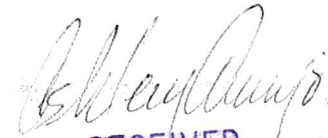


**TOWN OF SALEM  
BOARD OF FINANCE  
REGULAR MEETING MINUTES**

**THURSDAY, MARCH 7, 2024 – 7:00 P.M.  
SALEM TOWN HALL – CONFERENCE ROOM 1**

  
**RECEIVED**  
**TOWN OF SALEM, CT**  
**2024 MAR 14 A 8:47**

**The Minutes submitted below have been filed in accordance with  
section 7-342 of the CT General Statutes. They are subject to final approval  
with or without amendments by a vote of the Board of Finance (BOF).  
Approval and any such amendments will be detailed in subsequent BOF minutes.**

**PRESENT**

William “Skip” Dickson, Chairman  
Corinne (Cory) Bourgeois, Clerk  
Kate Belleville  
John Bernier  
Deborah Cadwell  
Janet Griggs  
Maryann Casciano, Alternate  
James Moran, Alternate  
Matt Rucci, Alternate

**ABSENT**

*none*

**ALSO PRESENT**

First Selectman Ed Chmielewski  
Selectwoman Pam Munro  
Finance Specialist Lisa Jablonski

**CALL TO ORDER**

Clerk Bourgeois called the meeting to order at 7:00 p.m.

**PLEDGE OF ALLEGIANCE**

**RECOGNITION OF VISITORS:** *none*

**SEAT ALTERNATE, IF NEEDED:** *none*

**COMMUNICATIONS:**

- a. Copy of a letter from Board of Education (BOE) Chairman Sean Reith to Board of Finance Chairman Dickson withdrawing their request for the expedited boiler and fire panel replacement.
- b. Copy of an e-mail from Gardner Lake Volunteer Fire Company Assistant Chief Kevin Milligan, Jr., requesting a meeting to discuss the Fire Company’s audit. The meeting would also include members of the Board of Selectmen.

*Chairman Dickson proposed that he and Emergency Services Liaison Clerk Bourgeois meet with the members of the Fire Company; the Board concurred.*

**AGENDA:**

**1. APPROVAL OF MINUTES: FEBRUARY 8, 2024 BOF REGULAR MEETING**

**M/S/C: Cadwell/Griggs, to approve the February 8, 2024, Board of Finance Regular Meeting Minutes, with the following amendment:**

**Page 3, Item 5(c), #114 TREASURER/AUDITOR/BOF, Second Line:**

... Treasurer/Auditor/BOF, which includes an increase of \$22,482.00 or 6.00% due to added...

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

**APPROVAL OF MINUTES: FEBRUARY 22, 2024 BOF REGULAR MEETING**

**M/S/C: Griggs/Cadwell, to approve the February 22, 2024, Board of Finance Regular Meeting Minutes, with the following amendments:**

**Page 1, SEAT ALTERNATE, IF NEEDED:**

~~Alternate Commissioner~~ Board Member Casciano was seated...

**Page 11, Item 4, STATUS OF DEDICATION...**

Board Member Griggs...sent the Dedication of Erie Belt ~~Erie Belt~~ Bobbi Ziegra...

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

**2. PUBLIC COMMENT – none**

**3. ACT ON PROPOSED APPROPRIATIONS FOR FY2024/25**

**A. REVENUES**

The Board Members reviewed the Department line-by-line. Adjustments from the previous year's proposed amounts included:

Department #91, General Property Taxes

Line Item 1010, General Property Taxes, Current Year	\$ 13,234,983.00
Line Item 1020, General Property Taxes, Prior Years	\$ 60,000.00
Line Item 1085, Refunds – Prev. Yr.	- \$ 3,000.00

**M/S/C: Bernier/Cadwell, to approve the appropriation of funds in the amount of \$13,603,233.00 for Department #91, General Property Taxes, subject to review and/or revision and pending approval at the Board of Finance's March 21, 2024 Regular Meeting.**

Department #92, State/Federal Grants

Line Item 011, LoCIP (Infra-structure)	\$ 50,326.00
Line Item 555, Nips Grant	\$ 5,000.00

**M/S/C: Bernier/Cadwell, to approve the appropriation of funds in the amount of \$539,863.00 for Department #92, State/Federal Grants, subject to review and/or revision and pending approval at the Board of Finance's March 21, 2024 Regular Meeting.**

Department #93, State/Federal Grants for Education

Board Member Bernier suggested, and the Board Members agreed, to propose a flat budget for Department #93, State/Federal Grants for Education.

**M/S/C: Bernier/Cadwell, to approve the appropriation of funds in the amount of \$2,440,749.00 for Department #93, State/Federal Grants for Education, subject to review and/or revision and pending approval at the Board of Finance's March 21, 2024 Regular Meeting.**

Department #94, Licenses & Permits

Line Item 042, Electrical	\$ 11,000.00
Line Item 046, Zoning Compliance	\$ 1,500.00
Line Item 050, Pistol Permits/Sport Licenses	\$ 1,050.00
Line Item 049, Conveyance Tax	\$ 65,000.00
Line Item 052, Landfill Fees – BW	\$ 8,000.00
Line Item 053, Garbage Bag Revenue	\$ 40,000.00
Line Item 0533, Tipping Hauling Fees	\$ 3,500.00

**M/S/C: Bernier/Cadwell, to approve the appropriation of funds in the amount of \$192,200.00 for Department #94, Licenses & Permits, subject to review and/or revision and pending approval at the Board of Finance's March 21, 2024 Regular Meeting.**

Department #95, Charges for Current Services

Line Item 058, Recording Fees	\$ 14,000.00
Line Item 063, CFC Evacuation Fees	\$ 2,200.00
Line Item 067, Elec. Registrar Fees	\$ 4,000.00

**M/S/C: Bernier/Cadwell, to approve the appropriation of funds in the amount of \$22,852.00 for Department #95, Charges for Current Services, subject to review and/or revision and pending approval at the Board of Finance's March 21, 2024 Regular Meeting.**

Department #96, Revenue from Use of Town Money

Line Item 064, General Fund	\$ 80,000.00
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**M/S/C: Bernier/Cadwell, to approve the appropriation of funds in the amount of \$80,000.00 for Department #96, Revenue from Use of Town Money, subject to review and/or revision and pending approval at the Board of Finance's March 21, 2024 Regular Meeting.**

Department #97, Miscellaneous Revenue

Line Item 072, Library Fees/Fines/Bozrah	\$ 15,346.00
Line Item 074, Recreation Fee Base Activities	\$ 5,000.00
Line Item 076, Miscellaneous/Other	\$ 15,000.00

**M/S/C: Bernier/Cadwell, to approve the appropriation of funds in the amount of \$34,785.00 for Department #97, Miscellaneous Revenue, subject to review and/or revision and pending approval at the Board of Finance's March 21, 2024 Regular Meeting.**

The total proposed amount for Revenues is \$16,913,682.00

**B. BOARD OF EDUCATION BUDGET**

BOE Chairman Reith provided the highlights to the proposed FY2024/25 Budget, which includes an increase of \$713,332.00 or 6.31% and totaling \$12,017,833.00. Their goal is to provide the best education in a fiscally sustainable manner. On average, the BOE budget has increased annually by approximately 1% over the past 16 (sixteen) years.

Special Education (SPED) and Out-of-District Placement Costs – The BOE continues to struggle with the volatility of the SPED costs and has engaged in strategic enhancements to offset these costs. This year, the BOE was faced with approximately \$325,000.00 in unexpected SPED and Out-of-District costs at the start of the 2023/24 school year.

Cost Savings – Some of the proactive cost savings/avoidance actions the BOE has taken include the Early Retirement Notification Program, negotiation of a five-year bus contract, replacement of school lighting, and engaging in shared services with East Lyme, including their High School Co-Op Agreement, Food Services Coordinator, and Facilities Director. Additional efforts to share services have been explored, including an opportunity to share the Superintendent with the Bozrah School District, which has also opened the doors for other possible sharing opportunities with the town. The student population in each grade in relation to the student/teacher ratio is also actively monitored. The BOE's current unencumbered funds of \$288,486.00 are due to the decreased number of SPED and regular education students attending East Lyme High School and the hiring of new teachers, replacing those who retired.

Superintendent Brian Hendrickson encouraged the Board Members to visit the *School + State Finance Project* website (<https://schoolstatefinance.org>) which offers information regarding the expenditures of school districts in relation to the State average.

Budget Variables – The BOE's final budget is dependent on the outcomes of the Non-Certified and Technology Contracts, which are scheduled for negotiation this Spring, and the Health Insurance Rates, which are expected to be finalized in April 2024. In addition, the SPED Outplacements and Transportation costs vary from year to year and are unpredictable.

The budget is a reflection of the BOE's values. They pride themselves in their relationship with the students, their families, and the community as a whole. Their goal is to be fiscally responsible and ensure that the maximum possible funds are invested in the students. To reflect their values, he presented a video of their annual Thanksgiving event with the

Salem Seniors Group (<https://www.youtube.com/watch?v=oDVGnhFjMD0>) The video reflects their position in the Town and their growing partnership with its seniors. He expressed his appreciation of the Town's support and welcomed the community's feedback.

Enrollment Numbers (Board Members Bernier and Bourgeois) – The current Salem School (Pre-K-8) enrollment is 381, a reduction of 15 students from the previous school year. There are approximately 70 Pre-K to Grade 8 and 100 High School SPED Students. Board Member Bernier noted that the proposed increase constitutes an approximately 1.5 mil increase. Approximately \$522,000.00 of the proposed increase includes the Out-of-District Placement, East Lyme High School tuition, and transportation costs, which are, relatively, set values. The remaining amount could be considered variable. BOE Chairman Reith stated that the numbers are based on assumptions made from the previous year's student population for each grade and the historical average. The primary difficulty in projecting the numbers involves the movement of children moving in and out of Town or attending a different high school or Vo-Ag School.

SPED & Out-of-District Costs (Clerk Bourgeois) – BOE Chairman Reith stated that the costs are based on each student's needs as they grow and the projected in/outflux of children. Many students are also continuing to deal with the effects of the COVID-19 Pandemic, requiring additional assistance. Clerk Bourgeois questioned why the costs are not budgeted at a more consistent level based on the trends. It appears that the cost savings from FY2023/24 are not being taken advantage of. Rather they are being reallocated to other parts of the budget. Business Manager Kim Gadaree stated that the costs are based on the number of actual students and their needs at the time, resulting in the fluctuations. BOE Chairman Reith explained that many of the costs are structural, stating that approximately 75% of the FY2024/25 Budget is comprised of benefits and salary increases and 23.6% includes multi-year contracts, service contracts, and license fees. Only 1.4% of the total budget is allocated to student curriculum.

Curriculum vs. Central Office Salary Increases (Clerk Bourgeois) – BOE Chairman Reith explained that, because the salary increases were indicated in a separate line item in the FY2023/24 Budget, the percentage increase for each of the positions should be divided by two (2) to determine the previous and current year's increases. Clerk Bourgeois expressed her concerns about the allocation of funds to salary increases rather than the students' curriculum. BOE Chairman Reith explained that, over the last two (2) years, the BOE has restructured the Administrative Offices, including a, relatively, new Superintendent, Principal, Assistant Principal, and Director of Student Services, and stated the importance of appropriately compensating the staff. Superintendent Hendrickson did not feel that the level of service would be adequate if they engaged in a Shared Services Agreement for the Curriculum Director, who serves children from Pre-K to Age 23. The Director regularly

meets with the Assistant Superintendent to ensure that their programs are aligned. The dormant Curriculum Subcommittee was also reinstated. The Central Office salaries, BOE Chairman Reith added, are lean in comparison to that of the state average.

Transportation Costs (Board Member Casciano) – While SPED transportation is required, Board Member Casciano raised the possibility of offering a \$1,000.00 voucher/incentive to families of regular education students who transport their children to/from school. Superintendent Hendrickson stated that the number of buses has been reduced over the past two (2) years as a result of their request for a non-binding intent for transportation use from families, resulting in significant cost savings. He also monitors the number of empty seats on a bus throughout the school year and remains mindful of the amount of time the students are sitting on the bus while being transported. BOE Chairman Reith stated that the possibility can be explored, adding that weather conditions are also a factor as Salem is often faced with more severe weather conditions than East Lyme, which is located closer to the coastline.

Transportation (Board Member Casciano) – Business Manager Gadaree stated that State Statutes require that transportation be provided for SPED students and Vo-Ag and Technical Schools. She confirmed that the number of buses was reduced from eight (8) to six (6) buses over the last two to three years as a result of the information received from the families regarding their intention to provide their child(ren) with transportation. Each bus costs approximately \$65,000.00. These cost savings reflect the Central Office's constant efforts to proactively provide as much funding as possible to the student's curriculum. She emphasized the importance of maintaining the staffing, stating that studies have shown that leadership turnovers due to insufficient compensation result in an escalation of costs.

Special Education Trends (Clerk Bourgeois) – Superintendent Hendrickson stated that the support of the Board of Finance to employ a full-time Director of Special Education (DSS), who is responsible for all of the Town's students to Age 23, has been critical to ensuring that their needs are being met. He provided a comparison of those school districts with similar student populations that employ a full-time DSS, including Westbrook, North Stonington, Columbia, and Salem.

Non-Lapsing Fund (Board Member Casciano) – Depending on the structure of the funding and whether it is included in the Non-Lapsing Fund or built into the Operating Budget, the BOE may be able to absorb the costs when the need arises. With a Non-Lapsing Account, a consistent level of base funding could be established for the SPED costs. It is, otherwise, difficult to accurately determine the costs due to its variability. Clerk Bourgeois noted that in the recent past, during a period of higher enrollment, the School District employed a 0.5 Superintendent and the students' education and test scores were very, very good.

Legal Fees (Clerk Bourgeois) – BOE Chairman Reith explained that the budgeted amount includes several ongoing legal processes and the upcoming contract negotiations. Documentation related to the line-item adjustments for the legal fees will be provided to the Board of Finance. All of the cost savings have been incorporated in the proposed FY2024/25 Budget.

Custodial Services (Board Member Bernier) – Superintendent Hendrickson explained that providing custodial services has been challenging this year due, primarily, to the pay. As a result, the School District established an MOA (Memorandum of Agreement) with AFSCME (American Federation of State, County, and Municipal Employees) allowing them to contract out their custodial services. As a result, the line item for custodial services was increased while the custodial salaries, benefits, and supplies line items were reduced. There is a small cost savings. Custodial services are also shared with the Town and one of the part-time custodians is tasked with cleaning the Town Hall and Library.

Reduction in Special Education Services Costs (Page 2a) (Clerk Bourgeois) – Superintendent Hendrickson stated that certain services are no longer contracted out due to the employment of the full-time DSS. BOE Chairman Reith added that some of the costs are also included in the Out of District Services (SPED Placements) section of the Budget (Page 7a).

Board Members Bernier and Dickson expressed their appreciation of the timeliness of the Budget Booklet and their efforts and diligence to do the best they can for the students and the Town, as a whole. Board Member Rucci felt that the Town is receiving “tremendous bang for their buck” from the Superintendent and Assistant Principal/Curriculum Coordinator. BOE Chairman Reith also expressed his appreciation to Board Member Griggs for acting as the Liaison. He also appreciates their questions, which are often similar to theirs, and welcomed them to send any additional questions they might have. If possible, he requested the Board of Finance provide them with a range this evening, allowing the BOE to make any necessary preparations. It was noted that the BOE’s Budget percentage of the Town’s overall budget is reducing while the General Government’s Budget is increasing. Superintendent Hendrickson also expressed his appreciation.

DISCUSSION:

Board Member Bernier reiterated that there is very little, if any, flexibility with approximately \$522,000.00 of the \$713,332.00 increase. Clerk Bourgeois noted, that last year, District Services was reduced and funds were shifted to other areas within the budget – a practice that appears to be ongoing. She also reiterated the 16% increase over the past two (2) years for the District Office and the School's decreasing enrollment. She commented on the Board’s scrutinization and reduction of other departmental budgets while increasing the BOE Budget.

Board Member Griggs stated that the establishment of the Non-Lapsing Account, which would help the BOE maintain a level SPED budget, should be explored.

Board Member Belleville echoed Clerk Bourgeois. While feeling that the School had a good program and appreciating the new Administration's efforts, she, too, questioned the increased funding with decreasing enrollment and recalled that the primary criticism when her children attended the School was that the Administration was top-heavy. She also noted the growing expenses in other areas of the budget and the importance of being fiscally responsible and ensuring that they are supporting the students.

Board Member Rucci, whose children are enrolled in the school system, stated that he is pleased with the direction the School District has been taking and the programs it offers. He felt that leadership changes take time and the Administration is laying a solid groundwork for the future. The programming enhancements, as outlined on the first page of the budget book, reflect the efforts they are making with their discretionary funds, including the addition of a Talented and Gifted Program. He stated the importance of appropriately compensating the leadership to execute a plan that will enable the School to achieve its strategic goals. He also noted that a large portion of the increase is for the added scope of the Assistant Principal's position as the Curriculum Advisor. Board Member Griggs agreed, adding that the increase also includes an increase in hours for the Director of Special Services – an increase that ensures that the children are receiving the necessary services, based on their needs. Chairman Dickson concurred, adding that attention appears to be directed toward the curriculum over the past two years – a positive step. Board Member Bernier reiterated that approximately \$522,000.00 of the proposed increase is allocated to items that cannot be negotiated, leaving approximately \$180,000.00 open for discussion. Clerk Bourgeois disagreed, reiterating that the BOE is merely shifting its funds. Its budget is consistently increasing while the student population continues to decrease. The salary increases for the Centralized Office, she believed, should be allocated to the children.

Shared Services (Board Member Rucci) – Shared Services (Board Member Rucci) – The BOE currently shares the Food Services Director (under Food Services Program) and Facilities Director (under Services; Facilities Director line item zeroed out) with East Lyme. Superintendent Hendrickson stated that the proposed budget also includes an increase for the Facilities Director, who exemplifies the importance of engaging competent employees, citing the correction of issues from the onset. The organizational chart of the School District was reviewed.

Board Member Casciano applauded the BOE and expressed her appreciation for all of their hard work. She recognized the fluctuations of the SPED expenses and was agreeable with the one to three percent increases, which is standard. The benefits of instituting the Non-Lapsing Account were briefly discussed.



Board Member Bernier proposed increasing the BOE Budget at a minimum of 5.5%, given that 4.6% of the increases are non-negotiable. Clerk Bourgeois noted that the increase amounts to a 1 mil increase and expressed her concerns for the taxpayers. She felt that the proposed budget was not fiduciary responsible, especially with decreasing enrollment, the ongoing shifting of funds, and increasing salaries, especially in light of the other Departments' requests. Board Members Griggs and Rucci proposed a 6% increase. Board Member Casciano proposed a 5.5% increase and the institution of the Non-Lapsing Fund. Board Members Bernier and Cadwell proposed a 5.514% increase or \$11,927,833.00. Board Member Bernier added that the BOE always has the option to return to the Town and request a supplemental appropriation for significant unexpected expenses.

The issue regarding the Minimum Budget Requirement (MBR) will be addressed before the June 2024 deadline.

**M/S/C: Bernier/Belleville, Approve the appropriation of funds in the amount of \$11,927,833.00 for the Board of Education, subject to review and/or revision and pending approval at the Board of Finance's March 21, 2024 Regular Meeting. Discussion: None. Voice vote, 4-2. Voting in Favor: Board Members Belleville, Bernier, Cadwell, and Dickson. Voting in Opposition: Board Members Bourgeois and Griggs.**

#### **4. BOE BOILER & ALARM PANEL DISCUSSION, IF REQUIRED**

No discussion was necessary, per the communication from BOE Chairman Reith to Chairman Dickson withdrawing their request for expedited boiler replacement and fire panel replacement (see Communications, item a).

**OLD BUSINESS:** *none*

#### **ADJOURNMENT**

**M/S/C: Griggs/Cadwell, to adjourn the meeting at 10:32 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

**A VIDEO RECORD OF THE MEETING CAN BE FOUND ON THE TOWN'S WEBSITE  
UNDER BOARDS & COMMISSIONS – BOARD OF FINANCE –  
MEETING VIDEOS**