

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
APRIL 9, 2024
Remote Meeting
7:00 P.M.

[https://berlinct-
gov.zoom.us/j/4148724481?pwd=SkpBQmd1U0NoNTF5U0dWTXZGVUhUT09&omn=82498248846](https://berlinct.gov.zoom.us/j/4148724481?pwd=SkpBQmd1U0NoNTF5U0dWTXZGVUhUT09&omn=82498248846)

Call-in Option: 1 929 205 6099 United States Toll
Meeting ID: 414 872 4481
Passcode: 539615

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. PUBLIC COMMENTS

E. APPROVAL OF PRIOR MINUTES March 4, 2024, Regular Budget Meeting
March 6, 2024, Regular Budget Meeting
March 11, 2024, Regular Budget Meeting
March 12, 2024, Regular Board of Finance Meeting
March 20, 2024, Regular Budget Meeting

F. NEW BUSINESS

1. Move to transfer \$577,500.00, as detailed on the accompanying spreadsheet to be attached to the minutes, to cover higher than budgeted expenditures in identified accounts.
2. Move to approve the resolution making certain findings with respect to completed capital projects and repealing remaining authorized but unissued debt and expenditure authority for such projects totaling \$1,588,508.
3. Discuss post-referendum meeting schedule – 5/1 or 5/2?
4. Finance Director update.

G. ADJOURNMENT

TOWN OF BERLIN
REGULAR BOARD OF FINANCE BUDGET MEETING
Monday, March 4, 2024
Town Council Chambers or Remote Option
7:00 P.M.

<https://berlingov.zoom.us/j/4148724481?pwd=SkpBQmd1U0NoNTF5U0dWTXZGVUhIUT09&omn=89676476293>

Call-in Option: 1 929 205 6099
Meeting ID: 414 872 4481
Passcode: 539615

A. CALL TO ORDER

Chairman Bordonaro called the meeting to order at 7:00 p.m.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Denise McNair, George Millerd, Gerald Paradis

Members Absent: None

Staff Present:

Kevin Delaney – Finance Director
Arosha Jayawickrema – Town Manager
Mark Kaczynski - Mayor
Jim Simons - Fleet Manager/Fire Administrator
Matthew McNally – Chief of Police

D. DISCUSSION OF INDIVIDUAL BUDGETS:

1. Overall Budget

Town Manager Jayawickrema thanked all of the department heads for putting the material together. There are a couple of long-term planning initiatives in the budget. We are close to reaching our goal of 46 Police Officers. The budget includes the pension and staffing needs of the police department. Also, we are currently working on the Willard HVAC project and plan to get started at Hubbard and Griswold this summer. There are also some capital items we need to address.

Finance Director Delaney said the budget needs to be structurally balanced and stable. Areas of investment in FY25 include infrastructure, public safety and economic development. The total proposal is \$106.8M and up 7.2% from the prior year. It would increase the mill rate by 2.2 mills. The grand list increased by 2.11%. Berlin is down about 5% in motor vehicle value, but up 22% in personal property.

The 2025 budget breakdown is 60% Board of Education and 40% non-Board of Education which is consistent with other towns. We have fund balance for leveling, spending and making investments while spreading the cost over a few years. Some towns have an ordinance that when the percent of the budget

of fund balance exceeds a certain level, the excess amount is automatically moved to capital non-reoccurring. Town Council can then decide what capital to invest in. It avoids a lot of the annual activity.

The Town of Berlin has excellent cash flow, and the tax collection rate has been in excess of 99%. We plan to budget for 99.3%, which will help keep the mill rate lower. It has been more than 5 years since the town has bonded or put roads and sidewalks into the budget. We have been relying on grant money from the state and completing 2 to 3 miles of roads each year. The GOFA model shows a 17%-25% target for unassigned fund balance. The town requires at least 11%.

Mr. Millerd asked if every town's fund balance is published somewhere? Finance Director Delaney said it is published yearly by OPM in their municipal fiscal indicators report.

2. Revenue

Finance Director Delaney said local taxes fund 88.4% of the General Fund budget. The Town of Berlin has a very good tax collection rate. The grant for the state motor vehicle tax has been removed. The Education Cost Sharing (ECS) grant has increased by the state. Interest income increased by \$245k and that number depends on what the Federal Reserve does with rates.

Chairman Bordonaro asked what is the premise on the interest income number in the budget? Finance Director Delaney said the premise is that we plan to continue to get about a 5% interest rate. We are assuming to clear out the remaining balance of ARPA money and we will finish paying on the three road projects by Porters Pass. There will be less interest money available.

3. Transfers

Finance Director Delaney said the operating transfer for DB legal/actuarial costs is going up by \$10k. We now have an active pension plan and that comes with more requirements. Energy lease payments will be lowered by \$59,500 and that reduces Debt Service. The local match for future grants is increasing by \$400k. Mr. Millerd asked if the local matching amount is a sunk cost whether we receive the grant or not? Because there are added costs to have engineering studies performed. Town Manager Jayawickrema said the grants are not guaranteed, but you must submit an engineering plan. There is a chance that you could spend that money and not get any of the grant money, but since I've been here, we have not been denied grant money.

4. Long-term Liabilities

Finance Director Delaney said that debt and pension are the two pieces of long-term liabilities. We will retire \$6,385,000 of existing principle this year. Borrowing had been zero over the last few years, but now we have items such as the police station renovation, school HVAC upgrades, BHS track repaving/resurfacing, police station radios and Town Hall roof replacement that need to get done and we expect to borrow for those. In April we will hear about the school HVAC grant money status. A bond ordinance is required for the BHS track, police station radios and Town Hall roof.

The police pension plan increased by \$132k because there are more people now in the plan. There are a number of other things on the horizon that we shouldn't push out into the future. There are bridges, roads, school windows and boilers. The town also has two turf fields to maintain, so consideration should be given to creating a sinking fund for future turf replacements.

The closed pension plan has come down and has 3 active participants and 12 retirees/beneficiaries. It is not factored into the tax rate, however the new pension plan is in the tax rate. We are looking at just under \$1.6M with pensions.

Mr. Grady asked if the school HVAC projects need to be put out to referendum? Finance Director Delaney said you could put any one of them out to referendum, but there are two existing ordinances both below \$5M and each school is considered a separate project as required by the state. The Town Council and the Board of Finance approved the bond ordinances. If the projects come back from bid and are more than \$5M, then a referendum is required for the additional funding.

Mr. Fernandes asked if we could put the town hall roof into the bond ordinance for the police station renovation because the police station is housed in the same location. Finance Director Delaney said that would be a stretch in the use of the money because it is intended for renovations of the police station. Also, the police station is located in the basement. Mr. Fernandes asked if the police station radios could be part of it? Director of Finance said conceivably yes, but they might want to use that funding for other projects within the police station.

Chairman Bordonaro said the fund balance would be closer to 16% if we took out the police station renovation. We will need to have a discussion to reconcile.

5. Capital

Finance Director Delaney said the Town of Berlin has considerable assets that require maintenance and periodic replacement. We have 37 bridges, 110 miles of roads, 5 schools, etc. Departments requested \$6.3M in General Fund capital. The priority one items total \$1.3M and the primary focus is public safety, vehicles, building infrastructure and recreation infrastructure. I encourage funding all of this.

6. General Government

Town Manager Jayawickrema said we reduced about \$1.3M from the proposed budget and about \$380k was capital. We are taking off 3 positions for the VNA and fully funding 4 Police Officers at \$562k. New and revised staffing is \$308k. The VNA headcount was reduced by \$378k. The minimum number of staff members required by law at the VNA is one Administrator/Clinical Supervisor, one RN and one RA. We propose to eliminate both Home Health Aides, reduce one RN and have a combined position which is the Administrator/Clinical Supervisor. We will have 2 nurses and 2 staff members which will go down to 1 in December. The plan is to have the revenue deficit lowered \$600k by 2025.

Mr. Millerd said we are stuck with this because it is in the charter, but we tried to get out of that. Nobody tried to advocate getting rid of the functions of the VNA. We wanted to see what the best way to do it was, but did not give them a look at what that alternative might look like. I still don't think this is a good business to be in. I'm not sure this model is providing the best health services for a wide range of people in this town. We need to think if there a better service that could be provided and come back to the Town Council and say here is what we could do and maybe revisit this charter thing one more time as a parallel effort. Town Manager Jayawickrema said he agrees and is open to looking into that. There are only 3 VNA's left in the state: Berlin, Westbrook and Orange. Everybody else is out of it.

The operating costs are \$740k. Mr. Fernandes asked about the \$40k for the fire department protective clothing. Fire Administrator Simons said there were a series of recommendations that came out of a house bill and they said that every firefighter should have two sets of gear. The \$40k is for 10 sets of gear. We would start with the more active firefighters and go down the list from there, so you will see it again every year.

Mr. Millerd asked about wages and salaries, the increases range from 0 to 8%. Could we get details on which groups belong to a union contract and what percent increase they are obligated to receive? Finance Director Delaney said they delineated that way in the budget. Blue Collar is our Blue Collar Union and

Clerical is our White Collar Union. They are split out that way. There is an annual increase and also steps for the increases.

Chairman Bordonaro asked about the FY24 potential cost improvement because of vacant positions that were not showing. We said between \$600k to \$1.2M in our opportunities. If it exists in FY24, did it get adjusted in FY25? It has been going on for 4 years. Finance Director Delaney said it is because of turnover, especially in the Planning Department where it has happened more than once. The Police Department is now getting more stabilized, but had experienced some of that 3 or 4 years in a row. Town Manager Jayawickrema added that we are experiencing some retirements at the Town Hall as well, but they give us advance notice to start looking and ideally we can provide some period of overlap.

Mayor Kaczynski asked why we had so many turnovers. Finance Director Delaney said a couple of them had better opportunities.

Town Manager Jayawickrema said for the Berlin Water Control, we want to know the actual value of our water and sewer system and plan to put some money aside to have an audit done.

E. ADJOURNMENT

Mr. Paradis moved to adjourn at 8:44 p.m.

Seconded by Mr. Grady.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0

Submitted by,
Alina Brown

TOWN OF BERLIN
REGULAR BOARD OF FINANCE BUDGET MEETING
Wednesday, March 6, 2024
Board of Education Meeting Room or Remote Option
7:00 P.M.

[https://berlinct-
gov.zoom.us/j/4148724481?pwd=SkpBQmd1U0NoNTF5U0dWTXZGVUhIUT09&omn=81187338141](https://berlinct.gov.zoom.us/j/4148724481?pwd=SkpBQmd1U0NoNTF5U0dWTXZGVUhIUT09&omn=81187338141)

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A. CALL TO ORDER

Chairman Bordonaro called the meeting to order at 7:00 p.m.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

Board of Finance Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Denise McNair, George Millerd, Gerald Paradis

Members Absent: None

Board of Education Members Present: Brian DeLude, Julia Dennis, Melissa Gibons, Jennifer JurgenGina Nappi, Adam Salina, Tracy Sisti, Peter, Zarabozo

Members Absent: Jaymee Miller

Staff Present:

Kevin Delaney – Finance Director

Arosha Jayawickrema – Town Manager

Mark Kaczynski – Mayor

Ashley Dorsey – Board of Education Finance Director

Brian Benigni- Superintendent

D. DISCUSSION OF INDIVIDUAL BUDGETS: Board of Education

Board of Education President Dennis reviewed numerous awards the district and many different students achieved over the last year.

Berlin Public Schools is doing an excellent job and our Board of Education is working really hard to come together as a board to do what is right and best for all. The Board of Education was proactive and adopted Financial Literacy 4 or 5 years ago as a graduation requirement, which then became into a state mandate this year. By creating competitive programs and offerings, more students want to stay in Berlin

Public Schools and that is another achievement to celebrate. We also have BHS YouTube TV that is run by and managed by the students. Without our funding we would not be able to do what we do.

Chairman Bordonaro said last year the Board of Education identified a slew of cuts that were going to be made, but this is telling me that we have increases to staff. Board of Education President Dennis said cuts were in fact made. That was discussed by the Finance and Operations Committee, a subcommittee of the Board of Education and those meetings are open to the public. We discuss what we are going to cut. This presentation is based on the current adopted budget for the fiscal year 2024-2025. I talked about us cutting certain positions and then having to add them back in. Superintendent Benigni said I have a list of things that we saved. We had an ESSER account and we had summer programming. We cut the summer program and it didn't operate. Also, there are anomalies in the budget from when we start planning in January and until we finish in May. Those anomalies allow us to have funds. We have funds when people leave and when we have open para professional positions. We use those funds to get the staff that we need back that we did not want to cut in the first place, but had to based on the number.

Chairman Bordonaro said you didn't make any cuts. Superintendent Benigni said we had 3.5 FTE in 2024 for new staff. We were hiring for a short term math position, which turned into a full time position to obtain a qualified person. The second was a certified Special Education teacher at Willard for our greatest need students and the IT Technician was to avoid paying for a 3rd party to operate our security cameras. There were cost savings and rationale as to why we need these positions and couldn't do without them.

Chairman Bordonaro said those were the answers he was looking for in his letter to the Board of Education and there should be some follow-up with the parents to inform them. My questions were to get a status of where things are. Board of Education President Dennis said she recommends having a Board of Finance member come to Board of Education meetings where everything is discussed and they are also available by video. The information is publicly disclosed in our meetings. I want to have a collaborative working relationship with the Board of Finance and Chairman Bordonaro can call me directly anytime if there are questions.

Mr. Paradis asked what types of items were funded in prior years by ESSER and Open Choice where those funds are no longer available? Board of Education Director Dorsey said the bulk of our Open Choice funds go to certified salaries for our specialists and support staff. Everything that is budgeted in Open Choice this year, is going to be budgeted next year. We maintain a reserve since we don't receive the funding until the 2nd quarter of the year. For ESSER, we decided to move 2 positions, a math and reading specialist which were originally in the General Fund. We moved those eligible positions to ESSER for this fiscal year. For next year we decided to fund the ESS middle school program through Open Choice.

Mayor Kaczynski said he would like to see a note added where things were cut because he still doesn't know what was cut or not, or paid for with other funds. Superintendent Benigni said if money becomes available somehow, we are going to put staff and programs back. Mayor Kaczynski asked for it to be noted in the chart. Superintendent Benigni agreed and was having the information sent to Mayor Kaczynski.

Chairman Bordonaro said that for historical purposes, the Board of Education asked for a 4.67% increase in FY23 and received a 3.6% increase. They did a good job working with that amount and there is usually budget surplus remaining each year. The Board of Education always seems to be on the high side for what is being requested.

Mayor Kaczynski said we have an unbelievable school system and that is why everybody wants to move to Berlin. It is good to hear what is going on in the school system. Superintendent Benigni said I appreciate hearing that we are doing a good job. There needs to be funding in order to do a good job.

E. ADJOURNMENT

Chairman Bordonaro moved to adjourn at 8:31 p.m.

Seconded by Commissioner Paradis.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0

Submitted by,
Alina Brown

TOWN OF BERLIN
REGULAR BOARD OF FINANCE BUDGET MEETING
Monday, March 11, 2024
Town Council Chambers or Remote Option
7:00 P.M.

<https://berlingov.zoom.us/j/4148724481?pwd=SkpBQmdlU0NoNTF5U0dWTXZGVUhUT09&omn=82752725131>
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A. CALL TO ORDER

Chairman Bordonaro called the meeting to order at 7:00 p.m.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Denise McNair, George Millerd, Gerald Paradis

Members Absent: None

Staff Present:

Brian Freeman – IT Director
Kevin Delaney – Finance Director
Ashley Dorsey – Board of Education Finance Director
Drew Gallupe – Deputy Police Chief
Arosha Jayawickrema – Town Manager
Mark Kaczynski – Mayor
Matthew McNally – Police Chief

D. AUDIENCE OF CITIZENS

Cara Staus, 67 Metacomet Dr.

Ms. Staus said she is the current chair of the VNA. There were some details in the March 4, 2024 Board of Finance meeting that were inaccurate. It was stated that there was a member of the VNA Board that had to step down after being elected to the Board of Education, as being the most qualified member of the VNA Board and that other board members had no experience. The VNA Board has 8 of 12 filled positions. It is a large board for such a small agency, but that is driven by the charter. Half of the 8 individuals have direct home care experience. I have more than 25 years in healthcare management. Two of the board members are former employees of the VNA and one is a retired nurse with over 30 years of experience. The current board has a wealth of experience in home care.

I'm going on my 3rd VNA Administrator since having stepped into the chair role in 2022. There has been a lot of change, but the VNA has experience in clinical operations and has nurses on the

board. Board recruitment is a challenge, it has never been a full board since I've joined. People may be hesitant to step into an organization where there is uncertainty. There has been conflict raised over what is going on with the VNA.

Healthcare is a regulated organization with regulatory compliance components that an agency must adhere to. The Board of Finance asked why we can't have a businessperson run the agency. Per the Department of Public Health, it needs to be a clinical person that meets the requirements with a certain level of education. Also, the budget doesn't allow adding an additional FTE with business management experience to drive the referrals.

When the prior Administrator/Supervisor announced her departure, I reached out to Town Manager Jayawickrema to share my concerns on where the position should go and what we can do. I made a recommendation for marketing. Marketing drives referrals, but resources are limited. You need a person to meet continuously with the referral sources.

Herb Watson, 181 Hudson St.

Mr. Watson said he is the Vice Chair of the Worthington Historic District. Our function for the historic district is to maintain the look and feel of the Worthington Historic District. We lose on average about one or two trees a year in the historic district and very few if any have been replanted. We have developed a street tree program to maintain the look of the historic district. It is voluntary and a resident in the district would have to fill out a short application form and could apply to have two street trees planted in the curbside area. There is a short list of approved street trees and it would be done by the town at the town's expense. I spoke to the Superintendents and they are both on board with it. The pricing is \$350 per tree, plus another \$350 to plant the tree. The program was approved at our last meeting and that is where we are at.

Mr. Paradis asked if these monies are in the budget? Finance Director Delaney said no. Mr. Watson said the state has a generous grant program, but it is only for reforesting urban underprivileged areas. I have a call into them to officially confirm that information. Mr. Grady asked if the board looked into bidding it out to a private contractor to install these trees? Mr. Watson said it would probably be more money than this, but I will find out.

Joan Veley and Christy Miano, Town of Berlin - Registrar of Voters

Ms. Veley said that in a few weeks we will be hosting our first early voting presidential primary. We are forced to move from part time positions to full time positions because of the state requirements. They are providing training and changing over the whole system. We have more responsibility, bringing in more office workers and maintaining 100% retention of all election workers. With the added workload, we are looking to be treated with equitable pay for the job that we now have to do. We have added 534 added hours to our schedule this year. It will become over 30 hours on average for the year and we have a tremendous task ahead.

Chairman Bordonaro asked if the baseline rate is predicated on 20 hours per week? Ms. Veley said yes. Early voting starts March 26 and November is the big presidential election. There will be 14 days of consecutive early voting, weekends included.

Ms. McNair asked if the figures in the proposed budget are for 5 hours per week? Ms. Miano said it was for full time. Mr. Millerd added that it is not in the Town Manager's budget. Mr. Paradis said this lays out a lot of hours for the early voting requirement that is an unfunded state mandate. Are you aware of any assistance that they are giving towns? Ms. Veley said they are offering one-time assistance which is the \$10k grant that we had applied for. It is only for 2024. Finance Director Delaney said it has to be used by this fall.

Samantha Sullivan, 18 Garden Dr.

Ms. Sullivan said I've met with Town Manager Jayawickrema and Parks and Recreation Director Ochoa. I also had a meeting at the police station because of the kids that were driving in the middle of the street. My solution was looking for an opportunity to help them. We need a place for kids to go. Berlin does not have bike lanes established as they do in other towns perhaps due to funding. Berlin keeps taxes low, but when you compare our 29.56 mill rate to other towns, Cromwell is 26.4 and Middletown is 28. These other towns are still able to have cool things.

Our parks don't have a skate park and somewhere to ride bikes and going to Sage Park means crossing the Berlin Turnpike to get there, unless you live over there. Parks and Recreation Director Ochoa said that funding is low and we are doing the best we can with what money we have been given. Ms. Sullivan said it would be helpful if we had a helper. The Boys and Girls Club of New Britain was funded mostly by the Tomasso Group. There are big corporations out there and we need to be more creative and reach out to people.

We seem to offer the same stuff for years and other towns are just going past us. I know money is an issue. After the Berlin High School loan is paid off, will there be money available to have parks and events, etc.? Chairman Bordonaro said we free up some balances as we pay down the loan and can apply that money to the budget, but we currently have \$9M of bonding planned to do major projects.

Ms. Sullivan asked if the Town of Berlin compares notes with other towns on how they can afford to have new schools, parks and programs, etc. Chairman Bordonaro said no, but the schools have extracurricular programs for kids. Ms. Sullivan said that some parents can't afford to pay for these programs or can bring their kids to these programs. Also, basketball isn't available for K-2nd grade students in Berlin and it costs \$80 for a swimming pool season pass.

Ms. Sullivan asked if the town has grant writers? Town Manager Jayawickrema said we have a part time Economic Development grant writer. There are a bunch of programs that we have to advocate for. Chairman Bordonaro said the Board of Finance is responsible for the finance budgets. Any department head in town can come forward to us if they have a program and say here is the cost of the program. We are not going to create that program; you need to get with them. Ms. Sullivan said she did that already and was told to come to the Board of Finance meetings and advocate for them.

E. DISCUSSION OF DEPARTMENT BUDGETS

Finance Director Delaney said last year there was a proposal to add 4 Police Officers and bring forward a pension. The proposals were identified separately. Both of those items were implemented. The 4 Police Officers were approved, but not funded and the pension was approved by the Town Council and is in place. All of that is embedded this year to show the

\$1.2M increase in Public Safety. The interest rate that we are projected to earn on cash this year is 5%.

Chairman Bordonaro said there were a few areas of above average increases compared to previous years. Finance Director Delaney said there have been a couple of structural changes in the schools. There is a supervising nurse that has moved to a mid-management level position. Also, other contractual increases for facilities mid-managers. We are also moving 25% of the VNA Administrator cost from the VNA to Department 61 to reflect the time she spends managing school nurses/aides.

Chairman Bordonaro asked if we should make an adjustment for FY25 for any turnover? Each year we end up with positions not filled or turnover. Finance Director Delaney said there are encumbrances. If vacancies are filled then I would caution you to leave the money in there.

Chairman Bordonaro said we have been increasing staff in the Police Department, but did we drop any OT in this budget? Finance Director Delaney said he would caution against that as the actual amounts have been coming in higher and we are transferring money to cover that. Deputy Chief Gallupe said we are currently at 43 Police Officers and actively looking to hire 3 more. It takes a year before they are actively on the road. The OT is going to go down, but we don't see a huge drop for next year. We may get up to full staffing over the next 5 years and hold it there. Mr. Fernandes asked if there is an anticipated need for more police officers? Deputy Chief Gallupe said the need for staffing is going to continue as more new developments are built. Most of our OT is ordinance to fill patrol shifts. We must allow for sick time and vacation and be able to cover that. We also have a lot of crime trends in town that we have been dealing with and putting people on OT time to try to combat that.

Chairman Bordonaro said that computer licenses have gone up this year. Director of Finance Delaney said the biggest thing driving that is cyber security. We also have added Dropbox licenses to help us move away from paper by scanning documents.

Chairman Bordonaro asked about the Public Building Commission (PBC) increase and why we are contracting the service? Finance Director Delaney said we pay 30% on audits and require an outside firm to do the extensive work. The number had been going down over the years. There are a lot of building projects that are referred to the PBC and they need to hire consultants for the projects to continue. A number of the mobile home park residents are moving out, or passing away and many times the homes are not in a condition to be sold and reused. This is money to demolish it for safety reasons. Mr. Millerd asked how often do you have it in there as normal budgeted amount? Town Manager Jayawickrema said they are getting old and it is just starting to happen, we have 2 more.

Chairman Bordonaro said the town attorney rate has increased, is there a contract or do we bid this? Finance Director Delaney said in 2016 it was outsourced and Corporation Counsel Donofrio was appointed. Every two years the Town Council reappoints the town attorney. Corporation Counsel Donofrio was appointed in 2023 at the higher rate and it was the first increase since 2016.

Mr. Fernandes asked if we plan to update the police department computer systems? IT Director Freeman said we plan to update the wi-fi and maybe add a few more computers in different

areas. The server is scheduled to be replaced in the next couple of years. Mr. Fernandes asked about where we are with the radio system upgrade project. Deputy Chief Gallupe said we have a deficiency in our radio system and looked at several different options. It would be significantly less to go to the state system which a lot of departments in this area are doing. We would be sharing the states radio system and it comes with a fairly significant cost to reprogram all of our radios and rebuild some infrastructure. We are waiting to find out the number in a few weeks.

There is no fee to join the state system and we would be able to talk to other departments on the same frequency. Police Chief McNally said one of the current legislature bills is to remove roadblocks from agency sharing resources. We partner with mid-state towns such as Middletown, Meriden and East Hampton. We are excited about this opportunity and the state would also be able to better hear us too. I sit as a commissioner on the state's Emergency 911 Committee and I think we will be able to do this. There will be some cost involved, but not nearly as much as if we decided to build a new tower.

Chairman Bordonaro asked if there is an update on bonding for the school HVAC systems. Board of Education Finance Director Dorsey said no, that will come in April.

Mr. Millerd asked if the list of capital items is in the budget? Finance Director Delaney said all of the items are included in the budget. Mr. Millerd asked if the Willard solar panel ballast blocks are under warranty for replacement? Finance Director Delaney said they are not under warranty.

- a. Review of prior meeting follow up requests.
- b. Discuss and possible vote on adjustments to the General Government, Board of Education and/or Berlin Water Control budgets.
- c. Possible vote to send budgets to the Annual Budget Hearing:
 - i. Move to send the Board of Education budget of \$ _____ to the Annual Budget Hearing.
 - ii. Move to send the General Government budget of \$ _____ to the Annual Budget Hearing.
 - iii. Move to send the Berlin Water Control budget of \$ _____ to the Annual Budget Hearing.

F. ADJOURNMENT

Mr. Paradis moved to adjourn at 8:30 p.m.

Seconded by Mr. Grady.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0

Submitted by.
Alina Brown

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
MARCH 12, 2024
“Doc” McIntosh Conference Room or Remote Meeting
7:00 P.M.

[https://berlinct-
gov.zoom.us/j/4148724481?pwd=SkpBQmd1U0NoNTF5U0dWTXZGVUhlUT09&omn=84561191944](https://berlinct.gov.zoom.us/j/4148724481?pwd=SkpBQmd1U0NoNTF5U0dWTXZGVUhlUT09&omn=84561191944)

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A. CALL TO ORDER

Chairman Bordonaro called the meeting to order at 7:00 p.m.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Denise McNair, George Millerd, Gerald Paradis (joined at 7:11 p.m.)

Members Absent: None

Staff Present:

Kevin Delaney – Finance Director
Arosha Jayawickrema – Town Manager
Mark Kaczynski - Mayor
Matthew McNally – Police Chief
Donna Veach – Town Councilor / State Representative

D. PUBLIC COMMENTS

None.

E. APPROVAL OF PRIOR MINUTES February 13, 2024, Regular Meeting

Mr. Grady moved to approve the February 13, 2024 Regular Meeting minutes.

Seconded by Mr. Fernandes.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd

Vote being 5-0. (MOTION CARRIED)

F. NEW BUSINESS

1. Move to approve the transfer of \$40,000 from Vehicle Fuel into Auto Parts, both in the General Fund, to cover expenditures due to increases in the cost of parts and larger repair jobs for the remainder of Fiscal Year 2024.

Mr. Grady moved to approve the transfer of \$40,000 from Vehicle Fuel into Auto Parts, both in the General Fund, to cover expenditures due to increases in the cost of parts and larger repair jobs for the remainder of Fiscal Year 2024.

Seconded by Mr. Fernandes.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd

Vote being 5-0. (MOTION CARRIED)

2. Move to appropriate \$31,165.50 from the Sale of Land, Labor, & Materials Revenue Account to the Vehicle Reserve to be used for the purchase of vehicles Account in the Capital Nonrecurring Fund.

Mr. Grady moved to appropriate \$31,165.50 from the Sale of Land, Labor, & Materials Revenue Account to the Vehicle Reserve to be used for the purchase of vehicles Account in the Capital Nonrecurring Fund.

Seconded by Mr. Fernandes.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd

Vote being 5-0. (MOTION CARRIED)

3. Move to appropriate an \$8,000 Historic Documents Preservation Grant to the Document Preservation account in the Special Revenue Fund.

Mr. Paradis moved to appropriate an \$8,000 Historic Documents Preservation Grant to the Document Preservation account in the Special Revenue Fund.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd

Vote being 5-0. (MOTION CARRIED)

4. Move to appropriate the \$750,000 State Urban Grant to the Police Station Renovation Grant account in the Police Station Construction Fund.

Mr. Grady moved to appropriate the \$750,000 State Urban Grant to the Police Station Renovation Grant account in the Police Station Construction Fund.

Seconded by Mr. Fernandes.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd

Vote being 5-0. (MOTION CARRIED)

5. Move to approve a transfer of \$30,000 from the ADA Improvements account to the Senior Center Van account, both in the CNR Fund.

Mr. Grady moved to approve a transfer of \$30,000 from the ADA Improvements account to the Senior Center Van account, both in the CNR Fund.

Seconded by Mr. Fernandes.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd

Vote being 5-0. (MOTION CARRIED)

1. Finance Director update.

Finance Director Delaney said we were behind last month on current year tax receipts, but that gap has closed with February collections. Expenditures are a bit higher than fiscal year to date last year, but we are still expected to be on or below budget. The VNA had a good revenue month and made \$64k. We have some substantial projects that are finishing up. Some are state funded and will likely come in at under budget, the money would be returned to the state.

2. Discussion of department budgets

Chairman Bordonaro asked how many Police Officers are in the current budget ?
Finance Director Delaney said 42 and we are budgeting 46 in FY25.

Chairman Bordonaro asked Police Chief McNally how he plans to bring down OT for FY25. Police Chief McNally said we could start by not waving fees for non-profit events because those amounts are taken directly from the Police Departments budget. The number has gone up since we've been tracking it. Town Council needs to approve the fee waiver. The Police Officers still need to get paid for that work and it is taken out of our budget and it is usually OT hours.

The types of crimes that we are responding to has changed. There is also more required training, and we have to backfill when sending our personnel to the mandated training which is no longer funded by the state. Our shifts run on minimum manpower numbers. We are the emergency medical responders for the town and those numbers are consistent with medical calls. What generates the OT is that it takes us a year from the time that we identify a person and hire them to when we can get them out on the road. We have 3 people in the academy and looking to get 3 more to get to 46. It will take until the beginning of 2025 to get to full personnel. That is our plan to get to full strength. The OT will go down once we have everybody in place working.

Mr. Grady asked how much OT is for mandated vs. non-mandated training? How much time is used to fill those slots. Police Chief McNally said we try not to send people to training if it creates an overtime situation. It only happens when we have to send people to mandated training. We would have to further research that to provide the numbers.

Mr. Millerd asked if we pay salaries while people are in the academy? Police Chief McNally said yes, the academy is for 6 months and if they pass, there is a field training officer component for about 15 weeks. Then they become a probationary officer for a year. As the department grows, the amount of training also grows because you have more personnel.

a. Review of prior meeting follow up requests.

Finance Director Delaney provided answers to follow-up questions from the last meeting. Leases are projecting to be \$186k for FY24 and include the cellphone tower leases and leases for mobile homes. For FY25 we are budgeting \$150k. Town Clerk is projecting \$450k-\$460k for FY24 with the biggest driver being conveyance tax revenue. Building is \$700k-\$775 and the VNA is estimated at \$500k-\$525k.

b. Discuss and vote on adjustments to the General Government, Board of Education and/or Berlin Water Control budgets.

Mr. Millerd made a motion to increase the VNA Revenue by \$100k, from \$350k to \$450k

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

Ms. McNair asked why back taxes are flat to the current budget? Finance Director Delaney said we assumed that 70% of outstanding taxes will be collected.. The assumption was based on questions the Town Council raised about tax sales. Finance Director Delaney indicated that staff is unsure if the Town Council wants to continue with tax sales based on comments at recent meetings. Tax sales generate a high percentage of back tax collections, so the budget reflects the unknown.

Mr. Paradis made a motion to increase the Building Inspection Revenue by \$75k to \$650k.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis made a motion to increase Lease Revenue by \$50k.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis made a motion to add \$258,989 to the Municipal Revenue Grant.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

Finance Director Delaney said there are two large items that won't be on the books next year. We had over \$5M from ARPA to spend on the Willard HVAC project, but that money will be gone once the project is completed. The town also received \$5.5M from the LOTCIP grant to do roads and we get billed in December or January.

Mr. Paradis made a motion to increase Interest Revenue by \$150k.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

Mr. Millerd moved to make the part time Animal Control Officer position full-time and leave \$78,292 in the Benefits and Labor portion of the budget.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to take the \$400k in Transfers and move it to Town Wide and reduce it by \$150k.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis made a motion to reduce the Public Building Contractual Services account by \$75k

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

The Board of Finance discussed the increase for the Registrars of Voters. Mr. Grady said he would be good with having them track their hours leading up to the election and pay based on hourly rate for this year. Next year a decision can be made on how to go forward with this. It went from 300 hours to 550 hours. Chairman Bordonaro said he is good with the \$10k. Finance Director Delaney said part of this election cycle is falling into March and April. The first part of that will be in this fiscal year. We will need to do a transfer for that and then have a better idea. Town Manager Jayawickrema said to keep the \$10k and pay whatever the stipend is this fiscal year.

Mr. Paradis said we are planning the details of a bond issue and could push the first payment out to July and delay the first principle payment until fiscal year 2026. Mr. Paradis asked if the same delay could be done with interest? Finance Director Delaney said no, lenders expect interest payments every 6 months.

Mr. Paradis made a motion to reduce the Principal Payments- Town for June by \$200,500 and the Principal Payments – School by \$334,500.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0. (MOTION CARRIED)

Finance Director Delaney said with the current changes, the mill rate would be brought down to 30.82. From a 2.22% increase to a 1.26% increase. Mr. Paradis asked to not remove the \$67k for Timberlin Golf Course capital item as it is coming from fees paid.

Mr. Millerd said he would like to come in at a 2% Board of Education increase to start with. We need to have some sensitivity to those that are retired and on fixed incomes. Chairman Bordonaro said we have done good with funding the Board of Education over the last several years. Mr. Millerd said the Board of Education may have ample justification and there is always a vote. Mayor Kaczynski added that the Board of Finance could not answer the question to the public of what they had cut. Mr. Paradis said he is at 3.2% increase after reviewing the proposed Board of Education budget. Chairman Bordonaro said the Board of Education historically receives a lower percentage than requested and still has room in the budget. The Board of Finance will need to put some more thought into this. Finance Director Delaney said the next meeting is Wednesday, March 20.

- i. Move to send the Board of Education budget of \$ _____ to the Annual Budget Hearing.
- ii. Move to send the General Government budget of \$ _____ to the Annual Budget Hearing.
- iii. Move to send the Berlin Water Control budget of \$ _____ to the Annual Budget Hearing.

3. ADJOURNMENT

Mr. Paradis moved to adjourn at 9:22 p.m.

Seconded by Mr. Grady.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0

Submitted by,
Alina Brown

TOWN OF BERLIN
REGULAR BOARD OF FINANCE BUDGET MEETING
Wednesday, March 20, 2024
Town Council Chambers or Remote Option
7:00 P.M.

<https://berlinct-gov.zoom.us/j/4148724481?pwd=SkpBQmd1U0NoNTF5U0dWTXZGVUhIUT09&omn=89607266971>

Call-in Option: 1 929 205 6099
Meeting ID: 414 872 4481
Passcode: 539615

A. CALL TO ORDER

Chairman Bordonaro called the meeting to order at 7:00 p.m.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Denise McNair, George Millerd, Gerald Paradis

Members Absent: None

Staff Present:

Kevin Delaney – Finance Director
Arosha Jayawickrema – Town Manager
Mark Kaczynski – Mayor
Doug Solek – Facilities Director

Mr. Paradis motioned to amend the agenda by adding an item. The Town Council approved a transfer last night for the Timberlin Golf Course to buy used equipment, a greens mower, and to avoid the delay of waiting until the next Board of Finance meeting, it would be best to vote on it now.

Seconded by Mr. Grady.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0 (MOTION CARRIED)

Move to approve the request to transfer \$35,000 from the Pickup Truck account to the Greens Mower account both in the Capital Nonrecurring Fund.

Mr. Paradis moved to approve the request to transfer \$35,000 from the Pickup Truck account to the Greens Mower account both in the Capital Nonrecurring Fund.

Seconded by Mr. Grady.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0 (MOTION CARRIED)

D. DISCUSSION OF DEPARTMENT BUDGETS

- a. Review of prior meeting follow up requests.
- b. Discuss and vote on adjustments to the General Government, Board of Education and/or Berlin Water Control budgets. *See Dashboard on berlinct.gov (Finance Budget)*

Chairman Bordonaro said we should use fund balance to cover capital. It would keep us in the 14% range of available fund balance by the end of the year. Ms. McNair said she is not a fan of cutting all the capital from budgets. It is better to try to fund capital every year to some extent and look at the individual requests. It is good to do a little each year so that it doesn't hit you all at once.

Mr. Paradis said we have been funding capital by fund balance over the last 6 years. It will probably continue until we do not have any fund balance to do it. There is one item in the capital budget for the Timberlin Golf Course (greens mower at \$67,359), but they put the revenues from the golf course against their expenditures. It is paid for by revenues generated through the golf course. I would suggest cutting all of it, except that, as it is not coming out of taxpayer funds.

Mr. Grady said we've had surpluses every year, cutting capital this year would be a good process to do again. Mr. Fernandes said I'm not a fan of using fund balance, but it is what it is. Chairman Bordonaro said there has been fund balance excess every year. We don't want to increase taxes when we have \$3-\$4M of additional opportunity money. Ms. McNair said I'd rather see something like \$200k-\$400k vs. the \$1.3M that is requested. If so much was put aside every year, there would be that fund for capital items yearly. Chairman Bordonaro agreed and said that is where we want to be, but not for this year.

Mr. Paradis motioned to remove all capital except for the mower at \$67,359 from the budget.

Seconded by Mr. Grady.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Mr. Millerd, Mr. Paradis

Those voting not in favor: Ms. McNair

Vote being 5-1 (MOTION CARRIED)

Mr. Bordonaro said I want to challenge the town side to see if they can come up with \$200k of deductions. I would recommend removing \$50k from Public Works for storm related OT. Also cut the contractual services from the School Expense 3561 by \$50k and cut the operating materials for School Expense 3561 by \$50k. Plus, a \$50k reduction on police department OT.

Ms. McNair said I'm a little uncomfortable at this stage doing it for those two accounts. Mr. Paradis said we can still vote to change the numbers after the public hearing. Mr. Fernandes asked if we should do \$150k now and wait for the Police Department after the

meeting? Mr. Paradis said he would like to know what is in the \$50k that would be removed from Contractual Services. Finance Director Delaney said you have boiler inspections, elevator inspections, etc. The Public Grounds budget was already reduced because Public Grounds has been supporting the schools through the budget. That money was pulled out of Dept 45 and put into Department 61.

Facilities Director Solek said for the past few years we have not been able to expend all of our funds. We have many contracts where all of the rates and materials are going up. Our workload has also been increased. We have a full staff now and the preventative maintenance is much more aggressive. We have an aging infrastructure and less funding in capital. The costs are going up. It would be irresponsible for me to tell you that we do not need more money, or that we are not going to spend more than in years past.

Town Manager Jayawickrema asked if we have emergencies and elevators don't function, do we come back to the Board of Finance and ask for the contingency money to be released? Mr. Grady said yes, the same with the Police Department OT. If they could come back and say this is why we need the extra money.

Ms. McNair asked if the \$200k or even \$100k would make that much of a difference to the mill rate? Finance Director Delaney said no. Ms. McNair said she is reluctant to do it at this point.

Chairman Bordonaro said we have not touched the town budget expenditures. Town Manager Jayawickrema said he hammered the budget before it got to the Board of Finance. Finance Director Delaney said the General Government budget increased 0.6% last year. As you continue to see inflation and labor costs go up, there are also embedded wage increases as we have agreed to the union contracts and to retain people. It has been 2% or less for the last several years.

Mr. Paradis said after seeing the list of different things that go into Department 61, I don't want to slow things down because they have to come back for a transfer or an additional appropriation. Mr. Fernandes said that he agrees. Chairman Bordonaro said let's think about it some more and we can discuss it at the budget forum.

Chairman Bordonaro said that Mr. Grady, Mr. Millerd and himself are at a 2% increase for the Board of Education. Mr. Paradis is at 3.2%, Mr. Fernandes is at 4.2% and Ms. McNair is at 3.2%-3.5%. Chairman Bordonaro said he is comfortable with 2% or 2.5%. They ask for more than they get, but then have residual funds leftover from what they do receive.

Mr. Fernandes said there are no more ESSER funds, there is inflation and the contractual agreements signed with unions. Superintendent Benigni needs a 4.2% increase based on his budget. Ms. McNair added that there are people that don't have children in the school system, but still appreciate the school system. I don't want to go so low that it is perceived as hurting the schools, but not all the way to 4.2% either. Mr. Millerd said the parents are the ones that go out and vote. Mr. Grady said no matter what we approve, there is going to be a battle. They are turning out million dollar surpluses. I'm comfortable with 2.5%.

Mr. Millerd said we should be in concert with inflation rates. Ms. McNair said that is why I would go with 3%. Mr. Grady said he would be good with 2.75%, or 2.8% if we could trim on the town side to be in that neighborhood.

Ms. McNair motioned to increase the Board of Education budget by 3%.

Seconded by Mr. Paradis.

Those voting in favor: Ms. McNair, Mr. Paradis

Those voting not in favor: Mr. Fernandes, Mr. Grady, Mr. Millerd, Mr. Bordonaro, Mr. Paradis

Vote being 2-4 (Motion denied)

Chairman Bordonaro made a motion to increase the Board of Finance Budget by 2.75%.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Grady, Mr. Millerd

Those voting not in favor: Mr. Fernandes, Ms. McNair

Mr. Paradis abstained and said we will hear what the people say at the budget hearing. We will still have a chance to change it.

Vote: 3-2-1. (Motion approved)

c. Vote to send budgets to the Annual Budget Hearing:

- i. Move to send the Board of Education budget of \$52,252,092 to the Annual Budget Hearing.

Mr. Paradis moved to send the Board of Education budget of \$52,252,092 to the Annual Budget Hearing.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Those voting not in favor: Mr. Fernandes

Vote being 5-1 (Motion Approved)

- ii. Move to send the General Government budget of \$50,570,442 to the Annual Budget Hearing.

Mr. Paradis moved to send the General Government budget of \$50,570,442 to the Annual Budget Hearing.

Vote being 6-0 (Motion Approved)

- i. Move to send the Berlin Water Control budget of \$8,287,469 to the Annual Budget Hearing.

Mr. Paradis moved to send the Berlin Water Control budget of \$8,287,469 to the Annual Budget Hearing.

Seconded by Mr. Grady.

Those voting in favor: Chairman Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0 (Motion Approved)

Mr. Millerd asked if these are really 3 separate votes? Finance Director Delaney said yes, it is one budget. If one piece is not moved forward by the Board of Finance, the entire budget would move forward at the FY24 funding level. It is a bifurcated vote, but one budget.

E. ADJOURNMENT

Mr. Paradis moved to adjourn at 7:48 p.m.

Seconded by Mr. Grady..

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Ms. McNair, Mr. Millerd, Mr. Paradis

Vote being 6-0

Submitted by,
Alina Brown

**Agenda Item No. F-1
Request for Board of Finance Action**

TO: The Board of Finance
FROM: Arosha Jayawickrema, Town Manager
DATE: March 8, 2024
SUBJECT: Budget Transfers

Summary of Agenda Item:

Over the course of the fiscal year some accounts exceed budget for different reasons. All higher than budgeted costs are offset in other parts of the budget or contingency. No new money is being appropriated with this request. These items are summarized on the Budget Adjustments spreadsheet submitted with this action item.

Action Needed:

Move to transfer \$577,500.00, as detailed on the accompanying spreadsheet to be attached to the minutes, to cover higher than budgeted expenditures in identified accounts.

Attachments:

Budget Adjustments spreadsheet

Prepared By:

Kevin Delaney, Finance Director

**Budget Adjustments
March 19, 2024**

<u>Department</u>	<u>GL Account #</u>		<u>From</u>	<u>To</u>	<u>Explanation</u>
Police	001.15.1532.0.51400.00000	Overtime		\$330,000.00	
	001.30.3054.0.51125.00000	Mid-Managers Personnel	\$20,000.00		
	001.10.1014.0.51125.00000	Mid-Managers Personnel	\$20,000.00		Staffing levels during FY24 required the PD to cover shifts with overtime. Savings from vacant positions in the PD and other Town departments covers most of the higher overtime. Savings in schools electricity and the assumption that no more than one eligible officer will retire with a sick payout in FY24 covers the balance of the cost.
	001.35.3561.0.53102.00000	Electricity	\$100,000.00		
	001.15.1532.0.51811.00000	In Lieu of Sick Pay (Retirees)	\$40,000.00		
	001.15.1532.0.51140.00000	Police Personnel	\$150,000.00		
Police	001.15.1532.0.53916.00000	Professional Development		\$43,500.00	
	001.35.3561.0.53730.00000	Insurance	\$10,000.00		As the department hires up to 46 sworn officers, the department is required to pay for the Academy for new recruits and for professional development of newly promoted officers.
	001.05.0507.0.53730.00000	Insurance	\$33,500.00		
Police	001.15.1532.0.52300.00000	Uniforms		\$30,000.00	
	001.25.2542.0.51530.00000	Recreation Program Help	\$6,500.00		As the department hires up to 46 sworn officers, the department is required to purchase uniforms and equipment for the new officers. The new hires plus a higher than budgeted uniform allowance for all officers (included in the Police union contract settled after the FY24 budget was adopted), result in higher than budgeted uniform costs.
	001.20.2038.0.51100.00000	Department Head	\$7,500.00		
	001.35.3561.0.51100.00000	Department Head	\$16,000.00		
Police	001.15.1532.0.52200.00000	Pension		\$1,000.00	When the final conversion decisions were made between DC and DB pension, there was a small overbudget amount in the DC pension account.
	001.15.1532.0.52100.00000	Social Security	\$1,000.00		

Golf Course										
	001.25.2543.0.53917.00000	Water & Sewer								\$18,000.00
	001.25.2543.0.53730.00000	Insurance							\$3,000.00	
	001.25.2543.0.53106.00000	Vehicle Fuel							\$5,000.00	
	001.25.2543.0.53102.00000	Electricity							\$10,000.00	

		GENERAL FUND TOTAL							<u>\$422,500.00</u>	<u>\$422,500.00</u>
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WATER CONTROL TOTAL

									\$0.00	\$0.00
	001.45.4567.0.59622.00000	Transfer to Other Funds							\$155,000.00	
	001.40.4065.0.59500.02053	Issue of June 2023							\$155,000.00	

		CAPITAL PROJECTS TOTAL							<u>\$155,000.00</u>	<u>\$155,000.00</u>
		GRAND TOTAL							<u>\$577,500.00</u>	<u>\$577,500.00</u>

Timberlin water has run 2-3x higher than historical levels during FY24. The driver of the increase has not been identified, but the course has an outstanding bill and one more to be billed before year-end. This transfer aligns with the expected last bill amount.

Funds are available in the insurance account because the annual renewal (settled after the FY24 budget was adopted) was lower than budgeted. Vehicle fuel rates during FY24 were lower than budgeted.

The adopted FY24 budget included debt service for Police Station renovation borrowing, but the borrowing did not take place in June 2023. These funds are being transferred to the Police Station Renovation account in the Police Construction Fund to reduce the amount that will ultimately be borrowed for the project.

**Agenda Item No. F-2
Request for Board of Finance Action**

TO: The Board of Finance

FROM: Arosha Jayawickrema, Town Manager

DATE: March 26, 2024

SUBJECT: De-authorize Debt & Expenditure Authority

Summary of Agenda Item:

Best practice in debt management calls for a review of outstanding debt authorized but unissued at least annually. Finance and the Town's bond counsel have a process to review the list of outstanding bond authority and request the Board of Finance de-authorize debt no longer needed each before June 30th each year. This motion is the culmination of that effort.

Action Needed:

Move to approve the resolution making certain findings with respect to completed capital projects and repealing remaining authorized but unissued debt and expenditure authority for such projects totaling \$1,588,508.

Attachments:

Resolution Repealing Remaining Authorized but Unissued Debt and Expenditure Authority

Prepared By:

Kevin Delaney, Finance Director

RESOLUTION MAKING CERTAIN FINDINGS WITH RESPECT TO
COMPLETED CAPITAL PROJECTS AND REPEALING REMAINING
AUTHORIZED BUT UNISSUED DEBT AND EXPENDITURE AUTHORITY
FOR SUCH PROJECTS

Section 1. The Board of Finance hereby makes the following findings and determinations:

(i) Town of Berlin has authorized the issuance of bonds and notes of the Town to finance and construct various capital purposes on the dates and in the amounts identified in the following table:

Project	Purpose	Date Authorized (Council Approval/BOF if applicable)	Bond Amount Authorized	Authorized But Unissued Debt
Water line replacement on the Berlin Turnpike	Water & Sewer	4/19/2022 (TC); 5/10/2022 (BOF)	\$2,800,000	\$1,398,508
Fire radio improvements (2019)	General Purpose	3/19/2019 (TC); 4/9/2019 (BOF)	\$1,440,000	\$190,000

(the "Capital Projects");

(ii) Each Capital Project is the subject of an individual bond ordinance authorizing the specific Capital Project, an appropriation, and the issuance of bonds, notes or other obligations to finance the appropriation and project;

(iii) Each Capital Project has been completed, no further expenditures are required and no further issuance of bonds, notes or other obligations are necessary;

(iv) The final cost for each Capital Project pursuant to the respective bond ordinance identified in section 1(i) is less than the amount authorized to be expended and financed, and therefore there remains an authorized and unissued balance for each Capital Project, which authorized and unissued balance is not necessary to accomplish the respective Capital Project authorized by the applicable bond ordinance.

Section 2. The remaining expenditure and borrowing authorization as set forth in the table in section 1 under the column Authorized But Unissued Debt for each Capital Project is hereby repealed and de-authorized. No further expenditures or debt issuance may occur on the basis of the above bond authorizations.

**Town of Berlin
Financial Status Report
Board of Finance Meeting of April 9, 2024**

GENERAL FUND

(budgeted amount excludes assigned fund balance)

Receipts

	<u>FY 2024</u>	<u>FY 2023</u>	<u>Notes</u>
Actual Receipts	\$94,664,647	\$93,840,088	
Budgeted Receipts	\$98,781,646	\$96,178,498	
% to Budget	95.8%	97.6%	FY23 experienced FYTS Mar favorable interest earnings \$1.5MM and FY24 experienced FYTD Mar favorable interest earnings of \$0.5MM - FY24 budgeted interest was \$1.55MM vs. FY23 \$55k.

Current Year Tax Receipts \$82,782,713
 Current Tax Budget \$84,207,963
 Current Tax Levy (99.3%/99.3% collection rates) \$84,801,574

% to Current Budget	99.5%	99.5%
% to Current Levy	98.8%	98.8%
Adopted budget target %	99.3%	99.3%

Expenditures (excludes capital expenditures)

Actual Expenditures	\$72,510,834	\$69,865,918
Budgeted Expenditures	\$100,729,813	\$98,136,931
% to Budget	72.0%	71.2%

	<u>Actual</u>	<u>Encumbered</u>	<u>Budget</u>	<u>Var to Budget</u>
Storm-related Overtime (51445)	\$75,060	\$25,000	\$143,435	\$43,375
Electricity (53102)	\$851,602	\$532,486	\$1,526,245	\$142,157
Refuse Disposal (53823)	\$1,340,961	\$580,106	\$1,922,120	\$1,052
Legal (53828)	\$197,315	\$157,685	\$355,000	\$0
Tax Refunds (53924)	\$82,674	\$0	\$215,000	\$132,326

Target Floor Fd Bal. Actual Fund Bal.

INSURANCE FUNDS

Health Insurance Fund \$2,327,226 \$2,898,264 The Health Insurance Fund balance is 27.1% of full year projected expenses - target floor reserve is 25%.

General Insurance Fund

\$1,000,000 \$2,374,639

The fund is used to pay Liability & Worker's Compensation insurance premiums for both the Town and BOE, on-going heart & hypertension claims from police officers, widow/widower heart & hypertension claims, "fronting" reimbursable environmental remediation costs, small equipment claims where Town elects to self-insure and deductibles. Town policy is a \$1 million floor and ceiling at 5% of General Fund budget (or \$4,980,635 for FY24). Displayed fund balance is net of H&H reserve and encumbrances for self-insured claims.

TOTAL INSURANCE FUNDS

\$3,327,226 \$5,272,902

Town of Berlin
 Financial Status Report
 Board of Finance Meeting of April 9, 2024

PENSION FUND

Notes

The Town of Berlin Retirement Income (Defined Benefit) Plan was amended for the last time effective July 1, 2000. As a result of this final amendment no new Town employees (excludes BOE employees covered by the Teacher's Retirement Fund) were eligible to participate in the plan. As part of the amendment, participants in the DB Plan have the option to be paid out with an annuity or a lump sum. In recent years, all retiring participants have elected the lump sum payout.

Total Liability (as of 7/1/2023) \$4,726,976

Cash Balances:

Prudential \$2,068,821
 ICMA Plus \$2,139,911
\$4,208,732

Closed DB Pension Plan Census

3 active participants all eligible to retire; 12 annuitants receiving monthly checks
 Annual annuity payments & total monthly fees: \$172,000

Funding % - Total 89.0%

Funding % - DB 43.8%

Unfunded Liability (\$518,244)

ACTIVE CAPITAL PROJECTS

	<u>% Complete*</u>	<u>Project Balance**</u>	<u>PBC Managed</u>	<u>Department</u>	<u>Notes</u>
4-Bridge Rehabilitation	91%	\$0		Public Works	Current Phase: close out with the State of CT
Highway Wash Bay	94%	\$926		Facilities	Current Phase: construction
55 Steele Boulevard	19%	\$0		Economic Dev.	Building 3 of 3 from Newport's original Farmington Ave plans
Sidewalk Upgrades	92%	\$0		Public Works	Current Phase: finalize
3-Road Project (CROCOG Pre-Funded Construction)	78%	\$0		Public Works	Current Phase: finalize
Kensington Road Bridge - Design Phase	41%	\$0		Public Works	Current Phase: design (local funded); once project is approved by DOT, CROCOG grant will pre-funded for bid amount + contingency & incidentals
Percival Soccer Field	91%	\$77,350		Public Grounds	Current Phase: close out
Biscogilio Field Turf (DEEP Grant)	94%	\$0		Public Grounds	Current Phase: close out
Willard HVAC Upgrades (ARPA Funds)	53%	\$0	PBC	Facilities	Current Phase: construction
Willard HVAC Upgrades (Local Funds)	92%	\$0	PBC	Facilities	Current Phase: construction
Police Station Renovation	23%	\$0	PBC	Facilities	Current Phase: construction

* % complete represents invoices received versus total expected project cost - this metric will lag actual construction completion

** Capital projects fund balance includes encumbrances.

Risks

Description	Projected - Low	Projected - High	Probability
<u>RECEIPTS</u>			
VNA	(\$150,000)	(\$200,000)	Medium/High
Town Clerk Fees	(\$50,000)	(\$100,000)	Medium/High
<u>EXPENDITURES</u>			
Vacant positions (wages & benefits)	\$1,000,000	\$1,300,000	Medium/High

TOTAL
 Total excluding Pension payouts

(\$200,000)
 (\$200,000)

(\$300,000)
 (\$300,000)

Opportunities

Description	Projected - Low	Projected - High	Probability
<u>RECEIPTS</u>			
Interest	\$800,000	\$1,000,000	High
Building Inspection	\$200,000	\$300,000	High
<u>EXPENDITURES</u>			
Vacant positions (wages & benefits)	\$1,000,000	\$1,300,000	Medium/High

TOTAL
\$2,000,000
\$2,600,000

NET RISKS/OPPORTUNITIES

\$2,300,000

6/30/2023 General Fund Unassigned Fund Balance (audited)

\$16,436,763

Non-Budgeted Appropriation of FY24 General Fund Unassigned Fund Balance:

- Large dump truck body replacement (in lieu of vehicle replacements) (\$275,000)
- Vans (3 school vans) (\$125,000)
- Camera Upgrades (districtwide) (\$195,000)
- Timberlin on-course bridges (\$10,000)
- Pickup Truck (Highway) (\$65,000)
- Police Modems (and related hardware) (IT/Police) (\$50,000)
- Police Vehicles (\$200,000)
- Replace equipment at Little People's Playground (\$200,000)
- Track Snow Machine (Grounds) (\$80,000)
- Police Station (\$1,000,000)
- Resurface Basketball/Tennis Courts (assume yr 7) (BHS) (\$75,000)
- Non-Budgeted Appropriation for Local Match of State Grants (\$150,000)

FY25 Budgeted Appropriation of General Fund Unassigned Fund Balance:

ADEC of closed defined benefit pension plan

(\$652,688)

Requested capital removed from the FY25 Town Manager's budget proposal

(\$1,251,320)

Projected 6/30/2024 General Fund Unassigned Fund Balance

\$13,907,755

Projected 6/30/2024 GF Unassigned FB as a % of amended FY24 GF Budget

13.8%

Projected 6/30/2024 GF Unassigned FB as a % of proposed FY25 GF Budget

14.3%

13.5%

14.0%

**VNA Financial Results
YTD MARCH
FY 2023-24**

	FY 2024		FY 2023		FY24 to FY23 Var to Budget		
	Budget	YTD Act	% of Budget	Budget		YTD Act	% of Budget
Revenue:							
Public Health Nursing	\$700,000	\$406,737	58.1%	\$900,000	\$464,574	51.6%	6.5pp
Summer/Field Trips	\$12,000	\$15,333	127.8%	\$6,000	\$13,361	222.7%	-94.9pp
	<u>\$712,000</u>	<u>\$422,069</u>	<u>59.3%</u>	<u>\$906,000</u>	<u>\$477,935</u>	<u>52.8%</u>	<u>6.5pp</u>
Expenditure:							
Wages/Salaries	\$850,780	\$586,543	68.9%	\$950,453	\$654,086	68.8%	-0.1pp
Fringe Benefits	\$355,761	\$284,418	79.9%	\$370,816	\$287,434	77.5%	-2.4pp
53201 - Supplies	\$7,700	\$2,661	34.6%	\$7,700	\$1,802	23.4%	-11.2pp
53208 - Equipment (New)	\$0	\$0	N/A	\$12,000	\$8,220	68.5%	N/A
53276 - Medical Supplies	\$6,510	\$2,586	39.7%	\$7,360	\$3,924	53.3%	13.6pp
53440 - Public Education	\$3,000	\$637	21.2%	\$3,000	\$624	20.8%	-0.5pp
53606 - Telemonitor Lease	\$6,000	\$1,440	24.0%	\$6,000	\$2,160	36.0%	12.0pp
53810 - Background checks	\$1,000	\$213	21.3%	\$1,000	\$532	53.2%	31.9pp
53813 - Computer Support	\$42,640	\$35,376	83.0%	\$42,640	\$36,508	85.6%	2.7pp
53819 - Medical Services	\$102,000	\$26,935	26.4%	\$97,550	\$29,718	30.5%	4.1pp
53902 - Telephone	\$9,000	\$4,224	46.9%	\$9,000	\$4,612	51.2%	4.3pp
53903 - Copiers	\$3,650	\$1,215	33.3%	\$3,650	\$1,306	35.8%	2.5pp
53916 - Professional Development	\$2,850	\$1,106	38.8%	\$2,850	\$0	0.0%	-38.8pp
53920 - Professional Services	\$21,300	\$10,551	49.5%	\$21,300	\$16,358	76.8%	27.3pp
53940 - Advertising	\$6,000	\$2,735	45.6%	\$9,600	\$4,289	44.7%	-0.9pp
53943 - Mileage	\$6,000	\$1,067	17.8%	\$6,000	\$1,110	18.5%	0.7pp
53944 - Organizational Fees	\$18,170	\$13,064	71.9%	\$18,170	\$15,688	86.3%	14.4pp
53945 - Training	\$10,000	\$3,580	35.8%	\$10,000	\$3,770	37.7%	1.9pp
	<u>\$1,452,361</u>	<u>\$978,350</u>	<u>67.4%</u>	<u>\$1,579,089</u>	<u>\$1,072,140</u>	<u>67.9%</u>	<u>0.5pp</u>
NET INCOME	(\$740,361)	(\$556,281)	75.1%	(\$673,089)	(\$594,205)	88.3%	-13.1pp