

**BOARD OF FINANCE
TOWN OF BRANFORD, BRANFORD, CONNECTICUT 06405**

JOSEPH W. MOONEY, CHAIRMAN

HARRY DiADAMO, JR.
VICTOR J. CASSELLA
ROBERT IMPERATO
CHARLES F. SHELTON, JR.
JEFFREY E. VAILETTE



EX-OFFICIO
JAMES B. COSGROVE,
First Selectman

CLERK
LISA E. ARPIN, CMC CCTC
Town Clerk

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BRANFORD TOWN CLERK

**BOARD OF FINANCE
SPECIAL MEETING MINUTES
May 21, 2020**

Chairman Joseph Mooney called the meeting to order at 7:37 p.m. at Fire Headquarters, 45 North Main Street. The meeting was also available remotely on Zoom conference technology and viewable "live" on BCTV/Comcast Channel 20 and Facebook. The Chairman thanked all for their cooperation as we navigate remote connectivity.

The full Board was present Harry DiAdamo, Victor Cassella, Robert Imperato, Joseph Mooney, Charles Shelton, Jr., and Jeffrey Vailette. Also present were James Cosgrove, First Selectman; James Finch, Finance Director; Lisa Arpin, Town Clerk; RTM reps: Anthony Alfone, Don Conklin, Tracy Everson, Kevin Healy, Ray Ingraham and Carolyn Sires. Town Staff present were: John Alves, Deputy Police Chief; Christine Bjork, ERACE; Peter Cimino, Human Services Director; Margaret Luberdia, Human Resources Director; Jon Mulhern, Police Chief; and Alex Palluzzi, Recreation Director.

I. Citizens Communication

Wayne Cooke spoke regarding the fund balance account and insurance referring to his letter to the board dated October 22, 2020.

Ray Ingraham, majority leader of the RTM thanked the Board of Finance for their work this year and over the past years.

2. The Board heard a presentation from The Andriole Group and GYL Financial Synergies regarding the performance of the Town of Branford Police Pension Plan for the quarter ended March 31, 2020. Robert DeLuca and Charles Andriole covered the market environment paired with COVID-19 pandemic challenges, and Luke Violette presented the performance and experience of the fund. The ending market value at 3/31/2020 was \$24,280,067, and at 5/20/2020 the market value was \$24,413,357 (\$1,885,819 in market change since quarter end.) Mr. Vailette made the motion to approve the recommendation for "Reallocation of Assets" as per the attached spreadsheet seconded by Mr. Imperato. Vote unanimous.
3. The Board also heard a presentation from The Andriole Group and GYL Financial Synergies with regard to the performance of the Town of Branford Volunteer Fire Incentive Plan for the quarter ended March 31, 2020. The ending market value at 3/31/2020 was \$1,043,782, and as of close of business 5/20/2020, assets were \$1,124,040--a net market change of \$83,000 or +8%. Recommending the same rebalancing methodology as for the police plan, Mr. Imperato made a motion to approve the attached "Reallocation of Assets" spreadsheet, seconded by Mr. DiAdamo. Carried by unanimous vote.

4. Lastly, the Andriole Group and GYL Financial Synergies reviewed the performance of the Town of Branford Other Post-Employment Benefits Trust (OPEB) for the quarter ended March 31, 2020. The ending market value at 3/31/2020 was \$21,606,297. The recommendation is to reduce \$200,000 out of fixed income and allocate it across the equity portfolio. Mr. Valette made a motion to approve the recommendation, seconded by Mr. Cassella. Vote was unanimous.
5. The Board heard a presentation of the FY19 Audit by Ronald Nossek of BlumShapiro and Company, PC. Mr. Nossek reviewed the scope of the Audit and results and financial highlights, as per the attached slide deck. There were no material weaknesses or deficiencies. He thanked Kathryn LaBanca relative to the audit, and two comments in the management advisory letter: 1). Board of Education add a component so that bank reconciliations are tied back to the general ledger, and 2). An exercise with the tax collector to tie collections reports back to the general ledger.

Chairman Mooney asked the Finance Director to prepare letters to the BOE and Tax Collector as to the recommendations in the management advisory letter to provide a procedural update to the Board at the September meeting.

6. The Board heard a request from Christine Bjork, ERACE/Branford Adult Education Program Facilitator for the following FY20 budget transfers:

From:	25448100-512000	Salaries – Non-Certified	(\$3,055)
To:	25448100-520000	Employee Benefits	1,250
	25448100-555400	Advertising, Printing	1,800
	25448100-588200	Memberships, Conferences, Meetings	5

Mr. Cassella made a motion to approve the transfer request, seconded by Mr. Imperato. The vote carried unanimously.

RESOLVED: The Board of Finance recommends to the RTM the transfer of \$3,055 in the ERACE/Branford Adult Education budget.

7. Debi Caron, Information Technology Director presented the following FY19-20 fund balance transfer:

From:	70041190-579150-17303	On-body & Car Camera Video Storage for Police Department	(\$53,000)
To:	70041190-579150-17303	On-body Cameras for Police Department	53,000

Mr. Imperato made a motion to approve the transfer request, seconded by Mr. DiAdamo. The vote carried unanimously.

RESOLVED: The Board of Finance recommends to the RTM the transfer of \$53,000 in the Police budget.

8. The Board heard a request from the Information Technology Director, Debi Caron pursuant to Section 42-1 of the Code for a positive recommendation to the Board of Selectmen regarding approval of a five-year contract with the first year at \$19,000 and 4 years at \$27,180 per year with Axon Technology for police body camera video cloud storage beginning FY2020 for a total of \$127,000 (corrected from the agenda amount of \$135,900), and approve the following resolution:

Mr. Imperato made a motion to approve the transfer request, seconded by Mr. DiAdamo. The vote carried unanimously.

RESOLVED: The Board of Finance recommends to the Board of Selectmen approval of a five-year contract with Axon Technology.

9. Police Chief Jon Mulhern presented a request from the Board of Police Commissioners for the following FY20 budget transfers:

From:	10142010-518010	OT Public Events	(\$57,000)
To:	70042010-579350	Vehicles	36,000
	70042010-579250	PD Vehicle Equipment	21,000
From:	10142010-517100	Regular Wages	(\$18,765)
To:	10142010-566650	Safety Supplies	18,765

Mr. DiAdamo made a motion to approve the transfer request, seconded by Mr. Imperato. The vote carried unanimously.

RESOLVED: The Board of Finance recommends to the RTM the transfer of \$57,000 in the Police budget.

10. The Board heard a request from Peter Cimino, Human Services Director for the following budget transfers for FY2021:

Transfer – General Fund FY2021

From:	10149040-588802	Contingency	(\$10,556)
To:	10144010-599130	Transfer Out - Human Services Fund	\$10,556

Corresponding Fund - Human Services Fund Transfer FY2021

Increase:	21890000-490010	Transfer In from General Fund	(\$10,556)
Increase:	21842010-517000	Wages & Salaries	\$10,556

Mr. Cassella made a motion to approve the transfer request and resolution, seconded by Mr. Valette. The vote carried unanimously.

RESOLVED: The Board of Finance recommends to the RTM an increase in the Human Services Fund budget for FY2021 from \$1,643,346 to \$1,653,902. The increase will be funded through a transfer in from the General Fund.

11. Chairman Mooney read a request from the Town Planner for an FY20 budget transfer for the Planning and Zoning Department. First Selectman Cosgrove added comments on behalf of the Town Planner who was attending another meeting.

From:	10141130-517000	Regular Wages & Salaries	(\$13,000)
To:	10141130-533280	Consulting Services	13,000

Mr. Imperato made a motion to approve the transfer request, seconded by Mr. Shelton. The vote carried unanimously.

RESOLVED: The Board of Finance recommends to the RTM the transfer of \$13,000 in the Planning and Zoning budget.

12. Assistant Finance Director Kathryn LaBanca presented a request to establish a bank account with Bank of America for credit card donations for the Animal Shelter.

Mr. Shelton made the motion to approve the request, seconded by Mr. Vailette. The vote carried unanimously.

RESOLVED: The Board of Finance authorizes the Finance Director and/or Treasurer to establish an account with Bank of America for Animal Shelter credit card deposits.

13. Finance Director Jim Finch recommended that the Board of Finance appoint the accounting firm of BlumShapiro to perform the annual audit for the fiscal year ending June 30, 2020, at the proposed fee of \$65,610. Mr. Imperato made the motion to approve the reappointment, seconded by Mr. Cassella, and the motion carried unanimously.

14. To hear an overview of the fiscal year 2020-2021 budget from the Finance Director, and to set the mill rate for fiscal 2020-2021.

The Finance Director presented his memo of 5/20/2020, and overviewed RTM changes to the Board of Finance proposed budget, collection rates and comparative mill rate scenarios. A discussion took place.

Due to the uncertainty of tax revenue, Mr. DiAdamo made a motion to propose a monthly tax collection update to be presented at each Board of Finance meeting. Mr. Finch, with the assistance of Mr. DiAdamo and Mr. Imperato, will work to propose a report template. The motion was seconded by Mr. Shelton. The vote was unanimous.

Chairman Mooney then read the proposed resolution to set the mill rate:

RESOLVED:

That the Board of Finance establishes the mill rate for fiscal year 2020-2021 at **28.92 mills** pursuant to the budget adopted by the Representative Town Meeting. A motion to approve the resolution was made by Mr. Shelton, seconded by Mr. Valette. The motion carried unanimously.

Chairman Mooney thanked members of the Board, Jim Finch and Kathryn LaBanca and the Finance team, the Board Clerk and Henry Pond of BCTV. First Selectman Cosgrove echoed the thanks especially during the uncertain times of the pandemic.

15. The meeting adjourned at 9:44 p.m. by motion from Mr. Cassella, seconded by Mr. Imperato.

Dated this 30th day of July, 2020



Lisa E. Arpin, CMC CCTC
Clerk, Board of Finance

Town of Branford Police
 Reallocation of Assets
 May 21, 2020

Investment	Market Value*	Current % of Assets	Target Policy	Recommended Balance	1/2 Amount to (sell)/buy	Future Balance	Future % of Assets
Mesrow Fixed Income	\$9,818,222	40.2%	35.0%	\$8,544,675	(\$426,825)	\$9,391,397	38.5%
MainStay MacKay High Yield Corporate Bond I	\$1,892,509	7.8%	7.5%	\$1,831,002	(\$20,614)	\$1,871,895	7.7%
Fixed Income acct TOTAL	\$11,710,731	48.0%	42.5%	\$10,375,677	(\$447,438)	\$11,263,292	46.1%
Cash	\$62,232	0.3%	0.0%	\$0	(\$31,116)	\$31,116	0.1%
iShares Core MSCI EAFE	\$2,868,199	11.7%	12.5%	\$3,051,670	\$91,735	\$2,959,934	12.1%
iShares MSCI Emerging Markets	\$2,003,873	8.2%	8.5%	\$2,075,135	\$35,631	\$2,039,504	8.4%
iShares Russell 2000	\$1,190,724	4.9%	5.5%	\$1,342,735	\$76,005	\$1,266,729	5.2%
iShares Core S&P Mid-Cap	\$1,203,227	4.9%	5.5%	\$1,342,735	\$69,754	\$1,272,981	5.2%
iShares Core S&P 500	\$3,478,735	14.2%	14.5%	\$3,539,937	\$30,601	\$3,509,336	14.4%
iShares US Real Estate	\$640,585	2.6%	3.25%	\$793,434	\$0	\$640,585	2.6%
Alerian MLP	\$994,373	4.1%	5.25%	\$1,281,701	\$0	\$994,373	4.1%
Equity acct TOTAL	\$12,441,948	51.0%	55.0%	\$13,427,346	\$272,611	\$12,714,558	52.1%
Cash**	\$260,678	1.1%	2.5%	\$610,334	\$174,828	\$435,506	1.8%
Cash acct TOTAL	\$260,678	1.1%	2.5%	\$610,334	\$174,828	\$435,506	1.8%
	\$24,413,357	100.0%	100.0%	\$24,413,357	\$0	\$24,413,357	100.00%

*Portfolio Values obtained from People's United Bank are as of 5/20/2020 close of business.

Approved by _____ Date _____

Item #2

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 2020 MAY 22 A 11: 24
 TOWN OF BRANFORD POLICE
 BRANFORD, CT 06405

Town of Branford Fire
 Reallocation of Assets
 May 21, 2020

Investment	Market Value*	% of Assets	Current Policy	Recommended Balance	1/2 Amount to (sell) / buy	Future Balance	Future % of Assets
iShares Core US Aggregate Bond	\$443,356	39.4%	35.0%	\$393,414	(\$14,643)	\$428,714	38.1%
MainStay MacKay High Yield Corporate Bond I	\$87,061	7.7%	7.5%	\$84,303	(\$809)	\$86,252	7.7%
Fixed Income acct TOTAL	\$530,417	47.2%	42.5%	\$477,717	(\$15,451)	\$514,966	45.8%
iShares Core MSCI EAFE	\$132,316	11.8%	12.5%	\$140,505	\$4,094	\$136,411	12.1%
iShares MSCI Emerging Markets	\$90,237	8.0%	8.5%	\$95,543	\$2,653	\$92,890	8.3%
iShares Russell 2000	\$56,548	5.0%	5.5%	\$61,822	\$2,637	\$59,185	5.3%
iShares Core S&P Mid-Cap	\$56,478	5.0%	5.5%	\$61,822	\$2,672	\$59,150	5.3%
iShares Core S&P 500	\$171,046	15.2%	14.5%	\$162,986	\$0	\$171,046	15.2%
iShares US Real Estate	\$31,913	2.8%	3.25%	\$36,531	\$0	\$31,913	2.8%
Alerian MLP	\$33,772	3.0%	5.25%	\$59,012	\$0	\$33,772	3.0%
Equity acct TOTAL	\$572,310	50.9%	55.0%	\$618,222	\$12,057	\$584,367	52.0%
Cash	\$21,313	1.9%	2.5%	\$28,101	\$3,395	\$24,707	2.2%
Cash acct TOTAL	\$21,313	1.9%	2.5%	\$28,101	\$3,395	\$24,707	2.2%
	\$1,124,040	100.0%	100.0%	\$1,124,040	\$0	\$1,124,040	100.0%

*Portfolio Values obtained from People's United Bank are as of 5/20/2020 close of business.

Approved by _____

Date _____

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 TOWN OF BRANFORD
 CLERK/TREASURER'S OFFICE

Item #3

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 2020 MAY 22 A 11: 24
 TOWN OF BRANFORD
 BRANFORD, CONNECTICUT

Town of Branford OPEB Trust Reallocation of Assets May 21, 2020							
Investment	Market Value*	% of Assets	Current Policy	Recommended Balance	Amount to (sell)/buy	Future Balance	Future % of Assets
Mesirow Fixed Income	\$6,820,772	38.8%	35.0%	\$6,152,171	(\$197,242)	\$6,623,630	37.7%
Cash	\$5,888	0.0%	0.0%	\$0	(\$3,263)	\$2,625	0.0%
MainStay MacKay High Yield Corporate Bond I	\$1,411,383	8.0%	8.0%	\$1,406,211	\$0	\$1,411,383	8.0%
High Yield Total	\$1,417,271	8.1%	8.0%	\$1,406,211	(\$3,263)	\$1,414,008	8.0%
Cash	\$385,466	2.2%	2.0%	\$351,553	(\$16,957)	\$368,509	2.1%
iShares US Real Estate	\$459,854	2.6%	3.0%	\$527,329	\$0	\$459,854	2.6%
iShares Core MSCI EAFE	\$1,653,572	9.4%	10.0%	\$1,757,763	\$52,096	\$1,705,668	9.7%
iShares MSCI Emerging Markets	\$1,001,701	5.7%	6.0%	\$1,054,658	\$26,478	\$1,028,180	5.8%
iShares Core S&P 500	\$2,759,437	15.7%	15.0%	\$2,636,645	\$0	\$2,759,437	15.7%
iShares Russell 2000	\$1,107,034	6.3%	7.0%	\$1,230,434	\$61,700	\$1,168,734	6.6%
iShares Core S&P Mid-Cap	\$1,427,612	8.1%	9.0%	\$1,581,987	\$77,188	\$1,504,800	8.6%
Alerian MLP	\$544,914	3.1%	5.0%	\$878,882	\$0	\$544,914	3.1%
Equity Total	\$9,339,590	53.1%	57.0%	\$10,019,250	\$200,505	\$9,540,095	54.3%
	\$17,577,632	100.0%	100.0%	\$17,577,632	\$0	\$17,577,632	100.0%

*Market Values for Fidelity accounts are as of 5/20/2020 market close.

Approved by _____ Date _____

Lisa Arpin

From: James Finch
Sent: Friday, May 22, 2020 11:21 AM
To: jwpmooney@gmail.com; Charles F. Shelton, Jr.; Victor Cassella; Jeffrey E. Valette; Robert Imperato; Harry DiAdamo
Cc: Lisa Arpin; Jamie Cosgrove
Subject: Rebalancing
Attachments: Branford Police Rebalance Spreadsheet.pdf; Branford Fire Rebalance Spreadsheet.pdf; Branford OPEB Trust Rebalance Spreadsheet (without cash).pdf

Attached is an updated rebalancing worksheet which reflects the half step to the policy approved last night using 5/20 balances. Your previous handout used the 5/19 balances without the post transfer balance and percentage. Additionally the OPEB sheet carved out the large cash deposit from FY 2019 for the purpose of rebalancing. As you may recall the board also approved placing an additional 6.7m into the OPEB fund this year (Charlie's COVID Contribution) in an effort to reduce liability and future contribution requirements.

When things become a little more settled we will need to discuss a strategy for distributing the cash.

Town of Branford, CT Audit Presentation

Audit of the fiscal year ended June 30, 2019

blum
shapiro

Ronald Nossek
CPA
Partner

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Item #5

Agenda

- » Engagement Scope and Reporting
- » Financial Highlights
- » Required Auditors' Communications

Engagement Scope & Reporting

- » The audit was performed under the following standards:
 - Auditing Standards Generally Accepted in the United States of America (GAAS).
 - The standards applicable to financial audits contained on Government Auditing Standards, issued by the Comptroller General of the United States (GAGAS).
 - Uniform Guidance (Formerly Federal Single Audit Act) and the Connecticut State Single Audit Act.



blumshapiro

Engagement Scope & Reporting

» Reporting Results in the Financial Statements:

- Reporting under GAAS:
 - Unmodified audit opinion.
- Reporting under GAGAS:
 - Reporting on Internal Control and Compliance at the Financial Statement Level

Under Internal Control

- No Material Weaknesses were identified.

Under Compliance

- No instances of noncompliance were identified.

Engagement Scope & Reporting

» Reporting Results under Uniform Guidance and the Connecticut State Single Audit Act:

- Reporting on Internal Control over Compliance and an opinion on Compliance at the Major Program level under Uniform Guidance and the Connecticut State Single Audit Act:

Under Internal Control

- No Material Weaknesses were identified over Federal Major Programs or State Major Programs.

Under Compliance

- Unmodified opinions on compliance over Federal Major Programs and State Major Programs.

Engagement Scope & Reporting

» Reporting Results under Uniform Guidance:

- Reporting on Internal Control over Compliance and an opinion on Compliance at the Major Program level under Uniform Guidance and the Connecticut State Single Audit Act - Major Programs Tested:

Major Federal Programs Audited Under Uniform Guidance	Federal Grant Program Expenditures	Major State Programs Audited Under the State Single Audit Act	State Grant Program Expenditures
Special Education Grants Cluster	\$ 711,353	CT State Library - Blackstone Library Renovations	\$ 1,000,000
Total of Federal Programs Tested	\$ 711,353	DECD: Indian Neck Firehouse Renovations STEAP	366,558
Total Federal Expenditures Subject to Uniform Guidance	\$ 2,676,808	Office of Early Childhood: Early Care Education	394,081
Percentage Tested	27%	Total of State Programs Tested	\$ 1,760,639
		Total State Expenditures Subject to State Single Audit	\$ 3,324,530
		Percentage Tested	53%

Financial Highlights

» Governmental Funds – Fund Balances as of June 30, 2019

	General	Capital Projects	Sewer Assessment	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable	17,105			117,137	134,242
Restricted		6,163,402	3,142,751	5,293,149	14,599,302
Committed	279,458			4,931,251	5,210,709
Assigned	3,532,847				3,532,847
Unassigned	28,769,857				28,769,857
Total fund balances	\$ 32,599,267	\$ 6,163,402	\$ 3,142,751	\$ 10,341,537	\$ 52,246,957

Financial Highlights

» General Fund Highlights

- » At the end of the current fiscal year, the total fund balance for the General Fund was \$32,599,267 an increase of \$1,973,549 from the prior year. The increase was due to revenue collections outperforming revenue estimates in all of the Town's revenue functions.
- » As of June 30, 2019, \$28,769,857 of the fund balance is unassigned, representing approximately 25.5% of total General Fund expenditures and other financing uses - budgetary basis. Assigned fund balance of \$3,532,847 at June 30, 2019 was related to:

Fiscal 2019 budget	\$	2,825,000
Encumbrances		707,847
	\$	<u>3,532,847</u>

Financial Highlights

» General Fund Highlights

» On a budgetary basis, actual revenue exceeded budgetary estimates in all revenue classifications providing a positive revenue variance for the year of \$5,115,915

	Budgeted Amounts			Actual	Variance Positive (Negative)
	Original	Final			
Revenues and Other Financing Sources					
Property taxes	\$ 100,815,169	\$ 100,815,169	\$ 103,143,178	\$ 2,328,009	
Intergovernmental	2,610,613	2,610,613	3,193,267	582,654	
Charges for services	3,700,875	3,790,875	4,439,210	648,335	
Income on investments	235,000	235,000	1,196,297	961,297	
Miscellaneous	1,244,900	1,244,900	1,780,520	535,620	
Total revenues	108,606,557	108,696,557	113,752,472	5,055,915	
Other financing sources:					
Transfers in	648,814	737,916	797,916	60,000	
Total Revenue and Other Financing Sources	\$ 109,255,371	\$ 109,434,473	\$ 114,550,388	\$ 5,115,915	

Financial Highlights

» General Fund Highlights

» On a budgetary basis, actual expenditures were less than planned expenditure appropriations by \$1,718,010. This was achieved from favorable variances in all expenditure functions.

	Budgeted Amounts		Final	Actual	Variance Positive (Negative)
	Original				
Expenditures and Other Financing Uses					
General government	5,190,475		5,391,338	4,926,338	\$ 465,000
Public Safety	12,767,462		13,400,788	13,096,262	304,526
Public works and highways	6,014,474		6,032,338	5,780,720	251,618
Recreation	1,205,976		1,233,064	1,212,016	21,048
Libraries	1,644,418		1,650,647	1,641,618	9,029
Health and welfare	666,436		673,043	651,333	21,710
Board of Education	56,779,223		56,779,223	56,625,395	153,828
Pension and Insurance	15,012,629		14,238,606	13,748,973	489,633
Debt Service	8,274,973		8,175,973	8,174,355	1,618
Total expenditures	107,556,066		107,575,020	105,857,010	1,718,010

Other financing uses:
Transfers out

	4,524,305		6,734,453	6,734,453	-
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Total Expenditures and Other Financing Uses	\$ 112,080,371		\$ 114,309,473	\$ 112,591,463	\$ 1,718,010
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Financial Highlights

» General Fund Highlights

Property tax collections: The current year levy collections totaled \$101,259,963 which brought a 98.5% collection rate.

Grand List	Uncollected Taxes		Lawful Corrections	Transfers to		Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2019
	July 1, 2018	2018		Suspense	Taxes		Interest	Liens	Total	
2003	\$ 36,514	\$ 36,514		\$	\$	36,514	\$	\$	25	\$ 36,514
2004	35,616	35,616			465	35,616	24	1,128	25	35,131
2005	33,752	33,752			463	33,752	24	1,147	24	33,289
2006	36,745	36,745			726	36,745	36	1,674	36	36,019
2007	42,087	42,087			2,920	42,087	48	2,786	48	39,167
2008	67,842	67,842			2,702	67,842		836		65,140
2009	65,832	65,832			2,498	65,832	24	2	24	63,334
2010	80,586	80,586	(556)		5,135	80,030	48	3,237	48	74,895
2011	140,492	140,492			12,732	140,492	96	15,958	96	127,760
2012	144,526	144,526			42,028	144,526	240	25,978	240	102,498
2013	424,634	424,634	(2,470)	(184,730)	76,065	237,434	1,409	49,592	1,409	127,066
2014	667,865	667,865	(2,009)		165,057	665,856	2,150	69,908	2,150	500,799
2015	971,403	971,403	27,072		224,487	998,475	5,304	80,607	5,304	773,988
2016	1,697,731	1,702,931	5,200		738,266	1,702,931	21,867	153,089	21,867	964,665
2017	103,020,432	102,814,929	(205,503)		101,259,963	102,814,929	5,152	256,029	5,152	1,554,966
	\$ 107,466,057	\$ 107,103,061	(178,266)	(184,730)	102,533,527	102,533,527	36,422	661,996	36,422	4,569,534
					6,841	10,516	1,286			18,643
					\$ 102,540,368	\$ 672,512	\$ 37,708	\$ 103,250,568		

Financial Highlights

» Long Term Debt

» Governmental Activities – Long-Term Debt increased by \$26,568,319 during the year due primarily to \$18MM in new bond issuances and \$20.7MM increase in the Net Pension Liability associated with the State MERS plan which moved from \$8.3 MM to \$29.3MM.

	Beginning Balance	Additions	Reductions	Ending Balance
Bonds payable:				
General obligation bonds	\$ 29,075,000	\$ 18,000,000	\$ 5,090,000	\$ 41,985,000
Clean water notes	9,011,596		1,521,623	7,489,973
Less deferred amounts:				
For issuance premiums	1,977,820	160,832	304,962	1,833,690
Total bonds and notes payable	40,064,416	18,160,832	6,916,585	51,308,663
Landfill closure	1,088,500		40,000	1,048,500
Net pension liability	19,443,659			40,158,510
Net OPEB liability	14,438,393	20,714,851	7,666,972	6,771,421
Compensated absences	2,893,938	673,412	37,763	3,529,587
Risk management claims	4,076,946	19,386,714	17,581,170	5,882,490
Notes payable	500,000		125,000	375,000
Total Governmental Activities	\$ 82,505,852	\$ 58,935,809	\$ 32,367,490	\$ 109,074,171
Long-Term Liabilities				

Required Auditors' Communications to those charged with Governance

- » **Qualitative Aspects of Accounting Practices** – Relates to estimates that are sensitive or subject to bias.
 - Significant Estimates
 - Capital Assets estimated useful lives
 - Allowance for uncollectible receivables
 - Net Pension Liability
 - Net OPEB Liability
 - Estimates of Claims Liability
- » **Difficulties Encountered in Performing the Audit** – Management related matters.
 - None Noted
- » **Corrected and Uncorrected Misstatements** – Emphasis on material adjustments.
 - No Passed Adjustments

Required Auditors' Communications to those charged with Governance

- » **Disagreements with Management – GAAP related.**
 - None noted
- » **Management Representations Request.**
 - Management representations were obtained prior to issuance on February 25, 2020
- » **Management Consultations with Other Independent Accountants.**
 - To our knowledge no such consultations occurred
- » **Audit discussion related to GAAP and other matters.**
 - Relates to discussions regarding the application of accounting principals and audit standards in the normal course of performing our engagement, no unusual or significant discussions have occurred

blumshapiro

Contact Information

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Date: May 20, 2020
To: Joseph Mooney
Board of Finance
From: James P. Finch
Director of Finance
Re: Budget Highlights and Mill Rate

2020 MAY 20 P 2:30
BRANFORD, CT

Attached please find the changes to the Board's recommendations with regard to the FY 2021 budget. The primary changes from the Recommended Budget reflect adjustments to the James Blackstone Library and various capital accounts (attached). The net impact of the adjustments total \$221,200. We also discovered an error in the revenue spreadsheet which we adjusted. The change results in a mill rate of 28.92 which is a decrease of 0.15 mills as compared to the current year.

As per our discussions last week regarding the collection rate, I have attached scenarios incorporating the above changes and collection rates. I have prepared a resolution for setting the mill rate below. Please note that since we have expressed our desire to protect the taxpayer from the lower collection rate scenario I have prepared one resolution.

Resolved: That the Board of Finance establishes the mill rate for fiscal year 2020-2021 at 28.92 mills pursuant to the budget adopted by the Representative Town Meeting.

TOWN OF BRANFORD
RTM Changes
2020/2021 Budget

<u>Committee/Item</u>	<u>Department</u>	<u>BOF Proposed</u>	<u>Change</u>	<u>Revised</u>
Admin Services				
Wages and Salaries	Executive	269,843	(104,170)	165,673
East Shore Health District Match	ESHD	251,132	1,054	252,186
	Total Change		(103,116)	
Education				
James Blackstone Memorial Library	Operating	1,488,962	(45,000)	1,443,962
James Blackstone Memorial Library	Capital - Security Camera	22,000	(17,000)	5,000
	Change		(62,000)	
Board of Education - Operating	No Change	58,828,962	0	58,828,962
Board of Education - Capital	Bleachers - BHS	55,000	(55,000)	0
	Maintenance Van	45,000	(6,084)	38,916
	Asbestos - Indian Neck	80,000	(40,000)	40,000
	Change		(101,084)	
	Total Change		(163,084)	
Public Services				
Police - Capital	Vehicles	144,000	(36,000)	108,000
	Vehicle -Set Up	84,000	(21,000)	63,000
Total	Total Changes		(57,000)	
Rules & Ordinances				
No Changes				
	Total Change		0	
Ways & Means				
Contingency	Contingency	825,558	102,000	927,558
	Total Change		102,000	
General Fund				
	Total Changes -General Fund		(221,200)	
General Fund				
Total Expenditure Changes Town		58,954,481	(120,116)	58,834,365
Total Expenditure Changes BOE (With Special Ed)		58,828,962	0	58,828,962
Total Expenditure Changes BOE Cap & Leases		455,000	(101,084)	353,916
Totals		118,238,443	(221,200)	118,017,243
	Total Reductions		(221,200)	

Impact on Tax Calculation

Expenditures	Requested FY 2021	BOF	RTM	BOF/RTM Change
BOE Operating	59,542,216	58,828,962	58,828,962	0
BOE Capital & Leases	905,000	455,000	353,916	(101,084)
	60,447,216	59,283,962	59,182,878	(101,084)
Town	60,987,549	58,954,481	58,834,365	(120,116)
Total	121,434,765	118,238,443	118,017,243	(221,200)

MILL RATE SCENARIOS

RTM adjustments no change in collection rate	Requested (1) FY 2021	BOF FY 2021	RTM FY 2021	Change
Revised Expenditures	121,434,765	118,238,443	118,017,243	(221,200)
Non Tax Revenue	(10,471,721)	(10,421,721)	(10,643,721)	(222,000)
Fund Balance Brought Forward	(2,825,000)	(3,720,736)	(3,720,736)	0
Total Non Tax Revenue	(13,296,721)	(14,142,457)	(14,364,457)	(222,000)
Total Tax Requirements	108,138,044	104,095,986	103,652,786	(443,200)
Less State Reimbursements	270,800	270,800	270,800	
Less Elderly Tax Relief	386,899	386,899	386,899	
Less Allowance for Uncollectible	1,825,246	2,137,830	2,128,785	
Total Tax Levy	110,620,989	106,891,515	106,439,270	(452,245)
Collection Rate	0.9835	0.9800	0.9800	0
Grand List (Revised)	3,668,114,729	3,680,614,729	3,680,614,729	0
Mill Rate	30.16	29.04	28.92	-0.12

RTM adjustments with collection rate at 95%	Requested FY 2021	BOF FY 2021	RTM FY 2021	Change
Revised Expenditures	121,434,765	118,238,443	118,017,243	(221,200)
Non Tax Revenue	(10,471,721)	(10,421,721)	(10,643,721)	(222,000)
Fund Balance Brought Forward	(2,825,000)	(3,720,736)	(3,720,736)	0
Total Non Tax Revenue	(13,296,721)	(14,142,457)	(14,364,457)	(222,000)
Total Tax Requirements	108,138,044	104,095,986	103,652,786	(443,200)
Less State Reimbursements	270,800	270,800	270,800	
Less Elderly Tax Relief	386,899	386,899	386,899	
Less Allowance for Uncollectible	1,825,246	2,137,830	5,490,026	
Total Tax Levy	110,620,989	106,891,515	109,800,511	2,908,996
Collection Rate	0.9835	0.9800	0.9500	-0.03
Grand List (Revised)	3,668,114,729	3,680,614,729	3,680,614,729	0
Mill Rate	30.16	29.04	29.83	0.79

RTM adjustments with collection rate at 95% Increase Fund Balance	Requested FY 2021	BOF FY 2021	RTM FY 2021	Change
Revised Expenditures	121,434,765	118,238,443	118,017,243	(221,200)
Non Tax Revenue	(10,471,721)	(10,421,721)	(10,643,721)	(222,000)
Fund Balance Brought Forward	(2,825,000)	(3,720,736)	(3,720,736)	0
Additional Appropriation From Fund Balance			(3,190,000)	(3,190,000)
Total Non Tax Revenue	(13,296,721)	(14,142,457)	(17,554,457)	(3,412,000)
Total Tax Requirements	108,138,044	104,095,986	100,462,786	(3,633,200)
Less State Reimbursements	270,800	270,800	270,800	
Less Elderly Tax Relief	386,899	386,899	386,899	
Less Allowance for Uncollectible	1,825,246	2,137,830	5,322,131	
Total Tax Levy	110,620,989	106,891,515	106,442,616	(448,899)
Collection Rate	0.9835	0.9800	0.9500	-0.03
Grand List (Revised)	3,668,114,729	3,680,614,729	3,680,614,729	0
Mill Rate	30.16	29.04	28.92	-0.12