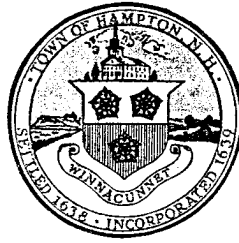


# Town of Hampton



## TRUSTEES OF THE TRUST FUNDS

Regular Meeting, Monday, October 15, 2001, 4 P.M.  
Selectmen's Meeting Room, Town Office Building  
Posted (10/11): TOB, Beach Fire Sta.

PRESENT: Jane Kelley, Chairman; "Jack" Kelley, Clerk; "Vic" Lessard, Bookkeeper. Also: Art Moody, Administrative Coordinator; from Banknorth Investment Management Group (formerly The Stratevest Group): John O'Dowd, Asst. V.P./Account Administrator & Robert Magan, Investment Officer/Portfolio Manager.

Chairman Kelley delayed calling the meeting to order until 4:06 P.M. in the hopes of Mr. Lessard arriving. Mr. Magan began his overview of the Real Estate Trust Fund's investment status (Mr. Lessard soon arrived). The sluggish economy became very slow after the 9/11 terrorists' strikes in N.Y.C./D.C.-area resulting in a probable one-to two-quarter contraction. The increasing unemployment rate indicates the recovery will be slow. The increased Federal spending is in the pipeline but the replacement of the millions of square feet of office space and the \$3b in office equipment/technology has barely begun. With the Federal Funds Rate down to 2½%, which Mr. Magan believed would not go lower, we are experiencing the lowest interest rates in 40 years. The fund operators estimated that the RETF will realize \$720-750k for the Town in 2001, down from the \$840k in 2000, which was considerably more than in 1999. Discussion by the Board.

Mr. Lessard moved, seconded by Mr. Kelley, that the Board ratify the second-quarter bank-assistance fee, per the contract, of \$1,405.29, and authorize the payment from the RETF income account of the third-quarter fee of \$3,232.95, the calculation of which was presented at the meeting by Mr. O'Dowd.

SO VOTED: 3-0-0. (The first-quarter fee, authorized at the April meeting, was \$6,486.03.) Mr. O'Dowd signed the Board's voucher/receipt. He stated that his firm would be interested in continuing with a new contract after the current one expires in October 2002. The BIMG reps departed.

A.C. Moody reported that there were 13 mortgages left of over 100 in place over the years. The September monthly mortgages' payments report and check was the 195th received over the 16+ years of the Leased Land Sales Program (plus payoff checks for the mortgages). Mr. Lessard reviewed his efforts on the Radkay & Williams mortgage problems. A few months ago, he said Town Counsel J. McEachern said he would give the Radkay matter to the specialized attorney in Nashua, but has heard nothing else. Mr. Moody stated that the Atlantic Mortgage reports show Radkay as two years overdue and Williams as paid up but it appears that such payments (plus taxes and insurance?) are from A. M. as negative escrow.

Minutes of April 16, 2001: Moved by Mr. Lessard, seconded by Mr. Kelley, to approve the typed text with amendments. After Mr. Kelley asked that the minutes be read aloud, SO VOTED: 3-0-0. Changes: P.1, end of first paragraph: add -- "(Investments: kept at 5 years' maximum.)"; also first para. -- spelling

2. Trustees of the Trust Funds. October 15, 2001 (con't.)

of "Agency"; P.2, penultimate para. between "Town's" and "TF" -- add "'CBTF'."

Budget Request for 2002: After discussion of the justification for the request as submitted by the Chairman to the Town Manager in August, Mr. Lessard moved, seconded by Mr. Kelley, to ratify the \$1,500 amount. SO VOTED: 3-0-0.

A.C.'s Report: °The transfer of the 1984 C. Garvin Perpetual Care Cemetery TF to the Town-owned Cemetery Burial TF was carried out in the summer when CDs of both trusts matured and were rolled over at Bank of N.H. The \$250 transfer was similar to the one done a few years ago when the P.C. trust no longer applied when the cemetery lot/grave owner gave back the property in an old section as credit toward graves in a newer section that allowed above-ground monuments. °The various TFs and Capital Reserve Funds were serviced; the CD rates are way down.

°The Village District in March established a new CRF for property capital and improvement expenditures. No appropriation; the revenue from any sale of fire equipment or lease of the fire station and apparatus (to the Town) is to go into the CRF, although the CRF law requires that amounts be appropriated into such funds. Mr. Moody commented that a Special Revenue Fund would have been more appropriate. The V.D. already has a CRF for any "capital expenditure," plus one for "apparatus replacement" (which will be moot should the V.D. voters decide to get out of the fire-department business -- as expected next March 29).

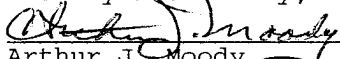
°The NHAG/CTB sent a copy of 2001 amended TF laws on collateralization of Town funds deposited in banks (or related institutions). It reportedly makes the previous laws more specific and manageable, and the funds more protected.

°Amounts due from the Town for the RETF, principal account, by the end of the year from the sale, in 2001, of Town land include \$55,750 (18 Epping Ave.--sale missed closing in 2000 by a month); \$76,000 (11 J St.--to close soon); \$155,000 (18 Ancient Hwy.--possibly to soon sell).

New Business: Mr. Kelley wants the process for a new three-year contract on bank-management of the RETF (current principal amount: \$13.835m) to begin now, believing the Board should expand RFPs to such brokerage or investment houses as Fidelity. The current agreement runs through October 8, 2002. Mr Lessard mentioned that First and Ocean Bank is now in N.H. at Seabrook and can be solicited.

ADJOURNMENT at 5:21 P.M.: So moved by Mr. Lessard, seconded by Mr. Kelley, 3-0-0 VOTED.

Standard distribution: 1 for ea. Trustee  
and the A.C. (file)  
1 TOB (BOS/T.M. A.A.)

  
Arthur J. Moody  
Administrative Coordinator