

**TOWN OF SALEM
BOARD OF FINANCE
REGULAR MEETING MINUTES
THURSDAY, NOVEMBER 9, 2017 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

TJ Butcher, Chairman
George Householder, Clerk
Deborah Cadwell
Hernan Salas
John Houchin, Alternate (*seated*)
Will Evanson, Alternate (*seated*)

ABSENT

Marshall Collins
Janet Griggs

GUESTS

none

ALSO PRESENT

First Selectman Kevin Lyden

CALL TO ORDER:

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

RECOGNITION OF VISITORS: *none*

SEAT ALTERNATE IF NEEDED:

M/S/C: Householder/Caldwell, to seat Alternate Board Member Evanson for Full Board Member Griggs and Alternate Board Member Houchin for Full Board Member Collins. Discussion: None. Voice vote, 4-0, all in favor.

COMMUNICATIONS:

1. Letter from Board of Education Chairman Michael Siebert regarding the requested Tiered Budget Cuts Discussion.

A brief, informal discussion ensued with Mr. George Jackson, a member of the Board of Education (BOE). In response to Board Member Houchin, who stated the importance of the exercise in an attempt to be proactive and prepared for any possible future cuts by the State, Mr. Jackson, who was not speaking on behalf of the BOE, reported that they discussed the Board's request at their last meeting and, as stated in the letter, was provided with an unprioritized list of cuts for Tiers 1 and 2 by the school administration. It was felt that, should the Tier 3 cuts be necessary, the school would need to be closed, possibly regionalized, and the children divided into various surrounding towns. The combining of grades was also discussed, decreasing the teaching staff, while taking into consideration the positive impact the increase from two to three kindergarten classes has had on the students, as reported by the administration.

First Selectman Lyden added that he and BOE Chairman Siebert, who was unable to attend this evening's meeting, agreed to respectfully request the Board for further direction and an additional month to determine the cuts for Tiers 1 and 2, based on the new funding information received by the State. He added that a Tier 2 cut would require a cut in staffing, most likely in the Public Works Department, and a Tier 3 cut would be drastic and one that should be decided by the Town. He felt it was important for the Board to weigh the demoralizing impact the announcement such a cut would have on the staff and added that efficiencies should be acted upon now in preparation for the future.

Clerk Householder agreed with the First Selectman and felt that, based upon the new information received by the State, which reflects that the Town will be receiving a \$150,000.00 cut rather than the anticipated \$703,000.00 cut for this fiscal year, it would be acceptable for the Town and BOE to return next month with their proposed cuts for Tier 1 only.

M/S/C: Householder/Houchin, to grant a 30-day extension to the Town Government and Board of Education to determine and propose budgets for Tier 1, as presented at the Board of Finance October 12, 2017 Regular Meeting, and their respective impacts in preparation for the 2018-2019 fiscal year budget. Discussion: Because the numbers are unknown at this time, Board Member Salas suggested the reevaluation their request. Chairman Butcher felt that the request is an exercise to prepare for the future as additional cuts are expected by the State and agreed with the importance of both the Town and the BOE to begin implementing efficiencies to help cut costs. Voice vote, 6-0, all in favor.

2. Letter from the State of Connecticut Office of Policy and Management regarding the receipt of funding from the State by the end of the month.

ADDITIONS TO THE AGENDA:

M/S/C: Householder/Houchin, to add the following item to the Agenda:

6. Farewell to the Board's Departing Members

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

AGENDA:

1. **APPROVAL OF MINUTES: October 12, 2017 BOF Meeting**

M/S/C: Caldwell/Householder, to approve the Board of Finance Regular Meeting Minutes of October 12, 2017, with the following amendment:

~~November~~ *December* 14: Gardner Lake and Salem Volunteer Fire Companies, Ambulance, Board of Education

Discussion: None. Voice vote, 5-0-1. Voting in Favor: Board Members Butcher, Caldwell, Houchin, Householder, Salas. Voting in Opposition: None. Voting in Abstention: Board Member Evanson.

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

Treasurer Pam Henry stated that the Town's assets are in line with their liabilities and equities. The error in last month's *Budget vs. Actual* Report, e.g., line item 4-096 – Revenue use of Town Money, was due to human error, rather than as the result of a software upgrade. In addition to funding for the Education Equalization Grant (line item 4-093-035), additional revenue through the sale of Town equipment through Municibid was received. The Auditors are in the process of finalizing the audit and are scheduled to present their report to the Board at their next Regular Meeting on December 14.

Treasurer Henry was thanked and congratulated on her recent election.

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

First Selectman Lyden, who was also congratulated on the recent election, updated the Board on the recent storm and resulting power outages. He commended both the Public Works Department and Emergency Services on an excellent job. Glitches were experienced due to an apparent lack of communication within Eversource regarding the proper protocol. On Day One, Eversource is to cut, clear, and make safe for the roads, but on Day Two, drivers were driving under trees that were sitting on wires, were forced to take an alternate route due to fallen trees (Rathbun Hill Road), or were completely blocked from exiting the road (Gardner Lake Heights). In addition, the protocol for energizing the Town, which should begin with Gardner Lake and Salem Volunteer Fire Companies, Town Hall (location of the Emergency Operations Center), and Salem School (Town shelter), was not followed.

He announced and invited everyone to attend the Oath of Office Ceremony on Wednesday, November 15 at 7:00 p.m.

First Selectman Lyden reported that Salem Youth Basketball Coordinator Alan Maziarz was recently appointed as a member of the Recreation Commission filling a vacancy recently left by the resignation of Commissioner David Kennedy and introduced Teri Natoli, who was recently elected as Chairperson of the Commission replacing Sue Spang. He commended Former Chairperson Spang, who has served as the Chairperson for the past 15 years, for her work and accomplishments.

5. CAPITAL PRESENTATIONS

Recreation Commission – Recreation Commission Chairperson Natoli reported that this year's Capital expenditure for the resurfacing of the tennis/basketball courts has been expended. In light of the State's fiscal issues, the Commission will be reevaluating their request for the septic, well, and possible pavilion at the Forysth Road field. Chairperson Natoli was welcomed and, being new to the process, the Capital Plan process was briefly explained.

Public Works – Public Works Director Don Bourdeau reported that they are currently investigating the possibility of purchasing a body and conducting any other necessary repairs for the Large Snow Plow Truck #2 (Line Item 15), which is estimated to cost approximately \$45,000.00, rather than purchasing a new truck for approximately \$190,000.00. He noted that the salt being utilized on the roads are decreasing the longevity of their vehicles. The other item in question is Line Item 26 – PW Road Improvement. It is hoped that the local asphalt plant will be able to install a silo that would store the asphalt enabling them to over-chip, rather than mill and pave, certain roads. The process would result in a significant savings.

Transfer Station – none

Public Safety – none

First Selectman – none

Security – none

6. FAREWELL TO THE BOARD'S DEPARTING MEMBERS

On behalf of the Board, Clerk Householder expressed his appreciation to Chairman Butcher for his leadership over the past four years. The Chairmanship is a tough job in which one must balance the needs of the requests from each of the Town's Departments and its taxpayers. When he assumed the position, the Town was receiving a grade B or B- and is now receiving solid A's from the Auditors. Over the past four years, the Town has updated the School, purchased a major fire apparatus, straightened out their long-range Capital expenses to a manageable plan with little or no tax increases. In addition, the Town's Unassigned Fund Balance has grown to a level ranking at or near the top of any like-sized town in the State, according to their Auditors. The Board of Finance, which has always been a non-partisan Board that works hard to do the right thing for the Town, is tough to get elected to and, once elected, takes approximately one to two years to gain a full understanding of the numbers. While its Board members choose to either retire, pass away, or move out of Town, he is happy that Chairman Butcher has chosen retirement. Similarly, he wished farewell to Board Member Evanson, who he encouraged to continue being involved with the Town and expressed his support in welcoming him back as an Alternate, should he wish to do so and the position become available. He concluded by stating that he looks forward to another two years with the Board's current and new members.

Chairman Butcher noted that he, too, started as an Alternate Member before moving up as a Full Member and, then, the Chairmanship. In parting, he provided the Board with two final

recommendations: (1) increasing the First Selectman's salary, which he feels is and has been an underfunded line item, and (2) the Treasurer's salary should, similarly, be increased. He stated that, due to the solidity of its members, he had no issues retiring from the Board. It is, he agreed, the best and toughest job in the Town as it is often difficult to please everyone, especially in light of the recent budget cuts.

OLD BUSINESS: *none*

ADJOURNMENT:

M/C: Householder, to adjourn the meeting at 8:03 p.m. Discussion: None. Voice vote, 6-0, all in favor.

Respectfully Submitted by:

Agnes Miyuki, Recording Secretary for the Town of Salem