

New Hampshire Public Deposit Investment Pool

October 15, 2020

New Hampshire Banking Department
53 Regional Drive
Concord, NH 03301

MINUTES OF PUBLIC SESSION

Public meeting commenced at 9:04 a.m.

Present: Via Remote Call-in: David Fredette, NH GFOA; Dan Lynch, NH Municipal Association; Charles Nickerson, NH Association of Counties; Keith Pike, NH Bankers Association; Joe Thornton, NHBA; Sharon Wickens, NH GFOA.

Also Present: Via Remote Call-in: Gerald Little, Commissioner NH Banking Department; Chiara Dolcino, General Counsel, NH Banking Department; Lauren Warner, Hearings Examiner, NH Banking Department; and Doreen Sheppard, Paralegal, NH Banking Department; John Molloy, PFM; Beth Galperin, PFM; Jeff Rowe, PFM; Katia Frock, PFM; Dan Hess; PFM; Patrick Mulloy, RSM; Matt Spiegel, RSM; Kristy Merrill, NH Bankers Association; Ryan Hale, NH Bankers Association.

Commissioner Little opened the meeting by reading the attached Script To Ensure Meetings Are Compliant With The Right-to-Know Law During The State Of Emergency provided by the Attorney General's specific guidance on holding an emergency meeting.

The roll was called for attendance and it was established that a quorum of the committee was not present. All members and others attending confirmed that there was no one else present at their locations.

Commissioner Little asked what items on the agenda required a vote. John Molly answered that approval of the annual report of the pool and the report of the auditors require a vote. Commissioner Little recommended that the committee skip discussion of these two items as well as prior meeting minutes and move onto agenda matters that do not require a vote.

Jeff Rowe of PFM reviewed the information under Tab III – Investment Adviser Report. He noted that the market update is longer than usual due to how much is going on. The economy continues to improve from the 15% jobless rate seen in April of 2020. The housing market is also improving. Manufacturing and services continue to grow. The Federal Reserve projections from June –Sept show more optimism. Rates are expected to stay low – 0% for next several years. Fed sees need for more stimulus. Net assets remained stable through year despite uncertain market. WAM is positioned longer than usual, currently at around 50 days.

The stress test was reviewed. Commissioner Little asked whether the stress test provided the data needed to respond quickly in current environment. Jeff Rowe stated that it did, explaining

that PFM for a time ran the test weekly and widened the assumptions in order to evaluate on a real time basis.

At 9:39 a.m. it was noted that committee members Dan Lynch and Charles Nickerson had joined the call. Commissioner Little recapped the instructions regarding the telephonic meeting. Both Mr. Lynch and Mr. Nickerson confirmed that they were alone at their locations.

The meeting resumed returning to the top of the agenda.

Dan Lynch moved to accept the minutes of the meeting of August 20, 2020; seconded by Sharon Wickens, and VOTED, Unanimously, as follows:

Sharon Wickens	Yes
Daniel Lynch	Yes
Charles Nickerson	Yes
Keith Pike	Yes
Joe Thornton	Yes
David Fredette	Yes

John Molloy opened discussion regarding Tab II – Financial Report.

Dan Hess, of PFM reviewed the draft Annual Report. He pointed out page 3 of the draft report, indicating that rates fell over the period of the report (6/30/19-6/30/20). Net position is outlined on page 4.

Patrick Mulloy of RSM discussed the results of the audit. Certain communications are required under professional standards. He pointed out RSM’s letter to PDIP on page 33.

Matt Spiegel of RSM highlighted the summary of significant account estimates on page 37. He discussed the testing procedures used including letters to a bank to confirm existence of ownership of accounts and independent testing of each investment.

Mr. Mulloy noted key correspondence starting on page 39, explaining that PFM will sign on the date the audit report is released. Page 44 is the audit opinion which illustrates an unqualified or “clean” audit. Page 46 is the engagement letter hiring RSM.

Commissioner Little asked several questions regarding the documents:

- Page 23 re: notes, financial statements organization and reporting entity – pool still operating under agreement dated 8/2015 – section on management fees references new agreement signed this year.
- The signatory is Emelia Galdieri, the Deputy Commissioner. Should it be Commissioner? – PDIP will decide
- Page 24 – subsequent events – the date is blank? Will be filled in with date the audit is signed.
- Page 26 – management fees, says with “trust” needs to be changed to “pool”

Dan Lynch motioned to accept the auditor’s report and the annual report with proposed edits, seconded by David Fredette, and VOTED unanimously, as follows:

Sharon Wickens	Yes
Daniel Lynch	Yes
Charles Nickerson	Yes
Keith Pike	Yes
Joe Thornton	Yes
David Fredette	Yes

Beth Galperin of PFM presented the information under Tab IV – Marketing Update. Over 70 customers contacted via phone since August meeting. Total 13 new accounts, including 2 accounts added today.

Commissioner Little discussed the ongoing topic of Banking Department’s role in PDIP. Representative of the Governor’s office reached out to Commissioner Little to ask if the Department planned to introduce any legislation regarding the Banking Department’s role in PDIP, urging the Department to address any moving of the pool in its 2021 legislative session. He had a conversation with Municipal Bond Bank Executive Director Tammy St. Gelais. There seems to be some interest on her part. Her Board of Directors is meeting next week and she will raise the issue with them to see how they react. Commissioner Little asked the Board if any of the members had heard anything on this topic? Mr. Lynch stated he is the NHMA rep for PDIP Board. He had previous discussions with Barbara Reid when she was the Municipal Liaison. Mr. Lynch communicated to her some of Commissioner Little’s concerns regarding the management of PDIP falling with the Banking Department. Ms. Reid has retired with a new individual in her role. Mr. Lynch will follow up with her replacement. Mr. Fredette stated he has not heard anything on the topic. He thought previously there was a group of volunteers selected to meet on this idea. Mr. Fredette inquired as to the status of moving the PDIP to the State Treasury Office? Commissioner Little replied when Bill Dwyer was treasurer, he acknowledged that most states that are involved in the management of a Public Deposit Investment Pool, that responsibility lies in the state treasury. Only in New Hampshire is it the Banking Department’s responsibility. Commissioner Little is attempting to find alternative sources for management of the pool in order not to add another responsibility to our Treasury Department but noted that moving the pool to Treasury is not out of the question. Commissioner Little stated it would be helpful to hear from cities and counties as to where they would like the pool to be. Ultimately the Banking Department only wants to do something that the folks who benefit from PDIP are comfortable with. Mr. Fredette stated the PDIP board needs to take action to move this forward. Commissioner Little responded that we want to know the folks who benefit from the pool are comfortable and feel they have been involved in decision. He will keep board informed of any developments.

Commissioner Little addressed Tab V of the agenda – Future Meeting Dates. Next scheduled meeting is February 18, 2021. There were no concerns regarding this date from board members. Following date proposed is May 27, 2021. That is too far out to determine at this time.

Mr. Fredette moved to adjourn the meeting, seconded by Mr. Lynch. No members opposed. Meeting adjourned at 10:27 a.m.