

UNOFFICIAL MINUTES
TOWN OF HOOKSETT
TRUSTEES OF TRUST FUNDS

Meeting Minutes
December 9, 2008

Trustees Cindy Motta, David Boutin and Linda Courtemanche were present. Also attending was Cemetery Trustee Tina Paquette. Chair Cindy Motta called the meeting to order at 5:35 pm on Tuesday, December 9, 2008 at the Hooksett Public Library.

Reviewed and approved the minutes from the September 2008 meeting with one amendment. The September minutes stated that the Assessing Certification town meeting article failed. That issue has been clarified, and we note for the Trustees minutes record that the Assessing Certification article, based on recount, passed by a vote of 491-487.

Information pertaining to the deposits and withdrawals of the Trust funds administered by the Trustees are detailed in the financial records filed at the Hooksett Town Hall. Anyone wishing to review those records may do so at the Hooksett Town Hall.

Items Discussed

1. Linda Courtemanche noted that the UBS responded to the Trustees' inquiry concerning Freddie Mac and Fannie Mae being rated in accordance with Hooksett's investment policy. The response was yes that both are rated appropriately.
2. Per the vote of the Trustees of the Trust Funds at its September meeting, Linda Courtemanche reported that she had sold the equities we held and reinvested the proceeds in AT&T stock.
3. Linda Courtemanche attended a seminar put on for the benefit of Trustees of the Trust Funds. She reported that they had encouraged local Trustees to get financial advice with the handling of the Trust Funds. If local trustees do pay someone to manage the Trust Funds, Linda reported that the payment of any fund management fee must be reported to the Attorney General's Office.

4. Linda recommended that the Trustees approve the purchase of 200 shares of Vanguard Total Index Funds. This fund is indexed to some 5,000 stocks. Approved unanimously by the Trustees of the Trust Funds.
5. Each year the Trustee of the Trust Funds must approve an investment policy, which is then filed with both the Town Council and the Attorney General's Office. The Trustees of the Trust Funds unanimously approved the investment policy. A copy of the investment policy is attached to these minutes.
6. The last item discussed prior to adjournment was the letter of credit from TD Banknorth. The Trustee of the Trust Funds received an Irrevocable Standby Letter of Credit from FHL Bank Pittsburgh on November 20, 2008. The letter of credit expires on March 20, 2009.

The December 9, 2008 meeting of the Hooksett Trustees of the Trust Funds was adjourned at 6:29 pm by unanimous vote of the Trustees.

Respectfully submitted,

David R. Boutin
Recording Secretary

**Investment Policy
Town of Hooksett, NH
Trustees of Trust Funds**

Purpose

Define the responsibilities of the Trustees of Trust Funds and to provide guidance in fulfilling these responsibilities.

Investment Objective

Trust Funds:

Municipal Trust Funds are perpetual trusts established to provide income indefinitely. The goal of the Trustee is to provide for safety of principal and generation of income while seeking reasonable growth. The ideal asset allocation would include an allocation to both stocks and bonds in accordance with new Hampshire RSA 31:25, 31:27, and 387:6 which are incorporated within this investment policy.

The target mix is 30% equities and 70% fixed income modeling the investment guidelines outlined in the New Hampshire Revised Statutes Annotated Chapter 31.

Town Trust funds investment will be further limited to:

1. Insured bank deposits of banks doing business in New Hampshire.
2. Bonds having a financial strength rating that is among the three highest ratings of one or more rating services as defined in NH RSA 387:1 XVI.
3. Fixed income investments will be limited to notes or bonds with no more than 10 years.
4. Money market funds, mutual funds, exchange traded funds, equities, and the New Hampshire Public Deposit Investment Pool (PDIP) administered by MBIA.

No town trust funds will be invested in foreign securities or derivatives.

The trust funds will hold no more than 10 percent of the value of the fund in any one instrument with the exception of certificated of deposit, money market funds, or the New Hampshire Public Deposit Investment Pool (PDIP) administered by MBIA.

Capital Reserve Funds:

Municipal capital reserve funds are usually short-term funds with maturities of 1 to 5 years. Therefore, the funds will be held in accordance with New Hampshire RSA 35 (Incorporated as part of our investment policy) and further restricted to investment in New Hampshire Public Deposit Investment Pool, money market funds, certificated of deposit with maturities no longer than 1 to 2 years, or short-term government obligations with maturities of no longer than 1 to 2 years.

Investment Authority:

All investment decision will be approved by a majority of the Trustees. All withdrawals over \$5,000 will be authorized by two Trustees.

All requests for funds from Town subdivisions or departments must be in writing and signed by an authorized signator/agent to expend.

Collateral:

The Trustees require collateral for Capital Reserve accounts having a balance in excess of the FDIC Insured limits unless held in the New Hampshire Public Deposit Investment Pool. Collateralization is to be verified periodically.

The Trustees require collateral for any trust funds held in Certificates of Deposit if the balances exceed FDIC insured limits.

Investment Advice:

The Trustee will not hire or employ the trust department of a bank or a brokerage firm to provide investment advice and assistance. See RSA 31:25-d.

Safekeeping:

To protect against potential fraud and embezzlement and to provide central accounting and efficiency, all investment assets in the custody of the Trustees shall be held in a brokerage account for safekeeping, or other financial institutions that meet or exceed industry guidelines for insurance protection standards.

The Trustee will report to the Town of Hooksett as requested by the Town Administrator, Finance Director, or Town Council.

The Trustees will report annually to the Town of Hooksett within one month of the close of the fiscal year the activity of all funds for the previous year. Such format will be consistent with the format of the Director of Charitable Trust's report, the MS-9 and MS-10.

The Trustees will provide annually data as required by the Town's auditor in a reasonable and timely manner.

We hereby adopt this as our investment policy on the ____ day of _____, 2008.

Trustee

Trustee

Trustee