

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
DECEMBER 12, 2023

“Doc” McIntosh Conference Room or Remote Meeting
7:00 P.M.

<https://berlinc-t-gov.zoom.us/j/4148724481?pwd=SkpBQmd1U0NoNTF5U0dWTXZGVUhUT09&omn=89757710929>

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

November 11, 2023, Regular Meeting

F. NEW BUSINESS

1. Discuss Berlin VNA operations and financials – VNA Director.
2. Move to approve the 2024 Board of Finance meeting calendar.
3. Move to approve the FY25 General Fund budget calendar.
4. Move to approve “AN ORDINANCE APPROPRIATING \$3,200,000 FOR HVAC UPGRADES TO MARY E. GRISWOLD ELEMENTARY SCHOOL (2023) AND AUTHORIZING THE ISSUE OF \$3,200,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION, AND PENDING THE ISSUANCE THEREOF, THE MAKING OF TEMPORARY BORROWING FOR SUCH PURPOSE”.
5. Move to approve “AN ORDINANCE APPROPRIATING \$4,950,000 FOR HVAC UPGRADES TO RICHARD D. HUBBARD ELEMENTARY SCHOOL (2023) AND AUTHORIZING THE ISSUE OF \$4,950,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION, AND PENDING THE ISSUANCE THEREOF, THE MAKING OF TEMPORARY BORROWING FOR SUCH PURPOSE”.
6. Finance Director update.

G. ADJOURNMENT

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
NOVEMBER 21, 2023
“Doc” McIntosh Conference Room or Remote Meeting
7:00 P.M.

<https://berlinc-t-gov.zoom.us/j/88607428670?pwd=l1Clslj26LMmbRUf3qG3gMksv6jCap.1>

Call-in Option: 1 929 205 6099
Meeting ID: 886 0742 8670
Passcode: 496232

A. CALL TO ORDER BY FINANCE DIRECTOR

Finance Director Delaney 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
Doug Solek – Facilities Director

D. PUBLIC COMMENTS

None

E. NEW BUSINESS

1. Nomination(s) for selection of Chairman.

Mr. Paradis nominated Sal Bordonaro for Chairman. Mr. Grady seconded the nomination and no further nominations were made. The commission voted unanimously (6-0) to elect Sal Bordonaro as Chairman.

2. Nomination(s) for selection of Vice-Chairman.

Mr. Fernandes nominated Gerald Paradis. Mr. Grady seconded the nomination and no further nominations were made. The commission voted unanimously (6-0) to elect Gerald Paradis as Vice-Chairman.

3. Move to approve non-budgeted appropriation of \$75,000 from fiscal year 2024 General Fund Unassigned Fund Balance into Recap Tennis & Basketball Court.

Mr. Paradis moved to approve non-budgeted appropriation of \$75,000 from fiscal year 2024 General Fund Unassigned Fund Balance into Recap Tennis & Basketball Court.

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. Fernandes asked if it is for the high school. Finance Director Delaney said yes. Chairman Bordonaro asked to confirm the amount. Finance Director Delaney said \$75k was the original and the additional amount is to cover any incidentals that might be identified.

4. Move to appropriate a \$500,000 Small Town Economic Assistance Grant (STEAP) for the Steele Boulevard Park project and appropriate a Connecticut Communities Challenge Grant of \$1,560,947 for the Kensington Village Core TOD Improvement Project subject to Newport Realty 848 Farmington Ave LLC securing project financing and approvals.

Mr. Paradis moved to appropriate a \$500,000 Small Town Economic Assistance Grant (STEAP) for the Steele Boulevard Park project and appropriate a Connecticut Communities Challenge Grant of \$1,560,947 for the Kensington Village Core TOD Improvement Project subject to Newport Realty 848 Farmington Ave LLC securing project financing and approvals.

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)

5. Move to appropriate \$2,303.91 to the Sale of Land, Labor, & Materials Revenue Account and the Contractual Services & Projects Account in the Capital Nonrecurring Fund.

Mr. Paradis moved to appropriate \$2,303.91 to the Sale of Land, Labor, & Materials Revenue Account and the Contractual Services & Projects Account in the Capital Nonrecurring Fund.

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 asked if both this and the next one are just general accounts in the CNR fund that don't associate to any particular project? Finance Director Delaney said yes.

6. Move to appropriate \$1,865.00 to the Sale of Land, Labor, & Materials Revenue Account and the Contractual Services & Projects Account in the Capital Nonrecurring Fund.

Mr. Paradis moved to appropriate \$1,865.00 to the Sale of Land, Labor, & Materials Revenue Account and the Contractual Services & Projects Account in the Capital Nonrecurring Fund.

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)

7. Move to transfer \$24,250.00, as detailed on the accompanying spreadsheet, to cover higher than budgeted expenditures in identified accounts.

Mr. Paradis moved to transfer \$24,250.00, as detailed on the accompanying spreadsheet, to cover higher than budgeted expenditures in identified accounts.

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)

8. Discuss Police Station Renovation bid results and financing options.

The low bid (\$2.5M) will be going to the Town Council on December 12 for approval. There was \$1M previously appropriated from fund balance that is already in the account. The State Bond Commission approved \$750k for a state grant. That leaves the Town with about \$775k to fund. There are three ways to go about funding this. First, appropriate some the general fund unassigned fund balance. That would leave the fund at 12.6%. Second, initiate a negotiated bond with a local bank at around 4-5% interest. Last, initiate a competitive GO bond offering - not recommended because that will cost the Town \$50-\$70k.

When the budget was adopted there was \$155k in 2023 debt service in this budget. You could transfer the \$155k to help offset some of this cost instead of borrowing. It would get the number down to \$620k. My recommendation would be to wait and see if the town is awarded either of the HVAC grants. If the town wins grant money for either one of those, the work would start this summer and be done by 2025. If the Town receives one or both HVAC grants, Finance Director Delaney recommends rolling the two bond items together into a general obligation bond. If not, then option 1 or 2.

Chairman Bordonaro said we will have to eventually bond for the HVAC. We can use that \$155k. I want to use fund balance for the rest of it and start bonding for the bigger projects. Mr. Grady agreed. Chairman Bordonaro asked if interest rates are starting to decline? Finance Director Delaney said they are moving up and down. I don't think you will see above 4% or 4.5%.

Mr. Paradis asked about bonds. Finance Director Delaney said the bonds are almost identical. Finance Director Delaney said that small of an amount could be borrowed over 5 years. Mr. Paradis said he has a problem with paying everything out of fund balance. These are the types of projects that we should be bonding since they will last for more than 20 years. I would assume that we bond

this along with the school stuff since we have not bonded in 3 or 4 years. I'd rather keep the fund balance intact.

Finance Director shared the preliminary bond plan and said as the budget comes along we will be looking at these things. The plan calls for \$9M of borrowing assuming we get nothing from the State and move forward with both HVAC projects. We are also looking at some bridges, roofs and window replacements at the schools. We will circle back to fire vehicles. Mr. Fernandes said he would add the 4 portable classrooms to the list.

Mr. Millerd said he is leaning towards what Mr. Paradis had said. There will be things that we have not thought of. We can put a bonding package together and drive this in with the HVAC upgrades for the other schools. I'd prefer to keep this money in reserves for things that might come out of the blue that would not be worth bonding for on a short-term basis.

Mr. Fernandes asked if the boilers we are looking at are the new energy efficient ones, or the traditional style. Facilities Director Solek said the PBC asked to do an evaluation of existing conditions and opinions of cost and options. We are working on that now and will have more information coming forward in the next couple of months. Mr. Fernandes said if it is the new efficient boilers, shouldn't we put in the new windows first? Facilities Director Solek said high efficiency windows would help with any heat loss. Finance Director Delaney said this is the best information that we have as of now and it will be modified as we go through the year.

Chairman Bordonaro asked if we could make a decision at the December 12 meeting. Finance Director Delaney said no, because the Town Council will vote to award it on that date. The earliest they would start the project is December 13. It sounds like the general consensus is to hold off and probably not use fund balance and see if the Town receives grants for the HVAC projects. Mr. Paradis said maybe have some discussions with the bank people too. Finance Director Delaney agreed.

9. Discuss Chairman's letter to the Board of Education President.

Chairman Bordonaro said this item was added to the agenda as a public document regarding the email from myself to the Board of Education. I'm going to ask Mayor Kaczynski and the Town Council to invite the President of the Board of Education to address my letter in front of the Town Council. Mr. Fernandes asked if there were any cuts made within staffing? Finance Director Delaney said he does not know specifically.

10. Finance Director update.

Finance Director Delaney said revenue is slightly behind where we were in 2023. The major driver of that is tax revenue. Insurance funds continue to perform well and the reserves continue to be strong.

The DB pension plan remains solid. We had three active participants and one inactive, but vested participant. We were able to get that person to reach in and take his money. We are down to three actives. Related to the new Police pension plan, almost all of the money has been moved from the DC plan to the DB plan. Once that is all set Finance Director Delaney will transfer the Town's annual contribution to the DB plan.

Finance Director Delaney said the Board will need to vote in December on the 2024 meeting dates. March 1 is the start of the 2025 budget calendar. I'm proposing to split March 4 and March 6 and do the overview of revenue, capital debt transfers and even town operations on that Monday. Wednesday would be exclusively for the Board of Education. Mr. Fernandes asked if there could be a joint meeting with the Board of Education to discuss expectations. Chairman Bordonaro said he has had some small meetings with the Board of Education. The bigger meetings tend to become too generalized and we get less out of them. Mr. Fernandes said he would like one meeting instead of two meetings on March 4 and March 6 and we could discuss the town first. Chairman Bordonaro said he would like it separated, but to require Board of Education leadership (President, Superintendent and Finance Director) to show up to the town meeting to get an understanding of what is happening with the town. Chairman Bordonaro said that he will have the smaller meeting before anything starts.

Finance Director Delaney provided a VNA update. Town Manager Jayawickrema, VNA Director Piatek and Finance Director Delaney had visited the Westbrook VNA and met with the Town of Westbrook First Selectman. We talked about how Westbrook is at break even. Westbrook does not include fringe benefits in their department budgets. Health insurance and all of that is separate. About half of our \$700k VNA loss would be considered fringe benefits, about \$350k. Finance Director Delaney said there are a number of towns that choose to keep fringes separate. There are also a couple of operational differences that VNA Director Piatek is planning to implement. They would not affect patient care. I met with the Berlin VNA Director and the Budget Manager to review every line in their budget to look for savings.

VNA Director Piatek would like to come to the December or January meeting to discuss the Board of Finance expectations as it pertains to building her budget. The initial budget pass is due end of November. Chairman Bordonaro said he is okay with having VNA Director Piatek attend the December meeting. Mr. Millerd said one of the things we are still not seeing is staff utilization rates. Is it feasible to turn it around in the market that they deal in. How many hours are these people intended to work. Do they need as many people as they have to do the amount of work that they have. Mr. Grady said Westbrook VNA relies a lot more on per diem. Finance Director Delaney said Westbrook VNA also only has 6 full time staff members. Mr. Millerd asked to have VNA Director Piatek address what her utilization is at the December meeting.

F. APPROVAL OF PRIOR MINUTES

October 19, 2023, Regular Meeting

Mr. Paradis moved to approve the October 19, 2023 Regular Meeting minutes.

Seconded by Mr. Grady.

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

Vote being 5-0. (MOTION CARRIED)

Ms. McNair abstained as she was not at the October 19, 2023, meeting.

G. ADJOURNMENT

Mr. Millerd moved to adjourn at 7:59 p.m.

Seconded by Mr. Fernandes.

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

Vote being 6-0

Submitted by,
Alina Brown

September 2023

Staff Utilization/Productivity per month:

	Nurse	Home Health Aide
Goal (Full Capacity)	304 "units" (-22 units while off) Available for 282 units	180 "units" (-10 units while off) (-18 units due to FMLA) Available for 152 units
Actual	215 "units" (89 short of goal) (67 short of available units)	99 "units" (81 short of goal) (53 short of available units)
Time off	Nurse paid time off= 5 days	HHA paid time off= 2 days

*1 holiday day reducing productivity- Labor Day, 1 Aide out x 5 full days FMLA, returned 9/11

*Aide on FMLA needed continued therapy= 18 hours

Total Visits=

Nursing= 179

Home Health Aide= 99

Physical Therapy= 68

Occupational Therapy= 35

Speech Therapy= 0

MSW= 0

October 2023

Staff Utilization/Productivity per month:

	Nurse	Home Health Aide
Goal (Full Capacity)	320 "units" (-42 units while off) *Available for 278 units	210 "units" (-30 units while off) (- 15 units due to FMLA) *Available for 165 units
Actual	258 "units" (62 short of goal) (20 short of available units)	110 "units" (100 short of goal) (55 short of available units)
Time off	Nurse paid time off= 8 days	HHA paid time off= 6 days

*1 holiday day reducing productivity- Columbus Day

*Aide on FMLA needed continued therapy= 15 hours

Total Visits=

Nursing= 204

Home Health Aide= 110

Physical Therapy= 107

Occupational Therapy= 43

Speech Therapy= 0

MSW= 0

November 2023

Staff Utilization/Productivity per month:

	Nurse	Home Health Aide
Goal (Full Capacity)	304 “units” (-50 units while off) *Available for 254 units	200 “units” (-55 units while off) (-6 units due to FMLA) *Available for 139 units
Actual	253 “units” (51 short of goal) (1 short of available units)	127 “units” (73 short of goal) (12 short of available units)
Time off	Nurse paid time off= 10 days	HHA paid time off= 11 days

***2 holiday days reducing productivity- Thanksgiving and Day after**

Total Visits=

Nursing= 189

Home Health Aide= 127

Physical Therapy= 96

Occupational Therapy= 38

Speech Therapy= 3

MSW= 0

Berlin Board of Finance

2024 Meeting Dates

(All meetings will begin at 7pm in the John "Doc" McIntosh room at Town hall, unless otherwise noted on the agenda)

January 9, 2024

February 13, 2024

March 12, 2024

April 9, 2024

May 14, 2024

June 11, 2024

July 9, 2024

August 6, 2024

September 10, 2024

October 8, 2024

November 12, 2024

December 10, 2024

January 14, 2025

FISCAL YEAR 2025 BUDGET CALENDAR

March 1, 2024: Town Manager's Budget emailed to the Board of Finance & Town Council

March 4, 2024: Budget Meeting #1 (Revenue, Capital, Debt, Transfers, Town Operations)
7:00-9:00 pm; Town Council Chambers (if available)

March 6, 2024: Budget Meeting #2 (Board of Education Operations)
7:00-9:00 pm; BOE Meeting Room (if available)

March 11, 2024: Budget Meeting #3
7:00-9:00 pm; Town Council Chambers (if available)

March 12, 2024: Regular Board of Finance Meeting (budget will be on agenda)

March 18, 2024: Budget Meeting #4 (possible vote to send budget to Budget Hearing)
7:00-9:00 pm; Town Council Chambers (if available)

March 20, 2024: Budget Meeting #5 (if needed - vote to send budget to Budget Hearing)
7:00-9:00 pm; Town Council Chambers (if available)

March 26, 2024: Annual Budget Hearing
6:00-8:00 pm; McGee Middle School

Board of Finance votes to send budget to the Town Council
Immediately following the Annual Budget Hearing; McGee Middle School

April 2, 2024: Town Council votes on budget
7:00-9:00 pm; Town Council Chambers

A Town Council/Board of Finance Meeting will be scheduled if the Town Council rejects the budget.

April 30, 2024: Budget Referendum
6:00 am – 8:00 pm; Voting Locations

May 1, 2024: Board of Finance sets FY25 mill rate (if both budgets pass)
Board of Finance votes to send revised budget to the Town Council (if needed)
Time and site TBD

May 7, 2024: Town Council votes on revised budget
7:00-9:00 pm; Town Council Chambers

A Town Council/Board of Finance Meeting will be scheduled if the Town Council rejects the budget.

May 28, 2024: Second Budget Referendum (if needed)
6:00 am – 8:00 pm; Voting Locations

May 29, 2024: Board of Finance sets FY25 mill rate (if both budgets pass)
Board of Finance votes to send revised budget to the Town Council (if needed)
Time and site TBD

June 4, 2024: Town Council adopts FY25 budget (if needed)
7:00-9:00 pm; Town Council Chambers

FIRST PERSON VERSION**BOARD OF FINANCE**

The Board of Finance will now consider and take action with respect to the \$3,200,000 HVAC Upgrades to Mary E. Griswold Elementary School Project 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 \$3,200,000 FOR HVAC UPGRADES TO MARY E. GRISWOLD ELEMENTARY SCHOOL (2023) AND AUTHORIZING THE ISSUE OF \$3,200,000 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 _____, seconded by _____.

[Discussion]

Those in favor?

Those opposed?

I declare the ordinance approved.

AN ORDINANCE APPROPRIATING \$3,200,000 FOR HVAC UPGRADES TO MARY E. GRISWOLD ELEMENTARY SCHOOL (2023) AND AUTHORIZING THE ISSUE OF \$3,200,000 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 \$3,200,000 for the HVAC Upgrades to Mary E. Griswold Elementary School (2023) project (the "Project"). The Project is comprised of HVAC improvements and upgrades at Mary E. Griswold Elementary School, as determined by the Town Council or the Public Building Commission. The Project includes the costs of planning, design, architectural work, remediation, equipment, acquisition, construction and related costs thereto, and administrative, advertising, printing, legal and financing costs related thereto. The Director of Finance or the Town Manager may allocate funding among the projects as needed from time to time. Said appropriation shall be inclusive of all State and Federal grants-in-aid, and in addition to all other appropriations therefor.

Section 2. To meet said appropriation, \$3,200,000 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 such later date as may be allowed by law. Said bonds may be issued in one or more series as determined by a majority of the Mayor, Town Manager and 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 in the amount necessary to meet the Town's share of the cost of the Project determined after considering the estimated amount of State and Federal grants-in-aid of the Project, or the actual amount thereof if this be ascertainable, and the anticipated times of receipt thereof, provided that the total amount of bonds to be issued shall not be less than an 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 and legal costs of issuing the bonds. 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 there from, provided that such expenditures shall be applied against the appropriation, and the bond authorization shall be reduced by the amount of capital project revenues so credited, and provided further that earnings from the investment of note proceeds shall first be applied by the Director of Finance to pay note interest expense. 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, Attorneys-At-Law ("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 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 General Statutes of the State of Connecticut, as amended (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 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. They 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 (the "Issuer") hereby expresses its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and 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 Issuer. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The Issuer 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.

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 bonds or other tax-advantaged 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.

FIRST PERSON VERSION

BOARD OF FINANCE

The Board of Finance will now consider and take action with respect to the \$4,950,000 HVAC Upgrades to Richard D. Hubbard Elementary School Project 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 \$4,950,000 FOR HVAC UPGRADES TO RICHARD D. HUBBARD ELEMENTARY SCHOOL (2023) AND AUTHORIZING THE ISSUE OF \$4,950,000 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 _____, seconded by _____.

[Discussion]

Those in favor?

Those opposed?

I declare the ordinance approved.

AN ORDINANCE APPROPRIATING \$4,950,000 FOR HVAC UPGRADES TO RICHARD D. HUBBARD ELEMENTARY SCHOOL (2023) AND AUTHORIZING THE ISSUE OF \$4,950,000 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 \$4,950,000 for the HVAC Upgrades to Richard D. Hubbard Elementary School (2023) project (the "Project"). The Project is comprised of HVAC improvements and upgrades at Richard D. Hubbard Elementary School, as determined by the Town Council or the Public Building Commission. The Project includes the costs of planning, design, architectural work, remediation, equipment, acquisition, construction and related costs thereto, and administrative, advertising, printing, legal and financing costs related thereto. The Director of Finance or the Town Manager may allocate funding among the projects as needed from time to time. Said appropriation shall be inclusive of all State and Federal grants-in-aid, and in addition to all other appropriations therefor.

Section 2. To meet said appropriation, \$4,950,000 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 such later date as may be allowed by law. Said bonds may be issued in one or more series as determined by a majority of the Mayor, Town Manager and 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 in the amount necessary to meet the Town's share of the cost of the Project determined after considering the estimated amount of State and Federal grants-in-aid of the Project, or the actual amount thereof if this be ascertainable, and the anticipated times of receipt thereof, provided that the total amount of bonds to be issued shall not be less than an 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 and legal costs of issuing the bonds. 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 there from, provided that such expenditures shall be applied against the appropriation, and the bond authorization shall be reduced by the amount of capital project revenues so credited, and provided further that earnings from the investment of note proceeds shall first be applied by the Director of Finance to pay note interest expense. 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, Attorneys-At-Law ("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 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 General Statutes of the State of Connecticut, as amended (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 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. They 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 (the "Issuer") hereby expresses its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and 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 Issuer. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The Issuer 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.

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 bonds or other tax-advantaged 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.

GENERAL FUND

(budgeted amount excludes assigned fund balance)

Receipts

Actual Receipts	\$60,471,718	\$61,374,185	
Budgeted Receipts	\$98,269,696	\$95,771,346	
% to Budget	61.5%	64.1%	

Current Year Tax Receipts	\$54,357,465	\$54,955,324	
Current Tax Budget	\$84,507,963	\$83,068,727	
Current Tax Levy (99.3%/99.3% collection rates)	\$85,103,689	\$83,654,307	

% to Current Budget	64.3%	66.2%	
% to Current Levy	63.9%	65.7%	
Adopted budget target %	99.3%	99.3%	

Expenditures (excludes capital expenditures)

Actual Expenditures	\$45,478,931	\$44,268,907	
Budgeted Expenditures	\$100,612,696	\$96,636,346	
% to Budget	45.2%	45.8%	

	Actual	Encumbered	Budget	Var to Budget
Storm-related Overtime (51445)	\$0	\$0	\$143,435	\$143,435
Electricity (53102)	\$455,081	\$896,091	\$1,526,245	\$175,073
Refuse Disposal (53823)	\$752,052	\$1,168,571	\$1,922,120	\$1,497
Legal (53828)	\$93,843	\$261,157	\$355,000	\$0
Tax Refunds (53924)	\$70,680	\$0	\$215,000	\$144,320

Target Floor Fd Bal. Actual Fund Bal.

INSURANCE FUNDS

Health Insurance Fund

\$2,327,226	\$2,970,014	The Health Insurance Fund balance is 27.8% of full year projected expenses - target floor reserve is 25%.
-------------	-------------	---

General Insurance Fund

\$1,000,000	\$2,530,637	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, window/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	\$5,500,651	
-------------	-------------	--

Town of Berlin
Financial Status Report
Board of Finance Meeting of December 12, 2023

F-6

PENSION FUND

Notes

Total Liability (as of 7/1/2023)

\$4,726,976

Cash Balances:

Prudential

\$2,176,790

ICMA Plus

\$2,112,148

\$4,288,938

Currently, the Town is executing a pay-as-you-go program to manage new retirements. The plan includes 3 active participants, 1 inactive but eligible participant and 15 annuitants.

Funding % - Total

90.7%

Funding % - DB

46.1%

Unfunded Liability

(\$438,038)

Anticipated retirements:

FY24: 3 active participants remain and all are eligible to retire.

Annual annuity payments & total monthly fees: \$172,000

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	11%	TBD		Facilities	Current Phase: construction
55 Steele Boulevard	8%	\$0		Economic Dev.	Building 3 of 3 from Newport's original Farmington Ave plans
Sidewalk Upgrades	87%	\$0		Public Works	Current Phase: construction/finalize
3-Road Project (CRCOG Pre-Funded Construction)	76%	\$0		Public Works	Current Phase: construction/finalize
Kensington Road Bridge - Design Phase	40%	\$0		Public Works	Current Phase: design (local funded); once project is approved by DOT, CRCOG grant will pre-funded for bid amount + contingency & incidentals
Percival Soccer Field	84%	\$0		Public Grounds	Current Phase: construction
Biscoglio Field Turf (DEEP Grant)	80%	\$0		Public Grounds	Current Phase: construction
Willard HVAC Upgrades (ARPA Funds)	28%	\$0	PBC	Facilities	Current Phase: construction
Willard HVAC Upgrades (Local Funds)	6%	\$0	PBC	Facilities	Current Phase: construction
Police Station Renovation	TBD	TBD	PBC	Facilities	Current Phase: PBC approved low bidder/request approval to award at Dec TC meeting

* % 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
-------------	-----------------	------------------	-------------

RECEIPTS

EXPENDITURES

Opportunities

Description	Projected - Low	Projected - High	Probability
-------------	-----------------	------------------	-------------

RECEIPTS

Municipal Revenue Sharing Grant (FY23)
Interest

\$509,953
\$0

\$509,953
\$500,000

High
Medium

EXPENDITURES

Vacant positions (net of new, non-budgeted Police Officers)

\$250,000

\$500,000

Medium/High

Electricity

\$0

\$150,000

Medium/High

Debt Service - June 2023 GO bond issue (Town did not issue 6/2023)

\$155,000

\$155,000

High

TOTAL

Total excluding Pension payouts

\$0
\$0

\$0
\$0

TOTAL

Budgeted use of fund balance (excludes \$300k of contingency)

\$914,953

\$1,814,953

(\$3,318,000)

Net Projection

(\$2,403,047)

(\$1,503,047)

	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>TOTAL</u>	<u>YTD</u>
FY2019	55,212	74,521	82,025	142,845	81,705	58,331	97,213	71,442	119,187	72,239	90,498	100,562	1,045,780	436,308
FY2020	47,155	82,851	58,019	85,737	58,047	51,550	62,354	63,243	62,270	99,186	51,272	76,057	797,741	331,809
FY2021	48,132	56,105	61,099	53,775	54,553	64,397	66,910	57,967	78,281	82,029	27,123	107,013	757,385	273,664
FY2022	51,814	67,134	56,464	49,192	39,038	32,530	43,379	48,339	70,744	45,424	48,569	61,528	614,156	263,642
FY2023	43,842	57,446	67,243	57,167	52,526	61,072	45,590	26,033	53,655	60,131	55,054	54,550	634,309	278,224
FY2024	37,692	53,924	36,570	39,543	33,239								200,968	200,968
CY vs. PY	(6,150)	(3,522)	(30,673)	(17,624)	(19,286)	(61,072)	(45,590)	(26,033)	(53,655)	(60,131)	(55,054)	(54,550)		

