

Town of Hampton



TRUSTEES OF THE TRUST FUNDS

FEBRUARY 11, 2008 3:00 p.m.

PRESENT: Robert (Vic) Lessard, Chairman
Ted Atwood
Warren J. Mackensen, Bookkeeper
Glyn P. Eastman

ABSENT: John J. Kelley, Sr.

The meeting was called to order at 3:05 p.m. by Chairman Lessard, followed by the Pledge of Allegiance.

Real Estate Trust Fund:

The Trustees reviewed the month-end market values bar graph and line graph for the Real Estate Trust Fund. The Fund principal has diminished somewhat due to the adverse market conditions. Despite the temporary reduction in the principal of the Real Estate Trust Fund, the 2008 net income to the Town should not be affected.

The next meeting with TD Banknorth Wealth Management Group will be on Monday, April 21, 2008 at 3:00 p.m.

The minutes from the meeting on December 17, 2007, were reviewed.

MOVED by Mr. Mackensen to approve the minutes.

SECOND by Mr. Eastman.

VOTE: 3-1-0 (Mr. Atwood against)

Motion Passed

The minutes from the meeting of January 14, 2008, were reviewed. Mr. Atwood added some clarification in two areas.

MOVED by Mr. Atwood to approve the minutes.

SECOND by Mr. Mackensen.

VOTE: 3-0-1

Motion Passed

The trustees reviewed and discussed the proposed Investment Policy for the Library Trust Funds held by the Trustees of the Trust Funds. The total for these trust funds as of December 31, 2007, was \$7,636. The Policy allows for continued investment in the NH Public Deposit Investment Pool, or at the Library Trustees' option, investment in one or more mutual funds that follow a fund style of "growth & income" or "large blend." An example of one such fund is the Fidelity Four-in-One Index Fund.

Mr. Atwood questioned whether or not the trustees may invest, directly or indirectly, in an international mutual fund. The Fidelity Four-in-One Index Fund has the Fidelity Spartan International Fund as one of its four components.

RSA 31:25 allows trustees to invest funds in open ended mutual funds as long as the funds are:

- registered with the SEC,
- qualified for sale in NH, and
- have a stated investment policy consistent with the investment policy adopted by the Trustees of the Trust Funds.

The Trustees requested that the Bookkeeper provide the proposed Investment Policy to the Trustees of the Library for their review and approval. The Trustees of the Trust Funds need a letter from the Library Trustees specifying the mutual fund investment if the Library Trustees want to invest outside of the Pool.

MOVED by Mr. Mackensen to submit the proposed Investment Policy for the Library Trust Funds to the Library Trustees for review and approval, and also to obtain a letter from the Library Trustees specifying an acceptable mutual fund if the Library Trustees desire to invest outside of the NH Public Deposit Investment Pool.

SECOND by Mr. Eastman.

VOTE: 4-0-0

Motion Passed

The Trustees reviewed the audit documentation list from Plodzik & Sanderson, the independent auditors for the Town. This list is similar to ones provided in prior years. The Bookkeeper was asked to provide the documents to the auditors.

The Trustees reviewed the MS-9 and MS-10 forms for the State of New Hampshire.

The Trustees were apprised that the Real Estate Trust Fund ending principal balance on the 2006 MS-9 was reported as \$16,427,653.83 by the previous Bookkeeper. This figure did not correspond with the independent auditors' ending principal balance of \$16,254,935.02.

The January 1, 2007 beginning balance for the Real Estate Trust Fund on the 2007 MS-9 was adjusted to reflect the independent auditors' December 31, 2006 year-end figure of \$16,254,935.02.

The report to the State will include the TD Banknorth Wealth Management Group Real Estate Trust Fund Financial Statement for the period 1/1/2007 – 12/31/2007 in order to provide cost basis and market values as of 12/31/2007. The Assistant Director of Charitable Trusts, Attorney Terry Knowles, separately concurred with this approach.

MOVED by Mr. Eastman to approve the MS-9 and MS-10 forms for the State of New Hampshire.

SECOND by Mr. Atwood.

VOTE: 4-0-0

Motion Passed

The Trustees reviewed the drop in interest rates at the NH Public Deposit Investment Pool, which went from 4.98% on December 31, 2007, to 3.75% on February 9, 2008. These rate reductions correspond with the precipitous drop in the Fed interest rate during the last six weeks.

In other business, the Bookkeeper distributed a handout highlighting several articles on the 2008 Town Warrant, specifically:

- Article 23, wherein the Department of Public Works is seeking to create a Public Works Equipment Capital Reserve Fund in the amount of \$340,000
- Article 24, wherein the Town will transfer \$19,750 to the Cemetery Burial Trust Fund from 2007 revenue from the sale of cemetery lots

- Article 26, wherein the Cemetery Trustees may withdraw \$45,000 from the Cemetery Burial Trust Fund to replace a 12-year-old pickup truck and snow plow
- Article 27, wherein the Cemetery Trustees may withdraw \$4,500 from the Cemetery Burial Trust Fund to replace the roof on the High Street Cemetery Building

The Trustees of the Trust Funds will take action according to the outcome of the voting on these articles after the March 11, 2008 ballot.

The Trustees reviewed a preliminary list of banking institutions and trust companies in New Hampshire to whom the Request For Proposals to invest the Real Estate Trust Fund may be sent this summer. The list will be refined at subsequent meetings between now and summer as information is researched.

The next meeting of the trustees is scheduled for Monday, March 31, 2008, at 3:00 p.m., at which time new officers will be elected.

MOVED by Mr. Mackensen to adjourn.

SECOND by Mr. Atwood.

VOTE: 4-0-0

Motion Passed

The meeting adjourned at 4:15 p.m.

Respectfully submitted,

Warren J. Mackensen

Warren J. Mackensen, Bookkeeper