Town of Swanzey, New Hampshire

TRUSTEES OF TRUST FUNDS

Meeting Minutes – April 22, 2026

Offices of NH Trust on 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 10:02 pm. Present were Trustees Steven Bittel, Richard Scaramelli, Cynthia Kordys and 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, and Associate Zackary Erway. Midwest Advisors (FKA FCI Advisors) were present via Zoom (Stephen Lawler, Patrick Schumann and James Braunsdorf). Gordon Ayotte joined the meeting at 11:18 am.

Welcome: Bittel welcomed new Alternate Trustee, Ashley Guion.

MINUTES: Motion was made by Kordys to approve the Minutes of January 28, 2026 with correction Baa-bbb+ investment grade on pg.2 and the Minutes of March 27, 2026. The motion was seconded by Scaramelli. All were in favor. **Motion passed.**

ELECTION OF OFFICERS

Bittel nominated Cynthia Kordys as Chair of the Trustees of Trust Funds. There was a second by Scaramelli and all were in favor. **Motion passed.**

REVIEW OF INVESTMENTS AND RELATED STATEMENTS (NH Trust)

Overview

The review was conducted with Midwest Advisors, Patrick Schumann, CFA, and James Braunsdorf, CFA. Also, Stephen Lawler was present. Lawler asked if there were any questions from the Trustees. Kordys had a question regarding fixed income; she noted some of the bonds were not rated. Lawler said they were rated at the time of purchase. Braunsdorf said sometimes Moodys won't rate the bond, but another agency will do so. Sartorio said NH Trust reports only show Moodys and that is why there is no rating. Kordys said it would be helpful to provide the other ratings for those bonds and Sartorio said she would see what could be done. Bittel asked for high level insights. Schumann said there is a lot of uncertainty, and the US economy is providing mixed messages. He spoke about the Iran conflict. He said if there is a resolution soon, assets will be easily manageable. Braunsdorf said right now the USA is a net energy exporter. Other nations are not and there is more impact on them. The price of oil will not revert back to a lower price anytime soon. It takes time. Scaramelli asked about international impact. He suggested that by May 30th, it might be timely to examine international exposure. Schumann said an evaluation can be done because of the uncertainties. He noted Europe is more exposed to energy

markets. Scalera said the fundamentals are important and the impact on them is of concern. Schumann spoke about the indirect exposure of the US as American companies are impacted by the energy market.

Brief summary of the accounts shared by Lawler: Capital Reserve & Taxpayer Funds, Fixed income investment objective 0% Equity and 100% Fixed Income. Donated Funds-- Income Only and Donated Funds Non-Restricted Funds, Growth Investment Objective 60% Equity and 40% Fixed Income and showed Policy ranges. Equities 50-70%, Fixed Income 30-50%, Alternative 0-10% and Cash 10%. He spoke about Equity Income Strategy and Core Equity Strategy (goal is to outperform the S&P 500 Stock Index, net of fees.) Intermediate Gov/Credit Bond Strategy represents the more stable portion of the portfolio and is utilized to reduce risk.

He showed a snapshot of Growth Allocation Strategy. Overweight allocation to Domestic Large Cap Equities, as well as Domestic Mid Cap, Neutral allocation to Domestic Small Cap, Underweight allocation to Developed International Equities and underweight allocation to Emerging Market Equities. No exposure to international debt or US non-investment grade debt. Recommendation to sell exposure to REITs and reallocating to US Intermediate core fixed income.

Market Environment

Schumann spoke about 2026 Market Outlook including Strengths and Challenges. He noted a watch for new Federal Reserve Chair and a broadening equity market. He said the US economy is driven by consumers. He said the corporate environment is well positioned to endure economic shocks. Quality corporate environments are healthy. There is strong performance for equity income because of focus on quality.

Scaramelli asked for comments about large data centers. Schumann spoke about Artificial Intelligence (AI) large capital spending. That will give investors pause. There will be some speculation about the utility impact on data centers.

Scalera noted other investment firms' research and asked if Midwest Advisors incorporate research as they are doing.

Bittel noted data centers and the power industry involved. He said demand is rising and asked about investment in the power sector. Schumann said if build-out occurs the demand will continue to be outstripped. He spoke about alternative sources of energy. He noted Cummins engine company has developed power production as a secondary source. He also noted Honeywell in the same manner.

Guion asked about tariff rebates. Schumann said this could shift again quickly.

Economy and Fixed Income

Braunsdorf noted 4th Quarter 2025 Gross Domestic Product (GDP) is revised down to 0.5%. He noted the government shutdown, Iran war, Commodities moving higher, Inflation continues and CPI was at 3.3% at end of quarter.

Labor Market
Braunsdorf spoke about non-farm incomes showing a downward trend. Job growth has come in lower than expected. He said there might be a turnaround ahead. He noted the Unemployment Rate has risen over the past several years but is not highly elevated. Fewer people are entering the labor force which means they are no longer calculated in the unemployment rate. Baby boomers are retiring, which also has an impact on the unemployment rate.

American Consumer
While consumer sentiment is to spend less, consumers appear to be spending more. Scalera asked if consumers are spending more or are things costing more. Braunsdorf noted the upper end is prospering but the lower end of income is spending more than they are earning.

ISM Manufacturing and ISM Services
Manufacturing expanded in first quarter. Services are stronger.

1st Quarter Fixed Income
Returns were basically flat throughout the year.

Rate Cuts/Hikes Expected by Year-End 2026
Early suggestion was Fed was going to cut rates, but that expectation is doubtful at the moment. At the end of the quarter there may be rate hike or no changes.

Treasury Yield Curve
Expected to rise significantly.

Ten Year Treasury Yield
Range of outcomes is becoming tighter. That may change over time.

Fixed Income Outlook
Outlook remains fluid based on ongoing war with Iran. A rate hike is unlikely given energy inflation. Corporate fundamentals remain strong. Neutral duration policy.

Lawler asked for questions. Bittel said Midwest Advisors has done a great job. Lawler said folks are available to answer questions at the appropriate time. The Midwest Advisors (FKA FCI Advisors) signed off at 11:17 am.

NEW BUSINESS

Sidewalk on Village Church on Cobble Hill
Scaramelli introduced Gordon Ayotte who said the Sidewalk Committee wants to put in a sidewalk at a West Swanzey church. Scaramelli said the concern was any restrictions regarding spending funds on a non-public or non-Town-owned property. He said he consulted the Will that donated the funds and he noted it referred to West Swanzey. Ayotte said they need a walkway to get into the food pantry. Ayotte said the Sidewalk Committee met and discussed it. He noted the possibility of opening the fund to other

non-profits. Scaramelli said the view is that funds can be expended for West Swanzey in any way the Trustees decide is appropriate. Scaramelli noted this sidewalk will help American Disabilities Act (ADA) conformity for the church. He noted there was a discussion with the Town of Swanzey Selectmen, but the Trustees are the final decision makers.

Scaramelli noted $7,245.00 to be spent. Anything not in West Swanzey would not be considered for sidewalk funding. Scaramelli asked if the Sidewalk Committee considered limitations. Ayotte said they had not discussed it. Bittel suggested funding could be limited to request which are servicing a community purpose. It was noted the Trustees have jurisdiction. Ayotte said the Selectmen were not informed as to who had jurisdiction. Bittel suggested the Sidewalk Committee write a policy statement on the conditions for awarding funds.

> **Motion** was made by Bittel that the Trustees support and approve the funding of up to $8,000 to the Village Church for a sidewalk in support of their food pantry, which is a community service, the funds to come from the Frank L. Snow West Swanzey Sidewalk Fund. Motion was seconded by Scarmelli, all were in favor. ***Motion passed.***

Sidewalk Project of Last Summer Missing Funds
Scaramelli said it appeared that invoices were improperly written. Checks were mistakenly sent to vendors. Bittel said $137,925.19 was the total Income Fund balance as of March 2026. Ayotte provided invoices to Scaramelli. He also agreed on the balance provided by Bittel.

Snow Cemetery Monument
There was a discussion about cleaning of Snow monument stone. Bittel said the Trustees are limited on what can be spent. He recommended speaking to someone directly about cleaning the stone. The money cannot come from the Sidewalk Fund.

Ayotte left the meeting at 11:50 am

OTHER BUSINESS
Performance net of Management Fees
Kordys passed out a report on the performance of the Town of Swanzey portfolio net of the fees: Cap Reserve 2.5%; NRF Donated Funds 4.2%; Donated Funds 6.6%.

Edna Whitcomb Last Will and Testament
Scaramelli said the Trustees need to consider the Will of Edna Whitcomb. Now that the Carpenter Home is no longer providing a service the remaining funds are to go to her heirs, per her Will. He asked for an opinion from the Trustees. Kordys noted the heirs are not individuals but are entities that are functioning today. Bittel said total income is $2,300, with total fund balance of $27,000. Bittel said he thought that unless heirs come forward to make a claim it didn't need to be pursued. The Trustees agreed to have Town Counsel consulted on this issue. Kordys will speak to Counsel for an opinion

Next Meeting: July, 2026

ADJOURNMENT:
Motion to adjourn by Scaramelli, second by Bittel. All were in favor. ***Motion passed.***
Adjournment occurred at 12:00 p.m.

Respectfully Submitted,



Beverly Bernard
Recording Secretary

DRAFT