



TRUSTEES OF TRUST FUNDS

July 19, 2021 4:00 p.m.

Quarterly Meeting

DRAFT A

TRUSTEES: James Dearden
Christopher Koutalidis
Warren Mackensen
Christopher Nevins
Joyce Skaperdas

PUBLIC:

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

The meeting was called to order at 4:00 p.m. by Chairman Mackensen.

The Pledge of Allegiance was recited.

Quorum Determination

Chairman Mackensen noted that five trustees were present. There was a quorum.

New Trustee Oath of Office

Chairman Mackensen noted that Town Clerk, Shirley Doheny, administered the oath of office to new trustee Christopher Koutalidis prior to the meeting.

Welcome New Trustee

Chairman Mackensen welcomed new trustee Chris Koutalidis to the Board.

Approval of Minutes

MOVED by Mr. Dearden to approve the Minutes of April 19, 2021.

SECONDED by Ms. Skaperdas.

VOTE: 4-0-1

Motion Passed

2nd Quarter 2021

Mr. Mayes provided the Market Trends as of June 30, 2021.

- Good recovery for equities and REITS in Q2:
 - S&P 500 8.55%
 - Russell 2000 4.29%
 - MSCI EAFE Index 5.17%
 - Real Estate (Vanguard REIT ETF) 11.6%
 - S&P High-Yield Corporate Bond Index 2.95%
 - S&P Investment Grade Corporate Bond Index 3.56%
- Growth stocks outperform Value by a wide margin
 - iShares S&P Growth (IUSG) 11.39%
 - iShares S&P Value (IUSV) 4.82%
- Interest rates fell for Intermediate and long-term US Treasury securities:
 - 30-year Treasury: Decreased from 2.41% to 2.06%
 - 10-year: Decreased from 1.74% to 1.45%
 - 5-year: Decreased from 0.92% to 0.87%
 - 2-year: Increased from 0.16% to 0.25%

Mr. Mayes provided the sector results as of June 30, 2021.

Real Estate XLRE 12.97%	Technology XLK 11.38%	Energy XLE 10.88%	Communication Services XLC 10.63%
Health Care XLV 8.31%	Financial Services XLF 8.17%	Consumer Discretionary XLY 6.39%	Materials XLB 4.9%
Industrial XLI 4.33%	Consumer Staples XLP 3.09%	Utilities XLU -0.51%	

Real Estate Trust Fund

Mr. Mayes said this fund gained 3.4% during the second quarter. He provided the Month-end Market Values bar graph, which showed that the June 2021 value was slightly below the highest level achieved at the end of the first quarter. The line graph showed similar results.

The Fund ended the quarter with a total market value of \$24,034,410.

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 3.2% Cash, 31.8% US Stocks, 9.9% Non-US Stocks, 48.4% Bonds, and 6.7% Other.

Common Trust Fund

Mr. Mayes said the fund gained 3.2% during the second quarter of 2021. He said this fund ended the quarter with a total market value of \$692,493.

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

The allocation in this fund is 4.7% Cash, 23.8% US Stocks, 5.2% Non-US Stocks, 57.6% Bonds, and 9% Other.

Common Capital Reserve Fund

Mr. Mayes said the fund gained 1.4% during the second quarter of 2021. Mr. Mayes said this fund ended the quarter with a total market value of \$3,363,030.

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

The allocation in this fund is 0.8% Cash, 15.2% US Stocks, 0.2% Non-US Stocks, 82.8% Bonds, and 1% Other.

Winnacunnet School District Common Capital Reserve Fund

Mr. Mayes said the fund gained 1.5% during the second quarter of 2021. Mr. Mayes said this fund ended the quarter with a total market value of \$901,529. He said this fund is 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 0.8% Cash, 15.2% US Stocks, 0.2% Non-US Stocks, 82.8% Bonds, and 1.0% Other.

MS-9 Report

The TrustTrak MS-9 Report for the second quarter of 2021 was reviewed.

Combined Transactions Listing

The TrustTrak Combined Transactions Listing was reviewed.

Investment Discussion

Mr. Mackensen asked if there were any comments about *The Wall Street Journal* article dated 6/19/2021 about the “Dark Skies for Emerging Markets.” The article was provided to trustees with their board packet. There were no comments.

Trustee Documents Archiving

Mr. Mayes reported that the 2020 trustee records were transcribed onto a CD and delivered to the Town Clerk for safekeeping in the Town Vault. This fulfills the requirements of NH RSA 33-A:3-a.

Review of 2021 Town Warrant Ballot Results

The trustees were apprised that the Town Finance Director will fund the two articles affecting capital reserve in November or December.

- Hampton Article 15 – Add \$300,000 to Road Improvement CRF (Passed)
 - Hampton Article 38 – Add \$27,500 to Firefighters Turn Out Gear/Personal Protective Equipment CRF (Passed)
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Trustee Training

Ms. Skaperdas, Mr. Nevins and Mr. Mackensen participated in Trustee of Trust Funds training sponsored by the NH Municipal Association. The virtual workshop was held June 10, 2021.

The three participants shared their learning with the other trustees.

Moved by Mr. Mackensen to reimburse the \$70 workshop fees for each individual as an incidental charge to the Town (RSA 31:24).

SECONDED by Mr. Dearden.

VOTE: 5-0-0

Motion Passed

The Requests for Reimbursement by the three participants will be forwarded to the Town Finance Director by the Chairman.

Internal Controls Policy

Prior to the meeting, Chairman Mackensen provided an excerpt of a newly-revised Internal Controls Policy. The first change provided language to codify the handling of cemetery check approvals. The second change improved the meeting minutes language in the existing document to conform to RSA 91-A:2, II.

MOVED by Chairman Mackensen to approve the revised Internal Controls Policy.

SECONDED by Mr. Nevins

VOTE: 5-0-0

Motion Passed

Campbell Sports Scholarship Trust

MOVED by Chairman Mackensen to:

- Approve a disbursement of \$109.86 from the Campbell Sports Scholarship Trust income to the Town for recreational purposes.
- Journal \$109.87 from income to principal, per the Trust indenture.

SECONDED by Ms. Skaperdas

VOTE: 5-0-0

Motion Passed

Fidelity Paperwork

Mr. Koutalidis has signed the Fidelity applications for access to the custodian accounts at the Three Bearings office.

Public Comment

There were no members of the public attending the meeting.

Next Meeting

The next meeting will be Monday, October 18, 2021, at 4:00 p.m. in the Selectmen's Meeting Room.

Adjournment

The meeting adjourned without objection at 5:10 p.m.

Respectfully submitted,

Warren J. Mackensen, Chairman