

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held their regular meeting on Monday, May 11, 2015 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, John Godin, Joe Kearney

Absent: Mike Portnoy, James Filan

Also Present: First Selectman Pat Llodra, Director of Finance Bob Tait, Rick Camajo and Rob Manna of Newtown Hook and Ladder, and 2 members of the press

VOTER COMMENTS: NONE

COMMUNICATIONS: Mr. Kortze has been copied on many e-mails pertaining to the minimum budget requirement for BOE. There is a lot of dialog at the state level about changes to it because of what the state is experiencing with declining enrollment. Essentially it would give greater flexibility per student on the MBR. If you are in the top 10% of performing districts in the state, which Newtown is, there is even more flexibility.

There will be a special appropriation for the High School Auditorium and Edmond Town Hall for next meeting.

Mr. Kortze had received inquiries about where we are with grants (Attachment A).

An update on the status of the Hawleyville Sewer Extension estimated cost v. anticipated assessments and grants was received (Attachment B).

There is a transportation survey out there from the BOE piggybacking the ridership questions that was discussed during the last budget cycle (Attachment C).

MINUTES – Mr. Kearney moved to approve the minutes of the 4/23/15 meeting as presented. Mr. Godin seconded, motion unanimously approved.

FIRST SELECTMANS REPORT – Mrs. Llodra expressed concern over house bill 571 and senate bill 902. There is no advocacy for either bill. The impact will be extraordinarily costly. The protections being sought under those bills are extraordinary protections. The coverage for those particular provisions are already provided. Mrs. Llodra is asking anybody who has a chance to talk to our Legislators ask them not to support unfunded mandates. The third bill of concern is bill 6970 which calls the consolidation of dispatch. It is calling for mandating the consolidation of dispatch for communities with less than 40,000 residents by 2018. The one piece that might be modified would be the date. There is a penalty if you do not consolidate which is the piece of funding that is currently received.

Mr. Kortze asked about the status of the space needs study. Mrs. Llodra explained that they are collectively talking. They are doing a lot of research and have awarded the contract to the company that will do the physical assessment of the buildings and then do the space needs assessments. The committee is waiting for the school piece to come on board. The third piece of the charge to that commission is repurposing of building. Mrs. Llodra is expecting that they will be prepared to come back by the end of August.

FINANCE DIRECTOR REPORT – The BOS invited the Pension Committee to their next meeting. The Board of Selectman is the Trustee of the pension. The attached document was given to the committee before their meeting (Attachment D). The document shows the benchmark over the last 5 fiscal years and the fund has been underperforming. It is time to have a discussion with the Trustees and the Pension Committee. It was discussed breaking up the pension assets into 3 pension asset managers by RFP. Mr. Kortze expressed concern that this has been happening for 5 years. Mrs. Llodra explained that they have had three meetings with the Pension Committee and the Fund Managers. Each of those meetings, there was a plan in place, they did not meet the expectation, and came back with another plan. This meeting is with the BOS and the Pension Committee only and do not want the asset manager to be there. They have had enough time to right the ship and now it is time for a change.

Mr. Tait explained that at the next meeting there will be special appropriations for Edmond Town Hall, Library, PW Roads, FFH Demo, Fire Apparatus, Fire Substation and High School Auditorium. Mr. Tait is asking if they should ask for the full amount over three years instead of coming back each year. This approach was done for the open space. There is no savings to this approach. It would work like it does now but he wouldn't have to come back each year for the appropriation. It was determined that it did not make sense to do except with FFH demo where it could provide a savings.

UNFINISHED BUSINESS

Newtown Hook and Ladder Update – Rob Manna representing the Building Committee for Hook and Ladder, and Rick Camajo the President of Hook and Ladder spoke about the new building update. There is preliminary sight work being done. Claris Construction has done primary plans and gotten estimates to determine what the cost would be (Attachment E), which is estimated at \$2.5 million for the building. They have purchased the property for \$500,000 cash and are working with a bank to secure a \$500,000 mortgage. There is a \$500,000 gap between the town's funding and their funding. Hook & Ladder's commitment is \$1 million and the town is \$1.5 million. The current estimates are not prevailing wages. Using prevailing wage, the gap may increase to \$1 million. The estimates from Claris is for a 2 floor building. The 2nd floor will be a shell to get a CO. There may be an opportunity to get a USDA loan which is a 40 year loan but that is still under review.

NEW BUSINESS

Police Union Contract – The BOF does not take any fiscal action on the Police Union Contract (Attachment F). This is a three year contract with one year retroactive. Medical insurance cost share has increased from 11% to 12%. They have increased the option to decline medical insurance and have an opener for the affordable health care act. They also have a defined contribution pension plan ... And wage increases of 1.9/1.9/2.0%.

ANNOUNCEMENTS – None

Having no further business, the meeting was adjourned at 8:29pm

Respectfully Submitted,
Arlene Miles, Clerk

Attachment H

**Federal Single Audit
and
State Single Audit**

of the

Town of Newtown, Connecticut

Year Ended June 30, 2014

Town of Newtown, Connecticut

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**Federal
Single
Audit**

Town of Newtown, Connecticut

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	State Project Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program.....	10.553	12060-20508-82079-170005	\$ 9,580
National School Lunch Program - Cash.....	10.555	12060-20560-80279-170005	205,326
National School Lunch Program - Commodities.....	10.555	12060-20560-80279-170006	45,637
Total Child Nutrition Cluster.....			260,523
Child and Adult Care Food Program.....	10.558	12060-20518-82079-2014-170005	12,886
Total U.S. Department of Agriculture.....			273,409
<u>U.S. Department of the Interior</u>			
Natural Resource Damage Assessment, Restoration and Implementation	16.658		300,000
<u>U.S. Department of Justice</u>			
Passed through Office for Victims of Crimes Services:			
Antiterrorism Emergency Reserve.....	16.321		1,376,259
Passed through State Office of Policy and Management:			
Edward Byrne Memorial State and Local Law Enforcement Assistance			
Discretionary Grants Program.....	16.580		160,650
Edward Byrne Memorial Justice Assistance Grant Program.....	16.738		33,511
Bulletproof Vest Partnership Program.....	16.607		4,500
Passed through State Department of Public Safety:			
Recovery Act - Internet Crimes Against Children Task Force Program.....	16.800		508
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories.....	16.803		18,000
Equitable Sharing Program.....	16.922		52,317
Total U.S. Department of Justice.....			1,645,745
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation:			
State and Community Highway Safety.....	20.600		6,186
Alcohol Impaired Driving Countermeasures Incentive Grants I.....	20.601		29,045
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants	20.614		21,179
Total U.S. Department of Transportation.....			56,410
<u>National Endowment for the Humanities</u>			
Promotion of the Arts Grants - Healing Newtown.....	45.024		30,000
<u>U.S. Department of Environmental Protection</u>			
Brownfields Assessment and Cleanup Cooperative Agreements.....	66.818		42,157
<u>U.S. Department of Education</u>			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies.....		12060-20679-82070-2013-170002	13,862
Title I Grants to Local Educational Agencies.....		12060-20679-82070-2014-170002	150,934
Total Title I Grants to Local Educational Agencies.....	84.010		164,796
Special Education - Cluster:			
Special Education - Grants to States (IDEA, Part B).....		12060-20977-82032-2013-170002	102,772
Special Education - Grants to States (IDEA, Part B).....		12060-20977-82032-2014-170002	831,392
Total Special Education - Grants to States (IDEA, Part B).....	84.027		934,164
Special Education - Preschool Grants (IDEA Preschool).....	84.173	12060-20983-82032-2013-170002	28,619
Total Special Education - Cluster.....			962,783
Career and Technical Education - Basic Grants to States (Perkins IV).....	84.048	12060-20742-84010-2014-170002	30,425

(Continued)

Town of Newtown, Connecticut

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	State Project Number	Expenditures
School Emergency Response to Violence (Project SERV).....	84.184S		\$ 2,488,774
Improving Teacher Quality State Grants.....		12080-20858-84131-2013-170002	5,198
Improving Teacher Quality State Grants.....		12060-20858-84131-2014-170002	64,067
Total Improving Teacher Quality State Grants.....	84.367		69,265
Total U.S. Department of Education.....			3,716,043
<u>U.S. Department of Health and Human Services</u>			
Drug Free Communities Support Program Grants.....	93.276		132,553
Passed through State Department of Social Services:			
Social Services Block Grant.....	93.667		225,282
Passed through State Department of Public Health:			
Public Health Emergency Preparedness.....	93.069		112,516
Preventative Health and Health Services Block Grant.....	93.991		4,809
Total U.S. Department of Health and Human Services.....			475,160
<u>U.S. Department of Homeland Security</u>			
Passed through State Emergency Management & Homeland Security:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters).....	97.036		123,267
Passed through State of Connecticut Military Department:			
Emergency Management Performance Grants.....	97.042		6,383
Total U.S. Department of Homeland Security.....			129,650
Total Federal Awards.....			\$ 6,668,574

(Concluded)

See Notes to Schedule of Expenditures of Federal Awards

Town of Newtown, Connecticut

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014**

1. Significant accounting policies

The accounting policies of the Town of Newtown, Connecticut, conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. The following is the significant policy relating to Federal awards:

Basis of presentation

The accompanying schedule of expenditures of Federal awards is presented on the modified accrual basis of accounting and a current financial resources measurement focus. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

2. Noncash Federal awards

The Town received and expended \$45,637 of USDA donated commodities under the National School Lunch Program.

3. Subrecipients

Town of Newtown provided Federal awards to subrecipients as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount</u>
10.558	Child and Adult Care Food Program	\$ 12,886
93.667	Social Services Block Grant	225,282
93.991	Preventative Health and Health Services Block Grant	4,809

4. Prior year findings and questioned costs

There were no prior audit findings or questioned costs.

Town of Newtown, Connecticut

Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes x no
Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes x no
Significant deficiency(ies) identified? yes x none reported

Type of auditor's report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with OMB
Circular A-133, Section .510(a)? yes x no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
15.658	Natural Resource Damage Assessment, Restoration and Implementation
16.321	Antiterrorism Emergency Reserve
84.027/84.173	Special Education Cluster
84.184S	School Emergency Response to Violence (Project SERV)

Dollar threshold used to distinguish
between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? x yes no

II - Financial Statement Findings:

None

III - Federal Award Findings and Questioned Costs:

None

Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Legislative Council
Town of Newtown, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 10, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Hartford, Connecticut
December 10, 2014

Independent Auditor's Report on Compliance for Each
Major Federal Program; Report on Internal Control over
Compliance; and Report on the Schedule of Expenditures
of Federal Awards Required by OMB Circular A-133

Legislative Council
Town of Newtown, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Newtown, Connecticut's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Town's major Federal programs for the year ended June 30, 2014. The Town's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated December 10, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CohnReznick LLP

Hartford, Connecticut
December 10, 2014

**State
Single
Audit**

Town of Newtown, Connecticut

Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core CT Number	Expenditures
Department of Education:		
Adult Education.....	11000-SDE64000-17030	\$ 4,187
Health Services.....	11000-SDE64000-17034	23,143
Magnet Schools.....	11000-SDE64000-17057	67,600
Child Nutrition State Matching Grant.....	11000-SDE64000-16211	12,011
School Breakfast.....	11000-SDE64000-17046	3,101
High Quality Schools & Common Core Implementation (Bonds).....	12052-SDE64370-43538	104,804
Department of Transportation:		
Town Aid Road Grants Transportation Fund.....	13033-DOT57131-43459	470,723
Connecticut State Library:		
Historic Documents Preservation Grants.....	12060-CSL66094-35150	6,500
Office of Policy and Management:		
Payment in Lieu of Taxes (PILOT) on State-Owned Property.....	11000-OPM20600-17004	812,386
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	2,143
Property Tax Relief for Elderly and Totally Disabled Homeowners.....	11000-OPM20600-17018	156,866
Property Tax Relief for Veterans.....	11000-OPM20600-17024	17,307
Local Capital Improvement Program.....	12050-OPM20600-40254	208,255
Municipal Grants-in-Aid.....	12052-OPM20600-43587	221,366
Small Town Economic Assistance Program (STEAP).....	12052-OPM20870-40530	196,536
Department of Emergency Services and Public Protection:		
Drug Assets Forfeiture Funds.....	12060-DPS32155-35142	8,187
Telecommunications Fund.....	12060-DPS32740-35190	93,721
Department of Administrative Services:		
Sandy Hook School Construction Grant.....	12052-DAS27635-43575	3,458,215
Sandy Hook School Construction Grant.....	13019-DAS27635-43599	750,000
Department of Public Health:		
Local and District Departments of Health.....	11000-DPH48500-17009	58,819
Total State Financial Assistance Before Exempt Programs		<u>6,675,870</u>
<u>Exempt Programs:</u>		
Department of Education:		
Public School Transportation.....	11000-SDE64000-17027	85,470
Education Cost Sharing.....	11000-SDE64000-17041-82010	4,436,925
Excess Cost - Student Based.....	11000-SDE64000-17047	1,699,628
Nonpublic School Transportation.....	11000-SDE64000-17049	20,917
Office of Policy and Management:		
Mashantucket Pequot and Mohegan Fund.....	12009-OPM20600-17005	796,498
Municipal Video Competition.....	12060-OPM20600-35362	6,503
Department of Construction Services:		
School Construction Projects - Principal.....	13010-DCS28000-40901	511,378
School Construction Projects - Interest.....	13009-DCS28000-40896	68,364
School Construction Projects - Progress.....	13010-DCS28000-40901	318,834
Total Exempt Programs.....		<u>7,944,517</u>
Grand Total State Financial Assistance.....		<u>\$ 14,620,387</u>

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of Newtown, Connecticut

**Notes to Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2014**

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Newtown, Connecticut, under programs of the State of Connecticut for the fiscal year ended June 30, 2014. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including general government, public safety, health and welfare, land use, public works, parks and recreation and education.

1. Summary of significant accounting policies

The accounting policies of the Town of Newtown, Connecticut, conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the schedule of expenditures of state financial assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

2. Loan programs

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2014.

Department of Energy and Environmental Protection:

Clean Water Funds (21014-OTT14230-40001):

Grant Number	Issue Date	Interest Rate	Original Amount	Balance July 1, 2013	Retired	Balance June 30, 2014
113-C	06/30/97	2.0%	\$ 4,570,000	\$ 928,310	\$ 258,642	\$ 669,668
113-C1	10/30/98	2.0%	16,128,596	4,023,113	897,733	3,125,380
200101-C	06/30/03	2.1%	516,000	282,201	25,630	256,571

Drinking Water Funds (21018-OTT14230-40001):

Grant Number	Issue Date	Interest Rate	Original Amount	Balance July 1, 2013	Retired	Balance June 30, 2014
200402-C	06/29/06	2.32%	\$ 171,738	\$ 115,206	\$ 8,039	\$ 107,167

Town of Newtown, Connecticut

**Notes to Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2014**

- 3. Prior year findings and questioned costs**
There were no prior audit findings or questioned costs.

Town of Newtown, Connecticut
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes x no
- Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? yes x no
- Significant deficiency(ies) identified? yes x none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? yes x no

The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
<u>Department of Education:</u>		
High Quality Schools & Common Core Implementation (Bonds)	12052-SDE64370-43538	\$ 104,804
<u>Office of Policy and Management:</u>		
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	\$ 812,386
Local Capital Improvement Program	12050-OPM20600-40254	208,255
Municipal Grants-in-Aid	12052-OPM20600-43587	221,366
<u>Department of Administrative Services:</u>		
Sandy Hook School Construction Grant	12052-DAS27635-43575	\$3,458,215
Sandy Hook School Construction Grant	13019-DAS27635-43599	750,000
• Dollar threshold used to distinguish between type A and type B programs:		\$200,000

II. Financial Statement Findings:

None.

III. State Financial Assistance Findings and Questioned Costs:

None.

Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards*

Legislative Council
Town of Newtown, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 10, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Hartford, Connecticut
December 10, 2014

Independent Auditor's Report on Compliance for Each Major
State Program; Report on Internal Control over Compliance;
and Report on the Schedule of Expenditures of State
Financial Assistance Required by the State Single Audit Act

Legislative Council
Town of Newtown, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Newtown, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2014. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major State Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated December 10, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

CohnReznick LLP

Hartford, Connecticut
December 10, 2014

Attachment 15

Please add to correspondence

Sent from my iPhone

Begin forwarded message:

From: "Llodra, Pat" <pat.llodra@newtown-ct.gov>
Date: April 20, 2015 at 9:57:26 AM EDT
To: "Kortze, John" <jkortze@mac.com>
Subject: fw: re: fw: Exit 9 sewer
Reply-To: pat.llodra@newtown-ct.gov

FYI

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

(203) 270-4201 - Office
(203) 270-4205 - FAX

From: "Hurley, Fred" <fred.hurley@newtown-ct.gov>
Sent: Friday, April 17, 2015 1:15 PM
To: pat.llodra@newtown-ct.gov
Subject: re: fw: Exit 9 sewer

Hi Pat,
Please use for your own info and to pass along to John.

Hawleyville Sewer Extension
Estimated Cost v. Anticipated Assessments & Grants

Raw Land Assessment (2 parcels)	\$2,777,022
Existing Commercial Developed Properties (9 parcels)	\$416,866
Under Development Commercial (1 parcel)	\$1,060,000
Residential (9 parcels)	\$144,000

Total Maximum Potential Revenue	\$4,397,888
Estimated Cost	\$3,500,000
Approved STEAP Grant	\$500,000

If the estimated cost proves to be reasonably accurate, and we should know that this summer, the application of the STEAP grant to project cost would bring that number to \$3,000,000. As that would be \$1,397,888 under what we conditionally would raise from assessments we would reduce the economic development targets by that amount. Residential assessments would remain the same but there would be relief to promote development particularly as a tool for promoting the raw land.

There are of course caveats. If actual project cost are higher that would reduce some of the assessment relief. If one of the larger raw land development parcels refused to participate it would eliminate the assessment relief but the project would still be feasible though returning to cost/revenue neutral.

If anything needs greater clarity please contact me at anytime.

Attachment C

Fwd: Transportation Survey

Thu 5/7/2015 10:26 AM

From: JOHN KORTZE

To: Joe Kearney, Harry Waterbury, Michael Portnoy, Jim Filan, John Godin

Cc: Arlene Miles



FYI...

Sent from my iPhone

Begin forwarded message:

From: "June, Kathy" <junek@newtown.k12.ct.us>
Date: May 7, 2015 at 10:08:05 AM EDT
To: MaryAnn Jacob <mjacob4404@charter.net>, John Kortze <jkortze@mac.com>
Subject: Fwd: Transportation Survey

MaryAnn and John:

The attached message was sent to parents this morning. Dr. Erardi has asked that you share this information with the LC and BOF members. Thank you.

Kathy

----- Forwarded message -----

From: **Kathy June** <noreply@newtown.k12.ct.us>
Date: Thu, May 7, 2015 at 9:46 AM
Subject: Transportation Survey
To: junek@newtown.k12.ct.us

Dear Parents/Grandparents/Guardians:

Please note that a school transportation survey has been posted on the Newtown Public Schools website. We encourage you to take part in this survey which is under News and Announcements. Here is the link to our website: www.newtown.k12.ct.us (<http://www.newtown.k12.ct.us/>)

Thank you for taking the time to complete this survey.

Kathy June

Newtown Schools and Town would like to continue connecting with you via email. If you prefer to be removed from our list, please contact Newtown Schools and Town directly. To stop receiving all email messages distributed through our SchoolMessenger service, follow this link and confirm: Unsubscribe (<https://asp.schoolmessenger.com/newtownsd/unsubscribeemail.php?s=anVuZWtAbmV3dG93bi5rMTIuY3QudXM>)

SchoolMessenger is a notification service used by the nation's leading school systems to connect with parents, students and staff through voice, SMS text, email, and social media.

--

PENSION DISCUSSION:• **PENSION PERFORMANCE:**

- “NEWTOWN TARGET RATE” (7.5% - 8.0%) – A RATE THE ACTUARY USES IN THE PENSION CALCULATION. IT IS A LONG TERM RATE (OVER TEN - TWENTY YEARS) NOT TO BE USED AS A SHORT TERM BENCHMARK.
- ACTUAL VS BENCHMARK** – THIS IS THE RATE WE WANT TO ACHIEVE EACH YEAR.

<u>FISCAL YEAR</u>	<u>RATE DIFFERENCE BETWEEN PORTFOLIO & BENCHMARK</u>	<u>(LOSS) / GAIN OVER BENCHMARK @</u>	<u>MGT FEES</u>
2009-10	-2.61%	(590,000)	134,997
2010-11	-5.20%	(1,280,000)	145,080
2011-12	-6.14%	(1,750,000)	147,831
2012-13	-5.78%	(1,600,000)	156,601
2013-14	-2.51%	<u>(750,000)</u>	<u>170,336</u>
TOTAL		(5,970,000)	754,845
2014-15 (6 mth)	-4.71%	(370,000)	90,951

• **TOTAL ASSET VALUE AT 12/31/2014 = \$35,490,097**

- QUESTION – SHOULD WE BREAK THE INVESTMENT UP INTO TWO OR THREE INVESTMENT MANAGERS?
 - EACH INVESTMENT MANAGER SHOULD HAVE THE SAME ASSET ALLOCATION (FOR COMPARISON PURPOSES).
- RFP PROCESS FOR CHOOSING INVESTMENT MANAGERS – WHO SHOULD FACILITATE THIS?

• **MANAGEMENT FEES**

- QUESTION – ARE MANAGEMENT FEES CUSTOMARY (AS FAR AS AMOUNT OR % OF PORTFOLIO)
 - FEES HAVE BEEN AROUND 0.55% OF THE BEGINNING PORTFOLIO VALUE.

ATTACHED ARE THE PORTFOLIO PERFORMANCE REVIEW SHEETS FOR THE FISCAL YEARS ABOVE

@ using beginning portfolio balance.

** Benchmark = B40%/S&P45%/EAFE15% (Per investment policy: fixed income managers: Barclay’s US government and corporate bond index; domestic equity managers: S&P 500 index; international equity managers: Morgan Stanley AEFÉ index).

February 1, 2011

WESTPORT RESOURCES MGMT., INC
 315 Post Road - West
 Westport, Connecticut 06880
 (203) 226-0222

Portfolio Performance Review

NEWTOWN (CONSOL - ORIG ACCTS)
 E PATRICIA LLODRA, W RODGERS, W FURRIER TTEES
 3 Primrose St
 Newtown, CT 06470-5307

06/30/2009 - 06/30/2010

Beginning Value	\$22,652,199.52
Contributions	\$1,278,151.22
Withdrawals	\$(1,299,577.93)
Unrealized Gain (Loss)	\$(557,874.79)
Realized Gain (Loss)	\$2,055,376.97
Dividend Income	\$163,695.51
Interest Income	\$549,167.47
External Fee Payments	\$51,642.67
Management Fees	\$(134,997.31)
Other Expenses	\$(160.00)
Change in Accrued	\$(49,241.54)
Ending Value	\$24,708,381.79
Investment Gain	\$2,025,966.31

	<u>QTR 1</u> FY <u>2010</u>	<u>QTR 2</u> FY <u>2010</u>	<u>QTR 3</u> FY <u>2010</u>	<u>QTR 4</u> FY <u>2010</u>	<u>YTD</u> FY <u>2010</u>
Portfolio % Returns					
Internal Rate of Return (net)	10.91	1.58	2.87	-6.31	8.77
Time Weighted (net)	10.92	1.59	2.89	-6.33	8.60
B40%/S&P45%/EAFE15%	11.45	3.13	3.28	-5.84	11.22
Difference	-0.53	-1.54	-0.39	-0.49	-2.61

All returns net of fees

-2.61% = -\$590,000

July 19, 2011

WESTPORT RESOURCES MGMT., INC
 315 Post Road - West
 Westport, Connecticut 06880
 (203) 226-0222

Portfolio Performance Review

NEWTOWN (CONSOL - ORIG ACCTS)
 E PATRICIA LLODRA, W RODGERS, W FURRIER TTEES
 3 Primrose St
 Newtown, CT 06470-5307

06/30/2010 - 06/30/2011

Beginning Value	\$24,708,381.79
Contributions	\$1,568,273.12
Withdrawals	\$(1,444,397.65)
Unrealized Gain (Loss)	\$726,966.15
Realized Gain (Loss)	\$2,385,332.12
Dividend Income	\$289,973.41
Interest Income	\$548,370.96
External Fee Payments	\$55,181.76
Management Fees	\$(145,080.03)
Other Expenses	\$(280.00)
Change in Accrued	\$(31,794.20)
Ending Value	\$28,660,927.43
Investment Gain	\$3,773,488.41

	<u>QTR 1</u> <u>FY</u> <u>2011</u>	<u>QTR 2</u> <u>FY</u> <u>2011</u>	<u>QTR 3</u> <u>FY</u> <u>2011</u>	<u>QTR 4</u> <u>FY</u> <u>2011</u>	<u>FY</u> <u>2011</u>
<u>Portfolio % Returns</u>					
Internal Rate of Return (net)	6.13	4.94	4.39	-1.26	14.88
Time Weighted (net)	6.16	4.94	4.39	-1.27	14.81
B40%/S&P45%/EAFE15%	8.55	5.32	3.35	1.24	20.01
Difference	-2.39	-0.38	1.04	-2.51	-5.20

All returns net of fees

-5.20% = -\$1,280,000

July 7, 2012

WESTPORT RESOURCES MGMT., INC
 315 Post Road - West
 Westport, Connecticut 06880
 (203) 226-0222

Portfolio Performance Review

NEWTOWN (CONSOL - ORIG ACCTS)
 E PATRICIA LLODRA, W RODGERS, J GASTON TTEES
 3 Primrose St
 Newtown, CT 06470-5307

06/30/2011 - 06/30/2012

Beginning Value	\$28,660,921.35
Contributions	\$1,660,537.05
Withdrawals	\$(1,427,321.64)
Transfers	\$(1,660.55)
Unrealized Gain (Loss)	\$337,134.50
Realized Gain (Loss)	\$(1,861,182.16)
Dividend Income	\$312,050.86
Interest Income	\$594,696.60
External Fee Payments	\$57,604.44
Management Fees	\$(147,831.87)
Other Expenses	\$(480.00)
Change in Accrued	\$(52,429.63)
Ending Value	\$28,132,038.95
Investment Gain	\$(819,702.25)

	QTR 1 FY <u>2012</u>	QTR 2 FY <u>2012</u>	QTR 3 FY <u>2012</u>	QTR 4 FY <u>2012</u>	FY <u>2012</u>
Portfolio % Returns					
Internal Rate of Return (net)	-9.59	2.92	5.97	-1.38	-2.79
Time Weighted (net)	-9.54	2.91	5.96	-1.37	-2.71
B40%/S&P45%/EAFE15%	-7.55	6.27	7.43	-1.44	3.43
Difference	-1.99	-3.36	-1.47	0.07	-6.14

All returns net of fees

-6.14% = -\$1,750,000

July 16, 2013

*Westport Resources Management Inc
315 Post Rd West
Westport, CT 06880
(203) 226-0222*

Portfolio Performance Review

NEWTOWN (CONSOL - ORIG ACCTS)
E PATRICIA LLODRA, W RODGERS, J GASTON TTEES
3 Primrose St
Newtown, CT 06470-5307

06/30/2012 - 06/30/2013

Beginning Value	\$28,136,638.80
Contributions	\$2,297,263.79
Withdrawals	\$(2,062,825.96)
Transfers	\$(45.83)
Unrealized Gain (Loss)	\$(758,906.98)
Realized Gain (Loss)	\$1,555,169.99
Dividend Income	\$510,368.19
Interest Income	\$712,867.98
External Fee Payments	\$63,504.62
Management Fees	\$(156,601.50)
Other Expenses	\$(560.00)
Change in Accrued	\$(99,401.41)
Ending Value	\$30,197,471.69
Investment Gain	\$1,762,890.44

	QTR 1	QTR 2	QTR 3	QTR 4	YTD
	FY	FY	FY	FY	FY
Portfolio % Returns	2013	2013	2013	2013	2013
Internal Rate of Return (net)	3.99	-0.29	4.67	-2.24	6.11
Time Weighted (net)	3.99	-0.29	4.67	-2.25	6.09
B40%/S&P45%/EAFE15%	4.54	0.90	5.51	0.27	11.86
Difference	-0.55	-1.19	-0.84	-2.52	-5.78

-2.52% = -\$1,600,000

Other Town ROI:

Ffld 10%
Danbury 11%
New Canaan 11%

August 4, 2014

Westport Resources Management Inc
55 Greens Farms Rd
Westport, CT 06880
(203) 226-0222

Portfolio Performance Review

NEWTOWN (CONSOL - ORIG ACCTS)
E PATRICIA LLODRA, W RODGERS, J GASTON TTEES
3 Primrose St
Newtown, CT 06470-5307

06/30/2013 - 06/30/2014

Beginning Value	\$30,192,543.50
Contributions	\$3,568,180.00
Withdrawals	\$(3,487,450.21)
Unrealized Gain (Loss)	\$903,437.74
Realized Gain (Loss)	\$2,834,437.21
Dividend Income	\$146,932.85
Interest Income	\$655,241.80
External Fee Payments	\$60,786.54
Management Fees	\$(170,336.43)
Other Expenses	\$(540.00)
Change in Accrued	\$(61,579.38)
Ending Value	\$34,641,653.62
Investment Gain	\$4,307,593.79

Portfolio % Returns

Internal Rate of Return (net)

Time Weighted (net)
B40%/S&P45%/EAFE15%

**FY
2014**

13.93

13.95
16.44

-2.49% = -\$750,000

Other Town RIO:

Ffld 16%
Danbury 15%
New Canaan 16%

January 14, 2015

Westport Resources Management Inc
 55 Greens Farms Rd
 Westport, CT 06880
 (203) 226-0222

Portfolio Performance Review

NEWTOWN (CONSOL - ORIG ACCTS)
 E PATRICIA LLODRA, W RODGERS, J GASTON TTEES
 3 Primrose St
 Newtown, CT 06470-5307

06/30/2014 - 12/31/2014

6 months

Beginning Value	\$34,641,653.62
Contributions	\$1,712,757.53
Withdrawals	\$(914,243.85)
Unrealized Gain (Loss)	\$(906,478.11)
Realized Gain (Loss)	\$496,222.12
Dividend Income	\$219,732.85
Interest Income	\$309,529.73
External Fee Payments	\$36,513.83
Management Fees	\$(90,951.17)
Other Expenses	\$(280.00)
Change in Accrued	\$(14,358.89)
Ending Value	\$35,490,097.66
Investment Gain	\$13,416.53

<u>Portfolio % Returns</u>	<u>QTR 1 FY 2015</u>	<u>QTR 2 FY 2015</u>	<u>YTD FY 2015</u>	6 months
Internal Rate of Return (net)	-2.13	2.22	0.04	
Time Weighted (net)	-2.16	2.21	0.01	
B40%/S&P45%/EAFE15%	-0.30	2.41	2.16	
Difference	-1.86	-0.19	-2.15	

-2.15% = -\$370,000 in 6 months (-\$740,000 annualized)

January 14, 2015

Westport Resources Management Inc
55 Greens Farms Rd
Westport, CT 06880
(203) 226-0222

Portfolio Performance Review

NEWTOWN (CONSOL - ORIG ACCTS)
E PATRICIA LLODRA, W RODGERS, J GASTON TTEES
3 Primrose St
Newtown, CT 06470-5307

12/31/2009 - 12/31/2014

Beginning Value	\$26,022,770.67
Contributions	\$11,024,204.25
Withdrawals	\$(9,965,585.30)
Transfers	\$(1.00)
Unrealized Gain (Loss)	\$(515,850.19)
Realized Gain (Loss)	\$5,072,095.25
Dividend Income	\$1,528,518.70
Interest Income	\$3,085,938.70
External Fee Payments	\$299,896.41
Management Fees	\$(780,916.14)
Other Expenses	\$(2,260.00)
Change in Accrued	\$(278,713.69)
Ending Value	\$35,490,097.66
Investment Gain	\$8,108,811.63

Portfolio % Returns

Internal Rate of Return (net)

5 YEAR

5.45

Time Weighted (net)
B40%/S&P45%/EAFE15%
Difference

5.41

10.12

-4.71

Returns for periods exceeding 12 months are annualized

Attachment E

NEWTOWN HOOK AND LADDER

		UNIT	QTY	COST	TOTAL	Original	Subcontractor
1	Sitework / Demolition					DIVISION 02000	
2	Lump Sum - All Sitework	LS	1	\$ 550,000.00	\$550,000.00		
3	Selective SITE Demolition	LS	1	\$ -	\$0.00		
4	Paving / Stripe / Signage	LS	1	\$ -	\$0.00		
5	Selective Demolition	LS	0	\$ -	\$0.00		
6	Sidewalks / Site Concrete / Curbs	LS	1	\$ -	\$0.00		
7	Site Lighting	EA	0	\$ -	\$0.00		
8	Sitework - General	LS	1	\$ -	\$0.00		
9	Precast Concrete Stairs	EA	0	\$ -	\$0.00		
10	Sidewalks / Site Concrete	EA	0	\$ -	\$0.00		
11	Drainage	LS	1	\$ -	\$0.00		
12	Misc Paving / Sealing / Line Painting	LS	1	\$ -	\$0.00		
13	Testing Lab - Lifts	LS	1	\$ 10,000.00	\$10,000.00		
14	Topsoil / Landscaping	LS	1	\$ -	\$0.00		
15	Utility Tie Ins	LS	1	\$ -	\$0.00		
16					Subtotal	\$560,000.00	
18	Concrete					DIVISION 03000	
19	Foundations and Slabs	LS	1	\$ 155,000.00	\$155,000.00		
20	Independent Testing Lab	SF	1	\$ 12,000.00	\$12,000.00		
21	Epoxy Injection at Cracks	LF	0	\$ 5.00	\$0.00		
22	Levelastic Over Slabs	SF	0	\$ 4.00	\$0.00		
23	Temp. Heat / Winter Conditions	LS	0	\$ 10,000.00	\$0.00		
24					Subtotal	\$167,000.00	
26	Masonry					DIVISION 04000	
27	CMU Block at base of Demising Wall	EA	98	\$ 23.00	\$2,254.00		
28	Thin Face Stone Veneer	SF	300	\$ 20.00	\$6,000.00		
29	Chimney Thin Brick	LS	1	\$ 1,200.00	\$1,200.00		
30					Subtotal	\$9,454.00	
32	Metals					DIVISION 05000	
33	Structural Steel	LS	1	\$ 75,000.00	\$75,000.00		Putnam Steel
34	Independent Testing Lab	LS	1	\$ 5,000.00	\$5,000.00		
35	Roof Hatch and Ships Ladder	LS	1	\$ 3,700.00	\$3,700.00		
36	Railings	LF	0	\$ 75.00	\$0.00		
37					Subtotal	\$83,700.00	
39	Carpentry					DIVISION 06000	
40	Lumber - Materials	LS	1	\$ -	\$100,000.00		Baxter
41	All Framing: Interior and Exterior - Labor	SF	16500	\$ 7.00	\$115,500.00		Baxter
42	Kitchen Cabinetry	LF	54	\$ 450.00	\$24,300.00		JL Construction
43	Toilet Room Countertops	LF	10	\$ 180.00	\$1,800.00		
44	Wood Stairs and Railing	EA	2	\$ 1,800.00	\$3,600.00		
45	Floor Trusses	EA	23	\$ 180.00	\$4,140.00		
46	Attic Trusses	EA	29	\$ 400.00	\$11,600.00		
47	Front Entry Columns / Trim / Blacony	LS	1	\$ 10,000.00	\$10,000.00		
48	Drywall	SF	12,000	\$ 3.00	\$36,000.00		
49	Screws /Glue / Hangers / Straps	LS	1	\$ 20,000.00	\$20,000.00		Baxter
50		SF	0	\$ 180.00	\$0.00		
51					Subtotal	\$326,940.00	
53	Thermal & Moisture Protection					DIVISION 07000	
54	Building Foundation Insulation	SF	1,900	\$ -	\$0.00		By Site Contractor
55	Shingles	SQU	90	\$ 325.00	\$29,250.00		
56	Gutter and Downspouts	LF	700	\$ 9.00	\$6,300.00		
57	EPDM Roofing (Existing and New)	LS	1	\$ 78,000.00	\$78,000.00		Benco
58	Insulation	LS	1	\$ 14,000.00	\$14,000.00		Irrigal
59	Firestopping	LS	0	\$ 1.00	\$0.00		

NEWTOWN HOOK AND LADDER

60	Waterproofing System	SF	0	\$	3.25	\$0.00	
61						Subtotal	\$127,550.00
63	Doors & Windows					DIVISION 08000	
64	Interior Doors / Frames / Hardware	EA	23	\$	700.00	\$16,100.00	Kelley Brothers
65	Interior Fire Doors / Frames / Hardware	LS	4	\$	850.00	\$3,400.00	Kelley Brothers
66	Insulated Steel Doors and Frames	EA	12	\$	1,100.00	\$13,200.00	Kelley Brothers
67	Exterior Windows	EA	35	\$	600.00	\$21,000.00	Northeast Supply
68	Exterior Overhead Doors	LS	1	\$	31,500.00	\$31,500.00	Brookfield Overhead
69	Entry Storefront Vestibule Glass	EA	0	\$	1.00	\$0.00	
70	Operable Partition at Conference Room	LS	1	\$	12,000.00	\$12,000.00	
71	Interior Windows	EA	5	\$	650.00	\$3,250.00	
72						Subtotal	\$100,450.00
74	Finishes					DIVISION 09000	
75	ACT Ceilings	SF	6,000	\$	3.50	\$21,000.00	
76	N/A	SF	0	\$	1.00	\$0.00	
77	Walk Off Carpet	SY	2	\$	300.00	\$600.00	
78	Carpet	SY	200	\$	30.00	\$6,000.00	
79	Urethane Epoxy Non Slip Flooring System	SF	7,800	\$	5.50	\$42,900.00	
80	VCT Flooring	SF	2200	\$	3.50	\$7,700.00	
81	Ceramic Tile	SF	650	\$	10.00	\$6,500.00	
82	Joint Sealant	LF	0	\$	2.20	\$0.00	
83	Painting & Finishing	SF	1	\$	37,500.00	\$37,500.00	Hilltop
84	Floor Prep	LS	0	\$	6,300.00	\$0.00	
85	Vinyl Base	LS	2,000	\$	3.00	\$6,000.00	
86	Engineered Vinyl Wood Flooring	SF	770	\$	6.00	\$4,620.00	
87						Subtotal	\$132,820.00
89	Specialties					DIVISION 10000	
90		EA	0	\$	150.00	\$0.00	
91	Roll Up Shutter at Kitchen	EA	1	\$	2,400.00	\$2,400.00	
92	Ceiling Access Panels	EA	0	\$	500.00	\$0.00	
93	Exterior Expansion Joints	LS	0	\$	1,500.00	\$0.00	
94	Exterior Signage Allowance		0	\$	2,500.00	\$0.00	BY OWNER
95	Fire Extinguishers & Cabinets	EA	0	\$	800.00	\$0.00	
96	Handicap Grab Bars	EA	6	\$	100.00	\$600.00	
97	Interior Signage Allowance	LS	1	\$	400.00	\$400.00	
98	Labor to Install Toilet Accessories	LS	1	\$	1,500.00	\$1,500.00	Irrigal
99	Lockers	EA	0	\$	150.00	\$0.00	
100	Mirror	EA	2	\$	400.00	\$800.00	
101	Paper Towel Dispensor	EA	2	\$	120.00	\$240.00	
102	Soap Dispenser	EA	2	\$	30.00	\$60.00	
103	Toilet Paper Holder	EA	4	\$	225.00	\$900.00	
104	Toilet Partitions	EA	4.5	\$	1,100.00	\$4,950.00	Scranton
105						Subtotal	\$11,850.00
107	Mechanical					DIVISION 15000	
108	HVAC	EA	1	\$	106,500.00	\$106,500.00	McKenney
109	Gas Piping	LS	0	\$	1.00	\$0.00	included
110	Plumbing	EA	1	\$	81,238.00	\$81,238.00	McKenney
111	Kitchen Equipment	LS	1	\$	10,000.00	\$10,000.00	
112	Unit Heaters	LS	1	\$	19,000.00	\$19,000.00	McKenney
113	Sprinkler	LS	1	\$	92,000.00	\$92,000.00	Mack
114	Floor Drains	LS	0	\$	12,500.00	\$0.00	Included
115						Subtotal	\$308,738.00
117	Electrical					DIVISION 16000	
118	Light Fixture Package	LS	0	\$	1.00	\$0.00	included
119	Electrical - Lump Sum	LS	1	\$	225,000.00	\$225,000.00	Mars
120	Fire Alarm	LS	0	\$	15,000.00	\$0.00	

NEWTOWN HOOK AND LADDER

121	Emergency Generator (100KW)	LS	1	\$	31,000.00	\$31,000.00		
122	Telephone / Intrcom System	LS	1	\$	9,000.00	\$9,000.00		Precision
123	CCTV Equipment	LS	1	\$	2,960.00	\$2,960.00		Precision
124	Access Control System	LS	1	\$	8,600.00	\$8,600.00		Precision
125	Site Lighting - Pole and Fixture	EA	0	\$	2,400.00	\$0.00		
126						Subtotal	\$276,560.00	
128	General Conditions						DIVISION 01000	
129	A2 as-built survey	LS	1	\$	3,500.00	\$3,500.00		
130	Dumpsters	EA	24	\$	575.00	\$13,800.00		
131	Final Cleaning	LS	1	\$	1,300.00	\$1,300.00		
132	Misc. Laborers	MNTH	12	\$	1,000.00	\$12,000.00		
133	Printing	LS	1	\$	1,500.00	\$1,500.00		
134	Progress Cleaning	DY	24	\$	300.00	\$7,200.00		
135	Project Manager - 40 hrs per month	HRS	540	\$	75.00	\$40,500.00		
136	Punchlist	LS	0	\$	1,500.00	\$0.00		
137	Rental Equipment	MNTH	0	\$	500.00	\$0.00		
138	Safety- OSHA	LS	1	\$	500.00	\$500.00		
139	Supervision 12 months	WKS	52	\$	2,490.00	\$129,480.00		
140	Surveying / Layout	LS	1	\$	12,000.00	\$12,000.00		
141	Temp. Fencing / Protection	LS	0	\$	4,500.00	\$0.00		
142	Temp. Toilets	MNTH	12	\$	150.00	\$1,800.00		
143	Winter Conditions ALLOWANCE	ALLOWANCE	0	\$	20,000.00	\$0.00		
144	Temp. Trailer / Phone	MNTH	12	\$	750.00	\$9,000.00		
145	Insurance 0.9 %	%	0.75%		\$1,716,845.95	\$12,880.00		
146						Subtotal	\$245,460.00	
147								
148	Overhead 4% / Profit 4%	%	0%		\$2,350,522.00	\$0.00	\$0.00	
149	Construction Total					\$2,350,522.00	\$2,350,522.00	
150								
151	Design Fees & Building Permit							
152	Site Engineer		1	\$	-	\$0.00		
153	Architectural Design Fees	%	0.00%		\$2,350,522.00	\$0.00		
154	Structural Engineering	%	0.00%		\$2,350,522.00	\$0.00		
155	M/E/P/S Engineering	%	0.00%		\$2,350,522.00	\$0.00		
156	Building Permit Fees		1	\$	-	\$0.00		
157	Subtotal						\$0.00	
158	<i>Project Contingency</i>	%	5%		\$2,350,522.00	\$117,500.00	\$117,500.00	
159	Project Total Cost					\$2,468,022.00	\$2,468,022.00	
160								
161								
162	Exclusions							
163	Furniture & Furnishings							
164	Utility Fees and Charges							
165	Equipment							

Attachment F
TOWN OF NEWTOWN

POLICE CONTRACT HIGHLIGHTS:

- Three Year Contract (2014/15 to 2016/17)
 - One year retroactive; two years going forward.

- Medical Insurance:
 - Medical cost-share increased to 12% for duration of contract (from 11%).
 - “Option to Decline” In lieu payment increased from \$1,000 per year to \$3,000 per year (an added incentive to decline medical insurance).
 - Affordable Health Care Act reopener prior to February 1st, 2017.

- Defined Contribution Pension Plan accepted by Union for all new hires (replacing the current Defined Benefit Pension Plan for all new hires).
 - 5% Employee contribution; 15% Town contribution.
 - The Town’s contribution to the current defined benefit pension plan is 17.3% for 2015-16.

- Wages:
 - 1.9% for 2014/15.
 - 1.9% for 2015/16.
 - 2.0% for 2016/17.

TOWN OF NEWTOWN - POLICE CONTRACT FINANCIAL IMPACT STATEMENT

WAGES					
<u>Police Union Positions</u>	<u># Positions</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
			<u>1.90%</u>	<u>1.90%</u>	<u>2.00%</u>
Lieutenant - Step 5	3	269,622	274,745	279,965	285,564
Detective Sergeant - Step 5	0	-	-	-	-
Admin. Sergeant - Step 5	1	81,540	83,089	84,668	86,361
Sergeant - Step 3	3	244,962	249,616	254,359	259,446
Sergeant - Step 2	2	151,532	154,411	157,345	160,492
Sergeant - Step 1	1	73,517	74,914	76,337	77,864
Detective - Step 5	3	211,653	215,674	219,772	224,168
Officer - Step 5	21	1,481,571	1,509,721	1,538,406	1,569,174
Officer - Step 4	3	196,947	200,689	204,502	208,592
Officer - Step 3	0	-	-	-	-
Officer - Step 2	3	173,223	176,514	179,868	183,465
Officer - Step 1	3	162,252	165,335	168,476	171,846
Officer - Step H	0	-	-	-	-
Holiday Pay		120,000	122,280	124,603	127,095
Longevity Pay		15,200	15,200	15,200	15,200
Premium Pay		10,750	10,750	10,750	10,750
Degree Incentive Pay		15,100	15,100	15,100	15,100
Total Uniformed	43	3,207,869	3,268,039	3,329,351	3,395,117

<u>FINANCIAL IMPACT:</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
WAGES	60,170	61,313	65,766
SOCIAL SECURITY	4,603	4,690	5,031
	<u>64,773</u>	<u>66,003</u>	<u>70,797</u>

MEDICAL BENEFITS						
<u>Medical Plan Type</u>	<u>#</u>	<u>Total Employee Cost Share</u>				
		<u>Annual Premium</u>		<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
		<u>2014-15</u>	<u>2015-16</u>	<u>11%</u>	<u>12%</u>	<u>12%</u>
FAMILY	25	25,277	25,955	69,511	77,866	80,202
DUAL	8	19,940	20,460	17,547	19,641	20,231
SINGLE	10	9,302	9,547	10,232	11,456	11,800
	<u>43</u>			<u>97,290</u>	<u>108,964</u>	<u>112,233</u>

<u>FINANCIAL IMPACT</u> (additional employee contributions to the medical self insurance fund)	<u>2015-16</u>	<u>2016-17</u>
	11,674	3,269

** Assumes a 3% premium increase over 2015-16.