

⌘ TRUSTEES OF THE TRUST FUNDS ⌘

The Board of Trustees is responsible for over \$17 million in Town trust funds and capital reserve funds (CRF). Our long-voted investment policy (an annual process required by State Statute for the Trustees, as well as for the Treasurer-Selectmen) places the portfolio in safe, fixed-income investments: insured or fully collateralized, or U.S. Government or Agency securities. (Municipal notes and bonds are Federal income-tax exempt, this selling with lower interest, and are not the best income-generating securities for the Trustees.) We do not get involved with the equity stock market so the stock sell-down that began in early 2000 - resulting in hundreds of billions in lost value for pension and other trusts - did not affect our principal balance. That principal remains intact to generate revenue that lowers the property-tax rate each year – one of the few Town revenue sources that hasn't been sequestered away from the General Fund in the past few years. The Trustees did, however, encounter the lowest bank and bond interest rates in over 45 years. We were still able to generate over \$500,000 from the Real Estate Trust Fund alone to help the tax rate. That fund is managed by Banknorth's Investment Management Group, which in October began the second of a three-year contract.

That trust, which was established by State Statute at the request (1982) of the Town's Legislative Body (Town Meeting), was the object of amendment in 2003 by the State Legislature as sponsored by four of the five State Representatives with the approval of four Selectmen in the fall of 2002. Both the elected Trustees, who have the statutory fiduciary responsibility for the fund's investment, and Town Meeting were bypassed with two hearings on the bill being held in Concord on weekdays (the Senate hearing not being listed in the previous *N.H. Sunday News* hearings list). The original Town Meeting approval was the main selling point in getting approval at Town Meeting to sell nearly 700 lots of Town-owned land along the ocean to the lessees thereof. That vote, with its detailed request to the State Legislature (which was honored), has now been undermined without ever being requested (or made subject to ratification) by the Town Legislative Body. The Trustees have yet to be provided the final act, as proposed by State officers and approved (in its initial proposed – bill form) by a committee of Town Meeting (Board of Selectmen).

The Trustees continue a myriad of other trusts and CRF's including: Cemetery Burial TF; Perpetual Care/Cemetery (71 individual trusts); "Poor" TFs; Lane Memorial Library trusts (except one of \$30,000 held by Lane Memorial Library Trustees); Campbell Children's Sports Scholarship TF; and CRF's for Town Roads Major Reconstruction, Town Computer/MIS/Technology; three CRFs for the Hampton Beach Village District (a voluntary self-taxing precinct encompassing most of the south beach): Capital Expenditures; Fire Apparatus Replacement and, new in 2003, Improvements on the District's current property.

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Robert V. Lessard, Chairman
John J. Kelley, Sr., Clerk
Glyn P. Eastman, Bookkeeper
Arthur J. Moody, Administrative Coordinator