

**TOWN OF BERLIN
BOARD OF FINANCE
SPECIAL BUDGET MEETING
Wednesday, March 18, 2020
Board of Education Large Meeting Room
7:00 P.M.**

A. CALL TO ORDER

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

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

ATTENDANCE:

Members Present: Sal Bordonaro, Tim Grady, Mark Holmes, Sam Lomaglio, Gerald Paradis, John Richards

Members Absent:

Staff Present:

Kevin Delaney – Finance Director

Arosha Jayawickrema – Town Manager

D. NEW BUSINESS

- 1. Move to approve the transfer of \$60,000 from Contingency in the General Fund to the Sage I Field Improvements account in the Public Grounds Department.**

Mr. Paradis moved to approve the transfer of \$60,000 from Contingency in the General Fund to the Sage I Field Improvements account in the Public Grounds Department.

Seconded by Mr. Holmes.

Vote being 6-0. (MOTION CARRIED)

- 2. Move to approve the transfer of \$3,500 from Contingency in the General Fund to Contractual Services in the Assessor's Department.**

Mr. Paradis moved to approve the transfer of \$3,500 from Contingency in the General Fund to Contractual Services in the Assessor's Department.

Seconded by Mr. Bordonaro.

Vote being 6-0. (MOTION CARRIED)

3. DISCUSSION ON DEPARTMENT BUDGETS:

Chairman Lomaglio stated that considering the current financial climate he feels the Board should aim for a zero-percent tax increase.

a. Discuss and vote on adjustments to the General Government and/or Board of Education budgets.

The Board of Finance discussed several possible adjustments, including:

General Government

REVENUE:

- Reduce interest income given the rapidly changing financial climate.
- Increase golf course greens fees and cart rentals based on 2019 performance.
- Change bond premium – direct into the General Fund.
- Reduce Contingency.
- Eliminate \$300,000 General Fund contribution.
- Increase back tax revenue – the group discussed whether there was a possibility for higher back tax revenue, or whether the current climate would result in poorer collection rates.

EXPENSE:

- Remove Charter Revision budget and appropriate from the General Fund if a Charter Revision is called.
- Remove capital budget and fund via specific appropriations throughout the year.
- Eliminate new full- and part-time positions.
- Adjust pension expense to include annuity payments and administrative costs only.
- Eliminate transfer to reconfigure elementary and middle school offices with the security vestibules.
- Reduce Fire Department compensation based on past two years' actuals.
- Reduce Police compensation based on past two years' actuals.
- Reduce Public Works contractual services budget. Reduce Highway compensation based on this year – still \$100,000+ in current year budget.

The Fund Balance would be the source of any capital purchases or pension payouts next year.

Mr. Holmes stated that he is opposed to eliminating capital and depleting Fund Balance to pay for items, but he will agree to it in this specific volatile economic situation. He requested that any surplus be directed to Fund Balance / capital purchases.

Town Manager Jayawickrema spoke about possible changes to the budget hearing / referendum process. While nothing has been finalized yet, it is possible that the public budget hearing could be held over Facebook live with the General Government and Board of Education presentations live-streamed or pre-recorded and played for residents. Residents could submit comments and feedback for the Board of Finance's consideration.

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The budget referendum (and possibly primary elections) may be postponed or held with specific contingencies in place to minimize the number of people in buildings.

Mr. Paradis moved to reduce Workers Compensation by \$62,730.

Seconded by Mr. Bordonaro.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to reduce School Nurses Compensation by \$43,060.

Seconded by Mr. Bordonaro.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to reduce Health Insurance by \$96,165 (based on the Anthem rate recommendation).

Seconded by Mr. Bordonaro.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to remove the Defined Benefit Pension funding of \$1,577,733.

Seconded by Mr. Bordonaro.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to remove the Charter Revision Commission funding of \$4,701.

Seconded by Mr. Holmes.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to remove all capital items totaling \$895,000.

Seconded by Mr. Richards.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to remove the transfer for School Security Office Reconfiguration of \$100,000.

Seconded by Mr. Holmes.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to add Field Debt Service Sage 1, Percival and Scalise Restrooms \$140,000.

Seconded by Mr. Holmes.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to lower Contingency by \$200,000.

Seconded by Mr. Holmes.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to remove all new full-time and part-time Headcount wages and fringes totaling \$250,763.

Seconded by Mr. Grady.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to remove Assigned Fund Balance Defined Benefit Pension \$1,577,733.

Seconded by Mr. Bordonaro.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to add Assigned Fund Balance Field Debt Service Sage 1, Percival, Scalise Restroom \$140,000.

Seconded by Mr. Bordonaro.

Vote being 6-0. (MOTION CARRIED)

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Mr. Paradis moved to lower the assignment for Contingency by \$200,000.

Seconded by Mr. Holmes.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to reduce Interest Income by \$200,000.

Seconded by Mr. Bordonaro.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to increase Bond Premium by \$250,000.

Seconded by Mr. Bordonaro.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to increase Golf Greens Fees by \$25,000.

Seconded by Mr. Holmes.

Vote being 6-0. (MOTION CARRIED)

Mr. Paradis moved to increase Golf Cart Rental by \$7,000.

Seconded by Mr. Bordonaro.

Vote being 6-0. (MOTION CARRIED)

The previous reductions and increases (along with a suggested reduction of \$971,000 to the Board of Education budget discussed below) result in a net-zero increase in the Town's combined budgets. The group discussed the possibility of further reductions to General Government based on analyses of department trends, and elected to revisit the subject in the future if it is necessary to offset lower-than-expected revenue. Town Manager Jayawickrema noted that Department heads are very careful with spending and any excess funds will be returned to Fund Balance.

Board of Education

Board of Finance members discussed the Board of Education current-year budget situation, acknowledging that the existing school closures will result in a reduction in student

transportation expenses and the shift to distance learning may result in other reductions and increases. The length of school closures and the final financial impact are not yet known.

Board of Finance discussed options for next year's budget, including limiting an increase to 3.2% (reduction of \$971,000 from what Board of Education requested). Some Board of Finance members were more comfortable with a 2%-3% increase due to several factors, including: the current economic situation; research indicating Berlin's funding levels are comparable to communities with higher income; and given Board of Education's failure to answer questions and provide detail about current year status / forecasts.

Mr. Paradis moved to reduce the Board of Education budget by \$971,000.

Seconded by Mr. Richards.

Those voting in favor: Mr. Holmes, Mr. Lomaglio, Mr. Paradis, Mr. Richards

Those voting against: Mr. Bordonaro, Mr. Grady

Vote being 4-2. (MOTION CARRIED)

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

i. Move to send the Board of Education budget of \$46,416,504 to the Annual Budget Hearing.

Mr. Paradis moved to send the Board of Education budget of \$46,416,504 to the Annual Budget Hearing.

Seconded by Mr. Holmes.

Vote being 6-0. (MOTION CARRIED)

ii. Move to send the General Government budget of \$45,059,418 to the Annual Budget Hearing.

Mr. Paradis moved to send the General Government budget of \$45,059,418 to the Annual Budget Hearing.

Seconded by Mr. Holmes.

Vote being 6-0. (MOTION CARRIED)

iii. Move to send the Berlin Water Control budget of \$5,890,957 to the Annual Budget Hearing.

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Mr. Paradis moved to send the Berlin Water Control budget of \$5,890,957 to the Annual Budget Hearing.

Seconded by Mr. Holmes.

Those voting in favor: Mr. Bordonaro, Mr. Grady, Mr. Lomaglio, Mr. Richards

Vote being 6-0. (MOTION CARRIED)

E. ADJOURNMENT

Mr. Paradis moved to adjourn at 8:24 p.m.

Seconded by Mr. Holmes.

Vote being 6-0. (MOTION CARRIED)

Submitted by,

Dana Borges

RECEIVED FOR RECORD
BERLIN TOWN CLERK

2020 MAR 25 PM 3: 24

Kathy Gleason

BERLIN, CT.