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TOWN OF NEWTOWN

TOWN OF NEWTOWN LEGISLATIVE COUNCIL MEETING

OCTOBER 4, 2017

7:30 PM

NEWTOWN MUNICIPAL CENTER, NEWTOWN, CT

PRESENT: George Ferguson, Chris Eide, Neil Chaudhary, Judit DeStefano, Ryan Knapp, Paul Lundquist, Dan Amaral, Tony Filiato, Dan Wiedemann, Dan Honan.

ABSENT: Phil Carroll, Mary Ann Jacob.

ALSO PRESENT: First Selectman Pat Llodra, Finance Director Bob Tait, First Selectman Candidate Andy Clure, District 2 Legislative Council Candidate Jordana Bloom, 3 public.

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

VOTER COMMENT: None.

MINUTES: MR. FERGUSON MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 20, 2017 MEETING. SECOND BY MR. HONAN. ALL IN FAVOR. (10-0) MOTION PASSES.

COMMUNICATIONS: None.

COMMITTEE REPORTS: None.

FIRST SELECTMAN'S REPORT: Ms. Llodra indicated that there is no state budget, a pending law suit to challenge aspects of the Governors authority. Ms. Llodra referred to the challenges of the next Town administration, boards, and councils regarding uncertain revenue stream, state funding. Ms. DeStefano asked about the high school auditorium project, accountability, and to comment on a hold regarding contract payment due to the consulting firm. Ms. Llodra said that the execution of contract by owner's rep came into question and will have legal review in an executive session. She said they will look at accountability, remedies, be outcome driven, maintain a professional stance. The auditorium is not monitored by the Board of Selectman. Mr. Knapp asked Ms. Llodra to speak to the process of accounting and management. Ms. Llodra said Mr. Tait are the purchasing agents and to make sure the bond is written correctly with the amount of money committed, the user is responsible for overseeing the work, in this case, the Board of Education. Ms. Llodra said that Public Building and Site is an agency to oversee that the job is executed according to specs and will be needed to help make determination.

NEW BUSINESS:

Debt Policy:

MR. KNAPP MOVED TO ACCEPT CHANGES TO THE NEWTOWN DEBT POLICY AS PROPOSED BY THE FINANCE COMMITTEE. SECOND BY MR. FILIATO. (Attachment A)

Mr. Lundquist asked Mr. Ferguson to highlight differences. Mr. Ferguson began by thanking and acknowledging Mr. Filiato's work on the changes to the debt policy. The committee took this up in summer 2016, worked on it for a few months, handed over to Board of Finance, pushed back due to priorities, this past summer they decided they were not going to act on it. Made minor changes to the policy, not changed dramatically, most specific change is the debt policy from one number down, go to 9, some conversation around 8, but 9 gives us a buffer, puts the Town in the right direction, goal is to get to around a benchmark of 8.5 as of 2023. Mr. Ferguson reached out to Mr. Tait regarding debt service indicators, specified specific metrics to look at as a community comparisons, ratio and grand list, a few more metrics, more work to be done in comparison. Mr. Filiato spoke to changes reflected in Section V. Mr. Knapp supports this change, debt service indicators are important, provides context around borrowing, where Newtown stands around other communities, and to make informative decisions, regarding debt service codifies it, look at changing how the project is funded, go from borrowing to saving.

Mr. Filiato added that Mr. Tait charted out Newtown's debt service, 8.5 goal can be attained, based on this path.

Ms. DeStefano questioned setting the goal now. Mr. Knapp said that we have always had an informal role, getting debt service down, this change carries that forward and sends a message to constituents and rating agencies, to keep debt relatively flat, people are cognizant of debt.

Mr. Filiato said that this policy will have an impact with the rating agencies. He pointed out that Council can change, looked at every two years, can be reviewed at will.

Mr. Wiedemann asked how much the general fund has grown. Mr. Tait replied without specifics in front of him, that it has not grown much.

Mr. Lundquist said that with this approach, it is a reasonable goal.

Mr. Wiedemann commented to be more aggressive 5 years in the future.

Ms. Llodra said that one of the metrics that is very compelling is the debt load per person, per capita debt load. Mr. Lundquist said to that point, although it was not a driver, but will be a metric to continue to consider in the future. Ms. Llodra said the target could be to personalize the metric more. Mr. Eide replied that debt load per capital may not be a good measure.

Mr. Chaudhary agreed with the change, it is prudent to go slow to achieve results.

Ms. DeStefano said she is more comfortable with 9 than 8.5 in the future, she is less inclined to support the motion as a whole and asked to make a motion to split into two votes. In order to do that, she could offer to amend the motion to strike the 5 year goal. MS. DESTEFANO MOVED TO AMEND THE MOTION TO STRIKE THE 5 YEAR GOAL. SECOND BY MR. EIDE. Mr. Lundquist said that he understands Ms. DeStefano's point, but had a concern that would be constraining, Mr. Tait provided confidence in the planning. Mr. Knapp said that he supports the original motion, it codifies current practice, recognizes pressures of BoS and BoE with different wants and needs, only reason to remove it if it was to see to increase Town bonding which he does not support. MOTION TO AMEND FAILS. (7-3)

(Mr. Eide, Ms. DeStefano, Mr. Amaral) MOTION TO ACCEPT CHANGES TO THE NEWTOWN DEBT POLICY AS PROPOSED BY THE FINANCE COMMITTEE. ALL IN FAVOR. (10-0)
MOTION PASSES.

LEGISLATIVE COUNCIL

CIP Policy:

MR. KNAPP MOVED TO SEND THE BOARD OF FINANCE RECOMMENDED REVISIONS TO THE CAPITAL IMPROVEMENT POLICY (CIP) TO THE LEGISLATIVE COUNCIL FINANCE COMMITTEE. SECOND BY MS. DESTEFANO. (Attachment B) Mr. Ferguson suggested to run by legal, then charter, non-substantial in language. ALL IN FAVOR. (10-0) MOTION PASSES.

Sidewalk:

MR. KNAPP MOVED A RESOLUTION AMENDING A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$904,000 FOR THE PLANNING, DESIGN, ENGINEERING, AND CONSTRUCTION OF PEDESTRIAN SIDEWALK IMPROVEMENTS PROJECT AND AUTHORIZING THE ISSUANCE OF \$150,000 BONDS (CALCULATED AS \$904,000 MINUS \$723,200 IN STATE AND FEDERAL GRANTS MINUS \$30,800 IN LOCAL SOURCES) OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE. SECOND BY MR. CHAUDHARY. (Attachment C) Mr. Tait spoke to the details, mostly a federal grant, if approved next will be a transfer of contingency, none of it is bonding. ALL IN FAVOR. (10-0) MOTION PASSES.

OLD BUSINESS:

Acquisition and Disposition of Real Property Ordinance:

MR. KNAPP MOVED TO SEND TO PUBLIC HEARING THE ACQUISITION AND DISPOSITION OF REAL PROPERTY ORDINANCE. SECOND BY MR. HONAN. (Attachment D) Mr. Knapp reviewed the details, difference in two small changes, language change, Attorney Grogins agreed. ALL IN FAVOR. (10-0) MOTION PASSES.

VOTER COMMENT: None.

ANNOUNCEMENTS: None.

ADJOURNMENT: There being no further business the meeting adjourned at 8:56 pm.

Respectfully Submitted,

June Sgobbo
Clerk

Attachments: Newtown Debt Policy 092017 redline, CIP Document with LC and BoF v3, Amended Resolution \$932K Pedestrian Sidewalk (2017), Sidewalk Amendment spreadsheet, 456-1 Acquisition & Disposition of Property 10-4-17, 10-3-17.

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.

**TOWN OF NEWTOWN, CT
DEBT MANAGEMENT POLICY**

I. PURPOSE

The purpose of this policy is to establish parameters and provide guidance governing the issuance, management, continuing evaluation of and reporting on all debt obligations issued by the Town of Newtown.

Debt obligations, which include general obligation bonds, special assessment bonds, revenue bonds, bond anticipation notes, lease/purchase agreements and any other debt obligations permitted to be issued under Connecticut law shall only be issued to purchase capital assets that cannot be acquired with current revenues.

II. POLICY STATEMENT

Under the requirements of Federal and state laws and Town Charter provisions, ordinances and resolutions, the Town may periodically issue debt obligations to finance the construction or acquisition of infrastructure and other assets or to refinance existing debt. It is the Town's goal to assure that such debt obligations are issued and managed in such a manner as to obtain the best long-term financial advantage to the Town and its residents, while making every effort to maintain and improve the Town's bond ratings and reputation in the investment community.

III. RESPONSIBILITY FOR POLICY

The Director of Finance shall be responsible for issuing and managing the Town's debt program. In carrying out this policy, the Director shall periodically:

1. Consider the need for debt financing based upon the approved Capital Improvement Plan.
2. Review the Town's adherence to this policy statement and compare the debt ratios established in this policy with where the Town actually is.
3. Review the Town's authorized but unissued debt to determine if any authorizations are no longer needed.
4. Determine if there are any opportunities for refinancing current debt.
5. Review every three years the services provided by the Town's financial advisor, bond counsel, paying agents and other debt financing service providers.

The Director of Finance shall report his/her findings to the Board of Selectmen, Board of Finance and Legislative Council in the September/October time period of each year, during the Town's review and formulation of the Capital Improvement Plan.

IV. GENERAL DEBT GOVERNING POLICIES

The Town hereby establishes the following policies concerning the issuance and management of debt:

- A. The Town shall not issue debt obligations or use debt proceeds to finance current operations of the Town.

- B. The Town will utilize debt obligations only for acquisition, construction or remodeling of capital improvement projects that cannot be funded from current revenue sources or in such cases wherein it is more equitable to the users of the project to finance the project over its useful life.
- C. The Town will measure the impact of debt service requirements of outstanding and proposed debt obligations on single year, five, ten, and twenty-year periods.

V. DEBT POLICIES, RATIOS AND MEASUREMENT

- A. Purposes of Issuance – the Town shall only issue debt obligations for acquiring, constructing or renovating Town owned fixed assets; capital equipment as defined within 3.10-5 of the Capital Improvement Plan (“CIP”); or for refinancing existing debt obligations.
- B. Maximum Maturity – All debt obligations shall have a maximum maturity of twenty years. The estimated useful life of the Capital Improvement being financed should be considered when determining the maturity of debt. In the event debt obligations are being issued to refinance outstanding debt obligations the final maturity of the debt obligations being refinanced shall remain the same maturity.
- C. Direct Debt Per Capita – An analysis of this debt ratio should be made each year. It should be looked at in context with other related ratios (mentioned). A comparison should be made with other similar rated Connecticut towns. The Direct Debt Per Capita shall be calculated by dividing the Town’s direct debt by the most current population figure.

Ratio of General Fund Total Bonded Debt to Taxable Net Grand List – An analysis of this debt ratio should be made each year. It should not go beyond 3%. An increasing ratio of debt to net grand list (over several years) is not desirable.

- D. Average Maturity of General Obligation Bonds – the Town shall have at least 50% of outstanding general obligation bonds mature in less than ten (10) years.
- E. Debt Service Levels – The Town ~~will~~ adhere to a debt management ~~cap~~strategy that ~~achieves the goal of~~ limiting annual ~~G~~general ~~F~~fund debt service to no more than 9.08% of the total General Fund budget. In addition, the Town will set a goal of limiting annual General Fund debt service to no more than 8.5% of the total General Fund budget by July 1, 2023.
- F. Net Present Value Savings – The Town must achieve a Net Present Value Savings of at least 2 percent over the life of an existing bond issue in order for it to be considered for refunding.
- G. Bond Covenants and Laws – The Town shall comply with all covenants and requirements of the bond resolutions, and state and Federal laws authorizing and governing the issuance and administration of debt obligations.
- H. If the debt management indicators fall below the recommended levels the finance director shall recommend and submit to the Board of Finance for approval a plan to bring the debt management indicators to their appropriate levels within a specific time frame.

This policy shall be reviewed, at minimum, on a biennial basis during the month of January in each odd numbered year.

VI. DEBT SERVICE INDICATORS

- A. The Town's debt burden will be compared to Towns:
 - i. in the immediate vicinity of the Town, including Bethel; Brookfield; Danbury; Monroe; New Fairfield; New Milford; Oxford; and Southbury;
 - ii. with the same bond rating; and
 - iii. to Towns with the same District Reference Group ("DRG").

- B. The Town recognizes that the below ratios are useful guides but not the exclusive means by which it should measure debt burden:
 - i. Ratio of debt to equalized net Grand List;
 - ii. debt per capita;
 - iii. per capita income;
 - iv. median household income
 - v. debt per capita as a percentage of per capita income;
 - vi. debt per capita as a percentage of median household income

The Town will employ data taken from the latest State of Connecticut Municipal Fiscal Indicators Report to compile the above ratios and develop trend lines from same.

- VII. This policy shall be reviewed, at minimum, on a biennial basis during the month of January in each odd numbered year.

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Approved by the Legislative Council: **January 20, 2016**

ATTACHMENT B

This document integrates the language of the 3/2015 LC approved CIP and the 7/2017 approved BoF CIP. The text in black is the 3/2015 LC document. The text in blue are material changes and/or large sections from the 3/15 LC text that were not seen during the recently completed BoF review. The text in red is added wherever the BoF 7/2017 document differs.

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.

The term 'Town-wide' shall include both the Municipal and Education-side needs.

(2)

Establish a consistent level of spending for such capital projects.

Establish a financially prudent level of spending for such capital projects.

(3)

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

(4)

Encourage careful project design.

Encourage thoughtful, economical and prudent 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.

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

(2)

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

Creates a process by which the Board of Finance and Legislative Council identifies, categorize, prioritize, 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)

Creates a process by which the Board of Finance and Legislative Council work compatibly in enacting Subsections 310-1A and B.

310-2. Description; annual review.

Five Year Capital Improvement Plan (CIP)

~~The Capital Improvement Plan is Newtown's Town-wide, five-year strategy regarding major capital expenditures. The CIP is based on assigned priorities that consider Town-wide need, desires and mandates for various improvements and coincides with Newtown's current and anticipated ability 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 timeframe. (We maintained the old language.)~~

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 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.

The Board of Finance and Legislative Council, in accordance to the methods and procedures contained herein, are hereby charged with the responsibility of implementing the goals expressed above in Section 310-1 and all changes, additions and deletions to the CIP. In addition, the Town Financial Director, First Selectman, Chairperson of the Board

of Education, and Superintendent of Schools may advise the Board of Finance and Legislative Council, 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.

310-4 Presentation of Proposed Capital Projects to the Board of Finance

The Board of Selectman and Board of Education shall submit its five-year projected CIP proposal no later than the first regularly scheduled Board of Finance meeting in September. The Board of Finance shall hold its review period from September through November. Except under exigent circumstances, capital projects not presented in that year's CIP by the Board of Selectman or Board of Education shall not be considered until the next year's CIP review.

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. 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:

To be eligible for inclusion in the CIP, a proposed capital project shall have an estimated cost that is at least 0.25% of the Town-wide budget for the year in which the request is made (LoCip language redacted) and meet, but not be limited to, one or more of the guidelines set forth below:

A.

Purchases requiring debt obligation.

Capital projects requiring debt obligations;

B.

Acquisition or lease of land.

Acquisition or lease of real property;

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 project.

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:

All requests for inclusion in the CIP shall 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.

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

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 GIP.

The Board of Selectman shall identify, categorize, prioritize and approve Municipal capital projects to include in the CIP proposal. Likewise, the Board of Education shall identify, categorize, prioritize and approve Educational capital projects to include the CIP proposal.

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 shall be reimbursed upon actual borrowing if appropriate.

C.

The Board of Selectmen and the Board of Education shall also include in the CIP 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.

D.

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

The town's Financial Director will review and compile two lists (Municipal and Board of Education) for presentation to the Board of Finance. The comprehensive Town-wide CIP should reflect complete financial impacts by project including, but not limited to: total project cost net of applicable grants, estimated bond interest, potential revenue, and potential cost avoidance.

E.

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

F.

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.

The Board of Finance shall consider all capital project requests made through this process and determine those that shall be recommended for inclusion in the CIP and those that are to be rejected or postponed. If rejected, the proposed project may be resubmitted by the appropriate board at the next annual CIP process initiation. If a proposed capital project is approved but postponed to a later date within the CIP five-year plan the request shall be reviewed by the Board of Finance with respect to its new priority level.

G.

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

The Board of Finance shall prioritize, on a Town-wide basis, all requests it approves for inclusion in the CIP and establish a timeframe for proceeding with each capital project.

H.

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 GIP plan, noting any changes it has made.

The Board of Finance shall forward its recommendation to the Legislative Council by the first regular meeting of the Legislative Council in December. The Legislative Council may accept the plan in its entirety, reject any item, postpone any item, reduce any item, or change any priority. Any increase in proposed capital expenditures for a capital project shall be referred back to the Board of Finance for further review and recommendation with written comment from the Legislative Council to explain its reasoning and rationale. Within thirty days of receipt by the Board of Finance of said written comment, the Board of Finance shall resubmit its recommended five-year CIP plan, noting any changes it has made.

Within the recommended CIP from the Board of Finance to the Legislative Council, the proposal shall include which of the capital projects in the first year of the five-year plan will go to referendum and which projects will be approved by the Legislative Council outright. Board of Finance and Legislative Council considerations relative to referendum and approval outright shall include those issues identified in Section 310-7. Should the Legislative Council fail to approve the referendum items and/or the first year of the five-year plan recommended by the Board of Finance it shall return its recommendation to the Board of Finance with written comment to explain its reasoning and rationale. The Board of Finance shall have thirty days from receipt of said written comment to make further recommendations to the Legislative Council. Thereafter, the Board of Finance shall have no further recommendations on the issue.

I.

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.

The Board of Finance and Legislative Council shall use the following Charter identified rules when recommending capital items for referendum to the Legislative Council:

(1)

The Legislative Council, under its own authority, may approve for bonding capital items that, in total, are equal to or less than the value of 1mil (approximately \$3 million based on the existing GrandList).

(2)

Any capital item that is larger than \$1.5 million must go to referendum.

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 Board of Finance and Legislative Council shall apply the following guidelines when recommending capital items to be acted upon by the Legislative Council:

(1)

Capital items that are one phase of a multi-phase project should normally go to referendum.

(2)

Significant consideration shall be given to the most costly of the remaining capital items in the capital plan and should go to referendum in consideration of the intent of the Charter to give voice to the voters.

(3)

Items that are time sensitive, needing near-term action, should go to referendum.

(4)

The Board of Finance and Legislative Council should act on items that are of a public-safety concern and should receive the highest priority using the most immediate means to address the issue whether by automatic approval or referendum.

310-7. Prioritization.

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

A.

The cost of the purchase.

The cost of the capital project

B.

The impact of the purchase versus the benefit to the Town

C.

The year it will be implemented

D.

The source of financing

The source of financing relative to the Debt Service Policy guidelines

E.

The impact on future operating budgets

F.

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

G.

The start and completion timing of the capital project in terms of efficiencies, practicalities and/or coordination with other capital projects

H.

The need for the capital project

310-8. Capital Project Process

The processes used to authorize bonding and ~~appropriations for~~ managing 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, as described in the charter, 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, sections [6-35 E](#) and [7-100](#).

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. —~~

Section 310-8 Legislative Council's Return of the Five-year CIP to the Board of Finance

The CIP approved by the Legislative Council shall be the single and final adopted CIP for the Newtown town-wide body. Should the Legislative Council fail to return a proposed plan by the Board of Finance for further review within sixty days of its submission and fail to pass the final CIP with referendum recommendations, then the Board of Finance recommendations shall be the single and final adopted CIP Plan for Newtown town-wide. Should the Board of Finance fail to act on the CIP within the time frame expressed in Section 310, the Legislative Council shall act without input from the Board of Finance.

Section 310.9 CIP and Budget Timing

All capital projects **that** 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 for the upcoming fiscal year. Except for exigent circumstances, any capital improvement expenditure that falls within Section 310-5 of this plan regulation and is not contained in the CIP shall not be considered for implementation until the next CIP cycle.

A RESOLUTION AMENDING A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$904,000 FOR THE PLANNING, DESIGN, ENGINEERING, AND CONSTRUCTION OF PEDESTRIAN SIDEWALK IMPROVEMENTS PROJECT AND AUTHORIZING THE ISSUANCE OF \$150,000 BONDS (CALCULATED AS \$904,000 MINUS \$723,200 IN STATE AND FEDERAL GRANTS MINUS \$30,800 IN LOCAL SOURCES) 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 "A Resolution Providing For A Special Appropriation In The Amount Of \$904,000 For The Planning, Design, Engineering, And Construction Of Pedestrian Sidewalk Improvements Project And Authorizing The Issuance Of \$150,000 Bonds (Calculated As \$904,000 Minus \$723,200 In State And Federal Grants Minus \$30,800 In Local Sources) Of The Town To Meet Said Special Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose", approved at a Special Town Meeting held April 18, 2016 (the "Resolution") is hereby amended by increasing the appropriation therein, thereby making said Section 1 read as follows:

"Section 1. The sum of \$932,000 is a special appropriation made pursuant to Chapter 6, Section 6-30 (a), (b) and (c) of the Town Charter of the Town of Newtown (the "Town") for the planning, design, engineering, and construction of pedestrian sidewalk improvements, including, but not limited to 5,900 LF feet of new ADA compliant sidewalk along South Main Street between Glover Avenue and Mile Hill Road; and along Mile Hill Road between South Main Street and Trades Lane, 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. The first sentence of Section 2 of the Resolution is hereby amended to read as follows: To meet said appropriation, \$150,000 bonds of the Town (calculated as \$932,000 minus \$745,600 in State and Federal grants and \$36,400 in local sources), or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the maximum maturity permitted by the General Statutes of the State of Connecticut, as amended from time to time (the "Connecticut General Statutes").

Section 3. 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.

PEDESTRIAN SIDEWALK IMPROVEMENTS PROJECT:

	<u>Original**</u>	<u>Amendment</u>	<u>Amended</u>
State & Federal Grants	723,200	22,400	745,600
Bonds	150,000		150,000
Local Source (contingency)	30,800	5,600	36,400
Total	904,000	28,000	932,000

** - approved

§ 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 potentially 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

§ 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 for property valued under \$20,000 or leaseholds under 5 years in duration

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 for properties valued under \$20,000 or leaseholds under 5 years in duration:

- (1) The proposed acquisition or disposition of property valued at under \$20,000 shall include a review and approval of A-2 surveys and property value assessments by the Land Use Agency, with final approval and transfer by the First Selectman.
- (2) If the transfer of land between two properties is equal then the determination of the transferred property value shall be zero.
- (3) 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.
- (4) 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.