Town of East Granby Annual Budget for 2026-27

TOWN MEETING

MAY 18, 2026

Changes Since 05/07 Referendum

- Capital Account
  - Reduced the proposed appropriation from $600,000 to $550,000
- New State Revenue for FY 27
  - $31K – Town Aid Road –restricted use
  - $255K ECS – Restrictions exist, but East Granby has met them and is free to use according to the Town's best interest.
- Mill Rate
  - We intend to use the $255k of new revenue to drop the FY 27 mill rate increase from 2.8% to 1.97%

Board of Finance Budget Calendar

Jan

- Boards of Education and Selectmen present high level budget drivers for fiscal 2027 spending

Feb

- Review Final Grand List (largest Revenue source)
- BoF directs budgets to be presented by: **BoS at 3.8%** and **BoE at 5.0%**

Mar

- BoS presents **3.8%**
- BoE presents **5.0%**

Board of Finance Budget Calendar

4/7

- BoF reviews expected revenues and expenses
- Sets Budgets to go to Public Hearing
- BOS: **3.8%** and BOE **5.0%**

4/21

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

4/29

- Town Meeting on Budget

Board of Finance Budget Calendar

5/7
- Machine Vote referendum - Budget Fails

5/18
- Second Town Meeting on Budget

5/26
- Second machine vote referendum on budget presented tonight

Sources of Revenue

- 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

- Mill Rate
  - BoF anticipates a 30.95 Mill Rate for Real Estate, Personal Property, and Motor Vehicles, a 1.97% increase from prior year at 30.50.

State Grants

- New State Revenues clarified hours before our referendum increase state revenues by ~$285k

- 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

- 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

- 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

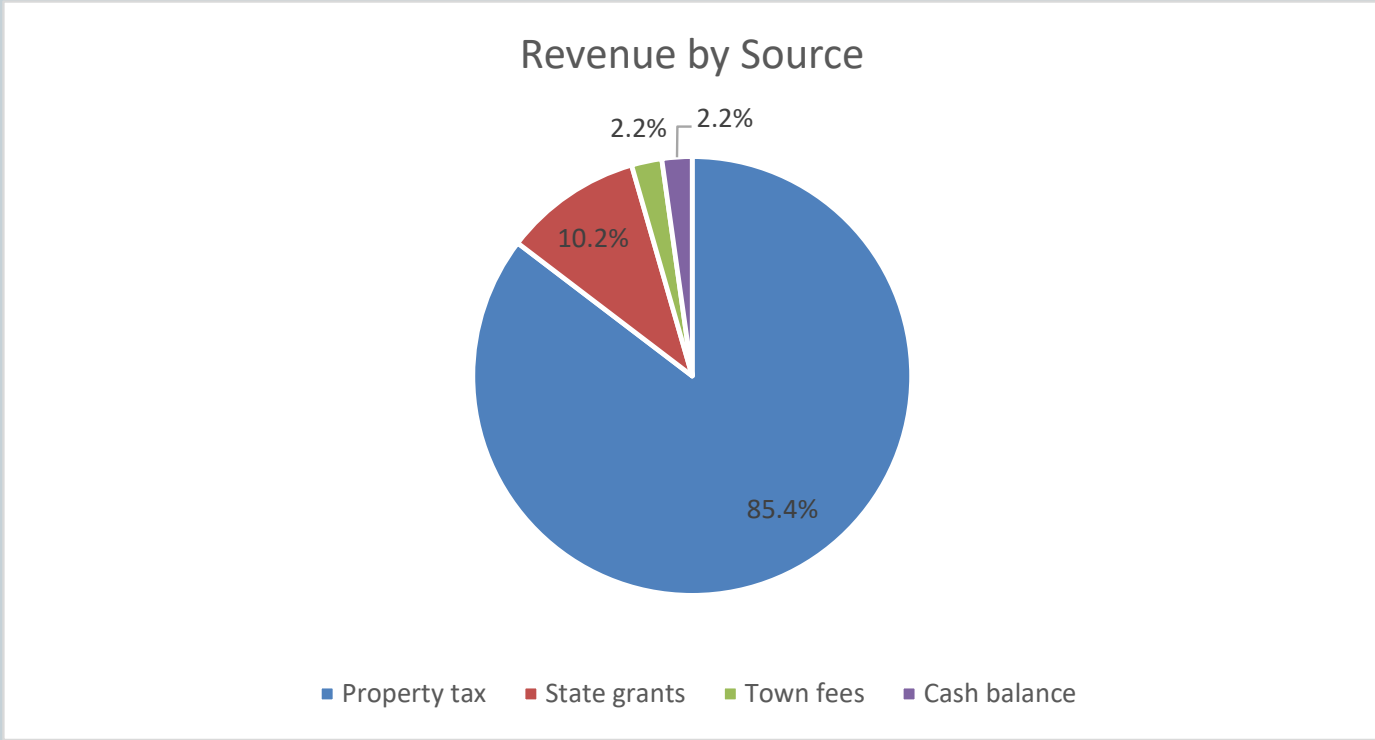
- BoF anticipates drawing $662,814 from Cash Balance to use for revenue. This leaves 11.3% of Expenditures in the Account
- The BoF intends to maintain a cash balance of at least 10% of expenditures
- In FY 27, the Town begins replenishing the general fund to reduce the amount owed by the Sewer Use Fund. If the deficit had been fully paid the balance would be 16.74% of expenditures.

Estimated Revenues

Proposed Revenues	Budget 2025-26	Projected 2025-26	Proposed Budget 2026-27	Percent Change *	% of Total Revenue	Incremental Expenditure
Property Tax Collections	$ 24,330,408	$ 24,524,131	$ 25,456,726	3.8%	85.4%	$ 932,595
State Grants	2,781,205	2,781,205	3,036,205	9.2%	10.2%	255,000
- Education	2,086,479	2,086,479	2,341,479	12.2%	7.9%	255,000
- Non Education	694,726	694,726	657,991	-5.3%	2.2%	(36,735)
Town (Fees, Interest and Non- Property T	667,289	750,289	667,289	-11.1%	2.2%	(83,000)
Use of General Fund Balance	529,189	252,466	662,814	162.54%	2.2%	410,348
Total Revenue	**$ 28,308,091**	**$ 28,308,091**	**$ 29,823,034**	**5.35%**	**100.0%**	**$ 1,514,943**

* The Board proposes increasing Use of General Fund Balance by $410,348 over current year projection to $662,814. The board anticipates that Town revenues will be flat to FY26 Budget even though FY26 revenues were slightly higher than budget.

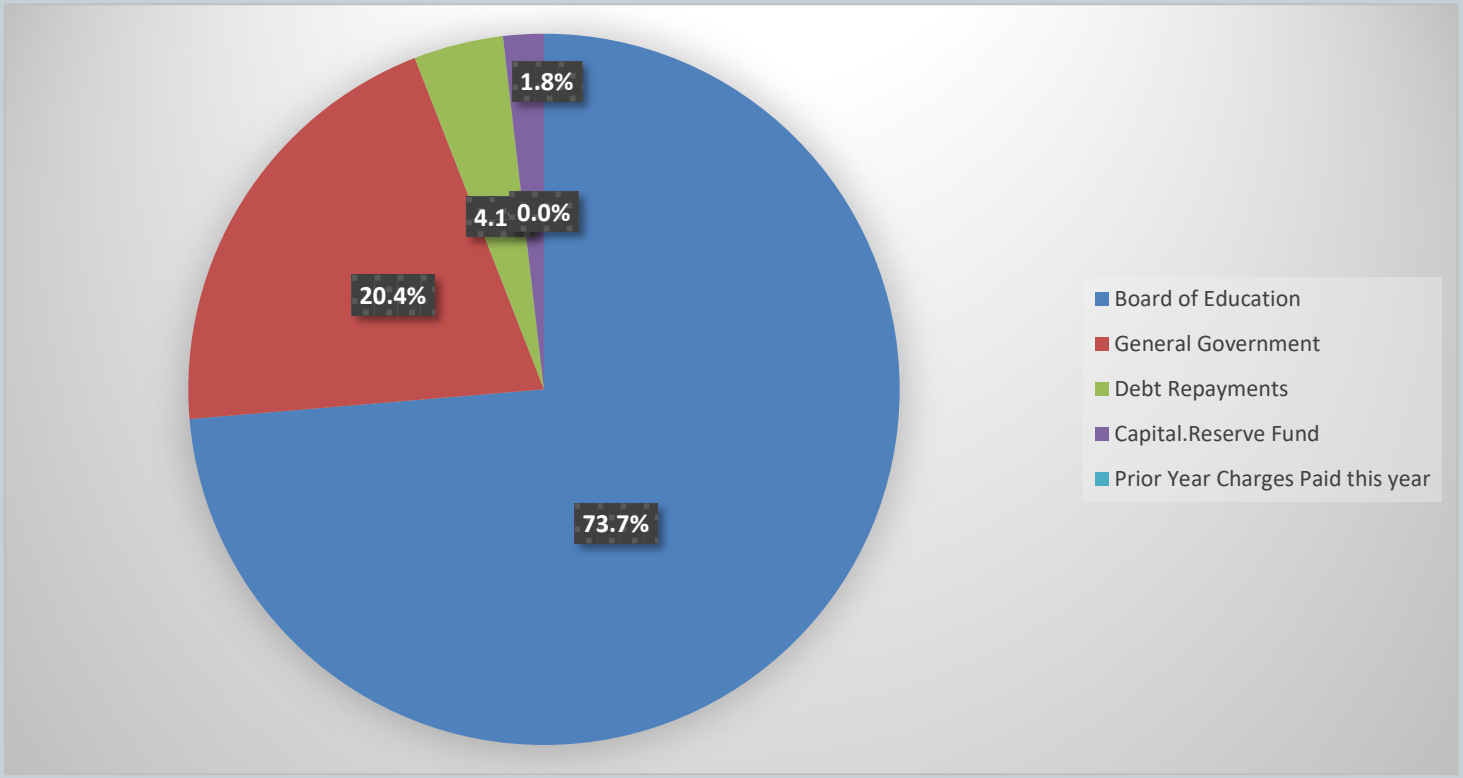
Total Estimated Revenues *$29,823,034*



Proposed Expenditures

Proposed Expenditures	Budget 2025-26	Projected 2025-26	Proposed Budget 2026-27	Percent Change **	% of Expenditure	Incremental Expenditure
Board of Education	$ 20,923,500	$ 20,923,500	$ 21,970,100	5.00%	73.67%	$ 1,046,600
General Government	5,865,600	5,865,600	6,088,501	3.80%	20.42%	$ 222,901
Debt Repayments	1,168,991	1,168,991	1,214,433	3.89%	4.07%	$ 45,442
Capital.Reserve Fund	350,000	350,000	550,000	57.14%	1.84%	$ 200,000
Prior Year Charges Paid this year	-	-	-			$ -
Total	**$ 28,308,091**	**$ 28,308,091**	**$ 29,823,034**	**5.35%**	**100.00%**	**$ 1,514,943**

Total Estimated Expenditures: *$ 29,823,034*



Debt Service

- Town Incurs Debt for Major Projects
- BOE LED Project
  - Issued FY 2022, Final Payment in FY 2028
- Elementary Schools Project
  - Issued April 2012, Final Payment of $513,500 in FY 2027
- Roofs and Roads Projects
  - Issued July 2021, Matures in 2042

Capital Reserve Fund

- 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, guided by the BoF Capital Policy.
- Last year’s appropriation was significantly lower than typical due to planned underspending. This year returns to typical funding.

General Government and Board of Education

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