

**TOWN OF SALEM
BOARD OF FINANCE
SPECIAL MEETING MINUTES
THURSDAY, JANUARY 24, 2019 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

William “Skip” Dickson, Chairman
Marshall Collins, Clerk
Deborah Cadwell
Janet Griggs
John Houchin
Hernan Salas
Corinne (Cory) Bourgeois, Alternate (7:15 p.m.)
Maryann Casciano, Alternate
Michael Jensen, Alternate

ABSENT

none

ALSO PRESENT

First Selectman Kevin Lyden

CALL TO ORDER:

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

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED: *none*

COMMUNICATION: *none*

AGENDA:

1. APPROVAL OF MINUTES: JANUARY 10, 2019 BOARD OF FINANCE MEETING

M/S/C: Griggs/Salas, to approve the Regular Meeting Minutes of January 10, 2019, with the following amendment:

Page 1, Fourth line, Draft Short-Term Balance Sheet:

The ~~Assigned~~ *Unassigned* Fund Balance in the General Fund was increased from 18.8% to 20% ...

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

2. ACT ON PROPOSED APPROPRIATIONS FOR FY2019/20

A. #930 CAPITAL EXPENDITURES

Chairman Dickson briefly explained the 10-Year Capital Plan spreadsheet, noting the manner in which each department’s requested items were added and the additional lines indicating the percentage ratio for each of the years. While the Auditor recommended the town keep the ratio of the Capital Plan in relation to the town’s overall budget at 10%, Chairman Dickson and Clerk Collins determined a preliminary ratio of 10.5% for FY2019/20 based upon the needs of the town. Board Member Salas strongly felt that cuts should be made to maintain the 10% ratio that was agreed upon by the Board. Clerk Collins agreed that the 10% ratio should be the

number the town maintains over the long term, but felt that adjustments could be made and, if necessary, moneys from the Unassigned Fund Balance could be utilized as long as it is not done on an ongoing basis. The difference between a 10% and 10.5% ratio is approximately \$76,000.00. In order to maintain fiscal responsibility, the Board's job is to carefully review the items, determine what is truly needed, and gauge its feasibility. Board Member Griggs felt that the Board could be somewhat flexible, using the ratio as a guideline and a number they would work towards, rather than as a rigid amount; the resulting ratio would depend upon the needs of the town. Board Member Houchin stated that each of the requests over the Capital Plan's ten years would need to be reviewed and adjustments would need to be made in order to maintain the 10% ratio. Board Member Salas agreed, reiterating that, due to the State's ongoing fiscal crisis and resulting uncertainty of the funding the town will be receiving from the State over the next few years, it is not only in the best interest of the town, but also imperative that the Board maintain the agreed upon ratio, as recommended by the Auditor.

M/S/C: Salas/Collins, to maintain a 10% ratio for the 10-Year Capital Plan for the Town of Salem as a guideline, as suggested by the Auditor. Discussion:

Alternate Board Member Bourgeois entered the meeting at 7:15 p.m.

Chairman Dickson stated that the proposed 10-Year Capital Plan was reached by reviewing all of the items and balancing them against the budget and the mil rate. The resulting percentage of 10.5% for FY2019/20 reflects a more realistic ratio, based upon the needs of the town. Any unexpected occurrences would be covered by the town's rainy day fund. Discussion ensued regarding the need to revisit and adjust the requests that are included in the 10-Year Capital Plan such that a ratio of 10% is maintained for each individual year. It was clarified that the motion is to maintain a total ratio of 10% over the ten years, rather than a ratio of 10% for each individual year. Board Member Griggs stated the importance of informing the public of the establishment of the 10% ratio. Board Member Salas agreed, adding that the public should be informed of the ratio being spent for all of the departments. He added that it is imperative that the town prepare for the possible impending cuts caused by the State's fiscal crisis. Clerk Collins agreed that maintaining a 10% ratio would be fiscally sound, especially in light of the State's current fiscal crisis. The 10% ratio includes the Principal and Interest as well as the Capital items. Voice vote, 5-1. Voting in Favor: Board Members Cadwell, Collins, Griggs, Houchin, and Salas. Voting in Opposition: Board Member Dickson.

B. 10-YEAR CAPITAL PLAN

The Board reviewed the proposed Capital Plan, line by line, over the next ten years. The proposed Plan assumes a 1% annual budgetary increase, per the Grand List. The following adjustments were made to achieve the 10% ratio:

FY2019/20 CAPITAL PLAN

Line 23 – PW Road Improvement	reduction	\$ 30,000.00
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Line 38 – SVFCO F-350 for Replacing R-1 Medical Response Vehicle	reduction	\$ 15,000.00
Line – Gen Govt Assessor Lic & Data Conversion	removed*	\$ 21,000.00

* The item will be included in the town's operating budget

FY2020/21 CAPITAL PLAN

Line 9 – Recreation – Volunteer Park – Concession Stand	reduction	\$ 45,000.00
The Commission will be requested to provide the Board with updates and/or justification for (additional) funding		
Line 15 – PW Front-End Loader	reduction, <i>moved to FY2021/22</i>	\$ 80,000.00
Line 31 – GLVFCO Building Roof Replacement	reduction, <i>moved from FY2021/22</i>	\$ 67,180.00
Line – Gen Govt Town Hall Roof	reduction, <i>moved from FY2021/22</i>	\$ 45,195.00

In response to Chairman Dickson who questioned the possibility of moving Line 4 – BOE Generator Replacement from FY2020/21 to FY2021/22, BOE Chairman Sean Reith stated that the school is currently in the process of investigating the possibility of installing solar panels and, because the panels would tie in with the generator, moving the item would not be recommended.

FY2021/22 CAPITAL PLAN

Line 6 – BOE Replace Milestone Video Recording Server	removed, <i>incl. w/expansion*</i>	\$ 15,000.00
Line 7 – BOE Replace Milestone Viewing Stations (2)	removed, <i>incl. w/expansion*</i>	\$ 6,000.00
Line 15 – PW Front-End Loader	addition, <i>moved from FY2020/21</i> reduction, <i>moved to FY2022/23</i>	\$ 80,000.00 \$ 77,768.00
Line 19 – PW Backhoe	addition, <i>moved from FY2023/24</i>	\$ 85,000.00
Line 31 – GLVFCO Building Roof Replacement	reduction, <i>moved to FY2020/21</i>	\$ 67,180.00
Line – Gen Govt Town Hall Roof	reduction, <i>moved to FY2020/21</i>	\$ 45,195.00

* Discussion ensued regarding the BOE's request for \$52,860.00 to fund the expansion of the Milestone Video System. The Board was informed that the BOE has applied for a grant that requires the town to approve the funding for the system. If awarded, the town would be reimbursed up to 50% of the cost. The BOE will investigate the possibility of including the item in their operating budget. Should the Board not wish to include the item in the Capital Budget, First Selectman Lyden suggested holding a town meeting for the additional appropriation, with funds deriving from the Unassigned Fund Balance. The Board recommended and requested a more detailed explanation justifying the purchase.

FY2022/23 CAPITAL PLAN

Line 15 – PW Front-End Loader	addition, <i>moved from FY2021/22</i>	\$ 77,768.00
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Line 32 – GLVFCO Replacement of F350 Forestry Truck	reduction, <i>move to FY2024/25</i>	\$ 78,000.00
Line 19 – PW Backhoe	reduction, <i>moved to FY2021/22</i>	\$ 85,000.00

FY2024/25 CAPITAL PLAN

Line 32 – GLVFCO Replacement of F350 Forestry Truck	addition, <i>moved from FY2022/23</i>	\$ 78,000.00
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FY2025/26 CAPITAL PLAN

Line 33 – GLVFCO Fire Engine	addition, <i>inadvertently dropped</i>	\$ 150,000.00
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FY2026/27 CAPITAL PLAN

Line – Gen Govt Fuel Tanks		\$ 200,000.00
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BOE CAPITAL REQUESTS

The Board briefly discussed the following BOE Capital Requests:

FY2019/20	Bollards for Front of School	\$ 25,000.00
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Clerk Collins requested that the BOE investigate the various available options, from temporary jersey barriers to more permanent solutions, and their respective costs.

FY2022/23	Athletic Fields Upgrade	\$ 143,000.00
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It was agreed to review the item as a maintenance item rather than a Capital item.

First Selectman Lyden believed that funding for other minor items, including the clocks, sound system, and carpeting, could be allocated through their unexpended funds at the end of the fiscal year. Whether the items are considered Capital items or not is debatable. BOE Chairman Reith expressed his willingness to work with the Board to this end.

While there are overages in a few of the individual fiscal year's, the 10-Year Capital Plan over the ten years is within the agreed upon 10% ratio. The requests and numbers will be reviewed and re-adjusted over the years, based upon the town's needs.

M/S/C: Griggs/Houchin, to approve the 10-Year Capital Plan in the total amount of \$15,026,721.00 (includes Capital, Principal and Interest). Discussion: None. Voice vote, 6-0, all in favor.

M/S/C: Griggs/Collins, to approve the FY2019/20 Capital Plan in the total amount of \$1,529,979.00 (includes Capital, Principal and Interest). Discussion: None. Voice vote, 6-0, all in favor.

OLD BUSINESS: *none*

ADJOURNMENT

M/S/C: Collins/Salas, to adjourn the meeting at 8:44 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