

Town of Hampton



TRUSTEES OF THE TRUST FUNDS

October 17, 2011 3:00 p.m.

Selectmen's Conference Room

TRUSTEES: Norman Silberdick, Chairman
Edward R. Buck, Vice Chair
William A. Hartley, Bookkeeper
Stephen A. Falzone, Secretary/Clerk
John P. Troiano

ADMIN ASSISTANT: Ms. Joan Rice

ADVISORS: Warren J. Mackensen, Mackensen & Company, Inc.
David T. Mayes, Mackensen & Company, Inc.

PUBLIC: Michael Pierce, Board of Selectmen

The meeting was called to order at 3:00 p.m. by Chairman Silberdick.

Minutes of the Last Meeting

The minutes from the meeting of August 22, 2011 were reviewed.

MOVED by Mr. Falzone to approve the minutes.

SECONDED by Mr. Troiano

VOTE: 5-0-0

Motion Passed

Real Estate Trust Fund Portfolio

Mr. Mayes reviewed the Morningstar Report as of 9/30/11. He said the stock allocation presently is 28.86% US Stocks + 7.90% Non-US Stocks = 39.76% Equities. Cash and Fixed Income = 63.24%.

Mr. Mayes said this has been a rough quarter for anything with risk. The portfolio is still in line with the investment policy and has a duration of 4.95 years. Mr. Mayes said there was no need to rebalance the portfolio at this time. The current value of the portfolio is \$15,280,000.

Mr. Silberdick said he had been reading about preferred stocks and they get a nice yield. Mr. Mayes said preferred stocks are 3% of the portfolio.

Mr. Hartley expressed his concern that the Trustees don't have the ability to go to cash in case of a calamity. Mr. Troiano said he would not agree to go to cash. When people have done that it has been a mistake.

Chairman Silberdick asked if more consideration should be given to preferred stocks. Mr. Troiano said if he had a choice between a preferred stock or a bond, he would choose the bond. There are some great bonds out there now. Mr. Troiano said there is also interest rate protection with bonds. Mr. Mayes said the portfolio is tilted towards corporate bonds. Chairman Silberdick said he did not see any change needed in the portfolio at this time.

Mr. Mackensen presented an economic outlook letter to the Trustees. The Trustees agreed that it was a good letter.

Mr. Mackensen presented the National Advisors Trust Company Real Estate Trust Fund Account Custody Statement @ 9/30/2011, and the Real Estate Trust Fund Month-End Market Value graphs @ 9/30/2011.

Mr. Mackensen presented a Portfolio Comparative Performance Review (last 3 months and 9 months) and a Position Performance Summary (6/30/2010 – 9/30-2011).

The Monthly Transactions Worksheet was presented. Mr. Mackensen said this worksheet drives the MS-9 Report. Mr. Mackensen also showed the Trustees the six-page internal company checklist that Mackensen & Company uses to manage the Hampton trust funds to ensure consistency in operations.

Smaller Trust Funds and Capital Reserve Funds

Mr. Mackensen gave updates on the smaller trust funds and capital reserve funds invested in the Vanguard GNMA Admiral Shares Fund and the Lane Library Fidelity portfolio.

Capital Reserve Funds Distributions

Mr. Mackensen asked the Trustees to approve two checks to the Town to be distributed when the Town deposits \$300,000 to the DPW Capital Reserve Fund.

MOVED by Chairman Silberdick to approve a withdrawal from the DPW Capital Reserve Fund to pay to the Town of Hampton \$175,650 for three 100-cubic-yard ejection trailers.

SECONDED by Mr. Falzone.

VOTE: 5-0-0.

Motion Passed

MOVED by Chairman Silberdick to approve a withdrawal from the DPW Capital Reserve Fund to pay to the Town of Hampton \$232,352 for a sewer jet and sludge hauling truck and hoist.

SECONDED by Mr. Falzone.

VOTE: 5-0-0.

Motion Passed

These signed checks will be held in abeyance by Mr. Mackensen pending the \$300,000 deposit by the Town to the DPW Capital Reserve Fund.

2011 Town Report

Draft C of the Trustees' narrative portion of the 2011 Town Report was reviewed and amended. The year-end figures will be entered in early January 2012 and then approved by the Trustees at the January 23, 2012 meeting.

2012 Meeting Schedule

Mr. Mackensen presented a Trustees Meeting Schedule for 2012. Dates selected are 1/23, 4/30, 7/23 and 10/22. All Trustees agreed to these dates.

Mr. Troiano asked if the Trustees would agree to holding Trustee meetings at a later time in the day. It was decided future meetings would begin at 4:15 p.m.

Incomplete 2011 Items

Items to be completed in 2011 are:

- Town Roads deposit (\$300,000)
 - DPW Cap Reserve deposit (\$300,000)
 - SAU 90 Deposit (\$75,000 to Special Ed Fund)
 - SAU 21 Deposit (\$50,000 to Special Ed Fund) – [Rec'd 10/20/11]
 - SAU 21 Deposit (\$50,000 to WHS Building Maintenance) – [Rec'd 10/20/11]
 - Holmes & Ells Land Deposit (\$9,368.92)
 - June White Land Deposit (\$1,100 +/-).
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Next Meeting

The next meeting of the Trustees is scheduled for Monday, January 23, 2012, at 4:15 p.m., in the Selectmen's Meeting Room.

Adjournment

MOVED by Mr. Hartley to adjourn.

SECONDED by Mr. Falzone.

VOTE: 5-0-0

Motion Passed

The meeting adjourned at approximately 4:05 p.m.

Respectfully submitted,

Joan Rice
Secretary