

TOWN OF BERLIN ANNUAL REPORT - 2020



100 Years of Women Voting



The First Berlin Women Voters





PUBLISHED BY: ANNUAL REPORT COMMITTEE

- **Cheryl DeFurio, Asst Deputy Town Clerk**
- **Gail Erickson, Asst Finance Director**
- **Arosha Jayawickrema, Town Manager**
- **Lecia Paonessa, Public Works**
- **Christi Sullivan, Admin Asst to Town Manager**
- **Maryssa Tsolis, Purchasing**
- **Kate Wall, Town Clerk**

March 2021

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Dear Town of Berlin Residents,

I am pleased to present the FY 2020 (July 1, 2019 – June 30, 2020) Annual Report. This report provides an overview of the highlights and accomplishments of the Town during the fiscal year, as well as a snapshot of the Town's financial standing.

Major accomplishments are listed under the narratives provided by each of the boards and commissions. As you read each section, you will see that fiscal year 2020 was another busy year. Each department gave their best to provide excellent programs and services to our residents. They used financial resources as efficiently as possible adhering to applicable policies, ordinances and statutes. The staff realizes that they work for and represent the Town of Berlin and their efforts contribute to the quality of life in this wonderful community.

The Town's operations had to be adjusted in March 2020 due to the outbreak of the COVID-19 pandemic. The staff was able to re-calibrate the business operations and deliver services to the community while maintaining safety protocols. All boards and commissions met remotely to ensure that the government continued to function without skipping a beat. In anticipation of the economic challenges the residents and the businesses might face in FY 2021, the Board of Finance and the Town Council worked collaboratively to deliver a budget without an increase to the mill rate

The Town completed the fiscal year with a strong financial performance. Standard & Poor's affirmed the Town's AAA bond rating, and the Town received the Excellence in Financial Reporting award from Government Finance Officers Association (GFOA) for the 34th consecutive year.

I extend my sincere appreciation to the Town Council, all elected officials who serve on various boards and commissions and the Town staff that give their time, energy and expertise to improve the lives of thousands of residents, businesses and the visitors to Berlin.

I encourage you to reach out to me or the Town staff to share your thoughts, comments, and suggestions on how we can serve our community better in the next fiscal year and beyond. Customer service, efficiency and effectiveness are top priorities for all of us in the Town Hall and I welcome your input and involvement so we can strive to continuously improve what we do each day.

As always, it is an honor to serve as your Town Manager. Please feel free to contact me at ajayawickrema@town.berlin.ct.us or at 860.828.7003. I look forward to hearing from you and seeing you around Town.

Sincerely,



Arosha Jayawickrema, Town Manager

Town Services Directory (Open by Appointment)

Berlin Town Hall – 240 Kensington Road – www.town.berlin.ct.us

Town Hall Hours: Monday-Wednesday 8:30 AM – 4:30 PM
 Thursday 8:30 AM – 7:00 PM
 Friday 8:30 AM – 1:00 PM

Assessor's Office

860.828.7105

- Abutting Property Owners Information
- Aerial Maps – copies
- Elderly Homeowners Applications
- Field Cards
- Grand List Books
- Motor Vehicle Adjustment
- Personal Property Declarations
- Sales Analysis Books

Building Department

860.828.7012

- Building Permits – from 1961
- Certificate of Occupancy
- Plot Plans – from 1945

Economic Development Department

860.828.7005

- Business Development Assistance

Finance Department

860.828.7044

- Copies of Budget
- Financial Questions
- Financial Reports

Fire Marshal/Emergency Management

860-828-7053

- Burning Permits
- Fire Safety & Code Questions
- Emergency Planning Questions

Human Resource Department

860.828.7115

- Human Resources
- Staff Benefits/Labor Relations

Planning & Zoning

860.828.7066

- Historic District Applications
- Land Use Applications
- Plan of Conservation and Development
- Zoning Map and Regulations Information
- Community Garden Applications
- Conservation Commission Trail Maps

Public Works/Engineering

860.828.7022

- Burning Permits
- Inland/Wetland Applications
- Refuse/Recycling Information
- Mattress Permits
- Right-of-Way Permits - Driveways, Excavations
- Wetlands/Flood Maps
- Report potholes, trees, etc.

Purchasing Department

860.828.7048

- Bids
- GovDeals

Registrar of Voters

860.828.7020

- Changes to Voter Status
- Election Information
- Voter Registration Cards

Revenue Collector

860.828.7123 (Tax Bills)

- Copies and Status of Tax Bills
- Mill Rate
- Motor Vehicle Releases

Social Services Department

860.828.7007

- "Choices" Counseling
- Energy Assistance
- Food Pantry
- Holiday Assistance
- Renter's Rebate Applications

Town Clerk

860.828.7036

- Boards and Commissions – Agendas, Minutes and Membership
- Charter
- Dog Licenses
- Election – Absentee Ballots and Information
- Justices of the Peace
- Land Recordings
- Liquor Permits
- Marriage – Application and License
- Maps – Subdivisions and Surveys
- Military Discharges
- Notary Public
- Ordinances
- Trade Name Certificates
- Vital Records – Births, Marriages and Deaths

Town Manager's Office

860.828.7003

- Administrative Head
- Employee Applications

Treasurer's Office

860.828.7044

- Mobile Home Park Rent Payments

Visiting Nurses Association (VNA)

860.828.7030

Hours: Monday – Friday 8:00 AM – 4:00 PM

- Case Management
- Consultation Services
- Home Care Nursing
- Home Health Aides
- Rehabilitation therapy

Water Department

860.828.7065

- Water and Sewer Questions
- CT Water Customer Service Billing
1-800-286-5700

Youth Services

860.828.7059

- Youth Programs
- Case Management
- Assessments and Referrals

Zoning Enforcement

860.828.7008

- Zoning Board of Appeals Applications
- Alcoholic Beverage Use Location Permits
- Motor Vehicles Use Location License
- Zoning Questions and Complaints

Other Town of Berlin Facilities:

Animal Control Facility –

600 Christian Lane

860.828.7055

Hours: Monday–Friday 8:00 AM–4:00 PM

Saturday/Sunday

& Holidays 8:00 AM–2:00 PM

Berlin-Peck Memorial Library –

234 Kensington Road

860.828.7125

No Appointment Needed

Hours: Monday–Thursday 10:00 AM–8:00 PM

Friday 10:00 AM – 5:00 PM

Saturday 10:00 AM – 4:00 PM (resuming
Summer 2021)

Passport and computer appointments necessary

Notary services available – call ahead

Community Center –

230 Kensington Road

860.828.7056

Hours: Monday–Thursday 8:30 AM – 8:30 PM

Friday 8:30 AM – 5:00 PM

Saturday 8:00 AM – 12:00 PM

Summer Hours:

Monday–Thursday 8:30 AM - 8:00 PM

Friday 8:30 AM – 5 PM

(Closed Saturdays during July and August)

Health Department

2080 Silas Deane Highway

Rocky Hill, CT 06067

860.785.8380

Hours: Monday–Friday 8:30 AM – 4:30 PM

- Food Service Inspections & Applications
- Motel Inspections & Applications
- Septic Locations
- Septic Permits
- Well Permits

Parks and Recreation Department –

230 Kensington Road

860.828.7009

Hours: Monday–Wednesday 8:30 AM–4:30 PM

Thursday 8:30 AM – 7:00 PM

Friday 8:30 AM – 1:00 PM

Police Department –

240 Kensington Road

911 (Emergency)

860.828.7080 (Police Dispatch Non-Emergency)

Senior Center – 33 Colonial Drive

860.828.7006

Hours: Monday–Friday 8:30 AM–4:00 PM

- Municipal Agent for the Elderly

Timberlin Golf Course –

Southington Road

860.828.7054

Hours: 7:00 AM to 1 hour before Sunset

(Opening time is 8:00 AM when the course
first opens in the spring.)

BOARDS & COMMISSIONS

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BERLIN-PECK MEMORIAL LIBRARY BOARD

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Lilian C. Ulan 117 Sunmeadow Drive East Berlin, CT 06023	1/31/2024	Unaffiliated	Consists of nine members for three (3) year terms. Not more than five (5) shall be of the same political party.
TELEPHONE: (860) 836-9873 EMAIL: lilianculan@comcast.net			
Elaine Borselle 61 Oak Ridge Drive Berlin, CT 06037	1/31/2023	Democrat	
TELEPHONE: (860) 828-1616 EMAIL: elaineb2@comcast.net			
Chris Fasciano 76 Raspberry Hill Berlin, CT 06037	1/31/2024	Republican	
TELEPHONE: (860) 828-3012 EMAIL: jcf26@hotmail.com			
Robert M. F. Lewis- <u>Vice Chairman</u> 27 Pondsides Drive Berlin, CT 06037	1/31/2022	Unaffiliated	
TELEPHONE: (860) 828-9216 EMAIL: rmflewis66@comcast.net			
Donna Moore – <u>Chairman</u> 215 Rosewood Lane Berlin, CT 06037	1/31/2024	Democrat	
TELEPHONE: (860) 729-1636 EMAIL: moore.donna@yahoo.com			
Gail C. Marino 24 Casner Drive Berlin, CT 06037	1/31/2022	Republican	STAFF LIAISON: Helen Malinka hmalinka@berlinpeck.org (860) 828-7125
TELEPHONE: (860) 770-7516 EMAIL: gail.marino13@gmail.com			
Sharon Powell 45 Ridgewood Lane Kensington, CT 06037	1/31/2023	Unaffiliated	
TELEPHONE: (860) 828-6801 EMAIL: sharonmcpowell@gmail.com			
Karen A. Pagliaro 221 Stillmeadow Lane Kensington, CT 06037	1/31/2022	Democrat	
TELEPHONE: (860) 878-5708 EMAIL: kpagliari8@gmail.com			RECORDING SECRETARY:
Carol Welz 1308 Orchard Road Kensington, CT 06037	1/31/2023	Republican	Marlo Matassa mmatassa@town.berlin.ct.us 860 828-7033
TELEPHONE: (860) 828-6417 EMAIL: cwelz@comcast.net			
TELEPHONE: EMAIL:			
Revised: 1/26/2021 & 2/20/2021	Appt. of Marino, Reappoint of Ulan, Fasciano & Moore Updated Officers		

BERLIN-PECK MEMORIAL LIBRARY BOARD ANNUAL REPORT FOR FY2019-2020

MISSION STATEMENT: The Berlin-Peck Memorial Library strives to enrich the community by providing lifelong opportunities to learn, connect, enjoy and discover.

ACCOMPLISHMENTS: The year started off with a 56% increase in Passports and photo services before we were shut down due to COVID

We installed a library kiosk at the new train station where patrons can borrow/return items. In October we participated in Boscov's Friends Helping Friends Day and we raised \$480 as well as receiving a \$100 donation from Boscov's as the Non-Profit Organization winner.

Our annual Baubles and Bling sale was held in early December with a profit of \$900.

We received a grant for \$4,015 from the American Savings Foundation to start a "Memory Café". Memory Cafés are a comfortable, social gathering that allow people experiencing memory loss and a loved one to connect, socialize, and build new support networks. The group was going to meet once a month, however the start date coincided with the library's shutdown due to COVID. The foundation is letting us repurpose the grant money to create memory Kits to circulate. We hope to begin the in-person Cafes when the pandemic subsides.

To supplement the Café, we established a caregiver's support group in association with Hartford Healthcare and the Alzheimer's Association of CT. This group meets once a month virtually.

Our own Barbara Ritchie was nominated for the State Volunteer of the Year Award. She was the winner and is well known in town for delivering books to our homebound patrons.

We now have a You Tube channel which has various taped presentations on many different subjects.

In this time of COVID, Berlin Peck Memorial Library and its fine staff have done an excellent job working on behalf of our town and its citizen's. They have used this time to enrich their professional development, both in scope and depth. They used webinars, virtual town halls and roundtables in order to accomplish all this.

A new option for our patrons was for curbside pickup of books we have offered that service since 6/1/20 and it has been extremely popular by our patrons. Patrons are now able to sign up online for Library cards also.

The staff developed online story times, created booklists recommending books to our patrons, released a new and improved website. Our patrons enjoyed virtual programming and virtual summer reading for all ages.

The library purchased software so that staff can assist patrons and, on the computers, while being socially distanced and protecting the patron and themselves.

Despite being in the middle of a pandemic our Library has gone above and beyond to bring normalcy to our patrons. Thank you to all the staff of the Berlin Peck Memorial Library!

Donna J Moore-Berlin Peck Memorial Library Board Chairman

BOARD OF ASSESSMENT APPEALS

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Paul C. Argazzi - <u>Chairman</u> 339 Reservoir Road Berlin, CT 06037	11/21/2023	Republican	Three member board elected at general elections for a four (4) year term. Not more than two (2) shall be of the same political party
TELEPHONE: (860) 828-3988 EMAIL: paulargazzi@sbcglobal.net			
Christine Fairwood 80 Main Street Kensington, CT 06037	11/21/2023	Democrat	
TELEPHONE: (860) 828-5566 EMAIL: cfairwood@sbcglobal.net			
John Frink 37 Mattabasset Street Berlin, CT 06037	11/16/2021	Republican	
TELEPHONE: (860) 828-6144 EMAIL:			
TELEPHONE: EMAIL:			
			STAFF LIAISON: Joseph Ferraro jferraro@town.berlin.ct.us (860) 828-7039
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			RECORDING SECRETARY: Dawn Guite dawn_guite@yahoo.com 860-508-9042
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised: 11/5/2019 & 3/2/2020		2019 Election results Updated Chairman, Updated Recording Secretary (2/26/2021)	

Berlin Board of Assessment Appeals Annual Report Fiscal Year 2019-2020

The Board of Assessment Appeals (“Board”), created by state law, is an official municipal agency. Provided by statute to act as an independent body of review for property owners who wish to appeal their property assessments, it also serves as a body of review for property owners who have been erroneously denied exemptions and can also be used to add omitted property to the Grand List.

The Board consists of three (3) members all of whom are elected for a term of four (4) years. All members are elected unless appointment is permitted legally (CGS §9-185). The three (3) current members are Paul C. Argazzi, Chairman, Christine Fairwood, Member and John Frink, Member. All said members served during the appeals of the 2019 Grand List.

Each year, the Town Assessor prepares the official listing of all taxable property in Town known as the Grand List. It represents the assessed values of all taxable and tax-exempt property. The net Grand List, which is the total value after deductions for exemptions, becomes the Town’s tax base. Property owners, who wish to appeal their property assessments, may appeal through the Board. Taxpayers not satisfied with the Board’s decision, may appeal to the Superior Court of the judicial district of the Town within two (2) months of the mailing of notice of the Board’s action (CGS §12-117a).

Taxable property consists of *Real Estate*: real property which refers to land and all improvements permanently attached to the land; *Personal Property*: tangible property including but not limited to business personal property and unregistered motor vehicles; and *Motor Vehicles*: registered motor vehicles as supplied bi-annually by CT DMV.

Property owners who disagreed on the value of their property appealed before the Board in March 2020. However, as a result of the Coronavirus Disease (COVID-19) Outbreak, the remaining scheduled meetings were held and conducted pursuant to the Governor’s Executive Order No. 7B dated March 14, 2020 and Executive Order No. 7I dated March 21, 2020 concerning remote participation in meetings by members and taxpayers. Those said meetings were held telephonically between members and taxpayers and were completed by the end of March 2020.

Then, in September 2020, the Board met again to hear appeals of assessed values related to motor vehicles only. The following are the results of the 2019 Grand List after the Board of Assessment Appeals Hearings:

	Real Estate	Personal Property	Motor Vehicle
Total Gross Assessed Value as of 10/1/2018	\$2,129,638,117	\$347,144,620	\$224,844,790
New Total Gross Assessed Value (Results after Board Hearings)	\$2,123,070,101	\$347,310,555	\$224,322,694
Minus Total Exemptions	\$200,796,462	\$111,597,470	\$11,746,910
Total Net Assessed Value	\$1,922,273,639	\$235,713,085	\$212,575,784

BOARD OF EDUCATION (NON-PARTISAN)

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Adam Salina 95 Spicewood Lane Berlin, CT 06037	11/16/2021	N/A	Elected Board that consists of nine (9) members for three (3) year terms. *Vacancies will be filled by the Board of Education and the term expires on the next election year. The ballot for that election year will allow for election of as many candidates to fill the actual term of the vacancies and the regular term candidates.
TELEPHONE: (860) 828-3530 EMAIL: adam.salina@berlinschools.org			
Tracy Sisti - Secretary 286 Vineyard Drive Kensington, CT 06037	11/16/2021	N/A	
TELEPHONE: (860) 828-0055 EMAIL: tracy.sisti@berlinschools.org			
Julia Dennis - President 115 Norton Road Berlin, CT 06037	11/16/2021	N/A	
TELEPHONE: (860) 966-6038 EMAIL: julia.dennis@berlinschools.org			
Jaymee R. Miller 710 Worthington Ridge Berlin, CT 06037	11/22/2022	N/A	
TELEPHONE: (860) 922-0545 EMAIL: : jaymee.miller@berlinschools.org			
Timothy J. Oakes 631 Spruce Brook Road Berlin, CT 06037	11/22/2022	N/A	
TELEPHONE: (706) 817-2560 EMAIL: : timothy.oakes@berlinschools.org			
Steven R. Jenkins 7 Sea Green Drive Berlin, CT 06037	11/16/2021 *(filling a vacancy for a term expiring (11/22/2022))	N/A	STAFF LIAISON: Brian Benigni Superintendent of Schools bbenigni@berlinschools.org (860) 828-6581
TELEPHONE: (860) 982-4352 EMAIL: steven.jenkins@berlinschools.org			
Mark M. Pruzin 184 Hawthorne Drive Berlin, CT 06037	11/16/2021 *(filling a vacancy for a term expiring (11/21/2023))	N/A	
TELEPHONE: (860) 559-4089 EMAIL: mark.pruzin@berlinschools.org			
Stephen Weber 255 Longview Drive Kensington, CT 06037	11/16/2021 *(filling a vacancy for a term expiring (11/21/2023))	N/A	RECORDING SECRETARY: Betty Dombrowski
TELEPHONE: (860) 559-5677 EMAIL: stephen.weber@berlinschools.org			
Dr. Kari A. Sassu 69 Walden Court Berlin, CT 06037	11/21/2023	N/A	
TELEPHONE: (860) 505-7244 EMAIL: kari.sassu@berlinschools.org			
TELEPHONE: EMAIL:			
Revised: 9/22, 10/26, 11/3 & 11/23/20	Resignation of Tencza, Appt. of Jenkins, Pruzin & Weber Election results – Oakes (11/22/22) & Sassu (11/21/23) Elected		

BOARD OF EDUCATION

The Berlin Board of Education oversees the education of more than 2700 students in pre-kindergarten through Grade 12. The Board is comprised of nine members and two student representatives who volunteer their service. The mission of the Board of Education is to serve the community by providing a well-rounded, fiscally responsible education with broad opportunities and freedom for every learner to strive for success.

2018-19 Board Members

Mr. Richard Aroian	Ms. Julia Dennis
Mr. Jake Fisher	Ms. Jaymee Miller
Mr. Timothy Oakes	Mr. Adam Salina
Dr. Kari Sassu, Secretary	Ms. Tracy Sisti
Mr. Matthew Tencza, President	Mr. Alexander Halkias, Student Rep.
	Ms. Jenna Smalley, Student Rep.

Regular meetings are held on the second and fourth Monday of each month with the exception of July, August, November, December and June when only one meeting is held. The Annual Meeting of the Board is held on the fourth Monday in November. All meetings begin at 7:00 p.m. and are held in the Board of Education Meeting Room in the Town Hall complex. In the months of January and February, the Board of Education conducts a series of budget workshops. The public is cordially invited to attend all meetings, advance notice of which is published in local newspapers and posted on the district's website. Additional information about the school district can also be found at www.berlinschools.org.

Central Office Administration, 238 Kensington Rd., Berlin, 860-828-6581

Superintendent of Schools-----Brian J. Benigni
Assistant Superintendent for Curriculum and Instruction-----Erin K. McGurk, Ed.D.
Director of Business Operations-----Jeffrey Cugno
Director of Pupil Personnel Services-----Linda Holian
Director of Human Resources-----Denise M. Parsons

Berlin High School

Eileen Eustis, Principal
139 Patterson Way, Berlin
860-828-6577



Catherine M. McGee School

Salvatore Urso, Principal
899 Norton Road, Berlin
860-828-0323

Mary E. Griswold School

David Kitzman, Principal
133 Heather Lane, Kens.
860-828-6336

Richard D. Hubbard School

Alfred Souza III, Principal
139 Grove Street, E. Berlin
860-828-4119

Emma Hart Willard School

Matthew Correia, Principal
1088 Norton Road, Berlin
860-828-4151

BOARD OF ETHICS (CODE OF ETHICS)

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Antonina DeDominicis 27 Bluebird Lane Berlin, CT 06037	1/31/2023	Republican	Consists of three (3) regular members and two (2) alternates for three (3) year terms. Regular members cannot serve more than six (6) consecutive years (Section 8-19 of the Town Charter)
TELEPHONE: (860) 655-6805 EMAIL: nina62197@yahoo.com			
Susan Bordonaro 81 Gianna Lane Berlin, CT 06037	1/31/2023	Republican	
TELEPHONE: (860) 828-1201 EMAIL: suepoli@aol.com			
Kevin C. Hines - <u>Chairman</u> 10 Lamplight Drive Kensington, CT 06037	1/31/2022	Unaffiliated	
TELEPHONE: (860) 259-5039 EMAIL: khines@nuzzo-roberts.com			
Annmarie E. Marolda - <u>Alternate</u> 433 Toll Gate Road Berlin, CT 06037	1/31/2022	Democrat	
TELEPHONE: (860) 828-7559 EMAIL: aemarolda@gmail.com			
VACANCY - <u>ALTERNATE</u>	1/31/2023		
TELEPHONE: EMAIL:			
			STAFF LIAISON:
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			RECORDING SECRETARY:
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
			Marlo Matassa mmatassa@town.berlin.ct.us (860) 828-7033
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised:		Appt. of DeDominicis, Bordonaro & Marolda	
1/31/2020 & 10/6/2020			

BOARD OF FINANCE

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Sal Bordonaro 81 Gianna Lane Berlin, CT 06037	11/16/2021	Republican	Newly formed Elected Board that was adopted by Town Charter on November 8, 2016. The Board consists of six (6) members who shall be electors of the Town. Three (3) members shall be elected to serve for four (4) year terms and three (3) members are elected to serve for two (2) year terms.
TELEPHONE: (860) 828-1201 EMAIL: sbordonaro@town.berlin.ct.us			
Tim Grady 580 Beckley Road Berlin, CT 06037	11/21/2023	Republican	
TELEPHONE: (860) 250-4586 EMAIL: tgrady@town.berlin.ct.us			
Mark Holmes 146 Wildermere Road Berlin, CT 06037	11/21/2023	Democratic	
TELEPHONE: (860) 828-6435 EMAIL: mholmes@town.berlin.ct.us			
Sam Lomaglio - <u>Chairman</u> 78 Hickory Hill Road Berlin, CT 06037	11/16/2021	Republican	
TELEPHONE: (860) 826-1752 EMAIL: slomaglio@town.berlin.ct.us			
Gerald P. Paradis - <u>V. Chairman</u> 164 Vineyard Drive Berlin, CT 06037	11/16/2021	Democratic	
TELEPHONE: (860) 828-6183 EMAIL: gparadis@town.berlin.ct.us			
Raul Fernandes 71 Whispering Brook Drive Berlin, CT 06037	11/21/2023	Democratic	STAFF LIAISON:
TELEPHONE: (860) 716-7737 EMAIL: rfernandes@town.berlin.ct.us			Kevin Delaney kdelaney@town.berlin.ct.us (860) 828-7044
TELEPHONE: EMAIL:			
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Board of Finance

Overview

The Board of Finance was formed pursuant to Section 4-4 of the Town Charter. The Board, in conjunction with the Town Council, has budgetary and bonding authority as well as responsibility for ongoing oversight of all financial matters. The Board is comprised of three members from each of the two major political parties.

During 2020, the Board developed the fiscal year 2020-21 operating budget, approved a bond ordinance to renovate several athletic facilities in town, and worked with Town staff and external auditors on the fiscal year ending June 30, 2020, Comprehensive Annual Financial Report. Due to COVID-19 restrictions, the Board of Finance, under authority granted by Governor Lamont's Executive Orders, approved a zero-mill rate increase budget without a referendum.

Liaisons from the Board worked closely with the Board of Education, VNA and Capital Committee to provide financial expertise. In late 2020, the Board's liaison to the Town's Capital Committee (a staff committee) engaged in the fiscal year 2022 capital budget and multiyear capital plan development.

BERLIN CEMETERY COMMITTEE

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Riza Brown 32 Mary Ann Court Berlin, CT 06037	1/31/2025	Democrat	Five (5) member board and one (1) alternate. Six year terms and not more than three (3) regular members shall be of the same political party.
TELEPHONE: (860) 798-8321 EMAIL: elbrownii@comcast.net			
Charles H. Colaresi <u>Chairman</u> 269 Newton Street Berlin, CT 06037	1/31/2027	Democrat	
TELEPHONE: (860) 224-9494 EMAIL: charles.colaresi@snet.net			
Stephen Pastuszak 754 Worthington Ridge Berlin, CT 06037	1/31/2023	Unaffiliated	
TELEPHONE: (860) 712-8007 EMAIL: stephenpastuszak@att.net			
Edward W. Hornkohl, Jr. 282 Newton Street Berlin, CT 06037	1/31/2027	Republican	
TELEPHONE: (860) 223-3786 EMAIL: edwardioyceh@comcast.net			
Richard F. Benson – <u>V. Chairman</u> 360 Savage Hill Road Berlin, CT 06037	1/31/2025	Republican	STAFF LIAISON: Kate Wall, Town Clerk kwall@town.berlin.ct.us 860 828-7036
TELEPHONE: (860) 828-3365 EMAIL: gmbenson@comcast.net			
VACANCY - ALTERNATE	1/31/2027		
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
			RECORDING SECRETARY: Dana Borges danaborges@ymail.com
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised:		Reappointment of Colaresi & Hornkohl	
1/26/2021			

Cemetery Commission Achievements for 2020

Under the auspices of the Berlin Cemetery Commission, the following achievements were accomplished:

1. Repaired the stone wall at Dunham and sent letter to family informing them of our projects including the future fencing project.
2. Interviewed Eagle Scouts for two projects at Ledge Cemetery to repair gravestones and restore gates
3. Repaired fencing and continued trimming.

COMMISSION FOR PERSONS WITH DISABILITIES

COMMISSION FOR PERSONS WITH DISABILITIES			
NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Barbara Cesanek 54 Hart Street Kensington, CT 06037	1/31/2023	Republican	Five (5) member board with three (3) year terms. No more than three (3) can be from the same political party. At least two (2) members of the commission shall be persons with disabilities or representatives of a recognized, established, nonprofit group whose primary goals are compatible with the intent of this part
TELEPHONE: (860) 828-4693 EMAIL: n/a			
Robert R. Dombrowski – Chairman 102 Ellsworth Boulevard Berlin, CT 06037	1/31/2024	Democrat	
TELEPHONE: (860) 518-0815 EMAIL: rrd@navdom.com			
Nancy Luddy 40 Percival Avenue Berlin, CT 06037	1/31/2022	Democrat	
TELEPHONE: (860) 977-1901 EMAIL: n/a			
Marlo Matassa 211 Robbins Road Berlin, CT 06037	1/31/2024	Democrat	
TELEPHONE: (860) 828-6448 EMAIL: mmatassa@town.berlin.ct.us			
Salvatore Calafiore 151 Warner Road Berlin, CT 06037	1/31/2023	Republican	
TELEPHONE: (860) 604-6718 EMAIL: sal@salcal.com			
			STAFF LIAISON:
			Doug Truitt dtruitt@town.berlin.ct.us (860) 828-7059
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			RECORDING SECRETARY:
			Marlo Matassa mmatassa@town.berlin.ct.us (860) 828-7033
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised: 1/26/2021		Reappoint of Dombrowski & Matassa	

Commission for Persons with Disabilities

The mission of the Commission for Persons with Disabilities is to foster understanding, respect, and involvement of persons with disabilities within the town, and to encourage participation of persons with disabilities in all aspects of community life. The Commission serves as the advisory board to the town for the enforcement of the Federal Americans with Disabilities Act and assists the town with meeting its responsibilities for residents with disabilities.

Some recent projects the Commission has worked on include:

- Supporting the Board of Education in their efforts to assist families of students with disabilities during transitional phases of their lives.
- Monitoring progress made addressing accessibility issues at town buildings and facilities.
- Continuing to work with the Library regarding an annual informational display for Disability Awareness Month.
- Exploring options for more public presentations on TBI, PTSD, etc.

COMMISSION FOR THE AGING

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Ann Gamelin 31 Colonial Drive Apt. 21 Berlin, CT 06037	1/31/2023	Democrat	Consists of five (5) members for five (5) year terms; Not more than three (3) shall be of the same political party
TELEPHONE: (860) 828-6700 EMAIL : agamelin@comcast.net			
Barbara D. Gombotz– <u>Chairwoman</u> 24 Sterling Drive Kensington, CT 06037	1/31/2022	Republican	
TELEPHONE: (860) 828-6740 EMAIL: bgombotz@att.net			
Kathleen L. Murray 36 Kenton Street Kensington, CT 06037	1/31/2025	Republican	
TELEPHONE: (860) 828-4217 EMAIL: kmurray09@snet.net			
Frank J. Slogeris – <u>V. Chairman</u> 66 Glenview Drive Kensington, CT 06037	1/31/2024	Republican	
TELEPHONE: (860) 829-0628 EMAIL: n/a			
Lois H. Ustanowski 31 Colonial Drive Apt. 6 Kensington, CT 06037	1/31/2024	Democrat	
TELEPHONE: (860) 828-3864 EMAIL: n/a			
			STAFF LIAISON:
			Tina Doyle tdoyle@town.berlin.ct.us (860) 828-7050
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			RECORDING SECRETARY:
			Juliet Benjamin jbenjami@town.berlin.ct.us (860) 828-7012
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised: 1/21/2020 & 9/21/2020		Reappointment of Murray, Updated officers	

Berlin Commission for the Aging **Annual Report – 2020**

The Commission for the Aging serves as an advisory board to analyze and support programs promoting active and healthy living for our Seniors.

Working together with the Senior Center staff and town officials we are moving forward to develop plans to build a new Senior Center/Community Center. Our focus for the upcoming months will be to meet with the Architect to review the plans and provide our Commission suggestions. We are looking forward to this facility being the activity center of the town. Providing a meeting place and Recreation Center for the Senior Citizens and the young population with updated equipment, parking and safety all in a central location. This new center will provide space for additional programs and activities for all.

We will continue to support the much-needed additional senior housing in Berlin. The present subsidized (affordable) housing is inadequate to meet the needs of Berlin for this growing group of aging seniors and must be expanded to meet the needs of the population. This project is long overdue.

Our focus for 2021 for our Commission will be as follows...

- To monitor the Senior Center/Community Center Project
- To continue to support the necessary need for Senior Housing
- To support all informational programs for safety, health and entertainment for our Seniors

CONSERVATION COMMISSION

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Michael DeLorenzo – <u>Chairman</u> 28 Pebble Brook Court Berlin, CT 06037	1/31/2025	Democrat	Consists of seven (7) regular members and two (2) alternates for five (5) year terms. No more than four (4) of whom shall be of the same political party.
TELEPHONE: (860) 828-8569 EMAIL: madelorenzo@comcast.net			
Thomas J. Heisler 482 Lower Lane Berlin, CT 06037	1/31/2022	Democrat	
TELEPHONE: (860) 829-8563 EMAIL: n/a			
Guy Hoffman – <u>Vice Chairman</u> 1518 Orchard Road Berlin, CT 06037	1/31/2024	Republican	
TELEPHONE: (860) 829-6545 EMAIL: ghoffman02@snet.net			
Karl G. Lewis 56 Hartland Terrace Kensington, CT 06037	1/31/2023	Democrat	
TELEPHONE: (860) 828-8949 EMAIL: karl_g_lewis@sbcglobal.net			
Joseph Mazza 25 Windy Knoll Drive Berlin, CT 06037	1/31/2025	Republican	
TELEPHONE: (860) 829-2218 EMAIL: mazzait@comcast.net			
Caroline Goldberger 1402 Farmington Avenue Berlin, CT 06037	1/31/2024	Unaffiliated	STAFF LIAISON: Maureen Giusti Interim Town Planner (860) 828-7060 mgiusti@town.berlin.ct.us
TELEPHONE: (860) 828-3685 EMAIL: carolregan59@sbcglobal.net			
Robert Ramsey 91 Jeffrey Lane Berlin, CT 06037	1/31/2023	Republican	
TELEPHONE: (860) 829-2031 EMAIL: ramsey@csdnb.org			
Mary Kathryn LaRose – <u>Alternate</u> 26 Woodruff Lane Berlin, CT 06037	1/31/2026	Republican	
TELEPHONE: (860)828-1012 EMAIL: mklarose@aol.com			RECORDING SECRETARY: Marlo Matassa mmatassa@town.berlin.ct.us (860) 828-7033
Karen Pagliaro - <u>Alternate</u> 221 Stillmeadow Lane Berlin, CT 06037	1/31/2026	Democrat	
TELEPHONE: (860) 878-5708 EMAIL: kpagliari8@gmail.com			
TELEPHONE: EMAIL:			
Revised: 1/26/2021 & 2/9/2021	Reappoint. of LaRose & Pagliaro as Alternates, Updated Officers		

Conservation Commission Annual Report 2020

The Conservation Commission is authorized by Town Charter as provided by the Connecticut General Statutes to engage in development, conservation, supervision, and regulation of natural resources. The Commission is responsible for promulgating rules and managing town owned open space. Furthermore, it develops, coordinates, studies and promotes matters of environmental protection within Berlin. The Commission conducts research into the utilization of land areas of the town and may coordinate the activities of unofficial bodies organized for similar purposes, and may advertise, prepare and distribute books, maps, charts, plans and pamphlets as necessary for its purposes.

The Commission had many accomplishments during the 2019-2020 fiscal year and the following is a list of highlights:

- Town owned open space areas have experienced increased usage since the COVID pandemic has encouraged people to find ways to exercise and enjoy the outdoors close to home. Hopefully many people have discovered the wonderful and varied hiking trails the town has to offer.
- Updated mapping of new and existing trail networks throughout Berlin and produced trail guides and interactive user maps that can be accessed at https://www.town.berlin.ct.us/egov/apps/document/center.egov?view=browse&eGov_searchTitle=&eGov_searchType=41&eGov_searchDepartment=19&eGov_searchCategory=&eGov_searchTopic=&eGov_searchYear=&eGov_searchSubmit=Search
- The Commission engaged in an ongoing effort to maintain safe and clean access, parking and signage for open space areas and trails.
- The Commission administers the Hatchery Brook Community Gardens located at the Hatchery Brook Conservation Area. Plots were planted by community gardeners from May to October.
- Planning underway to upgrade water supply for the Community Gardens for use by gardeners.

ECONOMIC DEVELOPMENT COMMISSION

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
J. Richard Chasse 220 Lamentation Drive Berlin, CT 06037	1/31/2025	Unaffiliated	Consists of seven (7) members with terms of five (5) years. Not more than four (4) of whom shall be from the same political party
TELEPHONE: (860) 250-2845 EMAIL: rchasse@568svsystems.com			
Keith Bostrom 97 Crater Lane Kensington, CT 06037	1/31/2024	Republican	
TELEPHONE: (860) 828-4089 EMAIL: ktbostrom@comcast.net			
Peter Campanelli - Treasurer 1055 Worthington Ridge Berlin, CT 06037	1/31/2026	Republican	
TELEPHONE: (860) 690-4263 EMAIL: pete@cambridgespecialty.com			
Christopher Coppola III 66 Heritage Drive Berlin, CT 06037	1/31/2026	Unaffiliated	
TELEPHONE: (860) 505-8711 EMAIL: chriscopp01@gmail.com			STAFF LIAISON: Chris Edge cedge@town.berlin.ct.us (860) 828-7005
Dave Cyr – Chairman 245 Cole Lane Kensington, CT 06037	1/31/2025	Republican	
TELEPHONE: (860) 828-9953 EMAIL: davecyr@comcast.net			
Edward C. Egazarian – V Chairman 1183 Worthington Ridge Berlin, CT 06037	1/31/2023	Democrat	
TELEPHONE: (860) 828-0635 EMAIL: edegazarian@sbcglobal.net			
Bob Sisti 286 Vineyard Drive Berlin, CT 06037	1/31/2024	Unaffiliated	
TELEPHONE: (860) 463-2579 EMAIL: bsisti@comcast.net			
			RECORDING SECRETARY: Kristen Grabowski kgrabowski@town.berlin.ct.us
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised: 1/26/2021 & 2/8/2021		Reappt. of Campanelli & Coppola, Updated officers	

Economic Development Annual Report – 2020

The Economic Development Commission, Jim Mahoney, and Chris Edge continue to work closely with and in conjunction with our Mayor, the Planning Department, others within Town Hall and the community to bring new businesses, jobs and development to Berlin. In addition, much effort has gone into supporting existing Berlin businesses, developers, and development projects underway, which has been very important given the devastating effects of COVID-19. Below you will find a list that shows some of our accomplishments in 2020.

Tax Abatement Policy

- Expanded/enhanced program to offer a 10-year abatement based upon a minimum investment of \$12.5 M

Mixed-Use Growth

- Turnpike Ridge approved and construction underway on 18,000 SF retail building & 72 apartments
- Steele Center to begin in early 2021 which includes 19,000 square feet of retail/office and 76 apartments

Promotions To Support Restaurants and Retailers

- Eat Local – Win Local – over \$10,000 in receipts received by Town
- May is the Month of Mom
- Fall Back in Love with Shopping Berlin (Berlin Bucks)
- Eat, Drink & Stay Local

Ribbon Cuttings and Ground Breakings

- Train Station Boulevard ground-breaking with Governor and other state agency heads
- Complete Sheet Metal – Ground-breaking on new building - Four Rod Road
- Rooster's Chicken & Waffles – 1224 Farmington Avenue
- Turnpike Ridge – ground-breaking – 196 Berlin Turnpike
- Focus Physical Therapy – 1138 Farmington Avenue
- The Color Platform – 848 Farmington Avenue
- Frank Higgins & Sons – 199 White Oak Drive
- Sudor Taino – 224 Berlin Turnpike
- Strength in Numbers – 119 Webster Square Road
- Box Bistro - 378 Main Street
- Edward Jones – 1073 Farmington Avenue
- Italian Club – 16 Harding Street (remodel)
- Boss Grill - 224 Berlin Turnpike
- M C Barber - 1427 Berlin Turnpike
- Adaptive Therapeutic Massage - 31 Seymour Road
- CT Grows opens on Chamberlain Highway

Kensington Village - Main Street Center

- Successful Trick or Treat program with over 325 children who attended – 45 businesses participated
- Held the 2nd Annual Light Up Berlin Holiday contest (ended on January 2, 2021)
- Avenue Restaurant re-opens after major expansion of kitchen

Façade Projects

- Joey B's signage installed
- Seven Moons signage completed
- Focus Physical Therapy project completed
- Outside patio at 848 Farmington Avenue completed
- Tracy & Company completes landscaping project
- SalCal Real Estate siding project completed
- 925 Farmington Avenue completes landscaping
- Italian Club entrance, paving and landscaping program completed
- Construction began on patio at 819 Farmington Avenue – January 2021 completion
- The Color Platform and Provision State Coffee both install signage
- Ron's Auto approved for new signage for 2 buildings on Farmington Avenue – 2021 completion
- Powerhouse Gym approved for upgrade to façade and new signage on Webster Square – 2021 completion
- Town Place (211 New Britain Road) approved for new signage for entire building and individual tenants

HISTORIC DISTRICT COMMISSION

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
E. William Cink, Jr. 121 Sunset Lane Berlin, CT 06037	1/31/2025	Republican	Consists of five (5) regular members and three (3) alternates for five (5) year terms; Not more than three (3) regular members of whom shall be of the same political party.
TELEPHONE: (860) 877-6590 EMAIL: billfiremarshal@comcast.net			
Richard Bennett 1167 Worthington Ridge Berlin, CT 06037	1/31/2023	Republican	
TELEPHONE: (860) 796-6747 EMAIL: ctvalleybldrs@comcast.net			
Herb Watson 181 Hudson Street Berlin, CT 06037	1/31/2026	Democrat	
TELEPHONE: (860) 828-9365 EMAIL: puttinggreen@comcast.net			
Susan Skene – <u>Chairwoman</u> 203 Hudson Street Berlin, CT 06037	1/31/2022	Democrat	
TELEPHONE: (860) 828-9961 EMAIL: skene203@gmail.com			
Lorraine E. Stub - <u>V. Chairwoman</u> 2270 Chamberlain Highway Kensington, CT 06037	1/31/2024	Democrat	
TELEPHONE: (860) 828-5281 EMAIL: lstub@comcast.net			
Palma(Pamela)Pethigal - Alternate 81 Ledge Road East Berlin, CT 06023	1/31/2025	Democrat	STAFF LIAISON: Maureen Giusti Interim Town Planner (860) 828-7060 mgiusti@town.berlin.ct.us
TELEPHONE: (860) 829-0829 EMAIL: Ppethigal@hotmail.com			
Andra Lou Millerd- Alternate 1231 Orchard Road Berlin, CT 06037	1/31/2026	Republican	
TELEPHONE: (860) 670-5131 EMAIL: milleal@comcast.net			
Amy Prescher - Alternate 850 Worthington Ridge Berlin, CT 06037	1/31/2022	Democrat	
TELEPHONE: (860) 829-6464 EMAIL: amyprescher@sbcglobal.net			RECORDING SECRETARY: Marlo Matassa mmatassa@town.berlin.ct.us 860 828-7033
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised: 1/6, 1/26 & 2/2/2021		Resignation of Bennett & Watson as Alternates, Resignation of Millerd & Prescher as Regular Members, Appt. of Bennett & Watson Regular Members, Appt. of Millerd as Alternate , Appt. of Prescher as Alternate	

Historic District Commission 2020 Annual Report

The mission of the Historic District Commission is to preserve the historic character of the Worthington Ridge Historic District and to promote historic resources in the Town of Berlin. The commission meets with homeowners in the district to review and regulate proposed alterations to the exterior of properties in keeping with design guidelines applicable to historic properties and the specific context of the historic district. Members of the commission support local historic preservation efforts by identifying historic resources and conducting research about town history. They also support educational outreach and public programs to foster a sense of community and encourage tourism.

Commission members provide consultations with property owners who may have old and historically significant structures. In cases of demolition or extensive remodeling, they strive to document the site and advise the owner on how to reuse or reclaim materials. The commission continues to support efforts to complete the renovation of the Worthington Meeting House as the future home of the Berlin Historical Society Museum and a community cultural center.

There were six meetings in 2020 and Certificates of Appropriateness were issued for the following projects:

- 1) 1096 Worthington Ridge, replacement of garage doors with energy efficient doors
- 2) 775 Worthington Ridge, storage building and extension for fencing
- 3) 966 Worthington Ridge, front door replacement
- 4) 121 Sunset Lane, front door replacement
- 5) 1224 Worthington Ridge, convert porch to enclosed porch
- 6) 724 Worthington Ridge, restore front porch

One of the most successful projects in 2020 was the restoration of the belfry of the Berlin Free Library at 842 Worthington Ridge. The parapet and urn finials were reconstructed and mounted into place at the end of the year. With support of members of the HDC, the Town of Berlin was able to save the commercial property at 861 Farmington Avenue. The preservation of this building will bring historic character to the new development near the train station. This building is significant for its brickwork which matches the nearby firehouse and documents the brick industry that once flourished in Berlin. This preservation effort, led by Lorraine Stub, was recognized in the Connecticut Preservation News, a publication of Preservation Connecticut. The commission regrets to report that a historic house with extraordinary architectural distinction at 673 Spruce Brook Road was demolished by a developer. The loss was mourned by many in the community, and in the aftermath, the HDC has formed a subcommittee to research demolition delay ordinances. An ordinance would give us authority and time to have a property researched, documented and structurally assessed. The goal would be to help find alternatives to demolition, and at the very least salvage irreplaceable materials. Advocating for historic properties throughout town is our purview under the Town of Berlin's Certified Legal Government status. The HDC will also be reviewing ways to ensure compliance with violations of historic district regulations.

Respectfully submitted,

Amy Prescher & Lorraine Stub

INLAND WETLANDS AND WATER COURSES COMMISSION

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Michael Cassetta 323 Wethersfield Road Berlin, CT 06037	1/31/2024	Republican	Consists of seven (7) members for terms of three(3) years; Not more than four (4) of whom shall be of the same political party; Two (2) alternates with three (3) year terms. The members also serve as the Aquifer Protection Agency.
TELEPHONE: (860) 508-1767 EMAIL: mcassetta@town.berlin.ct.us			
William A. Jackson V. Chairman 289 High Road Kensington, CT 06037	1/31/2022	Republican	
TELEPHONE: (860) 213-3152 EMAIL: wjackson@town.berlin.ct.us			
Peter Nieman – Chairman 1230 Worthington Ridge Berlin, CT 06037	1/31/2024	Democrat	
TELEPHONE: (860) 828-5576 EMAIL: pnieman@town.berlin.ct.us			
Frederick (Rick) White 90 Sherry Lane Berlin, CT 06037	1/31/2023	Unaffiliated	
TELEPHONE: (860) 828-5820 EMAIL: fwhite@town.berlin.ct.us			
Gary Pavano 67 Hickory Hill Road Kensington, CT 06037	1/31/2022	Republican	
TELEPHONE: (860) 841-9721 EMAIL: gpavano@town.berlin.ct.us			
Robert Izzo 301 New Britain Road Berlin, CT 06037	1/31/2024	Democrat	STAFF LIAISON: James Horbal, Deputy Public Works Director jhorbal@town.berlin.ct.us (860) 828-7069
TELEPHONE: (914) 563-3030 EMAIL: robizz7@hotmail.com			
David P. Rogan 775 High Road Kensington, CT 06037	1/31/2022	Republican	
TELEPHONE: (860) 690-4998 EMAIL: drogan@town.berlin.ct.us			
Steve Biella, Jr. - Alternate 84 Bernard Road Berlin, CT 06037	1/31/2023	Unaffiliated	
TELEPHONE: (860) 883-8985 EMAIL: sbiella@town.berlin.ct.us			RECORDING SECRETARY:
VACANCY – Alternate	1/31/2023		Lecia Paonessa lpaonessa@town.berlin.ct.us (860) 828-7022
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised:		Reappt. of Cassetta & Nieman, Appt. of Izzo	
1/26/2021 & 2/2/2021			

Inland Wetlands and Watercourses Commission 2020 Annual Report

The Inland Wetlands and Watercourses Commission consists of seven-members who are required to uphold the State of Connecticut Inland Wetlands and Watercourses Act of the Connecticut General Statutes. The Commission is also charged to administer the National Flood Insurance Program through the Federal Emergency Management Agency. The Commission accepted 13 applications during the 2020 calendar year:

Application #	Property	Applicant(s)	Submission Date
20-01WF	964 Farmington Avenue (The Ave Restaurant)	Arti Bomova	01/07/20
20-02W	Summit Wood Dr. Lot, 10, Block 74B	Sean Gunning	01/07/20
20-03WF	47 Worthington Point Rd., Lots 53, 54K, 54L, Block 120	Charles Lexius	03/03/20
20-04WF	Linden Drive, Lot #200, Block 74	DF Realty LLC	05/05/20
20-05WF	15 Christian Ln, Lot #3-B, Block 76A	CRP, LLC	07/07/20
20-06W	Lots 11-1, 11-2 and 10, Block 122 Deming Road	833 Deming Rd LLC	07/07/20
20-07WF	Lot 13, Block 83, 522 Berlin Turnpike	550-554 Berlin Trnpke Assoc., LLC	07/07/20
20-08WF	Lots 12, 13A and 13C, Block 83 Berlin Turnpike	BT 2008, LLC	08/12/20
20-09WF	Lot 41, Block 133, Beckley Road	Estates of Berlin, LLC	09/01/20
20-10WF	Lots 3-1, 3A1, 3A2 and 3A3, Block 83 Deming Rd	Deming Rd Business Park	10/06/20
20-11WF	Lot 3A, Block 127 Deming Road	Berlin Water Control	11/10/20
20-12W	Lot 1, Block 10, West Lane	The Preserve SM, LLC	12/1/20
20-13WF	Lot 4, Block 115, 155 Toll Gate Road	David Olson	12/1/20

PARKS AND RECREATION COMMISSION

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Donna Bovee – <u>Chairman</u> 85 Steepleview Drive Berlin, CT 06037	1/31/2024	Unaffiliated	Consists of seven (7) members for terms of three (3) years. Not more than four (4) of whom shall be of the same political party
TELEPHONE: (203) 482-6139 EMAIL: donnastapletonbovee@gmail.com			
Dinesh M. Patel 66 Deerfield Drive Berlin, CT 06037	1/31/2022	Democrat	
TELEPHONE: (860) 518-9056 EMAIL: dineshmpatel@sbcglobal.net			
Don Dellaquila – <u>V Chairman</u> 4 Grapevine Lane Kensington, CT 06037	1/31/2022	Democrat	
TELEPHONE: (860) 828-7668 EMAIL: dondellaquila@aol.com			
Gregory J. Starr 59 Hudson Street Berlin, CT 06037	1/31/2024	Republican	
TELEPHONE: (860) 276-5492 EMAIL: greg.starr644@yahoo.com			STAFF LIAISON: Jen Ochoa, Director jochoa@town.berlin.ct.us (860) 828-7010
Andrew Legnani 32 Overhill Drive Berlin, CT 06037	1/31/2024	Democrat	
TELEPHONE: (860) 559-7256 EMAIL: andrew.legnani@gmail.com			
Joseph M. Pulcini 162 Crater Lane Kensington, CT 06037	1/31/2022	Unaffiliated	
TELEPHONE: (860) 416-5196 EMAIL: pulcini@comcast.net			
Anthony Butrimas 921 Edgewood Road Berlin, CT 06037	1/31/2023	Republican	
TELEPHONE: (860) 828-7756 EMAIL: butrimas@comcast.net			
			RECORDING SECRETARY: Dana Borges danaborges@ymail.com
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised: 1/26/2021		Reappointment of Bovee & Legnani, Appt of Starr	

PARKS AND RECREATION COMMISSION

Mission

The Parks and Recreation Commission has oversight of the Parks and Recreation Department and the Public Grounds Department. We are committed to providing Berlin residents with high quality recreation programs using facilities that support and complement those experiences. It supports maintaining, recruiting and developing staff who will be friendly, courteous and knowledgeable when interfacing with the general public. Provide the foregoing at a reasonable yet competitive cost within the constraints of the Town financial structure.

Highlights

Over the course of the year, the Commission initiated, approved and supported a number of items that came before them, such as:

- Developed and approved a short- and long-term field improvement plan to ensure field safety and cover needs into the foreseeable future
- Continued to run successful special events such as Monster Bash, Scarecrow Festival, Santa's Parlor and Tinsel Fun Run as well as a full summer of programs and activities
- Replaced 3 diving boards at the community pools
- Worked with staff and Town Council to obtain funding for initial phase of funding Sage 1 field renovations to create a field dedicated only to softball and funding other field improvements
- Participated in design of Sage 1 with Berlin High School softball coach and supported staff
- Supported and participated in design and other developments in the proposed new Berlin Community/Senior Center
- Numerous donations such as memorial benches and plaques, scoreboards for fields, and donations to Parks and Recreation programs or events
- Parks and Recreation staff worked closely with Health Department to safely plan the opening of Percival Pool given Covid-19 restrictions
- Planned and introduced virtual programming due to Covid-19 restrictions
- Continued support for Parks and Grounds in their assessments of fields and courts, identification of damage and cause and options to limit further damage.

The Parks and Recreation Commission continued to work with all field users and kept lines of communication open with an annual meeting. Fees were adjusted and adapted for field reservations. Considerable time understanding COVID-19 compliance efforts and adapting ever changing requirements and staffing while still providing programs that the town can enjoy and participate in.

PLANNING AND ZONING COMMISSION (WEBSITE LISTING)

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Jon-Michael O'Brien 34 Conlin Way Berlin, CT 06037	1/31/2023	Republican	Consists of seven (7) regular members and three (3) alternate members for five (5) year terms. Not more than four (4) regular members can be from the same political party. Not more than two (2) alternates can be from the same political party.
TELEPHONE: n/a EMAIL: jobrien@town.berlin.ct.us			
George H. Millerd 1231 Orchard Road Berlin, CT 06037	1/31/2026	Republican	
TELEPHONE: n/a EMAIL: gmllder@town.berlin.ct.us			
Diane Jorsey - <u>V. Chairwoman</u> 1092 Edgewood Road Berlin, CT 06037	1/31/2024	Unaffiliated	
TELEPHONE: n/a EMAIL: djorsey@town.berlin.ct.us			
Timothy J. Zigmont 225 Grove Street East Berlin, CT 06023	1/31/2024	Democrat	
TELEPHONE: n/a EMAIL: tzigmont@town.berlin.ct.us			STAFF LIAISON: Maureen Giusti Acting Town Planner mgiusti@town.berlin.ct.us (860) 828-7060
Brian G. Rogan - <u>Secretary</u> 2104 Chamberlain Highway Berlin, CT 06037	1/31/2023	Democrat	
TELEPHONE: n/a EMAIL: brogan@town.berlin.ct.us			
Joan Veley - <u>Chairwoman</u> 1424 Orchard Road Berlin, CT 06037	1/31/2026	Republican	
TELEPHONE: n/a EMAIL: jveley@town.berlin.ct.us			
Steve J. Wollman 80 Ice Pond Lane East Berlin, CT 06023	1/31/2022	Republican	
TELEPHONE: n/a EMAIL: swollman@town.berlin.ct.us			
Peter Zarabozo - <u>Alternate</u> 158 Ellwood Road Berlin, CT 06037	1/31/2026	Unaffiliated	RECORDING SECRETARY: Fran Semnoski fsemnoski@town.berlin.ct.us (860) 828-7066
TELEPHONE: n/a Email: pzarabozo@town.berlin.ct.us			
Andrew Legnani - <u>Alternate</u> 32 Overhill Drive Berlin, CT 06037	1/31/2024	Democrat	
TELEPHONE: n/a EMAIL: alegnani@town.berlin.ct.us			
Steven Biella Jr. <u>Alternate</u> 84 Bernard Road Kensington, CT 06037	1/31/2022	Unaffiliated	
TELEPHONE: n/a EMAIL: sbiella@town.berlin.ct.us			Reappointment of Veley & Zarabozo, Appt of Millerd as regular member, Appt. of Legnani as Alternate, Updated Officers
Revised: 1/26/2021 & 2/2 & 2/4/2021			

Planning & Zoning Commission

Annual Report- 2020

The Planning and Zoning Commission is authorized by Town Charter and is governed by the purposes, authority, and requirements of the Connecticut General Statutes. The Planning and Zoning Commission engages in long-range planning for future development and makes decisions regarding the most desirable use of land in the Town of Berlin. The Commission drafts and adopts a Plan of Conservation and Development for the Town and adopts a zoning district map. It also creates zoning and subdivision regulations to guide land development towards the goals of the Plan. In addition, the Planning and Zoning Commission reviews site plan applications, special use permit applications and subdivision plans. The Commission is generally scheduled to meet and hold public hearings as applicable twice a month. The Commission successfully held hybrid and remote meetings in response to the pandemic. Five of 23 scheduled meetings were canceled, and two special Meetings were added. Five meetings were held in person, eight were held remotely and seven were hybrid with both remote and in-person access.

The following is review of matters to come before the Planning and Zoning Commission during 2020:

Subdivisions and Resubdivisons	1
Site Plans and Site Plan Amendments	10
Special Permit-Site Plans and Amendments	11
Special Permit	1
Fill Permit	1
Zoning Text and Map Amendments	6
Bond Reductions, Releases and Revocations	6
Municipal Improvement CGS §8-24 Reviews	4
Special Events and Fair Grounds Events	3
Façade Grant Reviews	9
Zoning Compliance and Miscellaneous	10

Project review included several large projects including the reapproval of Estates of Berlin to finish phases 1-4 and the development plan for the phase 5 townhouse section, reapproval of an industrial complex on Deming Road, and a new workforce housing development. The Planning and Zoning Commission is involved in miscellaneous matters including concept plans, modifications, and Certificates of Zoning Compliance. They are also involved in several matters of pending litigation.

Respectfully submitted,

Joan Veley, Chairwoman

POLICE COMMISSION

POLICE COMMISSION			
NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Melissa Garden-Urrunaga 1075 Orchard Road Berlin, CT 06037	11/16/2021	Democrat	Consists of five (5) members elected by general election to serve four (4) year terms. Not more than three (3) of whom shall be of the same political party. Berlin Police Website: www.berlinpd.org
TELEPHONE: (860) 841-6748 EMAIL: melissaaurrunaga@gmail.com			
Paul N. Eshoo – Chairman 218 Brooke Meadow Road Kensington, CT 06037	11/16/2021	Republican	
TELEPHONE: (860) 828-3829 EMAIL: paulus218@comcast.net			
Steven K. Wilson – Vice Chairman 111 Metacomet Drive Berlin, CT 06037	11/21/2023	Republican	
TELEPHONE: (860) 614-2465 EMAIL: stevenkwilson56@gmail.com			
Ryan T. Zelek 107 Crystal Falls Way Berlin, CT 06037	11/21/2023	Democrat	
TELEPHONE: (860) 212-9348 EMAIL: zelek.ryan@gmail.com			
David P. Rogan 775 High Road Kensington, CT 06037	11/21/2023	Republican	
TELEPHONE: (860) 690-4998 EMAIL: roganenterprises@comcast.net			
			STAFF LIAISON:
			Chief John Klett policechief@berlinpd.org (860) 828-7093
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			RECORDING SECRETARY:
			Marlene Kastner mkastner@berlinpd.org 860 828-7093
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised: 11/5/2019 & 1/16 & 2/4/2020		Election Day Results – Election of Rogan, Zelek & Wilson Resignation of Annunziata , Appt. of Melissa Garden-Urrunaga	

Berlin Police Commission 2020 Achievements and Accomplishments

Recruitment & Selection:

Officer Marco Correa was hired on May 11, 2020.

Officer Maegan Musanti was hired on June 01, 2020.

Officer Brendan Clark was hired on August 31, 2020.

Officer Peggy Kennedy was hired on August 31, 2020.

Crossing Guard Sally Huggins was hired on September 16, 2020.

Dispatcher Brett Chockey was hired on September 27, 2020.

Officer Sebastian Skarba was hired on December 28, 2020.

Retirements & Departures:

Crossing Guard Judith Schuler resigned on March 20, 2020. She served since 2017.

Officer Rich Schreiner retired on May 1st, 2020 after serving the department FORTY-THREE years.

Officer Steve Kostka retired on June 14, 2020 after serving the department for sixteen years.

Dispatcher Brenna-Lea Whary resigned on July 10, 2020. She served since 2019.

Officer Tom Blake retired on September 18, 2020 after serving the department for seven years.

Promotions:

None.

Achievements & Accomplishments:

- Beginning in March and continuing throughout the year our staff continually made adjustments to combat the COVID-19 pandemic. Among them were the issuance of a COVID-19 response plan, modifying procedures at police headquarters to reduce contact with the public and comply with social distancing guidelines, ordering and acquiring additional personal protective equipment for our employees, and registering all employees for the COVID-19 vaccine. Thankfully only a small number of our employees contracted the disease, and all recovered.
- On the evening of Sunday June 7th all sworn personnel reported for duty in a prepared response to a Black Lives Matter rally that was being held at Veteran's Park. Officers assisted with traffic control when the protestors marched on Massirio Drive and Farmington Avenue and maintained a security presence. The event was peaceful, and no arrests were made.

- In October the department applied for and was awarded an existing state funded body-worn recording equipment camera grant that reimbursed 50% of the first-year costs (\$103,247). House Bill 6004 mandated their use by 07/01/2022 and only offered 30% reimbursement. The police department was able to save the Town \$20,650 by successfully discovering, applying for, and being awarded this grant.
- On November 4th the police department held a virtual community forum to discuss an increase in the number of stolen motor vehicles and theft from motor vehicles that we were experiencing in town. The Chief, command staff, and crime prevention officers spoke and shared information and target hardening tips. A moderate number of people attended, and it was subsequently shared on our social media platforms and Youtube. As of January 2021, the YouTube video of the forum had been viewed over 230 times.
- A number of sorely needed renovations were completed at police headquarters in 2020. The lunchroom was remodeled to include new cabinets, countertops, furniture, and appliances. Two interview rooms were constructed, one off the lobby so members of the public can now speak to officers in private and the other inside police headquarters with recording capabilities required by state law. A Spacesaver storage unit was purchased and installed in the records bureau as part of a reorganization project to consolidate paper records and create additional storage space. Building security was enhanced with the installation of a key fob system at points of entry and exit.

PUBLIC BUILDING COMMISSION

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Donald Lombardo 38 Park View Road Berlin, CT 06037	1/31/2022	Republican	Consists of seven (7) members for five (5) year terms. Not more than four (4) of whom shall be of the same political party
TELEPHONE: (860) 209-0881 EMAIL: n/a			
James P. Ouellette 26 Mildrum Road Berlin, CT 06037	1/31/2023	Democrat	
TELEPHONE: (860) 306-6133 EMAIL: n/a			
Barton N. Bovee – <u>Vice Chairman</u> 85 Steepleview Drive Berlin, CT 06037	1/31/2025	Republican	
TELEPHONE: (860) 989-7566 EMAIL: n/a			
VACANCY	1/31/2025		STAFF LIAISON: Mike Ahern Public Works Director mahern@town.berlin.ct.us (860) 828-7014
TELEPHONE: EMAIL:			
Thomas B. Reid – <u>Chairman</u> 1062 Worthington Ridge Berlin, CT 06037	1/31/2024	Unaffiliated	
TELEPHONE: (860) 828-4861 EMAIL: n/a			
Thomas J. Salimeno 77 Earl Street Berlin, CT 06037	1/31/2024	Democrat	
TELEPHONE: (860) 828-8923 EMAIL: n/a			
Michael (Mick) Tarsi 216 Watch Hill Berlin, CT 06037	1/31/2023	Republican	RECORDING SECRETARY: Lecia Paonessa lpaoonessa@town.berlin.ct.us (860) 828-7022
TELEPHONE: (860) 250-3016 EMAIL: n/a			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised:		Updated officers	
2/11/2021			

Public Building Commission

Annual Report - 2020

DUTIES AND FUNCTIONS

It is the duty of the Public Building Commission to develop preliminary plans and cost estimates and supervise the construction of, addition to, or alteration of any building approved by the Council, based on a statement of need.

ACCOMPLISHMENTS IN 2020

- Community/Senior Center – The Commission received a statement of need from the Town Council regarding building a new combined community and senior center. With the issues caused by the 2020 pandemic, progress on the community/senior center has been limited to online communication, and a website was opened to communicate ideas, comments etc. with all interested parties.
- The PBC closed out the High School project at the January meeting, and delivered the completed project back to the Town. All contracts were met, all bills paid, all documents received an acceptable review by the town's attorney, and the project concluded with an estimated savings to budget of over 1.9 million dollars. The State will not begin its audit until the project is accepted by the Board of Education and submitted by the Town. The State will then schedule their audit to determine acceptance of all change orders before settling on the final amount.
- Truck Wash Facility – The Commission recently received a statement of need from the Town Council regarding the need for a truck wash facility upgrade. The Commission is in the process of reviewing the statement of need and gathering information.
- The Commission is also one member short of the seven-member total and would welcome any interested candidate to fill this open position.

Public Golf Course Commission

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Peter J. DeFazio - <u>Chairman</u> 92 Wildermere Road Berlin, CT 06037	1/31/2024	Unaffiliated	Consists of eight (8) members for terms of three (3) years. Not more than five (5) of whom shall be of the same political party. Ordinance Adopted: 2017/09/19 & amended 2/20/2018 (changing membership for 7 to 8)
TELEPHONE: (860) 883-7680 EMAIL: pdefazio@icommlc.com			
James J. Bugella, Jr. 136 Elton Road Berlin, CT 06037	1/31/2024	Unaffiliated	
TELEPHONE: (860) 798-9650 EMAIL: jamesbu2@comcast.net			
Gale A. Lemieux 102 Wildermere Road Berlin, CT 06037	1/31/2022	Democrat	
TELEPHONE: (860) 828-0090 EMAIL: gal57@aol.com			
Sebastian J. Senia 8 Dunham Drive Berlin, CT 06037	1/31/2022	Democrat	
TELEPHONE: (860) 828-1198 EMAIL: n/a			
James E. Norton – <u>Vice Chairman</u> 36 Steepleview Drive Berlin, CT 06037	1/31/2023	Republican	
TELEPHONE: (860) 306-5216 EMAIL: james.norton1@comcast.net			
Nancy L. Berger 1146 High Road Berlin, CT 06037	1/31/2023	Republican	STAFF LIAISON: Jerry Salvio, Acting Director (860) 828-7054 jsalvio@town.berlin.ct.us
TELEPHONE: (860) 597-5547 EMAIL: n/a			
James Green 29 Bannan Lane Berlin, CT 06037	1/31/2023	Democrat	
TELEPHONE: (860) 919-4506 EMAIL: jimmyvgreen690@gmail.com			
Joseph M. Pulcini 162 Crater Lane Berlin, CT 06037	1/31/2024	Unaffiliated	
TELEPHONE: (860) 416-5196 EMAIL: pulcini@comcast.net			RECORDING SECRETARY: Dana Borges danaborges@ymail.com
TELEPHONE: EMAIL:			
Revised: 1/21, 1/26, 2/2 & 2/18/2021	Resignation of Nappi, Reappoint of DeFazio & Bugella, Appt. of Pulcini, Appt. of Green, Updated Officers		

Timberlin Golf Commission Report for 2020

2020 has proven to be a challenging year for all. While Timberlin remained open throughout the year, many provisions had to be made in order to ensure the safety of the staff, as well as the golfers. The Golf Commission was quite involved regarding recommendations in order to achieve that goal. The golf shop staff, along with Remzi Asani and crew (Restaurateur), did a fabulous job throughout the year, and in turn, Timberlin was able to remain open, which resulted in one of our highest revenue generating years.

As the commission does every year, rates were established based on what we felt would attract golfers from not only Berlin, but from surrounding towns and beyond.

The Golf Commission worked closely with the Golf Professional & Maintenance staff addressing any issues or concerns that were brought to our attention throughout the year.

In closing, Timberlin is a seasonal business and 2020's season was our best ever. 2020 brought serious challenges, but at the same time, brought more juniors and first-time golfers than any single season in the past. It is now our job to ensure that these newcomers continue to enjoy golf at Timberlin for years to come as we slowly recover from this pandemic.

Best Regards,
Peter J. DeFazio
Chairman, Timberlin Golf Commission

MAYOR & TOWN COUNCIL MEMBERS (2019-2021)

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Mark H. Kaczynski – <u>Mayor</u> 187 Castlewood Drive Berlin, CT 06037	11/16/2021	Republican	Consists of six council members and a Mayor elected biennially for a two (2) year term. Not more than three (3) council members shall be of the same political party.
TELEPHONE: (860) 828-7003 EMAIL: mkaczynski@town.berlin.ct.us			
JoAnn Angelico-Stetson 188 Stony Mill Lane East Berlin, CT 06023	11/16/2021	Democrat	
TELEPHONE: (860) 690-7969 EMAIL: jangelicostetson@town.berlin.ct.us			
Charles R. Paonessa 1906 Chamberlain Highway Berlin, CT 06037	11/16/2021	Republican	
TELEPHONE: (860) 828-3271 EMAIL: cpaonessa@town.berlin.ct.us			
Donna Veach 1218 High Road Kensington, CT 06037	11/16/2021	Republican	
TELEPHONE: (860) 604-0462 EMAIL: dveach@town.berlin.ct.us			
Brenden T. Luddy – <u>Deputy Mayor</u> 68 Casner Drive Berlin, CT 06037	11/16/2021	Republican	
TELEPHONE: (860) 828-3679 EMAIL: bluddy@town.berlin.ct.us			
Mike Urrunaga 1075 Orchard Road Kensington, CT 06037	11/16/2021	Democrat	STAFF LIAISON:
TELEPHONE: (860) 828-9532 EMAIL: murrunaga@town.berlin.ct.us			
Peter A. Rosso 34 Briar Lane Kensington, CT 06037	11/16/2021	Democrat	
TELEPHONE: (860) 828-0891 EMAIL: prossso@town.berlin.ct.us			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised:			CLERK OF THE COUNCIL: Kathryn J. Wall, Town Clerk kwall@town.berlin.ct.us (860) 828-7036
11/5/2019			
		Election of Council Members Term Begins 11/19/2019	

VETERANS' COMMISSION

7075NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Peter Galgano, Jr. 59 Wilcox Avenue East Berlin, CT 06023	1/31/2023	Democrat	Consists of seven (7) members for three (3) year terms. Not more than four (4) of whom shall be of the same political party
TELEPHONE: (860) 828-1999 EMAIL: petergalgano@comcast.net			
Paul N. Eshoo 218 Brooke Meadow Road Kensington, CT 06037	1/31/2022	Republican	
TELEPHONE: (860) 828-3829 EMAIL: paulus218@comcast.net			
Charles H. Colaresi – <u>Chairman</u> 269 Newton Street Kensington, CT 06037	1/31/2024	Democrat	
TELEPHONE: (860) 224-9494 EMAIL: charles.colaresi@snet.net			
Thomas Uznanski – <u>Vice Chairman</u> 48 Peter Parley Row Berlin, CT 06037	1/31/2024	Republican	
TELEPHONE: (860) 828-3044 EMAIL: atomz@comcast.net			
Dean Revoir 167 Percival Avenue Berlin, CT 06037	1/31/2022	Republican	
TELEPHONE: (203) 213-9977 EMAIL: revoirusmc@yahoo.com			
Robert W. Smith 348 Chamberlain Highway Kensington, CT 06037	1/31/2024	Republican	STAFF LIAISON: Peter Galgano, Jr. Berlin Municipal Veterans’ Representative petergalgano@comcast.net (860) 828-1999
TELEPHONE: (860) 828-5922 EMAIL: ctdanceman@aol.com			
Bruce A. Trevethan - <u>Secretary</u> 26 Grove St., P O Box 263 East Berlin, CT 06023	1/31/2023	Democrat	
TELEPHONE: (860) 828-5934 EMAIL: trev1943@yahoo.com			
TELEPHONE: EMAIL:			RECORDING SECRETARY: Peter Galgano, Jr.
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised: 12/7/20, 1/26/2021		Resignation of Casso & Rampone, Reappointment of Colaresi, Smith & Uznanski, Appt of Eshoo & Revoir	

Berlin Veterans Commission 2020 Annual Report

Under the auspices of the Berlin Veterans Commission the following achievements were accomplished:

1. On Armed Forces Day over eleven hundred (1100) American Flags were placed at Veterans graves, with the help of Berlin Boy Scout Troops Scoutmaster KC Jones, the Scout leaders, and the Boy Scouts of Troop 41 and also Scoutmaster Tony deRito, the Scout leaders, and the Boy Scouts of Troop 44, at the eleven (11) cemeteries in the town of Berlin.
2. The annual Memorial Day parade was cancelled because of Covid-19. But we still placed seven (7) wreaths at the town memorials for Memorial Day.
3. Due to Covid-19, the Northeast Navy Band concert had to be cancelled. Plans are in the works for next year.
4. Due to Covid-19, the Connecticut National Guard 102nd Army Band concert at the Berlin Veterans Memorial Park had to be cancelled. Hopefully, they will be back in 2021.
5. The annual Veterans Day Ceremony was cancelled because of Covid-19. We placed one (1) wreath at Veterans Park for Veterans Day.
6. Seventeen (17) additional bricks were installed at the Veterans Park.
7. The Wall of Honor was established at the Town Hall Rotunda. A forty-six (46) inch HD TV was donated by the family of the late Edward Hornkohl Sr. It consists of a video of Veterans of the Town of Berlin and their immediate family who have honorably served our Nation. This is an ongoing project and is always updated on the website. We are up to 280 Veterans in 2020.
8. With the help of Senator Blumenthal and US Rep. John Larson, we were able to get a Berlin Veteran 100% disability. The veteran was diagnosed with Brain Cancer from Burn Pits in Afghanistan and the VA denied benefits 2 times. Unfortunately, on September 27th he died from the Brain Cancer. The Commission gave his widow and son \$1000 in Gift Cards to help them.
9. With the help of and working with HomeFront Inc., we were able to get Step Railings installed at the front steps and the garage entrance steps of a 92-year-old Berlin Veteran's home.
10. The Berlin Veterans Commission presented a check for \$500.00, for Stand Down 2020, at the Rocky Hill Veterans Home to provide stand down services for veterans in need. Stand down services include services such as: feeding, bathing, clothing, and counseling for troubled veterans. The Commission has done this every year since 2012.
11. The Berlin Volunteer Fire Department donated seven thousand five hundred dollars (7,500) in gift cards to the Veterans Commission to distribute to Veterans in need in the Town of Berlin.
12. The Berlin Lions Club donated thirty-three hundred dollars (3,300) in gift cards to the Veterans Commission to distribute to Veterans in need in the Town of Berlin. This money was raised through the sale of luminaries in celebration of Veterans Day, at the Veterans Memorial Park.
13. The above donation gift cards were distributed by the Commission to over 25 Berlin Veterans in need.
14. The Town of Berlin Veterans Commission is proud to announce that Berlin, CT has been chosen to be the home of the "Gold Star Families Memorial Monument" in Connecticut, at Berlin's Veterans Memorial Park.

VISITING NURSING ASSOCIATION BOARD			
NAME/ADDRESS	EXP. DATE	AFFILIATION	INFORMATION:
Taylor S. Cope – <u>Chairperson</u> 221 Stillmeadow Lane Berlin, CT 06037 PHONE: (860) 424-6150 Email: taylor.s.cope@outlook.com	1/31/2022	Democrat	Consists of twelve (12) members for three (3) year terms. Not more than eight (8) shall be of the same political party
Cyndi McKinnon 46 Deerfield Drive Berlin, CT 06037 PHONE: (860) 798-0039	1/31/2022	Democrat	
David Veronesi 314 Toll Gate Road Berlin, CT 06037 PHONE: (860) 538-7456	1/31/2022	Democrat	
Brenda Chyra – <u>Vice Chairperson</u> 49 Briar Lane Kensington, CT 06037 PHONE: (860) 829-5325 EMAIL:chyra49@comcast.net	1/31/2022	Republican	
Frances Geschimsky 173 Grandview Ave Kensington, CT 06037 PHONE (860) 229-2356	1/31/2023	Republican	
VACANCY	1/31/2023		
PHONE			
VACANCY	1/31/2023		
PHONE:			STAFF LIAISON: Wendy M. Russo, Nursing Administrator (860) 828-7026
VACANCY	1/31/2023		
VACANCY	1/31/2023		
VACANCY	1/31/2024		RECORDING SECRETARY: Dori Dyer ddyer@town.berlin.ct.us (860) 828-7030
PHONE:			
VACANCY	1/31/2024		
PHONE:			
VACANCY	1/31/2024		
PHONE:			
VACANCY	1/31/2024		
Rev. 1/26/2021 & 2/2/2021		Reappt. of Chyra & Geschimsky	

Annual Report
Berlin Visiting Nurse Association

2020

During this fiscal year the VNA has faced many challenges related to changes in the health care industry including major changes in the Medicare Reimbursement and Billing Model. This change was effective January 1, 2020 and required intensive training for both clinical and billing staff in order to meet the new billing requirements. The agency successfully transitioned to this new model and has seen minimal if any changes in our Medicare reimbursement.

During this time of transition, the agency met with major challenges related to the Coronavirus Pandemic. The changes required for safety and mitigation, while continuing to provide health services to our patients, were difficult and included providing safety to our staff, especially those on the front line. Despite our efforts, we did have staff exposure as well as staff who became infected with the virus which required frequent changes in staffing demands and continuous tracking to maximize staff and patient safety. Policies and protocols were updated, continuous staff education and updates were provided on an ongoing basis. Changes were made to office processes to allow for limited numbers of staff on site in order to minimize potential exposure.

An ongoing goal for the VNA has been to increase and stabilize a census that will allow for better revenue /expense ratio. This goal has been directly impacted by the ongoing pandemic throughout the year. Decreases in referrals due to decreased numbers of elective surgeries and procedures, patients declining services due to fear of exposure to virus, and staff related illness and quarantines have contributed to major decreases in census. Major marketing plans that were in place needed to be cancelled due to social distancing limitations. Goals for continued marketing were adjusted to support continued visibility in the community.

- Utilization of Social Media for Marketing of Services
- Website Development
- Calls to referral sources to update on service availability
- Marketing materials delivered to facilities and referral sources

Our goals for 2020 included:

- Maintaining our reputation in the community: Met as confirmed by 5 Star Patient Satisfaction Reviews / SHP Premier Performer Award for Patient Satisfaction
- Maximizing relationships with referral sources: Met / Ongoing
- Increasing Visibility in the community: Met / Ongoing
- Increasing Revenue: Not Met: continues to be an ongoing challenge due to changes in the healthcare/homecare industry; healthcare pandemic.

Quality Program:

The VNA continues to maintain a consistent Quality Assurance Process Improvement program which consists of monthly meetings to identify and track quality measures in patient care. The quality initiatives for 2020 have been:

- Reduction of Patient Re-Hospitalizations
- Infection Control
- Patient Safety and Reduction of Falls

These initiatives are individually looked at on a quarterly basis and we have implemented changes to our plans of care and service processes based on the data collected.

Quality Record Audits

Patient record audits are required on a quarterly basis along with an annual report. This function was previously outsourced until Q3 of 2020 when the agency assumed the audit process internally at a cost savings. Documentation reviews continue to show above average percentages regarding patient outcomes and overall performance as compared to State and National averages.

Nursing Board of Directors:

2020 began with a new chairperson and co-chairperson for the Nursing Board. Enough positions on the board were filled to give the board a quorum and the board began to look at processes and practices that would strengthen and enhance their stability. The Board Bylaws were reviewed, updated and revised under the direction of the Board Chairperson.

The Board of Directors has been very weak for the past several years with lapses in communication and minimal work being done. It is consistently difficult to fill positions on the Nursing Board and to maintain committees. The nursing board meetings are held on a regular basis as scheduled but often without a quorum and without much follow through by the members between meetings. The agency is looking to the current chairperson to guide and direct a more cohesive membership.

WATER CONTROL COMMISSION

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Barry J. Fairwood – <u>Secretary</u> 14 Harris Street Kensington, CT	1/31/2024	Republican	Consists of five (5) members for five (5) year terms. Not more than three (3) of whom shall be of the same political party; Three (3) alternates for three (3) year terms. Not more than two (2) members shall be of the same political party.
TELEPHONE: (860) 828-5348 EMAIL: n/a			
Alvaro Garcia, Jr. 27 Brooke Meadow Road Berlin, CT 06037	1/31/2024	Unaffiliated	
TELEPHONE: (860) 924-5529 EMAIL: n/a			
Bruce Laroche – <u>Chairman</u> 5 Worthington Lane Berlin, CT 06037	1/31/2025	Democrat	
TELEPHONE: (860) 828-1558 EMAIL:			
Thomas Lasker 110 Wildermere Road Berlin, CT 06037	1/31/2024	Republican	
TELEPHONE: (860) 828-9709 EMAIL: n/a			
James Piccoli – <u>V. Chairman</u> 91 Hummingbird Drive Berlin, CT 06037	1/31/2023	Democrat	
TELEPHONE: (860) 828-1029 EMAIL: n/a			
Liam T. Mitchell – <u>Alternate</u> 1005 Kensington Road Kensington, CT 06037	1/31/2023	Republican	STAFF LIAISON: Ray Jarema rjarema@town.berlin.ct.us (860) 828-7065
TELEPHONE: (860) 818-5540 EMAIL: n/a			
Bill Philippon - <u>Alternate</u> 22 Cobblestone Road Berlin, CT 06037	1/31/2023	Republican	
TELEPHONE: (860) 965-8072 EMAIL: n/a			
VACANCY - <u>Alternate</u>	1/31/2026		
TELEPHONE: EMAIL:			RECORDING SECRETARY: Lecia Paonessa lpaonessa@town.berlin.ct.us (860) 828-7022
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised: 1/26/2021 & 2/23/2021		Reappoint of Philippon, updated officers	

Berlin Water Control Commission

Annual Report - 2020

PURPOSE

The Berlin Water Control Commission (BWCC) was established in 1966 to provide Berlin residents with safe potable drinking water. Additionally, the BWCC is responsible for collecting and discharging wastewater in an environmentally respectful process. The BWCC operates under Rules and Regulations to ensure fair administration of its duties. The Commission is made of diverse members and its function is to approve various projects and activities.

DUTIES AND FUNCTIONS

The Berlin Water Control Commission purchased and produced approximately 382 million gallons of water in 2020. This includes all the water needs for the Worthington Fire District's approximately 70 million gallons. Approximately 1,318 million gallons of sewage is discharged by the 3 utilities (BWCC, Kensington Fire District (KFD) and Worthington Fire District (WFD) into the Mattabassett District Treatment Facility located in Cromwell.

The Town of Berlin, unbeknownst to most residents, has three (3) Public Water Systems which handle the water and sewer needs in their respective service areas. This is fairly unusual for a relatively small town. Each water system has its own Administration, Commission/Board of Directors, Field Staff, and different rate structures.

The three Public Water Systems are: Kensington Fire District, Worthington Fire District, and Berlin Water Control. Most residents don't recognize that both Kensington and Worthington Fire Districts collect taxes (mill rate) to help subsidize the water and sewer bills. Although the Berlin Water Control is authorized to collect taxes (mill rate), it currently chooses not to levy a tax. Berlin Water Control is operated as a separate entity and operates based on its water and sewer rate collection.

The Town has made several historical attempts at consolidating the 3 water systems (BWCC, KFD and WFD). Currently, this is being evaluated again.

ACCOMPLISHMENTS IN 2020

- The CDC and Connecticut Department of Public Health recognized the Berlin Water Control Field Staff for perfect fluoride dosing for 2019. This makes the last four (4) consecutive years.
- New pumps were installed at the Worthington Point, Middletown Road & Stillmeadow Sewer Pump Stations.
- The upgrade of the Deming Road Pump Station has begun with the design, wetland permits, and ready to go out to bid
- BWCC conducted leak detection surveys finding significant leaks in the water distribution and the leaks have been addressed.
- We negotiated another five (5) year contract to purchase water from the Cromwell Fire District.
- We are actively pursuing a water connection along the Berlin Turnpike with the Meriden Water Department.

Youth Services Advisory Board

Youth Services Advisory Board			
NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Dawson Trotman 240 Kensington Road Berlin, CT 06037	1/31/2023	Youth	Board shall be comprised of no less than seven (7) members for three (3) year terms. These members shall include at least one (1) member currently less than eighteen (18) years of age, a representative of the school system, the police dept., and a private youth-servicing agency. At least one-third (1/3) of the total membership shall be service consumers.
TELEPHONE: n/a EMAIL: n/a			
Nancy L. Cavaliere - Chairperson 230 Vineyard Drive Kensington, CT 06037	1/31/2022	Service Consumer	
TELEPHONE: (860) 828-1684 EMAIL: ncavaliere@berlinschools.org			
Theodore D. Fuini 240 Kensington Road Berlin, CT 06037	1/31/2022	Youth Officer	
TELEPHONE: (860) 828-7090 EMAIL: n/a			
VACANCY	1/31/2024	Service Consumer	
TELEPHONE: EMAIL:			
Donald Geschimsky 173 Grandview Avenue Kensington, CT 06037	1/31/2023	Service Consumer	
TELEPHONE: (860) 229-2356 EMAIL: n/a			
			STAFF LIAISON:
Adam T. Marzi 32 Queen Street New Britain, CT 06053	1/31/2022	Youth Agency Representative	Douglas Truitt – Youth Services Coordinator dtruitt@town.berlin.ct.us (860) 828-7059
TELEPHONE: EMAIL: natureawaits.nbym@gmail.com			
Jan Zagorski – Vice Chairperson 63 Grandview Avenue Kensington, CT 06037	1/31/2022	School Representative	
TELEPHONE: (860) 916-1517 EMAIL: jzagorski@berlinschools.org			
TELEPHONE: EMAIL:			RECORDING SECRETARY:
			Douglas Truitt – Youth Services Coordinator dtruitt@town.berlin.ct.us
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised: 2/16/2021		Reappointment of Geschimsky	

Youth Services Advisory Board

The Youth Services Advisory Board works closely with the Director of Social and Youth Services to assess the needs faced by youth and families in the community and identify resources available to address those needs. Feedback received from the board helps the department in setting goals and priorities throughout the year. The board also serves as the town's Local Prevention Council, setting priorities for funds received through a grant from the Department of Mental Health and Addiction Services. Membership on the board includes representation from service consumers, the schools, police, a private non-profit agency, and youth.

Issues the board focused on last year included:

- Staying abreast of the ongoing changes in Connecticut's juvenile justice system regarding the handling of delinquency, school truancy, and Family with Service Needs cases and how that affects Youth Services and the Juvenile Review Board.
- Continuing to support an array of after-school programming including the Common Ground program at the middle school, Red Cross babysitting classes, First Aid and CPR training, the When I'm in Charge program, and providing support for the Sisters in Science program.
- A summer leadership program for 25 – 30 middle and high school students.
- Continuing our partnership with the Berlin Upbeat program in supporting the Peer Leadership program and providing workshops and informational services regarding issues impacting youth and families.

ZONING BOARD OF APPEALS- Website

NAME/ADDRESS	TERM EXPIRES	AFFILIATION	INFORMATION:
Corey S. Whiteside 386 Main Street East Berlin, CT 06023	1/31/2022	Republican	Consists of five (5) regular members and three (3) alternates for five (5) year terms; Not more than three (3) regular members shall be of the same political party.
TELEPHONE: n/a EMAIL: cwhiteside@town.berlin.ct.us			
Sandra Coppola - <u>Secretary</u> 66 Heritage Drive Berlin, CT 06037	1/31/2026	Republican	
TELEPHONE: n/a EMAIL: scoppola@town.berlin.ct.us			
Antonio Francalancia- <u>Chairman</u> 301 Mooreland Road Kensington, CT 06037	1/31/2025	Democrat	
TELEPHONE: n/a EMAIL: afrancalancia@town.berlin.ct.us			
Nelson Graca - <u>Co-V. Chairman</u> 242 Heritage Drive Kensington, CT 06037	1/31/2023	Republican	
TELEPHONE: n/a EMAIL: ngraca@town.berlin.ct.us			
Leonard C. Tubbs- <u>Co V. Chairman</u> 48 Patterson Way Berlin, CT 06037	1/31/2024	Unaffiliated	
TELEPHONE: n/a EMAIL: ltubbs@town.berlin.ct.us			STAFF LIAISON:
Christine S. Mazzotta - Alternate 405 Alling Street Kensington, CT 06037	1/31/2024	Republican	Maureen Giusti mgiusti@town.berlin.ct.us (860) 828-7008
TELEPHONE: n/a EMAIL: cmazzotta@town.berlin.ct.us			
Ryan T. Zelek - Alternate 107 Crystal Falls Way Berlin, CT 06037	1/31/2026	Democrat	
TELEPHONE: n/a EMAIL: rzelek@town.berlin.ct.us			
Hunter R. Mathena - Alternate 1000 Orchard Road Berlin, CT	1/31/2026	Unaffiliated	
TELEPHONE: n/a EMAIL: hmathena@town.berlin.ct.us			RECORDING SECRETARY:
			Kristen Grabowski kgrabowski@town.berlin.ct.us
TELEPHONE: EMAIL:			
TELEPHONE: EMAIL:			
Revised:		Reappointment of Coppola, Zelek & Mathena, Updated officers	
1/26/2021 & 2/23/2021			

Berlin Zoning Board of Appeals

Annual Report for 2020

The Zoning Board of Appeals is authorized by Town Charter as provided by the Connecticut General Statutes to evaluate and rule on requests regarding a number of land use issues. The matters heard by the Zoning Board of Appeals include requests for variances of the zoning regulations; alcoholic beverages permit location approvals, specific Special Permit applications and appeals to orders and determinations of the Zoning Enforcement Officer. Additionally, the Board reviews applications for motor vehicle license uses both for compliance with zoning but also for the State as directed by Statute.

The Zoning Board of Appeals schedules ten regular meetings per year that include Public Hearings on the matters before them, generally on the fourth Tuesday of the month. Special meetings may be held when necessary after having been properly noticed. Meetings were held on an as needed basis in 2020 due to the pandemic for a total of six regular meetings. Four regular meetings and one special meeting were cancelled. Starting in April meetings were held remotely or hybrid in-person with remote access. There are five regular members and three alternates appointed to the Board. For most matters a quorum of four, with four concurring votes in favor, are required for an approval.

Zoning Board of Appeals application files are available for public review in the Planning and Zoning Offices. The Assistant Town Planner/Zoning Enforcement Officer acts as staff to the Board advising applicants and preparing a report on each application prior to the Public Hearing. If approved, the applicant is provided with a document which must be filed with the Town Clerk for permanent recording on the Land Records prior to issuance of related permits.

The Zoning Board of Appeals received requests to be heard on 17 properties for a total of 18 specific applications for the calendar year 2020. Ten were requests for a variance of bulk requirements – including required yard setbacks, one motor vehicle uses location approvals, four sales of alcoholic beverages location, and three appeals of a ZEO order or determination. Three applications were ultimately withdrawn. The Board is also involved in pending litigations resulting from appeals of their decisions.

Respectfully Submitted,
Antonio Francalangia, Chairman

General Purpose Financial Statements 2019/2020

The Annual Report is required by the Town Charter

Section 7-15. Annual Town Report. The Manager must prepare and publish for distribution an annual town report which must include the following: (1) Comments and recommendations of the auditor, general purpose financial statements and the notes to the financial statements (2) Annual report of Collector of Revenue in detail as required by law, and (3) All appropriate annual reports by boards, commissions, committees, and elected or appointed officials which are submitted by a date specified by the Manager.

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Notes to the Financial Statements	Page 84
Required Supplementary Information	Page 129
Report of the Property Tax Collector	Page 146

Independent Auditors' Report

Town Council
Town of Berlin, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Berlin, Connecticut ("Town"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Town Council
Town of Berlin, Connecticut**

Page 2

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension and other post-employment benefit schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, supplemental schedules and statistical information sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Town Council
Town of Berlin, Connecticut**

Page 3

The introductory and statistical information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 10, 2020



TOWN OF BERLIN

Finance Department

240 KENSINGTON ROAD • TOWN HALL • BERLIN CT 06037

Management's Discussion and Analysis For the Year Ended June 30, 2020

This discussion and analysis of the Town of Berlin, Connecticut's ("Town") financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2020. Please read this Management Discussion and Analysis ("MD&A") in conjunction with the transmittal letter and the Town's financial statements, Exhibits A to J.

Financial highlights

- The Town's total net position increased by \$11,075,704. The increase is due to the following:

• positive operations of the general fund of	\$ 1,255,699
• positive operations of the capital projects fund of	3,560,403
• positive operations of the disadvantaged education fund of	82,712

Conversion to accrual basis on Exhibit E:

• capital outlay net of depreciation expense of	2,235,470
• net principal debt activity of	1,969,204
• net revenues of the internal service funds	934,228

- Revenues for the Town's programs increased \$2,898,213 or 2.7% to \$110,027,730. This compared to an increase of 8.2% in the prior year. The major drivers of this growth were higher property taxes, partially offset by lower charges for services and lower capital grants as the Town completed several projects.
- The total cost of the Town's programs increased by \$3,079,603 or 3.2% to \$98,952,026 with no new programs added this year. This compares to an increase of 0.4% in the prior year. The major drivers of the increase were higher depreciation expense from several capital projects within both education and physical services and from higher education wages and benefits related to increased personnel.
- The General Fund ending fund balance was \$17,885,813, an increase of \$1,255,699 or 7.6%, from the previous year. The increase was due to a higher than expected tax collection rate, collection of more back taxes than projected, higher than budgeted state education grants, proactive management of cash deposits to maximize interest earnings held at highly collateralized institutions and lower costs from rigorous cost management and pandemic-related closures. The unassigned portion of fund balance increased by a total of \$2,488,368 or 16.6%. In addition to the total fund balance drivers identified above, unassigned fund balance increased because the Town elected not to assign as much fund balance for the fiscal year 2021 budget.
- The Town experienced both increases and decreases in operating costs as a result of the COVID-19 pandemic. The Town closed all schools and general government buildings to the public beginning in March 2020, and the schools remained closed through fiscal year-end. As a result of the building closures, the Town realized lower electricity costs and deferred several projects that were budgeted in contractual services within both education and general government.

Town of Berlin, Connecticut

Management's Discussion and Analysis (continued)

- Increased operational costs were experienced for distance learning at all schools and for remote work and public meetings in general government. A high percentage of these additional costs were approved for reimbursement with Federal relief funds. These lower operating costs and intergovernmental reimbursements contributed over \$400,000 to the General Fund ending fund balance improvement.
- The Capital Projects Fund reported a total fund balance this year of \$14,785,297, an increase of \$3,560,403, or 31.7%, from the previous year. The increase was driven by the issuance of debt of \$4,200,000 to fund capital infrastructure projects in the next fiscal year.

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information as well as the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference being reported as the net position. Over time, increases or decreases in net position serve as a useful indicator of the Town's financial health. Other non-financial events such as the impact of changes in the Town's tax base or infrastructure should also be considered when evaluating the Town's financial health.

The *statement of activities* presents information showing how the Town's net position changed during the year. In this statement, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is actually received or paid. Therefore, revenues and expenses are reported in this statement for some items whose cash flow may occur in a future fiscal period. Taxes uncollected but levied or vacation leave unused but earned are examples of this.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, community development, public safety, physical services, parks, recreation and libraries, health and human services and schools. The business-type activities of the Town include water and sewer.

The government-wide financial statements can be found on Exhibits A and B of this report.

Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Town can be divided into the following three categories: governmental funds, proprietary funds and fiduciary funds.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

Governmental funds - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds to similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

For governmental funds, the Town presents separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects Fund and Disadvantaged Education Fund which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report (on Exhibits C, D and E).

Proprietary funds - The Town uses two different types of proprietary funds. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to report the activities of the water and sewer. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses internal service funds to account for its employees and retirees' self-insured medical benefits and to provide general insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund. The Water and Sewer Fund is considered a major fund.

The basic proprietary fund financial statements can be found on Exhibits F, G, and H.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits I and J.

Notes to financial statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on Exhibit K of this report.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

Required supplementary information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

Other information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-wide financial analysis

The Town's combined net position increased from \$136,115,227 to \$147,190,931. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

Table 1
Summary Statement of Net Position
June 30

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 46,676,931	\$ 39,217,201	\$ 7,288,574	\$ 7,111,677	\$ 53,965,505	\$ 46,328,878
Capital assets (net)	182,642,997	180,425,583	16,047,849	16,002,468	198,690,846	196,428,051
Total assets	229,319,928	219,642,784	23,336,423	23,114,145	252,656,351	242,756,929
Deferred outflows of resources	2,245,118	2,251,658	2,286	1,578	2,247,404	2,253,236
Long-term liabilities outstanding	89,809,992	91,379,152	3,216,240	3,434,670	93,026,232	94,813,822
Other liabilities	12,910,560	13,029,160	432,413	906,288	13,342,973	13,935,448
Total liabilities	102,720,552	104,408,312	3,648,653	4,340,958	106,369,205	108,749,270
Deferred inflows of resources	1,343,469	145,493	150	175	1,343,619	145,668
Net investment in capital assets	108,253,196	98,573,725	12,633,796	12,363,813	120,886,992	110,937,538
Restricted	1,026,283	958,562	-	-	1,026,283	958,562
Unrestricted	18,221,546	17,808,350	7,056,110	6,410,777	25,277,656	24,219,127
Total net position	\$ 127,501,025	\$ 117,340,637	\$ 19,689,906	\$ 18,774,590	\$ 147,190,931	\$ 136,115,227

Net position of the Town's governmental activities increased by 8.7%. The increase was driven by capital investments (bridges, roads, school security and athletic fields), a net reduction to outstanding debt and increased cash and investments. The increase in cash and investments was driven by a continued focus on current and delinquent tax collections and management's focus on investing cash not needed in the short-term in safe, higher yielding investment vehicles.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

The narrative following Table 2 includes a discussion of revenue and expense variations by category.

Table 2
Statement of Changes in Net Position
Years Ended June 30

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 5,096,815	\$ 5,523,642	\$ 4,841,145	\$ 3,825,854	\$ 9,937,960	\$ 9,349,496
Operating grants and contributions	16,353,132	16,330,706	3,308	29,774	16,356,440	16,360,480
Capital grants and contributions	2,898,815	3,323,658	-	-	2,898,815	3,323,658
General revenues:						
Property taxes	79,532,017	76,578,603	-	216	79,532,017	76,578,819
Grants and contributions not restricted to specific programs	302,664	303,011	-	-	302,664	303,011
Income from investments	850,917	1,029,004	83,790	84,337	934,707	1,113,341
Other	40,390	92,723	24,737	7,989	65,127	100,712
Total revenues	105,074,750	103,181,347	4,952,980	3,948,170	110,027,730	107,129,517
Expenses:						
General government	4,382,745	3,816,314	-	-	4,382,745	3,816,314
Community development	999,404	871,365	-	-	999,404	871,365
Public safety	10,955,051	10,798,326	-	-	10,955,051	10,798,326
Physical services	7,667,136	7,209,815	-	-	7,667,136	7,209,815
Parks, recreation and libraries	4,535,047	4,537,299	-	-	4,535,047	4,537,299
Health and human services	2,468,476	2,574,970	-	-	2,468,476	2,574,970
Education	61,865,177	59,988,156	-	-	61,865,177	59,988,156
Interest	2,045,826	2,151,670	-	-	2,045,826	2,151,670
Water and sewer services	-	-	4,033,164	3,924,508	4,033,164	3,924,508
Total expenses	94,918,862	91,947,915	4,033,164	3,924,508	98,952,026	95,872,423
Change in net position before transfers	10,155,888	11,233,432	919,816	23,662	11,075,704	11,257,094
Transfers	4,500	4,500	(4,500)	(4,500)	-	-
Change in net position after transfers	10,160,388	11,237,932	915,316	19,162	11,075,704	11,257,094
Net position - July 1	117,340,637	106,102,705	18,774,590	18,755,428	136,115,227	124,858,133
Net position - June 30	\$ 127,501,025	\$ 117,340,637	\$ 19,689,906	\$ 18,774,590	\$ 147,190,931	\$ 136,115,227

Authorized General Fund budget appropriations for operating expenditures and other financing uses of \$2,956,596 remained unspent at year end. This is the result of aggressive expenditure management throughout the fiscal year, favorable operating costs due to pandemic-driven building closures and project deferrals and from salary and benefit savings caused by position vacancies during the year. The most significant example of position savings was in the Police Department where the Town continued to experience retirements from more tenured officers. The Town continued efforts to control expenses such as: weekly and monthly detailed expenditure reviews, minimizing use of overtime where possible; prohibiting most air travel for conferences; continuing efforts to reduce the cost of employee benefits through wellness initiatives, higher employee cost shares and participation in a high-deductible health savings account.

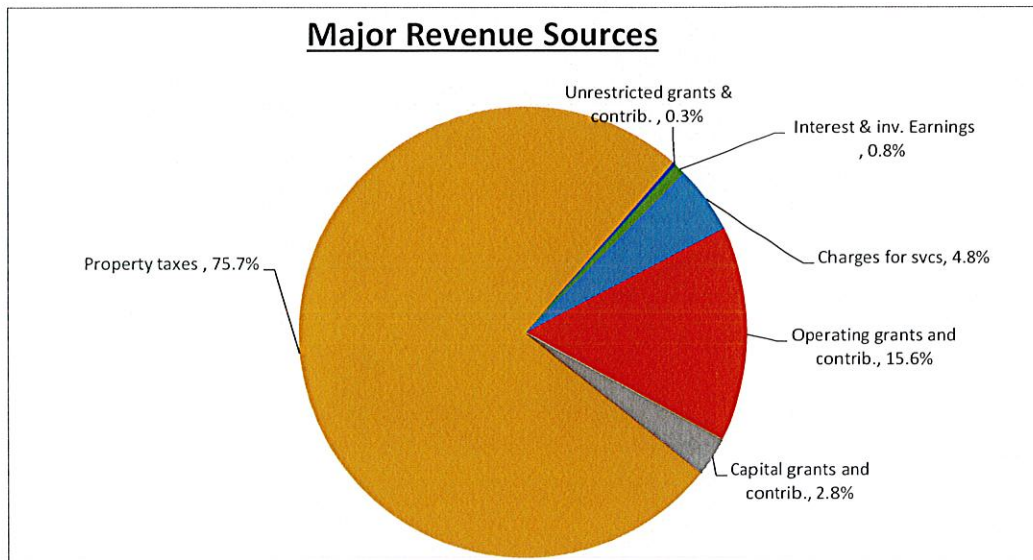
Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

Revenue and other financing sources were \$1,677,793 below budget (including the use of fund balance during the budget process) driven by \$2,082,666 in non-budgeted appropriations of fund balance in support of defined benefit lump sum payouts and to retire short-term notes, partially mitigated by higher than budgeted tax revenues, State education grants, and interest on cash reserves. The Town maintained a high tax collection ratio of 99.1%.

The Town's total revenues (governmental and business-type) were \$110,027,730. The total cost of all programs and services (governmental and business-type) was \$98,952,026. The analysis below separately discusses the operations of governmental and business-type activities.

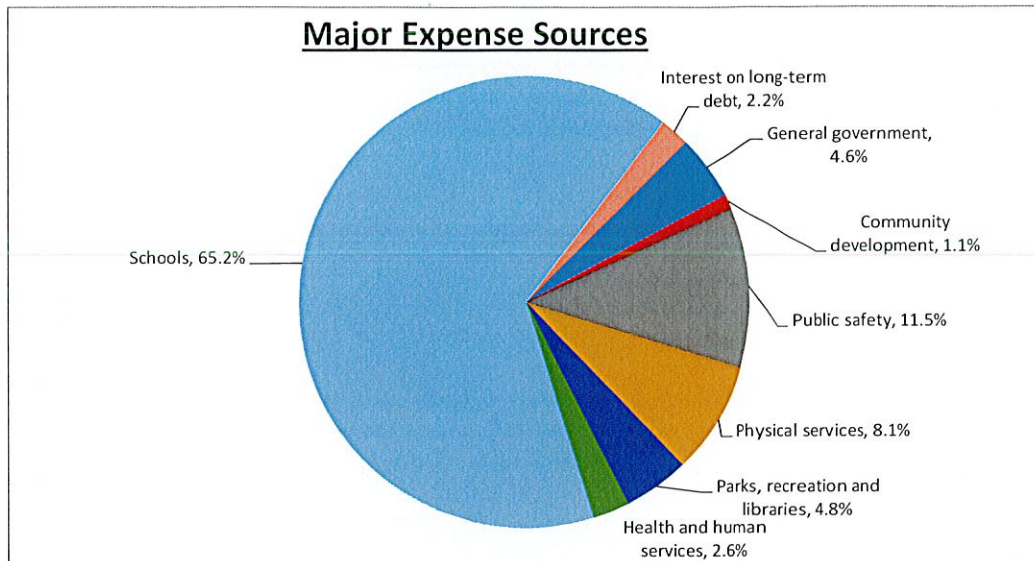
Governmental activities

As the graphs below display, the largest source of revenues was property taxes and the largest cost driver was schools. While grants and public safety were smaller, each was also a significant contributor to revenues and expenses, respectively.



Major revenue factors include:

- Property tax revenue increased \$2,953,414 or 3.9% driven by an increase in budgeted expenditures not covered by user fees and grants. The increased budgeted expenditures were focused on school personnel (security and educational), special education costs, refuse removal and increases in employee wage and health insurance costs.
- Charges for service revenue declined \$426,827 or 7.7% from prior year. This was driven by lower insurance reimbursements to the Visiting Nurses Association and lower cafeteria revenues caused by the closure of all schools beginning in March.
- Revenue from capital grants and contributions decreased from the prior fiscal year by \$424,843, or 12.8%. The decline was driven by the completion or near completion of several large projects resulting in lower intergovernmental grant reimbursements. These projects involved bridges and school security initiatives.



Major expense factors include:

- General government expense increased \$566,431 primarily due to an increase in defined benefit pension expense as members of the closed plan retire during a period of very low interest rates. Pension payouts move opposite interest rates; as rates decline payouts increase.
- Physical services expense increased \$457,321 primarily due to an increase in depreciation expense related to a major dam renovation and several bridge replacements.
- Education expense increased \$1,877,021 primarily due to an increase in depreciation expense due to the Berlin High School renovations which were capitalized at the end of fiscal year 2019, an increase in wage and health insurance costs from inflation and increased headcount, and higher special education expenses. These increases were partially offset by the net revenues in the medical and health insurance fund.
- There were increases in employee wages as a result of negotiated step and general wage increases; however, contractual increases were limited to a maximum of 2.25% for the Town and 2.5% for the Board of Education. There were two open Town union contracts at June 30, 2020. On the Board of Education side, four contracts expired on June 30, 2020 and were being negotiated.
- There were no new Town positions during the fiscal year. The Board of Education had a net increase of ten teaching and support positions, including four new school security officers.
- The Town continued to take measures to control the level of medical insurance costs through the implementation of wellness incentives and offering a high-deductible HSA plan. The high-deductible HSA plan is currently voluntary for the Town but mandatory for all Board of Education employees. While the Town continues to offer a preferred provider plan, employees who elect this plan are required to pay a higher percentage of premiums than those who elect the high-deductible plan.
- The Town continued to experience benefits from the reduction in defined contribution match (from 200% to 100% for all employees, except for police officers, hired after January 1, 2015) negotiated with the pension consortium of all unions other than Police during fiscal year 2015. The most recently negotiated Police contract included a reduction in pension funding from 12% to 8% of wages.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

Business-type activities

Revenues from the Town's business-type activities (see Table 2) increased 25.5% and expenses increased 2.8%.

The increase in revenues was driven by an increase in volumes in addition to an increase in the Mattabasset sewer charge, a percentage of which was passed on to the fire districts in proportion to each district's flow volumes.

Financial analysis of the Town's funds

Governmental funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit C) reported a combined fund balance of \$33,930,777, which is a 16.7% increase from last year's total of \$29,065,171. This increase was driven by the collection of current and back taxes, proactive cost management, reduced operational costs due to COVID-driven building closures and the funding of capital projects through the issuance of debt and intergovernmental grant reimbursements.

General Fund - Included in this year's total change in governmental fund balance is an increase of \$1,255,699 in the Town's General Fund, compared to an increase of \$1,560,904 in the prior year. The drivers of the increase in fund balance within the General Fund were from both lower expenditures and higher revenues when compared to the operating budget. The higher revenues partially offset the assigned fund balance in the fiscal year 2020 budget.

Property tax revenues recorded for fiscal year 2020 reflect a tax rate of 33.93 mills, an increase of 1.43 mills over the rate used in the previous fiscal year of 32.50 and a continued strong collection rate of 99.1%.

Due to the continued volatility of information available from the State of Connecticut while the State budget was being developed, the Town maintained the practice of budgeting conservatively for all state grants. The final State budget resulted in \$259,165 of higher State funding than budgeted.

Interest earnings exceeded budget because of proactive reallocation of cash to higher yielding securities that also meet the Town's investment quality thresholds. Quarterly, the Town reviews the collateral position of each bank where it deposits funds and utilizes the high-quality State Treasurer's Investment Fund to safely enhance returns.

Expenditures were \$2,956,596 below budget because of proactive cost management, building closure and deferred projects as a result of the global pandemic, and unplanned vacancies in various departments. While the Town managed through these vacancies with existing staff and, where possible, delaying services, these favorable variances are not expected to repeat. As a result, the Town remains judicious in the use of these surplus funds to avoid generating increased operating costs that need to be budgeted in future fiscal years.

Capital Projects Fund - \$6,423,917 was expended for asset acquisitions and improvements, most notably road and bridge improvements, repairs to the Railroad Pond Dam and enhancements to school security at each of the five schools. These capital expenditures were funded through a combination of intergovernmental grants, bond proceeds and transfers in.

Disadvantaged Education Fund - revenues exceeded expenditures by \$82,712, increasing fund balance from \$282,578 to \$365,290.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

Proprietary funds

As the Town completed the year, its business-type proprietary funds (as presented in the balance sheet - Exhibit F) reported combined net position of \$19,689,906 which is an increase of \$915,316 or 4.9% from the previous year's total of \$18,774,590. The increase was driven by continued strong revenue collections and management's close review of operating of capital spending requests.

Internal service funds

The internal service funds experienced a combined increase in net position of \$934,228, or 52.6% as compared to the prior year. The major drivers of this increase were higher employee medical premiums and lower claims in the Medical and Health Insurance fund. Experience was favorable, in part, because of the COVID-19 pandemic and the limitations on non-emergency doctor visits. It should be noted that medical claim experience was enhanced by the \$150,000 stop-loss plan the Town maintains. Any claims above this amount were paid by the insurer.

Capital assets and long-term liabilities

Capital assets

The Town had a \$198,690,846 net investment in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, streetlights and water and sewer lines (see Table 3). This amount represents a net increase of \$2,262,795 or 1.2%.

Table 3
Capital Assets - Net
June 30

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 23,571,916	\$ 23,571,916	\$ 1,415,112	\$ 1,415,112	\$ 24,987,028	\$ 24,987,028
Intangible assets	-	-	564,551	564,551	564,551	564,551
Construction in progress	9,021,512	7,306,340	3,957,554	3,817,205	12,979,066	11,123,545
Land improvements	4,337,635	3,456,286	-	-	4,337,635	3,456,286
Buildings and systems	110,797,617	112,267,990	912,765	995,868	111,710,382	113,263,858
Machinery and equipment	7,598,260	8,140,131	606,221	407,599	8,204,481	8,547,730
Infrastructure	27,316,057	25,682,920	8,591,646	8,802,133	35,907,703	34,485,053
Total	\$ 182,642,997	\$ 180,425,583	\$ 16,047,849	\$ 16,002,468	\$ 198,690,846	\$ 196,428,051

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

This year's major additions included:

Governmental activities

• Construction in progress:	
○ Railroad Pond Dam	\$ 1,141,644
○ Burnham Street Bridge	824,392
○ Farmington Ave Bridge	296,101
• Land improvements:	
○ Scalise Field artificial surface	951,441
• Buildings and systems:	
○ School security vestibules	1,088,265
○ Jail cell renovation	228,615
• Infrastructure:	
○ Streets	1,251,633

Business-type activities

• Machinery and equipment:	
○ Generator	176,273

More detailed information about the Town's capital assets is presented in Note III D to the financial statements.

Long-term debt

Table 4
Outstanding Debt
General Obligation Bonds and Notes
June 30

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 66,535,000	\$ 68,935,000	\$ -	\$ -	\$ 66,535,000	\$ 68,935,000
Notes payable	9,123,589	9,451,657	3,414,053	3,638,655	12,537,642	13,090,312
Total	<u>\$ 75,658,589</u>	<u>\$ 78,386,657</u>	<u>\$ 3,414,053</u>	<u>\$ 3,638,655</u>	<u>\$ 79,072,642</u>	<u>\$ 82,025,312</u>

The Town's general obligation bonds outstanding decreased by \$2,400,000. The planned decrease was the result of a new issue for general purpose capital improvements of \$4,200,000, reduced by scheduled bond repayments of \$6,600,000. The Town used fund balance to permanently retire \$931,000 of Bond Anticipation Notes in January 2020. The Town maintains a Capital Improvement Plan as well as a Debt Issuance Plan to track projects that need to be completed and identify funding for such projects.

The Town had \$9,123,589 in equipment financing notes, a decrease of \$328,068 due to scheduled principal payments.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

The Town reviews new debt issuances critically with the goal of lowering the overall debt level. Before issuing new debt, the Town evaluates the existing cash level, future demands on that cash and attempts to fund capital projects with cash when prudent.

Standard & Poor's Rating Services affirmed the Town's general obligation bond rating at AAA in June 2020.

The State of Connecticut limits the amount of general obligation debt that towns can issue based on a formula determined under State Statutes which considers the type of debt and tax base. The Town's outstanding general obligation debt is significantly below the state-imposed limit of \$546,476,889.

Other long-term obligations include accrued compensated absences (vacation pay and sick leave), heart and hypertension, a net pension liability, and an implicit liability for other post-employment benefits. More detailed information about these long-term liabilities is presented in Note III G to the financial statements.

The Town has two twenty-year 2% loans with the State of Connecticut Department of Energy and Environmental Protection's Clean Water Fund ("Clean Water Fund") in order to fund inflow and infiltration projects. These projects are accounted for in the Water and Sewer Enterprise Fund and are funded exclusively by a separate charge on customer bills. The future debt service for the loans is \$3,986,865 (\$3,414,053 principal and \$572,812 interest). More detailed information about these two loans is presented in Note III G to the financial statements.

Economic factors and next year's budgets and rates

General Fund appropriations totaled \$91,475,850 in the fiscal year 2021 budget. This is an increase of approximately 1.4% over fiscal year 2020. The tax mill rate remained flat versus prior year. The flat mill rate was driven by lower debt service, no new General Government spending partially offset by increased Education spending.

The 2019 Grand List increased 1.9% over 2018. The fiscal year 2021 General Fund budget includes \$425,000 of assigned General Fund balance in order to mitigate the tax increase and partially fund the actuarially determined contribution.

For the business-type activities, the Town, in conjunction with the Water Control Commission, has set related fees to offset the cost of operations. The Mattabassett District, of which the Town is a member, performed a major upgrade for nitrogen removal, increased capacity and improvements required by state and federal regulation. The District borrowed approximately \$80 million to fund the cost of this project. This cost will be shared among the member cities and towns with Berlin's share currently estimated at 14.35%. Also, as noted in the previous section, the Town has entered into a clean water fund loan agreement with the state to fund an inflow and infiltration (i.e. clean water) project; this loan will be repaid over twenty years and the loan repayments will also impact future rates.

The Town faces the challenge of dealing with the continued budget instability at the state level. The ECS grant represents approximately 94.7% of the fiscal year 2020 intergovernmental grant revenue budget and 6.4% of the total revenue budget. As the State considers education grant funding going forward, the Town is handling the uncertainty with tight expense management, evaluating capital requests carefully and taking steps to reduce long-term liabilities.

Town of Berlin, Connecticut
Management's Discussion and Analysis (continued)

The Town's defined benefit plan has been closed to new participants since 2000 and is a unique type of plan that offers the higher of the defined benefit or defined contribution calculation. As many of the remaining active participants are starting to retire and choose a lump sum distribution, the Town is employing a pay-as-you-go funding approach to address the short-term cash flow demand. Beginning in fiscal year 2018, the Town instituted the practice of fully funding the actuarially determined contribution. The Town intends to fully fund the annual required contribution going forward and does not intend to issue pension obligation bonds.

The Town's unemployment rate continued to be less than the State, regional and national averages. As of June 2020, the unemployment rate in Berlin was 7.8% (not seasonally adjusted) compared to 9.7% in the Hartford Labor Market Area, 10.0% in the State of Connecticut and 11.2% in the United States.

The potential impact of the pandemic on the local economy, businesses and Town revenues is being closely monitored. The July 2020 collections were in line with the prior year, and voluntary back tax payments continue to be received. The Town is closely monitoring the local economy for indications of any impact on the property tax revenues with the January 2021 semi-annual and supplemental motor vehicle payments.

The State of Connecticut, through the Governor's executive order, required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and/or the payment deferral program through October 1, 2020. The Town implemented the interest rate reduction program. That program expired at the end of the July collection period.

Requests for information

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 240 Kensington Road, Town of Berlin, Connecticut 06037.

Town of Berlin, Connecticut

Statement of Net Position
June 30, 2020

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Current assets:			
Cash	\$ 7,496,524	\$ 90,173	\$ 7,586,697
Investments	35,070,165	6,486,796	41,556,961
Receivables:			
Property taxes	935,811	-	935,811
Special assessments and connection charges	-	18,745	18,745
Usage	-	612,752	612,752
Accounts	236,997	-	236,997
Intergovernmental	1,130,246	-	1,130,246
Internal balances	482	(482)	-
Other	48,416	-	48,416
Total current assets	44,918,641	7,207,984	52,126,625
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash	680,429	-	680,429
Investments	505,914	-	505,914
Permanently restricted:			
Investments	68,297	-	68,297
Total restricted assets	1,254,640	-	1,254,640
Real estate investments	281,572	-	281,572
Receivables (net):			
Property taxes	222,078	-	222,078
Usage	-	80,590	80,590
Total receivables (net)	222,078	80,590	302,668
Capital assets (net of accumulated depreciation):			
Land	23,571,916	1,415,112	24,987,028
Intangible assets	-	564,551	564,551
Construction in progress	9,021,512	3,957,554	12,979,066
Land improvements	4,337,635	-	4,337,635
Buildings and systems	110,797,617	912,765	111,710,382
Machinery and equipment	7,598,260	606,221	8,204,481
Infrastructure	27,316,057	8,591,646	35,907,703
Total capital assets (net of accumulated depreciation)	182,642,997	16,047,849	198,690,846
Total noncurrent assets	184,401,287	16,128,439	200,529,726
Total assets	229,319,928	23,336,423	252,656,351
<u>Deferred Outflows of Resources</u>			
Pension related	20,770	-	20,770
OPEB related	1,905,164	2,286	1,907,450
Deferred charge on refunding	319,184	-	319,184
Total deferred outflows of resources	2,245,118	2,286	2,247,404

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	\$ 2,226,775	\$ 122,801	\$ 2,349,576
Retainage payable	89,889	-	89,889
Accrued payroll and related liabilities	746,553	14,254	760,807
Accrued interest payable	248,378	-	248,378
Unearned revenue	1,610,806	75,312	1,686,118
Bonds and notes payable	6,458,611	208,492	6,667,103
Compensated absences	361,492	11,554	373,046
Claims payable	477,764	-	477,764
Heart and hypertension	11,000	-	11,000
Tax overpayments	679,292	-	679,292
Total current liabilities	12,910,560	432,413	13,342,973
Noncurrent liabilities:			
Performance bonds	1,150,516	-	1,150,516
Bonds and notes payable and related liabilities	72,246,685	3,205,561	75,452,246
Compensated absences	202,305	-	202,305
Heart and hypertension	383,826	-	383,826
Net pension liability	6,927,850	-	6,927,850
OPEB liability	8,898,810	10,679	8,909,489
Total noncurrent liabilities	89,809,992	3,216,240	93,026,232
Total liabilities	102,720,552	3,648,653	106,369,205
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	1,218,467	-	1,218,467
OPEB related	125,002	150	125,152
Total deferred inflows of resources	1,343,469	150	1,343,619
<u>Net Position</u>			
Net investment in capital assets	108,253,196	12,633,796	120,886,992
Restricted for:			
Endowments:			
Nonexpendable	68,297	-	68,297
Expendable	35,827	-	35,827
Community development	17,008	-	17,008
Public safety	57,358	-	57,358
Health and human services	41,885	-	41,885
Parks, recreation and libraries	312,640	-	312,640
Schools	493,268	-	493,268
Unrestricted	18,221,546	7,056,110	25,277,656
Total net position	\$ 127,501,025	\$ 19,689,906	\$ 147,190,931

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues				Net Revenues (Expenses) and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 4,382,745	\$ 1,197,222	\$ 352,596	\$ 105,979	\$ (2,726,948)	\$ -	\$ (2,726,948)
Community development	999,404	-	2,000	231,442	(765,962)	-	(765,962)
Public safety	10,955,051	509,376	67,758	-	(10,377,917)	-	(10,377,917)
Physical services	7,667,136	74,945	-	2,541,362	(5,050,829)	-	(5,050,829)
Parks, recreation and libraries	4,535,047	1,328,641	-	-	(3,206,406)	-	(3,206,406)
Health and human services	2,468,476	832,814	24,819	-	(1,610,843)	-	(1,610,843)
Schools	61,865,177	1,153,817	15,905,959	20,032	(44,785,369)	-	(44,785,369)
Interest	2,045,826	-	-	-	(2,045,826)	-	(2,045,826)
Total governmental activities	94,918,862	5,096,815	16,353,132	2,898,815	(70,570,100)	-	(70,570,100)
Business-type activities:							
Water and sewer services	4,033,164	4,841,145	3,308	-	-	811,289	811,289
Total	\$98,952,026	\$ 9,937,960	\$16,356,440	\$2,898,815	(70,570,100)	811,289	(69,758,811)
General revenues:							
Property taxes					79,532,017	-	79,532,017
Grants and contributions not restricted to specific programs					302,664	-	302,664
Income from investments					850,917	83,790	934,707
Other					40,390	24,737	65,127
Total general revenues					80,725,988	108,527	80,834,515
Transfers in (transfers out)					4,500	(4,500)	-
Change in net position					10,160,388	915,316	11,075,704
Net position - July 1, 2019					117,340,637	18,774,590	136,115,227
Net position - June 30, 2020					\$127,501,025	\$19,689,906	\$147,190,931

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Balance Sheet
Governmental Funds
June 30, 2020

	General	Capital Projects	Disadvantaged Education	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash	\$ 3,544,458	\$ 18,661	\$1,543,667	\$ 838,795	\$ 5,945,581
Restricted cash	680,429	-	-	-	680,429
Investments	18,220,587	14,928,029	-	-	33,148,616
Restricted investments	470,087	-	-	-	470,087
Receivables (net):					
Property taxes	1,157,889	-	-	-	1,157,889
Accounts	69,003	-	-	-	69,003
Intergovernmental	171,057	890,433	-	68,756	1,130,246
Due from other funds	135,482	-	-	-	135,482
Other	10,629	-	-	37,787	48,416
Total assets	<u>\$24,459,621</u>	<u>\$ 15,837,123</u>	<u>\$1,543,667</u>	<u>\$ 945,338</u>	<u>\$42,785,749</u>
<u>Liabilities</u>					
Liabilities:					
Accounts payable	\$ 1,524,657	\$ 663,301	\$ -	\$ 13,602	\$ 2,201,560
Retainage payable	-	89,889	-	-	89,889
Accrued payroll and related liabilities	746,553	-	-	-	746,553
Unearned revenue	96,434	298,636	1,178,377	37,359	1,610,806
Performance bonds	1,150,516	-	-	-	1,150,516
Tax overpayments	679,292	-	-	-	679,292
Total liabilities	<u>4,197,452</u>	<u>1,051,826</u>	<u>1,178,377</u>	<u>50,961</u>	<u>6,478,616</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	1,157,889	-	-	-	1,157,889
Advance property tax collections	1,218,467	-	-	-	1,218,467
Total deferred inflows of resources	<u>2,376,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,376,356</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	68,297	68,297
Restricted	-	-	365,290	592,696	957,986
Committed	23,110	14,785,297	-	-	14,808,407
Assigned	425,000	-	-	233,384	658,384
Unassigned	17,437,703	-	-	-	17,437,703
Total fund balances	<u>17,885,813</u>	<u>14,785,297</u>	<u>365,290</u>	<u>894,377</u>	<u>33,930,777</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$24,459,621</u>	<u>\$ 15,837,123</u>	<u>\$1,543,667</u>	<u>\$ 945,338</u>	<u>\$42,785,749</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut
Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2020

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet due to:

Total fund balance (Exhibit C, Page 1 of 2)	\$ 33,930,777
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	180,425,583
Capital assets additions (net of construction in progress)	7,647,428
Depreciation expense	(5,411,958)
Disposal of capital assets	(18,056)

Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property taxes - accrual basis change	1,157,889
Real estate investments	281,572
Deferred outflows of resources related to pensions	20,770
Deferred outflows of resources related to OPEB	1,905,164
Deferred charge on refunding	319,184

Internal service funds are used by management to charge the cost of medical insurance premiums to individual departments and heart and hypertension claims

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	2,711,805
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable and related liabilities	(78,705,296)
Compensated absences	(563,797)
Net pension liability	(6,927,850)
OPEB liability	(8,898,810)
Accrued interest payable	(248,378)
Deferred inflows of resources related to OPEB	(125,002)

Net position of governmental activities (Exhibit A)	<u>\$ 127,501,025</u>
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(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General	Capital Projects	Disadvantaged Education	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 79,277,434	\$ -	\$ -	\$ -	\$ 79,277,434
Intergovernmental	13,775,664	2,898,815	2,327,757	450,759	19,452,995
Charges for services	3,775,534	105,106	772,483	443,692	5,096,815
Income from investments	817,907	-	-	2,593	820,500
Contributions	-	-	-	101,616	101,616
Other	-	40,230	-	160	40,390
Total revenues	97,646,539	3,044,151	3,100,240	998,820	104,789,750
Expenditures:					
Current:					
General government	5,867,982	57,697	-	5,500	5,931,179
Community development	780,248	221,295	-	5,498	1,007,041
Public safety	9,057,240	38,172	-	21,018	9,116,430
Physical services	7,491,006	60,251	-	-	7,551,257
Parks, recreation and libraries	3,938,687	129,939	-	82,759	4,151,385
Health and human services	2,392,627	709	-	66,542	2,459,878
Schools	54,386,953	453,306	3,017,528	850,711	58,708,498
Debt service	8,868,818	683,126	-	-	9,551,944
Capital outlay	-	6,423,917	-	-	6,423,917
Total expenditures	92,783,561	8,068,412	3,017,528	1,032,028	104,901,529
Excess (deficiency) of revenues over expenditures	4,862,978	(5,024,261)	82,712	(33,208)	(111,779)
Other financing sources (uses):					
Issuance of debt	-	4,200,000	-	-	4,200,000
Sale of capital assets	-	14,021	-	-	14,021
Premium	-	758,864	-	-	758,864
Transfers in	76,043	3,683,322	-	-	3,759,365
Transfers out	(3,683,322)	(71,543)	-	-	(3,754,865)
Net other financing sources (uses)	(3,607,279)	8,584,664	-	-	4,977,385
Net change in fund balances	1,255,699	3,560,403	82,712	(33,208)	4,865,606
Fund balances - July 1, 2019	16,630,114	11,224,894	282,578	927,585	29,065,171
Fund Balances - June 30, 2020	\$ 17,885,813	\$ 14,785,297	\$ 365,290	\$ 894,377	\$ 33,930,777

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2020

Amounts reported for governmental activities in the statement of activities (Exhibit B) are due to:

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ 4,865,606</u>
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	7,647,428
Depreciation expense	<u>(5,411,958)</u>
Total	<u>2,235,470</u>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase/decrease net position. In the statement of activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold:

Loss on disposal of assets	<u>(18,056)</u>
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the fund financial statements are not recognized in the statement of activities:

Change in property tax receivable - accrual basis change	<u>254,583</u>
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Issuance of bonds	(4,200,000)
Premium	<u>(758,864)</u>
Principal repayments:	
General obligation bonds and notes payable	<u>6,928,068</u>
Total	<u>1,969,204</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2020

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of premium	\$ 671,447
Changes in:	
Compensated absences	(37,279)
Pension expense	446,050
OPEB expense	(1,187,324)
Accrued interest payable	12,508
Amortization of deferred charge on refunding	(105,905)
Amortization of deferred outflows of resources	99,365
Amortization of deferred inflows of resources	20,491
Total	<u>(80,647)</u>
The net revenue of the activities of the internal service funds is reported with governmental activities	<u>934,228</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 10,160,388</u>
	(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities <u>Enterprise Fund</u>	Governmental Activities <u></u>
	Water and Sewer Fund	Internal Service Funds
<u>Assets</u>		
Current assets:		
Cash	\$ 90,173	\$ 1,550,943
Investments	6,486,796	2,025,673
Receivable (net):		
Accounts	-	32,994
Usage	612,752	-
Special assessments and connection charges	18,745	-
Total current assets	<u>7,208,466</u>	<u>3,609,610</u>
Noncurrent assets:		
Receivables:		
Usage	<u>80,590</u>	<u>-</u>
Capital assets (net):		
Land	1,415,112	-
Intangible assets	564,551	-
Construction in progress	3,957,554	-
Buildings and systems	912,765	-
Machinery and equipment	606,221	-
Infrastructure	8,591,646	-
Total capital assets less accumulated depreciation	<u>16,047,849</u>	<u>-</u>
Total noncurrent assets	<u>16,128,439</u>	<u>-</u>
Total assets	<u>23,336,905</u>	<u>3,609,610</u>
<u>Deferred Outflows of Resources</u>		
OPEB related	<u>2,286</u>	<u>-</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities <u>Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	\$ 122,801	\$ 25,215
Accrued payroll and related liabilities	14,254	-
Unearned revenue	75,312	-
Due to other funds	482	-
Notes payable	208,492	-
Claims payable	-	477,764
Heart and hypertension	-	11,000
Compensated absences	11,554	-
Total current liabilities	<u>432,895</u>	<u>513,979</u>
Noncurrent liabilities:		
Notes payable	3,205,561	-
Heart and hypertension	-	383,826
OPEB liability	10,679	-
Total noncurrent liabilities	<u>3,216,240</u>	<u>383,826</u>
Total liabilities	<u>3,649,135</u>	<u>897,805</u>
<u>Deferred Inflows of Resources</u>		
OPEB related	<u>150</u>	<u>-</u>
<u>Net Position</u>		
Net investment in capital assets	12,633,796	-
Unrestricted	7,056,110	2,711,805
Total net position	<u>\$ 19,689,906</u>	<u>\$ 2,711,805</u>

(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities <u>Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
	<u>Water and Sewer Fund</u>	
Operating revenues:		
Premiums	\$ -	\$ 8,691,655
Charges for services	4,841,145	-
Insurance proceeds	-	127,466
Other	24,737	-
	<u>4,865,882</u>	<u>8,819,121</u>
Total operating revenues		
Operating expenses:		
Claims	-	6,812,455
Repairs and maintenance	-	84,181
Administration	143,646	1,018,674
Employee benefits	188,711	-
Purchase of water	537,545	-
Source of supply	2,004,895	-
Pumping expense	155,633	-
Transmission and distribution	153,283	-
Salaries - administrative and general	132,072	-
Salaries - operating and maintenance	323,319	-
Depreciation	317,075	-
	<u>3,956,179</u>	<u>7,915,310</u>
Total operating expenses		
Income (loss) from operations	<u>909,703</u>	<u>903,811</u>
Nonoperating revenues (expenses):		
Intergovernmental	3,308	-
Income from investments	83,790	30,417
Interest expense	(76,985)	-
	<u>10,113</u>	<u>30,417</u>
Total nonoperating revenues (expenses)		
Income (loss) before transfers	919,816	934,228
Transfers out	<u>(4,500)</u>	<u>-</u>
Change in net position	<u>915,316</u>	<u>934,228</u>
Total net position - July 1, 2019	<u>18,774,590</u>	<u>1,777,577</u>
Total net position - June 30, 2020	<u>\$ 19,689,906</u>	<u>\$ 2,711,805</u>

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities <u>Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
	Water and Sewer Fund	
Cash flows from (used in) operating activities:		
Cash received from other	\$ 24,737	\$ -
Cash received from premiums and employees	-	8,691,655
Cash received from customers	4,752,540	-
Cash received from insurance and others	-	127,466
Cash payments to employees for services	(453,744)	-
Cash payments to providers of benefits and for claims	-	(6,948,823)
Cash payments to providers of administration	-	(973,740)
Cash payments to suppliers for goods and service	(3,450,400)	(92,058)
Net cash from (used in) operating activities	<u>873,133</u>	<u>804,500</u>
Cash flows from (used in) non-capital financing activities:		
Intergovernmental grants	3,308	-
Transfers out	(4,500)	-
Net cash from (used in) non-capital and related financing activities	<u>(1,192)</u>	<u>-</u>
Cash flows from (used in) capital and related financing activities:		
Purchase of capital assets	(362,456)	-
Proceeds from grants and state drinking water notes	300,750	-
Principal payments (bonds and bond anticipation notes)	(224,602)	-
Interest payments	(76,985)	-
Net cash from (used in) capital and related financing activities	<u>(363,293)</u>	<u>-</u>
Cash flows from (used in) investing activities:		
Income from investments	<u>83,790</u>	<u>30,417</u>
Increase (decrease) in cash	592,438	834,917
Cash and cash equivalents - July 1, 2019	<u>5,984,531</u>	<u>2,741,699</u>
Cash and cash equivalents - June 30, 2020	<u>\$ 6,576,969</u>	<u>\$ 3,576,616</u>
Reconciliation to statement of net position cash:		
Cash and cash equivalents per above	\$ 6,576,969	\$ 3,576,616
Cash and cash equivalents reported as investments	(6,486,796)	(2,025,673)
Statement of net position cash	<u>\$ 90,173</u>	<u>\$ 1,550,943</u>

(Continued)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities <u>Enterprise Fund</u>	Governmental Activities <u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:		
Income (loss) from operations	\$ 909,703	\$ 903,811
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:		
Depreciation	317,075	-
(Increase) decrease in:		
Accounts receivable	29,950	44,934
Usage receivable	81,979	-
Special assessments and connection charges receivable	2,862	-
Deferred outflows of resources - OPEB related	(708)	-
Increase (decrease) in:		
Accounts payable	(265,565)	(7,877)
Claims payable	-	(177,840)
Heart and hypertension	-	41,472
Accrued payroll and related	1,647	-
Unearned revenue	(203,396)	-
Compensated absences	(1,813)	-
OPEB liability	1,424	-
Deferred inflows of resources - OPEB related	(25)	-
Net cash from (used in) operating activities	<u>\$ 873,133</u>	<u>\$ 804,500</u>
		(Concluded)

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Pension Trust Fund	Private Purpose Trust Fund Memorial Fund	Custodial Fund Student Activity Fund
<u>Assets</u>			
Cash	\$ 14,614	\$ -	\$ 517,874
Investments:			
Mutual funds:			
Equity	32,822,441	-	-
Bond	16,484,726	-	-
Money market	5,441,456	-	-
Real estate funds	345,855	-	-
Bank money market	-	64,148	-
Total investments	55,094,478	64,148	-
Total assets	55,109,092	64,148	517,874
<u>Liabilities</u>			
Accounts payable	3,600	-	-
Due to other funds	135,000	-	-
Total liabilities	138,600	-	-
<u>Net Position</u>			
Restricted for:			
Defined contribution pension benefits	52,272,242	-	-
Defined benefit pension benefits	2,698,250	-	-
Individuals and organizations	-	64,148	517,874
Total net position	\$54,970,492	\$ 64,148	\$ 517,874

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Pension Trust Fund	Private Purpose Trust Fund Memorial Fund	Custodial Fund Student Activity Fund
Additions:			
Contributions:			
Employer - defined benefit plan	\$ 1,830,139	\$ -	\$ -
Employer - defined contribution plan	1,781,792	-	-
Employee - defined contribution plan	916,577	-	-
Other	39,276	-	-
Total contributions	<u>4,567,784</u>	<u>-</u>	<u>-</u>
Activity fees	<u>-</u>	<u>-</u>	<u>469,454</u>
Investment income (loss):			
Change in fair value of investments	2,369,995	-	-
Interest and dividends	191,817	543	-
Total investment income (loss)	<u>2,561,812</u>	<u>543</u>	<u>-</u>
Less investment expenses	<u>37,500</u>	<u>-</u>	<u>-</u>
Net investment income (loss)	<u>2,524,312</u>	<u>543</u>	<u>-</u>
Total additions	<u>7,092,096</u>	<u>543</u>	<u>469,454</u>
Deductions:			
Benefits - defined benefit plan	689,560	-	-
Benefits - defined contribution plan	4,114,767	-	-
Administration	164,774	-	-
Scholarships awarded	-	1,000	-
Activities and events	-	-	396,118
Total deductions	<u>4,969,101</u>	<u>1,000</u>	<u>396,118</u>
Change in net position	2,122,995	(457)	73,336
Net position - July 1, 2019	<u>52,847,497</u>	<u>64,605</u>	<u>444,538</u>
Net position - June 30, 2020	<u>\$ 54,970,492</u>	<u>\$ 64,148</u>	<u>\$ 517,874</u>

The notes to financial statements are an integral part of this statement.

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

History and organization

The Town of Berlin, CT ("Town") was incorporated in 1785 from parts of Farmington, Middletown and Wethersfield. Under the Town Charter, adopted November 4, 1973, and most recently amended November 8, 2016, the Town Council is the legislative body for specific purposes. The Town Manager serves as the Chief Executive Officer of the Town and acts as the liaison to the Town Council. The Town Council is responsible for establishing policy. Charter revisions on November 8, 1994 replaced an Executive Board, Board of Finance/Town Meeting form of government with a Town Manager/Council form of government, which took effect November 15, 1995. Charter revisions on November 8, 2016 reinstated a Board of Finance effective November 20, 2017.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town does not report any component units.

I. Summary of significant accounting policies

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**B. Measurement focus, basis of accounting and financial statement presentation (continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. In addition, the Town considers reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds.

Expenditure reimbursement type grants, certain intergovernmental revenues, certain charges for services, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets. The major sources of revenues for this fund are capital grants and the proceeds from the issuance of general obligation bonds.

The *Disadvantaged Education Fund* is used to account for and report financial resources that are restricted to expenditures for education. The major sources of revenue for this fund are grants and tuition revenues.

The Town reports the following major proprietary funds:

The *Water and Sewer Fund* is used to account for the operating activity of the water and sewer operations. The major source of revenues for this fund is charges for services.

Additionally, the Town reports the following fund types:

Special Revenue Funds are used to account for and report the proceeds of specific revenue resources that are restricted, committed or assigned to expenditures for specified purposes other than debt.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Measurement focus, basis of accounting and financial statement presentation (continued)

The *Internal Service Fund* accounts for risk financing activities for medical insurance benefits, general liability, heart and hypertension and workers' compensation as allowed by GASB Statement No. 10.

The *Pension Trust Fund* accounts for the activities of the Town of Berlin Retirement Plan, which accumulates resources for pension benefit payments to qualified employees.

The *Private-Purpose Trust Fund* accounts for the receipt of private donations to be used for student awards.

Custodial Funds account for monies held on behalf of student groups.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are charges between certain Town functions because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the Town's internal service fund are charges to customers for sales and services.

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town pension plans and OPEB, the Connecticut State Teachers' Retirement System (TRS), and the Connecticut State Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town's pension and OPEB plans, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity**1. Cash and investments****a. Cash**

The Town considers cash as cash on hand and demand deposits.

For cash flow purposes the Town considers cash equivalents as money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****b. Investments**

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk.

c. Method used to value investments

Investments for the Town are reported at fair value except as described below. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate is valued based upon the purchase price which approximates fair value.

Fair value of investments

The Town measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America (GAAP). These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1:* Quoted prices for identical investments in active markets;
- Level 2:* Quoted prices for identical investments in markets that are not active; and
- Level 3:* Unobservable inputs.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****d. Risk policies**

Interest rate risk – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Concentration of credit risk – Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.

Custodial credit risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

Foreign currency risk – Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk.

2. Receivables and payables**a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****b. Property taxes and other receivables**

In the fund financial and government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 1% to 40% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, property taxes receivable which have not been collected as of June 30, have been recorded as deferred inflows of resources, since they are not considered to be available to finance expenditures of the current year.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, on July 1, and supplemental motor vehicle taxes are due in full January 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

3. Restricted assets

The restricted assets for the Town are restricted for performance bonds and endowments. Performance bonds are restricted until the monies are returned to the vendor after satisfactory completion of contract or the Town calls the bond for nonperformance. The trust agreement restricts the expenditure of the investment income only for the designated purpose.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Capitalization Threshold
Land	N/A	\$ ALL
Construction in progress	N/A	5,000
Intangible assets	Varies, if any	5,000
Land improvements	10-30	5,000
Buildings and systems	40	5,000
Machinery and equipment	5-20	5,000
Infrastructure	20-50	5,000

5. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide statements for differences between expected and actual experience, changes in assumptions and net difference between projected and actual earnings on plan investments. The deferred outflow or inflow related to differences between expected and actual experience and changes in assumptions will be amortized over the average remaining service life of all plan members. The deferred outflow or inflow related to the net difference between projected and actual earnings on plan investments will be amortized over a five-year period.

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the debt.

Advance tax collections represent taxes associated with a future period. This amount is recognized during the period in which the revenue is associated.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes (including advance collections, if any). These amounts are recognized as an inflow of resources in the period that the amounts become available.

6. Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Town employees are required to use vacation time by June 30 of each year, however, employees may request to have their time extended by the Town Manager past June 30 to October 31. Vacation expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. A liability for these amounts has been recorded in the government-wide financial statements.

7. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Net position and fund balances

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position that reflects capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**Unrestricted Net Position

This category presents the net position of the Town which is not restricted.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through resolutions approved by the Town Council and Board of Finance.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority to assign fund balance rests with the Town Council and Board of Finance. Intent is also expressed by a properly approved purchase order (encumbrance).

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

Town of Berlin, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Town Council has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

The Town Council has adopted a minimum fund balance policy for the General Fund. The policy establishes the intent to maintain a level of unassigned fund balance of at least 11% of the budgeted year's total expenditures (including debt service and transfers). Any budgeted contingency shall be included in the current year unassigned fund balance when calculating compliance with this policy.

9. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the mitigation responses. Any such differences are not expected to be material for the year ended June 30, 2020.

10. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, compliance and accountability**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

The Town uses the budgetary basis of accounting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued. Town policy is to close out outstanding General Fund encumbrances at year end.

Appropriations for the Capital Projects Funds do not lapse at the end of the fiscal year, but continue until the completion of the project.

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

II. Stewardship, compliance and accountability (continued)

B. Donor-restricted endowments

The Town has received certain endowments for purchase of trees, medical assistance and library resources. The amounts are reflected in net position as restricted for endowments. Investment income is approved for disbursement by the applicable Trustee and is included in restricted fund balance. At year end, net appreciation available for appropriation is \$35,827.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending upon the applicable donor's stipulations regarding the treatment of investment income and appreciation.

C. Capital projects authorizations

The following is a summary of certain capital projects:

Project	Project Authorization	Cumulative Expenditures	Committed	Balance
Bonded Road Improvements	\$ 1,329,317	\$ 168,689	\$ 42,965	\$ 1,117,663
Boulevard at Berlin Train Station	500,000	95,630	38,449	365,921
889 Farmington Ave. Remediation	1,288,557	426,122	76,484	785,951
Berlin High School Renovations	84,500,000	81,158,070	-	3,341,930
Recycling Center Improvements	534,485	18,542	-	515,943
Bridge Rehabilitation Program	3,620,322	395,664	2,980,755	243,903
Farmington Avenue Bridge	3,716,059	3,685,042	16,219	14,798
High Road Bridge	1,576,500	1,280,006	259,181	37,313
Burnham Street Bridge	1,498,193	1,475,906	22,286	1
Fire Radios	1,440,000	53,640	1,118,010	268,350
Firetruck	800,161	-	-	800,161
Transit-Oriented Devel. Façade Program	500,000	231,756	4,302	263,942
Railroad Pond Dam Renovations	1,687,610	1,686,610	1,000	-
Sage Field 1 Improvement	542,000	-	-	542,000
Percival Field	200,000	-	-	200,000
Truck Wash Bay	500,000	-	-	500,000
Totals	<u>\$ 104,233,204</u>	<u>\$ 90,675,677</u>	<u>\$ 4,559,651</u>	<u>\$ 8,997,876</u>

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

III. Detailed notes**A. Cash and investments****1. Cash**

At year end, the Town's bank balance was \$16,576,053 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 11,518,084
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>4,089,362</u>
Total amount subject to custodial credit risk	<u><u>\$ 15,607,446</u></u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceeded the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

2. Investments

- a. The Town's investments consisted of the following types and maturities. Specific identification was used to determine maturities:

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1 Year	1-5 Years	5-10 Years
Mutual funds:					
Equity	\$ 32,822,441	\$32,822,441	\$ -	\$ -	\$ -
Bond	16,484,726	-	2,614,204	11,379,604	2,490,918
Money market	5,441,456	-	-	5,441,456	-
Real estate	345,855	345,855	-	-	-
Bank money market	7,421,462	-	7,421,462	-	-
Pooled fixed income	34,773,858	-	34,773,858	-	-
Real estate	<u>281,572</u>	<u>281,572</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 97,571,370</u></u>	<u><u>\$33,449,868</u></u>	<u><u>\$ 44,809,524</u></u>	<u><u>\$16,821,060</u></u>	<u><u>\$2,490,918</u></u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Cash and investments (continued)

- b. The Town had the following recurring fair value measurements:

	Amount	Quoted Market Prices in Active Markets Level 1	Significant Unobservable Inputs Level 3
<u>Investments by Fair Value Level</u>			
Mutual Funds:			
Equity	\$ 32,822,441	\$ 32,822,441	\$ -
Bond	16,484,726	16,484,726	-
Money market	5,441,456	5,441,456	-
Real estate	345,855	381,743	-
Real estate	281,572	-	281,572
Total Investments by Fair Value Level	55,376,050	\$ 55,130,366	\$ 281,572
<u>Other Investments</u>			
Bank money market	7,421,462		
Pooled fixed income	34,773,858		
Total other investments	42,195,320		
Total Investments	\$ 97,571,370		

Level 1: Quoted prices for identical investments in active markets

Level 3: Unobservable inputs

The real estate investments were measured based upon the purchase price, which approximates fair value.

- c. The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Type of Investment	Ratings			Total
	AAA	AA	BBB	
Mutual Funds:				
Bond	\$ 11,356,963	\$ 3,837,386	\$ 1,290,377	\$ 16,484,726
Money market	-	5,441,456	-	5,441,456
Pooled fixed income	34,773,858	-	-	34,773,858
Total	\$ 46,130,821	\$ 9,278,842	\$ 1,290,377	\$ 56,700,040

- d. Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, debentures, certificates of deposit and money funds.

There are no Town investments held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below.

	Property Taxes			Water and Sewer Usage
	Taxes	Interest and Lien Fees	Total	
Current portion	<u>\$ 697,560</u>	<u>\$ 238,251</u>	<u>\$ 935,811</u>	<u>\$ 612,752</u>
Long-term portion	\$ 486,753	\$ 267,191	\$ 753,944	\$ 90,596
Less allowance for uncollectibles	<u>(335,530)</u>	<u>(196,336)</u>	<u>(531,866)</u>	<u>(10,006)</u>
Net Long-term portion	<u>\$ 151,223</u>	<u>\$ 70,855</u>	<u>\$ 222,078</u>	<u>\$ 80,590</u>
Totals	<u>\$ 848,783</u>	<u>\$ 309,106</u>	<u>\$1,157,889</u>	<u>\$ 693,342</u>

C. Interfund accounts**1. Interfund payables and receivables**

A summary of interfund balances is as follows:

	Corresponding Fund	Due From	Due To
General Fund			
Water and Sewer fund	N/A	\$ 482	\$ -
Pension Trust fund	N/A	135,000	-
Total General Fund		135,482	-
Enterprise Funds			
Water and Sewer fund	General Fund	-	482
Fiduciary Funds			
Pension Trust fund	General Fund	-	135,000
Total		<u>\$ 135,482</u>	<u>\$ 135,482</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for interfund goods, payroll and services provided or in instances where certain funds do not have an operations cash account.

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Interfund accounts (continued)

2. Interfund transfers

A summary of interfund transfers for the fiscal year is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General Fund			
Capital Projects Fund	N/A	\$ 71,543	\$ 3,683,322
Water and Sewer Fund	N/A	4,500	-
Total General Fund		<u>76,043</u>	<u>3,683,322</u>
Capital Projects Fund	General Fund	<u>3,683,322</u>	<u>71,543</u>
Enterprise Fund			
Water and Sewer Fund	General Fund	-	4,500
Total		<u>\$ 3,759,365</u>	<u>\$ 3,759,365</u>

Transfers are used to move budgeted appropriations from the general fund for funding of the capital projects fund and various programs and activities in other funds.

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Capital assets

Capital asset activity for the fiscal year was as follows:

Governmental Activities:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated				
Land	\$ 23,571,916	\$ -	\$ -	\$ 23,571,916
Construction in progress	7,306,340	2,755,847	1,040,675	9,021,512
Total capital assets not being depreciated	30,878,256	2,755,847	1,040,675	32,593,428
Capital assets being depreciated				
Land improvements	5,875,346	1,108,335	-	6,983,681
Buildings and systems	148,481,030	1,499,639	-	149,980,669
Machinery and equipment	20,267,916	479,049	68,643	20,678,322
Infrastructure	61,576,053	2,845,233	3,203,555	61,217,731
Total capital assets being depreciated	236,200,345	5,932,256	3,272,198	238,860,403
Total capital assets	267,078,601	8,688,103	4,312,873	271,453,831
Less accumulated depreciation				
Land improvements	2,419,060	226,986	-	2,646,046
Buildings and systems	36,213,040	2,970,012	-	39,183,052
Machinery and equipment	12,127,785	1,002,864	50,587	13,080,062
Infrastructure	35,893,133	1,212,096	3,203,555	33,901,674
Total accumulated depreciation	86,653,018	5,411,958	3,254,142	88,810,834
Net capital assets being depreciated	149,547,327	520,298	18,056	150,049,569
Net capital assets	\$180,425,583	\$3,276,145	\$1,058,731	\$182,642,997

Depreciation expense was charged to functions/programs of the Town as follows:

General government	\$ 130,146
Community development	3,814
Public safety	472,004
Physical services	1,407,794
Parks, recreation and libraries	424,775
Health and human services	11,477
Schools	2,961,948
Total depreciation expense	\$ 5,411,958

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Capital assets (continued)Business-Type Activities:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated				
Land	\$ 1,415,112	\$ -	\$ -	\$ 1,415,112
Intangible assets	564,551	-	-	564,551
Construction in progress	3,817,205	155,784	15,435	3,957,554
Total capital assets not being depreciated	5,796,868	155,784	15,435	5,937,217
Capital assets being depreciated				
Buildings and systems	2,937,627	-	-	2,937,627
Machinery and equipment	1,054,720	222,107	-	1,276,827
Infrastructure	15,277,137	-	-	15,277,137
Total capital assets being depreciated	19,269,484	222,107	-	19,491,591
Total capital assets	25,066,352	377,891	15,435	25,428,808
Less accumulated depreciation				
Buildings and systems	1,941,759	83,103	-	2,024,862
Machinery and equipment	647,121	23,485	-	670,606
Infrastructure	6,475,004	210,487	-	6,685,491
Total accumulated depreciation	9,063,884	317,075	-	9,380,959
Net capital assets being depreciated	10,205,600	(94,968)	-	10,110,632
Net capital assets	\$ 16,002,468	\$ 60,816	\$ 15,435	\$ 16,047,849

Depreciation and amortization expense was charged to business-type activities as follows:

Water	\$ 145,682
Sewer	171,393
Total depreciation expense	\$ 317,075

E. Construction commitments

The Town has the following construction commitments:

Four bridge rehabilitation project	\$ 2,850,824
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Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Short-term obligations - Bond anticipation notes

The Town uses bond anticipation notes ("BANs") during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the fiscal year was as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance
General Purpose/School	6/26/2019	1/29/2020	2.00%	\$ 931,000	\$ -	\$ 931,000	\$ -

G. Changes in long-term obligations**1. Summary of changes**Governmental Activities:

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Current Portion	Long-Term Portion
<u>Bonds:</u>										
General purpose:										
General obligation	\$8,440,000	2011	06/01/21	3-5%	\$ 1,379,568	\$ -	\$ 680,892	\$ 698,676	\$ 698,676	\$ -
General obligation	2,480,000	2013	12/01/32	2.5-4%	1,800,000	-	170,000	1,630,000	170,000	1,460,000
General obligation	1,855,000	2014	12/01/33	3-5%	1,315,000	-	135,000	1,180,000	135,000	1,045,000
General obligation	720,000	2015	12/01/34	2-4%	600,000	-	40,000	560,000	40,000	520,000
General obligation	3,620,000	2016	12/01/35	2-4%	2,930,000	-	340,000	2,590,000	340,000	2,250,000
Refunding bonds	5,676,000	2016	09/01/25	2-5%	4,916,000	-	263,000	4,653,000	310,000	4,343,000
General obligation	4,150,000	2017	12/01/29	2-4%	3,750,000	-	400,000	3,350,000	400,000	2,950,000
General obligation	6,500,000	2019	12/01/28	2-4%	6,500,000	-	700,000	5,800,000	700,000	5,100,000
General obligation	4,200,000	2020	12/01/30	5.00%	-	4,200,000	-	4,200,000	-	4,200,000
Total general purpose					23,190,568	4,200,000	2,728,892	24,661,676	2,793,676	21,868,000
School bonds:										
General obligation	8,170,000	2011	06/01/21	3-5%	1,335,432	-	659,108	676,324	676,324	-
General obligation	6,015,000	2013	12/01/32	2.5-4%	4,655,000	-	340,000	4,315,000	335,000	3,980,000
General obligation	16,500,000	2014	12/01/33	3-5%	13,000,000	-	870,000	12,130,000	870,000	11,260,000
General obligation	13,000,000	2015	12/01/34	2-4%	10,945,000	-	685,000	10,260,000	685,000	9,575,000
General obligation	13,150,000	2016	12/01/35	2-4%	11,760,000	-	695,000	11,065,000	695,000	10,370,000
Refunding bonds	5,244,000	2016	09/01/25	2-5%	3,589,000	-	567,000	3,022,000	-	3,022,000
General obligation	515,000	2017	12/01/29	2-4%	460,000	-	55,000	405,000	55,000	350,000
Total school bonds					45,744,432	-	3,871,108	41,873,324	3,316,324	38,557,000
Total bonds					68,935,000	4,200,000	6,600,000	66,535,000	6,110,000	60,425,000
<u>Equipment financing notes:</u>										
Golf equipment	38,981	07/07/05	11/04/19		6,391	-	6,391	-	-	-
Energy	10,340,341	02/12/16	12/12/35	2.93%	9,445,266	-	321,677	9,123,589	348,611	8,774,978
Total notes					9,451,657	-	328,068	9,123,589	348,611	8,774,978
Total bonds/notes					78,386,657	4,200,000	6,928,068	75,658,589	6,458,611	69,199,978
Premium					2,959,290	758,864	671,447	3,046,707	-	3,046,707
Total bonds/notes and related liabilities					81,345,947	4,958,864	7,599,515	78,705,296	6,458,611	72,246,685
Compensated absences					526,518	489,527	452,248	563,797	361,492	202,305
Heart and hypertension					353,354	69,529	28,057	394,826	11,000	383,826
Net pension liability					7,373,900	1,431,065	1,877,115	6,927,850	-	6,927,850
OPEB liability					7,711,486	1,413,988	226,664	8,898,810	-	8,898,810
Total long-term obligations					\$ 97,311,205	\$ 8,362,973	\$ 10,183,599	\$ 95,490,579	\$ 6,831,103	\$ 88,659,476

All long-term liabilities are generally liquidated by the general fund or funded by the general fund.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Changes in long-term obligations (continued)Business-type Activities:

Description	Original Amount	Year of Issue	Date of Maturity	Interest Rate	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Current Portion	Long-Term Portion
<u>Notes:</u>										
Clean Water:										
CWF 212-CSL	\$2,236,514	2015	09/30/34	2.00%	\$1,705,341	\$ -	\$ 111,826	\$ 1,593,515	\$ 111,826	\$1,481,689
CWF 217-CSL	1,933,314	2019	04/30/39	2.00%	1,933,314	-	112,776	1,820,538	96,666	1,723,872
Total notes					3,638,655	-	224,602	3,414,053	208,492	3,205,561
Compensated absences					13,367	11,554	13,367	11,554	11,554	-
OPEB liability					9,255	1,696	272	10,679	-	10,679
Total long-term obligations					\$3,661,277	\$ 13,250	\$ 238,241	\$ 3,436,286	\$ 220,046	\$3,216,240

The following is a summary of principal and interest amounts of bond and note maturities:

Year Ended June 30:	Governmental Activities			Business-Type Activities	
	Bond Principal	Note Principal	Total Interest	Note Principal	Note Interest
2021	\$ 6,110,000	\$ 348,611	\$ 2,384,163	\$ 208,492	\$ 66,366
2022	6,280,000	376,514	2,098,951	208,492	62,200
2023	6,320,000	405,810	1,825,269	208,492	58,027
2024	6,360,000	436,952	1,571,123	208,492	53,859
2025	6,385,000	469,249	1,356,015	208,492	49,689
2026	6,110,000	500,314	1,144,221	208,492	45,520
2027	4,445,000	533,190	966,875	208,492	41,351
2028	4,435,000	570,078	827,841	208,492	37,181
2029	3,955,000	608,749	696,247	208,492	33,011
2030	3,275,000	649,671	579,750	208,492	28,841
2031	3,195,000	692,171	467,989	208,492	24,672
2032	2,660,000	736,696	360,089	208,492	20,502
2033	2,655,000	783,726	255,463	208,492	16,332
2034	2,265,000	832,597	153,841	208,492	12,162
2035	1,400,000	802,869	70,683	124,621	8,551
2036	685,000	376,392	15,792	96,666	6,523
2037	-	-	-	96,666	4,589
2038	-	-	-	96,666	2,653
2039	-	-	-	80,546	783
Totals	\$ 66,535,000	\$ 9,123,589	\$ 14,774,312	\$ 3,414,053	\$ 572,812

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Changes in long-term obligations (continued)

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$9,123,589 are secured with collateral of the equipment purchased.

3. Statutory debt limitations

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 175,653,286	\$ 24,661,676	\$ 150,991,610
Schools	351,306,572	41,873,324	309,433,248
Sewer	292,755,476	1,384,623	291,370,853
Urban renewal	253,721,413	-	253,721,413
Pension deficit	234,204,381	-	234,204,381

The total overall statutory debt limit for the Town is equal to seven times annual receipts from the prior year taxation, \$546,476,889.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

4. Overlapping debt

A summary of overlapping debt is presented below:

Debt Outstanding	Total	Overlapping
Kensington Fire District	\$ 1,000,000	\$ 1,000,000
Worthington Fire District	384,623	384,623
Total	<u>\$ 1,384,623</u>	<u>\$ 1,384,623</u>

5. Energy financing notes

In 2016 the Town entered into an energy financing agreement for streetlights and energy projects. The energy project and streetlights were paid for with \$10,340,341 of equipment financing notes. The note balance outstanding at year end is \$9,123,589. The interest rate on the note is 2.93%.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Changes in long-term obligations (continued)**6. Authorized/unissued bonds**

The amount of authorized, unissued bonds are as follows:

Project	Total Bond Authorization	Bonds Issued	Authorized but Unissued
Open Space (2003)	\$ 2,000,000	\$ 1,400,000	\$ 600,000
Open Space (2006)	2,000,000	790,000	1,210,000
Police Station	2,000,000	1,020,648	979,352
High School Renovations	84,950,000	83,272,912	1,677,088
School Security Vestibules	500,000	167,000	333,000
Railroad Pond Dam	1,700,000	1,500,000	200,000
Fire Radio Upgrade (2019)	1,440,000	1,250,000	190,000
Scalise Field Improvement	1,100,000	953,465	146,535
Fire Vehicles (2020)	800,000	400,000	400,000
Highway Wash Bay (2020)	500,000	493,926	6,074
Athletic Field Improvements (2020)	1,000,000	805,399	194,601
Total	<u>\$ 97,990,000</u>	<u>\$ 92,053,350</u>	<u>\$ 5,936,650</u>

7. Conduit debt obligations

To provide for the purpose of assisting the acquisition, development, redevelopment or productive reuse of real property and the construction of improvements within the municipality known as Legion Square, the Town has entered into an agreement with the Connecticut Development Authority. This agreement is an assignment of the incremental tax revenues of the Legion Square project for a period of time sufficient to retire a note issued by the Connecticut Development Authority for the purpose of making a grant to the project. This agreement represents a special obligation of the Town, payable solely from and secured by incremental tax revenues on the property. The agreement does not constitute a debt or pledge of the faith and credit of the Town and, accordingly, has not been reported in the accompanying financial statements.

The aggregate principal amount payable pursuant to the agreement is \$16,763.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

H. Fund balance classifications and restricted net position

Fund balances are composed of the following:

	General Fund	Capital Projects Fund	Disadvantaged Education Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Legally Required to be Maintained Intact					
Tree purchases	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Medical assistance	-	-	-	21,965	21,965
Library materials	-	-	-	41,332	41,332
Total nonspendable	-	-	-	68,297	68,297
Restricted					
Community development	-	-	-	17,635	17,635
Public safety programs	-	-	-	57,358	57,358
Health and human services programs	-	-	-	62,690	62,690
Parks, recreation and libraries programs	-	-	-	327,035	327,035
School programs	-	-	365,290	-	365,290
Lunch program	-	-	-	127,978	127,978
Total restricted	-	-	365,290	592,696	957,986
Committed					
Capital projects					
Highway	-	5,456,689	-	-	5,456,689
Firetruck	-	1,568,176	-	-	1,568,176
Land acquisition and development	-	251,363	-	-	251,363
Economic development	-	323,524	-	-	323,524
Sage park	-	590,000	-	-	590,000
School buildings	-	2,076,249	-	-	2,076,249
Other capital projects	-	4,519,296	-	-	4,519,296
Revaluation	23,110	-	-	-	23,110
Total committed	23,110	14,785,297	-	-	14,808,407
Assigned					
Town special events and activities	-	-	-	130,350	130,350
Parks, recreation and libraries programs	-	-	-	94,720	94,720
Schools	-	-	-	8,314	8,314
Pension funding	185,000	-	-	-	185,000
Subsequent year's budget	100,000	-	-	-	100,000
Debt service	140,000	-	-	-	140,000
Total assigned	425,000	-	-	233,384	658,384
Unassigned	17,437,703	-	-	-	17,437,703
Total fund balance	\$ 17,885,813	\$ 14,785,297	\$ 365,290	\$ 894,377	\$ 33,930,777

The amount of restricted net position, which was restricted by enabling legislation, totaled \$127,978.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

IV. Other information

A. Risk management

The Town is exposed to various risks of loss including torts, theft of, damage to and destruction of assets; errors or omissions; injuries to employees and natural disasters. Generally, the Town obtains commercial insurance for these risks, but has chosen to retain limited risks for heart and hypertension claims and employee medical prescriptions claims. The Town contracts with outside organizations to pay claims and provide administrative services. Additionally, insurance coverage has been purchased to limit the Town's liability for worker's compensation, general liability and medical claims. Settled claims have not exceeded commercial coverage in any of the past three years, and there has not been any significant reductions in insurance coverage from amounts held in prior years.

The Town is a member in Connecticut Interlocal Risk Management Association ("CIRMA"). CIRMA is a public entity risk pool established under the provisions of the Connecticut General Statutes Section 7-479a et. seq. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing pool coverage with no deductible retention. A separate agreement limits the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk sharing pool. The Town paid CIRMA for provisions of general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to a payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10,000,000 per occurrence.

The Town is a self-insured provider of claims under C.G.S. 7-433c, the Heart and Hypertension Act.

The Town utilizes two risk management funds (the Internal Service Funds) to account for and finance its uninsured risks of loss for general insurance and health insurance. The fund records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. All Town departments and agencies are charged premiums by the Internal Service Fund, which are included in department and agency expenditures, to cover the estimated cost of claims payment based on historical cost estimates of the amounts needed to pay prior and current year claims. Claims liabilities include an estimate of claims incurred but not reported and are the Town's best estimate based on available information.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Risk management (continued)

The General Insurance Fund receives funds from various funds and departments. The fund purchases insurance and provides ancillary services for the administration of this fund and accumulates reserves. Claims have not exceeded insurance coverage in any of the past three years.

The Medical and Health Insurance Fund also receives funds from various funds and departments. The funds are used to purchase medical and health insurance and provide ancillary services. The Town self-insures its employees for medical and dental claims through the use of the Medical and Health Insurance Fund. Maximum liability to the Town per covered participant is \$150,000. The Town retains an insurance policy for employee claims in excess of \$150,000. A third party administers the plan for which the Town pays an administrative fee. The plan is funded monthly by Town and employee contributions, as required. An actuarial study is performed annually.

The Town records all claim expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated in the government-wide statements. The claims liability reported is based upon accounting principles which require that a liability for estimated claims incurred but not reported be accrued. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and social factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

	Claims Payable July 1	Current year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30	Current Portion	Long-term Portion
<u>General Insurance Fund (Heart and Hypertension)</u>						
2018-2019	\$ 298,210	\$ 59,249	\$ 4,105	\$ 353,354	\$ 47,576	\$ 305,778
2019-2020	353,354	69,529	28,057	394,826	11,000	383,826
<u>Medical and Health Insurance Fund</u>						
2018-2019	628,099	7,888,848	7,861,343	655,604	655,604	-
2019-2020	655,604	6,742,926	6,920,766	477,764	477,764	-
<u>Totals</u>						
2018-2019	<u>\$ 926,309</u>	<u>\$ 7,948,097</u>	<u>\$ 7,865,448</u>	<u>\$ 1,008,958</u>	<u>\$ 703,180</u>	<u>\$ 305,778</u>
2019-2020	<u>\$ 1,008,958</u>	<u>\$ 6,812,455</u>	<u>\$ 6,948,823</u>	<u>\$ 872,590</u>	<u>\$ 488,764</u>	<u>\$ 383,826</u>

B. Commitments and litigation

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Tax abatements

The Town is authorized by Connecticut State Statutes to enter into property tax abatement agreements for the purpose of economic development, competitiveness and to encourage business investment. The Town has the following abatement programs:

	Local
Purpose of the Program or Agreement	Economic Development
Tax being abated	Real Estate
Authority under which abatement agreements are entered into	State Statute
Criteria to be eligible to receive abatement	See Tax Abatement Program document adopted 12/2012; CGS 12-81 Projects must involve real property improvements with at least one of the following: <ul style="list-style-type: none"> • For office use. • For manufacturing use. • For warehouse, storage or distribution use. • For information technology. • For restaurants other than fast food, new retail developments or redevelopment of existing retail properties that involve substantial renovations or restoration of the exterior of the building and improvements to landscaping. • For recreation facilities.
How recipients' taxes are reduced	Reduced assessment
How the abatement amount is determined	Consistent with State statute, the Town abates taxes over three years with a schedule of 50%/40%/30% for an investment of at least \$50,000 7-year option exists if investment is over \$3 million - only one exists which abates at 50%/50%/40%/40%/30%/30%/10%
Provision for recapturing abated tax, if any	None
Types of commitments made by the Town other than to reduce taxes	None
Gross dollar amount, by which the Town's tax revenues were reduced as a result of abatement agreement	\$155,549
Assessment Impact	\$4,584,413

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Jointly governed organizations**The Mattabassett District**

The Mattabassett District (the "District") is a quasi-municipal district established in accordance with State Statutes to provide sewer treatment services for the constituent Towns of Berlin and Cromwell and the constituent Cities of New Britain and Middletown and contractually to the Metropolitan District and the Town of Farmington. As a result of the 2010 census data released in February 2011 and the June 2011 amendment to the state statutes creating the District, the Mattabassett Board of Directors representation is as follows: New Britain – five members, Middletown – four members, Berlin – three members and Cromwell – three members.

The Town pays an annual assessment to the District. The annual assessment includes funds for the payment of the Town's portion of the District's debt service. The Town is responsible for a pro-rata share of the Mattabassett District's debt based on population. As of June 30, the District has \$57,112,706 of debt outstanding. The percentage applicable to the Town is 14.35%, or \$8,195,673. This debt is paid out of the Town's enterprise fund. The District's financial statements can be obtained from www.mattabassettdistrict.org/audits.

E. Contingencies*Coronavirus*

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency and has since issued over 70 executive orders regarding the pandemic. One of the most significant executive orders required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and payment deferral program. The interest rate reduction program reduced the interest rate charged on delinquent taxes/user fees from 18% to 3% for the period April 1, 2020 through October 1, 2020. The payment deferral program also was effective April 1, 2020 for local governments with quarterly payments and July 1, 2020 for those with semi-annual payments. This program allowed taxpayers/rate payers to defer payment of amounts due without incurring any penalty interest until October 1, 2020. The Town implemented the interest reduction program. The impact of this program on property tax and user fee revenues and delinquent interest collections was not significant during this period.

The state of emergency has had a negative impact on the Town's economically sensitive revenues such as park and recreation program fees, public health nursing fees, interest earnings and certain other charges for services for the last quarter of the fiscal year and the impact continues into the 2021 fiscal year. On the expenditure side, expenditures for health and safety measures, including additional personnel costs, technology and supplies are expected to increase and may exceed adopted budgets. There continues to be uncertainty related to the duration, possible reemergence and future severity of the pandemic, as well as to what actions may be taken by the Federal government, the State of Connecticut and health care authorities to contain or mitigate its effects. This includes the nature and extent of any financial support.

The Town is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on the Town's future financial position at this time.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

V. Pensions and other post-employment benefit plans**A. Town pension plans****1. Plan description****a. Plan administration**

The Town is the sponsor and administrator of a single-employer defined benefit public employee retirement system ("Plan"), the Town of Berlin Employee Retirement Plan, established and administered by the Town to provide pension benefits for its full-time employees who have elected to participate in the plan (excluding teachers covered under the Connecticut State Teachers' Retirement System). The plan is closed to police officers hired after June 30, 2000 and all other employees hired after March 18, 1987.

The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial statement as a pension trust fund. A separate stand-alone financial report is not issued.

The Plan is governed by the Pension Committee (the "Board") which is a subcommittee of the Board of Finance.

Management of the Plan rests with the Pension Committee, which consists of 12 members. The 12 members are the Town Manager, Finance Director, Director of Human Resources, Assistant Finance Director, Director of Business Operations, top management representative, and the presidents of each of the six bargaining units. The Committee convenes on a quarterly basis for detailed plan review.

b. Plan membership

As of July 1, 2019, membership in the Plan is comprised of the following:

Retirees and beneficiaries receiving benefits	16
Terminated employees entitled to benefits	2
Active members	<u>13</u>
Total	<u><u>31</u></u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town pension plans (continued)**2. Benefit provisions**

All full-time employees hired and participating in the plan prior to March 17, 1987 and all police officers hired and participating before July 1, 2000 will receive the higher of the defined contribution earnings (as described in Note V.B) or the benefit due under the old defined benefit plan. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries.

Normal retirement	Police: Age 55 or 25 years of service All others: Age 65
Benefit calculation	2.0% (2.125% for police) times final earnings times years of benefit service (max 25 years (30 for police)) times ratio of credited service to benefit service at normal retirement less non-self-directed defined contribution account balance
Final earnings	Highest average rate of earnings on January 1st of any 5 (3 for police) consecutive calendar years during the last 10 years before normal retirement
Early retirement age	Age 55 (age 45 for police)
Early retirement service requirement	10 years
Early retirement amount	Actuarially reduced normal retirement benefit to reflect early retirement
Service connected disability amount	60% of rate of earnings as of date of disability reduced by worker's compensation and any other disability benefits received
Vesting - age	None
Vesting - service	5 years
Vesting - amount	100%
Death benefit amount	Refund of employee contributions plus interest, reduced by any annuity payments made provided 10 year certain and life option not elected
Cost of living increases	None

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town pension plans (continued)**3. Contributions**

Police	6.0% to the defined contribution plan
All others	5.0% to the defined contribution plan
Town	Amount determined by the actuary, considering the member contributions
Average active member contribution	None to the defined benefit plan
Average Town contribution	142.63% of covered payroll

4. Investments**a. Investment policy**

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. The investment policy for the defined benefit plan has historically been to protect the pension funds as much as possible from market volatility by investing them in a guaranteed deposit account. The current pension committee is working with its actuaries and investment advisors to revisit this plan to evaluate whether it is still reasonable.

The following is the Committee's adopted asset allocation policy for the plans:

<u>Asset Class</u>	<u>Target Allocation</u>
Guaranteed deposit account	<u>100.00%</u>

b. Concentrations

There were no investments in any one organization that represented 5% or more of the pension plan's net position.

c. Rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are as follows:

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town pension plans (continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Guaranteed deposit account	1.00%
Inflation rate	2.60%
Long-term expected nominal return	3.60%

- d. The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.80%.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

The components of the net pension liability were as follows:

Total pension liability	\$ 9,626,100
Plan fiduciary net position	<u>2,698,250</u>
Net pension liability	<u><u>\$ 6,927,850</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>28.03%</u></u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town pension plans (continued)**6. Actuarial methods and significant assumptions**

Valuation date	July 1, 2019
Actuarial cost method	Entry age normal
Amortization method	Level percent
Amortization period	6 years, closed
Asset valuation method	Fair value
Investment rate of return	3.50% pre-retirement and 2.57% post-retirement
Inflation	2.60%
Salary increases	3.25% for police and 2.75% for all others
Cost of living adjustments	None
Mortality rates	Pre-retirement: Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees, Public Safety and Teachers), projected to the valuation date with Scale MP-2019 Post-retirement: IRS 2019 Applicable Mortality Table for 417(e) dynamic

7. Changes from prior year**a. Changes in assumptions**

The post-retirement expected rate of return (net of investment-related and administrative expenses) was decreased from 3.05% to 2.57%.

The mortality assumption for pre-retirement was updated to better reflect anticipated experiences and was based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables with Projection Scale MP-2019 from the RP-2014 adjusted to 2006 total dataset mortality table with Projection Scale MP-2018 since the prior measurement date. The mortality assumption for post-retirement was updated to IRS 2019 mortality table from IRS 2018 mortality table.

b. Changes in benefit terms

There were no changes in benefit terms from the prior valuation.

8. Discount rate

The discount rate used to measure the total pension liability was 3.50%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rate of return on pension plan investments was used to discount plan liabilities.

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town pension plans (continued)

9. Changes in the net pension liability

The Town's net pension liability was measured at June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2019	\$ 8,884,595	\$ 1,510,695	\$ 7,373,900
Service cost	116,348	-	116,348
Interest	303,069	-	303,069
Differences between expected and actual experience	146,242	-	146,242
Changes in assumptions	865,406	-	865,406
Contributions - employer	-	1,830,139	(1,830,139)
Net investment income	-	46,976	(46,976)
Benefit payments, including refunds of member contributions	(689,560)	(689,560)	-
Net change	741,505	1,187,555	(446,050)
Balance at June 30, 2020	<u>\$ 9,626,100</u>	<u>\$ 2,698,250</u>	<u>\$ 6,927,850</u>

10. Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	<u>\$ 9,038,576</u>	<u>\$ 6,927,850</u>	<u>\$ 5,193,038</u>

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Town pension plans (continued)**11. Pension expense and deferred outflows and inflows of resources**

The Town recognized pension expense of \$1,875,138.

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 20,770

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of active and inactive employees, which was 1 year.

The amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2021	\$ 5,330
2022	4,304
2023	5,994
2024	5,142
Total	\$ 20,770

B. Defined contribution retirement savings plan

The Town provides benefits for all of its full-time employees through a defined contribution plan, the Town of Berlin Employee Retirement Plan. Employees enrolled in the plan before March 17, 1987 and police officers enrolled before July 1, 2000 will receive the better of the defined benefit or defined contribution plan. The defined contribution is computed first and accounted for in the defined contribution section of the plan, which is fully funded. Any difference to which the employee is entitled is computed in the defined benefit component of the plan.

Effective July 1, 2004 in the defined contribution component, the benefits depend upon the combination of the employee contributions (limited to 5% of base earnings, 6% of base earnings for police officers), which are matched by the employer contributions (200% of employee contribution), plus investment earnings. Employees are allowed to contribute additional funds, which are not matched by the Town. Employees enrolled in the plan prior to July 1, 2004 are fully vested from the date of employment. Effective July 1, 2004, all new participants in the Town's defined contribution plan shall not be vested as to the employer contribution until the fifth anniversary of his/her participation in the plan. Effective January 1, 2015, new employees (other than Police) must wait a year before receiving a match and the match is a 100% match up to 6%. Those employed prior to January 1, 2015 were grandfathered under the old rules.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Defined contribution retirement savings plan (continued)

The defined contribution plan became effective on April 1, 1988. The prior contributions were computed and matched by the Town and interest of 4% credited to the accounts. Employees contributed \$906,673 and the Town's matching share was \$1,725,292. Contribution requirements may be amended by the Town Council subject to various bargaining unit approvals and after the expiration dates specified in the collective bargaining agreements.

During fiscal year 2012, a separate defined contribution plan, the Robert Wolf Plan, was created specifically for the Town's volunteer firefighters. The firefighters have the option to contribute all or a portion of their paid-on-call earnings to the plan. There is no required employer match; however, the Town has annually contributes \$500 per qualifying firefighter. Contributions to this plan began in fiscal year 2013. Employees contributed \$9,904 and the Town contributed \$56,500.

C. Connecticut state teachers' retirement system**1. Plan description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System ("TRS"), a cost sharing multiple-employer defined benefit pension plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service.
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date.
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.
Non-service connected disability service requirement	Five years of credited service
Vesting - Service	10 years of service
Vesting - Amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Connecticut state teachers' retirement system (continued)**3. Contributions****State of Connecticut**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employer (School Districts)

School district employers are not required to make contributions to the plan.

Employees

Effective January 1, 2018, each teacher is required to contribute 7% of their salary for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>91,066,420</u>
Total	<u><u>\$ 91,066,420</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net pension liability.

During the year the Town recognized pension expense and revenue of \$6,893,243 for on-behalf amounts for contributions to the plan by the State.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Connecticut state teachers' retirement system (continued)**5. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Changes in assumptions and inputs

- The inflation assumption was decreased from 2.75% to 2.50%.
- The investment rate of return was decreased from 8.00% to 6.90%.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Connecticut state teachers' retirement system (continued)

The target asset allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity - US equity	20.00%	8.10%
Public equity - international developed equity	11.00%	8.50%
Public equity - emerging markets equity	9.00%	10.40%
Fixed income - core fixed income	16.00%	4.60%
Fixed income - inflation linked bonds	5.00%	3.60%
Fixed income - high yield	6.00%	6.50%
Fixed income - emerging market debt	5.00%	5.20%
Private equity	10.00%	9.80%
Real estate	10.00%	7.00%
Alternative investments - real assets	4.00%	8.20%
Alternative investments - hedge funds	3.00%	5.40%
Liquidity fund	1.00%	2.90%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Sensitivity of the net pension liability to changes in the discount rate

The Town's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Other post-employment benefit plan**1. Plan description****a. Plan administration**

The Town, in accordance with various collective bargaining agreements, is committed to providing health and other benefits to certain eligible retirees and their spouses through a single-employer defined benefit plan administered by the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Town does not issue a separate stand-alone financial statement for this program.

b. Plan membership

As of July 1, 2018, for the plan's membership consisted of:

Retirees and beneficiaries receiving benefits	35
Active members	<u>431</u>
Total	<u><u>466</u></u>

2. Benefit provisions

The plan provides for health insurance benefits for all eligible Town, Police and Board of Education and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

3. Contributions

Retired program members and beneficiaries currently receiving benefits are required to contribute 100% towards the cost of receiving those benefits under the Town's self-insured medical benefits program. Each police employee must contribute an amount equal to 2% of their annual base earnings to a separate Police Post-Retirement Medical Fund. The Town does not contribute to the Fund.

4. OPEB liability

The OPEB liability was measured as of June 30, 2020 and was \$8,909,489.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Other post-employment benefit plan (continued)**5. Actuarial methods and significant assumptions:**

Valuation date	July 1, 2018
Actuarial cost method	Entry age normal
Amortization method	Level percentage
Discount rate	2.21%
Salary increases	3.50%
Healthcare cost trend rates:	
Inflation	2.75%
Initial medical trend rate	5.36%
Ultimate medical trend rate	4.30%
Mortality rates	
Teachers and Administrators	RP-2000 Combined Healthy Mortality Table for males and females projected forward 19 years using Scale AA, with a two year age setback
All others	RP-2000 Combined Healthy Mortality Table for males and females with generational projection per Scale AA

The discount rate was based on the Bond Buyer General Obligation 20 Bond Municipal index as of the measurement date.

6. Changes from prior year**a. Changes in assumptions**

The Town's plan had the following changes in assumptions:

- The discount rate decreased from 3.50% to 2.21%.
- The healthcare cost trend rate decreased from 5.36% - 4.40% over 65 years to 5.36% - 4.30% over 63 years.

b. Changes in benefit terms

There were no changes in benefit terms.

7. Discount rate

The discount rate used to measure the total OPEB liability was 2.21%.

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Other post-employment benefit plan (continued)

8. Changes in the OPEB liability

The Town's OPEB liability was measured at June 30, 2020 and was determined by an actuarial valuation as of July 1, 2018.

	Total OPEB Liability
Balance at July 1, 2019	<u>\$ 7,720,741</u>
Service cost	303,119
Interest	276,898
Changes in assumptions	835,667
Benefit payments, including refunds of member contributions	<u>(226,936)</u>
Net change	<u>1,188,748</u>
Balance at June 30, 2020	<u><u>\$ 8,909,489</u></u>

9. Sensitivity of the OPEB liability to changes in the discount rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
OPEB liability	<u>\$10,370,024</u>	<u>\$ 8,909,489</u>	<u>\$ 7,727,462</u>

10. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate

The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current trend rates:

	1% Decrease	Current Health Care Trend Rates	1% Increase
OPEB liability	<u>\$ 7,388,504</u>	<u>\$ 8,909,489</u>	<u>\$10,888,433</u>

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Other post-employment benefit plan (continued)

11. OPEB expense and deferred outflows of resources related to OPEB

For the fiscal year, the Town recognized OPEB expense of \$804,046. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description of Outflows/ Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ 319,466	\$ -	\$ 319,466
Changes in assumptions	1,587,984	(125,152)	1,462,832
Total	<u>\$ 1,907,450</u>	<u>\$ (125,152)</u>	<u>\$ 1,782,298</u>

Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of actives and inactive, which was 9.8 years.

Amounts reported as deferred outflows (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	
2021	\$ 224,029
2022	224,029
2023	224,029
2024	224,029
2025	224,029
Thereafter	<u>662,153</u>
Total	<u>\$ 1,782,298</u>

E. Retiree health care defined contribution plan

The Town has a defined contribution healthcare plan, the Town of Berlin Police Retiree Health Plan, covering police officers that was established in October 2018. The plan provides for retiree health care benefits through reimbursement of eligible medical care expenses including the reimbursement of retiree healthcare premiums upon retirement from the Town. Participation in the plan is mandatory for all eligible police officers. The employee contribution is 2.00%. There is no required Town contribution. The participant's account is 100% vested at all times. Total employee contributions were \$69,505. There were no Town contributions during the year.

Town of Berlin, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Connecticut state teachers' retirement board retiree health insurance plan

1. Plan description

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board ("TRB"). Chapter 167a Section 10-183t of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

2. Benefit provisions

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service.
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - Service	10 years of service

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Survivor health care coverage

Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

School district employers are not required to make contributions to the plan.

Employees

Each member is required to contribute 1.25% of their annual salary.

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

The Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>14,202,322</u>
Total	<u><u>\$ 14,202,322</u></u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$188,398 for on-behalf amounts for the benefits provided by the State.

5. Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.
Year fund net position will be depleted	2020

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Changes in assumptions and inputs

- The discount rate was decreased from 3.87% to 3.50% to reflect the change in the Municipal Bond Index rate.

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

Town of Berlin, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Long-term expected rate of return**

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 3.00%.

Affordable Care Act (ACA)

The impact of the Affordable Care Act (ACA) was addressed in this valuation. Review of the information currently available did not identify any specific provisions of the ACA that are anticipated to significantly impact results. While the impact of certain provisions such as the excise tax on high-value health insurance plans beginning in 2020 (if applicable), mandated benefits and participation changes due to the individual mandate should be recognized in the determination of liabilities, overall future plan costs and the resulting liabilities are driven by amounts employers and retirees can afford (i.e., trend). The trend assumption forecasts the anticipated increase to initial per capita costs, taking into account health care cost inflation, increases in benefit utilization, plan changes, government-mandated benefits, and technological advances.

Given the uncertainty regarding the ACA's implementation (e.g., the impact of excise tax on high-value health insurance plans, changes in participation resulting from the implementation of state-based health insurance exchanges), continued monitoring of the ACA's impact on the Plan's liability will be required.

6. Discount rate

The discount rate used to measure the total OPEB liability was 3.50%. The Municipal Bond Index Rate was used in the determination in the discount rate. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that no future employer contributions were assumed to be made.

7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate

The Town's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

VI. Fund reclassifications

The Disadvantaged Education Fund has been reclassified from a nonmajor fund to a major fund. As a result, the nonmajor fund balance decreased by \$282,578.

Town of Berlin, Connecticut

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Revenues					
Property Taxes					
Current tax collections	\$ 77,809,891	\$ -	\$ 77,809,891	\$ 78,051,024	\$ 241,133
Back taxes	300,000	23,603	323,603	678,542	354,939
Interest from overdue taxes	150,000	9,212	159,212	410,009	250,797
Lien fees	-	-	-	4,026	4,026
Suspense taxes and interest	25,000	-	25,000	82,019	57,019
Elderly housing	49,309	-	49,309	51,814	2,505
Total Property Taxes	78,334,200	32,815	78,367,015	79,277,434	910,419
Intergovernmental Revenue					
Intergovernmental Revenue - Schools					
Private schools	-	-	-	18,948	18,948
Education cost sharing grant	5,671,560	-	5,671,560	5,935,643	264,083
Total Intergovernmental Revenue - Schools	5,671,560	-	5,671,560	5,954,591	283,031
Intergovernmental Revenue - Other					
In lieu of taxes	6,108	-	6,108	6,108	-
PILOT - New Britain stadium	25,000	-	25,000	25,000	-
Municipal stabilization grant	258,989	-	258,989	258,989	-
Disability, social security	2,500	-	2,500	3,069	569
Additional veteran exemption	9,500	-	9,500	9,498	(2)
Friends against drugs	3,300	-	3,300	4,153	853
Child and youth services grant	14,000	10,734	24,734	24,819	85
CARES act grants	-	-	-	171,057	171,057
State and federal grant	358,367	-	358,367	221,999	(136,368)
Police overtime grant	74,800	-	74,800	14,740	(60,060)
Total Intergovernmental Revenue - Other	752,564	10,734	763,298	739,432	(23,866)
Total Intergovernmental Revenue	6,424,124	10,734	6,434,858	6,694,023	259,165
Charges for Services					
Licenses, Permits and Other Departments					
Town clerk fees	330,000	-	330,000	436,152	106,152
Zoning commission and building inspector	375,000	-	375,000	446,398	71,398
Planning	18,000	-	18,000	22,116	4,116
Zoning board of appeals	3,000	-	3,000	2,990	(10)
Animal control fees	12,000	-	12,000	11,362	(638)
Animal control rent	5,820	-	5,820	5,820	-
Outside fire services	-	-	-	625	625
Police department	40,000	-	40,000	41,558	1,558
Police services to other agencies	25,000	-	25,000	19,927	(5,073)
Outside police services	347,500	-	347,500	393,087	45,587
Engineering and public works	38,000	-	38,000	24,752	(13,248)
Scrap metal	15,000	-	15,000	20,934	5,934
Parks and recreation	135,000	-	135,000	56,766	(78,234)
Golf course revenue	675,679	-	675,679	615,412	(60,267)
Golf restaurant rent	27,005	-	27,005	18,338	(8,667)
Golf course season pass revenue	143,537	-	143,537	142,280	(1,257)
Golf pro rent	2,770	-	2,770	2,770	-
Golf cart revenue	423,562	-	423,562	388,085	(35,477)
Berlin-Peck memorial library	9,700	-	9,700	5,777	(3,923)
Library copy fees	-	-	-	585	585
Passport fees	10,900	-	10,900	10,520	(380)
Berlin public health nursing service	1,012,000	-	1,012,000	820,191	(191,809)
Summer/field trips	12,102	-	12,102	8,203	(3,899)
Senior citizen center	6,250	-	6,250	4,420	(1,830)
Total Licenses, Permits and Other Departments	3,667,825	-	3,667,825	3,499,068	(168,757)

(Continued)

Town of Berlin, Connecticut
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Other Services					
Refund of expenditures	\$ 10,000	\$ -	\$ 10,000	\$ 724	\$ (9,276)
Sale of land, labor and materials	7,500	-	7,500	7,646	146
Mobile home rent	57,600	-	57,600	57,895	295
Cell tower rental	118,600	-	118,600	108,570	(10,030)
Other receipts	35,000	1,250	36,250	59,146	22,896
Telephone access line share	42,000	-	42,000	42,485	485
Total Other Services	270,700	1,250	271,950	276,466	4,516
Total Charges for Services	3,938,525	1,250	3,939,775	3,775,534	(164,241)
Income from investments	300,000	-	300,000	817,907	517,907
Total Revenues	88,996,849	44,799	89,041,648	90,564,898	1,523,250
Other Financing Sources					
Appropriation of fund balance	1,190,565	2,082,666	3,273,231	-	(3,273,231)
Water control commission - receivables	4,500	-	4,500	4,500	-
Transfers from other funds	-	-	-	72,188	72,188
Total Other Financing Sources	1,195,065	2,082,666	3,277,731	76,688	(3,201,043)
Total Revenues and Other Financing Sources	90,191,914	2,127,465	92,319,379	90,641,586	(1,677,793)
Expenditures					
General Government					
Managers Office					
Wages	125,058	61,580	186,638	186,481	157
Fringe benefits	57,385	7,920	65,305	63,012	2,293
Operational	2,550	1,250	3,800	1,505	2,295
Total	184,993	70,750	255,743	250,998	4,745
Finance Department					
Wages	508,088	(5,000)	503,088	498,228	4,860
Fringe benefits	177,341	(1,500)	175,841	168,829	7,012
Operational	80,815	6,500	87,315	79,104	8,211
Total	766,244	-	766,244	746,161	20,083
Technology Department					
Wages	188,447	9,410	197,857	197,849	8
Fringe benefits	51,534	606	52,140	52,128	12
Operational	138,419	8,500	146,919	139,123	7,796
Total	378,400	18,516	396,916	389,100	7,816
Collector of Revenue					
Wages	184,233	(1,500)	182,733	181,231	1,502
Fringe benefits	66,820	-	66,820	63,841	2,979
Operational	203,022	46,500	249,522	225,093	24,429
Total	454,075	45,000	499,075	470,165	28,910

(Continued)

Town of Berlin, Connecticut
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Treasurer					
Wages	\$ 57,142	\$ -	\$ 57,142	\$ 56,764	\$ 378
Fringe benefits	19,014	-	19,014	17,830	1,184
Operational	730	-	730	186	544
Total	76,886	-	76,886	74,780	2,106
Corporation Counsel					
Operational	281,635	10,000	291,635	280,513	11,122
Townwide Expenditures					
Wages	30,473	(11,985)	18,488	1,451	17,037
Fringe benefits	333,901	1,633,716	1,967,617	1,935,561	32,056
Operational	1,090,743	(267,851)	822,892	728,800	94,092
Total	1,455,117	1,353,880	2,808,997	2,665,812	143,185
Board of Finance					
Wages	4,425	-	4,425	1,725	2,700
Fringe benefits	356	-	356	139	217
Operational	500	-	500	45	455
Total	5,281	-	5,281	1,909	3,372
Assessor					
Wages	308,697	(2,000)	306,697	306,198	499
Fringe benefits	121,107	-	121,107	107,964	13,143
Operational	53,157	49,315	102,472	74,038	28,434
Total	482,961	47,315	530,276	488,200	42,076
Registrar of Voters					
Wages	72,000	-	72,000	67,749	4,251
Fringe benefits	6,018	-	6,018	5,437	581
Operational	76,610	(25,000)	51,610	21,908	29,702
Total	154,628	(25,000)	129,628	95,094	34,534
Town Clerk					
Wages	275,829	542	276,371	271,761	4,610
Fringe benefits	106,034	-	106,034	88,932	17,102
Operational	22,990	(542)	22,448	19,980	2,468
Total	404,853	-	404,853	380,673	24,180
Board of Assessment Appeals					
Wages	1,200	-	1,200	650	550
Fringe benefits	97	-	97	49	48
Operational	225	-	225	-	225
Total	1,522	-	1,522	699	823
Town Council					
Wages	3,975	-	3,975	1,325	2,650
Fringe Benefits	321	-	321	106	215
Operational	200	-	200	(12)	212
Total	4,496	-	4,496	1,419	3,077
Total General Government	4,651,091	1,520,461	6,171,552	5,845,523	326,029

(Continued)

Town of Berlin, Connecticut
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Community Development					
Cemetery Committee					
Wages	\$ 925	\$ -	\$ 925	\$ 800	\$ 125
Fringe benefits	75	-	75	64	11
Operational	5,100	-	5,100	5,000	100
Total	6,100	-	6,100	5,864	236
Development Services					
Wages	238,546	(34,653)	203,893	188,741	15,152
Fringe benefits	115,121	(8,332)	106,789	75,985	30,804
Operational	5,150	-	5,150	2,543	2,607
Total	358,817	(42,985)	315,832	267,269	48,563
Planning and Zoning Commission					
Operational	375	-	375	110	265
Zoning Board of Appeals					
Wages	1,175	-	1,175	400	775
Fringe benefits	95	-	95	31	64
Operational	525	-	525	110	415
Total	1,795	-	1,795	541	1,254
Economic Development					
Wages	131,704	-	131,704	127,467	4,237
Fringe benefits	38,041	-	38,041	37,005	1,036
Operational	27,360	-	27,360	17,872	9,488
Total	197,105	-	197,105	182,344	14,761
Conservation Commission					
Wages	1,300	-	1,300	900	400
Fringe benefits	105	-	105	64	41
Operational	2,835	-	2,835	1,579	1,256
Total	4,240	-	4,240	2,543	1,697
Inland Wetlands Commission					
Wages	1,400	-	1,400	1,100	300
Fringe benefits	114	-	114	76	38
Operational	2,450	-	2,450	2,341	109
Total	3,964	-	3,964	3,517	447
Veterans Commission					
Operational	4,250	-	4,250	3,560	690
Ethics Commission					
Wages	400	-	400	-	400
Fringe benefits	33	-	33	-	33
Operational	50	-	50	-	50
Total	483	-	483	-	483
Aquifer Protection Commission					
Wages	300	-	300	-	300
Fringe benefits	25	-	25	-	25
Operational	150	-	150	-	150
Total	475	-	475	-	475
Berlin Historic District					
Wages	1,250	-	1,250	500	750
Fringe benefits	101	-	101	36	65
Operational	250	-	250	75	175
Total	1,601	-	1,601	611	990

(Continued)

Town of Berlin, Connecticut
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Commission for Disabled					
Wages	\$ 600	\$ -	\$ 600	\$ 400	\$ 200
Fringe benefits	49	-	49	29	20
Total	649	-	649	429	220
Public Building Commission					
Wages	1,400	-	1,400	900	500
Fringe benefits	114	-	114	64	50
Operation	400	-	400	-	400
Total	1,914	-	1,914	964	950
Building Inspection					
Wages	213,179	-	213,179	213,178	1
Fringe benefits	94,727	-	94,727	92,602	2,125
Operational	7,940	-	7,940	6,716	1,224
Total	315,846	-	315,846	312,496	3,350
Total Community Development	897,614	(42,985)	854,629	780,248	74,381
Public Safety					
Ambulance Contract					
Operational	359,417	-	359,417	357,271	2,146
Animal Control					
Wages	111,050	-	111,050	100,994	10,056
Fringe benefits	31,811	-	31,811	29,252	2,559
Operational	15,787	-	15,787	11,692	4,095
Total	158,648	-	158,648	141,938	16,710
Fire Department					
Wages	266,182	(490)	265,692	237,572	28,120
Fringe benefits	148,700	26,726	175,426	145,602	29,824
Operational	343,941	490	344,431	289,377	55,054
Total	758,823	26,726	785,549	672,551	112,998
Police					
Wages	5,613,631	(154,684)	5,458,947	5,341,376	117,571
Fringe benefits	2,104,946	(118,555)	1,986,391	1,912,419	73,972
Operational	264,025	-	264,025	236,301	27,724
Capital	73,000	(4,411)	68,589	68,589	-
Total	8,055,602	(277,650)	7,777,952	7,558,685	219,267
Emergency Management					
Fringe benefits	250	-	250		250
Operational	22,800	1,250	24,050	11,725	12,325
Total	23,050	1,250	24,300	11,725	12,575
Fire Marshal					
Wages	217,487	-	217,487	213,582	3,905
Fringe benefits	99,795	-	99,795	97,197	2,598
Operational	5,525	-	5,525	4,291	1,234
Total	322,807	-	322,807	315,070	7,737
Total Public Safety	9,678,347	(249,674)	9,428,673	9,057,240	371,433

(Continued)

Town of Berlin, Connecticut
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Physical services					
Municipal Garage					
Wages	\$ 495,549	\$ (4,274)	\$ 491,275	\$ 462,158	\$ 29,117
Fringe benefits	173,124	(725)	172,399	165,198	7,201
Operational	497,066	4,999	502,065	394,320	107,745
Total	1,165,739	-	1,165,739	1,021,676	144,063
Public Works					
Wages	323,579	-	323,579	323,578	1
Fringe benefits	124,354	5,900	130,254	128,164	2,090
Operational	2,130,355	(27,400)	2,102,955	1,933,666	169,289
Total	2,578,288	(21,500)	2,556,788	2,385,408	171,380
Highway					
Wages	1,120,008	(74,275)	1,045,733	1,022,812	22,921
Fringe benefits	613,312	(39,811)	573,501	524,961	48,540
Operational	373,400	(2,914)	370,486	328,027	42,459
Capital	45,000	(45,000)	-	-	-
Total	2,151,720	(162,000)	1,989,720	1,875,800	113,920
Public Building					
Wages	1,078,171	(4,003)	1,074,168	1,044,512	29,656
Fringe benefits	457,198	7,353	464,551	449,948	14,603
Operational	922,750	3,850	926,600	680,038	246,562
Capital	33,624	-	33,624	33,624	-
Total	2,491,743	7,200	2,498,943	2,208,122	290,821
Total Physical Services	8,387,490	(176,300)	8,211,190	7,491,006	720,184
Parks, Recreation and Libraries					
Mobile Home Park					
Operational	6,850	1,150	8,000	7,447	553
Recreation					
Wages	364,551	625	365,176	302,794	62,382
Fringe benefits	97,064	(625)	96,439	82,899	13,540
Operational	74,216	-	74,216	57,665	16,551
Total	535,831	-	535,831	443,358	92,473
Golf Course					
Wages	471,924	980	472,904	467,026	5,878
Fringe benefits	177,613	(4,931)	172,682	166,317	6,365
Operational	528,210	16,410	544,620	502,052	42,568
Capital	6,419	1	6,420	6,420	-
Total	1,184,166	12,460	1,196,626	1,141,815	54,811
Libraries					
Wages	686,995	-	686,995	646,541	40,454
Fringe benefits	219,275	-	219,275	202,128	17,147
Operational	207,695	-	207,695	191,963	15,732
Total	1,113,965	-	1,113,965	1,040,632	73,333

(Continued)

Town of Berlin, Connecticut

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Public Grounds					
Wages	\$ 721,988	\$ (36,655)	\$ 685,333	\$ 673,233	\$ 12,100
Fringe benefits	308,102	155	308,257	290,735	17,522
Operational	370,820	(27,000)	343,820	323,467	20,353
Capital	-	18,000	18,000	18,000	-
Total	1,400,910	(45,500)	1,355,410	1,305,435	49,975
Total Parks, Recreation and Libraries	4,241,722	(31,890)	4,209,832	3,938,687	271,145
Health and Human Services					
Health Department					
Operational	135,890	-	135,890	129,546	6,344
Nursing Services					
Wages	1,200,073	2,500	1,202,573	1,108,395	94,178
Fringe benefits	406,867	(2,500)	404,367	367,415	36,952
Operational	250,095	-	250,095	197,164	52,931
Total	1,857,035	-	1,857,035	1,672,974	184,061
Social and Youth Services					
Wages	166,450	(288)	166,162	164,628	1,534
Fringe benefits	88,275	(312)	87,963	81,477	6,486
Operational	30,818	11,334	42,152	29,979	12,173
Total	285,543	10,734	296,277	276,084	20,193
Senior Services					
Wages	270,013	313	270,326	234,128	36,198
Fringe benefits	110,271	(313)	109,958	73,261	36,697
Operational	8,594	-	8,594	6,634	1,960
Total	388,878	-	388,878	314,023	74,855
Total Health and Human Services	2,667,346	10,734	2,678,080	2,392,627	285,453
Schools					
Private Schools					
Wages	82,704	1,250	83,954	62,160	21,794
Fringe benefits	37,756	(1,250)	36,506	19,044	17,462
Operational	1,396	-	1,396	1,075	321
Total	121,856	-	121,856	82,279	39,577
Board of Education	44,977,844	(375,000)	44,602,844	44,342,150	260,694
School Expenditures					
Wages	755,597	-	755,597	631,529	124,068
Fringe benefits	794,113	-	794,113	711,565	82,548
Operational	2,058,059	(162,600)	1,895,459	1,537,789	357,670
Total	3,607,769	(162,600)	3,445,169	2,880,883	564,286
Total Schools	48,707,469	(537,600)	48,169,869	47,305,312	864,557
Debt Service					
Debt Principal					
Town government	2,796,776	-	2,796,776	2,796,418	358
Schools	3,868,434	-	3,868,434	3,868,434	-
Total	6,665,210	-	6,665,210	6,664,852	358

(Continued)

Town of Berlin, Connecticut

Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Interest and Fiscal Charges					
Town government	\$ 906,990	\$ (123,363)	\$ 783,627	\$ 745,575	\$ 38,052
Schools	1,476,759	(13,364)	1,463,395	1,458,391	5,004
Total	2,383,749	(136,727)	2,247,022	2,203,966	43,056
Total Debt Service	9,048,959	(136,727)	8,912,232	8,868,818	43,414
Total Expenditures	88,280,038	356,019	88,636,057	85,679,461	2,956,596
Other Financing Uses					
Transfers to other funds					
Capital projects fund	1,911,876	1,771,446	3,683,322	3,683,322	-
Total Expenditures and Other Financing Uses	90,191,914	2,127,465	92,319,379	89,362,783	2,956,596
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ 1,278,803	\$ 1,278,803
Reconciliation to Exhibit D		Revenues	Expenditures		
Budgetary Basis - RSI 1		\$ 90,564,898	\$ 85,679,461		
State Teachers' Retirement on behalf amount		6,893,243	6,893,243		
State Teachers' OPEB on behalf amount		188,398	188,398		
Revaluation Fund		-	22,459		
GAAP Basis - Exhibit D		\$ 97,646,539	\$ 92,783,561		

(Concluded)

Town of Berlin, Connecticut
Notes to Required Supplementary Information
For the Year Ended June 30, 2020

Budgets and Budgetary Accounting

The Town adheres to the following procedures in establishing the budgetary data included in the general fund financial statements. The operating budget, which is prepared by function and department, includes proposed expenditures and the means of financing them.

Only the General Fund has a legally adopted annual budget.

This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

1. The Town does not recognize as revenue or expenditures payments made for the State Teachers pension and OPEB by the State of Connecticut on the Town's behalf.
2. Certain funds that are required to be reported as part of the general fund under the requirement of GASB No. 54.

In accordance with Section 7-3 of the Town Charter, the Board of Finance shall prepare and recommend the total Town budget for the annual public budget hearing to be held no later than the second Tuesday in April.

Annual Town Budget Referendum – The Annual Town Budget Referendum for the purpose of voting on the budget shall be held on the last Tuesday of April each year. Should the budget not be adopted by referendum vote, the budget shall be returned to the Board of Finance, which shall submit a revised budget to the Town Council. The Town Council shall send a revised budget to a Second Town Budget Referendum, and the revised budget may be the same as recommended by the Board of Finance or lower. If the budget fails at the Second Town Budget Referendum, the budget shall be returned to the Board of Finance. The Board of Finance shall recommend a revised budget to the Town Council. The Town Council shall adopt the Town budget, and that budget may be the same as recommended by the Board of Finance or lower.

Formal budgetary integration is employed as a management control device during the year.

The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion.

The Town Manager is authorized to make transfers within a department budget. However, the Town Manager is not able to hire additional staffing not authorized by the Town Council. Also, transfers may not be made for major capital items specifically deleted by the Town Council. The Town Manager's authority is limited to \$5,000 for any single transfer.

The Town Council, with approval of the Board of Finance, may, at any time, appropriate funds from contingency. Town meeting approval is required for non-budgeted appropriations exceeding \$25,000 individually or exceeding \$250,000 cumulative annually. The Town Council, with approval of the Board of Finance, may transfer funds from budget appropriation between departments only in the last three months of the fiscal year.

Additional appropriations during the year were \$2,127,465, \$2,082,666 from fund balance and \$44,799 from additional revenue sources.

Town of Berlin, Connecticut

Employee Retirement Plan
Last Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
	Schedule of Changes in Net Pension Liability and Related Ratios						
Total pension liability	\$ 116,348	\$ 143,822	\$ 170,718	\$ 93,056	\$ 117,272	\$ 113,033	\$ 104,337
Service cost	303,069	307,980	340,805	287,446	306,265	363,095	450,167
Interest	146,242	309,304	378,919	1,080,795	788,138	(558,319)	-
Differences between expected and actual experience	865,406	(437,484)	353,859	2,459,951	655,798	740,472	-
Changes in assumptions	(689,560)	(187,633)	(1,663,462)	(808,399)	(1,576,058)	(1,666,241)	(215,290)
Benefit payments, including refunds of member contributions							
Net change in total pension liability	741,505	135,989	(419,361)	3,112,849	291,415	(1,007,960)	339,214
Total pension liability - July 1	8,884,595	8,748,606	9,167,967	6,055,118	5,763,703	6,771,663	6,432,449
Total pension liability - June 30 (a)	<u>\$ 9,626,100</u>	<u>\$ 8,884,595</u>	<u>\$ 8,748,606</u>	<u>\$ 9,167,967</u>	<u>\$ 6,055,118</u>	<u>\$ 5,763,703</u>	<u>\$ 6,771,663</u>
Plan fiduciary net position							
Contributions - employer	\$ 1,830,139	\$ 1,606,701	\$ 1,448,395	\$ 700,399	\$ 700,537	\$ 1,406,809	\$ 700,000
Contributions - member	46,976	22,784	15,241	10,494	-	37,101	290,417
Net investment income (loss)	(689,560)	(187,633)	(1,663,462)	(808,399)	(1,576,058)	(1,666,241)	24,338
Benefit payments, including refunds of member contributions							(215,290)
Net change in plan fiduciary net position	1,187,555	1,441,852	(199,826)	(97,506)	(856,065)	(222,331)	799,465
Plan fiduciary net position - July 1	1,510,695	68,843	268,669	366,175	1,222,240	1,444,571	645,106
Plan fiduciary net position - June 30 (b)	<u>\$ 2,698,250</u>	<u>\$ 1,510,695</u>	<u>\$ 68,843</u>	<u>\$ 268,669</u>	<u>\$ 366,175</u>	<u>\$ 1,222,240</u>	<u>\$ 1,444,571</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 6,927,850</u>	<u>\$ 7,373,900</u>	<u>\$ 8,679,763</u>	<u>\$ 8,899,298</u>	<u>\$ 5,688,943</u>	<u>\$ 4,541,463</u>	<u>\$ 5,327,092</u>
Plan fiduciary net position as a percentage of the total pension liability	28.03%	17.00%	0.79%	2.93%	6.05%	21.21%	21.33%
Covered payroll	\$ 1,283,094	\$ 1,249,673	\$ 1,343,801	\$ 1,452,832	\$ 1,585,622	\$ 1,882,367	\$ 1,958,991
Net pension liability as a percentage of covered payroll	539.93%	590.07%	645.91%	612.55%	358.78%	241.26%	271.93%
Defined Contribution Plan							
Fiduciary net position, July 1	\$ 51,336,802	\$ 48,979,524	\$ 47,760,554	\$ 42,897,062	\$ 42,673,544	\$ 41,800,940	\$ 36,580,909
Employer contributions	1,781,792	1,906,480	1,605,034	1,650,999	1,587,749	1,644,079	1,626,498
Member contributions	916,577	910,782	897,999	1,104,338	928,038	1,040,435	688,409
Other contributions	39,276	37,321	37,626	50,000	40,000	-	-
Net investment income	2,477,336	2,787,817	3,558,185	4,343,638	15,261	1,013,384	3,822,548
Benefit payments	(4,114,767)	(3,122,725)	(4,710,956)	(2,187,650)	(2,271,722)	(2,746,656)	(796,586)
Administration	(164,774)	(162,397)	(178,918)	(97,833)	(75,808)	(78,638)	(120,838)
Fiduciary net position, June 30	<u>\$ 52,272,242</u>	<u>\$ 51,336,802</u>	<u>\$ 48,979,524</u>	<u>\$ 47,760,554</u>	<u>\$ 42,897,062</u>	<u>\$ 42,673,544</u>	<u>\$ 41,800,940</u>
Annual money weighted rate of return, net of investment expense	2.80%	1.57%	1.57%	1.95%	2.46%	2.17%	2.02%

Schedule of Investment Returns

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut
Employee Retirement Plan
Schedule of Contributions
Last Ten Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contributions	\$ 1,574,231	\$ 1,606,701	\$ 1,448,395	\$ 913,803	\$ 918,862	\$ 1,001,122	\$ 935,628	\$ 1,005,393	\$ 493,732	\$ 473,550
Contributions in relation to the actuarially determined contribution	1,830,139	1,606,701	1,448,694	700,399	700,537	1,406,809	700,000	700,000	350,000	200,000
Contribution excess (deficiency)	\$ 255,908	\$ -	\$ 299	\$ (213,404)	\$ (218,325)	\$ 405,687	\$ (235,628)	\$ (305,393)	\$ (143,732)	\$ (273,550)
Covered payroll	\$ 1,283,094	\$ 1,249,673	\$ 1,343,801	\$ 1,452,832	\$ 1,585,622	\$ 1,882,367	\$ 1,958,991	\$ 2,073,539	\$ 1,907,671	\$ 1,993,876
Contributions as a percentage of covered payroll	142.63%	128.57%	107.81%	48.21%	44.18%	74.74%	35.73%	33.76%	18.35%	10.03%

Town of Berlin, Connecticut

Employee Retirement Plan
Notes to Required Supplementary Information
Schedule of Contributions
Last Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	7/1/2018	7/1/2017	7/1/2016	7/1/2015	7/1/2014	7/1/2014	7/1/2013
Actuarial methods and assumptions used to determine contribution rates:							
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open	Level percentage, open
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation	2.60%	2.60%	2.60%	3.00%	3.00%	3.00%	2.50%
Salary Increases	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.25% per year for Police and 2.75% for all others	3.75% for Police and 3.0% for all others	3.75% for Police and 3.0% for all others	3.75% for Police and 3.0% for all others
Investment Rate of Return	Pre-retirement: 3.50%, Post-retirement: 3.05%	Pre-retirement: 3.50%, Post-retirement: 2.80%	Pre-retirement: 4.00%, Post-retirement: 2.45%	Pre-retirement: 5.00%, Post-retirement: 3.11%	Pre-retirement: 6.00%, Post-retirement: 3.42%	Pre-retirement: 6.00%, Post-retirement: 3.42%	3.25%
Mortality Rate	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018 Post-retirement: IRS 417(e) mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2017 Post-retirement: IRS 417(e) dynamic mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2016 Post-retirement: IRS 417(e) mortality table.	Pre-retirement: RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2015 Post-retirement: IRS 417(e) mortality table.	Pre-retirement: RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for non-annuitants and annuitants, projected to the valuation date with scale BB. Post-retirement: IRS 417 (e) mortality table.	Pre-retirement: RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for non-annuitants and annuitants, projected to the valuation date with scale BB. Post-retirement: Current: IRS417 (e) mortality table.	Pre-retirement: Current: RP-2000 Mortality Table with separate male and female rates, with no collar adjustment, separate tables for non-annuitants and annuitants, projected to the valuation date with scale BB. Post-retirement: Current: IRS417 (e) mortality table.

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut

Connecticut State Teachers' Retirement System
Last Six Years (3)

	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Net Pension Liability</u>						
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	91,066,420	70,217,500	75,796,445	79,965,829	62,277,260	57,488,298
Total	\$ 91,066,420	\$ 70,217,500	\$ 75,796,445	\$ 79,965,829	\$ 62,277,260	\$ 57,488,298
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Schedule of Contributions

Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Local employers are not required to contribute to the plan.

(2) Not applicable since 0% proportional share of the net pension liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut

Connecticut State Teachers' Retirement System
Notes to Required Supplementary Information
Schedule of Contributions
Last Six Years (1)

	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	6/30/2018	6/30/2018	6/30/2016	6/30/2016	6/30/2014	6/30/2014
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market	4 year smoothed market
Inflation	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Investment Rate of Return	6.90%, net of pension plan investment expense, including inflation	8.00%, net of pension plan investment expense, including inflation	8.00%, net of pension plan investment expense, including inflation	8.00%, net of pension plan investment expense, including inflation	8.50%, net of pension plan investment expense, including inflation	8.50%, net of pension plan investment expense, including inflation
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.	RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut

Other Post-Employment Benefit (OPEB) Plan
Last Three Years (1)Schedule of Changes in OPEB Liability

	2020	2019	2018
OPEB liability			
Service cost	\$ 303,119	\$ 243,686	\$ 271,596
Interest	276,898	237,407	217,457
Differences between expected and actual experience	-	401,380	-
Changes in assumptions	835,667	1,064,531	(186,700)
Benefit payments, including refunds of member contributions	(226,936)	(231,992)	(196,773)
Net Change in total OPEB liability	1,188,748	1,715,012	105,580
OPEB liability - July 1	7,720,741	6,005,729	5,900,149
OPEB liability - June 30*	\$ 8,909,489	\$ 7,720,741	\$ 6,005,729
Covered payroll	\$ 31,377,144	\$ 31,377,144	\$ 30,769,557
Total OPEB liability as a percentage of covered payroll	28.39%	24.61%	19.52%

* There are no assets that are being accumulated in a trust that meets the criteria in GASB No. 75 to pay benefits.

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut

Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Three Years (3)

	2020	2019	2018
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>			
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	14,202,322	14,036,927	19,509,156
Total	\$ 14,202,322	\$ 14,036,927	\$ 19,509,156
Town's covered payroll	(2)	(2)	(2)
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%
<u>Schedule of Contributions</u>			
Contractually required contribution (1)	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net OPEB liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut
Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Notes to Required Supplementary Information
Schedule of Contributions
Last Three Years (1)

	2020	2019	2018
Changes of Benefit Terms	None	None	None
The actuarially determined contribution rates are calculated as of	6/30/2018	6/30/2018	6/30/2016
Actuarial methods and assumptions used to determine contribution rates:			
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return	3.00%	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2020 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2020 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale.

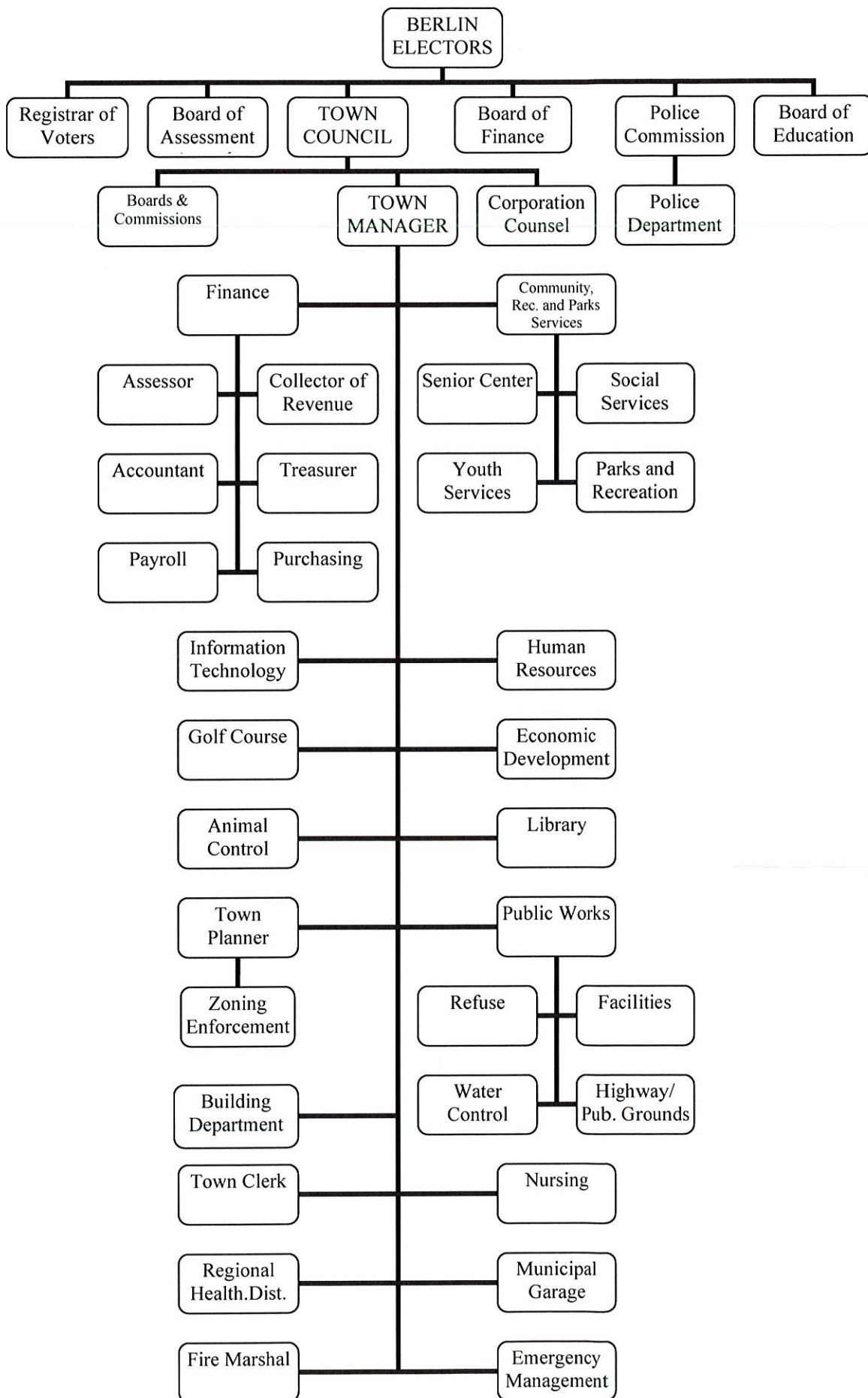
(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Town of Berlin, Connecticut

Report of Tax Collector
For the Year Ended June 30, 2020

Grand List Year	Lawful Corrections				Collections			Uncollected Taxes June 30, 2020		
	Uncollected Taxes July 1, 2019	Current Year Levy	Additions	Deductions	Transfers to Suspense	Adjusted Amount Collectible	Taxes Collected		Interest Liens & Other Fees	Total
2003	\$ 4,101	-	\$ -	\$ 4,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	2,048	-	-	-	-	2,048	-	-	-	2,048
2005	6,422	-	-	-	-	6,422	3,690	744	4,434	2,732
2006	6,831	-	-	-	-	6,831	4,118	9,290	13,408	2,713
2007	19,199	-	-	-	-	19,199	-	10,594	10,594	19,199
2008	20,281	-	88	59	-	20,310	29	-	29	20,281
2009	34,176	-	-	-	-	34,176	15,590	16,984	32,574	18,586
2010	36,655	-	-	-	-	36,655	16,545	25,335	41,880	20,110
2011	38,514	-	-	-	-	38,514	4,856	18,054	22,910	33,658
2012	35,034	-	-	503	-	34,531	(198)	2,355	2,157	34,729
2013	37,268	-	-	549	-	36,719	(827)	337	(490)	37,546
2014	58,438	-	363	45	-	58,756	16,680	9,718	26,398	42,076
2015	64,573	-	78,640	11,056	-	132,157	54,503	32,962	87,465	77,654
2016	123,336	-	87,371	17,215	-	193,492	114,658	41,458	156,116	78,834
2017	664,642	-	186,971	164,150	172,328	515,135	410,533	75,517	486,050	104,602
Total Prior Years	1,151,518	-	353,433	197,678	172,328	1,134,945	640,177	243,348	883,525	494,768
2018	-	79,896,171	192,050	645,417	-	79,442,804	78,753,259	176,539	78,929,798	689,545
Total All Years	\$ 1,151,518	\$ 79,896,171	\$ 545,483	\$ 843,095	\$ 172,328	\$ 80,577,749	\$ 79,393,436	\$ 419,887	\$ 79,813,323	1,184,313
Tax interest receivable										505,442
Allowance for uncollectible taxes										(531,866)
Net property taxes receivable										\$ 1,157,889

Tax interest receivable
Allowance for uncollectible taxes
Net property taxes receivable





ADMINISTRATION

Arosha Jayawickrema
Town Manager
860.828.7003

ANIMAL CONTROL

Jan Lund, Officer
860.828.7055

BERLIN-PECK MEMORIAL LIBRARY

Helen Malinka, Director
860.828.7125

BOARD OF EDUCATION

Brian Benigni, Superintendent
860.828.5017

BUILDING DEPARTMENT

Frank Van Linter, Building Official
860.828.7012

COMMUNITY, RECREATION & PARK SERVICES

Jennifer Ochoa, Director
860.828.7010
Debra Dennis, Superintendent of
Recreation
860.828.7056
Doug Truitt, Director of Social and
Youth Services
860.828.7059
Tina Doyle, Senior Center Director
860.828.7050

ECONOMIC DEVELOPMENT

Chris Edge, Director
860.828.7005

ENGINEERING/PUBLIC WORKS

Mike Ahern, P.E. Engineer/Director
860.828.7022
Doug Solek, Facilities Director
860.828.7139
Ray Jarema, P.E. Water Control
860.828.7065
Steve Karp, Superintendent of
Highways
860.828.7047
Steve Wood, Superintendent of
Public Grounds
860-828-7025

FINANCE

Kevin Delaney, Director
860.828.7044
Maryssa Tsolis, Purchasing Agent
860.828.7048
Joseph Ferraro, Assessor
860.828.7039
Debbie Swan, Revenue Collector
860.828.7123

FIRE SERVICES

Jim Simons, Fire Administrator
860.828.7057

FIRE MARSHAL

Steven Waznia, Fire Marshal/
Risk Manager
860.828.7053

HEALTH DEPARTMENT

Central Connecticut Health District
Jeff Vecchitto, Sanitarian
860.785.8380

HUMAN RESOURCES

Denise Parsons, Director
860.828.7115

INFORMATION TECHNOLOGY

Brian Freeman, Director
860.828.7095

MUNICIPAL GARAGE

Jim Simons,
Fleet Management
Director
860.828.7057

POLICE DEPARTMENT

Chief John Klett
860.828.7092

REGISTRARS OF VOTERS

Christy Miano (D)
860.828.7021
Joan Veley (R)
860.828.7020

TIMBERLIN GOLF COURSE

Jerry Salvio, Acting Director
860.828.7054

TOWN CLERK'S OFFICE

Kate Wall, Town Clerk
860.828.7036

TOWN MANAGER

Arosha Jayawickrema
Town Manager
860.828.7003

TOWN PLANNER

Maureen Giusti, Acting Town
Planner
860.828.7060
Adam Levitus, Zoning Officer
860.828.7008

VNA (Visting Nurses

Administration)
Wendy Russo, Administrator
860.828.7026