

**TOWN OF SALEM  
BOARD OF FINANCE  
SPECIAL MEETING MINUTES  
THURSDAY, MARCH 16, 2017 – 7:00 P.M.  
SALEM TOWN OFFICE BUILDING**

**PRESENT**

TJ Butcher, Chairman  
George Householder, Clerk  
Deborah Cadwell  
Marshall Collins  
Janet Griggs  
Hernan Salas  
Will Evanson, Alternate  
John Houchin, Alternate

**ABSENT**

*none*

**GUESTS**

*none*

**ALSO PRESENT**

First Selectman Kevin Lyden  
Selectman Stuart Gadbois

**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:** *(see file copies)*

1. Letter, dated March 6, 2017, from Superintendent of Schools Joseph Onofrio, stating that LEARN is currently in the process of consolidating their resources and is investigating the possibility of purchasing a property in East Lyme to hold their classes, which means he thinks they will probably not receive any rental money from LEARN.
2. The following communications, dated February 26, 2017, were received from Board of Education (BOE) Chairman Michael Siebert in response to the Board of Finance's questions:
  - a. An e-mail clarifying the BOE's handling of funds, which is annually audited by the Auditor and which, he believes, is in line with the Town's process.
  - b. An e-mail regarding the BOE's line item adjustments, stating that a detailed monthly report of the adjustments will be provided to the Board. In addition, the item has been moved from the BOE's Consent Agenda to the Business Manager's Report for review, discussion, and approval.
  - c. An e-mail in response to the Board's concerns regarding:
    - (1) the BOE's apparent lack of control to monitor purchases
    - (2) the fees for the Curtin Livery services
    - (3) the process by which their transportation needs are filled

Discussion ensued regarding the possibility of the BOE to send the transportation services out to bid again, the charges for transportation cancellations, the length of the contract, and the costs of an on-demand service. First Selectman Lyden stated that the same Auditors audit the finances for both the Town and BOE and any concerns should be expressed to them. Because the BOE is part of the Town Government, they would be informed of any material weakness(es) found in the BOE budget; there have

been no material weaknesses for the past six (6) years. He also clarified that the Town Charter addresses the segregation of duties. The Town's Purchasing Policy is a separate, additional document instituted by the Board of Selectmen. The BOE Policy will be reviewed to ensure that it coincides with that of the Town and written approvals are provided for all accounts payable items.

**ADDITIONS TO THE AGENDA:** *none*

**AGENDA:**

**1. APPROVAL OF MINUTES: MARCH 9, 2017 BOF Regular Meeting**

**M/S/C: Griggs/Householder, to approve the March 9, 2017 Board of Finance Regular Meeting Minutes with following amendments:**

**PRESENT:** John Houchin, Alternate (*seated*)

**Page 1, Communications, 4<sup>th</sup> Sentence:**

Board Member Collins added that...Town Charter without a *Town* vote.

**Page 3, Item 4:**

**M/S/C: Householder/Collins, to approve...purchase of Ladder Truck tires *from the Unassigned Fund Balance*. Discussion: The tires will be....**

**Page 3, item 5, delete last sentence:**

~~Discussion ensued regarding the establishment of a special BOE fund that might be utilized for any necessary additional funding.~~

**Page 8, Item 7:**

**M/S/C: Collins/Cadwell, to dedicate the Annual Report to Jack ~~Ditko~~ Dytko and Shirley Diamond. Discussion: First Selectman Lyden will request Mr. Jim Savalle to write the dedication for Jack ~~Ditko~~ Dytko and....**

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

**2. PROPOSED APPROPRIATIONS FOR 2017-2018 FY**

All of the expenses for the following departments have been reviewed and approved by the Board of Selectmen.

**A. #100 SELECTMAN'S DEPARTMENT**

Funding for Department #100 – Selectman's Department remains flat. Line items 5-100-301 – Mileage and 5-100-401 – Other Expenses were briefly discussed. Any unexpended funds are returned to the General Fund.

**M/S/C: Collins/Householder, to approve the appropriation of funds in the amount of \$7,952.00 for Department #100 – Selectman's Department, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**B. #126 TOWN COUNSEL**

Though costs will be incurred due to contract negotiations for the Public Works Department on July 1, funding for Department #126 – Town Counsel remains flat. Many of the issues requiring legal counsel are unexpected resulting in fluctuating costs. Any unexpended funds are returned to the General Fund and, likewise, any additional appropriations are requested, as needed.

**M/S/C: Collins/Householder, to approve the appropriation of funds in the amount of \$20,300.00 for Department #126 – Town Counsel, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**C. #134 TOWN OFFICE OPERATION**

Funding for Department #134 – Town Office Building remains flat.

**M/S/C: Griggs/Salas, to approve the appropriation of funds in the amount of \$98,200.00 for Department #134 – Town Office Operation, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**D. #135 MUNICIPAL BUILDING MAINTENANCE**

Funding for Department #135 – Municipal Building Maintenance remains flat. Though the Salem Free Public Library's HVAC system has been somewhat problematic, he was happy to report that the Public Works Department was able to replace and install all of the windows in Town Hall for a fraction of the cost.

**M/S/C: Householder/Salas, to approve the appropriation of funds in the amount of \$48,830.00 for Department #135 – Municipal Building Maintenance, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**E. #138 EMPLOYEE BENEFITS**

First Selectman Lyden stated that funding for Department #138 – Employee Benefits has been reduced by nearly 20% from \$437,272.00 (FY2010-2011) to the current requested amount of \$362,025.00 due to the elimination of three full-time employees and re-negotiation of insurance.

**M/S/C: Griggs/Cadwell, to approve the appropriation of funds in the amount of \$362,025.00 for Department #138 – Employee Benefits, subject to review and/or revision. Discussion: In response to Board Member Houchin, First Selectman Lyden stated that the figure for line item 5-138-804 – Unemployment is debatable. Should an individual be laid off, the line item would be increased and the Salary line would be decreased. As such, discussion ensued regarding decreasing the line item. Voice vote, 6-0, all in favor.**

**F. #140 UTILITIES**

The proposed budget for Department #140 – Utilities has been reduced due to decreased costs for heating and gas. The diesel and heating fuel costs have been locked in, but not pre-bought, for the next year.

**M/S/C: Collins/Griggs, to approve the appropriation of funds in the amount of \$157,906.00 for Department #140 – Utilities, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**G. #152 TOWN SERVICES**

The proposed budget for Department #152 – Town Services includes an increase for Animal Control Services, which they are now sharing with the Town of Montville. The item was previously under Department #105 – Payroll, and Senior Services.

**M/S/C: Householder/Griggs, to approve the appropriation of funds in the amount of \$93,261.00 for Department #152 – Town Services, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**H. #157 REGIONAL SERVICES**

The proposed budget for Department #157 – Regional Services reflects an increase for line item 5-157-824 – Regional Probate and the elimination of line item 5-157-823 – East Lyme Youth Service. The Town currently shares the following services: Probate Court, Planning Services, Health District, 911 Dispatch, and Animal Control.

**M/S/C: Householder/Collins, to approve the appropriation of funds in the amount of \$10,203.00 for Department #157 – Regional Services, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**I. #310 PUBLIC WORKS**

The proposed budget for Department #310 – Public Works remains the same. The bills for salt and sand for the months of January and February have not yet been received. Compared to previous years, more tree removals are taking place. Line item 5-310-634 – Oil/Road Repairs include such minor repairs as potholes, curbing, and catch basins, while full road repairs are included in the Town's Capital Budget.

**M/S/C: Collins/Griggs, to approve the appropriation of funds in the amount of \$261,500.00.00 for Department #310 – Public Works, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**J. #410 TRANSFER STATION**

The proposed budget for Department #410 – Transfer Station has been reduced from \$190,686.00 (FY2009-2010) to \$165,270.00 due, in part, to an increase in recycling by the residents and the compacting of recyclables. Clerk Householder suggested installing a thermometer-type sign at the Transfer Station reflecting the amount of funds the residents are saving the Town by recycling.

**M/S/C: Householder/Collins, to approve the appropriation of funds in the amount of \$165,270.00 for Department #410 – Transfer Station, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**K. #105 SALARIES**

The proposed budget for Department #105 – Salaries reflects the following changes:

line item 5-105-100 – First Selectman                      \$0 increase

line item 5-105-119 – On Call Program                      \$11,000.00 increase

The Gardner Lake Volunteer Fire Company (GLVFC) contributes \$5,000.00 for the Program and pays a fee to American Ambulance, who is contacted to handle any life threatening occurrences. The Fire Company receives funds through the fees received by individuals and insurance companies for their services. Residents are not billed twice for ambulance services.

line item 5-105-121 – EMT/Maintenance                      2.5% increase

The current Union Contract expires in one year. It was felt that it would not be prudent for the Town to open the contract to reduce the increase to 1.5% due to the resulting legal fees. There are currently two (2) full-time EMT's serving the Town.

all other line items 1.5% increase

In addition to supplies, the GLVFC annually allocates \$25,000.00 for the purchase of a new ambulance. Their financials are shared with the Boards of Selectmen and Finance. Chairman Butcher, while commending the Fire Company and everything they provide to the community, felt that their finances are in need of reorganization. Clerk Householder expressed his concerns regarding their requests for funding for such items as roofing, utilities, etc. when the Town does not own the building. The Fire Company's financials will be requested and submitted to the Board.

**M/S/C: Griggs/Collins, to approve the appropriation of funds in the amount of \$1,142,788.00 for Department #105 – Salaries, subject to review and/or revision. Discussion: Chairman Butcher, though appreciative, expressed his dismay with the First Selectman maintaining a zero increase for himself. Voice vote, 6-0, all in favor.**

**L. #925 CAPITAL RESERVE**

The amount of funding available for Department 925 – Capital Reserve Account will be investigated.

**M/S/C: Collins/Cadwell, to approve the appropriation of funds in the amount of \$1.00 for Department #925 – Capital Reserve, subject to review and/or revision. Discussion: The actual figure will be inserted at their next meeting. Voice vote, 6-0, all in favor.**

**M. #926 OPEN SPACE LAND**

The amount of funding available for Department 926 – Open Space Land will be investigated.

**M/S/C: Collins/Salas, to approve the appropriation of funds in the amount of \$1.00 for Department #926 – Open Space Land, subject to review and/or revision. Discussion: The actual figure will be inserted at their next meeting. Voice vote, 6-0, all in favor.**

Discussion ensued regarding the Board's next meeting. Chairman Butcher clarified that part of the reason behind why the BOE budget accounts for approximately 75% of the Town's budget is due to First Selectman Lyden's successful efforts to keep the Town's costs down. The goal is for the Board to determine the best and fairest budget they can with the information they have at the time and have the budget passed by the Town at its first referendum. Clerk Householder reported that, thus far, the Board has expended \$29,000.00 of their Unassigned Fund Balance this fiscal year, including \$24,500.00 for the State's increase from 70% to 85% for the Resident State Trooper Program. Board Member Griggs requested an itemized list of the balances for all of the other funds, as needed, to determine their budget.

**OLD BUSINESS:** none

**ADJOURNMENT:**

**M/S/C: Householder/Collins, to adjourn the meeting at 8:38 p.m. Discussion: None. Voice vote, 6-0, all in favor.**

Respectfully Submitted by: Agnes Miyuki, Recording Secretary for the Town of Salem