

BOARD OF SELECTMEN MEETING

February 25, 2025

MINUTES

Present: Shawn Talbot (Chair), Jason Somero, Lou Alvarez, Debbie Deaton (Town Administrator),

5:00 Open Meeting with the Pledge of Allegiance

Below is the link to view the meeting on YouTube:

https://youtu.be/MwV61KNV_eo?list=PLzGryVtWOBk8maGlwV0C7-1OgfqwrldljQ

5:05 NHPDIP, Beth Galperin:

Beth gave a background history of the NHPDIP. It was formed with legislation 30+ years ago when banks weren't paying competitive rates. There is a 3rd party administrator for investments and the bank commissioner had oversight. The NH State Treasurer now has oversight.

They follow the Fed rates and 2024 had the highest deposit ever with \$621 million.

PFMAM manages pools across the country and won the New Hampshire bid a few years ago. The State Treasurer now has oversight.

NHPDIP is not a bank so they are not required to collateralize and they are not FDIC insured. They are AAA rated by Standard & Poor and are audited by Ernst & Young.

There is no fixed rate and no fixed term. The pool pays every client the same rate.

It would probably take 1-2 weeks to get everything set up.

Attached is the presentation from NHPDIP.

6:00 TDBank, Katherine Heck:

Katherine gave a presentation (attached) on investment opportunities with TD Bank. She did an analysis of the Town bank accounts, revenue and expenditures and gave a synopsis of investment opportunities.

6:48 DPW-Peter Somero, Repair quotes for truck #14:

Peter had submitted quotes to repair truck 14 totaling approximately \$50,000. He said the trade in value of the truck with no repairs was between \$2,500 and \$3,500. It doesn't seem worth spending the \$50,000 for repairs because the frame on this is questionable as well. It was decided to bring the truck back to the highway garage and strip it for parts to be used on the other trucks.

He also got quotes for the purchase of a new truck (6 wheel & 10 wheel). There was some discussion regarding the pros and cons of each. It was decided that Peter will get quotes for lease options on these as well. This will be discussed at a meeting after March 11th.

Shawn asked Peter if we get noticed when the State is working in town on the State Roads. Peter replied we do.

Lou brought up the intersection of Old Rindge Road and Turnpike Road. He had previously asked Peter to check with the State to see if a mirror can be placed at the intersection. Peter looked into this and was told the State doesn't consider that a safety measure. Lou asked Peter to look into it again and see what other options there are.

8:00 Round Table Discussion:

- Shawn reminded the audience that Candidate's Night is on Tuesday, March 4, 2025 at 7pm in the Mascenic Auditorium.

•Shawn reminded the audience that voting is on Tuesday, March 11, 2025 from 7am-7pm in the Mascenic Gymnasium.

• The Board asked if Upton & Hatfield replied to the email regarding the intersection at Timbertop and Hubbard Pond Road. Debbie replied they did late this afternoon and will forward it to the Board.

• 445 Turnpike Road: Shawn asked Debbie to forward the Dropbox link to Pete Kelleher (Building Inspector). This will be further discussed on March 18th, time to be determined.

Part of this meeting will be in Non-Public Session.

8:07 Parks & Rec, Before and After School Program discussion:

Debbie informed the Board that Mindy is unable to attend but needs a decision because if it's approved, a lot of work needs to be done in the next few weeks.

Jason said his opinion hasn't changed and doesn't feel government should be involved in daycare. Shawn read the presentation Mindy had submitted last week and thinks there is too much gray area and more questions need to be answered. One of his biggest concerns is because the Town is exempt from State regulations for childcare and thinks this is not a good thing. Debbie said this program wouldn't need a license because of the amount of hours the children would be attending according to the State. Shawn read from the presentation, stating *"I also looked into DHHS for licensing information. We do not need a license, and because we are at the school we already follow guidelines set up by the state such as inspections from the Fire Department and the Health Inspector."* He thinks this is above what we should be doing as a Town function. He added the school feels they need it so they will be moving forward one way or another and thinks the school should run it themselves.

Jason said it starts off as profit but when government gets involved, it always ends up subsidized. Shawn added *"We will not be accepting state funds or assistance at this time, we are not equipped for that."* This leads him to believe it may be a possibility in the future.

Lou doesn't see any problem with it. He feels the school reached out to Mindy to see if Parks & Rec would be interested in this because of the need and it wouldn't hurt to make a profit for Parks & Rec.

Shawn and Jason agreed because the program is being held in the school and the school operates under rules that the town has no authority over.

☞ Shawn made a motion to accept the proposal by Parks & Rec for the before and after school program. Jason seconded the motion. The Board voted 1-2 in the negative. The motion did not pass.

At 8:25, Jason made a motion to adjourn the meeting. Shawn seconded the motion and it passed unanimously.

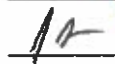
Respectfully submitted,
Debbie Deaton
Town Administrator

Minutes approved by BOARD OF SELECTMEN

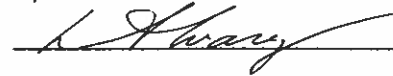
Shawn Talbot, Chairman:



Jason Somero:



Lou Alvarez:



New Hampshire Public Deposit Investment Pool



An Investment Strategy for Public Agencies

The New Hampshire Public Deposit Investment Pool (NH PDIP or the Pool) has been providing New Hampshire public entities with professional investment services since 1993. The Pool is designed to meet the distinctive investment needs of cities, towns, school districts, and other public subdivisions.

It is designed to focus on safety of principal, liquidity of funds, and earning a competitive yield.

NH PDIP offers an investment option structured to comply with the Government Accounting Standards Board (GASB) Statement No. 79 and rated AAAm by S&P Global.¹

Pool Features

- Same-day liquidity
- Unlimited transactions
- Unlimited accounts
- Interest paid monthly
- Local program representatives
- No out-of-pocket fees
- Diversification
- Professionally managed

A Team of Professionals

NH PDIP is professionally managed by the following organizations:

Oversight	State Treasurer of New Hampshire & NH PDIP Advisory Board
Program Administrator	PFM Asset Management ²
Auditor	Ernst & Young LLP
Custodian	U.S. Bank N.A.

¹ **S&P Global AAAm Rating:** S&P evaluates a number of factors, including credit quality, market price, exposure, and management. Please visit SPGlobal.com/Ratings for more information and ratings methodology.

² PFM Asset Management is a division of U.S. Bancorp Asset Management Inc., NH PDIP's investment advisor and administrator, that services public sector clients.

NH PDIP is Here for You

Our team understands your primary financial objectives of earning a competitive yield while maintaining safety of principal and daily liquidity. Taking advantage of opportunities for incremental yield can mean the difference between a tight budget and room to breathe. NH PDIP offers options designed to help you meet those goals. Contact our team for more information.

For assistance establishing or transacting on your accounts, contact the Client Services Group at **844.464.7347** or via email at **CSGEast@pfmam.com**.

We Have You Covered

- Transparent tracking and reporting capabilities
- Dedicated client service team
- Daily account information available at **NHPDIP.com**

Program Team

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Twinkle Malhotra
Client Services Representative
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A Program Governed by Those it Serves

Current as of September 30, 2024

The Pool is governed by the State Treasurer of New Hampshire with the assistance of the Advisory Committee. These individuals are responsible for setting overall policies for the Pool and for hiring and supervising the activities of the Program Administrator, the Custodian, and other agents of the Pool. They are also responsible for monitoring the investment performance and the method of valuing shares of the Pool.

Monica Mezzapelle
State Treasurer
New Hampshire State Treasury

Jamie Teague
Business Administrator
School Administrative Unit 70

Charles Nickerson
Finance Director
Rockingham County

Adam Denoncour
Assistant Director
Municipal & Property Division
*NH Department of Revenue
(Designee of Lindsey M. Stepp,
Commissioner)*

Dawn Enwright, CTC
Treasurer/Tax Collector
City of Nashua

Keith Pike
Vice President
Government Banking
TD Bank

Daniel R. Lynch
Director of Finance
City of Dover

Michelle Bogardus, CTP
Deputy Finance Director
City of Manchester

Stephen Christie
Retired President & CEO
Mascoma Bank

This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Pool's investment objectives, risks, charges and expenses before investing in the Pool. This and other information about the Pool is available in the Pool's current Information Statement, which should be read carefully before investing. A copy of the Pool's Information Statement may be obtained by calling 1-844-464-7347 or is available on the NHPDIP website at www.nhpdip.com. While the Pool seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in the Pool. An investment in the Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Pool are distributed by U.S. Bancorp Investments, Inc., member FINRA (www.finra.org) and SIPC (www.sipc.org). PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc., which serves as administrator and investment adviser to the Pool. U.S. Bancorp Asset Management, Inc. is a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bancorp Investments, Inc. is a subsidiary of U.S. Bancorp and affiliate of U.S. Bank N.A.



America's Most Convenient Bank®

Banking Services Presentation

Town of New Ipswich

February 25, 2025

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Bank

America's Most Convenient Bank®

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 - Questions and Answers

Town of New Ipswich Relationship Management Team



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Town of New Ipswich Relationship Team

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Banking Relationship Manager

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Email: brandon.p.smith@td.com

Our Commitment to You

Accountability

- Your Relationship Manager is responsible for your Government Banking relationship

Consistency

- One dedicated Relationship Team that is familiar with the overall relationship

Continuity

- Minimal touch points within the team ensures stability in serving the relationship

Exceptional service and a stronger relationship

**Your dedicated, local Relationship Team takes a consultative approach to deliver
customized banking and treasury management solutions**

TD Bank Overview



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- 10th Largest Bank in the U.S.
- More Than 1100 Stores Maine to Florida
- \$407.5 Billion in Total Assets
- \$329.1 Billion in Total Deposits
- \$35.5 Million in '23 Charitable Contributions
- 28,325 Total Employees
- \$30 Billion in Public Sector deposits Maine to Florida
- Serving NH for more than 150 years
- 53 Total Bank Stores in NH
- 700+ Employees State-Wide
- Ranked # 1 retail bank by deposits
- \$2.5 Billion in Public Sector Deposits in NH
- Branch Office Located in Contoocook, NH
- Government Banking office Located at 143 North Main St. Concord, NH

Financial Strength- NH Banks Credit Ratings as of 1/24/2025

Source: S&P Global Market Intelligence



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	S&P	Moody's	Fitch	Assets (000)	Gross Loan/ Total Deposits
TD Bank (Toronto Dominion)	A+	Aa2	AA-	2,061,751,000	67.38%
Bank of America Corp.	A-	A1	AA-	3,261,789,000	58.84%
Santander Bank N.A.	A-	A2	A-	102,700,627	66.79%
Citizens Bank, N.A.	A-	A1	BBB+	217,178,887	78.77%
M&T Bank	BBB+	Baa1	A	208,104,916	84.22%
JPMorgan Chase Bank N.A.	A	Aa1	AA	4,002,814,000	58.18%
Bank of New Hampshire (Laconia Savings Bank)	Not Rated	Not Rated	Not Rated	2,624,175	92.82%
Bar Harbor Bankshares (Lake Sunapee 2017)	Not Rated	Not Rated	Not Rated	4,083,327	96.35%
Franklin Savings Bank, NH	Not Rated	Not Rated	Not Rated	821,983	88.12%
Northway Bank, NH	Not Rated	Not Rated	Not Rated	1,188,010	89.50%
Merrimack County Savings Bank, NH	Not Rated	Not Rated	Not Rated	1,353,925	102.68%
Eastern Bank Corporation	Not Rated	Not Rated	Not Rated	25,559,377	83.39%
Pentucket Bank	Not Rated	Not Rated	Not Rated	1,075,665	103.34%
Provident Bank (Provident Bancorp)	Not Rated	Not Rated	Not Rated	1,593,170	93.75%
Bangor Savings (Granite Bank)	Not Rated	Not Rated	Not Rated	7,237,664	82.80%
Meredith Village Savings Bank	Not Rated	Not Rated	Not Rated	1,600,157	116.37%
New Hampshire Mutual Bancorp	Not Rated	Not Rated	Not Rated	3,712,551	103.55%
Camden National Bank	Not Rated	Not Rated	Not Rated	5,790,238	88.33%
Newburyport Five Cents Savings Bank	Not Rated	Not Rated	Not Rated	1,631,222	103.24%
Century Bank and Trust Co	Not Rated	Not Rated	Not Rated	7,112,322	47.14%
Partners Bank of New England	Not Rated	Not Rated	Not Rated	1,041,970	105.43%
Enterprise Bank & Trust	Not Rated	Not Rated	Not Rated	4,827,726	95.07%
First Seacoast Bank	Not Rated	Not Rated	Not Rated	581,057	92.65%



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Financial Review and Proposed Investment Strategies

TD Bank Current Services



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Under our tailored Municipal ADVANTAGE Program, the Town of New Ipswich pays NO Fees & earns interest each month on excess funds.

- **Municipal Advantage Checking** – This product is an interest-bearing checking account that applies earnings credits on account balances to help cover service charges and pays interest on all excess investable balances.
- **Earnings Credit Rate (ECR)** – TD Bank Earnings Credit Rate (ECR) which is used to calculate what is known as your Earnings Allowance. Your Earnings Allowance offsets all service fees; balances in excess of those required to offset fees automatically earn competitive interest.
- Based on an average estimated collected balances of \$4.64 Million, the Town of New Ipswich has the balance required to offset all fees – **FREE BANKING and FRAUD SERVICES**

The Town of New Ipswich Earned \$119,091.88 in interest in 2024

- **Interest Rate** – TD Bank is pleased to on all remaining balances based on current market conditions.
- **Escrow Direct** - Sub Account program also earns interest.
- **100% of account balances will be collateralized in accordance with New Hampshire Statute.**

Note: Based on requested services and volume projections provided from current statements, the estimated target monthly balance required to off-set all fees with TD Bank, is \$ 460,000.

**Rates are subject to change with market conditions.*

Account Analysis



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In January 2025 , the General Fund earned \$11,097.06 in interest.

- The General Fund account balance on January 31st was \$5,702,221.12
 - The 12-month Average balance was \$4.65 Million
 - The 12-month High cash balance was \$6.83 Million
 - The 12-month low cash balance was \$2.4 Million
- The monthly school payment obligation is approximately \$950,000 paid on the 10th of each month.
- Historical balance trends from 2024:
 - January 2024 Beginning Balance - \$5.98 Million
 - December 2024 Ending Balance \$6.83 Million
 - May 2024 Balance-\$2.6 Million
 - November 2024 Balance- \$2.4 Million
 - *January and July highest cash balance averages with May and November having the lowest cash balances following the typical municipal revenue and expenditure trends based on tax collections.*

This information is based on historical trends and current balances for illustrative purposes only. Future obligations and economic trends should be evaluated with up-to-date information at the time any investment is made.

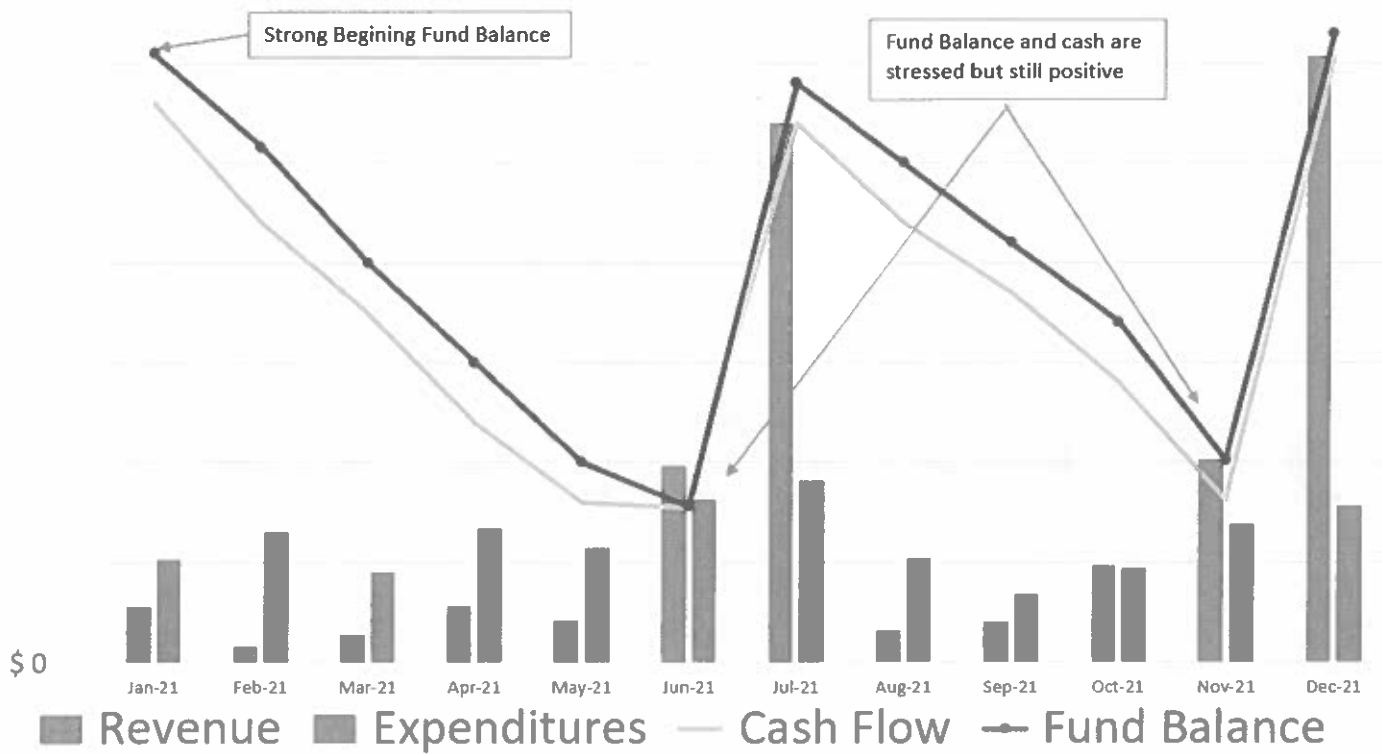
" Typical " Municipal Budget Cycle



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Healthy Municipal Budget Cycle-
Fund Balance Covers Expenses



Confidential

Source: NHMA "Taking the Mystery out of Fund Balance" - Katherine Heck

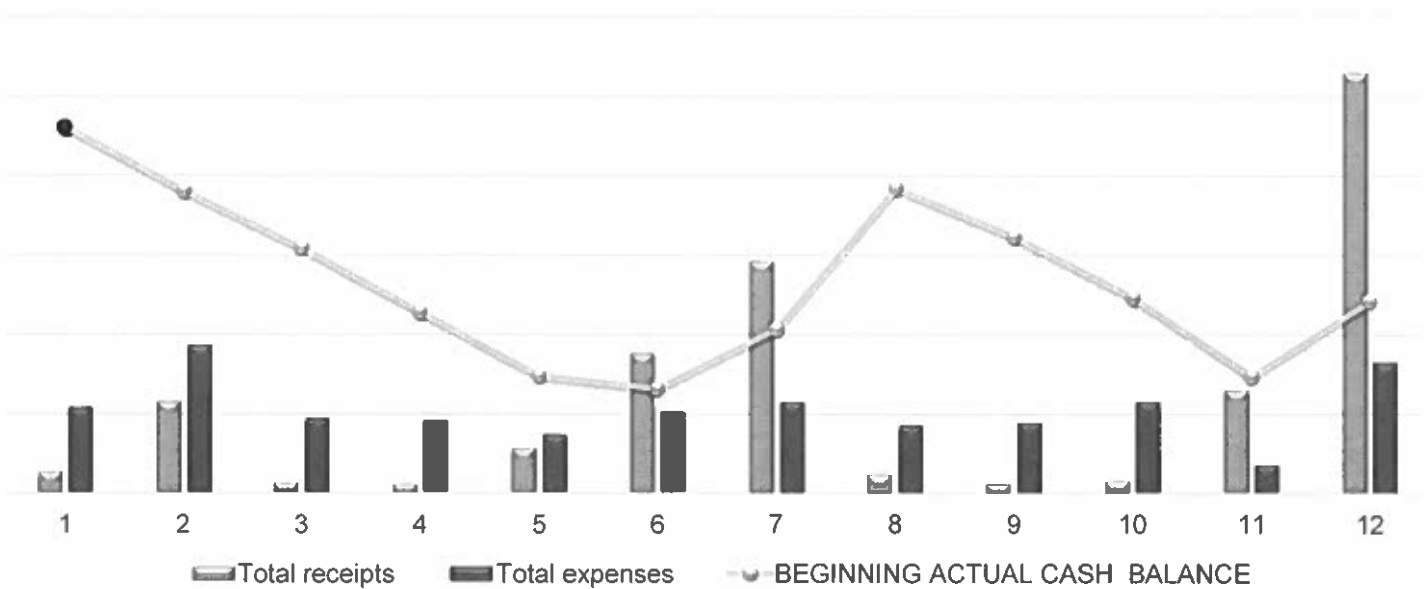
EXAMPLE - Cash Flow



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Cash Forecast Example





Goals and Objectives

■ *Guided by Investment Policy*

- What is your risk tolerance?
 - Safety
- How long can the funds be invested for?
 - Liquidity
- What is your rate return objective?
 - Yield

Investment Strategy

■ *How are "excess" funds available for investment determined?*

- *Cash Flow Analysis*
- *Future Obligations*
- *Fund Balance*
- *Budget Increases*

Investment Strategy – Certificates of Deposit (CD's)



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- Consistent with the Town's Investment policy for allowable investments, CD's offer fixed income for a set term and is not impacted by market fluctuations during the term.
- The ***principal is protected*** in TD Banks *fully* collateralized program over FDIC limits and ***interest in guaranteed***.
- Consistent with the Town of New Ipswich's Investment Policy offering:
 1. *Safety*
 2. *Liquidity*
 3. *Yield*
 1. Safety - Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
 2. Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
 3. Yield – The investment portfolio shall be designed with the objective of attaining a market rate of return. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

Source- Town of New Ipswich Invest Policy

Certificates of Deposit (CD's)



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- With a dedicated Government Banking division at TD Bank we offer CD terms that specifically meet the needs of local governments.
- TD Bank offers fully collateralized and FDIC insured CD's which provides the liquidity to meet cash flow obligations and allows interest to accrue at a fixed rate over a longer period of time, compounding interest income.
 - Local budgets are designed to be enacted for one fiscal year at a time, and consistent with the Town's investment policy, our CD program offers monthly maturity options starting at 30 days and to CD's maturing in less than one year.

CD Terms			
Term		APR	APY
Days	30		
Days	60		
Days	90		
Days	120		
Days	150		
Months	6		
Months	7		
Months	8		
Months	9		
Months	10		
Months	11		
Months	12		

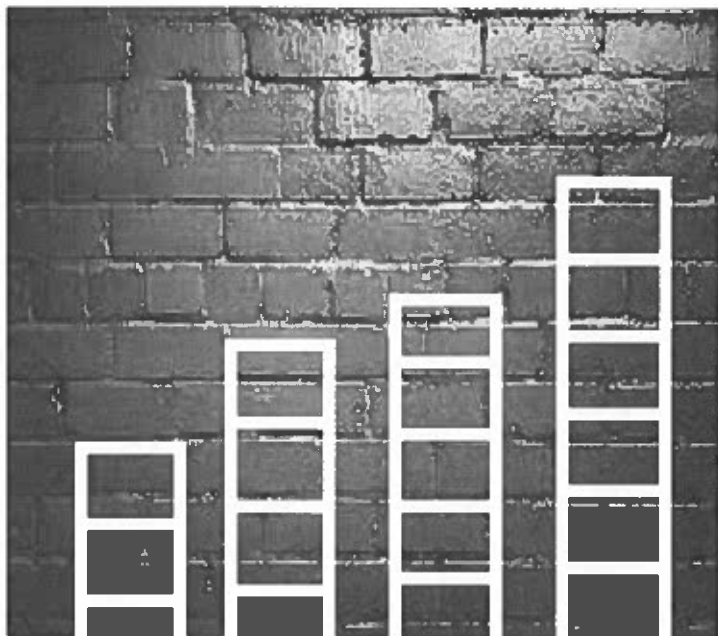
CD Ladder Investment Strategy



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A TD Bank CD Ladder Investment Strategy distributes your investable balance across multiple Certificates of Deposit (CD's) with staggered maturity dates.



The CD Ladder is most effective immediately following the December or June tax collection cycles when excess cash is available and longer investment terms can be used to compound interest.

CD's may be redeemed upon maturity, partially redeemed or rolled for another term of your choice based on your cash flow needs.

Security of Public Funds

“Custodial credit risk” is the risk that the government will not be able to recover deposits or investments in the event of the failure of the institution.

ANY portion of a deposit not covered by depository insurance (i.e., FDIC limit of \$250,000) is exposed to custodial credit risk and must be disclosed in the notes to the audited financial statements.

Deposit Insurance for Accounts Held by Government Depositors

FDIC insurance coverage for government accounts is currently \$250,000 per *official custodian* **not** per account.

All time and saving deposits held by the same official custodian (i.e. Treasurer) are added together and insured up to \$250,000.

All demand deposits held by the same official custodian are also added together and insured up to \$250,000.

Collateralization



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- Exposure to custodial credit risk is minimized by collateralizing deposits, whereby banks pledge assets to secure the deposit amounts in excess of the FDIC insurance coverage.
- TD collateralizes 100% of the deposit above any FDIC insurance provided.

LETTER OF CREDIT TRUST AGREEMENT

by and between

TD BANK, N.A.

As Trustor

and

THE BANK OF NEW YORK MELLON,

As Letter of Credit Trustee

- Collateral is held in the name of the municipality with a third-party custodial bank or with the banks trust department.
- *TD Bank issues a letter of credit with BNY Mellon*

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Security of Public Funds

At TD Bank our government banking business model collateralizes

***ALL* your funds**

above FDIC insurance

on every account or investment

minimizing custodial risk.

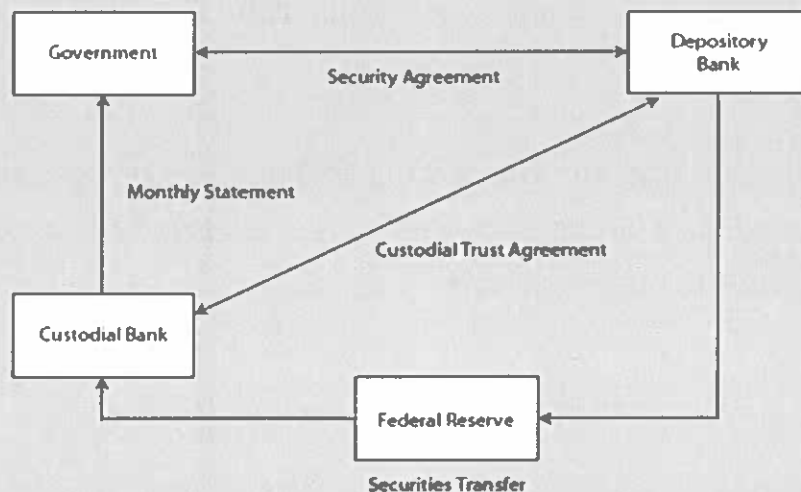
Perfecting Collateral Agreements- TD collateral agreements meet *ALL* requirements:

- In writing,
- Approved by the board of directors of the depository institution or its loan committee, with approval reflected in the minutes,
- Continuously, from the time of its execution, an official record of the depository institution.

HOW COLLATERALIZATION WORKS

The flowchart below illustrates how collateralization and third-party safekeeping work. The government places deposits with its depository bank and enters into a security agreement that formalizes the public entity's relationship with the bank. The depository bank transfers securities through the Federal Reserve System to a third-party bank that acts as custodian.

The depository bank and the custodial bank enter into a custodial trust agreement that ensure the securities held by the custodial bank show the government as the owner of those securities. The custodial bank will send the government a monthly statement listing the securities being held as collateral and reporting the market value of those securities.



Market Conditions



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Because the market is experiencing ongoing volatility due to the Federal Reserve's three rate cuts in the fall of 2024 including .25 bps in November with an additional cut of .25bps on December 18, the market had started to build in future rate cuts. Economists are forecasting an additional 2-3 rate cuts in 2025. At the January 2025 meeting, the Federal Reserve held interest steady resulting in rates remaining more stable than they had been following the December rate cuts.

Please note that rates quoted are today's rates and are subject to change due to the falling rate environment determined by the Federal Reserve. Updated rates will be provided for review and approval on the date the CD is funded.

Why Choose TD Bank?



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- One of the safest banks in the world
 - Aa1 rating from Moody's, AA- rating from S&P, AA- rating from Fitch
 - Conservative risk management culture
- Customer service leader – J.D. Power, Greenwich Associates, Consumer Reports
- Dedicated Government Banking Team located in Concord in NH
- Municipal Industry knowledge and experience
- Active Participation in Municipal Professional Organizations
- Robust Treasury Management capabilities with continuous reinvestment
- Consultative approach with tailored solutions to fit your needs
- Competitive pricing that is mindful of the economic environment
- Creating value through relationships, not transactions





America's Most Convenient Bank®

PUT THE POWER OF TD BANK TO WORK FOR YOU

Thank you for your consideration