

**Town of Newtown Legislative Council Special Meeting
Wednesday, January 11, 2012
3 Primrose Street, Newtown, CT**

PRESENT: Jeffrey Capeci, Mary Ann Jacob, Paul Lundquist, George Ferguson, Bob Merola, Joseph Girgasky, Daniel Honan, Kathy Fetchick, Dan Wiedemann, Dan Amaral, Mitch Bolinsky, Phillip Carroll

ALSO PRESENT: First Selectman Pat Llodra, Senator John McKinney, State Representatives – Chris Lyddy, Debralee Hovey and Dan Carter; Board of Finance members – John Kortze, Joe Kearney, Harry Waterbury; Board of Ed Chairman Debbie Leidlein (8:30); four members of public, three members of press

Chairman Jeffrey Capeci called the meeting to order at 7:30 p.m. with the Pledge of Allegiance.

VOTER COMMENT: None noted

DISCUSSION WITH STATE LEGISLATORS: Chairman Capeci advised that our distinguished guests were invited to bring Council members up to date regarding to the 2012 CT General Assembly Session and potential legislation that may impact the residents of Newtown.

Senator McKinney stated that this is the second year of a two year term. The budget is in place and can be adjusted but no major changes are made in the second year. Hopefully, revenues will be as anticipated so no difficult budget decisions will have to be made. This session, the legislature will be focusing on Education and Education Reform and the ECS formulae. In modifying the ECS, the goal is not to let any town "lose" and all to be "held harmless". He predicts that mandate relief, such as in-school suspensions, will also be discussed.

With the problems at the Hawleyville waste station solved, that area is set up for some good things to happen economically. First Selectman Llodra and others did a great job for the Town in opposing that potential environmental threat.

Ms. Hovey advised that she and the other Newtown reps meet on a regularly scheduled monthly basis with the First Selectman who keeps them informed about what is going on and what Newtown needs legislatively. This kind of communications is a tremendous asset.

Mr. Lyddy agreed that Ms. Llodra has been a tremendous advocate for Newtown. The amount of communication she supplies and expects is unique across the state. In recent issues involving United Water, the railroad situation in Hawleyville and education, the teamwork helped to get the job done. The legislative priority he sees this year is education reform and the package is "quite ambitious". The proposal is to "reform the way we do business in CT with regards to education". Statewide, CT has school districts that are so "low-performing" we cannot continue the way we are.

Mr. Carter stated that he does not represent Newtown as of yet, but there are a lot of common issues that the Second District (which he represents) shares with

Newtown. After re-districting, he hopes to be elected to represent that portion of Newtown that will fall within the Second District. He agrees that Ms. Llodra is a real leader, who knows where "she wants to go" and is backed up by this Council.

Questions:

Mr. Merola asked if the ECS Task Force is on schedule with presenting their recommendations by 1/12/12? Mr. Lyddy noted that the final recommendations are not due in January, just the interim report. The Task Force is currently meeting and will be presenting 42 recommendations that will require vetting. It is too early to see how any of this will affect Newtown. We need an accountability system in place to know how the ECS dollars are being expended by each district across the state.

Ms. Fetchick asked about education reform being proposed by the Governor. Schools are starting to increase staff for things that we don't even know will happen yet. Mr. McKinney assured that any changes made would allow sufficient lead time for districts to get ready. He does not foresee additional mandates and burdens being placed on school districts. Ms. Hovey added that 2014 is the target date for special education reforms so that districts have time to prepare.

Mr. McKinney stated that education reform is needed because Connecticut has the worst achievement gap in the country, with students at the "highest high" and at the "lowest low". That is the impetus for reform.

Ms. Jacob feels that the biggest problem in Newtown is how to continue to fund budgets. Is there anything in the pipeline to further help towns with revenues? Mr. McKinney replied that the state offered \$20 million in STEAP (Small Town Economic Assistance Program) Grant funds last year and again this year. He encourages towns to get in as many applications as possible for grants. Newtown should be in a good position to attract some economic development and transportation projects. Mr. Lyddy added that available brownfields remediation funds could position Newtown for economic growth that is environmentally and economically sound. Newtown has several brownfields parcels.

Regarding education reform, Mr. Ferguson asked if there are expectations that there will be bi-partisan efforts in this session to get things done? Mr. McKinney and the others agreed that there will be – and the only way to pass education reform is with both Republican and Democratic votes.

First Selectman Llodra asked about the phase out of the MME (manufacturing machinery and equipment) property taxes which is a significant revenue loss to municipalities. Is there any insight on changes there? Mr. McKinney stated that he would support going back to where we were but does not see that happening. Trade-offs were made in order to get a state budget in place last year. That issue might be opened up again in better economic times.

Regarding minimum budget requirement for schools, BOF Chairman John Kortze believes there should be a tool for towns experiencing more than just a nominal decline in enrollment to be able to adjust their budgets. Regarding the new statute, §10-248b, that allows municipalities to hold money year over year for their education budget, he feels that it is too vague and needs more explanation, i.e. how does money come out of that account?

Mr. Kortze feels that the state could also help towns with costs for capital and interest rates by partnering with them to help them improve their bond ratings. The state could help towns collectively to be better fiscal managers, "rather than just giving them money".

BOF member Joe Kearney stated that the retro-active income tax increase had an impact on the private sector. Is it possible to find out how much additional income tax, sales tax and conveyance tax money from Newtown residents went to the state? Mr. McKinney will try to get that information and send it to the First Selectman and Council Chairman. Mr. Kearney then asked what actual savings was gained from the state employees union concessions? Mr. McKinney advised that the actual number is not known since some of the savings will be from longer term issues that are yet to be determined. Mr. Kearney asked how much of the state budget gap was closed? Mr. McKinney advised that we don't have exact numbers but there were some savings. The Governor is estimating a two year budget surplus of \$2 billion.


Mr. McKinney, Ms. Hovey, Mr. Lyddy and Mr. Carter were thanked for coming this evening and for a very enlightening session.

Annual Financial Report: Ms. Jacob moved to refer the Comprehensive Annual Financial Report, year ending June 30, 2011, Town of Newtown to the Board of Finance. Motion seconded and unanimously carried.

Designation of Auditor: Ms. Jacob moved to refer the designation of Auditor for Town of Newtown FY 2011-2012 to the Board of Finance. Motion seconded and unanimously carried.

VOTER COMMENT: None noted

Having no further business, the meeting was adjourned at 9:30 p.m.


Jan Andras, Clerk

These are draft minutes and as such are subject to correction by the Legislative Council at the next regular meeting. All corrections will be determined in minutes of the meeting at which they were corrected.