

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
OCTOBER 19, 2023
Engineering Conference Room or Remote Meeting
7:00 P.M.

<https://berlinct-gov.zoom.us/j/82838578761?pwd=UwxKBaKrgngD3ZxZOe9xCpXi0UEmw.1>

Call-in Option: 1 929 205 6099 United States Toll
Meeting ID: 828 3857 8761
Passcode: 511509

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

Mark Kaczynski – Mayor

Jim Simons – Fleet Manager/Fire Administrator

Doug Solek – Facilities Director

Jeffrey Cugno – Board of Education, Director of Operations

Steve Wood – Public Grounds Superintendent

D. PUBLIC COMMENTS

None,

E. APPROVAL OF PRIOR MINUTES

September 12, 2023, Regular Meeting

September 25, 2023, Special Joint Meeting

Mr. Paradis moved to approve the September 12, 2023 Regular Meeting minutes.

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)

Mr. Paradis moved to approve the September 25, 2023 Special Joint Meeting minutes.

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

Chairman Bordonaro thanked Mr. Holmes for his service on the Board of Finance. Mayor Kaczynski read a proclamation from the Town Council recognizing Mr. Holmes service on the Board of Finance since 2017.

1. Move to appropriate \$280,000 of fiscal year 2024 General Fund Unassigned Fund Balance to fund a Track Snow Machine (\$80,000) and to replace equipment at Little People's Playground (\$200,000).

Mr. Paradis moved to appropriate \$280,000 of fiscal year 2024 General Fund Unassigned Fund Balance to fund a Track Snow Machine (\$80,000) and to replace equipment at Little People's Playground (\$200,000).

Seconded by Mr. Holmes.

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 is this a complete redo of the playground? Grounds Superintendent Wood said it will be everything. The fence, safety servicing and all of the playground equipment except for the adaptive swing that was installed a few years ago and will remain there. Mr. Paradis asked about the building that is there. Finance Director Delaney said the town pursued a \$1M grant to renovate the building, but we did not get it. Mr. Millerd asked if we know how long it will take to redo the playground? Grounds Superintendent Wood said we will get everything together by January. There are a group of moms that are big on redoing this playground and I will send them some information to get their feedback. I would like to have everything completed around September 2024.

2. Move to approve the transfer of \$2,102.60 from the Passenger Cars account in the Capital Non-Recurring Fund, \$21,687.60 from the Highway Trucks account in the Vehicle Purchase Fund and \$10,000.00 from the Senior Trips account in the Senior Center Activities Fund to the Senior Center Van account in the Capital Non-Recurring Fund, pending approval by the Town Council.

Mr. Paradis moved to approve the transfer of \$2,102.60 from the Passenger Cars account in the Capital Non-Recurring Fund, \$21,687.60 from the Highway Trucks account in the Vehicle Purchase Fund and \$10,000.00 from the Senior Trips account in the Senior Center Activities Fund to the Senior Center Van account in the Capital Non-Recurring Fund, pending approval by the Town Council.

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)

Chairman Bordonaro asked why the approval order is different? Finance Director Delaney said this is an unusual circumstance. Vehicles are in high demand and the window for this opened up this past Monday. We are trying to get your approval pending Town Council approval at the next meeting so that Fleet Manager/Fire Administrator Simons can put the order in. Mr. Paradis asked if the Charter allows for that? Finance Director Delaney said yes.

Fleet Manager/Fire Administrator Simons said manufacturers have order banks and the order bank for the vans opens on the 16th. If we don't meet the ordering dates, it would mean waiting until next fall to order it. The bus van or bus will be a model year 2025. If we miss this order bank window it would be a 2026 model.

Mr. Grady asked if the current senior van will hang in there until 2025? Fleet Manager/Fire Administrator Simons said it will make it to 2025, but not 2026.

Mr. Fernandes asked what is the price of the vehicle? Fleet Manager/Fire Administrator Simons said the government price is \$121k.

3. Discuss Board of Education van purchase.

Chairman Bordonaro said last month we approved buying 3 vans for \$125k. The Board of Education was going to fund 2 of those vans with their monies and we were going to buy one. Finance Director Delaney said the Board of Education used grant money to put forward a Purchase Order to reserve 2 vans. The agreement was to reimburse and the town will purchase 3 vans with this money.

Board of Education Director of Operations Cugno said we reached out to our contact and could only reserve 2 vans. They require purchase orders. We have vans that are very old and need to be constantly fixed. We are trying to get 3 new vans every year and it would be 6 months at best from the date of the purchase orders. I received approval to have the purchase orders funded by the Board of Education, which is funded by Open Choice grant money with the intent to reimburse. The Town Council approved \$125k for 3 vans. The two vans were ordered and we will order another van as soon as we can.

Mr. Grady said he heard that the town would be buying 2 vans and the Board of Education would also buy 2 vans. Mayor Kaczynski said that is what he said to the Superintendent. Mr. Fernandes asked if the Choice Grant money was already spent on the 2 vans? Finance Director Delaney said nobody has spent any money on the vans. The purchase orders were taken out against the Choice Grant, but the invoices have not arrived. Board of Education Director of Operations Cugno said the \$125k that was put up to the Town Council is for 3 vans. Each van is \$41k plus.

Mayor Kaczynski said my suggestion would be to fund the 2 vans that are going to be delivered soon to the town and then figure out the third and fourth. Chairman Bordonaro said the Board of Education had already approved the \$125k. I would recommend that you put it on the Town Council agenda and if you want to make some changes then it will come back to us. Finance Director Delaney said that the intent was that when the invoice comes in, I will pay it with the money that you appropriated from the appropriation for the two. There is one van here and one on the way. Board of Education Director of Operations Cugno said he asked the dealer for a third van and they said one will be available in the near

future. They will let me know when they can do it. Finance Director Delaney asked to have the invoice submitted to him when it comes in.

4. To consider and act upon the following Ordinance:

The Board of Finance will now consider and take action with respect to the \$3,700,000 Police Station Renovations Project (2023) appropriation and bond ordinance as adopted by the Town Council. A copy of the ordinance is available from the Town Clerk.

Is there a motion and a second that the ordinance entitled:

“AN ORDINANCE APPROPRIATING \$3,700,000 FOR ADDITION AND RENOVATIONS TO THE BERLIN POLICE STATION (2023), AND AUTHORIZING THE ISSUE OF \$3,700,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION, AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE”, be approved?

Moved by Mr. Paradis, seconded by Mr. Grady.

Mr. Holmes said if the bids aren't in why are we discussing this? Finance Director Delaney said the bids are only open for 60 days. The Board of Finance and Town Council only meet once in November and you are going into the holiday season post election. The intent was to put the funding in place. This is an authorization and not bonding. When the bids are open next Thursday and they are determined to be in good order, they can go back to the Town Council and award the bid and the project can move forward. Between the \$300k that you have already appropriated, which has largely been spent with the architect designing and redesigning. The \$1M you have next, plus this would get to \$5M. Nobody expects to spend \$5M, but once it is determined what we are doing, we will deauthorize an excess balance. Mayor Kaczynski added that we are expecting this to be around \$4M per the Public Building Commission.

Mr. Fernandes asked where the \$750k will be attributed? Finance Director Delaney said the \$750k grant by law is taken from the \$3.7M. The \$3.7M includes any grant money we would receive. There was a special Bond Commission meeting and they approved it. The \$750k will come back through to the Board of Finance.

Mr. Paradis said he is uncomfortable approving \$5M before we see the bids and suggested having a special meeting. Mr. Grady said why delay the project when we know it is something that we have to do anyways. The bonding would have to be done at a later date if that happens. Finance Director Delaney said when the bids are open we would start working through what we are going to do. Chairman Bordonaro said if we authorize it we can just reduce the bond. Finance Director Delaney said there is still open space bond authorization from 2006 if needed. The cost is \$15k just to have the lawyers draft all of this and go through the ordinance. We are not going to bond anything. Mr. Grady added that it is just getting the process in place so that everything is in place when they get the bids.

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

Those opposed: None

I declare the ordinance approved.

5. Move to approve a non-budgeted appropriation of \$1,000,000 from the FY24 General Fund Unassigned Fund Balance to the Buildings & Renovations account in the Police Station Construction Fund.

Mr. Paradis moved to approve a non-budgeted appropriation of \$1,000,000 from the FY24 General Fund Unassigned Fund Balance to the Buildings & Renovations account in the Police Station Construction Fund.

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)

Mr. Holmes asked for the percentages on where we are at with fund balance and where we should be. Finance Director Delaney said approximately 13.5%. There are a couple of items that have not been approved yet. Best practice is you want 2 months which is 16.7%. The state has a minimum of 5%.

Mr. Fernandes asked about the new radio system for the police officers. Finance Director Delaney said that will be around \$1.5M. We are having a capital meeting next Tuesday and that is one of the items, but there are a lot of things that need to be vetted.

Mr. Holmes asked if we are still on track as a town for being debtless in 2026? Finance Director Delaney said yes, that bond will come off in 2026. We are behind in buying vehicles and you would still be wise to borrow for the bigger projects because you get years of benefits. Mr. Fernandes said we will add on the police station project and HVAC for two schools. Mr. Paradis said nobody expects the town to go without issuing some debt as long as we are responsible about how much we have issued. Mr. Grady added that he does not have a problem with the long term projects.

Mr. Paradis asked about the \$5M, if we put the project together with \$1M from the general fund balance, \$750k in grants and the rest from bonding. The project will be done and there is \$500k left over, are those considered unspent bond funds or unspent general fund? Finance Director Delaney said when the bids are opened, we will have to determine how the Board of Finance prefers to fund it. I would borrow on the low end and borrow a second time before I would overborrow. This project may say \$4M and if \$500k of that is contingency, that would mean the

project is \$3.5M. I would work back from the \$1M, the \$750k and this leaves bonding. If we have a surplus, I would use the surplus and say don't bond more money.

6. Move to approve the Berlin Peck Memorial Library to enter into a four-year lease with The Office Works, Inc. for two Kyocera 6230cdn color printers to be used for public printing.

Mr. Paradis moved to approve the Berlin Peck Memorial Library to enter into a four-year lease with The Office Works, Inc. for two Kyocera 6230cdn color printers to be used for public printing.

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)

7. Move to appropriate the FY24 Legislative Grant awarded to the Town of Berlin by the Connecticut General Assembly in the amount of \$254,000 to the FY24 Legislative Grant expenditure account in the Public Buildings Department (\$185,000), Police Department (\$44,000) and Schools Department (\$25,000) all in the Capital Non-Recurring fund.

Mr. Paradis moved to appropriate the FY24 Legislative Grant awarded to the Town of Berlin by the Connecticut General Assembly in the amount of \$254,000 to the FY24 Legislative Grant expenditure account in the Public Buildings Department (\$185,000), Police Department (\$44,000) and Schools Department (\$25,000) all in the Capital Non-Recurring fund.

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)

Mr. Paradis said he sees that \$75k is for the South Kensington Fire Department fire station improvements. Do we give them the \$75k, or do we own the project? Finance Director Delaney said South Kensington Fire Department is the one fire station that the town owns. We are replacing the roof.

Facilities Director Solek said we have to make the structure weather tight. There have been roof issues for a few years and the roofing project is moving forward. They have a Statement of Need for additional expansion or build out within the second floor. Perhaps some club rooms and training areas and remodeling restrooms. There was a plan in 2017 for expansion for an additional truck bay. We are not going to have millions of dollars of apparatus in a building that is going to fall down. They would like to have a new facility that is a combination facility. We are trying to preserve and restore what we have to work with. This is additional funding. The roofing appropriation is already there and they are supposed to start in a week or two. They also received some funding from a state grant. It was \$150k for the roof and the bid came in at \$99k. The grant money will go towards building expansion, renovations or build out. Finance Director

Delaney said this is state money that was put into the budget. Fleet Manager/Fire Administrator Simons added that we are doing some studies on if that is the best location for that firehouse. It is land restricted because it has the Meriden watershed land all around it. They are trying to make the building weather tight and make it safe. Mr. Fernandes asked if would be reasonable to have that fire station become their own entity? Fleet Manager/Fire Administrator Simons said no, it doesn't work. Sooner or later the town needs to take over the firehouses.

8. Discuss rescheduling November Board of Finance meeting from November 14th to November 21st after the swearing in ceremony.

Finance Director Delaney said a Chair and Vice Chair will be selected at the next meeting. The Board of Finance members agreed to rescheduling to November 21.

9. Finance Director Update.

Finance Director Delaney said the results are coming in solid. Receipts and expenditures are being watched closely. We have a couple of vacancies in Planning which puts a bit of strain there. The Police department is doing well. They had a couple of new officers sworn in. The Health Insurance Fund / General Insurance Fund and the pensions are all in solid shape.

Mr. Paradis asked for an update from the VNA on the next agenda.

G. ADJOURNMENT

Mr. Millerd moved to adjourn at 8:06 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
BERLIN TOWN CLERK



10/26/2023, 9:46:28 AM

AN ORDINANCE APPROPRIATING \$3,700,000 FOR ADDITION AND RENOVATIONS TO THE BERLIN POLICE STATION (2023), AND AUTHORIZING THE ISSUE OF \$3,700,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION, AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The Town of Berlin, Connecticut (the "Town") appropriates the sum of \$3,700,000 for the Police Station Renovations Project (2023), comprised of additions and renovations to the exterior and interior of the police station located within the Town, and including, but not limited to, the costs of planning and design, consultants, construction and program managers, temporary relocation, storage and moving, remediation, site preparation, demolition, furniture, fixtures and equipment, technology and communication systems, HVAC systems and other utilities, insurance, architectural, engineering, surveying, testing and inspections, construction, and all work related and appurtenant thereto, and the costs of administrative, advertising, printing, legal and financing, and capitalized interest related thereto (the "Project").

Section 2. To meet said appropriation, \$3,700,000 bonds of the Town or so much thereof as may be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date, or later date as may be allowed by the Connecticut General Statutes, Revision of 1958, as amended (the "Statutes") or other applicable law. Said bonds may be issued in one or more series as determined by a majority of the Mayor, the Town Manager and the Director of Finance (such majority hereafter, the "Town Officials"), and the amount of bonds of each series to be issued shall be fixed by the Town Officials. Said bonds shall be issued in the amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing, financing and legal costs of issuing the bonds, and capitalized interest thereon. Capital project revenues, including bid premiums and income derived from the investment of proceeds from bonds issued pursuant to this ordinance (and net investment income derived from the investment of note proceeds) are authorized to be credited by the Director of Finance to the project account and expended to pay project expenses customarily paid therefrom. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the Town and such combined issue shall be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in fully registered form, be executed in the name and on behalf of the Town by the facsimile or manual signatures of the Town Officials, bear the Town seal or a facsimile thereof, be certified by a bank or trust company designated by the Town Officials, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the Town Officials, and be approved as to their legality by Pullman & Comley, LLC or such other nationally recognized bond counsel ("Bond Counsel"). Such bonds shall bear such rate or rates of interest as shall be determined by the Town Officials. The bonds shall be general obligations of the Town and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon and shall be paid from property taxation to the

extent not paid from other sources. In connection with the issuance of any bonds or notes authorized herein, the Town may exercise any power delegated to municipalities pursuant to Section 7-370b, including the authority to enter into agreements moderating interest rate fluctuation, provided any such agreement or exercise of authority shall be approved by the Town Council. The aggregate principal amount of bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds shall be determined by the Town Officials in accordance with the Statutes. In order to meet the capital cash flow expenditure needs of the Town, the Town Manager and Director of Finance are authorized to allocate and reallocate expenditures incurred for the Project to any bonds or notes of the Town outstanding as of the date of such allocation, and the bonds or notes to which such expenditures have been allocated shall be deemed to have been issued for such purpose, including the bonds and notes herein authorized.

Section 3. Said bonds shall be sold by the Town Officials in a competitive offering or by negotiation, in the Town Officials' discretion. If sold in a competitive offering, the bonds shall be sold upon sealed proposals, or by auction, or other competitive method at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale may be published (including electronically) in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds. If the bonds are sold by negotiation, provisions of the purchase agreement shall be approved by the Town Officials.

Section 4. The Town Officials are authorized to make temporary borrowings in anticipation of the receipt of the proceeds from the sale of bonds, notes or obligations, or the receipt of grants for the Project. Notes evidencing such borrowings shall be executed in the name and on behalf of the Town by the facsimile or manual signatures of the Town Officials, bear the Town seal or a facsimile thereof, be payable at a bank or trust company designated by the Town Officials, be approved as to their legality by Bond Counsel, and be certified by a bank or trust company designated by the Town Officials pursuant to Section 7-373 of the Statutes. Such notes shall be issued with maturity dates which comply with the provisions of the Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon, and shall be paid from property taxation to the extent not paid from other sources. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the project. Upon the sale of said bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town hereby expresses its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Treasury Regulations"), to reimburse expenditures paid sixty days prior

to and any time after the date of passage of this ordinance in the maximum amount and for the capital projects defined in Section 1 with the proceeds of bonds, notes, or other obligations ("Bonds") authorized to be issued by the Town. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the original expenditure or the substantial completion of the Project, or such later date the Treasury Regulations may authorize. The Town hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Director of Finance, or designee, is authorized to pay Project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration. The Town Officials are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds, notes or other obligations authorized by this resolution, if issued on a tax-exempt basis.

Section 6. The Town Officials are hereby authorized to exercise all powers conferred by Section 3-20e of the Statutes with respect to secondary market disclosure and to provide annual information and notices of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this ordinance.

Section 7. It is hereby found and determined that it is in the public interest to issue all, or a portion of, the Bonds, notes or other obligations of the Town authorized to be issued herein as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation. The Town Officials are hereby authorized to issue and utilize without further approval any financing alternative currently or hereafter available to municipal governments pursuant to law, including but not limited to any "tax credit bond" or "tax-advantaged bond," including direct payment and tax credit versions of such bonds.

Section 8. The Mayor, Town Manager and Director of Finance, and other proper officers and officials of the Town are each authorized to take any other action which is necessary or desirable to complete the Project and to issue bonds, notes or obligations or obtain grants to finance the aforesaid appropriation.