

Approved

**SALEM BOARD OF FINANCE
REGULAR MEETING MINUTES
April, 8, 2010**

PRESENT

Tom Butcher
Carol Eckart
Janet Griggs
George Householder
Georgia Pech (Alt)
Greg Preston
Roland Traylor (Alt)
Bill Weinschenker
Kevin Freiert (arrived at 7:36)

ABSENT

Virginia Casey, Rec. Sec

B. Weinschenker called the meeting to order at 7:02.

Agenda

1. **Approval of minutes**

M/S/C (Householder/Griggs) to approve the March 11, 2010, regular Meeting as amended.

Amended as follows:

Page 3, item 4, bullet 7-Change, *Single Stream Recycling* is... to Single stream recycling is ...

Page 3, item 4, bullet 7-Change ...is getting bids from them for hauling recyclables., to: is getting bids ~~from~~ ~~them~~ for hauling recyclables.

Vote: Approved Unanimously

M/S/C (Eckart/Griggs) to approve the March 18, 2010 special meeting as presented. Vote: Approved Unanimously.

2 Treasurers Report

M. Ferren presented the Board with her report (see file copy).

- The Town has received an A3 Rating
- She would like to switch two accounts held with Peoples Bank to Chelsea Groton
- She added two new lines to the Fund Balance Status to better reflect anticipated revenues.

The Board reviewed the budget summaries, (see file copy)
 G. Householder was concerned about many of the budgets being over the average for this time of year. B. Weinschenker noted that GLFC dept. was over and noted the encumbrances.

**M/S/C (Householder/Preston) to seat R. Traylor for K. Friert.
 Vote: Approved Unanimously**

Public Comment: None

(Note: agenda items discussed out of order)

- **May BOF Meeting**

B. Weinschenker stated that he will be out of town for the May 13, meeting and asked the Board members if they would like to hold the meeting on that date or change it so the Chairman can attend. It was decided to postpone the meeting from May 13, 2010 to Monday, May 17, 2010 at 7:30, Room 1.

- **Appointing of Auditor for the 2009/2010 Year**

The Board discussed appointing of the auditor and stated that they had received a letter from Marien and Company, the 2008/2009 auditor, (see file copy). The auditors stated they would not increase the fees from the previous year.

M/S/C (Householder/Griggs) to appoint Marien & Company LLC to audit the Town from, July 1, 2009 to June 30, 2010.

Vote: Approved Unanimously.

B. Weinschenker stated that he received a letter from the auditors about unclaimed funds the town holds. The letter states the State of CT wants any unclaimed property the Town

holds to go to the Treasurer, State of CT, Unclaimed Property Division.

M. Ferren informed the Board she has filed the appropriate paper work with the State and that the Town is in compliance.

Selectman's Report

K. Lyden spoke about the amendments to Bill HB5490 which addresses the Minimum Budget Requirement (MBR) (see file copy). He stated that the amendment address municipalities that have seen a drop in school enrollment and allows these communities to be able to deduct a certain amount per decrease in student population to satisfy the MBR.

G. Pech asked, if the amendment was not approved if there would be enough time to call a Town Meeting to appropriate the funding to meet the MBR.

K. Lyden stated there would be time.

(K. Freiert arrived at 7:36)

K. Lyden informed the Board that the benefit dinner for the residents in need raised \$3775.72. He thanked the Lions, the firehouses and the community for all their efforts.

He stated that the Board of Selectman endorsed the contract with Willimantic Waste for single stream recycling, which will take effect on June 1, 2010. He stated that many more materials will be able to be recycled. The contract did not go out to bid because they are the only ones close that will do the single stream recycling.

K. Lyden that the Board of Selectman endorsed going directly with CIRMA for their insurance carrier instead of through Bailey Agency whom acts as the intermediary. This will result in a savings of approximately \$20,000. There will be other savings due to the fact that Salem does not have its own police force; therefore, the liability is not as great.

Town aid for roads has come in.

G. Pech asked the First Selectman about a question at the Public Hearing on insurance and wondered how many town

employees were insured. K. Lyden stated that the figure for the school employees and their insurance rates made him curious and he will talk to Kim (Gadaree), Business Manager at the school so they can compare insurance rates. He wants to make sure they are comparing similar situations and rates.

Supplemental Appropriations

K. Lyden stated the Board of Selectman recommended three supplemental appropriations.

Sand and Salt, Public Works

Public Works bought sand and salt for roads. This was bought at the end of the year and they still have most of the materials which will be used next season. They need \$13,200 to replenish the line. D. Bourdeau, Public Works Director was asked if he could fund the shortage out of another public works line. He told the Board that due to recent flooding causing damage to the roads he would need all that is in his budget.

M/S/C (Householder/Griggs) to fund \$13,200 out of the undesignated fund for snow removal line, 310-90-0903.

T. Butcher was concerned about the undesignated fund being so low. He asked if it would be better to wait and see if there would be money in the dept. which could partially cover the appropriation.

K. Friert stated that if you wait the Board may have a better idea of what may be coming back to the Town.

G. Pech noted that the vehicles line was encumbered for \$17,000, is that all going to be spent? D. Bourdeau stated the vehicles line is always over spent and budgeted low.

Vote: Approved Unanimously.

Public Works Engineering

K. Lyden asked the Board for \$10,000 for Public Works engineering. He stated there have been unexpected expenses requiring engineering, for example the dam on the Gadbois Property. D. Bourdeau said there were going to be expenses associated with the recent flooding.

B. Weinschenker asked if any of the engineering has gone to capital road improvements. D. Bourdeau stated that if it is a capital project the engineering expenses come out of the capital line. B. Weinschenker offered that the money for the supplemental appropriation can come out of the capital road line.

M/S/C (Preston/Eckart) to authorize a transfer of \$10,000 from line 930-310-0004 to line 310-045-0453. Vote: Approved Unanimously

Transfer Station Engineering

K. Lyden asked the Board for a supplemental appropriation of \$16,000 for engineering on the transfer station upgrade. He explained that the line was funded at \$1.00 which was not enough for the engineering work. He reminded the Board that D. Bourdeau has told them on a number of occasions that the line is over.

M/S/C (Griggs/Householder) transfer \$20,000 from undesignated fund to line 410-95-0555.

G. Preston stated that the transfer station project was sold as a \$266,000 project; he said that in the future if it looked like a project will come in higher than the funds made available, then modifications should be made to the project to have it come in at the estimated price. D. Bourdeau stated that in the rush to get the grant together it was estimated that the engineering would come in at \$16,000 but, when the bids came in they were higher than expected.

Vote: Approved Unanimously.

M/S/C (Preston/Householder) to transfer \$3000 from the contract for the auditor line, 114-45-451 to the computer line, 134-52-523 for the battery backup for town computers. Vote: Approved Unanimously.

Consider Items from April 7, 2010 Public Hearing.

B. Weinschenker asked the members for their impressions of the Public Hearing.

- G. Pech was disappointed there were not more people there. She thought people were trying to understand parts of the budget but the only specific comments were to the First Selectman's salary and the old library heating line.
- T. Butcher thought that the low turnout meant people were satisfied with the budget.
- K. Friert stated the comments were not helpful in guiding the Board on the budget. Thought the Virtual Meeting worked well.
- C. Eckart noted that without a controversy there was no turnout
- J. Griggs said with no changes will people come out to vote.
- G. Householder said mostly members of boards and commissions were at the hearing. He thought that when the public hears of the increase they will come out to the Town Meeting and voice their displeasure.
- R. Trailor thought that the public understands there is no place to cut and people realize what the town is up against.
- G. Preston agrees with G. Householder and thinks there may be a "silent rage" and they will voice that at the Town Meeting or Referendum.
- B. Weinschenker was surprised by the lack of discussion; either people are satisfied or think nothing can be done.

K. Friert handed out a sheet of comments that were made at the hearing (see file copy). The Board went through them and commented as follows:

BOE Comments:

- Reconciliation-that question is always asked

- Fuel costs for school, the school contracted at a higher price than the town.
- Details of the salaries and benefits of the school employees. – It was noted that the town salaries are broken out by classification and, for some salaries by individual employees. The school was asked to take the comments into consideration when they do their budget next year. K. Lyden stated in the town's budget everyone knows by name that the salary is going to; maybe the town should do it like the school so it is not so personal. G. Pech noted that in years past the school would be more specific on the salaries.
- Consolidation of BOE and TOB business management. K. Lyden said he would explore the possibilities.
- Insurance of BOE compared to TOB-already discussed.
- BOE capital plan equals roughly the proposed building project.- it was noted that the capital plan came from the school facilities study. D. Kung took issue with the Board saying that 15 million is the same as 16.5 million. T. Butcher asked if the cost of repairs would have to be bonded. G. Householder stated that if the work was to be done over a short period of time it would have to be bonded.

TOB Comments

- Board of Selectman does not support the 0% for First Selectman Salary.-the salary should be good to attract decent people.
- East Lyme Youth Services (ELYS)-it has been well documented over the years that ELYS provides services to Salem students and the return is a good investment for the expense.
- Computer line in the library dept. needs justification
- Ensure spread sheet shows change in total taxes with increase mill rate- B. Weinschenker stated that there is typically not a number in there for an increase. He asked if the Board thought it should be in there. T. Butcher thought the sheet the Board had was helpful. J. Griggs thought there should be another row explaining the mill rate. K. Friert thought the currant tax rate should be shown against the new grand list. G. Pech asked if the undesignated was at a good percentage rate would that help

with school bonding. G. Householder stated that they should talk to the auditors to see where the undesignated should be, it may have changed.

- Reval-need to start talking about reval. People do not seem to understand the effect the reval has on the mill rate in relation to their taxes.

Ten Year Capital Plan

1 Ambulance-a few years off, money has been collected in a fund to help offset the cost of a new ambulance.

B. Weinschenker stated that more time should be spent on discussion of the 10 year capital plan. Some of the items in the plan are “dream wishes”

G. Pech –some are realities but should be spread out, others should be assessed to see if needed in a particular year.

C. Eckart- should schedule meeting during slow time of year for Board, August/September to look at capital plan.

G. Maiorano, Salem Fire Dept Chief stated that years ago the Board of Finance would have a representative to the Boards and Commissions to work on the budget. There was a give and take; also, funds were set aside every year for vehicles.

J. Savalle, Gardner Lake Fire Dept Chief, informed the Board the purchase of a new ambulance is slated for 2014/2015. He said the auditors wanted the ambulance to show up in the capital plan.

M/S/C (Preston/Eckart) to increase line 105-10-100 to \$56,572.

Comments were made at the hearing by a selectman concerning the Town Planner’s salary being more than the First Selectman. B. Weinschenker stated that he had reservations about not raising the First Selectman’s salary when it was first proposed. G. Householder thought it should be in line with the rest of the town office

salary increases at 1.5%. Discussion took place as to the exact amount by various members.

Vote: Approved Unanimously.

The old library heating line can stay at \$0.00 without the line disappearing

T. Butcher asked how more money can get into the undesignated fund. Does it need to go into the budget?

B. Weinschenker said that discussion usually takes place after the referendum. At that time there is a better idea of what may be coming back to the town. The only thing that gets approved at the referendum is expenditures. The Board can increase the mill rate after the referendum for the purpose of adding more to the undesignated fund.

K. Lyden stated that not many people understand what a mill means in real terms. The Board may want to put it in terms of what a \$200,000 house would cost in taxes at a certain mil rate.

M/S/C (Preston/Griggs) send budget with the adjustments made tonight to the Town Meeting on May 5, 2010.

Vote: Approved Unanimously

Adjournment

M/S/C (Householder/Griggs) Motion to adjourn at 9:14. Vote: Approved Unanimously

Respectfully Submitted

**Sue Spang
Recording Secretary**