

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

BOARD OF FINANCE
MINUTES
REGULAR MEETING
3 Primrose Street – Council Chambers
Thursday, July 22, 2021 at 7:30 p.m.

These minutes are subject to approval by the Board of Finance

Present: Keith Alexander, Chris Gardner, John Madzula, Ned Simpson and Sandy Roussas

Absent: Matthew Mihalcik

Also Present: First Selectman Dan Rosenthal, Finance Director, Bob Tait and Wes Thompson, Chair of the Economic Development Commission

Keith Alexander called the meeting to order at 7:32 p.m. Attendees saluted the American Flag.

Voter Comments

None

Communications

Chair Alexander noted the correspondence report (see attached).

Ned Simpson shared The Town Building Inventory and Planning Committee settled on design of data structure. The BOE Non Lapsing Joint Committee has met several times and plans to revisit in September. The take away thus far is the statue holds the weight. The Board agreed to discuss further at the next meeting.

Minutes

Ned Simpson moved to approve the minutes of June 24th, 2021. Sandy Roussas seconded. All in favor and motion passes (Sandy Roussas abstained).

First Selectman's Report

The First Selectman shared that the bids for the Sandy Hook Permanent Memorial came in yesterday and the Construction Manager is currently reviewing. The hope is the project may begin mid August. The State Bonding Commission meets tomorrow to act on their support for the project. The BOS meeting on the 16th will begin the transfer process and preliminary results show a positive budget year. The BOS approved the contract for the dispatch union at their last meeting with no budget impact this year. Salary increase of 2.5% in Year 1, 2% in Year 2, 2.25% in Year 3. In Year 3 insurance contribution will increase to 17%. The appropriation process for the Hawley HVAC project will be discussed and possibly acted on during the August 16th BOS meeting.

Finance Director's Report

Finance Director, Bob Tait, mentioned the last fiscal year presented favorably (see attached). Mr. Tait noted this was the most favorable year he has seen in Newtown mainly due to new move ins as well as construction. Fund column reflects the positive balances in the report. Expenditures show year-end budget transfers will be ~\$900,000+ to the Capital Non-Recurring Fund. 70% of expenditure savings are due to salaries and benefits. Pension and OPEB leveled out at 60MM and 4MM respectively, which are also favorable. Fund Balance is \$4.6MM ending for the fiscal year.

New Business

None

Unfinished Business

Discussion of Budget Forecast and Assumptions

Chair Alexander invited Wes Thompson, Chair of the Economic Development Commission, to the conversation. Mr. Thompson commended Mr. Tait's predictive work based on trending. Given the assumptions presented by Mr. Tait, with the potential drop off in estimates in the grand list, the Board wanted to inquire how to address this. Mr. Thompson stressed significant tax relief for tax payers won't be found in commercial real estate rather to look towards high density options to feel more tax relief (noted this is not his personal recommendation per se rather a professional recommendation about the best way to bring the Town more tax revenue). Mr. Simpson discussed his concern around debt and capital spending shown in the assumptions specifically noting in Years 6-10. The First Selectman commented about maintaining our bond rating in the effort to keep the interest rate down as well as the importance of the work the Town Building Inventory and Planning Committee has done so far (for future fiscal planning).

Voter Comments

None

Announcements

None

Adjournment

Sandy Roussas made a motion to adjourn. Ned Simpson seconded. All members were in favor and the meeting was adjourned at 8:56pm.

Respectfully submitted,
Kiley Morrison Gottschalk, Clerk

Attachments

Correspondence Report

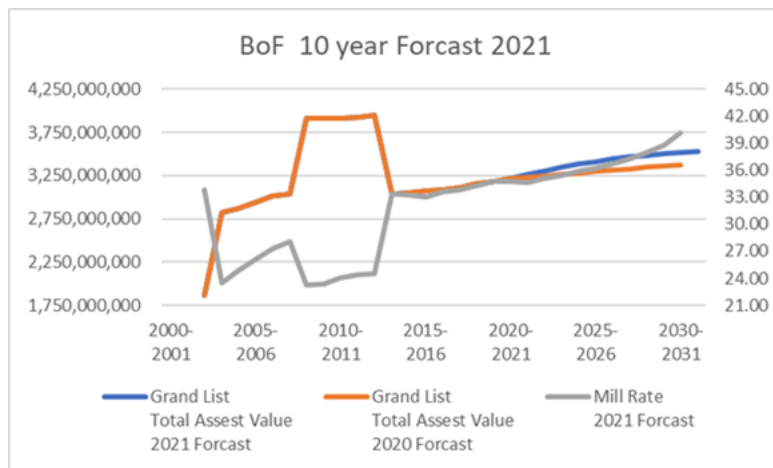
Finance Director Report

Newtown Board of Finance - Communications Report - 2021-07-22

From	Date	Subject
Deborra Zukowski (BOE Member)	06/29/2021	My status on the Non-Lapsing Account Work Group
Michelle Ku (BOE Chair)	06/29/2021	Re: My status on the Non-Lapsing Account Work Group
Andrew Buzzi (Charter Revision)	07/20/2021	RE: BOF meeting offers to Charter Revision
Wes Thompson (EDC Chair)	07/20/2021	Re: BoF 10 Year Budget Forecast

To	Date	Subject
Deborra Zukowski (BOE Member)	07/05/2021	Re: My status on the Non-Lapsing Account Work Group
Wes Thompson (EDC Chair)	07/20/2021	BoF 10 Year Budget Forecast
Andrew Buzzi (Charter Revision)	07/20/2021	RE: BOF meeting offers to Charter Revision

Fiscal Year	Original Forecast	LC Approved 21-22 CIP Total	LC Approved 21-22 CIP Bonded	
1	2021-2022	\$ 11,000,000	\$ 15,151,827	\$ 12,451,827
2	2022-2023	\$ 8,450,000	\$ 12,200,000	\$ 9,250,000
3	2023-2024	\$ 9,785,000	\$ 13,769,000	\$ 9,784,000
4	2024-2025	\$ -	\$ 3,300,000	\$ -
5	2025-2026	\$ 8,740,000	\$ 14,032,228	\$ 8,732,228
6	2026-2027	\$ 8,000,000	\$ 19,668,360	\$ 16,268,360
7	2027-2028	\$ 8,000,000	\$ 21,241,280	\$ 17,791,280
8	2028-2029	\$ 7,000,000	\$ 14,280,700	\$ 10,780,700
9	2029-2030	\$ 7,000,000	\$ 4,425,000	\$ 875,000
10	2030-2031	\$ -	\$ 10,200,000	\$ 6,600,000
	2031-2032	\$ 8,000,000		



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NEWTOWN MUNICIPAL CENTER
DETAIL REVENUE STATUS REPORT

PAGE NUMBER: 1
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SELECTION CRITERIA: orgn.fund='101'
ACCOUNTING PERIOD: 13/21

2020-2021

SORTED BY: FUND,FUNCTION,ACCOUNT
TOTALLED ON: FUNCTION
PAGE BREAKS ON: FUND

ORGANIZATION / ACCOUNT / TITLE	BUDGET	PERIOD RECEIPTS	RECEIVABLES	YEAR TO DATE REVENUE	BALANCE
101-01-140-0000 4100 PROP TAXES CURRENT TAXES	109,190,009.00	219,944.67	.00	109,501,515.29	-311,506.29
101-01-140-0000 4101 PROP TAXES DELINQUENT TAXES	500,000.00	36,261.76	.00	656,742.95	-156,742.95
101-01-140-0000 4102 PROP TAXES INTEREST & PENALTIES	375,000.00	40,511.02	.00	461,118.48	-86,118.48
101-01-140-0000 4103 PROP TAXES SUPPL MOTOR VEHICLE	1,100,000.00	6,917.18	.00	998,000.84	101,999.16
101-01-140-0000 4109 PROP TAXES TELCOM TAXES	47,000.00	.00	.00	48,405.15	-1,405.15
TOTAL FUNCTION - PROPERTY TAXES	111,212,009.00	303,634.63	.00	111,665,782.71	-453,773.71
101-02-140-0000 4205 INTERGOV ELDERLY TAX RELIEF	.00	.00	.00	.00	.00
101-02-140-0000 4210 INTERGOV IN LIEU OF TAXES	456,363.00	.00	.00	456,363.00	.00
101-02-140-0000 4215 INTERGOV VETERANS ADDL EXEMPT	19,033.00	.00	.00	16,059.12	2,973.88
101-02-140-0000 4220 INTERGOV TOTALLY DISABLED	1,643.00	.00	.00	1,398.24	244.76
101-02-140-0000 4225 INTERGOV MUNICIPAL PROJECTS	235,371.00	.00	.00	235,371.00	.00
101-02-500-0000 4230 INTERGOV TOWN AID FOR ROADS	470,587.00	.00	.00	469,483.04	1,103.96
101-02-200-0000 4235 INTERGOV STATE REVENUE SHARING	267,960.00	.00	.00	267,960.00	.00
101-02-200-0000 4240 INTERGOV MASHANTUCKET PEQUOT GR	829,098.00	276,366.00	.00	829,098.00	.00
101-02-200-0000 4245 INTERGOV SCHOOL BLDG GRANT	.00	.00	.00	.00	.00
101-02-500-0000 4250 INTERGOV LOCIP GRANT	206,461.00	.00	.00	207,217.00	-756.00
101-02-900-0000 4255 INTERGOV EDUCATION COST SHARING	4,250,000.00	.00	.00	4,634,262.00	-384,262.00
101-02-900-0000 4260 INTERGOV PUBLIC SCHOOL TRANSPOR	.00	.00	.00	.00	.00
101-02-900-0000 4265 INTERGOV NONPUBLIC SCHOOL TRANS	.00	.00	.00	.00	.00
101-02-900-0000 4270 INTERGOV HEALTH SVS - ST ROSE	22,170.00	.00	.00	25,412.00	-3,242.00
101-02-200-0000 4280 INTERGOV OTHER STATE GRANTS	25,000.00	.00	.00	43,016.53	-18,016.53
101-02-200-0000 4290 INTERGOV OTHER FEDERAL GRANTS	.00	.00	.00	.00	.00
TOTAL FUNCTION - INTERGOVERNMENTAL	6,783,686.00	276,366.00	.00	7,185,639.93	-401,953.93
101-03-170-0000 4305 CHG FOR SVS TOWN CLERK CONVEYAN	500,000.00	28,129.08	.00	925,470.80	-425,470.80
101-03-170-0000 4310 CHG FOR SVS TOWN CLERK - OTHER	200,000.00	15,743.60	.00	364,152.50	-164,152.50
101-03-460-0000 4315 CHG FOR SVS BUILDING PERMITS	500,000.00	4,465.00	.00	747,032.83	-247,032.83
101-03-550-0000 4320 CHG FOR SVS PARK & REC PROGRAMS	225,000.00	68,945.00	.00	241,059.38	-16,059.38
101-03-515-0000 4325 CHG FOR SVS TRANSFER STA FEES	475,000.00	23,367.30	.00	469,891.65	5,108.35
101-03-200-0000 4330 CHG FOR SVS OTHER PERMITS	2,500.00	.00	.00	7,679.44	-5,179.44
101-03-200-0000 4337 CHG FOR SVS SEWER/WATER	125,000.00	.00	.00	125,000.00	.00
101-03-900-0000 4340 CHG FOR SVS SCHOOL ACTIVITIES	30,000.00	20,000.00	.00	20,000.00	10,000.00
101-03-490-0000 4345 CHG FOR SVS LAND USE PERMITS	60,000.00	3,048.45	.00	98,375.05	-38,375.05
101-03-900-0000 4350 CHG FOR SVS TUITION	32,340.00	.00	.00	60,938.46	-28,598.46
101-03-220-0000 4355 CHG FOR SVS SR CTR MEMBERSHIP	20,000.00	950.00	.00	13,404.55	6,595.45
TOTAL FUNCTION - CHARGES FOR SERVICES	2,169,840.00	164,648.43	.00	3,073,004.66	-903,164.66
101-04-200-0000 4400 INVESTMENT INCOME INTEREST	950,000.00	11,589.51	.00	238,600.24	711,399.76
TOTAL FUNCTION - INVESTMENT INCOME	950,000.00	11,589.51	.00	238,600.24	711,399.76
101-05-200-0000 4500 BOARD OF SELECTMEN MISCELLANEOU	175,000.00	107,827.00	.00	213,521.34	-38,521.34
101-05-310-0000 4500 POLICE MISCELLANEOUS REVENUE	30,000.00	827.53	.00	54,135.13	-24,135.13
101-05-900-0000 4500 BOARD OF EDUCATION MISCELLANEOU	6,000.00	.00	.00	42,146.22	-36,146.22
TOTAL FUNCTION - OTHER	211,000.00	108,654.53	.00	309,802.69	-98,802.69
101-06-310-0000 4600 OTHER FINANCING TRANSFER IN	300,000.00	250,000.00	.00	250,000.00	50,000.00
101-06-200-0000 4610 OTHER FINANCING PREMIUM ON BOND	.00	.00	.00	.00	.00
TOTAL FUNCTION - OTHER FINANCING SOURCES	300,000.00	250,000.00	.00	250,000.00	50,000.00

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NEWTOWN MUNICIPAL CENTER
DETAIL REVENUE STATUS REPORT

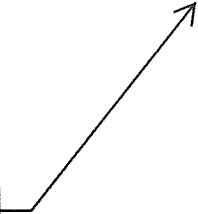
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ORGANIZATION / ACCOUNT / TITLE	BUDGET	PERIOD RECEIPTS	RECEIVABLES	YEAR TO DATE REVENUE	BALANCE
101-09-000-0000 4700 OTHER FINANCING USE OF FUND BAL	1,771,000.00	.00	.00	.00	1,771,000.00
TOTAL FUNCTION - USE OF FUND BALANCE	1,771,000.00	.00	.00	.00	1,771,000.00
 TOTAL REPORT	 123,397,535.00	 1,114,893.10	 .00	 122,722,830.23	 674,704.77

Out of the authorized "use of fund balance" of 1.7MM the Town actually used only \$675,000 due to the overall favorable performance of GF revenue accounts.



On the expenditure side there will be \$900,000+ available to transfer to the capital & non-recurring fund (with some designations). 70% of these savings come from salary and benefit accounts. The final 2020-21 budget transfers request will arrive at the BOF on the August 26th meeting.

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<div style="border: 1px solid black; padding: 2px;">unaudited</div>		
	Town Pension Trust Fund	OPEB Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 2,485,983	\$ 200,000	\$ 2,685,983
Plan members	422,186	-	422,186
Total contributions	<u>2,908,169</u>	<u>200,000</u>	<u>3,108,169</u>
Investment earnings:			
Interest and dividends	1,248,483	82,051	1,330,534
Net change in the fair value of investments	<u>11,219,896</u>	<u>721,520</u>	<u>11,941,416</u>
Total investment earnings	<u>12,468,379</u>	<u>803,571</u>	<u>13,271,950</u>
Total additions	15,376,548	1,003,571	16,380,119
DEDUCTIONS			
Benefit payments	2,703,122	-	2,703,122
Administrative expenses	8,259	5,077	13,336
Other	<u>85,014</u>	<u>9,800</u>	<u>94,814</u>
Total deductions	<u>2,796,395</u>	<u>14,877</u>	<u>2,811,272</u>
Change in net position	12,580,153	988,694	13,568,847
Net position - beginning	<u>47,525,289</u>	<u>3,109,880</u>	<u>50,635,169</u>
Net position - ending	<u><u>\$ 60,105,442</u></u>	<u><u>\$ 4,098,574</u></u>	<u><u>\$ 64,204,016</u></u>