

**TOWN OF SALEM
BOARD OF FINANCE
SPECIAL MEETING MINUTES
THURSDAY, MARCH 23, 2017 – 7:00 P.M.
SALEM TOWN OFFICE BUILDING**

PRESENT

TJ Butcher, Chairman
George Householder, Clerk
Deborah Cadwell
Marshall Collins
Janet Griggs
Hernan Salas
Will Evanson, Alternate
John Houchin, Alternate

ABSENT

none

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:

Recreation Commission Chairperson Sue Spang acknowledged the difficult budget year and responded to Clerk Householder's proposition regarding the return of the remaining approved Capital Funds for the well, septic, and bathrooms at Volunteer Park located on Forsyth Road. With those funds, he planned to recommend that \$50,000.00 be allocated to the Board of Education (BOE) and the remaining funds of approximately \$45,000.00 to the Capital Non-Recurring Fund, "earmarked" for the Volunteer Park Project. Chairman Butcher clarified that Clerk Householder's proposal was made to the Commission as a resident of the Town and not as a member of the Board. Conflicted, the Commission seriously considered and extensively discussed the proposal and voted not to return the funds for the following reasons: (1) the funds would not be a long-term fix, benefitting the Town for up to three (3) years; (2) the \$50,000.00 allocated to the BOE would be a short-term "band aid" for fiscal year 2017-2018 only; (3) they weighed the benefit of the Capital Improvement, which would last over 30 years, serving both the adults and children of the community vs. providing a one year supplement to a \$10 million budget servicing approximately 400 children; (4) only two of the 55 line items included in the Capital Plan are Recreation Commission requests; (5) the Commission has shown a flat budget for the past seven (7) years, reflecting their continuing effort to responsibly serve the recreational needs of the Town; (6) they did not feel it was right for the Commission to give up the bathroom facilities for the needed maintenance of the tennis and basketball courts, and; (7) while they trust Clerk Householder, they felt that the needs of the Town in four to five years is unpredictable and unknown and the funds may not be re-allocated for the same purpose in the future. The Commission appreciates their efforts and trust that the Board will make a fair and balanced decision.

SEAT ALTERNATE IF NEEDED: *none*

COMMUNICATIONS: *none*

AGENDA:

1. APPROVAL OF MINUTES: MARCH 9, 2017 BOF Regular Meeting

M/S/C: Griggs/Householder, to approve the March 9, 2017 Board of Finance Regular Meeting Minutes with following amendment:

Communications:

1. Letter, dated March 6, 2017, from Superintendent of Schools Joseph Onofrio, stating that LEARN is currently in the process of ..., *which means he thinks they will probably not receive any rental money from LEARN.*

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

2. ACT ON PROPOSED APPROPRIATIONS FOR 2017-2018 FY

A. TABLED ITEMS

February 16, 2017 Meeting Minutes:

#210 – Security – Partial Funding and D.A.R.E. Funding

The Lions Club will be donating \$1,000.00 to the D.A.R.E. Programs. Discussion also included the potential increase for the Resident State Trooper Program from 85% to 100%.

February 23, 2017 Meeting Minutes:

#116 – Assessors – Itemized list of Training and Conferences, increase in expenses, and inter-local sharing of Assessor Services.

The list was provided to the Board at their last meeting. The Town is always seeking the sharing of services that makes fiscal sense. Currently, the Town has a very efficient Assessor Department with a Part-Time Assessor and a 32-hour/week Assistant Assessor.

March 9, 2017 Meeting Minutes:

#230 – Ambulance – EMS Training Costs

Interim Gardner Lake Volunteer Fire Company Chief John Cunningham is in the process of reviewing the costs.

From the March 16, 2017 Meeting Minutes:

#105 – Salaries – Gardner Lake Volunteer Fire Company Financials

B. FINALIZE BUDGET FOR PUBLIC HEARING

Chairman Butcher explained the process, stating that the Board will prepare and present their proposed budget at the Public Hearing on Wednesday, April 12, 2017, 7:00 p.m. at Salem School. Additional adjustments may be made to the budget following the Public Hearing and before the budget goes to a Referendum.

Clerk Householder provided a brief summary of the proposed budget for fiscal year 2017-2018, reflecting the adjustments made during their discussions. The proposed budget, to date, would result in a tax increase of \$578,110.00 or 1.61 mils. Currently, the Board of Education is shouldering 21.3%, the Town is shouldering approximately 10.7%, and the taxpayers are

shouldering the remaining amount of the Governor's proposed cuts. He proposed requesting an additional cut of \$75,000.00 to the General Government/Capital Fund, which would bring the tax increase down to \$503,110.00 or 1.4 mils.

At the time of the Audit, the Unassigned Fund Balance was \$2.43 million or 15.9% of the overall budget of \$15,264,132.00. This fiscal year, the Town has expended funds from the Unassigned Fund Balance to fund \$24,500.00 for the increase of 70% to 85% for the Resident State Trooper Program, \$1,800.00 for the Library's Internet Service, and, most recently, \$2,700.00 for the Ladder Truck Tires for the Salem Volunteer Fire Company, resulting in the current Unassigned Fund Balance of \$2,407,000.00 or 15.7% of the Town's overall budget. It was clarified that, while the moneys in the Capital Reserve Fund is unencumbered, it is not part of the Unassigned Fund Balance. Various options to utilize various amounts of the Unassigned Fund Balance to help reduce the tax burden on the townspeople and the unpredictability of the State's budget and its municipal funding were discussed.

First Selectman Lyden commended the Board in growing and maintaining the Unassigned Fund Balance and proposed utilizing part of those funds, along with reducing the General Government/Capital Fund Budgets by \$75,000.00, resulting in a 1 mil increase.

Chairman Butcher stated that the Board has been diligently working to grow the Unassigned Fund Balance to not only help fund any unexpected expenses, but also in anticipation of the potential need to utilize the funds to help alleviate some of the costs due to the State's cuts. He explained that utilizing part of the Funds to balance the budget is only a temporary solution and the Town might still need to either make further cuts and/or expect another tax increase in the next fiscal year. A number of items in the State's budget continue to be in limbo, including the Governor's proposal for municipalities to fund part of the Teachers' Retirement Fund. In addition, Board Member Griggs questioned the status of the Special Education Catastrophic Cost Funds and the need for the Board to take into consideration its possible elimination. The Board agreed to approve a reduction of the General Government/Capital Funds by \$75,000.00 and the Unassigned Fund Balance to approximately 14.9%, resulting in, approximately, a 1 mil increase.

M/S/C: Householder/Salas, to approve the overall total budget for Fiscal-Year 2017-2018 of \$15,069,851.00. Discussion: First Selectman Lyden will have the General Government/Capital Funds proposed cuts ready next week. Voice vote, 6-0, all in favor.

OLD BUSINESS: none

ADJOURNMENT:

M/C: Collins, to adjourn the meeting at 7:57 p.m. Discussion: None. Voice vote, 6-0, all in favor.

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