

Town of Hampton



TRUSTEES OF TRUST FUNDS

January 22, 2013 4:15 p.m.

Selectmen's Meeting 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.
Warren J. Mackensen, Mackensen & Company, Inc.

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

Income Distributions

The Trustees approved the following Income Distributions:

- a. Poor Funds: \$22.99 (Town of Hampton)
- b. Library Trust Funds: \$285.02 (Lane Memorial Library)
- c. Perpetual Care Trust Funds: \$890.88 (Town of Hampton)
- d. Cemetery Burial Trust Funds: \$19,293.19 (Town of Hampton)

Checks were delivered to the Town Finance Director and the Library.

Minutes of the Last Meeting

The minutes from the meeting of October 22, 2012, were reviewed.

MOVED by Mr. Troiano to approve the minutes.

SECONDED by Mr. Falzone.

VOTE: 5-0-0

Motion Passed

Portfolio Performance Review

Mr. Mayes said the Real Estate Trust Fund is up 13.2% over last year. The Common Trust Fund was moved to NATC in May, 2012. There has been a good return on that portfolio.

Chairman Silberdick asked if it is necessary to do any repositioning. Mr. Mayes said it is not necessary to do any repositioning at this time.

Real Estate Trust Fund Portfolio Discussion

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

Common Trust Fund Portfolio Discussion

The Morningstar Snapshot and NATC Account Custody Statement were reviewed.

Chairman Silberdick said that this portfolio seems to have a very good yield.

Common Capital Reserve Fund Discussion

The Morningstar Snapshot and NATC Account Custody Statement were reviewed.

Mr. Mayes noted that this is the most conservative portfolio.

Mr. Troiano said the corporate bond market area is probably the one that stands to benefit the most today. This is the better place to be. Mr. Mackensen asked what

percentage the Trustees would prefer. Chairman Silberdick suggested at least one-third. The other Trustees agreed. The investment advisor will increase the investment grade corporate bond percentage to 30%. Mr. Mayes said the duration could be at four years.

MS-9 Report

The MS-9 Report was signed by all Trustees.

MS-10 Report

The MS-10 Report was signed by all Trustees. Mr. Mackensen said this report deals only with Common Funds, such that the Real Estate Trust Fund does not appear on the MS-10 report.

Town Report Narrative and Spreadsheet

The Town Report Narrative and Spreadsheet were reviewed.

MOVED by Mr. Falzone to accept the Town Report Narrative and Spreadsheet.

SECONDED by Mr. Hartley.

VOTE: 5-0-0

Motion passed

Internal Controls Policy

Mr. Mackenen presented the Internal Controls Policy with proposed changes.

MOVED by Mr. Troiano to approve the Internal Controls Policy with proposed changes.

SECONDED by Mr. Falzone

VOTE: 5-0-0

Motion passed

Investment Policy for the Hampton Real Estate Fund

Mr. Mackensen suggested a change on Page 8 under Overall Constraints where a minimum of 30 securities are required. He recommended that the first paragraph be amended to read "The minimum number of individual securities (stocks, bonds, and mutual funds) for this portfolio may not be less than 25." Since the portfolio currently has 30 mutual funds, the portfolio is inherently diversified. The change to the Investment Policy will provide a little more leeway if the portfolio comprises one or two fewer mutual funds in the future.

MOVED by Mr. Falzone to accept Mr. Mackensen's suggested amendment to Overall Constraints on Page 8 of the Investment Policy for the Hampton Real Estate Fund.

SECONDED by Mr. Sovich.

VOTE: 5-0-0

Motion passed

Investment Policy for the Common Trust Fund and the Common Capital Reserve Fund

Mr. Mackensen said these are the smaller trusts.

MOVED by Mr. Falzone to adopt the Investment Policy for the Common Trust Fund and the Common Capital Reserve Fund.

SECONDED by Mr. Sovich

VOTE: 5-0-0

Motion passed

Next Meeting

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

Mr. Mackensen said he will be putting the Trustees' portion of the Town audit package together during the next two weeks.

Chairman Silberdick said he was really pleased with what has been happening in the market this last year.

Adjournment

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

SECONDED by Mr. Falzone.

VOTE: 5-0-0

Motion Passed

Respectfully submitted,

Joan Rice
Secretary

ADDENDUM

Subsequent to the meeting, the Trustees were contacted by Budget Committee Vice Chairman Mary Louise Woolsey regarding the 1995 Hampton Fire/Rescue Capital Reserve Fund that has not been on the MS-9 report since 1998. The Trustees reached a consensus via email to include the Hampton Fire/Rescue Capital Reserve Fund (with a zero balance) on this year's MS-9 Report and Town Report since it appears that the Capital Reserve Fund was not formally discontinued by Town Meeting (despite its zero balance). There was no need to re-sign the MS-9 cover page as the total dollar figure did not change.