

Town of Bolton



# Town of Bolton

April 24, 2023

The Town of Bolton  
104 Notch Road  
Bolton, CT 06043

Attention: Ms. Jill Collins

## INTRODUCTION

We would like to thank you for providing Chelsea Groton Bank with the opportunity to attend the Board of Finance meeting of April 20, 2023 and to listen first-hand to the feedback from the Board members. Chelsea Groton is pleased to be able to propose two solution options for The Town of Bolton to earn enhanced interest income as well as the possibility to receive greater security on the existing funds held at Chelsea Groton by enhancing FDIC insurance coverage. We believe that by implementing this strategy, The Town of Bolton will benefit from boosted interest income as well as increased safety.

## ENVISIONED OPTIMIZED ACCOUNT STRATEGY

### Business Sweep Checking Account:

Our recommendation is to keep the existing Business Sweep Checking (Operating) account. By increasing the earnings credit that the Town of Bolton receives to 0.75%, we are able to suggest that the Town reduce the target balance from the existing \$7,000,000 to \$3,000,000 in order to offset service charges for Loomis Armored Car, Lockbox, ACH Origination, Positive Pay, Remote Deposit Capture, Zero Balance Account and Sweep services as well as bank account activity. As a result, a greater portion of the Town of Bolton's account balances would be sweeping to an interest-bearing account.

Please see Appendix 1: Pricing Analysis below.

### Option #1:

#### Municipal Investment Sweep Account:

With this solution, the Town of Bolton will be able to maintain the existing Municipal Investment Sweep currently linked to the Business Sweep Checking (Operating) account. We will increase the interest rate on this account to the following variable annual percentage yield specifically enacted for the Town of Bolton:



# Town of Bolton

Annual Percentage Yield

3.25%

## Option #2:

Insured Cash Sweep Account:

We are offering the Town of Bolton access to the IntraFi "Insured Cash Sweep®" (ICS) service for funds that are to be immediately accessible for withdrawal, transfer or payment. Through ICS, the municipality will have access to multi-million dollar FDIC insurance above and beyond the FDIC coverage normally available to businesses and organizations at a single financial institution.

The applicable variable annual percentage yield offered at this time for approximate communicated balances would be as follows:

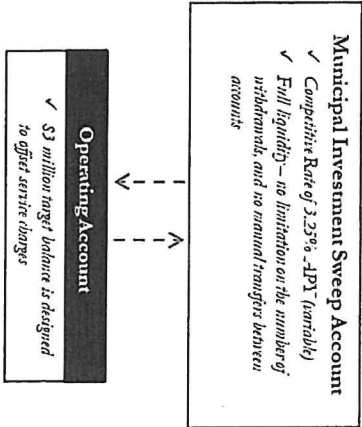
Annual Percentage Yield

3.00%

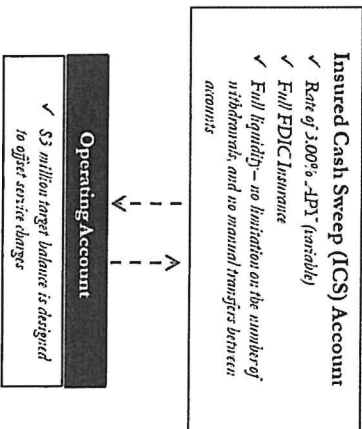
With this option, we will replace the existing Municipal Investment Sweep with the new Insured Cash Sweep account. The Business Sweep Checking (Operating) account will sweep to the ICS account to provide full liquidity and FDIC coverage, with ease of administration by viewing all transaction activity through Chelsea Groton's online banking system.

## Prospective Account Setup – Town of Bolton

Option #1



Option #2



# Town of Bolton

## BOTTOM LINE

The optionality embedded in the aforementioned two solutions aims to help the Town of Bolton achieve its goal of garnering interest income on town funds:

- **Significantly increases interest income on deposit balances:** continue to maintain **full liquidity** and immediate access to funds, while **maximizing interest-earning opportunity** by:
  - Lowering the target balance needed to offset service charges;
  - Offering a competitive interest rate on either the Municipal Investment Sweep or Insured Cash Sweep accounts.
- **Enhance security of funds:** through our partnership with IntraFi, The Town of Bolton would be able to receive **full FDIC insurance** on deposits in the Insured Cash Sweep account if the Town opts for the second option.
- **Partnership and Service:** Chelsea Groton significantly values the partnership with The Town of Bolton and will continue to strive to offer a paramount service experience through the multiple products employed that enable the Town of Bolton to conduct its banking operations seamlessly and conveniently.

If you have any questions, please feel free to contact us directly.

Sincerely,

Harry Colonis  
VP, Business Development Officer  
(860) 448-4269  
[HColonis@chelseagroton.com](mailto:HColonis@chelseagroton.com)

Alexis Kahn  
FVP, Cash Management Sales Manager  
(860) 448-4157  
[akahn@chelseagroton.com](mailto:akahn@chelseagroton.com).

cc.

Lori Dufficy, EVP, Chief Experience & Engagement Officer

Alex Masse, EVP, Chief of Operations and Innovation



# Town of Bolton

## Appendix 1: Pricing Analysis \$3.0 Million Target Balance



Town of Bolton  
222 Bolton Center Rd  
Bolton, CT 06043

Average Collected Balance:	\$3,000,000.00
Earnings Credit Rate:	0.75%
Earnings Credit Amount:	\$1,875.00
Less Services Performed:	\$1,596.70
Net Position:	\$278.30

Service Description	Volume	Unit Price	Change	Required Collected Balance
<b>Account Services</b>				
Monthly Maintenance	17	\$12.00	\$204.00	\$325,400.00
Checks Paid	284	\$0.12	\$34.08	\$54,528.00
Checks Deposited	161	\$0.12	\$19.32	\$30,912.00
ACH Debits	20	\$0.12	\$2.40	\$3,840.00
ACH Credits	103	\$0.12	\$12.36	\$19,776.00
Deposit Correction	0	\$7.50	\$0.00	\$0.00
Returns	0	\$15.00	\$0.00	\$0.00
<b>Lockbox Service</b>				
Lockbox Service	1	\$436.54	\$436.54	\$598,464.00
<b>ACH Origination Service</b>				
ACH Monthly Maintenance	1	\$25.00	\$25.00	\$40,000.00
ACH Originated Debits	0	\$0.10	\$0.00	\$0.00
ACH Originated Credits	600	\$0.10	\$60.00	\$95,000.00
ACH Returns	0	\$5.00	\$0.00	\$0.00
<b>Wire Transfer Service</b>				
Wire Transfer Module	0	\$25.00	\$0.00	\$0.00
Domestic Wire Out	0	\$20.00	\$0.00	\$0.00
International Wire Out	0	\$45.00	\$0.00	\$0.00
Incoming Wire Transfer	0	\$10.00	\$0.00	\$0.00
<b>Positive Pay Service</b>				
Positive Pay	5	\$50.00	\$250.00	\$400,000.00
<b>Remote Deposit Capture Service</b>				
Remote Deposit Capture	1	\$195.00	\$195.00	\$312,000.00
<b>Cash Management Services</b>				
Security Token	6	\$8.00	\$48.00	\$76,800.00
Line of Credit Sweep Arrangement	0	\$0.00	\$0.00	\$0.00
Investment Sweep Arrangement	6	\$10.00	\$60.00	\$96,000.00
Zero Balance Accounts	0	\$9.00	\$0.00	\$0.00
Zero Balance Sweep Service	0	\$10.00	\$0.00	\$0.00
Coin and Currency Charge	1	\$250.00	\$250.00	\$400,000.00
Loomis Transportation Service (3 day)	0	\$550.00	\$0.00	\$0.00
Stop Payment	0	\$20.00	\$0.00	\$0.00
<b>Monthly Total:</b>			<b>\$1,596.70</b>	<b>\$2,354,720.00</b>



**Kenneth R. Slater, Jr.**  
860.297.4662  
slater@halloransage.com

June 5, 2023

**VIA EMAIL: [jrupert@boltonct.org](mailto:jrupert@boltonct.org)**

Jim Rupert  
Town Administrator  
Board of Selectman  
Town of Bolton  
222 Bolton Center Road  
Bolton, CT 06043

Re: Representation of the Town of Bolton

Dear Mr. Rupert:

I am writing to confirm that Halloran and Sage LLP are delighted to have the Town of Bolton as a client and for all of the files of Richard Barger transferred to the firm to be fully serviced by Attorney Barger and with any necessary support of our municipal law practice group or any other practice group as your needs dictate such as labor, construction or environmental law. The files will be billed in accordance with the current rate between the Town and Attorney Barger's firm as set forth below.

All attorneys' billing rate will be \$225.00 per hour for litigation matters, \$200.00 per hour for general matters and \$150.00 per hour for the use of law clerks. You understand that our costs, such as copying, telephone charges, computerized legal research, secretarial overtime, travel, and express mail charges, if any, will be charged and itemized on the bill.

Our rates and expenses may be subject to an annual adjustment if this matter continues beyond December 2023. We will inform you of any adjustment that may take place prior to any increase in our rates.

You may terminate our services at any time. If you wish to terminate our services, our engagement will cease upon notification to us.

If you have any other matters to be handled by us, the terms and conditions of this letter shall control unless otherwise agreed to in writing.

Jim Rupert  
June 5, 2023  
Page 2

If this letter accurately sets forth your understanding of our engagement, please sign and return the enclosed copy to me. I sincerely thank you for selecting us to represent the interests of the Town and I look forward to working with you on this matter.

Regards,

Kenneth R. Slater, Jr.

**AGREED:**

\_\_\_\_\_  
Jim Rupert, Town Administrator  
Town of Bolton

\_\_\_\_\_  
Date