Deputy McParlin explains that the two columns are reversed but that the data is accurate. He asked again for clarification to which she informed the committee that she would send out a corrected version of the document.

Christopher Daniels asked a question about the Letter of Credit and the degree to which it can be used as collateral. NMB&T representative Melanie Velasquez responded that the bank is available to go

upwards to avoid any kind of concentration issue. Mr. Daniels asks if the bank can offer a higher earnings credit rate to the County. Ms. Velasquez informed the committee that the rate is for the deposits and specific to the County and is special pricing based on the return of the money market account. There are no further questions.

Treasurer Taylor began the Investments portion of the presentation starting with interest earned on the accounts at New Mexico Bank & Trust. The total of interest earned on all interest-bearing accounts at New Mexico Bank and Trust since January 2024 through June 2024 is \$1.5 million. Interest was at 4.25% up to March, then increased to 4.5%. This is a significant amount that is worth mentioning. There is a total of \$72 million invested, with \$3.1 in the LGIP accounts, \$500,000 in a CD at NMB&T, (there is discussion with Deanne at GPA regarding this account,) and \$68 million invested at Zion's. There were no questions. The presentation is then handed over to Deanne at GPA.

Deanne thanked the committee for all their cooperation and how glad she is to be in person instead of on Zoom. Market yields in Q2 rose early in the quarter on April's strong jobs data and March's CPI print before partially retreating as the data evolved into slowing inflation and softer employment, leading fixed-income investors to adjust their expectations of the Fed funds market over the near future. The two-year Treasury note increased 13 basis points in yield from Q1 to Q2, closing Q2 with a yield of 4.75%. When looking at the historical rates over the last ten years, the rates appear to be peaking. 5% is a rate that has not been seen for over 15 years. The market is anticipating rates coming down. The partnership has been building this for 3 years. It is important to keep communication open to make decisions on this. Deanne instructs the committee to look at the top right graph which shows inflation. The lag effects of higher interest rates are complex to time but are constantly working to increase the cost of capital, which should eventually slow final demand and, consequently, inflation. GPA is unique in that they look at everything, cash balances and the investments. It is a holistic approach. The longer the duration the higher the return. Duration is key. When interest rates are going up the duration needs to be shorter and when it's going down it needs to be longer. Looking at the compliance report, everything is in compliance through the end of the year. There was a strategy review done in December. The core investment is excess liquidity with ongoing maturities. In December it was at \$45 million with a goal to get it to \$50 million. It is currently at \$5 million. In the cash match portfolio is an enhancement over bank balances. In December it was \$3.6 million and it is currently around \$16 million. Deanne would like to increase this amount to \$20-\$25 million. In liquidity there is a minimum of \$30 million and it currently has \$54.6 million in it. This is the discipline. The next page shows the changeover change. The portfolio is doing well, but it's not as high as it could be because there is a lot kept in cash. The book yield is at 3.9% and the goal is to get it to 4% before the market comes down. Maturity total of the portfolio is at .89 which is just under a year where we want to be. Deanne then went over the asset allocations of the portfolio. Next were the historical balances and the trends of the portfolio. There were no questions so far. The summary shows that the county has invested separately which is dictated by the county. The earnings for the year this year are \$4.1 million vs last year at \$2.5 million. Unrealized losses are not a bad thing, it just means they were purchased sooner. The performance of the portfolio has been on top of expectations. Next was the holding reports for review. There are no questions. Chairman Heil complements GPA for keeping the fund growing. Deanne then gives an update on GPA, new people are coming in. Chairman asks if the resources are local, and eventually she'd like to have them local. Chairman Bruch says that working with GPA has been a pleasure and is happy where everything is at and looks forward to the next few years.

Treasurer thanked Deanne for her work as well as thanked Melanie Velasquez and Erin Dominguez for being in attendance.

Treasurer asks for a motion to approve the agenda late.

## **5. Adjourn**

Treasurer Taylor asked for a motion to adjourn. So, moved by Chair Heil, Seconded by Mr. Christopher Daniels.