

**LEGISLATIVE COUNCIL REGULAR MEETING
COUNCIL CHAMBERS, 3 PRIMROSE STREET, NEWTOWN, CT
WEDNESDAY, APRIL 7, 2021**

MINUTES

PRESENT VIA TELECONFERENCE: Jordana Bloom, Alison Plante, Chris Smith, Phil Carroll, Ryan Knapp, Judit DeStefano, Paul Lundquist, Chris Eide, Dan Wiedemann, Cathy Reiss, Andy Clure, Dan Honan

ALSO PRESENT: First Selectman Dan Rosenthal, Finance Director Bob Tait, 3 public, 2 press.

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

VOTER COMMENT: None

MINUTES: Mr. Honan moved to accept the minutes of the last Legislative Council Regular Meeting. Seconded by Ms. Bloom.

Mr. Smith noted a mistake in Committee Reports. It should read:

Finance Committee – Mr. ~~Knapp~~ Eide announced that the Finance Committee will be meeting on Monday.

Mr. Clure moved to amend the motion to include the date of March 31, 2021. Seconded by Ms. Reiss. All in favor.

The amended motion including the date March 31, 2021 passes (12-0).

COMMUNICATIONS: None

COMMITTEE REPORTS: Committee reports noted in main budget discussion.

FIRST SELECTMAN'S REPORT: First Selectman Dan Rosenthal began his report on the RFP related to mixed use at Fairfield Hills. An open house was held recently with about 40 people from 20 different entities in attendance. Their responses are due back April 20th. At the last BOS meeting, they spoke about a UConn internship program geared towards Masters students – this intern would help with modernizing the town's Human Resource department. The First Selectman spoke on the property located at 6 Commerce Road which is adjacent to the Catherine Violet Hubbard Sanctuary property. The intended access way for both properties is to come off of Commerce Road. The intention of how that land was conveyed to the Town is for the Town to sell it. EDC is actively working on that, and they do have some interest in it. Our estimates to construct a driveway is about \$1 million, which includes the infrastructure. The Hubbard Foundation plans to move forward. It involves setting up an easement upon sale of the property - the potential buyer would have some time to pay \$495,000 after closing. This is a modification of the original easement and the BOS agreed to this at their last meeting. This allows the Catherine Violet Hubbard Sanctuary to access their property and move forward with their project the way they want to. The value of our property is predicated on having a driveway constructed without us having to appropriate said money. He feels it is a good solution.

OLD BUSINESS

Discussion Only

- 2021-2022 Municipal and Education Budget

Mr. Lundquist reviewed the draft budget amendment sheets. *See attachment A.* The amount of money that we're looking to move around is \$1,371,000 which is in excess of the 12% cap set in fund balance policy. This amount of money is what they're looking at to offset some reductions in the proposed budget in order to minimize the tax impact of voters. This fund balance adjustment allows us to make an immediate reduction in taxation but still fund most of the items slated for reduction. He stated we are in a very fortunate position. Mr. Smith asked will we be in a position if we can go back to this draft at a later date. Mr. Lundquist replied that the fund balance changes will not be done until May or June and it will represent an amendment to this current budget. Mr. Tait wanted to clarify that these are two separate transactions: 1) adopting the budget with the adjustments; and 2) in May/June to amend the current budget year because our fund balance is over the 12% cap that is in the fund balance policy and we can use that fund balance adjustment for capital items that are being reduced to fund those capital items.

Mr. Wiedemann moved to reduce the BOE budget by \$150,000 from the IT capital account to be replenished from the fund balance, and then also \$345,281 in reductions offset by NoVo and Esser grants. Seconded by Ms. DeStefano. All in favor. Motion passes (12-0).

Ms. Reiss asked for clarification on whether these numbers would be totaled. Mr. Wiedemann replied that yes, the BOE budget would be reduced as a whole. He also stressed these cuts were proposed by the BOE. It is a total amount of \$495,281. Ms. DeStefano asked if there was progress on the grant funding. Mr. Wiedemann confirmed that according to Dr. Rodrigue, the two grants, NoVo and Esser, have been authorized.

Moving on to the Municipal budget, Mr. Eide spoke about the Finance and Administration meeting.

Mr. Eide moved to increase investment income by \$200,000. Seconded by Mr. Smith. All in favor. Motion passes (12-0).

Mr. Lundquist confirmed that this incremental investment income is a recommendation that came from Mr. Tait. It was based on recent changes on interest rates and we feel more confident in what we're likely to see with conservative investment vehicles that the Town is involved in. Mr. Wiedemann asked Mr. Tait since rates are going down, how are we projecting higher income. Mr. Tait said this was established in October when we developed the budget. We're currently getting about .2% in interest rate. Now there is a possibility of getting .4% which is double. He is comfortable changing the original estimate of \$300,000 to \$500,000. Half of our investments are out of state CD's under the insured limit - those interest rates are a lot more than what you'd get in Connecticut. Mr. Lundquist summarized that if anyone is feeling cautious of the \$200,000 increase, there are other potential revenue streams that can help hedge any misgivings.

Mr. Eide moved to increase the assumed tax collection rate from 99.2% to 99.3%. Seconded by Ms. Reiss. All in favor. Motion passes (12-0).

Mr. Lundquist stated that the difference in increase of 0.1% will equate to about \$100,000. Mr. Clure asked if there is a given set amount of people that normally don't pay. Mr. Tait replied that we do take that into account. We recover about \$550,000 of the prior year's non-payments. Eventually we do get payment, and another important account is interest fees and lien fees for those late payments. We're budgeting about \$375,000 of that - those that don't pay on time do pay interest which is quite large at 18% per year per State statute.

Mr. Carroll moved to reduce the budget by \$220,000 from savings to capital and non-recurring. Seconded by Mr. Honan. All in favor. Motion passes (12-0).

Mr. Eide asked if there is any way to show it without it looking like a reduction in spending. Mr. Tait

noted that because we've had a successful account, he can see favorable fund balance in the future. Mr. Eide would like to see fund balance going to offset bonding – is that something that was considered. For instance, Mr. Tait replied, you have \$220,000 transferred to capital and non-recurring, that balance is going to go up to close to \$1 million. Mr. Eide said there are things coming out of capital and non-recurring which are large ticket items. Mr. Tait said in the proposed fund balance, there are future lease amounts that we want to pay off immediately. We do have plans to start using capital non-recurring from some sales and we can start planning the use of capital non-recurring along with the CIP process together. We may change it from bonding to capital non-recurring as funds accumulate. Mr. Eide was satisfied and feels comfortable with his plan.

Ms. DeStefano moved to set the BOS budget at \$43,521,856 and the BOE budget at \$79,697,698 for a total town budget of \$123,219,554. Seconded by Mr. Honan. Motion passes (11-1).

Ms. Reiss asked where this would bring our mill rate. Mr. Tait replied that this amount increases the budget by 1.31%, however our mill rate will decrease by 0.32% and that's because the budget increase is totally financed by an increase in the grand list. The proposed mill rate will be 34.65 which represents a decrease of 0.32%.

First Selectman Rosenthal wanted to briefly mention about working on making an increase adjustment to the First Responder benefit. He believes that we can probably accomplish that without having to make an appropriation out of fund balance, but that the Ordinance Committee would ultimately decide. Mr. Tait confirmed that it can be done without affecting the budget and before the budget goes for vote.

Ms. Reiss asked about a request made by NUSAR for a special light, and if this would fall into the same line of being able to do this for them without the budget being affected. The First Selectman said that this is something that can be purchased later with budget flexibility. Mr. Tait recently reviewed the emergency management budget and he noted there will be some savings there.

First Selectman Rosenthal also noted that the Governor issued an Executive Order allowing more time for budget ratification, but he does not feel that we should shift from that. The First Selectman and Mr. Tait have looked into it but they are not using the expectation that we'll get this money to reduce our budget. We do not need to do this based on how we are approaching our budget this year.

Mr. Knapp asked Mr. Tait to confirm what the undesignated funds for capital items are, what types of things would fall under these abnormal operational expenses. Mr. Tait replied that there is nothing undesignated in this budget. He said when we amend the budget, we will be increasing a revenue account called "use of fund balance" and increasing a line item called "transfer to capital non-recurring" and in that same language we can designate some items. Having undesignated amounts in capital and non-recurring fund is great because that's money for the future including money for the CIP process that we'll use to reduce bonding. In the action the LC will do in May/June, the proposal will be to transfer money to the capital and non-recurring fund. Mr. Knapp expressed concerned about why these items are not being brought in as revenue to account for the total spend. Mr. Tait said the total spend can be found in the year-end financial statements.

Mr. Clure took the opportunity to thank our First Selectman and Dr. Rodrigue for all their extra time and effort towards putting together the budget and getting us to this point.

Ms. DeStefano moved to allow the Finance Director to address any rounding errors in the budget just set by the Legislative Council. Seconded by Ms. Reiss. All in favor. Motion passes (12-0).

NEW BUSINESS

Discussion and Possible Action

- A RESOLUTION AMENDING A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$450,000 FOR THE JOINT AGREEMENT OFFER TO PURCHASE DEVELOPMENT RIGHTS TO FARMLAND BY THE STATE OF CONNECTICUT AND THE TOWN OF NEWTOWN REGARDING THE PAPROSKI-CASTLE HILL FARM, NEWTOWN, CT AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2016-17 TO 2020-21) AND AUTHORIZING THE ISSUANCE OF \$450,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Ms. DeStefano moved the resolution amending a resolution providing for a special appropriation in the amount of \$450,000 for the joint agreement offer to purchase development rights to farmland by the State of Connecticut and the Town of Newtown regarding the Paproski-Castle Hill Farm, Newtown, CT as authorized in the Capital Improvement Plan (2016-17 to 2020-21) and authorizing the issuance of \$450,000 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. Seconded by Ms. Plante. All in favor. Motion passes (12-0).

Mr. Lundquist opened the discussion by noting this is a previously approved resolution which is now being amended. The amendment is to include acquisition of property used as open space by the Town. *See attachment B.* The First Selectman spoke on the initiative for this was done for the preservation of open space. The Newtown Forest Association found even more land through Head of Meadow which backs up to Castle Hill totaling about 20 acres. This would be an opportunity that came about where the Town will put up about \$100,000 and the balance would be supplied by the Newtown Forest Association. The Town, however, would have a conservation easement over the whole thing. In short, we will get to preserve two properties for what we originally set aside for one. There will be easement language that will go before the BOS and the Council at the next set of meetings.

VOTER COMMENT: None

ANNOUNCEMENTS: None

ADJOURNMENT: There being no further business, Mr. Honan moved to adjourn the meeting at 8:43 pm. Seconded by Mr. Clure. All in favor.

*Respectfully submitted,
Rina Quijano, Clerk*

**THESE MINUTES ARE SUBJECT TO APPROVAL BY THE LEGISLATIVE COUNCIL
AT THE NEXT MEETING.**

Town of Newtown - Use of Fund Balance Proposed - 2020-21											
USE OF FUND BALANCE CALCULATION (based on fund balance policy 12% CAP)											
General Fund, Unassigned fund balance at June 30, 2020										16,366,000	
Adopted Budget 2020-21										121,626,535	
12% of total budget										14,595,000	
Amount over 12% fund balance policy										1,771,000	
Fund balance used in 2020-21 to date										(400,000)	
Fund balance available for Capital & Non-Recurring items										(USE OF FUND BALANCE)	1,371,000
PROPOSED CAPITAL & NON-RECURRING ITEMS FROM USE OF FUND BALANCE:											
<u>FROM 2021-22 BUDGET ADJUSTMENTS:</u>											
BOF:											
Fire - capital										35,000	
Emergency Management - capital										9,300	
Transfer Station - capital										130,000	
Note: \$65,000 was budgeted for internal lease 1 of 2.											
Proposed to finance total amount (no lease 2 next year)											
Public Building Maintenance - capital										10,000	
Parks & Recreation - capital										28,000	
Board of Education - IT capital & building & sites projects										350,000	
LC (proposed):											
Transfer Out - Capital & Non-Recurring - capital										220,000	
Board of Education - IT capital										150,000	
<u>PROPOSED INTERNAL LEASE PAY-OFFS (from capital & non-recurring line item):</u>											
PW - All season truck body replacement internal lease 2, 3 & 4										90,000	
(lease # 1 in 2021-22)											
P & R - Pick up truck with plow internal lease 4 & 5										20,000	
(Lease # 3 in 2021-22)											
Paying of future planned internal lease amounts will help reduce pressure on future capital & non-recurring line item budgets											
<u>CAPITAL & NON-RECURRING UNDESIGNATED AMOUNT</u>										328,700	
GRAND TOTAL										1,371,000	

TOWN OF NEWTOWN				
2021 - 2022 BUDGET - BOARD OF FINANCE RECOMMENDED ADJUSTMENTS				
MEETING DATE: 03/04/2021	2021-2022 BUDGET	BOARD OF	2021-2022 BUDGET	
	BOS / BOE	FINANCE	BOARD OF FINANCE	
FUNCTION / DEPARTMENT / ACCOUNT	PROPOSED	ADJUSTMENTS	RECOMMENDED	COMMENTS
PUBLIC SAFETY				
FIRE				
Capital	137,237	(34,497)	102,740	Capital adjustment is planned to be funded in the capital & non-recurring fund. Proposed funding will be the use of general fund, fund balance exceeding the fund balance policy of 12% (of total general fund expenditures).
EMERGENCY MANAGEMENT				
Capital	9,300	(9,300)	-	
PUBLIC WORKS				
TRANSFER STATION				
Capital	65,000	(65,000)	-	
PUBLIC BUILDING MAINTENANCE				
Capital	10,000	(10,000)	-	
RECREATION & LEISURE				
PARKS & RECREATION				
Capital	49,500	(28,000)	21,500	
CONTINGENCY				
Contingency	140,000	(25,000)	115,000	Contingency line item reduced to \$115,000
DEBT SERVICE				
Bond Interest	2,456,941	(12,274)	2,444,667	Adjusted to actual interest amount per amortization schedule. Bonds were sold on 03/03/2021.
BOARD OF EDUCATION				
Education	80,682,470	(489,491)	80,192,979	\$140,000 line item reduction. \$29,491 reduction to IT capital equipment (see first comment) \$320,000 reduction to building & site projects (see first comment)
TOTAL BOARD OF FINANCE BUDGET ADJUSTMENTS	124,608,397	(673,562)	123,934,835	

DEPARTMENT: RESERVE FOR CAPITAL NONRECURRING

ACCOUNT DETAIL

Reserve Cap & Non Recurring: The requested \$220,000 comprises the following (in **bold** print):

Public Works :

(1) Ten Wheel Dump Truck (replace)

2022-2023 planned	\$125,000
2023-2024 planned	\$125,000

(2) Six Wheel Dump Truck

2020-2021 appropriated	\$100,000
2021-2022 request	\$120,000

(2) All Season Truck Body Replacement (truck #3 & 15)

2021-2022 request (payment #1 of a 4 year internal lease)	\$30,000
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Parks & Recreation:

Pick up Truck with plow (gas engine) (additional)

2020-2021 appropriated (payment #2 of a 5 year internal lease)	\$10,000
2021-2022 request (payment #3 of a 5 year internal lease)	\$10,000

Court recoating (annual)

2021-2022 request	\$10,000
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Fire:

Air Packs/Turnout Gear (annual)

2018-2019 appropriated	\$25,000
2019-2020 appropriated	\$50,000
2020-2021 appropriated	\$50,000
2021-2022 request	\$50,000
2022-2023 planned	\$50,000
2023-2024 planned	\$50,000

**PAY-OFF FUTURE
INTERNAL LEASE AMOUNTS
(3 x \$30,000 = \$90,000)**

**PAY-OFF FUTURE INTERNAL LEASE
AMOUNTS (2 X \$10,000 = \$20,000)**

A RESOLUTION AMENDING A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$450,000 FOR THE JOINT AGREEMENT OFFER TO PURCHASE DEVELOPMENT RIGHTS TO FARMLAND BY THE STATE OF CONNECTICUT AND THE TOWN OF NEWTOWN REGARDING THE PAPROSKI-CASTLE HILL FARM, NEWTOWN, CT AS AUTHORIZED IN THE CAPITAL IMPROVEMENT PLAN (2016-17 to 2020-21) AND AUTHORIZING THE ISSUANCE OF \$450,000 BONDS OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

RESOLVED:

Section 1. Section 1 of the resolution entitled “Resolution Providing For A Special Appropriation In The Amount Of \$450,000 For The Joint Agreement Offer To Purchase Development Rights To Farmland By The State Of Connecticut And The Town Of Newtown Regarding The Paproski-Castle Hill Farm, Newtown, CT As Authorized In The Capital Improvement Plan (2016-17 To 2020-21) And Authorizing The Issuance Of \$450,000 Bonds Of The Town To Meet Said Special Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose”, approved at a Legislative Council held February 15, 2017 (the “Resolution”), is hereby amended to include in the description of the Project (as defined in the Resolution) the acquisition of any interest in real property to be used for open space by the Town, thereby making said Section 1 read as follows:

“Section 1. The sum of \$450,000 is a special appropriation made pursuant to Chapter 6, Section 6-35 of the Town Charter of the Town of Newtown (the “Town”) for the Joint Agreement Offer to Purchase Development Rights to Farmland by the State of Connecticut and the Town of Newtown regarding the Paproski-Castle Hill Farm, Newtown, CT, as authorized in the Capital Improvement Plan (2016-17 to 2020-21) and for the acquisition of any interest in real property to be used for open space by the Town, and for administrative, financing, legal and costs of issuance related thereto (collectively, the “Project”), said appropriation to be inclusive of any and all State and Federal grants-in-aid thereof.”

Section 2. Section 6 of the Resolution shall be applicable to the appropriation and bond authorization added by this amendment, as of the date of the adoption of such amendment.