



Torrance County
Investment Committee Meeting
May 10, 2017

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2. Introduction of Committee Purpose & Goals
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6-10-8. County boards of finance.

The board of county commissioners in each county in the state shall, ex officio and without additional compensation, constitute a county board of finance and as such shall, subject to the limitations of this act, have supervision over the determination of the qualifications and selection of banks, savings and loan associations and credit unions, whose deposits are insured by an agency of the United States, to receive the public money of their respective counties and of independent rural school districts, rural school districts and municipal school districts of municipalities having less than twenty-five thousand population according to the next preceding United States census and of any special or other districts in their respective counties for which the respective county treasurers of such counties act as ex-officio tax collectors. The county clerk in each county shall, ex officio and without additional compensation, act as clerk of such county board of finance. Every county board of finance shall hold meetings whenever necessary for the discharge of its duties, and the chairman shall convene such board whenever necessity therefor exists or when requested so to do by two of its members or at any time when the county treasurer shall advise the chairman that he has in his custody public money in excess of the aggregate amount which depositories qualified by law are entitled to hold. A majority of the board shall constitute a quorum for the transaction of business.

The county treasurer of each county in the state shall have supervision of the deposit and safekeeping of the public money of his county and all the money which may at any time come into or be in his possession as county treasurer and ex-officio tax collector for the use and benefit of the state or of any county, municipality or district or of any subdivision of any county or of any state or public institution and by and with the advice and consent of the respective boards of finance having jurisdiction over the respective funds shall designate banks, savings and loan associations and credit unions, whose deposits are insured by an agency of the United States, to receive on deposit all moneys entrusted in his care.

History: Laws 1933, ch. 175, § 1; 1941 Comp., § 7-204; 1953 Comp., § 11-2-4; Laws 1968, ch. 18, § 2; 1981, ch. 332, § 1; 1987, ch. 79, § 4.

6-10-10. Deposit and investment of funds.

A. Upon the certification or designation of a bank, savings and loan association or credit union whose deposits are insured by an agency of the United States to receive public money on deposit, the state treasurer and county or municipal treasurers who have on hand any public money by virtue of their offices shall make deposit of that money in banks and savings and loan associations and may make deposit of that money in credit unions whose deposits are insured by an agency of the United States, designated by the authority authorized by law to so designate to receive the deposits of all money thereafter received or collected by the treasurers.

B. County or municipal treasurers may deposit money in one or more accounts with any such bank, savings and loan association or credit union located in their respective counties, subject to limitation on credit union accounts.

C. The state treasurer may deposit money in one or more accounts with any such bank, savings and loan association or credit union, subject to the limitation on credit union accounts.

D. Duplicate receipts or deposit slips shall be taken for each deposit made pursuant to Subsection A, B or C of this section. When deposits are made by the state treasurer, one copy of the receipt or deposit slip shall be retained by the state treasurer and the other copy shall be filed monthly on the first day of each month with the financial control division of the department. When deposits are made by the treasurer or any other authorized person making the deposits for a board

of finance of a public or educational institution, one copy of the receipt or deposit slip shall be retained by the treasurer or authorized person making the deposit and the other copy shall be filed monthly on the first day of each month with that board of finance. When deposits are made by a county or municipal treasurer, one of the duplicate receipts or deposit slips shall be retained by the treasurer making the deposit and the other copy shall be filed monthly on the first day of each month with the secretary of the board of finance of the county or municipality for which that treasurer is acting.

E. "Deposit", as used in this section, means either investment or deposit and includes share, share certificate and share draft.

F. County or municipal treasurers, with the advice and consent of their respective boards of finance charged with the supervision and control of the respective funds, may invest all sinking funds or money remaining unexpended from the proceeds of any issue of bonds or other negotiable securities of any county, municipality or school district that is entrusted to their care and custody and all money not immediately necessary for the public uses of the counties, municipalities or school districts not invested or deposited in banks, savings and loan associations or credit unions in:

(1) bonds or negotiable securities of the United States, the state or a county, municipality or school district that has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and that has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding;

(2) securities that are issued and backed by the full faith and credit of the United States government or issued by its agencies or instrumentalities; or

(3) federally insured obligations, including brokered certificates of deposit, certificate of deposit account registry service and federally insured cash accounts.

G. The treasurer of a class A county or the treasurer of a municipality having a population of more than sixty-five thousand according to the most recent federal decennial census and located within a class A county, with the advice and consent of the boards of finance charged with the supervision and control of the funds, may invest all sinking funds or money remaining unexpended from the proceeds of any issue of bonds or other negotiable securities of the county or municipality that is entrusted to the treasurer's care and custody and all money not immediately necessary for the public uses of the county or municipality not invested or deposited in banks, savings and loan associations or credit unions in:

(1) shares of a diversified investment company registered pursuant to the federal Investment Company Act of 1940 that invests in fixed-income securities or debt instruments that are listed in a nationally recognized, broad-market, fixed-income-securities market index; provided that the investment company or manager has total assets under management of at least one hundred million dollars (\$100,000,000) and provided that the board of finance of the county or municipality may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments;

(2) individual, common or collective trust funds of banks or trust companies that invest in fixed-income securities or debt instruments that are listed in a nationally recognized, broad-market, fixed-income-securities market index; provided that the investment company or manager has total assets under management of at least one hundred million dollars (\$100,000,000) and provided that the board of finance of the county or municipality may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments; or

(3) shares of pooled investment funds managed by the state investment officer, as provided in Subsection I of Section 6-8-7 NMSA 1978; provided that the board of finance of the county or municipality may allow reasonable administrative and investment expenses to be paid directly from the income or assets of these investments.

H. A local public body, with the advice and consent of the body charged with the supervision and control of the local public body's respective funds, may invest all sinking funds or money remaining unexpended from the proceeds of any issue of bonds or other negotiable securities of the investor that is entrusted to the local public body's care and custody and all money not immediately necessary for the public uses of the investor and not otherwise invested or deposited in banks, savings and loan associations or credit unions in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be fully secured by obligations of the United States or other securities backed by the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. As used in this subsection, "local public body" includes all political subdivisions of the state and agencies, instrumentalities and institutions thereof; provided that home rule municipalities that prior to July 1, 1994 had enacted ordinances authorizing the investment of repurchase agreements may continue investment in repurchase agreements pursuant to those ordinances.

I. The state treasurer, with the advice and consent of the state board of finance, may invest money held in demand deposits and not immediately needed for the operation of state government and money held in the local government investment pool, except as provided in Section ~~6-10-10.1~~ NMSA 1978. The investments may be made in securities that are issued and backed by the full faith and credit of the United States government or issued by its agencies or instrumentalities.

J. The state treasurer, with the advice and consent of the state board of finance, may also invest in contracts for the present purchase and resale at a specified time in the future, not to exceed one year or, in the case of bond proceeds, not to exceed three years, of specific securities at specified prices at a price differential representing the interest income to be earned by the state. Such contract shall not be invested in unless the contract is fully secured by obligations of the United States or its agencies or instrumentalities or by other securities backed by the United States or its agencies or instrumentalities having a market value of at least one hundred two percent of the amount of the contract. The securities required as collateral under this subsection shall be delivered to a third-party custodian bank pursuant to a contract with the state and the counterparty or to the fiscal agent of New Mexico or its designee. Delivery shall be made simultaneously with the transfer of funds or as soon as practicable, but no later than the same day that the funds are transferred.

K. The state treasurer, with the advice and consent of the state board of finance, may also invest in contracts for the temporary exchange of state-owned securities for the use of broker-dealers, banks or other recognized institutional investors in securities, for periods not to exceed one year for a specified fee rate. Such contract shall not be invested in unless the contract is fully secured by exchange of an irrevocable letter of credit running to the state, cash or equivalent collateral of at least one hundred two percent of the market value of the securities plus accrued interest temporarily exchanged. The collateral required by this subsection shall be delivered to the

state of New Mexico or its designee simultaneously with the transfer of funds or as soon as practicable, but no later than the same day that the state-owned securities are transferred.

L. Neither of the contracts in Subsection J or K of this section shall be invested in unless the contracting bank, brokerage firm or recognized institutional investor has a net worth in excess of five hundred million dollars (\$500,000,000).

M. The state treasurer, with the advice and consent of the state board of finance, may also invest in any of the following investments in an amount not to exceed forty percent of any fund that the state treasurer invests:

(1) commercial paper rated "prime" quality by a national rating service, issued by corporations organized and operating within the United States;

(2) medium-term notes and corporate notes with a maturity not exceeding five years that are rated A or its equivalent or better by a nationally recognized rating service and that are issued by a corporation organized and operating in the United States; or

(3) an asset-backed obligation with a maturity not exceeding five years that is rated AAA or its equivalent by a nationally recognized rating service.

N. The state treasurer, with the advice and consent of the state board of finance, may also invest in:

(1) shares of an open-ended diversified investment company that:

(a) is registered with the United States securities and exchange commission;

(b) complies with the diversification, quality and maturity requirements of Rule 2a-7, or any successor rule, of the United States securities and exchange commission applicable to money market mutual funds; and

(c) assesses no fees pursuant to Rule 12b-1, or any successor rule, of the United States securities and exchange commission, no sales load on the purchase of shares and no contingent deferred sales charge or other similar charges, however designated, provided that the state shall not, at any time, own more than five percent of a money market mutual fund's assets;

(2) individual, common or collective trust funds of banks or trust companies that invest in United States fixed-income securities or debt instruments authorized pursuant to Subsections I, J and M of this section, provided that the investment manager has assets under management of at least one billion dollars (\$1,000,000,000) and the investments made by the state treasurer pursuant to this paragraph are less than five percent of the assets of the individual, common or collective trust fund;

(3) the local government investment pool managed by the office of the state treasurer. Investments made pursuant to this paragraph shall, in aggregate, be no more than thirty-five percent of the total assets of the local government investment pool;

(4) securities issued by the state of New Mexico, its agencies, institutions, counties, municipalities, school districts, community college districts or other subdivisions of the state, or as otherwise provided by law; or

(5) securities issued by states other than New Mexico or governmental entities in states other than New Mexico.

O. Public funds to be invested in negotiable securities or loans to financial institutions fully secured by negotiable securities at current market value shall not be paid out unless there is a contemporaneous transfer of the securities at the earliest time industry practice permits, but in all cases, settlement shall be on a same-day basis either by physical delivery or, in the case of uncertificated securities, by appropriate book entry on the books of the issuer, to the purchaser or

to a reputable safekeeping financial institution acting as agent or trustee for the purchaser, which agent or trustee shall furnish timely confirmation to the purchaser.

History: Laws 1933, ch. 175, § 4; 1941 Comp., § 7-207; 1953 Comp., § 11-2-7; Laws 1968, ch. 18, § 3; 1975, ch. 157, § 1; 1979, ch. 262, § 1; 1981, ch. 332, § 3; 1983, ch. 24, § 1; 1987, ch. 79, § 5; 1987, ch. 230, § 1; 1988, ch. 61, § 1; 1989, ch. 39, § 1; 1991, ch. 247, § 1; 1994, ch. 71, § 1; 1997, ch. 128, § 1; 1999, ch. 233, § 1; 2002, ch. 39, § 1; 2003, ch. 271, § 1; 2005, ch. 238, § 1; 2005, ch. 239, § 1; 2006, ch. 80, § 1; 2008, ch. 23, § 2; 2013, ch. 65, § 2; 2016, ch. 50, § 1.

6-10-10.1. Local government investment pool created; distribution of earnings; report of investments.

A. There is created in the state treasury the "local government investment pool". The fund shall consist of all deposits from participating governments, including revenues dedicated to repaying bonds, that are placed in the custody of the state treasurer for investment purposes pursuant to this section. The state treasurer shall maintain one or more separate accounts for each participating government having deposits in the local government investment pool and may divide the fund into two or more subfunds, as the state treasurer deems appropriate, for short-term and medium-term investment purposes, including one or more subfunds for bond proceeds deposited by participating governments.

B. If an eligible governing body is unable to receive payment on public money at the rate of interest as set forth in Section 6-10-36 NMSA 1978 from financial institutions within the geographic boundaries of the eligible governing body, or if the eligible governing body is not bound by the terms of Section 6-10-36 NMSA 1978, the finance officer having control of the money of that eligible governing body not required for current expenditure may, with the consent of the board of finance of the eligible governing body if consent is required by the laws or rules of the eligible governing body, remit some or all of the money to the state treasurer for deposit for the purpose of investment as allowed by this section.

C. Before funds are invested or reinvested pursuant to this section, a finance officer shall notify and make the funds available for investment to banks, savings and loan associations and credit unions located within the geographical boundaries of the participating government or the eligible governing body, subject to the limitation on credit union accounts. To be eligible for deposit of the government funds, the financial institution shall pay to the participating government or eligible governing body the rate established by the state treasurer pursuant to a policy adopted by the state board of finance for the investments.

D. A finance officer shall specify the length of time a deposit shall be in the local government investment pool. The state treasurer through the use of the state fiscal agent shall separately track each deposit and shall make information regarding the deposit available to the public upon written request.

E. The state treasurer shall invest the local government investment pool as provided in Section 6-10-10 NMSA 1978 regarding the investment of state funds in investments with a maturity at the time of purchase that does not exceed three years. The state treasurer may elect to have the local government investment pool consolidated for investment purposes with the state funds under the control of the state treasurer; provided that accurate and detailed accounting records are maintained for the account of each participating government and that a proportionate amount of interest earned is credited to each of the separate accounts of a participating government. The fund shall be invested to achieve its objective, which is to realize the maximum return consistent with safe and prudent management.

F. At the end of each month, all net investment income or losses from investment of the local government investment pool shall be distributed by the state treasurer to the accounts of participating governments in amounts directly proportionate to the respective amounts deposited by them in the local government investment pool and the length of time the amounts in each account were invested.

G. The state treasurer shall charge participating governments reasonable audit, administrative and investment expenses and shall deduct those expenses directly from the net investment income for the investment and administrative services provided pursuant to this subsection. The amount of the charges, the manner of the use by the state treasurer and the nature of bond-related services to be offered shall be established in rules adopted and promulgated by the state treasurer subject to approval by the state board of finance.

H. Subject to appropriation by the legislature, amounts deducted from the accounts of participating governments for charges permitted pursuant to this section shall be expended by the state treasurer in fiscal year 2008 and in subsequent fiscal years for the administration and management of the local government investment pool, services provided to participating governments related to investment of their money in that fund and other services authorized by this section. Balances remaining at the end of a fiscal year from the amounts deducted pursuant to this section shall revert to the general fund. Balances in the state treasurer's operating account resulting from deductions taken pursuant to this section in excess of the amount required to provide administration, management and related services required by this subsection or other services authorized by this section shall be offset by reductions in the charges made by the state treasurer to the accounts of participating governments in subsequent deductions from participating governments' accounts.

I. Each fiscal year, the state treasurer shall cause to have the short-term investment portion of the local government investment pool rated by a nationally recognized statistical rating organization. If the rating received by the short-term investment portion of the fund is lower than "AA", the state treasurer shall immediately submit a plan to the state board of finance detailing the steps that will be taken to obtain an "AA" or higher rating.

J. The state treasurer may offer to provide to participating governments services related to requirements of the federal income tax laws applicable to the investment of bond proceeds.

K. A tribe or quasi-governmental body created pursuant to New Mexico statute may become a participating government only if the governing authority of the tribe or quasi-governmental body has adopted a resolution authorizing the tribe or quasi-governmental body to remit money to the state treasurer for investment in the local government investment pool.

L. Deposits by the state treasurer on behalf of the general fund and bond proceeds investment pools shall, in aggregate, be no more than thirty-five percent of the total amount in the local government investment pool at any time.

History: 1978 Comp., § 6-10-10.1, enacted by Laws 1988, ch. 61, § 2; 1991, ch. 239, § 1; 1991, ch. 258, § 1; 1992, ch. 61, § 32; 1994, ch. 71, § 2; 1995, ch. 64, § 1; 2001, ch. 241, § 1; 2003, ch. 399, § 1; 2006, ch. 80, § 2; 2008, ch. 23, § 3; 2011, ch. 158, § 1; 2013, ch. 65, § 3.

6-10-15. Surety for deposits.

No public moneys in the custody of the state treasurer or the treasurer of any county, city or town in this state, or in the custody of any board in control mentioned in Section 6 hereof, shall be deposited in any bank or savings and loan association (except as otherwise herein provided) until

such bank or savings and loan association is qualified to receive deposits of public moneys by depositing collateral security or by giving bond, as provided in this act.

Any bank or savings and loan association designated as such depository by the proper treasurer and/or board of finance may qualify by giving a bond or bonds in such sum as may be determined by said treasurer and/or board of finance, for the safekeeping and payment of such moneys, and all interest thereon, which bond or bonds shall run to the state of New Mexico, shall be subject to the approval of the proper board of finance of the state, county, city or town, or board in control, as the case may be, and the district judge of the district within which such county, city, town or board in control is situated and conditioned substantially as follows:

KNOW ALL MEN BY THESE PRESENTS: that we of as principal, and as surety, are held and firmly bound unto the state of New Mexico, in the just and full sum of dollars (\$) for the payment of which, well and truly to be made, we bind ourselves and all our heirs, personal representatives, successors and assigns, jointly and severally, firmly by these presents.

Dated the day of, A.D., 19

The condition of the foregoing obligation is such that

WHEREAS, the said principal, in consideration of the receipt of certain moneys of in the state of New Mexico on deposit, (the amount whereof shall be subject to withdrawal or diminution by the treasurer of said as the requirements of said shall demand, and which amount may be increased or decreased as said treasurer may determine) and for the privilege of keeping the same, has agreed to pay and will pay the said in the state of New Mexico, interest on all moneys so deposited at the rate fixed by the board of finance of said, to wit: at the rate of per centum per annum, the same to be paid monthly on the first day of each month, upon the average daily balance of the moneys of said so on deposit for the preceding month or fraction thereof:

NOW THEREFORE, if the said principal shall, from the day of, A.D., 19, on the first of each and every month, render to the treasurer and the board of finance of said a statement, in duplicate, showing in detail, the daily balance of said moneys, so held by said principal on deposit, and the amount of interest accrued thereon, for the last preceding month, and shall pay over said deposit and said interest, upon the check, order or demand in writing of the officer thereunto duly authorized, and shall calculate, credit and pay interest as aforesaid, at the rate and in the manner aforesaid, and shall, in all respects save and keep the said safe and harmless by reason of the making of said deposit or deposits, and shall generally do and perform each and everything [every thing] required of depositories of public funds to be done and performed by the provisions of a certain act of the state of New Mexico, entitled, "An Act in Relation to Public Moneys," enacted by the sixth legislature of the state of New Mexico and all amendments thereof and any and all other acts in relation to public moneys then the obligation shall be void and of no effect, otherwise to be and remain in full force and virtue.

It is a further condition of this obligation, however, that said surety shall have the right to terminate its liability hereunder by giving thirty days' notice in writing to the treasurer and to the board of finance of said of its election so to do, and after the giving of such notice no further moneys shall be deposited with such depositories, and thereupon an accounting shall be immediately had of the liability of such depository for the moneys theretofore deposited with it, and until the payment of all moneys found to be due on such accounting, this bond shall remain in full force and virtue.

WITNESS our hands and seals the day and year first hereinafter written.

Such bond shall be executed as surety by a surety company authorized by compliance with the laws of New Mexico to do business in this state; and neither the state treasurer, nor any county, city or town treasurer, nor the treasurer of any board in control mentioned in Section 6 hereof shall have on deposit at any time more than the penal amount of the bond or bonds given by a depository to secure such deposit.

All bonds given under the provisions of this section to secure state moneys shall, after the approval thereof by the state board of finance be safely kept on file by said state board of finance; and all bonds given hereunder to secure county, city or town moneys, or moneys of any board in control as herein defined, shall, after the approval thereof by the proper board of finance, and the district judge, be kept in the custody of the county clerk of the county wherein is located the board of finance approving the same.

The state board of finance and each county clerk shall keep a record of all such bonds, which record shall be known as "depository bond record" and shall be in form as prescribed by the state board of finance.

Any and all bonds which may be given in pursuance of this act to secure moneys of the state, or moneys of the counties, cities, towns or board [boards] in control, or of moneys lawfully entrusted in the care and custody of the treasurers of such counties, cities, towns or boards in control may be put in suit and prosecuted against all or any one or more of the obligors, principals and sureties named therein in the name of the state of New Mexico for the use and benefit of the state, county, school district, city or town or board in control to secure whose money or any moneys lawfully entrusted to the care and custody of whose treasurers such bond is given.

History: Laws 1933, ch. 175, § 5; 1941 Comp., § 7-215; 1953 Comp., § 11-2-17; 1981, ch. 332, § 4.

6-10-16. Security for deposits of public money.

A. Deposits of public money shall be secured by:

- (1) securities of the United States, its agencies or instrumentalities;
- (2) securities of the state of New Mexico, its agencies, instrumentalities, counties, municipalities or other subdivisions;
- (3) securities, including student loans, that are guaranteed by the United States or the state of New Mexico;
- (4) revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated "BAA" or above by a nationally recognized bond rating service; or
- (5) letters of credit issued by a federal home loan bank.

B. No security is required for the deposit of public money that is insured by the federal deposit insurance corporation or the national credit union administration.

C. All securities shall be accepted as security at market value. The restrictions of Subsection A of this section apply to all securities subject to this subsection.

History: 1953 Comp., § 11-2-18.1, enacted by Laws 1969, ch. 243, § 1; 1981, ch. 332, § 5; 1987, ch. 79, § 6; 1987, ch. 307, § 1; 2000, ch. 47, § 1; 2013, ch. 65, § 4.

6-10-16.1. Security for public deposits.

All deposits of public funds shall be secured by securities as defined in Section 6-10-16 NMSA 1978 in the amount required by law or by surety bonds as provided for in Section 6-10-15 NMSA

1978. A surety company that issues a surety bond pursuant to this section shall be rated in the highest category by at least one nationally recognized statistical rating agency.

History: Laws 1981, ch. 332, § 20; 2001, ch. 21, § 1.

6-10-17. Amount of security to be deposited.

Any bank or savings and loan association designated as a depository of public money shall deliver securities of the kind specified in Section 6-10-16 NMSA 1978 to a custodial bank described in Section 6-10-21 NMSA 1978 and shall then deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom or the public board from which the public money is received for deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received in accordance with Subsection B of Section 6-10-16 NMSA 1978. However, any such bank or savings and loan association may deliver a depository bond executed by a surety company as provided in Section 6-10-15 NMSA 1978 as security for any portion of a deposit of public money.

History: 1953 Comp., § 11-2-18.2, enacted by Laws 1969, ch. 243, § 2; 1971, ch. 31, § 1; 1981, ch. 332, § 6; 1991, ch. 31, § 1.

6-10-17.1. Noncompliance with collateral requirements; withdrawal of public funds.

When a treasurer, board of finance or board of control finds that a bank or savings and loan association that has been designated as a depository of public money has not maintained qualifying securities as collateral for deposits of public money under the control of that treasurer or board as required by law, the treasurer or board shall request the depository to substitute or provide additional qualifying securities to meet those requirements within ten calendar days. If the bank or savings and loan association does not comply with the request within ten calendar days, the treasurer or board shall withdraw from that depository within the next ten calendar days all deposits of public money under the treasurer's or board's control without penalty to the public depositor, notwithstanding any other provision of law to the contrary.

History: Laws 1991, ch. 31, § 8.

6-10-21. Security for deposits; safekeeping; regulations of state board of finance.

The state board of finance is authorized and directed to regulate, by general regulation or by special orders applicable to individual cases, the safekeeping of bonds or other securities delivered by any bank or savings and loan association as security for deposits of public money. The bonds or securities shall be delivered to a third-party custodian, which shall be a federal reserve bank or branch thereof or in any other bank designated by the state board of finance and qualified to perform custodial functions in the state of New Mexico. The bank or savings and loan association delivering securities to that custodial bank shall enter into a written agreement with the custodial bank containing such conditions that will adequately protect the interests of the state, county, city, school district or institution interested in the bonds and securities.

History: Laws 1927, ch. 87, § 1; C.S. 1929, § 13-1020; 1941 Comp., § 7-220; 1953 Comp., § 11-2-22; 1981, ch. 332, § 8; 1991, ch. 31, § 5.

6-10-36. Public money deposits of certain governmental units; distribution; interest.

A. All public money, except that in the custody of the state treasurer, institutions of higher education, technical and vocational institutes, incorporated municipalities and counties that have

adopted home rule charters as authorized by the constitution of New Mexico and local school boards that have been designated as boards of finance, shall be deposited in qualified depositories in accordance with the terms of this section or invested as otherwise provided by law.

B. Deposits of funds of a governmental unit may be made in noninterest-bearing checking accounts in one or more banks or savings and loan associations designated as checking depositories located within the geographical boundaries of the governmental unit. In addition, deposits of funds may be in noninterest-bearing accounts in one or more credit unions designated as checking depositories located within the geographical boundaries of the governmental unit to the extent the deposits are insured by an agency of the United States. If there is no checking depository within the geographical boundaries of the governmental unit, one or more banks, savings and loan associations or credit unions within the county in which the principal office of the governmental unit is located may be so designated, but credit union deposits shall be insured by an agency of the United States.

C. Public money placed in interest-bearing deposits in banks and savings and loan associations shall be equitably distributed among all banks and savings and loan associations having their main or staffed branch offices within the geographical boundaries of the governmental unit that have qualified as public depositories by reason of insurance of the account by an agency of the United States or by depositing collateral security or by giving bond as provided by law and that desire a deposit of public money pursuant to this section. The deposits shall be in the proportion that each bank's or savings and loan association's deposits bears to the total deposits of all banks and savings and loan associations that have their main office or staffed branch office within the geographical boundaries of the governmental unit and that desire a deposit of public money pursuant to this section. The deposits of the main office of a savings and loan association and its staffed branch offices within the geographical boundaries of a governmental unit is the total deposits of the association multiplied by the percentage that deposits of the main office and the staffed branch offices located within the geographical boundaries of the governmental unit are of the total deposits of the association, net of any public fund deposits. The deposits of each staffed branch office or aggregate of staffed branch offices of a savings and loan association located outside the geographical boundaries of the governmental unit in which the main office is located is the total deposits of the association multiplied by the percentage that deposits of the branch or the aggregate of branches located outside the geographical boundaries of the governmental unit in which the main office is located are of the total deposits of the association, net of any public fund deposits. The director of the financial institutions division of the regulation and licensing department shall promulgate a formula for determining the deposits of banks' main offices and branches for the purposes of distribution of public money as provided for by this section.

D. Public money may be placed at the discretion of the designated board of finance or treasurer in interest-bearing deposits in credit unions having their main or staffed branch offices within the geographical boundaries of the governmental unit to the extent the deposits are insured by an agency of the United States.

E. The rate of interest for all public money deposited in interest-bearing accounts in banks, savings and loan associations and credit unions shall be set by the state board of finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit. Any bank or savings and loan association that fails to pay the minimum rate of interest at the time of deposit provided for in this subsection for any respective deposit forfeits its right to an equitable share of that deposit under this section.

If the deposit is part or all of the proceeds of a bond issue and the interest rate prescribed in this subsection materially exceeds the rate of interest of the bonds, the interest rate prescribed by this subsection shall be reduced on that deposit to an amount not materially exceeding the interest rate of the bonds if the bond issue would lose its tax-exempt status pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

F. Public money in excess of that for which banks, savings and loan associations and credit unions within the geographical boundaries of the governmental unit have qualified may be deposited in qualified depositories in other areas within the state under the same requirements for payment of interest as if the money were deposited within the geographical boundaries of the governmental unit or may be invested as provided by law.

G. The department of finance and administration may monitor the deposits of public money by governmental units to assure full compliance with the provisions of this section.

History: 1953 Comp., § 11-2-33, enacted by Laws 1977, ch. 136, § 1; 1981, ch. 332, § 15; 1983, ch. 191, § 1; 1987, ch. 79, § 15; 1997, ch. 123, § 2; 2007, ch. 228, § 1.

INVESTMENT AND DEPOSIT POLICY

Resolution #88-8

WHEREAS, with respect to all public money not immediately necessary for the public use of the County, and with respect to all public money not invested or deposited in qualified Banks and Savings and Loan Associations within a County, the County Treasurer has the power to invest such money in negotiable securities of the United States, by and with the consent of the County's Board of Finance, this pursuant to 6-10-10, N.M.S.A., 1978; and

WHEREAS, 6-10-31, N.M.S.A., 1978 provides, in part, that a Board of Finance may place funds, not needed immediately for public purposes, on time deposit with qualified Banks and Savings and Loan Associations within the County; and

WHEREAS, 6-10-36 N.M.S.A., 1978 requires, in part, that public monies placed in interest-bearing deposits be distributed among qualified Banks and Savings and Loan Associations within the County according to capital structure on a pro-rate basis; and

WHEREAS, the Department of Finance and Administration has heretofore issued instruction to Counties to keep a minimum 5/12 of the annual budget in readily accessible cash reserves; and

WHEREAS, the Treasurer of Torrance County has generally adhered to the practice of maintaining a interest-bearing checking account to cover county expenditures, and depositing or investing excess funds in a mixture of interest-bearing accounts, interest-bearing time deposits, and negotiable Securities of the United States Government in varying amounts and maturities; and

WHEREAS, the Torrance County Board of Finance desires to obtain for the benefit of Torrance County the highest rate of return on all monies deposited or invested;

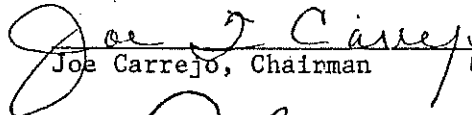
Resolution #88-8 Continued.

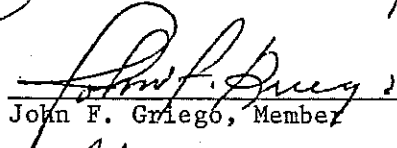
THEREFORE, recognizing that State Law regarding deposit and investment of public funds at the local government level, it is the stated policy and intent of this Board of Finance, that investment and deposit practices shall, at all times, conform to the State Law. Therefore, practice and/or policy will be changed whenever the Law requires it to be. The attached document outlining the County Treasurer's responsibility regarding investments of County monies is hereby adopted as policy of the Torrance County Board of Finance.

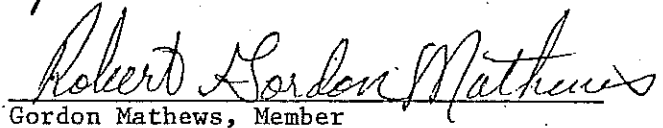
THEREFORE, be it resolved that the Board of County Commissioners of Torrance County adopt this resolution as a formal statement of policy.

ADOPTED, and approved this 18th day of May, 1988.

TORRANCE COUNTY COMMISSIONERS


Joe Carrejo, Chairman


John F. Griego, Member


Gordon Mathews, Member


Marilyn Autrey, Torrance County Treasurer



TREASURER'S RESPONSIBILITY

(attached to resolution #88-8)

The responsibility of conducting investment and deposit transactions for Torrance County funds shall reside with the County Treasurer or a Deputy Treasurer designated by the Treasurer. In administering the business of depositing and investing Torrance County funds pursuant to this resolution the County Treasurer shall maintain the following procedures to assure proper administration: (a) transaction authority shall be separated from the accounting function, (b) there shall be a clear delegation of authority, (c) all transactions shall be fully and completely documented.

In determining specific investments and deposits, the County Treasurer shall exercise prudence and caution appropriate to the circumstances, the same as persons of prudence, discretion and intelligence would exercise in the management of their own affairs. Each member of the Board of Finance, the County Treasurer and Deputy involved in the investment and deposit process shall avoid and refrain from any activity that would conflict with his or her professional responsibility to Torrance County.

The County Treasurer shall be responsible for maintaining a sufficient cash flow so as to not jeopardize timely payments of Torrance County's obligations or cause the loss of interest income by premature withdrawal of time deposits or other investments. The County Treasurer shall report to the Board of Finance on whatever periodic basis the Board shall direct.

These reports should include the current following information regarding:

1. How much money is invested in government securities?
2. How much money is deposited in Certificates of Deposit?
3. How much money is deposited in other interest-bearing accounts?
4. How much money is in County Checking Account?
5. A schedule of mature dates within 30 days, 60 days, 90 days.
6. Whether or not the Treasurer projects and cash flow shortage.



Torrance County Treasurer

Schedule of Investments as of April 30, 2017

State of New Mexico - Local Government Investment Pool					
Account Name	Balance at 06/30/16	Interest Earned FY17	Transfer Out	Transfer In	Account Balance
County	\$ 2,766,594.08	\$ 10,128.65	\$ (1,135,612.56)	\$ -	\$ 1,641,110.17
Road	\$ 138,037.40	\$ 508.50	\$ -	\$ 137,786.89	\$ 276,332.79
Wind PILT	\$ 203,529.23	\$ 753.63	\$ -	\$ 442,452.70	\$ 646,735.56
911	\$ -	\$ 4.16	\$ -	\$ 257,132.48	\$ 257,136.64
Fire	\$ -	\$ 4.82	\$ -	\$ 298,240.49	\$ 298,245.31
	\$ 3,108,160.71	\$ 11,399.76			\$ 3,119,560.47