

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, MARCH 4, 2021 – 7:00 P.M.
VIRTUAL MEETING VIA ZOOM**

Per State of Connecticut, Governor Lamont Executive Order Number 7B, the meeting followed the suspension of in-person open meeting requirements. The public may view this meeting at:

<https://zoom.us/j/92577796680?pwd=ZGM0dTBNbnFINHpBeEFjRVNENmUyUT09>

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PRESENT

William “Skip” Dickson, Chairman
Marshall Collins, Clerk
Corinne (Cory) Bourgeois
Deborah Cadwell
Maryann Casciano
Janet Griggs
Joseph Duncan, Alternate (*departed at 10:06 p.m.*)

ABSENT

John Bernier, Alternate
Dean Wojcik, Alternate

ALSO PRESENT

First Selectman Kevin Lyden
(*departed at 7:16 p.m.*)

CALL TO ORDER:

Chairman Dickson called the meeting to order at 7:09 p.m.

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED: *none*

COMMUNICATIONS: *none*

ALTERATIONS TO THE AGENDA: *none*

AGENDA:

1. APPROVAL OF MINUTES: FEBRUARY 25, 2021 REGULAR MEETING

M/S/C: Griggs/Cadwell, to approve the Board of Finance February 25, 2021, Regular Meeting Minutes, with the following amendments:

Page 4, Item 4(I), 1st paragraph, 2nd sentence:

Due to the pandemic, the Firehouse has been closed and town and community organizations have *not* been able to utilize the building, greatly reducing the need for cleaning supplies and consumable items.

Page 5, Item 4(J), Proposed Appropriation for Department #230 – Ambulance, 2nd paragraph:

With respect to the ~~Fire Company Ambulance~~'s accounts, GLVFCO Chief Silva stated that the ~~Fire Company Ambulance~~ has approximately \$205,000.00 in their account designated for the replacement of the ambulance....The ~~Fire Company Ambulance~~ also has approximately \$80,000.00 in their account designated for operating costs....

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

2. PUBLIC COMMENTS – none

3. DISCUSSION REGARDING RFP FOR AUDITING SERVICES

The Board reviewed Board Member Bernier's e-mail regarding his thoughts on the proposals and recommendation to engage the services of King, King & Associates, P.C. He felt that both of the auditing firms are reputable, competitive, and meet all of the town's requirements. Board Member Bourgeois agreed, adding that she has spoken with one of the partners of the firm and confirmed that their clientele includes several towns located in the region and that there would not be any additional charges for questions they receive via telephone or e-mail regarding the audit(s). An auditing team comprised of three to four individuals will conduct an in-person evaluation of its books twice a year and provide a document and PowerPoint presentation regarding their findings to the Board. Any additional special analysis beyond the scope of their contract will accrue an additional charge. In response to Chairman Dickson, First Selectman Lyden stated that the only incidence the Auditors were requested to conduct any additional analysis was for the audit of the Gardner Lake Volunteer Fire Company, per their 2003 Agreement. He reminded the Board that PFK O'Connor Davies also does not charge for auditing or financial questions. He felt that both Board Members Bernier and Bourgeois have done their due diligence and agreed that both firms are comparable.

M/S/C: Bourgeois/Collins, to accept the proposal and engage the services of King, King & Associates as the Auditing Firm for the Town of Salem. Discussion: Board Member Casciano thanked Board Member Bourgeois for contacting the firm. Board Member Bourgeois added that the firm requested that any calls/e-mails be derived from either the First Selectman or Board of Finance Chairperson. Voice vote, 6-0, all in favor.

4. ACT ON PROPOSED APPROPRIATIONS FOR FY2021/22

A. REVENUES

New budget items and suggestions were received just prior to this evening's meeting and will be distributed to the Board for review and discussion at their next meeting.

First Selectman Lyden departed from the meeting at 7:16 p.m.

B. BOARD OF EDUCATION (BOE) BUDGET

BOE Chairman Sean Reith presented the proposed budget for the BOE, with an increase of \$512,640.00 or 4.67%. He thanked the Board for the opportunity to present their budget and expressed his understanding of their time and efforts during these difficult times.

Introduction

He reflected on the past year, stating that both the support, guidance, and engagement of Board of Finance Member Liaisons Cadwell and Griggs and Selectman Liaison Hugh McKenney has been positive as they continue to strive to work together and achieve their goals. He expressed his appreciation to the Fire Company who was instrumental in making their 2020 8th Grade Graduation Ceremony a very successful and special event and to the town's Resident State Troopers for their ongoing efforts to ensure the safety and security of the school and their children. The PTO (Parent Teacher Organization) and Volunteers have also provided unprecedented support, hosting fundraisers, special events, and helping with meal deliveries. Due to their ongoing investment in their IT infrastructure, Salem School was able to immediately implement and smoothly transition into a distance learning program following the March 2020 State-mandated school closure.

Budget Overview

To the credit of the administration and the staff, the children were able to engage in full-time in-person learning, with the exception of the period between the Thanksgiving and Martin Luther King holidays. Those parents who elected to have their children attend school remotely were accommodated and fully supported. Excluding the scheduled snow days, the school implemented distance learning to avoid extending the school year. While the uncertainties remain, the District plans to open the school to full-time in-person learning next year. The most prominent change includes the hiring of a new Superintendent and Director of Special Services. To ensure that the needs of the school are met, the BOE has taken this opportunity to engage the services of CABE (Connecticut Association of Boards of Education) to conduct an Administrative Structure Analysis. Their primary goal continues to be to provide the best education possible in a safe and secure environment as efficiently as possible. To this end, they are continuing to investigate the possibility of shared services and, with one of their largest cost drivers being the salaries, re-implementing the Teachers' Retirement Incentive.

Budget History

Over the past 14 years, the BOE budget has increased an average of approximately 1.3% and has returned, on average, approximately \$760,408.00 to the town over the last 11 years. An unexpected expense of \$100,000.00 for Special Education costs was requested, approved, and received by the town in FY2018/19. The Reconciliation History (projected amount vs. actual expenses) with East Lyme High School (ELHS) reflects that, while, during FY2017/18 and FY2018/19, funds were returned to the BOE from East Lyme due

to overpayment, the amount was underbudgeted for FY2019/20 by approximately \$122,000.00.

Summary of Notable Changes

The primary increases for Salem School include salaries; health insurance; LEARN; course reimbursement; building maintenance; transportation; curriculum (new and consumable textbooks); software licenses, and; computer hardware. The proposed increase for Salem School is \$396,792.00 or 6.62% of their total overall proposed budget.

The Board actively sought, but was unable to find any qualified candidate to replace the recently-retired 0.6 FTE Technology Coordinator. After investigating their options, the Board agreed to enter into a consortium with the Town of Preston through LEARN for \$63,700.00. Through the consortium, the school will have access to a pool of subject-matter experts who will work on-site two to three days/week, as needed, and available five days/week. The Board plans to re-evaluate the position following the 2021/22 school year.

The costs for the computer hardware include the replacement of laptops, Chromebooks, or iPads that are out of warranty or are in need of upgrading to utilize the software packages. He noted that \$25,000.00 of the total cost of the computer hardware (\$75,000.00), which was not part of the previous upgrades, would be reimbursed through a grant. The technology refreshment schedule, which continues to be in effect, will be provided to the Board.

The primary increases for the Salem District Central Office include salaries, administrative restructure budget, health insurance, legal fees, and software licenses. The proposed increase for the Central Office is \$93,857.00 or 11.90% of their total overall proposed budget.

The current Superintendent and Director of Student Services are 0.45 positions. Because both individuals will be retiring, the BOE has engaged the services of CABA to help determine the correct structure of these two positions, in particular, and the administration, as a whole. The budgeted amount for the restructure is \$60,217.00 and includes funding for a 0.75 Superintendent and Director of Student Services. In response to Board Member Bourgeois, BOE Chairman Reith stated that the amount of time the Superintendent works is not relative to the number of enrolled students at the school.

The primary increases for East Lyme High School include the special education tuition, reconciliation, and transportation costs. The increases represent approximately 100% of the increases for the ELHS program. The proposed increase for ELHS is \$67,145.00 or 2.10 % of their total overall proposed budget.

The primary increases for Out of District Services include extended programs, vocation school, and special education services. These increases represent approximately 100% of the increases for the Services. The proposed budget for Out of District Services is a reduction of \$45,154.00 or 4.55% of their total overall proposed budget.

Salem School Budget

The budget for the School was briefly reviewed. In response to Clerk Collins who questioned the difference in wage increases between the Teachers – Core (20.8 FTE) with a 3.17% increase vs. the 5.26% increase for Teachers – Related Arts & Specials (8.05 FTE), BOE Chairman Reith and Business Manager Kim Gadaree explained that 2.98% of the 3.17% increase is related to the certified teacher contract. The remaining amount is due to the assumption that the three early retirements (M12) were to be replaced with M2 teachers, but one of the instructors was an M6 or M7, resulting in the discrepancy.

Staffing vs. Student Enrollment – the same quantity of teachers will be maintained. As of March 1, 2021, 378 K-8 students were enrolled at the school. The BOE is projecting that 398 students will be enrolled in the 2021/22 school year.

Extensive discussion ensued regarding the position of the Superintendent. Board Member Bourgeois noted that the projected number of students for SY2021/22 is the same as it was in SY2017/18 and questioned the need to increase the Superintendent's time relative to the student population in addition to the increase of approximately \$600,000.00 between the two years. Similarly, the budget for the Central Office reflects a difference of approximately \$156,000.00. In response, BOE Chairman Reith stated that the Superintendent was 0.45 FTE in 2017/18 and explained the role of the Superintendent. He added that his/her role is not directly related to the overall student population. Furthermore, based on the feedback they received from the staff, the School appears to be lacking in a number of ways, including the need for a Curriculum Development Coordinator. As a result, the administration and staff are forced to wear numerous hats and work well beyond their designated hours. The CAFE Consultants are investigating and reviewing the responses received from the survey and interviews they conducted to prepare their recommendations for the BOE regarding the Superintendent position. It was noted that, because the current Superintendent is receiving benefits from the Connecticut Teacher's Retirement Board (CTRB), he is limited to earning up to 45% of the maximum salary level. Clerk Collins felt that, regardless of the limitation, the BOE has found creative ways to compensate the Superintendent, including appointing him as the Director of Information Technology and providing him with a stipend for additional hours worked. He also felt that it was misleading to state that the Superintendent works Monday to Sunday, stating that being on-call does not mean he is working full-time; several salaried employees are available 24/7 to deal with any issues that arise, but are not actually working. BOE Chairman Reith stated that the BOE has actively investigated the option of sharing the Superintendent with the East Lyme School District and has been unsuccessful. Should the situation change, the BOE would be open to the option.

Board Member Casciano suggested including the actual student enrollment on their "Salem School Staffing Levels and Student Enrollment" graph as well as the projected student enrollment so that they could better compare the numbers with the actual staffing. He will

investigate a possible error in the staffing indicated for Certified – Other for SY2020/21. He agreed that the student-teacher ratio will be reduced as a result of the decreased number of project students. Board Member Griggs added that, according to the teacher contract and standard model, an additional teacher should be hired for the Grade 6 level but, in the interest of keeping their budget down, the BOE decided not to do so. It was clarified that 12 homeschooled students are expected to return to Salem School in SY2021/22. From January 1 to 19, Salem School students were engaged in distance learning. Historically speaking, an average of two to three families opt to engage in homeschooling. This year, approximately 14 students are being homeschooled. This is not to be confused with those students who continue to be part of the school system, but are engaging in distance learning due to the pandemic. In response to Clerk Collins, he will investigate the highest enrollment number at Salem School. Clerk Collins noted that, according to recent data, homeschooling and student enrollment in parochial schools is up, it is unknown as to if and/or when the students will return to public school.

The **ELHS Student Enrollment** is expected to decrease by 11 students, presumably, due to the number of graduates vs. the number of incoming students. The student enrollment for **Other School Outplacements** for Pre-K to Grade 12 is expected to decrease by 15 students.

The **ELHS Trending Tuition Rate** is expected to increase for both Regular and Special Education students. Over the last six years, the tuition for regular education students has increased by 13.8% and 19.9% for special education students. Approximately \$64,000.00 of the total proposed FY2021/22 budget increase is due to the increased tuition rates.

Summary

The School plans to phase out the distance learning program, the SY2021/22 school calendar was recently approved, and a new lead administration team will be hired. The BOE aims to continue to seek efficiencies and cost savings that do not impact the students' quality of education. BOE Chairman Reith looks forward to continue working together and building their partnership with the Board of Finance and the town.

Questions/Comments

BOE Chairman Reith briefly reviewed their responses to two rounds of questions that were submitted to the BOE.

Stipends: Curriculum Area Coordinators (Board Member Casciano) – Principal Joan Phillips stated that, while most School Districts have a dedicated Curriculum Coordinator, she currently fills that role. To fulfill those duties, she regularly meets with the Curriculum Area Coordinators in the subjects of math, language arts, social studies, science, and unified arts, who meet with their respective committees.

Assistant Principal Stipends (Board Member Casciano) – BOE Chairman Reith stated that the BOE discussed and approved retroactive compensation for those who worked during

the Summer in preparation for the school year due to the COVID-19 pandemic. An error in the motion led to a misunderstanding by the Administration and the Assistant Principal was requested to work over the Thanksgiving and Christmas holidays. As the result, additional compensation was provided for the additional hours and the misunderstanding was clarified.

Salaries and Wages: Salem School Assistant Principal (1.0 FTE) (Clerk Collins) – Though the Assistant Principal position is a part-time position, i.e., 10-month vs. 12-month position, it is still considered a 1.0 FTE position.

Assistant Principal & Teachers' Contracts and FTE (Board Member Bourgeois) – BOE Chairman Reith stated that the teachers' contract is annualized and specifies the number of school days. Board Member Griggs added that the teachers are not paid for school holidays or vacations. While the Assistant Principal is not part of the same Collective Bargaining Unit, he is on the same schedule as the teachers. Board Member Bourgeois questioned whether the contract specifies that he would receive compensation for work conducted beyond the regular work hours.

FY2020/21 Line Item Adjustments (Clerk Collins) – Business Manager Gadaree stated that there is no distinction between "Reg Salary", "Admin Salary", and "Salary" indicated in the Line Item Adjustments, noting that the account numbers for the line items are the same.

Electrician (Budget Book, Building Maintenance, page 3a) and Line Item Adjustments (Clerk Collins) – Clerk Collins questioned the requested increase for the line item based on the previous years' actual expenditures and current year's line item transfers, which total \$1,900.00. Business Manager Gadaree stated that the BOE is requesting \$10,900.00, an increase of \$4,900.00 or 81.67%, for the line item due to necessary upgrades to the electrical circuits in the kitchen.

Grounds Maintenance (Budget Book, Building Maintenance, page 3a) and Line Item Adjustments (Clerk Collins) – Business Manager Gadaree stated that the BOE is requesting \$13,100.00, an increase of \$4,650.00 or 55.03%, per the Facilities Director. The funds are utilized for such items as the playgrounds, general landscaping, and any additional necessary work, including parking lot curbing. to balance the current year's budget, 50% of the funds in the line item were transferred. The additional requested funds will allow them to conduct any necessary work that they were not able to conduct due to the movement of funds. BOE Chairman Reith clarified that the parking lot curbing refers to any incidents that might occur requiring repairs to the curbing and is separate from their Capital Plan request for the parking lot.

Sports (Budget Book, Transportation, page 3a) (Clerk Collins) – Business Manager Gadaree stated that the BOE is requesting \$12,172.00, an increase of nearly 30% from the actual amounts that have been expended in the past year. The line item is calculated by the projected number of away games, mileage, and rate.

Physical Education, Grades 5-8 (Board Member Bourgeois) – BOE Chairman Reith stated that the \$5,000.00 increase in this line item is due to additional sports that will be offered. Board Member Bourgeois questioned the \$4,159.00 to be allocated to the Jr. High Snow Shoeing class pack, citing the recent lack and unpredictability of snowfall in the region.

Computer Hardware and Software Licenses (Board Member Bourgeois) – The items that will be purchased were presented. While some of the software licenses include annual maintenance fees, others do not.

Zero-based Budgeting (Clerk Collins) – BOE Chairman Reith stated that the BOE Budget Committee reviewed their budget in terms of what they will be using, the cost, who will be utilizing it, the quantity, what it will be applied to, and the length of time they will be used.

Teachers' Contract (Board Member Casciano) – The BOE is currently in the second year of a three-year Teachers' Contract, which will expire on June 30, 2022. The town is currently under the State average for salaries. Due to the pandemic, they have not been able to negotiate their non-certified contracts, which should have been completed by now.

Longevity Annuity (Board Member Collins) – Longevity Annuity was phased out during their most recent negotiations and is no longer offered to those teachers who are hired on or after July 1, 2019. Concerning the discrepancy between Salem School Benefits Disability/Annuity Stipend (page 2) and Salem School Benefits: Disability/Annuity/PhD Stipend (1 employee) for \$2,000.00 (page 2a), Business Manager Gadaree stated that there are various reasons why individuals are eligible for the benefit; the individual who will be receiving the funds is a non-Union employee who will be receiving longevity payments.

The Board expressed their appreciation to BOE Chairman Reith for his presentation.

Board of Finance Discussion

Board Member Griggs felt that there were many unknown factors and determining their needs is very difficult. The BOE reviewed each of the 1,280 line items included in their budget; she did not know how much more the Board could request of the BOE.

Board Members Bourgeois, Cadwell, Casciano, and Duncan departed from the meeting due to technical difficulties at 10:06 p.m.

Board Members Bourgeois, Cadwell, and Casciano rejoined the meeting and the meeting resumed at 10:19 p.m.

Board Member Cadwell commended the School, Principal Phillips, Assistant Principal, and Superintendent for doing an amazing job during these challenging times. The entire school staff is doing double-duty as they educate and ensure the safety and security of the children. She is disappointed that the BOE was unable to propose a budget that would be closer to what the town would be able to do. It is unclear to her as to whether the needs of the school will be met by a new Superintendent.

Board Member Casciano expressed her appreciation of and commended BOE Chairman Reith on the budget presentation. She felt that the BOE's proposed budget amount is very large in relation to the Number of students enrolled in the school.

Board Member Bourgeois also commended BOE Chairman Reith and the school on their hard work and efforts. She expressed her reservations with the proposed budget, stating that the increase does not correlate with the declining number of students. The BOE received a large budget increase the previous year and has no clear, solid plan as to how they will improve their curriculum, repair the deficiencies, and improve the students' education. She expressed her overall support for the children and their education and questioned the administrative costs and the manner in which they have been expending their funds. Unable to justify an increase, she proposed the Board approve a flat budget.

Clerk Collins stated that the town will not be receiving additional funding from the State. The town's General Government has made several cuts and is continuing to do more with less while the BOE receives an increase in funding every single year. While he credited the BOE as they dealt with this unprecedented year and appreciated his discussion with the CAGE Consultants regarding the structure of the administration, the confusion regarding the role of the Superintendent remains. And, while he realizes that the Board does not have any jurisdiction over their individual line items, he felt that many of their projected numbers are questionable. The BOE, he felt, lacks a long-term plan and the unpredictability of the salaries and compensation was not acceptable. He commended his colleagues on the Board for their efforts and for asking very thoughtful questions.

Chairman Dickson echoed his fellow Board Members and expressed his appreciation to the BOE for the amount of effort and consideration they have invested into their budget. He also concurred with BOE Chairman Reith's comments regarding the increased interaction and openness resulting from engaging and allowing the liaisons to be part of the process and looks forward to its continuation and expansion. He recognized that there are no easy answers to resolving their budgetary or administrative issues, based upon the size of the town. He applauded the BOE for their approach, engaging CAGE to aid with the process.

M/S/F: Collins/Bourgeois, to approve the appropriation of funds in the amount of \$11,025,000.00 for the Board of Education for FY2021/22, subject to review and/or revision, pending approval at the Board of Finance's March 18, 2021 Regular Meeting. Discussion: Board Member Griggs stated that the Superintendent has continuously declined any salary increases and felt that the BOE would have difficulty function properly without the approval of their proposed budget increase in full. She stated that the administrative salaries are not directly related to the number of enrolled students as all of the same necessary paperwork and functions must be completed no matter the size of the district. The administration, she felt, is understaffed and overworked in an effort to fulfill the needs of the children, citing the lack of a

Curriculum Coordinator, in particular. Board Member Bourgeois stated that the BOE lost its credibility due to their spending patterns and overall lack of transparency. Board Member Griggs disagreed, stating that their line item transfers are provided to the Board after they are approved. Clerk Collins agreed with Board Member Bourgeois regarding their lack of transparency, and her concerns regarding the loss of credibility, citing the additional funds they provided to the Assistant Principal one to two weeks into the fiscal year for projected work and the additional holiday pay as well as the Superintendent's receipt of additional compensation. Their budget includes significant proposed increases for a wide range of items that do not have a history of such expenditures. He agreed that uncertainty exists and noted that 40 to 45 families in the town are currently receiving food assistance, businesses are closing, individuals are unable to pay their taxes, residents are losing their jobs or are furloughed and are forced to do more with less. The BOE has presented the Board with very speculative projections and, like Board Member Bourgeois, originally planned to flat fund the BOE. He further added that the Board has agreed to expend funds through the town's Capital Plan to help the BOE reduce their costs, including their funding of the oil tank, roof replacements, and teachers' retirement incentives. Board Member Casciano expressed her sadness and disappointment with the BOE's request for an increase of approximately \$500,000.00, stating that the BOE has received an increase of approximately \$1.1 million over the last two years. Clerk Collins added that, should the BOE be presented with an unexpected expense, they may present their case to the Board for additional funding. Board Member Bourgeois reminded the Board that they have repeatedly requested the BOE to carefully review their line items and be cognizant of their spending patterns; she felt that this has not been done and that they are not making the necessary hard decisions. The Board Members were elected to represent each of the residents in the town, especially during these challenging times. Based on the uncertainties, Board Members Cadwell, Casciano, and Griggs felt that the proposed amount should be increased. While in favor of flat funding the BOE, Board Member Bourgeois stated that she would agree with Clerk Collins' proposed amount. Roll Call vote, 2-4. Voting in Favor: Board Members Bourgeois and Collins. Voting in Opposition: Board Members Cadwell, Casciano, Griggs, and Dickson.

Discussion ensued regarding Chairman Dickson's proposed increase of \$11,075,000.00 or approximately 1%, based on their proposed budget.

M/S/C: Collins/Casciano, to approve the appropriation of funds in the amount of \$11,075,000.00 for the Board of Education for FY2021/22, subject to review and/or revision, pending approval at the Board of Finance's March 18, 2021 Regular Meeting. Discussion: None. Roll Call vote, 4-2. Voting in Favor: Board Members Bourgeois, Casciano, Collins, and Dickson. Voting in Opposition: Board Members Cadwell and Griggs.

OLD BUSINESS – *none*

ADJOURNMENT

M/S/C: Casciano/Collins, to adjourn the meeting at 11:12 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