

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
SEPTEMBER 14, 2021
Town Council Chambers
Remote Option
7:00 P.M.

<https://berlinct-gov.zoom.us/j/88386320780?pwd=WXV2OTloeFpPY3JOeXIKQXZYMWdFZz09>

Call-in Option: 1 929 205 6099 United States Toll
Meeting ID: 883 8632 0780
Passcode: 400703

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. PUBLIC COMMENTS

E. APPROVAL OF PRIOR MINUTES August 3, 2021, Regular Meeting

F. NEW BUSINESS

1. Move to appropriate a \$4,000 Juvenile Review Board Grant to the Part-time Help, Worker's Compensation and Social Security accounts in the Social Services Department within the General Fund.
2. Move to appropriate a \$15,000 Department of Housing Affordable Housing Plan Technical Assistance Grant to the Affordable Housing Plan Technical Assistance Grant account within the Capital Non-recurring Fund.
3. Move to transfer \$105,000 from the Police Personnel account and \$52,500 from the Police Pension account, both in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$125,000 from the Refuse Disposal account, \$45,000 from the Streetlighting account and \$5,000 from the Blue-Collar Personnel account, all in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$100,000 from the Recreation Program Help account, \$25,000 from the Blue-Collar Personnel account and \$25,000 from the Lifeguards/Pool Worker account, all in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$50,000 from the Blue-Collar Personnel account, in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$50,000 from the Telephone account, \$35,000 from the Electricity account and \$15,000 from the Natural Gas account, all in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$50,000 from the Vehicle Fuel account and \$50,000 from the Mid-Managers Personnel account, both in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$50,000 from the Contractual Services account, in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$45,000 from the Schools Worker's Compensation account, \$35,000 from the Issue of June 2020 account, \$35,000 from the Schools Overtime account, \$30,000 from the Schools Contractual Services account and \$5,000 from the Fire Department Worker's Compensation account, all in the FY21 General Fund, to the Transfer to Other Funds account.

4. Finance Director update.

G. ADJOURNMENT

**TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
AUGUST 3, 2021
John “Doc” McIntosh Conference Room / ZOOM
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, Mark Holmes, Sam Lomaglio

Members absent: Gerald Paradis

Staff Present:

Kevin Delaney – Finance Director

D. PUBLIC COMMENTS

None.

E. APPROVAL OF PRIOR MINUTES

July 13, 2021, Regular Meeting

Mr. Bordonaro moved to approve the July 13, 2021 Regular Meeting minutes.

Seconded by Mr. Grady.

Those voting in favor: Mr. Bordonaro, Mr. Fernandes, Mr. Grady, Mr. Holmes

Vote being: 4-0-1. (MOTION CARRIED) Mr. Lomaglio abstained, as he was not at the July 13, 2021 meeting.

F. NEW BUSINESS

1. Discuss Berlin Schools Air Quality study and potential future actions.

(The representative from Sustainable Engineering Solutions, LLC was not at the meeting to review its report.)

Finance Director Delaney indicated that a joint meeting between Town Council and Board of Finance will be scheduled in September 2021 to discuss possible uses for American Recovery Act Plan federal funding, which may include addressing air quality in the schools.

2. Move to appropriate an \$86,330 Brownfields Grant to the Connecticut Sand & Stone Brownfields grant account.

Mr. Bordonaro moved to appropriate an \$86,330 Brownfields Grant to the Connecticut Sand & Stone Brownfields grant account.

Seconded by Mr. Grady.

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

Vote being: 5-0. (MOTION CARRIED)

3. Move to appropriate \$3,100,000 of FY22 General Fund Unassigned Fund Balance to the Pension/Actuarial Funding account within the General Fund.

Mr. Bordonaro moved to appropriate \$3,100,000 of FY22 General Fund Unassigned Fund Balance to the Pension/Actuarial Funding account within the General Fund.

Seconded by Mr. Holmes.

The group noted that after the three recent retirements, there are five active members remaining in the Defined Benefit Pension plan.

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

Vote being: 5-0. (MOTION CARRIED)

4. Finance Director update.

- Tax collection – About \$400,000 behind “full July” 2020. (The Town and its bank are still receiving payments that were postmarked by 7/31/2021 which will add to the 2021 “full July” collected total).
- Clerk’s office (real estate transactions) and Building office revenue remain strong.
- A possible surplus of about \$1,800,000 for Fiscal Year 2020/2021 (which ended on 6/30/21) is expected. The Board members discussed possible uses for the surplus:
 - Capital items that were previously cut from the current budget or are being considered for appropriation of the surplus, including:
 - 3 Police Cruisers;

- Town Hall roof repairs;
- Electrician subcontractor to install 2 rooftop HVAC units at McGee Middle School;
- Fire radio project;
- Highway truck;
- Pool liner – East Berlin;
- Expand / reorganize vault storage Town Clerk's office / Assessor;
- Pay second \$400,000 installment for new fire truck that is currently on order;
- Fund \$400,000 deposit for another new fire truck;
- Deposit into the Pension Fund account (toward obligation to five remaining plan members);
- Return any unused surplus to Fund Balance.
- Berlin's current bond debt level: \$81,000,000.

G. ADJOURNMENT

Mr. Holmes moved to adjourn at 7:40 p.m.

Seconded by Mr. Bordonaro.

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

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: **July 23, 2021**

SUBJECT: **Juvenile Review Board Grant**

Summary of Agenda Item:

The Connecticut Department of Children and Families and the Connecticut Youth Services Association have renewed our Juvenile Review Board Grant for fiscal 2021-22 in the amount of \$4,000. The grant supports providing case management services to JRB clients.

Funds will be deposited in the State Grants revenue account 100.05.0505.2.44801.00000, and appropriated to the Part Time Help 100.30.3054.0.51510.00000, Worker's Comp. 100.30.3054.0.52010.00000, and Social Security 100.30.3054.0.52100.00000 expense accounts to be used according to the terms of the grant.

Action Needed:

Move to appropriate a \$4,000 Juvenile Review Board Grant to the Part Time Help, Worker's Comp., and Social Security expense accounts in the Social Services Department within the General Fund.

Attachments:

None

Prepared By:

Doug Truitt, Director of Social & Youth Services

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

TO: The Board of Finance

FROM: Arosha Jayawickrema, Town Manager

DATE: August 25, 2021

SUBJECT: Authorization for Town Manager to Execute a Connecticut Department of Housing Affordable Housing Plan Technical Assistance Grant Agreement

Summary of Agenda Item:

The Town Council authorized the Town Manager to submit an application to the Connecticut Department of Housing for an Affordable Housing Plan Technical Assistance Grant in the amount of up to \$15,000. The Department of Housing has notified the Town that it has been awarded the grant and that the authorizing resolution for signing the notice of grant award must be within 30 days of the date of signature. This grant opportunity is intended to enable eligible municipalities to undertake a proactive planning process and lay out a strategy for meeting the housing needs of existing and future residents and workers. In accordance with Section 8-30j of the Connecticut General Statutes, Affordable Housing Plans are required to be adopted by June 1, 2022. The Town has hired FHI Studio to prepare the Affordable Housing Plan in conjunction with the process to update the Town's Plan of Conservation and Development. Actions needed are to authorize the Town Manager to sign the notice of grant award, to approve appropriation of the grant funds to account number 500.10.1014.0.54000.01419, Affordable Housing Plan Technical Assistance Grant, and to refer the appropriation of funds to the Board of Finance.

Action Needed:

Move to appropriate a \$15,000 Department of Housing Affordable Housing Plan Technical Assistance Grant to the Affordable Housing Plan Technical Assistance Grant account within the Capital Non-recurring Fund.

Attachments:

None

Prepared By:

Jim Mahoney, Economic Development Coordinator
Chris Edge, Economic Development Director
Maureen Giusti, Acting Town Planner

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

TO: The Board of Finance

FROM: Arosha Jayawickrema, Town Manager

DATE: August 30, 2021

SUBJECT: Fiscal Year 2021 Budget Transfers to Fund Capital Items

Summary of Agenda Item:

During the FY22 budget process, the Board of Finance removed most capital requests and asked the Town Manager to request the items using any projected FY21 surplus. Based on the current (pre-audit) projection, the Town of Berlin (including the Board of Education) is projected to finish FY21 with a \$1.8 million surplus. Since this amount is subject to audit adjustments, and the Town Charter (Section 7-11) reads that the “Council, with approval of the Board of Finance, may transfer the whole or any part of the unencumbered balance of any appropriation, except for the Department of Education appropriations, to any department for which the Council may legally appropriate money”, this motion requests to transfer \$932,500 of the projected surplus balance to support several capital needs.

The major drivers of the projected surplus were:

Expenditures:

Town personnel (incl. fringes) *	\$1,722k
Board of Education	\$ 408k
Contractual Services	\$ 132k
Utilities (incl Streetlighting)	\$ 121k
Vehicle Fuel/Natural Gas	\$ 116k

Receipts:

Taxes	\$ 655k
State & Federal Grants	\$ 272k
Proceeds from 913 Farm Ave sale	\$ 235k
Building Inspection	\$ 211k
Town Clerk	\$ 202k
Golf Course	\$ 146k
Additional DB Pension Funding	(\$2,250k)
Interest on Investments	(\$ 440k)
VNA	(\$ 254k)

* Town Personnel savings was driven by partial-year vacancies in: Police personnel, Town Planner, Golf Course Director, IT Director, Library Director, Senior Center Assistant Director, Treasurer and Public Grounds Blue Collar. Also, COVID-driven closures/reductions of several Parks & Recreation programs resulted in favorable costs in Recreation Program Help and Lifeguards/Pool Workers.

The items listed below were identified based on input from department heads, estimates from outside parties and with public health/safety in mind. While this list represents a substantial investment in critical capital needs, the original budget request was \$1.5 million, including 50% funding for two fire vehicles, fire rescue equipment, upgrades to the Town Hall elevator and improvements to the Timberlin maintenance building roof. A combination of alternative funding, scaling back on the elevator upgrades plans and deferring the Timberlin building allowed the requested funds to be used for higher priority projects.

In addition, there were items identified during the FY22 budget to be funded with surplus funds that are not on the requested list. Unfortunately, the projected surplus is not sufficient to fund all the identified items, so pool cars, building work on the Art League building and the caretakers house at the mobile home park, a used pickup truck at Timberlin and lighting/tile improvements at the schools are not part of this request.

As department heads discussed various capital needs, the East Berlin pool was discussed. The Public Grounds Superintendent requested \$200,000 to re-line the pool. The Demore, Dinda, Bittner Memorial Pool was constructed in 1974. In 2012, the pool was replastered. It is now in need of some major repairs. The plaster has started to deteriorate, discolor, and crack. This has led to the pool losing around 3 inches of water a day. We are looking to install a pool liner that would have a warranty of 15 years and should last about 20 years. While re-lining the pool is not included in this transfer request, it is an important capital need of the Town and should be addressed within the annual capital funding plan.

The requested items are:

Surplus Uses			Surplus Sources			FY22 Capital Request
Police Vehicles	500.15.1532.0.54000.00004	\$157,500	Police Personnel Pension	001.15.1532.0.51140.00000 001.15.1532.0.52200.00000	\$105,000 \$52,500	YES
Dump Truck, Large	500.20.2037.0.54000.00003	\$175,000	Refuse Disposal Streetlighting Blue Collar Personnel	001.20.2036.0.53823.00000 001.20.2036.0.53935.00000 001.25.2545.0.51135.00000	\$125,000 \$45,000 \$5,000	NO
Vehicle Reserve	500.05.0507.0.54000.00012	\$150,000	Recreation Program Help Blue Collar Personnel Life Guards/Pool Worker	001.25.2542.0.51530.00000 001.25.2545.0.51135.00000 001.25.2542.0.51520.00000	\$100,000 \$25,000 \$25,000	YES
ADA Improvements	500.20.2038.0.54000.00315	\$50,000	Blue Collar Personnel	001.25.2545.0.51135.00000	\$50,000	YES
Gutters, Roof Trace & Masonary Repairs	500.20.2038.0.54000.00354	\$100,000	Telephone Electricity Natural Gas	001.20.2038.0.53902.00000 001.20.2038.0.53102.00000 001.20.2038.0.53105.00000	\$50,000 \$35,000 \$15,000	YES
Fire Radio System Upgrade	134.15.1531.0.54000.01114	\$100,000	Vehicle Fuel Mid-Manager Personnel	001.20.2035.0.53106.00000 001.05.0503.0.51125.00000	\$50,000 \$50,000	NO
McGee Air Quality (McGee Rooftop Units)	500.35.3561.0.54000.00320	\$50,000	Contractual Services	001.35.3561.0.53814.00000	\$50,000	YES
Buildings & Renovations (Roof Replacement (SKFD))	500.15.1531.0.54000.00300	\$150,000	Worker's compensation Issue of June 2020 Overtime Contractual Services Worker's compensation	001.35.3561.0.52010.00000 001.40.4065.0.59500.02052 001.35.3561.0.51400.00000 001.35.3561.0.53814.00000 001.15.1531.0.52010.00000	\$45,000 \$35,000 \$35,000 \$30,000 \$5,000	NO
TOTAL		<u>\$932,500</u>			<u>\$932,500</u>	

Action Needed:

Move to transfer \$105,000 from the Police Personnel account and \$52,500 from the Police Pension account, both in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$125,000 from the Refuse Disposal account, \$45,000 from the Streetlighting account and \$5,000 from the Blue-Collar Personnel account, all in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$100,000 from the Recreation Program Help account, \$25,000 from the Blue-Collar Personnel account and \$25,000 from the Lifeguards/Pool Worker account, all in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$50,000 from the Blue-Collar Personnel account, in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$50,000 from the Telephone account, \$35,000 from the Electricity account and \$15,000 from the Natural Gas account, all in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$50,000 from the Vehicle Fuel account and \$50,000 from the Mid-Managers Personnel account, both in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$50,000 from the Contractual Services account, in the FY21 General Fund, to the Transfer to Other Funds account.

Move to transfer \$45,000 from the Schools Worker's Compensation account, \$35,000 from the Issue of June 2020 account, \$35,000 from the Schools Overtime account, \$30,000 from the Schools Contractual Services account and \$5,000 from the Fire Department Worker's Compensation account, all in the FY21 General Fund, to the Transfer to Other Funds account.

Attachments:

None

Prepared By:

Kevin Delaney, Finance Director

Town of Berlin
Financial Status Report
Board of Finance Meeting on September 14, 2021

F - 4

GENERAL FUND

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Notes</u>
<i>(budgeted amount excludes assigned fund balance)</i>			
Receipts			
Actual Receipts	\$52,532,856	\$52,500,170	
Budgeted Receipts	\$93,474,047	\$91,050,922	
% to Budget	56.2%	57.7%	
Current Year Tax Receipts (as of August 31)	\$51,367,652	\$50,993,846	
Current Tax Budget	\$79,861,907	\$78,789,139	
Current Tax Levy (99.3%/99.3% collection rates)	\$80,424,881	\$79,504,681	
% to Current Budget	64.3%	64.7%	
% to Current Levy	63.9%	64.1%	
Adopted budget target %	99.3%	99.3%	
Expenditures (excludes capital expenditures)			
Actual Expenditures	\$23,749,657	\$15,227,379	FY22 includes \$5,310,640 non-budgeted pension appropriation/expenditure from unassigned fund balance
Budgeted Expenditures	\$98,899,687	\$91,475,922	
% to Budget	24.0%	16.6%	
Storm-related Overtime (\$1445)	\$2,699	\$8,577	
Legal (53828)	<u>Encumbered</u>	<u>Actual</u>	
Ciulla & Donofrio	\$136,000	\$19,000	Monthly retainer (\$9,500) plus extra charges (e.g., time in court, mediation)
Shipman & Goodwin	\$44,171	\$9,829	Labor attorney
Barclay Daman	\$14,816	\$12,184	Planning & Zoning (Atkins St.) expert attorney for Town Council
Pulman & Comley	\$29,500	\$0	Bond counsel
Phoenix Advisors	\$20,000	\$0	Bond advisor
Standard & Poor's	\$9,500	\$0	Bond rating
US Bank	\$2,750	\$0	Bond clearing
Source Media	\$1,250	\$0	Bond advertising
Michael Delorenzo	\$1,000	\$0	Marshal services
Total	\$258,987	\$41,013	
Budget	\$300,000		
Budget Balance	\$0		

	<u>Target Floor Fd Bal.</u>	<u>Actual Fund Bal.</u>	<u>Notes</u>
INSURANCE FUNDS			
Health Insurance Fund	\$2,302,598	\$1,942,821	The Health Insurance Fund balance is 21.1% of full year projected expenses - against a target reserve of 25%. Although the fund balance is below the floor, the cash balance is \$2,526,081.
General Insurance Fund	\$1,000,000	\$1,677,450	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, widow/widower heart & hypertension claims, "fronting" reimbursable environmental remediation costs, small equipment claims where Town elects to self-insure and deductibles. Town policy is a \$1 million floor and ceiling at 5% of General Fund budget (or \$4,697,952 for FY22). Displayed fund balance is net of H&H reserve and encumbrances for self-insured claims.
TOTAL INSURANCE FUNDS	\$3,302,598	\$3,620,270	

PENSION FUND

		<u>Notes</u>
Total Liability (as of 7/1/2020) <i>(actuarial valuation liability was adjusted to remove FY21/FY22 retiree payouts)</i>	\$12,509,977	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 (as of 8/31/2021)	\$7,172,212	
ICMA Plus (as of 8/31/2021)	\$2,909,739	
	<u>\$10,081,951</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	80.6%	
Funding % - DB	57.3%	
Unfunded Liability	(\$2,428,026)	<u>Anticipated retirements:</u> FY22: 2 participants retired as of 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
Board of Finance Meeting on September 14, 2021

F - 4

ACTIVE CAPITAL PROJECTS

	<u>% Complete*</u>	<u>Project Balance**</u>	<u>Notes</u>
4-Bridge Rehabilitation	66%	\$0	Closeout work continues. Invoicing trails actual construction, so the construction % complete is higher than the amount presented on this exhibit.
BHS Rooftop Ductwork	62%	\$0	Construction is currently on-budget and on-time

* % 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	\$14,863.30	\$150,636.70	\$6,125.53	CES design; Jacunski bid prep; Advance Repographics blueprints; Integrated Technical Systems construction
McGee HVAC Unit #1	\$225,000.00	\$8,763.34	\$216,236.66	\$0.00	
TOTAL FY2020	\$396,625.53	\$23,626.64	\$366,873.36	\$6,125.53	
Lighting upgrades in McGee Library/Media Center	\$150,000.00			\$150,000.00	
Paving of Willard playground area & sidewalks	\$150,000.00	\$81,509.82	\$20,000.00	\$48,490.18	
Classroom storage (cubbies) at Hubbard	\$50,000.00			\$50,000.00	
Removal of retaining walls at McGee entrance	\$25,000.00		\$25,000.00	\$0.00	Earth Contractors
Balance of rooftop units at McGee	\$25,000.00		\$25,000.00	\$0.00	
TOTAL FY2021	\$400,000.00	\$81,509.82	\$70,000.00	\$248,490.18	Using \$7,193.34 from Schools CNR funds to cover portion of contingency
TOTAL 2% FUND BALANCE	\$796,625.53	\$105,136.46	\$436,873.36	\$254,615.71	

* 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.

Risks				Opportunities			
Description	Projected - Low	Projected - High	Probability	Description	Projected - Low	Projected - High	Probability
Legal	TBD			Wages/Fringes (vacancies)	TBD		
TOTAL				TOTAL			
Total excluding Pension payouts							
Anticipated American Recoveries Act Grants (50% in FY21 & 50% in FY22):							
Town (FY21 - 50% payment)							
County (FY21 - 50% payment)							
FY21 & FY22 Anticipated amount							
FY22 Budgeted Revenue							
NET American Recoveries Act Available Revenue							