

**BOARD OF FINANCE
SALEM, CONNECTICUT
MEETING MINUTES
MARCH 27, 2014**

PRESENT

TJ Butcher
Janet Griggs
Greg Preston
George Householder
David Kennedy
Carole Eckart
Robert Sartori, Alt
Hernan Salas
John Dolan, Alt
Cindy Noe/ Recording Secretary

ABSENT

GUESTS
Kevin Lyden
See File Copy

CALLED TO ORDER

TJ Butcher called the meeting to order 7:01pm

RECOGNITION OF VISITORS

There were no visitors that wished to be recognized in attendance

SEAT ALTERNATE IF NEEDED

No alternates were required

COMMUNICATIONS

Letter to the Board from James and Robin Jenson regarding the BOE budget (See File Copy)

Letter to the Board from Karen Erikson regarding the BOE budget (See File Copy)

Board of Selectman 3/27/14 Special Meeting Unapproved Minutes (See File Copy)

ADDITIONS TO AGENDA

Add discussion regarding the Board of Selectman's 3/27/14 Special Meeting.

AGENDA

APPROVE MEETING MINUTES FROM MARCH 20, 2014

M/S/T- (Preston/ Griggs) to table the approval of 3/20/14 Meeting minutes until the next BOF meeting to allow for corrections to be reviewed.

1. CAPITAL RESERVE DEPT #925 BALANCE IN ACCOUNT

Butcher stated the balance in Department # 925, Capital Reserve, is \$148,135.02.

M/S/C-(Preston/ Kennedy) to approve Department #925, Capital Reserve, appropriation in the amount of \$1.00, subject to review, revision, table at tonight's meeting.

Vote: Approved Unanimously

2. REVIEW/ ACTION BUDGET REQUESTS FOR 2014/2015 FISCAL YEAR

A. TABLED ITEMS

BOE gave the Board a revised version of the Salem School 10 Year Capital Plan for Fiscal Year 2014/2015 (See File Copy). The revision shows three items moved out of the BOE budget and into the BOE Capital Plan. (Tank Coating for Water System, Clock/Speaker System Repair/Replacement, and Gym Air Handler). The Board asked Donald Bourdeau if he felt the Air Handler Unit could be pushed out 1 Year. Bourdeau stated that the unit has been installed since 1975 and gets hit by balls during use of the gym and his concern is that it may eventually fall. Lyden and Householder feel Bourdeau should have a structural engineer come in and decide if the unit is safe. The engineer can also decide when and how the unit should be protected. Lyden presented the Board the unapproved minutes from the Selectman's special meeting on 3/27/14 at 5:00 pm (See File Copy). Lyden stated the Board of Selectman's special meeting endorsed up to \$50,000.00 to fund an educational study of Salem School. Lyden stated the study would look at efficiencies and any sharing or cost savings that may be possible. Lyden stated that once a firm has been selected to perform the study that a report could likely be done in about 6-9 months. The Board agreed that a fresh look and assessment of Salem School could benefit the town. The Board decided the study would fall under the Selectman's Budget.

M/S/C- (Householder/ Griggs) to add BOE revised capital items to the *Town of Salem 10 year Capital Plan for fiscal year 2014/2015*. Tank Coating for Water System, to be added as line 5. Clock/ Speaker System Repair/ Replacement, to be added as line 6.

Vote: Approved Unanimously

M/S/C- (Householder/ Griggs) to add line #5-100-403, Educational Study of Salem School District, for \$50,000.00 to Department 100, Selectman, for fiscal year 2014/2015.

Vote: Approved Unanimously

B. FINALIZE BUDGET FOR PUBLIC HEARING

Butcher explained to the people in attendance that the Board would now review the Salem budget as a whole and may make changes to get to an acceptable target tonight. Householder stated that as the budget stands it would mean a 3.162 mil increase. Butcher suggested that on the *Town of Salem 10 Year Capital Plan for Fiscal Year 2014/2015* that the Salem School Renovation Bond be lowered to \$300,000.00 for this year. He stated while it increases future payments; some capital expenses will also be gone in future years.

M/S/C- (Preston/ Kennedy) to reduce the School Building Renovation Bond Payment to \$300,000.00 on the *Town of Salem 10 Year Capital Plan for Fiscal Year 2014/2015*.

Vote: Approved Unanimously

Preston mentioned moving the BOE Security Upgrade out to fiscal year 2015/2016. Lyden stated that there is a possible grant for this type of upgrade this year. He recommended to the Board to lower the amount to 200,000.00 but to keep it in capital for this year. Lyden feels some security upgrades at Salem School are necessary.

M/S/C- (Preston/ Griggs) to move line item #1, BOE Direct Digital Control System, in the amount of \$30,000.00 on the *Town of Salem 10 Year Capital Plan for Fiscal Year 2014/2015* to fiscal year 2015/2016.

Vote Approved Unanimously

M/S/C- (Preston/Griggs) to reduce line item #4, BOE Security Upgrades, to \$200,000.00 on the *Town of Salem 10 Year Capital Plan for Fiscal Year 2014/2015*.

Vote: Approved Unanimously

M/S/C- (Kennedy/ Preston) to move line item #13, Public Works Top Dresser, in the amount of \$10,000.00 on the *Town of Salem 10 Year Capital Plan for Fiscal Year 2014/2015* to fiscal year 2015/2016.

Vote Approved Unanimously

The Board discussed lowering the budget amount for PW Road Improvements. Lyden suggested to the Board to lower the amount on capital plan and use monies from the Town Aid Roads Fund (TAR) for

road improvements. The Board agreed that was a good plan. Butcher will get the correct balance in the TAR fund for the Board.

M/S/C- (Householder/ Preston) to reduce line item #22, Public Works Road Improvements, to \$292,000.00 on the Town of Salem 10 Year Capital Plan for Fiscal Year 2014/2015.

Vote: Approved Unanimously

Gene Maiorano stated that he obtained a quote that was \$1,000.00 lower for the phone system at SVFCO. Preston suggested reducing Department #222, Salem Volunteer Fire Company's, budget for fiscal year 2014/2015 by \$2,000.00. Preston stated the reduction could come from line #5-222-618, Repair/Maintenance of Equipment. He stated that the reduction to this line would bring the total back to the original request of \$15,000.00. Householder and Kennedy stated the \$15,000.00 was raised to \$17,000.00 because this line items has gone over budget the last 3-4 years.

M/S/C- (Preston/Griggs) to reduce line item #30, SVFC Phone System, to \$5,200.00 on the Town of Salem 10 Year Capital Plan for Fiscal Year 2014/2015.

Vote: Approved Unanimously

M/S/C- (Preston/ Eckart) to reduce Dept #222, Salem Volunteer Fire Company, budget line item #5-222-618, Repair/Maintenance of Equipment, from \$17,000.00 to \$15,000.00 for fiscal year 2014/2015.

Vote: Approved Unanimously

Preston suggested reducing Department 600, Economic Development, from \$2,500.00 to \$1,500.00. Householder stated that feels a change to the EDC wouldn't really impact the Town's budget as a whole and that EDC always returns unspent money to the Board. Householder also stated that EDC does not spend frivolously. Butcher stated that he feels the EDC will spend their budget this year. Salas stated he really believes that the \$2,500.00 budget for EDC is an investment in the town. Eckart stated she would leave the budget as is and challenge the EDC to use the money.

M/S/F-(Preston/Eckart) to reduce Dept #600, Economic Development, budget to \$1,500.00for fiscal year 2014/2015.

Vote: Opposed – Kennedy, Householder, Butcher, Eckart, Griggs

Abstaining: Preston

Householder requested a line item by line item burn rate percentages report from the BOE. Householder stated that the all Boards and Commissions currently give this report to the Board.

Householder stated that the school population is decreasing but the cost to educate each child is increasing. Discussion took place on the cost of educating the children of Salem vs other Connecticut towns. Householder stated that the BOE comes to the BOF each year and states the budget is all about the children. Householder questioned why the tier level cuts presented to the Board affected the children. Superintendent Onofrio stated that the tiers were created to answer the request by the BOE to show what happens to get to a zero budget. Onofrio also stated after the BOE budget was cut a different set of discussable cuts were made at the last BOE meeting. Householder stated that the two areas that have jumped in the BOE budget are Special Education and District Costs.

The Board was mistakenly was looking at the bottom line on the *Town of Salem 10 Year Capital Plan for Fiscal Year 2014/2015* which included capital plus principle/interest on Salem School Renovation, Gadbois Property, Library, and ELHS Debt. The Board realized that they were also counting the principle and interest in Dept 910 and Dept 920. Therefore, the principle and interest was being double counted in their figures. The Board decided to increase the Salem School Renovation Bond payment to its original amount. Butcher will double check the figures with the treasurer. Griggs asked Butcher to send the members of the Board an updated capital plan after talking with the Treasurer and Virginia Casey.

M/S/C- (Preston/ Kennedy) to increase Dept #920, Principle Payment, budget line #5-920-000, School Bond Payment to from \$300,000.00 \$362,000.00 for fiscal year 2014/2015.

Vote: Approved Unanimously

M/S/C – (Eckart/ Householder) to present this updated budget at the Public Hearing on April 09, 2014 pending any possible corrections of mistakes.

Vote: Approved Unanimously

OLD BUSINESS

AUDIT REQUSET FOR PROPOSAL- NOVEMBER 2014 MEETING

No discussion took place.

M/S/C- (Kennedy/ Householder) to adjourn meeting at 9:21pm.

Vote: Approved Unanimously

Respectfully Submitted
Cindy Noe
Recording Secretary