

**TOWN OF GRANBY  
PUBLIC HEARING  
BOARD OF FINANCE  
MINUTES  
APRIL 11, 2016**

**PRESENT:** Michael Guarco, Chairman; William Kennedy, Kelly Rome, Frederick Moffa, OD; and Al Wilke

**Also present:** Mark Neumann, Selectman; William F. Smith, Jr., Town Manager; Ronald S. Walther, Board of Education Chairman; and Alan Addley, Superintendent of Schools

The public hearing was called to order at 7:00 p.m. by Board of Finance Chairman Guarco. He identified the Board of Finance members, Gordon Bischoff, William Kennedy, Kelly Rome, Frederick Moffa, OD; and Al Wilke.

He opened the public hearing by stating that according to Town Charter this hearing is held on the second Monday in April to present the budget proposal for the upcoming fiscal year, July 1, 2016 – June 30, 2017 and to hear public comment. The budget machine vote will be held on the fourth Monday, April 25, 2016 from 12 noon – 8 p.m. at the Town Hall Meeting Room.

Chairman Guarco stated the order in which presentations would be made: Board of Finance overview, town operations budget, school operations budget, and questions and answers or comments would follow.

Chairman Guarco gave a quick overview of the budget. Highlights were:

- FY 2017 combined budget decreases by 0.31%
- The mill rate was 36.22 for FY 2016 and increases to a proposed mill rate of 36.94 for FY 2017, a 1.99% change.
- For the last six (6) years, the average mill rate change is 1.6%, excluding revalue year.

Chairman Guarco commented the Board of Finance's intent for the proposed budget holds the line on spending and keeps property tax fairly flat. Major impacts on the municipal finances from the state or federal actions could throw off the planning work of the blend of cost restraint and fiscal planning that has held the line for spending and taxes locally. Some factors such as a little increase in the town's grand list growth and operation costs continually increasing does not help the budget to keep property taxes low. The budget must be responsive to meet the needs of the town and responsible for cost to the taxpayers. This budget meets these considerations.

Selectman Neumann presented the Board of Selectmen's FY 2016-17 budget. He thanked the Board of Selectmen, Town Manager William F. Smith, Jr., Administration Finance Officer Barbarajean Scibelli, and Department Heads. Selectman Neumann commented on the budget process, indicating that at least eight opportunities were given to comment on the municipal and education budgets presented this evening.

The Board of Selectmen must first ensure that all state mandated services (town clerk, assessor and tax collector) are funded. We must meet the debt and contractual obligations of the town. We strive to maintain both the town services and assets owned by the town, along with meeting the expectations of our residents. However, the proposed budget does not meet all the needs reviewed during budget workshops.

He commented on one of the capital projects. The sidewalk extension project from Granby center to Salmon Brook Park is in progress and construction is expected to begin this summer and should be completed this fall.

Selectman Neumann stated the total overall budget (both Municipal and Education) request is \$43,774,191 of which \$15,341,555 is the Municipal Services budget including debt service. With approval by the Board of Finance, an additional \$50,000 was added. It covers \$27,000 for Kearns School closing maintenance and other identified items to assist the Collector of Revenue and Registrar of Voters offices and \$23,000 for assistance to the LAFD as an investment in the safety of our town.

<b>GENERAL FUND EXPENDITURES</b>	<b>\$ AMOUNT</b>
Administration	\$3,805,524
Personal & Property Protection	\$2,605,600
Public Works & Environment	\$3,023,497
Libraries, Recreation, & Social Services	\$925,943
Capital Budget	\$1,150,000
CNEF Levy	\$178,000
Debt Service	\$3,652,991
<b>TOTAL</b>	<b>\$15,341,555</b>

The total operations increase is \$301,596. The municipal budget highlights are:

- Salary Reserves of \$87,500
- Fringe Benefits of \$80,783
- Contingency - \$27,000
- Insurances - \$14,465
- Fire Prevention (LAFD) - \$23,000
- Public Works Department – (\$10,000)
- Solid Waste and Recycling Collection and Mid-Ct Tip Fees - \$20,140

There were budget cutbacks and the areas not able to fund for staffing were Police Department, Public Works Department, Town Clerk, Library Services, Social-Senior-Youth Services, and various supply items.

Progress and accomplishments for the Town of Granby were:

- The Granby Plan of Conservation and Development is being updated and is expected to be completed this fall.
- Senior Center received National Council on Aging Re-Accreditation for its third time.
- Granby Youth Services Bureau celebrated its 20<sup>th</sup> anniversary this year.
- Library Improved Service Delivery – Total Transactions reached are over 280,327. This is an increase of 10.5% from the previous year. The facilities will be enhanced with the new reading terrace at the main library.
- The Recreation Department has been collaborating with many groups in town to put together events.
- Intra-Board Advisory Committee Update. Information Technology Operations for both the school and town continue collaborating to improve services and cost savings.
- Continuous improvement of Communication and Transparency

- Koffee with Kuhnly – Held on a monthly basis to continuously enhance communication and to hear questions and concerns of the citizens of Granby
- BOS – individual town emails for all BOS members

The Revenue budget is funded with a little more than 3/4 of the total amount coming from Property Taxes. The tax levy is increasing 1.3%, of which 0.58% comes from growth in the grand list. The overall revenue budget is down .3%. The mill rate increase is 1.99%. The revenue increase/decrease percentage changes over Fiscal Year 2016 are shown below table.

REVENUES	FY 2016-17	%
Proposed Tax Levy	\$34,127,531	1.3%
Other Property Tax	\$598,000	(5.1%)
Intergovernmental Revenues	\$7,403,579	8.6%
Local Revenues and Fund Transfers	\$645,081	(60.3%)
Fund Balance Transfer	<u>\$1,000,000</u>	13.0%
<b>TOTAL</b>	<b>\$43,774,191</b>	

Ronald S. Walther, Chairman of the Board of Education (BOE), presented their budget. He thanked the Superintendent of Schools, the Business Manager, the Board of Finance and the community for their continued support of the school system.

BOE Chairman Walther stated that their budget supports the goals of the Board of Education. The FY16-17 budget amount request is \$28,432,636, representing a 1.0% decrease of the operating budget relative FY 2015-16 budget.

<b>Budget FY16</b>	<b>\$28,718,507</b>	<b>Base</b>
FY17 Obligations	\$509,438	<b>1.77%</b>
Declining Enrollment Reduction	(\$908,539)	<b>-3.16%</b>
Retirements	(\$108,390)	<b>-0.38%</b>
<b>Adjusted Budget</b>	<b>\$28,211,016</b>	<b>-1.77%</b>
New Spending	<u>\$221,620</u>	0.77%
<b>FY17 Budget</b>	<b>\$28,432,636</b>	<b>-1.00%</b>

Chairman Walther highlighted the following items of the 2016-17 budget:

#### **FY2016-17 Budget**

- Kearns School closes (-\$908K in FY17 offset by \$800K town capital costs). The savings offset the upgrades made at Kelly Lane School to accept small children.

#### **Curriculum / Activities Additions**

- 1-to-1 Computing (Grade 6)
- Curricular–Math (3-6), Reading (K-2), Reader/Writer Workshop (6-8)
- HS Chorus, Band, Robotics, Modern Art History, Contemporary Art, Capstone, NEAS&C
- Athletics/Clubs - Continuing to offset football expenses (multi-year plan), volleyball, 13 club stipends from Q&D

#### **Enrollment**

- Enrollment projected to decline 79 students
- Hartland enrollment declines 3 students

#### **Special Education**

- Outplacement transportation and tuition decline (-\$154K)
- Special Education population increase (+18 students)
- Special Education support services increase (15.1%)

**Revenues**

- State and local revenue \$6.55M, down \$106K from FY16
- Pay-for-Participation and pre-school tuition fees unchanged; 3% tuition increase for summer programs
- \$287K special education expenses reimbursed to the town and expensed to the BOE
- Medicaid reimbursement for Special Education-Related Services (\$10K)

**Staffing Levels (-8.7 FTEs)**

- -12.69 FTE declining enrollment related positions
- +3.0 FTE Increase (Operating Budget)
- +1.0 FTE Open Choice Liaison (Q&D Funded)

**Salaries & Benefits**

- Decrease of \$188K (-1.05%) from FY16
- No health benefit rate increase

**Quality & Diversity Fund Expenditures**

- Magnet school tuition (\$219K)
- 1.0 FTE Open Choice Liaison (Secondary)
- Digital devices for 1-to-1 computing – Grades 6-12
- Marching band instruments (\$8K), Robotics (\$8K)
- Summer School Programs (Drama, Camp Invention, Robotics)

**Small Capital (\$663K)**

- Furniture, Equipment & Maintenance (\$237K); includes \$30K for GMMS science room upgrades (returning 6<sup>th</sup> grade)
- Technology purchases (\$219K replacement technology & \$60K new technology)

**Return on Investment Continues to be High**

- Granby's PPE is \$14,332 – second lowest in the DRG
- District performance continues to be high

**Future Considerations**

- Competitive salary pressures and legally required special education costs combined with limited operating budget increases continue to challenge Administration/BOE ability to maintain regular education programs
- Sustainability of state funding moving forward
- Maintaining the quality, reputation and attractiveness of the Granby School District in an era of declining enrollment
- Dependence on Q&D Fund for operating expenses
- Unfunded positions in FY17 Administration Budget (GMMS Enrichment Coach & Primary School Literacy Interventionist)

Chairman Walther explained the Board of Education budget request for FY2017 as:

FY16 Operating Budget	\$28,718,507
FY17 Operating Budget Request (-1%)	\$28,432,636
Quality and Diversity Fund	\$881,747
Small Capital Fund	\$663,250
<b>Board Of Education Appropriation Request</b>	<b>\$29,977,633</b>

**PUBLIC INPUT FY 2016-17 BUDGET**

Board of Finance Chairman Guarco opened the budget discussion to the public.

There were some comments from residents. In general, comments were:

1. Thanked the efforts of the boards and mentioned they were in support of the budget.

2. Glad to see that the school budget gives the children the education to keep up with the times even though Kearns School is closing this fall (2016). Caution was mentioned regarding school programs expenditures and asked if there was a plan if the enrollment declines more than anticipated. Is Kearns School building paid for?
  - a. The Board of Education is very involved and is watching the situation to be proactive rather than inactive during this time of decline enrollment. At this time, there is little growth (enrollment potential) left at the Kelly Lane School.
  - b. The Kearns School building is owned by the town and currently paying off the last renovation project.
3. One resident commented there is concern that athletic programs expenditures are increasing and feels education is the major initiative for school children, which should be given priority over athletics.
4. There were comments regarding debt service and the role and impact it has on the budget.
  - a. The debt service is shown on the municipal side for building projects like the current project to renovate Kelly Lane School to house small children because the building is owned by the town.
  - b. It was noted debt service drops significantly in Fiscal Years 2020 and 2021.
5. There was a discussion of how purchase orders are created and closed out throughout the year. At times purchase orders are created in one year and not paid for until the following year for one reason or another (not in stock; unavailable, etc.)
6. Concerned that Granby's mill rate is high as compared to some surrounding towns (Hartland, Barkhamsted, Suffield).
7. Many residents supported the school budget and indicated they moved to town because of the high quality of education in our schools.
8. One resident commented his disappointment in the lack of residents attending the public hearing budget to hear public comment and views.
9. The resources for the Quality and Diversity fund come from different sources (open choice program and state).
10. The money set aside for the sidewalk project will be spent accordingly and if any local money is unspent, it will be returned to the General Fund.

## **ADJOURNMENT**

There being no further public input, Chairman Guarco adjourned the public hearing at 8:30 p.m.

Respectfully submitted,

Patricia I. Chieski  
Recording Secretary