

TOWN OF BERLIN  
SPECIAL BOARD OF FINANCE MEETING  
July 23, 2020  
REMOTE  
7:00 P.M.

<https://townofberlin.my.webex.com/townofberlin.my/j.php?MTID=m6957c8ed85590b8f9b62e646bbcd2a58>

Password: BOFSpecialMtg

Call-in Option:	1-408-418-9388 United States Toll
Access Code:	132 946 0379
Passcode:	26377324

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC COMMENTS

D. NEW BUSINESS

1. Move to transfer \$125,000 from the Schools Electricity account and \$110,000 from the Issue of June 2019 account to the Transfer to Other Funds account, all in the General Fund, and appropriate the transferred funds to the Farmington Ave Development (non-grant) account in the Economic Development Fund.
2. Move to transfer \$3,855, as detailed on the accompanying spreadsheet, to cover higher than budgeted expenditures in identified accounts.

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E. ADJOURNMENT

**Agenda Item No. D-1**  
**Request for Board of Finance Action**

**TO:           The Board of Finance**

**FROM:       Aroscha Jayawickrema, Town Manager**

**DATE:       July 14, 2020**

**SUBJECT:    Budget Transfers and Appropriation of \$235,000 for the Boulevard Project to the Economic Development Fund**

**Summary of Agenda Item:**

The Town previously entered into an agreement with the Newport Realty Group pertaining to the sale and redevelopment of Town owned parcels at 861, 889, 903 and 913 Farmington Avenue in the vicinity of the Berlin Train Station ("Agreement"). The Town Council approved two amendments to the Agreement; the first amendment was concerning the terms of the sale regarding the 861 portion of the transaction. The second amendment approved in June 2020 had the following revisions to the contract:

A Seller financing contingency was revised so that instead of being required to have financing in place for the first phase of the development project, the Town will require that Newport have a financing commitment for funds to acquire 861, 903 and 913 Farmington Avenue (\$470,000), to fund its shared costs funding obligation for off-site costs (the parties have agreed on \$268,754.75 as Newport's share of the cost of expected off-site improvements and Newport will receive a credit of \$90,000 for constructing an underground detention system that is part of the approach to not increase discharge into the CTDOT drainage system in Farmington Avenue) and for renovation of 861 Farmington Avenue.

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Newport has agreed not to require that the Town remove the slabs and footings at 889 Farmington Avenue.

The Agreement will be modified so that in addition to the Purchase Price, that Buyer will pay a share of off-site costs. The parties have agreed on the estimated magnitude of expected off-site costs and the prorated contributions of each party. Per the schedule attached, Newport's portion of shared costs is \$268,754.75 and it will receive a credit of \$90,000 for constructing an underground detention system that is part of the approach to not increase discharge into the CTDOT drainage system in Farmington Avenue.

Town will grant Buyer an easement over a portion of 889 Farmington Avenue in order to allow completion phase 1 of the project.

The parties agreed that an Environmental Land Use Restriction (ELUR) may be filed on 861 Farmington Avenue either before or after the closing,



The Town will indemnify Buyer from third party claims related to groundwater contamination originating on 889 Farmington Avenue that migrated onto 861 Farmington Avenue to the extent of such contamination as of the date of Closing. The Town had already agreed to provide an indemnification but it would not have been effective until Newport closed on 889 Farmington Avenue.

Town agreed to provide a parking easement on a portion of 889 Farmington Avenue for the benefit of 861 Farmington Avenue at closing of phase 1.

A contract amendment with Newport was not yet executed and subsequent to the approval of the latest contract amendment in June, it has been determined that Newport will not be able to close on financing for the purchase of 861, 903 and 913 Farmington Avenue and for its shared cost contribution by the end of July due in part to the fact that the stipulated judgment to resolve the Zoning Appeal was not accepted by the court until June 29 and that the banks are overwhelmed with transactions in the present economic environment. A closing in July is needed in order to provide part of the needed funding for the Boulevard project in order to allow the Town to sign the contract for the construction of the Boulevard so the Boulevard can be completed by the end of the year before grant funds are scheduled to expire. Therefore, Town staff had additional negotiations with Newport and a modification to the contract amendment is proposed whereby by the end of July Newport will close on the purchase of 861 Farmington Avenue (\$10,000) and 903 Farmington Avenue (\$195,000) and will provide a non-refundable \$30,000 deposit for the purchase of 913 Farmington Avenue. Bank financing for the first phase of the project is expected to be approved in late August or early September at which time Newport will close on the purchase of 913 Farmington Avenue for \$265,000 with credits provided for earlier deposits.

The projected schedule for other elements of the Steele Center @ Farmington Avenue project is as follows:

- Start construction on 861 Farmington Avenue rehab in August 2020.
- Start construction on 903 Farmington Avenue (Building B) in the Fall of 2020
- Start construction on 889 Farmington Avenue in the 3<sup>rd</sup> quarter of 2021.
- Start construction on 913 Farmington Avenue (Building A) and 903 Farmington Avenue (Building C) in the summer 2021 subject to tenant commitments.
- Close on 889 Farmington Avenue after Newport secures development financing and on or before 12/31/21.

In order to have adequate funding for the Boulevard project by the end of July the Town Council and Board of Finance will need to approve a transfer of \$235,000 to substitute for the funds that were expected from the closing of 913 Farmington Avenue sale that will not occur until late August or early September. The transferred funds will come from: \$125,000 from the Schools Electricity account (001.35.3561.0.53102.00000) and \$110,000 from the Issue of June 2019 account, in the General Fund. Ultimately, the funds will be deposited into the Economic Development Fund and appropriated to the Farmington Ave Development (non-grant) account (504.10.1017.0.54000.01624).

In addition, when the Town Council authorized the Town Manager to enter into a contract with Guerrera Construction, low bidder for the Boulevard project, a condition of this authorization was that the Town receive \$470,000 for closing on the sale of 861, 903 and 913 Farmington Avenue and an additional \$268,754.75 in Boulevard cost share, \$178,754.75 cash plus a \$90,000 credit for the cost of installing a storm water detention system on the triangular parcel northeast of the Boulevard. This condition will need to be modified so that the Town Manager is authorized to enter into a contract with Guerrera Construction for the Boulevard contract when Newport has closed on 861 and 903 Farmington Avenue and entered into a cost sharing agreement and the appropriation of \$235,000 for the Boulevard project to the Farmington Ave Development (non-grant) account (504.10.1017.0.54000.01624) account is approved by the Board of Finance. The Town also expects to enter into an amendment to its Small Town Economic Assistance Program (STEAP) contract with the Connecticut Department of Transportation by as soon as early August to provide \$336,043 in added funding for the Boulevard project that will substitute for and/or supplement the added \$235,000 in Town funds. Prior to execution of the contract with Guerrera the Town will still need to obtain rights from the Department of Transportation to construct a portion of the Boulevard on State property (the encroachment permit for the Boulevard project from the Connecticut Department of Transportation has been issued). Further the authorization for the Town Manager to enter into change orders with Guerrera is reduced to \$26,711.25 because the cash from Newport for the cost share is \$268,754.75 instead of \$279,000 as stated in the previous Town Council resolution.

### **Action**

Move to transfer \$125,000 from the Schools Electricity account and \$110,000 from the Issue of June 2019 account to the Transfer to Other Funds account, all in the General Fund, and appropriate the transferred funds to the Farmington Ave Development (non-grant) account in the Economic Development Fund.

### **Attachments:**

1. Budget Adjustment Form.
2. Schedule of shared costs.

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### **Prepared By:**

Chris Edge, Economic Development Director,  
Jim Mahoney, Economic Development Coordinator






**TOWN OF BERLIN**  
**BUDGET CHANGE FORM**

**Section 1: To be completed by Department:**

Department: <b>Economic Development</b>	Fiscal Year: <b>FY2020</b>	Date: <b>6/30/20</b>
To Acct #: <b>001.45.4567.0.59622.00000</b>	Description: <b>Transfer to Other Funds</b>	Amount: <b>\$235,000.00</b>
		Requested by: <b>J. Mahoney</b>

Are there funds from another account which can be requested: Yes ☒ No ☐ Partially ☐ Don't Know ☐

From Acct #: <b>001.35.3561.0.53102.00000</b> <b>001.40.4065.0.59500.02049</b>	Description: <b>Electricity (schools)</b> <b>Issue of June 2019</b>	Amount: <b>\$125,000</b> <b>\$110,000</b>	Approved by: 
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**Contingency Balance (If applicable):**

Explanation of request, include reason why funds are available for transfer if applicable (use additional pages if necessary):

To ensure the Farmington Avenue Boulevard project moves forward by the grant deadline (12/31/2020) for the nearly \$1 million in State grants, the Town and Newport Group (developers) have agreed to split the costs originally funded by the land acquisition proceeds (\$470,000). When the developers secure the development loan (for acquisition and construction), the developers will pay the Town the remaining purchase price (\$235,000). This transfer "fronts" the money to begin construction. The funds will be transferred into an Economic Development account (504.10.1017.0.54000.01624).

**Section 2: To be completed by Town Manager:**

Request approved ☒ Disapproved ☐ Partially Approved ☐ Date: **7/9/2020**

Comments:



**Section 3a: Town Council action:**

Request approved ☐ Disapproved ☐ Partially Approved ☐ Referred to Town Mtg ☐ N/A ☐

Comments:

**Section 3b: Board of Finance action:**

Request approved ☐ Disapproved ☐ Partially Approved ☐ Referred to Town Mtg ☐ N/A ☐

Comments:

**Section 4: To be completed by Finance Department:**

Budget Change # :	JE#	Approved by Town Meeting	Date approved:
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Town of Berlin  
Construction of Boulevard to the Train Station  
Town No. 2020-05  
WMC Reference No. 1408310

Prepared By: RHM/MSA  
Date: June 3, 2020  
Rev Date:

100% (Shared Costs)

COST SHARING

ITEM NO.	ITEM DESCRIPTION	UNIT	QUANT.	UNIT PRICE	TOTAL COST	Category & Percentages	Newport	Town
2	0219001 Sedimentation Control System	L.F.	220	\$ 3.50	\$ 770.00	Traffic @ 90% Newport, 10% Town	\$ 693.00	\$ 77.00
3	0219011 Sedimentation Control System at Catch Basin	Ea	3	\$ 130.00	\$ 390.00	Drainage @ 71% Newport, 29% Town	\$ 276.90	\$ 113.10
4	0406171 A HMA SO 5	Ton	230	\$ 115.00	\$ 26,450.00	Traffic @ 90% Newport, 10% Town	\$ 23,805.00	\$ 2,645.00
5	0406236 Material for Tack Coat	Gal	215	\$ 8.00	\$ 1,720.00	Traffic @ 90% Newport, 10% Town	\$ 1,548.00	\$ 172.00
6	0406275 A Fine Milling of Bituminous Concrete (0" to 4")	S.Y.	22.40	\$ 5.00	\$ 112.00	Traffic @ 90% Newport, 10% Town	\$ 10,080.00	\$ 1,120.00
7	0507460 A Underground Detention System	L.S.	1	\$ 90,000.00	\$ 90,000.00	Detention @ 83% Newport, 17% Town	\$ 74,700.00	\$ 15,300.00
8	0507758 A Road Marble (Screen)	Ea	1	\$ 750.00	\$ 750.00	Drainage @ 71% Newport, 29% Town	\$ 532.50	\$ 217.50
9	058600110 A Type "C" Catch Basin - 0' - 10' Deep	Ea	1	\$ 4,000.00	\$ 4,000.00	Drainage @ 71% Newport, 29% Town	\$ 2,840.00	\$ 1,160.00
10	06860015 A 15" R.C. Pipe - 0' - 10' Deep	L.F.	15	\$ 54.00	\$ 810.00	Drainage @ 71% Newport, 29% Town	\$ 575.10	\$ 234.90
11	06860018 A 18" R.C. Pipe - 0' - 10' Deep	L.F.	30.5	\$ 59.00	\$ 1,799.50	Drainage @ 71% Newport, 29% Town	\$ 12,776.45	\$ 5,218.55
12	0811003 Precast Concrete Curb	L.F.	320	\$ 45.00	\$ 14,400.00	Traffic @ 90% Newport, 10% Town	\$ 12,960.00	\$ 1,440.00
13	0922001 Temporary Bituminous Concrete Sidewalk	S.Y.	390	\$ 30.00	\$ 5,700.00	Traffic @ 90% Newport, 10% Town	\$ 5,130.00	\$ 570.00
14	0944000 Furnishing and Placing Topsoil	S.Y.	800	\$ 7.00	\$ 5,600.00	Traffic @ 90% Newport, 10% Town	\$ 5,040.00	\$ 560.00
15	0959005 Turf Establishment	S.Y.	800	\$ 2.00	\$ 1,600.00	Traffic @ 90% Newport, 10% Town	\$ 1,440.00	\$ 160.00
16	0970006 Traffic Person (Municipal Police Officer)	Ea	1	\$ 20,400.00	\$ 20,400.00	Traffic @ 90% Newport, 10% Town	\$ 18,360.00	\$ 2,040.00
20	1010039 Precast Polymer Concrete Handhole Type II (17"x3.0")	Ea	1	\$ 1,300.00	\$ 1,300.00	Electrical @ 99% Newport, 1% Town	\$ 1,287.00	\$ 13.00
21	1012066 Precast Concrete Transformer Pad (76"x54"x36")	Ea	1	\$ 2,500.00	\$ 2,500.00	Electrical @ 99% Newport, 1% Town	\$ 2,475.00	\$ 25.00
22	1206023 A Removal and Relocation of Existing Signs	L.S.	1	\$ 1,500.00	\$ 1,500.00	Traffic @ 90% Newport, 10% Town	\$ 1,350.00	\$ 150.00
23	1210101 4" White Epoxy Resin Pavement Markings	L.F.	1,000	\$ 0.60	\$ 600.00	Traffic @ 90% Newport, 10% Town	\$ 540.00	\$ 60.00
24	1210102 4" Yellow Epoxy Resin Pavement Markings	L.F.	920	\$ 0.60	\$ 552.00	Traffic @ 90% Newport, 10% Town	\$ 496.80	\$ 55.20
25	1210106 12" White Epoxy Resin Pavement Markings	L.F.	20	\$ 7.00	\$ 140.00	Traffic @ 90% Newport, 10% Town	\$ 126.00	\$ 14.00
26	1401054 A Handling Sanitary Sewage (Sanitary Sewer)	L.S.	1	\$ 5,000.00	\$ 5,000.00	Sanitary @ 100% Newport, 0% Town	\$ 5,000.00	\$ -
27	1401022 A 8" PVC (Sanitary Sewer) (Paved Areas)	L.F.	215	\$ 100.00	\$ 21,500.00	Sanitary @ 100% Newport, 0% Town	\$ 21,500.00	\$ -
28	1403501 A Road Marble (Sanitary Sewer)	Ea	2	\$ 1,000.00	\$ 2,000.00	Sanitary @ 100% Newport, 0% Town	\$ 2,000.00	\$ -
<b>SUBTOTAL</b>					<b>\$ 236,877.00</b>	<b>SUBTOTAL</b>	<b>\$ 206,531.75</b>	<b>\$ 31,345.25</b>

ITEM NO.	LUMP SUM ITEMS	PERCENT <sup>4</sup>	UNIT	QUANT.	UNIT PRICE	TOTAL COST	LUMP SUM ITEMS
1	0201001 A Cleaning and Grubbing	4.2%	L.S.	1	\$ 9,913.72	\$ 9,913.72	\$ 8,601.87 \$ 1,311.85
17	0971001 A Maintenance and Protection of Traffic	See Note 5	L.S.	1	\$ 11,000.00	\$ 11,000.00	See Note 5 \$ 9,544.40 \$ 1,455.60
18	0975004 Mobilization and Protect Closure	8.4%	L.S.	1	\$ 19,827.45	\$ 19,827.45	\$ 17,203.74 \$ 2,623.71
19	0980001 Construction Staking	1.7%	L.S.	1	\$ 3,965.89	\$ 3,965.89	\$ 3,440.75 \$ 525.14
SUBTOTAL						\$ 44,706.66	SUBTOTAL \$ 38,796.75 \$ 5,915.90

				CONSTRUCTION ITEMS SUBTOTAL	\$ 236,877.00	\$ 205,531.75	\$ 31,345.25
				LUMP SUM ITEMS SUBTOTAL	\$ 44,706.66	\$ 38,796.75	\$ 5,915.90
				SUBTOTAL	\$ 281,583.66	\$ 244,328.50	\$ 37,261.15
				CONTINGENCY @ 10%	\$ 28,158.37	\$ 24,432.85	\$ 3,720.52
				<b>2020 TOTAL</b>	<b>\$ 309,742.02</b>	<b>\$ 268,761.35</b>	<b>\$ 40,970.67</b>

- NOTES:  
1) Quantities of Shared Cost Items by WMC Engineers  
2) Excluding Item No. 7 (0507460 - Underground Detention System), Unit Prices and Total Costs for Items are from the lowest bid submitted by  
Guerra Construction on May 28, 2020 for the referenced project.  
3) Cost for Item No. 7 is an estimated budget based on the review of prices submitted for Alternate No. 1.  
4) Percentages for Items 1, 18, & 19 calculated from actual bid prices.  
5) The bid cost for Item 17 was applied on a pro-rata basis using the Newport and Town subtotals. M&P will be needed primarily for the off-site work on Farmington Ave.



Agenda Item No. D-2  
**Request for Board of Finance Action**

**TO:** The Board of Finance

**FROM:** Arosha Jayawickrema, Town Manager

**DATE:** July 13, 2020

**SUBJECT:** Budget Transfers to Clear Overbudget Accounts

**Summary of Agenda Item:**

Over the course of the fiscal year some accounts exceed budget for different reasons. All the higher than budgeted costs are being funded with savings in other areas or contingency. No new money is being appropriated with this request. These items are summarized on the Budget Adjustments spreadsheet submitted with this action item.

**Action Needed:**

Move to transfer \$3,855, as detailed on the accompanying spreadsheet, to cover higher than budgeted expenditures in identified accounts.

**Attachments:**

Budget Adjustments spreadsheet

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**Prepared By:**

Kevin Delaney, Finance Director

Budget Adjustments  
July 23, 2020

<u>Department</u>	<u>GL Account #</u>		<u>From</u>	<u>To</u>	<u>Explanation</u>
Police	001.15.1532.0.51440.00000	Extra Duty Police Officer		\$2,705.00	Police Officers worked more extra duty jobs than budgeted. This cost will be reimbursed by the company (or Town) that hired the officers so this expenditure will ultimately not cost the Town anything.
	001.15.1532.0.51140.00000	Police Personnel	\$2,705.00		
Mobile Home	001.25.2541.0.53917.00000	Water & Sewer		\$1,150.00	Water & Sewer usage at the town-owned mobile home park was more than budgeted. Additional funds are available in the Town electricity account due to building closures during the COVID-19 pandemic.
	001.20.2038.0.53102.00000	Electricity	\$1,150.00		
		GENERAL FUND TOTAL	\$3,855.00	\$3,855.00	
		WATER CONTROL TOTAL	\$0.00	\$0.00	
		GRAND TOTAL	\$3,855.00	\$3,855.00	

Water Control