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OFFICE OF THE TREASURER
BRANFORD, CONNECTICUT

2020 DEC -1 P 4: 28



John E. Finch
BRANFORD TOWN CLERK

1019 MAIN STREET
POST OFFICE BOX 150

(203) 315-0663
Fax: (203) 315-3736
www.branford-ct.gov

Date: November 24, 2020
To: Joseph Mooney, Chairman Board of Finance
From: James Finch, Finance Director
Re: Increased Estimated Revenue – Foote Park Improvements (Old Year)

As the Board may recall the Town budget for FY 2020 anticipated receiving \$200,000 from the Foote Trust to support operating and capital needs of the Recreation Department. We received \$250,000 as the grant was increased to fund a share of the tennis court improvements. Other funding sources include an allocation of \$175,000 from the Recreation Board and a small general fund contribution.

Essentially I am asking the Board to increase the project by \$50,000 with the understanding that any surplus funds remaining at the completion of the project will be returned the Recreation Fund.

General Fund

Increase		
10145010-480297	Foote Charitable Trust	50,000
Increase:		
10150000-599116	Operating Transfers Out Fund 700	50,000

Fund 700

From:	Description	Amount
70090000-490010	Transfer In	50,000
70045010-579400-20xxx	Foote Park Tennis Courts	50,000

Transfer and Resolution from Fund Balance

Resolved: That the Board of Finance recommends to the RTM an increase in appropriations for the Fiscal Year 2020 General Fund Budget from \$116,119,944 to \$116,269,944. This increase will be funded through an appropriation from increased estimated revenue received from the Foote Trust and will be used to increase the budget for the tennis court improvements at the park.

Cc J. Cosgrove
L. Arpin
A. Palluzzi

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Date: November 30, 2020

To: Joseph Mooney
Chairman, Board of Finance


From: James P. Finch 
Finance Director

Re: Continuing Discussion on James Blackstone Memorial Library Endowment

During the discussion of the library endowment at your last meeting I was asked to obtain a copy of the library's audit to determine if there were restrictions on the endowment. I received and distributed the audit and it appears that the endowment is largely unrestricted. Additionally, Adam arranged a meeting with the library's investment consultants to review additional withdrawal scenarios using a thirty year time horizon. Pursuant to this review we are heavily leaning toward a three percent withdrawal scenario.

We plan on sharing the results with the Board of Finance at the next meeting and I will also discuss the potential impact on the town's future contributions.

Cc J. Cosgrove
L. Arpin
James Blackstone Trustees

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Follow Up to James Blackstone Library Endowment Discussion

Confirmation of Endowment Restrictions:

The Library's identified the following restriction (confirmed in their audit):

- A restriction of \$25,000 exists, as a result the balance of the endowment is largely unrestricted.

Updated Results of the Revised Monte Carlo Analysis:

- Review Hightower's Analysis of multiple withdrawal rates 3%, 3.25%, 3.5% (to be provided)
- Initial recommendation is to advocate for a 3% withdrawal rate as it provides a higher probability that withdrawals at the indicated rate may be made for 30 years.
- The recommendation is consistent with the Town's previously stated desire to promote efforts that enhance the sustainability of the endowment so that it does not become a declining revenue source.

Library Funding Approach (Smoothing) Vs. the Sustainable Withdrawal Methodology Used in the Analysis:

- The Trustees use a three year average of calendar year value as a base for their withdrawal percentage.
- The Sustainable Withdrawal Method applies a percentage against a beginning balance adjusted for inflation going forward regardless of market experience.
- The Sustainable Withdrawal method is less volatile while the Trustee Model will result in funding swings pursuant to large gains or losses in the portfolio.

Preliminary Budgetary Impacts:

- Distribute and discuss a spreadsheet showing the budgetary impact of the lower withdrawal rate against future library requests and town contributions.

The current year (FY 2021) budget as constructed will result in a deficit of approximately \$74,000. However as the Board of Finance is aware the year end results will be dictated by the actual revenues and expenditures. Additionally any additional one time grants or donations over and above the library's needs should be deposited in the portfolio.

Key Takeaways:

Income Distribution %	Probability of Money Lasting 30 years	Current Endowment Distribution	Monte Carlo Distribution	Difference Current vs Model
3%	86%	121,213	82,500	38,713
3.25%	81%	121,213	89,376	31,837
3.50%	75%	121,213	96,240	24,973

Questions and Comments:

Financial Forecast

Blackstone Library

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Matthew Montano
DIRECTOR OF INVESTMENTS

Item #10

Prepared by:

Matthew Montano, CFP®
1291 Boston Post Road, Suite 201
Madison, CT 06443

November 24, 2020

Monte Carlo Results - 3% Income Distribution

This analysis shows how variations in rates of return can affect the results of the analysis. The simulations were calculated assuming a beginning portfolio value of \$2,750,000, assets and an allocation you have identified, and an after-tax withdrawal of \$6,875 per month starting in 2021. The analysis is for a total period of 31 years-- 1 years of accumulation and 30 years of withdrawals.

This table illustrates the likelihood of sustaining a specified withdrawal amount, given the beginning portfolio value, additions, return assumptions, and time frame that you have indicated. The results shown below include only the assets selected. If any annual additions are included, the additions will occur until the year before the withdrawals begin.

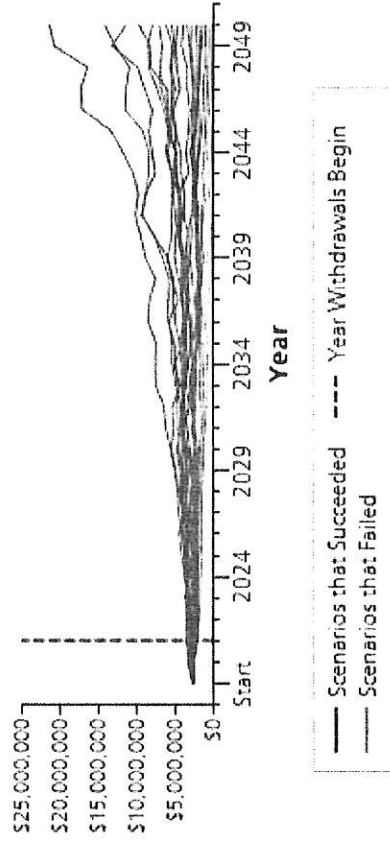
The selected target portfolio is Mod - Aggressive.

Mod - Aggressive

Likelihood your money could last for 30 years of distribution is: 86%

Result	Years Money Lasted	Hypothetical Value in 31 Years	
		Current Dollars	Future Dollars
High Value:	30 years	\$11,887,470	\$21,569,359
Median Value:	30 years	\$2,044,026	\$3,761,155
Low Value:	22 years	\$0	\$0

Mod - Aggressive Portfolio Value



See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.

Monte Carlo Results - 3% Income Distribution

The chart below displays the year-by-year Portfolio Values for the Low, Median, and High Scenarios from the Monte Carlo Simulation.

Year / Event	Low Value	Mod - Aggressive	
		Median Value	High Value
2020	\$2,730,450	\$3,204,097	\$2,758,966
2021 / Withdrawals Begin	\$2,367,612	\$3,080,430	\$2,852,153
2022	\$2,541,155	\$3,362,434	\$3,051,704
2023	\$2,260,201	\$3,298,546	\$3,466,265
2024	\$2,912,666	\$3,574,966	\$3,133,409
2025	\$2,585,626	\$3,681,262	\$3,257,888
2026	\$2,706,871	\$4,421,986	\$3,937,196
2027	\$2,713,016	\$4,441,732	\$3,989,788
2028	\$1,844,489	\$4,892,002	\$4,524,399
2029	\$1,519,907	\$5,644,235	\$5,072,724
2030	\$1,411,781	\$4,603,920	\$5,633,051
2031	\$1,093,829	\$4,716,946	\$6,310,220
2032	\$901,929	\$5,430,638	\$6,505,990
2033	\$830,499	\$5,080,201	\$7,633,642
2034	\$804,395	\$4,897,812	\$7,672,914
2035	\$714,447	\$4,458,025	\$7,608,058
2036	\$657,253	\$3,675,537	\$8,619,106
2037	\$598,805	\$3,740,187	\$8,441,970
2038	\$480,976	\$3,853,424	\$7,671,453
2039	\$424,122	\$3,636,816	\$9,010,812
2040	\$265,299	\$3,662,052	\$9,554,829
2041	\$143,616	\$4,216,848	\$10,320,977
2042	\$2,422	\$4,102,670	\$9,881,114
2043	\$0	\$3,784,265	\$10,598,043
2044	\$0	\$3,963,785	\$11,957,206
2045	\$0	\$3,435,823	\$13,477,654
2046	\$0	\$3,721,858	\$17,199,616

See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.

Monte Carlo Results - 3% Income Distribution

The chart below displays the year-by-year Portfolio Values for the Low, Median, and High Scenarios from the Monte Carlo Simulation.

Year / Event	Mod - Aggressive		
	Low Value	Median Value	High Value
2047	\$0	\$3,664,712	\$17,404,673
2048	\$0	\$3,623,582	\$16,564,778
2049	\$0	\$4,292,506	\$20,950,278
2050	\$0	\$3,761,155	\$21,569,359

See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.

Prepared for : Blackstone Library

Company: The Andriole Group

Prepared by: Matthew Montana

Monte Carlo Results - 3.25% Income Distribution

This analysis shows how variations in rates of return can affect the results of the analysis. The simulations were calculated assuming a beginning portfolio value of \$2,750,000, assets and an allocation you have identified, and an after-tax withdrawal of \$7,448 per month starting in 2021. The analysis is for a total period of 31 years-- 1 years of accumulation and 30 years of withdrawals.

This table illustrates the likelihood of sustaining a specified withdrawal amount, given the beginning portfolio value, additions, return assumptions, and time frame that you have indicated. The results shown below include only the assets selected. If any annual additions are included, the additions will occur until the year before the withdrawals begin.

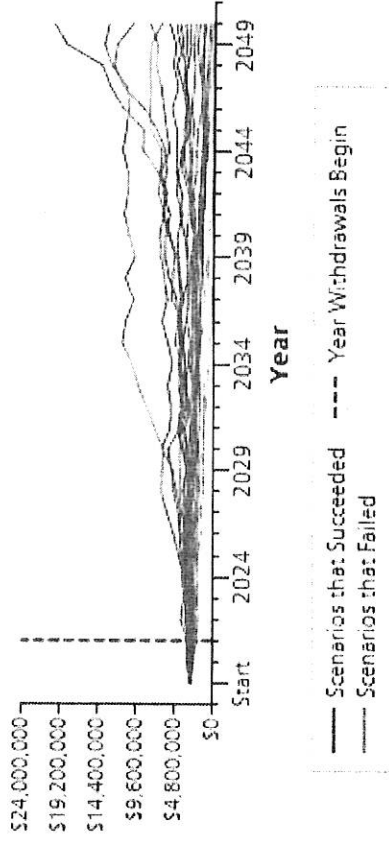
The selected target portfolio is Mod - Aggressive.

Mod - Aggressive

Likelihood your money could last for 30 years of distribution is: 81%

Result	Years Money Lasted	Hypothetical Value in 31 Years Current Dollars	Future Dollars
High Value:	30 years	\$12,850,592	\$20,378,479
Median Value:	30 years	\$1,341,067	\$2,757,669
Low Value:	19 years	\$0	\$0

Mod - Aggressive Portfolio Value



See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.

Monte Carlo Results - 3.25% Income Distribution

The chart below displays the year-by-year Portfolio Values for the Low, Median, and High Scenarios from the Monte Carlo Simulation.

Year / Event	Mod - Aggressive		
	Low Value	Median Value	High Value
2020	\$2,661,977	\$2,852,568	\$3,194,499
2021 / Withdrawals Begin	\$2,454,178	\$2,856,121	\$3,233,479
2022	\$1,906,886	\$3,281,250	\$3,046,685
2023	\$1,939,463	\$3,501,331	\$2,886,180
2024	\$1,859,475	\$4,232,220	\$3,434,821
2025	\$1,975,298	\$3,923,435	\$3,466,994
2026	\$1,989,131	\$3,428,069	\$3,313,589
2027	\$2,131,744	\$3,760,376	\$3,215,222
2028	\$1,934,681	\$3,356,107	\$3,708,615
2029	\$1,791,289	\$3,625,234	\$3,374,110
2030	\$1,325,492	\$4,222,725	\$3,879,482
2031	\$1,260,142	\$4,308,943	\$4,516,035
2032	\$1,021,084	\$3,336,092	\$3,528,508
2033	\$899,436	\$3,889,553	\$3,537,951
2034	\$677,471	\$3,323,624	\$4,435,785
2035	\$539,722	\$2,815,475	\$4,059,706
2036	\$412,056	\$2,663,781	\$4,280,572
2037	\$279,083	\$3,006,479	\$3,940,297
2038	\$150,172	\$3,021,108	\$4,272,758
2039	\$23,521	\$2,796,041	\$4,703,293
2040	\$0	\$2,968,524	\$5,688,269
2041	\$0	\$2,903,332	\$6,514,186
2042	\$0	\$3,355,689	\$6,140,836
2043	\$0	\$3,264,933	\$7,200,274
2044	\$0	\$3,160,014	\$9,038,069
2045	\$0	\$3,001,739	\$8,996,626
2046	\$0	\$2,882,890	\$11,585,591

See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.

Monte Carlo Results - 3.25% Income Distribution

The chart below displays the year-by-year Portfolio Values for the Low, Median, and High Scenarios from the Monte Carlo Simulation.

Year / Event	Mod - Aggressive		
	Low Value	Median Value	High Value
2047	\$0	\$3,024,783	\$13,216,541
2048	\$0	\$2,852,699	\$14,225,836
2049	\$0	\$2,645,194	\$18,744,616
2050	\$0	\$2,757,669	\$20,378,479

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Monte Carlo Results - 3.50% Income Distribution

This analysis shows how variations in rates of return can affect the results of the analysis. The simulations were calculated assuming a beginning portfolio value of \$2,750,000, assets and an allocation you have identified, and an after-tax withdrawal of \$8,020 per month starting in 2021. The analysis is for a total period of 31 years-- 1 years of accumulation and 30 years of withdrawals.

This table illustrates the likelihood of sustaining a specified withdrawal amount, given the beginning portfolio value, additions, return assumptions, and time frame that you have indicated. The results shown below include only the assets selected. If any annual additions are included, the additions will occur until the year before the withdrawals begin.

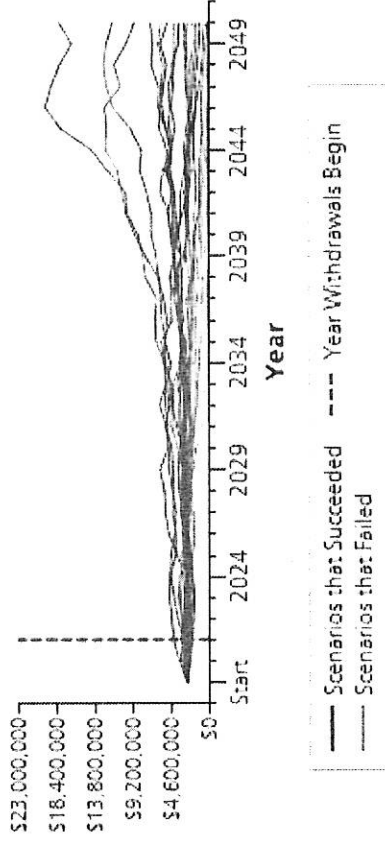
The selected target portfolio is Mod - Aggressive.

Mod - Aggressive

Likelihood your money could last for 30 years of distribution is: 75%

Result	Years Money Lasted	Hypothetical Value in 31 Years	
		Current Dollars	Future Dollars
High Value:	30 years	\$10,122,852	\$18,213,379
Median Value:	30 years	\$1,150,312	\$2,308,053
Low Value:	19 years	\$0	\$0

Mod - Aggressive Portfolio Value



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Monte Carlo Results - 3.50% Income Distribution

The chart below displays the year-by-year Portfolio Values for the Low, Median, and High Scenarios from the Monte Carlo Simulation.

Year / Event	Mod - Aggressive		
	Low Value	Median Value	High Value
2020	\$2,733,934	\$3,020,887	\$3,150,162
2021 / Withdrawals Begin	\$3,443,643	\$2,736,305	\$3,266,775
2022	\$3,596,638	\$2,088,850	\$3,248,972
2023	\$3,491,375	\$2,184,580	\$2,959,108
2024	\$3,406,601	\$2,309,850	\$3,139,333
2025	\$3,536,086	\$2,579,305	\$3,896,571
2026	\$3,057,772	\$2,206,171	\$4,963,193
2027	\$3,139,424	\$2,232,531	\$5,361,767
2028	\$2,549,955	\$2,318,455	\$5,484,011
2029	\$1,992,978	\$2,269,478	\$5,949,605
2030	\$1,608,114	\$2,416,697	\$5,074,270
2031	\$970,791	\$2,182,047	\$5,064,691
2032	\$724,887	\$2,020,314	\$5,261,445
2033	\$695,583	\$2,395,490	\$5,281,824
2034	\$627,692	\$2,074,621	\$5,445,768
2035	\$547,662	\$2,328,149	\$6,438,219
2036	\$415,690	\$2,399,798	\$6,547,752
2037	\$363,157	\$2,376,816	\$6,368,250
2038	\$174,689	\$2,244,398	\$7,742,698
2039	\$24,666	\$2,540,269	\$8,068,594
2040	\$0	\$2,642,498	\$8,626,835
2041	\$0	\$2,754,332	\$9,959,473
2042	\$0	\$2,768,957	\$10,095,588
2043	\$0	\$2,956,287	\$12,343,893
2044	\$0	\$2,641,707	\$14,302,646
2045	\$0	\$2,543,805	\$18,039,738
2046	\$0	\$2,800,491	\$19,882,254

See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.

Monte Carlo Results - 3.50% Income Distribution

The chart below displays the year-by-year Portfolio Values for the Low, Median, and High Scenarios from the Monte Carlo Simulation.

Year / Event	Mod - Aggressive		
	Low Value	Median Value	High Value
2047	\$0	\$2,801,867	\$19,213,229
2048	\$0	\$2,635,081	\$18,156,149
2049	\$0	\$2,282,699	\$16,721,790
2050	\$0	\$2,308,053	\$18,213,379

See Important Disclosure Information section in this Report for explanations of assumptions, limitations, methodologies, and a glossary.

Prepared for : Blackstone Library

Company: The Andriole Group

Prepared by: Matthew Montana
9

Glossary

Asset Allocation

Asset Allocation is the process of determining what portions of your portfolio holdings are to be invested in the various asset classes.

Asset Class

Asset Class is a standard term that broadly defines a category of investments. The three basic asset classes are Cash, Bonds, and Stocks. Bonds and Stocks are often further subdivided into more narrowly defined classes. Some of the most common asset classes are defined below.

Cash and Cash Alternatives

Cash typically includes bank accounts or certificates of deposit, which are insured by the Federal Deposit Insurance Corporation up to a limit per account. Cash Alternatives typically include money market securities, U.S. treasury bills, and other investments that are readily convertible to cash, have a stable market value, and a very short-term maturity. U.S. Treasury bills are backed by the full faith and credit of the U.S. Government and, when held to maturity, provide safety of principal. (See the "Risks Inherent in Investing" section in this Important Disclosure Information for a summary of the risks associated with investing in cash alternatives.)

Bonds

Bonds are either domestic (U.S.) or global debt securities issued by either private corporations or governments. (See the "Risks Inherent in Investing" section in this Important Disclosure Information for a summary of the risks associated with investing in bonds. Bonds are also called "fixed income securities.")

Domestic government bonds are backed by the full faith and credit of the U.S. Government and have superior liquidity and, when held to maturity, safety of principal. Domestic corporate bonds carry the credit risk of their issuers and thus usually offer additional yield. Domestic government and corporate bonds can be sub-divided based upon their term to maturity. Short-term bonds have an approximate term to maturity of 1 to 5 years; intermediate-term bonds have an approximate term to maturity of 5 to 10 years; and, long-term bonds have an approximate term to maturity greater than 10 years.

Stocks

Stocks are equity securities of domestic and foreign corporations. (See the "Risks Inherent in Investing" section in this Important Disclosure Information for a summary of the risks associated with investing in stocks.)

Domestic stocks are equity securities of U.S. corporations. Domestic stocks are often sub-divided based upon the market capitalization of the company (the market value of the company's stock). "Large cap" stocks are from larger companies, "mid cap" from the middle range of companies, and "small cap" from smaller, perhaps newer, companies. Generally, small cap stocks experience greater market volatility than stocks of companies with larger capitalization. Small cap stocks are generally those from companies whose capitalization is less than \$500 million, mid cap stocks those between \$500 million and \$5 billion, and large cap over \$5 billion.

Large cap, mid cap and small cap may be further sub-divided into "growth" and "value" categories. Growth companies are those with an orientation towards growth, often characterized by commonly used metrics such as higher price-to-book and price-to-earnings ratios. Analogously, value companies are those with an orientation towards value, often characterized by commonly used metrics such as lower price-to-book and price-to-earnings ratios.

International stocks are equity securities from foreign corporations. International stocks are often sub-divided into those from "developed" countries and those from "emerging markets." The emerging markets are in less developed countries with emerging economies that may be characterized by lower income per capita, less developed infrastructure and nascent capital markets. These "emerging markets" usually are less economically and politically stable than the "developed markets." Investing in international stocks involves special risks, among which include foreign exchange volatility and risks of investing under different tax, regulatory and accounting standards.

Asset Mix

Asset Mix is the combination of asset classes within a portfolio, and is usually expressed as a percentage for each asset class.

Current Dollars

The Results of MoneyGuidePro calculations are in Future Dollars. To help you compare dollar amounts in different years, we also express the Results in Current Dollars, calculated by discounting the Future Dollars by the sequence of inflation rates used in the Plan.

Current Portfolio

Your Current Portfolio is comprised of all the investment assets you currently own (or a subset of your assets, based on the information you provided for this Plan), categorized by Asset Class and Asset Mix.

Glossary

Expense Adjustments

When using historical returns, some users of MoneyGuidePro include Expense Adjustments. These adjustments (which are specified by the user) reduce the return of the affected Asset Classes and are commonly used to account for transaction costs or other types of fees associated with investing. If Expense Adjustments have been used in this Report, they will be listed beside the historical indices at the beginning of this Report.

Future Dollars

Future Dollars are inflated dollars. The Results of MoneyGuidePro calculations are in Future Dollars. To help you compare dollar amounts in different years, we discount the Future Dollar amounts by the inflation rates used in the calculations and display the Results in the equivalent Current Dollars.

Inflation Rate

Inflation is the percentage increase in the cost of goods and services for a specified time period. A historical measure of inflation is the Consumer Price Index (CPI). In MoneyGuidePro, the Inflation Rate is selected by your Advisor, and can be adjusted in different scenarios.

Likelihood your money could last

The "Likelihood your money could last," used in a Monte Carlo simulation that includes both accumulation and distribution periods, is the percentage of Monte Carlo scenarios that were successful, using your Plan assumptions. In a Monte Carlo simulation of 1,000 scenarios, if 600 of those scenarios were successful (i.e., you were able to withdraw the annual amount you specified for the number of years you specified), then the "Likelihood your money could last" for that Plan, with all its hypothetical assumptions, would be 60%.

Liquidity

Liquidity is the ease with which an investment can be converted into cash.

Monte Carlo Simulations

Monte Carlo simulations are used to show how variations in rates of return each year can affect your results. A Monte Carlo simulation calculates the results of your Plan by running it many times, each time using a different sequence of returns. Some sequences of returns will give you better results, and some will give you worse results.

Portfolio Set

A Portfolio Set is a group of portfolios that provides a range of risk and return strategies for different investors.

Portfolio Total Return

A Portfolio Total Return is determined by weighting the return assumption for each Asset Class according to the Asset Mix. Also see "Expense Adjustments."

Real Return

The Real Return is the Total Return of your portfolio minus the Inflation Rate.

Risk

Risk is the chance that the actual return of an investment, asset class, or portfolio will be different from its expected or average return.

Standard Deviation

Standard Deviation is a statistical measure of the volatility of an investment, an asset class, or a portfolio. It measures the degree by which an actual return might vary from the average return, or mean. Typically, the higher the standard deviation, the higher the potential risk of the investment, asset class, or portfolio.

Target Portfolio

Target Portfolio is the portfolio you have selected based upon your financial goals and your risk tolerance.

Time Horizon

Time Horizon is the period from now until the time the assets in this portfolio will begin to be used.

Total Return

Total Return is an assumed, hypothetical growth rate for a specified time period. The Total Return is either (1) the Portfolio Total Return or (2) as entered by you or your Advisor. Also see "Real Return."

Worst One-Year Loss

The Worst One-Year Loss is the lowest annual return that a portfolio with the specified asset mix and asset class indices would have received during the historical period specified.

IMPORTANT DISCLOSURE INFORMATION

IMPORTANT: The projections or other information generated by MoneyGuidePro regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.

The return assumptions in MoneyGuidePro are not reflective of any specific product, and do not include any fees or expenses that may be incurred by investing in specific products. The actual returns of a specific product may be more or less than the returns used in MoneyGuidePro. It is not possible to directly invest in an index. Financial forecasts, rates of return, risk, inflation, and other assumptions may be used as the basis for illustrations. They should not be considered a guarantee of future performance or a predictor of achieving overall financial objectives. Past performance is not a guarantee or a predictor of future results of either the indices or any particular investment.

MoneyGuidePro results may vary with each use and over time.

This analysis is based on information that you provided. The assumptions and projections in this plan are estimates and are meant to serve solely as a guideline. If any of the assumptions used in this plan are not realized, then the projections will be inaccurate. This plan does not offer legal or tax advice and should be reviewed by your legal and tax advisors before any action is taken. Past investment performance is not indicative of future investment results.

MoneyGuidePro Assumptions and Limitations

Information Provided by You

Information that you provided about your assets, desired income needs, and personal situation are key assumptions for the calculations and projections in this Report. Please review the last page of "Monte Carlo Results" and the "Target Portfolio" page in this Report to verify the accuracy of these assumptions. If any of the assumptions are incorrect, you should notify your Financial Advisor. Even small changes in assumptions can have a substantial impact on the results shown in this Report. The information provided by you should be reviewed periodically and updated when either the information or your circumstances change.

All asset and net worth information included in this Report was provided by you or your designated agents, and is not a substitute for the information contained in the official account statements provided to you by custodians. The current asset data and values contained in those account statements should be used to update the asset information included in this Report, as necessary.

Assumptions and Limitations

All results in this Report are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. All results use simplifying assumptions that do not completely or accurately reflect your specific circumstances. No Plan or Report has the ability to accurately predict the future. As investment returns, inflation, taxes, and other economic conditions vary from the MoneyGuidePro assumptions, your actual results will vary (perhaps significantly) from those presented in this Report.

All MoneyGuidePro calculations use asset class returns, not returns of actual investments. The projected return assumptions used in this Report are estimates based on average annual returns for each asset class. The portfolio returns are calculated by weighting individual return assumptions for each asset class according to your portfolio allocation. The portfolio returns may have been modified by including adjustments to the total return and the inflation rate. The portfolio returns assume reinvestment of interest and dividends at net asset value without taxes, and also assume that the portfolio has been rebalanced to reflect the initial recommendation. No portfolio rebalancing costs, including taxes, if applicable, are deducted from the portfolio value. No portfolio allocation eliminates risk or guarantees investment results.

MoneyGuidePro does not provide recommendations for any products or securities.

IMPORTANT DISCLOSURE INFORMATION

Asset Class Name	Projected Return Assumption	Projected Standard Deviation
TIAA Fixed Annuity	0.15%	0.00%
Cash & Equivalents	2.00%	0.50%
Short Term Bonds	3.50%	2.00%
Intermediate Term Bonds	3.50%	6.50%
Intermediate Term Bonds (Tax-Free)	2.60%	6.50%
Long Term Bonds	3.30%	12.00%
Long Term Bonds (Tax-Free)	2.50%	12.00%
Large Cap Value Stocks	5.75%	14.75%
Large Cap Growth Stocks	5.25%	14.25%
Mid Cap Stocks	5.75%	16.00%
Small Cap Stocks	5.75%	18.75%
International Developed Stocks	6.25%	17.25%
International Emerging Stocks	8.00%	21.50%
Fixed Income - Tax Exempt	2.50%	3.25%
Fixed Income - Tax Exempt (Tax-Free)	2.50%	3.25%
Fixed Income - Taxable	3.50%	6.00%
Private Equity	7.25%	21.00%
Private Equity (Tax-Free)	7.25%	21.00%
Diversified Hedge Funds	4.25%	7.50%
Commodities	3.75%	16.75%

IMPORTANT DISCLOSURE INFORMATION

Risks Inherent in Investing

Investing in fixed income securities involves interest rate risk, credit risk, and inflation risk. Interest rate risk is the possibility that bond prices will decrease because of an interest rate increase. When interest rates rise, bond prices and the values of fixed income securities fall. When interest rates fall, bond prices and the values of fixed income securities rise. Credit risk is the risk that a company will not be able to pay its debts, including the interest on its bonds. Inflation risk is the possibility that the interest paid on an investment in bonds will be lower than the inflation rate, decreasing purchasing power.

Cash alternatives typically include money market securities and U.S. treasury bills. Investing in such cash alternatives involves inflation risk. In addition, investments in money market securities may involve credit risk and a risk of principal loss. Because money market securities are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency, there is no guarantee the value of your investment will be maintained at \$1.00 per share, and your shares, when sold, may be worth more or less than what you originally paid for them. U.S. Treasury bills are subject to market risk if sold prior to maturity. Market risk is the possibility that the value, when sold, might be less than the purchase price.

Investing in stock securities involves volatility risk, market risk, business risk, and industry risk. The prices of most stocks fluctuate. Volatility risk is the chance that the value of a stock will fall. Market risk is the chance that the prices of all stocks will fall due to conditions in the economic environment. Business risk is the chance that a specific company's stock will fall because of issues affecting it. Industry risk is the chance that a set of factors particular to an industry group will adversely affect stock prices within the industry. (See "Asset Class – Stocks" in the Glossary section of this Important Disclosure Information for a summary of the relative potential volatility of different types of stocks.)

International investing involves additional risks including, but not limited to, changes in currency exchange rates, differences in accounting and taxation policies, and political or economic instabilities that can increase or decrease returns.

Report Is a Snapshot and Does Not Provide Legal, Tax, or Accounting Advice

This Report provides a snapshot of your current financial position and can help you to focus on possible accumulation or income distribution strategies, and to create a plan of action. Because the results are calculated over many years, small changes can create large differences in future results. You should use this Report to help you focus on the factors that are most important to you. This Report does not provide legal, tax, or accounting advice. Before making decisions with legal, tax, or accounting ramifications, you should consult appropriate professionals for advice that is specific to your situation.

MoneyGuidePro Methodology

Monte Carlo Simulations

Monte Carlo simulations are used to show how variations in rates of return each year can affect your results. A Monte Carlo simulation calculates the results of your Plan by running it many times, each time using a different sequence of returns. Some sequences of returns will give you better results, and some will give you worse results. These multiple trials provide a range of possible results. Monte Carlo Simulations illustrate the likelihood that an event may occur as well as the likelihood that it may not occur. In analyzing this information, please note that the analysis does not take into account actual market conditions, which may severely affect the outcome of the results over the long-term.

In the Monte Carlo simulation in a Lifetime Income Plan, MoneyGuidePro runs 1,000 separate scenarios of your Plan, using the information you entered, while varying the sequence of returns and inflation rates. To create the sequences of returns and inflation rates, MoneyGuidePro starts with the average returns and standard deviations for the portfolio and for inflation. If you are using historical returns, the return, inflation rate, and standard deviations are calculated based on the time period you have selected. If you are using projected returns, the return, inflation rate, and standard deviations are as indicated by you. Standard deviation is a statistical measure of volatility, and indicates how much a typical sequence of portfolio returns (or inflation rates) may vary from the average. A small standard deviation indicates that the returns (or inflation rates) over a period of time will typically be closer to the average than returns or inflation rates with a larger standard deviation.

For each scenario, MoneyGuidePro creates a random sequence of returns and a random sequence of inflation rates (using the average return and standard deviation as guidelines for a range of returns, and the average inflation and standard deviation as guidelines for the range of inflation rates), which it uses to calculate the results for that scenario. Each scenario has a different sequence of returns and inflation rates.

In a Lifetime Income Plan, you can select a Monte Carlo Simulation for an accumulation period, or for an accumulation period followed by a distribution period. When you select only an accumulation period, MoneyGuidePro calculates, using the assumptions you have provided, a range for the amount of money that you could accumulate in the period specified.

IMPORTANT DISCLOSURE INFORMATION

When you select an accumulation period followed by a distribution period, in addition to providing a range for the amount of money you could have at the end of the period specified, MoneyGuidePro also tabulates whether each scenario is successful or unsuccessful. A scenario is counted as successful if you can withdraw the amount specified for the total number of years in the distribution period. A scenario is counted as unsuccessful if the portfolio is depleted prior to the end of the distribution period. The percentage of successful scenarios is shown as the "Likelihood your money could last" for the number of years specified. The highest calculated likelihood that your money could last until the end of the distribution period is 99%. Even a likelihood of 99% does not constitute a guarantee that the outcome will be as projected, because the results presented are based on multiple assumptions, each of which is subject to change as a result of market volatility, economic factors and world events.

MoneyGuidePro Presentation of Results

Range of Possible Results Chart

MoneyGuidePro takes the 1,000 Results from the 1,000 scenarios, and puts them in order from highest to lowest, based on the ending portfolio value. The range of these Results is usually very wide. Rather than showing all 1,000 Results, the Chart shows the Results of three of the scenarios that provide a summary of the range of Results from this simulation. The Results are shown in both Current Dollars and Future Dollars.

- High Result - This is the Result of the scenario that had the 25th Highest Result. Only 24 Results were Higher, and 975 were Lower.
- Median Result - This is the Result that was in the middle. This means 499 were Higher, 500 were Lower. It is close to the average Result.
- Low Result - This is the Result of the scenario with the 25th Lowest Result. This means 975 Results were Higher, and only 24 were Lower.

If you selected an accumulation period followed by a distribution period, MoneyGuidePro also displays the percentage of scenarios that were successful as the "Likelihood your money could last" for the number of years specified.

Portfolio Value Graph

Rather than attempting to graph the Results of all 1,000 scenarios, MoneyGuidePro shows 20 of the Results that provide a representative sample of all the Results. MoneyGuidePro first ranks all 1,000 Results from highest to lowest, based on the ending portfolio value. It then divides them into 20 groups of 50 Results each. For each group, it takes the middle Result, and displays it on the graph. Therefore, each line on the graph represents a group of 50 scenarios that had Results slightly higher or lower than the one shown.

Remember that each scenario had a different sequence of randomly generated returns and inflation rates. While each scenario is a possible outcome, there are other possible outcomes that are not shown. These scenarios illustrate a range of possible returns using the assumptions you specified.

Trustee Model 3.5% With Smoothing		FY	FY	FY	FY	FY	FY
	Increase	2021	2022	2023	2024	2025	2026
Revenues							
Program Operations	1.01	22,000	22,220	22,442	22,667	22,893	23,122
Contributions	1.01	48,500	48,985	49,475	49,970	50,469	50,974
Development & Fundraising	1.01	21,500	21,715	21,932	22,151	22,373	22,597
Grants	1.01	10,000	10,100	10,201	10,303	10,406	10,510
Total		102,000	103,020	104,050	105,091	106,142	107,203
Expenditures							
Salaries	1.029	958,405	986,199	1,014,799	1,044,228	1,074,510	1,105,671
Payroll Taxes	1.029	78,990	81,281	83,638	86,063	88,559	91,127
Benefits & Insurance	1.06	332,151	352,080	373,205	395,597	419,333	444,493
Materials & Collection	1.01	95,000	95,950	96,910	97,879	98,857	99,846
Utilities	1.025	59,333	60,816	62,337	63,895	65,493	67,130
Repair & Maintenance	1.02	53,500	54,570	55,661	56,775	57,910	59,068
Technology	1.01	75,000	75,750	76,508	77,273	78,045	78,826
Development & Fundraising	1.01	16,450	16,615	16,781	16,948	17,118	17,289
Insurance	1.03	30,000	30,900	31,827	32,782	33,765	34,778
Supplies	1.01	15,650	15,807	15,965	16,124	16,285	16,448
Professional Fees	1.01	14,000	14,140	14,281	14,424	14,568	14,714
Memberships	1.01	1,000	1,010	1,020	1,030	1,041	1,051
Telephone	1.02	1,400	1,428	1,457	1,486	1,515	1,546
Other	1.01	5,100	5,151	5,203	5,255	5,307	5,360
Funded Programs	1.01	5,000	5,050	5,101	5,152	5,203	5,255
Total		1,740,979	1,796,746	1,854,690	1,914,910	1,977,511	2,042,603
Net Funding Requirements		1,638,979	1,693,726	1,750,639	1,809,819	1,871,369	1,935,400
Endowment (Library Policy)		121,213	86,971	89,145	91,374	93,658	95,999
Library Request - Net to be covered by Town		1,517,766	1,606,755	1,661,495	1,718,446	1,777,712	1,839,401
Town Contribution		1,443,962	1,606,755	1,661,495	1,718,446	1,777,712	1,839,401
Surplus Deficit		(73,804)					
Percentage of Budget		82.94%	89.43%	89.58%	89.74%	89.90%	90.05%
Annual Increase			162,793	54,739	56,951	59,266	61,689
Percent Increase			11.27%	3.41%	3.43%	3.45%	3.47%
Inflation Assumption	1.025						

Library Trustee Policy	Three Percent Sustainable Withdrawal Analysis		
Average	CY	Value	Amount
2017	2,438,244	2,750,000	82,500
2018	2,209,079		
2019	2,625,483		
Total	7,272,806		
Three Year Average	2,424,269		
Withdrawal	5.00%	121,213	
Withdrawal	3.50%	84,849	

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**BOARD OF FINANCE
TOWN OF BRANFORD**

Lisa E. Arpin
CLERK

JOSEPH W. MOONEY, CHAIRMAN
HARRY DIADAMO
VICTOR J. CASSELLA
ROBERT IMPERATO
CHARLES F. SHELTON, JR.
JEFFREY E. VAILETTE



EX-OFFICIO
JAMES B. COSGROVE, First Selectman

CLERK
LISA E. ARPIN CMC CCTC, Town Clerk

2021 MEETING SCHEDULE

Regular meetings of the Board of Finance are scheduled for the last Monday of each month at Fire Headquarters, 45 North Main Street, in the 2nd floor Training Room, beginning at 7:30 p.m., unless otherwise noted or rescheduled.

Month	Date	Time
January	Monday, January 25	7:30 p.m.
February	Monday, February 22	7:30 p.m.
* March Budget Meetings	Monday, March 15	7:00 p.m.
	Tuesday, March 16	
	Thursday, March 18	
	Monday, March 22	
April	Monday, April 26	7:30 p.m.
May	Monday, May 24 (due to Memorial Day on 31st)	7:30 p.m.
June	Monday, June 28	7:30 p.m.
July	Monday, July 26	7:30 p.m.
August	Monday, August 30	7:30 p.m.
September	Monday, September 27	7:30 p.m.
October	Monday, October 25	7:30 p.m.
November	Monday, November 22 (1 st day of Hanukkah on 29th)	7:30 p.m.