TOWN OF GRANBY
BOARD OF FINANCE
SPECIAL MEETING MINUTES
FEBRUARY 10, 2014

PRESENT: Michael Guarco, Chairman; Gordon Bischoff, Francis Brady, Frederick Moffa, O.D., Kelly Rome, and Al Wilke

OTHER ATTENDEES: B. Scott Kuhnly, First Selectman; Mark C. Neumann and Ed Ohannessian, Board of Selectmen; William F. Smith, Jr., Town Manager; Barbarajean C. Scibelli, Administration Finance Officer; Alan Addley, Superintendent of Schools; Harry Traver, BOE Business Manager; and Vanessa Rossitto, Partner Blum Shapiro & Company, P.C**.**

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

MINUTES

The Board reviewed the minutes of November 25, 2013.

On a **MOTION** by Francis Brady, seconded by Gordon Bischoff, the Board voted 5-0-1 to approve the minutes of November 25, 2013 as presented. Gordon Bischoff abstained.

PRESENTATION OF JUNE 30, 2013 AUDITOR REPORT

The presenter of the June 30, 2013 Audit Report for the Town of Granby is Vanessa Rossitto, CPA of the auditing firm of Blum Shapiro & Company, P.C. She indicated that the Town of Granby received an unmodified opinion for the financial statements as of June 30, 2013. The word "unmodified" is a new term meaning the financial audit reports have a clean opinion from the audit firm. The disclosures in the financial statements are neutral, consistent, and clear.

Ms. Rossitto stated that the three reports (Comprehensive Annual Financial Report (CAFR), State Single Audit Report, and Federal Single Audit Report) were issued to the town and the school as required by state and federal auditing standards.

Ms. Rossitto reviewed the CAFR, indicating that the Management's Discussion and Analysis, beginning on page four, is a summary report of the complete audit. She spoke on the following pages from the CAFR:

- Page 17 – Statement of Net Position shows the net assets of governmental activities at $58 million.
- Page 18 – Statement of Activities shows the net cost of providing programs and functions at approximately $47 million.
- Pages 19-20 - Balance Sheet shows budgetary basis of accounting for liabilities and fund balances in governmental funds at $25 million.
- Pages 50 to 53 – General Fund Schedule of Revenues and Other Financing Sources shows the positive variance of revenues at approximately $1,146,920 and on the expenditure side expenses were less than the final budgeted amount.
- Pages 26 and 27 – Fiduciary Funds shows increases to the pension trust fund and OPEB trust fund.

An overall question of comparing other towns with Granby was asked and answered. Granby shows all net funds as increases and the budgetary report is good unlike some other towns. As in the past, the Board of Finance confirmed that new staff did the leg work for the audit. There was a partner change last year and Blum Shapiro, our audit firm, is in contact as needed throughout the year with Mrs. Scibelli. Ms. Rossitto responded yes.

STATEMENT OF ACCOUNTS

Mrs. Scibelli reviewed the December Budget Operations Report. Tax collections are at 66%. The state miscellaneous account shows an excess of $266,573 as a result of receiving the money released from the state for the Kelly Lane final payment, a final 2013 FEMA reimbursement for a storm and the senior grant for the van driver. The state owned property revenue account and the Pequot Indian funds show favorably in that revenue was received but not budgeted because of the Governor's proposed budget. On the local revenue side, town clerk fees are slightly lower and building permits are slightly higher than last year. As reported before, short-term investments will probably not meet its projected budget.

On the expenditure side, Town Manager Smith indicated the overall budget is on target. He commented that many municipalities, including Granby, have a salt shortage to deal with and all the winter storms are resulting in a lot of overtime. The budget will be monitored and we will look at internal accounts for possible transfers to handle any shortages. Town Manager Smith discussed the solid waste fund and the disposal at CRRA, which may be phased out within the next five years. He indicated that there are no more solid waste reimbursements to be received and it was suggested that a reserve be put in place for when the price goes up.

Mr. Traver presented the December statement of accounts. He indicated this year's forecast total is under $9K favorable, including an unfavorable total of $128K total for SPED education and $130K favorable for regular education. The shortfall is due to fewer students attending Granby Memorial High School from Hartland, CT.

BOARD OF EDUCATION (BOE) APPROPRIATION REQUEST FOR SCHOOL SECURITY PROJECT

The appropriation request is for purchasing school security items such as security film for the windows, cameras, and security doors. These purchases will be made in the next two years. The sources of this fund shall be from a state grant in the amount of $269,074 and from a General Fund appropriation in the amount of $213,911.

Harry Traver, BOE Business Manager, indicated that as money is being spent, reimbursement requests will be made. The first reimbursement request form is usually for the first 25% spent of the appropriation.

On a **MOTION** by Al Wilke, seconded by Frederick Moffa, the Board voted unanimously 6-0-0 to approve the appropriation in the amount of $482,985 from General Fund Balance to the School Security Grant Program Fund.

BUDGET GUIDELINES

Two budget worksheets were distributed to the Board for discussion purposes only and a general discussion ensued. Some of the highlights are:

1. Grand List growth is .63%
2. Mill rate may need to increase to 2% to fund the operations of the school and town
3. A $2M draw from fund balance for the 2014-15 budget is too much
4. A $1M draw from fund balance year after year is not good business
5. Need to relook at all funds and find other revenues for the 2014-15 budget
6. The majority of Board of Finance believe the public will agree to increase the mill rate at no higher than 2%
7. The school enrollment for the next few years will be decreasing and a proactive approach on needs of school programs may need to be reduced to assist future budgets.
8. There will be a need to raise the mill rate or curtail activities (loss of jobs and programs) to avoid drawing excessively from surplus for future budgets.

On a **MOTION** by Gordon Bischoff, seconded by Kelly Rome, the Board voted unanimously 6-0-0 to confirm support for a 3% guideline to the Board of Selectmen and a 2% guideline to the Board of Education operating budgets for FY 2014-15.

CONFIRM DATE OF NEXT MEETING

Chairman Guarco mentioned some upcoming meetings in connection with the town budget for FY 2014-15. They are:

- March 24, 2014 7:00 p.m. Budget presentations to the Board of Finance
- April 14, 2014 7:00 p.m. Public Hearing for the town budget
- April 28, 2014 Noon to 8:00 p.m. Machine vote on the town budget

ADJOURNMENT

On a **MOTION** by Francis Brady, seconded by Al Wilke, the Board voted unanimously 6-0-0 to adjourn the meeting at 8:32 p.m.

Respectfully submitted,

Patricia I. Chieski
Recording Secretary