

# BOARD OF FINANCE

TOWN OF BRANFORD

1019 MAIN STREET, P.O. BOX 150, BRANFORD, CONNECTICUT 06405

JOSEPH W. MOONEY, CHAIRMAN  
VICTOR CASSELLA  
HARRY DIADAMO, JR.  
PAMELA DeLISE  
CHARLES F. SHELTON, JR.  
JEFFREY E. VAILETTE



EX-OFFICIO  
JAMES COSGROVE, First Selectman

CLERK  
LISA E. ARPIN, Town Clerk

## BOARD OF FINANCE SPECIAL MEETING AGENDA February 26, 2024 at 7:30 p.m.

*Lisa E. Arpin*  
BRANFORD TOWN CLERK

2024 FEB 23 P 12:52

RECEIVED

There will be a meeting of the Board of Finance on Monday, February 26, 2024 at 7:30 p.m. at Fire Headquarters, 45 North Main Street, Branford, CT. The meeting will also be available for remote public viewing via BCTV and Facebook Live.

1. To hear a presentation from GYL Financial Synergies with regard to the performance of the Town of Branford **Police Pension** Plan for the quarter ended December 31, 2023, and if necessary, rebalance the portfolio.
2. To hear a presentation from GYL Financial Synergies with regard to the performance of the Town of Branford **Volunteer Fire** Incentive Plan for the quarter ended December 31, 2023, and if necessary, rebalance the portfolio.
3. To hear a presentation from GYL Financial Synergies with regard to the performance of the Town of Branford **Other Post-Employment Benefits** Trust (OPEB) for the quarter ended December 31, 2023, and if necessary, rebalance the portfolio.
4. To hear a presentation from GYL Financial Synergies with regard to the performance of the Town of Branford **Coastal Resiliency Fund** for the quarter ended December 31, 2023, and if necessary, rebalance the portfolio.
5. To consider and if appropriate, approve the following transfer request from the Assessor for FY2024:

From:		
10141050-517000	Regular Wages & Salaries	(\$25,300)
To:		
10141050-518250	Seasonal & Part-Time Help	25,300

6. To consider and if appropriate, approve the following transfer request and resolutions from the Director of Human Resources for FY2024 pursuant to the RTM-approved collective bargaining agreement for Town Hall Employees, UPSEU Local #405 Union Contract as follows:

General Fund Transfer for Town Hall Agreement

From:

10149040-588802	Contingency	(\$109,566)
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To:

10141040-517000	Regular Wages & Salaries-Finance	\$ 8,701
10141050-517000	Regular Wages & Salaries-Assessor	10,813
10141070-517000	Regular Wages & Salaries - Tax Collector	8,128
10141080-517000	Regular Wages & Salaries - Town Clerk	8,228
10141130-517000	Regular Wages & Salaries - Planning & Zoning	2,585
10141160-517000	Regular Wages & Salaries - Inland Wetlands	0
10142010-517000	Regular Wages & Salaries - Police	4,823
10142040-517000	Regular Wages & Salaries - Fire	2,921
10143010-517000	Regular Wages & Salaries - Public Works	2,954
10143040-517000	Regular Wages & Salaries - Solid Waste	10,754
10143050-517000	Regular Wages & Salaries - Engineering	20,921
10141050-518000	Overtime - Assessor	659
10141070-518000	Overtime - Tax Collector	737
10141080-518100	Expanded Hours - Town Clerk	15
10141130-518000	Overtime - Planning & Zoning	213
10141040-519070	Retroactive Wages - Finance	4,296
10141050-519070	Retroactive Wages - Assessor	4,323
10141070-519070	Retroactive Wages - Tax Collector	5,114
10141080-519070	Retroactive Wages - Town Clerk	1,653
10141130-519070	Retroactive Wages - Planning & Zoning	1,343
10141160-519070	Retroactive Wages - Inland Wetlands	1,307
10142010-519070	Retroactive Wages - Police	2,135
10142040-519070	Retroactive Wages - Fire	1,462
10143050-519070	Retroactive Wages - Engineering	1,065
10143030-599105	Transfer Out - Sewer Utility Fund	<u>4,416</u>
	Total	\$109,566

**RESOLVED:** That the Board of Finance recommends to the RTM a FY2024 transfer from Contingency for \$109,566 to the noted accounts to fund compensation changes pursuant to the recently approved Town Hall Collective Bargaining Agreement through June 30, 2026.

Corresponding Sewer Utility Fund Transfer & Resolution

Appropriation Increase:

21090000-490010	Operating Transfer In	\$ 4,416
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Appropriation Increase:

21043030-517000	Regular Wages & Salaries	\$ 2,954
21043030-519070	Retroactive Wages	<u>1,462</u>
	Total	\$ 4,416

**RESOLVED:** That the Board of Finance recommends to the RTM a transfer out of \$4,416 to the Sewer Utility Fund to fund salary changes pursuant to the collective bargaining agreement for the Town Hall Union. This transfer will increase the Fiscal Year 2024 budget in the Sewer Utility Fund from \$4,813,105 to \$4,817,521.

7. To consider and if appropriate, approve the following transfer request and resolution from the Director of Human Resources for FY2024 pursuant to the RTM-approved collective bargaining agreement for the Town of Branford Employees, UPSEU Union Contract as follows:

General Fund Transfer for Branford Employees Agreement

From:

10149040-588802	Contingency	(\$104,695)
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To:

10141130-517000	Regular Wages & Salaries - Planning & Zoning	\$ 7,242
10141190-517000	Regular Wages & Salaries - Information Technology	8,356
10141200-517000	Regular Wages & Salaries - Human Resources	3,631
10142010-517000	Regular Wages & Salaries - Police	3,287
10142050-517000	Regular Wages & Salaries - Building Dept.	4,080
10143050-517000	Regular Wages & Salaries - Engineering	8,190
10144020-517000	Regular Wages & Salaries - Senior Center	13,287
10146020-517000	Regular Wages & Salaries - Willoughby Wallace	2,143
10141130-518000	Overtime - Planning & Zoning	213
10141190-518000	Overtime - Information Technology	500
10141200-518000	Overtime - Human Resources	250
10141130-519070	Retroactive Wages - Planning & Zoning	3,224
10141190-519070	Retroactive Wages - Information Technology	3,742
10141200-519070	Retroactive Wages - Human Resources	557
10142010-519070	Retroactive Wages - Police	63
10142050-519070	Retroactive Wages - Building Dept.	2,026
10143050-519070	Retroactive Wages - Engineering	4,060
10144020-519070	Retroactive Wages - Senior Center	2,713
10146020-519070	Retroactive Wages - Willoughby Wallace	1,072
10142060-599104	Transfer Out - Animal Control Fund	13,503
10143030-599105	Transfer Out - Sewer Utility Fund	6,859
10144010-599130	Transfer Out - Human Services Fund	<u>15,697</u>
	Total	\$104,695

**RESOLVED:** That the Board of Finance recommends to the RTM a transfer from contingency for \$104,695 to the noted accounts to fund compensation changes pursuant to the recently approved Town of Branford Employees Collective Bargaining Agreement for through June 30, 2026.

Corresponding Animal Control Fund Transfer and Resolution:

Appropriation Increase:

20690000-490010	Operating Transfer In	\$13,503
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Appropriation Increase:

20642060-517000	Regular Wages & Salaries	\$9,480
20642060-518000	Overtime	299
20642060-519070	Retroactive Wages	<u>3,724</u>
	Total	\$13,503

**RESOLVED:** That the Board of Finance recommends to the RTM a transfer out of \$13,503 to the Animal Control Fund to fund salary changes pursuant to the collective bargaining agreement for the Town of Branford Employees Union. This transfer will increase the Fiscal Year 2024 budget in the Animal Control Fund from \$464,421 to \$477,924.

Corresponding Sewer Utility Fund Transfer & Resolution:

Appropriation Increase:

21090000-490010	Operating Transfer In	\$6,859
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Appropriation Increase:

21043030-517000	Regular Wages & Salaries	\$4,606
21043030-518000	Overtime	0
21043030-519070	Retroactive Wages	2,253
21043030-519040	Accrued Payroll Expense	<u>0</u>
	Total	\$6,859

**RESOLVED:** That the Board of Finance recommends to the RTM a transfer out of \$6,859 to the Sewer Utility Fund to fund salary changes pursuant to the collective bargaining agreement for the Town of Branford Employees Union. This transfer will increase the Fiscal Year 2024 budget in the Sewer Utility Fund from \$4,817,521 to \$4,824,380.

Corresponding Human Services Fund Transfer & Resolution:

Appropriation Increase:

21890000-490010	Operating Transfer In	\$15,697
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Appropriation Increase:

21844010-517000	Regular Wages & Salaries	\$10,498
21844010-519070	Retroactive Wages	<u>5,199</u>
	Total	\$15,697

**RESOLVED:** That the Board of Finance recommends to the RTM a transfer out of \$15,697 to the Human Services Fund to fund salary changes pursuant to the collective bargaining agreement for the Town of Branford Employees Union. This transfer will increase the Fiscal Year 2024 budget in the Human Services Fund from \$1,939,499 to \$1,955,196.

8. To consider and if appropriate, approve the following transfer request from the Director of Human Resources for FY2024:

From:  
10141200-533300 Professional Development (\$400)  
To:  
10141200-588090 Travel 400

9. To consider and if appropriate, approve the following transfer request from the Registrar of Voters for FY24:

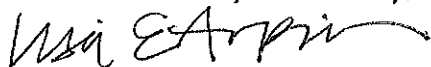
10149040-588802 Contingency (\$71,700)  
To:  
10141120-517100 Part-Time Clerical Support \$5,000  
10141120-517630 Election Workers 52,600  
10141120-517705 Deputy Registrars 5,000  
10141120-518000 Overtime 1,100  
10141120-518250 Seasonal & Part-Time Help 2,000  
10141120-533590 Moving & Storage 1,000  
10141120-544300 Purchased Services-Repairs 1,600  
10141120-555320 Postage 1,100  
10141120-566920 Meal Supplies 2,000  
10141120-588090 Travel 300  
Total \$71,700

10. To consider and if appropriate, approve a proposed debt policy.

11. To consider and if appropriate, approve a proposed fund balance policy.

12. Adjournment

Dated this 23rd day of February, 2024



Lisa E. Arpin, MMC MCTC  
Board of Finance Clerk

RECEIVED

TOWN OF BRANFORD  
OFFICE OF THE ASSESSOR

2024 FEB 23 P 12:42

*Just D'Amico*  
BRANFORD TOWN CLERK



1019 Main Street  
Post Office Box 150  
Branford, CT 06405

(203) 488-2039  
FAX: 315-3334

Date: February 22, 2024  
To: Joseph Mooney, Chairman  
Board of Finance  
From: Paula K. Jensen, Assessor  
Re: Budget Transfers FY 2024

I am requesting the following transfers be placed on the agenda for the Board of Finance February 26<sup>th</sup>, 2024 meeting:

<u>From:</u>		Amount
10141050-517000	Regular wages & Salaries	25,300
	TOTAL	25,300
<u>To:</u>		
10141050-518250	Seasonal & Part Time Help	25,300
	Total	25,300

This request to increase the Seasonal & Part Time Help line item is related to a variety of forces. The Assessor's Department has gone through a difficult time during the past year with the illness, retirement and passing of their long time assessor, Barbara Neal. The department also has had a full time position vacant. We have been very fortunate to have highly talented and skilled employees but with the situation this year it became imperative that additional help was needed. Throughout the assessing community there are limited qualified applicants for the full time position and many towns are looking to fill positions in Assessor's Office throughout the state with limited movement. The office is also looking at a full time employee being out for at least six weeks in the near future for surgery. With the 2024 Revaluation getting a late start it is imperative that the Seasonal/Part-time positions be funded for the remainder of the fiscal year. To achieve this I would like to take the \$25,300 of the funds allocated to the full time positions for the months July through January and transfer that amount to the Seasonal/Part time line. This transfer still leaves funds in both the Regular Wages & Salaries and Seasonal & Part Time Help Budget lines in hopes an applicant is found to fill the position in the near future.

**HUMAN RESOURCES DEPARTMENT**

BRANFORD, CONNECTICUT



MARGARET LUBERDA  
 Director of Human Resources  
 February 20, 2024

1019 MAIN STREET  
 POST OFFICE BOX 150  
 BRANFORD, CT 06405  
 (203) 315-0629  
 FAX: (203) 889-3316  
 www.branford-ct.gov

Dear Mr. Mooney:

May I have your approval for the following transfers for the current budget?

**1. General Fund Transfer for Town Hall Agreement**

**Transfer From:**

ORG	Object	Description	Amount
10149040	588802	Contingency	(\$109,566)

**Transfer To:**

ORG	Object	Description	Amount
10141040	517000	Wages & Salaries - Finance	8,701
10141050	517000	Wages & Salaries - Assessor	10,813
10141070	517000	Wages & Salaries - Tax Collector	8,128
10141080	517000	Wages & Salaries - Town Clerk	8,228
10141130	517000	Wages & Salaries - Planning & Zoning	2,585
10141160	517000	Wages & Salaries - Inland/Wetlands	0
10142010	517000	Wages & Salaries - Police	4,823
10142040	517000	Wages & Salaries - Fire	2,921
10143010	517000	Wages & Salaries - Public Works	2,954
10143040	517000	Wages & Salaries - Solid Waste	10,754
10143050	517000	Wages & Salaries - Engineering	20,921
10141050	518000	Overtime	659
10141070	518000	Overtime	737
10141080	518100	Expanded Hours	15
10141130	518000	Overtime	213
10141040	519070	Retroactive Wages	4,296
10141050	519070	Retroactive Wages	4,323
10141070	519070	Retroactive Wages	5,114
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10141160	519070	Retroactive Wages	1,307
10142010	519070	Retroactive Wages	2,135
10142040	519070	Retroactive Wages	1,462

10143050	519070	Retroactive Wages	1,065
10143030	599105	Transfer Out - Sewer Utility Fund	4,416

**Corresponding Sewer Utility Fund Transfer & Resolution:**

Appropriation Increase:

21090000	490010	Operating Transfer In	4,416
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Appropriation Increase:

21043030	517000	Wages & Salaries	2,954
21043030	519070	Retroactive Wages	1,462

**Resolved:** That the Board of Finance recommends to the RTM a transfer out of \$4,416  
to the Sewer Utility Fund to fund salary changes pursuant to the collective bargaining  
agreement for the Town Hall Union. This transfer will increase the Fiscal Year 2024 budget  
in the Sewer Utility Fund from **\$4,813,105** to **\$4,817,521**

**2. General Fund Transfer for Branford Employees Agreement**

**Transfer From:**

ORG	Object	Description	Amount
10149040	588802	Contingency	(\$104,695)

**Transfer To:**

ORG	Object	Description	Amount
10141130	517000	Wages & Salaries - Planning & Zoning	7,242
10141190	517000	Wages & Salaries - Information Technology	8,356
10141200	517000	Wages & Salaries - Human Resources	3,631
10142010	517000	Wages & Salaries - Police	3,287
10142050	517000	Wages & Salaries - Building	4,080
10143050	517000	Wages & Salaries - Engineering	8,190
10144020	517000	Wages & Salaries - Senior Center	13,287
10146020	517000	Wages & Salaries - WWML	2,143
10141130	518000	Overtime	213
10141190	518000	Overtime	500
10141200	518000	Overtime	250
10141130	519070	Retroactive Wages	3,224
10141190	519070	Retroactive Wages	3,742
10141200	519070	Retroactive Wages	557



10142010	519070	Retroactive Wages	63
10142050	519070	Retroactive Wages	2,026
10143050	519070	Retroactive Wages	4,060
10144020	519070	Retroactive Wages	2,713
10146020	519070	Retroactive Wages	1,072
10142060	599104	Transfer Out - Animal Control Fund	13,503
10143030	599105	Transfer Out - Sewer Utility Fund	6,859
10144010	599130	Transfer Out - Human Services Fund	15,697

**Corresponding Animal Control Fund Transfer & Resolution:**

Appropriation Increase:

20690000	490010	Operating Transfer In	13,503
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Appropriation Increase:

20642060	517000	Wages & Salaries	9,480
20642060	518000	Overtime	299
20642060	519070	Retroactive Wages	3,724

**Resolved:** That the Board of Finance recommends to the RTM a transfer out of \$13,503  
to the Animal Control Fund to fund salary changes pursuant to the collective bargaining  
agreement for the Town of Branford Employees Union. This transfer will increase the  
Fiscal Year 2024 budget in the Animal Control Fund from **\$464,421** to **\$477,924**

**Corresponding Sewer Utility Fund Transfer & Resolution:**

Appropriation Increase:

21090000	490010	Operating Transfer In	6,859
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Appropriation Increase:

21043030	517000	Wages & Salaries	4,606
21043030	518000	Overtime	0
21043030	519070	Retroactive Wages	2,253
21043030	519040	Accrued Payroll Expense	0

**Resolved:** That the Board of Finance recommends to the RTM a transfer out of \$6,859  
to the Sewer Utility Fund to fund salary changes pursuant to the collective bargaining  
agreement for the Town of Branford Employees Union. This transfer will increase the  
Fiscal Year 2024 budget in the Sewer Utility Fund from **\$4,817,521** to **\$4,824,380**

**Corresponding Human Services Fund Transfer & Resolution:**

Appropriation Increase:

21890000	490010	Operating Transfer In	15,697
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Appropriation Increase:

21844010	517000	Wages & Salaries	10,498
21844010	519070	Retroactive Wages	5,199

**Resolved:** That the Board of Finance recommends to the RTM a transfer out of \$15,697 to the Human Services Fund to fund salary changes pursuant to the collective bargaining agreement for the Town of Branford Employees Union. This transfer will increase the Fiscal Year 2024 budget in the Sewer-Utility Fund from \$1,939,499 to \$1,955,196

**Human Services**

**3. Human Resources Budget 2023-24**

Transfer From:

10141200	533300	Professional Development (\$400)
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Transfer To:

10141200	588090	Travel	\$400
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Thank you for your time and consideration.

Sincerely,

Margaret M. Luberda

Copy to: Jamie Cosgrove, First Selectman  
Jim Finch, Director of Finance  
Kathryn LaBanca, Assistant Director, Finance  
Lisa Arpin, Town Clerk



RECEIVED

2024 FEB 22 P 4: 09

*Neil Shapiro*  
BRANFORD TOWN CLERK

Phone 203.483.3998  
gov

1019 Main Street  
Branford CT 06405

www.branford-ct.

Darren Lawler  
Registrar of Voters

Jeffrey Rowan  
Registrar of Voters

To: Mr. Joseph Mooney, Chairman Board of Finance

From: Darren Lawler and Jeffrey Rowan, Registrars of Voters

Re: 2023-2024 Budget Transfers

Date: February 22, 2024

From: Contingency	10149040	588802	\$	71,700
To: Part-Time Clerical	10141120	517100	\$	5,000
To: Election Workers	10141120	517630	\$	52,600
To: Deputy Registrars	10141120	517705	\$	5,000
To: Overtime	10141120	518000	\$	1,100
To: Seasonal/Part Time	10141120	518250	\$	2,000
To: Moving and Storage	10141120	533590	\$	1,000
To: Purchased Services, Repairs	10141120	544300	\$	1,600
To: Postage	10141120	555320	\$	1,100
To: Meal Supplies	10141120	566920	\$	2,000
To: Travel	10141120	588090	\$	300
<u>Total:</u>			\$	71,700

- The Registrars of Voters respectfully requests additional, supplemental appropriations of \$71,700 from the Contingency Fund to 10141120 Elections for present and anticipated shortfalls.** The RTM approved budget is funded only for a single, town-wide election. There is no funding for primaries or recounts, as those are activities which may or may not occur.

2. This fiscal year, we have incurred expenses for the following unbudgeted events. First, an RTM party primary in the 5<sup>th</sup> district. Second, a recount of several extremely close RTM elections following the general municipal election in November. Third, the Republican Registrar of voters has been absent due to extended medical leave. This absence has required additional hours from the Republican Deputy Registrar. Fourth, this Deputy has, himself, resigned, necessitating an on-boarding of a replacement with an overlap of hours for training. In addition to added hours for the deputy registrar, the medical leave of our most experienced registrar, coupled with the inexperience of our remaining registrar, who has less than a year in office, has created a need for the consulting services of an experienced out-of-town as a part time and seasonal employee. This consultant was used during the 5<sup>th</sup> District primary, November 2023 election, its recount, and will be used again for the April primary and canvas.
3. Additionally, we were not budgeted for an April 2024 presidential primary with four days of early voting, only for the town general election in November 2023.
4. Specific requests are as follows:
  - a. **517100 Part-time Clerical** (permanent Assistant Registrars): Request total increase of **\$5,000**. This account is currently overspent by about \$2,000 due to the 5<sup>th</sup> district primary and the general election recount. We anticipate a need for \$3,000 for additional hours in support of the Presidential primary and early voting, for a total supplemental increase of \$5,000.
  - b. **517630 Election workers** (these are the workers who come in for actual voting days). Request total increase of **\$52,600**. This account is overspent by \$3,400 due to the 5<sup>th</sup> district primary. Additionally, we need \$46,000 for the April 2 primary when all polling stations will be open, and \$3,200 for early voting.
  - c. **517705 Deputy Registrars**. Request increase of \$5,000 to cover additional hours put in by deputy registrar during registrar's medical absence, plus additional hours due to training overlap for on-boarding new deputy.

- d. **5188800 Overtime.** Request increase of **\$1,100.**  
November 2023 recount necessitated deputy registrar to exceed 40 hours. This account is currently overspent by 1,065.
- e. **518250 Seasonal and Part-time** (consultant). Request increase of **\$2000** for hiring consultant to advise in preparation for presidential primary and voter canvas (verifying continued residence of suspect voters). This amount covers 50 hours, 5 hours per week for 10 weeks).
- f. **533590 Moving and Storage** (Moving voting equipment between Registrar of Voters office and polling stations). Request increase of **\$1,000.** Current budget is \$5,000, of which \$3,037 was expended for November election, leaving balance of \$1,962. Assuming primary election moving cost similar to general election, we need an additional \$1,000.
- g. **544300 Purchased Services.** Request increase of **\$1,600.** Account currently overspent \$1541.
- h. **555320 Postage.** Request **\$2,000** to fund postage through the end of the fiscal year. This amount will cover mailed canvas of voters who may have moved and should be removed from the rolls, as well on-going daily postage needs. This increase is largely driven by large price increases from USPS.
- i. **566920 Meal Supplies.** Request additional **\$2,000** to cover meals for primary, including four days of early voting. We provide workers breakfast and lunch on April 2, and will provide lunch on shorter early voting shifts.
- j. **588090 Travel.** Request increase of **\$300** to cover current deficit and travel between polling stations for presidential primary and for registrar staff to attend state conference in April.

Cc: Jamie Cosgrove                      First Selectman  
Lisa Arpin                                      Town Clerk  
James Finch                                      Finance Director

RECEIVED

2024 JAN 26 A 9:36

**Town of Branford**  
**Fund Balance and Debt Policies**

*Noel Stappin*  
BRANFORD TOWN CLERK

**Introduction:**

The following policies are enacted in an effort to standardize and rationalize the issuance and management of debt by the Town of Branford, and for the maintenance of fund balance targets in the Town's General Fund.

## Fund Balance Policy

***Purpose***

The Town of Branford recognizes the need to maintain adequate levels of financial resources to mitigate current and future risks such as revenue shortfalls and unanticipated or one-time emergency expenditures, and to ensure a stable tax structure. Since actual results of operations usually vary from the original adopted budget, sufficient levels of unreserved fund balance can provide for the continued orderly operations of town government and the provision of services to its residents. Fund balance provides stability and the financial flexibility to respond to unexpected adversity, opportunities, and flexibility with the timing and size of debt issues.

**General Fund Balance Policy GASB 54**

The Fund Balance Policy is proposed in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54, *Funding Balance Reporting and Governmental Fund Definitions*. As a result, Fund Balance is to be reported using the five major classifications of the statement.

- 1) **Non-spendable:** Includes amounts either not in spendable form, or legally or contractually required to be maintained intact. This would include inventory, prepaid expenditures, and non-current receivables.
- 2) **Restricted:** Includes amounts whereby constraints are placed on the use either imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments; or imposed by laws through constitutional provisions or enabling legislation. This would generally include amounts in bonded capital project funds, debt service funds, and program funds funded with federal program dollars.
- 3) **Committed:** Includes amounts that are committed for specific purposes by formal action of the Board of Finance. Amounts classified as "committed" are not subject to legal enforceability like restricted fund balance, however, these amounts cannot be used for any other purpose unless the Board of Finance removes or changes the limitation by taking the same action it employed to previously impose the limitation. Action to constrain resources must occur prior to year-end, however, the amount can be determined in the subsequent period.
- 4) **Assigned:** Includes amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor limited. This policy hereby delegates the authority to assign amounts to be used for specific purposes to the Board of Finance for the purpose of reporting these amounts in the annual financial statements. (Example the amount of fund balance assigned to a subsequent year's budget).

5) **Unassigned:** Includes any remaining amounts after applying the above definitions.

**Fund Balance Target:**

It is Branford's goal to achieve and maintain an unassigned fund balance in the General Fund equal to 20% - 25% of regular operating revenues which incorporates the Government Finance Officers Associations best practice of two months of budgeted expenditures. The unassigned fund balance may only be reduced below the goal level for non-routine circumstances, such as severe economic downturns or other unanticipated budget shortfalls. Exceptions and/or changes to this policy may be allowed under certain unique conditions to maintain flexibility in case of emergencies and one-time opportunities.

Replenishment of Reserves – If the unassigned fund balance falls below the minimum level, the Town will replenish the fund balance during the annual budget process by appropriating at least 25% of the difference between the policy level and the unassigned fund balance each year until the policy level is met.

RECEIVED

Debt Policy 2021 JAN 26 A 9:36

**Purpose**

The purpose of the debt policy is to establish conditions for the use of debt, create procedures and policies that minimize the Town's debt service and issuance costs for the bonds that are issued; retain the highest practical credit rating; maintain full and complete financial disclosure and reporting; and maintain established levels of debt within certain measures of affordability.

*Neil Estroff*  
TOWN MANAGER

**Debt Policy Target:**

Use of Debt Financing – Debt financing, which include general obligation bonds, revenue bonds, certificates of obligation, certificates of participation, commercial paper, lease/purchase agreements, and other obligations permitted to be issued or incurred under Connecticut law, shall be used to purchase capital assets and infrastructure improvements and additions. Assets acquired with debit should last longer than the time it takes to repay the debt.

Issuing Additional Debt – The Town shall not assume additional tax-supported general-purpose debt without performing an analysis as to the community's ability to assume and support additional debt service payments.

Affordability Targets – The Town shall employ an analytical approach to determine whether it can afford to assume new general-purpose debt beyond what it retires each year. The approach will measure the ratio of Net Annual Debt Service expenditures to Total Budgeted Expenditures in the General Fund.

The Town will aim to limit this ratio within a range of six (6) to eight (8.5) percent. To achieve this objective the Town will limit the dollar amount of bonds that are planned to be issued each year. The limit will be that the annual debt service repayment schedule that results from the proposed bond issues will not exceed the above target.

Debt Structure – There shall be no debt structures that include increasing debt service levels in subsequent years, with the first and second year of a bond payout schedule the exception. There shall always be at least interest paid in the first full fiscal year after a bond sale. Principal will start to be repaid no later than the second fiscal year after the bond issue for general obligation debt. There shall be no capitalized interest included in the debt structure.

Call Provisions – Call provisions for bond issues shall be made as short as to provide maximum flexibility to refinance debt in the future for the Town. When economically feasible, all bonds shall be callable only at par.

Bond Sales – The Town shall use a competitive bidding process in the sale of debt unless the nature of the issue warrants a negotiated sale (Example Bond Refunding). The Town shall attempt to award the bonds based on a true interest cost (TIC) basis. However, the Town may award bonds based on a net interest cost (NIC) basis as long as the financial advisor agrees that the NIC basis can satisfactorily determine the lowest and best bid.

Rating Agencies – Town staff, with assistance of financial advisors and bond counsel, shall prepare the necessary materials and presentation to the rating agencies. Credit rating(s) will be sought from Standard & Poor's, and others if recommended by the Town's financial advisor. The Town shall endeavor to at a minimum keep its current bond rating of AAA by Standard and Poor's.

Continuing Disclosure – The Town is committed to continuing disclosure of financial and pertinent credit information relevant to the Town's outstanding securities and will abide by the provisions of Securities and



Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure.

Refunding Outstanding Bonds – Town staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding should exceed 2.0% of the refunded maturities.