

AGENDA

THIS DOCUMENT IS FOR INFORMATIONAL PURPOSES ONLY. FOR OFFICIAL DOCUMENTS, PLEASE CONTACT THE TOWN CLERK'S OFFICE

GLASTONBURY BOARD OF FINANCE - REGULAR MEETING

Wednesday, December 14, 2022 – 4:00PM

Town Hall, 2155 Main Street, Glastonbury, CT – Council Chambers

With an option for Zoom Video Conferencing (details on page 2)

Board Members: Constantine Constantine; Chairman, Jared Soper; Vice Chairman, Susan Karp, Robert Lynn, James McIntosh, and James Zeller

1. Public Comment Session: Comments pertaining to the call.
2. Communication: Presentation on 2022 Property Revaluation from Nicole Lintereur, Assessor
3. Communication: Chris Kachmar from Fiducient Advisors
4. Communication:
 - a. Minutes of November 9, 2022 Special Meeting
 - b. Minutes of November 16, 2022 Special & Regular Meeting
5. Communication: Pension Report – October 2022
6. Communication: Month End Investments – October 2022
7. Communication: Financial Summary (Revenues & Expenditures) for 5 months - November 2022
8. Communication: Capital Projects – November 2022
9. Communication: Self Insurance Reserve Fund – November 2022
10. Communication: Bank Collateralization Report
11. Communication: Transfers Approved by Town Manager Since Last Meeting
 - a. Youth & Family Services Laptops (\$3,500)
 - b. RSM Audit Additional Cost (\$2,000)
 - c. Registrars Household Mailings (\$2,978)
12. **Action:** Transfers over \$5,000
 - a. GHS Fieldhouse (\$285,000)
13. **Action:** Review of CIP Criteria
14. **Action:** Establish 2023 and January 2024 Regular Meeting Schedule
15. **Action:** Referral of a \$1.090 million appropriation and transfer for a funding report and recommendation on the proposed Town purchase of the 23± acre Rose Berry Farm located at 297 Matson Hill Road
16. Communication: Budget Schedule FY23/24
17. Presentation and Discussion Concerning General Fund – Unassigned Fund Balance (to be available at meeting)
18. Board of Finance Committee Reports, comments and remarks (no action to be taken)
19. Adjournment

THIS REGULAR BOARD OF FINANCE REGULAR MEETING WILL BE CONDUCTED IN PERSON IN COUNCIL CHAMBERS OF TOWN HALL AT 2155 MAIN STREET, GLASTONBURY, WITH AN OPTION FOR ATTENDANCE THROUGH ZOOM VIDEO CONFERENCING.

Join the Meeting - The public may join the Zoom Video Conference as an Attendee (view and listen function only) as follows:

Join by Zoom Meeting link:

<https://us02web.zoom.us/j/83456913897?pwd=eFR6QmlycFIQRSt3b3dTZ25HaHZMQT09>

Passcode: 661482

Join by Phone:

Dial: +1 646 558 8656 **or** +1 646 931 3860

Webinar ID: 834 5691 3897

Passcode: 661482

Public Comment - May be submitted through a form at the following link no later than 2:00 p.m. one business day BEFORE the meeting is held for your comments to be included in the public comment session of the meeting. Be sure to select *Board of Finance* in question 4 of the form:

www.glastonbury-ct.gov/publiccomment

There is also the opportunity to give Public Comment as part of the virtual meeting if joining through the Zoom Meeting Link.

Watch the Meeting - This meeting will be broadcast in real-time through Public Access Television on Channel 16, or live streamed on the town website. [Click here to view by live streaming.](#)

If you are unable to join/participate in the meeting at the time it is held, the meeting will be available on the [Video On Demand page of the town website](#) within one week of the meeting date.*

**The Video On Demand page is accessible through any web browser EXCLUDING Internet Explorer. Please use Chrome, Edge, Firefox, Safari or any other web browser excluding IE to access meeting video content.*



Town of Glastonbury

Meeting Materials – December 14, 2022

This report is intended for the exclusive use of clients or prospective clients of Fiducient Advisors. The information contained herein is intended for the recipient, is confidential and may not be disseminated or distributed to any other person without the prior approval of Fiducient Advisors. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecasts represent future expectations and actual returns; volatilities and correlations will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

Past performance does not indicate future performance and there is a possibility of a loss.

Glastonbury Portfolio Review - Current vs. Proposed Portfolio



Manager/Fund Name	Vehicle	Liquidity	Expense Ratio*	Current Target Allocation	Proposed Target Allocation
Cash & Equivalents					
All Spring Govt MM	MM Fund	Daily		0.5%	0.5%
Fixed Income					
MetWest Total Return Plan Shares	Mutual Fund	Daily	0.37%	13.75%	12.25%
BlackRock Total Return	Mutual Fund	Daily	0.38%	13.75%	12.25%
BlackRock Strategic Income Opportunities K	Mutual Fund	Daily	0.59%		8.0%
PGIM Global Total Return Fund	Mutual Fund	Daily	0.52%	5.0%	
Total Fixed Income				32.5%	32.5%
Domestic Equity					
Vanguard Inst'l Index	Mutual Fund	Daily	0.035%	28.0%	28.0%
Jackson Square SMID Growth IS	Mutual Fund	Daily	0.870%	6.0%	
William Blair SMID Growth R6	Mutual Fund	Daily	1.03%		6.0%
EARNEST Partners SMID Value CIT	Commingled Fund	Daily	0.65%	6.0%	6.0%
Total Domestic Equity				40.0%	40.0%
International Equity					
Causeway International Value Instl	Mutual Fund	Daily	0.87%	5.5%	5.5%
Vanguard International Growth Fund Adm	Mutual Fund	Daily	0.32%	5.5%	5.5%
Templeton Instl Foreign Smaller Co Adv.	Mutual Fund	Daily	1.04%	2.0%	
GQG Emerging Markets Inst'l	Mutual Fund	Daily	0.98%		2.5%
Cape Ann Global Developing Markets Fund	Commingled Fund	Daily	1.25%	3.0%	2.5%
Total International Equity				16.0%	16.0%
Real Estate					
Barings Core Property	LP	Quarterly	0.98%	6.0%	6.0%
Total Real Estate				6.0%	6.0%
Real Assets					
Vanguard Short Term Inflation Protected Secs Adm	Mutual Fund	Daily	0.06%	2.5%	
Parametric Commodity Strategy Inst'l	Mutual Fund	Daily	0.69%	1.25%	
iShares Gold Trust	ETF	Daily	0.25%	1.25%	
DWS RREEF Real Assets R6	Mutual Fund	Daily	0.90%		5.0%
Total Real Assets				5.0%	5.0%
Portfolio Totals				100.0%	100.0%
Weighted Average Expense Ratio				0.43%	0.51%

* Expense ratio does not include incentive fees. ** Weighted Average Base Fee.

Color Key:
 Maintain
 Terminate
 New/Add

Notes

- Within fixed income, the PGIM Global Bond strategy has continued to struggle. Replacing this with an unconstrained bond mandate may better balance the risk profile of the fixed income allocation
- Within domestic equity, Jackson Square SMID growth has underperformed since its inception in the portfolio. A replacement manager with less tracking error and higher quality conviction may serve as a suitable compliment to Earnest Partners
- Within international equity, consider replacing Templeton Small Cos. with a complementary emerging markets growth mandate to Cape Ann
- The current Real Asset exposure is via three distinct mandates. A diversified Real Asset Fund may provide more efficient exposure to diversified real assets



Town of Glastonbury Retirement Income Plan

Updated Balances

Investment Name	Ticker	CUSIP	Unreconciled Balance As of: 12/8/2022	Current Allocation	Target Allocation
<i>Cash</i>			\$1,277,579	0.7%	0.5%
Cash	CASH		\$1,277,579	0.7%	0.5%
<i>Fixed Income</i>			\$56,978,179	30.3%	32.5%
Blackrock Total Return Fund Class K Shares	MPHQX	09252M743	\$24,730,525	13.2%	13.8%
Metropolitan West Total Return Bond Fund Plan	MWTSX	592905764	\$24,330,737	12.9%	13.8%
BlackRock Strategic Income Opportunities K	BSIKX	09260B374	\$7,916,916	4.2%	5.0%
<i>Domestic Equity</i>			\$75,972,992	40.4%	40.0%
Vanguard Institutional Index Fund I	VINIX	922040100	\$53,878,554	28.7%	28.0%
SPDR Portfolio S&P 400 Mid Cap ETF	SPMD	78464A847	\$5,381,717	2.9%	4.0%
SPDR Portfolio S&P 600 Small Cap ETF	SPSM	78468R853	\$2,715,750	1.4%	2.0%
EARNEST Partners SMID Value CIT			\$13,996,970	7.4%	6.0%
<i>International Equity</i>			\$29,585,577	15.7%	16.0%
Causeway International Value Instl	CIVIX	14949P208	\$11,198,941	6.0%	5.5%
Vanguard International Growth Fund Admiral	VWILX	921910501	\$8,960,203	4.8%	5.5%
Cape Ann Global Developing Markets Fund			\$6,029,236	3.2%	3.0%
GQG Partners Emerging Markets Equity Fund R6 Shares	GQGRX	00771X393	\$3,397,197	1.8%	2.0%
<i>Real Assets</i>			\$9,347,509	5.0%	5.0%
DWS RREEF Real Assets Fund - Class Inst	AAAZX	25159K705	\$9,347,509	5.0%	5.0%
<i>Alternatives - Real Estate</i>			\$14,757,920	7.9%	6.0%
Barings Core Property Fund LP			\$14,757,920	7.9%	6.0%
Investment Portfolio Total			\$187,919,755	100.0%	100.0%

Balance information has been compiled solely by Fiducient Advisors and has not been independently verified. In preparing this report, Fiducient Advisors has relied upon information provided by the investment managers and/or the custodian. Unless otherwise noted, daily valued investments are valued as of the previous business day's closing NAV. Held at source investments are valued as of the most recent month end or quarterly statement, unless otherwise

William Blair Small-Mid Cap Growth I | WSMDX

Benchmark: Russell 2500 Growth TR USD

As of 9/30/2022

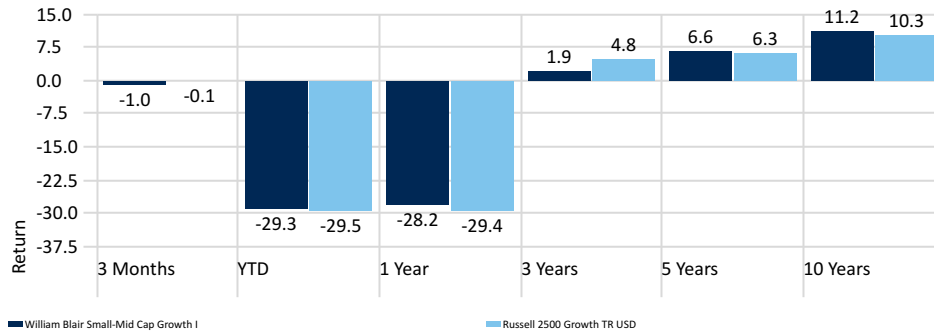
Morningstar Category: US Fund Mid-Cap Growth

Firm Name
Manager Name
Inception Date
Manager Tenure

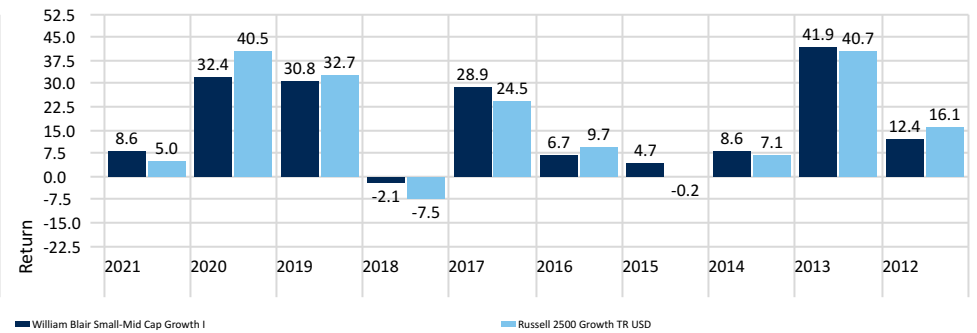
William Blair
Multiple
12/29/2003
6.92
Prospectus Net Expense Ratio
Turnover Ratio %
Potential Capital Gains Exposure
of Holdings
1.10
38.00
27.82
73



Trailing Returns

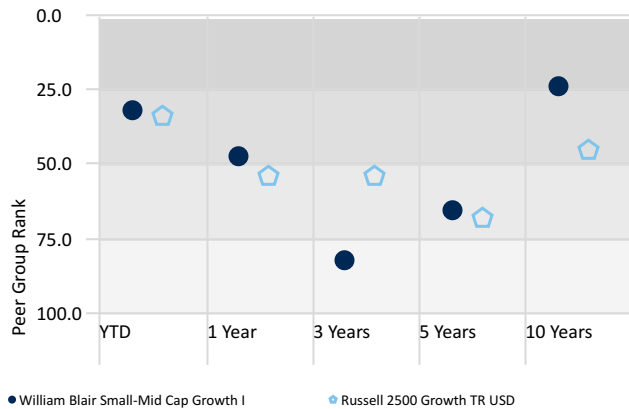


Calendar Year Returns



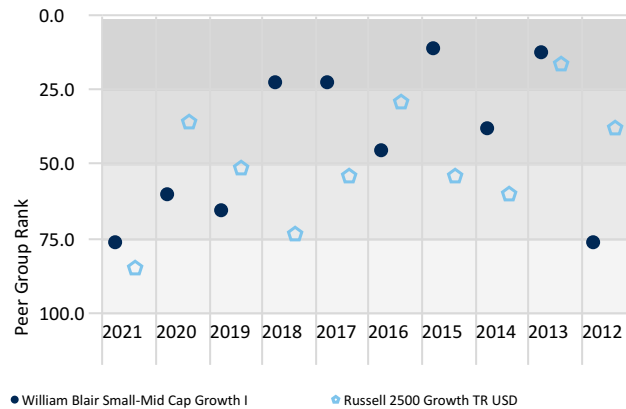
Peer Group Rank - Trailing

Peer Group: Funds - U.S. - Mid-Cap Growth



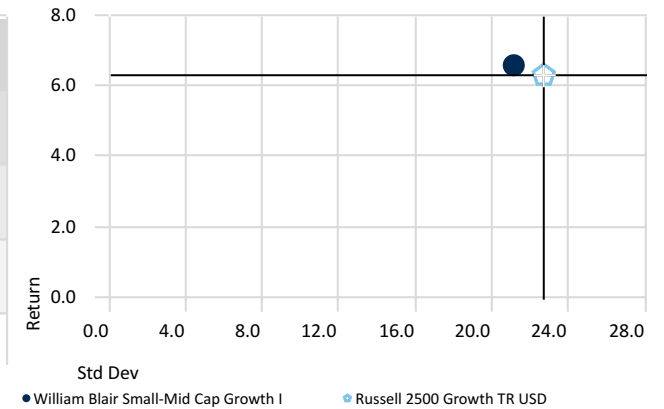
Peer Group Rank - Calendar Year

Peer Group: Funds - U.S. - Mid-Cap Growth



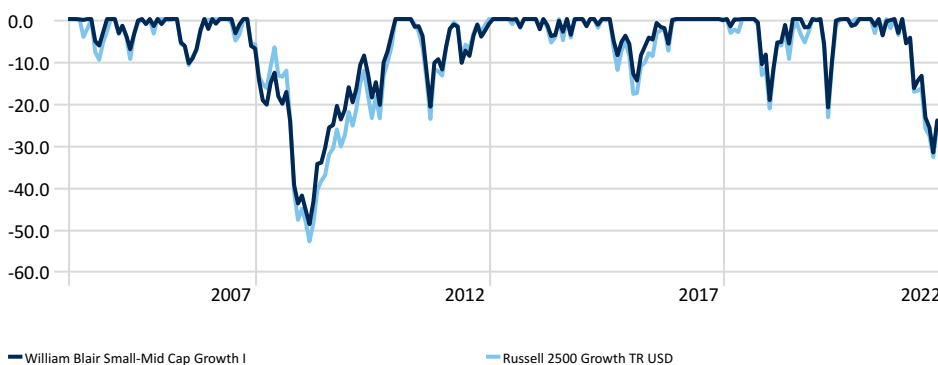
Risk-Reward (5-year)

Time Period: 10/1/2017 to 9/30/2022



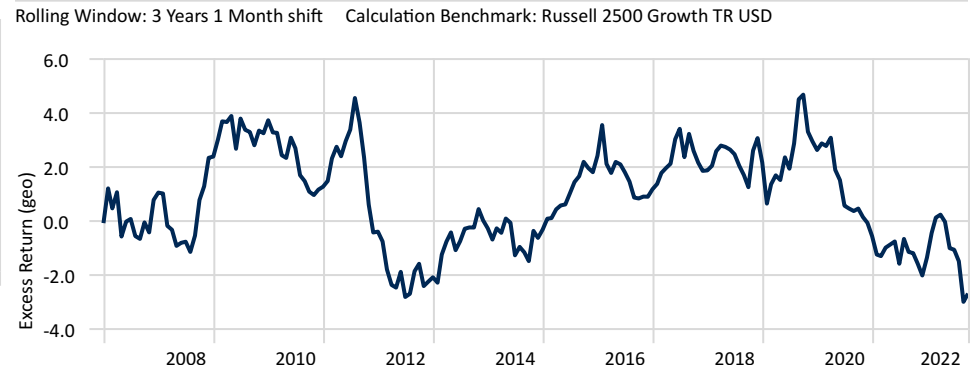
Drawdown

Time Period: Since Common Inception (1/1/2004) to 9/30/2022



3-Year Rolling Excess Return

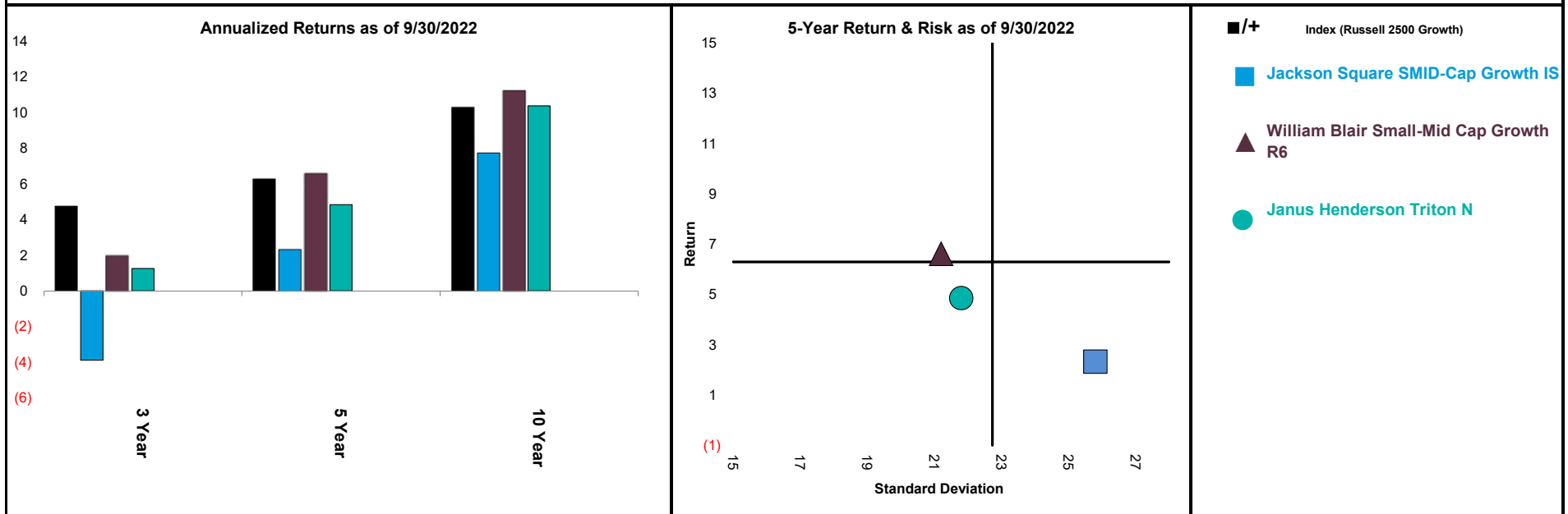
Time Period: Since Common Inception (1/1/2004) to 9/30/2022



U.S. SMID Cap Growth Return, Standard Deviation and Peer Group Comparisons

9/30/2022

Manager or Index	Annual Returns (%) as of 9/30/2022					Calendar Year Returns (%)							Volatility (%) as of 9/30/2022				
	1 Year	3 Year	5 Year	7 Year	10 Year	2022 YTD	2021	2020	2019	2018	2017	2016	1 Year	3 Year	5 Year	7 Year	10 Year
Russell 2500 Growth	(29.4)	4.8	6.3	8.8	10.3	(29.5)	5.0	40.5	32.7	(7.5)	24.5	9.7	24.2	25.1	22.7	20.4	18.5
Jackson Square SMID-Cap Growth IS	(49.8)	(3.9)	2.3	5.6	7.7	(44.7)	(12.3)	65.0	30.5	2.0	20.4	8.0	25.5	29.4	25.8	22.3	19.6
William Blair Small-Mid Cap Growth R6	(28.1)	2.0	6.6	9.2	11.2	(29.2)	8.6	32.4	30.8	(2.1)	28.9	6.7	24.9	23.5	21.2	18.7	16.8
Janus Henderson Triton N	(26.3)	1.3	4.8	8.7	10.4	(28.8)	7.2	28.7	28.6	(5.0)	27.2	10.6	20.6	24.3	21.8	19.5	17.6



Differentiators					
Batting Average [^]	Loss Protection (5 Yrs)	High Alpha (5 Yrs)	Low-to-High Beta (5 Yrs)	Low Vol (5 Yrs)	Low-to-High Expense
1) Jackson (85%)	1) William (93%)	1) William (0.8)	1) William (0.91)	1) William (21.2)	1) Janus (0.66)
2) William (76%)	2) Janus (94%)	2) Janus (-1.1)	2) Janus (0.94)	2) Janus (21.8)	2) Jackson (0.82)
3) Janus (61%)	3) Jackson (111%)	3) Jackson (-4.3)	3) Jackson (1.06)	3) Jackson (25.8)	3) William (1.03)

[^]The Batting Average measures the frequency of rolling 3-year period outperformance from the lesser of 10 years or each fund's inception date.

3Q 2022 Update William Blair Small-Mid Cap Growth Fund

OBJECTIVE

Capital Appreciation

CHARACTERISTICS

The Fund seeks to invest in small and mid cap quality companies that are expected to have solid growth in earnings.

WHY CONSIDER THIS FUND?

- Seeks to provide strong long-term investment returns with lower levels of risk
- Applies a time-tested, fundamental research approach to assess a company's growth sustainability and critical success factors
- Utilizes William Blair's Research Agenda to ensure portfolio managers and analysts continually focus on the most attractive portfolio candidates
- Managed by experienced, long-tenured portfolio managers

INVESTMENT PERFORMANCE (AS OF 9/30/22)

	QTR	YTD	1 Y	3 Y	5 Y	Since Incep.
Class R6 (SI: 05/02/19)	-1.05%	-29.23%	-28.11%	2.01%	--	2.86%
Russell 2500™ Growth Index ³	-0.12%	-29.54%	-29.39%	4.76%	--	3.72%
Morningstar Mid-Cap Growth Category ⁴	-1.83%	-31.49%	-29.18%	5.10%	--	--

CALENDAR YEAR PERFORMANCE

	2021	2020	2019*
Class R6 (SI: 05/02/19)	8.60	32.44%	8.17%
Russell 2500™ Growth Index ³	5.04	40.47%	8.99%

*Since Inception of Class R6 shares on 5/2/2019 through 12/31/19.

Performance cited represents past performance. Past performance does not guarantee future results and current performance may be lower or higher than the data quoted. Returns shown assume reinvestment of dividends and capital gains. Investment returns and principal will fluctuate with market and economic conditions and you may have a gain or loss when you sell shares. For the most current month-end performance information, please call +1 800 742 7272, or visit our Web site at www.williamblairfunds.com. Class R6 shares are available only to investors who meet certain eligibility requirements.

EXPENSE RATIOS

	Gross Expense	Net Expense
Class R6	1.03%	--

Expenses shown are as of the most recent prospectus. The Fund's Adviser has contractually agreed to waive fees and/ or reimburse expenses to limit fund operating expenses until 4/30/23.

FUND FACTS AND STATISTICS¹

Total Net Assets (\$MM)	\$1,999
Number of Holdings	72
Wgt'd Avg Mkt Cap (\$BB)	\$7.4
Unwgt'd Median Mkt Cap (\$BB)	\$5.7
P/E Ratio (Next 12 Months)	19.0
EPS Growth (Long-Term Projected)	16.6%
Trailing 1-Year Turnover	47.2%
Cash ²	2.7%
Standard Deviation (Since Incep.)	
Fund - Class R6	22.19%
Index ³	23.97%

MORNINGSTAR RATINGS AND RANKINGS*

	Overall	1 Y	3 Y	5 Y	10 Y
Class R6 Rating	★★	--	★★	--	--
Class R6 Percentile Ranking	47	82	--	--	--
# of Funds in Category	582	532	--	--	--

***Morningstar Rating®:** The Morningstar Rating for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Morningstar Ranking: Morningstar Percentile Rankings are based on the Fund's total return (excluding sales charge) relative to all the funds in the same Morningstar category, where 1 is the highest and 100 is the lowest percentile rank. Ratings and rankings are one measure of performance. Some of our Funds have experienced negative performance for the time periods shown. For the most current performance, please visit williamblairfunds.com.

TOP TEN HOLDINGS^{5,6}

Company	Industry	% of Fund
BWX Technologies, Inc.	Aerospace & Defense	2.7
Builders FirstSource, Inc.	Building Products	2.6
Acadia Healthcare Company	Health Care Providers & Services	2.5
Crown Holdings, Inc.	Containers & Packaging	2.3
Denbury Inc	Oil, Gas & Consumable Fuels	2.3
National Vision Holdings, Inc.	Specialty Retail	2.3
Axon Enterprise, Inc.	Aerospace & Defense	2.2
Chemed Corp.	Health Care Providers & Services	2.1
SolarEdge Technologies, Inc.	Equipment	2.1
Wyndham Hotels & Resorts	Hotels, Restaurants & Leisure	2.1
Total Top 10		23.2

SECTOR DIVERSIFICATION^{5,6}

Sector Type	Fund	Index ³
Health Care	24.2%	20.6%
Industrials	21.6%	17.9%
Information Technology	19.8%	22.7%
Consumer Discretionary	11.3%	12.0%
Energy	7.7%	5.5%
Materials	5.7%	4.8%
Financials	4.8%	7.1%
Consumer Staples	2.4%	3.7%
Communication Services	1.5%	1.9%
Real Estate	1.0%	2.5%
Utilities	0.0%	1.3%

PORTFOLIO MANAGEMENT



Dan Crowe, CFA

Started in Industry: 1999
Education: B.S., Univ. of Illinois



Jim Jones, CFA

Started in Industry: 2000
Education: M.B.A., Univ. of North Carolina; B.S., Miami University

MARKET CAP DIVERSIFICATION^{5,6}

Market Cap	Fund	Index ³
> \$10B	25.7%	15.3%
\$5.0B - \$10.0B	36.9%	28.2%
\$3.0B - \$5.0B	24.9%	22.7%
\$1.0B - \$3.0B	12.5%	26.9%
<\$1.0B	0.0%	6.9%

¹Weighted Average Market Capitalization: The Weighted Average Market Capitalization for a portfolio is calculated as the average market capitalization of the stocks within the portfolio, weighted by the amount of each stock owned. **Unweighted Median Market Capitalization:** This calculation represents the median market capitalization of the stocks in the portfolio, regardless of the amount of each stock owned. **P/E (Price/Earnings) Ratio:** A stock with a higher P/E ratio would be considered more expensive relative to another stock with a lower P/E. An investor may pay a higher P/E for a stock for several reasons including, but not limited to, an expectation that the company possesses higher returns on invested capital, less economic sensitivity, higher consistency of earnings and/or higher earnings growth potential. **EPS Growth (Long-Term Projected):** This measure represents the weighted average of forecasted growth in earnings expected to be experienced by stocks within the portfolio over the next 3-5 years. This projected earnings growth should not be considered an indication of future fund performance. **Trailing 1-Year Turnover:** This figure reflects the portfolio's trading activity by calculating the amount of the portfolio's holdings bought or sold over the prior year, expressed as a percentage of the portfolio's average market value. Turnover figures may be related to the amount of trading costs experienced by the portfolio. **Standard Deviation:** A higher standard deviation represents a greater dispersion of returns, and thus, a greater amount of risk. Standard deviation returns shown are annualized and calculated using monthly returns. Funds without a 10-year history are reported against the Fund's inception date. If the Fund's inception date does not fall on the first day of a given month, the annualized standard deviation is calculated based on the first day of the month following the Fund's inception date.

²Cash represents cash and any short-term or overnight investments held by the Fund.

³The Russell 2500 Growth Index measures the performance of those Russell 2,500 companies with above average price-to-book ratios and forecasted growth rates. It is not possible to directly invest in an unmanaged index.

⁴The Morningstar Mid-Cap Growth Category represents the average annual composite performance of all mutual funds listed in the Mid-Cap Growth Category by Morningstar.

⁵Top ten holdings are shown as % of total net assets. Sector and market cap diversification exclude cash equivalents.

⁶Information about the Fund's holdings should not be considered investment advice. There is no guarantee that the Fund will continue to hold any one particular security or stay invested in any one particular sector. Holdings are subject to change at any time.

Risks: The Fund's returns will vary, and you could lose money by investing in the Fund. The Fund invests most of its assets in equity securities of large cap domestic growth companies where the primary risk is that the value of the equity securities it holds might decrease in response to the activities of those companies or market and economic conditions. Individual securities may not perform as expected or a strategy used by the Adviser may fail to produce its intended result. Different investment styles tend to shift in and out of favor depending on market conditions and investor sentiment, and at times when the investment style used by the Adviser for the Fund is out of favor, the Fund may underperform other equity funds that use different investment styles. The Fund invests most of its assets in equity securities of domestic growth companies, including common stocks and other forms of equity investments (e.g., convertible securities). Convertible securities are at risk of being called before intended, which may have an adverse effect on investment objectives. The Fund is not intended to be a complete investment program. The Fund is designed for long-term investors.

Please carefully consider the Fund's investment objectives, risks, charges, and expenses before investing. This and other information is contained in the Fund's prospectus and summary prospectus, which you may obtain by calling +1 800 742 7272. Read the prospectus and summary prospectus carefully before investing. Investing includes the risk of loss.

This content is for informational and educational purposes only and not intended as investment advice or a recommendation to buy or sell any security.

Investment advice and recommendations can be provided only after careful consideration of an investor's objectives, guidelines, and restrictions.

Distributed by William Blair & Company, L.L.C., member FINRA/SIPC

Copyright © William Blair & Company, L.L.C. "William Blair" is a registered trademark of William Blair & Company, L.L.C.

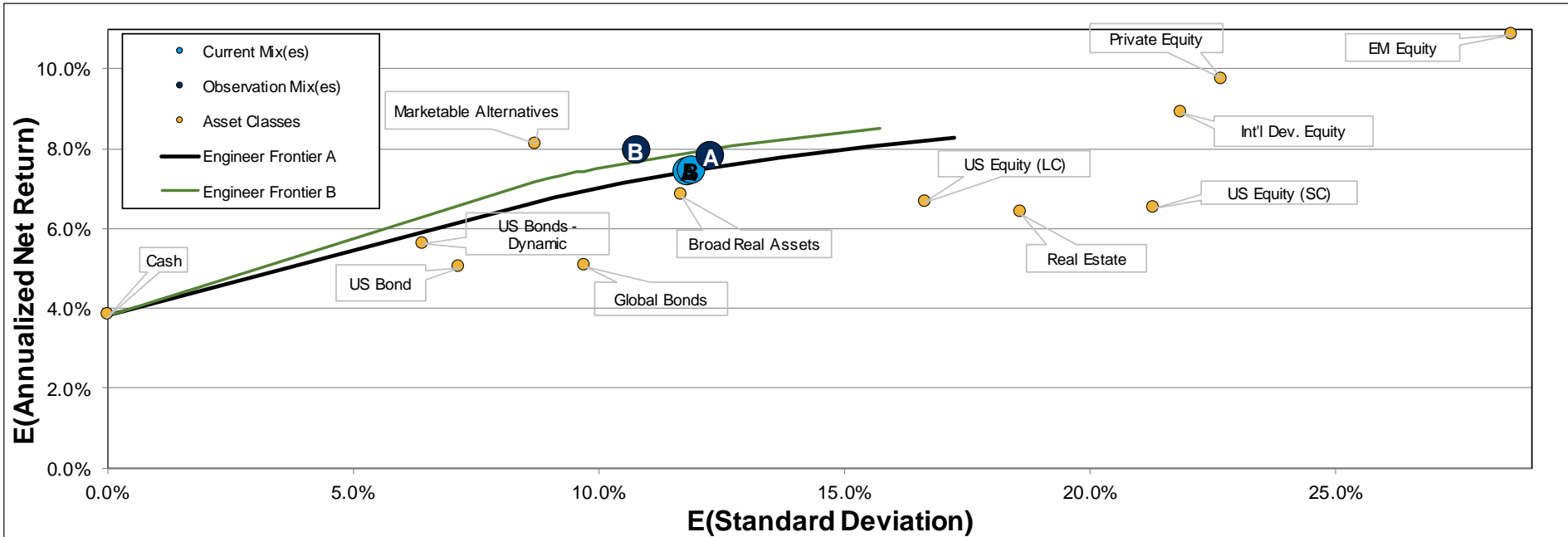
NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

+1 800 742 7272 | williamblairfunds.com



Frontier Engineer® Analysis – Glastonbury Pension 10-Year Outlook

11/30/2022	Asset Allocation																Forecasts				Past (1/88-11/22)	
	Fixed Income	Equity	Real Assets	Alternatives	Cash	US Bond	US Bonds - Dynamic	Global Bonds	US Equity (LC)	US Equity (SC)	Int'l Dev. Equity	EM Equity	Real Estate	Broad Real Assets	Marketable Alternatives	Private Equity	Annualized Net Return	Annualized Volatility	Normal 100 Year Flood*	Non-Normal 100 Year Flood**	Annualized Net Return	Annualized Volatility
Glastonbury Current Mix (A)	33%	56%	11%		0.5%	27.5%		5.0%	29.5%	10.5%	11.6%	4.4%	6.0%	5.0%			7.4%	11.8%	-19%	-25%	8.7%	9.9%
Proposed Portfolio Mix (B)	33%	56%	11%		0.5%	24.5%	8.0%		29.5%	10.5%	11.6%	4.4%	6.0%	5.0%			7.4%	11.9%	-20%	-25%	8.7%	9.9%
Observation Mix (A)	33%	58%	9%		1%	23%	10%		25%	8%	17%	8%	3%	6%			7.8%	12.3%	-20%	-27%	8.4%	10.0%
Observation Mix (B)	33%	44%	8%	15%	1%	23%	10%		19%	6%	13%	6%	3%	5%	10%	5%	7.9%	10.8%	-17%	-22%	8.5%	8.4%



*The expected one in a hundred worst case calendar year return based on normally distributed capital market assumptions. Greater losses are possible (1% expected likelihood).

**The expected one in a hundred worst case calendar year return based on non-normally distributed capital market assumptions (factoring in skewness & kurtosis). Greater losses are possible (1% expected likelihood).

Historical Returns and Risk Metrics for each Mix represent back-tested calculations developed with the benefit of hindsight. Return calculations use an asset-weighted methodology based on the target asset allocation of each mix and the total return of index proxies used to represent each asset class and are net of fees. Historical returns are hypothetical and do not represent returns earned by a client. It is not possible to invest in an index. Please see the Frontier Engineer Hypothetical Performance Disclosures at the end of the presentation for additional information, including index proxies used to represent each asset class. Please ask for a copy of Fiducient Advisors' white paper titled 10-Year Capital Market Forecasts. Past performance does not indicate future performance and it is possible to lose money when investing. Please refer to the Capital Markets Assumptions Slide for the hypothetical alpha and hypothetical fee inputs used in the calculation methodology.



Glastonbury New Hires

Updated Balances

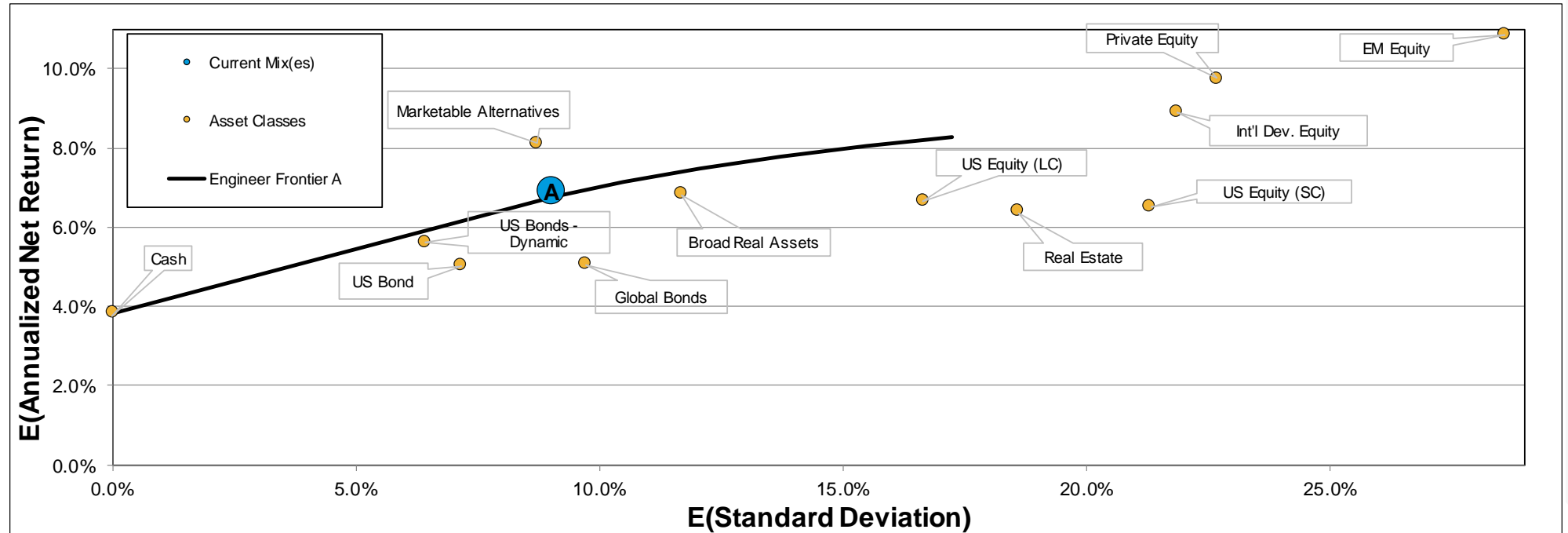
Investment Name	Ticker	CUSIP	Unreconciled Balance As of: 12/8/2022	Current Allocation	Target Allocation
<i>Cash</i>					
Cash	CASH		\$87,945	4.2%	0.0%
<i>Fixed Income</i>					
Vanguard Total Bond Market Index Fund Admiral Shares	VBTLX	921937603	\$1,185,477	56.1%	60.0%
<i>Domestic Equity</i>					
Vanguard Total Stock Market Index Admiral	VTSAX	922908728	\$515,340	24.4%	25.0%
<i>International Equity</i>					
Vanguard Total International Stock Index Fund Admiral Shs	VTIAX	921909818	\$325,954	15.4%	15.0%
Investment Portfolio Total			\$2,114,717	100.0%	100.0%

Balance information has been compiled solely by Fiducient Advisors and has not been independently verified. In preparing this report, Fiducient Advisors has relied upon information provided by the investment managers and/or the custodian. Unless otherwise noted, daily valued investments are valued as of the previous business day's closing NAV. Held at source investments are valued as of the most recent month end or quarterly statement, unless



Frontier Engineer® Analysis – Glastonbury New Hires 10-Year Outlook

11/30/2022	Asset Allocation														Forecasts				Past (1/88-11/22)			
	Fixed Income	Equity	Real Assets	Alternatives	Cash	US Bond	US Bonds - Dynamic	Global Bonds	US Equity (LC)	US Equity (SC)	Int'l Dev. Equity	EM Equity	Real Estate	Broad Real Assets	Marketable Alternatives	Private Equity	Annualized Net Return	Annualized Volatility	Normal 100 Year Flood*	Non-Normal 100 Year Flood**	Annualized Net Return	Annualized Volatility
New Hires Current (A)	60%	40%				60.0%			18.8%	6.3%	11.3%	3.8%					6.9%	9.0%	-14%	-17%	7.5%	6.8%



*The expected one in a hundred worst case calendar year return based on normally distributed capital market assumptions. Greater losses are possible (1% expected likelihood).

**The expected one in a hundred worst case calendar year return based on non-normally distributed capital market assumptions (factoring in skewness & kurtosis). Greater losses are possible (1% expected likelihood).

Historical Returns and Risk Metrics for each Mix represent back-tested calculations developed with the benefit of hindsight. Return calculations use an asset-weighted methodology based on the target asset allocation of each mix and the total return of index proxies used to represent each asset class and are net of fees. Historical returns are hypothetical and do not represent returns earned by a client. It is not possible to invest in an index. Please see the Frontier Engineer Hypothetical Performance Disclosures at the end of the presentation for additional information, including index proxies used to represent each asset class. Please ask for a copy of Fiducient Advisors' white paper titled 10-Year Capital Market Forecasts. Past performance does not indicate future performance and it is possible to lose money when investing. Please refer to the Capital Markets Assumptions Slide for the hypothetical alpha and hypothetical fee inputs used in the calculation methodology.



Definitions & Disclosures

Please note: Due to rounding methodologies of various data providers, certain returns in this report might differ slightly when compared to other sources

REGULATORY DISCLOSURES

Offer of ADV Part 2A: Rule 204-3 under the Investment Advisers Act of 1940 requires that we make an annual offer to clients to send them, without charge, a written disclosure statement meeting the requirements of such rule. We will be glad to send a copy of our ADV Part 2A to you upon your written request to compliance@fiducient.com.

INDEX DEFINITIONS

- **Citigroup 3 Month T-Bill** measures monthly return equivalents of yield averages that are not marked to market. The Three-Month Treasury Bill Indexes consist of the last three three-month Treasury bill issues.
- **Ryan 3 Yr. GIC** is an arithmetic mean of market rates of \$1 million Guaranteed Interest Contracts held for three years.
- **Bloomberg Barclays Treasury U.S. T-Bills-1-3 Month Index** includes aged U.S. Treasury bills, notes and bonds with a remaining maturity from 1 up to (but not including) 3 months. It excludes zero coupon strips.
- **Bloomberg Barclays Capital US Treasury Inflation Protected Securities Index** consists of Inflation-Protection securities issued by the U.S. Treasury.
- **Bloomberg Barclays Muni Index** is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. Bonds must be rated investment-grade by at least two ratings agencies.
- **Bloomberg Barclays Muni 1 Year Index** is the 1-year (1-2) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 3 Year Index** is the 3-year (2-4) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 5 Year Index** is the 5-year (4-6) component of the Municipal Bond index.
- **Bloomberg Barclays Muni 7 Year Index** is the 7-year (6-8) component of the Municipal Bond index.
- **Bloomberg Barclays Intermediate U.S. Gov't/Credit** is the Intermediate component of the U.S. Government/Credit index, which includes securities in the Government and Credit Indices. The Government Index includes treasuries and agencies, while the credit index includes publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.
- **Bloomberg Barclays U.S. Aggregate Index** covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.
- **Bloomberg Barclays Global Aggregate ex. USD Indices** represent a broad-based measure of the global investment-grade fixed income markets. The two major components of this index are the Pan-European Aggregate and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds and Canadian government, agency and corporate securities.
- **Bloomberg Barclays U.S. Corporate High Yield Index** covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.
- **JP Morgan Government Bond Index-Emerging Market (GBI-EM) Index** is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.
- **The S&P 500** is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
- **The Dow Jones Industrial Index** is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry.
- **The NASDAQ** is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.
- **Russell 3000** is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.
- **Russell 1000** consists of the largest 1000 companies in the Russell 3000 Index.
- **Russell 1000 Growth** measures the performance of those Russell 1000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 1000 Value** measures the performance of those Russell 1000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell Mid Cap** measures the performance of the 800 smallest companies in the Russell 1000 Index.
- **Russell Mid Cap Growth** measures the performance of those Russell Mid Cap companies with higher P/B ratios and higher forecasted growth values.
- **Russell Mid Cap Value** measures the performance of those Russell Mid Cap companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2000** consists of the 2,000 smallest U.S. companies in the Russell 3000 index.
- **Russell 2000 Growth** measures the performance of the Russell 2000 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2000 Value** measures the performance of those Russell 2000 companies with lower P/B ratios and lower forecasted growth values.
- **Russell 2500** consists of the 2,500 smallest U.S. companies in the Russell 3000 index.
- **Russell 2500 Growth** measures the performance of the Russell 2500 companies with higher P/B ratios and higher forecasted growth values.
- **Russell 2500 Value** measures the performance of those Russell 2500 companies with lower P/B ratios and lower forecasted growth values.
- **MSCI World** captures large and mid-cap representation across 23 Developed Markets countries. With 1,645 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- **MSCI ACWI (All Country World Index) ex. U.S. Index** captures large and mid-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 23 Emerging Markets countries. With 1,859 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.
- **MSCI ACWI (All Country World Index) ex. U.S. Small Cap Index** captures small cap representation across 22 of 23 Developed Markets countries (excluding the US) and 23 Emerging Markets countries. With 4,368 constituents, the index covers approximately 14% of the global equity opportunity set outside the US.
- **MSCI EAFE** is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. With 930 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.



- **MSCI EAFE Value** captures large and mid-cap securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield. With 507 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI EAFE Growth** captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries around the world, excluding the US and Canada. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend. With 542 constituents, the index targets 50% coverage of the free float-adjusted market capitalization of the MSCI EAFE Index.
- **MSCI Emerging Markets** captures large and mid-cap representation across 23 Emerging Markets countries. With 836 constituents, the index covers approximately 85% of the free-float adjusted market capitalization in each country.
- **Consumer Price Index** is a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.
- **FTSE NAREIT Equity REITs Index** contains all Equity REITs not designed as Timber REITs or Infrastructure REITs.
- **S&P Developed World Property** defines and measures the investable universe of publicly traded property companies domiciled in developed markets. The companies in the index are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **S&P Developed World Property x U.S.** defines and measures the investable universe of publicly traded property companies domiciled in developed countries outside of the U.S. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- **Fund Specific Broad Real Asset Benchmarks:**
 - **DWS Real Assets:** 30%: Dow Jones Brookfield Infrastructure Index, 30%: FTSE EPRA/NAREIT Developed Index, 15%: Bloomberg Commodity Index, 15%: S&P Global Natural Resources Index, 10%: Barclays U.S. Treasury Inflation Notes Total Return Index
 - **PIMCO Inflation Response Multi Asset Fund:** 45% Barclays U.S. TIPS, 20% Bloomberg Commodity Index, 15% JP Morgan Emerging Local Markets Plus, 10% Dow Jones Select REIT, 10% Bloomberg Gold Subindex Total Return
 - **Principal Diversified Real Assets:** 35% BBgBarc U.S. Treasury TIPS Index, 20% S&P Global Infrastructure Index NTR, 20% S&P Global Natural Resources Index NTR, 15% Bloomberg Commodity Index, and 10% FTSE EPRA/NAREIT Developed Index NTR
 - **Wellington Diversified Inflation H:** 50% MSCI ACWI Commodity Producers Index, 25% Bloomberg Commodity Index, and 25% Bloomberg Barclays US TIPS 1 – 10 Year Index
- **Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.
- **HFRI Fund Weighted Composite Index** is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
- **The Alerian MLP Index** is the leading gauge of energy Master Limited Partnerships (MLPs). The float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.
- **The Adjusted Alerian MLP Index** is commensurate with 65% of the monthly returns of the Alerian MLP Index to incorporate the effect of deferred tax liabilities incurred by MLP entities.
- **Cambridge Associates U.S. Private Equity Index** is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.
- **Cambridge Associates U.S. Venture Capital Index** is based on data compiled from over 1,600 institutional-quality venture capital funds formed between 1986 and 2015.
- **Vanguard Spliced Bloomberg Barclays US1-5Yr Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. 1–5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. 1–5 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US5-10Yr Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. 5–10 Year Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. 5–10 Year Government/Credit Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US Agg Flt Adj Index:** Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Bloomberg Barclays US Long Gov/Cr Flt Adj Index:** Bloomberg Barclays U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg Barclays U.S. Long Government/Credit Float Adjusted Index thereafter.
- **Vanguard Balanced Composite Index:** Made up of two unmanaged benchmarks, weighted 60% Dow Jones U.S. Total Stock Market Index (formerly the Dow Jones Wilshire 5000 Index) and 40% Bloomberg Barclays U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index thereafter.
- **Vanguard Spliced Intermediate-Term Tax-Exempt Index:** Bloomberg Barclays 1–15 Year Municipal Bond Index.
- **Vanguard Spliced Extended Market Index:** Dow Jones Wilshire 4500 Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.
- **Vanguard Spliced Value Index:** S&P 500 Value Index (formerly the S&P 500/Barra Value Index) through May 16, 2003; MSCI US Prime Market Value Index through April 16, 2013; CRSP US Large Cap Value Index thereafter.
- **Vanguard Spliced Large Cap Index:** Consists of MSCI US Prime Market 750 Index through January 30, 2013, and the CRSP US Large Cap Index thereafter.
- **Vanguard Spliced Growth Index:** S&P 500 Growth Index (formerly the S&P 500/Barra Growth Index) through May 16, 2003; MSCI US Prime Market Growth Index through April 16, 2013; CRSP US Large Cap Growth Index thereafter.
- **Vanguard Spliced Mid Cap Value Index:** MSCI US Mid Cap Value Index through April 16, 2013; CRSP US Mid Cap Value Index thereafter.
- **Vanguard Spliced Mid Cap Index:** S&P MidCap 400 Index through May 16, 2003; the MSCI US Mid Cap 450 Index through January 30, 2013; and the CRSP US Mid Cap Index thereafter.
- **Vanguard Spliced Mid Cap Growth Index:** MSCI US Mid Cap Growth Index through April 16, 2013; CRSP US Mid Cap Growth Index thereafter.
- **Vanguard Spliced Total Stock Market Index:** Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.
- **Vanguard Spliced Small Cap Value Index:** SmallCap 600 Value Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.



- **Vanguard Spliced Small Cap Index:** Russell 2000 Index through May 16, 2003; the MSCI US Small Cap 1750 Index through January 30, 2013; and the CRSP US Small Cap Index thereafter.
- **Vanguard Spliced Small Cap Growth Index:** S&P SmallCap 600 Growth Index (formerly the S&P SmallCap 600/Barra Value Index) through May 16, 2003; MSCI US Small Cap Growth Index through April 16, 2013; CRSP US Small Cap Growth Index thereafter.
- **Vanguard Spliced Total International Stock Index:** Consists of the Total International Composite Index through August 31, 2006; the MSCI EAFE + Emerging Markets Index through December 15, 2010; the MSCI AC USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Developed Markets Index:** MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index through December 20, 2015; FTSE Developed All Cap ex US Transition Index through May 31, 2016; FTSE Developed All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard Spliced Emerging Markets Index:** Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; and FTSE Emerging Markets All Cap China A Transition Index thereafter. Benchmark returns are adjusted for withholding taxes.
- **Vanguard REIT Spliced Index:** MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through January 31, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

Additional:

- Equity sector returns are calculated by Russell and MSCI for domestic and international markets, respectively. MSCI sector definitions correspond to the MSCI GICS® classification (Global Industry Classification System); Russell uses its own sector and industry classifications.
- MSCI country returns are calculated by MSCI and are free float-adjusted market capitalization indices that are designed to measure equity market performance in each specific country.
- Currency returns are calculated using Bloomberg's historical spot rate indices and are calculated using the U.S. dollar as the base currency.
- The Index of Leading Economic Indicators, calculated by The Conference Board, is used as a barometer of economic activity over a range of three to six months. The index is used to determine the direction and stability of the economy. The composite index of leading indicators, which is derived from 10 leading indicators, helps to signal turning points in the economy and forecast economic cycles. The leading indicators are the following: average weekly hours, average weekly initial claims, manufacturers' new orders, both consumer and non-defense capital goods, vendor performance, building permits, stock prices, money supply (M2), the interest rate spread and the index of consumer expectations.
- S&P Target Date Indexes are constructed using a survey method of current target date investments with \$100 million or more in assets under management. Allocations for each vintage are comprised of exchange-traded funds that represent respective asset classes used in target date portfolios. The indexes are designed to represent a market consensus glide path.

DEFINITION OF KEY STATISTICS AND TERMS

- **Returns:** A percentage figure used when reporting historical average compounded rate of investment return. All returns are annualized if the period for which they are calculated exceeds one year.
- **Universe Comparison:** The universe compares the fund's returns to a group of other investment portfolios with similar investment strategies. The returns for the fund, the index and the universe percentiles are displayed. A percentile ranking of 1 is the best, while a percentile ranking of 100 is the worst. For example, a ranking of 50 indicates the fund outperformed half of the universe. A ranking of 25 indicates the fund was in the top 25% of the universe, outperforming 75%.
- **Returns In Up/Down Markets:** This measures how the fund performed in both up and down markets. The methodology is to segregate the performance for each time period into the quarters in which the market, as defined by the index, was positive and negative. Quarters with negative index returns are treated as down markets, and quarters with positive index returns are treated as up markets. Thus, in a 3 year or 12 quarter period, there might be 4 down quarters and 8 up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the up quarters. A simple arithmetic average of returns is calculated for the fund and the index based on the down quarters. The up market capture ratio is the ratio of the fund's return in up markets to the index. The down market capture ratio is the ratio of the fund's return in down markets to the index. Ideally, the fund would have a greater up market capture ratio than down market capture ratio.
- **Standard Deviation:** Standard deviation is a statistical measure of the range of performance within which the total returns of a fund fall. When a fund has a high standard deviation, the range of performance is very wide, meaning there is a greater volatility. Approximately 68% of the time, the total return of any given fund will differ from the average total return by no more than plus or minus the standard deviation figure. Ninety-five percent of the time, a fund's total return will be within a range of plus or minus two times the standard deviation from the average total return. If the quarterly or monthly returns are all the same the standard deviation will be zero. The more they vary from one another, the higher the standard deviation. Standard deviation can be misleading as a risk indicator for funds with high total returns because large positive deviations will increase the standard deviation without a corresponding increase in the risk of the fund. While positive volatility is welcome, negative is not.
- **R-Squared:** This reflects the percentage of a fund's movements that are explained by movements in its benchmark index. An R-squared of 100 means that all movements of a fund are completely explained by movements in the index. Conversely, a low R-squared indicates very few of the fund's movements are explained by movements in the benchmark index. R-squared can also be used to ascertain the significance of a particular beta. Generally, a higher R-squared will indicate a more reliable beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance. A measure of diversification, R-squared indicates the extent to which fluctuations in portfolio returns are explained by market. An R-squared = 0.70 implies that 70% of the fluctuation in a portfolio's return is explained by the fluctuation in the market. In this instance, overweighting or underweighting of industry groups or individual securities is responsible for 30% of the fund's movement.
- **Beta:** This is a measure of a fund's market risk. The beta of the market is 1.00. Accordingly, a fund with a 1.10 beta is expected to perform 10% better than the market in up markets and 10% worse than the market in down markets. It is important to note, however, a low fund beta does not imply the fund has a low level of volatility; rather, a low beta means only that the fund's market-related risk is low. Because beta analyzes the market risk of a fund by showing how responsive the fund is to the market, its usefulness depends on the degree to which the markets determine the fund's total risk (indicated by R-squared).
- **Alpha:** The Alpha is the nonsystematic return, or the return that can't be attributed to the market. It can be thought of as how the manager performed if the market's return was zero. A positive alpha implies the manager added value to the return of the portfolio over that of the market. A negative alpha implies the manager did not contribute any value over the performance of the market.
- **Sharpe Ratio:** The Sharpe ratio is the excess return per unit of total risk as measured by standard deviation. Higher numbers are better, indicating more return for the level of risk experienced. The ratio is a fund's return minus the risk-free rate of return (30-day T-Bill rate) divided by the fund's standard deviation. The higher the Sharpe ratio, the more reward you are receiving per unit of total risk. This measure can be used to rank the performance of mutual funds or other portfolios.
- **Treynor Ratio:** The Treynor ratio measures returns earned in excess of that which could have been earned on a riskless investment per each unit of market risk. The ratio relates excess return over the risk-free rate to the additional risk taken; however, systematic risk is used instead of total risk. The Treynor ratio is similar to the Sharpe ratio, except in the fact that it uses the beta to evaluate the returns rather than the standard deviation of portfolio returns. High values mean better return for risk taken.



- **Tracking Error:** Tracking error measures the volatility of the difference in annual returns between the manager and the index. This value is calculated by measuring the standard deviation of the difference between manager and index returns. For example, a tracking error of +/- 5 would mean there is about a 68% chance (1 standard deviation event) that the manager's returns will fall within +/- 5% of the benchmark's annual return.
- **Information Ratio:** The information ratio is a measure of the consistency of excess return. This value is determined by taking the annualized excess return over a benchmark (style benchmark by default) and dividing the standard deviation of excess return.
- **Consistency:** Consistency shows the percent of the periods the fund has beaten the index and the percent of the periods the index has beat the fund. A high average for the fund (e.g., over 50) is desirable, indicating the fund has beaten the index frequently.
- **Downside Risk:** Downside risk is a measure similar to standard deviation but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.
- **M-Squared:** M-squared, or the Modigliani risk-adjusted performance measure is used to characterize how well a portfolio's return rewards an investor for the amount of risk taken, relative to that of some benchmark portfolio and to the risk-free rate.

DEFINITION OF KEY PRIVATE EQUITY TERMS

- **PIC (Paid in Capital):** The amount of committed capital that has been transferred from the limited partner to the general partner.
- **TVPI (Total Value to Paid in Capital):** Money returned to limited partners plus the fund's unrealized investments, divided by money paid-in to the partnership. The TVPI should equal RVPI plus DPI.
- **DPI (Distribution to Paid In Capital):** Money returned (distributions) to limited partners divided by money paid in to the partnership. Also called cash-on-cash multiple.
- **RVPI (Residual Value to Paid In Capital):** The value of a fund's unrealized investments divided by money paid-in to the partnership.
- **Internal rate of return (IRR):** This is the most appropriate performance benchmark for private equity investments. It is a time-weighted return expressed as a percentage. IRR uses the present sum of cash drawdowns (money invested), the present value of distributions (money returned from investments) and the current value of unrealized investments and applies a discount.
- **Commitment:** Every investor in a private equity fund commits to investing a specified sum of money in the fund partnership over a specified period of time. The fund records this as the limited partnership's capital commitment. The sum of capital commitments is equal to the size of the fund.
- **Capital Distribution:** These are the returns that an investor in a private equity fund receives. It is the income and capital realized from investments less expenses and liabilities. Once a limited partner has had their cost of investment returned, further distributions are actual profit. The partnership agreement determines the timing of distributions to the limited partner. It will also determine how profits are divided among the limited partners and general partner.
- **Carried Interest:** The share of profits that the fund manager is due once it has returned the cost of investment to investors. Carried interest is normally expressed as a percentage of the total profits of the fund.
- **Co-Investment:** Co-Investments are minority investments made alongside a private equity investor in an LBO, a recapitalization, or an expansion capital transaction. It is a passive, non-controlling investment, as the private equity firm involved will typically exercise control and perform monitoring functions.
- **General Partner (GP):** This can refer to the top-ranking partners at a private equity firm as well as the firm managing the private equity fund.
- **GP Commitments:** It is normal practice for the GP managing a private equity fund to also make a financial commitment to the fund on the same basis as the LPs in the fund, and this is seen as an important factor driving the alignment of GP and LP interests. The historic benchmark for GP commitments has been 1% of the total fund size, but this is by no means universal, and many GPs commit significantly larger amounts. Furthermore, there has been a marked trend towards GPs making larger commitments to their funds over recent years.
- **Leveraged Buy-Out (LBO):** The acquisition of a company using debt and equity finance.
- **Limited Partner (LP):** Institutions or high-net-worth individuals/sophisticated investors that contribute capital to a private equity fund.
- **Public Market Equivalent (PME):** Performance measure used to evaluate performance relative to the market. It is calculated as the ratio of the discounted value of the LP's inflows divided by the discounted value of outflows, with the discounting performed using realized market returns.
- **Primaries:** An original investment vehicle that invests directly into a company or asset.

VALUATION POLICY

Fiducient Advisors does not engage an independent third-party pricing service to value securities. Our reports are generated using the security prices provided by custodians used by our clients. Our custodial pricing hierarchy is available upon request. If a client holds a security not reported by the first custodian within the hierarchy, the valuation is generated from the next custodian within the hierarchy, and so forth. Each custodian uses pricing services from outside vendors, where the vendors may generate nominally different prices. Therefore, this report can reflect minor valuation differences from those contained in a custodian's report. In rare instances where FA overrides a custodial price, prices are taken from Bloomberg.

REPORTING POLICY

This report is intended for the exclusive use of the client listed within the report. Content is privileged and confidential. Any dissemination or distribution is strictly prohibited. Information has been obtained from a variety of sources believed to be reliable though not independently verified. Any forecast represents median expectations and actual returns, volatilities and correlations will differ from forecasts. Please note each client has customized investment objectives and constraints and the investment strategy for each portfolio is based on a client-specific asset allocation model. Past performance does not indicate future performance and there is a possibility of a loss. Performance calculated net of investment fees. Certain portfolios presented may be gross of Fiducient Advisors' fees and actual performance would be reduced by investment advisory fees. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice.



Custodian reports are the reports that govern the account. There will be different account values between Fiducient Advisors' reports and the custodian reports based on whether the report utilizes trade date or date to calculate value. Additionally, difference between values contained on reports may be caused by different accrued income values. Any forecasts represent future expectations and actual returns, volatilities and will differ from forecasts. This report does not represent a specific investment recommendation. Please consult with your advisor, attorney, and accountant, as appropriate, regarding specific advice. Past performance does not indicate future performance and there is a possibility of a loss.

Manager performance for mutual funds and ETFs is based on NAV and provided by Lipper. Performance for non-mutual fund or ETF investments is based on the returns provided by managers, calculations based on a manager statement, or calculations based on a statement or data from the client's custodian. Unless specified otherwise, all returns are net of individual manager fees, represent total returns and are annualized for periods greater than one year. The deduction of fees produces a compounding effect that reduces the total rate of return over time. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 0.50% annual investment advisory fee would be \$5,228 in the first year, and cumulative effects of \$30,342 over five years and \$73,826 over ten years. Additional information on advisory fees charged by Fiducient Advisors are described in Part 2 of the Form ADV.

OTHER

By regulation, closed-end funds utilizing debt for leverage must report their interest expense, as well as their income tax expense, as part of their total expense ratio. To make for a useful comparison between closed-end funds and both open-end funds and exchange-traded funds, adjusted expense ratios excluding interest and income tax expenses are utilized for closed-end funds within this report. See disclosure on closed-end fund fact sheets for information regarding the total expense ratio of each closed-end fund.

Please advise us of any changes in your objectives or circumstances.

CUSTODIAN STATEMENTS

Please remember to review the periodic statements you receive from your custodian. If you do not receive periodic statements from your custodian or notice issues with the activity reported in those statements, please contact FA or your custodian immediately.



Frontier Engineer Hypothetical Performance Disclosures

The historical performance information derived from the Frontier Engineer and used or presented in charts, tables, or graphs represent simulated historical performance, which has been derived by retroactively applying an asset allocation modeling process in its most recently developed form with its most recently derived ten-year (forward-looking) capital market assumptions. Such historical return simulations (or back testing) was performed by simulating the combination of actual index returns for the historical period with a buy and hold strategy effective January 1, 1988 through the most recently available month-end date with simulated rebalancing occurring every month-end (with the reinvestment of dividends and capital gains from each index).

Back tested performance is hypothetical and does not reflect actual trades or actual client performance. As with all models, there are inherent limitations which are derived from the retroactive application developed with the benefit of hindsight, including the risk that certain factors such as material economic and market conditions could have contributed to materially different (either higher or lower) performance results than those depicted, or that certain material factors may have been included or excluded from consideration. As such, actual results during the applicable back tested period would have been different than those depicted.

The asset allocation modeling process currently used was initially developed in 2002, and was not offered as a strategy prior to that time. The output of a forward-looking model (or process) is a representation of allocation percentages among specific asset classes. Clients cannot invest directly in a target allocation, but rather, in underlying securities within designated asset classes. Advisor may change its models from time to time, and regularly updates its model as additional capital market assumption information becomes available or to increase or decrease relative weightings or emphasis on certain factors. Consequently, the Advisor may choose to deviate from a stated model over time as the model itself is revised, which could have a materially positive or negative impact on performance.

During the period represented, numerous modelling changes were made, including the regular changes in (ten-year) forward-looking expected returns, expected volatilities, expected non-normal return distribution assumptions, as well as tracking-error assumptions and risk budgets. Furthermore, such assumptions can be modified client-by-client depending on certain preferences, priorities, constraints or unique considerations applicable to each client.

Other economic and market factors may have impacted decision-making when using the model to manage client funds, including the list of approved asset classes by a client or client type as well as any client-directed or Advisor implemented constraints.

All investments bear the risk of loss, including the loss of principal. Past performance, actual or hypothetical, is no guarantee of future results.

The hypothetical annual Fiducient Advisors' fee is divided by 12 and subtracted from the historical monthly (index) returns. The hypothetical excess return assumption is divided by 12 and added to the historical monthly (index) returns. Furthermore, for forecasted total portfolio (index-based) annual returns based on capital market assumptions, the annual Fiducient Advisors' fee assumption is subtracted from the hypothetical annual manager excess return assumption. Additional information on advisory fees charged by Fiducient Advisors are described in Part 2 of the Form ADV.

Disclosure



Disclosure

INDEX DEFINITIONS

FTSE Treasury Bill 3 Month measures return equivalents of yield averages and are not marked to market. It is an average of the last three three-month Treasury bill month-end rates.

Bloomberg Capital US Treasury Inflation Protected Securities Index consists of Inflation-Protection securities issued by the U.S. Treasury.

Bloomberg Muni 5 Year Index is the 5 year (4-6) component of the Municipal Bond index.

Bloomberg High Yield Municipal Bond Index covers the universe of fixed rate, non-investment grade debt.

Bloomberg U.S. Aggregate Index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

FTSE World Government Bond Index (WGBI) (Unhedged) provides a broad benchmark for the global sovereign fixed income market by measuring the performance of fixed-rate, local currency, investment-grade sovereign debt from over 20 countries.

FTSE World Government Bond Index (WGBI) (Hedged) is designed to represent the FTSE WGBI without the impact of local currency exchange rate fluctuations.

Bloomberg US Corporate High Yield TR USD covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P, and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

JP Morgan Government Bond Index-Emerging Market Index (GBI-EMI) is a comprehensive, global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure.

JPMorgan EMBI Global Diversified is an unmanaged, market-capitalization weighted, total-return index tracking the traded market for U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

MSCI ACWI is designed to represent performance of the full opportunity set of large- and mid-cap stocks across multiple developed and emerging markets, including cross-market tax incentives.

The S&P 500 is a capitalization-weighted index designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Russell 3000 is a market-cap-weighted index which consists of roughly 3,000 of the largest companies in the U.S. as determined by market capitalization. It represents nearly 98% of the investable U.S. equity market.

Russell Mid Cap measures the performance of the 800 smallest companies in the Russell 1000 Index.

Russell 2000 consists of the 2,000 smallest U.S. companies in the Russell 3000 index.

MSCI EAFE is an equity index which captures large and mid-cap representation across Developed Markets countries around the world, excluding the US and Canada. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Markets captures large and mid-cap representation across Emerging Markets countries. The index covers approximately 85% of the free-float adjusted market capitalization in each country.

The Wilshire US Real Estate Securities Index (Wilshire US RESI) is comprised of publicly-traded real estate equity securities and designed to offer a market-based index that is more reflective of real estate held by pension funds.

Alerian MLP Index is a float adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis.

Bloomberg Commodity Index (BCI) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification.

Treasury Inflation-Protected Securities (TIPS) are Treasury bonds that are indexed to inflation to protect investors from the negative effects of rising prices. The principal value of TIPS rises as inflation rises.

HFRI Fund of Funds Composite is an equal-weighted index consisting of over 800 constituent hedge funds, including both domestic and offshore funds.

Cambridge Associates U.S. Private Equity Index (67% Buyout vs. 33% Venture) is based on data compiled from more than 1,200 institutional-quality buyout, growth equity, private equity energy, and mezzanine funds formed between 1986 and 2015.

HFN Hedge Fund Aggregate Average is an equal weighted average of all hedge funds and CTA/managed futures products reporting to the HFN Database. Constituents are aggregated from each of the HFN Strategy Specific Indices.

Goldman Sachs Commodity Index (GSCI) is a broadly diversified, unleveraged, long-only composite index of commodities that measures the performance of the commodity market.



INSTR # 2022007233
 DATE FILED 11/16/2022 04:06:35 PM
 MICHELLE KRAHPITZ
 TOWN CLERK
 GLASTONBURY CT

BOF 12/14/22
Item # 4a

**GLASTONBURY BOARD OF FINANCE
 SPECIAL MEETING MINUTES
 WEDNESDAY, NOVEMBER 9, 2022**

The Glastonbury Board of Finance, along with Town Manager, Richard J. Johnson, held a special meeting at 2:00 p.m. in the Council Chambers of Town Hall at 2155 Main Street with the option for Zoom video conferencing. The video was broadcast in real time and via a live video stream.

Also present were Chris Kachmar and Mark Wetzel from Fiducient Advisors.

Roll Call

Members

- Mr. Constantine "Gus" Constantine, Chairman
- Mr. Jared Soper, Vice Chairman
- Mr. James McIntosh
- Ms. Susan Karp
- Mr. Robert Lynn
- Mr. James Zeller {excused}

1. Public Comment Session: Comments pertaining to the call. *None*
2. Discussion and possible action concerning pension investment program and services.

Mr. Soper would like everybody to be on the same page regarding roles. He asked to review what Fiducient thinks their role and responsibility is and what they think the role and responsibility of the BOF is. Mr. Kachmar explained that Fiducient functions as a non-discretionary adviser to the Board, conducting asset allocation work and ongoing monitoring of performances to ensure that they are on track to meet the Board's long-term objectives. The Board's responsibilities are to consider the advice and action items that Fiducient brings and to make a final decision as far as asset allocation and which investment managers are in the fund.

Mr. McIntosh asked how Fiducient would rate the Board's performance. Mr. Kachmar explained that most of their Connecticut municipal clients engage with them in the way that this Board does, though the spectrum of execution varies a little. Mr. Wetzel added that the Town's portfolio is different from that of many of their clients because this Board has been more involved in those decisions than many of their clients have been. The Board's fiduciary role is to think about the plan and give their best input, which this Board has been doing well.

Mr. Lynn noted that Glastonbury has some managers which other towns do not. He asked if those were also the Board's decisions. Mr. Kachmar explained that other clients use many of the managers that Glastonbury does, so it is not an absolute. In 2022, a couple managers really struggled, which they acknowledge. Some of Fiducient's clients, like West Hartford and Westport, have greater equity exposure than Glastonbury, making them more volatile. In striking a balance between return opportunity and risk, Glastonbury is above the trend line. If the Board seeks to dial up that allocation with more equity, they can do that.

Mr. Soper asked where the conversation would begin, should the Board choose to increase their equity allocation. Mr. Kachmar stated that it would start at the annual asset allocation exercise. They must also be mindful of the Town's actuarial assumption target of 6.25%. West Hartford's is higher while Westport's is lower, though they are very well funded. Mr. Soper, however, views the ROR assumption and the actuarial returns as somewhat of a chicken and an egg situation. Mr. Kachmar agreed that there is a circular element to it. Mr. Lynn asked why Westport has certain funds that Glastonbury does not. Mr. Wetzel stated that some of the differences lie simply in timing. Mr. Kachmar noted that while a lot of clients trust Fiducient to interview candidates, Westport does it themselves. Mr. Wetzel added that those candidates are all managers that Fiducient showed them.

Since it is the Board's responsibility to select the managers, Mr. Soper would like more in-depth information on them. Ms. Karp finds it important to have a system which can outlast the current board. She would also like to see what other towns are doing and why and cautioned against doing something that is not recommended. Board members have an obligation to work towards something together. She expects Fiducient to give an honest opinion as to whether something is a good idea or not. This would help them see why other towns might seem to have more opportunities and why they have chosen the portfolios that they have. Mr. Soper does not care much about what other towns are doing. Fiducient is bringing them their best idea. If they bring their top two positions, then the Board could choose which is most suitable for them. He agreed that there needs to be a system which works for the whole board, and for when the board is not there. He seeks more detail in some of the recommendations.

Mr. Soper asked, if the Board becomes dissatisfied with a manager, should they approach Fiducient. Mr. Kachmar replied yes, they should. Typically, when a manager goes on watch, it receives a heightened level of scrutiny, and they hold the analyst accountable for those statuses. They typically do not leave a manager on watch for more than three quarters. Mr. Soper asked to walk through the Templeton Foreign Small Cap Fund. Mr. Kachmar stated that the fund has had bright spots throughout its tenure but has struggled over the last year or so. Fiducient has started to move away from them. Mr. Soper asked how the Board determines that they even want to be in an international small cap strategy space. Mr. Kachmar explained that it starts at the asset allocation exercise, with looking at the complexity of the portfolio.

Mr. Lynn asked if Templeton was on the watch list two months ago. Mr. Kachmar stated that they are technically not on the watch list, but when thinking about where they should move forward, it is time to leave. He also spoke about Jackson Square, which has been very volatile. Mr. Wetzel explained that a year ago, Jackson Square looked great. 9 months later, they looked terrible. They try to balance how much they have with each manager. Mr. Lynn asked if the process from watch list to firing a fund is too slow. Mr. Kachmar conceded that it is not a perfect process. The litmus test is that over long periods of time, they have received responsible rates of return with reasonable risk.

In reviewing their returns over the last 10 years, Mr. Lynn pointed out that Westport and West Hartford had upsides higher than, but downsides similar to, Glastonbury's. He asked if this Board should be mirroring towns with better track records. Mr. Wetzel stated that there is a possibility that the volatility of those towns has been all in the upside. They can investigate that. In total, though, Fiducient believes that they add real value. Over the long term, their clients are doing better than other municipal clients in the state. Glastonbury is above the line, with less return but also less risk. They can discuss moving the town up. Mr. Soper pointed out that the

Board made a proactive decision as to the asset allocation. In part, volatility was taken into consideration. He was initially not in agreement with Mr. McIntosh's suggestion for 100% equities in the long-term, but he came around to the idea.

Mr. McIntosh continues to favor 100% equity. There are ways to avoid a problem with the town budget, namely, to place less weight on the ADC. Some Board members have had discomfort with elements of their financial performance. He has discomfort with the actuaries. Mr. Wetzel stated that 100% equity funded over 20 years is great, but the problem is whether a Town can make it to the end of those 20 years. That is very hard to do with a board. Mr. McIntosh is aware that it is a political decision, but he made the point that they have an infinite horizon and are a mature plan. They have enough cash now to be able to pay their contribution for decades into the future, so he thinks that they would do much better with a heavier contribution in equities.

Mr. Johnson stated that the Board has had discussions on whether to change the investment allocation from the hybrid plan to closer match the legacy plan. Mr. Soper's tendency is to move it to a similar allocation, but he suggested asking Mr. Kachmar what his position on that would be. Mr. Kachmar stated that the original exercise centered on that lower volatility profile. The Town probably does have the capability to take on more equity. They can run that exercise and show comparisons of what different mixes look like. Mr. Wetzel added that it seems like a good time to start thinking about potentially getting more aggressive.

Mr. Johnson senses that the Board does not seek to proceed with the outsourced Chief Investment Officer, based on tonight's discussion. This would essentially turn the reins over to Fiducient to manage the portfolio and report to the Board on a periodic basis. Mr. Soper asked what the fee is for that discretion. Mr. Wetzel stated that it is typically a 30% increase, but they would provide a discount to the Town, given their 10-year relationship. The process would entail working together on the investment allocation and policy statement, and then Fiducient would go off and do the work. Mr. Kachmar added that Plainfield and Waterford use Fiducient in a discretionary framework.

Mr. Wetzel thanked the Board for a long relationship and partnership. They are proud and honored to work with a plan like Glastonbury's. Mr. Lynn thanked Fiducient for their work. He explained that the BOF is a fiduciary, so it is their business to go to the marketplace and see if there is a different way of doing business for their citizens. That was the point they were trying to make.

Mr. Kachmar reviewed a list of four potential changes to the Town's portfolio, which will be discussed further at the Board's next meeting. Mr. Johnson will put that action item on the Board's next agenda.

3. **Action:** American Rescue Plan Act (ARPA) – Small Business Assistance Program

Mr. Johnson explained that the Town Attorney has opined to handle the midyear ARPA allocation as a supplemental appropriation. This request is to fund the Small Business Assistance Program. 50 small businesses applied for help, explaining how they were negatively affected by the pandemic and how this money would help them. 30 applications can be approved, with a maximum grant of \$5000 per applicant. However, 31 met the requirement. Therefore, he asked that the funding allocation be raised to \$155,000 to accommodate all 31 applicants. He will talk about this with the Council tonight.

Mr. Johnson explained that the role of the BOF is to confirm that monies are available in the ARPA funds, which they are, and that this is an approved use of ARPA monies per the US treasury, which it is. That is what the Town Attorney opined. Mr. Lynn is worried about whether this transfer of ARPA monies to help small businesses would become an ongoing action. Mr. Johnson replied that with the ARPA monies, they tried not to build cliffs. They have focused on one-time allocations. Mr. Soper asked if this is an approval or a recommendation. Mr. Johnson clarified that it is a recommendation.

Motion by: Ms. Karp

Seconded by: Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance hereby recommends an allocation of \$155,000 in ARPA monies in support of the small business assistance program established by the Town Council.

Result: Motion passed unanimously {5-0-0}.

Mr. Johnson noted that, at a prior meeting, he had mentioned gathering additional data on historic performance. He provided information on five other towns, to see what they are doing and what their funds are like. He also asked that the Board's meeting next week begin earlier than 4:00 P.M. The Board agreed to meet at 3:00 P.M. on Wednesday, November 16.

4. Adjournment

Motion by: Mr. Lynn

Seconded by: Mr. Soper

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of November 9, 2022, at 3:38 p.m.

Result: Motion passed unanimously {5-0-0}.

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 & REGULAR MEETING MINUTES
WEDNESDAY, NOVEMBER 16, 2022**

The Glastonbury Board of Finance, along with Town Manager, Richard J. Johnson, and Keri Rowley, Finance Director, held a special meeting at 3:00 p.m. and a regular meeting at 4:00 p.m. in the Council Chambers of Town Hall at 2155 Main Street with the option for Zoom video conferencing. The video was broadcast in real time and via a live video stream.

Also present were Chris Kachmar from Fiducient Advisors and Narae McManus, Controller.

Roll Call

Members

- Mr. Constantine "Gus" Constantine, Chairman
- Mr. Jared Soper, Vice Chairman
- Mr. James McIntosh
- Ms. Susan Karp
- Mr. Robert Lynn
- Mr. James Zeller

Mr. Johnson welcomed Keri Rowley as the new Finance Director.

1. Public Comment Session: Comments pertaining to the call. *None*
2. Communication: Minutes of October 19, 2022 Regular Meeting
Mr. McIntosh pointed out that "Martha's Vineyard" should read "Nantucket."

Minutes accepted as amended.

The Board then moved to Item 11 before returning to Item 4.

3. Communication: Pension Report – September 2022
Mr. Johnson reviewed the report dated November 2, 2022.
4. Communication: Month End Investments – September 2022
Ms. McManus reviewed the report dated October 14, 2022.
5. Communication: Financial Summary (Revenues & Expenditures) for 4 months - October 2022
Mr. Johnson reviewed the report dated November 10, 2022.
6. Communication: Capital Projects – October 2022
Mr. Johnson reviewed the report dated November 8, 2022. Mr. Zeller asked about the final numbers for the field house. Mr. Johnson stated that there is one outstanding item remaining.
7. Communication: Self Insurance Reserve Fund – October 2022

Ms. McManus reviewed the report dated November 8, 2022. The fund is experiencing a \$1.2 million loss and there have been no large loss claims this fiscal year.

8. Communication: Transfers Approved by Town Manager Since Last Meeting
 - a. Finance Director Laptop (\$2,000)
 - b. Pre-Referendum Printing Costs (\$3,300)

9. **Action:** Transfers over \$5,000 (None)

10. **Action:** Allocation of \$3.4m in ARPA Funds for Land Acquisition

Mr. Johnson reviewed the report dated November 10, 2022. The Council is considering the purchase of a ±10.86-acre parcel, which includes two commercial office buildings, located at 50 and 55 Nye Road, for development of a mixed income affordable housing project. There is a utility easement and four acres of town-owned land, which can only be accessed from Nye Road. This site purchase will open that access. While nine acres are landlocked, they initially looked at just the four acres west of the powerline.

The northerly building at 55 Nye Road will be taken down to construct the affordable housing development. Preliminary evaluation estimates about 70-80 units to be constructed. He explained that the perfect number of units to qualify for financing and tax credits falls within this range. The southerly building at 50 Nye Road could serve as an administrative office for the BOE or a combination of municipal spaces for the BOE and lease space which could generate revenue. The Council asked the Town Manager to prepare an RFQ to look for potential development partners. This could be either the GHA, a private partner, or both. After which, they will then seek out specific proposals from developers.

Mr. Constantine asked if this would help the Town qualify for a moratorium from CGS 8-30g applications. Mr. Johnson explained the formula for acquiring a moratorium, which is based on census data. The 2020 census showed that Glastonbury needs about 160 points to qualify for a moratorium. Experts state that a mixed income development is the best way to acquire points. This proposal would not get the Town to a moratorium, but it would largely get them there.

Mr. Lynn does not understand the sense of urgency here. CGS 8-30g has been around since 1989. Mr. Johnson explained that the statute largely negates local zoning regulations, so it can bring in inappropriate projects. Mr. Zeller stated that this project will take several years to accomplish. In the meantime, they will not qualify for a moratorium. Ms. Karp finds it important to recognize the charge of the BOF. They are being asked to consider two issues: whether ARPA funding is available, and if this is a project that qualifies under ARPA. The answer to both is yes. She noted that, last night, the TPZ stuck to their strict criteria as well, which was to consider whether the proposal conforms to the Town's POCD, which it does. Mr. McIntosh agreed.

Mr. Zeller has three concerns that he has had to put aside: the first is whether there is an issue of affordable housing in town or in the region. That has not been made clear to him. The second is that he has a strong concern about any government subsidized project that warehouses people of lesser means into one area. He has received mixed messages from the Council. They have stated that they would like affordable housing in town, yet the primary motivation for this proposal is to thwart private developers doing exactly that.

Mr. Zeller also disagrees with the Town Attorney's opinion regarding the BOF's role. The Town Charter states that the BOF is the final authority on budgeted items, not the Council. He is worried that once the \$3.4 million of local taxpayer money is spent, then more expenses will crop up that must be paid for because the project cannot be left half-finished. The field house is one such case of a project where this happened. The BOF does not have to abide by the Town Attorney's opinion. He is not going to support \$3.4 million for a less than clear plan.

Ms. Karp gives deference to the Town Attorney. She also knows that the Council likely knows information that the BOF is not privy to, such as timing. The BOF's role is to make sure that they meet their obligations as a community with the money that they are managing. Spending ARPA funds in this manner does not jeopardize their financial position going forward. Mr. Soper does not know how much this project will cost. For most of the projects that come before the Board, there is confidence in how much money taxpayers will spend. They are purchasing this land with a specific project in mind, and he does not know how much additional financial responsibility the Town would have, moving forward. The Town Charter does deem the BOF the final authority on non-budgeted items, and he cannot say whether they can or cannot afford it.

Mr. Johnson clarified that there is not going to be a town budget to build these units. They will be funded through federal grants and financing credits, like how the GHA does their business. The concept here is that either the GHA or a private developer will take over and manage the project on an ongoing basis. It is not anticipated to be a town budget item. Mr. McIntosh added that it is not the Town's money. It was given by the federal government, raised by federal taxpayers, making it more similar to a grant. He agrees with Mr. Karp that the BOF's job is to decide whether the money is there and to determine whether spending it in this way is an approved expenditure, and the answer to both is yes. Mr. Soper's concerns are valid, but each of those possible expenditures will be reviewed by the Board. Their decision today is very limited.

Mr. Zeller does think of this money as being local taxpayer dollars. He asked if any entity has committed to see through this project. Mr. Johnson explained that the GHA is prepared to move forward with a project. As an option, they are looking to see if there might be private sector developers to partner with the town. Mr. Zeller feels like this is not the way that they normally receive things from Mr. Johnson and the Council. They are buying into something that they do not know, and he worries that no one can guarantee that this project will not land in the Town's lap. Mr. Lynn also struggles with this proposal. Only six towns in Connecticut have received a moratorium, which lasts only four years. He worries about the lack of leadership and the false sense of urgency in rushing this through after 33 years of non-action. He would like a thoughtful plan.

Ms. Karp reiterated that none of those concerns are within the Board's purview. The Town Charter's intent was never to give the BOF the ability to make policy making decisions. She asked to not set a dangerous precedent by making policy decisions, which is the Council's charge. Mr. McIntosh agreed. Mr. Soper countered that the Board is looking at the finances, which is their role. He asked how much tax revenue the Town would lose by tearing down 55 Nye Road. Mr. Lynn believes the Town Attorney's opinion to be a guideline. He asked how long the Town has known about this property for its potential use as affordable housing. Mr. Johnson replied, the matter has been discussed for about five to six months now.

Mr. Constantine asked if the Council would prefer to postpone tonight's action. Mr. Johnson pointed out that doing so would mean that the deal goes away.

Motion by: Ms. Karp

Seconded by: Mr. Soper

BE IT RESOLVED, that the Glastonbury Board of Finance hereby approves an allocation of \$3.4 million in ARPA funding for the purchase of a ±10.86-acre site, located at the terminus of Nye Road.

Disc: Mr. Soper knows Michele Parratta who is a real estate lawyer with relatives on Nye Road. He is unsure whether to recuse himself from the vote. Ms. Karp stated that the Ethics Code pertains to family members. It does not extend to friends. Therefore, there is no issue. Mr. Johnson pointed out that the purchase and sale agreement calls for Council action by December 9. An extension was requested, but the seller refused to grant it.

Mr. McIntosh feels very strongly that the Board should focus on the issue before them, not the issues that may come before them at some later time. He is afraid that the vote might break between three former council members versus three people who never served on the council. He does not think that the Town Charter intended for the BOF to become involved in decisions such as the discussion heard tonight. Ms. Karp agreed.

Mr. Zeller is not trying to thwart the policy by objecting to this proposal. As a practical matter, the Town never turns down projects later on because they are on a roll. He worries that no one can guarantee that the Town will not be held to this. The Charter drafters anticipated checks and balances, and this Board is looking longer term. Ms. Karp remarked that the Town Council has already allocated over \$5 million of ARPA funds to a variety of items. The Council answers to the public. If they make a policy decision that the public does not like, then they will be voted out. The BOF has the privilege of running for office virtually uncontested. Therefore, the Council is not accountable to the BOF; they are accountable to the public. She asked to vote based on the Town Attorney's narrowly defined role for the BOF.

Result: Motion failed {3-3-0}, with Mr. Soper, Mr. Lynn, and Mr. Zeller voting against.

11. Discussion and Possible Action concerning Pension Related Matters

Mr. Kachmar reviewed the four changes that were proposed at the last meeting:

1. Fixed Income:
 - a. Eliminate allocation to global bonds by terminating PGIM Global Total Return
 - b. To respond more dynamically to interest rate volatility, establish an 8% allocation to dynamic bonds via the BlackRock Strategic Income Fund, and resize the two Core Plus strategies (MetWest Total Return and BlackRock) from 13.75% each to 12.75% each.
2. Domestic Equity:
 - a. Terminate Jackson Square SMID Growth, and replace it with a less volatile alternative, William Blair SMID Growth (maintain 6% target).
3. International equity:
 - a. Eliminate allocation to international small-cap by terminating Templeton Institutional Foreign Smaller Companies Fund
 - b. Add a complimentary emerging markets growth strategy alongside Cape Ann Global Developing Markets, resizing both to 2.5% each.

4. Real Assets:

- a. Terminate existing roster of real asset mandates
- b. Replace with a single diversified real asset mandate, via DWS RREEF Real Assets Strategy.

Mr. Kachmar noted that some of Glastonbury's peer communities like to see second and third options in those spaces, which they can provide. Mr. Lynn questions why William Blair is recommended since their recent track record is not good. While their risk is low, so are their returns. He asked what conviction there is to move forward with this fund. Mr. Kachmar clarified that the fund's 3-year number is a little below benchmark but the 5, 7, and 10-year numbers are above benchmark, and returns were generated with less risk. Based on the feedback that Fiducient has heard from the BOF regarding sensitivity to volatility, they recommend a more conservative fund like William Blair. He also noted that even the most capable managers will have points throughout a 10-year timeframe where they do not yield great results. Mr. Lynn is not risk averse, but if Fiducient believes that William Blair is the way to achieve benchmark risk with better risks, then he will support it.

Mr. Soper stated that the 2021 Milliman report predicted that the Town would start to have net outflows from the pension. He asked if that has been the case and will continue to be do. Mr. Johnson noted that the Town still has another 12 years to be fully amortized. He will ask the actuary to take a look as to whether the ADC needs to be leveled off to positively influence net cash outflows. Mr. Soper asked if it makes sense to have some short-term treasuries to cover net cash outflows. That way, they will not sell bonds or equities into an unfavorable market. Mr. Kachmar explained that they typically try to include in the program a couple months of liquidity.

Mr. Soper is fine with the suggestion to change from PGIM to Blackrock strategic fund, but he would like to reduce the overall amount in the fixed income, with a focus of getting the equity portion to the 60% target listed in the Board's investment policy guidelines. He also wonders whether it would be worthwhile to have an index that is equal-weighted, in addition to a smaller percentage that is equal-weighted, so that the four or five largest stocks do not dominate so heavily. He also shares Mr. Lynn's concerns about the William Blair fund. His personal default is to use the S&P MidCap 400 Index, as it outperforms somewhere around 90% of the managers. Instead of putting 6% into William Blair, he suggests 4% in the S&P MidCap Index and 2% in the S&P SmallCap Index.

Mr. Kachmar cautioned against comparisons, as William Blair does not engage in the same marketplace as the S&P small or mid cap index. On a 5, 7, and 10-year basis, William Blair has consistently outperformed the Russell 2500 growth index. He also noted that the index is overweight in value. Mr. Soper agreed but pointed out that Mr. Kachmar has stated in the past that Fiducient favors that. Mr. Soper does not feel the need to marry the Earnest with a perfect growth fund if the index is doing better. He also noted that the index could be a holding place, to be revisited at a later date. He supports increasing the equity space. In the international space, he agrees with Mr. Kachmar's suggestions, and supports adding the DWS fund, but at a lower amount. Instead of 5%, he prefers 3%. Mr. Kachmar stated that if there is consensus that an index for domestic equities suits the Board better, then that is an easy implementation. He agreed to capture the exposure with an index for the time being, instead of William Blair, which will be monitored over time.

Ms. Karp is not comfortable making a decision today. She finds it a difficult position to be between the recommendation of a consultant and the recommendation of a board member. Mr. Soper pointed out that the investment world and the government world do not work well together as the timeframes are different. While the Board does not have to make all the changes tonight, there is enough agreement to make as many changes as they can. The Board agreed to move forward with a motion.

Motion by: Ms. Karp

Seconded by: Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance hereby accepts the recommendations that have been made, with the knowledge that they will look for additional information for the Domestic Equity portion of the allocation.

Result: Motion passed unanimously {6-0-0}.

Mr. Kachmar will work with Ms. Rowley and Mr. Johnson on its immediate implementation.

12. Presentation and Discussion Concerning General Fund – Unassigned Fund Balance (to be available at meeting) **Discussion tabled for December 14th BOF meeting**

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

Mr. Constantine stated that PBC has not yet met.

14. Adjournment

Motion by: Ms. Karp

Seconded by: Mr. Lynn

BE IT RESOLVED, that the Glastonbury Board of Finance moves to adjourn their meeting of November 16, 2022, at 4:45 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.

DEPARTMENT OF FINANCE & ADMINISTRATIVE SERVICES

BOF 12/14/22
Item # 5

December 2, 2022

TO: Board of Finance & Richard J. Johnson, Town Manager
 FROM: *LSK* Keri Rowley, Director of Finance & Administrative Services
 RE: Pension Investment Review – **October 2022**

As of October 31, 2022 the pension asset value is \$182,898,299, a net increase of \$2,486,890 from July 1, 2022. Through the month of October, the fund experienced an unrealized loss of \$5,369,520, which is indicative of the current market and there was a realized gain of \$111,694. Investment income through October totaled \$1,118,868.

Beginning Balance July 1, 2022	\$	180,411,409
Revenues:		
Employer Contributions	\$	10,329,019
Employee Contributions	\$	740,990
Total Contributions	\$	11,070,009
Investment Income	\$	1,118,868
Realized Gains/Losses	\$	111,694
Unrealized Gains/Losses	\$	(5,369,520)
Total Revenues	\$	6,931,051
Expenditures:		
Benefit Payments	\$	4,351,053
Administrative Fees	\$	33,243
Investment Management Fees	\$	59,865
Total Expenditures	\$	4,444,161
Net Increase/Decrease	\$	2,486,890
Ending Balance October 31, 2022	\$	182,898,299

Assuming a 6.25% long-term return on the plan's investments, the July 1, 2021 Unfunded Accrued Liability is \$70.1 million and the corresponding funded ratio is 72.2%. The Town's policy for paying off the unfunded liability is such that there are 12 years remaining in our amortization schedule.

cc: Narae McManus, Controller
 Karen Bonfiglio, Finance Manager, Glastonbury Public Schools

Town of Glastonbury

Administrative Services
Accounting Division

November 10, 2022

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

From:  Narae L. McManus, Controller

Subject: Monthly Investment Status

Pooled Investments

The Town's pooled cash investment balances at October 31, 2022 were \$117,409,037. As of month-end, the investment balances for all funds combined were as follows:

Type of Investment	Amount	Rate	
STIF	\$56,897,722	3.01	
Citizens Bank	225,266	0.10	
Northern Capital Investment Account	13,897,347	0.15-4.10	Est. current accrued interest \$22,544
Northern Capital Sewer Funds	9,583,433	0.25-3.50	Est. current accrued interest \$10,067
Treasury Bills – LPL Financials	30,997,380	2.50-3.25	Mature Nov. 2022 – Feb. 2023
M&T Bank Investments	21,096	0.10	
Liberty Bank Investments	274,327	0.90	
TD Bank Investments	500,591	1.31	
TD Bank CD	<u>5,011,875</u>	3.02	Matures 2/13/23
Total	<u>\$117,409,037</u>		

General Fund Earnings

- The General Fund portion of pooled investments at October 31 was \$74.1 million.
- As of October 31, the General Fund has realized investment earnings of \$447,054.
- As of October 31, Sewer Sinking funds totaling \$9,480,000 were invested in fully-insured CDs with terms varying from 6 months to six years, with current-year realized investment earnings of \$23,106.

Comparative information concerning General Fund earnings follows.

Fiscal Year	Budget	Realized Investment	
		Earnings July-Oct.	Percent of Budget
2022	\$195,000	39,484	20.25 %
2023	620,000	447,054	72.11


Cc: Keri Rowley, Director of Finance

TOWN OF GLASTONBURY
ADMINISTRATIVE SERVICES - Financial Administration

BOF 12/14/22
Item # 7

December 7, 2022

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

FROM:  Keri Rowley Director of Finance & Administrative Services

RE: Financial Summary for the Five Months Ended November 30, 2022 (FY 2022/2023)

Expenditure Summary:

Through November 30, 2022, encumbrances total \$67.48m and expenditures total \$72.44m. Combined, this represents 78% of the Town's revised general fund budget of \$178.93m. This compares to \$70.61m and \$70.60m respectively, or 81%, for the same period in the prior year.

The expenditure increase of \$1.83 is largely driven by BOE (+\$1.37m), with minimal increases in Town (+117K) and Debt & Transfers (+350K). Excluding encumbrances, the Town's year to date expenditures are trending right in line to the same period in FY 2022. The net increase of \$117K is driven mainly by the Fire Department (\$93K), Human Resources (\$36K) and Information Technology (\$60K), but offset by recognized savings from vacancies throughout the organization. The Fire Department's variance is attributed to the purchase of budgeted capital outlay of \$41K compared to no expenditures in the prior year period. Total wages in this department are trending about \$25K higher than FY 2022 as a result of the first full fiscal year of the Fire Chief. Additionally, the medical and pension contribution is \$15K greater than prior year. Human Resources is showing an uptick in expenses due to the first full year of the new Human Resource Information System software (Paycom). The Information and Technology division is about \$57k higher in expenditures compared to the same period in prior year which is primarily due to timing variances of annual vendor payments. Some departments lower in expenses to date, and offsetting the above trends, are Community Development and Financial Administration due to vacant positions. The increase in Debt and Transfers is reflective of the higher budgeted Capital Reserve Transfer of \$400k from FY 2022 .

Below is an Expenditure & Transfer summary report through November 30, 2022.

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>2021/2022</u>				
Town	\$ 46,761,394	\$ 22,409,281	\$ 13,557,620	77%
Education	113,549,684	39,305,740	\$ 53,298,383	82%
Debt/Transfers	13,073,742	8,890,030	\$ 3,755,621	97%
<u>2022/2023</u>				
Town	\$ 48,112,592	\$ 22,525,996	\$ 14,106,635	76%
Education	116,937,381	40,674,139	\$ 49,403,297	77%
Debt/Transfers	13,882,486	9,239,720	\$ 3,968,662	95%

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

	2021/2022	%	2022/2023	%
ADMIN SERVICES	\$ 3,500,641	55%	\$ 3,623,411	55%
PUBLIC SAFETY	8,413,787	52%	\$ 8,361,243	50%
PHYSICAL SERVICES	2,899,660	39%	\$ 2,908,162	38%

cc: Karen Bonfiglio, Business Manager; Narae McManus, Controller

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2023 THROUGH NOVEMBER 30 2022

FUND 010 - GENERAL FUND

Description	2023 ORIGINAL BUDGET	2023 REVISED BUDGET	FY2023 THRU NOVEMBER	2023 ENCUMB	AVAILABLE BALANCE	2023 % USED
GENERAL GOVERNMENT						
TOWN COUNCIL	154,692	161,042	105,195	17,480	38,367	76.2%
CUSTOMER SERVICE	67,554	67,554	27,478	836	39,240	41.9%
TOWN MANAGER	814,047	829,164	332,890	252,226	244,048	70.6%
HUMAN RESOURCES	732,741	732,741	322,199	185,547	224,994	69.3%
FACILITIES MAINTENANCE	1,967,540	1,975,006	795,676	527,110	652,220	67.0%
TOTAL GENERAL GOVERNMENT	3,736,574	3,765,508	1,583,439	983,198	1,198,870	68.2%
COMMUNITY DEVELOPMENT						
COMMUNITY DEVELOPMENT	747,452	747,452	320,568	204,246	222,638	70.2%
BUILDING INSPECTION	593,540	593,540	311,725	210,097	71,717	87.9%
FIRE MARSHAL	375,417	399,339	222,288	140,476	36,576	90.8%
HEALTH	792,325	792,325	392,505	267,364	132,456	83.3%
TOTAL COMMUNITY DEVELOPMENT	2,508,734	2,532,656	1,247,087	822,183	463,387	81.7%
ADMINISTRATIVE SERVICES						
FINANCIAL ADMINISTRATION	789,114	789,114	314,951	292,385	181,779	77.0%
INFORMATION TECHNOLOGY	1,037,345	1,047,138	535,390	276,011	235,737	77.5%
ACCOUNTING	515,607	515,607	251,417	189,455	74,734	85.5%
PROPERTY ASSESSMENT	662,127	662,127	318,009	203,300	140,818	78.7%
REVENUE COLLECTION	495,132	495,132	244,446	158,991	91,695	81.5%
TOWN CLERK	592,610	592,610	276,657	221,343	94,610	84.0%
VOTER REGISTRATION	203,847	203,847	112,095	13,266	78,485	61.5%
LEGAL SERVICES	300,000	300,000	102,814	-	197,186	34.3%
PROBATE SERVICES	24,800	24,800	5,878	11,843	7,079	71.5%
INSURANCE/PENSIONS	1,920,497	1,920,497	1,461,755	209,604	249,138	87.0%
TOTAL ADMINISTRATIVE SERVICES	6,541,079	6,550,872	3,623,411	1,576,199	1,351,262	79.4%
PUBLIC SAFETY						
POLICE	15,058,422	15,302,268	7,716,615	4,555,037	3,030,616	80.2%
VOLUNTEER AMBULANCE	3,175	3,175	718	-	2,457	22.6%
FIRE	1,473,759	1,531,599	636,918	262,018	632,662	58.7%
CIVIL PREPAREDNESS	31,490	31,490	6,992	193	24,305	22.8%
TOTAL PUBLIC SAFETY	16,566,846	16,868,532	8,361,243	4,817,249	3,690,040	78.1%
PHYSICAL SERVICES						
ENGINEERING	1,744,221	1,792,904	880,241	678,210	234,453	86.9%
HIGHWAY	4,597,674	4,598,943	1,586,934	1,527,556	1,484,454	67.7%
FLEET MAINTENANCE	1,203,744	1,206,284	440,988	452,396	312,900	74.1%
TOTAL PHYSICAL SERVICES	7,545,639	7,598,131	2,908,162	2,658,162	2,031,807	73.3%

TOWN OF GLASTONBURY
CURRENT YEAR EXPENDITURES BY DIVISION
FY 2023 THROUGH NOVEMBER 30 2022


FUND 010 - GENERAL FUND

Description	2023 ORIGINAL BUDGET	2023 REVISED BUDGET	FY2023 THRU NOVEMBER	2023 ENCUMB	AVAILABLE BALANCE	2023 % USED
SANITATION						
REFUSE DISPOSAL	957,950	964,988	356,123	346,285	262,580	72.8%
TOTAL SANITATION	957,950	964,988	356,123	346,285	262,580	72.8%
HUMAN SERVICES						
CONTRIBUTORY GRANTS	36,000	36,000	19,000	12,000	5,000	86.1%
YOUTH/FAMILY SERVICES	1,799,038	1,800,888	788,104	545,363	467,421	74.0%
SENIOR & COMMUNITY SERVICES	1,526,985	1,555,930	661,529	352,370	542,030	65.2%
TOTAL HUMAN SERVICES	3,362,023	3,392,818	1,468,634	909,733	1,014,451	70.1%
LEISURE/CULTURE						
PARKS/RECREATION	4,351,497	4,531,734	2,054,575	1,399,126	1,078,032	76.2%
WELLES TURNER LIBRARY	1,892,353	1,892,353	908,323	594,500	389,530	79.4%
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	6,258,850	6,439,087	2,977,898	1,993,626	1,467,563	77.2%
OTHER:Debt & Transfers						
DEBT SERVICE	6,902,429	6,902,429	2,505,675	3,968,662	428,093	93.8%
TRANSFERS	6,480,057	6,980,057	6,734,045	-	246,012	96.5%
TOTAL OTHER:Debt & Transfers	13,382,486	13,882,486	9,239,720	3,968,662	674,105	95.1%
EDUCATION						
EDUCATION	116,937,381	119,615,372	41,180,934	9,563	78,424,875	34.4%
TOTAL EDUCATION	116,937,381	119,615,372	41,180,934	9,563	78,424,875	34.4%
TOTAL 010 - GENERAL FUND	177,797,562	181,610,450	72,946,650	18,084,860	90,578,940	50.1%

TOWN OF GLASTONBURY

ADMINISTRATIVE SERVICES - Financial Administration

December 7, 2022

TO: Board of Finance
FROM:  Keri Rowley, Director of Finance & Administration
RE: Capital Projects Fund Expenditures Report
For the Period Ended November 30, 2022 (FY 2022/2023)

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 November 30, 2022 report is **\$105.9m**, \$5.7m of which is through ARPA funding.

Expenditures for current projects since inception through November 30, 2022 total **\$78.6m** and encumbrances outstanding total **\$4.6m**. The most significant encumbrances are for the Fire Rescue Pumpers (\$1.6m), Road Overlay (387K) and Underground Fuel Storage Tank (\$284K). The contract for two Triple Combination Rescue Pumpers was awarded in October 2022 to Marion Body Works and the funds encumbered in November 2022.

Capital expenditures through the month of November totaled **\$3.9m**, spending approximately \$200K in the month of November. Some of the major project expenditures in FY 2023 are on the following projects: Parking/Access Drive Improvement (\$269K), Sidewalk Construction (\$422K), Road Overlay (\$1.68m) and the Town Aid Road (\$241K).

Attachment

Cc: Richard J. Johnson, Town Manager
Narae McManus, Controller
Karen Bonfiglio, Finance Manager, Board of Education

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2023 THROUGH NOVEMBER 30 2022

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2023 THRU NOVEMBER	2023 ENCUMB	AVAILABLE BALANCE
FUND 301 - CAPITAL RESERVE PROJECTS					
GenGovt/Public Safety (31006)					
51827 Town Buildings Security	874,000	576,823	2,043	72,733	224,444
51828 Facilities Study	90,000	153	153	-	89,847
51829 Williams Memorial	150,000	-	-	53,500	96,500
51833 Disaster Prep/Recovery Resourc	1,134,000	886,037	2,171	205,932	42,031
51835 Fire Co Renovations/Code Compl	705,960	493,660	189,604	56,458	155,841
51836 Self Containd Breath Apparatus	520,000	520,788	-	-	(788)
51838 Animal Control Shelter	105,000	16,961	16,961	50,289	37,750
51849 Public Safety Communications	1,650,000	397,516	-	8,013	1,244,471
51854 Police Building Windows	127,500	88,301	-	-	39,199
51854 Police Building Windows (Pol Bthrm Ren)	110,000	99,249	-	1,065	9,686
51855 Fiber Optic Network-School/Twn	1,192,000	1,144,202	19,783	23,734	24,063
51873 Land Acquisition	1,261,639	1,248,581	38,013	-	13,058
51875 Town Facilities Shop/Storage	1,195,000	1,193,344	5,510	5,417	(3,760)
51888 Property Revaluation	2,111,500	1,842,369	125,146	-	269,131
51892 Document Management System	460,000	390,516	-	52,094	17,390
51912 Tn Hall Improvements	1,718,849	1,716,676	-	-	2,173
51914 Townwide Roof Replacement	855,000	672,858	-	-	182,142
51915 Clean Renewable Energy In	1,562,044	1,449,095	42,774	37,997	74,952
51918 Design Guidelines	125,000	21,104	21,104	78,660	25,236
Total GenGovt/Public Safety	15,947,492	12,758,233	463,262	652,613	2,536,645
PhyServices Sanitation (31007)					
52828 Main Street Reconstruction	2,076,600	-	-	-	2,076,600
52829 Gateway Corp Park Bicyc Pedst	1,013,800	-	-	-	1,013,800
52830 Bridge Replacement/Rehabil	5,150,000	4,669,731	7,212	171,203	309,066
52831 Undergrd Fuel Strg Tank Replac	375,000	-	-	284,623	90,377
52847 Douglas/Sycamore Str Alignment	235,000	28,811	-	-	206,189
52848 Main Street Sidewalks Phase 3	1,570,000	665,232	11,778	550	904,218
52871 Parking/Access Drive Improvmnt	1,250,000	1,093,649	268,604	-	156,351
52872 Hebron Avenue Resurfacing	1,276,806	1,134,807	-	-	141,999
52879 Sidewalk Construction Townwide ()	-	-	-	-	-
52879 Sidewalk Construction Townwide ()	494,045	422,024	422,024	-	72,021
52882 Sidewalk Repair and Maintenanc	850,000	789,831	209,098	43,098	17,070
52883 Townwide Drainage Solutions	400,000	213,082	918	-	186,918
52884 Town Center Streetscape Improv	206,186	-	-	-	206,186
52886 Old Maids Lane-Public Water	175,000	-	-	-	175,000
52939 Bell Street Sidewalks	900,000	-	-	-	900,000
52946 Road Overlay ()	1,261,381	1,261,381	-	-	-
52946 Road Overlay ()	2,148,258	1,676,099	1,676,099	387,651	84,507
52949 Gen Bicycle/pedestrian Imprvmt	164,262	32,914	32,914	68,086	63,262

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2023 THROUGH NOVEMBER 30 2022

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2023 THRU NOVEMBER	2023 ENCUMB	AVAILABLE BALANCE
52951 Heavy Equipment	804,021	630,678	-	149,102	24,241
52958 Glastonbury Blvd Paving	2,200,000	1,987,777	-	-	212,223
52959 Traffic Calming	100,000	-	-	-	100,000
52960 Renovation andSite Restoration	1,613,189	1,576,344	-	-	36,845
52960 Renovation andSite Restoration (Slocumb Dam)	275,000	232,901	-	-	42,099
52963 Hebron Ave/House St Improvemen	1,975,000	1,610,474	-	-	364,526
52964 Public Water Service - Uranium	50,000	32,805	-	2,195	15,000
52965 Mill St Bridge Replacement	180,000	-	-	-	180,000
Total PhyServices Sanitation	26,743,547	18,058,540	2,628,647	1,106,508	7,578,499
Culture/Parks &Recreation (31008)					
53825 Addison Park Renovations	375,000	54,986	1,912	53,475	266,539
53832 Aquatics Facility	125,000	112,896	-	-	12,104
53837 Minnechaug Golf Improvements	662,500	389,921	270	-	272,579
53838 Library Exterior Renovations	94,624	-	-	-	94,624
53839 Multi-Use Trail	1,228,000	1,110,804	10,571	1,353	115,843
53841 Splash Pad	550,013	529,280	-	19,793	940
53842 PICKLEBALL COURTS	140,000	17,243	6,443	106,490	16,267
53843 Riverfront Park and Boathouse	119,000	137,227	105,558	9,145	(27,372)
53856 Parks Facility Renov/Expansion	1,038,500	1,037,761	39	-	739
53857 Riverfront Park Extension	803,973	777,023	-	-	26,950
53860 Library Upgrade/Redesign	332,000	247,561	-	-	84,439
53873 Grange Pool	389,572	344,572	-	-	45,000
53874 Tree Management	603,205	492,735	64,138	41,662	68,808
53875 Cider Mill	80,000	39,979	53	-	40,021
53876 Center Green Renovations	100,000	-	-	-	100,000
53878 Town Property Conversion	40,000	-	-	-	40,000
53920 Open Space Access	540,000	360,358	6,007	39,347	140,295
53921 Winter Hill	410,000	155,377	8,001	175,802	78,822
Total Culture/Parks &Recreation	7,631,387	5,807,723	202,992	447,066	1,376,598
Education (31009)					
55836 HVAC/Boilers (CAP RES-GID WEL)	1,414,178	1,400,861	-	13,227	90
55839 Energy Audit--All Schools	260,500	241,491	-	-	19,009
55847 GHS Fieldhouse	2,328,004	2,362,878	-	169,792	(204,666)
55860 GHS Kitchen Upgrades	1,675,000	1,649,688	-	-	25,312
55863 GHS Parking and Access Drives	365,000	365,616	-	-	(616)
55868 Smith Middle School Gym Floor	621,664	621,343	-	-	321
55870 School Roofs	50,000	14,788	-	-	35,212
55871 Multi-School Locker Replacemnt	460,000	213,198	-	18,603	228,200
55872 Gideon Welles Design-Roof Repl	550,000	18,603	-	16,748	514,650
55873 EDU-Feasibility Analysis/Cost	100,000	-	-	-	100,000
55874 Naubuc School Open Space Reno	3,200,000	59,271	59,122	96,798	3,043,931
Total Education	11,024,346	6,947,737	59,122	315,167	3,761,441

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2023 THROUGH NOVEMBER 30 2022

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2023 THRU NOVEMBER	2023 ENCUMB	AVAILABLE BALANCE
TOTAL 301 - CAPITAL RESERVE PROJECTS	61,346,772	43,572,234	3,354,022	2,521,355	15,253,184
FUND 302 - SEWER SINKING PROJECTS					
PhySer Sewer Sinking (32007)					
52887 Eastbury Pump Statn Generator	75,000	-	-	27,950	47,050
52888 WPC Emergency Power	202,500	154,104	-	-	48,396
52889 WPC Energy Conservation Prog	315,000	92,247	-	12,021	210,731
52893 Cider Mill Pump Station	1,791,000	1,670,692	-	-	120,308
52937 Sewer System Force Main Evalua	150,000	-	-	-	150,000
52938 WPC Roofs	520,000	-	-	-	520,000
52953 Parker Terrace Stn Force Main	75,000	-	-	-	75,000
Total PhySer Sewer Sinking	3,128,500	1,917,043	-	39,971	1,171,485
TOTAL 302 - SEWER SINKING PROJECTS	3,128,500	1,917,043	-	39,971	1,171,485
FUND 303 - LAND ACQUISITION					
Land / Open Space (33157)					
78830 Land 2017	4,000,000	4,000,000	-	-	-
78831 Land 2020	3,000,000	1,753,270	-	-	1,246,730
Total Land / Open Space	7,000,000	5,753,270	-	-	1,246,730
TOTAL 303 - LAND ACQUISITION	7,000,000	5,753,270	-	-	1,246,730
FUND 304 - TOWN AID					
PhySer Conn Grant (33207)					
52942 Town Aid Improved Rds ()	558,773	558,773	-	-	-
52942 Town Aid Improved Rds ()	756,893	241,378	241,378	66,042	449,472
52943 Town Aid Unimproved Rds ()	10,778	10,778	-	-	-
52943 Town Aid Unimproved Rds ()	26,973	-	-	-	26,973
Total PhySer Conn Grant	1,353,417	810,929	241,378	66,042	476,446
TOTAL 304 - TOWN AID	1,353,417	810,929	241,378	66,042	476,446
FUND 314 - RIVERFRONT PARK					
Riverfront Park - Phase I (34560)					
66805 Administrative	147,738	147,737	-	-	1
66810 Engineering	121,418	121,417	-	-	1
66824 Machinery & Equipment	196,373	196,373	-	-	-
66825 Construction	3,784,471	3,784,470	-	-	1
66829 Contingency	-	-	-	-	-
Total Riverfront Park - Phase I	4,250,000	4,249,998	-	-	2
RIVERFRONT PARK - PHASE II (34561)					
66805 Administrative	18,000	17,962	-	-	38
66810 Engineering	863,500	844,120	-	-	19,380

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2023 THROUGH NOVEMBER 30 2022

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2023 THRU NOVEMBER	2023 ENCUMB	AVAILABLE BALANCE
66825 Construction	14,680,000	14,712,305	-	-	(32,305)
66829 Contingency	48,500	30,833	-	-	17,668
Total RIVERFRONT PARK - PHASE II	15,610,000	15,605,220	-	-	4,780
TOTAL 314 - RIVERFRONT PARK	19,860,000	19,855,218	-	-	4,782
FUND 316 - GATEWAY PROJECT					
Gateway Corporate Park (35357)					
52845 Gateway Corp. Park	888,541	869,410	-	-	19,131
Total Gateway Corporate Park	888,541	869,410	-	-	19,131
TOTAL 316 - GATEWAY PROJECT	888,541	869,410	-	-	19,131
FUND 318 - LIBRARY RENOVATION					
Welles Turner Library Renov (34509)					
66805 Administrative	150,515	141,943	985	2,757	5,815
66810 Engineering	500,000	474,872	-	17,754	7,374
66824 Machinery & Equipment	610,000	582,157	154,796	27,283	560
66825 Construction	5,000,000	4,543,707	106,827	76,643	379,650
66829 Contingency	250,000	-	-	-	250,000
Total Welles Turner Library Renov	6,510,515	5,742,680	262,607	124,437	643,398
TOTAL 318 - LIBRARY RENOVATION	6,510,515	5,742,680	262,607	124,437	643,398
FUND 319 - BULKY WASTE CLOSURE FUND					
BULKY WASTE CLOSURE FUND (34519)					
66829 Contingency	130,000	-	-	-	130,000
Total BULKY WASTE CLOSURE FUND	130,000	-	-	-	130,000
TOTAL 319 - BULKY WASTE CLOSURE FUND	130,000	-	-	-	130,000
FUND 320 - AMERICAN RESCUE PLAN ACT					
AMERICAN RESCUE PLAN ACT FUND (34520)					
42555 Other Expenditures (WTM LIBRARY)	18,444	15,982	-	2,462	-
44730 Machinery & Equipment ()	14,500	-	-	-	14,500
44740 Improvements (Land&Bldg.) ()	34,000	-	-	-	34,000
44740 Improvements (Land&Bldg.) ()	15,000	-	-	11,900	3,100
51829 Williams Memorial	1,250,000	-	-	-	1,250,000
51833 Disaster Prep/Recovery Resourc	200,000	-	-	-	200,000
51835 Fire Co Renovations/Code Compl	475,000	5,818	5,818	664	468,518
51838 Animal Control Shelter	950,000	3,081	3,081	54,460	892,459
51839 Fire_ Rescue Pumpers	1,600,000	-	-	1,598,000	2,000
51915 Clean Renewable Energy In	80,000	-	-	-	80,000
52952 Traffic Signal Upgrades	450,000	-	-	-	450,000
53842 PICKLEBALL COURTS	145,000	-	-	145,000	-

TOWN OF GLASTONBURY
CAPITAL PROJECTS FUND
FY 2023 THROUGH NOVEMBER 30 2022

Description	REVISED BUDGET	EXPENDITURES INCEPTION TO DATE	FY2023 THRU NOVEMBER	2023 ENCUMB	AVAILABLE BALANCE
53843 Riverfront Park and Boathouse	150,000	-	-	9,600	140,400
53873 Grange Pool	100,000	-	-	-	100,000
53877 Riverfront Comm. Ctr Upgrades	80,000	-	-	-	80,000
53879 AGE FRIENDLY COMMUNITY	150,000	-	-	-	150,000
Total AMERICAN RESCUE PLAN ACT FUND	5,711,944	24,881	8,899	1,822,086	3,864,977
TOTAL 320 - AMERICAN RESCUE PLAN ACT	5,711,944	24,881	8,899	1,822,086	3,864,977
GRAND TOTAL	105,929,689	78,545,664	3,866,907	4,573,891	22,810,134

TOWN OF GLASTONBURY

MEMORANDUM

DEPARTMENT OF ADMINISTRATIVE SERVICES

FINANCIAL ADMINISTRATION

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

FROM: ^{KR} Keri Rowley, Director of Finance & Administrative Services

DATE: December 6, 2022

SUBJECT: Self Insurance Reserve Update November 2022

The attached report summarizes the Self Insurance Reserve fund through November 30, 2022. The total reserve is \$15,433,650 allocated \$4,978,763 and \$10,454,887 between Town and Board of Education, respectively. As of November the fund is experiencing a \$634,426 loss for the fiscal year.

There are 7 large loss claims which are defined as any claims that exceed \$50,000. BOE has 5 while the Town has 2 large loss claims. There are 2, both for BOE, that have exceeded the individual Stop Loss limit. The Individual Stop Loss limit is \$200,000 for BOE and \$150,000 for the Town.

Enc.

cc: Dr. Alan Bookman, Superintendent
Karen Bonfiglio, Business Manager

SELF INSURANCE RESERVE FUND

YTD Balances As of: November 30, 2022

	Town	Education	Total
Contributions			
Employer	\$2,139,697	\$3,728,136	\$5,867,833
Employee	549,290	1,101,024	1,650,314
Stop Loss Reimbursement	76,207	366,452	442,660
Total Revenues	\$2,765,194	\$5,195,612	\$7,960,806
Expenditures			
Anthem			
ASO Fees	\$50,969	\$193,394	\$244,363
Claims	1,390,061	5,875,930	7,265,991
	\$1,441,030	\$6,069,324	\$7,510,354
Delta Dental			
ASO Fees	\$5,619	-	\$5,619
Claims	62,501	-	62,501
	\$68,120	-	\$68,120
Bank Fees/PCORI Fee	\$1,146	\$4,014	\$5,160
CT Prime	256,637	709,960	\$966,597
OneDigital Consultant Fees	9,000	36,000	45,000
	\$266,784	\$749,974	\$1,016,758
Total Expenditures	\$1,775,934	\$6,819,298	\$8,595,232
Current Year Revenues Less Expenses	\$989,260	(\$1,623,686)	(\$634,426)
Reserve July 1, 2022	\$3,989,503	\$12,078,573	\$16,068,076
Reserve at end of month	\$4,978,763	\$10,454,887	\$15,433,650

	Town		BOE		Total
Reserve at end of month	\$ 4,978,763	\$	10,454,887	\$	15,433,650
Recommended Minimum Reserve ^A	\$ 1,195,859	\$	3,682,791	\$	4,878,650
Variance Over/(Under) Reserved	\$ 3,782,904	\$	6,772,096	\$	10,555,000

A. As of November 2022. The next update will be provided in March 2023.

BANK COLLATERALIZATION REPORT

AS OF September 30, 2022

PUBLIC FUNDS PROTECTION CGS 7-400/36A-330

Bank	Tier-One Leverage Ratio	and	Risk-Based Capital Ratio	and	Minimum Collateral Required	Uninsured Public Deposits (in 000's)	Total Collateral (in 000's)	Is Total Collateral Greater Than Required Collateral ^(A)
	6% or grtr		12% or grtr		10%			
	< 5%		< 10%		110%			
	All others				25%			
Bank of America	7.78%		14.39%		10.00%	721,696	122,544	Yes
Citizens Bank	9.32%		12.47%		10.00%	149,337	40,000	Yes
JP Morgan/Chase	7.95%		17.48%		10.00%	38,862	101,000	Yes
M&T Bank	8.56%		12.87%		10.00%	923,001	133,521	Yes
TD Bank	9.56%		18.81%		10.00%	1,263,057	155,000	Yes
Webster Bank	9.85%		13.36%		10.00%	2,014,963	256,695	Yes
Liberty Bank	12.04%		14.86%		10.00%	332,142	52,392	Yes

(A) Required Total Collateral > Minimum Collateral Required % X Uninsured Public Deposits.

**TOWN OF GLASTONBURY
BUDGET TRANSFERS AND AMENDMENTS**

FUND	GENERAL FUND
SOURCE OF FUNDS	GENERAL FUND – INTRA DEPARTMENT
ACTION REQUIRED	TOWN MANAGER

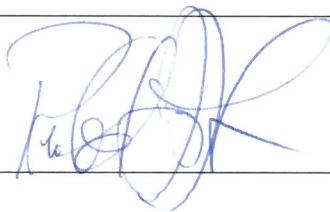
REASON FOR TRANSFER:

Purchase of 6 Dell laptop computers instead of 4 computers. These are for the clinicians that are going to the schools to work and need the mobile devices. The 4 computers are already in the FY2023 Capital Outlay Budget.

Money available in Training and Dues since virtual training continues to be the platform available for professional development and cost of virtual training is significantly less than in person training. We have also registered for discounted group training targeted for the clinical team rather than individual clinician training.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Youth & Family Services – Training & Dues	04065-42580	\$3,500.00

TRANSFER TO	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Youth & Family Services – Office Equipment & Furniture	04065-44710	\$3,500.00

Date 11-10-2022 Town Manager 

**TOWN OF GLASTONBURY
BUDGET TRANSFERS AND AMENDMENTS**

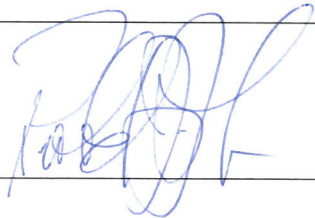
FUND	GENERAL FUND
SOURCE OF FUNDS	GENERAL FUND – INTRA DEPARTMENT
ACTION REQUIRED	TOWN MANAGER

REASON FOR TRANSFER

Audit company RSM costs higher than anticipated due to many circumstances the fee for the current year will be higher. There are new GASB pronouncements and extra time being incurred

TRANSFER FROM	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Town Manager – Professional Services	01113-43660	\$2,000.00

TRANSFER TO	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Town Council – Professional Services	01111-43660	\$2,000.00

Date 11-29-2022 Town Manager 

**TOWN OF GLASTONBURY
BUDGET TRANSFERS AND AMENDMENTS**

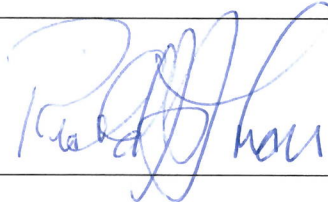
FUND	GENERAL FUND
SOURCE OF FUNDS	GENERAL FUND – INTRA DEPARTMENT
ACTION REQUIRED	TOWN MANAGER

REASON FOR TRANSFER

Expenditure of \$6,581.54 for household mailing in advance of November 8, 2022 State and Federal General Election to notify voters of redistricting changes that may have impacted either their voting places and/or their representation. Budgeted in FY2022, the realization that voters would be more likely to utilize the information closer to the Election. The impact of the expenditure to the FY2023 budget necessitates the transfer intra department.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Voter Registration – Office Supplies	01529-42540	\$800
Voter Registration – Training & Dues	01529-42580	\$1,918
Voter Registration – Equipment	01529-43644	\$ 260

TRANSFER TO	ACCOUNT CODE	AMOUNT
GENERAL FUND		
Voter Registration – Printing/Reproduction	01529-43650	\$2,978

Date 12-3-2022 Town Manager 

**TOWN OF GLASTONBURY
TRANSFER OF FUNDS**

FUND	Capital Projects Reserve Fund
SOURCE OF FUNDS	Capital Projects Reserve Fund
ACTION REQUIRED	Town Manager, Board of Finance

REASON FOR TRANSFER


Final costs are determined for the new restroom and locker facility at GHS. The new structure came on line for the late summer practice schedule for fall 2022 men's and women's interscholastic athletic teams at GHS. Total charges to the Capital Reserve Fund exceed budget by \$285,000. This results from unsuitable soils below the former structure, schedule delays (related to unsuitable soils), several project unknowns, and changes requested by the Town/Education. Funds were available in other Capital Accounts for Education projects completed below budget or not proceeding.

Capital Reserve project costs total \$2,610,847 as compared to the \$2,328,004 approved budget.

TRANSFER FROM	ACCOUNT CODE	AMOUNT
Capital Projects – Feasibility/Cost Analysis	31009-55873	\$100,000.00
Capital Projects – Multi-School Locker Replacement	31009-55871	\$185,000.00

TRANSFER TO	ACCOUNT CODE	AMOUNT
Capital Projects – GHS Fieldhouse	31009-55847	\$285,000.00

12-9-2022
Date


Town Manager

Date

Board of Finance

**TOWN OF GLASTONBURY
CAPITAL IMPROVEMENT PROGRAM CRITERIA**

Purpose

In recognition that buildings, infrastructure, technology and major equipment are the physical foundation for providing services to the residents of the Town of Glastonbury, a multi year Capital Improvement Program (CIP) is prepared and reviewed annually. The purpose of the CIP is to budget for the acquisition, replacement or renovation of major capital/fixed assets. These items are generally not of a recurring nature and not included in the regular operating budget process. Careful planning during this process is critical to the procurement, construction, and maintenance of capital assets to meet the needs and activities of the Town.

A comprehensive capital plan will help ensure the future financial health of the Town and the continued delivery of public services to citizens and businesses.

Capital/Fixed Assets are categorized as follows:

- Land
- Land Improvements
- Buildings and Improvements
- Machinery and Equipment
- Infrastructure

The following Capital/Fixed Asset items may be included in the Town's annual operating budget:

- Fixed assets that cost less than \$75,000
- Fixed assets that are of a recurring nature and acquired each year

The following Capital/Fixed Asset items are to be included in the Town's CIP:

- The acquisition of and improvements to assets that cost \$75,000 or more and,
- The Capital/Fixed Assets, or improvements, that have an anticipated life expectancy of ten years or more. Most non-recurring major expenditures are the result of the Town's acquisition of capital items that form the physical foundation for municipal services such as land, buildings, infrastructure improvements, machinery and equipment. However, there can be major expenditures for non-capital items that can be anticipated on a recurring and periodic basis and require significant funding. In addition to the above items, the following proposed expenditures may be considered in the CIP, although they may not constitute capital/fixed assets with useful lives of ten years or more.
- Property revaluation required by the Connecticut General Statutes
- Technology programs and systems
- The annual road paving program can be anticipated on a recurring basis; however, it requires funding of significantly more than \$75,000 and should be included in the CIP process.

The above items and other similar items that may require significant funding of \$75,000 or more, and are not anticipated to be acquired each year, may be appropriate to be included in the CIP process.

This CIP provides for a five-year plan of acquisition, renovation, replacement and construction of the items included in the CIP and includes a planning, budgetary and financing process.

CAPITAL IMPROVEMENT PLANNING PROCESS

Identification of Needs

Annually, each department, board or agency shall submit a proposed five year CIP to the Town Manager in accordance with the CIP schedule. Requested items shall include acquisition of capital assets, new construction, major renovations and improvements to municipal facilities, purchase of machinery and equipment and other items that satisfy the CIP criteria. Capital improvement proposals received outside of the formal CIP process from departments, citizens, agencies or organizations shall be forwarded to the Town

Manager for review and recommendation to the Town Council as applicable.

Items that are to be included in the Capital Improvement Program include the following with an estimated cost of \$75,000 or more and have a useful life of not less than ten years:

- Purchase of Land and Development Rights
- Construction of New Buildings
- Land and Building Improvements and Renovations
- Machinery and Equipment
- Infrastructure Improvements (streets, sewers, sidewalks, etc.)
- Vehicles and Construction equipment
- Feasibility Analysis/Design/Cost estimates and other professional services relative to anticipated major projects
- In addition to the above items, the CIP may include certain recurring expenditures/projects that due to their nature and anticipated cost are best appropriated through the CIP (e.g. revaluation or major software acquisition)

Capital Improvement Program Timing/Schedule

Capital Improvement items are considered on the basis of need and value to the community. In general, the CIP will be prepared, presented and acted upon in accordance with the following schedule:

No later than January 29	Town Manager shall provide a five year planning document to the Town Council summarizing department proposals for capital improvements, a recommendation of items to be included in the CIP, project priorities for the following fiscal year and proposed method/sources of funding for all recommended projects.
On or about February 1	Town Council shall recommend preliminary capital improvement priorities to the Board of Finance
On or about February 15	Board of Finance shall recommend CIP to Town Council
No later than March 27	Town Council adopts capital program for the following fiscal year

The Town Manager will provide the Town Council periodic status reports throughout the year and present detailed project status reports or design plans on an as needed basis in accordance with the applicable project schedule.

Estimated Costs

Costs shall be estimated for all items requested as part of the five-year Capital Improvement Program. Costs for items requested in years two through five shall anticipate an escalation rate to be determined by the Town Manager at the beginning of the CIP process.

The steps for **major** construction projects, those estimated to exceed \$250,000, shall be recommended by the Town Manager and will generally include the following:

- A. Evaluation/feasibility phase, as necessary
- B. Preliminary design and cost estimating phase
- C. Final Design and construction

Subject to the specifics of the project, funding for steps A and B may be combined in the initial request. Cost estimates should include preliminary design fees, final design fees, architectural fees, construction management fees, construction costs, acquisition costs, contingency, escalation, legal and financing fees, including short term interest, and any other costs applicable to the project. The scope and estimated costs of in kind services shall be identified and presented along with the initial cost estimates for the project.

CAPITAL IMPROVEMENT BUDGETARY PROCESS

Funding

The Town Council, as part of the annual operating and capital budget process, will review the capital projects recommended by the Town Manager. The Town Manager will develop a recommended financing plan, with options, based on total project costs, cash flow, projected method(s) of financing the projects, Capital Reserve fund projections, mill rate and debt service impact on future operating budgets. The Town Council shall review these projections when developing project priorities and the recommended capital program for the following year. The goal is to effectively balance the total of the annual Capital Reserve Transfer and Debt Service requirements to minimize fluctuations in the mill rate in accordance with established guidelines set forth in this document.

An annual financing plan for the multi-year capital improvement plan is critical to the CIP process. Factors to be considered shall include:

- Anticipated revenue and expenditure trends and the relationship to multi-year financial plans
- Cash flow projections of the amount and timing of the capital improvement projects
- Compliance with all established financial policies
- Legal constraints imposed by Town charter or State statute
- Evaluation of various funding alternatives
- Reliability and stability of identified funding sources
- Evaluation of the affordability of the financing strategy, including debt ratios, future budgets and mill rate.

The Capital Improvement Program shall generally be funded as follows:

A. Capital Reserve Fund – The Town will use the Capital Reserve Fund as the primary funding source for CIP projects to be funded on a cash basis.

Based on factors referenced herein the Town Council shall review the following when considering the annual general fund appropriation and transfer to the Capital Reserve Fund:

- Capital projects proposed for funding on a cash basis through the 5 year CIP.
- Annual depreciation for Capital/Fixed Assets including but not limited to buildings, machinery and equipment, vehicles, improvements with a depreciation schedule of less than 50 years
- Appropriations for acquisition, replacement and renovation of Capital/Fixed Assets not part of the CIP (Capital Outlay) through the Town and Education operating budgets.
- Unassigned fund balance in the Capital Reserve Fund and potential reserve for future large scale capital projects to be funded on a “cash” basis.

Other factors to be considered for funding the CIP include:

- Debt Service requirements for projects authorized pursuant to referendum
- Approved state and federal grants for authorized and proposed capital projects
- Opportunity to transfer funds from the General Fund unassigned fund balance for “one time” capital projects through the sale of assets (e.g. land, buildings).
- The Town’s bond rating
- Other factors influencing the annual budget and mill rate with the goal of minimizing significant fluctuations in the mill rate
- Funding available through the Sewer Sinking and Sewer Operating Funds

The minimum annual funding for the CIP shall equal the annual depreciation of assets deemed

appropriate for CIP funding as defined herein.

Annually the Board of Finance shall review the General Fund unassigned fund balance, Capital Reserve Fund unassigned fund balance and other funding sources and may recommend a transfer of additional funds to the Capital Reserve. The goal of the Town is to maintain an unreserved and undesignated balance in the Capital Reserve Fund of an amount equivalent to \$1,000,000, except as needed to meet emergencies. The reserve policy will be reviewed annually and adjusted accordingly as part of the CIP process. Factors to be considered include evaluation of the projects in the multi-year plan, the method of financing and their effect on projected mill rates.

B. Donations/Grants/Loans – Anticipated grants and contributions from various organizations, groups or individuals for CIP projects shall be used to reduce the estimated cost to the Town.

C. General Obligation Bonds – CIP projects of a significant cost and not reasonably funded on a cash basis may be considered for funding through the issuance of general obligation bonds to be authorized and issued in accordance with Section 312 of the Glastonbury Town Charter.

Debt Limitations

Subject to referendum approval, the Town may issue bonds for projects of a scope and cost not reasonably funded on a cash basis from current revenues. Debt Service is typically issued for major improvements and renovations. When considering debt service, a strong credit rating is a valuable asset. The following general guidelines and standards shall be used to preserve the Town's strong credit rating and effectively manage ongoing debt service requirements.

- Ratio of net debt to equalized full value of Grand List not to exceed 2.5%
- Debt Service as a percent of budgeted expenditures not to exceed 10%
- Long-term debt will be repaid within a period not to exceed the expected useful life of capital improvements financed by such debt.
- Bonds will be issued to keep the average life of the general obligation bonds at or below ten years and to retire sixty-five percent of the debt at or below approximately ten years
- Standards published by bond rating agencies

Referendum Threshold – Expenditures of Cash Resources

In accordance with Section 312 of the Glastonbury Town Charter projects involving the issuance of debt require authorization at public referendum.

The purpose of this section is to establish a Council policy for approval of Capital projects involving the appropriation of significant cash resources. Such funding would typically be appropriated from the General Fund and Capital Reserve Fund and could involve grants, community donations and other funding sources. A referendum threshold is established under this section as a general Council policy for cash funded Capital projects.

The referendum threshold shall be defined as cash funded projects which exceed two percent (2%) of the adopted Town, Education, and Debt & Transfers budget, rounded to the next highest \$50,000. Generally, projects exceeding the Town's referendum threshold will be submitted to public referendum. However, in establishing this policy, the Council recognizes there will be circumstances and conditions for which a public referendum is not practical or in the best interests of the community. Examples include Capital Improvements involving:

- exigent circumstances affecting the health or safety of the community;
- grant funding and community donations which reduce the net project cost below the applicable threshold;
- care and maintenance of Town buildings, roads, bridges, facilities, sanitary sewers and other infrastructure;
- projects that are of a recurring nature and may be funded on an annual basis for which cumulative

funding could exceed the referendum threshold. Examples include the annual road paving program; technology systems and upgrades; infrastructure improvements; and other projects and items.

Projects will not be phased over a number of years to circumvent the referendum threshold with the exceptions noted herein.

Annual Review

The Capital Improvement Program Criteria will be reviewed annually and may be amended by action of the Town Council upon recommendations by the Board of Finance

Date Last Revised: December 6, 2016

Date Last Reviewed by Board of Finance: November 17, 2021

Date Adopted by Town Council: November 23, 2021

**TOWN OF GLASTONBURY
MEMORANDUM**

**DEPARTMENT OF ADMINISTRATIVE SERVICES
Financial Administration**

TO: BOARD OF FINANCE
FROM: Keri J. Rowley, Director of Finance
DATE: December 9, 2022
SUBJECT: JANUARY 1, 2023 THROUGH JANUARY 31, 2024 MEETING SCHEDULE

JANUARY 19, 2023*	REGULAR MEETING
FEBRUARY 15, 2023	REGULAR MEETING
MARCH 15, 2023	REGULAR MEETING
APRIL 19, 2023	REGULAR MEETING
MAY 17, 2023	REGULAR MEETING
JUNE 21, 2023	REGULAR MEETING
JULY 19, 2023	REGULAR MEETING
AUGUST 2023	No Regular Meeting
SEPTEMBER 20, 2023	REGULAR MEETING
OCTOBER 18, 2023	REGULAR MEETING
NOVEMBER 15, 2023	REGULAR MEETING
DECEMBER 13, 2023	REGULAR MEETING
JANUARY 18, 2024*	REGULAR MEETING

All meetings held in Town Hall Meeting Room A or Council Chambers, both on the second level, and/or via Zoom at 4:00 p.m. unless otherwise indicated.

*Meeting to occur at the Riverfront Community Center at 4:00 p.m.

Signed _____
Chairman/Secretary

Date _____

Telephone # During the Day:

_____ 860-652-7587 _____

MEMORANDUM

To: Keri Rowley, Director of Finance & Administrative Services

From: Richard J. Johnson, Town Manager

Date: December 5, 2022

Re: Town Council Action – Land Acquisition

By action at its meeting of Tuesday, November 22, 2022, the Council referred a proposed land acquisition to the Board of Finance.

The subject parcel is the 23± Rose Berry Farm located at 297 Matson Hill Road as outlined on the attached page (red diagonal hatch). In 2018, the Town partnered with Belltown Orchards to preserve the 52± acres (Town – Development Rights, Belltown Orchards – Fee Interest) immediately east of the 23± acre site as outlined in turquoise. The purchase and sale for the 52± acres included a Right of First Offer to the Town for the balance of the site. The Right of First Offer was recently triggered leading to a fully executed Purchase and Sale Agreement between the seller and Town.

A Right of First Offer price point of \$1.09M is established by the seller based on discussions with other interested parties. Funding through the Reserve for Land Acquisition and Preservation is anticipated.

Please schedule this topic for action at the Wednesday, December 14, 2022 Board of Finance Meeting.





RJJ/sal
Attachment

Town of Glastonbury



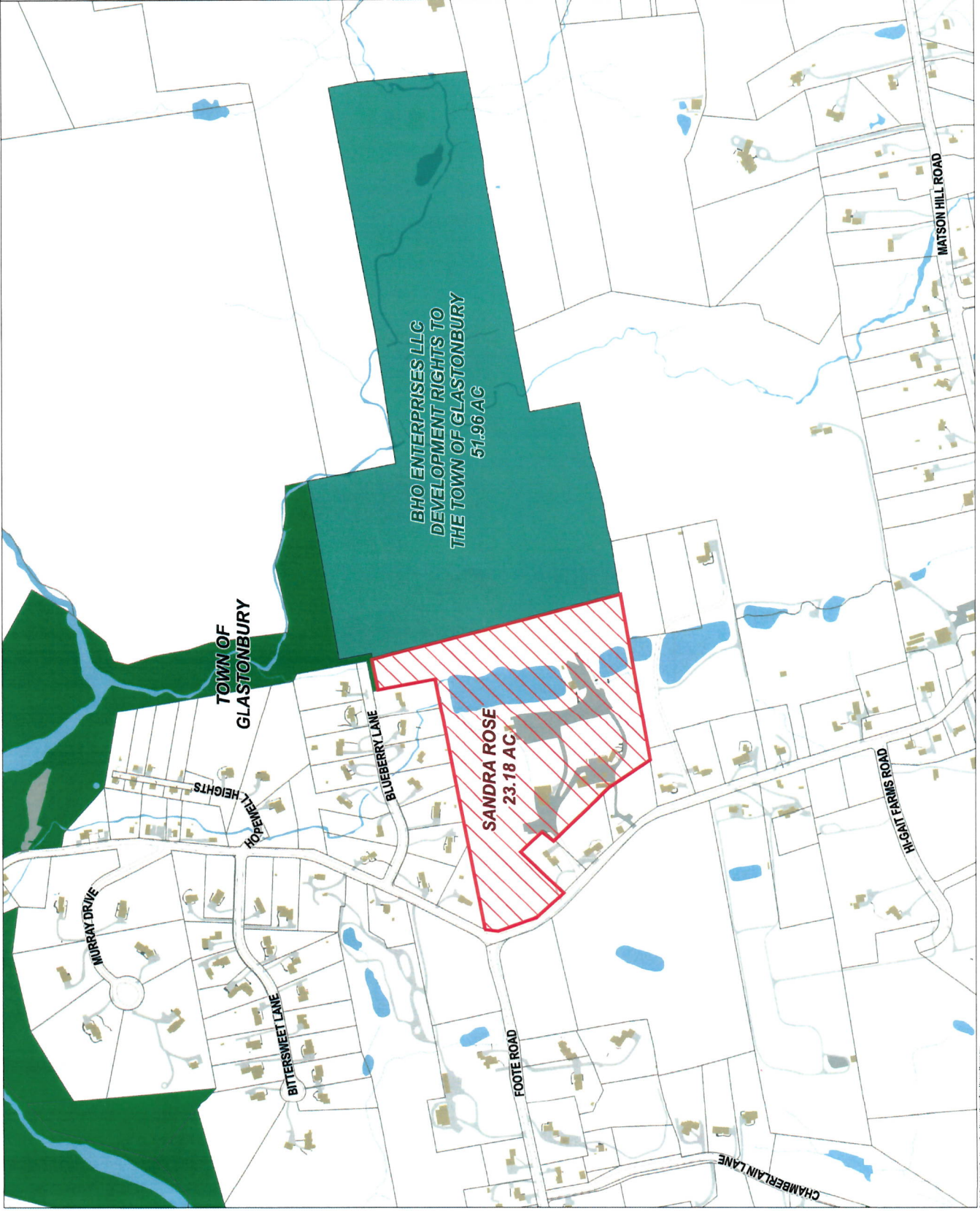
Parcel Of Interest Matson Hill Road

LEGEND

-  SANDRA ROSE PARCELS
-  BHO ENTERPRISES LLC PARCEL
-  MUNICIPAL OPEN SPACE
-  PARCELS



Date: February 23, 2022



MEMORANDUM

To: Keri Rowley, Director of Finance & Administrative Services

From: Richard J. Johnson, Town Manager

Date: December 8, 2022

Re: Budget Schedule

The following budget dates, times and locations are established:

- Capital Workshop – 6:00 p.m., Thursday, January 19, 2023 – RCC (pizza, etc. at 5:15 p.m.)
- Annual Town Meeting – 6:30 p.m., Tuesday, January 24, 2023 – Council Chambers

As to Budget Workshops with the Board of Finance, for Town Operations, Capital and Education, the weeks of February 6th, 13th and 20th are suggested. The week of January 30th is not available due to a variety of schedule conflicts.

Over the past several years, the Board of Finance has allocated three weeks to its review of the various budget proposals. The weeks in February noted above is consistent with that schedule. Please forward this information as a communication with the Wednesday, December 14, 2022 Board of Finance Agenda.

RJJ/sal
Attachment