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**TOWN OF GRANBY
BOARD OF FINANCE
TOWN HALL MEETING ROOM
15 North Granby Road
Granby, CT 06035**

The Granby Board of Finance will hold a regular meeting on Monday, July 24, 2023 at 7:30 p.m. in the Town Hall Meeting Room.

1. Approve Minutes From May 22, 2023 Meeting

Documents:

[BOF MINUTES 5-22-2023.PDF](#)

2. Consideration And Approval Of Additional Appropriation For Phase 1, Part 2 Of The Cossitt Library Preservation Project And Budget Amendment For The Hartford Foundation For Public Giving Grant

Documents:

[2023-0724BOF2 - ADDITIONAL APPROP BA CAP FUND HARTFORD FOUNDATION FOR PUBLIC GIVING GRANT.PDF](#)
[2023-0724BOF2 - ENC. ADDITIONAL APPROP AND BA- COSSIT LIB PROJECT 2024-001.PDF](#)

3. Consideration Of Fiscal Year 2022-23 Transfer Of Accounts

Documents:

[2023-0724BOF3 - ~FY23 TRANSFER OF ACCOUNTS.PDF](#)
[2023-0724BOF3 - ENC. FY23 YE TRANSFER OF ACCOUNTS 2023-011.PDF](#)

4. Preliminary General Fund Estimate For FY2022-23

Documents:

[2023-0724BOF4 - PRELIMINARY GF ESTIMATE FOR FY22-23.PDF](#)

5. Appropriation Request To Board Of Selectmen Due To Moving Board Of Finance Meetings To Town Hall Meeting Room

Documents:

[2023-0724BOF5 - ADDITIONAL APPROP TO BOS FOR ZOOM MEETING.PDF](#)

6. Confirm Date Of Next Meeting

7. Adjournment

**TOWN OF GRANBY
BOARD OF FINANCE
MEETING MINUTES
May 22, 2023**

PRESENT: Michael Guarco, Chairman; Alfred Wilke, Vice Chairman; Jenny Emery, Kevin Hobson, William Kennedy and James Tsaptsinos

OTHERS PRESENT: Kimi Cheng, Director of Finance (Zoom); Jordan Grossman, Superintendent of Schools; Anna Robbins, BOE Business Manager and Sarah Thrall, Board of Education Chairman

CALL TO ORDER:

The meeting was called to order by Chairman Michael Guarco at 7:30 p.m.

1. APPROVAL OF MEETING MINUTES FROM APRIL 24, 2023

ON A MOTION by J. Emery, seconded by K. Hobson, the Board voted (6-0-0) to approve the meeting minutes of April 24, 2023.

2. PHOENIX ADVISORS, LLC

Matthew Spoerndle, Senior Managing Director with Phoenix Advisors, LLC presented a credit overview for the Town of Granby. Overall, the Town is in very good financial shape and has an S&P rating of AA+. Slides of the complete presentation are included in the meeting packet.

3. STATEMENT OF ACCOUNTS

Anna Robbins, BOE Business Manager reported on the BOE April 2023 Statement of Accounts:

- The full year forecast shows an anticipated overbudget condition of \$704K, which is better than the previous month by \$120K.
- The biggest change is in Special Education, which is \$82K better than the previous month. Fluctuations in out-of-district tuition and transportation as well as changes in the student population contribute to the favorable change.
- The favorable forecast for regular education of \$41K is \$38K better than the previous month. Projected savings in various categories including salaries & benefits, transportation and supplies continue to offset overbudget conditions in purchased instructional services, electricity, maintenance and repairs and software. End-of-the year adjustments to purchase orders also continue to contribute to the favorable condition.
- Revenue to the Town is expected to be favorable at \$415K which is \$133K unfavorable compared to last month. The full year forecast shows a \$357K favorable variance in the Special Education Excess Cost Grant and a \$58K favorable variance in revenues from special education tuition charged to other towns as well as regular education tuition billed.
- Special Education Excess Cost Grant calculations were capped by the State at 76.3% which is a significant difference from the 88% promised earlier this year, resulting in the negative impact on the Special Education Excess Grant forecast.
- The Quality and Diversity Fund is stable and continues to trend positively for this year and for the five-year forecast.

Kimi Cheng, Director of Finance, reported on the highlights of the April 2023 Statement of Accounts.

- Tax collection is slightly lower at 100% versus 102% at the same time last year. The approximate \$1M shortfall will be covered by revenue from the State.
- Year-to-date revenue is \$1.1 M over budget due to an increase in building permits and short-term investment income.
- The Town has collected \$242,630 in permits for Station 280 and another \$380K is expected before the end of the fiscal year.
- STIF interest rates continue to be strong at a daily rate of 5.08% and a 7-day yield of 5.04%. Interest earned in April was about \$80,000.
- Total year-to-date April general fund expense is consistent at 85% with last year (83%).
- The expense overage in the Community Development department is due to the need for an interim Town Planner earlier in the year to cover FMLA. The contingency fund will be used to cover the overage.

4. CONSIDERATION OF CAPITAL EQUIPMENT LOANS

The Fiscal Year 2022-23 Town Budget includes approval for the loan purchase of public works vehicles and maintenance for the Town as well as a maintenance vehicle and technology equipment for the Board of Education.

Due to the high interest rates, Director of Finance Kimi consulted with the auditor and bond counsels and recommends an interfund loan from the General Fund as an alternative financing option. The Capital Equipment/Improvement Fund and the Education Quality & Diversity Fund would borrow cash from the General Fund and be required to repay the General Fund the principal and interest yearly until the loans are paid off. The interest rates for the interfund loans are recommended to be set at a 4.50% fixed rate.

At its May 1, 2023 meeting, the Board of Selectmen approved the use of the two interfund loans for the capital equipment purchases.

ON A MOTION by W. Kennedy, seconded by A. Wilke, the Board voted (6-0-0) to approve two interfund loans, one from the General Fund to the Capital Equipment/Improvement Fund in the amount of \$669,000 for a 4.5-year term and another one from the General Fund to the Quality & Diversity Fund for a 2-year term in the amount of \$37,000. Both loans have a fixed interest rate of 4.50%. Each year, the Capital Equipment/Improvement Fund and the Education Quality & Diversity Fund will repay the General Fund principal and interest as illustrated in the attached amortization tables.

5. CONSIDERATION AND APPROVAL OF BUDGET AMENDMENT FOR THE POMEROY-BRACE GRANT AWARD IN P&R PROGRAM EVENT FUND

The Granby Parks & Recreation Department applied for a Pomeroy-Brace grant to enhance the summer camp and preschool programs to support the department's Inclusion and

Enhancement Plan. On April 17, 2023 the Town was notified that the program had been selected and received a grant of \$27,000.

Since the grant award will increase revenue and expenditure line items in the P&R Program Event Fund, which was not budgeted in the Fiscal Year 2022-23 adopted budget, a budget amendment is required per the Town Charter. The grant will increase the Hartford Foundation Grant and the Hartford Foundation Grant Expense line items in the P&R Program Event Fund by \$27,000.

At its May 15, 2023 meeting, the Board of Selectmen commented favorably upon this request.

ON A MOTION by A. Wilke, seconded by J. Emery, the Board voted (6-0-0) to approve a budget amendment to increase the Hartford Foundation Grant and the Hartford Foundation Grant Expense line items in the P&R Program Event Fund by \$27,000 to implement the Inclusion and Enhancement Plan.

6. CONSIDERATION OF BOE (BOARD OF EDUCATION) APPROPRIATION REQUEST

The Board of Education and administration have been closely monitoring the negative full-year forecast in the end-of-year balance attributable to unbudgeted expenses in special education tuition and transportation. On May 3, 2023, the BOE voted to authorize the administration to request an additional appropriation of funds, not to exceed \$823,793, to cover any negative year-end balance.

The Board of Selectmen commented favorably upon this request at their meeting on May 15, 2023.

After a lengthy discussion, the board decided to use the updated April forecast of \$704,000 to appropriate the funds and make two motions to address the negative balance. It is anticipated that the final year end number will be less than the April amount.

ON A MOTION by J. Emery, seconded by J. Tsaptsinos, the Board voted (6-0-0) to approve a Board of Education budget amendment not to exceed \$357,000 for the projected Special Education Excess Cost reimbursement revenue.

ON A MOTION by J. Emery, seconded by A. Wilke, the Board voted (6-0-0) to approve a Board of Education appropriation not to exceed \$347,000 from the General Fund as needed to address any additional shortfall in the Board of Education budget as of June 30, 2023.

7. CONFIRM DATE OF NEXT MEETING

The Monday, June 19, 2023 regular meeting of the Board of Finance will be cancelled unless a need for the meeting arises.

The next meeting of the Board of Finance is scheduled for Monday, July 24, 2023.

8. ADJOURNMENT:

ON A MOTION by A. Wilke, seconded by W. Kennedy, the Board voted (6-0-0) to adjourn the meeting at 9:10 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "B. Mazzotta". The signature is written in a cursive, flowing style.

Betsy Mazzotta
Recording Secretary

TOWN OF GRANBY

MEMORANDUM

DATE: July 24, 2023

TO: Board of Finance

FROM: Kimi Cheng, Director of Finance

REGARDING: **BUSINESS – 2**

Consideration and Approval of Additional Appropriation for Phase 1, Part 2 of the Cossitt Library Preservation Project and Budget Amendment for the Hartford Foundation for Public Giving Grant

Background

In December 2021, the Friends of F.H. Cossitt Library (FOC) were awarded a grant from the Hartford Foundation for Public Giving - Pomeroy Brace Fund (PBF) in the amount of \$28,000 to be spent on Phase 1 Part 1: Exterior Repairs of the Cossitt Library building. The FOC gifted the full amount to the Town to fund the project. At the September 7, 2021 Board of Selectmen meeting and the September 27, 2021 Board of Finance meeting, the Boards decided to allocate up to an additional \$10,000 to fund this specific project.

In April 2023, the Friends of Granby Public Libraries (FOGPL) applied for and were awarded a second grant from the Hartford Foundation for Public Giving - Pomeroy Brace Fund in the amount of \$28,000 to be spent on Phase 1 Part 2: Exterior Repairs of the Cossitt Library upper story windows on the West and South sides of the building. The now FOGPL (merger of FOC and FGL) plans to gift the full amount to the Town to fund the project. The grant does not require any matching funds from the Town. However, the total estimated cost of \$45,043.00 for this phase of the project exceeds the grant amount of \$28,000. The FOGPL will contribute an additional \$4,814 from its fundraising efforts.

Next Steps

The FOGPL and Library Projects Committee request that the Board of Selectmen and Board of Finance commit to approving an additional appropriation not to exceed \$13,000 to cover the difference between the actual cost of the Phase 1 Part 2 Cossitt Library Preservation project and the PBF grant & FOGPL donation.

Secondly, upon approval of this funding, we request acceptance of the PBF grant funds and FOGPL donation. Since the grant award and FOGPL donation will increase revenue and expenditure line items in the Capital Equipment/Improvement Fund, which was not budgeted in the Fiscal Year 2023-2024 adopted budget, a budget amendment is required according to the Town Charter. The PBF grant and FOGPL donation will increase the Miscellaneous Revenue and Cossitt Library Preservation Projects line items by \$32,814 in the Capital Equipment/Improvement Fund.

At its July 17, 2023 meeting, the Board of Selectmen commented favorably upon this request. Pursuant to section 10-6(e) of the Granby Town Charter, I am forwarding the request to you for comment.

PROPOSED MOTION:

I move that the Board of Finance approve an additional appropriation not to exceed \$13,000 from the general fund undesignated fund balance to cover a portion of the cost of the Phase 1 Part 2 Cossitt Library Preservation project. Any unspent amount will be returned to the general fund at the end of the project.

I move that the Board of Finance approve a budget amendment to increase the Miscellaneous Revenue and Cossitt Library Preservation Projects line items in the Capital Equipment/Improvement Fund budget by \$32,814.

Enclosures: Appropriation #2024-001

TOWN OF GRANBY

The following information is required prior to the approval of any Board of Finance Appropriation or Transfer:

Agency Requesting Action: Board of Selectmen X
 Board of Education

Date of Requesting Agency’s Action: July 17, 2023

Type of Action Requested (Check One): Additional Appropriation X
 Transfer of Funds
 Budget Amendment X

Date of Request: July 24, 2023

Fiscal Year: 2023-24

Amount of Request: \$45,814

Purpose of Request (Explain briefly or attach narrative):

To accept the PBF grant and contribution from the Friends and to provide additional funding for the Phase 1 Part 1 Cossitt Library preservation project.

<u>Budget Amendment (Inc. In Revenue):</u>	<u>Budget Amendment (Inc. In Expenditure):</u>
237.04.32.0000.46038 Misc. Revenue \$32,814	237.60.60.6001.67129 Cossitt Library Preservation Project \$32,814

<u>Appropriation From:</u>	<u>Appropriation To:</u>
General Fund Balance Not to exceed \$13,000	237.60.60.6001.67129 Cossitt Library Preservation Project Not to exceed \$13,000

Certification: This is to certify that there is available an unappropriated and unencumbered fund balance to meet the above appropriation request(s). For the General Fund, the total appropriations for the Fiscal Year do not exceed 1-1/2% of the current levy [Charter Sec. 10-6 (e)].

 Acting Town Manager/First Selectman/Date

Date of Board of Selectmen Comment Action: July 17, 2023 Approved: YES X NO

Date of Board of Finance Resolution Action: July 24, 2023 Approved: YES NO

cc: Director of Finance & Town Treasurer

TOWN OF GRANBY

MEMORANDUM

DATE: July 24, 2023

TO: Board of Finance

FROM: Kimi Cheng, Director of Finance

REGARDING: BUSINESS – 3
Fiscal Year 2022-23 Transfer of Accounts

Background

At the end of each fiscal year, funds need to be transferred between departments to cover over-budgeted conditions in specific departments for audit purposes.

We are requesting the following transfers for the fiscal year 2022-23.

Transfer From		Transfer To		Comment
Contingency-Misc. Expense	\$9,000	Legal Services	\$9,000	To cover legal fees (PZ & ZBA case, CHRO case, leases, HF proj, track repairs proj, LAFD case, Charter Revision)
Contingency-Kearns and Misc.	\$4,000	Legal Services	\$4,000	To cover legal fees (PZ & ZBA case, CHRO case, leases, HF proj, track repairs proj, LAFD case, Charter Revision)
Contingency-Kearns and Misc.	\$2,300	Comm Deve-Payroll Temp	\$2,300	To cover the Interim Town Planner position
Contingency-Kearns and Misc.	\$3,200	Planning & Engineering Serv	\$3,200	To cover Clark Engineering service fees
Total:	\$18,500	Total:	\$18,500	

We requested a transfer of \$125,800 in July 2022 to the Wage Settlement/Sev account for anticipated retirements in the fiscal year 2023. As of June 30, 2023, the account has a balance of \$49,848.21. We recommend keeping the balance in the account and transferring additional funds to the wage settlement account due to a foreseeable retirement in late September or early October.

Transfer From		Transfer To	
FICA & Medicare	\$40,000	Wage Settlement/Sev	\$50,000
Pension & ICMA	\$10,000		
Total:	\$50,000	Total:	\$50,000

At its July 17, 2023 meeting, the Board of Selectmen commented favorably upon this request. Pursuant to section 10-6(e) of the Granby Town Charter, I am forwarding the request to you for comment.

Note that currently, there are four employees eligible for retirement in addition to the one who has already been announced. Two of the four have expressed and sought retirement information in the past. We request that the Board considers allocating funding to support these retirements, the amount needed is an additional \$150,000. If the Board elects to transfer the additional amount, the agenda will be sent back to the Board of Selectmen for approval.

Transfer From		Transfer To	
Business Package	\$20,000	Wage Settlement/Sev	\$150,000
Workmen's Comp	\$30,000		
PW G&E Maint. PR Reg	\$30,000		
Library PR Reg	\$25,000		
Mid-CT Tipping Fee	\$20,000		
Electricity	\$25,000		
Total:	\$150,000	Total:	\$150,000

PROPOSED MOTION: The Board of Finance authorizes the transfer of accounts as listed in the above tables, which is subject to the Board of Selectmen’s approval.

Enclosures: Appropriation #2023-011

TOWN OF GRANBY

The following information is required prior to approval of any Board of Finance Appropriation or Transfer:

Agency Requesting Action (Attach Motion): Board of Selectmen X
 Board of Education

Date of Requesting Agency’s Action: July 17, 2023

Type of Action Requested (Check One): Additional Appropriation
 Transfer of Funds X
 Budget Amendment

Date of Request: July 24, 2023

Fiscal Year: 2022-23

Amount of Request: \$218,500

Purpose of Request (Explain briefly or attach narrative):

To transfer budgeted funds to support overage in various line items and wage settlement/severance account.

<u>Transfer From:</u>	<u>Transfer To:</u>
001.10.10.1011.52437 Misc. Expense \$9,000 001.10.10.1011.52441 Kearns and Misc. \$9,500	001.10.10.1003.54405 Legal Services \$13,000 001.10.10.1031.51402 Payroll – Temp/PT \$2,300 001.30.30.3011.54408 Engineering Services \$3,200
001.10.10.1005.51810 Pension & ICMA \$40,000 001.10.10.1005.51820 FICA & Medicare \$10,000 001.10.10.1023.54497 Business Package \$20,000 001.10.10.1023.54498 Workers Comp. \$30,000 001.30.30.3003.51401 Payroll Regular \$30,000 001.30.30.3005.54605 Mid-CT Tipping Fee \$20,000 001.30.30.3013.52635 Electricity \$25,000 001.40.40.4001.51401 Payroll Regular \$25,000	001.00.00.0000.22390 Wage Settlement/Severance \$200,000

Certification: This is to certify that there is available an unappropriated and unencumbered fund balance to meet the above appropriation request(s). For the General Fund, the total appropriations for the Fiscal Year do not exceed 1-1/2% of the current levy [Charter Sec. 10-6 (e)].

Acting Town Manager/First Selectman/Date

Date of Board of Selectmen Comment Action: July 17, 2023 Approved: YES X NO

Date of Board of Finance Resolution Action: July 24, 2023 Approved: YES NO

**TOWN OF GRANBY
PRELIMINARY SURPLUS AND FUND BALANCE ANALYSIS
PRELIMINARY ESTIMATE FOR 6/30/23**

General Fund Balance at June 30, 2022	\$10,670,612	
Less - Fund balance designated for 2022-23 budget	(775,000)	
Less - Encumbrances	(225,083)	
Undesignated fund balance at June 30, 2022	9,670,529	
Less Additional Appropriations - FY 23		
Board of Education	347,000	
Add'l. Approp. Total	(347,000)	
Sub-Total	\$9,323,529	
Est'd. Favorable (Unfavorable) Results of FY23 Operations		
Bd. of Selectmen Expenditures	280,000	
Bd. of Education Expenditures	0	
Current Taxes	(61,000)	
Prior Years Taxes	(22,400)	
Interest and Liens	16,000	
Auto Supplement	24,300	
Education Grants	67,600	
Municipal State Grants	1,030,000	
Local Revenues	1,100,000	
Results of FY23 Operations Total	2,434,500	
Estimated Fund Balance @ June 30, 2023	\$11,758,029	22.14%
Appropriation to 2023-24 Budget	(432,000)	
Estimated Fund Balance @ July 1, 2023	\$11,326,029	21.33%

Agency Budgets FY24

Town Budget	16,949,991
Board of Education Budget	36,155,291
Total Town	53,105,282

Fund Balance at 5%:	2,655,264
at 10%:	5,310,528
at 15%:	7,965,792

TOWN OF GRANBY

MEMORANDUM

DATE: July 24, 2023

TO: Board of Finance

FROM: Kimi Cheng, Director of Finance

REGARDING: **BUSINESS – 5**

Appropriation Request to Board of Selectmen due to Moving Board of Finance Meetings to Town Hall Meeting Room

Background

Since the May 22nd Board of Finance (BOF) meeting, the BOF has moved its meeting from the Police Department Community Room to the Town Hall Meeting Room in order to provide a Zoom option. This change to a Zoom meeting requires additional personnel to host the Zoom meeting and to have GCTV live-stream the meeting, as well as provide a post-production video recording. The cost of providing a Zoom meeting is estimated to be \$250 per meeting.

Next Steps

Since the BOF did not make this change until after the Fiscal Year 2023-24 budget adoption, the cost of the Zoom meeting was not budgeted into the Fiscal Year 2023-24 budget. Therefore, an additional appropriation request from the undesignated general fund balance is required to support the cost of the Zoom meetings.

PROPOSED MOTION:

I move that the Board of Finance approve an additional appropriation of \$3,000 from the general fund undesignated fund balance to cover the cost of the Zoom meetings for the Board and forward the request to the Board of Selectmen to comment and approve.