

## **TOWN COUNCIL – AGENDA REQUEST FORM**

THIS FORM WILL BECOME PART OF THE BACKGROUND INFORMATION USED BY THE COUNCIL AND PUBLIC

Please submit Agenda Request Form, **including back up information**, <u>8 days prior</u> to the requested meeting date. **Public Hearing requests must be submitted <u>20 days prior</u> to requested meeting date to meet publication deadlines** (exceptions may be authorized by the Town Manager, Chairman/Vice Chair).

MEETING INFORMATION					
Date Submitted: November 20, 2020 Submitted by: Deputy Finance Director Thomas B			Date of Meeting: December 3, 2020		
Department: Finance			Time Required:		
Speakers: Deputy Finance Director Thomas Boland			Background Info Supplied:	O. Yes: _ No:	
	CATEGORY OF BUSINESS (PL				
Appointment:		Recog Retire	mition/Resignatio ment:	n/	
Public Hearing:		Old B	Old Business:		
New Business:	$\boxtimes$	Conse	nt Agenda:		
Nonpublic:		Other:			
TITLE OF ITEM					
Investment Policy	1				
	Descri	PTION OI	ТТЕМ		
The Town Council to review and consider the approval of the Town's Investment Policy, for the investment of public finds held by the Town Treasurer, in accordance with RSA 35:9 and RSA 41:29 for FY 2021-22.					
	Referi	ENCE (IF K	nown)		
RSA:	35:9 & 41:29	Warra	nt Article:		
Charter Article:		Town	Meeting:		
Other:		N/A			
	EQUIPMENT REQUIRED (PLE	ASE PLACE	AN "X" IN THE APPROP	RIATE BOX)	
Projector:		Grant	Requirements:		
Easel:		Joint 1	Meeting:		
Special Seating:		Other			
Laptop:		None:			
Contact Information					
Name:	Thomas Boland	Addre	ess 8 Ba	boosic Lake Road	
Phone Number	424-7075	Email	Address tbola	nd@merrimacknh.gov	
	AND THE PROPERTY OF THE PARTY O	PPROVAL	Maria Chaken Shiri Andrews Shiri		
Town Manager:	Yes No: _	Chair/	Vice Chair:	Yes No: No: _	

To: Town Manager, Eileen Cabanel

From: Finance Director/Assistant Town Manager Paul T. Micali

Subject: Investment Policy

Date: November 23, 2020

As parts of the Town's Annual audit our auditors noted that the Town's investment policy has to be reaffirmed in the current fiscal year on accordance with State statute which requires annual review and adoption. They recommended that this review and Council approval be done in compliance with State statute.

RSA 35:9 and 41:29 require the Town Council to annually reconsider its policy for the investment of public funds held by the Town Treasurer. In my opinion, the investment policy that was adopted by the Town Council last year is still a viable document. The creditworthiness ratios incorporated therein reflect input from the State Banking Commissioner, the FDIC, and a national bank rating agency. Therefore, your formal renewal of our current investment policy, as presented on the attachment, is respectfully requested.

Please be advised that all monies that are presently held by the Town Treasurer are invested in strict compliance with this investment policy and are earning interest at the most attractive rates available. Furthermore, these investments are fully collateralized. For added safety, investments of the Town Treasurer are diversified and extremely liquid, i.e. they consist of deposits in the New Hampshire Public Deposit Investment Pool and in several New Hampshire banks that may be withdrawn at any time without penalty.

## Town of Merrimack INVESTMENT POLICY

This investment policy applies to all public funds held by the Town Treasurer in accordance with RSA 41:29 and to capital reserve funds held by the Trustees of Trust Funds in accordance with RSA 35:9.

Deposits and investments shall be made only in obligations of the United States, in the New Hampshire Public Deposit Investment Pool, and in New Hampshire banks that are FDIC-insured. The following restrictions shall apply to deposits and investments in banks.

No more than \$2,000,000 shall be deposited or invested, without perfected collateral, in any one bank.

Unsecured deposits and investments of more than \$100,000 in banks that do not meet at least six of the following creditworthiness ratios are prohibited.

Unsecured deposits and investments of more than \$1,000,000 may be made only in banks that meet at least seven of the following creditworthiness ratios.

Cash and S	ecurities
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Deposits 25% minimum

Capital

Deposits 5% minimum

<u>Capital</u>

Loans 7% minimum

Capital

Assets 5% minimum

Loans

Deposits 80% maximum

Net Charge-Offs

Loans .75% maximum

Net Income

Assets .70% minimum

Net Income

Capital 13% minimum

## <u>Capital + Allowance for Loan Losses</u> Average Assets + Allowance For Loan Losses 6% minimum\*

\* Subject to change per FDIC Part 235 minimum equity standards.

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