Town of Swanzey, New Hampshire

TRUSTEES OF TRUST FUNDS

Meeting Minutes – July 23, 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 Bittel at 10:00 am. Present were Trustees Richard Scaramelli, Cynthia Kordys and Steven Bittel as well as Alternate Mark Scalera. Also present was Recording Secretary Beverly Bernard.

OTHERS PRESENT: Janelle Sartorio, VP & Wealth Advisor with NH Trust, Michael St. Onge, SVP & Wealth Advisor with NH Trust.

NEW HAMPSHIRE TRUST INVESTMENT

Investment Policy Discussion

St Onge passed out a booklet presenting a draft of an investment policy statement. He said FCI also reviewed the proposed policy. He said this document needs to be clear enough to be a guide for any new Trustee. He suggested mini policies for the Capital Reserve and Expendable Trust Fund account, the Non-Restricted Account for both the Town and the School District, and the Common Fund including Cemetery Trust.

Capital Reserve Account

Capital Reserve Account was discussed first. St Onge noted the principal has to be specific for each account. Bittel noted up to 25% can be put into Equity and St Onge noted not many towns take advantage of that. There was a discussion about duration: 3-5 years. St Onge noted he sees mostly 3 years. Bittel noted large amount of funds come in around June and December from taxation.
St Onge said they could make the policy 3 years with focus around June and December. Scaramelli said he would like to see a longer window available and prefers 5 years, but he can live with 3 years, Scalera agreed with 3 years, as did Kordys. ***Agreed by Trustees to max at 3-year duration for CRs*.**

St Onge asked about the inclusion of agency debt which would not have federal guarantees. Bittel said he would entertain the idea. Scaramelli said he would be conservative and stick with equity with federal guarantees; Kordys said she is in favor of conservative approach and agrees with Scaramelli. ***General Agreement was to not invest Capital Reserve funds in agency debt without federal guarantees.***

St Onge added that agencies are not federal guaranteed. Scaramelli said he prefers the conservative approach as well. Bittel said we could put a limit of 25% on Agencies that are federal guaranteed. St Onge said Agencies have limited guarantees but noted GNMA is backed by the US government. ***Trustees Agreed to not invest in agencies except for GNMA.***

There was discussion about cash holdings. $1.5 Million outflow can be anticipated twice a year. Inflow is generally in July. ***10% cash holdings were Agreed upon***.

Common Fund – Cemetery Trust (Income Only)
Bittel said this fund covers scholarships and the cemetery trust is for Perpetual Care. St Onge noted only income can be distributed. Equity no more than 65%. St Onge suggested a range 55 – 65% with a target at 60%. ***Agreed by Trustees.***

There was a discussion about Scholarships in Common Fund and that it may be best to transfer those to the Non-Restricted Fund. The Trustees will look into this further.

Principal cash in the Cash Reserves MMF account and Income cash is in the federal money market funds were discussed. Vanguard Cash Reserves had $1.134 Million in principal funds. $500,000 in Ultra Short-Term bond ETF is an Income account. Bittel said NH Trust should view the principal side cash only for investment allocations. ***The Trustees Agreed with this statement***.

St Onge said you have 38% of the portfolio in fixed income.

Non-Restricted Fund
Bittel said these are donated funds. 10% cash in this fund. Use same target equities for this fund. ***Agreed by the Trustees.***

St Onge asked if they want US domestic only – or okay with International? Scaramelli said 10% International. ***Agreed by Trustees 10% International via ETFs***. Kordys asked about developed versus emerging market investments. St Onge said FCI does both.

Sartorio noted that while discussions are ongoing in developing the investment policy with NH Trust, all the Towns's asset positions are still in place. Scaramelli suggested a new draft of the proposed investment policy be sent to the Trustees by St Onge for confirmation by the Trustees. St Onge said he would email a new draft to the Trustees.

St Onge noted there is no spending policy without a request.

Prudent Investors Standard
Prudent Investors Standard was discussed. Sartorio said the Town can notify the New Hampshire Attorney General's office if using Prudent Investors Standard as defined by the Charitable Trust unit.

> Scaramelli **moved** the Trustees of the Town of Swanzey to adopt the Prudent Investor Standard as defined by the Charitable Trust unit of the State of New Hampshire according to RSA 31-25d. Second by Kordys. All were in favor. ***Motion passed.*** Bittel to issue the letter to DOJ.

Administrative Detail
Kordys asked about page titles matching the investment policy titles. Sartorio explained she makes titles according to state requirements.

Market Outlook
St Onge said tariffs haven't worked their way through the market yet. He said GM took a major hit based on tariffs, but the job market still looks good. He noted a lot of pressure from the current Administration for the Federal Reserve to lower interest rates. Tariffs are a tax on consumption. He said they create a lot of instability. For example, Construction business doesn't know how to price out next jobs. Middle East remains in turmoil. Tax package impact – standard deduction will go up. Kordys said the health care system will be a problem. Non-profits and rural hospitals and nursing homes will be hit by reduction in Medicaid. Kordys said senior citizens will be impacted negatively given reduction in financial support for non-profits.

Lloyd Scholarship
Lloyd Estate Scholarship – goes to Monadnock Regional School District for candidate from Troy NH. Conditions: funds to be taken only from the interest – principal cannot be used. Bittel said this fund is in the Common Fund, which is Income only, so it is in the right place.

Sartorio and St Onge left the meeting at 11:14 am.

Minutes:

Minutes for June 5, 2025 and June 25, 2025 were considered. **Motion** was made by Scaramelli to approve the Minutes of June 5, 2025 and the Minutes of June 25, 2025. There was a second to the motion by Kordys and no further discussion. All were in favor. **Motion passed.**

DISCUSSION
Consolidation of di-minimis trusts
Kordys will follow up.

Lucy Carpenter Trust Advisory Committee
Scaramelli spoke about the committee's work thus far. Documents were reviewed. Decision was made to postpone public publicity for now. Selectman representative is Mark LaBelle. Human Services Coordinator Edna Coates presented a case, and after consideration, it was voted to accept the case and fund it. A Swanzey resident had a medical issue causing financial hardship. However, the issue may be short term. A decision was made to fund an immediate need and to approve another possible funding in the future depending on the status at that time.

Ledger & Stamps
Bittel said he created a ledger for requests going to NH Trust. He also has a stamp for an envelope for NH Trust and a stamp for funds going to the Town of Swanzey.

Next Meeting: TBD

ADJOURNMENT:
Motion to adjourn by Scaramelli second by Kordys. All were in favor. ***Motion passed.***
Adjournment occurred at 11:30 p.m.

Respectfully Submitted,



Beverly Bernard
Recording Secretary

DRAFT