

**TOWN OF SALEM  
BOARD OF FINANCE  
REGULAR MEETING MINUTES  
THURSDAY, MARCH 24, 2022 – 7:00 P.M.  
SALEM TOWN HALL – CONFERENCE ROOM 1**

**PRESENT**

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

**ABSENT**

*none*

**ALSO PRESENT**

First Selectman Ed Chmielewski  
Selectwoman Pamela Munro  
Finance Specialist/HR Lisa Jablonski

**CALL TO ORDER**

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

**PLEDGE OF ALLEGIANCE**

**RECOGNITION OF VISITORS:** *none*

**SEAT ALTERNATE IF NEEDED:** *none*

**COMMUNICATIONS/PUBLIC COMMENT:** *none*

**AGENDA:**

**1. APPROVAL OF MINUTES:**

**a. MARCH 17, 2022 BOARD OF FINANCE REGULAR MEETING**

**M/S/C: Collins/Bourgeois, to approve the March 17, 2022 Board of Finance Regular Meeting Minutes, with the following amendment:**

**Page 1, Header:**

**THURSDAY, MARCH ~~10~~ 17, 2022 – 7:00 P.M.**

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

**2. ACT ON PROPOSED APPROPRIATIONS FOR FY2022/23**

**A. FINALIZE REVENUE BUDGET**

**DEPARTMENT #91 GENERAL PROPERTY TAXES**

Discussion ensued regarding the possibility of increasing Line Item #1050, MV Supplement. While the proposed amount was reduced due to the possibility of a reduction

in sales due to the increased prices for vehicles, some of the Board Members felt that the amount should be increased for the same reason. The Board agreed to adjust the amount as follows:

<u>Line Item</u>	<u>From</u>	<u>To</u>
1050, MV Supplement	\$ 50,000.00	\$ 100,000.00

**DEPARTMENT #92 STATE/FEDERAL GRANTS**

The revenue amounts are based on the information received by the State and Federal Governments. In response to Board Member Casciano regarding Line Item 1400009, Due from CNR, under Assets on the monthly Balance Sheet, Finance Specialist Jablonski stated that the line item is related to the Capital Budget; funds are temporarily entered into the line item and transferred at the end of the fiscal year by the town's CPA.

**DEPARTMENT #93 STATE/FEDERAL GRANTS FOR EDUCATION**

Line Item 1401001, Due from Special Educ. Grant Fund, on the monthly Balance Sheet, relates to the ECS (Education Cost Sharing) funds; the amount is included in the Department budget under Line Item 4-093-035, Education Equalization. Clerk Collins questioned the notation under Line Item 4-093, Grants – Other, which states “American Rescue Plan \$181,000 Estimated with few restrictions”, which is approximately \$300,000.00, based on recent discussions.

**DEPARTMENT #94 LICENSES & PERMITS**

Board Member Bernier suggested increasing the revenue for Line Item 047, Building, due to the escalation of project costs, and 049, Conveyance Tax, based on real estate values and sales. The Board agreed to adjust the following line items:

<u>Line Item</u>	<u>From</u>	<u>To</u>
047, Building	\$ 30,000.00	\$ 40,000.00
049, Conveyance Tax	\$ 45,000.00	\$ 70,000.00

**DEPARTMENT #95 CHARGES FOR CURRENT SERVICES**

Based on the actuals of previous years, the Board agreed to adjust the following line items:

<u>Line Item</u>	<u>From</u>	<u>To</u>
056, Recording Fees	\$ 15,000.00	\$ 16,000.00
058, Sale of Copies	\$ 900.00	\$ 3,000.00
063, CFC Evacuation Fees	\$ 750.00	\$ 2,500.00

**DEPARTMENT #96 REVENUE FROM USE OF TOWN MONEY**

*No changes were made.*

**DEPARTMENT #97 MISCELLANEOUS REVENUE**

The Board will inquire with the Treasurer regarding what the revenue of Line Item 076, Miscellaneous/Other includes.

- M/S/C: Collins/Cadwell, to approve the projected revenue for Department #91 – General Property Taxes in the amount of \$12,622,255.00. Discussion: Line Item 1050, MV Supplement, was increased from \$50,000.00 to \$100,000.00. Voice vote, 6-0, all in favor.**
- M/S/C: Collins/Cadwell, to approve the projected revenue for Department #92 – State/Federal Grants in the amount of \$517,233.00. Discussion: None. Voice vote, 6-0, all in favor.**
- M/S/C: Collins/Cadwell, to approve the projected revenue for Department #93 – State/Federal Grants for Education in the amount of \$2,528,749.00. Discussion: None. Voice vote, 6-0, all in favor.**
- M/S/C: Collins/Cadwell, to approve the projected revenue for Department #94 – Licenses & Permits in the amount of \$166,000.00. Discussion: Line Items 047, Building, was increased from \$30,000.00 to \$40,000.00 and 049, Conveyance Tax, was increased from \$45,000.00 to \$70,000.00. Voice vote, 6-0, all in favor.**
- M/S/C: Collins/Cadwell, to approve the projected revenue for Department #95 – Charges for Current Services in the amount of \$26,250.00. Discussion: Line Items 056, Recording Fees, was increased from \$15,000.00 to \$16,000.00; 058, Sale of Copies, from \$900.00 to \$3,000.00, and; 063, CFC Evacuation Fees, was increased from \$750.00 to \$2,500.00. Voice vote, 6-0, all in favor.**
- M/S/C: Collins/Cadwell, to approve the projected revenue for Department #96 – Revenue from Use of Town Money in the amount of \$6,000.00. Discussion: None. Voice vote, 6-0, all in favor.**
- M/S/C: Collins/Cadwell, to approve the projected revenue for Department #97 – Miscellaneous Revenue in the amount of \$28,000.00. Discussion: None. Voice vote, 6-0, all in favor.**
- M/S/C: Collins/Cadwell, to approve the total Revenue for FY2022/23 in the amount of \$15,894,487.00. Discussion: None. Voice vote, 6-0, all in favor.**

## **B. FINALIZE BUDGET FOR PUBLIC HEARING**

The revised revenue amount results in a shortfall of \$1,033,441.00 or 8.19%.

Discussion ensued regarding the Restricted, Assigned, Undesignated, and Unassigned Fund Balances. The Unassigned Fund Balance, a.k.a. Rainy-Day Fund, is currently at 18%, which is within the range recommended by the Auditors. The Assigned Fund Balance is to be utilized for Capital expenses only. The Assigned Fund Balance was created during Governor Malloy's term to safeguard the Town from being penalized for having an Unassigned Fund Balance that is over 15%. According to the Auditor's Report, the Town

has four (4) Fund Balances: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

#### Capital Plan Budget

The Board Members discussed adjusting the Capital Plan items to help balance the budget. Board Member Rucci suggested the possibility of moving out and recommending \$600,000.00 of non-emergent items to the ARPA (American Rescue Plan Act) Committee for funding and utilizing one of the Fund Balances for the remaining amount. Clerk Collins and Board Member Bourgeois proposed the possibility of flat funding Line Item 28, PW Road Rehab, on the Capital Plan, reducing the amount from \$447,243.00 to \$433,572.00. The line item is incrementally increased annually to accommodate for inflation costs, but has been either cut or flat-funded in recent years to help balance the budget. Clerk Collins also suggested the possibility of eliminating the Board's previous allocation of \$20,000.00 for Line Item 10, Independent Technology Analysis, based on Superintendent Brian Hendrickson's statement that the allocated funds are insufficient.

With respect to the Insurance costs, Board of Education (BOE) Chairman Sean Reith and Superintendent of Schools Brian Hendrickson reported that the Salem Federation of Teachers has reviewed the information with the Health Advocate and the District will be meeting with the staff to discuss the State Plan. In addition, a tentative meeting is scheduled between the School and the Town regarding the State Plan. Additional details are also in process. Should an agreement be reached, the amount would be reduced by \$130,000.00; the reductions will be reflected in both the Salem School and District Office budgets. Finance Specialist Lisa Jablonski added that the town's insurance numbers have also been adjusted.

Extensive discussion ensued regarding the possibility of reducing or pushing out the funding for Line Items 3, BOE Front & Back Lot – Pave, Mill, Stripe, Curbing (\$93,153.00), and 5, BOE Network Upgrades (\$109,768.00). In response to Board Member Bourgeois who questioned why the Network Upgrades were not part of their COVID-19-related funding request, Superintendent Hendrickson stated that, in contrast to the broad requirements of the town's ARPA Funds, the BOE's COVID-19-related funding centered on learning loss, learning recovery, and special education. BOE Chairman Reith added that the Network Upgrades are related to the School's switches, servers, network infrastructure, and cybersecurity and are not directly related to the students' education. The item has been requested for Capital Funding years prior. First Selectman Chmielewski reminded the Board that approximately 30% of the Town's first allotment of ARPA Funds was allocated to the School for the generator replacement. He explained that the town's initial reasoning behind excluding the BOE from the town's ARPA Committee was based on the knowledge that they would be receiving separate funding. Based on the knowledge gained from their discussions, he was receptive to supporting the appointment of BOE Chairman Reith to the Committee. He also expressed his openness to supporting the allocation of funds for the

Network Upgrades utilizing the Town's ARPA Funds. The risks of not funding the Network Upgrades in hopes that it would be funded by the Town's ARPA Funds were discussed, including the ARPA Committee opposing the funding or, if funded, whether the funds and the equipment would be received and installed by September 2022 when the Network would no longer be supported.

Chairman Dickson proposed the possibility of pushing out the BOE Front & Back Lot. First Selectman Chmielewski reported that Public Works Director Donald Bourdeau, Jr., reported that the BOE Front & Back Lot may be reduced to \$50,000.00.

In response to Board Member Bourgeois regarding whether the BOE expects to return any unexpended funds from the current fiscal year to the Town, BOE Chairman Reith reported that, as of February 2022, there were \$243,282.00 of unexpended funds and compared the amount with previous years.

The Board Members agreed to adjust the following line items in the Capital Plan:

Line Item	From	To	Savings
28, PW Road Rehab	\$ 447,243.00	\$ 433,572.00	\$ 13,671.00
3, BOE Front & Back Lot	\$ 93,153.00	\$ 0	\$ 93,153.00
			\$ 106,824.00

With the reduction, the revised revenue amount results in a shortfall of \$926,617.00 or 7.34%.

#### General Government Budget

The following Department Budgets remain unchanged:

Department 100 – Selectman

Department 105 – Salaries

Board Member Griggs felt that the budget should more accurately reflect the actual numbers, noting that \$37,600.00 was transferred into, primarily, Town Hall Salaries from other line items in FY2020/21.

Department 110 – Building Official/Sanitarian

Department 112 – Town Clerk

Department 114 – Treasurer/Auditor/BOF

Department 116 – Assessor

Department 118 – Tax Collector

Department 122 – Registrar

Department 134 – Town Office Operation

Finance Specialist Jablonski reported that the expenses for Line Item 5-134-269, Water Treatment, were increased by \$1,000.00 due to the purchase of individual water bottles vs. large jugs, which are now being purchased due to the pandemic.

Department 135 – Municipal Building Maintenance

Department 136 – Employee Benefits

Department 140 – Utilities

Finance Specialist Jablonski reported that the \$1,000.00 increase in Line Item 5-140-702, Telephone Library, is due to maintenance fees for the new telephone system.

Department 152 – Town Services

Department 158 – Library

Department 210 – Security

Department 220 – Gardner Lake Fire Company

Department 230 – Ambulance

Department 240 – Public Safety

Board Member Bourgeois confirmed that the 9-1-1 software is included in the Public Safety budget rather than Fire Companies' budgets.

Department 410 – Transfer Station

Department 600 – Economic Development

Department 610 – Inland Wetlands Conservation Commission

Department 640 – Zoning Board of Appeals

Department 810 – Unanticipated Expenses

Department 910 – Interest Payments

Department 920 – Principal Payable

Department 925 – Capital Reserve Account

Department 926 – Open Space Land Acquisition Fund

Department 935 – Revaluation

The following adjustments were made to the following Departments:

Department 126 – Town Counsel

Line Item	From	To	Savings
5-126-208, Town Issues	\$ 42,645.00	\$ 36,000.00	\$ 6,645.00

Department 157 – Regional Services

Line Item	From	To	Savings
5-222-821, T.V.C.C.A.	\$ 1,000.00	\$ 1.00	\$ 999.00

Department 222 – Salem Fire Department

Line Item	From	To	Savings
5-222-013, GLVFC Equipment	\$ 3,500.00	\$ 2,750.00	\$ 750.00
5-222-018, SVFC Equipment	\$ 6,500.00	\$ 5,750.00	\$ 750.00

5-222-438, GLVFC Chief's Account	\$ 3,000.00	\$ 2,500.00	\$ 500.00
5-222-477, SVFC Expendables	\$ 5,500.00	\$ 5,250.00	\$ 250.00
5-222-478, GLVFC Expendables	\$ 3,700.00	\$ 3,450.00	\$ 250.00
5-222-517, GLVFC Training	\$ 8,000.00	\$ 7,500.00	\$ 500.00
5-222-518, SVFC Training	\$ 7,800.00	\$ 7,300.00	\$ 500.00
5-222-612, GLVFC Vehicle Maintenance	\$ 18,500.00	\$16,500.00	\$ 2,000.00
5-222-618, SVFC Repair/ Maintenance of Equipment	\$ 23,000.00	\$ 21,000.00	\$ 2,000.00
5-222-622, SVFC Radio Repair	\$ 4,000.00	\$ 3,200.00	\$ 800.00
5-222-629, GLVFC Radio Repair	\$ 5,325.00	\$ 4,525.00	\$ 800.00
5-222-829, GLVFC Building Maintenance	\$ 3,485.00	\$ 3,335.00	\$ 150.00
			\$ 9,250.00

Department 310 – Public Works

Line Item	From	To	Savings
5-310-023, Repair/ Maint. Vehicles	\$ 70,420.00	\$ 64,500.00	\$ 5,920.00

Department 630 – Planning and Zoning Commission

Line Item	From	To	Savings
5-630-224, Legal Services	\$ 25,000.00	\$ 20,000.00	\$ 5,000.00

Department 645 – Recreation Commission

Line Item	From	To	Savings
5-645-645, Maintenance	\$ 15,000.00	\$ 13,000.00	\$ 2,000.00
5-645-927, Salem Recreation Association Programs	\$ 13,800.00	\$ 11,300.00	\$ 2,500.00
			\$ 4,500.00

Expenditures:	\$ 16,788,790.00 (\$415,000.00 or 2.54% increase)
Revenue:	\$ 15,894,487.00 (1.37% increase)
Surplus/Shortage:	- \$ 894,303.00 (7.09%)

The revised Capital Plan Budget is \$998,830.00 (11.68% decrease).

The revised General Government Budget is \$4,405,548.00.

One mil equals approximately \$458,000.00, per the revised Grand List.

Board of Education (BOE)

The BOE Budget was increased by \$333,566.00 or 3.02%.

Extensive discussion ensued regarding the BOE Budget and its sustainability. Board Member Bourgeois stated that adjustments should be made to accommodate for the declining enrollment. In FY2018/19, the BOE presented a budget with a 1.01% decrease due to reduced student enrollment. In addition, the student enrollment during that period was higher and the School had one less teacher. Nevertheless, the BOE Budget has since increased by 7.32%, though enrollment has decreased by 8.4%. No other departmental budget has increased at the same rate and, this evening, departments that presented a flat budget were cut. BOE Chairman Reith, who has studied the budgets and their trends, explained that, in FY2018/19, fewer students attended East Lyme High School (ELHS), reducing their tuition expenses. Salaries, which make up 75% of the BOE budget, are increased by 3% annually and are unrelated to the student population. Likewise, ELHS Tuition rates increase annually by 6.8% to 7.3%. Approximately \$301,000.00 of the FY2022/23 proposed budget increase of \$333,566.00 is due to Special Education programming and Out of District Costs, which are not controllable; the only controllable costs are with the District Office and Salem School.

Board Member Bourgeois questioned whether a plan is in place should there be a decrease, rather than an increase, in students when the school year begins. She noted the increase in the Superintendent's hours from a 0.45 FTE to 0.70 FTE as well as maintaining a Principal and Vice-Principal for 388 schoolchildren. In addition, the BOE has returned funds annually and has yet to propose a flat budget. BOE Chairman Reith and Board Member Rucci felt that they are receiving a substantial return on their investment with the Superintendent. Superintendent Hendrickson offered an open invitation to her and the Board to visit the School and witness their workday(s) firsthand.

The Board Members were agreeable to increasing the BOE Budget by 1% to 2.5%. Board Member Belleville spoke positively of and expressed her support for the School and felt that the teacher to student ratio was appropriate. That being said, she noted that, historically, the School has been criticized for an administratively top-heavy structure and agreed that the BOE's proposed increase should be decreased, especially in light of the cuts that have been made in the budgets for other departments. Board Member Bourgeois expressed her willingness to increase the BOE budget by 1%, an 8.32% budget increase over the past four (4) years, with decreasing enrollment. Board Member Rucci felt that a 1% increase was not sufficient, stating that the School is the reason behind the town's home values and stated that he would consider a 1.5% increase. Board Clerk Collins disagreed, stating that the Town's population has remained, relatively, flat. He stated his willingness to support a 2% increase, feeling that their budget is flexible and citing his increased confidence in the Superintendent, administration, and BOE. Board Member Casciano proposed a 1.5% increase to the BOE proposed budget, citing the comments she receives



from the residents. Board Member Cadwell expressed her support for a 2.5% increase. Board Member Griggs expressed her difficulties with supporting a lesser increase than that which is being proposed, noting the Salem School District was the largest in the State with a part-time Superintendent. Board Member Bernier was supportive of an approximately 2% increase, based upon the items that are and are not controllable within their budget. Chairman Dickson agreed and, recognizing the BOE's efforts to seek efficiencies, expressed his support for a 2.5% increase. Based on the Board's comments, Board Member Bourgeois was agreeable to a 1.5% increase and reiterated the unsustainability of the budget. Clerk Collins agreed and noted the existing structural issues of the School, Town Hall, and Fire Companies.

BOE Chairman Reith stated that, should the adoption of the State Healthcare Plan be successful, the School budget would increase by 0.92% or \$56,000.00 and 1.85% or \$16,797.00 in the District Office. He expressed his respect for the Board of Finance and their job at hand as well as his pride in having Board Member Bourgeois advocating for him as a taxpayer. As the Chairman of the BOE, he expressed his and the BOE's willingness to work with a 2.5% increase. He also re-introduced the concept of establishing a Non-Lapsing Account, which would provide the BOE with an additional tool that could be used to help balance the budget. Clerk Collins expressed his opposition to the Non-Lapsing Account, feeling that it would not result in a reduction of the upward trend, save the Town any funds, introduce any additional efficiencies, or change the business model.

Chairman Dickson reminded the public that decisions regarding how the budget would be funded will be made after the vote is finalized. This evening's discussions and decisions are to determine the budget that will be presented to the residents during the Public Hearing.

**M: Collins to approve an increase of 2% for the FY2022/23 Board of Education Budget.**

**M/S/C: Griggs/Cadwell, to approve an increase of 2.5% for the FY2022/23 Board of Education Budget. Discussion: Clerk Collins suggested utilizing \$100,000.00 from one of the Town's Fund Balances and increase taxes by 5.8% to help balance the budget. Roll Call vote, 4-2. Voting in Favor: Board members Cadwell, Griggs, Rucci, and Dickson. Voting in Opposition: Board Members Bourgeois and Collins.**

**M/S/C: Collins/Cadwell, to approve the appropriation of \$998,830.00 for the FY2022/23 Capital Plan Budget. Discussion: None. Voice vote, 6-0, all in favor.**

**M/S/C: Collins/Cadwell, to approve the appropriation of \$4,405,508 for the FY2022/23 General Government Budget. Discussion: None. Voice vote, 6-0, all in favor.**

**M/S/C: Griggs/Cadwell, to approve the appropriation of \$11,327,158.00 for the FY2022/23 Board of Education Budget. Discussion: None. Roll Call vote, 4-2. Voting in Favor: Board Members Cadwell, Griggs, Rucci, and Dickson. Voting in Opposition: Board Members Bourgeois and Collins.**

The FY2022/23 Proposed Budget will be presented to the residents at the Budget Public Hearing on Wednesday, April 13, 2022, at 7:00 p.m., in the Salem School Multi-Purpose Room. On the following evening, the Board of Finance will meet to finalize the budget based on the comments received during the Public Hearing. The final numbers will be presented to the residents at the Annual Town Meeting on Thursday, May 12, at 7:00 p.m., during which the residents will vote on advancing the budget to a Referendum. The budget may be decreased, but not increased, during the Town Meeting. The Referendum will be held on Wednesday, May 18, from 6:00 a.m. to 8:00 p.m., at Town Hall. Should the budget pass, the Board will begin discussing how the budget will be funded and set the mil rate. Should the budget fail, the Board will reconvene to discuss reformulating the budget.

<b>GENERAL GOVERNMENT:</b>	<b>\$ 4,405,508.00</b>
<b>BOARD OF EDUCATION</b>	<b>\$ 11,327,158.00</b>
<b>CAPITAL EXPENDITURES:</b>	<b>\$ 998,830.00</b>
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<b>TOTAL:</b>	<b>\$ 16,731,496.00</b>
<b>TOTAL REVENUE:</b>	<b>\$ 15,894,487.00</b>
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<b>TOTAL SURPLUS/SHORTAGE</b>	<b>- \$ 837,009.00</b>

**OLD BUSINESS:** *none*

#### **ADJOURNMENT**

**M/S/C: Griggs/Rucci, to adjourn the meeting at 11:40 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