

Town of Hampton



TRUSTEES OF THE TRUST FUNDS

October 20, 2014 4:15 p.m.

Selectmen's Conference Room

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

ADMIN ASSISTANT: Ms. Joan Rice

ADVISORS: Warren J. Mackensen, Mackensen & Company, Inc.
Jared Brock, Mackensen & Company, Inc.

AUDIENCE: Richard Nichols

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

Chairman Silberdick welcomed Richard Nichols, former Chairman of the Board of Selectmen, to the meeting.

Minutes of the Last Meeting

The minutes from the meeting of July 21, 2014 were reviewed.

MOVED by Mr. Hartley to approve the minutes.

SECONDED by Mr. Troiano.

VOTE: 5-0-0

Motion Passed

Overall Portfolio Performance Review

The Portfolio Performance and Position Performance were reviewed.

Mr. Mackensen said that between September 30th and October 17th the total trust funds went down by only \$100,000, or about 0.6%. The bond portfolio is holding up nicely.

Real Estate Trust Fund Portfolio

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

Mr. Hartley said he felt it might be time to rebalance and keep within the 40/60 ratio. Chairman Silberdick agreed as did Mr. Sovich and Mr. Falzone. Mr. Troiano said it is not wise to generalize on bond prices. It needs to be looked at carefully.

Mr. Nichols said his concern is risk in the portfolio going forward. There has been one crisis after another and he is bothered by ineffectiveness in government, manipulation of markets, etc. Mr. Nichols said the Real Estate Trust Fund has done very well in recent years.

Mr. Nichols said he did an investigation into what would happen if the 2008 situation happened again. According to his calculations, the current portfolio would drop 27-30% based on a 2008 scenario. Mr. Troiano said the future can never be predicted. There is always going to be some event at some point that will shake up the markets. The only people who lost in 2008 were the ones who sold. Decisions should not be made on a "what if?" basis. Mr. Hartley noted that the Trustees do not have the issues individuals have. This is "100-year money." The 40/60 split and getting the \$600,000 per year for the Town are the important things.

Chairman Silberdick suggested rebalancing and investing some money into direct bonds. After some discussion, the Trustees agreed that the investment advisor should increase the individual bond portion of the portfolio by \$750,000. Mr. Mackensen said that he would make this happen.

Common Trust Fund Portfolio

The NATC Account Custody Statement and Morningstar Snapshot were reviewed.

Mr. Mackensen said there was a minor loss in this portfolio during the last three months.

Common Capital Reserve Fund Portfolio

The NATC Account Custody Statement and Morningstar Snapshot were reviewed.

Winnacunnet School District Common Capital Reserve Fund

The NATC Account Custody Statement and Morningstar Snapshot were reviewed.

Mr. Mackensen said this fund is similar to the Common Capital Reserve Fund

MS-9 Report

The Year-to-Date MS-9 Report was reviewed.

Proposed Meeting Schedule

A Proposed Meeting Schedule for 2015 was presented by Mr. Mackensen. The Trustees approved the schedule.

Draft of Town Report Narrative

Mr. Mackensen presented a draft of the Town Report Narrative for the Trustees of the Trust Fund. All Trustees concurred with the draft of the narrative. The final report will be reviewed and approved at the next meeting in January 2015.

Investment Advisor Annual Retainer Fee

Mr. Mackensen presented a request for approval of the Investment Advisor Annual Retainer Fee for 2015.

MOVED by Mr. Sovich to approve the Investment Advisor Annual Retainer Fee for 2015 of \$25,000, one-fourth of the annual fee each quarter, payable in arrears. Quarterly retainer fees to be debited quarterly against the Real Estate Trust Fund in the months of February, May, August and November.

SECONDED by Mr. Falzone.

VOTE: 5-0-0

Motion Passed

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Next Meeting

The next meeting of the Trustees is scheduled for Tuesday, January 20, 2015, at 4:00 p.m. in the Selectmen's Meeting Room.

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