

# Town of Hampton



## TRUSTEES OF THE TRUST FUNDS

July 22, 2013      4:15 p.m.

Selectmen's Conference Room

**TRUSTEES:** Norman Silberdick, Chairman  
William A. Hartley, Vice Chairman  
Stephen A. Falzone, Secretary/Clerk (4:25 p.m.)  
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 4:15 p.m. by Chairman Silberdick.

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

The minutes from the meeting of April 22, 2013 were reviewed.

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

**SECONDED** by Mr. Sovich.

**VOTE: 3-0-0**

**Motion Passed**

Mr. Falzone joined the meeting at 4:25 p.m.

## **Meeting with Board of Selectmen re Town Revenue and Cemetery Burial Trust Fund**

Chairman Silberdick discussed the meeting with the Board of Selectmen on June 3, 2013, to review the Cemetery Trust fund and its performance. The Selectmen will probably prepare a warrant article to move the cemetery monies out of the general fund and place them in the Cemetery Burial Trust Fund. If they do not, the Trustees can do so. Chairman Silberdick said it did come out at the meeting that the trust fund is limited to maintenance. It is not the Trustees responsibility to tell the Cemetery Trust Fund to expand its horizons, which would require a separate warrant article.

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## **Overall Portfolio Performance Review**

The Portfolio Performance and Position Performance were reviewed. Mr. Mayes said the spike in interest rates impacted the portfolios. The Real Estate Trust Fund was down 1.8%. The performance for the year is still very good. Anything that was in longer term bonds was down the most during the quarter. International and emerging markets are also struggling at the moment, but there is still opportunity there.

Chairman Silberdick asked Mr. Mayes if he saw any immediate changes to the portfolio. Mr. Mayes said there will be changes in portfolio duration and the possibility of increasing investment in emerging markets.

Mr. Hartley asked if there were any floating rate notes that are reliable. Mr. Mayes replied that those may be good in a rising rate environment. It is necessary to decide how you feel about the solidity of the economy.

Chairman Silberdick asked if there was a goal on duration. Mr. Mayes said duration is okay, but if possible he would like to reduce it. The ideal would be four years.

Mr. Sovich asked about individual bonds. Mr. Mayes said there would still be the same interest rate risks.

Mr. Hartley asked about foreign currencies. There was discussion as to whether or not the investment policy would allow that. It was determined that a revised investment policy would be required because the current investment policy was silent with regard to currencies.

### **Real Estate Trust Fund Portfolio**

The Month-End Market Value graphs, NATC Account Custody Statement, Morningstar Snapshot and TrustTrak Snapshot were reviewed.

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### **Common Trust Fund Portfolio**

The NATC Account Custody Statement and Morningstar Snapshot were reviewed. This fund was down 2.3% for the quarter, but is still very solid for the year.

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### **Common Capital Reserve Fund Portfolio**

The NATC Account Custody Statement and Morningstar Snapshot were reviewed. This fund was down 2.7% for the quarter.

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### **Distribution of Campbell Sports Scholarship Check to Town for Parks & Recreation**

The Trustees approved the distribution of a check for \$118.84 to the Town for Parks & Recreation. This check represents half of the last fiscal year's earnings. Per Mr. Campbell's Trust, the other half of the income is required to be journalized to principal.

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### **MS-9 Report**

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

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### **2013 Hampton Ballot Results**

The ballot results were reviewed. There is one appropriation for \$300,000 for town roads that will likely be transferred to the Trustees in November.

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### **Trustees of Trust Funds TD Bank Checking Account**

Mr. Mackensen said it is evident that the Trustee checking account is not that useful any more and creates more paperwork. He suggested the account be closed. The Trustees could then set up a third-party check distribution capability to the Town and the Library directly from National Advisors Trust.

**MOVED** by Mr. Falzone to close the Trustees of Trust Funds TD Bank checking account and to set up a third-party check distribution capability to the Town and Library from National Advisors Trust.

**SECONDED** by Mr. Sovich.

**VOTE: 4-0-0.**

**Motion passed**

Action will be taken on this matter after the recently-signed Parks & Recreation check clears.

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### **Other**

Chairman Silberdick asked Mr. Mackensen about his efforts in Concord regarding paying investment advisory fees from capital reserve funds. Mr. Mackensen said that a sub-committee will meet on the bill (HB297) in August.

Chairman Silberdick said he went to an advanced trustees training seminar. There was much discussion regarding email communication rules. In general, Trustees must avoid discussions via email as that may constitute a meeting. Scheduling meeting times and passing "info only" articles of interests not requiring a reply are acceptable.

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### **Next Meeting**

The next meeting of the Trustees is scheduled for Monday, October 21, 2013 at 4:15 p.m. in the Selectmen's Meeting Room.

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### **Adjournment**

**MOVED** by Mr. Falzone to adjourn the meeting at 5:25 p.m.

**SECONDED** by Mr. Sovich.

**VOTE: 5-0-0**

**Motion Passed**

Respectfully submitted,

Joan Rice  
Secretary