

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
AUGUST 11, 2016 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

TJ Butcher, Chairman
Deborah Cadwell
Marshall Collins
Janet Griggs
Hernan Salas
Will Evanson, Alternate
John Houchin, Alternate (seated)

ABSENT

George Householder, Clerk
Robert Wolk, Alternate

GUESTS

none

ALSO PRESENT

First Selectman Kevin Lyden

CALL TO ORDER:

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

Chairman Butcher introduced Alternate Board Member Will Evanson, who was recently appointed to the Board of Finance by the Board of Selectman. Alternate Board Member Evanson currently works in Human Services and is a life-long Salem Resident.

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED:

M/S/C: Collins/Griggs, to seat Alternate Board Member Houchin for Full Board Member Householder. Discussion: None. Voice vote, 5-0, all in favor.

COMMUNICATIONS:

A copy of the Audit Service Plan was received by O'Connor Davies Accountants and Advisors.

ADDITIONS TO THE AGENDA:

The following item was added to the agenda:

6. TEN-YEAR CAPITAL PLAN DISCUSSION

AGENDA:**1. APPROVAL OF MINUTES: JULY 14, 2016 BOF Meeting**

M/S/C: Griggs/Collins, to approve the Regular Meeting Minutes of July 14, 2016 with the following amendment:

page 2, item 3, Public Comments, 3rd line:

Vice Chairperson Mary Ann Pudimat will be fulfilling the ~~roll~~ role as. . .

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

2. TREASURER'S REPORTS**A. REVENUE SUMMARY****B. TRIAL BALANCE****C. FUND BALANCE****D. OTHER**

The *Revenue Receipts, Budget vs. Actual, Balance Sheet, and Capital Non-Recurring Fund* were reviewed. The numbers for the *Revenue Receipts* does not include any last minute tax payments that were made and, as such, appear low. Treasurer Pam Henry noted that, while the numbers are an accurate report of what was received for the month, they are not an accurate report of what was received for the entire tax collection month.

In response to a question regarding the budgeted amounts for line items 410000-1010 General Property Tax Current Year and line item 4-093 Grants for Education in the *Budget vs. Actual Report*, Treasurer Henry stated that the figures for those line items derive from Department 91 General Property Taxes and Department 93 State/Federal Grants for Education of the 2016-2017 Budget, respectively. Some of the expected Grant figures differ from what is actually being received due to the changes received by the State following the passing of the Town's budget. For example, the State is cutting approximately \$21,000.00 for the Elderly, Disability, and Veterans from the Town's budget, but the Town will be receiving approximately \$123,000.00 for Municipal Revenue Sharing. In addition, while the actual figures are accurate, the percentages are automatically determined by the program and are rounded up to the nearest decimal point, making them inaccurate. In the future, the report will include both the actual figures as well as the percentages for a more accurate reflection of the numbers.

Treasurer Henry will re-send the five (5) year comparison of fees received from the Field Rental, Pavilion Rental, and Library Fees & Fines to the Board in an effort to determine any existing trends so that they can budget accordingly in the future.

In response to Board Member Houchin, First Selectman Lyden explained that line item 5-157824 - Regional Probate refers to the costs of the joining of Salem with East Lyme, Montville, and Old Lyme approximately five (5) years ago for probate services. The then-

East Lyme First Selectman Paul Formica offered an available municipal building for a five-year zero rent lease. In the terms of the agreement, each of the Towns agreed to pay the maintenance and operation costs based upon the population of each Town, Salem's portion constituting 8% of the costs. In addition, each of the Towns also agreed pay an equal share of any necessary upgrades/Capital Improvements to the facility, i.e., 25% of the costs. This year, the building is in need of a new heating system at a cost of \$2,500.00 for each Town. To help balance the costs, he suggested reviewing and, possibly, re-allocating the funds from line item 5-157-823 - East Lyme Youth Services, stating that many of the programs offered by East Lyme Youth Services to middle school students take place after school when the Salem School students are still in school. Concern regarding the receipt of counseling services for the students, which would be cut should this line item be eliminated, was raised. It was suggested that the East Lyme Youth Services provide a presentation to the residents to promote their programs. It was also noted that the new Recreation Coordinator is doing a great job instituting new programs for children, which may help fill any void(s) should they decide to eliminate the line item. The funds could also be allocated to the Recreation Department and/or the Seniors, which is projected to make up approximately 82% of the population within the next ten years.

The costs for the transfer of service from KX Communications to QV Dispatch Services is included in the budget causing line item 5-240-220 - 911 Emergency Contract to reflect that 48% of the budgeted amount has been expended when the Town is billed quarterly. The First Selectman is confident that the funds allocated to this line item are adequate.

Board Member Collins brought to their attention that such State grants as the Veterans Tax Relief, Tax Relief for the Elderly, and Tax Relief for the Disabled, totaling approximately \$21,000.00 are becoming means tested and the potential workload this will impose on the Town. In addition, such grant programs as TAR (Town Aid Road) and LoCIP (Local Capital Improvement Program), totaling approximately \$216,000.00, are at risk of being cut. Furthermore, the ECS (Education Cost Sharing) lawsuit regarding the need to increase funding in education to ensure equal education opportunity may also negatively affect the Town's budget depending upon its final finding(s). Though the municipalities are expected to request some relief to help offset these cuts, he recommended the Board consider the cuts to these and other programs during their discussions as they think about the budget in longer term. Ways that Towns might be able to recoup some of these funds include the collection of taxes from vehicles that are registered out of State, but are actually in State.

Treasurer Henry was thanked and commended for her report.

First Selectman Lyden clarified a question that has been posed to him regarding line item 5-1-5-101 – Administrative Secretary for \$34,000.00, which was lowered by approximately \$8,000.00 following the resignation of his former full-time (37 hour/week with benefits)

Administrative Assistant. The position, which is now part-time (24 hours/week with no benefits), has resulted in a total savings of approximately \$25,000.00. Also included in the line item are some of the job duties that were formerly under the Administrative Assistant, including the Senior Liaison, who now receives a stipend, and the currently available part-time (10 hour/week) bookkeeper position. These and other duties were distributed in an effort to provide better service at less cost. It was suggested to change the line item from Administrative Secretary to Secretaries to help clarify the line item. The First Selectman added that he has reduced the Town's costs by going from 12 to 8 full-time workers with benefits; no complaints have been received to date and he continues to ensure that the team works well together to serve the public.

3. PUBLIC COMMENTS – none

4. SELECTMAN'S REPORT

First Selectman Lyden was happy to announce that Vicky Coffin, who is currently working at Eastern Connecticut University, has worked at Tufts University, and has Municipal Library experience, has been hired as the new Librarian. She will begin her new position in September and has begun working part-time in the Library alongside the current Librarian, Rachel Gaither, to familiarize herself with the Library. He thanked and commended Librarian Gaither, who has implemented needed procedures, updated circulation materials, and realigned resources during her two-year tenure.

He reported that the Town is currently under-budget by approximately \$100,000.00 and is anticipating being under-budget by an additional \$100,000.00. To this end, he commended the team of employees at Town Hall, who respect the fact that they are working for a small town, for their fiscal responsibility. He strives to nurture the staff and utilize their abilities and talents to their fullest extent and is investigating the possibility of sharing services with neighboring towns as the potential of receiving less funding from the State will place further pressure on the towns to search for more efficiencies while maintaining or raising their quality of services. He felt that he has expended the number of available efficiencies in the Town's budget and is looking to the Board of Education (BOE) to carefully review their budget and investigate any and all available efficiencies within their budget, ensure that the money is being utilized wisely, and continue to provide a good education for the children. Discussion ensued regarding the BOE budget, Efficiency Study, the lack of consideration of all of its and the BOF's recommendations, and the possibility of engaging in a conversation with them to discuss their procedures. The graciousness of the townspeople, two-thirds of who felt that the BOE budget was too high, but on the whole, voted to pass the budget, and the need for the BOE to be weary of treading on their graciousness was noted. While meetings have been held in the past between the First Selectman, BOF Chairman Butcher, Superintendent, and BOE Chairman to no avail, it is hoped that, since the BOE membership

has considerably shifted and with the election of a new Chairperson, they will be able to engage in more productive conversations.

First Selectman Lyden reported that a Members' Equity Check for \$5,195.00 was received by CIRMA (Connecticut Interlocal Risk Management Agency), a member-owned and member-governed agency. The funds will be deposited into the Town's General Fund under Miscellaneous Income. He also reported that the Town's deductible has been raised from \$1,000.00 to \$5,000.00 per incident and any claims below the deductible will be paid out of the Town's line item for insurance.

In response to Board Member Griggs, who enquired about the status of the well for the soccer field, First Selectman Lyden stated that he has not received any updates regarding the project. Funding for the project may be extended for an additional year should they expend only part of the allocated funds. Similarly, approximately \$81,000.00 was allocated in the Fiscal-Year 2014-2015 budget for the de-installation of the below-ground tanks and installation of above-ground tanks at Town Hall and improving the traffic flow in the parking lot between the Town Hall, Zemko property, and Salem School. He is hoping to receive a STEAP (Small Town Economic Assistance Program) Grant for the remaining amount of the costs.

In response to Board Member Salas regarding new businesses, he reported that Anytime Fitness is in the process of establishing their business in Salem Center, next to the Salem Health Mart. They will be utilizing all but 800 SF of the remaining available space. There is a waiting list for the upper level apartments and the owner is in discussions with potential businesses for the back building. He credited owner Ted Zito and his brother for building good quality construction and having the patience to ensure that the right tenants are selected for the space(s).

First Selectman Lyden was thanked for his report.

5. CAPITAL ITEMS TO BE CLOSED/RETURNED

The possibility of a \$5.00 discrepancy in line item 100P Technology Plan to read \$1.38, rather than \$6.38 was raised.

M/S/C: Griggs/Salas, to close and return to the General Fund as of June 30, 2016 the Capital items totaling \$8,718.34 as listed. Discussion: None. Voice vote, 6-0, all in favor.

First Selectman Lyden noted that he had a discussion with Cheryl Miller, CPA, regarding the funds being deposited into the Capital Non-Recurring account to cover any unexpected Capital expenses rather than the General Fund. It was agreed that, in an effort to keep their records cleaner, placing the funds in the General Fund would be best.

6. TEN-YEAR CAPITAL PLAN

The Capital Budget Request Form will be reviewed next month. The goal is to have the Form available online and enable the Departments to complete the form digitally. As stated in their last meeting, the schedule will be as follows:

November: Board of Education
October: Fire Companies
September: All other Departments

M/S/C: Houchin/Collins, to authorize Chairman Butcher to create and request the Finance Specialist to send letters to the various Departments regarding their Capital Requests. Discussion: Board Member Griggs suggested sending out reminders to the Departments regarding their meeting with the Board in an effort to foster communication. It was noted that the process should be much simpler this year and should they not be able and/or prepared to meet with the Board in accordance to the proposed schedule, they may request to have the meeting rescheduled. Voice vote, 6-0, all in favor.

OLD BUSINESS: *none*

ADJOURNMENT:

Motion made by Board Member Griggs to adjourn the meeting at 8:20 p.m. Meeting was adjourned.

Respectfully Submitted by:

Agnes Miyuki, Recording Secretary for the Town of Salem