

Town of Hampton



TRUSTEES OF THE TRUST FUNDS

July 15, 2019 4:15 p.m.

Selectmen's Conference Room

DRAFT B

TRUSTEES: Stephen A. Falzone
John Troiano
John Bletzer
Nancy Andrew
Warren Mackensen

ADMIN ASSISTANT: Ms. Joan Rice

ADVISOR: David Mayes, Bearing Point Wealth Partners

The meeting was called to order at 4:15 p.m. by Chairman Falzone.

Review of Minutes

MOVED by Mr. Troiano to approve the Minutes of April 15, 2019.

SECONDED by Ms. Andrew

VOTE: 4-0-1 (Bletzer).

Motion passed

2019 Election Results

2019 Election Results were reviewed.

- a. Hampton Article 17 - \$200,000 to Firefighters Turn Out Gear/Personal Protective Equipment – CRF
- b. Hampton Article 22 - \$300,000 to Road Improvement CRF
- c. Hampton Article 33 - \$50.00 from Cemetery Maintenance Fund for tree removal
- d. Winnacunnet School District Article 6 - \$75,000 to Health Insurance Expendable Trust Fund.
- e. Winnacunnet School District Article 7 - \$50,000 to Special Education Expendable Trust.

Mr. Mayes said the Rockingham Superior Court has created a new expendable trust fund under RSA 31:19 to be known as the Hampton Cemetery Association Trust. \$167,826.19 was deposited to Common CRF.

Mr. Mackensen stated that there were two additional warrant articles that need to be added to the 2019 Election Results list:

Hampton Article 31 - \$11,000 for the Cemetery Building completion.

Hampton Article 32 - \$42,000 for a Tractor/Loader for the Cemetery Dept.

2nd Quarter 2019

Mr. Mayes said U.S. large cap stocks continue to rally. Intermediate-term and short-term bonds are also positive through June with falling rates. All U.S. market cap styles were also positive through June with falling rates. Growth stocks continue to outperform Value. International markets are up but less than U.S. The U.S. dollar weakened during Q2 but is up for the year. Interest rates have continued a downward trend.

Real Estate Trust Fund

Mr. Mayes said there was a minor rebalancing in this portfolio.

Mr. Mayes said this fund ended the quarter with a total market value of \$22,307,197.

The National Advisors Trust Company (NATC) Account Custody Statement was reviewed. The Comparative Performance Review was discussed.

The Position Performance Summary Q2 2019 was reviewed. The Morningstar Portfolio X-Ray, the Individual Bond Portfolio Report and the TrustTrak Fund Snapshot Report were reviewed.

The allocation in this fund is 1.80% Cash, 25.75% US Stocks, 13.35% Non-US Stocks, 53.71% Bonds, and 5.39% Other.

Common Trust Fund

Mr. Mayes said this fund ended the quarter with a total market value of \$671,260.23.

The NATC Account Custody Statement, the Comparative Performance Review, the Position Performance Summary Q2 2019, and the Morningstar Portfolio X-Ray were reviewed.

The allocation in this fund is 7.91% Cash, 26.52% US Stocks, 4.19% Non-US Stocks, 54.85% Bonds, and 6.52% Other.

Common Capital Reserve Fund

Mr. Mayes said this fund ended the quarter with a total market value of \$3,165,909. This fund contains some bonds that will mature on July 18th. These will be reinvested. This is the most conservative portfolio.

The NATC Account Custody Statement, the Comparative Performance Review, the Position Performance Summary Q2, 2019, and the Morningstar Portfolio X-Ray were reviewed.

The allocation in this fund is 60.24% Cash, 14.76% US Stocks, 0.14% Non-US Stocks, 24.67% Bonds, and 0.21% Other.

Winnacunnet School District Common Capital Reserve Fund

Mr. Mayes said this fund ended the quarter with a total market value of \$608,015.07. He said this fund is very similar to the Common Capital Reserve Fund.

The NATC Account Custody Statement, the Comparative Performance Review, the Position Performance Summary Q2,2019, and the Morningstar Portfolio X-Ray were reviewed.

The allocation in this fund is 64.05% Cash, 15.69% US Stocks, 0.14% Non-US Stocks, 19.91% Bonds, and 0.21% Other.

MS-9 Report

The MS-9 Report through June 30, 2019 was reviewed.

Combined Transactions Listing

The Combined Transactions Listing was reviewed.

Distribution Campbell Sports Scholarship Fund

MOVED by Ms. Andrew to approve distribution of ½ of income (\$131.78) from the Campbell Sports Scholarship Fund. The remaining income will be journaled to principal.

SECONDED by Mr. Mackensen.

VOTE: 5-0-0

Motion passed

Municipal Accounts

Mr. Mayes said they have moved the custody for municipal accounts to Fidelity. Mr. Troiano asked why the change was made. Mr. Mayes said there were issues with NATC. Mr. Troiano asked what the cost was with Fidelity. Mr. Mayes said there was no cost to Hampton.

Mr. Troiano asked if there were any negatives for going to Fidelity. Mr. Mayes said he did not see any negatives. Mr. Bletzer asked how Fidelity was selected. Mr. Mayes said they have a long-standing relationship with Fidelity.

MOVED by Chairman Falzone to move the municipal accounts from National Advisors Trust to Fidelity.

SECONDED by Mr. Troiano.

The Trustees ascertained that there were no financial benefits to Bearing Point Wealth in executing the transition from NATC to Fidelity, and that there were no soft dollars involved.

The major goal of transferring the accounts to Fidelity is to improve transaction accuracy.

The trading fees will be \$5 higher at Fidelity than currently for a few securities transactions that are infrequently traded.

VOTE: 5-0-0

Motion passed

Opportunity for the Public to Speak at Trustees' Meetings

Mr. Mackensen raised the fact that the public has a right to attend Trustees Meetings, but does not inherently have the right to speak.

MOVED by Mr. Mackensen to allow the public to speak at the beginning of Trustees Meetings for a three-minute time period, per person, like Selectmen's Meetings.

SECONDED by Chairman Falzone.

VOTE: 5-0-0

Motion passed

Gift Acceptance Policy

Mr. Mackensen said that he learned at a recent Trustee Training session in Concord that towns should have a gift acceptance policy to codify the process for a citizen to make gifts to the town, e.g., the library, schools, the poor, etc. The Town of Goffstown offered their gift acceptance policy as a model for other towns to use.

The Trustees were uncertain as to whether the Town of Hampton has such a policy. Mr. Mackensen provided a copy of Goffstown's "Policy to Accept and Establish Trusts from Private Funds" to Chairman Falzone. He will contact the town attorney to see if a Hampton gift acceptance policy exists.

Next Meeting

The next meeting will be on Monday, October 21, 2019, at 4:15 p.m. in the Selectmen's Meeting Room.

Adjournment

MOVED by Chairman Falzone to adjourn the meeting at 5:10 p.m.

SECONDED by Mr. Troiano.

VOTE: 5-0-0

Motion Passed

Respectfully submitted,

Joan Rice
Secretary