

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held a regular on Thursday, August 25, 2016 in the Council Chambers at the Municipal Center, 3 Primrose Street, Newtown, CT. Chairman James Gaston called the meeting to order at 7:38pm.

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

Also Present: First Selectman Pat Llodra, and one member of the press

VOTER COMMENT – None

COMMUNICATIONS – None

MINUTES – Mr. Godin moved to approve the minutes from the July 28, 2016 meeting, Mr. Boland seconded. Motion approved, Carlson and Roussas abstained.

FIRST SELECTMAN REPORT – None

FINANCE DIRECTORS REPORT – None

NEW BUSINESS

Acceptance of Grant to Conservation Commission (Attachment A)–The Conservation Commission received a grant from Iroquois Gas Company. The intent is to use the money to improve the Stone Bridge trail on lower Paugussett. It will improve the eco system as well and help the cotton tail thrive, which is almost extinct. Mr. Godin moved to approve the Board of Selections action accepting the grant on behalf of the town. Ms. Johnson seconded, motion approved, Boland abstained.

Resolution - Mrs. Llodra explained that they have had a process in place for the donations following the tragedy at Sandy Hook School. If a donation was received and an intent was specified for that donation, it was placed in an account for the purpose of the donors wishes. There was an account created for memorial and they believe they should release the entire amount to the Permanent Memorial Commission. Mr. Godin moved a resolution providing for a special appropriation in the amount of \$123,412.53(Representing the balance of funds available for this purpose) to be funded from the Sandy Hook Special Revenue Fund “Memorial” donation account 133-4020 for the purpose of determining the nature, location, and funding of a permanent memorial, Mrs. Roussas seconded.(Attachment B) The funds available will likely not be enough but once they determine a location they can do a request for proposal to get an accurate amount. Then it will likely require substantial fund raising. This is their money; it was donated to the Town of Newtown for a memorial. It cannot be used for any other purpose. Motion unanimously approved.

2015-2016 Year End Appropriation (Budget) transfer request – There is a total transfer of \$71,580 on the attached breakdown (Attachment C). Mr. Godin moved to approve the 2015-

2016 year end appropriations as presented. Mrs. Roussas seconded, motion unanimously approved.

2015-2016 Year End Transfer of OPEB – Mrs. Llodra explained that this is contribution to the Other Post Employment Benefits. Police and teachers are eligible. Police pay 25% and their spouses pay 100%. Teachers and their spouses 100%, there is very little exposure. Mr. Godin moved to approve the 2015-2016 Year End Transfer of OPEB as indicated on the attached sheet (Attachment D). Mrs. Roussas seconded, motion unanimously approved.

Roles and Priorities for the Board of Finance for the Remainder of the Term – John Godin explained that he requested this on the agenda. It is a good time during the term to determine what they want to focus on. Mr. Gaston presented information about the Debt Services Policy and action taken by the Legislative Council in August 2015, (Attachment E). The previous BOF approved a debt policy that the LC approved reducing the amount of debt. They also have a subcommittee working on debt per capita which the BOF has not been included on. Mr. Gaston will make that invitation to the LC subcommittee.

Mrs. Llodra articulated that the BOF, in her view, has an important role. They are the first look at the CIP and the Budgets. It is their job to crunch the numbers and say if it is affordable. They basically say that they think this is the right number and fair to pass on to our tax payers. The LC is a more political board and plays a different role.

Mrs. Llodra provided an unaudited portfolio review (Attachment F). She also explained that this is the last report from Westport Resources Management because the Board of Selectman has moved the funds to another investment company.

VOTER COMMENT – None

ANNOUNCEMENTS – None

Having no further business, the meeting was adjourned at 8:49pm

Respectfully Submitted,
Arlene Miles, Clerk

Attachment A

MOTION TO ACCEPT A \$10,000 GRANT FROM THE IROQUOIS GAS COMPANY, A COMMUNITY GRANT PROGRAM, FOR ENVIRONMENTAL INITIATIVES AND PASSIVE RECREATION. THIS GRANT WILL BE USED IMPROVING STONE BRIDGE TRAIL, WHICH IS A 42.56 ACRE NEWTOWN OPEN SPACE. IMPACT STATEMENT ATTACHED.

**TOWN OF NEWTOWN
FINANCIAL IMPACT STATEMENT
(Per Town Charter 6-100)**

REQUESTING DEPARTMENT LAND USE

PROJECT: NEWTOWN FORESTRY MANAGEMENT PLAN

PROPOSED APPROPRIATION AMOUNT: \$ 10,000

PROPOSED FUNDING:
 BONDING
 GRANT \$ 10,000
 OTHER
 \$ 10,000

ANNUAL FINANCIAL IMPACT ON OPERATING BUDGET (GENERAL FUND):

List any financial impact your request will have on the Town's annual operating budget.
 Attach spreadsheet(s) showing your calculation of the estimated impact.

EXPENDITURE CATEGORY:	**FOR BRACKETS USE NEGATIVE SIGN BEFORE NUMBER**	(POSITIVE IMPACT) / NEGATIVE IMPACT	Attachment #
SALARIES & BENEFITS			
PROFESSIONAL SERVICES			
CONTRACTED SERVICES			
REPAIRS & MAINTENANCE			
UTILITIES			
OTHER			
DEBT SERVICE (1st year)			
TOTAL IMPACT ON EXPENDITURES		\$ -	

REVENUE CATEGORY:	POSITIVE IMPACT / (NEGATIVE IMPACT)	Attachment #
PROPERTY TAXES		
CHARGES FOR SERVICES (FEES)		
OTHER		
TOTAL IMPACT ON REVENUES	\$ -	

TOTAL FINANCIAL IMPACT ON OPERATING BUDGET \$ -

EQUIVALENT MILL RATE OF TOTAL IMPACT 0.0000 mills

(using current year's information)

COMMENTS:

NO IMPACT ON THE OPERATING BUDGET

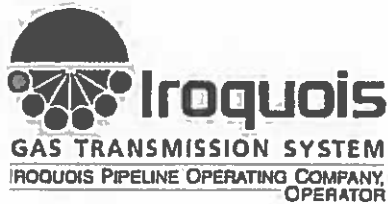
Grant is a private grant from the Iroquois Gas company, a "community grant program". Primary focus areas of the community grant program is enviromental initiatives and passive recreation.

The grant will be used to fund the Stonebridge forest management planning project. Stonebridge Trail is a 42.56 acres of Newtown open space. The Conservation Commission is working with a wildlife biologist from the Connecticut Department of Energy and Enviromental Protection (DEEP) and a consultant to enhance this space in order to provide a safe and nurturing enviroment increasing the possibility that new species will thrive, including the New England Cottontail. This will involve some reduction in the standing timber.

PREPARED BY: 

DATE: 8/8/2016

TO: BOF, LC



Community Grant Program Guidelines & Criteria

Iroquois' *Community Grant Program* was established to strategically assist our host communities in providing long-term, lasting benefits through environmental initiatives, historic preservation and passive recreational opportunities that improve the quality of life for residents and increase the sense of community.

Who May Apply

- Local, state and county governments representing pipeline host communities
- Environmental organizations and land trusts which are tax-exempt, not-for-profit
- Private tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Service Code

Types of Grants

Iroquois' *Community Grant Program* is a competitive based program with grants ranging from \$2,500 to \$10,000.

Iroquois will consider requests as follows:

- New, enhanced or phased projects based on a documented need, having a strong project plan, specific outcomes and a feasible budget
- Priority will be given to those that meet the criteria and have a high correlation with the grant program's intent
- Preference is given to requests with visible community involvement and demonstrated additional fundraising
- Startup or ongoing projects or programs that have proven specific benefits to the community (no more than 2 consecutive years of funding will be considered)
- Lower priority given to requests for capital and equipment
- Requests from schools must have approval of the Superintendent
- Projects/programs located only in Iroquois' host communities
- Projects/programs that are shovel/launch ready and will achieve completion within one year of approval

Focus Areas

- **Primary Focus Areas:** Environmental Initiatives (Preservation, Enhancement, Education) and Passive Recreation
- **Secondary Focus Areas:** Historic Preservation, Civic & Community, Targeted Arts and Culture

Attachment B

- A RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$123,412.53 (REPRESENTING THE BALANCE OF FUNDS AVAILABLE FOR THIS PURPOSE) TO BE FUNDED FROM THE SANDY HOOK SPECIAL REVENUE FUND "MEMORIAL" DONATION ACCOUNT 133-4020 FOR THE PURPOSE OF DETERMINING THE NATURE, LOCATION, AND FUNDING OF A PERMANENT MEMORIAL.

Attachment C

2015-2016 YEAR END APPROPRIATION (BUDGET) TRANSFER REQUEST:

TRANSFERS TO (AMOUNTS REQUIRED):

SELECTMEN- OTHER

1-101-11-105-5531-0000 POSTAGE 1,500

Additional amount needed due to additional postage activity (assessor & comm. on aging)

1-101-11-105-5540-0000 ADVERTISING 750

Additional amount needed due to additional advert activity (charter & ordinance)

HUMAN RESOURCES

1-101-11-108-5310-0000 PROFESSIONAL SERVICES 1,750

Additional amount needed due to additional pension activity (total dept. budget was not over).

PROBATE COURT

1-101-11-255-5310-0000 PROFESSIONAL SERVICES 550

Additional amount needed due to budget underestimate (billed at year end)

EMERGENCY COMMUNICATIONS

1-101-12-300-5442-0000 RENTAL OF EQUIPMENT 3,500

Additional amounts needed due to budget underestimate (total dept. budget was not over).

POLICE

1-101-12-310-5117-0000 SALARIES & WAGES – SEASONAL 600

Additional amount needed due to crossing guard activity.

FIRE

1-101-12-320-5115-0000 SALARIES & WAGES – PART TIME 3,010

1-101-12-320-5290-0000 OTHER EMPLOYEE BENEFITS 5,120

1-101-12-320-5310-0000 PROFESSIONAL SERVICES 2,400

1-101-12-320-5412-0000 HYDRANTS 100

1-101-12-320-5430-0000 REPAIR & MAINTENANCE SERVICES 1,290

1-101-12-320-5622-0000 ENERGY – ELECTRICITY 4,900

1-101-12-320-5745-0000 FIRE EQUIPMENT 8,300

1-101-12-320-5749-0000 CAPITAL 18,150

Additional amounts are covered from other accounts in Fire budget.

Total amount in fire transfers = 43,270. See Fire transfers from.

ANIMAL CONTROL

1-101-12-340-5115-0000 SALARIES & WAGES – PART TIME 1,900

Additional amount needed due to extra part time hours needed (total dept. budget was not over).

PUBLIC WORKS - HIGHWAY

1-101-13-500-5626-0000 STREET LIGHTS 910

Additional amounts needed due to budget underestimate (total dept. budget was not over).

PUBLIC BUILDING MAINTENANCE

1-101-13-650-5411-0000 WATER / SEWERAGE 4,000

Additional amounts needed due to budget underestimate (total dept. budget was not over).

TRANSFERS TO (AMOUNTS REQUIRED): - CONTINUED

LAND USE

1-101-15-490-5350-0000 PROFESSIONAL SVS – LEGAL 3,000

Additional amount needed due to budget underestimate (prior year was higher).

PARKS & RECREATION

1-101-13-650-5505-0000 CONTRACTUAL SERVICES 9,850

Additional amount needed due to budget underestimate (total dept. budget was not over).

TOTAL TRANSFER TO 71,580

TRANSFERS FROM (AMOUNTS AVAILABLE):

FINANCE

1-101-11-200-5110-0000 SALARIES & WAGES – FULL TIME (2,900)

Amount available due to secretary position hours reduced.

POLICE

1-101-12-310-5130-0000 SALARIES & WAGES – OVER TIME (3,500)

Mid-year transfer to this account was over estimated.

1-101-12-310-5220-0000 SOCIAL SECURITY CONTRIBUTIONS (4,000)

Social security savings due to lower total payroll amount

1-101-12-310-5445-0000 SOFTWARE / HARDWARE MAINTENANCE (15,000)

Some contract savings

FIRE

1-101-12-320-5435-0000 RADIO & PAGER SERVICES (1,500)

1-101-12-320-5436-0000 TRUCK REPAIR (1,500)

1-101-12-320-5520-0000 INSURANCE (1,000)

1-101-12-320-5580-0000 DUES, TRAVEL & EDUCATION (19,000)

1-101-12-320-5621-0000 ENERGY – NATUAL GAS (2,000)

1-101-12-320-5624-0000 ENERGY – OIL (18,270)

Amounts available to cover Fire overages = 43,270.

HIGHWAY

1-101-13-500-5625-0000 ENERGY – GASOLINE (2,910)

Gasoline savings.

TOTAL TRANSFER FROM (71,580)

Attachment D

TOWN OF NEWTOWN APPROPRIATION (BUDGET) TRANSFER REQUEST

FISCAL YEAR **2015 - 2016** DEPARTMENT **Selectmen** DATE **6/30/16**

FROM:	<p style="text-align: center;"><u>Account</u></p> <p>SEE ATTACHED</p> <ul style="list-style-type: none"> • • • • 	<p style="text-align: center;"><u>Amount</u></p> <p style="text-align: center;">(120,000)</p>	<small>USE NEGATIVE AMOUNT</small> <small>USE POSITIVE AMOUNT</small>
TO:	<p>1-101-11-270-5270-0000 OTHER POST EMPLOYMENT BENEFITS</p> <ul style="list-style-type: none"> • 	<p style="text-align: center;">120,000</p>	

REASON:

To use balances left in various accounts, at year end, to make an additional contribution to the OPEB Trust Fund. The OPEB (Other Post Employment Benefits) Trust Fund accounts for current and future retiree medical benefit payments. The only employee groups that receive these benefits are retired police and teachers.

Police pay 25% of the premium and their spouses pay 100%. Teachers and their spouses pay 100% of the premium. The Town is self insured for medical benefits so there is an implicit expense relating to these benefits. The retiree pays a portion of the group calculated premium. Actual medical expenses may be more. So even though, in some instances, 100% of the premium is payed by the retiree the Town may still incur additional expenses.

Retirees typically have higher medical costs which usually exceed the premium annual amount.

An additional contribution is recommended to bring the annual contribution closer to the ARC (annual recommended contribution) per the actuary.

AUTHORIZATION:

date: _____

- (1) DEPARTMENT HEAD _____
- (2) FINANCE DIRECTOR _____
- (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

TOWN OF NEWTOWN			
06/30/2016 TRANSFER REQUEST - ADDITIONAL FUNDING FOR OPEB TRUST			
<u>DEPARTMENT/ACCOUNT #</u>	<u>ACCOUNT</u>	<u>TRANSFER</u>	<u>TRANSFER</u>
		<u>TO</u>	<u>FROM</u>
OPEB CONTRIBUTION			
1-101-11-270-5270-0000	OTHER POST EMPLOYMENT BENEFITS	120,000	
SELECTMEN			
1-101-11-100-5350-0000	PROF SERV - LEGAL		(5,000)
1-101-11-100-5580-0000	DUES, TRAVEL & EDUCATION		(2,000)
1-101-11-100-5611-0000	OFFICE SUPPLIES		(1,000)
SELECTMEN - OTHER			
1-101-11-105-5443-0000	COPIER LEASING		(1,000)
1-101-11-105-5590-0000	MEETING CLERKS		(1,000)
REGISTRARS			
1-101-11-180-5115-0000	SAL & WAGES - PART TIME		(1,000)
TAX ASSESSOR			
1-101-11-190-5580-0000	DUES, TRAVEL & EDUCATION		(1,000)
FINANCE			
1-101-11-200-5580-0000	DUES, TRAVEL & EDUCATION		(1,000)
1-101-11-200-5611-0000	OFFICE SUPPLIES		(1,000)
TECHNOLOGY			
1-101-11-205-5301-0000	FEES & PROF SERV		(3,000)
1-101-11-205-5744-0000	EQUIPMENT - TECHNOLOGY		(9,000)
INSURANCE			
1-101-11-350-5520-0000	INSURANCE		(1,000)
1-101-11-350-5800-0000	OTHER EXPENDITURES		(1,000)
COMMUNICATIONS			
1-101-12-300-5220-0000	SOCIAL SECURITY CONTR		(1,500)
1-101-12-300-5501-0000	OTHER PURCHASED SERV		(1,500)
1-101-12-300-5580-0000	DUES, TRAVEL & EDUCATION		(500)
POLICE			
1-101-12-310-5110-0000	SAL & WAGES - FULL TIME		(500)
1-101-12-310-5290-0000	OTHER EMPLOYEE BENEFITS		(2,000)
1-101-12-310-5505-0000	CONTRACTUAL SERVICES		(3,000)
1-101-12-310-5746-0000	POLICE EQUIPMENT		(9,000)
1-101-12-310-5749-0000	CAPITAL		(5,000)
EMERGENCY MGT			
1-101-12-330-5310-0000	PROF SERV		(2,000)
1-101-12-330-5505-0000	CONTRACTUAL SERVICES		(3,000)
1-101-12-330-5580-0000	DUES, TRAVEL & EDUCATION		(1,000)
ANIMAL CONTROL			
1-101-12-340-5290-0000	OTHER EMPLOYEE BENEFITS		(1,000)
BUILDING OFFICIAL			
1-101-12-460-5220-0000	SOCIAL SECURITY CONTR		(2,000)
1-101-12-460-5580-0000	DUES, TRAVEL & EDUCATION		(1,000)
1-101-12-460-5611-0000	OFFICE SUPPLIES		(1,000)

<u>DEPARTMENT/ACCOUNT #</u>	<u>ACCOUNT</u>	<u>TRANSFER</u>	<u>TRANSFER</u>
		<u>TO</u>	<u>FROM</u>
HIGHWAY			
1-101-13-500-5110-0000	SAL & WAGES - FULL TIME		(2,000)
1-101-13-500-5430-0000	REPAIR & MAINT SERV		(1,000)
1-101-13-500-5611-0000	OFFICE SUPPLIES		(1,000)
1-101-13-500-5625-0000	ENERGY - GASOLINE		(6,000)
1-101-13-500-5650-0000	CONSTRUCTION SUPPLIES		(1,000)
1-101-13-500-5735-0000	ROAD IMPROVEMENTS		(2,000)
TRANSFER STATION			
1-101-13-515-5505-0000	CONTRACTUAL SERVICES		(4,000)
1-101-13-515-5622-0000	ENERGY - ELECTRICITY		(2,000)
PUBLIC BUILDING MAINT.			
1-101-13-650-5505-0000	CONTRACTUAL SERVICES		(2,000)
1-101-13-650-5622-0000	ENERGY - ELECTRICITY		(3,000)
1-101-13-650-5624-0000	ENERGY - OIL		(10,000)
SENIOR SERVICES			
1-101-14-220-5115-0000	SAL & WAGES - PART TIME		(1,000)
NEWTOWN CULTURAL ARTS			
1-101-14-680-5800-0000	OTHER EXPENDITURES		(1,000)
LAND USE			
1-101-15-490-5110-0000	SAL & WAGES - FULL TIME		(2,000)
1-101-15-490-5550-0000	OPEN SPACE INDEXING		(1,000)
1-101-15-490-5580-0000	DUES, TRAVEL & EDUCATION		(2,000)
1-101-15-490-5611-0000	OFFICE SUPPLIES		(1,000)
PARKS & RECREATION			
1-101-16-550-5110-0000	SAL & WAGES - FULL TIME		(3,000)
1-101-16-550-5115-0000	SAL & WAGES -PART TIME		(2,000)
1-101-16-550-5580-0000	DUES, TRAVEL & EDUCATION		(1,000)
1-101-16-550-5611-0000	OFFICE SUPPLIES		(1,000)
1-101-16-550-5615-0000	GENERAL MAINT SUPPLIES		(8,000)
1-101-16-550-5616-0000	GROUNDS MAINT SUPPLIES		(1,000)
		120,000	(120,000)

Attachment E

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held their regular meeting on Thursday, August 27, 2015 in the Council Chambers at the Municipal Center, 3 Primrose Street, Newtown, CT. Chairman John Kortze called the meeting to order at 7:00pm.

Present: John Kortze, Harry Waterbury, John Godin, Mike Portnoy, James Filan, Joe Kearney
Also Present: First Selectman Pat Llodra, Director of Finance Bob Tait, Paul Lundquist, Ryan Knapp, Keith Alexander, 5 members of the public and two members of the press.

VOTER COMMENTS: NONE

COMMUNICATIONS: Mr. Kortze received an e-mail from Fred Hurley, Director of Public Works regarding questions about the Town and BOE fuel usage/contract (Attachment A).

He also received an e-mail from Jeff Capeci for final input for the Charter Revision. The BOF had no items related to BOF items but there were questions about other items that have been directed to Mr. Capeci.

MINUTES – Mr. Waterbury moved to approve the minutes from the 7/13/15. Mr. Kearney seconded. Mr. Filan made a corrected that Mr. Kearney and Mr. Filan were present at that meeting. Minutes were unanimously approved as amended.

FIRST SELECTMANS REPORT – There was no First Selectman report. Mr. Kortze asked the status of the band bus. The Board of Education has determined not to use any of the funds that they have in their undesignated funds for the bus. The resolution will go back to the Board of Selectmen on September 10, to determine if they are going to move forward.

FINANCE DIRECTOR REPORT – None

NEW BUSINESS

Newtown Debt Policy – Mr. Tait presented (Attachment B)

Mr. Kearney questioned if there is a reason why they have to stick with round numbers?
After discussion it was determined that leaving it at 10% and giving flexibility would remain.

Mr. Kearney moved to add changes to the Debt Policy as presented on page 53 of Debt Report (Attachment B). Mr. Waterbury seconded, motion unanimously approved.

Transfers - Mr. Kearney moved to transfer \$55,000 from the various accounts as presented to accrued payroll (Attachment C). Mr. Godin seconded, motion unanimously approved.

Mr. Kearney moved to transfer \$14,260 from various Board of Fire Commissioners accounts to other various accounts (Attachment D). Mr. Waterbury seconded, motion unanimously approved.

Board of Selectman and Board of Education CIP – There are two different scenarios. The first is what is being presented by the Selectman (Attachment E) in full and what BOE is working on (Attachment F). The second would be the same for the Selectman and adding Hawley School into years 4 and 5 for the BOE.

The forecasted CIP (Attachment G) which is essentially what the Selectman are proposing, except for the 5th year with a zero and the second is with the amount which is what is currently being proposed. The third is with Hawley School.

ANNOUNCEMENTS – Mr. Kortze has been in communication with the State on the changes on NBR legislation (Attachment H). The legislation specifically speaks to a range as to where you are as determined by the State Department of Education in their performance matrix. The last data provided Newtown is number two and we are well within the top 10%.

Having no further business, the meeting was adjourned at 8:45pm

Respectfully Submitted,
Arlene Miles, Clerk

RatingsDirect®

Summary:

Newtown, Connecticut; General Obligation

Primary Credit Analyst:

Apple Lo, Boston (1) 617-530-8316; apple.lo@standardandpoors.com

Secondary Contact:

Timothy J Daley, Boston (1) 617-530-8121; timothy.daley@standardandpoors.com

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Rationale

Outlook

Related Criteria And Research

Summary:

Newtown, Connecticut; General Obligation

Credit Profile

US\$17.09 mil GO rfdg bnds ser 2015 A due 08/15/2030

<i>Long Term Rating</i>	AAA/Stable	New
Newtown GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Newtown GO rfdg		
<i>Long Term Rating</i>	AAA/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services has assigned its 'AAA' rating and stable outlook to the Town of Newtown, Conn.'s series 2015A general obligation (GO) refunding bonds. At the same, Standard & Poor's affirmed the 'AAA' rating, with a stable outlook, on the town's GO debt outstanding.

The town's full faith and credit pledge secures the bonds. We understand that officials will use bond proceeds to refund a portion of its debt.

The rating reflects our assessment of the following factors for the town:

- Very strong economy, which benefits from participation in the broad and diverse economy of Danbury;
- Strong budgetary flexibility, with available reserves at or above 15% of general fund expenditures for the most recent three audited years;
- Strong budgetary performance, with consistent operating surpluses in the general fund and total governmental funds;
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Very strong management conditions, with formal policy and consistent ability maintain balanced budgets; and
- Very strong debt and contingent liability position, driven mostly by the town's low net direct debt.

Very strong economy

We consider Newtown's economy to be very strong, with access to the broad and diverse economy of Danbury in Fairfield County. Traditionally, county unemployment has tracked on par with that of the state and the nation and averaged 7.1% in 2013. Newtown has projected per capita effective buying income of 176% of that of the U.S., as reflected by residents accessing jobs in the neighboring areas. Per capita market value for the town was \$158,000 for fiscal 2015. The net taxable grand list has declined by about 23% to \$3 billion in fiscal 2014 due to revaluation. The grand list has improved by about 0.5% in fiscal 2015.

Strong budgetary performance

Newtown's budgetary performance has been strong overall, in our view, with an operating surplus in both its general fund (0.3% of expenditures) and total governmental funds (1.1% of expenditures) in fiscal 2014. About 84% of the

town's revenues are from property tax, and collection has been strong, averaging more than 99% for the most recent five years. Year-to-date, management reported a positive variance of \$400,000 in its general fund for fiscal 2015. The town receives less than 5% in federal revenue.

Strong budget flexibility

In our opinion, the town's budgetary flexibility remains strong, with available reserves above 8% of expenditures for the most recent two years, and Newtown has no plans to significantly spend down the reserves. This has been in compliance with the town's reserve policy of 8%-12%. Management reported that the Newtown will end fiscal 2015 with an operating surplus. For audited fiscal 2014, available reserves were \$11.2 million or 9.5% of general fund expenditures.

Very strong liquidity

Supporting the town's finances is what we consider to be very strong liquidity, with total government available cash as a percent of total governmental fund expenditures and as a percent of debt service are 17% and 221%, respectively. We believe Newtown has good access to external liquidity. It has issued GO bonds frequently in the past 15 years.

Very strong management

We view the town's management conditions as very strong with formalized, well embedded, and sustainable financial practices and policies. Newtown maintains an internal practice of forecasting revenues and expenditures five years out. Assumptions are conservative, and management updates them annually; management is seeking to formalize this practice, which will consist of formal annual written reports to the board of selectmen. The town also has a formal fund balance policy to maintain an unassigned fund balance at 8%-12%. Finally, Newtown has a comprehensive debt management plan to amortize at least 50% of its debt in 10 years; the plan also calls for the town to maintain debt service at less than 10% of general fund budget.

Very strong debt and contingent liability profile

In our opinion, Newtown's debt and contingent liability profile is very strong, with total governmental funds debt service as a percent of total governmental funds expenditures at 8% and with net direct debt as a percent of total governmental funds revenue at 53%. Meanwhile, overall net debt, after taking into account state aid reimbursement on school-related debt, is low in our opinion at 1.7% of market value. Amortization of debt is also rapid, with 77% of principal to be retired in 10 years. Newtown maintains a long-term capital plan through 2019 with bonding needs of about \$29 million in the next two years.

The town contributes to three pension plans: the selectmen and board of education personnel (99% funded as of July 1, 2014), police personnel (87% funded as of July 1, 2014), and elected officials (defined contribution plan). The town also offers other postemployment benefits (OPEB) to some of its retirees in the form of a health care plan. The combined pension annual required contribution and OPEB pay-as-you-go cost totaled \$1.4 million in fiscal 2014, or about 1% of total governmental expenditures. Based on an actuarial valuation, Newtown had an accrued liability of \$6.3 million for OPEB as of July 1, 2012.

Very strong Institutional Framework

We consider the Institutional Framework score for Connecticut municipalities as very strong.

Outlook

The stable outlook reflects our view of Newtown's strong budgetary performance and flexibility, coupled with a very strong underlying economy. We do not expect to change the rating in our two-year outlook horizon due to our expectation that management will continue to adhere to its formal and sustainable policies and practices in managing its finances and any fluctuation in the local economy.

Related Criteria And Research

Related Criteria

- USPF Criteria: Local Government GO Ratings Methodology And Assumptions, Sept. 12, 2013
- Ratings Above The Sovereign: Corporate And Government Ratings—Methodology And Assumptions, Nov. 19, 2013

Related Research

- S&P Public Finance Local GO Criteria: How We Adjust Data For Analytic Consistency, Sept. 12, 2013
- Institutional Framework Overview: Connecticut Local Governments

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MOODY'S

INVESTORS SERVICE

New Issue: Moody's assigns Aa1 to Newtown CT's \$17.1M GO Bonds

Global Credit Research - 16 Jan 2015

Affirms Aa1 affecting \$80M of GO debt outstanding

NEWTOWN (TOWN OF) CT
Cities (Including Towns, Villages and Townships)
CT

Moody's Rating

ISSUE	RATING
General Obligation Refunding Bonds, 2015 Series A	Aa1
Sale Amount	\$17,100,000
Expected Sale Date	01/27/15
Rating Description	General Obligation

Moody's Outlook NOO

NEW YORK, January 16, 2015 –Moody's Investors Service has assigned a Aa1 rating to the Town of Newtown's (CT) \$17.1 million General Obligation Refunding Bonds, 2015 Series A. Concurrently, Moody's has affirmed the Aa1 rating on \$80 million of outstanding general obligation debt. The bonds are secured by an unlimited general obligation tax pledge. Bond proceeds will be used to refund the Series 2010 and 2011 bonds currently outstanding for an estimated net present value savings of \$754,000, equal to 4% of refunded principal, with no extension of final maturity.

SUMMARY RATING RATIONALE

The Aa1 rating reflects the town's stable financial position with adequate reserve levels that are supported by formal fiscal policies. The rating also incorporates the sizeable equalized net grand list with favorable socioeconomic indices and manageable debt profile.

STRENGTHS

- Sizeable and affluent tax base
- Stable financial position supported by formal policies
- Well funded pension plans and pro-active OPEB funding

CHALLENGES

- Managing expenditure pressures in an environment of constrained revenue growth

DETAILED CREDIT DISCUSSION

STABLE FINANCIAL POSITION WITH ADEQUATE RESERVE LEVELS EXPECTED TO CONTINUE

Newtown's financial position will remain stable given sound financial management and adequate reserve levels guided by formal financial policies. Following surplus operations in fiscal years 2012 through 2014, the town has increased total General Fund balance to \$11.2 million (9.4% of revenues) in fiscal 2014 from \$8.2 million (7.6% of revenues) in fiscal 2011. Positively, the majority of fund balance is unassigned (\$10.2 million or 8.6% of revenues in fiscal 2014). The town adopted a formal policy to maintain unassigned fund balance between 8% and 12% of budgeted expenditures, which is consistent with current reserve levels.

The fiscal 2015 budget increased just 0.91% over 2014, as school department expenses were relatively flat due to a continued decline in enrollment. As expected, the mill rate did not increase, though the tax levy increased 0.2% due to a modest increase in taxable values. Since 2011, the town has not appropriated reserves to balance operating budgets, indicating a commitment to building General Fund balance. Six months into the year, management reports that revenues are trending positively and the town expects to add to fund balance for a fourth straight year.

Newtown is not reliant on economically sensitive revenues, as property taxes consistently account for more than 84% of annual revenues. Collections are strong and have remained above 99% for the past several years. The largest expenditure is education (67% of 2014 expenditures), followed by public works (8.4%), public safety (7.6%), and general government (3.7%).

SIZEABLE TAX BASE WITH AFFLUENT RESIDENTIAL POPULATION

Newtown's sizeable \$4.3 billion equalized net grand list (ENGL) should stabilize following several years of declines given modest new development. The town, located in Fairfield County along Interstate 84, is in close proximity to major employment centers including New York City (Aa2 stable), Stamford (Aa1 stable), and Norwalk (Aaa stable). The town is primarily residential (78% of taxable grand list) and ENGL has decreased at a five-year compound annual rate of 5%, inclusive of five consecutive years of declines reflective of statewide trends. Further declines are expected to be mitigated in part by modest ongoing development in the town. New projects include both residential and commercial construction, expected to add significant office space and housing units to the town's stock.

The town's socioeconomic indices are above average, with a median family income that is 143.2% and 191.3% of the state and nation, respectively. Notably, the town has a non-taxable 600 inmate correctional facility within its boundaries. Even when including the inmate population (approximately 520), the town's per capita income remains healthy at \$45,308 (165.8% of the U.S.). Further, the ENGL per capita of \$157,466 is strong and remains consistent with similarly rated communities. The town's unemployment rate (4.4% in November 2014) remains below the state (6.2%) and nation (5.8%), and the poverty rate is low at 3.3%.

DEBT POSITION EXPECTED TO REMAIN MANAGEABLE DESPITE FUTURE BORROWING PLANS

Newtown's debt position will remain above average yet manageable given planned future borrowing to finance various capital projects. The current direct debt burden is 1.8% of ENGL (full value), which is slightly above the state median of 1.3%. The town does not have any overlapping debt obligations. Principal amortization is average with 79% retired within 10 years. The town maintains a comprehensive five-year \$83.3 million capital improvement plan (CIP), of which \$62.5 million is expected to be funded through borrowing, \$11.1 million will be funded with grants, and \$9.3 million through pay-as-you-go funding. The plan calls for \$10.5 million of bond funded projects in fiscal 2016 followed by \$17.1 million the subsequent fiscal year. The former Sandy Hook elementary school has been demolished and the construction of a new facility, which will be funded entirely with a \$50 million state grant, is currently underway. Debt service accounted for 8.5% of fiscal 2014 expenditures, and the town remains compliant with its formal debt policy which calls for debt service not to exceed 10% of budget. All debt is fixed rate and the town is not party to any derivative agreements.

MODEST LIABILITIES FOR PENSION AND OPEB

Newtown operates two single-employer pension plans - the Employees' Pension Plan and the Police Officers Pension Plan - both of which remain well funded at 99.1% and 86.8%, respectively. The town has consistently contributed its entire actuarial required contribution (ARC) for both plans. The combined fiscal 2014 ARC for both plans was \$1.2 million, representing a manageable 1% of expenditures. The combined adjusted net pension liability, under Moody's methodology for adjusting reported pension data, is \$16.3 million, or 0.14 times General Fund revenues. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the town's reported liability information, but to improve comparability with other rated entities.

The OPEB liability is funded on a pay-as-you-go basis, and the town contributed \$246,000 (less than 1% of expenditures) in fiscal 2014, representing 34% of its ARC. The total unfunded liability is \$5.6 million as of July 1, 2012, the most recent valuation report. Total fixed costs for fiscal 2014, including pension, OPEB and debt service, represented \$11.5 million, or 9.7% of expenditures.

WHAT COULD MAKE THE RATING GO UP

- Significant growth of the underlying tax base and improvement in the demographic profile
- Sizeable fund balance growth
- Material decline in the debt burden

WHAT COULD MAKE THE RATING GO DOWN

- Trend of operating deficits resulting in a decline in reserves
- Significant growth in debt burden
- Significant declines in the tax base or deterioration of the demographic profile

KEY STATISTICS:

2012 (FY 2014) Equalized Net Grand List: \$4.3 billion

2012 (FY 2014) Full Value Per Capita: \$157,466

Median Family Income as % of US: 191.3%

Fiscal 2014 Available Fund balance as a % of Revenues: 9.4%

5-Year Dollar Change in Fund Balance as % of Revenues: 1.3%

Fiscal 2013 Cash Balance as % of Revenues: 20%

5-Year Dollar Change in Cash Balance as % of Revenues: 2.3%

Institutional Framework: Aa

5-Year Average Operating Revenues / Operating Expenditures: 1.0x

Net Direct Debt as % of Full Value: 1.8%

Net Direct Debt / Operating Revenues: 0.7x

3-Year Average of Moody's ANPL as % of Full Value: 0.4%

3-Year Average of Moody's ANPL / Operating Revenues: 0.1x

RATING METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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Analysts

Heather Guss
Lead Analyst
Public Finance Group
Moody's Investors Service

Thomas Compton
Backup Analyst
Public Finance Group
Moody's Investors Service

Geordie Thompson
Additional Contact
Public Finance Group
Moody's Investors Service

Contacts

Journalists: (212) 553-0376
Research Clients: (212) 553-1653

Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
USA

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3 PRIMROSE STREET
NEWTOWN, CT 06470
TEL. (203) 270-4201
FAX (203) 270-4205
www.newtown-ct.gov



TOWN OF NEWTOWN
LEGISLATIVE COUNCIL

TOWN OF NEWTOWN LEGISLATIVE COUNCIL MEETING
WEDNESDAY, JANUARY 20, 2016
NEWTOWN MUNICIPAL CENTER, NEWTOWN, CT

MOTIONS

MINUTES: MR. LUNDQUIST MOTIONED TO ACCEPT THE MINUTES OF THE REGULAR MEETING OF JANUARY 6, 2016. SECOND BY MR. FILIATO. APPROVED.

TEACHERS CONTRACT: MR. HONAN MOTIONED TO ACCEPT THE TEACHER CONTRACT AS PRESENTED. SECOND BY MS. DESTEFANO. UNANIMOUSLY APPROVED.

DEBT POLICY: MR. CHAUDHARY MOTIONED TO SET THE DEBT CAP POLICY TO 9.8%. SECOND BY MR. CARROLL. APPROVED. 11 Yes, 1 No (Ms. DeStefano).

MR. KNAPP MOTIONED TO USE EXISTING LANGUAGE BUT SUBSTITUTE "MEDIAN RECOMMENDED BY MOODY'S" WITH HIGH DEBT PER CAPITA AS RECOMMENDED BY STANDARD & POOR'S. SECOND BY MR. FERGUSON. MOTION AND SECOND WITHDRAWN.

MR. KNAPP MOTIONED TO HAVE THE FINANCE SUB COMMITTEE OF THE COUNCIL LOOK INTO AN APPROPRIATE METRIC FOR DEBT PERCAPITA THAT WE CAN MEASURE AND BENCHMARK AGAINST OTHER COMMUNITIES IN OUR AREA. SECOND BY MR. LUNDQUIST. MR. FERGUSON MOTIONED A FRIENDLY AMENDMENT TO ALLOW THE FINANCE AND ADMINISTRATION SUB COMMITTEE REVIEW THE ENTIRE POLICY AND TO BRING ANY RECOMMENDATIONS IT WARRENTS BACK TO THIS BODY FOR CONSIDERATION. SECOND BY MR. CARROLL. AMENDMENT APPROVED. MAIN MOTION APPROVED

GENERAL FUND BONDED DEBT ANALYSIS
PAST TWENTY YEARS, PRESENT AND INTO THE FUTURE

For Discussion Purposes

RTAIT 08/10/2015

TOWN OF NEWTOWN - GENERAL FUND DEBT ANALYSIS - PAST TWENTY YEARS & INTO THE FUTURE

Comparison to AAA Communities

Moody's AAA*	Ratio of Debt to Net Grand List	Debt Per Capita	Per Capita Income	Median Household Income
AVON	1.2%	\$ 1,811	\$ 64,364	\$ 115,571
DARLEN	1.0%	\$ 4,193	\$ 94,820	\$ 205,688
EASTON	2.6%	\$ 4,413	\$ 64,002	\$ 150,000
FAIRFIELD	2.0%	\$ 3,501	\$ 58,576	\$ 117,705
FARMINGTON	1.3%	\$ 1,973	\$ 52,634	\$ 88,935
GLASTONBURY	2.1%	\$ 2,490	\$ 52,928	\$ 106,678
MADISON	1.1%	\$ 1,983	\$ 53,943	\$ 110,781
NEW CANAAN	1.4%	\$ 5,802	\$ 97,498	\$ 161,848
NORWALK	2.0%	\$ 2,480	\$ 43,767	\$ 71,538
RIDGEFIELD	1.6%	\$ 3,603	\$ 77,027	\$ 147,993
SIMSBURY	1.7%	\$ 1,891	\$ 56,673	\$ 115,000
WALLINGFORD	0.8%	\$ 760	\$ 36,306	\$ 75,346
WEST HARTFORD	2.3%	\$ 2,100	\$ 47,485	\$ 82,322
WESTON	2.0%	\$ 5,041	\$ 90,552	\$ 207,262
WESTPORT	1.4%	\$ 4,931	\$ 91,228	\$ 160,106
WILTON	1.2%	\$ 3,289	\$ 77,526	\$ 167,094
WOODBIDGE	2.1%	\$ 2,745	\$ 63,756	\$ 138,082
NEWTOWN	2.0%	\$ 2,769	\$ 48,433	\$ 109,159
<u>Statistics (does not include Newtown):</u>				
Median =	1.6%	\$ 2,745	\$ 63,756	\$ 117,705
Average =	1.6%	\$ 3,117	\$ 66,064	\$ 130,702
% =	41% **	47% ***	82%	71%

* Does not include Greenwich

** 7 towns are greater than or equal to Newtown

*** 8 towns are greater than or equal to Newtown

NEWTOWN DEBT MANAGEMENT POLICY

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

I. PURPOSE

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

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

II. POLICY STATEMENT

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

III. RESPONSIBILITY FOR POLICY

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

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

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

IV. GENERAL DEBT GOVERNING POLICIES

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

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

DEBT MANAGEMENT POLICY Continued..

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

V. DEBT POLICIES, RATIOS AND MEASUREMENT

- A. Purposes of Issuance – the Town shall only issue debt obligations for acquiring, constructing or renovating Town owned fixed assets or for refinancing existing debt obligations.
- B. Maximum Maturity – All debt obligations shall have a maximum maturity of twenty years. The estimated useful life of the Capital Improvement being financed should be considered when determining the maturity of debt. In the event debt obligations are being issued to refinance outstanding debt obligations the final maturity of the debt obligations being refinanced shall remain the same maturity.
- C. Direct Debt Per Capita – The Town shall adhere to a debt management strategy that achieves the goal of maintaining Direct Debt Per Capita at or below the median recommended by Moody's. The Direct Debt Per Capita shall be calculated by dividing the Town's direct debt by the most current population figure.
- D. Average Maturity of General Obligation Bonds – the Town shall have at least 50% of outstanding general obligation bonds mature in less than ten (10) years.
- E. Debt Service Levels – The Town shall adhere to a debt management strategy that achieves the goal of limiting annual general fund debt service to no more than 10% of the total General Fund budget.
- F. Net Present Value Savings – The Town must achieve a Net Present Value Savings of at least 2 percent over the life of an existing bond issue in order for it to be considered for refunding.
- G. Bond Covenants and Laws – The Town shall comply with all covenants and requirements of the bond resolutions, and state and Federal laws authorizing and governing the issuance and administration of debt obligations.
- H. If the debt management indicators fall below the recommended levels the finance director shall recommend and submit to the Board of Finance for approval a plan to bring the debt management indicators to their appropriate levels within a specific time frame.

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

Approved by the Board of Finance: January 22, 2009

Newtown Debt Management Policy Review:

Recommended Changes:

V. Debt Policies, Ratios and Measurement

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

Total General Fund Bonded Debt Per Capita – An analysis of this debt ratio should be made each year. It should be made in context with other related ratios. A comparison should be made with other similar rated Connecticut towns.

Note: In section V. – E. leave percentage at 10% leaving flexibility for high priority large one time projects. Internal goal of BOF & LC of 9% or 8% can be achieved thru the CIP planning process.

DRAFT - UNAUDITED (after year end transfers)

SCHEDULE 2
(1 of 2)

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2016

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Selectmen.....	\$ 395,576	\$ 426,111	\$ 422,779	\$ 3,332
Selectmen - other.....	229,483	177,128	176,543	585
Human Resources.....	121,274	128,049	127,534	515
Tax Collector.....	338,753	348,559	347,473	1,086
Probate Court.....	7,000	7,550	7,514	36
Town Clerk.....	300,404	306,633	305,687	946
Registrars.....	129,349	154,349	152,824	1,525
Assessor.....	261,216	268,604	266,342	2,262
Finance.....	514,637	517,847	516,002	1,845
Technology.....	568,824	596,109	592,964	3,145
Unemployment.....	15,000	35,000	33,965	1,035
OPEB fund.....	177,755	297,755	297,755	-
Salaries.....				-
Professional organizations.....	34,593	34,744	34,744	-
Insurance.....	1,010,000	1,058,533	1,058,402	131
Legislative Council.....	46,500	46,500	46,200	300
Districts.....	15,000	15,000	15,000	-
Economic Development Commission.....	73,683	74,683	74,540	143
Grants administration.....	23,008	23,008	23,008	-
Sustainable Energy Commission.....	5,000	5,000	5,000	-
Fairfield Hills.....	28,058	28,058	27,785	273
TOTAL GENERAL GOVERNMENT.....	4,295,113	4,549,220	4,532,061	17,159
PUBLIC SAFETY:				
Building inspector.....	407,390	410,529	408,350	2,179
Communications.....	1,071,517	1,036,402	1,031,056	5,346
Police department.....	6,314,259	6,372,163	6,366,288	5,875
Fire department.....	1,253,597	1,272,211	1,266,832	5,379
Emergency management / N.U.S.....	60,565	54,565	51,770	2,795
Animal control.....	159,841	162,619	160,583	2,036
Lake authorities.....	49,153	42,453	42,386	67
N.W. safety communication.....	10,000	10,000	10,000	-
Emergency Medical Services.....	270,000	270,000	270,000	-
Northwest CT Emergency Medical Service.....	250	250	250	-
TOTAL PUBLIC SAFETY.....	9,596,572	9,631,192	9,607,515	23,677
HEALTH AND WELFARE:				
Social services.....	144,112	185,669	184,476	1,193
Senior service.....	314,627	315,874	312,668	3,206
Outside agencies.....	232,596	232,361	232,361	-
Youth & Family Services.....	298,368	298,348	298,348	-
Newtown Cultural Arts Commission.....	2,500	1,500	750	750
Newtown Parade Committee.....	1,000	1,515	1,514	1
NW Conservation District.....	1,500	1,500	1,500	-
Booth library.....	1,209,979	1,210,009	1,210,007	2
Newtown Health District.....	383,555	383,675	383,675	-
TOTAL HEALTH AND WELFARE.....	2,588,237	2,630,451	2,625,299	5,152

(Continued)

August 3, 2016

*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, H ROSENTHAL TTEES
3 Primrose St
Newtown, CT 06470-5307

06/30/2015 - 06/30/2016

Beginning Value	\$35,842,396.56
Contributions	\$1,911,366.20
Withdrawals	\$(2,126,198.63)
Unrealized Gain (Loss)	\$25,795.25
Realized Gain (Loss)	\$(1,751,931.95)
Dividend Income	\$288,471.49
Interest Income	\$636,291.32
External Fee Payments	\$81,724.85
Management Fees	\$(183,850.06)
Other Expenses	\$(780.00)
Change in Accrued	\$(16,491.15)
Ending Value	\$34,706,793.88
Investment Gain (Loss)	\$(1,002,495.10)

<u>Portfolio % Returns</u>	<u>QTR1 FY 2016</u>	<u>QTR2 FY 2016</u>	<u>QTR3 FY 2016</u>	<u>QTR4 FY 2016</u>	<u>YTD FY 2016</u>
Internal Rate of Return (net)	-5.84	3.03	-0.69	1.01	-2.75
Time Weighted (net)	-5.78	3.01	-0.67	1.01	-2.63
B40%/S&P45%/EAFE15%	-3.93	3.65	1.39	1.81	2.74
Difference	-1.85	-0.64	-2.06	-0.81	-5.37

All returns net of fees