

**THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE**

The Board of Finance held a regular on Monday, November 13, 2017 in the Council Chambers at the Municipal Center, 3 Primrose Street, Newtown, CT. Chairman John Godin called the meeting to order at 7:30pm.

**Present:** James Gaston, John Godin, Kelley Johnson, Mark Boland, Sandy Roussas, Aaron Carlson

**Also Present:** Finance Director Robert Tait, First Selectman Pat Llodra, Keith Alexander, Dan Rosenthal, Roger Cyr, Steve Hinden and one member of the press.

**VOTER COMMENT** – None

**COMMUNICATIONS** – None

**MINUTES** – Mr. Gaston moved to accept the minutes of the 10/26/17 meeting. Ms. Johnson seconded, motion unanimously approved.

**FIRST SELECTMAN REPORT** – First Selectman Llodra shared a memo regarding Newtown state aid from the approved 2017-2018 state budget (Attachment B). She explained that when the LC did the final budget deliberations before it went to referendum, they removed \$1,032,000 from the BOE budget with the promise that if that money didn't materialize it would be made whole. One of the first things that need to happen is an appropriation to make them whole. A second consideration is when the automobile tax bills were sent out, they were capped. The difference between the capped mill rate and the town's mill rate should come out of state aid as well. There was also a recommendation from the BOS for a schedule for full funding of the pension (\$188,000), Roads (\$250,000), and repairs/maintenance for school facilities (\$135,000).

**FINANCE DIRECTORS REPORT** – None

**UNFINISHED BUSINESS**

*2018-2019 to 2022-2023 CIP* – Ms. Johnson briefly reviewed her report from a meeting with the CH Booth Library regarding the CIP proposal (Attachment B).

Mr. Tait provided a bond forecast schedule to get to a 8.5% debt ratio (Attachment C). The board discussed different options. First Selectman Llodra explained that this is a planning document and only year one is critical. The rest are movable parts.

Mr. Godin explained that it is his perspective that they would make a CIP recommendation to the LC and recommended that they send it back to the BOS. And also make a recommendation per the CIP policy draft what goes to referendum.

Currently, 10% is the cap, 9% is a bench mark for AAA bonding. Mr. Gaston explained that that this is going to get readdressed in the near future. He is looking at a CIP that fits within the 8.5%. The Debt Policy will be revisited in odd years.

Ms. Roussas articulated that we should be taking a holistic view. There should be forethought for subsequent years. If we are going to go into the practice of belt tightening it has to happen gradually, not all at once.

Mr. Gaston moved the 2018-2019 to 2022-2023 CIP as presented with the recommendation to the LC that it go back to the BOS for their review. If there are further changes it comes back to the BOF. Ms. Johnson seconded. Motion passes 4 yes (Boland, Johnson, Gaston, Godin ) to 2 no (Carlson, Roussas)

Mr. Gaston moved that they recommend the LC, with respect the CIP, the referendum items are Bridges, Roads and Middle Gate roof. Remaining items are to be designated by the LC. Ms. Johnson seconded, motion unanimously approved.

#### **NEW BUSINESS**

Transfer: Mr. Gaston moved a transfer of \$17,500 from contingency to fees and professional services. Ms. Johnson seconded, motion unanimously approved.

**Voter Comments – None**

**Announcements –** John congratulated all the incumbent board members and new members. Members thanked Jim Gaston and John Godin for chairing the board.

Having no further business, the meeting was adjourned at 8:38pm

Respectfully Submitted,  
Arlene Miles, Clerk

# Attachment A

## **Memo re Newtown state aid from the approved 2017-2018 state budget.**

The State of Connecticut has an approved budget for fiscal 2018. We now have knowledge of the amount of state aid which will come through various state grants, including ECS and Excess Cost, as well as other grant programs. As promised during our budget deliberations in March/April of this year, once the amount of state aid is known, decisions made during the budget development process are to be reviewed and modified as needed. Please consider the following.

- 1) The anticipated 'new' grant program for special ed which would have provided funds to Newtown BoE did not materialize. Spec Ed funding approach remains as was done in the past. The LC agreed to restore the \$1,032,000 to the BoE budget should there be no separate grant funding.
- 2) The LC developed a schedule of other areas for partial to whole restitution should the state budget provide more aid funds for Newtown than what was anticipated in the approved local budget (LC minutes April 5, 2017)\*.

The approved state budget provides for \$2,052,293 more in aid than what was anticipated in the local budget.

Local Budget state aid = \$5,555,045; CT State Budget aid for Newtown = \$7,445,694

\$2,052,293

The \$2,052,293 to be reduced by \$1,032,000 (BoE special ed) and \$447,572 (m.v. assessment cap)

\$572,721 remains for action

**Proposal: LC initiate a Special Appropriation request for \$1,032,000 for BoE special ed.**

**LC hold off on any further special appropriations from this aid until later in this fiscal year in order to provide flexibility in needing to address some unanticipated education expenses.**

\* LC resolved schedule of areas for reinvestment includes pension (\$188,000), roads (\$250,000), and repairs/maintenance for school facilities (\$135,000). (Total = \$573,000)

# Attachment B

**To:** John Godin, Chairman, Board of Finance

**From:** Kelley Johnson, Member, Board of Finance

**Date:** 11/13/2017

**Re:** CH Booth Library CIP proposal

I met with Bob Geckle and Beryl Harrison on 11/3/2017 regarding the library CIP proposal as discussed in the last Board of Finance Meeting. As expressed during the BOF meeting, my biggest concern related to the process by which CHB developed their CIP request in response to their 2016-2019 strategic plan and the extent to which stakeholders (CHB Board, CHB Staff, Friends of CHB Library, patrons, community members, etc.) had had a chance to review it and provide input.

The library is among the first organizations in town to attempt a serious strategic planning initiative to address 21st century needs. Given my strategic planning background, I am accustomed to a "needs-finding" or "market requirements" phase followed by a "plan" or "product requirements" phase that is a response to those needs. The CHB strategic plan document is consistent with a needs-finding effort, so I was interested in the detail for the proposed "plan" as it relates to the CIP. In the corporate world, it's the second phase of the process that attracts more scrutiny due to the accompanying expenditure.

Bob explained the library staff had led the response to the needs-finding similar to a product line manager's role in the corporate world. The staff has many years of library science experience and draws upon learnings from other libraries as well as the CT Library Association. We discussed some of the items in the 2018/2019 CIP request and agreed that meeting room space, security, and interactive activities were all among the primary themes. I reiterated that I've often found it difficult to follow budget/CIP proposals without more context given that the various town departments only appear before the Board of Finance once or twice a year. For example, we spoke about the "sound booth/business incubator" line item and its possible interpretations, which is not a traditional "business incubator" but rather a sound booth available to members of the business community. I believe Bob and Beryl understood that my request for more detail was not a criticism, but rather an attempt to gain more insight.

All parties acknowledged tension between the Board, Staff, and Friends as related to critiquing the operations and performance of one another. Bob and Beryl reported they had met with representatives from the Friends on 10/18/2017 and committed to 3-way quarterly meetings in the future. Beryl related that relationships between library operations and Friends organizations sometimes fray as the needs of both groups change over time, particularly as successful Friends organizations grow in size and sophistication. She promised to recommend some readings as entire books have been written on this topic! The CHB Friends has grown to contribute more than \$100K annually, and clearly utilizes library space to meet that level of contribution. All parties agreed the CHB Friends engage a sizable community of volunteers, including many seniors, and provides a wonderful opportunity for socialization among its members. Given the shared goal of supporting

the library, I expect the leaders of the three groups will understand one another better with regular information sharing such that the goals and plans of one group will not compromise another.

Finally, the library CIP request funding for both infrastructure needs (roof, driveway, restrooms, etc.) as well as planned upgrades related to customer-facing library services, whereas the separate customer-facing items cost \$10-\$50K ea. For comparison, we discussed the public's desire to provide input on the community center direction post-referendum and considered whether the library upgrades, individually, deserved more public scrutiny. We concluded the comparison was not appropriate given the difference in spending levels. However, I believe we all saw the opportunity for the library to engage the public further to solicit feedback and role-model a robust, end-to-end strategic planning process. Bob communicated that the CHB 2017/18 CIP spending had recently been frozen by the First Selectman, so was hesitant to initiate a plan for feedback on the 2018/19 proposal until further direction had been received on the current year's funding situation. This makes sense, and I believe the incoming Board of Selectman can offer valuable input in this regard.

Kelley T. Johnson

## 11/13/2017

[illegible]