

Town of Hampton



TRUSTEES OF TRUST FUNDS

July 23, 2012 4:15 p.m.

Selectmen's Conference Room

TRUSTEES: Norman Silberdick, Chairman
William A. Hartley, Vice Chairman
Stephen A. Falzone, Secretary/Clerk
John P. Troiano, Bookkeeper
John Sovich

ADMIN ASSISTANT: Ms. Joan Rice

ADVISORS: David T. Mayes, Mackensen & Company, Inc.

The meeting was called to order at 4:15 p.m. by Chairman Silberdick.

Change in ownership of Mackensen & Company

Mr. Mayes explained that there has been a change in ownership of Mackensen & Company, Inc., from Warren J. Mackensen to David T. Mayes. This change was made to provide for the continuity of Mackensen & Company and eventual retirement of Mr. Mackensen. Mr. Mayes said he is now the sole shareholder in the company. Mr. Mackensen, however, will be involved in the business for the next several years.

Chairman Silberdick asked if the preparation of materials for the Trustees would remain the same. Mr. Mayes said it would be the same. Chairman Silberdick asked about investment decisions. Mr. Mayes said he and Mr. Mackensen would be taking care of this and when Mr. Mackensen leaves new financial advisors will be brought in.

Chairman Silberdick said he had been requested to sign a consent form acknowledging that ownership of Mackensen & Company, Inc., had been transferred to Mr. Mayes and that the Trustees are in agreement. The Board agreed that Chairman Silberdick should sign this document.

Minutes of the Last Meeting

The minutes from the meeting of April 30, 2012, were reviewed.

MOVED by Mr. Hartley to approve the minutes.

SECONDED by Mr. Falzone.

VOTE: 5-0-0

Motion Passed

State Reports

The 2012 MS-9 Year-to-Date Report (as of June 30, 2012) was reviewed.

Smaller Trust Funds & Capital Reserve Funds

The Common Trust funds NATC Statement was reviewed.

The Lane Library Fidelity Portfolio Statement at 6/30/2012 was reviewed. The Lane Library Trustees approved transition from Fidelity to NATC. Fidelity Balanced Fund sold on 6/29/2012. Proceeds transferred to NATC Trust Fund portfolio.

The Common Capital Reserve Funds NATC Statement was reviewed.

Chairman Silberdick asked for approval to distribute half of the income balance (\$104.92) from the Campbell Sports Scholarship to the Town for the Recreation & Parks Dept. The other half of income is required to be added to principal.

MOVED by Mr. Sovich to distribute \$104.92 from the Campbell Sports Scholarship to the Town for the Recreation & Parks Department.

SECONDED by Mr. Hartley.

VOTE: 5-0-0

Motion Passed

Real Estate Trust Fund Discussion

Mr. Mayes presented the Mackensen & Company Performance Report which included:

1. Economic Outlook (letter to Trustees)

Mr. Mayes said there will be problems until the situation in Europe is resolved. It is important to stay balanced and that is the key and recommended strategy.

2. Portfolio Comparative Performance Review (last 3 mos. and 12 mos.)
3. Position Performance Summary (3/31/2012 – 6/30/2012)

The Trustees reviewed the NATC Real Estate Trust Fund Account Custody Statement at 6/30/2012. Chairman Silberdick said there are many investments yielding only 2%. He said he felt it would be possible to obtain more yield. Mr. Troiano said there are yield opportunities, but you must factor in how much risk you are willing to take. Mr. Troiano said he would recommend some intermediate high yield, which would not have too much interest rate risk. Chairman Silberdick said that this would be reasonable. Mr. Hartley said he prefers diversification.

Mr. Mayes said he will do research and report to the Trustees on the feasibility of making some changes.

Morningstar Snapshot as of 6/30/2012 was reviewed. The stock allocation is presently 32% US Stocks + 7% Non-US Stocks = 39% Equities, 55% Bonds + 1% Cash + 5% Preferred Stocks = 61% Fixed Income.

The Hampton Trust Funds Reconciliation, the Month-End Market Value Graphs, the 6/30/2012 TrustTrak Snapshot Report for Real Estate Trust Fund, and the Combined Transactions Listing were reviewed.

Recent Bookkeeper Activity

Sent 2012 fiscal year-end audit documents to SAU 21.

Sent 2012 fiscal year-end audit documents to SAU 90.

Updated www.hamptontrustfunds.org website with 6/30/2012 values.

Deposited Fidelity Balanced Fund proceeds into NATC TF portfolio.

Government Accounting Standards Board, Statement 54

Bookkeeper Activity in the Near Future

Deposit SAU 21 and SAU 90 unreserved fund balances into respective trust funds after school audits.

Deposit DPW Equipment, Town Roads, Compensated Leave Trust Fund, and Burial Trust Fund monies as delivered by Town Finance Director Mike Schwotzer.

Next Meeting

The next meeting of the Trustees is scheduled for Monday, October 22, 2012 at 4:15 p.m. in the Selectmen's Meeting Room.

Adjournment

MOVED by Mr. Falzone to adjourn at 5:00 p.m.

SECONDED by Mr. Troiano.

VOTE: 5-0-0

Motion Passed

Respectfully submitted,

Joan Rice
Secretary