

NEW HAMPSHIRE PUBLIC DEPOSIT INVESTMENT POOL

Advisory Committee Meeting - EMERGENCY

February 12, 2015

New Hampshire Banking Department

53 Regional Drive

Concord, NH 03301

MINUTES

- 1) Call the meeting to order – Commissioner Glenn A. Perlow at 9:00 a.m.

Attendance & establish a quorum: NH Banking Department Director of Trusts, Spencer Culp called the roll and a quorum was established.

Present: NH Banker's Ass'n, Christopher MacDonnell, Bank of NH; Commissioner Perlow, NH Banking Department.

Via Teleconference: NH Banker's Ass'n: Lyn Gelinis, Citizen's Bank; NH Govt. Fin. Officers' Ass'n: Sharon Wickens, City of Manchester; NH Mun. Ass'n, Daniel Lynch; William Dwyer, Treasurer, State of NH

Absent: David Cornell Dept. of Revenue; Michael Jache, City of Concord; Theresa Young, Rockingham County; Dean Michener.

Also present: NHBD, Spencer Culp, Dir. Of Trusts; NHBD, Doreen Sheppard, Paralegal.

Via Teleconference: Cutwater: Jo Ann Klatskin, NH Rep.

- 2) Commissioner Perlow stated there are 180 days until Cutwater terminates. RFP is the first option. Suggested perhaps accelerating next regular meeting to address.

JoAnn Klatskin explained Cutwater's resignation is not a shock. There has been increased pressure due to low interest, etc. Last week Indiana informed it no longer wanted Cutwater. Now a diminished economy of scale. BNY Mellon does not do this type of management. JoAnn informed that her position is being eliminated but she will be on board until NH is settled. There are a couple of firms that might be interested. JoAnn offered to make contact.

Dan Lynch reminded that next meeting is set for March 2 and asked for board to receive copies of the proposals sent out a few years ago. Commissioner Perlow agreed to send those out.

JoAnn Klatskin stated it is a different world now. There are only a few firms left that do this. The last RFP was very extensive, probably not necessary this time.

Commissioner Perlow asked if JoAnn could identify the firms. JoAnn identified PFM, which was the runner up last time; and PTA, headed by Cutwater former director and which has taken over most of Cutwater's pools.

Commissioner Perlow stated that Spencer Culp had researched and many bigger LCHIPs are run by the states they are in.

JoAnn Klatskin confirmed and offered to make arrangements for contact with Indiana State Treasurer if the board wishes.

Dan Lynch asked if the pool will be converting to cash. JoAnn Klatskin answered that it will or, maybe treasuries, etc. 1 basis pt. will become 0 basis pts. with conversion.

Commissioner Perlow stated March 2, meeting date is soon enough. No need to accelerate next meeting. Asked about Cutwater folks responsible for winding down. JoAnn Klatskin answered, yes.

Dan Lynch asked when the information will be made public. JoAnn Klatskin answered that it is up to PDIP. Can work together on language of announcement. Christopher MacDonnell suggested word go out sooner rather than later. Commissioner Perlow asked JoAnn Klatskin to draft and send to him.

Lyn Gelinas asked what timing has been in past. JoAnn Klatskin stated can make it happen fairly quickly. If we go with PTA, they are very familiar with processes, etc. RFP process can be shortened from past one.

Commissioner Perlow stated need to do RFP, per NH law. Will informally reach out as will informally reach out to see what likely response will be. Also for March 2, meeting will invite additional guests; i.e., Municipal Association, NH Bankers. Dan Lynch offered to reach out to Municipal Assoc. Chris MacDonnell offered to reach out to NH Bankers.

Christopher MacDonnell asked if Rhode Island and Wisconsin closing their pools equaled drop in deposits. Joann Klatskin answered that Wisconsin closed about 3 years ago and Rhode Island closed about 2 years ago and started its own pool. JoAnn suggested Terry Knowles and Tom Donovan of NH Charitable Trusts also be invited to March 2.

Sharon Wickens will call GFOA.

Commissioner Perlow will contact Governor's Office.

Dan Lynch commented that State Treasurer should be at the meeting. Commissioner Dwyer stated he plans to attend. May have Deputy Treasurer attend as PDIP meetings are scheduled for same time as Retirement Board.

Commissioner Dwyer asked if contract for PDIP manager needs to be approved by board and AG's office. Asked if any legislators would be interested. Suggested reaching out to legislative leadership to discuss shift in how PDIP might be managed. Treasury cannot take it in-house.

Commissioner Perlow agreed must be careful to manage communication process. Will arrange with Treasury and legislative leadership.

Christopher MacDonnell moved that meeting minutes include letter of resignation from Cutwater. Dan Lynch seconded. VOTED, unanimously.

Commissioner Perlow stated the contract with the custodial bank and Cutwater is now up and asked if anything further at this time.

JoAnn Klatskin explained Bank of America has resigned. Will continue with NH until 4/30. Cutwater must give 180 days uninterrupted service. Seeking to get Bank of America to extend until resolution or, at least until 8/10 (180 days.) Plan B- perhaps BNY Mellon as a stop-gap.

Commissioner Perlow stated board can discuss again on March 2. JoAnn Klatskin will get draft to him. He will get it out to the board.

Dan Lynch asked if another municipality has done the bid process, can we use that process. JoAnn Klatskin responded that New York and Texas have done bid process; however, they are at least 2 years old. Commissioner Perlow stated that only the RFP process will work.

Commissioner Dwyer asked about preliminary contact to see if viable firms are willing and available. Spencer Culp responded that he has spoken to PFM. Indication is they are interested. Has not reached PTA yet.

JoAnn Klatskin suggested to Google PTA (Public Trust Advisors, White Plains, NY)

Sharon Wickens commented that time is of the essence.

JoAnn Klatskin stated that they are closing all of the programs. Connecticut participants already know. New Hampshire participants may find out.

There was no further business to be addressed by the members.

3) Adjournment

Christopher MacDonnell moved to adjourn. Second by Dan Lynch. VOTED, unanimously.

Meeting adjourned – 9:50 a.m.

Respectfully Submitted,

/s/ Doreen Sheppard