

Board of Finance
July 9, 2012

THESE MINUTES ARE SUBJECT TO APPROVAL BY BOARD OF FINANCE

The **Board of Finance** held a regular meeting on Monday, July 9, 2012 in the Council Chamber of the Newtown Municipal Center, Newtown, CT. John Kortze called the meeting to order at 7:30.m.

PRESENT: John Kortze, Harry Waterbury, Richard Oparowski and James Gaston, Jr.

ABSENT: Joseph Kearney and Carol Walsh.

ALSO PRESENT: First Selectman E. Patricia Llodra, Finance Director Robert Tait, Public Building & Site members Tom Catalina and Joe Borst, Charles Boos of Kaestle Boos Associates, Inc., Brian Wetzel of Consulting Engineering Services and three members of the press.

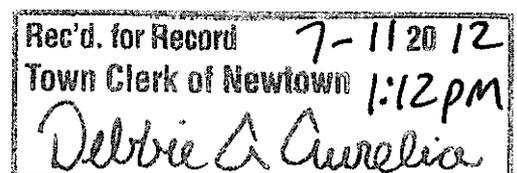
VOTER COMMENTS: none.

COMMUNICATIONS: none.

MINUTES: Mr. Waterbury moved to accept the minutes of June 11, 2012. There was no second as Mr. Oparowski and Mr. Gaston did not attend the meeting of June 11. The acceptance of the minutes will be acted on at the next meeting.

FIRST SELECTMAN REPORT: There was a dedication ceremony for the Animal Control Facility. A full packet of information will be prepared relative to the financing of the project and the relationship between the project and the Hair & Bouchard Trust. The project and program for the control facility and the dog park include public monies, private monies and trust fund monies. Hook & Ladder is close to contract signing. They will come to the Board of Selectman in September.

FINANCE DIRECTOR REPORT: Mr. Tait went over the Undesignated/unassigned fund balance analysis (Att. A), the rating criteria (Att. B) and three different CIP scenarios (Att. C). Mr. Tait said that creating a charter review is addressing the problem of passing the referendum. Mr. Tait is working on budget forecasting five to ten years into the future; merging accounting systems will help greatly with this. The \$700,000 surplus that will contribute to the fund balance is due to refunding and the bond premium. There is a \$100,000 budgeted contribution to surplus in 2012-2013; \$400,000 is planned for 2013-2014 hoping the growth in the grand list will fuel that. We are presently on course to meet the 8% in 2013-2014 which is a goal for Moody's in that time period. The savings in refunding over the past three years is nearly \$3 million. In the current year \$375,000 was saved in interest expense. This savings is not cash in hand, it is budgetary savings similar to refinancing a mortgage allowing us to budget less in debt service. Surplus in debt service will fall into fund balance. If revenues are short that savings in the debt service surplus can help to offset the shortfall. When the books are closed any budgeted line item with a surplus automatically falls into fund balance. Mr. Kortze asked Mr. Tait about the impact of the budget cycle on the town. Mr. Tait said that despite the difficult economic times there are positives such as contributing to capital non-recurring in this current year which gives flexibility. There are significant capital assets in the budget such as roads funds. There is an amount budgeted for contribution to fund balance. It is critical that the town make a fund balance contribution for the upcoming year. Mr. Tait said it behooves education to contribute to fund balance as well. We are still following the best practices, there is an updated fund balance policy and a debt service policy; these are all positives. There is an ongoing focus to reduce spending throughout the departments. The department heads are very vigilant.



The municipal budget has been decreased 2.81% over the last couple years; the departments are doing more with less. Mr. Tait noted that he speaks with the financial advisor twice a month relative to rates and refunding.

UNFINISHED BUSINESS:

Discussion and possible action:

- 1. Policy on depositing unexpended funds to the Capital/Non-Recurring fund:** item to be carried.
- 2. Board of Education Reserve Fund Statute:** item to be carried.
- 3. Board of Education Monthly Financial Report, May 31, 2012:** (Att. D) Mr. Oparowski questioned the year end expenditures to date. First Selectman Llodra believes this is the end of the year surpluses identified in accounts to be used for appropriate allocations of that money; those expenditures were authorized at their last meeting.

NEW BUSINESS

Discussion and possible action:

- 1. Transfer:** Mr. Oparowski moved to the transfer as requested in attachment F. Mr. Waterbury seconded. The incentive plan portion of the transfer is comprised of both pension and incentive. All in favor.
- 2. Rating Agency best practices:** this will be addressed at a future meeting.
- 3. Kaestle Boos Hawley School Boiler Replacement, HVAC & related work presentation:** Charles Boos and Brian Wetzel were present to discuss the project. Mr. Kortze explained that the Hawley HVAC has been on the CIP for a number of years; part of the issue is the age of some of the equipment. Mr. Boos explained that he was asked to prepare an existing conditions survey which included an analysis of the existing building, the mechanical plant and the proposed HVAC system that is listed in the CIP; the project was proposed to be a three phase project. (Att. E). The 1921 section of the building would have to be brought up to current handicap standards in order to apply for State reimbursement. Mr. Wetzel stated the original driver for the project was replacement of older boilers and equipment but the ventilation system was another driver. The scope of the project has changed to include the ADA improvements, which are listed as an option. Mr. Boos explained the base project cost has increased because it reflects the related work that needs to be done to support a boiler replacement and an air conditioning project. There is one boiler serving the 1948 and the 1997 sections of the building; if the hot water boiler fails there is no heat in the building. First Selectman Llodra said there are two triggering events that would require us to comply with new ADA code, one being if local officials determine that has to happen, the second is if we ask for state reimbursement for any phase of the project they will say the entire building needs to be ADA compliant. Mr. Boos said that other than minor classroom issues there are no other issues that are not included in the proposal. It is possible to commit to phase one and phase two and then decide on phase three with the ADA compliance issues at a later date and still be able to go to the state for reimbursement retrospectively. Mr. Boos suggests applying for each phase as a separate project number; First Selectman Llodra agrees and believes this is critical in the decision making process. Phase one and phase two work would not create a scenario that would encumber the town to bring then 1921 building to ADA compliance. Mr. Boos said the numbers being presented are very realistic. Mr. Waterbury said there is not an honest number to compare to because the project has been on the CIP for so long. Public Building & Site would like to bid the project no later than January 2013 in order to accomplish preparatory work in the spring to begin work in the summer.
- 4. Resolution:** Mr. Waterbury moved the resolution: RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$280,000 FOR PROFESSIONAL SERVICES FOR

Board of Finance
July 9, 2012

PHASES I AND II OF BOILER REPLACEMENT, HVAC AND RELATED INFRASTRUCTURE UPGRADES AT NEWTOWN HAWLEY SCHOOL AND AUTHORIZING THE ISSUANCE OF \$280,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE. Mr. Gaston seconded. Mr. Oparowski stated he was not prepared to vote on this resolution prior to a recommendation from the Board of Education. Mr. Waterbury stated the timing is poor for approval of the resolution. He is not questioning the technical aspect of the project but has an issue with spending money at this time. Mr. Kortze said the Board of Education needs to discuss the impact on the CIP and the Board of Finance has to have a difficult discussion on having a moratorium on borrowing for a year. Mr. Waterbury withdrew his motion. Mr. Gaston withdrew his second. No action taken.

ANNOUNCEMENTS: none.

ADJOURNMENT: Mr. Waterbury moved to adjourn the regular Board of Finance meeting 9:25pm. Mr. Oparowski seconded. All in favor.



Susan Marcinek, Clerk

- Att. A: Undesignated/unassigned fund balance analysis
- Att. B: Rating Criteria
- Att. C: CIP scenario's (6 pages)
- Att. D: Board of Education monthly financial report, May 31, 2012
- Att. E: Budget Request
- Att. F: Kaestle Boos presentation on Hawley boiler/HVAC project (12 pages including CIP page)

**TOWN OF NEWTOWN
UNDESIGNATED/UNASSIGNED FUND BALANCE ANALYSIS
FOR THE FISCAL YEAR ENDING 2006 THRU 2013**

<u>Fiscal Year</u>	<u>Undesignated/ Unassigned Fund Balance</u>	<u>Total Budget</u>	<u>Percent of Budget</u>	<u>Change in Fund Balance</u>
2005-2006	8,777,567	90,056,226	9.75%	
2006-2007	8,171,392	95,370,206	8.57%	
2007-2008	7,821,198	99,935,877	7.83%	
2008-2009	7,636,522	105,464,444	7.24%	
2009-2010	6,903,051	102,910,715	6.71%	
2010-2011	7,408,816	104,284,615	7.10%	
2011-2012	8,108,816	105,555,075	7.68%	700,000
2012-2013	8,208,816	106,146,838	7.73%	100,000
2013-2014	8,608,816	107,208,306	8.03%	400,000 1.0% increase
2014-2015	9,008,816	108,816,431	8.28%	400,000 1.5% increase

Rating Criteria

In assigning a rating for general obligation bonds the rating agencies assess the following factors:

- Economy
- Debt Structure
- Financial Condition
- Demographic Factors
- **Management practices of the governing body and administration**

Fitch's study conclusion was that management practices were more important in predicting favorable credit performance. Historical performance data clearly demonstrated that most issuers that garnered executive and legislative support for best practices did not discard their policies when revenues fell short of budget. In addition, the discipline that these issuers adopted as part of long-range financial management improvements helped them during tough times. While some such issuers' fund balances were drawn down, they were rarely fully depleted. Best practices have provided issuers with a steady set of guidelines to see them through troubled economic times, shored up investor confidence, and assured continued access to the debt markets. As such, Fitch believes it is appropriate to explicitly give greater weight in the credit rating process to such standards.

Best Financial Management Practices for Governmental Issuers

- Fund balance reserve policy/working capital reserves.
- Multiyear financial forecasting.
- Monthly or quarterly financial reporting and monitoring.
- Contingency planning policies.
- Policies regarding nonrecurring revenue.
- Debt affordability reviews and policies.
- Superior debt disclosure practices.
- Pay-as-you-go capital funding policies.
- Rapid debt retirement policies (greater than 65% in 10 years).
- Five-year capital improvement plan integrating operating costs of new facilities.
- Financial reporting and budgeting awards.
- Compliance with Governmental Accounting Standards Board standards.

Relative Values of Best Practices in Fitch's Public Finance Ratings

<u>Best Practice</u>	<u>Value*</u>
Fund balance reserve policy/working capital reserves	Very Significant
Multiyear financial forecasting	Significant
Monthly or quarterly financial reporting and monitoring	Significant
Contingency planning policies	Influential
Policies regarding nonrecurring revenue	Influential
Debt affordability reviews and policies	Very Significant
Superior debt disclosure practices	Very Significant
Pay-as-you-go capital funding policies	Significant
Rapid debt retirement policies	Significant
Five-year capital improvement plan integrating operating costs of new facilities	Influential
Financial reporting and budgeting awards	Influential

*Values in descending order of importance are: very significant, significant, and influential.

Fund Balance Reserve Policy/Working Capital Reserves

Maintaining an operating reserve is perhaps the most effective practice an issuer can use to enhance its credit rating. It is also the most frequently implemented practice, adopted by both large and small local government issuers. A financial reserve may be used to address unanticipated revenue shortfalls or unforeseen expenditures. The appropriate size of such a reserve depends on the potential variability of the entity's revenues and expenses, as well as its working cash needs to handle seasonality of revenues or expenditures.

Multiyear Financial Forecasting

A multiyear plan enables executives and legislators to anticipate potential budget stress that may result from projected revenue and expense imbalances, allowing them to take corrective action long before budgetary gaps develop into crises.

Monthly or Quarterly Financial Reporting and Monitoring

Interim financial reporting and monitoring can block the progress of impending fiscal stress if the financial management system is calibrated properly. The best interim reports give details on the issuer's major tax and revenue sources, with variance analysis that shows the factors that are affecting revenue inflow. Likewise, interim reports that present spending for the current month, for the year to date, and in comparison with the budget are also beneficial. For an interim report to be most meaningful, its format and basis of reporting should be consistent with the adopted budget, the past year's GAAP results, or both.

Contingency Planning Policies

Local governments should consider making contingency plans for their proposed or adopted budgets, in the event that budget assumptions prove erroneous.

Policies Regarding Nonrecurring Revenue

Overreliance on nonrecurring revenues, or "one shots," to pay ongoing and recurring expenses is a credit concern, since it frequently contributes to budgetary stress and fiscal structural imbalances. One shots can be sales of fixed assets (such as surplus school buildings or properties), budgetary savings from a debt refinancing, court settlements, or tax collection windfalls resulting from state or federal government changes. From a credit perspective, nonrecurring revenues are best used for one-time or discretionary spending that will not entail spending pressures in future years. Such uses include funding a pension funds unfunded liability or providing pay-as-you-go capital expenditures, in turn reducing that year's debt issuance by a similar amount.

Debt Affordability Reviews and Policies

Strong debt management practices are evidenced by comprehensive debt policy statements that discuss the types and methods of financing employed by an issuer.

Policy statements should set forth any self imposed debt limitations, such as those based on personal income, property market value, or annual recurring revenue or spending. Debt affordability policies are viewed positively in debt management analysis.

Superior Debt Disclosure Practices

Superior disclosure practices go beyond the documentation required to successfully undertake a new issuance of bonds or notes.

Pay-As-You-Go Capital Funding Policies

In terms of credit analysis, the benefits of pay-as-you-go capital funding are several and profound. First, significant funding of capital costs from annual budget appropriations helps keep an issuer's debt low, which is always a positive credit factor. Second, pay-as-you-go capital appropriations improve an issuer's financial flexibility in the event of a sudden revenue shortfall or emergency spending. A temporary shift away from pay-as-you-go funding for recurring expenditures is not automatically viewed as negative if the issuer historically has demonstrated a propensity to return to pay-as-you-go funding when possible

Rapid Debt Retirement Policies

One tenet in credit analysis is that the life of debt should not exceed the useful life of the asset or project being financed. However, useful life should not be the only benchmark considered when structuring the maturity of an issuer's debt. An issuer that frequently sells 30-year debt or continually extends the existing maturities of its debt through refinancing and restructuring may still manage to match debt to useful life. However, from a credit perspective, an issuer that pays off its debt rapidly (65% or more of principal in 10 years) will be analyzed more favorably than a similar issuer that retires only 50% of its debt over 10 years. Retiring less than 35% of tax-backed debt in 10 years is generally considered a weak fiscal practice. Of further credit value, rapid debt retirement usually results in a declining debt service schedule, thereby providing additional financial flexibility and debt capacity for future years.

Five-Year Capital Improvement Plan

The practice of creating a multiyear capital improvement plan has reached such wide-scale acceptance that absence of a plan may be viewed as a credit negative. Plans of the more sophisticated and foresighted government managers not only project future debt issuance but include the incremental operating costs of newly built facilities. Generally, five years is a good planning time frame, although for some communities, a longer range plan may be appropriate. Integrating future operating costs for capital construction in a capital plan implies that the issuer does multiyear forecasting for its operating fund. Doing both of these is viewed as cutting edge, contributing to more favorable rating consideration.

Financial Reporting and Budgeting Awards

Awards for excellence in financial reporting and budgeting are granted by the GFOA and, to school districts, by the Association of School Business Officials International (ASBO). Receipt of these awards does not imply financial strength, however, an issuer's achieving these awards gives investors and credit analysts increased confidence that the information disclosed in its financial reports and budgets is comprehensive and accurate. Frequently, reporting items beyond those required by the GFOA and ASBO standards is helpful in fully describing an entity's financial operations. Additional items may include details of major operating fund transfers in and out and a breakdown of revenues categorized as taxes into specific components. Issuers that regularly disclose the management and internal control assessments received from their auditors are recognized as making the best efforts to present full and complete disclosure to rating agencies and other industry credit analysts.

Worst Financial Management Practices for Governmental Issuers

- Cash basis accounting.
- Qualified audit opinion of material weakness.
- Deficit financing for two of past five years.
- Slow debt retirement (less than 35% in 10 years).
- Unfunded accrued pension liability (funding ratio less than 60%).
- Debt restructuring that defers more than 35% of current debt service.
- Overreliance on nonrecurring revenue (for more than 15% of recurring expenses).
- Aggressive investment policy for operating funds.
- Pension contribution deferral in the current budget year.
- **Budgetary impasse beyond legal completion date.**
- Lack of capital improvement plan.
- Excess inter-fund borrowing with no capacity to repay in near future.

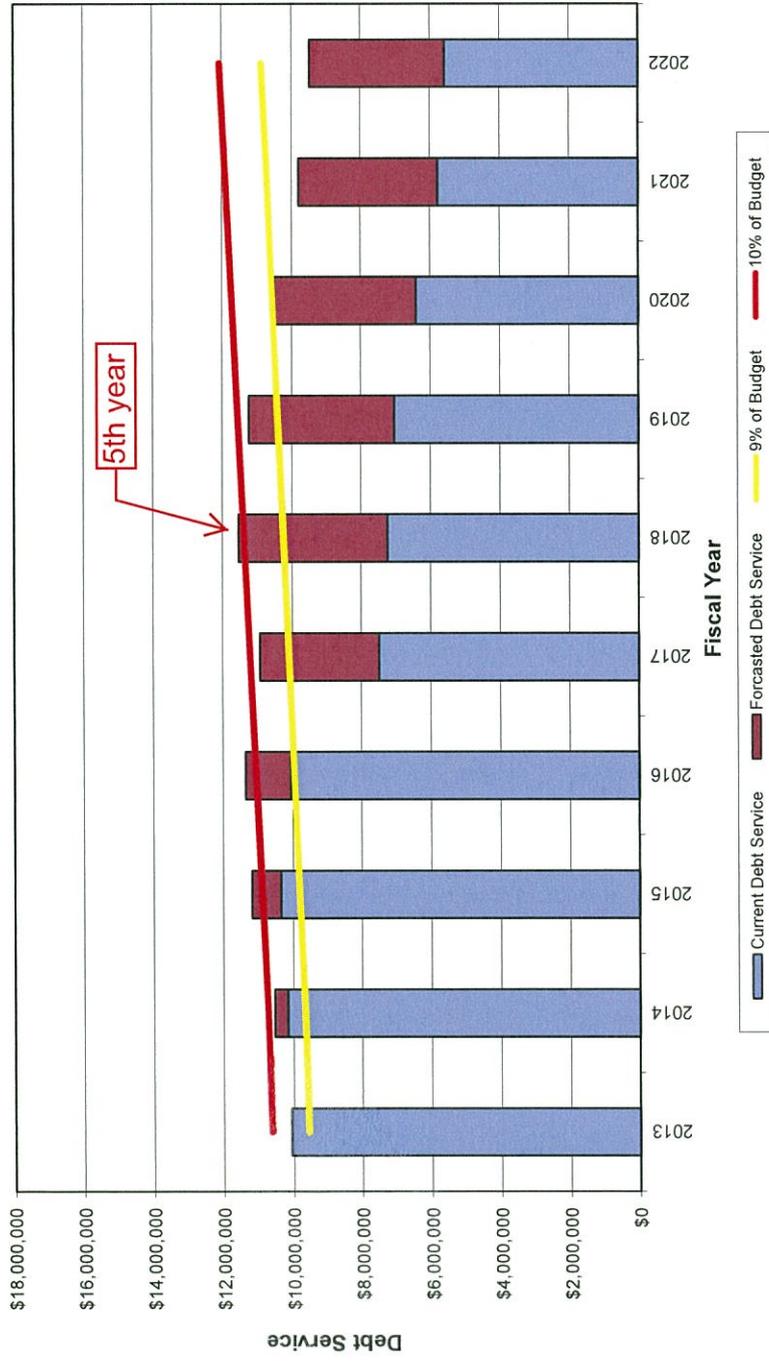
***current CIP with updated budget information

TOWN OF NEWTOWN 2012-2013 CIP - FORCASTED PROJECT AMOUNTS - DEBT LIMIT CALCULATION													
DO NOT ENTER BELOW - ENTER IN THE INDIVIDUAL FORCAST TABS													
	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017								
Fiscal Years Ending	Forcasted 2013 Bond Issue (02/15/2013)	Forcasted 2014 Bond Issue (02/15/2014)	Forcasted 2015 Bond Issue (02/15/2015)	Forcasted 2016 Bond Issue (02/15/2016)	Forcasted 2017 Bond Issue (02/15/2017)	Total Est. Debt Service Fiscal Year Total	General Fund Budget (using 1.0%)	Debt Service as a % of Budget	9% of Budget	10% of Budget	Estimated Debt Service	Difference	
PRINCIPAL AMOUNT>>>>	4,300,000	5,955,000	5,135,000	23,990,000	10,000,000	49,380,000	FIVE YEAR BORROWING AMOUNT						
06/30/2013						10,065,759	105,555,075	9.48%	9,553,215	10,614,684	10,065,759	548,925	
06/30/2014	371,950					10,530,874	106,146,838	9.82%	9,648,748	10,720,831	10,530,874	189,957	
06/30/2015	364,103	468,290				11,175,387	107,208,306	10.27%	9,793,479	10,881,643	11,175,387	(293,743)	
06/30/2016	356,255	477,650	462,833			11,353,934	108,816,431	10.28%	9,940,381	11,044,868	11,353,934	(309,066)	
06/30/2017	348,408	466,250	452,563	2,183,590		10,937,614	112,105,408	9.76%	10,089,487	11,210,541	10,937,614	272,927	
06/30/2018	7,237,429	340,560	454,850	442,293	925,000	11,534,522	113,786,989	10.14%	10,240,829	11,378,699	11,534,522	(155,823)	
06/30/2019	7,034,576	332,713	443,450	432,023	903,750	11,231,701	115,493,794	9.72%	10,394,441	11,549,379	11,231,701	317,678	
06/30/2020	6,403,776	324,865	421,753	2,035,990	882,500	10,500,934	117,226,200	8.96%	10,550,358	11,722,620	10,500,934	1,221,687	
06/30/2021	5,782,321	317,018	411,483	1,986,790	861,250	9,779,511	118,984,593	8.22%	10,708,613	11,898,459	9,779,511	2,118,948	
06/30/2022	5,576,927	309,170	409,250	1,937,590	840,000	9,474,150	120,769,362	7.84%	10,869,243	12,076,936	9,474,150	2,602,787	

Current proposed 2012-13 budget amount. Assumed 1% budget growth in 2013-14 and 1.5% thereafter.

ASSUMING A 1.0%-1.5% BUDGET INCREASE :

**TOWN OF NEWTOWN
2012 - 2013 CIP EFFECT ON FUTURE DEBT SERVICE**



TOWN OF NEWTOWN 2012-2013 CIP - FORECASTED PROJECT AMOUNTS - DEBT LIMIT CALCULATION

DO NOT ENTER BELOW - ENTER IN THE INDIVIDUAL FORECAST TABS

Fiscal Years Ending	Current Total Principal & Interest Payments ****	2012 - 2013		2013 - 2014		2014 - 2015		2015 - 2016		2016 - 2017		Total Est. Debt Service Fiscal Year Total	Debt Service as a % of Budget	9% of Budget	10% of Budget	Difference	
		Forcasted Issue (02/15/2013)	Forcasted Issue (02/15/2013)	Forcasted Issue (02/15/2014)	Forcasted Issue (02/15/2014)	Forcasted Issue (02/15/2015)	Forcasted Issue (02/15/2015)	Forcasted Issue (02/15/2016)	Forcasted Issue (02/15/2016)	Forcasted Issue (02/15/2017)	Forcasted Issue (02/15/2017)						
PRINCIPAL AMOUNT>>>>		-	6,000,000	6,000,000	6,000,000	15,000,000	10,000,000	FIVE YEAR BORROWING AMOUNT		37,000,000							
06/30/2013	10,059,789											10,059,789	9.48%	9,553,215	10,614,684	10,059,789	554,895
06/30/2014	10,158,924											10,158,924	9.48%	9,648,748	10,720,831	10,158,924	561,907
06/30/2015	10,342,994		528,000									10,870,994	9.99%	9,793,479	10,881,643	10,870,994	10,649
06/30/2016	10,057,196		516,600	537,000								11,110,796	10.06%	9,940,381	11,044,868	11,110,796	(65,928)
06/30/2017	7,486,804		505,200	525,150	1,365,000							9,882,154	8.82%	10,089,487	11,210,541	9,882,154	1,328,387
06/30/2018	7,237,429		493,800	513,300	1,334,250	925,000						10,503,779	9.23%	10,240,829	11,378,699	10,503,779	874,920
06/30/2019	7,034,576		482,400	501,450	1,303,500	903,750						10,225,676	8.85%	10,394,441	11,549,379	10,225,676	1,323,703
06/30/2020	6,403,776		471,000	489,600	1,272,750	882,500						9,519,626	8.12%	10,550,358	11,722,620	9,519,626	2,202,994
06/30/2021	5,782,321		459,600	477,750	1,242,000	861,250						8,822,921	7.42%	10,708,613	11,898,459	8,822,921	3,075,538
06/30/2022	5,576,927		448,200	465,900	1,211,250	840,000						8,542,277	7.07%	10,869,243	12,076,936	8,542,277	3,534,659

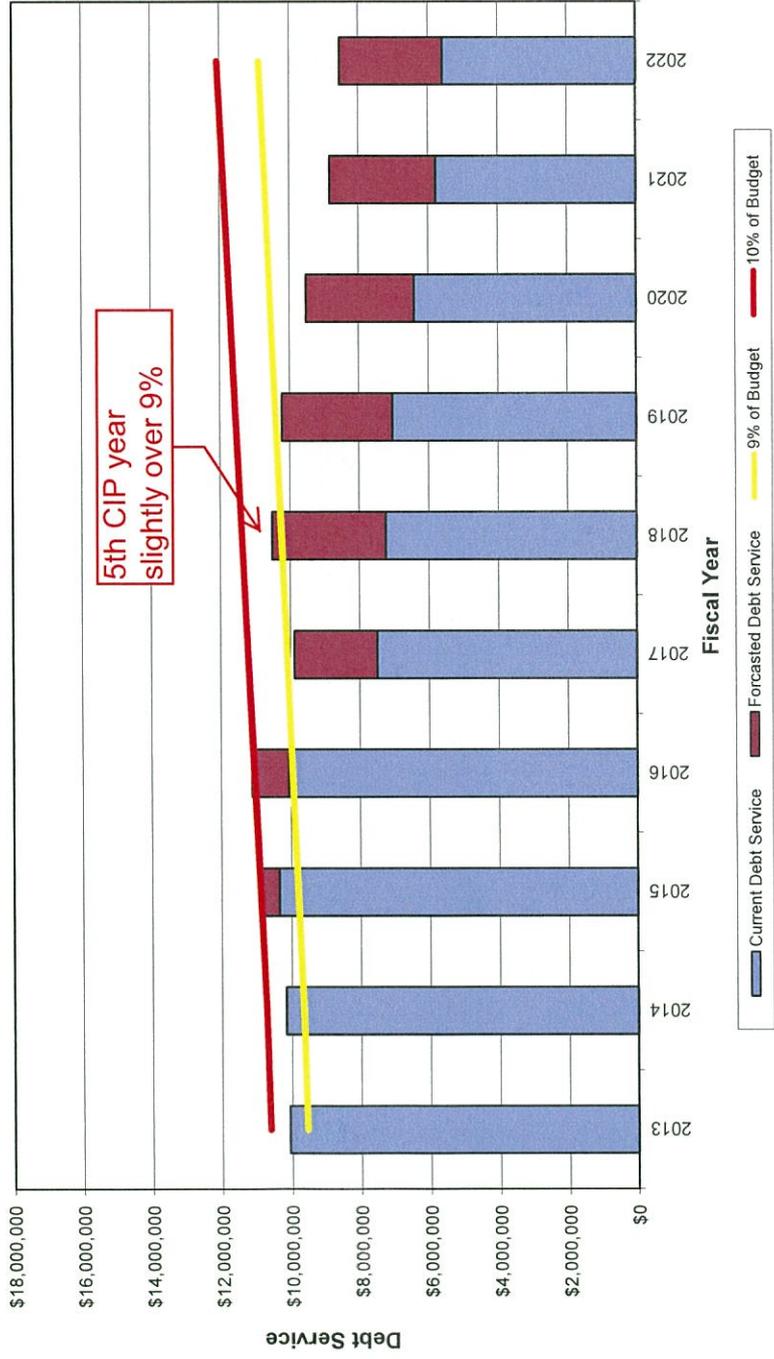
Assumed no projects

Assumed 15MM projects

Current proposed 2012-13 budget amount. Assumed 1% budget growth in 2013-14 and 1.5% thereafter.

ASSUMING A 1.0%-1.5% BUDGET INCREASE :

**TOWN OF NEWTOWN
2012 - 2013 CIP EFFECT ON FUTURE DEBT SERVICE**



TOWN OF NEWTOWN 2012-2013 CIP - FORECASTED PROJECT AMOUNTS - DEBT LIMIT CALCULATION

DO NOT ENTER BELOW - ENTER IN THE INDIVIDUAL FORECAST TABS

Fiscal Years Ending	Current Total Principal & Interest Payments****	2012 - 2013		2013 - 2014		2014 - 2015		2015 - 2016		2016 - 2017		Total Est. Debt Service Fiscal Year Total	General Fund Budget (using 1.0% to 1.5% growth)	Debt Service as a % of Budget	9% of Budget	10% of Budget	Estimated Debt Service Difference	
		2012 - 2013 Forecasted Issue (02/15/2013)	6,000,000	2013 - 2014 Forecasted Issue (02/15/2014)	6,000,000	2014 - 2015 Forecasted Issue (02/15/2015)	6,000,000	2015 - 2016 Forecasted Issue (02/15/2016)	20,000,000	2016 - 2017 Forecasted Issue (02/15/2017)	10,000,000							
06/30/2013	10,059,789											10,059,789	105,555,075	9.48%	9,553,215	10,614,684	10,059,789	554,895
06/30/2014	10,158,924											10,158,924	106,146,838	9.48%	9,648,748	10,720,831	10,158,924	561,907
06/30/2015	10,342,994											10,870,994	107,208,306	9.48%	9,793,479	10,881,643	10,870,994	10,649
06/30/2016	10,057,196											11,110,796	108,816,431	9.99%	9,940,381	11,044,868	11,110,796	(65,928)
06/30/2017	7,486,804											10,337,154	112,105,408	9.22%	10,089,487	11,210,541	10,337,154	873,387
06/30/2018	7,237,429											10,948,529	113,786,989	9.62%	10,240,829	11,378,699	10,948,529	430,170
06/30/2019	7,034,576											10,660,176	115,493,794	9.23%	10,394,441	11,549,379	10,660,176	889,203
06/30/2020	6,403,776											9,943,876	117,226,200	8.48%	10,550,358	11,722,620	9,943,876	1,778,744
06/30/2021	5,782,321											9,236,921	118,984,593	7.76%	10,708,613	11,898,459	9,236,921	2,661,538
06/30/2022	5,576,927											8,946,027	120,769,362	7.41%	10,869,243	12,076,936	8,946,027	3,130,909
PRINCIPAL AMOUNT>>>>												42,000,000 *	FIVE YEAR BORROWING AMOUNT					

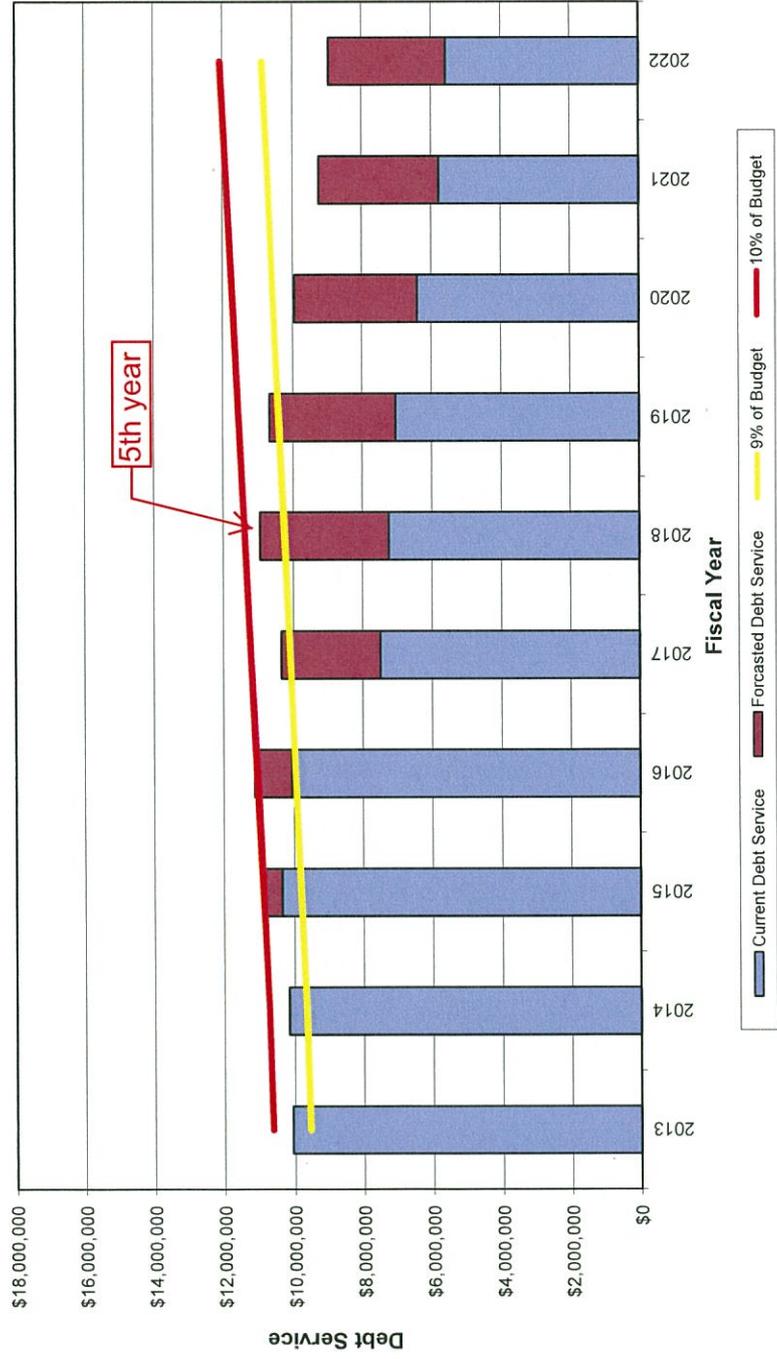
zero projects

assumed 20mm

Current proposed 2012-13 budget amount. Assumed 1% budget growth in 2013-14 and 1.5% thereafter.

ASSUMING A 1.0%-1.5% BUDGET INCREASE :

**TOWN OF NEWTOWN
2012 - 2013 CIP EFFECT ON FUTURE DEBT SERVICE**



**NEWTOWN BOARD OF EDUCATION
MONTHLY FINANCIAL REPORT
MAY 31, 2012**

SUMMARY

This May financial report for the current year represents the latest district expenses and estimates for the balance of the year. The overall projected balance at this time is \$28,000.

Overall, the YTD amount (fifth from the right) indicates we spent \$6.4M since the April period, which includes the June 1 staff payroll. All major object codes are in a positive balance at month's end with the exception of Property before the transfer recommendation. This was necessary due to the year-end purchase of desktop computers for the middle school. The projected balance column indicates we are still expecting to have an overall positive balance. The balance of the excess cost reimbursement grant has now been distributed to the appropriate eligible accounts.

This budget has been lean, and our position has always been predicted to be positive. It will continue to be monitored for proper closeout this month. Details of balance utilization for educational needs including maintenance projects and technology are detailed later in this report. Time to plan for these items was essential and we appreciate the Board's recognition and approval of this planning need in the last few months.

EXPENSE CATEGORY CONDITIONS

100 SALARIES

The total salary budget balance has changed since last month due to the inclusion of the excess cost grant funds. The areas of educational assistants, nurses, and Special Education Services have been previously detailed as related to the need for additional Special Education aides at the High School, the nurse for Frasier Woods, and the trainers all partially covered by the balance of the excess cost grant revenue and also have transfer recommendations to cover most of the remaining shortfalls. An additional need of \$9,500 for another administrator's salary vacation payment due to resignation has also been included.

200 EMPLOYEE BENEFITS

Current estimates continue to be on track, but have declined slightly due to premium share prior to transfer out.

300 PROFESSIONAL SERVICES

We have been watching this area that has been of concern since the beginning of the year. The need has declined due to reducing anticipated legal expenses and the excess cost revenue offset.

400 PURCHASED PROPERTY SERVICES

This account depicts a potential \$12,000 need due to anticipated continuing emergency repairs. The expenses in the Building & Site maintenance projects now include in the High School UPS system, the Middle School gym floor, and the Hawley stairs, all initiated as a result of the Board's year-end expenditure balance authorization.

500 OTHER PURCHASED SERVICES

The shortage related to Special Education's tuition and transportation accounts have been significantly mitigated due to the excess cost revenue being applied to those accounts. Tuition and Transportation were stable for this month.

600 SUPPLIES

This balance has declined since last month due to the year-end expenditure for the Middle School licensing for virtual desktops and the renewal licensing for Windows and Office. These needs are offset by a recommended transfer.

700 PROPERTY

Expenses estimated include the funds for the Middle School desktops, again covered by a transfer.

800 MISCELLANEOUS

No concerns presently. Expenses estimated at budget.

EDUCATION JOBS FUND

Salaries for educational assistants are required to be fully spent by year-end.

RECOMMENDED TRANSFERS

At this time it is required that we recommend transfers designed to primarily cover the year-end expenditures included as authorized.

Transfer Funds Out of and Into 100 Salary – Page 2

Administrative Salaries	\$11,000
Teacher & Specialist Salaries	(\$42,000)
Homebound and Tutor's Salaries	(\$5,000)
Educational Assistants	\$60,000
Nurses & Medical Advisor	\$25,000
Custodial & Maintenance Salaries	(\$80,000)
Special Education Service Salaries	\$10,000 (Partial)
Extra Work Non-Certified	(\$25,000)
Net Transfers Out	(\$46,000)

Transfer Funds Out of 200 Employee Benefits – Page 3

Unemployment & Employee Assistance	\$12,000
Net Transfer Out	(\$12,000)

Transfer Funds Out of and Into 400 Purchased Property Services – Page 3

Building & Grounds Service	(\$10,000)
Rentals – Building & Equipment	(\$10,000)
Building & Site Maintenance	\$15,000
Net Transfer Out	(\$5,000)

Transfer Funds Into and Out of 600 Supplies – Page 4

Software, Medical & Office Supplies		\$50,000
Propane and Natural Gas		(\$10,000)
	<u>Net Transfers In</u>	<u>\$40,000</u>

Transfer Into 700 Property – Page 5

Technology Equipment: \$23,000		
	<u>Net Transfer In</u>	<u>\$23,000</u>

All these accounts have been noted to have these needs and balances.

AUTHORIZED YEAR-END EXPENDITURES TO DATE

	<u>Plant</u>	<u>Technology</u>
Replace UPS – High School	\$37,376	
Licensing – Middle School		\$35,787
Gym Floor – Middle School	\$13,860	
Desktops – Middle School		\$20,930
Stairs – Hawley	\$17,000	
Microsoft Licensing Renewal		<u>\$32,700</u>
	<u>\$68,236</u>	<u>\$89,417</u>
	Total	\$157,653

NEXT ON THE PLAN

Concrete Stairs – Middle School	\$30,000	
SNAP Nurse Tracking		\$5,790

Ronald J. Bienkowski, Director of Business
June 15, 2012

TERMS AND DEFINITIONS

The Newtown Board of Education's Monthly Financial Report provides summary financial information in the following areas:

- Object Code – a service or commodity obtained as the result of a specific expenditure defined by eight (of the nine) categories: Salaries, Employee Benefits, Professional Services, Purchased Property Services, Other Purchased Services, Supplies, Property and Miscellaneous.
- Expense Category – further defines the type of expense by Object Code
- Approved Budget – indicates a town approved financial plan used by the school district to achieve its goals and objectives.
- Current Budget – adjusts the Approved Budget calculating adjustments (+ or -) to the identified object codes.
- Year-To-Date Expended – indicates the actual amount of cumulative expenditures processed by the school district through the month-end date indicated on the monthly budget summary report.
- Encumber – indicates approved financial obligations of the school district as a result of employee salary contracts, purchasing agreements, purchase orders, or other identified obligations not processed for payment by the date indicated on the monthly budget summary report.
- Balance – calculates object code account balances subtracting expenditures and encumbrances from the current budget amount indicating accounts with unobligated balances or anticipated deficits.

The monthly budget summary report also provides financial information on the Education Jobs Fund, State of Connecticut grant reimbursement programs (Excess Cost Grant and Magnet Grant Transportation). These reimbursement grants/programs are used to supplement local school district budget programs as follows:

Education Jobs Fund – is a two year program. This year is the second year. It is designated to assist local boards to provide continuing employment for school personnel at risk due to budget cuts.

Excess Cost Grant – this State of Connecticut reimbursement grant is used to support local school districts for education costs of identified special education students whose annual education costs meet or exceed local education tuition rates by 4 ½. Students placed by the Department of Child and Family Services (DCF) are reimbursed after the school district has met the initial local education tuition rates. School districts report these costs annually in December and March of each fiscal year. State of Connecticut grant calculations are determined by reimbursing eligible costs (60%-100%) based on the SDE grant allocation. Current year detail changes will be forthcoming in future report narratives

Magnet Transportation Grant – provides reimbursement of \$1,300 for local students attending approved magnet school programs.

The last portion of the monthly budget summary reports school generated revenue fees that are anticipated revenue to the Town of Newtown. Fees include:

- High school fees for three identified program with the highest amount of fees anticipated from the high school sports participation fees,
- Building related fees for the use of the high school pool facility, and
- Miscellaneous fees.

Providing current financial information to the Board of Education is essential in order to remain within the allotted budget while maintaining a financial spending plan that meets the mission and goals of Newtown Board of Education.

NEWTOWN BOARD OF EDUCATION

BUDGET SUMMARY REPORT

FOR THE MONTH ENDING MAY 31, 2012

OBJECT CODE	EXPENSE CATEGORY	YTD			CURRENT BUDGET	CURRENT TRANSFERS	CURRENT BUDGET	EXPENDITURE	ENCUMBER	BALANCE	ANTICIPATED PROJECTED OBLIGATIONS	BALANCE																		
		APPROVED BUDGET	2011 - 2012	YTD																										
GENERAL FUND BUDGET																														
100	SALARIES	\$ 42,907,275	\$ -	\$ (46,000)	\$ 42,605,564	\$ 35,645,689	\$ 6,879,437	\$ 80,439	\$ 80,439	\$ 80,699	\$ (260)																			
200	EMPLOYEE BENEFITS	\$ 10,575,126	\$ (151,000)	\$ (12,000)	\$ 10,412,126	\$ 10,092,200	\$ 94,634	\$ 225,292	\$ 209,941	\$ 15,351																				
300	PROFESSIONAL SERVICES	\$ 715,720	\$ 196,000	\$ -	\$ 911,720	\$ 669,583	\$ 152,260	\$ 89,877	\$ 81,485	\$ 8,392																				
400	PURCHASED PROPERTY SERV.	\$ 1,891,169	\$ 25,000	\$ (5,000)	\$ 1,911,169	\$ 1,534,424	\$ 231,135	\$ 145,610	\$ 137,948	\$ 7,662																				
500	OTHER PURCHASED SERVICES	\$ 6,686,624	\$ 200,000	\$ -	\$ 6,886,624	\$ 5,675,936	\$ 221,097	\$ 989,590	\$ 997,105	\$ (7,515)																				
600	SUPPLIES	\$ 4,802,441	\$ (270,000)	\$ 40,000	\$ 4,572,441	\$ 3,817,791	\$ 506,229	\$ 248,421	\$ 245,778	\$ 2,643																				
700	PROPERTY	\$ 329,975	\$ -	\$ 23,000	\$ 352,975	\$ 215,370	\$ 133,138	\$ 4,467	\$ 5,310	\$ (843)																				
800	MISCELLANEOUS	\$ 63,097	\$ -	\$ -	\$ 63,097	\$ 57,954	\$ 1,632	\$ 3,511	\$ 500	\$ 3,011																				
TOTAL GENERAL FUND BUDGET		\$ 67,971,427	\$ -	\$ -	\$ 67,715,716	\$ 57,708,946	\$ 8,219,561	\$ 1,787,209	\$ 1,758,765	\$ 28,443																				
EDUCATION JOBS FUND																														
100	SALARIES	\$ -	\$ -	\$ -	\$ 255,711	\$ 229,055	\$ 26,249	\$ 406	\$ 406	\$ 0																				
200	EMPLOYEE BENEFITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																				
TOTAL EDUCATION JOBS FUND		\$ -	\$ -	\$ -	\$ 255,711	\$ 229,055	\$ 26,249	\$ 406	\$ 406	\$ 0																				
GRAND TOTAL		\$ 67,971,427	\$ -	\$ -	\$ 67,971,427	\$ 57,938,001	\$ 8,245,811	\$ 1,787,615	\$ 1,759,171	\$ 28,444																				
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Excess Cost Grant Reimbursement Offset</td> <td style="width: 15%;">Budgeted</td> <td style="width: 15%;">\$ 1,409,380</td> <td style="width: 15%;">Difference</td> <td style="width: 15%;">\$ (59,202)</td> <td style="width: 10%;">Current Rec'd</td> <td style="width: 10%;">\$ 1,350,178</td> <td style="width: 10%;">Balance Due</td> <td style="width: 10%;">\$ -</td> </tr> <tr> <td>Net Projected Balance</td> <td></td> <td></td> <td>-0.97%</td> <td></td> <td>76.29%</td> <td></td> <td>\$</td> <td>\$ 28,444</td> </tr> </table>													Excess Cost Grant Reimbursement Offset	Budgeted	\$ 1,409,380	Difference	\$ (59,202)	Current Rec'd	\$ 1,350,178	Balance Due	\$ -	Net Projected Balance			-0.97%		76.29%		\$	\$ 28,444
Excess Cost Grant Reimbursement Offset	Budgeted	\$ 1,409,380	Difference	\$ (59,202)	Current Rec'd	\$ 1,350,178	Balance Due	\$ -																						
Net Projected Balance			-0.97%		76.29%		\$	\$ 28,444																						

NEWTOWN BOARD OF EDUCATION

BUDGET SUMMARY REPORT

FOR THE MONTH ENDING MAY 31, 2012

OBJECT CODE	EXPENSE CATEGORY	YTD				ENCUMBER	BALANCE	ANTICIPATED PROJECTED OBLIGATIONS BALANCE
		APPROVED BUDGET	TRANSFERS 2011-2012	CURRENT TRANSFERS	CURRENT BUDGET			
100	SALARIES							
	Administrative Salaries	\$ 2,816,460	\$ 11,000	\$ 11,000	\$ 2,838,460	\$ 236,550	\$ 21,732	\$ (681)
	Teachers & Specialists Salaries	\$ 29,677,257	\$ (28,000)	\$ (42,000)	\$ 29,607,257	\$ 5,701,124	\$ 9,173	\$ 5,173
	Early Retirement	\$ 16,000	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -
	Continuing Ed./Summer School	\$ 78,939	\$ (5,000)	\$ -	\$ 73,939	\$ 6,605	\$ 1,363	\$ 1,363
	Homebound & Tutors Salaries	\$ 260,452	\$ -	\$ (5,000)	\$ 255,452	\$ 22,107	\$ 17,496	\$ 5,843
	Certified Substitutes	\$ 572,100	\$ 22,000	\$ -	\$ 594,100	\$ 544,374	\$ 27,676	\$ 0
	Coaching/Activities	\$ 541,749	\$ -	\$ -	\$ 541,749	\$ 760	\$ 5,941	\$ 2,680
	Staff & Program Development	\$ 138,580	\$ -	\$ -	\$ 138,580	\$ 35,799	\$ 13,174	\$ 174
	CERTIFIED SALARIES	\$ 34,101,537	\$ -	\$ (36,000)	\$ 34,065,537	\$ 6,024,995	\$ 96,556	\$ 14,553
	Supervisors/Technology Salaries	\$ 597,487	\$ -	\$ -	\$ 597,487	\$ 49,881	\$ (2,534)	\$ -
	Clerical & Secretarial salaries	\$ 1,960,105	\$ -	\$ -	\$ 1,960,105	\$ 202,224	\$ (206)	\$ 4,749
	Educational Assistants	\$ 1,669,633	\$ -	\$ 60,000	\$ 1,473,922	\$ 1,328,561	\$ (20,476)	\$ (4,841)
	Nurses & Medical advisors	\$ 559,337	\$ -	\$ 25,000	\$ 584,337	\$ 61,338	\$ (3,983)	\$ 494
	Custodial & Maint Salaries	\$ 2,770,430	\$ -	\$ (80,000)	\$ 2,690,430	\$ 2,55,704	\$ 8,637	\$ 5,137
	Bus Drivers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Career/Job salaries	\$ 101,256	\$ -	\$ -	\$ 101,256	\$ 5,875	\$ 1,286	\$ 300
	Special Education Svcs Salaries	\$ 648,087	\$ -	\$ 10,000	\$ 658,087	\$ 98,572	\$ (32,095)	\$ (34,805)
	Attendance & Security Salaries	\$ 145,140	\$ -	\$ -	\$ 145,140	\$ 128,407	\$ 4,700	\$ 328
	Extra Work - Non-Cert	\$ 97,900	\$ -	\$ (25,000)	\$ 72,900	\$ 2,977	\$ 8,355	\$ 2,719
	Custodial & Maint. Overtime	\$ 213,363	\$ -	\$ -	\$ 213,363	\$ 193,473	\$ 19,890	\$ 8,501
	Civic activities/Park & Rec	\$ 43,000	\$ -	\$ -	\$ 43,000	\$ -	\$ 308	\$ 2,462
	NON-CERTIFIED SALARIES	\$ 8,805,738	\$ -	\$ (10,000)	\$ 8,540,027	\$ 854,441	\$ (16,117)	\$ (14,813)
	SUBTOTAL SALARIES	\$ 42,907,275	\$ -	\$ (46,000)	\$ 42,605,564	\$ 6,879,437	\$ 80,439	\$ (260)
					\$ (301,711)			

NEWTOWN BOARD OF EDUCATION

BUDGET SUMMARY REPORT

FOR THE MONTH ENDING MAY 31, 2012

OBJECT CODE	EXPENSE CATEGORY	YTD		YTD		ENCUMBER	BALANCE	ANTICIPATED OBLIGATIONS	PROJECTED BALANCE
		APPROVED BUDGET	TRANSFERS 2011 - 2012	CURRENT BUDGET	EXPENDITURE				
200	EMPLOYEE BENEFITS								
	Medical & Dental Expenses	\$ 8,081,152	\$ (34,000)	\$ 8,047,152	\$ 7,942,467	\$ 94,634	\$ 10,051	\$ 4,145	\$ 5,906
	Life Insurance	\$ 85,385	-	\$ 85,385	\$ 75,749	-	\$ 9,636	\$ 7,017	\$ 2,619
	FICA & Medicare	\$ 1,261,524	-	\$ 1,261,524	\$ 1,088,434	-	\$ 173,090	\$ 170,000	\$ 3,090
	Pensions	\$ 439,463	-	\$ 439,463	\$ 439,389	-	\$ 74	\$ -	\$ 74
	Unemployment & Employee Assist.	\$ 243,602	\$ (100,000)	\$ 131,602	\$ 99,799	-	\$ 31,803	\$ 28,779	\$ 3,024
	Workers Compensation	\$ 464,000	\$ (17,000)	\$ 447,000	\$ 446,361	-	\$ 639	\$ -	\$ 639
	SUBTOTAL EMPLOYEE BENEFITS	\$ 10,575,126	\$ (151,000)	\$ 10,412,126	\$ 10,092,200	\$ 94,634	\$ 225,292	\$ 209,941	\$ 15,351
300	PROFESSIONAL SERVICES								
	Professional Services	\$ 489,684	\$ 196,000	\$ 685,684	\$ 507,422	\$ 116,072	\$ 62,190	\$ 56,485	\$ 5,705
	Professional Educational Ser.	\$ 226,036	-	\$ 226,036	\$ 162,161	\$ 36,188	\$ 27,687	\$ 25,000	\$ 2,687
	SUBTOTAL PROFESSIONAL SVCS	\$ 715,720	\$ 196,000	\$ 911,720	\$ 669,583	\$ 152,260	\$ 89,877	\$ 81,485	\$ 8,392
400	PURCHASED PROPERTY SVCS								
	Buildings & Grounds Services	\$ 672,300	\$ -	\$ 662,300	\$ 565,065	\$ 53,693	\$ 43,542	\$ 32,780	\$ 10,762
	Utility Services - Water & Sewer	\$ 123,450	\$ (15,000)	\$ 108,450	\$ 75,600	-	\$ 32,850	\$ 32,000	\$ 850
	Building, Site & Emergency Repairs	\$ 460,850	-	\$ 460,850	\$ 435,533	\$ 19,835	\$ 5,482	\$ 17,482	\$ (12,000)
	Equipment Repairs	\$ 246,571	-	\$ 246,571	\$ 182,415	\$ 15,182	\$ 48,974	\$ 42,000	\$ 6,974
	Rentals - Building & Equipment	\$ 291,498	\$ -	\$ 281,498	\$ 226,423	\$ 64,684	\$ (9,609)	\$ (11,303)	\$ 1,694
	Building & Site Maintenance	\$ 96,500	\$ 40,000	\$ 151,500	\$ 49,387	\$ 77,741	\$ 24,372	\$ 24,989	\$ (617)
	SUBTOTAL PUR. PROPERTY SER.	\$ 1,891,169	\$ 25,000	\$ 1,911,169	\$ 1,534,424	\$ 231,135	\$ 145,610	\$ 137,948	\$ 7,662

NEWTOWN BOARD OF EDUCATION

BUDGET SUMMARY REPORT

FOR THE MONTH ENDING MAY 31, 2012

OBJECT CODE	EXPENSE CATEGORY	YTD				CURRENT BUDGET	CURRENT TRANSFERS	CURRENT BUDGET	YTD EXPENDITURE	ENCUMBER	BALANCE	ANTICIPATED OBLIGATIONS	PROJECTED BALANCE
		APPROVED BUDGET	2011 - 2012	TRANSFERS	2011 - 2012								
500 OTHER PURCHASED SERVICES													
	Contracted Services	\$ 393,983	\$ -	\$ -	\$ 393,983	\$ -	\$ -	\$ 314,305	\$ 34,253	\$ 45,425	\$ 40,000	\$ 5,425	
	Transportation Services	\$ 4,423,601	\$ -	\$ -	\$ 4,423,601	\$ -	\$ -	\$ 3,572,490	\$ -	\$ 851,111	\$ 879,799	\$ (28,688)	
	Insurance - Property & Liability	\$ 333,731	\$ -	\$ -	\$ 333,731	\$ -	\$ -	\$ 334,943	\$ -	\$ (1,212)	\$ 2,000	\$ (3,212)	
	Communications	\$ 148,718	\$ -	\$ -	\$ 148,718	\$ -	\$ -	\$ 96,074	\$ 9,716	\$ 42,928	\$ 15,000	\$ 27,928	
	Printing Services	\$ 54,560	\$ -	\$ -	\$ 54,560	\$ -	\$ -	\$ 23,377	\$ 10,362	\$ 20,821	\$ 13,250	\$ 7,571	
	Tuition - Out of District	\$ 1,104,055	\$ 200,000	\$ -	\$ 1,304,055	\$ -	\$ -	\$ 1,146,832	\$ 162,898	\$ (5,674)	\$ 14,056	\$ (19,730)	
	Student Travel & Staff Mileage	\$ 227,976	\$ -	\$ -	\$ 227,976	\$ -	\$ -	\$ 187,916	\$ 3,869	\$ 36,191	\$ 33,000	\$ 3,191	
	SUBTOTAL OTHER PURCHASED S	\$ 6,686,624	\$ 200,000	\$ -	\$ 6,886,624	\$ -	\$ -	\$ 5,675,936	\$ 221,097	\$ 989,590	\$ 997,105	\$ (7,515)	
600 SUPPLIES													
	Instructional & Library Supplies	\$ 983,763	\$ -	\$ -	\$ 983,763	\$ -	\$ -	\$ 841,630	\$ 81,762	\$ 60,371	\$ 67,668	\$ (7,297)	
	Software, Medical & Office Sup.	\$ 169,107	\$ -	\$ 50,000	\$ 219,107	\$ -	\$ -	\$ 124,138	\$ 59,263	\$ 35,707	\$ 38,700	\$ (2,993)	
	Plant Supplies	\$ 361,100	\$ -	\$ -	\$ 361,100	\$ -	\$ -	\$ 347,281	\$ 16,715	\$ (2,895)	\$ 5,000	\$ (7,895)	
	Electric	\$ 1,637,617	\$ (210,000)	\$ -	\$ 1,427,617	\$ -	\$ -	\$ 1,115,204	\$ 292,615	\$ 19,798	\$ -	\$ 19,798	
	Propane & Natural Gas	\$ 398,287	\$ (60,000)	\$ (10,000)	\$ 328,287	\$ -	\$ -	\$ 274,416	\$ -	\$ 53,871	\$ 37,301	\$ 16,570	
	Fuel Oil	\$ 544,034	\$ -	\$ -	\$ 544,034	\$ -	\$ -	\$ 489,198	\$ -	\$ 54,836	\$ 56,709	\$ (1,873)	
	Fuel For Vehicles & Equip.	\$ 471,739	\$ -	\$ -	\$ 471,739	\$ -	\$ -	\$ 485,475	\$ -	\$ (13,736)	\$ -	\$ (13,736)	
	Textbooks	\$ 236,794	\$ -	\$ -	\$ 236,794	\$ -	\$ -	\$ 140,451	\$ 55,874	\$ 40,469	\$ 40,400	\$ 69	
	SUBTOTAL SUPPLIES	\$ 4,802,441	\$ (270,000)	\$ 40,000	\$ 4,572,441	\$ -	\$ -	\$ 3,817,791	\$ 506,229	\$ 248,421	\$ 245,778	\$ 2,643	

NEWTOWN BOARD OF EDUCATION

BUDGET SUMMARY REPORT

FOR THE MONTH ENDING MAY 31, 2012

OBJECT CODE	EXPENSE CATEGORY	APPROVED BUDGET	YTD		CURRENT BUDGET	CURRENT TRANSFERS	CURRENT BUDGET	YTD EXPENDITURE	ENCUMBER	BALANCE	ANTICIPATED OBLIGATIONS	PROJECTED BALANCE
			2011 - 2012	2012								
700	PROPERTY											
	Capital Improvements (Sewers)	\$ 124,177	\$ -	\$ 124,177	\$ 124,177	\$ -	\$ 124,177	\$ 124,177	\$ -	\$ 0	\$ -	\$ 0
	Technology Equipment	\$ 155,102	\$ -	\$ 178,102	\$ 23,000	\$ 178,102	\$ 178,102	\$ 127,365	\$ 1,167	\$ 1,167	\$ 2,000	\$ (833)
	Other Equipment	\$ 50,696	\$ -	\$ 50,696	\$ 50,696	\$ 50,696	\$ 41,624	\$ 5,772	\$ 3,300	\$ 3,300	\$ 3,310	\$ (10)
	SUBTOTAL PROPERTY	\$ 329,975	\$ -	\$ 352,975	\$ 23,000	\$ 352,975	\$ 215,370	\$ 133,138	\$ 4,467	\$ 4,467	\$ 5,310	\$ (843)
800	MISCELLANEOUS											
	Memberships	\$ 63,097	\$ -	\$ 63,097	\$ 63,097	\$ 63,097	\$ 57,954	\$ 1,632	\$ 3,511	\$ 3,511	\$ 500	\$ 3,011
	SUBTOTAL MISCELLANEOUS	\$ 63,097	\$ -	\$ 63,097	\$ -	\$ 63,097	\$ 57,954	\$ 1,632	\$ 3,511	\$ 3,511	\$ 500	\$ 3,011
	TOTAL LOCAL BUDGET	\$ 67,971,427	\$ -	\$ 67,715,716	\$ -	\$ 67,715,716	\$ 57,708,946	\$ 8,219,561	\$ 1,787,209	\$ 1,787,209	\$ 1,758,765	\$ 28,443

EDUCATION JOBS FUND	REVENUE RECEIVED	YTD RECEIVED	YTD EXPENDITURE	ENCUMBER	BALANCE	ANTICIPATED OBLIGATIONS	PROJECTED BALANCE
Salaries	\$ 255,711	\$ 255,711	\$ 229,055	\$ 26,249	\$ 406	\$ 406	\$ 0
TOTAL EDUCATION JOBS FUND	\$ -	\$ 255,711	\$ 229,055	\$ 26,249	\$ 406	\$ 406	\$ 0

TOTAL BUDGET ALL SOURCES	\$ 67,971,427	\$ -	\$ 67,971,427	\$ 8,245,811	\$ 1,787,615	\$ 1,759,171	\$ 28,444
---------------------------------	----------------------	-------------	----------------------	---------------------	---------------------	---------------------	------------------

NEWTOWN BOARD OF EDUCATION

BUDGET SUMMARY REPORT

FOR THE MONTH ENDING MAY 31, 2012

OBJECT CODE	EXPENSE CATEGORY	APPROVED BUDGET	YTD TRANSFERS 2011 - 2012	CURRENT BUDGET	CURRENT BUDGET	YTD EXPENDITURE	ENCUMBER BALANCE	ANTICIPATED OBLIGATIONS	PROJECTED BALANCE	%
SCHOOL GENERATED FEES										
	HIGH SCHOOL FEES									
	NURTURY PROGRAM	\$8,000		\$8,000.00			\$0.00			100.00%
	PARKING PERMITS	\$20,000		\$20,000.00			\$0.00			100.00%
	PAY FOR PARTICIPATION IN SPORTS	\$84,800		\$59,232.00			\$25,568.00			69.85%
		\$112,800		\$87,232.00			\$25,568.00			77.33%
BUILDING RELATED FEES										
	ENERGY - ELECTRICITY	\$313		\$626.00			(\$313.00)			200.00%
	HIGH SCHOOL POOL - OUTSIDE USAGE	\$8,000		\$400.00			\$7,600.00			5.00%
		\$8,313		\$1,026.00			\$7,287.00			12.34%
	MISCELLANEOUS FEES	\$200		\$77.00			\$123.00			38.50%
	TOTAL SCHOOL GENERATED FEES	\$121,313		\$88,335.00			\$32,978.00			72.82%

**TOWN OF NEWTOWN
APPROPRIATION (BUDGET) TRANSFER REQUEST**

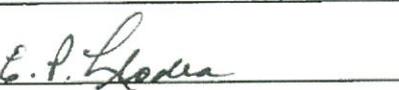
FISCAL YEAR 2011 - 2012 DEPARTMENT Fire DATE 6/29/12

	<u>Account</u>	<u>Amount</u>	
FROM:	01320-1014 MARSHALLS CAR ALLOWANCE	(200.00)	USE NEGATIVE AMOUNT ↓ USE POSITIVE AMOUNT ↓
	01320-2011 COMM & MARSHALLS SUPPLIES	(1,500.00)	
	01320-2015 TRAINING, FIRE PREVENTION	(3,000.00)	
	01320-2020 UTILITIES	(15,000.00)	
	01320-2028 HYDRANTS	(5,000.00)	
	01320-2035 FIRE FIGHTER SUPPLIES	(7,000.00)	
	01320-5080 CAPITAL	(1,000.00)	
TO:	01320-1001 MARSHALL FEES	1,600.00	
	01320-2021 FIREHOUSE MAINT. & ALARM	2,500.00	
	01320-2022 RADIO & PAGER SERVICE	1,000.00	
	01320-2029 FIRE HOSE	8,600.00	
	01320-3051 TRUCK MAINTENANCE	10,000.00	
	01320-4002 F/F INCENTIVE PLAN	9,000.00	

REASON:

1001- Deputy Marshalls worked more than the allotted hours
 2021 - Excessive Maintenance at Hook & Ladder Fire Station & Generator repairs due to excessive operations during storms
 2022 - Minor overage in repairs
 2029 - Excessive failure rate from hose testing and damage from hose falling off truck (reimbursed by insurance)
 3051 - Repairs were well in excess of a normal year
 4002 - Heavy call volume. This account is generally underfunded

AUTHORIZATION:

(1) DEPARTMENT HEAD		date: 7/3/2012
(2) FINANCE DIRECTOR		7/3/12
(3) SELECTMAN		7/6/12
(4) BOARD OF SELECTMEN	_____	_____
(5) BOARD OF FINANCE		7.9.12
(6) LEGISLATIVE COUNCIL	_____	_____

AUTHORIZATION SIGN OFF

FIRST 335 DAYS >>>>WITH IN A DEPT.>>>>LESS THAN \$50,000>>>> (1), (2) & (3) SIGNS OFF; MORE THAN \$50,000>>>> (1), (2), (3) & (5)
 >>>>ONE DEPT TO ANOTHER>>>>LESS THAN \$200,000>>>>ALL EXCEPT (6); MORE THAN \$200,000>>>>ALL SIGN OFF
 AFTER 335 DAYS >>>>(1), (2), (3), (5) & (6) ANY AMOUNT FROM CONTINGENCY>>>> ALL SIGN OFF



July 10, 2012

Ms. Patricia Llodra, First Selectperson
Town of Newtown
3 Primrose Street
Newtown, CT 06470

**Re: Hawley School Boiler Replacement and Upgrading
Hawley Elementary School, Newtown, CT
KBA #11060**

Dear Ms. Loldra:

During my presentation of the Hawley School Boiler Replacement & Infrastructure Upgrading Project to the Board of Finance (BOF) on Monday 7/9/12, a BOF member asked for a written Project Explanation. Following is a project synopsis and a schedule of construction activities for each project phase. The construction activity sheet for Phase Three is strictly for the HVAC work. Phase Three ADA is not included.

Very truly yours,

A handwritten signature in black ink, appearing to read "Charles W. Boos", with a long horizontal flourish extending to the right.

Charles W. Boos, AIA
Principal-in-Charge
KAESTLE BOOS ASSOCIATES, INC.

Cc: Robert Mitchell, Chairman, Public Building and Site Commission
Robert Edwards, Public Building and Site Commission
Thomas Catalina, Public Building and Site Commission

CWB:kjd



NEWTOWN HAWLEY SCHOOL Boiler Replacement, HVAC & Related Work

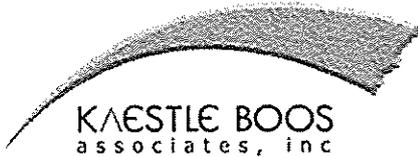
THE PROJECT

BOILER REPLACEMENT AND INSTALLATION OF A DUCTED HVAC SYSTEM

CIP indicated that THE PROJECT was to be accomplished as a phased installation during the summers of 2013, 2014 & 2015.

The boiler replacement phase proposed the consolidation of two existing boiler rooms into one and the total elimination of the existing steam system in both the 1921 and 1948 sections of the building. Related work included Haz/Mat removal, the replacement of classroom casework associated with existing wall mounted radiation, and the upgrade of all related fire safety systems and components to the satisfaction of the Fire Marshall.

The installation of a Ducted HVAC System was scheduled for subsequent phases. Related work includes an upgrade to the existing electrical service; ceiling and lighting replacements to facilitate the installation of the new ductwork; structural alterations to accommodate new roof top equipment and vertical duct drops, roof repairs and/or replacement as the needed; and the upgrade of all related fire safety systems and components to the satisfaction of the Fire Marshall.



NEWTOWN HAWLEY SCHOOL

Boiler Replacement, HVAC & Related Work

THE PROJECT

PROJECT APPROACH

Early on in the study process we determined that the most economical approach to implement THE PROJECT was to integrate the heating and ventilation tasks on a "vertical" basis. This decision was primarily driven by the cost savings and reduced disruption factor of renovating the classrooms once rather than twice. The work would still be phased over a three year period, the difference being that all of the work in each section is accomplished at one time. By way of example, the first phase would be accomplished during the summer of 2013 and would include the replacement of the existing boilers, replacement of the steam radiation, installation new roof top HVAC equipment, installation of new ductwork, and related internal renovations in the 1948 section and a small portion of the 1997 building.

The summer of 2014 contemplates a similar approach to the remaining portion of the 1997 section of the building.

The Building and Site Commission suggested bidding the work in the remaining portion of the 1997 building as a "Bid Alternate" to the Phase One work. If the bids are favorable and funding could be made available, completing Phases One and Two at the same time will likely result in overall cost savings to the project.

There are construction components that will qualify for State Reimbursement, and we recommend that each project phase be submitted to the State as a separate project. However, if the Town decides to seek reimbursement dollars, the entire building will need to be brought into conformance with accessibility standards. This requirement has the greatest impact upon Phase Three work that is scheduled for 2015 in the 1921 section of the building.

Phase Three, therefore, can be approached in two distinct ways:

- Complete only the heating, the ducted HVAC system and related work without regard for mandated accessibility upgrades.
- Include accessibility upgrades which would result in the project becoming eligible for State reimbursement.

The work was professionally estimated by RLB Ltd.



NEWTOWN HAWLEY SCHOOL

Boiler Replacement & Infrastructure Upgrading

PHASE ONE - WORKING DRAFT

BOILER REPLACEMENT, INSTALLATION OF A DUCTED HVAC SYSTEM and RELATED RENOVATION IN THE 1948 SECTION & PARTIAL 1997 SECTION

MECHANICAL TASKS:

- Existing steam radiation system to be removed and replaced with a new hot water system
- Install two new hot water boilers and associated breaching
- Install new roof top equipment
- Install new gas service as a fuel source for the boilers and roof top equipment
- Install vertical duct risers to First and Second Floors
- Install horizontal duct distribution system
- Install new energy management system
- Install new fire service
- Install new fire suppression system

ELECTRICAL TASKS:

- Replace existing electrical service
- Relocate electrical service room
- Replace and/or modify existing electrical distribution panels
- Provide new emergency generator (alternate)
- Modify existing addressable fire alarm panel as required in areas renovated
- Modify existing emergency lights, exit lights and smoke/heat detectors to the satisfaction of the Fire Marshall
- Provide new lighting fixtures in areas renovated

RELATED RENOVATION TASKS:

- Remove existing radiation, associated casework and possible hazmat materials
- Insulate exterior walls
- Install new casework associated with new hot water radiation
- Repair existing rated wall systems to required rating standard
- Replace existing ceilings to accommodate new ductwork
- Reinforce roof structure to support new roof top equipment including associated internal renovations
- Repair distressed masonry at window heads
- Replace existing roof
- Repaint areas affected by renovation process
- Repair site where disturbed by new utility installation



NEWTOWN HAWLEY SCHOOL

Boiler Replacement & Infrastructure Upgrading

PHASE TWO - WORKING DRAFT

BOILER REPLACEMENT, INSTALLATION OF A DUCTED HVAC SYSTEM and RELATED RENOVATION IN THE REMAINING 1997 SECTION

MECHANICAL TASKS:

- Install new roof top equipment
- Connect gas service to new roof top equipment
- Install vertical duct risers to roof top equipment
- Install horizontal duct distribution system
- Extend new energy management system
- Install new fire suppression system

ELECTRICAL TASKS:

- Replace and/or modify existing electrical distribution panels
- Modify existing addressable fire alarm panel as required
- Modify existing emergency lights, exit lights and smoke/heat detectors to the satisfaction of the Fire Marshall
- Provide new lighting fixtures in areas renovated

RELATED RENOVATION TASKS:

- Replace existing ceilings to accommodate new ductwork
- Reinforce roof structure to support new roof top equipment including associated internal renovations
- Repair existing roof
- Repaint areas affected by renovation process



NEWTOWN HAWLEY SCHOOL

Boiler Replacement & Infrastructure Upgrading

PHASE THREE - WORKING DRAFT

BOILER REPLACEMENT, INSTALLATION OF A DUCTED HVAC SYSTEM and RELATED RENOVATION IN THE 1921 SECTION

MECHANICAL TASKS:

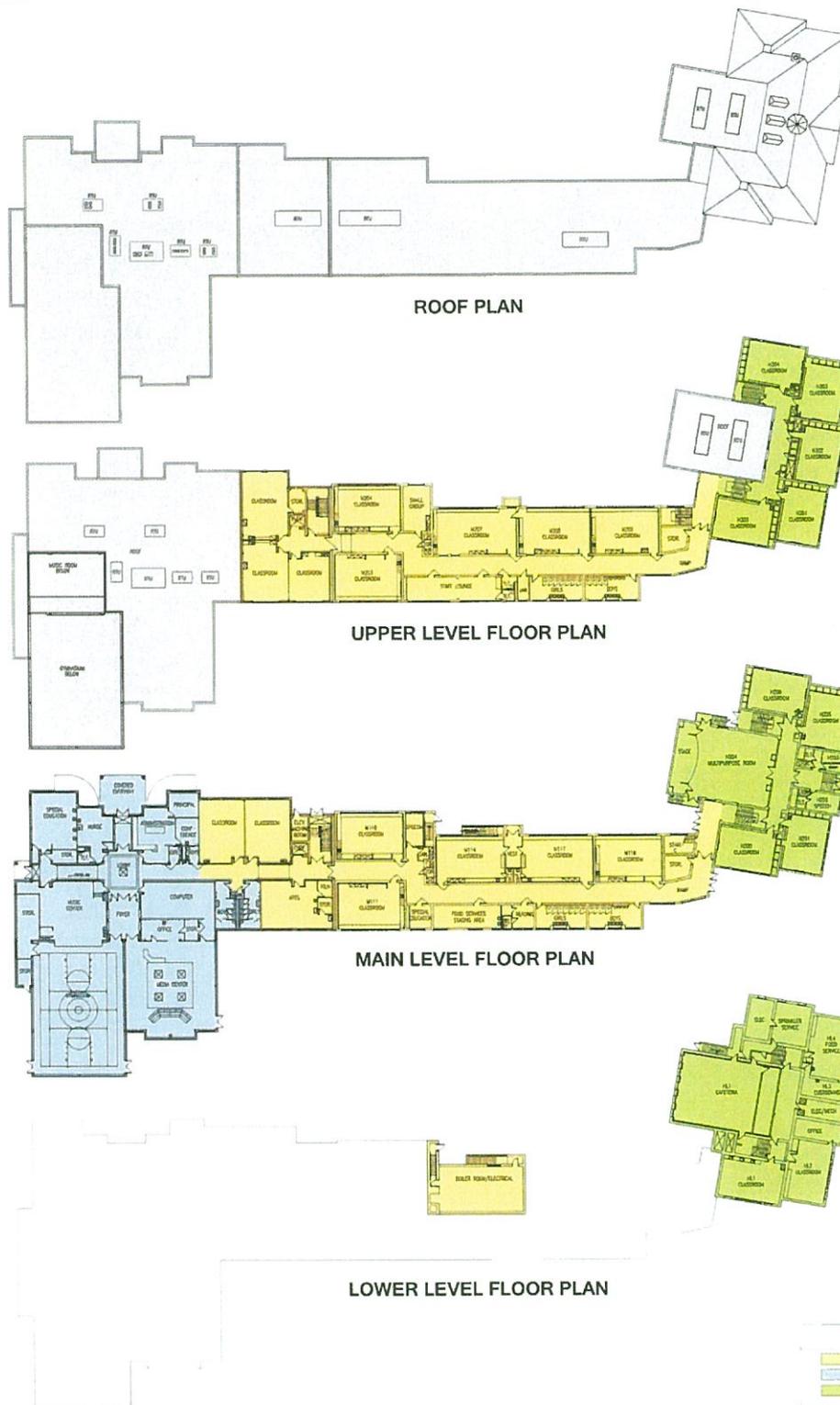
- Existing steam radiation system to be removed and replaced with a new hot water system
- Install new roof top equipment
- Connect new gas service to new roof top equipment
- Remove existing oil tank
- Install vertical duct risers to Lower, Main and Upper Floors
- Install horizontal duct distribution system
- Extend new energy management system
- Install new fire suppression system

ELECTRICAL TASKS:

- Replace and/or modify existing electrical distribution panels
- Modify existing addressable fire alarm panel as required
- Replace existing emergency lights, exit lights and smoke/heat detectors to the satisfaction of the Fire Marshall
- Provide new lighting fixtures throughout

RELATED RENOVATION TASKS:

- Remove existing radiation, associated casework and possible hazmat materials
- Insulate exterior walls
- Install new hot water radiation and replace casework
- Repair existing rated wall systems to required rating standard
- Replace existing ceilings throughout
- Reinforce roof structure above auditorium to support new roof top equipment
- Replace existing roof on auditorium
- Repaint areas affected by renovation process

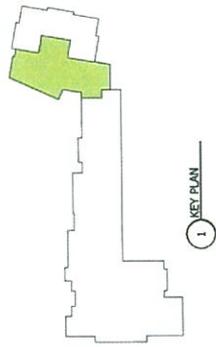
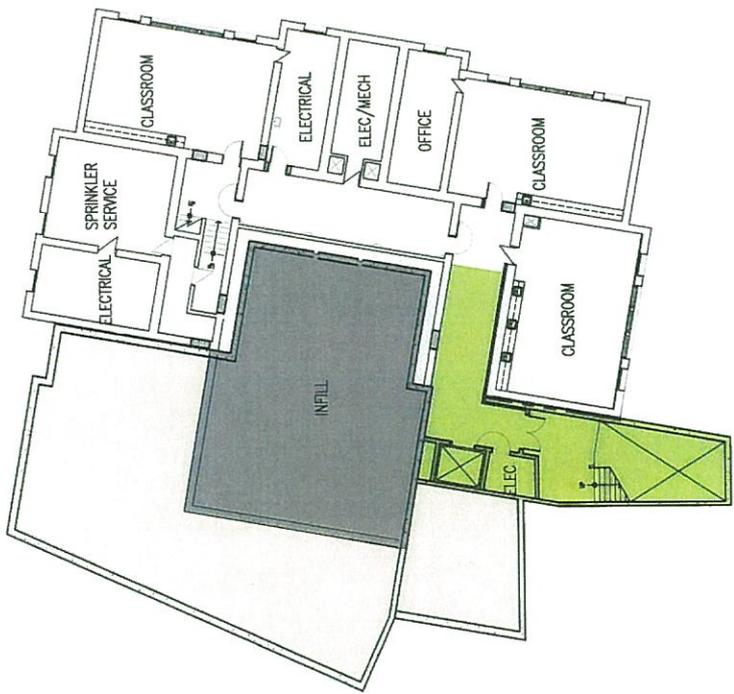


WORKING DRAFT
BOILER REPLACEMENT, DUCTED HVAC, AND RELATED RENOVATIONS

HAWLEY ELEMENTARY SCHOOL

NEWTOWN, CT
 JULY 9, 2012



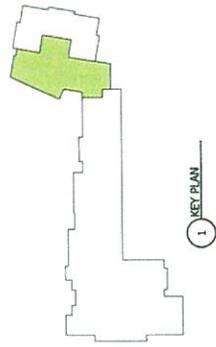
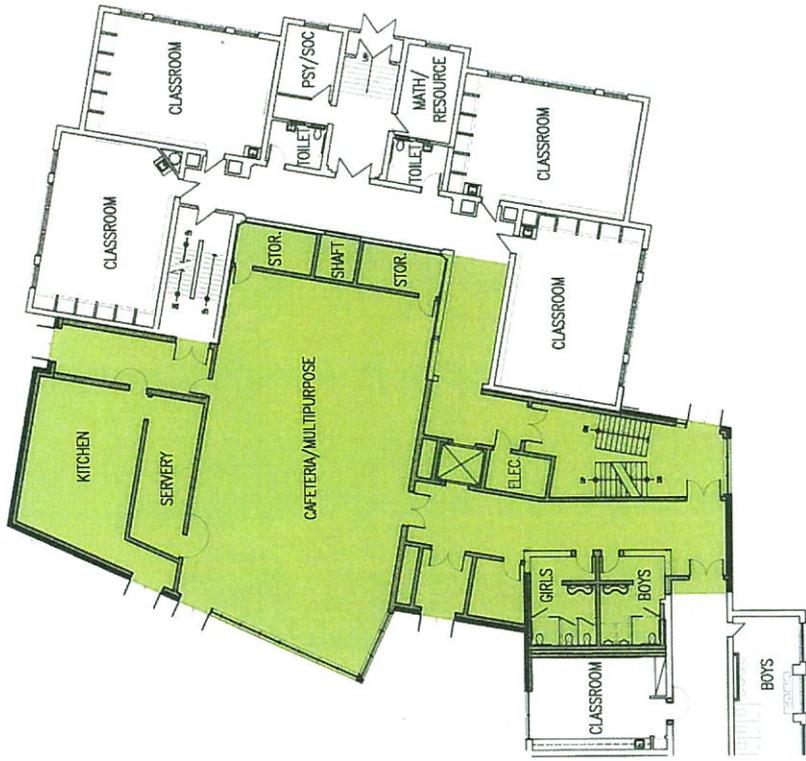


1 KEY PLAN

WORKING DRAFT
PHASE THREE ADA ENHANCEMENTS
HAWLEY ELEMENTARY SCHOOL
LOWER LEVEL FLOOR PLAN

NEWTOWN, CT
 JULY 06, 2012





1 KEY PLAN

**WORKING DRAFT
 PHASE THREE ADA ENHANCEMENTS
 HAWLEY ELEMENTARY SCHOOL
 MAIN LEVEL FLOOR PLAN**

NEWTOWN, CT
 JULY 06, 2012





**WORKING DRAFT
 PHASE THREE ADA ENHANCEMENTS
 HAWLEY ELEMENTARY SCHOOL
 UPPER LEVEL FLOOR PLAN**

NEWTOWN, CT
 JULY 06, 2012



1 KEY PLAN



NEWTOWN HAWLEY SCHOOL Boiler Replacement, HVAC & Related Work

COST ESTIMATE

WORKING DRAFT

PHASE ONE:

• Construction cost	\$3,576,970
• Owner's contingency @ 5%	\$ 178,850
• Professional services @ 7.5%	\$ 254,175
• Owner's soft costs @ 5%	<u>\$ 178,850</u>
TOTAL	\$4,188,845
Potential State Reimbursement	<u>\$ 600,000</u>
Cost to NEWTOWN	\$3,588,845

PHASE TWO:

• Construction cost	\$1,389,000
• Owner's contingency @ 5%	\$ 69,450
• Professional services @ 7.5%	\$ 97,200
• Owner's soft costs @ 5%	<u>\$ 69,450</u>
TOTAL	\$1,625,100
Potential State Reimbursement	<u>\$ 228,000</u>
Cost to NEWTOWN	\$1,397,100

PHASE THREE:

• Construction cost	\$2,176,990
• Owner's contingency @ 5%	\$ 108,850
• Professional services @ 7.5%	\$ 163,275
• Owner's soft costs @ 5%	<u>\$ 108,850</u>
TOTAL	\$2,557,965
Potential State Reimbursement	<u>\$ 300,000</u>
Cost to NEWTOWN	\$2,257,965

PHASE THREE ADA IMPROVEMENTS:

• Construction cost	\$5,777,230
• Owner's contingency @ 5%	\$ 288,860
• Professional services @ 7.5%	\$ 433,290
• Owner's soft costs @ 5%	<u>\$ 288,860</u>
TOTAL	\$6,788,240
Potential State Reimbursement	<u>\$1,400,000</u>
Cost to NEWTOWN	\$5,388,240

RECAPITULATION:

BASE PROJECT	\$ 8,371,910
ADA ENHANCEMENTS:	<u>\$ 4,230,275</u>
ENHANCED PROJECT:	\$12,602,185

CIP

STATE PROJECT

\$8,371,910 (-) \$1,128,000 =	\$7,243,910
\$4,230,275 (-) \$1,400,000 =	<u>\$2,830,275</u>
Cost to NEWTOWN	\$10,074,185

Construct all phases simultaneously:

BASE PROJECT.....	DEDUCT \$250,000
ENHANCED PROJECT.....	DEDUCT \$750,000

TOWN OF NEWTOWN
BOF CIP (2012 - 2013 TO 2016 - 2017) - JANUARY 09, 2012

RANK	2012 - 2013 (YEAR ONE)			Proposed Funding			
	<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount Requested</u>	<u>Bonding</u>	<u>Grants</u>	<u>General Fund</u>	<u>Other</u>
	Capital Road Program	PW	2,000,000			2,000,000	
1	Bridge Replacement Program	PW	430,000	430,000			
2	Dickinson Playground	P & R	420,000	420,000			
3	Infrastructure Renovations Treadwell Park	P & R	450,000	350,000			100,000
4	Newtown H & L Fire House Construction (Phase 2 of 3)	FIRE	500,000	500,000			
	Queen Street Area Traffic Improvement Plan	BOROUGH	400,000		300,000	60,000	40,000
***	Sandy Hook Streetscape Program	ECON DEV	200,000	200,000			
	<u>BOARD OF EDUCATION</u>						
1	Hawley HVAC Renovations - Phase I	BOE	2,300,000	2,300,000			
2	High School Auditorium Improvements	BOE	100,000	100,000			
			6,800,000	4,300,000	300,000	2,060,000	140,000
RANK	2013 - 2014 (YEAR TWO)			Proposed Funding			
	<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount Requested</u>	<u>Bonding</u>	<u>Grants</u>	<u>General Fund</u>	<u>Other</u>
	Capital Road Program	PW	2,000,000			2,000,000	
1	Bridge Replacement Program	PW	315,000	315,000			
2	Newtown H & L Fire House Construction (Phase 3 of 3)	FIRE	500,000	500,000			
3	FFH Infrastructure	FFH	1,400,000	400,000	1,000,000		
4	Open Space Acquisition Program	LAND USE	1,000,000	1,000,000			
	Artificial Turf Replacement at Treadwell Field	P & R	500,000				500,000
***	Sandy Hook Streetscape Program	ECON DEV	200,000	200,000			
	<u>BOARD OF EDUCATION</u>						
1	Hawley HVAC Renovations - Phase II	BOE	2,200,000	2,200,000			
2	High School Auditorium Improvements	BOE	1,339,338	1,339,338			
			9,454,338	5,954,338	1,000,000	2,000,000	500,000
RANK	2014 - 2015 (YEAR THREE)			Proposed Funding			
	<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount Requested</u>	<u>Bonding</u>	<u>Grants</u>	<u>General Fund</u>	<u>Other</u>
	Capital Road Program	PW	2,000,000			2,000,000	
1	Bridge Replacement Program	PW	355,000	355,000			
2	Open Space Acquisition Program	LAND USE	1,000,000	1,000,000			
3	Community Center Design Phase	P & R	500,000	500,000			
4	FFH Walking Trails Phase II (2 of 3)	FFH	250,000	250,000			
***	Sandy Hook Streetscape Program	ECON DEV	200,000	200,000			
	<u>BOARD OF EDUCATION</u>						
1	Hawley HVAC Renovations - Phase III	BOE	1,600,000	1,600,000			
2	Middle School Improvements Project - Design	BOE	630,000	630,000			
3	Window Replacement Project	BOE	600,000	600,000			
			7,135,000	5,135,000	-	2,000,000	-
RANK	2015 - 2016 (YEAR FOUR)			Proposed Funding			
	<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount Requested</u>	<u>Bonding</u>	<u>Grants</u>	<u>General Fund</u>	<u>Other</u>
	Capital Road Program	PW	2,000,000			2,000,000	
1	Bridge Replacement Program	PW	265,000	265,000			
2	Open Space Acquisition Program	LAND USE	1,000,000	1,000,000			
3	Dickinson Sprayground/Bath House	P & R	980,000	980,000			
4	Community Center Construction Phase (1 of 2)	P & R	10,000,000	10,000,000			
5	FFH Building Demolition	FFH	6,000,000	6,000,000			
6	Addition To Fire House Sub-Station	FIRE	400,000	400,000			
7	Replacement of Fire Tankers (2)	FIRE	700,000	400,000			300,000
8	Edmond Town Hall	ETH	810,000	810,000			
9	FFH Complete Walking Trails (2 of 3)	FFH	515,000	515,000			
10	Bath House/Concession Stand at Eichlers Cove	P & R	425,000	425,000			
	Hawleyville Sewer Extension	ECON DEV	5,000,000				5,000,000
	Newtown Technology Park	ECON DEV	815,000	725,000	90,000		
	<u>BOARD OF EDUCATION</u>						
1	Middle School Improvements Project - Phase I	BOE	2,070,000	2,070,000			
2	Window Replacement Project	BOE	400,000	400,000			
			31,380,000	23,990,000	90,000	2,000,000	5,300,000
RANK	2016 - 2017 (YEAR FIVE)			Proposed Funding			
	<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount Requested</u>	<u>Bonding</u>	<u>Grants</u>	<u>General Fund</u>	<u>Other</u>
	Capital Road Program	PW	2,000,000			2,000,000	
	Bridge Replacement Program	PW	414,000	414,000			
	Replacement of Fire Tanker (#9) & Engine (#111)	FIRE	975,000	800,000			175,000
	Library	LIB	250,000	250,000			
	Senior Center Design Phase	SR CTR	500,000	500,000			
	Treadwell/Dickinson Parking Lot Paving (Phase 1 of 3)	P & R	300,000	300,000			
	Community Center Construction Phase (2 of 2)	P & R	5,000,000	5,000,000			
	Police Facility Design	POLICE	800,000	800,000			
	<u>BOARD OF EDUCATION</u>						
1	Middle School Improvements Project - Phase II	BOE	4,805,000	4,805,000			
			15,044,000	12,869,000	-	2,000,000	175,000
GRAND TOTALS			69,813,338	52,248,338	1,390,000	10,060,000	6,115,000

*** Sandy Hook Streetscape Program has been fully appropriated.