

1  
2  
3  
4  
5  
6

**MINUTES OF THE  
BOARD OF SELECTMEN**

7  
8  
9

**Budget Review Meeting of  
September 10, 2009**

10  
11  
12

The Board of Selectmen held a meeting on Thursday, September 10, 2009 at Salem Town Hall, 33 Geremonty Drive, Salem, NH.

13  
14

**PRESENT:** Chairman Arthur E. Barnes III, Vice-Chairman Michael J. Lyons, Selectman Everett P. McBride, Selectman Patrick Hargreaves and Mr. J. Sistare (Town Manager)

15  
16

**ABSENT:** Secretary Elizabeth A. Roth

17  
18

**CALL TO ORDER**

19  
20

Chairman Barnes began by calling the meeting to order at 6:16 p.m. He joined the Board in the Pledge of Allegiance and introduced members of the Board and Town staff.

21  
22

**1. Police Department – Accept donations to Summer Youth Program**

23  
24

Mr. Sistare introduced the topic explaining these donations had come in late. Captain Patten reported there were two donations which would be put towards next year's summer youth program.

25  
26

**MOTION:** by Selectman McBride

27  
28

*Move in accordance with RSA 31:95 (b) that the Salem Board of Selectmen does hereby accept a donation of \$250.00 from Pentucket Bank in Haverhill, Massachusetts and \$100.00 from Sullivan Tire in Norwell, Massachusetts for the Salem Police Department Summer Youth Program.*

29  
30

**SECOND:** Selectman Lyons

31  
32

**VOTE:** 4-0-0

33  
34

Chairman Barnes requested Mr. Sistare send a letter of thanks to each of the companies.

35  
36

**2. Town Manager Budget Presentation & Overview**

37  
38

- **Human Services Department (page 175 - 185)**

39  
40

Ms. K. Walton, Human Services Director presented her department's budget.

41  
42

- **Administration (a/c 60100, pages 176 – 178)**

43  
44

*Line item 4453 (Meetings & Training):* Responding to a query from Selectman Hargreaves, Mr. Sistare agreed to supply a list for the Board of those meetings and training not in Ms. Walton's contract.

45

- **Direct Assistance (60110, pages 179 - 180)**

46

Mr. Sistare explained the reductions are due to the way the program operated, stating that town assistance is for emergencies only.

1 *Line item 4437 (Food):* In response to a query from Selectman Hargreaves  
2 regarding food pantries and vouchers, Ms. Walton explained how the system  
3 operated and there was a discussion among the Board regarding the town's policy  
4 and the effects of the current changes in the economy. Ms. Walton confirmed she  
5 has not turned anyone away who is looking for food.  
6

7 *Line item 4438 (Rent):* Selectman Hargreaves queried whether there will be  
8 sufficient money in the line for next year if it is reduced by 50% as proposed, and  
9 Ms. Walton stated she thought there would be.  
10

11 *Line item 4918 (Counseling Services):* Selectman Hargreaves asked whether these  
12 services are required, suggesting the money be moved to one of the other lines,  
13 however the rest of the Board did not concur.  
14

15 • ***Outside Human Services (a/c 60200, pages 181 – 183)***

16 Mr. Sistare explained he had taken the view that the organizations should petition  
17 the town instead of putting this in the operating budget.  
18

19 • ***Building (a/c 60420, pages 184 – 185)***

20 *Line item 4452 (Building Maintenance):* Selectman McBride queried the furnace  
21 contract, and Mr. Sistare confirmed it is a town wide contract. He agreed to  
22 provide the Board with information on how much the service was used in 2008  
23 for Monday's meeting. The Finance Department representatives handed out  
24 figures which had been requested at the previous meeting on some of the systems  
25 in other buildings.  
26

27 • **SCTV**

28 Mr. T. Giarosso presented his department's budget and Mr. Sistare clarified the costs  
29 go through the revolving fund and not the operating budget. Mr. Giarosso reminded  
30 the Board SCTV staff is now part of the town's payroll and thanked his staff for their  
31 help during the transition. He provided a list of the new shows which have been  
32 added, stating they are expanding programs to assist students and seniors. He  
33 provided more information on the additional things the department is involved in,  
34 pointing out they are getting multiple uses from the same material. He also stated he  
35 has adjusted his budget to ensure the revolving fund remains level funded.  
36

37 • **Police Department (pages 104 - 124)**

38 Chief P. Donovan introduced his department's budget, stating there is an overall  
39 increase of 3% over 2008 and explained what attributed to the increase. He then  
40 pointed out the following:

41 • ***Administration (a/c 40100, pages 105 – 107)***

42 *Line item 4182 (Clothing Allowance):* The Chief stated that if the two vacancies  
43 are not filled, they will only require 50% of the amount proposed.  
44

45 *Line item 4406 (Printing & Binding):* This line is over budget for 2009 due to  
46 additional arrests and paperwork.

1 *Line item 4424 (Data Processing):* The rate for this is set by the state

2  
3 Line item 4453 (Meetings & Training): This line has been zeroed as costs would  
4 be covered by the organization during his three year term as President.

5  
6 *Line item 4090 (Regular Pay):* Selectman McBride requested information on the  
7 number of staff on the payroll and how long it takes to get to the top of the step.

8  
9 *Line item 4182 (Clothing Allowance):* There was a discussion between Selectman  
10 Hargreaves and Chief Donovan regarding the possibility of obtaining the COPS  
11 grant this year and why a clothing allowance is included in the budget for the  
12 COPS officers when the grant is not guaranteed.

13  
14 *Line item 4208 (Equipment Repair):* Selectman Hargreaves requested an update  
15 on expenditure to date and asked about likely additional spending this year.

16  
17 *Line item 4440 (Equipment Rental):* In response to a query from Selectman  
18 Hargreaves, Ms. Savastano confirmed the price was obtained by solicitation.

19  
20 • ***Support Services (a/c 40110, pages 108 – 113)***

21 *Line item 4221 (Ammunition):* It was pointed the cost of ammunition has  
22 increased.

23  
24 *Line item 4223 (Academic Reimbursement):* The Chief explained this item is  
25 contractual and needs to be in the budget in case they receive a request from a  
26 member of staff.

27  
28 *Line item 4200 (Office Supplies):* The Chief explained for Selectman Hargreaves  
29 that the amount in this line is based on the average spending across the whole  
30 department.

31  
32 *Line item 4405 (Memberships & Publications):* Selectman Hargreaves requested a  
33 list of those which are not contractual.

34  
35 *Line 4458 (Vehicle Maintenance):* It was confirmed for Selectman Hargreaves  
36 that the department owns 39 vehicles and has a total of 60 officers. Mr. Sistare  
37 confirmed for Selectman Hargreaves that the maintenance figures would be  
38 reduced if the town obtained the 15 new vehicles which are budgeted and he  
39 stated he would provide the figures for Monday's meeting.

40  
41 *Line item 4406 (Emergency Equipment):* The Chief explained they had not spent  
42 the money this year on body armor, but will be buying it next year.

43  
44 In response to Chairman Barnes' query from the Budget Committee regarding  
45 motorcycles, the Chief clarified they are unable to use these in winter due to  
46 officer safety and they will be put into the garage by the middle of next month.

1           • ***Patrol (a/c 40120, pages 114 – 116)***

2           *Line item 4093 (Replacement Pay):* The Chief provided an explanation for the  
3           increase in this line, stating it is based on a three year average

4  
5           *Line item 4094 (Shift Differential):* This figure is contractual

6  
7           *Line item 4098 (Overtime):* This is based on a three year average

8  
9           *Line item 4090 (Regular Pay):* Selectman Hargreaves requested the all inclusive  
10          figures for the COPS officers for Monday's meeting.

11  
12          *Line item 4207 (Emergency Equipment):* Selectman Hargreaves requested  
13          expenditure to date for Monday's meeting.

14  
15          • ***Community Services (a/c 40125, pages 117 – 119)***

16          *Line item 4110 (Holiday Pay):* The Chief explained this had been increased by  
17          Finance department.

18  
19          • ***Investigative Services (a/c 40130, pages 120 – 122)***

20          *Line item 4098 (Overtime Pay):* The Chief explained that some of the increase in  
21          this line will be reimbursed by the federal government. He explained for  
22          Selectman McBride how he had arrived at the figure for 2010.

23  
24          *Line item 4097 (Incentive Pay):* In response to a query from Selectman McBride,  
25          the Chief confirmed this is contractual.

26  
27          *Line item 4460 (Travel Expenses):* In response to a query from Selectman  
28          Hargreaves regarding whether he could reduce this line more, the Chief explained  
29          they were trying to maintain a very tight budget and it was difficult to reduce  
30          things further without affecting services.

31  
32          • ***Police Station (a/c 40140, pages 123 – 124)***

33          *Line item 4451 (Postage):* In response to a query on expenditure to date in this  
34          line, the Chief explained they would need to expend more by the end of the year.

35  
36          *Line item 4498 (Building Repairs):* The Chief stated they will use the money for  
37          2009 this year if they get permission to do so. In response to a query from  
38          Selectman Hargreaves about replacing the roof, the Chief provided a status report  
39          on this and there was discussion with the Board and Mr. Sistare who confirmed  
40          they have held off on the more elective repairs. There was a discussion regarding  
41          generators, and Mr. Sistare confirmed one is being proposed for the Police  
42          department next year.

43  
44          • ***Employee Benefits (a/c 10330, page 35)***

45          Ms. Savastano provided an explanation on how she had come up with the figures for  
46          the lines in this account.

1       • **Financial Services (pages 64 – 89)**

2           • **Finance Department (a/c 20100, pages 65 – 67)**

3           Ms. Savastano presented the budget for her department.

4  
5           *Line item 4176 (Health Insurance):* She stated there has been a change in plan  
6           coverage for health insurance which has increased.

7  
8           *Line item 4400 (Contracted Services):* The amount here is for the contract with  
9           the actuarial company for GASB 45, which will be the final year of the contract.

10  
11          *Line item 4404 (Audit):* Ms. Savastano confirmed the 2008 audit is in hand and  
12          should be finalized by October. This is the second year of the contract with the  
13          new audit company which has increased by 3%.

14  
15          *Line item 4406 (Printing & Binding):* Ms. Savastano explained the increase in this  
16          line is due to the fact they will need to order more forms for next year.

17  
18          *Line item 4404 (Audit):* There was a discussion with Selectman Hargreaves  
19          regarding the time frame for billing of the audit services for clarification.

20  
21          *Line item 4453 (Meetings & Training):* Ms. Savastano stated that the Payroll  
22          meetings are important to keep the staff responsible up to date as payroll is done  
23          in house. She also explained what the benefits are of membership in the NH  
24          Government Financial Officer Association.

25  
26          *Line item 4406 (Printing & Binding):* Ms. Murray confirmed current expenditure  
27          through the end of August for this line.

28  
29       • **Debt Services (a/c 20700, pages 86 – 87)**

30       Ms. Savastano explained about the place holder for the bonds.

31       Selectman Lyons confirmed the bridge bond is a 10 year bond with 2.99% interest  
32       and Ms. Savastano explained there was a large increase in the interest rate for a 20  
33       year bond, stating there was a saving with the 10 year bond of \$1 million in  
34       interest.

35  
36       • **Insurance (a/c 20800, pages 88 - 89)**

37       Line item 4475 (Fleet Insurance): In response to a query from Selectman  
38       Hargreaves Ms. Murray explained there is no rate difference based on the age of  
39       the vehicles.

40  
41       • **Revenue (pages 2 – 13)**

42       Referring to the information in the budget overview presentation with regard to  
43       revenue, Ms. Savastano outlined which accounts are showing decreases, stating there  
44       is approximately \$1.3 million in lost revenue this year. She pointed out that  
45       Ambulance revenue has helped offset the decrease in other accounts. Ms. Murray

1 confirmed for Selectman McBride that the increased ambulance revenue is included  
2 in the 2010 operating budget.

3  
4 There was a discussion on some of the line items on page 8, Business Licenses,  
5 Permits and Fees. Ms. Savastano explained for Selectman McBride that the large  
6 increase in line 3365 (Food Service License) is due to a new \$5.00 fee.

7  
8 *Line 3371 (Septic Inspection Fees):* Ms. Murray explained this is offsetting revenue.

9  
10 There was a discussion about fire alarm permit fees on page 10, line 3332. Ms.  
11 Savastano also explained that the increase in line 3333, ambulance fees is to an  
12 increase in the fees.

13  
14 • ***Miscellaneous Revenues (Page 12)***

15 *Line 3600 (Interest Earnings):* Ms. Savastano explained there has been a decrease in  
16 interest rates. There followed a discussion with Chairman Barnes regarding options  
17 which may be available to improve the interest rates, and Ms. Murray explained the  
18 town does not pay fees on their accounts and this affects the interest.

19  
20 There was a discussion with Chairman Barnes regarding the Unreserved Fund  
21 balance and what money was taken out for this year. Ms. Savastano stated she was  
22 not expecting they would need to draw on the fund this year. There was also a  
23 discussion regarding the MS4 and what they want to do with the tax rate. Chairman  
24 Barnes reported he is waiting for an answer regarding whether the state contributed to  
25 the school system before deciding what to do with the tax rate.

26  
27 There was a discussion on Water and Sewer projections with Ms. Savastano  
28 explaining the spreadsheets she had prepared for the Board. The Board discussed  
29 strategies regarding for financing the water meter replacement warrant. Selectman  
30 Lyons requested further information for Monday's meeting to help the Board move  
31 forward on water and sewer, and should include a schedule of when they can  
32 implement tiered rates. It was pointed out they need to get into the habit of reviewing  
33 water and sewer outside of the budget process to show it has been reviewed, that a  
34 rate has been set, and the status of the fund is healthy even if the rate is not changed.  
35 Ms. Savastano pointed out she would like more time to run a live test and be  
36 comfortable with the new software before implementing tiered rates. There followed  
37 a discussion regarding the issues being experienced with the new software and how  
38 they could resolve these. It was the consensus of the Board to investigate what needs  
39 to be done to resolve the issues with details of the cost involved by September 21<sup>st</sup>

40  
41 **MOTION:** by Selectman Lyons

42 ***Move the Board of Selectmen direct the Town Manager come back to the Board on***  
43 ***September 21<sup>st</sup>, 2009 with a schedule to get the town to a tiered water system***

44 **SECOND:** Selectman Hargreaves

45 **VOTE:** 4-0-0

46 **The motion carried unanimously.**

1 Copies of the CIP warrant articles were handed out and Mr. Sistare confirmed they will  
2 be discussed on Monday. Ms. Savastano clarified the other warrant articles will be  
3 submitted to the Board tomorrow.  
4

5 • **Selectmen Reports/Correspondence**

6 Selectman Hargreaves reported he had received an e-mail from a citizen regarding Christine  
7 Lane and there followed a discussion between the Board and Mr. Sistare on the situation  
8 regarding unaccepted streets in town. Mr. Sistare stated his staff would compile a list of  
9 roads to be accepted by the town in order that the Board can address the issue. He also  
10 pointed out that the citizen on Christine Lane was coming to see him.  
11

12 Selectman Hargreaves stated he had outstanding questions about the hiring policy of the  
13 police prosecutor, requesting that Mr. Sistare check that the prosecutor has now obtained his  
14 license from the NH bar association. There followed a discussion between Mr. Sistare and  
15 the Board regarding this position.  
16

17 • **Upcoming Meetings**

- 18 ○ September 14, 2009 at 6:00 p.m. – Budget Review
- 19 ○ September 21, 2009
- 20 ○ September 28, 2009

21  
22 **ADJOURN**

23  
24 **MOTION:** by Selectman Hargreaves

25 *Move to adjourn*

26 **SECOND:** Selectman McBride

27 **VOTE:** 4-0-0

28 **Motion carried unanimously.**  
29

30 Without further business, the meeting adjourned at 8:27 p.m.

31  
32 Notes/minutes taken by: Sandra Maxwell

33  
34 Approved: Board of Selectmen

35  
36 Date: October 5, 2009