

**FINAL COPY
TORRANCE COUNTY BOARD OF COMMISSIONERS
BOARD OF FINANCE MEETING
MARCH 13, 2019**

COMMISSIONERS PRESENT: RYAN SCHWEBACH -CHAIRMAN
KEVIN MCCALL –DISTRICT 1
JAVIER SANCHEZ –DISTRICT 3

OTHERS PRESENT: WAYNE JOHNSON-COUNTY MANAGER
TRACY SEDILLO- COUNTY TREASURER
YVONNE OTERO-ADMIN. ASST.

1.) CALL MEETING TO ORDER

Chairman Schwebach calls the March 13th, 2019 Board of Finance Meeting to order at 1:37 PM.

2.) CHANGES TO AGENDA

There were no changes to the agenda.

3.) TREASURER’S REPORT- Presentation by Torrance County Treasurer

Tracy Sedillo states that the first section of the packet given to the Commission is the financial report. This shows the beginning fund balances by fund, what we received in revenue year to date, the transfers out & in, and the disbursements. The last columns are the fund balances. This report is as of February 28th, 2019.

Ms. Sedillo then proceeds to go over what the report entails. The 2nd & 3rd pages are the trust & agency accounts. These are tax accounts where property tax payments go into before they are distributed out to the entities. These get disbursed the 15th of the following month by checks issued to the entities. The next pages goes into detail of each fund. It shows what was received for the month, the beginning budget, the adjusted budget, the yearly cash receipts, and an estimate of what we should receive for the rest of the fiscal year.

Commissioner Sanchez asks how much is projected to carry over into next year.

Tracy Sedillo replies, she is not sure, they are currently working on revenue projections for the budget. She is going to look at the last 5 years of revenue and the projections to close the fiscal year to get the projections. The 3/12 reserve in the general fund and the 1/12 road fund has to be carried over into the next budget. The county is usually well over those reserves unless something was to go wrong with the detention fund which seems to be the drain on everything at the moment.

Ms. Sedillo states that the next section of the report is the tax collection report. So far 57.19% of the taxes for 2018 have been collected and we have collected 92% overall. The figures look low because of the protest with CCA. Their money is being held in suspense and cannot be released until the case is resolved. If the protest doesn't go in our favor we will have to refund money to CCA. The money has to be in an interest bearing account per statute. The entities effected by this are Torrance County, Town of Estancia, and Estancia Schools. It is both the first and second half of 2017 and the first half of 2018. CCA has to make their payments in order for the case to continue.

Ms. Sedillo states that her office is working hard on property tax collections. There is an auction tentatively scheduled for April 18th. There are 45 properties listed to be auctioned for delinquent taxes. Every July her office has to prepare a list of delinquent tax accounts that have not been paid for 3 years. Once the properties are turned over to the state the county no longer has any control over them. The states keeps all of the money except for the base tax, which is what the county gets to keep.

Ms. Sedillo states that she turned over 3000 delinquent tax accounts to the state last year and asked the state if they could send letters to the property owners. Having a letter come from the state, instead of from the county, really helps with collections. People are more apt to pay when they get a letter stating their property has been sent to the state.

The delinquent field specialist has been out tagging delinquent mobile homes and that has resulted in people coming in to make payments. Ms. Sedillo states that they are working hard with getting people to come in and pay their taxes. The office has a pre-payment plan and that goes over a 10 month period and that helps people make 10 smaller payments instead of 2 large payments.

Wayne Johnson asks Ms. Sedillo, that it is collected over 10 months correct, and if the money is disbursed to the entities.

Tracy Sedillo states that the money is held in a suspense because it is considered an overpayment, once October hits the payments are disbursed.

Ms. Sedillo states that the last section is the Investments. There are two accounts with the New Mexico Local Government Investment Pool. The main county account has \$6,704,173.43 and the second account is the taxes paid under protest which is the money that is being held from CCA's taxes. The county currently has \$7.2 million in investments. Ms. Sedillo goes over the historical data from the investments and they are projected to be 87% higher in FY2019 than FY2018.

Ms. Sedillo states that they have tried to keep as much money as possible in the state investment pool to maximize those earnings. The money is fairly liquid, so if she requested money it would be wired into the account the next day.

On a side note Ms. Sedillo states that she has opened up the account with US Bank and is slowly transitioning over.

Commissioner McCall asks Ms. Sedillo how it is going with the transition.

Tracy Sedillo states that it is going very well and she has spoken with their reps more in the past few weeks than she ever did with Wells Fargo. They have been very helpful. There are a lot of payments that are handled through ACH and that is very time consuming.

Commissioner McCall asks how her office is currently depositing.

Tracy Sedillo states they are driving every day to make deposits. She is trying to contract with a courier and once the logistical issues are cleared they can proceed in using the courier. Mr. Wallin has reviewed that contract, and using the courier will be much cheaper than having to drive to and from Moriarty every day. The amount is about \$230.00 per month for a 2 day pick up. All of the checks are done through remote desktop, they are scanned in and deposited every day. The cash is what needs to be taken to be deposited every day.

4.) ADOPTION OF RESOLUTION

A.) TREASURER: Motion to approve Resolution 2019-20 Torrance County Investment Policy

Tracy Sedillo states that this Resolution replaces the previous investment policy.

Wayne Johnson states that they are meeting here as the Board of Finance. The procedures are different than those of the commission and with the interface with the Treasurer. The Board of Finance has the authority to give its consent for any transaction and the Treasurer has the authority to initiate those transactions. The Board of Finance cannot enforce the Treasurer to make those transactions but can withhold their consent. The consent is enforced by a document such as this. The board states that as long as the treasurer is making investments within the policy she has the consent from the Board of Finance to proceed with that transaction. There were a few things changed in this policy.

Tracy Sedillo states that the collateral is one of the big changes that was made. The collateral on the main checking accounts, deposits, and the investments is what was changed. The previous policy had us at 50%. Ms. Sedillo states that she is not comfortable with that percentage. Should the bank close down she would like to receive more than half the money back. The collateral was raised to 102% which is what most of the counties in the state have in place.

Ms. Sedillo states that a few logistical things were changed which was the structure of the board. It is hard to get people to sit in on the investment committee. We did a new policy to have members of the public who had knowledge of investments to be part of the process. We currently aren't in an area where we can have long term investments because of the detention issue. The money needs to be secure and liquid if we need it. Since we were going to add the collateral and amend the policy we decided to go ahead and change the structure of the board.

Wayne Johnson states that they decided to reduce the members by 2. I would be the finance director and the manager. Now it will be the Manager and a designee and just 1 member of the

public instead of two. This is merely an advisory board and they have no control or ability to tell the treasurer or finance what to do with the money, they only make recommendations. This board would review annually and recommend changes to this investment policy, review the investment transactions and make recommendations regarding proper control, and guarantee the integrity and security of the Treasurer's investment portfolio. Request a legal review of county investments to assure compliance with current states laws and policies of the County Board of Finance. Meet at least quarterly to deliberate and advise such topics such as: economic outlook, portfolio diversification and maturity structure, potential risks and the target rate of return on the investment portfolio. Recommend depositories, custodians, and broker/dealers. The Board of County Commissioners have the authority to spend the dollars. If you follow this policy there should be no problems.

Commissioner Sanchez asks when the committee meets. It has been awhile since they have had a meeting.

Tracy Sedillo states that the committee meets quarterly so they will need to meet sometime this month. Ms. Sedillo states that the reason there hasn't been a meeting is because she has had some difficulty reaching the members. Some of the members may need to be replaced.

Wayne Johnson states that the way the board members are selected will be different. The Treasurer will make recommendations for the member of the public and the alternate and it will be brought before the board for their approval.

Commissioner Sanchez states that he would like to recommend reaching out to those members before just removing them from the board.

Wayne Johnson states that he sees no problem in continuing with the current board until the end of the fiscal year then they can make changes.

Chairman Schwebach asks for a motion to approve Resolution 2019-20 Torrance County Investment Policy. **ACTION TAKEN: Commissioner McCall** makes a motion to approve Resolution 2019-20 Torrance County Investment Policy. **Chairman Schwebach** seconds the motion. No discussion, all Commissioners in favor. **MOTION CARRIED**

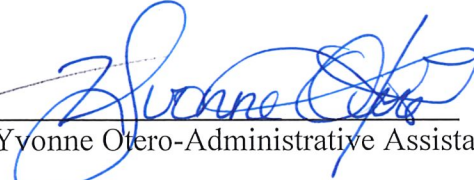
*ADJOURN

Chairman Schwebach asks for a motion to adjourn the March 13th, 2019 Board of Finance Meeting. **ACTION TAKEN: Commissioner Sanchez** makes a motion to adjourn the February 13th, 2019 Commission Meeting. **Chairman Schwebach** seconds the motion. No further discussion, all Commissioners in favor. **MOTION CARRIED**

MEETING ADJOURNED AT 2:00 PM



Chairman Ryan Schwebach



Yvonne Otero-Administrative Assistant

3.27.19
Date

The video of this meeting can be viewed in its entirety on the Torrance County NM website, Audio discs of this meeting can be purchased in the Torrance County Clerk's office and the audio of this meeting will be aired on our local radio station KXNM.