

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held a regular meeting on Monday, December 10, 2018 in the Council Chamber in the Municipal Building, 3 Primrose Street, Newtown, CT. Vice Chair Roussas called the meeting to order at 7:30pm.

Present: Sandy Roussas, Steve Hinden, Mark Boland, Keith Alexander, Ned Simpson

Absent: Jim Gaston

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

Voter Comment – NONE

Communications – S. Roussas reported that they received a letter from Dr. Rodrigue (Attachment A) requesting funds from the Non-Lapsing Account. This will be on the agenda for the next meet. They also received the BOE Monthly Financial Report.

Minutes – S. Hinden moved to approve the minutes of the 11/13/18 meeting, Ned Simpson seconded. Ned Simpson's name was not included but he was present. Motion unanimously approved with correction.

First Selectman Report – First Selectman Rosenthal reported that they are getting ready to begin going through the budget. All the department requests were done today. Both the First Selectman and the Finance Director will start meeting with Departments. The Legislative Council will be hosting a joint meeting on December 19th to discuss the budget process.

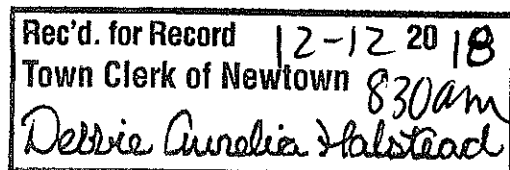
Finance Director Report – The 17/18 finance statements are not out yet. By statute they need to be out by December 31 and it will be done by then. R. Tait will review the statements at the January meeting.

R. Tait also reported that the new accounting software installation is going a little slow. They anticipate starting July 1 with the new fiscal year.

UNFINISHED BUSINESS

Capital Improvement Policy (Attachment B) – First Selectman Rosenthal explained that the Board of Selectman took this up and made some revisions they would like to see. It has to go through the BOF and ultimately the LC. N. Simpson went through the proposed changes and highlighted some of the changes for our benefit (Attachment C).

The CIP policy is not written into the charter, it is code. If it conflicts with the Charter then the Charter rules.



It was questioned if the voting requirements affect the Board of Education. First Selectman Rosenthal responded that the changes recommended do not affect their process, it affects our process. S. Hinden expressed concern regarding the 5 affirmative votes to add to the CIP. First Selectman Rosenthal responded that there could be a project that the BOS did not endorse but people could come to the BOF and LC to lobby for their project.

S. Roussas said that if board members think there are areas of improvement or clarification, keep a running list and they can go through it at the next meet.

K. Alexander asked about the change from a % of the Mill to a flat \$200,000. R. Tait explained that he went through quite a few towns CIP policies and a flat amount is more transparent. Something that is \$200,000 doesn't have to be bonded; it is just a planned expenditure.

S. Roussas questioned how, if any, does this affect the debt policy. The Debt Policy will be added to the next agenda as well. There is opportunity for overlap. Look at both to see the synergies and make sure there are no contradictions.

NEW BUSINESS

Open Space Land Acquisition, Robin Hill Road – This is donated land as part of a subdivision on Robin Hill Road. K. Alexander moved to approve the acquisition of 36 acres of land on Robin Hill Road (Attachment D). M. Boland seconded, motion unanimously approved.

Voter Comments – None

Announcements – Joint meeting with the LC, BOF, BOS and BOE on December 19, 2018

Having no further business, the meeting was adjourned at 8:53PM

Respectfully submitted,
Arlene Miles, Clerk

[Faint, illegible text, possibly a signature or stamp]

Attachment A



NEWTOWN PUBLIC SCHOOLS
3 PRIMROSE STREET
NEWTOWN, CT 06470

OFFICE OF THE SUPERINTENDENT
(203) 426-7620
FAX (203) 270-8199

BUSINESS OFFICE
(203) 426-7618
FAX (203) 270-8110

December 5, 2018

Mr. Jim Gaston
18 Main Street
Newtown, CT 06470

Dear Jim,

At the regular Board of Education meeting of December 4, 2018, the Board voted unanimously to request approval from the Board of Finance to spend \$235,000 of the current balance of \$426,857 in the district's Non-Lapsing Account.

The funds would be used for three important projects that address the learning environment and security at our schools.

Specifically, the estimated costs for these projects are as follows:

- | | |
|---|-----------|
| 1. HAW-AC in multi-purpose room (Ductless Splits) | \$ 25,000 |
| 2. NMS-AC in cafeteria (Ductless Splits) | \$ 75,000 |
| 3. SHS-Lightning Protection | \$135,000 |

We look forward to discussing this request with your Board with a favorable referral in order that we can position these projects for summer initiation.

Please contact me if you need any additional information.

Sincerely,

Dr. Lorrie Rodrigue, Superintendent of Schools

cc: Board of Education

NEWTOWN CAPITAL IMPROVEMENT PLAN (CIP) - POLICY

310 – 1. Purpose

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

310 – 2. Overview

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

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

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

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

310 – 3. Capital Improvement Plan Projects

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

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

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

310 – 4. Evaluation Criteria for Capital Requests

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

PRINCIPLES

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

FINANCIAL, TECHNICAL & REGULATORY

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

310 – 5. Capital Improvement Plan Formulation / Process

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

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

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

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

310 – 6. Capital Improvement Plan Timing / Schedule

July / August / September	<p>Board of Selectmen departments prepare their CIP capital project requests.</p> <p>First Selectman presents the proposed First Selectman CIP to the Board of Selectmen.</p> <p>Board of Education departments prepare their CIP capital project requests.</p> <p>Superintendent presents the proposed Superintendent CIP to the Board of Education.</p>
Board of Finance second meeting in September	Board of Education presents their proposed CIP to the Board of Finance.
Board of Finance first meeting in October	<p>Board of Selectmen presents their proposed CIP to the Board of Finance.</p> <p>Finance Director presents the combined Town of Newtown CIP along with a Debt Forecast Schedule outlining the effect of combined CIP bond totals on future general fund estimated debt service payments.</p>
By November 30 th	Board of Finance presents its recommended CIP to the Legislative Council.
By January 31 st	<p>Legislative Council adopts its approved CIP.</p> <p>Legislative Council determines which first year CIP projects go to referendum in April.</p>
February / March	Bond resolutions go thru the approval process for CIP projects that have been approved for referendum.

Attachment C

Replacement to Newtown Code Section 310 Capital Improvement Plan

Proposed Changes to Code Book re Capital Improvement Plan (CIP)

Remove Section 310-1 thru 310-9 and replace with new sections 310-1 thru 310-6

At Nov 5 BOS, Mr. Tate recommended not trying to do section by section comparison of current 310 and proposed 310. Good recommendation

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

Why Change

1. Align months and dates for various steps to the schedule as practiced in the recent past
2. Make the dollar threshold for CIP inclusion a fixed, and somewhat lower amount than the current % of Grand List
3. Give a first term First Selectman an opportunity to impact the coming year's CIP
4. Extend the planning horizon from 5 years to 10 years
5. Make it very hard for the BOF or LC to add anything to the CIP
6. Remedy hard to read current language resulting from many small changes made over the years
– Start fresh

BOF Role Reflected in Current and Preplacement Section 310

Current Code Book re BOF	Proposed Replacement re BOF
Addresses Planning, CIP, Bonding and Appropriations Latter two in 310-9	Addresses CIP (no reference to BOF role in Bonding & Appropriations)
Board of Finance <ul style="list-style-type: none"> • Proactive position regarding Town capital expenditures • Identifies, prioritizes, evaluates, justifies, monitors, postpones or eliminates proposed capital expenditures. 310-1.B(1) & B(2)	

Replacement to Newtown Code

Section 310 Capital Improvement Plan

Current Code Book re BOF	Proposed Replacement re BOF
<p>310-2 Objectives achieved by CIP</p> <ul style="list-style-type: none"> • Reduce need for "crash programs" • Focus attention on community goals, needs & capabilities • Optimum use of taxpayer dollars • Guide community growth & development • Ensure projects are well thought out • Orderly replacement of capital exp • More efficient administration and sound and stable financial programming. 	<p>310-2 Objectives achieved by CIP</p> <p>Same as Current with the addition of:</p> <ul style="list-style-type: none"> • Promotes Transparency regarding planned major capital projects
<p>310-2 Define "Capital Improvement" for: equipment, buildings infrastructure, land acquisition, plan or project exceeds 0.25% of Town budget</p>	<p>310-2 Define "Capital Improvement" for: equipment, buildings infrastructure, land acquisition, plan or project exceeds \$200,000</p>
<p>310-2 CIP is a five-year plan</p>	<p>310-2 CIP is a ten-year plan</p>
<p>310-2 – Annual review by BOF</p> <p>BOF shall amend to address changing priorities and maintain five-year projection</p>	<p>310.5.C – BOF Review the Combined CIP</p>
<p>310-3 - BOF responsible for:</p> <ul style="list-style-type: none"> • Implementing Town goals in 310-1 • Change to CIP • Add to CIP • Delete from CIP 	<p>310.5.C – BOF may for capital asset / project:</p> <ul style="list-style-type: none"> • Reduce cost • Reduce scope • Transfer between CIP Years • Eliminate • Add by 5 of 6 votes
<p>310-3 May advise the BOF, but do not have voting privileges:</p> <ul style="list-style-type: none"> • Dir Finance • First Selectman • Chair BOE • Superintendent of Schools • Legislative Council members 	<p>310.5.E - For a capital asset / project added by BOF the Legislative Council must approve by 9 of 12 votes for the project to stay in the CIP</p>
<p>310-6.G BOF will consider <u>all</u> requests prioritized by BOS & BOE,</p> <p>310-6.H BOF will prioritize requests for inclusion in the CIP (across and within the years)</p>	

Replacement to Newtown Code

Section 310 Capital Improvement Plan

Current Code Book re BOF	Proposed Replacement re BOF
310-7 BOF criteria for prioritization: A. Cost B. Impact versus benefit to Town C. Year it will be implemented D. Source of financing E. Impact on operating budgets	310-4 BOS & BOE criteria for inclusion in proposed CIP Principles 1. Public Safety 2. Existing Infrastructure 3. Economic Development 4. Quality of Life Fin, Tech & Regularity 1. Regulatory compliance 2. External funding 3. Impact on Operating budget
	310-5.C BOF will prioritize capital assets / projects within each year (majority vote)
310-6.I – Any LC changes referred back to BOF with LC reason for change in writing. BOF will review and resubmit CIP to LC noting changes	310-5.F Legislative Council will adopt a CIP
	310.5.E - For a capital asset / project added by BOF the Legislative Council must approve by 9 of 12 votes for the project to stay in the CIP
310-6.J – If LC does not approve the BOF CIP or send it back BOF within 60 days the BOF CIP becomes the Town's Approved CIP	
	310-5.I A new First Selectmen seated on December 1 st may review the first year CIP of BOF Recommended CIPProcess with special meetings following procedures to date.
No provision for amending References to Exigent circumstances to be processed through the BOF	310-5.H - Amending CIP during the fiscal year. Starts with BOS or BOE to BOF for recommendation. LC for approval
310-6.K LC approved CIP first year final in terms of bonding and other appropriate actions	310-5.F LC determine for adopted CIP first year which go to referendum in April by Jan 31.
310-6.L What goes to Referendum (NJS: Charter and other Code provisions?)	310-5.G What goes to Referendum

Attachment D

3 Primrose Street
Newtown, CT 06470
203-270-4351
Fax: 203-270-4278
rob.sibley@newtown-ct.gov



Robert Sibley
Deputy Director
Planning and Land Use

TOWN OF NEWTOWN

From: Rob Sibley, Land Use Deputy Director

Date: November 14, 2018

RE: **BOS OS Referral**

Robin Hill Road OS#15-02:

Total Acres – 36.26± Acres

Location – Robin Hill Road

This donation of land is the culmination of approximately 12 years of negotiation. The parcels were first brought to my attention during our purchasing program for OS in 2006. The 168 acre parcel was offered for \$1,600,000.00, and the Conservation Commission ranked the parcel high on the acquisition scale but lacked the funding to close the deal.

In 2012 the developer chose to use our newly created Open Space Conservation Subdivision Regulations to develop the 23 lot subdivision and set aside 84 acres for open space during the process. The final lot (Lot #23) had a balance of approximately 46 acres which the developer offered for a price of \$400,000, which the Town declined, in late 2015 the developer offered the same lot for \$150,000 which again the Town declined.

Recently the developer has chosen to donate a revised portion of this parcel to the amount of 36 acres. The donated portion of the lot would be added to the already 84 acres of OS.

The Conservation Commission heartily recommends excepting this offer and P&Z has passed the offer under its 8-24 statutory referral.

It is requested that the Board of Selectmen approve the receipt of this donation of 36 acres for the Town of Newtown.

**TOWN OF NEWTOWN
FINANCIAL IMPACT STATEMENT
(Per Town Charter 6-100)**

REQUESTING DEPARTMENT LAND USE

PROJECT: Donation - Lot 23 Robin Hill Road

PROPOSED SPECIAL APPROPRIATION AMOUNT: \$ -

PROPOSED FUNDING:	
BONDING	N/A
GRANT	N/A
CONTINGENCY	N/A
OTHER	\$ <u>-</u>
	\$ <u>-</u>

ANNUAL FINANCIAL IMPACT ON OPERATING BUDGET (GENERAL FUND):

List any financial impact your request will have on the Town's annual operating budget.
Attach spreadsheet(s) showing your calculation of the estimated impact.

EXPENDITURE CATEGORY:	**FOR BRACKETS USE NEGATIVE SIGN BEFORE NUMBER**	(POSITIVE IMPACT) / NEGATIVE IMPACT	Attachment #
SALARIES & BENEFITS		0	
PROFESSIONAL SERVICES		0	
CONTRACTED SERVICES		0	
REPAIRS & MAINTENANCE		0	
UTILITIES		0	
OTHER		0	
DEBT SERVICE (1st year)		0	
TOTAL IMPACT ON EXPENDITURES		\$ <u>-</u>	

REVENUE CATEGORY:		POSITIVE IMPACT / (NEGATIVE IMPACT)	Attachment #
PROPERTY TAXES		-1000	
CHARGES FOR SERVICES (FEES)		0	
OTHER		0	
TOTAL IMPACT ON REVENUES		\$ <u>(1,000.00)</u>	

TOTAL FINANCIAL IMPACT ON OPERATING BUDGET \$ 1,000.00

EQUIVALENT MILL RATE OF TOTAL IMPACT 0.0003 mills

(using current year's information)

COMMENTS:

The donation of the parcel of some 36 acres to the Newtown Open Space Program.

PREPARED BY: Rob Sibley DATE: 11/14/2018

TO: BOS