

**BOROUGH OF NEWTOWN
NEWTOWN, CONNECTICUT**

Minutes of the regular meeting of the Borough of Newtown Board of Burgesses on **Tuesday, January 14, 2019** in the Old Court Room at Edmond Town Hall, Newtown, CT. Warden Maher called the meeting to order at 7:31 p.m.

Present: Warden Jay Maher, Senior Burgess Chris Gardner, Second Senior Burgess Betsy Kenyon, Burgess Bill Lucas, Burgess Anthony Baiad, Burgess Bill Eder, Burgess Jim Gaston, Treasurer Paula Brinkman and Clerk Ann Scaia.

Absent: Tax Collector Jodie Enriquez and Tree Warden Rob McCulloch.

Also Present: 2 members of the public.

Burgess Gaston made a motion to accept the December 10, 2019 regular meeting minutes,
seconded by Second Senior Burgess Kenyon. Motion passed.

Public Participation: None.

Auditor's Report: Borough Auditor Glenn Nanavaty distributed copies of the Borough of Newtown Audited Financial Statement with Independent Auditor's Report Year Ended June 30, 2019. It is required that within one week of receipt, a legal notice be published indicating that the report is complete and on file in the Borough Office as well as the Town Clerk's Office. Glenn will send a copy to the State of Connecticut Office of Policy and Management.

He presented an Executive Summary of Audited Financial Statements. Total revenues were \$276,422.00 and total expenses were \$175,808.00 resulting in a General Fund Balance of \$562,474.00. This represents an Unassigned Fund Balance of 246% of next year's Budget.

Glenn noted revenues continue to be higher than 2017 but slightly lower than 2018. Fees were lower at approximately \$48,000 in 2019 vs. approximately \$105,000 in 2018 due to various development projects winding down in the Borough. Also the total tax collected in 2018 was approximately \$191,000 vs. approximately \$224,000 collected in 2019. Glenn also noted a decrease in expenses in 2019. Expenses were approximately \$190,000 in 2018 vs. approximately \$176,000 in 2019. Glenn attributed this decrease to lower expenditures in the line item of legal fees, elections and historic district. In conclusion, revenues were more than the expenses. As a result of comparable revenues and lower expenses, the General Fund balance for 2019 is approximately \$562,474 vs. approximately \$461,860 in 2018. Though the Board has a plan in place, Glenn suggested the Board consider establishing a formal fund balance policy. Glenn presented a document outlining the mechanics of a formal fund balance policy and the different types of funds (see attached). The Board of Burgesses agreed to discuss this further in

the future. Glenn has offered to attend any future meeting to discuss fund balance policies. Once again, he commended the Board for their accurate record keeping, internal controls, and system of approvals and transferring funds. Good checks and balances are in place.

Burgess Gaston made a motion to accept the Auditor's Report for Year Ended June 30, 2019 and the filing of the report with the Office of Policy and Management, seconded by Burgess Baiad and unanimously approved.

Burgess Gaston made a motion to accept Glenn Nanavaty of Nanavaty, Nanavaty and Davenport as the auditor for the 2019-2020 fiscal year for the Borough of Newtown, seconded by Senior Burgess Gardner and unanimously approved.

Warden's Report: Warden Maher reported the Borough of Newtown received a plaque acknowledging their contributions to the Newtown Hook & Ladder. Warden Maher also reported he has been invited to attend the ribbon cutting at the Church Hill Village on Thursday, January 23rd at 1pm. Warden Maher spoke about "Welcome" signs with Doug Nelson, Borough Zoning Commissioner, and learned the maximum size of a sign would be 6 sq. feet. He also shared an image of Lewisboro's town sign as a possible example for the Borough's "Welcome" sign. Doug Nelson also informed Warden Maher, Borough Zoning will not be voting on February 12th, as the zoning modification application has been rescinded by the developers at 19 Main Street. Warden Maher recently visited the property at 19 Main Street and noted the property has fallen into great disrepair. Borough Zoning Officer Sibley stated any town resident can check to see if a record exists for a blight violation. If there is none, then a report can be submitted. Warden Maher will be looking into the status of a report of a blight violation and report back to the Board at the next Borough meeting. Lastly, Warden Maher gave a brief summary of the January 7, 2020, Ad Hoc Sidewalk Committee meeting. The Committee identified 13 potential projects, 3 of which have a part B, making an actual total of 16 projects. Charles Zukowski, of 4 Cornfield Ridge Road, created a decision matrix evaluating each project by specific criteria (see attached). The committee agreed the most important criteria are safety and convenience. Once the review is completed, they hope to have a public hearing to occur in March to present their findings. Lastly, he announced the next Ad Hoc Sidewalk Committee meeting will be on January 27, at 7:00pm in the Borough Office.

Tree Warden's Report: Tree Warden McCulloch was absent from the meeting but reported to the Borough Clerk that no activity occurred in the month of December.

Tax Collector's Report: Tax Collector Enriquez reported the following for December 2019: Taxes Collectable \$159,771.85; Current Taxes: \$160,627.68; Back Taxes: \$1,182.84; Interest: \$761.46; Liens & Fees: \$168.00. Total Submitted to Treasurer to Date: \$159,800.00. Current Taxes Collected: \$158,650.63 representing 99.21%. Please review attached report for December 2019.

Second Senior Burgess Kenyon made a motion to accept the Tax Collector's Report for December 2019, seconded by Burgess Eder and unanimously approved.

Treasurer's Report: The December 2019 report presents: There were no deposits made from the Borough Zoning Office. A deposit of \$200.00 was made from Tax Collector, Jodie Enriquez. A transfer of \$28,900.00 was made to cover last month's invoicing. Interest on the 12 mo. CD was \$117.23 making a total of \$77,606.87. Please review attached report for December 2019.

Burgess Gaston made a motion to accept the Treasurer's Report for December 2019, seconded by Burgess Lucas and unanimously approved.

Senior Burgess Gardner made a motion to transfer \$300.00 from Contingency to Audit, seconded by Second Senior Burgess Kenyon and unanimously approved.

Zoning Officer's Report: Borough Zoning Officer Sibley began by clarifying the regulation size for town signs to be 5 sq. feet. Borough Zoning Officer Sibley will further investigate the maximum size a town sign can be and will report back to the Board at the next Borough meeting.

The Borough Zoning Commission continues to receive applications and has addressed any violations/complaints as needed. He also stated the electronic filing and database is growing as documents continue to be scanned electronically. Lastly, he shared that he has been attending a few meetings for both the Newtown Zoning Commission and the Borough Zoning Commission.

Historic District: Second Senior Burgess Kenyon stated the Historic District Commissioners held a special meeting on January 9th to discuss and vote on a schedule of monthly regular meetings for 2020. This came under direction of borough legal counsel Monte Frank. The meetings will be the third Wednesday of the month in the borough office at 7:00pm. In the past the Historic District Commission met on an as needed basis. Also meeting dates, agendas, minutes, etc are now being posted by the town clerk's office in the borough section of the town website. Stephanie Gaston would like to thank the Borough Clerk, Ann Scaia, for her assistance with all of this. Our secretary, Mark Poirier will be responsible for submitting information to the town clerk.

The Historic District Commission meeting scheduled for Wednesday, January 15th, is cancelled due to a lack of agenda items.

Lastly, the state preservation trust wants to hold their Historic District Commissioner Workshop in Newtown this year. They will invite commissioners from surrounding towns. It is tentatively scheduled for Thursday, February 6th, in the old court room.

Sidewalks: Warden Maher discussed his report during the Warden report.

Streets & Parks: Burgess Eder stated further activity did not occur regarding the Victory and Peace monument during the month of December. He will begin gathering information and specs as it relates to the renovation and cleaning of the Victory and Peace monument. Warden Maher will assist Burgess Eder in this endeavor.

Senior Burgess Gardner offered an update on the status of the Flagpole refurbishment and fundraising for the project. He met last week with Steve Bennett (from the Lions Club), Pat Llodra and Bruce Walczak to continue discussions on fundraising for the Flagpole Refurbishment. Senior Burgess Gardner reported the fundraising event has officially been kicked off with an article featured in The Bee this week. The event will last 6-7 weeks with the hopes of raising \$6,400-\$6,500 to cover the cost of painting and lighting. The Flagpole Committee created a sweepstakes drawing to win a flag that has been flown on the flagpole. People can enter by submitting a form that can be downloaded from The Bee website with no obligation to make a donation. Senior Burgess Gardner spoke with the painter and arranged for his return in the Spring to paint. Senior Burgess Gardner will also be reaching out to DOT for new directional signs and contacting Eversource to repair one of the street lights. Burgess Lucas has asked if Senior Burgess Gardner could enlist someone to check the integrity of the pole. Senior Burgess Gardner will look into his request.

New Business: None at this time.

Old Business: Second Senior Burgess Kenyon received an email from Kim Chiappetta, from the Economic and Community Development & Fairfield Hills, wanting to work with the Borough as we both create town signage. Her desire is for signage to be consistent throughout the town. Second Senior Burgess Kenyon brought her up to speed on the Borough's progress on signage. Second Senior Burgess Kenyon also shared an image of the Sandy Hook signage and expressed a desire to follow their design. Kim Chiappetta stated she would speak with the person who oversaw the creation of the Sandy Hook sign and ask if we (the Borough and Newtown) could follow their design. Bob from Signarama created the Sandy Hook sign and conveyed the cost would be \$3,200/sign. Second Senior Burgess Kenyon is waiting for feedback from Kim Chiappetta.

Public Participation: Laura Lerman, of 55 Main Street, stated as a member of the Cultural Commission, she agreed that signage should be consistent around the town.

The regular meeting of the Board of Burgesses will be held on Tuesday, February 11, 2020 at 7:30p.m. in the Old Court Room in Edmond Town Hall, Newtown, CT.

There being no further business, Burgess Gaston made a motion to adjourn the meeting at 8:34 p.m., seconded by Burgess Eder and unanimously approved.

Respectfully submitted,
Ann Scaia
Borough Clerk

NEWTOWN BOROUGH TAX

MONTHLY REPORT FOR: DECEMBER 2019

TOTAL TAXES DUE FOR GRAND LIST 2018:	\$159,909.80
LAWFUL CORRECTIONS:	
INCREASE	\$9.83
DECREASE	-\$147.78
TAXES COLLECTABLE:	<u>\$159,771.85</u>

AMOUNTS COLLECTED TO DATE:

CURRENT TAX:	\$160,627.68
BACK TAX	\$1,182.84
INTEREST:	\$761.46
LIENS & FEES:	\$168.00
TOTAL COLLECTED TO DATE:	<u>\$162,739.98</u>

TOTAL SUBMITTED TO TREASURER TO DATE:	\$159,800.00
REFUND GIVEN FROM CURRENT YR TAX	\$1,301.18
REFUND GIVEN DUE FROM PRIOR YR	\$0.00
TOTAL COLLECTIONS	<u>\$161,101.18</u>

TAX COLLECTION SUMMARY:

GL 2018	TAXES COLLECTED	\$160,627.68	
	TAXES SUSPENDED	\$0.00	
	TRANSFERS	\$33.16	
	BOUNCED CHECKS	-\$467.40	
	REFUNDS	-\$1,542.81	
	TOTAL CURRENT TAX COLLECTED	<u>\$158,650.63</u>	99.21%
	UNCOLLECTED TAXES	<u>\$1,121.22</u>	0.70%
	OVERPAYMENTS	-\$15.43	

NOTE:

BACK TAXES OUTSTANDING FOR LIST 2017 AND PRIOR:

UNCOLLECTED TAXES	\$1,435.03
OVERPAYMENTS FROM PRIOR YEARS	\$157.24
REFUND FROM PRIOR YEARS	0
TRANSFER FROM PRIOR TO CURRENT	-33.16
CREDIT FROM PRIOR YEARS	<u>\$124.08</u>

DATE:
13-Jan-20

SIGN: _____
BOROUGH TAX COLLECTOR

BOROUGH OF NEWTOWN
Newtown, CT
Monthly Treasurer's Report
or month ending December 31, 2019

OPERATING ACCOUNT (#673)

Beginning Balance (December 1, 2019)			\$250,018.62
Income (Deposits)			
Date	Description		Amount
Dec. 11, 2019	Tax Collector	(YTD: \$159,800)	\$200.00
Interest income (December 31, 2019)			\$10.27
Total income			\$210.27
Expenses (checks written)			
Date	Payable To	Description	Amount
Dec. 9, 2019	Treasurer's Acct (331)	check 283	\$28,900.00
Ending Cash Balance (December 31, 2019)			\$221,328.89

INSURED CASH SWEEP ACCOUNT (#2470-D)

Account transfers from Operating Account		Nov. 15, 2019	\$406,177.07
		Nov. 19, 2019	\$500.00
Interest income	1.17%	Nov. 29, 2019	\$167.96
		Dec. 31, 2019	\$380.00
TOTAL			\$407,225.03

12 MONTH CD ACCOUNT (#814)

	Matures 2/28/2020	
	Beginning Balance (December 1, 2019)	\$77,489.64
Interest income (December 31, 2019)	interest 1.80 APY	\$117.23
TOTAL		\$77,606.87

Respectfully submitted on January 14, 2020

January 14, 2020

Jay Maher
Warden
Borough of Newtown

We have audited the financial statements of the governmental activities, and the major funds of Borough of Newtown for the year ended June 30, 2019 and have issued our report dated December 30, 2019. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Borough are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

At the conclusion of the audit process, we requested and received certain representations from management in the form of a management representation letter dated December 30, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board and management of the Borough and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Nanavaty, Nanavaty & Davenport, LLP

**BOROUGH OF NEWTOWN
EXECUTIVE SUMMARY - AUDITED FINANCIAL STATEMENTS**

	General Fund	Year Ended June 30,		
		2019	2018	2017
Total revenues				
	page 12	\$ 276,422	\$ 295,862	\$ 214,323
Total expenses				
	page 13	\$ 175,808	\$ 190,184	\$ 201,076
Excess Revenues over Expenses				
	page 13	\$ 100,614	\$ 105,678	\$ 13,247
General Fund - Fund Balance At June 30				
	page 11	\$ 562,474	\$ 461,860	\$ 356,182
Unassigned Fund Balance as a % of next year's Budget		246%	230%	176%
Analysis of Budget (pgs. 21-22)				
		Final Budget	Actual	Variance
Total revenues		\$ 228,330	\$ 276,422	\$ 48,092
Total expenses		229,330	175,808	53,522
Excess Revenues over Expenses		(\$ 1,000)	\$ 100,614	\$ 101,614

There is no formal letter issued re: internal control. However I recommended that the Board continue the following:

- Prepare and Review of all bank reconciliations
- Document review & approval of invoices for payment
- review of monthly financial statements, specifically budget v. actual results
- Consider establishing a formal fund balance policy

Fund Balance Policy

Developed for Borough of Newtown, CT

Purpose

The Board of Burgesses recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the Borough and is fiscally advantageous for both the Borough and the taxpayers of the Borough. This policy establishes goals and provides guidance concerning the desired level of fund balance maintained by the Borough to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances.

Definitions

Fund balance is a measurement of available financial resources and is the difference between total assets and total liabilities in each fund.

GASB Statement 54 distinguishes fund balance classified based on the relative strength of the constraints that control the purposes for which specified amounts can be spent. Beginning with the most restrictive constraints, fund balance amounts will be reported in the following categories:

- 1) **Nonspendable fund balance** – amounts that are not in a spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).
- 2) **Restricted fund balance** – amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).
- 3) **Committed fund balance** – amounts that can be used only for the specific purposes determined by a formal action of the Board of Burgesses. Commitments may be changed or lifted only by referring to the formal action that imposed the constraint originally (e.g., the board's commitment in connection with future projects or expenditures).
- 4) **Assigned fund balance** – amounts intended to be used by the government for specific purposes. Intent can be expressed by the Board of Burgesses or by a designee to whom the governing body delegates the Borough. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- 5) **Unassigned fund balance** – includes all amounts not contained in other classifications and is the residual classification of the general fund only. Unassigned amounts are available for any legal purpose.

Policy

The responsibility for designating funds to specific classifications shall be as follows:

Committed Fund Balance – The Board of Burgesses is the Borough's highest level of decision-making, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board.

Assigned Fund Balance – The Board of Burgesses has authorized the Warden and the Treasurer as officials authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

General Fund

Committed Fund Balance for Legal Expenditures

It is the goal of the Borough to achieve and maintain an amount of the fund balance in the general fund at fiscal year-end of not less than \$35,000 that is committed for legal expenditures that are not covered by the original budget and any line item transfers approved by the Borough during the fiscal year. If any of the committed fund balance is used during the current fiscal year, the Borough shall be required to restore any amounts used for legal expenditures from the current year's surplus, provided such funds exist. If there is not a surplus for the current fiscal year, the Borough may restore the committed fund balance by transferring an amount from the unassigned fund balance.

Maximum Unassigned Fund Balance

It is the goal of the Borough to achieve and maintain an unassigned fund balance in the general fund at fiscal year-end of not more than 100% of the next year's budgeted expenditures. If the unassigned fund balance at fiscal year-end moves above the goal, the Borough shall approve a transfer of the excess to the assigned fund balance maintained in the Special Revenue Fund.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, funds set aside by the Board, and unassigned fund balance), the Borough will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Special Revenue Fund

Assigned Fund Balance

The Borough has assigned the fund balance of the Special Revenue Fund. This amount is intended to be used for capital and non-recurring expenditures, including but not limited to, expenditures of a Master Plan should one be developed in the future. It is the goal of the Borough to transfer any surplus in the General Fund that exceed the maximum amount as defined above to the assigned fund balance in the Special Revenue Fund at the end of each fiscal year. These funds will accumulate with the other assigned fund balance amounts and will be set aside for the same intended uses as defined above.

[illegible][illegible]



1731

LEAVING

Lewisboro

HAMLET

Town Of Lewisboro
Westchester County, New York