

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, SEPTEMBER 10, 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 September 10, 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/96350681637?pwd=VVJOK29CM0NLWDYzUWRjeDdCdQxdz09>

Password: 423925

Or Via Telephone:

(312) 626 6799, (646) 558 8656, (346) 248 7799, (669) 900 9128, (253) 215 8782, (301) 715 8592

Webinar ID: 963 5068 1637 | **Password:** 423925

PRESENT

William “Skip” Dickson, Chairman
Marshall Collins, Clerk
Corinne (Cory) Bourgeois
Deborah Cadwell
Janet Griggs
Hernan Salas
John Bernier, Alternate
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: *none*

COMMUNICATIONS:

1. Copy of a letter from First Selectman Lyden to Salem Schools Superintendent Joseph Onofrio regarding the salary adjustments for the Superintendent, Assistant Principal, and Director of Student Services (*recited under 5, Subcommittee Reports*)
2. Copy of a letter from Superintendent Onofrio’s response to the First Selectman’s letter
3. Copy of an e-mail from Clerk Collins listing the questions that were raised by the Board regarding the Board of Education’s (BOE) recent approval of the salary adjustments. (*attached*)

ADDITIONS TO THE AGENDA:

The following item was added to the agenda:

6. Conducting Semi-Live Meetings

AGENDA:

1. APPROVAL OF MINUTES: AUGUST 13, 2020 REGULAR MEETING

M/S/C: Collins/Griggs, to approve the Board of Finance August 13, 2020 Regular Meeting Minutes. Discussion: None. Voice vote, 6-0, all in favor.

2. TREASURER'S REPORTS

A. REVENUE SUMMARY

B. TRIAL BALANCE

C. FUND BALANCE

D. OTHER

In response to Board Member Bernier regarding Line item 410000, General Property Tax, which is currently at 55.6% of the budget, First Selectman Lyden stated that, to the best of his knowledge, the tax collection rate is acceptable for the time period. Some of the funds from those who were granted a three-month extension have been paid in full, while others have not. The tax collection rates for the past two to three years for the line item during the same time period will be provided for comparison.

3. PUBLIC COMMENTS

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

No comments were received via e-mail or in the dropbox were received as of 7:18 p.m.

4. SELECTMAN'S REPORT

First Selectman Lyden expressed his appreciation to *Chelsea Groton Bank* for their donation of \$95 to the town's Benevolent Fund from their employee-funded Chelsea Groton Friday Fund. He also extended his appreciation to the residents and organizations who, together, have donated several thousands of dollars to the Fund. The town continues to deliver food to approximately 40 families.

The new D.O.T. (Department of Transportation) Deputy Commissioner has agreed to either add the Music Vale Road/Route 85 safety improvement project as a maintenance project or as part of an upcoming project. The project will address the many complaints that have been received regarding the intersection's poor sightline. The Deputy Commissioner has been very helpful in ensuring that the project will take place.

An application for a \$120,000.00 STEAP (Small Towns Economic Assistance Program) Grant for the replacement of the Town Hall underground oil tanks to above-ground tanks was recently submitted. \$105,000.00 is currently allocated for the project in the town's Capital Fund. The

current tanks are approximately 23/24 years old and, at 25 years old, the town's liability will significantly increase. The tanks provide fuel for the school buses and emergency services and public works vehicles.

The Board of Selectmen voted to terminate the town's February 6, 2006 agreement with the Gardner Lake Volunteer Fire Company (GLVFCO), effective July 1, 2021. Currently, the town and the Salem Volunteer Fire Company (SVFCO) do not have an emergency services agreement. Emergency Services Liaison Selectman Ed Chmielewski and Deputy Fire Marshal and Emergency Services Administrator Mike Bednarz are working with GLVFCO Chief Pete Silva and Deputy Chief Joe Danao and SVFCO Chief Gene Maiorano and Deputy Chief Chip Weston to ensure that the needs and safety of the town are met. The legal issues with the GLVFCO continue.

The town has become one of many municipalities to join the CT DEEP (Connecticut Department of Energy and Environmental Protection) Municipal Joint Waste Reduction Initiative. Whereas in the past, the town earned funds for mixed recyclables, the town must now pay \$35 to \$40/ton. In comparison, household garbage costs \$85 to \$90/ton. The town continues to be paid for metal, cardboard, and computer pieces. The goal of the Initiative is to reduce municipal solid waste and promote opportunities for investment, innovation, employment, and long-term cost options.

Three sides of the old Zemko house has been painted. He is planning to contact the Lions Club regarding their possible willingness to volunteer their time and energy to replace the damaged clapboards and paint the fourth side of the building.

Controlled Air, Inc., was the highest of the three bids received for the purchase and installation of the Library HVAC (Heating, Ventilation, and Air Conditioning) system. The Engineer, who drafted the report, also reviewed the bids and stated that all of the bids substantially met the requirements. The cost will be substantially lower than budgeted and the project will be conducted in October. Along with the HVAC system, the controls will also be changed. The Library continues to serve the residents via curbside. Following its installation, should the COVID-19 numbers lower, he anticipates re-opening the Library to a limited capacity. In addition, the south side of the Library roof, which was leaking, has been repaired; the phone system has been upgraded, and; insulation has been installed in certain areas.

In response to Chairman Dickson, First Selectman Lyden stated that only \$60,000.00 to \$80,000.00 of the \$200,000.00 allocated in next year's Capital Plan will be needed for the Library HVAC project. The town also signed a five-year maintenance agreement with Controlled Air, Inc., who also provides service to adjacent towns. The new HVAC system will utilize heat pumps and propane, rather than oil, providing certain efficiencies and eliminating the need for underground fuel storage, tank inspections, and the onerous process of renewing the underground fuel tank policies. The same company was also hired to repair the school's hot water system, which failed last week, for less than half of the cost of the previous vendor.

First Selectman Lyden recommended the Board consider issuing an RFP (Request for Proposal) for an Auditor prior to the FY2021/22 budget season. The town's current auditor is PFK O'Connor Davies, who has served the town for the past six years. He will send the previous RFP that was issued as well as the timeline to the Chairman.

5. SUBCOMMITTEE REPORTS

Fire Safety Subcommittee (Board Members Bourgeois and Casciano) – *no report*

BOE Subcommittee (Board Members Cadwell and Griggs) – Board Member Griggs provided a Summary of the Financial Issues, as discussed at the BOE's August 24, 2020 Meeting. She also responded to some of the questions submitted by Clerk Collins and clarified that the salary adjustments are not an increase in salary. The adjustment was made to compensate the three individuals for the additional time they have had to spend to safely re-open the school. She explained that the Assistant Principal is contracted to work for 10 months/year and the Superintendent and Director of Student Services is contracted to work two days a week or 105 days/year; all three individuals worked throughout the summer.

First Selectman Lyden recited his letter to the Superintendent requesting them to reconsider the allocation of an additional \$30,000.00+ to select members of the administrative staff. He expressed his disappointment as many residents are financially struggling during these hard times. He also questioned the timing of the adjustment, just two months into the budget for the new fiscal year – a budget, he added, that was agreed upon without a Public Hearing or a Town Meeting. Superintendent Onofrio provided a response to the First Selectman's letter just prior to the start of the meeting.

In response to Board Member Bourgeois, Board Member Griggs clarified that the salary adjustment is for overtime hours; it is not a change in their salary. Clerk Collins expressed his agreement with the First Selectman's letter and noted that the BOE's Agenda and Minutes reflect that the BOE voted to approve the "salary adjustments". Board Member Salas added that salaried employees do not normally receive overtime pay. In response, Board Member Griggs reiterated that the individuals are part-time employees and their contracts stipulate the number of hours the job entails. Board Member Griggs will obtain a copy of the contract(s) and distribute them to the Board.

Clerk Collins questioned the reasoning behind the allocation of additional funds for only the part-time administrative staff and not the full-time staff who, likewise, most likely invested additional hours. He also questioned the funding for part of the salary adjustments of \$8,066.00 from Line item 001-1203-200-4000-050-562-010, Extended Programs – Salem School, which appears to be a program for the children. Furthermore, he cited past instances in which the Board sought to find ways to work around their funds in a questionable manner.

Because the Board does not have any control over their line items, the Board agreed to draft and send a letter expressing their concerns and displeasure. Clerk Collins reiterated that, in the interest

of transparency, they should clearly communicate where and how their funds are being allocated to the taxpayers. Such practices could lead to long-term ramifications, including its possible effect on the MBR (Minimum Budget Requirement). Board Member Griggs clarified that the salary adjustment does not constitute a budget increase, rather they are transferring funds from other line items to balance their budget. Discussion ensued regarding Board Member Bernier's question concerning the line item adjustment process and whether the adjustments are being made appropriately and properly, per generally accepted accounting practices. Board Member Salas felt that the question should be posed to the Auditors. Similarly, Board Member Casciano felt that it appeared that the BOE is modifying the employees' contracts and questioned whether the process was appropriate. Board Member Cadwell felt that the Assistant Principal, who worked during the months of July and August when he should have been off, should be compensated for his time; she questioned whether the school would have been able to re-open without their additional investment of time and if other schools hired outside help to prepare for the re-opening of their school(s). While Board Member Salas agreed with her, he added that the BOE is compensating them for their time retroactively. Clerk Collins reiterated that the timeline of the proposal by the Superintendent is also questionable.

Chairman Dickson felt that, in addition to communicating to the BOE their feelings regarding the salary adjustment, they should also request that they provide assurances that the adjustment is not carried over into the following year(s) budget(s), creating a new salary baseline for the three positions if they opt to maintain the adjustment.

M/S/C: Salas/Collins, to draft a letter to the Board of Education (BOE) regarding the Board of Finance's disapproval of the recent (amount not to exceed) \$30,301.45 salary adjustment for the Superintendent, Assistant Principal, and Director of Student Services and request that they rescind the action. Discussion: Board Member Cadwell stated that, because the salary adjustment is COVID-19-related, perhaps the funds should be included within their COVID-19 line items. Clerk Collins stated his concern regarding such an allocation of funds, given the specific Federal and State requirements for the funding they will be receiving for COVID-19-related costs. He also reiterated his concerns regarding the compensation to three select individuals and not the entire staff, who are working equally hard and investing additional hours, as necessary, due to the pandemic. Board Member Griggs informed the Board that she did request an explanation for the Extended Programs – Salem School (Line Item 001-1203-200-4000-050-562-010) line item and whether any funds that were being allocated for the children were being redirected to fund the salary adjustments. Roll Call vote, 4-2. Voting in Favor: Board Members Bourgeois, Collins, Salas, and Dickson. Voting in Opposition: Board Members Cadwell and Griggs.

Clerk Collins also questioned the manner in which the \$20,000.00 increase for Technology Services to the existing contractor was issued seven weeks into the fiscal year, stating that the company submitted the lowest bid but, with the increase, the amount could have been equivalent to the competing bids. While Board Member Griggs stated that the increase is due to the additional time the company must invest due to the pandemic; it is not a permanent increase. She was unsure as to the exact wording of the contract and/or whether the contract was amended to indicate an increase.

Clerk Collins also requested an explanation of the additional \$16,687.61 for software. Board Member Griggs stated that some of the software is related to the music classes and can inquire what the software does. Board Member Bernier noted that the last paragraph of the document entitled “Salem School District 2019-2020 Original Budget vs. Actual Spend by Category” indicates that the “cost of some network and server software was included in the capital cost of the infrastructure project that covered the last five years. The contracts expired and the annual cost is now included in the Board’s budget.”

Referring to the “Salem School District Estimated Costs to Open Under COVID-19” spreadsheet, Clerk Collins also questioned whether the town will need to provide additional funds to the BOE, as the document indicates that 75% of the COVID-19-related costs would be reimbursed by FEMA (Federal Emergency Management Agency) and 25% of the costs will be provided by the town.

6. CONDUCTING SEMI-LIVE MEETINGS

Board Members Bourgeois, Cadwell, Griggs, and Salas agreed with holding in-person meetings. Board Member Griggs recommended the system be tested prior to the meeting, stating the audio difficulties that were encountered by the BOE’s recent hybrid meeting. First Selectman Lyden will consult the seCTer (Southeastern Connecticut Enterprise Region) rules to ensure that a meeting with eight to ten individuals would be allowed. The method, whether it is through Vimeo and Cable TV, via Zoom, or other method, will be determined. The importance of making the meeting accessible to the public was expressed.

OLD BUSINESS – none

ADJOURNMENT

M/S/C: Collins/Salas, to adjourn the meeting at 8:47 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