Town of Swanzey, New Hampshire

TRUSTEES OF TRUST FUNDS

Meeting Minutes – February 7, 2025

Town Hall, 620 Old Homestead Highway

Swanzey, NH

Note: Draft Minutes are subject to review, correction and approval by the Trustees. Review and approval of Minutes generally takes place at the next regularly scheduled meeting of the Trustees.

CALL TO ORDER: The meeting was called to order by Chair Scaramelli at 10:00 am. Present were Richard Scaramelli, Cyndy Kordys, Alternate Mark Scalera, Duane Towns and Recording Secretary/Bookkeeper Beverly Bernard. Scalera was seated for Bittel.

Absent: Steven Bittel

Minutes:

- Minutes for October 23, 2024 were considered. There was a **motion** by Scalera to approve the Minutes for October 23, 2024 with the word "disbursement" replacing incorrect "disposal". Scaramelli seconded the motion. All were in favor. ***Motion passed.***
- Minutes for December 19, 2024 were considered. There was a **motion** by Scalera to approve the Minutes for December 19, 2024. Scaramelli seconded the motion. All were in favor. ***Motion passed.***

Review of Accounts - Q4 – Towns said this quarter went fairly well. Towns said reconciliation of 10-99s sent by Vanguard was a bit of work since the numbers may vary until the final end-of-year calculations are completed. There was discussion about the lack of Total Cost information with Vanguard. Discussion was held about the possibility of restoring that capability.

> **Motion** was made to approve the Reports of 2024 Q4 by Scalera, second by Kordys, all were in favor. ***Motion passed.***
>
> **Motion** by Scaramelli to authorize Duane Towns to submit the 2024 reports to portal for the Department of Revenue Services and Attorney General's office. Second by Scalera. All were in favor. ***Motion passed.***

Towns said he is leaving but that these final months have proven to be quite fun once he finally understood the State portal. Scaramelli thanked Towns for his service to the Town. Towns left the meeting at 10:30 am.

Investment Policy - annual review was made. Scaramelli pointed to the asset allocation policy and the fact that no concentration in any single security is exceeding 10%. It was noted that the date for policy signatures should be 2025, not 2023 or 2024. There appears to be an error in the way the policy for 2024 was dated. Bernard said she would work to correct the error with Katrina Burton so that the document may be properly posted on the Town's website.

Motion was made by Scalera to reaffirm the investment policy for 2025 as presented, second by Kordys. All were in favor. ***Motion passed unanimously.***

Bookkeeper Position Update - Kordys said she made a few calls to appropriate CPAs. She said most said they want to manage the money if they are doing the bookkeeping. Kordys said she has a couple of other possibilities, and she offered to research further: one in Lancaster entitled Cohos Advisors, and the other CBiz with an office Greenfield, MA.

Use of Carpenter Trust Funds in Welfare Dept - Scaramelli said he requested the Cy Pres decree from the Town Administrator but has not received it as yet. He said he has seen the Selectmen's decision regarding this item. Welfare is not currently accessing funds.

Town Investments - review of holdings, watchlist updates, fixed income run-offs, rollovers, etc.
The Trustees reviewed the holdings in each Sector and also the year-end balances.
Expensive stocks: healthcare is ABBVIE PE at 64 and Eli Lily PE at 84. Kenvue in Consumer sector has PE of 39. Vulcan Materials sector has a PE of 41.

Gainers of year: Broadcom, Verizon, Microsoft, and JP Morgan Chase. Biggest losers: CVS, UPS, Mosaic. UPS and Mosaic were sold off during the year. There was discussion about the possibility of selling off CVS.

Scaramelli said he didn't seen anything out of sync in the portfolio versus the S&P.

- *Communication Services* portfolio for Swanzey is 3.8% versus S&P 8.5% so we are a bit underweight. The discrepancy is not exceedingly large.
- *Consumer* is 18.2% vs. 17%
- *Industrials* is 15.7% vs 8% - we are over-weight but they pay dividends and they are healthy strong companies.
- *Energy* is right on target; 4.2% vs 4.5%. Discussion was held about Devon being a possible risk.
- *Finance* is 18% vs 13%. The portfolio had a good year. UNUM provided a gain of 61%. Kordys said the Finance sector likes less regulation.
- *Healthcare*: 10.6% vs 14%. Eli Lilly gain for the year was 32%. Scaramelli said possible trim of Eli Lilly in the next Quarter.
- *Technology*: 21.3% vs 28%. Broadcom had a 107% return.
- *Materials*: 2.6% vs 2.5%. We had sold off Mosaic. This sector can be volatile. Vulcan is supplier of asphalts and other materials for southeast with rosy future due to federal infrastructure plan.
- *Utilities*: 5.6% vs 3%. These pay dividends and they are safe. DNP is a fund with mostly utility holdings. Dominion may be a nuclear provider in the future. Duke is also well represented, serving the southeast, from Texas to the Carolinas.
- *REIT*: 1% vs 1%. Ventas pays a decent dividend.

Scalera suggested Black Rock stock for consideration. The Trustees discussed CVS which has been losing value.

Motion by Scaramelli to sell CVS at market price. There was not a second. Scaramelli said we only have $32,000 worth of stock, which isn't a heavy position. Kordys said CVS has recovered somewhat. Consensus was that there is not enough negative to sell at this time. Will reconsider next quarter.

> **Motion** to accept investment portfolio review and continue as is unchanged, by Scalera, second by Kordys, all were in favor. ***Motion passed.***

Mt. Cresson Fund
Scalera asked if these funds can be used by the Conservation Commission for ecological expenses for wetlands. Scaramelli said the funds belong to the Conservation Commission. The question is whether expenditures must be used for the Cresson parcel. Scaramelli said he did not believe it was so, since conservation impacts the whole town. He emphasized this is his personal view.

Next Meeting: April 2025

ADJOURNMENT:
Scalera moved to adjourn the meeting. There was a second by Kordys. All were in favor. Adjournment occurred at 11:45 a.m.

Respectfully Submitted,

Beverly Bernard, Recording Secretary

DRAFT