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TOWN OF GRANBY

MEMORANDUM

DATE: April 13, 2020

TO: Karen Hazen, Town Clerk

FROM: John D. Ward, Town Manager

REGARDING: Board of Finance Special Meeting

Michael Guarco, Chairman of Board of Finance, has called for a special meeting of the Board of Finance. The meeting will be held on Monday, April 13, 2020, 7:30 p.m. or immediately following the public hearing at the Town Hall Meeting Room. The meeting will be held in the Town Hall Meeting Room.

The following agenda pertains:

1. Approve Minutes from Previous Meeting
2. Consideration of Action on the 2020-2021 Annual Town Budget
3. Consideration of 2019-2020 Auditor
4. Adjournment

pc: Board of Finance
First Selectman
Town Manager
Finance Officer
Recording Secretary
BOE Chairman
Supt. of Schools
BOE Bus. Mgr.
Library (2)
Press

**TOWN OF GRANBY
BOARD OF FINANCE
MEETING MINUTES
March 30, 2020**

PRESENT: Michael Guarco, Chairman; William Kennedy; Frederick Moffa, OD; Kelly Rome; Alfred G. Wilke, James Tsaptsinos (virtually)

OTHERS PRESENT: Kimi Cheng, Administration Finance Officer; B. Scott Kuhnly, First Selectman; Glenn Ballard, Board of Selectman "BOS"; Kirk Severance, Public Works Director

OTHERS VIRTUAL: John D. Ward, Town Manager; Anna Robbins, Board of Education "BOE" Business Manager; Jordan Grossman, Ed.D., Superintendent of Schools; Melissa Migliaccio, Chairman BOE; Sarah Thrall, BOE; Rosemarie Weber, BOE; Jenny Emery, BOE; David Peling, BOE; Mark Neumann, BOS

CALL TO ORDER:

Board of Finance meeting called to order by Chairman Michael Guarco at 7:01 p.m.

APPROVAL OF MEETING MINUTES:

The Board reviewed the minutes from the regular meeting on February 24, 2020.

ON A MOTION by W. Kennedy, seconded by F. Moffa, abstained by A. Wilke, the Board voted (5-0-1) to approve the regular meeting minutes of February 24, 2020 with the following changes:

- Second page, Section B, Second paragraph should state "Assessments"
- Second page, Section B, Third paragraph should state "Municipal funds".

STATEMENT OF ACCOUNTS:

A. Municipal

J. Ward, Town Manager, reported highlights on the February 2020 Statement of Accounts.

J. Ward noted that 100% of the budgeted revenue is coming from property taxes. Town has received 50% for education. Tuition from other schools is at 31%. Municipal total numbers are smaller with the exception of state owned property and communications which the town has received 50% of what is expected. Intergovernmental revenues are at a surplus at \$95,000 above what is budgeted. Town has received 112% from the local department. Total standing is 94% of the year. Expenditures are running as expected. There are no accounts in jeopardy or on the watch list at the moment.

M. Guarco inquired about the impact to the town finances given what is happening state and nationwide. J. Ward noted that the immediate impact will be the Town Clerk's Office, inspections and recreation services.

M. Guarco inquired about whether or not the town will see savings relative to the current public health crisis. J. Ward noted that there are some savings relative to workforce reductions; however, there are no major reductions in expenses relative to cleaning supplies and laptops for employees working from home. The savings will be offset by the increased expenses.

W. Kennedy inquired about the double income revenue. J. Ward noted that he would further investigate and report in the next regular Board meeting.

K. Rome inquired if there would be any anticipated delays in receiving funding from the state. J. Ward noted that it is unclear about the 2020 fiscal year; however, he expects that next year the state revenue will be severely challenged.

B. Board of Education:

A. Robbins, BOE Business Manager, reported on the budget as of February 29, 2020.

A. Robbins reported that the Total General Funds show an overall negative forecast of \$129,000. Special Education expenditures and Regular Education show favorable at \$178,000. Salaries show favorable at \$147,769. Transportation expenditures have been reduced due to the overstatement from the accounting error which was returned in the form of a credit. Quality and Diversity show favorable at \$22,000 due to lower magnet school tuition and personnel expenses. Revenues from other towns show more favorable by \$6,000.

M. Guarco inquired about the impact that COVID-19 will have this month and next month relative to revenues and expenditures. J. Grossman noted that a Memorandum of Understanding has been drafted to gain further insights into existing contracts with bus drivers, nurses, and food services. However, transportation is a moving target given the Presidential Act to pay bus drivers in this public health crisis.

A. Wilke inquired about the tuition and special education and how COVID-19 is impacting those expenditures. A. Robbins noted that BOE met last week to discuss with the attorney whether the placement of these services can be managed within the town. A. Robbins noted that there is anticipated savings.

A. Wilke inquired if services for special education were being provided by outside providers. A. Robbins confirmed that special education services is performed by outside providers; however, the BOE is considering whether or not these services (i.e. Occupational Therapy, Speech and Language Therapy, and Physical Therapy) suffice in this distance learning environment.

W. Kennedy inquired about page five of the BOE report that shows a combined budget of \$884,284 for regular tuition and special education tuition from other towns even though BOE has only received \$269,000. A. Robbins noted that a payment is expected in April and a second payment in June. A. Robbins expects to receive the full funds as reflected in the anticipated column on the BOE report.

RECEIVE THE 2020-2021 BUDGETS FROM BOS AND BOE:

A. Board of Selectman

S. Kuhnly, First Selectman, presented the approved and completed budget for 2020-2021 Fiscal Year to the Board of Finance per the Town Charter (Section 10-3). The budget presented by the Town Manager met the Board guidelines of a 1.5% increase over the 2019-2020 own budget.

The BOS voted unanimously to adopt and forward to the Board the following budget for **General Fund Revenues** in the amount of \$8,260,766 as outlined below:

Property Tax (exclude current levy) \$690,000
Intergovernmental Revenues \$6,872,966
Local Departmental and Fund Revenues \$697,800

The BOS forwarded a proposed 2020-2021 **Expenditure Budget** to the Board in the total amount of \$15,862,591 as outlined below:

Administration \$4,703,439
Personal & Property Protection \$2,834,317
Public Works & Environment \$3,190,220
Libraries, Recreation, & Social Services \$1,010,740
Town Operations Budget \$11,738,716
Capital Budget \$1,775,000
CNEF Levy \$259,000
Debt Service \$2,089,875

The BOS forwarded a proposed 2020-2021 **Other Funds Budget** to the Board along with a 2021-2030 **Capital Improvement Program** consisting of the following:

Dog Fund \$16,950
Recreation Events (P&R and HF) \$626,500 (excludes transfer to Capital Improvement fund)
Sewer Utility \$243,000
Capital Equipment/Improvement \$2,397,440
Education Quality & Diversity \$982,910
Solid Waste Fund \$115,000
Capital Improvement Program

B. Board of Education

M. Migliaccio, Chairman of BOE, presented the proposed budget for 2020-2021 Fiscal Year to the Board with a total budget of **\$32,043,750** that is an increase of 2.9% above the 2019-2020 budget:

62.5% Regular Education Salaries & Benefits (\$20,016,845)
13.7% Special Education Salaries & Benefits (\$4,398,988)
8.9% Supplies, Purchased Services & Activities (\$2,845,897)
6.9% Other Special Education Costs (\$2,201,827)
3.2% Building Maintenance, Legal, Insurance & Misc. (\$1,018,131)
3.1% Buses (\$996,661)
1.8% Utilities (\$565,401)

M. Guarco commented that the population is stabilizing; however, there is projected growth for students K-12 from 1,800 to 1,823 by 2025.

M. Guarco inquired about the increased expenditures per pupil. M. Migliaccio noted that one of the factors for the increase is that teachers have a front loaded contract with a 4.7% increase in salaries. The increase also includes special education costs.

A. Wilkes commented that schools are doing a tremendous job with providing superb education while adhering to the budgeted guidelines. M. Migliaccio commented that she appreciated the acknowledgement and noted a couple high school students that have been accepted to top Ivy League Universities (i.e. Cornell).

K. Rome inquired how different the town responded to this public health crisis from other towns in this state. M. Migliaccio commented that distance learning was deployed within six days after Governor Ned Lamont announced the shutdown. As such, the students of Granby are well positioned.

C. BOARD COMMENTS FROM THE BOS AND BOE WORKSHOPS

1. K. Rome noted that Board of Education and Board of Selectman did a great job coming under the Board guidelines even though there are contracts in place that have mandatory increases each year.
2. F. Moffa noted that he sat on the Board of Selectman and he was impressed with the back and forth dialogue. The discussion proved to be productive and the budget proposed and approved was quite acceptable.
3. A. Wilkes noted that he attended the Board of Education. He noted that the budget was right on time and realistic. BOE came in at 2.92% which was below the 2.30% recommendation from the Board. BOE did an astounding job. A. Wilke further challenged BOE to further work on special education.
4. J. Tsaptsinos noted that this was an enlightening process and he was impressed with the preparedness and exemplary professionalism shown in the workshops.
5. W. Kennedy challenged the BOE to continue the good work.
6. M. Guraco appreciated the work both inside and outside of the workshops. He noted that the town is fairly well positioned to take on what we have to during these unprecedented times.

D. WORKSHEET F

M. Guarco, Chairman of BOF presented Worksheet F for the 2020-2021 Fiscal Year.

M. Guarco noted the history behind the Small Cap Fund and how it was created to stabilize funding and operational costs. M. Guarco proposed an increase of 3.71% of the operating budget. Debt services to increase to 2M. BOE to adopt a 2.92% increase. Total expenditure to increase to \$47.6M that is a 1.83% increase for 2019-2020 Fiscal Year.

M. Guarco further commented that if the mill rate is reduced now, in the future it will be harder to stay in the 2 and 3 mill rates. We are borrowing from the future by using the existing reserves. As such, M. Guarco proposed to the Board to keep the mill rate flat in these unprecedented times:

- K. Rome noted that she fully supports keeping the mill rate flat. It is the right thing to do in order to ease the pressure on the town residents.
- A. Wilke also fully supports keeping the mill rate flat. We are fortunate to have a decreasing debt service.
- F. Moffa commented that it shows that we know what is going on in the world. We will see the tax bills come due, but hopefully town residents are escrowing for their taxes. He fully supports the mill rate to be flat.
- J. Tsaptsinos noted that these are unprecedented times and using the "rainy day" funds will help ease the burden. As we see more furloughs and layoffs, keeping the mill rate flat will be proven to be the right move.
- W. Kennedy noted that he has lived in the town for 40+ years. We do know now what the future holds over the next two to three years, but keeping the mill rate flat at this moment is the right thing to do.
- J. Ward noted the budget represents a balanced approach both for the present and future.

ON A MOTION by K. Rome, seconded by W. Kennedy, the Board unanimously voted (6-0-0) to incorporate the two operating budgets noted on Worksheet F dated March 22, 2020.

PUBLIC HEARING APRIL 13, 2020:

M. Guarco commented on the process for the public hearing as follows:

- The proposed 2020-2021 Fiscal Year will be posted on the Towns Website.
- Board of Selectmen will meet on Monday, April 6 to authorize the public hearing.
- Town residents can email their comments to the Town Manager.
- Public hearing will be held virtually on Monday, April 13.
- Board will set the rate which will be a 0% change.
- Once the budget is approved, it will be posted on the town's website.

NEXT MEETING:

The Public Hearing meeting is scheduled for April 13, 2020 in accordance with the Town Charter to hold a public hearing on the second Monday in April.

The next regular Board of Finance meeting is scheduled for Monday, April 27, 2020.

ADJOURNMENT:

BOF Minutes

3/30/2020

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ON A MOTION by F. Moffa, seconded by B. Kennedy, Board voted unanimously (6-0-0) to adjourn the meeting at 8:42 p.m.

Respectfully submitted,

Jennifer Smith
Recording Secretary