

New Hampshire Public Deposit Investment Pool
Advisory Committee Meeting
Friday December 17, 2010 at 10 am
New Hampshire Banking Department
53 Regional Drive, Suite 200, Concord, NH

MINUTES

Members Present for the Meeting:

NH Deputy Bank Commissioner Robert Fleury; Daniel Lynch, NH Municipal Association; Paul Micali, Government Financial Officers Association; NH Department of Revenue Commissioner Kevin Clougherty; Gregory Wenger, NH Association of Counties; and Keith Pike, New Hampshire Bankers Association.

Members Absent from the Meeting:

NH State Treasurer Catherine Provencher; Sharon Wickens, Government Financial Officers Association; Nicole Pellenz, New Hampshire Bankers Association; and the appointee (vacant) of the NH School Boards Association.

Other Attendees:

Barbara Robinson, NH Department of Revenue, Celia Leonard, NH Banking Department, Ingrid White, NH Banking Department, Richard Arcand, NH Banking Department, Jo Ann Klatskin, Regional Director, NH Public Deposit Investment Pool, and Thomas Jordan, Cutwater Asset Management.

Richard Arcand took the minutes.

Mr. Fleury opened the meeting at 10:05 am.

1. Cutwater Asset Management briefed the Committee on the current status of the Pool.

Ms. Klatskin provided a handout in a new, proposed format.

Mr. Micali asked if the report could be emailed to the Committee members a few days before the meeting for review purposes. Ms. Klatskin said they could.

Mr. Clougherty asked several questions about the economic outlook. Mr. Jordan explained that the Cutwater team feels that there won't be any big changes to interest rates over the next two to three quarters.

Mr. Micali asked about the Asset Allocation in regards to Exhibit E. Ms. Klatskin said they would revise the chart to reflect the allocations.

Mr. Micali asked about Asset by Participant – How does that correlate to the liquidity. Ms. Klatskin said that it doesn't and that they would revise the slide to correct the confusion.

Ms. Klatskin shared a sample of a proposed newsletter that they could produce going forward if the Committee liked it.

Mr. Clougherty and Ms Leonard asked if the data in the report is accurate. Ms. Klatskin said yes, it was.

Mr. Clougherty asked if the zero account cost the Pool anything. Mr. Jordan said no.

Ms. Leonard introduced the new member, Mr. Keith Pike from Citizens Bank. Mr. Pike will replace Jeanette Davilla and will represent the NH Bankers Association. The web site will be updated to note the change.

2. RFP Discussion

Pursuant to RSA 91-A:3 II and 91-A:5, IV, Mr. Micali moved that the committee enter a nonpublic session; Mr. Lynch seconded. A Roll Call vote was taken and all the attending Members voted Aye. The Committee entered a nonpublic session at 10:37 am.

The Committee returned from nonpublic session at 11:35 am.

3. Approval of Meeting Minutes

Mr. Micali moved that the committee table the minutes, Mr. Fleury seconded, and the motion carried.

4. Other Business

None.

Mr. Clougherty moved to end the meeting; Mr. Wegner seconded. The meeting was adjourned at 11:45.

Respectfully submitted,

Richard Arcand
NH Banking Department

New Hampshire Public Deposit Investment Pool Advisory Committee

Minutes from the Non Public Session (12/17/10)

Date and Time: 12/17/10, 10:37 am

Meeting Location: NH Banking Department, 53 Regional Drive, Concord, NH

NH Deputy Bank Commissioner Robert Fleury; Daniel Lynch, NH Municipal Association; Paul Micali, Government Financial Officers Association; NH Department of Revenue Commissioner Kevin Clougherty; Gregory Wenger, NH Association of Counties; and Keith Pike, New Hampshire Bankers Association.

Members Absent from the Meeting:

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Other Attendees:

Barbara Robinson, NH Department of Revenue, Celia Leonard, NH Banking Department, Ingrid White, NH Banking Department, Richard Arcand, NH Banking Department.

Richard Arcand took the minutes.

The Board entered nonpublic session after a unanimous roll call vote at 10:37 am.

- Ms. White updated Mr. Pike and others on the Committee about the status of the RFP discussions and where we were in the process.
- Mr. Clougherty asked if we have independently verified if the Pool's investments were in compliance with the Pool's guidelines. A discussion followed about getting an independent audit done.
- Mr. Fleury asked if the RFP includes an audit of the investments to insure they meet the requirements of the Pool.
- The Committee discussed requiring the independent auditor to certify that the Pool is in compliance with all the Federal and Pool specific requirements.
- The Committee also discussed asking Cutwater to get an independent audit of the Pool before a new contract is signed.
- The Committee discussed the pros and cons of asking for an S&P rating on the Pool's investments.

- Mr. Clougherty asked if we could add a statement that would give the Committee the option to request an S&P rating or other options as required.
- The discussion continued regarding getting the S&P rating of the investments and compliance with 2a-7 rules and Exhibit E. Cutwater agreed to get an independent review of the portfolio.
- Monthly Reports will be generated for the Committee to review.
- The Committee also discussed the annual audit by PriceWaterhouseCoopers to see if the Pool is in compliance with all the federal laws and rules.

Mr. Lynch moved to leave the nonpublic session, Mr. Micali seconded and the motion was carried by all.

Respectfully submitted,

Richard Arcand
NH Banking Department