

AMENDED

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held a regular on Thursday, March 23, 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, Kelley Johnson, Mark Boland, John Godin, Sandy Roussas, Aaron Carlson

Also Present: First Selectman Pat Llodra, Finance Director Robert Tait and one member of the press

VOTER COMMENT – None

COMMUNICATIONS – None

MINUTES – Mr. Gaston moved to approve the minutes from the March 2, 2017 meeting. Ms. Johnson seconded, motion unanimously approved.

FIRST SELECTMAN REPORT – First Selectman Llodra presented the winter storm breakdown (Attachment A). There is a balance in the account of \$136,571 but the sheds still need to be filled with sand and salt. The good news is that they are ending in the black.

FINANCE DIRECTORS REPORT – Bob Tait presented information regarding the bond sale that occurred a few weeks ago (Attachment B). He explained that they do not bond the full amount of a project in the CIP unless it is sure they will spend that money. The AAA rate savings is significant over the first 10 years.

Medical Insurance – The claims in for February and they are positive. March to date is less than prior year but more than years before. Mr. Tait is suggesting to the Legislative Council to change the Medical Insurance contribution from 2% to a 0% which is over a \$200,000 savings.

NEW BUSINESS

Resolutions – Mr. Gaston expressed concern because there was no financial analysis done on the proposed resolution and questioned how the Legislative Council prioritized them. He explained that there are some that are financially tied. First Selectman Llodra explained that the pathway for resolutions is the Board of Selectman, then Board of Finance and then the Legislative Council. Everyone is in agreement that the projects are good for the town. The question is, should there be a financial analysis before it is determined what goes to referendum.

The BOF plays a role in financial recommendations and that includes what goes to referendum and what doesn't. First Selectman Llodra explained that the charter change requires that the Legislative Council can only bond cumulative up to \$1.5 million for any one item, so any capital item or project over that number automatically goes to referendum, and, further, the LC can only bond cumulatively up to 1 mill (approx \$3 million) for all capital items/projects in any one fiscal year. In order to comply with the charter change, the recommendation from the town Attorney

was to move items to referendum, beginning with the most expensive. Mr. Tait explained that the BOF's financial analysis came through the CIP process when they looked to see if we can afford these projects.

Mr. Gaston explained that they are putting politically at risk projects to referendum. In this budget climate, there will be a greater inclination to say no out of fear. The debt load is already built in to the budget.

It was also discussed how to educate the public regarding the projects and how they are tied to other projects, grants or safety. SEEC rules prohibit the BOF, or any elected board, from putting out anything that would influence voters, they can only inform.

Mr. Gaston and Mr. Godin will work on putting together a process for future resolutions/referendums.

Mr. Gaston moved a RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$750,000 FOR THE PLANNING, DESIGN, ENGINEERING AND CONSTRUCTION OF NEWTOWN HIGH SCHOOL AUDITORIUM PHASE II RENOVATIONS AND IMPROVEMENTS AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2017-18 to 2021-22) AND AUTHORIZING THE ISSUANCE OF \$750,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE and waived the reading of the full resolution. Ms. Johnson seconded, motion unanimously approved by roll call vote.

Mr. Gaston moved a RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$850,000 FOR THE PLANNING, DESIGN, ENGINEERING, REPLACEMENT AND CONSTRUCTION OF A NEW ROOF AT HAWLEY SCHOOL AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2017-18 to 2021-22) AND AUTHORIZING THE ISSUANCE OF \$850,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE and waived the reading of the full resolution. Ms. Johnson seconded, motion unanimously approved by roll call vote.

Mr. Gaston moved a RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$1,000,000 FOR THE PLANNING, DESIGN, ENGINEERING, RECONSTRUCTION AND CONSTRUCTION OF TOWN ROADS AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2017-18 to 2021-22) AND AUTHORIZING THE ISSUANCE OF \$1,000,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE and waived the reading of the full resolution. Ms. Johnson seconded, motion unanimously approved by roll call vote.

Mr. Gaston moved a RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$1,800,000 FOR THE PLANNING, DESIGN, ENGINEERING AND CONSTRUCTION OF IMPROVEMENTS AT THE NEWTOWN MIDDLE SCHOOL AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2017-18 to 2021-22) AND AUTHORIZING THE ISSUANCE OF \$1,800,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE and waived the reading

of the full resolution. Ms. Johnson seconded, motion unanimously approved by roll call vote.

Mr. Gaston move a RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$3,000,000 FOR THE PLANNING, DESIGN, ENGINEERING AND CONSTRUCTION OF A NEW SENIOR CENTER AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2017-18 to 2021-22) AND AUTHORIZING THE ISSUANCE OF \$3,000,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE and waived the reading of the full resolution. Ms. Johnson seconded. Aaron Carlson articulated that he supports and understand there is a need for space at the senior center. His concern is that this is the largest number and it is unknown what they are going to do with the \$3 Million. Shouldn't there be a design phase like the Police Department? First Selectman Llodra explained that the difference is that this is an addition to the community center. Motion unanimously approved by roll call vote.

Mr. Gaston moved a RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$300,000 FOR THE PLANNING AND DESIGN OF THE NEWTOWN POLICE FACILITY AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2017-18 to 2021-22) AND AUTHORIZING THE ISSUANCE OF \$300,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE and waived the reading of the full resolution. Ms. Johnson seconded, motion unanimously approved by roll call vote.

Voter Comments – None

Announcements – Mr. Godin will be providing some documents for senior property tax relief which will be on the next agenda.

Having no further business, the meeting was adjourned at 8:48pm

Respectfully Submitted,
Arlene Miles, Clerk

Attachment A

WINTER STORM BREAKDOWN										2016-2017			
Storm #	DATE	DAY	TIME IN	TIME OUT	TYPE OF STORM	USED YDS	SAND PER YD	USED TONS	TREATED/SALT COST	HOURS	OVERTIME COST	TOTAL COST OF STORM	
1	11/21/2016	Monday	4:00 AM	7:00 AM	Dusting	8.2	\$17.95	5.95	\$88.08	88.75	\$3,837.58	\$ 4,508.85	
2	12/5/2016	Monday	4:00 AM	7:00 AM	1 Inch of Slush	76.8	\$1,378.56	98.01	\$8,632.72	100.25	\$4,357.02	\$ 14,368.30	
3	12/7/2016	Wednesday	12:45 AM	4:30 AM	Icy Roads	49.26	\$884.22	60.96	\$5,369.36	101.75	\$4,425.77	\$ 10,679.34	
4	12/11/2016 and 12/12/2016	Sunday and Monday	8:00 PM	11:00 PM	Rain, Sleet and Snow	145.8	\$2,617.11	174.91	\$15,406.07	225.25	\$9,814.00	\$ 27,837.18	
5	12/17/2016	Sunday	4:00 AM	5:00 PM	6" of snow	159.35	\$2,860.33	186.88	\$16,460.39	441.5	\$19,207.72	\$ 38,528.44	
6	12/24/2016	Saturday	6:15 AM	9:30 PM	Icy Roads	66.3	\$1,190.08	79.29	\$6,983.86	79.75	\$3,421.87	\$ 11,595.82	
7	1/6/2017	Friday	2:00 AM	7:00 AM	2" of snow	139.8	\$2,509.41	167.32	\$14,719.93	129	\$5,607.07	\$ 22,836.41	
8	1/7/17-1/8/2017	Saturday, Sunday and Monday	10:45 AM	2:15 AM									
9	cont 1/9/2017	Monday	2:30 AM	7:00 AM	7" of snow	306.3	\$5,498.09	251.1	\$22,116.89	489.75	\$21,202.85	\$ 48,817.82	
	1/14/2017	Saturday	5:15 PM	10:30 PM	Light Snow	101.4	\$1,820.13	121.12	\$10,668.25	98.25	\$4,268.17	\$ 16,756.55	
10	1/23-1/24/2017	Monday thru Tuesday	7:00 PM	7:00 AM	2" of Rain, Sleet and Ice	171.11	\$3,071.42	204.87	\$18,044.95	376.25	\$16,346.80	\$ 37,463.17	
11	1/31/2017	Tuesday	10:30 AM	7:15 PM	2 inches of snow	191.78	\$3,442.45	349.28	\$30,764.58	149.5	\$6,347.56	\$ 40,554.59	
	2/9/17-2/10/17	Thursday, Friday and continue to Saturday	4:00AM	9:30 PM									
12	cont 2/11/2017	Saturday	10:15PM	3:30 AM	13" of Snow	474.5	\$8,517.27	563.7	\$49,650.70	481.5	\$20,914.76	\$ 79,082.73	
13	2/12/17 and 2/13/17	Sunday and Monday	7:30 AM	8:30 PM									
14	3/10/2017	Friday	4:00AM	7:15 PM	5" of Snow	280.1	\$5,027.80	350.14	\$30,840.33	478.25	\$20,726.61	\$ 56,594.74	
	3/14/2017 - 3/15/2017	Tuesday	3:45 AM	3:30 PM	5" of Snow	136.2	\$2,444.79	165.28	\$14,557.86	100.75	\$4,387.62	\$ 21,390.27	
			2:30 AM	12:00 AM	12-14" of Snow	264	\$4,738.80	312.7	\$27,542.62	367.5	\$16,003.43	\$ 48,284.85	
					TOTAL	2570.9	\$46,147.66	3091.31	\$272,282.58	3708	\$160,868.83	\$ 479,299.07	
						YDS Sand	Cost of Sand	Tons Salt	Cost of Salt	OT Hrs	Cost of OT	Total cost of Storms	

Sand \$58,993
 Salt \$376,216
 O.T. \$180,661
 \$ 615,870
 \$ 136,571

Final Official Statement Dated March 8, 2017**New Issue: Book-Entry-Only****Rating: S&P Global Ratings: "AAA"**

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.

**Town of Newtown, Connecticut****\$5,090,000****General Obligation Bonds, Issue of 2017
(Bank Qualified)****Dated: Date of Delivery****Due: March 15, 2018-2037
as detailed below:**

The Bonds will bear interest payable on September 15, 2017 and semiannually thereafter on March 15 and September 15 in each year until maturity. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book Entry Only Transfer System" herein).

Year	Principal	Coupon	Yield	CUSIP	Year	Principal	Coupon	Yield	CUSIP
2018	\$ 650,000	4.000%	0.900%	653234G32	2028	\$ 240,000	2.350%	2.350%	653234H56
2019	175,000	4.000%	1.150%	653234G40	2029*	225,000	2.500%	2.450%	653234H64
2020	250,000	3.000%	1.200%	653234G57	2030	225,000	2.550%	2.550%	653234H72
2021	250,000	2.000%	1.500%	653234G65	2031	225,000	2.650%	2.650%	653234H80
2022	250,000	4.000%	1.600%	653234G73	2032	225,000	2.750%	2.750%	653234H98
2023	250,000	4.000%	1.850%	653234G81	2033*	225,000	3.000%	2.800%	653234J21
2024	250,000	4.000%	2.050%	653234G99	2034*	225,000	3.250%	3.000%	653234J39
2025*	250,000	3.000%	2.100%	653234H23	2035*	225,000	3.250%	3.050%	653234J47
2026*	250,000	2.500%	2.150%	653234H31	2036*	225,000	3.500%	3.050%	653234J54
2027*	250,000	2.500%	2.250%	653234H49	2037*	225,000	3.500%	3.100%	653234J62

* Priced assuming optional redemption on March 15, 2024; however any such redemption is at the option of the Town.

FTN FINANCIAL CAPITAL MARKETS

The Bonds will be general obligations of the Town of Newtown, Connecticut (the "Town") and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein.)

The Bonds are subject to optional redemption prior to maturity as more fully described herein. (See "Optional Redemption" herein.)

The Registrar, Certifying, Transfer and Paying Agent will be U.S. Bank National Association of Hartford, Connecticut.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and certain other conditions. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about March 15, 2017.

Optional Redemption

The Bonds maturing on or before March 15, 2024 are not subject to redemption prior to maturity. The Bonds maturing on March 15, 2025 and thereafter, are subject to redemption prior to maturity, at the election of the Town, on and after March 15, 2024 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective price (expressed as a percentage of the principal amount of Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
March 15, 2024 and thereafter	100%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) days prior to the date fixed for redemption to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amounts of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Town Charter and certain bond resolutions adopted by the Town. The projects financed by the proceeds of the Bonds include:

<i>Project</i>	<i>Amount Authorized</i>	<i>New Money or (Paydowns)</i>	<i>This Issue: The Bonds</i>
Edmond Town Hall Improvements.....	\$ 500,000	\$ 200,000	\$ 200,000
High School Roof.....	1,402,500	1,402,000	1,402,000
Middle Gate School Boiler.....	475,000	450,000	450,000
Open Space Acquisition.....	450,000	450,000	450,000
Various Road Improvements.....	1,000,000	1,000,000	1,000,000
Pedestrian Sidewalk Improvements.....	150,000	150,000	150,000
High School Auditorium Improvements.....	3,600,000	556,000	556,000
Fairfield Hills Remediation & Demolition....	5,000,000	600,000	600,000
Hawleyville Sewer Extension.....	3,800,000	282,000	282,000
Total	\$ 16,377,500	\$ 5,090,000	\$ 5,090,000

11:48:04 a.m. EDST

Upcoming Calendar

Overview

Compare

Summary

Bid Results

Newtown (Town)

\$5,090,000 General Obligation Bonds, Issue of 2017

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/> Reoffering	FTN Financial Capital Markets	2.669327
<input type="checkbox"/>	BOK Financial Securities, Inc.	2.719742
<input type="checkbox"/>	Piper Jaffray	2.737684
<input type="checkbox"/>	UBS Financial Services Inc.	2.785059
<input type="checkbox"/>	Raymond James & Associates, Inc.	3.115485

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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Town of Newtown, Connecticut
AAA Rate vs AA- (State of Connecticut)
\$5,090,000 March 2017 Bond Issue

Cash Flow Comparison

DATE	AAA Rate	AA- Rate	Savings
06/30/2017	-	-	-
06/30/2018	785,903.00	806,263.00	20,360.00
06/30/2019	293,548.00	311,308.00	17,760.00
06/30/2020	363,875.50	380,935.50	17,060.00
06/30/2021	357,200.50	373,260.50	16,060.00
06/30/2022	350,525.50	365,585.50	15,060.00
06/30/2023	343,850.50	357,910.50	14,060.00
06/30/2024	337,175.50	350,235.50	13,060.00
06/30/2025	330,500.50	342,560.50	12,060.00
06/30/2026	323,825.50	334,885.50	11,060.00
06/30/2027	317,150.50	327,210.50	10,060.00
06/30/2028	300,475.50	309,535.50	9,060.00
06/30/2029	279,067.50	287,167.50	8,100.00
06/30/2030	273,060.00	280,260.00	7,200.00
06/30/2031	267,052.50	273,352.50	6,300.00
06/30/2032	261,045.00	266,445.00	5,400.00
06/30/2033	255,037.50	259,537.50	4,500.00
06/30/2034	249,030.00	252,630.00	3,600.00
06/30/2035	243,022.50	245,722.50	2,700.00
06/30/2036	237,015.00	238,815.00	1,800.00
06/30/2037	231,007.50	231,907.50	900.00
Total	\$6,399,368.00	\$6,595,528.00	\$196,160.00

		BOS	
Principal & interest adjustment	Principal	14,500	Exact 2017 bond amount replaces the estimate
	Interest	20,938	
March 2017 bond premium offset to interest		152,968	2018-19 bump in debt service can be handled during the CIP planning process
		<u>188,406</u>	