

NEW HAMPSHIRE PUBLIC DEPOSIT INVESTMENT POOL

August 10, 2017

New Hampshire Banking Department
53 Regional Drive
Concord, NH 03301

MINUTES OF PUBLIC SESSION

Present: Gerald Little, Commissioner, NH Banking Department; Bill Dwyer, NH State Treasurer; Michael Jache, NHGFOA; Lyn Gelinis, Citizen's Bank, NH Bankers Association; Shaun Thomas, NH Department of Revenue; Daniel Lynch, NHMA; Barrett M. Christina, NH Dept. of Education.

Also Present: Susan Chamberlin, NH Banking Department; Doreen Sheppard, NH Banking Department; John Molloy, PFM; JoAnn Klatskin, PFM; via telephone: Jeff Rowe, PFM.

Call the Meeting to Order: NH Banking Department Commissioner, Gerald Little, called the meeting to order at 9:12 a.m.

Attendance and Quorum: Attendance taken. Quorum established.

The committee approved the minutes from the meeting of November 10, 2016. Bill Dwyer abstained from voting as he did not attend the meeting.

The committee approved unofficial notes from March 6, 2017. Bill Dwyer abstained from voting as he did not attend the meeting.

Mr. Molloy reviewed the information under Tab II in the exhibits. He noted pool assets crested the \$200 million mark, highest it has been since 2014.

Mr. Dwyer noted that redemptions for second quarter were significantly higher than first quarter.

Ms. Klatskin and Dan Lynch explained redemptions in June are higher due to schools and town paying debt service and deposits may be higher in July due to town tax receipts.

Mr. Lynch noted new under commercial paper is Mitsubishi and Bank of Tokyo.

Mr. Rowe explained we have had them for awhile. The focus is on the amount rather than specific line items.

Mr. Molloy stated that the auditors are working on the end of fiscal year report. It must be approved by the Commissioner within 120 days of fiscal year close. Commissioner Little

recommended moving the next regular meeting scheduled for November to mid-late October to allow the board to review the report.

Mr. Rowe reviewed Tab III - Market Update. He noted there is a conflict between bond and equity markets and that the Fed expects another rate hike in 2017.

Commissioner Little asked about the “flattening” yield curve and what might be anticipated. Mr. Rowe stated that the difference is stocks look like all is well and bonds look like it is a slower economy. Because fund is short term investments there is less impact.

The portfolio is up 7-8 basis points due to rate increase in June.

NAV is stable just above \$1 per share.

WAM decreased from April to June. Shortened portfolio in anticipation of June rate increase.

Mr. Dwyer noted page 18, return consistently outperformed S&P.

Ms. Klatskin reviewed the information under Tab IV, Market Update. There are a number of prospects and expect a fair amount of money to come in over the next few months. Some current, unfunded accounts are reestablishing.

CD legislation is in study committee.

Mr. Molloy stated that the company is sending regular emails to investors and the first newsletter just went out.

Ms. Klatskin announced that she is leaving PFM to become the VP of Municipal Banking at Northway Bank.

Tab V, SB 72, CD legislation. Commissioner Little suggested a conversation with legislative study committee to check in on status. Ms. Chamberlin will call Chiefs of Staff of House and Senate.

Tab VI, Upcoming PDIP Meeting Schedule. The regular meeting scheduled for November 2017, is rescheduled to October 12, 2017. The next regular meeting will be held on May 10, 2018.

Meeting adjourned at 10:10 a.m.