

**TOWN OF GRANBY
BOARD OF FINANCE
MEETING MINUTES
MARCH 24, 2025**

PRESENT: Michael Guarco, Chairman; Kevin Hobson, Vice Chairman, Jenny Emery, Benjamin Perron and James Tsaptsinos

ABSENT: William Kennedy

ALSO PRESENT: Kimi Cheng, Director of Finance; Nickie Stevenson, BOE Director of Finance & Operations and Mike Walsh, Town Manager

BOS MEMBERS PRESENT: Mark Fiorentino, First Selectman; Mark Neumann, Vice-Chairman; Margaret Chapple, Frederick Moffa and Kelly Rome

BOE MEMBERS PRESENT: Monica Logan, Chairman; Heather Lombardo, Vice-Chairman; Liz Barlow, Donna Nolan, and Karen Richmond-Godard

CALL TO ORDER:

The meeting was called to order by Chairman Michael Guarco at 7:00 p.m.

1. APPROVAL OF MINUTES FROM FEBRUARY 10, 2025, MEETING

ON A MOTION by J. Emery, seconded by K. Hobson, the Board voted (5-0-0) to approve the meeting minutes of February 10, 2025.

2. STATEMENT OF ACCOUNTS

Nickie Stevenson, BOE Director of Finance & Operations presented the February 2025 budget expense report.

- Personnel and program account expenditures remain stable and are anticipated to be covered within the appropriated budget. Yearend deadlines have been provided to all account owners.
- Special Education expenses continue to fluctuate as the year progresses, with adjustments to the account for student movement, program modifications and staff adjustments. The account remains in good standing.
- The Quality and Diversity Fund remains consistent and is expected to have a positive balance at the end of the year.
- Revenue to the Town for FY25 is expected to increase by \$183,730 due to the additional \$40M investment by the State of Connecticut for special education expenses incurred by school districts for the FY25 school year. The additional investment increases the reimbursement rate from 62.1% to 75.8%. The preliminary estimate of the reimbursement amount based on the new rate is \$705,546.

Kimi Cheng, Director of Finance, reported on the highlights of the February 2025 Statement of Accounts.

- As of 2/28/25, the total tax collection was consistent with prior years at 101% (vs. 101% last year).
- Interest earned in the month of January from the STIF account was approximately \$67,400. As of 3/18/25, the daily rate was 4.42% and the 7-day yield was 4.42%.

- The Town received the first Special Education Grant installment of \$507,206 in February. The Town expects to receive an additional \$149,545 of funding from the State in April which will decrease the budget shortfall from \$491K to \$341K.
- The Town received 100% of the rent from Northern Valley Farms.
- As of 2/28/25, the total General Fund expenditure was consistent with the last fiscal year at 70% (vs. 71% last year).
- The Public Works Department overtime expense as of 2/28/25 was \$126,078 compared to \$70,469 last year due to damage caused by several rainstorms. Overtime was also incurred for staff to provide supervision and traffic control for the road overlay program as well as coverage for the Celebrate the Valley event at Salmon Brook Park. DPW overtime is expected to be about \$55K over budget at the end of the year assuming there are no emergencies which require overtime in the remaining months of the year.
- The Police Department overtime expense as of 2/28/25 was \$123,016 compared to \$123,538 last year due to the lockdowns at the high school and officer training as well as shift coverage for PTO and injury lost time. The overage in this account is expected to be about the same as last year and will be covered with savings realized from an open position.

3. BOND REFERENDUM QUESTION - DOHERTY BRIDGE APPROVAL

Town Manager Mike Walsh presented a bond referendum package related to an amending resolution that seeks to include the Doherty Road Bridge reconstruction as part of the bond authorization approved by the voters in 2019. The bond referendum package, including adoption timelines, was prepared by Marie Phelan of Pullman and Comely, the Town's Bond Counsel.

The Town Manager requests that the Board of Finance approve the resolution. If approved, a Town Meeting will be held on Monday, April 14, 2025, and the question will be added to the ballot at the referendum on Monday, April 21, 2025.

ON A MOTION by J. Emery, seconded by K. Hobson, the Board voted (5-0-0) to approve the amended resolution below.

RESOLUTION AMENDING A RESOLUTION AUTHORIZING AN APPROPRIATION AND BOND AUTHORIZATION OF \$13,716,000 FOR VARIOUS BRIDGE PROJECTS TO EXPAND THE SCOPE OF THE PROJECT TO INCLUDE THE DOHERTY ROAD BRIDGE PROJECT

WHEREAS, on June 4, 2019, the Town of Granby, Connecticut (the "Town") approved an appropriation and bond authorization for various bridge projects in the amount of \$13,716,000 (the "Bridges Resolution"); and

WHEREAS, on March 3, 2021, and on July 18, 2021, the Town issued a total of \$4,050,000 in bonds to fund the Bridges Project (the "Bond Proceeds"); and

WHEREAS, due to unexpected lower costs and grant reimbursements from the State of Connecticut (the "State"), the Town had \$2,580,000 in surplus Bond Proceeds (the "Surplus"); and

WHEREAS, the Town authorized \$1,460,000 of the Surplus for school projects leaving \$1,120,000 remaining in Surplus (the "Remaining Surplus"); and

WHEREAS, the Bridges Resolution did not contemplate or include costs related to the Doherty Road Bridge, but the Town now expects to incur costs to repair Doherty Road Bridge (the "Doherty Road Bridge Project"); and

WHEREAS, the Town desires to fund a portion of the costs of the Doherty Road Bridge Project with the Remaining Surplus and fund the balance of the costs with grant funds from the State and Town funds on hand; and

WHEREAS, accordingly, the Town seeks to expand the scope of the project description in the Bridges Resolution to include costs associated with the Doherty Road Bridge Project.

WHEREAS, on March 17, 2025, the Board of Selectmen approved an amendment to the Bridges Resolution to expand the scope of the project description to include costs associated with the Doherty Road Bridge Project (the "Amendment"); and

WHEREAS, the Board of Finance wishes to approve such Amendment.

NOW THEREFORE, BE IT RESOLVED, that the Board of Finance of the Town of Granby (the "Town") on recommendation from the Board of Selectmen, approves the Amendment and recommends to all persons qualified to vote at town meetings of the Town that the Amendment be approved.

4. STATE PROVIDED LOCAL OPTION – ASSESSMENT OF MOTOR VEHICLES

The Connecticut General Assembly changed the method that an Assessor uses to value motor vehicles for the Grand List Year October 1, 2024. The new method of valuation uses the Manufacturer's Suggested Retail price (MSRP) and applies a depreciation schedule beginning at 85% to annually arrive at the assessment used for taxation. For Granby, the change resulted in an overall decline in the value of motor vehicles of \$16 million, or 12.36% costing the Town \$519,000 of tax revenue.

In an attempt to address the budget variability created by these changes, the legislature is providing each city and town with the option to implement a local option whereby the Town can recapture 5% of the lost value, or about one-third of lost revenue. Due to the mill rate cap on motor vehicles, this reduction in motor vehicle value basically translates into an increase in the real estate and personal property mill rate.

At their March 17, 2025, meeting, the Town of Granby Board of Selectmen voted to elect the local option to apply a modified schedule of depreciation (90%) with respect to motor vehicles based on the manufacturer's suggested retail price of such motor vehicles.

Further action is not required by the Board of Finance other than to consider this change during the budget discussion. Chairman Guarco indicated the change has been reflected in the BOF budget worksheet.

5. PARKS & RECREATION FUND APPROPRIATION FOR HOLCOMB FARM SIGNAGE

At the June 17, 2024, Board of Selectmen meeting, the Board approved the reallocation of \$75,000 of ARPA funds for repairs, signage, sidewalks, fencing, tree removal and AV upgrades at Holcomb Farm. There is an unpaid balance for the replacement sign of \$2,297.27 which was not paid before the December 31, 2024, deadline for ARPA funds. Therefore, staff is requesting an additional appropriation from the Parks and Recreation Fund to pay the remaining balance for the new Holcomb Farm sign.

The Parks and Recreation fund has sufficient funds to cover this appropriation, with a balance of \$560,297 as of June 30, 2024.

At its February 18, 2025, meeting, the Board of Selectmen commented favorably upon this request. Pursuant to section 10-6(e) of the Granby Town Charter, the request is forwarded to the Board of Finance.

ON A MOTION by K. Hobson, seconded by B. Perron, the Board voted (5-0-0) to approve a \$2,297.27 appropriation from the Parks and Recreation Fund for the Holcomb Farm replacement sign.

6. CONSIDER ACTION ON FY2025-26 PROPOSED BUDGET TO BE PRESENTED AT THE APRIL 7TH PUBLIC HEARING FOR PUBLIC REVIEW AND COMMENT

Board of Selectmen Proposed FY26 Budget

Town Manager Mike Walsh presented the Board of Selectmen's proposed budget for FY2025-26. The proposed operating budget is \$14,109,203 which represents a 2.4% increase over the prior year and meets the guideline set by the Board of Finance. The proposed expenditure for Capital Projects is \$2,605,000 and \$1,731,368 for debt service. The total proposed municipal budget is \$18,445,571.

Budget Summary

	FY25	2026	Inc (Dec)	Inc (Dec)
Town Budget	\$13,778,911	\$14,109,203	\$330,292	2.4%
Debt Service	1,746,458	1,731,368	(15,090)	(0.9%)
Capital Budget	2,400,000	2,605,000	205,000	8.5%
Total Town Budget	\$17,925,369	18,445,571	\$520,202	2.9%

Summary of Budget Drivers

Budget Account	FY25	FY26	Inc (Dec)	Inc (Dec)
Permanent Services	\$ 6,630,089	\$ 6,894,435	\$ 264,346	4.0%
Medical/Fringe Benefits	2,129,000	1,991,308	(137,692)	(6.5%)
Retirement Benefits	1,139,080	1,188,853	49,773	4.4%
General Government	3,880,742	4,034,607	153,865	4.0%
Capital Funding	2,400,000	2,605,000	205,000	8.5%
Debt Service - Bonds	1,746,458	1,731,368	(15,090)	(0.9%)
Totals	\$17,925,369	\$18,445,571	\$ 520,202	2.9%

Budget Drivers Detail:

Permanent Services: Increased payroll expense to reflect 3% contractual raises; eliminated two full-time positions; reorganized Department of Public Works and Parks & Recreation; added one new police officer; revised the IT agreement between the Town and BOE Technology department.

Medical Benefits: Transitioned employees from PPO to HDHP medical plan; engaged new Stop Loss insurance carrier to avoid higher premiums; budgeted for 2.9% medical inflation.

General Government: Increased refuse collection costs due to higher disposal costs and inflationary pressure; increased municipal software costs due to inflationary pressure; increased electricity, gasoline, diesel, and heating oil prices; higher professional development and training costs for new supervisors.

Capital Equipment/Improvement Fund

	FY25 Adopted	FY26 Proposed
Road Maintenance/Improvement	\$1,040,000	\$1,000,000
Education Related	1,050,000	1,000,000
Capital Equipment (Rolling Stock/Equip)	525,392	565,504
Facility Infrastructure Improvements	139,000	305,107
Granby Ambulance Association Capital Contribution	0	92,940
Total	\$2,754,392	\$2,963,551

Board of Education Proposed FY26 Budget

Board of Education Chairman Monica Logan presented the Board of Education proposed budget for FY2025-26. The proposed budget of \$39,418,142 represents a 3.41% increase over the FY25 budget, which exceeds the 3.25% guideline set by the Board of Finance. The additional 0.16% is attributed to contract obligations, special education costs and overall inflation and will be transferred from the Small Cap Fund.

Total FY26 BOE Budget Request

FY26 Operating Budget Request (3.41%)	\$39,418,142
Quality & Diversity Fund	984,237
Small Capital Fund	1,000,000
Total BOE Budget Request	\$41,402,379

Highlights of budget changes:

- Repurposed Small Cap and Quality & Diversity funds to support SRO and other critical positions.
- Delayed start of SRO position to September 1, 2025.
- Renegotiated bussing contract.
- Reduced software and supplies expense across the district.
- Postponed the replacement of laptops for staff.
- Modified available grant funding to offset expenses.
- Reduced cost of state-mandated HVAC assessments.
- Assumed reduction in force due to enrollment.

Capital Funding

Transportation & Equipment	\$ 117,431
Building & Maintenance Projects	576,098
Technology	306,471
Total Capital Expenditure	\$1,000,000

Board of Finance Spreadsheet Review

The Board of Finance reviewed spreadsheet FY26-C which reflected the most recent changes to the budgets. Based on this information, the mill rate for real estate and personal property is projected to be 34.21 which is a 3.26% increase over the current FY25 mill rate of 33.13.

ON A MOTION by K. Hobson, seconded by J. Emery, the Board voted (5-0-0) to accept the budget requests from the Board of Selectmen and Board of Education and forward the budget to public hearing as outlined in the Board of Finance worksheet FY26-C.

7. CONFIRM DATE OF NEXT MEETING

The next regular meeting of the Board of Finance is scheduled for Monday, April 7, 2025, immediately following the Public Hearing at the high school.

8. ADJOURNMENT:

ON A MOTION by J. Tsaptsinos, seconded by K. Hobson, the Board voted (5-0-0) to adjourn the meeting at 9:20 p.m.

Respectfully submitted,



Betsy Mazzotta
Recording Secretary