

MINUTES OF THE SELECTMEN'S MEETING - November 25, 1991

The meeting was almost solely dedicated to discussion of the scheduled closing of the First NH Branch Bank in New Boston on December 20, 1991. The announced closing had caused much concern among many of the citizens of New Boston who were present for the meeting which included the Board of Selectmen who introduced Ray Swedhelm representing the First NH Bank Marketing Division. Also present was Banking Commissioner Roland Roberge. Sandra Gendron took minutes. It was stated that the Selectmen from Francestown had been invited to attend; however, they had a previously scheduled budget meeting.

Mr. Swedhelm spoke first describing the First NH Bank and its history touching upon the banking climate that is currently being experienced in N. H. He commented that until the consolidation of the banks, N. H. was grossly "over-banked." He further commented on the fierce competition that banks had been experiencing amongst themselves and the inefficiency with which some banks had been operating. He stated that the deregulation of the banking industry had enabled anyone to go into the banking business and gave such examples AT&T, Sears and mutual funds with the capability of check writing. All these innovative concepts proved to be losses to what is commonly viewed as the traditional way of banking in this country. He went on to describe how the First NH Bank evaluated the branch banks that became part of their system once the consolidation had taken place. Of the 114 branches coming into the system the number will be reduced to 80, with a reconstruction of the branching network taking place to provide valuable service to the customers. His comments then were regarding the New Boston Branch specifically, which he stated was not a self-sustaining entity. He stated consolidation was necessary and First NH must take responsible action for expenses. He further stated that First NH was working actively with the State of N. H. Banking Commission and the Federal Government and he went to describe this activity.

Heidi Palmer contended that the group was being placated and stated she felt the New Boston Branch was viable, she ended her comments by asking if the decision to close this branch was reversible. Mr. Swedhelm responding to Heidi's comments stated that the deposits in New Boston were declining and he went on to state the costs involved in carrying the New Boston Branch. He further commented that there were many invisible expenses and that the measure of customers was not a true reflection of the financial condition of an institution. Debate continued between Heidi and Mr. Swedhelm with Mr. Swedhelm remaining firm in his statement that this branch was operating at a loss and discussion regarding acquisition by other banks had taken place with no positive response.

State Representative Betsy Moore-Whitman asked if there were other towns where the branch was being closed and this was the only banking facility in the community. Mr. Swedhelm responded that this was one of the few cases. He went on to state that the First NH was trying to provide alternatives using their network of banks to provide service that was as convenient as possible to the New Boston customers and he went on to list some of these alternative available using surrounding communities where branches will remain open. He readily agreed the process of merger was a painful one and went on to describe investigating high tech solutions such as drive thru

service and "in-store" facilities. He reiterated that Nashua Trust was closed by the FDIC and, not First NH, as having become insolvent.

Roger Gagnon, President of the Businessmen's Association, offered his opinion that the bank owes it to the New Boston Community to stick by in tough times to which Mr. Swedhelm responded that First NH has no recourse in the action to be taken contending that they cannot continue to incur the present losses. Roger Gagnon stated that closing the bank was too severe a measure.

Fire Chief James Dodge inquired as to what cutbacks have taken place within the operation, contending that New Boston customers would not mind waiting a little longer if the bank were to remain open. He further commented that it was his feeling that First NH has just given up on the New Boston Branch.

Dorothy Fillmore read a prepared statement giving the history of the New Boston Bank and the business activity which she has been delving into over the past couple of days. She concluded by asking the First NH to reconsider their decision and allow additional time for the Town of New Boston to seek alternative action.

General discussion continued and the same points as made above were further debated.

Edward Gallagher stated that, in his opinion, New Boston citizens would like the opportunity to impress First NH as to how the community regards the bank and requested that all New Boston elected officials do everything in their power to maintain some banking service in Town. Mr. Swedhelm responded once again that First NH could not continue to sustain the losses and they would work with any bank who had an interest in coming to New Boston, but to date nothing has transpired. Ed Gallagher continued and asked if a committee could be established to actively pursue another bank. Mr. Swedhelm offered his assistance in any endeavor that might be agreed upon. More discussion ensued and questions were asked on the original bank charter and what requirements it contained. Once again, Mr. Swedhelm contended that First NH did not establish this bank, but inherited it and further commented that Nashua Trust had been interested in closing this branch based on a declining deposit record.

Commissioner Roberge stated that the Souhegan National Bank ceased to exist and, when asked stated, that the Office of Comptroller has no responsibility if a bank chooses to close. He went on to state that banks were treated not in the same manner as a public utility, they can close and complaints will do nothing to prevent a closure.

State Representative Roland Gallada asked if there was any possibility to set aside the projected December closing of the New Boston Branch and offer a scaled down version of services to buy time to investigate other banks coming into New Boston. Once again, Mr. Swedhelm stated that First NH was not in a position to continue to absorb the current losses of the New Boston Branch. He further commented that they have tried to come up with workable alternatives even though there might be a degree of inconvenience involved.

Commissioner Roberge took the floor stating that business deposits were just not enough to support a bank within a community. He expressed optimism that there were solutions and described what had been taken over by the FDIC. He suggested talking to area banks who might have an interest in locating a branch in New Boston and further suggested these contacts should be made by a few people. He stated that it was likely that New Boston would not enjoy the same level of banking that it had become used to and went on to state that the community would have to be willing to make a commitment to use the services of whatever bank might be willing locate here. He stated that his office would cooperate fully and would work with the First NH officials in trying to locate a willing bank. He did state that the odds were poor if a bank had to be built from scratch since New Boston does not have the deposit base necessary for a new bank.

Selectman Dodge gave his view of the situation expressing disappointment that the New Boston Branch was not even being given a chance under the management of First NH and went on to state that it was his feeling that the public was being sold a bill of goods by the entire banking industry, as well as commenting that he wondered how many people knew that the bank building in New Boston was now owned by the FDIC.

Commissioner Roberge commented that the Town of New Boston would most likely not be attractive to a larger bank since the overhead was often high, but we could look to a smaller bank which would provide less service.

Selectman Dodge again contended that First NH should postpone the upcoming closing based on the fact that not enough forewarning of the pending closure was given to the community. Once again, Mr. Swedhelm stated that the bank would not be left open based on the present losses, but First NH would be happy to work with anyone to try to provide banking services for New Boston.

Discussion ensued on the length of time it could take for a new bank to begin operation in New Boston. Commissioner Roberge contended that it need not take 90 days as some in the group was projecting, but could be accomplished in a weeks time. He pointed out, once again, that people within the community must make a commitment to patronize the local institution in order for it to be successful. He stated that the Commissioner's Office would not hold up an application for a bank desiring to open in New Boston; however, he did comment that the FDIC works slowly.

Mr. Swedhelm stated that First NH would work with the Commissioner's Office and responding to a comment that Selectman Dodge had made to the contrary, he stated that the First NH was not hiding the fact that the FDIC owned the present bank building.

State Representative Roland Sallada very angrily discussed the issue of the safety deposit boxes being moved to Concord which he contended made no sense and questioned why they were not being moved to Milford. Mr. Swedhelm stated that a letter had been sent out to everyone to give them the opportunity to change if they chose to and explained the logistics of moving that number of boxes.

John Palmer suggested that a committee be formed to investigate the possibility of attracting a new bank to the community and offered monetary assistance to provide a bulk mailing to residents of New Boston. Ed Gallagher suggested that town funds might be used and suggested that forming a committee be acted on immediately.

Selectman Olson offered his thoughts that this was a sad day for the community and supported that people removed their funds and consider using a more sympathetic bank. He further expressed his opinion that the \$40,000 cost of operation for the New Boston Branch that had been quoted during the evening was ridiculous.

Betsy Moore-Whitman stated that she was disturbed by the attitude that had been displayed by the First NH Bank and contended that some level of banking operation could be maintained with cutbacks for a period of six months giving the community time to seek alternatives. Betsy also suggested that the First NH Bank had lost the good will of the community and this would not be forgotten.

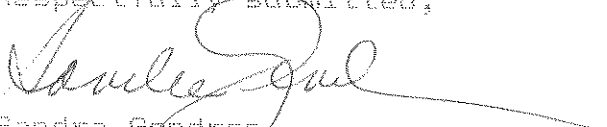
The meeting ended with Jim Fowler moving that a committee be formed to meet with officials of the First NH Bank. Ed Gallagher proposed that the Selectmen take appropriate action, stating that he was not convinced that the Town had exhausted its resources within the First NH Bank. He called on all Public Officials to contact the President of First NH Bank and try to persuade those in power to keep the New Boston Bank open.

The meeting ended and the Selectmen returned to their office to conclude the business of the evening. Betsy Moore-Whitman came into the Selectmen's Office and discussion ensued on the formation of a committee such as had been previously discussed. It was proposed by Selectman Johnston that Roger Gagnon be contacted to suggest a member of the Businessmen's Association who might serve on the committee, that a Selectman would serve, Selectman Olson would fill that slot, and a State Representative, Roland Sallada would be contacted. It was further suggested that a member of the community at large be asked to serve on the committee. Sandra Gendron would contact Deborah Conrad, Manager of the Branch Bank for a suggestion.

On another matter, it was voted unanimously by the Board of Selectmen to accept the completed section of Dane Road known as Phase I as a Class V Road.

Checks were signed, mail was reviewed and the meeting was adjourned at approximately 11:30 p.m.

Respectfully submitted,


Sandra Gendron
Administrative Assistant