

Town of East Granby Annual Budget for 2025-26



PUBLIC HEARING
APRIL 23, 2025

Board of Finance Budget Calendar

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Jan

- Boards of Education and Selectmen present high level budget drivers for fiscal 2026 spending

Feb

- Review Final Grand List (largest Revenue source)
- BoF directs budgets to be presented by: **BoS at 2.5%** and **BoE at 4.1%**

Mar

- BoS presents **2.5%** (Recommends 2.8%)
- BoE presents **4.1%** (Recommends 4.1%)

Board of Finance Budget Calendar

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4/9

- BoF reviews expected revenues
- Sets Budgets to go to Public Hearing
- BOS: **2.8%** and BOE **4.1%**

4/23

- Public Hearing
- BoF sets Budgets to go to Town Meeting

5/6

- Town Meeting to Approve Budget. BOF sets Mill Rate. **In years past, the meeting has adjourned to a machine vote.**

Sources of Revenue

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- **Property Taxes**
 - Includes Supplemental Motor Vehicle Taxes, Past Due Taxes, Interest and Liens. Valuations are on the Grand List as of the previous October 1st
- **State Grants**
 - Education, Non-Education, Payments in Lieu of Taxes (PiLOT) for State-Owned Property including Bradley
- **Town Fees and Interest**
 - Building Permits, Town Clerk Fees, Interest on General Fund
- **Use of Cash Balance**

Property Taxes

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- **Mill Rate**
 - BoF anticipates a 30.50 Mill Rate for Real Estate, Personal Property, and Motor Vehicles, a 2.35% increase from prior year at 29.80.
 - BOF anticipates a blended 30.50 Mill rate also a 2.35% increase from prior year at 29.80.

State Grants

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- Estimate based on the Governor's proposed adjustments to the State budget
 - Only specific proposal to date
- Estimates show a modest increase of 4.4%.
- Payments in Lieu of Taxes for Bradley Airport now come from CT Airport Authority, instead of the State, and are set in statute.

Town Fees and Interest

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- **Charges for Permits, Licensing or Activities**
 - Most of the fees are set by state statute
- **Interest on General Fund**
 - Market interest rate on conservative investments continues to be high compared to recent years.

Use of Cash Balance

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- **BoF Policy**
 - Maintain Cash Balance of at least 10% of Expenditures
 - Desire to raise cash balance when borrowing is anticipated
- **Additional Balance can accrue due to**
 - Higher revenues than expected
 - ✦ State budget finalized after Town's
 - ✦ General Fund interest
 - Operating boards spend less than budgeted

Use of Cash Balance

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- BoF anticipates drawing \$529,189 from Cash Balance to use for revenue. This leaves 10.36% of Expenditures in the Account
- The BoF intends to maintain a cash balance of at least 10% of expenditures
- The BoF notes uncertainty with the Sewer Use fund and is anticipating requesting \$1.1M of the town in FY 26 for use against deficit. Without this, the Cash Balance would be 14.24%.

Estimated Revenues

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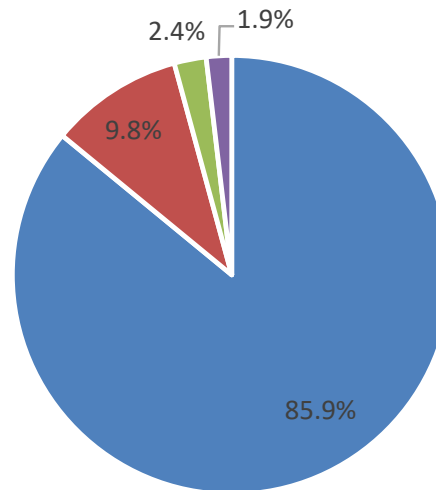
Proposed Revenues	Budget 2024 - 25	Projected 2024 - 25	Anticipated 2025-26	Percent Change *	% of Total Revenue	Incremental Expenditure
Property Tax Collections	\$ 23,070,126	\$ 23,248,736	\$ 24,330,408	4.7%	85.9%	\$ 1,081,671
State Grants	2,667,519	2,667,590	2,781,205	4.3%	9.8%	113,615
- Education	1,624,016	1,624,087	2,086,479	28.5%	7.4%	462,392
- Non Education	1,043,503	1,043,503	657,991	-36.9%	2.3%	(385,512)
Town (Fees, Interest and Non- Property T	509,486	966,241	667,289	-30.9%	2.4%	(298,952)
Use of General Fund Balance	1,255,599	842,854	529,189	-37.21%	1.9%	(313,665)
Total Revenue	\$ 27,502,730	\$ 27,725,422	\$ 28,308,091	2.10%	100.0%	\$ 582,669

* The Board proposes decreasing Use of General Fund Balance by \$313,665 to \$529,189. The board anticipates less building permit revenue and that lower interest rates will be in effect during FY 2026 and plans for reduced Town revenues by \$298,952 to \$667,289.

Total Estimated Revenues *\$28,308,091*

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Revenue by Source



■ Property tax ■ State grants ■ Town fees ■ Cash balance

Proposed Expenditures

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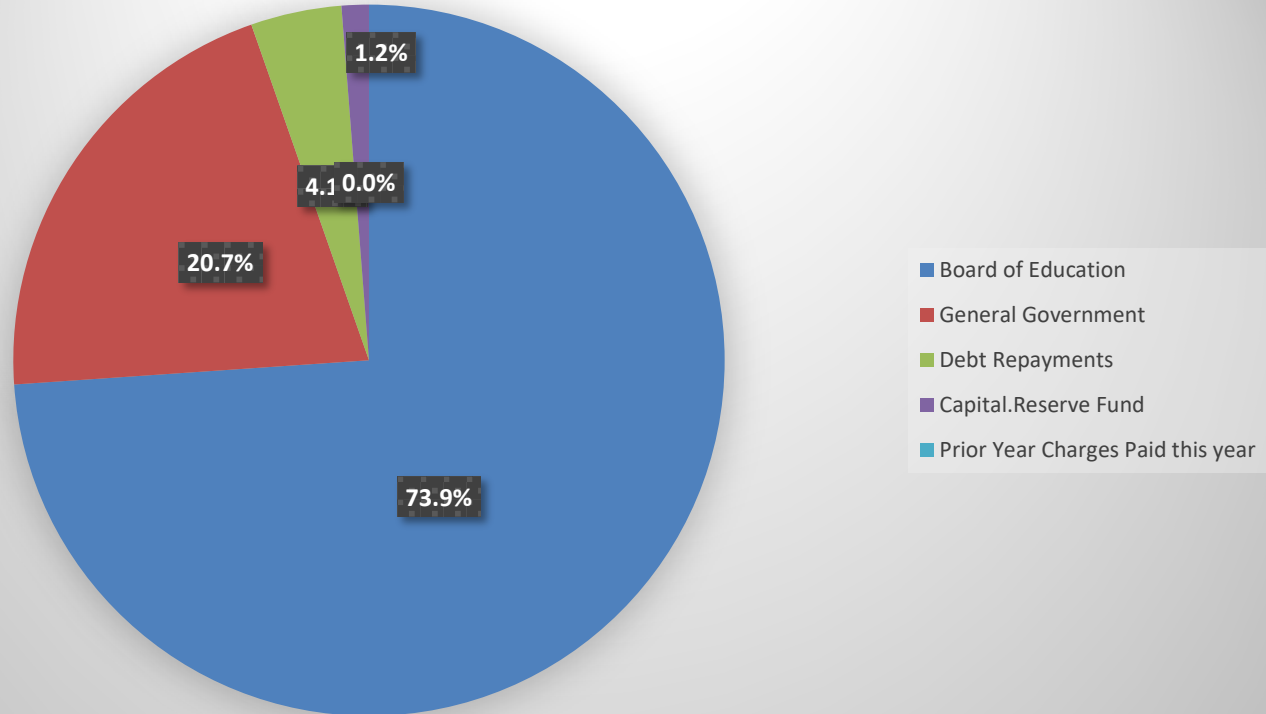
Proposed Expenditures	Budget 2024 - 25	Projected 2024 - 25	Proposed Budget 2025-26	Percent Change **	% of Expenditure	Incremental Expenditure
Board of Education	\$ 20,090,000	\$ 20,090,000	\$ 20,923,500	4.15%	73.91%	\$ 833,500
General Government	5,608,000	5,608,000	5,865,600	4.59%	20.72%	\$ 257,600
Debt Repayments	1,204,730	1,188,764	1,168,991	-1.66%	4.13%	\$ (19,773)
Capital.Reserve Fund	600,000	600,000	350,000	-41.67%	1.24%	\$ (250,000)
Prior Year Charges Paid this year	-	238,658	-			\$ (238,658)
Total	\$ 27,502,730	\$ 27,725,422	\$ 28,308,091	2.10%	100.00%	\$ 582,669

- The General Government total increase includes a transfer of \$100,000 from the Capital non-recurring fund to the Operating Budget for Fire Maintenance. This amount raises the increase to 4.59%, but it is offset by a reduction in capital.
- The Board of Finance proposes decreasing Debt Service by \$19,773 to \$1,188,764, due to decreased payments due.

Proposed Expenditures

Total Budget \$ 28,308,091

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Debt Service

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- **Town Incurs Debt for Major Projects**
- **Elementary Schools Project**
 - Issued April 2012, Matures in 2027
- **Roofs and Roads Projects**
 - Issued July 2021, Matures in 2041
- **School LED Light replacement**
 - Loan Approved June 2022, Matures in 2026, Final Payment of \$76,111 in the FY26 budget

Capital Reserve Fund

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- Town “savings account” for Major Purchases
- Used to Maintain and Upgrade Infrastructure
 - Each Purchase Must Be Approved at Town Meeting
- Money from the General Fund is put into (allocated to) the Capital Reserve each year
- A Five-Year Capital Plan is maintained and updated annually

Capital Reserve Fund –cont'd

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- **There are two “one-time” items to mention for FY 26.**
 - BoF voted to move \$100,000 from Capital back to General Government operating fund to better align the spending of low-cost Fire Department maintenance items.
 - General Government is projected to underspend on Capital Accounts by \$200,000 due in large part to the receipt of grants; the largest being \$90K for the playscape at East Granby Farms. Because the town is otherwise on track to achieve the year end balance in the capital fund according to policy, the BoF decided to allocate \$200,000 less in FY 2026 to allow taxpayers to take advantage of the savings.

General Government and Board of Education

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Detailed budgets will be presented separately by the respective Boards

- **General Government– Town Annual operating costs:**
Owned by the Board of Selectman
 - Administrative offices
 - Safety (Police, Fire, Ambulance)
 - Maintenance (roads, parks, buildings, equipment, etc.)
- **Education – Annual operating costs:**
Owned by the Board of Education
 - Educational program delivery (EG school system)
 - School buildings and facilities

Questions