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TOWN OF NEWTOWN

TOWN OF NEWTOWN LEGISLATIVE COUNCIL MEETING MARCH 8, 2017 NEWTOWN MUNICIPAL CENTER, NEWTOWN, CT

PRESENT: Phil Carroll, Neil Chaudhary, Judit DeStefano, Ryan Knapp, Mary Ann Jacob, Dan Amaral, Dan Wiedemann, George Ferguson (7:51).

ABSENT: Chris Eide, Paul Lundquist, Tony Filiato, Dan Honan.

ALSO PRESENT: First Selectman Pat Llodra, Finance Director Bob Tait, Board of Finance Chair Bob Godin, School Superintendent Dr. Joseph Erardi, Board of Ed Chair Keith Alexander, Edmond Town Hall Manager Sheila Torres, Board of Ed Andy Clure, COA Chair Anna Wiedemann, 3 members of the public, 1 press.

CALL TO ORDER: Ms. Jacob called the meeting to order with the Pledge of Allegiance at 7:32 pm.

VOTER COMMENT: None

MINUTES: MR. CARROLL MOVED TO APPROVE THE MINUTES OF THE FEBRUARY 15, 2017 REGULAR MEETING. SECOND BY MS. DESTEFANO. ALL IN FAVOR. (8-0)

COMMUNICATIONS: Ms. Jacob will bring additional communications to the next meeting.
(ATTACHMENT A)

COMMITTEE REPORTS: Mr. Chaudhary said the Public Safety Committee reports 550 inmates at Garner and staffing is steady at 91-92%. Mr. Knapp reported on the Ordinance Committee and sent a letter to the BOF to articulate timing of ordinance.

FIRST SELECTMAN'S REPORT: Ms. Llodra sent an electronic version of summary of governor's budget proposal. (ATTACHMENT B) Ms. Llodra recommended to read before Ben Barnes' visit at next week's LC meeting. Bio of Ben Barnes. (ATTACHMENT C) Ms. Llodra suggested to visit JP Sredzinski's website. LINK: <http://www.cthousegop.com/sredzinski/main/>

LEGISLATIVE COUNCIL

2017-2018 – 2020-2021 MUNICIPAL AND EDUCATION BUDGET INTRODUCTION: Mr. Godin presented the Board of Finance Recommended Budget 2017-2018. (ATTACHMENT D) Ms. Jacob explained the next set of meetings. Deliberations cannot begin until after the public hearing. Mr. Godin thanked Mr. Tait for help preparing the budget. Mr. Godin voted not in favor of the purchasing position. It will be brought up again in the middle of the fiscal year. Mr. Godin began with some of the BOF adjustment categories: approx. \$34,000 reduction in Public Safety (police personnel), approx. \$17,000 reduction in Public Works (diesel rate), approx. \$34,000 reduction in Recreation & Leisure, \$379,546 reduction in Education (Dalio Foundation grant and other). Mr. Godin discussed the Budget Breakdown of major items, changes in Budget by Function, and Final Thoughts – Proposal Detail. \$3,814,563 difference between the Amended 2016-17 Budget and the Governor's Proposed 2017-18 Budget. Ms. Llodra said that \$6,700,182 would be needed to meet the governor's budget and that the town will not be able to pass those increases in a budget referendum. Mr. Tait added that there are 130 towns that will not be able to work with the governor's proposed budget. Mr. Knapp said that the deficit is rising not revenue due to businesses leaving the state. Ms. Jacob asked the town attorney for legal opinion, which will be on the 23rd. Dr. Erardi joined the discussion and said that there is much concern throughout the state. Ms. Jacob asked for Dr. Erardi, Mr. Tait and Mr. Bienkowski to consider how to respond to BOE surplus and be prepared to discuss the timing of that. Ms. Jacob concluded to refer to the Budget Books that were distributed. Mr. Wiedemann asked about the What If Scenario. Mr. Tait to provide. (ATTACHMENT E)

REVIEW NEWTOWN'S FUND BALANCE POLICY AND LATEST S&P RATING: Mr. Tait showed a PowerPoint presentation. (ATTACHMENT F & G) Mr. Tait explained the definition of fund balance and reasons to have a fund balance, one reason is to have a favorable bond rating, which Newtown is rated AAA. Mr. Tait compared AAA ratings showing a cash flow comparison. Mr. Tait provided history of Newtown fund balance, where we have been and how did we get to strong budgetary flexibility pointing out that the town does not use reserves to balance the budget. Newtown has conservative budget practices, does not over estimate revenue, and does not under estimate expenditures. The fund balance policy can be viewed on the Finance Department website. <http://www.newtown-ct.gov/finance-department> The council discussed the fund balance and the budget impact to the state, other towns, and Newtown. Mr. Knapp referred to his recent testimony in Hartford about the ECS formula. He also expressed concern over using fund balance to cover tax burdens.

APPROVE 2017-2018 CIP ITEMS FOR REFERENDUM IN ACCORDANCE WITH THE NEWTOWN CHARTER 6-35 G. Ms. Jacob explained that this motion is to kick off the new process, new in the Charter, that any capital expenditure of over \$1.5 million automatically goes to public referendum. The CIP 2017/2018 to 2021/2022 indicates that two of the projects for 2017-2018 Year One are over \$1.5 million and will go to referendum, those include \$3 million for the New Senior Center Design & Construction and the \$1.8 million for Middle School Improvements. Mr. Tait has prepared a spreadsheet. (ATTACHMENT H) Ms. Jacob explained that the action taken tonight will begin the selection process of bringing to the Board of Selectman, then to the Board of Finance, and then back to the Legislative Council.

MR. CHAUDHARY MOVED TO APPROVE THE 2017-2018 CIP ITEMS NEW SENIOR CENTER DESIGN AND CONSTRUCTION AND MIDDLE SCHOOL IMPROVEMENTS FOR REFERENDUM IN ACCORDANCE WITH THE NEWTOWN CHARTER 6-35G. SECOND BY MR. CARROLL. ALL IN FAVOR. MOTION PASSES. (8-0)

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Ms. Jacob explained that the other motion related to the CIP items in accordance with the Newtown Charter is that the Legislative Council can only approve 1 mil representing around \$3 million of capital expenditures. In the spreadsheet prepared by Mr. Tait (ATTACHMENT H), highlighted are three highest amount projects. Totaled, these projects fall within 1 mil (\$3 million) amount: \$1,000,000 Capital Road Program, \$850,000 Hawley School - Roof Replacement, and \$750,000 High School - Phase II Auditorium \$750,000.

MR. CHAUDHARY MOVED TO APPROVE TO SEND TO REFERENDUM THE HAWLEY SCHOOL ROOF REPLACEMENT PROJECT, THE CAPITAL ROAD PROGRAM, AND THE HIGH SCHOOL PHASE II AUDITORIUM PROJECT. SECOND BY MR CARROLL. Ms. Jacob asked for questions or comments about this motion. Discussions: Mr. Knapp agreed with the logic of selecting those projects, but the one that jumps out that is not included in the list is the Police Facility Design of \$300,000 because it is tied to future CIP items. Ms. Jacob explained that the recommendation to choose the 3 most expensive projects is based purely on revenue. Ms. DeStefano agreed with Mr. Knapp's suggestion. Ms. DeStefano said that the Hawley School may be swapped out with another. Mr. Ferguson agreed with items discussed, but would like to add Edmond Town Hall.

Ms. Jacob asked if anyone would like to amend the motion on the table:

MR. FERGUSON MOVED TO AMEND THE MOTION TO SEND TO REFERENDUM THE HAWLEY SCHOOL ROOF REPLACEMENT PROJECT, THE CAPITAL ROAD PROGRAM, AND THE HIGH SCHOOL PHASE II AUDITORIUM PROJECT AND ADD THE EDMOND TOWN HALL AIR CONDITIONING PROJECT. SECOND BY MR. CARROLL. Ms. Jacob asked for questions or comments about the amendment to the motion. Mr. Wiedemann said that not to single out Edmond Town Hall but look at other projects. Ms. Jacob reminded the council of the process to approve projects under a certain dollar amount. Ms. Llodra added that each item on CIP has a political constituency and to be careful of political preference, and follow the rules of the charter, it should not be a political activity. Ms. DeStefano and Ms. Jacob discussed special appropriations. Mr. Tait said that this is perfect timing for BOE projects, Hawley Roof project, in particular. Dr. Erardi explained that the roof project would have to be delayed if not on the next referendum. MOTION TO AMEND FAILED 5-3. (Opposed: Mr. Carroll, Mr. Chaudhary, Ms. Jacob, Mr. Amaral, Mr. Wiedemann)

Ms. Jacob asked if anyone would like to amend the motion on the table:

MR. KNAPP MOVED TO AMEND THE MOTION TO SEND TO REFERENDUM THE HAWLEY SCHOOL ROOF REPLACEMENT PROJECT, THE CAPITAL ROAD PROGRAM, AND THE HIGH SCHOOL AUDITORIUM PHASWE II PROJECT AND ADD THE POLICE FACILITY DESIGN. SECOND BY MR. WIEDEMANN. Mr. Knapp said that this would be the most expensive project on the list and the design phase is the time to do this to get it started. Mr. Wiedemann agreed and will provide us with some flexibility. Ms. Jacob said that she would vote against this amendment because she is going to go along with recommendations of the bond council and legal council to approve the three highest projects only. ALL IN FAVOR. MOTION TO AMEND PASSES 6-2. (Opposed: Ms. Jacob and Mr. Ferguson)

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Ms. Jacob referenced the original motion with Mr. Knapp's amendment:

MR. CHAUDHARY MOVED TO APPROVE TO SEND TO REFERENDUM THE HAWLEY SCHOOL ROOF PROJECT, THE CAPITAL ROAD PROGRAM, AND THE HIGH SCHOOL PHASE II AUDITORIUM PROJECT AND ADD THE POLICE FACILITY DESIGN. SECOND BY MR CARROLL. ALL IN FAVOR. MOTION PASSES 7-1. (Opposed: Ms. Jacob)

VOTER COMMENT: None.

ANNOUNCEMENTS: Mr. Ferguson said that the BOF will deliberate on items that the finance and administrative committees forwarded in November, delayed due to transfer of leadership.

ADJOURNMENT: There being no further business the meeting adjourned at 9:31 pm.

Respectfully Submitted,

June Sgobbo
Clerk

(ATTACHMENTS: A – Communications; B - CAPSS, Gov. Proposed FY18 State Budget Impact on Towns and Cities; C -Barnes, Bio OPM Secretary; D -Board of Finance Proposed Budget Presentation, HB 750; E - What If Changes; F- Fund Balance Presentation; G- Newtown S&P Rating Report, S&P Rating Release State of CT; H - CIP Spreadsheet)

These are draft minutes and as such are subject to correction by the Legislative Council at the next regular meeting. All corrections will be determined in minutes of the meeting at which they were corrected.

From: "Mary Ann Jacob"
To: "Lynn Edwards"
Cc: "June Sgobbo"
Sent: 17-Feb-2017 15:43:00 +0000
Subject: Re: Request from Resident re Unreliable Town Messaging System

Thank you Lynn,

Thank you for your note. I've copied our clerk so your email and my reply will be included in our minutes for our next meeting. We discussed this issue at our council meeting Wednesday, which you can review in the tape during the First Selectman's report. Personally, I am very comfortable the system is working properly. I did ask Pat to put a note on the website letting folks know they can leave a message at the First Selectman's office if they prefer a phone call. Please feel free to share my contact info if you'd like.

Mary Ann

Sent from my iPhone

On Feb 17, 2017, at 8:32 AM, Lynn Edwards <lebedwards@charter.net> wrote:

To the members of the Board of Finance, Legislative Council, and Board of Selectmen,

First, I want to thank you each of you for your many, many hours of service to our community. I raised some of these concerns to the Board of Finance at the public hearing last night, although some members were not present and the video team apparently had not yet arrived. I am also copying the Legislative Council and Board of Selectmen, as the issue and my request is the same for you.

As some of you might recall, if you saw my emails, I tried to send an email to the Board of Finance and Legislative Council through the town website's new messaging system on January 27, and it didn't work for either group. The problem was supposedly fixed after several days (a test email did go through on January 31), but then again this week, another resident used the link that is supposed to message all Board of Finance members and it failed again.

I would like to formally request that all your individual email addresses be put back on the town website, at least through the end of budget season. The current system has been shown to be unreliable. No one will know if an email was delivered to you, and you won't know if you missed one because the system failed again. I believe it is unacceptable for the messaging system to be unreliable; residents should be able to reach representatives year-round, but reliable contact is especially necessary during budget season. Many residents simply cannot attend evening meetings to communicate with you. The new website no longer lists home mailing addresses or phone numbers, so email is our only other option (however I would also suggest that phone numbers should be permanently added back to the website for residents who might prefer a conversation).

An additional concern is whether all members read the emails that come from the town's messaging system. When the system was working for me a few weeks ago, I sent a test message to all Board and Council members stating it was a test and asking simply that you reply whether it was received. I received replies from some members of each Board and Council to the test email, but not from all. That tells me that the multiple Board of Finance and Legislative Council members who didn't reply either (1) didn't receive it (unlikely, when several others did), (2) chose not to spend 15 seconds replying to the test, "I received it" or (3) don't read all emails that get delivered to them from the town system. Options (2) and (3) are troublesome, especially (3), since messaging is now the only way residents can communicate with you outside of your meetings.

I hope you feel strongly about wanting to ensure you are accessible to residents, and that you each will also request that your individual email contact information be reposted on the town website at least until after budget season, since the new town messaging system is demonstrably unreliable. In the meantime, the IT department can continue to work on correcting the problems with the internal messaging system and hopefully end up with one that works reliably well.

As with all emails to our representatives, I'll be grateful for a simple reply from members of the Board of Finance, Legislative Council, and Board of Selectmen just to let me know you received this email.

Respectfully,

Lynn Edwards

3 Sand Hill Road
Sandy Hook

Cc: Board of Education

Dr. Erardi

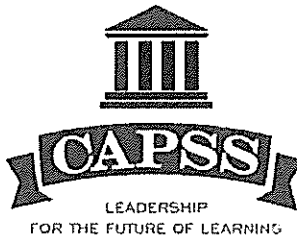
17 February 2017

Re: Town Messaging System

The Town of Newtown implemented a redesigned webpage at the beginning of the year that included the option to e-mail Board members using a web generated contact sheet. It was discovered that the contact sheet had an intermittent technical glitch which prevented a few messages from being delivered to its destination mailbox. This issue was immediately reported to the vendor who took steps to determine the cause of the problem and develop plans to ameliorate it.

The technical problem has been identified and code modifications are being made to correct this situation. To help ensure that no re-occurrence of this issue develops, our vendor has reviewed all their messaging queues related to Newtown to verify that there are no undelivered e-mails in the system. Furthermore, code to notify both the vendor and the Newtown IT department of any undelivered e-mails was implemented, so that in the unlikely event, that a message is undelivered, it can be manually sent.

These procedures have been tested and since being implemented no manual intervention has been required for e-mails.



**TESTIMONY OF THE CT ASSOCIATION OF PUBLIC SCHOOL SUPERINTENDENTS RE HB
7050 AN ACT CONCERNING ENHANCEMENTS TO MUNICIPAL FINANCE AND
ACCOUNTABILITY**

JOSEPH J. CIRASUOLO, ED, D
EXECUTIVE DIRECTOR

3/9/17

The CT Association of Public School Superintendents (CAPSS) which represents the superintendents of CT's public school systems and the members of the central office staffs of those systems strongly opposes the provision of HB 7050 An Act Concerning Enhancements to Municipal Finance and Accountability which would in effect require municipalities to cover annually 1/3 of the contribution that the State is obligated to make to the Teacher Retirement Pension Program.

CAPSS recognizes the need to make sure that the Teacher Retirement System is actuarially sound and that it does not place upon the State a financial burden that will be crippling in the future to the provision of State programs, assistance and services. The Act's provision that in effect would compel municipalities to shoulder 1/3 of the financial burden for the System does nothing to make the System sound and sustainable. All it does is transfer from the State to local municipalities the result of the fact that the System has not been studied for soundness and sustainability.

This transferal to the local level is not without consequences because it is highly unlikely that local governments would accommodate the transferal without establishing school system budgets that would reduce the programs being offered to children served by the school systems. Among the reductions that are already under consideration are the following.

- All Day Kindergarten
- Psychological and academic support services for children who do not yet qualify for special needs services but who will qualify soon after these support services are eliminated or curtailed.
- Extra-curricular programs that are a major source of school engagement for many children.
- Curricular programs in which few children enroll but for whom those programs are a major source of academic engagement
- Efforts to keep class sizes at a level that makes it possible to meet the individual needs of children.
- Buildings and grounds maintenance projects. This will simply make the projects more expansive and therefore, more expensive in the future.
- The move of many districts towards a mastery based personalized learning (MBPL) approach to teaching and learning. This would be particularly tragic because it is in this work that the hope of finally closing the immoral achievement gap between children who are financially poor and those who are not resides. Curtail this work and closing the achievement gap will become very difficult if not impossible.

Connecticut Association of Public School Superintendents

26 Caya Avenue, West Hartford, CT 06110 | Work: 860-236-8640 | Fax: 860-236-8628 | www.capss.org

These negative consequences would not be a one year phenomenon because the transferal of a portion of the financial responsibility for the Teacher Retirement Program to the local level would not be for one year only. Instead, the transferal would be perpetual and, therefore, the establishment of a **MAJOR UNFUNDED MANDATE** for local government. How this can be even considered in a year when major reductions in State financial aid to local governments appear to be inevitable is very difficult to understand.

For all of these reasons the transferal of financial responsibility for financing the Teacher Retirement Program to the local level is at best extremely foolish public policy and at worst highly irresponsible.

CAPSS, therefore, recommends that, instead of enacting the present provision of HB 7050, the Act be amended to require the State to initiate a study of the Teacher Retirement System, specify a group that will have representatives of teachers, administrators, superintendents of schools, boards of education, municipal governments, those with proven expertise in government pensions for educators and others and charge the group with the task of recommending to the Governor and the State Legislature by 1/1/18 recommendations for making structural changes in the Retirement System so that it is rendered sound and sustainable.



Governor's Proposed FY 18 State Budget: Impact on Towns and Cities

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Overview

On February 8, 2017, the Governor proposed his FY 18 state budget. The budget calls for combined expenditures of \$20.1 billion. This equates to an increase of \$361 million (1.8%) over estimated FY 17 expenditures.

The proposal would reduce municipal aid by \$363 million (11.4%) versus FY 17.

	Current Year FY 17	Gov. Proposed FY 18	Proposed FY 18 v. FY 17 Change:	
			\$	%
Municipal Aid	3,193,898,555	2,830,948,336	(362,950,219)	-11.4%

Education Aid

The budget includes education grants totaling \$2.21 billion in FY 17. Below are the proposed changes to statewide totals for major education grant programs.

Education Aid	Current Year FY 17	Gov. Proposed FY 18	Proposed FY 18 v. FY 17 Change:	
			\$	%
Adult Education	20,383,960	20,383,960	0	0.0%
After School Program	4,866,695	0	(4,866,695)	-100.0%
Bilingual Education	3,164,800	2,848,320	(316,480)	-10.0%
Education Cost Sharing	2,027,587,120	1,590,003,953	(437,583,167)	-21.6%
Excess Cost - Student Based	135,555,731	0	(135,555,731)	-100.0%
Health Serv for Pupils Private Schools	3,526,579	3,526,579	0	0.0%
Interdistrict Cooperation	6,353,391	4,000,000	(2,353,391)	-37.0%
Magnet Schools	313,058,158	313,058,158	0	0.0%
Open Choice Program	40,258,605	40,090,639	(167,966)	-0.4%
Priority School Districts	42,337,171	38,103,454	(4,233,717)	-10.0%
School Breakfast Program	2,225,669	0	(2,225,669)	-100.0%
School Readiness Quality Enhancement	4,172,930	0	(4,172,930)	-100.0%
Special Education	0	597,582,615	597,582,615	--
Teachers' Retirement Board	0	(407,643,383)	(407,643,383)	--
Vocational Agriculture	10,544,937	9,490,443	(1,054,494)	-10.0%
Young Parents Program	212,318	0	(212,318)	-100.0%
Youth Service Bureaus	2,651,516	0	(2,651,516)	-100.0%
Total Education Aid	2,616,899,580	2,211,444,738	(405,454,842)	-15.5%

Education Cost Sharing (ECS)

The proposal makes two changes to ECS funding. First, it would remove about \$450 million from ECS and transfer those funds to a new grant for special education (more information below). The remaining \$1.6 million in ECS funding would be distributed under a new formula.

Here are the proposed changes to the new formula.

- The foundation amount would be reduced from \$11,525 to \$8,990 to reflect the elimination of the special-education component.
- The poverty measure would be changed from students eligible for free or reduced-price lunch (FRPL) to students enrolled in HUSKY A.
- The poverty weighting would go from 1.30 to 1.20.
- The wealth adjustment factor would be lowered from 1.5 to 1.24. A lower factor means a reduction in the state portion of ECS funding.
- There would be no minimum aid ratio, essentially allowing some towns to receive no ECS funding.

CCM is attempting to gather more details on the proposed formula and will update members upon receiving that information.

ECS for Alliance Districts

For Alliance Districts, the Alliance portion of the FY 18 ECS grant would be the same amount as the Alliance portion from FY 17. That balance would come to the municipal side. Please note that this is different than how the grant has been distributed in the past.

Here is the language for the Alliance District portion of ECS (HB 7035, Section 5).

"...For the fiscal year ending June 30, 2018, the Comptroller shall withhold from a town designated as an alliance district any increase in funds received in the fiscal year ending June 30, 2017, over the amount the town received for the fiscal year ending June 30, 2012, pursuant to subsection (a) of section 10-262i, as amended by this act..."

Special Education

Special education funding would be provided through a new Special Education grant, which would replace the existing Excess Cost grant. This account would be funded with the special-education portion of ECS and the Excess Cost amount.

Boards of education would apply to the State Department of Education (SDE) for the reimbursement. Towns would be reimbursed on a sliding scale from 0% to 54% based on the ranking of each town's adjusted equalized net grand list per capita.

Here is the language for the new Special Education grant (HB 7035, Section 8). Please notice the ranking method for regional school districts in subsection (c).

"...(b) Any local or regional board of education which provides special education in accordance with regulations adopted pursuant to sections 10-76a to 10-76g, inclusive, as amended by this act, for any exceptional child described in subdivision (3) of section 10-76a, shall, for each fiscal year, be reimbursed for a percentage of its net cost of special education, as defined in section 10-76f, for the preceding fiscal year. Such percentage shall be determined in accordance with the provisions of subsection (c) of this section. A local or regional board of education may apply for such reimbursement on or before September first for costs incurred during the prior fiscal year based upon data included in the returns submitted to the Commissioner of Education pursuant to section 10-227. Any audited data shall be submitted to the commissioner on or before December thirty-first. Payments pursuant to this section for each estimated total grant of five hundred thousand dollars or more shall be made as follows: Fifty per cent of the grant entitlement based on costs submitted on or before September first shall be paid in October. The adjusted balance based on audited data submitted on or before December thirty-first shall be paid in April. Payments pursuant to this section for each estimated grant of less than five hundred thousand dollars shall be made in a single installment in April based on audited data submitted on or before December thirty-first.

(c) (1) The reimbursement percentage for the net cost of special education for a local board of education shall be determined by (A) ranking each town in the state in descending order from one to one hundred sixty-nine according to such town's adjusted equalized net grand list per capita, as defined in section 10-261, and (B) based upon such ranking, and notwithstanding the provisions of section 2-32a, a percentage of not less than zero nor more than fifty-three and ninety-three one-hundredths shall be determined for each town on a continuous scale. (2) The reimbursement percentage for the net cost of special education for a regional board of education shall be determined by its ranking. Such ranking shall be determined by (A) multiplying the total population, as defined in section 10-261, of each town in the regional school district by such town's ranking, as determined pursuant to subdivision (1) of this subsection, (B) adding together the figures for each town determined under subparagraph (A) of this subdivision, and (C) dividing the total computed under subparagraph (B) of this subdivision by the total population of all towns in the regional school district. The ranking of each regional board of education shall be rounded to the next higher whole number and each such board shall receive the same reimbursement percentage as would a town with the same rank..."

Boards of education would be required to bill for special-education services provided to Medicaid-eligible children. They would receive half of the federal reimbursement from billing for these services.

Teachers' Retirement Contribution

The Governor has called for towns and cities to contribute to teachers' pension costs. The contribution would be one-third of the employer share of the cost (10 percent of the total pension cost). This amount was included in our calculations of municipal aid because it is essentially a reduction in aid.

Each municipality would have to remit the required amount to the state by December 31 each fiscal year.

Here is the language for the pension contribution (HB 7050, Section 27).

"...(a) Each municipality shall annually reimburse the state for a portion of the state's contributions to the teachers' retirement system made pursuant to section 10-183z of the general statutes. Such reimbursement payment shall be made not later than December thirty-first of each fiscal year..."

The bill then lists the amounts by town, which are the amounts there were provided to towns on February 8. CCM is attempting to get more details on the contribution calculations used for each town.

If a municipality fails to make the payment within thirty days of when the payment is due, a five-percent penalty will be added to the total amount due. For any municipality that defaults on the payment, the state shall withhold payment of any municipal aid up to the amount of such obligation.

Minimum Budget Requirement (MBR)

The Governor is also proposing changes to the MBR for FY 18.

- For a municipality receiving an increase in state education aid, the FY 18 MBR would be the same as the FY 17 amount.
- For a municipality seeing a decrease in ECS funding, the MBR would be reduced by the difference between its FY 18 ECS grant and its adjusted FY 17 grant.
- A municipality's contribution to teachers' pensions would not count towards its MBR.
- Towns that fail to meet MBR due to financial hardship would be able to apply to the State Board of Education for a waiver from statutory penalties.

The following provisions of the MBR remain in place under the Governor's proposal.

- Any district that does not maintain a high school and pays tuition to another school district and a student population attending high school as of the October 1 count two years prior that is less than the count for October 1 three years prior, may reduce its budgeted appropriation by such difference multiplied by the amount of tuition paid per student.
- Any district that demonstrates new savings through increase district efficiencies or through regional collaboration may reduce its budgeted appropriation for education up to a one-half percent (0.5%). The savings would have to be approved by the Commission of Education.
- Any district closing a school can reduce its MBR, with approval of the Commissioner of SDE.

These provisions appear to apply to all districts, including Alliance Districts, in FY 18.

One issue that does not seem to be addressed is what happens to towns that receive no ECS funding under the proposal and do not meet the MBR. Current law outlines a penalty of two times the amount of the MBR shortfall. The penalty is taken from the ECS grant two fiscal years after the failure to meet MBR. If the town does not get an ECS grant, it is unclear how the penalty would apply.

Non-Education Aid

Non-education grants would total \$619.5 million in FY 17. Below are changes to statewide totals for major non-education grant programs.

Non-Education Aid	Current Year FY 17	Gov. Proposed FY 18	Proposed FY 18 v. FY 17 Change:	
			\$	%
Community Services	70,742	0	(70,742)	-100.0%
DOH Tax Abatement	1,078,993	0	(1,078,993)	-100.0%
Distressed Municipalities	5,423,986	5,423,986	0	0.0%
Housing/Homeless Services	592,893	586,965	(5,928)	-1.0%
Human Resource Devel.- Hispanic Prog.	4,719	0	(4,719)	-100.0%
Local Capital Improvement Program	0	90,000,000	90,000,000	--
Local & District Departments of Health	4,083,916	3,684,078	(399,838)	-9.8%
Grants for Municipal Projects	60,000,000	0	(60,000,000)	-100.0%
MRSF Motor Vehicle Property Tax	0	77,969,733	77,969,733	--
MRSF Revenue Sharing	127,851,808	123,767,688	(4,084,120)	-3.2%
MRSF Select PILOT	44,101,081	46,101,081	2,000,000	4.5%
Pequot-Mohegan Fund	58,076,612	58,076,612	0	0.0%
PILOT: Colleges & Hospitals	114,950,770	59,122,160	(55,828,610)	-48.6%
PILOT: State-Owned Property	66,730,441	66,730,441	0	0.0%
Property Tax Relief Elderly Circuit Breaker	19,176,502	14,474,502	(4,702,000)	-24.5%
Property Tax Relief Elderly Freeze Program	112,221	65,000	(47,221)	-42.1%
Property Tax Relief for Veterans	2,777,546	2,777,546	0	0.0%
Property Tax-Disability Exemption	374,065	374,065	0	0.0%
School Based Health Clinics	11,280,633	10,152,570	(1,128,063)	-10.0%
Teen Pregnancy Prevention	114,876	0	(114,876)	-100.0%
Town Aid Road	60,000,000	60,000,000	0	0.0%
Venereal Disease Control	197,171	197,171	0	0.0%
Total Non-Education Aid	576,998,975	619,503,598	42,504,623	7.4%

LoCIP

The budget provides \$90 million in LoCIP funding. That total includes \$55 million in new entitlements for towns and cities in FY 18. The remaining \$35 million will be used to raise the bonding cap for the program and fund some projects already approved.

Municipal Revenue Sharing Fund

For FY 18, the budget continues the Municipal Revenue Sharing Fund (MRSF). This is funded through an appropriation from the General Fund and will be used to pay a series of grants.

The order of distribution is as follows in FY 18.

1. Motor vehicle cap reimbursement
2. Grants payable through the Select PILOT Account
3. Sales tax revenue sharing grants
4. \$7 million for regional services grants to COGs

Motor Vehicle Property Tax Grants

OPM will distribute motor vehicle property tax grants as reimbursement to municipalities and special taxing districts for revenue lost due to the MVMR cap. The grant amount will be the difference between the property taxes a municipality and any special taxing district levied on motor vehicles in the 2013 assessment year and the amount of the levy for that year had the rate been set at the cap (32.00 mills for FY 18).

Payment is to be made by August 1 each fiscal year.

Municipalities must distribute any district portion of the grant to the district within 15 days of receipt.

Municipal Revenue Sharing Grants

The budget provides \$123.8 million in revenue-sharing grants to municipalities. This can be considered general revenue.

Payments are to be made by October 31.

Regional Services Grants

Beginning in FY 18, COGs will have to submit a spending plan for the funding to OPM in order to receive a grant.

COGs must use the grants for planning purposes and to achieve efficiencies in delivering municipal services on a regional basis. A COG's members must unanimously approve any grant expenditure.

COGs are also required, beginning by October 1, 2017, to provide a biennial report to the Planning and Development and Finance, Revenue, and Bonding committees. The report must outline how they have spent the funds and recommendations for modifying them.

Additional Programs, Funding, and Other Items

Below are additional items in the FY 18 budget that impact towns and cities.

Bond Funding

The following are some of the Governor's recommended bond authorizations for FY 18.

- STEAP grants: No funding
- Urban Act: \$50 million
- Responsible Growth Incentive Fund: \$5 million
- Transit-oriented development and predevelopment activities: \$8 million
- Grants for building improvements for Alliance Districts: \$30 million
- School construction: \$603 million
- Clean Water Fund revenue bonds: \$203.3 million
- Flood control improvements, erosion repairs, and municipal dam repairs: \$5 million
- Connecticut bikeway, pedestrian walkway, recreational trail, and greenway grant program: \$5 million
- Brownfield remediation and revitalization program: \$20 million
- Grants-in-aid to municipalities for improvements to incinerators and landfills: \$2.9 million
- Grants-in-aid to assist targeted local and regional school districts for alterations, repairs, improvements, technology, and equipment in low-performing schools: \$10 million

Motor Vehicle Tax Cap

As mentioned above, the motor vehicle mill rate (MVMR) would still be capped at 32 mills under the Governor's proposal. Any municipality or district may establish a mill rate for motor vehicles that is different from its mill rate for real property.

Special taxing districts and boroughs may not impose a mill rate that, when combined with the municipality's MVMR, would exceed the cap. Municipalities with more than one taxing district are allowed to set a uniform MVMR across the entire municipality.

Taxation of Hospital Property

The Governor has proposed allowing towns and cities to tax the real property of hospitals. This taxing authority would result in the elimination of the portion of PILOT: Colleges & Hospitals attributable to hospitals. The change would apply starting with October 1, 2016, grant lists.

Municipal Spending Cap

The Governor's proposal eliminates the municipal spending cap.

Municipal Accountability Review Board

The Governor is proposing a new system of accountability under which some municipalities would be subject to increasing levels of state review and intervention based on fiscal conditions. Most communities would not be impacted.

The system uses tiers to determine fiscal stress in towns and cities. The criteria used to determine a given community's placement include fund balance, credit rating, and level of municipal aid.

Tier I communities would require minimal reporting. The higher tiers would cap local grand levy growth at three percent and require increased reporting. Additional accountability in Tier II and Tier III include some level of oversight functions carried out by a newly formed Municipal Accountability Review Board (MARB).

Based on a request by a local government or a super-majority of the MARB, a community can be placed in Tier IV. Under Tier IV, the MARB may:

- approve debt restructuring and deficit financing using the State's Capital Reserve Fund (SCRF) to enhance a municipality's credit;
- serve as an arbitration panel;
- approve budget assumptions; or
- appoint a fiscal manager to oversee municipal operations.

Composition of the MARB would be as follows.

- Secretary of OPM, or designee, and the State Treasurer, or designee, will each serve as co-chairs.
- The Governor will appoint four members: one resident and one affiliated with a business of a Tier 2, 3, or 4 municipality; one with finance expertise; and one current or former municipal chief executive or financial officer. Additional appointees are permitted if more than two municipalities fall into Tier 3 and 4.
- Each municipality referred to the board will appoint three representatives: the local chief elected official; a labor organization representative; and a member recommended by regional COG and appointed by the Governor.

CCM will provide more details on the proposed MARB in the near future.

Resident State Trooper

Under the budget, towns would be responsible for 100 percent of costs associated with the Resident State Trooper program. There would be an additional \$750 surcharge for each constable supervised by a trooper.

Property Assessment Ratios

The proposal would allow towns the option of having different assessment ratios for different property classifications. All property is currently assessed at 70 percent of market value.

Single Neutral Arbiter

The Governor's proposal provides for the random selection of neutral arbitrators and the use of a single neutral through an agreement of the parties in the binding arbitration process.

Municipal Employee Retirement System

The Governor has called for allowing towns to negotiate employee contributions under the Municipal Employee Retirement System (MERS).

Prevailing Wage

The Governor is proposing to increase the prevailing wage threshold to \$1 million for new construction and \$500,000 for remodeling projects.

Superintendents in Small Towns

The proposal would allow small school districts to eliminate the requirement for a superintendent. A small school district is defined as a town with greater than 6,000 resident or 500 students. It would also remove the three-year limitation on superintendent contracts.

##

If you have any questions, please contact George Rafael at grafael@ccm-ct.org or 203-498-3063.

Office of Policy and Management

OPM Secretary Biography



Benjamin Barnes

Secretary

Office of Policy and Management

Biography

Benjamin Barnes was appointed by Governor Dannel Malloy to serve as the Secretary of the State of Connecticut Office of Policy and Management (OPM) effective January 5, 2011. OPM is the Governor's staff agency in Connecticut and is responsible for all aspects of policy, planning, budgeting and management of state government.

Before joining OPM, Mr. Barnes was the Operating Officer for the Bridgeport Public Schools, overseeing the school system's facilities, transportation, technology and \$215 million budget. Previously, Mr. Barnes was the Director of Operations for the City of Stamford, a department with 250 employees, an annual operating budget of \$43 million and a capital budget of \$40 million. In this capacity, he was responsible for public works, solid waste and recycling, land use and zoning, sewage, parks and recreation, and engineering services. Mr. Barnes also served as the Director of Administration and as the Director of Public Safety, Health and Welfare for the City of Stamford.

Mr. Barnes has worked as the Government Finance Director for the Connecticut Conference of Municipalities and as a planner for the Cities of Hartford, Connecticut and St. Petersburg, Florida.

Mr. Barnes holds a Masters degree in Urban Planning from New York University and a Bachelor's degree in History from Swarthmore College. He has served on the Boards of Directors of the Housing Development Fund and the Childcare Learning Centers. He has lived in Connecticut for 20 years.

[Welcome to OPM](#)

BOARD OF FINANCE RECOMMENDED BUDGET

2017 - 2018

TOWN OF NEWTOWN

BOF ADJUSTMENTS TO THE BOS/BOE PROPOSED BUDGETS

2017-2018 BUDGET		2017-2018 BUDGET		2017-2018 BUDGET		2017-2018 BUDGET	
BOARD OF FINANCE		BOARD OF FINANCE		BOARD OF FINANCE		BOARD OF FINANCE	
RECOMMENDED		RECOMMENDED		RECOMMENDED		RECOMMENDED	
COMMENTS		COMMENTS		COMMENTS		COMMENTS	
PUBLIC SAFETY		PUBLIC SAFETY		PUBLIC SAFETY		PUBLIC SAFETY	
POLICE - SALARIES & WAGES	3,964,785	POLICE - SALARIES & WAGES	3,964,785	POLICE - SALARIES & WAGES	3,964,785	POLICE - SALARIES & WAGES	3,964,785
POLICE - SOCIAL SECURITY CONTRIBUTIONS	339,412	POLICE - SOCIAL SECURITY CONTRIBUTIONS	339,412	POLICE - SOCIAL SECURITY CONTRIBUTIONS	339,412	POLICE - SOCIAL SECURITY CONTRIBUTIONS	339,412
POLICE - DUES, TRAVEL & EDUCATION	50,000	POLICE - DUES, TRAVEL & EDUCATION	50,000	POLICE - DUES, TRAVEL & EDUCATION	50,000	POLICE - DUES, TRAVEL & EDUCATION	50,000
PUBLIC WORKS		PUBLIC WORKS		PUBLIC WORKS		PUBLIC WORKS	
HIGHWAY - ENERGY - GASOLINE	299,400	HIGHWAY - ENERGY - GASOLINE	299,400	HIGHWAY - ENERGY - GASOLINE	299,400	HIGHWAY - ENERGY - GASOLINE	299,400
RECREATION & LEISURE		RECREATION & LEISURE		RECREATION & LEISURE		RECREATION & LEISURE	
PARKS & RECREATION - SALARIES & WAGES - SEASONAL	234,275	PARKS & RECREATION - SALARIES & WAGES - SEASONAL	234,275	PARKS & RECREATION - SALARIES & WAGES - SEASONAL	234,275	PARKS & RECREATION - SALARIES & WAGES - SEASONAL	234,275
PARKS & RECREATION - CONTRACTUAL SERVICES	258,400	PARKS & RECREATION - CONTRACTUAL SERVICES	258,400	PARKS & RECREATION - CONTRACTUAL SERVICES	258,400	PARKS & RECREATION - CONTRACTUAL SERVICES	258,400
EDUCATION		EDUCATION		EDUCATION		EDUCATION	
EDUCATION LINE ITEM	75,120,605	EDUCATION LINE ITEM	75,120,605	EDUCATION LINE ITEM	75,120,605	EDUCATION LINE ITEM	75,120,605
TOTAL EXPENDITURE BUDGET ADJUSTMENTS		TOTAL EXPENDITURE BUDGET ADJUSTMENTS		TOTAL EXPENDITURE BUDGET ADJUSTMENTS		TOTAL EXPENDITURE BUDGET ADJUSTMENTS	
REVENUES		REVENUES		REVENUES		REVENUES	
INTERGOVERNMENTAL REVENUES	7,634,591	INTERGOVERNMENTAL REVENUES	7,634,591	INTERGOVERNMENTAL REVENUES	7,634,591	INTERGOVERNMENTAL REVENUES	7,634,591
TAX COLLECTION RATE		TAX COLLECTION RATE		TAX COLLECTION RATE		TAX COLLECTION RATE	
99.0%		99.0%		99.0%		99.0%	

Decreases tax levy by around 200,000

The Bottom Line

- **The proposed budget asks for an increase of \$1,809,699 or 1.6%.**
- **Mill rate goes from 33.60 to 34.24**
- **Tax rate increase = 1.9%**
- **Estimated intergovernmental revenues decrease 21% over 2016-17 adopted amount.**

Difference between budget increase and tax increase is the loss of intergovernmental revenues offset by an increase in the grand list

Board of Finance Recommended Budget 2017 - 2018

	2016 - 2017 <u>AMENDED</u>	2017 - 2018 BOF <u>RECOMMENDED</u>	Increase / (Decrease)	Percent Change
MUNICIPAL SERVICES				
WAGES & SALARIES	12,168,068	12,428,713	260,645	2.1%
FRINGE BENEFITS	5,582,265	5,944,410	362,145	6.5%
INSURANCE	1,130,000	1,185,500	55,500	4.9%
OPERATING EXPENSES	7,238,272	7,107,159	(131,113)	-1.8%
CAPITAL	2,606,684	2,778,342	171,658	6.6%
CONTINGENCY	138,702	200,000	61,298	44.2%
CONTRIBUTIONS TO OUTSIDE AGENCIES:				
TOWN AGENCIES	2,249,007	2,341,200	92,193	4.1%
OTHER AGENCIES	78,842	53,842	(25,000)	-31.7%
TOTAL MUNICIPAL SERVICES	31,191,840	32,039,166	847,326	2.7%
CAPITAL FINANCING - DEBT SERVICE	9,325,474	9,125,474	(200,000)	-2.1%
TOTAL BOARD OF SELECTMEN BUDGET	40,517,314	41,164,640	647,326	1.6%
BOARD OF EDUCATION	73,665,065	74,827,438	1,162,373	1.6%
TOTAL TOWN OF NEWTOWN BUDGET	114,182,379	115,992,078	1,809,699	1.6%

Budget Breakdown (major items)

- **Wages & Salaries – 2.0/2.25% salary increases + police step increases.**
- **Fringe Benefits – Pension contribution increased 23%; contribution to the medical self-insurance fund increased 2%.**
- **Operating Expenses – decreased -1.8%.**
- **Capital – increase mainly due to increase in capital road of \$250,000 (in line with town plan to increase roads account)**
- **Debt Service – Decreased \$200,000 due to the final payment (prior year) of a bond offset by new bonding in March 2017.**
- **Board of Education – Increase of 1.6% (\$1,162,373)**
 - Salary increases of \$676,000 (contractual)**
 - Employee benefits increases of \$341,000 (pension / medical)**
 - Building & Site maintenance projects increase of \$103,000**

Amounts above are rounded for presentation purposes

Changes in Budget by Function

<u>SUMMARY BY FUNCTION:</u>	2016 - 2017	2017 - 2018		Increase / (Decrease)	
	Amended	Board of Finance		\$	%
	<u>Budget</u>	<u>Recommended</u>			
BOARD OF SELECTMEN:					
GENERAL GOVERNMENT	4,431,588	4,557,862		126,274	2.8%
PUBLIC SAFETY	10,195,366	10,523,135		327,769	3.2%
PUBLIC WORKS	9,921,145	10,151,502		230,357	2.3%
HEALTH AND WELFARE	1,566,961	1,577,647		10,686	0.7%
PLANNING	811,846	813,813		1,967	0.2%
RECREATION & LEISURE	3,701,260	3,759,892		58,632	1.6%
CONTINGENCY	138,702	200,000		61,298	44.2%
DEBT SERVICE	9,325,474	9,125,474		(200,000)	-2.1%
OTHER FINANCING USES	424,972	455,315		30,343	7.1%
TOTAL BOARD OF SELECTMEN	40,517,314	41,164,640		647,326	1.6%
BOARD OF EDUCATION	73,665,065	74,827,438		1,162,373	1.6%
TOTAL 2017-18 RECOMMENDED	114,182,379	115,992,078		1,809,699	1.6%

Final Thoughts – State Proposal

TOWN OF NEWTOWN

EFFECT OF GOVERNOR'S PROPOSED 2017-18 BUDGET ON THE TOWN OF NEWTOWN

REVENUES:

Current year property taxes	100,946,991	6,700,182	107,647,173
Intergovernmental	8,541,438	(3,814,563)	4,726,875 A
Other	4,693,950		4,693,950
Total Revenues	114,182,379	2,885,619	117,067,998

EXPENDITURES:

Board of Selectmen	40,517,314	-	40,517,314
Board of Education	73,665,065	2,885,619	76,550,684 B
Total Expenditures	114,182,379	2,885,619	117,067,998

Tax Levy

(based on 99% tax collection rate)

Mill Rate

Tax Rate Increase

101,966,658	108,734,518		
33.60	REAL ESTATE	35.48	MOTOR VEHICLE
		5.6%	32.00

Recommended BOF tax increase = 1.9% + 5.6% = 7.5%

Final Thoughts -- Proposal Detail

A EFFECT ON INTERGOVERNMENTAL REVENUE:

	Amended 2016-17 Budget	Governor's Proposed 2017-18	Difference
State owned real property	733,247	547,350	(185,897)
Pequot & Mohegan grant	911,124	903,200	(7,924)
Town aid road grant	469,996	470,708	712
Local capital improvement	207,668	380,724	173,056
Education cost sharing	5,080,129	969,688	(4,110,441)
Grants for municipal projects	235,371	-	(235,371)
Municipal revenue sharing fund	572,949	824,747	251,798
Motor vehicle property tax grants**	-	335,300	335,300
Elderly tax relief - circuit breaker	142,796	107,000	(35,796)
Other	188,158	182,591	(5,567)
	8,541,438	4,721,308	(3,814,563)

B EFFECT ON BOARD OF EDUCATION EXPENDITURES:

Loss of excess cost grant BOE expenditure off set	1,377,027
New special education grant (BOE expenditure off set)	(2,408,508)
Newtown teacher retirement contribution to state plan	3,917,100
	2,885,619

EFFECT ON CURRENT YEAR PROPERTY TAXES:

Increase in budget	2,885,619
Decrease in intergovernmental revenues	3,814,563
	6,700,182

TOWN OF NEWTOWN
WHAT IF? CHANGES TO BOF RECOMMENDED BUDGET
2017 - 2018

ADDITION (REDUCTION) +++++ TO PROPOSED BUDGET	CURRENT TAXES (99.2% of Levy)	TAX LEVY (Billed Amount)	MILL RATE	TAX INCREASE	CHANGE IN TAX BILL** (ANNUAL)
2,000,000	106,107,313	106,963,017	34.90	3.86%	\$ 309
1,900,000	106,007,313	106,862,211	34.86	3.76%	\$ 301
1,800,000	105,907,313	106,761,404	34.83	3.66%	\$ 293
1,700,000	105,807,313	106,660,598	34.80	3.57%	\$ 285
1,600,000	105,707,313	106,559,791	34.77	3.47%	\$ 278
1,500,000	105,607,313	106,458,985	34.73	3.37%	\$ 270
1,400,000	105,507,313	106,358,178	34.70	3.27%	\$ 262
1,300,000	105,407,313	106,257,372	34.67	3.18%	\$ 254
1,200,000	105,307,313	106,156,566	34.63	3.08%	\$ 246
1,100,000	105,207,313	106,055,759	34.60	2.98%	\$ 238
1,000,000	105,107,313	105,954,953	34.57	2.88%	\$ 231
900,000	105,007,313	105,854,146	34.54	2.78%	\$ 223
800,000	104,907,313	105,753,340	34.50	2.69%	\$ 215
700,000	104,807,313	105,652,533	34.47	2.59%	\$ 207
600,000	104,707,313	105,551,727	34.44	2.49%	\$ 199
500,000	104,607,313	105,450,920	34.40	2.39%	\$ 191
400,000	104,507,313	105,350,114	34.37	2.29%	\$ 184
300,000	104,407,313	105,249,307	34.34	2.20%	\$ 176
200,000	104,307,313	105,148,501	34.31	2.10%	\$ 168
100,000	104,207,313	105,047,695	34.27	2.00%	\$ 160
BOF TOTAL RECOMMENDED BUDGET	104,107,313	104,946,888	34.24	1.90%	\$ 152
(100,000)	104,007,313	104,846,082	34.21	1.80%	\$ 144
(200,000)	103,907,313	104,745,275	34.17	1.71%	\$ 137
(300,000)	103,807,313	104,644,469	34.14	1.61%	\$ 129
(400,000)	103,707,313	104,543,662	34.11	1.51%	\$ 121
(500,000)	103,607,313	104,442,856	34.07	1.41%	\$ 113
(600,000)	103,507,313	104,342,049	34.04	1.32%	\$ 105
(700,000)	103,407,313	104,241,243	34.01	1.22%	\$ 97
(800,000)	103,307,313	104,140,436	33.98	1.12%	\$ 90
(900,000)	103,207,313	104,039,630	33.94	1.02%	\$ 82
(1,000,000)	103,107,313	103,938,824	33.91	0.92%	\$ 74
(1,100,000)	103,007,313	103,838,017	33.88	0.83%	\$ 66
(1,200,000)	102,907,313	103,737,211	33.84	0.73%	\$ 58
(1,300,000)	102,807,313	103,636,404	33.81	0.63%	\$ 50
(1,400,000)	102,707,313	103,535,598	33.78	0.53%	\$ 43
(1,500,000)	102,607,313	103,434,791	33.75	0.43%	\$ 35
(1,600,000)	102,507,313	103,333,985	33.71	0.34%	\$ 27
(1,700,000)	102,407,313	103,233,178	33.68	0.24%	\$ 19
(1,800,000)	102,307,313	103,132,372	33.65	0.14%	\$ 11
(1,900,000)	102,207,313	103,031,566	33.61	0.04%	\$ 3
(2,000,000)	102,107,313	102,930,759	33.58	-0.05%	\$ (4)

** ASSUMING A \$8,000 CURRENT ANNUAL TAX BILL

++++ You can use a combination of budget decreases and what if State revenue decreases. For example:

Decrease budget by \$500,000 & state reduces revenues by \$1,000,000, this would

have a net effect of increasing the current taxes by + \$500,000 (1,000,000 - 500,000)

A decrease in state revenues increases current taxes; a decrease in the budget amount decreases current taxes.

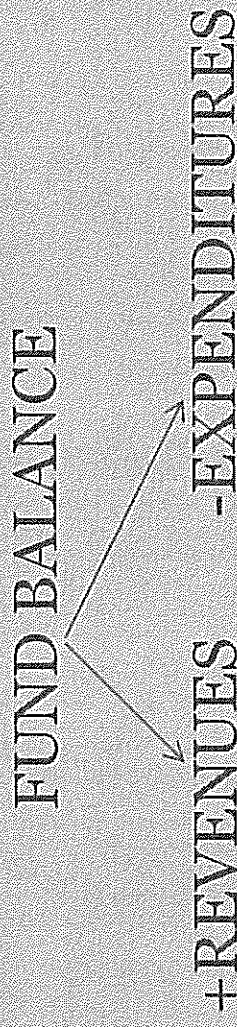
Fund Balance

What is fund balance?



• Accounting Equation:

ASSETS = LIABILITIES + OWNER'S EQUITY



Fund Balance

Why have a fund balance? ○

- **Operational flexibility**
 - Cash flow
 - Interest income (offsetting taxes)
 - Approved grants can move forward without waiting for grant monies
- **Funds available for (real) emergencies**
 - Storm damage
 - Major emergency repairs (can't wait for bonding) (bridge)
 - Coverage over general liability insurance limits
 - The above events may never happen (however we are ready)

Fund Balance

Why have a fund balance?

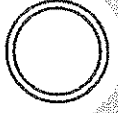
- Favorable bond rating

- Investors want to know that the town is able to pay back its debt. Fund balance is one of the factors they look at. It tells them that the town has the ability to weather financial setbacks and continue to pay its debt service.
- A best practice fund balance results in lower bond interest

costs.

Letter Grade	Grade	Capacity to Repay
AAA	Investment	Extremely strong
AA+, AA, AA-	Investment	Very strong
A+, A, A-	Investment	Strong
BBB+, BBB, BBB-	Investment	Adequate
BB+, BB	Speculative	Faces major future uncertainties
B	Speculative	Faces major uncertainties
CCC	Speculative	Currently vulnerable
CC	Speculative	Currently highly vulnerable
C	Speculative	Has filed bankruptcy petition
D	Speculative	In default

Fund Balance



Town of Newtown, Connecticut

AAA Rate vs AA- (State of Connecticut)

\$5,090,000 March 2017 Bond Issue

Cash Flow Comparison

DATE	AAA Rate	AA- Rate	Savings
06/30/2017	-	-	-
06/30/2018	785,903.00	806,263.00	20,360.00
06/30/2019	293,548.00	311,308.00	17,760.00
06/30/2020	363,875.50	380,935.50	17,060.00
06/30/2021	357,200.50	373,260.50	16,060.00
06/30/2022	350,525.50	365,585.50	15,060.00
06/30/2023	343,850.50	357,910.50	14,060.00
06/30/2024	337,175.50	350,235.50	13,060.00
06/30/2025	330,500.50	342,560.50	12,060.00
06/30/2026	323,825.50	334,885.50	11,060.00
06/30/2027	317,150.50	327,210.50	10,060.00
06/30/2028	300,475.50	309,535.50	9,060.00
06/30/2029	279,067.50	287,167.50	8,100.00
06/30/2030	273,060.00	280,260.00	7,200.00
06/30/2031	267,052.50	273,352.50	6,300.00
06/30/2032	261,045.00	266,445.00	5,400.00
06/30/2033	255,037.50	259,537.50	4,500.00
06/30/2034	249,030.00	252,630.00	3,600.00
06/30/2035	243,022.50	245,722.50	2,700.00
06/30/2036	237,015.00	238,815.00	1,800.00
06/30/2037	231,007.50	231,907.50	900.00
Total	\$6,399,368.00	\$6,595,528.00	\$196,160.00

Fund Balance

What is an appropriate fund balance?

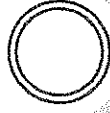


Government Finance Officers Association

GFOA Best Practice

Determining the Appropriate Level of Unrestricted Fund Balance
in the General Fund (CAAFR, Budget) (2015)

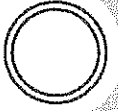
Fund Balance



Appropriate Level. The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.⁵ The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.⁶ Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time. In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

16.7%

Where have we been?

[illegible]

TOTAL BUDGET AMOUNT	115,992,078	114,182,379	111,730,513	111,364,235	110,069,827	106,146,838	105,555,075	104,284,615	103,716,694	105,464,444	99,878,877	95,370,201
% BUDGET INCREASE	1.6%	2.2%	0.3%	1.2%	3.7%	0.6%	1.2%	0.5%	-1.7%	5.6%	4.7%	6.0%
GENERAL FUND, FUND BALANCE:												
FUND BALANCE - UNASSIGNED	11,500,000	11,500,000	11,444,280	10,608,535	10,242,495	9,390,049	8,379,750	7,408,816	6,903,051	7,636,522	7,821,198	2,619,306
% OF TOTAL BUDGET	9.9%	10.1%	10.2%	9.5%	9.3%	8.8%	7.9%	7.1%	6.7%	7.2%	7.8%	-
COMMITTED FOR SUBSEQUENT YRS												
TOTAL FUND BALANCE	12,368,010	12,368,010	12,312,290	11,306,923	11,201,491	10,806,232	9,190,641	8,169,517	9,257,603	11,270,531	12,782,085	8,108,821
% OF TOTAL BUDGET	10.7%	10.8%	11.0%	10.2%	10.2%	10.2%	8.7%	7.8%	8.9%	10.7%	12.8%	8.5%

*** Last fiscal year appropriating fund balance to balance the budget.

* BOF recommended budget

Fund Balance

How did we get here?



- Stopped using fund balance to balance the budget.

Strong budgetary flexibility

Newtown's budgetary flexibility is strong, in our view, with an available fund balance in fiscal 2016 of 10.3% of operating expenditures, or \$12.3 million.

The town does not use reserves to balance the budget. With a surplus projected for fiscal 2017, we expect reserves to remain strong. Changes proposed in the governor's budget could affect Newtown's reserves. However, given the town's history of balanced operations, we believe they will be able to manage these fiscal pressures without significant reliance on fund balance. Newtown's formal reserve policy, which seeks to maintain general fund balance at no less than 8% of total operating general fund expenditures, further strengthens flexibility. Given this, we expect the town's flexibility to remain strong.

- Formal fund balance policy.

Fund Balance

How did we get here?



- **Conservative budget practices**
 - Don't over estimate revenues
 - Don't under estimate expenditures
 - This creates a natural increase in fund balance
 - ✦ Savings in payroll accounts due to worker's compensation; short and long term disability.
 - ✦ Time to fill vacant positions.
 - ✦ Tax collection rate is above the budgeted 99.0% rate.
 - ✦ Bids come under estimates

Fund Balance

Fund balance policy



GUIDELINES

The Board of Finance shall propose annual budgets that provide for an unrestricted (unassigned) general fund balance of not less than eight (8) percent nor more than twelve (12) percent of the total operating general fund expenditures.

In the event the unassigned fund balance is greater than twelve (12) percent at the end of any fiscal year, the excess may only be used in one or a combination of the following ways:

1. Transfer such excess to the Debt Service Fund for future debt payments.
2. Transfer such excess to the Capital or Nonrecurring Fund for future capital projects.
3. Use directly to reduce the tax rate in the subsequent year provided that care is taken to avoid a major fluctuation in the tax rate in succeeding years.

As a general rule, unrestricted (unassigned) fund balance in the general fund should represent no less than one month of operating revenues or operating expenditures (whichever is less volatile).

RatingsDirect®

Summary:

Newtown, Connecticut; General Obligation

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Credit Profile

US\$5.09 mil GO bonds ser 2017 due 03/15/2037

Long Term Rating

AAA/Stable

New

Newtown GO

Long Term Rating

AAA/Stable

Affirmed

Newtown GO rfdg

Long Term Rating

AAA/Stable

Affirmed

Rationale

S&P Global Ratings assigned its 'AAA' rating to Newtown, Conn.'s series 2017 general obligation (GO) bonds and affirmed its 'AAA' rating on the town's existing GO debt. The outlook is stable.

We rate Newtown higher than the sovereign because we believe the town can maintain better credit characteristics than the U.S. in a stress scenario based on its predominantly locally derived revenue base and our view that pledged revenue supporting debt service on the bonds is at limited risk of negative sovereign intervention. In 2016, local property taxes generated 84.2% of general fund revenue, demonstrating a lack of dependence on central government revenue.

Newtown's full-faith-and-credit pledge secures the bonds. Officials intend to use bond proceeds to fund various capital and infrastructure projects in line with the town's capital improvement plan.

The rating reflects our opinion of the following factors for Newtown, specifically its:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Very strong management, with strong financial policies and practices under our Financial Management Assessment methodology;
- Strong budgetary performance, with a slight operating surplus in the general fund and an operating surplus at the total governmental fund level in fiscal 2016;
- Strong budgetary flexibility, with an available fund balance in fiscal 2016 of 10.3% of operating expenditures;
- Very strong liquidity, with total government available cash at 18.9% of total governmental fund expenditures and 2.4x governmental debt service, and access to external liquidity we consider strong;
- Very strong debt and contingent liability position, with debt service carrying charges at 7.9% of expenditures and net direct debt that is 46.2% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value and rapid amortization, with 72.9% of debt scheduled to be retired in 10 years; and
- Very strong institutional framework score.

Very strong economy

We consider Newtown's economy very strong. The town, with an estimated population of 28,022, is located in

Fairfield County in the Bridgeport-Stamford-Norwalk, CT MSA, which we consider to be broad and diverse. The town has a projected per capita effective buying income of 161% of the national level and per capita market value of \$157,064. Overall, the town's market value was stable over the past year at \$4.4 billion in 2017. The county unemployment rate was 5.3% in 2015.

Interstate 84 (I-84) and U.S. routes 6 and 302 traverse Newtown, providing residents access to employment centers in the county and New York. Most residents commute into other parts of the county and neighboring Westchester County in New York State for employment. Leading town employers include:

- Masonicare at Newtown (approximately 275 employees);
- Connecticut Department of Corrections (260);
- Charter Communications (200);
- Hubbell Wiring Devices-Kellems (180); and
- Taunton Press (145).

Newtown is largely residential, and management is working actively to expand the commercial base. In the Hawleyville business district, sewer improvements completed in 2016 support new developments including 180 rental units, a church and a diner. There are two additional parcels bordering I-84 that the town plans to develop.

The property tax base is very diverse, with the 10 leading taxpayers accounting for just 3.5% of the total. We understand that there are currently no significant tax appeals management believes will negatively affect the town's finances.

Very strong management

We view the town's management as very strong, with strong financial policies and practices under our Financial Management Assessment methodology, indicating financial practices are strong, well-embedded, and likely sustainable.

The town uses 10 years of historical data to inform conservative revenue and expenditure assumptions and conducts regular budget forecasting to determine whether revenues or expenditures will deviate from their long-term trends. In addition, management regularly monitors budgetary performance, ensuring adjustments are made in a timely manner. Officials receive budget-to-actual reports monthly. Newtown maintains a comprehensive, 10-year financial plan as well as a rolling five-year capital plan with all funding sources identified.

The town has its own formally adopted investment policy and reports holdings and returns to the First Selectman and legislative council monthly. Newtown's adopted debt management policy limits debt service to 9.8% of general fund expenditures and sets affordability and refunding targets. Finally, the town's reserve policy calls for an unassigned fund balance of 8%-12% of total general fund expenditures and is based on cash flow needs. Management has historically adhered to its debt management and reserve policies.

Strong budgetary performance

Newtown's budgetary performance is strong in our opinion. The town had slight surplus operating results in the general fund of 0.8% of expenditures, and surplus results across all governmental funds of 23.7% in fiscal 2016. General fund operating results have been stable over the past three years, with a result of 0.1% in 2015 and 0.3% in

2014.

~~Newtown has achieved an operating surplus for the past three audited fiscal years.~~ We adjust for net transfers out of the general fund, capital outlays, and other nonrecurring expenses in calculating these results.

Current projections indicate that the town should achieve a slight surplus for fiscal 2017, even with reductions in the town's state funding. Management noted that positive variances in tax collections and investment incomes offset a portion of the state's revenue cuts.

The fiscal 2018 budget process is underway and management is discussing how the governor's proposed aid reductions and changes to teachers' pension costs could affect Newtown. Increases to the grand list will offset a portion of the proposed cuts. Given the track record of strong financial management and balanced operations, we believe the town will be able to sustain the state's proposed changes to funding and expenditures. Bolstering this view is that property taxes, which we consider a stable source of revenue, remain Newtown's primary source of revenue at 84.2% of general fund revenues in fiscal 2016, whereas intergovernmental revenues accounted for 13.6%. Current tax collection rates are very strong, at 99.3% for fiscal 2016.

Strong budgetary flexibility

Newtown's budgetary flexibility is strong, in our view, with an available fund balance in fiscal 2016 of 10.3% of operating expenditures, or \$12.3 million.

~~The town does not use reserves to balance the budget.~~ With a surplus projected for fiscal 2017, we expect reserves to remain strong. Changes proposed in the governor's budget could affect Newtown's reserves. However, given the town's history of balanced operations, we believe they will be able to manage these fiscal pressures without significant reliance on fund balance. Newtown's formal reserve policy, which seeks to maintain general fund balance at no less than 8% of total operating general fund expenditures, further strengthens flexibility. Given this, we expect the town's flexibility to remain strong.

Very strong liquidity

In our opinion, Newtown's liquidity is very strong, with total government available cash at 18.9% of total governmental fund expenditures and 2.4x governmental debt service in 2016. In our view, the town has strong access to external liquidity if necessary.

Newtown has demonstrated strong access to external liquidity through frequent GO debt and note issuance. We have adjusted the town's 2016 audited results to include what we consider highly liquid investments that mature in less than one year. The town largely invests cash in highly rated money market funds and certificates of deposit. It is not exposed to any variable-rate or privately placed debt.

Very strong debt and contingent liability profile

In our view, Newtown's debt and contingent liability profile is very strong. Total governmental fund debt service is 7.9% of total governmental fund expenditures, and net direct debt is 46.2% of total governmental fund revenue. Overall net debt is low at 1.7% of market value, and approximately 72.9% of the direct debt is scheduled to be repaid within 10 years, which are in our view positive credit factors.

Over the next two years, management plans to issue approximately \$30.1 million of debt for various capital improvements. Given the debt policies the town follows, we do not anticipate future debt plans will significantly weaken Newtown's debt profile.

The combined required pension and actual other postemployment benefits (OPEB) contributions totaled 1.4% of total governmental fund expenditures in 2016. The town made its full annual required pension contribution in 2016.

Newtown contributes to three pension plans: selectmen and board of education personnel (83.3% funded as of July 1, 2016), police personnel (65.1% funded as of July 1, 2015), and elected officials (defined-contribution plan). The town's net pension liability was approximately \$13.5 million as of June 30, 2016.

Newtown also offers other postemployment benefits (OPEB) to some of its retirees in the form of a health care plan. Based on the most recent valuation of July 1, 2014, the unfunded actuarial accrued liability was \$6.1 million and the plan was 17% funded.

Very strong institutional framework

The institutional framework score for Connecticut municipalities is very strong.

Outlook

The stable outlook reflects our view that Newtown's very strong underlying economy and management should ensure continued strong budgetary performance and operating flexibility. In addition, we anticipate the town will be able to weather any fiscal pressures that state budget decisions cause. For these reasons, we do not anticipate changing the rating in the next two years. However, if Newtown were to experience budgetary pressure resulting in negative operations leading to a significant deterioration of available reserves, we could lower the rating.

Related Research

- 2016 Update Of Institutional Framework For U.S. Local Governments
- Incorporating GASB 67 And 68: Evaluating Pension/OPEB Obligations Under Standard & Poor's U.S. Local Government GO Criteria, Sept. 2, 2015
- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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Connecticut Outlook Revised To Negative From Stable On Likelihood Of Growth In Fixed Costs, Hampered Budget Flexibility

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NEW YORK (S&P Global Ratings) Nov. 30, 2016--S&P Global Ratings has revised its outlook on the State of Connecticut to negative from stable. At the same time, S&P Global Ratings affirmed its 'AA-' rating on Connecticut's general obligation (GO) debt outstanding, its 'A+' rating on the state's appropriation-secured debt, and its 'A-' moral obligation debt rating on the state.

S&P Global Ratings also assigned its 'AA-' rating to Connecticut's approximately \$320 million GO refunding bonds, 2016 series G.

"The outlook revision reflects our view that projected growth in fixed costs could rise to a level we believe could comprise a substantial proportion of the state budget and thereby hamper Connecticut's budget flexibility as the state addresses large out-year budget gaps," said S&P Global Ratings credit analyst David Hitchcock.

Connecticut projects that debt service, pension, and other postemployment benefit (OPEB) costs will total 32.6% of fiscal 2018 general fund revenue, a level that we see as high and that will potentially increase in future years. Fixed cost growth has led to large out-year budget gap projections that could be difficult to manage following previous biennium tax increases and expenditure cuts. Should fixed costs rise substantially further as a percent of the budget, pension funded ratios decrease below 40%, or the state resort

to structurally unbalanced budget balancing measures over our two-year outlook horizon, even while the nation is experiencing economic growth, we could lower the rating.

The GO rating on Connecticut reflects our view of the following factors:

- High wealth and income levels;
- A diverse economy, whose performance has been cyclical;
- Ongoing revenue and expenditures that remain near structural alignment at present;
- Active monitoring of revenues and expenditures to identify and correct midfiscal year budget gaps; and
- Adequate operating liquidity.

Offsetting factors, in our opinion, include:

- Above-average debt, high unfunded pension liabilities, and large unfunded OPEB liabilities, all of which create what we believe are significant fixed-cost pressures that restrain the state's budgetary flexibility;
- A history of cyclical budget performance, and currently weak financial reserves available to cushion against the next economic downturn.

S&P Global Ratings understands that series 2016G bond proceeds will be used to refund various bonds outstanding.

We view the state's high income level as a key credit strength, with per capita income at 140% of that of the nation in 2015, the best in the U.S.

The negative outlook reflects our belief that projected fixed costs as a percent of the budget could rise significantly enough to seriously impede the state's ability to maintain structural balance in periods of national growth. Connecticut is already projecting what we view as large budget gaps that will need to be closed in the upcoming fiscal 2018-2019 biennium budget. The state projects debt service, pension, and OPEB costs will total 32.6% of fiscal 2018 general fund revenue, a level that we see as high and potentially growing in future years. Fixed cost growth has led to large out-year budget gap projections that may be difficult to manage following previous biennium tax increases and expenditure cuts. Should fixed costs rise substantially further as a percent of the budget, pension-funded ratios decrease below 40%, or the state resort to structurally unbalanced budget balancing measures during a time of national economic growth, we could lower our rating.

However, should fixed costs stabilize as a percent of the budget and the state maintain structural balance, or should economic growth enable Connecticut to restore its budget stabilization fund to the point it could provide protection in the next economic downturn, we could revise the outlook to stable. Our current rating anticipates that Connecticut can achieve near structural budget balance during periods of economic expansion, but that it might fall out of structural budget alignment during economic downturns, and will likely maintain what we would characterize as low reserve levels for the near future,

Connecticut Outlook Revised To Negative From Stable On Likelihood Of Growth In Fixed Costs, Hampered Budget Flexibility

despite national economic growth. Connecticut previously issued debt to cover operating deficits in the last recession, some of which remains outstanding.

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TOWN OF NEWTOWN
LEGISLATIVE COUNCIL CIP - (2017 / 2018 TO 2021 / 2022)

2017 - 2018 (YEAR ONE)			Proposed Funding			
	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
BOARD OF SELECTMEN						
Capital Road Program	PW	2,750,000	1,000,000		1,750,000	
Bridge Replacement Program	PW	525,000	525,000			
New Senior Center - Design & Construction	Sr Svs	3,000,000	3,000,000			
Treadwell Pool Deck Replacement	P & R	400,000	400,000			
Edmond Town Hall Air Conditioning Project	ETH	571,000	571,000			
Library Renovations	LIB	273,000	273,000			
Police Facility Design	POLICE	300,000	300,000			
Town Sidewalk/Streetscape Plan	ECON DEV	200,000	200,000			
Open Space Acquisition Program	LAND USE	250,000	250,000			
BOARD OF EDUCATION						
Hawley School - Roof Replacement	BOE	850,000	540,345	309,655		
Middle School Improvements	BOE	1,800,000	1,800,000			
High School - Phase II Auditorium	BOE	750,000	750,000			
TOTALS	>>>>>>>	11,669,000	9,609,345	309,655	1,750,000	-
2018 - 2019 (YEAR TWO)			Proposed Funding			
	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
BOARD OF SELECTMEN						
Capital Road Program	PW	3,000,000	1,000,000		2,000,000	
Bridge Replacement Program	PW	525,000	525,000			
Truck Washing Station - Design	PW	50,000	50,000			
FFH Building Remediation / Demolition	FFH	2,500,000	2,500,000			
Eichlers Cove Improvements Phase (2 of 2)	P & R	500,000	500,000			
Edmond Town Hall Renovations	ETH	268,000	268,000			
Library Renovations	LIB	290,000	290,000			
Police Facility - Construction Phase (1 OF 2)	POLICE	5,000,000	5,000,000			
Town Sidewalk/Streetscape Plan	ECON DEV	150,000	150,000			
Brownfields Remediation/Re-purposing	ECON DEV	200,000	200,000			
BOARD OF EDUCATION						
Middle Gate - Roof Replacement	BOE	1,590,000	1,010,763	579,237		
Hawley School - Boiler Replacement	BOE	1,712,000	1,712,000			
TOTALS	>>>>>>>	15,785,000	13,205,763	579,237	2,000,000	-
2019 - 2020 (YEAR THREE)			Proposed Funding			
	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
BOARD OF SELECTMEN						
Capital Road Program	PW	2,250,000			2,250,000	
Bridge Replacement Program	PW	525,000	525,000			
Truck Washing Station - Construction	PW	550,000	550,000			
Police Facility - Construction Phase (2 OF 2)	POLICE	5,000,000	5,000,000			
Town Sidewalk/Streetscape Plan	ECON DEV	150,000	150,000			
Brownfields Remediation/Re-purposing	ECON DEV	200,000	200,000			
Open Space Acquisition Program	LAND USE	250,000	250,000			
FFH Building Remediation / Demolition	FFH	1,000,000	1,000,000			
Fairfield Hills Trail / Infrastructure	P & R	500,000	500,000			
Tilson Artificial Turf Replacement	P & R	500,000				500,000
Edmond Town Hall Theater Renovations	ETH	250,000	250,000			
Library Renovations	LIB	350,000	350,000			
BOARD OF EDUCATION						
Hawley School - Boiler Replacement	BOE	4,452,000	4,452,000			
TOTALS	>>>>>>>	15,977,000	13,227,000	-	2,250,000	500,000
2020 - 2021 (YEAR FOUR)			Proposed Funding			
	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
BOARD OF SELECTMEN						
Capital Road Program	PW	2,500,000			2,500,000	
Bridge Replacement Program	PW	538,000	538,000			
Radio System Upgrade and Console	ECC	1,775,000	1,775,000			
Town Sidewalk/Streetscape Plan	ECON DEV	200,000	200,000			
Brownfields Remediation/Re-purposing	ECON DEV	150,000	150,000			
FFH Building Remediation / Demolition	FFH	3,000,000	3,000,000			
Dickinson Park Bathhouse & Splashpad	P & R	850,000	850,000			
Open Space Acquisition Program	LAND USE	250,000	250,000			
Edmond Town Hall Parking Lot Improvements	ETH	450,000	450,000			
Library Renovations	LIB	345,000	345,000			
BOARD OF EDUCATION						
High School - Replace / Restore Stadium Turf	BOE	1,000,000	1,000,000			
High School - Main Boiler Replacements / LED Lights	BOE	900,000	900,000			
High School - Athletic Field House	BOE	300,000	300,000			
TOTALS	>>>>>>>	12,258,000	9,768,000	-	2,500,000	-
2021 - 2022 (YEAR FIVE)			Proposed Funding			
	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
BOARD OF SELECTMEN						
Capital Road Program	PW	2,500,000			2,500,000	
Bridge Replacement Program	PW	473,000	473,000			
Town Sidewalk/Streetscape Plan	ECON DEV	350,000	350,000			
FFH Building Remediation / Demolition	FFH	3,000,000	3,000,000			
Dickinson Pavilion Replacement	P & R	450,000	450,000			
Duplex Remediation for P & R use and programming	P & R	800,000	800,000			
Open Space Acquisition Program	LAND USE	250,000	250,000			
Edmond Town Hall Renovations	ETH	253,000	253,000			
BOARD OF EDUCATION						
Middle School Improvements	BOE	4,805,000	4,805,000			
TOTALS	>>>>>>>	12,881,000	10,381,000	-	2,500,000	-
GRAND TOTALS		68,570,000	56,181,108	888,892	11,000,000	500,000