

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held a regular meeting on Thursday, April 25, 2019 in the Council Chamber in the Municipal Building, 3 Primrose Street, Newtown, CT. Chairman Gaston called the meeting to order at 7:33pm.

Present: Jim Gaston, Ned Simpson, Mark Boland, Keith Alexander, Steve Hinden

Absent: Sandy Roussas

Also Present: First Selectman Dan Rosenthal, Finance Director Bob Tait, one member of the public and one member of the press

Voter Comment – None

Communications – An email from Stephen Rosenblatt was received (Att. A).

Minutes – N. Simpson moved to approve the minutes from the 3/28/19 meeting. M. Boland seconded. Motion passes with one abstain (Hinden).

First Selectman's Report – First Selectman Rosenthal reported that he was pleased with the outcome of the budget vote. They are looking for ways to engage the public. They put the budget and the budget calendar on social media. The Governor met with CCM regarding the teacher pensions. They unanimously voted to reject the teacher pension. Stamford, Norwalk and Danbury were also included in the vote. Cities and towns don't always vote the same so that is a positive. Should teacher pensions go through they will have to amend the budget. The Community Center budget is part of the BOS minutes and will be put on the website.

Finance Directors Report – R. Tait reviewed the Pension report dated March 2019(Att. B).

UNFINISHED BUSINESS

CIP Policy – J. Gaston provided the current CIP policy, the BOS proposed CIP policy and a BOF starter (Att. C). S. Hinded suggested a table of what is changing would be an easier way to discuss the changes. N. Simpson teased out 7 core changes (Att. D).

There was discussion regarding if they should have a super majority vote from the BOF or LC to add to the CIP. The consensus was that they want to keep it at a majority, not super majority.

The present CIP plan has the starting place at 0.25% of the budget. It is proposed to make it \$200,000 and not have the movable 0.25%. The consensus was to make the threshold for the CIP \$200,000.

Changing it from a 5 year CIP to a 10 year was discussed. First Selectman Rosenthal explained that this is something the rating agencies look at positively. Every year is subject to change except for year 1. The Board wanted input from the BOE before moving forward.

Discussion regarding allowing the First Selectman, in their first term, to propose changes in year 1. This has happened in the past but it is not part of the policy. It was agreed that it would be added to the BOF starter.

DEBT Policy – Not discussed

NEW BUSINESS

Transfer: N. Simpson moved to transfer \$50,000 from Contingency to Professional services-Legal (Att. E). K. Alexander seconded, motion unanimously approved.

Voter Comments – None

Announcements – N. Simpson encouraged everyone to take the FFH Master plan survey that is on the Town's website, the Newtown Bee and social media.

Having no further business, the meeting was adjourned at 9:32PM

Respectfully submitted,
Arlene Miles, Clerk

Attachment A

From: "Stephen Rosenblatt via Newtown CT" <cmsmailer@civicplus.com>
Date: April 20, 2019 at 7:42:21 PM EDT
To: stevehindenbof@gmail.com
Subject: Form submission from: Contact Steve Hinden
Reply-To: "Stephen Rosenblatt" <stevedot213@gmail.com>

Submitted on Saturday, April 20, 2019 - 7:42pm
Submitted by anonymous user: 24.151.13.173
Submitted values are:

Your Name: : Stephen Rosenblatt
Your e-mail address: stevedot213@gmail.com
Subject: Letter to The Bee

Message: I read with interest your recent letter to the editor of the Bee in which your closing remark was "Allowing a small group of voters to determine our town's future should concern us all." I am in total agreement with your statement. I assume you are referring to the results of last year's referendum vote on the school budget. The turnout of voters in town was only 15.7% and the budget was approved by a plurality of 442 voters. That is only 0.02%! Talk about a small minority determining the town's future. I do wish the Board of Finance and the Legislative Council spent more time and truly addressed where the town is headed.

The results of this submission may be viewed at:
<https://www.newtown-ct.gov/node/95653/submission/58273>



Strategic thinking. Customized solutions.

Town of Newtown, CT

Monthly Performance Flash - March 2019

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Capital Markets Flash Report

March 2019

Index Returns

	MTD	QTD	YTD	1-Year	3-Year
S&P 500	1.94	13.65	13.65	9.50	13.51
Russell 1000 Growth	2.85	16.10	16.10	12.75	16.53
Russell 1000 Value	0.64	11.93	11.93	5.67	10.45
Russell Mid Cap	0.86	16.54	16.54	6.47	11.82
Russell Mid Cap Growth	1.35	19.62	19.62	11.51	15.06
Russell Mid Cap Value	0.50	14.37	14.37	2.89	9.50
Russell 2000	(2.09)	14.58	14.58	2.05	12.92
Russell 2000 Growth	(1.35)	17.14	17.14	3.85	14.87
Russell 2000 Value	(2.88)	11.93	11.93	0.17	10.86

S&P 500 Sector Performance



Domestic Equity

March was a modestly positive month across most global equity markets, capping off a blockbuster first quarter. The S&P 500 Index, with a gain of 13.65%, witnessed its best quarterly start to a new year since 1998. The cadence of negotiations between the U.S. and China appeared to be improving, while global macro data remained mixed, tempering the upside.

Market cap leadership changed hands once again, as more defensive, less risky large cap stocks outpaced their small cap brethren. Growth continued to move higher, as solid corporate earnings helped boost sectors like technology and consumer discretionary. Also, scarcity of overall earnings growth continues to be a powerful driver.

Several themes defined U.S. equity markets in March: resurgence of the "search for yield" mentality (fixed income yields fell substantially), drove the real estate sector (+4.9%) to the top; demand for strong earnings growth helped boost technology (+4.8%) and consumer discretionary (+4.1%); and an overall "wait and see" posture remained at the forefront, pushing consumer staples (+4.1%) and utilities (+2.9%) higher. Two of the market's value-oriented segments dropped to the bottom, financials (-2.6%) and industrials (-1.1%).

International Equity

Brexit fatigue, along with mixed macroeconomic data from stalwarts like Germany, led to lackluster results in March. The MSCI EAFE Index rose only 0.63%.

The British Parliament kicked the proverbial "Brexit" can further down the road, as lawmakers failed to find a majority in favor of any alternative to the deal PM May brokered with the EU. Alongside weak results out of Germany, the MSCI Europe Index returned 0.61% for the period.

Similar to the rest of its non-U.S. neighbors, Japanese equity markets remained in a holding pattern this month. The MSCI Japan Index exhibited a return of 0.57%, as investors patiently wait for more clarity regarding the U.S./China trade negotiations.

Despite strong results from India and China, emerging markets largely remained in a wait-and-see mode, as trade discussions continued to get ironed out. The MSCI EM Index increased 0.84% for the month.

The U.S. dollar showed signs of weakness versus most major currencies, as investors sought out risk after optimistic Chinese macro data emerged in March. Additionally, the pause in the Fed's rate hike campaign helped weaken the USD.

Currency Spot Returns vs USD

	MTD	QTD	YTD	1-Year	3-Year
Euro	(1.39)	(1.78)	(1.78)	(8.70)	(0.49)
Japanese Yen	0.57	(0.88)	(0.88)	(3.92)	0.51
British Pound	(2.03)	2.31	2.31	(7.11)	(3.22)
Australian Dollar	(0.15)	0.90	0.90	(7.39)	(2.63)
Chinese Renminbi	(0.51)	2.17	2.17	(6.38)	(1.27)

Index Returns

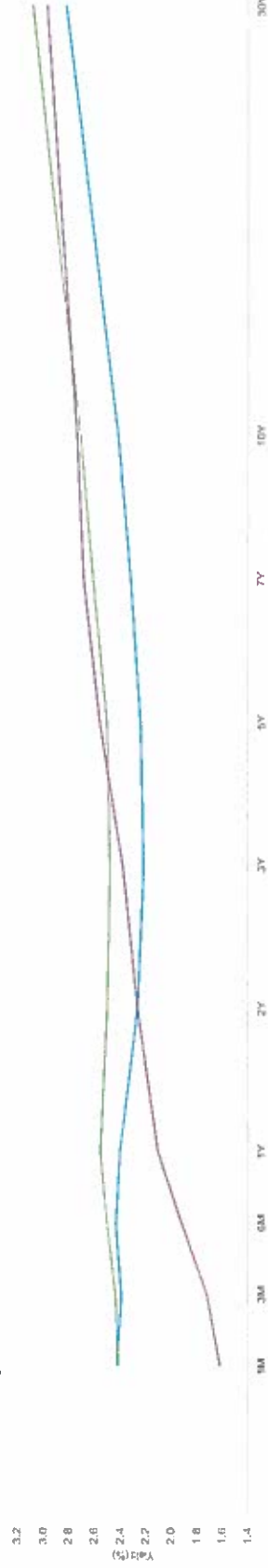
	MTD	QTD	YTD	1-Year	3-Year
MSCI EAFE	0.63	9.98	9.98	(3.71)	7.27
MSCI ACWI ex US	0.60	10.31	10.31	(4.22)	8.09
MSCI EM	0.84	9.92	9.92	(7.41)	10.68
MSCI EAFE Small Cap	0.16	10.65	10.65	(9.36)	7.50
MSCI EAFE Growth	1.75	12.04	12.04	(1.30)	7.61
MSCI EAFE Value	(0.51)	7.92	7.92	(6.13)	6.90
MSCI Japan (USD)	0.57	6.66	6.66	(7.84)	8.06
MSCI Germany (USD)	(1.45)	6.91	6.91	(13.71)	3.84
MSCI UK (USD)	1.06	11.89	11.89	(0.07)	6.31
MSCI France (USD)	0.43	10.71	10.71	(3.74)	9.21
MSCI China (USD)	2.44	17.69	17.69	(6.23)	15.95
MSCI Brazil (USD)	(3.85)	8.14	8.14	(4.23)	20.00
MSCI Russia (USD)	0.90	12.18	12.18	2.16	16.28
MSCI India (USD)	9.23	7.16	7.16	6.75	11.69

Capital Markets Flash Report

March 2019

Fixed Income

United States Treasury Yield Curve



Index Returns

	MTD	QTD	YTD	1-Year	3-Year
BbgBarc US Agg	1.92	2.94	2.94	4.48	2.03
BbgBarc US Corp IG	2.51	5.14	5.14	4.94	3.64
BbgBarc US Corp HY	0.94	7.26	7.26	5.93	8.56
BbgBarc US Long Corp	4.34	7.97	7.97	4.38	5.26
BbgBarc US Gov/Credit	2.12	3.26	3.26	4.48	2.12
BbgBarc US Long Gov/Credit	4.70	6.45	6.45	5.24	3.75
BbgBarc Municipal	1.58	2.90	2.90	5.38	2.71
BbgBarc US TIPS	1.84	3.19	3.19	2.70	1.70
BofAML US T-Bill 3M	0.22	0.59	0.59	2.12	1.19
Citi WGBI USD	1.27	1.74	1.74	(1.57)	0.96
JPM EMBI Plus USD	1.10	6.16	6.16	2.59	4.04

Following the dovish Fed announcement this month, rates fell across the board. The Bloomberg Barclays U.S. Aggregate Bond Index jumped 1.97%, as prices rose in dramatic fashion.

By the last week of the month, 10-year yields had inverted with the three-month yield, as the 10-year fell to below 2.45% for the first time since January of last year and ended the month at 2.41%.

Investment grade corporate bond spreads tightened, once again, to end the month at 119bps (2bps closer). However, high yield spreads widened 12bps to end March at 391bps, as Treasuries outpaced high yield for the period.

The Citigroup WGBI witnessed another swift reversal in March, rising 1.27%, as the U.S. dollar weakened versus most global currencies.

Commodities & Real Estate

Commodities were modestly negative during the month of March, despite strength within the energy and livestock subsectors. WTI and Brent Crude Oil prices continued their ascent to close out the first quarter of 2019 at their highest levels in five months.

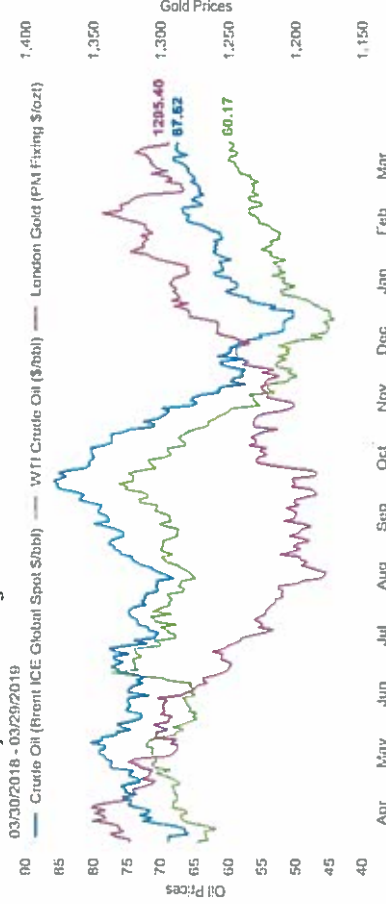
Global REITs rose during the month, led by the U.S. and Asia/Pacific regions. Lower rates served as the catalyst behind the advances, as the 10-year U.S. Treasury yield fell below 2.5%.

Index Returns

	MTD	QTD	YTD	1-Year	3-Year
Bloomberg Commodity	(0.18)	6.32	6.32	(5.25)	2.22
S&P N.A. Natural Resources	1.71	16.21	16.21	(2.38)	4.57
FTSE NAREIT Eq REITs	3.35	16.33	16.33	20.86	6.13
FTSE NAREIT Developed	3.51	14.59	14.59	13.27	5.68

Source: FactSet

Commodity Prices - Trailing 1 Year



Asset Allocation

As of March 31, 2019

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
Pension Plan	44,429,674	100.0	100.0	0.0
Short Term Liquidity	385,694	0.9	0.0	0.9
Wells Fargo Government Money Market Fund I	383,902	0.9	0.0	0.9
Wells Fargo Funds Account Cash	1,792	0.0	0.0	0.0
Fixed Income	15,495,380	34.9	35.0	-0.1
Vanguard Total Bond Index I	15,495,380	34.9	35.0	-0.1
Domestic Equity	15,725,723	35.4	35.0	0.4
Vanguard Institutional Index Fund Instl	11,294,571	25.4	25.0	0.4
Vanguard Extended Market Index Adm	4,431,152	10.0	10.0	0.0
International Equity	12,822,877	28.9	30.0	-1.1
Vanguard Developed Markets Index Inst	12,822,877	28.9	30.0	-1.1

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.
Asset Allocation weightings may not add up to 100% due to rounding.

Town of Newtown, CT

Performance Update As Of March 31, 2019

Plan Performance

Value	Performance(%)								Inception Date
	1 Month	QTD	Jul-2018 To Mar-2019	1 Year	3 Years	5 Years	10 Years	Since Inception	
Pension Plan	1.2	8.8	2.0	3.1	7.6	5.2	7.7	6.5	10/01/1999
Blended Benchmark	1.3	8.9	2.4	3.4	7.3	6.0	9.9	9.7	01/01/1976

Calendar Year Performance

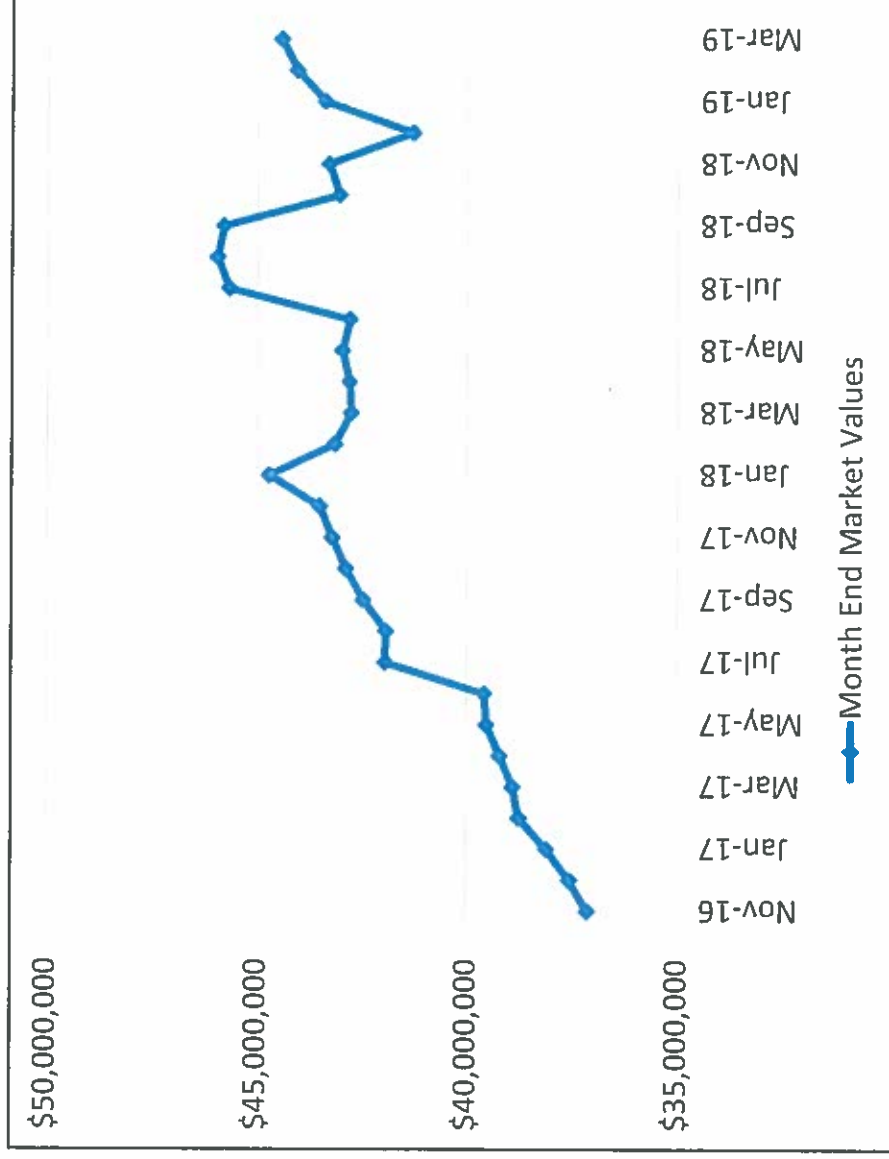
	2018	2017	2016	2015	2014	2013	2012
Pension Plan	-6.0	15.1	5.1	-0.3	5.9	11.3	8.9
Blended Benchmark	-6.2	14.9	6.7	1.0	7.7	16.3	11.6

Allocation Mandate

Aug-2017	Weight (%)
Blmbg. Barc. U.S. Aggregate Index	35.0
Russell 3000 Index	35.0
FTSE Developed ex US Spliced Index	30.0

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Newtown Pension Plan Market Value Summary



Month	Month End Market Value
April 2018	\$42,807,737
May 2018	\$42,975,624
June 2018	\$42,800,054
July 2018	\$45,671,687
August 2018	\$45,952,779
September 2018	\$45,800,079
October 2018	\$43,049,759
November 2018	\$43,299,953
December 2018	\$41,297,492
January 2019	\$43,390,674
February 2019	\$44,055,728
March 2019	\$44,429,674

DISCLOSURE: The balance information has been compiled solely by Fiduciary Investment Advisors (FIA) and has not been independently verified. In preparing this report, FIA has relied upon information provided by the investment managers and by the custodian.

Manager Performance Overview

As of March 31, 2019

	1 Month	QTD	Jul-2018 To Mar-2019	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Pension Plan	1.2	8.8	2.0	3.1	7.6	5.2	7.7	6.5	10/01/1999
Blended Benchmark	1.3	8.9	2.4	3.4	7.3	6.0	9.9	5.5	
Wells Fargo Government Money Market Fund I	0.2	0.6	1.5	2.0	N/A	N/A	N/A	1.3	12/01/2016
90 Day U.S. Treasury Bill	0.2	0.6	1.7	2.1	N/A	N/A	N/A	1.4	
Fixed Income	2.0	2.9	4.5	4.7	3.8	3.2	4.5	5.5	10/01/1999
Blmbg. Barc. U.S. Aggregate Index	1.9	2.9	4.6	4.5	2.0	2.7	3.8	4.9	
Vanguard Total Bond Index I	2.0 (29)	2.9 (71)	4.6 (26)	4.4 (24)	N/A	N/A	N/A	2.9 (40)	12/01/2016
Blmbg. Barc. U.S. Aggregate Index	1.9	2.9	4.6	4.5	N/A	N/A	N/A	2.8	
IM U.S. Broad Market Core Fixed Income (MF) Median	1.9	3.2	4.4	4.1	N/A	N/A	N/A	2.7	
Domestic Equity	1.1	14.3	3.8	8.2	N/A	N/A	N/A	12.8	12/01/2016
Russell 3000 Index	1.5	14.0	4.7	8.8	N/A	N/A	N/A	13.2	
Vanguard Institutional Index Fund Instl	2.0 (29)	13.7 (31)	5.8 (31)	9.5 (22)	N/A	N/A	N/A	13.7 (27)	12/01/2016
S&P 500 Index	1.9	13.6	5.9	9.5	N/A	N/A	N/A	13.7	
IM U.S. Large Cap Core Equity (MF) Median	1.5	13.1	4.9	7.7	N/A	N/A	N/A	12.3	
Vanguard Extended Market Index Adm	-1.0 (92)	16.0 (24)	-1.0 (66)	5.0 (24)	N/A	N/A	N/A	10.6 (20)	12/01/2016
S&P Completion Index	-1.0	16.0	-1.1	4.8	N/A	N/A	N/A	10.5	
IM U.S. Mid Cap Core Equity (MF) Median	0.1	14.6	0.4	2.8	N/A	N/A	N/A	7.2	

Returns are expressed as percentages, and annualized only for periods greater than one year.

Manager Performance Overview

As of March 31, 2019

	1 Month	QTD	Jul-2018 To Mar-2019	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
International Equity									
<i>FTSE Developed ex US Spliced Index</i>	0.4	10.2	-3.2	-4.7	N/A	N/A	N/A	9.0	12/01/2016
	0.2	10.1	-3.5	-4.6	N/A	N/A	N/A	8.8	
Vanguard Developed Markets Index Inst	0.4 (63)	10.2 (36)	-3.2 (51)	-4.7 (39)	N/A	N/A	N/A	9.0 (30)	12/01/2016
<i>FTSE Developed ex US Spliced Index</i>	0.2	10.1	-3.5	-4.6	N/A	N/A	N/A	8.8	
IM International Multi-Cap Equity (MF) Median	0.7	10.0	-3.2	-5.6	N/A	N/A	N/A	8.2	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies. Composite performance includes all funds held in the composite since inception.

Returns are net of fees unless otherwise stated. Mutual fund performance stated above may differ slightly from the current share class's historical performance due to share class exchanges.

Returns are expressed as percentages, and annualized only for periods greater than one year.

Asset Allocation

As of March 31, 2019

	Asset Allocation (\$)	Asset Allocation (%)	Target Allocation (%)	Differences (%)
OPEB Plan	2,714,204	100.0	100.0	0.0
Short Term Liquidity	15,338	0.6	0.0	0.6
Wells Fargo Government Money Market Fund I	14,406	0.5	0.0	0.5
Wells Fargo Funds Account Cash	932	0.0	0.0	0.0
Fixed Income	973,360	35.9	35.0	0.9
Vanguard Total Bond Index Inst	973,360	35.9	35.0	0.9
Domestic Equity	931,449	34.3	35.0	-0.7
Vanguard Institutional Index Fund	666,959	24.6	25.0	-0.4
Vanguard Extended Market Index Adm	264,490	9.7	10.0	-0.3
International Equity	794,058	29.3	30.0	-0.7
Vanguard Developed Markets Index Inst	794,058	29.3	30.0	-0.7

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance. Asset Allocation weightings may not add up to 100% due to rounding.

Town of Newtown, CT

Performance Update As Of March 31, 2019

Plan Performance

Value	1 Month	QTD	Performance(%)					Inception Date
			Jul-2018 To Mar-2019	1 Year	3 Years	5 Years	Since Inception	
OPEB Plan	1.2	8.7	1.9	3.0	7.4	5.1	4.9	05/01/2010
Blended Benchmark	1.3	8.9	2.4	3.4	7.3	6.0	9.7	01/01/1976

Calendar Year Performance

	2018	2017	2016	2015	2014	2013	2012
OPEB Plan	-6.0	15.5	4.1	0.5	5.7	10.8	8.1
Blended Benchmark	-6.2	14.9	6.7	1.0	7.7	16.3	11.6

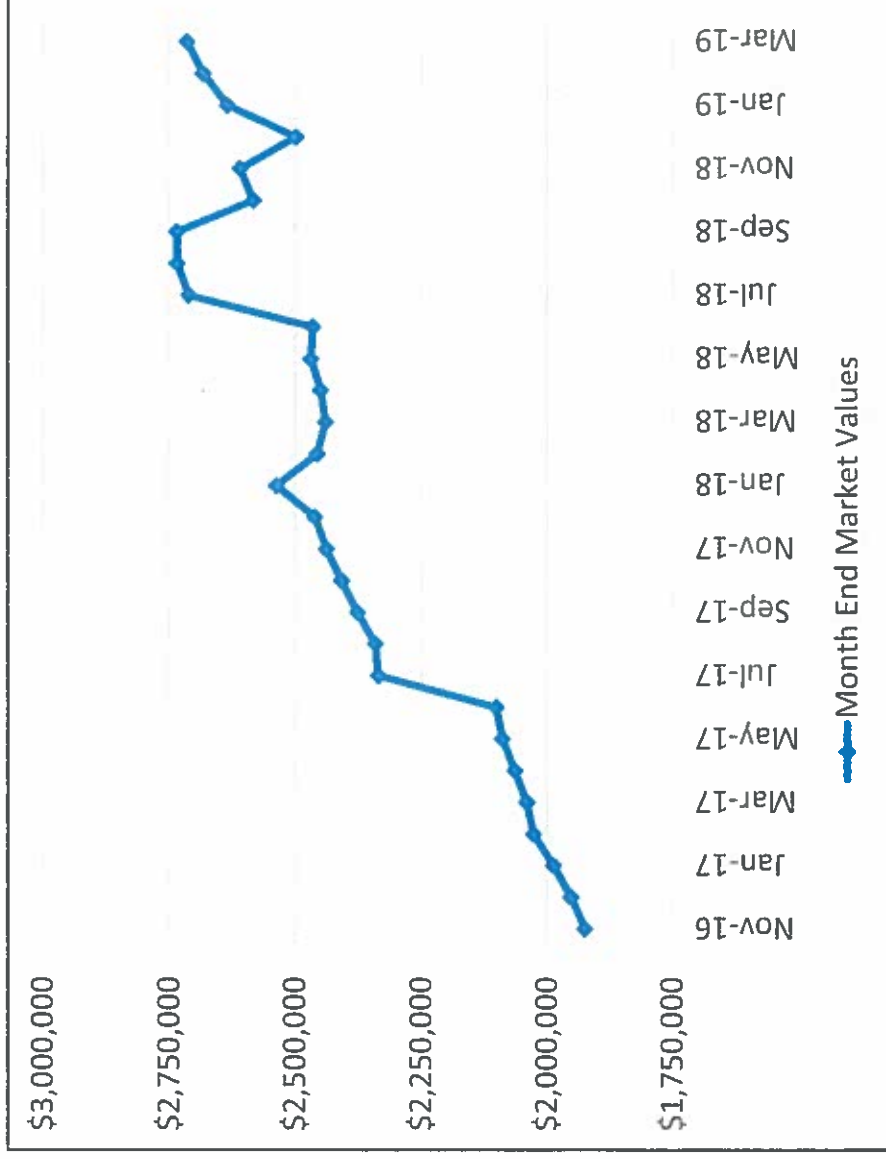
Allocation Mandate

Aug-2017	Weight (%)
BImbg. Barc. U.S. Aggregate Index	35.0
Russell 3000 Index	35.0
FTSE Developed ex US Spliced Index	30.0

The allocation mandate represents the current benchmark composition for the portfolio. Please keep in mind that the investment objective may have changed over time.

Newtown OPEB

Market Value Summary



Month	Month End Market Value
April 2018	\$2,449,812
May 2018	\$2,469,464
June 2018	\$2,465,529
July 2018	\$2,710,966
August 2018	\$2,734,497
September 2018	\$2,734,358
October 2018	\$2,582,851
November 2018	\$2,608,705
December 2018	\$2,498,090
January 2019	\$2,633,968
February 2019	\$2,682,386
March 2019	\$2,714,204

DISCLOSURE: The balance information has been compiled solely by Fiduciary Investment Advisors (FIA) and has not been independently verified. In preparing this report, FIA has relied upon information provided by the investment managers and by the custodian.

Manager Performance Overview

As of March 31, 2019

	1 Month	QTD	Jul-2018 To Mar-2019	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
OPEB Plan	1.2	8.7	1.9	3.0	7.4	5.1	N/A	4.9	05/01/2010
Blended Benchmark	1.3	8.9	2.4	3.4	7.3	6.0	N/A	7.6	
Wells Fargo Government Money Market Fund I	0.2	0.6	1.6	2.1	N/A	N/A	N/A	1.3	12/01/2016
90 Day U.S. Treasury Bill	0.2	0.6	1.7	2.1	N/A	N/A	N/A	1.4	
Fixed Income	2.0	2.9	4.6	4.7	3.4	3.1	N/A	3.6	05/01/2010
Blmbg. Barc. U.S. Aggregate Index	1.9	2.9	4.6	4.5	2.0	2.7	N/A	3.2	
Vanguard Total Bond Index Inst	2.0 (29)	2.9 (71)	4.6 (27)	4.4 (24)	N/A	N/A	N/A	2.9 (41)	12/01/2016
Blmbg. Barc. U.S. Aggregate Index	1.9	2.9	4.6	4.5	N/A	N/A	N/A	2.8	
IM U.S. Broad Market Core Fixed Income (MF) Median	1.9	3.2	4.4	4.1	N/A	N/A	N/A	2.7	
Domestic Equity	1.1	14.2	3.8	8.1	N/A	N/A	N/A	12.8	12/01/2016
Russell 3000 Index	1.5	14.0	4.7	8.8	N/A	N/A	N/A	13.2	
Vanguard Institutional Index Fund	2.0 (28)	13.7 (31)	5.9 (31)	9.5 (22)	N/A	N/A	N/A	13.7 (27)	12/01/2016
S&P 500 Index	1.9	13.6	5.9	9.5	N/A	N/A	N/A	13.7	
IM U.S. Large Cap Core Equity (MF) Median	1.5	13.1	4.9	7.7	N/A	N/A	N/A	12.3	
Vanguard Extended Market Index Adm	-1.0 (92)	16.0 (24)	-1.0 (66)	5.0 (24)	N/A	N/A	N/A	10.6 (20)	12/01/2016
S&P Completion Index	-1.0	16.0	-1.1	4.8	N/A	N/A	N/A	10.5	
IM U.S. Mid Cap Core Equity (MF) Median	0.1	14.6	0.4	2.8	N/A	N/A	N/A	7.2	

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Manager Performance Overview

As of March 31, 2019

	1 Month	QTD	Jul-2018 To Mar-2019	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
International Equity									
<i>FTSE Developed ex US Spliced Index</i>	0.4	10.1	-3.2	-4.8	N/A	N/A	N/A	8.9	12/01/2016
	0.2	10.1	-3.5	-4.6	N/A	N/A	N/A	8.8	
Vanguard Developed Markets Index Inst	0.4 (63)	10.2 (42)	-3.2 (51)	-4.7 (39)	N/A	N/A	N/A	8.9 (32)	12/01/2016
<i>FTSE Developed ex US Spliced Index</i>	0.2	10.1	-3.5	-4.6	N/A	N/A	N/A	8.8	
IM International Multi-Cap Core Equity (MF) Median	0.7	10.0	-3.2	-5.6	N/A	N/A	N/A	8.2	

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Inception dates for asset class composites reflect the start date at which these returns could be calculated using historical and existing system capabilities and may vary from the inception dates of underlying component strategies. Composite performance includes all funds held in the composite since inception.

Returns are net of fees unless otherwise stated. Mutual fund performance stated above may differ slightly from the current share class's historical performance due to share class exchanges.

Returns are expressed as percentages, and annualized only for periods greater than one year.

Data Source Acknowledgements, Links and Disclaimers

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Fiduciary Investment Advisors, LLC - 100 Northfield Drive, Windsor, CT 06095, www.fiallc.com, 1-866-466-9412

Attachment C

PresentTown of Newtown, CT
Tuesday, August 21, 2018

Chapter 310. Capital Improvement Plan

[HISTORY: Adopted by the Legislative Council of the Town of Newtown 3-6-1997; amended in its entirety 11-1-2017. Subsequent amendments noted where applicable.]

§ 310-1. Goal.

A. The goal of the Board of Finance in adopting this regulation is to:

- (1) Prioritize, on a Town-wide basis, proposed major capital projects.
- (2) Establish a consistent level of spending for such capital projects.
- (3) Integrate financial planning, budgeting and debt issuance for the Town.
- (4) Encourage careful project design.

B. This Capital Improvement Plan (CIP) regulation hereby:

- (1) Creates a process by which the Board of Finance adopts a proactive position regarding the capital expenditures of the Town of Newtown.
- (2) Creates a process by which the Board of Finance identifies, prioritizes, evaluates, justifies, monitors, postpones or eliminates proposed capital expenditures.
- (3) Creates a process by which the Board of Finance and the Legislative Council work compatibly in enacting Subsections B(1) and (2).

§ 310-2. Description; annual review.

The Capital Improvement Plan is Newtown's five-year program of major capital purchases of a nonrecurring nature. The CIP is based on assigned priorities which consider Town needs, desires, and mandates for various improvements and coincides with Newtown's current and anticipated financial capability to finance such improvements. The CIP shall be reviewed at least annually by the Board of Finance. The Board of Finance shall amend the CIP as required to address changing priorities and maintain the CIP at a five-year projection time frame.

Five Year Capital Improvement Plan (CIP)

Five Year Capital Improvement Plan (CIP)

The Capital Improvement Plan (CIP) is a five-year plan identifying the Town's capital outlay and improvement needs. As a long-range plan, the CIP reflects the Town's policy regarding future physical and economic development. By providing a planned schedule of public improvements, the CIP outlines present and future public needs and priorities. A "capital improvement" is defined as any expenditure for equipment, buildings, infrastructure, land acquisition, plan or project in which the cost exceeds 0.25% of the Town budget for the year in which the request is made.

Capital project planning is an ongoing process. Each year the CIP document is updated. The need or idea for capital improvements can originate from the department heads, the First Selectman, the Superintendent of Schools, and boards and commissions. These items are compiled into this document and presented annually to the Board of Finance and Legislative Council. Once approved, the CIP outlines the Town's official commitment to funding these expenditures in the subsequent years' budgets.

Adopting a CIP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates and changes in technology all require the CIP to be updated annually. The Town's public facilities, streets, parks, equipment, etc., are constantly in need of repair, replacement or expansion. A growing population will require additional or new facilities. These reasons require that the CIP be updated to maintain the financial solidity of the Town. The CIP achieves the following objectives as a component of the Town's budget and financial planning process:

- Reduces the need for "crash programs" to finance the construction of Town facilities.
- Focuses attention on community goals, needs and capabilities.
- Achieves optimum use of taxpayer dollars.
- Guides future community growth and development.
- Advance planning ensures that projects are well thought out in advance of construction.
- Provides for the orderly replacement of capital expenditures.
- Encourages a more-efficient governmental administration as well as maintains a sound and stable financial program.

§ 310-3. Implementation and amendments.

The Board of Finance is hereby charged with the responsibility of implementing the goals expressed above in § 310-1 and all changes, additions and deletions to the CIP. In addition, among others, the Town Financial Director, First Selectman, Chairman of the Board of Education, Superintendent of Schools and Legislative Council members may advise the Board of Finance but do not have voting privileges.

§ 310-4. Presentation of proposed purchases to Board of Finance.

Proposed purchases may be brought to the Board of Finance at any time; however, except for exigent circumstances as determined by the Board of Finance, purchases not presented in the Board of Selectmen's or Board of Education's yearly five-year CIP projection shall not be considered by the Board of Finance until the next June through October period. The Board of Selectmen shall submit its five-year projected CIP proposal at the first regularly scheduled Board of Finance meeting in August. The Board of Education shall submit its five-year projected CIP proposal at the first regularly scheduled Board of Finance meeting in June. The Board of Finance shall hold its review period from June through October.

§ 310-5. Eligible purchases and expenditures.

To be eligible for inclusion in the CIP, a proposed purchase shall have an estimated cost that is at least 0.25% of the Town budget for the year in which the request is made (excluding projects funded with LoCIP money). Listed below are some of the guidelines which would make a request eligible for inclusion in the CIP, assuming the proposed purchase meets the 0.25% requirement set forth above:

- A. Purchases requiring debt obligation.
- B. Acquisition or lease of land.
- C. Purchase of major equipment and vehicles with life expectancy of five years or more.
- D. Construction of new building facilities, including engineering, design and other preconstruction costs.
- E. Major building improvements that are not routine expenses, including those that substantially enhance the safety of the occupants of the building and/or the longevity of the building itself.
- F. Major equipment or furnishing required for a new building or other projects.
- G. Major studies requiring the employment of outside professional consultants.

§ 310-6. Process overview.

All requests for inclusion in the CIP will adhere to the following process and shall be submitted on a form as prescribed by the Town Financial Director:

- A. Each Town department shall submit to the Board of Selectmen a prioritized list of proposed capital purchases.
- B. The Board of Selectmen will identify, prioritize and approve, on a Town-wide basis, purchases it proposes to include in the CIP, excluding items requested by the Board of Education. The Board of Education will likewise identify, prioritize and approve purchases it proposes to be considered for placement on the CIP.
- C. The requesting agency or department will plan for and be responsible for funding any professional estimating for a project in their operational budget. If applicable, alternative sources of funding can and should be identified, such as the Cap Non-Recurring Account, and be reimbursed upon actual borrowing if appropriate.
- D. The Board of Selectmen and the Board of Education shall also include in the request(s):
 - (1) The identification of any grants, revenues or reimbursements anticipated each year.
 - (2) A financial impact statement as provided by the Town Financial Director.
- E. The Town Financial Director will review and compile the two lists to be presented to the Board of Finance.
- F. The Board of Selectmen and the Board of Education will then present their prioritized purchase requests to the Board of Finance.

- G. The Board of Finance will consider all requests made through this process and determine those that will be recommended for inclusion in the CIP and those that are to be rejected or postponed. If rejected, the proposed purchase can be resubmitted to the appropriate Board at the first step of the process. If postponed, the request shall be reviewed by the Board of Finance with respect to its new priority level.
- H. The Board of Finance will prioritize, on a Town-wide basis, all requests it approves for inclusion in the CIP and establish a time frame for proceeding with each purchase in view of the financial implications of such a purchase.
- I. The Board of Finance will forward its formal and approved recommendation to the Legislative Council by November 30. The Legislative Council may accept the plan in its entirety, reject any item or reduce any item in capital costs, or reduce any item in priority. Any new item addition, increase, decrease or change in proposed capital expenditure for an item by the Legislative Council shall be referred back to the Board of Finance for further review and recommendation with written comment by the Legislative Council as to its reasoning. Within a reasonable time thereafter, the Board of Finance will resubmit its recommended CIP plan, noting any changes it has made.
- J. The CIP plan approved by the Legislative Council shall be the single and final adopted CIP plan for the Town of Newtown; except, should the Legislative Council not return a proposed plan by the Board of Finance to the Board of Finance for further review within 60 days of its submission, and not pass the final CIP plan presented by the Board of Finance within 60 days of submission to the Legislative Council, the proposed CIP plan presented by the Board of Finance shall be the single and final adopted CIP plan for the Town of Newtown.
- K. Once the CIP is adopted by the Legislative Council, the projects identified for year one and their associated costs will be considered final in terms of bonding and any appropriation actions.
- L. The Legislative Council shall apply the following guidelines when recommending capital items to be acted upon:
 - (1) Capital items that are one phase of a multiphase project that are expected to exceed Council authority in total should receive priority consideration for referendum.
 - (2) Significant consideration shall be given to the most costly of the remaining capital items and should go to referendum.
 - (3) Items that are time-sensitive should receive priority consideration for referendum.

§ 310-7. Prioritization.

The Board of Finance shall consider the following criteria during its prioritization:

- A. The cost of the purchase.
- B. The impact of the purchase versus the benefit to the Town.
- C. The year it will be implemented.
- D. The source of financing.
- E. The impact on future operating budgets.

- F. The benefit or risk to the Town should the purchase not be made.

§ 310-8. Town budget.

All purchases which are proposed for the ensuing fiscal year and included in the final CIP by the Legislative Council shall be included as proposed expenditures in the budget presented to the Board of Finance. Except for exigent circumstances, any capital improvement expenditure that falls within § 310-5 of this plan regulation and is not contained in the CIP shall not be considered for implementation.

§ 310-9. Capital project process.

- A. The processes used to authorize bonding and appropriations for a capital project are controlled by a series of checks and balances exercised by the executive, finance, and legislative arms of Town government. These processes are established to ensure that each project with significant costs is evaluated and examined by persons elected to represent the best interests of the community. Every project accepted into the Capital Improvement Plan, as approved by the Board of Selectmen, Board of Finance, and Legislative Council, is subject to the same rigorous review. Except for emergency situations, a consistent and documented process should be used to advance every capital project from inception to execution by its requesting agent.
- B. Projects approved for inclusion in the Capital Improvement Plan typically progress from the introductory phase in year five to execution phase in year one. Projects in year one on the Capital Improvement Plan are intended for implementation during that fiscal year. Capital Projects to be implemented must go through the bonding and special appropriations processes, as determined by the Charter, Section 6-30.
- C. Steps in this process for projects readying for implementation include:
 - (i) Bonding funds for requested capital projects:
 - (a) The Director of Finance causes a bonding resolution to be prepared. The resolution will identify the funds being requested and the purpose of those funds. The department with ownership of the proposed project initiates this process through contact with the Director of Finance.
 - (b) The bonding resolution to fund the proposed project is submitted to Board of Finance for discussion/action.
 - (c) If approved by the Board of Finance, that bonding resolution is then submitted for Legislative Council discussion/action.
 - (d) If approved by the Legislative Council, the resolution is then submitted to Board of Selectmen for discussion/action.
 - (2) Appropriating funds for projects for which bonding has been approved follows these steps: (Greater detail about the process for appropriating funds for capital projects is described in the Charter, Section 6-30.)
 - (a) A special appropriation request for a capital project is prepared by the Director of Finance in concert with the requesting department.
 - (b) The appropriation request is submitted to the Board of Finance for discussion and action.
 - (c) If approved, the appropriation request then moves to the Legislative Council.

- (d) The appropriations request may also be acted on by the Board of Selectmen, a Town Meeting or referendum, depending upon the magnitude of funds requested as per the Charter.
- (3) Management/oversight of capital projects: The Public Building and Site Commission shall have control of supervision and construction of capital projects. Should the Public Building and Site Commission determine that it is unable to take on this responsibility, then other building committee or owner's representative may be appointed by the Selectmen or the Board of Education.
 - (a) The PB&S Commission or "other" authorized building committee establishes appropriate advisory committees; prepares and issues appropriate RFQs and RFPs; and selects professionals and develops contracts with attorney and purchasing agent's input.
 - (b) Contracts in conjunction with all such capital projects shall be authorized by the First Selectman, with approval of the Board of Selectmen or Board of Education.
- (4) Project planning and bidding: Once the special appropriation process is complete and approved by the appropriate levels of government, assignment of the project to the Public Building and Site Commission or "other" building committee may take place, followed by project planning, including the issuance of public bids.

310 – 1. Purpose

This policy is designed to assure that Newtown's unique needs are fully considered in the capital planning process. It helps to assure the sustainability of Newtown's infrastructure by establishing a process for addressing major maintenance, construction, replacement, and capital asset acquisition. It strengthens Newtown's borrowing position by demonstrating sound fiscal management and showing the Town's commitment to maximizing benefit to the public within its resource constraints. It establishes a framework in which stakeholders understand their roles, responsibilities, and expectations for the process and an end result. It also promotes sound, long-term operational and capital financing strategies.

310 – 2. Overview

The Capital Improvement Plan ("CIP") is a ten-year plan identifying the Town's capital outlay and improvement needs. As a long-range plan, the CIP reflects the Town's policy regarding future physical and economic development. By providing a planned schedule of public improvements, the CIP outlines present and future public needs and priorities. A capital improvement is defined as any expenditure for equipment, buildings, infrastructure, land acquisition, plan or project in which the cost exceeds \$200,000.

Capital project planning is an ongoing process. Each year the CIP document is updated. The need or idea for capital improvements can originate from the department heads and boards and commissions. These capital items are compiled into this document and presented annually to the Board of Selectmen/Board of Education; to the Board of Finance and Legislative Council. Once approved, the CIP outlines the Town's official commitment to funding these expenditures in the subsequent year's budgets.

Adopting a CIP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates and changes in technology all require the CIP to be updated annually. The Town's public facilities, streets, parks, equipment, etc. are constantly in need of repair, replacement or expansion. A growing population will require additional or new facilities. These reasons require that the CIP be updated to maintain the financial solidity of the Town. The CIP achieves the following objectives as a component of the Town's budget and financial planning process:

- Reduces the need for "crash programs" to finance the construction of Town facilities.
- Focuses attention on community goals, needs and capabilities.
- Achieves optimum use of taxpayer dollars.
- Guides future community growth and development.
- Advance planning ensures that projects are well thought out in advance of construction.
- Provides for the orderly replacement of capital assets.
- Encourages a more efficient governmental administration as well as maintains a sound and stable financial program.
- Promotes transparency regarding planned major capital projects and their costs.

310 – 3. Capital Improvement Plan Projects

Capital improvement plan projects are those capital assets of a non-recurring nature that are to be included in the CIP having an estimated cost equal or greater than \$200,000. They include the following:

- Purchase of land and development rights.
- Purchase of buildings.
- Construction of new buildings.
- Land and building improvements and renovations.
- Remediation and demolition of buildings.
- Infrastructure improvements (streets, sewers, sidewalks, etc.)
- Machinery and equipment
- Vehicles and construction equipment
- Feasibility analysis / design / cost estimates and other professional services relative to anticipated major projects.

In addition to the above items, the CIP may include certain recurring expenditures / projects that due to their nature and anticipated cost are best placed through the CIP (e.g. assessment revaluation or major software acquisition).

310 – 4. Evaluation Criteria for Capital Requests

It is recognized that many more projects will be proposed by departments than funding will allow. The following evaluation criteria will be used to select and prioritize projects to be included in the Board of Selectmen and Board of Education proposed CIP requests:

PRINCIPLES

1. Public safety – does the project directly impact the health/public safety of the citizens.
2. Existing infrastructure – does the project provide additional capacity or upgrade an existing system; is the facility exceeding its useful life; do the resources spent on maintenance justify replacement.
3. Economic development – will the project help stimulate economic development or redevelopment.
4. Quality of life – does the project enhance the quality of life of the citizens; does the project target the quality of life for all citizens or does it target only the specific area; does the project improve the appearance and image of the Town.

FINANCIAL, TECHNICAL & REGULATORY

1. Regulatory compliance – satisfy current or scheduled regulatory compliance.
2. External funding – grants, user fees, etc.
3. Impact on operational budget – will the project require additional money to operate.

310 – 5. Capital Improvement Plan Formulation / Process

- A. Board of Selectmen departments shall submit to the First Selectman, on a form as prescribed by the Finance Director, a prioritized list of proposed capital assets / projects along with their proposed funding source. The First Selectman will evaluate the department requests using the criteria stated above and produce a First Selectman Proposed CIP to be submitted to the Board of Selectmen for review, adjustment and approval.

Board of Education departments shall submit to the Superintendent, on a form as prescribed by the Finance Director, a prioritized lists of proposed capital assets / projects along with their proposed funding source. The Superintendent will evaluate the department requests using the criteria stated above and produce a Superintendent Proposed CIP to be submitted to the Board of Education for review, adjustment and approval.

- B. The Board of Selectmen and the Board of Education will present their proposed CIP to the Board of Finance after which the Finance Director will combine the two reports into one proposed CIP. The "Combined Board of Selectmen and Board of Education Proposed CIP". The Finance Director will also present to the Board of Finance the Bond Forecast Schedule which shows the effect of the combined CIP request on future annual debt service payments to ensure adherence to the Town Debt Service Policy.
- C. The Board of Finance will review the Combined Board of Selectmen and Board of Education Proposed CIP. It may reduce a capital asset / project cost and scope; it may transfer capital asset / project between CIP years and it may eliminate a capital asset / project. The Board of Finance may add a capital asset / project with 5 affirmative votes. The Board of Finance will then prioritize, within each CIP year, the recommended capital assets / projects.
- D. The Board of Finance will present their recommended CIP to the Legislative Council by November 30th. The Finance Director will also present to the Legislative Council the Bond Forecast Schedule which shows the effect of the Board of Finance recommended CIP on future annual debt service payments to ensure adherence to the Town Debt Service Policy.
- E. The Legislative Council will review the Board of Finance Recommended CIP. It may accept it in its entirety. It may reduce a capital asset / project cost and scope; it may transfer capital asset / project between CIP years and it may eliminate a capital asset / project. The Legislative Council may add a capital asset / project with 9 affirmative votes. If the Board of Finance added a capital asset / project, the Legislative Council will have to confirm the addition with 9 affirmative votes. Otherwise the added capital asset / project is removed. The Legislative Council will then prioritize, within each CIP year, the capital assets / projects.
- F. The Legislative Council will adopt a CIP and determine which capital assets / projects in the first CIP year go to referendum in April by January 31st.
- G. The following should be considered when determining which capital assets / projects go to referendum:
- a. Multiphase projects crossing CIP years that are expected to exceed Legislative Council fiscal authority.
 - b. Capital assets / projects with significant costs that do not exceed Legislative Council fiscal authority.
 - c. Time sensitive projects.

- H. The Legislative Council adopted CIP may be amended during the fiscal year. An amendment must be initiated by the First Selectman and approved by the Board of Selectmen or initiated by the Superintendent and approved by the Board of Education. The proposed amendment then goes to the Board of Finance for their recommendation and then on to the Legislative Council for final approval.
- I. A new First Selectman seated on December 1st may review the first CIP year of the Board of Finance Recommended CIP which has been presented to the Legislative Council and determine if any changes needs to be made per the new administrations priorities. If it is determined that changes to the first CIP year of the recommended CIP are desired an expedited process with special meetings can begin following the same procedures to date starting with the approval of the Board of Selectmen. Approval by the Board of Selectmen can be no later than the first meeting in January.

310 – 6. Capital Improvement Plan Timing / Schedule

July / August / September

Board of Selectmen departments prepare their CIP capital project requests.

First Selectman presents the proposed First Selectman CIP to the Board of Selectmen.

Board of Education departments prepare their CIP capital project requests.

Superintendent presents the proposed Superintendent CIP to the Board of Education.

Board of Finance second meeting in September

Board of Education presents their proposed CIP to the Board of Finance.

Board of Finance first meeting in October

Board of Selectmen presents their proposed CIP to the Board of Finance.

Finance Director presents the combined Town of Newtown CIP along with a Debt Forecast Schedule outlining the effect of combined CIP bond totals on future general fund estimated debt service payments.

By November 30th

Board of Finance presents its recommended CIP to the Legislative Council.

By January 31st

Legislative Council adopts its approved CIP.

Legislative Council determines which first year CIP projects go to referendum in April.

February / March

Bond resolutions go thru the approval process for CIP projects that have been approved for referendum.

NEWTOWN CAPITAL IMPROVEMENT PLAN (CIP) – POLICY

310-1. Purpose

This policy is designed to assure that Newtown's unique needs are fully considered in the capital planning process. It helps to assure the sustainability of Newtown's infrastructure by establishing a process for addressing major maintenance, construction, replacement and capital asset acquisition. It strengthens Newtown's borrowing position by demonstrating sound fiscal management and showing the Town's commitment to maximizing benefit to the public within its resource constraints. It establishes a framework in which stakeholders understand their roles, responsibilities, and expectations for the process and end result. It also promotes sound, long-term operational and capital financing strategies.

310-2. Goal

A. The goal in adopting this regulation is to:

- (1) Prioritize, on a Town-wide basis, proposed major capital projects;
- (2) Establish a consistent level of spending for such capital projects;
- (3) Integrate financial planning, budgeting and debt issuance for the Town;
- (4) Encourage careful project design.

B. This Capital Improvement Plan (CIP) regulation hereby:

- (1) Creates a process by which the Board of Finance adopts a proactive position regarding capital expenditures of the Town of Newtown;
- (2) Creates a process by which the Board of Finance identifies, prioritizes, evaluates, justifies, monitors, postpones or eliminates proposed capital expenditures;
- (3) Creates a process by which the Board of Finance and the Legislative Council work compatibly in enacting the above Sections B(1) and (2).

310-3 Overview

The Capital Improvement Plan is Newtown's ten-year program of major capital purchases of a nonrecurring nature. The CIP is based on assigned priorities that consider Town needs, desires and mandates for various improvements and coincides with Newtown's current and anticipated financial capability to finance such improvements. The CIP shall be reviewed at least annually by the Board of Finance. The Board of Finance shall amend the CIP as required to address changing priorities and maintain the CIP at a ten-year projection time frame.

The Capital Improvement Plan (CIP) is a ten-year plan identifying the Town's capital outlay and improvement needs. As a long-range plan, the CIP reflects the Town's policy regarding future physical and economic development. By providing a planned schedule of public improvements, the CIP outlines present and future public needs and priorities. A "capital improvement" is defined as any expenditure for equipment, buildings, infrastructure, land acquisition, plan or project in which the cost exceeds 0.25% of the Town budget for the year in which the request is made.

Capital project planning is an ongoing process. The need or idea for capital improvements may originate from the department heads and boards and commissions. Each year the CIP document is updated. The need or idea for capital improvements *may* originate from the department heads and boards and commissions. *Notwithstanding that capital improvement ideas or needs may originate from others, as stated above,* these capital items are compiled into this document and presented annually by the Board of Selectmen and Board of Education to the Board of Finance, and upon approval of the CIP by the Board of Finance, to the Legislative Council. Once the Legislative Council has approved the CIP, the CIP outlines the Town's official commitment to funding these expenditures in the subsequent years' budgets.

Adopting a CIP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates and changes in technology all require the CIP to be updated annually. The Town's public facilities, streets, parks, equipment, etc. are constantly in need of repair, replacement or expansion. A growing population will require additional or new facilities. These reasons require that the CIP be updated to maintain the financial solidity of the Town. The CIP achieves the following objectives as a component of the Town's budget and financial planning process:

- Reduce the need for "crash programs" to finance the construction of Town facilities;
- Focuses attention on community goals, needs and capabilities;
- Achieves optimum use of taxpayer dollars;
- Guides future community growth and development;
- Advance planning ensures that projects are well thought out in advance of construction;
- Provides for the orderly replacement of capital assets;

- Encourages a more efficient governmental administration as well as maintains a sound and stable financial program;
- Promotes transparency regarding planned major capital projects and their costs.

310-4 Implementation and Amendments

Notwithstanding that Capital Improvement ideas or needs may originate as indicated in Section 310-3, the Board of Finance is hereby charged with the responsibility of implementing the Purpose and Goals expressed above in Sections 310-1 and 310-2 and all changes, additions and deletions to the CIP. In addition, among others, the Town Financial Director, First Selectman, Chairman of the Board of Education, Superintendent of Schools and Legislative Council members may advise the Board of Finance but do not have voting privileges. The final implementation of the CIP is vested in the Legislative Council, unless expressed otherwise in this CIP policy.

310-5 Presentation of Proposed Purchases to Board of Finance

Proposed CIP purchases, expenditures or plans may be brought to the Board of Finance at any time; however, except for exigent circumstances as determined by the Board of Finance, purchases, expenditures or plans not presented in the board of Selectmen's or Board of Education's yearly ten-year CIP projection shall not be considered by the Board of Finance until the next September through November period.

The following CIP Time/Schedule shall apply, except said schedule may be amended upon majority vote of each applicable Board or Council involved in the extension of time.

CAPITAL IMPROVEMENT PLAN TIMING/SCHEDULE:

July/August/September
prepare

Board of Selectmen departments
their CIP capital project requests

First Selectman presents the proposed
First Selectman CIP to the Board of
Selectmen

Board of Education departments
prepare their CIP capital project
requests

	Superintendent presents the proposed Superintendent CIP to the Board of Education
Board of Finance 2nd meeting in Sept.	Board of Education presents the proposed CIP to the Board of Finance
Board of Finance 1 st meeting in October	Board of Selectmen presents their proposed CIP to the Board of Finance
	Finance Director presents the combined Town of Newtown CIP along with a Debt Forecast Schedule outlining the effect of combined CIP bond totals on future general fund estimated debt service payments
By November 30 th	Board of Finance presents its recommended CIP to the Legislative Council
By January 31 st	Legislative Council adopts its approved CIP
	Legislative Council determines which first year CIP projects go to referendum in April
February/March	Bond resolutions go through the approval process for CIP projects that have been approved for referendum

310-6 Eligible Capital Improvement Plan Projects

To be eligible for inclusion in the CIP, a proposed purchase, expenditure or project shall have an estimated cost that is at least 0.25% of the Town budget for the year in which the request is made (excluding projects funded with LoCIP money). Listed below are some of the guidelines which would make a request eligible for inclusion in the CIP, assuming the proposed purchase meets the 0.25% requirement set forth above:

- A. Purchases requiring debt obligations;
- B. Acquisition or lease of land *and / or development rights*;
- C. Purchase of major equipment and vehicles with life expectancies of 5 years or more;
- D. Construction of new building facilities, including engineering, design and other preconstruction costs;
- E. Land and building improvements and renovations;
- F. Machinery and Equipment;
- G. Major studies requiring the employment of outside professional consultants;
- H. *Purchase of buildings*;
- I. *Remediation and demolition of buildings*;
- J. *Infrastructure improvements (streets, sewers, bridges, sidewalks, technology*;
- K. *Feasibility analysis/design/cost estimates and other professional services relative to anticipated major projects.*

310-7 Process Overview

All requests for inclusion in the CIP should adhere to the following process and be submitted on a form as prescribed by the Town Financial Director:

- A. Each Town department shall submit to the *First Selectmen a prioritized list of proposed capital assets/projects along with proposed funding source. The First Selectmen will evaluate the department request and produce a First Selectman CIP to be submitted to the Board of Selectmen for review, adjustment and approval*;
- B. *Board of Education departments shall submit to the Superintendent a prioritized lists of proposed capital assets/projects along with their proposed funding source. The Superintendent will evaluate the department requests using the criteria stated above and producer a Superintendent Proposed CIP to be submitted to the Board of Education for review, adjustment and approval*;
- C. After presentation of the First Selectman's proposed CIP, the Board of Selectmen will identify, prioritize and approve, on a Town-wide basis, purchases it proposes to include in the CIP, excluding items requested by the Board of Education. After presentation of the Superintendent's proposed CIP, the Board of Education will likewise identify, prioritize and approve purchases it proposes to be considered for placement on the CIP;
- D. The requesting agency or department will plan for and be responsible for funding any professional estimating for a project in the operational budget. If applicable, alternative sources of funding can and should be identified, such as the Capital Non-Recurring Account, and be reimbursed upon actual borrowing if appropriate;

- E. The Board of Selectmen and the Board of Education shall also include in the request(s):
- (1) The identification of any grants, revenues or reimbursements anticipated each year; and
 - (2) A financial impact statement as provided by the Town Financial Director
- F. The Town Financial Director will review and compile the two lists to be presented to the Board of Finance;
- G. The Board of Selectmen and Board of Education will then present their prioritized purchase requests to the Board of Finance.
- H. The Board of Finance will review the Combined Board of Selectmen and Board of Education Proposed CIP. It may reduce a capital asset/project cost and scope; it may transfer capital asset/project between CIP years, and it may add or eliminate a capital asset/project. The Board of Finance will then prioritize, within each CIP year, the recommended capital assets/project.
- I. The Board of Finance will present their recommended CIP to the legislative Council by November 30th. The Finance Director will also present to the Legislative Council the Bond Forecast Schedule which shows the effect of the Board of Finance recommended CIP on future annual debt payments to ensure adherence to the Town Debt Service Policy.
- J. The Legislative Council will review the Board of Finance recommended CIP. It may accept it in its entirety. It may reduce, transfer between CIP years, eliminate or add capital asset/project(s). The Legislative Council will then prioritize, within each CIP year, the capital asset/projects.
- K. *Upon any change of the Board of Finance's Proposed CIP by the Legislative Council, the Legislative Counsel shall return its Proposed CIP with changes to the Board of Finance for review and recommendation. The failure of the Board of Finance to make any recommendations within ten days the Legislative Council's proposed CIP shall be final. No matter the number of changes by the Legislative Council the Board of Finance shall have only one post November 30th review and recommendation meeting.*
- L. *The Legislative Council will adopt a CIP and determine which capital assets / projects in the first CIP year go to referendum in April by January 31st.*
- M. *The following should be considered when determining which capital asset / projects go to referendum:*
- a. *Multiple projects crossing CIP years that are expected to exceed Legislative Council fiscal authority;*
 - b. *Capital assets/projects with significant costs that do no exceed Legislative fiscal authority;*
 - c. *Time sensitive projects;*
 - d. *Safety and security importance*

N. The Board of Finance will consider all requests made through this process and determine those that will be recommended for including in the CIP and those that are to be rejected, the proposed purchase, expenditure or project can be resubmitted to the appropriate Board at the first stop of the process. If postponed, the request shall be reviewed by the Board of Finance with respect to its new priority level.

O. The Board of finance will prioritize on a Town-wide basis, all requests it approves for inclusion in the CIP and establish a time frame for proceeding with each purchase in view of the financial implications of such a purchase, expenditure or project.

P. The CIP plan approved by the Legislative Council shall be the single and final adopted CIP plan for the Town of Newtown; except, should the legislative Council not return a proposed plan by the Board of Finance to the Board of Finance for further review within 10 days of its submission, and the Legislative Council has not passed the final CIP plan by January 31st, the proposed CIP presented to the Legislative Council by the Board of Finance shall be the final adopted Town-wide CIP.

Q. Once the CIP is adopted by the Legislative Council, the projects identified for year one and their associated costs will be considered final in terms of bonding and any appropriation actions.

310-8 Prioritization

The Board of Selectmen, Board of Education, Board of Finance and Legislative Council should consider the following guidelines when recommending the prioritization of individual capital items:

- a. Capital items that are one phase of a multiphase project that are expected to exceed Council authority in total should receive priority consideration for referendum;
- b. Significant consideration shall be given to the most costly of the remaining capital items and should go to referendum;
- c. Items that are time-sensitive should receive priority consideration for referendum;
- d. The cost of the purchase;
- e. The impact of the purchase versus the benefit to the Town;
- f. The year it will be implemented;
- g. The source of financing;
- h. The impact on future operating budgets;
- i. Public Safety;

- j. Existing infrastructure;
- k. Economic Development
- l. Quality of life;
- m. Regulatory Compliance;
- n. Impact on operational budgets
- o. The benefit or risk to the Town should the purchase not be made.

310-9 Town Budget

All purchases that are proposed for the ensuing fiscal year and included in the final CIP by the Legislative Council shall be included as a proposed expenditure in the budget presented to the Board of Finance. Except for exigent circumstances, any capital improvement expenditure that falls within Section 310-6 of this plan regulation and is not contained in the CIP shall not be considered for implementation.

310-10 Capital Project Process

- A. The processes used to authorize bonding and appropriations for a capital project are controlled by a series of checks and balances exercised by the executive, finance, and legislative arms of the Town government. These processes are established to ensure that each project with significant costs is evaluated and examined by persons elected to represent the best interests of the community. Every project accepted into the Capital Improvement Plan, as approved by the Board of Selectmen, Board of Education, Board of Finance and Legislative Council is subject to the same rigorous review. Except for emergency situations, a consistent and documented process should be used to advance every capital project from inception to execution by its requesting agent.
- B. Projects approved for inclusion in the CIP typically progress from the introductory phase in year five to ten to the execution phase in year one. Projects in year one on the CIP are intended for implementation during that fiscal year. Capital Projects to be implemented must go through the bonding and special appropriations processes, as determined by the Charter.
- C. Steps in this process for projects readying for implementation include
 - 1) Bonding funds for requested capital projects:
 - a) The Director of Finance causes a bonding resolution to be prepared. The resolution will identify the funds being requested and the purpose of those funds. The department with ownership of the proposed project initiates this process through contact with the Director of Finance;

- b) The bonding resolution to fund the proposed project is submitted to Board of Finance for discussion/action;
 - c) If approved by the Board of Finance, the bonding resolution is then submitted to 'Board of Selectmen for discussion/action;
 - d) If approved by the Legislative Council, the resolution is then submitted by Board of Selectmen for discussion/action
- 2) Appropriating funds for projects for which bonding has been approved follows these steps: (Greater detail about the process for appropriating funds for capital projects is described in the Charter)
 - a) A special appropriation request for a capital project is prepared by the Director of Finance in concert with the requesting department;
 - b) The appropriation request is submitted to the Board of Finance for discussion and action;
 - c) If approved, the appropriation request then moves to the legislative Council;
 - d) The appropriations request may also be acted on by the Board of Selectmen or referendum, depending upon the magnitude of funds requested as per the Charter.
- 3) Management/oversight of capital/projects: The Public Building and Site Commission shall have control of supervision and construction of capital projects. Should the Public Building and Site Commission determine that it is unable to take on this responsibility, then other building committee or owner's representative may be appointed by the Board of Selectmen or Board of Education.
 - a) The PB&S Commission or "other" authorized building committee establishes appropriate advisory committees; prepares and issues appropriate RFQs and RFPs; and selects professionals and develops contracts with attorney and purchasing agent's input.
 - b) Contracts in conjunction with all such capital projects shall be authorized by the First Selectmen, with approval of the Board of Selectmen or Board of Education.
- 4) Project planning and bidding: Once the special appropriation process is complete and approved by the appropriate levels of government, assignment of the project to the Public Building and Site Commission or "other" building committee may take place, followed by project planning, including the issuance of public bids.

Changes to Newtown Code Section 310 Capital Improvement Plan

Charter 5-10 (b) The development of the regulation governing the five-year Capital Improvement Plan and any subsequent amendments to the regulation shall be the duty of the Legislative Council with the recommendation of the Board of Finance.

Comparison Section 310 Current and Drafts

Current Code Book	BOS Proposed Replacement	BOF Chair
310-1 Goal	310-1 Purpose	310-1 Purpose
310-2 Description; annual review	310-2 Overview	310-2 Goal
310-3 Implementation and Amendments	310-3 Capital Improvement Plan Projects	310-3 Overview
310-4 Presentation of proposed purchases to Board of Finance	310-4 Evaluation Criteria for Capital Requests	310-4 Implementation and Amendments
310-5 Eligible purchases and expenditures	310-5 Capital Improvement Plan Formation / Process	310-5 Presentation of Proposed Purchases to BOF
310-6 Process overview	310-6 Capital Improvement Plan Timing / Schedule	310-6 Eligible Capital Improvement Plan Projects
		310-7 Process Overview
310-7 Prioritization	Eliminated	310-8 Prioritization
310-8 Town Budget		310-9 Town Budget
310-9 Capital Project Process		310-10 Capital Project Process

Changes to Section 310 brought up at BOF & BOS Meetings

1. Threshold for inclusion
 - Current: 0.25% of Town budget
 - Proposed: \$200,000
2. Time span of the plan
 - Current: 5 years
 - Proposed: 10 years
3. Approval of Additions to CIP
 - Current: Majority
 - Proposed: BOF Super Majority
 - Proposed: LC would have to approve BOF addition by super majority as well
4. Review sequence BOF - LC
 - Current: BOF reviews and recommends action on any changes made by LC. Looping until 60 days after BOF first submitted to LC
 - Proposed: BOF reviews and recommends action on any changes made by LC once.
5. First Selectman Submittal
 - Current: BOS submit their CIP in October (before election day)
 - Proposed: In their first term, newly elected First Selectman can change CIP year 1
6. Review Calendar
 - Current: See Table 1
 - Proposed: See Table 1
7. Inclusion in Section 310 of Authorization and Funding and Capital Project Process
 - Current: Sections 310-7 thru 310-10
 - Proposed: Eliminated in BOS Proposal. Covered elsewhere in Charter and Code.

Town of Newtown – Board of Finance
Changes to Newtown Code Section 310 Capital Improvement Plan

Table 1 - CIP Calendar

Month	Current	BOS Proposed Section 310-6
June	BOE submit 1 st BOF meeting (310-4)	
July		Departments prepare CIP requests.
August	BOS submit 1 st BOF meeting (310-4)	First Selectman presents CIP to BOS. Superintendent presents CIP to BOE.
September		BOE presents to BOF 2 nd meeting
October		BOS presents to BOF 1 st meeting
November	Nov 30 BOF forwards approved CIP to LC (310-6.I)	Nov 30 BOF presents recommendation to LC.
December	Within 60 days of BOF submission LC act or	
January	BOF version shall be the adopted CIP (310-6.J) Charter Section 4-05 (c).(8) - Director of Finance shall submit to BOF & LC updated version of CIP no later than January 15 th	Jan 31 LC adopts CIP. LC determines 1 st year CIP projects to go to referendum
February		Bond resolution project processed.
March		

Possible topics for consideration from N Simpson

Additional Section Changes

8. Definition of CIP items. What does a row in the CIP represent?
 - Current: (Major) Capital Projects, Capital expenditures, (Major) Capital Purchases, Purchases, Public Improvements, (Capital Assets in Debt Policy)
 - Proposed: BOS recommendation – all of the above and “proposed capital asset/projects”
9. Reference to process for bonding and special appropriations
In 310-9.B and 310-9.C.(2)
 - Current: Charter, Section 6-30 “Laying of Taxes”
 - Proposed: Charter Section ??-??

Current Section 310 Is Mute On:

10. Public hearings regarding proposed CIP
11. BOE opportunity for input on changes
12. Bundling of disparate expenditures into one CIP row (e.g. repave the parking lot and replace carpet)
13. One CIP row with funding in three or more consecutive years
14. Same dollar amount in multiple CIP years
15. “TBD” as a dollar amount
16. Lease of equipment, vehicle, or software (Current: Only Land leasing is identified in 310-5.B)

Charter, Code and Other Policy Impacts

17. Many References in Charter that CIP is five year plan
18. Ambiguity regarding Appropriation
19. Ambiguity of sending items to Referendum that are under the amount required to go to Referendum

TOWN OF NEWTOWN
APPROPRIATION (BUDGET) TRANSFER REQUEST

AUTHORIZATION SIGN OFF	
FRST 335 DAYS	>>>>WITH IN A DEPT.>>>>LESS THAN \$50,000>>>> (1), (2) & (3) SIGNS OFF; MORE THAN \$50,000>>>> (1), (2), (3) & (5) >>>>ONE DEPT TO ANOTHER>>>>LESS THAN \$200,000>>>>ALL EXCEPT (6); MORE THAN \$200,000>>>>ALL SIGN OFF
AFTER 335 DAYS	>>>>(1), (2), (3), (5) & (6) ANY AMOUNT FROM CONTINGENCY>>>> ALL SIGN OFF

<u>Orig Budget</u>	<u>Transfers</u>	<u>Adj Approp</u>	<u>Encumbered</u>	<u>Ytd Expended</u>	<u>Balance</u>
\$70,000.00	\$0.00	\$70,000.00	\$400.00	\$77,506.47	(\$7,906.47)
1-101-15-490-5350-0000					
PROF SVS - LEGAL					
SUMMARY					
<u>Vendor Name</u>	<u>Description</u>	<u>Amount</u>	<u>Description</u>		
BEE PUBLISHING CO	LEGAL ADS	2,503.05			
COHEN & WOLF	LEGAL RETAINER - 7 MTHS	8,750.00			
COHEN & WOLF	140923-405 Gaydosh	3,400.00	Zoning Enforcement		
COHEN & WOLF	140923-477 Rel. Edmond	352.00	Edmond Road		
COHEN & WOLF	140923-506 Ostrosky	23,712.00	Property Forclosure		
COHEN & WOLF	140923-540 Ostrosky	6,752.40	Zoning Enforcement		
COHEN & WOLF	140923-542	25,203.20	Zeisler - Housatonic drive		
COHEN & WOLF	140923-543-Monroe/	515.96			
COHEN & WOLF	140923-549 DeGabriel	1,735.00	Zoning Enforcement		
COHEN & WOLF	140923-556 Ostrosky/JP	510.00			
COHEN & WOLF	140923-573 GRC Constr	360.00			
HEARST MEDIA SVCS CT, LLC	LEGAL ADS	845.36			
LOGAN GRADY, LLC	DeFenn & Consumers	1,950.00			
SECOR, CASSIDY & MCPARTLAND,	5K Enterprises,	917.50			
		77,506.47			
Additional appropriation:					
Retainer (5 mths)	6,250				
Estimated 4 mths legal	34,378				
Current account balance	7,906				
	48,535				
	SAY 50,000				