

**TOWN OF SALEM  
BOARD OF FINANCE  
REGULAR MEETING MINUTES  
THURSDAY, NOVEMBER 10, 2016 – 7:00 P.M.  
SALEM TOWN OFFICE BUILDING**

**PRESENT**

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

**ABSENT**

*none*

**GUESTS**

*none*

**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:** *none*

**COMMUNICATIONS:** *none*

**ADDITIONS TO THE AGENDA:**

The following item was added to the Agenda:

6(B) STUDENT POPULATION UPDATE

**AGENDA:**

**1. APPROVAL OF MINUTES: OCTOBER 13, 2016 BOF Meeting**

**M/S/C: Cadwell/Householder, to approve the Regular Meeting Minutes of October 13, 2016 with the following amendments:**

Page 1, Absent: ~~Robert Wolk, Alternate~~

Page 5, Item 6, Paragraph 2, 1<sup>st</sup> item, 2<sup>nd</sup> Sentence:

They are currently in the process of researching *how to obtain a Data Universal Number System (DUNS) Number from the Internal Revenue Service (IRS), which will enable them to apply for a number of grants available grants and clarifying their numbers with the Internal Revenue Service (IRS).*

**Discussion: Board Member Griggs stated that she would personally offer any assistance the Gardner Lake Volunteer Fire Company might need in obtaining the DUNS Number. First Selectman Lyden clarified that the Fire Company has applied for grants in the past and agreed with the importance of the DUNS Number. Voice vote, 4-0-2. Voting in Favor: Board Members Householder, Cadwell, Collins, and Salas. Voting in Opposition: None. Voting in Abstention: Board Members Butcher and Griggs.**

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

First Selectman Lyden introduced the Town's new CPA Liaison, Erik Christensen, to the Board. Christensen has served as the Lead Auditor of the Town under Auditor Marcia Marien in the past and is currently working in the town of Griswold as the Finance Director. He has been meeting with Finance Specialist Lisa Jablonski and Treasurer Pam Henry and is smoothly transitioning into his new position. He will also be working closely with Salem School Business Manager Kim Gadaree. He reminded the Board that questions and/or concerns the Board might have for the Finance Department be relayed through the Chair and/or Clerk to help streamline the process.

CPA Christensen provided a brief background of his experience to the Board, who thanked him for attending the meeting and welcomed him to the Town.

The *Balance Sheet* and *Budget vs. Actual* Reports were reviewed, with no unusual occurrences. A meeting will be scheduled between the Chairman, Clerk, and Finance Department to discuss the necessary adjustments to modify the revenue stream. At the suggestion of Auditor Marien, the Board made the following motion:

**M/S/C: Householder/Cadwell, to approve the adjustment of revenues as recommended and determined by the Board Chair and Clerk, First Selectman, and Finance Department. Discussion: The numbers, which will be determined at the meeting, will be adjusted to match the Town's current Grand List and collection rate. The revenue will be based on the State's current projections. Voice vote, 6-0, all in favor.**

With regards to line item 5-157-824, Regional Probate refers to the costs of the joining of Salem with East Lyme, Montville, and Old Lyme for probate services. Per their agreement, each of the Towns 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 boiler at a cost of \$2,500.00 for each town. Because the cost was not budgeted, funds will need to be transferred in the future to balance the line item.

With regards to line item 5-152-826, Planning Services refers to the Connecticut Council of Governments (CCOG), i.e., the Town Planner. In addition to two Public Hearings, the Planner has been spending additional hours working with the Planning & Zoning Commission on revising the Town's current Age-Restricted/Senior Housing Regulations. Because the item is billed quarterly, the status of the line item is unknown at this time.

Treasurer Henry and CPA Christensen were thanked for their attendance and report.

**3. PUBLIC COMMENTS – none**

**4. SELECTMAN'S REPORT**

First Selectman Lyden reported and thanked the Lions Club for a \$1,000.00 check he recently received for the Salem Needy Fund.

Gardner Lake Volunteer Fire Company Chief Jim Savalle has stepped down as Chief. He will continue to work as a paid EMT (Emergency Medical Technician) Firefighter for the Town and will be followed by Brian Ennis, who has been a member of both Salem and Gardner Lake Volunteer Fire Companies. Former Chief Savalle is working very closely with Chief Ennis to ensure a smooth transition.

A Public Information Meeting was held by the CT DOT (Department of Transportation) to present and discuss an upcoming bridge replacement project located over the East Branch of the Eight Mile River and Swamp Brook. The Project will result in a road closure along Route 82 and a seven (7) mile detour for approximately 60 (sixty) days. The DOT has offered to cover the costs of an ambulance to be available 24/7 and located on the other side of the bridge for the duration of the closure. The meeting was attended by members of the Salem and Gardner Lake Volunteer Fire Companies, Lyme Fire Company, Eight-mile River, and Salem Land Trust. No opposition was expressed and the project is scheduled for Summer 2019 so as not to affect the school bus routes. Because the 60-day closure is based on a five (5) day workweek, First Selectman Lyden has also requested, the possibility of a seven (7) day workweek thereby reducing the number of days the road would be closed.

The DOT Route 85 Project for the by-pass lane by Burnett's Country Gardens and safety improvements by the curve located at Skyline Drive is scheduled for Summer 2017. The safety improvements will include improving the drainage, sight lines, and widening the shoulders. Funding of \$2.2 million for the project has been secured.

The Small Cities Grant was a success and a few more projects are in the process of being completed. The Grant provided much needed repairs, including roofing, windows, furnaces, electrical and plumbing upgrades, etc., for residents who met the income requirements and are current on their taxes and mortgage. The 0% interest Grant/Loan involves the placement

of a lien on the home and the funds are returned to the Town upon the transfer of property. As part of the Grant, a home located in the center of Town will be painted and have its windows replaced, finalizing the beautification of the center of the Town.

**5. APPROVE ADDITIONAL APPROPRIATION IN THE AMOUNT OF \$1,800 TO LIBRARY LINE 5-158-415 TO FUND INTERNET SERVICE DUE TO STATE OF CT BUDGET CUTS**

First Selectman Lyden reported that the Board of Selectmen approved the additional appropriation last month. He explained that, while the Board of Finance did a good job of anticipating the State's cuts, this particular cut is an additional unanticipated cut due to the State's cuts to each of their respective departments. As such, funding for the Connecticut Education Network (CEN), which provides internet access for the Salem Free Public Library, has been eliminated, passing the cost of \$150.00/month to the Town. Former Head Librarian Rachel Gaither selected the most economical and best fitting plan for the Town.

**M/S/C: Householder/Collins, to approve the additional appropriation in the amount of \$1,800.00 to Library Line Item 5-158-415 from Undesignated Funds to fund Internet Service Due to State of Connecticut Budget Cuts. Discussion: In reviewing the plan options, Clerk Householder confirmed that the plan is the most economical option. Voice vote, 6-0, all in favor.**

**6. BOARD OF EDUCATION (BOE)**

**A. CAPITAL PLAN DISCUSSION**

New BOE Chair Mike Siebert introduced himself and provided a brief background of his past experience with the Board. The following addition/changes were requested:

Addition:

2017-2018	Media Replacement/Filter Refurbishment	\$6,924.00
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A written proposal for the media replacement/filter refurbishment of neutralizing filters, filter head rebuild-iron and neutralizer filters of water filtration system was presented to the Board. The water system was installed in circa 1995. Because the replacement is based upon the sample results, it is unknown as to how often the media will need to be replaced and filters refurbished. Board Member Householder recommended the item be included in their Ten Year Capital Plan every ten (10) years as a placeholder.

Changes:

Move from 2017-18 to 2018-19

Capital Plan Line Item 2	BOE Replace Roof Top A/C Units	\$175,000.00
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The item was moved to coincide with the replacement of the 1994 Roof. It was explained that a loan would be secured for the cost of the Roof Replacement (estimated \$780,000) to be paid off over seven (7) years helping keep the Capital Plan more stable and avoid paying any penalties for Town and Capital expenditures

exceeding 2.5% of the Town's previous year's budget, per a recently passed bill by the State.

Capital Plan Line Item 3                      BOE Replace 1994 Boilers                      \$75,000.00

Though cut by the Board of Finance, the following items remain on their Capital Plan:

2023-2024	Replace 1994 Lighting Fixtures	\$300,000.00
2025-2026	Window & Classroom Millwork Replacement	\$185,000.00
2025-2026	Replace 1995 Exterior Doors	\$150,000.00

These items were presented to and cut by the Board of Finance, who felt that the items are building rather than capital projects, and remain on their Capital Plan for future reference. Chairman Butcher suggested that the BOE return to the Board and request that these items be placed in the Capital Plan as the items could be funded in the future depending upon the status of the budget.

#### B. STUDENT POPULATION UPDATE

The School has experienced at 10% increase in students from their estimated projection of 373 students due primarily to the recent hirings at General Dynamics Electric Boat (EB). According to NESDEC (New England School Development Council) projections, the surge is expected to continue. The number of students especially increased dramatically in their kindergarten classes. As such, the Board has decided to add a third class following the Thanksgiving break. No additional funding will be necessary, as moneys will derive from various line items, including those related to retirements and a decrease in the number of teachers who have opted to forgo their insurance policy. A breakdown in the number of students is as follows:

<u>Grade</u>	<u>Budgeted</u>	<u>Actual</u>
Pre-K	17	17
Kindergarten	29	46
Grade 1	38	43
Grade 2	38	40
Grade 3	35	35
Grade 4	43	42
Grade 5	39	44
Grade 6	56	61
Grade 7	34	35
Grade 8	44	46
	<b>373</b>	<b>409</b>

Discussion ensued regarding the funding of the additional teacher and whether the Board is required to request the Town for additional funds should they be increasing their budget beyond a certain percentage of their total budget. The funding for the additional teacher is deriving, in part, from salary and insurance line items and they have been

ensured that all of the expenses associated with the hiring of a new teacher will be covered through the re-allocation of various line items. Similarly, approximately \$240,000.00 is being re-allocated to fund the special education program due to an increase in the projected number of students. Because the State's future projected education cuts and the Town's future number of students remains unknown, the BOE was encouraged to base their budget on reasonable projections and ensure that the higher costs are being built into their budget and that a contingency plan is in place. Salem, being a relatively wealthy town with good test scores, will, most likely, experience cuts from the State. Currently, the BOE is confident that they do have adequate funds to cover the additional costs and that it is the right thing to do. BOE Chair Siebert stated that they have begun holding early budget discussions regarding such items as staffing and administration, the expected student-teacher ratio, and curriculum. He was ensured that very clear budget guidelines would be provided to the BOE.

The Board expressed their appreciation to BOE Chair Siebert for his presentation.

New BOE Member and Liaison Sean Reith was introduced to the Board. BOE Liaison Reith stated that their words of caution, prudence, and planning to have a better control of their budget would be heeded. The uncontrollable aspects of the budget are understood and would be taken into consideration by the Board and the two Boards will work together to derive at an agreeable conclusion, ensuring a sound budget plan for the Town.

**OLD BUSINESS:** *none*

**ADJOURNMENT:**

**M/S/C: Collins/Salas to adjourn the meeting at 8:15 p.m. Discussion: None. Voice vote, 6-0, all in favor.**

Respectfully Submitted by:

Agnes Miyuki, Recording Secretary for the Town of Salem