

**SALEM BOARD OF FINANCE
REGULAR MEETING MINUTES
January 8, 2009**

PRESENT

Carol Eckart
Kevin Friert
Janet Griggs
George Householder
Kevin Lyden (Alt)
Georgia Pech (Alt)
Greg Preston
Bill Weinschenker

ABSENT

Virginia Casey Rec. Sec

B. Weinschenker called the meeting to order at 7:30

Recognition of Visitors-See attached

No Alternates were seated

Communications: Budget packet from the Board of Education was handed out.

Additions to the Agenda: none

- 1. Approve Minutes from December 11, 2008 Regular Meeting
M/S/C (Eckart/Friert) to accept the minutes as amended.**

Corrections:

Pg. 1, item 2, change Learning is... to LEARN is...

Pg. 2, item 4, changegreat jog, to job.

Pg. 2, item 5, change first sentence to read, Mike informed the BOF that East Lyme completed their audit and found that the Town of Salem's actual school budget amount is \$53,800 less than budgeted for in the 08/09 budget.

Vote: Approved. Voting in the affirmative, C, Eckart, K. Freiert, J. Griggs, and B. Weinschenker. Abstaining, G. Householder, G. Preston.

1. **Treasurers Report** (See file copy)
2. **Public Comment**-None

(B. Weinschenker requested agenda item 8 be moved before the Selectman's Report (item 3) in order to ask the Treasurer questions on the financing. It was the consensus of the board to move the item)

3. **School Project Financing Options**

B. Weinschenker reported that the architects are at work on the school upgrade, he is concerned the project is growing beyond its original scope. He stated the project proposal is now at \$12,000,000- \$15,000,000. There is an increase in the school footprint.

He questioned whether a bond for construction should be financed over a long period of time. The state will not reimburse until the project is complete. One option is to get short term rates for construction and a long term bond rate. B. Weinschenker stated there would not be a significant tax break between a ten year bond and a 20 year bond. For state reimbursement the school would have to "renovate as new", any renovations would have to last 20 years and would not be eligible for reimbursement by the state for any new renovations until after 20 years. He informed the Board that the basic level of reimbursement is 55% but he is not optimistic the town would receive that rate. The building committee has been told there are two factors that would lower the rate for Salem.

1. The age of the school.
2. Too much space in the school

Both of these factors are due to the fact the school has two additions and the original building. The last addition is 1993

and the new roof, which makes the school too new. Also, due to the additions, hallways have added to the space and the gym is a regulation gym which adds to the overall space. Both of these factors will lower the reimbursement rate, possibly into the 30's %.

It was the consensus of the Board to get 10, 15, and 20 year bond rates and what the effects on the taxpayer would be.

K. Lyden suggested that if the project was approved the town may get a better price due to the poor economy and contractors hungry for work.

The building committee would like to go to referendum in the spring in order to get approved by the state by June 30th. There are no informational hearings planned by the building committee for the public at this time.

4. Selectman's Report

B. Weinschenker stated the First Selectman would not be at the meeting tonight but he had submitted a memo for supplemental appropriations recommended by the BOS (See File Copy). B. Weinschenker stated the First Selectman wanted to add lines to the upcoming budget in the utilities dept for cell phones. It was the Boards consensus that there was not enough information to comment or advise on this matter. The subject was postponed and will be on the following month's agenda.

Supplemental appropriations recommended by the Board of Selectman:

Computer Expense-Because of recent virus's on the Tax Collectors computer and the lack of a central server it was recommended by R. Walsh to update the server and firewalls. It was noted by the Board there was still a significant amount of money in Dept. 134 and it might be better to use what is there and have the First Selectman come back if the dept. is short at the end of the year. Members suggested it would get people to work within their budget.

M/S/C (Freiert/Griggs) to fund the supplemental appropriation of \$6750.00 from undesignated funds to line 134-52-523 Vote: Approved. Voting for approval, C. Eckart, K. Freiert, J. Griggs, B. Weinschenker. Opposed, G. Preston

Gardner Lake Fire Dept. Phone System.

J. Savalle gave the Board a comparison of two company's quotes for a phone system upgrade (See File Copy). He explained the two quotes and stated there was not much difference between the two. It was suggested to him that the fire dept. go with the company who services the town hall and school. He reminded the Board that \$2500 was appropriated in the current budget but they still needed another \$950 for the project.

M/S/C (Griggs/Householder) to fund the supplemental appropriation of \$935.00 from undesignated funds to capital line 930-220-000. Vote: Approved Unanimously

Building Maintenance

D. Bourdeau informed the Board that the building maintenance line has incurred major costs, mostly for heating and ventilation at Town Hall and the Library. He stated the heat pump for the air conditioning at Town Hall needs to be replaced at a cost of \$4000. There are plans for painting, replacing the exhaust fan, plus, unanticipated expenses. D. Bourdeau estimated a total of \$10,000 addition funds would be needed.

M/S/C (Householder/Preston) to fund the supplemental appropriation of \$7000 from undesignated funds to Dept/Line 135-31-314.

Motion retracted by Householder/Preston. The Board needs more concrete costs before appropriation. Matter will be put on next months agenda.

(B. Weinschenker tabled agenda item, Recreation Commission-Sue Spang until after the Capital Plan-Gene Maiorano)

5. Capital Plan-Gene Maiorano

G. Maiorano stated that over the last two years all large diameter hose has been replace. Recently their other hoses have been inspected and the three inch hoses are very old and he would like to replace them. He asked the Board for advice on how to split the cost for the request. He informed the Board that the total cost would be \$15,000 for approximately 3000 feet of hose. He stated Salem and other towns are consolidating their purchase in order to get a lower price. It was the Board's recommendation that he come with a minimum amount this year and a long range plan for replacing the hose.

G. Maiorano updated the Board on the air paks for the departments. He stated the SVFD did not get their grant and the GLFD has not yet heard. He stated that the air-paks are now \$5200 a piece, if the town were to order all 32 paks they could get them at a price of \$4995. This would be a total savings of \$31,000 (including tanks). The Board asked for quotes and a plan. They also commented that if the paks were bought all at once then they would have to be replaced all at once.

6. Recreation Commission-Program Funding.

S. Spang informed the Board that the Board of Selectman recommended approval for \$12,000 for programs. She stated that the Commission had already spent the \$3000 allocated for programs and that has been offset by \$3200 in revenue to the town. The additional appropriation is needed for two bus trips, young child classes, and a babysitting course. This expense is to be offset by revenue coming to the town for payment of programs by residents.

M/S/C (Freiert/Griggs) to fund the supplemental appropriation of \$12,000 from undesignated funds to dept line 645-80-206. Vote: Approved Unanimously

S. Spang updated the Board on the Trails grant, informing them that reimbursement for work in kind and materials will be submitted to the state. She also informed them that the Path

Committee submitted a STEAP Grant for \$450,000 for a bridge over Harris Brook

7. Audit Proposal

B. Weinschenker stated the audit proposal was done and there are four companies to send it out to. (See File Copy) The Board stated it sent a positive message out to all departments about getting bid proposals and competitive quotes. Virginia will be instructed to send the packages out. The Board commended Kim Siebert on putting together the audit proposal

M/S/C (Griggs/Householder) motion to adjourn at 9:04

Respectfully Submitted

**Sue Spang
Recording Secretary Pro-Tem**