

**FINANCE COMMITTEE
OF THE LEGISLATIVE COUNCIL
April 6, 2010 Meeting**

Present: Chairman Ben Spragg, Gary Davis, Kevin Fitzgerald, Chris LaRocque, Dan Amaral
Jan Andras

Also Present: First Selectman Pat Llodra, Council Chair Jeff Capeci, Council Vice Chair Mary
Ann Jacob, Registrar Lereine Frampton, 4 members of public, John Voket (The Bee)
and Hoa Nguyen (Newtown Patch)

The meeting was called to order at 7:10 p.m. in the old Finance Department room, Edmond
Town Hall, 55 Main Street, Newtown.

Public Participation: Ms. Ruby Johnson does not feel that the current CIP process is working
and urges the Legislative Council to revise the system.

Mr. Robert Merola sent an e-mail to District 1 Council representatives, which he then read
(attached to these minutes).

Acceptance of Minutes: The minutes of the 3/16/10 meeting were unanimously accepted as
presented.

Chairman Spragg advised that he does not plan to discuss all of the items on the agenda tonight –
only the Budget.

NEW BUSINESS

2010/2011 Budget

Since First Selectman Llodra had to leave the meeting shortly, she reported that she has asked
DPW Director Fred Hurley to do further cost analyses on the options of subcontracting street
sweeping vs the use of town employee overtime. In the meantime, the money budgeted for
street sweeping will be moved from the DPW operating account into Contingency. Regarding
TAR (Town Aid Road) grant funds, in the amount of \$234,000, Ms. Llodra is suggesting that the
money be noted as revenue and placed into the Contingency account for accounting and tracking
purposes. This number does not affect the bottom line of the budget.

Mr. Davis moved that the Finance Committee proposal concerning conditions on budget
allocations to specific social service type agencies, as listed on the attached, be forwarded to the
full Legislative Council for consideration. Motion seconded and unanimously carried.

Mr. Spragg advised that the 2010/2011 revenue estimates have been adjusted by the Finance
Director. The up to date figures are now on the town website.

--- On Tue, 4/6/10, Robert Merola <rmerola@sbcglobal.net> wrote:

From: Robert Merola <rmerola@sbcglobal.net>

Subject: ...budget...

To: janandras@yahoo.com, karinaurelia@yahoo.com, george-ferguson@earthlink.net, kevinks@aol.com

Cc: jeff@thecapecis.com, mjacob4404@charter.net, bspragg9274@charter.net, larocquel@gmail.com, rdwoycik@sbcglobal.net, gbdavis88@charter.net, jbeldenpootatuck@yahoo.com, amaralpoggy@aol.com

Date: Tuesday, April 6, 2010, 6:15 PM

As a District 1 constituent and budget follower, I urge and encourage you to insist on a more balanced and fiscally responsible approach to budget development from year to year.

My comments/observations are as follows:

In this economic environment, a 3% tax increase is unacceptable.

Many Newtown elected officials ran on a platform that included fiscal responsibility. For two years now, during budget season, fiscal responsible direction has been given to those who shape the budget. In both years, this direction has been essentially followed by one executive and ignored by the other executive.

The scenario goes like this. Last year, a 95% year-over-year guideline was presented. One executive heeded the guideline and the other executive allowed the "bidding" to start at 108%, putting town boards/councils in a defensive position; when they seek to limit budget increases that should not have been brought forward. Again this year, a zero budget year-over-year guideline was put forth and one executive essentially heeded the guidance and the other executive once again allowed the "bidding" to begin at 108%. This behavior of less than fiscal prudence potentially costs the taxpayers unwarranted tax increases. It also tends to encourage divisiveness among Newtown 's taxpayers.

I will not support a 3% tax increase. Many Newtown taxpayers that speak to me around town will not support a 3% tax increase. When you realize that those on Social Security did not get a cost of living adjustment in 2010, that numerous Newtowners have lost their jobs, that many Newtowners have lost their homes to foreclosure, it is apparent that it's time to hold the line on taxes.

I have attached updated charts regarding NHS student population analysis, Newtown housing - single family home permits and Newtown student pipeline data.

1. Notice that the actual NHS student population is trailing the projected population (used to justify the NHS expansion) by more than 150 students this school year. It's my understanding that HS teachers have been hired over time to support the HS expansion. With the actual HS student population significantly trailing the projected HS population, one could logically conclude that there is a surplus of teachers at the HS.

2. Notice that single family home permits (student population drivers) have trended down significantly since 2003. In fact for the first time since 2003, there have been zero (0) single family home permits for five (5) consecutive months. Not at all a growth scenario.
3. Notice that the Newtown pipeline data shows that NHS tops out at 1792 students in SY 12-13 and then drops precipitously. Once again, not a growth scenario.

In the aggregate, this data does not support the budget to increase year-over-year.

Regards,
Bob

Newtown Housing [1] (New Home Permits - single family) [[as of April 2010 - RAM]]

Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
2003	7	9	8	19	14	19	16	10	8	8	5	5	128
2004	6	4	15	6	9	4	9	6	6	8	5	3	81
2005	3	3	8	4	8	7	7	6	9	5	4	1	65
2006	3	2	3	9	2	2	2	1	3	5	1	3	36
2007	2	2	4	5	6	3	3	5	3	0	0	0	33
2008	0	2	4	1	2	2	2	3	4	0	0	0	20
2009	2	0	0	1	2	0	1	1	1	1	0	0	9
2010	0	0	0	0	0	0	0	0	0	1	0	0	0
													372

[1] Newtown Housing source; Newtown Building Department documentation

NHS Enrollment Analysis [as of March 2010 - RAM]

Report Date	SY 04-05	SY 05-06	SY 06-07	SY 07-08	SY 08-09	SY 09-10	SY 10-11	SY 11-12	SY 12-13	SY 13-14	SY 14-15	SY 15-16	SY 16-17	SY 17-18
BOTHWELL [1]														
Dec '03 Mid	1625	1680	1740	1797	1815	1912	1935	1973	2026					
Dec '03 High	1641	1707	1781	1851	1883	2003	2042	2099	2173					
Nov '04 Mid	1622	1666	1717	1765	1793	1881	1886	1920	1946	1933				
Nov '04 High	1622	1684	1745	1805	1848	1950	1968	2019	2066	2071				
Dec '05 Mid	1688	1727	1775	1775	1784	1854	1848	1900	1920	1921	1989			
Dec '05 High	1688	1747	1809	1809	1831	1914	1918	1986	2024	2041	2137	2152		
Nov '06 Mid	1715	1722	1722	1747	1753	1829	1829	1871	1887	1856	1903	1854	1809	
Nov '06 High	1715	1747	1747	1719	1794	1884	1893	1944	1973	1952	2022	1991	1963	
Dec '07 Mid				1719	1712	1794	1790	1829	1854	1806	1862	1819	1792	1851
Dec '07 High				1719	1738	1834	1842	1891	1927	1886	1959	1931	1924	2010
PROWDA [2]														
Oct '04	1660	1703	1744	1744	1763	1842	1842	1861	1876	1851	1888			
Oct '05		1732	1781	1781	1794	1862	1859	1907	1925	1917	1982	1975		
Nov '07					1717	1784	1773	1806	1831	1782	1840	1796	1768	1773
ACTUALS [3]														
Fall start	1622	1688	1716	1723	1704	1730								
June end	1586	1639	1674	1682	1662									
Delta	-36	-49	-42	-41	-42									
Nov '06 Projected vs Actual fall start Delta				-24	-90									-154

* NHS student population as of 3/31/2008 = 1688
 ** NHS student population as of 2/27/2009 = 1679
 *** NHS student population as of 4/30/2009 = 1665
 **** NHS student population as of 2/27/2010 = 1698

[1] BOTHWELL source; Enrollment Projection Update for the Newtown Public Schools; Bothwell Consulting, Kent Lakes, New York
 [2] PROWDA source; Newtown Public School Enrollment Projection; Peter M. Prowda, PhD.
 [3] ACTUALS source; Newtown School District; Superintendent's office

Newtown District Student Pipeline [[as of Feb 2010 - RAM]]

	SY 08-09	SY 09-10	SY 10-11	SY 11-12	SY 12-13	SY13-14	SY 14-15	SY 15-16	SY 16-17	SY17-18
Grade 9	431	499	422	464	428	419	442	393	349	
Grade10	445	431	499	422	464	428	419	442	393	
Grade 11	431	445	431	499	422	464	428	419	442	
Grade 12	423	431	445	431	499	422	464	428	419	
	1730	1806	1797	1816	1813	1733	1753	1682	1603	

* Using Fall 2007 start student population pipeline

	SY 08-09	SY 09-10	SY 10-11	SY 11-12	SY 12-13	SY13-14	SY 14-15	SY 15-16	SY 16-17	SY17-18
Grade 9	408	492	433	471	432	427	440	393	402	323
Grade10	437	408	492	433	471	432	427	440	393	402
Grade 11	427	437	408	492	433	471	432	427	440	393
Grade 12	431	427	437	408	492	433	471	432	427	440
	1703	1764	1770	1804	1828	1763	1770	1692	1662	1558

* Using Fall 2008 start student population pipeline [[UNOFFICIAL]]

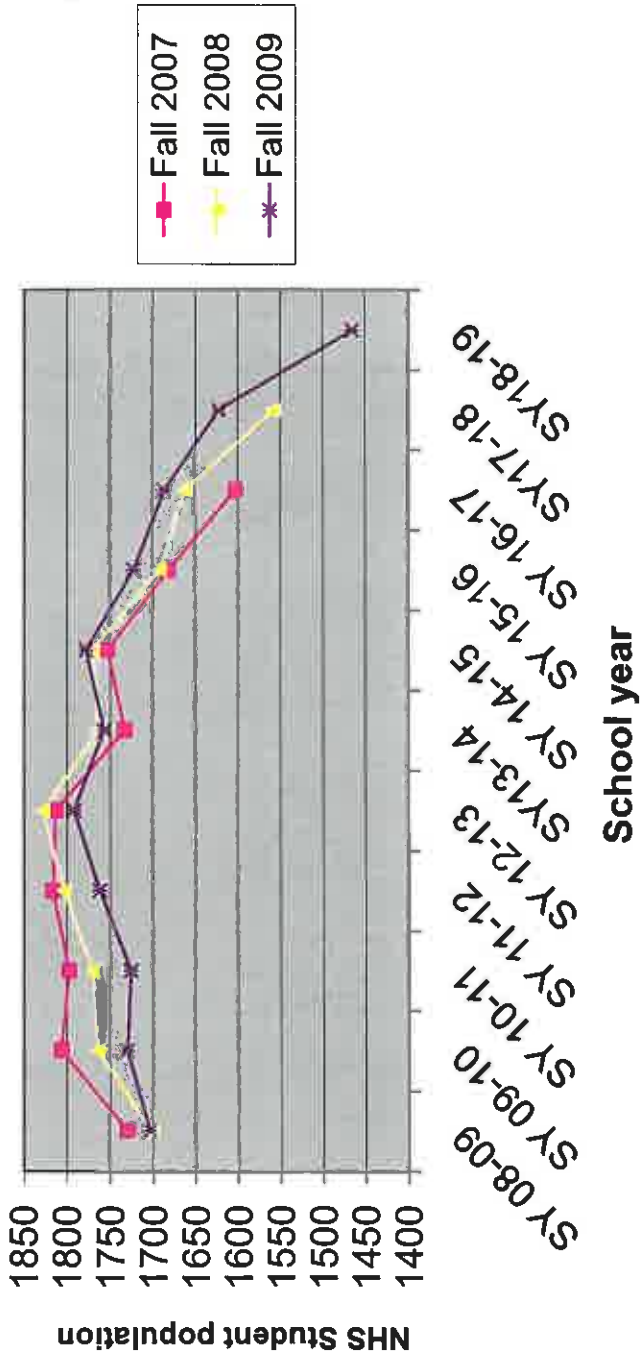
ACTUALS 1704 is official Fall 2008 start number Oct 1st for SY 08-09

ACTUALS [3] source; Newtown School District; Superintendent's budget proposal presentation

	SY 08-09	SY 09-10	SY 10-11	SY 11-12	SY 12-13	SY13-14	SY 14-15	SY 15-16	SY 16-17	SY17-18	SY18-19
Grade 9	410	464	428	468	432	429	449	413	396	365	292
Grade10	438	403	464	428	468	432	429	449	413	396	365
Grade 11	426	432	402	464	428	468	432	429	449	413	396
Grade 12	430	431	432	402	464	428	468	432	429	449	413
	1704	1730	1726	1762	1792	1757	1778	1723	1687	1623	1466

* Using Fall 2009 (Oct 1st) start student population pipeline [[OFFICIAL]]

Newtown Pipeline



There are two further changes to be made to the budget.

- 1) Ms. Andras moved to increase the BOS Budget Contingency by \$234,000 to reflect the TAR grant funds, which will also be reflected in Revenue. Motion seconded and unanimously carried.
- 2) As per the Board of Assessment Appeals, the Grand List has been reduced by \$10 million which translates into an estimated \$175,000 loss in tax revenue. However, Mr. Tait has determined that there is an increase in Prior Year Taxes (\$125,000) and in Motor Vehicle Taxes (\$50,000) which offset the loss. Mr. Fitzgerald moved to adjust Revenue to include an increase of \$125,000 in Prior Year Taxes and an increase of \$50,000 in Motor Vehicle Taxes. Motion seconded and unanimously carried.

Committee Budget Recommendations

The Public Works Committee recommends moving \$45,000 in the Overtime account to Contingency and moving \$30,000 in Winter Overtime to Contingency. This has no effect on the total budget.

The Education Committee recommends the budget as proposed by the Board of Finance.

The Public Safety Committee recommends the proposed Board of Finance numbers.

The Administration Committee recommends no change from the proposed Board of Finance numbers.

Mr. Davis moved that the Finance Committee confirm receiving the recommendations of the committees and present them to the full Legislative Council. Motion seconded and unanimously carried.

Mr. Davis had asked Registrar LeReine Frampton to respond to a request for advisory questions on the ballot. Ms. Frampton reported that she contacted the Secretary of State's office who advised that any questions must begin with the word "Shall" and require a "Yes" or "No" response. Other than that, the town must refer to its Charter. Mr. Capeci has spoken with the town attorney who will be submitting a written opinion that the Charter allows for a "local question" but not an advisory question. That would require a Charter change.

Having no further business, the meeting was adjourned at 8:37 p.m.

Jan Andras

attachments

Motion: that the appropriations for the Social Service Agencies are conditional appropriations. (C – Below)

The condition would be as follows: The Agencies get 90% of their grant from the Town and the other 10% is conditional as a matching grant from the residents.

When the Social Service Agencies have raised by ^{cash or in-kind} contributions from Newtown residents an amount equal to ten-percent (10%) of the amount appropriated to their agency, and have certified to the First Selectman's satisfaction the same, the Finance Director is required to pay to the Social Service Agency the matching amount appropriated by the Town.

The agencies see an increase in revenue, as they will be required to seek contributions from Newtown residents. An additional motivation to contribute to the agency would be that every resident's contribution would be doubled, (to the maximum appropriated). And it will tell us which agencies the residents support (a question that the town has wrestled with for years) thus the policy works both ways.

This will bring the residents into the process of selecting which agencies to fund with their money both personally and through the Town.

<u>Acct #</u>	<u>Title</u>	<u>Amount</u>
400	Kevin's Community Center	55,000.00
419	Regional Hospice	5,500.00
428	Danbury Reg Child Advocacy	2,750.00
429	Women's Center	10,000.00
431	Ability Beyond Disability	4,500.00
433	Youth & Family Services	265,600.00
435	Amos House	3,300.00
436	Literacy Volunteers	1,000.00
438	Shelter of the Cross	2,500.00
439	WeCahr	1,000.00
441	The Volunteer Center	1,000.00
443	Newtown Parent Connection	20,000.00

April 7, 2010

MOVE:

1. **Recommendation for the following Appropriations for Fiscal Year Ending June 30, 2011:**

	Board of Selectmen School Board <u>Proposed Budget</u>	L.C. Finance Committee <u>Proposed Budget</u>
Board of Selectmen	\$ 37,458,881	\$ 37,692,881
Board of Education	\$ 66,994,734	\$ 66,994,734
For a Total of	\$104,453,615	\$ 104,687,615

2. **Recommendation for the revenue side:**

Intergovernmental	\$ 7,437,977	\$ 7,671,977
Other Revenues	\$ 3,354,606	\$ 3,354,606
Amount to be raised by Taxation	\$ 93,661,032	\$ 93,661,032
For a Total of	\$104,453,615	\$ 104,687,615

3. **Recommendation for Mill Rate:** 24.13 Mills 24.13 Mills

4. **Move that the Financial Director be authorized to make any mathematical corrections that might be required in the appropriations and revenue and report back to the Legislative Council.**

Legislative Council Finance Committee Recommended Adjustments:

Town Aid Roads (Budget & Revenue	\$234,000	For purpose of tracking tar funds
Board of assessment appeals	(175,000)	Result from BofAA hearings
Revenue – Prior Year Taxes	125,000	Adjust for lien Sale
Revenue – Motor Vehicle Taxes	50,000	Adjust for Cash-for-clunkers program
Highway O.T. to Contingency	45,000	For purpose of controlling costs
Winter Maintenance O.T. to Contingency	30,000	For purpose of controlling costs

BBS: