

**BOARD OF FINANCE
SALEM, CONNECTICUT
MEETING MINUTES
MARCH 13, 2014**

PRESENT

TJ Butcher
Janet Griggs
George Householder
David Kennedy
Carole Eckart
John Dolan, Alt
Hernan Salas
Robert Sartori, Alt
Cindy Noe/ Recording Secretary

ABSENT

Greg Preston

GUESTS

Pamela Henry
Kevin Lyden
Margaret Caron

CALLED TO ORDER

TJ Butcher called the meeting to order 7:00pm

RECOGNITION OF VISITORS

There were no visitors that wished to be recognized in attendance

SEAT ALTERNATE IF NEEDED

M/S/C – Householder/ Griggs to seat Hernan Salas as a full Board member in place of Greg Preston.

Vote: Unanimous

COMMUNICATIONS

ADDITIONS TO AGENDA

2D, add to agenda, Auditor change discussion.

M/S/C- Householder/ Griggs to add discussion of the possible change of auditors for the 2013-2014 fiscal year to the agenda

Vote: Approved Unanimously

AGENDA

1. APPROVE MEETING MINUTES FROM MARCH 06, 2014

Minutes were approved as presented.

M/S/C – Griggs/ Kennedy- to approve March 06, 2014 meeting minutes as presented.

Vote: Unanimously

2. TREASURER'S REPORT

Pam Henry, Treasurer presented her reports (See File Copy). Henry stated that line # 420000-002, *Budget vs. Actual, Civil Preparedness*, includes Municipal Aid Grant. Henry generated a sample report for the Board which will be labeled, *Additional Appropriations Report*, for their review. The Board discussed the report and feel it would be beneficial to have on a monthly basis. Henry stated she will produce the report for the Board on a monthly basis. Butcher asked if the Board could receive a monthly estimate on the Undesignated Fund balance. Cheryl Miller, CPA, stated that she could supply a monthly estimate but the figures are not true until the auditor's report at the end of the year.

A.) Revenue Summary

No questions from the Board on this report.

B.) General Fund Balance Sheet

No questions from the Board on this report.

C.) General Fund Budget vs. Actual

Butcher questioned why line #s 420000-0015 *TAR Previous Years*, 420000-001 *Town Aid Roads*, are listed separately. Kevin Lyden stated that the lines could be combined. Butcher also question if the town expects to receive money from this grant. Henry stated that a check was received in August and then again in February. The money is currently in the special TAR Fund and will be transferred to the General Fund. Butcher stated that the town did not budget for the, *Pilot, Payment in Lieu of Taxes*, but has received \$58,794.06 year to date. Eckart question when the town receives money from line# 420000-011, *LOCIP (Infra-Structure)*. Lyden stated the request has to be processed and the Town should be receiving approximately \$33,000.00. Butcher questioned why line # 4-093-036, *Adult Education*, shows in the General Fund and the BOE Budget. Householder questioned why line # 5-126, *Town Counsel*, is already at 88.4% spent. Lyden stated that the reason is due to a town legal issue. Lyden also stated that he may be coming to the Board for additional appropriations to resolve the matter.

D.) DISCUSSION ON POSSIBLE AUDITOR CHANGE

Eckart stated that she has generated a spreadsheet of possible auditors from recommendations she received from Henry and Miller. She stated that the top choices to investigate further and put out a possible RFP were Mahoney Sabol & Co., Steven T Hopkins, Sandra E Welwood, Seward & Monde, and the

current auditor O'Conner Davies. Cheryl Miller stated that the RFP are usually sent out in January/ February. Miller stated that the Board would have to send out the requests within 10 to meet an appointment by May. The Board feels they can make the deadline.

M/S/C – Griggs/ Eckart to combine line #s 420000-0015 TAR Previous Years, 420000-001 Town Aid Roads, Budget vs. Actual, into one line item.

Vote: Unanimously

M/S/C- Householder/ Kennedy to accept the Treasurer's Reports as presented.

Vote: Unanimously

3.) PUBLIC COMMENTS

Aron D'Aquil of 354 Darling Rd. Salem, addressed the Board regarding the BOE budget. D'Aquil stated that he moved to Salem 5 years ago and the school system was one of the deciding factors for the move into Salem. He believes the proposed BOE budget is fiscally responsible. He also stated that he believes the Budget shows that Salem cares about the education of the town's children. D'Aquil believes that cuts to the budget have long lasting implications. He stated that he is dealing with such an implication with his first grader not being able to take Spanish this year, as she did in kindergarten, due to a cut in the budget. D'Aquil urged the Board to accept the proposed BOE budget.

4.) SELECTMAN'S REPORT

Kevin Lyden presented the Selectman's report. Lyden stated that Salem is healthy financially. Lyden stated that there are still new internal controls being put into place. He believes that the current staff is very competent and able to bring about positive changes. Lyden stated that the Town is currently \$45,000.00 over budget for snow removal. Lyden stated that low to moderate income families in town can still apply for 0% interest loans through the Housing Rehabilitation Grant. This grant would cover necessary home repairs such as septic repairs, roofing, furnace, etc. Families that are interested need to submit a letter of intent by March 28, 2014. Lyden stated that the letter of intent is noncommittal. Lyden stated that a certain number of intent letters are needed before applying for the grant. (See The Salem Town website has more information). Lyden state there is a public hearing on Wednesday, March 19, 2014 at 7pm regarding joining the Uncas Health District. Lyden believes that joining the Uncas health District is good for Salem. Lyden stated several of the reasons that joining the Uncas Health District is beneficial. Some of those reasons are listed below.

- Economic efficiency
- Uniform & consistent enforcement of state health code regulations
- Full range of public health services for all residents
- 24/7 emergency coverage
- Full time health director and nurse along with 5 sanitarians

- Cost sharing with other communities

5.) SCHOOL BUILDING COMMITTEE

Elbert Burr represented the building committee. Burr stated that Butcher and Householder attended the last Building Committee meeting on 3/6/14. Burr stated that at the meeting he presented an expenditure report for the current building project at Salem School. Burr stated, that after the outstanding billing and items to be completed, that the project will have approximately \$300,000.00 remaining. Burr stated that Butcher and Householder had made a request to the Building Committee to use some of the residual money to cover the cost of some of the BOE capital projects. These projects include the removing the old well and manhole covers, paving of the north driveway and some of the proposed lighting. Burr stated the building committee will consider the request. Burr informed the Board of several proposed projects to be covered under the current building project. Those projects are listed below.

- Paint spiral duct work to match ceiling
- Paint door frames
- Paint the hallways
- Pave driveway to rear of school
- Remove wooden guardrail alongside of school
- Repave rear parking lot
- Repair damaged transformer

Burr stated that the school has enough paint to cover the painting of the hallways. Griggs asked if the painting could be done in the summer by local prisoner labor. Burr stated that the school now has double sided locking door installed. He also stated that the bulletproof laminate for the lower lever glass would cost approximately \$36,000.00.

6.) ACT ON PROPOSED APPROPRIATIONS FOR 2014/2015 FISCAL YEAR

A.) REVENUE

Pam Henry presented the Revenue's proposed budget for fiscal year 2014/2015 (See File Copy). Butcher wants to make sure that Adult Education is not being counted on both the General Fund and BOE budget. Henry will look into it and notify the Board at the next meeting. Butcher stated that line # 4-093-031, *Transportation*, should be \$41,450.00 not the current amount of \$34,013.00. Butcher questioned what line # 411050, *MV Supplement*, is. Henry stated that it is for prorated vehicles added after October 1st. The Board restated that the, *Town Aid Road*, line items will be combined into one line item. Householder stated that line # 420000-42001, *Town Aid Roads*, amount need to be changed to \$193,327.00 from the current amount of \$96,768.00. Henry will make the change. Butcher would like line #, *Tax Relief for the Elderly*, be changes to \$18,000.00 from the current \$20,000.00. Henry will make the change. Householder stated that line # 420000-42009, *Pequot/Mohegan*, should be updated to \$19,828.00 from the current amount of

\$18,351.00. Henry will make this change and also update the entire budget with the updated information.

**M/S/C- Householder/ Salas to accept Department 41,000 Revenue
Proposed Budget as amended.**

Vote: Unanimously

B.) BOARD OF EDUCATION BUDGET

Margaret Caron presented the BOF Proposed Budget for fiscal year 2014/2015 (See File Copy). Caron prepared a PowerPoint presentation for the Board explain the proposed budget requests (See File Copy). Caron stated that special education costs are partially the reason for the budget increases. Caron advised the Board that the school currently has 11 special needs students and that number will be increasing to 14 in the next school year. Householder suggesting hiring a consulting firm to see if there are ways to save on the current education cost. Butcher stated that Salem has the most expensive costs to educate throughout the state. Joseph Ononfrio stated that Rod Mosier is acting as a sort of consultant to the school in regards to special education. Mosier stated that the transitional services for Salem's 18-21 special needs young adult population is quite extensive. He also stated that Salem is utilizing transitional services in East Lyme to help those young adults. Mosier stated that the district is saving money by giving the current staff training in multisensory approaches and reading to eliminate the out of district costs for students needing help in those areas. He also stated the school has hired Benhaven to come 3 days a week to help train staff and make recommendations. Mosier believes that the consultation with Benhaven will help to keep students in district bringing a long term saving to the school. Caron's presentation included tier level slides that show the prospective cuts to school programs if the budget does not pass (See File Copy). Caron believes that these cuts would affect the property values in Salem; families wouldn't want to live in Salem. Griggs asked if the BOE could save money by doing less teacher evaluations. She stated that only 1/3 is required to be done his year. Cynthia Richie stated that teacher are being evaluated using the Marzano Evaluation Method which has the added benefit of online record keeping. Richie also stated that Salem chose to do all staff evaluations to begin on an even learning field. She stated that most districts have also decided to do all staff evaluations except for some of the large school districts which chose to do the 1/3. Eckart questioned if the BOE wants to proceed at the proposed budget of 10,800,000.00 without any revisions. Caron replied that the BOE would proceed at that amount. Householder would like to see the following items added to the BOE 10 year capital plan and removed from the BOE Budget.

- Tank Coating for water system (\$9,100.00)
- Clock/Speaker system repair/replacement (\$9,470.00)
- Gym Handler (\$34,000.00)

Householder questioned the change from a private nurse to a contract nurse. Onofrio stated that the reason was so the school would have a nurse constantly. Prior to the change if the nurse had the need for a personal or sick day then the school would be without a nurse for that day. The new nursing provider will send a substitute nurse if the need arises.

Householder questioned the 6.7% increase in District Administration salaries. Kim Gadaree and Onofrio stated that the increase in salary is actually 2.6% and the difference is the prorated salary increase from last year. They also stated the teacher's salary increase is around 2.6%.

Householder questions the benefits for the Central Office. He stated that the Social Security benefits went up 56.6% while Medicare only went up 15%. Householder stated that the percentage increases should be equal. Stephen Buck said they will look into it. Householder stated the travel expenses for the Central Office has increase 158% over the last four years. Gadaree stated that it is due to having a part time superintendent.

Householder question why the legal fees for Central office have increased 319% in four years. Buck stated the reason is two cycles of contract negotiations. Butcher questioned the 148.2% increase in Central Office District Level Contract. Gadaree stated there are two reasons for the increase. The first is because of contracted computer services from the loss of a school computer tech. The second is due to having a contracted nurse.

Householder questioned if the school could save money in the area of bussing the students. He stated he noticed that several buses used for the high school kids were almost empty. Susan Zahner stated that there are a total of nine buses that run for Salem. She stated that some buses have less students than others but those buses must meet certain time regulations about how long a student can be on the bus. Zahner explained that the bus routes are designed to meet and not exceed the time regulations. Kevin Lyden addressed the Board of Finance and the Board of Education. He urged them to work together to try and create a budget that will pass. Lyden feels that as the budget stands, which is a 10% increase and a 3 Mil increase to the townspeople that it will not pass. Lyden stated that the current mil rate in Salem is 30.1. Lyden stated that he has seen communities divided over failed budgets. Lyden also feels an efficiency study on the education expenses in Salem would be beneficial. Buck stated that the BOE has a responsibility to the townspeople. He believes the townspeople have the right to know what the school officials believe the children need. Buck stated the budget should go to town meeting as it stands.

**M/S/C- Householder/ Kennedy to approve Salem Board of Education, appropriation in the amount of \$10,500,000.00 subject to review/revision/table at the 3/27/2014 Board of Finance meeting.
Vote: Approved Unanimously**

**M/S/C –Householder / Kennedy to adjourn meeting at 10:30pm
Vote: Approved Unanimously**