

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, MAY 11, 2017 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

TJ Butcher, Chairman
George Householder, Clerk
Deborah Cadwell
Janet Griggs
Hernan Salas
John Houchin (*seated*)
Will Evanson, Alternate

ABSENT

Marshall Collins

GUESTS

none

ALSO PRESENT

First Selectman Kevin Lyden
Board of Education (BOE) Chairman Michael Siebert
BOE Liaison Sean Reith

CALL TO ORDER:

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

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED:

M/S/C: Householder/Griggs, to seat Alternate Member Houchin for Full Member Collins.

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

COMMUNICATIONS:

Clerk Householder recited the following comments received in the Comment Box during the Budget Referendum:

- 1) Need for a ramp at the meeting room rear door
- 2) BOE should live within the means of the community they educate; salaries of the Central Office employees are outlandish and should be more in line with the Town employees
- 3) Request to fund the Special Education Teachers should the State cut the funding, as expected
- 4) Request to pass the BOE budget, in full
- 5) Request to consider adding funding to the School; the State's lack of funding is serious and the Town should take more responsibility to ensure that the School is adequately funded
- 6) Undesignated Fund Balance is too high
- 7) The biggest budget should receive the biggest cut, i.e., the School budget

- 8) All funds should be allocated to the School and funds should not be taken from the School
- 9) The BOE budget cuts are too deep; Salem School always suffers
- 10) The BOE budget is too high, but is better than it might have been
- 11) Thanks to the BOE and Board of Finance for their hard work in establishing the budget. Feels strongly that the BOE budget is at its bare minimum. The education children receive at Salem School is one of the main reasons their family moved to Salem and is the only reason that newcomers are moving to Salem. Should the Town decide not to fully fund the School, everyone will lose.

ADDITIONS TO THE AGENDA: *none*

AGENDA:

1. APPROVAL OF MINUTES: APRIL 13, 2017 BOF Meeting

M/S/C: Griggs/Householder, to approve the Meeting Minutes of April 13, 2017 Board of Finance Regular Meeting with the following amendment:

Page 1, Communications: ~~T.J. Butcher~~ *G. Householder* read a communication...

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 *Revenue Receipts, Budget vs. Actual, Balance Sheet, and Capital Non-Recurring Fund* were reviewed, with no unusual occurrences. In response to Chairman Butcher who noted that the line item for State/Federal Grants (Line item 420000) is at 114%, Treasurer Pam Henry stated that the amount is slightly deceiving in that the Trail Reimbursement Grant was received and temporarily placed under Reimbursable Grants (Line item 420000-032). Clerk Householder reported that the Town is in very solid shape with regards to the incoming revenue, being approximately \$98,000.00 above budget in General Property Tax (line item 410000), \$56,000.00 above budget in State/Federal Grants (line item 420000), and \$34,000.00 above budget in Grants for Education (line item 4-093). And, after speaking with Tax Collector Cheryl Philopena, he stated that an additional \$20,000.00 to \$30,000.00 is expected to be collected in the very near future. Funding for the LoCIP (Local Capital Improvement Program, line item 420000-011), Pequot/Mohegan Funds (line item 420000-009), and Municipal Projects (line item 420000-012) have been frozen by the State for the time being and the Town will, most likely, not receive those funds. Treasurer Henry will investigate the numbers indicated for line items 5-910-995 – East Lyme Debt Service Interest and 5-910-992, 2012 – School Revenue Bond Interest.

Chairman Butcher thanked Treasurer Henry and commended her for her hard work.

3. PUBLIC COMMENTS – *none*

4. SELECTMAN'S REPORT

First Selectman Lyden congratulated the Board on getting the budget passed and commended them on a good job over the past several months in determining and maintaining a fair and healthy budget.

Representatives from Care & Share, serving both East Lyme and Salem, provided an enlightening presentation to the Board of Selectmen. In addition to providing food, they also offer clothing, scholarships, camperships, and limited financial aid for those in need.

A very successful Tonya Harris Benefit Dinner was held, thanks to the help of the Salem and Gardner Lake Volunteer Fire Companies, Salem School PTO, Girl Scouts, and Moms Club – all of whom helped serve over 400 pasta dinners. Ms. Harris, who attended the Dinner, was overwhelmed and very thankful for all of the support she is receiving from the community.

A PTO-sponsored Harlem Wizards vs. Super Cougars Basketball Game was held at East Lyme High School. Salem basketball players included Salem Volunteer Fire Company Chief Rick Martin; Troopers Luke LaRue and Chris Pariseau, and; Salem School teachers and staff.

An informative and interactive Freedom of Information Act Workshop, presented by the Freedom of Information Commission's Public Education Officer Tom Hennick, was held. Attendees included members of the Board of Selectmen, Board of Finance, Board of Education, Uncas Health District, and Finance Department. Board Member Griggs informed the Board that members may send an informational e-mail to all of their fellow Board Members, but must do so with no commentary, editorializing, or discussion.

He sadly reported that Virginia Casey, who worked in the Finance and Human Resources Department, passed away last week. \$100.00 will be sent to Hospice, as requested by her family. Her husband expressed her love for working with the Town of Salem and its staff and Board of Finance.

First Selectman Lyden was thanked for his report and, likewise, congratulated for the budget.

5. FIRST SELECTMAN TRANSFER REQUESTS

The Town has accrued and is accruing legal and maintenance fees related to a foreclosed condominium. A few individuals have expressed an interest in purchasing the property. The item will go to the Board of Selectmen, then to a Town Meeting for approval to sell the property, and, then, back to the Board of Finance.

M/S/C: Householder/Houchin, to approve the following transfers:

From: 5-138-802, Employee Benefits, Medical/Dental/Life Insurance

To: 5-105-119, Salaries, On Call Program

Amount: \$10,000.00

From: 5-138-802, Employee Benefits, Medical/Dental/Life Insurance
To: 5-105-113, Salaries, Recording Secretary
Amount: \$1,000.00

From: 5-710-571, Insurance
To: 5-126-208, Town Counsel, Town Issues
Amount: \$8,000.00

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

6. DISCUSSION – PLANS FOR BOE 2016-17 SURPLUS (*attached*)

BOE Chairman Siebert reported that they currently have \$202,776.00 in unencumbered funds as of April 30, 2017. At the advisement of the accounting firm, they are proposing to fund a number of one-time expenses that were temporarily frozen in their current budget totaling \$26,650.00. In addition, they are proposing to fund a number of one-time expenses that were cut from their 2017-2018 fiscal year budget totaling \$83,106.00. Discussion ensued regarding the three technology items (Chromebooks and Chromebook cart, Dell OptiPlex 3040 towers, and Dell Latitude 3380 Laptops) in the latter list. It was clarified that these items were requested by the School and presented to the Superintendent, who, subsequently, did not include these items in his proposed budget to the BOE. As such, these items were neither presented to nor or approved by the BOE or presented to the Board of Finance. First Selectman Lyden expressed his concern and the importance of determining which items are definite needs vs. which are wants, especially during these fiscally challenging times. BOE Chairman Siebert stated that, normally, a grant would be sought after for the funding of these items, but the availability of grants has dwindled. The Chromebooks are definite needs to ensure that each student is supplied with a computer during class time. The current Optiplex Towers, which are used with the Smart boards, are developing issues related to their age. The Dell Latitude Laptops would be supplied for staff use and, likewise, the current laptops are experiencing issues related to their age. Alternatives were investigated and reviewed. Utilizing their unencumbered funds to purchase these items would provide the BOE with a cushion in the 2017-2018 fiscal year budget. The BOE has voted and approved to purchase the items, totaling \$83,106.00. Following these purchases, the remaining funds of \$93,020.06 will be returned to the Town. The Board requested a list of all of the hardware the School owns, along with their respective ages.

Chairman Butcher expressed his appreciation to BOE Chairman Siebert for his efforts in maintaining transparency and willingness to work together with the Town, which is something he is experiencing for the first time in the seven years he has been serving on the Board.

7. REFERENDUM – DISCUSSION – SET MIL RATE

Chairman Butcher reviewed the results and responses received from the referendum:

1. Shall the Town of Salem approve the proposed municipal budget in the amount of \$15,069,851.00?
Yes: 168 No: 45 Total Voters: 213
2. In your opinion, are the General Government and Capital Budget in the amount of \$4,521,626.00 for fiscal year 2017-2018...
Too Low: 23 Just Right: 155 Too High: 30
3. In your opinion, is the Board of Education Budget in the amount of \$10,548,225.00 for fiscal year 2017-2018...
Too Low: 55 Just Right: 77 Too High: 78

Clerk Householder stated that the Town began its fiscal year with an Unassigned Fund Balance of \$2,252,000.00. Of those funds, a total of \$29,000.00 has been spent for the Resident State Troopers, Library Internet, and tires for one of the Fire Trucks, resulting in a balance of \$2,223,000.00. Based on the total income that has been received and that they are expecting to receive for General Property Taxes, State/Federal Grants, Grants for Education, Licenses & Permits, etc., he estimates that the Unassigned Fund Balance will be approximately \$271,000.00 more than previously anticipated. In addition, the Board agreed to allocate any remaining funds from the State into the Capital Reserve Fund, but, because a Town Meeting is required to do so, these funds, totaling approximately \$162,000.00, are currently floating. With the funds that will be returned by the BOE (\$93,020.06) and the General Government (to be determined), he proposed utilizing \$168,782.00 of their Unassigned Fund Balance. This will result in a mil rate of 0.50. In response to Board Member Griggs' concerns regarding the recently announced \$5 billion State deficit and the likelihood of a large mid-year budget cut, Chairman Butcher stated that the Town's healthy Unassigned Fund Balance, which would be maintained at approximately 15%, should, hopefully, help them with those mid-year budget cuts.

M/S/C: Householder/Griggs, to increase the mil rate from 31.7 to 32.2 mils. Discussion: None. Voice vote, 6-0, all in favor.

Clerk Householder will send the new mil rate to Tax Collector Philopena and credited their success to their collaborative efforts. Chairman Butcher congratulated everyone.

OLD BUSINESS: *none*

ADJOURNMENT:

M/C: Householder to adjourn the meeting at 8:00 p.m. Discussion: None. Voice vote, 6-0, all in favor.

Respectfully Submitted by:

Agnes Miyuki, Recording Secretary for the Town of Salem

Salem Board of Education

Unencumbered Balance 4/30/2017

\$202,776.06

2016-2017 Projects App/Not Completed

Grounds Maintenance	Playground Resurfacing	\$4,200.00	
Grounds Maintenance	General Landscaping	\$2,400.00	
Grounds Maintenance	Athletic Field Maintenance	\$3,400.00	
Grounds Maintenance	Timber Replacement	\$3,800.00	
Grounds Maintenance	Parking Lot Repairs	\$3,600.00	
Grounds Maintenance	Fence Repairs	\$800.00	
Service Contracts - School	Engineering Services	\$5,000.00	
Building Repairs	General Painting	\$1,000.00	
Building Repairs	Interior Door Replacement	\$2,450.00	
		<u>\$26,650.00</u>	<u>-\$26,650.00</u>

2017-2018 Items Cut from Budget

Grounds Maintenance	General Landscaping	\$1,000.00	
Grounds Maintenance	Athletic Field Maintenance	\$400.00	
Grounds Maintenance	Timber Replacement	\$4,000.00	
Grounds Maintenance	Fence Repairs	\$300.00	
Building Repairs	General Painting	\$400.00	
Building Repairs	Interior Door Replacement	\$1,300.00	
Building Repairs	Shed	\$400.00	
Non-instructional Equipment	School Office - Fire Proof File Cabinet	\$2,259.00	
Band Instruments	Vibraphone	\$1,973.00	
Textbooks	Social Studies	\$19,418.00	
Printing - School	Office Referrals	\$1,400.00	
Reading & LA Instruc. Supplies	ELA Intervention	\$2,600.00	
Library	Library Books	\$1,000.00	
Technology	Purchase 30 Chromebooks & Chromebook cart	\$10,605.00	
Technology	Purchase 26 Dell OptiPlex 3040 towers for Smart boards	\$14,170.00	
Technology	Purchase 30 Dell Latitude 3380 Laptops	\$21,881.00	
	Total Purchases	<u>\$83,106.00</u>	<u>-\$83,106.00</u>

Balance Remaining after Deducting Approved Purchases

\$93,020.06

2016-2017 Items Cut from Budget (Not Yet Approved)

SPED Software	RTI Direct	\$7,635.00	
Building Repairs	General Painting	\$2,000.00	
Building Repairs	Interior Door Replacement	\$2,400.00	
Building Repairs	Library Countertop	\$2,000.00	
Instructional Equipment	Grade 5 - 42 student desks	\$6,439.00	
Instructional Equipment	Grade 5 - 42 student chairs	\$4,958.00	
Instructional Equipment	Grade 6 - 2 Safeco Alpha Desks	\$958.00	
Instructional Equipment	Grade 6 - 2 stools	\$474.00	
		<u>\$26,864.00</u>	<u>-\$26,864.00</u>

Balance Remaining after Deducting All Possible Purchases

\$66,156.06