

Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Submission

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August 11, 2022

Trish Munroe
Town Clerk
Simsbury, CT 06070

Dear Ms. Munroe:

A **Regular Meeting** of the Board of Finance will be held at **5:45 PM**, on **Tuesday, August 16, 2022**, in the Main Meeting Room of the Simsbury Town Hall, 933 Hopmeadow Street, Simsbury, Connecticut.

The Agenda is as follows:

1. Call to Order
2. Pledge of Allegiance
3. Public Audience
4. Finance Director's Report (Pages 1-3)
5. Supplemental Appropriation – Local Transportation Capital Improvement Grant (LOTICIP) & Connecticut Community Connectivity Grant (CCCGP) Firetown Road Sidewalk Gap Closure (Pages 4-6)
6. Supplemental Appropriation – Local Transportation Capital Improvement Grant (LOTICIP) Hopmeadow Street Connectivity Project (Pages 7-11)
7. Proposed Capital and Capital Non-Recurring Fund Policy Updates (Pages 12-15)
8. Proposed Investment Policy Updates (Pages 16-19)
9. Proposed Structurally Balanced Budget Policy (Pages 20-21)
10. FY 2023/2024 Budget Process
11. Approval of Minutes
 - July 19, 2022 (Pages 22-25)

**Board of Finance
August 16, 2022**

12. Communications

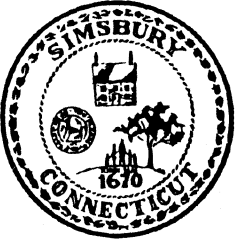
- March 2022 – June 2022 Building Department Reports (Pages 26-29)
- FY21/22 Building Department Annual Receipts Report (Page 30)
- CliftonLarsonAllen LLP Audit Governance Planning Memo (Pages 31-37)
- Pension Plan Data Summary by Fiducient (Pages 38-39)
- Market Perspective Summary by Fiducient (Page 40)

13. Adjourn

Following adjournment, the Board of Finance and staff will meet to discuss strategy with respect to Board of Education collective bargaining.

Lisa Heavner
Chair

Board of Finance Meeting Schedule:
9/20/22, 10/18/22, 11/15/22, 12/13/22, 1/17/23



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

To: Board of Finance
From: Amy Meriwether, Finance Director/Treasurer
CC: Maria Capriola, Town Manager
Date: August 16, 2022
Re: Finance Director's Report

Grants and Donations

Below is a listing of donations and/or grant applications approved by the Board of Selectmen at their meeting on August 8, 2022:

- STEAP Grant Application - \$160,000 to convert Station Street from a one-way road to a two-way road with additional proposed on-street parking spaces, new sidewalk, and associated appurtenances.

Property Appraiser Position Update

During the FY22/23 budget process, a new Property Appraiser position for the Assessor's office was approved. This position is intended to assist the Assessor's office in capturing backlogged grand list growth as well as maintain the grand list as to not have a backlog in the future. A job description for the position was reviewed by the Personnel Sub-Committee on June 9th and approved at the Board of Selectmen meeting on June 13th. On June 14th the job was posted for individuals to apply. Interviews were held on July 11th, but unfortunately no preferred candidate was identified. The position was reposted and a second set of interviews were conducted on August 4th. A preferred candidate was identified and met with the Town Manager on August 10th for a final interview. The interview went well and a formal offer letter will be issued the week of August 15th.

Contracted services for additional inspections had already been costed out in the original revaluation contract and could be performed on demand if the property appraiser position had not been filled in a timely manner. Since no preferred candidate was identified during the first round of interviews, the Assessor did reach out to the revaluation company for additional inspection services and was notified that they are in the processing of assisting various towns due to staffing shortages and may not have the additional capacity to assist with the full scope of services needed to complete the backlog of inspections.

If the preferred candidate is onboarded by the week of August 29th, the Assessor will be working closely with the newly hired Property Appraiser and revaluation company to best capture the most amount of growth in the shortest period of time.

Pension Fund Experience Study Update

The Board of Finance has engaged Milliman, the Town's pension actuary, to conduct an experience study for each of the Town's pension plans. In order to conduct the study, Milliman requires a completed pension census for each of the plans from the Town. This is a time-consuming exercise that is currently ongoing. The two CSEA union contracts for the Supervisors and Clerical staff were reviewed and finalized by the Board of Selectmen at their meeting on June 13, 2022. The last CSEA union contract for Administrative & Professional staff was reviewed and finalized by the Board of Selectmen at their meeting on July 11, 2022. Staff is now in the process of updating all of the pension and OBEP census' to reflect revised participant data. This is anticipated to be completed by the first week of August and issued to Milliman for analysis and completion. Milliman has stated they will need an estimated 8 weeks to conduct the study. As of the writing of this update on August 9th, Human Resources is at the tail end of finalizing the revised participant data and Milliman will have the information necessary to move forward by August 12th.

American Rescue Planning Act (ARPA) Funding Update

As previously reported, the U.S. Department of Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds program that was authorized by the American Rescue Plan Act. This program provides \$350 billion in emergency funding for eligible state, local, territorial and Tribal governments to help address the economic fallout related to the pandemic, and lay the foundation for a strong and equitable recovery. Simsbury is anticipated to receive \$7,515,665 in funding. The first half of the funding was received in June 2021 and the second half was anticipated to be received in June 2022, which did not come to fruition. Funding was ultimately received on August 10, 2022.

Fraud Tip Hotline

The Town of Simsbury has a fraud hotline that where individuals can make anonymous and confidential reports about concerns such as: embezzlement or misappropriations, bribery, conflicts of interest, law or ethics violations etc. via online reporting, phone or fax. A link to where you can find information about initiating a confidential concern can be found on the Town's website. See links below:

Town Manager's Office page: https://www.simsbury-ct.gov/sites/g/files/vyhlif1216/f/uploads/fraud_hotline_-_workplace_poster.pdf

Finance Department page: https://www.simsbury-ct.gov/sites/g/files/vyhlif1216/f/uploads/fraud_hotline_-_workplace_poster_0.pdf

Latimer Lane Update

From Jason Casey, Project Manager:

The Public Building Committee met on August 8th to discuss the Latimer Lane project. O&G Industries, Construction Manager, noted that the design documents had been completed and a full cost estimate reconciliation was conducted. Revised base bid estimates show a potential overage of \$4,080,788 with additional alternates costing \$1,873,586, for a total of \$5,954,374. Based on subsequent discussions with Tecton Architects, they offered their opinion that the updated estimates are very conservative and they expect the bids will come in significantly lower. Note: This is all preliminary data, no decisions can be made until actual bid results are received.

During the meeting Susan Salina, Chair of the Board of Education, noted that the Board of Education has not discussed the overages or alternates and is waiting to do so until the final bids are received. At that point they will recommend project changes, if any, and set forth any proposal to the Board of Selectmen for review. If the Board of Selectmen approves and an additional appropriation is needed, they will then make a recommendation to the Board of Finance for the increased funding.

Below is a **tentative** schedule starting from authorization to bid to final referendum:

- 8/15 - Board of Education meeting to authorize the bid
- 8/17 - Meeting with the State of CT for final authorization to bid (allow 1 week for approval)
- 8/29 - Advertise project bid packages (allow 4 weeks for bidding)
- 9/26 - Bids received (allow 2 weeks for bid/scope review after receiving bids)
- 10/17 - Public Building Committee meeting to review the bids, determine alternates and make recommendations for the final project scope
- TBD - Tri-board meeting to ask questions of the professionals on bid results, proposed scope changes, if any, etc.
- TBD - Board of Education meeting to approve project scope changes, if any, and discuss if additional funding will be needed
- TBD - Board of Selectmen meeting to review Board of Education requests and recommend any additional appropriations needed to the Board of Finance
- TBD - Board of Finance meeting to review additional appropriation request and set public hearing date
- 11/14 - Board of Selectmen meeting to set the referendum date
- 12/3 - Referendum



Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Item Submission Form

1. **Title of Submission:** Supplemental Appropriation – Local Transportation Capital Improvement Grant (LOTICIP) & Connecticut Community Connectivity Grant (CCCGP) Firetown Road Sidewalk Gap Closure

2. **Date of Board Meeting:** August 16, 2022

3. **Individual or Entity Making the Submission:**
Maria Capriola, Town Manager; Amy Meriwether, Finance Director; Thomas Roy, Public Works Director/Town Engineer

4. **Action Requested of the Board of Finance:**
If the Board of Finance supports the supplemental appropriation request for the Firetown Road Sidewalk Gap Closure project, the following motion is in order:

Move, effective August 16, 2022, to authorize a supplemental appropriation of the Firetown Road Sidewalk LOTICIP grant in the amount of \$1,200,000 and of the CCCGP grant in the amount of \$594,000 and to transfer the town contribution in the amount of \$35,000 from the sidewalk reconstruction capital project, for a total appropriation amount of \$1,829,000.

5. **Summary of Submission:**
Currently, there is not a safe walking area along Firetown Road between West Street and Plank Hill Road. This gap in our sidewalk system was identified as a priority in our 2016 Pedestrian Bicycle Master Plan. Additionally, we have received a number of requests for sidewalks in this area, especially since the development of the Mill Commons townhouses off of West Street. This project includes the construction of approximately 5,000 feet of walkway along the south side of Firetown Road from West Street to Plank Hill Road. Additional work includes associated grading and construction of retaining walls in areas where grading is not feasible.

The Town has been fortunate and has been awarded two grants for construction and construction related activities associated with the Firetown Road Sidewalk Gap Closure Project. The Town originally submitted a grant in October of 2020 under the CCCGP that is administered by the CT DOT. We were originally denied this grant request. We then took the opportunity to apply for the same project under the LOTICIP program administered by CRCOG. After we had decided to apply for the LOTICIP program, we were then contacted by CT DOT and awarded the CCCGP grant.

The Board of Selectmen reviewed and approved this request at their meeting on August 8, 2022.

6. **Financial Impact:**
The design for the project will be completed by Engineering Department staff, with supplemental survey support at an estimated cost of \$35,000. If we contracted out the design work, the total design cost is estimated at \$130,000. Funding for the survey/design work is intended to be funded using funds from the capital Sidewalk Improvement Fund.

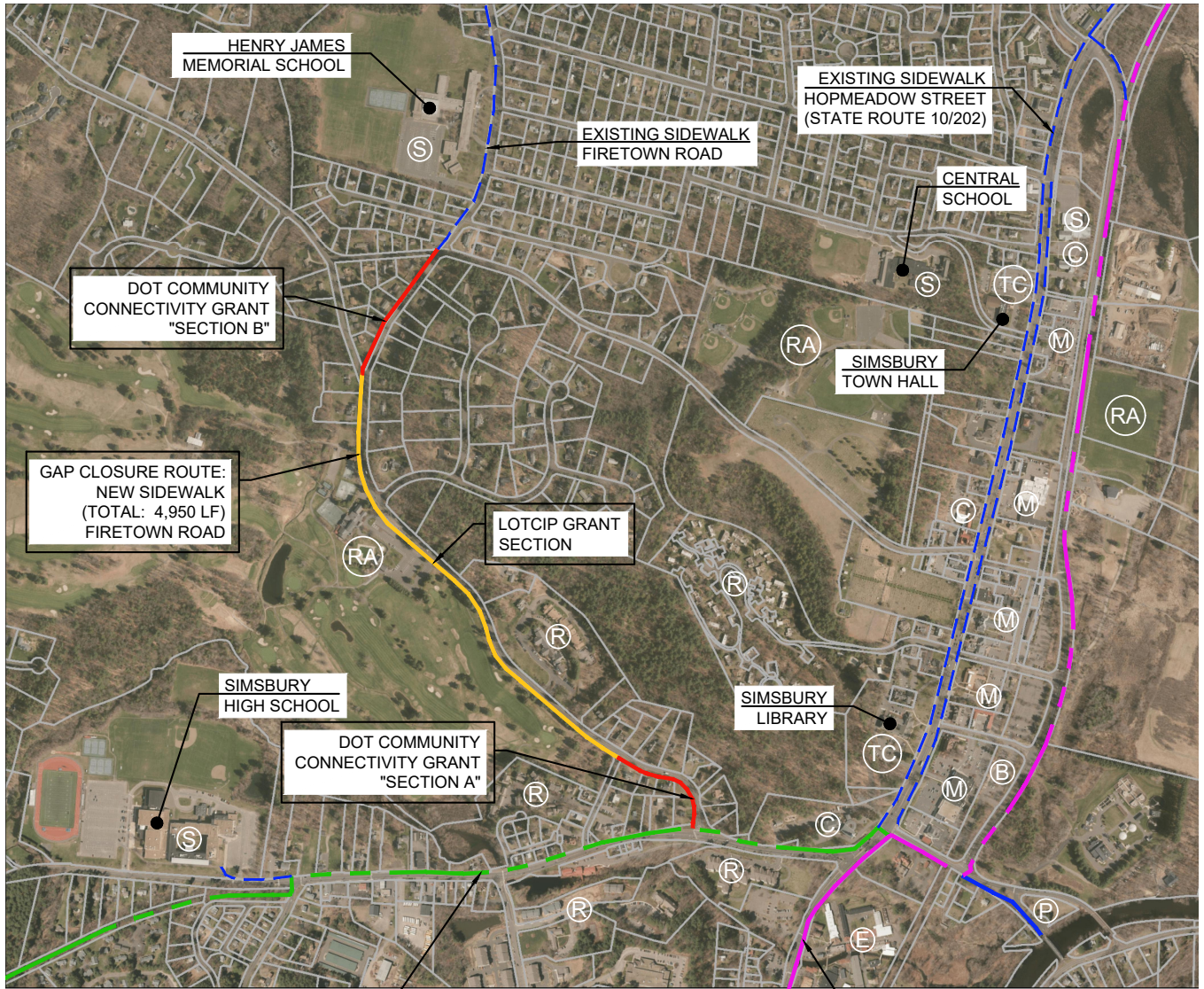
Construction Phase (100% Grant Funded):

LOTICIP Grant	\$ 1,200,000
CCCGP Grant	\$ 594,000
*Simsbury Contribution	\$ 35,000
Total Project Allocation	\$ 1,829,000

* Simsbury's contribution can be made using Fund 501-70002 CIP for Sidewalk Reconstruction. This project has adequate funds to support this expenditure.

7. Description of Documents Included with Submission:

- Location Map



EXISTING MULTI-USE TRAIL
FARMINGTON RIVER TRAIL
WEST STREET (STATE ROUTE 167)

EXISTING MULTI-USE TRAIL
FARMINGTON CANAL HERITAGE TRAIL
(STATE ROUTE 10/202)

- | | |
|------------------------|-------------------------------|
| (R) RESIDENTIAL AREA | (TC) TOWN CENTER |
| (P) PARKS | (M) SHOPPING CENTERS |
| (RA) RECREATIONAL AREA | (E) LARGE EMPLOYMENT BUSINESS |
| (C) RELIGIOUS FACILITY | (B) BUS STOP |
| (S) SCHOOL FACILITY | (O) OTHER |

LOCATION MAP: SIDEWALKS GAP CLOSURE FIRETOWN ROAD



Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Item Submission Form

- Title of Submission:** Supplemental Appropriation – Local Transportation Capital Improvement Grant (LOTICIP) Hopmeadow Street Connectivity Project
- Date of Board Meeting:** August 16, 2022
- Individual or Entity Making the Submission:**
Maria Capriola, Town Manager; Amy Meriwether, Finance Director; Thomas Roy, Public Works Director/Town Engineer
- Action Requested of the Board of Finance:**
If the Board of Finance supports the supplemental appropriation request for the Hopmeadow Street Connectivity Project, the following motion is in order:

Move, effective August 16, 2022, to authorize a supplemental appropriation of the LOTICIP grant for the Hopmeadow Sidewalk project in the amount of \$455,447.39 and to transfer the town contribution in the amount of \$33,524.28 from the sidewalk reconstruction capital project, for a total appropriation amount of \$1,298,971.67.

- Summary of Submission:**
The Town received the LOTICIP grant for the construction of nearly one mile of new sidewalk and included a line item of \$810,000 in the FY 21/22 budget based on the grant award and the preliminary design. Following a publicly advertised bidding process, the lowest qualified bid was \$1,219,829. Under the LOTICIP grant guidelines, the grant includes 10% contingency and 10% for incidentals above the construction costs, bringing the total project budget to \$1,298,971.67.

The additional costs with the project are the result of inflation over the time the project has been in design and the addition of decorative street lights that were added under the grant program. The project has \$33,524 in costs that are ineligible for grant funding under the LOTICIP program. These costs include \$13,550 for granite curbing and \$14,387 for a portion of the costs for the required utility relocations. The Town may be able to recover the costs for the utility relocations directly from the utilities.

The Board of Selectmen reviewed and approved this request at their meeting on August 8, 2022.

6. Financial Impact:

LOTICIP Grant	\$ 1,265,447.39
<u>Simsbury Contribution*</u>	<u>\$ 33,524.28</u>
Total Project Allocation	\$ 1,298,971.67

* Simsbury's contribution can be made using Fund 501-70002 CIP for Sidewalk Reconstruction. This project has adequate funds to support this expenditure.

7. Description of Documents Included with Submission:

- CT Department of Transportation (DOT) Project Authorization Letter



STATE OF CONNECTICUT

DEPARTMENT OF TRANSPORTATION

2800 BERLIN TURNPIKE, P.O. BOX 317546

NEWINGTON, CONNECTICUT 06131-7546



July 29, 2022

Ms. Maria Capriola
Town Manager
Town of Simsbury
933 Hopmeadow Street
Simsbury, Connecticut 06070
mcapriola@simsbury-ct.gov

Dear Ms. Capriola:

Subject: Project Authorization Letter

Hopmeadow Street (Route 10/Route 202) Sidewalk Connectivity Project
State Project No. L128-0002
UEI No. DVGUFJ6NPKS7
Master Agreement No. 03.08-01(18)
CORE ID No. 14DOT0027AA
Town of Simsbury

On May 9, 2018, the State of Connecticut Department of Transportation (DOT) and the Town of Simsbury (Municipality) entered into the First Supplemental Master Municipal Agreement for Construction Projects (Master Agreement) noted above. This Project Authorization Letter (PAL) is issued pursuant to the Master Agreement. The capitalized terms used in this PAL are the same as those used in the Master Agreement.

The Municipality is responsible for the Administration of the Construction Project.

The Construction Project is to provide for the construction of sidewalks and pedestrian connectivity improvements along Hopmeadow Street (Route 10/202). The proposed improvements include, but are not limited to:

- Construction of sidewalks along the west side of Hopmeadow Street (Route 10/Route 202) from Hoskins Road northerly to the commuter park and ride lot at 1541 Hopmeadow Street for a distance of approximately 4,500 feet including, but not limited to, the installation of concrete sidewalks and ramps, concrete and granite curbing, a concrete retaining wall, crosswalks, decorative lighting, and landscaping.
- Construction of a concrete sidewalk along the north side of Dorset Crossing Drive from Hopmeadow Street (Route 10/Route 202) westerly for a distance of approximately 360 feet to provide connectivity to the existing sidewalk network.
- Construction of a sidewalk on the east side of Hopmeadow Street (Route 10/Route 202) from the pedestrian crossing at the intersection of Hoskins Road easterly for a distance of approximately 120 feet to provide connectivity to the existing Farmington Canal Heritage Trail facility.

Funding for the Construction Project is provided under the Local Transportation Capital Improvement Program (LOTICIP). This project has a one hundred percent (100%) State participation ratio up to the established participation cap and payment for municipal costs will be on a grant basis, subsequent

Ms. Maria Capriola

-2-

July 29, 2022

to receipt of bids by the Municipality. The maximum grant payment to the Municipality under this PAL is \$1,265,447.39, based on the final estimate for the Construction Project provided by the Municipality. The actual grant payment to the Municipality will be based on the approved low bid. In addition, any payment for actual expenditures will be in accordance with the terms of the Master Agreement.

Municipal costs contained in this PAL shall not be exceeded without first obtaining written permission from the DOT. Enclosed is an estimated cost break down for Construction Project activities. A Demand Deposit of Zero Dollars (\$0) is due to the DOT.

The Municipality is responsible for the proper maintenance and operation of all Municipality-owned Transportation Facilities constructed as part of the Construction Project, upon completion of the Construction Project, to the satisfaction of the DOT. Upon completion of the Construction Project, the Municipality also agrees to assume maintenance responsibility of specific improvements constructed as part of the Construction Project on DOT-owned Transportation Facilities including, but not limited to, granite stone curbing, brick pavers, ornamental lighting, landscaping, retaining walls, and sidewalks and sidewalk ramps including snow and ice removal, tree/brush trimming and vegetation control to maintain unobstructed pedestrian paths and sightlines.

The issuance of the PAL itself is not an authorization for the Municipality to advertise the Construction Project for bids or begin performing work with respect to the Construction Project. The Municipality may advertise the Construction Project for bids only after the DOT has received the concurred PAL from the Municipality and the DOT has authorized the Municipality to advertise the Construction Project for bids. The Municipality may advance or begin work on the Construction Project only after it has received an Authorization to Award Notice from the DOT.

Please indicate your concurrence with the PAL by signing below on or before August 19, 2022 and returning a copy to the Project Manager listed below at the letterhead address. You may submit the Written Acknowledgement of the PAL to the Project Manager in hard copy, by facsimile, or electronic transmission. The Master Agreement and the PAL will be incorporated into one another in their entirety and contain the legal and binding obligations of the Municipality with respect to the Construction Project.

If you have any questions, please contact the Project Manager, Mr. Vitalij V. Staroverov, P.E., at (860) 594-2582 or Vitalij.Staroverov@ct.gov.

Very truly yours,

DocuSigned by:
James A. Fallon, P.E.
AF5C6AA4ECCE4C5...
James A. Fallon, P.E.
Assistant Chief Engineer
Bureau of Engineering and Construction

Enclosure

MUNICIPALITY’S ACKNOWLEDGEMENT OF PAL

Concurred By: _____ Date: _____
Ms. Maria Capriola
Town Manager

PAL ATTACHMENT
STATE PROJECT NO. L128-0002
ESTIMATED CONSTRUCTION COSTS

PARTICIPATING

(100% State – Local Transportation Capital Improvement Program)

A. Contract Items.....	\$ 1,028,426.15
B. Contingencies (10% of A).....	\$ 102,842.62
C. Incidentals to Construction (10% of A).....	\$ 102,842.62
D. Eligible Utility Relocations (50% eligible share) ^[1]	\$ 31,336.00
E. Total Participating Construction Cost (A+B+C+D).....	\$ 1,265,447.39

^[1] LOTCIP-eligible utility relocation cost (50% eligible share) associated with gas main relocations and utility pole relocations (privately-owned utilities). Work is to be performed by the affected utilities and is not included in the construction contract work to be performed by the Prime Contractor. Cost is based on estimates provided to the Municipality by Connecticut Natural Gas Corporation and Eversource. Per statute, the 50% ineligible share is the responsibility of affected utility.

NON-PARTICIPATING

(LOTICIP Ineligible – Contract Work Associated with Granite Curbing and Utility Relocations)

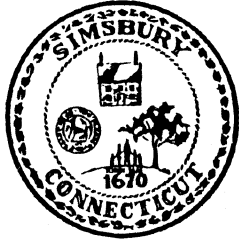
(100% Municipal)

F. Contract Items: Granite Curbing.....	\$ 13,550.00
G. Contract Items: Utility Relocations/Resets (50% ineligible share) ^[2]	\$ 14,386.90
H. Contingencies [10% of (F+G)].....	\$ 2,793.69
I. Incidentals to Construction – Municipal Services [10% of (F+G)].....	\$ 2,793.69
J. Total Non-Participating Construction Cost (F+G+H+I).....	\$ 33,524.28

^[2] LOTCIP-ineligible utility relocation costs (50% ineligible share) associated with fire hydrant relocations, water gate adjustments, and gas gate adjustments (privately-owned utilities). Work is included in the construction contract and is to be performed by the Prime Contractor. Cost is based on estimates from the Municipality and estimates provided to the Municipality by Aquarion Water Company. Per statute, the 50% ineligible share is the responsibility of affected utility.

SUMMARY

K. Total Construction Cost (E+J).....	\$ 1,298,971.67
L. Maximum Grant Payment to Municipality (100% of E).....	\$ 1,265,447.39
M. Municipal Proportionate Share of the Total Construction Cost (100% of J).....	\$ 33,524.28
N. Demand Deposit Required from the Municipality.....	\$ 0.00



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

TOWN OF SIMSBURY **CAPITAL AND CAPITAL NON-RECURRING FUND POLICY** *Adopted by the Simsbury Board of Finance on February 19, 2019*

I. Introduction & Purpose

The use and purpose of this policy is to promote consistency and continuity in decision making related to capital improvement planning and to set the general parameters within which capital spending decisions are made. This policy establishes the general financing goals and the specific elements that comprise a long-range planning and financing strategy, including capital financing guidelines and the transfer of funds to and from the Capital Projects Funds, Capital and Non-Recurring Fund and Capital Reserve Fund.

The goals of this policy statement are to:

1. Make a strong commitment to the strategic management of the Town's capital financing process.
2. Promote financial stability and focus attention on the Town's long term financial capacity to meet capital needs.
3. Designate acceptable parameters of debt issuance and management.
4. Provide a framework for monitoring capital financing practices and results.
5. Effectively communicate the Town's priorities and plans for undertaking capital projects to internal and external stakeholders.
6. Provide a framework for monitoring capital financing practices and results.

II. Effective Date

This policy shall remain in effect until revised or rescinded. The Town reserves the right to amend this policy.

III. Definitions and Guidelines

1. Capital Project is defined as any project, resulting in or contributing to the acquisition of, or addition to, a capital asset with an anticipated cost equal to or exceeding \$10,000 for equipment purchases, \$20,000 for building improvements and \$100,000 for infrastructure improvements and with an anticipated life equal to or exceeding (5) five years for equipment purchases, and (10) ten years for buildings, improvements and infrastructure.
2. The capital plan shall be prepared and updated annually by the Town Manager and Finance Director and present programmatic needs and priorities for a (6) six year period.

3. Per CGS 8-24, the Planning Commission must review and approve the capital plan annually for consistency with the Plan of Conservation and Development.
4. The first year of the (6) six year capital plan will be adopted annually by the Board of Selectmen and the Board of Finance as part of the budgeting process.
5. Future operating costs associated with new capital projects and assets will be projected and included in operating budget forecasts.
6. Each capital project submitted for consideration shall identify operating budget impacts and potential financing methods available.
7. The Town shall take the appropriate actions to maintain its “Aaa” credit rating and strategically utilize debt service expenditures.
8. The Town Manager and Finance Director will recommend the optimum mix and financing sources for all capital projects, in conjunction with the adopted Debt Management Policy.
9. Whenever possible, capital costs should be financed by means other than borrowing. Borrowing shall be limited to infrastructure or facility improvement projects with an estimated life expectancy of at least 15 years and cost of at least \$250,000.
10. Capital projects financed through the issuance of general obligation bonds shall be financed for a period no longer than 10 years unless specifically authorized by the Board of Finance and , when practical, for a period which does not exceed the useful life of the asset.
11. Maintenance Scheduling – The Town intends to set aside sufficient revenues to finance ongoing maintenance needs and to provide periodic replacement and renewal to keep its capital facilities and infrastructure systems in good repair to maximize a capital asset’s useful life and to avoid unnecessary borrowing.

IV. Capital Projects Fund(s) Policy

The Capital Project Fund(s) is used to account for the financial resources used for the acquisition of major pieces of equipment, vehicles in the fleet, studies (if related to a larger capital project), professional services, building improvements, land acquisitions, building acquisitions or construction of major capital facilities and capital infrastructure improvements.

This fund may receive contributions from the sale of town owned buildings and property, transfers from the General Fund, transfers from the Capital Reserve Fund, unexpended balances of completed capital projects in the Capital Projects Fund(s), grants and donations.

If applicable, funds shall be invested in accordance with the Town’s investment policy.

V. Capital and Non-Recurring Fund Policy

The Capital and Non-Recurring Fund is established to provide for small capital and non-recurring expenditures which would distort year to year budget comparison. Non-recurring is to mean an expenditure that occurs no more frequently than once in a five year period.

Capital items and studies of single or aggregate cost that exceed \$10,000 but are less than \$250,000 shall be accounted for as expenditures in the capital and non-recurring fund. The Capital and Non-Recurring Fund may also include fleet purchases that are less than \$250,000 per vehicle.

The Town shall not fund on-going operating expenditures from the Capital and Non-Recurring Fund.

On an annual basis, the General Fund will fund the CNR Fund utilizing a charge-back method. The charge-back method will spread out the CNR expenditures evenly over a five (5) year period. In the event items purchased from the CNR fund hold a life cycle of less than five (5) years, those purchases will be financed over a period not to exceed their life cycle.

The CNR Fund will hold a reserve sufficient enough to maintain an overall positive balance in the CNR fund.

This fund may receive contributions from transfers from the General Fund, transfers from the Capital Reserve Fund, transfers from Special Revenue Funds, unexpended balances of completed capital projects in the Capital Projects Fund(s), grants and donations.

If applicable, funds shall be invested in accordance with the Town's investment policy.

VI. Capital Reserve Fund Policy

The Capital Reserve Fund is established to allow more flexibility, to serve as a future source of cash to capital financing of capital projects, and to provide a revenue source for emergency capital needs such as an emergency repair to a building not covered by insurance. It is a part of the Town's capital financing strategy and seeks to fund to a level deemed sufficient to fully fund recurring expenditures for replacement capital equipment and maintaining public facilities that do not meet the Town's general obligation bond issuance guidelines.

The target funding level shall be an amount sufficient to fund the capital fund budget cash to capital plus \$50,000. This is to ensure a sufficient balance remains in the Capital Reserve Fund for emergencies. Purchases utilizing the Capital Reserve Fund shall be authorized by the Town Manager or her/his designee and the Director of Finance and shall be approved by the Board of Selectmen and Board of Finance prior to expenditure. In the event of an emergency where an expenditure is made without prior approval by the Board of Selectmen and the Board of Finance, the expenditures shall be brought to the Board of Selectmen and Board of Finance for ratification as soon as possible. The Town Manager or her/his designee shall attempt to reach the First Selectman and Chairperson of the Board of Finance prior to the emergency expenditure. The First Selectman shall advise members of the Board of Selectman and the Chair of the Board of Finance shall advise members of the Board of Finance as soon as possible of the emergency. An emergency is defined as an urgent event or circumstance requiring an expenditure to preserve life or property or to address unique and serious circumstances that could not have been reasonably foreseen and which require immediate attention.

This fund may receive contributions from the sale of town owned buildings and property, transfers from the General Fund, transfers from Special Revenue Funds, unexpended balances of completed capital projects in the Capital and Non-Recurring Fund and Capital Projects Fund(s), grants, donations and interest from investments.

If applicable, funds shall be invested in accordance with the Town's investment policy.

VII. Accounting Guidelines

The following are a list of specific accounting practices related to capital transactions:

1. On the first day of the fiscal year, the General Fund appropriations to the Capital Projects Fund(s), Capital and Non-Recurring fund and Capital Reserve Fund will be transferred.
2. On the first day of the fiscal year, the Capital Reserve Fund appropriations to the Capital Projects Fund(s) and the Capital and Non-Recurring Fund will be transferred.
3. All bond proceeds will be deposited directly into the Capital Projects Fund(s).
4. Proceeds from the sale of town property will be deposited directly into the Capital Projects Fund or Capital Reserve Fund upon recommendation by the Board of Finance
5. Interest earned by the Capital Projects Fund(s) for the entire fiscal year will be transferred into the Capital Reserve Fund on the last day of the fiscal year, if applicable.
6. Grant funds, including school construction progress payments will be deposited into the Capital Projects Fund(s).
7. All debt service payments and debt issuance costs will be paid from the General Fund and/or Debt Service Fund.
8. All capital projects expenditures will be paid directly from the Capital Projects Fund(s).
- 8.9. For Capital and Non-Recurring projects only, anticipated budget transfers between projects can be overspent within \$5,000 or 20% of the total project budget, whichever is less, as long as the total anticipated overages do not exceed anticipated savings from other projects. The transfer and close out requests will go before the Board of Selectmen and Board of Finance at year end for formal close out.

TOWN OF SIMSBURY, CT

Investment Policy

Updated to reflect current requirements and updated terms
Adopted by the Board of Finance on 10/21/2014

1.0 POLICY STATEMENT

It is the policy of the Town of Simsbury that the administration and investment of Town funds shall be handled with the highest public trust. Investments shall be made in a manner which will optimize both the safety of the principal invested and the return on investment. Policy limits and diversification of the portfolio are established to protect liquidity for daily cash flow needs. While achieving a higher rate of return is secondary to the requirements for safety and liquidity, there must be a balancing of the risk and return. All investments will be made in full compliance with Town Charter and Code, State of Connecticut statutes, and any applicable IRS requirements.

2.0 SCOPE

This Investment Policy (the "Policy") applies to the investment and management of all the funds under direct authority of the Town.

~~All Town cash will be pooled together for banking purposes regardless of which fund the cash belongs to, with the exception of certain funds where the Town is required to hold a separate bank account (ie certain grants require a separate bank account to receive funding). Investment income will be proportionately allocated to each fund on a monthly basis based on their actual balances, and in accordance with generally accepted accounting principles. Except for cash in certain restricted and special funds, the Town will consolidate all funds. Investment income will be allocated or charged back to the general fund, or various funds based on their actual balances, and in accordance with generally accepted accounting principles. Interest will be calculated on a monthly basis, and credited back to all participating funds.~~

3.0 PRUDENCE

Investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived.

3.1 PRUDENT PERSON STANDARD

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. The Director of Finance and all those delegated investment authority under the Policy, when acting in accordance with the written procedures and the Policy and in accordance with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio.

4.0 OBJECTIVES

The objective of the Town's investment and cash management program is to ensure the safety, liquidity and yield on the funds available for investment. These objectives will ensure that all available funds are immediately and continuously invested at the most reasonable market rates obtainable at the time of investment. The Town will seek to attain market rates of return on its investments, consistent with constraints imposed by its primary objectives (as listed below), cash flow considerations and any laws that restrict the investment of public funds.

The primary objectives, in priority order, of the Town's investment action shall be:

4.1 SAFETY

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital and protection of principal in the overall portfolio. This will be achieved by mitigating credit risk and interest rate risk.

a. Credit Risk: The Town will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the safest types of securities (highest quality, creditworthiness).
- Diversifying the investment portfolio by maturity and issuer so that potential losses on individual securities will be minimized.

b. Interest Rate Risk: The Town will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

4.2 LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is assured through sufficient distribution of funds in highly liquid investments. The portfolio will be structured so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

4.3 YIELD

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above, however, reasonable yield must be balanced with minimizing risks. The

investments authorized by this Policy are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

5.0 INVESTMENT AUTHORITY

The investment authority for the Town is established by Connecticut General Statutes. The Town Director of Finance will be responsible for the daily investment management decisions and activities. The Director of Finance, on a quarterly basis, will prepare a report of investment decisions in the Town investment fund. The Board of Finance or delegate will review these decisions for reasonableness and adherence to this Policy.

6.0 ETHICS AND CONFLICT OF INTEREST

Employees who have investment authority for the Town (specifically, the Director of Finance) shall refrain from personal business activity that could impair, or create the appearance of an impairment of, their ability to make impartial investment decisions. They shall disclose, as part of the annual audit disclosure process, any material financial interests in financial institutions that conduct business with the Town, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the Town's portfolio. Employees shall comply with all applicable laws, regulations, professional codes of responsibilities and Town policies. Employees and investment officials shall also refrain from undertaking personal investment transactions with the same individual with whom the business is conducted on behalf of the Town.

7.0 AUTHORIZED AND SUITABLE INVESTMENTS

All investments shall be made in accordance with Connecticut General Statutes Sections 7-400-402. Only the following types of securities and transactions shall be eligible for use by the Town:

1. U.S. Treasury bills, notes and bonds.
2. Federal Agency debentures, discount notes, callable and step-up securities, with issued by the Government National Mortgage Association (GNMA), Federal Home Loan Banks (FHLB), Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC) and any other agency of the United States Government.
3. Time Certificates of Deposit issued by a qualified public depository as defined in Connecticut General Statutes Section 36a-330 that are fully insured or collateralized.
4. Money Market Mutual Funds registered under the Investment Company Act of 1940 that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) maintain a constant daily net asset value per share of \$1.00; (3) limit assets of the fund to the securities described in 1, 2 and 3 above and repurchase agreements collateralized by such securities; and (4) have a maximum stated maturity and weighted average maturity in accordance with Federal Securities Regulation 2a-7.
5. Investment Pools that (1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); (2) maintain a constant daily net asset value per share of \$1.00; (3) limit assets of the

fund to the securities described in 1, 2 and 3 above and repurchase agreements collateralized by such securities; and (4) have a custodian that is a bank as defined by Connecticut General Statutes Section 36a-2, or an out-of-state bank, as defined in said section, having one or more branches in Connecticut.

6. State Treasurer's Investment Fund (STIF).

8.0 DIVERSIFICATION

Invested funds shall be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity or specific issuer. The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy, the securities market, and the Town's anticipated cash flow needs.

9.0 MAXIMUM MATURITIES

To the extent possible, the Town will try to match its investments with anticipated cash flow requirements. The average weighted maturity of all investments exceeding 2 years shall not be more than 5 years and no more than 25% of the dollar value of those investments may exceed 5 years in duration.

10.0 INTERNAL CONTROLS

The Director of Finance shall insure that there are adequate internal controls for the Town's cash management processes and that they are fully document and adhered to. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, third-party misrepresentation, or imprudent actions by employees and officers of the Town. The internal control procedures shall be reviewed annually and approved by the Town's independent auditors.

11.0 PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the Town's investment risk constraints and cash flow needs. The standard benchmark for determining whether market yields are being achieved for short to intermediate-term investment portfolios will be the yields of the State Treasurer's Investment Fund (STIF).

12.0 INVESTMENT POLICY ADOPTION

The Policy shall be adopted by the Town Board of Finance. The Policy shall be reviewed biannually by the Director of Finance and any modifications made thereto must be approved by the Town Board of Finance.

TOWN OF SIMSBURY

POLICY FOR A STRUCTURALLY BALANCED BUDGET

Adopted by the Board of Finance on **Month XX, 2022**

Objective: The Town of Simsbury is required by law to have a balanced budget. However, the law does not distinguish between a budget that is balanced using short-term fixes and a budget that is structurally balanced for the long term. A true, structurally balanced budget is one that is designed to achieve balance for multiple years into the future. By adopting a budget policy based on the principles of structural balance, the Town of Simsbury seeks to establish a strong financial foundation for our community for years to come.

Policy Statement for adoption: The Town of Simsbury will adopt structurally balanced budgets in which predicted or estimated recurring revenues equal or exceed predicted or estimated recurring expenditures. The budgets will use realistic revenue estimates. No debt will be issued to fund operating expenditures.

Rationale: A structurally balanced budget has three important qualities.

First, ongoing expenses should be covered by ongoing revenues. Ongoing revenues are revenues that can reasonably be expected to continue year to year, with some degree of predictability. Property taxes are an example of recurring revenue. Other examples include recurring State or Federal Grants, such as the Educational Cost Sharing grant, Town Aid Road grant, Municipal Revenue Sharing grant, etc.

Ongoing expenses that can be expected to continue year to year, in amounts necessary to maintain current levels of service. Staff salaries, benefits, materials and services, and asset maintenance costs are common examples of recurring expenditures.

The second important quality of a structurally balanced budget is that one-time or short-term revenues are used to fund only one-time or short-term expenses. Examples of this might be either a grant with a term limit that does not recur year-to-year or a settlement from a lawsuit.

The third quality of a structurally balanced budget is that the Town have adequate reserves as a hedge against risk. This serves as a “bottom line measure” to help determine the extent to which structural balance goals are being achieved. Simsbury will maintain General Fund Balance reserves between 15-17% of the operating budget in accordance with the Fund Balance Policy adopted by the Board of Finance.

The Town of Simsbury policies adopted by the Board of Finance to support a structurally balanced budget are posted on the Town of Simsbury Finance Department website. These include:

- Investment Policies
- Investment Policy Statement OPEB
- Non-Lapsing Account for the Board of Education
- Capital and CNR Policy
- Defined Benefit Pension Plan Investment Policy
- Fund Balance Policy
- Debt Management Policy
- Defined Contribution Plan Investment Policy
- Policy on Budgetary Transfers and Supplemental Appropriations

**Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
REGULAR MEETING MINUTES
Tuesday, July 19, 2022, at 5:45 P.M.
In Person Meeting/Simsbury Community Media Live Stream**

PRESENT:

Lisa Heavner, Arthur House, Mike Doyle, Derek Peterson, and Robert Helfand

ALSO PRESENT:

Amy Meriwether, Director of Finance, and Tom Tyburski, Director of Culture, Parks and Recreation

1. Call to Order - Establish Quorum

Ms. Heavner called the meeting to order at 5:45 P.M.

2. Pledge of Allegiance

All present stood for the Pledge of Allegiance.

3. Public Audience

Ms. Heavner opened the meeting giving an overview of the supplemental appropriations process and invited members of the public to speak.

Joan Coe, 26 Whitcomb Drive, spoke about being mindful of free money coming from the government and the other long-term costs associated with how the town uses it.

4. Finance Director's Report

Ms. Meriwether provided an update on the Property Appraiser position noting that interviews were recently completed with no preferred candidate identified. The position will be reposted.

Ms. Meriwether provided an update on the Pension Fund experience study stating staff is currently in the process of updating all the pension and OPEB census information to reflect revised participant data. She noted this is anticipated to be completed by the first week of August and issued to Milliman for analysis and completion. She added Milliman has estimated 8 weeks to conduct the study.

Ms. Meriwether reported on the American Rescue Planning Act (ARPA) Funding, advising the first half of the funding was received in June 2021 and the second half is currently with the State waiting for redistribution to the towns. She noted that she has submitted the towns request for funding with an anticipated date to receive funds of August 10th.

Ms. Meriwether provided a Latimer Lane update with an anticipated referendum date in November. Mr. Roy provided an overview of the reason the referendum was moved up to November and added it will not be part of the November Election due to the number of questions allowed. Ms. Heavner inquired about the process and timeline for completion. Ms. Meriwether confirmed all proposed dates and construction schedule will be outlined in the memo that will be sent to the Board the following day.

5. Supplemental Appropriation – 56 Wolcott Rd

Ms. Heavner provided an overview of the appropriation stating that due to a portion of the transfer station encroaching on the property at 56 Wolcott Road, acquisition of the property was deemed the most affordable and preferable course of action to rectify the encroachment. She noted that the Board of Selectmen reviewed and approved this request for the purchase price of \$175,000. Mr. Roy added further details and stated this option is less costly than relocating the portion of the transfer station and will provide the town with more of a buffer to the transfer station. He noted that \$40,000 will be needed at year-end close to complete the demolition of the residential structure that is in poor condition on the property.

MOTION: Mr. House made a motion, effective July 19, 2022, to approve a supplemental appropriation utilizing Capital Reserves for the purchase of 56 Wolcott Road in the amount of \$175,000. Mr. Peterson seconded the motion. All were in favor and the motion passed unanimously.

6. Supplemental Appropriation – Bloomfield to Tariffville Multi-Use Path

Ms. Heavner provided an overview of the request to approve \$1,254,200 for the Bloomfield to Tariffville Multi-Use trail. She noted there are no increased costs via property taxes or the town as the town had previously budgeted \$275,000 towards the project with the rest coming from a LOTCIP grant. She added that the project was initially budgeted at \$1,565,200 but subsequent design changes in response to the Connecticut Department of Transportation review, increased costs to over \$2M with additional local funds provided by Simsbury and Bloomfield totaling \$550,000. After the bids came in the total cost of the project was estimated to be \$2,819,400 including contingencies and incidentals. Mr. Roy provided further information and details on the project and reiterated there are no additional costs to the town.

MOTION: Mr. Helfand made a motion, effective July 19, 2022, to approve a supplemental appropriation in the amount of \$1,254,200 as it relates to the Bloomfield to Tariffville Multi-Use Path funded by the LOTCIP grant. Mr. Peterson seconded the motion. All were in favor and the motion passed unanimously.

7. Supplemental Appropriation – Planning and Architectural Services for Meadowood Barns

Ms. Heavner provided a summary of the request to approve \$40,000 for the Meadowood Barns funded via the State Historic Preservation Enhancement grant as well as a survey and planning grant. She noted these grants will be used for further evaluation of the barns, preparation of the Historic Restoration Fund (HRF) Grant Application, and completion of design and construction documents. Mr. Roy added further details and information on the timing of this request in relation to the budget process. He added that rehabilitation of all standing barns may not be feasible.

MOTION: Mr. Helfand made a motion, effective July 19, 2022, to approve a supplemental appropriation in the amount of \$40,000 (\$20,000 for the State Historic Preservation Office Historic Preservation Enhancement Grant and \$20,000 for the Survey and Planning Grant) for the Meadowood Barns. Mr. House seconded the motion. All were in favor and the motion passed unanimously.

8. Supplemental Appropriation – Cavanagh Claim Under the Worker’s Compensation Act

Ms. Heavner provided an overview of the request to fund the settlement agreement regarding Mr. Cavanagh’s claim under the Workers Compensation Act and related settlement in the amount of \$185,000. She noted Mr. Cavanagh was employed by the Town of Simsbury, retired in 2006 as a sergeant for the Police Department and had an open claim under the Workers Compensation Act at the time of his retirement. She added the Board did have an executive session brief earlier in the year.

MOTION: Mr. House made a motion, effective July 19, 2022, to approve a supplemental appropriation utilizing General Fund Reserves for the purpose of funding the settlement agreement regarding Mr. Cavanagh’s claim under the Worker’s Compensation Act and related expense in the amount of \$185,000. Mr. Helfand seconded the motion. All were in favor and the motion passed unanimously.

9. Proposed Capital and Capital Non-Recurring Fund Policy Updates

Ms. Heavner provided an overview of proposed changes to the Capital and Capital Non-Recurring Fund Policies. She asked the Board to think about these changes which will be considered at their August meeting, and then referred to the Board of Selectman for their input.

10. Proposed Investment Policy Updates

Ms. Meriweather provided an overview of the proposed changes made to the language as recommended by Ms. Schofield in the last meeting. Ms. Heavner asked the Board to think about these changes which will be considered at their August meeting.

11. Proposed Structurally Balanced Budget Policy

Ms. Heavner provided an overview of the proposed new policy for a Structurally Balanced Budget. She said she received input from Mr. Helfand and asked the Board to review the changes which will be considered at their August meeting.

12. Annual Report Format/Content Review

Ms. Heavner provided an overview of the reasons for the Town’s Annual Report stating it is required by Charter and said the purpose of the report is to provide an accessible summary on how the town is doing. She added one of the goals for improving the report is to include metrics on performance measurement as well as removing acronyms, and asked the Board to review and provide input. She also asked that a list of all Town Board and Commissions be included next year, if not in this year’s report.

13. Approval of Minutes

MOTION: Mr. Helfand made a motion, effective July 19, 2022, to approve the June 21, 2022, Special Finance Meeting minutes with Ms. Heavner’s edits. Mr. Peterson seconded the motion. All were in favor and the motion passed unanimously.

14. Communications

Ms. Meriwether provided an overview on the Mid-Year Capital Markets and reviewed data in the Capital Budgeting Tool. Ms. Heavner summarized by saying they will have two difficult

budget years with large increases in debt service. A conversation followed on options to manage the situation.

Ms. Heavner said she met with the Auditors, and they mentioned that many Finance Boards are going a little deeper into risk analysis, including cyber. She said they do have a cyber update for the next meeting and she's happy they are ahead of the curve on that. She also noted that a fraud risk assessment is planned for in next year's budget and further information will follow. Ms. Meriwether is also working with staff on producing a Finance Procedures Manual as recommended by the auditors.

A conversation followed on the Latimer Lane project and Mr. Peterson asked if there was any way to do the referendum at the same time as the congressional elections. Ms. Heavner explained that due to the limit on the number of questions it would need to be held at a separate time. She added that it will go through multiple hearing processes, including the Board of Education, the Board of Selectmen, and the Board of Finance, resulting in multiple opportunities for the public to have input.

15. Adjourn

MOTION: Mr. Helfand made a motion, effective July 19, 2022, to adjourn the meeting at 6:46 P.M. Mr. Peterson seconded the motion. All were in favor and the motion passed unanimously.

Respectfully submitted,

Marion Lynott
Commission Clerk

TOWN OF SIMSBURY
 BUILDING DEPARTMENT
 MONTHLY REPORT - MARCH 2022

	Building		Mechanical		Totals				
	Permits Issued	Construction Value	Permits Issued	Construction Value	Total All Permits	Total All Construction Value	Total Actual Receipts	Total Inspections	Total Zoning Compliance
Commercial	7	\$270,234	5	\$65,000	12	335,234			
Residential	81	\$2,035,244	148	\$725,512	229	2,760,756			
Totals	88	\$2,305,478	153	\$790,512					
					241	\$3,095,990	\$80,219	209	48

**TOWN OF SIMSBURY
BUILDING DEPARTMENT**

MONTHLY REPORT - APRIL 2022

	Building		Mechanical		Totals				
	Permits Issued	Construction Value	Permits Issued	Construction Value	Total All Permits	Total All Construction Value	Total Actual Receipts	Total Inspections	Total Zoning Compliance
Commercial	8	\$671,566	10	\$128,359	18	799,925			
Residential	74	\$2,487,422	116	\$1,263,847	190	3,751,269			
Totals	82	\$3,158,988	126	\$1,392,206					
					208	\$4,551,194	\$99,631	194	52

**TOWN OF SIMSBURY
BUILDING DEPARTMENT**

MONTHLY REPORT - MAY 2022

	Building		Mechanical		Totals				
	Permits Issued	Construction Value	Permits Issued	Construction Value	Total All Permits	Total All Construction Value	Total Actual Receipts	Total Inspections	Total Zoning Compliance
Commercial	13	\$2,284,441	9	\$308,584	22	2,593,025			
Residential	79	\$2,066,628	99	\$598,231	178	2,664,859			
Totals	92	\$4,351,069	108	\$906,815					
					200	\$5,257,884	\$85,473	197	50

**TOWN OF SIMSBURY
BUILDING DEPARTMENT**

MONTHLY REPORT - JUNE 2022

	Building		Mechanical		Totals				
	Permits Issued	Construction Value	Permits Issued	Construction Value	Total All Permits	Total All Construction Value	Total Actual Receipts	Total Inspections	Total Zoning Compliance
Commercial	8	\$3,116,825	12	\$569,535	20	3,686,360			
Residential	80	\$3,108,689	103	\$1,297,459	183	4,406,148			
Totals	88	\$6,225,514	115	\$1,866,994					
					203	\$8,092,508	\$55,711	201	46

FY2021-2022
Annual Report/Actual Receipts
Community Development/Land Use
7/25/2022

		Building	St Educ	Ret Ck F	Planning	Zoning	ZBA	Wetlands	Engineer	LU State	TOT '21-'22	TOT '20-'21	TOT '19-'20
2021	JULY	60,038.00	1,120.86	0.00	0.00	10,034.00	806.00	452.00	0.00	348.00	72,798.86	60,424.39	54,897.28
	AUGUST	91,598.00	1,703.28	0.00	0.00	1,657.00	0.00	132.00	0.00	116.00	95,206.28	123,278.22	56,525.16
	SEPT	45,370.00	841.94	0.00	0.00	1,632.00	0.00	42.00	0.00	116.00	48,001.94	116,198.30	46,818.44
	Subtotal	197,006.00	3,666.08	0.00	0.00	13,323.00	806.00	626.00	0.00	580.00	216,007.08	299,900.91	158,240.88
	OCT	51,955.00	962.78	0.00	0.00	1,282.00	182.00	182.00	0.00	174.00	54,737.78	441,774.20	52,034.64
	NOV	40,134.00	783.08	0.00	0.00	1,929.00	0.00	182.00	0.00	174.00	43,202.08	77,404.97	96,771.94
	DEC	56,888.75	1,058.04	0.00	0.00	4,909.00	0.00	510.00	0.00	116.00	63,481.79	31,945.37	44,714.21
	Subtotal	148,977.75	2,803.90	0.00	0.00	8,120.00	182.00	874.00	0.00	464.00	161,421.65	551,124.54	193,520.79
2022	JAN	43,149.00	804.88	0.00	0.00	1,057.00	182.00	182.00	9.00	174.00	45,557.88	81,592.66	92,438.89
	FEB	33,930.00	626.68	0.00	0.00	727.00	364.00	0.00	0.00	174.00	35,821.68	49,477.10	54,180.41
	MARCH	74,952.00	1,391.26	0.00	0.00	2,804.00	312.00	232.00	6.00	522.00	80,219.26	134,595.62	39,419.86
	Subtotal	152,031.00	2,822.82	0.00	0.00	4,588.00	858.00	414.00	15.00	870.00	161,598.82	265,665.38	186,039.16
	APRIL	99,630.50	1,945.06	0.00	0.00	2,307.98	182.00	364.00	12.00	348.00	104,789.54	66,294.22	40,390.92
	MAY	81,060.00	1,504.88	0.00	0.00	1,219.00	0.00	1,274.00	9.00	406.00	85,472.88	99,944.96	54,610.36
	JUNE	55,711.00	845.27	0.00	0.00	1,684.00	0.00	728.00	3.00	348.00	59,319.27	120,925.58	120,925.58
	Subtotal	236,401.50	4,295.21	0.00	0.00	5,210.98	182.00	2,366.00	24.00	1,102.00	249,581.69	287,164.76	215,926.86
TOTALS		734,416.25	13,588.01	0.00	0.00	31,241.98	2,028.00	4,280.00	39.00	3,016.00	788,609.24	1,403,855.59	753,727.69



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July 7, 2022

The Board of Finance
Town of Simsbury, Connecticut

We are engaged to audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Simsbury, Connecticut as of and for the year ended June 30, 2022. Professional standards require that we communicate to you the following information related to our audit. We will contact you to schedule a meeting to discuss this information since a two-way dialogue can provide valuable information for the audit process.

Our responsibility under Auditing Standards Generally Accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the Connecticut State Single Audit Act*

Financial statements, internal control, and compliance

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the Connecticut State Single Audit Act (State Single Audit). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Those standards also require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under U.S. GAAS and *Government Auditing Standards*.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.
- Form and express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.
- Plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.
- Perform, as part of obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, tests of the entity's compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our tests is not to provide an opinion on compliance with such provisions and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.
- Provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control over compliance that we identify during the audit that are required to be communicated.
- Plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Act will always detect material noncompliance when it exists. Material noncompliance can arise from fraud or error and is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report.

- Perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal or state award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the State Single Audit.
- Consider internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit.
- Perform tests of transactions and other applicable procedures described in the “OMB Compliance Supplement” and the “Compliance Supplement to the State Single Audit” for the types of compliance requirements that could have a direct and material effect on each of the entity’s major programs. The purpose of these procedures will be to express an opinion on the entity’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the entity’s compliance with those requirements.
- Provide a report on internal control over compliance related to major programs and express an opinion (or disclaimer of opinion) on compliance with federal and state statutes, regulations, and the terms and conditions of federal or state awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance and the State Single Audit.
- Communicate significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.
- Communicate circumstances that affect the form and content of the auditors’ report.

Our audit of the financial statements does not relieve you or management of your responsibilities.

Supplementary information in relation to the financial statements as a whole

Our responsibility for the schedule of expenditures of federal awards (SEFA) and the Schedule of Expenditures of State Financial Assistance (SESFA) accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the SEFA and the SESFA in relation to the financial statements as a whole and to report on whether the SEFA and the SESFA are fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the SEFA and the SESFA to determine whether the SEFA and the SESFA complies with the requirements of the Uniform Guidance and the State Single Audit, respectively, the method of preparing the schedules has not changed from the prior period, and the SEFA and the SESFA is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the SEFA and the SESFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Because we were engaged to report on the supplementary information accompanying the financial statements, our responsibility for other supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the information to determine whether the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we will make certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We will compare the RSI for consistency with management’s responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we will not express an opinion or provide any assurance on the RSI.

Use of financial statements

Our auditors’ opinions, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document. You are responsible to provide us the opportunity to review such documents before issuance.

Other information included in annual reports

It is our understanding that our auditors’ report will be included in your annual report which is comprised of your Annual Comprehensive Financial Report which will be issued with your audited financial statements. Management is responsible for the preparation of other information included in your annual report and for providing such information to us in a timely manner, and if possible, prior to the date of our auditors’ report. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinions on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors’ report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If management refuses to correct a material misstatement of the other information, professional standards require us to communicate the matter to you. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Planned scope and timing of the audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit of the financial statements will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters may be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls

As a result of unexpected events, changes in conditions, or the audit evidence obtained from the results of audit procedures performed, we may need to modify the overall audit strategy and audit plan and, thereby, the resulting planned nature, timing, and extent of further audit procedures, based on the revised consideration of assessed risks.

We expect to begin our audit on approximately September 12, 2022 and issue our report on approximately October 31, 2022.

Other planning matters

Recognizing the importance of two-way communication, we encourage you to provide us with information you consider relevant to the audit. This may include, but is not limited to, the following items:

- Your views about the following matters:
 - The appropriate person(s) in the entity's governance structure with whom we should communicate.
 - The allocation of responsibilities between those charged with governance and management.
 - The entity's objectives and strategies and the related business risks that may result in material misstatements.
 - Matters you believe warrant particular attention during the audit and any areas for which you request additional procedures to be undertaken.

- Significant communications between the entity and regulators.
- Other matters you believe are relevant to the audit of the financial statements.
- The attitudes, awareness, and actions of those charged with governance concerning (a) the entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control, and (b) the detection or the possibility of fraud.
- The actions of those charged with governance in response to developments in law, accounting standards, corporate governance practices, and other related matters, and the effects of such developments on, for example, the overall presentation, structure, and content of the financial statements, including the following:
 - The relevance, reliability, comparability, and understandability of the information presented in the financial statements.
 - Whether all required information has been included in the financial statements, and whether such information has been appropriately classified, aggregated or disaggregated, and presented.
- The actions of those charged with governance in response to previous communications with the auditor.
- Your understanding of the risks of fraud and the controls in place to prevent and detect fraud, including your views on the following matters:
 - The “tone at the top” conveyed by management.
 - The risk that the entity’s financial statements or schedule of expenditures of federal awards might be materially misstated due to fraud.
 - Programs and controls that the entity has established to mitigate identified fraud risks or that otherwise help to prevent, deter, and detect fraud.
 - How and how often you review the entity’s policies on fraud prevention and detection.
 - If a fraud hotline is in place, how it is monitored and how you are notified of allegations or concerns.
 - How you exercise oversight of management’s processes for identifying and responding to the risks of fraud and the programs and controls management has established to mitigate those risks.
 - The risks of fraud at the entity, including any specific fraud risks the entity has identified or account balances, classes of transactions, or disclosures for which a risk of fraud may be likely to exist.
 - Examples of fraud-related discussions management has had with you.

- Any actual or suspected fraud affecting the entity or its federal award programs that you are aware of, including measures taken to address the fraud.
 - Any allegations of fraud or suspected fraud (e.g., received in communications from employees, former employees, grantors, regulators, or others) that you are aware of.
 - Any knowledge of possible or actual policy violations or abuses of broad programs and controls occurring during the period being audited or the subsequent period.
 - Any accounting policies or procedures applied to smooth earnings, meet debt covenants, minimize taxes, or achieve budget, bonus, or other financial targets that you are aware of; and whether you are aware of any accounting policies that you consider aggressive.
- How you oversee the entity's (1) compliance with laws, regulations, and provisions of contracts and grant agreements, (2) policies relative to the prevention of noncompliance and illegal acts, and (3) use of directives (for example, a code of ethics) and periodic representations obtained from management-level employees about compliance with laws, regulations, and provisions of contracts and grant agreements.
 - Whether you are aware of any noncompliance with laws, regulations, contracts, and grant agreements, including measures taken to address the noncompliance.
 - If the entity uses a service organization, your knowledge of any fraud, noncompliance, or uncorrected misstatements affecting the entity's financial statements or federal award programs reported by the service organization or otherwise known to you.

* * *

This communication is intended solely for the information and use of the Board of Finance and management of the Town of Simsbury, Connecticut and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

CliftonLarsonAllen LLP



Nikoleta D. McTigue, CPA
Principal
860-570-6377
Nikoleta.McTigue@CLAconnect.com

Town of Simsbury Pension Plans

Total Performance Summary & Manager Summary As of June 30, 2022

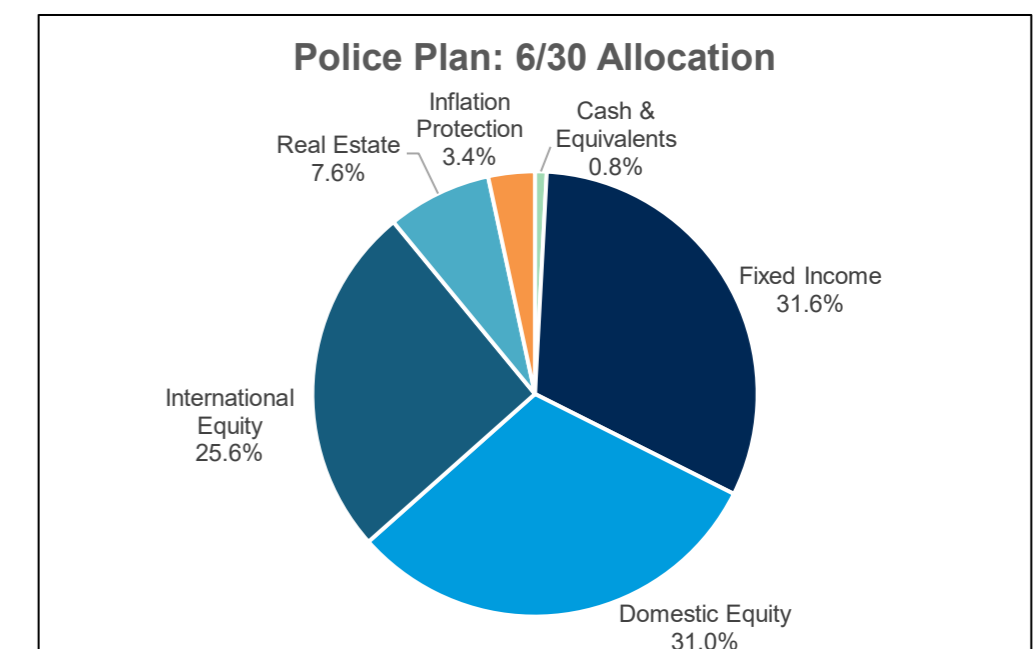
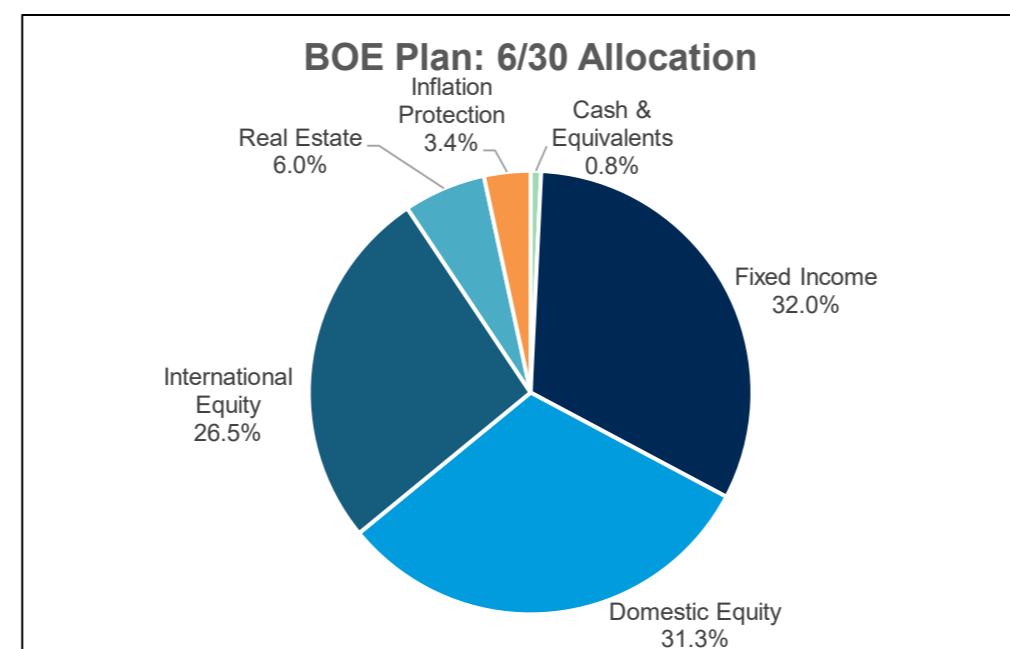
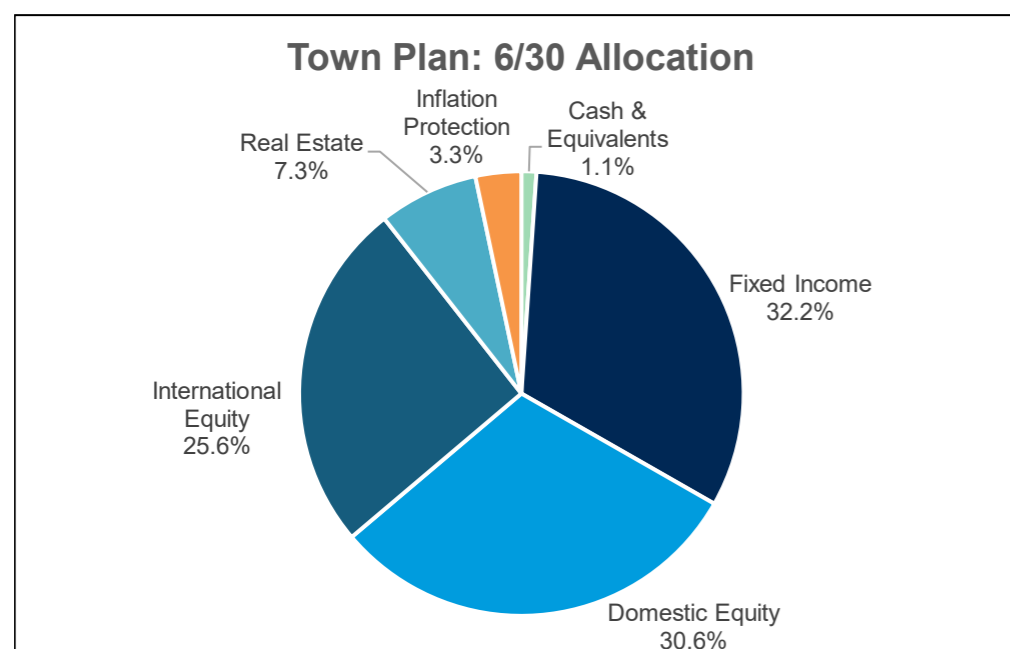
Trailing Performance Summary

	<u>QTR</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Simsbury Town Plan	-9.9%	-11.7%	24.4%	-15.1%	-11.7%	4.3%	5.0%	6.3%
Blended Benchmark*	-10.7%	-12.1%	24.4%	-14.8%	-12.1%	4.2%	5.1%	6.4%
Simsbury BOE Plan	-10.2%	-12.0%	24.9%	-15.4%	-12.0%	4.3%	5.0%	6.3%
Blended Benchmark*	-10.7%	-12.1%	24.4%	-14.8%	-12.1%	4.2%	5.1%	6.4%
Simsbury Police Plan	-10.0%	-11.6%	24.4%	-15.1%	-11.6%	4.3%	5.0%	6.3%
Blended Benchmark*	-10.7%	-12.1%	24.4%	-14.8%	-12.1%	4.2%	5.1%	6.4%

*Blended Benchmark as of 6/1/2021 is 32.5% Bloomberg Barclays U.S. Aggregate Index; 31.5% Russell 3000 Index; 16.5% MSCI AC World ex USA Index., 6% MSCI EAFE Small Cap Index; 5% MSCI Emerging Markets Index; 5% NCREIF Fund Index - ODCE; 3.5% Short-Term Inflation Protection Benchmark. For a complete history of the benchmark composition, please see Fiduciant Advisors Quarterly Investment Review.

Asset Allocation

<u>Manager</u>	<u>Manager Status</u>	<u>Town Plan</u> <u>Asset Allocation (\$)</u>	<u>Town Plan</u> <u>Asset Allocation (%)</u>	<u>BOE Plan</u> <u>Asset Allocation (\$)</u>	<u>BOE Plan</u> <u>Asset Allocation (%)</u>	<u>Police Plan</u> <u>Asset Allocation (\$)</u>	<u>Police Plan</u> <u>Asset Allocation (%)</u>	<u>Long Term</u> <u>Target Allocation (%)</u>
Total Plan		26,299,381	100.0	26,490,301	100.0	19,576,471	100.0	100.0
Cash & Equivalents		286,600	1.1	202,444	0.8	165,758	0.8	0.0
Allspring Gov't Money Market		286,600	1.1	202,444	0.8	165,758	0.8	0.0
Fixed Income		8,460,683	32.2	8,483,383	32.0	6,179,250	31.6	32.5
Metropolitan West Total Return PI	Maintain	3,212,831	12.2	3,196,852	12.1	2,331,366	11.9	12.25
Western Asset Core Plus Bond IS	Maintain	3,132,988	11.9	3,033,402	11.5	2,229,662	11.4	12.25
BlackRock Strategic Income Opportunities K	Maintain	2,114,864	8.0	2,253,129	8.5	1,618,222	8.3	8.0
Domestic Equity		8,038,647	30.6	8,286,326	31.3	6,075,518	31.0	31.5
Vanguard Instl Index	Maintain	5,446,641	20.7	5,624,780	21.2	4,143,930	21.2	21.5
Neuberger Berman Genesis R6	Maintain	2,592,007	9.9	2,661,546	10.0	1,931,588	9.9	10.0
International Equity		6,731,669	25.6	7,031,576	26.5	5,010,634	25.6	27.5
Hartford International Opportunities R6	Maintain	4,100,061	15.6	4,326,051	16.3	3,079,575	15.7	16.5
Templeton Instl Foreign Small Comp A	Maintain	1,388,869	5.3	1,434,633	5.4	1,019,697	5.2	6.0
Vanguard Emerging Markets Adm	Maintain	1,242,739	4.7	1,270,892	4.8	911,363	4.7	5.0
Real Estate		1,906,733	7.3	1,588,944	6.0	1,483,014	7.6	5.0
Barings Core Property Fund LP	Maintain	1,906,733	7.3	1,588,944	6.0	1,483,014	7.6	5.0
Inflation Protection		875,049	3.3	897,628	3.4	662,296	3.4	3.5
Vanguard Short-Term Infl Protection Adm	Maintain	461,340	1.8	477,154	1.8	355,720	1.8	1.75
Credit Suisse Commodity Return I	Maintain	413,710	1.6	420,474	1.6	306,576	1.6	1.75



Important Disclosure Information: Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciant Advisors, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciant Advisors has relied upon information provided by third party sources. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

Town of Simsbury OPEB Plan

Total Performance Summary & Manager Summary As of June 30, 2022

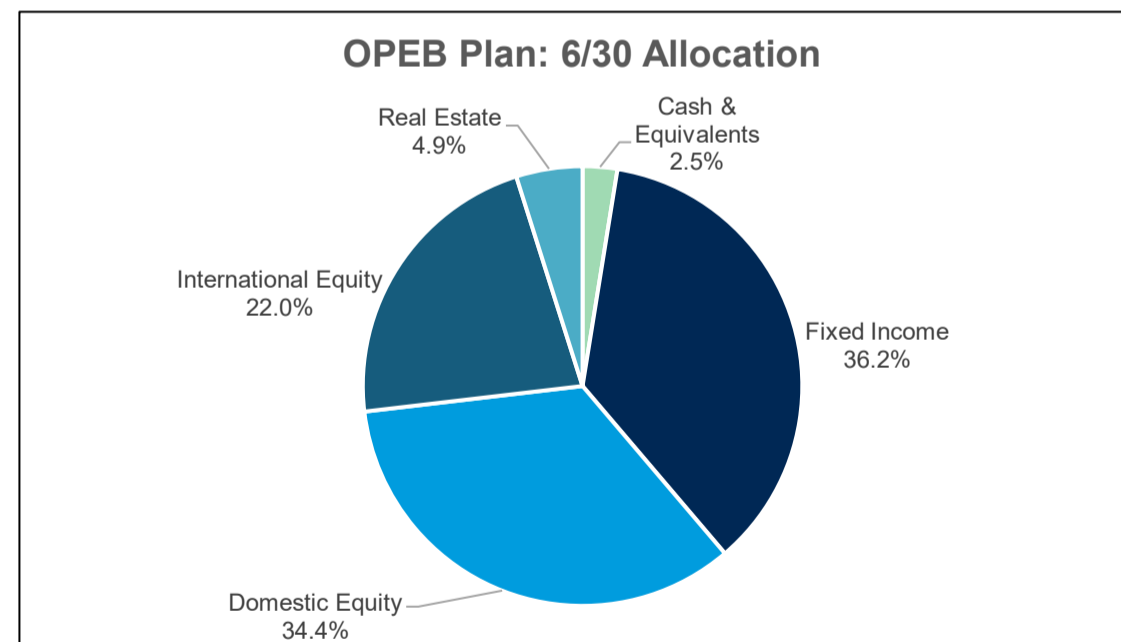
Trailing Performance Summary

	QTR	FY 2022	FY 2021	YTD	1-Year	3-Year	5-Year	10-Year
Simsbury OPEB Plan	-11.4%	-12.5%	26.0%	-16.0%	-12.5%	4.6%	5.3%	6.1%
Blended Benchmark*	-11.9%	-12.7%	25.8%	-16.3%	-12.7%	4.3%	5.3%	6.2%

*Blended Benchmark as of 4/1/2017 is 17.5% Bloomberg Barclays U.S. Aggregate Index; 17.5% Bloomberg Barclays U.S. TIPS Index; 26% S&P 500 Index; 6% Russell Midcap Index; 3% Russell 2000 Index; 19% MSCI EAFE Index; 6% MSCI Emerging Markets Index; 2.5% Cohen Steers Realty Majors Index; 2.5% FTSE EPRA/NAREIT Developed ex U.S. Index. For a complete history of the benchmark composition, please see Fiducient Advisors Quarterly Investment Review.

Asset Allocation

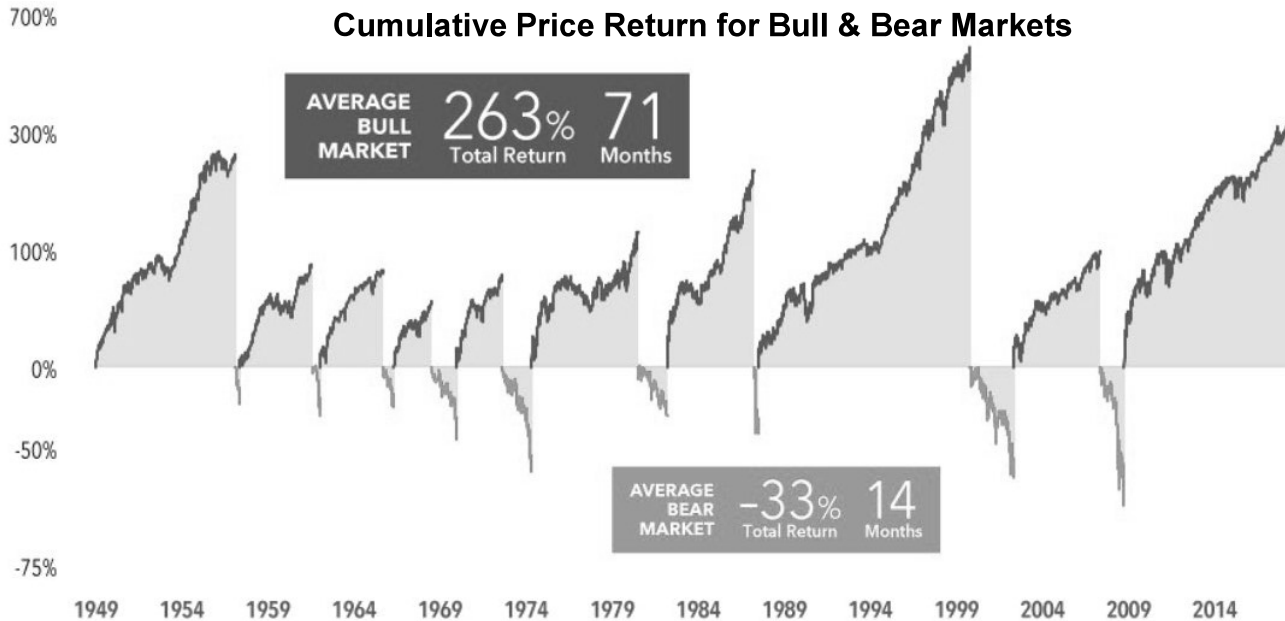
Manager	Manager Status	Town Plan Asset Allocation (\$)	Town Plan Asset Allocation (%)	Long Term Target Allocation (%)
Total Plan		19,773,421	100.0	100.0
Cash & Equivalents		503,966	2.5	0.0
Raymond James Bank Deposit		503,966	2.5	0.0
Fixed Income		7,163,858	36.2	35.0
iShares TIPS Bond ETF	Maintain	3,563,674	18.0	17.5
iShares Core U.S. Aggregate Bond ETF	Maintain	3,600,184	18.2	17.5
Domestic Equity		6,795,266	34.4	35.0
iShares Core S&P 500 ETF	Maintain	5,200,421	26.3	26.0
iShares Russell Midcap ETF	Maintain	1,097,604	5.6	6.0
iShares Russell 2000 ETF	Maintain	497,241	2.5	3.0
International Equity		4,345,953	22.0	25.0
iShares MSCI EAFE ETF	Maintain	3,366,711	17.0	19.0
iShares MSCI Emerging Markets ETF	Maintain	979,242	5.0	6.0
Real Estate		964,378	4.9	5.0
iShares Cohen & Steers REIT ETF	Maintain	534,290	2.7	2.5
iShares Intl Developed Property ETF	Maintain	430,088	2.2	2.5



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Challenging Market Environments: Historical Perspective



- Bear markets tend to be much shorter in duration than bull markets.
- The declines seen in bear markets have historically been far less significant than the gains experienced during bull markets.

Source: Capital Group, RIMES, Standard & Poor's. As of December 31, 2018. Bear markets are peak-to-trough price declines of 20% or more in the S&P 500. Bull markets are all other periods. Returns shown on a logarithmic scale.

		After Rate Hike		
		+3 Months	+6 Months	+12 Months
Fixed Income	Investment Grade Bonds	0.0%	2.0%	4.2%
	High Yield Bonds	0.4%	4.2%	2.6%
U.S. Equity	U.S. Large Cap Equities	-1.9%	4.7%	7.5%
	U.S. Mid Cap Equities	-2.9%	4.2%	9.6%
	U.S. Small Cap Equities	-2.9%	2.5%	7.4%
	U.S. Growth	-1.5%	8.2%	14.2%
	U.S. Value	-2.5%	1.4%	2.0%
International Equity	International Equities	0.9%	12.5%	10.7%
	Emerging Markets	-1.9%	13.2%	11.8%

- While many segments of the market experience short-term losses following interest rate hikes, longer-term results tend to be robust.

TAKEAWAY: Remaining invested through all types of market environments is key to long-term investment success.

Source: ClearBridge Investments. Indices used include the following: U.S. Large-Cap Equities: S&P 500; U.S. Mid-Cap Equities: S&P Midcap 400; U.S. Small-Cap Equities: S&P 600; U.S. Growth: Russell 1000 Growth; U.S. Value: Russell 1000 Value; Investment Grade Bonds: Bloomberg U.S. Corporate Bond; High Yield: Bloomberg U.S. High Yield Bonds (1-5Yr); Emerging Market Equities: MSCI Emerging Markets; International Equities: MSCI ACWI ex-U.S. *Averages included in the table use the last four rate hike occurrences with initial rate hikes on Feb. 4, 1994, Jun. 30, 1999, Jun. 30, 2004 and Dec. 14, 2016. Source: Bloomberg, FactSet. Data as of March 31, 2022. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.