

**TOWN OF SALEM  
BOARD OF FINANCE  
REGULAR MEETING MINUTES  
THURSDAY, JULY 13, 2017 – 7:00 P.M.  
SALEM TOWN OFFICE BUILDING**

**PRESENT**

George Householder, Clerk  
Deborah Cadwell  
Marshall Collins  
Janet Griggs  
Hernan Salas  
Will Evanson, Alternate (*seated*)  
John Houchin, Alternate

**ABSENT**

TJ Butcher, Chairman

**GUESTS**

*none*

**ALSO PRESENT**

First Selectman Kevin Lyden

**CALL TO ORDER:**

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

**RECOGNITION OF VISITORS:** *none*

**SEAT ALTERNATE IF NEEDED:**

**M/S/C: Collins/Griggs, to seat Alternate Member Evanson for Full Member Butcher.**

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

**COMMUNICATIONS:**

- 1) Letter from Clerk Householder to Board of Education (BOE) (*attached*)

Clerk Householder recited the letter he drafted to the BOE regarding his shock and disappointment with the BOE's vote to approve the expenditure of nearly 86% of their fiscal year 2016-2017 surplus funds that were slated to be returned to the Town, per the Board's May 2017 Meeting, and which the Board took into consideration when determining the mil rate. Due to this and the possible additional cuts that are now expected from the State, the Board will be sending out a letter to the public outlining five possible options in dealing with the current fiscal issues, including sending out a supplemental tax bill to its residents. He urged the BOE to reflect on the commentary received from the last election reflecting that 75% of the respondents felt that the BOE budget was too high or just right. The letter will be sent to both BOE Chairman Michael Siebert and BOE Liaison Sean Reith.

**ADDITIONS TO THE AGENDA:**

The following item was added to the Agenda:

6. Letter to the Public from the Board of Finance

**AGENDA:****1. APPROVAL OF MINUTES: JUNE 8, 2017 BOF Meeting**

**M/S/C: Griggs/Cadwell, to approve the Board of Finance Regular Meeting Minutes of June 8, 2017. Discussion: None. Voice vote, 4-0-2. Voting in Favor: Board members Cadwell, Griggs, Evanson, and Salas. Voting in Opposition: None. Voting in Abstention: Board Members Collins and Householder.**

**2. TREASURER'S REPORTS****A. REVENUE SUMMARY****B. TRIAL BALANCE****C. FUND BALANCE****D. OTHER**

Treasurer Pam Henry stated that the fiscal year-end figures have not yet been finalized and are preliminary. The *Balance Sheet* and *Budget vs. Actual* (see file copy) were reviewed, with no unusual occurrences. In response to Board Member Houchin who questioned the increase in State/Federal Grants, Miscellaneous (line item 420000-099) during the last meeting, she stated that the funds received for Civil Preparedness have been placed in the correct line item (420000-002 – Civil Preparedness) and the line items are now balanced.

Board Member Householder noted that the income for the fiscal year was greatly underestimated, partly due to the active collection of taxes by the Tax Collector, who estimated that less than \$200,000.00 is now owed in delinquent taxes. Treasurer Henry also stated that she was able to hold on the shifting of funds, allowing the Town to gain more interest than usual. In addition, there has been an increase in funds received from licenses and permits. In response to Board Member Houchin, she stated that, similar to the General Government figures, the BOE Control Accounts (line item 5-1000), which notes that they are over budget by \$61,117.50, is also preliminary and their final, unaudited figures should be received by the end of July.

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

First Selectman Lyden reported on the approval of the NAA 001 Proposal by the Antique Museum and Carriage Sleigh Museum at the June 28, 2017 Public Hearing. The Proposal allows 501(c)3 organizations to solicit donations from various organizations/corporations for various purposes. The funds received from the Grant will be utilized to create DVDs and provide educational outreach programs on transportation to diverse area communities. The Applicant has reimbursed the Town for the cost of the Public Hearing Notice. He plans to distribute information regarding the program and encourages all non-profits to apply.

A Town Meeting has been scheduled for Wednesday, July 19, 2017 at 7:00 p.m. at Salem Town Hall for the following items:

- a. To Consider and Act on the sale of town property located at 85-B Horse Pond Road  
Four (4) cash offers were received, the highest being for \$29,007.00. The amount owed to the Town for costs incurred on the property is \$21,000.00 and will be reimbursed when the sale of the property is finalized.
- b. To Consider and Act on the proposed recommendations and modifications to the “Emergency Responders Award Ordinance”  
The Emergency Responder Incentive Program Review Committee has recommended the acceptance and implementation of the requested modification to the “Emergency Responders Award”. The modification will extend the current program enabling qualified volunteer resident Emergency Service Personnel, age 59 and over, to receive a \$1,000.00/year residential property tax exemption. The Program would not only encourage the elder personnel to continue their valuable service in/for the Town, but also continue to teach and mentor the younger recruits. Clerk Householder recommended that a cost analysis stating the financial impact of the Program on the Town be presented at the Meeting.
- c. To Consider and Act on the purchase of property located at 184 Hartford Road  
The Salem Historical Society, who purchased the oldest home in Town, has 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/year for a period of ten (10) years. If transferred, the Town of Salem would agree to pay for all legal and closing costs; maintain the property, keeping it wind- and water-tight, and; not demolish the home for a period of ten years. Insurance costs of approximately \$100.00/year would apply. The Town Attorney has drafted the motion and will be present at the meeting. The funds received by the Historical Society will be utilized to help maintain, preserve, and restore their collection.

Sparked by the recent Fourth of July incidents at the Gardner Lake State Park, First Selectman Lyden recited a letter addressed to DEEP (Department of Energy and Environmental Protection) Commissioner Rob Klee regarding the ongoing issues at the Park in an effort to reach a mutual solution and create a more enjoyable and safer environment for the residents and families. He commended the Rangers and has instructed the Town’s Resident State Troopers to drive through the Park during their rounds to assist the Rangers. He suggested instituting, like other State Parks, the prohibition of alcohol and charging of an entrance fee to help control the large crowds of people that visit the Park during busy summer weekends.

He thanked Board Member Cadwell, along with the Salem Volunteer Fire Company, for hosting an enjoyable Annual Salem Seniors Picnic, at the Witch Meadow Campground Pavilion.

## **5. FIRST SELECTMAN TRANSFER REQUESTS**

All of the following transfer requests derive from line item 5-138-802 (Employee Benefits – Medical/Dental/Life Insurance) to:

**5-105-106 (Salaries – Assessor) & 5-105-107 (Salaries – Assessor Assistant)**

Salaries for the Assessor & Assessor Assistant are up due to additional time spent on the revaluations

**5-105-119 (Salaries – On Call Program)**

Beginning fiscal year 2017-2018, the Gardner Lake Volunteer Fire Company will be contributing \$5,000.00/year to the On-Call Program

**5-105-120 (Salaries – Fire Marshals/CP)**

Salaries for the Fire Marshal/CP is up due primarily to the Bourdeau fires

**5-126-208 (Town Counsel – Town Issues)**

Town Counsel is up due to the costs incurred for the condominium, which will be presented to the public at the upcoming Town Meeting. The costs will be reimbursed to the Town after the sale is finalized.

**5-210-216 (Security – Resident Trooper Contract) – *bill attached***

After the bills are finalized and adjustments are made, he projects that approximately \$150,000.00 will be returned to the Town from the General Government. Clerk Householder suggested moving funds between line items within the same department in the future.

**M/S/C: Evanson/Salas, to approve the following First Selectman Transfer Requests:**

<b>From</b>	<b>To</b>	<b>Amount</b>
<b>5-138-802</b>	<b>5-105-106 (Salaries – Assessor)</b>	<b>\$693.00</b>
<b>5-138-802</b>	<b>5-105-107 (Salaries – Assessor Assistant)</b>	<b>\$1,645.00</b>
<b>5-138-802</b>	<b>5-105-119 (Salaries – On Call Program)</b>	<b>\$1,235.00</b>
<b>5-138-802</b>	<b>5-105-120 (Salaries – Fire Marshals/CP)</b>	<b>\$945.00</b>
<b>5-138-802</b>	<b>5-105-121 (Salaries – EMT/Maintenance)</b>	<b>\$2,914.00</b>
<b>5-138-802</b>	<b>5-126-208 (Town Counsel – Town Issues)</b>	<b>\$4,000.00</b>
<b>5-138-802</b>	<b>5-210-216 (Security – Resident Trooper Contract)</b>	<b>\$6,000.00</b>
		<b>\$17,432.00</b>

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

**7. LETTER TO THE PUBLIC**

Board Member Collins updated the Board regarding the State's budget, reporting that the Collective Bargaining Agreement, roughly \$1.5 billion of the State's budget, is expected to be ratified by the Unions by the July 17 or 18 and, if/when approved, will be sent to the legislators for approval. There are approximately four (4) different caucus budgets in existence and an agreement does not appear to be very likely at this time.

Discussion ensued regarding the draft of the letter to the residents to communicate with and inform the public of the seriousness of the State budget cuts and its effects on the Town and its residents. The letter outlines five (5) possible options to deal with the fiscal crisis, including raising taxes, borrowing funds, requesting the BOE to reduce its spending, and utilizing the

unassigned fund balance. Board Member Houchin suggested using bullet points instead of numbers, clarifying that the vast majority of the budget is the BOE's budget, and noting that the Town does not have any control over the BOE budget. First Selectman Lyden agreed with the importance of educating the public regarding where and how their funds are spent and suggested submitting an article(s) to *Our Town Salem*. Board Member Griggs suggested sending a letter from the Town of Salem, as well. In response to Board Member Houchin who suggested creating a Town Facebook page, the First Selectman stated that the item would need to be investigated in terms of any possible liabilities and/or misinformation.

Board Members Householder and Collins will revise the letter for further review.

**OLD BUSINESS:** *none*

**ADJOURNMENT:**

**M/S/C: Griggs/Cadwell, to adjourn the meeting at 8:17 p.m. Discussion: None. Voice vote, 6-0, all in favor.**

Respectfully Submitted by:

Agnes Miyuki, Recording Secretary for the Town of Salem

To the Board of Education,

I was on vacation with my wife and missed the June regular meeting, when I returned I read the minutes of the meeting I missed. To say the least, I was shocked when I read the BOE voted to spend nearly 86% of the money when only one month earlier your Chairman Mike Seibert stood here and told this Board that you would be returning about \$100K to the town. Our Chairman thanked Mike Seibert for "his willingness to work together with the Town, which was something he was experiencing for the first time in the seven years he had been serving on the board". Our next discussion was setting the MIL Rate, we took into consideration the funds coming back from both the BOE and the Town. We assumed about \$250K (nearly  $\frac{3}{4}$  MIL) would be returned and this Board took that into consideration when we set the MIL Rate. If you had told us we were getting back almost nothing from the BOE, we would have raised taxes to .75 or even 1 MIL. We are now looking at possible deeper cuts than we were only a month ago. The Board of Finance is working on a letter to go to all Salem taxpayers outlining five options we have if the Governor and Legislature cut Salem further. One of the options is that we have a supplemental tax (meaning a secondary tax), if we do go that route I will vote to put in that letter, part of the reason that we are asking for more money is that the Board of Education reneged on returning funds to the Board of Finance.

The Board of Education should reflect on the commentary that the voters had during the last election –

- Question 1: Should the Municipal Budget pass? 79% said yes.
- Question 2: Is the General Government and Capital budget Too High, Too Low or Just Right? 86% (178 of 208) said Just Right or Too Low.
- Question 3: Is the Board of Education budget Too High, Too Low or Just Right? 75% (165 of 220) said Too High or Just Right.

It is my opinion, only because a lot of leadership in this community went to bat for the Board of Education this past year that the budget passed. Some of them are in this room, some of them are up here at this table. It is things like this that will make those same people less likely to do it next year.



INVOICE  
Invoice No: DPS49142  
Invoice Date: 6/19/17  
Page: 1 of 1

Bill To:  
Town of Salem  
Attn: First Selectman's Office  
Town Office Buildings  
270 Hartford Road  
Salem CT 06420  
United States

Customer Number: 100  
Payment Terms: Immediate  
Due Date: 6/19/17  
PO Ref :

Please Remit To:  
State of Connecticut  
Dept of Emrg Svc & Public Prot.  
1111 Country Club Road  
Middletown CT 06457-9294  
United States

AMOUNT DUE: 243,640.55 USD

Amount Remitted

For billing questions, please call (860) 685-8235

Line	Identifier	Description	Quantity	UOM	Unit Amt	Original
						Net Amount
1	RTAB	RES. TPR. ANNUAL BILL	1.00	YR	243,640.55	243,640.55
Subtotal:						243,640.55
Amount Due:						243,640.55

RESIDENT TROOPER ANNUAL BILLING: 7/1/16-6/30/17  
MAKE REMITTANCE PAYABLE TO: STATE OF CONNECTICUT, DEPT. OF EMERGENCY SERVICES AND PUBLIC PROTECTION  
Comptrollers Memorandum No. 2000-15 states failure to make payment for debt 60 days past due WILL result in the denial of future services until your account is current. Debt 90 days past due may result in collection proceedings with a collection agency.  
Any dispute of this debt must be received in writing within 10 days from the date of invoice.

*ask for 6000.  
to come this  
month by 6/30/17*