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**MINUTES OF THE
BUDGET COMMITTEE**

**MEETING OF
January 12, 2009**

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01) OPEN MEETING

9 The Municipal Budget Committee Meeting of Thursday, January 12, 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 Susan Covey opened the meeting with the pledge of allegiance and introduction of
15 members.
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03) INTRODUCTION OF MEMBERS

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MEMBERS PRESENT:

21
22 Susan Covey, Chairman
23 James Randazzo
24 Peter Rayno, Secretary
25 Michael Carney, Jr., Vice Chairman
26 Ann Marie David
27 Roland Theberge
28 Stephen Campbell
29 Arthur Barnes, Selectman Representative
30 Bernard Campbell, School Board Representative
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OTHERS PRESENT:

34 Jonathan Sistare, Town Manager
35 Jane Savastano, Finance Director
36 Robert Puff, Engineering Director
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38 Chairman Covey opened the Public Hearing, recessing it until after the Preliminary Votes.
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04) RECEIPT OF CORRESPONDENCE & APPROVAL OF MINUTES:

43 NONE
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1 **05) 2009 TOWN WARRANT ARTICLES TOWN PRESENTATION/Q & A:**

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3 The Chairman suggested that we go right into the preliminary votes

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6 **06) 2009 TOWN WARRANT ARTICLES: PRELIMINARY VOTES:**

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8 **Article 1:**

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10 **MOTION by Selectman Barnes on Article 2, Bridge Construction – Bond Issue in the sum**
11 **of \$2,394,500.00**, for the replacement of bridges at Lawrence Road over Spicket River and Cluff
12 Crossing Road over Policy Brook and to cover the costs associated with obtaining a bond issue,
13 and to authorize the issuance of not more than \$2,394,500.00 of bonds or notes for such purpose
14 in accordance with provisions of the Municipal Finance Act (RSA 33); and to authorize the
15 Board of Selectman to accept any and all State Aid or other revenue source that may be or may
16 become available and take any and all action necessary to carry out any vote hereunder or take
17 any other action relative thereto(Requires 2/3 vote .) The bridge construction is eligible for 80%
18 reimbursement through the NHDOT Municipally Managed Bridge Aid Program. **with**

19 **recommendation**

20 **SECOND by Mr. B. Campbell**

21
22 *Discussion:*

23 Mr. Puff presented some background via slides and stated that notifications were received in
24 December 2007 that the Lawrence Bridge and Cluff Crossing Bridge had been red-listed.

25
26 Mr. S. Campbell asked how far back the weight restrictions had been in place. Mr. Puff
27 responded that they had been in place since the early 1990's. Mr. S. Campbell suggested that this
28 information be added to the article, so the public knows why these bridges were being replaced.

29
30 Mr. Puff also added that the funds would be received in 2014 according to the replacement
31 schedule. He added that this sum of money would correct not only hydrology issues but
32 structural deficiencies as well.

33
34 Ms. Savastano presented the numbers for the Cluff Crossing project.

35
36 Mr. S. Campbell commented that there was a big increase in the price from October to
37 November, and asked why. Mr. Puff replied that additional information was received during the
38 course of the design:

- 39
40 1. Cluff Crossing – regulatory requirement and change in base size from 12 x 8 to 12 x 10
41 and a 2 foot natural bottom
- 42 2. Lawrence Road – completed the hydrology study, large opening needed, deeper bean and
43 elevation of road

44
45 Mr. S. Campbell asked what the chance was that the price would increase further.

1 Mr. Puff responded that this was possible as the final design was not complete. Mr. S. Campbell
2 stressed that we receive firm numbers.

3
4 Mr. S. Campbell asked if the reimbursement was based on principal. Ms. Savastano replied that
5 it was based on the actual expense. Mr. S. Campbell asked if we would receive the full
6 reimbursement if the bond was not paid off. Mr. Puff replied that we would receive the funding
7 if the project was complete and closed out, (all proper paperwork filed).

8
9 Mr. S. Campbell asked what project inflation was. Mr. Puff commented that this cost was to start
10 the project and included mobilization, which is typically 7% of the construction cost. He added
11 that this was a common practice in this industry and was the construction site setup.

12
13 Mr. S. Campbell referenced the traffic control cost and asked how many police hours this
14 entailed. Mr. Puff explained that traffic control included the entire time frame for the period to be
15 completed and included not only police detail but maintaining traffic control which included
16 cones, signs, portable message boards, etc. Mr. S. Campbell requested a complete breakdown of
17 this number. Mr. Puff added that approximately \$15,000.00 was for maintaining traffic,
18 \$14,000.00 was for message boards and the remainder was for the police details.

19
20 Mr. S. Campbell asked if we had looked at using flagman. Selectman Barnes interjected that this
21 was a policy decision. Mr. S. Campbell asked if flagman could be used. Selectman Barnes
22 replied that no they could not and added that if this was to be considered than the policy needed
23 to be changed. Mr. S. Campbell commented that the policies needed to be changed so that the
24 project could be managed more efficiently and cheaper.

25
26 Mr. S. Campbell asked if the contingency fee was a requirement of the state. Mr. Puff responded
27 that this was an industry standard.

28
29 Mr. Rayno asked if we received the proceeds all at once. Ms. Savastano replied that we did.

30
31 Mr. Rayno asked what the estimated time of the project was. Mr. Puff replied that Cluff would
32 take approximately 4-6 months and that Lawrence would be closed out in 2010.

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34 Mr. Rayno asked if there was any bond alternative. Ms. Savastano replied there was not.

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36 Mr. Rayno asked what would happen if the bond total was not utilized. Ms. Savastano replied
37 that this could be used to offset future bonds, and it could go back into the Capital Reserve Fund,
38 and when the project was complete, it could go into the General Fund. Mr. Rayno asked if it was
39 earmarked specifically for a certain project could it be used for something else. Ms. Savastano
40 replied that this would require a special vote.

41
42 Ms. Savastano added that with the interest cost of \$2,500.00 on the bond that she anticipated that
43 this project would start as soon as possible.

1 **PRELIMINARY VOTE, with recommendation: 9-0-0**

2 **MOTION PASSED**

3 **Article 2, Fund Bridge Construction – Bond Issue: with recommendation**

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7 **07) 2009 TOWN WARRANT ARTICLES: COMMENTS FROM THE PUBLIC**

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9 NONE

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11 **With no comments from the public, Ms. Covey closed the public hearing at 7:30 p.m.**

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13 **08) 2007 TOWN WARRANT ARTICLES: FINAL VOTES**

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16 **Article 1:**

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18 **MOTION by Mr. Rayno on Article 2, Bridge Construction – Bond Issue in the sum of**
19 **\$2,394,500.00, with recommendation**
20 **SECOND by Mr. Carney**

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22 **FINAL VOTE, with recommendation: 9-0-0**

23 **MOTION PASSED**

24 **Article 2, Fund Bridge Construction – Bond Issue: with recommendation**

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26 ***Question:***

27 Ms. David asked why the bridge project was not being built next to the existing bridge, as this
28 was a common occurrence. Mr. Puff replied that there needed to be an adequate right of way and
29 there was a cost premium.

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32 **09) REMARKS FROM SELECTMEN'S REPRESENTATIVE:**

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34 Mr. S. Campbell asked if there were any union contracts yet to be presented. Mr. Sistare replied
35 that they were at an impasse with the unions and added that the deadline was tomorrow.

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37 Ms. David asked what the repercussion were if the contracts were not resolved. Mr. Sistare
38 explained the processes that needed to be followed.

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41 **10) REMARKS FROM SCHOOL BOARD REPRESENTATIVE:**

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43 Mr. S. Campbell requested the Salem School District updated financials. Mr. B. Campbell stated
44 that he would either email or bring hard copies of these documents for the boards review on
45 Wednesday.

1 **11) UNSCHEDULED MATTERS FOR DISCUSSION:**

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Ms. Savastano commented that the Warrant would be ready to sign by Wednesday or Thursday. The Board requested that this be available for signature on Thursday if possible.

8 **12) ADJOURN 7:45 PM**

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Mr. Rayno asked the Board to entertain a motion to recess until Wednesday January 14, 2009 at 7:00 PM.

13 **FIRST: Mr. Carney**
14 **SECOND: Mr. Theberge**

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16 **VOTE: 9-0-0**
17 **MOTION PASSED**

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Minutes recorded by: Catherine Kupa, Recording Secretary

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Approved: Budget Committee

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Date: April 22, 2009