

Town of Hampton



TRUSTEES OF THE TRUST FUNDS

Regular Meeting: Wednesday, May 11, 2005, 4 P.M.
Selectmen's Meeting Room, Town Office Building
Posted (by the A.C.): TOB (5/4) & Lane Mem. Library (5/5)

PRESENT: Glyn Eastman, Chairman; "Jack" Kelley, Clerk; "Vic" Lessard, Bookkeeper.
Also: "Art" Moody, Administrative Coordinator; Warren Mackensen, Hampton, principal of Mackensen & Company, Inc., Hampton, Financial Planners;
during meeting: Scott Zimmermann, Newmarket, Investment Representative at the Hampton office of Edward Jones; reps of Banknorth Wealth Mgmt. Gp.

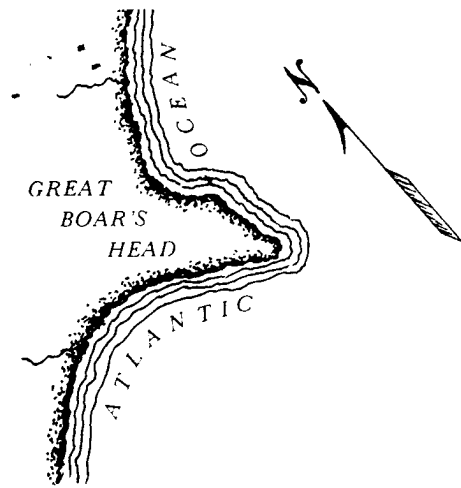
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About 4 P.M., Chairman Eastman opened the meeting and turned to the Banknorth (on May 23 to become TD Banknorth as 51% of BN to The Toronto Dominion Bank) reps: John O'Dowd, V.P. of the BN Wealth Mgmt. Gp., and Reid Smith, V.P. and Portfolio Manager for the Real Estate Trust Fund. Mr. Smith handed out a folio with various investment status sheets and economic forecasts. He went over the sheets and answered questions from Board members. MOVED by Mr. Lessard, seconded by Mr. Kelley, that the Board authorize the bank professional management fee (\$4,204.07) for the 1Q05 from RETF income, per the RSA 31 subsection for Trust Fund Trustees of towns. SO VOTED: 3-0. The bank reps departed at 4:17 P.M.

Mr. Eastman, who had previously been asked by Mr. Mackensen for a half hour to again present his proppsal for a Unifund investment for the RETF, told Mr. Mackensen that he didn't want to spend the Board's time again after all the previous meetings going back to last August. He would not be in favor of putting the RETF at risk in the stock market nor the Board sponsoring a Town Meeting warrant article asking the State Legislature delegation to sponsor a bill allowing the Hampton Trustees to do so (even with fiduciary immunity). Mr. Mackensen reviewed his efforts to date, meeting with two of the five Hampton State Reps, and stated that the fixed-income investment policy of the Board does not allow for a growth component with inflation eating away the value of the \$16M trust [a figure reached yesterday, including 2005 income, per Mr. Smith previously]. He determined that at 3% inflation per year, the RETF's \$16M would have a value of \$875k. And the \$16M has no chance to grow without equity investment such as a Unifund that, for example, would guarantee 5% income per year to help the property tax rate and income over that would remain in the fund; if the fund makes only 4%, the additional percent would be paid the Town out of principal. Mr. Lessard said that he represented the people and what the Board is doing is what the voters wanted: sure income each year. Mr. Eastman agreed. Mr. Mackensen said he would meet with the Selectmen and get a warrant article for 2006; he would educate the voters on the subject. Mr. Zimmermann, who previously lived here, agreed with Mr. Mackensen.

The Board discussed the A.C.'s compensation situation and reaffirmed previous decisions for 2005. Mr. Lessard MOVED, seconded by Mr. Kelley to approve the minutes for the March 23, 2005, meeting. SO VOTED: 3-0.

Mr. Kelley MOVED to adjourn at the call of the Chairman; seconded by Mr. Lessard. SO VOTED: 3-0. The Chairman adjourned the meeting at 4:42 P.M.



TOWN OFFICE
100 WINNACUNNET ROAD
603-926-6766

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