Town of Swanzey, New Hampshire

TRUSTEES OF TRUST FUNDS

Meeting Minutes – October 21, 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 Kordys at 11:00 am. Present were Trustees Richard Scaramelli, Cynthia Kordys, and Ashley Guion.

OTHERS PRESENT: President of NH Trust Cydney Shapleigh, NH Trust VP & Wealth Advisor Janelle Sartorio, and NH Trust SVP & Wealth Advisor Michael St. Onge. Also present via video presentation were Investment advisors with TIS, Ben Hill and Ute Clune.

REVIEW OF INVESTMENTS AND RELATED STATEMENTS (NH Trust)

Overview

Hill said the economy has accelerated somewhat. It has been a better economic year than had been anticipated. He said the consumer has remained resilient. Labor force participation is steady. Real income has been declining. Markets – profit margins are at record highs. Earnings are strong. Stocks are expensive but there are strong earnings. Capex fund needs to be monitored. Capital spending is continuing. AI solutions can generate revenue and reduce costs, but is the return justified considering the outlay. Interest rates are moving higher. There are future inflationary expectations. CPI was 3.75 in September. Food, fuel, utilities have been under pressure from inflation. Hill said he thinks the Fed will take a pause in raising interest rates. 2026 should finish on a reasonably solid note. He noted a strong Q2 for S&P, which is normally a weak quarter. Narrow group of leadership in the market at the S&P. He said 2027 is projecting strong earnings growth unless there is unforeseen shock to the market. Watching closely the massive amount of capital raising. Debt financing for AI is very large. He said there is a question as to whether investors continue to absorb that. That could add volatility to the market.

Scaramelli asked about the federal government deficit. Hill said he hopes lawmakers will make some tough decisions with the multi-trillion dollar deficit. He said it is a cause for concern and is not being addressed during the near term.

Booklet pages were discussed. Cash equivalents versus taxable bonds allocation. Hill referred to performance 3.0% return since 7/2/2025. Hill said it wouldn't surprise him if the Fed raises the rate a bit. He noted a possible second wave of high interest rates. Food inflation has been accelerating. He noted some elements are decelerating or steady. Energy is providing persistent pressure. Short term Treasury notes were discussed. St. Onge spoke about anticipated cash requirements. Scaramelli said usually June and December have cash needs. Money market is at 3.7%. Kordys asked about healthcare inflation. Hill acknowledged they are stuck at elevated levels. Kordys asked about impact on consumer resilience. Hill said he didn't think that inflation will impact consumer spending. Kordys said healthcare companies are leaving the State of New Hampshire, and personal debt has been increasing. Kordys said at some point

consumers won't be able to pay off their debt. Hill noted there is pressure on interest rates for credit card debt.

Non-Restricted Funds (NRF) funds were discussed. Yield has been 2.6%. Account Sector Diversification was discussed. International fundamentals have improved. But there are challenges for emerging markets. Hill said US equities have been strong. US stocks continue to look attractive. St. Onge said the market is tech heavy, and could it be beneficial to investors to diversify? Hill said of the top ten companies in the Eurozone, 3 of them are financials. Hill said the market construct is very different outside the US. Hill spoke about some tech performers but there are risks with investing with some tech. St. Onge noted the portfolio is underweight from Tech said, and it is still doing well.

Guion noted there are a small number of companies that are driving portfolio value and she asked if we should consider changing allocation. Scaramelli said we have never achieved an IT target because we have been looking for potential earnings. Guion said she wanted to know what the goal for the Town of Swanzey portfolio for IT. Scaramelli said the Trustees could revisit targets at another meeting. Kordys said there is narrow leadership in the IT sector and that makes for concerns; there are CAPEX, AI, and security issues. Kordys urged additional monitoring. She said she doesn't believe that AI companies will be self-policing. Hill said to look at core equity which performs well with a broad-based portfolio. Clune noted additional risk management by TIS, which manages individual stocks and continues to monitor the position.

Donated Funds, Income Only was discussed. Hill said the yields are low for equities. Bonds arecompetition. Challenge environment for equity income since it is out of favor versus IT. Goal is low risk and income growth. He noted companies are buying back stock to fund AI development. Dividend growth may accelerate eventually, but not at that point today. There was a discussion about policy regarding defense companies. Hill said they don't see any change in Defense spending in the short term. He said he doesn't see any risk at this time. Scaramelli noted the Trustees have made investments in these types of stocks in the past. Guion asked if there was a town policy against Defense and Scaramelli said there wasn't. St. Onge noted the cash building up because of Town restrictions and that creates a bit of a drag on the portfolio.

Video conferencing ended at 12:10 pm.

OTHER BUSINESS

St. Onge asked for any other business. There was a discussion about fees. Kordys said the Town needs full transparency in regard to additional fees. St. Onge said the fees are associated with an executing broker on the Exchange and SEC also requires a fee. Kordys said having that additional detail would be helpful. $2,000 in fees were paid. She asked for a detail list of transactional fees. Kordys said any taxpayer could ask for this kind of detail. Kordys asked for a fact sheet so that the Trustees can explain to a taxpayer if needed. Scaramelli said he would like to know how much churn there is so as to anticipate the fee percentage. St. Onge said there is no per unit face on a bond – it depends on who you choose to sell or buy, and that is built into the price for the bond. Shapleigh said there are fees because there is an intermediary in the transaction. St. Onge said NH Trust does not get any of those fees. There

was a discussion about how NH Trust gets paid. Kordys said the fees need to be clear to the average person. She said it is important to be transparent in our fiduciary responsibility to the public. Sartorio said details show cash distributions and that include transaction fees and added she could break out a column for fees in the account summary. St. Onge said he could send a revised fee letter. Kordys said it is just a matter of having a response to the public. Kordys said a statement about possible changes in fees would be helpful for disclosures to the public. Shapleigh, St. Onge, and Sartorio left the meeting at 12:38 pm

TOWN BUSINESS

Guion noted some funds are doing better than others. She asked about possibly shifting funds to take advantage of the differences. Scaramelli said the investment policy projected returns to the entire portfolio and not to sectors. Scaramelli noted investments in individual stocks are being managed by NH Trust, not the Trustees. The Trustees meet to check that the goals are being met. Kordys said it makes sense to revisit the Investment Policy. Scaramelli said the Annual Report has been the responsibility of the Chair and Kordys noted that she would take care of that.

MINUTES:

Motion was made by Kordys to approve the Minutes of July 16, 2026. The motion was seconded by Guion with a minor change that Guion had *business* issues. All were in favor. **Motion passed.**

Motion was made by Kordys to approve the Minutes of August 19, 2026. The motion was seconded by Guion. All were in favor. **Motion passed.**

UPDATES:

Scaramelli spoke about establishing the Wilson Pond Non-Restricted Fund. He also spoke about Potash Bowl questions and ownership issues. The Town owns the land, but the building is owned by the Old Homestead Association and there is an issue as to whether or not there is insurance for the building. The Old Homestead Association would be responsible for liability. Trustees are not responsible.

Scaramelli spoke about Swanzey Historical Museum and ownership of the land and building. There is a Trustee account for the Museum. Eventually the land and building were deeded to the Town of Swanzey. And there is a question now from the Treasurer as to the legal status of the museum. Scaramelli said he is researching information and seeking legal opinions to resolve the issue.

The new NRF for Wilson Pond was discussed. The Board of Selectmen have the spending authority.

Scaramelli spoke about closing the Slate Bridge fund. Scaramelli noted Trustee Alternate Bittel has suggested to zero out the account since there is every little money in the fund. What remains in the account will be spent on cameras.

Whitcomb Hall Trusts (there are four). Two groups are looking to tap into funds. There is a desire to redo the floors by the Whitcomb Hall Committee, and the Energy Commission wants to winterize Whitcomb Hall. There is a question about the Department of Public Works (DPW) Director having approval from the Board of Selectmen to expend some of these funds. There needs to be further research done.

There was a brief discussion about number of members of active Trustees.

Scaramelli said NHTrust has provided a large disbursement of $152,444.79 to the Trustees, which was accepted by Scaramelli.

Next Meeting: January, 2027

ADJOURNMENT:
Motion to adjourn Scaramelli, second by Kordys. All were in favor. ***Motion passed.***
Adjournment occurred at 1:35 p.m.

Respectfully Submitted,



Beverly Bernard
Recording Secretary

DRAFT