June 24, 2019

Members Present: Fred Buchholz-Chairman, Neil Roberts-Treasurer, Bob Burdett, & Stephen Hopkins

Absent: John Dickey

Also Present: Heather Carpenter-Recording

Meeting Opened – approximately 8:37 A.M.

First Order of Business

Income Spreadsheet-

- In a good state for the income, accumulative cash flow of $14,000 projected out to the end of the year.

The Chairman noted an issue at the top of the spreadsheet, the date at the top reflects May of 2018 but it is May of 2019.

Total Principal amounts- Nothing is exceeding the ten (10) percent rule yet, the only one coming close to it is Pfizer but it’s so close there is no need to bother with it at this point.

Fidelity Spreadsheet-

The Fidelity spreadsheet as of the close of business Friday. The only one that is extremely disappointing is Kraft Heinz.

- The oil company stocks are coming up slowly.
  - Exxon-Mobil is only down 6%
  - Chevron is in the black by almost 14%
  - Occidental Petroleum is still down there but there is good dividend income.

The Chairman asks if anyone has comments or recommendations.

Bob Burdett- We will continue to monitor.

Stephen Hopkins- Did we review the performance report at our quarterly meeting? Comparing it to the index of dividend paying stocks.

The Chairman looked at that, that one is not available to compare on the Fidelity report, they only list six indexes that you can compare to.

Stephen Hopkins- If you wouldn’t mind at the next meeting if we could look at that.

The Chairman agreed to the review at the following meeting.
Next Order of Business:

Bank/ Investment Review-

Recommendation from the Treasurer, Neil Roberts-

Based on what he heard from T.D. and Bank of New Hampshire, he doesn’t think that they are in the running based on their rate of return. Bank of New Hampshire is similar to NHPDIP, where there is a scaling up and down of interest depending on the market.

Meredith Village is offering a CD component but the rate scales back, it starts out pretty good at 12 months at 2.35%, annual 2.38%. As you go out further and the length in investment it keeps dropping. The concern, is if it drops year by year and the market is dropping, then we are going to be forced into something lower.

The one that is worth considering is Franklin Savings Bank, there is a clause that is very interesting, “all funds will be earning 2.5% annual percentage yield, we can fix that rate for one year or five years, it’s your choice.”

That is a pretty good rate and we are insulated and the Treasurers understanding is that we would still have the availability of the funds and if the rates started to go up, we could get up and go into an even higher rate. It would work all the same as far as doing withdrawals, there is a Franklin Savings Bank located in Gilford, which is very close by.

The thing is they don’t keep all the money there, that’s the difference. They have a promontory set-up, initially it all goes to Franklin Savings Bank but because of the FDIC limit of $250,000.00, rather than do a line of credit or a letter of credit to protect it all within the bank, they farm it out to individual banks at $250,000.00 per bank. In this case the total of 2.5 million would be a total of ten institutions guaranteeing the amount in full. It is all managed by Franklin Savings Bank, who farm out to these member banks within the system. Each bank takes on a share of $250,000.00, all the moneys are protected because you are fully covered and is accepted by the State. Franklin Savings Bank takes on the burden of the complexity and they give the details needed such as the MS-9 and monthly reports.

NHPDIP out at over 2.4 something and now they’re down to 2.3%. There is a concern that it will continue to drop.

Meredith Village seemed to indicate that there is a concern of market rates going down.

The Board would like to invite the Franklin Savings Representative to the next meeting to go over the offer and any concerns or questions the Board members have.

Stephen Hopkins-

TD bank is not competitive.

Bank of NH was hard to tell because the two and half percent they were offering on the municipal pool sounded like it could be interesting but the mechanics of it weren’t self-evident.
Neil Roberts- The Bank of NH fee is not fixed and is a sliding rate, similar to NHPDIP.

Stephen Hopkins- Meredith Village- Their provision around the CD accounts are really nice; no early withdrawal penalties and the difference between 2.38 and 2.5 isn’t much.

Neil Roberts- It is a good rate but like I mentioned, however it’s only for 12 months. When that matures in 12 months and their new 12 mon. rate is 2.2, we would have to go down to 2.2. If goes up we would be better off. Franklin Savings Bank is offering if they go up, we could go up without penalty even if we are in the five year. Meredith Village is reluctant to guarantee the rate for five years, and it would be easier to stay but the rate isn’t there.

Further discussion and comparison of Franklin Savings Bank vs Meredith Saving Bank offer continues.

Stephen Hopkins has a few questions if the Board is going with Franklins Savings Bank;

- Do we know what the financial health of Franklin Savings Bank is?
- Usually there is a fee with these types of programs, could you ask if there is a fee?
- They make reference to, will open separate accounts for each entity and then it made it sound like the money is going to be swept from that into this program. Are these all checking accounts that have a sweep mechanism on them, into this.

Neil Roberts- The understanding of it is that they are not checking accounts as such, this would be a CD situation.

Further discussion on the mechanics of the program and how it works.

**Conclusion**

The Board would like the representative from Franklin Savings Bank to present at the next meeting. Board members will email in advance their questions to the clerk, who will email them to the Treasurer in order to prepare for the meeting.

Once all the questions are answered by Franklin Savings Bank, the Board has agreed to take a second look at Meredith Village Savings.

Next meeting will be Monday, July 8th, 2019 at 8:30 a.m.-Academy Building.

**Approval of Minutes**

**MOTION:** On a motion by Chairman Buchholz and seconded by Bob Burdett it was voted unanimously to approve, as amended, the minutes of 04-29-19.

*Summary of amendments are listed on the approved copy of the minutes, on the last page.*

**Motion to Adjourn:** Bob Burdett

**Seconded:** Neil Roberts

Board votes unanimously to Adjourn at approximately 9:11 A.M.
Respectfully submitted,

Heather Carpenter