

**TOWN OF SALEM  
BOARD OF FINANCE  
REGULAR MEETING MINUTES  
THURSDAY, JUNE 13, 2019 – 7:00 P.M.  
SALEM TOWN OFFICE BUILDING**

**PRESENT**

William “Skip” Dickson, Chairman  
Deborah Cadwell  
Janet Griggs  
John Houchin  
Hernan Salas  
Maryann Casciano, Alternate (*seated*)

**ABSENT**

Marshall Collins, Clerk  
Corinne (Cory) Bourgeois, Alternate  
Michael Jensen, Alternate

**ALSO PRESENT**

First Selectman Kevin Lyden

**CALL TO ORDER:**

Chairman Dickson called the meeting to order at 7:03 p.m.

**RECOGNITION OF VISITORS:** *none*

**SEAT ALTERNATE IF NEEDED:**

**M/S/C: Griggs/Houchin, to seat Alternate Board Member Casciano for Full Board Member Collins. Discussion: None. Voice vote, 5-0, all in favor.**

**COMMUNICATIONS:** *none*

**ADDITIONS TO THE AGENDA:**

The following items were added to the Agenda:

- Item 1: APPROVAL OF MINUTES: APRIL 11, 2019 REGULAR MEETING**
- Item 9: UNSUNG HEROES**

**AGENDA:**

**1. APPROVAL OF MINUTES: APRIL 11, 2019, REGULAR MEETING**

**M/S/C: Houchin/Salas, to approve the Regular Meeting Minutes of April 11, 2019, with the following amendment:**

**Page 5, 3rd Paragraph:**

In response, Board Member Griggs stated that, while ~~most~~ *many* districts to not test *all of* their special education students,...

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

**APPROVAL OF MINUTES: MAY 9, 2019 REGULAR MEETING**

**M/S/C: Griggs/Houchin, to approve the Regular Meeting Minutes of May 9, 2019.**

**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. In response to Chairman Dickson, line item 4-093-035 – Education Equalization (ECS Funds), they do not expect to receive the remaining budgeted amount of \$29,369.00 from the State. The receipt of the excess Special Education (Catastrophic) Funds will be investigated. In response to Board Member Houchin, Treasurer Henry stated that it is difficult to gauge whether any additional Pequot/Mohegan Funds (line item 420000-009) will be received until the end of the fiscal year as the funds are not received in a regular manner. The reasoning behind the overage of \$862.52 or 315.6% in line item 5-122-407 – Registrar, Other Expense would need to be investigated. He commended the Tax Collectors, who have collected more than the budgeted amount.

**3. PUBLIC COMMENTS:** *none*

**4. SELECTMAN'S REPORT**

First Selectman Lyden reported that he just arrived back from a very well attended Salem School Eighth Grade Graduation Ceremony. East Lyme's High School Graduation Ceremony will be held tomorrow evening. He congratulated all of the Town's graduates from Salem School, High School, and College.

Friends of Salem Library President Carl Nawrocki was recently honored with the CT Library Association Edith B. Nettleton Award, which is presented annually to an individual with an outstanding record of volunteer service to his or her library. He extended his congratulations and thanked and commended him for all of his hard work for both the Library and the Friends of the Library.

Recently retired Assessor Barbara Perry was recently presented with the Lifetime Achievement Award from the Vision National User Group. He commended Assessor Perry who has worked for the town since 2011 and has left the office in good hands with Assessor Mike Kapinos, Jr., who has his CCMA I and recently earned his CCMA II.

He commended Elizabeth Lane and her team for their hard work organizing the recent Used Books and Plant Sale at the Library, which generated a record \$1,900.00 in sales.

The Town is continuing to work on the Federal Labor Law issues. The 2003 Memorandum of Understanding (MOU) regarding the Ambulance Funds has been sent to the members of the Board of Selectmen, Board of Finance, and Gardner Lake Volunteer Fire Company (GLVFCO). Any proposed changes to the MOU will be presented to the Board for approval. Fire Marshal Donald Bourdeau, Jr., and Deputy Fire Marshals Mike Bednarz and John Cunningham have

been discussing the issues and have been working with the Fire Companies and Selectman Liaison Ronald LaBonte. The Town's Auditor and Attorney are fully aware of the issues and the latter is working with the GLVFCO Attorney. He looks forward to a fair and reasonable solution. In response to Board Member Houchin, liability can be incurred from two to, possibly, three years prior.

First Selectman Lyden commented on a successful Memorial Day Bicentennial Parade. He recently ordered a copy of the photograph used on the cover of the most recent issue of *Our Town Salem* for the Town Hall. Board Member Houchin stated that the Lions Club will also be using the photograph on the Lions calendar. Bicentennial t-shirts, mugs, dog collars, etc. are for sale. One dollar of every purchase will be donated to the Town's Benevolent Fund.

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

The First Selectman stated that, as of July 1, Assessor Kapinos will become a full-time Assessor (37 hours/week). Public Works employee Bob Avery, who has been working for the Town since 1996, has retired and will continue to mow the grass during the summer; the position will be filled in the near future.

**M/S/C: Houchin/Griggs, to approve the transfer of the following funds from Line Item 5-138-802, Employee Benefits – Insurance (PHS & BC Dent) to:**

<b>Line Item 5-105-103, Town Clerk Assistant</b>	<b>\$ 800.00</b>
<b>5-105-105, Assistant Tax Collector</b>	<b>\$ 2,300.00</b>
<b>5-105-106, Salaries – Assessor</b>	<b>\$ 2,000.00</b>
<b>5-105-119, On Call Program</b>	<b>\$ 3,500.00</b>
<b>5-105-121, EMT/Maintenance</b>	<b>\$ 7,000.00</b>
<b>TOTAL</b>	<b>\$ 15,600.00</b>

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

#### 6. **TAX COLLECTOR SUSPENSE LIST**

**M/S/C: Griggs/Salas, to approve the Suspense List at the request of the Tax Collector in the amount of \$51,781.00 (fifty-one thousand seven hundred eighty-one dollars) dated the 13th day of June 2019. Discussion: The Suspense List includes those items that have been deemed uncollectable for a period of time. Voice vote, 6-0, all in favor.**

#### 7. **TO CONSIDER AND ACT UPON A SUPPLEMENTAL APPROPRIATION OF UP TO \$110,000.00 TO THE BOARD OF EDUCATION (BOE) FOR FY2018/19**

At their June Regular Meeting, the Board of Selectman voted to support the supplemental appropriation of up to \$110,000.00 to the Board of Education (BOE) for FY2018/19 due to unplanned expenses, after verification by the Town's Certified Public Accountant (CPA). The invoices, seven in total, were received by East Lyme in May and are due and payable this fiscal year. The notice for the Town Meeting, which will be held on Thursday, June 20, 2019, 7:00

p.m., at Town Hall, has been placed in the newspaper. The procedure for supplemental appropriations is such that the Town's CPA reviews and verifies the amount, in this case, with BOE Business Manager Kim Gadaree. It is hoped that the amount will be verified by Tuesday, June 18. Otherwise, the Boards of Selectmen and Finance will meet again and the Town Meeting will be re-scheduled for July. In response to Board Member Houchin, Director of Student Services Donna Gittleman stated that the Town does have input regarding any special education services a Salem student would require.

**M/S/C: Casciano/Griggs, to approve the supplemental appropriation of up to \$110,000.00 to the Board of Education (BOE) for FY2018/19, pending the review by the Town's Certified Public Accountant (CPA). Discussion: In response to Board Member Houchin who questioned whether any of the funds would be returned from the State in excess costs, Director of Student Services Gittleman stated that the excess costs have been calculated into the amount. First Selectman Lyden reiterated that the amount will be verified by the CPA. Voice vote, 6-0, all in favor.**

BOE Chairperson Sean Reith distributed a printout of the PowerPoint slides regarding the issue and provided a brief background and their plans to avoid such an issue from occurring in the future. In May, the BOE received seven (7) invoices, four (4) of which total approximately \$77,000.00 and are associated with the one-to-one aides who service the students throughout the year. The three (3) remaining invoices, totaling approximately \$19,000.00, are direct billings for outplacement services for these students. The latter bills are traditionally billed directly to Salem, but, for reasons unknown, were billed to East Lyme and the error was only recently realized during a review of their year-end accounting. It is believed that the error, in part, may be due to student(s) who moved from East Lyme to Salem during the school year. While East Lyme has agreed to absorb the former bills totaling \$77,000.00, which they have already expended, and include that amount in their reconciliation process, the Board voted and agreed to request the Town to fund the total amount.

Due to the BOE's encumbrance of approximately \$27,000.00 to \$29,000.00 for mold remediation and \$138,000.00 for new students requiring special education services, their budgeted expenses were significantly impacted at the onset of the school year. In contrast to the previous three to five years during which only one student received one-to-one service and the cost was rolled into the reconciliation process, this year, four (4) students required one-to-one aides. In addition, a new Business Manager was hired in East Lyme resulting in a change in the process. East Lyme and Salem are currently in the process of reviewing and discussing the new Co-Op Agreement and plan to draft a memorandum aimed at clarifying the existing ambiguities regarding the process. They also plan to begin their dialogue regarding the coordination of finances between the two offices.

In response to Board Member Houchin, Director of Special Services Gittleman stated that, while special education needs are very fluid, they are anticipating that only two (2) students will be

receiving one-to-one service during the next school year. The cost of the service for these students have not been budgeted. Board Member Salas questioned the reasoning as to why those services, which were approved by the necessary parties, were not budgeted or anticipated. BOE Chairman Reith agreed that there was a lack of visibility and, while the costs for the one-to-one aides were traditionally rolled into the reconciliation process, it is an item that must be considered and anticipated during their budget process. It is hoped that the memorandum to their Co-Op Agreement will help remedy these issues.

## **8. MANAGING STATE REVENUE UPDATES**

Per their previous meeting, Chairman Dickson wished to begin discussing the future of the Town's budget with respect to their future State revenue reductions prior to the start of budget season and working cooperatively with the Boards of Education and Selectmen and begin strategizing various methods to deal with and approach the situation.

To this end, BOE Chairman Reith reported that he and Superintendent Joseph Onofrio met with the East Lyme Superintendent of Schools Jeffrey Newton and East Lyme BOE Chairman Timothy Hagen to, in part, begin discussing shared services and to investigate their available options. East Lyme BOE Chairman Hagen plans to discuss the matter during their Executive Session in June and place the item on their July agenda for a public discussion. First Selectman Lyden added the importance and necessity of engaging in shared services and regional partnering so as to avoid any duplication of efforts. Board Member Salas concurred, adding that he recently visited Canada where they determine the budget and request all of the departments to investigate and present their efficiencies and overall best practices. Each of the departments are, then, provided with their budget. The process enables them to understand that they are all part of the process and encourages them to find ways to work better and more efficiently. He felt that the Townspeople should be informed of the State's fiscal issues, the efficiencies the Town has instituted, prepare them for the challenges they will be facing, and plan for the future. Board Member Griggs discussed the public perceptions regarding their per pupil expenditures, stating that the expenditures for regular education has been declining while those for special education has been rising. First Selectman Lyden agreed, adding the importance of speaking with their legislators so as to place the burden of proof on the complaining party rather than on the School in the State of Connecticut. Chairman Dickson reported that an article was published in the most recent issue of *Our Town Salem* informing the public of their current budgetary status and inviting them to provide their input. Board Member Houchin suggested expanding it such that the effects of the budget on various areas within the town government are discussed. The best ideas derive from the staff. Board Member Griggs, who felt that many are not aware of the State's fiscal issues and its effect at the local level, suggested hosting an open dialogue with the townspeople. Board Member Houchin concurred, adding that many do not understand what the government provides and the impact(s) of not having a government. Board Member Salas recommended reading the short book entitled, "Make Your Bed". Board Member Griggs suggested that the Board to review David Bingham's statistical analysis of the different

demographics in towns and the impact of education on the budget and utilize the data as they draft a letter to their legislators for consideration as the State re-formulates the manner in which the Educational Cost Sharing (ECS) Funding is calculated. The importance of communicating the budgetary issues to the public and receiving their input such that the town and its residents are aware of the issues and can prepare for any future increases was further discussed.

The item will remain on the agenda. Chairman Dickson requested that the Board present any ideas for efficiencies, things they would like to see, what they are looking for, and, possibly, generate target numbers. He also suggested the possibility of organizing a meeting with the various boards and commissions to determine the best way to handle their budgetary issues.

#### **9. UNSUNG HEROES**

Board Member Houchin distributed the Nomination Form packet for the Unsung Heroes to the Board Members. The deadline to nominate an individual is July 31 and an event to honor the individuals will be held in November. The packet is also available online at the Town website.

**OLD BUSINESS:** *none*

#### **ADJOURNMENT**

**M/S/C: Houchin/Salas, to adjourn the meeting at 8:56 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