

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, MAY 9, 2019 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

William “Skip” Dickson, Chairman
Marshall Collins, Clerk
Janet Griggs
John Houchin
Hernan Salas
Maryann Casciano, Alternate (*seated*)

ABSENT

Deborah Cadwell
Corinne (Cory) Bourgeois, Alternate
Michael Jensen, Alternate

ALSO PRESENT

First Selectman Kevin Lyden

CALL TO ORDER:

Chairman Dickson called the meeting to order at 7:03 p.m.

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED:

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

COMMUNICATIONS: *none*

ADDITIONS TO THE AGENDA: *none*

AGENDA:

1. APPROVAL OF MINUTES: APRIL 11, 2019 REGULAR MEETING

M/S/C: Griggs/Houchin, to approve the Regular Meeting Minutes of April 11, 2019.
The item was tabled.

M/S/C: Griggs/Collins, to approve the Public Hearing Minutes of April 10, 2019.
Discussion: None. Voice vote, 6-0, all in favor.

2. TREASURER’S REPORTS

- A. REVENUE SUMMARY**
- B. TRIAL BALANCE**
- C. FUND BALANCE**
- D. OTHER**

Treasurer Pam Henry reviewed the *Balance Sheet* Report with the Board, stating that there were no unusual occurrences. The *Budget vs. Actual* Report reflects the receipt of the Education

Equalization Grant (Line Item 4-093-035), which is now \$29,369.00 below the budgeted amount, and Town Aid Roads (TAR) Grant (Line Item 420000-001). Revenue that was received and recorded under Line Item 4-094-054, Licenses & Permits, Miscellaneous, will be re-categorized and the amount will be corrected. In response to Board Member Houchin, who noted that Line Item 4-094-047, Building Permits, appears to be below the budgeted amount, First Selectman Lyden stated that, in comparison to the previous fiscal year, there does appear to be a decrease in the number of new single-family residences being constructed. The new Dollar General Store has received a foundation only permit and the permit is expected to be paid for and issued prior to the end of the fiscal year. The LoCIP (Infra-Structure) (Local Capital Improvement Plan) Grant of \$136,085.00 for town aid road construction, renovation, repair, and resurfacing was approved at the recent Annual Town Meeting; the funds will be expended by the Town and the bill(s) will be submitted to the State for reimbursement. Board Member Houchin also noted that the Salem Volunteer Fire Company and Public Works are both over budget in their heating line item. Funds allocated for the Bicentennial Celebration is included in Line Item 5-152-815, Memorial Day. In response to Board Member Houchin regarding the budget for Department 5-222 – Salem Volunteer Fire Company (SVFCO), which is 92.6% expended, First Selectman Lyden stated that the Fire Company has not requested any additional appropriations and, as such, does not foresee any issues.

3. PUBLIC COMMENTS: *none*

4. SELECTMAN'S REPORT

First Selectman Lyden reported that a Public Hearing regarding the proposed sale of 12.124 acres of town-owned property located at 89 Norwich Road for the purpose of constructing an age-restricted development was held on Wednesday, April 17. The meeting was attended by approximately 25 residents, most of who voiced their concerns regarding the property's market value, drainage, septic system, and the future use of the property. Approximately five (5) individuals during and after the meeting expressed their wish to bring the item to a Town Meeting. The property was purchased by the town for the future needs of the Town and without any stipulations or use of State grants. At the time of the purchase, the Town was discussing the possibility of constructing a future high school or emergency complex on the property. The First Selectman views age-restricted housing as a current need of the Town based upon the lack of housing options for those who are 55 and over, one of the fastest growing demographics in the town, and the outflux of residents seeking such housing. A concern regarding the Municipal Land Use Plan, which includes recommendations by the Municipal Land Use Committee, formed under the Planning & Zoning Commission, was raised. The Plan, he noted, was approved by the Commission, but was never formally adopted by the Board of Selectmen or the Townspeople. The Board of Selectmen will do their due diligence to ensure that the residents' concerns are considered, will be continuing their discussion and vote to send the item to a Town Meeting at Salem School for a final vote by the townspeople at their next regular meeting. If the item passes and the development is constructed, as presented, the property would be sold for the

appraised value and, once the development is completed, become one of the Town's top ten taxpayers, providing both future income and housing for the Town.

In response, Board Member Griggs suggested the possibility of holding the Town Meeting in September to accommodate those who vacation during the Summer. Clerk Collins stated that, should the sale of the property be approved at the Town Meeting, the proposed plans would need to be submitted and approved by the various commissions and departments prior to construction. He also stated his preference for the Town Meeting to be held sooner rather than later. In response to Board Member Casciano, First Selectman Lyden stated that test pits have been conducted on the site by the Uncas Health District.

Numerous discussions have been held regarding the Federal labor law and the Emergency Responders. He commended all of the full- and part-time workers, volunteers, and mutual aid Emergency Responders for all of their hard work. The Town aims to abide by the law. An Executive Session meeting was recently held at the Board of Selectmen meeting, which included Chairman Dickson, Clerk Collins, and the Attorney. Another meeting has been scheduled for next week with the Fire Marshals, Fire Chiefs and Deputy Chiefs, Selectman LaBonte, and the Labor Attorney. The item has also been receiving much press. Clerk Collins stated that he has also had general conversations regarding the matter with various entities as well as Senator Paul Formica, and Representative Holly Cheeseman. He was encouraged by their discussions during the Executive Session and is hopeful that an agreeable outcome would be reached for all involved parties.

5. FIRST SELECTMAN TRANSFER REQUESTS

M/S/C: Collins/Houchin, to approve the transfer of the following funds:

\$10,000.00 from Line Item 5-138-802, Employee Benefits – Insurance (PHS & BC Dent) to Line Item 5-105-106, Salaries – Assessor

\$1,200.00 from Line Item 5-105-114, Salaries – Administrative Part Time to Line Item 5-105-113, Salaries – Recording Secretary

Discussion: First Selectman Lyden stated that the request is due to the requirement to not exceed the budgeted amount of the salary line items. Voice vote, 6-0, all in favor.

6. APPOINTMENT OF AUDITOR ANNUAL NOTIFICATION

M/S/C: Casciano/Griggs, to notify the State regarding the appointment of O'Connor Davies, LLP, as the Town's Auditor for Fiscal Year 2019/20. Discussion: First Selectman Lyden stated that, though an RFP has already been conducted and the firm is in their fifth year of serving the Town, the Board is required to appoint and notify the State. An additional RFP may be issued for the following year; an RFP is not required for accounting, engineering, or other such services. Discussion ensued regarding issuing an RFP for the following year. Voice vote, 6-0, all in favor.

6. REFERENDUM – DISCUSSION – SET MIL RATE

Chairman Dickson reviewed the results of the referendum:

Shall the Town of Salem Approve the Proposed Municipal Budget in the amount of \$15,351,506.00?	Yes	130
	No	69
In your opinion is the General Government and Capital Budget in the amount of \$4,926,214.00 for Fiscal Year 2019/2020 too low, about right or too high?	Too Low	34
	About Right	134
	Too High	25
In your opinion is the Board of Education Budget in the amount of \$10,425,292 for Fiscal Year 2019/2020 too low, about right or too high?	Too Low	86
	About Right	52
	Too High	57

The comments will be scanned and sent to the Board Members for review and discussion.

Discussion ensued regarding the mil rate and wherefrom the balance of the funds would derive should they opt to maintain the mil rate of 32.2.

M/S/C: Casciano/Griggs, to maintain the mil rate of 32.2 for Fiscal Year 2019/20.

Discussion: Clerk Collins felt that maintaining the mil rate would build in a structural deficit. Voice vote, 5-1. Voting in Favor: Board Members Casciano, Dickson, Griggs, Houchin, and Salas. Voting in Opposition: Board Member Collins.

Discussion continued regarding wherefrom the funds to balance the deficit might derive. Funds may derive from one of three areas in the budget: Capital Reserve Fund, Unassigned Fund Balance (a.k.a. Rainy Day Fund), or Assigned Fund Balance (a.k.a. Supplemental Capital Fund). First Selectman Lyden reminded the Board that a Town Meeting must be held in order to utilize the Capital Reserve Fund.

M/S/C: Salas/Casciano, to allocate up to and not to exceed \$40,940.00 to the General Fund from the Unassigned Fund Balance to balance the budget for FY2019/20 and maintain the mil rate of 32.2. Discussion: Board Member Houchin felt the funds should derive from the Assigned Fund Balance. Should the Board decide to allocate funds from the Assigned Fund Balance, Chairman Dickson expressed his concerns regarding their ability to locate an item in the Capital Budget that falls within the necessary amount. Clerk Collins expressed his opposition for the previously stated reason. Voice vote, 4-2. Voting in Favor: Board Members Casciano, Dickson, Griggs, and Salas. Voting in Opposition: Board Members Collins and Houchin.

6. INITIAL DISCUSSION REGARDING MANAGING ANY FURTHER STATE REVENUE REDUCTIONS

Chairman Dickson expressed his wish to begin discussing the future of the Town's budget with respect to their future State revenue reductions prior to the start of budget season. The Board is

obligated to present a balanced budget and the budget for FY2019/20, in which the expenditures exceed their revenues, is not a balanced budget. As such, both the General Government, the Fire Companies, and the Board of Education must work together and do their part. The importance of communicating the budgetary issues to the public and receiving their input such that the town and its residents are aware of the issues and can prepare for any future increases was discussed.

OLD BUSINESS: *none*

ADJOURNMENT

M/S/C: Salas/Houchin, to adjourn the meeting at 8:14 p.m. Discussion: None. Voice vote, 6-0, all in favor. Meeting adjourned.

Respectfully Submitted by:

Agnes T. Miyuki, Recording Secretary for the Town of Salem