## THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held their regular meeting on Monday, January 11, 2016 in the Council Chambers at the Municipal Center, 3 Primrose Street, Newtown, CT. Chairman James Gaston called the meeting to order at 7:30pm.

Present: Kelley Johnson, Sandy Roussas, Aaron Carlson, James Gaston, Mark Boland

Absent: John Godin

Also Present: First Selectman Pat Llodra, Director of Land Use George Benson, Betsy Paynter,

Christal Preszler, Tom Connors, Bob Rau, three members of the public

**VOTER COMMENT: None** 

**COMMUNICATIONS:** An email was received from Kinga Walsh (Attachment A) regarding the debt cap.

Mr. Gaston sent a letter to the BOE inviting them to the February 10 meeting. Dr. Erardi will not be available but will be on the 8<sup>th</sup>. The Selectman will now present their budget on February 10 and the BOE on February 8. Mr. Boland reviewed the memo sent to the BOE Chair and it is his interpretation is that the memo is an attempt to influence the strategic plan of the BOE. It is important that the BOF avoid attempts to manage a school district. Mr. Gaston explained that the purpose was to invite them to the present their budget and have them defend it.

MINUTES – Ms. Johnson moved to approve the minutes from the December 28, 2015 meeting correcting the typo in the approval of the 12/14/15 minutes. The end date for the Chair and Vice Chair is 11/30/16, Mr. Boland seconded, motion unanimously approved.

FIRST SELECTMANS REPORT – Mrs. Llodra presented an update of the action of the State government regarding reduction in Municipal aid which applies to the current year (Attachment B). The impact for Newtown for the current year is \$165,027.

### FINANCE DIRECTOR REPORT - None

#### **NEW BUSINESS**

Report about Brownfields - Christal Preszler and George Benson presented (Attachment C)

Ms. Johnson asked if there is any value in the buildings at FFH. Mr. Benson replied that the company doing the demolition provides a list of what items can be recycled and what the market price is. They will then do a credit for that material that is taken away and recycled.

Report from Economic Development –Betsy Paynter and George Benson presented an update regarded Economic Development (Attachment D).

Rec'd. for Record 1-1520 14 Town Clerk of Newtown 10:30am Delivie Cunalia Halstead Ms. Johnson expressed concerned about the safety issue of students walking from the High School to Misty Vale Deli because there are no sidewalks. Mr. Benson explained that there is a major plan by DOT to put an entrance ramp to 84 directly from Route 34 and a bridge and road alignment at Toddy Hill Road. That will require some sidewalks but not all the way to the Deli.

Mr. Boland asked what the ramifications are falling short in affordable housing. Mrs. Llodra explained we have less likely hood of success in rejecting a proposal for affordable housing if we can't evidence that we have in fact developed sufficient units in our community to show that we are working on it. There is a trigger point for a moratorium which we have not achieved.

Report from Fairfield Hill Authority – Christal Preszel and Tom Connors, Chairman of FFH Authority presented (Attachment E). Mr. Connors explained that there is not a Fairfield Hills budget and it needs to sustain itself. Demolition of the buildings is an investment that needs to be made for the potential of development.

Mrs. Llodra explained that the interior roads are town roads. Public Works and P&R do the plowing and take care of the property. The job of the FFH Authority is to execute the master plan.

There is a prioritized sequence plan for building demolition in the CIP but that is flexible. Mr. Connors pointed out that there is \$7.5 million dollars in the CIP. Cannan House is scheduled to come down this year which will cost \$4 million.

## **UNFINISHED BUSINESS**

2016 Budget Meeting Schedule – It was determined that the budget dates will be: February 8 – BOE budget presentation February 10 – BOS budget presentation February 18 – Public Hearing February 22, 25 and 29 budget deliberation.

**VOTER COMMENT** – NONE **ANNOUNCEMENTS** – The next meeting will be held at Town Hall South

Having no further business, the meeting was adjourned at 9:24pm

Respectfully Submitted, Arlene Miles, Clerk



From: Kinga Walsh <kingawalsh@gmail.com>

To: okjt <okjt@aol.com>; Aaron Carlson <acarlson2816@yahoo.com>; John Godin <jgodin1312@gmail.com>;

sandyroussas <sandyroussas@gmail.com>; kelleytjohnson <kelleytjohnson@gmail.com>

Subject: FB statement on debt policy Date: Thu, Dec 31, 2015 7:30 am

#### Morning,

Please forward this to your entire board as all of the email addresses aren't listed on the town's website.

This morning I saw the post below from Ryan Knapp in response to questions on the debt policy (it is on the Community Center FB page). Thought you might find it interesting. IMO: the public should be brought up to speed on this potential change, the impacts (positive and negative) to ratings, taxes, re-investment to name a few. Given the new BOF is in place, not sure how much they know about what happened in the past and what may have been "promised" for the future. The impact analysis mentioned is in direct response to the reduction of the CC line items (before the vote) only. It also doesn't outline the direct impact to the tax payer (ie how much taxes will be decreased).

Happy New Year, Kinga

Laura Terry: I understand the function of the BOF but it appears that the LC made significant reductions to the CIP for the sake of reducing our various debt ratios, isn't this a function of the BOF? Wouldn't this warrant a change to our Town Debt Policy?

Like · Reply · Message · December 28 at 4:37pm

Ryan Knapp Our town debt policy is still at 10% and also median debt per capita. The past BOF discussed changes and those are coming to the LC at our next meeting I believe. We have had an informal debt service policy of 9% of our budget for a while many of us would like to see formalized. I'd like to see us saving for rather than borrowing for capital expenses with known life spans like roofs, firetrucks and turf. The past BOF did not want to formally change our formal policy to 9% because we would be in violation of it. Bob Tait did some impact analysis attached to the min of our last LC meeting. I hope that helps, have a happy new year!

Government Relations & Research

January 6, 2016

# Estimated Reductions in FY 16 Municipal Aid

Below is information on the impacts to towns of reductions in municipal aid for the current fiscal year (FY 16). The reductions are a result of two state budget items: lapses associated to the MORE Commission; and the deficit mitigation package approved in December.

A town-by-town list of the estimated reductions can be found at the end of the document.

## **MORE Commission Lapses**

The adopted FY 16 state budget includes \$20 million in lapses in municipal aid. These reductions were supposed to be offset by savings identified by the MORE Commission. To date, no savings have been realized.

At the time of budget adoption, there was no indication from which programs the cuts would be made. Subsequently, the following program lapses were announced.

- \$14.8 million from PILOT: State-Owned Property and PILOT: Private College and Hospital Property
- \$4.1 million from ECS
- \$1.1 million for the Department of Housing Tax Abatement Grant

#### **PILOT**

The cuts to PILOT were made in September.

Each town's total PILOT lapse was based on a sliding scale that ranges from \$20 per person in Greenwich to \$3 per person in Windham. The per-person amount ass based on the relative value of a town's 2012 equalized net grant list per capital (ENGLPC). The following ratio was used to determine relative value.

difference between a town's ENGLPC and the state's lowest ENGLPC

difference between the state's highest and lowest ENGLPC

Towns with higher ENGLPCs received higher reductions in PILOT. The reductions were taken from the state-owned PILOT. If a municipality's lapse exceeded its state-owned PILOT grant, and the town also received a college and hospital PILOT grant, a cut was made to the college and hospital PILOT grant.

There were some exceptions.

- Any town categorized as a distressed municipality in the past five years did not receive a reduction that would have resulted in statutory aid cut of more than two percent. This impacted only Norwalk and Stamford.
- There are municipalities whose total PILOT grant amounts are smaller than the cut they would have received under the formula. In those towns, the entire PILOT amounts were cut.

#### ECS

A second set of lapses announced in December resulted in a loss of \$4.1 million in ECS funding. These reductions consist of two components.

- A total of \$3.86 million was cut based on the amount of reductions taken from the PILOT grants in September. These cuts impacted towns that did not receive the full reduction to PILOT due to the fact that those towns' PILOT grant amounts were less than the cut they would have received under the formula. The towns that received a full cut to PILOT in September were not impacted by this reduction.
- An additional \$228,000 was taken to complete the \$4.1 million lapse, and all towns were impacted by this reduction.

#### **DOH Tax Abatement**

The final component of the lapses was the elimination of the DOH Tax Abatement Grant.

## **Deficit Mitigation Package**

The General Assembly also approved a deficit mitigation package in December to address a projected FY 16 shortfall. This included a cut of \$1.0 million to the Public School Transportation Grant. The following programs were also reduced, however, estimates by town were not provided.

- Magnet Schools (lapse is due to lower than expected enrollment): \$6.0 million
- Open Choice (lapse is due to lower than expected enrollment): \$1.45 million
- Interdistrict Cooperation (lapse is due to lower than expected enrollment): \$250,000
- School Readiness Quality Enhancement: \$205,556
- Health and Welfare Services for Pupils in Private Schools: \$152,000
- Young Parents Program: \$9,173
- Community Services-Municipality: \$3,141

## **Estimated FY 16 Reductions by Town**

			DOH Tax	Public School	
Municipality/District	PILOT	ECS	Abatement	Transport.	TOTAL
Andover	14,900	190	0	720	15,810
Ansonia	66,446	846	10,150	4,874	82,316
Ashford	5,814	12,256	0	1,515	19,585
Avon	105,780	18,907	0	555	125,242
Barkhamsted	17,799	1,337	0	771	19,907
Beacon Falls	26,979	344	0	0	27,323
Berlin	24,263	91,324	0	3,809	119,396
Bethany	30,369	387	0	401	31,157
Bethel	49,636	52,582	37,087	4,182	143,487
Bethlehem	980	18,971	0	0	19,951
Bloomfield	107,393	1,368	43,983	5,558	158,302
Bolton	24,301	309	0	1,279	25,889
Bozrah	5,739	6,898	0	858	13,495
Branford	168,828	9,524	0	2,804	181,156
Bridgeport	474,411	6,041	22,330	47,227	550,009
Bridgewater	1,299	14,996	0	0	16,295
Bristol	244,781	3,117	0	16,838	264,736
Brookfield	28,576	82,915	0	1,362	112,853
Brooklyn	33,408	425	0	5,127	38,960
Burlington	47,209	2,277	0	0	49,486
Canaan	8,254	105	0	156	8,515
Canterbury	9,878	11,622	0	3,569	25,069
Canton	30,356	27,569	0	1,918	59,843
Chaplin	9,630	123	0	1,153	10,906
Cheshire	151,620	1,931	0	6,927	160,478
Chester	13,552	11,345	0	180	25,077
Clinton	35,148	43,154	0	1,936	80,238
Colchester	72,165	919	0	7,276	80,360
Colebrook	5,781	2,853	0	122	8,756
Columbia	7,026	20,106	0	1,725	28,857
Cornwall	15,166	193	0	12	15,371
Coventry	48,662	8,339	0	5,646	62,647
Cromwell	70,475	897	0	1,924	73,296
Danbury	395,168	5,032	0	20,345	420,545
Darien	108,928	243,857	0	12	352,797
Deep River	10,683	14,768	0	261	25,712
Derby	46,814	596	0	1	50,328

			DOH Tax	Public School	
Municipality/District	PILOT	ECS	Abatement	Transport.	TOTAL
Durham	18,672	20,325	0	0	38,997
East Granby	27,648	2,224	0	681	30,553
East Haddam	33,323	13,949	0	2,314	49,586
East Hampton	62,226	792	0	3,096	66,114
East Hartford	191,300	2,436	0	19,903	213,639
East Haven	117,240	1,493	0	8,831	127,564
East Lyme	107,442	1,368	0	2,126	110,936
East Windsor	53,895	686	0	4,608	59,189
Eastford	7,406	1,283	0	902	9,591
Easton	59,953	763	0	12	60,728
Ellington	7,403	66,822	0	6,014	80,239
Enfield	183,113	2,332	0	14,085	199,530
Essex	25,711	24,147	0	23	49,881
Fairfield	512,306	6,524	0	308	519,138
Farmington	170,134	2,167	0	678	172,979
Franklin	10,552	134	0	728	11,414
Glastonbury	50,898	150,324	0	3,660	204,882
Goshen	17,225	6,848	0	0	24,073
Granby	12,653	42,585	9,774	1,413	66,425
Greenwich	882,693	381,118	0	12	1,263,823
Griswold	45,648	581	0	6,504	52,733
Groton	208,865	2,660	0	11,086	222,611
Guilford	38,824	113,389	0	1,411	153,624
Haddam	45,014	573	0	0	45,587
Hamden	249,470	3,177	0	24,742	277,389
Hampton	8,094	103	0	664	8,861
Hartford	399,405	5,086	267,084	61,908	733,483
Hartland	11,057	141	0	769	11,967
Harwinton	9,884	19,583	0	0	29,467
Hebron	14,868	30,061	0	1,417	46,346
Kent	22,806	290	6,428	117	29,641
Killingly	71,159	906	0	8,316	80,381
Killingworth	35,964	458	0	0	36,422
Lebanon	28,007	6,746	0	3,519	38,272
Ledyard	64,353	819	0	6,255	71,427
Lisbon	7,062	15,202	0	1,938	24,202
Litchfield	50,537	644	0	991	52,172
Lyme	16,546	5,854	0	0	22,400
Madison	141,538	1,802	o	598	143,938

Municipality/District	PILOT	ECS	DOH Tax	Public School	TOTAL
Municipality/District	i		Abatement	Transport.	70TAL
Manchester Mansfield	242,364	3,086	0	14,828	260,278
	81,087	1,033		4,885	87,005
Marlborough	18,910	13,595	0	661	33,166
Meriden	216,326	2,755	0	20,245	239,326
Middlebury	39,385	8,292	0	0	47,677
Middlefield	9,851	12,007	0	0 0.017	21,858
Middletown	200,923	2,559	67,855	21,317	292,654
Milford	331,676	4,224	0	3,673	339,573
Monroe	11,300	106,078	0	1,995	119,373
Montville	80,145	1,021	0	9,326	90,492
Morris	15,835	202	0	0	16,037
Naugatuck	83,660	31,690	0	14,654	130,004
New Britain	220,096	2,803	37,500	49,148	309,547
New Canaan	37,376	286,542	0	12	323,930
New Fairfield	19,436	63,059	0	2,088	84,583
New Hartford	18,700	17,662	0	1,548	37,910
New Haven	470,385	5,990	85,128	89,249	650,752
New London	95,957	1,222	0	12,004	109,183
New Milford	150,285	1,914	0	7,319	159,518
Newington	146,895	1,871	0	9,398	158,164
Newtown	159,164	2,027	0	3,836	165,027
Norfolk	12,482	159	0	82	12,723
North Branford	7,729	63,736	0	6,547	78,012
North Canaan	16,869	215	0	1,404	18,488
North Haven	138,490	1,764	0	3,785	144,039
North Stonington	22,209	6,841	. 0	2,386	31,436
Norwalk	351,812	0	11,504	2,575	365,891
Norwich	146,635	1,867	0	23,200	171,702
Old Lyme	59,723	10,974	0	0	70,697
Old Saybrook	88,299	6,013	0	265	94,577
Orange	92,677	1,180	0	962	94,819
Oxford	74,694	951	0	1,432	77,077
Plainfield	57,487	732	0	10,299	68,518
Plainville	16,379	64,003	0	6,628	87,010
Plymouth	11,132	37,048	0	6,916	55,096
Pomfret	18,207	232	0	1,552	19,991
Portland	25,959	19,801	0	1,951	47,711
Preston	14,849	7,672	0	3,564	26,085
Prospect	1,967	45,932	0	0,007	47,899

Municipality/District	PILOT	ECS	DOH Tax Abatement	Public School Transport.	TOTAL
Putnam	36,902	470	Abatement 0	6,493	43,865
Redding	74,749	952	0	12	75,713
Ridgefield	139,247	73,339	0	24	212,610
Rocky Hill	105,562	1,344	0	2,427	109,333
Roxbury	3,999	25,075	0	2,727	29,074
Salem	19,829	253	0	1,894	21,976
Salisbury	7,724	38,614	0	59	46,397
Scotland	6,914	88	0	927	7,929
Seymour	21,211	51,278	0	5,005	77,494
Sharon	23,345	6,537	0	12	29,894
Shelton	14,528	224,106	0	4,405	243,039
Sherman	14	31,202	0	132	31,348
Simsbury	114,575	9,819	0	1,706	126,100
Somers	48,250	614	0	3,172	52,036
South Windsor	12,473	124,031	0	5,005	141,509
Southbury	110,805	1,411	0	0	112,216
Southington	160,829	52,942	0	6,829	220,600
Sprague	11,268	143	0	1,982	13,393
Stafford	47,779	608	0	8,446	56,833
Stamford	360,191	0	324,200	3,875	688,266
Sterling	5,519	9,533	0	2,824	17,876
Stonington	20,545	107,063	0	1,046	128,654
Stratford	257,095	3,274	0	11,791	272,160
Suffield	77,238	984	0	3,763	81,985
Thomaston	32,831	418	0	1,974	35,223
Thompson	13,276	24,496	0	4,023	41,795
Tolland	50,432	21,940	0	4,880	77,252
Torrington	139,544	1,777	0	16,539	157,860
Trumbull	106,595	127,997	0	2,576	237,168
Union	4,677	60	0	502	5,239
Vernon	112,942	1,438	0	5,252	119,632
Voluntown	11,433	146	0	1,782	13,361
Wallingford	233,379	2,972	0	12,043	248,394
Warren	3,998	11,002	0	0	15,000
Washington	26,744	18,211	0	0	44,955
Waterbury	343,313	4,372	195,557	45,719	588,961
Waterford	148,273	1,888	0	1,271	151,432
Watertown	17,768	85,259	0	6,462	109,489
West Hartford	340,229	4,333	0	7,286	351,848

Municipality/District	PILOT	ECS	DOH Tax Abatement	Public School Transport.	TOTAL
West Haven	197,906	2,520	0	20,930	221,356
Westbrook	53,087	676	0	240	54,003
Weston	6,420	103,036	0	12	109,468
Westport	417,699	5,319	0	12	423,030
Wethersfield	126,602	1,612	0	3,295	131,509
Willington	26,528	338	0	2,200	29,066
Wilton	91,186	95,672	0	12	186,870
Winchester	44,547	567	0	3,597	48,711
Windham	75,639	963	0	11,778	88,380
Windsor	54,117	101,085	0	9,560	164,762
Windsor Locks	64,417	4,976	0	3,240	72,633
Wolcott	2,076	75,313	0	5,887	83,276
Woodbridge	16,767	42,417	0	74	59,258
Woodbury	346	55,352	0	0	55,698
Woodstock	7,425	30,770	0	2,828	41,023
District No. 1	0	0	0	68	68
District No. 4	0	0	0	897	897
District No. 5	0	0	0	2,848	2,848
District No. 6	0	0	0	1,129	1,129
District No. 7	0	0	0	4,163	4,163
District No. 8	0	0	0	3,958	3,958
District No. 9	0	0_	0_	538	538
District No. 10	0	0	0	6,336	6,336
District No. 11	0	0	0	1,669	1,669
District No. 12	0	0	0	1,380	1,380
District No. 13	0	0	0	4,015	4,015
District No. 14	0	0	0	3,785	3,785
District No. 15	0	0	0	8,446	8,446
District No. 16	0	0	0	7,423	7,423
District No. 17	0	0	0	7,045	7,045
District No. 18	0	0	0	1,014	1,014
District No. 19	0	0	0	6,164	6,164
TOTAL	14,797,253	4,084,175	1,118,580	1,000,004	21,000,012

Source: OPM; OFA; CCM