

Town of Hampton



TRUSTEES OF TRUST FUNDS

October 22, 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: Warren J. Mackensen, Mackensen & Company, Inc.
David T. Mayes, Mackensen & Company, Inc.

The meeting was called to order at 4:20 p.m. by Chairman Silberdick.

Minutes of the Last Meeting

The minutes from the meeting of July 23, 2012, were reviewed.

MOVED by Mr. Falzone to approve the minutes.

SECONDED by Mr. Hartley.

VOTE: 5-0-0

Motion Passed

Portfolio Performance Review

The Mackensen & Company Economic Outlook (letter to Trustees) was reviewed.

Mr. Mayes said the markets have been volatile but showing a nice recovery. This has been driven by corporate earnings. Mr. Mayes said he expects more volatility, but the market trend is upward. The Real Estate Trust Fund is up 17% (net after fees) for the last 12 months.

Position performance was discussed. International equities are showing some recovery and bonds are holding up well. The past quarter was good across the board.

Mr. Falzone asked if Mackensen & Company was comfortable with what the Trustees have in international. Mr. Mayes replied that they were.

Real Estate Trust Fund Portfolio Review

Mr. Mayes presented the Month-End Market Value graphs. The Morningstar Snapshot, NATC Account Custody Statement and the TrustTrak Snapshot Report were reviewed.

Chairman Silberdick asked how capital gains are handled. Mr. Mayes said they are reinvested. Mr. Troiano noted that there will probably be some decent capital gains this year.

Mr. Falzone requested Mackensen & Company to provide the Real Estate Trust Fund Morningstar Snapshot on a monthly basis. Mr. Mackensen agreed to provide this report monthly.

Common Trust Fund Portfolio Review

Mr. Mayes said this is more conservative than the Real Estate Trust Fund. It has also done very well during the last 12 months.

The Morningstar Snapshot and NATC Account Custody Statement were reviewed.

Common Capital Reserve Fund Review

Mr. Troiano suggested that the Trustees should allow the common capital reserve fund to diversify the holdings to include up to 20% of investment grade bonds. Discussion followed. Mr. Mackensen said this would require an investment policy change.

MOVED by Mr. Troiano to amend the investment policy to allow the common capital reserve fund to include up to 20% of investment grade corporate bonds.

SECONDED by Mr. Falzone.

VOTE: 5-0-0

Motion Passed

MS-9 Report

The year-to-date MS-9 Report was reviewed.

Trustees Meeting Schedule

The Trustees Meeting Schedule for 2013 was reviewed and approved.

2012 Town of Hampton Ballots Tracking Review

Mr. Mackensen presented a spreadsheet showing the final information on all of the Town and School District warrant articles. All monies due from the Town and the schools have been delivered to the Trustees.

Several deposits and withdrawals were reviewed. Distribution requests for the Department of Public Works (\$586,702) and Town Roads (\$311,000) were approved by the Trustees. Checks were delivered to the Town Finance Director at the end of the meeting.

Town Report Narrative and Spreadsheet

The Town Report Narrative and Spreadsheet were reviewed and amended. Amendments made were to note Mackensen & Company's fee in dollars rather than just a percentage, and to specify Mackensen & Company as "Assistant Bookkeeper". Both changes are on Page 3.

Mackensen & Company Fee Schedule for 2013

MOVED by Mr. Falzone to approve the Mackensen & Company Fee Schedule of 0.1% of the total trust fund and capital reserve funds assets at the end of 2012 as the retainer fee for 2013.

SECONDED by Mr. Sovich.

VOTE: 5-0-0

Motion Passed

Communication to Budget Committee of the Trustees' 2013 Expense Budget

Mr. Mackensen said this would include items like secretarial services, transportation, and training in Concord. It would be approximately \$1,000. Mr. Silberdick will communicate this amount to the Budget Committee on November 20, 2012.

Review of RSA 292-B

The Trustees reviewed RSA 292-B Uniform Prudent Management of Institutional Funds Act. Mr. Mayes discussed possible changes that could occur. Chairman Silberdick noted that he would not want to have a strategy that dissipates principal.

Legislation

Mr. Mackensen discussed a proposed Trustees of Trust Funds Act of 2013, which he intends to submit to the legislature soon. This bill has six areas of improvement that will benefit all of the Trustees of Trust Funds in New Hampshire.

Chairman Silberdick asked Mr. Mackensen if he would need any members of the Board to appear in Concord to give testimony on proposed legislation. Mr. Mackensen said that would be very helpful.

Other

Chairman Silberdick asked about the Trustee's decision to attach the National Advisors Trust Company (NATC) investment portfolio reports to the Minutes and post it on the website. Mr. Mackensen gave an example about Massachusetts law stating that this could not be done because it contains personal information and is a security risk. Mr. Troiano suggested that this information could be available upon request. Mr. Mackensen said he will add a link to the www.hamptontrustfunds.org website saying that NATC portfolio details are available upon request.

Chairman Silberdick discussed conducting business through email. He said all emails should be available for review. Mr. Mackensen said that any time he is copied on an email, the email is archived in his system.

Mr. Falzone said care must be taken to avoid violating the open meeting law and, therefore, the emails should be available for review. Mr. Hartley said he did not agree that this was necessary.

MOVED by Mr. Sovich that the Trustee's emails dated July 25, 2012 through August 16, 2012 regarding the handling of post-meeting actions should be available upon request.

SECONDED Mr. Falzone.

VOTE: 4-1 (Hartley) -0

Motion passed

Next Meeting

The next meeting of the Trustees is scheduled for Tuesday, January 22, 2013 at 4:15 p.m. in the Selectmen's Meeting Room.

Adjournment

MOVED by Mr. Falzone to adjourn at 5:15 p.m.

SECONDED by Chairman Silberdick.

VOTE: 5-0-0

Motion Passed

Respectfully submitted,

Joan Rice
Secretary