

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, MARCH 18, 2021 – 7:00 P.M.
VIRTUAL MEETING VIA ZOOM**

Per State of Connecticut, Governor Lamont Executive Order Number 7B, the meeting followed the suspension of in-person open meeting requirements. The public may view this meeting at:

<https://zoom.us/j/94644048151?pwd=bU9uNFNNckRyUjBwTWhwQ1VQZHN3dz09>

Password: 118422

Or Via Telephone:

(312) 626-6799, (646) 558-8656, (346) 248-7799, (669) 900-9128, (253) 215-8782, (301) 715-8592

Webinar ID: 946 4404 8151 | **Password:** 118422

PRESENT

William “Skip” Dickson, Chairman

Marshall Collins, Clerk

Corinne (Cory) Bourgeois

Deborah Cadwell

Maryann Casciano

Janet Griggs

John Bernier, Alternate

Joseph Duncan, Alternate (*departed at 7:22 p.m.*)

ABSENT

Dean Wojcik, Alternate

ALSO PRESENT

First Selectman Kevin Lyden

CALL TO ORDER:

Chairman Dickson called the meeting to order at 7:05 p.m.

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED: *none*

COMMUNICATIONS/PUBLIC COMMENT:

Comment at FinancePublicComment@salemct.gov

Following this evening’s meeting, the subsequent budget meetings will take place:

Public Hearing	Wednesday, April 7, 7:00 p.m.	Virtual
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The budget may be increased or reduced following the Public Hearing

Town Meeting	Wednesday, May 5, 7:00 p.m.	Virtual
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The budget may only be reduced or maintained following the Town Meeting

In-Person Referendum	Wednesday, May 12, 6:00 a.m. – 6:00 p.m.	Salem Town Hall
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The referendum will include the following questions:

- 1) approval of the town budget

If approved, the Board will set the mil rate at their following meeting. Should the budget fail, the Board will revise the budget and another referendum will take place.

- 2) approval of the bonding for the Salem School Roof and HVAC project.

If approved, the project will be added to the current \$2.7 million bond for the Salem School Renovation and the total amount will be included in the re-funding (refinancing) of the bond.

Chairman Dickson recited the written comments received by the public into the record:

Leslie Hotary, Harris Road Ext., wrote in support of the Board of Education's (BOE) proposed budget, stating that the increase proposed by the Board of Finance was "negligible" and insufficient, especially given the disruption the virus has caused to their lives. She felt that the current and future students should be entitled to the same high-quality education her son received in Salem and East Lyme. She expressed her willingness to pay more taxes to adequately fund the School.

Will Butler, 130 Sullivan Road, strongly urged the Board to support the BOE's proposed budget. He felt that, thanks to those who have chosen to invest in the community's youth, the School has provided an excellent education for their children. The BOE and the administrative staff have worked diligently to assess the funding necessary to provide a high-quality education for the students and that it would be a mistake for the Board to not adequately fund the schools.

Tom & Mary Butler, 130 Sullivan Road, also urged the Board to support the BOE budget, as presented, and reiterated Mr. Butler's comments.

Catherine S. Zachas, 24 Pleasant View Road, strongly urged the Board to approve the BOE's budget, as presented. Fully funding the BOE would not only allow the town's current and future children to be involved in the activities her children were able to enjoy, including band, yearbook, sports, and Project O, but would also hinder their ability to purchase the students' necessary learning materials. She expressed her intention to vote against the town budget should the BOE not be properly funded.

Hugh McKenney, 33 Woodland Drive, requested that the Board reconsider their vote to increase the BOE's budget by \$75,000.00. He felt that, based on the comments received by a large number of people who indicated that they would vote against the budget, "dragging out the budget season will lead to uncertainties and polarize the citizens of Salem". Excluding the significant East Lyme High School (ELHS) Reconciliation costs; ignoring the public's requests and comments, to which they are legally required to heed and act upon; considering anecdotal evidence and hearsay; underfunding the School System, and; undermining the town's property values by lowering the quality of our children's education, which would, in turn, reduce revenue and lead to increased taxes would be "the wrong thing to do". The BOE's budget discussions are thoughtful, deliberate, open, and meet the State-mandated requirements and the children deserve a quality education. He urged the Board to not underfund the BOE budget.

Denise Dube, 51 Salem Ridge Drive, requested that the Board restore the BOE budget request and make Salem a town they could be proud of. The BOE is responsible for a variety of components, each of which is not taken lightly and is vital to the success of the students. She expressed her wish to have a sense of pride for the school system and not be embarrassed by where she resides as a result of an improperly funded school. As an employee of a school system, she is aware of the hard work and efforts the teachers invest in to provide the children with the tools they need. She urged the Board to not let the children go hungry from obtaining the knowledge a good education system would provide.

Provider Farms Owner/Manager Hannah Tripp, 30 Woodbridge Road, voiced her dismay with the Board's recent vote to increase the school budget by 0.003%. As a proud Salem School and East Lyme High School graduate, she felt that the excellent education she received is what they would all like their children to receive. She felt saddened by the Board's continuing cycle of underfunding the school to avoid increasing taxes. While she has no children at this time, she voiced her support for any tax increase that would maintain the excellent education she was able to receive. Investing in the school is not only an investment in its current students, but also an investment in the vibrancy of the town. She stated her intention to vote against the budget should the school not be properly funded.

Amy Lloyd, 200 Music Vale Road, stated the need to continue supporting the town's students and expressed her support for the BOE's proposed budget though it may result in a tax increase. After watching the Board's budget meeting with the BOE, she felt saddened by the "obvious discord" between the Boards of Finance and Education, both of which should be working together in the best interest of the town and the school. As a Salem School graduate and a parent of five children who are or will be attending Salem School, she expressed her concerns regarding the activities that may cease due to the lack of funding. She made an analogy to the medical field and the growth and evolution of the education system and the need to provide the staff, who invest additional time and energy and wear many different hats, with the necessary tools to succeed. Not doing so would negatively impact the students. She felt that the Board did not recognize the extent to which the children have sacrificed due to the pandemic and their lack of support was akin to telling the children that they are not a priority. She also commented on the Board's "negative attitude", disrespect, and hopes to save funds by "pushing...out" the Step 12 teachers, who have invested their time, effort, and energy into their careers. She also refuted the Board's claim that the town has the highest-paid teachers in the area. She urged the Board to reconsider the school budget and plans to vote against the budget should the school not be fully funded.

Jessica & Derek Fletcher, 231 Laurelwood Drive, requested the Board find a way to fund the school and their children's futures. They felt that the town should be working and fighting together rather than against one another and expressed their dismay upon hearing that candidates were dissuaded from volunteering as a result of the backlash or harassment they might receive. They felt that this was the time to utilize the town's "large and healthy rainday [*sic*] fund" and fight for all of the children, who "cannot and will never fight for themselves".

Diba Khan-Bureau, Ph.D., 40 Hill Top Trail, stated that not providing funding for our children is not beneficial, especially deleterious, would be in poor judgment, and would result in a negative impact

on the health and well-being of our school, its teachers, and its programs as well as on our community and economy. She stated the importance of building a solid foundation by providing a well-rounded education that enables our children to excel and achieve a successful future. The school, should it not be properly funded, would no longer be viable as such. She has been and will continue to be willing to pay more in taxes to adequately fund the school and intends to vote against the town budget should the school not be adequately funded.

Mark & Christina Gendron, 79 Mill Lane, expressed their dismay and disappointment with the Board's decision to not adequately fund the BOE budget. They are disheartened by the Board's continuing refusal to fully fund the BOE and criticized the Board and the town for their lack of efforts to attract businesses; neglect to seek other, more economical, high school options, and; lack of plans to seek out individuals with outstanding taxes. Residents will cease to move to Salem, causing property values to plummet and taxes to increase, due to the poor educational quality the students will be receiving as a result of a lack of funds. They felt it was time to "stop looking to cut our children's future."

Genevieve Little, 85 Stonewall Road, wrote to express her support for the BOE's proposed budget and requested it be fully funded. She stated her support for a tax increase though she believed that the town's large rainy day fund should be considered. A large percentage of the BOE budget is not controllable, e.g., ELHS tuition, salaries, special education, and outplacements. The School does not have an extensive list of extracurricular activities or elective courses, upgrades are postponed, and staffing is at a minimal level due to the lack of funding. She expressed her disheartenment with the Board's meetings and some of the Member's efforts to create difficulties for the BOE. While it was stated at a recent meeting that the BOE had lost its credibility with the Board, she felt that the reverse was true. She thanked those who have spoken in support of the town's education system.

Michael Flugrad, 72 East Haddam Road, thanked the Board for their time and consideration in developing the budget. He reflected on the town's agreement to fund the retirement packages for several upper-level teachers in an effort to reduce or flatline the BOE's FY2021/22 budget request. Nevertheless, the BOE is requesting an increase of over a half-million dollars. In addition, year after year, the town and the BOE have received comments during the referendum regarding the top-heavy administration. While being considerate of the importance of our children's education, he felt that this has been a very difficult year for many due to the pandemic and requested the Board consider the many who have and/or are struggling and not increase the mil rate.

Jocelyn Glidewell, 109 Beckwith Hill Drive, expressed her disheartenment with the continuing conversation and felt that "If people can't afford to live in this town because of your high taxes, and no services offered, then they simply can't afford to live in Connecticut". The BOE is not requesting any funding for extra items. Rather, the funds being requested would provide the children with their basic needs. She urged them to raise the taxes to support the school; once the school's rating drops, the whole town drops as their property values decrease and the town's reputation is ruined, resulting in the disappointment of the parents and children. She expressed her appreciation to the members of the Board who advocate for the BOE.

The Jodoin Family, Pheasant Hill Road, wrote regarding, what they felt is, the “egregious lack of funding of Salem School”. They are appalled by the Board’s decision and felt that the funding was unethical and that the teachers, staff, and students who have entrusted them to provide the necessary tools, deserve better. The town will remember the choices they made.

Catherine Masud, Darling Road, asked the Board to revisit the BOE proposed budget request and support it in full. The Board’s 0.003% increase would represent a further cut to the BOE budget; those who advocate the decrease, she claimed, “do not care about this town or its people”. The cuts would result in a decline in the quality of education, drop the rating of the town, and lower the value of property. She felt that the BOE budget was not extravagant and provides for its basic needs. She is accepting of a tax increase to support the school budget.

Alfreda Shapere, 170 Darling Road, stated that, from her understanding, the Board’s proposed increase for the BOE budget would not be enough to sustain the quality of education the children have been able to receive and neglected to see where the BOE would be able to justifiably cut their proposed budget increase. She expressed her support for the BOE’s proposed budget increase and her willingness to pay higher taxes to enable the town’s children to receive the same good education she received in Salem over 70 years ago.

John Houchin, Sr., Ed.D., 103 Rattlesnake Ledge Road, a former member of the Board, reflected on the process and the balancing of the needs of the town’s departments, the school, and its resulting impact(s). The funds enable the town to provide services to the residents and provide the children with the necessities for a quality education that benefits both their future and the future of the town. Given the 16.6% basic cost of living increase from 2012 to present, the requested increase of 13.5% by the BOE, and the 7.3% mil rate increase during this same period, he felt that BOE’s request was realistic, especially in light of the pandemic and the State’s cuts to the town’s Educational Cost Sharing (ECS) Grant. He stated the need for the previous generation(s) to step up in support of the next generation.

Meghan Akeman, 576 Norwich Road, expressed her support for the BOE’s proposed budget, stating that the Board’s approved budget amount for the BOE would not be enough to run the school. Schools are essential and must be properly funding. Not doing so would negatively impact the students, staff, community, and property values. She felt that the BOE’s proposed budget should be approved for the following reasons: to meet the BOE’s contractual agreements, support the school’s extracurricular activities, adequately maintain the school, and purchase the students’ required instructional materials and supplies. Maintaining the school’s standing as one of the top districts in the county benefits each of its citizens; the current and future students deserve to have access to the same programs as the past students have had. She, like many, moved to Salem for its school system. Because the strength of the school district is directly tied to its property values, she felt that the current property owners should not have their property values at risk. She stated that she would vote against the town budget should the school not be fully funded and urged the Board to reconsider their decision. Salem School is the strongest asset this community has.

Sue Spang, Hartford Road, questioned whether there has been any discussion regarding the funding that municipalities would receive as a result of the recently passed Federal legislation.

Todd & Karna Millen, 50 Sullivan Road, stated that one of the reasons they moved to Salem was for the quality of the school system. They requested that the Board support the BOE's proposed budget and stated their willingness to pay additional taxes. They wished to ensure that such programs as music, art, sports, and yearbook would not be cut and that the school would be able to keep up with the ongoing technological demands. Education must be a priority should the town wish to continue to attract vibrant, young families. As a teacher and administrator for both public and private schools, he felt that the budget was reasonable and prudent. He expressed their unlikeliness to support the town budget should the school not be fully funded and asked that they reconsider the BOE's proposed budget.

Sheila Bydenburgh, 41 Brookside Drive, wrote in support of the BOE's proposed budget and recognized the possible resulting tax increase. Like Ms. Akeman, she felt that the Board's approved budget amount would not be enough to support the school for the aforementioned reasons. She, too, intends to vote in opposition to the town budget should the school not be fully funded and urged the Board to reconsider the school budget.

The following public comments were made by individuals who were present at the meeting:

Christina Grillo, West Road, a 1983 graduate of Salem School, thanked the Board for reading all of the letters. While times have changed, she believed that the ultimate goal of the school to provide the best education for our students has remained the same. To this end, school exceeds their expectations year after year. She felt that it was unclear as to what the ultimate goal is for some of the Board Members based on their meetings and discussions. She stated the importance of maintaining the quality of education that the School has been able to achieve over the years. She urged them to invest in our students, our town, and our future, adding that the value that the school adds to the town is exponential and the return on investment is unmatched and should be realized. As part of an exceptional team of Salem School staff and supporters, she requested that the Board consider all of the needs that enable them to maintain their exceptional status.

Aron d'Aquila, 46 Rathbun Hill Road, expressed his appreciation to the Board for reciting all of the letters. He stated that the manner in which the town spends its money reflects its values. He was confident that all of the Board Members recognized the value of a good education as well as its connection to property values. He understood the Board's challenge to be fiscally responsible, but urged them to not lose sight of who we are and to spend our money wisely and in a manner that reflects our values. He also questioned whether the amount to be received as part of the recent stimulus package was known, how it would be used, and if it would be possible to utilize some of those funds to help alleviate the budget.

Alison Collis, West Road, noted that many of the public comments were from residents who also grew up in Salem, showing that residents continue to stay and support the school over time. She noted that the Board's proposed increase to the BOE budget of \$75,000.00 or 0.68% is less than the Social

Security cost of living increase. She stated that she also spoke the previous year to express her concerns and has witnessed the decline of the school due to inadequate funding by the town. She stated the importance of building a future for the town by supporting its current students, who will, in turn, stay or return to the town to raise their families as their predecessors have done.

Board Member Griggs recited the following text she received:

Jennifer Rucci, Pleasant View Road, commented that she has worked with *Yucatech Technology Solutions*, who currently handles the IT for the town, and discontinued their services, which were found to be very expensive and of questionable quality. She questioned whether the town has considered partnering with the school and utilizing *TBNG Consulting*.

Chairman Dickson thanked everyone for taking the time to write and/or present their thoughts which will be taken into consideration.

In response to Ms. Spang and Mr. d'Aquila, Clerk Collins reported that the following information was recently received regarding the town's receipt of the Federal funding. It is important to note that the numbers are preliminary and have yet to be verified; clarifications regarding its use are also being investigated:

ESSERII (Elementary & Secondary School Emergency Relief Fund)	\$ 55,906.00
ECS (Education Cost Sharing)	
<i>remains flat under the Governor's proposed budget for the next two years</i>	
American Rescue Plan (ARP) – <i>must be expended within two years</i>	
Education Funding	\$ 181,000.00
Town Funding	\$ 403,126.00
New London County Funds	
<i>totaling \$51,435,071.00 is expected to be distributed to municipalities on a per capita basis; based on the population (4,123), Salem is slated to receive:</i>	
K-12 School Aid	\$ 301,811.00
Town Aid, including county outlays (\$364.00 per capita)	\$ 1,504,799.00

ALTERATIONS TO THE AGENDA: *none*

AGENDA:

1. APPROVAL OF MINUTES: MARCH 11, 2021 REGULAR MEETING

M/S/C: Cadwell/Casciano, to approve the Board of Finance March 11, 2021, Regular Meeting Minutes. Discussion: None. Voice vote, 6-0, all in favor.

2. ACT ON PROPOSED APPROPRIATIONS FOR FY2021/22

A. FINALIZE REVENUE BUDGET

Board Member Bernier proposed increasing the projected amount for Department #94, Line Item 049 – Licenses & Permits, Conveyance Tax, based on the revenue that has been received to date and the robustness of the current real estate market.

M/S/C: Cadwell/Collins, to raise the projected revenue for Department #94, Line Item 049 – Licenses & Permits, Conveyance Tax – by \$10,000.00 from \$55,000.00 to \$65,000.00, for a total Department total of \$157,600.00 for FY2021/22.

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

In response to Board Member Casciano regarding how the Federal funds would be incorporated into their budget, First Selectman Lyden stated that within four to six weeks of the adoption of the ARP, \$181,000.00 would be sent directly to the Salem School District; the spending parameters for the funds were sent to the Board Members. The spending parameters of the town's ARP funds will require additional clarification. The receipt of and associated parameters for the County funds are unknown at this time. He is hoping to have additional information prior to the Budget Public Hearing. Similar to the Adult Education funds, the ESSERII funds will be passed through the town to the BOE and are included in the FY2021/22 budget (Department 92, State/Federal Grants, Line Item 038, Miscellaneous (includes ESSER COVID)).

B. FINALIZE BUDGET FOR PUBLIC HEARING

The Board reviewed the Budget Summary for FY2021/22:

General Government (including Capital Principal & Interest)	\$ 4,191,824.00
Capital Plan	\$ 1,130,972.00
BOE	\$11,050,886.00
TOTAL EXPENDITURES	\$16,373,682.00
TOTAL REVENUE	\$15,680,306.00
SURPLUS/SHORTAGE	– \$ 693,376.00
Unassigned Fund Balance (Rainy Day Fund) – <i>unverified</i>	\$ 2,983,552.00 *
Assigned Fund Balance (Capital Expenses Only) – <i>unverified</i>	\$ 1,010,080.00

* The Unassigned Fund Balance currently accounts for 18.5% of the budget.

Based on the current Grand List of \$395,749,363.00, 1 mil = \$395,749.00. The town's current mil rate is 32.2.

UNASSIGNED FUND BALANCE

In response to the comments received by the public regarding utilizing the Unassigned Fund Balance to balance the budget, Clerk Collins commented, and Chairman Dickson agreed, on the inappropriateness of utilizing large amounts of funds to fill holes in their budget that would result in the creation of future deficits and higher tax rates when those funds are no longer available. Doing so would place them in the same position as the State which continually expends more funds than revenues and is one of the worst in the nation for unfunded liabilities. The town's Unassigned Funds have allowed the Board to finance the ELHS student spike, fund the teachers' retirement incentive, purchase computers for the students, and pay for the independent IT study. He is hopeful that the General Government

may be able to reduce the principal and interest payments by utilizing its one-time Federal funds, producing additional revenue for future years and creating a town that would be a good place for everyone to live.

Board Member Bernier requested that a brief recap regarding the Fund Balance be provided to the public for their edification. First Selectman Lyden explained that the Board adopted a Fund Balance Policy in 2019 at the request of the Auditor. At the time the Policy was adopted, the Unassigned Fund Balance was 22.3%. Since then, the Board has been gradually reducing the amount as bankers and investors are more favorable towards gradual, rather than sudden, changes. The funds were most recently utilized to fund the Salem School Oil Tank and the Planning & Zoning Commission's legal fees. The Policy was vetted by the town's CPA and Auditors and reviewed, accepted, and endorsed by the Board.

CAPITAL PLAN

It was noted that the \$50,000.00 for the teachers' retirement incentive remains in the current year's Capital Plan budget. The proposed Capital Plan budget currently meets their goal of maintaining a budget amount that is 10% of their FY2021/22 budget. Clerk Collins questioned whether there are investments that could be made that would reduce future costs, i.e., principal and interest. First Selectman Lyden stated that, should they be able to utilize some of the Federal funds on infrastructure upgrades, some of the Capital Plan items could be removed. Additionally, once the funding for the Salem School roof and HVAC replacement is secured, the amount will be included in the town's re-funding (refinancing) of their current bond for the Salem School Addition. The reduced interest rate of 1.25% over the remaining nine-year term will help reduce future costs.

M/S/C: Collins/Griggs, to approve the allocation of \$1,130,972.00 to the Town's Capital Plan budget for FY2021/22. Discussion: The Capital Plan budget for FY2022/23 and FY2023/24, which exceeds the Board's 10% goal, will require further discussion. Voice vote, 6-0, all in favor.

GENERAL GOVERNMENT

The proposed General Government budget of \$4,191,824.00 includes an increase of \$158,965.00 or 3.94%, in part due to the allocation of additional funds to Public Safety. Board Member Liaisons Bourgeois and Casciano are continuing to meet with the Emergency Services Director and the Calls for Service data were provided to the Board, providing justification for the additional \$30,000.00 for Department 105, Line Item 5-105-121 – Salaries, EMT/Maintenance – that was allocated to fund an additional ten-hours/week and to balance a line item that has been consistently under-budgeted. First Selectman Lyden encouraged anyone who is interested and willing to volunteer to work with the Fire Companies, adding that the town is considering increasing the stipend for volunteers. He expects the town to be expending additional funds for emergency services in the future. Clerk Collins, in his conversations with former Salem Volunteer Fire Company Chief Gene

Maiorano, confirmed the need for volunteers and Board Member Liaison Casciano added that all of the calls for service were responded to by the town.

Per Ms. Spang's March 11 Public Comment, Board Member Griggs questioned Department 138, Line Item 5-138-802 – Employee Benefits, Insurance – from which significant funds have been transferred since 2013, primarily for overtime costs for employees and proposed adding a line item for overtime costs for clarity. First Selectman Lyden confirmed that he does make a request(s) to the Board for line item transfers between departments and was agreeable to adding a line item. He added that salaried employees have never been paid for overtime during his tenure as First Selectman. Hourly employees, including EMT/Maintainer and Public Works employees, have worked additional hours due to emergencies, weather-related needs, and the like. Board Member Bourgeois suggested the possibility of adding a line item for Unanticipated Expenses from which such funds can be expended. In such case, Board Member Griggs suggested allocating/ moving funds from Line Item 5-138-802 to Department 810, Line Item 5-810-830 – Unanticipated Expenses, Unanticipated Expenses. Clerk Collins was agreeable to adding a line item and felt that it would be more appropriate to add an overtime line item than adding funds to Unanticipated Expenses, which could be misconstrued as a “slush fund” and recommended the BOE do the same. In response to Board Member Bourgeois, First Selectman Lyden stated that 13 employees are currently receiving insurance benefits totaling \$261,440.00, including the new EMT/Maintainer and Retiree, with four (4) buyouts of \$4,000.00 each. The town employees are under the same healthcare plan/contract as the teachers. Due to the budget deficit, Board Member Bourgeois was opposed to moving the funds, stating that the funding for the benefits was reasonable and in line with that of the BOE. In addition, while there will be a 15% increase in benefits, only 12% is being requested.

BOARD OF EDUCATION

Board Member Griggs provided the Board with information gathered from the State's EFS (Education Financial System) website regarding the town's BOE budget and per pupil expenditures in comparison to other budgets throughout the State, County, and Districts with part-time Superintendents. The numbers are based on the total number of SY2018/19 pupils and only includes the Salem School population of 418 students. The total, including those who attend VOAG or Magnet schools, ELHS, special education, etc., is 624 students, making it the largest district in the State with a part-time Superintendent. In comparison to the State's public school districts and districts with part-time superintendents, Salem's per pupil expenditures is below the mean and, in New London County, Salem's per pupil expenditures is \$116.00 above the mean. As such, there is an inverse correlation between the number of students and the per pupil expenditures and smaller districts do not have any economy of scale and their per pupil expenditures are typically higher than the larger districts. There are at least 26 school districts that employ a part-time superintendent, 25 of which have only one school. The Assistant Principal's 10-month contract falls under the same rules as the 10-

month contract for teachers. In reviewing the letter of agreement, she found that the Assistant Principal is contracted to work 10 months or 215 days; the teachers' contract states that an hourly wage would be provided for those who work on a day that is not contracted. She also provided Superintendent Joseph Onofrio's typical work week, whose hours have been, most likely, increased due to the pandemic. Also included in her report are the required qualifications for the School Business Administrator, per the Connecticut Department of Education. The information she has gathered is in line with the findings of CABA Consultant Mary Broderick, who was hired by the BOE to conduct the Administrative Structure Analysis. While she did not have a number in which she would like to propose for the BOE budget, she felt that such items as the Course Reimbursement for Teachers, Bus Transportation, Administrative Restructuring, and ELHS Tuition/Reconciliation, which are contractual and uncontrollable, should be included in the increase.

Clerk Collins refuted the total number of 624 students, stating that, per their discussions, it was determined that the Superintendent does not oversee those students who are enrolled in magnet or VOAG schools, ELHS, etc.

Board Member Bernier, who apologized for missing the March 4 meeting, felt that the Board's proposed increase was in line with the School's enrollment trends. In response to the public's comments equating dollars to quality, he stated that, in reviewing Board Member Grigg's study and having some familiarity with some of the districts and their outcomes, he finds that the respective budgets do not appear to equate with the quality of the education the students receive. Board Member Griggs reminded the Board that many of the students who are currently being homeschooled due to the pandemic are expected to return next school year. In addition, based on her numbers and Ms. Broderick's study for the Town of Preston, the per pupil expenditures do not tend to lower due to the lack of economy of scale and the administrative costs are fairly fixed and unrelated to the student population. While recognizing that the numbers are not linear, Board Member Bernier, in contrast, felt that there is a correlation between the student population and the budget and that neglecting to discuss enrollment in relation to the budget does not provide an accurate picture. Board Member Griggs commented that she was surprised to find that the test results for many of the districts that made significant budget cuts fell under the 50th percentile and continue to lower over time. Board Member Bernier cautioned against equating dollars to quality, adding that there are many other contributing factors. Board Member Griggs felt that the BOE's proposed budget is realistic and they have not padded their budget in any way.

Board Members Bernier, Bourgeois, and Casciano expressed their appreciation to Board Member Griggs for taking the time and energy to compile and present the information.

Though he has reviewed the numbers provided and taken into account the source of the information, Clerk Collins stated that the student enrollment numbers have been decreasing over the years and there is no projected growth for either the student population or the Grand List while the town's funding from the State continues to be reduced. The Central Office

staff continues to expand despite decreasing student enrollment. He felt that the BOE has not shown any serious efforts to explore sharing services or to economize as reflected by their proposed numbers in relation to the actuals. Their budget includes several unsupported items of wants rather than needs during a period in which an increased number of residents are receiving food deliveries, have lost their jobs, or have been furloughed due to the pandemic. Those who move to the town for the school system will move out of the town as soon as their children graduate as the tax rate increases, as evidenced in past years. Comments regarding the Board's lack of generosity are mistaken as they have moved items from the BOE to the General Government budget and have funded several of the BOE's Capital items. He felt that the Board's approval of a \$75,000.00 increase was generous, especially in light of the additional Federal funding. The school is not underfunded. He expressed his appreciation to the Board Members for their hard work and efforts and took offense with one of the comments made by a local official regarding the Board's lack of thought to the BOE budget.

Per Chairman Dickson's worksheet, should the Board opt to fully fund the BOE and not utilize their Unassigned Fund Balance, the town's taxes would increase by 2.9 mils or approximately 8-10% tax increase this year alone. Clerk Collins reiterated his opposition to utilizing the town's Unassigned Fund Balance for the BOE's operational costs, which would increase their taxes both this and next year. The impact the tax increases would have on the town's residents and businesses would be detrimental. Board Member Cadwell concurred, reporting that the Campground was open last year with a 50% capacity and should the mil rate be increased, she will need to inform 200 campers that their tax rate will be increased. She also spoke with many of the Salem Four Corners business owners who voiced that a tax increase would be very difficult for them.

The Board agreed to take a short break at 10:50 p.m. The meeting resumed at 10:56 p.m.

Discussion ensued regarding how to balance the budget without raising taxes. Board Member Bourgeois proposed the possibility of decreasing some of the Capital Plan Budget Line Items, e.g., Line Item 28, Public Works Road Improvement (\$433,572.00), pushing out Line Item 17, Bucket Truck (\$155,000.00). Board Member Bernier recalled that the Board agreed to decrease and move line items the previous year as well. Board Member Casciano agreed, adding that they were able to do so last year due to the high Unassigned Fund Balance, but it is not sustainable over the long-term. First Selectman Lyden stated that many do not realize the impact that expending funds out of the town's Unassigned Fund Balance would have at this time; funds may be expended from the Assigned Fund Balance for Capital Items. While cuts may be made to the Public Works Road Improvement line, which was also cut by \$100,000.00 the previous year, he reminded them that studies have shown that roads that are not properly maintained would cost more in the long-term. Payment terms for certain items may also be stretched out. Board Member Casciano proposed the possibility of instituting a small tax increase this year. First Selectman Lyden felt, and Board Member Bourgeois agreed, that businesses are hurting and instituting a tax increase this year would be

detrimental to them as well as to those residents who have been negatively affected by the pandemic. Clerk Collins felt that the town, emergency services, and the school must investigate ways to spend money more efficiently, including making efforts to share services, and/or increase revenue, which could only derive from the taxpayers. Board Member Griggs stated that the First Selectman and the BOE have made serious and repeated efforts to share the Superintendent to no avail. First Selectman Lyden confirmed that he spoke with former First Selectman Paul Formica, who was agreeable to sharing services, and added that Governor Ned Lamont had presented a bill requiring smaller districts to share Superintendents. He did feel that the BOE should share more services, including the curriculum and special education, which would provide the students with continuity. Board Member Casciano expressed her appreciation of the BOE's efforts to share services with LEARN for the IT Instructor and the shared lunch program.

Discussion ensued regarding whether the contractual debts would be additional costs that would be requested annually by the BOE, the salaries in comparison to those of East Lyme, and the possibility of breaking out and considering the ELHS Reconciliation as a one-time expenditure/revenue in the town's budget. The BOE is slated to receive approximately \$315,000.00 in Federal funds and the town (\$75,000.00 town budget, \$181,000.00 and \$59,000.00 of Federal funds) this year and some of the Federal funds that will be allocated by the County will, most likely, be allocated to education as well.

Board Member Griggs reported that the CAFE Consultants will be presenting their final Administrative Structure Analysis to the BOE on Monday, March 22.

M/S/F: Griggs/Cadwell, to approve the allocation of \$11,150,886.00 to the Board of Education budget for FY2021/22. Discussion: The motion would allocate an increase of \$175,000.00 to the BOE's current budget. Clerk Collins stated that, should the Board approve the amount and decide to minimize the tax increase by expending funds out of the town's savings, they would be building in a tax increase of approximately 10% next year, regardless of the reduction in the mil rate due to revaluation. Board Member Casciano hopes that the BOE will not continue to request an increase of \$500,000.00 every year as the town's revenues are not increasing at the same rate. She finds it difficult to increase taxes during these trying times; she is hopeful that the Federal funds will be sufficient enough to cover their costs. She expressed her support for the school, but was opposed to increasing their budget by \$175,000.00. Board Member Bourgeois felt that utilizing their savings to balance the budget and instituting a tax increase both this and next year would be unsustainable and a disservice to the town, its residents, and businesses. Board Member Bernier confirmed Clerk Collins' estimate of a 10% tax increase. He felt that dramatic changes must be made and a plan for a long-term vision be developed as contractual salary increases, benefits,

utilities, and other increases are expected. He stated that everyone supports the school and they all have a common goal and that, while they might differ on the adequate funding for the school, they are not against adequately funding the school. He is encouraged by the number of people who presented a public comment and would like to hear from more of the residents so as to better judge the overall feeling of the residents of the town. Clerk Collins expressed his pride in the Board and the hard work and commitment of Board Member Griggs. As Board Member Bernier stated, changes need to be made and we need to work harder and work together. Roll Call vote, 1-5. Voting in Favor: Board Member Griggs. Voting in Opposition: Board Members Bourgeois, Cadwell, Casciano, Collins, and Dickson.

M/S/C: Collins/Casciano, to approve the total expenditure of \$16,373,682.00 for the FY2021/22 budget and forward the proposed budget amount to a Public Hearing. Discussion: None. Roll Call vote, 6-0, all in favor. Voting in Favor: Board Members Bourgeois, Cadwell, Casciano, Collins, Griggs, and Dickson. Voting in Opposition: None.

The First Selectman will forward any additional information that is received regarding the Federal funds, which may influence their future discussions. It is unknown at this time as to whether any of the funds that are to be allocated to the municipality may be expended for education.

OLD BUSINESS – none

ADJOURNMENT

M/S/C: Collins/Griggs, to adjourn the meeting at 12:16 a.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