

THESE MINUTES ARE SUBJECT TO APPROVAL BY BOARD OF SELECTMEN

The Board of Selectmen held a regular meeting Tuesday, September 6, 2016 in the Council Chamber of the Newtown Municipal Center, 3 Primrose Street. First Selectman Llodra called the meeting to order at 7:30p.m.

PRESENT: First Selectman Llodra, Selectman William F.L. Rodgers, Selectman Herbert C. Rosenthal.

ALSO PRESENT: Finance Director Robert Tait, Director of Planning & Land Use George Benson, five members of the Pension Board and one member of the press.

VOTER COMMENTS: none.

ACCEPTANCE OF MINUTES: Selectman Rodgers moved to accept the minutes of the regular meeting of 8/15/16. Selectman Rosenthal seconded. All in favor.

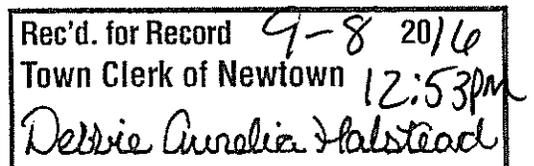
COMMUNICATIONS: First Selectman Llodra presented an updated road work schedule (att.). The State Traffic Commission has approved a traffic signal at the intersection of Bennetts Bridge Road and Gray's Plain Road. Information relative to the Community Center was shared and discussed further later in the meeting.

FINANCE DIRECTORS REPORT: Mr. Tait reviewed an unaudited schedule of revenues (att.).

OLD BUSINESS:

Discussion and possible action:

- 1. Final review and approval of the Town of Newtown Investment Policy for the municipal pension plan and OPEB:** Joe DiCandido, Charles Farfaglia, Mark Korotash, Patrick Burke and Ellen Whalen were present to discuss the investment policies. At a special meeting held on August 31st the Pension Committee unanimously approved the Town of Newtown Defined Benefit and Money Purchase Pension Plans and the Town of Newtown Other Post-Employment Benefits Plan, effective October 1, 2016. (att.) The Pension Committee also recommended staying with FIA, and accepted FIA's proposed plan II, as noted on the Town of Newtown Pension/OPEB Estimated Annual Fee Analysis (att.) and eventually, as conditions allow, move to the proposed future portfolio allocations, under the guidance of Wells Fargo, as noted on the Newtown Portfolio Options (att.). The plan is most cost effective because of the low fees. The Board of Selectmen commended the Pension Committee on the tremendous amount of work and time spent on the policies. First Selectman Llodra acknowledged the thirty seven years of service of Mark Korotash. Selectman Rodgers moved to accept the Investment Policy Statement as amended and restated October 1, 2016 for the Town of Newtown Defined Benefit and Money Purchase Pension Plans. Selectman Rosenthal seconded. All in favor. Selectman Rodgers moved to accept the Investment Policy Statement concerning the Town of Newtown Other Post-Employment Benefits Plan (OPEB) as amended and restated October 1, 2016. Selectman Rosenthal seconded. All in favor.



- 2. Review CIP proposal:** The selectmen were directed to review the CIP and let the First Selectman know if there are any department heads that should be present at the next meeting to discuss projects. There was discussion about front end loading demolition at Fairfield Hills because of increased cost over time. Selectman Rosenthal would like to see demolition and road work expedited. First Selectman Llodra noted that there are two more years of bonding for roads; after that there is an increase in the operational budget for roads. Ranking projects was discussed; First Selectman Llodra said the Board of Selectman ranks the projects and then sends the entire package forward to the Board of Finance. First Selectman Llodra acknowledged the work that has already been done at Fairfield Hills, saying there has to be a balance between demolition and development. Selectman Rodgers agrees there has to be a balance but also agrees that there will be an increased cost in demolition. The economy is too soft to be too aggressive. (att.)

NEW BUSINESS:

Discussion and possible action

- 1. Appointments/Reappointments/vacancies/openings:** Selectman Rodgers moved the appointment of Laurie Kilchevsky (R), from an alternate member of the Board of Ethics to a full board member for a term to expire 1/6/18. Selectman Rosenthal seconded. All in favor. First Selectman Llodra noted there is a Republican/Unaffiliated vacancy for an alternate on the Board of Ethics, a Democrat/Unaffiliated vacancy on the Pension Committee and an open position on the Economic Development Commission; the last day is 9/23 with an anticipated appointment date of 10/3.
- 2. Driveway bond release/Extension:** Selectman Rodgers moved the driveway bond releases to A&M Building/Land, LLC, \$1,000 each, for 10-A Taunton Lane, M6, B14, L15.1 and 12 Taunton Lane, M6, B4, L15.2. Selectman Rosenthal seconded. All in favor.
- 3. Tax Refunds:** Selectman Rosenthal moved the September 2016 tax refunds, refund #2 in the amount of \$22,010.96. Selectman Rodgers seconded. All in favor.
- 4. Update on Community Center Project:** Sports Facility Associates (SFA) has determined that the cost to construct a 50-meter pool exceeds what was originally projected. The question on having both an aquatics component as well as flexible space needs to be answered. There is a gap between projected revenue and projected expenditure. SFA is saying that no community center is going to be revenue/cost neutral. The community center is buildable with the funding that was received from GE. (att.)

VOTER COMMENTS: none.

ANNOUNCEMENTS: Newtown Parent Connection will be holding an open house on September 7.

EXECUTIVE SESSION: Selectman Rodgers moved to enter executive session for discussion and possible action relative to two legal matters: Federal National Mortgage Assoc. v. Town of Newtown and a temporary injunction on activity at 62 Housatonic Drive. Selectman Rosenthal seconded. All in favor. Mr. Benson was invited to attend only for the portion relative to 62 Housatonic Drive. Executive session was entered into at 8:54p.m. and returned to regular session at 9:10p.m. with the following motions:

Selectman Rodgers moved to authorize the Town to institute an injunction action pursuant to a cease and desist order at 62 Housatonic Drive. Selectman Rosenthal seconded. All in favor.

Selectman Rodgers moved to authorize the Town to defend itself in the foreclosure action related to 4 Cedarhurst Trail, Sandy Hook 4 Cedarhurst Trail, Sandy Hook. Selectman Rosenthal seconded. All in favor.

Board of Selectmen
September 6, 2016

ADJOURNMENT: Having no further business the Board of Selectmen adjourned their regular meeting at 9:11p.m.

Respectfully submitted,

Susan Marcinek, Clerk

Attachments: Road Work Schedule 9/6/16; unaudited schedule of revenues June 30, 2016; TON Defined Benefit and Money Purchase Pension Plan; TON OPEB; TON Pension/OPEB Estimated Annual Fee Analysis, June 30, 2016; Newtown Portfolio options; BOS CIP 2017-2018 TO 2021-2022; Community Center summary, 8/28/16

2016-2017 ROADWORK SCHEDULE

Contractual Drainage	Budget		Start	Finish	
Alpine	30,000	D-P-C-L			
Mile Hill South	165,000	D-P-C-L	Complete		
Orchard Hill Road	60,000	D-P-C-L			
Overlays:					
Cadey Lane	28,000	D-P-C-L	8/11/2016	8/12/2016	D Complete
Crestwood Drive	17,000	P-C-L			
Ethan Allen Bridge Deck	80,000	P	8/29/2016	9/16/2016	
Oakview Road	17,000	P-C-L			
Route 34	28,000	N/A	Complete		
Washington Avenue	80,000	P-C-L			
Road Improvements - Public:					
Birch Hill Road	120,000	D-P-C-L	Complete		
Bonnie Brae	235,000	D-P-C-L	Complete		
Brassie Road	40,000	D-P-C-L	Complete		
Brushy Hill Road	200,000	D-P-C-L	Complete		
Cannon Drive	60,000	D-P-C-L	8/12/2016	8/15/2016	D-P Complete
Dinglebrook Road	40,000	D-C-L			
Edgewood/Woodbine	50,000	P-C-L			P-Complete
Glover Avenue	48,000	P-C-L	Complete		
Hanover Road	125,000	P-C-L			
Hundred Acres	80,000	D	9/6/2016	9/30/2016	
Johnny Appleseed	180,000	D-P-C-L	7/11/2016	8/3/2016	D-P Complete
Keating Farm Road	100,000	P-C-L			
Monitor Hill	60,000	P-C-L			
Morgan Drive	50,000	D-P-C-L	7/18/2016	7/24/2016	D Complete
Mt. Nebo Road	100,000	D	10/3/2016	10/21/2016	
New Lebbon	100,000	D-P-C-L	9/13/2016	9/20/2016	
Newberry Road	165,000	D-P-C-L	8/3/2016	8/5/2016	D Complete
Park Lane	60,000	P-C-L			
Pheasant Ridge	85,000	D-P-C-L	8/3/2016	8/5/2016	D-P Complete
Phyllis Lane	100,000	D	9/6/2016	9/30/2016	
Pond Brook/Obtuse	100,000	S-G	Guiderail not complete		
Riverside Road	100,000	P-C-L	8/18/2016	8/19/2016	P-Complete
School House Hill	100,000	D-P-C-L	Complete		
Sugar Hill Lane	70,000	D-P-C-L	9/7/2016	9/8/2016	
Swamp Road	135,000	P-C-L	9/2/2016	9/6/2016	
The Boulevard	82,000	P-C-L			
Whipporwill Hill	40,000	D	Complete		
Road Improvements - Private:					
Lakeview Terrace	100,000	E			
Edge Lake Design	25,000	E			

C-CURBING

P-PAVING

F-FINAL PAVING

L-LANDSCAPING

B-BINDER

E-ENGINEERING

G-GUIDERAIL

D-DRAINAGE

S-STREAM BANK STABILIZATION

DRAFT - UNAUDITED (after year end transfers)

SCHEDULE 1
(1 of 2)

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BUDGET AND ACTUAL YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Collections - current year.....	\$ 99,114,170	\$ 99,114,170	\$ 99,237,923	\$ 123,753
Collections - prior years.....	450,000	450,000	608,925	158,925
Interest and lien fees.....	475,000	475,000	441,109	(33,891)
Motor vehicle supplement list.....	875,000	875,000	912,243	37,243
Telecommunications property tax.....	85,000	85,000	58,499	(26,501)
TOTAL PROPERTY TAXES.....	100,999,170	100,999,170	101,258,699	259,529
INTERGOVERNMENTAL:				
Veterans additional exemptions.....	15,992	15,992	18,949	2,957
Elderly tax relief - circuit breaker.....	149,044	149,044	151,508	2,464
In lieu of taxes.....	877,156	877,156	717,794	(159,362)
Totally disabled.....	1,930	1,930	1,948	18
Town aid for roads.....	469,220	469,220	469,996	776
Mashantucket Pequot fund grant.....	939,179	939,179	967,137	27,958
Connecticut school building grants.....	533,604	533,604	533,605	1
Equalized cost-sharing grant.....	4,441,264	4,441,264	4,787,409	346,145
Public school transportation aid.....	95,450	95,450	84,121	(11,329)
Non-public school transportation aid.....	35,350	35,350	15,086	(20,264)
Health services - St. Rose.....	23,609	23,609	22,148	(1,461)
Miscellaneous grants.....	191,812	191,812	190,498	(1,314)
LOCIP grant.....	207,562	207,562	207,668	106
State revenue sharing.....	235,371	235,371	235,371	-
TOTAL INTERGOVERNMENTAL.....	8,216,543	8,216,543	8,403,238	186,695
CHARGES FOR SERVICES:				
Town clerk - conveyance tax.....	450,000	450,000	467,921	17,921
Town clerk - other.....	225,000	225,000	215,700	(9,300)
Parks and recreation.....	210,000	210,000	207,867	(2,133)
Tuition.....	44,000	44,000	29,775	(14,225)
School generated fees.....	113,300	113,300	105,751	(7,549)
Building.....	500,000	500,000	477,851	(22,149)
Permit fees.....	1,250	1,250	1,230	(20)
Transfer Station permits.....	425,000	425,000	378,897	(46,103)
WPCA.....	120,000	120,000	120,000	-
Senior center membership fees.....	4,000	4,000	5,256	1,256
Land use.....	70,000	70,000	56,628	(13,372)
TOTAL CHARGES FOR SERVICES.....	2,162,550	2,162,550	2,066,876	(95,674)
INVESTMENT INCOME.....	125,000	125,000	327,598	202,598
OTHER REVENUES:				
Miscellaneous revenue - police.....	3,000	3,000	28,718	25,718
Miscellaneous revenue - board of education.....	2,250	2,250	11,510	9,260
Miscellaneous revenue - selectmen.....	100,000	100,000	134,350	34,350
TOTAL OTHER REVENUES.....	105,250	105,250	174,578	69,328
TOTAL REVENUES.....	111,608,513	111,608,513	112,230,989	622,476

(Continued)

DRAFT - UNAUDITED (after year end transfers)

SCHEDULE 1
(2 of 2)

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.....	\$	\$	\$ 9,370	\$ 9,370
Transfers in.....	122,000	122,000	225,000	103,000
TOTAL OTHER FINANCING SOURCES.....	122,000	122,000	234,370	112,370
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 111,730,513	\$ 111,730,513	\$ 112,465,359	\$ 734,846

(Concluded)

INVESTMENT POLICY STATEMENT

TOWN OF NEWTOWN DEFINED BENEFIT AND MONEY PURCHASE PENSION PLANS

**Amended and Restated
October 1, 2016**

**By
Newtown
Pension Committee
For
The Board of Selectmen, Plan Trustees**

TABLE OF CONTENTS

Executive Summary	3
Purpose	4
Background	5
Investment Objectives	6
Responsibilities of Plan Representatives	7
Guidelines and Investment Policy	9
Asset Allocation	10
Rebalancing	11
Selection Criteria for Investment/Fund Managers	11
Security Guidelines	11
Proxy Voting	14
Control Procedures	14
Termination of Investment/Fund Manager.....	16
Coordination with the Plan Document	16
Investment Policy Statement Approval	17
Target Asset Allocation Table - Exhibit A	18

EXECUTIVE SUMMARY

Type of Plan	Defined Benefit and Money Purchase Pension Plan(s)	
Current Assets:	\$34,706,793.88 (As of June 30, 2016)	
Investment Time Horizon:	Greater than 10 Years	
Expected Return:	7.50% effective August 6, 2012	
Risk Tolerance:	Moderate	
Target Asset Allocation:	Domestic Equities	32.0%
	International Equities	25.5%
	Fixed Income	32.5%
	Real Estate	5.0%
	Natural Resources	2.5%
	T Bills/Cash Equivalents	2.5%
Allocation Variance Limit:	10%	
Investment Manager:	Vanguard, Wells Fargo Asset Advisors	
Evaluation Benchmark:	Total portfolio return to perform above the weighted average return of the indices referenced in the Section "Monitoring of Investment Managers" on Page 15 of this Investment Policy Statement. This weighted average will be calculated by multiplying the appropriate index for each investment sector times the targeted weighting for each sector; e.g. domestic equities, international equities, etc. These weighted returns will then be added to obtain Portfolio return.	

PURPOSE

The purpose of this Investment Policy Statement (IPS) is to assist the Town of Newtown Plan Trustees and Pension Committee in effectively monitoring, supervising and evaluating the investment of the Town of Newtown Defined Benefit and Money Purchase Pension Plans Plan Assets.

The Plans' investment program is defined in the various sections of this IPS by:

- Stating in a written document the Trustee's and Committee's attitudes, expectations, objectives and guidelines for the investment of all Plan assets.
- Setting forth an investment structure for managing all Plan assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce a sufficient level of overall diversification and total investment return over the long term.
- Providing guidelines for each investment portfolio that controls the level of overall risk and liquidity assumed in that portfolio so that all Plan assets are managed in accordance with stated objectives.
- Encouraging effective communications between the Trustees, the Pension Committee and the Investment Manager(s)/Fund Manager(s).
- Establishing formalized criteria to monitor, evaluate and compare the performance results achieved by the Investment Manager(s)/Fund Manager(s).
- Complying with ERISA fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize and with all applicable laws, rules and regulations from various local, state, federal and international entities that may impact Plan assets.
- Defining the responsibilities of the Board of Selectmen, the Pension Committee, the Custodian and other parties responsible for the management of the Plans.

This IPS has been arrived at upon consideration by the Trustees and Pension Committee of the implications of a wide range of policies. It describes the prudent investment process that the Trustees and Pension Committee deem appropriate.

BACKGROUND

The Town of Newtown, Connecticut maintains three pension plans: a defined benefit pension plan for town employees, a defined benefit pension plan for police officers and a money purchase pension plan for elected officials. The Board of Selectmen, as Trustees of the plans, are responsible for overall investment policy governing management of the plans' assets. The Pension Committee acts as advisor to the Board of Selectmen. The Pension Committee studies and discusses the issues that are involved in the administration and investment of the retirement funds and recommends action to the Board of Selectmen. The Pension Committee and Trustees will discharge their responsibilities under the plans solely in the long-term interests of plan participants and their beneficiaries.

Key Information

Name of Plans:	The Pension Plan for Employees of the Town of Newtown The Pension Plan for Police Officers of the Town of Newtown Town of Newtown Elected Officials Pension Plan
Plan Sponsor:	Town of Newtown
Trustees:	Board of Selectmen
Custodian:	Wells Fargo Bank, NA
Third Party Plan Administrator:	T. R. Paul, Inc.
Investment Manager:	Vanguard, Wells Fargo Asset Advisors

INVESTMENT OBJECTIVES

The investment objectives of the Plans have been established in accordance with sound investment practices that emphasize long-term investment fundamentals. The Board of Selectmen have taken into account the current and projected financial requirements of the Plans, the time horizon available for investment, the nature of the Plans' cash flows and liabilities along with other factors that affect their risk tolerance.

The Investment Objectives are:

- To achieve a rate of return to meet the Plans' actuarial target interest rate.

- To maintain sufficient liquidity to meet Plan benefit obligations and expenses.
- To diversify Plan assets to minimize the risk of large losses or excessive fluctuations in market value from year to year.
- To achieve long term investment results that compare favorably with similarly invested pension plans and of appropriate market indices.
- To maintain a prudent level of risk that balances growth with the need to preserve capital.

RESPONSIBILITIES OF PLAN REPRESENTATIVES

BOARD OF SELECTMEN

The Board of Selectmen, as Trustees for the Town of Newtown Pension Plans, are the sole entity responsible for administering the Pension Fund. In accordance with this responsibility, the Trustees provide investment oversight for management of Plan assets and development of the Investment Policy Statement on behalf of the Plans and its intended beneficiaries; the current active members, retirees and their dependents.

The Board of Selectmen's responsibilities include:

- Establishing and maintaining the Plans' investment policy, objectives and portfolio guidelines with respect to asset allocation, risk parameters, return evaluation, specific interpretation of the investment policy, selecting the investment vehicles and periodically monitoring the performance of investments.
- Establishing rules or other resolutions governing the Plans' investment policy.
- Delegating to other Board Members, the Pension Committee or Agents the authority to act on behalf of the Plans.
- Determining the retention, discharge or selection of any Investment Manager/Fund Manager, Custodian and Investment Consultant. The Board of Selectmen shall also establish the amount of funds to be allocated to any Investment Manager/Fund Manager and determine when funds will be reallocated.
- Complying with the fiduciary standards of the Employee Retirement Income Security Act (ERISA) in performing its investment duties. Discharging their duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. In addition, the Board of Selectmen are governed by the CT Prudent Investor Rule. The Board of Selectmen recognize some risk must be assumed to achieve the Plans' long-term objectives.
- Meeting, not less than annually, with the Pension Committee to review the status of Plan portfolios, hear recommendations from Pension Committee and Investment Consultant.

PENSION COMMITTEE

The Pension Committee is appointed by the Board of Selectmen and serves in an advisory role with respect to the administration and investment oversight of Plan assets. The Committee provides guidance and insight into Plan provisions and monitors and reports to the Trustees on the Plan performance.

The responsibilities of the Pension Committee are:

- To serve as Advisors to the Board of Selectmen with respect to reviewing the recommended asset allocation, risk parameters, return evaluation, specific interpretations of the Investment Policy, reviewing recommended investment vehicles for the Plans, selecting the appropriate investment and making a recommendation to the Trustees for the Plan portfolio along with periodically reporting on the performance of Plan investments.
- To ensure the Statement of Investment Policy, along with other policy guidance and directives outlined by the Trustees, is properly implemented.
- To review the monthly Trust reports with respect to the status and value of Plan assets and report any exceptions or major variances to the Board of Selectmen. The Committee recognizes that some risk must be assumed to achieve the Plan's long-term objectives.
- Monitor the performance of Plan investments not less than quarterly. Meet with the Investment Consultant to review and discuss Plan performance and report to the Board of Selectmen.
- To discharge their duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing and to comply with the ERISA fiduciary standards and the CT Prudent Investor Rule.
- To meet with the Board of Selectmen, not less than annually, to review the status of the Plan investments, their performance, the Investment Policy Statement and any changes that the Committee in consult with the Investment Consultant might feel appropriate to suggest.

INVESTMENT CONSULTANT

The Board of Selectmen may engage the services of an Investment Consultant as a Non-Discretionary Advisor to the Pension Committee and the Board of Selectmen. The Investment Consultant will assist the Pension Committee and Board of Selectmen in the development and periodic review of an Investment Policy Statement along with the Plans' asset allocation. The Consultant will also conduct investment manager searches when necessary, monitor the performance of the Investment Manager/Fund Manager, make timely recommendations regarding any change in Investment Manager/Fund Manager and communicate on other matters of relevance to the oversight of the Pension Plans.

CUSTODIAN

The Board of Selectmen shall retain a bank or trust company to act as Custodian for Plan assets. The Custodian is responsible for safekeeping and custody of assets. The Custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plans, collect dividends and interest payments, redeem maturing securities and effect receipt and delivery following purchases and sales. The Custodian will perform regular accounting of all assets owned, purchased or sold, as well as movement of assets into and out of the Plans' accounts.

GUIDELINES AND INVESTMENT POLICY

Time Horizon

The investment guidelines are based upon an investment horizon of greater than 10 years so that interim fluctuations should be viewed with appropriate perspective. Similarly, the Plans' strategic asset allocation is based on this long-term perspective.

There is a requirement to maintain sufficient liquid reserves to provide for the payment of retirement benefits.

Risk Tolerances

The Trustees recognize the difficulty of achieving the Plans' investment objectives in light of the uncertainties and complexities of contemporary investment markets. The Trustees also recognize that some risk must be assumed to achieve the Plans' long-term investment objectives.

In establishing the risk tolerances of the IPS, the ability to withstand short and intermediate term variability were considered. These factors were:

- The Plans' strong financial condition enables it to adopt a long-term investment perspective.
- Demographic characteristics of participants suggest an average risk tolerance due to the average age of the work force.
- In summary, the Plans' prospects for the future, current financial condition and several other factors argue collectively that the Plans can tolerate some interim fluctuations in market value and rates of return in order to achieve long-term objectives.

Performance Expectations

Over a complete business cycle, the Plans' overall annualized total return, after deducting for advisory, investment/fund management, custodial fees, other Plan expenses as well as total transaction costs, should perform above the weighted average return of the indices referenced in the Section "Monitoring of Investment Managers" on Page 15 of this Investment Policy Statement. This weighted average will be calculated by multiplying the appropriate index for each investment sector times the targeted weighting for each sector, e.g., domestic equities, domestic fixed income, international equities, etc. The weighted returns will then be added to obtain an overall portfolio index return.

ASSET ALLOCATION

The Trustees believe that the Plans' risk and liquidity posture, is in large part, a function of asset class mix. The Trustees have reviewed the long-term performance characteristics of various asset classes, focusing on balancing the risks and rewards of market behavior. Six major asset classes were selected:

- Domestic Equities
- International Equities
- Domestic Fixed Income
- T-Bills/Cash Equivalents
- Real Estate
- Natural Resources

Based on the Plans' time horizon, risk tolerances, performance expectations and asset class constraints, an efficient or optimal portfolio was identified. The percentage allocation to each asset class may vary as much as plus or minus 10% depending upon market conditions. Asset allocation target ranges are set forth in Exhibit A.

There are two exceptions to the 10% allocation variance limitation. First, in making normal changes to the portfolio, i.e., selling one security and replacing it with another security, the portfolio allocation of an asset class may temporarily fall below the 10% variance from the target allocation. Second, if in the opinion of the investment manager/fund manager, the principal of the Plans are at risk due to extraordinary market conditions, the investment manager/fund manager shall have the authority to liquidate securities, notwithstanding the fact that this causes an asset class to fall below the allocation variance limitation. If, for either of the above reasons, the portfolio asset allocation is outside the variation tolerance for a period exceeding 10 consecutive days, the investment manager/fund manager shall notify the Chairman of the Pension Committee of the variance, the reasons for the variance and recommendations for future investment options. The Chairman of the Pension Committee shall then notify the Trustees within a reasonable amount of time.

The following securities and transactions are not authorized:

- Letter stock and other unregistered securities
- Commodities or other commodity contracts
- Short sales or margin transactions
 - Mutual Funds that "SHORT" and Mutual Funds that use leverage (margin) may be used as investment vehicles provided the entire equity portion of the portfolio is NOT net "SHORT" and not net leveraged (On Margin)
- Securities Lending
- Futures and Options, except within Funds

REBALANCING

The Board of Selectmen, in its discretion, may or may not institute rebalancing as necessary. Such adjustments should be executed with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

SELECTION CRITERIA FOR INVESTMENT/FUND MANAGERS

Investment managers/fund managers retained by the Plans shall be chosen using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate market indices and other investments having similar investment objectives. Consideration shall be given to both consistency of performance and the level of risk taken to achieve results.
- The investment style and discipline of the investment manager/fund manager.
- How well the investment manager's/fund manager's investment style or approach complements other assets in the Plan.
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund.
- Be a bank, insurance company or investment adviser as defined by the Registered Investment Advisers Act of 1940.

The Plans will utilize a multi-manager structure of complementary investment styles and asset classes to invest the Plans' assets.

Should additional contributions and/or market value growth permit, the Board of Selectmen may retain additional investment managers/fund managers to invest the assets of the Plans. Additional managers would be expected to diversify the Plans by investment style, asset class, and management structure and thereby enhance the probability of the Plans achieving their long-term investment objectives.

SECURITIES GUIDELINES

The Plans' investments may include separately managed accounts and/or mutual funds including marketable alternatives and exchange traded funds. The Board of Selectmen understands that the investment managers/fund managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the Investment Policy Statement of each of the Plans' separately managed accounts or in the prospectus/offering memorandum for each mutual fund/exchange traded fund in the portfolio. No individual securities will be purchased or carried on margin.

Domestic Equities

Each Domestic Equity Manager is expected to adhere to the following guidelines:

- Equity holdings shall be restricted to mutual funds or readily marketable securities of corporations that are actively traded on the major US exchanges including NASDAQ.
- The investment manager/fund manager shall have the discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the investment manager/fund manager will be evaluated against their peers on the performance of the total funds under their direct management.
- High yield bonds are higher risk investment vehicles and are not acceptable in the lower risk fixed income portion of the portfolio. However, there are certain periods in the economic cycle, when high yield bonds can provide an investment return with less risk/volatility than equities. Therefore, Equity Managers will be permitted to invest a portion of the “equity” portion of the retirement portfolio in the high yield sector (bonds below investment grade) provided the investment is made in mutual funds (for diversification) and does not comprise more than 10% of the equity portion of the portfolio.
- From time to time, an initial investment of no more than 10% of the equity portfolio may be positioned in one or more commodity mutual funds. This is a unique strategy and differs from a mutual fund investment that owns companies that are involved in industries related to commodities. For example, a mutual fund that holds an integrated oil company or a natural gas driller or a mining company is not the same as a commodities fund. A commodities fund provides the investor with investment exposure to the commodity directly (i.e. gold, wheat, potash).
- Up to 10% of the equity portfolio strategy may be invested in Mutual Funds which short the fixed income market.

Domestic Fixed Income

It is the intent of the Plans to eliminate all individual bond holdings and invest in bond mutual funds.

However, until such time, each fixed income investment manager is expected to adhere to the following guidelines as long as the portfolio holds individual bonds:

- All fixed income securities held in the portfolio shall have had a Moody’s, Standard & Poor’s and/or a Fitch’s credit quality rating of no less than “BBB” at time of purchase. Unrated securities of the US Treasury and US Government Agencies are qualified for inclusion in the portfolio. No more than 20% of the market value of the fixed income portfolio shall be rated less than single “A” quality, unless the investment manager has specific written authorization from the Trustees.
- The exposure of the portfolio to any one company, other than securities of the US Government, shall not exceed 10% of the market value of the domestic fixed portfolio.
- Holdings of individual bonds shall be large enough for easy liquidation.
- In selection of future bond funds recommended, the Pension Committee needs to review Prospectuses/Offering Memoranda before investment selection is taken.
- Liquidate bonds as practicable and prudent.

Foreign Equities

Each foreign equity manager is expected to adhere to the following guidelines:

- There shall be no direct foreign currency speculation or any related investment activity.

Mutual Funds

With respect to mutual funds, The Board of Selectmen will consider the following to insure proper diversification and function for each of the funds:

- The mutual fund selected should demonstrate;
 1. A clearly defined investment philosophy,
 2. A consistent investment process,
 3. An experienced and stable organization, and
 4. Cost effectiveness.
- The mutual fund used will generally have at least a full three-year track record and the individual fund must have at least \$25 million under management at the time of selection.
- Each mutual fund will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
- With respect to hedge fund-of-funds, in addition to meeting each of the three above specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

T-Bills/Cash Equivalents

- Cash equivalent reserves shall consist of cash instruments having a quality rating of A-2, P-2 or higher. Eurodollar Certificates of Deposit, Time Deposits, Repurchase Agreements are also acceptable investment vehicles.
- Any idle cash not invested by the investment managers shall be invested daily through an automatic sweep managed by the Custodian.

Real Estate

Real Estate exposure may be obtained via either a direct real estate strategy or a REIT (Real Estate Investment Trust) strategy.

- A direct real estate strategy would consist of using a professional investment manager which invests directly in underlying real estate, rather than obtaining real estate exposure via equity securities.
- The portfolio of a direct real estate strategy will be diversified geographically and across property sectors.

- A REIT strategy would consist of using an institutional mutual fund which invests in a diversified portfolio of underlying real estate investment trusts, which are companies that purchase office buildings, hotels, and other real estate property.

Natural Resources

- Natural resource exposure will be obtained via an institutional mutual fund.
- A natural resource fund may consist of commodities and/or equities of companies involved in the exploration, production and distribution of real assets.
- A natural resource fund may offer exposure to energy, precious and base metals, agriculture, alternative energy and other hard assets.

PROXY VOTING

Each investment manager/fund manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies in the best interest of the Plans. A copy of each firm's guidelines and/or summary of proxy votes shall be provided to the Board of Selectmen upon request.

CONTROL PROCEDURES

Duties and Responsibilities of the Investment Managers

The duties and responsibilities of each investment manager retained by the Trustees include the following:

- Managing the Plan assets under its care, custody and/or control in accordance with the Investment Policy Statement (IPS) objectives and guidelines set forth herein, and also expressed in separate written agreements when deviation is deemed prudent and desirable by the Pension Committee and Trustees.
- Exercising investment discretion (including holding cash equivalents as an alternative) within the IPS objectives and guidelines set forth herein.
- Promptly informing the Pension Committee and Trustees in writing regarding all significant and/or material matters and changes pertaining to the investment of Plan assets, including but not limited to:

Changes in investment strategy, portfolio structure, tactical approaches and significant market value of managed assets;

Changes in the ownership, organizational structure, financial condition, and/or professional staff of the investment manager; and

All material legal, SEC and other regulatory agency proceedings affecting the investment manager/fund manager.

- Promptly voting all proxies and related actions in a manner consistent with the long-term interests and objectives of the Plan set forth herein. Each investment manager shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto.
- Each investment manager shall utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like retirement plans with like aims in accordance and compliance with ERISA and all applicable laws, rules and regulations from local, state, federal and international entities as it pertains to fiduciary duties and responsibilities.
- Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire IPS set forth herein, and as modified in the future.

Investment Objectives

Investment performance will be reviewed quarterly to determine the continued feasibility of achieving the investment objectives and the appropriateness of the IPS for achieving those objectives.

It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

Monitoring of Investment Managers

On a timely basis, but not less than four times a year, the Pension Committee, on behalf of the Trustees will meet to focus on:

- Manager’s adherence to the IPS guidelines. Notable style drift/change in investment objective.
- High Manager Fees relative to peers.
- Material changes in the manager’s organization, investment philosophy and/or personnel; and
- Comparisons of the manager’s results to appropriate indices, over various times frames - 1,3,5,10 year and since inception, specifically:

Domestic Equity Managers:	Russell 3000 Index
Fixed Income Managers:	Barclay’s U.S. Aggregate Index, Citigroup World Government Bond Index
International Managers:	MSCI ACWI ex U.S. Index
T-Bills/Cash:	Institutional Money Market Index
Real Estate:	NCREIF Fund Index, NAREIT Fund Index
Natural Resources:	S&P North American Natural Resources Sector Index

In addition to the information covered during the quarterly reviews, the Pension Committee and the Trustees will meet not less than annually to focus on:

- The manager's performance relative to managers of like investment style or strategy. Each manager is expected to perform in the upper median of the manager's respective style universe.
- The Plans' performance results compared to the manager's overall performance figure to determine and account for dispersion between the manager's reported results and the Plans' actual results.

TERMINATION OF INVESTMENT/FUND MANAGER

An investment manager/fund manager may be terminated when the Board of Selectmen has lost confidence in the manager's ability to:

- Achieve performance and risk objectives.
- Comply with investment guidelines.
- Comply with reporting requirements.
- Maintain a stable organization and retain key investment professionals.

There are no hard and fast rules for manager termination. However, if the investment manager has consistently failed to adhere to one or more of the above conditions, termination may be considered. Failure to remedy the circumstances of unsatisfactory performance by the manager/fund, within a reasonable timeframe, may be grounds for termination.

Any recommendation to terminate a manager/fund will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include, but shall not be limited to, professional or client turnover, or material change to investment processes.

The process for selecting a replacement for a terminated manager would follow the criteria outlined in the Section of this Investment Policy Statement titled Selection Criteria for Investment/Fund Managers.

COORDINATION WITH PLAN DOCUMENT

Notwithstanding the foregoing, if a term or condition of this Investment Policy Statement conflicts with any term or condition in the Plans, the terms and conditions of the Plans shall control.

APPROVAL

It is understood that this Defined Benefit and Money Purchase Pension Plans Investment Policy is to be reviewed, not less than annually, by the Pension Committee and Board of Selectmen to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment manager/fund manager.

IN WITNESS WHEREOF, the Board of Selectmen has approved and caused this Investment Policy Statement to be executed by its duly authorized representative this _____ day of _____ 2016.

TOWN OF NEWTOWN

E. Patricia Llodra, First Selectman

EXHIBIT A

TARGET ASSET ALLOCATION Defined Benefit and Money Purchase Pension Plans October 1, 2016

<u>Asset Class</u>	<u>Min. Weight</u>	<u>Target Weight</u>	<u>Max. Weight</u>	<u>Benchmark</u>
Domestic Equities	22.0%	32.0%	42.0%	Russell 3000 Index
International Equities	15.5%	25.5%	35.5%	MSCI ACWI ex U.S. Index
Fixed Income	22.5%	32.5%	42.5%	Barclays U.S. Aggregate Index, Citigroup World Government Bond Index
Real Estate	0.0%	5.0%	10.0%	NCREIF Fund Index – ODCE, NAREIT Fund Index
Natural Resources	0.0%	2.5%	5.0%	S&P North American Natural Resources Sector Index
T Bills/Cash Equivalents	0.0%	2.5%	0.0%	Institutional Money Market Index

INVESTMENT POLICY STATEMENT

**TOWN OF NEWTOWN
OTHER POST-EMPLOYMENT BENEFITS PLAN**

**Amended and Restated
October 1, 2016**

**By
Newtown
Other Post-Employment Benefits Committee
For
The Board of Selectmen, Plan Trustees**

TABLE OF CONTENTS

Executive Summary	3
Purpose	4
Background	5
Investment Objectives	6
Responsibilities of Plan Representatives	7
Guidelines and Investment Policy	9
Asset Allocation	10
Rebalancing	11
Selection Criteria for Investment/Fund Managers	11
Security Guidelines	11
Proxy Voting	14
Control Procedures	14
Termination of Investment/Fund Manager	16
Coordination with the Plan Document	16
Investment Policy Statement Approval	17
Target Asset Allocation Table - Exhibit A	18

EXECUTIVE SUMMARY

Type of Plan	Other Post-Employment Benefits Plan		
Current Assets:	\$1,659,281.77 (As of June 30, 2016)		
Investment Time Horizon:	Greater than 10 Years		
Expected Return:	7.50% effective August 6, 2012		
Risk Tolerance:	Moderate		
Target Asset Allocation:	Domestic Equities	32.5%	
	International Equities	27.5%	
	Fixed Income	35.0%	
	Real Estate - REITs	5.0%	
Allocation Variance Limit:	10%		
Investment Manager:	Vanguard		
Evaluation Benchmark:	Total portfolio return to perform above the weighted average return of the indexes referenced in the Section "Monitoring of Investment Managers" on Page 15 of this Investment Policy Statement. This weighted average will be calculated by multiplying the appropriate index for each investment sector times the targeted weighting for each sector; e.g. domestic equities, international equities, etc. These weighted returns will then be added to obtain Portfolio return.		

PURPOSE

The purpose of this Investment Policy Statement (IPS) is to assist the Town of Newtown Plan Trustees and Other Post-Employment Benefits (OPEB) Plan Committee in effectively monitoring, supervising and evaluating the investment of the Town of Newtown Other Post-Employment Benefits Plan Plan's Assets.

The Plans' investment program is defined in the various sections of this IPS by:

- Stating in a written document the Trustee's and Committee's attitudes, expectations, objectives and guidelines for the investment of all Plan assets.
- Setting forth an investment structure for managing all Plan assets. This structure includes various asset classes, investment management styles, asset allocation and acceptable ranges that, in total, are expected to produce a sufficient level of overall diversification and total investment return over the long term.
- Providing guidelines for each investment portfolio that controls the level of overall risk and liquidity assumed in that portfolio so that all Plan assets are managed in accordance with stated objectives.
- Encouraging effective communications between the Trustees, the OPEB Committee and the Investment Manager(s)/Fund Manager(s).
- Establishing formalized criteria to monitor, evaluate and compare the performance results achieved by the Investment Manager(s)/Fund Manager(s).
- Complying with ERISA fiduciary, prudence and due diligence requirements that experienced investment professionals would utilize and with all applicable laws, rules and regulations from various local, state, federal and international entities that may impact Plan assets.
- Defining the responsibilities of the Board of Selectmen, the Other Post-Employment Benefits (OPEB) Committee, the Custodian and other parties responsible for the management of the Plan.

This IPS has been arrived at upon consideration by the Trustees and OPEB Committee of the implications of a wide range of policies. It describes the prudent investment process that the Trustees and OPEB Committee deem appropriate.

BACKGROUND

The Town of Newtown, Connecticut established a plan for other post-employment benefits including retiree medical benefits. The Board of Selectmen, as Trustees of the plan, are responsible for overall investment policy governing management of the plan's assets. The OPEB Committee acts as advisor to the Board of Selectmen. The OPEB Committee studies and discusses the issues that are involved in the administration and investment of the OPEB funds and recommends action to the Board of Selectmen. The OPEB Committee and Trustees will discharge their responsibilities under the plan solely in the long-term interests of plan participants and their beneficiaries.

Key Information

Name of Plan:	The Town of Newtown Other Post-Employment Benefits Plan
Plan Sponsor:	Town of Newtown
Trustees:	Board of Selectmen
Custodian:	Wells Fargo Bank, NA
Third Party Plan Administrator:	T. R. Paul, Inc.
Investment Manager:	Vanguard

INVESTMENT OBJECTIVES

The investment objectives of the Plan have been established in accordance with sound investment practices that emphasize long-term investment fundamentals. The Board of Selectmen have taken into account the current and projected financial requirements of the Plan, the time horizon available for investment, the nature of the Plan's cash flows and liabilities along with other factors that affect their risk tolerance.

The Investment Objectives are:

- To achieve a rate of return to meet the Plan's actuarial target interest rate.
- To maintain sufficient liquidity to meet Plan benefit obligations and expenses.
- To diversify Plan assets to minimize the risk of large losses or excessive fluctuations in market value from year to year.
- To achieve long term investment results that compare favorably with similarly invested pension plans and of appropriate market indices.
- To maintain a prudent level of risk that balances growth with the need to preserve capital.

RESPONSIBILITIES OF PLAN REPRESENTATIVES

BOARD OF SELECTMEN

The Board of Selectmen, as Trustees for the Town of Newtown Other Post-Employment Benefits (OPEB) Plan, are the sole entity responsible for administering the OPEB Fund. In accordance with this responsibility, the Trustees provide investment oversight for management of Plan assets and development of the Investment Policy Statement on behalf of the Plan and its intended beneficiaries; the current active members, retirees and their dependents.

The Board of Selectmen's responsibilities include:

- Establishing and maintaining the Plan's investment policy, objectives and portfolio guidelines with respect to asset allocation, risk parameters, return evaluation, specific interpretation of the investment policy, selecting the investment vehicles and periodically monitoring the performance of investments.
- Establishing rules or other resolutions governing the Plan's investment policy.
- Delegating to other Board Members, the OPEB Committee or Agents the authority to act on behalf of the Plans.
- Determining the retention, discharge or selection of any Investment Manager/Fund Manager, Custodian and Investment Consultant. The Board of Selectmen shall also establish the amount of funds to be allocated to any Investment Manager/Fund Manager and determine when funds will be reallocated.
- Complying with the fiduciary standards of the Employee Retirement Income Security Act (ERISA) in performing its investment duties. Discharging their duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. In addition, the Board of Selectmen are governed by the CT Prudent Investor Rule. The Board of Selectmen recognize some risk must be assumed to achieve the Plan's long-term objectives.
- Meeting, not less than annually, with the OPEB Committee to review the status of Plan portfolios, hear recommendations from OPEB Committee and Investment Consultant.

OPEB COMMITTEE

The OPEB Committee is appointed by the Board of Selectmen and serves in an advisory role with respect to the administration and investment oversight of Plan assets. The Committee provides guidance and insight into Plan provisions and monitors and reports to the Trustees on the Plan performance.

The responsibilities of the OPEB Committee are:

- To serve as Advisors to the Board of Selectmen with respect to reviewing the recommended asset allocation, risk parameters, return evaluation, specific interpretations of the Investment Policy, reviewing recommended investment vehicles for the Plan, selecting the appropriate investment and marking a recommendation to the Trustees for the Plan portfolio along with periodically reporting on the performance of Plan investments.

- To ensure the Statement of Investment Policy, along with other policy guidance and directives outlined by the Trustees, is properly implemented.
- To review the monthly Trust reports with respect to the status and value of Plan assets and report any exceptions or major variances to the Board of Selectmen. The Committee recognizes that some risk must be assumed to achieve the Plan's long-term objectives.
- Monitor the performance of Plan investments not less than quarterly. Meet with the Investment Consultant to review and discuss Plan performance and report to the Board of Selectmen.
- To discharge their duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing and to comply with the ERISA fiduciary standards and the CT Prudent Investor Rule.
- To meet with the Board of Selectmen, not less than annually, to review the status of the Plan investments, their performance, the Investment Policy Statement and any changes that the Committee in consult with the Investment Consultant might feel appropriate to suggest.

INVESTMENT CONSULTANT

The Board of Selectmen may engage the services of an Investment Consultant as a Non-Discretionary Advisor to the OPEB Committee and the Board of Selectmen. The Investment Consultant will assist the OPEB Committee and Board of Selectmen in the development and periodic review of an Investment Policy Statement along with the Plan's asset allocation. The Consultant will also conduct investment manager searches when necessary, monitor the performance of the Investment Manager/Fund Manager, make timely recommendations regarding any change in Investment Manager/Fund Manager and communicate on other matters of relevance to the oversight of the OPEB Plan.

CUSTODIAN

The Board of Selectmen shall retain a bank or trust company to act as Custodian for Plan assets. The Custodian is responsible for safekeeping and custody of assets. The Custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plans, collect dividends and interest payments, redeem maturing securities and effect receipt and delivery following purchases and sales. The Custodian will perform regular accounting of all assets owned, purchased or sold, as well as movement of assets into and out of the Plan's accounts.

GUIDELINES AND INVESTMENT POLICY

Time Horizon

The investment guidelines are based upon an investment horizon of greater than 10 years so that interim fluctuations should be viewed with appropriate perspective. Similarly, the Plan's strategic asset allocation is based on this long-term perspective.

There is a requirement to maintain sufficient liquid reserves to provide for the payment of retirement benefits.

Risk Tolerances

The Trustees recognize the difficulty of achieving the Plan's investment objectives in light of the uncertainties and complexities of contemporary investment markets. The Trustees also recognize that some risk must be assumed to achieve the Plan's long-term investment objectives.

In establishing the risk tolerances of the IPS, the ability to withstand short and intermediate term variability were considered. These factors were:

- The Plan's strong financial condition enables it to adopt a long-term investment perspective.
- Demographic characteristics of participants suggest an average risk tolerance due to the average age of the work force.
- In summary, the Plan's prospects for the future, current financial condition and several other factors argue collectively that the Plan can tolerate some interim fluctuations in market value and rates of return in order to achieve long-term objectives.

Performance Expectations

Over a complete business cycle, the Plan's overall annualized total return, after deducting for advisory, investment/fund management, custodial fees, other Plan expenses as well as total transaction costs, should perform above the weighted average return of the indices referenced in the Section "Monitoring of Investment Managers" on Page 15 of this Investment Policy Statement. This weighted average will be calculated by multiplying the appropriate index for each investment sector times the targeted weighting for each sector, e.g., domestic equities, domestic fixed income, international equities, etc. The weighted returns will then be added to obtain an overall portfolio index return.

ASSET ALLOCATION

The Trustees believe that the Plan's risk and liquidity posture, is in large part, a function of asset class mix. The Trustees have reviewed the long-term performance characteristics of various asset classes, focusing on balancing the risks and rewards of market behavior. Four major asset classes were selected:

- Domestic Equities
- International Equities
- Domestic Fixed Income
- Real Estate - REITS

Based on the Plan's time horizon, risk tolerances, performance expectations and asset class constraints, an efficient or optimal portfolio was identified. The percentage allocation to each asset class may vary as much as plus or minus 10% depending upon market conditions. Asset allocation target ranges are set forth in Exhibit A.

There are two exceptions to the 10% allocation variance limitation. First, in making normal changes to the portfolio, i.e., selling one security and replacing it with another security, the portfolio allocation of an asset class may temporarily fall below the 10% variance from the target allocation. Second, if in the opinion of the investment manager/fund manager, the principal of the Plan is at risk due to extraordinary market conditions, the investment manager/fund manager shall have the authority to liquidate securities, notwithstanding the fact that this causes an asset class to fall below the allocation variance limitation. If, for either of the above reasons, the portfolio asset allocation is outside the variation tolerance for a period exceeding 10 consecutive days, the investment manager/fund manager shall notify the Chairman of the OPEB Committee of the variance, the reasons for the variance and recommendations for future investment options. The Chairman of the OPEB Committee shall then notify the Trustees within a reasonable amount of time.

The following securities and transactions are not authorized:

- Letter stock and other unregistered securities
- Commodities or other commodity contracts
- Short sales or margin transactions
 - Mutual Funds that "SHORT" and Mutual Funds that use leverage (margin) may be used as investment vehicles provided the entire equity portion of the portfolio is NOT net "SHORT" and not net leveraged (On Margin)
- Securities Lending
- Futures and Options, except within Funds

REBALANCING

The Board of Selectmen, in its discretion, may or may not institute rebalancing as necessary. Such adjustments should be executed with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

SELECTION CRITERIA FOR INVESTMENT/FUND MANAGERS

Investment managers/fund managers retained by the Plan shall be chosen using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate market indices and other investments having similar investment objectives. Consideration shall be given to both consistency of performance and the level of risk taken to achieve results.
- The investment style and discipline of the investment manager/fund manager.
- How well the investment manager's/fund manager's investment style or approach complements other assets in the Plan.
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund.
- Be a bank, insurance company or investment adviser as defined by the Registered Investment Advisers Act of 1940.

The Plan will utilize a multi-manager structure of complementary investment styles and asset classes to invest the Plan's assets.

Should additional contributions and/or market value growth permit, the Board of Selectmen may retain additional investment managers/fund managers to invest the assets of the Plan. Additional managers would be expected to diversify the Plan by investment style, asset class, and management structure and thereby enhance the probability of the Plan achieving its long-term investment objectives

SECURITIES GUIDELINES

The Plan's investments may include separately managed accounts and/or mutual funds including marketable alternatives and exchange traded funds. The Board of Selectmen understands that the investment managers/fund managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the Investment Policy Statement of each of the Plan's separately managed accounts or in the prospectus/offering memorandum for each mutual fund/exchange traded fund in the portfolio. No individual securities will be purchased or carried on margin.

Domestic Equities

Each Domestic Equity Manager is expected to adhere to the following guidelines:

- Equity holdings shall be restricted to mutual funds or readily marketable securities of corporations that are actively traded on the major US exchanges including NASDAQ.

- The investment manager/fund manager shall have the discretion to invest a portion of the assets in cash reserves when they deem appropriate. However, the investment manager/fund manager will be evaluated against their peers on the performance of the total funds under their direct management.
- High yield bonds are higher risk investment vehicles and are not acceptable in the lower risk fixed income portion of the portfolio. However, there are certain periods in the economic cycle, when high yield bonds can provide an investment return with less risk/volatility than equities. Therefore, Equity Managers will be permitted to invest a portion of the “equity” portion of the OPEB portfolio in the high yield sector (bonds below investment grade) provided the investment is made in mutual funds (for diversification) and does not comprise more than 10% of the equity portion of the portfolio.
- From time to time, an initial investment of no more than 10% of the equity portfolio may be positioned in one or more commodity mutual funds. This is a unique strategy and differs from a mutual fund investment that owns companies that are involved in industries related to commodities. For example, a mutual fund that holds an integrated oil company or a natural gas driller or a mining company is not the same as a commodities fund. A commodities fund provides the investor with investment exposure to the commodity directly (i.e. gold, wheat, potash).
- Up to 10% of the equity portfolio strategy may be invested in Mutual Funds which short the fixed income market.

Domestic Fixed Income

It is the intent of the Plan to eliminate all individual bond holdings and invest in bond mutual funds. However, until such time, each fixed income investment manager is expected to adhere to the following guidelines as long as the portfolio holds individual bonds:

- All fixed income securities held in the portfolio shall have had a Moody’s, Standard & Poor’s and/or a Fitch’s credit quality rating of no less than “BBB” at time of purchase. Unrated securities of the US Treasury and US Government Agencies are qualified for inclusion in the portfolio. No more than 20% of the market value of the fixed income portfolio shall be rated less than single “A” quality, unless the investment manager has specific written authorization from the Trustees.
- The exposure of the portfolio to any one company, other than securities of the US Government, shall not exceed 10% of the market value of the domestic fixed portfolio.
- Holdings of individual bonds shall be large enough for easy liquidation.
- In selection of future bond funds recommended, the OPEB Committee needs to review Prospectuses/Offering Memoranda before investment selection is taken.
- Liquidate bonds as practicable and prudent.

Foreign Equities

Each foreign equity manager is expected to adhere to the following guidelines:

- There shall be no direct foreign currency speculation or any related investment activity.

- **Mutual Funds**

With respect to mutual funds, The Board of Selectmen will consider the following to insure proper diversification and function for each of the funds:

- The mutual fund selected should demonstrate;
 1. A clearly defined investment philosophy,
 2. A consistent investment process,
 3. An experienced and stable organization, and
 4. Cost effectiveness.
- The mutual fund used will generally have at least a full three-year track record and the individual fund must have at least \$25 million under management at the time of selection.
- Each mutual fund will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
- With respect to hedge fund-of-funds, in addition to meeting each of the three above specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

T-Bills/Cash Equivalent

- Cash equivalent reserves shall consist of cash instruments having a quality rating of A-2, P-2 or higher. Eurodollar Certificates of Deposit, Time Deposits, Repurchase Agreements are also acceptable investment vehicles.
- Any idle cash not invested by the investment managers shall be invested daily through an automatic sweep managed by the Custodian.

Real Estate

Exposure to real estate may be obtained via a REIT (Real Estate Investment Trust) strategy:

- A REIT strategy would consist of using an institutional mutual fund which invests in a diversified portfolio of underlying real estate investment trusts which are companies that purchase office buildings, hotels and other real estate property.

PROXY VOTING

Each investment manager/fund manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies in the best interest of the Plan. A copy of each firm's guidelines and/or summary of proxy votes shall be provided to the Board of Selectmen upon request.

CONTROL PROCEDURES

Duties and Responsibilities of the Investment Managers

The duties and responsibilities of each investment manager retained by the Trustees include the following:

- Managing the Plan assets under its care, custody and/or control in accordance with the Investment Policy Statement (IPS) objectives and guidelines set forth herein, and also expressed in separate written agreements when deviation is deemed prudent and desirable by the OPEB Committee and Trustees.
- Exercising investment discretion (including holding cash equivalents as an alternative) within the IPS objectives and guidelines set forth herein.
- Promptly informing the OPEB Committee and Trustees in writing regarding all significant and/or material matters and changes pertaining to the investment of Plan assets, including but not limited to:
 - Changes in investment strategy, portfolio structure, tactical approaches and significant market value of managed assets;
 - Changes in the ownership, organizational structure, financial condition, and/or professional staff of the investment manager; and
 - All material legal, SEC and other regulatory agency proceedings affecting the investment manager/fund manager.
- Promptly voting all proxies and related actions in a manner consistent with the long-term interests and objectives of the Plan set forth herein. Each investment manager shall keep detailed records of said voting of proxies and related actions and will comply with all regulatory obligations related thereto.
- Each investment manager shall utilize the same care, skill, prudence and due diligence under the circumstances then prevailing that experienced, investment professionals acting in a like capacity and fully familiar with such matters would use in like activities for like OPEB plans with like aims in accordance and compliance with ERISA and all applicable laws, rules and regulations from local, state, federal and international entities as it pertains to fiduciary duties and responsibilities.
- Acknowledge and agree in writing to their fiduciary responsibility to fully comply with the entire IPS set forth herein, and as modified in the future.

Investment Objectives

Investment performance will be reviewed quarterly to determine the continued feasibility of achieving the investment objectives and the appropriateness of the IPS for achieving those objectives.

It is not expected that the IPS will change frequently. In particular, short-term changes in the financial markets should not require adjustments to the IPS.

Monitoring of Investment Managers

On a timely basis, but not less than four times a year, the OPEB Committee, on behalf of the Trustees will meet to focus on:

- Manager's adherence to the IPS guidelines. Notable style drift/change in investment objective.
- High Manager Fees relative to peers.
- Material changes in the manager's organization, investment philosophy and/or personnel; and
- Comparisons of the manager's results to appropriate indices, over various times frames - 1,3,5,10 year and since inception, specifically:

Domestic Equity Managers:	Russell 3000 Index
Fixed Income Managers:	Barclay's U.S. Aggregate Index
International Managers:	MSCI ACWI ex U.S. Index
Real Estate - REITs	MSCI U.S. REIT Index

In addition to the information covered during the quarterly reviews, the OPEB Committee and the Trustees will meet not less than annually to focus on:

- The manager's performance relative to managers of like investment style or strategy. Each manager is expected to perform in the upper median of the manager's respective style universe.
- The Plan's performance results compared to the manager's overall performance figure to determine and account for dispersion between the manager's reported results and the Plan's actual results.

TERMINATION OF INVESTMENT/FUND MANAGER

An investment manager/fund manager may be terminated when the Board of Selectmen has lost confidence in the manager's ability to:

- Achieve performance and risk objectives.
- Comply with investment guidelines.
- Comply with reporting requirements.
- Maintain a stable organization and retain key investment professionals.

There are no hard and fast rules for manager termination. However, if the investment manager has consistently failed to adhere to one or more of the above conditions, termination may be considered. Failure to remedy the circumstances of unsatisfactory performance by the manager/fund, within a reasonable timeframe, may be grounds for termination.

Any recommendation to terminate a manager/fund will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include, but shall not be limited to, professional or client turnover, or material change to investment processes.

The process for selecting a replacement for a terminated manager would follow the criteria outlined in the Section of this Investment Policy Statement titled Selection Criteria for Investment/Fund Managers.

COORDINATION WITH PLAN DOCUMENT

Notwithstanding the foregoing, if a term or condition of this Investment Policy Statement conflicts with any term or condition in the Plan, the terms and conditions of the Plan shall control.

APPROVAL

It is understood that this Other Post-Employment Benefits Plan Investment Policy is to be reviewed, not less than annually, by the OPEB Committee and Board of Selectmen to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment manager/fund manager.

IN WITNESS WHEREOF, the Board of Selectmen has approved and caused this Investment Policy Statement to be executed by its duly authorized representative this _____ day of _____ 2016.

TOWN OF NEWTOWN

E. Patricia Llodra, First Selectman

EXHIBIT A

TARGET ASSET ALLOCATION Other Post-Employment Benefit Plan October 1, 2016

<u>Asset Class</u>	<u>Min. Weight</u>	<u>Target Weight</u>	<u>Max. Weight</u>	<u>Benchmark</u>
Domestic Equities	22.5%	32.5%	42.5%	Russell 3000 Index
International Equities	17.5%	27.5%	37.5%	MSCI ACWI ex U.S. Index
Fixed Income	25.0%	35.0%	45.0%	Barclays U.S. Aggregate Index
Real Estate	0.0%	5.0%	10.0%	MSCI U.S. REIT Index

**TOWN OF NEWTOWN
PENSION / OPEB ESTIMATED ANNUAL FEE ANALYSIS
USING JUNE 30, 2016 MARKET VALUE**

Market Value:

Pension	34,706,794
OPEB	1,424,397
Total	<u>36,131,191</u>

	<u>Market Value</u>	<u>Expense Ratio</u>	<u>Fee Amount</u>
--	---------------------	----------------------	-------------------

CURRENT PLANWestport Resources Managerial Fee:

First \$8,000,000	8,000,000	0.60%	\$ 48,000
Remaining Balance	28,131,191	0.50%	\$ 140,656
Total Estimated Fee Amount			<u>\$ 188,656</u>

Underlying Investment Manager Fees:

Pension	34,706,794	0.54%	\$ 187,417
OPEB	1,424,397	0.55%	\$ 7,834
Total Estimated Underlying Fee Amount			<u>\$ 195,251</u>

TOTAL ESTIMATED ANNUAL FEE AMOUNT\$ 383,907**FIA PROPOSED PLAN I**Fiduciary Investment Advisors Annual Flat Fee Amount

\$ 35,000

Underlying Investment Manager Fees:

Pension	34,706,794	0.54%	\$ 187,417
OPEB	1,424,397	0.55%	\$ 7,834
Total Estimated Underlying Fee Amount			<u>\$ 195,251</u>

TOTAL ESTIMATED ANNUAL FEE AMOUNT\$ 230,251**FIA PROPOSED PLAN II AS CHOSEN BY THE PENSION COMMITTEE *****Fiduciary Investment Advisors Annual Flat Fee Amount

\$ 35,000

Underlying Investment Manager Fees:

Pension	34,706,794	0.05%	\$ 17,353
OPEB	1,424,397	0.05%	\$ 712
Total Estimated Underlying Fee Amount			<u>\$ 18,066</u>

TOTAL ESTIMATED ANNUAL FEE AMOUNT\$ 53,066

***Initial plan of managing bonds would add an additional \$38,000 to fees (per annum) bringing the estimated total to \$91,066.

Newtown Portfolio Options



Pension Committee Proposed Future Portfolio

Pension Committee Recommended Initial Portfolio

Originally Proposed Portfolio

Fund/Manager	Target Allocation	Expense Ratio	Fund/Manager	Target Allocation	Expense Ratio
Prudential Total Return Bond Q	10.0%	0.46%	Vanguard Total Bond Index I	35.0%	0.05%
Western Asset Clore Plus IS	10.0%	0.42%	<i>Fixed Income Subtotal</i>	35.0%	
BlackRock Strategic Income Opps K	7.5%	0.57%	Vanguard Institutional Index I	22.0%	0.04%
Legg Mason BW Global Opps IS	5.0%	0.56%	Vanguard Extended Market Adm	10.0%	0.09%
<i>Fixed Income Subtotal</i>	32.5%		<i>Domestic Equity Subtotal</i>	32.0%	
Vanguard Institutional Index I	22.0%	0.04%	Vanguard Developed Markets I	24.0%	0.07%
Vanguard Mid Cap Index Adm	5.0%	0.08%	Vanguard Emerging Markets Adm	4.0%	0.15%
Boston Partners Small Cap Value II	2.5%	1.10%	<i>International Equity Subtotal</i>	28.0%	
Nationwide Geneva SC Growth InSvc	2.5%	1.16%	Vanguard REIT Index Adm	5.0%	0.12%
<i>Domestic Equity Subtotal</i>	32.0%		<i>Real Estate Subtotal</i>	5.0%	
Causeway International Value I	12.0%	0.90%	TOTAL PORTFOLIO	100.0%	0.06%
Oppenheimer International Growth I	12.0%	0.70%			
Harding Loevner Emerging Markets I	4.0%	1.30%			
<i>International Equity Subtotal</i>	28.0%				
Cornstone Patriot Fund	5.0%	1.10%			
<i>Real Estate Subtotal</i>	5.0%				
Van Eck Global Hard Assets I	2.5%	1.00%			
<i>Natural Resources Subtotal</i>	2.5%				
TOTAL PORTFOLIO	100.0%	0.55%	TOTAL PORTFOLIO	100.0%	0.06%

Source of Expense Ratios: Morningstar

Indexed Portfolio with Current Allocations

Fund/Manager	Target Allocation	Expense Ratio	Fund/Manager	Target Allocation	Expense Ratio
Vanguard Total Bond Index I	40.0%	0.05%	Vanguard Institutional Index I	30.0%	0.04%
<i>Fixed Income Subtotal</i>	40.0%		Vanguard Extended Market I	15.0%	12.0%
			<i>Domestic Equity Subtotal</i>	45.0%	42.0%
			Vanguard Developed Markets I	15.0%	18.0%
			<i>International Equity Subtotal</i>	18.0%	18.0%
			TOTAL PORTFOLIO	100.0%	0.05%

***See attached. Bonds will be transferred to an asset advisor. Once matured or sold proceeds will be used to by Vanguard Total Bond Index I (within the allocation %)

FIXED INCOME - BOND PLAN:

Would use Asset Advisor program at a fee rate of around .34%. This strategy would not be discretionary as any trading would be done with the authority of the board, but would allow program to maintain the current bond holdings in their entirety and slowly diversify over time as paper matures. The proceeds of the matured paper could then be invested in Vanguard Total Bond Index I. (up to the allocation %)

TOWN OF NEWTOWN
BOARD OF SELECTMEN CIP - (2017 - 2018 TO 2021 - 2022) - WORKING REQUEST

RANK	2017 - 2018 (YEAR ONE)			Proposed Funding			
	BOARD OF SELECTMEN	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
	Capital Road Program	PW	2,750,000	1,000,000		1,750,000	
	Bridge Replacement Program	PW	525,000	525,000			
	New Senior Center - Design & Construction	Sr Svs	3,000,000	3,000,000			
	Treadwell Pool Deck Replacement	P & R	400,000	400,000			
	Edmond Town Hall Air Conditioning Project	ETH	571,000	571,000			
	Library Renovations	LIB	273,000	273,000			
	Police Facility Design	POLICE	500,000	500,000			
	Town Sidewalk/Streetscape Plan	ECON DEV	350,000	350,000			
	Open Space Acquisition Program	LAND USE	500,000	500,000			
	TOTALS	>>>>>>>	8,869,000	7,119,000	-	1,750,000	-
RANK	2018 - 2019 (YEAR TWO)			Proposed Funding			
	BOARD OF SELECTMEN	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
	Capital Road Program	PW	3,000,000	1,000,000		2,000,000	
	Bridge Replacement Program	PW	525,000	525,000			
	Truck Washing Station - Design	PW	50,000	50,000			
	FFH Building Remediation / Demolition	FFH	2,000,000	2,000,000			
	Eichlers Cove Improvements Phase (2 of 2)	P & R	500,000	500,000			
	Edmond Town Hall Renovations	ETH	268,000	268,000			
	Library Renovations	LIB	290,000	290,000			
	Police Facility - Construction Phase (1 OF 2)	POLICE	5,000,000	5,000,000			
	Town Sidewalk/Streetscape Plan	ECON DEV	150,000	150,000			
	Brownfields Remediation/Re-purposing	ECON DEV	200,000	200,000			
	TOTALS	>>>>>>>	11,983,000	9,983,000	-	2,000,000	-
RANK	2019 - 2020 (YEAR THREE)			Proposed Funding			
	BOARD OF SELECTMEN	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
	Capital Road Program	PW	2,250,000			2,250,000	
	Bridge Replacement Program	PW	525,000	525,000			
	Truck Washing Station - Construction	PW	550,000	550,000			
	Police Facility - Construction Phase (2 OF 2)	POLICE	5,000,000	5,000,000			
	Town Sidewalk/Streetscape Plan	ECON DEV	150,000	150,000			
	Brownfields Remediation/Re-purposing	ECON DEV	200,000	200,000			
	Open Space Acquisition Program	LAND USE	250,000	250,000			
	FFH Building Remediation / Demolition	FFH	1,000,000	1,000,000			
	Fairfield Hills Trail / Infrastructure	P & R	500,000	500,000			
	Tilson Artificial Turf Replacement	P & R	500,000				500,000
	Edmond Town Hall Theater Renovations	ETH	250,000	250,000			
	Library Renovations	LIB	350,000	350,000			
	TOTALS	>>>>>>>	11,525,000	8,775,000	-	2,250,000	500,000
RANK	2020 - 2021 (YEAR FOUR)			Proposed Funding			
	BOARD OF SELECTMEN	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
	Capital Road Program	PW	2,500,000			2,500,000	
	Bridge Replacement Program	PW	538,000	538,000			
	Radio System Upgrade and Console	ECC	1,775,000	1,775,000			
	Town Sidewalk/Streetscape Plan	ECON DEV	200,000	200,000			
	Brownfields Remediation/Re-purposing	ECON DEV	150,000	150,000			
	FFH Building Remediation / Demolition	FFH	3,000,000	3,000,000			
	Dickinson Park Bathhouse & Splashpad	P & R	850,000	850,000			
	Open Space Acquisition Program	LAND USE	250,000	250,000			
	Edmond Town Hall Parking Lot Improvements	ETH	450,000	450,000			
	Library Renovations	LIB	345,000	345,000			
	TOTALS	>>>>>>>	10,058,000	7,558,000	-	2,500,000	-
RANK	2021 - 2022 (YEAR FIVE)			Proposed Funding			
	BOARD OF SELECTMEN	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
	Capital Road Program	PW	2,500,000			2,500,000	
	Bridge Replacement Program	PW	473,000	473,000			
	Town Sidewalk/Streetscape Plan	ECON DEV	350,000	350,000			
	FFH Building Remediation / Demolition	FFH	3,000,000	3,000,000			
	Dickinson Pavilion Replacement	P & R	450,000	450,000			
	Duplex Remediation for P & R use and programming	P & R	800,000	800,000			
	Open Space Acquisition Program	LAND USE	250,000	250,000			
	Edmond Town Hall Renovations	ETH	253,000	253,000			
	TOTALS	>>>>>>>	8,076,000	5,576,000	-	2,500,000	-
	GRAND TOTALS		50,511,000	39,011,000	-	11,000,000	500,000

Community Center – summary of activity and planning to date

The community center project was passed by referendum on April 5, 2016. A copy of the explanatory text of the ballot question is attached as are voting results.

As that explanatory text suggest, the project proposal calls for a facility with two main features: an aquatics component and flexible/programmable spaces for general community use.

The Community Center Committee, a citizen group of ten persons, committed many months of effort to interact and communicate with the community regarding the project. It is through these efforts that the program and facility options were clarified and identified, leading to the conclusion that flexible/programmable space and an aquatics component are most desired by the community. A contingent of the community also called for consideration of an indoor ice feature. That feature did not emerge ultimately as a preferred option, but remains an item of interest.

The Community Center Committee focused considerable attention on developing a plan for the facility and its programming which would end up not being a tax burden on the community once the GE annual support of \$1 million ended in five years. The commitment to establish a facility that could be revenue/cost neutral was influential and impactful and, in the opinion of this writer, contributed to the successful referendum action.

Subsequent to the referendum action, Sports Facility Associates (SFA) was contracted to perform additional diligence regarding projected construction and operational costs. This step is important in our effort to build and operate a facility that adds value to Newtown, but not add an unsustainable tax burden. This additional diligence is important too so that when we do go out to bid we can be clear and definite in what we are seeking and are then most able to select the best respondent.

SFA first reported to us that the costs to construct a 50-meter pool were much more than our internal numbers projected. Our budget is tight at \$15 million: a \$10 gift from GE and \$5 million in bonded debt. The consultant was then directed to build a proposal with a 25 yard pool and related programming. Again, the goal is to meet the main concepts of the referendum question: an aquatics component and flexible/programmable space.

In a conference call on Tuesday, August 23, SFA representatives reported out positive news regarding the construction question, showing that the 25 yard pool with all support features, along with flexible/programmable space for community use can be built for the \$15 million fund. However, SFA consultants developed a programming plan for space use that demonstrated that revenue would not meet operational costs. The gap between revenues and expenditures is now being fully analyzed by Committee members as well as the town government and the owner's representative for the project.

We will follow up with SFA to explore questions and concerns about their projections. Ultimately, once all the data is refined and we have confidence in what we are projecting, a decision will be made as to the components of the community center facility. We remain hopeful that a facility will be underway within the very near future.

TOWN OF NEWTOWN

BALLOT EXPLANATORY TEXT

April 5, 2016 Referendum

*Prepared by Debbie Aurelia Halstead, Newtown Town Clerk
In accordance with C.G.S. 9-369b*

“Shall the \$14,550,000 special appropriation and \$5,000,000 bond authorization for the planning, design, and construction of a Newtown Community Center be approved?”

If approved at referendum, \$14,550,000 will be appropriated to plan, design, and construct a community center for the Town of Newtown. **Five million dollars (\$5,000,000) of that amount is to be bonded as identified in the approved 2016-2017 Capital Improvement Plan.** The balance of the money comes from a \$10,000,000 grant to the Newtown community from the GE Corporation.

The project anticipates a facility of some 43,000 square feet comprised of two main features, including at least 13,000 sq ft of flexible, programmable space for general community use and an aquatics component with two pools, a lap pool of up to 50 meters and a zero-entry pool. The facility will be located on the Fairfield Hills Campus, adjacent to the NYA. Site work, parking and support features such as locker rooms, offices, and bathrooms are included in the project.

This resolution adopted by the Board of Selectmen, Board of Finance, and Legislative Council is submitted to a referendum vote of electors of the Town and persons qualified to vote who are not electors to be held at the **Newtown Middle School located at 11 Queen Street on Tuesday, April 5, 2016, between the hours of 6:00 a.m. and 8:00 p.m. Applications for absentee ballot should be made to the Office of the Town Clerk at 3 Primrose Street, Newtown, Ct.**

The full text of the resolution as prepared by Robinson & Cole and adopted by town government is on file and available for public inspection in the Office of the Town Clerk, 3 Primrose Street, Newtown CT.