

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, MARCH 14, 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
Maryann Casciano, Alternate

ABSENT

Michael Jensen, Alternate

ALSO PRESENT

First Selectman Kevin Lyden

CALL TO ORDER:

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

RECOGNITION OF VISITORS:

Salem Free Public Library Director Vicky Coffin stated her availability to respond to any questions they might have regarding the Library’s request for an additional appropriation of \$11,000.00 for the Library Salaries line item in the First Selectman’s budget (Line item 5-105-123).

SEAT ALTERNATE IF NEEDED: *none*

COMMUNICATIONS:

Two letters were received regarding the Board of Education budget.

ADDITIONS TO THE AGENDA: *none*

AGENDA:

1. APPROVAL OF MINUTES: MARCH 7, 2019 SPECIAL MEETING

M/S/C: Griggs/Cadwell, to approve the Special Meeting Minutes of March 7, 2019, with the following amendments:

Page 4, Item A, Line 6:

These students typically attend East Lyme’s transition program, which is *not* covered by the town’s co-op agreement.

Page 4, Item A, First sentence:

Principal Joan Phillips surmised that approximately five teachers might opt for *early* retirement...

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 with the Board, stating that there were no unusual occurrences.

3. PUBLIC COMMENTS – none

4. SELECTMAN'S REPORT

First Selectman Lyden reported that the Southeastern CT Council of Governments (SCCOG) is in the process of reviewing the possibility of instituting a more equitable way to fund the New London Homeless and Hospitality Shelter by investigating any available State funding, addressing any existing legislative issues, and, possibly, instituting a regional expense sharing system so as to ease the pressure being imposed on the city's resources.

In celebration of *Read Across America*, he was invited to read two stories to Mrs. Leyden's well-behaved, respectful, and attentive third grade class at Salem School.

Along with Town Planner Justin LaFountain, he met with representatives from Eversource regarding the installation of a gas line along Routes 82 and 354, connecting the existing lines between Montville and Colchester. The roads will be paved as they work, on a daily basis, and the entire road will be paved following the completion of the project. The First Selectman has requested they install a centerline rumble strip, which reduces head-on collisions, when the road is paved. They are currently working with the State Department of Transportation and Department of Energy and Environmental Protection and will be in contact with the town's relevant agencies at the appropriate time. Following the project's completion, the pipeline will be added to the town's Grand List.

A meeting with the Governor, Lt. Governor, Legislative Representatives, and Selectmen and Mayors in the region was held. Items discussed included the Mohegan-Mashantucket Funds, which provides approximately \$250 million to the State, and regional sharing. The Governor ensured them that he does not plan to allow MGM to break the current pact and construct a casino in Bridgeport. He credited both the Governor and Lt. Governor for being cordial and receptive of their comments and suggestions.

The Uncas Health District, which cut their budget by 10% last year, will, again, be cutting their budget by 10% this year; this will be one of the many indirect cuts that will be affecting the town's budget.

The Board of Selectmen recently approved to send a request for a §8-24 referral for the sale of a 12.124-acre property located on Route 82 for the purpose of constructing a 12-unit age-restricted development, per the town's Plan of Conservation and Development, Vision Statement, and

comments received by the townspeople regarding the need for more diverse housing. If approved, the item will be sent back to the Board of Selectmen, who will schedule a Public Hearing. A preliminary proposal of the development was circulated.

The Board of Selectmen has agreed to send a letter of appreciation to the Multi-Purpose Path Committee for their service. The project has spanned over many years and the grant funds have been exhausted. Per the Town Charter, the Committee will be disbanded, and the Path will be assigned to the Recreation Commission.

In response to Board Member Casciano who questioned the rumor regarding the possible establishment of a *Dollar General* store, First Selectman Lyden confirmed that the Planning & Zoning Commission recently approved the construction of a 9,100 square foot retail building on the property located at 4 Centre Street, but the name of the retail store has not yet been officially revealed. The property located south of *Academi* on Route 85 has been approved for the construction of a storage facility.

5. ACT ON PROPOSED APPROPRIATIONS FOR FY2019-2020

First Selectman Lyden presented the budget for the following departments:

A. #100 SELECTMAN

The budget request for Department #100 – Selectman reflects a decrease of \$272.00 due to a decrease in Membership Fees.

M/S/C: Cadwell/Collins, to approve the appropriation of funds in the amount of \$7,480.00 for Department #100 – Selectman's Department, subject to review and/or revision, pending approval at the Board of Finance's March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

B. #105 SALARIES

The proposed budget for Department #105 – Salaries reflects an increase of \$39,013.00 due to, for the most part, a 3% salary increase for the town's staff. As noted, 41% of the payroll is under Union contract. He added that he is hoping to decrease the staffing of the Public Works Department from six to 5.5 Union employees.

In response to Clerk Collins, the First Selectman stated that the State's minimum wage increase should not affect the budget. Those hired during the summer do not account for a significant amount and the department should be able to absorb any overages. In response to Board Member Salas regarding the staffing of the Public Works Department, he felt that it would be feasible to reduce the staffing by utilizing relief drivers and summer help to fill in the gaps. He commended the Public Works employees, who keep the town safe, and Town Hall staff, who generate funds for the town.

With regards to the Library staffing, First Selectman Lyden commended the Library Director and staff and provided a brief background behind their request for an additional appropriation of \$11,000.00, the Library Director position, and Bozrah's contribution. He has included an additional 2% increase in the library salaries line item to help fund additional programs, has

offered to purchase a more sophisticated people counter to help them schedule their staffing accordingly, and the installation of security cameras to improve the library's safety.

Library Director Coffin thanked the Board for considering their proposal. She provided the Board with the main reasons behind their request, stating that the additional funding would increase the employees' safety, be more cost effective, and allow the Director and the staff to attend professional development courses. The Library Board recommends that the Library be staffed with two members at all times during its hours of operation and, for nearly 40% of those hours, the Library Director is the second staff member, leaving the Library with the potential of being understaffed in the event of illness or personal emergencies. In relation to other comparable neighboring municipalities, Salem, which also serves the town of Bozrah, is severely understaffed. She felt that a more sophisticated people counter would provide a great tool, but would not resolve the issue at hand and, due to meetings, programs and events, the people counter would not provide an accurate count and does not consider other elements, including the number of telephone calls or requests they must fulfill. Likewise, the installation of security cameras would be helpful in terms of documenting an event but would not prove helpful during an unlikely event.

Board Member Casciano, who is a former member of the Library Board, stated that the Library Board instituted the minimum two employee rule at the library for safety reasons as they were concerned with the safety of the then-Director who often worked late and left the library alone and after the sun had set. She questioned whether the library could function with only one person during slow periods and/or a volunteer could serve as the second person. She felt that having a staff of three was too many based upon her experience. Library Director Coffin stated that the volunteers do not have a regular schedule and reiterated the importance of having two employees in the building at all times in case of an emergency.

In response to Chairman Dickson regarding the 3% salary increase, First Selectman Lyden stated that the staff received a 2.5% increase the previous fiscal year and have received 0% to 1.5% in prior years. Clerk Collins did not feel that reducing the salary increase by 1% would be a significant amount, adding that the 3% increase is in line with the BOE's salary increases. The First Selectman commended the staff, who, he felt, is not overpaid and is a very talented and professional group of individuals; they are the reason behind the success of the town. He also volunteered to reduce his increase to 0% and spoke with regards to having a First Selectman, who would act as the political face of the town, and a Town Manager, who would handle the town's day-to-day functions.

M/S/C: Collins/Cadwell, to approve the appropriation of funds in the amount of \$1,213,638.00 for Department #105 – Salaries, subject to review and/or revision, pending approval at the Board of Finance's March 21, 2019 Special Meeting. Discussion: A 1% salary increase or \$673.00 was added to the First Selectman's salary, raising his salary increase from 2% to 3%, changing the variance from the previous year to \$39,686.00. Voice vote, 6-0, all in favor.

C. #126 TOWN COUNSEL

M/S/C: Collins/Salas, to approve the appropriation of funds in the amount of \$20,100.00 for Department #126 – Town Counsel, subject to review and/or revision, pending approval at the Board of Finance’s March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

D. #134 TOWN OFFICE BUILDING

Due to minor adjustments within various line items, the proposed budget for Department #134 – Town Office Building reflects a \$340.00 decrease. Line item 5-134-212, Town/Commission Advertising is increased by \$100.00 due to the increasing cost of publishing the legal notices. Board Member Griggs suggested the possibility of publishing legal notices in *The Lyme Times*, which is free and has a wider circulation, as opposed to *The Day* newspaper, to reduce costs. In response to Board Member Casciano regarding line 5-134-259, Cleaning Service and Supplies, First Selectman Lyden stated that the line item has been reduced due to an agreement with the school to share services.

M/S/C: Griggs/Collins, to approve the appropriation of funds in the amount of \$97,660.00 for Department #134 – Town Office Building, subject to review and/or revision, pending approval at the Board of Finance’s March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

E. #135 MUNICIPAL BUILDING MAINTENANCE

Adjustments have been made between the line items to maintain a flat budget. In response to Clerk Collins who questioned whether line item 5-135-609, Grounds/Building Maintenance, includes enough to fund the BOE’s Capital request for Bingham Field, First Selectman stated that there are not adequate funds in the line item to fund the requested maintenance and added that the field is funded and maintained by the School.

M/S/C: Houchin/Collins, to approve the appropriation of funds in the amount of \$48,830.00 for Department #135 – Municipal Building Maintenance, subject to review and/or revision, pending approval at the Board of Finance’s March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

F. #138 EMPLOYEE BENEFITS

Department #138 – Employee Benefits includes an increase of \$16,005.00 due to increases in Insurance, Pension, Medicare and FICA as well as a decrease in Unemployment costs.

M/S/C: Collins/Cadwell, to approve the appropriation of funds in the amount of \$366,013.00 for Department #138 – Employee Benefits, subject to review and/or revision, pending approval at the Board of Finance’s March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

G. #140 UTILITIES

Department #140 – Utilities includes a decrease of \$1,755.00.

M/S/C: Collins/Salas, to approve the appropriation of funds in the amount of \$147,644.00 for Department #140 – Utilities, subject to review and/or revision, pending approval at the Board of Finance's March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

M/S/C: Collins/Houchin, to amend the motion to approve the appropriation of funds in the amount of \$147,644.00 for Department #140 – Utilities, subject to review and/or revision, pending approval at the Board of Finance's March 21, 2019 Special Meeting, and delete line item 5-140-711, Heat Old Library, due to inactivity. Discussion: None. Voice vote, 6-0, all in favor.

H. #152 TOWN SERVICES

Department #152 – Town Services reflects an increase of \$6,028.00. He commended Salem Seniors Liaison Pam Henry for doing a great job expanding the senior activities and introduced recently-elected Salem Seniors Chairman Selectman Ed Chmielewski. The town currently has a five-year contract with the town of Montville to share their Animal Control Officer (ACO) services.

M/S/C: Collins/Salas, to approve the appropriation of funds in the amount of \$101,766.00 for Department #152 – Town Services, subject to review and/or revision, pending approval at the Board of Finance's March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

I. #157 REGIONAL SERVICES

Department #157 – Regional Services maintains a flat budget. In response to Board Member Griggs regarding the New London Homeless and Hospitality Shelter, First Selectman Lyden stated that SECCOG is currently exploring the issue and did not feel that funding for the Shelter would be necessary at this time.

M/S/C: Collins/Cadwell, to approve the appropriation of funds in the amount of \$10,203.00 for Department #157 – Regional Services, subject to review and/or revision, pending approval at the Board of Finance's March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

J. #310 PUBLIC WORKS

Department #310 – Public Works includes a decrease of \$300.00.

M/S/C: Salas/Houchin, to approve the appropriation of funds in the amount of \$256,200.00 for Department #310 — Public Works, subject to review and/or revision, pending approval at the Board of Finance's March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

K. #410 TRANSFER STATION

Department #410 – Transfer Station maintains a flat budget. While the town previously generated income for recyclables, this is no longer the case. With the exception of cardboard, the town is now paying approximately \$40.00/ton. In comparison, the town is paying \$80.00 to \$90.00/ton for household garbage. Board Member Griggs felt that an educational campaign regarding recycling would be beneficial. First Selectman Lyden expressed the possibility of offering composting services. The item would need to be further investigated in terms of the Transfer Station's vicinity to the wetlands and the ability to obtain approvals from the Uncas Health District.

M/S/C: Collins/Houchin, to delete line items 4-410-930, Recyclable Tipping, and 5-410-937, CFC Evacuation Expense, due to inactivity. Discussion: None. Voice vote, 6-0, all in favor.

M/S/C: Salas/Cadwell, to approve the appropriation of funds in the amount of \$161,101.00 for Department #410 – Transfer Station, subject to review and/or revision, pending approval at the Board of Finance's March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

L. #925 CAPITAL RESERVE

M. #926 OPEN SPACE LAND

M/S/C: Griggs/Collins, to approve the appropriation of funds in the amount of \$1.00 for Departments #925 – Capital Reserve and #926 – Open Space Land, subject to review and/or revision, pending approval at the Board of Finance's March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

#210 – SECURITY

First Selectman Lyden shared a letter received by the State of CT Department of Emergency Services & Public Protection Accountant Richard Brochu regarding a \$54,538.00 increase in the Resident State Trooper contract. The benefits of having two Resident State Troopers in the town were briefly discussed. Overtime costs are not included in the increase.

M/S/C: Griggs/Houchin, to amend and approve the appropriation of funds in the amount of \$336,898.00 for Department #210 – Security due to an increase in the Resident State Trooper Program, subject to review and/or revision, pending the Board of Finance's March 21, 2019 Special Meeting. Discussion: None. Voice vote, 6-0, all in favor.

6. REVIEW AND ACT ON BOARD OF EDUCATION (BOE) BUDGET

Clerk Collins stated that, though the BOE acknowledges that the State, through Executive Order, has begun to reduce their funding for Education Cost Sharing (ECS) Grants, the BOE's budget request for an additional \$191,000.00 for FY2019/20 is based upon the assumption that the current funding for the State's Grant will continue. Should the legislation not agree to change the Executive Order, the cut to the town will be 8.33% or \$227,312.00. Otherwise, the cut could be

as high as 25%. Additional proposed cuts include a requirement for towns to contribute to the Teachers Retirement Fund, which, for Salem, would be \$19,000.00 and a further reduction in ECS funding should the town not engage in the sharing of superintendents. The Board should also consider their budget over the following year when, again, the town's funding from the State could be even further decreased. With the decrease in State funding and the BOE's budget request for increased funding, the town could be looking at a 3 to 4 mil increase over the next two years.

While generally agreeing with Clerk Collins regarding the utilization of the town's Unassigned Fund Balance for ongoing expenses, Board Member Griggs felt that the Board should consider using those funds that were set aside by the Board for the purpose of offsetting the expected rise in the East Lyme High School tuition, but is no longer necessary due to the reconciliation process, with the understanding that the BOE develop a plan to deal with the fiscal issues. She added that approximately 20% of Salem residents are classified as ALICE (Asset Limited, Income Constrained, Employed), i.e., "working poor", excluding seniors on a fixed income and stated the importance of balancing the needs of the school children without jeopardizing the livelihood of the residents.

In response, Clerk Collins stated that, should the State cut their funding beyond the currently expected 8.33% cut in ECS funding, he would be agreeable to spending part of the town's Unassigned Fund Balance to help offset those costs. He reiterated that additional cuts are pending the following year and questioned how those issues could be handled. The residents of the State will soon, potentially, be faced with significant cost of living increases as the State attempts to resolve their fiscal issues. Board Member Griggs added that East Lyme's refusal to share their superintendent with Salem could be an additional added expense for the town. Board Member Houchin also noted that the Board approved a Capital Plan increase, which may need to be adjusted. Board Member Casciano proposed splitting the costs between the residents, the General Government, the school, and the town's Unassigned Fund Balance to maintain fairness and "share the pain". Board Member Salas proposed balancing the budget the best we could this year, knowing that the situation will worsen the following year, and proposed approving a cut of \$90,000.00 from the BOE's proposed budget request and a 0.5 mil increase.

M/S/C: Houchin/Salas, to reduce the Board of Education's proposed budget request by \$90,000.00, subject to review and/or revision, pending the Board of Finance's March 21, 2019 Special Meeting. Discussion: Clerk Collins questioned approving a \$101,000.00 increase of the BOE's current budget when the State will be reducing the town's ECS funding by \$227,000.00. He expressed his concerns as the town is expected to, again, have, at minimum, a \$227,000.00 deficit the following year. Board Member Salas stated that the town is also generating revenue and is projected to receive an additional \$114,000.00 from the Grand List. That additional revenue and a 0.5 mil increase (\$170,000.00) should allow the town to break even. BOE Chairman Sean Reith thanked the Board for allowing him to speak. He agreed that their budget request is based upon a current services budget

and acknowledged the Board's request for a flat budget. In an attempt to plan for the future, he stated that other sources of revenue could include the installation of a solar system (possible \$70,000.00 annual savings) and a more, in-depth review of shared services. He expressed his willingness to work with the Board to create a more sustainable budget. As in the past, Clerk Collins commented on the BOE continually presenting a current services budget with increases in nearly every department knowing that the State is seeking to cut the town's funding. The Board briefly discussed other possible alternatives. Board Member Houchin noted that one of the primary reasons people move to Salem is for the school system and cutting their funding by the projected \$1 million decrease in funding by the State over the next few years would be devastating; the town must be prepared for additional mil rate increases over the next few years. It was clarified that the motion would increase the BOE's current budget by \$101,000.00 for FY2019/20. Voice vote, 5-1. Voting in Favor: Board Members Cadwell, Dickson, Griggs, Houchin, and Salas. Voting in Opposition: Board Member Collins.

Board Member Salas urged the BOE to carefully review their budget for the following year(s) with the realization that the State will be instituting further cuts. Board Member Griggs requested that the town check with the Auditor regarding the utilization of the funds that were moved into the town's Assigned Fund Balance.

OLD BUSINESS: *none*

ADJOURNMENT

M/S/C: Houchin/Collins, to adjourn the meeting at 10:06 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