

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 SPECIAL MEETING WEDNESDAY, APRIL 6, 2016 NEWTOWN MUNICIPAL CENTER, NEWTOWN, CT

PRESENT: George Ferguson, Dan Wiedemann, Chris Eide, Neil Chaudhary, Judit DeStefano, Ryan Knapp, Paul Lundquist, Mary Ann Jacob, Dan Amaral, Tony Filiato, Phil Carroll (7:47), and Dan Honan.

ALSO PRESENT: First Selectman Pat Llodra, Director of Finance Bob Tait, Director of Public Works Fred Hurley, Dr. Erardi, Ron Bienkowski, Board of Ed members Keith Alexander, John Vouros, Michelle Ku, Andy Clure and Rebeka Stites, Board of Managers members Margot Hall and Jen Chaudhary, 13 public, 2 press.

CALL TO ORDER: Ms. Jacob called the meeting to order with the Pledge of Allegiance at 6:30pm.

VOTER COMMENT: Tracy Jaeger, 3 Honey Lane, spoke on behalf of the PTA presidents imploring the Council to pass the Board of Ed budget as presented and let the voters decide.

NEW BUSINESS

2016-2017 Board of Education and Board of Selectman Budgets: Mr. Tait reviewed the information on the \$12,000,000 bond and the \$519,366 premium received. The premium is normally applied to the Debt Service Fund. It can also be applied to the General Fund revenues or Capital Non-Recurring Fund. The proposal was to use the premium for capital items in the recommended budget which are above the 15-16 levels so as not to create a jump in the 17-18 budget. This will reduce the tax increase for next year. He noted applying the premium to debt service would not have an effect on taxes. The premium is a reimbursement for future interest payments above prevailing rates at the time of the bond sale. (Att)

Mr. Lundquist asked if the bond refinancing will be added to the fund balance. Mr. Tait stated the amount saved will be reflected in 17-18 in a reduction of the bond interest amount.

Mrs. Llodra spoke to the winter maintenance budget. We contract ahead of time for salt to preserve our access to the material and to lock in the price. She believes we will need the remaining funds to pay other expenses including \$25,000 in legal fees and therefore does not want to commit the funds at this time. (Att)

Mrs. Llodra explained there are three pressure points, fund balance, debt load and taxation. The challenge is finding the best use of the \$519,000 in the long term. The premium was not planned. The last time we received a premium was in 2012 and it was applied to fund balance as that was where it was most needed.

Rec'd. for Record 4-12-2016
Town Clerk of Newtown 2:00 PM
Debbie Aurelia Halstead

LEGISLATIVE COUNCIL

Mr. Ferguson stated using the premium masks an increase in the budget and is an obligation to the taxpayer. He is more inclined to use it to pay debt. Mr. Tait stated this would be used for capital items not in this year's budget; it does not affect operational costs. Ms. Jacob asked what the benefit to the taxpayer is if the premium were added to the general fund or debt service. Mr. Tait stated if the money were spread out over 5 or 20 years, it would have a negligible effect on taxes. If added to the general fund, it would accrue a small amount of interest. Using the premium for capital purchases, the tax increase goes from 2.3% to 1.8%. It also decreases the base budget.

Ms. DeStefano asked if there were any other Board of Ed capital items that could be purchased with bond premium. Mr. Bienkowski said there were no other items that fit the criteria.

Mr. Eide expressed concern the taxpayer is taken out of the equation with these purchases. Ms. Jacob stated the budget and reductions are pending taxpayer approval at the referendum. Purchasing the capital items will reduce the budget.

Mr. Lundquist stated this is a one-time occurrence and the most tangible way to give taxpayers the benefit of the windfall is to reduce the tax increase. He asked if this is the best use and where should the balance be used. Mrs. Llodra believes this is the greatest benefit to the taxpayer and lowering the base budget has ongoing benefits. Mr. Tait recommends applying the balance of \$69,366 to debt service.

Mr. Knapp clarified and Mr. Tait agreed when the bond was bid all offers had a premium and we picked the lowest interest rate.

MR. CHUADHARY MOTIONED TO APPROVE THE RESOLUTION AS STATED IN THE ATTACHED PROPOSAL TO REDUCE HIGHWAY ROAD IMPROVEMENTS BY \$250,000, HIGHWAY CAPITAL BY \$15,000, PARKS & REC CAPITAL BY \$25,000, PUBLIC BUILDING MAINTENANCE BY \$25,000, INFORMATION TECHNOLOGY EQUIPMENT BY \$35,000 AND BOARD OF ED INFORMATION TECHNOLOGY EQUIPMENT BY \$100,000 FOR A TOTAL PROPOSED REDUCTION OF \$450,000 WITH THE UNDERSTANDING THE ITEMS WILL BE COVERED BY THE BOND PREMIUM WITH THE REMAINING \$69,366 GOING TO DEBT SERVICE. SECOND BY MR. LUNDQUIST. Mr. Chaudhary stated the items on the list are necessary and using the premium for the purchase also gives back to the taxpayer.

MS. DESTEFANO MOTIONED AN AMENDMENT TO APPLY THE BALANCE OF \$69,366 TO TECHNOLOGY FOR THE BOARD OF EDUCATION. SECOND BY MR. LUNDQUIST.

Mr. Bienkowski believes it would hurt their budget line item if used for that purpose.

MS. DESTEFANO WITHDREW HER MOTION. MR. LUNDQUIST WITHDREW HIS SECOND.

Mr. Eide stated he believes the best use of the premium is to apply it to debt service.

MR. WIEDEMANN MOTIONED AN AMENDMENT TO MOVE THE \$69,366 TO THE FUND BALANCE. SECOND BY MR. CARROLL. Mr. Tait stated he preferred it were moved to debt service as we are on target for fund balance. MOTION TO AMEND FAILED. ORIGINAL MOTION PASSED 10-2 (Mr. Eide, Mr. Ferguson)

MR. WIEDEMANN MOTIONED TO REDUCE THE SELELCTMANS BUDGET BY \$100,000; \$30,916 FROM FHA, \$5,000 FROM THE FIRE DEPARTMENT, \$3,000 FROM SHOP, AND \$61,084 TO BE REDUCED AT FIRST SELECTMAN LLODRA'S DISCRETION. SECOND BY MR. CARROLL. Mr. Wiedemann stated The Fairfield Hills Authority has roughly \$150,000 and they should be able to sustain themselves without the additional \$30,000. He believes there are areas where the Fire Departments can make reductions and the SHOP budget would have no increase from this year.

LEGISLATIVE COUNCIL

Mr. Knapp stated it would be helpful in the future to delineate the funds for SHOP and how they differ from outside organizations such as the Parent Connection. SHOP does not receive the funds, the town pays invoices and SHOP oversees the execution. He suggested moving the line item to public works and be subject to Municipal Operations Committee review.

Mr. Chaudhary asked for clarification on the Fairfield Hills Authority. Would we expect the \$30,000 to come back next year? Mrs. Llodra explained the money they have comes from common charges for campus services. There is language that defines what the money can be used for. The budget proposal for FHA has a single line item for part-time staff. She is also the grants administrator. This pays half her salary. Her salary would have to be resourced from the common charges. Ms. Jacob noted with the Library and Edmond Town Hall, they were asked to use their funds before coming to town for money. Mr. Chaudhary asked if the common charge funds could be used to pay the salary. Mrs. Llodra stated they will have to redefine the use of the resource.

MR. EIDE MOTIONED TO DIVIDE THE MAIN MOTION INTO TWO QUESTIONS, SEPARATING THE \$30,916, \$5,000 AND \$3,000 FROM THE \$61,084. SECOND BY MR. LUNDQUIST.

ALL IN FAVOR OF DIVIDING THE MOTION. MOTION ON PART 1 APPROVED 11-1. (Mr. Honan) MOTION TO APPROVE THE \$61,084 GENERAL REDUCTION APPROVED 8-4. (Mr. Honan, Mr. Lundquist, Mr., Eide, Ms. DeStefano)

MR. FERGUSON MOTIONED TO RESTORE THE LEGISLATIVE COUNCIL LINE ITEM FOR PROFESSIONAL SERVICES AUDIT AND OTHER EXPENDITURES FROM FINANCE BACK TO LEGISLATIVE COUNCIL.

SECOND BY MR. CARROLL. Mr. Ferguson stated the Legislative Council by Charter has served the audit for many years and does not see a reason to change the practice now. Under the Charter, the Council cannot create a line item; to eliminate the line items leaves the council with no fiscal authority. Mr. Filiato agreed it is good practice for the auditor to be paid by the Council. Mrs. Llodra stated the change was made due to a concern on how the Council is defined in the new Charter. Mr. Knapp explained during the Charter review process they discussed the definition of what is a town department or body. We did not want the council to be a department. As it is allocated funds, it was discussed moving the funds to the finance department with the understanding the council is still the financial authority. Mr. Tait stated it would be a simple transfer should the funds need to be moved after the Charter referendum. Where ever the account is, the Council controls the auditor. ALL IN FAVOR.

MR. EIDE MOTIONED TO REDUCE ROADS IMPROVEMENT BY \$125,000. SECOND BY MS.

DESTEFANO. Mr. Eide stated his suggestion is for private roads. Mr. Filiato, who is on the roads ad hoc committee, stated there is a roads plan and 50% of town roads are not up to standard. His opinion is we still don't have enough money. Regarding private roads, the town has an obligation to repair them. He opposes the motion. Mrs. Llodra stated if this motion passes the reduction would likely come from town roads. We have a legal obligation to repair the poor private roads. Mr. Knapp and Mrs. Llodra stated further discussion on public policy regarding roads is needed. She noted they are not private roads, they are non-town roads as they have not been accepted into the road system because they don't meet minimum standard, but they are not protected by an association. MOTION AND SECOND WITHDRAWN.

LEGISLATIVE COUNCIL

MR. KNAPP MOTIONED TO REDUCE TECHNOLOGY SALARY AND WAGES FULL TIME BY \$5,000. SECOND BY MR. CARROLL. Mr. Knapp stated this is based on the salaries in surrounding towns. Mrs. Llodra explained the salary is based on information from the CCM review of towns between 20,000 and 40,000 population. MOTION FAILED 11-1. (Mr. Knapp)

MR. KNAPP MOTIONED TO REDUCE THE LINE ITEM FIRE SALARY AND WAGES BY \$2,000 FOR THE DEPUTY FIRE MARSHALL. MR. FERGUSON SECOND. Mr. Knapp stated with the reduction, it would put the salary at 2%, in line with other municipal employees. Mrs. Llodra stated those towns with fire marshals are compensating at a higher rate than Newtown. MOTION FAILED 11-1R KNAPP

MR. KNAPP MOTIONED TO REDUCE THE LINE ITEM FOR ECONOMIC DEVELOPMENT BY \$1,000 TO REFLECT A 2% SALARY INCREASE. SECOND BY MR. CARROLL. Mr. Knapp raised the topic because he believes there needs to be future discussion on whether Economic Development should be its own department. Our Land Use director is compensated higher than other land use directors because he oversees Economic Development. Mrs. Llodra stated the average wage of an Economic Development Coordinator according to CCM for towns between 20,000-40,000, is \$86,710. The positions proposed salary is \$49,852 for a 30 hour week. She believes we are under compensating some people who are functioning on a very high level. MOTION FAILED 11-1 MR. KNAPP

MR. LUNDQUIST MOTIONED TO APPROVE THE BOARD OF SELECTMANS BUDGET IN THE AMOUNT OF \$40,517,314. SECOND BY MR. CARROLL. ALL IN FAVOR.

MR. EIDE MOTIONED TO RESTORE \$214,000 TO THE BOARD OF EDUCATION BUDGET WHICH WAS REDUCED BY THE BOARD OF FINANCE, \$80,000 FOR HEALTH INSURANCE, \$83,000 FOR TRANSPORTATION AND \$51,000 FOR TECHNOLOGY . SECOND BY MR. HONAN. Mr. Eide stated he believes items are needed therefore reductions would come from staffing and programs and he is not comfortable making those reductions. Dr. Erardi reports he hopes the Board of Ed will approve to hire a consultant to review transportation and make recommendations on practice and renegotiations. The Employees Medical Benefits board chair and the consultant stated the reduction cannot be made. Mr. Alexander stated any savings found in transportation he would recommend be returned to the general fund rather than use elsewhere in the budget. He noted he cannot guarantee that. Dr. Erardi stated the technology budget has been scrutinized and the present plan is what is needed. Any cuts would likely come from staffing and programs. It could be in class size or in opportunities for students.

Mr. Knapp asked how TAS was chosen as the transportation consultant, was there a bid. Dr. Erardi stated based on their policy it does not need to go to a proposal and most districts use this company. Mr. Knapp stated Newtown has used this company before. He values "fresh eyes", and getting multiple proposals is good practice. He asked if the Board of Ed has to follow the towns purchasing regulations (Ch. 350 of the Codebook). Mr. Bienkowski stated the Board of Ed has its own purchasing policy and according to their legal counsel it is standard practice for Boards of Ed to follow their own policies. Ms. Jacob stated the Board of Ed policy is in conflict with the town policy and suggested they review it. Mr. Knapp stated the spirit of the town policy is to have multiple proposals to avoid issues such as what just happened with the pension fund. He does not want to fall into another situation like that. Mr. Alexander believes the ordinance conflicts with what the state says are the fiduciary responsibility of the Board of Ed. Ms. Jacob would like to have this discussion at a future time. (Att)

LEGISLATIVE COUNCIL

Mr. Carroll stated TAS was hired in the past to review transportation and they reported we couldn't do what we were doing with the number of buses we had. The Board of Ed subcommittee is looking at going back to a four tier system. Doing so could reduce the bus fleet by 18 buses saving over 1 million dollars. Dr. Erardi stated whatever bus consultant we use, the Board would create the task and would likely include the number of tiers.

Ms. Stefano is in full support of the motion.

Mr. Lundquist is in agreement hiring a consultant to audit transportation is the right step as having the bus company deciding the routing isn't the smartest way to manage it. He doesn't think we can cut buses based on hypothetical numbers. He agreed medical is not the smartest cut. The cut was not made on the town side.

Mr. Knapp asked about renegotiating Allstar's contract and extending it. While he would love to see savings, he finds it shortsighted. He believes contracts over 5 years are in conflict with state statute (Section 10-20). Dr. Erardi stated it would be in compliance with state statute if Allstar decides to send forward a renewal, as it would be a brand new five year contract.

Mr. Chaudhary stated he agrees the \$80,000 for health insurance should not be cut but cannot support this motion. MOTION FAILED 7-5. (Mr. Eide, Ms. DeStefano, Mr. Lundquist, Mr. Amaral, Mr. Honan)

MS. DESTAFENAO MOTIONED TO RESTORE THE \$80,000 FOR THE HEALTH INSURANCE. SECOND BY MR. HONAN. MOTION AND SECOND WITHDRAWN. Item was voted on in previous motion.

MR. KNAPP MOTIONED TO REDUCE THE BOARD OF FINANCE RECOMMENDED BOARD OF EDUCATION BUDGET REQUEST BY \$200,000. SECOND BY MR. CARROLL. Mr. Knapp explained with the over 7% increase in dollars per students, it will decrease future revenue from state reimbursements. Decreased enrollment increases the cost of overhead per student by 28.8%. He noted the last time the enrollment was this low was 1999, with the same size town and 1 less school. We now have 56% more buses. There are opportunities there for savings. He asked about savings regarding retiring teachers and difference in compensation with new hires. Savings for moving graduation back to town. He said there are concerns regarding fuel at Sandy Hook and Middle Gate at \$30,000. He thinks those savings can be found without impacting staff and programs. Dr. Erardi stated the budget includes an adjustment of \$160,000 for retiring teachers. He believes what we have in transportation is needed. If savings is found, the money will be returned to the general fund.

Mr. Bienkowski stated we are over budget by \$85,000 for special ed out of district transportation and those students will likely be with us next year. These students were placed after the budget was put together.

Ms. Jacob stated she use to work for the Dufours, as Mr. Bienkowski did, and she was in school bus transportation for 20 years. She asked about the concept of reserving a seat for every student whether they ride or not as it is not normal practice. In town, it had been practice to discount each grade level based on known factors. Doing ridership reports on a regular basis to adjust ridership. She understands routes lengths, but has concerns about buses running empty all the time and not holding the bus company accountable for contractual issues that were discussed a year ago regarding ridership, to make sure the buses are properly filled. The requirements would not be in the contract if there were no reason for it. She agrees it is a good idea to hire a consultant but not if they are just going to bless what we are doing as they did the last time.

LEGISLATIVE COUNCIL

She asked why we are not looking for places to save the taxpayer money that do not affect student learning in a significant way. She believes they have an obligation to do things differently whenever they can and transportation is an easy way to do that. All she is hearing is resistance to recommendations.

Mr. Bienkowski stated changes were made with Allstar from the Owner/Operator & MTM.

Ms. Jacob stated that was 4 years ago. Allstar has been here 4 years and we have 1,000 fewer students. She doesn't understand why we are not pushing the vendor for more efficiencies.

Dr. Erardi stated we have hit a crossroad and we need to consult a second party. We need to resolve the issue so as not to have this conversation every year. Mr. Alexander stated they are using the contractor as the expert. Ms. Jacob stated the transportation company's job is to make money, not to save the town money.

Dr. Erardi stated it is a best practice to have a seat for every student. Ms. Jacob stated historically we have not done this before and it is not done anywhere else. Dr. Erardi explained they review ridership. There are buses, if every student rides, we cannot do it. They ran a survey last year and few people gave up their right to be able to ride the bus.

Mr. Knapp stated he appreciates the good will and promises of future policy talks. After the budget passed last year shared services was supposed to be addressed but it did not come up until he raised the question at a joint meeting. He believes programming and staffing is critical. Tax dollars are best spent closest to the student. We are talking about our expert source of information regarding transportation and it is the contractor. They are experts in what they do, but they have a vested interest in keeping as many buses in Newtown as they can. Their best interest is not giving Newtown taxpayers the most affordable rate they can; to free up resources for use elsewhere. It is troubling they were not providing their contractually obligated reports until the Board of Finance asked them. Doing a no bid contract with them is also troubling.

Mr. Chaudhary stated he is satisfied with the Middle Gate situation regarding oil, but not with Sandy Hook on oil verses propane piece. The numbers for buses is bigger than projected for enrollment. We are budgeting buses for more students than we expect to have and budgeting at 100% ridership which is not common practice. He doesn't think he can support \$200,000 reduction but see room some reductions.

Mr. Eide stated while deliberating and looking at contracts are conversations that should happen, and we should realize any efficiencies, but we have already been told any reductions would come from staffing and programs and he cannot support that.

Ms. DeStefano pointed out the line item for transportation is \$250,000 less than in 11/12 and she believes ride time is a significant issue especially with the early start times for several schools. We cannot just cut 1 or 2 buses and she doesn't think renegotiating a contract will get us there. It can be a double edged sword because it forces us to work with a company that there is much concern about.

Mr. Wiedemann asked regarding the concern about having a seat for every student in case of an emergency, are there stand-by buses available? Mr. Bienkowski stated Allstar does have spare vehicles for breakdowns. Mr. Wiedemann confirmed if there was bad weather, there is capacity to bus more students. Dr. Erardi agreed.

Mr. Carroll pointed out in 1993 Dr. Reed made the change to accommodate only the students who rode the bus and to have standby drivers and buses in the event of an emergency. It is part of Allstars contract to have standby buses and drivers. Going to Allstar and asking them to save money is like the tail wagging the dog.

LEGISLATIVE COUNCIL

Mr. Filiato stated the busing issue is obvious, having the vendor tell you how many buses you need is poor business practice. This is the 3rd budget he's worked on and every year enrollment is dropping and he hears there is going to be a plan and he has heard nothing concrete. It has been asked by the Board of Finance and the Council for years. We should be having conversations like Enfield where they are consolidating their high schools. He is troubled we have the same supervisory and administrative staff despite the drop in enrollment. The numbers on one side can't keep going up while the other side is going down. He is amazed a profession that jumps on every innovation to better learning in the classroom is so resistant to change on the overhead side.

Mr. Lundquist stated he doesn't think they should be making reductions based on incorrect or inaccurate rational for where the money will come from.

Mr. Honan asked about retiring teachers. Mr. Bienkowski stated the annual average is 8-10. Dr. Erardi said at the moment the number is 7.

MR. LUNDQUIST MOVED TO AMEND THE MOTION FOR A \$200,000 REDUCTION BY \$143,000 WHICH RETAINS THE \$57,000 REDUCTION RECOMMENDED BY THE EDUCATION SUBCOMMITTEE FOR A SECOND BUS. SECOND BY MR. EIDE. Mr. Lundquist is trying to remove from the reduction the \$160,000 in staff turnover already accounted for in the budget. Mr. Knapp believes there is savings in transportation. AMENDMENT FAILED 6-6. (Yes-Mr. Honan, Mr. Amaral, Ms. Jacob, Mr. Lundquist, Ms. DeStefano, Mr. Eide)

MR. FILIATO AMENDED THE MOTION THAT THE REDUCTION BE \$100,000. SECOND BY MR. CHAUDHARY. Mr. Ferguson believes it will be difficult to pass the budget with issues like transportation, security, administration, 1,000 fewer students. He noted there are no cuts to the budget, only significant increases.

Ms. DeStefano believes their job is to put forward a responsible budget. She thinks the budget is reasonable.

Mr. Knapp stated his comments on transportation are based on historical data from past budgets. He noted on page 286 of the budget is a comparison of Newtown history of wealth compared to other towns and it shows in the last 10 years Newtown has fallen 17 places. GE is leaving and IBM is empty. He wants to have great schools which is why we need to look at overhead costs.

MOTION APPROVED 7-5. (Mr. Honan, Mr. Carroll, Mr. Knapp, Mr. Wiedemann, Mr. Ferguson)
MOTION TO REDUCE THE BOARD OF EDUCATION BUDGET BY \$100,000 WAS APPROVED 9-3 (Mr. Eide, Ms. DeStefano, Mr. Honan)

MR. LUNDQUIST MOTIONED TO APPROVE THE BOARD OF EDUCATION BUDGET IN THE AMOUNT OF \$73,665,065. SECOND BY MR. EIDE. MOTION APPROVED 10-2. (Mr. Honan, Mr. Eide).

MR. LUNDQUIST MOTIONED TO APPROVE THE \$114,182,379 ANNUAL BUDGET. SECOND BY MR. CHAUDHARY. MOTION APPROVED 9-3. (Mr. Knapp, Mr. Amaral, Mr. Honan)

Mr. Tait stated the mill rate will be 33.6 and the budget increase is 1.62%.

MR. FERGUSON MOTIONED THAT MR. TAIT BE ALLOWED TO CORRECT ROUNDING ERRORS. SECOND BY MR. CHAUDHARY. ALL IN FAVOR.

LEGISLATIVE COUNCIL

ANNOUNCEMENT: The meeting for April 7th is canceled.

VOTER COMMENT: Karyn Holden, 68 Berkshire Road, is disappointed with the additional cuts to the education budget. She feels their dissatisfaction with Allstar will result in programing changes for the children.

Julia Conlin, 11 Old Castle Drive, echoed Mrs. Holden's comment.

ADJOURNMENT: There being no further business the meeting was adjourned at 10:42.

Respectfully Submitted,



Carey Schierloh, Clerk

Attachments: Bond Premium Information, Winter Maintenance Update, TAS Proposal

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.

3/15/2016

\$12,000,000 BOND

TRUE INTEREST COST 2.48%
AVERAGE COUPON 2.99%

BOND PREMIUM

\$ 519,366

USUALLY BOND PREMIUM WOULD BE APPLIED TO:

DEBT SERVICE FUND

GENERAL FUND REVENUES

HOWEVER IT CAN BE APPLIED TO THE CAPITAL & NON-RECURRING FUND:

CAPITAL ITEMS IN THE 2016/17 BUDGET THAT EXCEED THE PRIOR YEAR CAN BE TAKEN OUT AND CAN BE PURCHASED IN THE CAPITAL & NON-RECURRING FUND USING THE BOND PREMIUM PROCEEDS:

Proposed Budget Reduction

HIGHWAY - ROAD IMPROVEMENTS	(250,000)
HIGHWAY - CAPITAL	(15,000)
PARKS & RECREATION - CAPITAL	(25,000)
PUBLIC BUILDING MAINTENANCE - CAPITAL	(25,000)
INFORMATION TECHNOLOGY - EQUIPMENT	(35,000)
BOE INFORMATION TECHNOLOGY - EQUIPMENT	(100,000)
PROPOSED 2016/17 BUDGET REDUCTION	(450,000)

Add: Debt service - bond interest for \$69,366

IF THE ABOVE ITEMS WERE APPLIED TO THE 2016/17 BUDGET:

	BOF	% Increase	Legislative Council	% Increase
	<u>Recommended</u>	<u>(from prior yr)</u>	<u>In process</u>	<u>(from prior yr)</u>
Board of Selectmen Budget	41,036,680	2.2%	40,686,680	1.4%
Board of Education Budget	73,865,065	3.2%	73,765,065	3.0%
	<u>114,901,745</u>	<u>2.8%</u>	<u>114,451,745</u>	<u>2.4%</u>

***TURN OVER FOR THE EFFECT ON THE TAX RATE



MILL RATE CALCULATION - 2016 / 2017

(with \$450,000 taken out by using bond premium)

Millrate Calculation

2015 List

▶ TOTAL NET ASSESSMENT (LESS EXEMPTIONS) Before Board of Assessment Appeals + \$2,500,000		a	3,083,371,154
▶ LESS THE LOSS BY USING THE STATE MANDATED MOTOR VEHICLE MILL RATE OF 32.00 (municipalities with mill rates greater than 32.00 are capped at 32.00 for MV)	\$ 403,898 ***	b	(11,974,446)
▶ EFFECTIVE ASSESSMENT ON CIRCUIT BREAKER TAX CREDIT OF	\$ 152,000	b	(4,506,374)
▶ EFFECTIVE ASSESSMENT ON LOCAL CREDITS: NEWTOWN ELDERLY TAX BENEFITS OF (1,650,000 less 170,000 reserved)	\$ 1,480,000	c	(43,877,854)
TOTAL TAXABLE NET ASSESSMENT (after adjustments and credits)			3,023,012,480

▶ Amount to be raised by taxation (from "current year taxes" - revenue budget)			100,840,717
▶ TAX LEVY - assuming a tax collection rate of (= billed amount) (Amount to be Raised divided by Collection Rate)	99.0%	d	101,859,310
▶ MILL RATE = (Tax Levy divided by (Taxable Net Assessment / 1,000))			33.69

1 MILL = 3,023,012

PRIOR YEAR MILL RATE = 33.07
EFFECTIVE TAX (DECREASE) = 1.89%

*** New state statute states that motor vehicle taxes cannot be over 32.00 mills.
This loss is partially offset by the state grant for motor vehicle property tax.

prior yr taxable net assessment	3,027,125,436	-0.14%
prior yr net assessment (less exemptions)	3,075,109,294	0.27%

= FIELD TO BE INPUTTED; ALL OTHER FIELDS ARE CALCULATED

0.1 MILL = 302,301

From 2.34%

Form of Issuance Certificate
\$12,000,000 G.O. Bonds
2016 Bond Issue - 10th Certification
Dated March 13, 2016

Debt Service Schedule

After this principal payment you
have \$10,700,000 bonds
outstanding

Year	Principal	Interest	Total
1	1,200,000	720,000	1,920,000
2	1,200,000	696,000	1,896,000
3	1,200,000	672,000	1,872,000
4	1,200,000	648,000	1,848,000
5	1,200,000	624,000	1,824,000
6	1,200,000	600,000	1,800,000
7	1,200,000	576,000	1,776,000
8	1,200,000	552,000	1,752,000
9	1,200,000	528,000	1,728,000
10	1,200,000	504,000	1,704,000
11	1,200,000	480,000	1,680,000
12	1,200,000	456,000	1,656,000
13	1,200,000	432,000	1,632,000
14	1,200,000	408,000	1,608,000
15	1,200,000	384,000	1,584,000
16	1,200,000	360,000	1,560,000
17	1,200,000	336,000	1,536,000
18	1,200,000	312,000	1,512,000
19	1,200,000	288,000	1,488,000
20	1,200,000	264,000	1,464,000
21	1,200,000	240,000	1,440,000
22	1,200,000	216,000	1,416,000
23	1,200,000	192,000	1,392,000
24	1,200,000	168,000	1,368,000
25	1,200,000	144,000	1,344,000
26	1,200,000	120,000	1,320,000
27	1,200,000	96,000	1,296,000
28	1,200,000	72,000	1,272,000
29	1,200,000	48,000	1,248,000
30	1,200,000	24,000	1,224,000
31	1,200,000	0	1,200,000

A serial bond is a bond issue in which a portion of the outstanding bonds matures at regular intervals until eventually all of the bonds have matured.

**20 YEAR BONDS
(USUALLY 1/20th OF THE BONDS
MATURE EACH YEAR)**

After the 1st year principal
payment you have \$8,100,000
bonds outstanding

Town of Newtown, Connecticut
\$12,000,000 G.O. Bonds
2016 Bond Issue - Bid Verification
Dated March 15, 2016

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/15/2016	-	-	-	-	-
09/15/2016	-	-	180,625.00	180,625.00	-
03/15/2017	1,300,000.00	3.000%	180,625.00	1,480,625.00	-
06/30/2017	-	-	-	-	1,661,250.00
09/15/2017	-	-	161,125.00	161,125.00	-
03/15/2018	500,000.00	3.000%	161,125.00	661,125.00	-
06/30/2018	-	-	-	-	822,250.00
09/15/2018	-	-	153,625.00	153,625.00	-
03/15/2019	500,000.00	3.000%	153,625.00	653,625.00	-
06/30/2019	-	-	-	-	807,250.00
09/15/2019	-	-	146,125.00	146,125.00	-
03/15/2020	500,000.00	3.000%	146,125.00	646,125.00	-
06/30/2020	-	-	-	-	792,250.00
09/15/2020	-	-	138,625.00	138,625.00	-
03/15/2021	500,000.00	4.000%	138,625.00	638,625.00	-
06/30/2021	-	-	-	-	777,250.00
09/15/2021	-	-	128,625.00	128,625.00	-
03/15/2022	600,000.00	4.000%	128,625.00	728,625.00	-
06/30/2022	-	-	-	-	857,250.00
09/15/2022	-	-	116,625.00	116,625.00	-
03/15/2023	600,000.00	4.000%	116,625.00	716,625.00	-
06/30/2023	-	-	-	-	833,250.00
09/15/2023	-	-	104,625.00	104,625.00	-
03/15/2024	600,000.00	2.000%	104,625.00	704,625.00	-
06/30/2024	-	-	-	-	809,250.00
09/15/2024	-	-	98,625.00	98,625.00	-
03/15/2025	600,000.00	2.000%	98,625.00	698,625.00	-
06/30/2025	-	-	-	-	797,250.00
09/15/2025	-	-	92,625.00	92,625.00	-
03/15/2026	600,000.00	2.500%	92,625.00	692,625.00	-
06/30/2026	-	-	-	-	785,250.00
09/15/2026	-	-	85,125.00	85,125.00	-
03/15/2027	600,000.00	2.500%	85,125.00	685,125.00	-
06/30/2027	-	-	-	-	770,250.00
09/15/2027	-	-	77,625.00	77,625.00	-
03/15/2028	600,000.00	2.750%	77,625.00	677,625.00	-
06/30/2028	-	-	-	-	755,250.00
09/15/2028	-	-	69,375.00	69,375.00	-
03/15/2029	600,000.00	2.750%	69,375.00	669,375.00	-
06/30/2029	-	-	-	-	738,750.00

After this principal payment you have \$10,700,000 bonds outstanding

After the 11th year principal payment you have \$5,100,000 bonds outstanding

Town of Newtown, Connecticut
\$12,000,000 G.O. Bonds
2016 Bond Issue - Bid Verification
Dated March 15, 2016

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/15/2029	-	-	61,125.00	61,125.00	-
03/15/2030	600,000.00	3.000%	61,125.00	661,125.00	-
06/30/2030	-	-	-	-	722,250.00
09/15/2030	-	-	52,125.00	52,125.00	-
03/15/2031	600,000.00	3.000%	52,125.00	652,125.00	-
06/30/2031	-	-	-	-	704,250.00
09/15/2031	-	-	43,125.00	43,125.00	-
03/15/2032	600,000.00	3.000%	43,125.00	643,125.00	-
06/30/2032	-	-	-	-	686,250.00
09/15/2032	-	-	34,125.00	34,125.00	-
03/15/2033	600,000.00	3.250%	34,125.00	634,125.00	-
06/30/2033	-	-	-	-	668,250.00
09/15/2033	-	-	24,375.00	24,375.00	-
03/15/2034	500,000.00	3.250%	24,375.00	524,375.00	-
06/30/2034	-	-	-	-	548,750.00
09/15/2034	-	-	16,250.00	16,250.00	-
03/15/2035	500,000.00	3.250%	16,250.00	516,250.00	-
06/30/2035	-	-	-	-	532,500.00
09/15/2035	-	-	8,125.00	8,125.00	-
03/15/2036	500,000.00	3.250%	8,125.00	508,125.00	-
06/30/2036	-	-	-	-	516,250.00
Total	\$12,000,000.00	-	\$3,585,250.00	\$15,585,250.00	-

Yield Statistics

Bond Year Dollars	\$119,600.00
Average Life	9.967 Years
Average Coupon	2.9977007%
Net Interest Cost (NIC)	2.5634482%
True Interest Cost (TIC)	2.4813341%
Bond Yield for Arbitrage Purposes	2.9929670%
All Inclusive Cost (AIC)	2.4813341%
IRS Form 8038	
Net Interest Cost	2.9977007%
Weighted Average Maturity	9.967 Years

Debt Service Schedule

2016 FORECASTED ISSUE

DO NOT ENTER BELOW					
	year 1	year 2	year 3	year 4	year 5
principal	1,300,000	500,000	500,000	500,000	500,000
interest	372,000	331,700	316,200	300,700	285,200
total	1,672,000	831,700	816,200	800,700	785,200
	year 6	year 7	year 8	year 9	year 10
principal	600,000	600,000	600,000	600,000	600,000
interest	269,700	251,100	232,500	213,900	195,300
total	869,700	851,100	832,500	813,900	795,300
	year 11	year 12	year 13	year 14	year 15
principal	600,000	600,000	600,000	600,000	600,000
interest	176,700	158,100	139,500	120,900	102,300
total	776,700	758,100	739,500	720,900	702,300
	year 16	year 17	year 18	year 19	year 20
principal	600,000	600,000	500,000	500,000	500,000
interest	83,700	65,100	46,500	31,000	15,500
total	683,700	665,100	546,500	531,000	515,500
	year 21	Grand Totals			
principal	-	12,000,000			
interest	-	3,707,600			
total	-	15,707,600			

ENTER BELOW

amount to be bonded

12,000,000

estimated interest rate

(enter as a decimal - 5% = .05)

3.10%

estimated project useful life

(number of years to bond)

(10,15,20)

20

All the annual total forecast amounts are higher than the actual amounts (using coupon amount) except for last 7 years (2,000 + difference)

BOND PREMIUM:

A bond will trade at a premium when it offers a coupon rate that is higher than prevailing interest rates. This is because investors want a higher yield, and will pay more for it.

Difference between the coupon rate on the bond and the prevailing interest rate at the time of the bond sale.

Bid Results (8)

**Newtown (Town)
\$12,000,000 General Obligation Bonds, Issue of 2016**

The following bids were submitted using **PARITY**[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input type="checkbox"/>	Piper Jaffray	2.481334
<input type="checkbox"/>	Fidelity Capital Markets	2.485502
<input type="checkbox"/>	UBS Financial Services Inc.	2.492243
<input type="checkbox"/>	Bank of America Merrill Lynch	2.512827
<input type="checkbox"/>	J.P. Morgan Securities LLC	2.539932
<input type="checkbox"/>	Robert W. Baird & Co., Inc.	2.611118
<input type="checkbox"/>	Janney Montgomery Scott LLC	2.705922
<input type="checkbox"/>	Hutchinson, Shockey, Erley & Co.	2.721442

*Awarding the Bonds to a specific bidder will provide you with the Reoffering Prices and Yields.

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Upcoming Calendar

Overview

Result

Excel

Piper Jaffray - Minneapolis , MN's Bid



Newtown (Town)
\$12,000,000 General Obligation Bonds, Issue of 2016

For the aggregate principal amount of \$12,000,000.00, we will pay you \$12,519,366.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %
03/15/2017	1,300M	3.0000
03/15/2018	500M	3.0000
03/15/2019	500M	3.0000
03/15/2020	500M	3.0000
03/15/2021	500M	4.0000
03/15/2022	600M	4.0000
03/15/2023	600M	4.0000
03/15/2024	600M	2.0000
03/15/2025	600M	2.0000
03/15/2026	600M	2.5000
03/15/2027	600M	2.5000
03/15/2028	600M	2.7500
03/15/2029	600M	2.7500
03/15/2030	600M	3.0000
03/15/2031	600M	3.0000
03/15/2032	600M	3.0000
03/15/2033	600M	3.2500
03/15/2034	500M	3.2500
03/15/2035	500M	3.2500
03/15/2036	500M	3.2500

Total Interest Cost:	\$3,585,250.00
Premium:	\$519,366.00
Net Interest Cost:	\$3,065,884.00
TIC:	2.481334
Time Last Bid Received On:03/03/2016 11:29:24 EST	

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Piper Jaffray, Minneapolis , MN
 Contact: Darci Doneff
 Title: Managing Director
 Telephone: 612-303-2116
 Fax: 312-303-1326

Debt forecast schedule, for this issue, had \$3,707,600 in total interest cost.

Issuer Name: Town of Newtown

Company Name: _____

Result

Piper Jaffray's Reoffering Scale



Newtown (Town)
\$12,000,000 General Obligation Bonds, Issue of 2016

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price	Call Date
03/15/2017	1,300M	3.0000	0.4400	102.551	
03/15/2018	500M	3.0000	0.6300	104.702	
03/15/2019	500M	3.0000	0.7800	106.570	
03/15/2020	500M	3.0000	0.9200	108.150	
03/15/2021	500M	4.0000	1.0600	114.280	
03/15/2022	600M	4.0000	1.2400	115.911	
03/15/2023	600M	4.0000	1.4300	117.060	
03/15/2024	600M	2.0000	1.6300	102.438	03/15/2023
03/15/2025	600M	2.0000	1.8100	101.243	03/15/2023
03/15/2026	600M	2.5000	1.9800	103.383	03/15/2023
03/15/2027	600M	2.5000	2.2000	101.936	03/15/2023
03/15/2028	600M	2.7500	2.4000	102.242	03/15/2023
03/15/2029	600M	2.7500	2.4800	101.725	03/15/2023
03/15/2030	600M	3.0000	2.5600	102.803	03/15/2023
03/15/2031	600M	3.0000	2.7500	101.582	03/15/2023
03/15/2032	600M	3.0000	2.8400	101.009	03/15/2023
03/15/2033	600M	3.2500	2.8900	102.266	03/15/2023
03/15/2034	500M	3.2500	2.9900	101.631	03/15/2023
03/15/2035	500M	3.2500	3.0400	101.315	03/15/2023
03/15/2036	500M	3.2500	3.0900	101.000	03/15/2023

Accrued Interest: \$0.00

Gross Production: \$12,542,991.00

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Result Excel



Bids Comparison

Newtown (Town)
\$12,000,000 General Obligation Bonds, Issue of 2016

Piper Jaffray - Minneapolis, MN

Maturity	Amount	Coupon
03/15/2017	1,300M	3.0000
03/15/2018	500M	3.0000
03/15/2019	500M	3.0000
03/15/2020	500M	3.0000
03/15/2021	500M	4.0000
03/15/2022	600M	4.0000
03/15/2023	600M	4.0000
03/15/2024	600M	2.0000
03/15/2025	600M	2.0000
03/15/2026	600M	2.5000
03/15/2027	600M	2.5000
03/15/2028	600M	2.7500
03/15/2029	600M	2.7500
03/15/2030	600M	3.0000
03/15/2031	600M	3.0000
03/15/2032	600M	3.0000
03/15/2033	600M	3.2500
03/15/2034	500M	3.2500
03/15/2035	500M	3.2500
03/15/2036	500M	3.2500

TIC 2.481334
Purchase Price \$12,519,366.00

Fidelity Capital Markets - Boston, MA

Maturity	Amount	Coupon
03/15/2017	1,300M	5.0000
03/15/2018	500M	5.0000
03/15/2019	500M	5.0000
03/15/2020	500M	5.0000
03/15/2021	500M	5.0000
03/15/2022	600M	5.0000
03/15/2023	600M	5.0000
03/15/2024	600M	3.0000
03/15/2025	600M	2.0000
03/15/2026	600M	2.0000
03/15/2027	600M	2.0000
03/15/2028	600M	2.2500
03/15/2029	600M	2.3750
03/15/2030	600M	3.0000
03/15/2031	600M	3.0000
03/15/2032	600M	3.0000
03/15/2033	600M	3.0000
03/15/2034	500M	3.0000
03/15/2035	500M	3.0000
03/15/2036	500M	3.0000

TIC 2.485502
Purchase Price \$12,576,595.00

UBS Financial Services Inc. - New York, NY

Maturity	Amount	Coupon
03/15/2017	1,300M	2.0000
03/15/2018	500M	4.0000
03/15/2019	500M	4.0000
03/15/2020	500M	4.0000
03/15/2021	500M	4.0000
03/15/2022	600M	4.0000
03/15/2023	600M	4.0000
03/15/2024	600M	2.0000
03/15/2025	600M	2.0000
03/15/2026	600M	2.0000
03/15/2027	600M	2.0000
03/15/2028	600M	2.7500
03/15/2029	600M	2.7500
03/15/2030	600M	3.0000
03/15/2031	600M	3.0000
03/15/2032	600M	3.0000
03/15/2033	600M	3.2500
03/15/2034	500M	3.2500
03/15/2035	500M	3.2500
03/15/2036	500M	3.2500

TIC 2.492243
Purchase Price \$12,483,048.00

Bank of America Merrill Lynch - New York, NY

Maturity	Amount	Coupon
03/15/2017	1,300M	3.0000
03/15/2018	500M	4.0000
03/15/2019	500M	4.0000
03/15/2020	500M	4.0000
03/15/2021	500M	4.0000
03/15/2022	600M	4.0000
03/15/2023	600M	4.0000
03/15/2024	600M	2.0000
03/15/2025	600M	2.0000
03/15/2026	600M	2.0000
03/15/2027	600M	2.0000
03/15/2028	600M	2.7500
03/15/2029	600M	2.7500
03/15/2030	600M	3.0000

J.P. Morgan Securities LLC - New York, NY

Maturity	Amount	Coupon
03/15/2017	1,300M	2.0000
03/15/2018	500M	4.0000
03/15/2019	500M	5.0000
03/15/2020	500M	5.0000
03/15/2021	500M	4.0000
03/15/2022	600M	5.0000
03/15/2023	600M	4.0000
03/15/2024	600M	5.0000
03/15/2025	600M	4.0000
03/15/2026	600M	4.0000
03/15/2027	600M	4.0000
03/15/2028	600M	2.7500
03/15/2029	600M	2.7500
03/15/2030	600M	3.0000

Robert W. Baird & Co., Inc. - Red Bank, NJ

Maturity	Amount	Coupon
03/15/2017	1,300M	2.0000
03/15/2018	500M	2.0000
03/15/2019	500M	2.0000
03/15/2020	500M	2.0000
03/15/2021	500M	5.0000
03/15/2022	600M	5.0000
03/15/2023	600M	5.0000
03/15/2024	600M	2.0000
03/15/2025	600M	2.0000
03/15/2026	600M	2.0000
03/15/2027	600M	3.0000
03/15/2028	600M	3.0000
03/15/2029	600M	3.0000
03/15/2030	600M	3.0000

03/15/2031	600M	3.0000
03/15/2032	600M	3.0000
03/15/2033	600M	3.2500
03/15/2034	500M	3.2500
03/15/2035	500M	3.2500
03/15/2036	500M	3.2500

03/15/2031	600M	3.0000
03/15/2032	600M	3.0000
03/15/2033	600M	3.2500
03/15/2034	500M	3.2500
03/15/2035	500M	3.2500
03/15/2036	500M	3.2500

03/15/2031	600M	3.0000
03/15/2032	600M	3.0000
03/15/2033	600M	3.0000
03/15/2034	500M	3.0000
03/15/2035	500M	3.0000
03/15/2036	500M	3.0000

TIC 2.512827

Purchase Price \$12,474,334.00

TIC 2.539932

Purchase Price \$12,945,336.00

TIC 2.611118

Purchase Price \$12,381,098.00

Janney Montgomery Scott LLC - Philadelphia, PA

Hutchinson, Shockey, Eley & Co. - Chicago, IL

Maturity	Amount	Coupon
03/15/2017	1,300M	2.0000
03/15/2018	500M	3.0000
03/15/2019	500M	4.0000
03/15/2020	500M	5.0000
03/15/2021	500M	4.0000
03/15/2022	600M	5.0000
03/15/2023	600M	4.0000
03/15/2024	600M	4.0000
03/15/2025	600M	4.0000
03/15/2026	600M	4.0000
03/15/2027	600M	4.0000
03/15/2028	600M	4.0000
03/15/2029	600M	3.0000
03/15/2030	600M	3.0000
03/15/2031	600M	3.0000
03/15/2032	600M	3.0000
03/15/2033	600M	3.0000
03/15/2034	500M	3.0000
03/15/2035	500M	3.1250
03/15/2036	500M	3.1250

Maturity	Amount	Coupon
03/15/2017	1,300M	5.0000
03/15/2018	500M	5.0000
03/15/2019	500M	5.0000
03/15/2020	500M	5.0000
03/15/2021	500M	5.0000
03/15/2022	600M	5.0000
03/15/2023	600M	4.0000
03/15/2024	600M	3.0000
03/15/2025	600M	2.0000
03/15/2026	600M	2.1250
03/15/2027	600M	3.0000
03/15/2028	600M	4.0000
03/15/2029	600M	3.0000
03/15/2030	600M	3.0000
03/15/2031	600M	3.0000
03/15/2032	600M	3.0000
03/15/2033	600M	3.0000
03/15/2034	500M	3.0000
03/15/2035	500M	3.0000
03/15/2036	500M	3.0000

TIC 2.705922

Purchase Price \$12,740,011.00

TIC 2.721442

Purchase Price \$12,507,483.00

March, 2016 Bond Premium

- Trade off:
 - Reduce 2016/17 recommended budget by \$519,366 (by taking out capital items – above and beyond 2015/16 budget amount) Reduce tax rate
 - Purchase those capital items (taken out) thru the capital non-recurring fund Recommended capital items
 - Future bond interest payments relating to the issue will not be offset by a portion of the premium payment Bond interest payments do not exceed forecasted debt service schedule

*** No commitment made. Premium proceeds sit in an account in the capital non-recurring fund. They can be moved to the debt service fund with one accounting entry.

WINTER STORM BREAKDOWN

2015-2016

Storm #	DATE	DAY	TIME IN	TIME OUT	TYPE OF	SAND			TREATED SALT			OVERTIME			TOTAL COST OF STORM
						USED YDS	PER YD	TONS	COST	TONS	COST	HOURS	COST	COST OF OT	
1	12/29/2015	Tuesday	1:33 AM	7:00 AM	STORM	153	\$14.25	174.64	\$87.14	163.75	\$6,978.14	\$24,376.52			
2	1/13/2016	Wednesday	12:00 AM	3:00 AM	Dusting of Snow	36	\$513.00	144.55	\$12,596.09	94.5	\$4,052.39	\$17,161.48			
3	1/14/2016	Thursday	7:00 AM	8:00 AM	Light Snow	10.15	\$144.64	33.19	\$2,892.18			\$3,036.81			
4	1/17-1/18/2016	Sunday&Monday	9:15:00 PM&7:00 AM	12:00AM&10:00 AM	Light Snow	182	\$2,593.50	215.94	\$18,817.01	172	\$8,572.80	\$29,983.31			
5	1/23-1/25/16	Saturday- Sunday *Presel on Monday	8:00 AM and *3:00 AM	3:30 AM	8 inches of Snow	326.7	\$4,655.48	376.02	\$32,766.38	721	\$30,706.03	\$68,127.89			
6	2/5-2/6/16	Friday&Saturday	4:00 AM and 10:00 PM	5:30 PM & 2:00 AM	6-7 inches of Snow	223	\$3,177.75	254.89	\$22,211.11	200	\$8,592.53	\$33,981.39			
7	2/8-2/9/2016	Monday & *Presel on Tuesday	7:00 AM and *3:00 AM	7:00 AM & 3:30 PM	3-4 inches of Snow	318.5	\$4,538.63	362.86	\$31,619.62	306.5	\$13,005.09	\$49,163.34			
8	2/10/2016	Wednesday	4:00AM	7:00 AM	1 Inch of Snow	84.5	\$1,204.13	95	\$8,278.30	92	\$3,914.85	\$13,397.28			
9	2/15-2/17/16	Monday & Tuesday*Presel on Wednesday	1:00PM Monday to 3:30PM Tuesday	3:30 PM	2-3 inches of snow, ice and freezing rain	291.75	\$4,157.44	328.69	\$28,642.05	592.25	\$28,820.20	\$61,619.68			
10	2/23/2016	Tuesday	3:30 PM	8:30 PM	Light Snow	148.56	\$2,116.98	178.62	\$15,564.95	136	\$5,757.49	\$23,439.42			
11	2/24-2/26/16	Wednesday-Friday			Wind and Rain					116.75	\$4,959.17	\$4,959.17			
12	3/4/2016	Friday	5:00 AM	7:00 AM	Light Snow	89.58	\$1,276.52	110.03	\$9,588.01	100.25	\$4,267.80	\$15,132.33			
13	3/21/2016	Monday	2:15 AM	7:00 AM	Light Snow	82.8	\$1,179.90	99.9	\$8,705.29	135	\$5,751.83	\$15,637.02			
14	4/4/2016	Monday	6:00PM	10:00PM	Light Snow & Ice	132.1	\$1,882.43	161.7	\$14,090.54	83.5	\$3,580.23	\$19,553.19			
					TOTAL	2078.64	\$29,620.62	2536.03	\$220,989.65	2913.5	\$128,958.55	\$379,568.82			

Amount Purchased 4000 Tons
 Winter OT \$156,370.00
 Sand 2200 Yards \$375,249.00
 Original Budget \$32,500.00
 After the last event on 4/4/16 \$21,000.00
 if we purchased more salt it would equate to 270 Tons \$23,600.00
 0

Total cost of Storms



TRANSPORTATION ADVISORY SERVICES

Mark A. Walsh, CMC
President
3181 Valley Dr.
Walworth, NY 14568

(800) 233-3251
(315) 986-1901 (fax)
(585) 749-5325 (cell)

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Analysis

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MEMBER:

CASBO
NYSASBO

IMC USA

March 24, 2016

Ronald Bienkowski
Director of Business
Newtown Public Schools
3 Primrose Street
Newtown, CT 06470

Dear Mr. Bienkowski,

Thank you for the opportunity to submit the enclosed proposal for Transportation Consulting Services for the Newtown Public Schools. Additional information about our firm is available on our website, including a detailed client list.

We believe that TAS is uniquely qualified to offer these services to the District. Over the past 29 years we have conducted numerous transportation studies focused on generating operating efficiencies, enhancing services, and exploring program options. We are dedicated to serving the school district marketplace (we do not work for contractors; we do not sell products or services; we do not spread our focus to other areas such as public sector maintenance fleets; and we do not accept fees or commissions). Additionally, TAS offers the District extensive knowledge of Connecticut student transportation services. This experience is critical as you conduct a review of all contract options available to the District.

As you know, we have a detailed knowledge of the District from our previous engagements. Additionally, we have recently completed contract reviews for the New Britain Public Schools, Danbury Public Schools, and the Stamford Public Schools. The TAS approach is one based on providing pragmatic recommendations for services that will work. We have constructed a proposal that will provide the District with specific ideas and suggestions relative to your transportation contracts, including options for any renewal negotiations or recommendations for any future bids. We will explain to the District the basis for our recommendations, and the potential impact of moving in each direction. We are independent and not burdened by financial or political issues that could cloud our judgment or recommendations.

We stand ready to discuss our proposal, and we would welcome an opportunity to make any adjustments that may be necessary if we have misinterpreted your needs and interests. As you evaluate our submission, please feel free to contact any of our 500+ current or former clients. We are very proud of our past efforts.

All of us at TAS look forward to again working with the Newtown Public Schools.

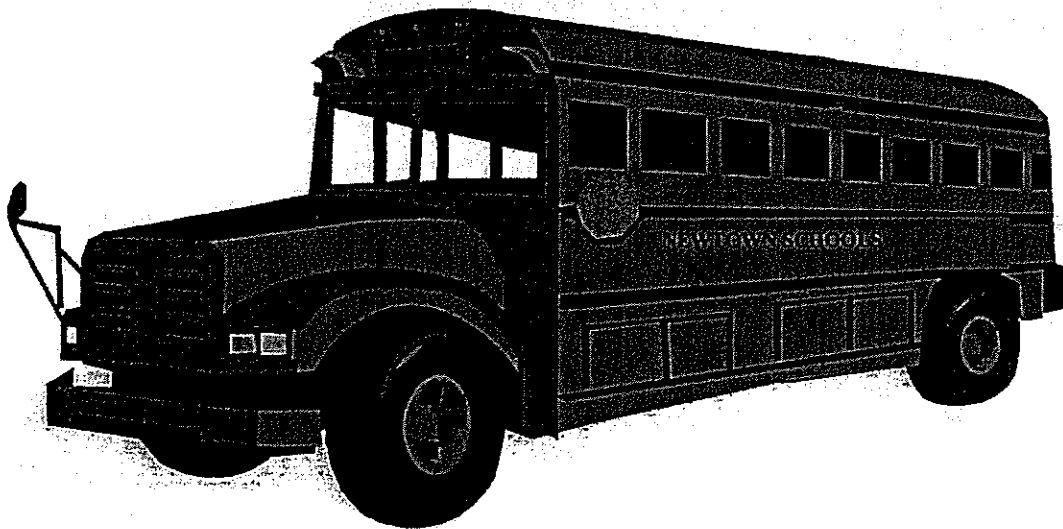
Sincerely,

Mark A. Walsh, President
Certified Management Consultant

TAS

TRANSPORTATION ADVISORY SERVICES

PROPOSAL
STUDENT TRANSPORTATION CONTRACT
ANALYSIS
FOR
NEWTOWN PUBLIC SCHOOLS



Submitted by:

Mark A. Walsh, CMC
TRANSPORTATION ADVISORY SERVICES
3181 Valley Drive
Walworth, NY 14568
(800) 233-3251
MWalsh@TransportationConsultants.com

March 24, 2016

The March Group, Inc.
www.TransportationConsultants.com

SCOPE

Based upon our telephone conversation of March 18, 2016, our knowledge of the District from previous engagements, and our extensive experience for the past 29 years, we have compiled an outline of the topics that will be covered in this consulting proposal. The items below are not listed in any prioritized order, but all are considered to be part of a valuable analysis for the District.

1. **Contract Operations** - TAS will evaluate your current contracts, including the bid specifications that form the basis for the contracted services. We will review the District's Contractor oversight process, contract compliance procedures, invoice verification processes, cost elements, non-mandated services, and more. As part of this review, TAS will request an opportunity to interview the local All Star representatives. If future contract changes are appropriate, we will provide specific recommendations for the District to consider.
2. **Financial** - An important consideration will be the financial impact that any proposed changes could have upon the District. Included in our review will be an analysis of regional transportation costs that have been collected from the recent survey process. We will identify areas where these costs may not be applicable (or misleading) to the Newtown program, and areas where they may be illustrative of opportunities for the District in future contracts.
3. **Fleet** - We will review the fleet profile and utilization. The use of appropriate sized and configured vehicles is important as the District reviews contract options for the future, including rebidding or renewing.
4. **Contract Options** - TAS will provide specific recommendations to the District on the pro's and con's of each potential approach for future contracts, including negotiations with the current contractor for a renewal, or the rebidding of the contract(s) through specification development and new bids.

Included will be such considerations as:

- Service quality under the current contract(s)
 - Competitiveness of the rates
 - Terms and conditions that should be addressed in future contracts
 - Likelihood of competition, and the quality of said competition
 - Impact on the District and the staff members
 - Transition issues, including routing
 - Timelines for the various options
5. **Routing** – Although we don't "ride the routes", we do look at the methodologies that the District/Contractor utilizes to establish routes. We typically recommend a ridership audit to determine the actual run times, scheduled ridership, actual ridership, and down times. This is an important function as we explore potential cost saving options, including routing

modifications and consolidations. It is not uncommon for a District to hear that the buses are "half-empty". The process will determine the actual utilization and will make recommendations for changes if the demographics and policies allow modifications.

6. **Audit** - The purpose of this type of contract study is not to audit the system, but rather to review the program and provide substantive recommendations. As a part of our review, we will evaluate all operating areas through reviews of materials, interviews with stakeholders, and tests compared to standard practices. A study of this type becomes very helpful as the District evaluates operating options and develops long-term plans for the transportation program.

Potential areas of efficiency can have very long term benefits. A savings of one bus, the elimination of the need to add an additional bus, or changes in contract terms or conditions, can provide short term savings that continue in future years. Additionally, specific recommendations from knowledgeable consultants who offer practical experience can result in significant savings over the near and long term.

7. **Overall Analysis** - TAS will provide the District with specific recommendations for the future direction of contracted services, including insights relative to the potential benefits of modifying various aspects of the program. The result of the study will be specific recommendations for the future operation of the program... from independent consultants who are well-recognized as the industry leaders in this area.

The TAS recommendations will come from a firm that is truly independent and pragmatic. TAS does not operate any buses; we do not sell any products or services that could cloud our recommendations; we are not a part of any organization that is affiliated with any industry groups; and we are not "theoreticians". TAS offers real-world recommendations from consultants with both public and private sector experience. These critical perspectives are not available from any other consulting firm.

METHODOLOGY

We would be prepared to begin the data collection portion of the study within one week of the acceptance of our proposal. Subsequent to the receipt of the information requested, we would begin our "on-site" interviews and evaluations, with two-three weeks notice. Our final report to the District would be available within 60 to 90 days after the initial on-site interviews, assuming that the information and resources that will be necessary for the District to provide are available in a timely fashion.

If appropriate, updates and recommendations will be provided to the District throughout the course of the study as they are developed. In particular, any modifications that could be implemented for the 2016-2017 school year would be communicated during our review. It has always been our practice to provide ideas and suggestions throughout the course of a study. Over the past 29 years of providing dedicated consulting services, we have found many districts that begin to implement recommendations immediately.

The following would be a *typical* schedule for the engagement given our understanding of the District and the current time schedule. TAS will discuss with the District a specific timeline for the engagement once the study is undertaken.

<u>Action</u>	<u>Dates</u>
Acceptance of TAS proposal	Apr '16
Issuance of data collection instrument	Apr '16
Data collection	Apr '16
On-site interviews at District	May '16
Data analysis	Apr-June '16
Final recommendations	June '16

The engagement as envisioned in this proposal would entail the development of the data collection survey and the review of District operating information, written policies and procedures, and contract(s), prior to our first on-site visit. In order to allow us to compile data and schedule appropriate interviews and meetings throughout the engagement, the assistance of a District liaison will be required. As a part of our review, we suggest that interviews be established with a number of people, including Administrators, Athletic Director, Special Education Director, Building Principals, Contractor representatives, and any interested Board Members or citizens.

TAS would expect to have reasonable access to District personnel, projections and records. We request that one District official be designated as the liaison to facilitate our access to information, and to insure that we provide the District with the type of reporting that you desire.

TAS will utilize various members of our consulting/operations staff as the demands require. However, Mark Walsh, TAS President, will be assigned as the Project Leader. Mr. Walsh has received the internationally recognized Certified Management Consultant designation, demonstrating his commitment to the highest ethical standards, his extensive experience, and his

professional recognition within the industry. Mr. Walsh is the only student transportation consultant in the United States to receive this designation.

Any modifications to the approved program would be detailed in writing and District approval would be requested. The estimated costs of any modifications would be made available to the District prior to such request for approval.

BENEFITS

TO DISTRICT:

It would be our intention to have this consulting engagement result in:

- Detailed recommendations on changes that could be made to the transportation program to maximize the cost-effectiveness of the program.
- A third-party review of the operation and services of the Contractor, including potential service level changes.
- Specific recommendations for the future operation of the Newtown Public School District transportation program.
- A detailed analysis of the various options for future contracts, including the pro's and con's of renewal negotiations and/or rebidding services.
- An independent review of a non-educational, but highly visible, responsibility of the District. The final report will serve as a management resource for the Administration and the Board of the Newtown Public Schools.

OF RETAINING TAS:

- TAS is an independent consulting firm with an extensive and proven record of successful transportation program reviews... many of them in the Newtown region.
- TAS offers the Newtown Public Schools professional consultants with *unique* qualifications not found with any other firm. We provide both public and private sector perspectives that are a "must" to truly evaluate the pro's and con's of modifying the protocols of a student transportation program.
- Newtown Public Schools will retain a firm which has provided service to more than 500 districts and agencies, in twenty-one states, over the past twenty-nine years. 50 of these districts are in Connecticut, including our past work for the Newtown Public Schools. This experience offers the District a level of confidence that will assist with public analysis of the program.
- Based upon our proven consulting services, TAS has become the Nation's largest *dedicated* student transportation consulting firm. We are very proud of our past efforts, and we provide the District with a listing of all of our past clients... not just a "refined" list. We also encourage prospective clients to discuss with our past clients our professionalism, pragmatic recommendations, and detailed reports that serve as an on-going management resource.

FEE STRUCTURE

Based upon this proposal, we have established the cost of this engagement to be \$9,680, plus expenses not to exceed \$1,500. This fee structure includes the services described in the Scope portion of this proposal and is predicated on no more than two dedicated on-site trips to the District. We will require the assistance of the District to efficiently schedule required interviews, and any meetings with outside groups or presentations to District officials.

Terms:

- A. Retainer payable upon acceptance of proposal..... \$3,000.00
- B. Progress payment upon completion of on-site interviews..... \$3,000.00
- C. Balance due within two weeks after submission of the final report
- D. Expenses will consist of personal auto mileage at the IRS approved rate (currently 54 cents per mile for 2016), tolls, lodging, meals, printing, and shipping charges, with the amount of the expenses not to exceed \$1,500. Should the District request services or visits that are not envisioned as a part of the basic study, related expenses shall be charged to the District and the not-to-exceed "cap" may be modified by mutual consent. Expense reimbursements are due within two weeks of submittal. **TAS will endeavor, whenever possible, to coordinate all trips with other client visits to the Region in order to share expenses.**

Incremental Services:

Should the District request additional consulting work not envisioned in this proposal, TAS would provide these services at a per diem rate of \$880, billable in half-day increments for all study and travel time, plus applicable out-of-pocket travel expenses. *We will be glad to quote specific cost proposals for any additional work should that be appropriate.*

Acceptance:

To signify the District's acceptance of this proposal, please provide us with a duly authorized Purchase Order, specifying your acceptance of the terms and conditions of this proposal. TAS will then issue the District an invoice for the retainer. If additional contract documents are required by District policy, please submit them to us for completion.

This proposal and the related charges will remain effective for 60 days from the date of issuance. After this date, TAS reserves the right to notify the District of modifications in the scope and/or fees of the proposal.