

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
WEDNESDAY, JULY 9, 2015 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

TJ Butcher, Chairman
Carole Eckart
Janet Griggs
George Householder
David Kennedy
Jenifer Lee, Alternate
Hernan Salas, Alternate

ABSENT

Robert Sartori
John Dolan, Alternate

GUESTS

Phil Teixeira, Board of Education

ALSO PRESENT:

First Selectman Kevin Lyden

CALL TO ORDER:

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

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED:

The Board agreed to postpone the seating of an alternate to provide Board Member Sartori time to arrive.

COMMUNICATIONS:

Chairman Butcher reported that he received a letter from O'Connor Davies, LLC and confirmed that the members of Board received their questionnaires.

ADDITIONS TO THE AGENDA: *none*

AGENDA:

1. APPROVAL OF MINUTES: JUNE 11, 2015 BOF Meeting

M/S/C - Griggs/Householder to approve the Regular Meeting Minutes of June 11, 2015 with the following amendments:

Page 6, Item 8, first sentence:

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....

Page 6, Item 8, third sentence:

~~He~~ *Board Members Kennedy and Griggs* plans to meet with both of the Fire Chiefs for further discussions.

Page 6, Item 8, second paragraph:

Because the paragraph was not part of the Liaison's report, move the discussion to the left and add the following:

Additional discussion ensued regarding the use of the property. The First Selectman is...

Discussion: None. Voice vote, 5-0, all in favor.

SEAT ALTERNATE IF NEEDED:

M/S/C - Householder/Kennedy, to seat Alternate Board Member Lee for Full Board Member Sartori. Discussion: None. 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, noting that General Property Tax was up 0.2%, Total Property Tax was up 0.4%, and Total Revenue was up 0.5% from the previous month. Two errors (percentage amount under General Property Tax for June-14 and the heading for the final column, June-12, should read June-11) will be corrected.

She will investigate the reasoning behind the amount for the Capital Non-Recurring line item on the *Balance Sheet* and inform the Board, accordingly.

Budget vs. Actual Report indicates a total revenue of approximately \$78,000.00, approximately \$43,000.00 of which was generated from property taxes for the month. Other revenue received includes grants, licenses, permits, etc.

An application for a LoCIP (Lower Capital Improvement Program) Grant was submitted for the Library Parking Lot, Municipal Parking Lot for the School, and the Salem Volunteer Fire Company Parking Lot. The requested funds must be spent prior to applying for the Grant.

She will also inform the Board as to how much of the \$846,691.00 less expenditures than was budgeted is encumbered and explained that line 5-910 – Interest Payments is high due to the application of the School Revenue Bond, which was due on July 1.

The Board thanked Treasurer Henry for her report.

3. PUBLIC COMMENTS

Board of Education Member Teixeira provided a report on the Board of Education, stating that a Long Range Planning Committee Meeting was recently held during which they discussed the recent School Efficiency Study at length. The Committee will be making a presentation regarding their discussion at their next meeting on July 20, 2015. The Study was divided into the following five (5) categories, including whether they will be a PK-8 or PK-6 School, Shared Services with East Lyme, and Shared Services with the Town. He reported that, in an effort to maintain Staff Stability, the management structure for the 2016-2017 School year is in place and no resignations were submitted. Efforts are being made to align the curriculum with that of East Lyme, a new vision and three-year plan for technology will be presented, and the location of the District Offices is still to be determined. They are also looking into the extra-curricular activities, expanding their course offerings, and continuing to improve their communication with the Town, Community, and Parents/Guardians. The Salem and East Lyme High School Co-Operative Agreement has been posted on the School website and no comments have been received to date. Both the new and old agreements are available for comparison. One major change includes a shortage of \$21,000.00 due to the late receipt of the audited number. The contract will run from 2019 to 2039, with the ability to terminate the agreement with a one-year written notice from either party.

4. Selectman's Report

As previously mentioned, the LoCIP application was submitted and funding for these projects have been budgeted. The financing for the truck, rescue tools, and air exhaust fans for both Fire Companies was discussed by the Board of Selectmen. Funds were allocated for the Public Works truck for the 2014-15, 2015-16, and 2016-17 budgets. Approval of a \$3,000.00 Historical Documents Preservation Grant was received. He commended both Fire Departments and the Public Works Department in their handling of the recent microbursts. A number of roads were blocked and up to 52% of the residents were without electricity due to the downing of trees, wires, transformers, and poles. The Town is continuing to deal with the resulting damage. He also commended Eversource, which pulled crews from other states.

First Selectman Lyden also reported that he is in the process of reviewing and, in some cases, re-aligning, the Town Departments at Town Hall in an effort to better serve the community. The Building Department is now open from 3:00 to 7:00 p.m., with the Building Official available from 5:00 to 7:00 p.m., on Mondays and Thursdays. In addition, a user-friendly brochure has been created to educate, aid, and answer any common questions the residents might have regarding the obtaining of a building permit. The Assessor's Department and the Tax Collector will have a similar informative brochure. Residents will be encouraged to call and leave a message to answer simple questions or handle simple requests when the Department(s) is closed. The Assessor's Department has also been re-aligned with an increase in hours. The Department, which includes Assessor Barbara Perry, who will be

Board of Finance Regular Meeting Minutes
Wednesday, July 9, 2015

working M-TH or T-TH, and Assistant Assessor Michael Kapinos, whose hours have been increased to 30 hours/week, is now open from 8:30 a.m. to 4:00 p.m., Monday through Thursday. He commended the Department, which is very capable, knowledgeable, and has a good working relationship.

The Board of Selectmen is in the process of deciding what to do with the Church and adjoining Cemetery, located on Route 354, which has been offered to the Town at no cost. The Historical Society is not interested in acquiring the property. The building contains asbestos siding, removal of which is estimated to cost \$6,400.00. The adjacent property owner has been contacted regarding any interest they might have in the property.

Newly appointed Salem Volunteer Fire Company Fire Chief Rick Martin was commended and introduced to the Board. Former Chief Gene Maiorano, who has worked with the Department for 36 years, is assisting with the transition. Chief Martin, a 40-year resident of Salem, 26 of which he has spent working with the Fire Company, stated that he looks forward to working with the Board. Chairman Butcher congratulated Chief Martin.

5. First Selectman Line transfer requests

The Resident State Trooper contract was recently received for the amount of \$222,328.00. He is requesting a transfer of \$12,000.00 from 5-138-802 to 5-210-216. The cost of the Resident State Trooper Program has been increased from 70% to 85%, which includes the salaries, benefits, car, training, uniforms, fuel, retirement, for the first two Troopers. They are in the process of completing the interview process for the nighttime Trooper. He is seeking to replace retiring Resident State Trooper Kevin Seerey with a lower seniority officer to help offset the increased cost.

M/S/C - Householder/Kennedy, to approve the transfer of \$12,000.00 from line item 5-138-802, Insurance (PHS & BC Dent), to 5-210-216, Resident Troopers.

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

6. Capital Plan discussion

A draft of the letter, formulated by Board Members Eckart and Griggs, to be sent to the Boards/Commissions was reviewed. Discussion ensued regarding an issue that was raised with respect to the Board approving the items placed on the Plan. It was noted that the public, should they disagree with the Board's decision(s), may submit a petition and request a Town Meeting, overriding the Board's decision(s). In addition, they may make a motion at their annual meeting to make any changes to the Plan. To accommodate for proper planning, the Capital Plan should be reviewed and judged based upon the Town's affordability. The possibility of placing a percentage of their budget into the Capital Reserve Fund to accommodate for any necessary emergency funding was also discussed. The primary goal is to educate the Boards/Commissions on the Capital Plan and encourage them to budget and

Board of Finance Regular Meeting Minutes
Wednesday, July 9, 2015

plan based upon certain assumptions as well as to aid the Board in streamlining the budget process, maintain order and control of the budget, and help them plan for the future.

The following corrections were proposed:

4th paragraph: The Board of Finance is required to present a ten (10) year Capital Budget Plan to an annual town meeting, ~~but none of us have a ten year crystal ball.~~
There will be three pieces to the plan:

- The first piece, *which is subject to approval*, is the ~~current~~ *upcoming* year's Capital Budget which is a funding commitment and is voted on by the town as part of the budget referendum *to become binding*.
- For the second piece we would look carefully at the expenses in the second through fourth years of the plan. *These expenses are not binding and are for planning purposes only.* These expenses...
- The third piece of the plan, *which is not binding*, covers years...

2nd page, 1st paragraph:

The Board of Finance will apply the new approach to the existing budget plan. To apply the new approach to the existing Capital Budget Plan,

1. We need you to:
 - a. Review your current capital plan for items that belong to you.
 - b. *Complete the Capital Budget Plan Request Form for* ~~For~~ each of your items,....
 - c. *Fill out the Request Form to identify* ~~Identify~~ any items...

Board Member Householder will produce a draft of the Capital Budget Plan Request Form, which includes any additional long-term costs such as gas, maintenance contracts, and the like, to be included with the letter. Aiming to mail the letters immediately following their next meeting, the letter and form will be e-mailed for review/changes during the interim and the final draft will be approved at the next regularly scheduled meeting. The scheduling of the meetings of the main Boards/Commissions was proposed:

September: Fire Companies

(Board Member Kennedy will inform the Fire Companies regarding the Board's request to meet with them on September 10 to discuss their Capital Plan prior to their receipt of the formal letter and form)

October: Public Works/Recreation Department

November: Board of Education

The addition of a final paragraph was proposed:

If you are not requesting any Capital items, this letter is provided for informational purposes only.

It was reiterated that the meetings would be designed for the Board to listen to their Capital needs. Any final decisions will be formulated at the annual Budget/Capital Plan meeting.

OLD BUSINESS: *none*

ADJOURNMENT:

**M/S/C - Butcher/Householder, to adjourn the meeting at 8:59 p.m. Discussion:
None. Voice vote, 6-0, all in favor. Meeting Adjourned.**

Respectfully Submitted by:

Agnes Miyuki, Recording Secretary for the Town of Salem

APPROVED