Town of Swanzey, New Hampshire

TRUSTEES OF TRUST FUNDS

Meeting Minutes – June 25, 2025

NH Trust Bank, West Street

Keene, 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 Bittel at 2:30 pm. Present were Trustees Richard Scaramelli, Cynthia Kordys and Steven Bittel as well as Alternate Mark Scalera. Also present was Recording Secretary/Bookkeeper Beverly Bernard.

OTHERS PRESENT: Janelle Sartorio, VP & Wealth Advisor with NH Trust, Michael St. Onge, SVP & Wealth Advisor with NH Trust, Ute Clune, Managing Director FCI Advisors, Cydney Shapleigh, President, CTFA NH Trust, Ben Hill, Senior VP FCI Advisors, Jim Fields Senior VP FCI Advisors, Fabiana Pereira, Associate Wealth Advisor with NH Trust.

Minutes:

- Minutes for not were considered.

DISCUSSION AND CLOSING:

Introductions were conducted. FCI Advisors are Trust Investment Solutions for NH Trust. Sartorio will be main contact at NH Trust, and she will be doing MS-9 and MS-10 reports for the Town. Sartorio said one of the purposes of this meeting is to meet the FCI Advisors. She invited the Trustees to ask questions. Bittel asked the Advisors about their thoughts on rates for funds. Clune passed out a folder of recommendations for the Common, Non-Restricted and Capital Reserve funds.

Bittel noted Vanguard Mutual Funds have been liquidated.

Fields spoke about FCI strategies. Capital Reserve Funds were discussed. Proposal of $2,500,000 investment in US Government issues with a maximum maturity of 5 years. Cash of $2,000,000 plus recent $500,000 maturity. Bittel said the Town must be able to draw down funds when it needs to. These would be large withdrawals which happen in June and December, mostly from the Capital Reserves and Expendable Trust funds.

Shapleigh asked about the Capital Improvements Program (CIP) plan. Bittel acknowledged the Town does have a CIP plan.

Discussion was held about alternative plans, one of which could yield Annual Income of $136,431 for 2.3 years with weighted average maturity, and a 4.3% yield to maturity. Fields noted some of the US Agencies are callable.

Bittel noted funds usually come in as tax receipts in June or July of a given year. Bittel noted the CIP report comes out in November. It was noted that maturity is 3-5 years on average. Bittel stressed a need for liquidity at all times. He said $1.5 million should be kept liquid at all times. Sartorio said yield is 4.2% managed in Federal Money Market Funds (FMMF) at NH Trust. Total portfolio is about $5,000,000. Bittel spoke about planned purchase of a fire truck, possible Town Hall updates, and Department of Public Works projects in 2026. He noted there are big ticket items every other year. $500,000 draw down occurred for the capital projects this year. And he added roads cost about $500,000 each year.

St. Onge said he can work with Fields for the investment policy. Scaramelli noted the necessity to report the investment policy each year. St. Onge said the Trustees will see the proposal before it is put into place. Bittel said he will get last year's 2024 CIP report to NH Trust, which are the funds being expended this year.

Hill spoke about portfolio strategies. He spoke about the Non-Restricted Fund (NRF) and noted the recommendation is FCI's Growth investment strategy. For individual securities portion of the equity allocation, they recommend utilizing FCI's Core Equity strategy. Common stock was listed. As well as Fixed Income Mutual Funds. St Onge said the recommended Common Stock list is the same for all investment clients not just for the Town of Swanzey. Bittel spoke about the current allocation of stock and Scaramelli noted the Town has tried to balance against the S&P sector percentages. At this point, Bittel suggested keeping 10% in FMMFs.

Kordys asked how often there is a rebalance. Hill said as opportunities arise and as often as there are Buy/Hold changes. It is a patient approach to long term. For non-discretionary it is done quarterly. FCI woman said they can make changes fairly easily; there is flexibility. There are different equity teams, and they may have a difference of opinion as they are staying true to the goals for that team. Hill spoke about their relationship with NH Trust in regard to additional fees. Hill said there would be no additional fees. Clune said fees can be subtracted from performance data. Sartorio said NH Trust can run that information for the Town.

Hill spoke about common stock sector allocation. Recommendation is more than 30% in Information Technology. St. Onge said NRFs could maintain a 10% cash on market value, say $100,000. Shapleigh said that could be up to 10%. Bittel said he would agree to as low as $50,000. St Onge said there are no liquidity issues. Bittel spoke about maintaining a local bank account for cash. St Onge suggested a target and a range for equity and for cash. St. Onge said he would incorporate a range in his draft proposal. Bittel said the Trustees are flexible with cash.

Common Fund was discussed by FCI. Investment objective is growth. Cash reserve is 2%. Fixed Income allocation: US Government issues with a maximum maturity of 5 years. A list of stocks was provided. It was noted that only Income is distributed from the Common Fund. St. Onge suggested a ten-year maturity instead. Bittel said the income balance is quite high. There will be cash for both Income and Principal. St. Onge said there are two FMMF available to NH Trust and the cash can be completely separate. Bittel said it does not all have to be cash. All the Income has to be kept separate until a

request for the funds. The money sits there. It can be invested but has to be kept separate. S Onge says he has come across a municipality which has not invested in anything but an FMMF.

Hill asked whether the Trustees want to be part of the dialog about broader source of investments. Scaramelli spoke about the possibility of worldwide investments but noted the Trustees will need to discuss this further. The Trustees will discuss international investments and convey their decision to NH Trust.

Kordys asked about quarterly statements and St. Onge said NH Trust will provide statements and visit to discuss investment performance. FCI woman said they are always available by phone. St. Onge said there are publications from FCI that may be useful and that can be shared with the Trustees. Kordys suggested receiving FCI publications as a starting point and a decision to continue can be made later.

The Trustees thanked the FCI folks for travelling to the meeting and then they left the meeting.

The Swanzey Trustees of Trust Funds signed closing documents with NH Trust. They each confirmed personal data and consented to access to monthly electronic statements and annual paper statements to be mailed to the Trustees at the Town of Swanzey. Bernard will have access to NH Trust website in order to download and store monthly statements on the Town of Swanzey servers within the Trustees partition. Sartorio asked if the Trustees want to be consulted in regard to investment decisions and the Trustees said they want NH Trust and FCI to use their discretion on such matters.

Next Meeting: TBD

ADJOURNMENT:
Adjournment occurred at 4:30 p.m.

Respectfully Submitted,

Beverly Bernard
Recording Secretary/Bookkeeper

DRAFT