



Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Submission

Watch Board of Finance meetings LIVE and rebroadcast on Comcast Channels 96, 1090, Frontier Channel 6071 and LIVE streamed or on-demand at www.simsburytv.org

September 16, 2021

Carolyn Keily
Town Clerk
Simsbury, CT 06070

Dear Ms. Keily:

A **Regular Meeting** of the Board of Finance will be held at **5:45 PM**, on **Tuesday, September 21, 2021**, and broadcast live and rebroadcast as noted above.

The Agenda is as follows:

1. Call to Order
2. Pledge of Allegiance
3. Presentation: Fiducient Advisors
4. Presentation: American Rescue Plan Act (ARPA) Workgroup
5. Supplemental Appropriation Request for Building Division
6. Supplemental Appropriation Request for Meadowood Acquisition
7. Proposed Draft Policy for Budgetary Transfers and Supplemental Appropriations
8. Policy Review
9. Approval of Minutes
 - August 17, 2021
10. Communications
 - July 2021 Building Department Report
 - August 2021 Building Department Report
11. Adjourn

Yours Truly,
Robert Pomeroy
Chairman

Board of Finance Regular Meeting Schedule:
11/16/21, 12/21/21, 1/18/22



Town of Simsbury Retirement Plans

Performance Summary - Second Quarter 2021

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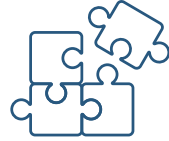
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Fiducient Advisors Update



Retirement Plans



Endowments & Foundations



The Wealth Office®

Featured Insights

- Webcast: Setting a Fiduciary Framework
- The Public Fiduciary Newsletter – April
- Plan Sponsor Newsletter – June
- Research Paper: A Primer on In-Plan Retirement Income

Coming Soon

- Improving Funded Status in 2021 & Next Steps in Derisking and Pension Risk Transfers

Recent Speaking Engagements

- ALTSCHI Virtual Conference 2021
- ASAE Annual Meeting
- Institutional Investor - Corporate Funds, Insurance & Perpetual Capital Virtual Roundtable

Featured Insights

- The Steward Newsletter – June
- Nonprofit Investment Stewards Podcast – bimonthly episodes
- Video: Inflation Concerns – July

Coming Soon

- The Steward Newsletter – August

Featured Insights

- Biden Administration Tax Proposals
- The Advisor Newsletter – April
- Webcast: The Biden Administration's Tax Proposals – Five Key Things to Know

Coming Soon

- The Advisor Newsletter – July

- Institutional Investors' Sustainable Returns: ESG Series
- P&I Conferences: DC Investment Lineup Virtual Series
- P&I Conferences: ESG Investing Virtual Series
- PLANSPONSOR 2021 Virtual HSA Conference



Fiducient Advisors Update



- Webcast: Fiducient Speaker Series with Rupal Bhansali of Ariel Investments – *“The Power and Payoff of Non-Consensus Investing”*
- Monthly market recaps
- Monthly market updates
 - Markets Navigate an Evolving Inflation Landscape – June
 - Economic Momentum Propels Capital Markets Higher – May
 - Economic Activity Accelerates Heading into Spring – April
- Considerations for Bitcoin Investors – June
- Mid-Year Market Review Webcast – July

2021 New Associates – Welcome!

- Tyler Aldrich, Client Service Associate, TWO
- Megan Claucherty, General Counsel & Chief Compliance Officer
- Marc Corigliano, Consulting Analyst, TWO
- Christian Cote, IT Analyst
- Ian Lapin, Client Service Associate, Institutional
- Priscilla Meadow, Middle Office Associate
- Janki Prajapati, Client Service Associate, Institutional
- Luke Rossi, Performance Analyst
- Brett St. John, Performance Analyst
- Ashly Whitfield, Senior Accountant

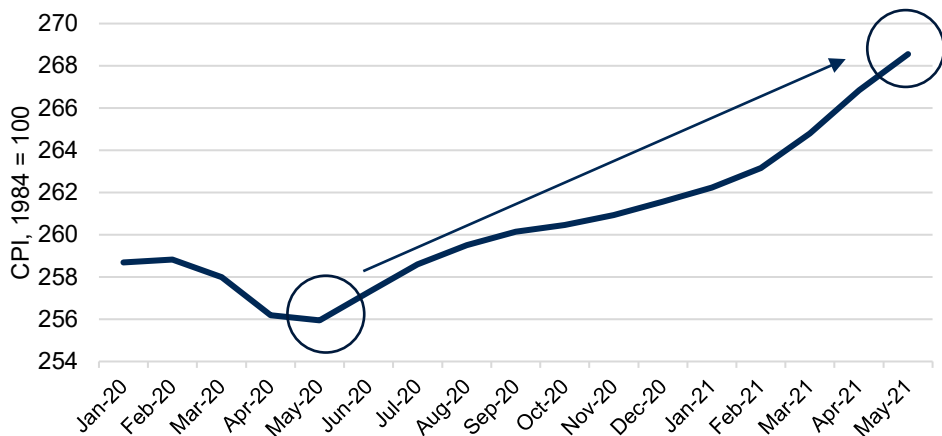


Market Themes

1. Stimulus measures and vaccination efforts have fostered historically robust GDP growth.
2. Inflation, while elevated, should not ultimately threaten the global recovery.
3. The breadth of asset class returns ratifies the pace of economic momentum with the highest returns year-to-date sourced from areas of the markets closely aligned with reopening.

Heightened, but Transitory

Year-over-year inflation readings are higher following the emergence from the manufactured Covid-19 recession. Consensus is the inflation drivers of pent-up demand and supply chain shocks are transitory and will dissipate.

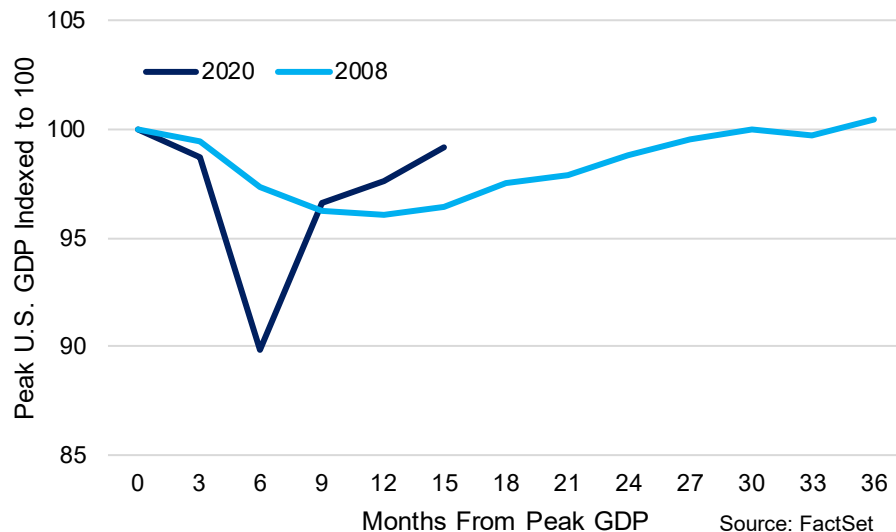


Source: FactSet, U.S. Bureau of Labor Statistics, Federal Reserve

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.

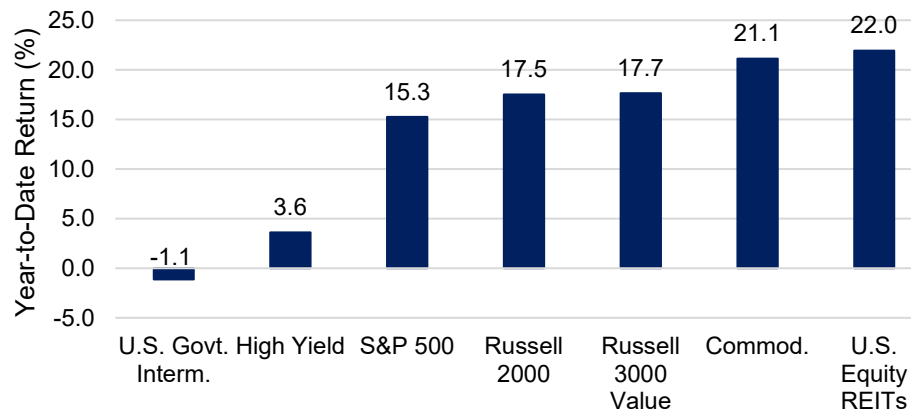
U.S. Recovery Progress- GFC Versus Covid-19 Pandemic

The recovery in U.S. GDP levels has been nearly as dramatic as the pullback and we are now on pace to regain GDP loses just 18 months from the prior peak (Dec. 2019) versus 36 months during the GFC.



Mid-Market Cycle Asset Class Performance

Vaccine distribution and stimulus efforts have helped to pave the way for broader asset class returns. Some of the most depressed asset classes during the midst of the pandemic have led year-to-date.

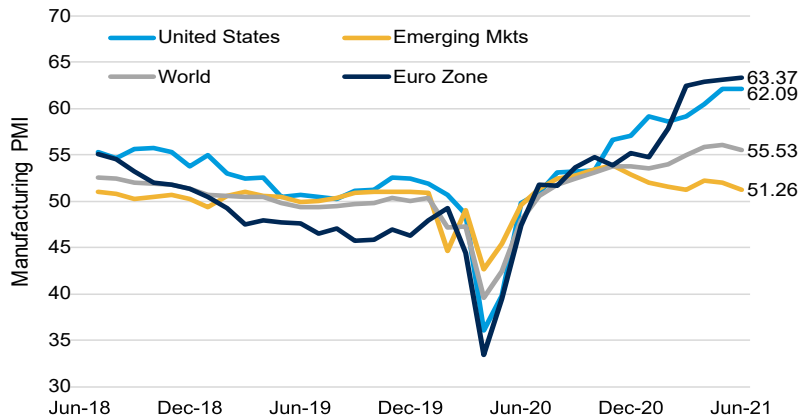




Economic Review

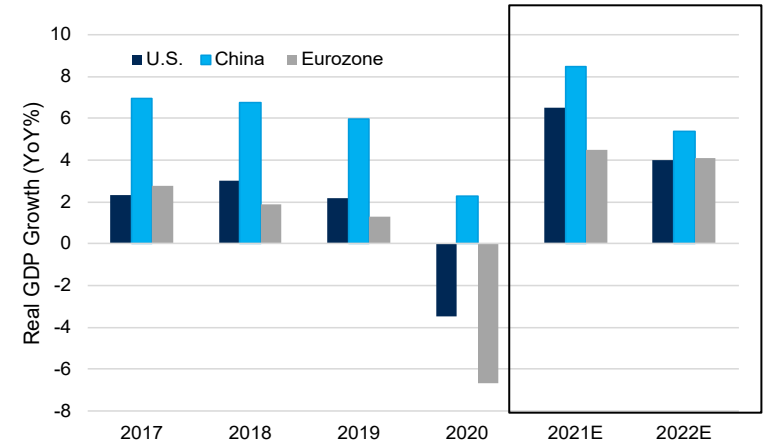
PMI Composites

PMI's across most major economies remain above 50, signaling economic trends within manufacturing remain expansionary.



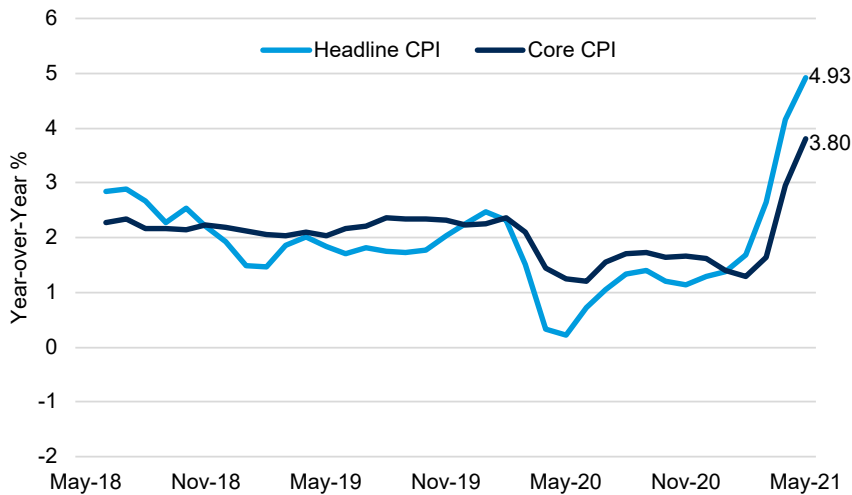
Real GDP Growth (YoY)

Estimates for 2021 GDP remain robust, reflecting consumer pent up demand and high household savings rates.



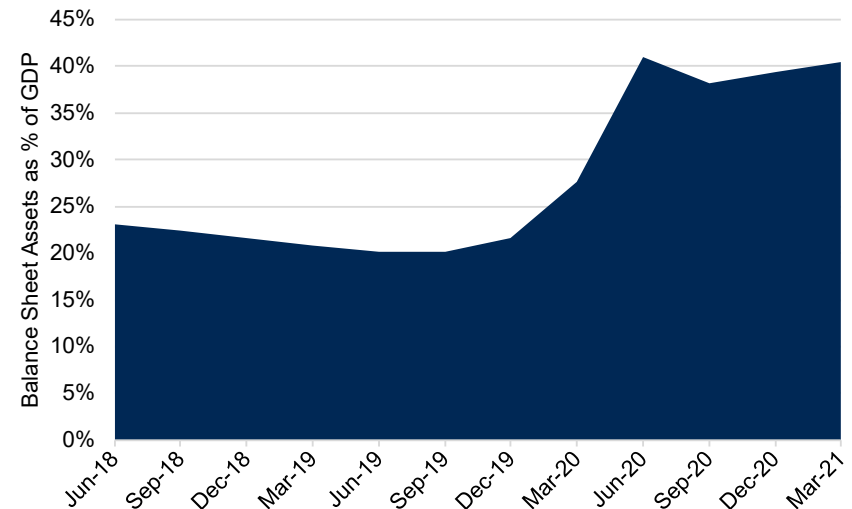
U.S. Inflation

Inflation moved noticeable higher in April and continued into May. Year-over-year headline inflation was the highest in 12 years coming of 2020's low base.



Federal Reserve Balance Sheet as Percentage of GDP

In spite of Federal Reserve balance sheet expansion, GDP growth has kept up with or exceeded balance sheet asset growth, limiting overall debt levels.

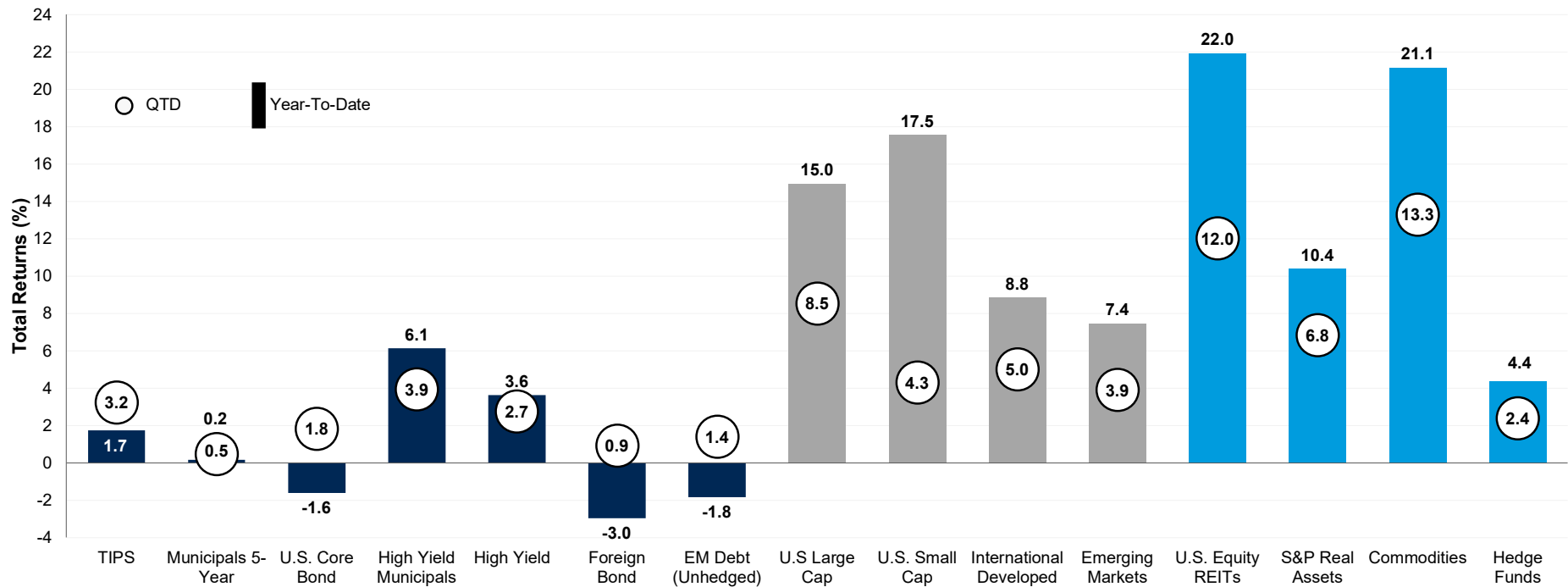


Source: FactSet

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Market Themes



*Hedge fund returns are lagged 1 month. Sources: FactSet, J.P. Morgan, Russell, MSCI, FTSE Russell, Alerian. Hedge Funds returns as of 5/31/21/21. All other returns as of 6/30/21.

Fixed Income

- + Interest rates moved lower at the longer end of the curve and were slightly higher inside of 5-years.
- + Investment grade and high yield spreads compressed during the quarter.

Equity

- + Optimism continued into the 2nd quarter as vaccinations continue to progress and many restrictions were lifted across the country.
- Emerging market equities lagged their developed market counterparts as many developing countries struggled to control Covid-19 outbreaks.

Real Asset / Alternatives

- + REITs continued to benefit from increasing demand and low interest rates.
- + Commodities benefitted most from large increases in energy, namely oil, although strong performance was broad based across sectors.

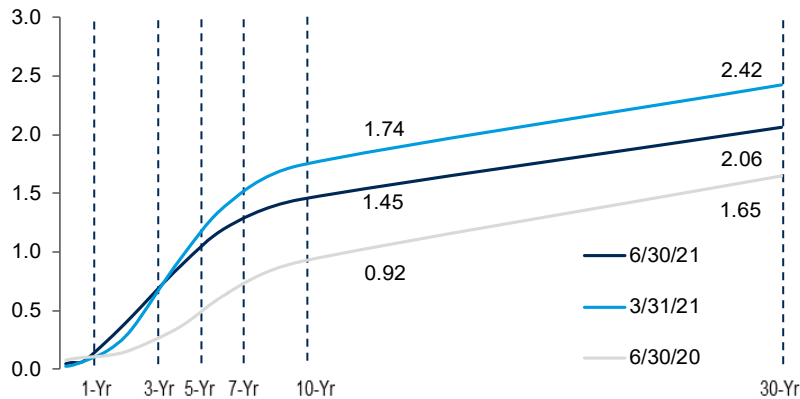
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Fixed Income Market Update

U.S. Treasury Yields Curve

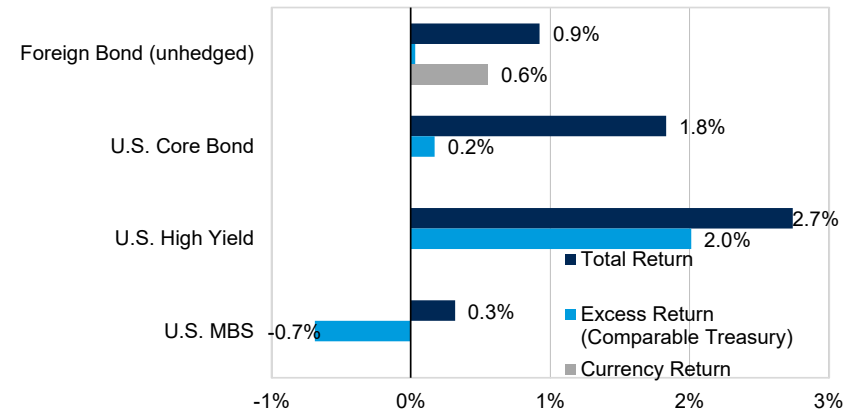
U.S. Treasuries moved lower at the longer end of the curve with the 10-year and 30-year rates declining 29bps and 36bps, respectively.



Source: FactSet

Index Performance Attribution (2Q 2021)

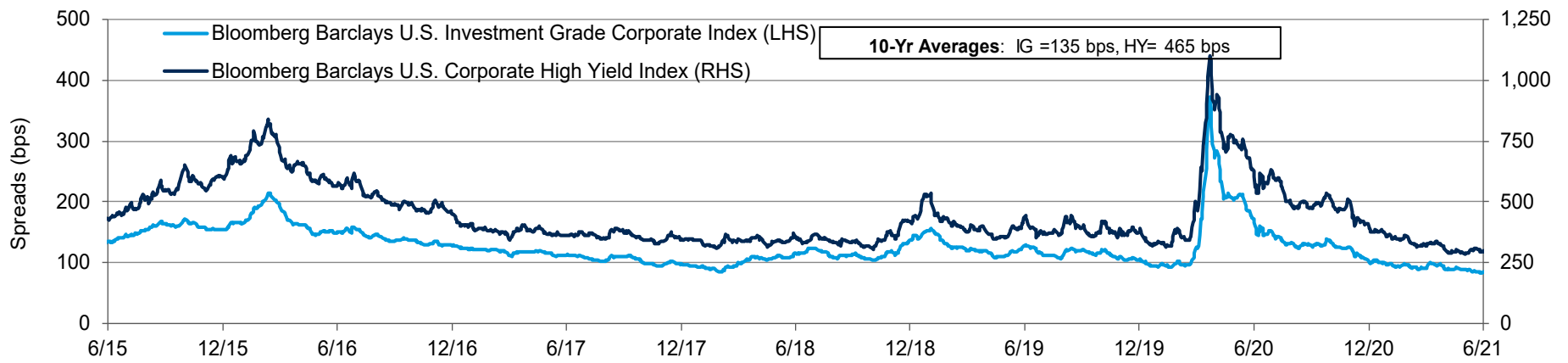
In the U.S., both lower rates and spread compression drove fixed income performance. Dollar weakness provided a nice tailwind for foreign bonds.



Source: FactSet

Credit Market Spreads – Trailing 5 Years

Credit spreads compressed during the quarter with investment grade and high yield spreads decreasing 11bps and 42bps, respectively.



Source: FactSet

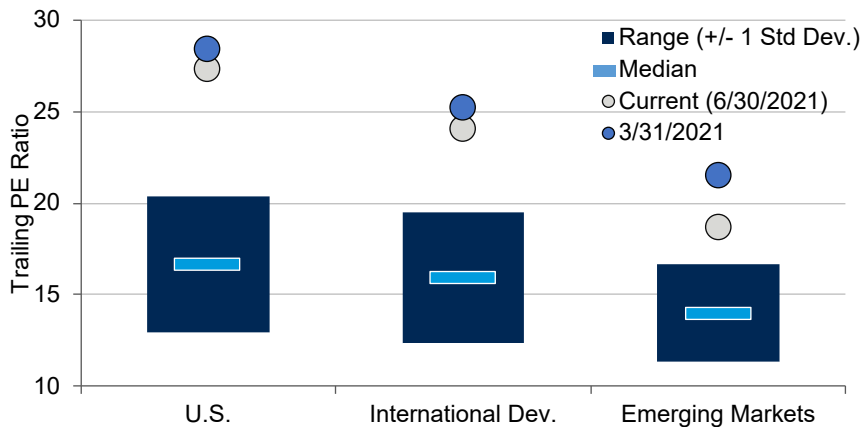
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Equity Market Update

Equity Valuations (Trailing 15 Years)

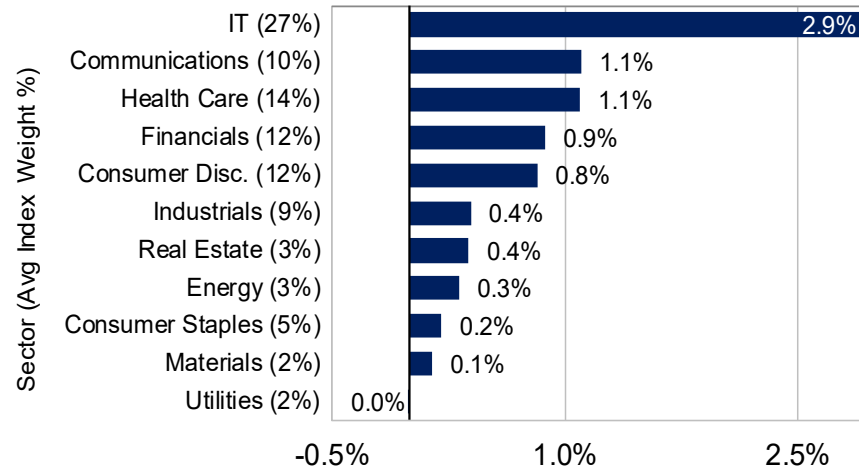
Valuations remain elevated when compared to historical ranges. Valuations were lower relative to the first quarter despite strong equity performance, driven by strong underlying earnings growth.



Source: FactSet

U.S. Equities – Contribution to Return by Sector (2Q 2021)

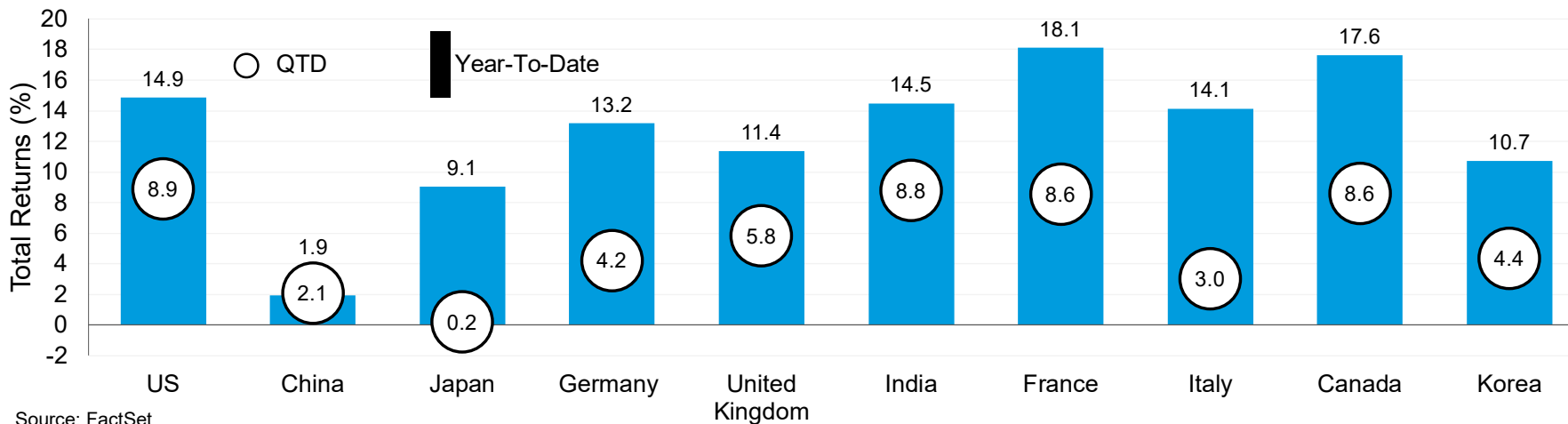
U.S. equity performance was strong across sectors with technology contributing most to index performance, although the real estate sector performed best on an absolute basis.



Source: FactSet, Russell 1000.

Country Total Returns (%) – Top 10 Largest Economies

Strong equity performance was broad based across countries with China the noticeable laggard as Chinese technology and consumer companies continue to face regulatory pressures.



Source: FactSet

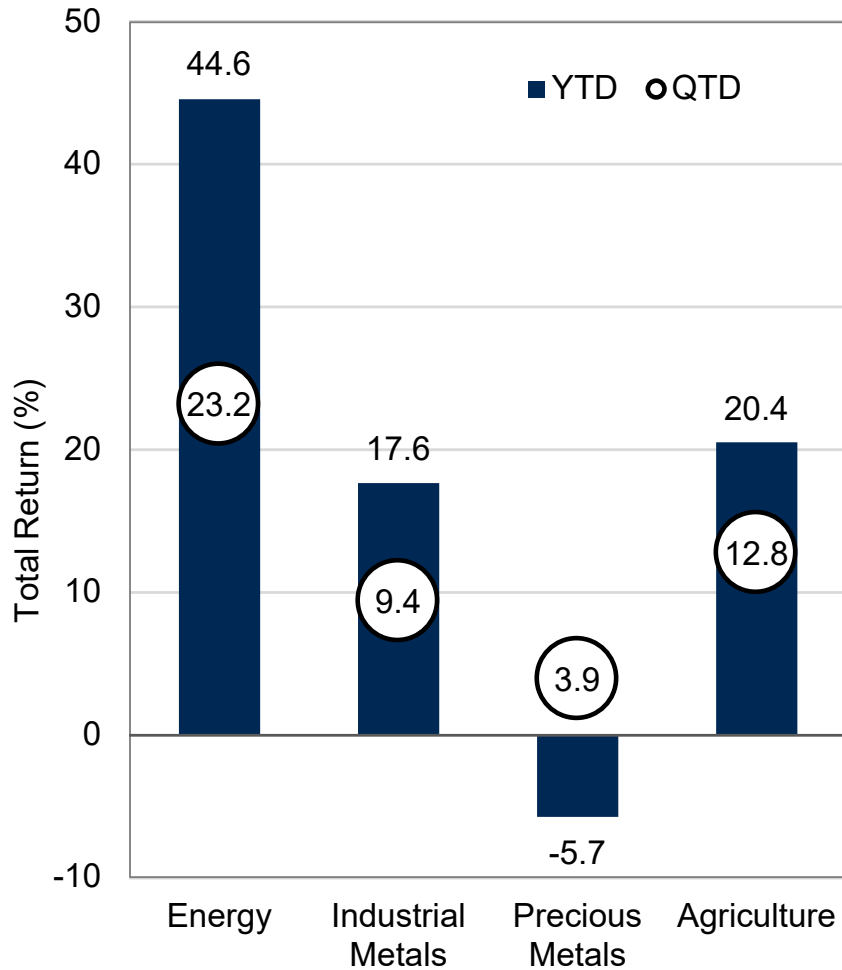
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Real Asset Market Update

Real Assets Performance

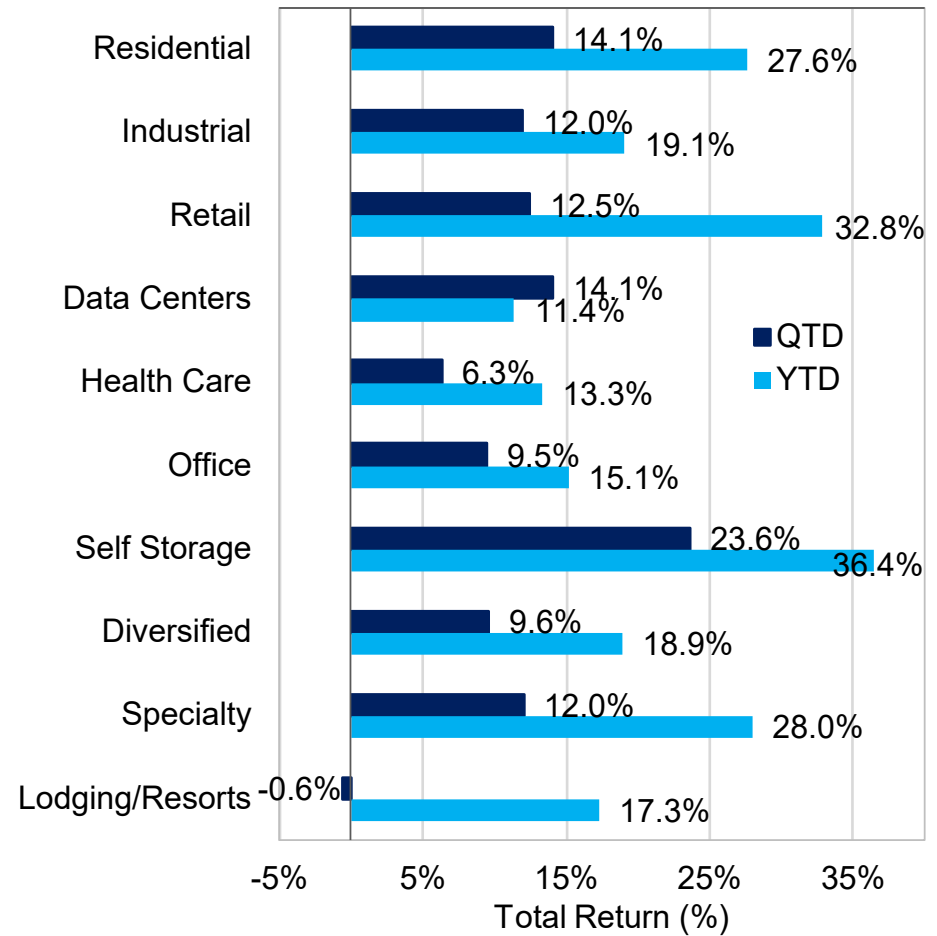
Energy drove real assets higher as May's ransomware attack on the Colonial Pipeline caused supply disruptions within the space.



Source: FactSet

REIT Sector Performance

Most REIT sectors generated positive returns and continued to benefit from re-opening measures and low interest rates.



Source: FactSet

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The Case For Diversification

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	10Yr (Ann)
TIPS 13.6	Emerging Markets 18.2	U.S. Small Cap 38.8	U.S. Equity REITs 30.1	U.S. Equity REITs 3.2	U.S. Small Cap 21.3	Emerging Markets 37.3	High Yield Munis 4.8	U.S. Large Cap 31.5	U.S. Small Cap 20.0	U.S. Equity REITs 22.0	U.S. Large Cap 14.8
High Yield Munis 9.3	High Yield Munis 18.1	U.S. Large Cap 32.4	High Yield Munis 13.8	Municipals 5-Year 2.4	High Yield 17.1	International Dev. 25.0	Municipals 5-Year 1.7	U.S. Equity REITs 26.0	U.S. Large Cap 18.4	Commodities 21.1	U.S. Small Cap 12.3
U.S. Equity REITs 8.3	U.S. Equity REITs 18.1	International Dev. 22.8	U.S. Large Cap 13.7	High Yield Munis 1.8	U.S. Large Cap 12.0	U.S. Large Cap 21.8	Foreign Bond 0.5	U.S. Small Cap 25.5	Emerging Markets 18.3	U.S. Small Cap 17.5	U.S. Equity REITs 9.4
Core Bond 7.8	International Dev. 17.3	Balanced 12.2	Core Bond 6.0	U.S. Large Cap 1.4	Commodities 11.7	EM Debt (unhedged) 15.2	Core Bond 0.0	International Dev. 22.5	TIPS 11.0	U.S. Large Cap 15.3	High Yield Munis 7.0
Municipals 5-Year 6.9	EM Debt (unhedged) 16.9	Hedge Funds 9.0	Balanced 5.1	Core Bond 0.6	Emerging Markets 11.2	U.S. Small Cap 14.6	TIPS -1.3	Emerging Markets 18.4	Balanced 8.8	International Dev. 8.8	High Yield 6.7
High Yield 5.0	U.S. Small Cap 16.3	High Yield 7.4	U.S. Small Cap 4.9	Hedge Funds -0.3	EM Debt (unhedged) 9.9	Balanced 13.6	High Yield -2.1	Balanced 17.5	International Dev. 7.8	Hedge Funds 8.4	Balanced 6.6
Foreign Bond 4.2	U.S. Large Cap 16.0	U.S. Equity REITs 2.5	TIPS 3.6	International Dev. -0.8	U.S. Equity REITs 8.5	High Yield Munis 9.7	Hedge Funds -4.0	High Yield 14.3	Core Bond 7.5	Emerging Markets 7.4	International Dev. 5.9
U.S. Large Cap 2.1	High Yield 15.8	Municipals 5-Year 0.8	Hedge Funds 3.4	TIPS -1.4	Balanced 7.6	Hedge Funds 7.8	U.S. Large Cap -4.4	EM Debt (unhedged) 13.5	Hedge Funds 7.1	Balanced 7.1	Hedge Funds 4.7
Balanced 0.9	Balanced 11.5	Foreign Bond -1.0	Municipals 5-Year 3.2	Foreign Bond -2.3	TIPS 4.7	High Yield 7.5	U.S. Equity REITs -4.6	High Yield Munis 10.7	High Yield 7.1	High Yield Munis 6.1	Emerging Markets 4.3
EM Debt (unhedged) -1.8	TIPS 7.0	Core Bond -2.0	Foreign Bond 2.9	Balanced -3.3	Foreign Bond 3.2	Foreign Bond 6.5	Balanced -5.8	Core Bond 8.7	Foreign Bond 7.0	High Yield 3.6	TIPS 3.4
U.S. Small Cap -4.2	Foreign Bond 5.3	Emerging Markets -2.6	High Yield 2.5	U.S. Small Cap -4.4	High Yield Munis 3.0	U.S. Equity REITs 5.2	EM Debt (unhedged) -6.2	TIPS 8.4	High Yield Munis 4.9	TIPS 1.7	Core Bond 3.4
Hedge Funds -5.7	Hedge Funds 4.8	High Yield Munis -5.5	Emerging Markets -2.2	High Yield -4.5	Core Bond 2.6	Core Bond 3.5	U.S. Small Cap -11.0	Hedge Funds 7.8	Municipals 5-Year 4.3	Municipals 5-Year 0.2	Foreign Bond 2.9
Commodities -13.3	Core Bond 4.2	TIPS -8.6	International Dev. -4.9	Emerging Markets -14.9	International Dev. 1.0	Municipals 5-Year 3.1	Commodities -11.2	Commodities 7.7	EM Debt (unhedged) 2.7	Core Bond -1.6	Municipals 5-Year 2.7
International Dev. -12.1	Municipals 5-Year 3.0	EM Debt (unhedged) -9.0	EM Debt (unhedged) -5.7	EM Debt (unhedged) -14.9	Hedge Funds 0.5	TIPS 3.0	International Dev. -13.8	Foreign Bond 6.3	Commodities -3.1	EM Debt (unhedged) -1.7	EM Debt (unhedged) 0.5
Emerging Markets -18.4	Commodities -1.1	Commodities -9.5	Commodities -17.0	Commodities -24.7	Municipals 5-Year -0.4	Commodities 1.7	Emerging Markets -14.6	Municipals 5-Year 5.4	U.S. Equity REITs -8.0	Foreign Bond -3.0	Commodities -4.4

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Financial Markets Performance

Total return as of June 30, 2021

Periods greater than one year are annualized

All returns are in U.S. dollar terms

Global Fixed Income Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg Barclays 1-3-Month T-Bill	0.0%	0.0%	0.1%	1.3%	1.1%	0.8%	0.6%	1.0%
Bloomberg Barclays U.S. TIPS	3.2%	1.7%	6.5%	6.5%	4.2%	3.3%	3.4%	4.6%
Bloomberg Barclays Municipal Bond (5 Year)	0.5%	0.2%	2.2%	3.8%	2.4%	2.5%	2.7%	3.7%
Bloomberg Barclays High Yield Municipal Bond	3.9%	6.1%	14.3%	7.6%	6.2%	6.7%	7.0%	5.5%
Bloomberg Barclays U.S. Aggregate	1.8%	-1.6%	-0.3%	5.3%	3.0%	3.3%	3.4%	4.4%
Bloomberg Barclays U.S. Corporate High Yield	2.7%	3.6%	15.4%	7.4%	7.5%	5.5%	6.7%	7.5%
Bloomberg Barclays Global Aggregate ex-U.S. Hedged	0.9%	-1.5%	0.0%	3.8%	2.8%	3.7%	4.1%	4.2%
Bloomberg Barclays Global Aggregate ex-U.S. Unhedged	0.9%	-4.4%	4.6%	3.1%	1.6%	0.7%	1.0%	3.1%
Bloomberg Barclays U.S. Long Gov / Credit	6.4%	-4.6%	-1.9%	9.9%	5.5%	6.3%	7.3%	7.4%
JPMorgan GBI-EM Global Diversified	1.5%	-1.7%	2.6%	#N/A	#N/A	#N/A	#N/A	#N/A
Global Equity Markets	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	8.5%	15.3%	40.8%	18.7%	17.6%	14.1%	14.8%	10.7%
Dow Jones Industrial Average	5.1%	13.8%	36.3%	15.0%	16.7%	13.5%	13.5%	10.6%
NASDAQ Composite	9.7%	12.9%	45.2%	25.7%	25.8%	19.8%	19.3%	14.7%
Russell 3000	8.2%	15.1%	44.2%	18.7%	17.9%	14.0%	14.7%	10.8%
Russell 1000	8.5%	15.0%	43.1%	19.2%	18.0%	14.2%	14.9%	10.9%
Russell 1000 Growth	11.9%	13.0%	42.5%	25.1%	23.7%	18.6%	17.9%	13.5%
Russell 1000 Value	5.2%	17.0%	43.7%	12.4%	11.9%	9.4%	11.6%	8.0%
Russell Mid Cap	7.5%	16.2%	49.8%	16.4%	15.6%	12.0%	13.2%	10.5%
Russell Mid Cap Growth	11.1%	10.4%	43.8%	22.4%	20.5%	15.4%	15.1%	12.1%
Russell Mid Cap Value	5.7%	19.5%	53.1%	11.9%	11.8%	9.3%	11.7%	9.1%
Russell 2000	4.3%	17.5%	62.0%	13.5%	16.5%	11.4%	12.3%	9.5%
Russell 2000 Growth	3.9%	9.0%	51.4%	15.9%	18.8%	13.1%	13.5%	10.9%
Russell 2000 Value	4.6%	26.7%	73.3%	10.3%	13.6%	9.3%	10.8%	7.9%
MSCI ACWI	7.4%	12.3%	39.3%	14.6%	14.6%	9.7%	9.9%	7.6%
MSCI ACWI ex. U.S.	5.5%	9.2%	35.7%	9.4%	11.1%	5.3%	5.4%	4.9%
MSCI EAFE	5.2%	8.8%	32.4%	8.3%	10.3%	5.0%	5.9%	4.4%
MSCI EAFE Growth	7.4%	6.8%	31.0%	12.5%	12.5%	7.8%	7.8%	6.0%
MSCI EAFE Value	3.0%	10.7%	33.5%	3.8%	7.8%	1.9%	3.9%	2.7%
MSCI EAFE Small Cap	4.3%	9.0%	41.0%	8.4%	12.0%	7.8%	8.4%	6.3%
MSCI Emerging Markets	5.0%	7.4%	40.9%	11.3%	13.0%	6.4%	4.3%	6.6%
Alternatives	QTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	1.4%	2.4%	4.9%	2.3%	2.3%	1.8%	1.8%	1.9%
FTSE NAREIT Equity REITs	12.0%	22.0%	38.0%	10.1%	6.3%	8.4%	9.4%	7.1%
S&P Real Assets	6.8%	10.4%	25.2%	7.3%	6.4%	3.9%	5.1%	6.0%
FTSE EPRA NAREIT Developed	8.4%	19.8%	27.7%	6.8%	4.6%	8.3%	9.5%	5.9%
FTSE EPRA NAREIT Developed ex U.S.	7.1%	9.4%	29.8%	5.5%	6.4%	4.3%	5.7%	4.2%
Bloomberg Commodity Total Return	13.3%	21.1%	45.6%	3.9%	2.4%	-4.1%	-4.4%	-3.0%
HFRI Fund of Funds Composite*	2.4%	4.4%	20.0%	6.0%	5.9%	4.2%	3.7%	3.0%
HFRI Fund Weighted Composite*	2.5%	8.4%	31.1%	8.3%	7.8%	5.7%	4.7%	4.8%
Alerian MLP	21.2%	47.8%	64.0%	-0.3%	-1.1%	-5.7%	1.1%	5.9%

*One month lag.

Source: FactSet & Morningstar as of 6/30/21. Periods greater than 1 year are annualized. All returns are in U.S. dollar terms.



Simsbury Pension Plans

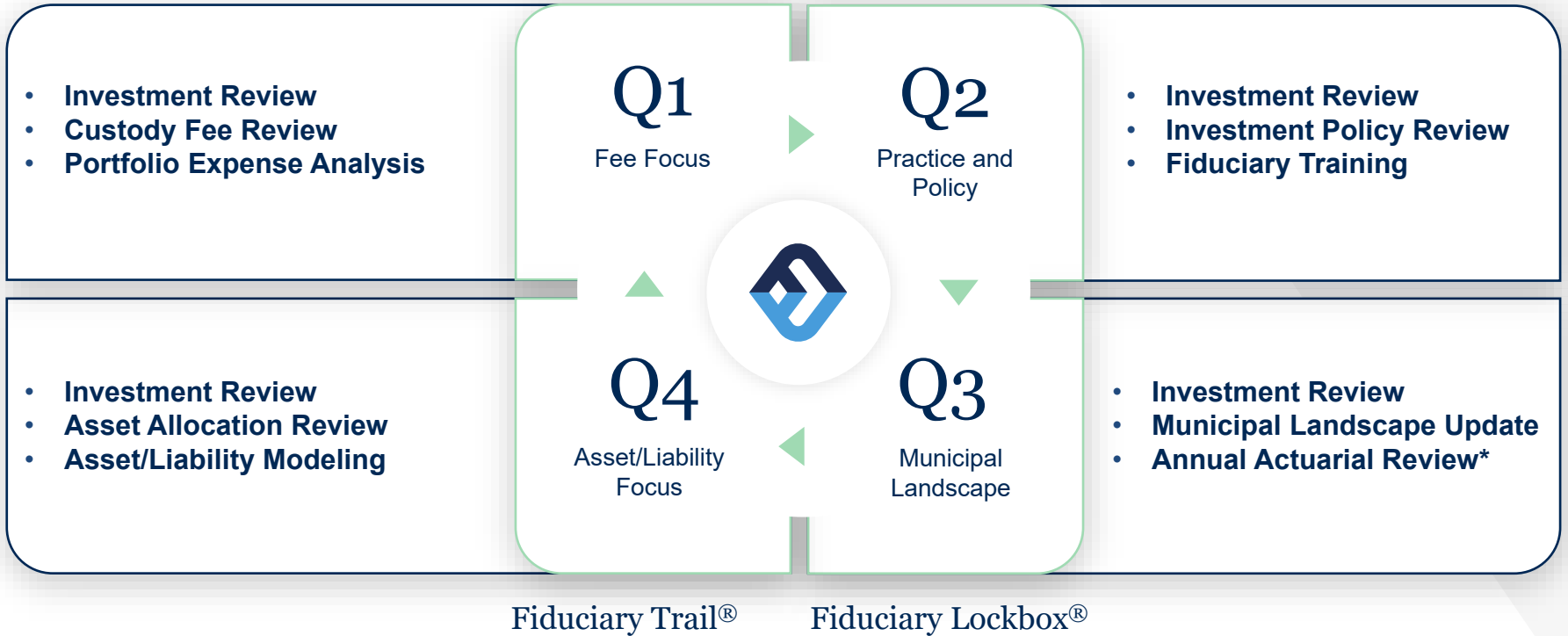
Performance Summary - Second Quarter 2021

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Fiduciary Governance Calendar



*Timing of actuarial review is dependent on client's individual plan and/or fiscal year and actuarial input.



Town of Simsbury Government Employees' Retirement Income Plan		
	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial Value of Assets	\$24,914,721	\$24,955,570
Total Accrued Liability	\$35,415,809	\$33,014,397
Funded Ratio	70.35%	75.59%
Actuarial Return Assumption	6.75%	6.75%



Town of Simsbury Board of Education Retirement Income Plan		
	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial Value of Assets	\$24,372,129	\$23,749,717
Total Accrued Liability	\$33,363,994	\$31,771,170
Funded Ratio	73.05%	74.75%
Actuarial Return Assumption	6.75%	6.75%

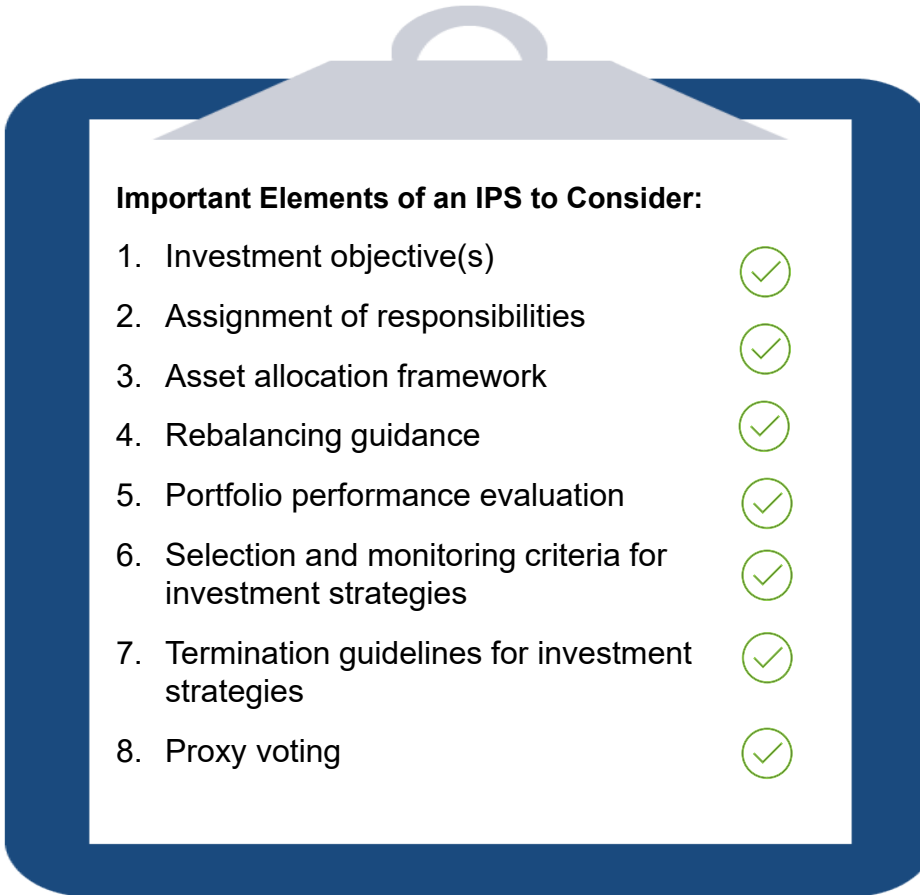


Town of Simsbury Police Retirement Income Plan		
	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial Value of Assets	\$18,037,159	\$17,688,088
Total Accrued Liability	\$22,666,124	\$21,533,405
Funded Ratio	79.58%	82.14%
Actuarial Return Assumption	6.75%	6.75%



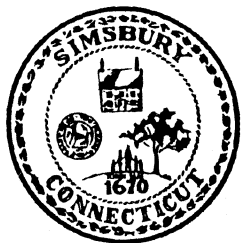
Investment Policy Statement

A well-written Investment Policy Statement serves as the blueprint for the management of the investment program. As such, there are certain criteria that are required in an IPS, and other criteria that may or may not be included based on the municipality's circumstances:



In the following pages, you will find the most recent IPS on file for the Town of Simsbury Pension Plans.

- The body of the IPS is as of September 2018, and the asset allocation table in Appendix A is as of August 2020.
- The IPS was most recently reviewed/approved by the Committee/Board in August 2020.
- There are no recommendations for change at this point in time.



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

TOWN OF SIMSBURY DEFINED BENEFIT PENSION PLANS INVESTMENT POLICY STATEMENT

Adopted by the Retirement Plan Subcommittee in November 2012

Amended on September 12, 2018

Adopted by the Board of Finance on July 30, 2019

I. Introduction & Purpose

The TOWN OF SIMSBURY DEFINED BENEFIT PENSION PLANS (the “Plans”) have been established to provide retirement benefits to those individuals eligible to receive them. This policy statement outlines the goals and investment objectives for the Plans. This document is intended to provide guidelines for managing the Plans, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

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

II. Investment Objective

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

- To achieve the stated actuarial target of the Plans;
- To maintain sufficient liquidity to meet the obligations of the Plans;
- To diversify the assets of the Plans in order to reduce risk;
- To achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios and of appropriate market indexes.

III. Assignment of Responsibilities

Board of Finance - In accordance with Simsbury’s Town Charter, Section 808, “The Board of Finance shall supervise and maintain the Town pension and other post-employment benefit funds in accordance with rules and regulations contained in agreements between the Town employees and the Town of Simsbury and or the Board of Education regarding pension and

other post-employment benefits. The Board of Finance shall, after consultation with the Board of Education and the Board of Selectmen, ensure the pension funds are prudently invested and shall also supervise and maintain the Retiree Benefit Fund established pursuant to the Town code of ordinances and designate the annual contribution to be made to insure said pension and post-employment funds. The investment and management of the assets of any such fund shall be in compliance with the prudent investor rule as set forth in Conn. Gen. Stat. Sections 45a-541 to 45a-541 | inclusive of the General Statutes.”

The Board of Finance shall:

1. Oversee compliance by the investment manager(s) with the investment policy;
2. Evaluate the performance of the investment manager(s) against specific investment objectives;
3. Approve fee schedules of the investment manager(s) based on contractual agreements;
4. Select the investment custodian(s); and,
5. Approve the continuation of business relationships with investment manager(s), custodian(s), and other vendors, if any.

The Board of Finance may delegate its authority to act on its behalf to certain members or agents (such as the Town Manager, the Director of Finance, or designated Sub-Committees). The Board of Finance shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Board of Finance recognizes that some risk must be assumed to achieve the Plans’ long-term investment objectives. The Board of Finance will receive and review reports from the Town’s investment advisor on a semi-annual basis. The Board of Finance will review recommendations provided by the Retirement Plan Sub-Committee at their next regularly scheduled meeting.

Retirement Plan Sub-Committee – The Retirement Plan Sub-Committee is formed to satisfy the Simsbury Town Charter requirement that the Board of Finance consult with the Board of Selectmen and Board of Education. The Committee is charged with the responsibility of evaluating the assets of the Plans and recommending any changes to the Board of Finance. To that end, the Committee’s responsibilities include: recommending to the Board of Finance the Plans’ investment policy, objectives and portfolio guidelines with respect to asset allocation, risk parameters, and return evaluation and for specific interpretation of said investment policy, as well as selecting the investment vehicles, and periodically monitoring the performance of investments. The Committee will meet periodically. The Committee shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Committee recognizes that some risk must be assumed to achieve the Plans’ long-term investment objectives.

Investment Consultant – The Board of Finance will engage the services of an Investment Consultant. The Investment Consultant’s role is that of a non-discretionary advisor to the Board of Finance and the Committee. The Investment Consultant will assist in the development and periodic review of an Investment Policy Statement and the Plans’ asset allocation, conduct manager searches when necessary, monitor the performance of the managers/funds, and communicate on other matters of relevance to the oversight of the Plans.

Custodian – The Custodian is responsible for the safekeeping and custody of assets. The Custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plans, collect dividends and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also

perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plans accounts (for example, to accommodate distribution needs).

IV. Asset Allocation

The asset allocation target ranges set forth in Appendix A represent a long-term view. Short-term market volatility may cause the asset mix to fall outside the targeted range.

V. Rebalancing

The Board of Finance, at its discretion, may or may not institute rebalancing as necessary. Such adjustments should be executed with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

VI. Selection Criteria for Investment Managers

Investment managers/funds retained by the Plans shall be chosen using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate indexes and other investments having similar investment objectives. Consideration shall be given to both consistency of performance and the level of risk taken to achieve results;
- The investment style and discipline of the investment manager;
- How well the manager's investment style or approach complements other assets in the Plans;
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund.

The Plans will utilize a multi-manager structure of complementary investment styles and asset classes to invest the Plans' assets.

The Investment Consultant is additionally tasked with regular oversight of the roster of investment managers deployed on the Plans' behalf. The motivation for this effort is to ensure that the managers continue to administer their portfolios in a manner consistent with the overall approaches and qualifications that appealed to the Board of Finance initially and that anomalies and deviations from these approaches and qualifications are identified and addressed. When deemed necessary, the Investment Consultant will provide other manager candidates for the Board of Finance's consideration.

Should additional contributions and/or market value growth permit, the Board of Finance may retain additional investment managers to invest the assets of the Plans. Additional managers would be expected to diversify the Plans by investment style, asset class, and management structure and thereby enhance the probability of the Plans achieving its long-term investment objectives.

VII. Securities Guidelines

The Plans' investments may include separately managed accounts and/or mutual funds/co-mingled funds, including marketable and non-marketable alternatives and exchange traded funds. The Board of Finance understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the Investment Policy Statement of each of the Plans' separately managed accounts or in the prospectus/offering memorandum for each mutual fund/co-mingled fund/exchange traded fund in the portfolio. No securities will be purchased, or carried, on margin.

With respect to mutual/co-mingled funds, the Board of Finance will consider the following to insure proper diversification and function for each of the funds:

1. The mutual fund/co-mingled pool organizations selected should demonstrate: (a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; and (d) cost-effectiveness.
2. The mutual fund/co-mingled pool used will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
3. Each mutual fund/co-mingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
4. With respect to hedge fund-of-funds, in addition to meeting each of the three above-specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

VIII. Proxy Voting

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

IX. Investment Monitoring and Reporting

The Board of Finance and Committee will periodically review performance of the investments in the Plans. Performance monitoring is the mechanism for revisiting the investment selection process and confirming that the criteria originally satisfied remain intact and that an investment continues to be appropriate for the Plans. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process will utilize the same criteria that formed the basis of the investment selection decision. In addition, a set of "watch list criteria" may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus the Board of Finance and Committee on potential areas of concern.

Watch list criteria may include the following:

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

X. Termination of an Investment Manager or Fund

A manager/fund may be terminated when the Board of Finance has lost confidence in the manager's ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements;
- Maintain a stable organization and retain key investment professionals.

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

Any recommendation to terminate a manager/fund will be treated on an individual basis and will not be made solely based on quantitative data. In addition to those above, other factors may include, but shall not be limited to, professional or Town of Simsbury turnover, or material change to investment processes.

The process for selecting a replacement for a terminated manager would follow the criteria outlined in the section of this Investment Policy Statement titled Selection Criteria for Investment Managers.

XI. Approval

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

The Town of Simsbury:

By: _____

Signature: _____

Date: _____

Title: _____

Appendix A
Updated August 2020

Target Asset Allocation Table

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Index
Domestic Equities	21.5%	31.5%	41.5%	Russell 3000 Index
International Equities	17.5%	27.5%	37.5%	MSCI ACWI ex-U.S. Index; MSCI EAFE Small Cap Index; MSCI Emerging Markets Index.
Fixed Income	22.5%	32.5%	42.5%	Barclays Capital Aggregate Index; Citigroup World Government Bond Index
Real Estate	0.0%	5.0%	7.5%	NCREIF Index
Inflation Protection	0.0%	3.5%	7.0%	Bloomberg Commodity Index Total Return, Bloomberg Barclays US TIPS 0-5 Yr Index



Governance & Oversight

- While governmental plans are not subject to Title I of ERISA, which deals with fiduciary duties, they are subject to applicable provisions in the Internal Revenue Code (“Code”) and state laws.
- Legislative history suggests that the satisfaction of ERISA rules would be sufficient to satisfy the Code requirements.
- The “exclusive benefit rule” under IRC Section 401(a)(2) has been interpreted to mean exercise of prudence in the investment of plan assets is a requirement.
- Many states have adopted “prudent investor” language, which includes many of the basic ERISA fiduciary principles (including duty of loyalty, duty of prudence, duty to diversify).

“Five Key Duties”

Duty of Loyalty:

Act exclusively in the interest of plan participants and beneficiaries

Duty of Prudence:

Act in accordance with the “prudent expert rule”

Duty to Diversify Investments:

Diversify the portfolio options to balance risk

Duty to Follow Plan Documents:

Follow the plan provisions and policies governing the plan

Duty to Avoid Prohibited Transactions:

Ensure legal and appropriate transactions and be free from conflict



Committee/Board Best Practices

Structure/Makeup

- **Leadership**
 - ✓ Effective leader with the ability to see the big picture and set the direction to achieve the Plan's objectives
 - ✓ Keeps meetings running smoothly and efficiently, guides discussion, encourages participation
- **Committee/Board Makeup**
 - ✓ Controlled turnover leads to well-informed Committee/Board members with institutional memory
 - ✓ Diversity (of age, gender, economic background, profession, etc.) fosters lively discussion and varied points of view
 - ✓ Large enough to promote meaningful discussion/debate, but small enough to reach consensus
 - ✓ Seek ongoing Committee/Board education to enable members to make informed decisions.

Governance

- **Meeting Frequency/Attendance**
 - ✓ Meetings must be frequent enough for the Committee/Board to fulfill its duties, not so frequent as to discourage attendance
 - ✓ Meeting attendance is expected, member participation should be encouraged
- **Meeting Preparation**
 - ✓ Use of a formal agenda leads to a structured, efficient meeting
 - ✓ Materials should be sent in advance and reviewed by all members prior to the meeting
- **Governance Calendar**
 - ✓ Ensures that significant fiduciary responsibilities/obligations are reviewed on a regular basis, including fees
 - ✓ Allows for a structured long-term approach in the face of potential short-term "fire drills"

Documentation

- **Investment Policy Statement**
 - ✓ Serves as the Committee's/Board's blueprint
 - ✓ Outlines roles and responsibilities of the Committee/Board members and other parties
 - ✓ Establishes formal procedures for hiring/terminating managers, evaluating performance, etc.
- **Meeting minutes**
 - ✓ Should be reviewed and approved by all Committee/Board members on a timely basis
 - ✓ Provide historical context for why/how decisions were made and educate newer members on past decisions
- **Clearly outlined goals and objectives**
 - ✓ Require well-defined methods for evaluation

Note: This is not meant to be a complete list of all fiduciary duties and responsibilities. Please consult your legal advisor for advice about your specific situation.

Asset Allocation - Town of Simsbury

As of June 30, 2021

	Town Pension Plan		BOE Plan		Police Plan		Target (%)
	Market Value (\$)	Allocation (%)	Market Value (\$)	Allocation (%)	Market Value (\$)	Allocation (%)	
<u>Short Term Liquidity</u>							
Wells Fargo Gov't Money Market	235,686	0.8%	188,075	0.6%	144,901	0.7%	0.0%
<u>Fixed Income</u>							
Metropolitan West Total Return PI	3,308,829	10.9%	3,209,712	10.6%	2,380,882	10.7%	12.25%
Western Asset Core Plus Bond IS	3,328,712	11.0%	3,228,688	10.6%	2,393,806	10.8%	12.25%
BlackRock Strategic Income Opps K	<u>2,150,637</u>	<u>7.1%</u>	<u>2,088,026</u>	<u>6.9%</u>	<u>1,549,194</u>	<u>7.0%</u>	<u>8.0%</u>
Total Fixed Income	8,788,177	29.0%	8,526,426	28.1%	6,323,882	28.4%	32.5%
<u>Domestic Equity</u>							
Vanguard Instl Index Fund I	6,948,684	22.9%	7,143,173	23.5%	5,115,081	23.0%	21.5%
Neuberger Berman Genesis R6	<u>3,111,783</u>	<u>10.3%</u>	<u>3,205,762</u>	<u>10.6%</u>	<u>2,294,914</u>	<u>10.3%</u>	<u>10.0%</u>
Total Domestic Equity	10,060,467	33.1%	10,348,935	34.1%	7,409,995	33.3%	31.5%
<u>International Equity</u>							
Hartford International Opportunities R6	5,191,780	17.1%	5,380,514	17.7%	3,849,653	17.3%	16.5%
Templeton Instl Foreign Small Comp A	1,906,959	6.3%	1,924,717	6.3%	1,368,035	6.2%	6.0%
Vanguard Emerging Markets Adm	<u>1,575,946</u>	<u>5.2%</u>	<u>1,611,647</u>	<u>5.3%</u>	<u>1,155,719</u>	<u>5.2%</u>	<u>5.0%</u>
Total International Equity	8,674,684	28.6%	8,916,879	29.4%	6,373,408	28.7%	27.5%
<u>Real Estate</u>							
Barings Core Property Fund LP	<u>1,536,718</u>	<u>5.1%</u>	<u>1,280,598</u>	<u>4.2%</u>	<u>1,195,225</u>	<u>5.4%</u>	<u>5.0%</u>
Total Real Estate	1,536,718	5.1%	1,280,598	4.2%	1,195,225	5.4%	5.0%
<u>Inflation Protection</u>							
Vanguard Short-Term Infl Protection Adm	486,183	1.6%	472,585	1.6%	352,314	1.6%	1.75%
Credit Suisse Commodity Return I	572,654	1.9%	634,266	2.1%	442,382	2.0%	1.75%
Total Inflation Protection	1,058,837	3.5%	1,106,850	3.6%	794,696	3.6%	3.5%
	30,354,571	100.0%	30,367,763	100.0%	22,242,107	100.0%	100.0%

Total Plan Performance Summary - Total Plan

As of June 30, 2021

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Total Plan				08/01/1994
Beginning Market Value	80,381,920	79,674,248	12,042,857	
Net Contributions	-1,133,168	-2,141,153	-12,259,883	
Total Gain/Loss	3,715,689	5,431,346	83,181,467	
Ending Market Value	82,964,441	82,964,441	82,964,441	

Simsbury Pension Benchmark Composition

Allocation Mandate	Weight (%)
Jun-2021	
Blmbg. Barc. U.S. Aggregate Index	32.50
Russell 3000 Index	31.50
MSCI AC World ex USA (Net)	16.50
MSCI EAFE Small Cap (net) Index	6.00
MSCI Emerging Markets (Net) Index	5.00
NCREIF Fund Index - ODCE (net)	5.00
Short Term Inflation Protection Benchmark	3.50

Trailing Performance Summary

	QTR	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Plan	4.7	6.9	24.6	10.7	10.1	7.5	7.7	7.8	08/01/1994
<i>Simsbury Pension Benchmark</i>	5.1	7.2	24.4	10.7	10.1	7.5	8.0	8.1	
Difference	-0.4	-0.3	0.2	0.0	0.0	0.0	-0.3	-0.3	

Calendar Year Performance Summary

	2020	2019	2018	2017	2016	2015	2014	2013
Total Plan	13.9	18.9	-6.6	14.7	7.4	-0.1	3.1	14.4
<i>Simsbury Pension Benchmark</i>	12.9	18.6	-5.8	15.8	7.5	-0.8	4.9	14.3
Difference	1.0	0.3	-0.8	-1.1	-0.1	0.7	-1.8	0.1

Investment performance history data prior to 7/1/2011 was sourced from prior consultant.

Manager Performance Overview

Simsbury Pension

As of June 30, 2021

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Since FA's Inception Dec-2012 To Jun-2021	Inception Date
Total Plan	4.7	6.9	24.6	10.7	10.1	7.5	7.7	7.8	8.3	08/01/1994
<i>Simsbury Pension Benchmark</i>	5.1	7.2	24.4	10.7	10.1	7.5	8.0	8.1	8.6	
Wells Fargo Government Money Market Fund I	0.0	0.0	0.0	1.1	1.0	0.7	N/A	0.6	0.6	11/01/2012
<i>90 Day U.S. Treasury Bill</i>	0.0	0.0	0.1	1.3	1.2	0.9	N/A	0.7	0.7	
Fixed Income	2.0	-0.8	3.2	5.2	3.9	3.3	3.7	3.7	3.2	07/01/2011
<i>Fixed Income Composite Benchmark</i>	1.9	-1.6	0.1	5.2	2.9	3.0	3.1	3.1	2.6	
Metropolitan West Total Return Bond PI	1.8 (83)	-1.2 (62)	1.3 (80)	6.2 (41)	3.7 (63)	3.6 (43)	N/A	3.5 (37)	3.5 (37)	12/01/2012
<i>Blmbg. Barc. U.S. Aggregate Index</i>	1.8	-1.6	-0.3	5.3	3.0	3.3	N/A	2.9	2.9	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	2.2	-0.9	2.7	6.0	4.0	3.5	N/A	3.3	3.3	
Western Asset Core Plus Bond IS	3.0 (8)	-1.8 (86)	3.2 (40)	6.9 (21)	4.8 (14)	N/A	N/A	4.7 (4)	N/A	11/01/2014
<i>Blmbg. Barc. U.S. Aggregate Index</i>	1.8	-1.6	-0.3	5.3	3.0	N/A	N/A	3.3	N/A	
IM U.S. Broad Market Core+ Fixed Income (MF) Median	2.2	-0.9	2.7	6.0	4.0	N/A	N/A	3.6	N/A	
BlackRock Strategic Income Opportunities K	1.1 (64)	1.3 (47)	8.4 (41)	5.4 (21)	4.7 (33)	3.5 (22)	N/A	3.5 (22)	N/A	07/01/2014
<i>Blmbg. Barc. U.S. Aggregate Index</i>	1.8	-1.6	-0.3	5.3	3.0	3.3	N/A	3.3	N/A	
IM Alternative Credit Focus (MF) Median	1.2	1.1	7.8	4.2	4.1	2.7	N/A	2.7	N/A	
Domestic Equity	6.4	13.2	40.0	18.2	17.4	13.7	14.0	14.0	15.6	07/01/2011
<i>Russell 3000 Index</i>	8.2	15.1	44.2	18.7	17.9	14.0	14.7	14.7	16.1	
Vanguard Institutional Index I	8.5 (33)	15.2 (43)	40.8 (46)	18.7 (32)	17.6 (28)	14.1 (16)	N/A	16.1 (18)	16.1 (18)	12/01/2012
<i>S&P 500 Index</i>	8.5	15.3	40.8	18.7	17.6	14.1	N/A	16.1	16.1	
IM U.S. Large Cap Core Equity (MF) Median	8.0	14.9	40.2	17.4	16.5	12.7	N/A	14.8	14.8	
Neuberger Berman Genesis R6	1.8 (91)	8.5 (100)	37.5 (98)	16.4 (4)	16.4 (12)	12.3 (4)	N/A	14.2 (20)	14.2 (20)	12/01/2012
<i>Russell 2000 Index</i>	4.3	17.5	62.0	13.5	16.5	11.4	N/A	14.3	14.3	
IM U.S. Small Cap Core Equity (MF) Median	4.0	19.8	60.8	11.2	13.7	9.7	N/A	12.8	12.8	

Returns for periods less than one year are not annualized.

Manager Performance Overview

Simsbury Pension

As of June 30, 2021

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Since FA's Inception Dec-2012 To Jun-2021	Inception Date
International Equity	5.3	8.0	38.4	10.8	11.4	6.8	5.8	5.8	7.7	07/01/2011
<i>International Equity Composite Benchmark</i>	5.2	8.8	37.9	9.6	11.6	6.1	6.1	6.1	7.9	
Hartford International Opportunities R6	4.9 (52)	5.9 (92)	35.5 (60)	10.8 (12)	11.3 (21)	N/A	N/A	7.7 (1)	N/A	10/01/2014
<i>MSCI AC World ex USA (Net)</i>	5.5	9.2	35.7	9.4	11.1	N/A	N/A	6.4	N/A	
IM International Large Cap Core Equity (MF) Median	5.1	9.4	36.6	8.2	9.8	N/A	N/A	4.7	N/A	
Templeton Instl Foreign Small Comp A	6.4 (44)	12.8 (44)	45.7 (37)	7.9 (40)	11.4 (38)	6.2 (44)	N/A	8.6 (48)	8.6 (48)	12/01/2012
<i>MSCI AC World ex USA Small Cap (Net)</i>	6.4	12.2	47.0	9.8	12.0	7.1	N/A	9.4	9.4	
IM International SMID Cap Core Equity (MF) Median	5.9	12.4	44.6	6.9	10.7	5.8	N/A	8.2	8.2	
Vanguard Emerging Markets Stock Adm	5.2 (50)	8.9 (39)	38.7 (67)	N/A	N/A	N/A	N/A	14.9 (59)	N/A	03/01/2019
<i>FTSE Emerging All Cap China Spliced Index</i>	5.7	9.0	39.5	N/A	N/A	N/A	N/A	15.0	N/A	
IM Emerging Markets Equity (MF) Median	5.1	8.0	41.9	N/A	N/A	N/A	N/A	15.9	N/A	
Real Estate	3.3	5.0	3.6	4.4	5.5	7.1	5.6	5.6	4.9	07/01/2011
<i>NCREIF Fund Index - ODCE (net)</i>	3.7	5.6	7.1	4.6	5.6	7.4	8.6	8.6	8.4	
Barings Core Property Fund LP	3.3	5.0	3.6	4.4	5.5	7.1	N/A	7.1	N/A	10/01/2013
<i>NCREIF Fund Index - ODCE (net)</i>	3.7	5.6	7.1	4.6	5.6	7.4	N/A	7.8	N/A	

Returns for periods less than one year are not annualized.

Manager Performance Overview

Simsbury Pension

As of June 30, 2021

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Since FA's Inception Dec-2012 To Jun-2021	Inception Date
Inflation Protection	8.0	12.3	24.5	0.6	1.1	-2.9	N/A	-1.9	-2.0	11/01/2012
<i>Short Term Inflation Protection Benchmark</i>	7.4	11.7	24.5	1.3	2.0	-2.0	N/A	-0.7	-0.6	
Vanguard Short-Term Inflation Protection Adm	1.7 (88)	2.8 (22)	5.9 (75)	4.1 (90)	2.8 (87)	1.9 (82)	N/A	2.0 (87)	N/A	03/01/2014
<i>Bloomberg Barclays US TIPS 0-5 Year Index</i>	1.7	2.8	6.0	4.2	2.8	2.0	N/A	2.1	N/A	
IM U.S. TIPS (MF) Median	2.7	1.8	6.5	5.8	3.7	2.6	N/A	2.8	N/A	
Credit Suisse Commodity Return I	13.7 (55)	21.4 (75)	45.9 (75)	4.4 (55)	2.7 (59)	-3.8 (61)	N/A	-3.6 (64)	N/A	03/01/2014
<i>Bloomberg Commodity Index Total Return</i>	13.3	21.1	45.6	3.9	2.4	-4.1	N/A	-3.9	N/A	
IM Commodities General (MF) Median	14.3	23.4	49.0	4.6	3.2	-3.2	N/A	-2.8	N/A	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Investment returns are derived from custodian valuations and may deviate slightly from fund level returns displayed in other pages in your report which can result in minor differences in universe rankings. Mutual fund performance may differ from the current share class's historical performance due to share class exchanges.

Returns for periods less than one year are not annualized.



Simsbury OPEB

Performance Summary - Second Quarter 2021

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 prior approval. 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 possibility of a loss.

Asset Allocation

As of June 30, 2021

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Simsbury OPEB	22,606,283	100.0	100.0	0.0
Total Short Term Liquidity	168,910	0.7	0.0	0.7
Money Market Fund	168,910	0.7	0.0	0.7
Total Fixed Income	7,787,514	34.4	35.0	-0.6
iShares TIPS Bond ETF	3,895,472	17.2	17.5	-0.3
iShares Core U.S. Aggregate Bond ETF	3,892,042	17.2	17.5	-0.3
Total Domestic Equity	7,915,312	35.0	35.0	0.0
iShares Core S&P 500 ETF	5,896,783	26.1	26.0	0.1
iShares Russell Midcap Index Fund	1,345,099	6.0	6.0	0.0
iShares Russell 2000 ETF	673,430	3.0	3.0	0.0
Total International Equity	5,596,502	24.8	25.0	-0.2
iShares MSCI EAFE ETF	4,249,739	18.8	19.0	-0.2
iShares MSCI Emerging Markets ETF	1,346,763	6.0	6.0	0.0
Total Real Estate	1,138,045	5.0	5.0	0.0
iShares Cohen & Steers REIT ETF	574,557	2.5	2.5	0.0
iShares International Developed Property ETF	563,487	2.5	2.5	0.0

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

Total Portfolio Performance Summary

As of June 30, 2021

Account Reconciliation

	QTR	YTD	Since Inception	Inception Date
Simsbury OPEB				06/01/2008
Beginning Market Value	21,459,812	20,816,594	1,364,267	
Net Contributions	-	-	10,356,217	
Total Gain/Loss	1,146,470	1,789,689	10,885,798	
Ending Market Value	22,606,283	22,606,283	22,606,283	

Blended Benchmark Composition

Allocation Mandate	Weight (%)
Apr-2017	
Blmbg. Barc. U.S. Aggregate Index	17.50
Bloomberg Barclays U.S. TIPS Index	17.50
S&P 500 Index	26.00
Russell Midcap Index	6.00
Russell 2000 Index	3.00
MSCI EAFE (Net) Index	19.00
MSCI Emerging Markets (Net) Index	6.00
Cohen Steers Realty Majors Index	2.50
FTSE EPRA/NAREIT Developed ex U.S. Index	2.50

Trailing Performance Summary

	QTR	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Simsbury OPEB	5.3	8.6	26.0	11.5	10.1	7.6	7.8	6.8	06/01/2008
<i>Blended Benchmark</i>	5.5	8.3	25.8	11.4	10.3	7.7	7.9	6.8	
Difference	-0.2	0.3	0.2	0.1	-0.2	-0.1	-0.1	0.0	

Calendar Year Performance Summary

	2020	2019	2018	2017	2016	2015	2014	2013
Simsbury OPEB	13.2	19.5	-6.1	14.9	6.5	-0.7	5.6	9.8
<i>Blended Benchmark</i>	12.7	20.2	-5.8	15.0	6.6	-0.7	6.0	9.9
Difference	0.5	-0.7	-0.3	-0.1	-0.1	0.0	-0.4	-0.1



Simsbury DC

Performance Summary - Second Quarter 2021

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Fiduciary Governance Calendar



Fiduciary Trail[®]

Fiduciary Lockbox[®]

¹ Where applicable, Fiducient Advisors is recommending plan fiduciaries prudently select *and* monitor participant advice providers.



Investment Menu Review and Trends



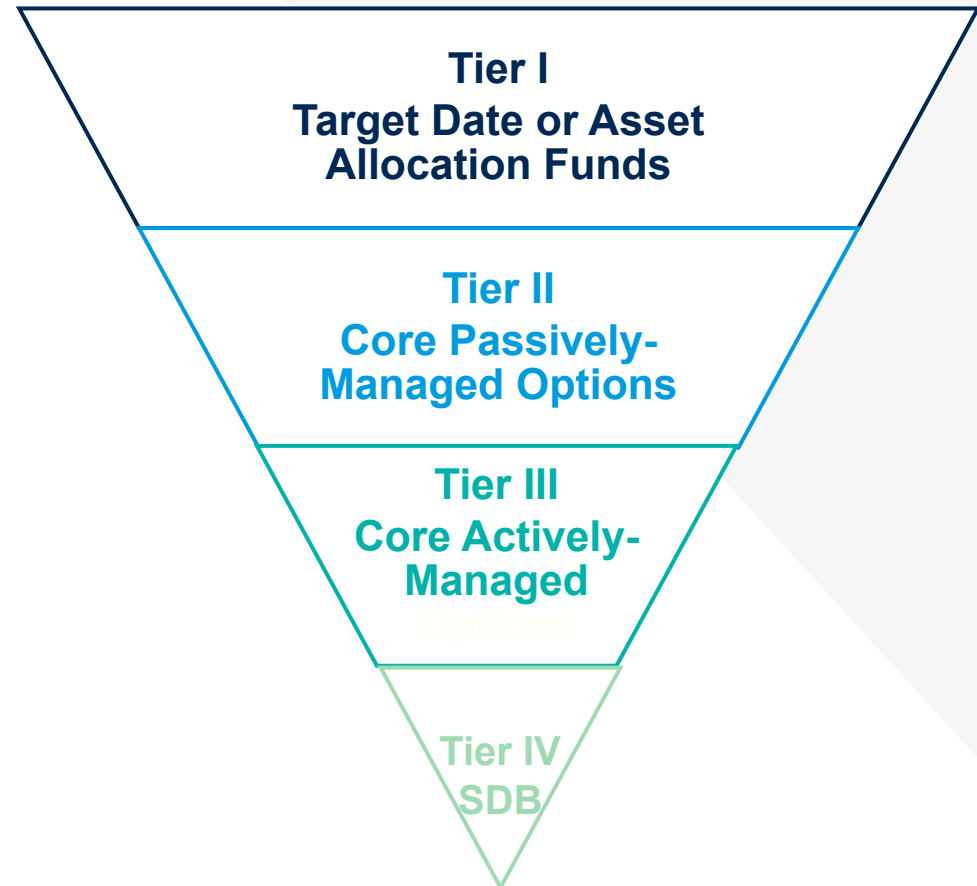
Investment Menu Design

A Tiered Approach

Thoughtfully designed investment menus should start with a thorough analysis and selection of the Qualified Default Investment Alternative (QDIA).

Core passively-managed and actively-managed alternatives may be added with the intent to give participants enough choices to build a diversified portfolio.

Plan Sponsors may evaluate self-directed brokerage accounts to see if additional investment choice may be beneficial to participants. As part of this due diligence, associated cost and risks should also be considered. Self-directed brokerage accounts may not be suitable for all plans.

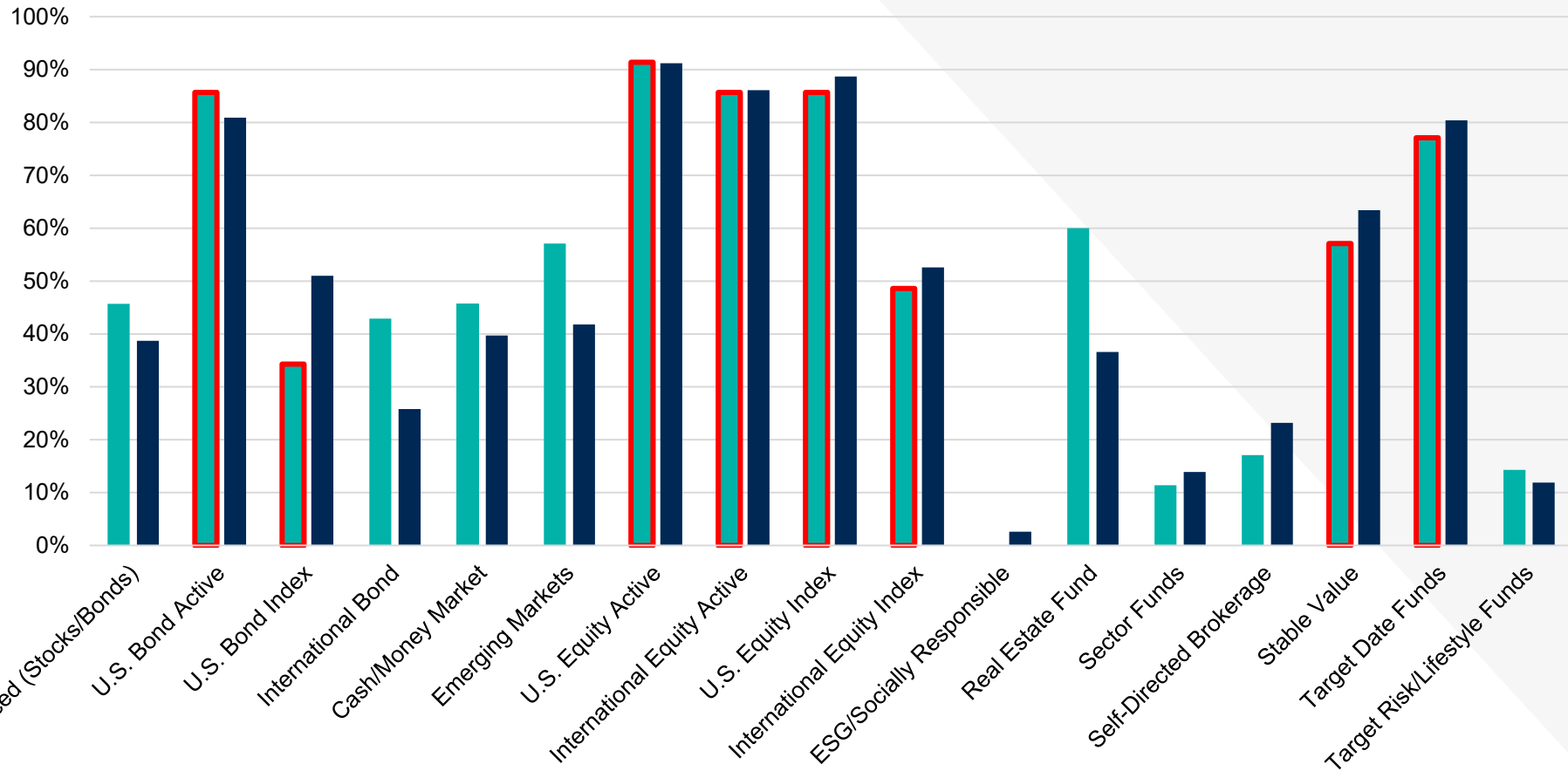




Asset Class Utilization

401(k) Plans With 50-199 Participants¹

■ Plans with 50-199 Participants
■ All Plans



Asset class bars outlined in red represent which investments your plan currently offers.

¹Source: Plan Sponsor Council of America's Annual Benchmarking Survey of 401(k) Plans



Industry Trends

Environmental, Social and Governance Investing



Environmental, Social and Governance (ESG) investing continues to grow, driven primarily by Millennials. Across generations, there is strong belief ESG focused companies will perform better. Millennials are leading the trend as 49% place importance on ESG investing (vs. 20% of Gen X & 11% of Boomers).¹ However, currently only 17% of Millennials, 7% of Gen Xers and 3% of Baby Boomers are participating in ESG investing.² This indicates that although Millennials have a strong preference in ESG Investing, not many are investing in this industry yet.

President Joe Biden, in an executive order, directed the Department of Labor to consider suspending, revising or rescinding the “Financial Factors in Selecting Plan Investments” final rule regarding ESG investments that was published during the last days of the Trump administration. Some industry experts believe the new rule could make ESG investing more difficult for defined contribution plans. The labor secretary has been asked to submit a report to the president on the actions taken in response to the executive order within 180 days.²

¹2021 BlackRock DC Pulse Survey

²PlanSponsor

Retirement Income



Plan Sponsors and Advisors historically assisted participants in the accumulation phase of retirement planning. However, greater attention is now being placed on the decumulation phase. According to the U.S. Census Bureau, “The 65-and-older population grew by over a third (34.2 percent or 13,787,044) during the past decade [2010-2019].” Participants are also more reliant on their defined contribution assets than ever before as corporate pension offerings have declined, and Social Security has faced greater uncertainty. As such, participants are beginning to look for solutions on the decumulation side of retirement within their defined contribution plans.

In-Plan Retirement Income solutions vary by structure, with some providing guaranteed returns and others might provide greater liquidity and portability for the participant. Some of the structures that exist today include:

- Target date funds with decumulation offerings
- Managed payout funds
- Managed accounts with decumulation offerings
- Guaranteed Minimum Withdrawal Benefits (GMWB)
- Deferred Annuities (such as Qualified Longevity Annuity Contracts QLACs)

While these solutions all aim to address the retirement income demands of participants, no single structure is right for all participants or all plan sponsors. To possibly make matters more complex, it is possible we are even in the infancy stages of in-plan retirement income solutions, as many money managers note that they have solutions in the pipeline to be launched in coming years. Like any investment, education on these solutions is vital, to both plan sponsors as fiduciaries tasked with prudent selection, and participants seeking a stable retirement. A strong partnership with advisors and vendors to provide communication and education at both the committee and participant level is an important component to success.



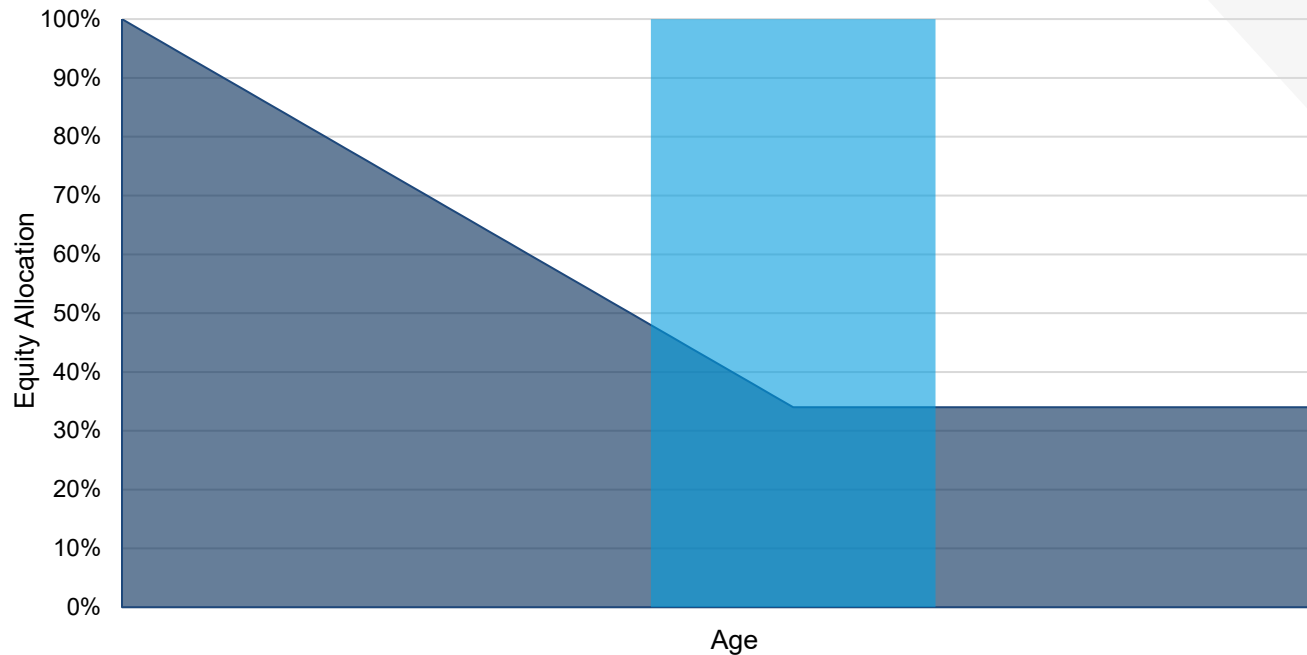
QDIA Analysis



Target Date Portfolio Overview

Target date portfolios are designed to be a single investment that automatically reallocates for investors based on their expected retirement date.

The glide path describes the manner in which a target date portfolio de-risks over time as the participant ages. Arguably, this is the most important aspect of a target date portfolio. It will be the primary driver of return and risk that the investor experiences over the lifetime of the investment.





DOL Target Date Guidance

The Department of Labor recommends¹ a plan sponsor consider the following, in addition to other criteria, when choosing a target date fund:

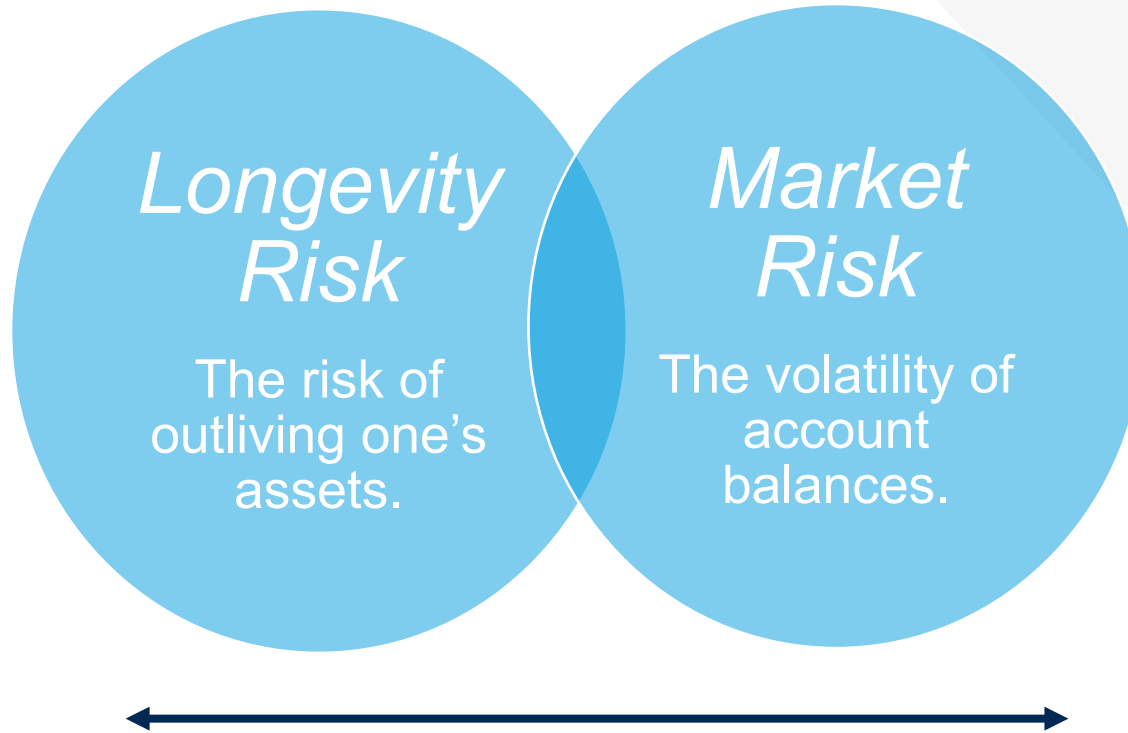
- ✓ Establish a process for comparing and selecting target date funds including reviewing participant population information
- ✓ Understand the fund's investments – asset class allocation, individual investments, and how these will change over time
- ✓ Review the fund's fees and investment expenses
- ✓ Inquire about whether a custom or non-proprietary target date fund would be a better fit for your plan
- ✓ Take advantage of available sources of information to evaluate the target date fund and recommendations you receive regarding the target date fund selection
- ✓ Document the process

¹ “Target Date Retirement Funds – Tips for ERISA Plan Fiduciaries”, United States Department of Labor, Employee Benefit Security Administration, www.dol.gov



Target Date Objectives

The risks a participant faces while saving for retirement fall broadly into two competing categories, *longevity risk* and *market risk*. Target date products that focus on *longevity risk* seek to reduce the risk of an individual running out of money in retirement. Products that focus on *market risk* have a greater concern for the volatility of account balances. No single target date product optimally addresses both of these risks simultaneously.





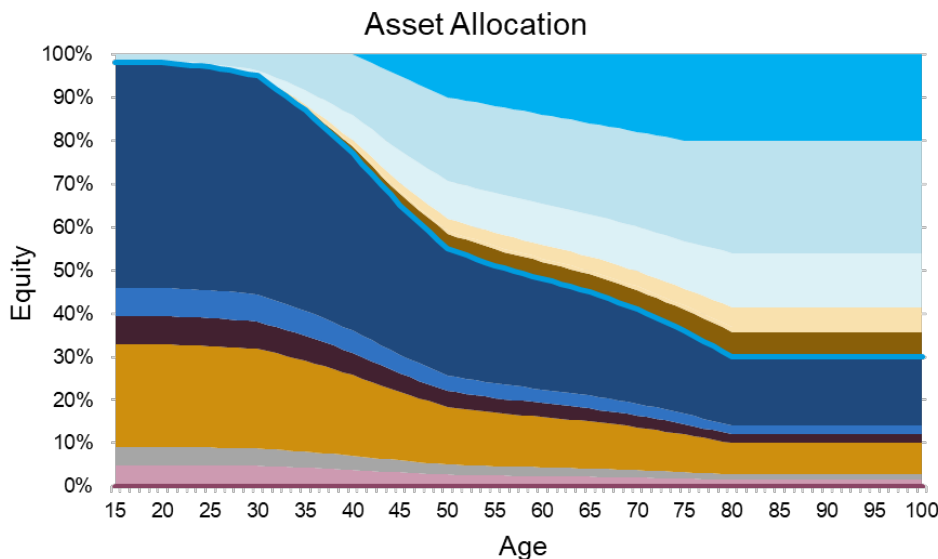
T. Rowe Price Retirement Funds

Strategy Overview:

- Launched in 2002, this strategy is run by lead PM Wyatt Lee, but final decisions are made by the T. Rowe Price Asset Allocation Committee.
- Utilizing internal T. Rowe Price strategies, the glide path is allocated primarily with active strategies.
- Portfolios are chosen based on desired asset class exposure, not the portfolio manager's assessment of a strategy's team and abilities.
- Tactical allocations can be made up to +/- 5% from the glide path. The team tends to look for allocation changes that are based on a 12 - 18 month timeframe.
- The strategy can be accessed through both mutual funds and collective trusts.
- The strategy is available in five year increments (2005 – 2065).

Updates:

- In May 2020, T. Rowe Price began to implement a change to the strategic glide path for its Retirement Funds, maintaining higher equity exposures across certain parts of the glide path.
- In June 2017, T. Rowe Price announced the intention to modify their fixed income allocations adding additional asset classes to diversify their current holdings. These modifications were implemented in 2016 and did not result in a change in cost for investors. A prior change occurred in 2011 when international equities increased relative to domestic equities. The total level of equities remained unchanged.



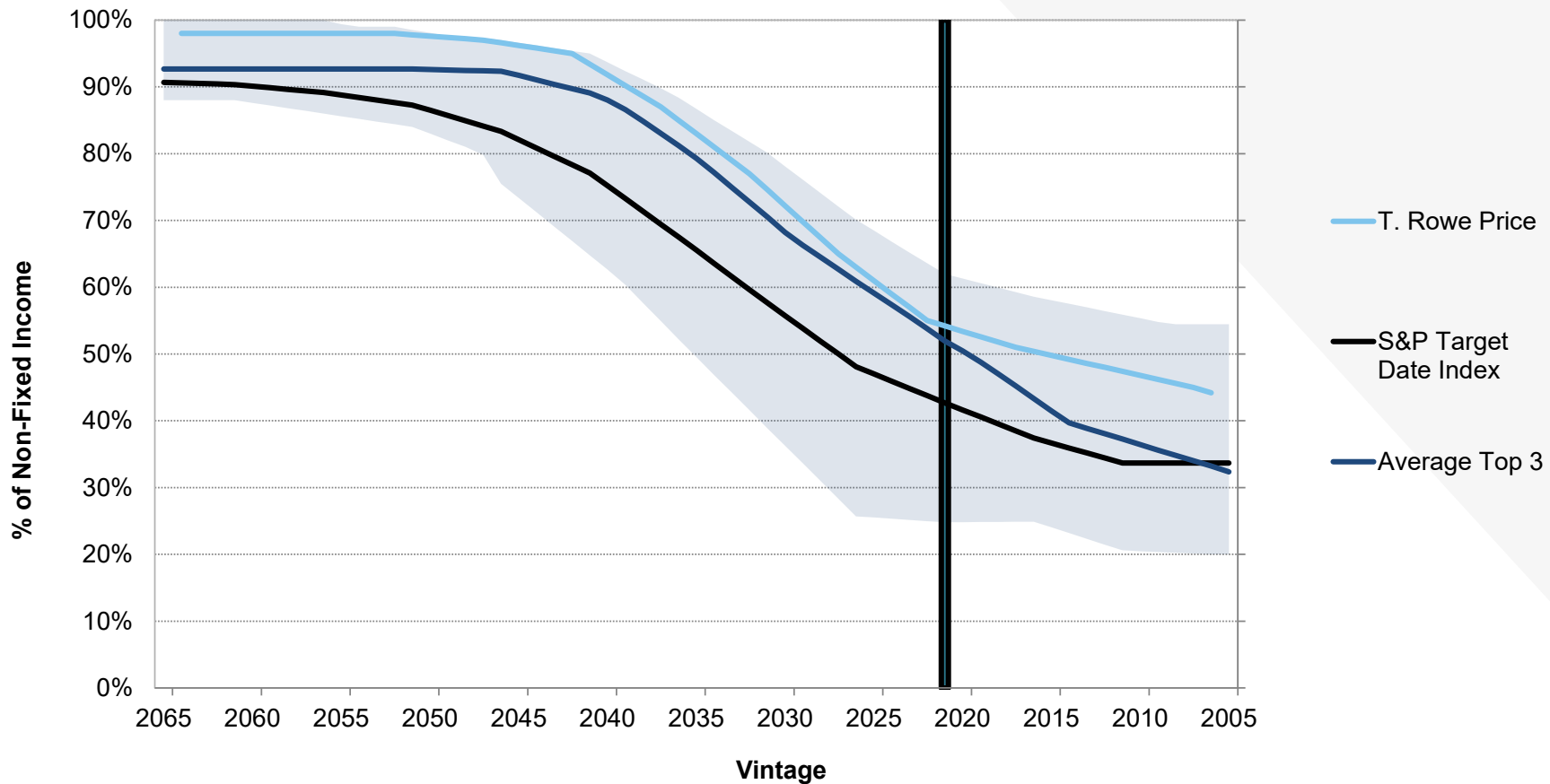
Inflation Risk Asset Classes	Implementation
TIPS	Passive Intermediate
Real Estate	Active Domestic
Commodities	Active

Longevity Risk Asset Classes	Implementation
Large Cap Equities	Active/Passive Value, Core, Growth
Mid Cap Equities	Active Core, Growth
Small Cap Equities	Active Core, Growth
Non-U.S. Equities	Active Value, Core, Growth
Emerging Markets Equities	Active Growth, Value
High Yield Bond	Active Domestic, Floating Rate
Emerging Markets Bond	Active

Market Risk Asset Classes	Implementation
Investment Grade Fixed Income	Active Short, Active/Passive Intermediate
Non-U.S. Fixed Income	Passive Intermediate
Cash	Cash, Govt. Money Market



Glide Path Comparisons

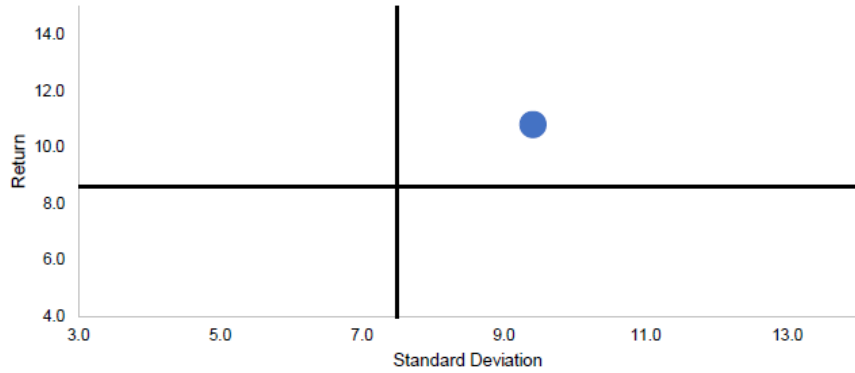


Average Top 3 are the strategic equity glide paths of Vanguard, Fidelity & T. Rowe Price.



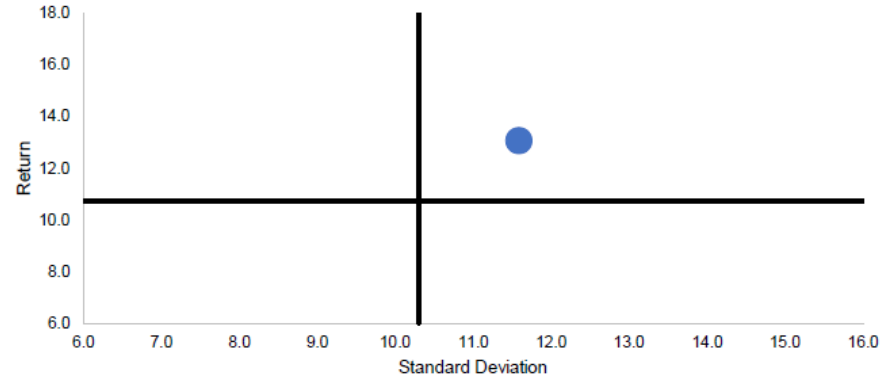
Five Year Risk-Return

2020 Vintage Risk-Return



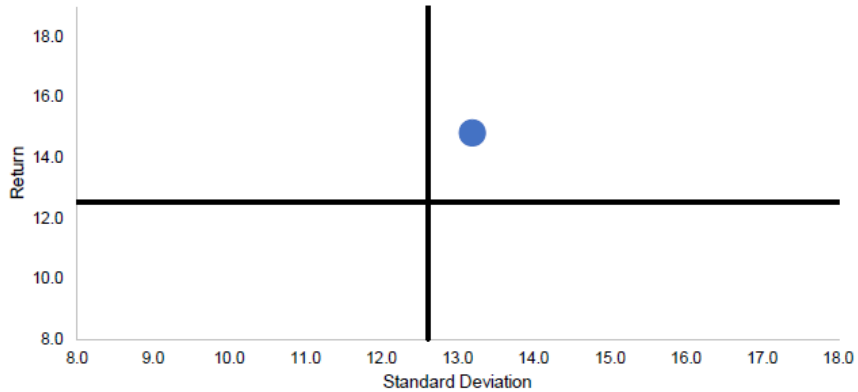
+S&P Target Date 2020 TR USD • T. Rowe Price Retirement I 2020 I

2030 Vintage Risk-Return



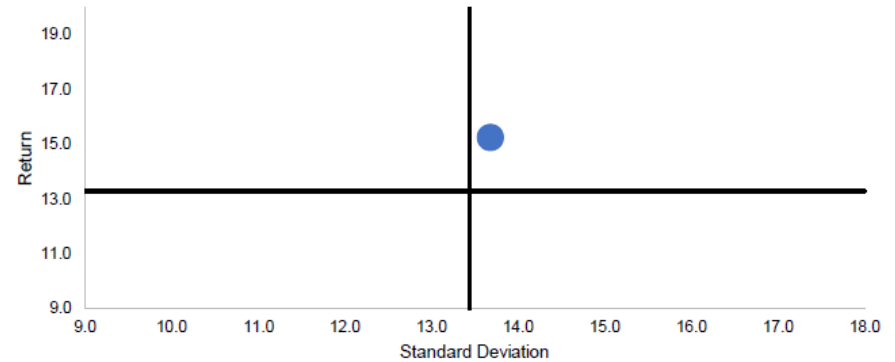
+S&P Target Date 2030 TR USD • T. Rowe Price Retirement I 2030 I

2040 Vintage Risk-Return



+S&P Target Date 2040 TR USD • T. Rowe Price Retirement I 2040 I

2050 Vintage Risk-Return



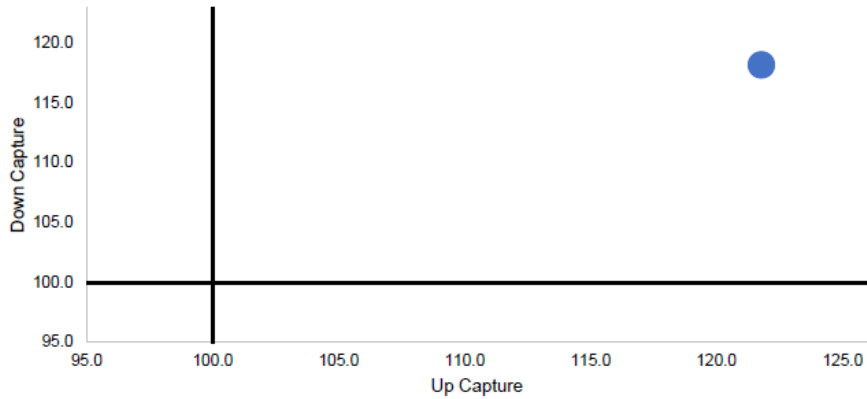
+S&P Target Date 2050 TR USD • T. Rowe Price Retirement I 2050 I

Source: Morningstar Direct, as of June 30, 2021



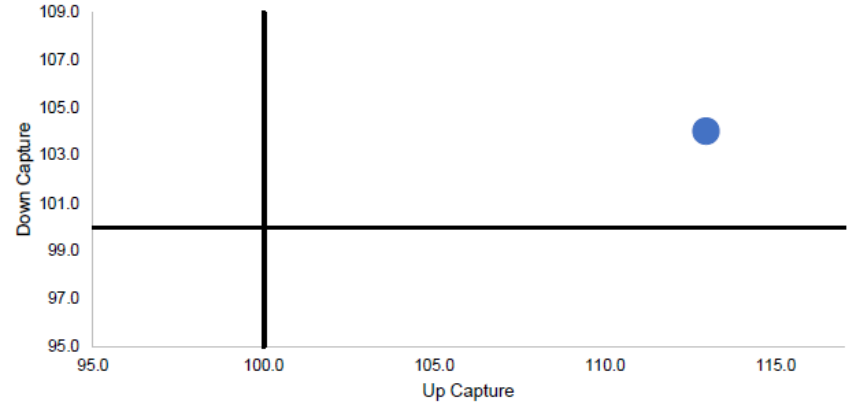
Five Year Market Capture

2020 Vintage Market Capture



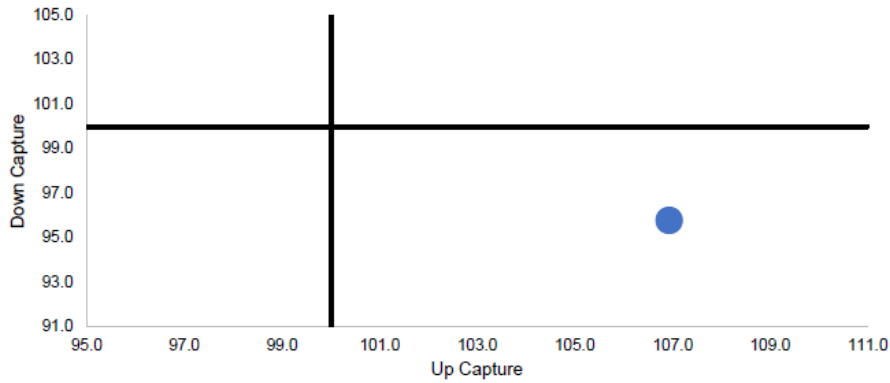
+S&P Target Date 2020 TR USD • T. Rowe Price Retirement I 2020 I

2030 Vintage Market Capture



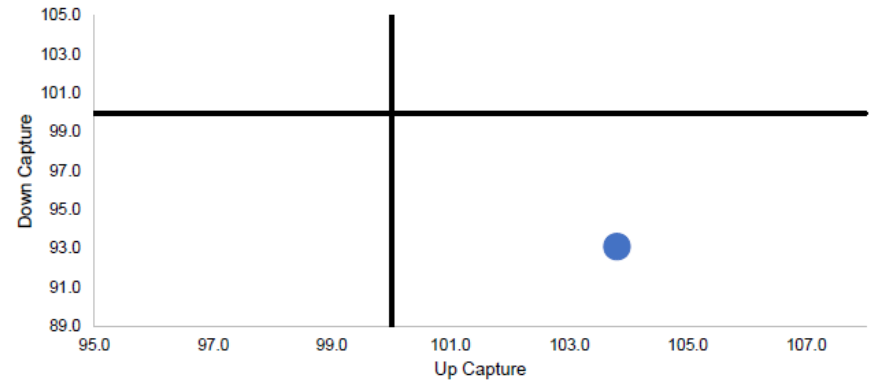
+S&P Target Date 2030 TR USD • T. Rowe Price Retirement I 2030 I

2040 Vintage Market Capture



+S&P Target Date 2040 TR USD • T. Rowe Price Retirement I 2040 I

2050 Vintage Market Capture



+S&P Target Date 2050 TR USD • T. Rowe Price Retirement I 2050 I

Source: Morningstar Direct, as of June 30, 2021



Stable Value Analysis



What is Stable Value?

Stable Value:

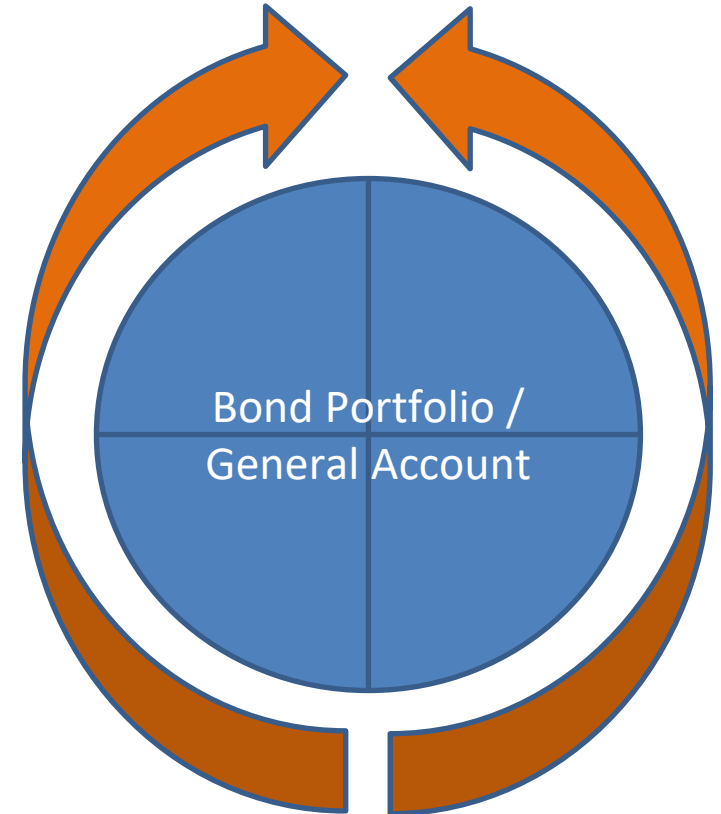
- Unique portfolios that utilize insurance to stabilize assets and smooth returns giving the appearance of cash like returns at a superior rates to true cash

Underlying Portfolio:

- The portfolios underlying stable value investments are generally made up of high-quality bonds, with a duration typically less than three years or are a highly diversified general account

Insurance:

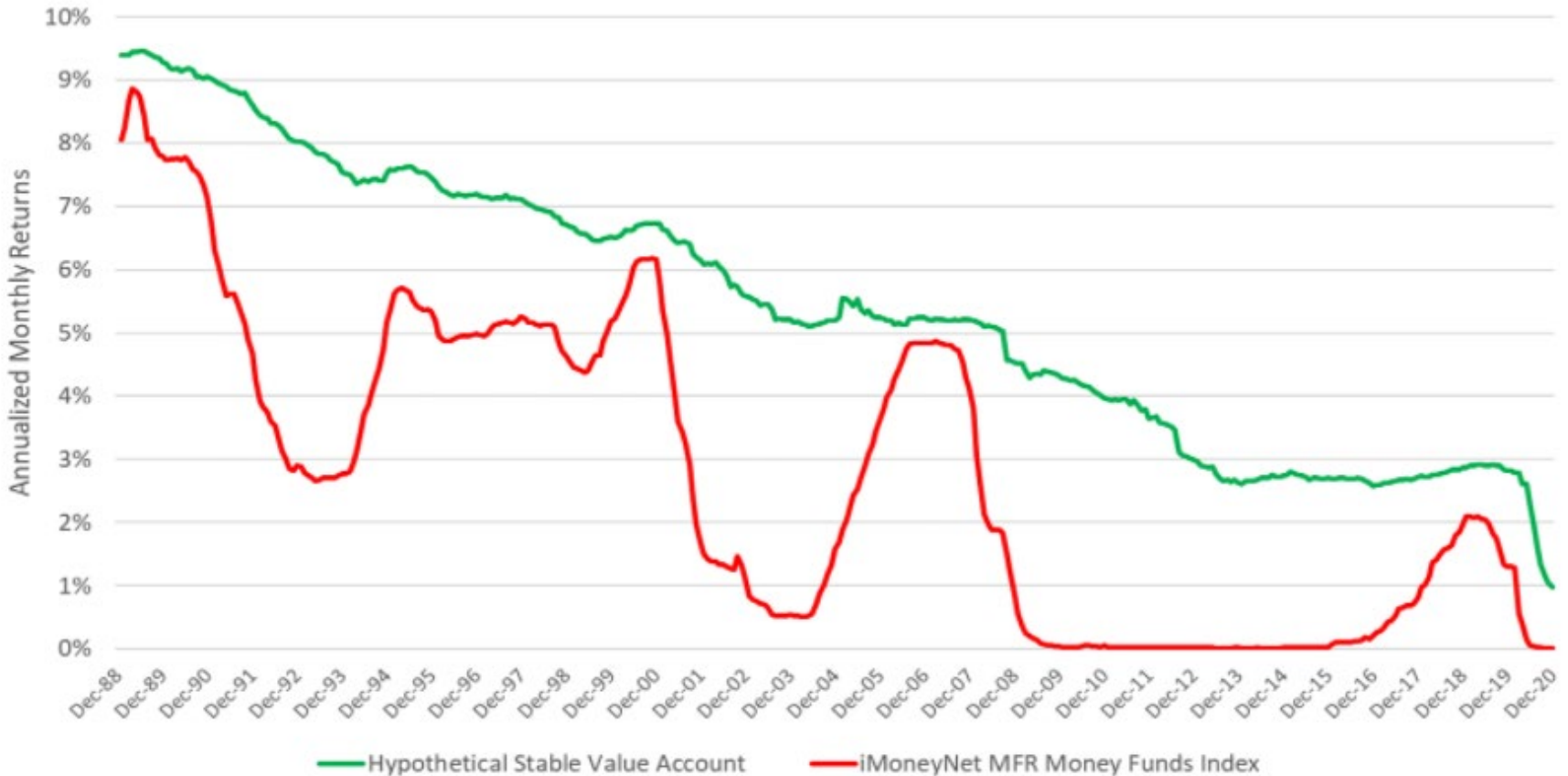
- Also known as “wrap” contracts, these insurance products are what differentiate stable value from bond portfolios. Due to the insurance agreement, the portfolio can be marked at “book value” not “market value”. These contracts are written mostly by insurance companies on their own or on third party products





Capital Preservation Options

Stable Value vs. Money Market Funds 12/31/1988 to 12/31/2020



Source: Stable Value Investment Association “Stable Value” is a simulation of book value returns in a hypothetical fund holding intermediate bonds and stable value wrap contracts, with crediting interest rates reset monthly using the industry accepted crediting rate formula. The bond returns incorporated into the simulation are monthly market value returns from the Barclays Intermediate Government/Credit Bond Index, with gains/losses reflected in future crediting rates by amortizing market-vs.-book values over intermediate bond index durations. This simulation incorporates no ongoing cash flows into or out of the fund. Returns illustrated are gross before any fees. “Money Market” is a simulation of money market returns from the iMoneyNet MFR Money Funds Index. Returns illustrated are gross before any fees.



Trends in Stable Value

- 1) Narrowing Dispersion Among Providers** – Lower for longer interest rates and tighter standards from insurance providers over time have made the return profile of stable value providers more homogenous. The difference of the highest and lowest crediting rates among stable value providers has declined meaningfully from 2014, from roughly 210bps to 60bps.
- 2) Seeking Higher Yields** – Positive real returns in a low interest rate environment is a struggle. This has resulted in more stable value providers purchasing lower investment grade credit, securitized, or other spread based investments to maintain crediting rates.
- 3) Broader DC Trends** – Stable value is not exempt to larger Defined Contribution trends such as litigation, focus on fees, transparency, etc.
- 4) Wrap Standards Relaxing** – Supply and demand has shifted from wrap providers being in control to asset managers. In the near term this has resulted in more favorable fee negotiations, looser investment guidelines and/or better contract provisions.
- 5) Emerging Areas of Growth** - Health Savings Plans, Custom Target Date investments and synthetic stable value portfolios are all opportunities for future growth in stable value assets.

Stable Value Analyzer

Fact Sheet - ICMA Vantagepoint PLUS Stable Value

Inception Date: 01/02/1991

Date as of: 03/31/2021

Category: Stable Value

Strategy

Vantagepoint seeks to provide stable value participants with capital preservation by limiting the risk of loss of principal and delivering stable returns. Each stable value portfolio seeks to balance the primary goal of capital preservation with the multiple objectives of returns higher than those of money market funds and short-term bank rates over the long run, stability of returns, rate responsiveness, and liquidity for client needs.

Put Option/Plan Termination Details

12 Months

Vantagepoint Investment Advisers, LLC retains full discretion to fund employer withdrawals from the PLUS Fund in an orderly manner over a period of not more than 12 months. This restriction on Employer withdrawals from the PLUS Fund does not apply to participant directed withdrawals from the Fund.

Share Class Options

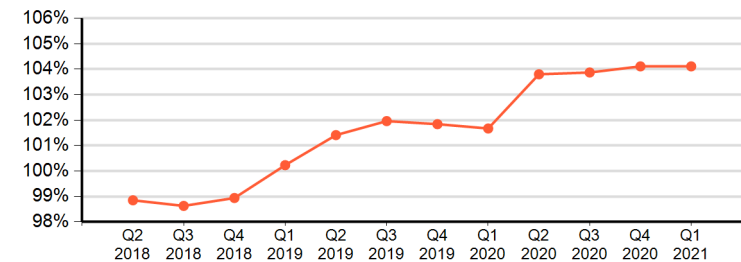
Share Class	Cusip	Wrap Fee %	Inv Mgmt %	Trustee/ Other	Total Exp Ratio %	Rev Share %	\$Min

Fund Information

Universe Median

AUM (\$mm):	\$11,017.00	\$5,176.00
% in Top 10 Accounts	20.00%	21.01%
Platform Availability	Open Architecture	-
Portfolio Manager	Karen Chong-Wulff	-
Manager Tenure	13 years	21 years

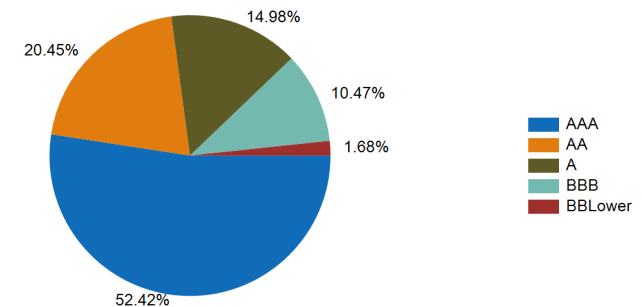
Market-to-Book



Current Market-to-Book: 104.11%

Universe Median: 102.34%

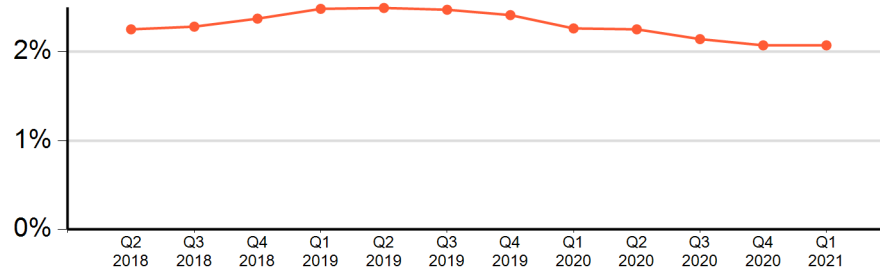
Credit Quality



Stable Value Analyzer

Fact Sheet - ICMA Vantagepoint PLUS Stable Value

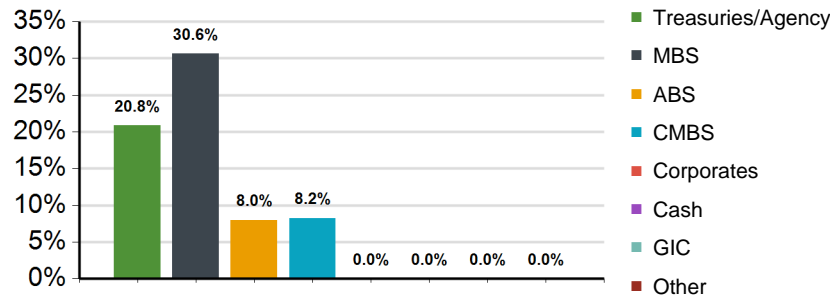
Crediting Rate



Current Crediting Rate: 2.07%

Universe Median: 1.83%

Sector Breakdown



Portfolio Information

		Universe Median
Crediting Rate Reset Period:	Monthly	-
Number of Underlying Managers:	13	1
Cash Flows QTR:	\$13,302,789	(\$11,929,500)
Cash Flows YTD:	\$397,722,671	(\$68,000,000)
Cash Flows 1Yr:	\$397,722,671	\$11,261,829
High Yield Policy:	Vantagepoint PLUS Fund can invest up to 10% in below investment-grade fixed income instruments for the underlying portfolios backing synthetic and separate account GICs.	

Expenses:

		Universe Median
*Lowest Cost Share Class		
Wrap Fee:	-	0.15%
Inv. Mgmt. Fee:	-	0.19%
Trustee Fee/Other:	-	0.05%
Total Expense Ratio:	-	0.40%

Portfolio Statistics

		Universe Median
Avg Duration (years):	2.84	3.06
Avg Maturity (years):	4.28	4.26
Avg Credit Quality (S&P):	AA-	AA-
Current Yield:	1.35%	1.40%

Performance

		Universe Median
*Net Lowest Cost Share Class (\$0 Min)		
Quarter:	0.52%	0.43%
YTD:	2.22%	0.45%
1 Year:	2.22%	1.88%
3 Year:	2.32%	2.13%
5 Year:	2.21%	2.13%
10 Year:	2.33%	2.01%

Wrap Providers

Provider	Weighting	Credit Quality
Universe Median		
Total Number of Wrap Providers	7	6.000
Percent		
Credit Quality		
% Traditional GIC:	20.00%	AA-
% Synthetic GIC:	71.00%	AA-

The performance analysis displayed is reflective of past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate over time. Current performance may differ from the performance displayed. Investing includes risk, including potential loss of principal. Investors should carefully consider the investment objectives, risks, charges and expenses of the investment company before investing. Contact your financial advisor or consultant for the most recent performance and strategy information.

Historical Balances by Investment

Simsbury DC

As of June 30, 2021

	Jun-2021		Mar-2021	
	(\$)	%	(\$)	%
VantageTrust PLUS Fund R10	3,184,516	20.4	2,775,330	19.0
Stable Value / Money Market Funds	3,184,516	20.4	2,775,330	19.0
Fidelity US Bond Index	150,818	1.0	141,702	1.0
Western Asset Core Plus Bond IS	299,358	1.9	291,242	2.0
Fixed Income Funds	450,176	2.9	432,945	3.0
Fidelity Large Cap Value Index	37,965	0.2	11,323	0.1
MFS Value Fund R6	880,345	5.6	1,021,469	7.0
Fidelity 500 Index	3,802,476	24.4	3,700,366	25.3
Fidelity Large Cap Growth Index	2,017	0.0	4,256	0.0
T. Rowe Price Growth Stock I	2,622,812	16.8	2,343,828	16.0
Fidelity Mid Cap Value Index	0.00	0.0	3,254	0.0
Vanguard Explorer Value Inv	444,297	2.8	417,617	2.9
Fidelity Extended Market Index	243,537	1.6	205,113	1.4
Fidelity Mid Cap Growth Index	11,724	0.1	13,035	0.1
Eaton Vance Atlanta Capital SMID-Cap R6	678,080	4.3	637,667	4.4
Fidelity Small Cap Value Index	47,641	0.3	46,664	0.3
Fidelity Small Cap Growth Index	28,111	0.2	27,067	0.2
Domestic Equity Funds	8,799,006	56.4	8,431,659	57.6
Fidelity Total International Index	39,617	0.3	17,086	0.1
Hartford International Opportunities R6	278,400	1.8	261,643	1.8
International Equity Funds	318,016	2.0	278,730	1.9
T. Rowe Price Retirement I 2005 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2010 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2015 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2020 I	753,172	4.8	728,663	5.0
T. Rowe Price Retirement I 2025 I	269,523	1.7	256,358	1.8
T. Rowe Price Retirement I 2030 I	885,882	5.7	846,991	5.8
T. Rowe Price Retirement I 2035 I	5,197	0.0	4,555	0.0
T. Rowe Price Retirement I 2040 I	258,909	1.7	220,675	1.5
T. Rowe Price Retirement I 2045 I	1,188	0.0	3,809	0.0
T. Rowe Price Retirement I 2050 I	672,497	4.3	664,676	4.5
T. Rowe Price Retirement I 2055 I	143	0.0	57	0.0
T. Rowe Price Retirement I 2060 I	54	0.0	0.00	0.0
Target Date Funds	2,846,566	18.2	2,725,784	18.6
Town of Simsbury 457 ICMA Plan	15,598,280	100.0	14,644,448	100.0

Source: ICMA

Historical Balances by Investment

Simsbury DC

As of June 30, 2021

	Jun-2021		Mar-2021	
	(\$)	%	(\$)	%
VantageTrust PLUS Fund R10	57,177	9.1	51,948	9.4
Stable Value / Money Market Funds	57,177	9.1	51,948	9.4
Fidelity US Bond Index	4,409	0.7	349	0.1
Western Asset Core Plus Bond IS	1,752	0.3	0.00	0.0
Fixed Income Funds	6,161	1.0	349	0.1
Fidelity Large Cap Value Index	14,188	2.3	0.00	0.0
MFS Value Fund R6	187	0.0	177	0.0
Fidelity 500 Index	1,992	0.3	6,239	1.1
Fidelity Large Cap Growth Index	0.00	0.0	0.00	0.0
T. Rowe Price Growth Stock I	4,791	0.8	439	0.1
Fidelity Mid Cap Value Index	0.00	0.0	0.00	0.0
Vanguard Explorer Value Inv	1,238	0.2	1,037	0.2
Fidelity Extended Market Index	15,429	2.5	4,314	0.8
Fidelity Mid Cap Growth Index	0.00	0.0	0.00	0.0
Eaton Vance Atlanta Capital SMID-Cap R6	1,146	0.2	943	0.2
Fidelity Small Cap Value Index	0.00	0.0	0.00	0.0
Fidelity Small Cap Growth Index	0.00	0.0	0.00	0.0
Domestic Equity Funds	38,970	6.2	13,149	2.4
Fidelity Total International Index	19,431	3.1	0.00	0.0
Hartford International Opportunities R6	1,687	0.3	3,136	0.6
International Equity Funds	21,118	3.4	3,136	0.6
T. Rowe Price Retirement I 2005 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2010 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2015 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2020 I	21,678	3.4	19,350	3.5
T. Rowe Price Retirement I 2025 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2030 I	58,852	9.3	50,242	9.1
T. Rowe Price Retirement I 2035 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2040 I	153,219	24.3	127,238	22.9
T. Rowe Price Retirement I 2045 I	1,197	0.2	0.00	0.0
T. Rowe Price Retirement I 2050 I	269,278	42.8	289,322	52.2
T. Rowe Price Retirement I 2055 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2060 I	1,818	0.3	0.00	0.0
Target Date Funds	506,042	80.4	486,153	87.6
Simsbury 401(a) ICMA Plan	629,468	100.0	554,736	100.0

Source: ICMA

Historical Balances by Investment

Simsbury DC

As of June 30, 2021

	Jun-2021		Mar-2021	
	(\$)	%	(\$)	%
VantageTrust PLUS Fund R10	446,803	49.5	415,126	50.3
Stable Value / Money Market Funds	446,803	49.5	415,126	50.3
Fidelity US Bond Index	7,921	0.9	16,290	2.0
Western Asset Core Plus Bond IS	2,848	0.3	1,294	0.2
Fixed Income Funds	10,769	1.2	17,584	2.1
Fidelity Large Cap Value Index	0.00	0.0	0.00	0.0
MFS Value Fund R6	9,977	1.1	8,668	1.1
Fidelity 500 Index	97,602	10.8	84,906	10.3
Fidelity Large Cap Growth Index	755	0.1	103	0.0
T. Rowe Price Growth Stock I	68,815	7.6	58,813	7.1
Fidelity Mid Cap Value Index	0.00	0.0	0.00	0.0
Vanguard Explorer Value Inv	12,220	1.4	11,219	1.4
Fidelity Extended Market Index	50,046	5.5	43,027	5.2
Fidelity Mid Cap Growth Index	0.00	0.0	0.00	0.0
Eaton Vance Atlanta Capital SMID-Cap R6	15,146	1.7	13,902	1.7
Fidelity Small Cap Value Index	0.00	0.0	0.00	0.0
Fidelity Small Cap Growth Index	0.00	0.0	0.00	0.0
Domestic Equity Funds	254,560	28.2	220,638	26.7
Fidelity Total International Index	0.00	0.0	0.00	0.0
Hartford International Opportunities R6	22,763	2.5	18,642	2.3
International Equity Funds	22,763	2.5	18,642	2.3
T. Rowe Price Retirement I 2005 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2010 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2015 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2020 I	7,501	0.8	6,904	0.8
T. Rowe Price Retirement I 2025 I	9,849	1.1	8,817	1.1
T. Rowe Price Retirement I 2030 I	37,655	4.2	34,237	4.1
T. Rowe Price Retirement I 2035 I	1,860	0.2	1,640	0.2
T. Rowe Price Retirement I 2040 I	73,222	8.1	65,863	8.0
T. Rowe Price Retirement I 2045 I	177	0.0	621	0.1
T. Rowe Price Retirement I 2050 I	37,918	4.2	35,014	4.2
T. Rowe Price Retirement I 2055 I	0.00	0.0	0.00	0.0
T. Rowe Price Retirement I 2060 I	0.00	0.0	0.00	0.0
Target Date Funds	168,181	18.6	153,096	18.6
Simsbury BOE ICMA Plan	903,076	100.0	825,087	100.0

Source: ICMA

Performance Overview By Investment

As of June 30, 2021

Total Annualized Return (%)

	QTR	1 Year	3 Years	5 Years	10 Years	Expense Ratio (%)	Manager Status
							1-50 Percentile =
							51-75 Percentile =
							76-100 Percentile =
T. Rowe Price Retirement I 2005 I*	3.8	18.2	9.7	8.2	6.7	0.37	MAINTAIN
<i>T. Rowe Price Retirement 2005 Index</i>	4.0	15.7	9.6	8.1	6.7	-	
IM Mixed-Asset Target Today (MF) Rank	27	6	5	8	7	0.61	
T. Rowe Price Retirement I 2010 I*	4.0	19.8	10.2	8.9	7.3	0.37	MAINTAIN
<i>T. Rowe Price Retirement 2010 Index</i>	4.3	17.6	10.2	8.8	7.3	-	
IM Mixed-Asset Target 2010 (MF) Rank	7	1	1	1	1	0.49	
T. Rowe Price Retirement I 2015 I*	4.3	21.9	10.8	9.7	8.0	0.40	MAINTAIN
<i>T. Rowe Price Retirement 2015 Index</i>	4.6	19.5	10.7	9.6	8.0	-	
IM Mixed-Asset Target 2015 (MF) Rank	19	1	1	1	1	0.55	
T. Rowe Price Retirement I 2020 I*	4.5	24.2	11.4	10.8	8.8	0.42	MAINTAIN
<i>T. Rowe Price Retirement 2020 Index</i>	4.8	22.0	11.3	10.6	8.7	-	
IM Mixed-Asset Target 2020 (MF) Rank	29	1	1	1	1	0.59	
T. Rowe Price Retirement I 2025 I*	4.9	27.6	12.3	11.9	9.6	0.46	MAINTAIN
<i>T. Rowe Price Retirement 2025 Index</i>	5.3	25.7	12.4	11.8	9.5	-	
IM Mixed-Asset Target 2025 (MF) Rank	26	1	1	1	1	0.63	
T. Rowe Price Retirement I 2030 I*	5.5	31.4	13.3	13.1	10.3	0.49	MAINTAIN
<i>T. Rowe Price Retirement 2030 Index</i>	5.9	29.5	13.4	12.9	10.3	-	
IM Mixed-Asset Target 2030 (MF) Rank	19	1	1	1	2	0.65	
T. Rowe Price Retirement I 2035 I*	6.0	34.9	14.1	14.0	10.8	0.50	MAINTAIN
<i>T. Rowe Price Retirement 2035 Index</i>	6.4	32.9	14.3	13.8	10.8	-	
IM Mixed-Asset Target 2035 (MF) Rank	30	11	1	2	5	0.65	

Explanation of Category rankings: Percentile rankings are on a scale of 1 to 100, with a rank of 1(1stpercentile) being the best and 100 (100th percentile) being the worst. Rankings relate to net of fee returns for each fund in its respective Lipper peer group. Due to statistical requirements, investment versus peer group rankings will not populate if peer groups contain less than 10 members. Returns for periods less than one year are not annualized.

Source: Lipper Analytical Services or investment manager for non-mutual fund holdings.

Performance Overview By Investment

As of June 30, 2021

Total Annualized Return (%)

	QTR	1 Year	3 Years	5 Years	10 Years	Expense Ratio (%)	Manager Status
T. Rowe Price Retirement I 2040 I*	6.4	38.0	14.9	14.8	11.3	0.51	MAINTAIN
<i>T. Rowe Price Retirement 2040 Index</i>	6.8	36.0	15.0	14.6	11.2	-	
IM Mixed-Asset Target 2040 (MF) Rank	36	13	3	1	3	0.65	
T. Rowe Price Retirement I 2045 I*	6.6	40.2	15.4	15.2	11.5	0.51	MAINTAIN
<i>T. Rowe Price Retirement 2045 Index</i>	7.1	38.1	15.4	14.9	11.4	-	
IM Mixed-Asset Target 2045 (MF) Rank	38	8	1	1	3	0.65	
T. Rowe Price Retirement I 2050 I*	6.7	40.3	15.4	15.2	11.5	0.52	MAINTAIN
<i>T. Rowe Price Retirement 2050 Index</i>	7.1	38.2	15.5	15.0	11.4	-	
IM Mixed-Asset Target 2050 (MF) Rank	42	6	1	1	4	0.66	
T. Rowe Price Retirement I 2055 I*	6.7	40.3	15.4	15.2	11.5	0.52	MAINTAIN
<i>T. Rowe Price Retirement 2055 Index</i>	7.1	38.2	15.5	15.0	11.4	-	
IM Mixed-Asset Target 2055 (MF) Rank	43	9	1	1	5	0.65	
T. Rowe Price Retirement I 2060 I*	6.6	40.2	15.4	15.2	-	0.52	MAINTAIN
<i>T. Rowe Price Retirement 2060 Index</i>	7.1	38.2	15.5	15.0	-	-	
IM Mixed-Asset Target 2060+ (MF) Rank	56	15	2	1	-	0.65	

*Historical performance of current share class may differ slightly due to share class exchanges and/or blended performance.

Explanation of Category rankings: Percentile rankings are on a scale of 1 to 100, with a rank of 1(1stpercentile) being the best and 100 (100th percentile) being the worst. Rankings relate to net of fee returns for each fund in its respective Lipper peer group. Due to statistical requirements, investment versus peer group rankings will not populate if peer groups contain less than 10 members. Returns for periods less than one year are not annualized.

Source: Lipper Analytical Services or investment manager for non-mutual fund holdings.

Performance Overview By Investment

As of June 30, 2021

Total Annualized Return (%)

	QTR	1 Year	3 Years	5 Years	10 Years	Expense Ratio (%)	Manager Status
							1-50 Percentile =
							51-75 Percentile =
							76-100 Percentile =
VantageTrust PLUS Fund R10	0.5	2.0	2.3	2.2	-	0.54	MAINTAIN
<i>FTSE 3 Month T-Bill</i>	0.0	0.1	1.3	1.1	-	-	
Fidelity US Bond Index*	1.8	-0.5	5.4	3.0	3.4	0.03	MAINTAIN
<i>Blmbg. Barc. U.S. Aggregate Index</i>	1.8	-0.3	5.3	3.0	3.4	-	
IM U.S. Broad Market Core Fixed Income (MF) Rank	59	93	64	72	61	0.56	
Western Asset Core Plus Bond IS	3.0	3.2	6.9	4.8	4.9	0.42	MAINTAIN
<i>Blmbg. Barc. U.S. Aggregate Index</i>	1.8	-0.3	5.3	3.0	3.4	-	
IM U.S. Broad Market Core+ Fixed Income (MF) Rank	8	39	21	13	4	0.66	
Fidelity Large Cap Value Index	5.2	43.6	12.4	11.9	-	0.04	MAINTAIN
<i>Russell 1000 Value Index</i>	5.2	43.7	12.4	11.9	-	-	
IM U.S. Large Cap Value Equity (MF) Rank	55	50	44	59	-	0.84	
MFS Value Fund R6	5.7	37.0	13.3	12.1	12.1	0.47	MAINTAIN
<i>Russell 1000 Value Index</i>	5.2	43.7	12.4	11.9	11.6	-	
IM U.S. Large Cap Value Equity (MF) Rank	34	78	26	54	16	0.84	
Fidelity 500 Index*	8.5	40.8	18.7	17.6	14.8	0.02	MAINTAIN
<i>S&P 500 Index</i>	8.5	40.8	18.7	17.6	14.8	-	
IM U.S. Large Cap Core Equity (MF) Rank	33	45	32	28	15	0.77	
Fidelity Large Cap Growth Index	11.9	42.4	25.1	23.6	-	0.04	MAINTAIN
<i>Russell 1000 Growth Index</i>	11.9	42.5	25.1	23.7	-	-	
IM U.S. Large Cap Growth Equity (MF) Rank	35	29	25	31	-	0.89	

Explanation of Category rankings: Percentile rankings are on a scale of 1 to 100, with a rank of 1(1stpercentile) being the best and 100 (100th percentile) being the worst. Rankings relate to net of fee returns for each fund in its respective Lipper peer group. Due to statistical requirements, investment versus peer group rankings will not populate if peer groups contain less than 10 members. Returns for periods less than one year are not annualized.

Source: Lipper Analytical Services or investment manager for non-mutual fund holdings.

Performance Overview By Investment

As of June 30, 2021

Total Annualized Return (%)

	QTR	1 Year	3 Years	5 Years	10 Years	Expense Ratio (%)	Manager Status
T. Rowe Price Growth Stock I	12.7	45.3	23.2	24.4	17.9	0.52	MAINTAIN
<i>Russell 1000 Growth Index</i>	11.9	42.5	25.1	23.7	17.9	-	
IM U.S. Large Cap Growth Equity (MF) Rank	19	10	54	20	18	0.89	
Fidelity Mid Cap Value Index	5.6	52.8	-	-	-	0.05	MAINTAIN
<i>Russell Midcap Value Index</i>	5.7	53.1	-	-	-	-	
IM U.S. Mid Cap Value Equity (MF) Rank	35	54	-	-	-	0.92	
Vanguard Explorer Value Inv	4.7	63.5	9.9	12.7	11.3	0.64	MAINTAIN
<i>Russell 2500 Value Index</i>	5.0	63.2	10.6	12.3	10.9	-	
IM U.S. SMID Cap Value Equity (MF) Rank	41	28	38	25	21	1.11	
Fidelity Extended Market Index*	7.1	61.6	18.6	18.8	14.0	0.04	MAINTAIN
<i>Dow Jones U.S. Completion Total Stock Market Indx</i>	7.1	61.6	18.5	18.7	13.9	-	
IM U.S. SMID Cap Core Equity (MF) Rank	9	27	5	5	4	0.90	
Fidelity Mid Cap Growth Index	11.1	43.7	-	-	-	0.05	MAINTAIN
<i>Russell Midcap Growth Index</i>	11.1	43.8	-	-	-	-	
IM U.S. Mid Cap Growth Equity (MF) Rank	3	50	-	-	-	1.05	
Eaton Vance Atlanta Capital SMID-Cap R6*	5.3	43.0	15.6	16.1	14.6	0.82	MAINTAIN
<i>Russell 2500 Growth Index</i>	6.0	49.6	20.1	20.7	14.8	-	
IM U.S. SMID Cap Growth Equity (MF) Rank	53	72	81	92	46	1.05	
Fidelity Small Cap Value Index	4.6	73.1	-	-	-	0.05	MAINTAIN
<i>Russell 2000 Value Index</i>	4.6	73.3	-	-	-	-	
IM U.S. Small Cap Value Equity (MF) Rank	49	46	-	-	-	1.12	

Explanation of Category rankings: Percentile rankings are on a scale of 1 to 100, with a rank of 1(1stpercentile) being the best and 100 (100th percentile) being the worst. Rankings relate to net of fee returns for each fund in its respective Lipper peer group. Due to statistical requirements, investment versus peer group rankings will not populate if peer groups contain less than 10 members. Returns for periods less than one year are not annualized.

Source: Lipper Analytical Services or investment manager for non-mutual fund holdings.

Performance Overview By Investment

As of June 30, 2021

Total Annualized Return (%)

	QTR	1 Year	3 Years	5 Years	10 Years	Expense Ratio (%)	Manager Status
Fidelity Small Cap Growth Index	3.9	51.3	-	-	-	0.05	MAINTAIN
<i>Russell 2000 Growth Index</i>	3.9	51.4	-	-	-	-	
IM U.S. Small Cap Growth Equity (MF) Rank	66	56	-	-	-	1.15	
Fidelity Total International Index	5.5	36.8	9.4	11.0	-	0.06	MAINTAIN
<i>MSCI AC World ex USA IMI (Net)</i>	5.6	37.2	9.4	11.2	-	-	
IM International Large Cap Core Equity (MF) Rank	38	48	34	23	-	0.89	
Hartford International Opportunities R6	4.9	35.5	10.8	11.3	7.0	0.71	MAINTAIN
<i>MSCI AC World ex USA (Net)</i>	5.5	35.7	9.4	11.1	5.4	-	
IM International Large Cap Core Equity (MF) Rank	52	60	12	21	1	0.89	

*Historical performance of current share class may differ slightly due to share class exchanges and/or blended performance.

Explanation of Category rankings: Percentile rankings are on a scale of 1 to 100, with a rank of 1 (1st percentile) being the best and 100 (100th percentile) being the worst. Rankings relate to net of fee returns for each fund in its respective Lipper peer group. Due to statistical requirements, investment versus peer group rankings will not populate if peer groups contain less than 10 members. Returns for periods less than one year are not annualized.

Source: Lipper Analytical Services or investment manager for non-mutual fund holdings.

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.

ASSET CLASS REPRESENTATIONS

All material and information is intended for Fiducient Advisors L.L.C. business only. Any use or public dissemination outside firm business is prohibited. Information is obtained from a variety of sources which are believed though not guaranteed to be accurate. Any forecast represents future expectations and actual returns, volatilities and correlations will differ from forecasts. Past performance does not indicate future performance. This presentation does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. Each index is unmanaged and investors can not actually invest directly into an index:

TIPS: Bloomberg Barclays Global Inflation-Linked: U.S. TIPS Total Return Index Unhedged

Municipals 5-Year: Bloomberg Barclays Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD

Core Bond: Bloomberg Barclays US Agg Total Return Value Unhedged USD

High Yield Municipals: Bloomberg Barclays Muni High Yield Total Return Index Value Unhedged USD

High Yield: Bloomberg Barclays US Corporate High Yield Total Return Index Value Unhedged USD

Foreign Bond: Bloomberg Barclays Global Aggregate ex-USD Total Return Index Value USD (50/50 blend of hedged and unhedged)

EM Debt (unhedged): J.P. Morgan GBI-EM Global Diversified Composite Unhedged USD

U.S. Large Cap: S&P 500 Total Return Index

U.S. Small Cap: Russell 2000 Total Return Index

International Developed: MSCI EAFE Net Total Return USD Index

Emerging Markets: MSCI Emerging Markets Net Total Return USD Index

World: MSCI ACWI Net Total Return USD Index

U.S. Equity REITs: FTSE Nareit Equity REITs Total Return Index USD

S&P Real Assets: S&P Real Assets Total Return Index

Commodities: Bloomberg Commodity Total Return Index

Hedge Funds: Hedge Fund Research HFRI Fund of Funds Composite Index

Balanced: 3% TIPS, 33% Core Bond, 4% High Yield, 2% Foreign Bond, 2% EM Debt (unhedged), 18% U.S. Large Cap, 6% U.S. Small Cap, 16% International, 8% Emerging Markets, 5% U.S. Equity REITs, 3% Commodities

U.S.: MSCI USA Net Total Return USD Index

China: MSCI CHINA Net Total Return USD Index

Japan: MSCI Japan Net Total Return USD Index

Germany: MSCI Germany Net Total Return USD Index

India: MSCI India Net Total Return USD Index

United Kingdom: MSCI UK Net Total Return USD Index

France: MSCI France Net Total Return USD Index

Italy: MSCI Italy Net Total Return USD Index

Brazil: MSCI Brazil Net Total Return USD Index

Canada: MSCI Canada Net Total Return USD Index

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 ACWI ex 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 the 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 it by 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 Fiducient Advisors 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 settlement 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 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.

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 you custodian. If you do not receive periodic statements from your custodian or notice issues with the activity reported in those statements, please contact Fiducient Advisors or your custodian immediately.



Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Item Submission Form

1. **Title of Submission:** Supplemental Appropriation Request for the Building Division

2. **Date of Board Meeting:** September 21, 2021

3. **Individual or Entity Making the Submission:**

Maria Capriola, Town Manager

4. **Action Requested of the Board of Finance:**

If the Board of Finance supports the supplemental appropriation request, the following motion is in order:

Move, effective September 21, 2021 to approve a supplemental appropriation for the Building Division in the amount of \$40,000.

5. **Summary of Submission:**

In Summer 2021 our Building Official, Henry Miga, prepared comprehensive data regarding permits issued, inspections completed, and value of constructions in town. He also completed a comparative staffing analysis amongst comparable towns. A summary grant of some of that data is attached. In the last 3 and a half years the amount of permits issued has increased by 44% from 2,033 permits to 2,942 permits. The amount of inspections has increased by 36% from 2,131 to 2,914 inspections.

Based on current workload and projected needs, management believes that the Building Division will need additional temporary support for the remainder of the fiscal year. Some examples of construction activity current and upcoming include: McLean's Independent Living, SL Simsbury, Barber Cove, Tractor Supply, Curaleaf Expansion, and Andy's Plaza Renovations. Despite our pandemic environment, residential and commercial construction and rehabilitation has been incredibly strong.

Temporary staffing would be used primarily to perform inspections.

The Board of Selectmen has reviewed and approved this request at their regular meeting on September 13, 2021.

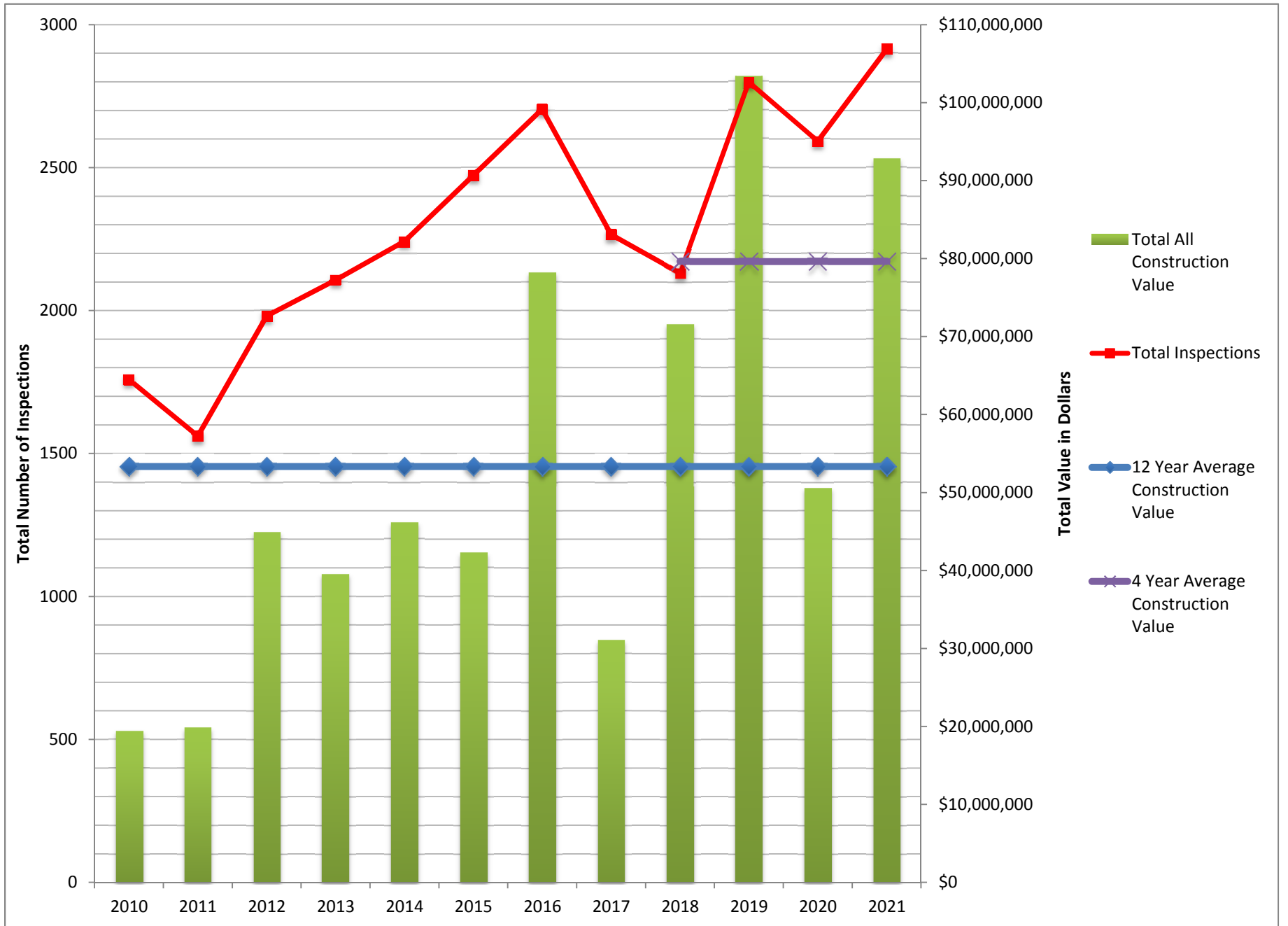
6. **Financial Impact:**

The Building Division has budgeted revenue for FY 2022 of \$800,000. However, since FY 2017 the Building Department has averaged annual revenue of \$907,519 and has been as high as \$1,218,463. With anticipated upcoming projects and the current estimates from staff, we do not anticipate this revenue slowing down this year. We would plan to use any excess revenue to offset the extra expense.

Staff is estimating costs of up to \$40,00 for temporary staffing through June 30th.

7. Description of Documents Included with Submission:

- Building Division Analysis Graph





Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Item Submission Form

- Title of Submission:** Supplemental Appropriation Request for Meadowood Acquisition
- Date of Board Meeting:** September 21, 2021
- Individual or Entity Making the Submission:**
Maria Capriola, Town Manager

- Action Requested of the Board of Finance:**
If the Board of Finance supports the supplemental appropriation request, the following motion is in order:

Move, effective September 21, 2021 to approve a supplemental appropriation in the amount of \$2,566,500 for the Meadowood purchase as presented. The total Town appropriation will be \$5,466,500.

- Summary of Submission:**
To date, the following appropriations have been made towards the acquisition of Meadowood:
 - \$2,500,000 (bond authorization)
 - \$400,000 (state open space grant)
 - \$877,500 (state department of agriculture grant)

Additional funds need to be accepted and appropriated:

- \$11,000 in additional state department of agriculture funds (bringing the total to \$886,500)
- \$280,000 (George Dudley Seymour Trust)
- \$1,400,000 (federal Highlands Conservation program)

The anticipated closing date for the Meadowood property is September 24, 2021.

The Board of Selectmen will review the supplemental appropriation requests at their special meeting right before the Board of Finance meeting on September 21, 2021.

- Financial Impact:**
The Town's total contribution towards acquisition, with grant funds, will be \$5,350,000. Of that, \$2,383,500 will be from bond funds and \$2,080,000 will be grant funds. TPL is contributing an additional \$500,000 in grant funds and \$150,000 from the sale of a private lot. The total purchase prices will be \$6,000,000. As a reminder, some of the appropriated revenue from the bond authorization will be used towards other related expenses such as survey work, environmental reviews, and site improvements.
- Description of Documents Included with Submission:**
 - Meadowood Funding Status

Status of Meadowood Funding - 9/15/2021

Amount	Grant	Status	Recipient or Pass Through	Status of Supplemental Appropriation
\$500,000	State Historic Preservation Office, Dept. of Economic and Community Dev. – Good to Great	Awarded	TPL	N/A - funds provided by TPL at closing
\$150,000	Sale of private lot		TPL	N/A - funds provided by TPL at closing
\$400,000	DEEP Open Space and Watershed Land Acquisition grant	Awarded	Town	Supplemental appropriation approved \$400,000
\$280,000	George Dudley Seymour Trust	Awarded	Town	Supplemental appropriation not approved
\$1,400,000	Highlands Conservation Funding	Awarded	Town	Supplemental appropriation not approved
\$886,500	DOAG*	Awarded	Town	Supplemental approved for \$877,500; \$11,000 additional funds received
<u>\$2,383,500</u>	Town of Simsbury	Authorized/Approved	Town	N/A
\$6,000,000				

\$5,350,000 Total town wired funds for closing

Note: Additional \$400K for barn restoration, interpretive development, and signage is also committed

TOWN OF SIMSBURY
POLICY FOR BUDGETARY TRANSFERS AND SUPPLEMENTAL
APPROPRIATIONS

Adopted by the Board of Finance on August xx, 2021

Objective: It is the purpose of this policy to outline the process and circumstances for amending the budget via supplemental appropriation or transfers within and between departments.

A. Transfers *within* a Department – Use of Current Year Savings

The Board of Selectmen has the sole power to approve transfers within Town department budgets with the exception of the Board of Education.

For transfers within a department budget, control is maintained at the departmental level and can happen any time during the year. In no case may the total expenditures of a particular department exceed that which is appropriated for the department as a whole.

The Board of Education has the sole power to approve transfers within the Board of Education budget so long as it does not exceed the total appropriation allocated to the Board of Education.

The Board of Finance does not approve transfers within departments so long as the total expenditure of a particular department does not exceed that which is appropriated for the whole department. The Board of Finance annually reviews transfers made within departments at the close of the fiscal year pursuant to CGS Chapter 106, Sec. 7-345.

B. Transfers *Between* Departments - Use of Current Year Savings

Pursuant to Simsbury Town Charter, Section 812 (f), upon the request of the Board of Selectmen during the last six (6) months of the fiscal year, the Board of Finance may, by vote, transfer any unencumbered appropriation, balance or portion thereof from one (1) department, commission, board or office to another. This provision shall not apply to the Board of Education.

Such transfers may be granted provided that:

- the purpose for which the transferred funds are to be expended remains unchanged; or
- the purpose for which the funds were initially appropriated no longer exists; or

- the proposed transfer is from a fund in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation approved at referendum.

C. Transfers *Between* Funds

All transfers between funds require the approval of the Board of Finance upon the request of the Board of Selectmen.

D. Supplemental Appropriations

No expenditure and no commitment to make an expenditure shall be made, caused to be made, or authorized by any officer, agency or agency of the Town, or by any board of commission of the Town unless an appropriation shall have been made covering such expenditure or commitment in accordance with the provisions of the Town Charter and state law (Charter Section 812(d)).

The Board of Finance shall have the power, by resolution and only upon the recommendation of a majority of the Board of Selectmen, to make any appropriation supplemental to those provided in the annual budget for the then current fiscal year. Except as set forth in Section 810 (Emergency Appropriations), any individual appropriation for any purpose made equal to or greater than two percent (2%) of the annual budget for the then current fiscal year is subject to automatic referendum pursuant to Section 406 of the Charter. Any individual appropriation for any purpose less than two percent (2%) of that annual budget for the then current fiscal year may be made upon approval of the Board of Selectmen and the Board of Finance. Supplemental appropriations as described in this section not approved at referendum may not exceed in any fiscal year a cumulative total of three percent (3%) of the annual budget for the then fiscal year. (Charter Section 809)

All budget increases above the budget approved at referendum must be recommended by the Board of Selectmen and approved by the Board of Finance. Common supplemental appropriations include, but are not limited to:

- Fiscal Year End Transfers: usually adopted in September/October to re-appropriate funds from the previous year's ending balance for projects or obligations that were approved but not completed during the year or to fund a new project.
- Grants or unanticipated revenues: if revenue is received during the fiscal year from a source that was not anticipated at the time of budget adoption or appropriation for the fiscal year, such as grants or implementation of a new fee, the Board of Finance, upon recommendation of the Board of Selectmen, may appropriate that unanticipated revenue for expenditure when received anytime during the

year. It is the practice of the Board of Finance that known or anticipated recurring grants be budgeted during the regular budget cycle.

- Emergency appropriations: For the purpose of meeting a public emergency threatening the lives, health or property of citizens, emergency appropriations, the total amount of which shall not exceed fifty percent (50%) of the undesignated fund balance for the then current fiscal year, may be made upon the recommendation of at least four (4) members of the Board of Selectmen and by an affirmative vote of no fewer than four (4) members of the Board of Finance. In the absence of sufficient general fund resources to meet such appropriations, additional means of financing shall be provided in such manner, consistent with the provisions of the General Statutes and of this Charter, as may be determined by the Board of Finance. (Charter, Section 810)

Supplemental appropriations for special projects/activities shall be kept to a minimum when feasible via utilization of the annual budgeting process, year-end close out process or during the mid-year financial review.

Supplemental appropriations for necessary repairs and maintenance will be approved during the mid-year financial review or year-end close out. However, the Board of Finance will be notified of the intended purchases in their monthly meeting in advance of the purchase.

E. Appropriation Lapses

All appropriations unexpended or unencumbered at the end of the fiscal year shall lapse to the applicable general fund, except for:

- Capital expenditure appropriations from whatever source derived, shall not lapse until the purpose for which the appropriation was made shall have been accomplished or abandoned, provided any such project shall be deemed to have been abandoned if three (3) fiscal years shall lapse without any expenditure from or encumbrances of the appropriation therefore; and
- Federal or state grants do not lapse until the expiration of the federal or state grant or as required by law or
- Special Revenue Funds, unless explicitly stated as part of the creation of the fund.



Town of Simsbury

933 Hopmeadow Street Simsbury, Connecticut 06070

Board of Finance Agenda Item Submission Form

1. **Title of Submission:** Policy Review
2. **Date of Board Meeting:** September 21, 2021
3. **Individual or Entity Making the Submission:**
Amy Meriwether, Finance Director
4. **Action Requested of the Board of Finance:**
None

Summary of Submission:

Policy review on a regular basis ensures the Town's policies remain effective and in compliance with best practice. The Board of Finance has gone through several policies over the last few years and made various updates. Attached is a complete indexing of all Finance policies for annual review by and potential update at the Board's discretion.

5. **Financial Impact:**
None
6. **Description of Documents Included with Submission:**
 - Board of Finance Rules of Procedure
 - Purchasing Policy and Ordinance
 - Capital Asset Policy
 - CNR and Capital Policy
 - Debt Management Policy
 - Fund Balance Policy
 - Town Funds Investment Policy
 - Defined Benefit Plan Pension Investment Policy
 - Defined Contribution Plan Investment Policy
 - OPEB – Retiree Health Care Trust Investment Policy
 - Board of Education Non-Lapsing Policy

**Town of Simsbury
Finance Policy Index**

Policy	Last Date of Revision
Board of Finance Rules of Procedure	1/21/2020
Purchasing Policy & Ordinance	1/19/2021
Capital Asset Policy	2/19/2019
CNR and Capital Policy	2/19/2019
Debt Management Policy	3/16/2021
Fund Balance Policy	9/15/2020
Town Funds Investment Policy	10/21/2014
Defined Benefit Plan Pension Investment Policy	9/15/2020
Defined Contribution Plan Investment Policy	5/18/2021
OPEB - Retiree Health Care Trust Investment Policy	9/1/2007
BOE Non-Lapsing Policy	3/17/2015

Simsbury Board of Finance Rules of Procedure

BE IT RESOLVED, that the Board of Finance adopts the following rules of procedure:

1. The Board of Finance (Board) adopts Robert's Rules of Order as a general guide for the conduct of all regular and special meetings. Additionally, the Board will conduct its business in accordance with all other applicable rules and regulations including the Connecticut General Statutes and the Town Charter.
2. A biennial organizational meeting of the Board will be held on the first regularly scheduled meeting following the date on which newly elected Board members take the oath of office. The organizational meeting will be called to order by the Chairperson or the Vice-Chairperson, in that order of priority, provided one of these officers is still a member of the Board. If none of the Board officers from the preceding year is presently a member of the Board, any Board member present may call the meeting to order. A temporary Chairperson will be chosen by a majority of those members present. The temporary Chairperson will preside until a successor is elected. The newly elected Chairperson will take office upon election and preside over the elections of the Vice-Chairperson.
3. If such officers are not chosen within one month after the appointment or election of The Board because of a tie vote of the members, the two leading contenders may agree to be co-chairs, sharing responsibilities equally. If they do not agree to such co-chairmanship, the Board of Selectmen shall choose such officers from the membership of the Board, pursuant to C.G.S. Chapter 106, Sec. 7-342. If the Board of Selectmen also fails to elect such officers due to a tie vote of its members, the two leading contenders shall flip a coin to determine which shall be chair. The other shall be vice chair.
4. In the event of a mid-term vacancy in the position of either chair or vice-chair, an election shall be held at the next regularly scheduled meeting to fill such vacancy. The duly published notice for such meeting shall include the election as the first agenda item. Following the protocol in items 2 & 3 above, a successor shall be elected.
5. At all meetings of the Board, four members shall constitute a quorum and the concurrence of three votes shall be necessary for the transaction of business.
6. When possible, the agenda along with relevant resource material will be distributed to the Board members three (3) to seven (7) days prior to the meeting. Items not specifically included on the agenda may be included by a 2/3 vote of those present and voting.

From time to time, the Board may schedule special meetings or regular meetings devoted to a particular topic or topics. In accordance with Connecticut General Statutes, no items will be added to a special meeting agenda.

7. A member of the Board may have an item placed on the agenda by contacting the Chairperson at least (7) days prior to the meeting.

8. The Board will hold public audience during at least one meeting each year. During such public audience, each speaker will be limited to (5) minutes. Any citizen so speaking shall identify him/herself by name and address and if he/she is representing a group or organization, he/she may so state. The Chair may, at his or her discretion, recognize specific members of the public for participation on an agenda item under discussion, if he or she feels that member of the public has knowledge or input of value to the board.

9. Members of the Board may participate by telephone or similar electronic means when physically unable to attend.

10. The Board may, from time to time, vote to establish temporary subcommittees consisting of both Board members and non-board members, to investigate items, provide analysis and make recommendations to the board.

11. The Board shall review and re-adopt or revise all Board of Finance policies every 5 years.

12. In accordance with Chapter 14, Section 1-225 of the CGS, entitled Freedom of Information Act, the votes of each member of the Board of Finance shall be recorded in the minutes and made available to the public. A draft of the minutes shall be available to the public within 7 days. The minutes shall be posted on the town's website when available.



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

TOWN OF SIMSBURY PURCHASING PROCEDURES AND GUIDELINES *Revised by the Board of Finance on January 19, 2021*

I. Purpose

The purpose of this policy is to ensure that the Town of Simsbury obtains the highest quality of desired goods and services at the most competitive price. Further, this policy aims to streamline the procurement process while maintaining adequate internal controls.

II. Applicability

This policy applies to all staff, elected officials, and appointed officials involved in the procurement process.

III. Effective Date

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

IV. Policy

A. Purchasing Agent

The Finance Director or his/her designee shall serve as the purchasing agent for the Town of Simsbury. He/she shall be responsible for the procurement of all goods and services as outlined in Chapter A161 of the Code of the Town of Simsbury. The Town Manager or his/her designee shall also be responsible for signing all contracts awarded to a vendor.

B. Competitive Quotes/Bid Thresholds

All purchases between \$10,000 - \$25,000 shall have quotes solicited from at least two (2) vendors. Vendor quotes can be written or verbal.

Bids shall be issued for purchases in excess of \$25,000 and require a formal written contract unless the Town can take advantage of a regional, state, local government or cooperative agency contract. This applies to annual orders (items purchased on volume basis) as well.

Bid bonds will be evaluated as part of the bid process. The department head, in conjunction with the Finance Director, will determine if the inclusion of a bid bond is in the best interest of the town.

A request for qualifications along with a request for proposal shall be issued for professional services (i.e. legal, engineering, architectural, etc.) contracts in excess of \$50,000 unless the Town can take advantage of a regional, State or cooperative agency contract.

Bid procedures outlined herein can be waived at any time if it is deemed to be in the best interest of the Town of Simsbury by the Finance Director and the Town Manager. All waivers shall be reported to the Board of Selectmen at the next regularly scheduled meeting for review.

Federal Grant Requirement: Bids shall be issued for purchases in excess of \$10,000 (or most recent update to the 2 CFR 200.318 – General Procurement Standards included in the Code of Federal Regulations)

Federal Grant Requirement: Statement of Responsibility – The Town is responsible, in accordance with good administrative practice and sound business judgement, for the settlement of all contractual and administrative issues arising out of procurements.

Federal Grant Requirement: If any prequalified list of persons, firms, or products are used in acquiring goods and services, they must be current and include enough qualified sources to ensure maximum open and free competition.

Federal Grant Requirement: All necessary affirmative steps must be taken to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

Federal Grant Requirement: An independent cost or price analysis must be performed in connection with every procurement action in excess of the Simplified Acquisition Threshold (currently set at \$3,000)

C. Contracts and Credit Applications

All credit applications shall be completed and signed by only the Finance Director or his/her designee. All vendor contracts shall be completed and signed by the Town Manager or his/her designee.

It is the responsibility of the department head and Finance Director to ensure that contractors perform in accordance with the terms, conditions and specifications in their contracts or purchase orders.

D. Conflicts of Interest

A conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

Any conflict of interest must be disclosed in writing to the Finance Director. The conflict statement will be reviewed by the Finance Director as well as the Town Manager and a

determination will be made as to whether to proceed with the respective vendor and formalized in writing.

If the conflict of interest resides with the Finance Director or Town Manager, the Deputy Town Manager will assist in the review and final determination as to whether to proceed with respective vendor.

Federal Grant Requirement: No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest (as defined above).

E. Vendor Selection

The following considerations shall be evaluated during the process of vendor selection:

- The Town is encouraged to take advantage of the lowest possible price while obtaining the highest quality products and services.
- The Town shall ensure the selected vendor is able to provide the products/services in a timely manner.
- The acquisition of unnecessary or duplicative items must be avoided. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- The Town is encouraged to use refurbished, excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- The Town is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.
- Contracts shall only be awarded to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- Local Vendor Benefit – If any Simsbury *based* vendor responds to a bid notice and comes within 5% of the lowest bidder, all qualifications considered equal, the local based vendor will be allowed the opportunity to adjust their bid to match that of the lowest bidder.
- *Federal Grant Requirement:* The Town may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.

F. Grant Funded Purchases

All purchases utilizing grant funds shall follow the Town purchasing policies and procedures as established in this policy.

G. Emergency Purchases

An emergency exists when the operation of a department would be seriously hampered; or in which life, limb or property may be endangered; or in which the health or welfare of the general public is seriously threatened; or a natural or man-made disaster has occurred.

If an emergency determination is made by the Town Manager or Finance Director it may be necessary to deviate from the formal purchasing process. Once the emergency situation has been rectified, all purchases made related to this emergency shall be formalized by the purchasing process as soon as possible.

If a contract is required as part of rectifying the emergency situation, consideration should be made to a short term contract with limited authority whenever possible.

Chapter A161. Purchasing

§ A161-1. Purpose; objectives.

A. Be it resolved by the Board of Selectmen of the Town of Simsbury that in order to amplify Section 812 of the Town Charter and to provide a systematic and uniform standard of purchasing policies, the Board hereby adopts the following procedures which are incorporated into this chapter.

B. Purchasing objectives:

(1) To procure materials, supplies, equipment, public improvements, and services at the lowest cost while obtaining the highest quality products and services possible.

(2) To conduct purchasing without regard to political affiliation, race, color, creed, sex, age, religion, national origin, marital status, sexual orientation, genetic makeup, gender identity, military service and veteran's status, disability, or any other protected class, family relationship or business associations of vendors, contractors or consultants.

§ A161-2. Purchase orders required.

All proposed purchases shall be supported by a purchase order, signed by the issuing Department Head and the Finance Director or his/her agent. Oral approval may be given in emergencies but shall be followed immediately by a written purchase order.

Notwithstanding the provisions of this section, the Finance Director may allow budgeted agencies to use purchasing cards for purchases not exceeding \$1,000, unless such agency receives written approval from the Finance Director to exceed such amount. No budgeted agency, or any official, employee or agent of a budgeted agency, shall incur any obligation using such a card, except in accordance with procedures established by the Finance Director.

§ A161-3. Annual orders.

Annual orders of items used on a volume basis, which exceed, in the aggregate, \$10,000, shall follow the procedures outlined below.

§ A161-4. Verbal and written quotes.

Purchases in excess of \$10,000 but less than \$25,000 shall have documented via verbal or written quotes, whenever possible, from at least two vendors.

§ A161-5. Bids; contracts required.

A. Purchases or contracts expected to exceed \$25,000 shall require formal sealed bids and the execution of a written contract between the, qualified bidder and the Town. Such sealed bids shall be opened in public at the time and place designated in the specifications. The Town may accept substitutes that meet the same criteria as outlined in the specifications. Requests for formal sealed bids shall be issued by the issuing department head, received by the date due and turned in to the Finance Director.

B. Purchases or contracts expected to exceed \$25,000 shall be advertised at least 10 days prior to the bid opening on a website such as but not limited to the CT Department of Administrative Services website or the Town's official website as a means of a formal "invitation to bid."

C. An appropriate fee may be charged for a copy of plans and specifications, said fee, or portion thereof, to be refunded upon return of the plans and specifications within the designated period.

D. Bid bonds will be evaluated as part of the bid process. The Department Head, in conjunction with the Finance Director, will determine if the inclusion of a bid bond is in the best interest of the Town.

§ A161-6. Awarding of contract.

The Finance Director or his/her designee or Town Manager or his/her designee is authorized to award contracts.

§ A161-7. Signing of purchase orders or contract.

A. The Finance Director or his/her designee and/or Town Manager or his/her designee is authorized to sign all purchase orders. The Town Manager or his/her designee is authorized to sign all formal contracts approved under the appropriate procedure as stipulated herein.

B. Under an existing contract, any change order which increases the contract amount shall be subject to prior budgetary approval by the Finance Director and approved by the Town Manager or his/her designee, for any change in the scope of the project.

§ A161-8. Rejection of bids.

The board, person or agent having the authority to award may reject any or all bids, part of all bids or all bids for any one or more supplies or contractual services included in the proposed contract, or waive defects in same when the public interest will be served best thereby.

§ A161-9.1. Local vendor preference; Town-based business.

If any Simsbury based vendor responds to a bid notice and comes within 5% of the lowest bidder, all qualifications considered equal, the local based vendor will be allowed the opportunity to adjust their bid to match that of the lowest bidder.

§ A161-10. Exemption from bids.

A. Purchases made through or on the basis of regional, state, local government or cooperative agency bids shall be exempted from any bidding procedures.

B. A purchase may be made or contract awarded for a supply, service or construction item without a competitive bid when it is determined that there is only one source for the required supply, service or construction item.

C. The bid procedures outlined herein can be waived at any time if it is deemed to be in the best interest of the Town of Simsbury by the Finance Director and the Town Manager. All waivers shall be reported to the Board of Selectmen at the next regularly scheduled meeting for review.

§ A161-11. Professional services contracts.

Contracts for professional services (legal, engineering, architectural, etc.) in excess of \$50,000 are required to go out for a request for qualifications (RFQ). Services under \$50,000 shall not be governed by these regulations, but every effort shall be made to secure well-qualified professionals at the best terms possible for the Town.

§ A161-12. Emergencies.

A. In case of emergency the Finance Director may, or in the best interest of the Town, the Town Manager may, waive the procedures outlined herein.

B. Emergency situations shall be those in which the operation of a department would be seriously hampered; or in which life, limb or property may be endangered; or in which the health or welfare of the general public is seriously threatened; or a natural or man-made disaster has occurred

§ A161-13. When effective; revisions.

These bidding and purchasing regulations shall become effective as of November 14, 2018, and may be revised or amended from time to time by formal action of the Board of Selectmen.

§ A161-14. Board of Education transactions.

Separate procedures shall be established for Board of Education transactions.

§ A161-15. Conflict with Charter or state law.

In the event of any conflict between these procedures and the Charter of the Town of Simsbury or the Connecticut General Statutes, these procedures shall be construed to conform to the Charter or statutes, as the case may be.

§ A161-16. Review and adoption.

The procedures outlined herein shall be reviewed, amended, and adopted by the Board of Selectmen as needed. These procedures shall remain in effect until amended.



Town of Simsbury

933 HOPMEADOW STREET

SIMSBURY, CONNECTICUT 06070

Capital Asset Policy

Adopted by the Simsbury Board of Finance on June 20, 2018

Revised by the Simsbury Board of Finance on February 19, 2019

I. PURPOSE

The policy establishes guidelines, capitalization thresholds and useful life, and procedures for the inventory, depreciation and disposal of the Town's capital assets. It will assist the Finance Department in gathering and maintaining information needed for the preparation of the Comprehensive Annual Financial Report.

II. THRESHOLDS

	<u>GFOA Recommended</u>	<u>Board of Finance Approved</u>
<u>Capitalization</u>		
Equipment	>\$5,000	\$10,000
Improvements <i>(e.g. building additions, parking lot expansion)</i>	\$20,000	\$20,000
Infrastructure <i>(e.g. new roads, sewer lines, bridges, dams)</i>	\$100,000	\$100,000
<u>Accountability</u>		
Equipment other than computers	<i>These will not be capitalized unless they meet the thresholds as defined above. They will be inventoried for insurance purposes.</i>	
Computer Equipment		

III. GROUP PURCHASES

A total purchase for an amount greater than the thresholds defined above, which consists of more than one item purchased, with individual items which are below the threshold, will not be capitalized.

Example: More than one computer
Multiple desks and chairs

IV. ROAD IMPROVEMENTS

Resurfacing is considered to be road maintenance. Improvements that expand capacity are to be capitalized.

Example: Changing a one lane road to two, or adding a turning lane or paving unimproved road.

V. OTHER IMPROVEMENTS

Replacing a roof, carpeting, windows (unless the replacement has other benefits) are considered maintenance and should not be capitalized.

If the improvement increases capacity, use or significantly increases the useful life, then it should be capitalized if it is over the threshold.

VI. RECORDING OF ASSETS

Assets will be recorded individually to the extent possible to ensure proper accountability, accurate depreciation, and to allow for specific identification for recording of disposition.

VII. DONATED ASSETS

Donated assets are to be recorded at the fair market value at the date of gift. Department heads are responsible for completing the fixed asset addition form for all assets donated above the capitalization and accountability thresholds.

VIII. DEPRECIABLE LIVES

Depreciable lives should be based upon actual expected use by the Town, not by tax lives or other general estimates. An attempt should be made to set the depreciable lives to coincide with the Town's capital replacement program.

Department Heads should be consulted on the specialty equipment used by their departments for depreciable lives.

Standard useful lives include:

- Roads: 30-50 years
- Sewer Lines and Water Lines: 50 years
- Bridges/Large Culverts: 30-50 years

- Dams: 50 years
- Buildings: 50-75 years
- Fire Equipment: 20-25 years
- Ambulances: 5 years
- Vehicles: 3-15 years
 - Autos, Light Trucks, Heavy Trucks
- Machinery and Equipment: 3-10 years
- Construction Equipment: 5 years

For Construction in Progress update the asset record from the previous year until the asset is complete and transferred to the appropriate category.

IX. DISPOSAL

Assets with cost of \$10,000 or greater:

For all assets of \$10,000 or greater, disposal will require completion of the fixed asset disposal form and approval by the Finance Department. In no circumstance may an asset be disposed of without prior approval.

To the extent possible, the Department head will complete all data on the Fixed Asset Disposal Form, and submit for approval. Upon approval the asset may be disposed of by the approved manner appropriate in the circumstance (trash, sale, trade-in).

Asset impairments:

If an asset has suffered a significant impairment in function or useful life due to level of use, accident or other damage, the event with the estimated effect of the impairment and any intent to repair the asset to original operating condition should be reported to the Finance Department.

**FIXED ASSET ADDITION
DATA ENTRY FORM**

ASSET DESCRIPTION: _____

ASSET NUMBER (IF APPLICABLE): _____

DATE OF ACQUISITION: _____

COST: _____

USEFUL LIFE: _____

SALVAGE VALUE: _____

SERIAL NUMBER: _____

TYPE OF ASSET: _____

TOWN DEPARTMENT: _____

LOCATION OF ASSET: _____

SOURCE OF FUND: _____
(TAXES, GRANTS, BONDS, DONATIONS)

CAPITALZATION OR ACCOUNTABILITY POLICY: _____

ENTERED BY: _____

**FIXED ASSET DELETION
DATA ENTRY FORM**

ASSET DESCRIPTION: _____

ASSET NUMBER (IF APPLICABLE): _____

DATE OF ACQUISITION: _____

COST: _____

SERIAL NUMBER: _____

TYPE OF ASSET: _____

TOWN DEPARTMENT: _____

LOCATION OF ASSET: _____

SOURCE OF FUND: _____
(TAXES, GRANTS, BONDS, DONATIONS)

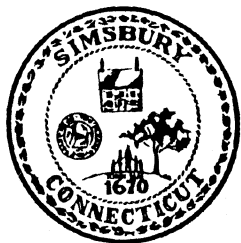
REASON FOR DISPOSAL: _____

TYPE OF DISPOSTION:	SALE	_____
	DISCARDED	_____
	DONATED	_____
	OTHER	_____

ENTERED BY: _____

REQUESTED BY: _____

APPROVED BY: _____



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.

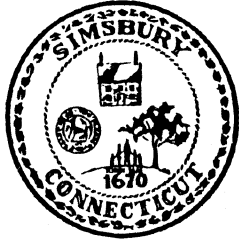
This fund may receive contributions from the sale of town owned buildings and property, transfers from the General Fund, transfers from Special Revenue Funds, unexpended balances of completed capital projects in the Capital and Non-Recurring Fund and Capital Projects Fund(s), grants, donations and interest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



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

TOWN OF SIMSBURY DEBT MANAGEMENT POLICY

Adopted by the Board of Finance on February 15, 1989

*Revised by the Simsbury Board of Selectmen on February 11, 2020, March 22, 2021 and
The Board of Finance on February 18, 2020 and March 16, 2021*

I. Purpose

The purpose of a debt policy is to establish written and objective guidelines to improve the quality of decision-making on long-term capital planning and on the appropriateness of utilizing debt to fund capital expenditures at the most economically advantageous rates of interest. It is the Board of Finance policy that the Town will confine long-term borrowing to capital improvements or projects that cannot be financed with current revenues. This policy recognizes the infrastructure needs of the Town as well as the taxpayer's ability to pay while taking into account existing legal, economic, financial and debt market considerations.

The primary objectives of this policy are to:

- Establish conditions for the issuance of debt for the purpose of funding capital projects.
- Plan for long and short-term issuance to finance the Town's capital program based on cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions.
- Minimize the Town's debt service and issuance costs.
- Retain the highest credit rating and ensure financial integrity while providing a funding mechanism to meet the Town's capital needs.
- Maintain full and complete financial disclosure and reporting.

This policy is based on the practices recommended by the Government Financial Officers Association (GFOA) to facilitate compliance with local, state and federal laws and regulations.

III. Effective Date

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

IV. Authority and Responsibility

1. *Borrowing Authority*: The Town shall have the power to incur indebtedness in accordance with Connecticut General Statutes subject to the provisions of the Simsbury Town Charter. As stated in Chapter VIII, Section 813, the issuance of bonds and notes, except tax anticipation notes, shall be authorized by resolution of the Board of Selectmen. The issuance of notes, the term of which does not exceed one (1) year, may be authorized by the Board of Selectmen upon recommendation of the Board of Finance.

2. *Responsibility*: It shall be the responsibility of the Board of Selectmen, the Town Manager and the Finance Director to issue debt in compliance with the terms outlined in this policy and in compliance with the Town Charter and State and Federal law. The primary responsibility of debt management rests with the Finance Director. The Finance Director shall:
 - Provide for the issuance of debt at the lowest possible cost and risk;
 - Determine the available debt capacity;
 - Provide for the issuance debt at appropriate intervals and in reasonable amounts as required to fund approved expenditures;
 - Recommend to the Board of Selectmen the manner of sale of debt;
 - Monitor opportunities to refund debt and recommend such refunding as appropriate;
 - Comply with all Internal Revenue Service (IRS), Securities and Exchange Commission (SEC), and State and local rules and regulations governing the issuance of debt;
 - Provide for the timely payment of principal and interest on all debt; ensure that the fiscal agent receives funds for payment of debt service on or before the payment date;
 - Provide for and participate in the preparation and review of offering documents;
 - Provide annual disclosure information to established national information repositories and maintain compliance with disclosure statements as required by the state and national regulatory bodies;
 - Distribute to appropriate repositories information regarding financial condition and affairs at such time and in the form required by law, regulation and general practice;
 - Provide for the distribution of pertinent information to rating agencies;
 - Maintain a current database of all outstanding debt; and
 - Apply and promote prudent fiscal practices.
 - Develop and maintain a capital finance model to evaluate the impact of capital program spending, operations and maintenance costs, and debt service on its financial condition.

V. Policy

1. Debt Retirement Objective – As determined by the Board of Finance, debt retirement expenses (interest and principal) shall be at a rate of not more than 8% of the total annual general fund operating budget. Debt that is being funded outside of tax revenues (i.e. WPCA Sewer Use Fees) shall not be included within the 8% unless the fund responsible for the debt payments is financially unstable and it is anticipated that the Town will be called upon to make debt payments from the general fund.
2. Compliance with Six-year Capital Improvement Plan (CIP) - Capital Planning for Simsbury is required by the Town Charter, Section 803 and predicated on adoption by the Board of Selectmen of a six-year CIP. In general, with the exception of emergencies and mandates, this plan is the governing document for capital expenditures. The Town further recognizes that certain projects for which debt financing should be considered may arise in such a manner that they cannot be incorporated into the six-year CIP prior to financing, e.g., the coming to the market of a specific property the Town desires to acquire for open space purposes.
3. Types of Permissible Debts – whenever possible, the Town will first attempt to fund capital projects with state and federal grants or other revenues. When such funds are insufficient, the Town may use dedicated revenues from Special Revenue Funds, Capital Projects Funds, or General Fund revenues or reserves. If these are not appropriate or sufficient, the Town will use bond funding or long-term leases. The Board of Selectmen and the Board of Finance will evaluate debt-funding scenarios as part of the capital budget process using models developed by the Finance Director in order to prioritize future financing needs and to evaluate compliance with this policy. The Board of Finance will forward its recommendations to the Board of Selectmen.

General Obligation (G.O.) bonds may be issued to finance traditional public improvements for which other funding is unavailable or impractical. Long-term bonds may be used to finance infrastructure or facility improvement projects with an estimated life expectancy of at least 15 years or cost at least \$250,000.

The Town may go to market for G.O. bonds for a minimum threshold of \$1,000,000. A smaller number of projects may be combined to meet the threshold, provided that each such included project meets the 15-years useful life condition.

General Obligation (G.O.) Bond Anticipation Notes (BAN's) may be issued for short-term debt. The Town may choose to issue bond anticipation notes (BAN's) as a source of interim financing when deemed prudent. Bond anticipation notes may also be used as a form of permanent financing (generally up to 10 years under current statutes) by renewing the notes over a number of years and reducing the principal amount of the notes on renewal.

Capital Lease Purchase Financing, in contrast to a true lease, provides for the acquisition of the leased item. Lease purchase financing may be used for procuring assets that are too expensive to fund with current receipts in any one year, but with useful lives too short (less than 15 years) to finance with long-term debt. Generally, lease purchase financing will not be considered for the purchase or construction of

assets with a life expectancy of less than five years. The Town will seek competitive pricing when practical.

Low Interest Loan – The use of federal and state aided low interest loans should be considered before consideration of issuing any other forms of debt. Low interest loans may also be considered from private banks as permitted by law.

4. Statutory Debt Limitations – Under Connecticut Law, municipalities may not incur indebtedness through the issue of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes 2.25 times base
School Purposes 4.50 times base
Sewer Purposes 3.75 times base
Urban Renewal Purposes 3.25 times base

The “base” is defined as annual receipts from taxation (total tax collections including interest and penalties) and State payment for revenue losses under CGS sections 12-24a, 12-24c and 12-129d. In no case shall total indebtedness exceed seven times the base.

The statutes also provide for certain exclusions of debt issued in anticipation of taxes, for the supply of water, supply of gas, supply of electricity, construction of subways, for the construction of underground conduits for cables, wires, and pipes and for two or more of such purposes; for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract.

5. Bond Structure

Consideration should be given by the Board of Selectmen to each of the following:

- Providing cash in advance to meet project expenses
- Maximizing the credit rating potential and market acceptance of the bonds
- Minimizing net borrowing cost
- Minimizing the impact of debt service payments on annual cash flow

Bond term – All capital improvements financed through the issuance of debt will be financed for a period not to exceed the useful life of the improvements, but in no event to exceed 20 years. For capital expenditures valued below \$20 million, bonding will not exceed ten (10) years. Fifteen (15) to twenty (20) year bond terms may be considered and approved in the budget process by the Board of Finance for major projects exceeding \$20 million that benefit the community.

Interest Rates - The Town will attempt to issue debt that carries a fixed interest rate. However, it is recognized that certain circumstances may warrant the issuance of variable rate debt. In those instances, the Town should attempt to stabilize debt service payments through the use of an appropriate stabilization arrangement. Board of Selectmen approval is needed to issue variable rate debt.

Debt Service Pattern – The preferred debt service method is level principal, however, new debt should be structured to coincide with the retirement of past debt to lessen the

impact upon the mill rate and to keep debt service costs at or below 6-8% 7% of the operating budget. Debt that is being funded outside of tax revenues (i.e. WPCA Sewer Use Fees) shall not be included within the 6-8% 7% unless the fund responsible for the debt payments is financially unstable and it is anticipated that the Town will be called upon to make debt payments from the general fund. The Board of Finance will review the debt service percent of operating on an annual basis and formally set the target debt as percent of operating during the budget process.

Call provision – The Board of Selectmen seeks to minimize the cost from optional redemption call provisions, consistent with its desire to obtain the lowest possible interest rates on its bonds. The Town Manager and Finance Director will evaluate the optional redemption provisions for each issue to ensure that the Town does not pay unacceptable higher interest rates to obtain such advantageous calls.

Method of sale – Debt obligations are generally issued through competitive sale. When conditions favorable for a competitive sale do not exist and when a negotiated sale will provide significant benefits to the Town that would not be achieved through a competitive sale, the Board of Selectmen may elect to sell its debt obligations through a private or negotiated sale.

6. Refunding Debt - The Board of Selectmen will continually monitor its outstanding debt in relation to existing conditions in the debt market and will refund any outstanding debt when sufficient savings can be realized. The target threshold for net present value savings should be a minimum of 2%.
7. Emergencies - During emergency situations, the Town may issue debt to provide for emergency infrastructure repair or replacement if such repair or replacement as necessary for the immediate preservation of the public peace, health and safety as governed by the Town Charter.

VI. Debt Affordability Measures

The Board of Finance, in connection with the budget approval process, will evaluate the Town's debt position. The following statistical measures to determine debt capacity will be used and evaluated in relation to rating agency standards and the Town's historical ratios to determine debt affordability:

Debt Burden and Service Indicators

- Debt as a percentage of Net Taxable Grand List
- Debt per capita
- Debt to personal income
- Debt to taxable property value
- Debt as a percentage of General Fund expenditures
- Simsbury debt in comparison to other comparable towns

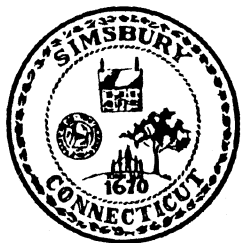
VII. Professional Services

1. Bond Counsel: All debt issued by the Town will include a written opinion of bond counsel affirming that the Town is authorized to issue the proposed debt. The opinion

shall include confirmation that the Town has met all Town and state requirements necessary for its issuance, a determination of the proposed debt's federal income tax status and other components necessary for the proposed debt.

2. Municipal Advisor: A Municipal Financial Advisor(s) will be used to assist in the issuance of the Town's debt. The Municipal Financial Advisor will provide the Town with objective advice and analysis on debt issuance. This includes, but is not limited to, analyzing debt capacity, projecting future debt impact and modeling of future debt issuance, monitoring market opportunities, structuring and pricing debt, and preparing official statements of disclosure.
3. Underwriters: An Underwriter(s) may be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing the negotiated or private placement debt and reselling the debt to investors.
4. Fiscal Agent: A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders.

All vendors retained by the Town of Simsbury will be selected in accordance with the Town of Simsbury's purchasing policy.



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

TOWN OF SIMSBURY FUND BALANCE POLICY

Revised by the Board of Finance on September 15, 2020

I. Policy Statement

Fund balance is an approximate measure of liquidity. Reserves are a cornerstone of financial flexibility and provide the Town of Simsbury with options to respond to unexpected issues and provide a buffer against fiscal challenges. This policy (the “Policy”) is intended to provide for a fund balance which satisfies the cash flow and contingency needs of the Town while at the same time avoiding over taxation with an excessively large fund balance.

A positive fund balance serves three important functions:

1. Eliminates the need for short term borrowing to handle cash flow between the start of the fiscal year and receipt of revenue from taxes;
2. Serves as a contingency fund that enables the Town to respond to unanticipated emergencies or opportunities: and
3. Provides funds that can be used periodically to lower taxes to smooth out major fluctuations in the property tax rates.

Credit rating agencies determine the adequacy of the unreserved fund balance using a complex series of financial evaluations. The size of the fund balance is important, but not the only consideration in the Town’s rating. Fund balance reserve levels of AAA rated communities will be reviewed and taken into consideration for determining the appropriate fund balance reserve level for the Town of Simsbury. Other important factors include the reliability of a government’s revenue sources, economic conditions, community wealth factors, cash position, debt ratios, management performance, and fiscal decisions made by the legislative body.

II. Effective Date

This policy shall remain in effect until revised or rescinded. The Board of Finance reserves the right to amend this policy as necessary.

III. Governmental Fund Type Definitions

- General Fund (Operating budget, taxes, police, etc.)– All funds not reported in another fund.

- Special Revenue Funds (Parks and Recreation, etc.)– Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt and capital projects. Restricted or committed revenues are the foundation for a special revenue fund.
- Capital Project Funds (High School Renovations, etc.)– Used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Permanent Funds (Pension Funds , etc.)– Used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town’s programs – that is for the benefit of the government or its citizenry. Permanent funds do NOT include private purpose trust funds.

IV. **Fund Balance Definition**

Fund Balance is the difference between the Town’s current assets (cash, short-term investments, receivables) expected to be available to finance operations in the immediate future and its current liabilities.

Fund balance is initially characterized as being restricted and unrestricted. Unrestricted Fund Balance is calculated as follows:

Total Fund Balance
 Less: Nonspendable fund balance
 Less: Restricted fund balance
 Unrestricted Fund Balance

1. Restricted Fund Balance Categories:

Nonspendable fund balance– Amounts that cannot be spent because they are (a) not in spendable form (such as inventory, prepaid items, long term portions of notes receivables) or (b) legally or contractually required to be maintained intact (such as the corpus of an endowment fund).

Restricted fund balance- Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

2. Unrestricted Fund Balance Categories:

- Committed fund balance– Amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purposes unless the government takes the same highest-level action to remove or change the constraint.

- Assigned fund balance– Amounts the Town intends to use for a specific purpose; intent can be expressed by the Town or by an official or body to which the Town delegates the authority. Appropriations of existing fund balances to future budgets are considered assigned fund balance. The Town shall not report an assignment that will result in deficit in Unassigned fund balance. Negative fund balances cannot be considered assigned. The body authorized to assign amounts to a specific purpose for purposes of this policy is the Board of Finance.
- Unassigned fund balance – Amounts that are available for any purpose; these amounts are reported only in the general fund. In other governmental funds, if expenditures incurred exceeded the amounts restricted, committed or assigned it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers the restricted fund balance amount to have been spent first until exhausted and then any available unrestricted fund balance.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts are available, the Town considers the fund balance to be spent in the following order: committed, assigned, and then unassigned.

V. General Fund Guidelines

The Town Boards shall propose budgets that provide for an unrestricted general fund balance of a minimum of (15) percent of the total operating general fund expenditures.

In the event the fund balance is greater than seventeen (17) percent at the end of any fiscal year, the excess may be used in one or a combination of the following ways:

- Transfer such excess to the Debt Service Fund for future debt payments.
- Transfer such excess to the Capital or the Capital Nonrecurring Fund for future capital projects.
- Transfer such excess to the Pension and/or OPEB trust funds
- Transfer such excess to Special Revenue funds to offset deficits or future costs

The following circumstances may justify maintaining a fund balance exceeding 17%:

- Significant volatility in operating revenues or operating expenditures;
- Potential drain on resources from other funds facing financial difficulties;
- Exposure to natural disasters (e.g. hurricanes, public health crisis etc);
- Reliance on a single corporate taxpayer or upon a group of corporate taxpayers in the same industry;
- Rapidly growing budgets; or
- Disparities in timing between revenue collections and expenditures.

Exigent circumstances may justify a “spend down” of the fund balance to under 15%. Examples of such circumstances include:

- Operating emergencies
- Unanticipated budgetary shortfalls

The Board of Finance shall monitor and modify the minimum fund balance requirements based on these criteria. If at the end of a fiscal year, the unrestricted general fund balance is below fifteen percent of the total operating general fund expenditures for reasons other than the timing of receipt of disaster recovery funds that have been approved by the federal or state government (provided the town's receipt of such funds is reasonably expected to occur within three to six months), the Finance Director shall prepare and submit a plan for expenditure reductions and or revenue increases. The Board of Finance shall take action necessary to restore the unreserved, undesignated fund balance to acceptable levels within three years or the next budget cycle or a reasonable time period.

VI. Capital Fund Guidelines

It is the intent of the Town of Simsbury to set aside funds, when operations allow, for large capital projects to help minimize the debt service needs for these projects. The Capital Fund Reserve shall be in accordance with the CNR and Capital Policy as adopted on February 19, 2019, and may be amended from time to time.

VII. Internal Service Fund Guidelines

Reserve targets established for internal service funds shall ensure that the fund continues to provide service without interruption including self-insurance. The Town of Simsbury currently maintains internal service funds for medical and dental activity. In accordance with best practice, the fund balance for these funds should always be at 20 – 25% of expected claims.

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.

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 judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence 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

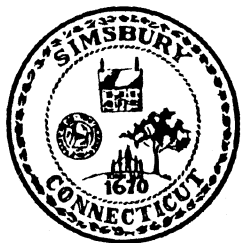
The Director of Finance shall insure that there are adequate internal controls for the Town's cash management processes and that they are fully document and adhered to. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, third-party misrepresentation, 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

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

TOWN OF SIMSBURY
DEFINED BENEFIT PENSION PLANS INVESTMENT POLICY STATEMENT
Adopted by the Retirement Plan Subcommittee in November 2012
Amended on September 12, 2018
Adopted by the Board of Finance on July 30, 2019
Amended and Adopted by the Board of Finance on September 15, 2020

I. Introduction & Purpose

The TOWN OF SIMSBURY DEFINED BENEFIT PENSION PLANS (the “Plans”) have been established to provide retirement benefits to those individuals eligible to receive them. This policy statement outlines the goals and investment objectives for the Plans. This document is intended to provide guidelines for managing the Plans, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

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

II. Investment Objective

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

- To achieve the stated actuarial target of the Plans;
- To maintain sufficient liquidity to meet the obligations of the Plans;
- To diversify the assets of the Plans in order to reduce risk;
- To achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios and of appropriate market indexes.

III. Assignment of Responsibilities

Board of Finance - In accordance with Simsbury’s Town Charter, Section 808, “The Board of Finance shall supervise and maintain the Town pension and other post-

employment benefit funds in accordance with rules and regulations contained in agreements between the Town employees and the Town of Simsbury and or the Board of Education regarding pension and other post-employment benefits. The Board of Finance shall, after consultation with the Board of Education and the Board of Selectmen, ensure the pension funds are prudently invested and shall also supervise and maintain the Retiree Benefit Fund established pursuant to the Town code of ordinances and designate the annual contribution to be made to insure said pension and post-employment funds. The investment and management of the assets of any such fund shall be in compliance with the prudent investor rule as set forth in Conn. Gen. Stat. Sections 45a-541 to 45a-541| inclusive of the General Statutes.”

The Board of Finance shall:

1. Oversee compliance by the investment manager(s) with the investment policy;
2. Evaluate the performance of the investment manager(s) against specific investment objectives;
3. Approve fee schedules of the investment manager(s) based on contractual agreements;
4. Select the investment custodian(s); and,
5. Approve the continuation of business relationships with investment manager(s), custodian(s), and other vendors, if any.

The Board of Finance may delegate its authority to act on its behalf to certain members or agents (such as the Town Manager, the Director of Finance, or designated Sub-Committees). The Board of Finance shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Board of Finance recognizes that some risk must be assumed to achieve the Plans’ long-term investment objectives. The Board of Finance will receive and review reports from the Town’s investment advisor on a semi-annual basis. The Board of Finance will review recommendations provided by the Retirement Plan Sub-Committee at their next regularly scheduled meeting.

Retirement Plan Sub-Committee – The Retirement Plan Sub-Committee is formed to satisfy the Simsbury Town Charter requirement that the Board of Finance consult with the Board of Selectmen and Board of Education. The Committee is charged with the responsibility of evaluating the assets of the Plans and recommending any changes to the Board of Finance. To that end, the Committee’s responsibilities include: recommending to the Board of Finance the Plans’ investment policy, objectives and portfolio guidelines with respect to asset allocation, risk parameters, and return evaluation and for specific interpretation of said investment policy, as well as selecting the investment vehicles, and periodically monitoring the performance of investments. The Committee will meet periodically. The Committee shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Committee recognizes that some risk must be assumed to achieve the Plans’ long-term investment objectives.

Investment Consultant – The Board of Finance will engage the services of an Investment Consultant. The Investment Consultant’s role is that of a non-discretionary advisor to the

Board of Finance and the Committee. The Investment Consultant will assist in the development and periodic review of an Investment Policy Statement and the Plans' asset allocation, conduct manager searches when necessary, monitor the performance of the managers/funds, and communicate on other matters of relevance to the oversight of the Plans.

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

IV. Asset Allocation

The asset allocation target ranges set forth in Appendix A represent a long-term view. Short-term market volatility may cause the asset mix to fall outside the targeted range.

V. Rebalancing

The Board of Finance, at its discretion, may or may not institute rebalancing as necessary. Such adjustments should be executed with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

VI. Selection Criteria for Investment Managers

Investment managers/funds retained by the Plans shall be chosen using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate indexes and other investments having similar investment objectives. Consideration shall be given to both consistency of performance and the level of risk taken to achieve results;
- The investment style and discipline of the investment manager;
- How well the manager's investment style or approach complements other assets in the Plans;
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund.

The Plans will utilize a multi-manager structure of complementary investment styles and asset classes to invest the Plans' assets.

The Investment Consultant is additionally tasked with regular oversight of the roster of investment managers deployed on the Plans' behalf. The motivation for this effort is to ensure that the managers continue to administer their portfolios in a manner consistent with the overall approaches and qualifications that appealed to the Board of Finance initially and that anomalies and deviations from these approaches and qualifications are identified and addressed. When deemed necessary, the Investment Consultant will provide other manager candidates for the Board of Finance's consideration.

Should additional contributions and/or market value growth permit, the Board of Finance may retain additional investment managers to invest the assets of the Plans. Additional managers would be expected to diversify the Plans by investment style, asset class, and management structure and thereby enhance the probability of the Plans achieving its long-term investment objectives.

VII. Securities Guidelines

The Plans' investments may include separately managed accounts and/or mutual funds/co-mingled funds, including marketable and non-marketable alternatives and exchange traded funds. The Board of Finance understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the Investment Policy Statement of each of the Plans' separately managed accounts or in the prospectus/offering memorandum for each mutual fund/co-mingled fund/exchange traded fund in the portfolio. No securities will be purchased, or carried, on margin.

With respect to mutual/co-mingled funds, the Board of Finance will consider the following to insure proper diversification and function for each of the funds:

1. The mutual fund/co-mingled pool organizations selected should demonstrate: (a) a clearly defined investment philosophy; (b) a consistent investment process; (c) an experienced and stable organization; and (d) cost-effectiveness.
2. The mutual fund/co-mingled pool used will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
3. Each mutual fund/co-mingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
4. With respect to hedge fund-of-funds, in addition to meeting each of the three above-specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

VIII. Proxy Voting

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

IX. Investment Monitoring and Reporting

The Board of Finance and Committee will periodically review performance of the investments in the Plans. Performance monitoring is the mechanism for revisiting the investment selection process and confirming that the criteria originally satisfied remain intact and that an investment continues to be appropriate for the Plans. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process will utilize the same criteria that formed the basis of the investment selection decision. In addition, a set of “watch list criteria” may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus the Board of Finance and Committee on potential areas of concern.

Watch list criteria may include the following:

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

X. Termination of an Investment Manager or Fund

A manager/fund may be terminated when the Board of Finance has lost confidence in the manager's ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements;
- Maintain a stable organization and retain key investment professionals.

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

Any recommendation to terminate a manager/fund will be treated on an individual basis and will not be made solely based on quantitative data. In addition to those above, other factors may include, but shall not be limited to, professional or Town of Simsbury turnover, or material change to investment processes.

The process for selecting a replacement for a terminated manager would follow the criteria outlined in the section of this Investment Policy Statement titled Selection Criteria for Investment Managers.

XI. Approval

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

The Town of Simsbury:

By: _____

Signature: _____

Date: _____

Title: _____

**Appendix A
Updated August 2020**

Target Asset Allocation Table

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Index
Domestic Equities	21.5%	31.5%	41.5%	Russell 3000 Index
International Equities	17.5%	27.5%	37.5%	MSCI ACWI ex-U.S. Index; MSCI EAFE Small Cap Index; MSCI Emerging Markets Index.
Fixed Income	22.5%	32.5%	42.5%	Barclays Capital Aggregate Index; Citigroup World Government Bond Index

Real Estate	0.0%	5.0%	7.5%	NCREIF Index
Inflation Protection	0.0%	3.5%	7.0%	Bloomberg Commodity Index Total Return, Bloomberg Barclays US TIPS 0-5 Yr Index



Town of Simsbury

933 HOPMEADOW STREET ~ SIMSBURY, CONNECTICUT 06070

TOWN OF SIMSBURY
DEFINED CONTRIBUTION PENSION PLANS INVESTMENT POLICY STATEMENT
Adopted by the Board of Finance on May 18, 2021
Previously Adopted by the Retirement Plan Sub-Committee in 2014

I. Plan Description

The Town of Simsbury sponsors the Simsbury 457/401 Plans (the "Plan") for the benefit of its employees. It is intended to provide eligible employees with the long-term accumulation of retirement savings through a combination of employee and employer contributions to individual participant accounts and the earnings thereon.

The Plan's participants and beneficiaries are expected to have different investment objectives, time horizons and risk tolerances. To meet these varying investment needs, participants and beneficiaries will be able to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum. Participants and beneficiaries alone bear the risk of the results from the investment options and asset mixes that they select.

II. Purpose of the Investment Policy Statement

This investment policy statement is intended to assist the Plan's fiduciaries, who are charged with making investment-related decisions for the plan in a prudent manner. It outlines the underlying philosophies and processes for the selection, monitoring and evaluation of the investment categories and investment options utilized by the Plan. Specifically, this Investment Policy Statement:

- Defines the Plan's investment objectives
- Defines the roles of those responsible for the Plan's investments
- Describes the criteria and procedures for selecting investment categories and investment options
- Establishes investment performance measurement standards and monitoring procedures
- Describes methods for addressing investments that fail to satisfy established objectives

This Investment Policy Statement will be reviewed periodically, and, if appropriate, can be amended as needed.

III. Investment Objective

The following criteria may be considered when choosing a menu of investment options:

- The menu of investment options should represent a broad range that allows for participant choice among various asset classes and investment styles.
- Investment options should have varying degrees of risk and potential for return.
- Investment options should have returns that are competitive in the marketplace when compared to appropriate benchmarks.

- Investment options should have total expense ratios that are competitive in the marketplace.

These are not necessarily the only criteria that may be considered.

IV. Assignment of Responsibilities

The parties responsible for the management and administration of the Plan include:

1. The Town of Simsbury Retirement Plan Sub-Committee, (the "Committee") which is responsible for:
 - Recommending the Investment Policy Statement
 - Recommending investment options
 - Periodically evaluating the Plan's investment performance and recommending investment option changes
2. The Town of Simsbury Board of Finance, (the "Board") which is responsible for:
 - Approving and maintaining the Investment Policy Statement
 - Selecting investment options
 - Periodically evaluating the Plan's investment performance and selecting investment option changes
 - Approving the continuation of business relationships with investment managers, custodians, and other vendors, if any
3. The Plan's Administrator is responsible for day to day administration of the plan **in accordance with paragraph 2 above. The Town Manager or his/her designee is responsible for serving as the Plan's Administrator.**
4. The Plan's Trustee, who is responsible for holding and investing plan assets in accordance with the terms of the Trust Agreement. The Finance Director or his/her designee is responsible for serving as the Plan's Trustee.
5. The Investment Managers of the Plan options, who are responsible for making reasonable investment decisions consistent with the stated approach as described by prospectus and reporting investment results on a regular basis.
6. The Plan Record keeper, who is responsible for maintaining and updating individual account balances as well as information regarding plan contributions, withdrawals and distributions.

At the Board of Finance's discretion, the services of an investment consultant may be utilized to assist the Committee, Board, Town Manager and Finance Director with any of the following, including, without limitation: Investment policy development, fund menu construction, fund analysis and recommendations, performance monitoring, and employee education.

V. Selection of Investments

Set forth below are the considerations and guidelines employed in selection of investment options:

The Plan intends to provide a broad range of investment options that will span a risk/return spectrum. Further, the Plan's investment options will allow Plan participants

to construct portfolios consistent with their unique individual circumstances, goals, time horizons and tolerance for risk.

After determining the asset classes to be used, the Board must evaluate and select investment options. Each investment option should be managed by a prudent expert that meets certain minimum criteria:

- Be a bank, insurance company, mutual fund company, or investment adviser registered under the Registered Investment Advisers Act of 1940.
- Be operating in good standing with regulators and clients.
- Provide qualitative and quantitative information on the history of the firm, its investment philosophy and approach, and other relevant information.

Assuming the minimum criteria are met, additional factors that may be considered include:

- Results compared to an appropriate, style-specific benchmark and peer group.
- Adherence to stated investment objective.
- Fees compared to similar investments in the marketplace.
- Availability of relevant information in a timely fashion.

VI. Investment Monitoring and Reporting

The Committee will periodically review the investment options in the Plan. Investment options that no longer accept participant and/or employer contributions and cannot be removed from the Plan due to contractual limitations and where participants have been notified of this will not be monitored by the Committee. Performance monitoring is the mechanism for revisiting the investment option selection process and confirming that the criteria originally satisfied remain intact and that an investment option continues to be an appropriate offering. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process may utilize the same criteria that formed the basis of the investment selection decision; however, these are not the only criteria that may be considered. In addition, a set of “watch list criteria” may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus the Committee on potential areas of concern.

Watch list criteria may include the following:

- Results versus benchmark over a specified period of time
- Deterioration of risk-adjusted performance
- Notable style drift / change in investment objective
- Expense ratio versus category average
- Significant organizational or manager change

VII. Termination of an Investment Option

An investment option may be terminated when the Board, in consultation with the Committee, has lost confidence in the manager's ability to:

- Achieve investment objectives,

- Comply with investment guidelines,
- Comply with reporting requirements, or
- Maintain a stable organization and retain key relevant investment professionals.

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

Any recommendation to terminate an investment option will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include professional or client turnover, or material change to investment processes. Considerable judgment must be exercised in the termination decision process.

An investment option to be terminated shall be removed using one of the following approaches:

- Remove and replace (map assets) to an alternative comparable option,
- Freeze assets in the terminated option and direct new assets to a replacement option,
- Phase out the option over a specific time period,
- Remove the option and do not provide a replacement option, or
- A reasonable solution that may be determined at the time of termination.

The process for selecting a replacement for a terminated investment option may follow the criteria outlined in Part V, Selection of Investments.

VIII. Participant Education and Communication

The Plan will communicate to employees that:

- They control their own investments,
- Investment changes are permitted on a daily basis and may be subject to individual investment option requirements,
- Educational materials allowing employees to make informed decisions are readily available.

IX. Coordination with the Plan Document

If any term or condition of this investment policy conflicts with any term or condition in the Plan Document, the terms and conditions of the Plan Document shall control.

X. Approval

It is understood that this investment policy is to be reviewed periodically by the Retirement Plan Sub-Committee and the Board of Finance to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment managers. The Retirement Plan Sub-Committee will make recommendations to the Board of Finance. The Board of Finance has the authority to officially adopt, revise, or rescind this Policy in consultation with the Board of Education and Selectmen.

**Town of Simsbury
Retiree Health Care Trust**

INVESTMENT POLICY STATEMENT

September 2007

Introduction & Purpose

The Town of Simsbury Retiree Health Care Trust (the "Trust") has been established to provide post employment retirement benefits to those individuals eligible to receive them. This policy statement outlines the goals and investment objectives for the Trust. This document is also intended to provide guidelines for managing the Trust, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

- Describes the investment objectives of the Trust;
- Describes an appropriate risk posture for the investment of the Trust's assets;
- Defines the responsibilities of the Board of Finance (the "Board") and other parties responsible for the management of the Trust;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the Trust as a whole.

Investment Objectives

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

- To achieve the stated actuarial target of the Trust;
- To exceed the rate of inflation, as defined by CPI, by approximately 4.0% per annum over a full market cycle (a 5-10 year period);
- To maintain sufficient liquidity to meet the obligations of the Trust;
- To diversify the assets of the Trust in order to reduce the risk of wide swings in market value from year-to-year, or of incurring large losses that could occur from concentrated positions;
- To achieve investment results over the long-term that compare favorably with those of other municipal investment pools, professionally managed portfolios and appropriate market indexes.

Volatility Objectives

- Diversification will be employed to reduce risk. The Trust's assets will be diversified by generally employing multiple investment firms engaging in distinct styles of investment.
- The volatility of the total portfolio, in aggregate, should be reasonably close to the volatility of a weighted composite of market indices of the target portfolio, which currently is comprised of: 22.5% S&P 500 Index, 5.0% Russell Mid Cap Index, 2.5% Russell 2000 Index, 15.0% MSCI EAFE Index, 5.0% MSCI Emerging Market Index, 2.5% Cohen & Steers Realty Major Index, 2.5% S&P World Ex US Property Index, 22.5% Lehman Brothers Aggregate Index, and 22.5% Lehman Brothers US TIPS Index.

Assignment of Responsibilities

Board of Finance - The Board is charged with the responsibility of managing the assets of the Trust. To that end, the Board's responsibilities include: establishing and maintaining the Trust's investment policy, selecting the investments, and periodically monitoring the performance of the investments. The Board shall discharge its duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing.

Investment Consultant - The Board may engage the services of an investment consultant. The investment consultant's role is that of a non-discretionary advisor to the Board. The investment consultant will assist in the development and periodic review of an Investment Policy Statement and the Trust's asset allocation, conduct manager searches when necessary, monitor the performance of the managers/funds, and communicate on other matters of relevance to the oversight of the Trust.

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

Asset Allocation

The asset allocation target ranges set forth below represent a long-term view. Short-term market volatility may cause the asset mix to fall outside the targeted range.

Target Asset Allocation Table

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Index
Domestic Equities:				
Large Cap	17.5%	22.5%	27.5%	S&P 500
Mid Cap	2.5%	5.0%	7.5%	Russell Mid Cap
Small Cap	0.0%	2.5%	5.0%	Russell 2000
Foreign Equity:				
International Eq. (Devel.)	10.0%	15.0%	20.0%	MSCI EAFE
International Eq. (Emerg.)	0.0%	5.0%	10.0%	MSCI Emerging Market
Real Estate:				
REIT (Domestic)	0.0%	2.5%	5.0%	Cohen & Steers Realty Mjr.
REIT (Intl.)	0.0%	2.5%	5.0%	S&P World Ex US Prop.
Fixed Income:				
Broad Market	5.0%	22.5%	30.0%	LB Aggregate
Inflation-Protected	5.0%	22.5%	30.0%	LB US TIPS
Short Term/Cash				
	0.0%	0.0%	10.0%	90 Day US T-Bill

Rebalancing

Given the inherent volatility of the capital markets, strategic adjustments in various asset classes may be required to rebalance asset allocation back to its target allocation. The necessity to rebalance will be reviewed periodically. Investment managers will rebalance portfolios at the direction of the Board. Such adjustments should be executed so as to minimize excessive turnover, transaction costs, and realized losses over the long term.

Selection Criteria for Investment Managers

Investment managers retained by the Trust shall be chosen using the following criteria:

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

- An assessment of the likelihood of future investment success, relative to other opportunities.

The Trust will generally utilize a multi-manager structure of complementary investment styles and asset classes to invest its' assets.

Should additional contributions and/or market value growth permit, the Board may retain additional investment managers to invest the assets of the Trust. Additional managers would be expected to diversify the Trust by investment style, asset class, and management structure and thereby enhance the probability of the Trust achieving its' long-term investment objectives.

Securities Guidelines

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

With respect to separately managed accounts, any securities and transactions that are not permitted in the Trust without prior written Board approval will be detailed in the investment policy statement of each separate account manager, which is included as an attachment to this policy.

With respect to mutual/co-mingled funds, the Board will consider the following to insure proper diversification and function for each of the funds:

1. The mutual fund/co-mingled pool organizations selected should demonstrate:
(a) a clearly defined investment philosophy; (b) a consistent investment process;
(c) an experienced and stable organization; (d) cost-effectiveness; and (e) responsiveness to evolving investor requirements.
2. The mutual fund/co-mingled pool used will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
3. Each mutual fund/co-mingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.

Proxy Voting

Each investment manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies according to their established proxy voting guidelines. A copy of those guidelines, and/or summary of proxy votes shall be provided to the Board upon request.

Investment Monitoring and Reporting

The Board will periodically review performance of the investments in the Trust. Performance monitoring is the mechanism for revisiting the investment selection process and confirming that the criteria originally satisfied remain in tact and that an investment continues to be appropriate for the Trust. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process will utilize the same criteria that formed the basis of the investment selection decision. In addition, a set of "watch list criteria" may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus the Board on potential areas of concern.

Watch list criteria may include the following:

- Behind benchmark performance over a specified period of time;
- Deterioration of risk-adjusted performance;
- Notable style drift / change in investment objective;
- Investment management fees not competitive in marketplace;
- Significant organizational or manager change.

Termination of an Investment Manager or Fund

A manager/fund may be terminated when the Board has lost confidence in the manager's ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements;
- Maintain a stable organization and retain key investment professionals.

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

Any recommendation to terminate a manager/fund will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include professional or client turnover, or material change to investment processes. Considerable judgment must be exercised in the termination decision process.

The process for selecting a replacement for a terminated manager would follow the criteria outlined in the section of this Investment Policy Statement titled Selection Criteria for Investment Managers.

Approval

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

The signature below affirms that this statement has been read, understood and accepted by the Board.

Town of Simsbury Retiree Health Care Trust

Name: _____

Signature: _____

Date: _____

Title: _____

Non-Lapsing account for the BOE pursuant to Connecticut General Statutes 10-248A

(As approved by the Board of Finance on 3/17/2015)

THE TOWN OF Simsbury hereby resolves to establish a non-lapsing account for the deposit of unexpended education funds.

WHEREAS, pursuant to Connecticut General Statutes §10-248a, for the fiscal year ended June 30, 2015, and each fiscal year thereafter, the authority making appropriations for the school district for a town may deposit into a non-lapsing account any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the town, provided such amount does not exceed one per cent of the total budgeted appropriation for education for such prior fiscal year; and

WHEREAS, the Simsbury Board of Education may, from time to time, have such unexpended funds in a fiscal year and may request that the Simsbury Board of Finance, approve the deposit of all or a portion of such unexpended funds into such non-lapsing account, up to the amount authorized by state law; then

BE IT RESOLVED, that the Simsbury Board of Finance hereby establishes the Unexpended Education Funds Account (the "Account") which shall be a non-lapsing account established pursuant to Connecticut General Statutes §10-248a, and by this resolution the Simsbury Board of Finance hereby directs the Town of Simsbury Department of Finance to open and maintain said Account in accordance with the directives of the Simsbury's Town Counsel. Authorization of expenditures from such account shall be approved jointly by both the Board of Education and the Board of Finance. Any amount deposited into such account must be expended within 1 year of deposit or else be returned to the town's general fund, unless a carryover to the next year is approved by the Board of Finance.

Board of Finance
TOWN OF SIMSBURY, CONNECTICUT
REGULAR MEETING MINUTES
Tuesday, August 17, 2021 at 5:45 P.M.
Zoom Meeting/Simsbury Community Television Live Stream

PRESENT: Lisa Heavner, Arthur House, Robert Pomeroy, Linda Schofield, and Kevin Prell.

ALSO PRESENT:

Melissa Appleby, Deputy Town Manager, and Amy Meriwether, Director of Finance.

1. Call to Order - Establish Quorum

Mr. Pomeroy called the meeting to order at 5:49 P.M.

2. Pledge of Allegiance

All present stood for the Pledge of Allegiance.

3. Finance Director's Report

Ms. Meriwether provided an overview of the Finance Director's Report, starting with the anticipated funds from the American Rescue Plan Act (ARPA). Since her last report it had been confirmed that the Town is expected to receive an additional County allocation of ARPA funds bringing Simsbury's total allocation to about \$7.5M. A workgroup has been formed by the Selectmen to determine how the money will be spent. They will be seeking feedback from various stakeholders, including the Board of Finance. Mr. Pomeroy added that there are specific guidelines around how the money can be spent, and he'd like this meeting on the agenda for September or October at the latest. Mr. Prell asked for the guidelines to be shared with the Board, and Ms. Meriwether said she will forward a PowerPoint she prepared on this.

Ms. Meriwether reported that a \$57,471 member's equity distribution has been received from CIRMA, their insurance provider for LAP (Liability/Auto/Property) Insurance, which exceeds budgetary estimates of \$27,500 by \$29,971.

Ms. Meriwether stated that there has been an overall increase in demand for contractor services which is causing a delay in completing some of the Capital projects. They have also seen an increase in material costs related to global shortages. There is no budgetary impact as of yet, but they are keeping an eye on it. There are also delays in the delivery of fleet vehicles due to the global chip shortage. Vehicles ordered in May are expected to be delivered around October.

Ms. Heavner asked about any unexpected revenue increase in conveyance taxes and Ms. Meriwether confirmed they have seen an increase due to the rise in the housing market, and said she will include numbers at the next Board of Finance meeting.

Mr. Pomeroy inquired about the next revaluation and Ms. Meriwether said it will be in 2022 and the Assessor is getting ready to post the Request for Proposal (RFP) for services.

4. Proposed Draft Policy for Budgetary Transfers and Supplemental Appropriations

Mr. Pomeroy stated that the proposed policy arose from questions in the past around process and timing of supplemental appropriations and budget transfers. He thanked Ms. Heavner and Ms. Meriwether on their hard work researching and drafting this policy.

Ms. Heavner provided an overview of the policy and Mr. Pomeroy said it should be reviewed and digested over the coming weeks, to be voted on at the next meeting in September. He asked for all questions, comments, and updates in relation to the policy to be sent prior to the next meeting.

Mr. Pomeroy asked Ms. Meriwether to do a quick inventory of all their policies for review at the next meeting.

5. Town and Board of Education Savings Initiatives

Mr. Pomeroy said they are asking Department Heads of the Board of Education and Town Officials to look for ways to spend money that would achieve cost savings in both the short and long term. He mentioned the Eversource purchase of street lighting as a posterchild for these kinds of projects.

Ms. Schofield mentioned that there were previous discussions around the Board of Finance and the public coming up with ideas to be included for review. Mr. Pomeroy agreed that any cost savings ideas or thoughts by the Board of Finance should be sent to him and Ms. Meriwether which will then be shared with the appropriate Boards.

Ms. Heavner asked about the health district, which received additional funds from participating towns. She said the Board of Finance previously requested the town to look into whether the health district was going to apply for FEMA funding, but there were concerns in relation to their administrative capacity. Ms. Heavner stated that FEMA does permit hiring a consultant to assist with the applications, and mentioned that some of the health district spending is eligible for FEMA. Ms. Meriwether said she will review with the Deputy Town Manager and provide an update.

Ms. Heavner asked about the status of the new position that was approved to start in the Assessor's office. Ms. Meriwether said the person hasn't been hired as of yet. Once hired, they will begin tracking savings associated with the new hire.

Ms. Schofield asked about the timing of the Tri-Board meeting in relation to the capital projects discussion and Mr. Pomeroy said nothing has been solidified. He added that for the meeting to be more productive he would like all Boards to each develop an agenda. Ms. Heavner said it would be helpful to get presentations in advance, so everyone has time to review and digest.

6. Approval of Minutes - July 20, 2021

The minutes from the July 20, 2021 Regular Finance Meeting were approved as submitted.

MOTION: Ms. Schofield made a motion to adopt the minutes from the July 20, 2021, Regular Board of Finance Meeting as submitted. Mr. House seconded the motion. All were in favor and the motion passed unanimously.

7. Communications

Mr. Pomeroy said the June 2021 Building Department Report continues to be robust.

8. Adjourn

MOTION: Mr. Prell made a motion to adjourn the meeting at 6:19 P.M. Ms. Schofield 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 - July 2021

	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	9	\$244,431	12	\$670,360	21	914,791			
Residential	87	\$1,837,089	115	\$683,237	202	2,520,326			
Totals	96	\$2,081,520	127	\$1,353,597					
					223	\$3,435,117	\$60,038	245	42

TOWN OF SIMSBURY - BUILDING DEPARTMENT

Monthly Report - August 2021

	Building		Mechanical		Totals				
	Permits Issued	Construction Value	Permits Issued	Construction Value	Total All Permits	Total All Construction Value	Total Actual Receipts	Total Insp	Total Zong Compl
Commercial	8	\$247,696	8	\$133,336	16	381,032			
Residential	106	\$2,831,896	144	\$772,432	250	3,604,328			
Totals	114	\$3,079,592	152	\$905,768					
					266	\$3,985,360	\$91,598	238	57