

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, JUNE 8, 2017 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

TJ Butcher, Chairman
Deborah Cadwell
Janet Griggs
Hernan Salas

Will Evanson, Alternate (*seated*)
John Houchin, Alternate (*seated*)

ABSENT

George Householder, Clerk
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 7:02 p.m.

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED:

M/S/C: Griggs/Salas, to seat Alternate Members Evanson and Houchin for Full Members Collins and Householder. Discussion: None. Voice vote, 6-0, all in favor.

COMMUNICATIONS:

- 1) Letter from Board Member Collins expressing his regrets for being unable to attend this evening's meeting and his preliminary thoughts regarding the Fiscal Year 2016-2017 BOE surplus funds. Firstly, he congratulated the BOE for their management of funds, contributing to the surplus, and, secondly, recommended that no commitments be made by either the Board of Finance or BOE for the utilization of those funds due to the continuing unknown status of the State's budget; doing so prior to the final adoption of the budget by the State would be irresponsible.
- 2) Letter from O'Connor Davies regarding their upcoming audit. First Selectman Lyden stated that they have been at Town Hall all week conducting their audit.

ADDITIONS TO THE AGENDA: *none*

AGENDA:**1. APPROVAL OF MINUTES: MAY 11, 2017 BOF Meeting**

M/S/C: Griggs/Cadwell, to approve the Meeting Minutes of May 11, 2017 Board of Finance Regular Meeting. 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 was not present this evening. The *Revenue Receipts*, *Budget vs. Actual*, *Balance Sheet*, and *Capital Non-Recurring Fund* were reviewed, with no unusual occurrences. Total assets are \$6,450,363.30, Liabilities are \$1,107,773.98, and the Unassigned Fund Balance is currently \$2,252,366.64. The increase in line item 420000 – State/Federal Grants is due to the reimbursement for the Trail. Due to the State's budget crisis, the Town will, most likely, no longer receive State funding for Town Aid Roads (TAR, Line Item 420000-001), Payment in Lieu of Taxes (PILOT, Line Item 420000-004), and Local Capital Improvement Program (LoCIP, Line Item 420000-011). All of the departments are within budget. Line item 4-97-076 – Income: Miscellaneous, which is 524% over budget, includes such one-time revenues as the insurance refund check, sale of the Witch Meadow property, etc.

3. PUBLIC COMMENTS – none**4. SELECTMAN'S REPORT**

First Selectman Lyden reported that the Route 11 Greenway Authority, which will no longer be funded by the State, has been abolished.

On June 28, 2017, 7:00 p.m., the Board of Selectmen will be holding a Special Meeting with a Public Hearing regarding a NAA 001 Proposal by the Antique Museum and Carriage Sleigh Museum. If approved, the Museum will be able to solicit donations from various organizations/corporations for educational outreach programs.

The Salem Historical Society, who purchased the oldest home in Town, have exhausted their ability to work on the project and, as such, are proposing to transfer the property to the Town of Salem for \$50,000.00, with payments made in a non-interest bearing note of \$5,000.00 for a period of ten (10) years. The item was presented to the Board of Selectmen for approval to send the transfer of the property to a Town Meeting. If transferred, the Town of Salem would agree to pay for all legal and closing costs, maintain the property, and not demolish the home for a period of ten years. Insurance costs of approximately \$300.00/year would apply and the property would need to be properly maintained and used for storage. The item will be sent to the Town Attorney for an additional clause to the agreement that would allow the option for the Board of Selectmen

to approve a Town Meeting should an appropriate use of the building arise during the ten-year stipulation. As a side note, he commended the Historical Society for their efforts in improving and upgrading the Historical Society building and organizing and displaying their exhibition of historical items. After reviewing the Town's 1976 lease agreement, the Historical Society has been and continues to fulfill all of their obligations to the Town.

A nice D.A.R.E. Graduation was held today at Salem School. The classes are taught to Kindergarten, 5th and 8th Grade students by Certified D.A.R.E. Instructor Trooper Luke LaRue.

He has listed the property located at 85-B Horse Pond Road. Once an interested buyer arises, the item will be presented to the Board of Selectmen for approval to send to a Town Meeting. The estimated value of the property is \$24,000.00 - \$27,000.00 and is being listed for a cash sale price of \$24,000.00, as is. The maintenance fee is \$250.00/month.

A five to seven-member Bicentennial Committee will be established to celebrate its upcoming 200-year birthday.

5. FIRST SELECTMAN TRANSFER REQUESTS – *none*

6. TAX COLLECTOR SUSPENSE LIST

M/S/C: Evanson/Griggs, to approve the Suspense List at the request of the Tax Collector in the amount of \$48,795.39 (forty-eight thousand seven hundred ninety-five dollars and thirty-nine cents) dated the 8th Day of June 2017. Discussion: The ability and/or inability to collect from certain individuals/companies was briefly discussed. It was noted that delinquencies remain on the list for a period of 15 (fifteen) years. Voice vote, 6-0, all in favor.

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

BOE Liaison Reith reviewed the following inventory of IT assets, as requested by the Board:

- Purchase of 30 Chromebooks to supplement the School's existing Chromebook, which are utilized by the students
- Purchase of 26 Dell OptiPlex 3040 Towers, which are connected to SMART Boards, will replace the existing Dell OptiPlex 780 Towers, which were purchased in 2010
- Purchase of 30 Dell Latitude 3380 Laptops as a partial replacement of the 59 existing Dell 5520 Laptops, purchased in 2011 and utilized by Grades 3, 5, 6, 7, and 8. The parts of those Dells that are placed out of service will be re-purposed.

He also reported that the BOE has voted to approve the expenditure of part of their remaining unencumbered funds of \$93,235.13, which was originally being returned to the Town. Nearly half of the approved expenditures include one-time expenses and instructional equipment that were originally placed on their budget request, but were cut by the BOE from the Fiscal-Year 2016-2017 Budget.

Also listed are a number of unencumbered items, totaling \$54,614.00, which they expect to be expending prior to the end of this fiscal year. The most significant expense is the Special Education Excess Cost Grant Funds due to the in-house teaching of Special Education students. As such, the BOE estimates that a final total of \$13,439.13 will be returned to the Town.

Board Member Griggs reiterated Board Member Collins' statement regarding the expenditure of funds and expressed their budgetary concerns due to the State's fiscal crisis. Chairman Butcher reminded them that the items were not included in their 2016-2017 Fiscal Year budget, as presented to the Town, and, as such, were never approved by the townspeople. The Town has always provided any necessary funds for unanticipated expenses to the BOE and, while the BOE has the power to utilize their unencumbered funds as they see fit, he felt that it sends the wrong message to the townspeople. He further reminded them that they reported during last month's Board meeting that "funds of \$93,020.06 will be returned to the Town", as recorded in the minutes. While he appreciates the communication, he expressed his dismay with the BOE for approving the expenditure of funds both this and last month. BOE Liaison Reith stated that the expenditures were discussed, at length, by the BOE and ensured the Board that the items listed are necessary and would have been included in the following year's budget. Board Member Houchin stated that these funds could have been utilized for any unexpected expenditures that might arise next fiscal year. Chairman Butcher agreed and felt that, because of the State's current fiscal crisis, the Town will, most likely, be receiving additional cuts to their Educational Cost Sharing (ECS) Funding, which will result in the BOE requesting significant additional funding. First Selectman Lyden added that the insurance company recently informed him that the Town's BOE payrolls are 5.69% over the 2015-2016 payroll audit, contrary to other BOE payrolls, and noted that the BOE should be aware and respectful of the good will of the Townspeople. Though they previously determined the mil rate on a \$700,000.00 State budget cut, more recent developments suggest that the Town might be more likely to receive a \$1 million budget cut, which would result in the expenditure of funds from the Town's Unassigned Fund Balance. As the result, in the future, all funding would need to be generated from taxes, making an increase in the mil rate imminent.

Chairman Butcher expressed his appreciation to BOE Chairman Siebert and Liaison Reith for attending the meeting and informing them of their plans. BOE Liaison Reith stated he would convey their thoughts and feelings to the BOE.

OLD BUSINESS: *none*

ADJOURNMENT:

M/S/C: Cadwell/Griggs, to adjourn the meeting at 7:51 p.m. Discussion: None. Voice vote, 6-0, all in favor.

Respectfully Submitted by: Agnes Miyuki, Recording Secretary for the Town of Salem