



TRUSTEES OF TRUST FUNDS

April 16, 2024 3:00 p.m.

Quarterly Meeting

TRUSTEES: Warren Mackensen
Christopher Nevins
Joyce Skaperdas
Corey O'Neil
James Dearden

PUBLIC: None

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

The meeting was called to order at 3:02 p.m. by Chairman Mackensen.

The Pledge of Allegiance was recited.

Trustee Oaths of Office

The Town Clerk, Shirley Doheny, administered the oath of office for re-elected trustee Joyce Skaperdas at the Town Hall. She also administered the oath of office to newly elected former trustee, James Dearden.

Quorum Determination

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

Election of Officers

The following officers were elected:

Warren Mackensen	Chairman	(4-0-1)
Joyce Skaperdas	Vice-Chairman	(4-0-1)
Corey O'Neil	Bookkeeper	(4-0-1)

Approval of Minutes

Minutes of the January 16, 2024, meeting were approved by email vote in January.

1st Quarter 2024

Mr. Mayes provided the Market Trends as of March 31, 2024.

- Strong gains across the board in Q1, especially US Large Cap equities:
 - S&P 500 10.55%
 - Russell 2000 5.04%
 - MSCI EAFE Index 5.99%
 - Real Estate (Vanguard REIT ETF) -1.28%
 - S&P High-Yield Corporate Bond Index 1.49%
 - S&P Investment Grade Corporate Bond Index -0.53%
- Although strong performance from both, Growth outperformed Value in Q1:
 - iShares S&P Growth (IUSG) 12.75%
 - iShares S&P Value (IUSV) 7.77%
- Money flowed out of Treasuries across the board. Rates rose for short, intermediate, and long-term US Treasury securities:
 - 30-year Treasury: Increased from 4.03% to 4.34%
 - 10-year Treasury: Increased from 3.88% to 4.20%
 - 5-year Treasury: Increased from 3.84% to 4.21%
 - 2-year Treasury: Increased from 4.23% to 4.59%

Mr. Mayes provided the Sector Trends as of March 31, 2024.

Energy XLE 13.51%	Communication Services XLC 12.68%	Financial Services XLF 12.44%	Industrial XLI 10.84%
Materials XLB 8.98%	Health Care XLV 8.71%	Technology XLK 8.38%	Consumer Staples XLP 6.79%
Utilities XLU 4.52%	Consumer Discretionary XLY 3.06%	Real Estate XLRE -0.65%	

Real Estate Trust Fund

Mr. Mayes said this Fund gained 2.5% during the first quarter. He provided the Month-end Market Values bar graph and the line graph with month by month results.

The Fund ended the quarter with a total market value of \$22,306,120.

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 1% Cash, 28% US Stocks, 9% Non-US Stocks, 55% Bonds, and 6% Other.

Common Trust Fund

Mr. Mayes said the Fund gained 2.4% during the first quarter. He said this fund ended the quarter with a total market value of \$47,803.

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

The allocation in this Fund is 3% Cash, 25% US Stocks, 5% Non-US Stocks, 60% Bonds, and 7% Other.

Common Capital Reserve Fund

Mr. Mayes said the Fund gained 1.7% during the first quarter. Mr. Mayes said this fund ended the quarter with a total market value of \$4,444,689.

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

The allocation in this Fund is 2% Cash, 17% US Stocks, 0% Non-US Stocks, 81% Bonds, and 0% Other.

Winnacunnet School District Common Capital Reserve Fund

Mr. Mayes said the Fund gained 1.6% during the first quarter. Mr. Mayes said this fund ended the quarter with a total market value of \$972,647. 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 2% Cash, 16% US Stocks, 0% Non-US Stocks, 82% Bonds, and 0% Other.

Cemetery Maintenance Expendable Trust Fund

Mr. Mayes said the Fund gained 6.5% during the first quarter. Mr. Mayes said this fund ended the quarter with a total market value of \$844,193.

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

The allocation in this Fund is 2% Cash, 62% US Stocks, 0% Non-US Stocks, 36% Bonds, and 0% Other.

MS-9 Report

The TrustTrak MS-9 Report for the first quarter was reviewed. All funds show unrealized gains.

MS-9 and MS-10

Mr. Mackensen reported that the MS-9 and MS-10 reports were submitted online to the Charitable Trusts Unit.

The MS-9 review by the Charitable Trusts Unit (CTU) is marked as “Review Complete.”

The MS-10 review by the CTU is marked as “Review Complete.”

Combined Transactions Listing

The TrustTrak Combined Transactions Listing was reviewed.

Trustees Documents Archiving

The Investment Advisor has complied with NH RSA 33-A:3-a by transcribing all 2023 Trustee records onto a thumb drive and delivering the thumb drive in a marked envelope to the Town Clerk for safekeeping in the Town Vault.

Trustees Audit

The Trustees’ records are audited as part of the Town audit by Plodzik & Sanderson.

Mr. Mayes has provided the records to the auditors, as required.

Mr. Mackensen answered the audit questions in March and replied to the auditors.

Review of 2024 Town Warrant Ballot Results

The trustees reviewed the two articles affecting capital reserve funds that passed:

- Hampton Article 19 – Add \$500,000 to Road Improvement CRF
- Hampton Article 26 – Add \$27,500 to Firefighters Turn Out Gear/Personal Protective Equipment CRF

It is expected that these funds will be transferred to the Trustees in June.

High Street Road Improvements

The work was approved by the voters under the 2022 Warrant, Article 9. The project cost is \$7,020,000. A bond for \$6,520,000 has been secured. The remaining \$500,000 will come from the Town Roads Capital Reserve Fund.

At the 2024 Town Meeting, the voters added \$500,000 to the Town Roads CRF in Article 19. It is expected that the Town Finance Director will deliver the \$500,000 to the Trustees of Trust Funds in June or July of 2024. The Trustees will keep the \$500,000 in the Town Roads CRF in the money market fund.

The Town Finance Director plans to provide receipts to the Trustees in the fall of 2024, at which point the Trustees will distribute the \$500,000 after the High Street work is completed.

Trustee Training

Trustees were advised of Trustee of Trust Funds training sponsored by the NH Municipal Association on June 13, 2024. The training will be both in-person and virtual. The Town will reimburse the in-person workshop fee or the virtual workshop fee as an incidental charge to the Town (RSA 31:24). Trustees should use their personal credit card to sign up.

Public Comment

No public were present.

Town Report - Trustees Summary Data

Chairman Mackensen reported that the Trustees Summary Data, as submitted to the Town for the last several years, is being reduced in size by 20% when the data is placed into the Town Report. As a result, the data is difficult to read.

The Trustees compared the 2023 Hampton Town Report Summary Data to the original data generated in TrustTrak, as submitted to the Town. The Trustees agreed that the Town Report Summary Data is difficult to read.

MOVED by Mr. Mackensen to round the pennies to the nearest dollar in the Summary Report, and increase the font size to make the data more readable.

SECONDED by Ms. Skaperdas

The concern was expressed that the image reduction may not be the problem so much as the printing process overall. The issue might be resolved by discussing the publishing approach with the Town.

VOTE: 1-3-1

Motion Failed

MOVED by Ms. Skaperdas to meet with the Town Manager and Executive Assistant to discuss the issue.

SECONDED by Mr. Dearden

VOTE: 3-1-1

Motion Passed

[After the Trustees Meeting, three Trustees met informally with the Town Manager and Executive Assistant. The Town Manager indicated that the Town Report publication process is under review, including the Trust Funds Summary Report].

Next Meeting

Tuesday, July 16, 2024, at 3:00 p.m. in the Selectmen's Meeting Room.

Adjournment

The meeting adjourned without objection at 4:15 p.m.

Respectfully submitted,

Warren Mackensen, Chairman