

**TOWN OF SALEM  
BOARD OF FINANCE  
REGULAR MEETING MINUTES  
THURSDAY, FEBRUARY 8, 2018 – 7:00 P.M.  
SALEM TOWN OFFICE BUILDING**

**PRESENT**

George Householder, Chairman  
Deborah Cadwell  
Marshall Collins  
Janet Griggs  
John Houchin  
Hernan Salas  
Corinne (Cory) Bourgeois, Alternate (7:12 p.m.)  
William “Skip” Dickson, Alternate

**ABSENT**

Michael Jensen, Alternate

**ALSO PRESENT**

First Selectman Kevin Lyden

**CALL TO ORDER:**

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

**RECOGNITION OF VISITORS:** *none*

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

**COMMUNICATIONS:**

1. Copy of the proposed budget cuts, as presented by Governor Dannel Malloy, which reflects an overall cut of approximately \$600,000.00 to the Town
2. E-mail from Gardner Lake Volunteer Fire Company Chief Jim Savalle proposing the purchase of a used, rather than new, fire truck to save funds
3. E-mail from Board of Education Chairman Sean Reith regarding the creation of a non-lapsing account, per CT State Statute Section 10-248  
*Board Member Griggs informed the Board that the request is, in part, due to an expected increase in tuition costs to East Lyme High School as the result of the increase in the number of students who will be reaching high school age in 2019.*
4. Forwarded e-mail from First Selectman Lyden of an e-mail from Tax Assessor Barbara Perry regarding a \$32,188.00 increase in the net grand list

**AGENDA:**

1. **APPROVAL OF MINUTES: JANUARY 25, 2017 BOF Special Meeting**  
**M/S/C: Houchin/Griggs, to approve the Special Meeting Minutes of January 25, 2017. 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 *Balance Sheet* and *Budget vs. Actual* Reports were reviewed, with no unusual occurrences. The numbers reflected in the reports are not the final audited numbers. Chairman Householder noted that their unassigned fund balance has been updated in the Town's annual financial reports to read \$2,243,900.00 or 14.89%. He also corrected that lines 4-093-173, Grants for Education – Special Education, and 4-093-187, Grants for Education – Teacher Retirement Contribution, should be eliminated since they are now incorporated into line 4-093-035, Grants for Education – Education Equalization. In response to Board Member Houchin, Treasurer Pam Henry stated that the Town does not accept tax payments for the following year in the current year and those that were received were returned. In response to Chairman Householder who questioned why line 4-097-072, Miscellaneous – Library Fees and Fines, appears to be lower than usual, Treasurer Henry reported that the funds received from Bozrah are included in that line and has not yet been received; a history of the line item will be provided to the Board. Line item 5-110, Building Office Expense, will be corrected to Building Official Expense. In response to Board Member Houchin, line item 5-126-202, Town Counsel – Labor Relations, is over-budget due to the Public Works Contract, which is now finalized. A lawsuit involving the Board of Appeals was also recently settled.

**3. PUBLIC COMMENTS – none**

**4. SELECTMAN'S REPORT**

First Selectman Lyden reported that the Mobile Food Pantry was cancelled for the second month in a row due to inclement weather. An e-blast was sent out and a notice was posted on the Town website regarding the cancellation and offered alternative options, including the Mobile Food Pantry in Colchester, Care and Share in East Lyme, and St. Vincent de Paul in Norwich.

Six to eight members of the public have expressed an interest in serving on the Bicentennial Committee. A preliminary meeting will be held and the Board of Selectmen will be appointing the members next month. While the Friends of the Library will be providing some funding, the Town will also need to determine the funding for the event(s).

The Economic Development Commission and Southeastern Connecticut Cultural Coalition, who works closely with seCTer (Southeastern Connecticut Enterprise Region), will be attending the March Board of Selectmen meeting to present their available services in an effort to create more synergy within the Town.

Upcoming projects to the Town's facilities include replacing part of the Town Hall roof, exterior repairs on the Library, and repainting the exterior of Center School. The ongoing issues with the Library's furnace are being monitored and he has suggested that the windows behind the Library's circulation desk be removed to help improve the circulation within the Library.

**5. ACT ON PROPOSED APPROPRIATIONS FOR 2018-2019**

**A. #110 BUILDING OFFICIAL**

Building Official Vernon Vesey, II, presented the budget request for the Building Department, which includes an increase of \$221.00 due to the purchase of revised Code Books, which are expected to be released in July 2018. The difference was somewhat offset by decreases in other line items.

**M/S/C: Houchin/Collins, to approve the appropriation of funds in the amount of \$3,803.00 for Department #110 – Building Department, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**B. #112 TOWN CLERK'S DEPARTMENT**

Town Clerk Linda Flugrad presented the budget request for the Town Clerk's Department, which includes a reduction of \$180.00 due to reductions in marriage licenses, vital statistics, microfilming, and scanning.

**M/S/C: Collins/Salas, to approve the appropriation of funds in the amount of \$15,645.00 for Department #112 –Town Clerk's Department, subject to review and/or revision.**

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

**C. #114 TREASURER/AUDITOR/BOF**

First Selectman Lyden presented the budget request for the Treasurer/Auditor/BOF, which remains flat. He reported that the cost for the Auditor will be slightly increased and should be offset by the Finance Officer and Treasurer taking on the task of handling the Capital account(s) in place of the CPA.

**M/S/C: Cadwell/Houchin, to approve the appropriation of funds in the amount of \$36,985.00 for Department #114 – Treasurer/Auditor/BOF, subject to review and/or revision.**

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

**D. #122 REGISTRAR/ELECTIONS**

Democratic Registrar of Voters Betsy Butts thanked the Board for their hard work and presented the budget request for Registrar/Elections, which includes an increase of \$1,535.00 due to increases in stipends for the Election Workers, conferences and mileage for training and meetings, dues, and maintenance costs for the new IVS system for the handicapped and disabled. Some of the increases were offset by decreases in the number of election workers and office expenses.

**M/S/C: Houchin/Collins, to approve the appropriation of funds in the amount of \$13,515.00 for Department #122 – Registrar/Elections, subject to review and/or revision. Discussion:**

**None. Voice vote, 5-0, all in favor.**

**E. #210 SECURITY**

First Selectman Lyden presented the budget request for Security, which includes an increase of \$9,398.00 due to an increase in the Resident State Troopers' contracts for their salaries, benefits, training, and liabilities. Towns are currently paying 85% of the costs and 100% of any overtime hours. Whenever possible, the Troopers' shifts are adjusted to avoid overtime costs. In response to Board Member Houchin, he stated that the Town is not responsible for any overtime pay when the Officers are called to serve in other towns. The Resident State Troopers respond to approximately 200 calls/month and accounts for approximately 5% of the budget.

**M/S/C: Griggs/Houchin, to approve the appropriation of funds in the amount of \$261,046.00 for Department #210 – Security, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**F. #222 SALEM VOLUNTEER FIRE COMPANY**

Salem Volunteer Fire Company Chief Gene Maiorano presented the budget request for the Fire Company, which remains flat. While the Fire Company is currently over budget due to a series of unexpected expenses and has temporarily suspended some of their spending, they expect to be requesting additional funds from the Board prior to the end of the fiscal year.

**M/S/C: Collins/Griggs, to approve the appropriation of funds in the amount of \$85,500.00 for Department #222 – Salem Volunteer Fire Department, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**G. #240 PUBLIC SAFETY**

First Selectman Lyden presented the budget request for Public Safety, which includes a decrease of \$1,300.00. Security cameras have been installed to monitor the new gas pumps and additional cameras are planned for the Public Works buildings. A fee schedule is being developed for the use of the dumpsters located at the training building in an effort to offset the costs. A line item titled Fire Training Building Expenses along with a line item for the revenue will be added to the budget. First Selectman Lyden will revise the proposed budget and return to the Board.

*The Board agreed to table Department #240 - Public Safety pending numbers for the alarm system and Fire Training Building Expenses.*

**H. #645 RECREATION**

Upon reviewing the Board's November meeting minutes, Chairman Householder apologized for the misunderstanding and the Capital request for the Volunteer Park pavilion for Fiscal-Year 2020/21 was reinstated. Chairperson Natoli presented a flat budget for the Recreation Commission. Weekend School Access will be removed from their budget. After a brief discussion, she requested that Fee-Based Activities be raised from \$15,000.00 to \$20,000.00, noting that the expense is offset by its revenue (line 4-097-074).

**M/S/C: Griggs/Collins, to approve the appropriation of funds in the amount of \$47,100.00 for Department #645 – Recreation Commission, subject to review and/or revision.**

**Discussion: In response to Board Member Salas, who stated that the increase would result in the taxpayers being taxed on the additional \$5,000.00 for the expense, Chairman Householder agreed, but felt that the additional funds expended for the fee-based activities is balanced out by the revenue earned from those same activities. He also felt that the Town is providing its residents with a service and, while the line item has been over-budgeted in the past, the current Recreation Coordinator has been more aggressive in promoting the activities and was confident that the line items would be balanced. Voice vote, 5-1. Voting in Favor: Board Members Cadwell, Collins, Griggs, Houchin, and Householder. Voting in Opposition: Board Member Salas.**

**I. #910 INTEREST PAYMENTS**

The Interest Payments includes a total decrease of \$13,868.00 for the School Bond Payment and the final year for the East Lyme Debt Service Interest.

**M/S/C: Collins/Houchin, to approve the appropriation of funds in the amount of \$122,797.00 for Department #910 – Interest Payments, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

**J. #920 PRINCIPAL PAYMENTS**

The Principal Payments includes an increase of \$27,868.00 for the School Bond Payment and the East Lyme Debt Service.

**M/S/C: Collins/Griggs, to approve the appropriation of funds in the amount of \$409,972.00 for Department #920 – Principal Payments, subject to review and/or revision. Discussion: None. Voice vote, 6-0, all in favor.**

#### **6. PROPOSED 10-YEAR CAPITAL PLAN DISCUSSION**

The Board reviewed the revised 10-Year Capital Plan, which includes the following amendments:

- combining the School Roof and A/C Unit into a single line item. The line item includes a seven-year loan with 3% interest, resulting in payments of \$152,000.00/year. An asterisk is placed on the last three years referring to a note that 40%-50% of the expense is expected to be refunded by the State.
- addition of \$45,000.00 for the replacement of the plow truck body
- adjustment to line 51, SVFCO Engine Tanker. Chairman Householder calculated the item over a seven-year period with 3% interest, totaling in payments of \$120,000.00/year. Salem Volunteer Fire Company Chief Gene Maiorano reported that the final pricing for the Truck is \$716,063.40, which includes the \$68,000.00 HGACBuy Public Safety Project Plan discount.
- adjustment to line 43, SVFCO F-350 for Replacing R-1 Medical Vehicle, to \$80,000.00
- reinstatement of \$136,000.00 for the Volunteer Park Pavilion for FY2020/21

In addition, Chairman Householder was informed that the Tax Collector's office is in need of a folder stuffer, which is estimated to cost \$10,000.00, before the end of the fiscal year. Other options are being investigated, including leasing the machine.

#### **7. DISCUSSION REGARDING DEDICATION FOR ANNUAL REPORT**

Chairman Householder suggested dedicating the Annual Report, which has traditionally been dedicated to an individual who has recently passed away, to a living member(s) of the community. Board Member Griggs suggested it be dedicated to Robyn McKenney. Board Member Collins suggested it be dedicated George Siebert. Multiple and/or Group dedications are also possible.

Board Member Collins did not feel that there should be any reason to be concerned with this fiscal year's budget, adding that the Governor is now reviewing each town's per capita income - a wealthy town being one with over \$200,000.00. Under Chairman Householder's calculation, Salem's per capita income is \$92,500.00. A link to the article published in the *Hartford Courant* will be sent to the Board members.

**OLD BUSINESS:** *none*

#### **ADJOURNMENT:**

**M/S/C: Houchin/Collins, to adjourn the meeting at 8:36 p.m. Discussion: None. Voice vote, 6-0, all in favor.**

Respectfully Submitted by:

Agnes Miyuki, Recording Secretary for the Town of Salem