



TOWN OF GRANBY

MEMORANDUM

DATE: July 22, 2025

TO: The Granby Board of Selectmen and Board of Finance

FROM: Kimi Cheng, Director of Finance

REGARDING: Consideration of Budget Amendment for Interfund Loans

Background

On May 1, 2023, the Board of Selectmen approved an advanced interfund loan for the FY23 capital equipment purchases in the amount of \$669,000, and on May 22, 2023, the Board of Finance approved it.

On June 17, 2024, the Board of Selectmen approved another advanced interfund loan, but for the FY24 capital equipment purchases in the amount of \$426,000, and on July 22, 2024, the Board of Finance approved it. For both interfund loans, the Capital Equipment/Improvement Fund has to repay the General Fund the principal and interest yearly until the loan is paid off.

For the FY26 adopted budget, the staff inadvertently budgeted these two interfund loans in the general fund when we tried to move all existing loans into the general fund for the purposes of transparency and easily identify the actual capital purchases in the Capital Equipment/Improvement Fund for the fiscal year.

Next Steps

Staff is requesting the approvals of the following budget amendments to reallocate the interfund loans from the General Fund to the Capital Equipment/Improvement Fund for the fiscal year 2025-26 adopted budget.

PROPOSED MOTION for the 7/28/25 BOF meeting:

I move that the Board of Finance approves the budget amendments for the two interfund loans with the accounts indicated in the table below for the fiscal year 2025-26 adopted general fund and capital equipment/improvement fund budget.

| <u>Budget Amendment (Dec. In Exp):</u> | <u>Budget Amendment (Inc. In Exp):</u> | <u>Amount</u> |
|---|---|---------------|
| 001.60.60.6001.64587 2022-23 DUMPTRK/PICKUPTRK/PLOW/VEHLIFT | 237.60.60.6001.64587 2022-23 DUMPTRK/PICKUPTRK/PLOW/VEHLIFT | \$86,391 |
| 001.60.60.6001.65514 2022-23 BUSES (INTERFUND LOAN) | 237.60.60.6001.65514 2022-23 BUSES (INTERFUND LOAN) | \$24,053 |
| 001.60.60.6001.65534 2022-23 DUMPBODY/SANDER (INTERFUND LOAN) | 237.60.60.6001.65534 2022-23 DUMPBODY/SANDER (INTERFUND LOAN) | \$7,595 |
| 001.60.60.6001.65568 2022-23 TECHNOLOGY (INTERFUND LOAN) | 237.60.60.6001.65568 2022-23 TECHNOLOGY (INTERFUND LOAN) | \$47,851 |
| 001.60.60.6001.64588 2023-24 SENIORVAN/TRKPLOW (INTEFUND LOAN) | 237.60.60.6001.64588 2023-24 SENIORVAN/TRKPLOW (INTEFUND LOAN) | \$39,919 |
| 001.60.60.6001.65535 2023-24 F350 W.PLOW/SCRBBER/TRAILER (INTERLOAN) | 237.60.60.6001.65535 2023-24 F350 W.PLOW/SCRBBER/TRAILER (INTERLOAN) | \$16,020 |
| 001.60.60.6001.65569 2023-24 TECHNOLOGY (INTERFUND LOAN) | 237.60.60.6001.65569 2023-24 TECHNOLOGY (INTERFUND LOAN) | \$49,701 |

PROPOSED MOTION for the 8/4/25 BOS meeting:

I move that the Board of Selectmen approves the budget amendments for the two interfund loans with the accounts indicated in the table above for the fiscal year 2025-26 adopted general fund and capital equipment/improvement fund budget.

Enclosure: Appropriation #2026-003

TOWN OF GRANBY

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

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

Date of Request: July 28, 2025

Fiscal Year: 2025-26

Amount of Request: \$271,530

Purpose of Request (Explain briefly or attach narrative):

To move interfund loan accounts from the general fund budget to the small-cap fund budget.

| <u>Budget Amendment (Dec. In Exp):</u> | <u>Budget Amendment (Inc. In Exp):</u> | <u>Amount</u> |
|---|---|---------------|
| 001.60.60.6001.64587 2022-23 DUMPTRK/PICKUPTRK/PLOW/VEHLIFT | 237.60.60.6001.64587 2022-23 DUMPTRK/PICKUPTRK/PLOW/VEHLIFT | \$86,391 |
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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)].

Town Manager/Date

Date of Board of Selectmen Comment Action: August 4, 2025 Approved: YES NO

Date of Board of Finance Resolution Action: July 28, 2025 Approved: YES NO

cc: Director of Finance & Town Treasurer