

THESE MINUTES ARE SUBJECT TO APPROVAL BY BOARD OF SELECTMEN

The Board of Selectmen held a regular meeting Tuesday, February 18, 2014 in the Council Chamber of the Municipal Center, Newtown. First Selectman Llodra called the meeting to order at 7:35 pm.

PRESENT: First Selectman Llodra, Selectman William F.L Rodgers

ABSENT: Selectman James Gaston, Sr.

ALSO PRESENT: Robert Tait, two members of the public and two members of the press.

VOTER PARTICIPATION: Walt Motyka spoke about school security and suggested an RFP to outside firms that know exactly what it takes to staff and organize. The town would receive a base price, including rate schedules. He suggests the town gets proposals instead of having this taken on by the police department of the board of education. First Selectman Llodra said that longer term planning will take place in the months ahead. Last year money from contingency was used to pay for police in elementary schools. A mid-term plan for next year will likely involve an SSO position. First Selectman Llodra will carry Mr. Motyka's suggestion forward. This is a collaboration with the board of education and all the municipal partners; there needs to be a lot of conversation about what the needs are and how those needs can be met.

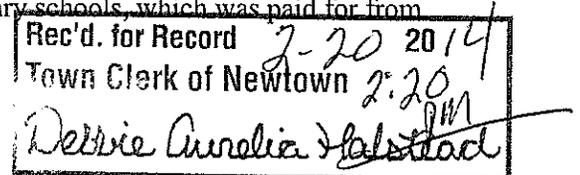
ACCEPTANCE OF THE MINUTES: Selectman Rodgers moved to accept the minutes of the regular meetings of 1/29/14 and 2/3/14. First Selectman Llodra seconded. All in favor.

COMMUNICATIONS: Mr. Tait reported Atrion has here in the absence of vacated positions in the IT Department. They will stay on for a while after the Director of IT position is filled; this is funded with the savings in the salary line from the vacated positions. Interviews are next week.

The Dept. of Justice grant will be submitted Thursday. Some of the grant is for reimbursement for services that have already occurred. The municipal portion is a recovery and resiliency plan which is very costly. Civic groups have provided support for many people who are in need of mental health support. This is a fifteen year commitment to have a protocol for mental health support in place because of the age of the most impacted population. The infrastructure will include a community outreach liaison, a recovery coordinator, two case managers and a project manager. This is an 18 month grant. There will be a system for the entire community and a sub system of police. There will be a Board of Directors which will be made up of the First Selectman or designee, the Superintendent of Schools or designee, a representative from the Interfaith Council, a designee from Western CT Health Network, the Regional Director of Health and a designee from the civic groups and a designee from the funds group.

Mr. Tait reported the Town received a AAA rating from Standards and Poors, which is an upgrade. Moody's rating report is expected tomorrow. He explained it is common that towns have split ratings. (Att. A & B). The strength of policies lead to a real stability in the financial platform. Selectman Rodgers said that the biggest change recently is the application of the policies as opposed to them only being a goal. Credit was given to the Board of Finance also.

There are still a lot of unknowns relative to school security as there are a variety of grants, some have been approved, some are in the application phase, some are not completed and yet to be submitted. After 12/14 the Board of Education immediately brought on a number of additional security guards, unarmed personnel. Sandy Hook School was relocated to Chalk Hill, the policemen there were provided by Monroe police. There was a commitment to provide armed police at the town elementary schools, which was paid for from



Board of Selectman
February 18, 2014

contingency; money was added to contingency. Management for next year and long term planning is being discussed now. Personnel, materials and equipment and building and hardening are categories to consider in safety and security. Discussions will take place between the Boards of Education, Selectmen and Finance as well as the Legislative Council. The Board of Finance will start discussions on Feb. 27.

FINANCE DIRECTOR REPORT: none.

UNFINISHED BUSINESS:

Discussion and possible action:

1. **Newtown Parent Connection:** A response was received today from the Dept. of Social Services. This item will be carried.

NEW BUSINESS:

Discussion and possible action:

1. **Set time and date of Town Meeting relative to Hawleyville Sewers:** Selectman Rodgers moved that a Special Town Meeting be held in the Council Chamber on February 26, 2014 at 7:00 o'clock P.M. (E.S.T.), to receive a communication from the Board of Selectmen with respect to the resolution entitled "Resolution Providing For A Special Appropriation In The Amount Of \$2,800,000 For The Planning, Design, Acquisition, Construction And Installation Of Sewers Along Route 6 To Serve The Area West Of Whipporwill Hill Road To Splendid Place And Along Route 25 To Serve A Section Of Covered Bridge Road, Located In The Town Of Newtown, Connecticut, As Authorized In The Capital Improvement Program (2013-14 To 2017-2018, Inclusive) And Authorizing The Issuance Of \$2,800,000 Bonds Or Notes Of The Town To Meet Said Special Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose", and to consider and act upon the Resolution and that the notice of said Special Town Meeting shall be (as attached) and to waive the reading of attached. First Selectman Llodra seconded. All in favor. (Att. C)
2. **Appointments/Reappointments:** none.
3. **Driveway Bonds Release/Extension:** none.
4. **Construction Bond Release:** Selectman Rodgers moved the release of two construction bonds, in the amount of \$1,000 each for Raymond – Anderson for Sturges Woods and Turkey Hill Road. First Selectman Llodra seconded. All in favor.
5. **Tax Refunds:** Selectman Rodgers moved the February 2014 tax refunds No. 13, 2013-2014 in the amount of \$6,758.95. First Selectman Llodra seconded. All in favor.

VOTER COMMENTS: none.

ANNOUNCEMENTS: none.

ADJOURNMENT: Having no further business the Board of Selectmen adjourned their regular meeting at 8:23 pm.

Respectfully submitted,



Susan Marcinek, Clerk

Att. A: Standard & Poor's report, Feb. 14, 2014

Att. B: Bond Ratings as of November 2012

Att. C: Town Meeting notice

RatingsDirect®

Summary:

Newtown, Connecticut; General Obligation

Primary Credit Analyst:

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Secondary Contact:

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Related Criteria And Research

Summary:

Newtown, Connecticut; General Obligation

Credit Profile		
US\$6.5 mil GO bnds ser 2014 due 03/01/2034		
<i>Long Term Rating</i>	AAA/Stable	New
Newtown GO		
<i>Long Term Rating</i>	AAA/Stable	Upgraded
Newtown GO rfdg		
<i>Long Term Rating</i>	AAA/Stable	Upgraded

Rationale

Standard & Poor's Ratings Services has raised its rating on the Town of Newtown, Conn.'s general obligation (GO) bonds to 'AAA' from 'AA+' based on our recently released local GO criteria published Sept. 12, 2013. The outlook is stable.

At the same time, Standard & Poor's has assigned its 'AAA' long-term rating and stable outlook to the town's series 2014 GO bonds.

The town's full faith and credit pledge secures the bonds. We understand that officials will use bond proceeds to fund various capital improvements.

The rating reflects our assessment of the following factors for the town, specifically what we consider its:

- Very strong economy, which benefits from participation in the broad and diverse economy of Danbury;
- Very strong budgetary flexibility, with available reserves at or above 15% of general fund expenditures for the most recent three audited years;
- Strong budgetary performance, with consistent operating surpluses in the general fund and total governmental funds;
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Strong management conditions, with formal policy and consistent ability maintain balanced budgets; and
- Very strong debt and contingent liability position, driven mostly by the town's low net direct debt.

Very strong economy

We consider Newtown's economy to be very strong, with access to the broad and diverse economy of Danbury in Fairfield County. Traditionally, county unemployment has tracked on par with that of the state and the nation; county unemployment averaged 7.6% in 2012. Newtown has projected per capita effective buying income of 182% of that of the U.S., as reflected by residents accessing jobs in the neighboring areas. Per capita market value for the town was \$158,000 for fiscal 2014. The net taxable grand list has declined by about 23% to \$3 billion in fiscal 2014 due to revaluation. Officials project that the grand list will increase in the next re-evaluation.

Strong budget flexibility

In our opinion, the town's budgetary flexibility remains strong, with available reserves above 8% of expenditures for the most recent two years, and Newtown has no plans to significantly spend down the reserves. This has been in compliance with the town's reserve policy of 8%-12%. Management reported that the town will end fiscal 2014 with an operating surplus. For audited fiscal 2013, available reserves were \$10.8 million or 9.7% of general fund expenditures.

Strong budgetary performance

Newtown's budgetary performance has been strong overall, in our view, with operating surplus in its general fund (1.4% of expenditures) and total governmental funds (2.4% of expenditures) in fiscal 2013. About 89% of the town's revenues are from property tax, and collection has been strong, averaging more than 99% for the most recent five years. Year-to-date, management reported a positive variance of \$450,000 in its general operation and \$600,000 in education. Preliminary assumptions for fiscal 2015 budget include further growth in the economy and no increase in property tax. The town receives less than 5% in federal revenue.

Very strong liquidity

Supporting the town's finances is what we consider to be very strong liquidity, with total government available cash as a percent of total governmental fund expenditures and as a percent of debt service are 18% and 218%, respectively. We believe Newtown has good access to external liquidity. It has issued GO bonds frequently in the past 15 years.

Very strong management

We view the town's management conditions as very strong with formalized, well embedded, and sustainable financial practices and policies. Newton maintains an internal practice of forecasting revenues and expenditures five years out. Assumptions are conservative, and management updates them annually; management is seeking to formalize this practice, which will consist of formal annual written reports to the board of selectmen. The town also has a formal fund balance policy to maintain an unassigned fund balance at 8%-12%. Finally, the town has a comprehensive debt management plan to amortize at least 50% of its debt in 10 years; the plan also calls for the town to maintain debt service at less than 10% of general fund budget.

Strong debt and contingent liability profile

In our opinion, Newton's debt and contingent liability profile is strong, with total governmental funds debt service as a percent of total governmental funds expenditures at 8% and with net direct debt as a percent of total governmental funds revenue at 59%. Meanwhile, overall net debt, after taking into account state aid reimbursement on school-related debt, is low in our opinion at 1.7% of market value. Amortization of debt is also rapid, with 82% of principal to be retired in 10 years. Newtown maintains a long-term capital plan through 2019 with bonding needs of about \$56 million.

The town contributes to three pension plans: the Selectmen and Board of Education Personnel (99% funded as of July 1, 2011), Police Personnel (87% funded as of July 1, 2011), and Elected Officials (defined contribution plan). The town also offers other postemployment benefits (OPEB) to some of its retirees in the form of health care plan. The combined pension annual required contribution and OPEB pay-as-you-go cost totaled \$2 million in fiscal 2013, or less than 2% of total governmental expenditures. Based on an actuarial valuation, Newtown had an accrued liability of \$6.3 million for OPEB as of July 1, 2012.

Very strong Institutional Framework

We consider the Institutional Framework score for Connecticut municipalities as very strong. See Institutional Framework score for Connecticut, published Sept. 12, 2013.

Outlook

The stable outlook reflects our view of Newtown's strong budgetary performance and flexibility, coupled with a very strong underlying economy. We do not expect to change the rating in our two-year outlook horizon due to our expectation that management will continue to adhere to its formal and sustainable policies and practices in managing its finances and any fluctuation in the local economy.

Related Criteria And Research

Related Criteria

- Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions, Nov. 19, 2013
- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Institutional Framework Overview: Connecticut Local Governments, Sept. 12, 2013

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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Bond Ratings as of November 2012

	Moody's	Standard and Poor's	Fitch
ANDOVER	Aa-		
ANSONIA	Aa3		
ASHFORD	Aa3		
AVON	Aaa	AAA	
BARKHAMSTED		AA	
BEACON FALLS			
BERLIN	Aa2	AA	
BETHANY	Aa2		
BETHEL	Aa2	AA+	AA+
BETHLEHEM			
BLOOMFIELD	Aa2	AA	
BOLTON	Aa3		
BOZRAH	A1		
BRANFORD	Aa1	AAA	
BRIDGEPORT	A1	A-	A
BRIDGEWATER			
BRISTOL	Aa2	AA+	AA+
BROOKFIELD	Aa1	AA	
BROOKLYN	A1		
BURLINGTON	Aa2		
CANAAN			
CANTERBURY	A1		
CANTON	Aa2		
CHAPLIN			
CHESHIRE	Aa1	AAA	AAA
CHESTER	Aa3		
CLINTON	Aa2		
COLCHESTER	Aa3		AA
COLEBROOK			
COLUMBIA	Aa2		
CORNWALL	Aa2		

	Moody's	Standard and Poor's	Fitch
COVENTRY	Aa3		
CROMWELL		AA	
DANBURY	Aa1	AA+	AAA
DARIEN	Aaa		
DEEP RIVER			
DERBY	Aa3	AA-	
DURHAM			
EAST GRANBY	Aa2		
EAST HADDAM	Aa2	AA+	
EAST HAMPTON	Aa3	AA	
EAST HARTFORD	Aa2		
EAST HAVEN	A3	BBB+	
EAST LYME	Aa2		
EAST WINDSOR	Aa2		
EASTFORD			
EASTON	Aaa	AAA	
ELLINGTON	Aa3		
ENFIELD	Aa2	AA	
ESSEX	Aa2		
FAIRFIELD	Aaa	AAA	AAA
FARMINGTON	Aaa		
FRANKLIN			
GLASTONBURY	Aaa	AAA	
GOSHEN			
GRANBY	Aa2	AA	
GREENWICH	Aaa	AAA	AAA
GRISWOLD		AA-	AA-
GROTON	Aa2	AA	AA
GROTON (City of)	Aa3	AA-	AA
GUILFORD	Aa2		AA+
HADDAM	Aa3		
HAMDEN	A2	A	A-

	Moody's	Standard and Poor's	Fitch
HAMPTON			
HARTFORD	A1	A	
HARTLAND	A1		
HARWINTON			
HEBRON	Aa2	AA	
KENT	Aa2	AA	
KILLINGLY	Aa2		
KILLINGWORTH	Aa2		
LEBANON			
LEDYARD	Aa2		
LISBON	Aa3		
LITCHFIELD	Aa2		
LYME			
MADISON	Aaa	AAA	AAA
MANCHESTER	Aa1	AAA	AAA
MANSFIELD	Aa2		
MARLBOROUGH	Aa2		
MERIDEN	A1	AA-	AA-
MIDDLEBURY	Aa2		
MIDDLEFIELD			
MIDDLETOWN	Aa2	AA	
MILFORD	Aa1	AA+	AA+
MONROE	Aa2		
MONTVILLE	Aa3		
MORRIS			
NAUGATUCK	Aa2	AA-	AA
NEW BRITAIN	A1	A	A+
NEW CANAAN	Aaa		
NEW FAIRFIELD	Aa1	AAA	AAA
NEW HARTFORD	Aa3		
NEW HAVEN	A1	A-	A+
NEW LONDON		A+	AA-

Bond Ratings as of November 2012

	Standard and Poor's		Fitch
	Moody's		
NEW MILFORD	Aa1		
NEWINGTON	Aa2	AA	
NEWTOWN	Aa1	AA+	
NORFOLK			
NORTH BRANFORD	Aa2		
NORTH CANAAN			
NORTH HAVEN	Aa1		
NORTH STONINGTON	A1		
NORWALK	Aaa	AAA	AAA
NORWICH	Aa2	AA-	AA
OLD LYME		AA+	
OLD SAYBROOK	Aa2		
ORANGE	Aa1	AA+	
OXFORD	Aa2		
PLAINFIELD	Aa3		
PLAINVILLE	Aa3	A+	
PLYMOUTH	Aa3		
POMFRET			
PORTLAND	Aa3		
PRESTON		A+	
PROSPECT	A1		
PUTNAM	A1		
REDDING	Aa1	AAA	
RIDGEFIELD	Aaa	AAA	AAA
ROCKY HILL	Aa2	AA	
ROXBURY			
SALEM	A1		
SALISBURY			
SCOTLAND	A1		
SEYMOUR	Aa3	AA-	
SHARON	Aa2		
SHELTON	Aa2	AA	

	Standard and Poor's		Fitch
	Moody's		
SHERMAN	Aa2		
SIMSBURY	Aaa		
SOMERS	Aa2		
SOUTH WINDSOR	Aa2	AA	
SOUTHBURY	Aa2		
SOUTHINGTON	Aa2	AA+	
SPRAGUE	A1		
STAFFORD	A1		
STAMFORD	Aa1	AAA	
STERLING	A1		
STONINGTON	Aa1		
STRATFORD	Aa3	AA-	
SUFFIELD		AA+	
THOMASTON	Aa3	A+	
THOMPSON	A1		
TOLLAND	Aa2	AA	AA+
TORRINGTON	Aa3		
TRUMBULL	Aa2	AA	AA+
UNION			
VERNON	Aa2		
VOLUNTTOWN			
WALLINGFORD	Aaa	AA	
WARREN	Aa2		
WASHINGTON	Aa2		
WATERBURY	A1	A	A+
WATERFORD	Aa2	AA	
WATERTOWN	Aa2		
WEST HARTFORD	Aaa	AAA	
WEST HAVEN	Baa1	BBB	
WESTBROOK	Aa2		
WESTON	Aaa		
WESTPORT	Aaa		

	Standard and Poor's		Fitch
	Moody's		
WETHERSFIELD	Aa2	AA	
WILLINGTON	Aa3		
WILTON	Aaa		
WINCHESTER	A1		
WINDHAM	Aa3	A+	
WINDSOR	Aa1	AAA	
WINDSOR LOCKS	Aa1	AA	
WOLCOTT	A1		
WOODBRIIDGE	Aaa		
WOODBURY	Aa2		
WOODSTOCK	Aa3		AA
Regional S.D.1	Aa3		
Regional S.D.4	Aa3		
Regional S.D.5	Aa1		AA+
Regional S.D.6	Aa3		
Regional S.D.7			
Regional S.D.8	Aa3	A+	
Regional S.D.9	Aa1	AAA	
Regional S.D.10	Aa2	AA	
Regional S.D.11			
Regional S.D.12	Aa2		AA+
Regional S.D.13	Aa3		
Regional S.D.14	Aa2		
Regional S.D.15	Aa2		
Regional S.D.16	A1	AA-	
Regional S.D.17	Aa3		
Regional S.D.18	Aa1		
Regional S.D.19	Aa3		

RATING GRADES			Upper		
	Best	High	Medium	Medium	
Moody's	Aaa	Aa1 Aa2 Aa3	A1 A2 A3	Baa1 Baa2 Baa3	
S & P's	AAA	AA+ AA	AA- A	BBB+ BBB	BBB-
Fitch IBCA	AAA	AA+ AA	AA- A	BBB+ BBB	BBB-

TOWN OF NEWTOWN
NOTICE OF SPECIAL TOWN MEETING

Electors and citizens qualified to vote at Town Meetings of the Town of Newtown are hereby duly notified and warned that a Special Town Meeting of the Town of Newtown will be held on February 26, 2014, at 7:00 o'clock P.M. (E.S.T.) in the Council Chamber of the Newtown Municipal Center, for the following purposes:

1. To receive a communication from the Board of Selectmen with respect to a resolution entitled "Resolution Providing For A Special Appropriation In The Amount Of \$2,800,000 For The Planning, Design, Acquisition, Construction And Installation Of Sewers Along Route 6 To Serve The Area West Of Whipporwill Hill Road To Splendid Place And Along Route 25 To Serve A Section Of Covered Bridge Road, Located In The Town Of Newtown, Connecticut, As Authorized In The Capital Improvement Program (2013-14 To 2017-2018, Inclusive) And Authorizing The Issuance Of \$2,800,000 Bonds Or Notes Of The Town To Meet Said Special Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose".

2. To consider and act upon a resolution entitled "Resolution Providing For A Special Appropriation In The Amount Of \$2,800,000 For The Planning, Design, Acquisition, Construction And Installation Of Sewers Along Route 6 To Serve The Area West Of Whipporwill Hill Road To Splendid Place And Along Route 25 To Serve A Section Of Covered Bridge Road, Located In The Town Of Newtown, Connecticut, As Authorized In The Capital Improvement Program (2013-14 To 2017-2018, Inclusive) And Authorizing The Issuance Of \$2,800,000 Bonds Or Notes Of The Town To Meet Said Special Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose".

3. To transact any other business proper to come before the meeting.

Copies of said proposed resolution are on file and open to public inspection at the office of the Town Clerk.

Dated at Newtown, Connecticut, this 18th day of February, 2014.

Board of Selectmen

E. Patricia Llodra, First Selectman
William F.L. Rodgers, Selectman
James O. Gaston, Selectman