



TOWN OF GRANBY

MEMORANDUM

DATE: November 24, 2025

TO: The Granby Board of Selectmen

FROM: Mike Walsh, Town Manager

REGARDING: "Plus One" General Fund FY27 Budget – July 1, 2026 - June 30, 2027

By way of this memo, please accept the "Plus-One" General Fund FY27 Budget for the period beginning July 1, 2026, through June 30, 2027. The purpose of the "Plus One" Budget is to provide a snapshot of the condition of the Town, as well as the direction that the budget is moving, based on preliminary estimates.

"Plus One" budgets are prepared by the Town and BOE, adopted by their respective boards, and submitted to the Board of Finance at the "Three Board Meeting" in mid-January.

The Board of Finance then provides preliminary budget guidance at the end of January, which is then finalized in February when better revenue and expenditure information is available. To begin this process, please accept some important Granby municipal financial metrics below:

Metrics @ June 30,	2023	2024	2025
Unassigned Fund Balance	\$ 10,886,872	\$ 6,901,358	\$ 9,025,954
Medical Reserve	\$ 287,854	\$ 294,056	\$ 1,581,903
Pension Fund	\$ 21,512,289	\$ 23,464,212	\$ 25,430,187
Pension Funded %	85.11	93.71	96.73
Pension Discount Rate	6.5%	6.5%	6.5%
OPEB Fund	\$ 5,404,688	\$ 6,067,735	\$ 6,676,685
OPEB Funded %	51.43	55.69	56.53
OPEB Discount Rate	6.0%	6.0%	6.0%
Bond Rating	AA+	AA+	AA+
Bonded Debt	\$ 15,613,065	\$ 13,934,504	\$ 12,282,637
Collection Rate	99.26	98.93	99.32
Taxable GL Value (Before BAA)	\$ 1,073,748,490	\$ 1,378,046,350	\$ 1,395,107,580
Total Tax Levy	\$ 41,300,483	\$ 42,251,062	\$ 44,492,129
Mill Rate	39.98	31.89	33.13
1% of the Town budget	\$ 161,917	\$ 169,500	\$ 179,254
1% of the BOE budget	\$ 344,064	\$ 361,553	\$ 381,185
Value of a mill	\$ 1,033,029	\$ 1,324,900	\$ 1,342,956
1% Grand List Growth	\$ 10,737,485	\$ 13,780,464	\$ 13,951,076
New Revenue from 1% GLG	\$ 429,285	\$ 439,459	\$ 462,199

The Budget Process in Brief:

1. November – Directors prepare estimates for the operating and capital budgets
2. December – the Town Manager provides the BOS with the “Plus One” FY27 narrative
3. January – the Boards of Selectmen, Education and Finance meet jointly on the budget
4. February – the Board of Finance provides final budget guidance and mill rate targets
5. March – Budget workshops begin – open to the public
6. April – the Board of Finance makes final budget adjustments and the residents vote

To maintain maximum transparency, ClearGov Budget Software is again being employed for the production of the FY27 budget.

With respect to the FY27 Budget Book, when completed, easier to read departmental budget summaries will contain a Personnel Services Report which will detail base salaries by position by department. Finally, a brief PowerPoint presentation by department, including an organization chart and some highlights of the salient activities of the unit, will also be provided.

Budget totals for the last four fiscal years and the upcoming FY27 budget are presented below:

The Baseline Budget:

As of June 30th	2023	2024	2025	2026	2027	Inc.	Inc (Dec)%
Town Budget	\$ 12,599,318	\$ 13,104,913	\$ 13,778,911	\$ 14,109,203	\$ 14,445,450	\$ 336,247	2.38%
Debt Service	\$ 1,742,393	\$ 1,695,078	\$ 1,746,458	\$ 1,731,368	\$ 1,836,073	\$ 104,705	6.05%
Capital Budget	\$ 1,850,000	\$ 2,150,000	\$ 2,400,000	\$ 2,605,000	\$ 2,550,000	\$ (55,000)	-2.11%
Total Town Budget	\$ 16,191,711	\$ 16,949,991	\$ 17,925,369	\$ 18,445,571	\$ 18,831,523	\$ 385,952	2.09%
BOE Budget	\$ 34,406,357	\$ 36,155,291	\$ 38,118,521	\$ 39,418,142	\$ -	\$ -	
To Commo Fund	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	
Total Granby Budget	\$ 50,598,068	\$ 53,105,282	\$ 60,043,890	\$ 57,863,713	\$ 18,831,523	\$ 385,952	

Key budget drivers, those accounts that are increasing or decreasing year over year, are presented below.

Budget Account	FY26\$	FY27\$	Inc (Dec)\$	Inc (Dec)%
Payroll (FT/PT/OT)	6,916,862	7,133,181	216,319	3.13%
Medical/Fringe Benefits	1,991,308	1,881,800	(109,508)	-5.50%
Retirement Benefits	1,188,853	1,239,086	50,233	4.23%
General Government	4,012,180	4,191,383	179,203	4.47%
Capital Funding	2,005,881	2,151,858	145,977	7.28%
Lease Funding	494,119	398,142	(95,977)	-19.42%
Debt Service - Bonds	1,836,368	1,836,073	(295)	-0.02%
Totals	18,445,571	18,831,523	385,952	2.09%

The Budget Narrative:

The largest portion of the Town's budget is to pay for the salaries and benefits of employees who provide necessary and expected services for the Town including Public Safety, Public Works, Town Hall Administration, Parks and Recreation, and Senior, Social, Youth, and Library Services. Accordingly, comments on each of those items are provided below.

Regular Full-Time Salaries

The Town employs approximately 62 full-time employees and dozens of part-time and seasonal employees with Permanent Services totaling \$7.1 million. The increase from FY26 to FY27 of \$216 thousand is driven by contractual wage settlements of 3% for four collectively bargained units and non-union employees. This amount includes the reduction of one full-time staff position and the addition of one part-time accountant.

Small adjustments to increase our competitiveness for Library employees (\$2 thousand), Senior Services bus drivers (\$6 thousand), the Deputy Fire Marshall (\$7 thousand), and the Town Engineer were also made to the FY27 budget.

Certain General Fund Salaries have been offloaded to other funds where they are better supported. Included in this offloading is 20%, or \$22 thousand for the Community Services Director salary as well as 20%, or \$17 thousand for the Senior Services employee who coordinates the Collette Tours travel program. Both amounts were transferred to the Parks and Recreation Special Revenue Fund.

Also of note, \$35 thousand of part-time labor costs associated with the operation of the Transfer Station were budgeted and paid from the General Fund in FY26. In FY27, to better align the transfer station costs to the fund where they belong, the costs were moved into the Solid Waste Sanitation Fund.

Overtime

Overtime payments are regularly incurred within the Police Department predominately due to the minimum staffing requirement in their contract to maintain officer safety, and in the Public Works Department as their response times are weather dependent. In FY27, Overtime trends suggest that increases of \$51 thousand are needed (\$45 thousand Police/Dispatcher and \$6 thousand Public Works). This amount includes holiday pay increases for Police Officers.

Medical Benefits

The Town provides a variety of fringe benefits to employees covered by negotiated labor contracts or the Town's Personnel Rules. In the recent past, due to larger than average family units, adverse medical experience including catastrophic claims, the Town has experienced rising medical costs on an annual basis which has increased the budget and depleted the Medical Reserve.

However, with all labor contracts now providing medical benefits under a more cost effective HDHP, with stop loss costs returning to a more normal trend, and with the Medical Reserves being replenished to \$1.6 million, budget projections are returning to more stable levels.

In the FY27 budget, due to one fewer headcount and two retirees that are no longer on active medical coverage, reductions of \$109 thousand are expected. This reduction includes a 3.0% medical cost inflation escalation, or an increase of \$40 thousand.

The Town, through the creation of an Other Post Employment Benefits Trust (OPEB) also provides retirement medical benefits for grandfathered employees. The OPEB Trust is analyzed periodically by an outside actuary and a projection of costs (pay as you go plus an amortization of the unfunded liability) are deposited into the Trust.

Payments for Retiree Medical expenses are now charged to the OPEB Trust. The OPEB Trust and Medical Reserve will be continually reviewed to be sure the change in accounting is better reflected in the projection of both the OPEB Trust and Medical Reserve budget contributions.

Due to the change in accounting mentioned above, coupled with the full use of the \$2 million prior year contribution, the Town should see a reduction in budget amounts needed for the Medical Reserve while the OPEB ADC (Actuarial Determined Contribution) should increase.

Retirement Benefits

The Town provides a mixture of defined benefits in the form of a pension plan to Police and BOE employees while a defined contribution plan is provided to all other employees. The year over year costs to provide these benefits have seen an increase of \$50 thousand compared to the prior year.

This cost increase is best described as an actuarially determined contribution (ADC), and historically, the Town of Granby has made the full annual calculated contribution as well as estimating the future growth of the invested funds with a conservative discount rate, which is another term for the expected annual investment growth from the invested proceeds.

The importance of a trust for both OPEB and Pension benefits cannot be understated as the investment earnings over time will replace 70% of what the taxpayers would have paid for these benefits without a trust.

General Government

Refuse Collection – the Town provides weekly refuse collection and bi-weekly recycling collection to residents. In the past, the Town's long-term collection vendor was Paine's out of Simsbury. In 2025, Paine's sold their operation to All-American Waste out of Massachusetts.

Understand that the options for disposal of our waste and recycling within the State are non-existent, so the cost of trucking our waste to out of state processing facilities and the tipping fee to pay for the disposal of that waste has increased.

The Town recently extended All-American Waste's contract and will see a 3% or \$35 thousand increase in the cost of disposal in FY27.

Insurance and Worker's Compensation

The Town of Granby places a host of liability, auto, and property (LAP) insurance policies with CIRMA (Connecticut Interlocal Risk Management Agency). CIRMA was created decades ago to specially underwrite the municipal risk a community like Granby would incur.

The FY27 budget for the LAP program anticipates a 5% premium increase, but retroactively based on experience, it could be lower. Additionally, the Worker's Compensation Program also offered by CIRMA to the Town is budgeted for a 3% increase, consistent with the increase in labor contracts. In total, budget costs for FY27 increased by \$15 thousand compared to FY26.

Electricity/Gasoline/Diesel/Heating Oil – The Town is coming off one competitively bid electricity contract and has signed on for another through CRCOG. However, the current rate due to instability worldwide has the Town paying \$19 thousand more for electricity. Beneficial rates for Gasoline and Diesel will be locked in and allow for year-over-year budget stability. However, higher projected storm response will increase the FY27 budget by \$15 thousand.

Software and Use Licensing

FY27 Budget increases are being experienced in Software licensing agreements for the online building permit software recently rolled out. The increase year over year is \$15 thousand with the cost previously absorbed by ARPA Funding. Additionally, a \$37 thousand year over year increase is related to the bundling of the Axon contract which now more beneficially covers all tasers and taser cartridges, patrol car and body cameras, and data storage systems including the associated operation software.

Smaller increases are budgeted as we move toward copier rental in lieu of ownership (\$4 thousand) and in Quality/QDS software licenses (Assessor and Tax Collector - \$2 thousand). A host of smaller increases that are not articulated here are also incorporated into the budget.

Capital Funding

The Town provides a generous allocation of funding on an annual basis to address the normal wear and tear on public buildings, as well as the scheduled replacement of certain equipment and infrastructure, like road resurfacing. The capital dollars in the FY27 budget are materially the same as was budgeted in FY26.

Also of note, CPPAC (Capital Priority Planning Advisory Committee) is regularly meeting and will produce a recommendation of a mix of BOE and Town large capital projects to the Board of Selectmen for possible approval.

Debt Service Bonds:

Once CPPAC sends their large capital project bond recommendation over to the Board of Selectmen and that is approved, the voters will be asked which projects should be funded by the Town issuing general obligation tax exempt bonds. Because one of the three bond issues that are currently outstanding has been fully amortized, the Town can use the same debt service to issue another tranche of bonds to pay for the approved capital items.

Granby Ambulance Association (GAA)

The Town budget provides for an \$80 thousand annual contribution to GAA, or an increase of \$60 thousand. By early March, coinciding with the scheduled budget public hearings, a comprehensive report will be issued by the Town analytically supporting this increase. Once approved, a contract agreement with GAA will be updated and sent to the Board of Selectmen for approval.

This budget amount will stabilize the financial condition of GAA as insurance reimbursements do not cover the cost of the services they provide, and with recurring capital and medical equipment needs, this increase addresses that issue while allowing GAA to preserve their endowment to address long-term capital needs

Revenue

It's too early to fully understand how the increase in expenses will translate into a mill rate since Grand List growth, which is the economic engine of the Town, is not fully compiled as of this writing, but will be available for review by early February. My expectation is some growth in the Grand List will be realized as Real Estate value increases from the full development of Station 280 and Harness Way will correspond to growth.

In closing, I would like to thank each of the department heads for their work getting the budget to this point, and special thanks to Finance Director Kimi Cheng and PMO Betsy Mazzotta for their diligent work behind the scenes helping to assemble this product.

I will be on hand at the next BOS meeting to discuss this information in more detail, and I look forward to the upcoming budget process as we move into FY27.

CC: All Town Directors and Staff



The Town of Granby Plus One – FY 2026-27

Three Board Meeting Budget Presentation

January 20, 2026



The Town of Granby
Plus One – FY 2026-27
Three Board Meeting Budget Presentation

Commentary on the Town of Granby - Financial Metrics – “What Wall Street Looks At”

1. Fund Balance – you have saved adequately for a rainy day
2. Pensions/OPEB – you make the Actuarial Determined Contribution annually
3. Discount Rates – you use a 6.5% and 6% earnings rate – very conservative
4. Bonded Indebtedness – low, comparatively
5. Collection Rate – high, comparatively
6. Grand List – relatively small, few remaining places to invest
7. State Aid – minimal help from the State – higher wealth indicators



The Town of Granby Plus One – FY 2026-27 Three Board Meeting Budget Presentation

“What Main Street Looks At”

Category	Number	Ranking of 169	State Average/Comment
Population	11,751	89	
Per capita income	\$63,069	53	\$54,409
Median household income	\$117,476	61	\$93,760
Bonded debt per capita	\$1,389	104	\$2,931
Net pension liability per capita	\$335	101	\$1,823
Post-employment benefits liability	\$454	65	\$1,954
All debt combined per capita	\$2,177	108	\$6,708
Pension liability funding	93.1%	N/A	Position Excellence
Post-employment benefits funding	51.1%	N/A	Moving toward full funding
Unemployment	2.5%	132	3.2%
Net Education Expenditures	\$20,169	99	\$20,633
Tax collection rate current year	99.3%	39	98.6%
Annual tax burden per capita	\$3,730	61	\$3,363
Median value of homes	\$363,300	N/A	Above average
Residential % of grand list value	79.2%	N/A	66.7%
Commercial % of grand list value	7.4%	N/A	17.5%



The Town of Granby Town Budget Summary FY27 In Brief

Trend

Metrics @ June 30,

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The Town of Granby Plus One – FY 2026-27 Three Board Meeting Budget Presentation

Where we are today

	Small	(Average)	Large
Market Value	\$ 300,000	\$ 392,857	\$ 500,000
Assessed Value at 70%	\$ 210,000	\$ 275,000	\$ 350,000
FY 25 mill rate @ 33.13	\$ 6,957	\$ 9,111	\$ 11,596
FY 26 mill rate @ 34.21	\$ 7,184	\$ 9,408	\$ 11,974
Tax Increase (Decrease)	\$ 227	\$ 297	\$ 378
% Increase (Decrease)	3.26%	3.26%	3.26%

The value of a mill

\$1,342,956

To save the average taxpayer \$100

New Grand List Growth	or	\$ 13,000,000
Other Revenue Growth	or	\$ 450,000
Expense Reductions		\$ 450,000

To increase taxes for the average taxpayer by \$100 raises \$450,000

\$450,000 supports \$5.5M of new bonding over 20 years at 3.5%



The Town of Granby
Town Budget Summary FY27
In Brief

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The Town of Granby
Town Budget Summary FY27
Drivers in Brief

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The Town of Granby

FY 2026-27

Summary Narrative

Regular Full-Time Salaries

- 3% contractual raises, OT increased
- Reduction of 1 position
- New part-time accountant
- Fund offloads/Competitive adjustments
- Transfer Station staff to Sanitation Fund

Medical Benefits

- Reserve now sufficient @ \$1.6 million
- Move from PPO to HDHP
- New Stop Loss carrier
- 3% medical inflation budgeted

Retirement Benefits

- Budget OPEB & Pension ADC
- Set the Discount rate conservatively

General Government

- Refuse Collection
- Insurance LAP and Worker's Comp
- Municipal Software
 - Permitting formally ARPA
 - Axon PD contract now bundled
- Electricity/Gasoline/Diesel/Heating Oil

Capital/Debt/Leases

- CPPAC

Granby Ambulance Association

- Annual allocation increase from Special Fund

2.38% Operating and 2.09% Total



**The Town of Granby
FY 2026-27
What's New(er)**

- 1. ClearGov Budget Book with a Personnel Services Report by position**
 - more understandable
 - more transparent
- 2. A 10-Year Board of Selectmen approved Capital Plan which is to CPPAC**
- 3. PowerPoint w/ Org Chart, Unit Activities, Accomplishments, and Capital needs**



The Town of Granby
FY 2026-27
Looking into the Future

10 Things We're Working On

- 1. Work to update the Town's Sewer Ordinances and Pumps**
- 2. Kearns School Development Agreement and Contract**
- 3. Continuous Organizational and Workforce/Workflow Review**
- 4. STEAP Grant Phase II Planning and Execution**
- 5. Completion of the \$4.6M Emergency Radio Communications Project**
- 6. Partner with the FOHF - their vision of 87 Simsbury Road achieved**
- 7. Size a capital bonding package, secure voter approval, execute**
- 8. Issue uniform Board and Commission Guidelines**
- 9. Issue Written Fund Policies for the Seven Major Funds**
- 10. Dispatcher Contract Negotiation and DB Pension Plan Reopener**



The Town of Granby
Town Manager's Office
FY 2025-26

Questions?