

AGENDA

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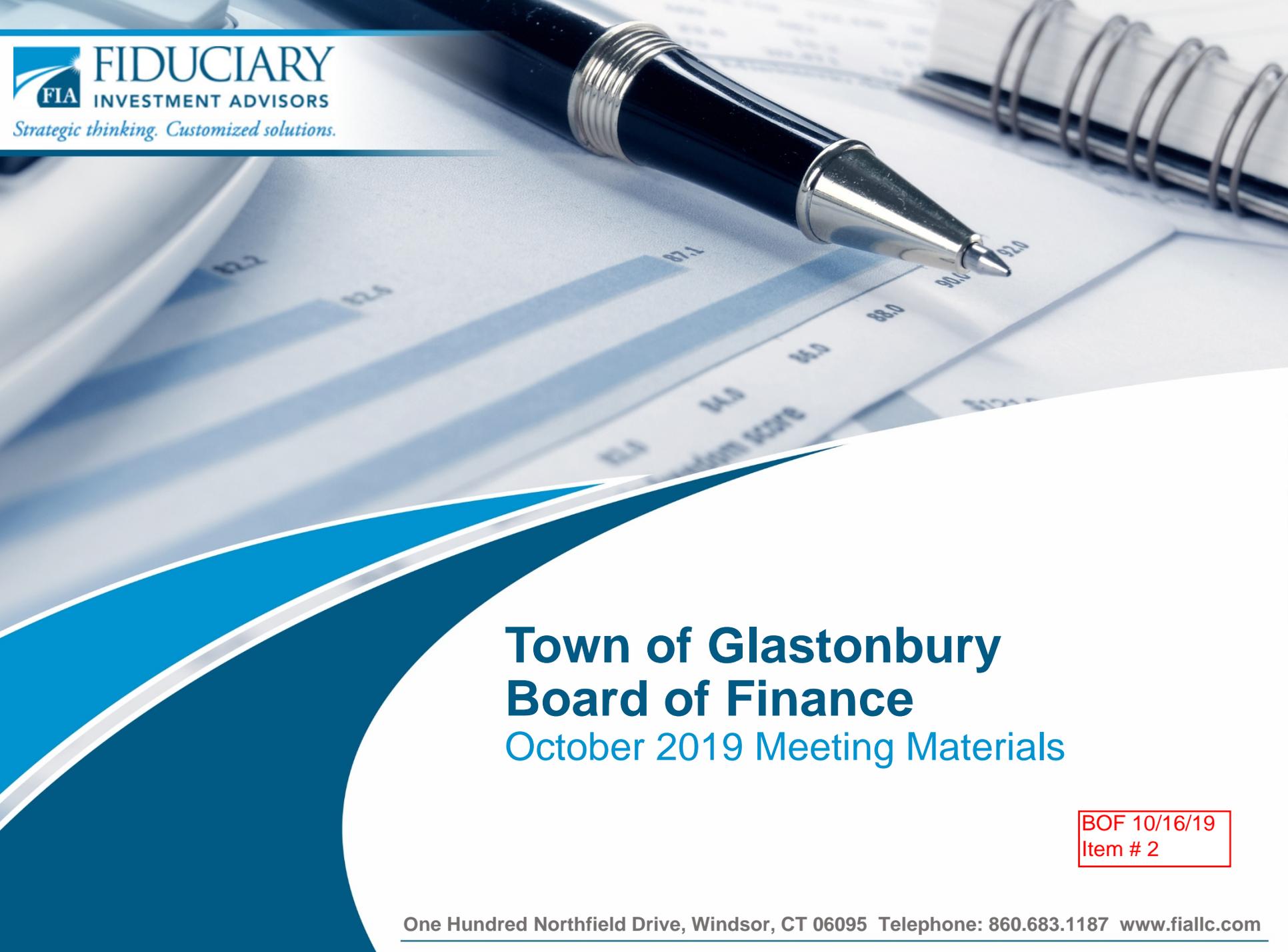
GLASTONBURY BOARD OF FINANCE MEETING AGENDA OF REGULAR MEETING

Wednesday, October 16, 2019, 4:00 PM

Town Hall, 2155 Main Street, Glastonbury, CT - Meeting Room A

Board Members: Constantine Constantine; Chairman, Jennifer Sanford; Vice Chairman, Walter Cusson, James McIntosh, Jared Soper, and James Zeller.

1. Public Comment Session (sign in sheet provided)
2. Action / Communication: Chris Kachmar from FIA
 - a. Communication: September Flash Report
 - b. Communication: Asset Allocations (DB and Hybrid Plans)
 - c. Action: Credit Suisse Alternatives
 - d. Action: Determination of Pension Committee Members (2), per page 2 of Investment Policy Statement
3. Communication: Minutes
 - a. September 18, 2019 – Regular Meeting
 - b. September 27, 2019 – Special Meeting
4. Communication: Pension Report – August 2019
5. Communication: Month End Investments – August 2019
6. Communication: Financial Summary (Revenues & Expenditures) for 3 months - September 2019
7. Communication: Education Reconciliation – August 2019
8. Communication: Capital Projects – September 2019
9. Communication: Self Insurance Reserve Fund – September 2019
10. Communication: Transfers Approved by Town Manager Since Last Meeting
11. Action: Transfers over \$5,000
12. Action: Land Acquisition
13. Communication / Action: Board Members Requested the Following Items be Discussed
 - a. Request of Jared Soper: Financial Model used during FY2019/2020 Budget discussions
14. Board of Finance member Committee Reports, comments and remarks (no action to be taken)
15. Adjournment



Town of Glastonbury Board of Finance October 2019 Meeting Materials

BOF 10/16/19
Item # 2

Table of Contents

Section 1

Capital Markets Updates (pg. 4)

Section 2

September Results (Preliminary) (pg. 6)

Section 3

Asset Allocation Results (pg. 10)

Section 4

Manager Search – Commodities (pg.11)

Important Disclosure Information: Please remember that different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Fiduciary Investment Advisors), or any non-investment related content, made reference to directly or indirectly above, will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained above serves as the receipt of, or as a substitute for, personalized investment advice from Fiduciary Investment Advisors. Fiduciary Investment Advisors is neither a law firm nor a certified public accounting firm and no portion of the content should be construed as legal or accounting advice. Please remember to contact Fiduciary Investment Advisors, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. A copy of Fiduciary Investment Advisors' current written disclosure statement discussing our advisory services and fees is available for review upon request.

Capital Markets Flash Report

September 2019

U.S. Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500	1.9	20.6	4.3	13.4	10.8	13.2
Russell 1000 Growth	0.0	23.3	3.7	16.9	13.4	14.9
Russell 1000 Value	3.6	17.8	4.0	9.4	7.8	11.5
Russell Mid Cap	2.0	21.9	3.2	10.7	9.1	13.1
Russell Mid Cap Growth	-1.1	25.2	5.2	14.5	11.1	14.1
Russell Mid Cap Value	4.1	19.5	1.6	7.8	7.6	12.3
Russell 2000	2.1	14.2	-8.9	8.2	8.2	11.2
Russell 2000 Growth	-0.8	15.3	-9.6	9.8	9.1	12.2
Russell 2000 Value	5.1	12.8	-8.2	6.5	7.2	10.1

U.S. equity markets continued to march higher in September, with the S&P 500 Index posting a return of 1.9%. The index has now returned 20.6% year-to-date. Small caps slightly outperformed large caps, and value significantly beat growth across all market capitalization spectrums. From a sector standpoint, the financial and utilities sectors led the way, while the healthcare sector was the laggard for the month.

Fixed Income

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
BBgBarc US Agg	-0.5	8.5	10.3	2.9	3.4	3.7
BBgBarc US Corp IG	-0.7	13.2	13.0	4.5	4.7	5.6
BBgBarc US Corp HY	0.4	11.4	6.4	6.1	5.4	7.9
BBgBarc US Gov/Cr 1-3 Yr	-0.1	3.4	4.6	1.8	1.6	1.5
BBgBarc US Gov/Cr Long	-1.9	20.9	21.9	5.6	6.8	7.4
BBgBarc Municipal	-0.8	6.7	8.6	3.2	3.7	4.2
FTSE WGBI USD	-1.3	6.3	8.1	1.2	1.8	1.7
ICE BofAML US 3M T-Bill	0.2	1.8	2.4	1.5	1.0	0.5

Bond market returns were generally negative in September as interest rates moved higher, pivoting off the lows of 2019. The Barclays Aggregate Bond Index returned -0.5%, while the high yield market was the outlier, posting a positive 0.4% return for the month, as spread compression offset the rise in rates. The 10-year U.S. Treasury yield ended the month at 1.68%, up 18 basis points from the August close. As widely expected by the market, the Federal Reserve lowered its benchmark rate 25 basis points, setting the new target range to 1.75% - 2.00%. Global bonds sold off during the month as well, with the FTSE WGBI Index posting a return of -1.3%.

International Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
MSCI ACWI Ex USA	2.6	11.6	-1.2	6.3	2.9	4.5
MSCI EAFE	2.9	12.8	-1.3	6.5	3.3	4.9
MSCI EAFE Growth	1.1	17.9	2.2	7.8	5.5	6.5
MSCI EAFE Value	4.8	7.7	-4.9	5.1	1.0	3.2
MSCI EAFE Small Cap	2.8	12.1	-5.9	5.9	6.0	7.5
MSCI EM	1.9	5.9	-2.0	6.0	2.3	3.4
MSCI EM Small	2.0	1.8	-5.5	1.3	-0.1	3.2

International equities performed well in September, with the MSCI ACWI ex U.S. Index returning 2.6%, outpacing broad domestic markets. Style trends were consistent abroad, with value beating growth. Emerging markets held up well during the month, despite weakness from China. China continues to underperform amid signs of slowing growth and uncertainty regarding trade. On the other hand, South Korea was additive in the emerging market space.

Commodities & Real Estate

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
Bloomberg Commodity	1.2	3.1	-6.6	-1.5	-7.2	-4.3
S&P N.A. Natural Resources	3.0	9.4	-16.2	-2.8	-5.7	1.3
FTSE Nareit Equity REITs	2.9	27.0	18.4	7.4	10.3	13.0
FTSE EPRA Nareit Developed	2.5	20.7	14.1	6.6	7.8	9.5

Commodities and natural resource equities rebounded in September. The attack on Saudi Arabia's oil facilities caused oil prices to spike nearly 15% mid-month amid supply concerns. Prices contracted at the back end of the month, as Saudi supply came back online quicker than initially expected. REITs continued their strong performance through September, as interest rates, although higher in the month, remain low compared to historical averages.

Capital Markets Flash Report

September 2019

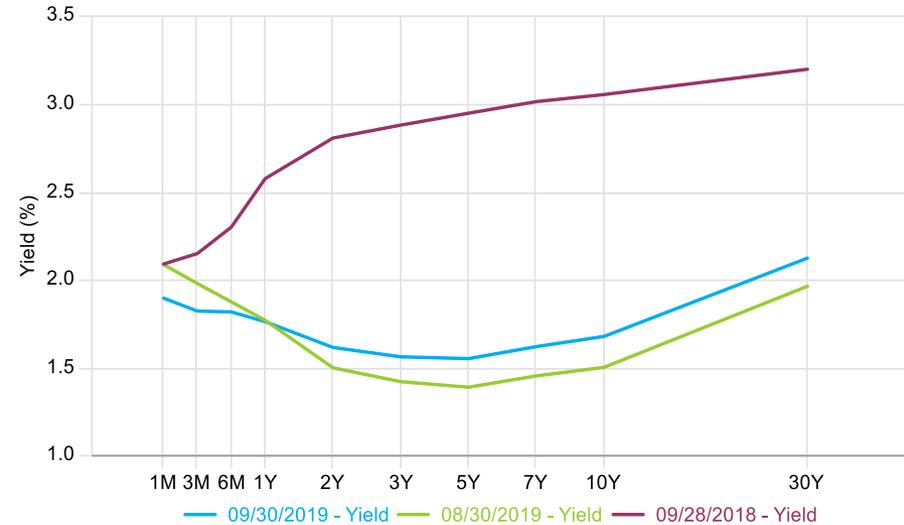
S&P 500 Price History - Trailing 1 Year

09/28/2018 - 09/30/2019



FactSet, S&P

United States Treasury Yield Curve



FactSet

Barclays Corporate Option Adjusted Spread - Trailing 1 Year

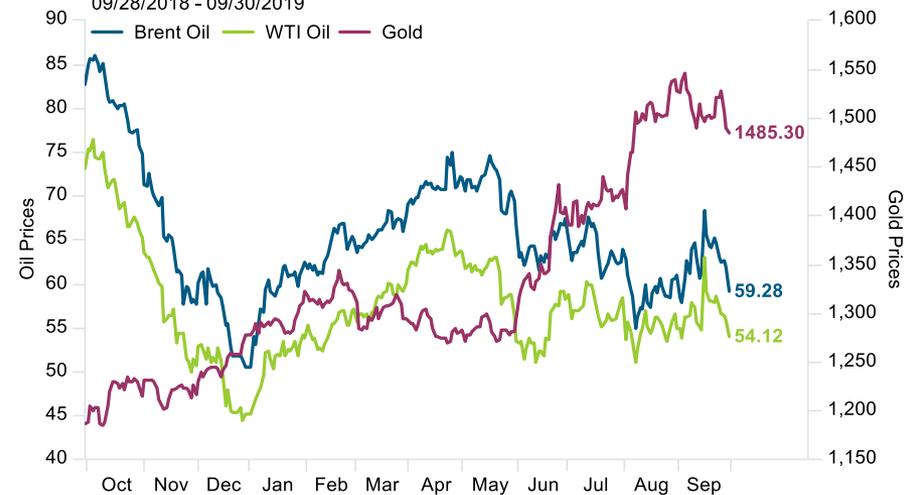
09/28/2018 - 09/30/2019



FactSet, Bloomberg Barclays

Commodity Prices - Trailing 1 Year

09/28/2018 - 09/30/2019



FactSet

Asset Allocation - Pension

As of September 30, 2019

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	158,830,191	100.0	100.0	0.0
Short Term Liquidity	6,449,510	4.1	0.5	3.6
Wells Fargo Government Money Market	6,449,510	4.1	0.5	3.6
Fixed Income	50,919,550	32.1	33.5	-1.4
Metropolitan West Total Return Bond Pl	19,970,387	12.6	13.0	-0.4
BlackRock Total Return K	20,001,213	12.6	13.0	-0.4
Templeton Global Bond R6	10,947,950	6.9	7.5	-0.6
Domestic Equity	58,679,037	36.9	40.0	-3.1
Vanguard Institutional Index	32,466,086	20.4	22.0	-1.6
Touchstone Growth Opportunities Instl	11,853,913	7.5	9.0	-1.5
DFA US Vector Equity I	14,359,038	9.0	9.0	0.0
International Equity	27,366,253	17.2	16.0	1.2
Vanguard International Growth Adm	9,477,878	6.0	5.5	0.5
Causeway International Value Instl	9,041,338	5.7	5.5	0.2
Templeton Instl Foreign Smaller Companies Adv	3,448,402	2.2	2.0	0.2
Cape Ann Global Developing Markets	5,398,635	3.4	3.0	0.4
Real Estate	9,088,721	5.7	6.0	-0.3
Barings Core Property Fund LP	9,088,721	5.7	6.0	-0.3
Inflation Protection	6,327,119	4.0	4.0	0.0
Vanguard Short-Term Inflation Protection Adm	3,110,694	2.0	2.0	0.0
Credit Suisse Commodity Return Instl	1,552,696	1.0	1.0	0.0
iShares Gold Trust	1,663,730	1.0	1.0	0.0

Barings Core Property Fund is valued as of June 2019.

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.
Asset Allocation weightings may not add up to 100% due to rounding.

Town of Glastonbury, CT Pension

Performance Update As Of September 30, 2019

Plan Performance

Value	Performance(%)												
	1 Month	QTD	Jul-2019 To Sep-2019	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception *	Aug-2011 To Sep-2019	Inception Date	
Total Plan	158,830,191	1.2	0.1	0.1	11.8	2.4	6.9	5.2	6.6	7.2	6.5	6.4	01/01/2003
<i>Blended Benchmark</i>		<i>0.9</i>	<i>0.8</i>	<i>0.8</i>	<i>12.9</i>	<i>4.4</i>	<i>7.1</i>	<i>5.5</i>	<i>6.6</i>	<i>7.2</i>	<i>7.0</i>	<i>6.3</i>	<i>01/01/2003</i>

Calendar Year Performance

	2018	2017	2016	2015	2014	2013	2012
Total Plan	-6.1	15.9	7.1	-1.8	3.7	15.1	15.4
<i>Blended Benchmark</i>	<i>-5.3</i>	<i>14.9</i>	<i>7.4</i>	<i>-1.5</i>	<i>4.5</i>	<i>13.8</i>	<i>11.0</i>

Allocation Mandate

Aug-2019

	Weight (%)
90 Day U.S. Treasury Bill	0.5
Blmbg. Barc. U.S. Aggregate Index	26.0
FTSE World Government Bond Index	7.5
Russell 3000 Index	40.0
MSCI AC World ex USA (Net)	16.0
NCREIF Fund Index - ODCE (net)	6.0
Glatonbury Short Term Inflation Protection Benchmark	4.0

The Since Inception performance figure includes performance of prior consultant. FIA's performance inception date is 8/1/2011.

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Asset Allocation - New Hires

As of September 30, 2019

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Total Plan	708,380	100.0	100.0	0.0
Short Term Liquidity	21,440	3.0	0.0	3.0
Wells Fargo Government Money Market	21,440	3.0	0.0	3.0
Fixed Income	403,852	57.0	60.0	-3.0
Vanguard Total Bond Market Index Adm	403,852	57.0	60.0	-3.0
Domestic Equity	142,086	20.1	20.0	0.1
Vanguard Total Stock Market Index Adm	142,086	20.1	20.0	0.1
International Equity	141,002	19.9	20.0	-0.1
Vanguard Total International Stock Index Adm	141,002	19.9	20.0	-0.1

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.

Asset Allocation weightings may not add up to 100% due to rounding.

Town of Glastonbury, CT New Hires

Performance Update As Of September 30, 2019

Plan Performance

	Value	Performance(%)								
		1 Month	QTD	Jul-2019 To Sep-2019	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Plan	708,380	0.5	1.3	1.3	11.1	6.7	4.8	N/A	4.7	12/01/2015
<i>New Hires Blended Benchmark</i>		<i>0.5</i>	<i>1.3</i>	<i>1.3</i>	<i>11.6</i>	<i>6.7</i>	<i>5.7</i>	<i>N/A</i>	<i>5.9</i>	<i>12/01/2015</i>

Calendar Year Performance

	2018	2017	2016	2015	2014	2013	2012
Total Plan	-3.4	7.6	4.1	N/A	N/A	N/A	N/A
<i>New Hires Blended Benchmark</i>	<i>-3.8</i>	<i>11.4</i>	<i>5.2</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

Allocation Mandate

Dec-2015

	Weight (%)
Blmbg. Barc. U.S. Aggregate Index	60.0
CRSP US Total Market Spliced Index	20.0
FTSE Global All Cap ex US Spliced Index	20.0

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Asset Allocation Summary

- We used our recently updated 20-year horizon capital market projections to forecast return and risk outcomes over the forecast period.

Pension Plan

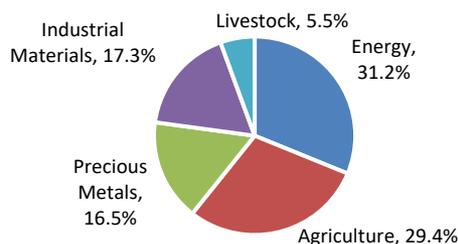
- The portfolio's existing allocation (66% equity and other assets / 34% fixed income) models to an expected return of 6.02%, absent contribution from active investment management. Investment manager contribution has ranged from 0.1% - 1.0% since August 2011.
- The portfolio plots on the "efficient frontier," representing an optimal balance of risk and return.

New Hires Plan

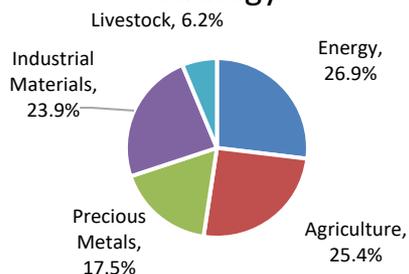
- The portfolio's existing allocation (60% fixed income / 40% equity) models to an expected return of 5.36%.
- The portfolio plots on the "efficient frontier," representing an optimal balance of risk and return.

Potential Commodity Managers

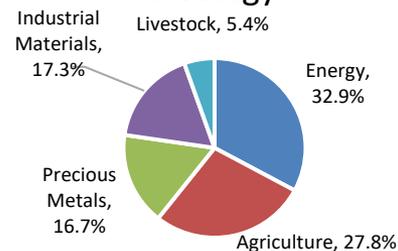
Credit Suisse Commodity Strategy (Incumbent)



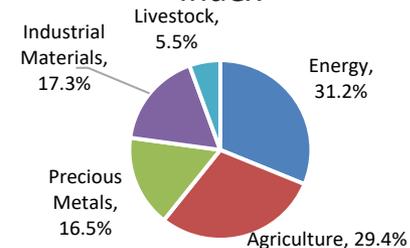
Parametric Commodity Strategy



DFA Commodity Strategy



Bloomberg Commodity Index



	QTD	YTD	1-Year	3-Year	5-Year	7-Year	10-Year
Crdt Suis Cndty Rtn;Inst	-2.25	2.40	-7.20	-1.88	-7.31	-8.30	-4.38
<i>Universe Ranking %</i>	38	73	24	61	54	59	47
DFA Commodity Strat	-1.84	3.00	-6.61	-1.30	-6.43	-7.07	NA
<i>Universe Ranking %</i>	24	52	14	50	39	36	NA
Parametric Comm Str;Inst	-0.58	4.27	-1.25	0.94	-4.59	-5.91	NA
<i>Universe Ranking %</i>	8	34	8	19	18	17	NA
Bloomberg Commodity TR	-1.84	3.13	-6.57	-1.50	-7.18	-8.15	-4.32
<i>Universe Ranking %</i>	23	48	14	54	53	57	46

Manager	Ticker	Expense Ratio
DFA Commodity Strategy I	DCMSX	0.32%
Parametric Commodity Strategy I	EIPCX	0.65%
Credit Suisse Commodity Strategy I	CRSOX	0.78%

Universe ranking is based on the **Lipper Commodities General Universe**. Returns greater than one year are annualized.

Source: DFA, Parametric, Credit Suisse, Morningstar

REPORT GLOSSARY



Alpha - Alpha measures the difference between an investment's actual performance, and its expected performance as indicated by its market sensitivity (Beta). A positive Alpha indicates the risk-adjusted performance is above that index.

Batting Average - This measures the frequency with which a manager performs better than a selected benchmark. It is computed by dividing the number of positive excess returns by the total number of excess returns during the period.

Beta - Beta is defined as a Manager's sensitivity to market movements and is used to evaluate market related, or systematic risk. Beta is a measure of the linear relationship, over time, of the Manager's returns and those of the Benchmark. Beta is computed by regressing the Manager's excess returns over the risk free rate (cash proxy) against the excess returns of the Benchmark over the risk free rate. An investment that is as equally volatile as the market will have a Beta of 1.0; an investment half as volatile as the market will have a Beta of 0.5; and so on. Thus, Betas higher than 1.0 indicate that the fund is more volatile than the market.

Down Market (Mkt) Capture Ratio - Down Market Capture Ratio is a measure of an investment's performance in down markets relative to the market itself. A down market is one in which the market's return is less than zero. The lower the investment's Down Market Capture Ratio, the better the investment protected capital during a market decline. A negative Down Market Capture Ratio indicates that an investment's returns rose while the market declined.

Downside Risk (Semi Standard Deviation, Semi StdDev, or Downside Deviation) - Downside Risk only identifies volatility on the down side. Downside Risk measures the variability of returns below zero, whereas Standard Deviation attributes volatility in either direction to risk. The Downside Risk method calculates the deviations below zero for each observed return. Each time a return falls below zero, the sum is divided by the number of observations and the square root is taken. This result is then shown on an annualized basis.

Excess - Denotes that a statistic is being measured relative to the Market Index selected.

R-Squared (R^2) - This statistic indicates the degree to which the observed values of one variable, such as the returns of a managed portfolio, can be explained by, or are associated with the values of another variable, such as a Market Index. The R^2 values generally range from 0.0 to 1.0. An investment with an R^2 of 1.0 is perfectly correlated with the market. An R^2 of 0.95, for example, implies that 95% of the fluctuations in a portfolio are explained by fluctuations in the market.

Sharpe Ratio - The Sharpe Ratio indicates the excess return per unit of total risk as measured by Standard Deviation. It is a ratio of excess returns over the risk free rate to the Standard Deviation. The Sharpe Ratio is a measure of the premium earned for the risk incurred by the portfolio.

Standard Deviation (StdDev) - A measure of the extent to which observations in a series vary from the arithmetic mean of the series. The Standard Deviation of a series of asset returns is a measure of volatility, or risk, of the asset. The more volatile the returns, the higher the standard deviation will be.

Style Map - Plots the historical exposures of a fund's style across appropriate dimensions, such as growth vs. value for equity funds. By viewing this chart, an investor can determine a manager's style consistency over time. Returns based style analysis is used.

Tracking Error - Tracking Error is a measure of how closely an investment's returns track the returns of the selected Market Index. It is the annualized Standard Deviation of the differences between the investment's and the associated index's returns. If an investment tracks its associated index closely, then Tracking Error will be low. If an investment tracks its associated index perfectly, then Tracking Error will be zero.

Up Market (Mkt) Capture Ratio - Up Market Capture Ratio is a measure of a product's performance in up markets relative to the market itself. An up market is one in which the market's return is greater than or equal to zero. The higher the investment's Up Market Capture Ratio, the better the investment capitalized on a rising market.

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**RETIREMENT INCOME PLAN
INVESTMENT POLICY STATEMENT
SEPTEMBER 2019**

BOF 10/16/19
Item # 2d

I. INTRODUCTION AND PURPOSE

The Town of Glastonbury Retirement Income Plan (the “Plan”) provides retirement benefits to those individuals eligible to receive them. The Investment Policy Statement (IPS) outlines the goals and investment objectives for the Plan. This IPS provides guidelines for managing the Plan, and outlines specific investment policies that will govern how those goals are to be achieved. The IPS:

- Describes the investment objectives of the Plan;
- Defines the responsibilities of the Board of Finance (“the Board”) and other parties responsible for the management of the Plan;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the Plan as a whole.

II. INVESTMENT OBJECTIVE

The Plan’s assets shall be invested in accordance with sound investment practices that emphasize the fundamentals of long-term investing. In establishing the investment objectives of the Plan, the Board has taken into account the financial needs and circumstances of the Plan, the time horizon available for investment, the nature of the Plan’s cash flows and liabilities, and other factors that affect the collective risk tolerance of the Board. Consistent with this effort, the Board has determined that the investment of these assets shall be guided by the following underlying investment objectives:

- Achieve a long term return that meets or exceeds the actuarial target of the plan;
- Maintain sufficient liquidity to meet the obligations of the Plan;
- Diversify the assets of the Plan in order to reduce risk;
- Achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios and appropriate market indexes;
- Prudently manage the inherent investment risks related to the achievement of investment objectives.

III. ASSIGNMENT OF RESPONSIBILITIES

Board of Finance – The Board of Finance is responsible for overseeing the assets of the Plan. To that end, the Board will:

- Establish and maintain the Plan’s investment policy, objectives and portfolio guidelines that will direct the investment of the Plan’s assets;
- Determine the Plan’s risk parameters and return evaluation;
- Provide specific interpretation of the investment policy;
- Select the investment vehicles; and,
- Monitor periodically the performance of the investments.

The Board shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Board recognizes that some risk must be assumed to achieve the Plan’s long-term investment objectives.

The Board will meet periodically to carry out these responsibilities. The Board may designate a Pension Committee made up of two (2) members of the Board of Finance, the Town Manager and the Director of Finance to review plan performance, investment manager selection and any other items relevant to the performance and management of the Plan's assets and report back to the Board of Finance with recommendations, as necessary. The Board may engage the services of an investment consultant to aid in the management of the Plan's assets.

Investment Consultant –The investment consultant's role is that of a non-discretionary advisor to the Committee. The investment consultant will:

- Assist in the development and periodic review of the IPS and the Plan's asset allocation;
- Conduct investment manager and investment fund searches when necessary and make appropriate recommendations to the Board on manager selection;
- Monitor continually the performance of the managers/funds;
- Report plan performance to the Board at least quarterly;
- Meet with the Board semi-annually, or more often as deemed necessary; and,
- Communicate to the Board and/or members of the committee, as appropriate on other matters of relevance to the oversight of the Plan.

While the Town is not subject to ERISA, the investment consultant shall acknowledge in writing fiduciary responsibilities in keeping with generally accepted best practices for ERISA retirement plan oversight.

Custodian(s) – The Board will appoint a custodian, responsible for the safekeeping and custody of assets. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plan, collect dividends and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan (for example, to accommodate distribution needs).

IV. ASSET ALLOCATION

The asset allocation target ranges are set forth below. These ranges represent a long-term view to provide an optimal mix of investments to achieve the desired returns necessary to meet current and future liabilities, while at the same time mitigating fluctuations in the overall value of the investment portfolio.

Part A – for Defined Benefit Plan Assets excluding Part B Assets noted below:

Part A assets long-term target allocation is 60% equity, 35% fixed income, and 5% real estate. Market volatility may periodically cause the asset mix to fall outside the targeted range.

Target Asset Allocation Table

Asset Class	Min Weight	Max Weight
Money Market	0.0%	7.5%
Fixed Income	25.0%	40.0%
Domestic Equities	25.0%	45.0%
International Equities	10.0%	30.0%
Real Estate	0.0%	7.5%
Other	0.0%	7.5%

Part B – for Defined Benefit Plan Assets effective December 2, 2014 per Amendments 12 and 13 to the Town of Glastonbury Retirement Income Plan:

Part B assets will initially adhere to a target allocation of 60% fixed income and 40% equity, which may be modified over time as circumstances warrant.

Hybrid Plan Target Asset Allocation Table

Asset Class	Min Weight	Max Weight
Money Market	0.0%	5.0%
Fixed Income	50.0%	70.0%
Domestic Equities	20.0%	40.0%
International Equities	15.0%	35.0%
Real Estate	0.0%	7.5%
Other	0.0%	7.5%

The Board may consider and approve other investment strategies, including alternative investments, after recommendation by the investment consultant to the Board, and as appropriate, review and recommendation by the -committee.

V. REBALANCING

To ensure that the Plan adheres to its asset allocation strategy, the Board may, at its discretion, institute rebalancing, as necessary. Adjustments made by the Board should be made with consideration to recommendations of the investment consultant, turnover, transaction costs, and realized losses over the long-term. The necessity to rebalance will be reviewed periodically.

Any rebalancing within an asset class that changes the allocation for that class greater than seven percentage points requires review and approval by the Board. The Board may request a review and report of the committee, as applicable, prior to approval.

VI. SELECTION CRITERIA FOR INVESTMENT MANAGERS/FUNDS

Investment managers/funds retained by the Plan shall be chosen by the Board, upon recommendation of the investment consultant, using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate indexes and other investments having similar investment objectives with consideration granted to consistency of performance and the level of risk taken to achieve results;
- Investment style and discipline of the investment manager;
- The manager’s investment style or approach and how well it complements other assets in the Plan;
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund.

The Plan may utilize a multi-manager structure of complementary investment styles and asset classes to invest the Plan’s assets.

VII. TERMINATION OF AN INVESTMENT MANAGER OR FUND

An investment manager/fund may be terminated by the Board if one or more of the following has occurred:

The Board has lost confidence in the investment manager's/funds ability to:

- Achieve performance and risk objectives;
 - Comply with investment guidelines;
 - Comply with reporting requirements;
 - Maintain a stable organization and retain key investment professionals;
- Or for any other reason determined by the Board to be in the best interests of the Plan.

There are no hard and fast rules for investment manager/fund termination. However, if the investment manager/fund has consistently failed to adhere to one or more of the above conditions, termination may be considered. Failure to remedy the circumstances of unsatisfactory performance by the investment manager/fund, within a reasonable time, may be grounds for termination.

Certain circumstances may require immediate termination of an investment manager. Upon recommendation of the investment consultant that such action is appropriate, the Pension Committee, as appointed in Section III of this policy, may authorize termination. All members of the Board of Finance will be advised of the consultant's recommendation and of the time and date the Pension Committee will meet to act upon the recommendation. Confirmation of such action will be scheduled for the next Board of Finance meeting.

VIII. SECURITIES GUIDELINES

The Plan's investments may include separately managed accounts and/or mutual funds/commingled funds and exchange traded funds. The Board understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the investment manager's policy statement of each of the Plan's separately managed accounts or in the prospectus/offering memorandum for each mutual fund/commingled fund/exchange traded funds in the portfolio.

With respect to mutual/commingled funds, the Board may consider and regularly evaluate the following to insure proper diversification and function for each of the funds:

- The mutual fund/commingled pool organizations selected should demonstrate: (a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; and (d) cost-effectiveness.
- The mutual fund/commingled pool selected will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
- Each mutual fund/commingled pool will maintain proper asset allocation diversity and provide material information on a timely basis.

IX. PROXY VOTING

Each investment manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies in the best interest of the Plan. A copy of each investment manager's guidelines, and/or summary of proxy votes shall be provided to the Board upon request.

X. INVESTMENT MONITORING AND REPORTING

The Board will periodically review performance of the investments in the Plan. Performance monitoring is one of the mechanisms used to evaluate the selected investments, confirm that the criteria originally set for each investment is satisfied and that each investment continues to be appropriate for the Plan. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process will utilize the same criteria that formed the basis of the investment selection decision and the following indices may be used to monitor performance:

Asset Class	Benchmark Index
Money Market	Citigroup Three-Month Treasury Bill Index
Fixed Income	Barclays Aggregate Index & Citigroup World Government Bond Index
Domestic Equities	Russell 3000 Index
International Equities	MSCI ACWI ex-US Index
Real Estate	NCREIF
Other	CPI +5%

Additional indices may be added/used, as applicable to a specific type of investment or asset class. In addition, a set of “watch list criteria” may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus the Board on potential areas of concern.

Watch list criteria may include the following:

- Performance relative to benchmark performance over various time frames;
- Deterioration of risk-adjusted performance;
- Notable style drift/change in investment objective;
- Relative investment management fees;
- Significant organizational or manager change.

XI. APPROVAL

It is understood that this IPS is to be reviewed periodically by the Board to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment managers.

Originally Adopted by Glastonbury Board of Finance on November 17, 2010.
Last Revised and Adopted by Glastonbury Board of Finance on September 18, 2019.

**GLASTONBURY BOARD OF FINANCE
REGULAR MEETING MINUTES
WEDNESDAY, SEPTEMBER 18, 2019**

The Glastonbury Board of Finance with Finance Director, Julie Twilley, and Town Manager, Richard J. Johnson, in attendance, held a regular meeting at 4:00 p.m. in the Meeting Room A, 2155 Main Street, Glastonbury, Connecticut.

Also in attendance were Chris Kachmar from FIA; Ms. Nina Cousins, Controller; and Councilmembers George Norman, Chip Beckett, Whit Osgood, and Kurt Cavanaugh. Prior to the meeting, Ms. Twilley announced that Ms. Cousins is retiring, and this would be her last BOF meeting.

Roll Call

Members

- Mr. Constantine "Gus" Constantine, Chairman
- Mr. Jared Soper, Vice Chairman
- Mr. James McIntosh {called in}
- Mr. Walter Cusson
- Mr. James Zeller
- Ms. Jennifer Sanford

1) Public Comment Session (sign in sheet provided)

None

2) Action / Communication: Chris Kachmar from FIA

a. Fiduciary Governance Calendar for 2nd Quarter

Mr. Kachmar went through the second quarter fiduciary governance calendar. Mr. Soper asked if the Town's hybrid pension plan is still appropriately allocated, given that the Fed is lowering interest rates. Mr. Kachmar said yes, the general allocations continue to make sense. Mr. Johnson agreed, adding that the investment assumption is a conservative 5%.

In terms of legislative updates, Mr. Kachmar noted that estimated pension liabilities may go up 3-5% with the new mortality tables. Mr. McIntosh asked if that is because public employees live longer. Mr. Kachmar said yes. Ms. Sanford asked when the January 2019 study begins to impact pension plans. Ms. Twilley explained that the new auditors are still figuring out when the expectation will be to take in this new evaluation.

Mr. Kachmar noted that we are in the midst of a long expansion. He predicted that if there were to be a downturn in the market, it probably would not hit very intensely. Ms. Sanford asked if they are still committed to the large-cap value. Mr. Kachmar said that

the small cap in the U.S. have had a better run recently, but they are still relatively neutral on capitalization.

i. Action: Ratify Investment Policy Statement

Motion by: Mr. James Zeller

Seconded by: Mr. Walter Cusson

The Board of Finance has reviewed the changes and Retirement Investment Income Plan Investment Policy Statement and moves to re-ratify the Statement without changes.

Result: Motion passed unanimously (6-0-0).

ii. Action: Appointment of Investment Sub Committee Members

Motion by: Mr. James Zeller

Seconded by: Mr. Walter Cusson

The Board of Finance tables the appointment of investment subcommittee members until the November meeting.

Result: Motion passed unanimously (6-0-0).

b. Communication: Q2-2019 Portfolio Performance Review

Mr. Kachmar explained the performance numbers for the fiscal year. Ms. Sanford stated that negative-yielding bonds may not be the diversifying projector they hoped for. Mr. Kachmar agreed, stating that they do not have a lot of precedent for how this shapes out, and it will need to be monitored. Mr. Soper stated that the Board projected a 2.25% interest rate return on the general fund. He asked if the Board will struggle to get there. Mr. Kachmar said he believes it will be a struggle to achieve 2.25%. Ms. Cousins explained that they have a combination of funds that could be invested out for 5-7 years.

Mr. Kachmar explained that August was a down-market for equities, but it has turned a little in September. Thus far, this month, international stocks are outperforming the S&P for the first time in a while. Ms. Sanford stated that, at the last meeting, the Board sought to replace the Credit Suisse account, which has a 1% fee. Mr. Kachmar stated that he will look into another fund and get back to the Board.

Mr. Soper asked about the Touchstone growth fund, which has just shy of 90 basis points. He noted that it has been a relatively mediocre performer. Mr. Kachmar stated that they are thoughtful investors, noting that the fund has gone up lately, so he does have confidence in them, for the time being. Mr. Soper asked Ms. Twilley what the Town pension reports Milliman provides. Ms. Twilley stated that she will check on the GASB numbers and get back to the Board.

c. Communication: Portfolio Update

Mr. Kachmar explained that there will be a couple deliverables at the next meeting.

3) Communication: OPEB Annual Contribution

Ms. Twilley reviewed the report dated September 11, 2019.

4) Action: To move agenda Items 16 and 15 up to items 5 and 6 respectively

Motion by: Mr. Soper

Seconded by: Mr. Cusson

BE IT RESOLVED, that the Glastonbury Board of Finance hereby moves agenda Item 16 (“Board of Finance member Committee Reports, comments and remarks (no action to be taken)”) and Item 15 (“Action: Land Acquisition”) up to Items 5 and 6 respectively.

Result: Motion passed unanimously (6-0-0).

5) Board of Finance member Committee Reports, comments and remarks (no action to be taken)

Mr. George Norman of the Town Council explained that he made a suggestion at the Council meeting for a BOF member to speak on about the budget process prior to its commencement, noting that it could help make the ensuing discussion less emotional, and would provide guidance to those building their budgets, leading to a more concrete budget discussion in March.

Mr. Johnson explained that, in previous years, a pre-budget workshop was held. Mr. Cusson asked when this meeting met last. Mr. Johnson said a few years ago. He noted that, should the Board so choose, they could hold a similar discussion. Mr. Zeller said that sooner is better. Mr. Norman agreed. Mr. Constantine asked if the Board would also get recommendations from the Council. Mr. Whit Osgood responded that the meeting should be held in November, so as to give them time and allow any newly elected members to participate. Ms. Sanford expressed support for any kind of meeting to assist in the budget process.

6) Land acquisition process

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED that the Glastonbury Board of Finance hereby recommends to the Town Council acquisition of the ± 72-acre parcel off Dickinson Road.

Result: Motion passed unanimously (6-0-0).

7) Communication: Minutes – July 17, 2019

Minutes accepted as presented.

8) Action / Communication: Year-End Items

a) Communication: Preliminary Year End Review 2017-2018 After Year End Close

Ms. Twilley reviewed the report dated September 10, 2019.

b) Communication & Action: Health Self Insurance Fund YE Contribution (and transfer)

Ms. Twilley reviewed the report dated September 10, 2019.

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

MOVED, that the Board of Finance hereby transfers \$120,300 from the Deductibles and Casualty Insurance funds to the Employee Related Insurance Fund.

Result: Motion passed unanimously (6-0-0).

c) Communication: Special Revenue Funds June 30, 2019 Reports

Ms. Twilley reviewed the report dated August 22, 2019.

- i) Sewer Operating and Sewer Sinking Funds
- ii) Recreation Activities and Police Private Duty Funds

d) Communication: Review of Capital Outlay Carry Forwards

Ms. Twilley reviewed the report dated September 10, 2019.

e) Action: Review and Approval of Encumbrance Carry Forwards

Ms. Twilley reviewed the report dated September 10, 2019.

Motion by: Mr. Cusson

Seconded by: Mr. Soper

BE IT RESOLVED that the Glastonbury Board of Finance hereby recommends to the Town Council the approval of the FY18/19 carry forward of encumbrances totaling \$195,000.79 for the General Fund and \$21,080.00 for the Sewer Operating Fund, as appropriations from Fund Balance.

Result: Motion passed unanimously (6-0-0).

f) Communication: Review of Capital Projects to be Closed

Ms. Twilley reviewed the report dated September 10, 2019.

g) Communication: Review of Intra-Department Transfers Under \$5,000

Ms. Twilley reviewed the report dated September 10, 2019.

h) Action: Review and Approval of Intra-Department Transfers Over \$5,000

Ms. Twilley reviewed the report dated September 10, 2019.

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

The Board of Finance approves the June 30, 2019 intra-department transfers over \$5,000 in the amount of \$994,369.

Result: Motion passed unanimously (6-0-0).

i) Action: FY18/19 Inter-Departmental Transfers.

Ms. Twilley reviewed the report dated September 10, 2019.

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

The Board of Finance approves the June 30, 2019 intra-department transfers in the amount of \$18,233.

Result: Motion passed unanimously (6-0-0).

9) Communication: Pension Report – July 2019

Ms. Twilley reviewed the report dated August 23, 2019.

10) Communication: Month End Investments – July 2019

Ms. Cousins reviewed the report dated September 9, 2019.

11) Communication: Financial Summary (Expenditure) for 2 months - August 2019

Ms. Twilley reviewed the report dated September 10, 2019.

12) Communication: Education Reconciliation – July 2019

Ms. Cousins reviewed the report dated August 26, 2019.

13) Communication: Capital Projects – August 2019

Ms. Twilley reviewed the report dated September 10, 2019.

14) Communication: Self Insurance Reserve Fund – August 2019

Ms. Twilley reviewed the report dated September 11, 2019.

15) Communication: Transfers Approved by Town Manager Since Last Meeting

- a) **Tax Department – 3rd Workstation at the Counter (\$1,100.00)**
- b) **Purchasing Department – Temporary Help (\$4,600.00)**

16) Action: Transfers over \$5,000

- a) **CIP - Library Space Planning Study (\$10,515.00)**

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

MOVED, that the Board of Finance hereby transfers \$10,515 from the Library Space Planning Study to the Library Renovation Fund.

Result: Motion passed unanimously (6-0-0).

- b) **CIP - Library Windows (\$8,624.32)**

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

MOVED, that the Board of Finance hereby transfers \$8,624.32 from the Library Windows Project to the Library Exterior Renovations Project and the Disaster Prep/Recovery Resource.

Result: Motion passed unanimously (6-0-0).

- c) **CIP - Elementary School A/C Repayment to General Fund**

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

MOVED, that the Board of Finance hereby transfers \$75,000 from Capital Reserve Projects to the General Fund.

Result: Motion passed unanimously (6-0-0).

17) Communication: Bank Collateralization Report

Ms. Twilley reviewed the report dated June 30, 2019.

18) Adjournment

Motion by: Mr. Cusson

Seconded by: Mr. Zeller

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of September 18, 2019, at 5:56 p.m.

Result: Motion passed unanimously (6-0-0).

Respectfully submitted,

Lilly Torosyan
Lilly Torosyan
Recording Clerk

For anyone seeking more information about this meeting, a video on demand is available at www.glastonbury-ct.gov/video; click on Public Broadcast Video On Demand, and an audio recording is available in the Finance and Administrative Services Office.



**GLASTONBURY BOARD OF FINANCE
SPECIAL MEETING MINUTES
FRIDAY, SEPTEMBER 27, 2019**

**BOF 10/16/19
Item # 3b**

The Glastonbury Board of Finance with others in attendance held a Special Meeting at 9:00 a.m. in Meeting Room A of Town Hall, 2155 Main Street, Glastonbury, Connecticut.

1. Roll Call

Board of Finance Members

- Constantine "Gus" Constantine, Chairman
- Jennifer Sanford, Vice Chairman
- Jared Soper
- James McIntosh (participated via telephone)
- Walter Cusson
- James Zeller

Council Members

- Mr. Thomas P. Gullotta, Chairman
- Dr. Stewart Beckett III

Others present

- Richard J. Johnson, Town Manager
- Julie Twilley, Director of Finance & Administrative Services

Chairman Constantine called the meeting to order. Motion was made by Mr. Cusson and seconded Mr. Zeller to enter into Executive Session at 9:05 a.m. Motion passes unanimously.

1. Roll Call.

Present for the Executive Session are Board of Finance Members, Constantine "Gus" Constantine (Chairman), Jennifer Sanford (Vice Chairman), Jared Soper, James McIntosh (via telephone, Walter Cusson, James Zeller. Also present are Council Members, Thomas P. Gullotta (Chairman) and Dr. Stewart Beckett III, as well as Richard J. Johnson (Town Manager) and Julie Twilley (Director of Finance & Administration).

(a) Pledge of Allegiance.
None.

2. Public Communication and Petitions pertaining to the Call.
None.

3. Special Business as contained in the Call.
(a) Executive Session.

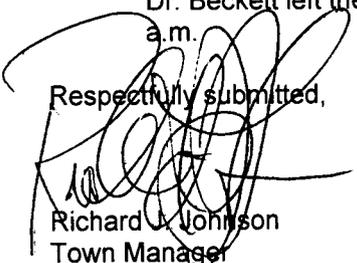
- **Potential Land Acquisition.**

Discussion was held concerning potential land acquisition. There were no votes taken following Executive Session.

4. Adjournment.

Dr. Beckett left the meeting at 9:55 a.m. With no further business to discuss, the meeting adjourned at 10:10 a.m.

Respectfully submitted,



Richard J. Johnson
Town Manager

BOF 10/16/19
Item # 4

DEPARTMENT OF FINANCE & ADMINISTRATIVE SERVICES

September 25, 2019

TO: Board of Finance & Richard J. Johnson, Town Manager
 FROM: *JBT* Julie Twilley, Director of Finance & Administrative Services
 RE: Pension Investment Review - August 2019

As of August 31, 2019 the pension asset value is \$158,373,891, a net increase of \$5,074,638 from July 1, 2019. Through the month of August, the fund experienced an unrealized loss of \$1,905,285, which is indicative of the current market and there were realized losses of \$101,724. Investment income through August totaled \$325,714.

July 1, 2019 Balance	\$ 153,299,253
Revenues:	
Employer Contributions	\$ 8,170,908
Employee Contributions	\$ 282,335
Total Contributions	\$ 8,453,243
Investment Income	\$ 325,714
Realized Gains/Losses	\$ (101,724)
Unrealized Gains/Losses	\$ (1,905,285)
Total Revenues	\$ 6,771,947
Expenditures:	
Benefit Payments	\$ 1,657,089
Administrative Fees	\$ 11,995
Investment Management Fees	\$ 28,224
Total Expenditures	\$ 1,697,309
Net Increase/Decrease	\$ 5,074,638
Ending Balance August 31, 2019	\$ 158,373,891

Assuming a 6.5% long-term return on the plan’s investments, the July 1, 2018 Unfunded Accrued Liability is \$58.4 million (GASB 68 financial reporting basis) and the corresponding funded ratio is 71.6%. The Town’s policy for paying off the unfunded liability is such that there are 14 years remaining in our amortization schedule.

cc: Nina Cousins, Controller
 Karen Bonfiglio, Finance Manager, Glastonbury Public Schools

Town of Glastonbury

**Administrative Services
Accounting Division**

October 8, 2019

To: Board of Finance
Richard J. Johnson, Town Manager

From: *NKC* Nina R. Cousins, Controller

Subject: Monthly Investment Status

Pooled Investments

The Town's pooled cash investment balances at August 31, 2019 were \$117,443,344. As of month-end, the investment balances for all funds combined were as follows:

Type of Investment	Amount	Rate	
STIF	\$ 40,109,021	2.16	
Citizens Bank	1,212,277	1.80	
Northern Capital Investment Account	11,348,406	1.30-3.40	Est. current accrued interest \$36,449
Northern Capital Sewer Funds	9,174,090	1.20-3.25	Est. current accrued interest \$16,203
People's United Investments	40,433,854	1.97	
United Bank Money Market	6,767,846	2.02	
TD Bank Investments	1,068,505	1.81	
TD Bank CD	<u>7,329,345</u>	1.95	Matures 10/28/19
Total	<u>\$117,443,344</u>		

General Fund Earnings

- The General Fund portion of pooled investments at August 31 was \$86.2 million.
- As of August 31, the General Fund has realized investment earnings of \$239,418.
- As of August 31, Sewer Sinking funds totaling \$8,186,385 were invested in fully-insured CDs and \$986,303 were invested in US Government Agency securities with terms varying from 6 months to seven years, with current-year realized investment earnings of \$22,951.

Comparative information concerning General Fund earnings follows.

Fiscal Year	Budget	Realized Investment Earnings July-August	Percent of Budget
2019	\$800,000	170,715	21.34%
2020	\$1,500,000	239,418	15.96

cc: Julie Twilley, Director of Finance

TOWN OF GLASTONBURY
 ADMINISTRATIVE SERVICES - Financial Administration

BOF 10/16/19
Item # 6

October 9, 2019

TO: Board of Finance and
 Richard J. Johnson, Town Manager

FROM: JBT Julie Twilley, Director of Finance & Administrative Services

RE: Financial Summary for the Three Months Ended September 30, 2019 (FY 2019/20)

Revenues & Transfers Summary:

Following is a comparison of revenues received to date, percent of budget collected and percent of revenue category to the total Town budget for the current and previous fiscal year.

Fiscal Year	Amend/Budget	Actual Through September	Actual % of Budget Collected	Category as % of Total Town Budget
Tax Revenues				
2018/2019	150,395,708	81,843,382	54.4%	91.1%
2019/2020	153,589,767	83,807,235	54.6%	92.5%
Licenses & Permits				
2018/2019	1,126,100	376,128	33.4%	0.7%
2019/2020	1,150,800	441,954	38.4%	0.7%
Intergovernmental				
2018/2019	8,313,504	188,331	2.3%	5.0%
2019/2020	6,781,043	172,381	2.5%	4.1%
Charges for Services				
2018/2019	1,450,470	363,850	25.1%	0.9%
2019/2020	1,436,765	395,760	27.5%	0.9%
Other Revenues				
2018/2019	1,784,841	324,237	18.2%	1.1%
2019/2020	2,474,251	303,860	12.3%	1.5%

Anticipated revenues for 2019/20 total \$166.0m comprised of revenues, transfers and an appropriation from Fund Balance to finance the 2019/20 adopted operating budget. At the end of the first quarter, the Town collected \$85.1m in revenues (\$80.9m remaining due to meet full year budget) which represents an increase of \$2.0m when compared to the previous year for the same period. The majority of the year-over-year change is related to:

- Tax Revenues collected were approximately \$1.96m more through September 2019 compared to the prior year. The majority of this increase was on the Current Levy.
- Licenses and Permits revenues were \$66k higher than the prior year driven largely by higher building inspection fees and refuse permit fees.
- Intergovernmental revenues were \$16k lower than the prior year due to timing of Dial-A-Ride grant receipts.
- Charges for Services collected were \$32k higher than the prior year, driven by Solid Waste Tip Fees, Passport Processing and Senior Service Program Fees.
- Other Revenues were \$20k lower than the prior year driven by interest on investments. Interest on investments was \$86k lower than the prior year, which was partially offset by receipts from auction sales and bulky waste fill sales. The 2019/2020 Budget assumed an interest rate of 2.25%, which, if achieved, would yield \$1.5m in revenue.

cc: Karen Bonfiglio, Finance Manager
 Nina R. Cousins, Controller

Expenditure Summary:

Through September 30, 2019, encumbrances total \$83.1m and expenditures total \$38.1m. Combined, this represents 73% of the Town's revised general fund budget of \$166.3m. This compares to \$82.2m and \$39.8m respectively, or 75%, for the same period in the prior year.

The expenditure increase of \$3.5m is comprised of increases in Education expenditures of \$3.3m and Town expenditures of \$1.1m, which is partially offset by a reduction in Debt and Transfers of \$1.0m, compared to the previous year. The variance in Education and Town is mostly related to higher wage and benefit rates as well as a higher pension contribution this year. The year-over-year increase in Pension contribution for Education was \$121k and for the Town was \$170k. Note that the assumed long-term rate of return on investments was reduced from 6.625% in FY2018/2019 to 6.5% in FY2019/2020. The \$1.0m reduction in Debt and Transfers is related to a \$1.2m reduction in debt service costs, which is partially offset by an increase in the transfer to the Capital Reserve Fund from \$5.75m in FY2018/2019 to \$6.0m in FY2019/2020.

Below is an Expenditure & Transfer summary report through September 30, 2019.

FINANCIAL COMPARISONS

The below comparison includes Education encumbrance amounts not reflected in the Town's system Reports.

Fiscal Year	Amend/Budget	Expended	Encumbered	Comit %
<u>2018/2019</u>				
Town	\$ 42,452,562	\$ 12,991,184	\$ 15,846,641	68%
Education	105,366,982	18,032,040	60,421,074	74%
Debt/Transfers	14,967,804	8,741,805	5,956,032	98%
<u>2019/2020</u>				
Town	\$ 43,592,562	\$ 13,808,889	\$ 15,336,104	67%
Education	108,699,846	16,497,444	62,021,077	72%
Debt/Transfers	13,973,755	7,795,186	5,742,702	97%

Expenditure comparisons of the three major Town Departments are presented below:

	2018/2019	%	2019/2020	%
ADMIN SERVICES	\$ 1,654,497	27%	\$ 2,077,711	33%
PUBLIC SAFETY	4,933,599	35%	5,167,117	35%
PHYSICAL SERVICES	1,938,531	27%	2,017,308	27%

cc: Karen Bonfiglio, Finance Manager
Nina R. Cousins, Controller

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2020 Through September 30, 2019

10/1/2019
9:33:44AM

FUND 010 - GENERAL FUND

DESCRIPTION	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2020 THRU SEPTEMBER	2020 ENCUMB	AVAILABLE BALANCE	2020 % USED
GENERAL GOVERNMENT						
TOWN COUNCIL	143,233	165,233	73,517	27,001	64,715	60.8 %
CUSTOMER SERVICE	60,316	60,316	-	-	60,316	- %
TOWN MANAGER	615,550	637,450	175,966	288,109	173,375	72.8 %
HUMAN RESOURCES	507,055	507,055	134,145	203,797	169,113	66.6 %
FACILITIES MAINTENANCE	1,985,648	2,001,383	581,141	653,919	766,323	61.7 %
TOTAL GENERAL GOVERNMENT	3,311,802	3,371,437	964,769	1,172,827	1,233,841	63.4 %
COMMUNITY DEVELOPMENT						
COMMUNITY DEVELOPMENT	562,910	562,910	153,190	270,176	139,544	75.2 %
BUILDING INSPECTION	552,405	569,405	167,674	238,850	162,881	71.4 %
FIRE MARSHAL	359,192	359,192	123,067	138,520	97,605	72.8 %
HEALTH	727,422	735,412	213,126	328,024	194,262	73.6 %
TOTAL COMMUNITY DEVELOPMENT	2,201,929	2,226,919	657,057	975,570	594,292	73.3 %
ADMINISTRATIVE SERVICES						
FINANCIAL ADMINISTRATION	676,644	695,884	150,967	314,088	230,829	66.8 %
INFORMATION TECHNOLOGY	840,403	840,403	332,048	271,280	237,075	71.8 %
ACCOUNTING	449,625	468,238	142,055	247,144	79,039	83.1 %
PROPERTY ASSESSMENT	677,385	677,385	239,714	234,116	203,555	69.9 %
REVENUE COLLECTION	497,684	497,684	191,262	184,889	121,533	75.6 %
TOWN CLERK	546,198	546,198	172,246	245,914	128,038	76.6 %
VOTER REGISTRATION	170,200	170,200	18,877	7,650	143,673	15.6 %
LEGAL SERVICES	300,000	300,000	18,085	13,493	268,421	10.5 %
PROBATE SERVICES	24,800	27,633	5,038	13,837	8,758	68.3 %
INSURANCE/PENSIONS	2,030,799	2,030,799	807,418	265,115	958,266	52.8 %
TOTAL ADMINISTRATIVE SERVICES	6,213,738	6,254,423	2,077,711	1,797,525	2,379,187	62.0 %
PUBLIC SAFETY						
POLICE	13,396,071	13,488,599	4,923,746	5,111,488	3,453,365	74.4 %
VOLUNTEER AMBULANCE	20,820	20,820	2,357	1,521	16,942	18.6 %
FIRE	1,131,961	1,139,863	233,670	135,966	770,227	32.4 %
CIVIL PREPAREDNESS	31,202	31,202	7,344	339	23,518	24.6 %
TOTAL PUBLIC SAFETY	14,580,054	14,680,484	5,167,117	5,249,315	4,264,052	71.0 %
PHYSICAL SERVICES						
ENGINEERING	1,657,000	1,657,000	562,787	649,063	445,150	73.1 %
HIGHWAY	4,534,907	4,534,907	1,083,837	1,691,750	1,759,319	61.2 %
FLEET MAINTENANCE	1,265,363	1,265,363	370,684	446,860	447,819	64.6 %
TOTAL PHYSICAL SERVICES	7,457,270	7,457,270	2,017,308	2,787,673	2,652,289	64.4 %
SANITATION						
REFUSE DISPOSAL	859,961	881,622	206,578	368,656	306,388	65.2 %
TOTAL SANITATION	859,961	881,622	206,578	368,656	306,388	65.2 %
HUMAN SERVICES						
CONTRIBUTORY GRANTS	32,577	32,577	-	-	32,577	- %
YOUTH/FAMILY SERVICES	1,301,056	1,301,056	363,494	479,265	458,296	64.8 %
SENIOR & COMMUNITY SERVICES	1,630,871	1,630,871	447,616	487,959	695,297	57.4 %
TOTAL HUMAN SERVICES	2,964,504	2,964,504	811,110	967,224	1,186,170	60.0 %

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2020 Through September 30, 2019

10/1/2019
9:33:44AM

FUND 010 - GENERAL FUND

DESCRIPTION	2020 ORIGINAL BUDGET	2020 REVISED BUDGET	2020 THRU SEPTEMBER	2020 ENCUMB	AVAILABLE BALANCE	2020 % USED
LEISURE/CULTURE						
PARKS/RECREATION	3,942,912	3,954,047	1,348,594	1,349,294	1,256,159	68.2 %
WELLES TURNER LIBRARY	1,786,855	1,786,855	543,646	668,020	575,189	67.8 %
SOUTH GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0 %
EAST GLASTONBURY LIBRARY	7,500	7,500	7,500	-	-	100.0 %
TOTAL LEISURE/CULTURE	5,744,767	5,755,902	1,907,240	2,017,314	1,831,349	68.2 %
OTHER:DEBT & TRANSFERS						
DEBT SERVICE	7,157,157	7,157,157	978,588	5,742,702	435,868	93.9 %
TRANSFERS	6,816,598	6,816,598	6,816,598	-	-	100.0 %
TOTAL OTHER:DEBT & TRANSFERS	13,973,755	13,973,755	7,795,186	5,742,702	435,868	96.9 %
EDUCATION						
EDUCATION	108,699,846	109,259,259	16,575,531	13,190	92,670,538	15.2 %
TOTAL EDUCATION	108,699,846	109,259,259	16,575,531	13,190	92,670,538	15.2 %
TOTAL GENERAL FUND	166,007,626	166,825,576	38,179,606	21,091,996	107,553,974	35.5 %

GLASTONBURY PUBLIC SCHOOLS

TO: Board of Education
Board of Finance
FROM: Alan B. Bookman, Superintendent
Karen Bonfiglio, Finance Manager
DATE: September 26, 2019
RE: Reconciliation
Education General Fund Total Expenditures &
Checking Accounts for All Programs

- 1) The Education and Town staff has agreed as to the total expenditures for the Education Budget, in concert with the Town's control totals.
The year to date General Fund expenditures through August 2019 are \$9,369,762.
- 2) Checking Account Reconciliations:

<u>ACCOUNT TITLE</u>	<u>Date Completed By Education</u>	<u>Date Reviewed By Town</u>
<u>General Fund:</u>		
Accounts Payable	09/05/19	09/11/19
Payroll	09/05/19	09/11/19
<u>Other Funds:</u>		
Educational Grants	09/05/19	09/11/19
Student Activities	09/10/19	09/11/19
School Foods	09/25/19	09/26/19
Dependent Care	09/10/19	09/11/19
Planetarium	09/10/19	09/11/19

cc: Nina Cousins, Controller

Note: Reconciliation of checking accounts will generally follow a two month time frame after the applicable month for which the report is being prepared. We would suggest that we do not expect to complete reconciliations until that time. In completion of various accounting functions, administrative assignments will also stagger the work for those reconciliations.

TOWN OF GLASTONBURY

ADMINISTRATIVE SERVICES - Financial Administration

October 9, 2019

TO: Board of Finance
FROM: **QBT** Julie Twilley, Director of Finance & Administrative Services
RE: Capital Projects Fund Expenditures Report
For the Period Ended September 30, 2019 (FY 2019/2020)

The funding presented on this statement has been authorized by referendum, the annual Capital Improvement Program and additional appropriations from the Capital Reserve Fund balance as noted below. The Capital Program designation includes funding resources of the Capital Reserve Fund, Sewer Assessments Fund, or Sewer Operating Fund and grants. In some cases, funding resources may also be provided from General Fund fund balance.

Current appropriated funding for all Capital projects as indicated on the September 30, 2019 report is **\$96.4m**.

Expenditures for current projects since inception through September 30, 2019 total **\$69.2 m**. Encumbrances outstanding total **\$10.6m**. The most significant encumbrances are for Land Acquisitions (\$5.0m), Cider Mill Pump Station (\$1.6m), School HVAC/Boilers (\$1.2m) and a Fire Apparatus (\$0.7m).

Capital expenditures through the month of September totaled **\$1.6m** and were for Road Overlay, Heavy Equipment and other capital projects.

Attachment

Cc: Richard J. Johnson, Town Manager
Nina R. Cousins, Controller
Karen Bonfiglio, Finance Manager, Board of Education

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through September 30, 2019

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU SEPTEMBER	2020 ENCUMB	AVAILABLE BALANCE
FUND 301 - CAPITAL RESERVE PROJECTS					
GenGovt/Public Safety					
Academy Re-Use Phase One	2,221,238	2,219,672	-	-	1,566
Town Buildings Security	564,743	411,184	204	87,261	66,299
Disaster Prep/Recovery Resourc	884,000	864,748	-	19,118	134
Fire Co Renovations/Code Compl	420,000	49,840	5,794	90,108	280,052
Public Safety Communications	515,000	397,516	-	-	117,484
Multi-Town Dispatch Center	717,810	717,810	-	-	-
Police Lockers	305,000	303,570	-	-	1,430
Police Building Windows	142,500	7,331	-	133,416	1,753
Police Building Windows	60,000	-	-	46,980	13,020
Fiber Optic Network-School/Twn	1,117,000	1,110,083	-	5,975	942
Fire Apparatus	575,000	2,563	-	554,231	18,206
Fire Apparatus	135,000	-	-	134,945	55
Land Acquisition	1,253,639	1,150,425	-	-	103,214
Town Facilities Shop/Storage	1,045,000	915,821	13,348	117,793	11,386
Property Revaluation	1,706,500	1,441,351	8,469	20,777	244,373
Townwide Boiler/HVAC Replaceme	557,323	556,812	-	-	511
Document Management System	460,000	258,295	-	51,018	150,687
Telephone System	175,000	173,630	-	-	1,370
Tn Hall Improvements	1,717,283	1,679,347	29,532	20,691	17,245
Townwide Roof Replacement	750,000	530,390	386	89,698	129,912
Clean Renewable Energy In	1,387,044	1,270,372	-	5,124	111,548
GenGovt/Public Safety	16,709,080	14,060,760	57,733	1,377,133	1,271,187

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through September 30, 2019

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU SEPTEMBER	2020 ENCUMB	AVAILABLE BALANCE
PhyServices Sanitation					
Bulky Waste Scale	91,000	91,523	-	-	(523)
Dam Maintenance/Replacement	35,000	22,624	-	-	12,376
Dam Maintenance/Replacement	594,000	568,622	-	24,285	1,093
Dam Maintenance/Replacement	50,000	-	-	-	50,000
Bridge Replacement/Rehabil	3,691,258	2,740,953	2,729	90,894	859,411
Hebron Ave Trail Fencing	35,000	35,000	-	-	-
GriswoldHouseSt Intersect	1,457,000	1,265,884	-	-	191,116
Douglas/Sycamore Str Alignment	210,000	26,649	-	3,251	180,100
Main Street Sidewalks Phase 3	965,000	34,221	-	7,765	923,014
Parking/Access Drive Improvmnt	600,000	450,260	190,737	-	149,740
Hebron Avenue Resurfacing	1,250,000	1,007,244	-	100,023	142,733
Sidewalk Construction Townwide	73,977	73,967	-	-	11
Sidewalk Construction Townwide	100,000	600	600	-	99,400
Cedar Ridge Public Water	250,000	50,000	50,000	-	200,000
Sidewalk Repair and Maintenanc	175,000	29,639	29,639	145,361	-
Townwide Drainage Solutions	100,000	-	-	-	100,000
Old Maids Lane-Public Water	175,000	-	-	-	175,000
Road Overlay	901,217	901,217	-	-	-
Road Overlay	1,400,000	1,370,008	-	-	29,992
Road Overlay	1,400,000	835,341	835,341	318,245	246,414
Heavy Equipment	214,070	163,702	109,837	-	50,368
Heavy Equipment	235,000	194,321	194,321	393	40,286
Heavy Equipment	166,912	166,912	-	-	-
Heavy Equipment	252,018	252,018	-	-	-
Glastonbury Blvd Paving	1,800,000	-	-	-	1,800,000
Traffic Calming	100,000	-	-	-	100,000
Renovation andSite Restoration	1,559,720	1,438,548	-	107,873	13,299
Town Center Traffic/Street Imp	2,125,000	2,080,862	-	43,097	1,041
Main Street Traffic Signal Sys	2,836,000	2,793,954	676	-	42,047
Hebron Ave/House St Improvemen	1,975,000	1,405,357	-	283,458	286,185
PhyServices Sanitation	24,817,173	17,999,426	1,413,880	1,124,645	5,693,102
Culture/Parks &Recreation					
Aquatics Facility	125,000	109,396	-	-	15,604
Bikeways / Bikepaths	955,000	940,739	-	7,100	7,162
Minnechaug Golf Improvements	512,500	349,665	442	2,686	160,149
Library Exterior Renovations	94,624	-	-	-	94,624
Multi-Use Trail	975,000	-	-	-	975,000
Parks Facility Renov/Expansion	1,067,500	962,018	10,216	46,789	58,694
Riverfront Park Extension	803,973	777,023	-	-	26,950
Library Upgrade/Redesign	450,000	247,561	-	-	202,439
Library Windows	147,157	156,376	-	-	(9,219)
Grange Pool	350,000	331,565	-	19,389	(954)
Tree Management	125,000	-	-	-	125,000
Cider Mill	80,000	39,651	-	-	40,349
Open Space Access	540,000	337,421	-	1,000	201,579
Winter Hill	100,000	97,326	-	1,800	874
Library Space Planning Study	39,485	39,485	-	-	-
Culture/Parks &Recreation	6,365,239	4,388,225	10,658	78,763	1,898,251

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through September 30, 2019

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU SEPTEMBER	2020 ENCUMB	AVAILABLE BALANCE
Education					
HVAC/Boilers	1,299,034	168,584	1,950	1,151,456	(21,006)
Energy Audit--All Schools	312,500	241,303	-	-	71,197
Carpet Replacement - Schools	561,641	561,641	-	-	-
Carpet Replacement - Schools	309,859	297,270	-	-	12,589
GHS Fieldhouse	1,115,000	68,747	-	47,054	999,198
Gideon Wells Window Replmnt	1,723,842	1,687,509	-	-	36,333
Schools Air Conditioning	2,775,000	2,163,396	(4,950)	-	611,604
School Code Compliance	230,000	103,713	-	83,283	43,004
GHS Kitchen Upgrades	1,550,000	166,215	23,673	65,672	1,318,113
GHS Parking and Access Drives	365,000	365,616	131,329	-	(616)
School Roofs	50,000	5,788	900	12,600	31,612
School Communications	100,000	86,150	-	-	13,850
Education	10,391,876	5,915,933	152,902	1,360,066	3,115,878
GHS Renov/ Capital Reserve					
GHS Auditorium Acoustics	100,000	64,533	-	-	35,467
GHS Renov/ Capital Reserve	100,000	64,533	-	-	35,467
TOTAL CAPITAL RESERVE PROJECTS	58,383,368	42,428,877	1,635,173	3,940,607	12,013,884
FUND 302 - SEWER SINKING PROJECTS					
PhySer Sewer Sinking					
WPC Emergency Power	202,500	145,764	-	-	56,736
WPC Energy Conservation Prog	315,000	68,051	-	36,218	210,731
Cider Mill Pump Station	1,791,000	90,744	2,150	1,560,259	139,997
PhySer Sewer Sinking	2,308,500	304,559	2,150	1,596,476	407,464
TOTAL SEWER SINKING PROJECTS	2,308,500	304,559	2,150	1,596,476	407,464
FUND 303 - LAND ACQUISITION					
Land / Open Space					
Land 2009	2,233,000	2,233,000	5,500	-	-
Land 2012	4,700,000	2,511,107	(3,000)	-	2,188,893
Land 2016	3,000,000	-	-	2,000,000	1,000,000
Land 2017	3,000,000	-	-	3,000,000	-
Land / Open Space	12,933,000	4,744,107	2,500	5,000,000	3,188,893
TOTAL LAND ACQUISITION	12,933,000	4,744,107	2,500	5,000,000	3,188,893

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2020 Through September 30, 2019

DESCRIPTION	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	2020 THRU SEPTEMBER	2020 ENCUMB	AVAILABLE BALANCE
FUND 304 - TOWN AID					
PhySer Conn Grant					
Town Aid Improved Rds	915,038	915,038	-	-	-
Town Aid Improved Rds	511,267	75,102	-	-	436,165
Town Aid Improved Rds	448,780	-	-	50,900	397,880
Town Aid Unimproved Rds	14,098	14,098	-	-	-
Town Aid Unimproved Rds	84,356	71,101	-	-	13,255
Town Aid Unimproved Rds	12,436	-	-	5,100	7,336
PhySer Conn Grant	1,985,975	1,075,339	-	56,000	854,635
TOTAL TOWN AID	1,985,975	1,075,339	-	56,000	854,635
FUND 314 - RIVERFRONT PARK					
Riverfront Park - Phase I					
Administrative	147,738	147,737	-	-	1
Engineering	121,418	121,417	-	-	1
Machinery & Equipment	196,373	196,373	-	-	-
Construction	3,784,471	3,784,470	-	-	1
Riverfront Park - Phase I	4,250,000	4,249,998	-	-	2
RIVERFRONT PARK - PHASE II					
Administrative	18,000	17,962	-	-	38
Engineering	863,500	829,767	-	14,353	19,380
Construction	14,680,000	14,712,305	-	-	(32,305)
Contingency	48,500	330	-	30,503	17,668
RIVERFRONT PARK - PHASE II	15,610,000	15,560,364	-	44,856	4,780
TOTAL RIVERFRONT PARK	19,860,000	19,810,362	-	44,856	4,782
FUND 316 - GATEWAY PROJECT					
Gateway Corporate Park					
Gateway Corp. Park	888,541	869,410	-	-	19,131
Gateway Corporate Park	888,541	869,410	-	-	19,131
TOTAL GATEWAY PROJECT	888,541	869,410	-	-	19,131
GRAND TOTAL	96,359,384	69,232,655	1,639,823	10,637,939	16,488,790

TOWN OF GLASTONBURY

MEMORANDUM

DEPARTMENT OF ADMINISTRATIVE SERVICES

FINANCIAL ADMINISTRATION

TO: Board of Finance
Richard J. Johnson, Town Manager

FROM: *ABT* Julie Twilley, Director of Finance & Administrative Services
DATE: October 3, 2019
SUBJECT: Self Insurance Reserve Update September 2019

The attached report summarizes the Self Insurance Reserve fund through September 30, 2019. The total reserve is \$4,205,517 allocated (\$4,359) and \$4,209,876 between Town and Board of Education, respectively. As of September the fund is experiencing a \$2,620,668 loss for the fiscal year. This large loss is related to the Board of Education's significantly lower contribution for July and August than other months of the year due to faculty summer vacation.

There are 4 large loss claims, none of which have exceeded the Individual Stop Loss limit of \$200,000 for BOE and \$150,000 for the Town. Large loss claims are defined as any claims that exceed \$50,000. BOE has one large loss claims, while the Town has three.

As of September 30, we are expecting to receive reimbursement of \$244,398 from CT Prime for FY2019 large loss claims (\$228,434.13 for BOE and \$15,964 for the Town). This balance due is not reflected in the financial summary.

Enc.

cc: Dr. Alan Bookman, Superintendent
Karen Bonfiglio, Business Manager
Rose Brown, Human Resources Manager

SELF INSURANCE RESERVE FUND

YTD Balances As of: August 31, 2019

	Town	Education	Total
Contributions			
Employer	951,513	\$1,598,003	\$2,549,516
Employee	313,673	383,032	696,705
Stop Loss Reimbursement	-	-	-
Anthem Individual Stop Loss Settlement	-	-	-
Miscellaneous	-	-	-
Total Revenues	\$1,265,186	\$1,981,035	\$3,246,221
Expenditures			
Anthem			
ASO Fees	\$16,494	\$35,075	\$51,569
Claims	207,845	2,665,745	2,873,590
	\$224,339	\$2,700,820	\$2,925,158
CTCare			
ASO Fees	\$31,820	\$42,697	\$74,517
Claims	849,957	1,108,406	1,958,363
	\$881,777	\$1,151,103	\$2,032,880
Delta Dental			
ASO Fees	\$4,410	-	\$4,410
Claims	60,615	-	60,615
	\$65,025	-	\$65,025
Bank Fees/PCORI Fee	\$1,193	\$3,830	\$5,023
CT Prime	197,516	641,288	\$838,804
OneDigital Consultant Fees	-	-	-
	\$198,708	\$645,118	\$843,826
Total Expenditures	\$1,369,849	\$4,497,040	\$5,866,889
Current Year Revenues Less Expenses	(\$104,663)	(\$2,516,005)	(\$2,620,668)
Reserve July 1, 2019 *	\$100,304	\$6,725,881	\$6,826,185
Reserve at end of month	(\$4,359)	\$4,209,876	\$4,205,517

* Town's Reserve July 1, 2019 includes transfer of \$413,000. The transfer is related to favorable budget variance in FY2019.

Note: The Reserve formula will be updated at the end of each quarter. The next update will be provided in November 2019.

MEMORANDUM

To: Julie Twilley, Director of Finance & Administrative Services

From: Richard J. Johnson, Town Manager

Date: October 10, 2019

Re: Potential Land Acquisition

This is a proposal for Town purchase of the 4 parcels totaling 542± acres located off Hebron Avenue, Keeney Street and Howe Road as shown on the attached page (blue). The parcels are owned by the Pension Fund of the Metropolitan District. The proposed purchase price is \$8M with an approved State grant of \$1M for a net cost to Glastonbury of \$7M. The State grant is forwarded on a reimbursable basis after closing. Grant availability is confirmed with CT DEEP.

At its meeting of Wednesday, October 9, 2019, the Council introduced the proposed acquisition and \$8M appropriation and transfer with a referral to the Board of Finance as follows:

- Refer the proposed \$8M appropriation and transfer to the Board of Finance as follows:
 - As approved by Board of Finance action of July 20, 2016 to approve and recommend a \$2.3M appropriation and transfer per the Reserve for Land Acquisition and Preservation;
 - As approved by Board of Finance action of July 20, 2016 to approve and recommend a \$2.7M appropriation and transfer from the General Fund-Unassigned Fund Balance; and
 - Board of Finance action to approve and recommend a \$3M appropriation and transfer from the Reserve for Land Acquisition and Preservation and General Fund-Unassigned Fund Balance.

For previous land purchases with grant funding, the value of the grant has been allocated from the General Fund and grant monies deposited to the General Fund upon receipt.

For the additional \$3M to supplement the previously approved \$5M, this approach would be structured as follows:

- \$2M Bond Authorization
- \$1M appropriation and transfer from General Fund

The Bond Authorization per the Reserve for Land Acquisition and Preservation now totals \$2.8±M. Please schedule this matter for action at the Wednesday, October 16, 2019 meeting of the Board of Finance.

RJJ/sal
Attachment

TOWN OF GLASTONBURY METROPOLITAN DISTRICT PROPERTIES

Manchester

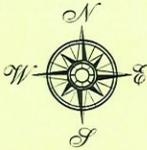
Hartford

East Hartford

Bolton

Wethersfield

Hebron



Rocky Hill



Marlborough

East Hampton

Portland

Cromwell

MUNICIPAL, STATE, AND OTHER QUASI-PUBLIC LANDS	
	MDC Properties of Interest
	Parcel Line
Select Open Space	
Type	
	MUNICIPAL FACILITIES/BUILDINGS
	LAND TRUST
	MUNICIPAL OPEN SPACE
	SCHOOL
	MUNICIPAL PARK/RECREATION AREA
	STATE OF CT FOREST/PARK OR FACILITY
	Adjacent Towns

DATE: OCTOBER 2019
Charles Starnijer

BOF 10/16/19
Item # 13a

Assumes a 2% year-over-year increase in
Operating Expenditures.

**Town Manager
Proposed
Budget**

**Financial Projections
For Discussion Purposes Only
Results Will Vary Based on Assumptions Selected**

(\$ in millions)	'18/'19 BUD	'19/'20 Prop. BUD	Variance
Wages	\$ 21.4	\$ 21.6	\$ 0.3 1.3%
Insurance	\$ 5.7	\$ 6.1	\$ 0.5 8.5%
Pension	\$ 7.1	\$ 7.4	\$ 0.3 3.6%
Utilities & Fuel	\$ 1.7	\$ 1.7	\$(0.0) -0.9%
Capital Outlay	\$ 1.1	\$ 1.2	\$ 0.1 12.4%
All Others	\$ 5.0	\$ 5.1	\$ 0.1 1.8%
Town Op. BUD	\$ 42.0	\$ 43.2	\$ 1.2 (2.9%)

Financial Projections								Assumption
Prop. 19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26		

REVENUE

Total Grand List*	\$ 4,229,419,585	\$ 4,263,254,942	\$ 4,297,360,981	\$ 4,331,739,869	\$ 4,366,393,788	\$ 4,401,324,938	\$ 4,436,535,538	0.80%
Mill Rate	36.63	36.63	36.63	36.63	36.63	36.63	36.63	
Tax Revenue	152,440,999	153,666,039	154,900,880	156,145,599	157,400,276	158,664,990	159,939,822	99.10%
Non-Tax Revenue	15,423,627	15,423,627	15,423,627	15,423,627	15,423,627	15,423,627	15,423,627	Collection Rate
Reduction in State Aid	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	
Total Revenues	\$ 166,664,626	\$ 167,889,666	\$ 169,124,507	\$ 170,369,226	\$ 171,623,903	\$ 172,888,617	\$ 174,163,449	

*The above analysis assumes no impact from revaluation.

OPERATING EXPENDITURES

Town	\$ 43,241,973	\$ 44,106,812	\$ 44,988,949	\$ 45,888,728	\$ 46,806,502	\$ 47,742,632	\$ 48,697,485	2.00%
Education	109,158,898	111,342,076	113,568,917	115,840,296	118,157,102	120,520,244	122,930,649	
OPEB & Dog Fund	816,598	832,930	849,589	866,580	883,912	901,590	919,622	
Total Operating Expenditures**	\$ 153,217,469	\$ 156,281,818	\$ 159,407,455	\$ 162,595,604	\$ 165,847,516	\$ 169,164,466	\$ 172,547,756	

**The above analysis assumes a FY19/20 Pension Investment Assumption of 6.5%.

**5-year average budget increase of 2.27%.

\$2m Locker Facility to Be Completed Over FY 19/20 and 20/21 (Pay Cash)

FINANCIAL REVIEW

Debt & Transfers

Debt Service Costs	\$ 7,157,157	\$ 6,888,368	\$ 6,619,002	\$ 6,139,386	\$ 5,926,214	\$ 4,789,118	\$ 3,740,243
\$11m Bond (\$1.3 BAN, \$4.4 Library, \$2.3 MDC, \$3.0 Land)	-	267,313	493,459	946,513	925,878	905,244	884,609
Total Debt Service	7,157,157	7,155,680	7,112,461	7,085,899	6,852,093	5,694,361	4,624,852
Transfer to Capital Reserve	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000
Total Debt & Transfers (Ex. Dog Fund & OPEB)	12,907,157	12,905,680	12,862,461	12,835,899	12,602,093	11,444,361	10,374,852
Total Operating Expenses, Debt & Transfers	\$ 166,124,626	\$ 169,187,498	\$ 172,269,916	\$ 175,431,503	\$ 178,449,608	\$ 180,608,827	\$ 182,922,607

Revenue Shortfall

Adjusted Mill Rate	36.51	36.94	37.38	37.82	38.22	38.41	38.63
Mill Rate Increase		1.20%	1.17%	1.18%	1.06%	0.51%	0.58%

PROJECT / UNASSIGNED FUND BALANCE

Project Funding Available

CIP Proposed Projects (Cash Funded) Gross	\$ 9,707,000	\$ 8,600,500	\$ 7,444,500	\$ 8,323,000	\$ 5,644,500	\$ 8,500,000	\$ 7,000,000	FY24/25 includes
Project Grants / Close Outs	\$ (3,067,000)	\$ (1,238,000)	\$ (319,000)	\$ (1,800,000)	\$ -	\$ -	\$ -	+\$1.5m for Roofs
Net Estimated Cost	\$ 6,640,000	\$ 7,362,500	\$ 7,125,500	\$ 6,523,000	\$ 5,644,500	\$ 8,500,000	\$ 7,000,000	
Transfer to Capital Reserve	\$ 5,750,000	\$ 5,750,000	\$ 5,750,000	\$ 5,750,000	\$ 5,750,000	\$ 5,750,000	\$ 5,750,000	
Excess / (Shortfall)	\$ (890,000)	\$ (1,612,500)	\$ (1,375,500)	\$ (773,000)	\$ 105,500	\$ (2,750,000)	\$ (1,250,000)	
Unassigned Fund Balance (Capital Reserve Fund)	\$ 1,585,201	\$ 583,500	\$ (431,201)	\$ (843,402)	\$ (377,103)	\$ (2,766,304)	\$ (3,655,505)	Must be > \$1m

Shortfall to Make Up to Arrive at \$1m Threshold	\$ -	\$ 416,500	\$ 1,431,201	\$ 1,843,402	\$ 1,377,103	\$ 3,766,304	\$ 4,655,505
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Capital Outlay	\$ 1.1	\$ 1.2	\$ 0.1	12.4%
All Others	\$ 5.0	\$ 5.1	\$ 0.1	1.8%
Town Op. BUD	\$ 42.0	\$ 43.2	\$ 1.2	2.9%

Adjusted BOF
Proposed
Budget

Financial Projections For Discussion Purposes Only Results Will Vary Based on Assumptions Selected

Assumes a 2% year-over-year increase in
Operating Expenditures.

	Financial Projections							Assumption
	Prop. 19/20	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	

REVENUE

Total Grand List*	\$ 4,229,419,585	\$ 4,263,254,942	\$ 4,297,360,981	\$ 4,331,739,869	\$ 4,366,393,788	\$ 4,401,324,938	\$ 4,436,535,538	0.80%
Mill Rate	36.63	36.63	36.63	36.63	36.63	36.63	36.63	
Tax Revenue	152,440,999	153,666,039	154,900,880	156,145,599	157,400,276	158,664,990	159,939,822	99.10%
Non-Tax Revenue	14,607,859	14,607,859	14,607,859	14,607,859	14,607,859	14,607,859	14,607,859	Collection Rate
Total Revenues	\$ 167,048,858	\$ 168,273,898	\$ 169,508,739	\$ 170,753,458	\$ 172,008,135	\$ 173,272,849	\$ 174,547,681	

*The above analysis assumes no impact from revaluation.

OPERATING EXPENDITURES

Town	\$ 42,884,025	\$ 43,741,706	\$ 44,616,540	\$ 45,508,870	\$ 46,419,048	\$ 47,347,429	\$ 48,294,377	2.00%
Education	108,049,846	110,210,843	112,415,060	114,663,361	116,956,628	119,295,761	121,681,676	
OPEB & Dog Fund	816,598	832,930	849,589	866,580	883,912	901,590	919,622	
Total Operating Expenditures**	\$ 151,750,469	\$ 154,785,478	\$ 157,881,188	\$ 161,038,812	\$ 164,259,588	\$ 167,544,780	\$ 170,895,675	

**The above analysis assumes a FY19/20 Pension Investment Assumption of 6.5%.

**5-year average budget increase of 2.27%.

\$2m Locker Facility to Be Completed Over FY 19/20 and 20/21 (Pay Cash)

FINANCIAL REVIEW

Debt & Transfers

Debt Service Costs	\$ 7,157,157	\$ 6,888,368	\$ 6,619,002	\$ 6,139,386	\$ 5,926,214	\$ 4,789,118	\$ 3,740,243
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Transfer to Capital Reserve	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000	5,750,000
Total Debt & Transfers (Ex. Dog Fund & OPEB)	12,907,157	12,905,680	12,862,461	12,835,899	12,602,093	11,444,361	10,374,852
Total Operating Expenses, Debt & Transfers	\$ 164,657,626	\$ 167,691,158	\$ 170,743,649	\$ 173,874,710	\$ 176,861,680	\$ 178,989,141	\$ 181,270,527

Revenue Shortfall

Adjusted Mill Rate	36.06	36.50	36.93	37.36	37.76	37.95	38.17
Mill Rate Increase		1.20%	1.18%	1.19%	1.06%	0.50%	0.58%

PROJECT / UNASSIGNED FUND BALANCE

Project Funding Available

CIP Proposed Projects (Cash Funded) Gross	\$ 9,707,000	\$ 8,600,500	\$ 7,444,500	\$ 8,323,000	\$ 5,644,500	\$ 8,500,000	\$ 7,000,000	FY24/25 includes +\$1.5m for Roofs
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Net Estimated Cost	\$ 6,640,000	\$ 7,362,500	\$ 7,125,500	\$ 6,523,000	\$ 5,644,500	\$ 8,500,000	\$ 7,000,000	
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