

## NEW HAMPSHIRE PUBLIC DEPOSIT INVESTMENT POOL

November 10, 2016

New Hampshire Banking Department  
53 Regional Drive  
Concord, NH 03301

### MINUTES OF PUBLIC SESSION

Call the Meeting to Order: NH Banking Department Deputy Commissioner, Ingrid White, called the meeting to order at 9:00 a.m.

Attendance and Quorum: Attendance taken. Quorum established.

Present: Ingrid White, Deputy Commissioner, NH Banking Department; Michael Jache, NHGFOA; Barrett M. Christina, NH School Boards Association; Lyn Gelinis, Citizen's Bank, NH Bankers Association; Shaun Thomas, NH Department of Revenue; Daniel R. Lynch, NHMA; Sharon Wickens, NHGFOA.

Also Present: Emelia Galdieri, NH Banking Department; Doreen Sheppard, NH Banking Department; William Sullivan, PFM; John Molloy, PFM; Barbara Fava, PFM; JoAnn Klatskin, PFM; Tom Fahey, NH Bankers Association. Over the telephone: Dan Hess, PFM; Jeff Rowe, PFM.

The committee reviewed the draft minutes from the meeting of August 11, 2016. Mr. Sullivan suggested correcting a typographical error in the second line from the bottom of page one – “gap = yields” to “yield gap.” Ms. Gelinis moved to accept the minutes as amended. Ms. Wickens seconded the motion. The board voted unanimously to approve the minutes.

Mr. Molloy introduced Mr. Hess to review the contents of Tab II of the exhibits packet. Mr. Hess first discussed the Annual Report. He noted that the “Management Discussion and Analysis” section is new this year. He also noted the condensed financial statements required under the new GASB rules. Finally he pointed out the “Schedule of Investments” is not required under GASB so that section was moved to the back of the report and marked “unaudited.”

Mr. Hess next discussed the Audit Results. He pointed out that the auditor found no issues. Mr. Jache moved to approve the audit results as presented. Mr. Lynch seconded the motion. The board voted unanimously on that motion.

Mr. Hess next reviewed the RFP for Audit Services section of Tab II. He noted the results of the nonbinding RFP resulted in RSM and Ernst and Young being selected as auditors for PFM's various pools that it manages. PFM recommends RSM to audit the NH PDIP. Ms. Fava noted that the fee for the auditor is paid by PFM. Mr. Jache moved that the board recommend that the commissioner hire RSM to audit NHPDIP. Ms. Gelinis seconded the motion. The board voted unanimously on that motion.

Mr. Rowe reviewed Tab IV of the exhibits. Mr. Rowe first discussed the market's reaction to Mr. Trump's election which was not included in the materials. Mr. Thomas asked what caused the increase in the expense ratio noted on page 12? Ms. Fava explained that PFM waived fewer fees. Mr. Rowe reviewed the stress test with the board. Mr. Sullivan discussed the importance of noting the review of the stress test in the minutes.

Ms. Klatskin reviewed Tab V of the exhibits.

Ms. Fava reviewed Tab VI of the exhibits. Ms. Fava and Ms. Klatskin reviewed the materials in Tab VI with the NH Bankers Association. Page 7 shows the proposed legislative change. Ms. Fava noted that they hope to get a NH senator to sponsor the legislation. Ms. Fava discussed the memorandum to the NH Bankers Association regarding that organization's questions. Mr. Fahey discussed the policy decision for the legislators to make: whether to keep money inside the state. Ms. White stated that the commissioner would remain neutral on the legislation, but will attest to the legitimacy of PFM.

The board set a meeting for November 2, 2017. PFM will start sending out a reminder for meetings one month in advance.

Meeting adjourned at 10:30am.