

Ryan Knapp, Chair
Judith DeStefano, Vice Chair
Neil Chaudhary
Dan Honan
Mary Ann Jacob
Chris Eide



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TOWN OF NEWTOWN

Minutes of the Legislative Ordinance Committee Meeting

The Ordinance Committee met on Tuesday November 22nd, 2016 in Meeting Room 1 of the Municipal Center, 3 Primrose Lane, Newtown. Committee Chairman Ryan Knapp called the meeting to order at 7:10 pm.

Present: Mr. Chaudhary, Mr. Honan, Ms. DeStefano, Mr. Eide (7:30) and Mr. Knapp. 1 Member of the public

Absent: Ms. Jacob

MINUTES:

Ms. DeStefano moved to approve the minutes of 8/31/2016, Mr. Chaudhary seconded. 4-0 in favor

PUBLIC COMMENT:

Wes Thompson, 190 Walnut Tree Hill Rd, has professional experience setting up pensions and spoke to the value of having a pension consultant. He felt that the fees Newtown had been previously paying were very high.

New Business

Review and recommendation regarding Public Act 14-33.

Mr. Knapp summarized the information received by the committee from the LC. He said the first step is to begin research and he volunteered to reach out to CCM on the subject.

Ms. DeStefano asked what this PA would do in practice related to the decrease in tax revenue

Mr. Chaudhary reminded that when we abate someone's taxes, there is a rise on other residents to shoulder that burden.

Mr. Knapp noted the state wide push to protect agriculture. He will disseminate the information he gets back and the group will review on their own in preparation for a discussion.

Old Business

Review and Recommendation regarding Pension Committee ordinance language.

Mr. Knapp reported that Ms Jacob spoke to First Selectman Llodra and she began an outline which he shared. He also shared the Selectman's new policy.

Mr Chaudhary discussed the consultant and committee dynamic

Mr Knapp questioned if the roles of the different groups should be clarified. Ultimately the trustees are the process owners and accountable for their decisions.

Ms DeStefano noted there are the managers, the committee and the consultant and wants to understand that relationship and what is appropriate/necessary. She also observed that in the newly approved charter pension board is 2 years, not 3. She also asked what the relevant statutes are.

Mr Chaudhary questioned if there would be value in opening this commission up to out of town residents like Public Building and Site due to the necessary level of expertise.

Mr Knapp will reach out to the First Selectman and discuss what is the best way to meet, either with her or the entire BOS. He feels the committee should meet with the trustees first.

Ms DeStefano noted that possibly meeting before relevant board's/committee's meetings maybe most convenient.

Review and recommendation Code of Ethics Rules.

Mr. Knapp noted that we are looking for further clarification from legal on a Charter concern. He believes while we would not want to write their rules, we could possibly craft an ordinance that compels them to have rules. He will confirm with legal. Then we may want to reach out to the Ethics Board to update them on what we are doing and possibly offer to collaborate if they would like their rules to have the force of ordinance. We can also ask for an update on what they are doing regarding rules as it pertains to our charge.

Ms DeStefano feels there is value in offering to help and collaborate with the board.

Review and recommendation regarding Ad-hoc committee for Policy and Planning for Roads and the roads ordinance language.

Mr Chaudhary will forward information he has collected from CCM to date.

Mr Knapp will ask CCM again differently to try to clarify what we are looking for but the group doubts many towns have addressed these issues. He suggested asking how other towns "incorporate non town owned roads into the town system?"

Ms DeStefano discussed a possible special designation.

Mr Knapp questioned ownership of the land under the road and complexity of land transfers. The group may want to meet with Land Use. Prior to our next meeting he asked the group to review our current codes and the recommendations of the roads committee. He has spoke to Eva Zimmerman in passing and she is willing to help convey the intent of the roads committee. He will set up a meeting.

Review and Recommendation regarding abatement for volunteer fire, ambulance and underwater rescue personnel.

Mr. Eide and the group went through the draft ordinance which is a combination of the committee's suggestions, the legal recommended language and Finance Director Bob Tait's suggestions. This moves it to an abatement from the mix of an abatement and exemption and gives the LC the flexibility to amend levels by resolution.

The group is unsure if 25 calls is a good number given how different the call volume is between the larger fire companies or ambulance and NUSAR. Perhaps it should be percentage of calls?

Mr. Knapp will contact the chairs of the respective organizations with the question.

The group would like to better understand "support member, per company bylaws."

Mr. Knapp discussed increasing the levels of 3-6 years good standing as an incentive to attract and sustain membership. The ordinance cannot go over the \$1000 max per statute.

Mr Chaudhary asked about if it should be consecutive years or not. He felt he was in favor of it not being but wanted to ask.

Mr Eide will capture changes including minor corrections and distribute (attached).

PUBLIC COMMENT:

Wes Thompson, 190 Walnut Tree Hill Rd, talked about how on the EDC they have looked into local farms and taxing. He noted there are other statutes that may also impact their property taxes. Even a minor tax impact goes a long way for some of these local farms.

Ms DeStefano motioned to adjourn at 9:15. Mr. Chaudhary Seconded.

Respectfully Submitted,

Ryan W. Knapp
Ordinance Committee Chairman

Town of Newtown

DEFINED BENEFIT PENSION PLAN

INVESTMENT POLICY STATEMENT

March 2016

vr 4 - June 22, 2016

Introduction & Purpose

The Newtown Defined Benefit Pension Plan (the “Plan”) has been established to provide retirement benefits to those individuals eligible to receive them. This policy statement outlines the goals and investment objectives for the Plan. This document is intended to provide guidelines for managing the Plan, and to outline specific investment policies that will govern how those goals are to be achieved. This statement:

- Describes the investment objectives of the Plan;
- Defines the responsibilities of the Board of Selectmen and other parties responsible for the management of the Plan;
- Establishes investment guidelines regarding the selection of investment managers and diversification of assets;
- Specifies the criteria for evaluating the performance of the investment managers and of the Plan as a whole.

Investment Objective

The Plan’s assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Plan, the Board of Selectmen has taken into account the financial needs and circumstances of Newtown, the time horizon available for investment, the nature of the Plan’s cash flows and liabilities, and other factors that affect their risk tolerance. Consistent with this, the Board of Selectmen has determined that the investment of these assets shall be guided by the following underlying goals:

- To achieve the stated actuarial target of the Plan;
- To maintain sufficient liquidity to meet the obligations of the Plan;
- To diversify the assets of the Plan in order to reduce risk;
- To achieve investment results over the long-term that compare favorably with those of other pension plans, professionally managed portfolios and of appropriate market indexes.

Assignment of Responsibilities

Board of Selectmen - The Board of Selectmen, as Trustees for the Town of Newtown Pension Plans, is charged with the responsibility of overseeing the assets of the Plan. To that end, the Board’s responsibilities include: establishing and maintaining the Plan’s investment policy, objectives and portfolio guidelines with respect to asset allocation, risk parameters, and return evaluation and for specific interpretation of said investment policy, as well as selecting the investment vehicles, and periodically monitoring the performance of investments. The Board, however, may establish rules

or other resolutions governing its investment policy and may delegate to the board members or agents the authority to act.

Pension Committee. Since the inception of the Defined Benefit Pension Plan in the late 1970's a Pension Committee with members appointed by the Board of Selectmen has helped to provide guidance and insight into plan specifics and has helped monitor and report on the plan's performance. An Ordinance of the Town of Newtown will formalize the role and purpose of the Pension Committee and, further, will establish membership terms and limits, as needed. It is the intent of the Board of Selectmen that the Pension Committee serve as advisors to the Board with respect to asset allocation, risk parameters, and return evaluation and for specific interpretation of said investment policy, as well as selecting the investment vehicles, and periodically monitoring the performance of investments. The Pension Committee will meet at least quarterly to review the status of the asset as represented by the reports of the fund managers. This quarterly review may include an independent investment consultant as determined by the Board of Selectmen, with input from the Pension Committee.

The Board of Selectmen will meet annually with the Pension Committee to review the status of the portfolio and hear any recommendations of that Committee in consult with the Investment Consultant. The Board of Selectmen may call for additional meetings with the Pension Committee and Investment Consultant as circumstances warrant. The Board and the Pension Committee shall discharge their duties with the care, skill, prudence and diligence appropriate to the circumstances then prevailing. The Board of Selectmen recognizes that some risk must be assumed to achieve the Plan's long-term investment objectives.

Investment Consultant - The Board of Selectmen may engage the services of an Investment Consultant. The Investment Consultant's role is that of a non-discretionary advisor to the Pension Committee and to the Board of Selectmen. The Investment Consultant, if retained for such purpose will assist the Pension Committee and the Board of Selectmen in the development and periodic review of an Investment Policy Statement and the Plan's asset allocation, conduct manager searches when necessary, monitor the performance of the managers/funds, and communicate on other matters of relevance to the oversight of the Plan.

Custodian - The Custodian is responsible for the safekeeping and custody of assets. The Custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Plan, collect dividends and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan accounts (for example, to accommodate distribution needs).

Asset Allocation

The asset allocation target ranges set forth in Appendix A represent a long-term view. Short-term market volatility may cause the asset mix to fall outside the targeted range.

Rebalancing

The Board of Selectmen, at its discretion, may or may not institute rebalancing as necessary. Such adjustments should be executed with consideration to turnover, transaction costs, and realized losses over the long term. The necessity to rebalance will be reviewed periodically.

Selection Criteria for Investment Managers

Investment managers/funds retained by the Plan shall be chosen using various criteria, including but not limited to the following:

- Past results, considered relative to appropriate indexes and other investments having similar investment objectives. Consideration shall be given to both consistency of performance and the level of risk taken to achieve results;
- The investment style and discipline of the investment manager;
- How well the manager's investment style or approach complements other assets in the Plan;
- Level of experience, personnel turnover, financial resources, and staffing levels of the investment management firm or fund.

The Plan will utilize a multi-manager structure of complementary investment styles and asset classes to invest the Plan's assets.

Should additional contributions and/or market value growth permit, the Board of Selectmen may retain additional investment managers to invest the assets of the Plan. Additional managers would be expected to diversify the Plan by investment style, asset class, and management structure and thereby enhance the probability of the Plan achieving its long-term investment objectives.

Securities Guidelines

The Plan's investments may include separately managed accounts and/or mutual funds/co-mingled funds, including marketable and non-marketable alternatives and exchange traded funds. The Board understands that managers have full responsibility for security selection, diversification, turnover and allocation of holdings among selected securities and industry groups, as particularly detailed in the Investment Policy Statement of each of the Plan's separately managed accounts or in the prospectus/offering memorandum for each mutual fund/co-mingled fund/exchange traded fund in the portfolio. No securities will be purchased, or carried, on margin.

With respect to mutual/co-mingled funds, the Board will consider the following to insure proper diversification and function for each of the funds:

1. The mutual fund/co-mingled pool organizations selected should demonstrate:
(a) a clearly defined investment philosophy; (b) a consistent investment process;
(c) an experienced and stable organization; and (d) cost-effectiveness.
2. The mutual fund/co-mingled pool used will generally have at least a full three-year track record, or its equivalent, and the individual fund/pool must have at least \$25 million under management (or, as an organization, \$100 million in the same strategy) at the time of selection.
3. Each mutual fund/co-mingled pool will be regularly evaluated for proper diversity and each will provide material information on a timely basis.
4. With respect to hedge fund-of-funds, in addition to meeting each of the three above-specified criteria, each fund-of-funds will include an appropriate number of hedge fund managers to be considered well diversified. Investment strategies in hedge fund-of-funds may generally include: long/short U.S. equity, global equity, derivatives, distressed debt and other fixed income strategies, currency exposure, arbitrage and event driven strategies, and additional strategies with low correlation to traditional asset classes.

Proxy Voting

Each investment manager is responsible for and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. Each investment manager shall vote proxies in the best interest of Newtown. A copy of each firm's guidelines, and/or summary of proxy votes shall be provided to the Board of Selectmen upon request.

Investment Monitoring and Reporting

The Board of Selectmen will periodically review performance of the investments in the Plan. Performance monitoring is the mechanism for revisiting the investment selection process and confirming that the criteria originally satisfied remain intact and that an investment continues to be appropriate for the Plan. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an on-going process.

Monitoring should occur on a periodic basis. The monitoring process will utilize the same criteria that formed the basis of the investment selection decision. In addition, a set of "watch list criteria" may be employed to track important quantitative and qualitative elements, assist in the evaluation process, and focus

the Board on potential areas of concern.

Watch list criteria may include the following:

- Performance relative to benchmark performance over various time frames;
- Deterioration of risk-adjusted performance;
- Notable style drift / change in investment objective;
- High manager fees relative to peers;
- Significant organizational or manager change.

Termination of an Investment Manager or Fund

A manager/fund may be terminated when the Board has lost confidence in the manager's ability to:

- Achieve performance and risk objectives;
- Comply with investment guidelines;
- Comply with reporting requirements;
- Maintain a stable organization and retain key investment professionals.

There are no hard and fast rules for manager termination. However, if the investment manager has consistently failed to adhere to one or more of the above conditions, termination may be considered. Failure to remedy the circumstances of unsatisfactory performance by the manager/fund, within a reasonable time, may be grounds for termination.

Any recommendation to terminate a manager/fund will be treated on an individual basis, and will not be made solely based on quantitative data. In addition to those above, other factors may include, but shall not be limited to, professional or client turnover, or material change to investment processes.

The process for selecting a replacement for a terminated manager would follow the criteria outlined in the section of this Investment Policy Statement titled Selection Criteria for Investment Managers.

Approval

It is understood that this investment policy is to be reviewed periodically by the Board of Selectmen to determine if any revisions are warranted by changing circumstances including, but not limited to, changes in financial status, risk tolerance, or changes involving the investment managers.

Town of Newtown:

Name: _____

Signature: _____

Date: _____

Title: _____

Appendix A

Target Asset Allocation Table

Asset Class	Min Weight	Target Weight	Max Weight	Benchmark Index
Domestic Equities	22.0%	32.0%	42.0%	Russell 3000 Index
International Equities	18.0%	28.0%	38.0%	MSCI ACWI ex U.S. Index
Fixed Income	22.5%	32.5%	42.5%	Barclays U.S. Aggregate Index, Citigroup World Gov't Bond Index
Real Estate	0.0%	5.0%	10.0%	NCREIF Fund Index - ODCE
Natural Resources	0.0%	2.5%	5.0%	S&P North American Natural Resources

				Sector Index
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DRAFT

PENSION FUND ORDINANCE

§ 1 Title

This article shall be known and may be cited as the "Pension Fund Ordinance".

§ 2 Purpose of Fund

The purpose of this Fund is to provide retirement benefits to those eligible to receive them.

§ 3 Responsibilities of the Committee

The Committee Shall:

- a. [Provide guidance and insight into the plan specifics and help monitor and report on the plans performance.](#)

§ 4 Members of Committee; Appointment; Terms of Office

- a. There shall be three volunteer members of the Committee, with a preference for those who have relevant expertise and knowledge in finance, healthcare, and/or insurance.
- b. Members shall be appointed by the First Selectman with the approval of the Board of Selectmen to serve a three year term. Initially, the First Selectman shall appoint one member for a one year term, one member for a two year term and one member for a three-year term.
- c. There shall be two alternates each appointed for a two-year term. The term of the alternates shall run from January 1 of the even year through December 31 of the ensuing year. If a regular member of the Committee is absent, the Chairman of the Committee shall designate an alternate to act in the absent member's place, choosing the alternates in rotation so that they shall act as nearly equal a number of times as possible.

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§ 5 Chairman; Clerk.

- a. The Committee shall elect a Chairman, to serve for a term of one year.
- b. The Chairman shall preside at meetings and public hearings.
- c. The Committee shall utilize a clerk whose responsibility is the taking of minutes at all meetings, typing and filing the same, and performing all other clerical or recording services for the Committee.

§ 6 Meetings

- a. The Committee shall meet quarterly and at other times as the Chairman deems necessary.
- b. The Chairman shall prepare an agenda prior to each meeting and distribute a copy to each Committee member.
- c.

§ 7 Severability

The provisions of this ordinance are declared to be severable and the invalidity of any portion thereof shall not affect the validity of the remainder.



Ryan Knapp <ryan.w.knapp@gmail.com>

Roads CCM Request

1 message

nkc@4newtown.com <nkc@4newtown.com>
To: "Ryan W. Knapp" <ryan.w.knapp@gmail.com>

Wed, Nov 23, 2016 at 10:14 AM

Ryan,

I requested information regarding:

Ordinances describing how a town deals with a-typical roads within the town (e.g. Private, non-town owned, non-conforming, unpaved, scenic, etc).

Her response:

I had trouble finding ordinances regarding a-typical roads but I have attached scenic road ordinances from towns in your population range.

We could try again but it sounds like they did the search and came up empty.

Neil

DRAFT ORDINANCE 22 NOVEMBER 2016

Motion to recommend to Legislative Council to strike Chapter 208, Article VI from Town Code to be replaced with the following language:

Chapter 208 Article VI. Tax Abatement for Volunteer Fire, Ambulance, and Underwater Rescue Personnel

§ 208-19 Purpose

In recognition of the benefits provided to the Town of Newtown by the dedicated service of the Town's volunteer fire, ambulance and underwater search and rescue personnel, the Newtown Legislative Council hereby establishes a property tax abatement program pursuant to Connecticut General Statutes § 12-81w for volunteer fire, ambulance and underwater search and rescue personnel on the conditions outlined below.

§ 208-20 Eligibility

Members of the Newtown Volunteer Fire Departments, Ambulance Corps and Newtown Underwater Search and Rescue (NUSAR), with at least three years' good standing, who reside in and pay property tax to the Town of Newtown as of October 1 preceding their application shall be eligible for such abatement. A year's service in good standing is achieved when meeting at least one of the following criteria:

- A. The member must respond to _____ calls in the calendar year preceding inclusion on any certified list; or
- B. The member must hold one of the following positions in the emergency services:
 - (1) Administrative/Executive board.
 - (2) Commissioner.
 - (3) Line officer/operational officer.
 - (4) Support member, per company or association bylaws.

§ 208-21 Tax abatement granted

A. For the 2016-2017 fiscal year and subsequent fiscal years (unless changed by the Legislative Council in accordance with this section), the modified income levels for the prior calendar year and the corresponding maximum available tax abatement for those levels shall be as follows:

Years of Service in Good Standing (preceding date of list certification)	Maximum Available Tax Abatement
3	\$250
4	\$440

Comment [1]: Reworded for clarity

Comment [2]: Change "credit" to "abatement"

Comment [3]: change "credits" to "abatement"

5	\$675
6	\$860
7 or more	\$1,000

B. Abatement amounts for two or more members can be applied to the same property if each member is a co-owner of that property.

C. Tax abatements granted are subject to change upon resolution by the Legislative Council, which may base such changes on recommendations to the Legislative Council from the office of the First Selectman.

§ 208-22 Maximum Tax Abatement Granted

A. In no event may any abatement amount equate to more than the maximum amount of relief permitted under state statute, and if so, the First Selectman may cap the total relief afforded to any individual to the permitted maximum.

B. Members are limited to only one annual abatement, regardless of the number of volunteer organizations to which they belong.

§ 208-23 Administration of Tax Abatement Program

A. Annually on or before December 5 of each year, the president of each Fire Department shall certify and submit to the Board of Fire Commissioners a list of the members of his/her organizations who are eligible as defined in § 208-20. This list shall contain addresses of such members and the number of years of service in good standing. The Board of Fire Commissioners will review and certify said list, making corrections as necessary, before submitting it to the Office of the First Selectman by December 15 of each year.

B. The Ambulance Association shall review and certify the Ambulance Corps list, and said list shall contain addresses of such members and the number of years of service in good standing and submit it directly to the Office of the First Selectman by December 15 of each year.

C. Annually, on or before December 5 of each year, the President of NUSAR shall certify and submit to the Director of Newtown Emergency Management its own list of members who are eligible as defined in § 208-20. The Director will review and certify said list, making corrections as necessary, before submitting it directly to the Office of the First Selectman by December 15 of each year.

Comment [4]: Change to December 5