

Town of Hampton



TRUSTEES OF THE TRUST FUNDS

January 19, 2016 3:15 p.m.

Selectmen's Conference Room

DRAFT A

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.

AUDIENCE: Mark Gearreald, Town Counsel
Rusty Bridle, Selectman
Jim Waddell, Selectman

The meeting was called to order at 3:15 p.m. by Chairman Silberdick.

Non Public Session – called under RSA 91-A:3, II (c)

MOVED by Mr. Sovich to move into Non-Public Session at 3:16 p.m.

SECONDED by Mr. Hartley.

ROLL CALL VOTE: 5-0-0

Motion Passed

The Public Meeting resumed at 4:15 p.m.

The Trustees made self-introductions.

Chairman Silberdick said the Trustees had just come out of Non-Public Session where they discussed their relationship with Mackensen & Company. The Trustees voted to reaffirm their relationship with Mackensen & Company pending an investigation by a sub-committee consisting of Mr. Troiano and Mr. Falzone who will research the possibility of considering a RFQ (Request for Quote). They also voted to request that Mackensen & Company provide on a quarterly basis a Certificate of Compliance signed by both Mr. Mayes and a Compliance Officer.

Chairman Silberdick asked for public comment.

Selectman Bridle thanked the Trustees for having this televised session. It will help the public put names to faces. Selectman Waddell said he agreed with Selectman Bridle.

Minutes of the Last Meeting

The minutes from the meeting of October 19, 2015, were reviewed.

MOVED by Mr. Hartley to approve the minutes.

SECONDED by Mr. Sovich.

VOTE: 4-0-1 (Falzone)

Motion Passed

Real Estate Trust Fund Portfolio

Mr. Mayes discussed the Real Estate Trust Fund. He said the income to the Town for 2015 was \$646,240. U.S. large-cap stocks are down on price basis, but modestly positive (1.38%) with dividends reinvested. Mid and small-caps are down about 4% (total return). Growth sectors outperformed value across all market capitalizations. International equities declined. Asset allocation is Cash – 3.12%, US Stocks – 32.41%, Non-US Stocks – 7.16%, Bonds – 51.07%, and Other – 6.24%.

Common Trust Fund Portfolio

Mr. Mayes discussed the Common Trust Fund. Asset Allocation is Cash – 9.88%, US Stocks – 31.65%, Non-US Stocks – 4.59%, Bonds, 52.19%, Other – 1.58%. Mr. Mayes said this fund is more conservative than the Real Estate Trust Fund.

Capital Reserve Fund Portfolio

Mr. Mayes discussed the Capital Reserve Fund. Asset Allocation is Cash – 10.46%, US Stocks – 15.61%, Non-US Stocks – 0.00%, Bonds – 73.87%, Other – 0.07%. This is a very conservative fund.

Winnacunnet School District Common Capital Reserve Fund

Mr. Mayes discussed the WSD Common Capital Reserve Fund. Asset allocation is Cash – 8.45%, US Stocks – 15.66%, Non-US Stocks – 0.00%, Bonds – 75.82%, Other – 0.07%.

Selectman Waddell asked if there was a fail-safe or stop gap. Mr. Sovich said this was up to the discretion of the Trustees.

MS-9 Report

The MS-9 Report was reviewed.

MOVED by Mr. Falzone to approve the MS-9 Report.

SECONDED by Mr. Sovich.

VOTE: 5-0-0

Motion Passed

MS-10 Report

The MS-10 Report was reviewed.

MOVED by Mr. Sovich to approve the MS-10 Report.

SECONDED by Mr. Falzone.

VOTE: 5-0-0

Motion Passed

Internal Controls Policy

Chairman Silberdick said there were no changes to the Internal Controls Policy.

MOVED by Mr. Hartley to reaffirm the Internal Controls Policy.

SECONDED by Mr. Troiano.

VOTE: 5-0-0

Motion Passed

Investment Policy for the Hampton Real Estate Trust Fund

The Trustees reviewed the Investment Policy for the Hampton Real Estate Trust Fund.

MOVED by Mr. Sovich to make the following changes to the Investment Policy for the Hampton Real Estate Trust Fund:

Under **Duties and Responsibilities: Investment Advisor** add "9. Providing to the Trustees a Certificate of Compliance signed by both the Investment Advisor and the Compliance Officer.

Under **Custody and Discretionary Control** change the last sentence in the second paragraph to read "The Trustees may delegate transaction discretion to the investment Advisor, but in no event shall it exceed asset allocation ranges without Trustee approval".

SECONDED by Mr. Falzone.

VOTE: 5-0-0

Motion Passed

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

The Investment Policy for the Common Trust Fund and the Common Capital Reserve Fund was reviewed and reaffirmed.

Next Meeting

The next meeting of the Trustees is scheduled for Monday, April 18, 2016, at 4:15 p.m. in the Selectmen's Meeting Room.

Adjournment

MOVED by Mr. Sovich to adjourn the meeting at 5:33 p.m.

SECONDED by Mr. Hartley.

VOTE: 5-0-0

Motion Passed

Respectfully submitted,

Joan Rice
Secretary