

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
JUNE 13, 2023
John “Doc” McIntosh Conference Room or Remote Meeting
7:00 P.M.

<https://berlincat-gov.zoom.us/j/85659413531?pwd=YmlxRmUzZHc1VVBCUUZCaHNhcmVzdz09>

Call-in Option: 1 929 205 6099 United States Toll
Meeting ID: 856 5941 3531
Passcode: 214358

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, Mark Holmes, George Millerd, Gerald Paradis

Members Absent: None

Staff Present:

Kevin Delaney – Finance Director
Steve Wood – Parks and Recreation Foreman
Jim Simons - Fleet Manager/Fire Administrator

D. PUBLIC COMMENTS

None

E. APPROVAL OF PRIOR MINUTES

May 9, 2023, Regular Meeting
May 25, 2023, Special Budget Meeting
May 31, 2023, Special Budget Meeting

Mr. Paradis moved to approve the May 9, 2023, Regular Meeting, May 25, 2023, Special Budget Meeting and May 31, 2023, Special Budget Meeting.

Seconded by Mr. Grady.

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

Vote being 6-0. (MOTION CARRIED)

F. NEW BUSINESS

1. Move to transfer \$981.00 and \$662,113.56, as detailed on the accompanying spreadsheets, to cover higher than budgeted expenditures in identified accounts.

Mr. Paradis moved to transfer \$981.00 and \$662,113.56, as detailed on the accompanying spreadsheets, to cover higher than budgeted expenditures in identified accounts.

Seconded by Mr. Grady.

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

Vote being 6-0. (MOTION CARRIED)

2. Move to approve the transfers of \$10,000 from “Storm Related Overtime” to Auto Parts to cover further expenditures within the Auto Parts account for the remainder of FY2023.

Mr. Paradis moved to approve the transfers of \$10,000 from “Storm Related Overtime” to Auto Parts to cover further expenditures within the Auto Parts account for the remainder of FY2023.

Seconded by Mr. Grady.

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

Vote being 6-0. (MOTION CARRIED)

Mr. Fernandes asked is \$10k enough? Fleet Manager/Fire Administrator Simons said that amount should be sufficient. We currently have about \$3k and another \$4k in invoices. We will be all-set and only have about two weeks left.

3. Move to approve the transfer of \$30,000 from the Irrigation account in the Veterans Commission Department in the General Fund to the Irrigation System account in the Public Grounds Department in the Capital Nonrecurring Fund.

Mr. Paradis moved to approve the transfer of \$30,000 from the Irrigation account in the Veterans Commission Department in the General Fund to the Irrigation System account in the Public Grounds Department in the Capital Nonrecurring Fund.

Seconded by Mr. Grady.

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

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis asked if this is because we are not ready to spend the money? Finance Director Delaney said yes, when the project began there was an expectation that there was a level of depth on the topsoil that would allow irrigation. That level of depth wasn't sufficient and the town went back to DEEP to request approval to do that, or an alternative. We have not heard back and this is to make sure that we keep money aside to buy irrigation for the whole Veteran's Park area, including the monument area. Parks and Recreation Foreman Wood said we heard back from the state just after the last Town Council meeting. It is slated for DEEP to look at it around July 15. We are hoping to have an answer on what we need to do by end of September or October.

Mr. Paradis asked if we only have \$30k for the irrigation system. Finance Director Delaney said we have over \$20k from the initial funds for the Veterans Park project that has been sitting since 2009 (donation money). That money would be combined if needed. Mr. Paradis asked if nothing is an option. Finance Director Delaney said if you do nothing then you would have the current status. Parks and Recreation Foreman Wood added that with the amount of geese there and how fast it burns out from not having adequate topsoil and good soil conditions, it makes it very unpleasant. We are showcasing a burnt-out park that is not very appealing and we like to host things there.

4. Move to appropriate a \$62,640.00 CEN grant to the CEN Grant account upon full execution of the grant paperwork.

Mr. Paradis moved to appropriate a \$62,640.00 CEN grant to the CEN Grant account upon full execution of the grant paperwork.

Seconded by Mr. Grady.

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

Vote being 6-0. (MOTION CARRIED)

5. Move to appropriate a \$4,000 Youth Services Bureau grant to the Youth Grant expenditure account.

Mr. Paradis moved to appropriate a \$4,000 Youth Services Bureau grant to the Youth Grant expenditure account.

Seconded by Mr. Grady.

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

Vote being 6-0. (MOTION CARRIED)

6. Move to deposit a \$5,000 Amplify grant to the State Opioid Response Grant revenue account and appropriate the grant to the State Opioid Response Grant expense account once all paperwork is executed.

Mr. Paradis moved to deposit a \$5,000 Amplify grant to the State Opioid Response Grant revenue account and appropriate the grant to the State Opioid Response Grant expense account once all paperwork is executed.

Seconded by Mr. Grady.

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

Vote being 6-0. (MOTION CARRIED)

7. Move to appropriate a \$3,421 State of Connecticut Youth Services Bureau Grant to the Youth Grant expenditure account.

Mr. Paradis moved to appropriate a \$3,421 State of Connecticut Youth Services Bureau Grant to the Youth Grant expenditure account.

Seconded by Mr. Grady.

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

Vote being 6-0. (MOTION CARRIED)

8. Move to accept the Suspense List of \$135,118.13, as detailed on the accompanying reports.

Mr. Paradis moved to accept the Suspense List of \$135,118.13, as detailed on the accompanying reports.

Seconded by Mr. Grady.

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

Vote being 6-0. (MOTION CARRIED)

Mr. Millerd asked does it go to collection agencies? Finance Director Delaney said this will continue through the normal collection process. It is more of an accounting exercise, but we continue to collect on it. We collect about \$86k from business that had been put into suspense. By statute this is done every year. Mr. Paradis added that this is more for a personal property point of view. Mr. Fernandes asked if there is an interest rate penalty? Finance Director Delaney said it will continue to be charged 1.5% per month of interest and accrue. Mr. Paradis said for our financial statements it is not carried as a receivable.

9. Finance Director update.

Finance Director Delaney said the Police Department is making good progress on hiring. They brought two more people in and looking to bring in a lateral hire that would be officer number 43. The budget was funded with 42 police officer and goes to 46. We talked about letting the year play out. They are making progress and Town Council will vote on the pension plan next Tuesday. We will keep an eye on that and revisit it. Mr. Millerd asked how many police officers are patrolling? Finance Director Delaney said I think it would add one to each shift. Mr. Grady said that would be a big step.

Finance Director Delaney said the financial results coming in are strong. Revenue is very strong predominantly from interest earnings and tax revenue. The motor vehicle cap was not included in the budget. That came through at about \$370k and adds to this year for certain months. I have a few more over budget items that will be processed through the Town Council on June 20. A couple of departments are looking at their surplus and determined there are some critical needs they can deal with by doing some transfers. Those will come back through the Board of Finance. Our projects are beginning to pick up. Porters Pass is done. The HVAC project at Willard is starting this summer. Fire alarm updates at Willard and Griswold will be done. Biscoglio Field and Percival Field will also be done this summer. There were sidewalk upgrades done on Farmington Ave. Also, there is an effort to pursue another state grant to do more roads. Town Engineer/Public Works Director Ahern is working on two more grants because there is an area on Burnham St. that needs work and a few other spots in town as well.

Mr. Millerd asked if the Willard School HVAC bids came in somewhere in line with where we thought they would be? Finance Director Delaney said they were largely in line, but it is an expensive project. The first part is tearing out the ceiling and the second part is putting in the connections. If we need second shift work, there would be more costs associated.

Mr. Paradis asked where do we stand with the police station renovation? Finance Director Delaney said he is following up to find out. We anticipated the bid award in June and to start in July. The downstairs is almost completely cleared out with only a few items remaining. Chairman Bordonaro said he heard that we are still waiting for the grant money. Finance Director Delaney said yes, it is \$3.9M. It is unclear if it made the final cut in the bond package. There was some money included in a DECD grant which the town received \$250k for other items.

Finance Director Delaney reviewed the capital improvement list from the budget. The state budget items were included in the adopted state budget. We needed some funding for the roof replacement at the senior center. Half is operated by the town and the other half is through the senior housing authority. This is for the town portion. Supervisor police vehicle, band room renovations at McGee and additional modifications at South Kensington Fire House are on the list. The leaking roof repair at South Kensington Fire House will be on the next Town Council agenda. There were different opinions

whether some of the surplus items should be done this year, or not at all. Also, if they should be moved up or down on the list. The projection for the surplus is about \$3.5M.

Chairman Bordonaro said somebody should lay out an incremental plan for HVAC for the 3 schools. Mr. Paradis said I would like to see something that takes your full estimate of where we are going to end this fiscal year. It would show these are the projects that need additional funding and this is the equipment that we have in tier one. I'd like to see something with numbers. I would not be in favor of taking all from fund balance for the police department project. We should bond some of it. I don't see why we would disrupt all of the other stuff that we need to do by shorting ourselves with fund balance. We have to say conceptually what we want, but I need to see it on paper.

Mr. Holmes added that the difficulty with the schools is it has to be done in the summer. That is tough for planning. Chairman Bordonaro said he agrees with Mr. Paradis. Regarding the FY24 budget, at last night's budget meeting, the Board of Education said they used 8% for health insurance vs. 10%. What is the impact to the town side on how much we could save? Mr. Paradis said if we knew about that change in percentage prior to setting the mill rate. Could we have taken that into consideration in setting the mill rate? Finance Director Delaney said yes. Mr. Paradis said if we set the mill rate and reduce the amount of taxes, does that need to follow the state law that we need to have a balanced budget? Our revenue estimate would be going down. Finance Director Delaney said your adopted budget is balanced and you expect at year end to use fund balance. Mr. Paradis said if we knew there was a \$1M savings there, we could have adjusted the mill rate to generate a \$1M less in property taxes. Finance Director Delaney said yes. Mr. Paradis asked if we could do it the other way and raise the mill rate? Finance Director Delaney said you could. Mr. Grady added that you could change the mill rate during the year, it is feasible, but it would not be popular. When did that 10% become 8%? Were we still in the budget process when that happened? Finance Director Delaney said it is always very late in the process. Chairman Bordonaro added that we usually know before we finish our budget process. I would like to know exactly when that became available because we could have said something different before the second referendum. Mr. Grady asked what was that number and how much did it affect the Board of Education. Finance Director Delaney said he does not have that number, but it was actually 8.5% (not 8%).

Mr. Holmes asked if the Town Council decides on what capital projects they are going to do on this list? Finance Director Delaney said in the budget they decided not to do anything. When it comes to circling back, they will be the first ones. I usually start with the Board of Finance first, because you are looking at the whole financial picture. The Town Council will ask is the Board of Finance okay with moving this type of money around.

Mr. Holmes asked is it the intent now with the police station bids to do the whole project, or is there still a phase two and three? Finance Director Delaney said there is a project and there were three phases. Essentially what was phase one is the project. The intent is to complete that project and re-access at a later time, what if anything would be a future project, or projects. Mr. Holmes asked what work will not be done? Finance Director Delaney said the offices, the roll call room and the large meeting room when you come in that can be used for the public. The idea was to re-do the middle section. Mr. Holmes said he is trying to get comfortable with what was a \$6M project and now saying this is really the project now. Mr. Grady said we were under \$6M when we took some of the silly things out. Finance Director Delaney added that the project is around \$3.9M now and includes the \$300k that already been appropriated for the additional architectural work and it includes some contingencies. This new project is truly what the architect is focused on and it is a very detailed cost estimate.

Chairman Bordonaro said he spoke with Town Manager Jayawickrema about the VNA report and will have Mr. Paradis follow up with him on that. We could have a close out for the current fiscal year with

stats. Mr. Paradis said we are shooting for August. Finance Director Delaney said we can keep the August meeting as needed for year-end transfers. If we don't need it, we can cancel it. Mr. Paradis added that we want to see a format for the report. Mr. Fernandes asked if we have a final number for the VNA losses? Chairman Bordonaro said he is coming up with \$733k. Finance Director Delaney said it is around \$700k to \$750k.

G. ADJOURNMENT

Mr. Holmes moved to adjourn at 7:42 p.m.

Seconded by Mr. Grady.

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

Vote being 6-0

Submitted by,
Alina Brown

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BERLIN TOWN CLERK

2023 JUN 28 PM 3: 17

Katlyn Wall

BERLIN, CT.