

November 6, 2025

AMENDED FINAL COPY

Minutes of the Trustee of the Public Funds meeting, November 3, 2025

Attendees: Craig Arsenault, Wilmington Trust

Barb DeHart, Mike Harvey, Linda Crosby, Trustees

The meeting started at 4:02 PM in the Rochester Town Hall

Mike moved that the minutes from the meeting of 6/19 be approved. Barb seconded the motion and all approved.

Craig started the bank presentation on expectations for 2026. Here are the major ones:

Inflation is expected to be about 3%.

AI will be a big factor, as more robotics are expected to take over more jobs. Labor will be slower to catch up, as many people will need training to adapt. They don't see the AI bubble bursting.

The risk of recession is reduced to 40%.

Double-digit returns are not expected in 2026. They were not expected in 2025 either, although most of the equities in the Public Funds accounts returned close to 10% (according to Craig). As the bond results were lower, the overall results were just over 6%.

Two potential problems that could affect the market:

If the Supreme Court knocks down Trump's tariffs, it could cause a major issue for the Treasury, as they have been paying down US debt with tariff money.

There is a concern with the 10 and 30-year bonds. If they go above 4.5 and 5% respectively, there would be too much pressure on mortgage rates, as there already is a slowdown in housing sales.

The Cemetery Fund had a 10.4% return.

Craig thought the funds' performance was quite good this year. There is just over 5% cash available in the portfolio. The Trustees work on a 3—5-year average on how much to distribute in April/May.

Craig left at 4:50 PM. Mike moved to end the meeting at 4:58 PM, Barb seconded, and all were in favor.

Respectfully submitted,

Linda Crosby, Secretary