TOWN OF GRANBY
BOARD OF FINANCE
SPECIAL MEETING
MINUTES
MARCH 24, 2014

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

Also present: B. Scott Kuhnly, First Selectman; Board of Selectmen Mark Neumann and Edward Ohannessian; William F. Smith, Jr., Town Manager; Roger Hernsdorf, Town Treasurer; Barbarajean Scibelli, Administration Finance Officer; Board of Education: Benjamin Perron, Vice Chairman; Jenny Emery, Mark Fiorentino, Melissa Migliaccio, and Rosemarie Weber; Alan Addley, Superintendent of Schools; and Harry Traver, Business Manager

Chairman Guarco confirmed a quorum and called the special meeting to order at 7:05 p.m.

MINUTES

The Board reviewed the minutes for the meeting of February 10, 2014.

ON A MOTION by Ms. Rome, seconded by Mr. Bischoff, the Board voted unanimously 6-0-0 to approve the minutes of February 10, 2014 as presented.

STATEMENT OF ACCOUNTS

Harry Traver, BOE Business Manager, reported on the February Statement of Accounts. He reported the overall budget shows a favorable amount of $66,000 this month. The Quality and Diversity Fund has encumbered $158,282, leaving an approximate balance of $109,000 of which $50,000 is being considered as an earmark for specialty programs that are under review.

Mrs. Scibelli reported on the February Statement of Accounts. The municipal revenues are coming in as expected. Mrs. Scibelli reported that due to changes from the Governor's original budget last year, we have received several revenues that were not budgeted such as State-owned Property and Pequot Indian Funds. However, the Hold Harmless revenue will probably not be received. On the local revenue side, she indicated police photos and snow plow and grading accounts are in excess, amounting to $1,428. On the expenditure side, two Public Works accounts, General and Equipment Maintenance and Infrastructure Maintenance, are being watched because both may need a transfer due to winter clean-up activities and heating fuel.

2014-2015 BUDGETS FROM THE BOARD OF EDUCATION AND BOARD OF SELECTMEN

First Selectman Kuhnly presented the Board of Selectmen's FY 2014-15 budget.

He started by thanking the people involved in the preparation of the proposed budget. First Selectman Kuhnly then commented how the town goals and mandates within the budget reflect a continuation of town services with respect to the current economic conditions. He proceeded to recap recent capital projects (tennis courts for Salmon Brook Park and Granby Memorial High School, new athletic fields, recreation community center building, and proposed pavilion at Holcomb Farm).

First Selectman Kuhnly stated the FY 2014-15 budget request is $42,489,848 of which $14,443,028 is the municipal services budget, including debt service. This operations portion of the budget is proposed to increase by 3.0%, meeting the Board of Finance's budget guideline.

Item	Amount
General Government Department	9,813,623
Capital Budget	1,050,000
Capital Non-Recurring Expenditure Fund (CNEF)	183,500
Economic Development Funds	10,000
Debt Service	3,385,905
TOTAL	$14,443,028

First Selectman Kuhnly gave further detail of the General Government Department budget amount by department spending.

Department	Amount
Administration	3,553,411
Debt Service	3,385,905
Public Works & Environment	2,948,174
Personal & Property Protection	2,451,338
Capital Budget	1,050,000
Libraries, Recreation & Social Services	859,700
CNEF Levy	183,500
Economic Development Funds	10,000
TOTAL	$14,443,028

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The municipal budget highlights are:

- Total operations net change - $286,198
- Salary reserves - $69,720
    - Two of the town's labor agreements are in negotiations.
- Fringe benefits - $80,337
    - Includes $30,341 increase in pension, $11,321 in FICA and Medicare, and $38,675 net increase in health plan with stop loss provisions to protect the plan.
- Detective/Youth Services Officer - $18,405
    - This is the continuation of hiring this officer from last year's budget.
- Solid waste and recycling collection - $9,335
- Mid-CT tip fee – ($15,000)
- Public Works Part-time infrastructure maintenance - $16,000
    - Additional cost for labor and the upkeep and maintenance of the Recreation Community Center and the Holcomb Farm.
- Library personnel hours $12,931

Chairman Guarco asked the town to describe the cuts to the municipal operations budget in order to meet the Board of Finance guideline of 3%. The municipal operations budget needed to be reduced by approximately $90,000. Town Manager Smith responded that the health benefits savings assisted and reductions in department activities were made.

Benjamin Perron, Vice Chairman of the Board of Education, presented their budget. The FY14-15 budget amount request is $28,046,820, representing 1.9% increase of the operating budget using the Board of Finance guideline of 2%. He indicated the FY2014-15 budget reflects challenges offered by federal and state mandated educational reform, flat economic growth, and declining revenues.

Chairman Perron highlighted the following items concerning the budget:

- Curricular Addition – world language deployment continues grades in 2-4, 8th grade Mandarin Chinese, 1-to-1 computing expansion in grades 7-10, and AP physics.
- Activities Addition – middle school cross country coach, ice hockey, golf and football transportation; offset some football expenses; girls' freshmen soccer eliminated.
- Enrollment decline projected – 368 less students during the timeframe of FY14-FY19; and Hartland students enrollment down.
- Addresses state educational reforms (unfunded mandates) – Beginning implementation of the common core and teacher evaluation process.
- School Safety Improvements – a state grant and town share will assist in school safety initiatives. (state grant funds $269K, town share $213K)
- Revenues are down – in intergovernmental, district initiated tuition, and "Pay-for-Play". Special education reimbursements are expected to be increased by $137K.
- Staffing Levels – reduced 1.9 FTE (full-time employee) from operating fund positions, excluding TAs (Teacher Assessment) and reduced 2.2 FTE grant funded positions. Added 3.3 FTE special education TAs as required by new IEPs (Individualized Education Program).
- Salaries and Benefits – increase of $144,794 (0.8%) from FY14 salary budget; benefit rate increase of 5% was realized, however, with plan design and census changes made the increase to 2.5% instead. There are ongoing negotiations for custodians and secretaries.
- Quality and Diversity Fund Expenditures– 1) magnet school tuition $232K; 2) 1-to-1 computing for grades 7-10 $73K; and 3) limited support for high achieving students $35K.
- Small Capital – 1) FF&E Maintenance funding $129K; and 2) lease expense for two new busses and technology purchases $223K.
- Other – 1) gas conversion expenditure $162K; and 2) projected fuel saving of $100-$150K a year to cover installation costs.
- Return on Investment Continues to be High – No district in the state had lower PPE and higher CAPT and CMT District Performance Indices; Granby's PPE is $12,899, second lowest DRG
- Future Considerations – performing arts expansion; develop plan to address staffing and use of schools because of declining enrollment; continue addressing federal and state mandates and equity issues.

Chairman Guarco inquired from the other Finance Board members their views of the presented budgets and the workshops. The Board of Finance's consensus was that both boards showed good dialogue, the budgets were reviewed line by line, and well prepared. The Board of Finance expressed their support of the budgets, as presented.

Other highlighted comments by the Board of Finance were:

- The work done by both boards in creating the proposed budgets is very much appreciated.
- More collaborative work by both boards is encouraged. As an example would be the Human Resources or IT Department.
- It was noted that hard work was put into the Board of Education budget regarding staff placement and keeping programs in place due to declining enrollment.
- It was noted an adjustment was made in the solid waste fund to better reflect the fund's condition.

Chairman Guarco handed out a worksheet showing revenues and expenditures and a mill rate increase of 1.98%. It was noted that there were errors on the worksheet that would be fixed. On the Worksheet Rev 4 there were three typos. The corrections are under column FY15, Local Rev row 860 to 857 and Use of CNEF row 323 to 346, making the total revenue row 42,490. The corrected Worksheet Rev 4 is attached.

ON A MOTION by Francis Brady, seconded by Al Wilke, the Board voted to approve the Board of Selectmen and Board of Education's budgets as outlined on the Board of Finance Worksheet Rev 4 and to forward it to Public Hearing scheduled for April 14, 2014. The Board voted unanimously 6-0-0 to approve the motion.

ADJOURNMENT

Chairman Guarco announced that a public hearing on the proposed budget is scheduled for April 14, 2014 at 7:00 p.m. in the High School Auditorium. A Special Meeting of the Board of Finance will be held on April 14, 2014 at 8:00 p.m. or immediately following the public hearing on the 2014-15 proposed town budget.

ON A MOTION by Frederick Moffa, seconded by Kelly Rome, the Board voted unanimously 6-0-0 to adjourn the meeting at 8:38 p.m.

Respectfully submitted,

Patricia I. Chieski
Recording Secretary

Board of Finance Budget Worksheet
FY15 (Rev 4)

	FY11 (Adopted)	FY12 (Adopted)	FY13 (Adopted)	FY14 (Adopted)	FY15	FY16	FY17	FY18	FY19
Expenditures (BOS)									
Operating	**8,762**	**8,993**	**9,173**	**9,527**	**9,813**	**10,059**	**10,311**	**10,569**	**10,834**
		2.63%	2.00%	3.85%	3.00%	2.50%	2.50%	2.50%	2.50%
Other									
Existing Debt Service	4,036	3,442	3,305	3,468	3,386	3,761	3,653	3,545	3,436
CNEF	250	130	95	106	184	279	377	476	575
ED Fund	10	10	10	10	10	7	0	0	0
Small Cap	765	930	1100	1000	1,050	1,100	1,150	1,200	1,250
Subtotal (Other)	**5,061**	**4,512**	**4,510**	**4,584**	**4,630**	**5,147**	**5,180**	**5,221**	**5,261**
		-10.84%	-0.04%	1.64%	1.00%	11.16%	0.64%	0.79%	0.76%
BOS Subtotal	**13,823**	**13,505**	**13,683**	**14,111**	**14,443**	**15,206**	**15,491**	**15,790**	**16,095**
		-2.30%	1.31%	3.12%	2.35%	5.28%	1.87%	1.93%	1.93%
Expenditures (BOE)									
Operating	**26,667**	**26,982**	**27,198**	**27,512**	**28,047**	**28,625**	**29,199**	**29,783**	**30,379**
BOE Subtotal	**26,667**	**26,982**	**27,198**	**27,512**	**28,047**	**28,625**	**29,199**	**29,783**	**30,379**
		1.18%	0.80%	1.15%	1.94%	2.06%	2.00%	2.00%	2.00%
Total Expenditures	**40,490**	**40,487**	**40,881**	**41,623**	**42,490**	**43,831**	**44,690**	**45,573**	**46,474**
		0.00%	0.97%	1.81%	2.08%	3.15%	1.95%	1.97%	1.97%
Revenue									
Property Tax	30,193	30,717	31,601	32,011	32,839	33,729	34,832	35,825	36,885
%GL	0.55%	0.68%	0.90%	0.34%	0.63%	0.60%	0.60%	0.60%	0.60%
%Mill	1.12%	1.04%	1.96%	1.00%	1.98%	2.10%	2.65%	2.24%	2.35%
Auto, etc	565	595	595	595	620	620	620	620	620
Intergovernmental Rev	6,767	6,940	6,750	7,004	6,828	6,828	6,828	6,828	6,828
Debt Rev	276	0	0	0	0	0	0	0	0
Local Rev	784	748	671	758	857	820	685	685	685
Use of GF Surplus	1655	1357	1169	1000	1,000	1000	1000	900	750
Use of CNEF	250	130	95	255	346	834	725	715	706
Addition Feed (Gap)	0	0	0	0	0	0	0	0	0
Total Revenue	**40,490**	**40,487**	**40,881**	**41,623**	**42,490**	**43,831**	**44,690**	**45,573**	**46,474**
		0.00%	0.97%	1.81%	2.08%	3.15%	1.95%	1.97%	1.97%

March 24, 2014