

# Town of Hampton



## TRUSTEES OF THE TRUST FUNDS

April 18, 2016 4:15 p.m.

Selectmen's Conference Room

### **Approved**

TRUSTEES: Norman Silberdick, Chairman  
William Hartley, Vice Chairman (4:38 p.m.)  
Stephen A. Falzone, Secretary/Clerk  
John Sovich  
John Troiano

ADMIN ASSISTANT: Ms. Joan Rice

ADVISOR: David Mayes, Mackensen & Company, Inc.  
Steven Stokes, Mackensen & Company, Inc.

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

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### **Election of Officers**

Chairman Silberdick noted that Mr. Hartley had been re-elected to the Trustees of the Trust Funds board at the Town election.

**MOVED** by Mr. Sovich to appoint Mr. Silberdick as Chairman and Mr. Hartley as Vice Chairman of the Trustees of the Trust Funds board for the following year.

**SECONDED** by Mr. Falzone.

**VOTE: 4-0-0**

**Motion Passed**

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### **Review of Minutes**

The minutes from the meeting of January 27, 2016 were reviewed.

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

**SECONDED** by Mr. Troiano.

**VOTE: 4-0-0**

**Motion Passed**

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### **Compliance Certificate – Mackensen & Company, Inc.**

Chairman Silberdick said the board agreed at the last meeting that Mackensen & Company should provide a compliance certificate which they have done. Chairman Silberdick said he was fine with it.

Mr. Troiano asked who was their compliance officer. Mr. Mayes replied that he was the compliance officer. Many firms operate in this manner. Mr. Troiano said he felt this could be a conflict of interest and asked if outside counsel could also sign off. Chairman Silberdick said he thought it would make sense if outside counsel could do this on a yearly basis. Mr. Mayes said he would contact counsel and ask their opinion and get back to the board. Mr. Troiano said the board really should have some protection in place making sure everything is being handled properly.

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### **2016 Election Results**

Mr. Mayes discussed the 2016 election results. Article 19 - \$300,000 for Road Improvement CRF passed. Article 29 - MIS CRF - \$0 passed. Article 33 – Change name of Cemetery Burial Trust Fund to Cemetery Maintenance Trust Fund passed. Article 47 – Detail agendas for meetings be posted at least 4 days in advance at Town Hall, Lane Library and Town Website passed.

Mr. Sovich noted that it is legal in case of emergency to post a meeting later than 4 days prior.

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### **Real Estate Trust Fund**

Mr. Mayes said it was a strong March offsetting the January turn-down. There has been a reversal of some trends in several asset classes. Emerging markets are up. Interest rates declined boosting bond returns. The fund was at \$18.7 million at the end of March. Estimated income for the year is at \$695,000 per the NATC March 31, 2016 statement.

Mr. Hartley joined the meeting at 4:38 p.m.

The Month-End Market Value graphs, NATC Account Custody Statement, the Comparative Performance Review, the Position Performance Review, the Position Performance Summary Q1 2016, the Morningstar Portfolio X-Ray, the Individual Bond Portfolio Report and the TrustTrak Fund Snapshot Report were reviewed.

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### **Common Trust Fund**

Mr. Mayes said there was a 2.67% return for the quarter. This fund is tracking well with the benchmark. The fund is at 35% stocks which will need to be reduced and shifted to bonds as the market recovers.

The NATC Account Custody Statement, the Comparative Performance Review, the Position Performance Summary Q1 2016, and the Morningstar Portfolio X-Ray were reviewed.

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### **Common Capital Reserve Fund**

Mr. Mayes said this fund was at \$1.53 million at the end of March. This is a very conservative portfolio and is performing as expected. Asset allocation is on target.

The NATC Account Custody Statement, the Comparative Performance Review, the Position Performance Summary Q1 2016, and the Morningstar Portfolio X-Ray were reviewed.

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

Mr. Mayes said this fund is very much like the Common Capital Reserve Fund. It is on target for allocations.

The NATC Account Custody Statement, the Comparative Performance Review, the Position Performance Summary Q1 2016, and the Morningstar Portfolio X-Ray were reviewed.

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### **MS-9 Report**

The MS-9 Report through 3-31-16 was reviewed.

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## **Other Business**

At this time Mr. Mayes and Mr. Stokes left the meeting.

Chairman Silberdick asked Mr. Troiano and Mr. Falzone (Business Advisor Sub-Committee) what they would recommend regarding going out to bid for a new business advisor. Mr. Troiano said he felt Mr. Mayes has done an excellent job, but his concern is that there is no independent compliance oversight. Mr. Troiano said the board's responsibility is to the Town. Mr. Troiano said he has been contacted by other advisors who are interested and he feels it is important to see what is out there. Mr. Troiano said he would recommend receiving proposals from other advisors.

Mr. Sovich asked if it would be necessary to ask Mackensen & Company to submit a proposal. Mr. Troiano said that would not be necessary.

Chairman Silberdick noted that Mackensen & Company has also handled bookkeeping and reporting.

It was decided that the Sub-Committee would prepare criteria for the RFP which will be presented to the board in a special meeting prior to seeking candidates.

**MOVED** by Mr. Falzone to investigate a limited number of potential advisors for an RFP to manage the Trustees' funds in the Town of Hampton, all inclusive (bookkeeping, recording, etc.).

**SECONDED** by Mr. Sovich.

**VOTE: 5-0-0**

**Motion Passed**

The next meeting of the Trustees of the Trust Funds will be Monday, July 18, 2016 at 4:15 p.m. in the Selectmen's Meeting Room.

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## **Adjournment**

There being no further business, the meeting was adjourned at 5:20 p.m.

Respectfully submitted,

Joan Rice  
Secretary