

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, MAY 13, 2021 – 7:00 P.M.**

Per State of Connecticut, Governor Lamont Executive Order Number 7B,
the Town of Salem Board of Finance Meeting will be following the suspension of
in-person open meeting requirements. Please click the link below to join the webinar:

<https://zoom.us/j/91645109334?pwd=QXZsVUVGSmZaL00zS0RrVDN3U0xoZz09>

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PRESENT

William “Skip” Dickson, Chairman
Marshall Collins, Clerk
Corinne (Cory) Bourgeois
Deborah Cadwell
Maryann Casciano
Janet Griggs
John Bernier, Alternate

ABSENT

Joseph Duncan, Alternate
Dean Wojcik, 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: *none*

COMMUNICATIONS: *none*

ALTERATIONS TO THE AGENDA: *none*

AGENDA:

1. APPROVAL OF MINUTES: APRIL 8, 2021 REGULAR MEETING

M/S/C: Collins/Casciano, to approve the Board of Finance April 8, 2021 Regular Meeting Minutes, with the following amendment:

Page 4, Item 5, Second sentence:

Clerk Collins stated the importance of informing and ensuring the public understands that the proposed budget could result in a 1.8 mil *rate and a* resulting ~~ramification~~ *increase* of their total tax bill, especially in light of the current revaluation.

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 Board reviewed the Treasurer's Reports, with no comments.

3. PUBLIC COMMENTS: *none*

Comment at FinancePublicComment@salemct.gov

4. SELECTMAN'S REPORT

First Selectman Lyden commended and expressed his appreciation to the Board for their hard work during a very difficult year. He also offered special thanks to former First Selectman Bob Ross for being the Moderator at the Town Meeting.

A conference call regarding the town's rating was held with Moody's and the town's Investment Advisor. In 2018 when then-Governor Dannel Malloy was proposing to significantly cut the town's Educational Cost Sharing (ECS) Funding, Salem initially received an A1 rating with a negative outlook. After speaking with them, their rating was raised to Aa3 with a positive outlook. He expects the rating to remain, relatively, the same. The rating will be helpful as the town seeks to re-fund their current bond for the Salem School Renovation and add the upcoming Salem School roof and HVAC (Heating, Ventilation, and Air-Conditioning) replacement project. The term for the re-funding will remain the same (ten years) and the interest rate will be reduced.

With the help of his wife, Kathleen, the town celebrated Earth Day with a Clean-up Day. Volunteers were invited to select a town road and were provided with Salem trash bags. Approximately 68 bags were collected. In addition, the Republican Town Committee picked up trash along Route 82.

First Selectman Lyden reported that Salem Youth Baseball League President David Donat organized a very safe and successful 2021 Spring Baseball Opening Day Ceremony during which the Public Works employees were presented with a plaque and provided gift cards as a token of appreciation for their hard work taking care of the fields.

Thanks to the hard work of Elizabeth “Buffy” Lane, a very successful annual Friends of the Salem Free Public Library Plant Sale was held during which a record-breaking total of \$2,727.00 was raised.

Approximately 30 lbs. of prescription drugs were collected by the Resident State Troopers during a four-hour Drug Take Back Day.

Trooper Ben Duffy, who has been working in the town for the past year, is now the town’s daytime trooper, taking the place of Trooper Chris Pariseau, who will become a polygraphist for the State Police. Trooper Bryce Reed is now the town’s new night-time Resident State Trooper.

Selectman Ed Chmielewski is spearheading this year’s Memorial Day Parade & Ceremony. All health & safety protocols will be followed.

Amnesty Day will be held this Saturday, May 15; Sunday, May 16, and; Wednesday, May 19. He reminded everyone that mattresses, metals, electronics, and computers are accepted free of charge year-round.

5. REFERENDUM – DISCUSSION – SET MIL RATE

Chairman Dickson reported that the budget and re-funding were overwhelmingly passed by the residents. Two options for balancing the budget and setting of the mil rate were presented: (1) a budget assuming no use of the Unassigned Fund Balance, which would increase the mil rate by 1.32, from 32.20 to 33.52, or (2) a budget proposing the use of \$510,000.00 of the town’s Assigned Capital Fund Balance for Capital Expenditures, which would result in a flat mil rate. Should the General Assembly decrease their Educational Cost Sharing (ECS) funding, the amount to be utilized from the Assigned Capital Fund Balance would increase to \$614,000.00.

Clerk Collins reported that the Governor has proposed delaying the phasing in of the new ECS formula. While the cut may not affect the FY2021/22 budget, it will affect the town over the next several years; the exact cut is unknown at this time, but it is expected to be over \$100,000.00 each year. He agreed that they should not allocate funds from their Unassigned Fund Balance for ongoing expenditures.

Chairman Dickson added that the town will be receiving additional funding due to the pandemic, but the utilization of those funds is unclear at this time. The town’s Unassigned Fund Balance is currently at a comfortable level and additional funds will be added from the expected State reimbursement of the School oil tanks. Should the Board opt to utilize \$614,000.00 from the Assigned Fund Balance, approximately \$350,000.00 to \$400,000.00 would remain in the account.

Board Member Griggs was in favor of utilizing their Assigned Fund Balance for Capital items, stating that, should any additional funds be necessary, the moneys could derive from the town's Unassigned Fund Balance.

First Selectman Lyden recited the motion that must be read into the record to expend funds from the town's Assigned Fund Balance, per the Auditors. Any additional funds that are received, either for the General Government, Board of Education, or the reimbursement for the School oil tanks, would be deposited into the town's Unassigned Fund Balance.

Board Member Casciano questioned the possibility of allocating the \$20,000.00 for the Independent Technology Analysis (Capital Plan, Line 13) for the Board of Education from their Unassigned Fund Balance. Because the town does not have adequate revenue to cover their expenses, she felt uncomfortable allocating \$614,000.00 from the town's Assigned Fund Balance, adding that utilizing their savings to balance the budget year after year was not sustainable. As such, she proposed a slight mil rate increase. Board Member Griggs agreed, stating that introducing a gradual mil rate increase might be more beneficial than a sudden large increase. First Selectman Lyden added that the mil rate has not increased in four years and raising the mil rate by 0.5 might be acceptable. While agreeing with his colleagues, Chairman Dickson stated that this would, most likely, be the final year that they would be able to utilize the funds to maintain the mil rate and that they would be doing so because of unusual circumstances. In addition, this year's revaluation will present adjustments to the town's future budget.

Clerk Collins reminded the Board that the past year has been very difficult for many people who have lost their jobs, have been on furlough, and the like. In addition, both the town and the Board of Education are slated to receive significant funding. The Board of Education has been provided with significant funding over the past four years and the mil rate has not increased. He agreed that the town will need to increase its revenues. While he is reluctant to utilize the Assigned Fund Balance, he felt that this has been an extraordinary year and expressed his strong opposition to raising the mil rate. Board Member Bourgeois concurred, expressing her opposition to raising the mil rate given the amount of money they have in their savings and the number of people who continue to struggle. She also reminded the Board of their previous discussions during which they agreed to utilize their savings to balance the budget, rather than raising the mil rate. Board Member Cadwell agreed, stating her opposition to raising the mil rate.

M/S/C: Collins/Cadwell, to allocate funds from the Assigned General Fund Balance, the Supplemental Capital Fund, in the amount of \$614,000.00 to be used for Capital Expenditures in the FY2021/22 Town of Salem Budget. Roll Call vote, 6-0, all in favor. Voting in Favor: Board Members Bourgeois, Cadwell, Casciano, Collins, Griggs, and Dickson. Voting in Opposition: None.

M/S/C: Collins/Cadwell, to set the mil rate of 32.2 for FY2021/22. Roll Call vote, 6-0, all in favor. Voting in Favor: Board Members Bourgeois, Cadwell, Casciano, Collins, Griggs, and Dickson. Voting in Opposition: None.

6. EMERGENCY SERVICES AND BOE SUBCOMMITTEES

BOE (Board of Education) Subcommittee (Board Members Cadwell and Griggs) – *no report*
Fire Safety Subcommittee (Board Members Bourgeois and Casciano) – *no report*

Clerk Collins encouraged all of the departments to review their budgets and cautioned them against allocating the expected Federal funds as part of their budget for ongoing expenditures; the funds should be utilized for one-time or short-term expenses.

OLD BUSINESS – *none*

ADJOURNMENT

M/S/C: Collins/Casciano, to adjourn the meeting at 7:59 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