

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, APRIL 11, 2019 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

William “Skip” Dickson, Chairman
Marshall Collins, Clerk
Deborah Cadwell
Janet Griggs
John Houchin
Corinne (Cory) Bourgeois, Alternate (*seated*)

ABSENT

Hernan Salas
Maryann Casciano, Alternate
Michael Jensen, Alternate

ALSO PRESENT

First Selectman Kevin Lyden

CALL TO ORDER:

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

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED:

M/S/C: Collins/Griggs, to seat Alternate Board Member Bourgeois for Full Board Member Salas.

Discussion: None. Voice vote, 5-0, all in favor.

COMMUNICATIONS:

1. A letter from Christina Grillo, regarding the Board of Education (BOE) budget
2. Two letters from Jocelyn Glidewell, regarding the BOE budget
3. An e-mail from Aron D’Aquila, regarding the BOE budget
4. An e-mail from Peter and Julie Silva, regarding the BOE budget
5. An e-mail from Heidi Preston, regarding the BOE budget
6. An e-mail from Stephen Cholewa, regarding the BOE budget

ADDITIONS TO THE AGENDA: *none*

AGENDA:

1. APPROVAL OF MINUTES: MARCH 21, 2019 SPECIAL MEETING

M/S/C: Collins/Houchin, to approve the Special Meeting Minutes of March 21, 2019.

Discussion: While he approves of the minutes, Clerk Collins expressed his confusion with the final motion regarding the approval of the expenditures for the proposed budget. 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* and *Budget vs. Actual* Reports with the Board, stating that there were no unusual occurrences. She will investigate the reasoning behind the high percentage of the Net Income of 723.3% on the *Budget vs. Actual* Report and confirm the definition of Line Item 410000-1050 – General Property, MV Supplement with the Tax Collector. In response to Board Member Houchin regarding the budget for Department 5-222 – Salem Volunteer Fire Company (SVFCO), SVFCO Chief Gene Maiorano reported that, though they have expended 84.5% of their budget to date, he does not foresee any issues.

3. PUBLIC COMMENTS

Linda Flugrad, 72 East Haddam Road, who watched the previous evening's Public Hearing online, complimented the Board on their handling of the meeting and the budget. It is her understanding that the Board is unable to make line-by-line cuts in the BOE budget as they can with her budget for the Town Clerk's Department and that all line-by-line cuts are made by the BOE. She takes issue with the statements that were made regarding the residents' willingness and ability to pay more taxes, citing the over 100 families who visit the Mobile Food Pantry every month, those with limited incomes, and young families. Having raised four children, she felt that, should education be a priority, the family members would take that responsibility to help teach their children. Growing up, her father sustained a major injury and was laid off. With limited income, her family lived within their means and, as a young child, was unaware of their family's limited funds. She felt that the Board was asking the same of the town – to live within their means – and, to this end, many of the departments have presented a budget that is flat, per their request. She commended and expressed her appreciation to the Board for their hard work, time, and efforts both during and outside of their meetings.

SVFCO Chief Maiorano reported that the new fire truck is slated for delivery this Tuesday or Wednesday and invited the Board Members to visit and view the new truck. The new truck will have a higher body so as to provide storage for those necessary emergency items that were previously stored in a trailer and the trailer will be utilized to store such emergency hurricane items as plywood, hammers, nails, and plastic. The radio will be installed the following week.

4. SELECTMAN'S REPORT

First Selectman Lyden commended the Board on a very thorough job with the budget and at the Public Hearing. He noted that the 2015 School Efficiency Study, which was referenced during the Public Hearing, is included in their packet for review.

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 will be held next

Wednesday, April 17. The Planning & Zoning Commission has voted unanimously to issue a favorable §8-24 review. The proposed property, which has been appraised for approximately \$97,000.00, is located on the lower lot of the property. The development will be constructed on approximately four to five acres and will be surrounded by wetlands and a wooded area in the back. The proposed sale would help fulfill one of the requests noted in the town's Plan of Conservation and Development (POCD) for additional housing options and accommodate those who are 55 and over, one of the fastest growing demographics in the town. Following the Public Hearing, the Board of Selectmen will discuss the item and vote to send it to a Town Meeting for a final vote. If the item passes and the development is built as presented, it would become one of the town's top ten taxpayers, providing both future income and housing for the town.

The Transfer Station's Spring Amnesty Days will be held on Saturday, May 18; Sunday, May 19, and; Wednesday, May 20. Construction materials are not considered bulky items and mattresses, electronics, and metals may be brought to the Transfer Station at any time, free of charge. In an effort to encourage residents to compost, he presented an organic compost bin for \$45.00 and small, vented compost buckets for \$6.00. Composting would help the residents save money by purchasing less garbage bags and the town by paying less in overall tonnage and hauling fees.

The Salem Seniors held a good meeting with their newly-elected President Selectman Ed Chmielewski. They are happy with their Senior Liaison Pam Henry and are enjoying their luncheons at *Two Brothers Restaurant* on the first and third Tuesday of every month, keeping them active, even in the winter months when they do not hold their regular meetings.

The Uncas Health District held a finance meeting and expressed their concerns regarding the expected decrease of 10% in future State revenue. He also met with newly appointed Troop K State Trooper Lt. Marc Petruzzi, who is looking forward to working with the town through its Resident State Trooper Program. Both of the town's Troopers have a very positive relationship with the other State Troopers, helping the town maintain a level of consistency when the town's regular troopers are not on duty.

A new Fire Marshal Team, comprised of Fire Marshal Don Bourdeau and Deputy Fire Marshals John Cunningham and Mike Bednarz, has been formed. Together, the three individuals have over 100 years of experience in Emergency Management. All Emergency Responders will be reporting to the team and the team is available to the volunteer chiefs for consultations. Board Member Griggs added that the team fulfills one of the recommendations in the Public Services Safety Study.

The town's Planning & Zoning Attorney is in the process of preparing a proper deed for the Salem Volunteer Fire Company's property. While the original deed was signed in 1993, it was never properly recorded. The Auditors are in the process of reviewing and auditing the Gardner Lake Volunteer Fire Company's budget.

Upcoming meetings and events include the Lions Club's Annual Road Race on Saturday, April 13 and the Annual Town Meeting on May 1.

5. FINALIZE BUDGET FOR TOWN MEETING

Chairman Dickson provided a brief recap of the Public Hearing, stating that the primary focus of the comments dealt with the BOE budget. Board Member Cadwell, who recorded the public's main concerns, presented the following matrix, which includes the comments that were both voiced at the Public Hearing and mailed in:

5 individuals voiced in favor of	Pay-to-Play/Sports
6	Additional Funding to the BOE
6	Smaller Class Size(s)
2	Additional After-school Enrichments
4	Additional 3rd Grade Teacher
2	Increase Taxes
1	BOE Fairer the Previous Year
2	Review Capital Budget
1	Moratorium on Line Items for Capital Items
1	Fire Departments' Budget Too High
1	Textbooks
1	No Tax Increase

The Board extensively discussed the budget based upon the public's comments.

Board Member Griggs stated that the public was overwhelmingly opposed to the cut to the BOE's proposed budget and, because those watching the Public Hearing online were not able to submit their comments, their thoughts are unknown. She proposed the possibility of adding some additional funding back into their budget. Chairman Dickson added that one of the complications included the changes that were made to the BOE budget after their presentation to the Board and much of the reaction was based upon those particular cuts. Should these items have been presented to the Board mid-year, the Board would have addressed them in a different manner.

Clerk Collins felt appalled at the BOE's support of cutting Pay-to-Play, which would primarily affect those who are unable to afford it, while the Central Office Administration would receive salary increases. He is offended by those cuts which would affect the poorest people in the town the most and would be most likely to voice their opposition. The BOE and/or Administration seriously underestimated and ignored the decrease in revenue they would be receiving and created a flat-funded, current services budget. The BOE has not showed the inclination or ability to neither cut, economize their budget, nor change the way they do business over the last several years. He reminded the Board that the BOE is receiving an increase of \$100,000.00 despite a \$230,000.00 minimum cut in revenue and the only solutions to increasing their budget are to either increase taxes or use part of their Unassigned Fund Balance, as the State has done and is the reason why they are in their current predicament. He does not support increasing the BOE budget any further.

Board Member Griggs stated that another issue includes the additional, unexpected special education student and her opposition to penalizing the regular education students to help fund the

additional cost(s). Two of the issues which must be reviewed and dealt with include special vs. regular education and the decrease in ECS Funding. The BOE must seek for ways to continually improve efficiencies and save costs, but it is not realistic to expect them to experience the cuts and not help to fund them on a long-term basis.

Board Member Bourgeois stated that the largest cut in the BOE budget is the third grade teacher for \$65,000.00 and added that when the BOE presented their budget, it appeared that the teacher would be teaching the third grade class only, but, judging from the comments heard at the Public Hearing, it appeared that that teacher would be needed for the duration of the students' schooling in Salem. Chairman Dickson understood that the teacher would be maintained at the third grade level because, at that age, students are reading to learn and, should the future third grade class size become extremely small, the BOE would revisit their staffing.

Board Member Houchin questioned the number of aides and tutors in each of the classes and the actual overall number of staffing that is dedicated to the third grade class. First Selectman Lyden reminded the Board that such issues are not items in which the Board has any control. Clerk Collins agreed, adding that it is their job to determine how to provide a quality education for the students and the performance and accountability indexes indicate that their performance is decreasing and is below the State average. The BOE has neglected to mention these decreases in their presentations or acknowledge the ECS cuts in their budget. While many provided statements regarding the high quality and excellent education the school is providing, some could also provide a credible argument of the opposite based upon the data. Providing raises to the Central Office staffing would not help improve their education system. He reiterated that the BOE has not made any meaningful cuts, his opposition to a tax increase, and opposition to an increase in the BOE budget.

In response, Board Member Griggs stated that, while most districts do not test their special education students, Salem, in accordance with the regulations, does, including those who transfer to the school. In reviewing the distribution of students with high vs. normative needs, the report indicates a 0.2 drop in mathematics in regular students. The remaining drops are in special education students.

Chairman Dickson felt that structural changes to the BOE budget are needed to accommodate the reductions in costs without negatively impacting the education of the children. In response to the Chairman's question regarding other possible cuts that were discussed by the BOE, BOE Treasurer Ryan Little stated that other areas were briefly discussed, but the cuts were minimal in comparison to the provided list. He also noted that the raises to the administration amounts to less than one-quarter of the \$40,000.00.

Board Member Houchin stated that, due to the number of students, the school is not able to provide an ideal student-teacher ratio. He reminded the Board that the BOE budget was increased as a compromise and if students are, in fact, moving to Salem to take advantage of the school's special education program, the town would need to address how to deal with the additional financial burden. Clerk Collins reiterated that the BOE approved a budget of approximately \$772,000.00 for the Central Office and the need and importance of instituting efficiencies. As stated at the Public Hearing, according to the CT Association of Public School Superintendents (CAPSS), Salem is one

of approximately 34 towns that has one or two buildings and a dedicated Superintendent. To this end, Board Member Bourgeois questioned that the justification behind the salaries of the Central Office staff – 0.45 Superintendent, \$85,000.00; 0.45 Director of Student Services, \$58,000.00; Business Manager, \$93,000.00 – and the BOE's willingness to cut a teacher, who would clearly benefit the students. They stated at the Public Hearing that their main goal is to provide the best education possible for the children and, yet, have agreed to cut from line items that directly benefit the students while adding additional funding to the Central Office.

Board Member Griggs reminded the Board that the BOE did approach East Lyme regarding the possibility of sharing the Superintendent and, because of the current building projects they are engaged in, it would not be possible.

First Selectman Lyden stated that many of these issues are discussed in the Efficiency Study, including the sharing of services, which must be continually done throughout the town, not just with the BOE. A balance must be sought and reminded the Board that the fluidity of the BOE budget should be taken into account and the possibility of a supplemental appropriation(s), if necessary. He also noted that the Board has only heard from approximately 30 individuals out of the 1,700 families in town.

Board Member Cadwell stated that she was opposed to a tax increase. Board Member Houchin, looking into the future and based upon the fluidity of the BOE budget, felt that there was some flexibility based on their ability to issue a supplemental appropriation. Clerk Collins was opposed to increasing the BOE budget and agreed and stated his willingness to utilize the Unassigned Fund Balance for any justified unexpected expenses. Board Member Griggs stated that she was planning to propose increasing the BOE budget by an additional \$70,000.00. She also stated her support for sharing services, but understood that East Lyme would not be able to do so at this time.

First Selectman Lyden commended the Central Office staffing, but added that these positions can be shared without affecting the quality of education. He also pointed out that East Lyme has *five* schools and *one* Superintendent and *one* finance person. Several of the town's services will become more and more shared or regionalized as more and more efficiencies become necessary. He commended the Board on creating a very fair budget and making some very difficult choices.

M/S/C: Houchin/Griggs, to accept the budget with the total expenditure of \$15,351,506.00 for the proposed FY2019/20 budget, as heard at the Public Hearing held on Wednesday, April 10, 2019 at 7:00 p.m. at Salem School. Discussion: Board Member Houchin stated that, in reviewing the BOE's budget over the past five years, he felt that their budget has remained, relatively, level. In response, Clerk Collins stated that the school has had a significant decrease in enrollment over the past five years with the same amount of funding. He expressed his concerns with increasing their budget as their revenues are decreasing and is offended by the BOE's support of increasing the Central Office budget while eliminating Pay-to-Play. Board Member Bourgeois stated her willingness to support the budget as proposed, with the understanding that they take the time to reevaluate their budget, present a strong plan, and find

efficiencies and ways to reduce their costs, including outsourcing services and cutting the Central Office staffing/budget. She takes issue with the very healthy centralized office while cutting the students' services, adding that in the business world, cuts would be made to the administrative staff first. She felt that cutting their budget at this time would be detrimental to the students. Board Members Cadwell and Griggs stated their support of the budget, as presented. Voice vote, 5-1. Voting in Favor: Board Members Bourgeois, Cadwell, Dickson, Griggs, and Houchin. Voting in Opposition: Board Member Collins.

OLD BUSINESS: *none*

ADJOURNMENT

M/S/C: Houchin/Griggs, to adjourn the meeting at 8:47 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

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