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**MINUTES OF THE
BUDGET COMMITTEE**

**MEETING OF
April 22, 2009**

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01) OPEN MEETING

9 The Municipal Budget Committee Meeting of Wednesday, April 22, 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 Rayno opened the meeting with the pledge of allegiance and introduction of members.
15

16
17

03) INTRODUCTION OF MEMBERS

18
19

MEMBERS PRESENT:

20 Peter Rayno, Chairman
21 Michael Carney, Jr., Vice-Chairman
22 Russell Frydryck, Secretary
23 Ann Marie David
24 Stephen Campbell
25 James Randazzo
26 Jim Ribaud
27

28
29

OTHERS PRESENT:

30 Arthur Barnes, Board of Selectmen Representative
31 Bernard Campbell, Salem School Board Representative
32
33

34
35
36

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

37
38

MOTION by Mr. Frydryck to receive the following items:

- 39
40
41
42
43
44
45
- Salem School Board Minutes of February 24, 2009, March 3, 2009, March 17, 2009 and March 24, 2009
 - Salem School District General Fund Budget as of December 31, 2008
 - Board of Selectmen Minutes of March 16, 2009, March 30, 2009
 - New Hampshire Water and Waste Water Funding Summary
 - Canobie Lake Water and Sewer Improvements Phase II handout dated April 13, 2009
 - Salem School District Financial Reports sent via email for February and March of 2009

- 1 • Town of Salem Revenue and Expenditure report for month end March 31, 2009, Sewer
2 and Water Fund report for month end March 31, 2009
3 • Memo from Acting Town Manager Kevin Breen dated April 21, 2009 re: SB 39 Special
4 Town Meeting Process
5

6 **SECOND: Mr. Carney**

7 **VOTE: 9-0-0**
8

9 **MOTION** by Mr. Rayno to approve the Budget Committee Minutes of December 10, 2008

10 **SECOND: Mr. Randazzo**

11 **VOTE: 7-0-2**, abstaining Mr. Frydryck and Mr. Ribaud
12
13

14 **MOTION** by Mr. Rayno to approve the Budget Committee Minutes of December 17, 2008
15

16 **Mr. Carney to approve with the following corrections:**

17 **Page 15, Line 30**

18 It currently reads: "be 55 plus"

19 Revision: It should be "5.5%"
20

21 **SECOND: Ms. David**

22 **VOTE: 7-0-2**, abstaining Mr. Frydryck and Mr. Ribaud
23
24

25 **MOTION** by Mr. Rayno to approve the Budget Committee Minutes of January 08, 2009

26 **SECOND: Mr. Randazzo**
27

28 **Mr. Carney to approve with the following corrections:**

29 **Page 4, Line 43**

30 It currently reads: "was 62/257, and

31 Revision: It should be "*was* 62 towns out of 257, and"
32

33 **VOTE: 7-0-2**, abstaining Mr. Frydryck and Mr. Ribaud
34
35

36 **MOTION** by Mr. Rayno to approve the Budget Committee Minutes of January 12, 2009

37 **SECOND: Mr. Randazzo**

38 **VOTE: 7-0-2**, abstaining Mr. Frydryck and Mr. Ribaud
39
40

41 **MOTION** by Mr. Rayno to approve the Budget Committee Minutes of January 14, 2009

42 **SECOND: Ms. David**

43 **VOTE: 7-0-2**, abstaining Mr. Frydryck and Mr. Ribaud
44
45

46 **MOTION** by Mr. Rayno to approve the Budget Committee Minutes of January 15, 2009

1 **SECOND: Selectman Barnes**

2 **VOTE: 7-0-2**, abstaining Mr. Frydryck and Mr. Ribauda

3
4
5 **MOTION** by Mr. Rayno to approve the Budget Committee Minutes of February 11, 2009

6 **SECOND: Ms. David**

7 **VOTE: 7-0-2**, abstaining Mr. Frydryck and Mr. Ribauda

8
9
10 **MOTION** by Mr. Rayno to approve the Budget Committee Minutes of February 12, 2009

11 **SECOND: Mr. Randazzo**

12 **VOTE: 7-0-2**, abstaining Mr. Frydryck and Mr. Ribauda

13
14
15 **MOTION** by Mr. Rayno to approve the Budget Committee Minutes of February 16, 2009

16 **SECOND: Selectman Barnes**

17 **VOTE: 7-0-2**, abstaining Mr. Frydryck and Mr. Ribauda

18
19 Mr. Rayno stated that he had previously passed out the bylaws and asked if there were any
20 comments, questions or revisions.

21
22 **MOTION** by Mr. Carney to accept the Budget Committee bylaws as written

23 **SECOND: Ms. David**

24 **VOTE: 9-0-0**

25
26
27 **05) Discussion of Town Projects for Funding under the Federal Stimulus Act:**

28
29 Selectman Barnes presented the articles and passed out handouts and explained how these came
30 to be considered under these reinvestment acts. He noted that the Town would be moving
31 forward under the Senate Bill 39 and RSA 14 provisions.

32
33 Mr. Rayno asked for clarification on the board's purpose and direction of discussion. Mr. B.
34 Campbell stated that this was a session law Chapter 14, laws of 2009; noting it was not an RSA.

35
36 Mr. Carney requested that each article should be discussed separately. Mr. B. Campbell stated
37 that a portion of Senate Bill 39 dealt with the depositing of funds, and stated that the DRA would
38 be releasing a TIR relative to SB39 and added that this should be coming out any day.

39
40 **Article One: Canobie Phase II-Bond**

41 *To see if the Town will vote to raise and appropriate the sum of Four Million One Hundred*
42 *Forty-Three Thousand Dollars (\$4,143,000.00) for the Canobie Phase II water and sewer*
43 *project and to authorize the issuance of not more than Four Million One Hundred Forty-Three*
44 *Thousand Dollars (\$4,143,000.00) of bonds, notes or SRF loans in accordance with the*
45 *provisions of the Municipal Finance Act (RSA 33) and to authorize the Town to issue and*
46 *negotiate such bonds, notes or SRF loans and to determine the rate of interest thereon;*

1 *furthermore, to authorize the acceptance of grants under the American Recovery and*
2 *Reinvestment Act of 2009 in the amount of Fifty Percent (50%) of the eligible project costs with*
3 *the balance to be raised by general taxation, water user rates, and sewer user rates. This*
4 *appropriation is contingent upon receipt of American Recovery and Reinvestment Act of 2009*
5 *Federal Stimulus Funding. (2/3 ballot vote required)*
6

7 Selectman Barnes stated that a special meeting would be held May 2, 2009 and be voted on May
8 19, 2009.

9
10 He then introduced Bob Puff, Director of Engineering to entertain any questions. Mr. Puff
11 referenced the handout provided and briefly went through how and what this proposed article
12 would address. Mr. Puff also explained how the projects were ranked and stated that we would
13 qualify for 50% debt forgiveness.

14
15 **Questions:**

16 Mr. Ribaldo asked if everyone would be required to hook up and what the cost would be. Mr.
17 Puff replied that service would be provided to the property line; the homeowner would be
18 responsible from the foundation to the property line. The Town of Salem would be paying for
19 the acquisition of the pumps. He added that 20 year deferred payments would be available.

20
21 Ms. David asked how much the pumps were. Mr. Puff replied that \$3,500.00 was being
22 budgeted.

23
24 Mr. S. Campbell asked if this was the same Canobie II referenced in the past. Mr. Puff replied
25 that it was.

26
27 Mr. S. Campbell asked if the 4.1 million had been priced out and taken into consideration by
28 Davis and Bacon. Mr. Puff stated that this was based on unit cost. Mr. S. Campbell stated that he
29 was concerned that the project was under estimated.

30
31 Mr. Puff introduced Frank Underwood, the consultant, who offered information on the unit
32 prices and basic cost of the project, adding that the unit prices had been somewhat inflated.
33 Mr. S. Campbell stated again that he only had the authority to bond so much and this was a
34 concern.

35
36 Mr. Carney stated that there were three funding vehicles and noted that in 1972 a similar
37 program was suspended and noted his concern.

38
39 Mr. Rayno stated that New Hampshire regularly competes with Massachusetts, indicating that
40 the projected costs would be in line.

41
42 Mr. Campbell asked if this project would impact water, sewer and tax rates. Ms. Savastano
43 responded that the water and sewer rate, under the current rate structure would absorb the costs.
44 She added that the tax rate, based in today's assessed evaluation, and thirteen months after
45 completion; the impact would be \$0.02 cents for 10 years.

1 Mr. S. Campbell asked if do not address water can sewer be addressed or does the project need to
2 be all or nothing. Selectman Barnes stated that this would be a question for the attorney. He
3 stated that he would also ask about public input, and changing the language of the grant. He
4 stated that we would be moving forward with this article. Mr. Rayno reminded all that this was
5 brought before the board in an advisory capacity.

6
7 Mr. Carney questioned the meaning/definition of public hearing versus public meeting.
8 Selectman Barnes stated that he would find out if we have to designate a certain portion of the
9 meeting would have to be open to a public hearing.

10
11 **MOTION by Mr. Carney to support this article**

12 *To see if the Town will vote to raise and appropriate the sum of Four Million One Hundred*
13 *Forty-Three Thousand Dollars (\$4,143,000.00) for the Canobie Phase II water and sewer*
14 *project and to authorize the issuance of not more than Four Million One Hundred Forty-Three*
15 *Thousand Dollars (\$4,143,000.00) of bonds, notes or SRF loans in accordance with the*
16 *provisions of the Municipal Finance Act (RSA 33) and to authorize the Town to issue and*
17 *negotiate such bonds, notes or SRF loans and to determine the rate of interest thereon;*
18 *furthermore, to authorize the acceptance of grants under the American Recovery and*
19 *Reinvestment Act of 2009 in the amount of Fifty Percent (50%) of the eligible project costs with*
20 *the balance to be raised by general taxation, water user rates, and sewer user rates. This*
21 *appropriation is contingent upon receipt of American Recovery and Reinvestment Act of 2009*
22 *Federal Stimulus Funding. (2/3 ballot vote required)*

23 **SECOND: Mr. Frydryck**

24
25 Mr. Rayno stated that he was worried about the town's finances, based on state aid and wondered
26 how cuts could be avoided.

27
28 **VOTE: 9-0-0**

29
30
31 **Article Two: COPS Grant:**

32 *To see if the Town will vote to raise and appropriate the sum of Six Hundred Forty-Six Thousand*
33 *Dollars (\$646,050.00) and accept from the Office of Community Oriented Policing Services,*
34 *Four Hundred Forty Thousand Three Hundred Seventy-Two Dollars (\$440,372.00) under the*
35 *Community Oriented Policing Services Hiring Recovery Program; said funds to be received*
36 *from the American Recovery and Reinvestment Act of 2009 for the purpose of hiring two (2)*
37 *police officers beginning October 2009 through December 2013. This appropriation is*
38 *contingent upon receipt of American recovery and reinvestment Act of 2009 Federal Stimulus*
39 *Funding.*

40
41 **Questions:**

42 Mr. S. Campbell asked if this needed two votes based n the DRA ruling. Selectman Barnes stated
43 this would be wrapped up by May 22, 2009.

44
45 Mr. S. Campbell requested a copy of the TIR and to receive notification of when this would be
46 available.

1 Mr. Carney asked if these were available on the web. Mr. B. Campbell replied that they were.
2 Mr. Carney commented on Senate Bill 39, stating that they were trying to eliminate as many
3 obstacles as possible.
4

5 Captain S. Patten came forward to address any questions relative to this motion and gave a brief
6 summary of what this motion was intended to do and how it would impact the town, the
7 highlights are below:
8

- 9 • 100% salary and benefits for a three year period, 2010-2012
- 10 • Guarantee to pick up the cost for three years
- 11 • Cost to Town would be approximately \$200,000.00 in the fourth year
- 12 • Redeploy officers to cover peak times, no promotions under this grant.

13
14
15 **Questions on Article:**

16 Mr. Carney asked if we would be required to keep 62 officers though the entire grant period, and
17 if so this would be untouchable by any committee for budgetary or any other reason. Selectman
18 Barnes commented that the citizens do not want public safety affected and stated that overtime
19 would be cut.
20

21 Mr. Frydryck asked what the current OT situation was. Chief of Police, Paul Donovan responded
22 that this was at \$400,000.00-\$500,000.00.
23

24 Mr. Randazzo asked if there were going to be any retirements over the next three years. Chief
25 Donovan responded that there could possibly be 2-6 retirements, depending on what happened in
26 Concord. Mr. Randazzo stated that he was in favor of this article.
27

28 Mr. S. Campbell commented that our hands were already tied with the Fire Department and
29 stated his opinion. Captain Patten commented that the two full time certified officers would start
30 at the probationary step, and added that this article took into account the steps and raises over the
31 time period of the grant.
32

33 Mr. Ribaldo commented that this would possibly cut down on the OT, and added that these
34 officers were needed.
35

36 Mr. S. Campbell stated that he would not support this article because it ties the Budget
37 Committee's hands.
38

39 Mr. Randazzo commented that crime was rising and added that eventually these staff members
40 would be needed.
41

42 Mr. Frydryck stated that he would be in support of this.
43

44 Ms. David also commented on the need of officers and made her reservations known.
45

46 Selectman Barnes commented that in 1991 officers were cut after the first budgetary quarter.

1 Mr. Carney stated that he was concerned about the following items:

- 2 • Selectman cut the overtime budget before this budget was brought forth
- 3 • Problem with the retirement system in the State of NH

4
5 Mr. S. Campbell commented on auto registration fees, and added that the revenue is down, and
6 stated his opinion.

7
8 Mr. Carney commented that 60-70% of this budget was for public services.
9

10 **MOTION by Selectman Barnes**

11 *To see if the Town will vote to raise and appropriate the sum of Six Hundred Forty-Six Thousand*
12 *Dollars (\$646,050.00) and accept from the Office of Community Oriented Policing Services,*
13 *Four Hundred Forty Thousand Three Hundred Seventy-Two Dollars (\$440,372.00) under the*
14 *Community Oriented Policing Services Hiring Recovery Program; said funds to be received*
15 *from the American Recovery and Reinvestment Act of 2009 for the purpose of hiring two (2)*
16 *police officers beginning October 2009 through December 2013. This appropriation is*
17 *contingent upon receipt of American recovery and reinvestment Act of 2009 Federal Stimulus*
18 *Funding.*

19 **SECOND: Mr. B. Campbell**

20
21 Mr. Rayno stated that he was worried about the town's finances, based on state aid and wondered
22 how cuts could be avoided.

23
24 **VOTE: 8-1-0**, in the minority Mr. S. Campbell
25

26
27 **06) SELECTMEN REPRESENTATIVE DISCUSSION/QUESTIONS:**
28

29
30 **Other Questions for Selectmen:**

31 Mr. Rayno referenced the lease agreement/capital equipment and asked that we avoid
32 restructuring the language. Ms. Savastano commented that these would be back in May and
33 added that she would look at the language.
34

35 Mr. S. Campbell asked what the price differential was between the Windham and Salem
36 ambulances. Selectman Barnes commented that Windham buys a lesser grade of ambulance.
37

38 Mr. S. Campbell asked if both towns provided response services.
39

40 Mr. S. Campbell asked if there was a balance in the outside police detail fund. Ms. Savastano
41 stated that she could get the information and pass it along.
42

43 ***Mr. Randazzo left at 8:56 PM***
44

45 Mr. S. Campbell asked if there was an estimate on the tax rate. Ms. Savastano replied that the tax
46 rate was down a penny.

1 Mr. S. Campbell asked about the progress of the 2007 audit. Ms. Savastano replied that this
2 needs more analysis and would be done by June 2009.

3
4 Mr. S. Campbell referenced the twelve employees that received raises and requested the
5 contracts. Selectman Barnes responded that he would follow up on this.

6
7 Mr. Rayno commented that the Board was invited to a Selectmen's Meeting on June 8, 2009, and
8 stated this would help plan for next year's budget. Mr. Carney stated that he would be out of
9 town.

10
11
12 **07) SCHOOL BOARD REPRESENTATIVE DISCUSSION/QUESTIONS:**

13
14 Mr. Rayno stated that copies of the audit will be made for the board members.

15
16 **MOTION** by Mr. B. Campbell to receive the audit as submitted by the Salem School District

17 **SECOND: Selectman Barnes**

18 **VOTE: 8-0-0**

19
20 Mr. B. Campbell highlighted a few issues brought up at the work session:

- 21 • Credit issues for students
- 22 • Status of oil/fuel prices
- 23 • Noted that several bids had been awarded

24
25 He also stated that the March 2009 financials were not yet available, adding that they would be
26 distributed when they were.

27
28 Mr. S. Campbell asked for clarification on the aides with regards to the budget and an article he
29 had seen in the Tribune. Mr. B. Campbell replied that he would need to confirm this information
30 with the Superintendent.

31
32 Mr. S. Campbell asked if the Haigh School had one less teacher. Mr. B. Campbell stated that this
33 was based on 1st grade enrollment.

34
35 Mr. S. Campbell asked what had come in under budget. Mr. B. Campbell replied that it was the
36 HVAC unit for the cafeteria.

37
38 Mr. Rayno asked if there was any new information on the re-imburement for kindergarten.
39 Mr. B. Campbell stated that there was no update.

40
41 Mr. B. Campbell stated that that Ms. Corbett would like to discuss sanbornization on May 19,
42 2009 or June 16, 2009 with the Budget Committee at the Salem High School. He noted further
43 that four contracts were up this year. Mr. Carney stated that he hoped this would be an open
44 discussion. Mr. Rayno commented that the concept of sanbornization is known and stated that
45 the issues should be discussed prior to these contracts coming due. Mr. B. Campbell responded

1 that this would be an open discussion between the boards to discuss the School Board's
2 objectives, and to get the Budget Committees perception.

3
4 Mr. Rayno suggested that material on sanbornization be distributed to the new board members.
5 Mr. S. Campbell requested that the meeting agenda or presentation be given to the Budget
6 Committee before hand so they have time to review it before the meeting.

7
8 **08) UNSCHEDULED MATTERS FOR DISCUSSION:**

9
10 Mr. Rayno commented that the Budget Committee calendar would be distributed at the May
11 2009 meeting.

12
13 **09) ADJOURN 09:20 PM**

14
15 **Mr. Rayno asked the Board to entertain a motion to recess until Wednesday May 27, 2009**
16 **at 7:00 PM.**

17
18 **FIRST: Mr. Carney**

19 **VOTE: 7-1-0, in the minority Mr. S. Campbell**

20 **MOTION PASSED**

21
22 Minutes recorded by: Catherine Kupa, Recording Secretary

23
24 Approved: Budget Committee

25
26 Date: June 24, 200, as amended