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**MINUTES OF THE  
BUDGET COMMITTEE**

**MEETING OF  
January 8, 2009**

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**01) OPEN MEETING**

9 The Municipal Budget Committee Meeting of Thursday, January 8, 2009 was called to order at  
10 7:00 p.m. at Salem Town Hall, 33 Geremonty Drive, Salem, New Hampshire.  
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**02) PLEDGE OF ALLEGIANCE**

14 Chairman Covey opened the meeting with the pledge of allegiance and introduction of members.  
15

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17

**03) INTRODUCTION OF MEMBERS**

18  
19

**MEMBERS PRESENT:**

20 Susan Covey, Chairman  
21 Michael Carney, Jr, Vice-Chairman  
22 Peter Rayno, Secretary  
23 Jim Randazzo  
24 Ann Marie David  
25 Roland Theberge  
26 Stephen Campbell  
27 Atty. Bernard Campbell, School Board Representative/Chairman  
28 Arthur Barnes, Board of Selectmen  
29

30  
31

**OTHERS PRESENT:**

32  
33 Mr. Michael Delahanty, Superintendent of Schools  
34 Ms. Linda MacDonald, School District Business Administrator  
35  
36  
37

38  
39

**04) RECEIPT OF CORRESPONDENCE & MINUTES/APPROVAL OF MINUTES**

40  
41

**MOTION by Mr. Rayno to approve the following minutes:**

- 42
- Approve the revised draft of the Budget Committee Minutes of November 18, 2008
- 43

44  
45

**SECOND by Mr. Carney**

**VOTE: 9-0-0**

46  
47

**MOTION CARRIES**

1 **MOTION by Mr. Rayno to receive the following minutes:**

- 2
- 3 • Receive the Budget Committee Minutes of December 17, 2008
- 4

5 **SECOND by Mr. Carney**

6 **VOTE: 9-0-0**

7 **MOTION CARRIES**

8

9 **MOTION by Mr. Rayno to receive the following correspondence:**

- 10
- 11 • Receive the Salem School Board Minutes of November 18, 2008 and November 25, 2008
  - 12 • Receive the Board of Selectmen Minutes dated December 1, 2008, December 8, 2008 and
  - 13 December 15, 2008
  - 14 • Receive copy of Town Warrant Articles 2009-2010
  - 15 • Receive Good Life
  - 16 • Receive memo from Mr. Bernard Campbell dated January 8, 2009 regarding Support
  - 17 Staff
  - 18 • Receive memo from Mr. Bernard Campbell dated January 8, 2009 regarding Windham
  - 19 Tuition Agreement
- 20

21 **SECOND by Mr. B. Campbell**

22 **VOTE: 9-0-0**

23 **MOTION CARRIES**

24

25

26

27 **05) PUBLIC HEARING 2009-2010 SALEM SCHOOL BUDGET**

28

29 *Chairman Covey opened the Public Hearing at 07:07 PM*

30

31 Tom Linehan, 151 Lowell Road, distributed a CD to the board members and started his

32 presentation. He commented on what great schools were and what they were made up of. He

33 started to outline key components discovered in his research that helped make up great schools

34 the first being demographics.

35

36

37 *Mr. O'Shaughnessy called for a point of order as to relevancy. Chairman Covey allowed Mr.*

38 *Linehan to continue his presentation, providing the condensed version.*

39

40

41 Mr. Linehan referenced the school system in Singapore and their level of achievement and

42 further referenced the STAR study, (related to class size) the Hamilton Study, the Flywheel

43 study, and their relevance to the presentation. He offered his opinion on how the school systems

44 compared to other areas of the country. He opened the floor to questions, seeing no one the

45 public hearing continued.

46

1 Jeff Hatch, 8 Scotland Avenue, stated that he and his family considered living in Salem because  
2 of the School District, stating that it is now becoming un-affordable. He challenged the board to  
3 make cuts, especially in these tough economic times. He stated that the increase to the budget in  
4 his opinion was too high.

5  
6 DJ Bettencourt, 12 Peggy Lane, stated that in his capacity as a state representative he felt  
7 obligated to report the changes that were occurring up in Concord. He highlighted the specific  
8 areas where the revenue projected was falling short. He added that he felt that the budget needed  
9 to be decreased, as families now have less disposable income. He urged the board to make  
10 further cuts.

11  
12 Joe Hatch, 29 Lancaster Road, commented that he was for kindergarten. He further stated that  
13 the NEA study showed that for every dollar spent for kindergarten a future return of three times  
14 that was received.

15  
16 Laurel Redden, 2 Hall Avenue, encouraged the board not to reduce staff, stating that she had a  
17 desire to see the class sizes reduced. She commented that the maintenance costs should be kept  
18 in the budget; she supported public kindergarten, and encouraged the board to leave behind a  
19 “legacy”, adding that kindergarten was a mandate.

20  
21 Melissa Sorcinelli, 3 Dare Lane, commented that she supported kindergarten and also felt that  
22 facilities maintenance should be kept as part of the budget.

23  
24 Dick O’Shaughnessy, 10 School Street, commented that he agreed with Mr. Linehan that  
25 societies that did well in education must pay for it. He further stated that he felt he was getting  
26 his money back in terms of taxes paid. He added in closing that we all need to think about and  
27 do what is best for future generations.

28  
29 Larry Disendorf, 23 Garrison Road, commented that we had facilities issues that needed to be  
30 addressed and commented that we were one of only several communities in this country without  
31 kindergarten.

32  
33 Russell Frydryk, Abby Road, commented that he felt Windham would be hiring all of our best  
34 teachers as they have new facilities etc. He also stated that the school district is one of the  
35 biggest factors, as far as whether people move here. He also stated that the school district has a  
36 direct affect on property values.

37  
38 Jeff Hatch, 8 Scotland Road, referenced the teachers specifically and stated that we needed to  
39 make more cuts in this budget so the salary increases were not cut.

40  
41 Earl Merrow, 22 Mulberry Road, commented that the budget increases were not fair to the  
42 voters; he also stated that kindergarten should be in an article. He further commented on his own  
43 personal health issues and stated that the burdens being placed on him and others were incredibly  
44 hard to deal with. He urged the board to let the voters vote, adding that we need to consider the  
45 voters as they will be moving out of state if they cannot afford these increases.

1 *Chairman Covey closed the Public Hearing at 08:04 PM and called for a five minute recess*  
2  
3

4 *Chairman Covey called the meeting back to order at 8:12 PM*  
5  
6

7 Mr. B. Campbell stated that the School Board takes their responsibilities seriously and  
8 highlighted where the specific increases to this budget were: of the \$2,131,000.00 increase;  
9 \$1,622,000.00 was for kindergarten, leaving an increase of \$508,000.00 of which \$265,000.00  
10 was for retirement and \$167,000.00 was for special education. He added that kindergarten was a  
11 mandate from the state, and added that the town was aware of the increased costs that would  
12 have to be picked up when Windham left. He reiterated that the school board believed in  
13 kindergarten and has not recklessly spent. He stated that he was an advocate of continuing the  
14 relationship with Windham, and since we did not we are now forced to address the issues that  
15 arose. He stated in closing that statistical data shows and had been provided for the past several  
16 years to the committee and the town, that the tax rate relatively speaking is very low. Mr. B.  
17 Campbell stated that he felt that the School Board had done a good job, and added that they had  
18 not met since the budget had been reviewed, and added that some action may be taken. He also  
19 commented that several sections of the budget were less than last year.  
20  
21

## 22 **06) SALEM SCHOOL DISTRICT FINAL VOTES 2009-2010 BUDGET** 23 24

25 *Object Code 100 series:*  
26

27 **MOTION by Mr. Rayno to set the 100 series budget at \$31,295,445.00**

28 **SECOND by Mr. Carney**  
29

30 **AMENDMENT MOTION by Mr. S. Campbell to reduce line item by \$1,622,447.00, to a**  
31 **new bottom line of \$29,672,998.00**

32 **SECOND by Mr. Theberge**  
33

34 *Discussion:*

35 Mr. S Campbell stated that it was his opinion that we should give the voter's a choice. He added  
36 that permanent space would be needed in the future for this, and questioned whether they could  
37 muster the support. He further stated that the 10.7% increase was more than anyone in the town  
38 could afford, and therefore all of the other articles would be voted down. He re-iterated that the  
39 taxpayers should have the opportunity to vote.  
40

41 Mr. Carney commented on the overall tax impact and noted that last year taxes were reduced  
42 because of Windham. He further commented that Mr. Linehan's was one of the most educated  
43 people regarding the education itself, he noted that Salem's tax rate was 62 towns out of 257, and  
44 added that our test scores were average, and stated that money was being spent wisely and lastly  
45 that the peer comparisons were extremely favorably as far as results. Mr. Carney referenced  
46 kindergarten and stated that he disagreed with Mr. S. Campbell, and added that this was a

1 mandate, and therefore the voter's do not get the right to vote. He also added that he did not  
2 believe that this was a fully funded mandate by the stated and added that he felt that we were  
3 being let down. He stated that he would not be in support of this motion as this was a matter of  
4 principle.

5  
6 Mr. Theberge commented that no one had stated that they were against kindergarten; they were  
7 merely against the process. He also commented that he felt that the voters should get to vote. He  
8 commented that this was the most number of people to show up for a vote in his tenure on the  
9 committee. He stated in closing that the people should be able to vote.

10  
11 Mr. Randazzo commented that he felt that we were hurting the folks that could not pay for  
12 kindergarten; he believes it was mandated and therefore we should abide by the ruling. He stated  
13 that he was a firm believer in kindergarten. He stated that you we have to spend money to  
14 preserve property values. He noted that this was one of the first questions that prospective real  
15 estate clients when considering purchasing a home in Salem. He noted also that Salem had one  
16 of the lowest cost per student, and added that the student staff ratio was 23% higher than the state  
17 average, and the administrator's was even higher. He stated in closing that the school department  
18 was spending money wisely.

19  
20 Mr. Rayno commented that his concern was one of priorities, and added that kindergarten was  
21 being pursued because it was a state mandate, and for no other reason. He stated that his concern  
22 was the legality of 28 A.

23  
24 Mr. B. Campbell responded that he respected the comments and stated that the court had  
25 previously ruled in the past that how the school board structures their appropriation requests is  
26 their prerogative. He noted the exceptions that did not have to be on separate articles. The  
27 Budget Committee cannot force the School Board to put something on a special article. (as this  
28 has been previously ruled on).

29  
30 Mr. S. Campbell stated that this never went to a full trial and stated that the articles were  
31 different and therefore not relevant.

32  
33 Mr. Carney stated that the board was responsible for deciding whether the expense was  
34 warranted and nothing else. He commented further that if this was a 28 A issue the voters did not  
35 have a choice, as it was a mandate. He stated that he supported kindergarten but stated that he  
36 disagreed with the constitutionality of it.

37  
38 Ms. David stated that kindergarten was coming no matter how you look at it and questioned they  
39 way we were approaching the building side of it. She added that she would like to see  
40 transportation cut.

41  
42 **VOTE on the motion as amended: 5-4-0**, in the minority Mr. B. Campbell, Selectman Barnes,  
43 Mr. Randazzo and Ms. David.

44 **MOTION PASSED AS AMENDED**

1 Mr. S. Campbell questioned the accuracy of a quote in the newspaper. Mr. Delehanty explained  
2 the context in which this comment was made. Mr. S. Campbell asked if more cuts to staff could  
3 be made, and keep the staff size the same. Mr. Delehanty replied he was responding to a specific  
4 question by a reporter.

5  
6 Mr. S. Campbell stated his argument for cutting additional support staff and looked for support.  
7 Mr. Rayno commented that he felt the high school population was dropping so therefore more  
8 cuts could be made, based on percentage of decline in enrollment. He asked for the numbers and  
9 came up with in an 18% drop in enrollment. He added that he was generally very supportive of  
10 the school board in the past, but added that this was truly a bad year and more cuts needed to be  
11 made. He referenced the cuts already made.

12  
13 **AMENDMENT MOTION by Mr. S. Campbell to reduce line item support staff by**  
14 **\$120,000.00, to a new bottom line of \$29,552,998.00**  
15 **SECOND by Mr. Rayno**

16  
17 *Discussion:*

18 Mr. S. Campbell commented that this would be two additional cuts in support staff.

19  
20 Mr. B. Campbell stated that the support staff included administrator's, guidance, physical  
21 education teachers, nurses, custodians, secretaries, media assistants and media specialists. He  
22 added that there were 63 people in this category, and stated that it was difficult to see where  
23 more cuts could be made without adversely affecting services. He suggested that the committee  
24 take another look at what they were requesting based on the information that they have.

25  
26 Mr. S. Campbell referenced percentages, and stated that there was 10.7% tax increase and  
27 commented that we could just not ask people to pay this. He also stated that we would have  
28 difficulty passing these articles and stated that this line should be cut further. He added that the  
29 town had to be affordable, and people cannot afford this increase.

30  
31 Mr. Carney stated that he was against this, he noted that if the .89 cents, of which .50 cents was  
32 for the loss of Windham students, .07 was for operational cost increases, .31 was for the warrant  
33 articles. He referenced the staff to enrollment ratios and stated that if we reduce what was  
34 currently being asked we would drop below the 1994 levels. He added that most tax rates of  
35 surrounding towns tax rates were going up over 10%, and added that Salem was spending its  
36 money wisely.

37  
38 Mr. S. Campbell stated that we were losing 16% of students and stated that next year would be  
39 better than this year. He stated that this was a bad economy. He stated that he thought that there  
40 was a merit of people buying into things, and referenced class size and his opinion on it.

41  
42 *Mr. Carney called for a point of order and stated that we were talking about support staff and*  
43 *not class size.*

44  
45 Mr. S. Campbell noted that 2/3 of this budget was driven by staff.  
46

1 Mr. Carney re-iterated that this cut would bring us to levels lower than 1994.

2  
3 Mr. Randazzo stated that we had the highest student to teacher ratios, but did not want to  
4 misrepresent the statistics. He stated he was basing his vote on where we stood relative to  
5 surrounding communities.

6  
7 Mr. Rayno clarified that this amendment was to support staff, not to teachers, and added that he  
8 felt that this makes sense.

9  
10 Mr. B. Campbell commented that the dollar amount should be adjusted and it does not reflect the  
11 salaries. the \$60,000.00 number represents a teacher salary not a support staff salary ). He further  
12 commented on how this cut would affect the school.

13  
14 Mr. S. Campbell state again that we were losing 16% of the students and offered his opinion. He  
15 stated that more cuts need to be made and questioned how the residents would be able to afford  
16 these increases.

17  
18 Mr. Carney stated that we were the largest valuation with the lowest tax rate, and added that the  
19 money had been spent wisely. He also added that people were assuming that we were at 100%  
20 efficiency, when we could have been at 110%. He also commented that everyone had a special  
21 interest and were a special interest.

22  
23 **VOTE on the motion as amended: 3-6-0**, in the minority Mr. S. Campbell, Mr. Rayno and Mr.  
24 Theberge

25 **MOTION FAILED AS AMENDED**

26  
27 **VOTE on the bottom line for the 100 series: 6-3-0**, in the minority Selectman Barnes, Mr.  
28 Theberge, Mr. B. Campbell

29 **MOTION PASSED**

30 **The bottom line for the 100 series is set at \$29,672,998.00**

31  
32 Object Code 200 series:

33  
34 **MOTION by Mr. Rayno to set the 200 series budget at \$9,944,671.00**

35 **SECOND by Mr. Carney**

36  
37 **VOTE on the MOTION for the 200 series: 9-0-0**

38 **MOTION PASSED**

39 **The new bottom line for the 200 series is set at \$9,944,671.00**

40  
41 Object Code 300 series:

42  
43 **MOTION by Mr. Rayno to set the 300 series budget at \$432,016.00**

44 **SECOND by Mr. Carney**

45  
46 **VOTE on the MOTION for the 300 series: 9-0-0**

1 **MOTION PASSED**

2 **The bottom line for the 300 series is set at \$432,016.00**

3 Object Code 400 series:

4

5 **MOTION by Mr. Rayno to set the 400 series budget at \$1,611,327.00**

6 **SECOND by Mr. Carney**

7

8 **AMENDMENT MOTION by Ms. David to reduce line item by \$135,073.00, to a new  
9 bottom line of \$1,480,754.00**

10 **SECOND by Mr. Rayno**

11

12 *Discussion:*

13 Ms. David commented that the paving could be put off until next year, but suggested that the  
14 potholes be filled in.

15

16 **VOTE on the motion as amended: 6-3-0, in the minority Mr. B. Campbell, Mr. Carney and  
17 Selectman Barnes**

18 **MOTION PASSED AS AMENDED**

19

20 **VOTE on the bottom line for the 400 series: 5-4-0, in the minority Mr. Carney, Selectman  
21 Barnes, Mr. S. Campbell and Mr. B. Campbell**

22 **MOTION PASSED**

23 **The bottom line for the 400 series is set at \$1,480,754.00**

24

25 Object Code 500 series:

26

27 **MOTION by Mr. Rayno to set the 500 series budget at \$6,245,635.00**

28 **SECOND by Mr. Carney**

29

30 **VOTE on the MOTION for the 500 series: 9-0-0**

31 **MOTION PASSED**

32 **The bottom line for the 500 series is set at \$6,245,635.00**

33

34 Object Code 600 series:

35

36 **MOTION by Mr. Rayno to set the 600 series budget at \$2,251,512.00**

37 **SECOND by Mr. Carney**

38

39

40 **VOTE on the MOTION for the 600 series: 9-0-0**

41 **MOTION PASSED**

42 **The bottom line for the 600 series is set at \$2,251,512.00**

43

44 Object Code 700 series:

45

46 **MOTION by Mr. Rayno to set the 700 series budget at \$402,003.00**

1 **SECOND by Mr. Carney**

2  
3 **VOTE on the MOTION for the 700 series: 8-1-0, in the minority Mr. S. Campbell**

4 **MOTION PASSED**

5 **The bottom line for the 700 series is set at \$402,003.00**

6  
7 *Object Code 800-900 series:*

8  
9 **MOTION by Mr. Rayno to set the 800-900 series budget at \$430,111.00**

10 **SECOND by Mr. Carney**

11  
12 **VOTE on the MOTION for the 800-900 series: 9-0-0**

13 **MOTION PASSED**

14 **The bottom line for the 800-900 series is set at \$430,111.00**

15  
16 *Federal Projects Fund series:*

17  
18 **MOTION by Mr. Rayno to set the Federal Project Fund series budget at \$1,750,000.00**

19 **SECOND by Mr. Carney**

20  
21 **VOTE on the MOTION for the Federal Projects Fund series to be set at \$1,750,000.00**

22 **9-0-0**

23 **MOTION PASSED**

24 **The bottom line for the Federal Projects Fund series is set at \$1,750,000.00**

25  
26 *Food Service Fund series:*

27  
28 **MOTION by Mr. Rayno to set the Food Service Fund series budget at \$2,043,618.00**

29 **SECOND by Mr. Carney**

30  
31 **VOTE on the MOTION for the Food Services Fund series: 9-0-0**

32 **MOTION PASSED**

33 **The bottom line for the Food Services Fund series is set at \$2,043,618.00**

34  
35  
36 **07) TOWN BUDGETARY MATTERS: SCHOOL BOARD REPRESENTATIVE**

37  
38  
39 Ms. MacDonald stated that the numbers were as follows:

40  
41 \$50,859,700 and \$54,653,318.00

42  
43 She added that the preliminary tax impact was 2.89% and 3.72% for the articles for a total tax  
44 impact of 6.61%.

1 **08) TOWN BUDGETARY MATTERS: SELECTMEN REPRESENTATIVE**

2  
3

4 Mr. Rayno thanked the DPW and Town Staff for their hard work during the recent snow and ice  
5 storms.

6  
7

8 **09) UNSCHEDULED MATTERS FOR DISCUSSION**

9  
10

11 NONE

12  
13

14 **10) ADJOURN 09:30 PM**

15

16 Mr. Rayno asked the board to entertain a motion to recess until January 12, 2009 at 7:00  
17 PM.

18

19 **SECOND: Mr. Carney**

20 **VOTE: 9-0-0**

21 **MOTION CARRIES**

22  
23  
24  
25

26 Minutes recorded by: Catherine Kupa, Recording Secretary

27

28 Approved: Budget Committee

29

30 Date: April 22, 2009, as amended