

# Town of Hampton



## TRUSTEES OF THE TRUST FUNDS

MARCH 22, 2010 3:00 p.m.

TRUSTEES: David Hamilton, Chairman  
Edward (Sandy) Buck, Vice Chairman & Secretary  
Norman Silberdick  
William A. Hartley  
Warren J. Mackensen, Bookkeeper

PUBLIC: None

The meeting was called to order at 3:05 p.m. by Vice Chairman, Mr. Hamilton, followed by the Pledge of Allegiance.

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### **Mr. Hartley Welcomed as New Trustee**

Vice Chairman, Mr. Hamilton, asked Mr. Hartley to be seated with the Board of Trustees, having been duly sworn in by the Town Clerk as a Trustee of the Trust Funds.

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### **Election of Officers**

Vice Chairman Hamilton opened the floor to nominations for Chairman. Mr. Hamilton expressed his interest in serving as Chairman. There being no other nominations, Mr. Buck moved, seconded by Mr. Mackensen, that nominations be closed. The vote was unanimous. Mr. Hamilton stepped down as Vice Chairman.

Mr. Silberdick nominated Mr. Hamilton as Chairman. Mr. Mackensen seconded the motion. The Trustees voted and elected Mr. Hamilton as Chairman (4-0-1).

Chairman Hamilton took over the meeting and solicited nominations for Vice Chairman and Secretary. Mr. Buck expressed his interest in serving as Vice

Chairman and Secretary. Chairman Hamilton conducted the vote. Mr. Buck was elected as Vice Chairman and Secretary (4-0-1).

Chairman Hamilton solicited nominations for Bookkeeper. Mr. Mackensen expressed his interest in continuing to serve as Bookkeeper. Chairman Hamilton conducted the vote. Mr. Mackensen was elected as Bookkeeper (4-0-1).

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### **Minutes of the Last Meeting**

The minutes from the meeting of February 22, 2010, Draft A, were reviewed.

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

**SECONDED** by Mr. Buck.

**VOTE: 3-0-2**

**Motion Passed**

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### **Town Meeting Voting Results**

The Trustees reviewed the results of the March 9, 2010, Town Meeting, with regard to the trust funds and capital reserve funds.

#### Town of Hampton

Article 12: DPW Equipment Capital Reserve Fund (CRF). \$340,000 being added.  
Passed: Yes 2,328, No 587

Article 13: Town Roads CRF. \$40,000 being withdrawn.  
Passed: Yes 2,445, No 450

Article 19: Cemetery Burial Trust Fund. \$27,850 being added from 2009 revenue.  
Passed: Yes 2,627, No 248

#### Hampton School District

Article 6: Creation of a new special education trust fund with funding of \$50,000.  
Passed: Yes 1,525, No 1,331

Note: This Hampton Schools Special Education Trust Fund is different than the Winnacunnet School District Special Education Trust Fund.

Winnacunnet School District (WSD)

Article 4: Add \$50,000 to the WSD Special Education Trust Fund.  
Passed: Yes 2,394, No 2,279

Winnacunnet School District, Article 5: Add \$50,000 to the Winnacunnet High School Building Maintenance Fund.  
Passed: Yes 2,416, No 2,265

The Trustees discussed the timing of the receipt of funds to be transferred to the Trustees under Article 12 (\$340,000 DPW Equipment Capital Reserve Fund) and Article 19 (\$27,850 Cemetery Burial Trust Fund). Historically, the transfers to the Trustees have occurred quite late in the year. The Trustees expressed their hope that the fund transfers would be timelier to fulfill the intent of the warrant articles.

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**Real Estate Trust Fund**

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

The Trustees reviewed the 2010 Cash Basis Income, Fees & Distributions Summary spreadsheet provided by the Bookkeeper. The Trustees asked the Bookkeeper to email TD Wealth Management Group (TD WMG) regarding the net income earned during January (\$10,109.67), and a minor difference (of \$612.30) in the expected February distribution to the Town.

The Trustees noted that TD WMG responded to the Trustees' request to reduce the cash in the Real Estate Trust Fund to no more than about \$300,000. Any excess funds over \$300,000 will be invested in fixed income securities as soon as feasible. 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.

The Trustees noted that TD WMG acknowledged the request of the Trustees voiced at the last meeting requesting a waiver of the TD WMG investment management fee on the cash balance in the Real Estate Trust Fund. TD WMG agreed to waive their fee on cash. Mr. Silberdick asked when the fee reduction would take effect. The Bookkeeper will email TD WMG to ascertain the date.

Chairman Hamilton asked the Bookkeeper to include the monthly fee calculation documentation provided by TD WMG as part of the monthly board packet.

Mr. Silberdick expressed his ongoing concern that TD WMG is not actively managing the fixed income portion of the Real Estate Trust Fund portfolio adequately. Some bonds in the fixed income portfolio have capital gains, and yet

TD WMG is not capitalizing on the opportunity to sell the bonds at a gain. In response to this same concern voiced by Mr. Silberdick in January, TD WMG stated that their fixed income policy was essentially to buy and hold bonds, but not actively trade them for a profit.

Mr. Hartley suggested that TD WMG bring in their equity analysts and fixed income analysts to the Trustees meeting at least once a year.

Mr. Mackensen suggested that the Trustees consider having several outside fixed income managers review the Real Estate Trust Fund portfolio with an eye towards hiring one or more bond houses to manage the fixed income portion of the portfolio.

**MOVED** by Mr. Silberdick to have the Bookkeeper contact four bond houses for a review of the fixed income portion of the portfolio. Mr. Silberdick will supply the names of two firms that he would like to consider. Mr. Mackensen will provide two names as well.

**SECONDED** by Mr. Buck.

**VOTE: 5-0-0**

**Motion Passed**

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

The Trustees reviewed financial documentation on the smaller trust funds and capital reserve funds as of February 28, 2010.

The Bookkeeper noted that the check issued to the Lane Memorial Library Trustees on January 19, 2010, was finally cashed on March 2, 2010.

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### **Trustees Checkbook**

With the resignation of Mr. Lessard as a trustee, the authorized check signers on the Trustees' checkbook needed to be realigned, keeping in mind the Trustees' Internal Controls Policy.

**MOVED** by Mr. Mackensen to have Mr. Hartley take physical possession of the Trustees TD Bank checkbook. Further, moved to have Mr. Hamilton, Mr. Buck, and Mr. Silberdick be designated as authorized check signers on the trustees' checking account at TD Bank.

**SECONDED** by Mr. Buck.

**VOTE: 5-0-0**

**Motion Passed**

The Bookkeeper will accompany the Trustees to TD Bank after the meeting to effect these changes. This action removes former Chairman Lessard and current Bookkeeper Mackensen as signatories over the Trustees' checking account. The Trustees' Internal Controls Policy continues to require two signatures on each check, although TD Bank only requires one signature to honor a check.

The Bookkeeper will obtain a copy of the new signatory sheet for the Trustees' records.

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**2009 MS-9 and MS-10**

The Bookkeeper reported that the State of NH MS-9 and MS-10 reports were timely filed during February.

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**Trustees Website**

The Bookkeeper reported that the hosting contract for the Trustees website ([www.HamptonTrustFunds.org](http://www.HamptonTrustFunds.org)) is up for renewal in April. The Bookkeeper proposed a five-year renewal to obtain the largest discount possible. The total cost for five years would be \$239.52.

**MOVED** by Mr. Mackensen to renew the website hosting contract for five years.

**SECONDED** by Mr. Buck.

**VOTE: 5-0-0**

**Motion Passed**

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**Next Meeting**

The next meeting of the Trustees is scheduled for Monday, April 19, 2010, at 3:00 p.m.

**MOVED** by Mr. Buck to adjourn.

**SECONDED** by Mr. Silberdick.

**VOTE: 5-0-0**

**Motion Passed**

The meeting adjourned at 4:00 p.m.

Respectfully submitted,

*Warren J. Mackensen*

Warren J. Mackensen, Bookkeeper