

Town of Hampton



TRUSTEES OF THE TRUST FUNDS

November 4, 2019 4:15 p.m.

Selectmen's Conference Room

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

ADMIN ASSISTANT: Ms. Joan Rice

ADVISOR: David Mayes, Three Bearings Fiduciary Advisors
Zachary Zwick, Three Bearings Fiduciary Advisors

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 July 15, 2019.

SECONDED by Mr. Mackensen

VOTE: 5-0-0

Motion passed

Mr. Mayes introduced Zachary Zwick who has joined Three Bearings Fiduciary Advisors.

2019 Election Results

2019 Election Results were reviewed.

- a. Hampton Article 17 - \$200,000 to Firefighters Turn Out Gear/Personal Protective Equipment – CRF (Deposited 4/15/2019)
- b. Hampton Article 22 - \$300,000 to Road Improvement CRF
- c. Hampton Article 31 - \$11,000 from Cemetery Trust Fund for completion of the Cemetery Building (High Street Cemetery)
- d. Hampton Article 32 - \$42,000 from Cemetery Maintenance Fund for purchase of Tractor/Loader for Cemetery Department
- e. Hampton Article 33 - \$50,000.00 from Cemetery Maintenance Fund for tree removal
- f. Winnacunnet School District Article 6 - \$75,000 to Health Insurance Expendable Trust Fund (Deposited 9/30/2019).
- g. Winnacunnet School District Article 7 - \$50,000 to Special Education Expendable Trust (Deposited 9/30/2019).

Chairman Falzone said he had been informed by the Town that money will be needed for the Route 1 project next year.

3rd Quarter 2019

Mr. Mayes said stocks have had a pretty good year with some volatility. Bonds have done well as interest rates have been driven down. International markets are also positive but not as much as U.S. markets.

Report from Mr. Mackensen

Mr. Mackensen reported that he conducted an independent review of the transfer of cash and securities from National Advisors Trust (NATC) to Fidelity for all four Hampton Trust Funds accounts. The following items were checked:

1. Transfers of cash in all four accounts were accurate.
2. Transfers of securities in all four accounts were accurate.
3. New purchases of securities executed as part of the transfer of securities in all four accounts, as applicable, were in order.
4. In the Real Estate Trust Fund (RETF), there were 18 minor adjustments made for differences in calculations of bond premium amortizations between NATC's method and Fidelity's method. A total net adjustment of \$10,079.87 was made on the MS-9 to true up the MS-9 to match the Fidelity RETF statement. This is 0.05% of the RETF portfolio value.

5. Comparisons between Fidelity's cost basis (after adding in cash) to the MS-9 "Principal & Income" (cost basis) column for all four accounts were accurate.
6. The entries on the TrustTrak "Combined Transactions Listing" report were accurate.

Mr. Mackensen said the efforts of the employees at Bearing Point Wealth Partners (now Three Bearings Fiduciary Advisors) are commendable. The transfers made were accurate and well documented.

Real Estate Trust Fund

Mr. Mayes said this fund continues to grow. It ended the quarter with a total market value of \$22,357,958. \$55,000 of income was sent to the Town in September.

The Fidelity & NATC Account Custody Statements, the Quarterly Performance Report, the Morningstar Portfolio X-Ray and TrustTrak Fund Snapshot Report were reviewed.

The allocation in this fund is 1.72% Cash, 26.32% US Stocks, 13.57% Non-US Stocks, 52.86% Bonds, and 5.53% Other.

Common Trust Fund

Mr. Mayes said this fund ended the quarter with a total market value of \$702,455.75.

The Fidelity and NATC Account Custody Statements, the Quarterly Performance Report Package and Morningstar Portfolio X-Ray were reviewed.

The allocation in this fund is 6.82% Cash, 23.24% US Stocks, 5.44% Non-US Stocks, 57.00% Bonds, and 7.53% Other.

Ms. Andrews asked if dividends get reinvested. Mr. Mayes replied that they do except for the Real Estate Trust Fund where income is sent to the Town.

Common Capital Reserve Fund

Mr. Mayes said this fund ended the quarter with a total market value of \$3,362,016.78

The Fidelity and NATC Account Custody Statements, the Quarterly Performance Report Package and the Morningstar Portfolio X-Ray were reviewed.

The allocation in this fund is 51.58% Cash, 15.36% US Stocks, 0.15% Non-US Stocks, 32.84% Bonds, and 0.07% Other.

Mr. Mayes said the yield on CDs has come down. It might be prudent to go back to mutual funds. There would be more income yield and price appreciation if rates continue to fall.

Mr. Troiano asked if doing this would be worth the potential for fluctuation. He said he did not feel there would be a lot of upside to doing this. It was decided to address this issue at a later date.

Mr. Mackensen said guidance from the Town is needed regarding the expenditure of funds. Chairman Falzone said he would contact the Town regarding this.

Winnacunnet School District Common Capital Reserve Fund

Mr. Mayes said this fund ended the quarter with a total market value of \$737,821.31. He said this fund is very similar to the Common Capital Reserve Fund.

The Fidelity & NATC Account Custody Statements, the Quarterly Performance Report Package and the Morningstar Portfolio X-Ray were reviewed.

The allocation in this fund is 47.43% Cash, 14.97% US Stocks, 0.15% Non-US Stocks, 37.35% Bonds, and 0.10% Other.

MS-9 Report

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

Combined Transactions Listing

The Combined Transactions Listing was reviewed.

2020 Meeting Schedule

The 2020 Meeting Schedule was reviewed. It is as follows:

Tuesday, January 21	4:15 p.m.
Monday, April 20	4:15 p.m.
Monday, July 20	4:15 p.m.
Monday, October 19	4:15 p.m.

Next Meeting

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

Adjournment

MOVED by Ms. Andrews to adjourn the meeting at 5:00 p.m.

SECONDED by Mr. Bletzer

VOTE: 5-0-0

Motion Passed

Respectfully submitted,

Joan Rice
Secretary