
From: "John Godin"
To:
Cc:
Sent: 24-Feb-2017 00:41:11 +0000
Subject: Fwd: Budget review

fyi

Begin forwarded message:

From: Steve Hinden <steve.hinden@gmail.com>
Subject: Budget review
Date: February 23, 2017 at 7:30:54 PM EST
To: okjt@aol.com, aaron4newtown@gmail.com, John Godin
<jgodin1312@gmail.com>, sandyroussasBOF@gmail.com, kellytjohnson@gmail.com,
markbolandbof@gmail.com

I am a Newtown resident and parent of an 8th grader. Please support the BOE budget, and make no reductions to it. Costs go up, so even a flat budget reduces services. Our town and the value of our property depends on the reputation of the school system. More importantly, the children and their education must be a priority. Thank you for your service and support.

Steve Hinden

From: "John Godin"
To:
Cc:
Sent: 24-Feb-2017 00:20:22 +0000
Subject: Fwd: Education Budget

fyi

Begin forwarded message:

From: <bw.reloconsult@snet.net>
Subject: Education Budget
Date: February 23, 2017 at 9:33:23 AM EST
To: <okjt@aol.com>, <aaron4newtown@gmail.com>, <jgodin1312@gmail.com>, <sandyroussasBOF@gmail.com>, <kellejtjohnson@gmail.com>, <markbolandbof@gmail.com>

The quality of our schools is directly proportional to how we support our programs, teachers, staff and above all students. Our reputation and our property values are driven by the perceived quality of our schools. The staff has done an outstanding job of creating a first rate program, but they can't do it without your support. Please pass forward the proposed BOE budget with no cuts.

Thank you

Bruce Walczak
12 Glover Ave
Newtown, CT 06470
203-364-0616

From: "John Godin"
To:
Cc:
Sent: 24-Feb-2017 00:20:03 +0000
Subject: Fwd: Support the BOE budget

fyi

Begin forwarded message:

From: Jacqui Kaplan <jacquelyn.ottomeyer@gmail.com>
Subject: Support the BOE budget
Date: February 23, 2017 at 9:39:00 AM EST
To: okjt@aol.com, Aaron Carlson <aaron4newtown@gmail.com>, John Godin <jgodin1312@gmail.com>, sandyroussasBOF@gmail.com, kellejtjohnson@gmail.com, markbolandbof@gmail.com

Dear Board of Finance,

I am writing as a taxpayer, teacher, and parent here in Newtown. I've lived here and taught at the high school since 2005 and have had a daughter at Sandy Hook for the past two years.

I know that, as the Board of Finance, your mission is to balance the needs of the town with fiscal responsibility and careful deliberation. I appreciate this daunting task you are given, but I would ask that you respect the mission of the Board of Education and the expertise of Dr. Erardi and send the BoE budget forward as is.

There are many reasons I support this year's budget. One is that, even given the decision to not close a school (a decision I also supported), the budget represents a relatively small increase. Though enrollment has been declining, we have seen significant changes from those projected by the most recent enrollment study, and I believe (and the facts support) that our decline will not be as large as even the "high" projections provided by Milone and McBroom.

I also believe that, as our housing market has begun improving and the economy has shown improvement in so many areas, including unemployment, we will see a further rise of property values as families again consider our great schools as a factor in their home searches.

I believe that Dr. Erardi has done a wonderful job reaching out and communicating with all stakeholders. I believe that he and the Board of Ed have carefully considered their options and have made cuts to principals' requests where appropriate. This is not a "wishlist" budget.

The BoE's task was to produce the budget that best met the educational needs of Newtown's children, and I believe they have done so.

As an Advisory Board for the budget, I believe that your task is to weigh those considerations with the fiscal needs of the town, and that both of those areas point to the same end result: support for the proposed BoE budget.

Thank you so much for reading and thank you for your service to our community,
Jacquelyn Kaplan
34 Osborne Hill Road
Sandy Hook, CT 06482

From: "John Godin"
To:
Cc:
Sent: 24-Feb-2017 00:19:07 +0000
Subject: Fwd: BoE Budget - please no reductions

fyi

Begin forwarded message:

From: Dana Totir <dt4496@gmail.com>
Subject: BoE Budget - please no reductions
Date: February 23, 2017 at 9:44:12 AM EST
To: okjt@aol.com, aaron4newtown@gmail.com, John Godin
<jgodin1312@gmail.com>, sandyroussasBOF@gmail.com, kellejtjohnson@gmail.com,
markbolandbof@gmail.com

Dear BoF Members,

We respectfully ask that you move forward with the BoE budget without any reductions. The resources are limited enough as it is.

Thank you,
Dana Totir and family

From: "John Godin"
To:
Cc:
Sent: 24-Feb-2017 00:18:49 +0000
Subject: Fwd: Please don't cut the BoE budget!

fyi

Begin forwarded message:

From: "Dory Bertsche" <dorybertsche1@gmail.com>
Subject: Please don't cut the BoE budget!
Date: February 23, 2017 at 9:51:48 AM EST
To: <okjt@aol.com>, <aaron4newtown@gmail.com>, <jgodin1312@gmail.com>, <sandyroussasBOF@gmail.com>, <kellevtjohnson@gmail.com>, <markbolandbof@gmail.com>

Hello and thank you for your hard work on the Board of Finance. I spoke at last week's BoF meeting, asking you to please not strip the Board of Education budget of any money. I wish I could attend tonight's meeting to reiterate my request, but I can't. Here is why I want to keep the budget as is:

1. Excellent schools cannot function without needed resources.
2. I (and many others like me) am willing to pay higher taxes for excellent schools.
3. Excellent schools have a direct impact on our property values, which are still lagging behind surrounding areas.

I beg you—please leave the BoE budget as is!

Thanks again for your hard work. I appreciate it.

Thanks,
Dory

Dory Bertsche, LLC
Mobile 203-241-8865
Home 203-270-6636
Email dorybertsche1@gmail.com

From: "John Godin"
To:
Cc:
Sent: 24-Feb-2017 00:18:31 +0000
Subject: Fwd: BoE Budget

fyi

Begin forwarded message:

From: Dana Los <dana_los@hotmail.com>
Subject: BoE Budget
Date: February 23, 2017 at 10:23:14 AM EST
To: "okit@aol.com" <okit@aol.com>, "aaron4newtown@gmail.com" <aaron4newtown@gmail.com>, "jgodin1312@gmail.com" <jgodin1312@gmail.com>, "sandyroussasBOF@gmail.com" <sandyroussasBOF@gmail.com>, "kellytjohnson@gmail.com" <kellytjohnson@gmail.com>, "markbolandbof@gmail.com" <markbolandbof@gmail.com>

Hello -

My family moved to Newtown almost 2 years ago specifically for the excellent school system. I encourage you to pass the Board of Education's budget proposal with no reductions. This proposal is the absolute minimum required to maintain the standards that we expect from our schools.

Thank you
Dana Los
10 Cobblestone Lane

From: "John Godin"
To:
Cc:
Sent: 24-Feb-2017 00:18:07 +0000
Subject: Fwd: BOE Budget

fyi

Begin forwarded message:

From: Chris Lund <cplund2@gmail.com>
Subject: BOE Budget
Date: February 23, 2017 at 10:43:49 AM EST
To: "aaron4newtown@gmail.com" <aaron4newtown@gmail.com>, "jgodin1312@gmail.com" <jgodin1312@gmail.com>, "kellytjohnson@gmail.com" <kellytjohnson@gmail.com>, "markbolandbof@gmail.com" <markbolandbof@gmail.com>, "okjt@aol.com" <okjt@aol.com>, "sandyroussasBOF@gmail.com" <sandyroussasBOF@gmail.com>

Please recommend moving the BOE budget forward without any reductions.

Sincerely,
Christopher Lund
4 Rolling Meadows Lane
Sandy Hook

From: "John Godin"
To:
Cc:
Sent: 24-Feb-2017 00:16:48 +0000
Subject: Fwd: Support for BoE

fyi

Begin forwarded message:

From: Joanna Rosen <joanna.rosen@charter.net>
Subject: Support for BoE
Date: February 23, 2017 at 2:13:42 PM EST
To: jgodin1312@gmail.com

BoF member,

I just am writing to express my support for the currently proposed Board of Education budget. I do not support any additional cuts and hope that the budget goes as is to the public for a vote.

Thanks, in advance for your consideration.

Sincerely,

Joanna Rosen
60 Sugar Lane

Sent from my iPhone

From: "John Godin"
To:
Cc:
Sent: 24-Feb-2017 00:16:16 +0000
Subject: Fwd: BoE budget without any reductions

fyi

Begin forwarded message:

From: Cristina Lynders <cristina.lynders@gmail.com>
Subject: BoE budget without any reductions
Date: February 23, 2017 at 4:49:39 PM EST
To: okit@aol.com, aaron4newtown@gmail.com, jgodin1312@gmail.com, sandyroussasBOF@gmail.com, kellejtjohnson@gmail.com, markbolandbof@gmail.com

Please recommend moving forward the BoE budget without any reductions.
Thanks,
Cristina Lynders
Mom of Head O' Meadow Student

From: "John Godin"
To:
Cc:
Sent: 24-Feb-2017 00:15:18 +0000
Subject: Fwd: BOE Budget Review

fyi

Begin forwarded message:

From: Barbara Wojcik <barbara.m.wojcik@gmail.com>
Subject: BOE Budget Review
Date: February 23, 2017 at 6:41:08 PM EST
To: okit@aol.com, aaron4newtown@gmail.com, jgodin1312@gmail.com, sandyroussasBOF@gmail.com, kellytjohnson@gmail.com, markbolandbof@gmail.com

BOF Members,

I am a parent of an 8th grader and am writing to request your full support of the BOE budget being reviewed this evening. I trust Dr. Erardi to be fiscally responsible while making decisions in the best interests of our children. Please make no further reductions to an already lean budget. Thank you for your consideration.

Sent from my iPad

ATTACHMENT B

From: Kelley Johnson <kellytjohnson@gmail.com>
Subject: Purchasing Agent Analysis
Date: February 23, 2017 at 10:54:07 PM EST
To: John Godin <jgodin1312@gmail.com>

John-

Per your request, here's a .pdf copy of the purchasing agent analysis. I used Google Sheets for the analysis, but exported to .xlsx in case you wanted a raw file.

-kelley

To: John Godin, Chairman, Board of Finance
 From: Kelley Johnson, Member, Board of Finance
 Date: February 23, 2017
 Subject: Break-Even Analysis for Purchasing Agent

I prepared a quick financial analysis to better evaluate the purchasing agent request. The analysis rounds the cost of the purchasing agent to \$100,000, so the bottom edge of the shaded boxes represents the break-even point.

| Expense/Savings | 0.50% | 1.00% | 1.50% | 2.00% | 2.50% | 3.00% | 3.50% | 4.00% | 4.50% | 5.00% |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|
| \$1,000,000 | \$5,000 | \$10,000 | \$15,000 | \$20,000 | \$25,000 | \$30,000 | \$35,000 | \$40,000 | \$45,000 | \$50,000 |
| \$2,000,000 | \$10,000 | \$20,000 | \$30,000 | \$40,000 | \$50,000 | \$60,000 | \$70,000 | \$80,000 | \$90,000 | \$100,000 |
| \$3,000,000 | \$15,000 | \$30,000 | \$45,000 | \$60,000 | \$75,000 | \$90,000 | \$105,000 | \$120,000 | \$135,000 | \$150,000 |
| \$4,000,000 | \$20,000 | \$40,000 | \$60,000 | \$80,000 | \$100,000 | \$120,000 | \$140,000 | \$160,000 | \$180,000 | \$200,000 |
| \$5,000,000 | \$25,000 | \$50,000 | \$75,000 | \$100,000 | \$125,000 | \$150,000 | \$175,000 | \$200,000 | \$225,000 | \$250,000 |
| \$6,000,000 | \$30,000 | \$60,000 | \$90,000 | \$120,000 | \$150,000 | \$180,000 | \$210,000 | \$240,000 | \$270,000 | \$300,000 |
| \$7,000,000 | \$35,000 | \$70,000 | \$105,000 | \$140,000 | \$175,000 | \$210,000 | \$245,000 | \$280,000 | \$315,000 | \$350,000 |
| \$8,000,000 | \$40,000 | \$80,000 | \$120,000 | \$160,000 | \$200,000 | \$240,000 | \$280,000 | \$320,000 | \$360,000 | \$400,000 |
| \$9,000,000 | \$45,000 | \$90,000 | \$135,000 | \$180,000 | \$225,000 | \$270,000 | \$315,000 | \$360,000 | \$405,000 | \$450,000 |
| \$10,000,000 | \$50,000 | \$100,000 | \$150,000 | \$200,000 | \$250,000 | \$300,000 | \$350,000 | \$400,000 | \$450,000 | \$500,000 |
| \$11,000,000 | \$55,000 | \$110,000 | \$165,000 | \$220,000 | \$275,000 | \$330,000 | \$385,000 | \$440,000 | \$495,000 | \$550,000 |
| \$12,000,000 | \$60,000 | \$120,000 | \$180,000 | \$240,000 | \$300,000 | \$360,000 | \$420,000 | \$480,000 | \$540,000 | \$600,000 |
| \$13,000,000 | \$65,000 | \$130,000 | \$195,000 | \$260,000 | \$325,000 | \$390,000 | \$455,000 | \$520,000 | \$585,000 | \$650,000 |
| \$14,000,000 | \$70,000 | \$140,000 | \$210,000 | \$280,000 | \$350,000 | \$420,000 | \$490,000 | \$560,000 | \$630,000 | \$700,000 |
| \$15,000,000 | \$75,000 | \$150,000 | \$225,000 | \$300,000 | \$375,000 | \$450,000 | \$525,000 | \$600,000 | \$675,000 | \$750,000 |
| \$16,000,000 | \$80,000 | \$160,000 | \$240,000 | \$320,000 | \$400,000 | \$480,000 | \$560,000 | \$640,000 | \$720,000 | \$800,000 |
| \$17,000,000 | \$85,000 | \$170,000 | \$255,000 | \$340,000 | \$425,000 | \$510,000 | \$595,000 | \$680,000 | \$765,000 | \$850,000 |
| \$18,000,000 | \$90,000 | \$180,000 | \$270,000 | \$360,000 | \$450,000 | \$540,000 | \$630,000 | \$720,000 | \$810,000 | \$900,000 |
| \$19,000,000 | \$95,000 | \$190,000 | \$285,000 | \$380,000 | \$475,000 | \$570,000 | \$665,000 | \$760,000 | \$855,000 | \$950,000 |
| \$20,000,000 | \$100,000 | \$200,000 | \$300,000 | \$400,000 | \$500,000 | \$600,000 | \$700,000 | \$800,000 | \$900,000 | \$1,000,000 |
| \$21,000,000 | \$105,000 | \$210,000 | \$315,000 | \$420,000 | \$525,000 | \$630,000 | \$735,000 | \$840,000 | \$945,000 | \$1,050,000 |
| \$22,000,000 | \$110,000 | \$220,000 | \$330,000 | \$440,000 | \$550,000 | \$660,000 | \$770,000 | \$880,000 | \$990,000 | \$1,100,000 |
| \$23,000,000 | \$115,000 | \$230,000 | \$345,000 | \$460,000 | \$575,000 | \$690,000 | \$805,000 | \$920,000 | \$1,035,000 | \$1,150,000 |
| \$24,000,000 | \$120,000 | \$240,000 | \$360,000 | \$480,000 | \$600,000 | \$720,000 | \$840,000 | \$960,000 | \$1,080,000 | \$1,200,000 |
| \$25,000,000 | \$125,000 | \$250,000 | \$375,000 | \$500,000 | \$625,000 | \$750,000 | \$875,000 | \$1,000,000 | \$1,125,000 | \$1,250,000 |

RatingsDirect®

Summary:

Newtown, Connecticut; General Obligation

Primary Credit Analyst:

Tiffany Tribbitt, New York (1) 212-438-8218; Tiffany.Tribbitt@spglobal.com

Secondary Contact:

Timothy W Little, New York (212) 438-7999; timothy.little@spglobal.com

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Summary:

Newtown, Connecticut; General Obligation

| Credit Profile | | |
|--|------------|----------|
| US\$5.09 mil GO bnds ser 2017 due 03/15/2037 | | |
| <i>Long Term Rating</i> | AAA/Stable | New |
| Newtown GO | | |
| <i>Long Term Rating</i> | AAA/Stable | Affirmed |
| Newtown GO rfdg | | |
| <i>Long Term Rating</i> | 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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ATTACHMENT D

Why did the district shift from the medium to the high enrollment projection within the 2016-17 school year?

2016-17 Medium Enrollment Projection **4,311**

2016-17 High Enrollment Projection **4,376**

Actual Enrollment: **4,387**

Testimony Regarding

**Governor's H.B. No. 7027: AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM
ENDING JUNE THIRTIETH 2019, AND MAKING APPROPRIATIONS THEREFOR
Education Cost Sharing, Special Education, and Teacher Pension Funding
Michelle Embree Ku**

Senator Formica, Senator Osten, Representative Walker, and Distinguished Members of the Appropriations Committee,

Thank you for taking the time to hear the testimony from the public regarding public education in the budget.

First, I want to acknowledge the need to re-evaluate our educational funding system, and I appreciate the added support of 10 million dollars to special education in the state budget. But I also want you to know that assigning 1/3 of the responsibility to fund teacher pensions to districts seems arbitrary and unfair, and as proposed, the budget would be devastating to our community.

Having served 3 ½ years on the Newtown Board of Education, I want to share with you how I see this budget playing out in Newtown.

According to the Governor's budget proposal, Newtown schools will have a 6.8 million dollar gap in a 74 million dollar budget. This gap is based on changes to the Education Cost Sharing distribution, special education funding and contributions to the teacher pension fund. To make up for this, our locally elected officials would have three options – use savings, increase taxes or cut services.

- First, by using savings, in one fell swoop, the Board of Education alone would reduce the Town fund balance by 2/3, the rub being that this is not a one year issue. Newtown would be in the same boat next year. Within two years the fund balance would be decimated.
- Second, assuming the town knew about the budget gap before our town referendum, the Board of Education budget could be increased above the current proposed increase. Given a long history in our community of up to five referenda to pass a budget and an average increase of about 1.4% over the last 8 years, a 9-11% increase is not in the realm of possibility.

Let me share with you our record for passing education budget referenda in Newtown:

| Year | # of Referenda to Pass | Resulting Increase in Budget |
|--------|------------------------|------------------------------|
| 2009 | 1 | 0.4% |
| 2010 | 3 | 1.3% |
| 2011 | 4 | 1.2% |
| 2012 | 5 | 0.6% |
| 2013* | 3 | 3.9% |
| 2014 | 1 | 0.4% |
| 2015 | 1 | 0.3% |
| 2016** | 1 | 2.9% |

*implementation of full day kindergarten and increased security and mental health supports

**Federal security and mental health grants reduced

What remains consistent is that every year, there is pressure to reduce costs equal to decreasing enrollment, keep up with extensive state mandates and maintain some of our unique mental health supports and security measures. In Newtown, like many rural towns, we have a small commercial tax base – about 8% - and residents bear most of the tax bill. In a town where tax payers directly vote on the budget in a referendum – similar to many towns in Connecticut – the state's imposed tax would almost certainly be rejected.

- Third, the Board of Education could cut 9% of the budget. In a district that falls below the state average for per pupil spending, and which, until the Sandy Hook School shooting, fell in the bottom 15% of the state for per pupil spending, tell me how you would cut 9% of the district budget? Where would you find 6.8 million dollars in a budget that is largely driven by contractual obligations? What would a reduction of almost 10% of the staff in your home district do? What would your class sizes be? How would your administrators continue to comply with the many mandates? And how would you maintain your buildings and infrastructure? I ask each of you – regardless of whether or not your town or city is affected similarly by this budget - to have that conversation with your Superintendents.

I want to leave you with several questions. How will this budget lift up communities while preserving the others? How will this proposal support or maintain a crown jewel of our state - education? How will this encourage people to choose to work and live here? What will happen to education if some districts are devastated by the resulting funding gap and the vast majority of the remaining districts lose support from the state? And, finally, how would this affect our state's economy over the long term?

Thank you for your time,

Michelle Embree Ku
Newtown, CT



**NEWTOWN PUBLIC SCHOOLS
3 PRIMROSE STREET
NEWTOWN, CT 06470**

OFFICE OF THE SUPERINTENDENT
(203) 426-7620
FAX (203) 270-6199

BUSINESS OFFICE
(203) 426-7618
FAX (203) 270-6110

February 21, 2017

Senator Formica, Senator Osten, and Representative Walker and Members of the Appropriations Committee:

In advance, thank you for your attention as I share with you my remarks on Bill HB-7027.

I am Dr. Joe Erardi, Superintendent of Schools in Newtown. I have been a proud public school educator for 40 years with the last 30 as a school administrator. This is year number 18 as a superintendent.

I am hoping that my 40 years has earned your attention for three minutes.

At this moment I share my thoughts with you perhaps never having greater concern for Connecticut children.....all children.

I fully align and support with the CT Association of Public School Superintendents position regarding the following:

- The proposed plan must include both free and reduced lunch OR the Husky Plan to appropriately indicate children of poverty;
- The minimum special education reimbursement percentage that a district must receive has to be at least 30% of the actual cost. This is significantly different that the 0-55% proposed sliding scale for reimbursement;
- There should be no burden of Teacher Retirement on any local municipality.

Presently, as proposed, the impact on Newtown would be an additional \$6.8M which simply is a tipping point to disaster. In a community that has modeled rebuild for this nation to witness the revenue shortfall would simply unravel four years of partnership work on multiple levels.

The State of CT, our governor, and this legislature has stood incredibly tall with support and understanding for Newtown.

They did so by collaborating, making informed decisions, and acting in the best interest of children.

I ask the governor and this appropriations committee to give those voices who need to partner with you the opportunity to solve the deficit problem of practice that has lead us to this crossroad.

I am disappointed that our State Board of Education and the Commissioner of Education have been silent on the proposal. These same voices that must be champions for all children were silent in December as the first shoe fell with a reduction in funding to our present year ECS formula.

I hold the executive directors of CABE, CAS-CIAC, and CAPSS in only high regard. Each executive director is a realist and a champion for children.

I am respectful to the governor and applaud his willingness to resolve an extraordinarily difficult issue which he does not fully own.

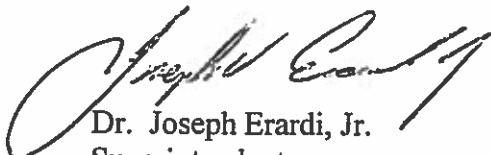
I strongly suggest that the three organizations mentioned earlier partner with the legislature and the governor's office to reach a similar ending with a very different equation.

In closing, in Newtown, our everyday challenge is to make a difference.....one student at a time.

I am blessed to work with a school board, leadership team, staff, and community who are simply "all in" and demonstrate their commitment every day to children.

I assure you that if this community, which remains deep in needed dollars with mental health concerns and safety was to absorb a \$6.8M revenue loss, our daily credo would be an impossibility.

With great respect and admiration for your work, I thank you.



Dr. Joseph Erardi, Jr.
Superintendent
Newtown Public Schools



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OFFICE OF THE SUPERINTENDENT
(203) 426-7620
FAX (203) 270-6199

BUSINESS OFFICE
(203) 426-7618
FAX (203) 270-6110

February 22, 2017

Senator Gerritano
Representative Dillon
Senator Somers
Representative Walker
Senator Osten
Senator Formica
Appropriations Committee

**Testimony Regarding HB 7027, An Act Concerning the State Budget for the Biennium
Ending June 30, 2019: School-Based Health Centers**

Included within the governor's proposed plan is a significant funding reduction to School-Based Health Centers.

Newtown Schools are completing its second year with a middle school center and this function within the facility is an enormous part of our recovery and "Success for All Students" plan.

The Center is vibrant, held in high regard by staff, students, and parents, and is busy from start to end each and every school day.

The Site Based Health Center was strategically placed within the district as our most impacted students are now in the middle school.

I strongly urge the reconsideration of any type of funding decrease as the present level of support allows our schools and all schools to be proactive rather than reactive.

Respectfully,

A handwritten signature in black ink, appearing to read 'Joseph V. Erardi, Jr.', is written over a large, stylized flourish.

Dr. Joseph V. Erardi, Jr.
Superintendent of Schools

From: Andrew Ferguson <Andrew.Ferguson@daliofamily.com>
Date: Thu, Feb 23, 2017 at 4:19 AM
Subject: Dalio Foundation Grant
To: Larson, Kristin <larsonk@newtown.k12.ct.us>
Cc: Kevin Ashley <kevin.ashley@daliofamily.com>

ATTACHMENT F

Good morning, Kristin –

Thank you for sending Superintendent Erardi's letter. In response to the request, I am pleased to announce that the Dalio Foundation has approved a grant to Newtown Public Schools in the amount of \$145,000 to support the social worker and psychologist at Reed Intermediate School during the 2017-18 academic year. Please note that this is a one-time, special grant award to support Newtown's wonderful team in serving Reed's students, staff, and families. My colleague, Kevin Ashley, will follow-up to confirm necessary details to process the grant award by June 2017.

Congratulations!

Andrew

Possible Computer Science Pathways

ATTACHMENT G

