

THE FOLLOWING MINTUES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The **Board of Finance** held a regular meeting on Thursday, January 23, 2014 in the Council Chamber of the Newtown Municipal Center, 3 Primrose Street, Newtown, CT. John Kortze called the meeting to order at 7:33pm.

PRESENT: John Kortze, Joseph Kearney, James Filan, Jr., John Godin, Michael Portnoy and Harry Waterbury.

ALSO PRESENT: First Selectman E. Patricia Llodra, Finance Director Robert Tait, no members of the public and one member of the press.

VOTER COMMENTS: none.

COMMUNICATIONS: Mr. Kortze reported there have been back and forth emails, the senior citizens from Regency, Liberty and Walnut Tree are all advocating and have asked Mr. Kortze to come talk to them.

MINUTES: Mr. Kearney moved to accept the minutes of the regular meeting of January 13, 2014. Mr. Waterbury seconded. All in favor.

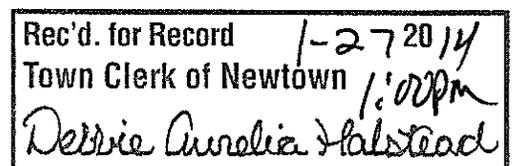
FIRST SELECTMAN REPORT: First Selectman Llodra reviewed three reports: The History of the Newtown Sewer System, written by Dick Zang, Chairman of the Water & Sewer Authority, the Plan of Conservation and Development, put together by Land Use, a cohesive vision for the community and the Fairfield Hills Master Plan Update. Ms. Llodra encouraged the board to read each report. The latest storm report totals \$470,010.45 for eleven snow events. This substantial cost is still within budget but will become problematic if it continues.

FINANCE DIRECTOR REPORT: The meeting with the bonding agency is February 10. The Board of Finance may call a special meeting the week prior to discuss this further.

UNFINISHED BUSINESS

Discussion and possible action:

- 1. Tax Relief programs for senior citizens:** Mr. Godin presented a proposed an income based plan with an added tier (Att.). Mr. Godin moved to recommend to the Legislative Council for consideration the modified plan increasing the top tier from \$65,000 to \$65,001 - \$70,000 with an additional town contribution of \$150,000 making it a total of \$1.65 million per year for property tax relief for seniors which is consistent with the existing program. Mr. Waterbury seconded. Mr. Kearney will not support this saying the younger people in town, who can't afford it, should not have to subsidize this. Newtown is in the top range of senior tax relief in CT; the best way to help the seniors is to manage the budget. Mr. Kortze thinks there is a whole series of things that need to be done, finding ways to invest in additional revenues, effecting and looking at trends in the budget and acting accordingly and looking for something in the form of senior tax relief. Mr. Waterbury questioned if the affidavit is included. First Selectman Llodra stated she will recommend to the Legislative Council the tax deferral for any homeowner for whom the taxes are 8% or more of income. It is a deferral and will require a lien on the house. She said that there are legitimate cases where people are struggling to maintain their existence in town. Mr. Kortze said a small amount of residents in senior communities are receiving the tax benefit; they are organized and vocal about the revaluation. He believes the tax benefit is more helpful to the seniors that do not live in senior communities. Mr. Kortze has received a number of suggestions from the seniors which range from the freeze to the no income relief to prorating the increase back. Mr. Kearney



reiterated he wants the most benefit to go to the most people in the most need. Mr. Filan suggested keeping the tiers the same but putting the bulk of the \$150,000 in the lowest tier, some in the second tier and a little in the third tier. Mr. Portnoy suggested keeping the same three tiers but index them up to \$70,000. He would like to see the entire town budget before allocating \$150,000 to this program. Mr. Godin moved to amend the motion to recommend to the Legislative Council for consideration keeping the plan as is, adding \$150,000 and indexing it up for inflation. Mr. Waterbury seconded. The motion passed, AYE's: Filan, Godin, Kortze, Portnoy, Waterbury. NAY: Kearney. Mr. Kearney moved to recommend to the Legislative Council that the town adopt a process when applying for senior tax relief that the applicant provide an affidavit that follows the construct of Fairfield with an asset test of \$500,000. Mr. Portnoy seconded. Mr. Filan would like the affidavit to reflect the statute that the applicant would be violating if they make a false affidavit. Mr. Kearney moved to amend to recommend to the Legislative Council that the town adopt a process when applying for senior tax relief that the applicant provide an affidavit that follows the construct of Fairfield with an asset test of \$250,000, excluding primary residence and to include reference to the statute. Mr. Kortze seconded. First Selectman Llodra suggested sending a recommendation of a range of \$250,000 not to exceed \$500,000; this would give them greater guidance. Motion passed 4-2, AYES: Filan, Kearney, Portnoy, Waterbury; NAYS: Godin, Kortze. Mr. Filan noted the Legislative Council can take into consideration the low number and how many it will effect. Mr. Kortze moved to amend the motion to recommend to the Legislative Council that the town adopt a process when applying for senior tax relief that the applicant provide an affidavit that follows the construct of Fairfield with an asset test with a range of \$250,000 to \$500,000, excluding primary residence and to include reference to the statute. Mr. Portnoy seconded. Motion passed 5-1, AYES: Filan, Godin, Kortze, Portnoy, Waterbury, NAY: Kearney, and then became the main motion. Mr. Kortze moved the amended motion to recommend to the Legislative Council that the town adopt a process when applying for senior tax relief that the applicant provide an affidavit that follows the construct of Fairfield with an asset test with a range of \$250,000 to \$500,000, excluding primary residence and to include the reference to the statute. The motion passed unanimously.

2. **Update on Minimum Budget Requirement:** Mr. Filan reported the maximum that can be reduced from the Board of Education budget is one half of 1% including any educational funds received from the state. This changes if a school is closed; we are not limited by the cap of one half of the 1%. The statute says either the lesser of \$3,000 per student or one half of 1%. The Commissioner of Education would have to approve. It is not retroactive. Mr. Portnoy said that his understanding is that if there are efficiencies realized and there is a savings in the Board of Education budget that would not count against the MBR or the one half of one percent; permission would have to be granted by the Commissioner.
3. **Update on Budget information & trends:** Mr. Kortze noted he did not receive a request for information; the information from the last meeting has changed, as stated in the last meeting, numbers needed to be verified. This is a work in progress. Any request for information should be directed to the Chairman. Mr. Kearney went over his presentation (Att.). His numbers relate to last year's adopted budget, not the amended. Mr. Kearney believes this is a very accurate projection while still accounting for inflation. The numbers were taken out of the presented budget books.

NEW BUSINESS

Discussion and possible action:

1. **Resolution:** Mr. Hurley was present to discuss the Hawleyville sewer project. He handed out a document on the sewer benefit (Att.). There are three or four parcels that are the bulk of the potential development in the area representing 80% or more of what the value of the payment for the system would be if a full system were being put in. A low pressure sewer system that has the capacity to handle development without lessening the capability of the system was found to be a less expensive system. However, a

gravity system has little or no limit on the capacity; a low pressure system essentially limits the capacity in terms of growth. A full gravity system was estimated at approximately \$5 million vs. \$2.5 million for a low pressure system. The decision to scale back the project was partially due to cost and timing; it takes longer to put the gravity system. Mr. Hurley stated \$1 million in assessment is being given up for \$2.5 million in costs. When trenching additional piping can be put in; at a later time, if additional capacity is needed, the built in capacity would be there. Mr. Hurley said that the capacity for that area is fine. Mr. Tait said the sewer fund is capital intensive. First Selectman Llodra asked how a benefit assessment would be calculated for persons who don't hook up to the sewer line now but want to hook up later. Mr. Hurley said a connection cost formula would be calculated. If someone wanted to be part of the system in the future they could as long as there is the ability to pump. Mr. Hurley said the potential benefit is higher than the system construction cost. The properties north of I84 are not cost effective and will not be included. Mr. Kearney questioned the level of competitiveness with other towns that may have excess capacity; he prefers to wait until after the budget. First Selectman Llodra stressed sewers are required to grow the area commercially; the absence of development is directly related to the lack of sewers. Mr. Hurley said there is more flexibility in the placement helping the developers with the site design and the cost is down allowing us to be more competitive in terms of charges. Once the final construction cost is figured charges to those that are part of the system can be formulated. Mr. Filan asked if there was a chance people could be turned away because of the scaled back project. Mr. Hurley stated there will be some reserve in the existing pressurized system and additional piping will be laid at the time of construction. Mr. Kearney moved to waive the reading of the entire resolution and moved the resolution
RESOLVED: RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$2,800,000 FOR THE PLANNING, DESIGN, ACQUISITION, CONSTRUCTION AND INSTALLATION OF SEWERS ALONG ROUTE 6 TO SERVE THE AREA WEST OF WHIPPORWILL HILL ROAD TO SPLENDID PLACE AND ALONG ROUTE 25 TO SERVE A SECTION OF COVERED BRIDGE ROAD, LOCATED IN THE TOWN OF NEWTOWN, CONNECTICUT, AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PROGRAM (2013-14 TO 2017-2018, INCLUSIVE) AND AUTHORIZING THE ISSUANCE OF \$2,800,000 BONDS OR NOTES OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE. (Att.) Mr. Waterbury seconded saying it is important the Legislative Council understands this is an economic development issue. Mr. Kortze asked Mr. Hurley to update the benefit for more accuracy and a better understanding on capacity. The motion passed unanimously.

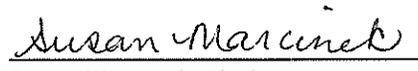
2. **Resolution:** Mr. Kearney moved to waive the reading of the entire resolution and moved the resolution
RESOLVED: RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$498,000 FOR THE PLANNING, DESIGN, CONSTRUCTION, REPLACEMENT OF AND IMPROVEMENTS TO FOUR TENNIS COURTS, BALL WALLS AND FENCING AT TREADWELL PARK LOCATED IN THE TOWN OF NEWTOWN, CONNECTICUT AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PROGRAM (2013-14 TO 2017-2018, INCLUSIVE) AND AUTHORIZING THE ISSUANCE OF \$498,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE. (Att.) Mr. Waterbury seconded. This is part of the CIP. The motion passed unanimously.
3. **Resolution:** Mr. Kearney moved to waive the reading of the entire resolution and moved the resolution
RESOLVED: RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$430,000 FOR THE PLANNING, ACQUISITION, DESIGN, CONSTRUCTION AND REPLACEMENT OF THE POVERTY HOLLOW ROAD BRIDGE LOCATED IN THE TOWN OF NEWTOWN, CONNECTICUT AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PROGRAM (2013-14 TO 2017-2018, INCLUSIVE) AND AUTHORIZING THE ISSUANCE OF \$430,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE. (Att.) Mr. Godin seconded. Motion passed unanimously.

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4. **Budget Calendar:** Mr. Kearney moved the updated 2014 meeting calendar to include budget dates which will begin at 7:00 p.m. and include Feb. 20, Feb. 24, Feb. 27, March 6, March 12 and March 13 (Att.). Mr. Waterbury seconded. All in favor.

ANNOUNCEMENTS: none.

ADJOURNMENT: Having no further business the Board of Finance adjourned their regular meeting at 10:05pm.


Susan Marcinek, Clerk

Att: Proposed modification to existing senior tax relief program, sewer benefit conclusion (will be updated), budget trends presentation, 3 resolutions, 2014 meeting calendar