

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held a regular meeting on Thursday, March 1, 2018 in the Council Chambers at the Municipal Center, 3 Primrose Street, Newtown, CT. Chairman Gaston called the meeting to order at 7:30pm.

Present: James Gaston, Roger Cyr, Keith Alexander, Steve Hinden, Mark Boland, Sandy Roussas
Also Present: Selectman Crick-Owen, Dr. Rodrigue, Michelle Ku, Ron Bienkowski, Amy Mangold, 2 members of the public and one member of the press

VOTER COMMENTS - None

COMMUNICATIONS – Two communications were received, one from P&R with the list of items they would restore if they had funding and one from the Police Department regarding vehicles (Attachment A).

FIRST SELECTMAN REPORT – None

FINANCE DIRECTOR REPORT – Mr. Tait presented a reevaluation report (Attachment B) and explained how reevaluations and the mill rate work.

UNFINISHED BUSINESS

Board of Selectman and Board of Education 2018-2019 Budget – Mr. Gaston asked each member to give their views on the proposed budget.

Ms. Roussas thanked the BOS and the BOE for putting together these budgets. We are in a difficult economic climate in the state level and the budgets overall reflect that. Everyone is forgoing something in order to move this budget forward. Questioned if there is room to reprioritize things.

Mr. Alexander thanked everyone for their detailed presentations. He had a lot of questions which were answered during the presentations.

Mr. Hinden also articulated that the presentations were detailed. The budgets are mindful of the trifecta of the circumstances they are facing. Every organization has to think about the past, present and future. He thinks if there is a place they should focus is on it is the future.

Mr. Boland heard the message from the department heads that the budget it under a lot of stress. Respect all the work that went into achieving the goal. He would like to see more emphasis on a for thinking process in the budget.

Mr. Cyr agreed that they need to look forward. Sustainability is important. We need to be able to manage the bottom line so we can meet the needs of the citizens of Newtown on an ongoing basis. Appreciates all the effort that went into these budgets.

Mr. Gaston commended the BOE and BOS. There is a tremendous amount of work and time spent reviewing, revising and preparing the budgets. You need to have superior education and you need to have development because that grows the grand list as well as keeping the seniors here.

Minor adjustments he would recommend is decreasing the BOE Special Ed contingency to \$50,000 and reduce technology to \$525,000. For the town's side he suggested reducing Winter Overtime by \$5,000 and Winter Salt by \$20,000. Mr. Gaston suggested addressing other needs reduce and reduce Road Improvements by \$50,000 or \$75,000 and restoring \$65,000 to P&R for a heavy duty pick up.

Another concern is EDC that needs to be promoting that more significantly and would like to increase \$25,000 for salaries or promotional activity.

Ms. Roussas questioned the BOE technology and the scheduled replacement of I-Pads. Mr. Bienkowski explained that the Ipads are fairly recent introduction into the school system. They don't have the number that was replaced last year. Mr. Alexander articulated that that number of the Ipads and the other equipment changes is more than 20% over 5 years because they want to update an entire school or class room. When the number is brought forward it is what they want to replace this year.

Mr. Hinden had asked the BOE if they had additional funds what would they add. A Curriculum Coordinator would be top priority. It is a big district and we can use that support.

Selectman Crick-Owen explained that the contingency account has been reduced from \$200,000 to \$120,000 because of the winter maintenance is fully budgeted. She also articulated that if you adding you should reevaluate all areas. For example, turn out gear was taken out in the fire budget. First Selectman Rosenthal has been hands on with EDC and is out meeting with people promoting the town. Roads are also a high priority to him.

Mr. Tait explained that last year for EDC there was a \$16,000 one time transfer so this proposed budget is an increase of \$16,000

Ms. Roussas moved to accept the Board of Selectman proposed 2018/2019 annual budget, Mr. Alexander seconded. Ms. Roussas moved to amend the road improvement line item and reduce it by \$200,000, Mr. Boland seconded. Ms. Roussas explained that she would like to increase the IT budget \$150,000 for upgrades. And support the increase in EDC as well as P&R for the pickup truck. Mr. Boland moved to amend the motion to reduce the decrease in the road improvement line item from \$200,000 to \$170,000, Mr. Alexander seconded. Mr. Boland explained that when the IT Director was in front of the board he talked about the additional expenditures in IT he mentioned there would be cost savings from implementing the capital costs. He indicated that it is a \$30,000 savings. Mr. Gaston moved to amend the motion to reduce the road improvement line item by \$100,000, Mr. Hinden seconded. Mr. Alexander expressed concerned that there is a lot of things that people want to give a bump to in this budget. He supports cutting back \$200,00 and would not support \$100,000 or \$170,000. If it doesn't pass for a \$200,000 reduction than other things are going to be sacrificed for it.

Motion to reduce road improvements by \$100,000 fails 4 No (Boland, Cyr, Roussas, Alexander) to 2(Hinden, Gaston).

Motion to reduce road improvements by \$170,000 fails 3 No (Alexander, Roussas, Boland) to 3 Yes(Alexander, Gaston, Hinden)

Motion to reduce road improvements by \$200,000 fails 3 No (Cyr, Hinden, Gaston) 3 Yes (Boland, Roussas, Alexander)

Mr. Alexander moved to amend the proposed Board of Selectman budget as presented by reducing road improvements by \$150,000, Mr. Hinden seconded. Motions passes 4 Yes (Boland, Hinden, Gaston, Alexander) 2 No (Cyr, Roussas).

Ms. Roussas moved to add \$150,000 to the Technology Department reflecting the additional IT capital items included in the list provided by the First Selectman as to items that would be funded if there was a budget surplus, Mr. Hinden seconded. Mr. Alexander will not support \$150,000 because of the possibility of it being funded a different way. There is a return on investment but that is a steep acceleration. Mr. Alexander moved to amend the motion to add \$100,000 to the Technology Department. Mr. Boland seconded. Amended motion unanimously approved.

Mr. Alexander moved to amend the P&R line item adding \$65,000 for a heavy duty pickup truck. Mr. Hinden seconded, motion unanimously approved.

Mr. Hinden moved to add to the EDC salary and wages \$40,000, Mr. Boland seconded. Mr. Gaston explained that the reason he thought \$25,000 would be for a part timer. Mr. Hinden thought the idea was to free up senior employees with a part timer. Ms. Roussas doesn't think that is an increase she can support given some of some of the other items not being funded. Mr. Alexander is not ready to commit the full \$40,000. Mr. Cyr explained that it is important to have EDC, the tax base needs more than residential taxes. Mr. Boland moved to amend the motion to increase EDC salary and wages to \$25,000, Mr. Alexander seconded. Amended motion passes 5 Yes (Boland, Hinden, Gaston, Roussas, Alexander) 1 No (Cyr).

Mr. Gaston moved to reduce winter maintenance overtime by \$5,000. Ms. Roussas seconded, motion unanimously approved.

Mr. Gaston moved to reduce the winter salt line item by \$20,000. Ms. Roussas seconded, motion unanimously approved.

Ms. Roussas moved to approve the 2018/2019 Board of Selectman budget line items for a total of \$41,087,967. Mr. Hinden seconded, motion unanimously approved.

Ms. Roussas moved to accept the 2018/2019 Board of Education Operational Budget, Mr. Alexander seconded. The BOE provided back up to line items that will be adjusted (Attachment C). There is a savings in liability insurance and there is additional funds needed for diesel. Adding the curriculum coordinator hours would be an added cost of about \$14,000. Ms. Roussas moved to amend the motion accepting the 2018/2019 BOE Operational Budget reducing the special education contingency by \$50,000 and technology by \$25,000 for a total reduction of \$75,000. Mr. Gaston seconded. Motion passes 4 YES (Boland, Cyr, Gaston, Roussas) 2 No (Hinden, Alexander)

Ms. Roussas moved to approve the BOE 2018/2019 budget with the reductions above for a total of \$75,979,231. Mr. Boland seconded, motion passes 5 YES (Boland, Cyr, Gaston, Roussas, Alexander) 1 NO (Hinden)

Ms. Roussas moved to approval the combined 2018/2019 BOS and BOE Budget for a total of \$117,067,198 which represents a 2.3% increase. Mr. Alexander seconded, motion passes 5 YES (Boland, Cyr, Gaston, Roussas, Alexander) 1 NO (Hinden).

VOTER COMMENTS – Dan Honan, 68 Main Street –Thanked everyone for the service to the town.

ANNOUNCEMENTS - None

Having no further business, the meeting was adjourned at 9:55pm

Respectfully Submitted,
Arlene Miles, Clerk

Attachment A

**2018-2019 Newtown Parks & Recreation Budget
Capital Spending Approved by P & R Commission**

Capital Requests Presented by Amy Mangold on 11/14/17 **\$1,008,300.00**
LESS Adjustments Recommended by P & R Commission 11/14/17 **-811,300.00**
Revised Capital Budget recommended by P & R Commission **\$197,000.00**

Priority	Description	Proposed Budget	Removed/Reduction	Revised Budget
1	Toro 5910 Lease	\$24,500.00	\$0.00	\$24,500.00
2	Vehicle Leases	\$35,000.00	\$0.00	\$35,000.00
3	Lease Toro 4700 Athletic Field Mower w/lease	\$14,500.00	\$0.00	\$14,500.00
4	Lease Department Van (Chrysler Pacifica)	\$7,000.00	\$0.00	\$7,000.00
5	BUY Additional Heavy Pick-up with Plow	\$65,000.00	\$0.00	\$65,000.00
6	Trailer for Grooming Equipment	\$15,000.00	\$0.00	\$15,000.00
7	Cull off Saw/Weed Eaters/Back Pack Blowers	\$5,000.00	\$0.00	\$5,000.00
8	Tractor Rental	\$8,000.00	\$0.00	\$8,000.00
9	Sidewalk Snow Plow for FFH Campus	\$23,000.00	\$0.00	\$23,000.00
10	Treadwell Park Security Camera & Monitoring System	\$85,000.00	-\$85,000.00	\$0.00
11	Dickinson Park Security Camera & Monitoring System	\$65,000.00	-\$65,000.00	\$0.00
12	Skatepark Maintenance & Expansion	\$60,000.00	-\$60,000.00	\$0.00
13	Bobcat Tool Car	\$52,000.00	-\$52,000.00	\$0.00
14	Kubota 3010 Safety & Security Lighting -FFH High Meadow Field & Treadwell Fields	\$82,500.00	-\$82,500.00	\$0.00
15	Field & Treadwell Fields	\$4,800.00	-\$4,800.00	\$0.00
16	Disc Golf Course at Treadwell Park	\$25,000.00	-\$25,000.00	\$0.00
17	Repurpose SHES generator at P & R Shop	\$38,000.00	-\$38,000.00	\$0.00

February 27, 2018

Mr. Gaston,

I wanted to follow up our conversation from last night with some details regarding the cost of police vehicles, and to address our reasons for switching over to and staying with the Ford Utility Police Interceptor:

- The State bid price for the AWD 2018 Ford Utility = \$26,723
- The State bid price for the AWD 2018 Ford Sedan with the EcoBoost engine (State PD vehicle) = \$26,388
- With such a large fleet, and the fact that State Police vehicles travel at high speeds with little idle time, it may make sense for the State to go with this engine, but as you can see the cost difference between the two vehicles is nominal. For our Department, the fuel issue is a moot point because (1) Our fleet is much smaller on scale, (2) The cost for fuel is included in the DPW budget, not ours, and (3) We travel at much lower speeds on average and most of the engine time is spent in idle.
- The size of the vehicle is also necessary. State Police vehicles do not have prisoner “cages” built into them, and thus have the necessary room for the driver. We transport prisoners in the back seat within an enclosed “cage” system. Therefore, the extra rear compartment room is necessary.
- The Police Utility vehicle also has a higher clearance height which comes in handy when traveling the back roads, unpaved roads, and off road (when we need to)
- One final point...Our entire front line fleet now consists of Ford Utilities. When we replace one, we strip out all of the equipment, cages, mounts, etc. to reuse in the new Utility. As you may know, the cost of outfitting a base vehicle into a road ready cruiser can almost double the price of the vehicle. By reusing everything we are able to save on costs. If we switched over to a different vehicle now we would have to purchase new cages and mounts to fit the new configuration. This would cost thousands of dollars and would exceed any cost savings we would get from purchasing the cheaper vehicle.

These are just a few of the reasons why we think the Police Interceptor Utility is a better option for our Department. If you need any more information or have any further questions please feel free to reach out to me anytime.

Respectfully,

Chris

Captain Christopher Vanghele
Newtown Police Department

Attachment B

2,000 SF HOUSE



2,000 SF HOUSE



4,000 SF HOUSE



COMMERCIAL BUILDING



2007 ASSESSMENT 210,000

210,000

560,000

3,000,000

TOTAL 2007 ASSESSMENTS EQUALS THE GRAND LIST TOTAL = 3,980,000

MILL RATE = 25.00
TOTAL TAXES = \$99,500

$\$99,500 \text{ divided by } 3,980$
 $(\$99,500 / 3,980) = 25.00$

TAX BILL 5,250

5,250

14,000

75,000

2012 ASSESSMENT 168,000

168,000

448,000

2,400,000

Assuming a market decline of 20%

TOTAL 2012 ASSESSMENTS EQUALS THE GRAND LIST TOTAL = 3,184,000

MILL RATE = 31.88
TOTAL TAXES = \$101,506

$\$101,506 \text{ divided by } 3,184$
 $(\$101,506 / 3,184) = 31.88$

A 2% increase (in the budget amount)

TAX BILL 5,356

5,356

14,282

76,512

Tax Bill Increase 2%

2%

2%

2%

Because the market declined evenly over all properties (20% decline), all tax bills increased 2% because of the budget increase. The increase in the mill rate (27%) had no effect.

2,000 SF HOUSE



2,000 SF HOUSE



4,000 SF HOUSE



COMMERCIAL BUILDING



2007 ASSESSMENT	210,000	210,000	560,000	3,000,000
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TOTAL 2007 ASSESSMENTS EQUALS THE GRAND LIST TOTAL = 3,980,000

MILL RATE = 25.00

TOTAL TAXES = \$99,500

TAX BILL	5,250	5,250	14,000	75,000
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2012 ASSESSMENT	168,000	168,000	448,000	2,550,000
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Assuming a market decline of 20% for residential and 15% for commercial.

TOTAL 2012 ASSESSMENTS EQUALS THE GRAND LIST TOTAL = 3,334,000

MILL RATE = 30.445

TOTAL TAXES = \$101,504

A 2% increase

TAX BILL	5,115	5,115	13,639	77,635
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-3%

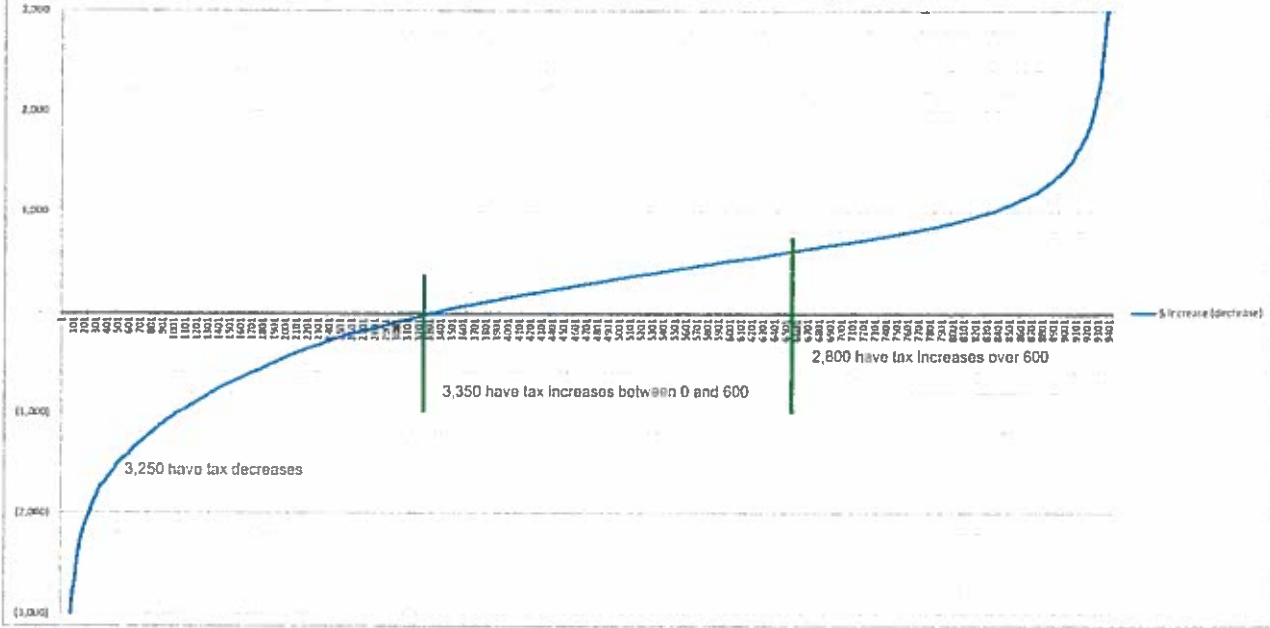
-3%

-3%

4%

Even though the budget increased 2%, residential homes ended up having a tax bill that decreased (3%) because values in commercial properties declined at a lesser rate. So there was a shift in burden to the commercial properties.

RESIDENTIAL 2018-19 preliminary tax \$ Increase (decrease) (AVG INCREASE = \$140 OR 1.6%)



Base neighborhoods are increasing more than the upper-end neighborhoods, which we have seen in many towns during this revaluation cycle. Neighborhood 070 (Cherry St., Buttonball, etc.) is increasing 27%. Values here are still low relative to the rest of the town, so this is a healthy entry level neighborhood where homes are selling in the low to mid \$200's.

The waterfront on the Housatonic Lakes area is increasing 7%, the inland lake neighborhood homes are increasing 5%.

Condominiums overall are increasing 2%, complexes vary.

Board of Assessment Appeals (BAA):

- Before the formal appeals process there was an opportunity to have an informal hearing with the revaluation company. Around 70 informal hearings.
- Applications for BAA have to be filed on or before February 20th.
- 16+ BAA meetings (starting 3/6; ending 4/26)
- 175+ appeals

MILL RATE CALCULATION - 2018 / 2019

2017 Grand List

TOTAL NET TAXABLE ASSESSMENT (LESS EXEMPTIONS) Before Board of Assessment Appeals
 Less: Reserve for Adjustments

3,157,978,964
 (5,000,000)
 3,152,978,964

AMOUNT TO BE RAISED BY TAXATION - (from "current year taxes" - revenue budget)

105,505,739

TAX LEVY - assuming a tax collection rate of

99.2%

106,356,591

(Tax Levy = billed amount = Amount to be Raised by Taxation divided by Collection Rate)

Add Tax Credits:

- * Newtown Elderly Tax Benefit (1,650,000 less 248,000 reserved)
- * State Elderly Circuit Breaker Program
- * Volunteer Fire, Ambulance and Underwater Rescue Personnel Tax Credit Program

1,402,000
 144,000
 120,000
 108,022,591

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

BOS budget = 34.21. A 0.15% increase (\$157,000 in additional tax)

34.26

EFFECTIVE TAX INCREASE - Adjusted for Revaluation

1.50%

average tax increase during a revaluation year.

PRIOR YEAR MILL RATE =
 1 MILL =

33.87
 3,104,352

0.1 MILL =

310,435

Attachment C

PROPERTY & LIABILITY INSURANCE
2017-18 Current & 2018-19 Estimated

ESTIMATED INSURANCE RATES - PER CIRMA - 2/7/2018
 3.50% factor property & liability

Revision -3.00%
 -6.50%
 3% factor workers compensation

ACCOUNT	DESCRIPTION	2014-15			2015-16			2016-17			2017-18			2018-19			Account Number
		Expended	Budgeted	Expected	Expended	Budgeted	Expected	Expended	Budgeted	Expected	Proposed	Increase	%	Difference to 2018-19	Difference to 2017-18		
1-001-60-032-4120-0000	ATHLETIC ACTIVITIES INS.	32,000	45,000	37,950	37,950	45,000	37,950	45,000	37,950	50,550	5,550	22.24%	(6,004)	(2,805)	1-001-60-032-4120-0000		
1-001-84-083-4120-0000	LIABILITY/UMBRELLA INS.	179,335	177,789	190,946	170,160	177,789	159,557	175,843	177,789	174,728	(1,115)	-0.65%	(2,805)	(2,805)	1-001-84-083-4120-0000		
1-001-90-096-4120-0000	PROPERTY INSURANCE	114,252	189,243	122,582	173,050	189,243	159,557	189,662	189,243	184,629	(5,032)	-4.95%	(2,115)	(2,115)	1-001-90-096-4120-0000		
1-001-92-087-4120-0000	TRANS. INSURANCE	-	-	-	-	-	-	-	-	-	-	-	-	-	1-001-92-087-4120-0000		
TOTAL - PROPERTY & LIABILITY		325,587	412,012	351,478	381,160	412,012	343,210	410,505	412,012	409,907	(598)	-0.20%	(6,004)	(2,805)	increase was \$22,209 in BOE		
CIRMA, Rose & Kiernan, Inc. Policies																	
	Commercial General Liability	80,661	92,353	89,691	89,229	92,353	89,229	92,353	92,353	95,586	(2,771)	2.95%	(6,004)	(2,805)			
	LAP Reimbursable deductible	-	2,000	-	-	2,000	-	-	-	2,000	-	-	(6,004)	(2,805)			
	School Leaders	38,940	43,156	40,867	41,697	43,156	41,697	43,156	43,156	44,666	(1,295)	2.99%	(2,805)	(2,805)			
	Umbrella	50,064	32,534	52,568	31,434	32,534	31,434	32,534	32,534	33,673	(976)	2.98%	(2,115)	(2,115)			
	Crime	1,870	1,928	-	-	1,928	-	-	-	1,928	-	-	-	-			
	Transfer out	-	(2,000)	-	-	(2,000)	-	-	-	-	-	-	-	-			
	Agency Fee	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	7,800	-	-	-	-			
1-001-94-083-4120-0000	LIABILITY/UMBRELLA INS.	179,335	177,789	190,946	170,160	177,789	159,557	175,843	177,789	185,552	(5,041)	-2.84%	(10,924)	(10,924)	(1,115)		
	Property & Boiler	103,109	165,141	109,977	159,557	165,141	159,557	175,467	181,608	181,608	(5,264)	-2.90%	(11,405)	(11,405)			
	Underground Tank Liability	383	2,300	2,445	1,682	2,300	239	1,948	2,300	2,300	-	-	-	-			
	Value shift on property/Cannon copiers	-	-	-	239	-	-	-	-	-	-	-	-	-			
	Vehicle Coverage - maintenance vehicles	5,760	6,802	5,160	6,572	6,802	6,572	7,347	7,604	7,604	(220)	-2.84%	(478)	(478)			
	Transfer in	-	10,000	-	-	10,000	-	-	-	-	-	-	-	-			
	Agency Fee	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-	-			
1-001-90-096-4120-0000	PROPERTY INSURANCE	114,252	189,243	122,582	173,050	189,243	159,557	189,662	189,243	196,512	(5,484)	-2.87%	(11,883)	(11,883)	(5,032)		
	Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Agency Fee	-	-	-	-	-	-	-	-	-	-	-	-	-			
1-001-92-087-4120-0000	TRANSPORTATION	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Total BOE Purchased LAP Insurances	293,587	367,012	313,528	343,210	367,012	343,210	365,505	367,012	382,163	(10,576)	-2.88%	(22,807)	(22,807)	Adjustment in order		

BUDGET EST

Oil & Diesel Bid 2/23/2018

	Gallons	Budget \$	Budgeted Total Cost	Actual 2/23 bid #	Revised Budget \$	Bid cost	Increased Cost
Diesel Buses	48,200	2.00	\$96,400	2.106042	2.106	\$101,509	\$5,109
Diesel Maint	900	2.00	\$1,800	2.106042	2.106	\$1,895	\$95
Total Diesel	49,100	2.00	\$98,200	2.106042	2.106	\$103,405	\$5,205
Fuel Oil	52,000	2.00	\$104,000	2.055142	2.055	\$106,860	\$2,860
Total for these Two Commodities			\$202,200			\$210,265	

Total Budget Need - School Budget

\$8,065

rev 2/26/18