

3 PRIMROSE STREET
NEWTOWN, CT 06470
TEL. (203) 270-4201
FAX (203) 270-4205
www.newtown-ct.gov



TOWN OF NEWTOWN
LEGISLATIVE COUNCIL

TOWN OF NEWTOWN LEGISLATIVE COUNCIL MEETING
WEDNESDAY, JANUARY 6, 2016
NEWTOWN MUNICIPAL CENTER, NEWTOWN, CT

PRESENT: George Ferguson, Dan Wiedemann, Chris Eide, Neil Chaudhary, Judit DeStefano, Ryan Knapp, Paul Lundquist, Mary Ann Jacob, Dan Amaral, Tony Filiato, Phil Carroll, Dan Honan.

ALSO PRESENT: First Selectman Pat Llodra, Director of Finance Bob Tait, Superintendent Joe Erardi, Board of Ed Chair Keith Alexander, Fire Commissioner Ron Bolmer, 9 members of the public, 2 press.

CALL TO ORDER: Ms. Jacob called the meeting to order at 7:30pm with the Pledge of Allegiance.

VOTER COMMENT: Steve Rosenblatt, 50 Watkins Drive, spoke on the Senior Relief program. He believes growing the senior community is a worthwhile opportunity for the town and would like to see the program expanded. They have been feeling the heat of increased taxes. Seniors will continue to meet on planning.

Karen Banks, 43 West Street, proposed a policy to freeze real estate taxes for residents 65 years old and older who have lived in town for 20 or more years. She would be willing to serve on a committee to further the idea. (Att)

MINUTES: MR. FERGUSON MOTIONED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF DECEMBER 16, 2015. SECOND BY MR. CARROLL. APPROVED.

COMMUNICATIONS: Ms. Jacob received an email from the Board of Ed Chair regarding their budget meeting calendar, and an email from the Board of Finance Chair to the Board of Ed regarding the education budget. (Att) Mrs. Llodra sent an Appropriation Process Map. (Att) Email from a resident regarding a council member who spoke at a Board of Ed meeting. (Att) Ms. Jacob reminded the members of the council rules and how they represent themselves at other Board meetings. Mr. Knapp received 2 items from CCM on training. Municipal Budgets: Overcoming the Challenges, Saturday, January 9, 2016 and Understanding Parliamentary Procedure, Tuesday, January 26, 2016. There is also a Newly Elected Workshop, Saturday, January 23, 2016. Mrs. Llodra shared the Town Clerk is arranging a workshop with Tom Hennick from FOI. Mr. Ferguson stated regarding the letter from Board of Finance Chair Jim Gaston to Board of Ed Chair Keith Alexander (Att), the request gives the impression it is an action by the Board of Finance, but the request is not reflected in the Boards minutes. It was a personal desire of the chair. Ms. Jacob noted when anything regarding board business is put in writing, it becomes a public record.

Rec'd. for Record 1-11 2016
Town Clerk of Newtown 11:32am
Debbie Annelie Halstead

TRANSFER: MR. LUNDQUIST MOTIONED TO APPROVE THE TRANSFER OF \$16,732 FROM CONTINGENCY TO CAPITAL AS NOTED IN THE TRANSFER REQUEST WE RECEIVED AND IS ATTACHED TO THE MINUTES. SECOND BY MR. CARROLL. Mrs. Llodra noted the generator is on a truck owned by the town. The firefighting process for Hawleyville would be handicapped without this piece of equipment. Mr. Knapp asked if there is anything on the horizon that would impact the Contingency Account. Mrs. Llodra stated there is one more contract, the Dispatchers. APPROVED. (Att)

Senior Tax Relief review and move to Ordinance Committee: MR. KNAPP MOTIONED TO MOVE THE REVIEW RECOMMENDATION OF THE SENIOR TAX RELIEF PROGRAM TO THE ORDINANCE COMMITTEE. SECOND BY MR. FERGUSON. Mr. Knapp explained the current program was updated 2 years ago. They created a table for calculating income, added a 4th income group, added language allowing flexibility for amending levels by an act of the council, added an asset test and home value test. They increased the budget line item for senior tax relief. Ms. Jacob noted they also added an annual review. Mr. Tait reviewed the program for the past 2 years. He noted the Tax Collector has 50 new inquiries from people who have recently turned 65. The money from the previous year not used is applied to the next fiscal year. Mr. Knapp noted sending a notice about the program with the tax bills was a great outreach. Ms. Jacob stated the tax office does outreach to seniors also. Mrs. Llodra stated our senior population is increasing and we can expect more applications for relief. Ms. Jacob noted if the relief is more than the budgeted \$1,650,000, the benefit is reduced according to the scale in the ordinance. No one is turned away. APPROVED (Att)

Shared Services Ad Hoc Committee: Ms. Jacob stated around 2006, a committee looked at combining services. With all the discussion on efficiencies, we should revisit the topic. Members of the committee are Jim Ritchie, George Ferguson, Chris Eide, Bob Tait, and Dr. Erardi. Mr. Knapp encouraged the committee to consider a shared inventory list. Mrs. Llodra said the committee should look at hiring a purchasing agent. (Att)

COMMITTEE REPORTS: Ms. Jacob stated the committees met this evening and elected leadership. Committee budget assignments were distributed. (Att)

Mr. Knapp stated the Ordinance Committee had been charged with reviewing and making a recommendation on tax credits for firefighters and ambulance volunteers. MR. KNAPP MOTIONED TO SEND THE REVIEW AND RECOMMENDATION FOR TAX ABATEMENT FOR MUNICIPAL VOLUNTEERS TO THE ORDINANCE COMMITTEE. SECOND BY MR. FERGUSON. APPROVED

Budget calendar: The budget calendar was shared. (Att)

FIRST SELECTMAN'S REPORT: MR. LUNDQUIST MOTIONED TO TRANSFER \$39,609 FROM CONTINGENCY TO SALARIES & WAGES FOR \$35,000, SOCIAL SECURITY IN THE AMOUNT OF \$2,678, RETIREMENT CONTRIBUTIONS IN THE AMOUNT OF \$1,750 AND GROUP INSURANCE IN THE AMOUNT OF \$181 AS NOTED IN THE TRANSFER REQUEST AS NOTED IN THE MINUTES. SECOND BY MR. FERGUSON. (Att)

Mrs. Llodra explained this is to expand Social Services. The DOJ grant, which funds the Recovery and Resiliency Team, ends on March 31. The team has served about 470 people. To continue services, funding will come from Praxair and the Newtown Sandy Hook Community Foundation with the remaining support added to the budget. Full funding will eventually be in the budget.

Mrs. Llodra has applied for a Federal grant, the Victims of Crime Act (VOCA), a 3 year grant. The two new positions will begin March 1 to help with transition and to prevent a lapse in service. Mr. Honan noted 13% of those the team served were not a result of 12/14. Mrs. Llodra stated the town has long been in need of a social worker. The schools have social workers, but the community does not. Mrs. Llodra plans to create a board of directors or advisory board to oversee Social Services.

APPROVED

EDC Update: Carried forward.

NEW BUSINESS

Fund Balance Policy: Mr. Tait explained the fund balance is the accumulation of deficits and surpluses in the budget since the town began. The savings are there for emergencies. Interest is earned on the balance, which offsets taxes. Bests practice states there should generally 2 months expenses in the fund. Mr. Tait noted having a good rating allows for better rates for bonding. As interest rates go up, it will save more in interest.

Town of Newtown Financial Report for June 30, 2015: MR. LUNDQUIST MOVED TO ACCEPT THE NEWTOWN FINANCIAL REPORT AS PRESENTED TO THE COUNCIL. SECOND BY MR. CARROLL. Mr. Tait explained the financial statement reports a well-run financial town. In Exhibit C, the total in the Assigned Fund Balance includes the unused \$276,000 balance of the senior tax credit. In Exhibit D, he noted the total revenues and expenditures are higher than the budget because it includes the Newtown teacher's retirement which is paid by the state. Accounting rules require this be included. In Exhibit F, the Fund Balance includes the Unassigned Fund and the surplus from the Senior Tax Credit. Exhibit G, the Internal Service Funds is the Medical Self Insurance. Exhibit H, the Medical Self Insurance balance is 25% of claims, which is where you want to be. In Exhibit L, the Additions column amounts are bonds that were refunded. The full report can be viewed on the town website at http://newtown-ct.gov/Public_Documents/NewtownCT_Finance/CAFR-FY2015.pdf

APPROVED. (Att)

Debt Policy Changes: MR. LUNDQUIST MOTIONED TO ACCEPT TO THE DEBT POLICY REVISIONS AS PRESENTED TO THE COUNCIL. SECOND BY MR. FERGUSON. Mr. Knapp would like to have more discussion on making the informal policy of a lower debt cap more formal. Mrs. Llodra explained key points in discussion with the rating agencies is creating and following a policy. She expressed concerns regarding future capital needs such as a new police station; she would not want to set a lower cap and then violate the policy. Mr. Eide questioned if we should be cutting bonding now when the rates are low; if we have projects planned, would we save more money in the long run by borrowing for them now. Revisit lowering the debt cap when interest rates increase. Mr. Ferguson rejects the notion of borrowing more while the rates are low. He is hearing from the community that we are borrowing too much. He would like to hear more about the need verses the wants of a new police station. How is the current building impeding the safety of the public and how a new building would improve public safety. MR. LUNDQUIST MOTIONED TO TABLE DISCUSSION TO THE NEXT MEETING. SECOND BY MR FERGUSON. MOTION TABLED. (Att)

LEGISLATIVE COUNCIL

January 6, 2016

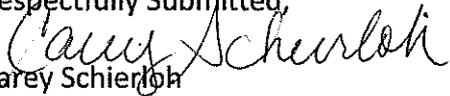
Page 4

VOTER COMMENT: None.

ANNOUNCEMENTS: None

ADJOURNMENT: There being no further business, the meeting was adjourned at 10:10pm.

Respectfully Submitted,


Carey Schierloh
Clerk

Attachments: Citizen Statement, E-mail Correspondence, Appropriation Process Map, Transfers, Senior Tax Relief Report, Shared Services Committee Charge, Council Sub Committee Assignments and Budget Calendar, General Fund Balance Policy, Moody's Rating Action, Best Practices for Fund Balance, Excerpt of the Annual Financial Report, Debt Management Policy.

These are draft minutes and as such are subject to correction by the Legislative Council at the next regular meeting. All corrections will be determined in minutes of the meeting at which they were corrected.

January 6, 2016

Karen Banks

43 West St.

Newtown, CT 06470

To the Legislative Council:

I would like to propose a policy for Newtown in which real estate taxes become frozen for residents who are 65 years of age or older and who have owned and lived in their homes for a minimum of 20 years.

I know several residents who are contemplating moving or have moved due to a strain posed on their financial situations due to taxes in our town. I know that there is tax relief for seniors based upon income, and I do not know how many residents take advantage of this, but I believe by giving an incentive to those seniors who have chosen our town as their primary residence for twenty years or more would encourage people to remain in Newtown.

I do not know how many residents would be impacted by such a real estate tax change nor do I know what the potential fiscal impact something like this would have upon the town. I have spoken with the Tax Collector to try and obtain data, but they could not help me. They referred me to the Voter Registration office saying that they may have statistics on ages of residents and length of time in town, but they also could not give me data. Therefore I would have to request that the Council look into the possibilities of my proposal regarding fiscal impact, etc.

Thank you for your attention to this proposal and I look forward to your feedback.

Karen Banks

LEGISLATIVE COUNCIL

From: "Keith Alexander" <alexanderk_boe@newtown.k12.ct.us>
Date: December 31, 2015 at 12:31:03 AM EST
To: "Pat Llodra" <pat.llodra@newtown-ct.gov>, "Mary Ann Jacob" <mjacob4404@charter.net>, "Jim Gaston" <okjt@aol.com>
Cc: "Erardi, Joe" <erardij@newtown.k12.ct.us>
Subject: Board of Education Budget
Reply-To: <alexanderk_boe@newtown.k12.ct.us>

Hello Board Chairs,

I wanted to take moment to invite you and your Boards to attend or view our Budget meetings in January and February. The Board of Education has a detailed schedule of presentations and deliberation dates so you can identify which meetings could be the most valuable to you. Our Communications Committee is planning to continue the practice of providing information through the BUDGET NEWS newsletters and I will forward those to you as they come available as well.

Please forward the list of dates on to your Board Members and have a Happy New Year!

--Keith

BOE meeting dates regarding the 2016-2017 budget:

<p>Tuesday, January 5, 2016</p>	<p>7:30p m</p>	<p>Budget Overview, Elementary and Reed</p>
<p>Thursday, January 7, 2016</p>	<p>7:30p m</p>	<p>Middle and High School, Pupil Personnel, Special Education, Health, Technology</p>

LEGISLATIVE COUNCIL

Tuesday, January 12, 2016	7:30p m	Curriculum, General Services, Continuing Education, Benefits, Benefits, Transportati on
Tuesday, February 2, 2016	7:30p m	Public Hearing, Budget Discussion
Thursday, February 4, 2016	7:30p m	Adoption of Board of Education budget

On Jan 3, 2016, at 12:30 AM, okjt@aol.com wrote:

Hi Keith,

The Board of Finance would like to invite you, the BoE, and Dr. Erardi to present the school budget to the BoF on February 10, 2015, at the municipal center. Some BoF members have asked you to be prepared to defend the budget request not only on the actuals, but on the scenario should budget requests be depreciated, and should budget requests be increased particular to increasing academic achievements. Query, what would it takes to get us back to the previous elementary levels of ten years ago, and of the previous Blue Ribbon High School school level. Of note, Ridgefield recently ranked 111 of national high schools, Newtown was in the low 300s. What would be the specific loss of academics upon budgetary deductions. We welcome these discussions with all of you.

Please let me know whether this date is available.

Thank you,

Regards,

Jim Gaston

Chairperson, Board of Finance

From: Mary Ann Jacob <mjacob4404@charter.net>

Date: January 3, 2016 at 7:26:58 AM EST

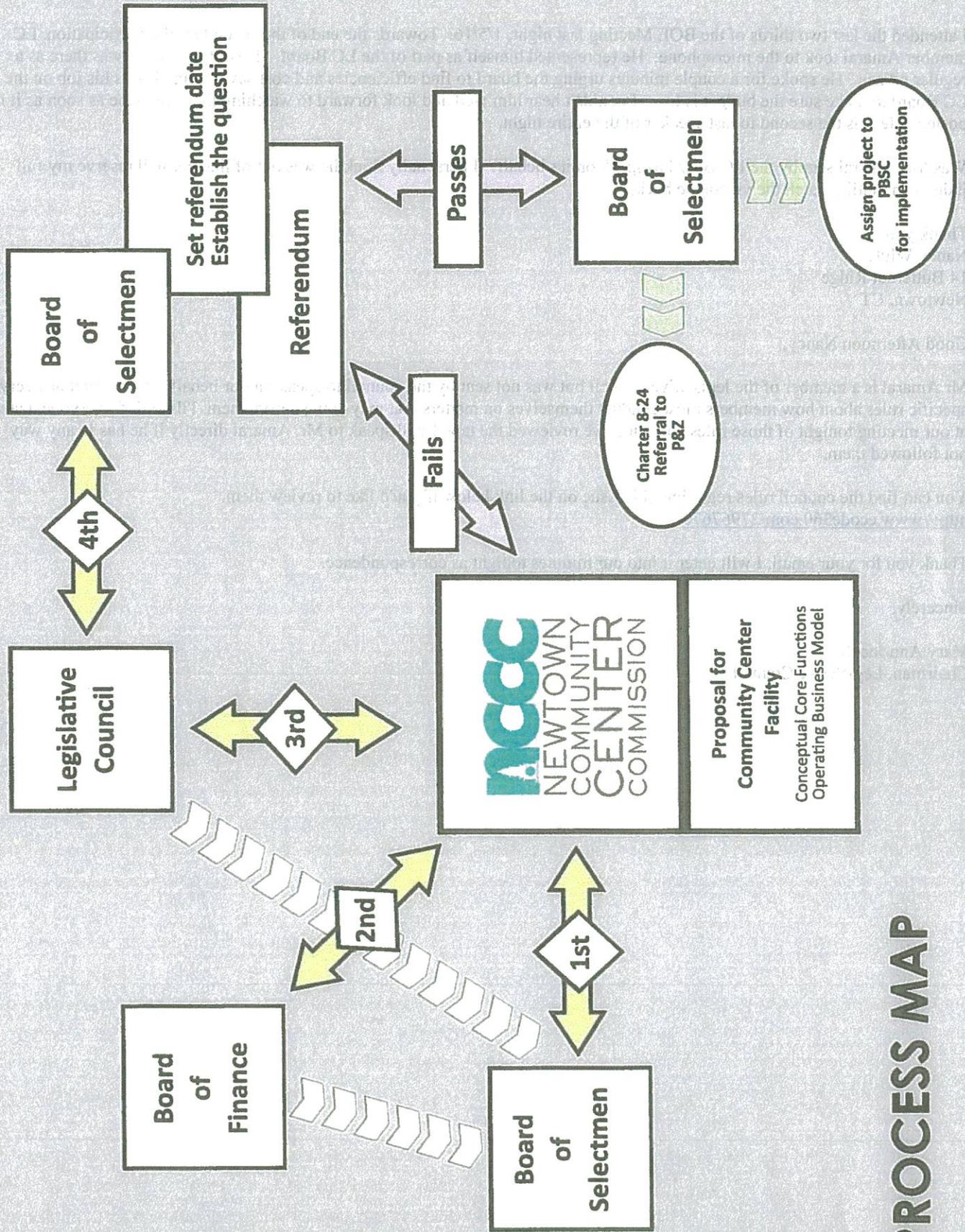
To: okjt@aol.com

Cc: alexanderk_boe@newtown.k12.ct.us, pat.llodra@newtown-ct.gov, erardij@newtown.k12.ct.us

Subject: Re: Board of Education Budget

Please do not copy me on emails indicating discussing things that should be held in public.

Thank you and happy new year.



PROCESS MAP

LEGISLATIVE COUNCIL

Mary Ann & Paul,

I attended the last two thirds of the BOE Meeting last night, 1/5/16. Towards the end of the second Public Participation, LC member Amaral took to the microphone. He represented himself as part of the LC Board. He did not say he was there as a regular citizen. He spoke for a couple minutes urging the board to find efficiencies and cost savings and it was his job on the LC Board to make sure the budget is low. I couldn't hear him well and look forward to watching the video tape as soon as it is posted. He was the second to last speaker of the entire night.

Was Mr. Amaral sent by the LC Board to speak on it's behalf? I personally think he was out of line but will reserve my full judgement until I watch the videotape back.

Thank you,
Nancy White
14 Butternut Ridge
Newtown, CT

Good Afternoon Nancy,

Mr Amaral is a member of the legislative council but was not sent by the council to speak on our behalf. The council has very specific rules about how members must conduct themselves on matters that may come before them. I'll remind everyone again at our meeting tonight of those rules and once I've reviewed the tape I will speak to Mr. Amaral directly if he has in any way not followed them.

You can find the council rules regarding this issue on the link below if you'd like to review them.
<http://www.ecode360.com/27967670>

Thank you for your email, I will enter it into our minutes tonight as correspondence.

Sincerely,

Mary Ann Jacob
Chairman, Legislative Council

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

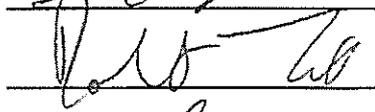
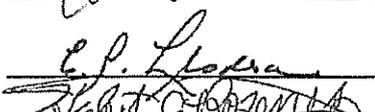
FISCAL YEAR 2015 - 2016 DEPARTMENT Fire DATE 12/1/15

	<u>Account</u>	<u>Amount</u>	
FROM:	<u>1-101-24-570-5899-0000CONTINGENCY</u>	<u>(16,732)</u>	USE NEGATIVE AMOUNT
	.		
	.		
	.		
	.		
	.		
	.		
TO:	<u>1-101-12-320-5749-0000CAPITAL</u>	<u>16,732</u>	USE POSITIVE AMOUNT
	.		
	.		
	.		
	.		
	.		

REASON: GENERATOR REPLACEMENT: HAWLEYVILLE FIRE TRUCK 331 (TOWN TRUCK)

Due to an unanticipated failure, the generator on Hawleyville Engine 331 is out of service and needs to be replaced. Because it was unanticipated monies were not included in the BOFC budget. The generator system on these type vehicles is a necessity as they are used for various emergency functions including operating specialized emergency equipment as well as scene lighting. The Board of Fire commissioners sent this item out to a public bid and we recommend awarding it to the low bidder, Firematic Supply Co., Inc.

AUTHORIZATION:

(1) DEPARTMENT HEAD		date: <u>12/14/15</u>
(2) FINANCE DIRECTOR		<u>12/15/15</u>
(3) SELECTMAN		
(4) BOARD OF SELECTMEN		
(5) BOARD OF FINANCE		
(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)

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

FISCAL YEAR 2015 - 2016 DEPARTMENT Selectmen DATE 12/8/15

	Account	Amount	
FROM:	1-101-24-570-5899-0000 CONTINGENCY	(39,609)	USE NEGATIVE AMOUNT ↓
	.		
	.		
	.		
	.		
TO:	1-101-11-110-5110-0000 SALARIES & WAGES - FULL TIME	35,000	USE POSITIVE AMOUNT ↓
	1-101-11-110-5220-0000 SOCIAL SECURITY CONTRIBUTIONS	2,678	
	1-101-11-110-5230-0000 RETIREMENT CONTRIBUTIONS	1,750	
	1-101-11-110-5210-0000 GROUP INSURANCE	181	
	.		
	.		

REASON:

To increase the capacity of the Social Services Department by adding two full time positions starting on 3/1/2016:
 Clinical Social Worker
 Care Navigator

The above expenditures will be off set by \$36,667 in private grants. An annual grant from Praxair Foundation for \$50,000 (2 year grant) (using a prorated amount of \$20,000 applied to 2015/16). An annual grant from the Sandy Hook Community Foundation for \$50,000 (using a prorated amount of \$16,667 applied to 2015/16).

See attached for a detailed description and the full impact on fiscal year 2016/17.

AUTHORIZATION: _____ date: _____

(1) DEPARTMENT HEAD _____

(2) FINANCE DIRECTOR [Signature] 12/8/15

(3) SELECTMAN [Signature] _____

(4) BOARD OF SELECTMEN [Signature] 12/21/15

(5) BOARD OF FINANCE _____

(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

**TOWN OF NEWTOWN
FINANCIAL IMPACT STATEMENT
(Per Town Charter 6-100)**

REQUESTING DEPARTMENT FIRST SELECTMAN

PROJECT: INCREASE CAPACITY OF SOCIAL SERVICES DEPARTMENT BY ADDING 2 FULL TIME POSITIONS

PROPOSED APPROPRIATION AMOUNT: \$ 39,609

PROPOSED FUNDING:

BONDING		
GRANT	\$	36,667
CONTINGENCY	\$	2,942
OTHER		
	<u>\$</u>	<u>39,609</u>

ANNUAL FINANCIAL IMPACT ON OPERATING BUDGET (GENERAL FUND):

List any financial impact your request will have on the Town's annual operating budget.
Attach spreadsheet(s) showing your calculation of the estimated impact.

EXPENDITURE CATEGORY:	<small>**FOR BRACKETS USE NEGATIVE SIGN BEFORE NUMBER**</small>	(POSITIVE IMPACT) / NEGATIVE IMPACT	Attachment #
SALARIES & BENEFITS		156,025	
PROFESSIONAL SERVICES			
CONTRACTED SERVICES			
REPAIRS & MAINTENANCE			
UTILITIES			
OTHER		6,000	
DEBT SERVICE (1st year)			
TOTAL IMPACT ON EXPENDITURES		<u>\$ 162,025</u>	

REVENUE CATEGORY:	POSITIVE IMPACT / (NEGATIVE IMPACT)	Attachment #
PROPERTY TAXES		
CHARGES FOR SERVICES (FEES)		
OTHER	\$ 100,000.00	
TOTAL IMPACT ON REVENUES	<u>\$ 100,000.00</u>	

TOTAL FINANCIAL IMPACT ON OPERATING BUDGET \$ 62,025

EQUIVALENT MILL RATE OF TOTAL IMPACT 0.0202 mills
(using current year's information)

COMMENTS:

To increase the capacity of the Social Services department by adding two full time positions starting on 3/1/2016. Positions are a Clinical Social Worker and a Care Navigator.

The top section represents the transfer request (from contingency off set by the grant amount) for fiscal year 2015/16 (four months).

The bottom section is the impact on a full budget year (2016/17). Net impact on budget = \$62,025 (\$162,025 in expenditures off set by two \$50,000 grants).

PREPARED BY: _____ DATE: _____

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

FISCAL YEAR 2015 - 2016 DEPARTMENT Selectmen DATE 12/8/15

	<u>Account</u>	<u>Amount</u>	
FROM:	1-101-24-570-5899-0000CONTINGENCY	(39,609)	USE NEGATIVE AMOUNT
TO:	1-101-11-110-5110-0000SALARIES & WAGES - FULL TIME	35,000	USE POSITIVE AMOUNT
	1-101-11-110-5220-0000SOCIAL SECURITY CONTRIBUTIONS	2,678	
	1-101-11-110-5230-0000RETIREMENT CONTRIBUTIONS	1,750	
	1-101-11-110-5210-0000GROUP INSURANCE	181	

REASON:

To increase the capacity of the Social Services Department by adding two full time positions starting on 3/1/2016:
 Clinical Social Worker
 Care Navigator

The above expenditures will be off set by \$36,667 in private grants. An annual grant from Praxair Foundation for \$50,000 (2 year grant) (using a prorated amount of \$20,000 applied to 2015/16). An annual grant from the Sandy Hook Community Foundation for \$50,000 (using a prorated amount of \$16,667 applied to 2015/16).

See attached for a detailed description and the full impact on fiscal year 2016/17.

AUTHORIZATION: _____ date: _____

(1) DEPARTMENT HEAD _____

(2) FINANCE DIRECTOR *Robert T...* 12/8/15

(3) SELECTMAN _____

(4) BOARD OF SELECTMEN _____

(5) BOARD OF FINANCE _____

(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

Town of Newtown
Proposed Additional Municipal Social Services
Fiscal Year 2016/17

<u>Line Item</u>	<u>Budgeted Annual Cost</u>	<u>Budgeted Resources</u>				<u>Total Resource</u>
		<u>Sandy Hook Community Foundation (a)</u>	<u>Praxair Foundation (b)</u>	<u>Town Budget</u>		
Personnel / Salaries:						
Clinical Social Worker	65,000	-	50,000	15,000		65,000
Care Navigator	40,000	40,000	-	-		40,000
Fringe Benefits:						
Social Security	8,033	3,060	-	4,973		8,033
Medical	37,200	6,940	-	30,260		37,200
Defined Contribution Plan	5,250	-	-	5,250		5,250
Life Insurance	542	-	-	542		542
Supplies	2,000	-	-	2,000		2,000
Printing / Marketing	1,000	-	-	1,000		1,000
Professional Development	3,000	-	-	3,000		3,000
	<u>162,025</u>	<u>50,000</u>	<u>50,000</u>	<u>62,025</u>		<u>162,025</u>

(a) March 1, 2016 to February 29, 2017 grant period.

(b) January 1, 2016 to December 31, 2016 grant period. Two annual grants.

Proposed Additional Municipal Social Services
 March 1, 2016 to June 30, 2016 (Fiscal Year 2015-16)

Line Item	Budgeted		Budgeted Resources			Total Resource
	Annual Cost		Sandy Hook Community Foundation (a)	Praxair Foundation (b)	Town Budget	
Personnel / Salaries:						
Clinical Social Worker	21,667		-	20,000	1,667	21,667
Care Navigator	13,333		13,333	-	-	13,333
Fringe Benefits:						
Social Security	2,678		1,020	-	1,658	2,678
Defined Contribution Plan	1,750		-	-	1,750	1,750
Life Insurance	181		-	-	181	181
	39,609		14,353	20,000	5,256	39,609

(a) March 1, 2016 to February 29, 2017 grant period.

(b) January 1, 2016 to December 31, 2016 grant period. Two annual grants.

$6,667$
 $4/60 \times 50,000 = 20,000$
 $4/12 \times 50,000 = 16,667$

Newtown Municipal Center
3 Primrose St., Newtown, CT 06470
Tel. 203-270-4201
Fax 203-270-4205



E. Patricia Llodra
First Selectman
203-270-4202
pat.llodra@newtown-ct.gov

TOWN OF NEWTOWN

OFFICE OF THE FIRST SELECTMAN

Newtown Department of Social Services

At present, the Newtown Department of Social Services consists of two staff persons with an FTE of 1.8. The mission of the department is to enhance the quality of life and self-sufficiency of people in need of financial and social services. The department is very successful as a bridge between those in need and the many grant and aid programs available through public and private organizations. Support for longer-term needs and for new applications for renter assistance, food stamps, short-term/immediate medical or dental care, and housing are handled with respect, compassion, and accountability. However, it has become increasingly clear over the past few years that the enormous range of needs of our residents cannot be met by the existing staffing and that a professional social work position is necessary for our community to be served at a more meaningful level.

The Town of Newtown was fortunate to be able to fund a six member (4.2 FTE) Recovery & Resiliency Team (RRT) through a grant from the Department of Justice in the wake of 12/14/12. Approximately 13% (over 100 individuals) of the current case load of the RRT is from residents with issues unrelated to the needs associated with the tragedy at Sandy Hook Elementary. But, the majority of the RRT case load is Sandy Hook related. Through mid-October of 2015, the RRT has logged 780 case files. And each month brings an average of 25 new cases. There is no dispute to the evidence of need for social work services.

Early in 2013, just weeks from the Sandy Hook tragedy, the Praxair Foundation committed financial help for Newtown to conduct a comprehensive needs assessment focused on mental health needs of discrete constituent groups. Moving forward, the information from that needs assessment provided some of the framework for DoJ and SERV grant applications and program planning. Praxair then committed an additional grant of \$50,000 to support community outreach for mental health services. The Praxair grant was used to supplement the DoJ grant so that we could add to the RRT staffing and enhance the outreach function. Praxair has committed, now, to grant \$50,000 for two additional calendar years in order that we continue community outreach and service through the position of the clinical social worker position.

These resources from Praxair in combination with an appropriation through the local municipal operating budget will be used to fund the clinical social worker position. Further, we plan to have the social worker in place and operational by March of 2016 in order to better soften the impact of the demise of the RRT. It is anticipated that this additional position will eventually be fully funded via the municipal budget. The availability of Praxair funds helps to ease this request into the municipal spending plan and increases the sustainability of that position and the services provided therein.

An additional position sought for social services is a care navigator. For this position we are seeking a grant of \$50,000 from the Newtown-Sandy Hook Community Foundation. Our experience with the RRT established a firm understanding of the value of care navigation. Persons in this role have provided a high level of direct, personal support and outreach services, primarily focused on the families most

Newtown-Sandy Hook Community Foundation grant application submitted by E. Patricia Llodra 10-15-15

impacted by 12/14. The care navigators have been described to me by RRT clients as the "feet on the street", "anchors in a turbulent surf", and "caring, constant, and compassionate voice of reason and advice". Care navigation will help to round out the service profile most needed by our community. Our plan is to have the care navigator in place in March 2016. We commit to future consideration of this position as a permanent feature of our social services department. We just do not know right now when or if the need for this level of care navigation services will abate over time or if those services could at some future point be incorporated into the work role of existing staff. In the meantime, we are hopeful that the Foundation will be able to help us restructure and enhance the delivery of critical social services by funding our grant request.

A description follows of the services to be provided by the Clinical Social Worker and by the Care Navigator.

Licensed Clinical Social Worker

The primary responsibility of the Social Worker is to help create and sustain a well-coordinated mental health system in Newtown, understand and anticipate gaps in service, and work to secure necessary resources to support the community needs. DSS should provide a single point of contact for those in the community seeking assistance.

- The clinician would be responsible for working with community partners to serve as a clearing house for services provided and to gather & disseminate such information on a regular basis throughout the community;
- Develop and maintain a comprehensive mental health service delivery and planning system for the town, including very close partnership with the Newtown Public Schools, healthcare providers, senior services, and mental health treatment providers;
- Work in partnership with a trauma treatment center* to execute a training plan for providers throughout the community and region to assure on-going professional development in the areas of trauma response;
- Work with insurance providers and funds to make clear to the public the availability of services and the coverage available via insurance and/or private funds;
- Provide clinical oversight of the care navigator(s) and clinical support as needed to individual cases;
- Serve on local and regional boards and teams related to service delivery and planning, and meet with Boards or Commissions as necessary; Work in conjunction with support services such as the Commission on Aging, Newtown Health District, Newtown Youth and Family Services to ensure and provide optimal service;
- Serve as the clinical/mental health expert/spokesperson for the town.

Qualifications

Masters of Social Work or closely related field. LCSW or equivalent strongly preferred;

A minimum of 10 years of professional experience including both clinical work as well as managerial functions (i.e. program development, staff management, fiscal responsibilities) with a proven track record of successful project management in complex & challenging environment;

Experience with community organizing/planning, coalition building, and/or community collaborations with particular knowledge of the Newtown community;

Exceptional communication and relationship building skills;

Proven engagement skills with diverse populations;

Trauma informed and experienced with strong crisis intervention skills.

*A trauma treatment center is in the planning stages by Melissa Glaser of the Recovery and Resiliency Team as a follow-on program and facility when the RRT funding ends in March 2016. Ms. Glaser is joined in this effort by a number of professional colleagues with certifications and licensure in diverse mental health disciplines.

Care Navigator

Through a grant from the Newtown-Sandy Hook Community Foundation, the care navigator is responsible for direct work with individuals and families impacted by 12/14, linking and following up on needed services. The care navigator will provide comprehensive outreach services for the Newtown population with a proactive focus on the families who lost loved ones and others most closely impacted by the tragedy.

- Proactively engage families of loved ones lost and others most impacted by the tragedy to elicit feedback and respond to individual needs;
- Respond to inquiries from residents, employees, concerned family members, police and fire departments, clergy, hospitals and area mental health agencies;
- Provide case management services to link individuals and families to all of the services available to them, including assistance in navigating systems such as insurance;
- Work in conjunction with any existing treatment providers to assure comprehensive service delivery;
- Advocate on behalf of the individual or family for services as needed;
- Feed information re: needs and potential gaps in services to Clinician.

Qualifications

Bachelor's Degree in Social Work or related field, Master's Degree preferred;

3-5 years of case management experience working with vulnerable populations including brief assessment and discharge planning;

Trauma informed and experienced;

Familiarity with entitlement benefits and experience proactively researching community resources and services in order to provide most appropriate referrals;

Strong boundaries and demonstrated emotional resilience and intelligence;

Experience with client-centered advocacy;

Proven engagement skills;

Adherence to the highest ethical standards and confidentiality.

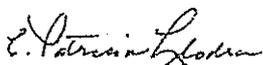
The grant (\$50,000) I am seeking will be directly applied to salary and fringe benefits for the Care Navigator position. Funds will be sought from the municipal budget to meet any costs which exceed the Foundation grant for the salary and benefit package. Further, operational costs including professional development, technology support, materials and supplies, rent, utilities, postage and the like will also be sought from the municipal budget. Much of these operational costs, exclusive of rent, are line items in the municipal budget and would be increased accordingly.

A key component of constructing the expected budget for the expanded social services department is location of those staff members. The current social services department offices in the lower level of Town Hall South can be reconfigured to accommodate the two additional staff. This is not the best option, however, as space is not expansive, confidentiality may be difficult to achieve, parking is very limited, and the building itself- as the home of the Police Department- may be off-putting to many in search of a more welcoming environment. A second option is to continue to rent the Engineer's House, now the home of the RRT. The Town is leasing that building from the Fairfield Hills Authority at the rate of \$1000.00 per month through the DoJ grant. A continuation of that lease beyond March 31, 2016, is subject to negotiations with the FHA. It could be anticipated that negotiations would be successful but that the rental costs may increase. A third option is to 'partner' with the Parent Connection and lease space in the to-be-remodeled duplex located in Washington Circle of Fairfield Hills. That option, if pursued, is subject to review and approval by the PC Board. Of these options, it is the latter two which have the best setting and environment for the delivery of services. If this grant request is successful, I will then seek negotiations with the FHA and or the Parent Connection Board. I share this information about the unknowns regarding location of expanded social services so that you will know and understand the absence of specificity in the budget associated with this grant request.

The Town will soon begin development of its municipal budget for fiscal 2017. That budget proposal will include funding for operational costs for the expanded social services department, as well as resources needed to fill the salary/benefit gap for the clinical social worker position funded at \$50,000 via Praxair. A grant from the Foundation for the care navigator position will provide additional support in our efforts to create a sustainable plan for the delivery of community-based mental health and wellness services and supports.

In closing, thank you for considering this request. It is my belief that the clinical social worker and the care navigator positions are important components of a sustainable plan for the delivery of services. I appreciate that the Foundation will have many requests to review and too few resources to grant. I hope that this application warrants approval.

Sincerely,



E. Patricia Llodra
First Selectman

Town of Newtown
Proposed Additional Municipal Social Services
Fiscal Year

Line Item	<u>Annual Cost</u>	<u>THIS GRANT</u>	<u>Resource</u>			<u>Total Resource</u>
			<u>Other Charitable Contribution</u>	<u>Town Budget</u>		
Personnel / Salaries:						
Clinical Social Worker	65,000	-	50,000	15,000		65,000
Care Navigator	40,000	40,000	-	-		40,000
Fringe Benefits:						
Social Security	8,033	3,060	-	4,973		8,033
Medical	37,200	6,940	-	30,260		37,200
Defined Contribution Plan	5,250	-	-	5,250		5,250
Life Insurance	542	-	-	542		542
Supplies	2,000	-	-	2,000		2,000
Printing / Marketing	1,000	-	-	1,000		1,000
Rent	12,000	-	-	12,000		12,000
Professional Development	3,000	-	-	3,000		3,000
	<u>174,024</u>	<u>50,000</u>	<u>50,000</u>	<u>74,024</u>		<u>174,024</u>

TOWN CONTINGENCY ACCOUNT

Newtown

Trans #	T / F	Date	Description	Orig Budget	Transfers	Adj Approp	Encumbered	Ytd Expended	Balance	%Exp
1-101-24-570-5899-0000 CONTINGENCY				\$350,000.00	(\$181,790.00)	\$168,210.00	\$0.00	\$0.00	\$168,210.00	0.00%

Transfers

Trans #	T / F	Date	Description	Amount
4316	F	7/16/2015	LC 07 15 2015 Police Contract	\$91,077.00
28402	F	11/19/2015	PER LC 11 16 2015 Town Hall Employee Contract	\$33,017.00
28402	F	11/19/2015	PER LC 11 16 2015 Misc. Transfers	\$17,666.00
32968	F	12/17/2015	Per LC 12 16 2015 Highway Contract	\$40,030.00

Transfers Out \$181,790.00



LC 01/06/2016 Transfer Request	(39,609)
""	(16,732)
Anticipated Balance	\$111,869

Newtown Senior Tax Relief Benefit

1. The taxpayer or the spouse must be at least 65 years of age or over as of July 1st or was at least 65 years of age at the time of their death, the spouse must be 60 years or older in order to receive benefits
2. The applicant must have resided and paid real estate taxes on residence located in Newtown for at least a year prior to the application.
3. The property for which the taxpayer is claiming tax relief for must be his/her legal domicile and occupied by that person for more than 183 days each year.
4. Delinquent taxes must be paid in full before qualifying for the benefit.
5. After considering state benefits granted, the person must pay 25% of his/her normal tax bill in order to receive the full benefit.
6. The tax credit on the real estate property shall apply to the residence itself and the lot on which the residence is located, not the excess acreage owned.
7. Income from all sources (taxable & non-taxable) including social security must not exceed \$70,000 to qualify for \$800; \$65,000 to qualify for \$1,300; \$55,000 to qualify for \$1750, and \$45,000 to qualify for \$2,525, which is deducted directly from your July 2015 tax bill.
8. Your assessed value must be less than 200% of the median assessed value of real property in Newtown. The median assessed value for 2016 is \$468,830.
9. Your qualifying total asset value cannot be more than \$1,250,000.

You must bring in your 2015 tax return, social security 1099 and all other 1099s for pension, interest, annuities, rental income, etc.

*Applications will be taken from March 2 – May 15
2016*

Town of Newtown
Elderly / Disabled Tax Credit Relief - Town Benefit Program
Fiscal Years 2015/16 & 2014/15

	Elderly/Disabled Tax Credits		Change		
	2014 - 2015	2015 - 2016	Total Benefit Change	Receptients	
<u>Income Groups:</u>	Benefit Amount	Number of Receptients	Total Benefit Amount	Total Benefit Change	Receptients
\$00,000 - 45,000	2,525	334	843,350	\$ 47,975	19
\$45,001 - 55,000	1,750	122	213,500	8,750	5
\$55,001 - 65,000	1,300	126	163,800	(2,600)	-2
\$65,001 - 70,000	800	23	18,400	11,200	14
Other ***		89	134,410	40,932	-5
GRAND TOTAL		694	1,373,460	106,257	31
TOTAL FUNDING AUTHORIZED			1,650,000		
Authorized less Benefit Amount			276,540		

*** Receptients receiving less than the full benefit amount due to percentage of property owned or meeting the 25% minimum tax requirement (must pay at least 25% of the tax bill amount).

2,750
2,000
1,500
1,000

5/7/14

DRAFT Ord. No. 45A Possible Revisions

LC Approved Version

Chapter 208. Taxation

Article I. Tax Relief for Seniors and Totally Permanently Disabled

§ 208-1 Purpose.

The Town of Newtown hereby modifies its program of tax relief for the elderly pursuant to § 12-129n of the General Statutes of Connecticut for eligible residents of the Town of Newtown for the fiscal year commencing July 1, 2014, on the terms and conditions provided herein.

§ 208-2 Tax credit granted; eligibility.

Any person who owns real property in the Town of Newtown or who is liable for the payment of taxes thereon pursuant to § 12-48 of the Connecticut General Statutes and who occupies said real property as a residence and who fulfills the following eligibility requirements shall be entitled, subject to the limits, if any, of § [208-8](#), to tax relief pursuant to § 12-129n of the Connecticut General Statutes in the form of a tax credit which may be reviewed and established by the Legislative Council for succeeding fiscal years, provided that any such revision for a subsequent fiscal year shall be made prior to the time when the Legislative Council makes its final proposed budget recommendation for said fiscal year. The First Selectman may contact the Chairman of the Legislative Council on or before February 1 of each calendar year to discuss such possible review.

A.

- (i) Such person is 65 years of age or over as of July 1 following his/her application; or his or her spouse living with said person is 65 years of age or over as of July 1 following his/her application; the surviving spouse, 60 years or over as of July 1 following his/her application, of a taxpayer who has qualified in Newtown under this article at the time of his or her death.
- (ii) Such person is under age 65 years of age and eligible in accordance with applicable federal regulations to receive permanent total disability benefits under Social Security, or has not been engaged in employment covered by Social Security and accordingly has not qualified for benefits thereunder, but has become qualified for permanent total disability benefits under any federal, state, or local government retirement or disability plan, including the Railroad Retirement Act and any government-related teacher's retirement plan, in which requirements with respect to qualifications for such permanent total disability benefits are comparable to such requirements under Social Security.

B.

Such person has resided at and paid real estate taxes on a residence located in Newtown for a period of one year prior to his or her application for tax relief.

C.

The property for which the exemption is claimed is the legal domicile of such person and is occupied more than 183 days of each year by such person.

D.

Such person shall have applied for property tax relief under any state statutes for which he/she is eligible. If such applicant has not applied for tax relief under any state statute because he/she is not eligible, he/she shall so certify by filing on a form acceptable to the Tax Collector an affidavit testifying to his/her ineligibility.

E.

Effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015, bi-annual reapplication shall be required.

F.

Such person shall have individually, if unmarried, or jointly, if married, Modified Income (as hereinafter defined) not more than established by resolution of the Legislative Council in accordance with this section.

Modified Income shall be calculated as follows, based on the tax year ending immediately preceding the application for tax relief benefits:

Federal adjusted gross income, as defined in the Internal Revenue Code of 1986, as may be amended from time to time ("AGI")	\$XXX
PLUS:	
Social security/railroad retirement benefits not included in AGI	\$XXX
Tax-exempt interest income	\$XXX
Net losses per Form 1040 (used to arrive at AGI)	\$XXX
Business losses per Form 1040	\$XXX
Capital losses per Form 1040	\$XXX
Other losses per Form 1040	\$XXX
Schedule E losses per Form 1040	\$XXX
Farm losses per Form 1040	\$XXX
Net operating losses per Form 1040	\$XXX
Disability income not included in AGI	\$XXX
MINUS	
Unreimbursed gross medical expenses qualifying as and included on a federal income tax return of the calendar year immediately preceding the year of application as an itemized deduction in excess of 7.5% of AGI (per form 1040, Schedule A) (Deduction of unreimbursed gross medical expenses effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015)	(<u>\$XXX</u>)

For the 2014-2015 fiscal year and subsequent fiscal years (unless changed by the Legislative Council in accordance with this section), the Modified Income levels for the prior calendar year and the corresponding Maximum Available Tax Credits for those levels shall be as follows:

Reference Designation	Modified Income Level	Maximum Available Tax Credit
Group A	\$0 to \$45,000	\$2,525
Group B	\$45,001 to \$55,000	\$1,750
Group C	\$55,001 to \$65,000	\$1,300
Group D	\$65,001 to \$70,000	\$800

Modified Income levels and corresponding Maximum Available Tax Credits are subject to change upon resolution by the Legislative Council, which may base such changes on recommendations to the Legislative Council from the Office of The First Selectman. Current Modified Income levels and corresponding Maximum Available Tax Credits shall be made available to the public in the office of the Tax Collector.

G.

An applicant will be disqualified if he/she owes taxes in the Town of Newtown more than six months delinquent.

H.

Any application for tax relief must be filed by any person who fulfills the eligibility requirements in this article.

I.

The tax credit on real property as provided herein shall only apply to the residence itself, the lot on which the residence is located and improvements on said lot.

J.

All applications and supporting information filed with the Town shall be treated as confidential documents.

K.

Effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015, any applicant who qualifies for property tax relief hereunder shall have individually, if unmarried, or jointly, if married, a qualifying total asset value not exceeding an amount that shall be annually established upon resolution by the Legislative Council no later than September 30 prior to the next applicable fiscal year (the "QTAV Limit"). Qualifying total asset value shall consist of any and all assets of the applicant individually, if unmarried, or jointly, if married, as of the date of the application but shall specifically exclude the value of the applicant's primary legal residence and all tangible personal property contained therein. Each applicant shall make a sworn statement in a form satisfactory to the Tax Collector that such applicant's qualifying total asset value does not exceed the QTAV Limit. The QTAV Limit as set forth in this section 208-2(K) is subject to change upon resolution by the Legislative Council, and the current QTAV Limit shall be made available to the public in the office of the Tax Collector.

L.

Effective the fiscal year commencing July 1, 2015 and the application period commencing March 1, 2015, the property tax relief available hereunder shall be available for one (1) residence only collectively for each applicant individually, if unmarried, or jointly, if married, and shall not be available to any residence with an assessed value in excess of two hundred (200) percent of the median assessed value of residences assessed during each of the prior assessment years, October 1 to September 30, since the inception of the last town-wide revaluation as calculated by the Assessor (the "Assessed Value Limit"). The Assessed Value Limit as set forth in this section 208-2(L) is subject to change upon resolution by the Legislative Council, and the current Assessed Value Limit shall be made available to the public in the office of the Tax Collector.

§ 208-3 Application deadline.

In order to be entitled to the benefits provided herein, an application must be filed with the Tax Collector of the Town of Newtown not earlier than March 1 nor later than May 15 (June 1st, 2014, in the case of 2014 fiscal year applications) to obtain the benefits provided herein for the next fiscal year. The application for tax relief must be made after such person becomes eligible to apply as set forth above.

§ 208-4 Maximum allowable tax credit.

The total of all tax credits granted under the provisions of this article shall not in any taxable year exceed an amount equal to 10% of the total real property tax assessed in Newtown in the preceding tax year.

§ 208-5 Limitations on credit.

Only one tax credit as heretofore set forth shall be allowed for each parcel of land eligible for the tax relief under this article. In any case where title to real property is recorded in the name of the taxpayer or his or her spouse who are eligible for tax relief and any other person or persons, the tax relief under this article shall be prorated to allow a tax credit equivalent to the fractional share in the property of such tax payer or spouse, and the persons not otherwise eligible for tax relief shall not receive any tax credit.

§ 208-6 Waiver of lien rights.

The Town of Newtown hereby waives any lien rights given to it by § 12-129n of the General Statutes of the State of Connecticut.

§ 208-7 Limitation on reduction in total tax.

No person's normal real estate tax shall be reduced by more than 75% by virtue of said credit provided by this article, together with all tax relief benefits obtained by said person from the State of Connecticut pursuant to state law.

§ 208-8 Limitation on total amount of relief granted.

For each fiscal year the total revenue loss to the Town from the program, together with all other elderly real property tax relief benefit programs pursuant to state law, exclusive of any tax deferral programs that may from time to time be enacted, shall not exceed the amount appropriated in said fiscal year's annual budget for the program (the "Cap Amount"). The portion of the Cap Amount to be allocated for tax credits to qualified applicants in the Groups A-C Modified Income levels (the "Groups A-C Cap") and the Group D Modified Income level (the "Group D Cap") shall be established upon resolution by the Legislative Council. For the fiscal year commencing July 1, 2014, the Groups A-C Cap shall be \$1,500,000 and the Group D Cap shall be \$150,000. In the event that the number of qualified applicants in one or more of the Modified Income levels is such that providing the Maximum Available Tax Credit to each such applicant would result in revenue loss exceeding the Cap Amount or tax credits not equal to the Groups A-C Cap or the Group D Cap, the Tax Collector shall utilize the following method to determine the actual tax credits received by qualified applicants:

A.

If the product of (i) the number of qualified applicants in the Group D Modified Income level and (ii) the corresponding Maximum Available Tax Credit (the "Group D Applied Tax Credit") is more than the Group D Cap, then the tax credits available to qualified applicants in the Group D Modified Income level shall be reduced on a pro-rata basis such that the total amount of tax credits for such applicants does not exceed the Group D Cap. If the Group D Applied Tax Credit is less than or equal to the Group D Cap, the

excess funds, if any, (the "Group D Surplus") shall be allocated to fund tax credits for qualified applicants in the Groups A-C Modified Income levels.

B.

If the product of (i) the number of qualified applicants in the Groups A-C Modified Income levels and (ii) the corresponding Maximum Available Tax Credit (the "Groups A-C Applied Tax Credit") is more than the sum of (iii) the Groups A-C Cap and (iv) the Group D Surplus, if any, (the "Groups A-C Allocation") then the tax credits available to qualified applicants in the Groups A-C Modified Income levels shall be reduced on a pro-rata basis such that the total amount of tax credits for such applicants does not exceed the Groups A-C Allocation. If the Groups A-C Applied Tax Credit is less than or equal to the Groups A-C Allocation, the excess funds, if any, (the "Groups A-C Surplus") shall be made available to fund the following fiscal year's Legislative Council Approved Senior Tax Abatement budget allocation.

The Cap Amount, the Groups A-C Cap, the Group D Cap, and the method utilized to determine the actual tax credits to be received by qualified applicants may be revised by the Legislative Council in the same manner as the Modified Income levels and corresponding Maximum Available Tax Credits may be revised pursuant to § 208-2.

Legislative Council Shared Services Ad Hoc Committee January 2016

The Legislative Council Charges the Shared Services Ad Hoc Committee to develop a proposal for combining town and education operational functions that serves Newtown by:

1. Continuing the high level of service to our taxpayers and employees.
2. Provides cost savings and efficiencies in the long term that make said changes worthwhile.

The Legislative Council asks the committee to accomplish these goals considering the following:

1. Review work done by previous committee
2. Research and possibly visit towns that have successfully combined operational services.
3. Work closely with BOE and BOS designee to understand benefits and risks.
4. Make complete report including recommendations back to full council by June 30, 2016.

Meetings should be held once monthly, in addition to visits to other communities. All meetings should be publicly noticed and have minutes filed by the appointed clerk.

The committee should seek out the opinions and feedback from both the First Selectman and the Superintendent of Schools in forming their recommendations.

Membership:

Chris Eide, Legislative Council

George Ferguson, Legislative Council

Jim Ritchie, Citizen

One member of the Town administrative offices

One member of the School administrative offices

Municipal Operations

PUBLIC SAFETY

EMERGENCY COMMUNICATIONS
POLICE
CANINE CONTROL
FIRE
EMERGENCY MANAGEMENT/N.U.S.A.R.
LAKE AUTHORITIES
N.W. SAFETY COMMUNICATION
EMERGENCY MEDICAL SERVICES
NW CONNECTICUT EMS COUNCIL

PUBLIC WORKS

BUILDING DEPARTMENT
HIGHWAY
WINTER MAINTENANCE
LANDFILL
PUBLIC BUILDING MAINTENANCE
CAR POOL

HEALTH AND WELFARE

SOCIAL SERVICES
SENIOR SERVICES
NEWTOWN HEALTH DISTRICT
NEWTOWN YOUTH & FAMILY SERVICES
CHILDREN'S ADVENTURE CENTER
TICK ACTION COMMITTEE
OUTSIDE AGENCY CONTRIBUTIONS

LAND USE

LAND USE

PARKS AND RECREATION

PARKS AND RECREATION
LIBRARY
NEWTOWN CULTURAL ARTS COMMISSION
NEWTOWN PARADE COMMITTEE

Finance/Administration

REVENUES & OTHER FINANCING SOURCES:

PROPERTY TAXES
INTERGOVERNMENTAL
CHARGES FOR SERVICES
INVESTMENT INCOME
OTHER REVENUES
OTHER FINANCING SOURCES

GENERAL GOVERNMENT

SELECTMEN
SELECTMEN - OTHER
TAX COLLECTOR
PROBATE COURT
TOWN CLERK
REGISTRARS
TAX ASSESSOR
FINANCE
TECHNOLOGY DEPARTMENT
UNEMPLOYMENT
SOCIAL SECURITY
PENSION FUND
OPEB CONTRIBUTION
EMPLOYEE BENEFITS
PROFESSIONAL ORGANIZATIONS
INSURANCE
LEGISLATIVE COUNCIL
DISTRICT CONTRIBUTIONS
ECONOMIC DEVELOPMENT COMM.
SUSTAINABLE ENERGYK COMM.
FAIRFILED HILLS AUTHORITY

CONTINGENCY

CONTINGENCY

DEBT SERVICE

DEBT SERVICE

OTHER FINANCING USES

TOWN HALL MANAGERS
RESERVE CAP & NONRECURRING EXP
TRANSFER OUT - CAP PROJECT

RESERVE CAP & NONRECURRING EXP

860 RESERVE CAP & NONRECURRING EXP

Legislative Council Budget Calendar 2016

3/9/16 Special Meeting at 7:30pm, BOF presents budget to Legislative Council

3/10/16 Committees may begin to hold meetings

3/18/16 Publish Notice of Public Hearing in the Newtown Bee

3/23/16 Public Hearing in Council Chambers at 7pm

3/23/16 Special Legislative Council Meeting 7:30pm and Committees present recommendations to Full Council. Budget Deliberations begin

3/30/16 Special Legislative Council Meeting for Budget Deliberations in Council Chambers at 7:30pm

4/6/16 Legislative Council Meeting to Adopt Budget in Council Chambers at 7:30pm.

4/15/16 Publish Final budget in the Newtown Bee

4/26/16 Budget Referendum, 6am to 8pm, Middle School

General Fund Balance Policy

Updated for GASB54 Fund Balance Reporting and Governmental Type Definitions

POLICY STATEMENT

A positive fund balance serves three important functions:

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

Credit rating agencies determine the adequacy of the unreserved fund balance using a complex series of financial evaluations. The size of the fund balance is an important, but not the only consideration in the Town's rating. Other important factors are the reliability of a government's revenue sources, economic conditions, community wealth factors, cash position, debt ratios, management performance, and fiscal decisions made by the legislative body.

A town's ability to accurately plan and develop sufficient fund balance is a common characteristic of highly rated municipalities.

This policy is intended to provide for a fund balance which satisfies the cash flow and contingency needs of the community, supports our positive bond rating with the rating agencies, and at the same time avoid over taxing the citizens through an excessively large fund balance.

GOVERNMENTAL FUND TYPE DEFINITIONS

- **General Fund** – all funds not reported in another fund
- **Special Revenue Funds** – Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt and capital projects. Restricted or committed revenues are the foundation for a special revenue fund.
- **Capital Project Funds** – Used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- **Debt Service Funds** – Used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, including resources being accumulated for principal and interest maturing in future years.
- **Permanent Funds** – Used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is for the benefit of the government or its citizenry. Permanent funds do NOT include private purpose trust funds.

FUND BALANCE DEFINITIONS

- **Fund Balance** is the difference between the Town's current assets (cash, short-term investments, receivables) expected to be available to finance operations in the immediate future and its current liabilities.
- Fund balance is initially characterized as being restricted and unrestricted.

Unrestricted Fund Balance Categories

- **Unassigned fund balance** – Amounts that are available for any purpose as defined in this policy; these amounts are reported only in the general fund. In other governmental funds, if expenditures incurred exceeded the amounts restricted, committed or assigned it may be necessary to report a negative unassigned fund balance.

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

Unrestricted Fund Balance is the Total Fund Balance minus the Nonspendable minus the Restricted

Restricted Fund Balance Categories are amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation

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

The decision making authority for purposes of this policy is the Board of Finance.

- **Assigned fund balance**– Amounts the Town intends to use for a specific purpose; intent can be expressed by the Town or by an official or body to which the Town delegates the authority. Appropriations of existing fund balances to future budgets are considered assigned fund balance. The Town shall not report an assignment that will result in deficit in Unassigned fund balance. Negative fund balances cannot be considered assigned.

The body authorized to assign amounts to a specific purpose for purposes of this policy is the Board of Finance.

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

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

GUIDELINES

The Board of Finance shall propose annual budgets that provide for an unrestricted (unassigned) general fund balance of not less than eight (8) percent nor more than twelve (12) percent of the total operating general fund expenditures.

In the event the unassigned fund balance is greater than twelve (12) percent at the end of any fiscal year, the excess may only be used in one or a combination of the following ways:

1. Transfer such excess to the Debt Service Fund for future debt payments.
2. Transfer such excess to the Capital or Nonrecurring Fund for future capital projects.
3. Use directly to reduce the tax rate in the subsequent year provided that care is taken to avoid a major fluctuation in the tax rate in succeeding years.

As a general rule, unrestricted (unassigned) fund balance in the general fund should represent no less than one month of operating revenues or operating expenditures (whichever is less volatile).

The following circumstances may justify a significantly higher minimum target levels:

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

Annually, the Board of Finance shall monitor and modify the minimum fund balance requirements based on the aforementioned criteria.

The use of unrestricted (unassigned) fund balance will be allowed under the following circumstances:

- Operating emergencies
- Unanticipated budgetary shortfalls

If at the end of a fiscal year, the unrestricted fund balance falls below eight (8) percent the Board of Finance shall prepare and submit a plan for expenditure reductions and or revenue increases. The Board of Finance shall take action necessary to restore the unrestricted fund balance to acceptable levels determined by this policy.

Note: The unrestricted fund balance is now at 7.12% and does not meet the 8% required by the proposed policy. This policy language requires the BoF to develop a plan of action to bring the fund to the required minimum level. This plan could call for meeting the minimum standard within a period of time, say 5 years or so.

This policy is subject to review on a bi-annual basis, on or before the anniversary date of its final approvals. The Board of Finance is responsible to lead the review process and shall collaborate with the Legislative Council and the Board of Selectmen in that action.

MOODY'S

INVESTORS SERVICE

Rating Action: **Moody's assigns Aa1 to Newtown CT's \$6.5M G.O. Bonds**

Global Credit Research - 19 Feb 2014

Affirms Aa1 on \$73.2M of outstanding parity debt

New York, February 19, 2014 --

Moody's Rating

Issue: General Obligation Bonds, Series 2014; Rating: Aa1; Sale Amount: \$6,500,000; Expected Sale Date: 3/1/2014; Rating Description: General Obligation

Opinion

Moody's Investors Service has assigned a Aa1 rating to the Town of Newtown's \$6.5 million General Obligation Bonds, Issue of 2014. Concurrently, Moody's has affirmed the Aa1 rating on \$73.2 million in outstanding long-term G.O. debt. The bonds and notes are secured by an unlimited general obligation tax pledge. The bonds are being issued to provide financing for various capital needs, including sewer infrastructure extension, school renovations, and park improvements.

SUMMARY RATING RATIONALE

The Aa1 long-term rating reflects the town's stable financial position which is supported by formal fiscal policies. The rating also considers the sizeable equalized net grand list with favorable socioeconomic indices, and an manageable debt profile.

STRENGTHS

- Sizeable and affluent tax base
- Stable financial position supported by formal policies
- Well funded pension system and pro-active OPEB Funding

CHALLENGES

- Managing expenditure pressures in an environment of constrained revenue growth

WHAT COULD MAKE THE RATING GO UP

- Significant growth of the underlying tax base
- Sizeable fund balance growth
- Reduction in debt burden

WHAT COULD MAKE THE RATING GO DOWN

- Protracted structural budget imbalance
- Reduction of General Fund reserves
- Deterioration of the town's tax base and demographic profile

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moody's.com for a copy of this methodology.

REGULATORY DISCLOSURES



GFOA Best Practice

Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund (CAAFR, Budget) (2015)

Background. In the context of financial reporting, the term *fund balance* is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net position of governmental funds calculated on a government's budgetary basis.¹ While in both cases *fund balance* is intended to serve as a measure of the financial resources available in a governmental fund; it is essential that differences between GAAP *fund balance* and budgetary *fund balance* be fully appreciated.

1. GAAP financial statements report up to five separate categories of fund balance based on the type and source of constraints placed on how resources can be spent (presented in descending order from most constraining to least constraining): *nonspendable fund balance*, *restricted fund balance*, *committed fund balance*, *assigned fund balance*, and *unassigned fund balance*.² The total of the amounts in these last three categories (where the only constraint on spending, if any, is imposed by the government itself) is termed *unrestricted fund balance*. In contrast, budgetary fund balance, while it is subject to the same constraints on spending as GAAP fund balance, typically represents simply the total amount accumulated from prior years at a point in time.
2. The calculation of GAAP fund balance and budgetary fund balance sometimes is complicated by the use of sub-funds within the general fund. In such cases, GAAP fund balance includes amounts from all of the subfunds, whereas budgetary fund balance typically does not.
3. Often the timing of the recognition of revenues and expenditures is different for purposes of GAAP financial reporting and budgeting. For example, encumbrances arising from purchase orders often are recognized as expenditures for budgetary purposes, but never for the preparation of GAAP financial statements.

The effect of these and other differences on the amounts reported as *GAAP fund balance* and *budgetary fund balance* in the general fund should be clarified, understood, and documented.

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance in the general fund.

Credit rating agencies monitor levels of fund balance and unrestricted fund balance in a government's general fund to evaluate a government's continued creditworthiness. Likewise, laws and regulations often govern appropriate levels of fund balance and unrestricted fund balance for state and local governments.

Those interested primarily in a government's creditworthiness or liquidity (e.g., rating agencies) are likely to favor higher levels of fund balance. Opposing pressures often come from unions, taxpayers and citizens' groups, who may prefer that fund balance in excess of a government's formal policy requirements, be used for other purposes.

Recommendation. GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes.³ Such a guideline should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period.⁴ In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.

Appropriate Level. The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.⁵ The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.⁶ Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time. In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

1. The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
2. Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
3. The potential drain upon general fund resources from other funds, as well as, the availability of resources in other funds;

16.7%

4. The potential impact on the entity's bond ratings and the corresponding increased cost of borrowed funds;
5. Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose). Governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance, rather than on unrestricted fund balance.

Use and Replenishment.

The fund balance policy should define conditions warranting its use, and if a fund balance falls below the government's policy level, a solid plan to replenish it. In that context, the fund balance policy should:

1. Define the time period within which and contingencies for which fund balances will be used;
2. Describe how the government's expenditure and/or revenue levels will be adjusted to match any new economic realities that are behind the use of fund balance as a financing bridge;
3. Describe the time period over which the components of fund balance will be replenished and the means by which they will be replenished.

Generally, governments should seek to replenish their fund balances within one to three years of use. Specifically, factors influencing the replenishment time horizon include:

1. The budgetary reasons behind the fund balance targets;
2. Recovering from an extreme event;
3. Political continuity;
4. Financial planning time horizons;
5. Long-term forecasts and economic conditions;
6. External financing expectations.

Revenue sources that would typically be looked to for replenishment of a fund balance include nonrecurring revenues, budget surpluses, and excess resources in other funds (if legally permissible and there is a defensible rationale). Year-end surpluses are an appropriate source for replenishing fund balance.

Unrestricted Fund Balance Above Formal Policy Requirement. In some cases, governments can find themselves in a position with an amount of unrestricted fund balance in the general fund over their formal policy reserve requirement even after taking into account potential financial risks in the foreseeable future. Amounts over the formal policy may reflect a structural trend, in which case governments should consider a policy as to how this would be addressed. Additionally, an education or communication strategy, or at a minimum, explanation of large changes in fund balance is encouraged. In all cases, use of those funds should be prohibited as a funding source for ongoing recurring expenditures.

Committee: Budget**Notes:**

- 1 For the sake of clarity, this recommended practice uses the terms GAAP fund balance and budgetary fund balance to distinguish these two different uses of the same term.
- 2 These categories are set forth in Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.
- 3 Sometimes restricted fund balance includes resources available to finance items that typically would require the use of unrestricted fund balance (e.g., a contingency reserve). In that case, such amounts should be included as part of unrestricted fund balance for purposes of analysis.
- 4 See Recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting governments on the need to "maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures" (Recommended Practice 4.1).
- 5 In practice, a level of unrestricted fund balance significantly lower than the recommended minimum may be appropriate for states and America's largest governments (e.g., cities, counties, and school districts) because they often are in a better position to predict contingencies (for the same reason that an insurance company can more readily predict the number of accidents for a pool of 500,000 drivers than for a pool of fifty), and because their revenues and expenditures often are more diversified and thus potentially less subject to volatility.
- 6 In either case, unusual items that would distort trends (e.g., one-time revenues and expenditures) should be excluded, whereas recurring transfers should be included. Once the decision has been made to compare unrestricted fund balance to either revenues and/or expenditures, that decision should be followed consistently from period to period.

EXCERPT (21 pages from a 125 page report)

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF NEWTOWN,
CONNECTICUT**

YEAR ENDED

JUNE 30, 2015

**PREPARED BY:
THE FINANCE DEPARTMENT**

ROBERT G. TAIT, FINANCE DIRECTOR

"Government Wide" financial statements (all the governmental funds are combined)

EXHIBIT B

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:							
General government.....	\$ 6,487,392	\$ 764,436	\$ 64,609	\$ -	\$ (5,658,347)	\$ -	\$ (5,658,347)
Public safety.....	11,028,701	607,587	158,785		(10,262,329)		(10,262,329)
Health and welfare.....	3,197,189	2,515	79,409		(3,115,265)		(3,115,265)
Land use.....	666,559	81,168			(585,391)		(585,391)
Public works.....	9,630,398	1,079,601			(8,550,797)		(8,550,797)
Parks and recreation.....	3,625,294	1,489,006	16,043	10,015,000	7,894,755	7,894,755	7,894,755
Education.....	90,038,453	2,274,004	19,600,966	11,173,401	(56,990,082)	(56,990,082)	(56,990,082)
Interest expense.....	2,534,616				(2,534,616)		(2,534,616)
TOTAL GOVERNMENTAL ACTIVITIES.....	127,208,602	6,298,317	19,919,812	21,188,401	(79,802,072)	-	(79,802,072)
BUSINESS-TYPE ACTIVITIES:							
Sewer Department.....	1,696,442	875,006			(821,436)	(821,436)	(821,436)
Water Department.....	479,700	323,481			(156,219)	(156,219)	(156,219)
TOTAL BUSINESS-TYPE ACTIVITIES.....	2,176,142	1,198,487	-	-	(977,655)	(977,655)	(977,655)
TOTAL.....	\$ 129,384,744	\$ 7,496,804	\$ 19,919,812	\$ 21,188,401	\$ (79,802,072)	\$ (977,655)	\$ (80,779,727)
GENERAL REVENUES:							
Property taxes.....					\$ 100,926,929	\$ -	\$ 100,926,929
Grants and contributions not restricted to specific programs.....					2,962,325		2,962,325
Investment income.....					210,013	41,486	251,499
Miscellaneous.....					50,014		50,014
TOTAL GENERAL REVENUES.....					104,149,281	41,486	104,190,767
CHANGE IN NET POSITION.....					24,347,209	(936,169)	23,411,040
NET POSITION - JULY 1, 2014 (AS RESTATED).....					187,522,826	30,764,728	218,287,554
NET POSITION - JUNE 30, 2015.....					\$ 211,870,035	\$ 29,828,559	\$ 241,698,594

Net Position

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash.....	\$ 1,077,485	\$	\$ 989,729	\$ 2,067,214
Restricted cash.....	318,250			318,250
Investments.....	27,371,473		3,082,541	30,454,014
Receivables:				
Property taxes.....	1,870,076			1,870,076
Intergovernmental.....	211,174		897,197	1,108,371
Loans receivable.....			242,919	242,919
Other.....	147,992		272,963	420,955
Due from other funds.....	647,203	7,618,681	2,626,433	10,892,317
Other.....	3,464		28,792	32,256
TOTAL ASSETS.....	\$ 31,647,117	\$ 7,618,681	\$ 8,140,574	\$ 47,406,372
LIABILITIES				
Accounts payable.....	\$ 1,199,171	\$ 5,503,515	\$ 481,074	\$ 7,183,760
Accrued payroll.....	3,115,324		147,835	3,263,159
Due to other funds.....	13,646,504		197,697	13,844,201
Unearned revenue.....		2,641,635	355,781	2,997,416
Performance bonds.....	318,250			318,250
TOTAL LIABILITIES.....	18,279,249	8,145,150	1,182,387	27,606,786
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes.....	1,712,833			1,712,833
Unavailable revenue - advanced property tax collections.....	348,112			348,112
Unavailable revenue - loans.....			242,919	242,919
TOTAL DEFERRED INFLOWS OF RESOURCES.....	2,060,945	-	242,919	2,303,864
FUND BALANCES				
Nonspendable.....			610,000	610,000
Restricted.....			4,310,388	4,310,388
Committed.....			1,728,989	1,728,989
Assigned.....	698,388		65,891	764,279
Unassigned.....	10,608,535	(526,469)		10,082,066
TOTAL FUND BALANCES.....	11,306,923	(526,469)	6,715,268	17,495,722
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 31,647,117	\$ 7,618,681	\$ 8,140,574	\$ 47,406,372

Unassigned fund balance = 9.5% of total budget (unassigned fund balance increased 366,000 over prior year.

(Continued)

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes.....	\$ 101,013,572	\$	\$	\$ 101,013,572
Intergovernmental.....	** 15,304,723	11,173,401	7,814,720	34,292,844
Charges for services.....	** 2,050,991		4,251,154	6,302,145
Investment income.....	164,812		54,790	219,602
Net change in fair value of investments.....			(16,824)	(16,824)
Contributions.....		450,000	333,631	783,631
Other.....	50,014			50,014
TOTAL REVENUES.....	118,584,112	11,623,401	12,437,471	142,644,984
EXPENDITURES:				
Current:				
General government.....	4,435,497		1,900,418	6,335,915
Public safety.....	9,554,205		849,002	10,403,207
Health and welfare.....	2,528,257		654,376	3,182,633
Land use.....	673,894			673,894
Public works.....	10,075,427		835	10,076,262
Parks and recreation.....	2,259,540		738,051	2,997,591
Education.....	** 78,608,340		8,648,934	87,257,274
Debt service.....	** 10,306,272	200,191	341,625	10,848,088
Capital outlay.....		13,329,277	724,094	14,053,371
TOTAL EXPENDITURES.....	118,441,432	13,529,468	13,857,335	145,828,235
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	142,680	(1,906,067)	(1,419,864)	(3,183,251)
OTHER FINANCING SOURCES (USES):				
Issuance of refunding bonds.....		17,620,000		17,620,000
Capital lease.....		179,866		179,866
Premium.....		2,592,690		2,592,690
Payment to refunded bonds escrow agent.....		(20,012,499)		(20,012,499)
Transfers in.....	225,228	30,398	793,667	1,049,293
Transfers out.....	(262,476)	(20,175)	(766,642)	(1,049,293)
NET OTHER FINANCING SOURCES (USES).....	(37,248)	390,280	27,025	380,057
NET CHANGE IN FUND BALANCES.....	105,432	(1,515,787)	(1,392,839)	(2,803,194)
FUND BALANCES - JULY 1, 2014.....	11,201,491	989,318	8,108,107	20,298,916
FUND BALANCES - JUNE 30, 2015.....	\$ 11,306,923	\$ (526,469)	\$ 6,715,268	\$ 17,495,722

** The amount recognized in the general fund intergovernmental revenues and education expenditure for contributions made by the State to the State Teachers' Retirement Plan was \$8,514,424.

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 100,592,522	\$ 100,592,522	\$ 101,013,572	\$ 421,050
Intergovernmental.....	8,136,394	8,434,425	8,390,130	(44,295)
Charges for services.....	1,985,938	1,985,938	2,050,991	65,053
Investment income.....	125,000	125,000	164,812	39,812
Other revenues.....	104,350	104,350	50,014	(54,336)
TOTAL REVENUES.....	110,944,204	111,242,235	111,669,519	427,284
EXPENDITURES:				
Current:				
General government.....	4,277,820	4,411,828	4,395,515	16,313
Public safety.....	9,565,064	9,575,546	9,539,751	35,795
Health and welfare.....	2,531,470	2,533,400	2,528,257	5,143
Land use.....	617,036	679,018	673,894	5,124
Public works.....	9,642,729	9,992,313	9,966,929	25,384
Parks and recreation.....	2,244,068	2,268,441	2,263,018	5,423
Education.....	71,345,304	71,332,395	71,332,395	-
Contingency.....	250,000	1,947	-	1,947
Debt service.....	10,342,994	10,306,719	10,306,272	447
TOTAL EXPENDITURES.....	110,816,485	111,101,607	111,006,031	95,576
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	127,719	140,628	663,488	522,860
OTHER FINANCING SOURCES (USES):				
Cancellation of prior year encumbrances.....			16,345	16,345
Transfers in.....	122,000	122,000	225,228	103,228
Transfers out.....	(249,719)	(262,628)	(262,476)	152
NET OTHER FINANCING SOURCES (USES).....	(127,719)	(140,628)	(20,903)	119,725
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	642,585	\$ 642,585
FUND BALANCE - JULY 1, 2014.....			10,242,495	
FUND BALANCE - JUNE 30, 2015.....			<u>\$ 10,885,080</u>	

Unassigned fund balance (pg 28) - \$10,608,535
Plus amount reserved for senior tax credit - \$276,545

Total fund balance (budget basis) - \$10,885,080

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	MAJOR FUNDS			ACTIVITIES
	SEWER DEPARTMENT	WATER DEPARTMENT	TOTAL	INTERNAL SERVICE FUNDS
<u>ASSETS</u>				
Current assets:				
Cash.....	\$	\$	\$ -	\$ 2,741,613
Investments.....	1,442,796		1,442,796	
Receivables:				
Assessments.....	854,878		854,878	
Use charges (net).....	117,285	67,038	184,323	
Other.....			-	22,329
Due from other funds.....	1,661,228		1,661,228	1,792,738
Total current assets.....	4,076,187	67,038	4,143,225	4,556,680
Noncurrent assets:				
Assessment receivables (net).....	1,799,617		1,799,617	
Advance to other funds.....	830,558		830,558	
Capital assets (net of accumulated depreciation/amortization):				
Land.....	1,000		1,000	
Intangible assets.....	385,867	148,837	534,704	
Construction in progress.....	1,496,059	769,895	2,265,954	
Plant and pumping stations.....	8,258,590	559,529	8,818,119	
Sewer distribution system.....	16,191,404		16,191,404	
Water distribution system.....		1,307,632	1,307,632	
Equipment.....	4,295		4,295	
Vehicles.....	108,050		108,050	
Total capital assets (net of accumulated depreciation/amortization).....	26,445,265	2,785,893	29,231,158	-
Total noncurrent assets.....	29,075,440	2,785,893	31,861,333	-
TOTAL ASSETS.....	33,151,627	2,852,931	36,004,558	4,556,680
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charge on refunding.....	9,096		9,096	

(Continued)

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	MAJOR FUNDS			ACTIVITIES
	SEWER DEPARTMENT	WATER DEPARTMENT	TOTAL	INTERNAL SERVICE FUNDS
LIABILITIES				
Current liabilities:				
Accounts payable.....	\$ 109,780	\$ 37,702	\$ 147,482	\$ 226,197
Claims payable.....			-	1,186,516
Due to other funds.....		437,155	437,155	
Bonds and notes payable.....	1,136,539		1,136,539	
Other.....	19,216		19,216	
Total current liabilities.....	1,265,535	474,857	1,740,392	1,412,713
Noncurrent liabilities:				
Advance from other funds.....		830,558	830,558	
Bonds and notes payable - net of premium.....	3,602,835		3,602,835	
Total noncurrent liabilities.....	3,602,835	830,558	4,433,393	-
TOTAL LIABILITIES.....	4,868,370	1,305,415	6,173,785	1,412,713
DEFERRED INFLOWS OF RESOURCES				
Advanced collections.....	11,310		11,310	
NET POSITION				
Net investment in capital assets.....	21,714,987	2,785,893	24,500,880	
Unrestricted.....	6,566,056	(1,238,377)	5,327,679	3,143,967
TOTAL NET POSITION.....	\$ 28,281,043	\$ 1,547,516	\$ 29,828,559	\$ 3,143,967

(Concluded)

Working Capital:

Current assets less current liabilities -	\$2,810,000	(\$407,000)	\$2,403,000
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TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2015

medical self insurance

GOVERNMENTAL
ACTIVITIES

BUSINESS-TYPE ACTIVITIES

MAJOR FUNDS

INTERNAL
SERVICE FUNDS

	SEWER DEPARTMENT	WATER DEPARTMENT	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES:				
Charges for services.....	\$ 875,006	\$ 323,481	\$ 1,198,487	\$ 14,447,849
OPERATING EXPENSES:				
Professional services.....	145,463	17,533	162,996	
Contracted services.....	738,654	269,736	1,008,390	
Repairs and maintenance.....	34,702	44,022	78,724	
Utilities.....	119,794		119,794	
Claims incurred.....				12,581,524
Administration.....	151		151	1,175,708
Depreciation and amortization.....	537,145	111,964	649,109	
TOTAL OPERATING EXPENSES.....	1,575,909	443,255	2,019,164	13,757,232
OPERATING INCOME (LOSS).....	(700,903)	(119,774)	(820,677)	690,617
NONOPERATING REVENUES (EXPENSES):				
Investment income.....	41,486		41,486	7,235
Interest expense.....	(120,533)	(36,445)	(156,978)	
NET NONOPERATING REVENUES (EXPENSES).....	(79,047)	(36,445)	(115,492)	7,235
NET CHANGE IN NET POSITION	(779,950)	(156,219)	(936,169)	697,852
TOTAL NET POSITION - JULY 1, 2014.....	29,060,993	1,703,735	30,764,728	2,446,115
TOTAL NET POSITION - JUNE 30, 2015.....	\$ 28,281,043	\$ 1,547,516	\$ 29,828,559	\$ 3,143,967

TOWN OF NEWTOWN, CONNECTICUTSTATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFIT TRUST FUND	PRIVATE- PURPOSE TRUST FUND SANDY HOOK PRIVATE-PURPOSE TRUST FUND	AGENCY FUNDS
<u>ASSETS</u>				
Cash.....	\$	\$	\$	\$ 453,758
Investments at Fair Value:				
Certificates of Deposit.....				684,936
Mutual Funds:				
Equity.....	12,958,745	695,562		
International equity.....	7,336,637	278,760		
Money market mutual funds.....	1,169,139	43,327		
U.S. Government Securities.....	447,903	13,900		
U.S. Government Agency Securities.....	220,220			
Common stock.....	1,998,920	15,256		
Corporate Bonds.....	11,510,432	452,158		
Total Investments.....	35,641,996	1,498,963	-	684,936
Due from other funds.....			310	
TOTAL ASSETS.....	35,641,996	1,498,963	310	1,138,694
<u>LIABILITIES</u>				
LIABILITIES:				
Accounts payable.....				1,138,694
Due to other funds.....		65,237		
TOTAL LIABILITIES.....	-	65,237	-	1,138,694
<u>NET POSITION</u>				
Restricted for defined contribution benefits.....	108,751			
Net position held in trust for defined benefit pension, other post-employment benefits and other purposes.....	35,533,245	1,433,726	310	-
TOTAL NET POSITION.....	\$ 35,641,996	\$ 1,433,726	\$ 310	\$ -

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2015

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFIT TRUST FUND	PRIVATE- PURPOSE TRUST FUND SANDY HOOK PRIVATE-PURPOSE TRUST FUND
ADDITIONS:			
Contributions:			
Employer - defined benefit plan.....	\$ 1,375,889	\$ 257,405	\$
Employer - defined contribution plan.....	10,481		
Plan members - defined benefit plan.....	458,556	340,261	
Plan members - defined contribution plan.....	3,494		
Other.....			20
Total contributions.....	1,848,420	597,666	20
Investment income (loss):			
Net change in fair value of investments.....	91,645	(3,695)	
Interest and dividends.....	962,696	35,119	
Total investment income (loss).....	1,054,341	31,424	-
Less investment expenses.....	110,752	6,263	
Net investment income (loss).....	943,589	25,161	-
TOTAL ADDITIONS.....	2,792,009	622,827	20
DEDUCTIONS:			
Benefits.....	1,717,013	460,105	
Administration.....	74,654	11,200	
TOTAL DEDUCTIONS.....	1,791,667	471,305	-
CHANGE IN NET POSITION.....	1,000,342	151,522	20
NET POSITION - JULY 1, 2014.....	34,641,654	1,282,204	290
NET POSITION - JUNE 30, 2015.....	\$ 35,641,996	\$ 1,433,726	\$ 310

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts (Continued)**

3. **Advances**

A summary of interfund advances as of June 30, 2015 is as follows:

MAJOR FUNDS:	CORRESPONDING FUND	ADVANCES FROM	ADVANCES TO
Water department	Sewer department	\$ 830,558	\$
Sewer department.....	Water department		830,558
GRAND TOTAL.....		\$ 830,558	\$ 830,558

The Water Pollution Control Authority approved a loan for water fund expenses. Interest accrues at 4%.

E. Changes in Long-Term Obligations

1. **Summary of Changes**

The following is a summary of changes in long-term obligations during the fiscal year:

General Long-term Obligations:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2014*	ADDITIONS	DEDUCTIONS	REFUNDED	BALANCE JUNE 30, 2015	CURRENT PORTION
BONDS/NOTES										
<u>General Purpose:</u>										
Improvement bonds ...	\$ 4,535,000	02/01/09	2019	0.60-3.0%	\$ 343,050	\$	\$ 343,050	\$	\$ -	\$
Refund issue-2009.....	472,900	05/12/09	2021	0.65-3.52%	350,450		47,900		302,550	47,300
Refund issue-2009 Series B	10,819,400	08/25/09	2019	2.0-5.0%	8,796,800		1,653,000		7,143,800	1,665,100
Improvement bonds ...	7,332,714	02/15/10	2028	2.0-4.0%	4,921,700		442,400	3,637,830	841,470	442,400
Refund issue-2010.....	6,590,500	09/28/10	2023	2.5-5.0%	6,164,000				6,164,000	
Improvement bonds ..	2,445,000	02/15/11	2031	2.0-4.5%	2,046,000		133,000	1,913,000	-	
Improvement bonds ..	415,000	02/14/12	2032	2.0-4.0%	355,000		30,000		325,000	30,000
Refund issue-2012.....	7,558,400	02/15/12	2026	1.0-4.0%	6,065,900		928,400		5,137,500	1,140,200
Improvement bonds ...	1,966,000	03/13/14	2034	2.0-3.5%	1,966,000		98,700		1,867,300	98,700
Refund issue-2015.....	5,196,000	01/29/15	2030	2.375-5.0%		5,196,000			5,196,000	139,500
Total General Purpose.....	\$ 47,330,914				31,008,900	5,196,000	3,676,450	5,550,830	26,977,620	3,563,200
<u>Schools:</u>										
School bond	\$ 850,000	02/01/09	2019	0.60%-3.0%	86,950		86,950		-	
Refund issue-2009.....	8,812,100	05/12/09	2021	0.65%-3.52%	4,729,550		1,117,100		3,612,450	1,102,700
School bond Series B	2,500,000	08/25/09	2019	2.0-5.0%	2,033,200		382,000		1,651,200	384,900
School bond	6,897,286	02/15/10	2028	2.0-4.0%	4,738,300		397,600	3,502,170	838,530	397,600
Refund issue-2010.....	2,319,500	09/28/10	2023	2.5-5.0%	1,931,000				1,931,000	
School bond	11,575,000	02/15/11	2031	2.0-4.5%	10,204,000		617,000	9,587,000	-	
School bond	11,385,000	02/15/12	2032	2.0-4.0%	10,370,000		520,000		9,850,000	520,000
Refund issue-2012.....	7,161,200	03/20/12	2026	1.0-4.0%	5,754,500		885,000		4,869,500	1,068,200
School bond	2,046,000	03/13/14	2034	2.0-3.5%	2,046,000		102,300		1,943,700	102,300
Refund issue-2015.....	12,424,000	01/29/15	2030	2.375-5.0%		12,424,000			12,424,000	325,500
Total School Bonds.....	\$ 65,970,086				41,893,500	12,424,000	4,107,950	13,089,170	37,120,380	3,901,200
<u>Sewer:</u>										
Refund issue-2012.....	\$ 327,700	03/20/12	2026	1.0-4.0%	202,300		78,400		123,900	78,400
Clean water	4,570,000	06/30/97	2017	2.0%	669,688		263,863		405,805	269,188
Clean water	516,000	06/30/03	2023	2.1%	256,571		26,174		230,397	26,729
Total Sewer Bonds.....	\$ 5,413,700				1,128,539		368,437		760,102	374,317

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2014*	ADDITIONS	DEDUCTIONS	REFUNDED	BALANCE JUNE 30, 2015	CURRENT PORTION
<u>Water:</u>										
Drinking water	\$ 171,738	06/29/06	2026	2.32%	\$ 107,167	\$	\$ 8,227	\$	\$ 98,940	\$ 8,4
TOTAL BONDS AND NOTES					74,138,106	17,620,000	8,161,064	18,640,000	64,957,042	7,847,1
PREMIUM					3,428,872	200,191	398,238		3,230,825	
TOTAL BONDS/NOTES AND RELATED LIABILITIES					77,566,978	17,820,191	8,559,302	18,640,000	68,187,867	7,847,1
LANDFILL POST CLOSURE COSTS					187,000		17,000		170,000	17,0
CAPITAL LEASES					64,083	179,866	144,083		99,866	49,8
COMPENSATED ABSENCES					886,675	1,188,431	1,117,113		957,993	191,5
EARLY RETIREMENT INCENTIVE					152,000	153,000	32,000		273,000	92,5
NET PENSION LIABILITY					8,009,926	4,839,400	2,727,562		10,121,764	
NET OTHER POST-EMPLOYMENT BENEFIT OBLIGATION					952,417	734,577	257,405		1,429,589	
TOTAL LONG-TERM OBLIGATIONS					\$ 87,819,079	\$ 24,915,465	\$ 12,854,465	\$ 18,640,000	\$ 81,240,079	\$ 8,198,1

* As restated

All long-term liabilities are generally liquidated by the General Fund.

Enterprise Fund:

The following are the changes in long-term obligations, which will be funded from enterprise fund operations:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2014	DEDUCTIONS	BALANCE JUNE 30, 2015	CURRENT PORTION
Improvement Bonds	\$ 2,488,000	03/15/14	2034	2-3.5%	\$ 2,488,000	\$ 124,000	\$ 2,364,000	\$ 124,000
Refunding Bonds	327,700	03/20/12	2026	1.0-4.0%	202,300	78,200	124,100	78,200
Clean Water Fund Notes	16,128,596	10/30/98	2018	2.00%	3,125,380	915,853	2,209,527	934,339
Total Bonds/Notes	\$ 18,944,296				5,815,680	1,118,053	4,697,627	1,136,539
Premium					44,167	2,420	41,747	
Total Bonds/Notes and Related Liabilities					\$ 5,859,847	\$ 1,120,473	\$ 4,739,374	\$ 1,136,539

TOWN OF NEWTOWN, CONNECTICUT

STATE TEACHERS' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

JUNE 30, 2015

	2015
Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
State of Connecticut's proportionate share of the net pension liability associated with Town	<u>92,159,442</u>
Total	<u>\$ 92,159,442</u>
Town's covered-employee payroll	(2) <u>N/A</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>

SCHEDULE OF CONTRIBUTIONS

	2015
Contractually required contribution (1)	(1) \$ -
Contributions in relation to the contractually required contribution	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered-employee payroll	(2) <u>N/A</u>
Contributions as a percentage of covered-employee payroll	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net pension liability

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Collections - current year.....	\$ 98,807,176	\$ 98,807,176	\$ 99,143,397	\$ 336,221
Collections - prior years.....	400,000	400,000	485,296	85,296
Interest and lien fees.....	425,000	425,000	423,482	(1,518)
Motor vehicle supplement list.....	875,000	875,000	898,411	23,411
Telecommunications property tax.....	85,346	85,346	62,986	(22,360)
TOTAL PROPERTY TAXES.....	100,592,522	100,592,522	101,013,572	421,050
INTERGOVERNMENTAL:				
Veterans additional exemptions.....	17,306	17,306	15,993	(1,313)
Elderly tax relief - circuit breaker.....	156,866	156,866	149,044	(7,822)
In lieu of taxes.....	780,660	946,060	946,060	-
Totally disabled.....	2,143	2,143	1,931	(212)
Town aid for roads.....	470,723	470,723	469,220	(1,503)
Mashantucket Pequot fund grant.....	820,018	952,649	952,649	-
Connecticut school building grants.....	555,936	555,936	555,937	1
Equalized cost-sharing grant.....	4,424,083	4,424,083	4,398,056	(26,027)
Public school transportation aid.....	85,333	85,333	79,452	(5,881)
Non-public school transportation aid.....	20,820	20,820	28,718	7,898
Health services - St. Rose.....	18,621	18,621	23,609	4,988
Miscellaneous grants.....	354,380	354,380	342,033	(12,347)
LOCIP grant.....	208,139	208,139	206,062	(2,077)
State revenue sharing.....	221,366	221,366	221,366	-
TOTAL INTERGOVERNMENTAL.....	8,136,394	8,434,426	8,390,130	(44,295)
CHARGES FOR SERVICES:				
Town clerk - conveyance tax.....	400,000	400,000	445,248	45,248
Town clerk - other.....	255,000	255,000	227,345	(27,655)
Parks and recreation.....	190,000	190,000	199,957	9,957
Tuition.....	6,400	6,400	44,000	37,600
School generated fees.....	114,288	114,288	113,216	(1,072)
Building.....	425,000	425,000	450,219	25,219
Permit fees.....	1,250	1,250	2,025	775
Transfer Station permits.....	425,000	425,000	361,562	(63,438)
WPCA.....	120,000	120,000	120,000	-
Senior center membership fees.....	4,000	4,000	6,251	2,251
Land use.....	45,000	45,000	81,168	36,168
TOTAL CHARGES FOR SERVICES.....	1,985,938	1,985,938	2,050,991	65,053
INVESTMENT INCOME.....	125,000	125,000	164,812	39,812
OTHER REVENUES:				
Miscellaneous revenue - police.....	3,000	3,000	18,303	15,303
Miscellaneous revenue - board of education.....	1,350	1,350	2,310	960
Miscellaneous revenue - selectmen.....	100,000	100,000	29,401	(70,599)
TOTAL OTHER REVENUES.....	104,350	104,350	50,014	(54,336)
TOTAL REVENUES.....	110,944,204	111,242,235	111,669,519	427,284

(Continued)

TOWN OF NEWTOWN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OTHER FINANCING SOURCES:				
Cancellation of prior year encumbrances.....	\$	\$	\$ 16,345	\$ 16,345
Transfers in.....	122,000	122,000	225,228	103,228
TOTAL OTHER FINANCING SOURCES.....	122,000	122,000	241,573	119,573
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 111,066,204	\$ 111,364,235	\$ 111,911,092	\$ 546,857

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Selectmen.....	\$ 342,072	\$ 475,072	\$ 474,008	\$ 1,064
Selectmen - other.....	223,069	229,303	225,933	3,370
Human Resources.....	113,772	119,852	119,736	116
Tax Collector.....	336,060	336,260	335,687	573
Probate Court.....	6,686	8,062	8,062	-
Town Clerk.....	298,717	298,877	295,987	2,890
Registrars.....	127,899	133,680	132,930	750
Assessor.....	260,711	260,911	258,491	2,420
Finance.....	507,919	508,469	508,297	172
Technology.....	501,207	512,757	510,915	1,842
Unemployment.....	15,000	2,000	646	1,354
OPEB fund.....	257,405	257,405	257,405	-
Salaries.....		55,000	55,000	-
Professional organizations.....	34,593	34,593	34,593	-
Insurance.....	1,018,500	974,450	973,574	876
Legislative Council.....	44,500	44,500	44,500	-
Districts.....	10,000	10,000	9,810	190
Economic Development Commission.....	152,666	117,818	117,302	516
Sustainable Energy Commission.....	5,000	5,000	4,999	1
Fairfield Hills.....	22,044	27,819	27,640	179
TOTAL GENERAL GOVERNMENT.....	4,277,820	4,411,828	4,395,515	16,313
PUBLIC SAFETY:				
Building inspector.....	404,870	383,220	381,920	1,300
Communications.....	1,006,546	1,040,066	1,024,629	15,437
Police department.....	6,391,033	6,387,507	6,376,075	11,432
Fire department.....	1,219,780	1,219,583	1,218,654	929
Emergency management / N.U.S.....	55,703	55,703	52,093	3,610
Canine control.....	158,593	158,643	155,806	2,837
Lake authorities.....	48,506	49,778	49,778	-
N.W. safety communication.....	9,783	10,796	10,796	-
Emergency Medical Services.....	270,000	270,000	270,000	-
Northwest CT Emergency Medical Service...	250	250		250
TOTAL PUBLIC SAFETY.....	9,565,064	9,575,546	9,539,751	35,795
HEALTH AND WELFARE:				
Social services.....	142,905	142,905	141,501	1,404
Senior service.....	313,454	313,724	312,837	887
Outside agencies.....	231,906	231,906	231,330	576
Youth & Family Services.....	298,208	298,368	298,368	-
Newtown Cultural Arts Commission.....	5,000	5,000	2,824	2,176
Newtown Parade Committee.....	1,000	1,000	1,000	-
NW Conservation District.....	1,500	1,500	1,500	-
Booth library.....	1,153,134	1,154,434	1,154,379	55
Newtown Health District.....	384,363	384,563	384,518	45
TOTAL HEALTH AND WELFARE.....	2,531,470	2,533,400	2,528,257	5,143

(Continued)

SCHEDULE 2
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
LAND USE.....	\$ 617,036	\$ 679,018	\$ 673,894	\$ 5,124
PUBLIC WORKS:				
Highway.....	6,673,711	6,929,264	6,915,185	14,079
Winter maintenance.....	707,119	987,450	985,541	1,909
Transfer Station.....	1,475,809	1,330,509	1,327,856	2,653
Public building maintenance.....	786,090	745,090	738,347	6,743
TOTAL PUBLIC WORKS.....	9,642,729	9,992,313	9,966,929	25,384
PARKS AND RECREATION.....	2,244,068	2,268,441	2,263,018	5,423
EDUCATION.....	71,345,304	71,332,395	71,332,395	-
CONTINGENCY.....	250,000	1,947		1,947
DEBT SERVICE.....	10,342,994	10,305,719	10,306,272	447
TOTAL EXPENDITURES.....	110,816,485	111,101,607	111,006,031	95,576
OTHER FINANCING USES:				
Transfers out:				
Edmond Town Hall	99,719	99,719	99,567	152
Capital and nonrecurring.....	150,000	150,000	150,000	-
Board of Education non-lapsing.....		12,909	12,909	-
TOTAL OTHER FINANCING USES.....	249,719	262,628	262,476	152
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 111,066,204	\$ 111,364,235	\$ 111,268,507	\$ 95,728

(Concluded)

SCHEDULE 6
(1 of 4)

TOWN OF NEWTOWN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	DOG LICENSE	BOUCHARD ANIMAL FUND	POLICE PRIVATE DUTY	TOWN GIFTS FUND	SCHOOL LUNCH PROGRAM	EDUCATION GRANTS	LAW ENFORCEMENT FUND	SEPTAGE MANAGEMENT ORDINANCE
REVENUES:								
Intergovernmental.....	\$ 20,574		\$ 580,786	\$	\$ 180,897	\$ 5,576,570	\$ 141,939	\$
Charges for services.....					1,779,180	184,430	6,227	2,400
Investment income.....				598				177
Contributions.....	6,093			57,109		53,415		
TOTAL REVENUES.....	26,667	-	580,786	57,707	1,960,077	5,816,415	148,166	2,577
EXPENDITURES:								
Current:								
General government.....				47,493				
Public safety.....	15,763	31,075	441,097	3,397			100,534	395
Health and welfare.....				4,694				
Public works.....				28,269				
Parks and recreation.....					1,924,978	6,072,607		
Education.....								
Capital outlay.....								
TOTAL EXPENDITURES.....	15,763	31,075	441,097	83,853	1,924,978	6,072,607	100,534	395
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	10,904	(31,075)	139,689	(26,146)	35,099	(256,192)	47,632	2,182
OTHER FINANCING SOURCES (USES):								
Transfers in.....			(139,689)			511,016	(20,098)	
Transfers out.....								
NET OTHER FINANCING SOURCES (USES).....	-	-	(139,689)	-	-	511,016	(20,098)	-
NET CHANGE IN FUND BALANCES.....	10,904	(31,075)	-	(26,146)	35,099	254,824	27,534	2,182
FUND BALANCES, JULY 1, 2014.....	5,571	44,567	-	218,185	130,473	321,077	58,815	102,558
FUND BALANCES, JUNE 30, 2015.....	\$ 16,475	\$ 13,512	\$ -	\$ 192,039	\$ 165,572	\$ 575,901	\$ 86,349	\$ 104,740

(Continued)

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS							
	FAIRFIELD HILLS AUTHORITY	SCHOOL CUSTODIAL	ADULT EDUCATION	EDMOND TOWN HALL	RECOVERY AND RESILIENCY PLAN	SANDY HOOK OPERATION RECOVERY FUND	TOWN RECREATION FUND	DAYCARE PROGRAM
REVENUES:								
Intergovernmental.....	\$ 74,846	\$ 9,849	\$ 143,329	\$ 15,000	\$ 553,546	\$ 651,830	\$ 226,901	
Charges for services.....			514,461					
Investment income.....			193					
Contributions.....			16,043					
TOTAL REVENUES.....	74,846	9,849	143,329	545,697	553,546	651,830	226,901	
EXPENDITURES:								
Current:								
General government.....	35,629		777,272					
Public safety.....								
Health and welfare.....					543,206		22,584	
Public works.....								
Parks and recreation.....		13,200	168,345			229,188	603,687	226,901
Education.....								
Capital outlay.....								
TOTAL EXPENDITURES.....	35,629	13,200	168,345	777,272	543,206	229,188	626,271	226,901
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	39,017	(3,351)	(25,016)	(231,575)	10,340	(229,188)	25,559	-
OTHER FINANCING SOURCES (USES):								
Transfers in.....				99,567				
Transfers out.....							(95,839)	
NET OTHER FINANCING SOURCES (USES).....	-	-	-	99,567	-	-	(95,839)	-
NET CHANGE IN FUND BALANCES.....	39,017	(3,351)	(25,016)	(132,008)	10,340	(229,188)	(70,280)	-
FUND BALANCES, JULY 1, 2014.....	177,426	80,824	112,715	346,706	106,195	471,429	114,509	-
FUND BALANCES, JUNE 30, 2015.....	\$ 216,443	\$ 77,473	\$ 87,699	\$ 214,698	\$ 116,535	\$ 242,241	\$ 44,229	\$ -

(Continued)

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS							TOTAL SPECIAL REVENUE FUNDS
	MISCELLANEOUS GRANTS	SMALL CITIES PROGRAM	CEMETERY FUND	EICHLER'S COVE MARINA	HISTORIC DOCUMENTS	CULTURAL ARTS	SANDY HOOK SPECIAL REVENUE FUND	
REVENUES:								
Intergovernmental.....	\$ 1,110,367	\$	\$	\$	\$ 7,500		\$	\$ 7,814,720
Charges for services.....		3,828		116,507	12,136	2,515		4,102,698
Investment income.....						102		1,070
Contributions.....	10,753					55,800	134,418	333,631
TOTAL REVENUES.....	1,121,120	3,828	-	116,507	19,636	58,417	134,418	12,252,119
EXPENDITURES:								
Current:								
General government.....	871,199						108,866	1,840,459
Public safety.....	172,520				14,372		16,672	795,430
Health and welfare.....		5,575				77,922		654,376
Public works.....	835							835
Parks and recreation.....	10,000			96,095				738,051
Education.....								8,635,219
Capital outlay.....								-
TOTAL EXPENDITURES.....	1,054,554	5,575	-	96,095	14,372	77,922	125,538	12,664,370
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	66,566	(1,747)	-	20,412	5,264	(19,505)	8,880	(412,251)
OTHER FINANCING SOURCES (USES):								
Transfers in.....	(511,016)							610,583
Transfers out.....								(766,642)
NET OTHER FINANCING SOURCES (USES).....	(511,016)	-	-	-	-	-	-	(156,059)
NET CHANGE IN FUND BALANCES.....	(444,450)	(1,747)	-	20,412	5,264	(19,505)	8,880	(568,310)
FUND BALANCES, JULY 1, 2014.....	577,683	24,044	9,453	351,019	15,791	213,099	355,781	3,837,940
FUND BALANCES, JUNE 30, 2015.....	\$ 133,233	\$ 22,297	\$ 9,453	\$ 371,431	\$ 21,055	\$ 193,594	\$ 364,661	\$ 3,269,630

(Continued)

SCHEDULE 6
(4 of 4)

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONCLUDED)
NONMAJOR GOVERNMENTAL FUNDS

	DEBT SERVICE	CAPITAL PROJECTS		PERMANENT FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
		DEBT SERVICE	NONRECURRING	HAWLEY SCHOOL TRUST	EDMOND TOWN HALL ENDOWMENT	NEWTOWN FLAGPOLE FUND	
REVENUES:							
Intergovernmental.....		\$	\$	\$	\$	\$	\$
Charges for services.....	5,061	143,395	10,430	28,165	83	14,248	7,814,720
Investment income.....		794	(5,344)	(11,480)			4,251,154
Net change in fair value of investments.....							52,926
Contributions.....							(16,824)
							333,631
TOTAL REVENUES.....	5,061	144,189	5,086	16,685	83	14,248	12,437,471
EXPENDITURES:							
Current:							
General government.....				59,959			1,900,418
Public safety.....							849,002
Health and welfare.....							654,376
Public works.....							835
Parks and recreation.....							738,051
Education.....			13,715				8,648,934
Debt service.....	341,625	724,094					341,625
Capital outlay.....							724,094
TOTAL EXPENDITURES.....	341,625	724,094	13,715	59,959	-	53,572	127,246
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(336,564)	(579,905)	(8,629)	(43,274)	83	(39,324)	(91,144)
OTHER FINANCING SOURCES (USES):							
Transfers in.....	20,175	162,909					793,667
Transfers out.....							(766,642)
NET OTHER FINANCING SOURCES (USES).....	20,175	162,909	-	-	-	-	27,025
NET CHANGE IN FUND BALANCES.....	(316,389)	(416,996)	(8,629)	(43,274)	83	(39,324)	(91,144)
FUND BALANCES, JULY 1, 2014.....	382,280	1,012,797	467,573	1,072,031	16,122	1,319,364	2,875,090
FUND BALANCES, JUNE 30, 2015.....	\$ 65,891	\$ 595,801	\$ 458,944	\$ 1,028,757	\$ 16,205	\$ 1,280,040	\$ 2,783,946

(Concluded)

**TOWN OF NEWTOWN, CT
DEBT MANAGEMENT POLICY**

I. PURPOSE

The purpose of this policy is to establish parameters and provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued by the Town of Newtown.

Debt obligations, which include general obligation bonds, special assessment bonds, revenue bonds, bond anticipation notes, lease/purchase agreements and any other debt obligations permitted to be issued under Connecticut law shall only be issued to purchase capital assets that cannot be acquired with current revenues.

II. POLICY STATEMENT

Under the requirements of Federal and state laws and Town Charter provisions, ordinances and resolutions, the Town may periodically issue debt obligations to finance the construction or acquisition of infrastructure and other assets or to refinance existing debt. It is the Town's goal to assure that such debt obligations are issued and managed in such a manner as to obtain the best long-term financial advantage to the Town and its residents, while making every effort to maintain and improve the Town's bond ratings and reputation in the investment community.

III. RESPONSIBILITY FOR POLICY

The Director of Finance shall be responsible for issuing and managing the Town's debt program. In carrying out this policy, the Director shall periodically:

1. Consider the need for debt financing based upon the approved Capital Improvement Plan.
2. Review the Town's adherence to this policy statement and compare the debt ratios established in this policy with where the Town actually is.
3. Review the Town's authorized but unissued debt to determine if any authorizations are no longer needed.
4. Determine if there are any opportunities for refinancing current debt.
5. Review every three years the services provided by the Town's financial advisor, bond counsel, paying agents and other debt financing service providers.

The Director of Finance shall report his/her findings to the Board of Selectmen, Board of Finance and Legislative Council in the September/October time period of each year, during the Town's review and formulation of the Capital Improvement Plan.

IV. GENERAL DEBT GOVERNING POLICIES

The Town hereby establishes the following policies concerning the issuance and management of debt:

- A. The Town shall not issue debt obligations or use debt proceeds to finance current operations of the Town.

- B. The Town will utilize debt obligations only for acquisition, construction or remodeling of capital improvement projects that cannot be funded from current revenue sources or in such cases wherein it is more equitable to the users of the project to finance the project over its useful life.
- C. The Town will measure the impact of debt service requirements of outstanding and proposed debt obligations on single year, five, ten, and twenty-year periods.

V. DEBT POLICIES, RATIOS AND MEASUREMENT

- A. Purposes of Issuance – the Town shall only issue debt obligations for acquiring, constructing or renovating Town owned fixed assets or for refinancing existing debt obligations.
- B. Maximum Maturity – All debt obligations shall have a maximum maturity of twenty years. The estimated useful life of the Capital Improvement being financed should be considered when determining the maturity of debt. In the event debt obligations are being issued to refinance outstanding debt obligations the final maturity of the debt obligations being refinanced shall remain the same maturity.
- C. Direct Debt Per Capita – An analysis of this debt ratio should be made each year. It should be looked at in context with other related ratios (mentioned). A comparison should be made with other similar rated Connecticut towns. The Direct Debt Per Capita shall be calculated by dividing the Town’s direct debt by the most current population figure.

Ratio of General Fund Total Bonded Debt to Taxable Net Grand List – An analysis of this debt ratio should be made each year. It should not go beyond 3%. An increasing ratio of debt to net grand list (over several years) is not desirable.

- D. Average Maturity of General Obligation Bonds – the Town shall have at least 50% of outstanding general obligation bonds mature in less than ten (10) years.
- E. Debt Service Levels – The Town shall adhere to a debt management strategy that achieves the goal of limiting annual general fund debt service to no more than 10% of the total General Fund budget.
- F. Net Present Value Savings – The Town must achieve a Net Present Value Savings of at least 2 percent over the life of an existing bond issue in order for it to be considered for refunding.
- G. Bond Covenants and Laws – The Town shall comply with all covenants and requirements of the bond resolutions, and state and Federal laws authorizing and governing the issuance and administration of debt obligations.
- H. If the debt management indicators fall below the recommended levels the finance director shall recommend and submit to the Board of Finance for approval a plan to bring the debt management indicators to their appropriate levels within a specific time frame.

This policy shall be reviewed, at minimum, on a biennial basis during the month of January in each odd numbered year.

Approved by the Board of Finance: August 27, 2015

Newtown Debt Management Policy Review:

Recommended Changes:

V. Debt Policies, Ratios and Measurement

C. Ratio of General Fund Total Bonded Debt to Taxable Net Grand List - An analysis of this debt ratio should be made each year. It should not go beyond 3%. An increasing ratio of debt to net grand list (over several years) is not desirable.

Total General Fund Bonded Debt Per Capita – An analysis of this debt ratio should be made each year. It should be made in context with other related ratios. A comparison should be made with other similar rated Connecticut towns.

Note: In section V. – E. leave percentage at 10% leaving flexibility for high priority large one time projects. Internal goal of BOF & LC of 9% or 8% can be achieved thru the CIP planning process.

