

**MOULTONBOROUGH ADVISORY BUDGET COMMITTEE,
TOWN REPRESENTATIVES
&
MEREDEITH VILLAGE SAVINGS BANK OFFICIALS**
Meeting on December 17, 2013

Present: Jean Beadle, Chair, Alan Ballard, Kathy Garry, Barbara Sheppard
Absent: Chris Shipp BOS (by prior notice), Jack Porter, Trustee of the Trust Funds (by prior notice),
John Fullerton, SAU Treasurer (by prior notice)
School District SAU 45: Kathy Garry, School Board, Kay Peranelli, Business Manager
Trustees of the Trust Funds: Paul Ardito, Chair, Paul Daisy, Trustee
Town: Carter Terenzini, Town Administrator, Heidi Davis, Finance Director,
Laura Hilliard, Treasurer
Library: Barbara Sheppard: Trustee & Treas., Sue Bucknam, Trustee & Asst. Treas.

Meredith Village Savings Bank:

Sam Laverack, President & CEO
Christine Harris, SVP, Retail
Jason Hicks, VP, Finance
Cindy Oxton, Regional VP
Ann Carlson, VP, Business Development
Kristy Badger, Administrator, Business Development

This special meeting between representatives of all Moultonborough town entities and officials of the Meredith Village Savings Bank was arranged by the ABC and held in the Library Program Room at approximately 2:30 PM.

Alan welcomed everyone and thanked Ann Carlson for having so many MVSMB officials present, especially Sam Laverack. The agenda for the meeting included a review of bank services being provided, investment opportunities available, and other items that were of interest.

Kay indicated that she is extremely pleased with the electronic services available which help her reconcile various accounts, particularly the ability to access each check individually front and back. The question of making deposits remotely was raised and Sam said that this is a service that is being worked on and should be available in a year or so. Heidi was asked if she was satisfied with the existing account services and stated that she does not routinely take advantage of the electronic features available and is very satisfied -with her existing procedures. Barbara is currently not taking advantage of the electronic online features. Sue said that she would assist in using this function and Ann Carlson offered to help in any way.

The idea of having a Sweep Account for the town was discussed since Laura Hilliard is presently reviewing the main account periodically and transferring funds as she deems appropriate. This practice is fine in the present low interest rate environment but it was suggested that it would be appropriate to have sweep capability available for the time when rates increase. Ann indicated that at the present interest rates a sweep account would not be cost effective. Ann said that she would prepare an analysis and a proposal to see if the cost of a sweep account could be justified as interest rates increased.

Investment options were discussed in detail and Sam indicated that the bank tried at all times to think of the entire relationship with Moultonborough rather than the individual units. He made this point even though he realizes that the School, Library, and Trustees of the Trust Funds can and do solicit bids on

CDs from other financial institutions. Presently, the School and Trustees are receiving the same rate from MVSB on similar investments.

Jason Hicks explained that the bank was obligated under RSA's to collateralize all deposits from all municipalities. This process involves the bank earmarking US Treasuries and other Federal obligations as collateral for funds held in the name of towns such as Moultonborough. Sam indicated that the cost to the bank was 13 basis points and that there was a procedure whereby this cost could be eliminated and a potentially passing on to the Town a portion of the savings in the form of a slightly higher interest rate. Specifically, MVSB requests the Federal Home Loan Bank of Boston to issue a standby Letter of Credit in favor of a town in lieu of specific collateral. Jason is involved with this operation and will send a sample L/C to Alan who will review it and make comments and recommendations. Alan has over 15 years experience with trade and standby L/Cs during his years with several major regional banks where he worked in their international banking divisions. He has drafted, reviewed, issued and approved letters of credit, including conducting seminars on the topic.

Other areas of cooperation were discussed with the idea that the different town units could benefit from learning from each other and the bank to increase benefits to taxpayers. Sam reiterated the bank's desire to assist Moultonborough in any way possible and stressed the longstanding relationship that the bank has enjoyed with the town, Jean and Alan thanked everyone for attending the meeting and suggested that it might be done on an annual basis; an idea that most participants echoed.

Alan Ballard

ABC Member
December 28, 2013