

TOWN OF BERLIN ANNUAL REPORT 2023



Connecticut Gold Star Families Memorial Monument

At Berlin Veterans Memorial Park

www.berlinct.gov



PUBLISHED BY: ANNUAL REPORT COMMITTEE

- **Arosha Jayawickrema, Town Manager**
- **Christi Sullivan, Admin Asst to Town Manager**
- **Dave Thorn, Engineering/Public Works**
- **Gail Erickson, Asst Finance Director**
- **Kate Wall, Town Clerk**
- **Lecia Paonessa, Public Works**
- **Maribeth Fiordellisi, Asst Town Clerk**

March 2024

| | |
|---|--------------|
| ANNUAL REPORT INDEX |1 |
| Letter from the Town Manager |2 |
| Town Services Directory |3 |
| Board and Commissions Information |6 |
| General Purpose Financial Statements | ...54 |
| Independent Auditor's Report | ...55 |
| Management's Discussion and Analysis | ...58 |
| Exhibits A-J | ...70 |
| Notes to Financial Statements | ...85 |
| Required Supplementary Information | .136 |
| Report of the Property Tax Collector | .148 |

Dear Town of Berlin Residents,

I am pleased to present the FY 2023 (July 1, 2022 – June 30, 2023) Annual Report. This report provides an overview of the accomplishments of the Town during the fiscal year, as well as a snapshot of the Town's financial standing.

Major accomplishments are listed under the narratives provided by town departments and the boards and commissions. Each department gave their best to offer excellent programs and services to our residents. They used financial resources as efficiently as possible adhering to applicable policies, ordinances, and statutes. The staff realizes that they work for and represent the Town of Berlin and their efforts contribute to the quality of life in this wonderful community.

The Town completed the fiscal year with a strong financial performance. Standard & Poor's affirmed the Town's AAA bond rating, and the Town received the Excellence in Financial Reporting award from Government Finance Officers Association (GFOA) for the 37th consecutive year.

I extend my sincere appreciation to the Town Council, all elected officials who serve on various boards and commissions, volunteers and the Town staff that give their time, energy, and expertise to improve the lives of thousands of residents, businesses and the visitors to Berlin.

I encourage you to reach out to me or the Town staff to share your thoughts, comments, and suggestions on how we can serve our community better in the next fiscal year and beyond. Customer service, efficiency and effectiveness are top priorities for all of us in the Town Hall and I welcome your input and involvement so we can strive to continuously improve what we do each day.

As always, it is an honor to serve as your Town Manager. Please feel free to contact me at ajayawickrema@berlinct.gov or at 860.828.7003. I look forward to hearing from you and seeing you around Town.

Sincerely,


Arosha Jayawickrema, Town Manager

Town Services Directory

Berlin Town Hall – 240 Kensington Road - www.berlinct.gov

Town Hall Hours: Monday-Wednesday 8:30 AM – 4:30 PM
 Thursday 8:30 AM – 7:00 PM
 Friday 8:30 AM – 1:00 PM

Assessor's Office

860.828.7105

- Abutting Property Owners Information
- Aerial Maps – copies
- Elderly Homeowners Applications
- Field Cards
- Grand List Books
- Motor Vehicle Adjustment
- Personal Property Declarations
- Sales Analysis Books

Building Department

860.828.7012

- Building Permits – from 1961
- Certificate of Occupancy
- Plot Plans – from 1945

Economic Development Department

860.828.7005

- Business Development Assistance

Finance Department

860.828.7044

- Copies of Budget
- Financial Questions
- Financial Reports

Fire Marshal/Emergency Management

860-828-7053

- Burning Permits
- Fire Safety & Code Questions
- Emergency Planning Questions

Human Resource Department

860.828.7062

- Employee Applications
- Human Resources
- Staff Benefits/Labor Relations

Planning & Zoning

860.828.7066

- Historic District Applications
- Land Use Applications
- Plan of Conservation and Development
- Zoning Map and Regulations Information
- Community Garden Applications
- Conservation Commission Trail Maps
- Motor Vehicles Use Location License
- Certificates of Zoning Compliance including for sheds, fencing and business uses

Public Works/Engineering

860.828.7022

- Burning Permits
- Inland/Wetland Applications
- Refuse/Recycling Information
- Mattress Permits
- Right-of-Way Permits - Driveways, Excavations
- Wetlands/Flood Maps
- Report potholes, trees, etc.

Purchasing Department

860.828.7048

- Bids
- GovDeals

Registrar of Voters

860.828.7020

- Changes to Voter Status
- Election Information
- Voter Registration Cards

Revenue Collector

860.828.7123 (Tax Bills)

- Copies and Status of Tax Bills
- Mill Rate
- Mobile Home Park Rent Payments
- Motor Vehicle Releases

Social Services Department

860.828.7007

- "Choices" Counseling
- Energy Assistance
- Food Pantry
- Holiday Assistance
- Renter's Rebate Applications

Town Clerk

860.828.7036

- Boards and Commissions – Agendas, Minutes and Membership
- Charter
- Dog Licenses
- Election – Absentee Ballots and Information
- Justices of the Peace
- Land Recordings
- Liquor Permits
- Marriage – Application and License
- Maps – Subdivisions and Surveys
- Military Discharges
- Notary Public
- Ordinances
- Trade Name Certificates
- Vital Records – Births, Marriages, and Deaths

Town Manager's Office

860.828.7003

- Administrative Head
- Employee Applications

Visiting Nurses Association (VNA)

860.828.7030

Hours: Monday – Friday 8:00 AM – 4:00 PM

- Case Management
- Consultation Services
- Home Care Nursing
- Home Health Aides
- Rehabilitation therapy

Water Department

860.828.7065

- Water and Sewer Questions
- CT Water Customer Service Billing
1-800-286-5700

Youth Services

860.828.7059

- Youth Programs
- Case Management
- Assessments and Referrals

Zoning Enforcement

860.828.7008

- Zoning Board of Appeals Applications
- Alcoholic Beverage Use Location Permits
- Zoning Questions and Complaints

Other Town of Berlin Facilities:

Animal Control Facility –

600 Christian Lane

860.828.7055

Hours: Monday–Friday 8:00 AM–4:00 PM

Saturday/Sunday 8:00 AM– 2:00 PM

Berlin-Peck Memorial Library –

234 Kensington Road

860.828.7125

Hours: Monday–Thursday 10:00 AM–8:00 PM

Friday 10:00 AM – 5:00 PM

Saturday 10:00 AM – 4:00 PM

Passport appointments necessary

Notary services available – call ahead

Community Center –

230 Kensington Road

860.828.7056

Hours: Monday–Thursday 8:30 AM – 8:30 PM

Friday 8:30 AM – 1:00 PM

Saturday 8:00 AM – 12:00 PM

Summer Hours:

Monday-Thursday 8:30 AM - 8:00 PM

Friday 8:30 AM – 1:00 PM

(Closed Saturdays during July and August)

Health Department

2080 Silas Deane Highway

Rocky Hill, CT 06067

860.785.8380

Hours: Monday-Friday 8:30 AM – 4:30 PM

- Food Service Inspections & Applications
- Motel Inspections & Applications
- Septic Locations
- Septic Permits
- Well Permits

Parks and Recreation Department –

230 Kensington Road

860.828.7009

Hours: Monday–Wednesday 8:30 AM–4:30 PM

Thursday 8:30 AM – 7:00 PM

Friday 8:30 AM – 1:00 PM

Police Department –

240 Kensington Road

911 (Emergency)

860.828.7080 (Police Dispatch Non-Emergency)

Senior Center – 33 Colonial Drive

860.828.7006

Hours: Monday–Friday 8:30 AM–4:00 PM

- Municipal Agent for the Elderly

Timberlin Golf Course –

330 Southington Road

860.828.3228

Hours: 7:00 AM to 1 hour before Sunset

(Opening time is 8:00 AM when the course first opens in the spring.)

BOARDS & COMMISSIONS

Members

| | |
|---|--------------|
| Berlin-Peck Memorial Library |7 |
| Board of Assessment of Appeals |9 |
| Board of Education | ..11 |
| Board of Ethics | ..12 |
| Board of Finance | ..13 |
| Cemetery Commission | ..15 |
| Commission for Persons with Disabilities | ..17 |
| Commission for the Aging | ..19 |
| Conservation Commission | ..21 |
| Economic Development Commission | ..23 |
| Historic District Commission | ..26 |
| Inland Wetland and Watercourses Commission | ..28 |
| Parks and Recreation Commission | ..30 |
| Planning and Zoning Commission | ..32 |
| Police Commission | ..34 |
| Public Building Commission | ..36 |
| Public Golf Course Commission | ..39 |
| Town Council/Mayor | ..42 |
| Veterans Commission | ..43 |
| Visiting Nurse Association Board | ..46 |
| Water Control Commission | ..48 |
| Youth Services Advisory Board | ..50 |
| Zoning Board of Appeals | ..52 |

BERLIN-PECK MEMORIAL LIBRARY BOARD

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|--|--------------------|---|
| Katharine Shaskus 19 Cross Creek Drive Berlin, CT 06037 | 1/31/2027 | Democrat | Consists of nine members for three (3) year terms. Not more than five (5) shall be of the same political party. |
| TELEPHONE: (860) 212-0636 EMAIL: kshaskus@gmail.com | | | |
| Elaine Borselle 61 Oak Ridge Drive Berlin, CT 06037 | 1/31/2026 | Democrat | |
| TELEPHONE: (860) 828-1616 EMAIL: elaineb2@comcast.net | | | |
| Derrick Bosse 606 Toll Gate Road Berlin, CT 06037 | 1/31/2027 | Unaffiliated | |
| TELEPHONE: (860) 259-8736 EMAIL: derrickbosse@gmail.com | | | |
| Robert M. F. Lewis – <u>Vice Chairman</u> 27 Pondsides Drive Berlin, CT 06037 | 1/31/2025 | Unaffiliated | <p>STAFF LIAISON:</p> <p>Carrie Tyszka ctyszka@berlinpeck.org 860-828-7120</p> <p>RECORDING SECRETARY:</p> <p>Marlo Matassa mmatassa@berlinct.gov 860-828-7033</p> |
| TELEPHONE: (860) 828-9216 EMAIL: rmflewis66@comcast.net | | | |
| Donna Moore – <u>Chairman</u> 215 Rosewood Lane Berlin, CT 06037 | 1/31/2027 | Democrat | |
| TELEPHONE: (860) 729-1636 EMAIL: moore.donna@yahoo.com | | | |
| Gail C. Marino 24 Casner Drive Berlin, CT 06037 | 1/31/2025 | Republican | |
| TELEPHONE: (860) 770-7516 EMAIL: gail.marino13@gmail.com | | | |
| Kevin Wilhelm 237 Vineyard Drive Berlin, CT 06037 | 1/31/2026 | Democrat | |
| TELEPHONE: (860) 828-4950 EMAIL: kwilhelm1@comcast.net | | | |
| Karen A. Pagliaro 221 Stillmeadow Lane Kensington, CT 06037 | 1/31/2025 | Democrat | |
| TELEPHONE: (860) 878-5708 EMAIL: kpagliari8@gmail.com | | | |
| Carol Welz 1308 Orchard Road Kensington, CT 06037 | 1/31/2026 | Republican | |
| TELEPHONE: (860) 828-6417 EMAIL: cwelz@comcast.net | | | |
| Revised: 2/7/2024 | Appointment of Shaskus and Bosse. | | |

Berlin Peck Memorial Library Annual Report 2022/2023

The Berlin-Peck Memorial Library had a successful year! We had 75,990 library visits this year, answered 14,513 reference questions, hosted 16,063 Wi-Fi sessions. Our collection increased to 102,321 physical items including the addition of metal detector and mini projector to our Library of Things. Total circulation at our library was 191,357. Berlin-Peck is part of a 31-library consortium which means we share a catalog with 31 surrounding libraries and our patrons have access to all those books as well as materials from any library in the state of Connecticut.

We began the year by releasing our IDEA Statement (Inclusion, Diversity, Equity, and Accessibility) that demonstrates our commitment to creating a space that welcomes the uniqueness and diversity of all people. This is an active document that outlines steps we are taking to incorporate IDEA into our library fabric to expand access and remove barriers, protect privacy, and free speech, foster learning, grow information literacy and digital skills, and promote a wide array of experiences, backgrounds, and perspectives. A staff-led committee has taken on the role of advising the library on ways we can continually review our commitment to these principles using our statement as our guide. We are proud of the work we've done so far to make BPML a welcoming place for all and we are excited to watch this work evolve as we learn more.

We made improvements to our library building and services. We painted our walls and tackled our 32-year-old carpet. The interior of our building was painted a vibrant green and warm tan to reflect the welcoming atmosphere we strive to provide for our patrons. Our old, stained carpet was replaced with colorful yet neutral carpet tiles. Our patron internet stations were replaced and upgraded to 27-inch monitors for easier viewing and faster processing. We implemented 10 free prints per day per patron to eliminate the need for cash to pay for copies, saving both time and money for patrons and staff. We added print materials in Ukrainian, Spanish, and Polish and upgraded our foreign language database to Transparent Language, offering more than 60 languages. *Craft & Hobby*, which debuted in the fall of 2023 has a variety of activities to explore including fitness classes, woodworking, and photography!

The Children's Department introduced Family Jammie Storytime with as many as 65 attendees at each monthly session. The most wonderful part of this is that generations of families participate, and we love seeing everyone show up in their jammies – even Ms. Kelly! We continue to partner with the Berlin Early Childhood Council to support their young learner series focused on skills for students entering kindergarten. We hosted our annual second grade visit and made videos for Read Across America. We introduced Girls Who Code and continue to have hundreds of children participate in our monthly scavenger hunts.

During the fall of 2023 we participated in the Connecticut Library Consortium's Strategic Planning cohort. This cohort allowed us to use a consultant to prepare our strategic plan that may otherwise have been unaffordable. We worked with 7 other libraries in Connecticut to learn the process of strategic planning, develop a community survey, and learn more about what our patrons wanted. We learned that our patrons want more of what we are doing, and we identified opportunities to improve our services. The resulting priorities for the next three years are: engaging community, supporting literacy, fostering connection in a divided world, and enriching lives through the arts and culture. We hope to see you in the library in 2024. As always, our library is available 24/7 at www.berlinpeck.org.

BOARD OF ASSESSMENT APPEALS

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|--|-------------|--|
| Paul C. Argazzi - Chairman 339 Reservoir Road Berlin, CT 06037 | 11/16/2027 | Republican | Three member board <u>elected</u> at general elections for a four (4) year term. Not more than two (2) shall be of the same political party. |
| TELEPHONE: (860) 828-3988 EMAIL: paulargazzi@sbcglobal.net | | | |
| Stuart Topliff 29 Ellwood Road Berlin, CT 06037 | 11/16/2027 | Democrat | |
| TELEPHONE: (860) 209-4193 EMAIL: stopl.ff67@gmail.com | | | |
| John Frink 37 Mattabasset Street Berlin, CT 06037 | 11/18/2025 | Republican | |
| TELEPHONE: (860) 828-6144 EMAIL: mifrink@comcast.net | | | |
| | | | STAFF LIAISON: |
| | | | Joseph Ferraro jferraro@berlinct.gov (860) 828-7039 |
| | | | |
| | | | |
| | | | |
| | | | RECORDING SECRETARY: |
| | | | Marlo Matassa mmatassa@berlinct.gov 860-828-7033 |
| | | | |
| | | | |
| Revised: | Election of Board Members - Argazzi and Topliff. | | |
| 11/15/2023 | | | |

**Berlin Board of Assessment Appeals
Annual Report Fiscal Year 2022/2023**

The Board of Assessment Appeals (“Board”), created by state law, is an official municipal agency. Provided by statute to act as an independent body of review for property owners who wish to appeal their property assessments, it also serves as a body of review for property owners who have been erroneously denied of exemptions and can also be used to add omitted property to the Grand List.

The Board consists of three (3) members all of whom are elected for a term of four (4) years. All members are elected unless appointment is permitted legally (CGS §9-185). The three (3) current members are Paul C. Argazzi, Chairman, Stuart Topliff, Member and John Frink, Member. All said members served during the appeals of the 2022 Grand List.

Each year, the Town Assessor prepares the official listing of all taxable property in Town known as the Grand List. It represents the assessed values of all taxable and tax-exempt property. The net Grand List, which is the total value after deductions for exemptions, becomes the Town’s tax base. Property owners, who wish to appeal their property assessments, may appeal through the Board. Taxpayers not satisfied with the Board’s decision, may appeal to the Superior Court of the judicial district of the Town within two (2) months of the mailing of notice of the Board’s action (CGS §12-117a).

Taxable property consists of **Real Estate**: real property which refers to land and all improvements permanently attached to the land; **Personal Property**: tangible property including but not limited to business personal property and unregistered motor vehicles; and **Motor Vehicles**: registered motor vehicles as supplied bi-annually by CT DMV.

Property owners who disagreed over the value of their property appealed before the Board in March 2023. Those said meetings were held in person between members and taxpayers and were completed by the end of March 2023.

Then, in September 2023, the Board met again in person to hear appeals of assessed values related to motor vehicles only. The following are the results of the 2022 Grand List after the Board of Assessment Appeals Hearings:

| | Real Estate | Personal Property | Motor Vehicle |
|--|------------------------|--------------------------|----------------------|
| Total Gross Assessed Value as of 10/1/2021 | \$2,559,038,852 | \$389,843,664 | \$298,306,479 |
| New Total Gross Assessed Value (Results after Board Hearings) | \$2,552,777,091 | \$388,786,415 | \$284,177,688 |
| Minus Total Exemptions | \$237,432,824 | \$121,435,370 | \$11,053,690 |
| Total Net Assessed Value | \$2,315,344,267 | \$267,351,045 | \$273,123,998 |

BOARD OF EDUCATION

The Berlin Board of Education oversees the education of more than 2600 students in pre-kindergarten through Grade 12. The Board is comprised of nine members and two student representatives who volunteer their service. The mission of the Board of Education is to serve the community by providing a well-rounded, fiscally responsible education with broad opportunities and freedom for every learner to strive for success.

2022-23 Board Members

Ms. Julia Dennis, President

| | |
|-----------------------------------|--------------------------------|
| Ms. Melissa Gibbons | Ms. Jaymee Miller |
| Ms. Gina Nappi | Mr. Adam Salina |
| Dr. Kari Sassu | Ms. Tracy Sisti, Secretary |
| Mr. Matthew Tencza | Mr. Peter Zarabozo |
| Ms. Samantha Negrao, Student Rep. | Mr. Ian Saunders, Student Rep. |

Regular meetings are generally held on the second Monday of each month with the exception of August, November, and April, when the meeting is held on the fourth Monday. The Annual Meeting of the Board is held on the fourth Monday in November. All meetings begin at 6:00 p.m. unless otherwise noted on the agenda and are held in the Board of Education Meeting Room in the Board of Education Office. If a holiday occurs on Monday, the meeting is then held on Tuesday. In the months of January and February, the Board of Education conducts a series of budget workshops. The public is cordially invited to attend all meetings, advance notice of which is posted on the district's website. Additional information about the school district can be found at www.berlinschools.org.

Central Office Administration, 238 Kensington Road, Berlin, 860-828-6581

| | |
|---|-----------------------------------|
| Superintendent of Schools ----- | Brian J. Benigni |
| Directors of Curriculum ----- | Laurie A. Gjerpen and Kara Watson |
| Director of Operations ----- | Jeffrey Cugno |
| Director of Finance ----- | Ashley L. Dorsey |
| Director of Pupil Personnel Services ----- | Linda Holian |
| Director of Human Resources ----- | Denise M. Parsons |

Berlin High School

Eileen Eustis, Principal
139 Patterson Way, Berlin
860-828-6577



Catherine M. McGee School

Salvatore Urso, Principal
899 Norton Road, Berlin
860-828-0323

Mary E. Griswold School

Jonathan Campbell, Principal
133 Heather Lane, Kens.
860-828-6336

Richard D. Hubbard School

Alfred Souza III, Principal
139 Grove Street, E. Berlin
860-828-4119

Emma Hart Willard School

Megan Sirois, Principal
1088 Norton Road, Berlin
860-828-4151

BOARD OF ETHICS (CODE OF ETHICS)

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|-----------------------|--------------------|--|
| Antonina DeDominicis - <u>Chair</u> 27 Bluebird Lane Berlin, CT 06037 | 1/31/2026 | Republican | Consists of three (3) regular members and two (2) alternates for three (3) year terms. Not more than two (2) regular members and one (1) alternate member shall be from the same political party. Regular members cannot serve more than six (6) consecutive years (Section 8-19 of the Town Charter). |
| TELEPHONE: (860) 655-6805 EMAIL: ninadedominicis@gmail.com | | | |
| Deborah Reed 71 Magnolia Lane East Berlin, CT 06023 | 1/31/2026 | Republican | |
| TELEPHONE: 860-829-5234 EMAIL: debskireedski@gmail.com | | | |
| Annmarie E. Marolda – <u>Vice Chair</u> 433 Toll Gate Road Berlin, CT 06037 | 1/31/2025 | Democrat | |
| TELEPHONE: (860) 828-7559 EMAIL: aemarolda@gmail.com | | | |
| Tiffany Bernard – <u>Alternate</u> 49 Main Street Kensington, CT 06037 | 1/31/2025 | Democrat | |
| TELEPHONE: (860) 874-3707 EMAIL: tiffanytrowbridgebernanrd@gmail.com | | | STAFF LIAISON: |
| Nick Nesci – <u>Alternate</u> 104 Brooke Meadow Road Berlin, CT 06037 | 1/31/2026 | Republican | Kate Wall, Town Clerk kwall@berlinct.gov 860-828-7036 |
| TELEPHONE: (860) 828-1643 EMAIL: nnesci@aol.com | | | |
| | | | |
| | | | RECORDING SECRETARY: |
| | | | |
| | | | |
| Revised: 2/7/2024 | Appointment of Nesci. | | |

BOARD OF FINANCE

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|--|--------------------|---|
| Sal Bordonaro - <u>Chairman</u> 81 Gianna Lane Berlin, CT 06037 | 11/18/2025 | Republican | Newly formed <u>Elected</u> Board that was adopted by Town Charter on November 8, 2016. The Board consists of six (6) members who shall be electors of the Town and will serve for four (4) year terms. |
| TELEPHONE: (860) 828-1201 EMAIL: sbordonaro@berlinct.gov | | | |
| Tim Grady 580 Beckley Road Berlin, CT 06037 | 11/16/2027 | Republican | |
| TELEPHONE: (860) 250-4586 EMAIL: tgrady@berlinct.gov | | | |
| Denise McNair 147 Misty Mountain Road Kensington, CT 06037 | 11/16/2027 | Democrat | |
| TELEPHONE: (860) 965-6314 EMAIL: dmcnair@berlinct.gov | | | |
| George Millerd 1231 Orchard Road Berlin, CT 06037 | 11/18/2025 | Republican | STAFF LIAISON: Kevin Delaney kdelaney@berlinct.gov (860) 828-7044 |
| TELEPHONE: (860) 828-9722 EMAIL: gmillerd@berlinct.gov | | | |
| Gerald P. Paradis – <u>Vice Chairman</u> 164 Vineyard Drive Berlin, CT 06037 | 11/18/2025 | Democrat | |
| TELEPHONE: (860) 828-6183 EMAIL: gparadis@berlinct.gov | | | |
| Raul Fernandes 71 Whispering Brook Drive Berlin, CT 06037 | 11/16/2027 | Democrat | |
| TELEPHONE: (860) 716-7737 EMAIL: rfernandes@berlinct.gov | | | |
| | | | RECORDING SECRETARY: Alina Brown labeledas@yahoo.com |
| | | | |
| | | | |
| | | | |
| | | | |
| Revised: 11/15/2023 | Election of Board Members - McNair, Fernandes and Grady. | | |

Board of Finance Achievements and Accomplishments 2022/2023

With many of our citizens and businesses impacted by inflationary prices, the Board of Finance put forward a minimal 1.1% tax increase budget after two consecutive years of no tax increases. This budget was approved and implemented.

Working with the Town and the Board of Education, the Board of Finance established a fiscally responsible budget for year 2022/2023 that resulted in a sizeable budget surplus. \$2.3M of that surplus was applied to capital equipment and capital improvement projects that included replacement of police vehicles, school vans, and town trucks, school camera upgrades, \$1M towards the police station renovation project, and several other projects.

We collectively made the decision to not issue any new money debt for the third time in the last five years, lowering outstanding debt principal by \$6.7M for the year.

Education was fully funded, ending with a budget surplus for the year.

Sal Bordonaro

Board of Finance Chairman

BERLIN CEMETERY COMMITTEE

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|---|--------------|---|
| Riza Brown 32 Mary Ann Court Berlin, CT 06037 | 1/31/2025 | Democrat | Five (5) member board and one (1) alternate. Six year terms and not more than three (3) regular members shall be of the same political party. |
| TELEPHONE: (860) 798-8321 EMAIL: elbrownii@comcast.net | | | |
| Charles H. Colaresi - Chairman 269 Newton Street Berlin, CT 06037 | 1/31/2027 | Democrat | |
| TELEPHONE: (860) 224-9494 EMAIL: charles.colaresi@snet.net | | | |
| Stephen Pastuszak 754 Worthington Ridge Berlin, CT 06037 | 1/31/2029 | Unaffiliated | |
| TELEPHONE: (860) 712-8007 EMAIL: stephenpastuszak@att.net | | | |
| Andra Lou Millerd 1231 Orchard Road Berlin, CT 06037 | 1/31/2027 | Republican | STAFF LIAISON: |
| TELEPHONE: (860) 670-5131 EMAIL: milleal@comcast.net | | | |
| Richard F. Benson – Vice Chairman 360 Savage Hill Road Berlin, CT 06037 | 1/31/2025 | Republican | Kate Wall, Town Clerk kwall@berlinct.gov 860-828-7036 |
| TELEPHONE: (860) 828-3365 EMAIL: gmbenson@comcast.net | | | |
| VACANCY – Alternate | 1/31/2027 | D, R or U | |
| TELEPHONE: EMAIL: | | | RECORDING SECRETARY: |
| | | | |
| | | | Joan Veley jveley@berlinct.gov |
| | | | |
| | | | |
| | | | |
| Revised: 3/6/2024 | Appointment of Millerd (from Alternate to Member). | | |

Cemetery Commission Accomplishments 2022/2023

1. New contractor A-Z Landscaping was hired for maintenance of cemeteries.
2. Sixteen (16) stones were repaired at Ledge Cemetery by Beyond the Gravestone.
3. Approximately twenty (20) stones at Dennison Cemetery have been selected for repair this spring.
4. Fencing at Beckley Cemetery was replaced, and this completes all of the fence replacement.
5. Signage has been moved to the fences at all locations.
6. A gate was installed at Dunham to keep people from driving into Potter's Field
7. The 2023 Swearing-in Ceremony was dedicated to the accomplishments of the Commission.

COMMISSION FOR PERSONS WITH DISABILITIES

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|---|--------------|---|
| Paul R. Oates 51 Hudson Street Berlin, CT 06037 | 1/31/2026 | Democrat | Five (5) member board with three (3) year terms. No more than three (3) can be from the same political party. At least two (2) members of the commission shall be persons with disabilities or representatives of a recognized, established, nonprofit group whose primary goals are compatible with the intent of this part. |
| TELEPHONE: (860) 829-2153 EMAIL: p.oates@att.net | | | |
| Nicholas Jerard 95 Whispering Brook Drive Berlin, CT 06037 | 1/31/2027 | Unaffiliated | |
| TELEPHONE: (413) 575-7025 EMAIL: nicholasjerard@gmail.com | | | |
| Andrew Pulcini 162 Crater Lane Berlin, CT 06037 | 1/31/2025 | Unaffiliated | |
| TELEPHONE: (860) 416-1906 EMAIL: apulc1@unh.newhaven.edu | | | |
| Wystan Ackerman 44 Whitney Lane Berlin, CT 06037 | 1/31/2027 | Unaffiliated | STAFF LIAISON: |
| TELEPHONE: (860) 685-8773 EMAIL: wackerman@rc.com | | | |
| Anna M. Metcalf 48 Percival Avenue Kensington, CT 06037 | 1/31/2026 | Democrat | Jaymee Miller jmiller@berlinct.gov (860) 828-7007 |
| TELEPHONE: (860) 829-2184 EMAIL: ametcalf70@gmail.com | | | |
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| RECORDING SECRETARY: | | | |
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| Revised: 1/24/2024 | Reappointment of Ackerman, and appointment of Jerard. | | |

Commission for Persons with Disabilities Annual Report FY 2022/2023

The mission of the Commission for Persons with Disabilities is to foster understanding, respect, and involvement of persons with disabilities within the town, and to encourage participation of persons with disabilities in all aspects of community life. The Commission serves as the advisory board to the town for the enforcement of the Federal Americans with Disabilities Act and assists the town with meeting its responsibilities for residents with disabilities.

Some recent issues the Commission has addressed include:

- Exploring avenues to support workshops and presentations that would be helpful for individuals with disabilities and their families.
- Continuing to look for resources for residents needing to install accessibility modifications.
- Monitoring progress made addressing accessibility issues at town buildings and facilities.
- Continuing to work with the Library regarding an annual informational display for Disability Awareness Month.

COMMISSION FOR THE AGING

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|-----------------------------------|-------------|---|
| Ann Gamelin 31 Colonial Drive Apt. 21 Berlin, CT 06037 | 1/31/2028 | Democrat | Consists of five (5) members for five (5) year terms; Not more than three (3) shall be of the same political party. |
| TELEPHONE: (860) 828-6700 EMAIL: agamelin@comcast.net | | | |
| Barbara D. Gombotz – <u>Chairwoman</u> 24 Sterling Drive Kensington, CT 06037 | 1/31/2027 | Republican | |
| TELEPHONE: (860) 828-6740 EMAIL: bgombotz@att.net | | | |
| Kathleen L. Murray 36 Kenton Street Kensington, CT 06037 | 1/31/2025 | Republican | |
| TELEPHONE: (860) 828-4217 EMAIL: kmurray09@snet.net | | | |
| Frank J. Slogeris – <u>Vice Chairman</u> 66 Glenview Drive Kensington, CT 06037 | 1/31/2029 | Republican | |
| TELEPHONE: (860) 829-0628 EMAIL: N/A | | | STAFF LIAISON: |
| C. Roger Moss, Jr. 80 Brandegee Lane Berlin, CT 06037 | 1/31/2029 | Democrat | Tina Doyle tdoyle@berlinct.gov (860) 828-7050 |
| TELEPHONE: (860) 987-7744 EMAIL: rogercrpa@yahoo.com | | | |
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| | | | RECORDING SECRETARY: |
| | | | Juliet Benjamin jbenjamin@berlinct.gov (860) 828-7012 |
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| Revised: 1/24/2024 | Reappointment of Moss & Slogeris. | | |

Berlin Commission for Aging Annual Report 2022/2023

The Commission for Aging serves as an advisory board that advocates, analyzes and support programs/services that promote active and healthy living for our senior residents.

Highlights

- We continued to support our Senior Center staff throughout the year on the many successful services/programs they conduct for our senior residents. They offer a plethora of programs/services such as:
 - Transportation Services
 - Daily Congregate Meals
 - Energy Assistance services
 - “Free” AARP Tax Aide services
 - Health & Fitness classes
 - Social & Recreational programs
 - Educational programs – finance, safety, health

- We continue to support and advocate for much needed affordable senior housing in Berlin. In constant contact with the Berlin Housing Authority Chairperson regarding the progress of the new complex at the old Knights of Columbus Hall.

- We continue to support and provide direction to current residents of Percival Heights and Marjorie Moore Village on issues that they are trying to handle regarding their housing.

- We continue to advocate for the proposed new Community Center /Senior Center, with our Chairperson serving on the newly formed committee of staff, architect and the Chairperson of the Park and Recreation Commission.

CONSERVATION COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|--------------------------------------|-----------------------------------|---|
| Michael DeLorenzo – <u>Chairman</u> PO Box 151 Berlin, CT 06037 | 1/31/2025 | Democrat | Consists of seven (7) regular members for five (5) year terms. No more than four (4) of whom shall be from the same political party. And two (2) alternates for five (5) year terms. Alternates shall not be of the same political party. |
| TELEPHONE: (860) 305-6262 EMAIL: madelorenzo@comcast.net | | | |
| Thomas J. Heisler 482 Lower Lane Berlin, CT 06037 | 1/31/2027 | Democrat | |
| TELEPHONE: (860) 829-8563 EMAIL: heislert3@gmail.com | | | |
| Guy Hoffman – <u>Vice Chairman</u> 1518 Orchard Road Berlin, CT 06037 | 1/31/2029 | Republican | |
| TELEPHONE: (860) 829-6545 EMAIL: ghoffman02@comcast.net | | | |
| Karl G. Lewis 56 Hartland Terrace Kensington, CT 06037 | 1/31/2028 | Democrat | STAFF LIAISON: Maureen Giusti, Town Planner mgiusti@berlinct.gov (860) 828-7060 |
| TELEPHONE: (860) 828-8949 EMAIL: karl.g.lewis@sbcglobal.net | | | |
| Karen Pagliaro 221 Stillmeadow Lane Berlin, CT 06037 | 1/31/2025 | Democrat | |
| TELEPHONE: (860) 878-5708 EMAIL: kpagliario8@gmail.com | | | |
| Mary Kathryn LaRose 26 Woodruff Lane Berlin, CT 06037 | 1/31/2029 | Republican | |
| TELEPHONE: (860) 828-1012 EMAIL: mklarose@aol.com | | | |
| Robert Ramsey 91 Jeffrey Lane Berlin, CT 06037 | 1/31/2028 | Republican | |
| TELEPHONE: (860) 519-6690 EMAIL: jdalmi@aol.com | | | |
| VACANCY - Alternate | 1/31/2026 | D, R or U | |
| TELEPHONE: EMAIL: | | | |
| VACANCY - Alternate | 1/31/2026 | D, R or U (depending on above) | |
| TELEPHONE: EMAIL: | | | |
| Revised: 1/24/2024 | Reappointment of Hoffman and LaRose. | | |

Conservation Commission Annual Report 2022/2023

The Conservation Commission is authorized by the Town Charter as provided by the Connecticut General Statutes to engage in development, conservation, supervision, and regulation of natural resources. The Commission is responsible for promulgating rules and managing town owned open space. Furthermore, it develops, coordinates, studies, and promotes matters of environmental protection within Berlin. The Commission conducts research into the utilization of land areas of the town and may coordinate the activities of unofficial bodies organized for similar purposes and may advertise, prepare, and distribute books, maps, charts, plans, and pamphlets as necessary for its purposes. The Commission is scheduled to hold monthly hybrid meetings. The Commission's accomplishments and activities for 2023 include:

- The Commission administers the Hatchery Brook Community Gardens located at the Hatchery Brook Conservation Area. Plots were planted by community gardeners from May to October who also work together to keep the area clean and organized for all with the assistance of Public Grounds if necessary. Social Services has established a garden plot with the help of BHS Upbeat to provide fresh produce for the food pantry.
- The Commission reviewed development proposals pending before the Planning and Zoning Commission and will work to properly sign any new development access points with standard trail access/rules signage.
- The Commission reviewed the 2023 Plan of Conservation and Development and nominated a member to sit on the Implementation Committee.
- The Commission continued a boundary signage program which provides signage that delineates between public and private property while identifying public access points. Updated signs include updated town web addresses and QR code links to the trail maps and new signage to Beckley Quarry trail off Wethersfield Road.
- The Commission reviewed and endorsed Wigwam Road relocation for future access improvements.
- An annual Connecticut Cycling Advancement Program with Berlin HS Cycling Team bike race authorized using Hatchery Brook and Bicentennial Parks was held.
- The Ragged Mountain trail network was utilized for CT Trailmixers annual 3.11 mile running race.
- The Commission engaged in an ongoing effort to maintain safe and clean access, parking, and signage for open space areas and trails in cooperation with the Public Grounds Department.

Respectfully submitted,

Michael DeLorenzo, Chairman

ECONOMIC DEVELOPMENT COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|-----------------------------------|--------------|--|
| Keith Bostrom 97 Crater Lane Kensington, CT 06037 | 1/31/2029 | Republican | Consists of seven (7) members with terms of five (5) years. Not more than four (4) of whom shall be from the same political party. |
| TELEPHONE: (860) 828-4089 EMAIL: ktbostrom@comcast.net | | | |
| Peter Campanelli - <u>Treasurer</u> 1055 Worthington Ridge Berlin, CT 06037 | 1/31/2026 | Republican | |
| TELEPHONE: (860) 690-4263 EMAIL: pete@cambridgespecialty.com | | | |
| Christopher Coppola III 66 Heritage Drive Berlin, CT 06037 | 1/31/2026 | Unaffiliated | |
| TELEPHONE: (860) 505-8711 EMAIL: chriscopp01@gmail.com | | | |
| Dave Cyr - <u>Chairman</u> 245 Cole Lane Kensington, CT 06037 | 1/31/2026 | Republican | |
| TELEPHONE: (860) 828-9953 EMAIL: davecyr@comcast.net | | | STAFF LIAISON: |
| Edward C. Egazarian - <u>Vice Chairman</u> 1183 Worthington Ridge Berlin, CT 06037 | 1/31/2025 | Democrat | Chris Edge cedge@berlinct.gov (860) 828-7005 |
| TELEPHONE: (860) 828-0635 EMAIL: edegazarian@gmail.com | | | |
| Vincent Fortunato 86 Misty Mountain Rd Berlin, CT 06037 | 1/31/2025 | Republican | |
| TELEPHONE: (860) 543-4045 EMAIL: vince@fortunatoconstruction.com | | | |
| Bob Sisti 286 Vineyard Drive Berlin, CT 06037 | 1/31/2029 | Unaffiliated | RECORDING SECRETARY: |
| TELEPHONE: (860) 463-2579 EMAIL: bsisti@comcast.net | | | |
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| Revised: 1/24/2024 | Reappointment of Bostrom & Sisti. | | |

Economic Development Annual Report – 2022/2023

2023 was another productive year in Berlin with one major project completed a 2nd phase on another completed, a number of businesses which either expanded in town, and came to town. In addition, two large long-vacant storefronts were filled on Farmington Avenue and the Chamberlain Highway. Below you will find a list that highlights some of the accomplishments and projects in Berlin in 2023.

Mixed-Use/Projects of Note

- 10 Steele Center, the 2nd building in the \$20 million mixed-use TOD completed – 3 businesses opened there
- The Flats @ Little Brook opened with ribbon cutting with CHFA and CT Dept of Housing 30% affordable
- Former Roger's Marketplace space leased out creating new activity on the Chamberlain Highway
- Completion of 10,000 square foot building on Christian Lane – now home to 2 firms
- 3 new restaurants opened in Berlin including our first Vegan restaurant

Promotions/Events Held

- Commissioner/Board Member Appreciation Event
- Eat Local/Win Local – March Madness Edition – over \$10,000 in receipts and \$1,000 donated in gift cards
- Halloween Trick or Treat – over 300 children and 70+ businesses took part
- Manufacturing Advancement Series – Breakfast at Shuttle Meadow Country Club - November
- Wedding providers brought together for networking at Giovanni Louise Menswear - November

Ribbon Cuttings and Ground Breakings

| | |
|---|---|
| Ravishing Décor – 110 Mill Street | Cortney's Dips & Sauces – 110 Mill Street |
| Sliceworks – 1863 Berlin Turnpike | Center for Higher Living – 120 Web Sq. |
| Family Dollar/Dollar Tree – 45 Chamberlain Hwy. | GoNetSpeed – 24 New Park Drive |
| DeMeo Construction – 555 Wethersfield Road | The Gathering Board – 1400 Berlin Turnpike |
| Enterprise Rent a Truck – 153 Webster Sq. Road | Dragonfly Home & Gift – 1064 Farmington Ave |
| Raptis Orthodontics – 1224 Farmington Avenue | Laura Ramirez LLC – 1200 Farmington Avenue |
| Trio Home Care – 9 Steele Boulevard | StanChem – 401 Berlin Street |
| Giovanni Louise Menswear – 110 Mill Street | Cosmic Dental – 1067 Farmington Avenue |
| Tour Fit – 1240 Farmington Avenue | Fly High Barber Shop – 460 New Britain Road |
| Xtreme Racing Development – 885 Mill Street | CCARC – 1103 Chamberlain Highway |
| The Flats @ Little Brook – 88 units | Soulfully Vegan – 1240 Farmington Avenue |
| Matus Family Dentistry – 1156 Farmington Avenue | The Bar @ Bellas – 41 Chamberlain Highway |
| Sadies Sunrise - 196 Berlin Turnpike | |

Kensington Village - Main Street Center

- Matus Family Dentistry expands at 1156 Farmington Avenue
- Soulfully Vegan and Tour Fit both open at 1240 Farmington Avenue
- Ravishing Décor and Cortney's Dips both expand at 110 Mill Street
- Cosmic Dental opens up at 1067 Farmington Avenue
- Dragonfly Home & Gift expands at 1064 Farmington Avenue

Milestone Awards

| | |
|-----------------------------------|---------------------------------------|
| Suburban Sports - 50 years | Academy Printers - 40 years |
| Matson Rugs - 75 years | Royal Tool & Machine - 70 years |
| Earl Wicklund Builders - 60 years | Schaller Auto World - 70 years |
| National Sign - 30 years | Sharon Elizabeth's Florist - 35 years |
| StanChem - 80 years | Connecticut Tire - 55 years |
| Cziepka Law - 25 years | Klingberg Family Centers - 120 years |
| Bodycote - 100 years | |

HISTORIC DISTRICT COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|---|-------------------------------|--------------|---|
| E. William Cink, Jr. 121 Sunset Lane Berlin, CT 06037 TELEPHONE: (860) 877-6590 EMAIL: billfiremarshal@comcast.net | 1/31/2025 | Republican | Consists of five (5) regular members and three (3) alternates for five (5) year terms; Not more than three (3) regular members of whom shall be of the same political party. At least three (3) regular members and one (1) alternate must be residents and property owners in the Historic District. |
| John Fotis Diakun 76 Hemlock Ridge Berlin, CT 06037 TELEPHONE: 860-878-8586 EMAIL: diakun.john@yahoo.com | 1/31/2027 | Republican | |
| Herb Watson – <u>Vice Chairman</u> 181 Hudson Street Berlin, CT 06037 TELEPHONE: (860) 828-9365 EMAIL: puttinggreen@comcast.net | 1/31/2026 | Democrat | |
| Donald Forcash 992 Worthington Ridge Berlin, CT 06037 TELEPHONE: (860) 338-6476 EMAIL: donald.forcash@gmail.com | 1/31/2028 | Unaffiliated | |
| | | | STAFF LIAISON: |
| Lorraine E. Stub - <u>Chairwoman</u> 2270 Chamberlain Highway Kensington, CT 06037 TELEPHONE: (860) 828-5281 EMAIL: lstub@comcast.net | 1/31/2029 | Democrat | Maureen Giusti, Town Planner mgiusti@berlinct.gov (860) 828-7060 |
| Palma (Pamela) Pethigal - <u>Alternate</u> 81 Ledge Road East Berlin, CT 06023 TELEPHONE: (860) 829-0829 EMAIL: Ppethigal@hotmail.com | 1/31/2025 | Unaffiliated | |
| Andra Lou Millerd - <u>Alternate</u> 1231 Orchard Road Berlin, CT 06037 TELEPHONE: (860) 670-5131 EMAIL: milleal@comcast.net | 1/31/2026 | Republican | |
| | | | RECORDING SECRETARY: |
| Amy Prescher - <u>Alternate</u> 850 Worthington Ridge Berlin, CT 06037 TELEPHONE: (860) 829-6464 EMAIL: amyprescher@sbcglobal.net | 1/31/2027 | Democrat | |
| Revised: 1/24/2024 | Reappointment of Stub. | | |

Historic District Commission Annual Report - 2022/2023

The mission of the Historic District Commission is to preserve the historic character of the Worthington Ridge Historic District and to advocate for historic resources in the town of Berlin. The commission meets with homeowners in the district to review and regulate proposed alterations to the exterior of properties in keeping with design guidelines applicable to historic properties and the specific context of the historic district. Members of the commission support local historic preservation efforts by identifying historic resources and conducting research about town history. They also support preservation of Berlin's historic assets as a means of creating a sense of place and encouraging tourism.

The Historic District Commission welcomed a new member, John Diakon, to the commission in 2023. The HDC is fully seated with 5 regular and 3 alternate members. John Diakon was appointed to represent the commission as our liaison to the POCD Implementation Committee. We are still in need of a new recording secretary.

There were five regular meetings in 2023 and Certificates of Appropriateness were issued for the following projects:

883 Worthington Ridge – construction of a new deck

857 Worthington Ridge – removal of non-used, collapsing rear chimney.

1122 Worthington Ridge – repair of an existing front porch with bluestone

198 Hudson Street – replacement of old garage door with new door

The HDC continues to monitor the condition of the privately owned old town hall building at 983 Worthington Ridge. We also continue to support efforts to finish the interior restoration and adaptive reuse of the Worthington Meeting House as the new home for Berlin Historical Society's Museum, and a cultural community center for the town. State funds were obtained to restore the Worthington School cupola to be used as a feature on the meeting house lawn. Projected to be completed in 2024.

Chairperson, Lorraine Stub, participated in nine sessions of a CT Humanities sponsored educational conference on Historic Preservation. The State Historic Preservation Office sponsored one person to attend.

Lorraine Stub
Chairperson

INLAND WETLANDS AND WATER COURSES COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|--|---------------------------------------|--|
| Michael Cassetta 323 Wethersfield Road Berlin, CT 06037 | 1/31/2027 | Republican | Consists of seven (7) members for terms of three(3) years; Not more than four (4) of whom shall be of the same political party; Two (2) alternates of different political parties with three (3) year terms. The members also serve as the Aquifer Protection Agency. |
| TELEPHONE: (860) 508-1767 EMAIL: mcassetta@berlinct.gov | | | |
| William A. Jackson 289 High Road Kensington, CT 06037 | 1/31/2025 | Republican | |
| TELEPHONE: (860) 213-3152 EMAIL: wjackson@berlinct.gov | | | |
| Peter Nieman – Chairman 1230 Worthington Ridge Berlin, CT 06037 | 1/31/2027 | Democrat | |
| TELEPHONE: (860) 828-5576 EMAIL: pnieman@berlinct.gov | | | |
| Frederick (Rick) White - Vice Chairman 90 Sherry Lane Berlin, CT 06037 | 1/31/2026 | Unaffiliated | STAFF LIAISON: James Horbal, Deputy Public Works Director jhorbal@berlinct.gov (860) 828-7069 |
| TELEPHONE: (860) 828-5820 EMAIL: fwhite@berlinct.gov | | | |
| Gary Pavano 67 Hickory Hill Road Kensington, CT 06037 | 1/31/2025 | Republican | |
| TELEPHONE: (860) 841-9721 EMAIL: gpavano@berlinct.gov | | | |
| John Russo Jr. 17 Edgewater Circle Berlin, CT 06037 | 1/31/2027 | Unaffiliated | |
| TELEPHONE: (203) 907-8346 EMAIL: jayrusso32@gmail.com | | | |
| David P. Rogan 775 High Road Kensington, CT 06037 | 1/31/2025 | Republican | |
| TELEPHONE: (860) 690-4998 EMAIL: drogan@berlinct.gov | | | |
| VACANCY - Alternate | 1/31/2026 | D, R or U | |
| TELEPHONE: EMAIL: | | | |
| VACANCY - Alternate | 1/31/2026 | D, R or U (depending on the above) | |
| TELEPHONE: EMAIL: | | | |
| Revised: 1/24/2024 | Reappointment of Cassetta, Nieman and Russo. | | |

Inland Wetlands and Watercourses Commission Annual Report 2022/2023

The Inland Wetlands and Watercourses Commission consists of seven-members who are required to uphold the State of Connecticut Inland Wetlands and Watercourses Act of the Connecticut General Statutes. The Commission is also charged to administer the National Flood Insurance Program through the Federal Emergency Management Agency.

The Commission reviewed 12 applications during the 2023 calendar year:

| Application Number | Property | Applicant(s) | Submission Date | Aprvl/Denial |
|--------------------|--|---------------------------------|-----------------|--------------|
| 23-01W | Lot 16, Block 127, #235 Wethersfield Rd. | 175 West Main St., LLC | 01/10/23 | Approved |
| 23-02F | Lot 2A, Block 84, Porters Pass | Colvest/Kensington, LLC | 01/10/23 | Approved |
| 23-03W | Lot 9, Block 72, 1709 Kensington Rd. | Pistol Brook Holdings, LLC | 04/04/23 | Approved |
| 23-04WF | Lot 3A, Block 81, 400 Christian Lane | PDS Engineering & Construction | 03/01/22 | Approved |
| 23-05W | Lot 10, Block 114, 1676 Berlin Turnpike | Little House Living, LLC | 06/06/23 | Denied |
| 23-06F | Lot 2B, Block 127, 586 Deming Road | Joseph Cascio | 09/12/23 | Approved |
| 23-07W | Lot 2A, Block 107, 758 Four Rod Road | Sheppard Family Holdings, LLC | 09/12/23 | Approved |
| 23-08W | Lot 8, Block 83A, 35 Town Farm Lane | Town of Berlin- Truck Wash Bay | 09/12/23 | Approved |
| 23-09W | Lot 17-2-133-34B, 191 Commerce St. East Berlin | NCBP East Berlin, LCC | 10/03/23 | Approved |
| 23-10WF | Lot 14, Block 83, 522 Berlin Turnpike | Berlin Turnpike Associates, LLC | 10/03/23 | Approved |
| 23-11W | Lot 6-3, Block 90, 496 Four Rod Road | Jeffrey Michaud | 10/03/23 | Approved |
| 23-12WF | Lot 10, Block 133, 401 Berlin St., EB | John Gagas/Stanchem Polymers | 11/14/23 | Approved |

PARKS AND RECREATION COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION | |
|--|-------------------------------|--------------|--|---|
| Donna Bovee – <u>Chairman</u> 85 Steepleview Drive Berlin, CT 06037 | 1/31/2027 | Unaffiliated | Consists of seven (7) members for terms of three (3) years. Not more than four (4) of whom shall be of the same political party. | |
| TELEPHONE: (203) 482-6139 EMAIL: donnastapletonbovee@gmail.com | | | | |
| Anthony Butrimas 921 Edgewood Road Berlin, CT 06037 | 1/31/2025 | Republican | | |
| TELEPHONE: 860-828-7756 EMAIL: butrimas@comcast.net | | | | |
| Don Dellaquila – <u>Vice Chairman</u> 4 Grapevine Lane Kensington, CT 06037 | 1/31/2025 | Democrat | | |
| TELEPHONE: (860) 828-7668 EMAIL: dondellaquila@aol.com | | | | |
| Gregory J. Starr 59 Hudson Street Berlin, CT 06037 | 1/31/2027 | Republican | | |
| TELEPHONE: (860) 276-5492 EMAIL: greg.starr644@yahoo.com | | | | |
| Christine Vale da Serra 1518 Kensington Road Berlin, CT 06037 | 1/31/2027 | Democrat | | Jen Ochoa, Director jochoa@berlinct.gov (860) 828-7010 |
| TELEPHONE: (860) 331-9352 EMAIL: christinevaledaserra@yahoo.com | | | | |
| Joseph M. Pulcini 162 Crater Lane Kensington, CT 06037 | 1/31/2025 | Unaffiliated | RECORDING SECRETARY: Tiffany Trowbridge-Bernard tiffanytrowbridgebernard@gmail.com (860) 874-3707 | |
| TELEPHONE: (860) 416-5196 EMAIL: pulcini@comcast.net | | | | |
| Lucas Van Zandt 52 Skyview Dr Berlin, CT 06037 | 1/31/2026 | Republican | RECORDING SECRETARY: Tiffany Trowbridge-Bernard tiffanytrowbridgebernard@gmail.com (860) 874-3707 | |
| TELEPHONE: (860) 983-0177 EMAIL: lucas2424@comcast.net | | | | |
| Revised: 2/21/2024 | Appointment of Vale da Serra. | | | |

Parks and Recreation Commission Annual Report 2022/2023

Mission

The Parks and Recreation Commission is committed to providing Berlin residents with high quality recreation programs using facilities that support and complement those experiences. We support maintaining, recruiting and developing staff who will be friendly, courteous and knowledgeable when interacting with the general public. The Commission provides the facilities and services at a reasonable, yet competitive cost within the constraints of the Town's financial structure.

Highlights

Over the course of the 2023 year, the Commission initiated, approved and supported programs offered by Parks and Recreation as well as other items that came before them, including:

- Staff preparation of major renovations requirements for Percival Soccer Field and Biscoglio Field, reviewed and selected vendors' bids and oversaw and completed field renovations: Percival Soccer Field is a grass field with paved walkway from parking lot and Biscoglio Field is a new turf field. Both fields are ready for 2024 play with Percival Soccer Field paid by Town funds and Biscoglio funded by a State of CT grant.
- Installed video capable Jumbo Tron Scoreboard at Scalise Field, coordinating fiber optic cables, electrical work with utilities and other town departments. The Scoreboard was funded with a State of CT grant.
- Conducted a focused Commission meeting soliciting ideas from the public on the Demore, Dinda, Bittner Jr. Pool Complex, playgrounds, and any other recreation subject.
- Closed Demore, Dinda, Bittner Jr. Pool in East Berlin for the 2023 season due to insufficient supervisory pool staff and provided the Town Council with major repairs necessary to operate the pool in the future and declining attendance. Identified splash pad as an investment the Town may want to consider. In December 2023, recommended to the Town Council to permanently close the pool given significant repairs needed, declining attendance, comparison to other towns' pool recreation and requested approval for a feasibility study of the Demore, Dinda, Bittner Jr. Pool Complex.
- Reviewed and provided feedback on the Plan of Conservation and Development. Named a Commissioner, as representative of the Parks and Recreation Commission, to participate in the implementation of the final Plan of Conservation and Development.
- Installed cameras at certain locations to help identify unauthorized access and damage to parks and fields. May consider cameras at other parks and or fields if proven helpful.
- After reaching out to the Board of Finance and Town Council and staff presentation of a conceptual design, funds were approved for replacement of the playground equipment at Little People's Playground. Final designs will be completed in early 2024 with input from interested groups. The Kensington Garden Club has offered to do new plantings that will have low maintenance and be maintained by them once the Playground and driveway is completed.
- Town Council requested Commission work with Commission on Aging, town staff and new architect to reduce the current Statements of Need for a town-funded Community and Senior Center. Goal is to reduce cost. Work to start January 2024.

PLANNING AND ZONING COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|--|--------------|--|
| June Daly 67 Homecrest Drive Kensington, CT 06037 TELEPHONE: (309)-838-3838 EMAIL: junedaly100@gmail.com | 1/31/2028 | Republican | Consists of seven (7) regular members and three (3) alternate members for five (5) year terms. Not more than four (4) regular members can be from the same political party. Not more than two (2) alternates can be from the same political party. |
| Andra Lou Millerd 1231 Orchard Road Kensington, CT 06037 TELEPHONE: 860-828-9722 EMAIL: milleal@comcast.net | 1/31/2026 | Republican | |
| Diane Jorsey – <u>Vice Chairperson</u> 1092 Edgewood Road Berlin, CT 06037 TELEPHONE: (860) 828-6507 EMAIL: djorsey@berlinct.gov | 1/31/2029 | Unaffiliated | |
| Timothy J. Zigmont 225 Grove Street East Berlin, CT 06023 TELEPHONE: (860) 828-5450 EMAIL: tzigmont@berlinct.gov | 1/31/2029 | Democrat | |
| Brian G. Rogan - <u>Secretary</u> 2104 Chamberlain Highway Berlin, CT 06037 TELEPHONE: (860) 690-9799 EMAIL: brogan@berlinct.gov | 1/31/2028 | Democrat | |
| Joan Veley - <u>Chairperson</u> 1424 Orchard Road Berlin, CT 06037 TELEPHONE: (860) 828-9717 EMAIL: jveley@berlinct.gov | 1/31/2026 | Republican | STAFF LIAISON: Maureen Giusti, Town Planner mgiusti@berlinct.gov (860) 828-7060 |
| Scott Patrick Hamel 73 Westview Terrace Berlin, CT 06037 TELEPHONE: (860) 550-2457 EMAIL: scottsflowersinc@yahoo.com | 1/31/2027 | Republican | |
| Michael Paszczuk - <u>Alternate</u> 133 Savage Hill Road Berlin, CT 06037 TELEPHONE: 860-801-1870 EMAIL: | 1/31/2026 | Republican | |
| John Fotis Diakun - <u>Alternate</u> 76 Hemlock Ridge Berlin, CT 06037 TELEPHONE: (860) 878-8586 EMAIL: diakun.john@yahoo.com | 1/31/2029 | Republican | RECORDING SECRETARY: |
| Steven Biella Jr. - <u>Alternate</u> 84 Bernard Road Kensington, CT 06037 TELEPHONE: 860-883-8985 EMAIL: sbiella@berlinct.gov | 1/31/2027 | Unaffiliated | |
| Revised: 1/24/2024 | Reappointment of Jorsey, Zigmont and Diakun. Appointment of Paszczuk as alternate. | | |

Planning & Zoning Commission

Annual Report- 2023

The Planning and Zoning Commission is authorized by Town Charter and is governed by the purposes, authority, and requirements of the Connecticut General Statutes. The Planning and Zoning Commission engages in long-range planning for future development and makes decisions regarding the most desirable use of land in the Town of Berlin. The Commission drafts and adopts a Plan of Conservation and Development for the Town and adopts a zoning district map. It also creates zoning and subdivision regulations to guide land development towards the goals of the Plan and considers amendments to those documents. In addition, the Planning and Zoning Commission reviews site plan applications, special use permit applications and subdivision plans. The Commission is generally scheduled to meet and hold public hearings as applicable twice a month. Twenty-three regular meetings were scheduled, two were canceled and six special meetings were added. Four meetings were held jointly with The Plan of Conservation and Development 2023 Advisory Committee (POCD), a subcommittee of the PZC, comprised of past and present members. The POCD committee met monthly for continued work with FHI, the consultant contracted to update the POCD which was due to the State by September 2023. The 2023-2033 Plan of Conservation and Development was endorsed by the Town Council and adopted by the Planning and Zoning Commission effective June 15, 2023. Several Commission meetings included executive sessions to address pending litigation. The Commission continued to hold all meetings hybrid by ZOOM, which are posted for public view on the Town's YouTube link.

The following is review of matters to come before the Planning and Zoning Commission during 2023:

| | |
|---|----|
| Subdivisions and Resubdivision | 5 |
| Site Plans and Site Plan Amendments | 18 |
| Special Permit-Site Plans and Amendments | 6 |
| Special Permit Uses | 4 |
| Fill or Excavation Permits | 1 |
| Zoning Text and Map Amendments | 12 |
| Bond Reductions, Releases and Revocations | 14 |
| Municipal Improvement CGS §8-24 Reviews | 9 |
| Special Events and Fair Grounds Events | 3 |
| Zoning Compliance and Miscellaneous | 5+ |

Project review included the review of Little House Living LLC applications and related text amendments; 550-554 Berlin Turnpike BTM Map amendment and Mixed-Use applications, two multi-family applications with text amendments for affordable housing development submitted pursuant to CGS §8-30g and several modifications to approved projects. The Planning and Zoning Commission is involved in miscellaneous matters including concept plans, modifications, and Certificates of Zoning Compliance. They are also involved in several matters of pending litigation.

Respectfully submitted,

Joan Veley, Chairwoman

Planning & Zoning Commission Annual Report- 2022/2023

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Respectfully submitted,

Joan Veley, Chairwoman

POLICE COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|--|-------------|--|
| Melissa Urrunaga 1075 Orchard Road Berlin, CT 06037 | 11/18/2025 | Democrat | Consists of five (5) members elected by general election to serve four (4) year terms. Not more than three (3) of whom shall be of the same political party. |
| TELEPHONE: (860) 828-7080 Ext. 6192 EMAIL: murrunaga@berlinpd.org | | | |
| Paul N. Eshoo 218 Brooke Meadow Road Kensington, CT 06037 | 11/18/2025 | Republican | Berlin Police Website: www.berlinpd.org |
| TELEPHONE: (860) 828-7080 Ext. 6190 EMAIL: peshoo@berlinpd.org | | | |
| Steven K. Wilson - <u>Chair</u> 111 Metacomet Drive Berlin, CT 06037 | 11/16/2027 | Republican | |
| TELEPHONE: (860) 828-7080 Ext. 6191 EMAIL: swilson@berlinpd.org | | | |
| Ryan T. Zelek 107 Crystal Falls Way Berlin, CT 06037 | 11/16/2027 | Democrat | |
| TELEPHONE: (860) 828-7080 Ext. 6194 EMAIL: rzelek@berlinpd.org | | | |
| David P. Rogan – <u>Vice Chair</u> 775 High Road Kensington, CT 06037 | 11/16/2027 | Republican | <p>STAFF LIAISON:</p> <p>Chief McNally Policechief@berlinpd.org 860-828-7093</p> |
| TELEPHONE: (860) 828-7080 Ext. 6193 EMAIL: drogan@berlinpd.org | | | |
| | | | |
| | | | <p>RECORDING SECRETARY:</p> <p>Joan Veley jveley@berlinct.gov</p> |
| <p>Revised: 1/22/2024</p> | Contact information updated for all commissioners. | | |

Berlin Police Commission Achievements and Accomplishments 2022/2023

Recruitment & Selection:

Officer Noah Vinci was hired on 03/28/2023.

Officer Daniel Bennett was hired on 05/12/2023

Officer Jaquan Dufour was hired on 05/12/2023

Officer Mary Claffey was hired on 06/22/2023

Officer Cole Wendehack was hired 06/22/2023

Officer Michael Almeida was hired 09/21/2023

Officer Ryan Johnson was hired 09/21/2023

Officer Roy Pena was hired 12/21/2023

Retirements & Departures:

Officer Jeff Dubuc resigned 7/1/2023

Officer Michael Manning retired; became a BPD reserve officer

Deputy Chief Chris Ciuci retired to become Chief of Police in Winchester, CT

Achievements & Accomplishments:

Training- Department created a Training Officer position and developed several more certified police instructors in-house and also conducted and completed a review their Field Training Officer program.

Hired eight (8) new probationary police officers during the past year to help reach our goal of 46 sworn personnel. We did lose a few officers along the way. We are still working on getting 4 more officers to bring us to full strength and alleviate the mandated order-ins for shift coverage.

K-9 Program- during the year the department retired one German Shepard K-9 "Bane" and brought in a new police K-9 Bloodhound "Penny." During the past year, the K9 program has been the subject of a lot of positive media attention and the officers and their K9 partners have been showcased statewide and nationally in the broadcast media.

On the human resources/labor front we successfully developed and implemented a new Defined- Benefit Pension plan for our sworn personnel. We also successfully and quickly negotiated two new collective bargaining agreements; one for the police union and the other with the telecommunicators union. Each labor contract is good for the next three years.

2023 saw several changes in staffing assignments starting with a new Deputy Chief promotion, which led to a domino effect of other promotional opportunities within the department. We also promoted a new Lieutenant and two new Sergeants in 2023. The promotions also led to positional assignment changes within the department as well.

Steven K. Wilson-Chair

PUBLIC BUILDING COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|------------------------------|--------------|---|
| Donald Lombardo 38 Park View Road Berlin, CT 06037 | 1/31/2027 | Republican | Consists of seven (7) members for five (5) year terms. Not more than four (4) of whom shall be of the same political party. |
| TELEPHONE: (860) 209-0881 EMAIL: N/A | | | |
| Barton N. Bovee – <u>Vice Chairman</u> 85 Steepleview Drive Berlin, CT 06037 | 1/31/2025 | Republican | |
| TELEPHONE: (860) 989-7566 EMAIL: N/A | | | |
| Rocco Buccheri 86 Great Oak Drive Berlin, CT 06037 | 1/31/2025 | Republican | |
| TELEPHONE: (860) 558-7303 EMAIL: N/A | | | |
| | | | STAFF LIAISON: |
| Thomas B. Reid – <u>Chairman</u> 1062 Worthington Ridge Berlin, CT 06037 | 1/31/2029 | Unaffiliated | Mike Ahern, Public Works Director mahern@berlinct.gov (860) 828-7014 |
| TELEPHONE: (860) 384-3874 EMAIL: N/A | | | |
| VACANCY | 1/31/2029 | D, R or U | |
| TELEPHONE: EMAIL: | | | |
| Jason Scarano 191 Stillmeadow Lane Berlin, CT 06037 | 1/31/2028 | Unaffiliated | |
| TELEPHONE: (203) 605-3884 EMAIL: N/A | | | RECORDING SECRETARY: |
| Thomas J. Salimeno 77 Earl Street Berlin, CT 06037 | 1/31/2028 | Democrat | Lecia Paonessa lpaonessa@berlinct.gov (860) 828-7022 |
| TELEPHONE: (860) 828-8923 EMAIL: N/A | | | |
| Revised: 2/5/2024 | Contact information updated. | | |

Public Building Commission Annual Report – 2022/2023

DUTIES AND FUNCTIONS

It is the responsibility of the Public Building Commission (PBC) to develop preliminary plans and cost estimates and supervise the construction of, addition to, or alteration of any town building approved by the Town Council, based on a statement of need which includes specified requirements and specifications. Plans and estimates should include, where necessary, site improvements and other appurtenances, together with any equipment and furnishings.

The PBC discussed and acted upon the following projects, and proposed projects, during 2023:

Elementary School HVAC Projects- The Commission received a Statement of Need to determine the cost of upgrading/replacing the HVAC systems in the town's Elementary Schools. The PBC retained Consulting Engineering Services (CES) to prepare HVAC design drawings and specifications, and subsequently obtained professional cost estimates for each upgrade. The Board of Education utilized these design documents and cost estimates for grant applications submitted to the State Education Department. The PBC also retained a Commissioning Agent for all three schools and selected a Construction Manager (Newfield Construction Group LLC) to manage the HVAC program for Willard School. The project began in the spring with All State Construction (ASC) chosen as the Contractor. Weekly job meetings are held at the school, and progress is on schedule and budget. It is expected to be completed in the fall of 2024. When, and if, the State responds to the town's grant applications, we will be prepared to accept bids for one, or both, remaining schools. Additionally, the Facilities Department has received proposals from three (3) companies to assess the existing boiler systems at each school. The PBC recommended awarding the bid to Salamone & Associates (the lowest qualified bidder) for \$9,600 pending funding allocation.

Police Department's Locker Room Renovation Project - The Commission retained Jacunski Humes Architects, LLC (JHA) for initial schematic design and cost estimating services, followed by detailed design documents. The town went out to bid and received more than a dozen proposals. Millennium Builders, Inc. was recommended to the Town Council, who approved the contract which was executed on December 20, 2023. A Notice to Proceed was issued and a pre-construction meeting was scheduled for the first week of January 2024.

Slab Moisture Issue at Berlin High School- The PBC is working with Loureiro Engineering and Silver Petrucelli (the High School Architects) to investigate and remediate a subsurface water problem at part of the High School. Borings will be done to determine ground water-table levels and examination of laminates used for tile adhesive. Epoxy and geo-flooring representatives are all providing input to solve the issue.

McGee Middle School Science Laboratory Classroom Upgrades- The PBC received a request from the Town Council, as requested by the Board of Education, to plan, design, program, budget, construct and commission an upgrade and renovation to five (5) science lab classrooms at McGee Middle School. There is an existing budget estimate from Trophy Point Construction Services through JCJ Architects totaling \$3,119,697. The PBC has discussed this potential project, and this will require much more information from the Board of Education before the project can proceed.

Municipal Truck Wash Facility – The Commission is no longer directly involved in this project but is ready to help should the Public Works Department need our assistance.

Community/Senior Center – The Commission is currently awaiting further direction from the Town while this potential project is being re-evaluated by its sponsor.

Board of Education- Berlin High School Close-out- The Commission closed out the High School project in January of 2021, and delivered the completed project back to the Town. The State has yet to schedule their audit of the project.

The Commission is currently working with six (6) members and would welcome any interested candidate to fill the open seventh position.

PUBLIC GOLF COURSE COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | CLUB MEMBER | INFORMATION |
|--|--------------|--|-------------------|--|
| VACANCY | 1/31/2027 | D, R or U | Non-Golfer | Consists of eight (8) members for terms of three (3) years. Not more than five (5) of whom shall be of the same political party. Ordinance Adopted: 09/19/2017 & amended 02/20/2018 (changing membership from 7 to 8). Ordinance Adopted 04/05/2023: "Membership shall consist of at least one member from the men's club, the seniors' club, the ladies' club, the lady niners club, and a non-golfer." |
| TELEPHONE: EMAIL: | | | | |
| William Richards 811 Orchard Road Berlin, CT 06037 | 1/31/2027 | Republican | Senior Men's Club | |
| TELEPHONE: (860) 628-1195 EMAIL: william.richards@comcast.net | | | | |
| Gale A. Lemieux – <u>Vice Chair</u> 102 Wildermere Road Berlin, CT 06037 | 1/31/2025 | Democrat | Ladies' Club | |
| TELEPHONE: (860) 828-0090 EMAIL: gal57@aol.com | | | | |
| Sebastian J. Senia 8 Dunham Drive Berlin, CT 06037 | 1/31/2025 | Democrat | Men's Club | |
| TELEPHONE: (860) 828-1198 EMAIL: seb.senia@gmail.com | | | | |
| James E. Norton – <u>Chairman</u> 36 Steepleview Drive Berlin, CT 06037 | 1/31/2026 | Republican | Men's Club | |
| TELEPHONE: (860) 306-5216 EMAIL: jnorts36@gmail.com | | | | |
| Nancy L. Berger 1146 High Road Berlin, CT 06037 | 1/31/2026 | Republican | Lady Niners Club | |
| TELEPHONE: (860) 597-5547 EMAIL: nb550@comcast.net | | | | |
| James Green 29 Bannan Lane Berlin, CT 06037 | 1/31/2026 | Democrat | Men's Club | |
| TELEPHONE: (860) 919-4506 EMAIL: jimmygreen690@gmail.com | | | | |
| Robert Labrie 294 Somerset Drive Berlin, CT 06037 | 1/31/2027 | Unaffiliated | Men's Club | |
| TELEPHONE: EMAIL: cherrob9@aol.com | | | | |
| STAFF LIAISON: | | | | |
| Sol Guerrero, Director fguerrero@berlinct.gov 860-828-7054 | | | | |
| RECORDING SECRETARY: | | | | |
| Alina Brown labeledas@yahoo.com | | | | |
| Revised: 3/1/2024 | | Election of officers - Norton continues as Chair, and Lemieux elected as Vice Chair. | | |

Berlin Golf Commission Annual Report 2022/2023

Timberlin Golf Course continues to be an integral and important asset for the Town of Berlin. Continuity of play has increased at all levels from juniors to seniors. With the recent installation of the new POS system and the separation of duties of the new Director of Golf Pro has had an overall positive impact. The redesign of the “check-in” area in the Pro Shop had initially caused some challenges but, have since been resolved. The Golf Commission continues to identify ways to increase play and reduce operating costs and while still maintaining a high standard of play for all participants.

Highlights:

- We have just completed the first full “Golf Season” with the new Director of Golf; Sol Guerrero – we had a successful season.
- Implemented a new Point of Sale (POS) system in the Pro Shop. This will allow for a more dynamic reporting and allows for online booking of tee times. The Starters now have iPads that update in “real time” resulting in a reduced number of customer complaints.
- The number of golf rounds continue to increase. This is generally a positive trend in golf.
- The 1st Phase of the driving range was completed. A new concrete pad along with new hitting mats were installed. The Director of Golf is in the process of documenting and implementing future phases of improvements to the driving range.
- The bunker damage that was caused by severe weather and excessive amounts of rain is in the process of being repaired. The Town is working with its insurance carrier to undertake this project. Prior to any activity, a Golf Architect will be consulted to reduce the number of sand bunkers as well as the size of others. This will increase the speed of play and reduce maintenance costs. According to the Director of Golf this is expected to begin in the Spring 2024.
- Quotes on bridge replacement are being solicited. The condition of the existing bridges poses many safety issues. They are expected to be replaced during the Spring 2024.
- We have contracted out for new gas-powered golf carts. This is currently a 5-year lease. Discussions are underway to build a storage shed for carts to be completed by the end of the 4th year of the lease. This will allow us to purchase electric carts and have them installed with on screen GPS for golfers. This capability will also allow golfers to communicate with the restaurant while playing golf.

- The course installed “geo-fencing” on the current golf carts to prevent them from entering restricted areas. This will significantly reduce damage to the course caused by the carts. The identification and refining the boundaries is an ongoing process.
- The Golf Shop was recently updated and remodeled. This was several years in the making. It has become apparent that the course has outgrown its original concept that was designed over 50 years ago. Discussions of a full remodeling or construction of a new clubhouse are ongoing.
- There are several continuous course renovations that are ongoing:
 - New forward tees on holes 4 and 16
 - Removal of trees on/between holes 4&5 as well as on 10th and 11th holes along with the installation of berms. This will allow for the areas to grow grass in these areas and prevent future deterioration these areas. This should reduce the amount of maintenance required in these areas.
- The 50th Anniversary Clock was purchased and is scheduled to be installed in the Spring of 2024. The original plans for the 50th Anniversary of the course were put on hold due to Covid restrictions.

Respectfully submitted,

James Norton

Chair, Golf Commission

MAYOR AND TOWN COUNCIL MEMBERS (2023-2025)

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|---|--|-------------|--|
| Mark H. Kaczynski – <u>Mayor</u> 187 Castlewood Drive Berlin, CT 06037 TELEPHONE: (860) 828-7003 EMAIL: mkaczynski@berlinct.gov | 11/18/2025 | Republican | Consists of six council members and a Mayor <u>elected</u> biennially for a two (2) year term. Not more than three (3) council members shall be of the same political party. |
| Charles R. Paonessa - <u>Deputy Mayor</u> 1906 Chamberlain Highway Berlin, CT 06037 TELEPHONE: (860) 828-3271 EMAIL: cpaonessa@berlinct.gov | 11/18/2025 | Republican | |
| Donna Veach 1218 High Road Kensington, CT 06037 TELEPHONE: (860) 604-0462 EMAIL: dveach@berlinct.gov | 11/18/2025 | Republican | |
| Sandra Coppola 66 Heritage Drive Berlin, CT 06037 TELEPHONE: (203) 605-4611 EMAIL: scoppola@berlinct.gov | 11/18/2025 | Republican | |
| Peter A. Rosso 34 Briar Lane Kensington, CT 06037 TELEPHONE: (860) 828-0891 EMAIL: prossor@berlinct.gov | 11/18/2025 | Democrat | |
| Mark M. Pruzin 184 Hawthorne Drive Berlin, CT 06037 TELEPHONE: (860) 559-4089 EMAIL: mpruzin@berlinct.gov | 11/18/2025 | Democrat | |
| Kate G. Atkinson 517 Southington Road Berlin, CT 06037 TELEPHONE: (860) 539-9569 EMAIL: katkinson@berlinct.gov | 11/18/2025 | Democrat | STAFF LIAISON: Arosha Jayawickrema, Town Manager ajayawickrema@berlinct.gov (860) 828-7003 |
| | | | CLERK OF THE COUNCIL: Kate Wall, Town Clerk kwall@berlinct.gov (860) 828-7036 |
| | | | |
| | | | |
| | | | |
| Revised: 11/15/2023 | Election of Council Members with updated term dates. | | |

VETERANS' COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|--------------|--|---|
| Peter Galgano, Jr. – <u>Secretary</u> 59 Wilcox Avenue East Berlin, CT 06023 | 1/31/2026 | Democrat | Consists of seven (7) members for three (3) year terms. Not more than four (4) of whom shall be of the same political party. |
| TELEPHONE: (860) 828-1999 EMAIL: petergalgano@comcast.net | | | |
| Paul N. Eshoo – <u>Vice Chairman</u> 218 Brooke Meadow Road Kensington, CT 06037 | 1/31/2025 | Republican | |
| TELEPHONE: (860) 828-3829 EMAIL: paulus218@comcast.net | | | |
| Charles H. Colaresi – <u>Chairman</u> 269 Newton Street Kensington, CT 06037 | 1/31/2027 | Democrat | STAFF LIAISON: Peter Galgano Jr., Berlin Municipal Veterans' Representative petergalgano@comcast.net (860) 828-1999 |
| TELEPHONE: (860) 224-9494 EMAIL: charles.colaresi@snet.net | | | |
| VACANCY | 1/31/2027 | D, R or U | |
| TELEPHONE: EMAIL: | | | |
| Dean Revoir 167 Percival Avenue Berlin, CT 06037 | 1/31/2025 | Republican | RECORDING SECRETARY: Peter Galgano Jr. |
| TELEPHONE: (203) 213-9977 EMAIL: revoirsmc@yahoo.com | | | |
| VACANCY | 1/31/2027 | D, R or U (depending on above) | |
| TELEPHONE: EMAIL: | | | |
| Bruce A. Trevethan – <u>Treasurer</u> 26 Grove St., P O Box 263 East Berlin, CT 06023 | 1/31/2026 | Democrat | RECORDING SECRETARY: Peter Galgano Jr. |
| TELEPHONE: (860) 828-5934 EMAIL: trev1943@yahoo.com | | | |
| | | | |
| | | | |
| Revised: 2/29/2024 | | Election of officers - Colaresi continues as Chairman, Eshoo is Vice Chair, Galgano is Recording Secretary and Trevethan is Treasurer. | |

Berlin Veterans Commission 2022/2023 Annual Report

Under the auspices of the Berlin Veterans Commission the following achievements were accomplished:

1. In January 2023, We Received and Distributed \$12,000 In \$100 Gift Cards from the Berlin Lions Club to Veterans and Widows in need.
2. We sent Thank you letters to the Kensington Congregational Church for donating Gift Cards for Walmart, the Kensington Garden Club for the Christmas Wreath placed on the flagpole at the park, the VFW Auxiliary for donating Blankets and the American Legion Women's Auxiliary for donating Blankets and Pasta Dinners for Veterans and Veteran Widows in need.
3. Boy Scout Jamie Urrunaga finalized his Eagle Scout project of the wood Information Kiosk at the park. At his next Eagle Scout Ceremony, we presented him with his Thank you Certificate.
4. Beverly St. Onge, the new AL Service Officer, completed her training for the AL Service Officer and also the training for the Soldiers, Sailors, Marine Fund.
5. On Armed Forces Day May 20, 2023, about eleven hundred and 50 (1150) American Flags were placed at Veterans graves at the eleven (11) cemeteries in the town of Berlin. With the help of the new Combined Berlin Boy Scout Troops 441, we placed over 550 flags at the Maple Hill Cemetery in Berlin.
6. The Memorial Day Parade and Ceremony was a total success. There were over 7,000 people among the parade participants and spectators along the route and at the ceremony.
7. On June 10th, there was a gathering for the CT Gold Star Mothers. They will have their meeting at the VFW Pavilion at 10am and then go over to the Gold Star Families Memorial Monument and have a prayer, gathering and refreshments with two chapters of the CT Blue Star Mothers. They then presented Charles and I with a Quilt of Valor.
8. Debbie Batista, Berlin Board of Education, asked Charles and I to attend the BOE meeting to see Mr. Sampl receive his High School Diploma. The Berlin BOE will be awarding a diploma to WWII Veteran John F. Sampl at the June 12 BOE meeting, beginning at 7 p.m., in the BHS auditorium. Mr. Sampl entered the service prior to graduating from BHS. A local board of education awarded a diploma to a veteran of World War II who withdrew from high school prior to graduation in order to serve in the armed forces of the United States and did not receive a diploma as a consequence of such service. Mr. Sampl will be celebrating his 100th birthday in October.
9. Charles also asked Peter to make a Thank You Certificate for Matt McNally, Berlin Police Chief for being our Guest Speaker at this year's Memorial Day Ceremony. We presented him the certificate at the Berlin Police Commission meeting on Wednesday, June 21st.
10. Steve Wood and his guys fixed the deck in by the pond to be handicapped sufficient. The cub scouts came and cleaned the park again (they do this at least once a month). The Sprinkler system is still being worked on with the DEP, because of the cap, but we are getting closer. Steve Woods said that they are buying 2 new fountains in the pond, that

are guaranteed for 10 years and will have Red, White, and Blue lights in them at night and when we have concerts by the pond, the flashing can be programmed to sync with the beat of the music. The company will also remove for the wintertime and put back in for the spring and summer.

11. The Berlin Veterans Commission presented a check for \$500.00, for Stand Down 2023, at the Rocky Hill Veterans Home to provide stand down services for veterans in need. Stand down services include services such as: feeding, bathing, clothing, and counseling for troubled veterans. The Commission has done this every year since 2012.
12. The Berlin Veterans Commission was at the Berlin Fair again in the Historic Society's Barn. We have been doing this for 5 years. Peter was there every day from Thursday to Sunday from beginning to end.
13. The Berlin Lions Club will setup during the ceremony to sell more luminaries. Then at 2:00PM, they will start put up all the luminaries around the park, down Farmington Ave and all the monuments on Worthington Ridge.
14. Being that we have the only WWF Gold Star Families Memorial Monument in Connecticut, Charles and Peter spoke to Donna Veach about renaming the Christian Lane Bridge to be the "Gold Star Families Memorial Bridge". Donna said that she was going to look into that and get back to us.
15. The Berlin Volunteer Fire Department again donated ten thousand dollars (\$10,000) in \$100 gift cards to the Veterans Commission to distribute to Veterans and Widows of Veterans in need, in the Town of Berlin.
16. The above donation gift cards from the Berlin Volunteer Fire Department will be distributed by the Veterans Commission to over 14 Berlin Veterans and Widows of Veterans in need.
17. At our first meeting on January 2, 2024, we will have Eric Schessi, the local Coordinator of the CT Irreverent Warriors to discuss the program in CT. Irreverent Warriors knows that the best support network for veterans, is other veterans. They bring a community of warriors together through therapeutic events across the country. They also work with other veteran organizations who provide services such as job placement, training, housing, service dogs and more. He would like to have an event at our park by the Gold Star Families Memorial Monument on April 6, 2024.

VISITING NURSES ASSOCIATION BOARD

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|---|--|-------------|--|
| David Veronesi 314 Toll Gate Road Berlin, CT 06037 TELEPHONE: (860) 538-7456 EMAIL: dvero56@gmail.com | 1/31/2025 | Democrat | Consists of twelve (12) members for three (3) year terms. Not more than eight (8) shall be of the same political party. |
| Brenda Chyra 49 Briar Lane Kensington, CT 06037 TELEPHONE: (860) 829-5325 EMAIL: chyra49@comcast.net | 1/31/2025 | Republican | |
| VACANCY | 1/31/2027 | | |
| TELEPHONE: EMAIL: | | | |
| William Brighenti 46 Mildrum Road Berlin, CT 06037 TELEPHONE: (860) 249-1323 EMAIL: williambrighenti@gmail.com | 1/31/2026 | Republican | |
| TELEPHONE: EMAIL: | | | |
| Frances Geschimsky 173 Grandview Avenue Kensington, CT 06037 TELEPHONE: (860) 229-2356 EMAIL: frangesch@yahoo.com | 1/31/2026 | Republican | STAFF LIAISON: Edyta Halas ehalas@berlinct.gov |
| Cyndi McKinnon 46 Deerfield Drive Berlin, CT 06037 TELEPHONE: (860) 798-0039 EMAIL: mckinnonc@comcast.net | 1/31/2026 | Democrat | |
| VACANCY | 1/31/2027 | | |
| TELEPHONE: EMAIL: | | | |
| VACANCY | 1/31/2027 | | |
| TELEPHONE: EMAIL: | | | |
| Cara Staus - <u>Chair</u> 67 Metacomet Drive Berlin, CT 06037 TELEPHONE: (860) 836-0794 EMAIL: carastaus@comcast.net | 1/31/2026 | Republican | RECORDING SECRETARY: Marlo Matassa mmatassa@berlinct.gov 860-828-7033 |
| VACANCY | 1/31/2027 | | |
| TELEPHONE: EMAIL: | | | |
| VACANCY | 1/31/2027 | | |
| TELEPHONE: EMAIL: | | | |
| Pamela Bannon – <u>Vice Chair</u> 70 Bannan Lane Berlin, CT 06037 TELEPHONE: 860-798-5648 EMAIL: pbannon1213@gmail.com | 1/31/2025 | Democrat | |
| | | | <i>Continued on page 2...</i> |
| Aurora Corteville 19 Timberwood Road Berlin, CT 06037 TELEPHONE: 860-839-0318 EMAIL: AurCort@gmail.com | 1/31/2025 | Democrat | |
| Revised: 2/21/2024 | Appointment of Geschimsky and McKinnon. | | |

Berlin Visiting Nurse Association Annual Report 2022/2023

In 2023 the Berlin VNA continued to experience changes due to the continued budget constraints and staffing reductions. The Administrator & Supervisor, Alea Piatek made significant contributions to the Agency through 2023, however unfortunately resigned in early 2024.

2023 Highlights:

- **Marketing:** Key connections were made with several area nursing home/short term rehab facilities as well as to UCONN-Health Center. Brand exposure of the VNA was incorporated with a redesign of the Agency brochure and inserted with tax bills. New nursing bags and sweatshirts for staff were purchased for exposure and a quarterly VNA sticker on the front page of the Berlin Citizen.
- **Technology:** New phones and tablets were purchased and issued for efficiency at patient visits as well as to ensure compliance with HIPAA, as staff were previously using their own personal devices.
- **Patient Satisfaction:** Patient satisfaction continues to be a strength of the Agency with a CMS Star Rating of 5 for Patient Satisfaction
- **Financial:** The Agency continued to face an operational budgeted loss in 2023. This remains a top concern of the Board and Administrator of the Agency. As a small agency with limited resources for marketing, staff outreach census challenges continue. The focus in 2024 will be to continue to evaluate the current operation, including payor mix, insurance contracts, as well as a focus on referrals sources to increase census.
- The Department of Public Health performed the Agency licensure survey in June with no findings. ***This is fantastic***

Quality Program

The Berlin VNA has the highest Quality Rating reported by CMS, 5-Stars, The Agency is required to also conduct Professional Advisory Committee (PAC) meetings which review the Agency twice a year, as well as perform quarterly chart audits.

Board of Directors:

Board Education on homecare operations was provided during the year to assist members to have a better understanding of the overall operations. We are fortunate to have several members with a clinical background which is helpful, however we continue to look to fill vacancies.

Cara Status - Chair

WATER CONTROL COMMISSION

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|--|---------------------|---------------------------------------|--|
| VACANCY | 1/31/2029 | D, R or U | Consists of five (5) members for five (5) year terms. Not more than three (3) of whom shall be of the same political party. Three (3) alternates for three (3) year terms. Not more than two (2) alternate members shall be of the same political party. |
| TELEPHONE: EMAIL: N/A | | | |
| Alvaro Garcia Jr. 27 Brooke Meadow Road Berlin, CT 06037 | 1/31/2029 | Unaffiliated | |
| TELEPHONE: (860) 924-5529 EMAIL: N/A | | | |
| Bruce Laroche – <u>Chairman</u> 5 Worthington Lane Berlin, CT 06037 | 1/31/2025 | Democrat | |
| TELEPHONE: (860) 604-5882 EMAIL: uncmoos@comcast.net | | | |
| Thomas Lasker 110 Wildermere Road Berlin, CT 06037 | 1/31/2029 | Republican | |
| TELEPHONE: (860) 828-9709 EMAIL: N/A | | | |
| Liam T. Mitchell 1005 Kensington Road Kensington, CT 06037 | 1/31/2028 | Republican | |
| TELEPHONE: (860) 818-5540 EMAIL: liamdedinc@gmail.com | | | |
| VACANCY - Alternate | 1/31/2026 | D, R or U | STAFF LIAISON: Ray Jarema riarema@berlinct.gov (860) 828-7065 |
| TELEPHONE: EMAIL: | | | |
| VACANCY - Alternate | 1/31/2026 | D, R or U | |
| TELEPHONE: EMAIL: | | | |
| VACANCY - Alternate | 1/31/2027 | D, R or U (depending on the above) | RECORDING SECRETARY: Lecia Paonessa lpaonessa@berlinct.gov (860) 828-7022 |
| TELEPHONE: EMAIL: | | | |
| Revised: 2/7/2024 | | | |
| | | Updated vacancy. | |

Berlin Water Control Commission Annual Report 2022/2023

The Water Control Commission (WCC) in the Town of Berlin is an eight-member commission consisting of five regular and three alternate members and meets the fourth Tuesday of the month. The alternate positions have remained vacant.

It is governed by regulations of The Town of Berlin along with the State of Connecticut, Department of Energy and Environmental Protection (DEEP), the Department of Public Health (DPH), and the Federal Environmental Protection Agency (EPA).

The WCC is charged with supplying approximately 350 million gallons per year of potable water (from its wells and from other suppliers) to its serviced area of the town. It also handles the sewer needs of most of the Town. Approximately 1.3 billion gallons of effluent per year is discharged through the BWCC infrastructure into the Mattabasset Wastewater Treatment Facility.

In 2023, Berlin Water Control (BWC) completed the Memorandum of Understanding with the Hartford Metropolitan District Commission (MDC) for the upgrade of the Deming Road Pump Station. The MDC share will be 70% of the 3.2-million-dollar project. BWC also hired Wright-Pierce Engineers to study the sewer flows into the Baxter Avenue Meter Station. A new meter was purchased for that station. A new water Reduced Pressure Valve (RPV) was installed at Beckley Road. This balances the water flows into the East Berlin water distribution system. BWC also hired a Firm to locate leaks in the water distribution system. Several major leaks were located and corrected. Finally, the construction of the new 16" ductile iron pipe and polyethylene pipe, on the Berlin Turnpike (to replace a 20" concrete pipe) was successfully installed by directional drilling, under the Mattabasset River.

YOUTH SERVICES ADVISORY BOARD

| NAME & ADDRESS | TERM EXPIRES | POSITION | INFORMATION |
|--|---------------------|-----------------------------|--|
| Nathan DeJackome 240 Kensington Road Berlin, CT 06037 | 1/31/2026 | Youth | Board shall be comprised of no less than seven (7) members for three (3) year terms. These members shall include at least one (1) member currently less than eighteen (18) years of age, a representative of the school system, the police dept., and a private youth-servicing agency. At least one-third (1/3) of the total membership shall be service consumers. |
| TELEPHONE: N/A EMAIL: N/A | | | |
| Nancy L. Cavaliere 230 Vineyard Drive Kensington, CT 06037 | 1/31/2025 | Service Consumer | |
| TELEPHONE: (860) 828-1684 EMAIL: ncavaliere@berlinschools.org | | | |
| Detective Kevin Chaffee 240 Kensington Road Berlin, CT 06037 | 1/31/2025 | Youth Officer | |
| TELEPHONE: 860-828-7193 EMAIL: kchaffee@berlinpd.org | | | |
| Cyndi McKinnon 46 Deerfield Drive Berlin, CT 06037 | 1/31/2027 | Service Consumer | STAFF LIAISON: Jaymee Miller, Director of Berlin Social & Youth Services jmiller@berlinct.gov (860) 828-7007 |
| TELEPHONE: (860) 798-0039 EMAIL: mckinnon@comcast.net | | | |
| Nicole Tierney 132 Four Rod Road Berlin, CT 06037 | 1/31/2026 | Service Consumer | RECORDING SECRETARY: Nathan DeJackome |
| TELEPHONE: 860-478-1801 EMAIL: nmtierney@comcast.net | | | |
| Adam T. Marzi - Chairperson 239 Smith Hill Road Winsted, CT 06098 | 1/31/2025 | Youth Agency Representative | |
| TELEPHONE: N/A EMAIL: Adammarzi@nbymhnc.org | | | Reappointment of McKinnon. |
| Jan Zagorski – Vice Chairperson 63 Grandview Avenue Kensington, CT 06037 | 1/31/2025 | School Representative | |
| TELEPHONE: (860) 916-1517 EMAIL: jzagorski@berlinschools.org | | | |
| Revised: 2/21/2024 | | | |

Youth Services Advisory Board – Annual Report 2022/2023

The Youth Services Advisory Board works closely with the Director of Social and Youth Services to assess the needs faced by youth and families in the community, and identify resources available to address those needs. Feedback received from the board helps the department in setting goals and priorities throughout the year. The board also serves as the town's Local Prevention Council, setting priorities for funds received through a grant from the Department of Mental Health and Addiction Services. Membership on the board includes representation from service consumers, the schools, police, a private non-profit agency, and youth.

Issues the board focused on last year included:

- Continuing to stay abreast of the ongoing changes in Connecticut's juvenile justice system regarding the handling of delinquency, school truancy, and Family with Service Needs cases and how that affects Youth Services and the Juvenile Review Board.
- Discussion of appropriate programs and services that pertain to the current needs of our youth.
- Providing support for the Youth Services summer leadership program.
- Continuing our partnership with the Berlin Upbeat program in supporting the Peer Leadership program and providing workshops and informational services regarding issues impacting youth and families.

ZONING BOARD OF APPEALS

| NAME & ADDRESS | TERM EXPIRES | AFFILIATION | INFORMATION |
|---|---------------------|--------------------|--|
| Corey S. Whiteside 386 Main Street East Berlin, CT 06023 TELEPHONE: (860) 828-3848 EMAIL: cwhiteside@berlinct.gov | 1/31/2027 | Republican | Consists of five (5) regular members and three (3) alternates for five (5) year terms; Not more than three (3) regular members shall be of the same political party. Not more than two (2) alternates shall be of the same political party. |
| Christine S. Mazzotta 5 Mattabasset Street Kensington, CT 06037 TELEPHONE: (860) 716-7947 EMAIL: cmazzotta@berlinct.gov | 1/31/2028 | Republican | |
| Antonio Francalanga - <u>Chairman</u> 301 Mooreland Road Kensington, CT 06037 TELEPHONE: (860) 224-3233 EMAIL: afrancalanga@berlinct.gov | 1/31/2025 | Democrat | |
| Ryan Matson 431 Savage Hill Road Berlin, CT 06037 TELEPHONE: 860-655-0958 EMAIL: ryanm01@comcast.net | 1/31/2026 | Unaffiliated | |
| Leonard C. Tubbs – <u>Vice Chairman</u> 48 Patterson Way Berlin, CT 06037 TELEPHONE: (860) 828-0296 EMAIL: ltubbs@berlinct.gov | 1/31/2029 | Unaffiliated | |
| Ryan T. Zelek - <u>Alternate</u> 107 Crystal Falls Way Berlin, CT 06037 TELEPHONE: (860) 212-9348 EMAIL: rzelek@berlinct.gov | 1/31/2026 | Democrat | STAFF LIAISON: Pauley Morbidelli pmorbidelli@berlinct.gov 860-828-7008 |
| Hunter R. Mathena - <u>Alternate</u> 1000 Orchard Road Berlin, CT 06037 TELEPHONE: (860) 916-2255 EMAIL: hmathena@berlinct.gov | 1/31/2026 | Unaffiliated | |
| Michael Simonetta - <u>Alternate</u> 146 Hummingbird Drive Berlin, CT 06037 TELEPHONE: (860) 305-9459 EMAIL: mike22dj@aol.com | 1/31/2029 | Republican | |
| Revised: 2/5/2024 | | | RECORDING SECRETARY: Kristen Grabowski kgrabowski@berlinct.gov |
| Contact information updated. | | | |

Berlin Zoning Board of Appeals Annual Report – 2022/2023

The Zoning Board of Appeals is authorized by Town Charter as provided by the Connecticut General Statutes to evaluate and rule on requests regarding a number of land use issues. The matters heard by the Zoning Board of Appeals include requests for variances of the zoning regulations; alcoholic beverages permit location approvals, specific Special Permit applications and appeals to orders and determinations of the Zoning Enforcement Officer. The Statutory requirement for the Zoning Board of Appeals to review location applications for motor vehicle license uses was discontinued by PA- 23-40, §30 effective October 2023. Motor vehicle uses continue to require Special Permit approval by the Planning and Zoning Commission.

The Zoning Board of Appeals schedules ten regular meetings per year that include Public Hearings on the matters before them, generally on the fourth Tuesday of the month. Special meetings may be held when necessary, after having been properly noticed. The ZBA held 7 regular meetings, 1 special meeting and cancelled 3 meetings in 2023. All meetings were held hybrid in-person with remote access and are posted on the Town's You Tube access after the meeting. There are five regular members and three alternates appointed to the Board. For most matters a quorum of four, with four concurring votes in favor, are required for an approval.

Zoning Board of Appeals application files are available for public review in the Planning and Zoning Offices. The Zoning Enforcement Officer acts as primary staff to the Board, advising applicants and preparing a report on each application prior to the Public Hearing. If approved, the applicant is provided with a document which must be filed with the Town Clerk for permanent recording on the Land Records prior to issuance of related permits.

The Zoning Board of Appeals received requests to be heard on 21 new applications for the calendar year 2023. 11 were requests for a variance of bulk requirement, 4 motor vehicle uses location approvals, 5 related to sales of alcoholic beverages location, and 1 appeal of a ZEO order or determination. The Board is also involved in pending litigations resulting from appeals of their decisions and holds related Executive Sessions as necessary.

Respectfully Submitted,

Antonio Francalangia; Chairman

General Purpose Financial Statements 2022/2023

The Annual Report is required by the Town Charter

Section 7-15. Annual Town Report. The Manager must prepare and publish for distribution an annual town report which must include the following: (1) Comments and recommendations of the auditor, general purpose financial statements and the notes to the financial statements (2) Annual report of Collector of Revenue in detail as required by law, and (3) All appropriate annual reports by boards, commissions, committees, and elected or appointed officials which are submitted by a date specified by the Manager.

| | |
|--------------------------------------|----------|
| Independent Auditor's Report | Page 55 |
| Management's Discussion and Analysis | Page 58 |
| Exhibits A-J | Page 70 |
| Notes to the Financial Statements | Page 85 |
| Required Supplementary Information | Page 136 |
| Report of the Property Tax Collector | Page 148 |



Independent Auditors' Report

Town Council
Town of Berlin, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Berlin, Connecticut ("Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

**Town Council
Town of Berlin, Connecticut**

Page 2

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 21, 2023



TOWN OF BERLIN

Finance Department

240 KENSINGTON ROAD • TOWN HALL • BERLIN CT 06037

Management's Discussion and Analysis For the Year Ended June 30, 2023

This discussion and analysis of the Town of Berlin, Connecticut's ("Town") financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2023. Please read this Management Discussion and Analysis ("MD&A") in conjunction with the transmittal letter and the Town's financial statements, Exhibits A to K.

Financial highlights

The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as follows:

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|---------------------------|------------------------------------|-------------------------------------|---------------|
| Change in net position | \$ 14,705,539 | \$ 1,237,837 | \$ 15,943,376 |
| Total net position | 162,510,752 | 22,569,825 | 185,080,577 |
| Unrestricted net position | 29,640,378 | 9,029,802 | 38,670,180 |

The Town's total net position increased by \$15,943,376. The increase is due to the following:

Governmental fund activity:

| | |
|---|--------------|
| ➤ positive operations of the general fund of | \$ 3,674,998 |
| ➤ negative operations of the capital projects fund of | (1,446,972) |

Conversion to accrual basis on Exhibit E:

| | |
|--|-----------|
| ➤ capital outlay net of depreciation/amortization expense of | 5,052,963 |
| ➤ net principal debt activity of | 6,513,879 |
| ➤ change in net pension liability of | 558,129 |
| ➤ change in OPEB liability of | 599,929 |
| ➤ net revenues of the internal service funds of | 121,946 |

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

- During the year the Town implemented GASB No. 96 – Subscription-Based Information Technology Arrangements. The implementation of this statement had no impact on beginning equity, but had the following impact on Town's financial statements:

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Capital assets: | |
| Intangible right-to-use subscription assets | \$ 566,291 |
| Long-term liabilities: | |
| Subscription payable | 566,291 |

- Revenues for the Town's governmental activities increased \$8,638,264 or 7.7% to \$121,082,075. This was an increase of 0.3% in the prior year. The major drivers of this growth were planned higher property tax revenues, investment income derived when the Town took advantage of the rapid increase in interest rate, and capital grants.
- The total cost of the Town's governmental activities increased by \$5,461,208 or 5.4% to \$106,381,036. This was a decrease of -2.8% in the prior year. The major driver was higher education costs driven by increased teachers' retirement on behalf payments.
- The General Fund ending fund balance was \$17,780,920, an increase of \$3,674,998 or 26.1%, from the previous year. The increase was driven by higher than anticipated investment income and lower than budgeted expenditures coming from vacant positions, utility costs and not using contingency in the budget.
- The Capital Projects Fund reported a total fund balance this year of \$14,687,570, a decrease of \$1,446,972 or -9.0%, from the previous year. The decrease was driven by expenditures of intergovernmental grants and transfers in from prior years.
- Revenues and total cost for the Town's business-type activities increased \$965,898 and \$525,307 respectively driven by higher volume and increase in rates charged.

Overview of the financial statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information as well as the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as the net position. Over time, increases or decreases in net position serve as a useful indicator of the Town's financial health. Other non-financial events such as the impact of changes in the Town's tax base or infrastructure should also be considered when evaluating the Town's financial health.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

The *statement of activities* presents information showing how the Town's net position changed during the year. In this statement, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is actually received or paid. Therefore, revenues and expenses are reported in this statement for some items whose cash flow may occur in a future fiscal period. Taxes uncollected but levied or vacation leave unused but earned are examples of this.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, community development, public safety, physical services, parks, recreation and libraries, health and human services and schools. The business-type activities of the Town include water and sewer.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Town can be divided into the following three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds to similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

For governmental funds, the Town presents separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Capital Projects Fund, which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining schedules on Schedules 2 and 3.

The basic governmental fund financial statements can be found on Exhibits C, D and E.

Proprietary funds - The Town uses two different types of proprietary funds. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to report the activities of the water and sewer. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

The Town uses internal service funds to account for its employees and retirees self-insured medical benefits and for general insurance claims. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund. The Water and Sewer Fund is considered a major fund.

The basic proprietary fund financial statements can be found on Exhibits F, G, and H.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits I and J.

Notes to financial statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on Exhibit K of this report.

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding pension benefits.
- Schedules to demonstrate the Town's progress in funding other post-employment benefits.

Other information

The combining schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

Government-wide financial analysis

The Town's combined net position increased from \$169,137,201 to \$185,080,577. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

**Table 1
Summary Statement of Net Position
June 30**

| | Governmental Activities | | Business-Type Activities | | Totals | |
|-----------------------------------|-------------------------|------------------------------|--------------------------|---------------|----------------|------------------------------|
| | 2023 | 2022 <i>(as restated)</i> | 2023 | 2022 | 2023 | 2022 <i>(as restated)</i> |
| Current and other assets | \$ 57,679,173 | \$ 46,762,762 | \$ 9,652,961 | \$ 9,853,665 | \$ 67,332,134 | \$ 56,616,427 |
| Capital assets (net) | 190,022,720 | 184,969,757 | 17,438,478 | 15,789,082 | 207,461,198 | 200,758,839 |
| Total assets | 247,701,893 | 231,732,519 | 27,091,439 | 25,642,747 | 274,793,332 | 257,375,266 |
| Deferred outflows of resources | 1,895,532 | 2,234,941 | 7,621 | 4,661 | 1,903,153 | 2,239,602 |
| Long-term liabilities outstanding | 63,085,230 | 71,588,671 | 3,646,840 | 2,809,225 | 66,732,070 | 74,397,896 |
| Other liabilities | 20,433,350 | 11,807,176 | 871,302 | 484,323 | 21,304,652 | 12,291,499 |
| Total liabilities | 83,518,580 | 83,395,847 | 4,518,142 | 3,293,548 | 88,036,722 | 86,689,395 |
| Deferred inflows of resources | 3,568,093 | 2,766,400 | 11,093 | 1,021,872 | 3,579,186 | 3,788,272 |
| Net investment in capital assets | 128,234,432 | 119,783,162 | 13,540,023 | 12,792,012 | 141,774,455 | 132,575,174 |
| Restricted | 4,635,942 | 3,843,146 | - | - | 4,635,942 | 3,843,146 |
| Unrestricted | 29,640,378 | 24,178,905 | 9,029,802 | 8,539,976 | 38,670,180 | 32,718,881 |
| Total net position | \$ 162,510,752 | \$ 147,805,213 | \$ 22,569,825 | \$ 21,331,988 | \$ 185,080,577 | \$ 169,137,201 |

Net position of the Town's governmental activities increased by 9.9%. The increase was driven by the reduction in long-term liabilities due to scheduled debt repayments and the continued strategy to delay new money borrowing, improved cash position from net operating receipts, and investment in capital assets funded with State and Federal grants.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

The narrative following Table 2 includes a discussion of revenue and expense variations by category.

**Table 2
Statement of Changes in Net Position
For the Years Ended June 30**

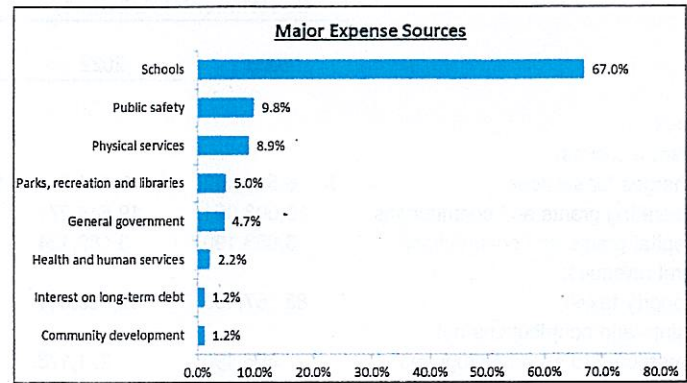
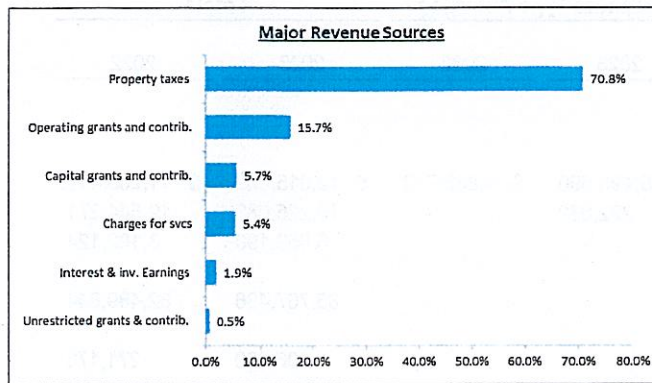
| | Governmental Activities | | Business-Type Activities | | Totals | |
|--|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 6,519,442 | \$ 6,444,704 | \$ 5,495,590 | \$ 4,838,713 | \$ 12,015,032 | \$ 11,283,417 |
| Operating grants and contributions | 19,003,051 | 19,544,271 | 222,032 | - | 19,225,083 | 19,544,271 |
| Capital grants and contributions | 6,853,190 | 3,182,124 | - | - | 6,853,190 | 3,182,124 |
| General revenues: | | | | | | |
| Property taxes | 85,767,436 | 82,489,044 | - | - | 85,767,436 | 82,489,044 |
| Grants and contributions not restricted to specific programs | 606,490 | 271,176 | - | - | 606,490 | 271,176 |
| Income from investments | 2,288,056 | 119,286 | 175,417 | 15,146 | 2,463,473 | 134,432 |
| Other | 44,410 | 393,206 | 10,932 | 84,214 | 55,342 | 477,420 |
| Total revenues | 121,082,075 | 112,443,811 | 5,903,971 | 4,938,073 | 126,986,046 | 117,381,884 |
| Expenses: | | | | | | |
| General government | 4,977,180 | 4,310,727 | - | - | 4,977,180 | 4,310,727 |
| Community development | 1,284,130 | 1,023,806 | - | - | 1,284,130 | 1,023,806 |
| Public safety | 10,422,774 | 9,767,632 | - | - | 10,422,774 | 9,767,632 |
| Physical services | 9,471,230 | 8,923,431 | - | - | 9,471,230 | 8,923,431 |
| Parks, recreation and libraries | 5,277,618 | 4,979,482 | - | - | 5,277,618 | 4,979,482 |
| Health and human services | 2,370,297 | 2,275,278 | - | - | 2,370,297 | 2,275,278 |
| Schools | 71,248,234 | 68,189,427 | - | - | 71,248,234 | 68,189,427 |
| Interest | 1,329,573 | 1,450,045 | - | - | 1,329,573 | 1,450,045 |
| Water and sewer services | - | - | 4,661,634 | 4,136,327 | 4,661,634 | 4,136,327 |
| Total expenses | 106,381,036 | 100,919,828 | 4,661,634 | 4,136,327 | 111,042,670 | 105,056,155 |
| Change in net position before transfers | 14,701,039 | 11,523,983 | 1,242,337 | 801,746 | 15,943,376 | 12,325,729 |
| Transfers | 4,500 | 4,500 | (4,500) | (4,500) | - | - |
| Change in net position after transfers | 14,705,539 | 11,528,483 | 1,237,837 | 797,246 | 15,943,376 | 12,325,729 |
| Net position - July 1 | 147,805,213 | 136,276,730 | 21,331,988 | 20,534,742 | 169,137,201 | 156,811,472 |
| Net position - June 30 | \$ 162,510,752 | \$ 147,805,213 | \$ 22,569,825 | \$ 21,331,988 | \$ 185,080,577 | \$ 169,137,201 |

The Town's total revenues (governmental and business-type) were \$126,986,046. The total cost of all programs and services (governmental and business-type) was \$111,042,670. The analysis below separately discusses the operations of governmental and business-type activities.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

Governmental activities

As the graphs below display, the largest source of revenues was property taxes, and the largest cost driver was schools. While grants and public safety were smaller, each was also a significant contributor to revenues and expenses, respectively.



Major revenue factors include:

- Property tax revenue increased \$3,278,392 or 4.0% driven by an increase in the levy needed to support the budget and proactive back tax collections efforts.
- Income from investments increased \$2,168,770 driven by tight cashflow management that allowed the Town to take advantage of rapidly increasing interest rates.
- Capital grants and contributions increased \$3,671,066. The increase was driven by the LOTCIP grant for pavement improvements earned of \$3,631,390.

Major expense factors include:

- Education expense increased \$3,058,807 or 4.5% primarily due to budgeted increases for student programs and an increase in the teachers' retirement on behalf amount.
- General government expenses increased \$666,453 or 15.5% primarily due to an increase in legal expenses related to the settlement of an outstanding land dispute and an increase in depreciation/amortization expense.
- Public safety expenses increased \$655,142 or 6.7% primarily due to an increase in pension expenses.
- The Town increased three net positions with three new Police Officers, one new Highway position and one new Planning position offset by a position reduction in both Nursing and the Library. The Board of Education had no net position increases.
- The Town and Board of Education continued to take measures to control the level of medical insurance costs through the implementation of wellness incentives, offering a high-deductible HSA plan, and shifting costs to employees with changes in premium percentage sharing and higher HSA deductibles.

Business-type activities

Revenues from the Town's business-type activities (see Table 2) increased \$965,898 or 19.6% and expenses increased \$525,307 or 12.7%.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

The increase in revenues and expenses was driven by higher usage volumes, an increase in the Berlin Water Control rates of 10% in April 2023, and an increase in the Mattabasset wastewater facility charge, a percentage of which was passed on to the fire districts in proportion to each district's flow volumes.

Financial analysis of the Town's funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit C) reported a combined fund balance of \$35,488,769, which is an 8.5% increase from last year's total of \$32,715,968. This increase was primarily driven by higher than anticipated property tax revenues and income from investments as well as expenditures coming in significantly under budget.

Fund balance has been classified as:

| | |
|--------------|----------------------|
| Nonspendable | \$ 69,454 |
| Restricted | 4,567,645 |
| Committed | 13,071,907 |
| Assigned | 1,343,000 |
| Unassigned | <u>16,436,763</u> |
| Total | <u>\$ 35,488,769</u> |

The total fund balance increased by \$2,772,801 to \$35,488,769. This increase is a result of the following funds activity:

General Fund - Included in this year's total change in governmental fund balance is an increase of \$3,674,998 in the Town's General Fund, compared to a decrease of \$4,679,086 in the prior year. The driver of the increase was the higher than anticipated revenues noted earlier.

Capital Projects Fund - \$10,506,152 was expended for asset acquisitions and improvements, most notably road, bridge and sidewalk improvements, the down payment for the purchase of two new fire trucks, police station renovations, and improvements to Biscoglio Field. The \$1,446,972 decrease in fund balance was driven by the capital outlay, partially offset by the \$6,785,528 grant revenues and \$2,718,203 transfers in.

Proprietary Funds - As the Town completed the year, its business-type proprietary fund (as presented in the balance sheet - Exhibit F) reported net position of \$22,569,825, which is an increase of \$1,237,837 or 5.8% from the previous year's total of \$21,331,988. The increase was driven by continued strong revenue collections and management's close review of operating spending requests.

Internal Service Funds - The internal service funds experienced a combined increase in net position of \$121,946, or 2.5% from the prior year. The major driver of this increase was favorable claims in the General Insurance Fund partially offset by an increased number of catastrophic claims in the Health Insurance Fund.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

General Fund Budgetary Highlights

Significant budget transfers during the year included:

- Additional revenues of \$403,000 from the Municipal Revenue Sharing grant to fund building space preparations in advance of police station renovations (transfers out)
- Additional appropriation of fund balance of \$2,100,000
 - \$1,000,000 to fund the purchase of land (corporation counsel)
 - \$1,100,000 to fund a fire vehicle purchase, field renovations and police station architectural plans (transfers out)

Revenues

Revenue and other financing sources were \$366,955 above budget (including \$2,965,000 budgeted use of fund balance). Revenues alone were \$3,031,955 above budget. The major sources of this favorability were higher than budgeted current year and back taxes, higher extra duty police services and higher investment income.

Property tax revenues were \$1,150,190 higher than the budget. The revenues recorded for fiscal year 2023 reflect a tax rate of 34.31 mills (except for motor vehicles which were capped by State law), a slight increase from the 33.93 rate used in the previous fiscal year and a continued strong collection rate of 99.2%.

Income from investments was \$1,912,692 higher than budget due to tight cashflow management and higher market interest rates as mentioned earlier.

Expenditures

Authorized General Fund budget appropriations for operating expenditures and other financing uses of \$3,308,043 remained unspent at year end. This is the result of proactive expenditure management throughout the fiscal year and from salary and benefit savings caused by position vacancies during the year. The most significant position savings were in the Police Department and Parks and Recreation.

Significant departments that were underspent during the year were as follows:

- General government was underspent by \$760,048 driven by budgeted contingency remaining unspent, lower unemployment charges and lower personnel costs from vacant positions.
- Public safety was underspent by \$528,449 driven by attrition in the Police Department.
- Physical services was underspent by \$737,929 driven by lower refuse disposal, favorable storm-related expenditures caused by a milder winter and favorable utility costs for electricity, telephone and traffic signals.
- Parks, recreation and libraries was underspent by \$436,329 driven by fewer summer programs and one of two swimming pools remaining closed for the season.
- Schools were underspent by \$501,211 driven by lower electricity and lower worker's compensation due to staffing turnover and lower overtime.

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

Capital assets and long-term liabilities

Capital assets

The Town had a \$207,461,198 net investment in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, streetlights and water and sewer lines (see Table 3). This amount represents a net increase of \$6,702,359 or 3.3%.

**Table 3
Capital Assets - Net
June 30**

| | Governmental Activities | | Business-Type Activities | | Totals | |
|-------------------------------|-------------------------|------------------------------|--------------------------|----------------------|-----------------------|------------------------------|
| | 2023 | 2022 <i>(as restated)</i> | 2023 | 2022 | 2023 | 2022 <i>(as restated)</i> |
| Land | \$ 23,705,966 | \$ 22,675,339 | \$ 1,415,112 | \$ 1,415,112 | \$ 25,121,078 | \$ 24,090,451 |
| Intangible assets | - | - | 564,551 | 564,551 | 564,551 | 564,551 |
| Construction in progress | 13,175,940 | 7,765,716 | 5,798,694 | 3,912,452 | 18,974,634 | 11,678,168 |
| Land improvements | 3,979,210 | 4,224,404 | - | - | 3,979,210 | 4,224,404 |
| Intangible right-to-use asset | 1,042,754 | 848,254 | - | - | 1,042,754 | 848,254 |
| Buildings and systems | 104,032,905 | 106,333,878 | 900,123 | 964,789 | 104,933,028 | 107,298,667 |
| Machinery and equipment | 7,994,291 | 7,961,923 | 622,872 | 658,219 | 8,617,163 | 8,620,142 |
| Infrastructure | 36,091,654 | 35,160,243 | 8,137,126 | 8,273,959 | 44,228,780 | 43,434,202 |
| Total | \$ 190,022,720 | \$ 184,969,757 | \$ 17,438,478 | \$ 15,789,082 | \$ 207,461,198 | \$ 200,758,839 |

This year's major additions included:

Governmental activities

• Land:

○ Atkins Street \$ 1,030,627

• Construction in progress:

○ Fire trucks 473,416
○ Christian/Deming/Porters Pass roads 3,899,946
○ Police station 482,238

• Buildings and systems:

○ YMCA school modifications 379,057

• Machinery and equipment:

○ School vans 186,093
○ Firetruck 473,416
○ Police vehicles 240,928

• Infrastructure:

○ Streets 1,556,323
○ Sidewalks 744,302

**Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)**

Business-type activities

- Construction in progress:
 - Pump and sewer stations \$ 1,402,832

More detailed information about the Town's capital assets is presented in Note III D to the financial statements.

Long-term debt

**Table 4
Long-Term Debt
June 30**

| | Governmental Activities | | Business-Type Activities | | Totals | |
|----------------------------|-------------------------|------------------------------|--------------------------|---------------------|----------------------|------------------------------|
| | 2023 | 2022 <i>(as restated)</i> | 2023 | 2022 | 2023 | 2022 <i>(as restated)</i> |
| General obligation bonds | \$ 47,825,000 | \$ 54,145,000 | \$ - | \$ - | \$ 47,825,000 | \$ 54,145,000 |
| Notes payable | 7,992,654 | 8,398,464 | 2,788,578 | 2,997,070 | 10,781,232 | 11,395,534 |
| Interim funding obligation | - | - | 1,029,914 | - | 1,029,914 | - |
| Leases payable | 635,650 | 284,115 | - | - | 635,650 | 284,115 |
| Subscriptions payable | 426,687 | 566,291 | - | - | 426,687 | 566,291 |
| Total | \$ 56,879,991 | \$ 63,393,870 | \$ 3,818,492 | \$ 2,997,070 | \$ 60,698,483 | \$ 66,390,940 |

The Town's general obligation bonds outstanding decreased by \$6,320,000 due to scheduled bond repayments. The Town maintains a Capital Improvement Plan (CIP) as well as a Debt Issuance Plan to track projects that need to be completed and identify funding for such projects. The Town elected not to issue new general obligation bonds during 2023.

The Town had \$7,992,654 in equipment financing notes, a decrease of \$405,810 due to scheduled principal payments. The Town had \$2,788,578 in Clean Water Fund notes, a decrease of \$208,492 due to scheduled principal payments.

The Town has two twenty-year 2% loans with the State of Connecticut Department of Energy and Environmental Protection's Clean Water Fund ("Clean Water Fund") to fund inflow and infiltration projects. These projects are accounted for in the Water and Sewer Enterprise Fund and are funded exclusively by a separate charge on customer bills. The future debt service for the loans is \$3,174,797 (\$2,788,578 principal and \$386,219 interest). More detailed information about these two loans is presented in Note III F to the financial statements.

Additionally, the Town issued \$1,029,914 in Drinking Water Fund interim funding obligations, which was permanently financed after year end.

The Town reviews new debt issuances critically with the goal of lowering the overall debt level. Before issuing new debt, the Town evaluates the existing cash level, future demands on that cash and attempts to fund capital projects with cash when prudent.

The State of Connecticut limits the amount of general obligation debt that towns can issue based on a formula determined under State Statutes which considers the type of debt and tax base. The Town's outstanding general obligation debt is significantly below the State-imposed limit of \$583,294,271.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

Other long-term obligations include accrued compensated absences (vacation pay and sick leave), heart and hypertension, a net pension liability, and an implicit liability for other post-employment benefits. More detailed information about these long-term liabilities is presented in Note III F to the financial statements.

Economic factors and next year's budgets and rates

General Fund appropriations totaled \$99,612,696 in the fiscal year 2024 budget. This is an increase of approximately 3.1% over fiscal year 2023. The tax mill rate decreased from 34.31 to 29.56. The mill rate decrease was driven by the statutorily required five-year revaluation of real estate partially offset by budgeted expenditure increases in education and public safety.

For the business-type activities, the Town, in conjunction with the Water Control Commission, has set related fees to offset the cost of operations. As noted in the previous section, the Town has entered a drinking water revolving fund loan agreement with the State to fund a water main upgrade; this loan will be repaid over twenty years and the loan repayments will also impact future rates. After year-end, the Town started a sewer project for the replacement of the main pump stations. This project is being funded with Enterprise Fund reserves and the Fund will be reimbursed for 75% of the cost over five years by the main supplier of waste to this pump station.

The Town funds most services with local taxes; however, the State provides important education grant funding that offset local taxes. The Education Cost Sharing grant represents approximately 85.3% of the fiscal year 2024 intergovernmental grant revenue budget and 5.9% of the total revenue budget. As the State considers education grant funding going forward, the Town is addressing potential uncertainty with tight expense management, evaluating capital requests carefully and taking steps to reduce long-term liabilities.

The Town's unemployment rate continued to be less than the State, regional and national averages. As of June 2023, the unemployment rate in Berlin was 3.4% (not seasonally adjusted) compared to 4.0% in the Hartford Labor Market Area, 4.0% in the State of Connecticut and 3.8% in the United States.

Requests for information

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 240 Kensington Road, Town of Berlin, Connecticut 06037.

Town of Berlin, Connecticut

Statement of Net Position
June 30, 2023

| <u>Assets</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|--------------------|
| Current assets: | | | |
| Cash | \$ 11,306,646 | \$ 2,425,984 | \$ 13,732,630 |
| Investments | 41,312,458 | 6,553,248 | 47,865,706 |
| Receivables: | | | |
| Property taxes | 875,277 | - | 875,277 |
| Usage | - | 588,608 | 588,608 |
| Special assessments and connection charges | - | 16,001 | 16,001 |
| Accounts | 212,106 | - | 212,106 |
| Intergovernmental | 1,185,334 | - | 1,185,334 |
| Leases | 134,021 | - | 134,021 |
| Other | 33,435 | - | 33,435 |
| Total current assets | <u>55,059,277</u> | <u>9,583,841</u> | <u>64,643,118</u> |
| Noncurrent assets: | | | |
| Restricted assets: | | | |
| Temporarily restricted: | | | |
| Cash | 1,832,187 | - | 1,832,187 |
| Investments | 500,234 | - | 500,234 |
| Permanently restricted: | | | |
| Cash | 68,297 | - | 68,297 |
| Total restricted assets | <u>2,400,718</u> | <u>-</u> | <u>2,400,718</u> |
| Receivables (net): | | | |
| Property taxes | 219,178 | - | 219,178 |
| Usage | - | 69,120 | 69,120 |
| Total receivables (net) | <u>219,178</u> | <u>69,120</u> | <u>288,298</u> |
| Capital assets (net of accumulated depreciation/amortization): | | | |
| Land | 23,705,966 | 1,415,112 | 25,121,078 |
| Intangible assets | - | 564,551 | 564,551 |
| Construction in progress | 13,175,940 | 5,798,694 | 18,974,634 |
| Land improvements | 3,979,210 | - | 3,979,210 |
| Intangible right-to-use assets | 1,042,754 | - | 1,042,754 |
| Buildings and systems | 104,032,905 | 900,123 | 104,933,028 |
| Machinery and equipment | 7,994,291 | 622,872 | 8,617,163 |
| Infrastructure | 36,091,654 | 8,137,126 | 44,228,780 |
| Total capital assets (net of accumulated depreciation/amortization) | <u>190,022,720</u> | <u>17,438,478</u> | <u>207,461,198</u> |
| Total noncurrent assets | <u>192,642,616</u> | <u>17,507,598</u> | <u>210,150,214</u> |
| Total assets | <u>247,701,893</u> | <u>27,091,439</u> | <u>274,793,332</u> |
| <u>Deferred Outflows of Resources</u> | | | |
| Pension related | 79,975 | - | 79,975 |
| OPEB related | 1,728,964 | 7,621 | 1,736,585 |
| Deferred amount on refunding | 86,593 | - | 86,593 |
| Total deferred outflows of resources | <u>1,895,532</u> | <u>7,621</u> | <u>1,903,153</u> |

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Net Position
June 30, 2023

| <u>Liabilities</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-----------------------|
| Current liabilities: | | | |
| Accounts payable | \$ 5,219,480 | \$ 563,947 | \$ 5,783,427 |
| Retainage payable | 234,891 | 79,963 | 314,854 |
| Accrued payroll and related liabilities | 328,502 | 6,922 | 335,424 |
| Accrued interest payable | 158,183 | - | 158,183 |
| Unearned revenue | 6,192,950 | - | 6,192,950 |
| Long-term debt | 7,055,242 | 208,492 | 7,263,734 |
| Compensated absences | 456,640 | 11,978 | 468,618 |
| Claims payable | 650,145 | - | 650,145 |
| Heart and hypertension | 83,423 | - | 83,423 |
| Tax overpayments | 53,894 | - | 53,894 |
| Total current liabilities | 20,433,350 | 871,302 | 21,304,652 |
| Noncurrent liabilities: | | | |
| Performance bonds | 2,301,484 | - | 2,301,484 |
| Long-term debt and related liabilities | 51,090,094 | 3,610,000 | 54,700,094 |
| Compensated absences | 125,064 | - | 125,064 |
| Heart and hypertension | 26,279 | - | 26,279 |
| Net pension liability | 1,184,046 | - | 1,184,046 |
| OPEB liability | 8,358,263 | 36,840 | 8,395,103 |
| Total noncurrent liabilities | 63,085,230 | 3,646,840 | 66,732,070 |
| Total liabilities | 83,518,580 | 4,518,142 | 88,036,722 |
| <u>Deferred Inflows of Resources</u> | | | |
| Advance property tax collections | 918,565 | - | 918,565 |
| Lease related | 132,864 | - | 132,864 |
| OPEB related | 2,516,664 | 11,093 | 2,527,757 |
| Total deferred inflows of resources | 3,568,093 | 11,093 | 3,579,186 |
| <u>Net Position</u> | | | |
| Net investment in capital assets | 128,234,432 | 13,540,023 | 141,774,455 |
| Restricted for: | | | |
| Endowments: | | | |
| Nonexpendable | 68,297 | - | 68,297 |
| Expendable | 30,937 | - | 30,937 |
| Community development | 15,832 | - | 15,832 |
| Public safety | 50,767 | - | 50,767 |
| Health and human services | 2,466 | - | 2,466 |
| Parks, recreation and libraries | 410,516 | - | 410,516 |
| Schools | 2,063,919 | - | 2,063,919 |
| ARPA grant projects | 1,993,208 | - | 1,993,208 |
| Unrestricted | 29,640,378 | 9,029,802 | 38,670,180 |
| Total net position | \$ 162,510,752 | \$ 22,569,825 | \$ 185,080,577 |

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Activities
For the Year Ended June 30, 2023

| Functions/Programs | Program Revenues | | | | Net Revenues (Expenses) and Change in Net Position | | |
|--|------------------|-------------------------|--|--|---|-----------------------------|----------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| <u>Governmental activities:</u> | | | | | | | |
| General government | \$ 4,977,180 | \$ 1,477,596 | \$ 155,654 | \$ 46,773 | \$ (3,297,157) | \$ - | \$ (3,297,157) |
| Community development | 1,284,130 | - | 880 | 519,383 | (763,867) | - | (763,867) |
| Public safety | 10,422,774 | 904,488 | 50,798 | - | (9,467,488) | - | (9,467,488) |
| Physical services | 9,471,230 | 117,357 | - | 6,287,034 | (3,066,839) | - | (3,066,839) |
| Parks, recreation and libraries | 5,277,618 | 1,699,809 | - | - | (3,577,809) | - | (3,577,809) |
| Health and human services | 2,370,297 | 683,647 | 27,240 | - | (1,659,410) | - | (1,659,410) |
| Schools | 71,248,234 | 1,636,545 | 18,768,479 | - | (50,843,210) | - | (50,843,210) |
| Interest | 1,329,573 | - | - | - | (1,329,573) | - | (1,329,573) |
| Total governmental activities | 106,381,036 | 6,519,442 | 19,003,051 | 6,853,190 | (74,005,353) | - | (74,005,353) |
| <u>Business-type activities:</u> | | | | | | | |
| Water and sewer services | 4,661,634 | 5,495,590 | 222,032 | - | - | 1,055,988 | 1,055,988 |
| Total | \$ 111,042,670 | \$ 12,015,032 | \$ 19,225,083 | \$ 6,853,190 | (74,005,353) | 1,055,988 | (72,949,365) |
| General revenues: | | | | | | | |
| Property taxes | | | | | 85,767,436 | - | 85,767,436 |
| Grants and contributions not restricted to specific programs | | | | | 606,490 | - | 606,490 |
| Income from investments | | | | | 2,288,056 | 175,417 | 2,463,473 |
| Other | | | | | 44,410 | 10,932 | 55,342 |
| Total general revenues | | | | | 88,706,392 | 186,349 | 88,892,741 |
| Change in net position before transfers | | | | | 14,701,039 | 1,242,337 | 15,943,376 |
| Transfers in (transfers out) | | | | | 4,500 | (4,500) | - |
| Change in net position | | | | | 14,705,539 | 1,237,837 | 15,943,376 |
| Net position - July 1, 2022 | | | | | 147,805,213 | 21,331,988 | 169,137,201 |
| Net position - June 30, 2023 | | | | | \$ 162,510,752 | \$ 22,569,825 | \$ 185,080,577 |

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Governmental Funds
Balance Sheet
June 30, 2023

| | General | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|----------------------|--------------------------------|--------------------------------|
| <u>Assets</u> | | | | |
| Cash | \$ 1,937,050 | \$ - | \$ 3,735,447 | \$ 5,672,497 |
| Restricted cash | 1,801,250 | - | - | 1,801,250 |
| Investments | 18,634,820 | 22,677,638 | - | 41,312,458 |
| Restricted investments | 500,234 | - | - | 500,234 |
| Receivables (net): | | | | |
| Property taxes | 1,094,455 | - | - | 1,094,455 |
| Accounts | 114,186 | - | - | 114,186 |
| Intergovernmental | - | 975,655 | 209,679 | 1,185,334 |
| Leases | 134,021 | - | - | 134,021 |
| Due from other funds | 90,000 | - | - | 90,000 |
| Other | - | - | 33,435 | 33,435 |
| Total assets | <u>\$ 24,306,016</u> | <u>\$ 23,653,293</u> | <u>\$ 3,978,561</u> | <u>\$ 51,937,870</u> |
| <u>Liabilities</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,590,972 | \$ 3,568,771 | \$ 31,753 | \$ 5,191,496 |
| Retainage payable | - | 234,891 | - | 234,891 |
| Accrued payroll and related liabilities | 327,480 | - | 1,022 | 328,502 |
| Unearned revenue | 105,382 | 5,162,061 | 925,507 | 6,192,950 |
| Performance bonds | 2,301,484 | - | - | 2,301,484 |
| Tax overpayments | 53,894 | - | - | 53,894 |
| Total liabilities | <u>4,379,212</u> | <u>8,965,723</u> | <u>958,282</u> | <u>14,303,217</u> |
| <u>Deferred Inflows of Resources</u> | | | | |
| Unavailable revenue: | | | | |
| Property taxes | 1,094,455 | - | - | 1,094,455 |
| Advance property tax collections | 918,565 | - | - | 918,565 |
| Lease related | 132,864 | - | - | 132,864 |
| Total deferred inflows of resources | <u>2,145,884</u> | <u>-</u> | <u>-</u> | <u>2,145,884</u> |
| <u>Fund Balances</u> | | | | |
| Nonspendable | 1,157 | - | 68,297 | 69,454 |
| Restricted | - | 1,993,208 | 2,574,437 | 4,567,645 |
| Committed | - | 12,694,362 | 377,545 | 13,071,907 |
| Assigned | 1,343,000 | - | - | 1,343,000 |
| Unassigned | 16,436,763 | - | - | 16,436,763 |
| Total fund balances | <u>17,780,920</u> | <u>14,687,570</u> | <u>3,020,279</u> | <u>35,488,769</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 24,306,016</u> | <u>\$ 23,653,293</u> | <u>\$ 3,978,561</u> | <u>\$ 51,937,870</u> |

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut
Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2023

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

| | |
|---|---------------|
| Total fund balance (Exhibit C, Page 1 of 2) | \$ 35,488,769 |
|---|---------------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

| | |
|--|--------------------|
| Beginning capital assets (net) | 184,969,757 |
| Capital assets additions (net of construction in progress) | 10,885,898 |
| Depreciation/amortization expense | (5,832,935) |
| Total | 190,022,720 |

Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

| | |
|--|------------------|
| Property taxes - accrual basis change | 1,094,455 |
| Deferred outflows of resources related to pensions | 79,975 |
| Deferred outflows of resources related to OPEB | 1,728,964 |
| Deferred amount on refunding | 86,593 |
| Total | 2,989,987 |

Internal service funds are used by management for risk financing activities:

| | |
|---|-----------|
| The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position | 4,953,472 |
|---|-----------|

Some liabilities and deferred inflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:

| | |
|---|---------------------|
| Long-term debt and related liabilities | (58,145,336) |
| Compensated absences | (581,704) |
| Net pension liability | (1,184,046) |
| OPEB liability | (8,358,263) |
| Accrued interest payable | (158,183) |
| Deferred inflows of resources related to OPEB | (2,516,664) |
| Total | (70,944,196) |

| | |
|---|----------------------|
| Net position of governmental activities (Exhibit A) | \$162,510,752 |
|---|----------------------|

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

| | General | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|----------------------|--------------------------------|--------------------------------|
| Revenues: | | | | |
| Property taxes | \$85,980,330 | \$ - | \$ - | \$ 85,980,330 |
| Intergovernmental | 14,740,639 | 6,785,528 | 4,792,415 | 26,318,582 |
| Charges for services | 4,635,849 | 169,515 | 1,714,078 | 6,519,442 |
| Income from investments | 2,100,692 | - | 6,066 | 2,106,758 |
| Contributions | - | - | 144,149 | 144,149 |
| Rebates | - | 44,410 | - | 44,410 |
| Total revenues | 107,457,510 | 6,999,453 | 6,656,708 | 121,113,671 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 6,049,776 | 154,148 | 7,500 | 6,211,424 |
| Community development | 1,196,256 | - | 6,027 | 1,202,283 |
| Public safety | 10,103,085 | - | 12,786 | 10,115,871 |
| Physical services | 7,637,009 | - | - | 7,637,009 |
| Parks, recreation and libraries | 4,604,971 | - | 73,870 | 4,678,841 |
| Health and human services | 2,280,194 | - | 77,123 | 2,357,317 |
| Schools | 61,595,568 | - | 5,934,627 | 67,530,195 |
| Debt service | 7,901,950 | 597,551 | - | 8,499,501 |
| Capital outlay | - | 10,506,152 | - | 10,506,152 |
| Total expenditures | 101,368,809 | 11,257,851 | 6,111,933 | 118,738,593 |
| Excess (deficiency) of revenues over expenditures | 6,088,701 | (4,258,398) | 544,775 | 2,375,078 |
| Other financing sources (uses): | | | | |
| Issuance of debt | - | 388,408 | - | 388,408 |
| Sale of capital assets | - | 4,815 | - | 4,815 |
| Transfers in | 304,500 | 2,718,203 | - | 3,022,703 |
| Transfers out | (2,718,203) | (300,000) | - | (3,018,203) |
| Net other financing sources (uses) | (2,413,703) | 2,811,426 | - | 397,723 |
| Net change in fund balances | 3,674,998 | (1,446,972) | 544,775 | 2,772,801 |
| Fund balances - July 1, 2022 (as restated) | 14,105,922 | 16,134,542 | 2,475,504 | 32,715,968 |
| Fund balances - June 30, 2023 | \$17,780,920 | \$ 14,687,570 | \$ 3,020,279 | \$ 35,488,769 |

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities (Exhibit B) are due to:

Net change in fund balances - total governmental funds (Exhibit D) \$ 2,772,801

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:

| | |
|-----------------------------------|--------------------|
| Capital outlay | 10,885,898 |
| Depreciation/amortization expense | <u>(5,832,935)</u> |
| Total | <u>5,052,963</u> |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the fund financial statements are not recognized in the statement of activities:

Change in property tax receivable - accrual basis change (212,894)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

| | |
|--|------------------|
| Debt issued or incurred: | |
| Lease | (388,408) |
| Principal repayments: | |
| General obligation bonds and notes payable | 6,725,810 |
| Leases | 36,873 |
| Subscriptions | <u>139,604</u> |
| Total | <u>6,513,879</u> |

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

| | |
|---|----------------------|
| Changes in/amortization of: | |
| Premium | \$ 454,657 |
| Compensated absences | 13,048 |
| Net pension liability | 558,129 |
| OPEB liability | 599,929 |
| Accrued interest payable | 40,596 |
| Deferred amount on refunding | (51,135) |
| Deferred outflows related to pension | 5,077 |
| Deferred outflows related to OPEB | (293,351) |
| Deferred inflows related to OPEB | (870,106) |
| Total | <u>456,844</u> |
| Internal service funds are used by management for risk financing activities: | |
| The net revenue (expense) of the internal service funds are reported with governmental activities | <u>121,946</u> |
| Change in net position of governmental activities (Exhibit B) | <u>\$ 14,705,539</u> |
| | (Concluded) |

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Proprietary Funds
Statement of Net Position
June 30, 2023

| | <u>Business-type Activities</u> | <u>Governmental Activities</u> |
|---|-------------------------------------|------------------------------------|
| | <u>Enterprise Fund</u> | <u>Internal Service Funds</u> |
| | <u>Water and Sewer Fund</u> | |
| <u>Liabilities</u> | | |
| Current liabilities: | | |
| Accounts payable | \$ 563,947 | \$ 27,984 |
| Retainage payable | 79,963 | - |
| Accrued payroll and related liabilities | 6,922 | - |
| Compensated absences | 11,978 | - |
| Notes payable | 208,492 | - |
| Claims payable | - | 650,145 |
| Heart and hypertension | - | 83,423 |
| Total current liabilities | <u>871,302</u> | <u>761,552</u> |
| Noncurrent liabilities: | | |
| Notes payable | 2,580,086 | - |
| Interim funding obligation | 1,029,914 | - |
| Heart and hypertension | - | 26,279 |
| OPEB liability | 36,840 | - |
| Total noncurrent liabilities | <u>3,646,840</u> | <u>26,279</u> |
| Total liabilities | <u>4,518,142</u> | <u>787,831</u> |
| <u>Deferred Inflows of Resources</u> | | |
| OPEB related | <u>11,093</u> | <u>-</u> |
| <u>Net Position</u> | | |
| Net investment in capital assets | 13,540,023 | - |
| Unrestricted | <u>9,029,802</u> | <u>4,953,472</u> |
| Total net position | <u>\$ 22,569,825</u> | <u>\$ 4,953,472</u> |

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023

| | <u>Business-type Activities</u> | <u>Governmental Activities</u> |
|--|-------------------------------------|------------------------------------|
| | <u>Enterprise Fund</u> | <u>Internal Service Funds</u> |
| | <u>Water and Sewer Fund</u> | |
| Operating revenues: | | |
| Premiums | \$ - | \$ 10,781,887 |
| Charges for services | 5,495,590 | - |
| Insurance proceeds | - | 74,401 |
| Other | 10,932 | - |
| Total operating revenues | <u>5,506,522</u> | <u>10,856,288</u> |
| Operating expenses: | | |
| Claims | - | 9,969,296 |
| Repairs and maintenance | - | 100,250 |
| Administration | 232,319 | 846,094 |
| Employee benefits | 279,455 | - |
| Purchase of water | 802,454 | - |
| Source of supply | 2,313,097 | - |
| Pumping | 119,587 | - |
| Transmission and distribution | 78,073 | - |
| Salaries - administrative and general | 155,764 | - |
| Salaries - operating and maintenance | 360,796 | - |
| Depreciation | 262,059 | - |
| Total operating expenses | <u>4,603,604</u> | <u>10,915,640</u> |
| Income (loss) from operations | <u>902,918</u> | <u>(59,352)</u> |
| Nonoperating revenues (expenses): | | |
| Intergovernmental | 222,032 | - |
| Income from investments | 175,417 | 181,298 |
| Interest expense | (58,030) | - |
| Total nonoperating revenues (expenses) | <u>339,419</u> | <u>181,298</u> |
| Income (loss) before transfers | 1,242,337 | 121,946 |
| Transfers out | <u>(4,500)</u> | <u>-</u> |
| Change in net position | 1,237,837 | 121,946 |
| Total net position - July 1, 2022 | <u>21,331,988</u> | <u>4,831,526</u> |
| Total net position - June 30, 2023 | <u>\$ 22,569,825</u> | <u>\$ 4,953,472</u> |

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

| | <u>Business-type Activities</u> | <u>Governmental Activities</u> |
|---|-------------------------------------|------------------------------------|
| | <u>Enterprise Fund</u> | <u>Internal Service Funds</u> |
| | <u>Water and Sewer Fund</u> | |
| Cash flows from (used in) operating activities: | | |
| Cash received from other | \$ 10,932 | \$ - |
| Cash received from premiums and employees | - | 10,778,807 |
| Cash received from customers | 4,527,171 | - |
| Cash received from insurance and others | - | 154,915 |
| Cash payments to employees for services | (528,052) | - |
| Cash payments to providers of benefits and for claims | - | (10,177,266) |
| Cash payments to providers of administration | - | (846,094) |
| Cash payments to suppliers for goods and service | <u>(3,404,484)</u> | <u>(57,198)</u> |
| Net cash from (used in) operating activities | <u>605,567</u> | <u>(146,836)</u> |
| Cash flows from (used in) noncapital financing activities: | | |
| Transfers out | <u>(4,500)</u> | <u>-</u> |
| Cash flows from (used in) capital and related financing activities: | | |
| Purchase of capital assets | (1,911,454) | - |
| Proceeds from grants and drinking water notes | 1,251,946 | - |
| Principal payments | (208,492) | - |
| Interest payments | <u>(58,030)</u> | <u>-</u> |
| Net cash from (used in) capital and related financing activities | <u>(926,030)</u> | <u>-</u> |
| Cash flows from (used in) investing activities: | | |
| Income from investments | <u>175,417</u> | <u>181,298</u> |
| Increase (decrease) in cash | (149,546) | 34,462 |
| Cash and cash equivalents - July 1, 2022 | <u>9,128,778</u> | <u>5,698,921</u> |
| Cash and cash equivalents - June 30, 2023 | <u>\$ 8,979,232</u> | <u>\$ 5,733,383</u> |
| Reconciliation to statement of net position: | | |
| Cash and cash equivalents per above | \$ 8,979,232 | \$ 5,733,383 |
| Cash and cash equivalents reported as investments | <u>(6,553,248)</u> | <u>-</u> |
| Statement of net position | <u>\$ 2,425,984</u> | <u>\$ 5,733,383</u> |

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

| | <u>Business-type Activities</u> | <u>Governmental Activities</u> |
|--|-------------------------------------|------------------------------------|
| | <u>Enterprise Fund</u> | <u>Internal Service Funds</u> |
| | <u>Water and Sewer Fund</u> | |
| Reconciliation of operating income (loss) to net cash from (used in) operating activities: | | |
| Income (loss) from operations | \$ 902,918 | \$ (59,352) |
| Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities: | | |
| Depreciation | 262,059 | - |
| (Increase) decrease in: | | |
| Accounts receivable | - | 77,434 |
| Usage receivable | 57,318 | - |
| Special assessments and connection charges receivable | (6,160) | - |
| Deferred outflows of resources - OPEB related | (2,960) | - |
| Prepaid expenses | - | 18,639 |
| Increase (decrease) in: | | |
| Accounts payable | 319,369 | 24,413 |
| Retainage payable | 79,963 | - |
| Claims payable | - | (54,038) |
| Heart and hypertension | - | (153,932) |
| Accrued payroll and related | (11,492) | - |
| Unearned revenue | (1,500) | - |
| Compensated absences | 638 | - |
| OPEB liability | 16,193 | - |
| Deferred inflows of resources - advance user fee collections | (1,018,077) | - |
| Deferred inflows of resources - OPEB related | 7,298 | - |
| Net cash from (used in) operating activities | <u>\$ 605,567</u> | <u>\$ (146,836)</u> |

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

| | Pension and OPEB Trust Fund | Private Purpose Trust Fund Memorial Fund |
|-------------------------------|-----------------------------------|--|
| <u>Assets</u> | | |
| Cash | \$ 2,383 | \$ - |
| Investments: | | |
| Mutual funds: | | |
| Equity | 13,628,062 | - |
| Bond | 1,807,471 | - |
| Real estate | 355,486 | - |
| Diversified | 22,388,038 | - |
| Bank money market | - | 60,472 |
| Annuities | 3,290,921 | - |
| Fixed income funds | 13,289,398 | - |
| Total investments | 54,759,376 | 60,472 |
| Accounts receivable | 42,920 | |
| Total assets | 54,804,679 | 60,472 |
| <u>Liabilities</u> | | |
| Due to other funds | 90,000 | - |
| <u>Net Position</u> | | |
| Restricted for: | | |
| Pensions | 54,353,673 | - |
| OPEB | 361,006 | - |
| Individuals and organizations | - | 60,472 |
| Total net position | \$ 54,714,679 | \$ 60,472 |

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

| | Pension and OPEB Trust Fund | Private Purpose Trust Fund Memorial Fund |
|---|-----------------------------------|--|
| Additions: | | |
| Contributions: | | |
| Employer | \$ 1,885,932 | \$ - |
| Employee | 1,087,098 | - |
| Other | 256,219 | - |
| Total contributions | <u>3,229,249</u> | <u>-</u> |
| Investment income (loss): | | |
| Net change in fair value of investments | 3,727,220 | (844) |
| Interest and dividends | 1,083,313 | - |
| Total investment income (loss) | <u>4,810,533</u> | <u>(844)</u> |
| Total additions | <u>8,039,782</u> | <u>(844)</u> |
| Deductions: | | |
| Benefits | 6,510,281 | - |
| Administration | 215,024 | - |
| Total deductions | <u>6,725,305</u> | <u>-</u> |
| Change in net position | 1,314,477 | (844) |
| Net position - July 1, 2022 | <u>53,400,202</u> | <u>61,316</u> |
| Net position - June 30, 2023 | <u>\$ 54,714,679</u> | <u>\$ 60,472</u> |

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**History and organization**

The Town of Berlin, CT ("Town") was incorporated in 1785 from parts of Farmington, Middletown and Wethersfield. Under the Town Charter, adopted November 4, 1973, and most recently amended November 8, 2016, the Town Council is the legislative body for specific purposes. The Town Manager serves as the Chief Executive Officer of the Town and acts as the liaison to the Town Council. The Town Council is responsible for establishing policy. Charter revisions on November 8, 1994 replaced an Executive Board, Board of Finance/Town Meeting form of government with a Town Manager/Council form of government, which took effect November 15, 1995. Charter revisions on November 8, 2016 reinstated a Board of Finance effective November 20, 2017.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension and OPEB trust funds and therefore, they are considered fiduciary component units. The financial statements of the fiduciary component units are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEB benefits, certain other employee benefits, and certain other long-term liabilities are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Expenditure reimbursement type grants, certain intergovernmental revenues, certain charges for services, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

| | |
|-----------------------|---|
| General Fund | The Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. |
| Capital Projects Fund | Accounts for and reports financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets. The major sources of revenues for this fund are capital grants and the proceeds from the issuance of general obligation bonds. |

The Town reports the following major proprietary fund:

| | |
|----------------------|--|
| Water and Sewer Fund | Accounts for the operating activity of the water and sewer operations. The major source of revenues for this fund is charges for services. |
|----------------------|--|

Additionally, the Town reports the following fund types:

| | |
|-----------------------|--|
| Special Revenue Funds | Accounts for and reports the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt. |
| Permanent Funds | Reports resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs. |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Measurement focus, basis of accounting and financial statement presentation (continued)

| | |
|------------------------------|--|
| Internal Service Funds | Accounts for risk financing activities for medical insurance benefits, heart and hypertension and workers' compensation as allowed by GASB Statement No. 10. |
| Pension and OPEB Trust Funds | Accounts for the activities of the Town of Berlin Retirement Plan and the Town of Berlin Police Retiree Health Plan which accumulate resources for pension and OPEB benefit payments to qualified employees. |
| Private-Purpose Trust Fund | Accounts for the receipt of private donations to be used for student awards. |

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the Town's internal service fund are charges to customers for sales and services.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town pension and OPEB plans, the Connecticut State Teachers' Retirement System ("TRS"), and the Connecticut State Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's pension and OPEB plans, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity

1. Cash and investments

a. Cash

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes the Town considers cash equivalents as money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

b. Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

State Treasurer’s Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk.

c. Method used to value investments

Investments for the Town are reported at fair value except as described below. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate is valued based upon the purchase price, which approximates fair value.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

| | |
|---------|--|
| Level 1 | Quoted prices for identical investments in active markets |
| Level 2 | Quoted prices for identical investments in markets that are not active |
| Level 3 | Unobservable inputs |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

d. Risk policies

| | |
|------------------------------|---|
| Interest rate risk | Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. |
| Credit risk | Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision. |
| Concentration of credit risk | Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository. |
| Custodial credit risk | Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio. |
| Foreign currency risk | Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk. |

2. Receivables and payables

a. Interfunds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

b. Property taxes and other receivables

In the fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 1.00% to 45.00% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property taxes receivable which have not been collected as of June 30, have been recorded as deferred inflows of resources, since they are not considered to be available to finance expenditures of the current year.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, on July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

c. Leases receivable

The Town is a lessor for noncancellable leases of land. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include:

| | |
|----------------|--|
| Discount Rate | The Town uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value. |
| Term | The lease term includes the noncancellable period of the lease. |
| Lease Payments | Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. |

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

3. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items, if any, is recorded as expenditures/expenses when consumed rather than when purchased.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****4. Restricted assets**

The restricted assets for the Town are restricted for performance bonds and endowments. Performance bonds are temporarily restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance. The trust agreement restricts the expenditure of the investment income only for the designated purpose.

5. Capital assets

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the Town are depreciated/amortized using the straight-line method over the following estimated useful lives:

| Assets | Years | Threshold |
|---|-------------------|---|
| Land | N/A | \$ 20,000 |
| Construction in progress | N/A | Same as applicable asset type at project completion |
| Intangible assets | Varies, if any | 5,000 |
| Land improvements | 10-30 | 20,000 |
| Buildings and systems | 40 | 20,000 |
| Machinery and equipment | 5-20 | 5,000 |
| Infrastructure | 20-50 | 100,000 |
| Intangible right-to-use leased assets | Lease term | 20,000 |
| Intangible right-to-use subscription assets | Subscription term | 20,000 |

6. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions and net difference between projected and actual earnings on plan investments. The deferred outflow or inflow related to differences between expected and actual experience and changes in assumptions will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period.

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the refunding or refunded debt.

Advance tax collections represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

Deferred inflows of resources include deferred inflows relating to the lease receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes (including advance collections, if any). These amounts are recognized as an inflow of resources in the period that the amounts become available.

7. Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement (Police are the only group paid for unused sick leave and only at retirement.) Town employees are required to use vacation time by June 30 each year, however, employees may carryover up to an amount allowed by the employee's bargaining unit agreement. Any carryover vacation must be used by June 30 of the subsequent year or be forfeited. Vacation expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. A liability for these amounts has been recorded in the government-wide financial statements.

8. Long-term liabilities

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. liabilities, deferred outflows/inflows of resources and equity (continued)

9. Lease and subscription liabilities

The Town is a lessee for noncancellable leases of buildings and equipment. Additionally, the Town has certain software subscriptions that require recognition in the financial statements. The Town recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements. The Town recognizes lease/subscription liabilities with an initial, individual value of \$20,000 or more.

At the commencement of a lease/subscription, the Town initially measures the lease/subscription liability at the present value of payments expected to be made during the term. Subsequently, the lease/subscription liability is reduced by the principal portion of payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases and subscriptions include:

| | |
|---------------|---|
| Discount rate | The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate to discount the expected payments to the present value. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate. |
| Term | The lease/subscription term includes the noncancellable period of the lease/agreement. |
| Payments | Lease/subscription payments included in the measurement of the liability are composed of fixed payments and any purchase option price that the Town is reasonably certain to exercise. |

The Town monitors changes in circumstances that would require a remeasurement of its lease or subscriptions and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability.

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

10. Net position and fund balances

In the government-wide financial statements, net position is classified into the following categories:

| | |
|----------------------------------|--|
| Net Investment in Capital Assets | This category presents the net position that reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded. |
| Restricted Net Position | This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations). |
| Unrestricted Net Position | This category presents the net position of the Town which is not classified in the preceding two categories. |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the fund financial statements, fund balances are classified into the following categories:

| | |
|--------------|---|
| Nonspendable | This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. |
| Restricted | This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments. |
| Committed | This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Town Council and Board of Finance. |
| Assigned | This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority to assign fund balance rests with the Town Council and Board of Finance. Intent is also expressed by a properly approved purchase order (encumbrance). |
| Unassigned | This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit. |

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

Minimum fund balance policy

The Town Council has adopted a minimum fund balance policy for the General Fund. The policy establishes the intent to maintain a level of unassigned fund balance of at least 11.00% of the budgeted year's total expenditures (including debt service and transfers). Any budgeted contingency shall be included in the current year unassigned fund balance when calculating compliance with this policy.

Town of Berlin, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****11. Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

12. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, compliance and accountability**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued. Town policy is to close out outstanding General Fund encumbrances at year end.

Appropriations for the Capital Projects Funds do not lapse at the end of the fiscal year, but continue until the completion of the project.

B. Donor-restricted endowments

The Town has received certain endowments for purchase of trees, medical assistance and library resources. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the applicable Trustee and is included in restricted fund balance. At year end, net appreciation available for appropriation is \$30,937.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Capital projects authorizations

The following is a summary of certain capital projects:

| Project | Project Authorization | Cumulative Expenditures | Balance |
|---|------------------------------|-----------------------------|-----------------------------|
| Bonded road improvements | \$ 1,329,317 | \$ 1,221,231 | \$ 108,086 |
| Berlin High School renovations | 84,950,000 | 81,158,070 | 3,791,930 |
| Recycling Center improvements | 534,485 | 18,542 | 515,943 |
| Bridge rehabilitation program | 3,620,322 | 2,944,943 | 675,379 |
| 55 Steele Blvd (889 Farmington Ave remediation) | 2,081,865 | 848,037 | 1,233,828 |
| Fire truck | 3,250,161 | 2,153,235 | 1,096,926 |
| Fire radios | 1,332,600 | 1,324,387 | 8,213 |
| High Road bridge | 1,576,500 | 1,324,802 | 251,698 |
| Burnham Street bridge | 1,498,193 | 1,444,312 | 53,881 |
| Kensington Road bridge | 462,000 | 178,980 | 283,020 |
| Edgewood Road bridge | 421,445 | 16,319 | 405,126 |
| Glen Street bridge | 500,000 | 215,784 | 284,216 |
| Bridge projects | 1,216,555 | - | 1,216,555 |
| Percival Field | 539,274 | 47,295 | 491,979 |
| Truck wash bay | 500,000 | - | 500,000 |
| Biscoglio Field (athletic facilities grant) | 2,774,254 | 447,040 | 2,327,214 |
| Water line replacement | 2,800,000 | 1,402,832 | 1,397,168 |
| HVAC upgrades (ARPA grant) | 5,048,046 | 30,815 | 5,017,231 |
| LOTICIP road improvement | 5,472,399 | 3,596,925 | 1,875,474 |
| Police station renovations | 759,167 | 482,238 | 276,929 |
| Total | <u>\$ 120,666,583</u> | <u>\$ 98,855,787</u> | <u>\$ 21,810,796</u> |

III. Detailed notes**A. Cash and investments****1. Cash**

At year end, the Town's bank balance was exposed to custodial credit risk as follows:

| | |
|---|-----------------------------|
| Bank balance | <u>\$ 29,007,513</u> |
| Uninsured and uncollateralized | \$ 13,406,157 |
| Uninsured and collateral held by the pledging bank's trust department, not in the Town's name | <u>4,458,894</u> |
| Total amount subject to custodial credit risk | <u>\$ 17,865,051</u> |

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceeded the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)**2. Investments**

- a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

| Type of Investment | Fair Value | Investment Maturities (In Years) | | | |
|----------------------|----------------------|----------------------------------|----------------------|----------------------|---------------------|
| | | N/A | Less Than 1 | 1-5 Years | 5-10 Years |
| Mutual funds: | | | | | |
| Equity | \$ 13,628,062 | \$ 13,628,062 | \$ - | \$ - | \$ - |
| Bond | 1,807,471 | - | - | 55,768 | 1,751,703 |
| Real estate | 355,486 | 355,486 | - | - | - |
| Diversified | 22,388,038 | 22,388,038 | - | - | - |
| Bank money market | 11,203,438 | - | 11,203,438 | - | - |
| Pooled fixed income | 37,222,974 | - | 37,222,974 | - | - |
| Annuities | 3,290,921 | - | - | 3,290,921 | - |
| Fixed income funds | 13,289,398 | - | - | 13,289,398 | - |
| Total | 103,185,788 | \$ 36,371,586 | \$ 48,426,412 | \$ 16,636,087 | \$ 1,751,703 |
| Less fiduciary funds | <u>(54,819,848)</u> | | | | |
| Other funds | <u>\$ 48,365,940</u> | | | | |

- b. The Town had the following recurring fair value measurements:

| Investments by fair value level | Amount | Quoted Market | Significant | Significant |
|--|-----------------------|----------------------|----------------------|---------------------|
| | | Prices in Active | Observable | Unobservable |
| | | Markets | Inputs | Inputs |
| | | Level 1 | Level 2 | Level 3 |
| Mutual funds: | | | | |
| Equity | \$ 13,628,062 | \$ 13,628,062 | \$ - | \$ - |
| Bond | 1,807,471 | 1,807,471 | - | - |
| Real estate | 355,486 | 355,486 | - | - |
| Diversified | 22,388,038 | 22,388,038 | - | - |
| Annuities | 3,290,921 | - | - | 3,290,921 |
| Fixed income funds | 13,289,398 | - | 13,289,398 | - |
| Total investments by fair value level | 54,759,376 | \$ 38,179,057 | \$ 13,289,398 | \$ 3,290,921 |
| Other investments: | | | | |
| Bank money market | 11,203,438 | | | |
| Pooled fixed income | 37,222,974 | | | |
| Total other investments | 48,426,412 | | | |
| Total investments | \$ 103,185,788 | | | |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)

Level 1: Quoted prices for identical investments in active markets

Level 2: Observable inputs: quoted prices for identical securities in markets that are not active. The fair value was determined based on quoted prices in less active, dealer or broker markets. Fair values are primarily obtained from third party pricing services for identical or comparable assets.

Level 3: Unobservable inputs: carrying value or fair value of the underlying assets as available.

c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

| Type of Investment | Ratings | | | Total |
|---------------------|----------------------|---------------------|----------------------|----------------------|
| | AAA | AA | Unrated | |
| Mutual funds | | | | |
| Bond | \$ - | \$ - | \$ 1,807,471 | \$ 1,807,471 |
| Pooled fixed income | 37,222,974 | - | - | 37,222,974 |
| Annuities | - | 1,617,725 | 1,673,196 | 3,290,921 |
| Fixed income funds | - | - | 13,289,398 | 13,289,398 |
| Total | <u>\$ 37,222,974</u> | <u>\$ 1,617,725</u> | <u>\$ 16,770,065</u> | <u>\$ 55,610,764</u> |

d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

There are no Town investments held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

B. Receivables

1. Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below:

| | Property Taxes | | | Water and Sewer Usage |
|-----------------------------------|-------------------|------------------------|---------------------|-----------------------|
| | Taxes | Interest and Lien Fees | Total | |
| Current portion | <u>\$ 682,598</u> | <u>\$ 192,679</u> | <u>\$ 875,277</u> | <u>\$ 588,608</u> |
| Long-term portion | 441,946 | 335,698 | 777,644 | 87,953 |
| Less allowance for uncollectibles | <u>(345,764)</u> | <u>(212,702)</u> | <u>(558,466)</u> | <u>(18,833)</u> |
| Net long-term portion | <u>96,182</u> | <u>122,996</u> | <u>219,178</u> | <u>69,120</u> |
| Total receivable | <u>\$ 778,780</u> | <u>\$ 315,675</u> | <u>\$ 1,094,455</u> | <u>\$ 657,728</u> |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Receivables (continued)

2. Leases receivable

The Town reports the following lease balances and activity:

| Description | Lease Receivable | Deferred Inflows of Resources | Lease Revenue | Lease Interest Revenue |
|-----------------------|---------------------|-------------------------------------|------------------|------------------------------|
| Mobile home lots | \$ 52,095 | \$ 58,555 | \$ 60,067 | \$ 191 |
| Town hall cell tower | 81,926 | 74,309 | 121,596 | 955 |
| Total | 134,021 | \$ 132,864 | \$ 181,663 | \$ 1,146 |
| Less: current portion | (134,021) | | | |
| Long-term portion | \$ - | | | |

| Description | Terms |
|----------------------|--|
| Mobile home lots | In July 2022, the Town entered into fifteen separate, two-year lease agreements for the lease of land used as lot property for mobile homes. The lease term can be renewed for an additional 6 month period by the Town, although the lessee has the option to reject the extension. Based on these agreements, the Town is receiving monthly payments through June 2024. |
| Town hall cell tower | In February 1999, the Town entered into a 10-year lease agreement with Omnipoint Communications for the right to use a tract of land. The lease agreement includes three automatic five-year renewal terms. As of the date of implementation, the lease is in its last renewal period. Based on this agreement, the Town is receiving monthly payments through February 2024. Subsequently, the Town entered into an extension of the cell tower lease which includes an initial five-year agreement and four five-year extensions that either party has the right not to renew. |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Interfund accounts

1. Interfund payables and receivables

A summary of interfund balances is as follows:

| | Corresponding Fund | Due From | Due To |
|-----------------------------|-----------------------------|------------------|------------------|
| General fund | Pension and OPEB trust fund | \$ 90,000 | \$ - |
| Fiduciary funds: | | | |
| Pension and OPEB trust fund | General fund | - | 90,000 |
| Total | | <u>\$ 90,000</u> | <u>\$ 90,000</u> |

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have an operations cash account.

2. Interfund transfers

A summary of interfund transfers for the fiscal year is as follows:

| | Corresponding Fund | Transfers In | Transfers Out |
|-----------------------|-----------------------|---------------------|---------------------|
| General fund: | | | |
| Capital projects fund | N/A | \$ 300,000 | \$ 2,718,203 |
| Water and sewer fund | N/A | 4,500 | - |
| Total general fund | | <u>304,500</u> | <u>2,718,203</u> |
| Capital projects fund | General fund | <u>2,718,203</u> | <u>300,000</u> |
| Enterprise funds: | | | |
| Water and sewer fund | General fund | - | 4,500 |
| Total | | <u>\$ 3,022,703</u> | <u>\$ 3,022,703</u> |

Transfers are used to move budgeted appropriations from the general fund for funding of the capital projects fund and various programs and activities in other funds.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets

Capital asset activity for the fiscal year was as follows:

Governmental Activities:

| | Balance July 1, 2022 (as restated) | Increases | Decreases | Balance June 30, 2023 |
|--|--|--------------|------------|--------------------------|
| Capital assets not being depreciated/amortized: | | | | |
| Land | \$ 22,675,339 | \$ 1,030,627 | \$ - | \$ 23,705,966 |
| Construction in progress | 7,765,716 | 5,621,423 | 211,199 | 13,175,940 |
| Total capital assets not being depreciated/amortized | 30,441,055 | 6,652,050 | 211,199 | 36,881,906 |
| Capital assets being depreciated/amortized: | | | | |
| Land improvements | 7,502,767 | 94,846 | - | 7,597,613 |
| Intangible right-to-use assets | 887,145 | 388,408 | - | 1,275,553 |
| Buildings and systems | 151,530,091 | 736,465 | - | 152,266,556 |
| Machinery and equipment | 22,060,252 | 924,703 | 1,174,679 | 21,810,276 |
| Infrastructure | 71,647,031 | 2,300,625 | - | 73,947,656 |
| Total capital assets being depreciated/amortized | 253,627,286 | 4,445,047 | 1,174,679 | 256,897,654 |
| Total capital assets | 284,068,341 | 11,097,097 | 1,385,878 | 293,779,560 |
| Less accumulated depreciation/amortization: | | | | |
| Land improvements | 3,278,363 | 340,040 | - | 3,618,403 |
| Intangible right-to-use assets | 38,891 | 193,908 | - | 232,799 |
| Buildings and systems | 45,196,213 | 3,037,438 | - | 48,233,651 |
| Machinery and equipment | 14,098,329 | 892,335 | 1,174,679 | 13,815,985 |
| Infrastructure | 36,486,788 | 1,369,214 | - | 37,856,002 |
| Total accumulated depreciation/amortization | 99,098,584 | 5,832,935 | 1,174,679 | 103,756,840 |
| Net capital assets being depreciated/amortized | 154,528,702 | (1,387,888) | - | 153,140,814 |
| Net capital assets | \$ 184,969,757 | \$ 5,264,162 | \$ 211,199 | \$ 190,022,720 |

Intangible right-to-use assets by category are as follows:

| | Asset | Accumulated Amortization |
|---|--------------|-----------------------------|
| Intangible right-to-use leased buildings and improvements | \$ 320,854 | \$ 77,782 |
| Intangible right-to-use leased machinery and equipment | 388,408 | 14,657 |
| Intangible right-to-use subscription assets | 566,291 | 140,360 |
| Total intangible right-to-use assets | \$ 1,275,553 | \$ 232,799 |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets (continued)

Depreciation/amortization expense was charged to the functions of the Town as follows:

| | |
|---|---------------------|
| General government | \$ 338,815 |
| Community development | 1,814 |
| Public safety | 539,563 |
| Physical services | 1,546,291 |
| Parks, recreation and libraries | 540,856 |
| Health and human services | 13,270 |
| Schools | <u>2,852,326</u> |
| Total depreciation/amortization expense | <u>\$ 5,832,935</u> |

Business-Type Activities:

| | Balance July 1, 2022 | Increases | Decreases | Balance June 30, 2023 |
|---|-------------------------|---------------------|------------------|--------------------------|
| Capital assets not being depreciated/amortized: | | | | |
| Land | \$ 1,415,112 | \$ - | \$ - | \$ 1,415,112 |
| Intangible assets | 564,551 | - | - | 564,551 |
| Construction in progress | 3,912,452 | 1,909,955 | 23,713 | 5,798,694 |
| Total capital assets not being depreciated/amortized | <u>5,892,115</u> | <u>1,909,955</u> | <u>23,713</u> | <u>7,778,357</u> |
| Capital assets being depreciated/amortized: | | | | |
| Buildings and systems | 3,157,991 | 23,713 | - | 3,181,704 |
| Machinery and equipment | 1,397,996 | 1,500 | - | 1,399,496 |
| Infrastructure | 15,285,708 | - | - | 15,285,708 |
| Total capital assets being depreciated/amortized | <u>19,841,695</u> | <u>25,213</u> | <u>-</u> | <u>19,866,908</u> |
| Total capital assets | <u>25,733,810</u> | <u>1,935,168</u> | <u>23,713</u> | <u>27,645,265</u> |
| Less accumulated depreciation/amortization: | | | | |
| Buildings and systems | 2,193,202 | 88,379 | - | 2,281,581 |
| Machinery and equipment | 739,777 | 36,846 | - | 776,623 |
| Infrastructure | 7,011,749 | 136,834 | - | 7,148,583 |
| Total accumulated depreciation/amortization | <u>9,944,728</u> | <u>262,059</u> | <u>-</u> | <u>10,206,787</u> |
| Total capital assets being depreciated/amortized, net | <u>9,896,967</u> | <u>(236,846)</u> | <u>-</u> | <u>9,660,121</u> |
| Capital assets, net | <u>\$ 15,789,082</u> | <u>\$ 1,673,109</u> | <u>\$ 23,713</u> | <u>\$ 17,438,478</u> |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**D. Capital assets (continued)**

Depreciation/amortization expense was charged to business-type activities as follows:

| | |
|---|-------------------|
| Water operations | \$ 85,529 |
| Sewer operations | <u>176,530</u> |
| Total depreciation/amortization expense | <u>\$ 262,059</u> |

E. Construction commitments

The Town has the following construction commitments:

| | |
|---|----------------------|
| Biscoglio field turf | \$ 1,993,000 |
| Pavement structure improvement 55 Steele Boulevard | 1,148,692 |
| Fire trucks | 898,850 |
| Percival field | 912,012 |
| Truck wash bay | 323,415 |
| HVAC upgrades - schools | 460,920 |
| | <u>4,486,000</u> |
| Total | <u>\$ 10,222,889</u> |

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities

General obligation bonds, equipment financing notes and leases are direct obligations and pledge the full faith and credit of the Town.

1. Summary of changes

The following is a summary of changes in long-term liabilities during the fiscal year:

Governmental Activities:

| Description | Original Amount | Year of Issue | Date of Maturity | Interest Rate | Balance July 1, 2022 (as restated) | Additions | Deductions | Balance June 30, 2023 | Current Portion | Long-Term Portion |
|--|-----------------|---------------|------------------|---------------|---------------------------------------|-----------|------------|-----------------------|-----------------|-------------------|
| | | | | | | | | | | |
| <u>Bonds:</u> | | | | | | | | | | |
| General purpose: | | | | | | | | | | |
| General obligation | \$ 2,480,000 | 2013 | 12/01/32 | 2.50-4.00% | \$ 1,290,000 | \$ - | \$ 170,000 | \$ 1,120,000 | \$ 170,000 | \$ 950,000 |
| General obligation | 1,855,000 | 2014 | 12/01/33 | 3.00-5.00% | 910,000 | - | 130,000 | 780,000 | 130,000 | 650,000 |
| General obligation | 720,000 | 2015 | 12/01/34 | 2.00-4.00% | 480,000 | - | 40,000 | 440,000 | 40,000 | 400,000 |
| General obligation | 3,620,000 | 2016 | 12/01/35 | 2.00-4.00% | 1,915,000 | - | 335,000 | 1,580,000 | 335,000 | 1,245,000 |
| Refunding bonds | 5,676,000 | 2016 | 09/01/25 | 2.00-5.00% | 3,463,000 | - | 903,000 | 2,560,000 | 924,000 | 1,636,000 |
| General obligation | 4,150,000 | 2017 | 12/01/29 | 2.00-4.00% | 2,550,000 | - | 400,000 | 2,150,000 | 400,000 | 1,750,000 |
| General obligation | 6,500,000 | 2019 | 12/01/28 | 2.00-4.00% | 4,400,000 | - | 700,000 | 3,700,000 | 700,000 | 3,000,000 |
| General obligation | 4,200,000 | 2020 | 12/01/30 | 5.00% | 3,780,000 | - | 420,000 | 3,360,000 | 420,000 | 2,940,000 |
| Total general purpose | 29,201,000 | | | | 18,788,000 | - | 3,098,000 | 15,690,000 | 3,119,000 | 12,571,000 |
| <u>School bonds:</u> | | | | | | | | | | |
| General obligation | 6,015,000 | 2013 | 12/01/32 | 2.50-4.00% | 3,645,000 | - | 335,000 | 3,310,000 | 335,000 | 2,975,000 |
| General obligation | 16,500,000 | 2014 | 12/01/33 | 3.00-5.00% | 10,390,000 | - | 870,000 | 9,520,000 | 870,000 | 8,650,000 |
| General obligation | 13,000,000 | 2015 | 12/01/34 | 2.00-4.00% | 8,890,000 | - | 685,000 | 8,205,000 | 685,000 | 7,520,000 |
| General obligation | 13,150,000 | 2016 | 12/01/35 | 2.00-4.00% | 9,675,000 | - | 695,000 | 8,980,000 | 695,000 | 8,285,000 |
| Refunding bonds | 5,244,000 | 2016 | 09/01/25 | 2.00-5.00% | 2,457,000 | - | 587,000 | 1,870,000 | 606,000 | 1,264,000 |
| General obligation | 515,000 | 2017 | 12/01/29 | 2.00-4.00% | 300,000 | - | 50,000 | 250,000 | 50,000 | 200,000 |
| Total school bonds | 54,424,000 | | | | 35,357,000 | - | 3,222,000 | 32,135,000 | 3,241,000 | 28,894,000 |
| Total bonds | 83,625,000 | | | | 54,145,000 | - | 6,320,000 | 47,825,000 | 6,360,000 | 41,465,000 |
| <u>Equipment financing notes (direct borrowing):</u> | | | | | | | | | | |
| Energy | 10,340,341 | 2016 | 12/12/35 | 2.93% | 8,398,464 | - | 405,810 | 7,992,654 | 436,952 | 7,555,702 |
| Total bonds/notes | \$93,965,341 | | | | 62,543,464 | - | 6,725,810 | 55,817,654 | 6,796,952 | 49,020,702 |

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

| Description | Original Amount | Year of Issue | Date of Maturity | Interest Rate | Balance July 1, 2022 (as restated) | Additions | Deductions | Balance June 30, 2023 | Current Portion | Long-Term Portion |
|--|-----------------|---------------|------------------|---------------|---------------------------------------|-------------|--------------|-----------------------|-----------------|-------------------|
| Leases payable | | | | | \$ 284,115 | \$ 388,408 | \$ 36,873 | \$ 635,650 | \$ 116,138 | \$ 519,512 |
| Subscriptions payable | | | | | 566,291 | - | 139,604 | 426,687 | 142,152 | 284,535 |
| Total long-term debt | | | | | 63,393,870 | 388,408 | 6,902,287 | 56,879,991 | 7,055,242 | 49,824,749 |
| Premium | | | | | 1,720,002 | - | 454,657 | 1,265,345 | - | 1,265,345 |
| Total long-term debt and related liabilities | | | | | 65,113,872 | 388,408 | 7,356,944 | 58,145,336 | 7,055,242 | 51,090,094 |
| Compensated absences | | | | | 594,752 | - | 13,048 * | 581,704 | 456,640 | 125,064 |
| Heart and hypertension | | | | | 263,634 | 46,549 | 200,481 | 109,702 | 83,423 | 26,279 |
| Net pension liability | | | | | 1,742,175 | 658,844 | 1,216,973 | 1,184,046 | - | 1,184,046 |
| OPEB liability | | | | | 8,958,192 | 844,069 | 1,443,998 | 8,358,263 | - | 8,358,263 |
| Total long-term liabilities | | | | | \$76,672,625 | \$1,937,870 | \$10,231,444 | \$ 68,379,051 | \$ 7,595,305 | \$60,783,746 |

*Net change

All long-term liabilities are generally liquidated by the general fund.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

Business-type Activities:

| Description | Original Amount | Year of Issue | Date of Maturity | Interest Rate | Balance July 1, 2022 | Additions | Deductions | Balance June 30, 2023 | Current Portion | Long-Term Portion |
|---|-----------------|---------------|------------------|---------------|----------------------|--------------|------------|-----------------------|-----------------|-------------------|
| <u>Notes:</u> | | | | | | | | | | |
| Clean Water: | | | | | | | | | | |
| CWF 212-CSL | \$ 2,236,514 | 2015 | 09/30/34 | 2.00% | \$ 1,369,864 | \$ - | \$ 111,826 | \$ 1,258,038 | \$ 111,826 | \$ 1,146,212 |
| CWF 217-CSL | 1,933,314 | 2019 | 04/30/39 | 2.00% | 1,627,206 | - | 96,666 | 1,530,540 | 96,666 | 1,433,874 |
| Total notes | 4,169,828 | | | | 2,997,070 | - | 208,492 | 2,788,578 | 208,492 | 2,580,086 |
| Interim funding obligation (permanently financed) | | | | 2.00% | - | 1,029,914 | - | 1,029,914 | - | 1,029,914 |
| Total long-term debt | | | | | 2,997,070 | 1,029,914 | 208,492 | 3,818,492 | 208,492 | 3,610,000 |
| Compensated absences | | | | | 11,340 | 638 * | - | 11,978 | 11,978 | - |
| OPEB liability | | | | | 20,647 | 22,575 | 6,382 | 36,840 | - | 36,840 |
| Total long-term liabilities | | | | | \$ 3,029,057 | \$ 1,053,127 | \$ 214,874 | \$ 3,867,310 | \$ 220,470 | \$ 3,646,840 |

*Net change

On October 31, 2023, the Town permanently financed the drinking water interim funding obligation for a total of \$1,152,729 pursuant to the project loan and subsidy agreement with the State of Connecticut.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

The following is a summary of principal and interest amounts of bond and note maturities:

| Year Ended June 30, | Governmental Activities | | | Business-Type Activities | |
|------------------------|-------------------------|---------------------|---------------------|--------------------------|-------------------|
| | Bond Principal | Note Principal | Total Interest | Note Principal | Note Interest |
| 2024 | \$ 6,360,000 | \$ 436,952 | \$ 1,571,123 | \$ 208,492 | \$ 53,859 |
| 2025 | 6,385,000 | 469,249 | 1,356,015 | 208,492 | 49,689 |
| 2026 | 6,110,000 | 500,314 | 1,144,221 | 208,492 | 45,520 |
| 2027 | 4,445,000 | 533,190 | 966,875 | 208,492 | 41,351 |
| 2028 | 4,435,000 | 570,078 | 827,841 | 208,492 | 37,181 |
| 2029 | 3,955,000 | 608,749 | 696,247 | 208,492 | 33,011 |
| 2030 | 3,275,000 | 649,671 | 579,750 | 208,492 | 28,841 |
| 2031 | 3,195,000 | 692,171 | 467,989 | 208,492 | 24,672 |
| 2032 | 2,660,000 | 736,696 | 360,089 | 208,492 | 20,502 |
| 2033 | 2,655,000 | 783,726 | 255,463 | 208,492 | 16,332 |
| 2034 | 2,265,000 | 832,597 | 153,841 | 208,492 | 12,162 |
| 2035 | 1,400,000 | 802,869 | 70,683 | 124,621 | 8,551 |
| 2036 | 685,000 | 376,392 | 15,792 | 96,666 | 6,523 |
| 2037 | - | - | - | 96,666 | 4,589 |
| 2038 | - | - | - | 96,666 | 2,653 |
| 2039 | - | - | - | 80,547 | 783 |
| Totals | \$ 47,825,000 | \$ 7,992,654 | \$ 8,465,929 | \$ 2,788,578 | \$ 386,219 |

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$7,992,654 are secured with collateral of the equipment purchased.

3. Statutory debt limitations

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

| Category | Debit Limit | Net Indebtedness | Balance |
|-----------------|----------------|------------------|----------------|
| General purpose | \$ 187,487,444 | \$ 15,690,000 | \$ 171,797,444 |
| Schools | 374,974,889 | 32,135,000 | 342,839,889 |
| Sewer | 312,479,074 | 1,108,093 | 311,370,981 |
| Urban renewal | 270,815,197 | - | 270,815,197 |
| Pension deficit | 249,983,259 | - | 249,983,259 |

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation:

\$ 583,294,271

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**F. Changes in long-term liabilities (continued)**

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

4. Overlapping debt

A summary of overlapping debt is presented below:

| | |
|---------------------------|---------------------|
| Kensington Fire District | \$ 751,322 |
| Worthington Fire District | <u>356,771</u> |
| Total | <u>\$ 1,108,093</u> |

There is also \$6,057,979 of overlapping debt for the Mattabasset District that is related to the water and sewer proprietary fund.

5. Authorized/unissued bonds

The amount of authorized, unissued bonds are as follows:

| <u>Type</u> | <u>Authorized but Unissued</u> |
|-----------------|------------------------------------|
| General purpose | \$ 2,600,675 |
| Schools | 7,554,737 |
| Sewer | <u>1,548,054</u> |
| Total | <u>\$ 11,703,466</u> |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)**6. Leases**

Lease agreements are summarized as follows:

| Description | Year | Lease Term (years) | Interest Rate* | Original Amount | Balance June 30, 2023 |
|--------------------|------|--------------------------|-------------------|--------------------|-----------------------------|
| One Liberty Square | 2022 | 9 | 1.372% | \$ 320,854 | \$ 247,242 |
| Golf carts | 2023 | 5 | 1.372% | 388,408 | 388,408 |
| Total | | | | <u>\$ 709,262</u> | <u>\$ 635,650</u> |

*All interest rates have been imputed based on the rate from a credit spread average from commercial banks plus the cost of funds as there were no interest rates specified in the lease agreement.

| Description | Terms |
|--------------------|--|
| One Liberty Square | In December 2019, the Town entered into a ten-year lease extension for the lease of Unit B of Liberty Square Condominium, owned by the Town of New Britain. Based on this agreement, the Town is paying monthly payments through September 2029. There are no renewal options included in this lease agreement. |
| Golf carts | In May 2023, the Town entered into a five-year lease for golf carts and related equipment. Based on this agreement, the Town is paying annual payments through September 2027. There are no renewal options and the Town does not anticipate purchasing the equipment at fair market value at the end of the lease term. |

The following is a summary of principal and interest payments to maturity:

| Year Ending June 30 | Governmental Activities | |
|------------------------|-------------------------|------------------|
| | Principal | Interest |
| 2024 | \$ 116,138 | \$ 4,490 |
| 2025 | 114,460 | 6,887 |
| 2026 | 116,277 | 5,310 |
| 2027 | 117,875 | 3,711 |
| 2028 | 119,496 | 2,091 |
| 2029 | 41,052 | 448 |
| 2030 | 10,352 | 24 |
| Totals | <u>\$ 635,650</u> | <u>\$ 22,961</u> |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Changes in long-term liabilities (continued)

7. Subscription arrangements

Subscription arrangements are summarized as follows:

| Description | Year | Subscription Term (years) | Interest Rate* | Original Amount | Balance June 30, 2023 |
|------------------------------|------|---------------------------|----------------|-------------------|-----------------------|
| Hosted online index | 2023 | 5 | 2.11% | \$ 527,287 | \$ 406,724 |
| Debt software | 2023 | 3 | 2.04% | 20,426 | 10,535 |
| Time and attendance software | 2023 | 2 | 1.89% | 18,578 | 9,428 |
| Total | | | | <u>\$ 566,291</u> | <u>\$ 426,687</u> |

*All interest rates have been imputed based on the rate from a credit spread average from commercial banks plus the cost of funds as there were no interest rates specified in the lease agreement.

| Description | Terms |
|------------------------------|---|
| Hosted online index | The Town has a subscription arrangement for a hosted online land records index. This arrangement does not include extension or termination terms. |
| Debt software | The Town has a subscription arrangement for debt software. This arrangement does not include extension or termination terms. |
| Time and attendance software | The Town has a subscription arrangement for time and attendance software. This arrangement does not include extension or termination terms. |

The following is a summary of principal and interest payments to maturity:

| Year Ending June 30 | Governmental Activities | |
|---------------------|-------------------------|------------------|
| | Principal | Interest |
| 2024 | \$ 142,152 | \$ 7,791 |
| 2025 | 124,794 | 4,631 |
| 2026 | 127,455 | 1,922 |
| 2027 | 32,286 | 57 |
| Totals | <u>\$ 426,687</u> | <u>\$ 14,401</u> |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Fund balance classifications and restricted net position

Fund balances are composed of the following:

| | General Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------------|--------------------------------|--------------------------------|
| Nonspendable | | | | |
| Leases | \$ 1,157 | \$ - | \$ - | \$ 1,157 |
| Tree purchases | - | - | 5,000 | 5,000 |
| Medical assistance | - | - | 21,965 | 21,965 |
| Library materials | - | - | 41,332 | 41,332 |
| Total nonspendable | <u>1,157</u> | <u>-</u> | <u>68,297</u> | <u>69,454</u> |
| Restricted | | | | |
| Community development | - | - | 16,590 | 16,590 |
| Public safety programs | - | - | 50,767 | 50,767 |
| Health and human services programs | - | - | 16,953 | 16,953 |
| Parks, recreation and libraries programs | - | - | 426,208 | 426,208 |
| School programs | - | - | 1,159,915 | 1,159,915 |
| Lunch program* | - | - | 904,004 | 904,004 |
| ARPA grant projects | - | 1,993,208 | - | 1,993,208 |
| Total restricted | <u>-</u> | <u>1,993,208</u> | <u>2,574,437</u> | <u>4,567,645</u> |
| Committed | | | | |
| Capital projects | | | | |
| Fire truck | - | 247,998 | - | 247,998 |
| Land acquisition and development | - | 205,401 | - | 205,401 |
| Economic development | - | 225,208 | - | 225,208 |
| Police station | - | 276,929 | - | 276,929 |
| Energy and streetlights | - | 902,969 | - | 902,969 |
| Other capital projects | - | 612,968 | - | 612,968 |
| Construction contracts | - | 10,222,889 | - | 10,222,889 |
| Town special events and activities | - | - | 207,996 | 207,996 |
| Parks, recreation and libraries programs | - | - | 162,221 | 162,221 |
| Schools | - | - | 7,328 | 7,328 |
| Total committed | <u>-</u> | <u>12,694,362</u> | <u>377,545</u> | <u>13,071,907</u> |
| Assigned | | | | |
| Pension funding | 743,000 | - | - | 743,000 |
| Subsequent year's budget | 600,000 | - | - | 600,000 |
| Total assigned | <u>1,343,000</u> | <u>-</u> | <u>-</u> | <u>1,343,000</u> |
| Unassigned | <u>16,436,763</u> | <u>-</u> | <u>-</u> | <u>16,436,763</u> |
| Total fund balance | <u>\$ 17,780,920</u> | <u>\$ 14,687,570</u> | <u>\$ 3,020,279</u> | <u>\$ 35,488,769</u> |
| *The amount of net position restricted by enabling legislation totaled: | | | | <u>\$ 904,004</u> |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

IV. Other information

A. Risk management

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. Generally, the Town obtains commercial insurance for these risks, but has chosen to retain limited risks for heart and hypertension claims and employee medical prescriptions claims. The Town contracts with outside organizations to pay claims and provide administrative services. Additionally, insurance coverage has been purchased to limit the Town's liability for worker's compensation, general liability and medical claims. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

The Town is a member in Connecticut Interlocal Risk Management Association ("CIRMA"). CIRMA is a public entity risk pool established under the provisions of the Connecticut General Statutes Section 7-479a et. seq. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing pool coverage with no deductible retention. A separate agreement limits the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk sharing pool. The Town paid CIRMA for provisions of general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to a payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10,000,000 per occurrence.

The Town is a self-insured provider of claims under C.G.S. 7-433c, the Heart and Hypertension Act.

The Town utilizes two risk management funds (the Internal Service Funds) to account for and finance its uninsured risks of loss for general insurance and health insurance. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. All Town departments and agencies are charged premiums by the Internal Service Fund, which are included in department and agency expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Risk management (continued)

The General Insurance Fund charges funds and benefiting activities premiums. The fund purchases insurance, pays heart and hypertension claims, provides ancillary services for the administration of this fund and accumulates reserves. Claims have not exceeded insurance coverage in any of the past three years.

The Medical and Health Insurance Fund also charges funds and benefiting activities premiums. The funds are used to pay claims, purchase medical and health insurance and provide ancillary services. The Town self-insures its employees for medical and dental claims through the use of the Medical and Health Insurance Fund. Maximum liability to the Town per covered participant is \$150,000. The Town retains an insurance policy for employee claims in excess of \$150,000. A third party administers the plan for which the Town pays an administrative fee. The plan is funded monthly by Town and employee contributions, as required. An actuarial study is performed annually.

The Town records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated in the government-wide statements. The claims liability reported is based upon accounting principles which require that a liability for estimated claims incurred but not reported be accrued. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and social factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

| | Claims Payable July 1 | Current year Claims and Changes in Estimates | Claims Paid | Claims Payable June 30 | Current Portion | Long-term Portion |
|--|-----------------------------|---|----------------------|------------------------------|--------------------|----------------------|
| <u>General Insurance Fund (Heart and Hypertension)</u> | | | | | | |
| 2021-2022 | \$ 318,050 | \$ 130,231 | \$ 184,647 | \$ 263,634 | \$ 54,416 | \$ 209,218 |
| 2022-2023 | 263,634 | 46,549 | 200,481 | 109,702 | 83,423 | 26,279 |
| <u>Medical and Health Insurance Fund</u> | | | | | | |
| 2021-2022 | 437,881 | 8,117,672 | 7,851,370 | 704,183 | 704,183 | - |
| 2022-2023 | 704,183 | 9,922,747 | 9,976,785 | 650,145 | 650,145 | - |
| <u>Totals</u> | | | | | | |
| 2021-2022 | <u>\$ 755,931</u> | <u>\$ 8,247,903</u> | <u>\$ 8,036,017</u> | <u>\$ 967,817</u> | <u>\$ 758,599</u> | <u>\$ 209,218</u> |
| 2022-2023 | <u>\$ 967,817</u> | <u>\$ 9,969,296</u> | <u>\$ 10,177,266</u> | <u>\$ 759,847</u> | <u>\$ 733,568</u> | <u>\$ 26,279</u> |

B. Commitments and litigation

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. The resolution of these matters is not expected to have a material adverse effect on the financial condition of the Town.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Tax abatements

The Town is authorized by Connecticut State Statutes to enter into property tax abatement agreements for the purpose of economic development, competitiveness and to encourage business investment. The Town has the following abatement programs:

| Program or Agreement Name | Local |
|---|---|
| Purpose of the program or agreement | Economic development |
| Tax being abated | Real estate |
| Authority under which abatement agreements are entered into | State statute |
| Criteria to be eligible to receive abatement | See tax abatement program document adopted 02/2021; CGS 12-81 projects must involve real property improvements with at least one of the following: |
| | a For office use. |
| | b For manufacturing use. |
| | c For warehouse, storage or distribution use. |
| | d For information technology. |
| | e For recreation facilities. |
| | f For restaurants other than fast food, new retail developments or redevelopment of existing retail properties that involve substantial renovations or restoration of the exterior of the building and improvements to landscaping. |
| How recipients' taxes are reduced | Reduced assessment |
| How the abatement amount is determined | Consistent with State statute, the Town abates taxes over: |
| | 1 3-years with a schedule of 50%/40%/30% for an investment of at least \$50,000 |
| | 2 5-years with a schedule of 50%/40%/30%/20%/10% for an investment of \$1 million |
| | 3 7-years with a schedule of 50%/50%/40%/40%/30%/20%/10% for an investment of \$3 million |
| | 4 10-years with a schedule of 70%/70%/60%/60%/60%/60%/60%/60%/50%/50% for an investment of \$12.5 million |
| Provision for recapturing abated tax, if any | None |
| Types of commitments made by the Town other than to reduce taxes | None |
| Gross dollar amount, on the accrual basis, by which the Town's tax revenues were reduced as a result of abatement agreement | \$183,409 |
| Assessment value | \$5,345,644 |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**D. Jointly governed organizations****The Mattabassett District**

The Mattabassett District (the "District") is a quasi-municipal district established in accordance with State Statutes to provide sewer treatment services for the constituent Towns of Berlin and Cromwell and the constituent Cities of New Britain and Middletown and contractually to the Metropolitan District and the Town of Farmington. As a result of the 2010 census data released in February 2011 and the June 2011 amendment to the state statutes creating the District, the Mattabassett Board of Directors representation is as follows: New Britain-five members, Middletown-four members, Berlin-three members and Cromwell-three members.

The Town pays an annual assessment to the District. The annual assessment includes funds for the payment of the Town's portion of the District's debt service. The Town is responsible for a pro-rata share of the Mattabassett District's debt based on population. As of June 30, the District has \$42,215,883 of debt outstanding. The percentage applicable to the Town is 14.35%, or \$6,057,979. This debt is paid out of the Town's enterprise fund. The District's financial statements can be obtained from www.mattabassettdistrict.org/audits.

V. Pensions and other post-employment benefit plans**A. Town pension plans****1. Plan description****a. Plan administration**

The Town is the sponsor and administrator of a single-employer defined benefit public employee retirement system ("Plan"), the Town of Berlin Employee Retirement Plan, established and administered by the Town to provide pension benefits for its full-time employees who have elected to participate in the plan (excluding teachers covered under the Connecticut State Teachers' Retirement System). The plan is closed to police officers hired after June 30, 2000 and all other employees hired after March 18, 1987.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial statement as a pension trust fund. A separate stand-alone financial report is not issued.

The Plan is governed by the Pension Committee (the "Board"), which is a subcommittee of the Board of Finance.

Management of the Plan rests with the Pension Committee, which consists of 12 members. The 12 members are the Town Manager, Finance Director, Director of Human Resources, Assistant Finance Director, Director of Business Operations, top management representative, and the presidents of each of the six bargaining units. The Committee convenes on a quarterly basis for detailed plan review.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)

b. Plan membership

As of July 1, 2022, membership in the Plan is comprised of the following:

| | |
|---|------------------|
| Retirees and beneficiaries receiving benefits | 14 |
| Terminated employees entitled to benefits | 1 |
| Active members | <u>5</u> |
| Total | <u><u>20</u></u> |

2. Benefit provisions

All full-time employees hired and participating in the plan prior to March 17, 1987, and all police officers hired and participating before July 1, 2000, will receive the higher of the defined contribution earnings (as described in Note V.B) or the benefit due under the old defined benefit plan. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries.

| | |
|--------------------------------------|---|
| Normal retirement | Police: Age 55 or 25 years of service All others: Age 65 |
| Benefit calculation | 2.00% (2.125% for police) times final earnings times years of benefit service (max 25 years for Town employees and 30 for police employees) times ratio of credited service to benefit service at normal retirement less non-self-directed defined contribution account balance |
| Final earnings | Highest average rate of earnings on January 1st of any 5 (3 for police) consecutive calendar years during the last 10 years before normal retirement |
| Early retirement age | Age 55 (age 45 for police) |
| Early retirement service requirement | 10 years |
| Early retirement amount | Actuarially reduced normal retirement benefit to reflect early retirement |
| Service connected disability amount | 60% of rate of earnings as of date of disability reduced by worker's compensation and any other disability benefits received |
| Vesting - age | None |
| Vesting - service | 5 years |
| Vesting - amount | 100% |
| Death benefit amount | Refund of employee contributions plus interest, reduced by any annuity payments made provided 10 year certain and life option not elected |
| Cost of living increases | None |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)**3. Contributions**

Each participant is required to contribute the following percentage of their pensionable wages to the plan.

| | |
|------------------------------------|--|
| Police | 6.00% to the defined contribution plan |
| All others | 5.00% to the defined contribution plan |
| Town | Amount determined by the actuary, considering the member contributions |
| Average active member contribution | None to the defined benefit plan |
| Town contribution | \$185,000 |

4. Investments**a. Investment policy**

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. The investment policy for the defined benefit plan has historically been to protect the pension funds as much as possible from market volatility by investing them in a guaranteed deposit account. The current pension committee is working with its actuaries and investment advisors to revisit this plan to evaluate whether it is still reasonable.

The following is the Committee's adopted asset allocation policy for the plans:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Guaranteed deposit account | <u>100.00%</u> | 0.70% |
| Long-term inflation rate | | <u>2.40%</u> |
| Long-term expected nominal return | | <u>3.10%</u> |

b. Concentrations

There were no investments in any one organization that represented 5.00% or more of the pension plan's net position.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)

c. Rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are summarized above.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

The components of the net pension liability were as follows:

| | |
|---|---------------------|
| Total pension liability | \$ 3,174,565 |
| Plan fiduciary net position | <u>1,990,519</u> |
| Net pension liability | <u>\$ 1,184,046</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>62.70%</u> |

6. Actuarial methods and significant assumptions

| | |
|----------------------------|---|
| Valuation date | July 1, 2022 |
| Actuarial cost method | Entry age normal |
| Amortization method | Level percent |
| Amortization period | 2 years, closed |
| Asset valuation method | Fair value |
| Investment rate of return | 3.50% pre-retirement and 3.24% post-retirement |
| Discount rate | 3.50% |
| Inflation | 2.40% |
| Salary increases | 3.25% for police and 2.75% for all others |
| Cost of living adjustments | None |
| Mortality rates | Pre-retirement: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2021 Post-retirement: IRS 2021 Applicable Mortality Table for 417(e) dynamic |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)

7. Changes from prior year

a. Changes in assumptions

| | From | To |
|---|-------|-------|
| Investment rate of return - post-retirement | 2.16% | 3.24% |

b. Changes in benefit terms

There were no changes in benefit terms from the prior valuation.

8. Discount rate

The discount rate used to measure the total pension liability was 3.50%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rate of return on pension plan investments was used to discount plan liabilities.

9. Changes in the net pension liability

The Town's net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated as noted below. The changes in net pension liability were as follows:

| Valuation Date: July 1, 2022 | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
| Balance at July 1, 2022 | \$ 5,325,856 | \$3,583,681 | \$ 1,742,175 |
| Service cost | 96,076 | - | 96,076 |
| Interest | 157,868 | - | 157,868 |
| Differences between expected and actual experience | 404,900 | - | 404,900 |
| Changes in assumptions | (971,473) | - | (971,473) |
| Contributions - employer | - | 185,000 | (185,000) |
| Net investment income | - | 60,500 | (60,500) |
| Benefit payments, including refunds of member contributions | (1,838,662) | (1,838,662) | - |
| Net change | (2,151,291) | (1,593,162) | (558,129) |
| Balance at June 30, 2023 | \$ 3,174,565 | \$1,990,519 | \$ 1,184,046 |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Town pension plans (continued)

10. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | <u>Discount Rate</u> | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|-----------------------|--------------------------|------------------------|----------------------------------|------------------------|
| Net pension liability | <u>3.50%</u> | <u>\$1,673,903</u> | <u>\$ 1,184,046</u> | <u>\$ 784,539</u> |

11. Pension expense and deferred outflows and inflows of resources

The Town recognized pension expense of \$(378,206).

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <u>Description of Outflows</u> | <u>Deferred Outflows of Resources</u> |
|--|---|
| Net difference between projected and actual earnings on pension plan investments | <u>\$ 79,975</u> |

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of active and inactive employees, which was 1 year.

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending June 30,</u> | |
|---------------------------------|------------------|
| 2024 | \$ 30,310 |
| 2025 | 25,169 |
| 2026 | 17,249 |
| 2027 | <u>7,247</u> |
| Total | <u>\$ 79,975</u> |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**B. Defined contribution retirement savings plan**

The Town provides benefits for all of its full-time employees through a defined contribution plan, the Town of Berlin Employee Retirement Plan. Employees enrolled in the plan before March 17, 1987, and police officers enrolled before July 1, 2000, will receive the better of the defined benefit or defined contribution plan. The defined contribution is computed first and accounted for in the defined contribution section of the plan, which is fully funded. Any difference to which the employee is entitled is computed in the defined benefit component of the plan.

Effective July 2004, in the defined contribution component, the benefits depend upon the combination of the employee contributions (limited to 5.00% of base earnings, 6.00% of base earnings for police officers), which are matched by the employer contributions (200% of employee contribution), plus investment earnings. Employees are allowed to contribute additional funds, which are not matched by the Town. Employees enrolled in the plan prior to July 1, 2004, are fully vested from the date of employment. Effective July 1, 2004, all new participants in the Town's defined contribution plan shall not be vested as to the employer contribution until the fifth anniversary of his/her participation in the plan. Effective January 1, 2015, new employees (other than Police) must wait a year before receiving a match and the match is a 100% match up to 6.00%. Those employed prior to January 1, 2015, were grandfathered under the old rules.

The defined contribution plan became effective on April 1988. The prior contributions were computed and matched by the Town and interest of 4.00% credited to the accounts. Employees contributed \$1,016,308 and the Town's matching share was \$1,700,932. Contribution requirements may be amended by the Town Council subject to various bargaining unit approvals and after the expiration dates specified in the collective bargaining agreements.

During fiscal year 2012, a separate defined contribution plan, the Robert Wolf Plan, was created specifically for the Town's volunteer firefighters. The firefighters have the option to contribute all or a portion of their paid-on-call earnings to the plan. There is no required employer match; however, the Town annually contributes \$500 per qualifying firefighter. Employees contributed \$19,036 and the Town contributed \$26,500.

C. Connecticut state teachers' retirement system**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System ("TRS"), a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

2. Benefit provisions

| | |
|--|---|
| Normal retirement | Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut |
| Benefit calculation | 2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary) |
| Early retirement | 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service |
| Early retirement amount | Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date. |
| Service connected disability amount | 2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary. |
| Non-service connected disability service requirement | Five years of credited service |
| Vesting - service | 10 years of service |
| Vesting - amount | 100% |
| Pre-retirement death benefit amount | Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service |

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employer (school districts)

School district employers are not required to make contributions to the plan.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Connecticut state teachers' retirement system (continued)

Employees

Each teacher is required to contribute 7.00% of their pensionable wages for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The Town reports no amounts for its proportionate share of the collective net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the collective net pension liability, the related State support, and the total portion of the collective net pension liability that was associated with the Town were as follows:

| | |
|--|-----------------------|
| Town's proportionate share of the collective net pension liability | \$ - |
| State's proportionate share of the collective net pension liability associated with the Town | <u>101,492,499</u> |
| Total | <u>\$ 101,492,499</u> |
| During the year the Town recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of Connecticut: | |
| | <u>\$ 8,001,957</u> |

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the net pension liability.

5. Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Investment rate of return | 6.90% |
| Inflation | 2.50% |
| Salary increases | 3.00-6.50%, including inflation |
| Mortality rates | Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019 |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**C. Connecticut state teachers' retirement system (continued)**

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

There were no changes in assumptions from the prior measurement date.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|-------------------|--|
| Domestic equity fund | 20.00% | 5.40% |
| Developed market international stock fund | 11.00% | 6.40% |
| Emerging market international stock fund | 9.00% | 8.60% |
| Core fixed income fund | 13.00% | 0.80% |
| Emerging market debt fund | 5.00% | 3.80% |
| High yield bond fund | 3.00% | 3.40% |
| Real estate fund | 19.00% | 5.20% |
| Private equity | 10.00% | 9.40% |
| Private credit | 5.00% | 6.50% |
| Alternative investments | 3.00% | 3.10% |
| Liquidity fund | 2.00% | (0.40%) |
| Total | 100.00% | |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**C. Connecticut state teachers' retirement system (continued)****6. Discount rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Sensitivity of the net pension liability to changes in the discount rate

The Town's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

D. Other post-employment benefit plan**1. Plan description****a. Plan administration**

The Town, in accordance with various collective bargaining agreements, is committed to providing health and other benefits to certain eligible retirees and their spouses through a single-employer defined benefit plan administered by the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Town does not issue a separate stand-alone financial statement for this program.

b. Plan membership

As of July 1, 2022, the plan's membership consisted of:

| | |
|---|-------------------|
| Retirees and beneficiaries receiving benefits | 40 |
| Active members | <u>620</u> |
| Total | <u><u>660</u></u> |

2. Benefit provisions

The plan provides for health insurance benefits for all eligible Town, Police and Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefit plan (continued)

3. Contributions

Retired program members and beneficiaries currently receiving benefits are required to contribute 100% towards the cost of receiving those benefits under the Town's self-insured medical benefits program.

4. OPEB liability

The OPEB liability was measured as of June 30, 2023 and was \$8,395,103.

5. Actuarial methods and significant assumptions:

| | |
|------------------------------|--|
| Valuation date | July 1, 2022 |
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage |
| Discount rate | 3.65% |
| Salary increases | 3.50% |
| Healthcare cost trend rates: | |
| Inflation | 2.50% |
| Initial medical trend rate | 6.30% |
| Ultimate medical trend rate | 3.90% |
| Mortality rates: | |
| Teachers and Administrators | PubT-2010 Mortality Table with generational projection of future improvements per the MP-2021 ultimate scale |
| Police | PubS-2010 Mortality Table with generational projection of future improvements per the MP-2021 ultimate scale |
| All others | PubG-2010 Mortality Table with generational projection of future improvements per the MP-2021 ultimate scale |

The discount rate was based on the Bond Buyer General Obligation 20 Bond Municipal index as of the measurement date.

6. Changes from prior year

a. Changes in assumptions

| | From | To |
|-----------------------------|---------------|---------------|
| Discount rate | 3.54% | 3.65% |
| Inflation | 2.60% | 2.50% |
| Healthcare cost trend rates | 6.10% - 4.10% | 6.30% - 3.90% |
| Mortality rate | MP Scale-2019 | MP Scale-2021 |

b. Changes in benefit terms

There were no changes in benefit terms.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefit plan (continued)

7. Changes in the OPEB liability

The Town's OPEB liability was measured at June 30, 2023, and was determined by an actuarial valuation dated as noted below:

| | Increase (Decrease) |
|---|---------------------------------|
| <u>Valuation Date: July 1, 2022</u> | <u>Total OPEB Liability</u> |
| Balance at July 1, 2022 | <u>\$ 8,978,839</u> |
| Service cost | 495,664 |
| Interest | 331,573 |
| Differences between expected and actual experience | (1,232,376) |
| Changes in assumptions | 39,407 |
| Benefit payments, including refunds of member contributions | <u>(218,004)</u> |
| Net change | <u>(583,736)</u> |
| Balance at June 30, 2023 | <u><u>\$8,395,103</u></u> |

8. Sensitivity of the OPEB liability to changes in the discount rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

| | Discount Rate | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------|------------------|---------------------|--------------------------|---------------------|
| OPEB liability | <u>3.65%</u> | <u>\$ 9,465,105</u> | <u>\$ 8,395,103</u> | <u>\$ 7,494,632</u> |

9. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

| | Trend Rates | 1% Decrease | Health Care Trend Rates | 1% Increase |
|----------------|----------------------|---------------------|----------------------------|---------------------|
| OPEB liability | <u>6.30% - 3.90%</u> | <u>\$ 7,154,866</u> | <u>\$ 8,395,103</u> | <u>\$ 9,970,711</u> |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefit plan (continued)

10. OPEB expense and deferred outflows/inflows of resources related to OPEB

For the fiscal year, the Town recognized OPEB expense of \$802,063. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| Description of Outflows/ Inflows | Deferred Outflows of Resources | Deferred Inflows of Resources | Net |
|--|--------------------------------------|-------------------------------------|---------------------|
| Differences between expected and actual experience | \$ 204,795 | \$ 1,104,003 | \$ (899,208) |
| Changes in assumptions | 1,531,790 | 1,423,754 | 108,036 |
| Total | <u>\$ 1,736,585</u> | <u>\$ 2,527,757</u> | <u>\$ (791,172)</u> |

Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which was 9.6 years.

Amounts reported as deferred outflows (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30, | |
|---------------------|---------------------|
| 2024 | \$ (25,174) |
| 2025 | (25,174) |
| 2026 | (25,174) |
| 2027 | (6,714) |
| 2028 | (53,568) |
| Thereafter | <u>(655,368)</u> |
| Total | <u>\$ (791,172)</u> |

E. Retiree health care defined contribution plan

The Town has a defined contribution healthcare plan, the Town of Berlin Police Retiree Health Plan, covering police officers that was established in October 2018. The plan provides for retiree health care benefits through reimbursement of eligible medical care expenses including the reimbursement of retiree healthcare premiums upon retirement from the Town. Participation in the plan is mandatory for all eligible police officers. The employee contribution is 2.00%. There is no required Town contribution. The participant's account is 100% vested at all times. Total employee contributions were \$70,790. There were no Town contributions during the year.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Connecticut state teachers' retirement board retiree health insurance plan

1. Plan description

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

| | |
|--|---|
| Normal retirement | Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut |
| Early retirement | 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service |
| Service connected disability service requirement | No service requirement |
| Non-service connected disability service requirement | Five years of credited service |
| Vesting - service | 10 years of service |

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefit. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost.

The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employer (school districts)

School district employers are not required to make contributions to the plan.

Employees

Each member is required to contribute 1.25% of their annual pensionable wages.

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

The Town reports no amounts for its proportionate share of the collective net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Town were as follows:

| | |
|---|---------------------|
| Town's proportionate share of the collective net OPEB liability | \$ - |
| State's proportionate share of the collective net OPEB liability associated with the Town | <u>8,888,415</u> |
| Total | <u>\$ 8,888,415</u> |
| During the year the Town recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of Connecticut: | <u>\$ 113,179</u> |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)

The collective net OPEB liability was measured as of June 30, 2022, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the collective net OPEB liability.

5. Actuarial assumptions

The collective total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|--|
| Investment rate of return | 3.00% |
| Discount rate | 3.53% |
| Inflation | 2.50% |
| Health care cost trend rate (Medicare) | 5.125% decreasing to 4.50% by 2031 |
| Salary increases | 3.00-6.50%, including inflation |
| Mortality rates | Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019 |
| Year fund net position will be depleted | 2027 |

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected geometric rate of return is 1.50%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2022.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**F. Connecticut state teachers' retirement board retiree health insurance plan (continued)****6. Discount rate**

The discount rate used to measure the collective total OPEB liability was 3.53%. The Municipal Bond Index Rate of 3.54% was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

7. Sensitivity of the collective net OPEB liability to changes in the discount rate and the health care cost trend rate

The Town's proportionate share of the collective net OPEB liability is \$0 and, therefore, the change in the discount rate and health care cost trend rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Pension and other post-employment benefit statements

Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
June 30, 2023

| | Pension Trust Funds | | Other Post Employment Benefits Trust | Total |
|---------------------|------------------------|-------------------------|--|---------------|
| | Defined Benefit | Defined Contribution | Defined Contribution | |
| <u>Assets</u> | | | | |
| Cash | \$ - | \$ 2,383 | \$ - | \$ 2,383 |
| Investments: | | | | |
| Mutual funds: | | | | |
| Equity | - | 13,611,004 | 17,058 | 13,628,062 |
| Bond | - | 1,807,471 | - | 1,807,471 |
| Real estate funds | - | 355,486 | - | 355,486 |
| Diversified | - | 22,052,034 | 336,004 | 22,388,038 |
| Annuities | 871,086 | 2,419,835 | - | 3,290,921 |
| Fixed income funds | 1,119,433 | 12,162,021 | 7,944 | 13,289,398 |
| Total investments | 1,990,519 | 52,407,851 | 361,006 | 54,759,376 |
| Accounts receivable | - | 42,920 | - | 42,920 |
| Total assets | 1,990,519 | 52,453,154 | 361,006 | 54,804,679 |
| <u>Liabilities</u> | | | | |
| Due to other funds | - | 90,000 | - | 90,000 |
| <u>Net Position</u> | | | | |
| Restricted for: | | | | |
| Pensions | 1,990,519 | 52,363,154 | - | 54,353,673 |
| OPEB | - | - | 361,006 | 361,006 |
| Total net position | \$ 1,990,519 | \$ 52,363,154 | \$ 361,006 | \$ 54,714,679 |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Pension and other post-employment benefit statements (continued)

Combining Statement of Changes in Fiduciary Net Position
Pension and OPEB Trust Funds
For the Year Ended June 30, 2023

| | Pension Trust Funds | | Other Post Employment Benefits Trust | Total |
|---|------------------------|-------------------------|--|---------------|
| | Defined Benefit | Defined Contribution | Defined Contribution | |
| Additions: | | | | |
| Contributions: | | | | |
| Employer | \$ 185,000 | \$ 1,700,932 | \$ - | \$ 1,885,932 |
| Employee | - | 1,016,308 | 70,790 | 1,087,098 |
| Other | - | 256,219 | - | 256,219 |
| Total contributions | 185,000 | 2,973,459 | 70,790 | 3,229,249 |
| Investment income (loss): | | | | |
| Net change in fair value of investments | 46,774 | 3,644,728 | 35,718 | 3,727,220 |
| Interest and dividends | 13,726 | 1,069,587 | - | 1,083,313 |
| Total investment income (loss) | 60,500 | 4,714,315 | 35,718 | 4,810,533 |
| Total additions | 245,500 | 7,687,774 | 106,508 | 8,039,782 |
| Deductions: | | | | |
| Benefits | 1,838,662 | 4,670,174 | 1,445 | 6,510,281 |
| Administration | - | 213,711 | 1,313 | 215,024 |
| Total deductions | 1,838,662 | 4,883,885 | 2,758 | 6,725,305 |
| Change in net position | (1,593,162) | 2,803,889 | 103,750 | 1,314,477 |
| Net position - July 1, 2022 | 3,583,681 | 49,559,265 | 257,256 | 53,400,202 |
| Net position - June 30, 2023 | \$ 1,990,519 | \$ 52,363,154 | \$ 361,006 | \$ 54,714,679 |

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

VI. Prior period adjustments and fund reclassifications

As a result of the implementation of GASB Statement No. 96, intangible right-to-use subscription assets and subscription payable were recorded as beginning balances. There was no impact on beginning net position. The amounts recorded were increases to the following financial statement accounts:

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Capital assets: | |
| Intangible right-to-use subscription assets | \$ 566,291 |
| Long-term liabilities: | |
| Subscription payable | 566,291 |

Additionally, the Education Grants Fund has been reclassified from a major fund to a nonmajor fund. As a result, the nonmajor fund balance increased by \$386,639.

VII. Subsequent events

Effective July 1, 2023, the Town implemented a new defined benefit pension plan for police, the Police Pension Benefit Fund. All police officers participating in the defined contribution plan as of July 1, 2023, were given a one-time option during a 60-day window period to become a participant in the new defined benefit plan or remain a participant in the defined contribution plan. The buy-in amount was funded by the individual's defined contribution plan account which was transferred to the new defined benefit plan. All police officers hired by the Town on or after July 1, 2023 will not be eligible to participate in the defined contribution plan and will only be eligible to participate in the Police Pension Benefit Fund.

Town of Berlin, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

| | Budgeted Amounts | | | Actual Budgetary Basis | Variance with Final Budget |
|--|-------------------|---|-------------------|------------------------------|-------------------------------|
| | Original | Additional Appropriations and Transfers | Final | | |
| Revenues: | | | | | |
| Property taxes: | | | | | |
| Current tax collections | \$ 83,868,727 | \$ - | \$ 83,868,727 | \$ 84,163,763 | \$ 295,036 |
| Prior tax collections | 500,000 | - | 500,000 | 764,555 | 264,555 |
| Interest | 300,000 | - | 300,000 | 397,793 | 97,793 |
| Lien fees and warrants | - | - | - | 5,186 | 5,186 |
| Suspense collections | 35,000 | - | 35,000 | 126,116 | 91,116 |
| PILOT - elderly housing | 50,000 | - | 50,000 | 51,814 | 1,814 |
| In lieu of taxes | 27,656 | - | 27,656 | 399,591 | 371,935 |
| PILOT - New Britain stadium | - | - | - | 9,500 | 9,500 |
| Telephone access line share | 48,757 | - | 48,757 | 62,012 | 13,255 |
| Total property taxes | 84,830,140 | - | 84,830,140 | 85,980,330 | 1,150,190 |
| Intergovernmental revenue: | | | | | |
| Intergovernmental revenue - schools: | | | | | |
| Private schools | - | - | - | 17,788 | 17,788 |
| Education cost sharing grant | 5,870,600 | - | 5,870,600 | 5,886,220 | 15,620 |
| Total intergovernmental revenue - schools | 5,870,600 | - | 5,870,600 | 5,904,008 | 33,408 |
| Intergovernmental revenue - other: | | | | | |
| Municipal revenue sharing | - | 403,000 | 403,000 | 403,928 | 928 |
| Municipal stabilization grant | 258,989 | - | 258,989 | 258,989 | - |
| Disability, social security | 3,150 | - | 3,150 | 3,124 | (26) |
| Additional veteran exemption | 9,000 | - | 9,000 | 8,111 | (889) |
| Friends against drugs | 3,300 | 4,153 | 7,453 | 4,153 | (3,300) |
| Child and youth services grant | 24,734 | 7,421 | 32,155 | 27,240 | (4,915) |
| State and federal grant | 325,000 | 6,567 | 331,567 | 15,661 | (315,906) |
| Police overtime grant | 50,000 | - | 50,000 | 289 | (49,711) |
| Total intergovernmental revenue - other | 674,173 | 421,141 | 1,095,314 | 721,495 | (373,819) |
| Total intergovernmental revenue | 6,544,773 | 421,141 | 6,965,914 | 6,625,503 | (340,411) |
| Charges for services: | | | | | |
| Licenses, permits and other departments: | | | | | |
| Town clerk fees | 525,000 | - | 525,000 | 460,439 | (64,561) |
| Town clerk dog license fees | 8,000 | - | 8,000 | 11,009 | 3,009 |
| Zoning commission and building inspector | 575,000 | - | 575,000 | 724,862 | 149,862 |
| Planning | 18,000 | - | 18,000 | 27,945 | 9,945 |
| Zoning board of appeals | 3,000 | - | 3,000 | 2,635 | (365) |
| Animal control fees | 1,000 | - | 1,000 | 795 | (205) |
| Police department | 50,000 | - | 50,000 | 57,601 | 7,601 |
| Police services to other agencies | 20,000 | - | 20,000 | 17,423 | (2,577) |
| Outside police services | 470,000 | - | 470,000 | 794,669 | 324,669 |
| Engineering and public works | 8,000 | - | 8,000 | 30,267 | 22,267 |
| Scrap metal | 12,000 | - | 12,000 | 30,122 | 18,122 |
| Parks and recreation | 125,000 | - | 125,000 | 107,422 | (17,578) |
| Golf course revenue | 757,110 | - | 757,110 | 761,826 | 4,716 |
| Golf restaurant rent | 47,600 | - | 47,600 | 47,750 | 150 |
| Golf course season pass revenue | 186,625 | - | 186,625 | 195,000 | 8,375 |
| Golf pro rent | 2,770 | - | 2,770 | 1,731 | (1,039) |
| Golf cart revenue | 388,474 | - | 388,474 | 425,366 | 36,892 |
| Golf range revenue | - | - | - | 14,004 | 14,004 |
| Berlin-Peck memorial library | 500 | - | 500 | 2,536 | 2,036 |
| Library copy fees | 800 | - | 800 | 1,170 | 370 |
| Passport fees | 12,000 | - | 12,000 | 18,235 | 6,235 |
| Berlin public health nursing service | 900,000 | - | 900,000 | 634,309 | (265,691) |
| Summer/field trips | 6,000 | - | 6,000 | 41,808 | 35,808 |
| Senior citizen center | 6,360 | - | 6,360 | 7,530 | 1,170 |
| Total licenses, permits and other departments | 4,123,239 | - | 4,123,239 | 4,416,454 | 293,215 |

(Continued)

See Notes to Required Supplementary Information.

Town of Berlin, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

| | Budgeted Amounts | | | Actual Budgetary Basis | Variance with Final Budget |
|---|-------------------|---|-------------------|------------------------------|-------------------------------|
| | Original | Additional Appropriations and Transfers | Final | | |
| Other services: | | | | | |
| Refund of expenditures | \$ 10,000 | \$ - | \$ 10,000 | \$ 25,020 | \$ 15,020 |
| Sale of land, labor and materials | 7,500 | - | 7,500 | 7,626 | 126 |
| Lease revenue | 175,626 | - | 175,626 | 180,996 | 5,370 |
| Other receipts | 10,000 | - | 10,000 | 5,753 | (4,247) |
| Total other services | 203,126 | - | 203,126 | 219,395 | 16,269 |
| Total charges for services | 4,326,365 | - | 4,326,365 | 4,635,849 | 309,484 |
| Income from investments | 55,000 | 133,000 | 188,000 | 2,100,692 | 1,912,692 |
| Total revenues | 95,756,278 | 554,141 | 96,310,419 | 99,342,374 | 3,031,955 |
| Other financing sources: | | | | | |
| Appropriation of fund balance | 865,000 | 2,100,000 | 2,965,000 | - | (2,965,000) |
| Transfers in | 4,500 | - | 4,500 | 304,500 | 300,000 |
| Total other financing sources | 869,500 | 2,100,000 | 2,969,500 | 304,500 | (2,665,000) |
| Total revenues and other financing sources | 96,625,778 | 2,654,141 | 99,279,919 | 99,646,874 | 366,955 |
| Expenditures: | | | | | |
| General government: | | | | | |
| Managers office | 285,288 | 7,289 | 292,577 | 284,305 | 8,272 |
| Finance department | 922,634 | 14,748 | 937,382 | 884,608 | 52,774 |
| Technology department | 562,881 | 8,894 | 571,775 | 556,581 | 15,194 |
| Collector of revenue | 533,396 | 82,220 | 615,616 | 592,686 | 22,930 |
| Corporation counsel | 418,600 | 1,000,000 | 1,418,600 | 1,359,248 | 59,352 |
| Town wide expenditures | 1,916,168 | (292,996) | 1,623,172 | 1,159,346 | 463,826 |
| Board of finance | 3,742 | - | 3,742 | 2,404 | 1,338 |
| Assessor | 575,446 | (35,495) | 539,951 | 490,682 | 49,269 |
| Registrar of voters | 166,872 | - | 166,872 | 129,598 | 37,274 |
| Town clerk | 406,368 | 21,863 | 428,231 | 407,051 | 21,180 |
| Board of assessment appeals | 1,846 | 700 | 2,546 | 2,363 | 183 |
| Town council | 4,496 | - | 4,496 | 956 | 3,540 |
| Human resources | 204,864 | - | 204,864 | 179,948 | 24,916 |
| Total general government | 6,002,601 | 807,223 | 6,809,824 | 6,049,776 | 760,048 |
| Community development: | | | | | |
| Cemetery committee | 33,735 | - | 33,735 | 29,334 | 4,401 |
| Development services | 541,695 | (281) | 541,414 | 465,892 | 75,522 |
| Planning and zoning commission | 725 | 281 | 1,006 | 991 | 15 |
| Zoning board of appeals | 1,920 | - | 1,920 | 1,407 | 513 |
| Economic development | 230,543 | 2,444 | 232,987 | 222,535 | 10,452 |
| Conservation commission | 4,240 | - | 4,240 | 3,416 | 824 |
| Inland wetlands commission | 4,479 | - | 4,479 | 3,353 | 1,126 |
| Veterans commission | 34,650 | (30,000) | 4,650 | 4,464 | 186 |
| Ethics commission | 483 | - | 483 | - | 483 |
| Aquifer protection commission | 475 | - | 475 | - | 475 |
| Berlin historic district | 1,601 | - | 1,601 | 781 | 820 |
| Charter revision commission | 3,001 | - | 3,001 | 211 | 2,790 |
| Commission for disabled | 649 | - | 649 | 428 | 221 |
| Public building commission | 2,184 | - | 2,184 | 1,289 | 895 |
| Building inspection | 465,978 | 6,747 | 472,725 | 462,155 | 10,570 |
| Total community development | 1,326,358 | (20,809) | 1,305,549 | 1,196,256 | 109,293 |

(Continued)

Town of Berlin, Connecticut
Required Supplementary Information

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

| | Budgeted Amounts | | | Actual Budgetary Basis | Variance with Final Budget |
|--|------------------|---|------------|------------------------------|-------------------------------|
| | Original | Additional Appropriations and Transfers | Final | | |
| Public safety: | | | | | |
| Ambulance contract | \$ 390,991 | \$ - | \$ 390,991 | \$ 389,751 | \$ 1,240 |
| Animal control | 174,428 | - | 174,428 | 155,895 | 18,533 |
| Fire department | 944,961 | (40,000) | 904,961 | 789,035 | 115,926 |
| Police | 8,668,986 | 143,534 | 8,812,520 | 8,449,729 | 362,791 |
| Emergency management | 27,782 | - | 27,782 | 8,991 | 18,791 |
| Fire marshal | 314,998 | 5,854 | 320,852 | 309,684 | 11,168 |
| Total public safety | 10,522,146 | 109,388 | 10,631,534 | 10,103,085 | 528,449 |
| Physical services: | | | | | |
| Municipal garage | 1,426,735 | 2,904 | 1,429,639 | 1,299,203 | 130,436 |
| Public works | 2,703,934 | 9,004 | 2,712,938 | 2,543,139 | 169,799 |
| Highway | 2,227,281 | (49,836) | 2,177,445 | 2,030,922 | 146,523 |
| Public building | 2,058,789 | (3,873) | 2,054,916 | 1,763,745 | 291,171 |
| Total physical services | 8,416,739 | (41,801) | 8,374,938 | 7,637,009 | 737,929 |
| Parks, recreation and libraries: | | | | | |
| Mobile home park | 11,250 | - | 11,250 | 9,891 | 1,359 |
| Recreation | 673,403 | 4,820 | 678,223 | 536,343 | 141,880 |
| Golf course | 1,379,780 | (10,357) | 1,369,423 | 1,247,924 | 121,499 |
| Libraries | 1,269,208 | 12,167 | 1,281,375 | 1,236,483 | 44,892 |
| Public grounds | 1,766,211 | (65,182) | 1,701,029 | 1,574,330 | 126,699 |
| Total parks, recreation and libraries | 5,099,852 | (58,552) | 5,041,300 | 4,604,971 | 436,329 |
| Health and human services: | | | | | |
| Health department | 148,430 | - | 148,430 | 142,490 | 5,940 |
| Nursing services | 1,576,108 | 2,981 | 1,579,089 | 1,406,323 | 172,766 |
| Social and youth services | 342,970 | 16,596 | 359,566 | 334,976 | 24,590 |
| Senior services | 418,132 | 4,756 | 422,888 | 396,405 | 26,483 |
| Total health and human services | 2,485,640 | 24,333 | 2,509,973 | 2,280,194 | 229,779 |
| Schools: | | | | | |
| Private schools | 92,030 | 250 | 92,280 | 79,624 | 12,656 |
| Board of education | 49,082,596 | - | 49,082,596 | 49,080,411 | 2,185 |
| School expenditures | 4,813,741 | (6,974) | 4,806,767 | 4,320,397 | 486,370 |
| Total schools | 53,988,367 | (6,724) | 53,981,643 | 53,480,432 | 501,211 |
| Debt service: | | | | | |
| Debt principal | 6,325,000 | - | 6,325,000 | 6,320,000 | 5,000 |
| Interest and fiscal charges | 1,581,955 | - | 1,581,955 | 1,581,950 | 5 |
| Total debt service | 7,906,955 | - | 7,906,955 | 7,901,950 | 5,005 |
| Total expenditures | 95,748,658 | 813,058 | 96,561,716 | 93,253,673 | 3,308,043 |
| Other financing uses: | | | | | |
| Transfers out | 877,120 | 1,841,083 | 2,718,203 | 2,718,203 | - |
| Total expenditures and other financing uses | 96,625,778 | 2,654,141 | 99,279,919 | 95,971,876 | 3,308,043 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | \$ - | \$ - | \$ - | \$ 3,674,998 | \$ 3,674,998 |

(Concluded)

Town of Berlin, Connecticut
Notes to Required Supplementary Information
For the Year Ended June 30, 2023

Budgets and Budgetary Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

Only the General Fund has a legally adopted annual budget.

This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exception:

- The Town does not recognize as revenue or expenditures payments made for the State Teachers pension and OPEB by the State of Connecticut on the Town's behalf.

Reconciliation to Exhibit D

| <u>Reconciliation to Exhibit D</u> | <u>Revenues</u> | <u>Expenditures</u> |
|---|-----------------------|-----------------------|
| Budgetary Basis - RSI 1 | \$ 99,342,374 | \$ 93,253,673 |
| State Teachers' Retirement on behalf amount | 8,001,957 | 8,001,957 |
| State Teachers' OPEB on behalf amount | <u>113,179</u> | <u>113,179</u> |
| GAAP Basis - Exhibit D | <u>\$ 107,457,510</u> | <u>\$ 101,368,809</u> |

In accordance with Section 7-3 of the Town Charter, the Board of Finance shall prepare and recommend the total Town budget for the annual public budget hearing to be held no later than the second Tuesday in April.

Annual Town Budget Referendum - The Annual Town Budget Referendum for the purpose of voting on the budget shall be held on the last Tuesday of April each year. Should the budget not be adopted by referendum vote, the budget shall be returned to the Board of Finance, which shall submit a revised budget to the Town Council. The Town Council shall send a revised budget to a Second Town Budget Referendum, and the revised budget may be the same as recommended by the Board of Finance or lower. If the budget fails at the Second Town Budget Referendum, the budget shall be returned to the Board of Finance. The Board of Finance shall recommend a revised budget to the Town Council. The Town Council shall adopt the Town budget, and that budget may be the same as recommended by the Board of Finance or lower.

Formal budgetary integration is employed as a management control device during the year.

The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is at the department level.

The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion.

The Town Manager is authorized to make transfers within a department budget. However, the Town Manager is not able to hire additional staffing not authorized by the Town Council. Also, transfers may not be made for major capital items specifically deleted by the Town Council. The Town Manager's authority is limited to \$5,000 for any single transfer.

The Town Council, with approval of the Board of Finance, may, at any time, appropriate funds from contingency. Town meeting approval is required for non-budgeted appropriations exceeding \$25,000 individually or exceeding \$250,000 cumulative annually. The Town Council, with approval of the Board of Finance, may transfer funds from budget appropriations between departments only in the last three months of the fiscal year.

There were additional appropriations made during the year as follows:

| | |
|--------------------|---------------------|
| Additional revenue | \$ 554,141 |
| Fund balance | <u>2,100,000</u> |
| Total | <u>\$ 2,654,141</u> |

Town of Berlin, Connecticut

Required Supplementary Information

Employee Retirement Plan
Last Ten Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Schedule of Changes in Net Pension Liability and Related Ratios | | | | | | | | | | |
| Total pension liability: | \$ 96,076 | \$ 139,927 | \$ 139,130 | \$ 116,348 | \$ 143,822 | \$ 170,718 | \$ 93,056 | \$ 117,272 | \$ 113,033 | \$ 104,337 |
| Service cost | 157,868 | 288,821 | 289,534 | 303,069 | 307,980 | 340,605 | 287,446 | 306,265 | 363,095 | 450,167 |
| Interest | | | | | | | | | | |
| Differences between expected and actual experience | 404,900 | (102,159) | 824,774 | 146,242 | 309,304 | 378,919 | 1,080,795 | 788,138 | (558,319) | - |
| Changes in assumptions | (971,473) | (1,161,557) | 2,162,134 | 865,406 | (437,484) | 353,859 | 2,459,951 | 655,798 | 740,472 | - |
| Benefit payments, including refunds of member contributions | (1,838,662) | (3,869,315) | (3,011,533) | (689,560) | (187,633) | (1,663,462) | (808,399) | (1,576,058) | (1,666,241) | (215,290) |
| Net change in total pension liability | (2,151,291) | (4,704,283) | 404,039 | 741,505 | 135,989 | (419,361) | 3,112,849 | 291,415 | (1,007,960) | 339,214 |
| Total pension liability - July 1 | 5,325,856 | 10,030,139 | 9,626,100 | 8,884,595 | 8,748,606 | 9,167,967 | 6,055,118 | 5,763,703 | 6,771,663 | 6,432,449 |
| Total pension liability - June 30 (a) | \$ 3,174,565 | \$ 5,325,856 | \$ 10,030,139 | \$ 9,626,100 | \$ 8,884,595 | \$ 8,748,606 | \$ 9,167,967 | \$ 6,055,118 | \$ 5,763,703 | \$ 6,771,663 |
| Plan fiduciary net position: | \$ 185,000 | \$ 5,495,840 | \$ 2,185,000 | \$ 1,830,139 | \$ 1,606,701 | \$ 1,448,395 | \$ 700,399 | \$ 700,537 | \$ 1,406,809 | \$ 700,000 |
| Contributions - employer | | | | | | | | | | 290,417 |
| Contributions - member | 60,500 | 45,146 | 40,493 | 46,976 | 22,784 | 15,241 | 10,494 | 19,456 | 37,101 | 24,338 |
| Net investment income (loss) | | | | | | | | | | |
| Benefit payments, including refunds of member contributions | (1,838,662) | (3,869,315) | (3,011,533) | (689,560) | (187,633) | (1,663,462) | (808,399) | (1,576,058) | (1,666,241) | (215,290) |
| Net change in plan fiduciary net position | (1,593,162) | 1,671,471 | (786,040) | 1,187,555 | 1,441,852 | (199,826) | (97,506) | (856,065) | (222,331) | 799,465 |
| Plan fiduciary net position - July 1 | 3,583,681 | 1,912,210 | 2,698,250 | 1,510,695 | 68,843 | 268,669 | 366,175 | 1,222,240 | 1,444,571 | 645,106 |
| Plan fiduciary net position - June 30 (b) | \$ 1,990,519 | \$ 3,583,681 | \$ 1,912,210 | \$ 2,698,250 | \$ 1,510,695 | \$ 68,843 | \$ 268,669 | \$ 366,175 | \$ 1,222,240 | \$ 1,444,571 |
| Net pension liability - June 30 (a)-(b) | \$ 1,184,046 | \$ 1,742,175 | \$ 8,117,929 | \$ 6,927,850 | \$ 7,373,900 | \$ 8,679,763 | \$ 8,899,298 | \$ 5,688,943 | \$ 4,541,463 | \$ 5,327,092 |
| Plan fiduciary net position as a percentage of the total pension liability | 62.70% | 67.29% | 19.06% | 28.03% | 17.00% | 0.79% | 2.93% | 6.05% | 21.21% | 21.33% |
| Covered payroll | \$ 550,838 | \$ 776,492 | \$ 954,644 | \$ 1,283,094 | \$ 1,249,673 | \$ 1,343,801 | \$ 1,452,832 | \$ 1,585,622 | \$ 1,882,367 | \$ 1,958,991 |
| Net pension liability as a percentage of covered payroll | 214.95% | 224.36% | 850.36% | 539.93% | 590.07% | 645.91% | 612.55% | 358.78% | 241.26% | 271.93% |
| Schedule of Investment Returns | | | | | | | | | | |
| Annual money weighted rate of return, net of investment expense | 1.71% | 1.24% | 2.31% | 2.80% | 1.57% | 1.57% | 1.95% | 2.46% | 2.17% | 2.02% |

See Notes to Required Supplementary Information.

Town of Berlin, Connecticut

Required Supplementary Information

Employee Retirement Plan
Schedule of Contributions
Last Ten Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contributions | \$ 2,664,914 | \$ 2,395,640 | \$ 1,762,733 | \$ 1,574,231 | \$ 1,606,701 | \$ 1,448,395 | \$ 913,803 | \$ 918,862 | \$ 1,001,122 | \$ 935,628 |
| Contributions in relation to the actuarially determined contribution | 185,000 | 5,495,640 | 2,185,000 | 1,830,139 | 1,606,701 | 1,448,694 | 700,399 | 700,537 | 1,406,809 | 700,000 |
| Contribution excess (deficiency) | \$ (2,479,914) | \$ 3,100,000 | \$ 422,267 | \$ 255,908 | \$ - | \$ 299 | \$ (213,404) | \$ (218,325) | \$ 405,687 | \$ (235,628) |
| Covered payroll | \$ 550,838 | \$ 776,492 | \$ 954,644 | \$ 1,283,094 | \$ 1,249,673 | \$ 1,343,801 | \$ 1,452,832 | \$ 1,585,622 | \$ 1,882,367 | \$ 1,959,991 |
| Contributions as a percentage of covered payroll | 33.59% | 707.75% | 228.88% | 142.63% | 128.57% | 107.81% | 48.21% | 44.18% | 74.74% | 35.73% |

See Notes to Required Supplementary Information.

Town of Berlin, Connecticut
Notes to Required Supplementary Information

Employee Retirement Plan
Schedule of Contributions
Last Ten Years

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Changes of benefit terms | None | None | None | None | None | None | None | None | None | None |
| The actuarially determined contribution rates are calculated as of | July 1, 2021 | July 1, 2020 | July 1, 2019 | July 1, 2018 | July 1, 2017 | July 1, 2016 | July 1, 2015 | July 1, 2014 | July 1, 2014 | July 1, 2013 |

Actuarial methods and assumptions used to determine contribution rates:

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------------------------------|---|---|---|---|---|---|---|---|---|---|
| Actuarial cost method | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal |
| Amortization method | Level percentage, closed | Level percentage, closed | Level percentage, open | Level percentage, open | Level percentage, open | Level percentage, open | Level percentage, open | Level percentage, open | Level percentage, open | Level percentage, open |
| Asset valuation method | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value |
| Inflation rate | 2.40% | 2.40% | 2.60% | 2.60% | 2.60% | 2.60% | 3.00% | 3.00% | 3.00% | 2.50% |
| Salary increases | 3.25% per year for Police and 2.75% per year for all others | 3.25% per year for Police and 2.75% per year for all others | 3.25% per year for Police and 2.75% for all others | 3.25% per year for Police and 2.75% for all others | 3.25% per year for Police and 2.75% for all others | 3.25% per year for Police and 2.75% for all others | 3.25% per year for Police and 2.75% for all others | 3.75% for Police and 3.0% for all others | 3.75% for Police and 3.0% for all others | 3.75% for Police and 3.0% for all others |
| Investment rate of return (net) | Pre-retirement: 3.50%, Post-retirement: 2.16% | Pre-retirement: 3.50%, Post-retirement: 1.49% | Pre-retirement: 3.50%, Post-retirement: 1.49% | Pre-retirement: 3.50%, Post-retirement: 3.05% | Pre-retirement: 3.50%, Post-retirement: 2.80% | Pre-retirement: 4.00%, Post-retirement: 2.45% | Pre-retirement: 5.00%, Post-retirement: 3.11% | Pre-retirement: 6.00%, Post-retirement: 3.42% | Pre-retirement: 6.00%, Post-retirement: 3.42% | Pre-retirement: 6.00%, Post-retirement: 3.25% |
| Mortality rate | Pre-retirement: Pub-2010 Amount-Weighted Mortality Table projected to valuation date with Scale MP-2021 | Pre-retirement: Pub-2010 Amount-Weighted Mortality Table projected to valuation date with Scale MP-2020 | Pre-retirement: Pub-2010 Amount-Weighted Mortality Table projected to valuation date with Scale MP-2019 | Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018 | Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017 | Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016 | Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2015 | Pre-retirement: RP-2000 Mortality Table projected to the valuation date with Scale BB | Pre-retirement: RP-2000 Mortality Table projected to the valuation date with Scale BB | Pre-retirement: RP-2000 Mortality Table projected to the valuation date with Scale BB |

Town of Berlin, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Nine Years (3)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Schedule of Proportionate Share of the Collective Net Pension Liability | | | | | | | | |
| Town's proportion of the collective net pension liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Town's proportionate share of the collective net pension liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State of Connecticut's proportionate share of the collective net pension liability associated with the Town | 101,492,499 | 80,707,200 | 101,901,939 | 91,066,420 | 70,217,500 | 75,796,445 | 79,965,829 | 62,277,260 | 57,488,298 |
| Total | \$ 101,492,499 | \$ 80,707,200 | \$ 101,901,939 | \$ 91,066,420 | \$ 70,217,500 | \$ 75,796,445 | \$ 79,965,829 | \$ 62,277,260 | \$ 57,488,298 |
| Town's covered payroll | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| Town's proportionate share of the collective net pension liability as a percentage of its covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the collective total pension liability | 54.06% | 60.77% | 49.24% | 52.00% | 57.69% | 55.93% | 52.26% | 59.50% | 61.51% |

Schedule of Contributions

| | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Contractually required contribution (1) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the contractually required contribution | - | - | - | - | - | - | - | - | - |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Town's covered payroll | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| Contributions as a percentage of covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the collective net pension liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.

Town of Berlin, Connecticut

Notes to Required Supplementary Information
 Connecticut State Teachers' Retirement System
 Schedule of Contributions
 Last Nine Years (1)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--|--|--|--|---|--|--|--|--|
| Changes of benefit terms | None | None | None | None | Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary | None | None | None | None |
| The actuarially determined contribution rates are calculated as of | June 30, 2020 | June 30, 2020 | June 30, 2018 | June 30, 2018 | June 30, 2016 | June 30, 2016 | June 30, 2014 | June 30, 2014 | June 30, 2012 |
| Actuarial methods and assumptions used to determine contribution rates: | | | | | | | | | |
| Actuarial cost method | Entry age | Entry age | Entry age | Entry age | Entry age | Entry age | Entry age | Entry age | Entry age |
| Amortization method | Level percent of salary, closed, grading to a level dollar | Level percent of salary, closed, grading to a level dollar | Level percent of salary, closed, grading to a level dollar | Level percent of salary, closed, grading to a level dollar | Level percent of salary, closed | Level percent of salary, closed | Level percent of salary, closed | Level percent of salary, closed | Level percent of salary, closed |
| Remaining amortization period | 27.8 years | 27.8 years | 30 years | 30 years | 20.4 years | 20.4 years | 21.4 years | 21.4 years | 22.4 years |
| Asset valuation method | 4 year smoothing | 4 year smoothing | 4 year smoothing | 4 year smoothing | 4 year smoothing | 4 year smoothing | 4 year smoothing | 4 year smoothing | 4 year smoothing |
| Inflation rate | 2.50% | 2.50% | 2.50% | 2.50% | 2.75% | 2.75% | 3.00% | 3.00% | 3.00% |
| Salary increases | 3.00%-6.50%, average, including inflation | 3.00%-6.50%, average, including inflation | 3.25%-6.50%, average, including inflation | 3.25%-6.50%, average, including inflation | 3.25%-6.50%, average, including inflation | 3.25%-6.50%, average, including inflation | 3.75%-7.00%, average, including inflation | 3.75%-7.00%, average, including inflation | 3.75%-7.00%, average, including inflation |
| Cost-of-living adjustments | 1.75%-3.00% based on retirement date | 1.75%-3.00% based on retirement date | 1.75%-3.00% based on retirement date | 1.75%-3.00% based on retirement date | 1.75%-3.00% based on retirement date | 1.75%-3.00% based on retirement date | 2.00%-3.00% based on retirement date | 2.00%-3.00% based on retirement date | 2.00%-3.00% based on retirement date |
| Investment rate of return (net) | 6.90% | 6.90% | 6.90% | 6.90% | 8.00% | 8.00% | 8.50% | 8.50% | 8.50% |
| Mortality rate | PubT-2010 Table projected generationally with MP-2019 | PubT-2010 Table projected generationally with MP-2019 | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale | RP-2014 White Collar table projected to the year 2020 using the BB improvement scale | RP-2000 Combined Mortality Table projected 19 years using scale AA | RP-2000 Combined Mortality Table projected 19 years using scale AA | RP-2000 Combined Mortality Table projected 19 years using scale AA |

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut

Required Supplementary Information

Other Post-Employment Benefit (OPEB) Plan
Schedule of Changes in OPEB Liability and Related Ratios
Last Six Years ⁽¹⁾

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| OPEB liability: | | | | | | |
| Service cost | \$ 495,664 | \$ 622,957 | \$ 508,474 | \$ 303,119 | \$ 243,686 | \$ 271,596 |
| Interest | 331,573 | 230,094 | 205,556 | 276,898 | 237,407 | 217,457 |
| Differences between expected and actual experience | (1,232,376) | - | 11,983 | - | 401,380 | - |
| Changes in assumptions | 39,407 | (1,772,316) | 758,929 | 835,667 | 1,064,531 | (186,700) |
| Benefit payments, including refunds of member contributions | (218,004) | (261,440) | (234,887) | (226,936) | (231,992) | (196,773) |
| Net change in total OPEB liability | (583,736) | (1,180,705) | 1,250,055 | 1,188,748 | 1,715,012 | 105,580 |
| OPEB liability - July 1 | 8,978,839 | 10,159,544 | 8,909,489 | 7,720,741 | 6,005,729 | 5,900,149 |
| OPEB liability - June 30* | \$ 8,395,103 | \$ 8,978,839 | \$ 10,159,544 | \$ 8,909,489 | \$ 7,720,741 | \$ 6,005,729 |
| Covered employee payroll | \$ 44,973,133 | \$ 44,604,276 | \$ 44,604,276 | \$ 31,377,144 | \$ 31,377,144 | \$ 30,769,557 |
| Total OPEB liability as a percentage of covered employee payroll | 18.67% | 20.13% | 22.78% | 28.39% | 24.61% | 19.52% |

*There are no assets that are being accumulated in a trust that meets the criteria in GASB No. 75 to pay benefits.

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Six Years (3)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|--------------|--------------|---------------|---------------|---------------|---------------|
| Schedule of Proportionate Share of the Collective Net OPEB Liability | | | | | | |
| Town's proportion of the collective net OPEB liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Town's proportionate share of the collective net OPEB liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town | 8,888,415 | 8,792,901 | 15,198,678 | 14,202,322 | 14,036,927 | 19,509,156 |
| Total | \$ 8,888,415 | \$ 8,792,901 | \$ 15,198,678 | \$ 14,202,322 | \$ 14,036,927 | \$ 19,509,156 |
| Town's covered payroll | (2) | (2) | (2) | (2) | (2) | (2) |
| Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the collective total OPEB liability | 9.46% | 6.11% | 2.50% | 2.08% | 1.49% | 1.79% |

Schedule of Contributions

| | | | | | | |
|--|-------|-------|-------|-------|-------|-------|
| Contractually required contribution (1) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the contractually required contribution | - | - | - | - | - | - |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Town's covered payroll | (2) | (2) | (2) | (2) | (2) | (2) |
| Contributions as a percentage of covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the collective net OPEB liability.

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

See Notes to Required Supplementary Information.

Town of Berlin, Connecticut

Notes to Required Supplementary Information
 Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
 Schedule of Contributions
 Last Six Years (1)

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Changes of benefit terms | None | None | None | None | None | None |
| The actuarially determined contribution rates are calculated as of | June 30, 2022 | June 30, 2020 | June 30, 2020 | June 30, 2018 | June 30, 2018 | June 30, 2016 |

Actuarial methods and assumptions used to determine contribution rates:

| | | | | | | |
|---------------------------------|---|---|---|--|--|--|
| Actuarial cost method | Entry age | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal |
| Amortization method | Level percentage, open | Level percentage, open | Level percentage, closed | Level percentage, open | Level percentage, open | Level percentage, open |
| Amortization period | 30 years | 30 years | 30 years | 30 years | 30 years | 30 years |
| Asset valuation method | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value |
| Inflation rate | 2.50% | 2.50% | 2.50% | 2.75% | 2.75% | 2.75% |
| Healthcare inflation rate | Initial 6.75% decreasing to 4.50% (ultimate) by 2023 | Initial 5.125% decreasing to 4.50% (ultimate) by 2023 | Initial 5.125% decreasing to 4.50% (ultimate) by 2023 | Initial 5.95% decreasing to 4.75% (ultimate) by 2025 | Initial 5.95% decreasing to 4.75% (ultimate) by 2025 | Initial 7.25% decreasing to 5.00% (ultimate) by 2022 |
| Salary increases | 3.00% to 6.50%, including inflation | 3.00% to 6.50%, including inflation | 3.00% to 6.50%, including inflation | 3.25% to 6.50%, including inflation | 3.25% to 6.50%, including inflation | 3.25% to 6.50%, including inflation |
| Investment rate of return (net) | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 4.25% |
| Mortality rate | PubT-2010 Table projected generationally with MP-2019 | PubT-2010 Table projected generationally with MP-2019 | PubT-2010 Table projected generationally with MP-2019 | RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale | RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale | RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale |

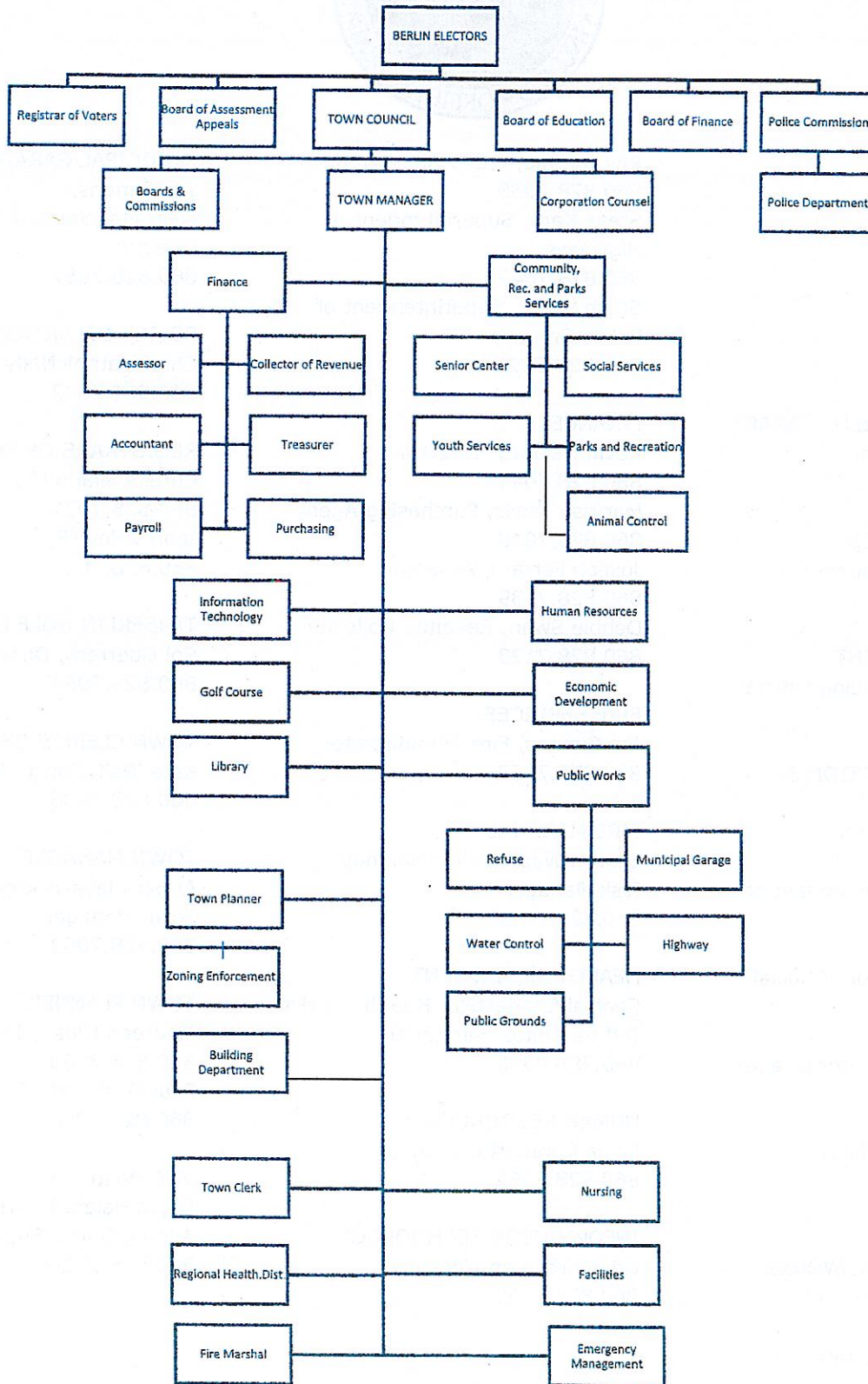
(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut
General Fund
Report of Tax Collector
For the Year Ended June 30, 2023

| Grand List Year | Lawful Corrections | | | | | Collections | | | Uncollected Taxes June 30, 2023 | |
|-------------------|--------------------------------|-------------------|------------|------------|-----------------------|-----------------------------|-----------------|-----------------------------|-----------------------------------|--------------|
| | Uncollected Taxes July 1, 2022 | Current Year Levy | Additions | Deductions | Transfers to Suspense | Adjusted Amount Collectible | Taxes Collected | Interest Liens & Other Fees | | Total |
| 2006 | \$ 2,713 | \$ - | \$ - | \$ 2,713 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2007 | 10,769 | - | - | - | - | 10,769 | - | - | - | 10,769 |
| 2008 | 13,522 | - | - | - | - | 13,522 | - | - | - | 13,522 |
| 2009 | 11,541 | - | - | - | - | 11,541 | - | - | - | 11,541 |
| 2010 | 13,487 | - | - | - | - | 13,487 | - | - | - | 13,487 |
| 2011 | 13,933 | - | - | - | - | 13,933 | 47 | 253 | 300 | 13,886 |
| 2012 | 14,517 | - | - | - | - | 14,517 | - | - | - | 14,517 |
| 2013 | 18,488 | - | - | - | - | 18,488 | 2,744 | 77 | 2,821 | 15,744 |
| 2014 | 36,737 | - | - | - | - | 36,737 | 17,572 | 20,063 | 37,635 | 19,165 |
| 2015 | 35,766 | - | - | - | - | 35,766 | 4,511 | 6,796 | 11,307 | 31,255 |
| 2016 | 51,206 | - | - | 142 | - | 51,064 | 14,923 | 8,060 | 22,983 | 36,141 |
| 2017 | 48,499 | - | 35,899 | 19,893 | - | 64,505 | 26,418 | 17,180 | 43,598 | 38,087 |
| 2018 | 125,857 | - | 2,653 | 178 | - | 128,332 | 73,474 | 32,917 | 106,391 | 54,858 |
| 2019 | 214,944 | - | 3,417 | 178 | - | 218,183 | 158,020 | 55,804 | 213,824 | 60,163 |
| 2020 | 745,556 | - | 2,540 | 11,115 | 134,639 | 602,342 | 488,413 | 90,712 | 579,125 | 113,929 |
| Total Prior Years | 1,357,535 | - | 44,509 | 34,219 | 134,639 | 1,233,186 | 786,122 | 231,862 | 1,017,984 | 447,064 |
| 2021 | - | 84,905,597 | 58,737 | 412,924 | - | 84,551,410 | 83,873,930 | 183,562 | 84,057,492 | 677,480 |
| Total All Years | \$ 1,357,535 | \$ 84,905,597 | \$ 103,246 | \$ 447,143 | \$ 134,639 | \$ 85,784,596 | \$ 84,660,052 | \$ 415,424 | \$ 85,075,476 | 1,124,544 |
| | | | | | | | | | Tax interest receivable | 528,377 |
| | | | | | | | | | Allowance for uncollectible taxes | (558,466) |
| | | | | | | | | | Property taxes receivable (net) | \$ 1,094,455 |

Town of Berlin, Connecticut

Organizational Chart





ADMINISTRATION

Arosha Jayawickrema
Town Manager
860.828.7003

ANIMAL CONTROL

Jan Lund, Officer
860.828.7055

BERLIN-PECK MEMORIAL LIBRARY

Carrie Tyszka, Director
860.828.7131

BOARD OF EDUCATION

Brian Benigni, Superintendent
860.828.5017

BUILDING DEPARTMENT

Frank Van Linter, Building Official
860.828.7012

COMMUNITY, RECREATION & PARK SERVICES

Jennifer Ochoa, Director
860.828.7010
Debra Dennis, Superintendent of
Recreation
860.828.7056
Jaymee Miller, Director of Social
and Youth Services
860.828.7059
Tina Doyle, Senior Center Director
860.828.7050

ECONOMIC DEVELOPMENT

Chris Edge, Director
860.828.7005

ENGINEERING/PUBLIC WORKS

Mike Ahern, P.E. Engineer/Director
860.828.7022
Doug Solek, Facilities Director
860.828.7139

Ray Jarema, P.E. Water Control
860.828.7065
Steve Karp, Superintendent of
Highways
860.828.7047
Steve Wood, Superintendent of
Public Grounds
860-828-7025

FINANCE

Kevin Delaney, Director
860.828.7044
Maryssa Tsolis, Purchasing Agent
860.828.7048
Joseph Ferraro, Assessor
860.828.7039
Debbie Swan, Revenue Collector
860.828.7123

FIRE SERVICES

Jim Simons, Fire Administrator
860.828.7057

FIRE MARSHAL

Steven Waznia, Fire Marshal/
Risk Manager
860.828.7053

HEALTH DEPARTMENT

Central Connecticut Health District
Jeff Vecchitto, Sanitarian
860.785.8380

HUMAN RESOURCES

Paula Carabetta, Director
860.828.7062

INFORMATION TECHNOLOGY

Brian Freeman, Director
860.828.7095

MUNICIPAL GARAGE

Jim Simons,
Fleet Management
Director
860.828.7057

POLICE DEPARTMENT

Chief Matt McNally
860.828.7092

REGISTRARS OF VOTERS

Christy Miano (D)
860.828.7021
Joan Veley (R)
860.828.7020

TIMBERLIN GOLF COURSE

Sol Guerrero, Director
860.828.7054

TOWN CLERK'S OFFICE

Kate Wall, Town Clerk
860.828.7036

TOWN MANAGER

Arosha Jayawickrema
Town Manager
860.828.7003

TOWN PLANNER

Maureen Giusti, Town Planner
860.828.7060
Paul Morbidelli, Zoning Officer
860.828.7008

VNA (Visting Nurses Association)

Edyta Halas, Interim
Admin/Clnical Supervisor
860.828.7026

Special recognition and thanks to Peter Galgano for providing the beautiful cover picture of the Gold Star Families Memorial Monument. Peter served in the US Marine Corps during Vietnam and is an active member of the Veteran's Commission.