

Town of Hampton



TRUSTEES OF THE TRUST FUNDS

January 21, 2020 4:15 p.m.

Selectmen's Conference Room

Approved

TRUSTEES: Stephen A. Falzone
John Troiano
Nancy Andrew
Warren Mackensen

Excused: John Bletzer

ADMIN ASSISTANT: Ms. Joan Rice

ADVISOR: David Mayes, Three Bearings Fiduciary Advisors
Zachary Zwick, Three Bearings Fiduciary Advisors

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

Review of Minutes

MOVED by Mr. Troiano to approve the Minutes of November 4, 2019.

SECONDED by Chairman Falzone.

VOTE: 4-0-0

Motion passed

MOVED by Mr. Mackensen to approve the Minutes of December 23, 2019.

SECONDED by Ms. Andrew..

VOTE: 4-0-0

Motion passed

4th Quarter 2019

Mr. Mayes said 2019 was a good year for both stocks and bonds. Large caps continue to lead, but mid and small cap stocks also performed well. International equities still trail. Interest rates trended down for the year and inflation remains low. Mr. Mayes said that all in all they are mostly optimistic. There is not much concern that a recession is coming.

Real Estate Trust Fund

Mr. Mayes said this fund continues to grow. It ended the quarter with a total market value of \$22,918,484.50. The portfolio's return was 3.45% for the quarter.

The Fidelity Account Custody Statement, Quarterly Performance Report, the Morningstar Portfolio X-Ray and TrustTrak Fund Snapshot Report were reviewed.

The allocation in this fund is 2.28% Cash, 26.61% US Stocks, 14.13% Non-US Stocks, 51.63% Bonds, and 5.34% Other.

Common Trust Fund

Mr. Mayes said there were good returns for this fund for 2019. He said this fund ended the quarter with a total market value of \$724,251.30.

The Fidelity Account Custody Statement, Quarterly Performance Report Package and Morningstar Portfolio X-Ray were reviewed.

The allocation in this fund is 5.70% Cash, 23.73% US Stocks, 5.73% Non-US Stocks, 57.58% Bonds, and 7.27% Other.

Mr. Mackensen asked about the Templeton Global Bond Fund. He said it has been lagging for some time. Mr. Mayes said this has been on their radar and they will watch closely.

Common Capital Reserve Fund

Mr. Mayes said this fund ended the quarter with a total market value of \$3,436,358.24

The Fidelity Account Custody Statement, Quarterly Performance Report Package and the Morningstar Portfolio X-Ray were reviewed.

The allocation in this fund is 48.80% Cash, which includes CDs, 14.02% US Stocks, 0.13% Non-US Stocks, 36.89% Bonds, and 0.16% Other.

Mr. Mackensen asked if anybody wanted to go higher than 15% for equities. Mr. Troiano said he would not at this point.

Winnacunnet School District Common Capital Reserve Fund

Mr. Mayes said this fund ended the quarter with a total market value of \$749,959.86. He said this fund is very similar to the Common Capital Reserve Fund.

The Fidelity Account Custody Statement, Quarterly Performance Report Package and the Morningstar Portfolio X-Ray were reviewed.

The allocation in this fund is 50.36% Cash, which includes CDs, 12.12% US Stocks, 0.12% Non-US Stocks, 37.66% Bonds, and -0.25% Other.

MS-9 Report

The MS-9 Report through December 31, 2019 was reviewed.

Chairman Falzone said there was an issue regarding the cemetery maintenance fund where funds were withdrawn from the Common Capital Reserve Fund and should have been withdrawn from the Common Trust Fund. This error has been corrected and will be reflected on the January Fidelity statements.

Distribution of Funds

MOVED by Chairman Falzone to approve the following Distribution of Funds:

Poor Funds: \$24.21 (Town of Hampton)

Perpetual Care Trust Funds: \$937.37 (Town of Hampton)

Cemetery Maintenance Trust Fund: \$22,361.97 (Town of Hampton)

SECONDED by Mr. Troiano.

VOTE: 4-0-0

Motion passed

MOVED by Mr. Mackensen to approve the distribution of annual income for the Library Trusts (\$446.31) to the Lane Memorial Library.

SECONDED by Chairman Falzone.

VOTE: 4-0-0

Motion passed

Combined Transactions Listing

The Combined Transactions Listing was reviewed.

Town Report Spreadsheet

The Town Report Spreadsheet was reviewed.

Town Report Narrative

MOVED by Chairman Falzone to accept the Town Report Narrative (Mr. Mackensen's changes sent to Kristi Puliam).

SECONDED by Mr. Mackensen.

VOTE: 4-0-0

Motion passed

Internal Controls Policy

MOVED by Chairman Falzone to accept and reaffirm the Internal Controls Policy.

SECONDED by Mr. Troiano.

VOTE: 4-0-0

Motion passed

Investment Policies

MOVED by Chairman Falzone to accept and reaffirm the Investment Policies for the Hampton Real Estate Trust Fund, the Common Trust Fund and the Common Capital Reserve Fund

SECONDED by Mr. Troiano.

VOTE: 4-0-0

Motion passed

New Business

Chairman Falzone said he would not be running for re-election. He encouraged people to run for this Board. It is a true treasure. Chairman Falzone thanked David Mayes and his staff for an incredibly good job.

Mr. Troiano said he was moving out of Hampton and therefore would not be running for re-election. He thanked Chairman Falzone for the outstanding ethics he has brought to this Board. It is greatly appreciated.

Next Meeting

The next meeting will be Monday April 20, 2020, at 4:15 p.m. in the Selectmen's Meeting Room.

Adjournment

MOVED by Chairman Falzone to adjourn the meeting at 5:00 p.m.

SECONDED by Mr. Troiano.

VOTE: 4-0-0

Motion Passed

Respectfully submitted,

Joan Rice
Secretary