



April 14th, 2020

Dear Fellow Townspeople,

As we continue to develop our municipal budget for fiscal year July 1, 2020- June 30, 2021 , we realize our world has changed significantly in the last few months. These changes will not last forever, however the COVID-19 impact to our residents will linger into our next fiscal year.

Quite simply, the preliminary budgets that were developed in December and January required an increase in taxes. An increase in taxes is not acceptable now. Many of our fellow townspeople have had reduced earnings causing them financial difficulty due to the COVID-19 Pandemic.

We have often stressed the need to build up our Rainy Day Fund ( Unassigned Fund Balance). Fortunately, our Rainy Day Fund is now at a healthy level. A healthy Rainy Day Fund is important for maintaining a good municipal credit rating for bonding and leasing, however it is also available to access in times of fiscal uncertainty or crisis. A Global Pandemic meets the criteria for use of the Rainy Day Fund.

It is important for all departments to review their current budget requests.. This includes the General Government, Emergency Services, Salem School and Capital budget requests. Proposed increases in department budgets should only be included after thoroughly reviewing all possible ways to mitigate the increase by higher efficiencies and better utilization of their budgeted expenses. Staffing levels and Employee Benefits must be looked at for efficiency and better utilization, as these are often the largest part of many budgets. This is both an opportunity and a necessity as we build a fair budget for our fellow townspeople in this difficult time.

The Board of Finance will be tasked to develop a fair budget for the fiscal year July 1, 2020 - June 30, 2021.

A Draft Budget for public viewing is expected to be available on or about May 20th 2020. When the Draft Budget is available, public comments can be sent to [FinancePublicComment@salemct.gov](mailto:FinancePublicComment@salemct.gov). or placed in the white Salem Dropbox at the outside entrance of Town Hall.

Respectfully,

Kevin T. Lyden  
First Selectman