

Town of Hampton



TRUSTEES OF THE TRUST FUNDS

FEBRUARY 22, 2010 3:00 p.m.

TRUSTEES: Robert (Vic) Lessard, Chairman
David Hamilton, Vice Chairman
Edward (Sandy) Buck, Trustee
Warren J. Mackensen, Trustee & Bookkeeper

UNAVAILABLE: Norman Silberdick, Trustee

PUBLIC: William A. Hartley, Candidate for Trustee of the Trust Funds

The meeting was called to order at 3:04 p.m. by Chairman Lessard, followed by the Pledge of Allegiance.

Minutes of the Last Meeting

The minutes from the meeting of January 19, 2010, were reviewed.

MOVED by Mr. Hamilton to approve the minutes.

SECONDED by Mr. Buck.

VOTE: 4-0-0

Motion Passed

Real Estate Trust Fund

The Trustees reviewed graphs showing the month-end market values of the Real Estate Trust Fund.

The Trustees reviewed the 2009 Cash Basis Income, Fees & Distributions Summary spreadsheet provided by the Bookkeeper.

The Trustees reviewed a "Cash on Hand 2008-2009" spreadsheet with related graphs.

MOVED by Mr. Hamilton to request a waiver of the TD Wealth Management Group investment management fee on the cash balance in the Real Estate Trust Fund so that the Real Estate Trust Fund does not lose money on cash due to the investment management fee.

SECONDED by Mr. Lessard.

VOTE: 4-0-0

Motion Passed

MOVED by Mr. Mackensen to reduce the cash in the Real Estate Trust Fund to no more than \$300,000. Any excess funds over \$300,000 should be invested in fixed income securities. This will result in an underweighting of cash to about 2% of the portfolio, and cause an overweighting of fixed income, which is acceptable to the Trustees. These weightings are still within the acceptable ranges of the current investment policy.

SECONDED by Mr. Buck.

VOTE: 4-0-0

Motion Passed

The Bookkeeper provided the Trustees with a copy of an email sent by Mr. Silberdick on February 21, 2010, indicating his ongoing concern that TD Wealth Management Group is not managing the fixed income portion of the portfolio as actively as they could.

The email stated: "With interest rates set to rise, it would seem that some of the holdings we have need to be reviewed in terms of whether we should be selling some of the bonds, which are priced at premiums, and then reinvest in other bonds where there is some play occurring due to projected interest rate changes. The experts should know when to do this. To watch a bond come to its maturity and losing the premium while we maintain the same level of interest income seems to indicate we are missing an opportunity. I have been reading the *Wall Street Journal* and the *New York Times*, which regularly indicate high grade corporate yields in the 5-6% range. I couldn't agree more that there is bond volatility due to interest rates, but it is an area that also offers some opportunities."

The Trustees concluded that Mr. Silberdick's comments are worthy of further discussion at the next meeting when Mr. Silberdick will be present.

Smaller Trust Funds and Capital Reserve Funds

The Trustees reviewed financial documentation on the smaller trust funds and capital reserve funds as of January 31, 2010.

The Bookkeeper noted that the check issued to the Lane Memorial Library Trustees on January 19, 2010, had not been cashed as of February 22, 2010.

2009 MS-9 and MS-10

The Trustees signed the State of NH MS-9 and MS-10 reports. These reports will be sent to the Charitable Trusts Unit and the Department of Revenue Administration in Concord.

Public Session:

Mr. Lessard recognized Mr. William Hartley, candidate for Trustee of the Trust Funds. The Trustees briefly interacted with Mr. Hartley, and thanked him for his interest in serving as a trustee.

Next Meeting

Before adjourning, Mr. Buck, Mr. Hamilton and Mr. Mackensen noted that this was the last trustee meeting for Mr. Lessard. He was recognized and congratulated for his 24 years of service as a Hampton trustee. The Trustees wished Mr. Lessard success in the future.

The next meeting of the Trustees is scheduled for Monday, March 22, 2010, at 3:00 p.m.

MOVED by Mr. Hamilton to adjourn.

SECONDED by Mr. Mackensen.

VOTE: 4-0-0

Motion Passed

The meeting adjourned at 3:50 p.m.

Respectfully submitted,

Warren J. Mackensen

Warren J. Mackensen, Bookkeeper