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TOWN OF NEWTOWN

TOWN OF NEWTOWN LEGISLATIVE COUNCIL MEETING NOVEMBER 1, 2017 NEWTOWN MUNICIPAL CENTER, NEWTOWN, CT

PRESENT: Phil Carroll, Chris Eide, Neil Chaudhary, Judit DeStefano, Ryan Knapp, Paul Lundquist, Mary Ann Jacob, Dan Amaral, Tony Filiato, Dan Wiedemann, Dan Honan.

ABSENT: George Ferguson.

ALSO PRESENT: First Selectman Pat Llodra, Finance Director Bob Tait, 1 public.

CALL TO ORDER: Ms. Jacob called the meeting to order with the Pledge of Allegiance at 7:30 pm.

VOTER COMMENT: None

MINUTES: MR. WIEDEMANN MOVED TO APPROVE THE MINUTES OF THE OCTOBER 18, 2017 MEETING. SECOND BY MR. FILIATO. ALL IN FAVOR. (11-0)

COMMUNICATIONS: None.

COMMITTEE REPORTS: None.

FIRST SELECTMAN'S REPORT: Ms. Llodra said there is a state budget. Ms. Llodra distributed memo re Newtown state aid from the approved 2017-2018 state budget. (ATTACHMENT A) Ms. Llodra encouraged to include on the next agenda, to initiate special appropriation for the BOE to make amount whole.

Ms. Jacob said to clarify the two separate resolutions: 1) BOE, 2) total number pension, medical self-insurance, and review what was approved.

Mr. Tait reviewed Intergovernmental Revenue, Special Appropriations, and CIP Approvals. (ATTACHMENT B).

Ms. Jacob to put it on the agenda for the 15th meeting, the \$1 million amount for discussion.

NEW BUSINESS

CIP Policy

MR. LUNDQUIST MOVED TO ACCEPT THE CIP POLICY AS RECOMMENDED BY THE FINANCE AND ADMINISTRATION COMMITTEE. SECOND BY MR. KNAPP.

Mr. Filiato spoke to the items recommending, change adding language to 310-6 J (ATTACHMENT C).

Mr. Knapp gave example of Edmond Town Hall project, funding is not approved yet, what the future council may or may not want to do, good idea to send to referendum.

Mr. Lundquist spoke to items that go to referendum, the language does a good job of defining that and allows some flexibility.

Ms. Jacob is in agreement with language change.

Ms. DeStefano asked for detail, if something is a public safety concern, asked how to address that.

Ms. Jacob would say that it would be a grave public issue and be fixed imminently, that understanding is built into that language, Ms. Jacob said it provides the flexibility.

Mr. Filiato said there are concerns for emergency appropriation vs. safety concern.

Ms. DeStefano asked about multi-phase projects.

Mr. Knapp said that there is merit in sending to the voters earlier, with multi-phase projects. To address that, give the voters the chance to vote early.

Mr. Lundquist said that he is comfortable with the process and have the flexibility.

MS. DESTEFANO MADE A MOTION TO AMEND AND MAKE A MODIFICATION TO THE LANGUAGE - ALLOWING FOR THE EXCEPTION OF INITIAL PLANNING PHASE SHOULD RECEIVE PRIORITY CONSIDERATION FOR REFERENDUM. SECOND BY MR. HONAN.

Allowing for the exception of the initial planning phase, Ms. DeStefano said, to allow the voters to have a response, if there is enough planning.

Mr. Chaudhary understands the point and said the language should allow for flexibility.

Mr. Knapp said need to remember that this line refers to multi-phase projects, example of police station and high school auditorium.

Ms. Jacob said the goal was to make the language simple, understandable, and clear.

Ms. DeStefano said that it does not add a lot of complexity, it is 8 words, the point is not to circumvent the voter, gives the council a little more flexibility.

Mr. Filiato referred to what should be in the CIP and that should be dealt with somewhere else in the CIP, dealing with the prioritization, a very long discussion in committee.

Mr. Honan said that he seconded, to facilitate discussion, but is not in support to amend.

MOTION TO AMEND FAILS. (10-1) (Ms. DeStefano)

MR. KNAPP MOVED TO AMEND AND STRIKE THE WORDING "OR A PUBLIC SAFETY CONCERN." SECOND BY MR. LUNDQUIST. ALL IN FAVOR TO AMEND. (11-0)

MOTION TO ACCEPT THE CIP POLICY AS RECOMMENDED BY THE FINANCE AND ADMINISTRATION COMMITTEE AND AMEND AND STRIKE THE WORDING "OR A PUBLIC SAFETY CONCERN." ALL IN FAVOR. (11-0) MAIN MOTION AS AMENDED PASSES.

Acquisition and Disposition of Real Property Ordinance

MR. LUNDQUIST MOVED TO ACCEPT THE ACQUISITION AND DISPOSITION OF REAL PROPERTY ORDINANCE AS RECOMMENDED BY THE ORDINANCE COMMITTEE. SECOND BY MR. FILIATO. (ATTACHMENT D)

Mr. Knapp acknowledged Ms. DeStefano and Mr. Eide participation in development of this ordinance. Provides clarity for areas not covered are leasing and procedure for properties under \$20,000.

Mr. Wiedmann asked about Section D leases over 5 years, range such as 99-year leases, subject to requirements of the sale.

Mr. Knapp cited an example of boat house, this is almost like an appendix to the charter, can't change the charter process.

Ms. Llodra said that typical language is not usually 99-year commitment. Likelihood of that is low.

Mr. Knapp said it still has to comply with state statutes.

LEGISLATIVE COUNCIL

Ms. Jacob said this started out very complicated and rustled with it a long time, much of the language was in the charter, the feedback from land use was well received, started out as a burden and now is a benefit, try to simplify things so the public and the department can work with it readily. ALL IN FAVOR. (11-0) MOTION PASSES.

Pension Ordinance

MR. LUNDQUIST MOVED TO ACCEPT THE PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB) ORDINANCE AS RECOMMENDED BY THE ORDINANCE COMMITTEE. SECOND BY MR. CHAUDHARY. MR KNAPP MOVED TO AMEND THE MOTION TO ADD AND REPEAL THE CURRENT OPEB ORDINANCE IN ORDER TO REPLACE IT. SECOND BY MR EIDE. ALL IN FAVOR TO AMEND. (11-0) (ATTACHMENT E)

Mr. Knapp said that the rules should apply to the pension and OPEB.

Mr. Chaudhary said that this language was reviewed by the board and board of selectman.

Mr. Lundquist asked if this changes the responsibilities of the committee.

Ms. Jacob said it takes what is in the original and combines it.

MOTION TO APPROVE THE PENSION AND OTHER POST EMPLOYMENT BENEFITS (OPEB) AS RECOMMENDED BY THE ORDINANCE COMMITTEE AND AMEND TO ADD AND REPEAL THE CURRENT OPEB ORDINANCE IN ORDER TO REPLACE IT. ALL IN FAVOR (11-0) MAIN MOTION AS AMENDED PASSES.

VOTER COMMENT: None.

ANNOUNCEMENTS: Mr. Chaudhary praised the ordinance committee, thanked all. Mr. Honan thanked the ordinance committee for all their work. Mr. Knapp said shared workload for different process owners, thanked all. Ms. Llodra wished all on the ballot good luck.

ADJOURNMENT: There being no further business the meeting adjourned at 8:47 pm.

Respectfully Submitted,

June Sgobbo
Clerk

Attachments: Memo re Newtown state aid from the approved 2017-2018 state budget, Town of Newtown Intergovernmental Revenue, Town of Newtown Possible Special Appropriations to be Funded by an Increase in State Grant Revenue Estimates 2017-18, Town of Newtown 2017-18 (year one) CIP Project Approvals and Still to be Approved, Chapter 310. Capital Improvement Plan, Acquisition and Disposition of Property Ordinance, Pension and Other Post-Employment Benefits (OPEB) Ordinance.

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.

Memo re Newtown state aid from the approved 2017-2018 state budget.

The State of Connecticut has an approved budget for fiscal 2018. We now have knowledge of the amount of state aid which will come through various state grants, including ECS and Excess Cost, as well as other grant programs. As promised during our budget deliberations in March/April of this year, once the amount of state aid is known, decisions made during the budget development process are to be reviewed and modified as needed. Please consider the following.

- 1) The anticipated 'new' grant program for special ed which would have provided funds to Newtown BoE did not materialize. Spec Ed funding approach remains as was done in the past. The LC agreed to restore the \$1,032,000 to the BoE budget should there be no separate grant funding.
- 2) The LC developed a schedule of other areas for partial to whole restitution should the state budget provide more aid funds for Newtown than what was anticipated in the approved local budget (LC minutes April 5, 2017)*.

The approved state budget provides for \$2,052,293 more in aid than what was anticipated in the local budget.

Local Budget state aid = \$5,555,045; CT State Budget aid for Newtown = \$7,445,694

\$2,052,293

The \$2,052,293 to be reduced by \$1,032,000 (BoE special ed) and \$447,572 (m.v. assessment cap)

\$572,721 remains for appropriation action

Proposal: LC initiate a Special Appropriation request for \$1,032,000 for BoE special ed.

LC hold off on any further special appropriations from this aid until later in this fiscal year in order to provide flexibility in needing to address some unanticipated education expenses.

* LC resolved schedule of areas for reinvestment includes pension (\$188,000), roads (\$250,000), and repairs/maintenance for school facilities (135,000).

TOWN OF NEWTOWN

INTERGOVERNMENTAL REVENUE:

	<u>2017-18 budget</u>	<u>State Adopted</u>	<u>Variance</u>
2-101-02-140-4205-0000 INTERGOV - ELDERLY TAX RELIEF	107,000	-	(107,000)
2-101-02-140-4210-0000 INTERGOV - IN LIEU OF TAX, STATE	547,350	456,363	(90,987)
2-101-02-140-4215-0000 INTERGOV - VETERANS ADDITIONAL	19,000	19,000	-
2-101-02-140-4220-0000 INTERGOV - TOTALLY DISABLED	1,947	-	(1,947)
2-101-02-140-4225-0000 INTERGOV - GRANTS FOR	-	235,371	235,371
2-101-02-200-4235-0000 INTERGOV - STATE REVENUE	824,747	331,081	(493,666)
2-101-02-200-4240-0000 INTERGOV - MASHANTUCKET,	903,200	903,200	-
2-101-02-500-4230-0000 INTERGOV - TOWN AID FOR ROADS	470,708	470,708	-
2-101-02-500-4250-0000 INTERGOV - LOCAL CAPITAL	380,724	380,724	-
2-101-02-900-4255-0000 INTERGOV - EDUCATION COST	2,138,725	4,649,247	2,510,522
Location INTERGOVERNMENTAL	5,555,045	7,445,694	2,052,293

**TOWN OF NEWTOWN
 POSSIBLE SPECIAL APPROPRIATIONS TO BE FUNDED BY AN INCREASE IN STATE GRANT REVENUE ESTIMATES
 2017-18**

(rounded)

CT state grant excess over budgeted amount

2,052,000

Less - Motor vehicle tax loss due to 32.00 mill cap

(447,000) (a)

Amount available for special appropriations

1,605,000

Special appropriations (to be funded by an increase in state grant revenue estimates):

BOE line item - special education - due to expectation of additional state grants that did not come thru

1,032,000

BOE line item - pension

55,000

BOS - pension

133,000

BOS - roads

250,000

BOE line item - maintenance repairs

135,000

1,605,000

M.V. loss:

(a) M.V. assessment

239,343,366

tax on:

32.00 mill

7,658,988

33.87 mill

8,106,560

difference

(447,572)

Town of Newtown
2017-18 (year one) CIP Project Approvals and Still to be Approved

2017 - 2018 (YEAR ONE)				
<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount Requested</u>	<u>Approved at Referendum</u>	<u>Still to be Approved</u>
Capital Road Program	PW	1,000,000	√	
Bridge Replacement Program	PW	525,000		525,000
New Senior Center - Design & Construction	Sr Svs	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	√	
Town Sidewalk/Streetscape Plan	ECON DEV	200,000		200,000 *
Open Space Acquisition Program	LAND USE	250,000		250,000 *
<u>BOARD OF EDUCATION</u>				
Hawley School - Roof Replacement	BOE	850,000	√	
Middle School Improvements	BOE	1,800,000	√	
High School - Phase II Auditorium	BOE	750,000	√	
TOTALS		<u>9,919,000</u>		<u>2,219,000</u>

10/1/2016 GRAND LIST 3,165,000,000

ONE MIL 3,165,000

* - No project at this time.

LEGISLATIVE COUNCIL

WHEREAS, THE TOWN OF NEWTOWN STANDS TO LOSE \$3,814,563 IN REVENUE. NOW THEREFORE, BE IT RESOLVED: THAT THE LEGISLATIVE COUNCIL REDUCE EDUCATION COST SHARING GRANT REVENUE (PAGE 58 OF BOS BUDGET BOOK) BY \$1,500,000. BE IT FURTHER RESOLVED: THAT THE LEGISLATIVE COUNCIL REDUCE THE BOARD OF EDUCATION BUDGET LINE ITEM (PAGE 270 OF THE BOS BUDGET BOOK) BY \$1,031,481. THE \$1,031,481 REPRESENTS THE NET AMOUNT OF AN INCREASE IN SPECIAL EDUCATION GRANT OF \$2,408,508 AND THE ELIMINATION OF THE EXCESS COST SPECIAL EDUCATION GRANT OF \$1,377,027. IF THE FINAL ADOPTED STATE BUDGET DOES NOT INCREASE NEWTOWN'S SPECIAL EDUCATION GRANT BY \$1,031,481 THE LEGISLATIVE COUNCIL WILL MAKE THE BOARD OF EDUCATION WHOLE BY USING ANY RESULTING INCREASE IN THE (LC ADOPTED) ESTIMATED REVENUE – COST SHARING GRANT (ECS) LINE ITEM AND/OR OTHER BUDGETARY MEANS. SECOND BY MR. CHAUDHARY. Ms. Jacob asked Mr. Tait to show page 58 of the Board of Selectmen budget book and reviewed the Revenue Budget Detail and discussed possibilities in response to a reduction. Mr. Knapp said that the impetus of this resolution is the state proposed budget. He explained how revenue is realized, in the form of revenue or in the form of a grant. This resolution is a plan to anticipate both scenarios. Dr. Erardi said that in the worst-case scenario the Board of Ed stays flush. Ms. DeStefano said this is over and above cuts from the education sub- committee. Ms. DeStefano would have liked to see this resolution ahead of time, advance notice would be appreciated. Mr. Tait reviewed the what if scenarios, as requested by Ms. Jacob. Mr. Tait talked about what if scenario estimated intergovernmental revenues fall short after the budget has been approved by referendum and the what if scenario estimated intergovernmental revenues are greater after the budget has been approved by referendum. The whole point of this discussion is to be prepared with what if scenarios since the outcome of state's decisions will not be known until after the referendum. Mr. Chaudhary commented said that this works as long as we are able to fund the shortfall, referred to bond timing. Mr. Lundquist expressed concern over this resolution and sending a confusing message to the state and voters. Mr. Eide brought up the cap cut on motor vehicle tax, fund balance. RESOLUTION PASSES 9-3 (Opposed: Mr. Eide, Ms. DeStefano, Mr. Lundquist)

Budget Recommendations from Finance/Admin, Education and Municipal Operations Committees: (ATTACHMENT C)

MR. FILIATO MOVED THAT THE BOARD OF SELECTMEN BUDGET BE REDUCED BY \$133,030 IN THE PENSION FUND, \$63,630 IN THE MEDICAL SELF INSURANCE FUND, \$188,406 FROM THE DEBT SERVICE LINE ITEM, AND \$10,000 FROM THE OUTSIDE AGENCY EDMOND TOWN HALL FOR A TOTAL OF \$395,066. SECOND BY DAN WIEDEMANN. Mr. Filiato led the discussion regarding the pension fund reduction and medical self-insurance fund reduction. Mr. Eide questioned the risks involved. Mr. Ferguson commented on the backing off of prudent financial practices in recent years which may cause a need to reduce expenditures or increase revenues, possibly facing budget challenges for a few more years. MR. EIDE MOVED TO AMEND AND DIVIDE THE MOTION INTO TWO MOTIONS, ONE TO INCLUDE THE PENSION FUND AND MEDICAL SELF INSURANCE FUND, AND THE OTHER MOTION TO INCLUDE THE DEBT SERVICE LINE ITEM AND OUTSIDE AGENCY EDMOND TOWN HALL. SECOND BY MR. CHAUDHARY. ALL IN FAVOR. MR. FILIATO MOVED THAT THE BOARD OF SELECTMEN BUDGET BE REDUCED BY \$133,030 IN THE PENSION FUND AND \$63,630 IN THE MEDICAL SELF INSURANCE FUND FOR A TOTAL OF \$196,660. SECOND BY MR. LUNDQUIST. MOTION PASSES 10-2 (Opposed:

Chapter 310. Capital Improvement Plan

[HISTORY: Adopted by the Legislative Council of the Town of Newtown 3-6-1997; amended 9-18-2002. Subsequent amendments noted where applicable.]

§ 310-1. Goal.

A.

The goal of the Board of Finance in adopting this regulation is to:

(1)

Prioritize, on a Town-wide basis, proposed major capital projects.

(2)

Establish a consistent level of spending for such capital projects.

(3)

Integrate financial planning, budgeting and debt issuance for the Town.

(4)

Encourage careful project design.

B.

This Capital Improvement Plan (CIP) regulation hereby:

(1)

Creates a process by which the Board of Finance adopts a proactive position regarding the capital expenditures of the Town of Newtown.

(2)

Creates a process by which the Board of Finance identifies, prioritizes, evaluates, justifies, monitors, postpones or eliminates proposed capital expenditures.

(3)

Creates a process by which the Board of Finance and the Legislative Council work compatibly in enacting Subsections **B(1)** and **(2)**.

§ 310-2. Description; annual review.

The Capital Improvement Plan is Newtown's five-year program of major capital purchases of a nonrecurring nature. The CIP is based on assigned priorities which consider Town needs, desires, and mandates for various improvements and coincides with Newtown's current and anticipated financial capability to finance such improvements. The CIP shall be reviewed at least annually by the Board of Finance. The Board of Finance shall amend the CIP as required to address changing priorities and maintain the CIP at a five-year projection time frame.

Five Year Capital Improvement Plan (CIP)

The Capital Improvement Plan (CIP) is a five-year plan identifying the Town's capital outlay and improvement needs. As a long-range plan, the CIP reflects the Town's policy regarding future physical and economic development. By providing a planned schedule of public improvements, the CIP outlines present and future public needs and priorities. A capital improvement is defined as any expenditure for equipment, buildings, infrastructure, land acquisition, plan or project in which the cost exceeds 0.25% of the town budget for the year in which the request is made.

Capital project planning is an ongoing process. Each year the CIP document is updated. The need or idea for capital improvements can originate from the department heads, the First Selectman, the Superintendent of Schools, and boards and commissions. These items are compiled into this document and presented annually to the Board of Finance and Legislative Council. Once approved, the CIP outlines the Town's official commitment to funding these expenditures in the subsequent years budgets.

Adopting a CIP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates and changes in technology all require the CIP to be updated annually. The Town's public facilities, streets, parks, equipment, etc., are constantly in need of repair, replacement or expansion. A growing population will require additional or new facilities. These reasons require that the CIP be updated to maintain the financial solidity of the Town. The CIP achieves the following objectives as a component of the Town's budget and financial planning process:

- Reduces the need for "crash programs" to finance the construction of Town facilities.
- Focuses attention on community goals, needs and capabilities.
- Achieves optimum use of taxpayer dollars.
- Guides future community growth and development.
- Advance planning ensures that projects are well thought out in advance of construction.
- Provides for the orderly replacement of capital expenditures.
- Encourages a more efficient governmental administration as well as maintains a sound and stable financial program.

§ 310-3. Implementation and amendments.

The Board of Finance is hereby charged with the responsibility of implementing the goals expressed above in § 310-1 and all changes, additions and deletions to the CIP. In addition, among others, the Town Financial Director, First Selectman, Chairman of the Board of Education, Superintendent of Schools and Legislative Council members may advise the Board of Finance, but do not have voting privileges.

§ 310-4. Presentation of proposed purchases to Board of Finance.

Proposed purchases may be brought to the Board of Finance at any time; however, except for exigent circumstances as determined by the Board of Finance, purchases not presented in the Board of Selectmen or Board of Education yearly five-year CIP projection shall not be considered by the Board of Finance until the next June through October period. The Board of Selectmen shall submit its five-year projected CIP proposal at the first regularly scheduled Board of Finance meeting in August. The Board of Education shall submit its five-year projected CIP proposal at the first regularly scheduled Board of Finance meeting in June. The Board of Finance shall hold its review period from June through October.

§ 310-5. Eligible purchases and expenditures.

To be eligible for inclusion in the CIP, a proposed purchase shall have an estimated cost that is at least 0.25% of the Town budget for the year in which the request is made (excluding projects funded with LoCIP money). Listed below are some of the guidelines which would make a request eligible for inclusion in the CIP, assuming the proposed purchase meets the 0.25% requirement set forth above:

A.

Purchases requiring debt obligation.

B.

Acquisition or lease of land.

C.

Purchase of major equipment and vehicles with life expectancy of five years or more.

D.

Construction of new building facilities, including engineering, design and other preconstruction costs.

E.

Major building improvements that are not routine expenses, including those that substantially enhance the safety of the occupants of the building and/or the longevity of the building itself.

F.

Major equipment or furnishing required for a new building or other projects.

G.

Major studies requiring the employment of outside professional consultants.

§ 310-6. Process overview.

All requests for inclusion in the CIP will adhere to the following process and shall be submitted on a form as prescribed by the Town Financial Director:

A.

Each Town department shall submit to the Board of Selectmen a prioritized list of proposed capital purchases.

B.

The Board of Selectmen will identify, prioritize and approve, on a Town-wide basis, purchases it proposes to include in the CIP, excluding items requested by the Board of Education. The Board of Education will likewise identify, prioritize and approve purchases it proposes to be considered for placement on the CIP.

C.

The requesting agency or department will plan for and be responsible for funding any professional estimating for a project in their operational budget. If applicable, alternative sources of funding can and should be identified, such as the Cap Non-Recurring Account, and be reimbursed upon actual borrowing if appropriate.

D.

The Board of Selectmen and the Board of Education shall also include in the request(s):

(1)

The identification of any grants, revenues or reimbursements anticipated each year.

(2)

A financial impact statement as provided by the Town Financial Director.

E.

The Town Financial Director will review and compile the two lists to be presented to the Board of Finance.

F.

The Board of Selectmen and the Board of Education will then present their prioritized purchase requests to the Board of Finance.

G.

The Board of Finance will consider all requests made through this process and determine those that will be recommended for inclusion in the CIP and those that are to be rejected or postponed. If rejected, the proposed purchase can be resubmitted to the appropriate board at the first step of the process. If postponed, the request shall be reviewed by the Board of Finance with respect to its new priority level.

H.

The Board of Finance will prioritize, on a Town-wide basis, all requests it approves for inclusion in the CIP, and establish a time frame for proceeding with each purchase in view of the financial implications of such a purchase.

I.

The Board of Finance will forward its formal and approved recommendation to the Legislative Council by November 30. The Legislative Council may accept the plan in its entirety, reject any item or reduce any item in capital costs, or reduce any item in priority. Any new item addition, increase, decrease or change in proposed capital expenditure for an item by the Legislative Council shall be referred back to the Board of Finance for further review and recommendation with written comment by the Legislative Council as to its reasoning. Within a reasonable time thereafter, the Board of Finance will resubmit its recommended CIP plan, noting any changes it has made.

L.

The CIP plan approved by the Legislative Council shall be the single and final adopted CIP plan for the Town of Newtown; except, should the Legislative Council not return a proposed plan by the Board of Finance to the Board of Finance for further review within 60 days of its submission, and not pass the final CIP plan presented by the Board of Finance within 60 days of submission to the Legislative Council, the proposed CIP plan presented by the Board of Finance shall be the single and final adopted CIP plan for the Town of Newtown.

J.

Once the CIP is adopted by the Legislative Council, the projects identified for year one and their associated costs will be considered final in terms of bonding and any appropriation actions.

The Legislative Council shall apply the following guidelines when recommending capital items to be acted upon:

(1)

Capital items that are one phase of a multi-phase project that are expected to exceed Council authority in total should receive priority consideration for referendum

(2)

Significant consideration shall be given to the most costly of the remaining capital items and should go to referendum

(3)

Items that are time sensitive or a public safety concern should receive priority consideration for referendum

§ 310-7. Prioritization.

The Board of Finance shall consider the following criteria during its prioritization:

A.

The cost of the purchase.

B.

The impact of the purchase versus the benefit to the Town.

C.

The year it will be implemented.

D.

The source of financing.

E.

The impact on future operating budgets.

F.

The benefit or risk to the Town should the purchase not be made.

§ 310-8. Town budget.

All purchases which are proposed for the ensuing fiscal year and included in the final CIP by the Legislative Council shall be included as proposed expenditures in the budget presented to the Board of Finance. Except for exigent circumstances, any capital improvement expenditure that falls within § 310-5 of this plan regulation and is not contained in the CIP shall not be considered for implementation.

310-9. Capital Project Process

The processes used to authorize bonding and appropriations for a capital project are controlled by a series of checks and balances exercised by the executive, finance, and legislative arms of Town government. These processes are established to ensure that each project with significant costs is evaluated and examined by persons elected to represent the best interests of the community. Every project accepted into the Capital Improvement Plan, as approved by the Board of Selectmen, Board of Finance, and Legislative Council is subject to the same rigorous review. Except for emergency situations, a consistent and documented process should be used to advance every capital project from inception to execution by its requesting agent.

Projects approved for inclusion in the Capital Improvement Plan typically progress from the introductory phase in year 5 to execution phase in year 1. Projects in Year 1 on the Capital Improvement Plan are intended for implementation during that fiscal year. Capital Projects to be implemented must go through the Bonding and Special Appropriations processes, as determined by the Charter, section 6-30.

Steps in this process for projects readying for implementation include:

Bonding funds for requested Capital Projects:

1. The Director of Finance causes a bonding resolution to be prepared. The resolution will identify the funds being requested and the purpose of those funds. The Department with ownership of the proposed project initiates this process through contact with the Director of Finance;
2. The bonding resolution to fund the proposed project is submitted to Board of Finance for discussion/action;
3. If approved by the Board of Finance, that bonding resolution is then submitted for Legislative Council discussion/action;
4. If approved by the Legislative Council, the resolution is then submitted to Board of Selectmen for discussion/action.

Appropriating funds for projects for which bonding has been approved follows these steps:

(Greater detail about the process for appropriating funds for capital projects is described in the Charter, sec. 6-30.)

1. A special appropriation request for a Capital Project is prepared by the Director of Finance in concert with the requesting department;
2. The appropriation request is submitted to the Board of Finance for discussion and action;
3. If approved, the appropriation request then moves to the Legislative Council;
4. The appropriations request may also be acted on by the Board of Selectmen, a Town Meeting or Referendum, depending upon the magnitude of funds requested as per Charter.

Management/Oversight of Capital Projects:

The Public Building and Site Commission shall have control of supervision and construction of capital projects. Should the Public Building and Site Commission determine that it is unable to take on this responsibility, then other building committee or owner's representative may be appointed by the Selectmen or the Board of Education.

- a. The PB&S Commission or 'other' authorized building committee establishes appropriate advisory committees; prepares and issues appropriate RFQs and RFPs; selects professionals and develops contracts with attorney and purchasing agents input;
- b. Contracts in conjunction with all such capital projects shall be authorized by the First Selectman, with approval of the Board of Selectmen or Board of Education.

Project planning and bidding:

Once the Special Appropriation process is complete and approved by the appropriate levels of government, assignment of the project to the Public Building and Site Commission or 'other' building committee may take place, followed by project planning, including the issuance of public bids.

**** A Charter change proposal to be voted on in 2015, calls for project approval to be included in the annual Budget Referendum. If this Charter change is enacted, then the Bonding and Appropriations processes detailed about above will be modified accordingly.**

Acquisition and Disposition of Property Ordinance

§ 456-1 Purpose

A. The purpose of this chapter is to supplement chapter 8 of the Newtown Charter as provided for in Section 8-01(b) thereof, as to all processes and procedures for the acquisition and/or disposition of Real Property, and those properties or leases excluded from the term "Real Property" in Section 8-01(a)(1) of the Charter.

§ 456-2 Definitions

Definitions: As used in this chapter, the terms "Real Property," "Acquisition," and "Disposition" shall have the meanings defined in the Charter section 8-01 (General Provisions).

§ 456-3 Acquisition of Real Property

- A. If the acquisition of Real Property is a result of non-payment of taxes and gifts:
- (1) The property shall be sold unless the Board of Selectman identifies a specific use for the Real Property or gift and so informs the Legislative Council.
 - (2) If the Board of Selectman identifies a proposal for an alternate use of property, the Legislative Council shall vote on the proposal within 60 days from the date the proposal is presented to it.

§ 456-4 Leasing of Real Property

- A. All leases shall be negotiated by the First Selectman, with the final, written version subject to approval by the Board of Selectmen. The proposed lease shall be executed by the First Selectman and the tenant or the landlord, as the case may be, conditioned on the actions set forth below in subsections (c) and (d).
- B. Before negotiations commence, the First Selectman shall obtain a written opinion by a licensed real estate appraiser of the fair market rent for the real property in question for the proposed term and a financial impact statement from the Finance Director. Where the term of the proposed lease and all options to renew are for 5 years or less, whether or not to obtain an opinion of fair market rent shall be up to the discretion of the First Selectman.
- C. If the Board of Selectmen votes to approve the proposed lease, and it conforms with all Planning and Zoning regulations, an outline of the lease including, without limitation, the rent and term, and all options, shall be forwarded to the Legislative Council for a public hearing to be scheduled pursuant to Section 7-163e of the General Statutes. The lease shall not be executed prior to said public hearing.
- D. Following the hearing set forth in subsection (c) a majority vote of the Legislative Council to enter into the proposed lease is required if the term of the proposed lease, including all options to renew, are for more than 5 years.
- E. The power to enter into leases of space in the Edmond Town Hall is governed by Special Act 98 of the 1931 Session of the Connecticut General Assembly.

§ 456-5 Procedure in determining property valued under \$20,000, or leaseholds under 5 years in duration, and disposition

A. Transferred property valued less than \$20,000 is exempt from procedures outlined in 8-05 and 8-10 of the Charter; therefore, the following procedures shall be followed in determining the property value:

through a review and approval of A-2 surveys and property value assessments by the Land Use Agency,

(1) If the transfer of land between two properties is equal then the determination of the transferred property value shall be zero.

(2) If the transfer of land between two properties is not equal, the value of the land shall be determined by the net increase or decrease in the assessment of the property.

(3) If the acquisition or disposition of property involves the transfer of a parcel, the property value shall be determined by the assessed value of the property on the most recent Grand List.

B. The First Selectman shall have the final approval of transferred property valued less than \$20,000 and leaseholds under 5 years in duration.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) ORDINANCE

Chapter 33, Article I of the Code of the Town of Newtown is repealed and the following is substituted in lieu thereof:

§ 33-1. Title, Purpose and Severability

ATTACHMENT E

- A. This article is enacted pursuant to § 2-255 of the Newtown Town Charter and § 7-450(b) of the Connecticut General Statutes, and shall be known and may be cited as the "Pension and Other Post-Employment Benefits (OPEB) Ordinance".
- B. The purpose of the pension, retirement or other postemployment health and life benefit systems of the Town of Newtown are to provide retirement benefits to eligible Town of Newtown officers and employees and their beneficiaries.
- C. As used in this article, the term "Pension and OPEB Committee" shall be defined as the Pension Committee for purposes of section 2-255 of the Newtown Town Charter, and the Other Post-Employment Benefits Committee for the Other Post-Employment Benefits Trust created and established by the Town of Newtown in Ordinance No. 92 adopted by the Legislative Council on or about October 7, 2009 (the "OPEB Trust"), which shall continue to exist and, except as specifically provided for herein, shall not be affected by the enactment of this article.
- D. The provisions of this article are declared to be severable and the invalidity of any portion thereof shall not affect the validity of the remainder.

§33-2 Pension and OPEB Committee; Duties

- A. The Pension and OPEB Committee shall serve in an advisory role with respect to the administration and investment oversight of assets of the pension, retirement or other postemployment health and life benefit systems of the Town of Newtown. The members of the Pension and OPEB Committee shall receive no compensation for serving.
- B. The Pension and OPEB Committee shall provide guidance and insight into the provisions of the retirement benefits system plans (the "Plans") and monitor and report to the trustees (the "Trustees") of trusts established to hold and invest the assets of such retirement benefits systems (the "Trusts").
- C. The Pension and OPEB Committee shall perform the duties set forth in the Pension and OPEB trust agreements, as amended from time to time, relating to the management of the assets held in the Trusts.
- D. The Chairman of the Pension and OPEB Committee and the Town's Personnel Administrator, as co-trustees of the OPEB Trust, shall perform the duties set forth in the OPEB Trust agreement, as amended from time to time, relating to the care and custody of all funds held in the OPEB Trust, and shall have the power, with the approval of the OPEB Trust, and shall have the power, with the approval of the Pension and OPEB Committee, to invest such funds in securities legal for investment for such trust fund.

§33-3 Pension and OPEB Committee; Duties Composition and Meetings

- A. The members of the Pension and OPEB Committee shall have the following responsibilities:

PENSION AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) ORDINANCE

- i. Serve as advisors to the Trustees with respect to the selection of appropriate investment vehicles in line with the relevant investment policy statement for each Plan.
- ii. Evaluate investment vehicles and their risk parameters, monitor investment returns, make recommendations to the Trustees regarding expanding or decreasing investment selections as appropriate to protect the assets of the Plans and periodically report the investment performance of Plans and trusts established to hold and invest the assets of the Town of Newtown retirement benefits systems.
- iii. Ensure that the relevant investment policy statement for each Plan, along with other policy guidance and directives outlined by the Trustees, are properly implemented.
- iv. Review quarterly reports of the Plans and trusts established to hold and invest the assets of the Town of Newtown retirement benefits systems with respect to the status and value of each Plan's assets and report any exceptions or major variances to the Board of Selectmen.
- v. Monitor the performance of each Plan's investments quarterly. Meet with the investment consultant of each Plan to review and discuss Plan performance and report to the Board of Selectmen.
- vi. Discharge their duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing and to comply with the ERISA (Employee Retirement Income Securities Act) fiduciary standards and the prudent investor rule as set forth in *Conn. Gen. Stat.* § 45a-541 to § 45a-541i, inclusive.
- vii. Meet with the Board of Selectmen, not less than annually, to review the status of the Plans' investments, performance, investment policy statement, actuarial assumptions, funding policy and any changes that the Pension and OPEB Committee, in consultation with the Plans' actuary, investment consultant and/or Trustees, might feel appropriate to suggest.
- viii. Establish procedures, with approval of the Trustees, for coordinating a search for actuary(s), custodians(s), investment manager(s), consultant(s), and other service providers as necessary and advisable in consultation with the Plans' investment consultant and the Trustees.

B. Composition of Pension and OPEB Committee Members; Appointment; Terms;

- i. There shall be six volunteer members of the Pension OPEB Committee appointed by the First Selectman, with the approval of the Board of Selectman with a preference for those volunteers who have relevant expertise and backgrounds in one or more of the following disciplines: finance, healthcare, employee benefits, human resources, insurance, legal, investments and trustee/custodian.
- ii. A seventh volunteer member of the Pension and OPEB Committee shall be a representative of the Newtown Police Union, Local #3152, Council

PENSION AND OTHER POST-EMPLOYMENT BENEFITS (OPEB) ORDINANCE

#15, AFSCME, AFL-CIO (the "Police Union"). The member representative of the Police Union shall be appointed by the First Selectman, with the approval of the Board of Selectmen after receiving recommendations from the Police Union. The Pension Committee, including the member representative of the Police Union, shall constitute the "Police Pension Committee" under the collective bargaining agreement between the Town of the Newtown and the Police Union, as the same may be amended from time-to-time. If at any time such agreement does not require a member representative of the Police Union on the Pension and OPEB Committee, then the preceding provisions of this paragraph (B)(ii) shall have no legal affect and the seventh member of the Pension and OPEB Committee shall be appointed pursuant to the preceding paragraph (B)(i).

- iii. Members of the Pension and OPEB Committee shall be appointed to serve a two-year term. Upon the enactment of this Article, the First Selectman, with the approval of the Board of Selectman shall appoint three members for a one-year term in January 2018, and three members for a two-year term. The member representative of the Police Union shall serve a two-year term.

C. Pension and OPEB Committee Chairman, Vice Chairman, Clerk

- i. The Pension and OPEB Committee shall elect a Chairman and a Vice Chairman to serve for a term of one-year.
- ii. The Chairman shall preside at meetings and public hearings. The Vice Chairman shall preside at all meetings and public hearings in the Chairman's absence.
- iii. The Pension and OPEB Committee shall utilize a clerk whose responsibility is the taking of minutes at all meetings, type and file minutes with the Town Clerk, distribute to Pension and OPEB Committee members and perform all other clerical or recording services for the Pension and OPEB Committee.

D. Pension and OPEB Committee Meetings

- i. The Pension and OPEB Committee shall meet quarterly and at other times as the Chairman deems necessary.
- ii. The Chairman shall prepare an agenda prior to each meeting of the Pension and OPEB Committee. The Clerk shall distribute the agenda to each Pension and OPEB Committee member.