

# Town of Hampton



## TRUSTEES OF THE TRUST FUNDS

July 20, 2015 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: David Mayes, Mackensen & Company, Inc.  
Steven Stokes, Mackensen & Company, Inc.

AUDIENCE: Tim Jones, Budget Committee  
Kristi Pulliam, Finance Director  
Jim Waddell, Selectman  
Mary-Louise Woolsey, Selectman

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

Mr. Mayes introduced Steven Stokes who has joined Mackensen & Company, Inc. as a Financial Planner.

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

The minutes from the meeting of April 20, 2015, were reviewed.

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

**SECONDED** by Mr. Hartley.

**VOTE: 5-0-0**

**Motion Passed**

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### **Overall Portfolio Performance Review**

The Portfolio Comparative Performance was reviewed. Mr. Mayes said the Real Estate Trust Fund is down 1.6% since March 31, 2015. The situation in Greece caused volatility. However, looking over five years the total return came in at \$5.3 million. Approximately \$3 million in income went to the Town.

Chairman Silberdick asked Mr. Mayes what his feeling is going forward. Mr. Mayes replied that he is still optimistic about stocks. The U.S. economy still seems positive and the employment situation is getting better. It will probably be several years before interest rates get back to what is considered normal.

Exposure to emerging markets was discussed. Mr. Stokes said exposure to volatile areas is very small. Mr. Sovich asked if Mackensen & Company would recommend selling any funds that are exposed. Mr. Mayes replied that he would not recommend doing that.

The Position Performance Summary was reviewed.

Mr. Mayes discussed the Common Trust Fund. He said this is a more conservative strategy. The fund is down 1.1% for the quarter, but has had a 6.6% annual gain for six years.

Mr. Mayes discussed the Capital Reserve Fund. This fund is down 0.23% for the quarter. Mr. Hartley asked if this is where money for the Exeter Road improvement project will come from. Mr. Mayes said it is and a distribution request can be expected soon.

Mr. Mayes discussed the Winnacunnet Common Capital Reserve Fund. He said there is a similar picture there in terms of performance.

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

The Month-End Market Value graphs, NATC Account Custody Statement, Individual Bond Holdings Report, Morningstar Snapshot and the TrustTrak Fund Snapshot Report were reviewed.

Mr. Troiano said he felt it would be a good thing to add some individual bonds to the portfolio. Mr. Falzone suggested that Mr. Mayes come up with a list of things that might make sense. After discussion it was decided that Mr. Mayes can purchase individual bonds in the amount of \$500,000.

Chairman Silberdick said they had gone away from bond funds and moved into direct bonds. This has been advantageous in reducing risk.

Chairman Silberdick said there are four reports that the Financial Director has requested on a monthly basis on behalf of the Selectmen. This could be done and the reports should also be sent to the Trustees. Chairman Silberdick said the Board's objective is to be cooperative. Mr. Sovich said some of this information is posted on the Trustee's website and this should be sufficient. Mr. Jones agreed that this was sufficient. Chairman Silberdick said it would be best to send the reports via email to Ms. Pulliam and the Trustees on a monthly basis. The Real Estate Trust Fund performance report is prepared quarterly and will be included in the report package after each quarter-end.

**MOVED** by Mr. Falcone to provide the following reports to the Finance Director:

Real Estate Trust Fund – Fund Snapshot - monthly

NATC Real Estate Trust Fund Statement – monthly

Real Estate Trust Fund Comparative Performance Review – quarterly

MS-9 Year-to-Date - monthly

**SECONDED** by Mr. Sovich.

**VOTE: 5-0-0**

**Motion Passed**

Mr. Jones asked about confidentiality. Chairman Silberdick said anyone can come to the Trustees and request to see information.

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### **Common Trust Fund Portfolio**

The NATC Account Custody Statement and Morningstar Snapshot were reviewed. Mr. Mayes said this fund has \$606,000 in value.

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

The NATC Account Custody Statement and Morningstar Snapshot were reviewed.

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### **Winnacunnet School District Common Capital Reserve Fund**

The NATC Account Custody Statement and Morningstar Snapshot were reviewed.

Mr. Mayes said this fund is slightly overweight in equities and he will do a rebalance.

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### **MS-9 Report**

The MS-9 report was reviewed.

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### **Campbell Sports Scholarship**

**MOVED** by Mr. Sovich to distribute the Campbell Sports Scholarship check for \$82.27 (half of income balance) to the Town for Parks & Recreation. Remaining income balance will be moved to principal as required under the terms of the trust.

**SECONDED** by Mr. Hartley.

**VOTE: 5-0-0**

**Motion Passed**

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### **School Audit Packages**

Mr. Mayes said SAU 90 and SAU 21 have received their audit packages

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### **Next Meeting**

The next meeting of the Trustees is scheduled for Monday, October 19, 2015, at 4:15 p.m. in the Selectmen's Meeting Room.

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### **Adjournment**

**MOVED** by Mr. Falcone to adjourn the meeting at 5:15 p.m.

**SECONDED** by Mr. Sovich.

**VOTE: 5-0-0**

**Motion Passed**

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Respectfully submitted,

Joan Rice  
Secretary