

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, DECEMBER 10, 2020 – 7:00 P.M.
VIRTUAL MEETING VIA ZOOM**

Per State of Connecticut, Governor Lamont Executive Order Number 7B, the Town of Salem Board of Finance Regular Meeting on December 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/98668489917?pwd=bnV3blo5aW02a0VWcExFRDBWc0pWdz09>

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PRESENT

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

ABSENT

Deborah Cadwell (*family emergency*)
Maryann Casciano, Alternate (*scheduling conflict*)
Dean Wojcik, Alternate

ALSO PRESENT

First Selectman Kevin Lyden

CALL TO ORDER:

Chairman Dickson called the meeting to order at 7:06 p.m.

SEAT ALTERNATE IF NEEDED:

M/S/C: Collins/Griggs, to seat Alternate Board Member Bernier for Full Board Member Cadwell. Discussion: None. Voice vote, 6-0, all in favor.

COMMUNICATIONS:

Board Member Collins requested that a hard copy of the Agenda Packet be available for pick-up or mailed to the Board, by request, prior to the meeting date. This would be especially helpful when there are numerous documents to review.

ADDITIONS TO THE AGENDA:

Board Member Collins requested that the Pledge of Allegiance be added back to future Agendas.

AGENDA:

1. APPROVAL OF MINUTES: NOVEMBER 12, 2020 REGULAR MEETING

M/S/C: Griggs/Collins, to approve the Board of Finance November 12, 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

The Board Members reviewed the *Budget vs. Actual* and *Balance Sheet* Reports; no questions or concerns were raised.

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 as of 7:10 p.m.

4. SELECTMAN'S REPORT

On behalf of him and his wife, First Selectman Lyden wished everyone a *Mele Kalikimaka* and *Hau'oli Makahiki Hou*.

To date, the town has a total of 74 positive COVID-19 cases and one (1) death. The number of individuals testing positive continues to rise in the region. Initial vaccines are expected to become available within the next two (2) weeks and a distribution plan is being devised.

The Library Heating, Ventilation, and Air-Conditioning (HVAC) system upgrades is behind schedule due to the unexpected replacement of some of the copper piping. No additional funding will be necessary as the terms of the agreement included an all-inclusive price. The underground fuel oil tank has been removed, reducing the cost to the town for the monitoring and insuring of the tank. He hopes to open the Library to a limited number of residents for a limited amount of time in January, pending the status of the COVID-19 positive cases.

Salem VFW (Veterans of Foreign Wars) Post Commander Steve Buck, Salem School Principal Joan Phillips, and the Town Hall staff coordinated their efforts to engage the students in creating and handwriting nearly 200 "Thank You" letters to the town's veterans and their spouses for their service to our country. The letters were very well-received.

With the aid of Senator Paul Formica, the town successfully received a \$120,000.00 STEAP (Small Town Economic Assistance Program) Grant. The funds will be utilized to remove the underground fuel tanks that supply fuel for the town's emergency and Public Works vehicles and school buses. While the funds will reduce the amount currently allocated in the Capital Plan, First Selectman Lyden recommended that some of the funds be maintained to fund the repair/replacement of the generator that operates the fuel pumps and provides power to the Town Hall and EOC (Emergency Operations Center).

The town continues to receive very strong support from its volunteers, who make weekly food deliveries to 39 Salem families. Several calls continue to be received by residents interested in donating their time, efforts, and/or money for those in need.

At the recent Board of Selectmen meeting, a resolution to re-fund the town's current debt for the school renovation project was passed. \$2.7 million and nine (9) years of the \$4.5 million/15-year term remains of the debt. With interest rates being low, the town would save a total of \$150,000.00 at the end of the term. The re-funding, which is similar in concept to a refinancing, would maintain the remaining nine (9) year term. Board Member Griggs, who recalled the town having some issues with the Auditor due to their decision to eliminate debt without holding a Town Meeting, wished to confirm that the Town Attorney has reviewed and approved the re-funding. First Selectman Lyden stated that the Town's Bond Counsel has reviewed the re-funding of the debt and confirmed that, per the Town Charter, it may be approved by the Board of Selectmen and would not require the approval of the townspeople or Board of Finance. He clarified that this is not the retiring of an existing/new debt.

The source of the additional funding needed for the removal of the fuel oil tanks and roof replacement/HVAC system at Salem School is the dilemma they are faced with. Half of the necessary funds have been allocated in the town's Capital Plan for the removal of the fuel oil tanks; the remaining \$140,000.00 necessary to complete the project would need to be approved via a Town Meeting, which may be held hybrid/virtual. \$676,000.00, plus a 4% increase due to the age of the original estimate, is needed for the roof replacement/HVAC system, which is estimated to cost over \$1 million. The amount would require the approval by the townspeople via a referendum. Approximately \$339,000.00 for the roof is expected to be reimbursed by the State. Not in favor of hosting a referendum for a necessary project, especially during a pandemic, he is investigating the possibility of adding the funds to the re-funding of the debt. A decision will need to be made by February. The First Selectman will update Business Manager Kim Gadaree regarding the status of the funding for these projects.

Board Member Bernier, who recalled being penalized in the past for the various reimbursements of projects due to the school's ratio of student population vs. the school's square footage, wished to confirm the estimated reimbursement for the roof replacement/HVAC project. Board Member Griggs questioned whether it would be more prudent to wait until the student population, which is currently lower than usual due to many parents opting to home-school their children during the pandemic, rises. First Selectman Lyden added that, based on last year's projected cost, 50.71% would be reimbursed by the State; information regarding the eligible and ineligible reimbursement costs will be forwarded to the Board. He also noted the possibility of receiving less funding as a result of the State's growing debt due to the pandemic. Clerk Collins concurred and discussed the risks involved with waiting; he felt that the likelihood of receiving a better rate was minimal.

5. APPROVE 2021 MEETING CALENDAR

M/S/C: Griggs/Collins, to approve the Board of Finance 2021 Regular Meeting Calendar Dates. Discussion: None. Voice vote, 6-0, all in favor.

6. REVIEW 2021-22 BUDGET CALENDAR

M/S/C: Griggs/Collins, to approve the Board of Finance 2021 Budget Calendar Dates.

Discussion: The proposed calendar assumes the end of the COVID-19 pandemic.

Voice vote, 6-0, all in favor.

7. SUBCOMMITTEE REPORTS

RFP (Request for Proposal) for Town Auditor (Board Members Bernier and Bourgeois)

Board Member Bourgeois reported that minor revisions were made to the existing document and was sent to the First Selectman for review. Changes included the First Selectman's recommendation to include a requirement that the auditor have at least five (5) years of experience with municipal audits and maintain an office in the State of Connecticut. The following questions by Board Member Bernier were responded to by the First Selectman:

Number of Final Copies of the Final Audit – First Selectman Lyden felt that the request for 25 copies of the report was adequate. The final report is provided to the nine (9) Board of Finance Members, five (5) Board of Selectmen, Treasurer, Finance Office, Town Clerk, Bond Counsel, Investment Banker, the State, and local bank(s), if necessary. One electronic copy, which is posted on the town website, is also requested.

Bidders' Questions – Should one of the bidder's ask a question regarding the bid, the answer is provided to all of the bidders.

First Selectman Lyden stated that additional minor changes included the changing of certain dates from Friday to Thursday. He added that the Board does not need to accept the absolute lowest bid; their selection can be dependent upon the bidder's experience and overall proposal. He will send the RFP to Board Members Bourgeois and Bernier for a final review.

M/S/C: Collins/Griggs, to approve the proposed changes to the Request for Proposal (RFP) for the Town Auditor. Discussion: The RFP will be issued on January 5, 2021; any minor clerical errors may be corrected. Voice vote, 6-0, all in favor.

Chairman Dickson thanked Board Members Bourgeois and Bernier for their efforts.

BOE (Board of Education) Subcommittee (Board Members Cadwell and Griggs)

Board Member Griggs reported that the BOE has received funding for the COVID-19-related grants from the State and their budget has been adjusted accordingly.

The BOE continues to work on their FY2021/22 Budget section-by-section. Their last meeting concentrated on the transportation costs, which is expected to rise, and SPED (Special Education) expenses, which is currently static due to the pandemic.

Additional leaks have been discovered following the recent heavy rains and Mystic Air Quality Consultants, Inc., has been contacted to investigate the complaints of a mildew smell emanating from the Grade 4 classrooms.

The BOE has also been discussing the funding for the fuel oil tank and roof replacement projects.

The BOE opted to close the school and move to remote learning for ten (10) days immediately following the Thanksgiving holiday, which was fortunate as a COVID-19 positive case arose during the interim. Their decision was received positively by the students' parents. First Selectman Lyden added that the BOE recently decided to remain closed until January 19, 2021, after the Martin Luther King holiday, for a variety of reasons, including the region's spike in COVID-19 positive cases.

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

8. CAPITAL PLAN DISCUSSION

The various departments will be invited to their meeting(s) to discuss their Capital Plan request(s). Chairman Dickson requested that any questions the Board Members have regarding the Capital Plan requests be forwarded to him, which he will, then, forward to the various departments.

Hard copies of all of the budget requests that have been received to date will be available for pick-up or mailed to the Board Members for review. In addition, information regarding the school's roof replacement will be included in the packet. First Selectman Lyden will also provide the revised numbers for the Library HVAC and Town Hall fuel oil tanks.

8. FORMAT & PLANNING DISCUSSION FOR LETTER TO DEPT'S REGARDING BUDGETARY EXPECTATIONS AND GUIDELINES FOR 2021-2022

The Board reviewed and approved the FY2021/22 budget letter to the town's departments.

OLD BUSINESS – *none*

ADJOURNMENT

M/S/C: Collins/Griggs, to adjourn the meeting at 8:07 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