

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
SEPTEMBER 12, 2023
John “Doc” McIntosh Conference Room or Remote Meeting
7:00 P.M.

<https://berlinct-gov.zoom.us/j/81867741980?pwd=SFYvWUZnNW1VZHF1dGIHOTZXN2JYdz09>

Call-in Option:	1 929 205 6099 United States Toll
Meeting ID:	818 6774 1980
Passcode:	892914

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
Aroscha Jayawickrema – Town Manager
Alea Piatek – VNA Director

D. PUBLIC COMMENTS

None.

E. APPROVAL OF PRIOR MINUTES

July 11, 2023, Regular Meeting
August 15, 2023, Email Vote

Mr. Millerd moved to approve the July 11, 2023 Regular Meeting Minutes.

Seconded by Mr. Fernandes.

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

Vote being 6-0. (MOTION CARRIED)

Mr. Millerd moved to approve the August 15, 2023 Email Vote.

Seconded by Mr. Fernandes.

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. Discuss VNA reporting.

Mr. Millerd asked why you would not admit someone. There are 82 referrals and 31 were not admitted. VNA Director Piatek said some are out of our service area and there are some insurances that we don't accept. Some referrals are blast referrals and they go out to a multitude of agencies. It is first come, first serve for accepting it. Some need social work, but we don't have a social worker on board and would refuse that referral.

Mr. Paradis said the number of new episodes needed to meet goals is 388. If you meet your goal of 388, where does that put your department budget revenue wise? VNA Director Piatek said that would put the VNA on budget for the 906 annual goal. Mr. Paradis said that is just to hit what you had budgeted and not to eat into any of the deficits. VNA Director Piatek said yes.

Mr. Paradis said we talk about reducing deficits over time and if all we are doing is meeting goals, we are not going to be reducing the budgeted amounts over time. Town Manager Jayawickrema said in 2019 the VNA closed at a \$907k deficit, 2022 it was \$776k and 2023, \$731k. We would like to get the number below \$700k. Where would the Board of Finance like to land in the next few years? Mr. Paradis said revenue in FY23 was down \$400k from 2019. We would be reducing the deficit by \$400k at 2019 levels. Town Manager Jayawickrema said the net cost has been going down to the town.

Chairman Bordonaro asked why not be more aggressive and target something higher than 75 to try to reduce the deficit more? Town Manager Jayawickrema said that is the goal. They are trying for a higher number, but we were asked what the number should be to make the budget. VNA Director Piatek said we are trying to identify the minimum to meet the revenue goal. The goal is to exceed the 25 or 26 per month

Chairman Bordonaro said next year strive for a \$500k loss instead of a \$770k loss. Town Manager Jayawickrema said it is an unrealistic plan to get to \$500k in one year. Perhaps we can put a plan together for \$600k to \$500k. I want to set realistic targets and goals and set the budget accordingly and try to reduce the net cost to the town.

Mr. Millerd said he is trying to understand the cost of service, I'd like to know what part of this \$1.45M is not related to the VNA in terms of work that brings in revenue. How much of it is the social aspect of having the VNA, things like having blood pressure checks at the senior center, etc. Are there any mandatory State of Connecticut functions that you have to do for the town under the VNA?

Town Manager Jayawickrema said it is negligible.

Mr. Grady said we went through this before and I asked why we are not looking at Westbrook VNA as an example. I was told by VNA Director Piatek that she wasn't even interested in looking at their model. This was a successful model that wasn't losing hundreds of thousands of dollars, but they staff it differently.

Mr. Paradis asked if we hit 75 new episodes do you have staff to handle that. VNA Director Piatek said yes. Mr. Paradis asked if you have more than enough staff to handle that. VNA Director Piatek said we have a good staff of per diem nurses that I have grown since I've been here.

2. Move to appropriate \$920,000 of fiscal year 2024 General Fund Unassigned Fund Balance to fund Police Computer Equipment (\$50,000), Police Vehicles (\$200,000), Dump Truck Body Replacements (\$275,000), a Pickup Truck (\$65,000), School Vans (\$125,000), School Cameras (\$195,000), and Bridge Replacements at Timberlin Golf Course (\$10,000).

Mr. Paradis moved to appropriate \$920,000 of fiscal year 2024 General Fund Unassigned Fund Balance to fund Police Computer Equipment (\$50,000), Police Vehicles (\$200,000), Dump Truck Body Replacements (\$275,000), a Pickup Truck (\$65,000), School Vans (\$125,000), School Cameras (\$195,000), and Bridge Replacements at Timberlin Golf Course (\$10,000).

Seconded by Mr. Fernandes.

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

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis asked if all of these things were on the list of what we had originally left in the original budget. Finance Director Delaney said yes. Mr. Paradis asked for the list of what didn't make the Town Council cut. Finance Director Delaney said nothing was rejected, but they tabled a number of items. School vans was reduced from \$140k to \$125k, to cover the cost of the two vans that they already have on order. The block slab on ground water moisture issue at the high school, \$200k was tabled pending PBC work. The PBC will be hiring a consultant for \$15k to identify a cause and solution. The Willard ballast blocks was held off (\$50k).

3. Move to appoint _____ *(one member of the Board of Finance)* as a representative to the Plan of Conservation and Development Implementation Committee that would also monitor implementation of the Affordable Housing Plan.

Mr. Fernandes said I thought that we couldn't join boards or commissions. Mr. Millerd added that after he served on the Affordable Housing Commission, he learned that he was not supposed to be on it. It is official now that we can't join and we should get some clarification on it. It also came up with the Charter Revision. Mr. Grady said it is not a committee that has any power, it is strictly advisory. Mr. Fernandes said there is language in the Charter Revision. Finance Director Delaney said that he will confirm with the town's attorney. The Board of Finance agreed that they would have Mr. Millerd volunteer if members are allowed to serve on other boards.

(Following the meeting, Finance Director Delaney confirmed with the Town Attorney that, under the Town Charter, Board of Finance members are not permitted to serve on the POCD Implementation Committee. No name of a Board of Finance member was submitted to the Town Planner for this role.)

4. Discuss State reimbursement for Berlin High School Project.

Finance Director Delaney said the net amount is just over \$2.9M. It historically takes years to close these out and I would not bank on getting that money soon.

5. Discuss format/timing/participation of capital planning committee.

Finance Director Delaney said the Town Manager's directive went out on September 5. It lays out the whole budget process through March 1 when the budget is submitted. Now with the list of capital items set we can move forward from there. The existing capital plan with these updates will be going out by September 30. Departments need to reply back by October 13. The Capital Committee will meet in late October or early November to go through the plan. If items are submitted and they don't have some sort of reasonable cost estimate such as quotes, or bids, then the item will be pushed to FY26 or later. It must have something of substance. Chairman Bordonaro asked if another Board of Finance member could join the committee. Currently it is only Mr. Grady. Finance Director Delaney said yes, two would be okay but any more members would be considered a public meeting. Mr. Millerd said he would attend the meetings.

6. Review Chairman's 8/23/2023 letter to the Board of Education.

Chairman Bordonaro said every year the Board of Education comes in with a proposed budget request and we end up negotiating something considerably less. I have decided rather than wait until the end of the fiscal year, I want to get some information now on how we are going to come out with the Board of Education. If they wanted 5.8% and we gave them 3.6% as a budget, then did they cut anything to get to the 3.6%. Board of Education President Dennis responded via email that the Board of Finance has no authority to dictate how the Board of Education spends the appropriation. I'm not telling the Board of Education how to spend or appropriate their money. I'm asking what you cut to get to the 3.6%. If they didn't make cuts, how are they absorbing those costs? Their response was that we are not going to respond to you. In 2023 they asked for 4.7% and we gave them 2.5%. The end result of their FY23 shows surplus of \$443k, plus \$675k of unexpended Open Choice grant money. I'm asking them to tell me what you did. I asked for the final close out report for FY23 and only received the first page, the expenditure page and not the second page which is the grant money. It is a standard report, but I was told that I have to go through Board of Education President Dennis with the request. Mr. Paradis said I think it is a work load issue too. Because if we went to Finance Director Delaney and said the year is over, tell me how things changed from what you had originally asked for to what we originally gave you. There is a lot of detail that goes into coming up with something like that. There should be at some level a push the bottom report that has more detail than this and if they don't want to share it that could be a problem.

Mr. Paradis asked if we get a year end variance report? Finance Director Delaney said we share with you the budget actual detail for the town side, but I don't access the Board of Education system. Chairman Bordonaro said the bottom line is communication and transparency. Mr. Holmes added that for years both Mr. Paradis and I went to the BOE offices and sat with them and looked at all of their detail. You can do that any year and I know they have invited you to do so. I think it is very reasonable for both sides to expect. I think they have some statute behind them in terms of how much detail they can give you. When the budget process starts go in and sit with Ashley and whomever else works on the numbers for firsthand vision of what they have.

Chairman Bordonaro asked Mr. Homes if he has any issues with the questions he is asking in the letter. Mr. Holmes said no, but as we are going through the budget I think you guys get a little excessive and maybe workloads are an issue. Mr. Paradis said sometimes I think they take offense when we ask questions, but we are just trying to get more information. It doesn't have to become an adversarial

process. Mr. Holmes said I would not get hung up on the chain of command thing. Mr. Fernandes said I would like to bring back the meetings with the BOE in December or January. Chairman Bordonaro said they are too top level where you don't get anything done. Mr. Paradis said to discuss a 5% budget, where do you start. Mr. Holmes said I think you need to get your side in much better order. The Superintendent comes in with a number and the BOE gives us a number and then you have parents running around looking for a different number. Then we talk about a what can we afford number. You have people all over the map arguing for different numbers and you look ridiculous. Parents were arguing for 5.8% last year and how we need that. Then the Superintendent is saying no we can do 3%. You have to get your act together on that side. Mr. Fernandes said it was the Superintendent going to PTO meetings saying it. Mr. Holmes said you have to get everybody on the same page. Chairman Bordonaro said it is not so much the parents as what is being communicated by the Board of Education to the parents. They say we are starting at 5.8% and that we are going to make cuts, the parents react. Mr. Fernandes said the document with the proposed cuts came out 4 days before the referendum. It came out on a Friday and the vote was on a Tuesday. Mr. Holmes said that everyone had a number, but none of them met anywhere. Mr. Fernandes said the parent's number is the number that was communicated to them. Chairman Bordonaro said the purpose of my letter is that I want a formal response to my letter so there is clarity and transparency of what they proposed and what we ended up giving them and what did they do with it.

7. Finance Director update.

Finance Director Delaney said the year is starting out solid. Expenditures are starting out in line with the prior year. Receipts are solid and reserves continue to be in good shape. Health insurance and general insurance and pension continue to be in good shape. The major projects continue to move along.

Mr. Paradis asked have you been asked to lay out different projections of different projects (HVAC, police department, etc.) with the effect on fund balance? Finance Director Delaney said no. Mr. Paradis asked to reinstitute something where we have 6/30 numbers and looking to appropriate \$920k of that. I'd like to see something come back to us. There are other people talking about big stuff. We had a problem at the golf course with the bunkers and it's unclear if the insurance money will be enough to cover it, or if we will have to bond something to fix those up.

Chairman Bordonaro said he received a letter from the Government Finance Officers Association that says that the annual comprehensive financial report for FY ending June 2023-2022 qualifies for the GFOA Certificate of Achievement for Excellence in financial reporting. Congratulations to Finance Director Delaney and his team.

G. ADJOURNMENT

Mr. Millerd moved to adjourn at 8:35 p.m.

Seconded by Mr. Fernandes.

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

Vote being 6-0

Submitted by,
Alina Brown

RECEIVED FOR RECORD 9/20/2023, 10:23:59 AM

A handwritten signature in black ink, appearing to read "Kelly J. Gaudin". The signature is fluid and cursive, with the first name "Kelly" and last name "Gaudin" clearly distinguishable.

BERLIN TOWN CLERK