

# Town of Hampton



## TRUSTEES OF THE TRUST FUNDS

AUGUST 11, 2008 3:00 p.m.

TRUSTEES: Robert (Vic) Lessard, Chairman  
Ted Atwood  
Warren J. Mackensen, Bookkeeper  
David Hamilton, Clerk  
Frances Quinn

The meeting was called to order at 3:00 p.m. by Chairman Lessard.

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### **Minutes of the last meeting:**

The minutes from the meeting of August 4, 2008, were reviewed. Minor updates were made to clarify several paragraphs.

**MOVED** by Mr. Hamilton to approve the minutes, as amended.

**SECOND** by Ms. Quinn.

**VOTE: 5-0-0**

**Motion Passed**

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### **Real Estate Trust Fund Request for Proposals:**

The Trustees reviewed and discussed the nine bids received on August 4, 2008 in response to the Real Estate Trust Fund Request for Proposals. At the August 4<sup>th</sup> meeting, the Trustees decided to select three bidders at the meeting on August 11<sup>th</sup>. After considerable deliberation, the Trustees decided to further consider up to five bidders, as the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> bidders were very competitive and warranted closer review.

The five bidders who will be publicly interviewed on September 15<sup>th</sup> are:

- 2:00 p.m. DHK Investment Advisors
- 2:30 p.m. Charter Trust Company
- 3:00 p.m. Cambridge Trust Co. of NH
- 3:30 p.m. Citizens Bank
- 4:00 p.m. TD Banknorth Wealth Management Group

Each bidder will be afforded a 10-minute public presentation period. During this 10-minute presentation, bidders will be asked to:

- Comment on the existing Investment Policy of the Real Estate Trust Fund
- Provide the bidder's investment philosophy and why it is appropriate for the Real Estate Trust Fund
- Discuss the bidder's proposed asset class diversification for the portfolio
- Confirm the bidder's ability to provide the income level to the Town that is currently being enjoyed based on the proposed asset classes.
- Confirm the bidder's ability to provide "trust format" reports that clearly delineate principal and income sub-accounts.

After the ten-minute presentation by the bidder, the Trustees will ask questions of the bidder, as appropriate, for up to 20 minutes.

After all five bidders have completed their 30-minute sessions, the Trustees will vote to select the successful bidder.

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### **Selectmen's Meeting:**

The Trustees reviewed the spreadsheet showing the projected income and market values relating to the Real Estate Trust Fund for 2008. There were several different methods/versions of the spreadsheet discussed with none being unanimously agreed upon.

Mr. Atwood prepared a spreadsheet showing the beginning portfolio value on August 1, 2007, income to the portfolio, income distributions to the Town, unrealized losses and ending portfolio value on July 31, 2008.

After much discussion, Mr. Hamilton and Ms. Quinn concluded that deference to the presenters was acceptable. This spreadsheet will be provided to the Board of Selectmen at their meeting on August 11, 2008. Chairman Lessard and Bookkeeper Mackensen will appear at this Selectmen's Meeting.

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**Trustee Checkbook:**

Ms. Quinn was asked to assume custody of the Trustees' bank checkbook from Mr. Atwood. This is in keeping with the Internal Controls Policy adopted by the Trustees on August 13, 2007, which requires that a non-signatory person maintain custody of the checkbook. She graciously accepted.

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**Real Estate Trust Fund 2007 MS-9 Beginning Balance:**

Mr. Hamilton called the State and the Town Auditor to request clarification regarding the different figures for the 2006 ending balance, i.e., the audited 2006 ending balance for the Real Estate Trust Fund versus the 2006 ending balance on the Trustees' spreadsheet. Both Tami Wickens of the State Dept. of Revenue and Mr. Steve Plodzick of Plodzick & Sanderson advised the Trustees to take no further action regarding this matter. Their justification was, in essence, that the Trustees are comparing two different systems and a difference is not uncommon. This response was unacceptable to the Trustees. The issue remains unresolved and is ongoing.

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**Next Meeting:**

The next meeting of the Trustees is scheduled for Monday, September 15, 2008, at 2:00 p.m., at which time the five bidders will be interviewed.

**MOVED** by Ms. Quinn to adjourn.

**SECOND** by Mr. Hamilton.

**VOTE: 5-0-0**

**Motion Passed**

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The meeting adjourned at 5:03 p.m.

Respectfully submitted,

*Warren J. Mackensen*

Warren J. Mackensen, Bookkeeper