

TOWN OF BERLIN  
REGULAR BOARD OF FINANCE MEETING  
JULY 13, 2021  
John “Doc” McIntosh Conference Room  
Remote Option  
7:00 P.M.

<https://town-berlin-ct-us.zoom.us/j/97779764444?pwd=bWNpMkpKRHdBSldLckg5aWxrRXRGdz09>

Call-in Option:	1 929 205 6099 United States Toll
Meeting ID:	977 7976 4444
Passcode:	663037

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. PUBLIC COMMENTS

E. APPROVAL OF PRIOR MINUTES June 8, 2021 Regular Meeting

F. NEW BUSINESS

1. Move to transfer \$206,000, as detailed on the accompanying spreadsheet, to cover higher than budgeted expenditures in identified accounts.
2. Move to approve the transfer of \$70,000 from the Building Renovations account to the Shop Equipment account in the Capital Non-Recurring Fund.
3. Move to approve the transfer of \$27,500 from the Contingency account to the Transfer to Other Funds account, both in the General Fund.
4. Move to appropriate \$2,210,640 of FY22 General Fund Unassigned Fund Balance to the Pension/Actuarial Funding account within the General Fund.
5. Move to appropriate \$189 of the State of Connecticut Youth Services Grant to the Youth Grant expenditure account within the General Fund.
6. Review pro-forma financials for BHS lighting upgrade project.
7. Selection of Board of Finance member to participate on Community/Senior Center committee.
8. Finance Director update.

G. ADJOURNMENT

**TOWN OF BERLIN  
REGULAR BOARD OF FINANCE MEETING  
JUNE 8, 2021  
TOWN COUNCIL CHAMBERS (Board of Finance Only)  
REMOTE MEETING (Non-BOF Participants)  
7:00 P.M.**

**A. CALL TO ORDER**

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

**B. PLEDGE OF ALLEGIANCE**

**C. ROLL CALL**

ATTENDANCE:

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Sam Lomaglio, Gerald Paradis

Members Absent: Mark Holmes

Staff Present:

Kevin Delaney – Finance Director

Arosha Jayawickrema – Town Manager

**D. PUBLIC COMMENTS**

None.

**E. APPROVAL OF PRIOR MINUTES**

May 11, 2021 Regular Meeting

Mr. Paradis moved to approve the May 11, 2021 Regular Meeting minutes.

Seconded by Mr. Bordonaro.

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

Vote being: 5-0. (MOTION CARRIED)

**F. NEW BUSINESS**

1. Move to transfer \$144,300, as detailed on the accompanying spreadsheet, to cover higher than budgeted expenditures in identified accounts.

Mr. Paradis moved to transfer \$144,300, as detailed on the accompanying spreadsheet, to cover higher than budgeted expenditures in identified accounts.

Seconded by Mr. Bordonaro.

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

Vote being: 5-0. (MOTION CARRIED)

**2. Move to approve a non-budgeted appropriation of \$92,605 from the Outside Police Services account to the Extra Duty Police Officer account, both in the General Fund.**

Mr. Paradis moved to approve a non-budgeted appropriation of \$92,605 from the Outside Police Services account to the Extra Duty Police Officer account, both in the General Fund.

Seconded by Mr. Bordonaro.

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

Vote being: 5-0. (MOTION CARRIED)

**3. Move to approve a non-budgeted appropriation of \$24,881 from the Personal Property Taxes accounts in the General Fund to Contractual Services in the Assessor's Department.**

Mr. Paradis moved to approve a non-budgeted appropriation of \$24,881 from the Personal Property Taxes accounts in the General Fund to Contractual Services in the Assessor's Department.

Seconded by Mr. Bordonaro.

Finance Director Delaney noted that these funds represent a contingent-based fee for the agency that identified additional taxes that were paid to the Town.

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

Vote being: 5-0. (MOTION CARRIED)

**4. Move to accept the Tax Collector's suspense list of \$110,423.82.**

Mr. Paradis moved to accept the Tax Collector's suspense list of \$110,423.82.

Seconded by Mr. Bordonaro.

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

Vote being: 5-0. (MOTION CARRIED)

Mr. Paradis moved to add an item to the agenda to discuss and possibly take action on VNA.

Seconded by Mr. Bordonaro.

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

Vote being: 5-0. (MOTION CARRIED)

NEW ITEM:

## 5. VNA

Town Manager Jayawickrema reported that he and Corporation Counsel have spoken with the Department of Public Health, and in order for Berlin's VNA to maintain its license as a home health care agency, it must provide professional nursing services as well as at least at least one other service. The Town Charter requires that VNA maintain its license as a home health care agency, therefore Berlin would be unable to change VNA to a referral-based agency while maintaining its licensure, and therefore complying with the Charter.

Town Manager Jayawickrema proposes to re-issue the RFP for consulting services to study VNAs operations and identify efficiencies / opportunities to increase revenue within the next two weeks, with a response window of 45 days.

Board of Finance discussed several related points, including:

- VNA is approaching a loss of \$900,000 for Fiscal Year 2020/2021.
- Would VNA be meeting the intent of the Charter if it operated using per diem nurses? (Particularly since there are numerous private providers that could provide care to residents / patients.)
- Should Berlin (at the cost of its taxpayers) be competing with private businesses that provide home health care services?
- What is Berlin's minimum VNA requirement while maintaining compliance with the Charter? (How can Berlin reduce its annual loss while complying with the Charter?)

The group noted that the Town of Westbrook is another small community that operates a VNA. Finance Director Delaney will reach out to Westbrook and ask about that VNA's structure and whether it operates at a financial loss.

**6. Finance Director update.**

- On May 29, 2021, another police officer filed papers to retire from the Defined Benefit Pension. Actuaries are determining the final payout figure and the existing Pension Fund balance is able to pay out. With this retirement, the list of active participants drops to seven. Four other members requested payout information, and it is highly likely that two or three of those pension members will retire before December 31, 2021.
- Berlin should receive a total of \$6,048,000 from the American Rescue Act – half will arrive by the end of June 2021, and the remaining half should be received the one year later. \$700,000 of this funding was included in the 2021/2022 budget and is intended to offset lost revenue (lost interest income, lost VNA revenue, lost P&R revenue) and pay public safety officials (police salaries). The remaining \$5,348,000 can be used to address things that resulted from the COVID-19 pandemic or take actions to address future pandemics (included, but not limited to: ventilation upgrades, personal safety equipment). Finance Director Delaney proposes a joint meeting between Board of Finance and Town Council to discuss the use restrictions and possible uses for the funding that must be obligated by December 31, 2024 and spent by December 31, 2026. (A separate pool of money is being shared with Boards of Education.) Municipalities will be required to report on usage of the funds and repay any funds that were not spent in compliance with the restrictions.

Chairman Lomaglio asked that a member of Board of Finance be included on any subcommittee that is formed related to the proposed Community / Senior Center.

**G. ADJOURNMENT**

Mr. Grady moved to adjourn at 7:47 p.m.

Seconded by Mr. Paradis.

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

Vote being: 5-0. (MOTION CARRIED)

Submitted by,

Dana Borges

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

**TO:** The Board of Finance

**FROM:** Arosha Jayawickrema, Town Manager

**DATE:** June 28, 2021

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

**Summary of Agenda Item:**

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

**Action Needed:**

Move to transfer \$206,000, as detailed on the accompanying spreadsheet, to cover higher than budgeted expenditures in identified accounts.

**Attachments:**

Budget Adjustments spreadsheet

**Prepared By:**

Kevin Delaney, Finance Director

# Budget Adjustments July 6, 2021

<u>Department</u>	<u>GL Account #</u>		<u>From</u>	<u>To</u>	<u>Explanation</u>
Police	001.15.1532.0.51440.00000	Police Extra Duty		\$55,000.00	Berlin Police Officers were requested for extra duty work at a higher rate than assumed in the FY21 budget. This cost is reimbursed by the outside organization that requests the Police Officers. Additional funds are available in the Police Personnel expenditure line because of position vacancies and Officers out on worker's compensation.
	001.15.1532.0.51140.00000	Police Personnel	\$55,000.00		
Police		Overtime		\$55,000.00	
	001.15.1532.0.51400.00000				Due to vacancies and extra patrols in response to car break-ins, the Police Department incurred higher than budgeted overtime costs. Related to the overtime costs, worker's compensation costs were higher than budgeted because the cost is a percentage of wages. Money is available in Police personnel and in lieu of sick time because of vacancies and fewer than expected retirements, respectively.
	001.15.1532.0.52010.00000	Worker's Compensation		\$16,000.00	
	001.15.1532.0.51140.00000	Police Personnel	\$36,000.00		
VNA	001.15.1532.0.51811.00000	In Lieu of Sick	\$35,000.00		
VNA	001.30.3053.0.53819.00000	Medical Services		\$35,000.00	Physical Therapists are paid from both the payroll account (Physical Therapist) and the operating account (Medical Services). During FY21, more wages were paid from the operating account (and less from the payroll account) than was budgeted.
	001.30.3053.0.51188.00000	Physical Therapist	\$35,000.00		
Schools					
Schools	001.35.3561.0.51145.00000	Nurses		\$35,000.00	Due to COVID restrictions, the payout of accrued vacation time for school nurses was higher than budgeted. There were funds available in the worker's compensation line because the Town negotiated a lower LAP rate after the start of the fiscal year.
	001.35.3561.0.52010.00000	Worker's compensation	\$35,000.00		
Golf Course					
Golf Course	001.25.2543.0.51160.00000	Starters, Rangers & Cart Haulers		\$10,000.00	With an earlier season opening than was assumed in the budget, the cost of cart haulers was higher than budgeted. There are funds available in the Department Head expenditure line because the position is vacant.
	001.25.2543.0.51100.00000	Department Head	\$10,000.00		
Water Control					
Water Control		GENERAL FUND TOTAL		<u>\$206,000.00</u>	
				<u>\$206,000.00</u>	
Water Control					
Water Control		WATER CONTROL TOTAL		<u>\$0.00</u>	
				<u>\$0.00</u>	
Water Control		GRAND TOTAL		<u>\$206,000.00</u>	
				<u>\$206,000.00</u>	

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

**TO: The Board of Finance**  
**FROM: Arosha Jayawickrema, Town Manager**  
**DATE: June 22, 2021**  
**SUBJECT: Purchase of six (6) 18,000 mobile wheel lifts for use in the Fleet Garage.**

**Summary of Agenda Item:**

Jim Simons, Fleet Manager, has identified a need for a second heavy truck lift system at the Fleet Maintenance Garage. The shop has seen a steady increase over the years of Heavy-duty maintenance and repair work that requires a heavy-duty truck lift.

Our current truck lift is an in ground 2 post lift capable of lifting a two-axle truck weighing up to 70,000 lbs. It was installed in 1987. The new proposed lift is made up of 6 independent mobile wheel lifts. Each lift has a capacity of lifting 18,000 lbs. with the system having a total capacity of lifting 108,000. Being mobile, this new lift could be used anywhere within the shop or even outside in the parking lot and allows the technicians the ability to lift 3 axle trucks.

Within the Fleet Garage budget is funding located in a capital account named "Building Renovation" account # 500.20.2035.0.54000.00300. These funds were accumulated during previous years for unexpended capital projects such as the office, doors etc. and were never enough to fully renovate the main shop area. Jim Simons believes these funds would be better utilized to purchase this needed equipment.

The cost of the new Lift System including safety jack stands is \$64,604. Jim Simons is requesting the transfer of \$70,000 from #500.20.2035.0.54000.00300 "Building Renovation" account into #500.20.2035.0.54000.00114 Shop Equipment.

**Action Needed:**

Move to transfer \$70,000 from Building Renovation into Shop Equipment for the purchase of Forward Lift 6, 18,000 lb. capacity mobile column lifts and safety supports.

**Attachments:**

None

**Prepared By:**

James C. Simons, Fleet Manager



**Agenda Item No. F-3**  
**Request for Board of Finance Action**

**TO: The Board of Finance**

**FROM: Arosha Jayawickrema, Town Manager**

**DATE: June 21, 2021**

**SUBJECT: Appropriate \$27,500 to repair the cab on Rescue #1.**

**Summary of Agenda Item:**

Motor Pool # 0322 Rescue #1, the town's larger rescue truck, housed in East Berlin Fire Department was purchased and delivered in 2008 from American LaFrance. The truck developed a water leak in the cab roof. Further investigation revealed a crack in the seam line between two sections of the roof structure.

The recommendation to repair this is to strip the cab's interior and exterior accessories to repair or replace the structure members of the cab roof, repair the seam line, refinish the paint and reassemble the cab.

Jim Simons, Fleet Manager, recommends the town contract with Turnpike Motors of Newington Ct. to complete this repair. Turnpike Motors has the facility to accept large trucks and repairs of this nature. The town has used Turnpike motors for repair of truck bodies before with good results.

The estimated cost (quote attached) is for \$24,645.47 in this Jim Simons included a 10% contingency fund bringing the total request to \$27,500. Funding would be transferred from account #001.05.0507.0.53927.00000 "Contingency" into account # 001.45.4567.0.59622.00000 Transfer to Other Funds.

**Action Needed:**

Move to approve the transfer of \$27,500 from the Contingency Account into Transfer to Other Funds Account to fund the repair of MP #0322.

**Attachments:**

None

**Prepared By:**

James C. Simons, Municipal Garage

**TO: The Board of Finance**

**FROM: Arosha Jayawickrema, Town Manager**

**DATE: June 7, 2020**

**SUBJECT: Appropriate \$2,210,640 of FY22 General Fund Unassigned Fund Balance to Fund Anticipated DB Pension Payouts**

**Summary of Agenda Item:**

The FY22 adopted General Fund budget included DB pension funding to cover only monthly annuity payments and service fees. Recently, five of the remaining eight active participants have requested payout calculations. The existing DB balance on deposit at Prudential is only sufficient to cover the payout of one participant.

There is typically 4-6 weeks between the time a participant files retirement paperwork and the time the Town must fund the retirement payout. Since the Town Charter requires a four-step process for non-budgeted appropriations over \$25,000, and the Town Council and Board of Finance do not meet in August, this transfer is requested now to increase the likelihood the Town will have sufficient funds on deposit at Prudential to meet payout requirements.

**Action Needed:**

Move to appropriate \$2,210,640 of FY22 General Fund Unassigned Fund Balance to the Pension/Actuarial Funding account within the General Fund.

**Attachments:**

None

**Prepared By:**

Kevin Delaney, Finance Director

**Agenda Item F-5**  
**Request for Board of Finance Action**

**TO:           The Board of Finance**

**FROM:       Arosha Jayawickrema, Town Manager**

**DATE:       May 25, 2021**

**SUBJECT:    Youth Services Grant Adjustment**

**Summary of Agenda Item:**

The State of Connecticut has awarded the Town \$189 more than anticipated for the Youth Services Grant. This agenda item is to appropriate the additional funds to revenue account:

001.30.3055.2.44701.00000 (Child & Youth Services)                      \$189

And expenditure account:

001.30.3054.0.53462.00000 (Youth Grant)                                      \$189

**Action Needed:**

Move to accept the non-budgeted appropriation of the State of Connecticut Youth Services grant in the amount of \$189 for deposit in the Child & Youth Services revenue account and appropriate those funds to the Youth Grant expenditure account.

**Attachments:**

None

**Prepared By:**

Doug Truitt, Social & Youth Services Director

# Town of Berlin

## Lighting Upgrades Financials

F-6

	BHS
Installed Cost	\$498,120
Incentive (est.)	(\$313,656)
<b>Net Cost</b>	<b>\$184,464</b>
<u>Savings:</u>	
Electricity <sup>1</sup>	(\$85,543)
O&M	(\$12,105)
<b>Payback (years)</b>	<b>1.9</b>

### <sup>1</sup> Electricity Savings Assumptions

kW	222.0
kWh/yr	570,284

### On-Bill Repayment Option (0% for 48-months thru Eeversource)

Amount Financed	\$184,464
48 Monthly Payments	\$3,843
Energy Savings per month	\$7,129
<b>Net Monthly Savings</b>	<b>\$3,286</b>

Project was approved by the Town Council as presented. However, the proposed plan must be approved by Eeversource to qualify for the incentive. The Town Manager is authorized to sign for the BHS lighting program, but the incentives must be in place for the Town Manager to agree to sign.

**Town of Berlin**  
**Financial Status Report - PRELIMINARY YEAR-END (UNAUDITED)**  
**Board of Finance Meeting on July 13, 2021**

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**GENERAL FUND**

	<u>FY 2021</u>	<u>FY 2020</u>	<u>Notes</u>
<i>(budgeted amount excludes assigned fund balance)</i>			
<b>Receipts</b>			
Actual Receipts	\$92,218,028	\$91,404,086	
Budgeted Receipts	\$91,241,044	\$89,034,164	
% to Budget	101.1%	102.7%	
Current Year Tax Receipts <i>(as of June 30)</i>	\$78,891,802	\$78,119,848	
Current Tax Budget	\$78,789,139	\$77,159,891	
Current Tax Levy <i>(99.3%/99.1% collection rates)</i>	\$79,344,551	\$77,860,637	
% to Current Budget	100.1%	101.2%	
% to Current Levy	99.4%	100.3%	
Adopted budget target %	99.3%	99.1%	

**Expenditures** *(excludes capital expenditures)*

Actual Expenditures	\$88,622,195	\$86,535,700	
Budgeted Expenditures	\$93,507,044	\$91,777,975	
% to Budget	94.8%	94.3%	

**Storm-related Overtime (51445)** \$127,090 \$69,543

**Legal (53828)**

	<u>Encumbered</u>	<u>Actual</u>	
Ciulla & Donofrio	\$6	\$149,994	Monthly retainer (\$9,500) plus extra charges (e.g., time in court, mediation)
Shipman & Goodwin	\$0	\$43,974	Labor attorney
Barclay Daman	\$64	\$51,936	Planning & Zoning (Atkins St.) expert attorney for Town Council
Joseph Fasi	\$0	\$3,517	Bond counsel
Phoenix Advisors	\$0	\$0	Bond advisor
Standard & Poor's	\$0	\$0	Bond rating
US Bank	\$0	\$0	Bond clearing
Source Media	\$0	\$0	Bond advertising
Michael Delorenzo	\$0	\$0	Marshal services
Total	\$70	\$249,420	
Budget	\$257,750		
Budget Balance	\$8,260		

	<u>Target Floor Fd Bal.</u>	<u>Actual Fund Bal.</u>	<u>Notes</u>
<b>INSURANCE FUNDS</b>			
<b>Health Insurance Fund</b>	\$2,262,384	\$1,212,801	The Health Insurance Fund balance is 13.4% of full year projected expenses - against a target reserve range of 25-50%. Although the fund balance is below the floor, the cash balance is \$1,690,565.
<b>General Insurance Fund</b>	\$1,000,000	\$1,577,349	The fund is used to pay Liability & Worker's Compensation insurance premiums for both the Town and BOE, on-going heart & hypertension claims from police officers, window/widower heart & hypertension claims, "fronting" reimbursable environmental remediation costs, small equipment claims where Town elects to self-insure and deductibles. Town policy is \$1 million floor and ceiling at 5% of General Fund budget (or \$4,573,796 for FY21). Displayed fund balance is net of H&H reserve and encumbrances for self-insured claims.
<b>TOTAL INSURANCE FUNDS</b>	<u>\$3,262,384</u>	<u>\$2,790,150</u>	

**PENSION FUND**

		<u>Notes</u>
Total Liability <i>(as of 7/1/2020)</i> <i>(actuarial valuation liability was adjusted to remove FY21 retiree payouts)</i>	\$14,151,420	The Town of Berlin Retirement Income (Defined Benefit) Plan was amended for the last time effective July 1, 2000. As a result of this final amendment no new Town employees (excludes BOE employees covered by the Teacher's Retirement Fund) were eligible to participate in the plan. As part of the amendment, participants in the DB Plan have the option to be paid out with an annuity or a lump sum. In recent years, all retiring participants have elected the lump sum payout.
Cash Balances:		
Prudential <i>(as of 6/30/2021)</i>	\$2,256,055	
ICMA Plus <i>(as of 6/30/2021)</i>	<u>\$3,964,262</u> <u>\$6,220,318</u>	Currently, the Town is executing a pay-as-you-go program to manage new retirements. The plan includes 8 active participants, 3 inactive but eligible participants and 18 annuitants.
Funding % - Total	44.0%	
Funding % - DB	15.9%	
Unfunded Liability	(\$7,931,102)	<u>Anticipated retirements:</u> FY22: 2 participants filed retirement papers for 7/30/2021; anticipate up to 3 of the remaining 5 active participants may file retirement papers in FY22. Annual annuity payments & total monthly fees: \$185,000

Town of Berlin  
Financial Status Report - **PRELIMINARY YEAR-END (UNAUDITED)**  
Board of Finance Meeting on July 13, 2021

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**ACTIVE CAPITAL PROJECTS**

	<u>% Complete*</u>	<u>Project Balance**</u>	<u>Notes</u>
4-Bridge Rehabilitation	58%	\$0	Work on the final bridge is nearly complete. Final billing & reimbursement from the State will take place by calendar year-end.

\* % complete represents invoices received versus total expected project cost - this metric will lag actual construction completion

\*\* Capital projects fund balance includes encumbrances.

**Unexpended Education (2%) Account Tracking:**

500.35.3561.0.54000.01733

	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Uncommitted Balance</u>	
Hubbard Fire Alarm Upgrades*	\$171,625.53	\$14,000.80	\$151,499.20	\$6,125.53	CES design; Jacunski bid prep; Advance Repographics blueprints;
McGee HVAC Unit #1	\$225,000.00	\$8,763.34	\$0.00	\$216,236.66	Integrated Technical Systems construction
<b>TOTAL FY2020</b>	<b>\$396,625.53</b>	<b>\$22,764.14</b>	<b>\$151,499.20</b>	<b>\$222,362.19</b>	CES design encumbrance
Lighting upgrades in McGee Library/Media Center	\$150,000.00			\$150,000.00	
Paving of Willard playground area & sidewalks	\$150,000.00	\$20,000.00		\$130,000.00	
Classroom storage (cubbies) at Hubbard	\$50,000.00			\$50,000.00	
Removal of retaining walls at McGee entrance	\$25,000.00			\$25,000.00	
Balance of rooftop units at McGee	\$25,000.00			\$25,000.00	
<b>TOTAL FY2021</b>	<b>\$400,000.00</b>	<b>\$20,000.00</b>	<b>\$0.00</b>	<b>\$380,000.00</b>	
<b>TOTAL 2% FUND BALANCE</b>	<b>\$1,155,068.59</b>	<b>\$401,207.20</b>	<b>\$151,499.20</b>	<b>\$602,362.19</b>	

\* The remaining FY2019 balance (\$21,557) after completing all identified projects and the balance remaining before FY2019 (\$69) were added to the initial (\$150,000) Hubbard Fire Alarm carryover budget.