

BOARD OF FINANCE
MINUTES
REGULAR MEETING
3 Primrose Street, Newtown - Newtown Municipal Center
Monday, March 13, 2023 at 7:30 p.m.

These minutes are subject to approval by the Board of Finance

Present: Sandy Roussas (via google meet), Laura Miller, , Steven Goodridge and Erica Sullivan

Absent John Madzula

Also Present: First Selectman, Dan Rosenthal, Finance Director, Bob Tait, BOE Chair, Deb Zukowski, and one member of the Public

Chandravir Ahuja called the meeting to order at 7:31p.m. Attendees saluted the American Flag.

Voter Comments

None

Communications

Mr. Ahuja spoke about communication from BOE Chair, Deb Zukowski, re Non-lapsing Fund Policy edits (see below).

Minutes

Erica Sullivan moved to approve the special minutes from the March 1, 2023. Laura Miller seconded. All in favor and motion passes.

First Selectman's Report

The First Selectman reported the Town participated in the annual bond sale in the amount of \$6.1MM with the lowest bid at 3.44% for 20 years. He spoke about while the rate is low, the interest does compound over time. He is hopeful the Town continues to be mindful in the spirit of fiscal responsibility.

Finance Director's Report

Finance Director reported on the Debt Service Indicators, which are municipal fiscal indicators created by the State for the year ending 2020 (a bit delayed). See attached. The report shows ratio of debt to equalized net grand list, debt per capita, per capita income, median household income, debt per capita as a percentage of per capita income and debt per capita as a percentage of median household income. Newtown appears to be fifth highest in terms of budgeted annual debt service compared to other towns. However, Newtown continues to focus on fiscal responsibility as it relates to bonding, spending and debt.

New Business

1. *Non- Lapsing Fund Policy*

Mr. Ahuja spoke about the specific definition of threshold and the aim of addressing accountability and transparency. Ms. Miller agreed. Ms. Zukowski spoke to the different conversations that may take place with or without a threshold. She mentioned the arbitrary proposal of 5% of the budget is \$8MM and 2% is \$2MM, which is a high number and unrealistic. The idea that the process should be simple was stressed and it's important to safeguard the measures for future practices. The Board discussed further about fostering better communication and transparency. Ms. Zukowski suggested the Board approve the policy and move forward with piloting to begin best practices. The Board will

vote on the policy at the next meeting, which will allow the BOF to be a part of the tri-board non-lapsing fund policy agreement.

2. *Policy Discussion for Fund Balance for Outside Agencies*

Ms. Roussas will circulate the latest version to the Board and will be discussed at the next meeting.

3. *ARP, Recycling and CFF/CIP Sub Committee Reports*

No report for Recycling Committee

Ms. Roussas shared about the ARP Committee held tonight, which approved sidewalks for the Borough in the amount of \$200,000 (Queen Street and Sugar Street). After this appropriation, there will be \$738,000 left in the funds.

Unfinished Business

None

Voter Comments

None

Announcements

Chair Madzula will be presenting the budget at the LC on March 15th.

Adjournment

Erica Sullivan made a motion to adjourn. Laura Miller seconded. All members were in favor and the meeting was adjourned 8:26pm.

Respectfully submitted,
Kiley Morrison Gottschalk, Clerk

Attachments

Communication

Non Education Fund Policy

Building and Site Communication Project Doc (from BOE/BOS proposed budget)

From: "Zukowski, Deborra" <zukowskid_boe@newtown.k12.ct.us>

Date: March 12, 2023 at 6:57:14 PM EDT

To: John Madzula <jsmbofnewtown@gmail.com>

Cc: John Madzula <jmadzula2@gmail.com>, Christopher Melillo <melilloc@newtown.k12.ct.us>

Subject: Feedback re: Non-lapsing edits

Hey there,

I talked to Chris and presented the edits for discussion to the CFF committee in its February meeting.

Several people are unsure of what the added language - i.e., having a level of funds when added scrutiny by the BoF/LC increases - is meant to accomplish.

During the discussion tomorrow, can you include why the added language would make a difference in the overall process so I can better explain it to others?

Thank you!

Deb Z

Non-Lapsing Education Fund
A Policy Agreement between:
Board of Education, Board of Finance & Legislative Council

Section 1. Deposits into Non-Lapsing Education Fund.

The Board of Education may, subject to the approval of the Legislative Council, deposit into the Non-Lapsing Education Fund all or a portion of any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the Town, provided that the amount deposited into the Non-Lapsing Education Fund shall not exceed the amount set forth in Section 10-248a of the Connecticut General Statutes. The Legislative Council shall consider the recommendation of the Board of Finance, if any, prior to approving the deposit of funds into the Non-Lapsing Education Fund. The Legislative Council may authorize deposits into the Non-Lapsing Education Fund in each fiscal year such that the total amount in the Non-Lapsing Education Fund may accumulate over time if not expended.

Section 2. Timeline for Consideration of Deposits into Non-Lapsing Education Fund.

No later than the first week of September, the Board of Education shall send notice to the Legislative Council and the Board of Finance of its request to deposit all or a portion of any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the Town into the Non-Lapsing Education Fund.

The Board of Finance and the Legislative Council shall hold a joint meeting to discuss the Board of Education request to deposit funds into the Non-Lapsing Education Fund.

Section 3. Expenditure of Funds from Non-Lapsing Education Fund.

The Board of Education may, subject to the approval of the Legislative Council, authorize expenditures from the Non-Lapsing Education Fund for any expenses that the Board of Education determines are necessary to support students or that are in the best interests of the Newtown Public Schools. The Legislative Council shall consider the recommendation of the Board of Finance, if any, prior to authorizing the expenditure of funds from the Non-Lapsing Education Fund.

If the Board of Education requests an expenditure from the Non-Lapsing Education Fund to pay for all or part of the costs of an approved Capital Improvement Plan (“CIP”) project, then such request shall be deemed approved when the Legislative Council approves the CIP as part of the annual review process.

Section 4. Educational Purposes.

The Non-Lapsing Education Fund shall only be used for educational purposes as required by Section 10-248a of the Connecticut General Statutes.

Section 5. Annual Reporting Requirement.

The Board of Education shall review the fund balance and revenues and expenditures of the Non-Lapsing Education Fund on an annual basis and provide a written report to the Legislative Council and the Board of Finance at the time a request for deposit is made.

Approved by Board of Education: 11/3/21
Approved by Legislative Council: 11/17/21

BUILDING & SITE MAINTENANCE PROJECTS - 2023/2024

PROJECT DESCRIPTION COST JUSTIFICATION

HAWLEY ELEMENTARY		
Replace Sound System in Gym	\$ 25,000.00	Obsolete and no longer working
Refinish Stage/Music Room Floor	\$ 11,000.00	Current finish is worn down to wood
Replace Main Office Carpet	\$ 11,000.00	Carpet adhesive is failing
TOTAL	\$ 47,000.00	

SANDY HOOK ELEMENTARY		
Duct Cleaning	\$ 35,000.00	Periodic requirement
TOTAL	\$ 35,000.00	

MIDDLE GATE ELEMENTARY		
Rebuild Parking Lot Stairs	\$ 25,000.00	Current stairs pose tripping hazard due to loose concrete
TOTAL	\$ 25,000.00	

HEAD O'MEADOW ELEMENTARY		
Restroom Renovations	\$ 25,000.00	Replace flooring & fixtures, wall repairs
TOTAL	\$ 25,000.00	

REED INTERMEDIATE		
Stage Lighting Controls	\$ 125,000.00	Obsolete and no longer working
Replace Stage Curtains	\$ 35,000.00	Curtains have are worn with many tears
TOTAL	\$ 160,000.00	

NEWTOWN MIDDLE		
Exterior Painting	\$ 20,000.00	Periodic requirement
Replace Sidewalks	\$ 25,000.00	Replacement of damaged sidewalks in front of C-wing
Replace Flooring	\$ 15,000.00	Replace worn flooring
Replace Exterior Doors	\$ 25,000.00	Replacement of doors & frames that can no longer be repaired
TOTAL	\$ 85,000.00	

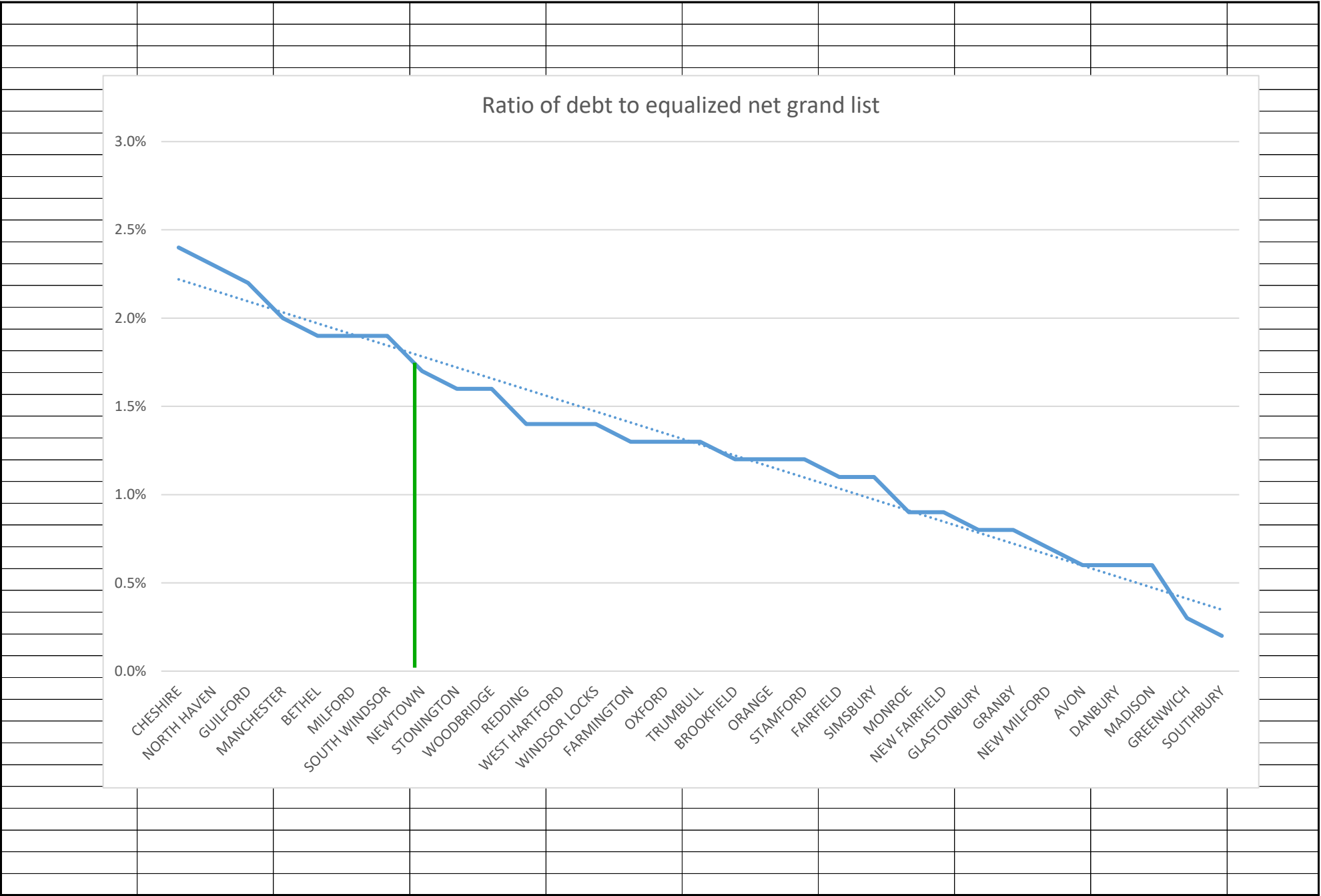
NEWTOWN HIGH		
Replace Flooring	\$ 30,000.00	Replace carpet with hard flooring in Math Dept.
Refinish Gym Floor	\$ 50,000.00	Periodic requirement
TOTAL	\$ 80,000.00	

GRAND TOTAL \$ 457,000.00

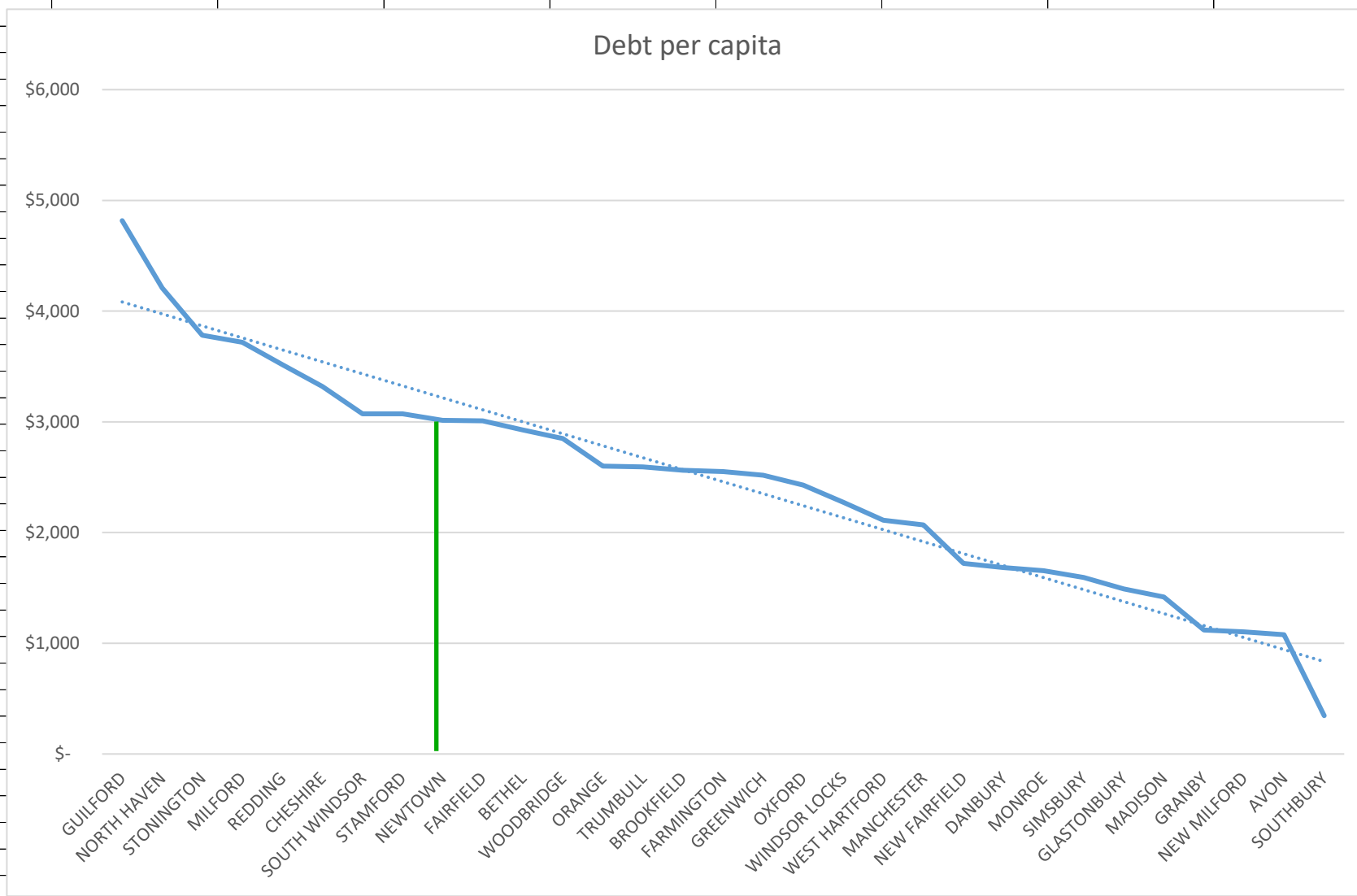
	<u>Municipality</u>	<u>Budgeted Annual Debt Service</u>	<u>Annual Budget Amount</u>	<u>Percent Debt Service to Annual Budget Amount</u>	<u>Fiscal Year</u>	<u>2029 Forecast</u>
	West Hartford	53,031,000	300,247,000	17.66%	2021	
	Stonington	8,082,815	71,548,295	11.30%	2021	
	Stamford	54,608,188	597,924,339	9.13%	2021	
	Milford	17,890,000	221,900,000	8.06%	2022	
	Newtown	9,711,658	123,219,554	7.88%	2022	6.83%
	Brookfield	5,826,802	74,848,176	7.78%	2022	
	North Haven	8,440,460	108,691,154	7.77%	2021	
	Trumbul	13,336,426	178,493,734	7.47%	2021	
	Manchester	13,883,000	195,419,000	7.10%	2022	
	Windsor Locks	3,145,157	50,369,902	6.24%	2021	
	Bethel	4,935,713	79,765,010	6.19%	2021	
	Redding	2,924,504	51,112,770	5.72%	2022	
	Cheshire	6,809,077	120,292,826	5.66%	2022	
	New Milford	5,303,015	105,105,148	5.05%	2022	
	New Fairfield	2,636,380	55,985,804	4.71%	2021	
	Woodbridge	2,280,254	51,566,481	4.42%	2022	
	Southbury	531,192	71,372,262	0.74%	2022	
			MEAN	7.29%		
			AVERAGE	7.23%		
	TAKE OUT HIGHEST & LOWEST					
			MEAN	6.67%		
			AVERAGE	6.97%		

TOWN OF NEWTOWN									
DEBT SERVICE INDICATORS - USING THE MUNICIPAL FISCAL INDICATORS JULY 2022 (STATE OF CT REPORT)									
In The Immediate Vicinity	i.		Ratio of debt to					Debt per capita	Debt per capita
Same Moody's Bond Rating	ii.		equalized net				Median household	as a % of per	as a % of median
District Reference Group B	iii.		grand list (a)	Debt per capita (b)	Per capita income ©	income ©		capita income	household income
<i>in alpha order</i>									
AVON		iii.	0.6%	\$ 1,078	\$ 74,617	\$ 123,077		1.4%	0.9%
BETHEL	i.		1.9%	\$ 2,927	\$ 43,233	\$ 94,973		6.8%	3.1%
BROOKFIELD	i.	iii.	1.2%	\$ 2,562	\$ 55,684	\$ 117,292		4.6%	2.2%
CHESHIRE		ii. iii.	2.4%	\$ 3,319	\$ 54,866	\$ 122,477		6.0%	2.7%
DANBURY	i.	ii.	0.6%	\$ 1,683	\$ 36,512	\$ 73,204		4.6%	2.3%
FAIRFIELD		iii.	1.1%	\$ 3,009	\$ 68,800	\$ 140,308		4.4%	2.1%
FARMINGTON		iii.	1.3%	\$ 2,551	\$ 55,426	\$ 97,262		4.6%	2.6%
GLASTONBURY		iii.	0.8%	\$ 1,491	\$ 60,913	\$ 120,605		2.4%	1.2%
GRANBY		iii.	0.8%	\$ 1,119	\$ 54,421	\$ 111,347		2.1%	1.0%
GREENWICH		iii.	0.3%	\$ 2,517	\$ 108,412	\$ 167,537		2.3%	1.5%
GUILFORD		iii.	2.2%	\$ 4,817	\$ 62,405	\$ 108,243		7.7%	4.5%
MADISON		iii.	0.6%	\$ 1,418	\$ 62,752	\$ 119,777		2.3%	1.2%
MANCHESTER		ii.	2.0%	\$ 2,068	\$ 37,708	\$ 74,270		5.5%	2.8%
MILFORD		ii.	1.9%	\$ 3,718	\$ 51,837	\$ 95,627		7.2%	3.9%
MONROE	i.	iii.	0.9%	\$ 1,656	\$ 51,001	\$ 121,847		3.2%	1.4%
NEW FAIRFIELD	i.	iii.	0.9%	\$ 1,720	\$ 51,298	\$ 114,583		3.4%	1.5%
NEW MILFORD	i.	ii.	0.7%	\$ 1,104	\$ 44,366	\$ 93,815		2.5%	1.2%
NEWTOWN	i.	ii. iii.	1.7%	\$ 3,013	\$ 56,517	\$ 125,028		5.3%	2.4%
NORTH HAVEN		ii.	2.3%	\$ 4,209	\$ 50,363	\$ 104,812		8.4%	4.0%
ORANGE		iii.	1.2%	\$ 2,600	\$ 56,567	\$ 129,489		4.6%	2.0%
OXFORD	i.		1.3%	\$ 2,429	\$ 49,006	\$ 106,089		5.0%	2.3%
REDDING			1.4%	\$ 3,517	\$ 75,134	\$ 135,928		4.7%	2.6%
SIMSBURY		iii.	1.1%	\$ 1,595	\$ 65,329	\$ 128,829		2.4%	1.2%
SOUTHBURY	i.	ii.	0.2%	\$ 346	\$ 55,478	\$ 102,128		0.6%	0.3%
SOUTH WINDSOR		iii.	1.9%	\$ 3,072	\$ 53,513	\$ 119,972		5.7%	2.6%
STAMFORD		ii.	1.2%	\$ 3,072	\$ 56,283	\$ 98,885		5.5%	3.1%
STONINGTON		ii.	1.6%	\$ 3,782	\$ 58,872	\$ 93,349		6.4%	4.1%
TRUMBULL		iii.	1.3%	\$ 2,592	\$ 51,689	\$ 129,239		5.0%	2.0%
WEST HARTFORD		iii.	1.4%	\$ 2,112	\$ 58,140	\$ 105,230		3.6%	2.0%
WINDSOR LOCKS		ii.	1.4%	\$ 2,273	\$ 40,361	\$ 72,090		5.6%	3.2%
WOODBIDGE		iii.	1.6%	\$ 2,849	\$ 70,114	\$ 169,155		4.1%	1.7%
(a) - based upon the 10/1/2018 grand list; (b) - fiscal year ending 2020; © - per US Census Bureau, 2016-20 American Community Survey.									

					Ratio of debt to					
					equalized net					
RANK					<u>grand list</u>					
1	CHESHIRE				2.4%					
2	NORTH HAVEN				2.3%					
3	GUILFORD				2.2%					
4	MANCHESTER				2.0%					
5	BETHEL				1.9%					
6	MILFORD				1.9%					
7	SOUTH WINDSOR				1.9%					
8	NEWTOWN				1.7%					
9	STONINGTON				1.6%					
10	WOODBIDGE				1.6%					
11	REDDING				1.4%					
12	WEST HARTFORD				1.4%					
13	WINDSOR LOCKS				1.4%					
14	FARMINGTON				1.3%					
15	OXFORD				1.3%					
16	TRUMBULL				1.3%					
17	BROOKFIELD				1.2%					
18	ORANGE				1.2%					
19	STAMFORD				1.2%					
20	FAIRFIELD				1.1%					
21	SIMSBURY				1.1%					
22	MONROE				0.9%					
23	NEW FAIRFIELD				0.9%					
24	GLASTONBURY				0.8%					
25	GRANBY				0.8%					
26	NEW MILFORD				0.7%					
27	AVON				0.6%					
28	DANBURY				0.6%					
29	MADISON				0.6%					
30	GREENWICH				0.3%					
31	SOUTHBURY				0.2%					
		Average			1.3%					
		Median			1.3%					
		>= Newtown			23%					

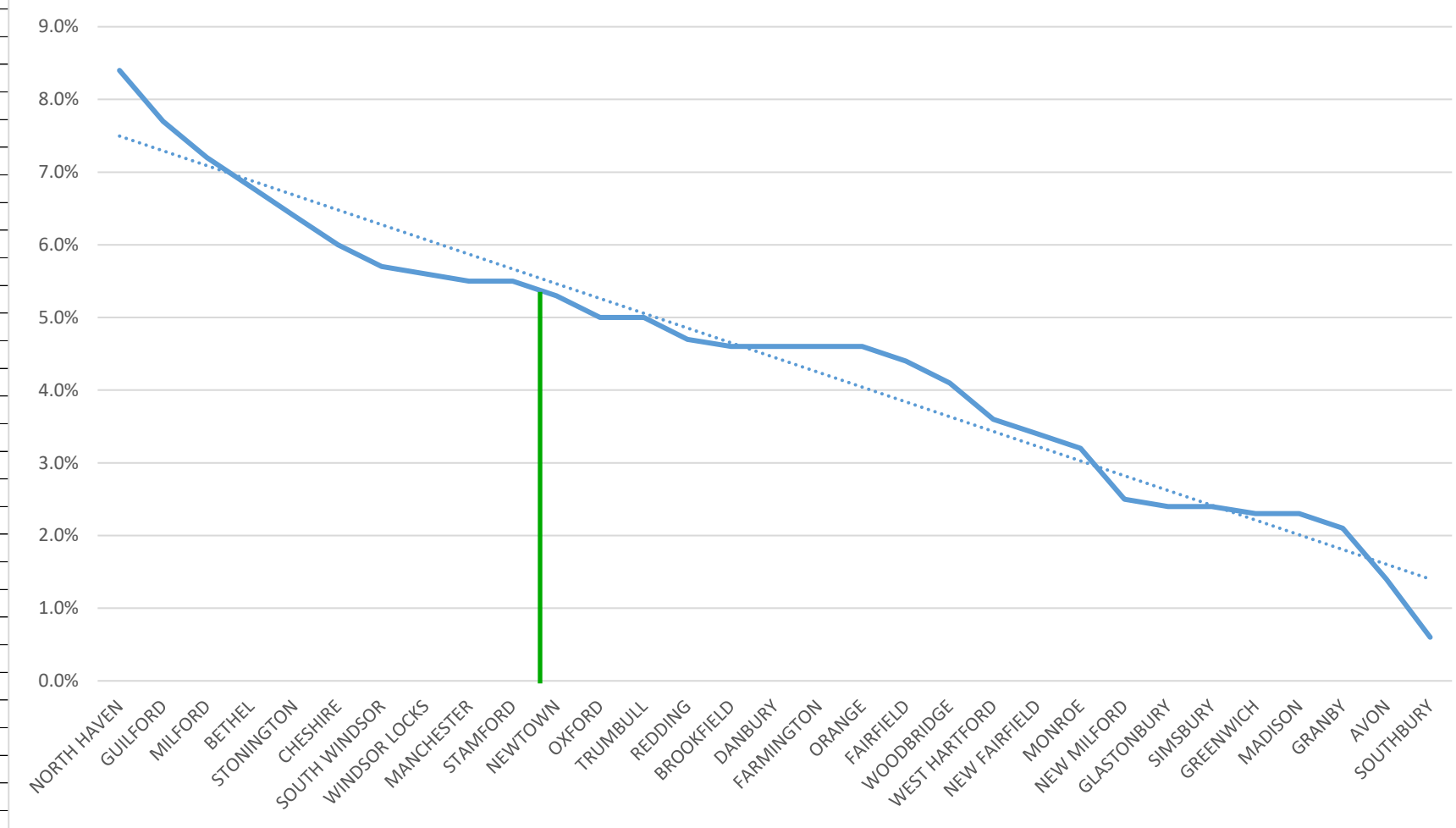


RANK					<u>Debt per capita</u>					
1	GUILFORD				\$ 4,817					
2	NORTH HAVEN				\$ 4,209					
3	STONINGTON				\$ 3,782					
4	MILFORD				\$ 3,718					
5	REDDING				\$ 3,517					
6	CHESHIRE				\$ 3,319					
7	SOUTH WINDSOR				\$ 3,072					
8	STAMFORD				\$ 3,072					
9	NEWTOWN				\$ 3,013					
10	FAIRFIELD				\$ 3,009					
11	BETHEL				\$ 2,927					
12	WOODBIDGE				\$ 2,849					
13	ORANGE				\$ 2,600					
14	TRUMBULL				\$ 2,592					
15	BROOKFIELD				\$ 2,562					
16	FARMINGTON				\$ 2,551					
17	GREENWICH				\$ 2,517					
18	OXFORD				\$ 2,429					
19	WINDSOR LOCKS				\$ 2,273					
20	WEST HARTFORD				\$ 2,112					
21	MANCHESTER				\$ 2,068					
22	NEW FAIRFIELD				\$ 1,720					
23	DANBURY				\$ 1,683					
24	MONROE				\$ 1,656					
25	SIMSBURY				\$ 1,595					
26	GLASTONBURY				\$ 1,491					
27	MADISON				\$ 1,418					
28	GRANBY				\$ 1,119					
29	NEW MILFORD				\$ 1,104					
30	AVON				\$ 1,078					
31	SOUTHBURY				\$ 346					
		Average			2,459					
		Median			\$ 2,551					
		>= Newtown			26%					

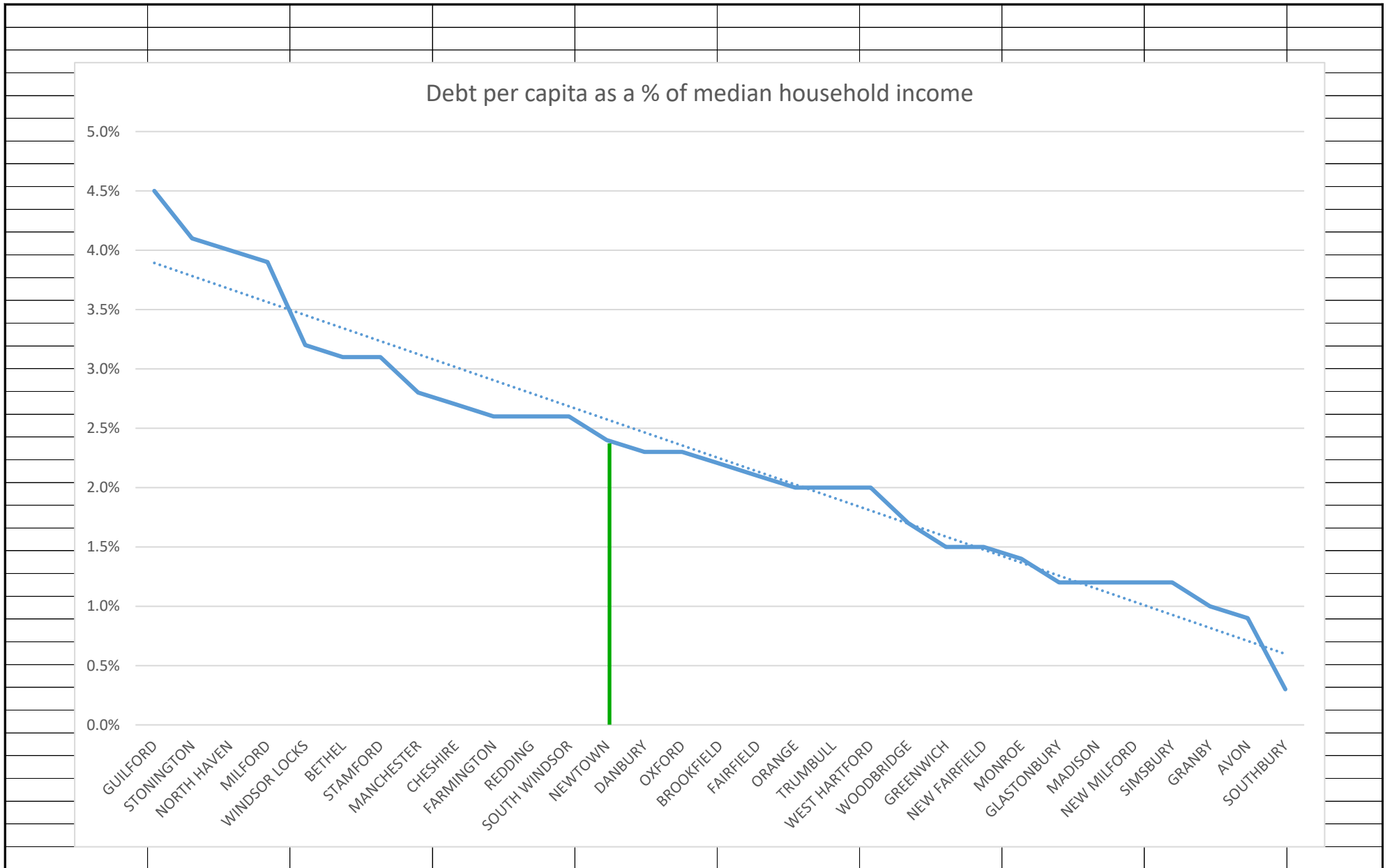


					Debt per capita					
					as a % of per					
RANK					<u>capita income</u>					
1	NORTH HAVEN				8.4%					
2	GUILFORD				7.7%					
3	MILFORD				7.2%					
4	BETHEL				6.8%					
5	STONINGTON				6.4%					
6	CHESHIRE				6.0%					
7	SOUTH WINDSOR				5.7%					
8	WINDSOR LOCKS				5.6%					
9	MANCHESTER				5.5%					
10	STAMFORD				5.5%					
11	NEWTOWN				5.3%					
12	OXFORD				5.0%					
13	TRUMBULL				5.0%					
14	REDDING				4.7%					
15	BROOKFIELD				4.6%					
16	DANBURY				4.6%					
17	FARMINGTON				4.6%					
18	ORANGE				4.6%					
19	FAIRFIELD				4.4%					
20	WOODBIDGE				4.1%					
21	WEST HARTFORD				3.6%					
22	NEW FAIRFIELD				3.4%					
23	MONROE				3.2%					
24	NEW MILFORD				2.5%					
25	GLASTONBURY				2.4%					
26	SIMSBURY				2.4%					
27	GREENWICH				2.3%					
28	MADISON				2.3%					
29	GRANBY				2.1%					
30	AVON				1.4%					
31	SOUTHBURY				0.6%					
		Average			4.4%					
		Median			4.6%					
		>= Newtown			32%					

Debt per capita as a % of per capita income



					Debt per capita as a % of median household income					
RANK										
1	GUILFORD				4.5%					
2	STONINGTON				4.1%					
3	NORTH HAVEN				4.0%					
4	MILFORD				3.9%					
5	WINDSOR LOCKS				3.2%					
6	BETHEL				3.1%					
7	STAMFORD				3.1%					
8	MANCHESTER				2.8%					
9	CHESHIRE				2.7%					
10	FARMINGTON				2.6%					
11	REDDING				2.6%					
12	SOUTH WINDSOR				2.6%					
13	NEWTOWN				2.4%					
14	DANBURY				2.3%					
15	OXFORD				2.3%					
16	BROOKFIELD				2.2%					
17	FAIRFIELD				2.1%					
18	ORANGE				2.0%					
19	TRUMBULL				2.0%					
20	WEST HARTFORD				2.0%					
21	WOODBIDGE				1.7%					
22	GREENWICH				1.5%					
23	NEW FAIRFIELD				1.5%					
24	MONROE				1.4%					
25	GLASTONBURY				1.2%					
26	MADISON				1.2%					
27	NEW MILFORD				1.2%					
28	SIMSBURY				1.2%					
29	GRANBY				1.0%					
30	AVON				0.9%					
31	SOUTHBURY				0.3%					
		Average			2.2%					
		Median			2.2%					
		>= Newtown			39%					



Non-Lapsing Education Fund

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Section 2. Timeline for Consideration of Deposits into Non-Lapsing Education Fund.

No later than the first week of September, the Board of Education shall send notice to the Legislative Council and the Board of Finance of its request to deposit all or a portion of any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the Town into the Non-Lapsing Education Fund.

The Board of Finance and the Legislative Council shall hold a joint meeting to discuss the Board of Education request to deposit funds into the Non-Lapsing Education Fund.

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If the Board of Education requests an expenditure from the Non-Lapsing Education Fund to pay for all or part of the costs of an approved Capital Improvement Plan ("CIP") project, then such request shall be deemed approved when the Legislative Council approves the CIP as part of the annual review process.

Section 4. Educational Purposes.

The Non-Lapsing Education Fund shall only be used for educational purposes as required by Section 10-248a of the Connecticut General Statutes.

Section 5. Annual Reporting Requirement.

The Board of Education shall review the fund balance and revenues and expenditures of the Non-Lapsing Education Fund on an annual basis and provide a written **accounting** to the Legislative Council and the Board of Finance at the time a request for deposit is made.

Section 6. Review

This policy shall be reviewed by the Board of Finance, at minimum, on a biennial basis during the month of January in each odd numbered year. Recommendations for change, if any will be presented first to the Board of Education for adoption and then to the Legislative Council for approval.

Approved by Board of Education: 11/3/21

Approved by Legislative Council: 11/17/21