

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, DECEMBER 12, 2019 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

William “Skip” Dickson, Chairman
Marshall Collins, Clerk
Corinne (Cory) Bourgeois (7:03 p.m.)
Deborah Cadwell
Janet Griggs
Hernan Salas
Maryann Casciano, Alternate

ABSENT

Michael Jensen, Alternate

ALSO PRESENT

First Selectman Kevin Lyden

CALL TO ORDER:

Chairman Dickson called the meeting to order at 7:00 p.m.

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED: *none*

COMMUNICATIONS: *none*

PUBLIC COMMENT: *none*

ADDITIONS TO THE AGENDA: *none*

AGENDA:

1. WELCOME TO NEW BOARD MEMBERS

2. ELECTION OF CHAIRMAN

Chairman Dickson opened the nominations for the Board of Finance Chairperson.

M/S/C: Marshall/Griggs, to nominate and re-elect Chairman Dickson as Chairman of the Board of Finance. There being no additional nominations, Chairman Dickson closed the nominations. Discussion: None. Voice vote, 6-0, all in favor.

M/S/C: Salas/Griggs, to nominate and re-elect Clerk Collins as Clerk of the Board of Finance. There being no additional nominations, Chairman Dickson closed the nominations. Discussion: None. Voice vote, 6-0, all in favor.

3. APPROVAL OF MINUTES: NOVEMBER 21, 2019 SPECIAL MEETING

M/S/C: Salas/Griggs, to approve the Regular Meeting Minutes of November 21, 2019. Discussion: None. Voice vote, 6-0, all in favor.

4. TREASURER'S REPORTS

A. REVENUE SUMMARY

B. TRIAL BALANCE

C. FUND BALANCE

D. OTHER

Treasurer Pam Henry reviewed the *Balance Sheet* and *Budget vs. Actual* reports with the Board, stating that there were no unusual occurrences. In response to Clerk Collins, Treasurer Henry stated that, to the best of her knowledge, the TAR (Town Aid Roads) Grant is on schedule.

Board Member Bourgeois questioned the following line items:

5-100-201, Selectman, Membership Fees 96.4% expended

First Selectman Lyden stated that the membership fees to such organizations as SCCOG (Southeastern Connecticut Council of Governments), COST (Council of Small Towns), and CCM (Connecticut Conference of Municipalities) are paid in July.

5-126, Town Counsel 78.5% expended

The First Selectman stated that a more recent version of the report indicates that the line item is 98.9% expended. He plans to request the approval of a supplemental appropriation at the January Board of Selectmen Regular Meeting. The item will, then, be forwarded to the Board of Finance for final approval. Though he is unsure at this time as to the exact amount he will be requesting, he surmised that it would be, at minimum, \$10,000.00 to cover the costs of the current issue(s), which will be entering into mediation and arbitration, and other Town issues that may arise.

5-222, Salem Volunteer Fire Company (SVFCO) 73.9% expended

SVFCO Chief Maiorano stated that the bulk of their invoices are due in July. He also informed the Board that the Fire Company is currently approximately \$4,500.00 over-budget for equipment due to unexpected expenses.

Treasurer Henry wished the Board a nice Christmas and a Happy New Year.

5. PUBLIC COMMENTS:

SVFCO Chief Maiorano stated that an estimate of \$6,500.00 was received for necessary repairs to the 2009 Ladder Truck and questioned whether the expense would be considered a Capital Item or should derive from their General Budget. The Truck has been temporarily repaired and is otherwise in excellent condition. The Board agreed that the item should be placed under the Repair/Maintenance of Equipment line item (Line Item 5-222-618) and that a note/explanation regarding the expense be stated in their FY2020/21 budget request.

6. SELECTMAN'S REPORT

First Selectman Lyden wished everyone a *Mele Kalikimaka* and *Hau'oli Makahiki Hou*.

A nice event for the seniors was recently hosted by *Papa Z's Restaurant* in Westchester.

He expressed his appreciation to the several individuals and organizations who have donated funds to the Town's Benevolent, a.k.a. Needy, fund, which is funded by donations and provides Salem residents with temporary financial aid. The Bicentennial Committee raised \$100.43 on the sales of the Bicentennial gear for the Benevolent Fund.

The Mobile Food Pantry served approximately 80 families on Wednesday, December 4 in the parking lot behind Salem School. He estimates that approximately 30 of those families reside in Salem. He expressed his appreciation to the volunteers who run the Pantry and the School for allowing them to utilize the property.

The Recreation Commission's Tree Lighting and Bicentennial Closing Ceremonies will be held on Saturday, December 14, with a Sunday, December 15 rain date.

An open discussion was held between Board of Finance Members Chairman Dickson and Clerk Collins, Board of Education Members Sam Rindell and Chairman Sean Reith, and Selectman Hugh McKenney and himself at the Special Joint Meeting on Wednesday, December 4.

7. APPROVE 2020 MEETING CALENDAR

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

8. REVIEW 2020/21 BUDGET CALENDAR

M/S/C: Griggs/Salas, to approve the 2020/21 Budget Calendar for the Board of Finance. Discussion: None. Voice vote, 6-0, all in favor.

9. REPORT ON BOS, BOE, BOF JOINT MEETING

As stated by the First Selectman, Chairman Dickson reported that Clerk Collins and himself attended the Special Joint Meeting between the three Boards; he found the meeting to be very useful, interesting, and enlightening. Frank and extensive discussion took place regarding future planning and population trends, revenues and expenses, and strategic planning. The members discussed the various options that could be investigated to improve and/or simplify the budget process. The attendees included members of the respective Boards and concerned parents. Clerk Collins added that a great deal of discussion was held regarding the direction of the Town in terms of its population growth, which he estimates as being slight to flat; the demographics of that growth in relation to the expected Electric Boat expansion, and; the uncertainties of the State's economy.

The possibility of mirroring East Lyme's Board of Education (BOE) budget process in which representatives from each of the Boards take part and collaborate in the development of their budget was presented by Superintendent Joseph Onofrio. Board Member Griggs recalled her tenure on the BOE when a similar model was followed; the process, which allowed the various Boards to understand each of the respective Boards' points of view, worked extremely well. She felt that, at a time of declining revenue, such a practice would be beneficial, encourage open

communication, and help ensure a smooth budget process. It would also educate the public as well as those involved in the process and help shape their decisions. Clerk Collins, who also served on the BOE during that period, agreed that the process was beneficial, adding that much has changed since then. First Selectman Lyden also found the meeting between the members of the respective Boards and the public to be helpful and agreed that the Superintendent does not need to develop the initial budget, but should be involved in the process. He supported the proposed collaboration, adding that gaining the insight and viewpoint of others would be beneficial. He added that the Board of Selectmen would not need to be included in the process and noted that, due to the timing, it might not be possible to enact it for the 2020/21 Fiscal Year Budget. Board Member Salas agreed and stated that each Board is responsible to conduct their respective task at hand.

Chairman Dickson also reported that BOE Chairman Reith re-introduced the possibility of establishing a Non-Lapsing Account as a method of planning for unexpected expenses. The establishment of the Account was proposed/requested approximately two years ago and was, ultimately, denied. The Board, at the time, felt that, should the BOE require additional funds, they may come to the Board and, if necessary, the Board would schedule a Town Meeting. Chairman Dickson recommended the BOE investigate the experiences of those towns who have established the Account and re-introduce their request. BOE Chairman Reith confirmed that the request for the Non-Lapsing Account was introduced two years ago as a tactical mechanism to help them deal with the uncertainties within their budget. He reported that he has tasked the BOE's Budget Subcommittee to review and vote upon the item and, should the item pass, it will be directed to the BOE, who would, then, review and approve the item before it is presented to the Board for a final vote. The required information will accompany their presentation at that time. Board Member Casciano felt that the establishment of such an account could open the door for other departments who might like to establish a similar account. In line with their discussion, Board Member Griggs requested the possibility of Clerk Collins investigating the status of the State's discussions regarding any updates to the special education financing. Clerk Collins reported that the issue regarding an increase in the amount that would be allowed to be deposited into the account often arises at the legislature.

Any questions the Board might have regarding the meeting may be directed to Chairman Dickson or Clerk Collins.

10. CAPITAL PLAN DISCUSSION

First Selectman Lyden reported that the Capital requests have been received and any Boards, Commissions, and Departments who have Capital requests are scheduled to present them in January. Approved funds would be loosely allocated to the 10-Year Capital Plan and each Department would be required to obtain bids/estimates with the exact amount to be expended for those projects/items for the upcoming year, per the Town's Purchasing/RFP (Request for Proposal) Policies. The Board must approve any overages to the budgeted amount.

In response to Clerk Collins regarding the fuel tanks for the School, Library, and Town, the First Selectman stated that the insurance deductible for the tank at the School is currently \$100,000.00 due to its age (26 years of age) in comparison to the approximately \$10,000.00 deductible for that of the Town (22 years of age) and the Library (16 years of age). He has investigated the possibility of obtaining a grant(s) for the project to no avail and is hoping to obtain better pricing by grouping the three tanks together. Clerk Collins' inclination is to replace the tanks in the next fiscal year; the question is whether the Board would like to opt to pay for the costs over time or at one time. Board Member Salas agreed. \$68,000.00 in Capital funds has already been allocated for the replacement of the Town's tanks, which supplies fuel for the Public Works vehicles, School Buses, and Emergency Vehicles. The First Selectman is also investigating alternative options and costs for the Library HVAC system, which has been systematically problematic, and the possibility of cleaning, flushing, and filling the underground tanks rather than de-installing them. The estimates that have been provided are separate estimates. The request for the \$225,000.00 HVAC system is an estimate and will be followed up with additional information. Also requested for the Capital Plan is a portion of the funds for the Town's Revaluation, which is slated to begin in FY2020/21.

With regard to the roofing, First Selectman Lyden reported that he is in the process of speaking with the Auditors, Financial Advisor, Kim Gadaree, and other necessary parties regarding the best way to fund the project. The funds will be either bonded or borrowed. In addition, the BOE is in the process of forming a Building Committee for the replacement of the roof and the air handlers. The roof at Town Hall might be combined with the School roofing project.

All of the departments were notified in October and November regarding the deadline date for the Capital Requests. It was noted that a Capital Request(s) from the Gardner Lake Volunteer Fire Company has not been received.

11. FORMAT & PLANNING DISCUSSION FOR LETTER TO DEPARTMENTS REGARDING BUDGETARY EXPECTATIONS AND GUIDELINES FOR FY2020/2021

Discussion ensued regarding the letter that will be mailed to all of the departments; the Board agreed to maintain the current letter, with minor edits.

Clerk Collins wished to introduce and table a motion for discussion regarding the possibility of consolidating the funds for the two fire companies. He reminded the Board of their previous vote in favor of directing the Board of Selectmen and Gardner Lake Volunteer Fire Company (GLVFCO) to comply with some of the Auditor's recommendations, including the disaggregation of the fire and ambulance services, which would aid the Board as they develop the budget and provide transparency between the two departments.

M/S/C: Collins/Dickson, to consolidate the appropriations for fire protection services for the Gardner Lake Fire Company (Department 5-220) and Salem Volunteer Fire Company (5-222) into one account for the FY2020/21 Budget to be adopted by the Board of Finance. Discussion: Clerk Collins suggested the possibility of

examining the possibility of consolidating the funding for the Town's two fire companies, as recommended in the 2014 Public Safety Report with the input of the Salem and Gardner Lake Volunteer Fire Companies, Fire Marshal's Department, and the Board of Selectmen to ensure that operational savings can be gained without downgrading the safety and protection of the Town. Examples include joint training sessions and equipment. He provided some of his general thoughts and reasons for introducing the topic for discussion and urged the relevant parties to put some thought into the concept for further discussion. He noted the changing times and the need to investigate whether the idea and/or implementation of fiscal consolidation for the upcoming fiscal year would be operationally sound. First Selectman Lyden expressed his agreeance with a number of Clerk Collins' thoughts. He added the Town has evolved and is continuing to evolve. Municipalities have been paying more and more for emergency services and less and less individuals are volunteering due to more stringent training requirements. He stressed the need to search for efficiencies and agreed that the Board should review the Study. He agreed the Departments should consolidate their equipment and train together. He commended the current Fire Marshal staff, who, combined, have over 100 years of experience; Selectman Ron LaBonte, and; the volunteers. Clerk Collins clarified that he is not considering the Ambulance division as part of the consolidation. The top recommendations in the report include the need for the two departments to function as a cohesive unit operationally, joint training, future purchases of apparatus to be based on the overall community needs, and that all recommendations throughout the report be viewed in the context of the ultimate need for the creation of a single municipal department. Board Member Cadwell agreed that there are a number of ways the Town could save money by consolidating the two Departments. Board Member Griggs agreed with the First Selectman in that municipalities are becoming increasingly unable to fill a volunteer program and the need to begin thinking about regionalizing the services is becoming increasingly evident. The Board should discuss and gauge the future of the situation and make good logistical decisions, accordingly. Board Member Casciano agreed, adding that it is not fair of them to request that the School regionalize their services, without requesting the same of the fire companies. Board Member Salas agreed, stating that their primary goal should be the consolidation of the two departments within the next five to six years. Board Member Griggs reminded them that it is not under the purview of the Board to request the establishment of one fire department. Rather, it is the community's decision. Keeping this in mind, Clerk Collins stated the importance of engaging the Fire Companies, Fire Marshals, and Board of Selectmen to view the idea from an operational standpoint and to gauge its feasibility. First

Selectman Lyden agreed and reiterated that, though emergency services costs would continue to rise as the labor and benefits will begin to rise as the volunteers begin to dwindle, the consolidation would be regarded as an efficiency. He noted that the Town of Colchester, which is four times the size of Salem, has one main Fire Company and one substation. Clerk Collins noted the savings that would be gained in time alone for duplicate duties, including bookkeeping, and that the establishment of one fire department would increase their ability to be approved for grants. SVFCO Deputy Chief Chip Weston stated that both he and Board Member Griggs were members of the Committee that reviewed the Auditor's findings and urged the Board to review their follow-up to the Report, which notes those items that they would be unable to accomplish. The Committee who created the Follow-up Report involved those members, including the public at large, whom Clerk Collins noted. In response to Board Member Bourgeois who questioned whether a list of key items, e.g., salaries, exists so that the Board could conduct a side-by-side comparison. Clerk Collins reiterated that they should table the item, gather all of the necessary details, receive the input from all of those involved, determine where the duplications occur and gauge what kind of savings could be gained.

GLVFCO Member Jim Savalle entered the meeting and explained that he has not received any notices from the Board of Finance regarding the Capital requests. Had he known, their requests would have been submitted in a timely manner. His Capital requests include the PPE, Fire Gear and Hose, and roof. He clarified that the Ambulance account (Department 5-230) encompasses the ambulance, rescue truck, boat, UTV, trailers, and service truck while the Fire Company's Account (Department 5-220) includes the engine, tanker, forestry, and the accompanying spare pumps. He added that he has been trying to correct the designation of the line items and the intermingling of the accounts for many years. He stated that every single penny of their funds is spent on necessary items as their written records indicate and invoices and purchase orders for each of the expenditures are submitted to the Town. He expects to submit a flat budget request for FY2020/21 and does not plan to have any unexpended funds for FY2019/20. He requested that, should any of the members of the Board of Finance have any questions, to please ask him, adding that he has not received any inquiries for several months. He stated that they have expended over \$22,000.00 from the Ambulance Fund for the On-Call System due to a disagreement and felt that there have been numerous conversations in which the Fire Company has not been included.

First Selectman Lyden interjected a Point of Order, stating that incorrect information is being provided to the Board. Several correspondences have been

sent to the President of the GLVFCO Board of Directors and the Board may entertain the receipt of their Capital requests should they choose to do so. The Fire Company has chosen to retain the services of an attorney to argue against certain rules and laws that the Town has been following and should not be discussed in this forum. He felt that the Board has digressed from their Agenda and suggested a Point of Order on the discussion.

Clerk Collins requested the status of the motion that was sent to the Board of Selectmen and GLVFCO regarding their compliance with certain items provided in the Auditors report. GLVFCO Member Savalle stated that, to the best of his knowledge, no formal requests or documentation has been presented to the Fire Company regarding the motion. First Selectman Lyden stated that the Treasurer of the GLVFCO Board of Directors was present at the meeting in which the motion was made. First Selectman reiterated that the item is out of order.

GLVFCO Member Savalle urged the Board to copy him on any important correspondence, adding that he did not come to the meeting to have a confrontation and asked that the Board continue to treat him fairly. Upon Clerk Collins' request, he will send a formal written request that all correspondence be directed to him and not the President of the GLVFCO Board of Directors.

M/S/C: Collins/Griggs, to table the item regarding the consolidation of appropriations for the fire protection services for the Gardner Lake Fire Company (Department 5-220) and Salem Volunteer Fire Company (5-222) into one account for the upcoming budget (FY2020/21) to be adopted by the Board of Finance. Discussion: The item will be included on the Board of Finance January Agenda under Old Business. Voice vote, 6-0, all in favor.

PUBLIC COMMENT: *none*

OLD BUSINESS: *none*

ADJOURNMENT

M/S/C: Griggs/Collins, to adjourn the meeting at 8:44 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