

**TOWN OF FARMINGTON
Trustees of the Trust Funds
Public Meeting Minutes
Thursday, June 21, 2012
356 Main Street, Farmington, NH**

Trustees Present: Neil Johnson (Chairman), Elizabeth Johnson (Vice Chairman)

Staff Present: None

Public Present: Mr. Warren Mackensen (Mackensen & Company Investment Advisors)

Chairman Neil Johnson called the meeting to order at 6:00pm.

1. Pledge of Allegiance

2. Review of Minutes

- A. Neil motioned to accept the public meeting minutes of May 17, 2012, as amended. Seconded by Elizabeth. Motion carried with all in favor.
- B. Neil motioned to accept the public meeting minutes of June 6, 2012, as amended. Seconded by Elizabeth. Motion carried with all in favor.

3. Public Comment

- A. Mr. Warren Mackensen from Mackensen & Company addressed the Trustees regarding services that his company could provide that would benefit the Trustees and the Town. These services included investing the Trustee accounts rather than keeping them in a savings account where they currently reside. He said based on last year's investment returns that the Trustee accounts would have realized a gain of \$134,000 over the \$17,000 in earnings that actually were received. He went on to explain the investment guidelines and restrictions imposed by NH State RSAs and how his company complies with these restrictions. He also detailed how his company would provide investment reports, generate MS-9 and MS-10 filings, as well as assist the Trustees in developing their Investment Policies.

Neil stated that if it was decided to explore investing funds outside of simply depositing the money into a savings account, that the selection of an investment advisor would be decided based on the results of a RFP solicitation. Mr. Mackensen stated that he had a sample RFP he would supply that the Trustees could use as a guideline for designing their own RFP.

Neil requested clarification of the RSAs which address payment for investment services. Mr. Mackensen stated that for Private Trust Funds and Scholarships, the fee for providing investment services is taken directly from the income made by the funds. In the case of Public Funds (Capital Reserve Funds), the cost for service is paid from the Operating Budget. He stated that there are attempts to change this RSA so that expenses would also come out of any income generated by the investment, but as of this date, the RSA has not been changed. Neil stated that this would be a difficult discussion to undertake as the Town doesn't have the money to cover this expense. Mr. Mackensen stressed that his fee of 0.5% of the investment amount would amount and using the Trustee's 2011 figures, the charge to the Town would be about \$15,000 for a return of \$134,000.

4. New Business

- A. Neil discussed his recent attendance to the State provided Trustee Training in Concord. He gave a brief overview of Trustee duties, as well as laws which affect Trust Fund operation and management.

- B. A dividend check in the amount of \$270.00 was received from Chevron, to be deposited as PRINCIPAL into the Leon R. Hayes Trust #2 Expendable Dividend Account. Neil said that one of the requirements discussed at the State Trustee Training is that all moneys received for deposit into a Public Trust Account must be accepted by the governing board. As such, before the dividend check can be deposited, it must be accepted as Unanticipated Income by the Selectmen at a Public Meeting (as it is under \$5000.00). Neil said that he will meet with the Interim Town Administrator to get this added to the Selectmen's Agenda.
- C. Vouchers where received from Pam Merrill requesting disbursement of monies as detailed:
 - a. \$8,900 from the Town Employee Financial Obligation CRF, authorized during the Selectmen's May 14, 2012 meeting. Motion to pay by Neil. Second by Elizabeth. Motion passed with all in favor.
 - b. Close out of the Highway Garage CRF with a balance as of May 31, 2012 of \$5,627.77. Authorized during the 2012 Town Meeting of 2012 by Warrant Article #14. Motion to pay by Neil. Second by Elizabeth. Motion passed with all in favor.
 - c. \$130,000 from the Emergency Medical Motorized Equipment CRF, authorized during the 2012 Town Meeting, warrant Article #12. Motion to pay by Neil. Second by Elizabeth. Motion carried with all in favor.

5. Old Business

- A. Neil confirmed that a \$10,000 check received from the Town had been deposited into the Town Employee Financial Obligation CRF on June 11, 2012.

6. Any Other Business

- A. Neil expressed that there is a need for a 3rd Trustee and that anyone interested should fill out an application for appointment by the Selectmen.
- B. The next Regular Trustee meeting is Thursday, July 19, 2012 at 6pm.

At 7:10pm, Elizabeth motioned to adjourn, 2nd by Neil. Motion carried with all in favor.

Signed this _____ day of _____, 2012

Neil Johnson, Chairman

Elizabeth Johnson, Vice Chairman