

Board of Selectmen
March 7, 2016

THESE MINUTES ARE SUBJECT TO APPROVAL BY BOARD OF SELECTMEN

The Board of Selectmen held a regular meeting Monday, March 7, 2016 in the Council Chamber of the Newtown Municipal Center, 3 Primrose Street. First Selectman Llodra called the meeting to order at 7:00p.m.

PRESENT: First Selectman Llodra, Selectman William F.L Rodgers, Selectman Herbert C. Rosenthal.

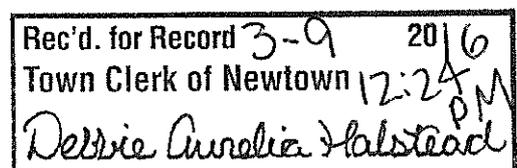
ALSO PRESENT: Finance Director Robert Tait, Devon Francis and Chris Rawlins of Fiduciary Investment Advisors, Pension Committee members Tom Murtha, Charlie Farfaglia, Mark Korotash, Patrick Burke, Grants Coordinator Christal Preszler, Economic Development Coordinator Betsy Paynter, Deputy Director of Planning and Land Use Rob Sibley, six members of the public and two members of the press.

ACCEPTANCE OF MINUTES: Selectman Rosenthal moved to accept the minutes of the regular meeting of 2/16/16. First Selectman Llodra seconded, Selectman Rodgers abstained as he was absent. The motion passed. Selectman Rodgers moved to accept the minutes of the special meeting of 2/29/16. Selectman Rosenthal seconded. First Selectman Llodra added *in the original proposal* after the words 'phase 2' under New Business, item #1, Newtown Community Center Proposal. All were in favor of accepting the minutes of 2/29/16 as amended. Selectman Rodgers moved to accept the minutes of the special meeting of 3/3/16. Selectman Rosenthal seconded. First Selectman Llodra stated that in the section of dialogue the sentence should read *First Selectman Llodra stated we have had separate referendums before such as the new Sandy Hook school* (not the high school addition). Additionally, the spelling of council was corrected to counsel, relative to the bond counsel. All were in favor of accepting the minutes of 3/3/16 as amended.

COMMUNICATIONS: First Selectman Llodra shared a book written by Peter Alagna on the history of the Town of Newtown sewer system. She asked the selectmen to read it and report back with a decision on whether or not to accept it. First Selectman Llodra stated the Mr. Hurley has reported the Water and Sewer Authority has completed interaction with all of the residents of Hawleyville relative to the sewer project and the project is ready to move forward. An Incident Statistics Report from the Police Department was shown to the board as way of sharing monthly information the First Selectman receives from department heads. First Selectman Llodra noted that Carole Ross, Human Resource administrator, has submitted her letter of resignation.

FINANCE DIRECTORS REPORT: Mr. Tait explained that \$12 million in general obligations bonds were sold, the average interest rate was 2.48% for a twenty year bond issue (*att.*). Mr. Tait went over the Board of Finance recommended 2016-017 budget (*att.*). First Selectman Llodra stated the town took a major hit on how we can use grand list growth to mitigate taxes. Selectman Rodgers asked if the Board of Finance made any comments on the recommended reduction to the Board of Education request. First Selectman Llodra answered reductions can be found in commodities, fuel and heating oil, a reduction in IT capital and a reduction of one bus. A reduction to the contribution to the Employee Medical Benefits funds was also recommended but not agreed to by the First Selectman and the Finance Director.

ADD TO THE AGENDA: Selectman Rodgers moved to add to the under new business, discussion and possible action on the Tractor Supply business incentive. Selectman Rosenthal seconded. All in favor.



NEW BUSINESS:

Discussion and possible action

1. **Fiduciary Investment Advisors/Pension Committee:** Selectman Rosenthal noted that he submitted a letter to the Board of Selectman during the first meeting after the election stating that he would not participate in any issues or votes relating to Westport Resources. On other matters he will act in his capacity as a trustees. First Selectman Llodra said three decisions needed to be made: a policy decision, the custodian and the fund managers. Ms. Francis presented the Town of Newtown Plan Diagnostic (*att.*) Currently, Westport Resources is charging a weighted average fee of 52 basis points and an underlying investment management fee of 54 basis points; with FIA fee's the weighted average fee of the portfolio is 116 basis points. The proposed portfolio has similar underlying investment management fee of 54 basis points; there in no additional level of Westport Resources fee, ending up with a total weighted average fee of the portfolio of 64 basis points, a \$200,000 savings per year. First Selectman Llodra summarized that there is significant recommendation for change in the mix of investments in the portfolio, the mix has less risk because of the diversity and the fund managers are specific to the nature of each investment category. FIA proposes amending the current policy statement or beginning with a new draft. The investment policy needs to be changed first as this proposal violates the current policy. The language in the policy statement must reflect the role of the Pension Committee. There will be quarterly performance reports, each fund within the portfolio will have a status, maintain, watch or terminate. First Selectman Llodra suggested acting on the policy statement at an April meeting.
2. **Business Incentive Plan:** Betsy Paynter and Wes Thompson were present to discuss the business incentive program application for Tractor Supply Company (*att.*) Selectman Rodgers moved to approve the business incentive program application for Tractor Supply Company, 116 South Main Street (*att.*). Selectman Rosenthal seconded. Selectman Rosenthal voiced concerned about not wanting it to appear the selectmen are approving something that may not meet zoning requirements Ms. Paynter said it has not come forward yet but it will go to Inland Wetlands and any adjustments needed will be made during the process. All in favor.
3. **Grants Update:** Christal Preszler and Rob Sibley were present to present the grants update – planning department (*att.*) Hazardous building materials and property assessments grants have been received for 28A Glen Road. There is a hazardous building assessment on 7 Glen Road. It will be approximately \$50,000 to remediate and demolish the building. The Municipal Brownfields grant will allow for ten buildings on Fairfield Hills campus to be assessed for hazardous materials, removal of materials and demolition assessment. This gives us a snapshot of what it will cost. Work on duplex #63 is in process with anticipation of a June 1 CO date for Parent Connection. The Fairfield Hills Streetscape grant will focus on the entry of the campus, sidewalks, lighting, landscaping, safety fencing and curbing. The Victim Assistance Grant is a collaborative grant and will allow for continued service currently being offered through Newtown Resiliency Center. Mr. Sibley and Ms. Preszler overviewed the process of applying for and tracking grants to best meet the needs of the program.
4. **Resolution to accept STEAP grant for infrastructure and streetscape at Fairfield Hills Campus:** Selectman Rodgers moved the Board of Selectman resolve to enter into an agreement with the State of Connecticut for a \$500,000 STEAP grant in order to undertake a project to design and construct improvements and/or additions to the infrastructure and streetscape at the Fairfield Hills Campus and to waive the reading of the certified resolution in its entirety. Selectman Rosenthal seconded. All in favor.

5. **Resolution for a special appropriation totaling \$500,000 for the design and construction of the Fairfield Hills Streetscape project.** This special appropriation is to be financed by a grant award of \$500,000 from Connecticut's Office of Policy and Management: Selectman Rosenthal moved the resolution for a special appropriation totaling \$500,000 for the design and construction of the Fairfield Hills Streetscape project. This special appropriation is to be financed by a grant award of \$500,000 from Connecticut's Office of Policy and Management (att.). Selectman Rodgers seconded. All in favor.
6. **Resolution to accept a CT Transportation Enhancement Program grant:** Selectman Rodgers moved that the Board of Selectman resolve to make an application to the State for an up to \$723,200 CT Transportation Enhancement Program grant for the purpose of installing sidewalks from Glover Avenue to Wasserman Way, continuing to the traffic light at the intersection of Wasserman Way and Trades Lane and further waived the reading of the certified resolution in its entirety (att.) Selectman Rosenthal seconded. All in favor.
7. **Resolution:** Selectman Rosenthal moved the RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$904,000 FOR THE PLANNING, DESIGN, ENGINEERING, AND CONSTRUCTION OF PEDESTRIAN SIDEWALK IMPROVEMENTS PROJECT AND AUTHORIZING THE ISSUANCE OF \$150,000 BONDS (CALCULATED AS \$904,000 MINUS \$723,200 IN STATE AND FEDERAL GRANTS MINUS \$30,800 IN LOCAL SOURCES) OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE and further moved to waive the reading of the entire resolution (att). Selectman Rodgers seconded. All in favor.
8. **Resolution to accept the Neglected Cemetery Account Grant Program:** Selectman Rodgers moved the Board of Selectmen resolve to accept State financial assistance in an amount not to exceed \$1,380 under the Neglected Cemetery Grant Program and to waive the reading of the entire certified resolution (att.). Selectman Rosenthal seconded. All in favor
9. **Resolution:** Selectman Rosenthal moved a resolution for a special appropriation totaling \$1,380 for the cleanup of Bradley Cemetery. This special appropriation is to be financed by a grant award from Connecticut's Office of Policy Management for \$1,380. Selectman Rodgers seconded. All in favor.
10. **Transfer:** The advertising budget is used for bid notices and ads for the budget; it is not set up for large one time non-recurring charges. There were two this year, one for the Ordinance Committee and one for the preamble charter. Selectman Rodgers moved the transfer in the amount of \$5,895 from Contingency to Advertising. Selectman Rosenthal seconded. All in favor.
11. **Appointments/Reappointments/vacancies/openings:** Selectman Rodgers moved the appointment of William May to the Economic Development Commission for a term to expire 1/6/19. Selectman Rosenthal seconded. All in favor. There is a vacancy on the C.H. Booth Library available to a democrat or an unaffiliated voter.
12. **Driveway bond release/Extension:** Selectman Rosenthal moved the release of a driveway bond to Lauren Butler, Forest View Drive, M53, B2, L169 in the amount of \$1,000. Selectman Rodgers seconded. All in favor.
13. **Tax Refunds:** Selectman Rodgers moved the March 2016 tax refunds #13 in the amount of \$19,325.57. Selectman Rosenthal seconded. All in favor.

Board of Selectmen
March 7, 2016

VOTER COMMENTS: Walter Pachniuk, 1 Academy Lane believes that if FIA takes over the portfolio it is a conflict of interest. He doesn't think the board will be good stewards of the plan if FIA manages the plan.

ANNOUNCEMENTS: none.

EXECUTIVE SESSION: Selectman Rodgers moved to enter into executive session to discuss an offer of land for purchase as Open Space and invite Mr. Sibley to attend. Selectman Rosenthal seconded. All in favor. Executive session was entered into at 8:27p.m. and returned to regular session at 8:55p.m. with no action taken.

ADJOURNMENT: Having no further business the Board of Selectmen adjourned their regular meeting at 8:55p.m.

Respectfully submitted,



Susan Marcinek, Clerk

Attachments: bond sale information; BOF recommended 2016-17 budget; page 10, 14, 19 & 20 from FIA TON Plan Diagnostic, March 2016; business incentive memo, Tractor Supply; 3 certified resolutions; one bonding resolution;

Bid Results

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.

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

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

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total P+I</u>	<u>Fiscal Total</u>
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

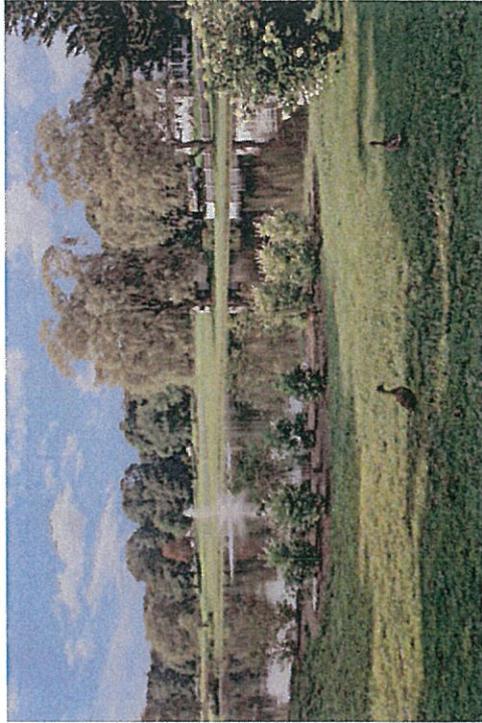
Bond Year Dollars	\$119,600.00
Average Life	9.967 Years
Average Coupon	2.9977007%
Net Interest Cost (NIC)	2.5634482%
True Interest Cost (TIC)	2.4813341%
Bond Yield for Arbitrage Purposes	2.9929670%
All Inclusive Cost (AIC)	2.4813341%

IRS Form 8038

Net Interest Cost	2.9977007%
Weighted Average Maturity	9.967 Years

EXCERPT

ANNUAL BUDGET 2016 - 2017



TOWN OF NEWTOWN, CONNECTICUT

BOARD OF FINANCE

RECOMMENDED

MARCH 3, 2016

FISCAL POLICY & TRENDS

TAXABLE NET GRAND LIST

A key aspect of Newtown’s financial well being is the taxable net grand list. In order for Newtown to prosper the net taxable grand list has to grow consistently into the future. Growth in the net taxable grand list represents new home construction and more importantly new businesses. Growth in the net taxable grand list enables Newtown to invest in capital assets and maintain the current infrastructure (capital assets such as parks, roads, sewers, bridges, new municipal building, etc.) without having to create an extra tax burden on Newtown residents. A 1/10% increase in the net taxable grand list brings Newtown \$100,000 in new taxes, taxes that current residents do not have to bear. A 1% increase in the net taxable grand list brings Newtown \$1,000,000 in new taxes. In prior decades the growth in the grand list enabled Newtown to invest in capital assets without putting an extra tax burden on the residents. Due to the recent economic downturn the grand list growth has slowed down significantly and at times has declined. This has placed an extra pressure on the budget process and on capital investments the Town can make. Below is the grand list growth for the last eleven years:

TOWN OF NEWTOWN			
NET TAXABLE GRAND LIST			
LIST YEAR	FISCAL YEAR	NET ASSESSMENT *	% CHANGE
2015	2016-17	3,083,371,154	0.27%
2014	2015-16	3,075,109,294	0.70%
2013	2014-15	3,053,619,090	0.54%
2012	2013-14	3,037,213,803	REVAL YR
2011	2012-13	3,950,412,514	0.66%
2010	2011-12	3,924,524,807	0.42%
2009	2010-11	3,908,204,114	-0.08%
2008	2009-10	3,911,449,143	-0.04%
2007	2008-09	3,912,900,563	REVAL YR
2006	2007-08	3,042,109,216	1.80%
2005	2006-07	2,988,375,396	-
* State of CT M-13 Report			
List year 2015 is the Before Board of Assessment Appeals figure (+ 2,500,000)			
NOTE: A 1% increase in the net taxable grand list creates approximately \$1,000,000 in new taxes.			
A 0.1% increase (one tenth of one percent) creates approximately \$100,000 in new taxes.			

FISCAL POLICY & TRENDS

EXPENDITURES

SUMMARY OF EXPENDITURES by Object											
	ADOPTED	2015 - 2016			2016 - 2017 BUDGET			LC ADOPTED	Increase / (Decrease) A - B	Percent Change	
		AMENDED B	ESTIMATED	1st SELECTMAN PROPOSED	BOS PROPOSED	BOF RECOMMENDED					
MUNICIPAL SERVICES											
WAGES & SALARIES	11,552,677	11,760,125	11,760,125	12,190,357	12,190,357	12,190,357	-	430,232	3.7%		
FRINGE BENEFITS	5,012,541	5,028,816	5,028,816	5,590,490	5,590,491	5,590,491	-	561,675	11.2%		
INSURANCE	1,025,000	1,040,000	1,040,000	1,100,000	1,095,000	1,095,000	-	55,000	5.3%		
OPERATING EXPENSES	7,342,416	7,325,092	7,325,092	7,373,556	7,277,043	7,277,043	-	(48,049)	-0.7%		
CAPITAL	2,539,929	2,556,661	2,556,661	2,958,199	2,958,199	2,958,199	-	401,538	15.7%		
CONTINGENCY	350,000	111,869	111,869	200,000	200,000	200,000	-	88,131	78.8%		
CONTRIBUTIONS TO OUTSIDE AGENCIES:											
TOWN AGENCIES	2,120,460	2,120,460	2,120,460	2,251,908	2,251,908	2,251,908	-	131,448	6.2%		
OTHER AGENCIES	88,842	88,842	88,842	78,842	78,842	78,842	-	(10,000)	-11.3%		
TOTAL MUNICIPAL SERVICES	30,031,865	30,031,865	30,031,865	31,743,352	31,641,840	31,641,840	-	1,609,975	5.4%		
CAPITAL FINANCING - DEBT SERVICE	10,110,702	10,110,702	10,110,702	9,447,590	9,394,840	9,394,840	-	(715,862)	-7.1%		
TOTAL BOARD OF SELECTMEN BUDGET	40,142,567	40,142,567	40,142,567	41,190,942	41,036,680	41,036,680	-	894,113	2.2%		
BOARD OF EDUCATION	71,587,946	71,587,946	71,587,946	74,361,623	73,865,065	73,865,065	-	2,277,119	3.2%		
TOTAL EXPENDITURES	111,730,513	111,730,513	111,730,513	115,552,565	114,901,745	114,901,745	-	3,171,232	2.8%		

FISCAL POLICY & TRENDS

Town Services

EXPENDITURES - Wages & Salaries

The budget for 2016 – 2017 includes contractual increases for union employees (including step increases for police officers) and increases for non union employees. Wages and salaries increased \$430,232 or 3.7%. This represents a combination of wage increases and police step increases as well as some salary adjustments.

Current contracts call for the following increases for unionized full-time employees (***) contract to be negotiated):

Bargaining Unit

	<u>Contract Expiration</u>	<u>Wage Increase</u>
The Newtown Town Hall Employees CSEA, Local 2001 SEIU	June 30, 2018	2.00%
The Newtown Public Works Employees Union, Local 1303-200 of Connecticut Council #4, AFSCME, AFL-CIO	June 30, 2017	2.00%
Newtown Parks & Recreation Department Teamsters Union Local 145	June 30, 2017	1.90%
Newtown Police Union, Local #3153, Council #15, AFSCME, AFL-CIO	June 30, 2017	2.00%
Newtown Emergency Tele-communicator and Police Clerical Local 1303-136 Of Council #4, AFSCME, AFL-CIO	June 30, 2015	***%

Non union employees

The non union employee salaries in this budget reflect an increase of:

2.00%.

FISCAL POLICY & TRENDS

EXPENDITURES - Continued

Fringe Benefits

Fringe benefits increased \$561,674 or 11.2%. Fringe benefits represent the cost of employee health insurance; life insurance; long term disability insurance; pension benefits and the employer's share of social security. These costs are allocated amongst the departments. Medical benefits, the major fringe benefit, have increased by 10.0% due to increased medical claims experience in the medical self-insurance fund. Pension contributions have increased 20.0% due to new mortality tables. Prior to this year the mortality tables were formulated in 2000. The new tables were formulated in 2015.

Insurance

Insurance has increased by \$60,000 or 5.8%. Insurance represents the cost of the liability-auto-property (LAP) and workers' compensation (WC) policies. Insurance costs have increased 10% for the LAP policy due to unfavorable experience in claims. The WC policy has remained the same due to favorable claims experience. The Town (BOS & BOE) works closely with the Connecticut Inter-local Risk Management Agency (CIRMA) to manage our risks.

Board of Finance reduced \$5,000 from unemployment account.

Operating Expenses

Operating expenses have increased by \$48,464 or 0.7%. Operating expenses represent non payroll operating expenditures such as utilities, building maintenance, supplies, contractual services, vehicle maintenance, training and continuing education, fees and professional services, equipment fuel and miscellaneous expenses. Operating expenses have remained relatively the same due to low inflation rates.

Board of Finance reduced \$14,000 in police contractual services; \$73,215 in highway diesel and \$9,298 in building maintenance heating oil.

Capital

Capital has increased by \$401,538 or 15.7%. Capital represents expenditures of items with a useful life of more than one year, such as infrastructure, roads, motor vehicles, construction equipment, computers and office equipment. The increase is mainly due to an increase in the capital roads account in the Highway department of \$250,000. Due to the condition of roads a plan was put into place to increase the capital road account each year by \$250,000 until the account reaches \$2,000,000. 2014-15 was the first fiscal year of this plan. The capital road account request is now at \$1,750,000.

FISCAL POLICY & TRENDS**EXPENDITURES - Continued****Contingency**

The contingency account is established to provide for unforeseen costs that might arise during the year. There are no expenditures in this account, only budget (appropriation) transfers to other budget accounts. The contingency amount for 2016-17 has been decreased due to the fact that all labor contracts have been settled (except for the emergency communicators).

Contributions to Outside Agencies – Town Agencies

Contributions to Town agencies has increased by \$131,448 or 6.2%. This is mainly due to an increase in contributions to the Town Hall Board of Manager's of \$40,000 and to the Cyrenius H. Booth Library of \$70,000. It was determined that both these agencies require the proposed increase to continue same service operations.

Town agencies include: Town Hall Board of Managers; Cyrenius H. Booth Library; Newtown Youth & Family Services; Newtown Health District; Children's Adventure Center and the District Probate Court.

Contributions to Outside Agencies – Other Agencies

Contributions to other agencies have decreased \$10,000 or (11.3%). It has been a practice, over the years, to contribute amounts to certain charitable agencies that also benefit Newtown residents.

FISCAL POLICY & TRENDS

EXPENDITURES - Continued

Board of Education

The BOE proposed budget increased \$2,627,120 or 3.7%. See the BOE budget for details and subsequent budget adjustments starting on page 272.

Board of Finance reduced the education line item by \$350,001.

[BOARD OF EDUCATION BUDGET WEB PAGE](#) (right click – open hyperlink)

Capital Financing – Debt Service

The annual appropriation for debt service is determined by the Town's Capital Improvement Program (CIP). The CIP covering fiscal years 2016 – 2017 thru 2020 – 2021 has planned \$63,113,500 (\$50,934,500 to be bonded) towards Newtown's capital infrastructure over the next five years. While the CIP continues the long term commitment to the Town's capital needs, it also reflects the economic challenges currently facing the Town. The CIP ensures the funding of necessary capital items while keeping the debt service budget at appropriate levels. Debt service has decreased (\$633,112) or (6.6%) mainly due to a large bond issue, relating to the 1995 high school project, being fully paid in 2015-16 . The debt service amount remains well under the 10% budget cap established in the Town debt service policy. See page 284 for the current CIP plan.

Board of Finance reduced bond interest by \$52,750 due to the 3/3/2016 bond sale.

ADOPTED BUDGET SUMMARY

	<u>Board of Finance Recommended Budget March 3, 2016</u>
SUMMARY OF REVENUES & OTHER FINANCING SOURCES:	
PROPERTY TAXES	103,180,717
INTERGOVERNMENTAL	8,917,078
CHARGES FOR SERVICES	2,223,700
INVESTMENT INCOME	200,000
OTHER REVENUES	205,250
OTHER FINANCING SOURCES	175,000
	<u>114,901,745</u>
SUMMARY OF EXPENDITURES & OTHER FINANCING USES:	
BOARD OF SELECTMEN BUDGET:	
GENERAL GOVERNMENT	
SELECTMEN	414,268
SELECTMEN - OTHER	230,295
HUMAN RESOURCES	124,960
TAX COLLECTOR	359,762
PROBATE COURT	7,372
TOWN CLERK	314,045
REGISTRARS	149,151
ASSESSOR	300,099
FINANCE	575,275
TECHNOLOGY DEPARTMENT	659,086
UNEMPLOYMENT	10,000
OPEB CONTRIBUTION	185,531
PROFESSIONAL ORGANIZATIONS	34,744
INSURANCE	1,085,000
LEGISLATIVE COUNCIL	18,000
DISTRICT CONTRIBUTIONS	1,000
SUSTAINABLE ENERGY COMM.	30,916
FAIRFIELD HILLS AUTHORITY	4,499,504
	<u>11,124,230</u>
PUBLIC SAFETY	
EMERGENCY COMMUNICATIONS	6,757,639
POLICE	166,976
ANIMAL CONTROL	1,336,821
FIRE	60,595
EMERGENCY MANAGEMENT/N.U.S.A.R.	47,201
LAKE AUTHORITIES	10,839
N.W. SAFETY COMMUNICATION	270,000
EMERGENCY MEDICAL SERVICES	250
NW CONNECTICUT EMS COUNCIL	9,774,550
	<u>436,000</u>
PUBLIC WORKS	
BUILDING DEPARTMENT	7,238,672
HIGHWAY	789,141
WINTER MAINTENANCE	1,384,221
LANDFILL	786,112
PUBLIC BUILDING MAINTENANCE	10,634,145
	<u>20,732,171</u>

CALCULATION OF TAX LEVY (MILL RATE)

MILL RATE CALCULATION - 2016 / 2017			
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)	b	(11,974,446)
➤	EFFECTIVE ASSESSMENT ON CIRCUIT BREAKER TAX CREDIT OF	b	(4,506,374)
➤	EFFECTIVE ASSESSMENT ON LOCAL CREDITS: NEWTOWN ELDERLY TAX BENEFITS OF (1,650,000 less 170,000 reserved)	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)		101,290,717
➤	TAX LEVY - assuming a tax collection rate of (= billed amount) (Amount to be Raised divided by Collection Rate)	d	102,313,856
➤	MILL RATE = (Tax Levy divided by (Taxable Net Assessment / 1,000))		33.84
	1 MILL =		3,023,012
	PRIOR YEAR MILL RATE =		33.07
	EFFECTIVE TAX (DECREASE) =		2.34%
***	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
	prior yr net assessment (less exemptions)		3,075,109,294
			-0.14%
			0.27%

GRAND LIST OF TAXABLE PROPERTY

TOWN OF NEWTOWN					
2015 GRAND LIST OF TAXABLE PROPERTY - BEFORE BOARD OF ASSESSMENT APPEALS (BAA)					
TYPE OF ACCOUNTS	# OF ACCTS	GROSS ASSESSMENT	TOTAL EXEMPTIONS	TOTAL NET VALUE	
REAL ESTATE REGULAR	10,711	2,703,365,390	9,157,693	2,694,207,697	
REAL ESTATE ELDERLY	283	53,967,540	3,294,783	50,672,757	
TOTAL REAL ESTATE TAXABLE	10,994	2,757,332,930	12,452,476	2,744,880,454	
REAL ESTATE EXEMPT	1,133	284,231,510	284,231,510		
REAL ESTATE TOTALS	12,127	3,041,564,440	296,683,986	2,744,880,454	
PERSONAL PROPERTY	1,782	126,424,127	25,257,892	101,166,235	
MOTOR VEHICLE	26,529	237,924,824	3,100,359	234,824,465	
TOTAL	40,438	3,405,913,391	325,042,237	3,080,871,154	
TOTAL TAXABLE	39,305	3,121,681,881		3,080,871,154	
SUMMARY:					
		TOTAL NET VALUE			
REAL ESTATE REGULAR NET		2,694,207,697			
ELDERLY HOME OWNERS NET		50,672,757			
MOTOR VEHICLE NET		234,824,465			
PERSONAL PROPERTY NET		101,166,235		40,810,727	
TOTAL NET ASSESSMENT		3,080,871,154			
			PRIOR YEAR FINAL #	3,075,109,294	
			% INCREASE	0.19%	

\$2,500,000 added to \$3,080,871,154 for items to be added (total adjusted taxable = \$3,083,371,154)

REVENUE BUDGET SUMMARY

REVENUE TYPE	2013 - 2014	2014 - 2015	2015 - 2016	2015 - 2016	2015 - 2016	2015 - 2016	2016 - 2017	Increase / (Decrease)	Percent Change
	ACTUAL	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	ESTIMATED ACTUAL	REVENUE ESTIMATES		
PROPERTY TAXES	100,427,517	101,013,572	100,999,170	100,999,170	101,215,000	103,180,717	103,180,717	2,181,547	2.2%
INTERGOVERNMENTAL	7,923,845	8,390,130	8,216,543	8,216,543	8,381,721	8,917,078	8,917,078	700,535	8.5%
CHARGES FOR SERVICES	2,074,811	2,050,991	2,162,550	2,162,550	2,183,700	2,223,700	2,223,700	61,150	2.8%
INVESTMENT INCOME	125,132	164,812	125,000	125,000	180,000	200,000	200,000	75,000	60.0%
OTHER REVENUES	136,925	50,014	105,250	105,250	105,250	205,250	205,250	100,000	95.0%
OTHER FINANCING SOURCES	195,608	241,573	122,000	122,000	122,000	175,000	175,000	53,000	43.4%
TOTAL REVENUES & OTHER RESOURCES	110,883,838	111,911,092	111,730,513	111,730,513	112,187,671	114,901,745	114,901,745	3,171,232	2.8%

EXPENDITURE BUDGET SUMMARY

SUMMARY BY FUNCTION & DEPARTMENT												
	2013 - 2014	2014 - 2015	2015 - 2016		ESTIMATED	1st SELECTMAN		2016 - 2017 BUDGET		LC	CHANGE	
			ACTUALS	ACTUALS		ADOPTED	AMENDED	PROPOSED	PROPOSED			RECOMMENDED
	ACTUALS	ACTUALS	ADOPTED	AMENDED	ESTIMATED	PROPOSED	PROPOSED	BOF	BOF	ADOPTED	a - b	
				b			a					
GENERAL GOVERNMENT												
SELECTMEN	448,865	474,008	395,576	395,576	395,576	414,268	414,268	414,268	-	-	18,692	4.7%
SELECTMEN - OTHER	222,425	225,933	229,483	229,483	229,483	230,295	230,295	230,295	-	-	812	0.4%
HUMAN RESOURCES	117,600	119,736	121,274	121,274	121,274	124,960	124,960	124,960	-	-	3,686	3.0%
TAX COLLECTOR	326,127	335,687	338,753	343,409	343,409	359,762	359,762	359,762	-	-	16,353	4.8%
PURCHASING	-	-	-	-	-	-	-	-	-	-	-	-
PROBATE COURT	5,981	8,062	7,000	7,000	7,000	7,372	7,372	7,372	-	-	372	5.3%
TOWN CLERK	291,375	295,987	300,404	302,593	302,593	314,045	314,045	314,045	-	-	11,452	3.8%
REGISTRARS	119,176	132,930	129,349	129,349	129,349	149,151	149,151	149,151	-	-	19,802	15.3%
ASSESSOR	234,382	258,491	261,216	263,524	263,524	300,099	300,099	300,099	-	-	36,575	13.9%
FINANCE	492,809	508,297	514,637	517,347	517,347	575,275	575,275	575,275	-	-	57,928	11.2%
TECHNOLOGY DEPARTMENT	508,802	510,915	568,824	570,051	570,051	659,086	659,086	659,086	-	-	89,035	15.6%
UNEMPLOYMENT	6,761	646	15,000	15,000	15,000	15,000	15,000	10,000	-	-	(5,000)	-33.3%
OPEB CONTRIBUTION	155,197	257,405	177,755	177,755	177,755	185,531	185,531	185,531	-	-	7,776	4.4%
PROFESSIONAL ORGANIZATIONS	34,744	34,593	34,593	34,744	34,744	34,744	34,744	34,744	-	-	-	0.0%
INSURANCE	979,278	973,574	1,010,000	1,025,000	1,025,000	1,085,000	1,085,000	1,085,000	-	-	60,000	5.9%
LEGISLATIVE COUNCIL	44,500	44,500	46,500	46,500	46,500	-	-	-	-	-	(46,500)	-100.0%
DISTRICT CONTRIBUTIONS	6,450	9,810	15,000	15,000	15,000	18,000	18,000	18,000	-	-	3,000	20.0%
SUSTAINABLE ENERGY COMM	5,000	4,999	5,000	5,000	5,000	1,000	1,000	1,000	-	-	(4,000)	-80.0%
FAIRFIELD HILLS AUTHORITY	56,888	27,640	28,058	28,058	28,058	30,916	30,916	30,916	-	-	2,858	10.2%
	4,056,360	4,223,212	4,198,422	4,226,663	4,226,663	4,504,503	4,504,503	4,499,504	-	-	272,841	6.5%

SUMMARY BY FUNCTION & DEPARTMENT													
	2013 - 2014 ACTUALS	2014 - 2015 ACTUALS	2015 - 2016 ADOPTED	2015 - 2016 AMENDED	ESTIMATED	2016 - 2017 BUDGET			LC	CHANGE			
						1st SELECTMAN	BOS	PROPOSED		RECOMMENDED	ADOPTED	\$	%
						PROPOSED	PROPOSED	PROPOSED		a		a-b	
PUBLIC SAFETY													
EMERGENCY COMMUNICATIONS	1,015,818	1,024,629	1,071,517	1,071,517	1,071,517	1,124,230	1,124,230	1,124,230	-	-	52,713	4.9%	
POLICE	6,114,368	6,376,075	6,314,259	6,405,336	6,405,336	6,771,639	6,771,639	6,757,639	-	-	352,303	5.5%	
ANIMAL CONTROL	152,348	155,806	159,841	160,629	160,629	166,976	166,976	166,976	-	-	6,347	4.0%	
FIRE	1,211,950	1,218,654	1,253,597	1,271,131	1,271,131	1,336,821	1,336,821	1,336,821	-	-	65,690	5.2%	
EMERGENCY MANAGEMENT/N.U.S.A.R.	47,045	52,093	60,565	60,565	60,565	60,595	60,595	60,595	-	-	30	0.0%	
LAKE AUTHORITIES	50,393	49,778	49,153	49,153	49,153	47,201	47,201	47,201	-	-	(1,952)	-4.0%	
N.W. SAFETY COMMUNICATION	9,783	10,796	10,000	10,000	10,000	10,839	10,839	10,839	-	-	839	8.4%	
EMERGENCY MEDICAL SERVICES	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000	-	-	-	0.0%	
NW CONNECTICUT EMS COUNCIL	-	-	250	250	250	250	250	250	-	-	-	0.0%	
BUILDING DEPARTMENT	383,589	381,920	407,390	411,389	411,389	436,000	436,000	436,000	-	-	24,611	6.0%	
	9,255,294	9,539,751	9,596,572	9,709,970	9,709,970	10,224,549	10,224,549	10,210,549	-	-	500,579	5.2%	
PUBLIC WORKS													
HIGHWAY	6,315,739	6,915,185	6,870,001	6,912,751	6,912,751	7,311,887	7,311,887	7,238,672	-	-	325,921	4.7%	
WINTER MAINTENANCE	913,382	1,005,540	735,531	735,531	735,531	789,141	789,141	789,141	-	-	53,610	7.3%	
TRANSFER STATION	1,327,162	1,327,856	1,471,478	1,474,864	1,474,864	1,384,221	1,384,221	1,384,221	-	-	(90,643)	-6.1%	
PUBLIC BUILDING MAINTENANCE	810,397	738,347	783,341	785,194	785,194	795,410	795,410	786,112	-	-	918	0.1%	
	9,366,680	9,986,928	9,860,351	9,908,340	9,908,340	10,280,658	10,280,658	10,198,145	-	-	289,805	2.9%	
HEALTH AND WELFARE													
SOCIAL SERVICES	138,621	141,501	144,112	184,464	184,464	316,169	316,169	316,169	-	-	131,705	71.4%	
SENIOR SERVICES	294,636	312,837	314,627	315,314	315,314	329,605	329,605	329,605	-	-	14,291	4.5%	
NEWTOWN HEALTH DISTRICT	375,962	384,518	383,555	383,555	383,555	395,988	395,988	395,988	-	-	12,433	3.2%	
NEWTOWN YOUTH & FAMILY SERVICES	296,528	298,368	298,368	298,368	298,368	302,526	302,526	302,526	-	-	4,158	1.4%	
CHILDREN'S ADVENTURE CENTER	135,647	142,745	143,754	143,754	143,754	142,332	142,332	142,332	-	-	(1,422)	-1.0%	
OUTSIDE AGENCY CONTRIBUTIONS	242,521	88,585	88,842	88,842	88,842	78,842	78,842	78,842	-	-	(10,000)	-11.3%	
	1,483,915	1,368,554	1,373,258	1,414,297	1,414,297	1,565,462	1,565,462	1,565,462	-	-	151,165	10.7%	

SUMMARY BY FUNCTION & DEPARTMENT												
	2013 - 2014		2014 - 2015		2015 - 2016			2016 - 2017 BUDGET			CHANGE	
	ACTUALS	ACTUALS	ACTUALS	ADOPTED	AMENDED	ESTIMATED	PROPOSED	RECOMMENDED	LC	ADOPTED	\$	%
					b				a		a - b	
PLANNING												
LAND USE	720,127	673,894	675,316	679,846	679,846	679,846	708,809	708,809	-	28,963	4.3%	
ECONOMIC & COMMUNITY DEVELOPMENT	144,825	117,302	73,683	73,683	73,683	73,683	76,096	76,096	-	2,413	3.3%	
GRANTS ADMINISTRATION	-	-	23,008	23,008	23,008	23,008	25,401	25,401	-	2,393		
NW CONSERVATION DISTRICT	1,500	1,500	1,500	1,500	1,500	1,500	1,040	1,040	-	(460)	-30.7%	
	866,452	792,696	773,507	778,037	778,037	778,037	811,346	811,346	-	33,309	4.3%	
RECREATION & LEISURE												
PARKS AND RECREATION	2,139,184	2,263,018	2,331,472	2,333,891	2,333,891	2,333,891	2,447,273	2,447,273	-	113,382	4.9%	
LIBRARY	1,123,196	1,154,379	1,209,979	1,209,979	1,209,979	1,209,979	1,281,089	1,281,089	-	71,110	5.9%	
NEWTOWN CULTURAL ARTS COMM	4,967	2,824	2,500	2,500	2,500	2,500	2,500	2,500	-	-	0.0%	
NEWTOWN PARADE COMMITTEE	1,090	1,000	1,000	1,515	1,515	1,515	1,000	1,000	-	(515)	-34.0%	
	3,268,437	3,421,221	3,544,951	3,547,885	3,547,885	3,547,885	3,731,861	3,731,861	-	183,976	5.2%	
CONTINGENCY												
CONTINGENCY	-	-	350,000	111,869	111,869	111,869	200,000	200,000	-	88,131	78.8%	
DEBT SERVICE												
DEBT SERVICE	10,058,924	10,306,272	10,110,702	10,110,702	10,110,702	10,110,702	9,447,590	9,394,840	-	(715,862)	-7.1%	
OTHER FINANCING USES												
TOWN HALL BOARD OF MANAGERS	140,556	99,567	84,804	84,804	84,804	84,804	129,973	129,973	-	45,169	53.3%	
RESERVE FOR CAP & NON-REC. EXP.	250,000	150,000	250,000	250,000	250,000	250,000	295,000	295,000	-	45,000	18.0%	
TRANSFER OUT - TO OTHER FUNDS	239,470	55,000	-	-	-	-	-	-	-	-		
	630,026	304,567	334,804	334,804	334,804	334,804	424,973	424,973	-	90,169	26.9%	
TOTAL BOARD OF SELECTMEN BUDGET	38,986,088	39,943,200	40,142,567	40,142,567	40,142,567	40,142,567	41,190,942	41,036,680	-	894,113	2.2%	
EDUCATION												
BOARD OF EDUCATION	71,045,304	71,345,304	71,587,946	71,587,946	71,587,946	71,587,946	74,361,623	74,215,066	-	2,277,119	3.2%	
	110,031,392	111,288,504	111,730,513	111,730,513	111,730,513	111,730,513	115,552,565	114,901,745	-	3,171,232	2.8%	
GRAND TOTAL												

REVENUE BUDGET DETAIL

REVENUE TYPE / ACCOUNT	2013 - 2014	2014 - 2015	2015 - 2016	2015 - 2016	2015 - 2016	2016 - 2017	Increase / (Decrease)	Percent Change
	ACTUAL	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	ESTIMATES A		
PROPERTY TAXES								
CURRENT YEAR TAXES	98,499,932	99,143,397	99,114,170	99,114,170	99,200,000	101,290,717	2,176,547	2.2%
PRIOR YEAR TAXES	436,966	485,296	450,000	450,000	550,000	475,000	25,000	5.6%
INTEREST AND LIEN FEES	581,696	423,482	475,000	475,000	475,000	475,000	-	0.0%
SUPPLEMENTAL MOTOR VEHICLE TAXES	841,982	898,411	875,000	875,000	925,000	875,000	-	0.0%
TELECOMM. PROPERTY TAX	66,941	62,986	85,000	85,000	65,000	65,000	(20,000)	-23.5%
	100,427,517	101,013,572	100,999,170	100,999,170	101,215,000	103,180,717	2,181,547	2.2%
INTERGOVERNMENTAL								
ELD. TAX RELIEF - CIRCUIT BR.	156,866	149,044	149,044	149,044	151,508	142,796	(6,248)	-4.2%
IN LIEU OF TAX-ST OWNED PROP	812,386	946,060	877,156	877,156	717,794	738,994	(138,162)	-15.8%
VETERANS ADD'L EXEM	17,306	15,993	15,992	15,992	18,949	18,949	2,957	18.5%
TOTALLY DISABLED	2,143	1,931	1,930	1,930	1,947	1,947	17	0.9%
TOWN AID FOR ROADS	470,723	469,220	469,220	469,220	469,996	469,996	776	0.2%
MASHANTUCKET PEQUOT	796,498	952,649	939,179	939,179	969,137	913,492	(25,687)	-2.7%
CT SCHOOL BUILDING GRANTS	579,742	555,937	533,604	533,604	533,604	92,421	(441,183)	-82.7%
MISCELLANEOUS STATE / FEDERAL GRANTS	92,105	342,033	191,812	191,812	191,812	50,000	(141,812)	-73.9%
LOCIP GRANTS	208,255	206,062	207,562	207,562	207,668	207,668	106	0.1%
GRANTS FOR MUNICIPAL PROJECTS	221,366	221,366	235,371	235,371	235,371	235,371	-	0.0%
MUNICIPAL REVENUE SHARING (ADD'L SALES TAX)	-	-	-	-	-	824,747	824,747	
MOTOR VEHICLE PROPERTY TAX GRANTS	-	-	-	-	-	335,300	335,300	
EDUCATION COST SHARING GRANT	4,436,925	4,398,056	4,441,264	4,441,264	4,757,982	4,757,982	316,718	7.1%
PUBLIC SCHOOL TRANSPORT	85,470	79,452	95,450	95,450	84,295	82,318	(13,132)	-13.8%
NON-PUB SCHOOL TRANSPORT	20,917	28,718	35,350	35,350	15,301	20,255	(15,095)	-42.7%
HEALTH SERVICES - ST. ROSE	23,143	23,609	23,609	23,609	26,357	24,841	1,232	5.2%
	7,923,845	8,390,130	8,216,543	8,216,543	8,381,721	8,917,078	700,535	8.5%

REVENUE BUDGET DETAIL (-CONTINUED-)

REVENUE TYPE / ACCOUNT	2013 - 2014	2014 - 2015	2015 - 2016	2015 - 2016	2015 - 2016	2016 - 2017	Increase /	Percent Change
	ACTUAL	ACTUAL	ADOPTED BUDGET	AMENDED BUDGET	ESTIMATED ACTUAL	REVENUE ESTIMATES A	(Decrease) A - B	
CHARGES FOR SERVICES								
SENIOR CTR MEMBER FEES	5,308	6,251	4,000	4,000	5,000	5,000	1,000	25.0%
TOWN CLERK CONVEYANCE	391,871	445,248	450,000	450,000	450,000	450,000	-	0.0%
TOWN CLERK - OTHER	229,776	227,345	225,000	225,000	225,000	225,000	-	0.0%
WATER/SEWER CHARGES FOR SERVICES	120,000	120,000	120,000	120,000	120,000	120,000	-	0.0%
POLICE RECRUITMENT	-	-	-	-	-	-	-	-
PARKS AND RECREATION	231,415	199,957	210,000	210,000	210,000	210,000	-	0.0%
TUITION	16,439	44,000	44,000	44,000	31,500	31,500	(12,500)	-28.4%
SCHOOL ACTIVITY FEES	113,256	113,216	113,300	113,300	105,950	105,950	(7,350)	-6.5%
BUILDING	460,936	450,219	500,000	500,000	550,000	550,000	50,000	10.0%
PERMIT FEES	1,800	2,025	1,250	1,250	1,250	1,250	-	0.0%
TRANSFER STATION FEES	461,293	361,562	425,000	425,000	425,000	465,000	40,000	9.4%
LAND USE	42,717	81,168	70,000	70,000	60,000	60,000	(10,000)	-14.3%
	2,074,811	2,050,991	2,162,550	2,162,550	2,183,700	2,223,700	61,150	2.8%
INVESTMENT INCOME								
INTEREST ON INVESTMENTS	125,132	164,812	125,000	125,000	180,000	200,000	75,000	60.0%
OTHER REVENUES								
POLICE MISC REVENUE	25,551	18,303	3,000	3,000	3,000	3,000	-	0.0%
MISCELLANEOUS REVENUE	101,756	29,401	100,000	100,000	100,000	200,000	100,000	100.0%
MISCELLANEOUS REVENUE BOE	9,618	2,310	2,250	2,250	2,250	2,250	-	0.0%
	136,925	50,014	105,250	105,250	105,250	205,250	100,000	95.0%
OTHER FINANCING SOURCES								
TRANSFER IN	103,627	225,228	122,000	122,000	122,000	175,000	53,000	43.4%
OTHER	91,981	16,345	-	-	-	-	-	-
TOTAL REVENUES & OTHER FINANCING SOURCES	110,883,838	111,911,092	111,730,513	111,730,513	112,187,671	114,901,745	3,171,232	2.8%

BUDGET ADJUSTMENTS

**BOARD OF SELECTMEN
BOARD OF FINANCE
LEGISLATIVE COUNCIL**

TOWN OF NEWTOWN				
2016 - 2017 BUDGET - BOARD OF FINANCE RECOMMENDED ADJUSTMENTS				
	2016-2017 BUDGET BOS / BOE	BOARD OF FINANCE ADJUSTMENTS	2016-2017 BUDGET BOARD OF FINANCE RECOMMENDED	COMMENTS
<u>FUNCTION / DEPARTMENT / ACCOUNT</u>	<u>PROPOSED</u>	<u>ADJUSTMENTS</u>	<u>RECOMMENDED</u>	<u>COMMENTS</u>
3/3/2016				
GENERAL GOVERNMENT				
UNEMPLOYMENT - UNEMPLOYMENT COMPENSATION	15,000	(5,000)	10,000	REDUCED ACCORDING TO PRIOR HISTORY
PUBLIC SAFETY				
POLICE - CONTRACTUAL SERVICES	103,475	(14,000)	89,475	REDUCED TRAFFIC ENGINEERING/CONSULTING
PUBLIC WORKS				
HIGHWAY - ENERGY - GASOLINE	330,650	(73,215)	257,435	PER 2/25/2016 DIESEL BID
PUBLIC BLDG MAINT - ENERGY - OIL	94,156	(9,298)	84,858	PER 2/25/2016 HEATING OIL BID
DEBT SERVICE				
DEBT SERVICE - BOND INTEREST	2,456,052	(52,750)	2,403,302	PER 3/3/2016 BOND SALE
EDUCATION				
EDUCATION LINE ITEM	74,215,066	(350,001)	73,865,065	LINE ITEM REDUCTION (2/25/2016 DIESEL BID RESULTED IN \$113,801 IN SAVINGS. \$20,000 IN ENERGY - GAS SAVINGS HAVE BEEN IDENTIFIED. OTHER ITEMS WERE DISCUSSED).
TOTAL ADJUSTMENTS 03/3/2016		(504,264)		
REVENUES				
TRANSFER STATION PERMITS	425,000	40,000	465,000	INCREASES TRANSFER STATION PERMITS BY \$10 (FROM \$90 TO \$100)

Current Pension Investment Portfolio



Fund/Manager	Market Value	% of Portfolio	Expense Ratio
Cash & Equivalents			
Cash & Equivalents in Fixed Income Account	\$65,615	0.2%	-
Cash & Equivalents in Mutual Fund Account	\$77,892	0.2%	-
Cash & Equivalents Subtotal	\$143,507	0.4%	
Fixed Income			
U.S. Government Bonds	\$116,210	0.3%	-
Municipal Bonds	\$120,272	0.3%	-
Asset Backed Securities	\$450,536	1.3%	-
Corporate Bonds	\$11,279,154	32.2%	-
Fixed Income Subtotal	\$11,966,172	34.1%	
Domestic Equity			
Vanguard S&P 500 ETF	\$1,289,817	3.7%	0.05%
Doubleline Shiller Enhanced Cape Fund	\$1,986,929	5.7%	0.62%
Matthew 25 Fund	\$719,695	2.1%	1.06%
Skybridge Dividend Value I	\$2,997,264	8.5%	1.00%
Nuveen Concentrated Core I	\$1,227,099	3.5%	0.96%
Lazard US Equity Concentrated Open	\$3,054,603	8.7%	1.25%
Eaton Vance Focused Growth Opps I	\$1,731,641	4.9%	0.84%
PowerShares QQQ ETF	\$704,718	2.0%	0.20%
Smith Group Large Cap Core Growth	\$939,219	2.7%	0.79%
Prudential Jennison Global Opps Z	\$1,303,566	3.7%	1.15%
Vanguard Mid-Cap ETF	\$708,649	2.0%	0.09%
Principal Mid Cap Fund I	\$1,158,330	3.3%	0.67%
Eagle Mid Cap Growth Fund Class I	\$1,398,349	4.0%	0.82%
Vanguard Small-Cap ETF	\$362,346	1.0%	0.09%
Hartford Small Cap Growth I	\$819,256	2.3%	1.36%
Domestic Equity Subtotal	\$20,401,482	58.2%	
International Equity			
Federated International Leaders Fund I	\$1,893,623	5.4%	0.99%
Vanguard FTSE Developed Markets	\$91,800	0.3%	0.09%
International Equity Subtotal	\$1,985,423	5.7%	
Other Assets			
Vanguard REIT ETF	\$117,602	0.3%	0.12%
Vanguard Health Care ETF	\$465,744	1.3%	0.09%
Other Assets Subtotal	\$583,346	1.7%	
Total Pension Portfolio	\$35,079,930	100.0%	0.54%

Source of Expense Ratios: Morningstar

- The fixed income portfolio is entirely composed of individual bonds.
- 98% of the individual bonds are corporate credit.
- The domestic equity portfolio is overly diversified with 15 mutual funds/ETFs across \$20.4 Million.
- The large cap sector of the domestic equity portfolio has ten different funds.
- The majority of the large cap investments are active strategies, whereas passive strategies could provide broad market exposure at a very low cost.
- There are five different investments in the small and mid cap space ranging from \$380,000 to \$1.4 million in assets.
- The international equity portfolio comprises only 5.7% of the total portfolio, and 8.6% of the equity portfolio.
- There is no emerging markets exposure in the international equity portfolio.
- There are two ETFs in the portfolio focused on specific sectors of the equity markets (one REIT and one health care ETF).

Proposed Pension Portfolio



Fund/Manager	Asset Class	Target	Expense Ratio
Prudential Total Return Q	Core Fixed Income	10.0%	0.46%
Western Asset Core Plus IS	Core Fixed Income	10.0%	0.43%
BlackRock Strategic Income Opportunities I	Nontraditional Fixed Income	7.5%	0.64%
Legg Mason BW Global Opps IS	Global Fixed Income	<u>5.0%</u>	0.58%
Fixed Income Subtotal		32.5%	
Vanguard Institutional Index I (S&P 500)	Large Cap Blend	22.0%	0.04%
Vanguard Mid Cap Index Adm	Mid Cap Blend	5.0%	0.09%
Boston Partners Small Cap Value II I	Small Cap Value	2.5%	1.10%
Nationwide Geneva Small Cap Growth InSvc	Small Cap Growth	<u>2.5%</u>	1.16%
Domestic Equity Subtotal		32.0%	
Causeway International Value I	International Large Cap Value	12.0%	0.90%
Oppenheimer International Growth I	International Large Cap Growth	12.0%	0.70%
Harding Loevner Inst Emerging Markets I	Emerging Markets	<u>4.0%</u>	1.30%
International Equity Subtotal		28.0%	
Cornerstone Patriot Fund	Direct Real Estate	<u>5.0%</u>	1.05%
Real Estate Subtotal		5.0%	
Van Eck Global Hard Assets I	Natural Resources	2.5%	1.00%
Natural Resources Subtotal		2.5%	
TOTAL PORTFOLIO		100.0%	0.56%

- These managers are well diversified across the fixed income space.
- Large cap domestic equity exposure is achieved via a low cost passive approach.
- Active management is utilized in the less efficient small cap space.
- The international equity portfolio is well diversified across developed and emerging markets.
- The Cornerstone Patriot fund is a private real estate fund with low correlation to traditional assets classes.
- A modest allocation to natural resources equities provides additional diversification.

Source of expense ratios: Morningstar.

*The proposed portfolio lineup is subject to adjustments based on fund and share class availability at the chosen custodian.

Custody/Trust Services - Fee Matrix



	People's Bank	Webster Bank	Wells Fargo
Asset Based Fee Schedule	0.03% on all Assets	First \$5 MM: 0.13% Next \$5 MM: 0.10% Next \$15 MM: 0.08% Next 25MM+: 0.06%	0.02% on all assets
\$ Equivalent (Based on \$37MM portfolio)	\$11,100 (Minimum Annual Fee Applies)	\$30,700	\$7,400
Min. Annual Fee**	\$12,000	\$10,000	\$10,000
Account Related Fees	Does not apply	Does not apply	Statement Accounting & Reporting: \$1,500 (750 per account)
Estimated Monthly Pension Payment Costs	\$3.00 per pension payment, approximately 130 payments per month \$4,680 per year	\$2.75 per pension payment, approximately 130 payments per month \$4,290 per year	\$2.49 per pension payment, approximately 130 payments per month \$3,884 per year
Total Annual Custodial Fee (estimated)	\$16,680	\$22,710*	\$12,784
Other Fees	Mutual Fund Trades: \$15 each Lump sum Distributions: \$25 per payment	Mutual Fund Trades: No Charge Lump sum distributions: \$30 Wire Transfers: No charge if infrequent	Lump Sum Distributions: \$10 per payment Mutual Fund Settlements: \$15 each Outgoing Wires: \$10 each

*Webster Bank lowers their asset based fee by 40% (does not include pension payment costs).

**The \$12,000 minimum annual fee for People's Bank is based only on the asset based fee of \$11,100 and therefore applies. However, the \$10,000 minimum annual fee for Wells Fargo is based on the total estimated annual fee and therefore does not apply.

Assumptions: Two plans; \$37 million total; 130 monthly benefit payments

Fee Analysis of Total Plan



Current Plan

Combined Pension & OPEB Fee Analysis		Market Value	Expense Ratio	Fee Amount
Westport Resources Managerial Fee*:		First \$8,000,000	0.60% per annum	\$48,000
		Remaining Balance: \$28,732,196	0.50% per annum	\$143,661
Westport Resources Weighted Avg. Expense Ratio/ Total Fee Amount			0.52%	\$191,661
Fiduciary Investment Advisors Fee¹			0.10%	\$35,000
Newtown Pension: Underlying Investment Manager Fees		\$35,079,930	0.54%	\$189,617
Newtown OPEB: Underlying Investment Manager Fees		\$1,652,265	0.55%	\$9,127
Underlying Investment Managers Weighted Avg. Expense Ratio/ Total Fee Amount			0.54%	\$198,744
Total Estimated Pension & OPEB Annual Fees:		\$36,732,195	1.16%	\$425,405

*Pension and OPEB assets are aggregated for fee purposes so that the higher 0.60% rate is not applied to both the OPEB and pension plans.

Proposed Plan

Combined Pension & OPEB Fee Analysis		Market Value	Expense Ratio	Fee Amount
Fiduciary Investment Advisors Fee¹			0.10%	\$35,000
Newtown Pension: Underlying Investment Manager Fees		\$35,079,930	0.56%	\$196,448
Newtown OPEB: Underlying Investment Manager Fees		\$1,652,265	0.08%	\$1,322
Underlying Investment Managers Weighted Avg. Expense Ratio/ Total Fee Amount			0.54%	\$197,769
Total Estimated Pension & OPEB Annual Fees:		\$36,732,195	0.64%	\$232,769

¹The Fiduciary Investment Advisors Fee is a flat fee of \$35,000, not based on market value of plan assets. However, given the current market value, the fee translates to 10 basis points.

NOTE: Current and proposed custodial fees are not included in the estimated annual fees. The custodian for the proposed lineup has not yet been decided.

NEWTOWN MUNICIPAL CENTER
3 PRIMROSE STREET
NEWTOWN, CONNECTICUT 06470
TEL. (203) 270-4281
Email betsy.paynter@newtown-ct.gov



Betsy Paynter
ECONOMIC DEVELOPMENT COOR.

TOWN OF NEWTOWN
NEWTOWN ECONOMIC DEVELOPMENT

DATE: March 3, 2016
TO: E. Patricia Llodra, First Selectman
FROM: Betsy Paynter, Economic Development Coordinator
RE: Business Incentive Program Application – Amy Villmer for Tractor Supply Company –
116 South Main Street, Newtown, CT

Amy Villmer, Tax & Credits with Tractor Supply Company, has filed a Business Tax Incentive application for a planned agriculture retail store located at 116 South Main Street.

Tractor Supply Company has proposed to construct a 19,097 square foot agricultural retail store including an outside, fenced in display area. The retail store would sell items such as hardware, tools, fencing, clothing, boots, seasonal products, lawn care, power equipment and small animal products.

The addition of The Tractor Supply Company would enhance Newtown's retail corridor along Route 25/South Main Street. Local businesses and residents would be able to purchase items which do not exist in Newtown today. The applicant estimates approximately 15 new permanent jobs will be created locally as a result of this project.

The development will add value to the existing real property which is currently assessed at \$223,080 with a tax bill of \$7,377. After an estimated \$2,193,800 development investment, the real property value can potentially increase to approximately \$3,358,380. The estimated tax, with the current mill rate, would be approximately \$111,062 annually. The personal property investment is estimated at approximately \$347,000.

The EDC has determined this project eligible under the Business Incentive Program (BIP). On December 15, 2015, the EDC recommended this approval.

Using the program schedule, 54% of the increase in assessment may be forgiven for a period of three years. This includes a 45% abatement plus 1.20 multiplier for personal property investment. Should the real property assessment increase by approximately \$3,135,300, the tax abatement would be approximately \$55,990 annually over three years.

CC: Bob Rau, EDC
bp

GRANTS UPDATE - PLANNING DEPT. BOARD OF SELECTMEN

MARCH 7, 2016





GRANTS UPDATE MARCH 7, 2016

Planning Department Grants

- **Focus:**
 - Brownfields - a property where the reuse may be complicated by the presence or potential presence of a hazardous substance(s);
 - Infrastructure – streetscape, water / sewer upgrades;
 - Fairfield Hills related projects;
 - Support of other group's applications as directed



GRANTS UPDATE MARCH 7, 2016

Active Grant Projects

<u>Project</u>	<u>Funding Source</u>
• Batchelder Cleanup (44 Swamp Road)	CT DECD (\$150,000)
• Batchelder HBMA (44 Swamp Road)	VCOG (\$8,600)
• Transportation Enhancement (sidewalks)	CT DOT (\$723,200)
• Open Space Acquisition	DEEP (\$110,000)



GRANTS UPDATE MARCH 7, 2016

Active Grant Projects

<u>Project</u>	<u>Funding Source</u>
• 28A Glen Road HBMA	VCOG (\$5,340)
• 28A Phase I and Phase II	VCOG (\$50,244)
• Municipal Brownfield Assessment (FH)	CT DECD (\$200,000)
• Renovation of Duplex #63	CT DSS (\$500,000)
• 7 Glen Road HBMA, Phase I and Phase II	VCOG (\$50,884)

RECEIVED
MARCH 10 2016
TOWN OF NEWTON



GRANTS UPDATE MARCH 7, 2016

Active Grant Projects

<u>Project</u>	<u>Funding Source</u>
• Fairfield Hills Streetscape	CT OPM / DECD (STEAP) (\$500,000)
• Neglected Cemetery – Bradley	CT OPM (\$1,380)



GRANTS UPDATE MARCH 7, 2016

Pending Grant Applications

<u>Project</u>	<u>Funding Source</u>
<ul style="list-style-type: none">• Victim Assistance Grant	State of CT Judicial Branch Purchasing Office / State of CT Judicial Branch Office of Victim Services (\$442,434 per year, potentially up to three years)
<ul style="list-style-type: none">• EPA Cleanup Grant – Shelton House	EPA (\$200,000)
<ul style="list-style-type: none">• EPA Cleanup Grant – Plymouth Hall	EPA (\$200,000)
<ul style="list-style-type: none">• EPA Cleanup Grant – Norwalk Hall	EPA (\$200,000)
<ul style="list-style-type: none">• Cleanup Grant – 28A Glen Road	VCOG (\$200,000)

CERTIFIED RESOLUTION

WHEREAS, pursuant to Connecticut General Statutes, Section 4-66g, the Connecticut Office of Policy and Management is authorized to extend financial assistance for economic development projects; and

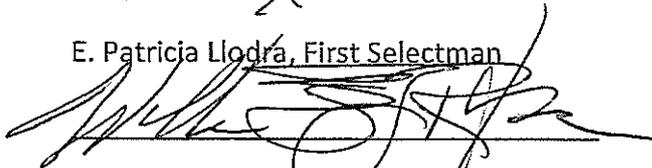
WHEREAS, it is desirable and in the public interest that the Town of Newtown enter into an agreement with the State of Connecticut for a \$500,000 Small Town Economic Assistance Program (STEAP) grant in order to undertake a project to design and construct improvements and/or additions to the infrastructure and streetscape at the Fairfield Hills Campus.

NOW THEREFORE, BE IT RESOLVED by the Newtown Board of Selectmen:

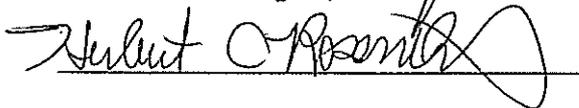
1. That it is cognizant of the conditions and prerequisites for the State Assistance imposed by Connecticut General Statutes 4-66g;
2. That the acceptance of State financial assistance by the Town of Newtown in an amount not to exceed \$500,000 is hereby approved and that E. Patricia Llodra, First Selectman is directed to execute an agreement with the Connecticut Office of Policy and Management, to provide such additional information, to execute such other documents as may be required, to execute any amendments, decisions and revisions thereto, and to act as the authorized representative of the Town of Newtown, Connecticut.



E. Patricia Llodra, First Selectman



William F. L. Rodgers, Selectman



Herbert C. Rosenthal, Selectman

Certified a true copy of a resolution duly adopted by the Town of Newtown, Connecticut at a meeting of its Board of Selectmen on March 7, 2016 and which has not been rescinded or modified in any way.

Date

Debbie A. Halstead, Town Clerk

CERTIFIED RESOLUTION

WHEREAS, the State of Connecticut Department of Transportation is authorized to extend financial assistance for this grant; and

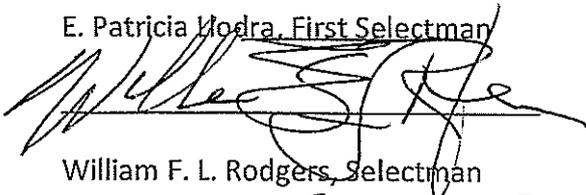
WHEREAS, it is desirable and in the public interest that the Town of Newtown make an application to the State for an up to \$723,200 CT Transportation Enhancement Program grant 96-202 for the purpose of installing sidewalks from Glover Avenue to Wasserman Way, continuing to the traffic light at the intersection of Wasserman Way and Trades Lane.

NOW THEREFORE, BE IT RESOLVED by the Newtown Board of Selectmen:

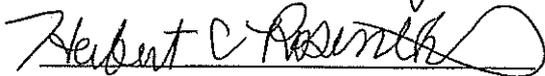
That the acceptance of financial assistance by The Town of Newtown in an amount not to exceed \$723,200 is hereby approved and that E. Patricia Llodra, First Selectman is directed to execute and file such an application with the Connecticut Department of Transportation, to provide such additional information, to execute such other documents as may be required, with the State of Connecticut for State financial assistance if such an agreement is offered, to execute any amendments, decisions and revisions thereto, and to act as the authorized representative of the Town of Newtown, Connecticut.



E. Patricia Llodra, First Selectman



William F. L. Rodgers, Selectman



Herbert C. Rosenthal, Selectman

Certified a true copy of resolution duly adopted by the Town of Newtown, Connecticut at a meeting of its Board of Selectmen on March 7, 2016 and which has not been rescinded or modified in any way. Debbie A. Halstead _____

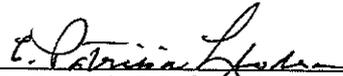
CERTIFIED RESOLUTION

WHEREAS, the State of Connecticut Office of Policy and Management has the capacity to extend financial assistance for this Neglected Cemetery Account Grant Program under Section 19a-308 of the Connecticut General Statutes (CGS); and

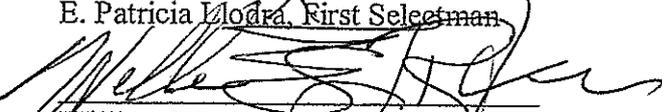
WHEREAS, it is desirable and in the public interest that the Town of Newtown enter into an agreement with the State of Connecticut for a \$1,380 grant for the Bradley Cemetery cleanup project;

NOW THEREFORE, BE IT RESOLVED by the Newtown Board of Selectmen:

1. That is cognizant of the conditions and prerequisites for the State Assistance imposed by C.G.S. 19a-308.
2. That the acceptance of State financial assistance by The Town of Newtown in an amount not to exceed \$1,380 is hereby approved and that E. Patricia Llodra, First Selectman is directed to execute an agreement with the Connecticut Office of Policy and Management, to provide such additional information, to execute such other documents as may be required, to execute any amendments, decisions and revisions thereto, and to act as the authorized representative of the Town of Newtown, Connecticut.



E. Patricia Llodra, First Selectman



William F.L. Rodgers, Selectman



Herbert C. Rosenthal, Selectman

Certified a true copy of a resolution duly adopted by the Town of Newtown, Connecticut at a meeting of its Board of Selectmen on March 7, 2016 and which has not been rescinded or modified in any way.

Date

Debbie A. Halstead, Town Clerk

RESOLUTION PROVIDING FOR A SPECIAL APPROPRIATION IN THE AMOUNT OF \$904,000 FOR THE PLANNING, DESIGN, ENGINEERING, AND CONSTRUCTION OF PEDESTRIAN SIDEWALK IMPROVEMENTS PROJECT AND AUTHORIZING THE ISSUANCE OF \$150,000 BONDS (CALCULATED AS \$904,000 MINUS \$723,200 IN STATE AND FEDERAL GRANTS MINUS \$30,800 IN LOCAL SOURCES) OF THE TOWN TO MEET SAID SPECIAL APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

RESOLVED:

Section 1. The sum of \$904,000 is a special appropriation made pursuant to Chapter 6, Section 6-30 (a), (b) and (c) of the Town Charter of the Town of Newtown (the "Town") for the planning, design, engineering and construction of pedestrian sidewalk improvements, including, but not limited to 5,900 LF feet of new ADA compliant sidewalk along South Main Street between Glover Avenue and Mile Hill Road; and along Mile Hill Road between South Main Street and Trades Lane, and for administrative, financing, legal and costs of issuance related thereto (collectively, the "Project"), said appropriation to be inclusive of any and all State and Federal grants-in-aid thereof.

Section 2. To meet said appropriation, \$150,000 bonds of the Town, or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the maximum maturity permitted by the General Statutes of the State of Connecticut, as amended from time to time (the "Connecticut General Statutes"). The bonds may be issued in one or more series as determined by the Financial Director, and the amount of bonds of each series to be issued shall be fixed by the Financial Director, in the amount necessary to meet the Town's share of the cost of the Project determined after considering the estimated amount of State and Federal grants-in-aid of the Project, or the actual amount thereof if this be ascertainable, and the anticipated times of the receipt of the proceeds thereof, provided that the total amount of bonds to be issued shall not be less than an amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of the bonds outstanding at the time of the issuance thereof, and to pay for the costs of issuance of such bonds. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, be issued in fully registered form, be executed in the name and on behalf of the Town by the facsimile or manual signatures of the First Selectman and the Financial Director, bear the Town seal or a facsimile thereof, be certified by a bank or trust company, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company, and be approved as to their legality by Robinson & Cole LLP, Attorneys-at-Law, of Hartford, Connecticut. The bonds shall be general obligations of the Town and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount of the bonds of each series to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds including approval of the rate or rates of interest shall be determined by the First Selectman and the Financial Director, in accordance with the Connecticut General Statutes.

Section 3. Said bonds shall be sold by the First Selectman and the Financial Director in a competitive offering and the bonds shall be sold at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. To the extent required by the Charter of the Town of Newtown, bids shall be solicited from at least three lending institutions. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale shall be published at least five days

in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds.

Section 4. The First Selectman and the Financial Director are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be signed by the First Selectman and the Financial Director, have the seal of the Town affixed, be payable at a bank or trust company designated by the First Selectman, be approved as to their legality by Robinson & Cole LLP, Attorneys-at-Law, of Hartford, and be certified by a bank or trust company designated by the First Selectman pursuant to Section 7-373 of the Connecticut General Statutes. They shall be issued with maturity dates which comply with the provisions of the Connecticut General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the Project. Upon the sale of the bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. The First Selectman is authorized in the name and on behalf of the Town to apply for and accept any and all Federal and State loans and/or grants-in-aid of the Project and is further authorized to expend said funds in accordance with the terms hereof and in connection therewith, to contract in the name of the Town with engineers, contractors and others.

Section 6. The Town hereby expresses its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and anytime after the date of passage of this resolution in the maximum amount and for the Project with the proceeds of bonds or bond anticipation notes or other obligations ("Tax-Exempt Obligations") authorized to be issued by the Town. The Tax-Exempt Obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Financial Director or his designee is authorized to pay Project expenses in accordance herewith pending the issuance of Tax-Exempt Obligations, and to amend this declaration.

Section 7. The First Selectman and the Financial Director are hereby authorized, on behalf of the Town, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices to the MSRB of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this resolution. Any agreements or representations to provide information to the MSRB made prior hereto are hereby confirmed, ratified and approved.

Section 8. The First Selectman is hereby authorized, on behalf of the Town, to enter into any other agreements, instruments, documents and certificates, including tax and investment agreements, for the consummation of the transactions contemplated by this resolution.