

**TOWN OF SALEM  
BOARD OF FINANCE  
REGULAR MEETING MINUTES  
THURSDAY, AUGUST 13, 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 August 13, 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/98099964618?pwd=YUMwdWg2NDFzSTUxWVYvQWFoMjRkUT09>

**Password:** 230124

**Or Via Telephone:**

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**Webinar ID:** 993 8381 5934 | **Password:** 230124

**PRESENT**

William “Skip” Dickson, Chairman  
Marshall Collins, Clerk  
Corinne (Cory) Bourgeois  
Deborah Cadwell  
Janet Griggs  
John Bernier, Alternate (*seated*)

**ABSENT**

Hernan Salas  
Dean Wojcik, Alternate  
Maryann Casciano, Alternate

**ALSO PRESENT**

First Selectman Kevin Lyden

**CALL TO ORDER:**

Chairman Dickson called the meeting to order at 7:11 p.m.

**SEAT ALTERNATE IF NEEDED:**

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

**COMMUNICATIONS:**

1. Spreadsheet reflecting the estimated costs for the re-opening of Salem School, including the anticipated revenue from the CARES (Coronavirus Aid, Relief, and Economic Security) Act and FEMA (Federal Emergency Management Agency).
2. Salem School Re-Opening Plan, with respect to its financial implications, as of August 3, 2020.
3. Link to a draft of the Salem School District’s Re-Opening Plan:  
[www.salemschools.org/cms/lib/CT01000057/Centricity/Domain/1/ReopeningPlan\\_July20.pdf](http://www.salemschools.org/cms/lib/CT01000057/Centricity/Domain/1/ReopeningPlan_July20.pdf)

**ADDITIONS TO THE AGENDA:** *none*

**AGENDA:**

**1. APPROVAL OF MINUTES: JULY 9, 2020 REGULAR MEETING**

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

**SEAT ALTERNATE IF NEEDED:**

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

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

**2. TREASURER'S REPORTS**

**A. REVENUE SUMMARY**

**B. TRIAL BALANCE**

**C. FUND BALANCE**

**D. OTHER**

The Board reviewed the Treasurer's Reports. The First Selectman reported that the town has collected more funds for tax collections this year than the previous year, regardless of the pandemic. Residents who were granted the 90-day extension will need to submit the entire owed amount to avoid any interest.

The Auditors were working on their preliminary audit at Town Hall and the School today; files were also sent to them electronically in July. The town has submitted its first payment of \$23,000.00 to the Gardner Lake Volunteer Fire Company for the on-call service. A second payment, from which \$5,000.00 will be deducted for the nominal fee per their agreement to partially fund the three (3) additional volunteers to be available per shift, is in process. The lawsuit continues to be active.

**3. PUBLIC COMMENTS**

*E-mail Public Comments to [financepubliccomment@salemct.gov](mailto: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 as of 7:18 p.m.

**4. SELECTMAN'S REPORT**

As expected, the town's COVID-19 expenses are up and some of the funds are expected to be reimbursed through FEMA (Federal Emergency Management Agency). Approximately \$200,000.00 in unexpended funds is expected to be returned to the town from the FY2019/20 budget. A substantial amount of those funds derive from certain departments, e.g., Recreation, which canceled a number of their programs due to the pandemic, and Salaries, due to the mild winter.

He expressed his frustrations with Eversource regarding their handling of the power outages and clearing of the complete and partial road blockages throughout the town. The town's crews worked well into the evening clearing the roads, Emergency Services worked overtime, and the town's EOC (Emergency Operations Center) was open for the duration of the storm. For the first time since Hurricane Sandy, the Pavilion was opened to the residents for brush. Approximately 80% of the town was out of power for a period of a few hours to several days. *Henny Penny* at the Salem Round-a-bout, which has a generator, was one of the few gas stations that were able to service gas to the public. An elderly couple refused an offer from the town for a hotel room due to the loss of power and made alternative arrangements. The Town Hall encountered issues with its generator during the power outage, presumably due to its age. Part of the Library's HVAC upgrade includes the purchase and installation of a generator. As such, he plans to request an additional cost estimate for the purchase and installation of one generator to service both the Library and the Town Hall buildings.

#### **5. FIRST SELECTMAN'S TRANSFER REQUESTS**

**M/S/C: Collins/Cadwell, to transfer the following funds from Line Item 5-138-802 – Employee Benefits, Medical/Dental/Life Insurance, to the following line items:**

|  |                    |
|--|--------------------|
| <b>5-105-105 – Salaries, Assistant Tax Collector</b>     | <b>\$ 2,600.00</b> |
| <b>5-410-541 – Transfer Station, Management Contract</b> | <b>\$ 3,000.00</b> |
| <b>5-112-433 – Town Clerk, Ledgers / Books</b>           | <b>\$ 200.00</b>   |

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

#### **6. FUND BALANCE POLICY – INITIAL DISCUSSIONS**

Clerk Collins stated that the proposed Fund Balance Policy, which was received by the First Selectman and reviewed by Board Member Salas and himself, was based upon that of the Town of Essex. After reviewing the Policy, the decision was made to re-format the Policy, beginning with Definitions. They also discussed the 15% - 20% range for the Unassigned Fund Balance and agreed to set a goal of 18%. The Policy is, otherwise, relatively unchanged. First Selectman Lyden added that the originally drafted Policy was reviewed by both the town's Investment Banker, Auditors, and CPA – all of whom reacted positively with the institution of a Fund Balance Policy. The GFOA (Government Finance Officers Association) recommends a Fund Balance of a minimum of 17% or two-months of expenses. Several factors are involved in the determination of the Fund Balance, including the debt load.

Board Member Bernier recalled a discussion regarding the need to avoid spending down the funds. Clerk Collins recollected that the discussion revolved around the need to maintain the funds within a certain range and without volatility should they opt to bond a project. He did not feel a need to include a rate in which the funds should be spent down. First Selectman Lyden reminded the Board that when the town's bond rating was upgraded by *Moody's*, the town's Investment Banker cautioned them against bringing it down too low. He also recommended that any funds expended from the Unassigned Fund Balance be for a one-time Capital cost(s), not

Operating Costs. The average threshold for bonding a project is \$1.5 million. The only expected upcoming large expense is the \$1 million School roof, which, due to the amount, the town might opt to borrow, rather than bond, the funds. In 2007, their Unassigned Fund Balance significantly dropped due to the bonding of \$4.5 million for the School expansion project, which made it appear as if the town experienced a major negative incident. It is this type of volatility the town should strive to avoid. The town's current Unassigned Fund Balance is over 20%.

**M/S/C: Bernier/Collins, to approve the Town of Salem Board of Finance Fund Balance Policy. Discussion: In response to Board Member Bourgeois regarding the reduction of their current Fund Balance to the goal amount, Chairman Dickson felt that, based upon their upcoming projects, there should be no issue bringing the Fund Balance down as long as they are mindful of the manner in which the Fund Balance is reduced. Roll Call vote, 6-0, all in favor. Voting in Favor: Board Member Bernier, Bourgeois, Cadwell, Collins, Griggs, and Dickson. Voting in Opposition: None.**

**M/S/C: Collins/Griggs, to amend the previous motion to approve the Town of Salem Board of Finance Fund Balance Policy, with the following amendment:**

*Policy:*

The Board of Finance believes that the maintenance of an appropriate level of an unassigned fund balance ("UFB"), based on a ~~Generally Accepted Accounting Principles ("GAAP")~~ *basis Government Finance Officers Association ("GFOA") recommendations*, is necessary to...

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

## **7. SUBCOMMITTEE REPORTS**

Fund Balance Policy – *per above*

BOE Subcommittee – A copy/link to the draft of the Salem School District's Re-Opening Plan was provided to the Board, along with a short synopsis of its financial implications, for their information. Some of the items necessary for the re-opening have already been ordered. The re-opening plan is based upon the Superintendents' meetings, during which the importance of the students attending school in-person to maintain their emotional and psychological well-being was discussed, though they expect the schools to shut down once again by the Thanksgiving or Christmas holiday season. With that in mind, the BOE plans to make purchases that would be sufficient for part, rather than the full, school year. The estimated cost for COVID-19-related expenses for the full school year is \$259,000.00 and \$42,000.00 has been expended to date.

Clerk Collins expressed his wish to also be apprised of any COVID-19-related cost savings, e.g., stipends for school sports and extra-curricular programs and activities. Chairman Dickson noted that cost estimates are provided for CARES (Coronavirus Aid, Relief, and Economic Security) and FEMA (Federal Emergency Management Association) and it appears that some proactive

steps have been taken to take advantage of any existing cost savings, e.g., the early purchase of oil. Board Member Griggs added that the unexpended grant funds that were received for SPED (Special Education) for the last school year, will be available for use this year.

Board Member Griggs also reported on the suggestion of the formation of a steering committee comprised of members from the Boards of Education, Selectmen, and Finance. First Selectman Lyden reported that a Zoom meeting was held, during which the payment process for purchases was discussed. Future meetings are planned as the school year progresses. While the Board should be kept apprised of the situation, Clerk Collins did not feel that the Board of Finance needed to be directly involved in the discussions at this time.

With respect to Clerk Collins' question regarding the refinishing of the gym floor, which was recently repaired/refinished utilizing their unexpended funds for the previous fiscal year, First Selectman Lyden confirmed that the three to four cost estimates were received for the \$23,000.00 project.

Fire/Safety Subcommittee – A brief discussion was held regarding how the Subcommittee should move forward due to the ongoing lawsuit. Chairman Dickson proposed they check in with the Fire Chiefs during the Fall, prior to budget season, and report back to the Board with any necessary update(s). First Selectman Lyden reported that Gardner Lake Volunteer Fire Company Chief James Savalle has retired; the new Fire Chief is Peter Silva. Selectman Ed Chmielewski was appointed as the Liaison to Emergency Services and Deputy Fire Marshal Mike Bednarz as the Salem Emergency Services Administrator. It is his goal to institute a five- to ten-year plan for emergency services for the town. Items that will be discussed include staffing, as there are less volunteers and more paid staffing, and equipment. Board Members Bourgeois and Casciano will be invited to future meetings and the Board of Selectmen is expected to make more decisions regarding emergency services and any necessary agreements. Board Member Bourgeois looks forward to working together with the group.

**OLD BUSINESS** – *none*

## **ADJOURNMENT**

**M/S/C: Collins/Bourgeois, to adjourn the meeting at 8:11 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