

**TOWN OF NEWTOWN LEGISLATIVE COUNCIL REGULAR MEETING
WEDNESDAY, MARCH 19, 2014
NEWTOWN MUNICIPAL CENTER, NEWTOWN, CT**

PRESENT: George Ferguson, Ryan Knapp, Neil Chaudhary, Mary Ann Jacob, Phil Carroll, Dan Honan, Anthony Filiato, Joe Girgasky, Paul Lundquist, Dan Amaral, Lisa Romano.

ABSENT: Bob Merola

ALSO PRESENT: First Selectman Pat Llodra, Finance Director Bob Tait, Board of Education members Debbie Leidlein, Kathy Hamilton, and Michele Ku, Board of Finance members John Kortze and Mike Portnoy, Superintendent John Reed, Assistant Superintendent Linda Gejda, Business Director Ron Bienkowski, and Land Use Deputy Director Rob Sibley. Five members of the public and 2 press.

Ms. Jacob called the meeting to order at 7:30PM. Ms. Jacob explained the budget process. She noted that the budget requires a majority (6) votes to reduce the budget. It requires a 2/3 vote of entire membership to increase the budget. Items can only be added only if included in and is not in excess of the budgets proposed by the Board of Selectmen or Board of Ed.

VOTER COMMENT: Kinga Walsh, Horseshoe Ridge Rd, Sandy Hook, asked for the budget to be sent to the voters without reductions.

Rich Fenaroli, Tomahawk Trail, Sandy Hook, requested the salaries and benefits of all town employees and retirees be printed in the Bee annually.

MINUTES: MR. FERGUSON MOTIONED TO APPROVE THE MINUTES OF THE FEBRUARY 19, 2014 MEETING. MOTION SECOND AND APPROVED. MR. HONAN ABSTAINED. MR. LUNDQUIST MOTIONED TO APPROVE THE MINUTES OF THE FEBRUARY 27 AND MARCH 12 SPECIAL MEETINGS. MOTION SECOND AND APPROVED. MS. ROMANO AND MR. GIRGASKY ABSTAINED.

COMMUNICATION: Ms. Jacob received a letter from the Board of Finance regarding the resolution adopted at their last meeting. ATTACHMENT A

FIRST SELECTMAN: Mrs. Llodra asked Mr. Tait to speak on a couple of items. Mr. Tait spoke on the competitive bid for 6.5 million dollars. ATTACHMENT B Last week, Naugatuck, which is rated 1 step below Newtown, sold 10 million in bonds for an average rate of 3.25%. Newtown received an average rate of 2.71%. It will save the town \$35,000 a year. Mr. Amaral asked if that was the rate for 20 years. Mr. Tait said yes, the rates are printed on the bonds.

Mr. Tait presented comments from the auditor for the council to review. ATTACHMENT C Ms. Jacob asked about item 2 regarding general ledger and manual accounting, if it is the same

issue as last year. Mr. Tait said everything has been added to the accounting system except for one item and Mr. Bienkowski has said it is currently being added to the system.

NEW BUSINESS:

Mr. Kortze presented data the Board of Finance has been compiling regarding budgets and enrollment. ATTACHMENT D Data was gathered from BOE and BOS budget books, the state education websites, and government websites for inflation. Mr. Kortze pointed out regarding per pupil expenditures (PPE), if spending stays the same and the student population decreases, the per pupil expenditures will increase. In comparison to other towns in our DRG, the tax burden on Newtown homeowners is much higher. In South Windsor about half the tax burden is on homeowners. Newtown birthrates are at the lowest in 25 years. Newtown student population declined at twice the rate of our DRG and that was before 12/14.

Mr. Kortze presented an analysis of the fund balance. He noted we are on target without adding money from the budget. ATTACHMENT E

Mr. Kortze presented an example of an amended budget due to changes during the year. ATTACHMENT F

Mr. Kortze distributed "what-if" scenarios showing the impact of Board of Finance recommended increases to the budget; \$400,000 to the health fund, \$150,000 for senior tax relief and \$200,000 for roads. ATTACHMENT G The Employee Medical Benefits Board has recommended adding \$400,000 to the health insurance fund; \$300,000 for the BOE and \$100,000 for the BOS.

Ms. Romano asked why the BOF arbitrarily chose to target a zero % increase for the budget. Mr. Kortze said they collectively felt they needed to address the data he presented. Ms. Romano asked if the choice of zero was tied to a specific decline in enrollment because she doesn't see how it is possible. Mr. Kortze said one could argue it should be greater. Ms. Romano said she is puzzled as to why the taxpayers cannot vote on a budget designed by our highly paid school professionals. Mr. Kortze said he handed out this data because it has been talked about quite a bit, and to add color to their request, and the budget being presented by the Board of Finance is higher than what was unanimously endorsed by the Board of Education and the Superintendent of Schools. No reductions were made to what they asked for.

Mr. Chaudhary clarified there will be no increase for taxpayers. Mr. Kortze said there is a very small increase in both the BOS and BOE budget, which is offset by an increase in the grand list. Mr. Kortze distributed the Board of Finance motions for the recommended budget increases. ATTACHMENT H

Mr. Lundquist asked regarding the \$200,000 addition for roads, what else the BOF considered. Mr. Kortze said \$500,000 for roads. The \$200,000 is a good way to mitigate some problems and still have a flat budget. Mr. Filiato asked for details regarding the health insurance recommendation. Mr. Kortze said the chair of the Employee Medical Benefits Board spoke to the BOF. He recommends reviewing the BOF minutes or invite them to a meeting. They had a lot of information to support their recommendation.

Mr. Kortze said this is a good budget and deserves the council's support. They are lean budgets and the Board of Ed and Board of Selectman and administrations should be commended for what they presented.

Mr. Kortze said they received a letter from all the PTA's unanimously endorsing the Board of Finance actions.

CHARGE TO SUBCOMMITTEES RESPONSIBLE FOR BUDGET REVIEW:

MR. CHAUDHARY MOTIONED TO REFER FOR BUDGET REVIEW THE REVENUE AND OTHER FINANCING SOURCES, GENERAL GOVERNMENT, CONTINGENCY, DEBT SERVICE, OTHER FINANCING USES, RESERVE CAPITAL AND NON –RECURRING EXPENSES TO FINANCE AND ADMINISTRATION. MOTION SECOND AND APPROVED.

MR. CHAUDHARY MOTIONED TO REFER FOR BUDGET REVIEW PUBLIC SAFETY, PUBLIC WORKS, HEALTH AND WELFARE, LAND USE, PARKS AND REC TO MUNICIPAL OPERATIONS. MOTION SECOND AND APPROVED.

MR. CHAUDHARY MOTIONED TO REFER FOR BUDGET REVIEW THE BOARD OF EDUCATION BUDGET TO THE EDUCATIONS COMMITTEE. MOTION SECOND AND APPROVED.

COMMITTEE REPORTS: Mr. Knapp reports the ordinance committee met on the 5th and discussed with Bob Tait and Carol Mahoney deferral of taxes exceeding 80% of homeowner's income. He is waiting for info from CCM on the subject. Discussed senior tax relief, draft will be presented at next committee meeting. No news on Public Act 13-224 for additional tax exemptions for 100% Disabled Vets. The state is still working on regulations.

Mr. Chaudhary asked the education committee send him their list of questions on the budget. He asked they review the Board of Finance meeting videos on the budget.

Mr. Lundquist asked Ms. Jacob if she has received responses to her letter to Boards and Commissions regarding Charter Review. She has received a few responses and extended the deadline to April 15th. Need to have a charge by June 1st.

CITIZEN REQUEST: MR. CHAUDHARY MOTIONED TO DIRECT THE FINANCE DIRECTOR TO POST THE SALARIES OF THE TOP 50 PAID TOWN AND BOARD OF ED EMPLOYEES ON THE TOWN WEBSITE. SECOND BY GEORGE FERGUSON.

Mr. Chaudhary said he doesn't want to pay to have this information published, but thinks it important the public have the information. If posted on the town website, perhaps the Bee will do a story and include the information.

Mrs. Llodra suggested adding the information to the Annual Report. People could get a hard copy of the report.

Mr. Chaudhary asked if this would include people's names or just their title/job description.

Ms. Jacob said she would be in favor of using titles and include salary, overtime and benefits.

Mr. Lundquist asked if limited to the top 50, how many would be left off.

Mrs. Llodra said the town has 170 employees and the Board of Ed has over 600.

Mr. Lindquist thinks all employees should be included.

Mr. Tait said he can report all the salaries with job titles. He would also like to put this info in context to compare with other towns and private sector.

Mr. Chaudhary asked if the income Police Officers are paid by outside sources can be separated from their town salary. Mr. Tait said he can.

Ms. Romano asked if the info could be linked to other towns and if it could be published with the budget.

Ms. Jacob said this is public info and adding to the website and/or annual report, makes it easier for people to access.

Mr. Chaudhary does not want to single out retirees, would prefer one line item with what we pay in pensions. Should include benefits with salaries, but does not want to single out type of plan people have.

Mrs. Llodra suggested publishing the costs of different health plans.

Mr. Ferguson supports making the information public but does not want to pay to publish. Doesn't think it wise to release info at referendum time.

Mr. Tait mentioned the budget already has many salaries listed.

MR. KNAPP AMENDED THE MOTION TO CHANGE THE LANGUAGE FROM 50 TO ALL, TO CHANGE LANGUAGE EMPLOYEE TO POSITION, PLUS ADDITIONAL INFORMATION AT THE DISCRETION OF THE FINANCE DIRECTOR. SECOND BY MR. HONAN.

Mrs. Llodra suggested Mr. Tait bring his report to the Council for review.

Mr. Lundquist doesn't think there needs to be a timeline.

AMENDMENT TO THE MOTION WAS UNANIMOUSLY APPROVED.

THE MOTION AS AMENDED WAS UNANIMOUSLY APPROVED.

Legislative Council

5

March 19, 2014

EXECUTIVE SESSION: The Council went in to Executive Session at 8:45pm for the purpose of discussion on land acquisition, and invited Mrs. Llodra, Mr. Tait and Mr. Sibley.

PUBLIC SESSION: The Council returned to public session at 9:00pm.

LAND ACQUISITION: MR. CHAUDHARY MOTIONED TO APPROVE A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$255,000 FOR THE PURCHASE OF AN APPROXIMATELY 37 ACRE PARCEL OF LAND TO BE HELD AS OPEN SPACE AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PROGRAM (2013-14 TO 2017-18 INCLUSIVE) AND AUTHORIZING THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWING FOR SUCH PURPOSE. SECOND BY PHIL CARROLL.

Mr. Amaral asked if the town owns any adjoining property, if the property is buildable. Mr. Sibley explained the Plan of Conservation Development guides the town on open space. This property has a high rating based on the guidelines; it is on the market and meets the grant requirements. It links to other open space from several subdivisions. Together it will become a 70 acre preserve. Mr. Knapp asked if there is a pipeline on the property. Mr. Sibley said there are utility lines. Mr. Knapp asked how they affect the property. Mr. Sibley said there will be deed restrictions preventing development of the property and identifies easements and restrictions. Mr. Girgasky asked what would prevent us from receiving the grant. Mr. Sibley said we meet all the requirements of the grant. If the state is overwhelmed with requests for this grant or we did not have funding in place, there would be an issue. Mr. Sibley said if we don't receive the grant, we will have to bond \$80,000. With the grant, there will be no bonding. Mr. Tait said this is an authorization to spend, to be financed by bonds, to be reduced by grants and other funds. Ms. Jacob asked where this property is on the priority list. Mr. Sibley said it is currently number 2. **MOTION UNANIMOUSLY APPROVED. ATTACHMENT I**

AUDITORS: MR. CHAUDHARY MOTIONED TO REAPPOINT COHN AND REZNICK AS THE TOWN AUDITOR. SECOND BY GEORGE FERGUSON. Mr. Tait said Cohn and Reznick is the 11th largest firm in Connecticut. The town has been receiving advice from them about grants and doesn't think it wise to change auditors in the middle of the process. Mr. Chaudhary asked when the grant process would be finished. Mr. Tait said it could be 2 years. Mr. Ferguson said the Council asked for a bid for auditors 2 years ago as a process of reviewing professional services to the town. Since circumstances have changed, he is happy to see them stay for continuity purposes. Mrs. Llodra said we are in the final stages of a grant with the Dept. of Justice and it is very complicated plus there will be a third SERV grant application. It would be difficult to make

a change in the middle of the process of handling millions of dollars in grants. Ms. Jacob asked what the value of the contract is. Mr. Tait said it is about \$60,000, split between the Board of Selectmen and the Board of Ed. **MOTION UNANIMOUSLY APPROVED.**

VOTER COMMENT: None

ANNOUNCEMENTS: None

ADJOURNMENT: There being no further business, the meeting was adjourned at 9:25.

Respectfully Submitted,

Carey Schierloh
Recording Secretary

Attachment A: Board of Finance Letter
Attachment B: Bond Bids
Attachment C: Auditor Preliminary Draft
Attachment D: BOF Budget & Enrollment Data
Attachment E: Fund Balance Analysis
Attachment F: Amended Budget
Attachment G: Impact of Recommended Increases
Attachment H: Recommended Increases
Attachment I: Land Acquisition

These are draft minutes and as such are subject to correction by the Legislative Council at the next regular meeting. All corrections will be determined in minutes of the meeting at which they were corrected.

NEWTOWN MUNICIPAL CENTER
3 PRIMROSE STREET
NEWTOWN, CT 06470

www.newtown-ct.gov



**TOWN OF NEWTOWN
BOARD OF FINANCE**

John W. Kortze, Chairman
Joseph W. Kearney, Vice Chairman
James Filan, Jr.
John Godin
Michael Portnoy
Harrison A. Waterbury

Robert Tait, Finance Director

March 13, 2014

To the Legislative Council

Members of the Council:

At a meeting of the Board of Finance held March 13, 2014, the following resolution was adopted:

RESOLVED: That the resolution entitled "Resolution Providing For A Special Appropriation In The Amount Of \$255,000 For The Purchase Of An Approximately 37 Acre Parcel Of Land To Be Held As Open Space As Authorized In The Capital Improvement Program (2013-14 To 2017-2018 Inclusive) And Authorizing The Issuance Of \$255,000 Bonds Of The Town To Meet Said Special Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose", a copy of which is attached hereto, is hereby adopted and recommended to the Legislative Council for consideration and action, said special appropriation was requested in a letter dated March 10, 2014 from Rob Sibley, Land Use Deputy Director, a copy of which is attached hereto, in accordance with Chapter 6, Section 6-30 (a), (b) & (c) of the Town Charter.

Very truly yours,

John Kortze (sm)

John Kortze, Chairman
Board of Finance

2:25:14 p.m. EDST Upcoming Calendar Overview Compare Summary

Bid Results

**Newtown (Town)
\$6,500,000 General Obligation Bonds, Issue of 2014**

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	BOSC, Inc.	2.713651
<input type="checkbox"/>	BMO Capital Markets	2.736910
<input type="checkbox"/>	Roosevelt & Cross, Inc.	2.764452
<input type="checkbox"/>	FTN Financial Capital Markets	2.778788
<input type="checkbox"/>	Janney Montgomery Scott LLC	2.783787
<input type="checkbox"/>	Piper Jaffray	2.787860
<input type="checkbox"/>	Raymond James & Associates, Inc.	2.798086
<input type="checkbox"/>	Robert W. Baird & Co., Inc.	2.802980
<input type="checkbox"/>	Stifel, Nicolaus & Co., Inc.	2.824004

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

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TOWN OF NEWTOWN, CONNECTICUT

**RECOMMENDATIONS TO MANAGEMENT
JUNE 30, 2013**

We present for your consideration our comments and recommendations relating to the internal control and other operating and administrative matters, which came to our attention during the course of our audit. Comments and recommendations being repeated from the prior year's audit are identified by an "**".

TOWN

***EDMOND TOWN HALL**

CONDITION:

Bank reconciliations for the Edmond Town Hall accounts were not completed timely or accurately.

CAUSE & EFFECT:

A lack of timely reconciliation of activity can cause errors and omissions in financial reporting.

RECOMMENDATION:

We recommend bank reconciliations be prepared on a monthly basis.

BOARD OF EDUCATION

***GENERAL LEDGER**

CONDITION:

One fund's accounting records are maintained on a manual basis and are not under general ledger control.

CAUSE & EFFECT:

General ledger control encompasses the recording of all transactions utilizing double entry procedures. Assets, liabilities, along with revenue and expenditure activity should all be recorded and controlled by the general ledger. Although expenditure transactions are currently processed through the computer system, the remainder of the general ledger accounting is done outside the general ledger software. The result of maintaining these accounts outside of the general ledger system is the loss of general ledger controls and efficiency in the process of recording, controlling, monitoring and preparation of financial statement and other reports.

RECOMMENDATION:

We recommend development of automated systems, including general ledger accounting control, for all funds. The system should be structured to facilitate systematic processing of all financial data. A common account structure will ensure financial reporting consistency between funds.

RECOMMENDATIONS TO MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2013

SEDAC REPORTING:

CONDITION:

During our testing of the State Department of Education SEDAC form, we noted that in several instances the amount reported on the final form were estimates and had not been adjusted to the actual cost amount as required by the State Department of Education.

CAUSE & EFFECT:

Improperly reporting SEDAC information will cause the Town to be reimbursed incorrectly for special education costs and result in either lost grant revenue or a reduction of the current year ECS grant amount due to the Town for any amounts reimbursed in excess of actual costs.

RECOMMENDATION:

We recommend that the Board of Education develop and implement formal procedures to properly prepare and update the SEDAC form as required by the State Department of Education.

All estimates must be updated for actual costs incurred at the various date required by the State. The final actual costs must be updated with the completion of the ED001 and related forms, including the SEDAC form at September 1 each year.

***INFORMATION TECHNOLOGY**

We performed a review the Town and Board's information technology system for the purpose of obtaining an understanding necessary to perform out audit.

Based upon that review, we provide to the IT Department our recommendations for any improvements. Due to the sensitive nature of such comments, they are not presented in this report.

Follow up on Prior Year's Recommendations

The following comments and recommendations from the prior year report are not being repeated since the Town and Board of Education have rectified the situation or it has otherwise been resolved:

- The Finance Department receives all necessary information for all infrastructure related projects from the departments responsible for the project.

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Town of Newtown

Budget Year	Education	Debt	Town	Combined
2001-2002	\$ 1,617,644		\$ 1,457,815	\$ 3,075,459
2002-2003	\$ 3,978,718		\$ 1,392,005	\$ 5,310,722
2003-2004	\$ 6,806,019		\$ 552,537	\$ 7,358,555
2004-2005	\$ 9,550,232		\$ 865,384	\$ 10,415,667
2005-2006	\$ 12,211,583		\$ 2,128,303	\$ 14,339,886
2006-2007	\$ 14,148,291		\$ 2,720,532	\$ 16,868,823
2007-2008	\$ 15,157,004		\$ 3,200,622	\$ 20,148,443
2008-2009	\$ 16,947,821		\$ 756,044	\$ 16,107,862
2009-2010	\$ 15,551,818		\$ 1,452,652	\$ 17,026,627
2010-2011	\$ 16,409,995		\$ 1,088,636	\$ 17,447,533
2011-2012	\$ 16,358,897		\$ 1,019,121	\$ 15,199,575
2012-2013	\$ 15,091,663		\$ 636,038	\$ 17,298,664
2013-2014 FINAL	\$ 16,662,626		\$ 731,099	\$ 16,850,793
2014-2015 projected	\$ 16,119,694		\$ 348,813	\$ 19,665,183
2015-2016 projected	\$ 14,516,370		\$ (46,489)	\$ 13,135,798
2016-2017 projected	\$ 13,182,387		\$ (455,157)	\$ 11,361,563
2017-2018 projected	\$ 11,816,720		\$ (877,545)	\$ 9,541,381
2018-2019 projected	\$ 10,418,205		\$ (1,314,017)	\$ 7,679,126
2019-2020 projected	\$ 8,986,143			

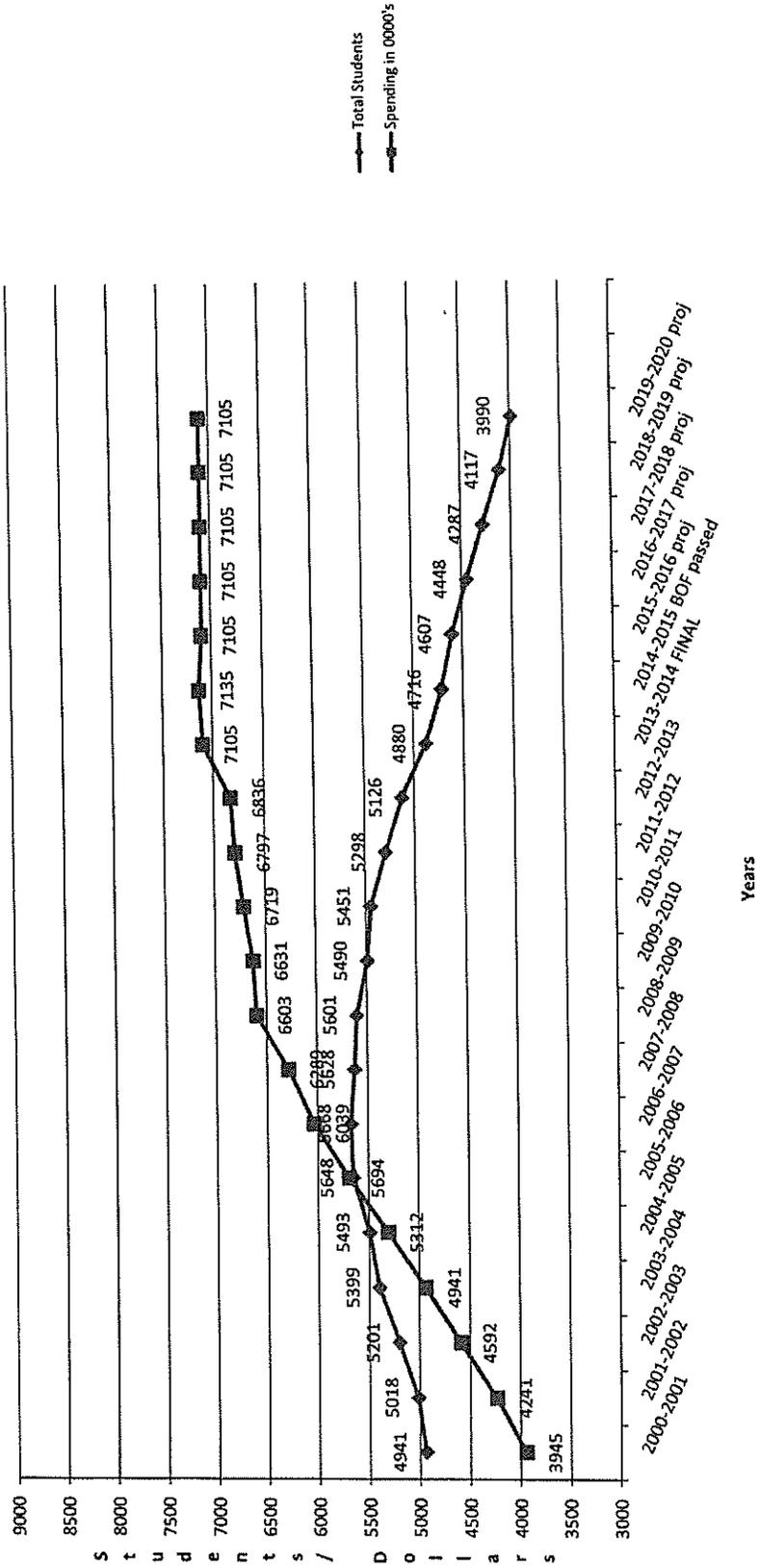
Comments:
 1. Education budget has risen by over twice the rate of inflation or \$16,662,626 since 2001-2002, while student population has decreased by 138 students.
 2. Town Selectman's budget has risen by less than the rate of inflation since 2002-2003 despite town population increase of 12% (2,768 residents)
 3. Education staffing growth rate increased by 14% (89 FTE) while student population shrank by 6.17% (821 students) since 2002-2003
 4. "Education Staffing in FTE" - this column of data is from the school district budget books adjusted for actuals when known
 5. Debt service is derived from schedule provided by town Finance Director
 6. Student population growth uses Dr Chung's middle projection from 2015-2016 thru 2019-2020
 7. The declining student population is sufficient to cause per pupil spending to rise even with no increase to the education budget and it will also rise with state allowed reductions to the budget.

CUMULATIVE AMOUNT OF INCREASE GREATER THAN INFLATION SINCE 2001-2002

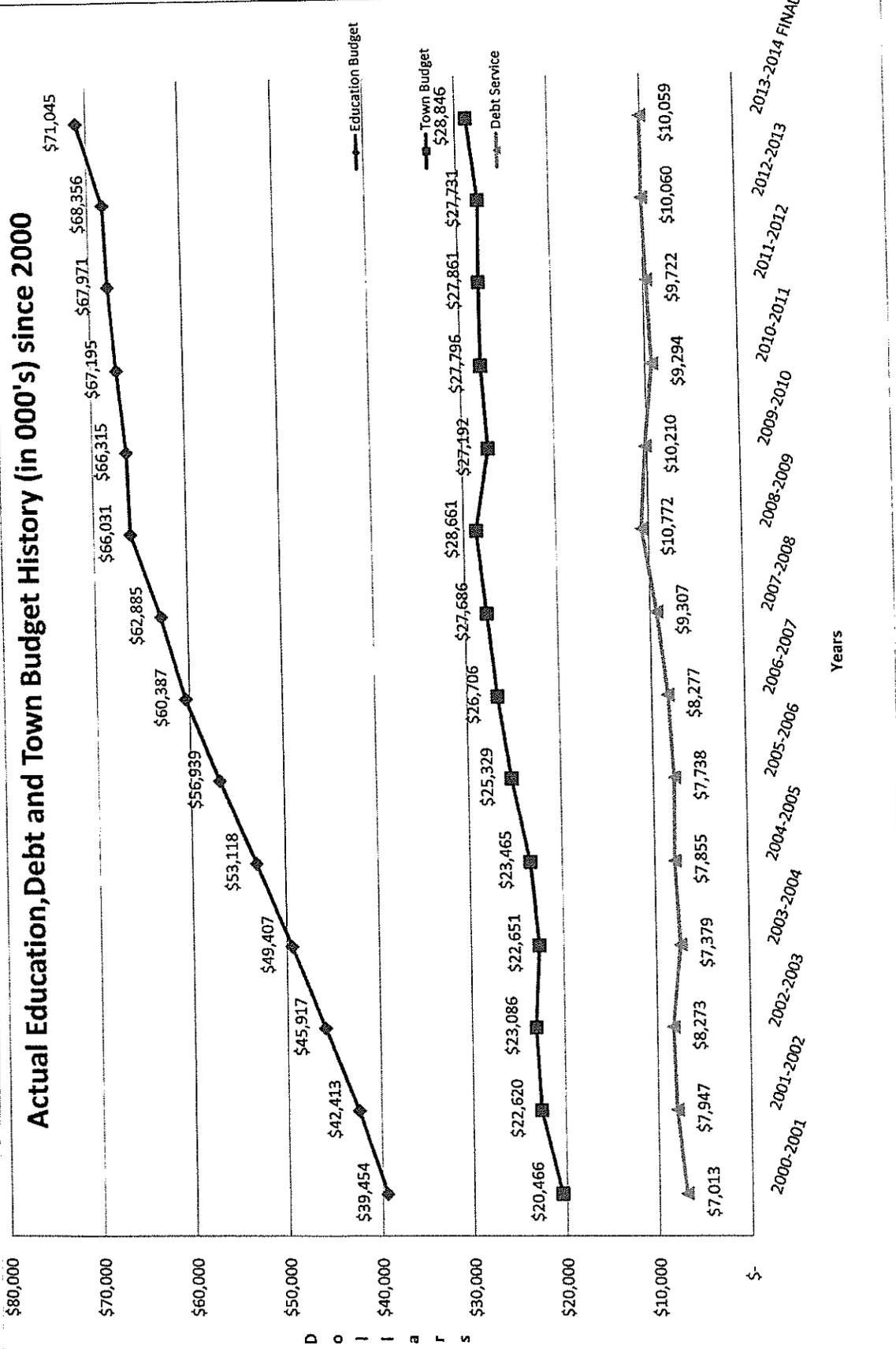
Education Spending (in 0000's) vs. Student Population since 2000

Actual through 2012 and projected from 2013

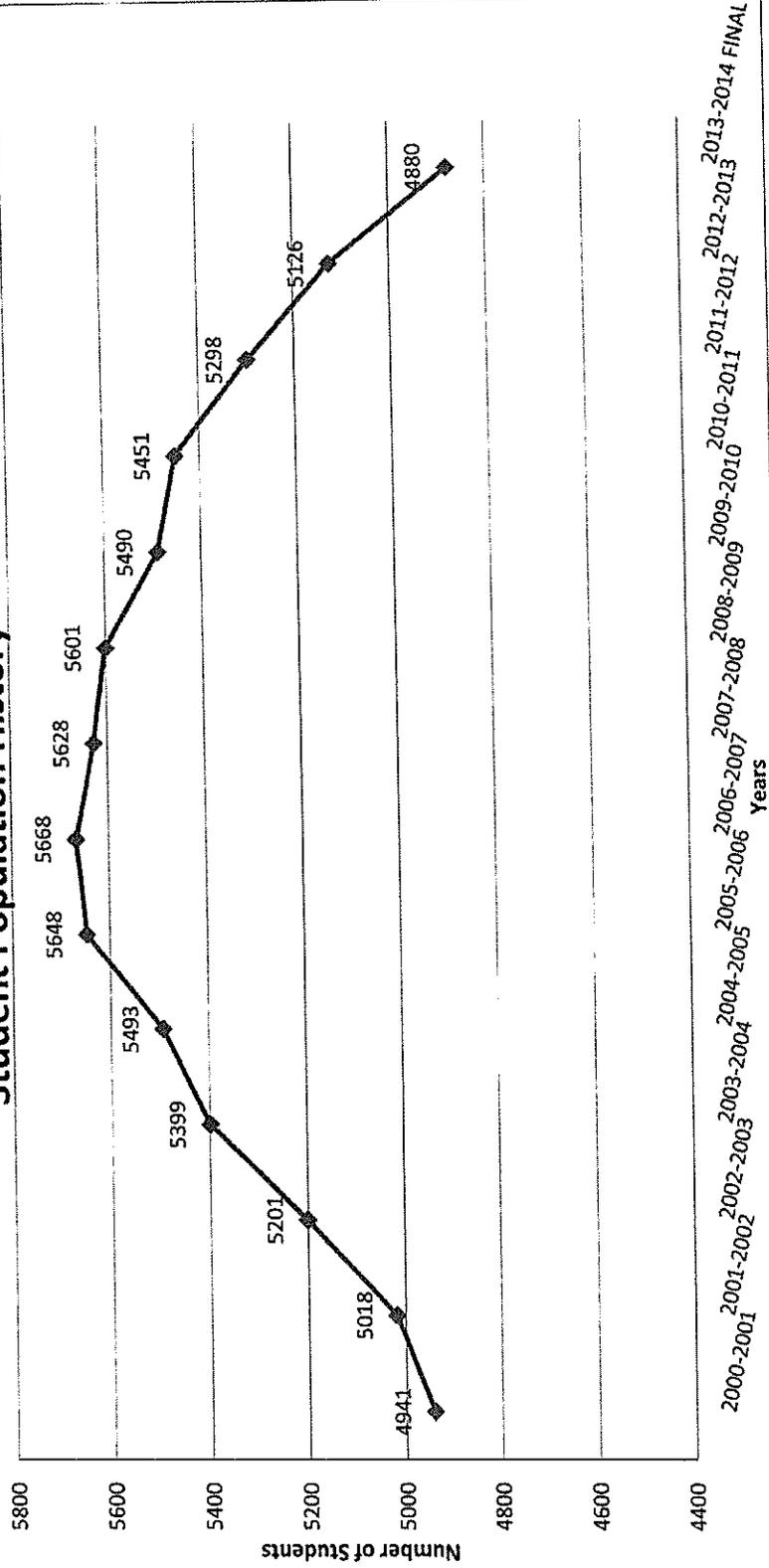
Budget growth is projected at 0% increase from 2013



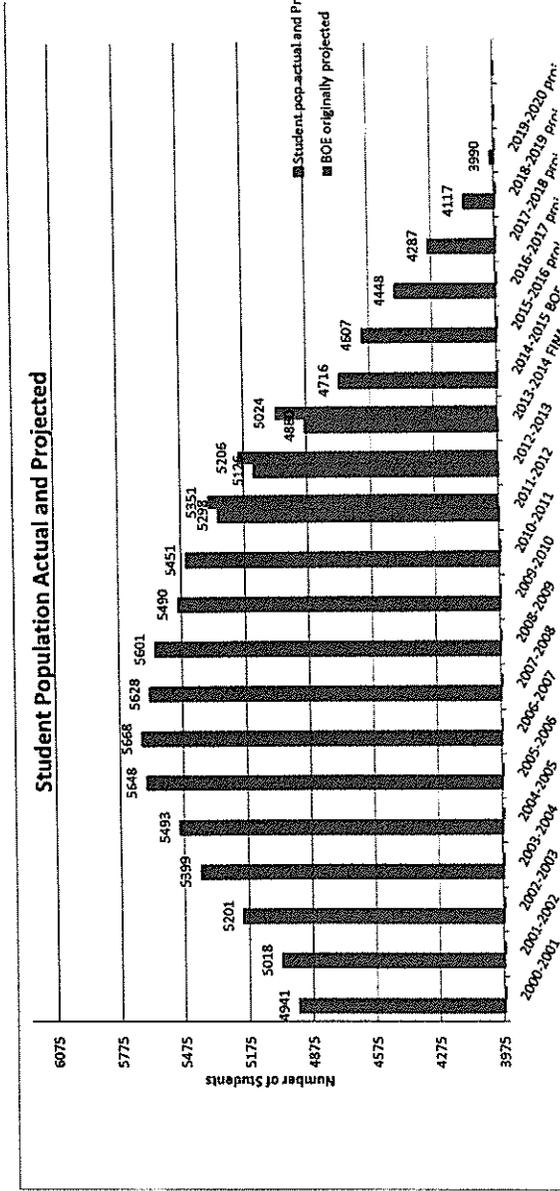
Actual Education, Debt and Town Budget History (in 000's) since 2000



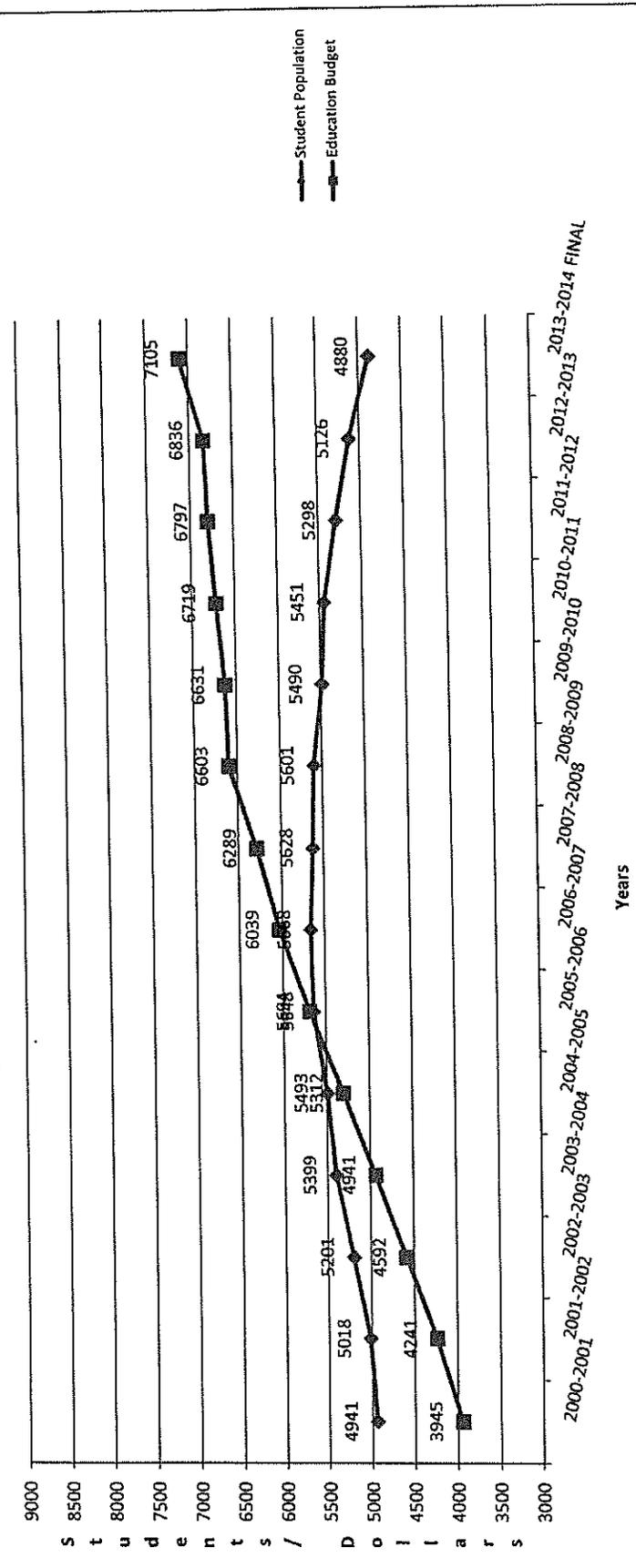
Student Population History



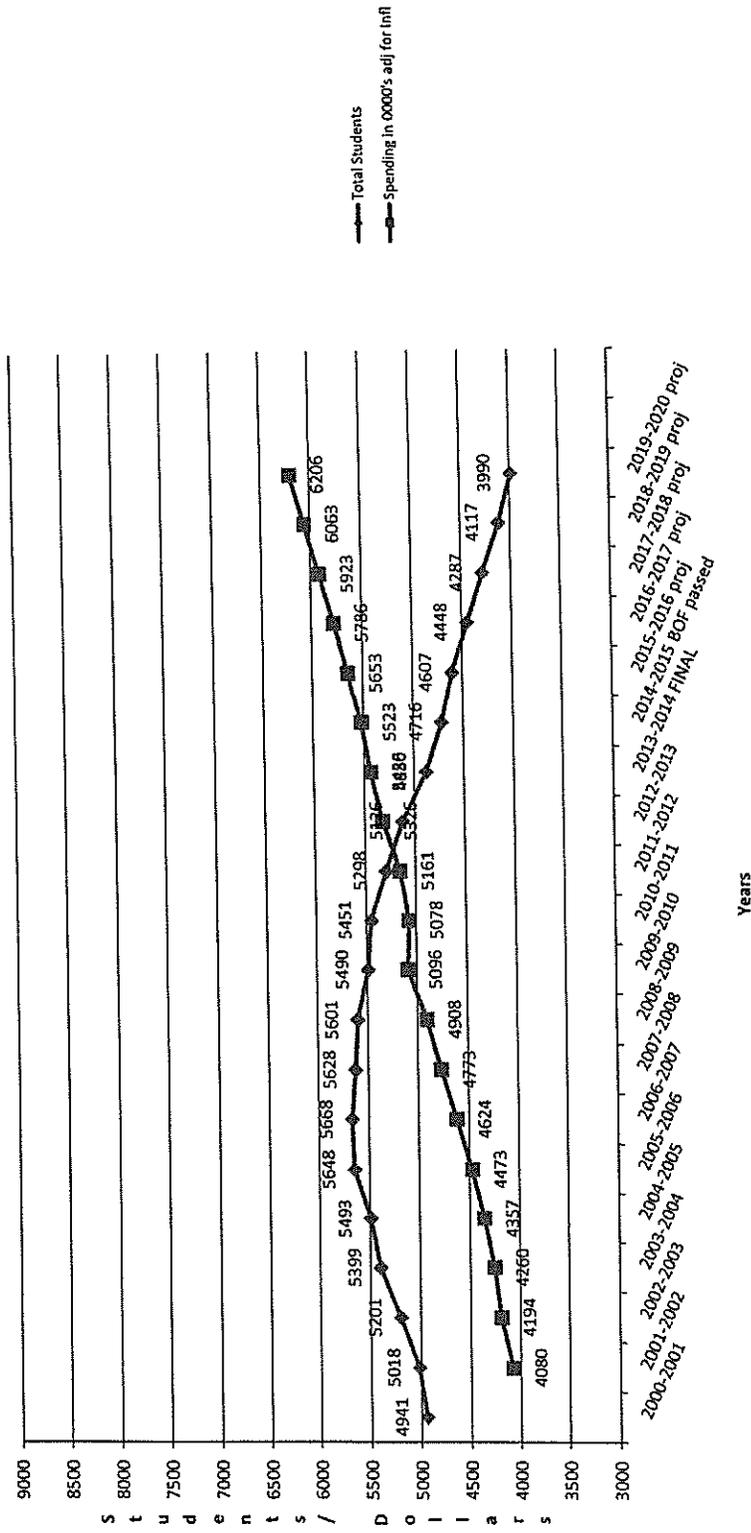
Student Population Projected from 2013



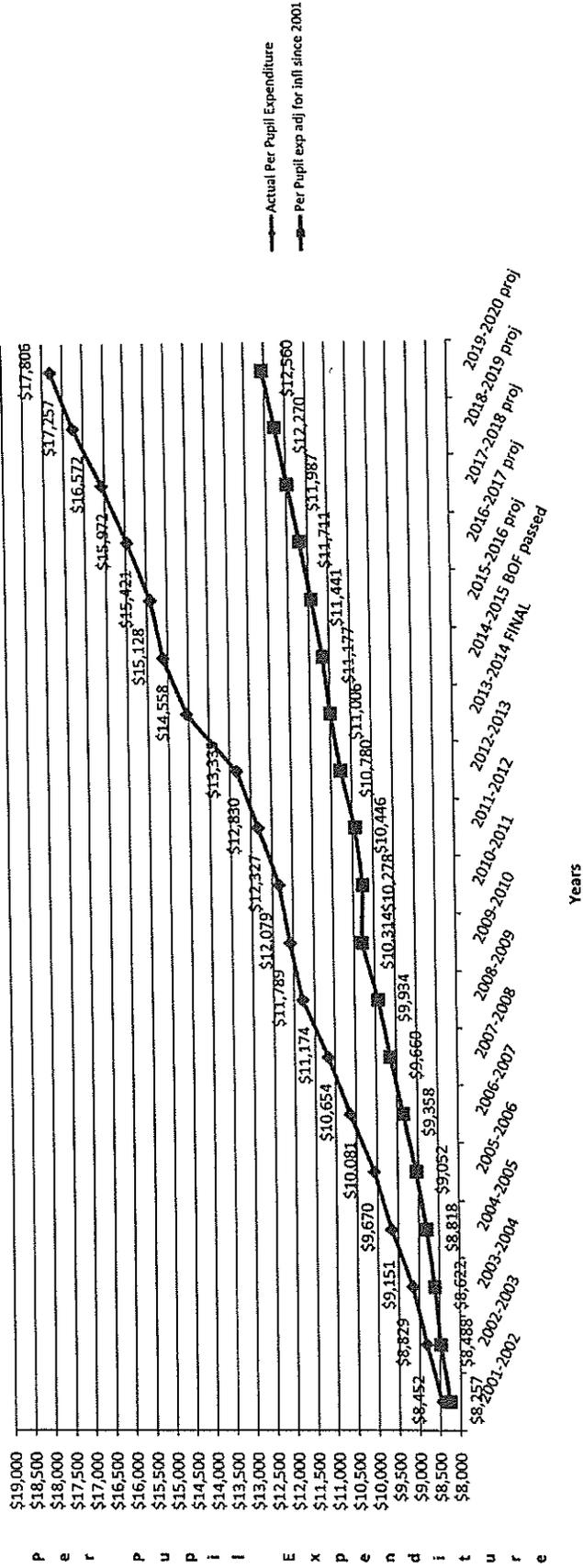
Education Spending (in 000's) vs. Student Population Actual



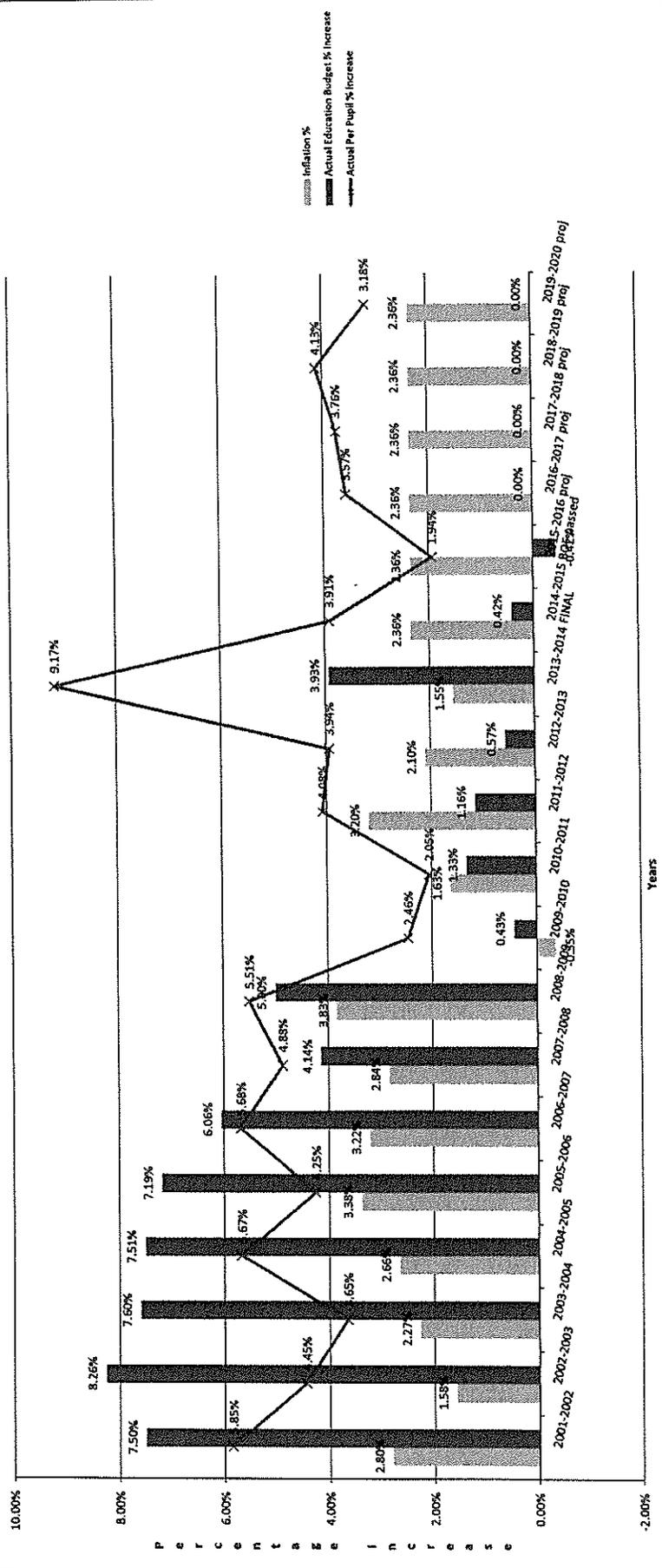
Education Spending (Inflation Adjusted in 0000's) vs. Student Population since 2000
Actual through 2012 and projected from 2013
Budget growth is projected at 0% increase from 2013.



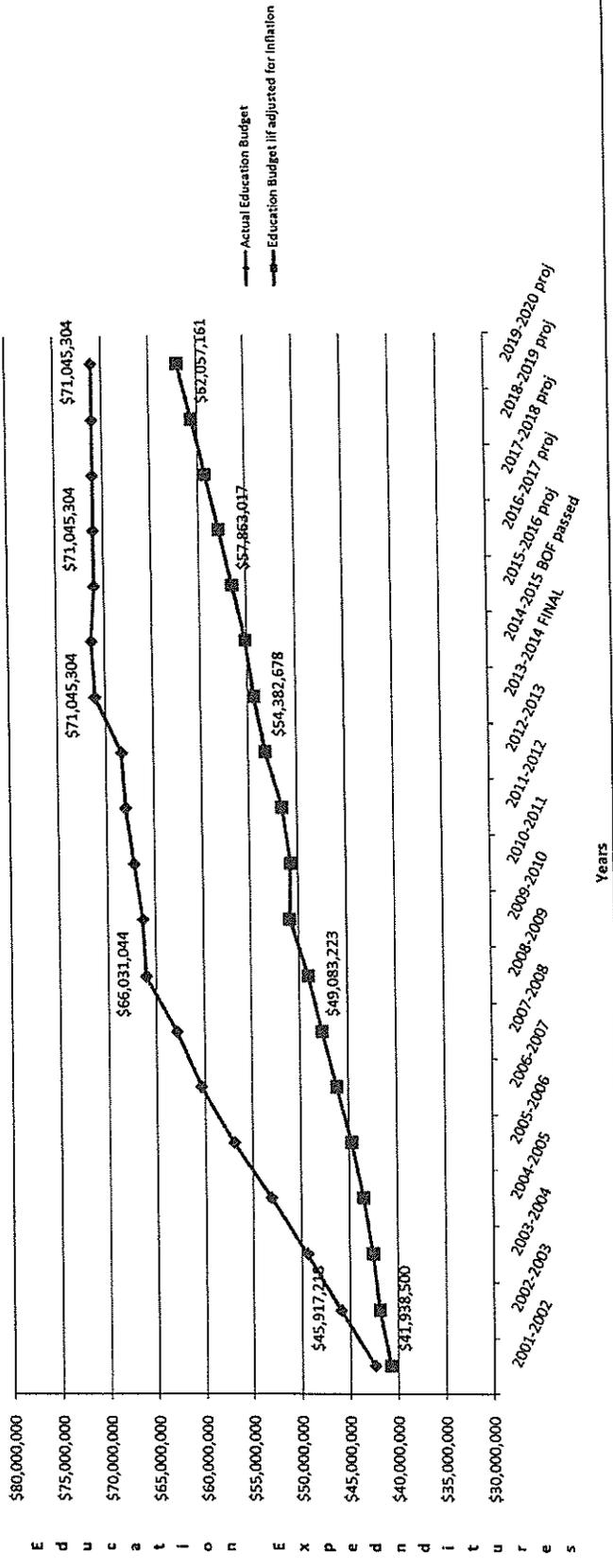
Actual Per pupil expenditure through 2013-2014 and projected through 2019 using 0% increase vs. Inflation adjusted per pupil expenditure since 2001 with actual inflation through 2013 and projected at 2.36% until 2019



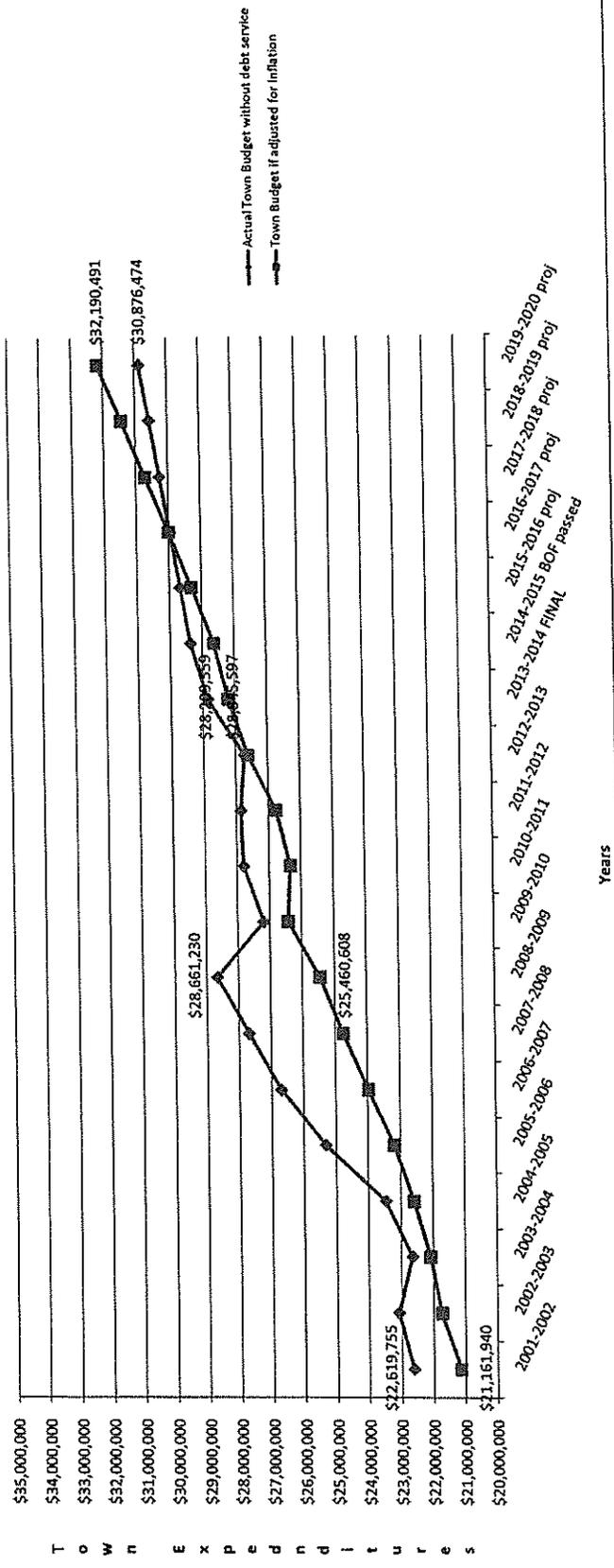
Actual Per Pupil % Increase vs. Inflation % Increase from 2001 through 2019 (projected)



Actual Education Budget through 2013-2014 and projected through 2019 using 0% increase vs. Inflation adjusted Education Budget since 2001 using actual inflation through 2013 and projected at 2.36% until 2019



Actual Town Budget through 2013-2014 and projected through 2019 using 1.00% increase vs. Inflation adjusted Town Budget since 2001 using actual inflation through 2013 and projected at 2.36% until 2019



TOWN OF NEWTOWN
RECONCILIATION - 2013-14 ADOPTED OPERATIONAL BUDGET TO 2014-15 BOARD OF SELECTMEN PROPOSED

2013 - 2014 ADOPTED OPERATIONAL BUDGET	28,846,000
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TEMPORARY ITEMS NO LONGER NEEDED IN 2014 - 2015 BUDGET:

POLICE SCHOOL SECURITY IN CONTINGENCY	(270,000)
PRIVATE SCHOOL CONTRIBUTION FOR SECURITY	(150,000)

PROPOSED STARTING POINT FOR 2014 - 2015 OPERATIONAL BUDGET	28,426,000
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2013 - 2014 SUBSEQUENT CHANGES

BUDGET AMENDMENT - CHANGE IN ACCOUNTING METHOD	(rounded)
SEWER/WATER CHARGED A FEE FOR SERVICES; SALARY AND BENEFIT AMOUNTS BROUGHT BACK TO BUDGET. NO NET EFFECT ON BUDGET. REVENUE ESTIMATES INCREASED BY \$120,000; APPROPRIATIONS INCREASED BY \$120,000.	
	120,000

USE OF CONTINGENCY (EXCLUDING ONE TIME EXPENDITURES):

CONTRACT SETTLEMENTS - SALARIES AND BENEFITS	67,000
SALARY ADJUSTMENTS	30,000
SELECTMAN SALARY INCREASE BY LEGISLATIVE COUNCIL	7,000

2014 - 2015 PROPOSED CHANGES

WAGES & SALARIES	(rounded)
1.75% SALARY INCREASE (3 UNIONS NOT SETTLED YET; POLICE STEPS ARE IN THE BUDGET REQUEST)	
	113,000
THREE OPEN POSITIONS NOT BEING FILLED (OR FUNDED)	(130,000)
NET WAGES & SALARIES	(17,000)

FRINGE BENEFITS (MAINLY MEDICAL BENEFITS - 4% INCREASE)	230,000
INSURANCE	30,000
OPERATING EXPENSES	(14,000)
CAPITAL	(52,000)
CONTINGENCY	(29,000)

28,798,000

SSO - 280,000	
ROADS - 200,000	
MEDICAL - 100,000	
	29,378,000

TOWN OF NEWTOWN

**“WHAT IF’S” TO THE BOS/BOE PROPOSED BUDGETS
AND THEIR EFFECT ON THE PROPOSED MILL RATE**

3/12/2014

ANNUAL BUDGET 2014 - 2015

CALCULATION OF TAX LEVY (MILL RATE)

MILL RATE CALCULATION - 2014 / 2015		2012 List
Millrate Calculation		
➤ TOTAL NET ASSESSMENT (LESS EXEMPTIONS)	a	3,055,134,793
➤ ADD(MINUS) ESTIMATED VALUATION ADJUSTMENTS (BEFORE TAX BILLS GO OUT & DURING THE YEAR)	b	(5,000,000)
➤ EFFECTIVE ASSESSMENT ON CIRCUIT BREAKER TAX CREDIT OF	b	(4,823,636)
➤ EFFECTIVE ASSESSMENT ON LOCAL CREDITS: NEWTOWN ELDERLY TAX BENEFITS OF	c	(45,221,586)
TOTAL TAXABLE NET ASSESSMENT		3,000,089,571
➤ Amount to be raised by taxation (from "current year taxes" - revenue budget)		98,207,176
➤ TAX LEVY - assuming a tax collection rate of	d	99,199,167
(= billed amount) (Amount to be Raised divided by Collection Rate)		
➤ MILL RATE = (Tax Levy divided by (Taxable Net Assessment / 1,000))		33.07
1 MILL =		3,000,090
PRIOR YEAR MILL RATE =		33.32
EFFECTIVE TAX INCREASE(DECREASE) =		-0.76%
a PER ASSESSOR REPORT; SEE NEXT PAGE		
b PER ASSESSOR ESTIMATE		
c PER TAX COLLECTOR		
d PER BOARD OF FINANCE		
prior yr taxable net assessment		2,983,053,750
		0.57%

MILL RATE CALCULATION - 2014 / 2015

Millrate Calculation

	<u>2012 List</u>	
➤ TOTAL NET ASSESSMENT (LESS EXEMPTIONS)	a	3,055,134,793
➤ ADD(MINUS) ESTIMATED VALUATION ADJUSTMENTS (BEFORE TAX BILLS GO OUT & DURING THE YEAR)	b	(5,000,000)
➤ EFFECTIVE ASSESSMENT ON CIRCUIT BREAKER TAX CREDIT OF	b	(\$ 160,000)
➤ EFFECTIVE ASSESSMENT ON LOCAL CREDITS: NEWTOWN ELDERLY TAX BENEFITS OF	c	(\$ 1,500,000)

TOTAL TAXABLE NET ASSESSMENT
3,000,089,571

➤ Amount to be raised by taxation (from "current year taxes" - revenue budget) 98,607,176

➤ TAX LEVY - assuming a tax collection rate of 99.0%
(= billed amount) (Amount to be Raised divided by Collection Rate) 99,603,208

➤ **MILL RATE = (Tax Levy divided by (Taxable Net Assessment / 1,000))** **33.20**

1 MILL = 3,000,090

PRIOR YEAR MILL RATE = 33.32

EFFECTIVE TAX INCREASE(DECREASE) = -0.36%

a	PER ASSESSOR REPORT; SEE NEXT PAGE	
b	PER ASSESSOR ESTIMATE	
c	PER TAX COLLECTOR	
d	PER BOARD OF FINANCE	
	prior yr taxable net assessment	2,983,053,750
		0.57%

= FIELD TO BE INPUTTED; ALL OTHER FIELDS ARE CALCULATED

0.1 MILL =

300,009

MILL RATE CALCULATION - 2014 / 2015

Millrate Calculation

2012 List

➤ TOTAL NET ASSESSMENT (LESS EXEMPTIONS)	a		3,055,134,793
➤ ADD(MINUS) ESTIMATED VALUATION ADJUSTMENTS (BEFORE TAX BILLS GO OUT & DURING THE YEAR)	b		(5,000,000)
➤ EFFECTIVE ASSESSMENT ON CIRCUIT BREAKER TAX CREDIT OF	b	\$ 160,000	(4,923,077)
➤ EFFECTIVE ASSESSMENT ON LOCAL CREDITS: NEWTOWN ELDERLY TAX BENEFITS OF	c	\$ 1,650,000	(50,769,231)

TOTAL TAXABLE NET ASSESSMENT
2,994,442,485

➤ Amount to be raised by taxation (from "current year taxes" - revenue budget) 98,607,176

➤ TAX LEVY - assuming a tax collection rate of 99.0%
(= billed amount) (Amount to be Raised divided by Collection Rate) 99,603,208

➤ **MILL RATE = (Tax Levy divided by (Taxable Net Assessment / 1,000))** **33.26**

1 MILL = 2,994,442

PRIOR YEAR MILL RATE = 33.32

EFFECTIVE TAX INCREASE(DECREASE) = -0.17%

a	PER ASSESSOR REPORT; SEE NEXT PAGE		
b	PER ASSESSOR ESTIMATE		
c	PER TAX COLLECTOR		
d	PER BOARD OF FINANCE	prior yr taxable net assessment	2,983,053,750
			0.38%

= FIELD TO BE INPUTTED; ALL OTHER FIELDS ARE CALCULATED

0.1 MILL =

299,444

MILL RATE CALCULATION - 2014 / 2015

Millrate Calculation

2012 List

➤ TOTAL NET ASSESSMENT (LESS EXEMPTIONS)	a	3,055,134,793
➤ ADD(MINUS) ESTIMATED VALUATION ADJUSTMENTS (BEFORE TAX BILLS GO OUT & DURING THE YEAR)	b	(5,000,000)
➤ EFFECTIVE ASSESSMENT ON CIRCUIT BREAKER TAX CREDIT OF	b	(4,803,362)
➤ EFFECTIVE ASSESSMENT ON LOCAL CREDITS: NEWTOWN ELDERLY TAX BENEFITS OF	c	(49,534,674)

2,995,796,756

TOTAL TAXABLE NET ASSESSMENT

➤ Amount to be raised by taxation (from "current year taxes" - revenue budget) 98,807,176

➤ TAX LEVY - assuming a tax collection rate of 99.0%
(= billed amount) (Amount to be Raised divided by Collection Rate) 99,805,228

➤ **MILL RATE = (Tax Levy divided by (Taxable Net Assessment / 1,000))** **33.32**
2,995,797

1 MILL = 33.32
PRIOR YEAR MILL RATE = -0.01%
EFFECTIVE TAX INCREASE(DECREASE) =

a	PER ASSESSOR REPORT; SEE NEXT PAGE	
b	PER ASSESSOR ESTIMATE	
c	PER TAX COLLECTOR	
d	PER BOARD OF FINANCE	
	prior yr taxable net assessment	2,983,053,750
		0.43%

= FIELD TO BE INPUTTED; ALL OTHER FIELDS ARE CALCULATED

0.1 MILL = 299,580

**TOWN OF NEWTOWN
NEW REVENUE ESTIMATES IN THE 2014-15 BUDGET VS. WHAT IF'S**

NEW REVENUES IN THE 2014-15 BUDGET:	562,000	Before BAA
INCREASE IN THE GRAND LIST (NEW REAL PROPERTY & MOTOR VEHICLES)	562,000	
INCREASE IN REVENUE ESTIMATES:		
SUPPLIMENTAL MOTOR VEHICLE	275,000	
STATE PAYMENTS	152,000	
CHARGES FOR SERVICES	(80,000)	
INTEREST ON INVESTMENTS	(25,000)	
	<u>884,000</u>	
TOTAL NEW REVENUES IN THE 2014-15 BUDGET	<u>884,000</u>	
WHAT IF'S:		
ADDITIONAL AMOUNT TO MEDICAL SELF INSURANCE	400,000	
ADDITIONAL ELDERLY TAX CREDIT	150,000	
ADDITIONAL AMOUNT TO TOWN ROADS	<u>200,000</u>	
	750,000	
ADD BOARD OF SELECTMEN PROPOSED BUDGET INCREASE	117,000	
	<u>867,000</u>	

NOTE: SCHOOL SECURITY OFFICERS ADDED TO BOS BUDGET WILL BE OFFSET BY INCREASED REVENUE ESTIMATES (FEDERAL GRANT REVENUE)

"WHAT IF" INCREASES DO NOT INCREASE THE MILL RATE BECAUSE THEY ARE COVERED BY NEW REVENUES .

BOF - POSSIBLE MOTIONS - 3/13/2014

1	SSO'S ADDED TO BOS BUDGET	PROPOSED ADJUSTMENT	BOS/BOE		BOF
			PROPOSED	RECOMMENDED	
	<u>POLICE</u>				
	1-101-12-310-5140-0000	243,262	-	243,262	
	SALARY & WAGES - SSO				
	1-101-12-310-5220-0000	18,610	289,870	308,480	
	SOCIAL SECURITY				
	1-101-12-310-5290-0000	1,508	59,250	60,758	
	OTHER EMPLOYEE BENEFITS				
	1-101-12-310-5746-0000	16,000	20,000	36,000	
	POLICE EQUIPMENT				
		<u>279,380</u>			
	<u>INTERGOVERNMENTAL REVENUES</u>				
	2-101-02-200-4290-0000	279,380	-	279,380	
	OTHER FEDERAL GRANTS				

2	INCREASE ROAD IMPROVEMENTS				
	<u>HIGHWAY</u>				
	1-101-13-500-5735-0000	200,000	1,000,000	1,200,000	
	ROAD IMPROVEMENTS - PUBLIC				

3	INCREASE CONTRIBUTION TO MEDICAL SELF INSURANCE FUND				
	<u>MEDICAL SELF INSURANCE:</u>				
	1-101-11-270-5210-0000	100,000	57,405	157,405	
	GROUP INSURANCE				
	Will distribute amount to the various departments				
	1-101-17-900-5890-0000	300,000	71,045,304	71,345,304	
	BOARD OF EDUCATION BUDGET				

	TOTAL BUDGET	879,380	110,186,824	111,066,204	0.91%
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4 INCREASE ELDERLY CREDIT AMOUNT OF \$1,500,000 BY \$150,000 TO \$1,650,000 ON THE TAX LEVY (MILL RATE) CALCULATION SHEET (IN THE BUDGET DOCUMENT).

	2013 - 2014	2014 - 2015		
	AMENDED	BOF RECOMMENDED	Increase / (Decrease)	Percent Change
MUNICIPAL SERVICES				
WAGES & SALARIES	11,113,158	11,338,301	225,143	2.03%
FRINGE BENEFITS	4,709,659	5,057,869	348,210	7.39%
INSURANCE	1,003,500	1,033,500	30,000	2.99%
OPERATING EXPENSES	7,486,489	7,298,881	(187,608)	-2.51%
CAPITAL	2,135,623	2,232,023	96,400	4.51%
CONTINGENCY	202,720	250,000	47,280	23.32%
CONTRIBUTIONS TO OUTSIDE AGENCIES:				
TOWN AGENCIES	2,071,889	2,078,496	6,607	0.32%
OTHER AGENCIES	242,561	88,835	(153,726)	-63.38%
TOTAL MUNICIPAL SERVICES	28,965,599	29,377,906	412,307	1.42%
CAPITAL FINANCING - DEBT SERVICE	10,058,924	10,342,994	284,070	2.82%
TOTAL BOARD OF SELECTMEN BUDGET	39,024,523	39,720,900	696,377	1.78%
BOARD OF EDUCATION	71,045,304	71,345,304	300,000	0.42%
TOTAL TOWN OF NEWTOWN BUDGET	110,069,827	111,066,204	996,377	0.91%

MUNICIPAL SERVICES INCREASED 1.42% OVER THE PRIOR YEAR; DEBT SERVICE INCREASED 2.82% OVER THE PRIOR YEAR; AND BOE INCREASED 0.42% OVER THE PRIOR YEAR.

IN TOTAL THE BUDGET INCREASED BY 0.91%

HOWEVER, BECAUSE OF NEW REVENUES, THE MILL RATE (AT THIS POINT IN TIME) IS 33.31 WHICH IS A TAX DECREASE OF -0.02%

BOARD OF FINANCE MOTIONS:

- ADDED \$279,380 TO THE BOS BUDGET FOR SCHOOL SECURITY OFFICERS (SSO'S)
- INCREASED HIGHWAY BUDGET BY \$200,000 FOR ROADS
- INCREASED CONTRIBUTION TO MEDICAL SELF INSURANCE FUND PER THE RECOMMENDATION OF THE EMPLOYEE MEDICAL SELF INSURANCE BOARD BY \$400,000 (\$100,000 TO THE BOS BUDGET AND \$300,000 TO THE BOE BUDGET)
- INCREASE THE SENIOR TAX CREDIT BY \$150,000

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rob.sibley@newtown-ct.gov



*Robert Sibley
Deputy Director
Planning and Land Use*

TOWN OF NEWTOWN

Date: March 13, 2014

To: Mary Ann Jacob, Chair of Legislative Council

From: Rob Sibley, Land Use Deputy Director

RE: **38 Chestnut Hill Road Property #08-07:**

Total Acres – 36.89

Location – 38 Chestnut Hill Road

The Conservation Commission and I wish to apply for the state matching grant for OS, which is due by March 31st. We have identified an existing 36± acre parcel, which we have had on the OS list since 2008, and is currently on the market. The parcel has been recommended to be acquired by the Conservation Commission, Board of Selectmen and the Planning and Zoning Commission. It is currently in front of the Board of Finance to be endorsed for purchase.



The parcel links and abuts current town-owned open space, and it would create a 70± acre preserve with access from Chestnut Hill Road extension. The parcel has been rated and recommended by the CC with emphasis on the scenic, aesthetic, protection of water quality and linkage to other protected lands.



Two appraisals were commissioned for the grant, meeting the Uniform Appraisal Standards for Federal Land Acquisitions standard. The new values established were between \$220,000.00 and \$290,000.00.

The owner has tentatively accepted an offer of **\$255,000.00**.

The current fund for OS (\$200,000) in the CIP (2013-2014) and remaining OS money (\$168,000) we have in the town account is sufficient to cover a contracted cost of \$255,000. If we are awarded the grant, it would reimburse the town 60% (\$153,000) of the cost of the property. In order to apply for the grant we have to have an approved contract agreement for purchase before March 31.

I am requesting the purchase for 38 Chestnut Hill Road as permanent open space for the Town of Newtown, be approved. To be funded by approved funds from the CIP (2013 – 2014) and to be offset by any applicable grants.