

## TRUSTEES OF TRUST FUNDS TOWN OF GILMANTON, NEW HAMPSHIRE

July 8, 2019

**Members Present:** Fred Buchholz-Chairman, Neil Roberts-Treasurer, Stephen Hopkins, Bob Burdett, John Dickey

**Also Present:** Heather Capraro, VP, Senior Business Relationship Manager, Franklin Savings Bank (FSB)

**Meeting Opened - 8:28 A.M.**

In the absence of the Recording Secretary, John Dickey was appointed by the Chairman to take notes.

The purpose of the meeting was to review the proposal received from FSB in response to the Trustees request for expressions of interest in handling the Trustees investment needs.

Stephen Hopkins had prepared a series of questions about FSB's proposal to use their Insured Cash Sweep (ICS) service run by Promontory. The proposed account would carry an interest rate of 2.5% and could be locked in for 1 year or 5 years.

Heather explained the basics of the program. FSB would open a business checking account for the Town. At the end of each day, funds would be swept by Promontory to a number of banks, with no one bank holding more than \$250K, thus all accounts would be FDIC insured. All banks used are vetted by Promontory and all have a AAA rating.

FSB could set up the accounts so that each trust fund could be tracked and accounted for separately. The Town would be able to use a single checking account and make electronic funds transfer from individual accounts into that checking account as necessary. There would be no limits to the number of transactions, either in or out, which could be made.

Stephen asked how FSB and Promontory would be compensated for their services. FSB would pay 12.5 basis points to Promontory. FSB would pay 2.5% interest to the Town but would be able to loan out funds at the going market rate. Promontory acts as a service only and does not actually hold any funds. Funds are placed with banks that are vetted by Promontory.

The Trustees requested additional information from FSB about Promontory so that they could make an informed decision as to whether to use this service. Information requested includes:

- How is Promontory set up; are they public or private entity?

- How does Promontory conduct their research; how are decisions made on which banks to use?
- If something were to happen to Promontory, what protection would we have through FSB?

Heather indicated that she would obtain answers and get back to us quickly.

After Heather's departure, the Trustees discussed whether to go back to Meredith Village Savings Bank as a courtesy to see if they could make a more advantageous proposal. Neil will make contact with MVSB.

**Conclusion** - The next meeting will be held on Monday, July 15 at 8:30 A.M. to review additional information received and to make a decision.

**Motion to Adjourn** - Made by Bob Burdett; seconded by John Dickey

Meeting adjourned at 9:23 A.M.