

3 PRIMROSE STREET
NEWTOWN, CT 06470
TEL. (203) 270-4221

BOARD OF FINANCE
MINUTES
REGULAR MEETING
Council Chambers
3 Primrose Street
Newtown, CT 06470
Monday, July 25, 2019 at 7:30 p.m.

These minutes are subject to approval by the Board of Finance

Present: Jim Gaston, Mark Boland, Sandy Roussas, Ned Simpson, Keith Alexander

Absent: Steve Hinden

Also Present: Finance Director Bob Tait, two members of the public, a member of the press and Kiley Gottschalk, Clerk.

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

Voter Comments

None

Communications

First Selectman is on vacation and Finance Director, Bob Tait, will speak on his behalf.

Chairman Gaston has sent the proposed CIP Policy to BOS and BOE for review.

Ned Simpson asked that the BOF discuss what additional information should be provided with future BOE budgets.

BOF would like to see the Bond forecast schedule in the near future for reference when discussing the Debt Policy.

Minutes

Minutes from the July 8th, 2019 meeting need to be approved. Chairman Gaston moves to approve the minutes of July 8th, 2019. Ned Simpson seconds, minutes are approved and motion passes.

First Selectman's Report

Mr. Tait spoke on First Selectman Rosenthal's behalf stating that the NCC (Newtown Community Center) has 570+ members thus far. This was their projection for the year, so excellent news.

Finance Director's Report

Mr. Tait shared an analysis with Moody's Bond Rating with Aaa and Aa1 compared to other CT towns. Analysis shows unassigned Fund Balance as a percent of total general fund expenditures and other Financing Uses. Our numbers differ in part due to other towns having a larger grand list; therefore, these towns are allowed to have a lower fund balance ratio. The average Aa1 is 11.8%. Newtown is 10.1%. When BOF starts to review the Fund Balance Policy, Mr. Tait may recommend we increase to 15% (right now Fund Balance has a limit of 12% and lower limit of 8%). Sandy Roussas recommended

BOF discuss Fund Balance along with the Debt Policy. Chairman Gaston agreed.

Unfinished Business

CIP Policy tabled due to BOE and BOS reviewing the proposed edits.

Debt Policy tabled.

New Business

Transfer: Contingency to Salaries and Wages/Social Security Contributions line items totaling \$8,778. Sandy Roussas makes a motion to approve transfer out of contingency in the amount of \$8,778 into various accounts to salaries and wages/social security contributions as reflected in the transfer request dated July 15th, 2019. Ned Simpson seconded. All in favor motion approves.

Resolution Providing for Special Appropriation in the Amount of \$575,000 for the Acquisition and Replacement of various Fire Apparatus as Authorized in the Capital Improvement Plan 2019-20 to 2023-24 and issuance of \$575,000 Bonds of the Town to meet said Special Appropriation and Pending the Issuance Thereof. Sandy Roussas make a motion to approve the special appropriation in the amount of \$575,000 for the acquisition and replacement of various Fire Apparatus as Authorized in the Capital Improvement Plan 2019-20 to 2023-24 and authorizing the issuance of \$575,000 of Bonds of the Town to meet said Special Appropriation and Pending the Issuance Thereof. Sandy Roussas moves to wave the reading of the entire resolution. Keith Alexander seconds. All in favor and motion approves.

Sandy Roussas asked Bob Tait what the general lifespan of a tanker such as this is. Mr Tait suggested about 25 years. Mr. Tait stated the entire amount of \$575,000 may not be used-- rather discussions around the amount of \$540,000 may be more in line with what the actual cost will be. Mr. Boland asked if there is any salvage and Mr Tait said the \$540,000 includes a trade in.

Roll Call (see attachment)

Voter Comments

None

Announcements

Parent Connection is having a Golf Outing in October.

Hook and Ladder is having their annual festival in September.

Newtown Day is this weekend.

Adjournment

Miss Roussas made a motion to adjourn. Keith Alexander seconded. All members were in favor and the meeting was adjourned at 7:50 p.m.

Respectfully submitted,
Kiley Gottschalk, Clerk

Attachments

Security Transfer

Resolution Providing for Special Appropriation

Excerpts of BOF Meeting

TOWN OF NEWTOWN APPROPRIATION (BUDGET) TRANSFER REQUEST
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<u>FISCAL YEAR</u>	2019 - 2020	<u>DEPARTMENT</u>	Finance	<u>DATE</u>	7/15/19
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	<u>Account</u>	<u>Amount</u>	
FROM:	1-101-24-570-5899-0000CONTINGENCY	(8,778)	USE NEGATIVE AMOUNT ↓
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TO:	1-101-13-500-5110-0000SALARIES & WAGES - FULL TIME	3,633	USE POSITIVE AMOUNT ↓
	1-101-13-500-5220-0000SOCIAL SECURITY CONTRIBUTIONS	278	
	1-101-16-550-5110-0000SALARIES & WAGES - FULL TIME	1,483	
	1-101-16-550-5220-0000SOCIAL SECURITY CONTRIBUTIONS	113	
	1-101-15-490-5110-0000SALARIES & WAGES - FULL TIME	1,023	
	1-101-15-490-5220-0000SOCIAL SECURITY CONTRIBUTIONS	78	
	1-101-11-170-5110-0000SALARIES & WAGES - FULL TIME	2,016	
	1-101-11-170-5220-0000SOCIAL SECURITY CONTRIBUTIONS	154	
	.		

REASON:

Transfer required to account for the Town Hall Union salary enhancement agreement effective 7/1/2019. See attached detail.

AUTHORIZATION:

date:

- (1) DEPARTMENT HEAD
- (2) FINANCE DIRECTOR
- (3) SELECTMAN
- (4) BOARD OF SELECTMEN
- (5) BOARD OF FINANCE
- (6) LEGISLATIVE COUNCIL

Q/A
Q/A

6/21/19
7-17-19
7-17-19

AUTHORIZATION SIGN OFF

FIRST 335 DAYS	<p>>>>>WITH IN A DEPT.>>>>LESS THAN \$50,000>>>> (1), (2) & (3) SIGNS OFF; MORE THAN \$50,000>>>> (1), (2), (3) & (5)</p> <p>>>>>ONE DEPT TO ANOTHER>>>>LESS THAN \$200,000>>>>ALL EXCEPT (6); MORE THAN \$200,000>>>>ALL SIGN OFF</p>
AFTER 335 DAYS	<p>>>>>(1), (2), (3), (5) & (6)</p> <p>ANY AMOUNT FROM CONTINGENCY>>>> ALL SIGN OFF</p>

RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$575,000 FOR THE ACQUISITION AND REPLACEMENT OF VARIOUS FIRE APPARATUS AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2019-20 to 2023-24) AND AUTHORIZING THE ISSUANCE OF \$575,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

RESOLVED:

Section 1. The sum of \$575,000 is a special appropriation made pursuant to Chapter 6, Section 6-35 of the Town Charter of the Town of Newtown (the "Town") for the acquisition and replacement of fire apparatus, including, but not limited to a the Hawleyville tanker, as authorized in the Capital Improvement Plan (2019-20 to 2023-24) and for administrative, financing, legal and costs of issuance related thereto (collectively, the "Project"), said appropriation to be inclusive of any and all State and Federal grants-in-aid thereof.

Section 2. To meet said appropriation, \$575,000 bonds of the Town, or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the maximum maturity permitted by the General Statutes of the State of Connecticut, as amended from time to time (the "Connecticut General Statutes"). The bonds may be issued in one or more series as determined by the Financial Director, and the amount of bonds of each series to be issued shall be fixed by the Financial Director, in the amount necessary to meet the Town's share of the cost of the Project determined after considering the estimated amount of State and Federal grants-in-aid of the Project, or the actual amount thereof if this be ascertainable, and the anticipated times of the receipt of the proceeds thereof, provided that the total amount of bonds to be issued shall not be less than an amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of the bonds outstanding at the time of the issuance thereof, and to pay for the costs of issuance of such bonds. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, be issued in fully registered form, be executed in the name and on behalf of the Town by the facsimile or manual signatures of the First Selectman and the Financial Director, bear the Town seal or a facsimile thereof, be certified by a bank or trust company, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company, and be approved as to their legality by Robinson & Cole LLP, Attorneys-at-Law, of Hartford, Connecticut. The bonds shall be general obligations of the Town and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount of the bonds of each series to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds including approval of the rate or rates of interest shall be determined by the First Selectman and the Financial Director, in accordance with the Connecticut General Statutes.

Section 3. Said bonds shall be sold by the First Selectman and the Financial Director in a competitive offering and the bonds shall be sold at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. To the extent required by the Charter of the Town of Newtown, bids shall be solicited from

at least three lending institutions. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale shall be published at least five days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds.

Section 4. The First Selectman and the Financial Director are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be signed by the First Selectman and the Financial Director, have the seal of the Town affixed, be payable at a bank or trust company designated by the First Selectman, be approved as to their legality by Robinson & Cole LLP, Attorneys-at-Law, of Hartford, and be certified by a bank or trust company designated by the First Selectman pursuant to Section 7-373 of the Connecticut General Statutes. They shall be issued with maturity dates which comply with the provisions of the Connecticut General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the Project. Upon the sale of the bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. The First Selectman is authorized in the name and on behalf of the Town to apply for and accept any and all Federal and State loans and/or grants-in-aid of the Project and is further authorized to expend said funds in accordance with the terms hereof and in connection therewith, to contract in the name of the Town with engineers, contractors and others.

Section 6. The Town hereby expresses its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and any time after the date of passage of this resolution in the maximum amount and for the Project with the proceeds of bonds or bond anticipation notes or other obligations ("Tax-Exempt Obligations") authorized to be issued by the Town. The Tax-Exempt Obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Financial Director or his designee is authorized to pay Project expenses in accordance herewith pending the issuance of Tax-Exempt Obligations, and to amend this declaration.

Section 7. The First Selectman and the Financial Director are hereby authorized, on behalf of the Town, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices to the MSRB of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this resolution. Any agreements or representations to provide information to the MSRB made prior hereto are hereby confirmed, ratified and approved.

Section 8. The First Selectman is hereby authorized, on behalf of the Town, to enter into any other agreements, instruments, documents and certificates, including tax and investment agreements, for the consummation of the transactions contemplated by this resolution.

Excerpt for Minutes of Board of Finance Meeting

to be held July 25, 2019

A meeting of the Board of Finance of the Town of Newtown was held in the Council Chambers on Thursday, July 25th, 2019, at 7:49 P.M. (E.T.).

* * *

Members present and absent were as follows:

Present

Mark Boland

Ned Simpson

Jim Gaston

Sandy Roussas

Keith Alexander

Absent

Steve Hinden

* * *

Sandy Roussas introduced and read the following resolution:

RESOLVED: That the resolution entitled “Resolution Providing For A Special Appropriation In The Amount Of \$575,000 For The Acquisition And Replacement Of Various Fire Apparatus As Authorized In The Capital Improvement Plan (2019-20 To 2023-24) And Authorizing The Issuance Of \$575,000 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, said special appropriation was initiated by the First Selectman in a letter to the Board of Selectmen dated June 11, 2019, a copy of which is attached hereto, in accordance with Chapter 6, Section 6-35 of the Town Charter.

Sandy Roussas moved that said resolution be adopted as introduced and read and the motion was seconded by Keith Alexander. Upon roll call vote the ayes and nays were as follows:

AYES

NAYS

Mark Boland

Ned Simpson

Jim Gaston

Sandy Roussas

Keith Alexander

Jim Gaston thereupon declared the motion carried and the resolution adopted.

* * *

July 25, 2019

To the Legislative Council

Members of the Council:

At a meeting of the Board of Finance held Thursday, July 25, 2019, the following resolution was approved and recommended for adoption:

RESOLVED: That the resolution entitled “Resolution Providing For A Special Appropriation In The Amount Of \$575,000 For The Acquisition And Replacement Of Various Fire Apparatus As Authorized In The Capital Improvement Plan (2019-20 To 2023-24) And Authorizing The Issuance Of \$575,000 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 initiated by the First Selectman in a letter to the Board of Selectmen dated June 11, 2019, a copy of which is attached hereto, in accordance with Chapter 6, Section 6-35 of the Town Charter.

Very truly yours,

Jim Gaston

Chairman

Board of Finance