

The **Board of Finance** held a special meeting on Monday, September 9, 2013 in the Council Chambers, 3 Primrose Street, Newtown, CT. John Kortze called the meeting to order at 7:30 p.m.

PRESENT: John Kortze, James Filan, Jr., John Godin, Carol Walsh and Harry Waterbury.

ABSENT: Joseph Kearney

ALSO PRESENT: First Selectman E. Patricia Llodra, Finance Director Robert Tait and two members of the press.

VOTER COMMENTS: none.

COMMUNICATIONS: Mr. Kortze noted that James Gaston, Jr. resigned from the board and welcomed James Filan, Jr., who was appointed to replace him.

MINUTES: Mr. Waterbury moved the minutes of the regular meeting of August 5, 2013. Ms. Walsh seconded. Mr. Filan abstained as he was not a member of the board at the time and Mr. Godin abstained as he was not present. All in favor. Mr. Waterbury moved the minutes of the regular meeting of August 22, 2013. Mr. Godin seconded. All in favor.

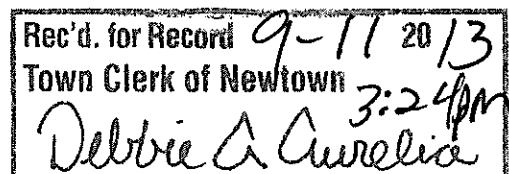
FIRST SELECTMAN REPORT: First Selectman Llodra reported the town received the DOJ reimbursement grant, which reimbursed the town for expenses up to June 30, 2013. The COPS grant, if successful, will allow us to place two police officers in the elementary schools. Grants will be awarded in the next week or two. Monroe has applied for the COPS grant also, which will support police presence at Chalk Hill. If they don't receive the COPS grant and do not have the resources the Town of Newtown will be obligated to cover that cost. This will be discussed further at the next Board of Finance meeting. Letters from the private schools that received grant money were shared (Att. A). Police, while on patrol, will make the private schools part of their regular routine. The DECD will grant permission to continue work on Danbury Hall and the white house's at Fairfield Hills. The office was unaware of the planning and initiatives regarding development over the last ten years. Mr. Kortze asked to find out how much of the money added to the budget for security will be used.

FINANCE DIRECTOR REPORT: Mr. Tait reviewed the Defined Contribution Plan (Att. B)

NEW BUSINESS

Discussion and possible action:

- \$50,000 Special Appropriation for Information Technology contracted services:** Mr. Waterbury moved a resolution providing for a special appropriation in the amount of \$50,000 to be funded from the Sandy Hook Special Revenue Fund "Undesignated" Account for the Purpose of Information Technology Contracted Services. (Att. C). Mr. Godin seconded. All in favor.
- Resolution: General Fund Charges for Services – Sewer/Water Funds:** Mr. Godin moved a resolution providing for a special appropriation in the amount of \$120,000 to be funded by a service charge (charged to sewer and water funds for services). The special appropriation will be divided among the general fund accounts as noted on Att. D. Mr. Waterbury seconded. All in favor.
- Fire Commission transfers:** A motion was made relative to the fire commission transfers at the last meeting. The Firefighter incentive account was listed as equipment repairs and the Capital account for \$9,000 was not included. Mr. Waterbury moved to approve the transfer as presented (Att. E) to reflect the account name change and the addition of capital. This motion supersedes the motion of August 22. Mr. Godin seconded. All in favor.



4. **Update of Fund Balance:** Mr. Tait presented an update on the fund balance (Att. F)
5. **Update on expenses related to 12/14:** Mr. Tait handed out the Board of Education costs relating to 12/14 (Att. G). All items are being reimbursed by insurance. The monies were covered by fund balance prior to reimbursement.

ANNOUNCEMENTS: Mr. Kortze spoke about the concerns among residents in age restricted housing relative to the revaluation and taxes. There are concerns about statutory items such as schedules, time frames, appeals and revaluations. They are also concerned about how age restricted community's fared state wide and overall concerns generically about taxes. He thinks that a venue should be provided for seniors to talk. First Selectman Llodra stated it is important the concerns are heard and suggested the Board of Finance host that in October. It would be important to have a calendar of timing relative to assessment appeals so it is clear to everybody.

ADJOURNMENT:

Having no further business, the Board of Finance adjourned their regular meeting at 8:33p.m.

Respectfully Submitted,



Susan Marcinek, Clerk

- Att. A: Private School letters
- Att. B: Defined Contribution Plan document
- Att. C: Resolution
- Att. D: General Fund Charges for Services – Sewer/Water Funds
- Att. E: Fire Commission transfer
- Att. F: General Fund- Operating Results (unaudited)
- Att. G: BOE Costs related to 12/14



St. Rose of Lima School 40 Church Hill Road Newtown CT 06470

August 24, 2013

Mrs. E. Patricia Llodra
Selectman
Town of Newtown
3 Primrose Street
Newtown, CT 06470

Dear Selectman Llodra,

St. Rose of Lima School is very appreciative of the grant award of \$50,000 from the Town of Newtown for the purpose of improving school security.

We commit to using these funds for the sole purpose of improving our security system and building needs to further improve protecting our children, teachers and families while in our school buildings.

Sincerely,

Mrs. Mary R. Maloney
Principal



July 24, 2013

Robert Tait
Finance Director
3 Primrose Street
Newtown, CT 06470

Dear Robert:

On behalf of the Housatonic Valley Waldorf School Community, I want to acknowledge with gratitude the Town of Newtown's grant in the amount of \$ 50,000 for security to our school.

As we moved in solidarity and sympathy with our town through the dark days of late December 2012, it became clear that our children's safety and security was foremost in the minds of the faculty, staff, Board of Trustees and families. Our community was deeply impacted by the tragedy and its aftermath. Many of our children and staff members are Newtown residents.

Following a professional security assessment in late winter, we prepared a plan to prioritize and implement several rounds of security initiatives and improvements. Together with the grant funding, we have budgeted an amount to complete the first phase of the plan, with additional improvements planned for subsequent years.

It is fair to say that without the grant for security we would have never been able to fully act on the adamant desire in our community to make the extensive improvements that we are now able to undertake. While we deeply regret the circumstances that led to this funding action, we are nonetheless enormously grateful to Pat Llodra for her leadership, to the Town of Newtown and to its good citizens for making it possible. We also acknowledge the guidance, support and watchfulness we have experienced from the many of the Town departments, that continue to benefit the Housatonic Valley Waldorf School community. We are so proud to be a part of the Newtown family and to continue our mission to "develop each child's unique capacity to engage meaningfully in the world."

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Cushing", written in a cursive style.

Patrick Cushing, President
HVWS Board of Trustees

Cc: Pat Llodra, First Selectman, Town of Newtown



**FRASER
WOODS
MONTESSORI
SCHOOL**

FraserWoods.com

August 21, 2013

First Selectman E. Patricia Llodra
Newtown Municipal Center
3 Primrose Street
Newtown, CT 06470

Dear Pat:

Thank you for visiting Fraser Woods Montessori School on August 1. It was our pleasure to show you our campus, and discuss the security enhancements we have underway for the coming school year.

As mentioned, the security enhancements made to our building this spring and summer include:

- Speaker system in hallways and rest rooms for broadcast of emergency messages
- Magnetic door jamb strips that allow faculty to keep door locks in locked position
- Security cameras at driveways, all school entrances, and adjacent hallways
- Camera monitor screens at reception desk and in main office
- Classroom window coatings to reduce view of classroom interior

Security enhancements to be implemented as school begins include:

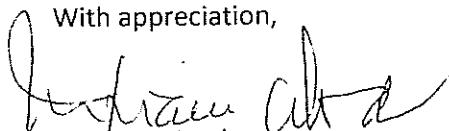
- Gate restricting entry to rear school driveway
- On-site security guard

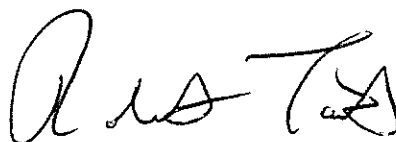
We've chosen these enhancements to preserve both safety, and the normal rhythm of daily school life. We're grateful for the \$50,000 grant approved by the Town of Newtown to implement them, and hereby request to receive the approved grant funds. The grant will not defray the full cost of our enhancements, but is a significant contribution toward them, which we appreciate. I am pleased to provide more detailed cost information on any of the above items if needed.

We look forward to welcoming you here again, and collaborating with other Newtown schools for the safety of all our children.

1-101-14-415-5820

With appreciation,


Myrjam Woods
Head of School



TOWN OF NEWTOWNESTABLISHING A DEFINED CONTRIBUTION PLAN (401 GOVERNMENTAL MONEY PURCHASE PLAN) FOR NEW NON-UNION EMPLOYEES (REPLACING THE CURRENT DEFINED BENEFIT PLAN)

- PROPOSED IMPLEMENTATION DATE FOR NEW NON-UNION EMPLOYEES:
 - 01/01/2014
 - OTHER EMPLOYEE GROUPS WILL BE ADDED TO THE PLAN THRU THE COLLECTIVE BARGAINING PROCESS.

- ADMINISTRATOR OF PLAN – ICMA-RC (CITY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION, A NONPROFIT CORPORATION – CURRENTLY THE TOWN’S DEFERRED COMPENSATION ADMINISTRATOR).

- ESTABLISHING THE PLAN(TO BE REVIEWED BY TOWN ATTORNEY):
 - COMPLETE THE ICMA-RC SUGGESTED RESOLUTION.
 - COMPLETE THE ICMA-RC ADOPTION AGREEMENT (SOME PROPOSED ITEMS BELOW):
 - EMPLOYER CONTRIBUTIONS = 5% OF EARNINGS (BASE PAY) (UNDER CURRENT PENSION PLAN EMPLOYER CONTRIBUTIONS WERE 5.4% IN 2012-13 & 4.8% IN 2013-14).
 - MANDATORY EMPLOYEE CONTRIBUTIONS = 5%
 - 100% VESTING AFTER ONE YEAR
 - SPOUSAL PROTECTION
 - COMPLETE THE IMPLEMENTATION DATA FORM (AN ADMINISTRATIVE FORM)
 - SIGN THE ADMINISTRATIVE SERVICES AGREEMENT (BETWEEN ICMA RETIREMENT CORPORATION AND THE TOWN OF NEWTOWN).
 - AMEND THE CURRENT PENSION PLAN DOCUMENT.
 - CURRENT PENSION PLAN WILL BE CLOSED TO NEW NON-UNION EMPLOYEES STARTING ON 1/1/2014.

- PLAN WILL NEED TO BE UPDATED AS NEW EMPLOYEE GROUPS ARE ADDED.

- ATTACHED:
 - ICMA-RC SUGGESTED RESOLUTION.
 - SAMPLE ADOPTION AGREEMENT.
 - ADMINISTRATIVE SERVICES TO BE PERFORMED BY ICMA-RC.
 - ABOUT ICMA-RC.
 - 401a PLAN GUIDE

- A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$50,000 TO BE FUNDED FROM THE SANDY HOOK SPECIAL REVENUE FUND "UNDESIGNATED" ACCOUNT FOR THE PURPOSE OF INFORMATION TECHNOLOGY CONTRACTED SERVICES.

EDUCATION CENTRAL OFFICE DISCUSSIONS, WITH PEARSON INC., LED UP TO A DONATION OF \$50,000 TO THE TOWN OF NEWTOWN. INITIALLY PEARSON WAS WILLING TO PROVIDE DIRECT SERVICES TO THE SCHOOL DISTRICT. THEY DECIDED, HOWEVER, TO PROVIDE A MONETARY DONATION. THE KNOWLEDGE OF THIS DONATION RESULTED IN DIRECT BUDGET CUTS TO I.T. CONTRACTED SERVICES. THIS IS EVIDENT IN THE SUPERINTENDENT'S RECOMMENDED BUDGET ADJUSTMENTS IN THE BOE BUDGET DOCUMENT. THE \$50,000 DONATION FROM PEARSON ENDED UP IN THE "UNDESIGNATED" ACCOUNT BECAUSE OF THE WORDING OF THE COVER LETTER ACCOMPANYING THE DONATION.

Account Detail Report
Newton

8/26/2012 4:29:27 PM
Fiscal Year 2012 - 2014

Account Number 1-181-81-085-4000-0000

CONTRACTED SERV. - TECH.

TC PURCHASE ORDERS

PO In. Number/Line	PO Date	Status	Vendor	Description	PO Amount	Amount Paid	Encumbrance
40088 2	7-1-2012	Open	GOOGLE	4-010 - Archiving & Discovery 10 Year	\$9,900.00	\$0.00	\$9,900.00
40092 2	7-1-2012	Open	BLUE TORCH NETWORK SOLUTIONS	School Desk - Web Hosting 7 Schools & Distr	\$2,400.00	\$0.00	\$2,400.00
40719 1	7-15-2012	Closed	NCS PEARSON INC	Power School Premier License 9/2012 - 9/29	\$25,250.00	\$25,250.00	\$0.00
40729 1	7-22-2012	Open	C-CO CONSULTING INC	Encumber for wiring	\$2,050.00	\$0.00	\$2,050.00
				Purchase Order Totals	\$59,600.00	\$25,250.00	\$24,350.00

Summary of Account Activity:

Original Budget	Adjusted Balance	Encumbered	Invoiced	Transactions	Balance
\$0.00	\$0.00	\$24,350.00	\$0.00	\$25,250.00	-\$50,000.00

- Google – The district uses Google Apps for Education to provide staff with email. There is no cost incurred for the email addresses. The cost represented here is to cover archiving of staff emails.
- Blue Torch Network Solutions – This the parent company of SchoolDesk. SchoolDesk is the solution provider for our district, school and staff websites.
- NCS Pearson – Pearson is the provider of our Student Information System, Powerschool. The cost covered here is the annual licensing fee.
- C-CO Consulting - This is our wiring installer. The costs included here are to cover 50% of the funds needed to complete the wiring for cameras and door access at one elementary school.

GENERAL FUND CHARGES FOR SERVICES – SEWER/WATER FUNDS

- A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$120,000 TO BE FUNDED BY A SERVICE CHARGE (CHARGED TO SEWER AND WATER FUNDS FOR SERVICES). THE SPECIAL APPROPRIATION WILL BE DIVIDED AMONG THE FOLLOWING GENERAL FUND ACCOUNTS:

EXPENDITURES

1-101-11-140-5110-0000 TAX COLLECTOR – SALARIES & WAGES – FULL TIME	\$10,177
1-101-11-140-5115-0000 TAX COLLECTOR – SALARIES & WAGES – PART TIME	\$ 5,101
1-101-11-140-5220-0000 TAX COLLECTOR - SOCIAL SECURITY CONTRIBUTIONS	\$ 1,169
1-101-11-190-5115-0000 TAX ASSESSOR – SALARIES & WAGES – PART TIME	\$19,871
1-101-11-190-5220-0000 TAX ASSESSOR - SOCIAL SECURITY CONTRIBUTIONS	\$ 1,520
1-101-11-200-5110-0000 FINANCE – SALARIES & WAGES – FULL TIME	\$14,268 **
1-101-11-200-5220-0000 FINANCE - SOCIAL SECURITY CONTRIBUTIONS	\$ 1,092
1-101-13-500-5110-0000 HIGHWAY – SALARIES & WAGES – FULL TIME	\$32,068
1-101-13-500-5220-0000 HIGHWAY - SOCIAL SECURITY CONTRIBUTIONS	\$ 2,453
1-101-13-500-5230-0000 HIGHWAY – RETIREMENT CONTRIBUTIONS	\$ 2,347
1-101-20-570-5899-0000 CONTINGENCY	\$29,934

THE FUNDING WILL BE CREDITED TO THE FOLLOWING GENERAL FUND ACCOUNT:

REVENUES

2-101-03-200-4337-0000 CHARGES FOR SERVICES – SEWER/WATER FUNDS	\$120,000
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ALL THOUGH THESE APPROPRIATIONS INCREASE THE TOTAL 2013-14 BUDGET AMOUNT BY \$120,000, THEY DO NOT INCREASE TAXES. THEY ARE ENTIRELY FUNDED BY FEES. NOR DO THEY INCREASE ANY SEWER OR WATER FEES.

** INCLUDES AN INCREASE OF \$8,664 TO THE ASSISTANT FINANCE DIRECTOR POSITION TO REFLECT ACTUAL WORK DONE FOR THE SEWER AND WATER FUNDS.

JUSTIFICATION

THE GENERAL FUND (BUDGET) PROVIDES THE FOLLOWING SERVICES TO THE WATER AND SEWER FUNDS:

- TAX COLLECTOR – BILLING AND COLLECTIONS, BILL INQUIRIES, ADJUSTMENTS, ETC.
- FINANCE DEPARTMENT – ACCOUNTS PAYABLE, PAYROLL, ACCOUNTING, REPORTING & ANNUAL FINANCIAL REPORT (INCLUDING AUDITOR FEES).
- PUBLIC WORKS – MANAGEMENT, PLANNING, FILING, CLERICAL.
- RISK MANAGEMENT SERVICES – PROPERTY & GENERAL LIABILITY INSURANCE.

TO ACCOUNT FOR THESE SERVICES THE BUDGET IS CHARGED FOR PART OF THE SALARIES, IN THE PROVIDING DEPARTMENTS, AND THE SEWER / WATER FUNDS ARE CHARGED FOR THE REMAINING PORTION. THIS IS DISCLOSED IN THE BUDGET NEXT TO THE SALARY AMOUNT OF THE POSITION PROVIDING THE SERVICE. PARTIAL FRINGE BENEFITS SUCH AS HEALTH, SOCIAL SECURITY CONTRIBUTIONS AND RETIREMENT CONTRIBUTIONS WERE ALSO CHARGED TO THE SEWER/WATER FUNDS.

THE PREFERRED METHOD WOULD BE TO CHARGE THE FULL AMOUNT OF THE SALARY (AND THE FRINGE BENEFIT) TO THE DEPARTMENT BUDGET. THEN THE SEWER & WATER FUNDS WOULD BE CHARGED A SERVICE FEE FOR THE SERVICES PROVIDED BY THE GENERAL FUND (BUDGET). THE REQUESTED SPECIAL APPROPRIATION ALLOWS THIS TO HAPPEN. IT RESTORES THE FULL SALARIES BACK INTO THE BUDGET AND THEIR RELATED FRINGE BENEFITS. IT ALSO PROVIDES FOR A BUDGET REVENUE LINE ITEM FOR THE CHARGES FOR SERVICES.

THIS HAS BEEN PRESENTED TO THE WATER & SEWER AUTHORITY. THEY AGREE WITH THE PROPOSAL SAYING THAT IT MAKES THE BUDGET PRESENTATION MORE REALISTIC AND THAT IT MAKES BUDGETING EASIER. THE INITIAL CHARGE FOR SERVICES FEE OF \$120,000 FOR 2013-14 WILL BE INCREASED EACH YEAR BY THE CONSUMER PRICE INDEX (CPI).

Attached: Water & Sewer Authority minutes
E-mail from WSA chairman
Charges for services invoice

4 Turkey Hill Road
Newtown, CT 06470
Tel (203) 270-4300
Fax (203) 426-9968



Fred Hurley,
Director

TOWN OF NEWTOWN
WATER AND SEWER AUTHORITY

Richard B. Zang,
Chairman
Marianne Brown
Louis Carbone
George Hill
Alan Shepard
Eugene Vetrano
Carl Zencey

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE WATER AND SEWER AUTHORITY

The Water and Sewer Authority held its regular meeting on Thursday, May 9, 2013 at the Waste Water Treatment Plant, 24 Commerce Road, Newtown, CT. Chairman Zang called the meeting to order at 7:00pm.

Present: Dick Zang, Lou Carbone, George Hill, Marianne Brown, Carl Zencey

Absent: Gene Vetrano, Alan Shepard

Also Present: Jason O'Brien and Julio Segarra of United Water and Director of Public Works Fred Hurley, Director of Finance Robert Tait

Public Participation - None

Approval of Minutes – The previously distributed minutes of the regular meeting of 4/11/13 were unanimously approved.

OLD BUSINESS

Action on 164 Mt. Pleasant Road benefit assessment – Fred had been negotiating with 164 Mt. Pleasant Road. They ended up with \$150,000 with portioned percentage. An installment loan will be used for each percentage of the filled area in the building at the town's interest rate. The owner of the building will be responsible for the payments.

Carl Zencey moved to re-open the public hearing. Lou Carbone seconded.

Carl Zencey moved to authorize the benefit assessment for 164 Mt. Pleasant road at \$150,000 in installments as the building is utilized. Lou Carbone seconded, motion unanimously accepted.

Capital Needs Study – They are looking at the future capital needs and need to look forward to what the rates needs to be. 2013-2014 is a big hit. This is a working document and not action is needed.

Renewable Energy Project-grant payment – An inspection took place last week and all went well. A report will be submit which should get the grant payment moving.

Discuss Rate increase for Water and Sewer users- Fred Hurley is working on different percentage ratios and it will be ready in the next few weeks.

NEW BUSINESS

Town charges for services-to the Water Sewer Authority – Currently, charges back to the WSA for services are handled piece by piece. Bob Tait is proposing to charge a set amount. He is looking at charging the WSA \$120,000 and it would increase by the CPI each year. This will also help to improve the financial statements.

Committee Reports: SCADA, solar, I&I, Finance, regulations, water supply, collection and distribution systems – **SCADA**-The electrical contractor has completed approximately 25% complete. Julio Segarra met with Knapp Engineering today. There are necessary items that need to be added to the project.

Report by United Water Environmental Services Inc. – A copy of the April 2013 operating report is attached. A summer internship will happen again this year. They will advertise in the Newtown Bee.

Report by Public Works Director – Fred Hurley will be putting the restoration of Well 3 out to public bid. They are also going to do a three price bid to look at the capacity and the pump at well 7.

Having no further business, meeting was adjourned at 8:34pm

Arlene Miles, Clerk

From: [zang](#)
To: [Robert Tait](#)
Cc: [aghill@fcs-leases.com](#); [eiv6@sbcglobal.net](#); [abeng1@charter.net](#); [arlene.miles@newtown-ct.gov](#); [LBE413@aol.com](#); [hilou@earthlink.net](#); [wren3147@aol.com](#); [brownmmn@yahoo.com](#)
Subject: Change in charges
Date: Friday, May 10, 2013 11:45:24 AM

Hi Bob,

Thanks for coming to our meeting last night. The change you are making in the employee cross-charge is more realistic and fair and will make budgeting easier for both of us.

We can use the same activity code, 530, and charge \$12,000 to the water enterprise and \$108,000 to sewer starting next year - escalating as proposed.

Thanks,

Dick Zang

TOWN OF NEWTOWN - GENERAL FUND

INVOICE

3 PRIMROSE STREET
NEWTOWN, CT 06470
Phone 203-270-4221

DATE: July 1, 2013
INVOICE # 100
FOR: CHARGES FOR SERVICES

Bill To:
TOWN OF NEWTOWN
SEWER ENTERPRISE FUND

DESCRIPTION	AMOUNT
CHARGES FOR SERVICES, FISCAL YEAR 2013-14: *TAX COLLECTOR SERVICES - BILLING AND COLLECTIONS *FINANCE DEPARTMENT SERVICES - ACCOUNTING, REPORTING & ANNUAL FINANCIAL REPORT (INCLUDING AUDITOR FEES). *PUBLIC WORKS - MANAGEMENT, PLANNING *RISK MANAGEMENT SERVICES - PROPERTY AND GENERAL LIABILITY INSURANCE.	120,000.00
TOTAL	\$ 120,000.00

Make all checks payable to TOWN OF NEWTOWN GENERAL FUND

THANK YOU FOR YOUR BUSINESS!

FIRE COMMISSION

<u>TRANSFER REQUEST (2012-2013)</u>	<u>FROM</u>	<u>TO</u>
01320 2015 Training	11,000	
01320 2020 Utilities	4,000	
01320 2028 Hydrants	44,000	
01320 2029 Fire Hose	9,000	
01320 2035 Supplies	7,000	
01320 4002 FF Incentive	15,000	
01320 4003 Insurance	1,000	
01320 5080 Capital	9,000	
01320 2012 Fire Company Grants		100,000

To transfer account savings to the fire company grant account to fund fire department capital projects (not eligible for the CIP because they are under the cap). Appropriation will be requested to be re-appropriated to the next budget year).

- REAPPROPRIATION REQUEST (2012-2013)

Re-appropriate \$100,000 from account 01320 – 2012 Fire Company Grants to 2013-2014 account 1-101-12-320-5749 Contributions to Fire Companies.

See Board of Fire Commissioners Memo regarding re-appropriation request (attached).

TOWN OF NEWTOWN

GENERAL FUND (BUDGET) – OPERATING RESULTS

-UNAUDITED-

FISCAL YEAR 2012 – 2013

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET	
PROPERTY TAXES:					
Collections - current year.....	\$ 94,738,559	\$ 94,738,559	\$ 94,752,601	\$ 14,042	
Collections - prior years.....	400,000	400,000	577,999	177,999	
Interest and lien fees.....	425,000	425,000	466,383	41,383	
Motor vehicle supplement list.....	600,000	600,000	622,898	22,898	
Telecommunications property tax.....	85,346	85,346	71,354	(13,992)	
TOTAL PROPERTY TAXES.....	96,248,905	96,248,905	96,491,235	242,330	***
INTERGOVERNMENTAL:					
Veterans additional exemptions.....	12,832	12,832	14,025	1,193	
Elderly tax relief - circuit breaker.....	140,245	140,245	143,019	2,774	
In lieu of taxes.....	886,692	886,692	862,308	(24,384)	
Totally disabled.....	1,790	1,790	1,701	(89)	
Town aid for roads.....	234,239	234,239	234,747	508	
Manufacturing transition grant.....	192,643	192,643	186,791	(5,852)	
Mashantucket Pequot fund grant.....	688,160	688,160	814,097	125,937	
Connecticut school building grants.....	630,688	630,688	630,688	-	
Equalized cost-sharing grant.....	4,338,374	4,338,374	4,326,611	(11,763)	
Public school transportation aid.....	87,634	87,634	165,944	78,310	
Non-public school transportation aid.....	19,986	19,986	22,246	2,260	
Health services - St. Rose.....	10,066	10,066	18,614	8,548	
Miscellaneous grants.....	0	0	127,998	127,998	
LOCIP grant.....	204,621	204,621	205,697	1,076	
State revenue sharing.....	125,000	125,000	137,180	12,180	
Services for the Blind.....	-	-	-	-	
TOTAL INTERGOVERNMENTAL.....	7,572,970	7,572,970	7,891,666	318,696	
CHARGES FOR SERVICES:					
Town clerk - conveyance tax.....	400,000	400,000	328,295	(71,705)	
Town clerk - other.....	275,000	275,000	256,448	(18,552)	
Parks and recreation.....	190,000	190,000	206,041	16,041	
Tuition.....	9,600	9,600	9,110	(490)	
School generated fees.....	113,763	113,763	113,987	224	
Building.....	485,000	485,000	382,785	(102,215)	
Permit fees.....	1,250	1,250	1,675	425	
Landfill permits.....	425,000	425,000	398,625	(26,375)	
Senior center membership fees.....	4,000	4,000	2,904	(1,096)	
Land use.....	45,000	45,000	67,810	22,810	
TOTAL CHARGES FOR SERVICES.....	1,948,613	1,948,613	1,767,680	(180,933)	***
INVESTMENT INCOME.....	250,000	250,000	108,233	(141,767)	***
OTHER REVENUES:					
Miscellaneous revenue - police.....	3,000	3,000	8,575	5,575	
Miscellaneous revenue - board of education.....	1,350	1,350	3,174	1,824	
Miscellaneous revenue - selectmen.....	100,000	100,000	150,023	50,023	
TOTAL OTHER REVENUES.....	104,350	104,350	161,772	57,422	
TOTAL REVENUES.....	106,124,838	106,124,838	106,420,586	295,748	

(Continued)

*** Gains in prior year taxes (delinquent taxes) were off set by losses in economy related revenues (town clerk conveyance, building permits, and interest).

Unaudited

SCHEDULE 1
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
OTHER FINANCING SOURCES:				
Premium.....	\$	\$		\$ -
Transfers in.....	122,000	122,000	122,000	-
Cancellation of prior year encumbrances.....			69,527	69,527
TOTAL OTHER FINANCING SOURCES.....	122,000	122,000	191,527	69,527
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 106,246,838	\$ 106,246,838	\$ 106,612,113	\$ 365,275

(Concluded)

Favorable revenue variance (actual over budget) is due mainly to:

- *Increased state contribution for the Mashantucket Pequot fund grant (126K)
- *Increased state contribution for the Public School Transportation Aid Grant (78K)
- *An increase in Misc. State/Federal grants (50K). Increase due mainly to police salary reimbursement grant relating to 12/14 and an ARRA reimbursement grant relating to Castle Hill Road
- *An increase in Misc. Revenue (50K). This was due mainly to an equity distribution payment from CIRMA (our insurance company).

Unaudited

SCHEDULE 2
(1 of 2)

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Selectmen.....	\$ 327,879	\$ 397,547	\$ 397,048	\$ 499
Selectmen - other.....	237,975	237,975	218,986	18,989
Human Resources.....	110,739	111,745	111,094	651
Tax Collector.....	303,164	304,458	300,072	4,386
Probate Court.....	6,860	6,860	5,816	1,044
Town Clerk.....	285,034	286,201	285,543	658
Registrars.....	125,285	157,134	154,286	2,848
Assessor.....	233,105	234,304	229,852	4,452
Finance.....	467,249	476,938	476,187	751
Technology.....	452,123	517,046	515,136	1,910
Unemployment.....	15,000	17,500	15,286	2,214
OPEB fund.....	157,581	157,581	157,581	-
Employee benefits.....	-	-	-	-
Professional organizations.....	36,454	36,454	36,454	-
Insurance.....	974,911	990,466	988,129	2,337
Legislative Council.....	44,500	47,682	46,257	1,425
Historic District.....	4,500	4,500	4,500	-
Economic Development Commission.....	141,103	142,607	142,604	3
Sustainable Energy Commission.....	5,000	5,000	5,000	-
Fairfield Hills.....	59,007	59,007	55,211	3,796
TOTAL GENERAL GOVERNMENT.....	3,987,469	4,191,005	4,145,042	45,963
PUBLIC SAFETY:				
Communications.....	1,049,250	1,050,405	983,276	67,129
Police department.....	5,798,222	5,803,389	5,780,797	22,592
Fire department.....	1,213,024	1,215,037	1,189,264	25,773
Emergency management/N.U.S.....	51,267	51,267	43,328	7,939
Canine control.....	152,224	153,005	146,483	6,522
Lake authorities.....	49,708	41,953	41,953	-
N.W. safety communication.....	9,783	9,783	9,783	-
Emergency Medical Services.....	270,000	270,000	270,000	-
Northwest CT Emergency Medical Service.....	250	250	250	-
TOTAL PUBLIC SAFETY.....	8,593,728	8,595,089	8,465,134	129,955
HEALTH AND WELFARE:				
Social services.....	135,100	136,013	133,999	2,014
Senior service.....	328,889	329,802	320,186	9,616
Outside agencies.....	234,514	234,514	231,633	2,881
VNA of Newtown.....	-	-	-	-
Kevin's Community Center.....	-	-	-	-
Children's Adventure Center.....	-	-	-	-
Regional hospice.....	-	-	-	-
Veterans' guidance.....	-	-	-	-
N.W. Regional Mental Board.....	-	-	-	-
Youth & Family Services.....	294,771	294,771	294,771	-
Danbury Regional Commission on Children.....	-	-	-	-
Women's Center of Danbury.....	-	-	-	-
Ability Beyond Disability.....	-	-	-	-
Newtown Cultural Arts Commission.....	2,000	2,000	2,000	-
The Volunteer Center.....	-	-	-	-
Newtown Parade Committee.....	1,500	1,500	932	568
Parent Connection.....	-	-	-	-
NW Conservation District.....	1,040	1,040	1,040	-
Booth library.....	1,057,858	1,057,858	1,057,668	190
Newtown Health District.....	379,023	379,023	378,769	254
TOTAL HEALTH AND WELFARE.....	2,434,695	2,436,521	2,420,998	15,523

Communications - 10th position was not filled.
 Police - Officers out on short term disability.
 Fire - 98% of the approved budget was required.
 Animal Control - Employee out on short term disability.
 Senior Services - Position open for a while before being filled.

(Continued)

Unaudited

SCHEDULE 2
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
LAND USE.....	\$ 580,591	\$ 583,152	\$ 579,059	\$ 4,093
PUBLIC WORKS:				
Building inspector.....	390,056	391,299	387,526	3,773
Highway.....	5,984,371	5,986,091	5,853,241	132,850
Winter maintenance.....	707,637	644,337	639,945	4,392
Landfill.....	1,492,962	1,443,916	1,440,266	3,650
Public building maintenance.....	684,219	784,878	769,609	15,269
TOTAL PUBLIC WORKS.....	9,259,245	9,250,521	9,090,587	159,934
PARKS AND RECREATION.....	2,173,076	2,176,316	2,133,508	42,808
EDUCATION.....	68,355,794	68,355,794	68,348,959	6,835
CONTINGENCY.....	250,000	46,200	-	46,200
DEBT SERVICE.....	10,059,789	10,059,789	10,059,578	211
TOTAL EXPENDITURES.....	105,694,387	105,694,387	105,242,865	451,522
OTHER FINANCING USES:				
Transfers out:				
Edmond Town Hall	202,451	202,451	202,285	166
Capital and nonrecurring.....	250,000	250,000	250,000	-
Town Recreation Fund.....				-
TOTAL OTHER FINANCING USES.....	452,451	452,451	452,285	166
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 106,146,838	\$ 106,146,838 ***	\$ 105,695,150	\$ 451,688

(Concluded)

- Highway - Public Works operations were disrupted by major storms. Most of the activities were reimbursed by grant. Hence the savings in highway accounts.
- Parks & Recreation - (3) open positions that took a while to fill. There was savings in the life guard account due to weather and water condition closings. There was also savings in the gate attendant account due to turnover.
- Contingency - Amount not required.

*** 99.6% of the total budget was expended.

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 96,248,905	\$ 96,248,905	\$ 96,491,235	\$ 242,330
Intergovernmental.....	7,572,970	7,572,970	7,891,666	318,696
Charges for services.....	1,948,613	1,948,613	1,767,680	(180,933)
Investment income.....	250,000	250,000	108,233	(141,767)
Other.....	104,350	104,350	161,772	57,422
TOTAL REVENUES.....	106,124,838	106,124,838	106,420,586	295,748
EXPENDITURES:				
Current:				
General government.....	3,987,469	4,191,005	4,145,042	45,963
Public safety.....	8,593,728	8,595,089	8,465,134	129,955
Health and welfare.....	2,434,695	2,436,521	2,420,998	15,523
Land use.....	580,591	583,152	579,059	4,093
Public works.....	9,259,245	9,250,521	9,090,587	159,934
Parks and recreation.....	2,173,076	2,176,316	2,133,508	42,808
Education.....	68,355,794	68,355,794	68,348,959	6,835
Contingency.....	250,000	46,200		46,200
Debt service.....	10,059,789	10,059,789	10,059,578	211
TOTAL EXPENDITURES.....	105,694,387	105,694,387	105,242,865	451,522
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	430,451	430,451	1,177,721	747,270
OTHER FINANCING SOURCES (USES):				
Premium.....				-
Transfers in.....	122,000	122,000	122,000	-
Cancellation of prior year encumbrances.....			69,527	69,527
Transfers out.....	(452,451)	(452,451)	(452,285)	166
NET OTHER FINANCING SOURCES (USES).....	(330,451)	(330,451)	(260,758)	69,693
NET CHANGE IN FUND BALANCE.....	\$ 100,000	\$ 100,000	916,963	\$ 816,963
FUND BALANCE - JULY 1, 2012.....			8,379,750	
FUND BALANCE - JUNE 30, 2013.....			9,296,713	

Unassigned Fund Balance
@ June 30, 2013

The notes to the financial statements are an integral part of this statement.

**TOWN OF NEWTOWN
UNASSIGNED FUND BALANCE ANALYSIS
FOR THE FISCAL YEAR ENDING 2006 THRU 2015**

	<u>Fiscal Year</u>	<u>Unassigned Fund Balance</u>	<u>Total Budget</u>	<u>Percent of Budget</u>	<u>Change in Fund Balance</u>	<u>Comments</u>
Actual	2005-2006	8,777,567	90,056,226	9.75%		
Actual	2006-2007	8,171,392	95,370,206	8.57%		
Actual	2007-2008	7,821,198	99,935,877	7.83%		
Actual	2008-2009	7,636,522	105,464,444	7.24%		
Actual	2009-2010	6,903,051	102,910,715	6.71%		
Actual	2010-2011	7,408,816	104,284,615	7.10%		
Actual	2011-2012	8,379,750	105,555,075	7.94%	970,934	Due to refinancing & bond premium
Actual (unaudited)	2012-2013	9,296,713	106,146,838	8.76%	916,963	
Forecasted	2013-2014	9,696,713	109,949,827	8.82%	400,000	Actual budget
Forecasted	2014-2015	10,096,713	112,698,573	8.96%	400,000	using assumed 2.5% budget increase

General Fund Balance Policy

Updated for GASB54 Fund Balance Reporting and Governmental Type Definitions

POLICY STATEMENT

A positive fund balance serves three important functions:

1. Eliminates the need for short term borrowing to handle cash flow between the start of the fiscal year and receipt of revenue from taxes;
2. Can be periodically used to lower taxes to smooth out major fluctuations in the property tax rates;
3. Serves as a contingency fund that enables the Town to respond to unanticipated emergencies or opportunities.

Credit rating agencies determine the adequacy of the unreserved fund balance using a complex series of financial evaluations. The size of the fund balance is an important, but not the only consideration in the Town's rating. Other important factors are the reliability of a government's revenue sources, economic conditions, community wealth factors, cash position, debt ratios, management performance, and fiscal decisions made by the legislative body.

A town's ability to accurately plan and develop sufficient fund balance is a common characteristic of highly rated municipalities.

This policy is intended to provide for a fund balance which satisfies the cash flow and contingency needs of the community, supports our positive bond rating with the rating agencies, and at the same time avoid over taxing the citizens through an excessively large fund balance.

GOVERNMENTAL FUND TYPE DEFINITIONS

- General Fund – all funds not reported in another fund
- Special Revenue Funds – Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt and capital projects. Restricted or committed revenues are the foundation for a special revenue fund.
- Capital Project Funds – Used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- Debt Service Funds – Used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, including resources being accumulated for principal and interest maturing in future years.
- Permanent Funds – Used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is for the benefit of the government or its citizenry. Permanent funds do NOT include private purpose trust funds.

FUND BALANCE DEFINITIONS

- Fund Balance is the difference between the Town's current assets (cash, short-term investments, receivables) expected to be available to finance operations in the immediate future and its current liabilities.
- Fund balance is initially characterized as being restricted and unrestricted.

Unrestricted Fund Balance Categories

- **Unassigned fund balance** – Amounts that are available for any purpose as defined in this policy; these amounts are reported only in the general fund. In other governmental funds, if expenditures incurred exceeded the amounts restricted, committed or assigned it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts are available, the Town considers the fund balance to be spent in the following order: committed, assigned, and then unassigned.

Unrestricted Fund Balance is the Total Fund Balance minus the Nonspendable minus the Restricted

Restricted Fund Balance Categories are amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation

- **Committed fund balance**– Amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purposes unless the government takes the same highest-level action to remove or change the constraint.

The decision making authority for purposes of this policy is the Board of Finance.

- **Assigned fund balance**– Amounts the Town intends to use for a specific purpose; intent can be expressed by the Town or by an official or body to which the Town delegates the authority. Appropriations of existing fund balances to future budgets are considered assigned fund balance. The Town shall not report an assignment that will result in deficit in Unassigned fund balance. Negative fund balances cannot be considered assigned.

The body authorized to assign amounts to a specific purpose for purposes of this policy is the Board of Finance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers the restricted fund balance amount to have been spent first until exhausted and then any available unrestricted fund balance.

- **Nonspendable fund balance**– Amounts that cannot be spent because they are (a) not in spendable form (such as inventory, prepaid items, long term portions of notes receivables), or (b) legally or contractually required to be maintained intact (such as the corpus of an endowment fund).

GUIDELINES

The Board of Finance shall propose annual budgets that provide for an unrestricted (unassigned) general fund balance of **not less than eight (8) percent nor more than twelve (12) percent of the total operating general fund expenditures.**

In the event the unassigned fund balance is greater than twelve (12) percent at the end of any fiscal year, the excess may only be used in one or a combination of the following ways:

1. Transfer such excess to the Debt Service Fund for future debt payments.
2. Transfer such excess to the Capital or Nonrecurring Fund for future capital projects.
3. Use directly to reduce the tax rate in the subsequent year provided that care is taken to avoid a major fluctuation in the tax rate in succeeding years.

As a general rule, unrestricted (unassigned) fund balance in the general fund should represent no less than one month of operating revenues or operating expenditures (whichever is less volatile).

The following circumstances may justify a significantly higher minimum target levels:

- Significant volatility in operating revenues or operating expenditures;
- Potential drain on resources from other funds facing financial difficulties;
- Exposure to natural disasters (e.g. hurricanes);
- Reliance on a single corporate taxpayer or upon a group of corporate taxpayers in the same industry;
- Rapidly growing budgets; or
- Disparities in timing between revenue collections and expenditures.

Annually, the Board of Finance shall monitor and modify the minimum fund balance requirements based on the aforementioned criteria.

The use of unrestricted (unassigned) fund balance will be allowed under the following circumstances:

- Operating emergencies
- Unanticipated budgetary shortfalls

If at the end of a fiscal year, the unrestricted fund balance falls below eight (8) percent the Board of Finance shall prepare and submit a plan for expenditure reductions and or revenue increases. The Board of Finance shall take action necessary to restore the unrestricted fund balance to acceptable levels determined by this policy.

Note: The unrestricted fund balance is now at 7.12% and does not meet the 8% required by the proposed policy. This policy language requires the BoF to develop a plan of action to bring the fund to the required minimum level. This plan could call for meeting the minimum standard within a period of time, say 5 years or so.

This policy is subject to review on a bi-annual basis, on or before the anniversary date of its final approvals. The Board of Finance is responsible to lead the review process and shall collaborate with the Legislative Council and the Board of Selectmen in that action.

Insurance Claim Summary

BOE COSTS RELATING TO 12/14 (not all inclusive):

	Total All Claims
Employee Costs (NBOE)	
Secretarial (01-84-88-1423)	\$14,886.08
Ed. Assistants (01-84-88-1423)	\$2,125.42
Custodial	\$88,596.08
Building Preparation	\$353,094.86
Utilities	
Oil	\$98,393.21
Electricity	\$7,770.15
Sewer & Water	\$8,224.18
Transportation	
Added time	\$20,588.70
Additional bus runs	\$8,631.00
Added fuel	\$15,770.11
Lunch Interruption	\$11,526.00
Monroe Charges	
Administrative Salaries	\$1,145.08
Secretarial Salaries	\$3,585.39
Custodial Salaries	\$21,941.96
IT Salaries	\$3,266.29
Insurance Premium	\$2,717.00
Exposure changes from CIRMA	
Total Claim Submission	\$662,261.51
Total Town Submissions	\$71,673.58
Insurance Discrepancies	-\$5,347.67
<i>Cumulative Claim Total</i>	<i>\$728,587.42</i>
Building Restoration	
Reconstruction	\$284,806.62
Contents	\$27,948.08
Moving Allowance	\$120,000.00
Less Deductible	-\$25,000.00
<i>Cumulative Building Total</i>	<i>\$407,754.70</i>