

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, FEBRUARY 8, 2024 – 7:00 P.M.
SALEM TOWN HALL – CONFERENCE ROOM 1**

**The Minutes submitted below have been filed in accordance with
section 7-342 of the CT General Statutes. They are subject to final approval
with or without amendments by a vote of the Board of Finance (BOF).
Approval and any such amendments will be detailed in subsequent BOF minutes.**

PRESENT

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

ABSENT

none

ALSO PRESENT

First Selectman Ed Chmielewski
Finance Specialist Lisa Jablonski

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE, IF NEEDED: *none*

COMMUNICATIONS:

- a. Copy of an email from Board of Education (BOE) Chairman Sean Reith requesting an expedited boiler and fire panel replacement.
- b. Document(s) related to the approval of the Audit from King, King & Associates, P.C.

ADJUSTMENTS TO THE AGENDA:

M/S/C: Griggs/Bernier, to add the following item to the Agenda:

7. BOE EXPEDITED BOILER & FIRE PANEL REPLACEMENT REQUEST

**Discussion: The items following the addition will be renumbered accordingly. Voice
vote, 6-0, all in favor.**

The Board Members also agreed to move Item 4, Selectman's Report to follow Item 5, Act on Proposed Appropriation for FY2024/25, on the Agenda.

AGENDA:

1. APPROVAL OF MINUTES: JANUARY 25, 2024 BOF MEETING

M/S/C: Griggs/Casciano, to approve the January 25, 2024 Board of Finance Regular Meeting Minutes, with the following amendments:

Item 2(A), Act on Proposed Appropriations for 2024/25

The following proposed FY2024/25 Capital Expenditures were deferred:

Line 4, BOE Corridor Lockers	\$ 77,736.00
Line 10, BOE Replace Floor—Multi-Purpose Room	\$ 46,500.00

...Per the Auditor's recommendation, the Capital Plan Budget should be within 10% of the town's overall budget, ~~excluding~~ *including* the Principal and Interest.

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

2. TREASURER'S REPORTS

A. REVENUE SUMMARY

B. TRIAL BALANCE

C. FUND BALANCE

D. OTHER

Treasurer Pam Henry reviewed the Balance Sheet and Budget vs. Actual reports. The necessary adjustments will be made by the Auditors once the Audit is finalized. Discussion ensued regarding the need to correlate the names in the Audit Report with that of the Treasurer's Reports for added clarity. A Quarterly Report regarding the Fund Balance will be provided to the Board in the future.

The Budget vs. Actual report reflects the receipt of the Registrar Grant for Early Voting (Line Item, 420000-099, Miscellaneous). The tax collection rate as of last week was 96.04%.

3. PUBLIC COMMENTS – none

4. FY2022/23 AUDIT PRESENTATION

King, King & Associates, P.C., Partner Christopher King, CPA, CGMA, and Audit Lead Deane, P.C., presented the highlights of the town's FY2022/23 Audit via *Zoom*.

The Audit Report is comprised of four (4) sections:

Annual Financial Audit Statement – Overall, the town's revenue exceeded its expenditures. The town's Unassigned Fund Balance increased to 24.8% as a result of the closing of the School Construction Fund, anticipated unused Unassigned Funds, and the East Lyme Reconciliation. The town's anticipated revenue was also exceeded and

increased rates in investment income also helped increase the Unassigned Fund Balance. The town's Long-Term Debts, which include two (2) bonds, equipment financing, and liabilities, total approximately \$3.85 million. The State is in constant discussion regarding the possibility of pushing their portion of the Teachers' Retirement Pension Liability of approximately \$1 million and OPEB (Other Postemployment Benefits) of approximately \$15,000.00 to towns. The Tax Collector's report reflects an amount of approximately \$254,000.00 in outstanding payments, which is 1.9% of the Current Levy, below the 2% to 6% benchmark.

Federal Single Audit – As a result of the receipt of COVID-19-related funds, the town exceeded the \$750,000.00 threshold for a Federal Grant Compliance Audit. The amount also includes the receipt of school-related funding. The Child Nutrition Cluster and ARPA (American Rescue Plan Act) Funds were tested. There were no reported findings.

State Single Audit – The majority of funds received by the State derive from the Education Cost Sharing (ECS) and Excess Cost Student Based and Equity. The Town Aid Road (TAR) and LoCIP (Local Capital Improvement Plan) Grants were tested. There were no reported findings.

Management Letter – Suggested housekeeping improvements include reviewing and adjusting the Accounts Payable amounts from previous years, as necessary; reviewing and documenting bank reconciliation approvals prepared by the accounting consultant, and; investigating and resolving old outstanding items.

The document will be finalized and filed after a final response from the BOE Attorney is received. The Audit will be filed by the end of February.

5. ACT ON PROPOSED APPROPRIATIONS FOR 2024-2025

A. #110 BUILDING OFFICIAL

Building Official Vernon Vesey, III, presented the budget request for Department #110 – Building Official, which remains flat. He stated that the department has been busy and continues to bring in funds into the town, with very few, if any, expenditures.

B. #112 TOWN CLERK'S DEPARTMENT

Town Clerk Julie Stoken presented the budget request for Department #112 – Town Clerk's Department, which includes an increase of \$1,300.00 or 7.7% due to costs related to conference fees, mileage, and training.

C. #114 TREASURER/AUDITOR/BOF

First Selectman Chmielewski presented the budget request for Department #114 – Treasurer/Auditor/BOF, which includes an increase of \$22,482.00 or 6.00% due to added costs related to the Federal Single Audit and OPM (Office of Policy Management) Report. The town has a five (5) year contract with King, King & Associates, with the escalation costs as outlined in the contract; there is no option to cancel.

D. #122 REGISTRAR/ELECTIONS

Registrar of Voters Betsy Butts and Athena Sartori presented the budget request for Department #122 – Registrar/Elections, with an increase of \$16,271.00 or 77.90 %. A letter from the Secretary of State regarding the Early Voting was presented to the Board. While the current year's budget includes an increase due to the April Presidential Preference primaries and its associated costs, it does not include the expenses related to Early Voting, which was unknown at the time. While the cost of the personnel will be covered by the State's one-time \$10,500.00 Early Voting Grant, its implementation, including the added paperwork, additional printing costs, and programming, is not included. It was noted that the Early Voting process includes several unknown factors and details that have yet to be conveyed by the State.

E. #645 RECREATION COMMISSION

Recreation Commission Chairperson Mary Durkee presented the budget request for Department #645 – Recreation Commission, with a 3.53 % or \$1,710.00 increase due to an increase for Holiday Activities, Community Outreach, and Weekend School Access. The Commission has been readjusting its focus to hosting more community and family events, including an added Summer Concert this year and Fun Run Series. In addition, they are in the process of finalizing a newsletter listing their annual events and upcoming programs. The Commission is also in the process of planning youth sports clinics, working with the School to host a Public Safety Day, and playing a more active role in supporting the town's annual events, including the Easter Egg Hunt and Trunk or Treat. In response to Board Member Belleville, the funds for the Weekend School Access had not been expended as of November 29, 2023, due to the vacant weekend custodian position.

F. #210 SECURITY

First Selectman Chmielewski presented the proposed budget for Department #210 – Security, which includes an increase of \$51,000.00 or 13.24% due to a projected salary and benefits increase for the Resident State Trooper Program and increased patrols at Gardner Lake during the summer months. Approximately 1,926 Calls for Service, 50 Calls for Service, and 10 Alarm Calls for Salem School were received for the town. In addition, as a result of an increase in reported vehicle break-ins and burglaries, additional funding for proactive neighborhood and business patrols and instituting a Citizens Police Academy program is also being requested. Last summer, approximately \$8,000.00 was expended for State Police overtime costs and the services of a tow truck company to manage the issues at Gardner Lake. The Board requested that separate line items be created for the Gardner Lake expenses and Other Initiatives. Board Member Rucci also requested a copy of the Resident State Troopers invoice for the previous year. The Board agreed to table the budget request for Department #210, Security.

G. #600 ECONOMIC DEVELOPMENT

First Selectman Chmielewski presented the proposed budget for Department #600 – Economic Development, with an increase of \$3,500.00 or 233% due to increases for training, seminars, and promotional materials. The Commission has become very active over the past year hosting events, grand openings for new businesses, and showcasing and promoting its local businesses. They are also planning to draft an updated Businesses and Services Directory. The Board Members questioned how the Commission is funding their activities, noting that they have not expended any of their budgeted funds, as of November 29, 2023. The proposed budget for the Economic Development Commission will be flagged.

H. #610 INLAND WETLANDS & CONSERVATION COMMISSION

Inland Wetlands & Conservation Commission Vice Chairperson Diba Khan-Bureau presented the proposed budget for Department #610 – Inland Wetlands & Conservation Commission, with an increase of \$267.00 or 7.42%. The increase includes additional costs for GIS expenses, which are shared with other departments, and training sessions. The proposed amount for Line Items 5-610-261, Legal Services, and 5-610-941, Engineering is an estimation for any possible future expenses and is unpredictable.

I. #630 PLANNING & ZONING COMMISSION

Planning & Zoning Commission Chairman Vernon Smith presented the proposed budget for Department #630 – Planning & Zoning Commission, with an increase of \$4,800.00 or 18.75% due to increases in Legal Services and Engineering costs, which is expected to continue for ongoing issues. The cost increases are offset by reductions in other line items.

J. #640 ZONING BOARD OF APPEALS

The proposed budget for Department #640 – Zoning Board of Appeals remains flat.

K. #710 MUNICIPAL INSURANCE

The proposed budget for Department #710 – Municipal Insurance, includes an increase of \$6,644.00 or 4.00% due to an increase in General Liability and Workers Compensation. A new line item for Cyber, with an estimated cost of \$15,000.00, was created in addition to an Active Assailant line item for \$1,749.00, which might be beneficial for the town should an incident occur. The Board Members agreed to eliminate the line item for the time being. The proposed budget amount for the department was revised to \$157,030.00.

L. #810 UNANTICIPATED EXPENSES

The proposed budget for Department #710 – Municipal Insurance, includes an increase of \$300.00 or 25.00%. Funds from the line item is primarily utilized for funeral flowers.

M. #935 REVALUATION

The proposed budget request for Department #935 – Revaluation, remains flat.

N. #910 INTEREST PAYMENTS

The proposed budget for Department #910 – Interest Payments includes a decrease of \$16,875.00 or -14.44%.

O. #920 PRINCIPAL PAYMENTS

The proposed budget for Department #920 – Principal Payable includes an increase of \$5,000.00 or 1.49%.

M/S/C: Bernier/Cadwell, to approve the appropriation of funds for the following departments, subject to review and/or revision and pending approval at the Board of Finance’s March 21, 2024 Regular Meeting:

Department	FY2024/25 Proposed Budget
#110 – Building Official	\$ 4,503.00
#112 – Town Clerk	\$ 18,189.00
#114 – Treasurer/Auditor/BOF	\$ 43,830.00
#122 – Registrar/Elections	\$ 37,159.00
#645 – Recreation Commission	\$ 50,182.00
#600 – Economic Development	\$ 5,000.00
#610 – Inland Wetlands & Conservation Commission	\$ 3,867.00
#630 – Planning & Zoning Commission	\$ 30,400.00
#640 – Zoning Board of Appeals	\$ 800.00
#710 – Municipal Insurance	\$ 157,030.00
#810 – Unanticipated Expenses	\$ 1,500.00
#910 – Interest Payments	\$ 100,000.00
#920 – Principal Payments	\$ 340,000.00
#935 – Revaluation	\$ 1.00

Discussion: Department #210 – Security was tabled and Department 600 – Economic Development was flagged. Voice vote, 6-0, all in favor.

6. SELECTMAN’S REPORT

First Selectman Chmielewski stated that the departmental reports will be provided to the Board. He commended the Finance Department for their hard work in facilitating the budget sheets and the Public Works Department, Resident State Troopers, Fire Companies, Emergency Services, and Emergency Management for their efforts during the recent storms. He reported that the Assessor is in the process of completing the Grand List. Both the Recreation Commission and Library and Recreation Commission are busy organizing various events and former Zoning/Wetlands Officer Liz Burdick has returned to the town as its Town Planner through the Southeastern Connecticut Council of Governments.

7. BOE EXPEDITED BOILER & FIRE PANEL REPLACEMENT REQUEST

Chairman Dickson reported that a letter, dated February 2, 2024, was received from BOE Chairman Reith requesting an expedited boiler and fire alarm panel replacement due to recent events. He noted that the boiler is included in the current year's Capital Budget and a supplement is included in the proposed FY2024/25 Capital Budget. The Board Members discussed the need for additional clarity regarding when the funds are needed and the receipt of a plan, adding the possible need for approval by the Board of Selectmen for a Supplemental Appropriation or Town Meeting, depending on the requested amount. Chairman Dickson will draft a letter requesting clarity, the urgency of the matter, and supporting documentation as well as their presence to respond to questions.

8. DISCUSSION REGARDING DEDICATION FOR ANNUAL REPORT

The Board Members agreed to dedicate the Annual Report to former resident Eric Belt and George and Bobbie Ziegra.

9. LIAISON REPORTS

a. BOE

BOE Liaison Griggs presented the highlights of her Report, including their FY2024/25 Proposed Budget, approval of a five (5) year contract with M&J Bus, Inc., and the receipt of six (6) bids for the HAVAC Maintenance Contract. The budget increases are aimed at resolving specific issues, including reducing the number of outplacements for Special Education students.

b. EMERGENCY SERVICES – *no update*

OLD BUSINESS – *none*

ADJOURNMENT

M/S/C: Griggs/Bellville, to adjourn the meeting at 9:42 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

A VIDEO RECORD OF THE MEETING CAN BE FOUND ON THE TOWN'S WEBSITE UNDER BOARDS & COMMISSIONS – BOARD OF FINANCE – MEETING VIDEOS.