

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held a regular meeting on Monday, March 11, 2019 at 7:30pm in the Council Chambers in the Municipal Center, 3 Primrose Street, Newtown, CT. Chairman Gaston called the meeting to order at 7:30 pm.

Present: Jim Gaston, Keith Alexander, Ned Simpson, Mark Boland, Steve Hinden

Absent: Sandy Roussas

Also Present: First Selectman Dan Rosenthal, Finance Director Bob Tait, and 2 members of the public.

Voter Comment – None.

Communications – Mr. Gaston, Mr. Hinden, Ms. Roussas presented the budget and gave an overview to the Legislative Council on March 6. On March 7, BOF members attended a community meeting with seniors. Mr. Simpson sent questions to Mr. Gaston which will be addressed during the First Selectman's report.

Minutes –

MR. BOLAND MOVED TO APPROVE THE MINUTES FROM 2/27/19 MEETING. SECOND BY MR. HINDEN. Mr. Simpson noted a correction on page 2, under Parks & Recreation, it should be clarified that the secretary position was receiving compensation, just not extra compensation. ALL IN FAVOR. MOTION PASSES. (5-0)

First Selectman's Report – First Selectman Rosenthal spoke to the recent newspaper recent article and motion by Legislative Council to authorize the First Selectman to work with legal counsel to pursue dispute resolution terms with the construction manager and architect for the community center and senior center. There is a tight budget on the project largely because of the way it moved forward, the building expanded near the end, both the multipurpose space and pool area. It was allowed to move forward without all the bids in.

Mr. Gaston questioned process, First Selectman Rosenthal said mediation then litigation, not arbitration. Mr. Alexander asked about anticipation of when they get to the point where they can't go any further, is there an anticipated outcome to go back to the town and ask for more money. First Selectman Rosenthal said that this matter won't get settled immediately, there are very few options but no option to put on a referendum. Legislative Council is maxed out on appropriation authority for the year, the FEMA money could be put in fund balance, and have appropriation authority to reauthorize.

Mr. Boland asked about which bids were late. First Selectman Rosenthal explained HVAC and plumbing, excavation, site, steel. Broke ground in beginning of November 2017, planned to hang steel in March, site work, poured concrete, had heating blankets, the steel did not get hung until July, did not get the advantage to hang the steel earlier.

Mr. Hinden said there are some good lessons learned with this project and asked if those lessons learned can be documented. First Selectman Rosenthal said yes, could be documented, could have used Public Building and Site earlier on in the project. The police department project won't move forward unless all the bids are in. Mr. Tait said if there are no more change orders, we do have the budget to complete the project.

Finance Director's Report – Mr. Tait shared the Debt Service Indicators – Using the Municipal Fiscal Indicators January 2019 (State of CT Report). ATTACHED. These are the indicators that the Debt Service Policy says to look at, done once a year. The towns we look at are towns in the immediate vicinity, the towns with the same Moody's bond rating, and the towns in district reference group B. We look at ratio of debt to equalized net grant list which can be viewed as a wealth indicator, debt per capita, per capita income, median household income, debt per capita as a % of per capita income, and debt per capita as a % of median household income. Looking at all those indicators, Newtown falls mostly in the middle of the pack. Debt is an indication of a willingness to invest in the community. Mr. Hinden asked about the equalizer net grand list, timing, Mr. Tait said try to equalize timing, but

every town is on a different year, try to equalize every town grand list to a particular point in time. As of 10/1. Mr. Hinden asked if we have grown faster, Mr. Tait will look at that and share with the BOF. Mr. Boland asked if there are any statistics on the town's percentage of taxes paid by households vs. commercial, Mr. Tait will put that together from info on the State of CT website and share with the BOF. Mr. Simpson asked if lower on the list the more flexibility to increase your debt. Mr. Tait agreed. Mr. Simpson noted how old the data is, Mr. Tait said the state has the assets to pull together, but unfortunately it is not more current.

UNFINISHED BUSINESS

CIP Policy

Debt Policy

Mr. Gaston said they will skip the items in Unfinished Business tonight, not doing the budget tonight and the BOE is still involved with the budget and will want to hear from them.

NEW BUSINESS

MR. SIMPSON MOVED RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$290,000 FOR THE PLANNING, DESIGN AND CONSTRUCTION OF FAIRFIELD HILLS PICKLEBALL COURTS AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2019-20 TO 2023-24) AND AUTHORIZING THE ISSUANCE OF \$290,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE AND FURTHER MOVED TO WAIVE THE READING OF THE FULL RESOLUTION. SECOND BY MR. BOLAND

First Selectman Rosenthal said all these items have to be appropriated, and Legislative Council has moved these items to go to referendum. Mr. Tait explained the resolution in general is usually for the maximum amount. Appropriation which is permission to spend, and the bonding which is the funding. Mr. Hinden asked about the grant by the anonymous donor, First Selectman Rosenthal said there may be explanatory text authorized by Council, rules on explanatory text are very specific, non-advocacy. Mr. Simpson asked about the bonding numbers, Mr. Tait said the amounts should match what is in the CIP, providing flexibility. Mr. Hinden commented that the Legislative Council approved this for referendum and approved by the First Selectman, will not take issue with this item, but would like to see items like this more policy driven. ALL IN FAVOR. MOTION PASSES. (5-0)

MR. ALEXANDER MOVED A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$2,702,000 FOR THE PLANNING, DESIGN, ENGINEERING, CONSTRUCTION AND REPLACEMENT OF THE BOILERS, AND RETROFIT OF LIGHTING AT NEWTOWN HIGH SCHOOL, AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2019-20 to 2023- 2024) AND AUTHORIZING THE ISSUANCE OF \$2,702,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE AND FURTHER MOVED TO WAIVE THE READING OF THE FULL RESOLUTION. SECOND BY MR. BOLAND. Mr.

Simpson questioned the financial impact statement, what was presented showed a year over year utility savings, thought he would see that on the utility line item, Mr. Tait thought that it is in the BOS minutes it is attached, it is included just on a different sheet, page 2 of the impact statement. Mr. Tait will put up front. ALL IN FAVOR. MOTION PASSES. (5-0)

MR. BOLAND MOVED A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$783,200 FOR THE PLANNING, DESIGN, ENGINEERING, CONSTRUCTION AND REPLACEMENT OF A BOILER, AND RETROFIT OF LIGHTING AT HAWLEY SCHOOL, AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2019-20 to 2023-24) AND AUTHORIZING THE ISSUANCE OF \$783,200 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR

SUCH PURPOSE AND FURTHER MOVED TO WAIVE THE READING OF THE FULL RESOLUTION. SECOND BY MR. ALEXANDER. First Selectman Rosenthal said there was some discussion by Council whether to send this to referendum, the BOE has a timing issue, so requested it to go to referendum in order to get it going with the summer months. Mr. Boland said the payback on is not what is with the high school, but thought the BOE could do a better job at exploring alternatives and has a hard time supporting the project as it stands. MOTION PASSES. (4-1) Mr. Boland

MR. HINDEN MOVED A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$1,000,000 FOR THE PLANNING, DESIGN, ENGINEERING, RECONSTRUCTION AND CONSTRUCTION OF TOWN ROADS AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2019-20 to 2023-24) AND AUTHORIZING THE ISSUANCE OF \$1,000,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE AND FURTHER MOVED TO WAIVE THE READING OF THE FULL RESOLUTION. SECOND BY MR. SIMPSON. First Selectman Rosenthal said that the goal is to spend \$3 million on roads year over year and intend to reduce the bonded component and push up the operating budget. ALL IN FAVOR. MOTION PASSES. (5-0)

Voter Comments – None.

Announcements – None.

Having no further business, the meeting was adjourned at 8:23 PM.

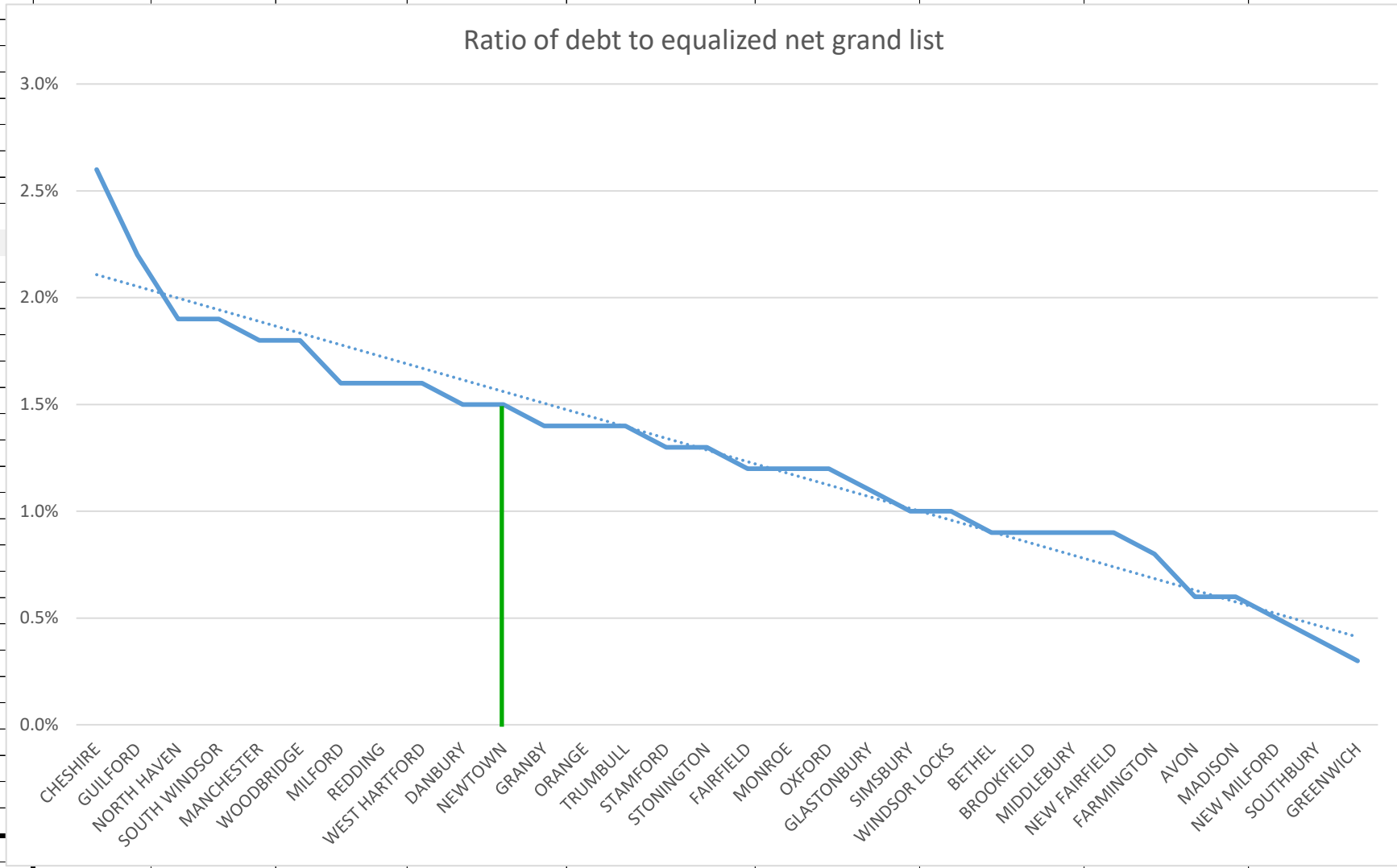
Respectfully submitted,
June Sgobbo, Clerk Pro Tempore

Attachment: Town of Newtown Debt Service Indicators – Using The Municipal Fiscal Indicators January 2019 (State of CT Report)

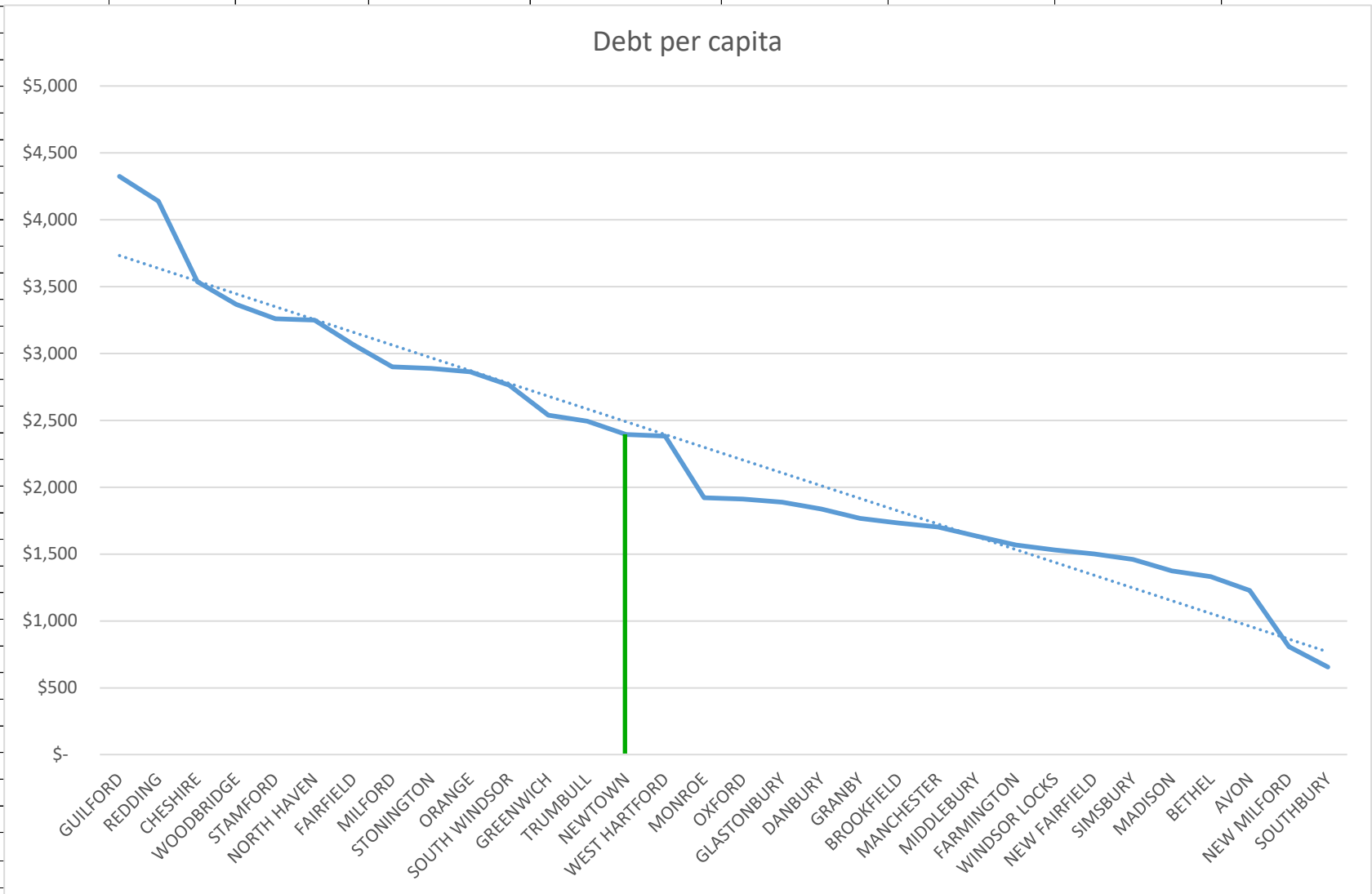
TOWN OF NEWTOWN									
DEBT SERVICE INDICATORS - USING THE MUNICIPAL FISCAL INDICATORS JANUARY 2019 (STATE OF CT REPORT)									
In The Immediate Vicinity	i.		Ratio of debt to			Median	Debt per capita	Debt per capita	
Same Moody's Bond Rating	ii.		equalized net	Debt per	Per capita	household	as a % of per	as a % of median	
District Reference Group B	iii.		grand list (a)	capita (b)	income ©	income ©	capita income	household income	
AVON		iii.	0.6%	\$ 1,227	\$ 66,837	\$ 125,536	1.8%	1.0%	
BETHEL	i.		0.9%	\$ 1,332	\$ 45,171	\$ 97,289	2.9%	1.4%	
BROOKFIELD	i.	iii.	0.9%	\$ 1,731	\$ 48,576	\$ 113,009	3.6%	1.5%	
CHESHIRE		ii. iii.	2.6%	\$ 3,537	\$ 47,012	\$ 107,579	7.5%	3.3%	
DANBURY	i.	ii.	1.5%	\$ 1,838	\$ 32,764	\$ 68,068	5.6%	2.7%	
FAIRFIELD		iii.	1.2%	\$ 3,066	\$ 62,541	\$ 127,746	4.9%	2.4%	
FARMINGTON		iii.	0.8%	\$ 1,567	\$ 55,817	\$ 94,785	2.8%	1.7%	
GLASTONBURY		iii.	1.1%	\$ 1,889	\$ 60,119	\$ 111,645	3.1%	1.7%	
GRANBY		iii.	1.4%	\$ 1,767	\$ 52,140	\$ 111,220	3.4%	1.6%	
GREENWICH		iii.	0.3%	\$ 2,538	\$ 96,533	\$ 138,180	2.6%	1.8%	
GUILFORD		iii.	2.2%	\$ 4,324	\$ 60,003	\$ 107,587	7.2%	4.0%	
MADISON		iii.	0.6%	\$ 1,375	\$ 53,379	\$ 108,167	2.6%	1.3%	
MANCHESTER		ii.	1.8%	\$ 1,703	\$ 34,244	\$ 67,325	5.0%	2.5%	
MIDDLEBURY		ii.	0.9%	\$ 1,634	\$ 46,918	\$ 105,036	3.5%	1.6%	
MILFORD		ii.	1.6%	\$ 2,901	\$ 43,547	\$ 86,382	6.7%	3.4%	
MONROE	i.	iii.	1.2%	\$ 1,921	\$ 47,991	\$ 109,631	4.0%	1.8%	
NEW FAIRFIELD	i.	ii. iii.	0.9%	\$ 1,502	\$ 47,982	\$ 104,402	3.1%	1.4%	
NEW MILFORD	i.	ii.	0.5%	\$ 808	\$ 39,515	\$ 83,676	2.0%	1.0%	
NEWTOWN	i.	ii.	1.5%	\$ 2,395	\$ 52,754	\$ 115,137	4.5%	2.1%	
NORTH HAVEN		ii.	1.9%	\$ 3,250	\$ 43,424	\$ 96,273	7.5%	3.4%	
ORANGE		iii.	1.4%	\$ 2,863	\$ 51,784	\$ 109,538	5.5%	2.6%	
OXFORD	i.		1.2%	\$ 1,912	\$ 42,695	\$ 104,316	4.5%	1.8%	
REDDING		ii.	1.6%	\$ 4,138	\$ 66,046	\$ 129,763	6.3%	3.2%	
SIMSBURY		iii.	1.0%	\$ 1,461	\$ 56,622	\$ 116,444	2.6%	1.3%	
SOUTH WINDSOR		iii.	1.9%	\$ 2,763	\$ 46,900	\$ 105,986	5.9%	2.6%	
SOUTHBURY	i.		0.4%	\$ 656	\$ 45,690	\$ 90,324	1.4%	0.7%	
STAMFORD		ii.	1.3%	\$ 3,259	\$ 52,245	\$ 84,893	6.2%	3.8%	
STONINGTON		ii.	1.3%	\$ 2,888	\$ 49,353	\$ 78,875	5.9%	3.7%	
TRUMBULL		iii.	1.4%	\$ 2,493	\$ 49,030	\$ 115,346	5.1%	2.2%	
WEST HARTFORD		iii.	1.6%	\$ 2,383	\$ 52,846	\$ 95,298	4.5%	2.5%	
WINDSOR LOCKS			1.0%	\$ 1,530	\$ 36,253	\$ 67,072	4.2%	2.3%	
WOODBIDGE		iii.	1.8%	\$ 3,366	\$ 54,109	\$ 138,320	6.2%	2.4%	

(a) - based upon the 10/1/2015 grand list; (b) - fiscal year ending 2017; © - per US Census Bureau, 2013-17 American Community Survey.

		Ratio of debt to equalized net grand list
RANK		
1	CHESHIRE	2.6%
2	GUILFORD	2.2%
3	NORTH HAVEN	1.9%
4	SOUTH WINDSOR	1.9%
5	MANCHESTER	1.8%
6	WOODBIDGE	1.8%
7	MILFORD	1.6%
8	REDDING	1.6%
9	WEST HARTFORD	1.6%
10	DANBURY	1.5%
11	NEWTOWN	1.5%
12	GRANBY	1.4%
13	ORANGE	1.4%
14	TRUMBULL	1.4%
15	STAMFORD	1.3%
16	STONINGTON	1.3%
17	FAIRFIELD	1.2%
18	MONROE	1.2%
19	OXFORD	1.2%
20	GLASTONBURY	1.1%
21	SIMSBURY	1.0%
22	WINDSOR LOCKS	1.0%
23	BETHEL	0.9%
24	BROOKFIELD	0.9%
25	MIDDLEBURY	0.9%
26	NEW FAIRFIELD	0.9%
27	FARMINGTON	0.8%
28	AVON	0.6%
29	MADISON	0.6%
30	NEW MILFORD	0.5%
31	SOUTHBURY	0.4%
32	GREENWICH	0.3%
Average		1.3%
Median		1.3%
>= Newtown		31%



RANK		Debt per capita
1	GUILFORD	\$ 4,324
2	REDDING	\$ 4,138
3	CHESHIRE	\$ 3,537
4	WOODBIDGE	\$ 3,366
5	STAMFORD	\$ 3,259
6	NORTH HAVEN	\$ 3,250
7	FAIRFIELD	\$ 3,066
8	MILFORD	\$ 2,901
9	STONINGTON	\$ 2,888
10	ORANGE	\$ 2,863
11	SOUTH WINDSOR	\$ 2,763
12	GREENWICH	\$ 2,538
13	TRUMBULL	\$ 2,493
14	NEWTOWN	\$ 2,395
15	WEST HARTFORD	\$ 2,383
16	MONROE	\$ 1,921
17	OXFORD	\$ 1,912
18	GLASTONBURY	\$ 1,889
19	DANBURY	\$ 1,838
20	GRANBY	\$ 1,767
21	BROOKFIELD	\$ 1,731
22	MANCHESTER	\$ 1,703
23	MIDDLEBURY	\$ 1,634
24	FARMINGTON	\$ 1,567
25	WINDSOR LOCKS	\$ 1,530
26	NEW FAIRFIELD	\$ 1,502
27	SIMSBURY	\$ 1,461
28	MADISON	\$ 1,375
29	BETHEL	\$ 1,332
30	AVON	\$ 1,227
31	NEW MILFORD	\$ 808
32	SOUTHBURY	\$ 656
	Average	\$ 2,251
	Median	\$ 1,921
	>= Newtown	41%



		Debt per capita as a % of per capita income
RANK		
1	CHESHIRE	7.5%
2	NORTH HAVEN	7.5%
3	GUILFORD	7.2%
4	MILFORD	6.7%
5	REDDING	6.3%
6	STAMFORD	6.2%
7	WOODBIDGE	6.2%
8	SOUTH WINDSOR	5.9%
9	STONINGTON	5.9%
10	DANBURY	5.6%
11	ORANGE	5.5%
12	TRUMBULL	5.1%
13	MANCHESTER	5.0%
14	FAIRFIELD	4.9%
15	NEWTOWN	4.5%
16	WEST HARTFORD	4.5%
17	OXFORD	4.5%
18	WINDSOR LOCKS	4.2%
19	MONROE	4.0%
20	BROOKFIELD	3.6%
21	MIDDLEBURY	3.5%
22	GRANBY	3.4%
23	GLASTONBURY	3.1%
24	NEW FAIRFIELD	3.1%
25	BETHEL	2.9%
26	FARMINGTON	2.8%
27	GREENWICH	2.6%
28	SIMSBURY	2.6%
29	MADISON	2.6%
30	NEW MILFORD	2.0%
31	AVON	1.8%
32	SOUTHBURY	1.4%
	Average	4.5%
	Median	4.5%
	>= Newtown	44%

