

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
WEDNESDAY, JUNE 11, 2015 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

TJ Butcher, Chairman
Carole Eckart
Janet Griggs
George Householder
David Kennedy

ABSENT

Robert Sartori
John Dolan, Alternate
Hernan Salas, Alternate
Jenifer Lee, Alternate

ALSO PRESENT:

First Selectman Kevin Lyden

GUESTS

Phil Teixeira

CALL TO ORDER:

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

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED: *none*

COMMUNICATIONS: *none*

ADDITIONS TO THE AGENDA:

The following addition was made to the Agenda:

Item 8 Brief Liaison Report (Board Member Kennedy)

AGENDA:

1. APPROVAL OF MINUTES: MAY 14, 2015 BOARD OF FINANCE MEETING

M/S/C – Butcher/Eckart to approve the Regular Meeting Minutes of May 14, 2015 as submitted. Discussion: The following revisions were proposed:

Page 3, Item 5:

Heading:

REFERENDUM – DISCUSSION – SET ~~MILL~~ MIL RATE

Second paragraph, first sentence:

Discussion ensued regarding the setting of the ~~mill~~ mil rate.

M/S/C:

M/S/C - Householder/Kennedy, to set the ~~mill~~ mil rate at 31.7.

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

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Page 3, Item 6, third and fourth sentences:

They are expecting approximately \$35,000.00 (thirty-five thousand dollars) in FEMA funds, which ~~they expect to receive by year's end and~~ will be going into the General Fund. It was agreed to deposit \$21,000.00 (twenty-one thousand dollars) of the funds received ~~by from~~ FEMA into the Grant Fund and utilize those funds for the road repairs.

Page 4, Item 8, eight sentence:

~~Any emergency funding should come out of the Unassigned Fund Balance.~~

Voice vote, 5-0, all in favor.

2. Treasurer's Reports (See File Copy)

- a. REVENUE SUMMARY**
- b. TRIAL BALANCE**
- c. FUND BALANCE**
- d. OTHER**

Treasurer Pam Henry reviewed and reported on a positive *Revenue Receipts* report, having received 100.5% of the General Property Tax (up 0.3% from the previous month), 100.9% of the Total Property Tax (up 0.4% from the previous month), and Total Revenue of 101.1% (up 0.5% from the previous month).

The *Balance Sheet* reflects a balance between the Total Assets and Liabilities & Equity. Two of the line items, 212563 – 2015 101 Stonewall RD Erosion and 212562 – 2015 101 Stonewall RD Driveway, under line item 212500 – Due to Other Groups refer to bonds were previously placed under a general heading and are now itemized to improve the management of those items.

The *Budget vs. Actual Reports* for the General and Capital Non-Recurring funds were also presented and reviewed. Since the Capital Reserve is an expense account and transferring funds into that account will trigger income resulting in a liability, they were unable to transfer \$198,151.77 from line item #212000-212021 to line item #925-00, as requested by the Board in March 2015. As such, the funds were moved to line item #1400009 (see *Balance Sheet*).

The following changes were requested:

- Department 5-105 – Salaries, Line #111: ZEO/~~Sanitarian~~WEO/Bldg Officer
- Department 5-110 – Building Official/~~Sanitarian~~
- Department 5-157 – Regional Services: Move line #826 – Planning Services to
Department 5-152 – Town Services
- Department 5-230-637 – ~~Biohazard~~ Biohazard Transportation

3. PUBLIC COMMENTS

Phil Teixeira, 218 Beckwith Hill Drive, provided an update on the Board of Education (BOE) and apologized for missing the past few meetings. The BOE will be reviewing the recently completed School Efficiency Study and determine their future plans based upon the Study's recommendations. The new management structure for the 2015-2016 school year will be:

Joan Phillips, Principal

Michael Rafferty, Assistant Principal

Elizabeth Catarius, Director of Student Services

The structure will be reviewed next year as Mr. Rafferty may decide to fully retire from his position. Similarly, the new salary matrix will also be reviewed the following year. They are currently seeking a full-time nurse, replacing the contracted nurse services, and an administrative assistant, which was a temporary position pending the results of the Study. The latter position, like the structure and salary matrix, will be reviewed at a later date.

The BOE is estimating a surplus of approximately \$200,000.00 in unexpended funds as the result of the school bus contract, salary and benefits savings from the hiring of temporary personnel, and a special education excess cost funding. They plan on utilizing a portion of the funds on the purchasing of computers, repairs to the parking lot and curbing due to damage caused by the winter storms, and miscellaneous equipment. Any remaining funds will be returned to the Town.

Discussions at the recent BOE retreat included the new administrative structure, BOE goals, and the roles and responsibilities of its members. The Superintendent's report will include a rotating list of issues enabling the Board to create yearly comparison reports. Financial reports will include projections and, likewise, facilities reports will include a list of projects and schedule of their projected completion dates. The security upgrades to the school is slated for completion prior to start of the new school year, well before the June 2016 deadline for reimbursement eligibility from the State.

The BOE sent a very well received letter of appreciation to the staff thanking them for their efforts. A draft of the Co-op Agreement will be posted on the school website for residents to review. The Board is working on creating a teaching curriculum for technology which will determine their future technology needs. In World Languages, French, in addition to Spanish, will, once again, be offered to students. Fifth and sixth graders will have a half year of each language; both languages will be offered to seventh graders, and; third, fourth, and eighth graders will be taught Spanish.

The Board has been engaging in some very positive discussions with LEARN that may result in a projected annual income of \$10,000.00 - \$15,000.00 for the renting of classrooms. Beginning next school year, all middle school students will be required to complete 12 hours of community service. Organizations interested in hiring a volunteer may contact the Superintendent. The Climate Survey is being compiled and should be released in the very

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near future. Three kindergarten classes are scheduled for the 2015-2016 school year to accommodate the 42 registered students.

4. SELECTMAN'S REPORT

First Selectman Lyden commended Mr. Teixeira on his report and the BOE and Administration on having made great strides over the past year. He reported that a notice has been received regarding the receipt of a \$22,000.00 Nutmeg Grant for the installation/connection of the Town to the Nutmeg Network. The Network will allow the Town to have access to a highly dependable fiber-optic network that provides a stronger and more secure environment and increased capacity. In an effort to mitigate utility costs, they are in the process of installing LED lighting upgrades throughout the Town, including the Library, Salem and Gardner Lake Fire Companies, Public Works, and Town Hall. Twenty percent of the installation costs is being funded by a grant and it is estimated that the upgrades may save the Town up to 70%. The Town currently saves approximately \$8,000.00 a year on the solar panels as well as additional savings gained from the installation of high-efficiency boilers located in the various Town facilities.

The State is currently proposing an 85% payment of the Resident State Trooper's salary and expenses by municipalities. He stated that he had not budgeted for the increase and is planning to replace Officer Kevin Seery, who will be retiring on August 1, with a lower ranking officer to help mitigate the additional expense, which is estimated to be between \$32,000.00 - \$42,000.00. The reduction of the number of Troopers from two to one, which was once presented and poorly received by the residents, is currently not being viewed as an option. The town of Montville recently voted to end their discussions with KX Communications regarding the creation of a regionalized dispatch center. The town of Lebanon is also expected to part from KX Communications; the town of Hebron has already departed. While they are currently with KX Communications, he plans to discuss the issue with the two Fire Chiefs to ensure that the Town's safety needs are met and will be seeking a five-year contract that is renewable for an additional five years for any future contracts. Lastly, he congratulated all of the eighth grade, high school, and college graduates in the Town, wishing them the best in all of their future endeavors.

In response to Chairman Butcher, he stated that he did not receive a report regarding the Suggestion Box. First Selectman Lyden will inquire with the East Lyme Parks & Recreation Commission regarding the possibility of providing in-town prices for McCook's Beach and the swimming pool to Salem residents. He stated that he has received requests for senior housing and the establishment of a blight ordinance. The \$400,000.00 Small Cities Grant for low- and moderate-income persons for necessary repairs has been allocated.

5. FIRST SELECTMAN LINE TRANSFER REQUESTS

M/S/C - Griggs/Householder, to approve the transfer of \$12,000.00 from line item 5-138-802, as requested by First Selectman Lyden, to:

| | |
|--|-------------------|
| 5-105-109 – Finance Administrative: | \$3,000.00 |
| 5-105-119 – On-Call Program: | \$5,000.00 |
| 5-105-121 – EMT/Maintenance: | \$4,000.00 |

Discussion: First Selectman Lyden stated that the transfer to the Finance Administrative line item is due to the turnover and the allocated budgeted salary should be sufficient. Voice vote, 5-0, all in favor.

6. CAPITAL PLAN DISCUSSION

Chairman Butcher recited Section 10.08 of the Town Charter and proposed creating and sending a letter to those Boards/Commissions who submit Capital Plans to the Board and schedule a meeting between the late Summer to Fall months to discuss and work on their Capital Plan. He also recommended clearly stating that any requests for changes to their Capital Plan be made directly to the Board by requesting their inclusion on an upcoming agenda and that requests are not guaranteed for approval for inclusion in the budget. He stressed the importance of the Board's ability to maintain control of the Capital Plan, which will, in turn, help streamline the budget process, maintain order, and help them anticipate their future needs. After meeting with each of the Boards/Commissions, the Board will review their discussions and requests, determine their priorities, and create a plan. The importance of the items on the Capital Plan in terms of their ability to borrow funds was also noted.

M/S/C - Kennedy/Householder, to appoint Board Members Eckart and Griggs to draft a letter to be sent to those Boards/Commissions who submit a Capital Plan. Discussion: Chairman Butcher thanked the Board Members Eckart and Griggs for volunteering to draft the letter, which will be reviewed and discussed at their next meeting. Voice vote, 6-0, all in favor.

7. TAX COLLECTOR – Suspense List

M/S/C - Eckart/Kennedy, to approve the Suspense List and authorize Chairman Butcher to authorize the transfer of \$25,696.53 (twenty-five thousand six hundred ninety-six and fifty-three cents) to the Suspense Tax Book as requested by the Tax Collector. Discussion: It was noted that some of those individuals on the List have been turned over to the Collection Agency in an effort to recoup some of the funds. Voice vote, 6-0, all in favor.

8. BRIEF LIAISON REPORT (Board Member Kennedy)

Board Member Kennedy reported that he has met with and provided an informational packet to Salem Volunteer Fire Company Fire Chief Rick Martin, Board of Finance Chair, and Board Member Griggs regarding the potential liability of the utilization of the building, located on the Zemko property, for training exercises. He noted that many of the recommendations included in the packet have already been instituted. Board Members Kennedy and Griggs plan to meet with both of the Fire Chiefs for further discussions. He reiterated the necessity of having the building accredited by the National Fire Protection Association (NFPA) and any other codes to ensure that they have fulfilled all of the necessary criteria and minimized any potential liability. The State Fire Marshal's office will need to be contacted for direction regarding any associated costs. Board Member Householder reiterated the possibility of re-appropriating the funds allocated to the decoration the exterior of the Firehouse for this purpose.

Additional discussion ensued regarding the use of the property. The First Selectman is in charge of the management of the Zemko property and any concerns should be brought to his attention. The Fire Departments are required to provide their Certificates of Liability and Workmen's Compensation Insurance for utilization of the building. The future use of the property is up to the townspeople and there are no long-term leases or commitments to any of the buildings on the property. Currently, the buildings are being utilized for storage by the various Town departments. The utilization of one of the buildings as a fire training facility may limit the types of businesses or purposes of the property, bringing rise to the question as to whether it is the right location for the training facility.

OLD BUSINESS: *none*

ADJOURNMENT:

M/S/C - Householder/Griggs, to adjourn the meeting at 8:28 p.m. Discussion: None. Voice vote, 5-0, all in favor. Meeting Adjourned.

Respectfully Submitted by:

Agnes Miyuki, Recording Secretary for the Town of Salem