

# Town of Hampton



TRUSTEES OF THE TRUST FUNDS  
NOVEMBER 17, 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.

---

## Minutes of the last meeting:

The minutes from the meeting of October 27, 2008, were reviewed. A minor clarification was made by Mr. Hamilton.

**MOVED** by Mr. Hamilton to approve the minutes.

**SECOND** by Ms. Quinn.

**VOTE: 5-0-0**

**Motion Passed**

---

## Real Estate Trust Fund Review

The Trustees reviewed a November 14, 2008, interim statement showing the market value of the Fund as \$13,605,490. The world-wide market turmoil has noticeably reduced the market value of the Fund, especially with regard to the equity portion of the portfolio. The cost basis of the Fund is approximately \$15,877,000. The yield of the Fund is 5.1%. The Fund remains within the asset allocation prescribed by the Trustee-approved Investment Policy.

Mr. Hamilton questioned the reason for the sale of the Genworth Financial bond sold on 10/31/2008, which had a coupon rate of 5.75% maturing on 6/15/2014. Mr. Hamilton will email John O'Dowd at TD Wealth Management about this sale.

---

### **Smaller Trust Funds and Capital Reserve Funds:**

The Trustees reviewed the October 2008 NH Public Deposit Investment Pool (NH PDIP) Summary Statement, which lists the smaller trust funds and capital reserve funds. As of November 14, 2008, the annual yield of the NH PDIP was 1.07%.

At the request of the Trustees at the October 27th meeting, the Bookkeeper provided an Investment Proposal to consider alternate safe investments, such as TD Banknorth and Citizens Bank government banking divisions, to replace the NH PDIP account. The Investment Proposal also included money market fund information from Charles Schwab & Company, Fidelity Investments and The Vanguard Group.

The Trustees reviewed the 3-page Investment Proposal, which included the following attachments:

- RSA 31:25. Custody; Investment (of Trust Funds)
- RSA 35:9. Investment (of Capital Reserve Funds)
- A spreadsheet comparison of the five investment alternatives
- Six pages of information about the Vanguard Prime Money Market Fund
- Screenshots showing how the sub-accounting would be performed and sample portfolio reports if Vanguard was used

Discussion ensued and eventually it was

**MOVED** by Mr. Mackensen to transfer the smaller trust funds and capital reserve funds currently invested in twelve accounts at the NH Public Deposit Investment Pool (approximately \$1,040,000) to the Vanguard Prime Money Market Fund, subject to a satisfactory review by the NH Charitable Trusts Unit at the Department of Justice in Concord to ensure compliance with RSA 31:25 and RSA 35:9. The response from the Charitable Trusts Unit shall be reviewed by the Trustees prior to opening a Vanguard account to implement the Investment Proposal.

**SECOND** by Mr. Hamilton.

**VOTE: 5-0-0**

**Motion Passed**

---

**Smaller Trust Funds and Capital Reserve Funds Investment Policy:**

A proposal to modify the existing investment policy for the smaller trust funds was distributed for review by the Trustees. The proposed changes on Page 3 modified the language to allow for the investment of capital reserve funds in the Vanguard Prime Money Market Fund, which was tentatively approved in an earlier vote.

**MOVED** by Mr. Mackensen to approve the changes on Page 3.

**SECOND** by Ms. Quinn.

**VOTE: 5-0-0**

**Motion Passed**

---

**Department of Public Works Equipment Capital Reserve Fund:**

The Bookkeeper reported that a 2<sup>nd</sup> check in the amount of \$170,000 was received from the Town for the second (and final) deposit into the new Department of Public Works Equipment Capital Reserve Fund, per Article 23 of the Spring 2008 Town Warrant. The check was deposited in the Trustee's checking account for transfer to the appropriate investment account.

---

**Next Meeting:**

The next meeting of the Trustees is scheduled for Monday, December 15, 2008, at 3:00 p.m.

**MOVED** by Chairman Lessard to adjourn.

**SECOND** by Ms. Quinn.

**VOTE: 5-0-0**

**Motion Passed**

The meeting adjourned at 4:26 p.m.

Respectfully submitted,

*Warren J. Mackensen*

Warren J. Mackensen, Bookkeeper