



TOWN OF CANTERBURY

PROPOSAL FOR CD INVESTMENTS

August 26, 2025

Thank you for inviting TD Bank, America's Most Convenient Bank® to submit a proposal for investment options for the Town of Canterbury. We have prepared Certificate of Deposit (CD) options to utilize either a singular or a ladder investment strategy to maximize the rate of return as we continue to experience a declining rate environment. TD Bank will utilize an FHLB Letter of Credit to collateralize all funds above the \$250,000 FDIC limit to ensure all funds are fully protected! 100% of account balances will be collateralized in accordance with New Hampshire Statute.

In the last 12 months, the town has earned \$66,530 in interest in your current program but we continue to see declining rates. Based on our discussion of your cash flow needs combined with your request to earn interest on your funds, please find the proposal below for your review and consideration. Each scenario seeks to place available excess funds in a safe and secure CD investment with funds maturing in as soon as 30 days to meet your monthly financial obligations.

INVESTMENT PROPOSAL:

TD Bank offers fully collateralized and FDIC insured CD's which provides the liquidity to meet cash flow obligations and allows interest to accrue at a fixed rate over a longer period of time, compounding interest income.

Once a CD is opened and funded, the interest is guaranteed at a fixed rate, and will not fluctuate on a daily or weekly basis. This works to alleviate market volatility during the term of your investment.

Local budgets are designed to be enacted for one fiscal year at a time, and based on the State's requirements for Investments, our CD program offers monthly maturity options starting at 30 days.

As per GFOA best practice this proposal is consistent with state policy requirements offering:

1. *Safety*
2. *Liquidity*
3. *Yield*

All Certificates of Deposits are *both* Fully Insured *and* Collateralized.

Under this proposal, exposure to custodial credit risk is minimized by collateralizing deposits, whereby TD bank pledges assets in a tri-party collateral agreement to secure the deposit amounts in excess of the FDIC insurance coverage. This product provides the highest level of safety and preservation of principal and interest of public tax dollars.

All scenarios can be adjusted to meet the Town's unique needs. Please find an analysis of your trends attached. The CD maturity Schedule should be timed to mature before the school payment or other large obligations are due to ensure sufficient cash on hand.

Based on the 12 month average balance of \$3,400,000 Million, Canterbury may potentially consider Investing \$1,500,000.00. I would recommend using the school payment schedule and a CD Ladder.

- *The General Fund account ledger balance on July 31st, 2025 was \$4.7 Million*
 - *The 12-month High cash balance was \$4.7 Million in July 2025*
 - *The 12-month low cash balance was \$1.9 Million in May 2025 followed by November 2024 with a balance of \$2.3 Million*

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TD Bank, America's Most Convenient Bank
143 North Main Street Concord, NH, 03301

CD Terms			
Term		APR	APY
Days	30		
Days	60		
Days	90		
Days	120		
Days	150		
Months	6		
Months	7		
Months	8		
Months	9		
Months	10		
Months	11		
Months	12		

A TD Bank CD Ladder Investment Strategy distributes your investable balance across multiple Certificates of Deposit (CD's) with staggered maturity dates.

CD's may be redeemed upon maturity, partially redeemed or rolled for another term of your choice based on your cash flow needs.

Today's rates for an investment of \$500,000 or more

*Rates are subject to change daily and updated rates will be re-quoted on the date the CD is funded.

Term	Interest Rate (APR)	APY
1 Month:	3.87%	3.94%
2 Month:	3.90%	3.97%
3 Month:	3.80%	3.87%
4 Month:	3.76%	3.83%
5 Month:	3.69%	3.75%
6 Month:	3.61%	3.67%

Scenario #1- Provides liquidity at the highest current rate.

Prepared for *Canterbury*

CD Investment Strategy options based on today's rates

1 Fixed amount CD with a 60 day maturity.

Target Funded Date *	Maturity	CD Amount	Term	APR	APY
09/02/2025	10/02/2025	\$ 1,500,000.00	Month 2	3.90%	3.97%
Total Investment		\$ 1,500,000.00			

*Rates will be updated on the date the CD is funded as rates are subject to change.

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Scenario #2-Provides liquidity and compounding interest.

2 Fixed amount CD's with staggered maturity based on cash flow needs

Target Funded Date *	Maturity	CD Amount	Term		APR	APY
09/02/2025	10/02/2025	\$ 750,000.00	Month	1	3.87%	3.94%
09/02/2025	11/03/2025	\$ 750,000.00	Month	2	3.90%	3.97%

Total Investment \$ 1,500,000.00

**Rates will be updated on the date the CD is funded as rates are subject to change.*

Scenario #3- More effective due to compounding interest using the school payment as a guide.

3 Fixed amount CD's with staggered maturity based on cash flow needs.

Target Funded Date *	Maturity	CD Amount	Term		APR	APY
09/02/2025	10/02/2025	\$ 500,000.00	Month	1	3.87%	3.94%
09/02/2025	11/03/2025	\$ 500,000.00	Month	2	3.90%	3.97%
09/02/2025	03/02/2026	\$ 500,000.00	Month	3	3.80%	3.87%

Total Investment \$ 1,500,000.00

**Rates will be updated on the date the CD is funded as rates are subject to change.*

Scenario #4- Most effective due to compounding interest and provides a guaranteed rate of return in a declining rate environment.

3 Fixed amount CD's with staggered maturity based on cash flow needs.

Target Funded Date *	Maturity	CD Amount	Term		APR	APY
09/02/2025	10/02/2025	\$ 500,000.00	Month	2	3.90%	3.97%
09/02/2025	12/05/2025	\$ 750,000.00	Month	3	3.80%	3.87%
09/02/2025	11/06/2025	\$ 250,000.00	Month	6	3.61%	3.67%

Total Investment \$ 1,500,000.00

**Rates will be updated on the date the CD is funded as rates are subject to change.*

Because the market is experiencing ongoing volatility due to the Federal Reserve's three rate cuts in the fall of 2024 the market had started to build in future rate cuts as economists are still forecasting an additional 2-3 rate cuts in 2025.

Please note that rates quoted are today's rates and are subject to change due to the falling rate environment determined by the Federal Reserve. Updated rates will be provided for review and approval on the date the CD is funded.

Thank you again for your time and please reach out if you have any questions.

Respectfully Submitted,
Katherine Heck, Vice President

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