

TOWN OF BERLIN
REGULAR BOARD OF FINANCE MEETING
APRIL 19, 2022
John “Doc” McIntosh Conference Room or Remote Option
7:00 P.M.

<https://berlinct-gov.zoom.us/j/85998064862?pwd=cnFkU05WKzVZNGtlaG8xbk1QWkdIZz09>

Call-in Option:	1 929 205 6099 United States Toll
Meeting ID:	859 9806 4862
Passcode:	265723

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

D. PUBLIC COMMENTS

E. APPROVAL OF PRIOR MINUTES

March 8, 2022, Special Meeting
March 8, 2022, Special Joint Meeting
March 9, 2022, Budget Meeting
March 16, 2022, Budget Meeting
March 29, 2022, Budget Forum
March 29, 2022, Budget Hearing
March 29, 2022, Special Meeting

F. NEW BUSINESS

1. Discuss Economic Development branding awareness campaign – Chris Edge
2. Move to appropriate \$25,000 Justice Assistance Grant (JAG) to the Police Miscellaneous Equipment account in the Special Grants & Donations Fund.
3. Move to approve the resolution making certain findings with respect to completed capital projects and repealing remaining authorized but unissued debt and expenditure authority for such projects totaling \$979,352.
4. Discuss April 27th or 28th meeting for budget revision or to set the mill rate(s).
5. Finance Director update.

G. ADJOURNMENT

TOWN OF BERLIN
SPECIAL BOARD OF FINANCE MEETING
MARCH 8, 2022
John “Doc” McIntosh Conference Room
Remote Option
6:00 P.M.

<https://berlinct-gov.zoom.us/j/83388435720?pwd=eGdQb0NRL0x1WUJJb01SdzAwSWZPUT09>

Call-in Option:	1 929 205 6099 United States Toll
Meeting ID:	833 8843 5720
Passcode:	041649

A. CALL TO ORDER

Mr. Bordonaro called the meeting to order at 6:00 p.m.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

ATTENDANCE:

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, George Millerd, Gerald Paradis

Members Absent: Mark Holmes

Staff Present:

Kevin Delaney – Finance Director

D. PUBLIC COMMENTS

E. APPROVAL OF PRIOR MINUTES February 8, 2022, Regular Meeting

Mr. Grady moved to approve the February 8, 2022 Regular Meeting minutes

Seconded by Mr. Millerd.

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

Vote being 5-0. (MOTION CARRIED)

F. NEW BUSINESS

1. Move to appropriate \$600 from the sale of two old computer servers to the Police Computer Equipment account in the Capital Nonrecurring Fund.

Mr. Paradis moved to appropriate \$600 from the sale of two old computer servers to the Police Computer Equipment account in the Capital Nonrecurring Fund.

Seconded by Mr. Grady.

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

Vote being 5-0. (MOTION CARRIED)

Mr. Fernandes asked Finance Director Delaney if we are selling two computer servers to the Police Department? Finance Director Delaney said we had two old servers in the Police Department that were replaced and IT sold the old servers. We would like to take the money and appropriate it back to the Police computer equipment account.

2. Move to reappropriate \$4,000 of the Juvenile Review Board Grant from the Grants and Donation Fund to the General Fund.

Mr. Paradis moved to reappropriate \$4,000 of the Juvenile Review Board Grant from the Grants and Donation Fund to the General Fund.

Seconded by Mr. Grady.

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

Vote being 5-0. (MOTION CARRIED)

Mr. Paradis asked why reappropriate? Finance Director Delaney said we had originally appropriated the money to the grants and donation fund not knowing whether we would hire someone for social and youth services this fiscal year. They ultimately hired someone very quickly. We pay generally through the general fund, so reappropriating was done rather than splitting the payroll. The grant needs to be used in only this fiscal year, by moving the appropriation it just makes it administratively easier.

3. Move to appropriate \$35,000 from the Coronavirus Relief Funds (CRF) reimbursement to the police overtime expenditure account in the General Fund.

Mr. Paradis moved to appropriate \$35,000 from the Coronavirus Relief Funds (CRF) reimbursement to the police overtime expenditure account in the General Fund.

Seconded by Mr. Grady.

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

Vote being 5-0. (MOTION CARRIED)

4. Discuss American Rescue Plan (ARPA) grant funds Final Rule from the US Treasury.

Finance Director Delaney said at the last meeting we had an agenda item to appropriate the ARPA funds that remained after the \$700k that is included in this budget for the HVAC project at Willard. Just before we went forward, the U.S. Treasury issued the final rule on what the funds would be used for and as part of that, they created a new set up to ease the administration and allowed the lost revenue to be assumed to be at least \$10M, or up to \$10M. Not to exceed the amount we were originally allotted, which was a little over \$6M. What that means is we can characterize the entire grant as recovering from lost revenue and that money based on the guidance can be used for Government Services. Finance Director Delaney said on the first page of the motion, he listed some of the things, environmental remediation, general government administration, police, fire, other public services and this one in particular because they did specifically say including the purchase of fire trucks and these fields. That is now an option.

Finance Director Delaney still brought forward the motion, the Town Manager believes, and we believe the best use of these funds is still to fund the HVAC project at Willard. This would be the first school of the 3 elementary schools we've ever worked on. Willard was selected because it is the oldest system and it is the largest school and this will allow for benchmarking as we look at the other two schools. Also, the plan is, we are not going to be able to do this in the summer of 2022, as there are vendors and equipment to incorporate. The plan would be use about \$300k of the \$5.3M to hire a construction manager to guide us through this process. It is a substantial time. All of Public Building Commission's latest guidance shows this is probably going to cost \$15M-\$20M for the 3 schools collectively.

The Town Council wanted to consider a couple of things, one being the new information. Now there are additional uses available by counting it as lost revenue. Second, the Governor gave his budget proposal and his proposal is to spend \$90M on HVAC upgrades through state grant money. The \$90M sounds like it is a lot of money, but if you break it down very conservatively, you are probably talking \$1M or \$1.5M and the grant system looks to be a 50% match. So 50% lower, if the state is willing to give us \$1M or \$1.5M, we would love to take it and are always going to try to take that opportunity, but it is certainly not going to offset this project. Again, we think it is the appropriate thing, but Finance Director Delaney wanted to make sure the Board of Finance has the same information that Town Council has before the meeting.

Chairman Bordonaro asked if we would propose appropriating the whole thing to it? Finance Director Delaney said we would propose appropriating the whole thing to it. There are a couple of advantages, one it would allow for the April 30 reporting period for us, which is the first reporting period we have as a non-entitlement unit. That is for key, as it is the first time we would report to the U.S. Treasury on what we tend to do with the money. Finance Director Delaney would put \$700k under the lost revenue. To appropriate the balance of the money, Finance Director Delaney would put it under what is called the capital. There are a few different buckets with the intent of

using it for the HVAC System. We have until December 2024 to actually obligate the money and in December of 2026 to spend it. Finance Director Delaney thinks if the town wanted to do this and appropriate the money that would allow the project team to move forward hiring infrastructure managers and getting prepared. It is a longer process and the sooner we can select the vendor and order the materials, avoid delays hopefully, we will be able to take care of Willard next summer.

Mr. Millerd asked if there is date we are looking to do that by? There is somebody now pushing the legislature to develop air quality standards for schools, but who knows what will come out of that. Finance Director Delaney said the original air study was done 4 or 5 years ago and what the PBC did recently was put all 3 schools back out to have them re-done to make sure they meet current standards and everything is in compliance. Mr. Millerd added if the air filtration was better, he overheard someone saying there really are no air quality standards across the board that everyone agrees upon. Finance Director Delaney said the last part is probably fair and municipalities are clamoring for school construction money to try to at least move forward with the schools, but thinks we are going to see it in common with senior housing, assisted living, or hospitals in addition to schools. If the feeling after tonight is to do that, then we bring it back to the Town Council and Town Council appropriates the money. Then we will come back at the next meeting. This will certainly be a big topic because that is a major project, but this would help significantly from a financing standpoint. Mr. Grady said when we were looking originally at bonding the whole thing, the last time we talked this was \$10M. At the Town Council meeting it was \$15-\$20M. Finance Director Delaney said that is the latest that he heard from Town Engineer /Public Works Director Ahern and he is the best person to ask because being the liaison to the PBC. In talking through him, the latest number that he had given was about \$18M.

Mr. Paradis said when we first started talking about this, we thought it would be \$3M per school and anyone who thinks that we are doing ourselves a favor by putting these projects and other projects off, it is just not happening, the cost is going up. When Board of Finance had their joint meeting with Town Council, he thinks there were a lot of people on the Town Council side too that thought it was a good idea to do the schools. Mr. Paradis said it was a good idea then and it is a good thing now. Mr. Grady added that he thought it was a good idea, but the only thing that put him off was staring down at a 2-mill tax increase. If we had money to offset the tax increase then he would not have a problem with doing that. We might want to pull some of that money out to off-set tax increases. Mr. Bordonaro said he would hate to be in the same spot we were for this next year because using that money is a one-shot deal and then we've got to deal with that next year. Mr. Bordonaro wants to get to where we start getting a little leaner because we are going to end up doing it every year and don't think we want to do that. Mr. Fernandes said he agrees, no one wants a 2-mill rate increase. Mr. Grady said that is going to be rough right now and he is thinking if there are any options. We have to find a way to take \$1.3M off, but still leaves \$4M over. The state is looking for another grant for a community senior center and there is a likelihood of that coming at some point, but it is not approved yet.

Finance Director Delaney said the Board of Finance should take a few minutes at the next meeting to have Facilities Director Solek talk because the planning of what was put together for the study was not done necessarily with what the state would require for the grant. It is completely consistent with standards with state air quality standards, but the state tends to establish a lot more parameters. That doesn't mean there is more to that and how it was designed. Finance Director

Delaney added that we should probably be a little cautious because going after the grant next year, but ultimately delaying the projects.

5. Discussion and possible votes on FY23 General Fund and/or Berlin Water Control budgets.

Mr. Paradis said he heard that one of the projects the Board of Finance and Town Council will be talking about was \$5M for the Police Department and asked if that has been on the capital plan because he does not recall. The Board of Finance threw in money for jail cells, locker rooms and communications over the last 4 years now. Suddenly he is hearing \$5M more and saying where has this been on the priority list? Mr. Grady said it started off as a smaller project. As he understands it, the police accountability law that was passed also puts standards in for the police departments themselves and they had to go in and modify a bunch of the stuff. It significantly raised the cost of a lot of the project. Finance Director Delaney said that is true and Architect Brian Humes from Jacunski Humes Architects LLC spoke to that at the Town Council meeting. Architect Humes has designed probably about 30 police departments around the state. It has always been referred to as the gray box, the bottom of the capital plan is the gray area. These were the major new initiatives, senior center, police station either renovation or build. These were the major items where we said there's no way staff is going to be able to tell Board of Finance, Town Council how much it is going to cost, or what we should be doing with these initiatives vs. say we need this boiler at schools and their existing costs.

Finance Director Delaney added that we put in a soft interview room, off the lobby for when somebody comes in as a victim of a crime, they have this secure area and provide information there. We took a portion of the records room area and created a soft interview room which allows privacy for those in there. Also, a hard interview room. We have done the police radio system and renovated the whole dispatcher area and of course the jail cell area. All of those will be in place and this will continue that process to build on it. Obviously at a much higher degree, because the next item that is really essential is locker rooms. The locker rooms themselves are completely inadequate. The locker rooms are about 24 inches wide, they have ventilation, a drawer and storage for boots and other things underneath. The locker rooms today are basically the equivalent of a middle school locker room. Mr. Fernandes said what if we were to hire another female police officer? Finance Director Delaney said we don't have anything more for female locker room space. Mr. Paradis asked if we haven't appropriated anything for locker rooms? Finance Director Delaney said nothing, there wasn't even an air conditioning unit up until 2 years ago. The female officer's locker room had air conditioning and that space is roughly the size of a conference room, but the men's locker room had no air conditioning. We can't add another female officer, they have taken the entire dispatch groups storage space and put them in cubbies in the hallways to make room for the last 2 female police officers that we had hired. The locker room piece has been essentially always the next one on the docket. Mr. Fernandes asked if the \$5M is to expand the renovations? Mr. Grady added the renovations are in 3 phases. The first phase is the locker room area, it is the biggest part of the whole thing, it extends down into the storage area of Board of Education and that was \$2.8M. Then there is the center section in the middle and a little bit around the outside, some of that area. The detective area was included in that. The third area is the carport for the cruisers. Mr. Paradis asked if the gun range is still being used? Mr. Grady said no, it disappears, it was not being used anyways. Mr. Fernandes asked with \$5M, how much time

does it buy? Finance Director Delaney said Architect Humes said that is a 20-year investment. Mr. Grady said it was a really good presentation and the police station design is considerably larger than it is today, almost doubles the size. The police station has been inadequate for quite a number of years. Right now we have one sally port in the back, this would have two on the back side near Board of Education and it goes to the booking room and would create an entrance for the public to enter. So there would be a room the public would come into, right now if they want to attend a Police Commission meeting, the public must go all the way to the back corner conference room and walk through the police station to get there, it is not a secure. The sally port is used for when you arrest someone and bring them in, if they were to overwhelm the officer they are contained. We have one in the back currently, it has not been standard in years. Mr. Fernandes said he feels we wasted money in the past on jail cells. Mr. Grady added they have been full. Also, Mr. Grady recommended that everyone go back to the last Town Council meeting video and watch Architect Humes presentation on the police station, it was excellent. Finance Director Delaney added that the PBC proceeded Architect Humes presentation and he broke it into 3 different colors so you could see what phases and where they would affect things. That is \$5.2M with some contingencies.

One of the open questions was what to do with the Board of Education storage materials? Within that storage area, you typically think it is something that would be accessed maybe once or twice a year, but subsequently the Board of Ed uses that. There are special education files, it is all locked up, they are secured, but they reference them 2-3 times a day. So you will have to figure out what to do with those files and where do they go and it is an open question, how does using that space impact the Board of Education? Mr. Paradis asked if we have these big presentations on significant items, it would be helpful if someone would give the Board of Finance a heads up to say there is going to be a presentation on this, or the community center when it happens so they don't have to do it twice. Mr. Grady added that it is helpful to have the videos to play back later, as the presentation was only 20 minutes of the Town Council meeting.

Mr. Fernandes said it is \$5.2M plus whatever Board of Education stuff? Finance Director Delaney said yes.

6. Finance Director update.

Finance Director Delaney said he thinks the Town of Berlin is doing very well, the tax collection rate is solid. We are staying within balance on expenditures. We are seeing a little bit related to storms. VNA is slightly over at about \$500k over the budget, usually the productivity is absorbed in other areas. Nothing is really unusual so Finance Director Delaney thinks we are going to finish the year pretty solid.

Chairman Bordonaro asked about the motor vehicle tax. Finance Director Delaney said part of what happened is last month we ended the January 31 piece with a monthly settlement of about \$2M on that day, it was a substantial piece. They are in good shape and the taxpayers. Mr. Paradis asked if the VNA had anything in actual revenues to date, rethinking for next year? Finance Director Delaney said not at this point, but we are looking at everything closely.

G. ADJOURNMENT

Mr. Paradis moved to adjourn at 6:33 p.m.

Seconded by Mr. Grady.

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

Vote being 5-0

Submitted by,
Alina Brown

Join Zoom Meeting

<https://berlinct-gov.zoom.us/j/83128485822?pwd=aDBMTmdDbG95d0ZJS0M0ZlIKcFJQZz09>

Meeting ID: 831 2848 5822

Passcode: 460865

Call in

1 929 205 6099 US (New York)

SPECIAL JOINT MEETING
TOWN COUNCIL
AND
BOARD OF FINANCE
Board of Education Conference Room
Tuesday, March 8, 2022
7:00 PM

A. Call To Order

Mayor Kaczynski called the meeting to order at 7:01 p.m.

Attendance:

Town Council Members Present: Jack Fazzino, Brendan Luddy, Charles Paonessa, Peter Rosso, Mike Urrunaga, Donna Veach

Town Council Members Absent: None

Board of Finance Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, George Millerd, Gerald Paradis

Board of Finance Members Absent: Mark Holmes

Staff Present:

Mark Kaczynski – Mayor

Arosha Jayawickrema – Town Manager

Kevin Delaney – Finance Director

Chris Ciuci – Deputy Chief of Police

Kate Wall – Town Clerk

Michael Ahern – Town Engineer and Public Works Director

Doug Solek – Facilities Director

B. Pledge Of Allegiance

C. General Discussion concerning Capital And Bonding Strategic Plan

Finance Director Delaney said the multi-page capital plan was whittled down into a one-page document for review and the focus is just on the areas identified at this stage for bonding looking out over the next 5 years, FY23-FY27. Then the remaining 6-10 years aggregated together. For FY23 the proposal as of right now is not to bond anything. Total Existing, is the existing capital plan and the next section is Potential New Items. These are a number of larger items, some of which have been costed out and some are to be determined. As we look in the existing in FY23, one item was identified that was tabled for the Town Council meeting and we discussed it at the Board of Finance meeting, was using the ARPA grant to move forward with at least substantial funding towards the HVAC upgrades at Willard school.

Moving across on the existing, the next items are Town Hall and Library roofs, so replacing those. It has been a number of years and over the last couple of years we have appropriated money to replace leaking roofs. We are trying to get ahead of that especially because of the damage and health matters that could happen at the library, town hall with so much public going through. The \$950k is the 4th of the 4 vehicles that were identified on the fire department strategy plan. We already have one that is due this month or next and two more were ordered with savings appropriations. Those are on order and this would be the 4th. Also, looking out in FY24, the idea would be to either do Griswold or Hubbard, but not both. It is one or the other, but the determination would be there and that \$5M is a placeholder right now for each of those.

Looking out a little bit further there is the library community center chiller, replacing that and doing work on Paper Goods Pond dam. There was some dam work done a few years ago. This would be the other dam in town. Over the next two years from there, looking at the pool buildings for Percival and East Berlin. The senior center roof is a little bit further out because obviously there is a big question mark as to whether we will be in that senior center, given the community senior center work that is undergoing right now. Then you start to get into the boilers and windows at the different schools. The high school is not on the list for work. That was already done with the major renovation project. Then as we get out to FY28, the next 5 years, those are kind of lumped together. Because it is a challenge to say where you'll be in 5 plus years. There are obviously some unknowns out there, but we start to look at again resurrecting the fire vehicles in the next cycle of replacements. During that period as well, as we are 3 years into Scalise, by that point we will be in the neighborhood of 13 years of having the turf and it is 10 to 15 years normal expected life. Scalise will start to come back around. That is sort of the existing, what we looked at from the existing capital plan. From a staff standpoint we don't project out in the actual capital plan major new items like community center or new police station. Those are major endeavors that the town would need to have substantial input on. These are really the major capital bonded items, those identified for bonding of existing.

Getting out of the potential new, we have the police station renovations. The \$5.2M is off of the presentation Architect Humes did at the last Town Council meeting. Along with that, it would move the Board of Education storage area. There is a TBD as to what is the impact of both Board of Education to move and replace that storage area at another location, as well as potential

town impact because it is projected to go into the food pantry area downstairs as well. The Community senior center, when we met there was a lot of talk about \$36M being the number there and then a discussion about that number potentially being closer to \$40M as you get out to when the construction would happen. It is split over 2 years because it is expected to take a period of time so the bonding would be roughly split evenly. That would be determined based on how we expect the project to progress. Then there are some other items that have been discussed, whether they would be approved, they are on here for making awareness. One is discussion about golf clubhouse either renovation or new at Timberlin Golf Course. Also, portable classrooms at Griswold and roads. There is a StreetScan study that Town Engineer and Public Works Director Ahern is initiating and from that we would be able to identify the roads that need considerable work and there could be bonding requests from there. The town has 37 bridges and a lot of work has been done. We are trying to roll bridges so that as we complete one and are reimbursed, that money rolls to the next one to avoid, or at least minimize bonding, so that is why the TBD at end of year is out there.

The next section is trying to give everybody an impact based on the current grand list. One mill is \$2,438,139, so assuming if we borrow, for every million dollars we borrow and a 5% interest rate. If you borrow for 10 years it is worth about .055 mills. If you borrow \$10M that is about half a mill increase in isolation not absolutely retiring other debt or anything else, but in isolation. The last piece at the bottom is pulled from the town charter. What is required if we do seek to bond \$5M or more. There is an automatic referendum that needs to be held.

The next two pages, the first one is from the budget and looks at existing debt no new borrowing, where will we be. The town has done a great job of paying down considerable debt over the last several years and is on track to be targeted as a \$40M ceiling. The debt ceiling is designed to get the town to a position where within an operating budget, about 4% of the operating budget would go to debt service, so that is where the \$40M is and it is considered to be sort of a ceiling. That is your sweet spot of where you would ideally want to be at a peak. The town is progressing there quite nicely.

The next page looks at if these existing items and the new items that have been quantified will be put in there and where your numbers would fall. If you were to do this and borrow at the pace that is outlined on the first page, you would peak out in fiscal year 2024, so the next budget cycle at just over \$125M. Then begin to come back down on the idea that we are going to continue to retire some of that debt. Debt service would represent a pretty substantial amount of your budget at that point. It is trying to give you a picture of where the debt load would be if everything on the front-page summary was done. This is not a proposal to do those things, but at least an opportunity to make everybody aware and start the conversation.

Mayor Kaczynski said we have a lot of projects on hand and we have accomplished a lot of projects over the last few years. There are some important ones here, but we also have difficult times for everyone in the town today, in the state, the country and the world unfortunately. No one knows what will happen next, but hopefully we are past the worst of COVID. The town has come through things very well compared to a lot of places. We've done a good job and funded a lot of projects. We've fixed a lot of roads and bridges and given a lot of good increases to the Board of Education to bring them up to a nice point. If you look at the charts and for per pupil

spending. They are higher than almost everybody in the surrounding area. Glastonbury was a couple hundred higher than Berlin and that is one of the measures that they use. Mayor Kaczynski asked each Town Council member to speak and see if they can work through some of these things. Local government is one place that we could impact our town, residents, students, seniors and really accomplish and get things done, but also be responsible. Mayor Kaczynski said the debt was very high when he first took office, dangerously high per the auditors and not where it should be, which is around a \$40M budget. We are getting there and working through it. We've been responsible, but there's more things that the town needs and wants. We have done a pretty good job of funding most of the projects in town up to this point. We've been buying vehicles, buying fire trucks. There were some legacy issues that were left, we bought 7 new trucks in total so that was a big expense. Public Safety, we replaced the fire and police radio which were inoperable almost, so we have done a lot in the last few years. There is always more to do.

Mayor Kaczynski added that we have the school budget and also the police station, there are some good renovations that are on tap to be done and need to be done with the police accountability bill. The price is a little bit higher than some of us thought, but compared to a new police station that is pretty reasonable. The HVAC system has been on-tap for a long time, starting with Willard. The Community Center we talked about, as soon as the advisory group finishes stuff up hopefully in a month or so we will get that to the Town Council and have some more discussion on that. That is probably at least a \$40M bond, which would put us well over what we started with 6 years ago, which is not a good place to be, but we will see what happens. There are options there. The portable classrooms, we toured the school a few weeks ago and it is obvious that portable classrooms are past their useful life and we have to figure out what to do with those, either get rid of them, replace them, or figure out some other things. Also, the roads and bridges and upgrading things which need upgrading at town hall. Being responsible during those 2 years without a tax increase for residents was important. Mayor Kaczynski said if we could do it, do a very minimal tax increase and if no tax increase can occur that would be great. There is some room to accomplish that and the Board of Finance has a lot of work to do with that, as does Town Council. The only way we can help folks is to do the best we can with our budget and watch their pockets the best we can. Also, we are re-visiting a new pension plan for the police department. That would not hurt our finances too much, a little bit, but it should be pretty neutral switching from a 401k to a pension plan, but we still have to discuss that and we are studying that, if it becomes a retention problem. We are finding out it is a recruitment problem and the first question asked is about a pension plan, that speaks volumes. Most of the Police Departments in the state have pension plans. Mayor Kaczynski added there are some ways we could work in this budget and get to that zero-tax increase. It would be nice do that for our residents.

Chairman Bordonaro said it is great to lay something out like this so we know what we are up against. Looking at the last chart, we definitely don't want to get back to the same level that we were a few years ago with the \$107M. We need to look at the highest risk areas and what are our priorities for the town. The police station needs lockers and other things, but if you look at things incrementally. Chairman Bordonaro would be okay with some funding to do some of these projects, but clearly taking on a \$40M loan this early in the stage is really difficult from the

Board of Finance view. The other stuff we can probably work with, but we would have to look at it. Responsible borrowing is needed for things that are long term.

Chairman Luddy said he liked that Finance Director Delaney highlighted some of the bigger projects out there. We are a small town with a lot of buildings, so we have a lot of recurring things that have to get done. Some of the things that crept out here and that were never seen before was the window replacements projects. That is something new. Also, the boilers are creeping up on there even though they are down the line and of course Scalise Field which we just had done and all of a sudden we are starting to think about that already. Chairman Luddy said he is in line with what Mayor Kaczynski and Chairman Bordonaro said, we can work through some of these things and get us to 2026 before we start thinking of another major project.

Mr. Grady said we had 2 years of COVID and it was tough on people. The current gas prices are going to affect food prices and heating oil. It is out of control and we can't come back and hit the people now with a tax increase. Mr. Grady said he has taken a 90 degree change in how he feels about this. We are going to have to figure something out.

Councilor Paonessa said the chart puts things in perspective and we have to decide what the priority is. This is going to be a crazy year, construction quotes are only being held for 10 days in his business and parts are exponentially higher. The police station proposal is the most logical and economical he's seen around Town Council for a long, long time. With the iteration from a brand new building, all kinds of ideas. Mr. Paonessa said he's a big fan of re-use and saving the environment. This helps to reuse an existing building and thinks it is a great plan all the way around and would like to see that go forward, but at the same time he does not like to spend money. Somewhere we are going to have to. Mr. Paonessa added that he does not know what the school ventilation HVAC project will cost, he has heard \$20M, but does not know especially the way prices have been changing, but hopes it will generate some more state funding. Also, we have to hold the line on a tax increase because people are really getting whacked. Hopefully we can move forward with a couple of projects.

Mr. Millerd had a couple of questions and comments. Was there any cost benefit analysis done on the windows and boiler, whether timing of these would have an impact? A 20-30 year old furnace is not very efficient. Are there potential large cost savings with the boilers? Same with windows, technology has changed a lot. Facilities Director Solek said looking at the life cycle of the boilers we are able to put that out a little further compared to new technology the savings on electricity is incremental and it is less of a priority. The biggest factor for the HVAC is the energy consumed during the summer months compared to what we would save. Certainly the windows when its colder or hotter out, you use more energy. We have seen that impact over the last few years in our bills. It is certainly something that you want to do for the building, but it is not as high as the mechanical performance of the building.

Mr. Millerd said in regards to holding the line, the line is not even held no matter what we do. We can have a zero mill increase, but the line is not held because of the motor vehicle implications that are out there. Mr. Millerd's said he is receiving an equivalent 2 mill tax increase on his motor vehicles and property tax. Also, where is this 29-mill thing heading and if

it has any chance passing legislature? Would they use last year's figures for figuring out the reimbursement, 29 mills on last year's assessment which would be great for the taxpayers, but that is all baked into the grand list increase from the new numbers. Commissioner Veach said I don't think we know quite honestly, there are several pieces that were looking good in terms of grants available for school construction, HVAC in particular. Something was sent over today to bonding for the pump station. Commissioner Veach received something from Senator Lopes that said we are not sure where we are going with any of this right now, but he will put it through. Things are not looking good right now, they have a big problem with school construction which of course is all over the news. If you think that is just going to disappear, it has got to come from somewhere. So to answer Mr. Millerd's question, Commissioner Veach said she wishes that she had an answer, but she doesn't have an answer and they don't know to be quite honest.

Finance Director Delaney added that Mr. Millerd is right, the motor vehicle is embedded within the grants. Finance Director Delaney said he thinks the reference to prior year was in the calculation of the state grant, so if they do establish a 29 mill increase. The Governor, along with that proposal, OPM produced a run by every town as to what would be a grant provided to the town to help offset the impact of going to the lower mill rate, as for example today, the motor vehicle is 33.93. If we drop that to 29 because of state law, that is money on all the motor vehicle grand list value that is lost by the town. The problem you have is because there is such a growth in the motor vehicle this year as compared to last year, the grant does have a substantial offset, but it would leave a gap and that gap effectively, assuming no spending no spending difference when you do the budget, would have to shift to real estate and personal property. Mr. Millerd said if they do this, we want to fund the budget as it has been requested and we actually need more than \$2M, because there is a gap, not a lot, but we would not have enough to fund it. Finance Director Delaney said that you end up with is a greater than 2 mill number for real estate and personal property and then a reduction in motor vehicle.

Commissioner Veach said Finance Director Delaney's 2-page summary was easy to follow and thanked him for that. Obviously, we have many priorities that we can and can't do. There has got to be give and take clearly, because we just can't do all of this. Commissioner Veach thinks the police station is certainly a priority and the presentation they gave to Town Council was very good. Perhaps there are some things that we could live without in that to bring it down to a more affordable scenario. We just had the first go around of it last week so it was refreshing to see some of those changes and some of them are going to go back to the police accountability law that are required in terms of certain education pieces they have to do. We have to bring our police officers up to snuff and have the best of the best. As far as education for the children goes, mental health is a huge issue and the state is talking about it a lot and Commissioner Veach said I think there will be some additional funding that comes through from the state, but does not know when or how much, but is hoping we will get some funding. There was a legislative informational session held yesterday, Commissioner Veach left a copy for Town Manager Jayawickrema to share with Town Council and Board of Finance. It is on school construction grants and reviews and how they are going to proceed going forward. Its informational and Commissioner Veach doesn't think they know what they are going to do with some of this because there is so much that needs to be done, even from the state level, it's not just us. We are coming out of a pandemic like we have never seen before, there is war that is surging across in Europe, the price of gas is through the roof and will continue. The trickle out and around is just

going to be earth shattering. Commissioner Veach thinks there will be some additional funding come through but does not know how much and hopefully we can use it for maybe some of these programs in terms of education, HVAC, but would like to think that there will be some funding that is available.

The other piece, it is a minimal ask, but we just can't fund everything, and we need to tweak. Education is a priority, there is no question, but maybe what we need to do is take a look and try to shift into some other areas within the education budget. Commissioner Veach thinks there will be some money coming from mental health too. The pump station was applied for today, Economic Development Coordinator Mahoney did that. Hopefully we will be able to apply some additional grants. When and if we look at this window replacement at the schools, there should be some energy assistance grants that might be available for that. Economic Development Coordinator Mahoney would know that and look into that. When and if we get to that point. There are incentives, write-off's whatever.

Mr. Fernandes said public safety is number one, if you have seen the police station, you can't unsee it. Also, if we cut the teachers that would be a big disservice. Mr. Urrunaga said he echoes the concerns in some of the issues that we are having with the way prices are going. The one thing that I did want to point out is when you look at the budget to try and figure out what to pay for and how we do things. We all know that we have a hard time agreeing on doing certain projects and figure out where we are going to spend our money. When we agreed to pay for the HVAC, with the COVID spending, Mr. Urrunaga thinks it is a good project to spend it on. Ultimately we will have to decide where that money is going to go, but because we all sat down to figure out that is something we would want to use that money for. It is a project that has long been in the running and it is something that we should kind of commit to. Secondly, I understand the need for budgets and not hitting the towns people with extra money and extra taxes, that type of thing and completely understand that. Who wants to pay extra taxes? Not me, that is for sure, but we also have to understand that if we don't fund contracts with the town, namely with teachers and people that work in the town hall, we will be putting people out of work in an economy like this and that is not something that Commissioner Urrunaga wants to do. That is something we all need to consider when we are looking at these budgets. If we are not going to fund positions and people that are working currently in town. Those are things to consider when looking at the numbers and the budget.

Mr. Paradis said he had a couple questions with the different variables. Was the \$90M program for school construction a competitive type of grant or using an allocation? The one that the Governor just talked about. Commissioner Veach said that is going to be a competitive and they are not going to be able to do everybody's project. We were told this news about a week ago and a half ago that he was introducing this and we have clearly shown interest, talked about it and even thought about maybe trying to shift some of that ARPA money to do other stuff, if we were eligible for that HVAC money. There are no promises. Mr. Paradis added that is an important consideration, but no guarantees. Commissioner Veach said even with the bonding grant that we just put in for the pump station, it is a thank you, we will put it in and it is one of your priorities, but there are no promises. Also, we have to match whatever that project is costing us, it is a 50% match.

Mr. Paradis also asked about some mentions of the police accountability act and the relationship to this project and what costs specifically in this \$5M project are being addressed by the rules of accountability? Deputy Chief of Police Ciuci said there is training, with different trainings and all the laws that have changed. We don't have adequate space at our facility and do not have a training room, so this renovation plan addresses that with multi-purpose community rooms similar to the Board of Education conference room space. That can be used for training and to host training, commission meetings. The current conference room for police commission meetings is very tiny without a caucus room area, things like that. Also, one of the things that we want to do more of is the community engagement piece and that training multi-purpose room will help us do that, citizen police academies, open houses and allowing members of the community to utilize that space for birthday parties or other events that they want to do at the police department. Finance Director Delaney said when Architect Humes was presenting he mentioned the second sally port and safety for both prisoners and the officers. Is that police accountability? Deputy Chief Ciuci said I don't think the accountability, he was speaking to accreditation standards and things like that, so there are standards applicable to our holding facility. Officer safety wise, I think Architect Humes was talking about that is a huge concern, but if you pull a car into the sally port and try to get a prisoner out of the car, there is no room especially if they are fighting and it is dangerous. The dual sally ports address that. It was a unique opportunity with the Board of Education giving us that space. We have been talking about locker room renovations for years and we can't renovate where the locker rooms are now, so because the Board of Education gave us that space where the locker room can be moved. Architect Humes did a fantastic job utilizing the remainder of these spaces to address the training room, bureaus and lumping offices by divisions so our investigations are all in one area now and not split off throughout the department. Deputy Chief Ciuci thinks we are getting a lot of bang for our buck and knows it is not cheap, but compared to where we were \$21M a few years ago and this is not a stop gap. Architect Humes said this is a 20 plus year solution for us. There are a lot of competing interests going on here, but if there is any way we can finally move this one past the goal poles, it is going to help us with our recruiting and retention. Mr. Paradis said we have been talking about locker rooms since he got on the Board of Finance, 4 years ago. In piecemeal we did the communications, jail cells, meeting rooms and then started talking about locker rooms, which I was surprised to see a \$5M number. Mr. Paradis said he will have to do his homework and look at what the specifics are. Commissioner Veach added that Architect Humes did break it out in terms of over a period of years so it is not all a one-time thing. It would be spread out over fiscal years. Mr. Paradis asked if anyone knows if there is a police accountability act on that, or any grants available? Commissioner Veach said there are a lot of unfunded mandates. Mr. Paradis added when we had our first joint meeting in January or December, there was a lot of support for the ARPA grant and HVAC systems. It was a good idea then and I still think it is a good idea, to take that money and use it towards something that would otherwise be funded to get more payback.

Mr. Fernandes asked if host training means we would charge other towns for training here? Deputy Chief Ciuci said a lot of times what happens is you are a host agency, you get free seats for the training and everyone else would pay the outside agencies that are coming into your training. We don't have space to do that, so we are the ones that are paying to attend. The other agencies are getting it for free.

Commissioner Fazzino said this is obviously a lot of hard work, with this being his first budget process. It has been very eye opening to see how much work goes into it and Town Manager Jayawickrema for taking the Town Council on all the tours in the facilities. Also, Finance Director Delaney has spent a lot of long nights in this and Town Manager and Public Works Director Ahern and Facilities Director Solek as well. Commissioner Fazzino said having the visuals of this is where our budget money goes to was probably the most helpful part of the process for me. So starting back in December, seeing the police department with their open house was extremely helpful because in the presentation last week when they were speaking about the sally port expansion, I had been in that sally port before. It is very tight and fortunately the door was open, but it is getting a sense for what facilities we are working with right now and what our needs are long term. That was extremely useful as kind of a touchstone for me. Likewise with Town Manager Jayawickrema organizing school tours and talking through some of the long-term issues that need to be addressed in the next couple of years, that was great as well. Commissioner Fazzino said the one thing on his mind right now is something that has been addressed a couple of times in Town Council meetings, it is having that long term vision for setting priorities for not even just thinking in terms of this fiscal year, but two, three fiscal years from now. It is just kind of boiling it down to what my priorities are and what I think a lot of our priorities are. Just taking it all into context in terms of what are the institutions that have been most intimately impacted by the last two years. Public safety and education are really the two things that go hand in hand in a community. It is what makes our particular community extremely attractive to a lot of people. We want safe streets and good schools. Those two particular institutions are being addressed to the extent that they should be addresses, but thinking with the mentality of with some of these projects, if you don't address them with some degree of urgency and immediacy, we run the risk that it is going to get more expensive later on. You've seen this with the HVAC project, the cost looked a lot more favorable a couple of months ago, then it does now. Commissioner Fazzino said he thinks having those funds in hand at least to address it on a very conservative level starting with Willard School seems like a responsible option and is looking forward to learning more about the additional projects. The senior community has also been intimately impacted by COVID especially and just having that population in mind as we have the conversation about that and what those needs are obviously is important too.

Commissioner Rosso said he is most concerned with the school and we have to make a determination. Town Manager Jayawickrema said as Commissioner Urrunaga stated, nobody wants to pay higher taxes and this will be the 3rd year that we hold the line on taxes. The fear is that at the same time when we are reducing the debt service, we have not added anything to the annual capital replacement budget, \$300M in capital. Ideally, we should have at least 1% or \$3M in capital and build that gradually. You can knock out the police station in 2 -3 years. For every year that you pick something, a boiler, chiller, roof, you have to \$3M at least. Just a 2% increase in the Board of Education and a 2% in the town, you will see what it does to the mill rate. Town Manager Jayawickrema just worries that by pushing some of these we may have to go out and borrow more. Also, one of the things we have not talked about is what is it that you want to take off the table? Mr. Millerd spoke about motor vehicle, even if you don't increase the numbers, you are paying more same. That is the same way with the town, we are paying more for items such as gasoline, electricity, insurance coverage, grass seed and fertilizer. Something has to be taken off, we can't do everything. Are there things that are not as important that we

have to take off completely? Commissioner Veach said she suggests visiting the things that are on the table and see if there are areas within those proposals that can be reduced or eliminated. We need to start there as opposed to eliminating one whole thing. Town Mayor Jayawickrema added that incremental budgeting from one to another, you are assuming your base is correct. It would be good to set some parameters to say your funding needs to be compared to your peers at a certain level, whether it is the median or 50th percentile. You can't get there overnight, but by planning for it you know where you stand. Chairman Bordonaro added that we did have an increase in the grand list because of revenue and we should do both sides to display in the same one we are looking at, costs associated with bonding. We should do a 5-7% projection of how our grand list is going to grow. It was close to 3% growth. We used \$1.2M of funds leftover from the high school last year and used some of the rescue funds, so we used almost \$2M for us to get to the zero rate and that was a one-shot deal, so we are trying to make that up this year. We are already \$2M short. We should be focusing on the \$300M that we have to sustain or maintain and have to look really hard to get to a reasonable level. Chairman Bordonaro said he told the Board of Education they have to sharpen their pencil on something and frankly did not get anywhere. They have to look deep and say how are we going to contribute, because we can't go with those kinds of increases. They had surplus from the last few years, one year they did not spend \$1M of the Open Choice grant funds because they did not need it. We want to have a high quality education system, but have to dig deep a little.

Finance Director Delaney said one of the things is you evaluate where you are and what you are doing and sometimes to grow in one area, you decline or exit another area, a market or product. Berlin has some great assets and investments. The community senior center is beautiful and the police station looks fantastic, but ask yourself are there any assets the town has that are maybe not what the town wants to be in, or dealing with, as you look forward. Director Delaney said there are 3 to put on the table, but he is not saying do it, or don't do it. We talked about education and public safety being essential, but do we want to continue to own Berlin Water Control and own our own water and sewer? Other communities have sold theirs. Avon Water Company had the largest water source in the state and sold it. It is an option and a one-time element if you are looking to avoid bonding, but accomplish some of these, that is something to consider. These companies that own them privately, or companies like MDC are charging money and investing in their capital revenue because that is all they do. Second one to consider would be Pistol Creek. A few years back the town took a \$3.5M taxable piece of property off the tax rolls and spent \$5.5M to buy it, which we are still paying on. It is a great facility, used for a number of purposes and a lot of passive recreation. It is a wonderful spot, but the town is not only paying for that, we are foregoing potential tax revenue there. We could consider trading that out for something that we have. The third one is does the town want to be in the municipal golf business? Are there things the town is in that maybe you want to get out of for the benefit of other things that going forward are more appealing. Just something to consider as an alternative. If we wanted to remove the VNA that would be charter provision with a lot of signatures, the other is 2/3 of the authorizing body, so if 5 of the 7 Town Council members said we want to call a charter revision, you can call the charter revision and put it out there. The VNA is in the charter and responsible for the VNA Administrators and the school nurses, so it is dual. Mr. Millerd said he was on the charter revision commission and we were not actually trying to get rid of the VNA per se, but the subtle wording in the VNA says thou shall do this, thou shall do that. If you worded it differently to you can do this, that subtle change would give

you a lot more flexibility. Most people who walk into a hospital don't know that the VNA is available to them. Mayor Kaczynski added that with the VNA you have to realize that because we have the VNA worded as it is in the charter, we do have state statutes that apply to it as well. We have to be careful what charter change is made because it would violate the state statute since we have that entity already. Unfortunately, it is not as simple as us just changing the language. It is a very difficult road. Mr. Paradis added that not that many years ago there were probably 50 or 60 municipal VNA's, now there are 2, so it is not impossible to get rid of them. To look at it, I'm sure they do great work, but is this something that should be provided, or must be provided by the town, and in my mind it is not. In our case, I do not think the townspeople understand there is a \$800k-\$900k budget gap that it creates every year. Mr. Paradis said we are really talking about looking long range and encourage the Town Council to call for a charter revision commission. There are other things within our governmental setup that also need addressing. Those things take quite a bit of time to accomplish too.

Mayor Kaczynski said one thing everyone mentioned was a plan. I think we have a plan, the plan was certainly to pay our debt down and by paying our debt down obviously it frees up more money from the budget, because the debt payment goes down. Every year we had this whole debt payment here of \$6M or \$7M, it was \$8M before. That is a lot of money to fund a lot of things. That is the plan we are working forward to which will free up some money and everybody understands that we are still funding things that are important to the town and thinks we made a lot of improvements. We are also saddled with pension debt which was a huge chunk of money, millions of dollars to buyout people that were retiring under the old plan. That is the plan that the town had went with, but we are stuck with it, not being funded for many years. It was 12-15 years to get to that amount of debt and not fix things, you can't get out of it in 6 years or 8 years, a few more and we will almost be out of it. That is the plan and we are working on it. The 3 schools are now \$15M-\$20M, so that was kind of astounding for that. Also, the public will write letters that we are cutting the education budget, but we have never cut their budget and can't cut their budget for state statute. We have always given it a much higher increase than it needed under statute to keep it running. We lowered the increase they asked for, as with the town budget. Everybody still receives increases, it just the degree of the increase. Mayor Kaczynski asked everyone to educate the public and continue educating the public. Berlin is a great town and it is doing well, but it is difficult times. No one wants to see the schools falter and they haven't, they have grown. We have raised them up to where they are very competitive. Not everyone is going to agree on things, but at least conceptually agree and go forward and do the best we can. We are headed in the right direction as far as how we run the town and what gets fixed in the town. There is \$100M of investment in the town over the last 5 years and we created 790 jobs. The Board of Finance has some work to do and the Town Council should dig into the budget.

Commissioner Rosso said I think we are getting close to being too late to get something on the ballot in November for the charter. Town Clerk Wall said that some changes are very quick and others are very intense, but the issue is you have to have some hearings, some meetings, especially with this election the questions have to be formalized and set by the beginning of September for the questions for the ballot for November. So it is a very tight window that I don't know if I can knock it out for you, but would suggest if you want to do charter revisions, is to maybe start now and know that it will go on the missed election if that is what you want. There

will be a much bigger turnout during the governor's election. Mr. Millerd added that you do it as open ended. Town Clerk Wall said you can suggest that these are the target areas. Mr. Grady asked if we had something targeted could we have this by November? Do one or two changes and that is it. Town Clerk Wall will check the calendars and speak with Town Attorney Donofrio.

Commissioner Paonessa asked if selling an asset requires a charter change? Finance Director Delaney said no he doesn't think so, but it depends on what the asset is. Those are all options that the town can consider and not being promoted to sell off. Mayor Kaczynski added it hard to get everyone's opinion on what they really want. Town Manager Jayawickrema asked if we have consensus on doing the police station and the HVAC project? Mayor Kaczynski said he things next years budget, FY23. Commissioner Paonessa asked if you avoid the referendum that way? Finance Director Delaney said yes, doing that you would be automatic. If you chose to bond it you could look at the fund balance, or look at a combination of that. A question for the next Board of Finance meeting is what is the best way to do that. If it is bonding, we need to add debt service to the next budget, that is not embedded in there. If you go a different direction, there may be other ways to do it. Chairman Bordonaro said he would like a little more information on the police station and it is necessary to upgrade those areas. Commissioner Fazzino said it doesn't seem like there is a fixed deadline before figuring out the timetable for the police station. We would like to do this sooner. Commissioner Veach said the project contingency is 15% and good for 6 months. Chairman Bordonaro requested a copy of the presentation. Town Clerk Wall said she would email the link and the minutes. Town Engineer and Public Works Director Ahern said he can send the whole package as well, the needs assessment, the actual plans, the phasing and the process taken. But I encourage you to watch if you haven't seen the actual presentation, Architect Humes goes in to how the phasing works and actually has pictures and a diagram. It is actually pretty well done. Commissioner Veach added it is late summer of 2022 in terms of the start. Town Manager Jayawickrema said he recommends doing phase 1 now and a year later do phase 2. Commissioner Fazzino said it is prioritizing officer safety, especially if there are standards. Finance Director Delaney added if your project costs a certain amount of money, then that may be where the ordinance has to land. Phasing it in is how you go about spending that money, so if the project is \$5.2M, that would be an automatic referendum, which would require putting it on the November. Which would be the first time before you do anything. It would require approval from the voters to be able to move forward. That is if the ordinance has to encompass the whole project. Town Clerk Wall said it has never been done that she knows of, that you have an ordinance that, maybe changes are done periodically, but other towns such as Wallingford where Town Clerk Wall had worked before, do it piece meal saying here is an ordinance for \$1M for study and design of a new high school. Then they would go in 2 years later and say now we need \$10M, whatever it is. They did it in segments. That is not anything that Berlin has done here. When you change the charter where you have that \$5M cap before you go to referendum. We have to talk to Town Attorney Donofrio, but Town Clerk Wall thinks it is going to be on the whole project, unless you are willing not to do another thing to the project. Commissioner Paonessa said we might fund phase 1 and phase 2 and then worry about the carport down the road. Finance Director Delaney said the PBC would have oversight of this and you would typically direct them to be in charge and they would handle it so you are not getting invoices and things coming in, similar to the high school project. The borrowing happened in 4 tranches, but the entire \$83M was approved, even

though money was coming from the state for the higher amount. Deputy Chief Cuici added that phasing would work for him, they would get the locker rooms done in the first phase and then we work from there. Finance Director Delaney said in order to do the locker rooms we have to clear out the storage space. Where does that go?

Mayor Kaczynski said we stand at 1.98 mill rate increase as of this meeting. We had a great discussion and all want the same things, it is just how do you get there. Finance Director Delaney said for the ARPA grant do you want to sit on the motion to appropriate the money? Because it will come back to the Town Council. Mayor Kaczynski said with the final rule that gives us more options, but we should just do it as we go through the budget. Commissioner Veach added that maybe we will be in a better position over the next couple of weeks in terms of what the governor's plan is. Mayor Kaczynski said we should wait a little bit further. Town Engineer and Public Works Director Ahern said the design is done, but lead time for the HVAC, we would need the chiller and not sure if we could get that by summer, they could start the work, but it might trickle into the next calendar year.

The police station phase 1 is about 4 months once go ahead is given from the Town Council for the funding. Then 5 months from now we can go out to bid.

D. Adjournment

Mr. Paradis motioned to adjourn at 8:58 p.m.

Seconded by Mr. Grady

Submitted by:
Alina Brown

TOWN OF BERLIN
REGULAR BOARD OF FINANCE BUDGET MEETING
Wednesday, March 9, 2022
John “Doc” McIntosh Conference Room
Virtual Option
7:00 P.M.

<https://berlinc-t-gov.zoom.us/j/85699443685?pwd=aXB0RU9VRE9PMDJjQW80WWF4c2F0UT09>

Call-in Option: 1 929 205 6099 United States Toll
Meeting ID: 856 9944 3685
Passcode: 476839

A. CALL TO ORDER

Director Delaney called the meeting to order at 6:59 p.m.

B. ROLL CALL

ATTENDANCE:

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Mark Holmes, George Millerd, Gerald Paradis

Members Absent: None

Staff Present:

Kevin Delaney – Finance Director
Arosha Jayawickrema – Town Manager
Len Zielinski – Budget Manager
Jim Simons – Fleet Manager / Fire Administrator

C. DISCUSSION OF DEPARTMENT BUDGETS

- a. Discuss and vote on adjustments to the General Government, Board of Education and/or Berlin Water Control budgets.

Chairman Bordonaro said we are going to have to work hard to figure out how we make adjustments. It is impossible to say we are going to have a zero-mill rate increase. Looking at the town side for financial comparison, I looked at what were the actuals in 2021 and actuals in 2022 compared to budget, if they are close to zero, or very well compared to the budget. Do we need to budget different in 2023? It is great that we have close to \$2.3M surplus in 2022 and that surplus was kind of carried forward 2 or 3 years. Chairman Bordonaro said he wants to make sure that whatever tax we develop, we are comfortable that we are not going to generate another \$1M-\$2M surplus. Mr. Paradis said he thinks that is fine, but remember that is how we are paying for all of our capital. Chairman Bordonaro put together a sheet to look at showing what are actual expense was for 2022, the 2022 amended budget, actuals through end of February. Also, a projection on if we are going to spend much more than what we were going to spend for

2023 proposed budget and it is really my judgement on what the adjusted numbers should be for 2023 and what the decrease should be for the proposed budget. Finance Director Delaney said one of the lines is contingency, that won't have a mill rate impact because we appropriate fund balance equal to contingency. Chairman Bordonaro said for example in the blue-collar wages, we say every year we didn't hire enough people and that has been consistent in the last couple years. Are we going to hire more people if it is consistent every year? We have the same staff that we are working with. If we are not spending it, do we really need it? If we need it that is fine.

Finance Director Delaney said one word of caution over the last couple of years is there were things we couldn't get because they were closed for coronavirus, but we intended to do them. From a finance standpoint that is a big one for training. With part time help, we are trying to use that account to bring somebody in over the summer to digitize our old records. We have a lot of records. We have to keep some record of our capital and have many projects that are state or federal funded. So the intent is to use that. We did not bring in extra people into the office just because we weren't able to social distance. That is why we would use that and the training similarly, that money is used to bring in our accounting system people on-site to automate several sections of the budget process to move to ACH and not check based.

Training for technology is a new department, prior to this there was no training in the IT department. Which you are never going to be able to keep up if you pay training money, so this was intended to begin to develop the department. Mr. Fernandes asked if that is the actual training? Town Manager Jayawickrema said yes, the actual training, if you hire someone in the police department, you have a lot of training required for things like accountability, how to use certain cameras, etc. With the latest technology you have a need to keep up with it. There are two workshops in May because those things have to be current.

Chairman Bordonaro said his other thought process is can you come up with a \$400k reduction? Town Manager Jayawickrema said that is better because this way we can talk to everyone and come up with a number and get a dollar figure. Are you looking at just expenses or want us to look at some revenue adjustments too? Chairman Bordonaro said these are expenses.

Also, Chairman Bordonaro had previously asked Chief of Police McNally if there would be a reflection in the overtime because they wanted to have 2 positions in their Dispatch office. Chairman Bordonaro said he would rather have 2 Police Officers. They have to have a good compliment of people there, but we can discuss that. Mr. Grady added they won't be on the road for at least a year. We are looking at officers for some time end of 2023 at best. Finance Director Delaney said if you don't hold the position now, you have to circle back later because the charter prevents anybody from exceeding the headcount in the budget. The one possible alternative is fund the 2 positions, but at 50% on the idea that they started in January and reduce that amount from overtime. So net-net your budget is the same, but you are actually putting the headcount in. If you don't believe you will be able to hire and put into the academy officers before January and put them in the budget at 50% with January start. Chairman Bordonaro said he would rather have it on. Mr. Grady added that it doesn't make any difference, they are not even at their full headcount now and if people retire, you have to replace them based on the current headcount.

Chairman Bordonaro wants to have them look at the people, but likes Finance Director Delaney's idea. We are saying the same thing from a budget standpoint, but at least have the opportunity to look for them. Mr. Grady said he has a vested interest in it, but the bottom line is if they are not going to be on the road and if we are going to cut the overtime effort. Mr. Paradis asked to confirm that during the year we can't hire someone new that is not a position in the budget without approval? Finance Director Delaney said no, not without approval from Town Council and Board of Finance. Mr. Millerd asked if they just look for new recruits, or is there an opportunity to pull somebody from a different force? Finance Director Delaney said they have a number of experienced officers, many whom have retired from other police forces, New Britain and Hartford. Mr. Millerd asked if they still have to go through the academy? Finance Director Delaney said no. Mr. Millerd said they have to go do the running test though. Chairman Bordonaro said the way it looks based on timing, it will be kind of a wash and is okay with having to approve it later on. Mr. Millerd agreed. Finance Director Delaney said while they are in the academy, we are still paying them so we may not benefit to have the budget dollars. Mr. Millerd said you are almost paying twice. Finance Director Delaney said you are because you are paying overtime to cover the open position. Injury is the other piece in addition to retirement. Chairman Bordonaro said we spend a lot less than budget. Mr. Grady said we can't get to the 42 officer's number. If we put 2 more on, we are still not at 44. Finance Director Delaney said that is a broader problem, if you talk to other departments.

Mr. Paradis asked if we reduce their number of positions, does it tie their hands on the process because there is so much lead time to go out and look for these people? Town Manager Jayawickrema said no, they can get the process started. Mr. Millerd said we mentioned cut the salaries in half, but keep the FTE positions in the budget. Finance Director Delaney said we would keep 2 FTE's for half the year, which means they have approval in January to come in. Mr. Grady added that is a Town Council decision, we can fund that later if needed to. Finance Director Delaney added you are budgeting dollars to cover it and the charter says if there is anything proposed in the budget that Board of Finance or Town Council cuts, then you have to come back and ask for it. Mr. Millerd asked if there is anything in the charter about funding at full amount? Finance Director Delaney said no. Mr. Millerd added it is just the point of not having to go back to Town Council for approval because they are approved. You skip that whole step. Finance Director Delaney said to get that funded you have to go to Town Council, it is very restrictive. Chairman Bordonaro said we are in agreement to leave the 2 positions off for now and postpone until we get more information. Mr. Millerd asked what is the amount? Finance Director Delaney said each Police Officers full salary and benefits is under \$121k each. When Police Chief McNally spoke about it, one of the advantages was that if you have a police officer that is a sergeant who oversees, this would allow you to restructure creating dispatchers and police officers.

Mr. Paradis asked Town Manager Jayawickrema about the Assistant Planner that was listed in the budget as full time. Is there a way to hire a retired person part time? Town Manager Jayawickrema said the town has tried calling retired people, but they do not want to come back. It would take months to get someone up to speed in that position as well. We want to get ahead of that and would prefer not to do it, partly because you can't. Mr. Millerd said Town Planner Giusti is flat out and not sure how she does what she is doing.

Mr. Bordonaro asked to confirm if the Board of Education was using 10% for health insurance? Finance Director Delaney said we are using 9.3%, so 10% medical and 0% dental. The latest that we heard was 13.5%, we are still trying to beat that down. Mr. Paradis said if there were a change in that 9.3% or 10%. Town Manager Jayawickrema said the zone is close to 10%, previously it was between 6% and 14%, there is some play, but very close to 10%. We want to be careful.

Mr. Paradis asked if the fuel estimate is still good? Finance Director Delaney said it does not make sense to lock fuel in right now because it is so high.

Mr. Bordonaro said because we have enough surplus right now, we should take the capital from the budget list from FY23 and use that surplus to accommodate last years. Finance Director Delaney said part of the challenge we have with all of that is being able to purchase vehicles. We funded it, but we are still trying to do that and be in a position to continue when they actually make cars that people can purchase. To be in a position to buy them quickly and put them on the road. We have a backlog of purchases right now. Mr. Bordonaro said he noticed the Fire Department has money they are not spending yet. Fleet Manager Simons said they will be going for fittings, but still have no delivery dates. Finance Director Delaney said we had that last year and it is unusual to carry operating over, but because the order was in and it was just COVID delayed, we did carry it over. They did buy gear this year, we are just behind almost a year.

Chairman Bordonaro asked about the \$30k irrigation expense at the Veteran's Park. Finance Director Delaney said they put in an irrigation system around the new monument there and it is considered a one-time operating element. It is the nature of what they going to be doing with it.

Chairman Bordonaro moved on to discussing the Board of Education. The Board of Education total increase of 4.67, 1% of it is the items above the contractual performance. Some of the ESSER funds can be used to accommodate the learning loss and the mental aspect of it. Also, to cover some of their resources. There should be money coming in for this and we will not recover in 2-3 years. Mr. Bordonaro is offering a solution to minimize the tax increase. The other part is take a 0.5% challenge. For example, if you take 1% off, use maybe \$500k of the COVID ESSER funds and use 0.5% on target reduction, it is a 2% increase over last year from the Board of Education. If we did \$500k of the COVID funds that would generate 2% more. So if you eliminate the 1%, give a 0.5% challenge and tell them to use \$500k of COVID funds for the learning loss. Mr. Holmes said those are funds they don't have. We talked about pulling next years and that I can support. Chairman Bordonaro said that would be a 2% increase over last year. The other thing is maybe reduce the ESSER fund to \$300k instead of \$500k. It would be more like a 2.5% increase. Mr. Holmes said 2.6%. Anywhere between 2% and 2.5%. Finance Director Delaney said so the 4.67 would be in the neighborhood of a 2.5% to 2.6% increase.

Chairman Bordonaro said he told the Board of Education to communicate and work together to run on the same page with things. There will always be a difference of opinion though. Chairman Bordonaro added that he was a little disappointed that the Board of Education did not take a stance in reducing the 4.67.

Finance Director Delaney asked if the Board of Finance wanted to take any votes at this meeting, or want to go back and put together an updated dashboard? Mr. Holmes asked what is the tax increase? Chairman Bordonaro said it has to be somewhere between 0.5 mill and 1 mill. Closer to 0.5 mill is better. Mr. Holmes added we are looking for \$4.8M, capital is \$1.2M, and \$1.2M to Board of Education and that leaves you with \$2.4M to juggle between fund balance and mill increase. The 0.8 mill is worth \$1.9M. That is the big picture. If you want to keep \$400k of capital in and take \$400k out of the town, go right ahead. Mr. Holmes said he is also trying to spread the pain between board of education, town and taxpayer. If you want to use 0.6 mill it is 1.6, so 1.9.

Mr. Grady said he is still in favor of using some of the COVID money that we received through the town to do some of the capital. Because basically that is long term. Fire trucks and stuff like that. Mr. Grady said he is talking about borrowing for things like police cars or fire trucks which have about a 20-year life span. The town received \$5.3M and we have no idea what these HVAC units are going to cost. If we take out say \$500k from that to one of the fire trucks that is going to help us a little bit on the capital end. We are still going to have almost \$5M left and we don't know what it is going to cost. Mr. Millerd said we are operating at \$4-\$5M per school. Mr. Grady said we need to stop talking about it and start doing it then.

Mr. Paradis asked if the plan is to borrow for the 4th fire truck? Finance Director Delaney said yes, that is why it is sitting on the bond plan. If your fund balance is sitting there, it makes more sense like we did with the \$2.2M. The advantage of doing the HVAC, the individual schools will be somewhere in the \$5M range, maybe \$6M, or \$4.5M. Finance Director Delaney said he is highly confident that between the 3 schools we are going to spend all of that. Two of the firetrucks are on order and we are not going to get them for another 14 to 16 months. If we were to order now, we could start the air conditioning units. The plan would be get out there, get the contracts ready and next summer we do Willard and the Willard parking lot, loading dock and all that need to be done. That would be next summer. This gives the funding in place to get going. That doesn't prevent us from doing the next fire truck with fund balance there as well. Mr. Grady said then let's look at some of the other capital items besides the fire trucks, maybe use right away out of that COVID money. Even with that we are putting \$4M back into the Board of Education. Some of that money should be directed towards the town. We put money from it last year to balance out and give the Board of Education a little extra. Now we are going to throw another \$5.3M at the Board of Education. Where does it stop, does the town get any of this as well? Finance Director Delaney said HVAC has been in front on the agenda in needs to be done the entire time I've here. Mr. Grady was thinking \$300k-\$400k of that money to change what we are going to do with the air-conditioning. Mr. Paradis said he wouldn't support anything with that money that isn't an item that was going to be bonded. Because the thought process we had in the beginning was that we pick something off the table that we were going to bond. You are right, we are going to be doing a lot of different projects. Mr. Paradis said that he wouldn't take \$100k and do police cruisers or any capital item. Mr. Bordonaro said he thinks we are getting close to where we want to be for them.

Town Manager Jayawickrema said we talked about the renovations. If we are going to do that next year and if you want to borrow. We have to think about how that is going to impact the debt service going back to the budget.

Chairman Bordonaro said we have \$5.2M and that doesn't include any relocation and any other reconfiguration changes? Last time we spoke, we were doing it in increments, but this thing should go to vote. It is going to be over \$5M. Finance Director Delaney said it comes down to the phasing. It may come back to Board of Finance in the near term to ask for \$300k in fund balance for specific work. The engineer would do the deeply detailed work and do a professional cost estimate. The Board of Education is going to be step one because the space has to be cleared out before locker rooms go in. We have to figure that out so when we go out to bond, we have a good number and a good plan to actually share with the voters. Chairman Bordonaro said what happens when we do these estimates and it comes in at \$7M? Town Manager Jayawickrema added it is going to be higher than \$5.2M. The price is only guaranteed for 6 months, so the construction is going to take place in 6 months. After 6 months it is automatically going to be at least 6% or more. Chairman Bordonaro asked what is the timing of the whole process? Finance Director Delaney said he wants to come back to the Board of Finance sooner to get quality estimates. The goal is to try to do the ordinance in advance of the November vote, if not wait until the April budget season to vote, or the following November.

Mr. Paradis asked if these contractors typically estimate in today's numbers, or what it might cost when we decide to go out and build it? Finance Director Delaney said typically they will give today's dollars and add on lines saying we assume it is going to be done in this period. Here is what you should have for every successive year, or 6 months. Mr. Millerd asked if you add things on top of that? Finance Director Delaney said it depends if they have a contingency. Mr. Fernandes asked if the presentation said 50% contingency, is that in there? Finance Director Delaney said yes and the \$5.2M does include the \$300k for the estimates that we would be coming back to now. That was embedded and the amount was 4.9. Also, we would have to find a new home for the food pantry.

Mr. Fernandes asked what about if you remove a phase? Finance Director Delaney said if you remove a phase from the project itself, then you can make the argument that the project costs this much and go to the police to say that final phase which was the carports and one other area would be done later. It would be piece meal. Mr. Fernandes said we can get it done with phase 1 and phase 2. Mr. Paradis added we have been doing these upgrades since he was on the Board of Finance. It started with the communications center, we did the jail cells, interview rooms. We did not do the locker rooms. Mr. Paradis said this is a 20-year fix. Finance Director Delaney asked if it is worth asking Architect Humes to talk at the next meeting, if he is available? Mr. Grady agreed and said he believes we should just do phase 1 and leave it at that. That will update the whole department and bring the lockers up to speed. Mr. Fernandes said that the female locker room situation is embarrassing as a citizen. To think we can't hire more female officers because of that. Mr. Grady said the booking area has 50 year old technology.

Mr. Holmes said he has \$4.2M, Board of Education, Capital, 0.5 mil, \$400k from the town, \$800k from fund balance. Chairman Bordonaro added that we have to communicate together, we are all trying to do the right thing.

Fleet Manager / Fire Administrator Simons said the final inspection was made on the engine tanker and should be here in a few weeks. There is a 300-unit backlog at American LaFrance,

before the increase, they took in 700 orders and that is what put us out until spring of 2023. They are now booking apparatus for year 2025. One of their biggest problems is they cannot get the motors. If the Board of Finance were to give the money or authorization today. We wouldn't see that truck for, or have to pay for that truck for until 2025. The rescue truck just went back into service from an extended out of service period, the engine is up and operational, it is a 2002. Fleet Manager / Fire Administrator Simons said he will not put an unsafe vehicle on the road. We were supposed to sell 2 apparatus and will retain 1 until the next 2 come in, which would be summer 2023. We will basically have a spare unit to cover any one of those 3 or 4 American LaFrance firetrucks that are left. The apparatus is serviceable and on the road right now, but it is 20 years old. We are working to make sure that in the event we did go down a piece of apparatus we had something to fall back on. If you were to authorize the purchase of that apparatus in the budget, you would not see that apparatus until 2025. Mr. Paradis asked if we could lock the price in? Fleet Manager / Fire Administrator Simons said yes, we could lock the price in. We have not begun to develop specifications because there is no sense in having 6 months of meetings if there is no data. We would not be ready to order in the fall.

Mr. Paradis asked if Finance Director Delaney has done a review of inactive capital projects to see if there is anything? Finance Director Delaney said he has done some that he was looking to bring forward once we were done with the budget. We have some money left over from projects that could be used to offset the cost of the next Highway truck.

For the next meeting Finance Director Delaney will take everything from this meeting and the Board of Finance can determine what it is they want to go with and vote to send to the annual budget hearing. Finance Director Delaney suggested that after the committee adjourns next week, we would have another meeting to vote. Also, we presented the budget with the idea there would be no motor vehicle cap. The Board of Finance does not have to set the mill rate until after the budget happens. We are looking at it from both angles. If it is 29, we know what the state has said our grant would be. We can show you what the impact would be. Mr. Millerd added we should try to give people a heads up this is coming and thinks most people are not paying much attention to this right now.

b. Possible vote to send budgets to the Annual Budget Hearing:

- i. Move to send the Board of Education budget of \$ _____ to the Annual Budget Hearing.
- ii. Move to send the General Government budget of \$ _____ to the Annual Budget Hearing.
- iii. Move to send the Berlin Water Control budget of \$ _____ to the Annual Budget Hearing.

C. ADJOURNMENT

Mr. Holmes moved to adjourn at 8:15 p.m.

Seconded by Mr. Paradis.

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

Vote being 6-0

Submitted by,
Alina Brown

TOWN OF BERLIN
REGULAR BOARD OF FINANCE BUDGET MEETING MINUTES
Wednesday, March 16, 2022
John "Doc" McIntosh Conference Room
Virtual Option
7:00 P.M.

A. CALL TO ORDER

Director Delaney called the meeting to order at 6:59 p.m.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

ATTENDANCE:

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Mark Holmes, George Millerd, Gerald Paradis

Members Absent: None

Staff Present:

Mark Kaczynski – Mayor

Arosha Jayawickrema – Town Manager

Kevin Delaney – Finance Director

Len Zielinski – Budget Manager

D. DISCUSSION OF DEPARTMENT BUDGETS

Mayor Kaczynski thanked the Board of Finance for all of their hard work and said that he hoped they are heading lower than the originally proposed 1.98 increase that is in the overall budget. Mayor Kaczynski advised looking at some of the COVID money, as it is still possible to use some of the money. We still want to give most of it the HVAC project at Willard, but if it gets to that point, he urges the Board of Finance to look at it. Maybe use some of it, \$300k or \$500k. Maybe up to \$1M, we would still have \$4.3M left to start the HVAC project at Willard. Representative Veach is looking for some grants from the state to match that. The state match would mean having enough money for two HVAC school projects. The COVID money is found money, it is there to replace revenue and many different things as the definition has broadened a little bit for what we could use it for. Our residents deserve another year of a little bit of a break, if we get to zero mill, or the lowest we could go. We could work on it. Everybody is facing high inflation as we see with gas prices. This is the only place where we can make a difference with our residents, by helping them in their pocketbooks. That is what the COVID money was for, to help the country. The Board of Education is still going to receive the biggest chunk of it, we spoke about that at the joint meeting, but if you get stuck and want to go a little bit lower. I would urge you to take advantage of some of that.

Chairman Bordonaro said at the last meeting, the Board of Finance said let's see if we can target 0.5. Town Manager Jayawickrema and Finance Director Delaney took a stab at lowering that for us on the town side. We would have to use the fund balance to get lower. Mayor Kaczynski said we should get as close to zero, if we can't make that, then 0.5 with COVID money. I would go lower.

Chairman Bordonaro said the challenge that we talked about with using it is you take these chunks, but then have to deal with it next year. Next year we will say how do we get more money and look to the budget for \$2M in funds, because it was a one shot deal. Mayor Kaczynski said you could take some of that assuming you haven't touched any of it yet, if there something that could off-set. Chairman Bordonaro said we have not touched any of the COVID money yet. Mayor Kaczynski said you could take something out of the budget and pay for it with COVID money basically. Chairman Bordonaro said we would add revenue from the COVID money. Mayor Kaczynski said you said that we have to make it up next year, but my hope would be that our revenue goes up next year as some of the projects that we have brought to the town and going forward the tax payment gets less. I hope that revenue would be increased. Nobody knows what next year will bring.

Chairman Bordonaro asked if the revaluation kicks in? Finance Director Delaney said yes, October 1, 2022 is considered the revaluation, so the next budget cycle will be the revaluation. At that point you effectively start from zero on all of the real estate. This revaluation will be different than the last two in that we have approved money in the budget and hired a very reputable outside firm. They have represented us in court and served as a reference. We are going back to outside with the revaluation. They have embedded in their contract to represent us for free in all pre-trials. If there were a lot of people that sued us, there would not be an incremental cost. Only if we went to trial there would be a cost, pre-trial is no cost. They have a vested interest in putting together a good and fair package. It will be a little different than the last two where we insourced it. Also, it gives the internal team an opportunity for a little distance so they can look at with fresh eyes, rather than have done all the work and then try to go about it.

Mayor Kaczynski said I think we need to be worried about this year and plan ahead, but we have a long-term plan. We are paying back debt and have been fiscally responsible. We are doing the right thing, fund balance is in great shape. I don't think it is irresponsible at all, it is what we do to help our residents. The capital list keeps growing. Mr. Holmes said we had a \$1.9M hole this year that we were required to wipe out for exactly the same thing. There are some things on the capital list that we won't be able to kick down the road much longer, when roofs start leaking and things like that. We are not getting to those things. Mayor Kaczynski said one of the major projects is the HVAC, we will get to that and the police station. Our debt is going down and our debt payments will go down. We are not that far away from that 40%, still a few years away, but headed there.

Mr. Grady added we still have a \$2.2M surplus and that is getting pushed forward, we are not touching it. Finance Director Delaney said you are proposing to use that \$1.2M for capital. Chairman Bordonaro said that we also still have \$2.5M in unfunded pension liability, we just can't say that we are going to use it all. We are using \$1.1M to cover anticipated expense. Mayor Kaczynski said no one is kicking the can down the road. We are lowering debt and going in a very good direction. No one is irresponsible and we are actually paying stuff off as we should and not bonding to go up. We are talking small amounts here to get to where we need to be for the people. Mr. Fernandes said it is just that we have to find a

home for \$1.9M now and no one wants to pay more taxes. Mayor Kaczynski said we are basically all on the same page.

Finance Director Delaney presented the dashboard he uses every year for the budget and walked through the items that we had in the last few weeks. The first section is removing all of the capital items. These were the items, the \$1.1M would all come out. The second, Board of Finance talked about removing both of the proposed patrol officers, one and two. With the understanding that if the police force was to get to 42 police officers, maintains that and wants to bring two more, they must come back to the Town Council and Board of Finance during the year. Also, the Board of Finance asked Town Manager Jayawickrema and Finance Director Delaney to go through and find \$400k. Finance Director Delaney said overall, there is really nothing that is coming out, so to speak. *(See below for full list of items)*. Doing all of that to get us to a 0.5 mill increase, would require using \$380k of fund balance. In addition to the \$300k that we signed for contingency and the \$185k for the pension. If we were to do this, the mill rate would go up 0.50 to 34.43, to 1.47% increase on a \$280k house value, which is what we have used the last few years. It would be a \$98 increase for the year, or 8 months. We tried to trim and tighten and kind of push the envelope a little bit. The Board of Finance agreed that Town Manager Jayawickrema and Finance Director Delaney put in a tremendous amount of effort into this and did a really good job.

Mr. Grady said back to the COVID money, we are off \$500k, it is \$244k per 10th of mill rate, so \$488k can get that down to no mill increase. I think that would be a good number and we still have almost \$5M for the air conditioning. I don't see the harm in that, if we pulled \$700k out last year to bring the numbers. I don't see the harm in doing less this year. Mr. Holmes asked what happens if the HVAC project fails at referendum, do we have a plan where that money would go? Finance Director Delaney said you would not have to do a referendum for the ARPA money, but the project yes. If it is going to be over \$5M to do the rest. Mayor Kaczynski said the whole thing was supposed to be \$10M for 3 schools, just a couple of months ago. At the last Town Council meeting it went from \$10M-\$15M to \$20M total. Then someone said later, maybe Town Engineer and Public Works Director Ahern, that we are not sure what it is going to cost. The \$5M in the ARPA money could pay for all of Willard, or most of it. Matching funds would mean that much more for the other schools. We don't know what that figure is going to be. Town Manager Jayawickrema said we are ready to go out to bid. Finance Director Delaney said Willard is at the point where we are 90%-95% ready to put out a bid and then receive bids offers back. If you were to appropriate that money it would be FY23. Mr. Grady said he does not see the harm in taking \$488k of the COVID money and knocking it down to the 0.3. That is a good number for everybody.

Mr. Paradis said he is against using any of the COVID funds to supplement the budget again. We talked about it a number of times. My feeling is the best use for those funds is to be going towards something. It may not be the HVAC system, but some other eligible project. It would be towards something that we are bonding. So that we are getting the benefit of not bonding it, plus the benefit of not having to pay interest on that money. To do another hole in the budget, that we would have to take care of next year, I don't see as a good use of that money. To keep throwing it into the operating budget. I would much rather see it going towards a capital item that would otherwise be bonded. I'm not sure what else we have, or what would come in time, if not it would default to the HVAC project. I like the proposal that is up here, 0.5 mill I think is very reasonable. Everyone that I've talked to is surprised that we could be coming up with something as low as 0.5 mill, in the conditions that we are in. With inflation and

everything out there. All of that is affecting the town budget. I wanted to do 1.0 mill increase originally and think a 0.5 mill is a great place to be. At that point, we will be supplementing basically out of fund balance about \$800k plus. Our practice has been if we do okay, we are going to pay for all of the capital out of it anyway. So there is another \$1.1M that is going to come out of fund balance. I hope we do not abandon that because we have to keep up with capital equipment one way or another and that we are not putting into the budget. We have to pay for it out of fund balance at some point. We may have to do that whether or not we have a surplus when certain things come up. There will be needs for certain pieces of equipment and you are just going to have to do it. I commend Town Manager Jayawickrema and Finance Director Delaney for digging deep and you guys did much better than I thought. I recognize when you cut that close on some of these increases, it is just a budget. It is the best guess at this point. If you have to come back for additional, you come back for additional, but I rather you take that hard look at it the first time and get it down to where we think it is a reasonable number. I would be ready to go with that plan myself. Mr. Millerd asked about Mr. Paradis's conversation with people that were sort of accepting of the 0.5 mill, did you also explain the impact of motor vehicles and what it was going to do to their tax bill? Mr. Paradis said no, we just talked overall taxes. Mr. Holmes said that is out of our control. Mr. Paradis said not everybody's motor vehicle impact will be as severe probably as yours. Mr. Millerd added that people are going to get shocked by it.

Mr. Grady said he doesn't understand why taking \$700k last year was okay, but taking \$488k this year isn't okay. I'm not okay with saying now that it can only be for this. If it was okay last year. Mr. Holmes said Mr. Paradis is right, at some point we have to start putting capital into the budget. We keep patting ourselves on the back that we have surplus. Put it in the budget going forward, I know we can't this year, but I would really like to see us do that. Town Manager Jayawickrema said Mr. Grady made a good point at the joint meeting, talking about the COVID. We thought COVID was bad, but gas prices and costs of goods was lower then. My fear is what if this war is to continue and we are paying \$7 per gallon at the pump next year and inflation continues, interest rates are going up and things are even higher. Then suddenly you are looking at a 4 mill increase and it is even harder to catch up. Mr. Grady said this \$488k won't mean anything, but it will at least help people out this year. Mr. Fernandes added if all of a sudden the mill rate were to go up 5 or 6 mills, imagine the impact on families. Mr. Grady said to your point about COVID last year and the people that we spoke to before the meetings. Last year, I was not in support of the \$700k initially. Because I did not think that was a good use for the money, but did ultimately vote for it as a compromise. It was a big compromise to get it down to zero.

Finance Director Delaney asked if the Board of Finance wants to vote on these as it sounds like you have an agreement? There is no rule that says you have to go line by line.

Chairman Bordonaro said how about we use just \$300k of COVID money. Mr. Grady said so the \$300k would give us \$5M for the HVAC and knock 1/10th of a mill off, I would vote for that. Finance Director Delaney said that would be an extra 0.38 mill rate increase, 1.2% mill rate increase. The new mill rate would be 34.32.

This would just be to send the numbers to the annual budget hearing, this is not sending it to the voters, or even to the Town Council. You will have a pass if you decide that you don't want that in there, or you want more, or something different. We will do the vote after the annual budget hearing and that night the Board of Finance will be able to decide what to send to Town Council.

Finance Director Delaney said on March 29 there will be an Annual Budget Forum at the senior center at 1:30 p.m. and also the Annual Budget Hearing is at 7:00 p.m. at the Berlin High School Auditorium. Then after that the Board of Finance will take a vote and send it to the Town Council. Town Council will have their turn on April 5.

a. Review of prior meeting follow up requests.

b. Discuss and vote on adjustments to the General Government, Board of Education and/or Berlin Water Control budgets.

Mr. Paradis moved to reduce the budget for the Board of Education by \$1,040,000.

Seconded by Mr. Grady.

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

Vote being 6-0 (MOTION CARRIED)

Mr. Paradis moved to reduce the general government budget by \$1,792,345

Seconded by Mr. Fernandes

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

Vote being 6-0 (MOTION CARRIED)

Mr. Paradis moved to increase the revenue budget by \$1,055,000.

Seconded by Mr. Fernandes.

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

Those voting against: Mr Paradis.

Vote being 5-1 (MOTION CARRIED)

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

i. Move to send the Board of Education budget of \$_____ to the Annual Budget Hearing.

Mr. Paradis moved to appropriate the Board of Education budget at \$49,082,596.

Seconded by Mr. Fernandes.

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

Vote being 6-0 (MOTION CARRIED)

ii. Move to send the General Government budget of \$_____ to the Annual Budget Hearing.

Mr. Paradis moved to appropriate to the general government budget \$47,543,182.

Seconded by Mr. Grady.

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

Vote being 6-0 (MOTION CARRIED)

iii. Move to send the Berlin Water Control budget of \$_____ to the Annual Budget Hearing.

Mr. Paradis moved to send the Berlin Water Control budget of \$5,993,857 to the annual budget hearing.

Seconded by Mr. Holmes.

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

Vote being 6-0 (MOTION CARRIED)

E. ADJOURNMENT

Mr. Holmes moved to adjourn at 8:15 p.m.

Seconded by Mr. Paradis.

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

Vote being 6-0

Submitted by,
Alina Brown

BUDGET DASHBOARD AS OF MARCH 16th

	GEN GOVT	BOE	TOTAL
ORIGINAL SUBMISSION	\$49,335,527	\$50,122,596	\$99,458,123
Expenditure Revisions:			
Town Mgr/BOE Submission	(17,286)	0	(17,286)
BOF - 1st Ref.	(1,775,059)	(1,040,000)	(2,815,059)
TC - 1st Ref	0	0	0
BOF - 2nd Ref	0	0	0
TC - 2nd Ref	0	0	0
BOF - Final Submission	0	0	0
TC - Adopted Budget	0	0	0
TOTAL EXPENDITURE REVISIONS	(1,792,345)	(1,040,000)	(2,832,345)
PROPOSED/ADOPTED BUDGET	\$47,543,182	\$49,082,596	\$96,625,778
FY22 ADOPTED BUDGET	\$46,073,415	\$47,885,632	\$93,959,047
YOY BUDGET CHANGE	\$1,469,767 3.2%	\$1,196,964 2.5%	\$2,666,731 2.8%
Revenue Revisions:			
Town Mgr/BOE Submission	\$0	\$0	0
BOF - 1st Ref.	\$1,055,000	\$0	1,055,000
TC - 1st Ref	\$0	\$0	0
BOF - 2nd Ref	\$0	\$0	0
TC - 2nd Ref	\$0	\$0	0
BOF - Final Submission	\$0	\$0	0
TC - Adopted Budget	\$0	\$0	0
TOTAL REVENUE REVISIONS	\$1,055,000	\$0	\$1,055,000

FY 2023 Estimated mil Rate Calculation as of ...	3/1/2022		3/16/2022
	Original Submission	Revisions	Revised Submission
Total Budgeted General Fund expenditures:	\$99,458,123	(\$2,832,345)	\$96,625,778
Less: Budgeted revenues other than current levy	(\$12,502,051)	(\$1,055,000)	(\$13,557,051)
Amount needed to be generated from current levy	\$86,956,072	(\$3,887,345)	\$83,068,727
Factor in 99.3% collection rate	\$87,569,055	(\$3,914,748)	\$83,654,307
Net taxable grand list	\$2,438,139,007	\$0	\$2,438,139,007
Proposed mil rate	35.92	(1.61)	34.31
Current mil rate	33.93		33.93
Proposed mil rate increase	1.99		0.38

Impact on a home worth: \$280,000		
Taxes at Current mil Rate:	\$6,650	\$6,650
Taxes at Revised mil Rate:	\$7,040	\$6,725
Increase/(Decrease) in Taxes:	\$390	\$74
Increase/(Decrease) in Taxes (per month):	\$33	\$6

EXPENDITURE REVISIONS:
TOWN MANAGER REVISIONS:

Remove Registrars wage increase for certification (incl fringes)

DATE OF REVISION	GENERAL GOV'T	BOARD OF EDUCATION	Proposed/Approved
	(\$17,286)	\$0	Approved
		\$0	
	(\$17,286)	\$0	

BOE REVISIONS:

BOE reductions to Superintendent's submission

\$0	\$0
\$0	\$0

BOE REVISIONS - FIRST REFERENDUM:

Remove Capital Items (fund w/ FY22 surplus)

Infrastructure upgrade (servers, switches, Vmware & Windows Server)	3/16/2022	(\$162,500)	Approved
Server - Warranty/Maintenance	3/16/2022	(\$38,000)	Approved
Toro Tri-Plex Greensmower	3/16/2022	(\$35,359)	Approved
Timberlin Course Bridges	3/16/2022	(\$35,000)	Approved
Small used Kubota tractor	3/16/2022	(\$35,000)	Approved
New carpeting (replace original now 32 yrs old)	3/16/2022	(\$150,000)	Approved
Demore, Dinda, Bittner Jr. Memorial Pool Repairs	3/16/2022	(\$200,000)	Approved
12 Passenger Van (20% TOB/80% Fed DOT)	3/16/2022	(\$17,000)	Approved
Hubbard School Playground Paving	3/16/2022	(\$200,000)	Approved
Fire Alarm Upgrades - Willard	3/16/2022	(\$150,000)	Approved
School Vans - capital	3/16/2022	(\$110,000)	Approved

Remove new Patrol Officer #1

3/16/2022	(\$121,100)	Approved
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Remove new Patrol Officer #2

3/16/2022	(\$121,100)	Approved
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Remove Budgets (Finance)	3/16/2022	(\$750)	Approved
Reduce Part-time in Finance	3/16/2022	(\$2,250)	Approved
Reduce Grant to Berlin Library	3/16/2022	(\$1,000)	Approved
Reduce Grant to East Berlin Library	3/16/2022	(\$1,000)	Approved
Reduce Part-time in Public Grounds	3/16/2022	(\$20,000)	Approved
Reduce Townwide Unemployment	3/16/2022	(\$5,000)	Approved
Reduce Townwide Part-time	3/16/2022	(\$5,000)	Approved
Reduce Townwide Copiers	3/16/2022	(\$5,000)	Approved
Reduce Outside Legal/Expert	3/16/2022	(\$20,000)	Approved
Reduce Probate Court	3/16/2022	(\$3,000)	Approved
Reduce Cemetery Fencing	3/16/2022	(\$5,000)	Approved
Remove Development Services stipend (incl benefits)	3/16/2022	(\$12,000)	Approved
Remove Land Appraisal Services	3/16/2022	(\$5,000)	Approved
Reduce Economic Development Promotion	3/16/2022	(\$10,000)	Approved
Reduce In Lieu of Sick Pay in Police	3/16/2022	(\$30,000)	Approved
Reduce Miscellaneous Equipment (Police - grant replaced items)	3/16/2022	(\$29,000)	Approved
Reduce Refuse Disposal (Public Works)	3/16/2022	(\$75,000)	Approved
Reduce Flood Control Projects (Public Works)	3/16/2022	(\$5,000)	Approved
Reduce Stormwater Drainage Analysis (Public Works)	3/16/2022	(\$10,000)	Approved
Reduce Public Buildings Telephone	3/16/2022	(\$30,000)	Approved
Reduce Public Buildings Contractual Services	3/16/2022	(\$15,000)	Approved
Reduce Public Buildings Electricity	3/16/2022	(\$25,000)	Approved
Reduce Schools Electricity	3/16/2022	(\$25,000)	Approved
Reduce School Contractual Services	3/16/2022	(\$61,000)	Approved

Reduce BOE Operating

3/16/2022		(\$1,040,000)	Approved
	(\$1,775,059)	(\$1,040,000)	

TOWN COUNCIL REVISIONS - FIRST REFERENDUM:

\$0	\$0
\$0	\$0
\$0	\$0

BOE REVISIONS - SECOND REFERENDUM:

\$0	\$0
\$0	\$0
\$0	\$0

TOWN COUNCIL REVISIONS - SECOND REFERENDUM:

\$0	\$0
\$0	\$0
\$0	\$0

BOE REVISIONS - FINAL BUDGET SUBMISSION:

\$0	\$0
\$0	\$0
\$0	\$0

TOWN COUNCIL REVISIONS - ADOPTED BUDGET:

\$0	\$0
\$0	\$0
\$0	\$0

Total Expenditure Revisions

(\$1,792,345)	(\$1,040,000)
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RECEIPTS REVISIONS:

TOWN MANAGER REVISIONS:

\$0	\$0
\$0	\$0

BOE REVISIONS - FIRST REFERENDUM:

Add: Building Revenue	3/16/2022	\$75,000	Approved
Add: Back Taxes	3/16/2022	\$100,000	Approved
Add: Supplemental MV	3/16/2022	\$100,000	Approved
Add: ARPA Funds to Offset the Tax Increase	3/16/2022	\$300,000	Approved
Increase Assigned Fund Balance	3/16/2022	\$380,000	Approved
<u>TOWN COUNCIL REVISIONS - FIRST REFERENDUM:</u>		<u>\$1,055,000</u>	<u>\$0</u>
		\$0	\$0
		\$0	\$0
<u>BOF REVISIONS - SECOND REFERENDUM:</u>		<u>\$0</u>	<u>\$0</u>
		\$0	\$0
		\$0	\$0
<u>TOWN COUNCIL REVISIONS - SECOND REFERENDUM:</u>		<u>\$0</u>	<u>\$0</u>
		\$0	\$0
		\$0	\$0
<u>BOF REVISIONS - FINAL BUDGET SUBMISSION:</u>		<u>\$0</u>	<u>\$0</u>
		\$0	\$0
		\$0	\$0
<u>TOWN COUNCIL REVISIONS - ADOPTED BUDGET:</u>		<u>\$0</u>	<u>\$0</u>
		\$0	\$0
		\$0	\$0
<u>Total Revenue Revisions</u>		<u>\$1,055,000</u>	<u>\$0</u>

TOWN OF BERLIN
ANNUAL BUDGET HEARING
Tuesday, March 29, 2022
Berlin High School Auditorium
7:00 P.M.

https://www.youtube.com/channel/UCBMUXMxSi05OrZUdfNpMAnw?view_as=subscriber

1. Call to Order

Finance Director Delaney called the meeting to order at 7:00 p.m.

2. Pledge of Allegiance

3. Roll Call of Board of Finance

Attendance:

Members Present: Sal Bordonaro, Raul Fernandes, Tim Grady, Mark Holmes, George Millerd, Gerald Paradis

Members Absent:

Staff Present:

Mark Kaczynski – Mayor
Aroscha Jayawickrema – Town Manager
Kevin Delaney – Finance Director
Len Zielinski – Budget Manager
Brian Benigni – Superintendent of Schools
Julia Dennis – Board of Education President

4. Introductory Remarks

*To view the Board of Finance Annual Budget Forum PowerPoint presentation, it is available on the town website under Finance/Budget: <https://www.berlinct.gov/topic/index.php?topicid=324&structureid=16>
Click on: Fiscal Year 2023 Budget Presentation - Annual Budget Forum/Hearing*

Chairman Bordonaro said we went into this budget cycle keeping in mind that everyone is struggling with higher gas, heating and food prices, just to name a few. I would have liked to get to a zero tax increase for the third consecutive year, but the town and the Board of Education have also been impacted by these inflationary costs along with having to meet contractual obligations. The Board of Finance was given a proposed budget that would increase the tax rate by 5.8 percent. In collaboration with the town and Board of Education leadership, we found areas we could reduce expenses, or increase revenues without impacting the quality of services that the town and the Board of Education provides. The result is a 1.1 percent tax increase, compared to the 5.8 percent proposed. The projected budget surplus for the current year allowed us to cover \$1.1M of capital projects and equipment included in the proposed budget. The Board of Finance unanimously voted to give the Board of Education a 2.5% budget increase. They requested a 4.7% increase. I believe that the Board of Education can meet their contractual requirements and not impact any programs. Also, with the use of COVID grant monies, help pay for resources to deal with student learning loss throughout the pandemic.

Education in Berlin has been adequately funded with annual budget increases despite a drop in student enrollment. Berlin education expenses are 60.2% of the total expense budget. Which accounts for 39.8%. Berlin per pupil expenditure in comparison to 6 similar nearby towns is second highest, with Glastonbury being the highest. The other towns included are Newington, Farmington, Wethersfield, Rocky Hill and Cromwell.

Every year when you receive your motor vehicle tax bill, the value of the vehicle normally drops, but unfortunately not this year. Supply chain issues combined with inflation is driving up the value of vehicles. We are looking at a book value increase on automobiles of 18%. So even without a tax increase, you will pay more taxes on your vehicle than last year. Every town is having to deal with this, Governor Lamont is trying to establish a mill rate cap on the motor vehicle tax which could help reduce motor vehicle tax. The grand list grew 2.9% in this proposed budget with a portion of that growth attributed to the motor vehicle book value increases.

As we complete our major building projects and tax abatements drop off, grand list tax revenues will continue to grow. That increase along with continuing to reduce our debt will provide more financial flexibility in the future. I want to thank Town Manager Jayawickrema, Finance Director Delaney, Superintendent of Schools Benigni, Board of Education President Dennis and Board of Education Finance Director Dorsey for working with the Board of Finance and helping us develop what we believe is a fair budget. I also want to thank Mayor Mark Kaczynski and the Town Council for their guidance. Finally, I want to thank the Board of Finance members for their efforts.

5. Presentation of Town Budget

Town Manager Jayawickrema presented a pie chart showing the big picture of the proposed budget for the town and Board of Education which is \$96,625,778. About half, 51% is for the Board of Finance and 49% for the town. General Government includes our annual debt service which is about \$8M each year and 8% of our budget. It should be around 3%-5%, a little bit high there. The general government expenses that we pay for the Board of Education items such as grounds and building maintenance, electricity and debt service, etc. The proposed mill rate is 34.31, which is 0.38 above from the previous year. There is work happening at the state level to cap the motor vehicle mill rate at 29. If that happens the intent of that is to make all towns whole, but it was done based on the 2020 October grand list, not the 2021, so there is a slight gap that we won't be funded. If the state moves forward the overall real estate and personal property will be 34.39.

For capital expenditures, we proposed \$1.1M in capital expenses. These are really critical for the town and Board of Finance. The good news is that we are expecting a surplus in fiscal year 2022 budget and we are quite certain that we can cover all of these expenses before the end of the year. We made a \$642k reduction, a big part of that was the removal of funding 2 Police Officers because there is a backlog in the academy as to when they can go in. When there is availability, the town will work with the Board of Finance and the Town Council to fund those 2 positions. We are setting aside \$5M of the ARPA funds to address the HVAC issues at the elementary schools. Hopefully that will address at least one, but we need to do all 3 elementary schools.

The grand list is \$2.438 billion (+2.9% vs. FY22). This growth generates \$2.3M in additional tax revenue, almost 1 mill. That is fairly good, but we want to improve that going forward. Local taxes fund almost 90% of the budget. That comes from property taxes, personal real estate and motor vehicles. The other

sections are relatively small. One good thing for the Town of Berlin is our collection rate has been really high, 99.3% of our taxes are collected each year, which is good compared to other towns.

There are 4 pillars that we focus on each year, Education, Public Safety, Financial Strength and Infrastructure. Families moving to town look at the quality of schools, so education is an important element. Infrastructure includes roads, bridges, water, sewer, building infrastructure, playing fields and playgrounds, etc. Then how do we do this in a financially responsible manner? The town's bond rating is AAA from Standard & Poors (S&P), so it is a good place to be.

There are 3 different areas of infrastructure, HVAC is the HVAC systems in the elementary schools and we will start with doing one this year. For fields, we plan to completely re-do Percival Field. There is a big project for roads. Roads being done this summer are Deming Rd., Porters Pass and Christian Lane. In addition, the Kensington Rd. bridge will be replaced. Under Operating Personnel, we are proposing to hire a new Dispatcher for the Police Department, a School Nurse, HR Director for town staff, Assistant Planner and Facilities Superintendent. Economic Development has a lot of things going on. There is progress being made next to the train station with mixed use apartments being made available. That is residential and commercial and the first building is almost done. Also, there is a development being built near the Acura dealership on the Berlin Turnpike with about 72 residential units, the retail building is complete and almost fully occupied. Also, Deming Ridge will have 88 units. Another development will be 404 Berlin Turnpike which plans to have residential, commercial, medical offices and a hotel. That will not happen this year, there is still more work to be done there.

Health insurance for the Board of Education as well as the town is a projected increase of around 10%. Cyber Security is a hot topic these days, the insurance numbers have gone up for cyber security as well. Our projected liability balance is \$74.6M. In 2016 it was in the \$107M range. We continue to pay down our debt and currently have no plans to borrow any new money.

The next budget actions to be taken are the Board of Finance will vote to recommend Board of Education and General Government budgets to the Town Council. The Town Council acts on the recommended budget on April 5 and can approve the budget as-is and the budget gets sent to referendum. They can also approve it with some reductions, or reject it and go back to a joint meeting of Town Council and the Board of Finance. The budget referendum is set for April 26.

6. Presentation of Board of Education Budget

Board of Education CEO Dennis said the budget process began in December and earlier for Administrators. Some of the goals are to continue to provide quality education to all students with the standard that is expected in our town. Provide all students with an education that prepares them for multiple options and opportunities upon graduation. Maintain favorable class sizes and adequate course offerings. All of these are essential now coming back from the pandemic with learning loss and learning recovery. Consistent support for technology use and adequate funding of hardware, software infrastructure and IT support. An ongoing commitment to implementing safety measures. We need to do everything we can to support all the learners in our town.

Initially we came in at a 4.67 percent budget increase, and we are now at a 2.5 percent increase. So the Board of Education adopted the 4.67, the Board of Finance adopted the 2.5 and we had a 2.17 reduction. We are going to reduce the increase with the least impact on students, so that was really the

goal. The students were placed first in this budget. We are coming in at a \$49M budget and you can see the reductions to the approved budget from 4.67 to the 2.5. The next slide showed the revised budget executive summary that included FY20-FY21 Budget and FY20-FY21 Actual numbers.

For the Projected Student Population for FY23 and we have a decrease of 29 students district wide which isn't really too significant. It is a projection at this point.

The 7-year FTE comparison of teachers and certified staff was reviewed and the new staff request summary. There is a .20 increase to HR Director for Board of Education and 1.0 for an armed Security Guard (BHS night shift). Also, Open Choice will fund 1.0 Work-Based Learning Coordinator. Contracted Services is \$76,612, that includes all operational and educational systems which increase 3% to 7% annually. Additional cybersecurity software is required by our insurance company and there is an increase in legal fees and copier contract costs are going up. Transportation is \$61,078 and that is a 3.45% increase with New Britain Transportation for the coming school year. The district plans to use a portion of excess cost funds to off-set special education transportation. Tuition is \$109,573. The anticipated increase for CREC magnet schools is 12%. We want our students to stay in Berlin and not go to magnet schools. All other expenditures are \$27,175.

There are changes to the ESSER II Grant, the budget was adjusted and reallocated to balance the budget with the least impact to students. The Hartford Open Choice Enrollment is important because our budget is supported by the money we receive from the Hartford Open Choice. We need to maintain above 4% to receive the funding that we have budgeted for. If we drop below the 4% of students, then we don't get the money we've budgeted for and that will cause a situation where we are going back to the town saying please help us out. Which we don't want to do, so we are going to do everything in our power to make sure we maintain and stay above. For the 2021 and 2022 school year, we offered 14 new seats and only 11 were filled. Due to the pandemic, it has been harder to fill the Open Choice seats in town. We typically only offer to Kindergartners unless they have siblings, then that way the siblings are traveling together and their families are familiar with the district and it becomes their home. That is where we open up other spots. Every effort is made to accept students at the kindergarten level and we have that conscious awareness of maintaining the 4%.

For the Budget Funding History slide, Board of Education President Dennis acknowledged the Town Council and Board of Finance for the funding over the past 3 years. We have been able to catch up and it has been really good all working together and making sure that we are providing the education that is expected and deserved for the students in town. With the 2.5 we will be able to maintain where we've come. The slide showed where we have come in at vs. what was funded. In 2018 and 2019 we were at one of our lowest points, but it dips and goes back up. This has allowed us to do everything that we need to do and achieve our goals as the Board of Education. So thank you for that.

The adopted budget slide shows how Berlin's budget compared favorably compared to other towns nearby. It is great to see us in the middle of the pack because prior years we were at the bottom. That was about 4 years ago. The 5 year average increase is 2.49% and we are in a great place with that. The net current expenditure per pupil was revised on 2/15/22, so that is the most current information from the CT State Department of Education website. The 2020-2021 state per pupil expenditure was \$20,740 and Berlin's per pupil expenditure was \$18,973, or \$1,767 less than the state. We want to try to stay as close to the state as possible. About \$6M comes from the state through educational cost sharing. So if you take a \$49M budget and then take out the \$6M, it is really a \$43M budget, but that is not really how we discuss it. It is important to highlight that the state does send our town money for educational cost

sharing. It goes into the general fund budget. The 3-year history of non-lapsing deposits slide shows that in both fiscal years, the district returned \$400k to the town. We have been very financially aware of the town, the taxpayers, as well as the students in our district. We wanted to fulfill our needs, but then gave money back.

A school districts budget reflects the commitment of the community to invest in the future of our children. We all have to work together and have done a great job this year. The erosion of funding for education challenges the sustainability of Berlin as a competitive school district with rich educational and extracurricular opportunities for all students. We need to make sure we are continuing to provide those for our students and then everything we do is grounded in the goals that I reviewed at the beginning. We just need to make sure we continue to provide that quality education that is expected to prepare students for multiple opportunities upon graduation, maintain the favorable class sizes and course offerings. The technology and infrastructure and school safety for a safe learning environment.

Chairman Bordonaro said he had a clarification in his introduction remark, I said the Board of Education expenses are 60 percent of the total and included in there is a certain amount of dollars that come, included is the General Government fund that supports the Board of Education. There is actually \$4.3M in school debt that we pay for. There is another \$4.8M of town staff to support the Board of Education, security officers, nurses and all of the facility costs. That is about \$9M that is included in the General Fund budget that really supports the Board of Education and that was part of my 60% vs. the 50% that Town Manager Jayawickrema stated.

7. Audience of Citizens – None.

8. Adjournment

Mr. Paradis motioned to adjourn at 7:46 p.m.

Seconded by Mr. Grady.

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

Vote being 6-0. MOTION CARRIED

Submitted by,
Alina Brown

TOWN OF BERLIN
ANNUAL BUDGET FORUM
MEETING MINUTES
Tuesday, March 29, 2022
Berlin Senior Center
1:30 P.M.

<https://berlinct-gov.zoom.us/j/84817280113?pwd=QUdqSldCb0xHcmkzMfK0SjNhL0M0UT09>
Phone Number: 929 205 6099
Meeting ID: 848 1728 0113
Passcode: 264590

1. Call to Order

Chairman Bordonaro called the meeting to order at 1:30 p.m.

2. Pledge of Allegiance

3. Roll Call of Board of Finance

ATTENDANCE:

Members Present: Sal Bordonaro, Tim Grady, George Millerd,

Members Absent: Raul Fernandes, Mark Holmes, Gerald Paradis

Staff Present:

Town Manager – Aroscha Jayawickrema
Kevin Delaney – Finance Director
Gail Erickson – Assistant Finance Director
Superintendent of Schools – Brian Benigni
Mike Ahern – Town Engineer / Public Works Director
Doug Solek – Facilities Director
Matthew McNally – Police Chief
Kate Wall – Town Clerk
Chris Edge – Economic Development Director

4. Introductory Remarks

*To view the Board of Finance Annual Budget Forum PowerPoint presentation online, go to the town website under Finance/Budget: <https://www.berlinct.gov/topic/index.php?topicid=324&structureid=16>
Click on: Fiscal Year 2023 Budget Presentation - Annual Budget Forum/Hearing*

Chairman Bordonaro thanked everyone that came out and that was on Zoom. We went into this budget cycle keeping in mind that everyone is struggling with higher gas, heating, and food prices, just to name a few. I would have liked a zero tax increase for the third consecutive year, but the town and the Board of Education have also been impacted by these inflationary costs along with having to meet contractual obligations. The Board of Finance was given a proposed budget that would increase the tax rate by

5.8%. In collaboration with the town and Board of Education leadership, we found areas we could reduce expenses and increase revenues without impacting the quality of services that the town and the Board of Education provides. The result is a 1.1% tax increase, compared to the 5.8% proposed. The projected budget surplus for the current year allowed us to cover \$1.1M of capital projects and equipment included in the proposed budget. The Board of Finance unanimously voted to give the Board of Education a 2.5% budget increase. They requested a 4.7% increase. I believe that the Board of Education can meet their contractual requirements and not impact any programs. Also, with the use of COVID grant monies, help pay for resources to deal with student learning loss throughout the pandemic. Education in Berlin has been adequately funded with annual budget increases despite a drop in student enrollment. Berlin education expenses are 60.2% of the total expense budget. Which accounts for 39.8%. Berlin per pupil expenditure in comparison to 6 nearby towns is second highest, with Glastonbury being the highest.

Every year when you receive your motor vehicle tax bill, the value of the vehicle normally goes down, but unfortunately not this year. Supply chain issues combined with inflation is driving up the value of vehicles. We are looking at a book value increase on automobiles of 18%. Even without a tax increase, you will pay more taxes on your vehicle than last year. Every town is having to deal with this and Governor Lamont is trying to establish a mill rate cap on the motor vehicle tax which could help reduce motor vehicle tax. The grand list grew 2.9% in this proposed budget with a portion of that growth attributed to the motor vehicle book value increase.

As we complete our major building projects and tax abatements drop off, grand list tax revenues will continue to grow. That increase along with continuing to decrease our debt will provide more financial flexibility in the future. I want to thank Town Manager Jayawickrema, Finance Director Delaney, Superintendent of Schools Benigni, Board of Education President Dennis and Board of Education Finance Director Dorsey for working with the Board of Finance and helping us develop what we believe is a fair budget. I also want to thank Mayor Mark Kaczynski and the Town Council for their guidance. Finally, I want to thank the Board of Finance members for their efforts.

5. Presentation of Town Budget

Town Manager Jayawickrema introduced those in attendance from the town: Finance Director Delaney, Assistant Finance Director Erickson, Facilities Director Solek, Town Engineer / Public Works Director Ahern, Economic Development Director Edge, Town Clerk Wall, Superintendent of Schools Benigni and Chief of Police McNally.

The first slide is a pie chart showing the big picture of the proposed budget. About half of the budget is for the Board of Education and General Government which includes Public Works, Town Planning, Town Manager, Town Clerk, Economic Development, Library and Community Center. About 8% of our budget is for debt service. In general, it is a 2.8% increase over last year, but for the Board of Education it is a 2.5% increase and for the town it is a 3.2% increase. We removed capital expenses out of fiscal year 2023 and it is about 1.132. Because we are expecting a surplus in fiscal year 2022 and we believe before the end of the year, we can take some of these funds and address the capital needs. None of the budgets are going lower than what we had last year, same for the town and the Board of Education. The reduction is from the proposed increase. Part of how we are going to fund this year's budget is to take some money from the fund balance that is savings we have accrued over time. We have a healthy fund balance and can take a small amount like \$300k to do that. We are setting aside \$5M of the ARPA

funds to do some HVAC work at the elementary schools. That is not approved, but that is what we are thinking.

The grand list is \$2.438 billion (+2.9% vs. FY22). This growth generates \$2.3M in additional tax revenue. We need to do better. About 60% of that comes from motor vehicle market value changes, 25% from real estate and about 15% from personal property. That 2.9% generates about \$2.3M in new revenues. That is about 0.9 mill. We are pleased with that, but it something we continue to work on each year to try to improve our grand list increase. Almost 90% of our revenues come from taxes, real estate and personal property. One of the things that we are good at is the collection rate, 99.3% of our taxes are collected each year.

There are 4 pillars that we focus on each year, Education, Public Safety, Financial Strength and Infrastructure. We need to replace or renovate all of the HVAC systems in the elementary schools and we will start with one, based on the pricing and then do more. The roads being done this summer are Deming Rd., Porters Pass and Christian Lane and that is a big project for the town. In addition, if things go well, we can replace the Kensington Rd. bridge. Under Operating Personnel, we are proposing a Dispatcher for the Police Department, a School Nurse, HR Director for the town staff, Assistant Planner and Facilities Superintendent. We made a \$642k reduction, a big part of that was the removal of funding 2 Police Officers because there is a backlog in the academy as to when they can go in. When there is availability, the town will work with the Board of Finance and the Town Council to fund those 2 positions. Economic Development has a lot of things going on. There is progress being made next to the train station with mixed use apartments being made available. That is residential and commercial and the first building is almost done. Also, there is a development being built near the Acura dealership on the Berlin Turnpike with about 72 residential units. The retail building is complete and almost fully occupied. Also, Deming Ridge will have 88 units. Another development will be 404 Berlin Turnpike which plans to have residential, commercial, medical offices and a hotel. That will not happen this year, there is still more work to be done there.

The state is looking to cap the motor vehicle rate at 29 mills and the idea is to account for the difference. The 34.31 mill rate might end up being 34.39 if the state passes the motor vehicle cap.

The next budget actions to be taken are the Board of Finance will vote to recommend Board of Education and General Government budgets to the Town Council. The Town Council acts on the recommended budget on April 5 and can approve the budget as-is and the budget gets sent to referendum. They can also approve it with some reductions, or reject it and go back to a joint meeting of Town Council and the Board of Finance. The budget referendum is set for April 26.

6. Presentation of Board of Education Budget

Superintendent of Schools Benigni presented his goals for the Board of Education for 2022-2023. A quick overview of the bar graph was reviewed showing areas to be cut to achieve the \$1,040,000 reduction. A summary page was presented showing for reference what each line is increasing by. The Board of Education is decreasing by one Administrator next year, but adding a 0.2 for Human Resources. The new staff request summary page was reviewed. The Transportation cost is \$61,078 with New Britain Transportation rates going up 3.45%. Also, the district intends to use a portion of Excess Cost funds to offset Special Education transportation. Tuition is \$109,573 and tuition breakdown detail was

provided. Other expenditures are \$27,175. Also, changes to the ESSER II Grant and changes to ESSER ARP grant were explained. Hartford Open Choice Enrollment numbers were provided and Superintendent of Schools Benigni explained how the process works and impacts the Board of Education budget. Also, Superintendent of Schools Benigni explained how the Open Choice money is being spent. A budget funding history overview was shown with what was requested and what was received over the last few years. Followed by a budget comparison slide showing where Berlin is compared to what other towns in close proximity received. Berlin's 5-year average increase is right in the middle of those towns which is excellent and the same goes for per pupil expenditure. The state provides the town with almost \$6M of revenue for having the educational system. There are things typically that the town would fund under capital paving and such nature and the Board of Education works well with the town. When there is additional monies left at the end of the year, say you have 2% extra, a portion of the money is given back to the town. There are things on the capital improvement list that have not been funded in years that we look to prioritize. Technology is always a priority, but there is a long list of additional items. In closing, Superintendent of Schools Benigni said a school districts budget reflects the commitment of the community to invest in the future of our children.

7. Audience of Citizens

Donna Bovee, 85 Steepleview Dr.

Ms. Bovee asked about ending at \$74.6M at the end of June. Based on this budget in June 2023, what do you expect that number to be? Finance Director Delaney said it will be about \$8M lower than that number, assuming no additional borrowing.

Ms. Bovee asked so you will decide the additional borrowing throughout the year? Finance Director Delaney said yes, and a lot of that would depend on the projects.

Chairman Bordonaro added that a few years ago, we were over \$100M in debt and for a town our size, our normal debt should be around \$40M. So that is the challenge that we are having. If we get down to \$40M, we cut our debt payments in half. That means having \$5M a year to do whatever we want which would be tremendous for the town, but we do have some major projects that are coming forward. Just to sustain our facilities, we have \$300M of facilities and buildings. We need to put a new roof on the Town Hall and a new roof on the library. So have some pretty substantial capital projects, you are looking annually at maybe \$5M-\$8M of capital projects. We will need to re-look at our debt situation and maybe bond what we didn't want to bond, but still drop the debt overall.

Ms. Bovee asked while you are having repairs and things as mentioned, does the town still have the \$5M set aside from the federal government that could help you? Chairman Bordonaro said there are 3 schools that are having HVAC upgrades and you are talking about \$15M-\$20M, so we would use that first \$5M for the first school.

June Daly, 67 Homecrest Dr.

Ms. Daly said thanks to everyone for working so hard to make some of our goals possible. I do appreciate that the Board of Education came in with a certain percentage increase after being told to reduce that as a recommendation and I want to thank our Board of Finance for suggesting that change. I'm still a little bit concerned for the cost per pupil. You mentioned something about the adjoining towns that might be a good comparison model. I see where Superintendent of Schools Benigni could provide is his materials many more school districts. I'm kind of new to the area, but they look a lot

closer to the kind that are in the Long Island sound area, where the possibility might be quite a bit higher. What do you think about the cost per student and how do you think it is working? Superintendent of Schools Benigni said based on the economics, if you look at DERA grants, which the state does not use that much anymore, we were always right in the middle and that is where we are. Another thing to look at is the wealth ranking of Berlin vs. what we pay, so Berlin is ranked 60 out of 169 towns, but what we spend per pupil is ranked at 100, so that is how it is looked at. The per pupil expenditure, you are talking maybe a couple hundred dollars either way. I don't think that is the only part to look at. I think the part to look at is you are looking at a 1% increase, the contractual obligations year to year are over 2%. So, if you don't have at least 2%, ours is over 3%, then you start cutting staff. We are making cuts already this year to several positions. Superintendent of Schools Benigni said I think when you look at the overall budget, we are reducing staff. We are constantly looking at other ways to reduce and also want to stay competitive for the students that do go to school in Berlin.

8. Adjournment

Mr. Millerd moved to adjourn at 2:40 p.m.

Seconded by Mr. Grady.

Those voting in favor: Mr. Bordonaro, Mr. Grady, Mr. Millerd

Vote being 3-0

Submitted by,
Alina Brown

TOWN OF BERLIN
SPECIAL BOARD OF FINANCE BUDGET MEETING
Tuesday, March 29, 2022
Berlin High School Auditorium

Immediately following the Annual Budget Hearing

https://www.youtube.com/channel/UCBMUXMxSi05OrZUdfNpMApw?view_as=subscriber

A. CALL TO ORDER

Chairman Bordonaro called the meeting to order at 7:53 p.m.

B. DISCUSSION OF DEPARTMENT BUDGETS:

1. Discuss fiscal year 2023 proposed Board of Education and General Government budgets.

2. Move to send the Board of Education budget of \$49,082,596 to the Town Council.

Mr. Paradis moved to send the Board of Education budget of \$49,082,596 to the Town Council.

Seconded by Mr. Holmes.

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

Vote being 6-0. (MOTION CARRIED)

3. Move to send the General Government budget of \$47,543,182 to the Town Council.

Mr. Paradis moved to send the General Government budget of \$47,543,182 to the Town Council.

Seconded by Mr. Holmes.

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

Vote being 6-0. (MOTION CARRIED)

C. ADJOURNMENT

Mr. Holmes moved to adjourn at 7:54 p.m.

Seconded by Mr. Fernandes.

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

Vote being 6-0

Submitted by,
Alina Brown

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

TO: The Board of Finance

FROM: Arosha Jayawickrema, Town Manager

DATE: March 7, 2022

SUBJECT: 2022 JAG Local VCP (Violent Crime Prevention) Grant Program

Summary of Agenda Item:

The Police Department is eligible to receive \$25,000.00 in grant funding through the federal Justice Assistance Formula Grant (JAG) program. The State of Connecticut Office of Policy and Management (OPM) is providing these grants to assist local police departments with violent crime prevention and public safety improvements. This is a “one-time” grant with no future “continuation” or “supplemental” funds available. Towns will be given 50% of their funds at the beginning of the grant period and will be reimbursed the remainder owed once the grant is reconciled during closeout. Purpose areas for the grant include information technology, computers and peripheral equipment, & technology and equipment for tactical response, surveillance and investigation.

The five mid-state Police Chiefs agreed to use \$12,739.38 each towards the purchase of a FARO Mapping System. This system will be utilized by the MSARS regional crash reconstruction team during their investigations. The department plans on using the remainder of the funds for a vehicle mounted license plate reader (LPR). The initial 50% disbursement of funds will be deposited into the JAG revenue account # 100.15.1532.2.44803.00000 and appropriated to the misc. equipment grant account # 100.15.1532.0.53248.00000. The Town will deposit the balance of \$12,500, which will be reimbursed during the grant close-out.

Action Needed:

Move to accept the \$25,000 Justice Assistance Grant (JAG) into the JAG revenue account and appropriate the funds to the Miscellaneous Equipment account.

Attachments:

None

Prepared By:

Deputy Chief Chris Ciuci

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

TO: The Board of Finance

FROM: Arosha Jayawickrema, Town Manager

DATE: April 8, 2022

SUBJECT: De-authorize Debt & Expenditure Authority

Summary of Agenda Item:

Best practice in debt management calls for a review of outstanding debt authorized but unissued at least annually. Finance and the Town's bond counsel have established a new process to review the list of outstanding bond authority each January and request the Town Council to de-authorize debt no longer needed each February. This motion is the culmination of that effort.

The Town has identified a completed project with bond authorization still available. The project no longer requires bonding.

Action Needed:

Move to approve the resolution making certain findings with respect to completed capital projects and repealing remaining authorized but unissued debt and expenditure authority for such projects totaling \$979,352.

Attachments:

Resolution Repealing Remaining Authorized but Unissued Debt and Expenditure Authority

Prepared By:

Kevin Delaney, Finance Director

RESOLUTION MAKING CERTAIN FINDINGS WITH RESPECT TO
COMPLETED CAPITAL PROJECTS AND REPEALING REMAINING
AUTHORIZED BUT UNISSUED DEBT AND EXPENDITURE AUTHORITY
FOR SUCH PROJECTS

Section 1. The Board of Finance hereby makes the following findings and determinations:

(i) Town of Berlin has authorized the issuance of bonds and notes of the Town to finance and construct various capital purposes on the dates and in the amounts identified in the following table:

Project	Purpose	Date Authorized (Council Approval/BOF if applicable)	Bond Amount Authorized	Authorized But Unissued Debt
ACQUIRE LAND FOR AND DESIGN A POLICE STATION TO BE LOCATED AT 903 AND 913 FARMINGTON AVE.	General Purpose	7/19/11	\$2,000,000	\$979,352

(the "Capital Projects");

(ii) Each Capital Project is the subject of an individual bond ordinance authorizing the specific Capital Project, an appropriation, and the issuance of bonds, notes or other obligations to finance the appropriation and project;

(iii) Each Capital Project has been completed, no further expenditures are required and no further issuance of bonds, notes or other obligations are necessary;

(iv) The final cost for each Capital Project pursuant to the respective bond ordinance identified in section 1(i) is less than the amount authorized to be expended and financed, and therefore there remains an authorized and unissued balance for each Capital Project, which authorized and unissued balance is not necessary to accomplish the respective Capital Project authorized by the applicable bond ordinance.

Section 2. The remaining expenditure and borrowing authorization as set forth in the table in section 1 under the column Authorized But Unissued Debt for each Capital Project is hereby repealed and de-authorized. No further expenditures or debt issuance may occur on the basis of the above bond authorizations.

Town of Berlin
Financial Status Report
Board of Finance Meeting of April 19, 2022

F-5

GENERAL FUND

	<u>FY 2022</u>	<u>FY 2021</u>	<u>Notes</u>
<i>(budgeted amount excludes assigned fund balance)</i>			
Receipts			
Actual Receipts	\$89,135,713	\$87,122,648	FY22 revenue increase assumed \$1.2 million from the accepted BHS renovate as new project. This amount has not been recorded yet.
Budgeted Receipts	\$93,513,047	\$91,050,922	
% to Budget	95.3%	95.7%	
Current Year Tax Receipts	\$79,754,971	\$78,459,786	
Current Tax Budget	\$79,861,907	\$78,789,139	
Current Tax Levy (99.3%/99.3% collection rates)	\$80,424,881	\$79,504,581	
% to Current Budget	99.9%	99.6%	
% to Current Levy	99.2%	98.7%	
Adopted budget target %	99.3%	99.3%	
Expenditures (excludes capital expenditures)			
Actual Expenditures	\$74,695,168	\$64,789,121	FY22 includes \$5,310,640 non-budgeted pension appropriation/expenditure from unassigned fund balance and \$2,200,000 non-budgeted appropriation for the purchase of two (2) new fire vehicles
Budgeted Expenditures	\$101,131,847	\$93,491,644	
% to Budget	73.9%	69.3%	
	<u>Actual</u>	<u>Encumbered</u>	<u>Budget</u> <u>Var to Budget</u>
Storm-related Overtime (51445)	\$109,172	\$0	\$141,738 \$32,567
Electricity (53102)	\$872,970	\$492,390	\$1,487,760 \$122,400
Refuse Disposal (53823)	\$1,169,775	\$721,687	\$1,917,489 \$26,027
Legal (53828)	\$213,805	\$86,195	\$300,000 \$0
Tax Refunds (53924)	\$202,575	\$0	\$215,000 \$12,425

	<u>Target Floor Fd Bal.</u>	<u>Actual Fund Bal.</u>	<u>Notes</u>
INSURANCE FUNDS			
Health Insurance Fund	\$2,302,598	\$2,532,168	The Health Insurance Fund balance is 27.5% of full year projected expenses - against a target reserve of 25%. Although the fund balance is below the floor, the cash balance is \$2,967,677.
General Insurance Fund	\$1,000,000	\$1,680,102	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	<u>\$3,302,598</u>	<u>\$4,212,270</u>	

PENSION FUND

		<u>Notes</u>
Total Liability (as of 7/1/2021) (actuarial valuation liability was adjusted to remove FY21/FY22 retiree payouts)	\$8,032,875	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	\$3,277,243	
ICMA Plus	<u>\$2,977,018</u>	
	<u>\$6,254,261</u>	Currently, the Town is executing a pay-as -you-go program to manage new retirements. The plan includes 5 active participants, 1 inactive but eligible participant and 15 annuitants.
Funding % - Total	77.9%	
Funding % - DB	40.8%	
Unfunded Liability	(\$1,778,614)	<u>Anticipated retirements:</u> FY22: 5 active participants remain and all are eligible to retire. Annual annuity payments & total monthly fees: \$185,000

ACTIVE CAPITAL PROJECTS

	<u>% Complete*</u>	<u>Project Balance**</u>	<u>Notes</u>
4-Bridge Rehabilitation	85%	\$0	Closeout work continues. Invoicing trails actual construction, so the construction % complete is higher than the amount presented on this exhibit.
BHS Rooftop Ductwork	95%	\$0	Construction is in closeout

* % 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*	\$165,500.00	\$164,675.80	\$824.20	\$0.00	Complete
McGee HVAC Unit #1	\$225,000.00	\$225,000.00	\$0.00	\$0.00	
TOTAL FY2020 CARRYOVER	\$390,500.00	\$389,675.80	\$824.20	\$0.00	
Lighting upgrades in McGee Library/Media Center	\$150,000.00		\$150,000.00	\$0.00	\$150,000 from 2% Fund; Remaining \$38,400 from CNR Fund (Schools capital projects account)
Paving of Willard playground area & sidewalks**	\$146,137.34	\$146,137.34		\$0.00	Complete
Classroom storage (cubbies) at Hubbard	\$59,488.19	\$4,750.00	\$45,250.00	\$9,488.19	Using \$16,000 from GF Capital (001.3561) to cover higher bid
Removal of retaining walls at McGee entrance	\$25,500.00	\$25,500.00		\$0.00	Complete
Balance of rooftop units at McGee	\$25,000.00	\$20,363.34	\$4,636.66	\$0.00	
TOTAL FY2021 CARRYOVER	\$406,125.53	\$196,750.68	\$199,886.66	\$9,488.19	Using \$7,193.34 from Schools CNR funds to cover portion of contingency
TOTAL 2% FUND BALANCE	\$796,625.53	\$586,426.48	\$200,710.86	\$9,488.19	

* 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. The remaining balance (\$6,125.53) was moved to the Classroom storage at Hubbard and to clear the \$500 overage in the Removal of retaining wall at McGee.

** The remaining FY21 balance (\$3,862.66) was moved to the Classroom storage at Hubbard.

Risks

Description	Projected - Low	Projected - High	Probability
Transfers from Other Funds (from BHS project fund)	(\$245,000)	(\$245,000)	High
VNA receipts	(\$100,000)	(\$300,000)	Medium/High
School Nurses (responding to COVID)	\$0	\$50,000	Medium/High
Legal Fees	\$0	\$100,000	Medium
TOTAL	\$345,000	\$395,000	
<i>Total excluding Pension payouts</i>	<i>\$345,000</i>	<i>\$395,000</i>	
Anticipated American Recoveries Act Grants (50% in FY21 & 50% in FY22):			
Town (FY21 - 50% payment)	\$1,039,296.37		
County (FY21 - 50% payment)	\$1,984,726.71		
	<u>\$3,024,023.08</u>		
FY21 & FY22 Anticipated amount	\$6,048,046.16		
FY22 Budgeted Revenue	(\$700,000.00)		
FY23 Budgeted Revenue (<i>proposed</i>)	(\$300,000.00)		
NET American Recoveries Act Available Revenue	<u>\$5,048,046.16</u>		

Opportunities

Description	Projected - Low	Projected - High	Probability
Supplemental Motor Vehicle Taxes	\$300,000	\$400,000	Medium/High
Tax sale early payments	\$0	\$450,000	Medium/High
Prior year payments	\$0	\$200,000	Medium/High
Favorable court settlements	\$0	\$200,000	Medium/High
Town clerk fees	\$0	\$250,000	Medium/High
Building permit fees	\$0	\$200,000	Medium/High
Wages/Fringes (vacancies) - <i>projected based on current headcount/vacancies</i>	\$300,000	\$800,000	Medium/High
Utilities - <i>large range because of unknown impact of inflation</i>	\$50,000	\$300,000	Medium
TOTAL	\$650,000	\$2,800,000	
Net Projection	\$305,000	\$2,405,000	
Net Projection (ex Pension Payouts)	\$305,000	\$2,405,000	