

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, JULY 9, 2020 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING, VIRTUAL MEETING VIA ZOOM**

Per State of Connecticut, Governor Lamont Executive Order Number 7B, the Town of Salem BOARD OF FINANCE Regular Meeting on July 9th, 2020 will be following the suspension of in-person open meeting requirements. Please click the link below to join the webinar:

<https://zoom.us/j/99383815934?pwd=akRUYWFPYlduVzN1dTlcmZ1bVFEZz09>

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PRESENT

William “Skip” Dickson, Chairman
Marshall Collins, Clerk (7:16 p.m.)
Corinne (Cory) Bourgeois
Deborah Cadwell
Janet Griggs
Hernan Salas
John Bernier, Alternate (*seated*)
Maryann Casciano, Alternate

ABSENT

Dean Wojcik, Alternate

ALSO PRESENT

First Selectman Kevin Lyden

CALL TO ORDER:

Chairman Dickson called the meeting to order at 7:04 p.m.

SEAT ALTERNATE IF NEEDED:

M/S/C: Cadwell/Bourgeois, to seat Alternate Board Member Bernier for Full Board Member Collins. Discussion: None. Voice vote, 5-0, all in favor.

COMMUNICATIONS:

1. A copy of an e-mail from Board of Education (BOE) Chairman Sean Reith regarding the technology service contract.

ADDITIONS TO THE AGENDA: *none*

AGENDA:

1. APPROVAL OF MINUTES: JUNE 11, 2020 REGULAR MEETING

M/S/C: Griggs/Bourgeois, to approve the Board of Finance June 11, 2020 Regular Meeting Minutes, with the following amendment

Page 2, Item 4 – First Selectman’s Report, 1st paragraph, last sentence:

Both the Building Department and Town Clerk have been handling ~~and~~
applications for permits and licenses through their windows, when necessary.

Discussion: None. Voice vote, 6-0, all in favor.

Clerk Collins joined the meeting at 7:12 p.m.

2. TREASURER’S REPORTS

A. REVENUE SUMMARY

B. TRIAL BALANCE

C. FUND BALANCE

D. OTHER

The Board and First Selectman reviewed the Treasurer’s Reports. The First Selectman reminded the Board that their revenues, which are 102.2% over-budget, should be reduced by approximately \$102,000.00 due to the LoCIP (Local Capital Improvement Program) Grant, which is budgeted annually. Invoices for the Resident State Trooper program, fuel, legal bills, and other vendors continue to be received for the FY2019/20. The General Government is expected to return approximately \$100,000.00 to the town.

In response to Clerk Collins who reported that a report was received from CCM (Connecticut Council of Municipalities) regarding the CARES (Coronavirus Aid, Relief, and Economic Security) Act, Board Member Griggs will confirm that the school administration is diligently seeking those funds and the amount they are expecting to receive.

3. PUBLIC COMMENTS

E-mail Public Comments to financepubliccomment@salemct.gov or place in the drop box located by the entrance to Town Hall prior to 7:10 p.m.

No comments were received.

4. SELECTMAN’S REPORT

A smooth and successful Amnesty Day at the Transfer Station was held with the help of two (2) Public Works employees directing traffic and utilizing the payloader to lift and move the heavy items as they were being dropped off.

The town and Uncas Health District have been trying to work with the owner of the plaza located at 1 New London Road to correct the ongoing violations. A Cease and Desist Order was issued on the property over a year ago and the Town Attorney is in the process of placing a lien on the property to recoup the costs for the town to clean and maintain the front of the property. The Uncas Health District has also issued an order to clean the rear of the property. The Fire Code

violations have been taken care of. It is estimated that, to date, less than \$2,000.00 in costs have been incurred to clean up the plaza.

The Town Hall is open to the public, by appointment only. People are increasingly utilizing the dropbox, which is checked twice daily. Title searches may be conducted online and the fees have been suspended for the time being. The Library continues to offer curbside pick-up; it is unknown as to when it will re-open. The Round Hill Road playground is now open and safety signage has been posted. The school playgrounds and fitness area will remain closed for the time being. The public has been understanding and he commended the residents for helping keep the number of coronavirus cases low. To date, there are five (5) reported positive COVID-19 cases in Salem. The three (3) additional cases that are included in some reports are of individuals who are registered in, but do not reside in town.

5. FIRST SELECTMAN'S TRANSFER REQUESTS

M/S/C: Collins/Griggs, to transfer the following funds from Line Item 5-138-802 –

Employee Benefits, Medical/Dental/Life Insurance, to the following line items:

5-105-105 – Salaries, Assistant Tax Collector	\$ 2,500.00
5-105-106 – Salaries, Assessor	\$ 2,000.00
5-105-120 – Salaries, Fire Marshals/CP	\$ 1,000.00
5-157-822 – Regional Services, Adult Education	\$ 760.00
5-126-208 – Town Counsel, Town Issues	\$ 6,000.00

First Selectman Lyden explained that the additional expenses for Line Item 5-126-208 – Town Counsel, Town Issues is related to the legal costs for the ongoing litigation with the Gardner Lake Volunteer Fire Company. Line Item 5-157-822 – Regional Services, Adult Education was underbudgeted; the funds are passed through to the BOE. The other line items are for incidental salary expenses for overtime and the like.

6. FUND BALANCE POLICY – INITIAL DISCUSSIONS

The First Selectman stated that the Fund Balance Policy will ensure that the current and future Board Members are apprised of the amount, which will help keep the town's taxes steady and have a positive effect should the town seek to borrow funds or bond a project(s). The Policy proposes an Unassigned Fund Balance of 14% to 18%, with a target of 16%, aligning with the generally accepted accounting principles recommendation of 15.9%. In addition to the target amount, the Policy also states that the funds should be utilized for one-time costs rather than operating expenses. The Policy has been reviewed by both the Auditors and the town's CPA. The language for the Policy derived from CCM and was revised by the Auditors. He recommended that the Board exercise caution when utilizing the funds, explaining the difficulties in raising the Fund Balance should it fall significantly below the targeted amount, especially after a very difficult year.

Clerk Collins recommended they clearly define the acceptable one-time costs to eliminate any misunderstandings. He proposed forming a subcommittee to discuss and propose revisions to the

Policy and volunteered to serve on the subcommittee with Board Member Salas. Chairman Dickson concurred and requested that the Board Members review the document and provide their comments to the subcommittee. Board Member Bourgeois proposed the possibility of requiring departments to present a written proposal clearly explaining and stating the specific purpose of their funding request, thereby ensuring they have exercised their due diligence.

7. COVID-19 FUTURE IMPACTS

Chairman Dickson proposed the possibility of contacting the BOE regarding their projected costs due to the pandemic. BOE Subcommittee Members Cadwell and Griggs reported that additional expenses will include the PPE (Personal Protection Equipment) for the students and staff and storage costs for school furnishings so as to avoid any additional, unnecessary cleaning costs. The BOE has discussed various scenarios as they continue to wait for the Governor's guidance. Clerk Collins reiterated the need for the BOE to pursue any additional funding they could receive from the CARES Act. He also requested that they present both a revenue and expense report, especially in light of the additional expenses that will be incurred due to the pandemic. Board Member Griggs will request the information from the Superintendent, which will be sent to Chairman Dickson and cc'd to the BOE Subcommittee Members.

First Selectman Lyden reported that a projection of the General Government expenses expected to be incurred for April, May, and June due to the pandemic were submitted to OPM (Office of Personnel Management) in April for FEMA (Federal Emergency Management Agency) reimbursement. He expressed his concern with one of the questions on the form which asked for their Unassigned Fund Balance. It is expected that FEMA will reimburse 75% of the costs to the municipalities and the state will reimburse the remaining 25%. Further clarification is expected from the state and additional costs are expected.

8. SUBCOMMITTEE REPORTS

BOE Subcommittee – *no additional information*. First Selectman Lyden proposed the possibility of eliminating some of the items currently stored in the Zemko house to make room for the furniture. The school may also house some of the furnishings in the Zemko garage.

Fire/Safety Subcommittee – *no report*; First Selectman Lyden reported that Salem Volunteer Fire Company Chief Gene Maiorano has met with the staff and is very familiar with the procedures that will be followed due to the Board's recent re-organization of the Fire Companies' budget.

OLD BUSINESS – *none*

ADJOURNMENT

M/S/C: Salas/Collins, to adjourn the meeting at 8:03 p.m. Discussion: None. Voice vote, 6-0, all in favor. Meeting adjourned.

Respectfully Submitted by: Agnes T. Miyuki, Recording Secretary for the Town of Salem