City of Concord
Trustees of Trust Fund Meeting

Minutes of April 16, 2026 Meeting

Meeting was convened at 8:30 AM at City Hall, 41 Green Street, Concord.

In attendance: Trustee Susan Dunton, Trustee Sabrina Beavens, Corey Boucher & Laurie Leduc (virtually) of Citizens Bank Wealth Management Group; Chelsey Michalski and Sarah Gerlack from the City of Concord

Absent: None

Minutes from the January 15, 2026 meeting were distributed for review, no comments or discussion. All in favor, minutes approved.

Presentation by Corey Boucher:

- 2026 started out on an optimistic note. January and February were a continuation of 2025, with equity markets gaining, especially international equity markets. Then, the Iran War (and the ensuing increase in oil prices) changed the direction markets were going. Q1 saw a slip in portfolio value after a slide in March affecting both stocks and bonds. Year to date, the total portfolio is down by 0.9%. In some respects, this could be considered resilient, considering the price of oil nearly doubled, and expected inflation increased significantly. The job market steadied and the unemployment rate is currently at 4.3%. The Federal Reserve has signaled they will be entrenched for a bit. Since inflation is no longer trending lower, any near term rate cuts are probably off the table.
- In Q1, the US Supreme Court ruled many of the recently placed tariffs from 2025 to be illegal. The Supreme Court did not provide guidance on refunds, but thousands of companies who import goods have applied to get their tariff expenses reimbursed. The administration quickly replaced the cancelled tariffs with a new set of 10% across the board tariffs. The net effect right now is slightly lower tariffs overall. The administration has said they may increase the blanket tariffs to 15%, but has not done so yet.
- An ongoing war with Iran, leading to an extended oil shock, increases the odds of a recession. However, we caution that the US is not in a similar position as it was during the 1970s. The US is now the largest oil producer in the world. While consumers will feel higher costs at the pump, many US regions (which produce oil) will experience economic gains. US gas usage has also been trending down with the US consuming less gasoline today compared to 2007, despite a much large population. The increase in electric vehicles is a large contributor to this decline in gas usage.
- US Equities moved lower over the quarter, with large cap stocks down 4.33% for Q1. Smaller capitalization stocks, generally considered more risky, were positive with a midcap returning 2.5% and small cap up 0.9%. International developed equity had a down quarter, losing 1.1%, likely due to Europe's need for imported energy. The Bloomberg Aggregate Bond Index was flat for the quarter as yields rose with the increased risk of higher inflation.

- Large cap stocks are trading at a forward P/E of more than 20, which is still above the 25 year average of 17.2. Investment grade bond yields can still be purchased in the 5% range, which could be attractive.
- Consumers are giving mixed signals, but are continuing to spend. Sentiment may be downbeat for much of 2026, at least until oil prices start coming down.
- The Concord Trust Funds have held up well for Q1 versus benchmarks. The year to date return for each portfolio was negative, but down less than the benchmarks. As of this April meeting, all portfolios are trending in the positive range.

Corey also provided a revised Investment Policy which would change the Concord benchmark index from the Government/Credit to the Aggregate, which is more commonly used for municipal fund investments. Both trustees agreed on the change based on the key points from Corey at our last meeting. Corey stated he will need the revised once provided by Chelsey which she stated she will send to him as well as send to the Attorney General office as required.

Chelsey stated that there is a candidate who applied for the vacant trustee position, Travis Craig who works for a bank with several years of financial experience. His application will be considered for approval by the City Council at their May meetng.

City resolutions related to trust fund and capital reserve account transfers for FY26 since the last trustee were given to the trustees. Trustee Sabrina Beavens mentioned that in regards to resolution 9804, she needed clarification of the intended use of the funds to be withdrawn from the Technology Reserve as the resolution document wasn't clear. Chelsey retrieved the City Council minutes related to this resolution which provided clarity that the funds to be withdrawn from the Technology Reserve were to fund overtime required to implement new software. Sabrina noted that this information is critical in order to properly affirm that the transfer out of the reserve was in line with the intended purpose. There were no other concerns from Sabrina or Susan regarding any of the other resolutions provided.

The next meeting date was set for July 16, 2026 at 8:30am at Concord City Hall.

Meeting adjourned at 9:14am.

Respectfully Submitted,

Chelsey Michalski – Trustee Secretary