



Torrance County
Investment Committee
Regular Meeting to be Held at:
Administrative Offices of Torrance County
Commission Chambers
205 S. 9th Street
Estancia, NM 87016

AGENDA

September 5, 2017
2:00 P.M.

Call Meeting to Order

Approval of Minutes: August 16, 2017

1. Investment Policy & Statute Compliance
2. Next Meeting Date & Time



**TORRANCE COUNTY INVESTMENT COMMITTEE
REGULAR MEETING
August 16th, 2017**

MEMBERS PRESENT: Amanda Tenorio, Finance Director
Johnny Romero, Member
Javier E. Sanchez, Commission Chairman Dist. 3
Belinda Garland, County Manager
Tracy Sedillo, County Treasurer
Dennis Wallin, County Attorney

ABSENT MEMBERS: Orlando Lopez, Member

OTHERS PRESENT: Leo Chavez, Alternate Member
David Tixier, Alternate Member

CALL MEETING TO ORDER

County Treasurer, Tracy Sedillo called the meeting to order at 1:45 pm.

FUND REQUESTS REVIEW

It was determined by the Committee that there needs to be a funding request summary form that outlines the pertinent details of each request. A form was drafted and approved by the committee (form attached).

The committee reviewed each fund request submitted. The internal department fund requests were reviewed first. Next, the committee reviewed the external fund requests. An appropriate funding source was identified for each request submitted.

The committee will forward all the request to the Torrance County Commission for final determination with the following recommendations:

1. All projects attached that will be funded from funds 401, 620 and 621 be approved and budgeted in the FY18 Operating Budget.
2. All fire department projects be reviewed by the new Fire Chief prior to allocation.
3. The balance of fund 641 (\$539,279.36) for budgeted for projects in the FY18 Operating Budget. The specific projects to be funded will be determined by the County Commission at a later date with projects on the Torrance County ICIP taking precedent.

4. All revenue for fund 641 that will be received in FY18 be earmarked for investment only.
5. A separate fund (642) be established in the FY18 Operating Budget for all investment proceeds to use for future projects.
6. The County Commission set a workshop to review all external funding requests as well as ICIP requests for possible funding.
7. The two road projects be set aside until a mechanism for screening road projects is established.

NEXT MEETING

The next meeting will be September 5, 2017 at 1:30 p.m. in the County Commission Chambers at the Administrative Offices of Torrance County.

Approved: 9-5-17

 Ray Sedillo
Committee Chair



Resolution 2017-_____

Torrance County Investment Policy

INTRODUCTION:

This investment policy ("Policy") becomes effective September 27, 2017 and applies to all financial assets of Torrance County ("County").

This resolution establishes a policy for the prudent investment of County funds.

SCOPE:

The goal of this policy is to protect public funds and to invest County funds in a manner that insures the safety, liquidity and yield. This policy also establishes a clear understanding between the County and any bank, financial institution, investment broker or financial advisor utilized by the County as to the guidelines, limitations and directions that the County has determined appropriate for accounts under their purview.

OBJECTIVE:

The primary objectives, in priority order, of Torrance County's investment activities shall be:

Safety: Safety of principal is the foremost objective of the investment program. Investments of the County shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity: The County's investment portfolio will remain sufficiently liquid to enable the County to meet all operating requirements which might be reasonably anticipated. Future use of funds shall be a criteria in determining maturities for any investment.

Yield: The County's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the County's investment risk constraints and the cash flow characteristics of the portfolio.

NOW THEREFORE BE IT RESOLVED THAT:

DELEGATION OF AUTHORITY: The Board of County Commissioners acting in its capacity as the County Board of Finance pursuant to 6-10-8 NMSA 1978 shall have authority to set policy for management of all County investments and insure that such policy is carried out. The Board of County Commissioners hereby adopts this policy.

The County Treasurer has ultimate authority, with the advice and consent of the Board of Finance, over the investment of public funds pursuant to 6-10-8 NMSA and as outlined in the policy and is hereby designated as the County's Investment Officer. The Investment Officer shall be responsible for all investment transactions and shall implement and maintain the system of controls outlined in the policy in order to regulate investment activities. The Treasurer shall designate in writing an employee of the Treasurer's office to act on the Treasurer's behalf in the absence of the Treasurer.

PRUDENT PERSON RULE: All investments of County funds shall be governed by the Prudent Person Rule of investment. Specifically, investments shall be made with judgment and care; under circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived.

ETHICS AND CONFLICT OF INTEREST: Board of Finance members, the County Manager, the County Treasurer, the Finance Director, members of the Investment Committee, and any and all investment officials shall refrain from personal business activity that could conflict with the proper execution of the County's investment program or which could affect or impair their ability to make impartial investment decisions on behalf of the County pursuant to 6-10-40 and 6-10-53 NMSA 1978 and the New Mexico Constitution Article VI11, Section 4.

CASH MANAGEMENT: The County Commission, County Manager, Finance Director, and County Treasurer will maintain ongoing communication regarding projected revenue and expenditures so that adequate cash flow can be maintained for daily operations. The County Treasurer must be notified of any large expenditures anticipated so that cash liquidity can be planned accordingly. The County Treasurer will take into consideration these projected cash needs of the County when setting investment maturity dates.

INVESTMENT COMMITTEE: An Investment Committee shall be appointed by the County Board of Finance as an advisory committee formed to advise the Board of Finance and County Treasurer regarding compliance with, and evaluating the effectiveness of the investment policy. The Investment Committee will consist of seven voting members and two alternates: the County Treasurer, the Chief Deputy Treasurer, a member of the County Board of Finance, the County Manager, the Finance Director, and two private citizens and two private citizens to serve as alternates. The County Attorney will serve as Ex-officio members of the committee. The Board of Finance shall review the private citizen appointments and alternate each January and/or when a position becomes vacant.

The County Treasurer will serve as the chairperson and the County Board of Finance member will serve as the vice-chairperson of the Investment Committee.

The Investment Committee is charged with the following responsibilities with regards to this policy:

1. To review, at least annually and recommend changes to the Investment Policy.
2. To review the investment transactions and advise regarding proper controls are in place to guarantee the integrity and security of the Treasurer's investment portfolio.
3. Request a legal review of county investments to assure compliance with current state laws and policies of the County Board of Finance.
4. Meet at least quarterly to deliberate and advise such topics as: economic outlook, portfolio diversification and maturity structure, potential risks and the target rate of return on the investment portfolio.
5. Recommend depositories, custodians and broker/dealers.

INVESTMENTS:

1. Consistent with 6-10-36(B) NMSA 1978, County funds may be deposited in noninterest-bearing checking accounts in one or more banks, savings and loan associations or credit unions designated as checking depositories located within the geographical boundaries of the County to the extent the deposits are insured by an agency of the United States.
2. Consistent with 6-10-36(C) NMSA 1978, all funds available for investment may be placed in interest-bearing deposits in qualified banks and savings and loan associations within the geographical boundaries of the county. The funds are to be equitably distributed among the depositories 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 County.
3. Consistent with 6-10-44 NMSA 1978, if the County Treasurer has on hand more money that can be equitably and ratably divided among the qualified depositories (per 6-10-36 NMSA 1978), the County Treasurer may temporarily invest such excess funds in United States bonds or treasury certificates.
4. Consistent with 6-10-10.1 NMSA 1978, where the County Treasurer is unable to receive interest on county funds as set forth in 6-10-36 NMSA 1978, and said funds are not required for current expenditure, the County Treasurer may remit some or all such money to the State Treasurer for deposit for the purpose of investment.
5. Consistent with 6-10-10 NMSA 1978 where the County Treasurer has on hand sinking funds or money remaining unexpended from proceeds of any issue of bonds or other negotiable securities of the county and all money not immediately necessary for public uses, the Treasurer may invest said monies in
 - a. Bonds or negotiable securities of the United States, the state or a county, municipality or school district as specified in the statute.
 - b. Securities that are issued and backed by the full faith and credit of the United States government or issued by its agencies or instrumentalities

- c. Federally insured obligations, including brokered certificates of deposit, certificate of deposit account registry service and federally insured cash accounts.
6. Pursuant to 6-10-36(E) NMSA 1978, the rate of interest to be paid on County funds deposited in interest bearing accounts is that amount set by the State Board of Finance, but in no case is the amount to be less than one hundred percent of the asked price on the United States Treasury Bills of the same maturity on the day of deposit.

BANK COLLATERAL: Torrance County will require collateral on deposits and investments in amounts greater than FDIC coverage in accordance with the State Board of Finance Bank Collateral Policy and the State Board of Finance Savings and Loan Collateral Policy. If a bank is unable to meet the collateral levels required, the County Treasurer shall cease to make deposits and shall make withdrawals of deposits in the order in which they would otherwise mature down to an amount which can be collateralized at the appropriate level. The withdrawals of County deposits shall not be subject to the assessment of a penalty for early withdrawal, except to the extent required to be imposed by Federal law and in the event only the minimum penalty required to be imposed shall be imposed by the bank.

All banks and savings banks in which the County has funds in excess of \$100,000 are deposited will be required to enter into a Collateral Security Agreement which shall be mutually agreed upon by the Treasurer and the financial institution per §6-10-18.A. NMSA.

APPROVED BANK COLLATERAL: Public money may be invested with banks, savings banks, and credit unions having their main or manned branch offices within the geographical areas of the County, which have qualified as public depositories by reason of insurance of the account by an agency of the United States (FDIC), or by depositing collateral security of United States Treasury or agency securities as provided herein, letters of credit from the Federal Home Loan Bank or by giving bonds as provided by law per §6-10-36.C. NMSA 1978. However, said collateral must have a daily closing price (mark to market) that is equal to or greater than the FDIC uninsured amount of the Certificate of Deposit subject to the collateral percentage requirements set forth herein. Additionally, if a Surety is used pursuant to §6-10-16-.1 NMSA 1978 the maturity of the Certificate of Deposit may not exceed the time in which the Surety may expire for any reason.

SAFEKEEPING OF SECURITIES: All investment securities other than local financial institutions Certificates of Deposit purchased by the County shall be held in third-party safekeeping by an institution acceptable to the County. The safekeeping institution shall issue a safekeeping receipt or other evidence to the County listing the specific instrument, rate, amount, maturity date, instrument number, term and other pertinent information. Any financial institution holding securities for the benefit of the County shall be required to provide insurance sufficient to cover all said securities in the event that the financial institution fails financially and is unable to meet obligations to securities clients. Insurance such as Securities Investor Protections Corporation (SIPC) and private insurance shall be acceptable.

BE IT FURTHER RESOLVED that the interest earned from County investments be deposited into Fund 642 - Investment Interest to be used for future expenses as determined by the Board of Finance.

DONE at Estancia, New Mexico, Torrance County this 27th day of September 2017.

TORRANCE COUNTY COMMISSION

James W. Frost, District 1

Attest:

Julia DuCharme, District 2

County Clerk

Javier E. Sanchez, District 3