

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held their regular meeting on Thursday, September 8, 2014 in the Council Chambers at the Municipal Center, 3 Primrose Street, Newtown, CT. Chairman John Kortze called the meeting to order at 7:30pm.

**Present:** John Kortze, Harry Waterbury, James Filan, Mike Portnoy, John Godin, Joseph Kearney

**Absent:** James Filan

**Also Present:** First Selectman Pat Llodra, Director of Finance Bob Tait, Legislative Council members, Mary Ann Jacob, Robert Merola, Phil Carrol, Tony Filiato, Paul Lundquist, Board of Education members, Kathy Hamilton, David Freedman, Michelle Embree Ku, Debbie Leidlein, Roche, Superintendent of Schools Dr. Erardi, Business Director Ron Bienkowski, Director of Land Use George Benson, Tony Tylutki with Consumers Petroleum, Town Attorney David Grogins, Steven May from Milliman, Employee Medical Benefits Board members Mark Mattioli, Dan McAloon, Jim Loring and Donna Van Waalwijk, 3 members of the public and one member of the press.

**VOTER COMMENTS:** Laurie Ogan-140 Castle Hill Road, her property as well as Robert & Hanna Cox and Jack Patel all have property that abut 31 Great Hill Road. This has been an ongoing problem since the house burned down. They ask that it is the town takes responsibility to keep the dignity of the community where it should be. It is not only unsightly it is a physical and a health problem.

Mrs. Llodra explained that they did take the property owners to court. The property owner, Anita Pettengill, showed that they did not have the resources to repair the property and the court said they cannot force someone to pay for something that they cannot pay for. The bank will not do anything about it. The property is not in foreclosure and the taxes are paid. Should the Town demolish the residence, they will put a lien on the property but it is unlikely that the town will ever get anything back. Mr. Kearney was concerned about liability. Mr. Benson said that there is a court order and a hold harmless agreement. Mr. Grogins explained that town is protected by a court order and indemnity from the property owner.

**COMMUNICATIONS:** Mr. Kortze received an e-mail from Mark Mattioli with questions concerning the Affordable Care Act (Attachment A).

**MINUTES –** Mr. Kearny moved to approve the minutes of the 8/29/14 meeting. Mr. Godin seconded, motion unanimously approved.

**FIRST SELECTMANS REPORT –** Mrs. Llodra distributed a document by George Furgeson. It is research using IRS files to develop a graphic representation of reportable wages in Newtown and Sandy Hook (Attachment B).

**FINANCE DIRECTOR REPORT –** None

**NEW BUSINESS**

Adding money to the BOE Non-lapsing account –Mr. Kearney moved to ask the Town Financial Director to create a non-lapsing account and make the appropriation of \$47,185 from the BOE budget to the non-lapsing account. Mr. Waterbury seconded (Attachment C). Mr. Tait explained that this is a multi-year fund. The intent of the funds is for building hardening. Motion unanimously approved.

Questionnaire from CohnReznick LLP – Tabled

*Business Incentive application from Consumers Petroleum, 67 Church Hill Road* – Mr. Benson explained that they are looking for a tax incentive for Consumers Petroleum at 67 Church Hill Road (Attachment D). This will clean up the exit 10 area, and relocate Edmond road to Commerce Road. They designed their building so the town can realign the road. Mr. Kearney moved to approve the business incentive application for Consumers Petroleum as presented and recommend to the Legislative Council that they accept it. Mr. Godin Seconded, motion unanimously accepted.

*Discussion of the Affordable Care Act* –Steven May of Milliman gave an overview of health care reform (Attachment E) – In 2015, you have to offer benefits to virtually all employees. If you don't offer benefits to at least 95%, than there is a \$2000 penalty that applies to each member of the entire group for not offering it properly. It has to be affordable and it has to be the minimal level which is defined by the government. Affordable means that you have to limit it to 9.5% of the employee's salary. Insurance needs to offer insurance to anyone working 30 hours or more.

The threshold for the Cadillac tax set today on an annual basis is \$10,200 for a single or \$27,500 for a family, anything over that amount can be taxed 40%. In 2016 the town will hit the threshold for the tax two years before it begins.

Mr. Kearney stated that everything he has read says that if the Cadillac tax is fully implemented it will wreak havoc in the state. Mr. May believes that the likelihood of this tax being implemented is very good from what they learned in Washington. By the time of the 2018 election, no matter what party is in office, healthcare reform is here to stay.

Mark Mattioli of the Employee Medical Benefits Board explained that they have been focused on the status of the reserves to support the program. In a municipality you move it a point at a year and there are a lot of points that we need to get us where we need to be. The board is well positioned to offer expertise with no political aspirations.

*Lease from Hook & Ladder* – Mr. Godin explained changes that he made to the lease (Attachment F) Mr. Grogins did look at the lease with the changes Mr. Godin made thought that it looked good. He was hoping to get some input from Hook and Ladder and he has not heard from them. This is a reasonable and simple document that fills requirements that the BOS and the BOF requested. Hook & Ladder will be invited back to discuss this more.

Mr. Kearney Moved to transfer \$29,000 from Contingency (1-101-24-570-5899-0000) to Contractual Services (1-101-15-490-5505-0000). Mr. Waterbury seconded, motion unanimously accepted (Attachment G).

Mr. Kearney moved to add the CIP to the agenda. Mr. Waterbury seconded, motion unanimously accepted. Mrs. Llodra prioritized year one of the CIP (Attachment H). There is a grant that was just received for \$500,000 for a major sidewalk project. They also the sidewalk project down the north side of Church Hill Road as well as one extending the sidewalks in Sandy Hook Center up to Ardi Court. With three projects in the hopper, they do not feel they need to identify funds in this CIP for that purpose. There is also a \$200,000 grant for brownfields on FFH campus to identify materials and project what the costs are to demolish. The BOS would like to cobble together some resources to apply more to FFH to do a major project. The energy audit will influence some of the things in the CIP but that report is not complete yet. Their needs to be an addition to the Sandy Hook Substation because it wasn't built large enough to fight the newer equipment.

Mr. Kortze would like to look at scenarios and look at recommendations from the BOE specifically the Hawley School HVAC. Mr. Kortze would like to see if they can't start make a dent in the planning whether it be roads or the demolition of FFH. There isn't anything definitive with space until he space needs study is complete. Mr. Portnoy does not believe that the BOE has talked through many options without the new enrollment study coming up. They haven't talked about consolidating elementary schools or the levels within the schools. He would support taking this off the CIP, if it needs to be put back on, then they can do that at a later date. Mr. Freedman explained that taking the Hawley School HVAC off the CIP is the BOF decisions. Waiting until they have their enrollment study complete before taking it off would be desirable. Mr. Kortze's request was to look at scenario's, nothing concrete. After they look at scenario's it can be revisited then. Mr. Godin, would like to keep the HVAC in the CIP for now and it can be taken out at a later date.

#### **ANNOUNCEMENTS – NONE**

Having no further business, the meeting was adjourned at 9:32pm

Respectfully Submitted,  
Arlene Miles, Clerk

Attachment A – Communications  
Attachment B – Reportable Wages  
Attachment C – BOE non-lapsing account  
Attachment D – Business Incentive for 67 Church Hill Road  
Attachment E – Affordable Care Act  
Attachment F – Proposed Hook & Ladder lease  
Attachment G – Transfer  
Attachment H - CIP

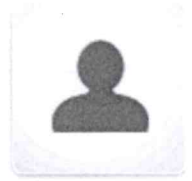
## Attachment A

Fwd: Board of Finance discussion of ACA

Mon 9/8/2014 8:56 PM

**From:** JOHN KORTZE

**To:** Arlene Miles



Please add to the minutes

Begin forwarded message:

**From:** Mark Mattioli <mark.mattioli@hotmail.com>

**Subject:** RE: Board of Finance discussion of ACA

**Date:** August 28, 2014 at 12:31:56 PM EDT

**To:** Pat Llodra <pat.llodra@newtown-ct.gov>

**Cc:** Bob Tait <robert.tait@newtown-ct.gov>, "erardij@newtown.k12.ct.us" <erardij@newtown.k12.ct.us>, "jkortze@mac.com" <jkortze@mac.com>, Ron Bienkowski <bienkowskir@newtown.k12.ct.us>

Pat,

I extended your invitation to the rest of the Employee Medical Benefits Board (EMBB). I will be at the BOF meeting on 9/8. The EMBB is meeting that evening too, to review the latest claims experience and status of the reserve fund. Based on what Bob Tait has shared with me, the program spent approximately \$800,000 more in claims in 2013-2014, than it did in 2012-2013. That \$66,600 more per month (avg) ignores all administrative cost increases of the program (ACA fees, Reinsurance premium increase, etc.). It's just claims.

I have lots of questions about how and when Newtown will prepare for full implementation of ACA; really only a few are immediately pertinent:

1. What is the result of your examination of the current plans relative to the Cadillac plan level excise tax?
2. How much have you moved the needle (actuarial significance) in the last 4 years? Obama signed it 3/23/10. I expect you have negotiated with every union since then.
3. What are your expectations from the EMBB relating to this? Over the last three years, you (or Dr. Robinson, Dr. Reed or Dr. Erardi) have never engaged the EMBB in your health insurance negotiations with the unions. A few anecdotes have trickled back to our group after you make a decision (exactly when our input, if you asked for it, would be of no use).

Thanks for any clarification you can provide in advance of the meeting.

Mark Mattioli

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**From:** pat.llodra@newtown-ct.gov

**To:** mark.mattioli@hotmail.com

**CC:** robert.tait@newtown-Ct.gov

Subject: Board of Finance

Date: Fri, 22 Aug 2014 10:33:50 -0400

Good morning Mark.

I hope all is well and that these waning days of summer provide some good R&R for you and family. The purpose of this email is to invite you and members of the advisory group to join a Board of Finance meeting on September 8. Bob Tait is on vacation so I do not know if he has had a chance to connect with you on this already.

The BoF will be discussing the ACA impacts, especially in light of the potential 'cadillac tax' on the horizon for 2018. Joe Spurgeon will be present. The input of your group is very helpful and welcome.

I am copying Bob Tait on this. He will likely reach out to you when he returns.

Pat

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

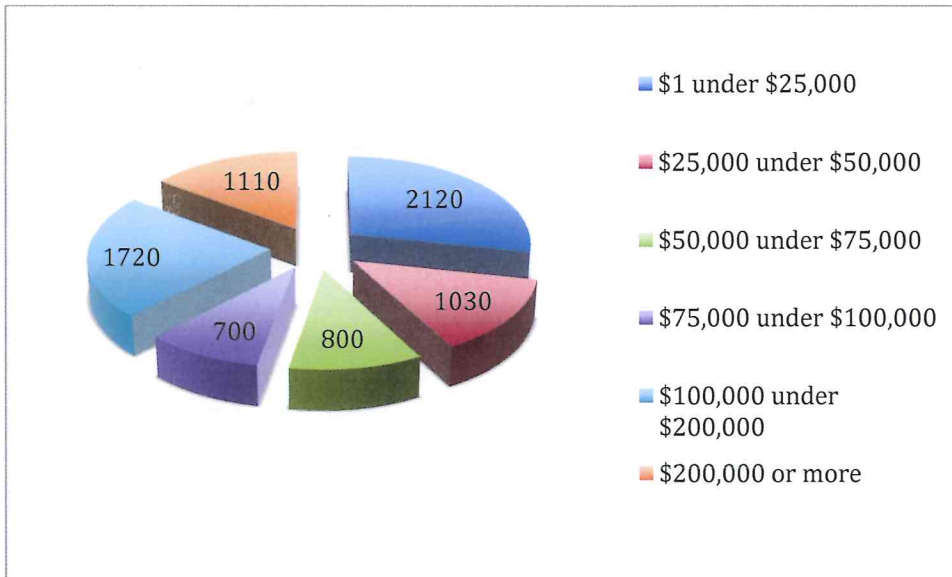
(203) 270-4201 - Office

(203) 270-4205 - FAX

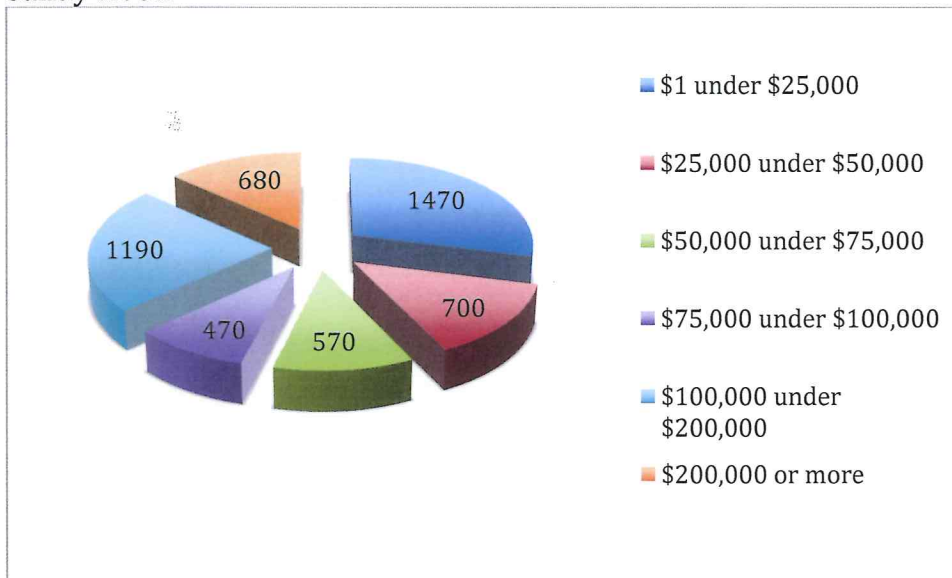
IRS - Number of Newtown Taxpayers by Adjusted Gross Income

Prepared by George Ferguson

Newtown



Sandy Hook





**NEWTOWN PUBLIC SCHOOLS  
3 PRIMROSE STREET  
NEWTOWN, CT 06470**

OFFICE OF THE SUPERINTENDENT  
(203) 426-7620  
FAX (203) 270-6199

BUSINESS OFFICE  
(203) 426-7618  
FAX (203) 270-6110

August 27, 2014

Mr. John Kortze  
25 Hundred Acres Road  
Newtown, CT 06470

Dear John:

On Tuesday, August 19, 2014 the Newtown Board of Education authorized my office to forward to you and the Board of Finance the request to accept the 2013-2014 unexpended fund balance of \$47,185. The \$47,185 would represent the 2013-2014 contribution to the non-lapsing account.

In addition, the recommendation by Ron Bienkowski, and unanimously endorsed by the school board, was to inform you that the \$47,185 would be held in the non-lapsing account to offset a matching security grant.

The Newtown Board of Education will submit a security grant to the State Department of Education to continue the hardening of all school buildings. This grant is reimbursable at the same rate as construction grants (36.79%); thus, the need for matching funds. Ideally, the \$47,185 will offset the board contribution.

Please do not hesitate to call me if I can offer any further explanation on this request.

Respectfully,

A handwritten signature in black ink, appearing to read "Joseph V. Erardi, Jr.", written over a large, stylized flourish.

Dr. Joseph V. Erardi, Jr.  
Superintendent of Schools



**67 Church Hill Road  
Newtown, CT**



**Town of Newtown  
Business Incentive Program Application**

Negotiations of Business Incentives will be conducted by the First Selectman. The findings and conclusions of the First Selectman will be submitted to the Board of Selectmen for acceptance or denial. Board approved applications will be forwarded to the Finance Board and Legislative Council for consideration and action.

- Consumers Petroleum of CT, Inc. as LESSEE/TENANT
- Doris Dayton Dickinson, solely as Trustee on behalf of the

Name of Company: Doris Dayton Dickinson Revocable Trust (LESSOR/LANDLORD)

Address: 204 Spring Hill Rd, Trumbull, CT 06611

Company Contact: Tony Tylutki, Sr. Acct.

Phone Number: 203-261-3123

Types of Products Manufactured or Distributed: \_\_\_\_\_  
Gasoline / Convenience Store

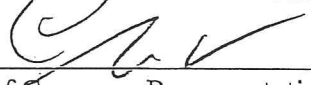
Project Description: Construct a new approx. 3,400 sq.ft.  
Wheels Gasoline / Convenience store at  
67 Church Hill Rd.

Estimated Cost of Proposed Improvements: \_\_\_\_\_  
(Attach itemized list of these costs and improvements)

Number of Jobs To Be Retained in Newtown: N/A - no jobs on site now

Number of Jobs To Be Created: approx. 15 - All Local

Date: 6/22/14

 Christine Hogan  
Signature of Company Representative President

Completed applications should be returned to the First Selectman's Office or the office of the Director of Economic and Community Development.



**We have undertaken a lot of time, effort and expense to design our project to be not only an attractive, job-producing addition to the area, but also adds safety consideration for both traffic and pedestrians and our project allows for future development of new Edmund Road.... which will be a tremendous benefit to the town and community. We have worked closely with town and state officials to facilitate the Edmund Road project – even reducing number of gasoline pumps from our original plans and layout of the site.**

1. This redevelopment takes an existing dilapidated gas station in the retail center of town located on I-84 and Exit 10, as well as an entry point to the town and rejuvenates the location.
2. Since this area is considered by the land use agencies as an “*entry point or gateway*” to the community, this new project will create a new imagery for this area which is a great benefit to the town and the surrounding businesses.
3. This project will also coordinate the new alignment for safe traffic patterns coordinated with I-84, Exit 10 and Church Hill Road now being proposed to be implemented by the State of Connecticut.
4. This roadway intersection work along with new traffic signalization will improve the road safety for vehicular traffic well as pedestrian safety. This is an important land use goal for the health, safety and welfare of the community.
5. This project will also be part of the realignment of the existing Edmund Road which is directly adjacent to the south west of our project site, but most of all our land parcel grants the property for this new Edmond Road alignment so it can be implemented.
6. Once the new Edmond Road is constructed, this will now support the future development of the industrial park behind our project which has great real estate investment potential for the community, but this new road realignment will also create a new entry point to the industrial park which will be considered an important node and location in the community.

**Additionally, this attractive store will create jobs and additional benefits to town and community:**

1. The site will employ 15 -20 employees – predominantly from Newtown.
2. The district manager is a Newtown resident.
3. All employees receive mandated job training from 4 days up to 6 weeks depending on their position.
4. We believe strongly in promoting from within – many of our current managers were former store associates – and we have also had store associates move into Accounting or other positions at our home office.
5. All full time employees (30 plus hours) are offered medical benefits, and short- and long-term disability.
6. After 6 months all employee are eligible to participate in our 401k plan.
7. All full time employees (30 plus hours) are eligible for vacation and personal time.
8. As the Wheels brand grows, customers exiting off of I-84 looking to visit our store will also be exposed to the businesses surrounding our location.... attracting additional visitors to the area will also benefit those local businesses!!!









## PPACA “Pay or Play” Overview

Pay or Play Requirements Effective January 2015 (delayed from January 2014)  
(further delay for groups of 50-99 employees to January 2016)

Initial highlights on Pay or Play (subject to ongoing guidance)

- There are two requirements to meet with “Pay or Play”: one addresses access to coverage while the other addresses affordability and appropriate levels of coverage.
- Accessibility:
  - For 2015 the access requirement states that employers must offer coverage to at least 70% of their full-time employee (those working 30 hours or more) and their child dependents (providing coverage for spouse is not required).
  - If an employer does not offer coverage to at least 70% of full-time employees and their child dependents **and** at least one full-time employee purchases coverage through the Health Care Exchange **and** receives a subsidy then the employer is subject to a fine.
  - In 2016 the accessibility requirement threshold will increase from 70% to 95% of full-time employees and their child dependents.
  - The fine is \$2,000 for every full-time employee. The employer can back out the first 30 full-time employees from the fine.
  - **Note 1:** the \$2,000 fine is applicable to all full-time employees even if just one employee receives subsidized coverage via the exchange.
  - **Note 2:** to meet the access requirement, coverage need not meet the affordability or benefit coverage requirement (see below).
- Affordability and Benefit Coverage
  - The affordability and benefit coverage requirement requires that the plans offered to full-time employees must be affordable and meet a minimum value of benefit.
  - Affordability (based on an IRS safe-harbor) is based on the employee’s cost for employee only coverage which cannot be greater the 9.5% of employee only wages; the actual test is based on 9.5% of Family Adjusted Gross Income (AGI).
  - Minimum value of benefit coverage states that the plan must pay at least 60% of the benefits covered by the plan (this should not be an issue for your benefit plans).
  - If the plan does not meet these requirements then the plan is subject to a fine.
  - The fine is \$3,000 for **each** employee that purchases insurance **and** receives a subsidy via the exchange.
  - **Note 1:** the fine is \$3,000, payable monthly, is levied only for the employee(s) that receives subsidized coverage via the exchange.
  - **Note 2:** Affordability is based on single only coverage. The employee cost for covering dependents may be greater than 9.5% of income.
- *Again, to avoid the \$2,000 penalty times all full-time employees, the Plan Sponsor must offer coverage to 95% qualifying full-time employees, but that coverage need not be affordable. Employers will then decide (based on exposure) if they need to also create a plan that will be affordable or if they may opt to just pay the \$3,000 penalty.*

- 40% excise tax imposed on "High-Cost" insurance Plans
- Costs include:
  - Medical & RX "Premiums"
  - Contributions to HSA (Employer and Employee thru payroll)
  - Reimbursements from HRA and FSA
  - DOES NOT INCLUDE: Standalone Dental & Vision "Premiums"
- High-Cost defined as premiums exceeding:
  - \$10,200 for single coverage
  - \$27,500 for other than single coverage (i.e. 2 Person/Family)
  - Single plans with a monthly premium of **\$580** as of 2013 are likely to reach \$10,200 in 2018 (using a trend of 8%)
  - 2 Person/Family plans with a monthly premium of just under **\$1,560** as of 2013 are likely get to \$27,500 in 2018 (using a trend of 8%)
- Higher threshold for "High Risk" professions, including:
  - Public Safety (i.e. PD, FD, EMT)
  - Longshore work, construction, mining, agriculture, forestry & fishing
  - Telecommunication line work
- Higher threshold for non-Medicare eligibles age 55 or older in retiree plans
- Higher threshold:
  - \$11,850 for single coverage
  - \$30,950 for other than single coverage (i.e. 2 Person/Family)
- Thresholds increases:
  - 2019 match CPI increase plus one percentage point
  - 2020 and succeeding years, thresholds match percentage rises in the index.
- Tax is a "Plan" Tax
  - Will be added to Fully Insured Premium Rates
  - Will be built into Self Funded Allocation/Working Rates
  - No specifics on who pays the tax (employer, employee, shared)
- Tax is ongoing (no targeted end date)

## **NOTABLE OBSERVATIONS/DISCUSSION POINTS:**

- Who "pays" the tax and at what level will be an item of discussion/negotiations with unions
- Avoidance-v-Mitigation
  - Expected that most Public Sector plans will meet the tax
  - Plan changes will help to mitigate the tax but not likely to avoid the tax all together
    - +Plan changes could include cost shares, managed components, structural network changes, etc...
- Thresholds are stated at the targeted 2018 values (not current dollars indexed)
  - Thresholds have been increased once (to current values) since ACA passed
- Will the tax be eliminated?
  - It is unlikely that tax will be eliminated. The revenue generated by the Cadillac tax has been allocated to fund many features of the ACA.
  - Elimination of the tax would require reduction in the scope of the ACA or tax revenue replacement from other sources.



Newtown: Town Copay Plan  
 Cadillac Tax Exhibit  
 September 8, 2014

July 2014 Teacher Copay Plan

Full Allocation Rates-Copay (includes Med & RX)

40% excise tax on premiums over the threshold amounts of:

Threshold-Single \$ 10,200  
 Threshold-Other \$ 27,500

Assumed Trend: 8%

Single 2 Person Family

2014 Monthly Rates: \$ 750.70 \$ 1,613.97 \$ 2,026.87

Annual Rates

2014 Proj. Rates \$ 9,008 \$ 19,368 \$ 24,322

2015 Proj. Rates \$ 9,729 \$ 20,917 \$ 26,268

2016 Proj. Rates \$ 10,507 \$ 22,590 \$ 28,370

2017 Proj. Rates \$ 11,348 \$ 24,398 \$ 30,639

2018 Proj. Rates \$ 12,256 \$ 26,349 \$ 33,090

Amount over \$ 2,056 \$ - \$ 5,590

Tax impact \$ 822 \$ - \$ 2,236

Revised Rate \$ 13,078 \$ 26,349 \$ 35,327

2019 Proj. Rates \$ 13,236 \$ 28,457 \$ 35,738

Amount over \$ 3,036 \$ 957 \$ 8,238

Tax impact \$ 1,215 \$ 383 \$ 3,295

Revised Rate \$ 14,451 \$ 28,840 \$ 39,033

% Increase due to Tax

2018 6.71% 0.00% 6.76%

2019 9.18% 1.35% 9.22%

Town

2018 TAX IMPACT

I 57 II 49 III 80 Total 186

\$ 46,873 \$ - \$ 178,893 \$ 225,766

2019 TAX IMPACT\*\*

I 57 II 49 III 80 Total 186

\$ 69,228 \$ 18,765 \$ 263,605 \$ 351,598

\*\*Assumes 2018 Thresholds

Newtown: BOE-Assume All in Teacher Copay Plan  
 Cadillac Tax Exhibit  
 September 8, 2014

July 2014 Teacher Copay Plan

Full Allocation Rates-Copay (includes Med & RX)						
40% excise tax on premiums over the threshold amounts of:						
Threshold-Single	\$	10,200				
Threshold-Other	\$	27,500				
Assumed Trend:		8%				
			Single	2 Person	Family	
2014 Monthly Rates:	\$	751.71	\$	1,616.16	\$	2,029.60
Annual Rates						
2014 Proj. Rates	\$	9,021	\$	19,394	\$	24,355
2015 Proj. Rates	\$	9,742	\$	20,945	\$	26,304
2016 Proj. Rates	\$	10,522	\$	22,621	\$	28,408
2017 Proj. Rates	\$	11,363	\$	24,431	\$	30,681
2018 Proj. Rates	\$	12,272	\$	26,385	\$	33,135
Amount over	\$	2,072	\$	-	\$	5,635
Tax impact	\$	829	\$	-	\$	2,254
Revised Rate	\$	<b>13,101</b>	\$	<b>26,385</b>	\$	<b>35,389</b>
2019 Proj. Rates	\$	13,254	\$	28,496	\$	35,786
Amount over	\$	3,054	\$	996	\$	8,286
Tax impact	\$	1,222	\$	398	\$	3,314
Revised Rate	\$	<b>14,476</b>	\$	<b>28,894</b>	\$	<b>39,100</b>
% Increase due to Tax						
2018		6.75%		0.00%		6.80%
2019		9.22%		1.40%		9.26%

ALL BOE (not just teachers)				
2018 TAX IMPACT				
I	II	III	Total	
174	141	282	597	
\$ 144,233	\$ -	\$ 635,626	\$ 779,859	
2019 TAX IMPACT**				
I	II	III	Total	
174	141	282	597	
\$ 212,566	\$ 56,176	\$ 934,636	\$ 1,203,378	

\*\*Assumes 2018 Thresholds



# Attachment F

## GRANT

The Town of Newtown, Connecticut ("Town") hereby makes this Grant in the amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00) to the Newtown Hook and Ladder Company No. 1, Incorporated ("Hook and Ladder") for the purpose of partially financing the construction of a new Fire House to be located at Church Hill Road, Newtown, Connecticut. Said Grant to be in accordance with the terms and conditions more particularly set forth below.

1. Term: The term of this Grant shall be from October 1, 2014 to October 1, 2017.

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2. Amount: The amount of the Grant shall be One Million Five Hundred Thousand Dollars (\$1,500,000.00). The Grant shall be disbursed in three (3) parts of Five Hundred Thousand Dollars (\$500,000.00) each using the following schedule, 1.) upon the first disbursement shall be upon the closing of issuance of the land purchase for the Fire House property, 2.) at the point of issuance of the full Certificate of Occupancy for the Fire House and 3.) within six months after Certificate of Occupancy issuance at a mutually agreed upon time between the Town and Hook and Ladder.  
~~full Certificate of Occupancy for the Fire House. The second to be disbursed on or about \_\_\_\_\_~~  
~~The final disbursement to be on or about \_\_\_\_\_~~

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3. Project: The Grant shall be utilized by the Hook and Ladder to provide assistance in the financing of the Fire House. The Grant shall be administered by the Financial Director of the Town. The Grant is made contingent upon the obtaining the required municipal approvals for the Fire House.

4. Conditions:

- a. The Hook and Ladder shall comply with all material conditions of any loan obtained to finance the Fire House.

- b. The Hook and Ladder shall not sell or lease the Fire House to any person or entity which is not a volunteer fire company under the jurisdiction of the Board of Fire Commissioners of the Town of Newtown; nor shall the Hook and Ladder, voluntarily or involuntarily, terminate its legal existence.
- c. The Hook and Ladder shall not use any of the proceeds of this Grant for any purpose not authorized by this Grant.
- d. The Hook and Ladder shall maintain adequate insurance on the Fire House and its contents and shall name the Town as an additional insured beneficiary thereunder to the extent of its interest.

5. Suspension or Termination: The Town may suspend or terminate this Grant if the Hook and Ladder fails to comply with any terms of this Grant which include (but are not limited to) the following:

- a. Ineffective or improper use of funds provided under this agreement.
- b. Use of the Fire House for purposes not permitted under this Grant.
- c. Failure, for any reason, of the Hook and Ladder to fulfill, in a timely and proper manner, its obligations under this Grant.

6. Grant Repayment: The Grant shall be amortized on a straight line basis over ~~30~~ 12 years beginning with the final disposition of the Grant proceeds. If the Hook and Ladder abandons, sells, leases, demolishes or otherwise redirects the use of the Fire House to other than a fire house during the amortization period, the Hook and Ladder shall refund to the Town the ~~unamortized~~ unamortized balance of the Grant remaining as of the date of the abandonment, sale, lease demolition or redirection occurs. The Town shall take a second lien interest in the property until the terms of this grant repayment are satisfied.

The signature below, for and on behalf of the Hook and Ladder indicates the acceptance of the above and ~~further~~ certifies that

1. I have the authority to execute this agreement on behalf of the Hook and Ladder; and
2. The Hook and Ladder will comply with all the attached Grant conditions.

NEWTOWN HOOK AND LADDER  
COMPANY NO.1, INCORPORATED

By: \_\_\_\_\_

– Its \_\_\_\_\_  
Duly Authorized

FOR THE TOWN OF NEWTOWN

By: \_\_\_\_\_

Its  
Duly Authorized

**TOWN OF NEWTOWN  
APPROPRIATION (BUDGET) TRANSFER REQUEST**



**FISCAL YEAR** 2014 - 2015      **DEPARTMENT** Land Use      **DATE** 8/29/14

	<u>Account</u>	<u>Amount</u>	
<b>FROM:</b>	1-101-24-570-5899-0000CONTINGENCY	(29,000)	USE NEGATIVE AMOUNT
	.		
	.		
	.		
<b>TO:</b>	1-101-15-490-5505-0000CONTRACTUAL SERVICES	29,000	USE POSITIVE AMOUNT

**REASON:**

The Land Use Agency is requesting that \$29,000 be transferred from Contingency to demolish a residence located at 31 Great Hill Road. The residence was severely damaged by fire on June 23, 2011. Since that time the property has not been cleaned or improved and the site currently is a health and safety hazard for residents of the Town of Newtown. The Land Use Agency has attempted to force the owner, mortgage holder and the insurance company to rectify the situation without success. The owner has no funds, the insurance company is disputing the claim and the mortgage company will not cooperate. The Land Use Agency has made numerous phone calls, issued a Cease and Desist Order, the Town Attorney and Building Official have sent letters and finally we initiated legal action. The court has ruled in favor of the Town, granting the Town the right to demolish the remaining structures on the property and record a demolition lien in an amount equal to the cost of demolition. The Land Use Agency has exhausted all other methods and legal remedies to resolve this issue and we now are requesting the Town allocate the funds to protect the public safety, health and welfare. We have secured three quotes. \$29,000 represents the lowest quote. Attached is a letter to the Purchasing Authority requesting a waiver of the bid requirements due to the emergency nature of this request.

**AUTHORIZATION:**

(1) DEPARTMENT HEAD		date: 8/29/14
(2) FINANCE DIRECTOR		8/26/14
(3) SELECTMAN	_____	_____
(4) BOARD OF SELECTMEN	_____	_____
(5) BOARD OF FINANCE	_____	_____
(6) LEGISLATIVE COUNCIL	_____	_____

**AUTHORIZATION SIGN OFF**

**FIRST 335 DAYS** >>>>WITH IN A DEPT.>>>>LESS THAN \$50,000>>>> (1), (2) & (3) SIGNS OFF; MORE THAN \$50,000>>>> (1), (2), (3) & (5)  
>>>>ONE DEPT TO ANOTHER>>>>LESS THAN \$200,000>>>>ALL EXCEPT (6); MORE THAN \$200,000>>>>ALL SIGN OFF

**AFTER 335 DAYS** >>>>(1), (2), (3), (5) & (6) ANY AMOUNT FROM CONTINGENCY>>>> ALL SIGN OFF

3 Primrose Street  
Newtown, CT 06470  
Tel. (203) 270-4276  
Fax (203) 270-4278



George Benson, Director  
Planning and Land Use

**TOWN OF NEWTOWN**  
**Land Use Agency**

August 29, 2014

To: Pat Llodra, First Selectman  
Bob Tait, Finance Director

From: George Benson, Director of Planning

The Land Use Agency is requesting that the Purchasing Authority waive the requirements of sections 3 and 4 of the Newtown Purchasing Regulations as allowed under section 5 for emergency situations. The emergency involves a building located at 31 Great Hill Road that has been damaged by fire, resulting in a public health and safety hazard. The Town has received a Superior Court Order allowing the Town to demolish the building and it is obligatory that the Town immediately demolish the building for the protection of public health and safety.

The Land Use Agency has received the following three quotes for the demolition, City Carting, \$41,000, Complete Excavation, 31,260 and All Star Demolition 28,815. The Land Use Agency requests that the lowest bidder All Star Demolition be selected for the contract

Sincerely,

George A. Benson  
Director of Planning





All Star Welding & Demolition, LLC  
50 Shelter Rock Rd  
Danbury, CT 06810  
203-744-5848 – Office  
203-948-0528 – Mobile  
203-792-4962 – Fax  
allstarwdllc@sbcglobal.net

Town of Newtown  
Land Use Agency  
3 Primrose St.  
Newtown, CT 06482  
203-270-4352  
203-270-4278 fax

August 5, 2014

ATT: Steve Maguire  
Land Use Enforcement Officer

RE: Bid for demolition of 31 Great Hill Rd., Newtown, CT

Demolish remains of house and shed. Remove all debris from site.  
Demolish foundation and pool. Remove all concrete from site.

Town will bring in fill for holes and grade. We will supply labor to  
unload fill and grade to rough.

Machine time for house	6500.00
Debris removal fee	8140.00
Trucking fee for debris	750.00
Labor	1800.00
Bobcat for small cleanup	650.00
Hammer for foundation breakup	1200.00
Machine time for loading concrete	1200.00
Concrete disposal fee	2575.00
Trucking fee for concrete	2500.00
Remove pool and disposal fee	3500.00

Total 28815.00

**TOWN OF NEWTOWN  
APPROPRIATION (BUDGET) TRANSFER REQUEST**

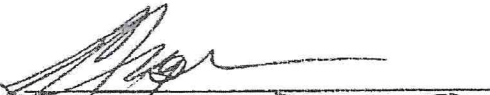
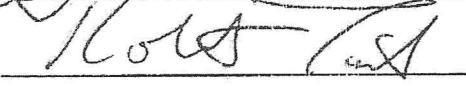
FISCAL YEAR 2014 - 2015 DEPARTMENT Land Use DATE 8/29/14

	<u>Account</u>	<u>Amount</u>	
FROM:	<b>1-101-24-570-5899-0000CONTINGENCY</b>	<b>(29,000)</b>	USE NEGATIVE AMOUNT
TO:	<b>1-101-15-490-5505-0000CONTRACTUAL SERVICES</b>	<b>29,000</b>	USE POSITIVE AMOUNT

**REASON:**

The Land Use Agency is requesting that \$29,000 be transferred from Contingency to demolish a residence located at 31 Great Hill Road. The residence was severely damaged by fire on June 23, 2011. Since that time the property has not been cleaned or improved and the site currently is a health and safety hazard for residents of the Town of Newtown. The Land Use Agency has attempted to force the owner, mortgage holder and the insurance company to rectify the situation without success. The owner has no funds, the insurance company is disputing the claim and the mortgage company will not cooperate. The Land Use Agency has made numerous phone calls, issued a Cease and Desist Order, the Town Attorney and Building Official have sent letters and finally we initiated legal action. The court has ruled in favor of the Town, granting the Town the right to demolish the remaining structures on the property and record a demolition lien in an amount equal to the cost of demolition. The Land Use Agency has exhausted all other methods and legal remedies to resolve this issue and we now are requesting the Town allocate the funds to protect the public safety, health and welfare. We have secured three quotes. \$29,000 represents the lowest quote. Attached is a letter to the Purchasing Authority requesting a waiver of the bid requirements due to the emergency nature of this request.

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(2) FINANCE DIRECTOR		<u>8/26/14</u>
(3) SELECTMAN	_____	_____
(4) BOARD OF SELECTMEN	_____	_____
(5) BOARD OF FINANCE	_____	_____
(6) LEGISLATIVE COUNCIL	_____	_____

AUTHORIZATION SIGN OFF

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**TOWN OF NEWTOWN  
BOARD OF SELECTIONS CIP - (2015 - 2016 TO 2019 - 2020) - 8/18/2014**

RANK	2015 - 2016 (YEAR ONE)				Proposed Funding		
	<u>BOARD OF SELECTIONS</u>	<u>Dept.</u>	<u>Amount Requested</u>	<u>Bonding</u>	<u>Grants</u>	<u>General Fund</u>	<u>Other</u>
*	Capital Road Program	PW	1,500,000			1,500,000	
1	Bridge Replacement Program	PW	315,000	315,000			
2	Newtown H & L Fire House Construction (3 of 3)	FIRE	500,000	500,000			
2	Addition To S.H. Fire House Sub-Station	FIRE	375,000	375,000			
2	Fire Apparatus Replacement	FIRE	975,000	975,000			
3	Dickinson Parking Lot	P & R	500,000	500,000			
3	Eichlers Cove Improvements Phase (1 of 2)	P & R	325,000	325,000			
*	Community Center Construction Phase (1 of 3)	P & R	9,550,000		9,550,000		
5	Town Sidewalk/Streetscape Plan	ECON DEV	350,000	350,000			
5	Open Space Acquisition Program	LAND USE	250,000	250,000			
2	FFH Building Demolition	FFH	2,400,000	2,400,000			
4	Edmond Town Hall Renovations	ETH	300,000	300,000			
4	Library Renovations	LIB	300,000	300,000			
	<b>TOTALS</b>	>>>>>>>>>>	<b>17,640,000</b>	<b>6,590,000</b>	<b>9,550,000</b>	<b>1,500,000</b>	<b>-</b>

Capital Improvement Plan  
Town of Newtown, Connecticut

'14/'15 thru '18/'19

Department Board of Education

Contact RON BIENKOWSKI, DIREC

Type Building construction/renovatio

Useful Life

Category Buildings

Priority 1 - High

Project #	BOE-1
Project Name	Hawley HVAC Renovations

Description

In response to your request to update the cost estimates for Proposed Phases Two and Three for the Hawley School, please be advised that my estimate for Phase Two includes the HVAC work that was deleted from Phase One. Please recall that the Town directed the B & S C to modify Phase One to include only the following:

- The replacement of the boilers in the 1948 Boiler Room.
- Related Boiler Room modifications.
- The replacement of the steam radiation and related classroom modifications in the 1948 section of the building.

Modified Phase One is presently substantially complete. The final construction cost for Modified Phase One will amount to \$1,175k +/- . I'm not privy to the Town's soft costs that are associated with Modified Phase One but I can imagine the total project cost was about \$1.4 to \$1.5 million.

The revised estimate for Phase Two will be comprised of the original Phase Two work combined with the work that was eliminated from the original Phase One. For clarity, the tasks are for both the 1948 & 1997 sections of the building. Therefore, the following is the revised scope of work for Phase Two:

MECHANICAL TASKS:

- The provision of new roof top HVAC equipment.
- Install new horizontal ductwork in 1948 section.
- Modify ductwork in the 1997 section.
- Extend new gas service to roof top equipment.
- Install vertical duct risers.
- Extend energy management system.
- Install new fire service.
- Install new fire suppression system.

ELECTRICAL TASKS:

- Replace existing electrical service.
- Relocate Electrical Service Room.
- Replace/modify existing electrical distribution panels.
- Modify existing addressable fire alarm Panel in renovated areas.
- Modify existing emergency lighting, signage and detection devices.
- Provide new lighting in areas renovated.
- Provide new emergency generator (alternate).

RELATED RENOVATION TASKS:

- Replace existing ceilings to accommodate new ductwork.
- Provision of gypsum board enclosures and ceiling drops as required to accommodate new ductwork.
- Replace existing roof on 1948 section.
- Repair existing roof on 1997 section.
- Reinforce existing roof on 1948 section to accommodate new roof equipment.
- Repair distressed masonry at window select heads.
- Repair of ceiling, floor and wall penetrations related to new ductwork, fire piping and electrical distribution.
- Repair finishes and fixtures affected by renovations.
- Temporary relocation of furnishings affected by renovations.
- Final cleaning.

Our revised estimate for Phase Two tasks as described above is \$4,500,000.00 if constructed in the summer of 2015.

The previous estimate(s) for Phase Three should be escalated by about 3 % if the work is constructed in 2016:

- Phase Three A, HVAC and Related Work only, \$2,650,000.00.
- Phase Three B, HVAC and Related Work plus ADA Improvements to 1921 Section, \$6,990,000.00

**Capital Improvement Plan**  
**Town of Newtown, Connecticut**

'14/'15 thru '18/'19

Department Board of Education

Contact RON BIENKOWSKI, DIREC

None of the above estimates factor in potential state reimbursement. Please note that the construction duration for Phase Three A is estimated to be four (4) months. The construction duration for Phase Three B is estimated to be twelve (12) months.

**Justification**

The purpose of this project is to comply with current building code requirements for fresh air exchange and ventilation in classrooms and to replace aging equipment which exceeds its useful life.

Built in 3 sections, 1921, 1948 and 1997, this facility is currently heated by 2 boiler plants. The 1921 section is served by 2 steam boilers and the 1997 section is served by one hot water boiler which is located in the 1948 boiler room. The 1948 section has old cast iron radiators, while the 1921 section has been largely upgraded to fin-tube heaters. Problems with poor temperature control capabilities and long system-response time for temperature regulation create many rooms that are either too cold or too hot during the winter season.

The steam boilers in the 1921 section are relatively new (1993), but the 1948 section is operating with the original equipment and is coming to the end of its useful life. The hot water boiler was installed in 1997. Mechanical ventilation exists in all rooms, but requires windows to be opened to provide 'make-up' or fresh air. This is a particular problem in the 1921 portion, where road noise and auto/truck emissions are introduced to the classrooms when windows are opened. The 1997 section has some air-conditioned spaces, but the addition has six classrooms that are not air-conditioned. The computer room, nurse's room, library, gym and office are air-conditioned.

<b>Expenditures</b>	<b>'14/'15</b>	<b>'15/'16</b>	<b>'16/'17</b>	<b>'17/'18</b>	<b>'18/'19</b>	<b>Total</b>
Construction/Maintenance		4,500,000	2,650,000			7,150,000
<b>Total</b>		<b>4,500,000</b>	<b>2,650,000</b>			<b>7,150,000</b>

<b>Funding Sources</b>	<b>'14/'15</b>	<b>'15/'16</b>	<b>'16/'17</b>	<b>'17/'18</b>	<b>'18/'19</b>	<b>Total</b>
Bonding		4,500,000	2,650,000			7,150,000
<b>Total</b>		<b>4,500,000</b>	<b>2,650,000</b>			<b>7,150,000</b>

**Budget Impact/Other**

Operating and maintenance costs estimated at \$9,500/year.