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**MINUTES OF THE
BUDGET COMMITTEE**

**MEETING OF
February 16, 2009**

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OPEN MEETING

The Municipal Budget Committee Meeting of Monday, February 16, 2009 was called to order at 7:00 p.m. at Salem Town Hall, 33 Geremonty Drive, Salem, New Hampshire.

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1. PLEDGE OF ALLEGIANCE

Chairman Covey opened the meeting with the Pledge of Allegiance.

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2. INTRODUCTION OF MEMBERS

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MEMBERS PRESENT:

Susan Covey, Chairman

Michael Carney, Jr., Vice Chairman

Peter Rayno, Secretary

Ann Marie David

James Randazzo (absent)

Roland Theberge

Stephen Campbell

Selectman Barnes, Board of Selectman Representative

Atty. Bernard Campbell, School Board Representative

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OTHERS PRESENT:

Mr. Sistare (Town Manager)

Ms. Savastano (Finance Director)

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3. RECEIPT/APPROVAL OF CORRESPONDENCE & MINUTES

MOTION: by Mr. Rayno

Move to accept receipt of:

• ***Revised table of contents for 2009 warrant articles***

• ***Revised warrant articles 32, 33, 34***

SECOND: Mr. Carney

VOTE: 8-0-0

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MOTION: by Mr. Rayno

Move to reconvene the public hearing, which had been recessed at the previous meeting

SECOND: Mr. Carney

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Chairman Covey recessed meeting, calling it to order again at 7:10 p.m. There being no members of the public in attendance she closed the public hearing.

4. 2009 TOWN BUDGETARY REVIEW – 2ND SESSION WARRANT ARTICLES***Article 17 – Expendable Trust Fund Employee Separation (\$350,000.00)***

Mr. Sistare reported it is proposed that this be funded out of taxes to minimize the impact on the surplus.

MOTION: Mr. Rayno with recommendation

To see if the Town will vote to raise and appropriate the sum of Three Hundred Fifty Thousand Dollars (\$350,000), to be placed in the Employee Separation Benefits Expendable Trust Fund previously established for the purpose of funding the buy-out of employee benefits upon separation of employment.

SECOND: Mr. Carney

VOTE: 8-0-0

The motion carried unanimously.

Article 18 – Expendable Trust Fund – Kelley Library Employment Separation (\$30,783.00)

MOTION: Mr. Rayno with recommendation

To see if the Town will vote to raise and appropriate the sum of Thirty Thousand Seven Hundred Eighty-Three Dollars (\$30,783.00), to be placed in the Kelley Library Employment Separation Benefits Expendable Trust Fund previously established for the purpose of funding the buy-out of library employee benefits upon separation of employment, and to authorize the transfer of the December 31, 2008 General Fund Unreserved Fund Balance in that amount for this purpose.

SECOND: Mr. Carney

VOTE: 8-0-0

The motion carried unanimously.

Article 19 – Winter Weather Operations (\$1,000,000.00)

MOTION: Mr. Rayno without recommendation

To see if the Town will vote to raise and appropriate the sum of Five Hundred Thousand Dollars (\$1,000,000), for the purpose of winter weather operations, including, but not limited to, plowing and removing snow, sanding and chemically treating streets, and otherwise responding to hazardous road conditions related to winter weather.

SECOND: Mr. Carney

VOTE: 6-2-0 (Selectman Barnes and Atty. Bernard Campbell voted with recommendation)

The motion carried.

Article 20 – To Reimburse the Roadway Capital Reserve for Bridge Aid Funds (\$249,701.00)

MOTION: Mr. Rayno with recommendation

To see if the town will vote to authorize the transfer of Two Hundred Forty Nine Thousand Seven Hundred One Dollars (\$249,701) into the Roadway Capital Reserve Fund from the December 31, 2008 General Fund Unreserved Fund Balance such sum

1 *representing the amount received from the New Hampshire Department of*
2 *Transportation for Bridge Aid for the town's Haverhill Road Bridge Project*

3 **SECOND:** Mr. Carney

4 **VOTE:** 8-0-0

5 **The motion carried unanimously.**

6 *Article 21 – Replacement Engine 5 Year Lease Purchase Option (\$112,438)*

7 **MOTION:** Mr. Rayno with recommendation

8 *To see if the town will vote to authorize the Board of Selectmen to enter into a five year*
9 *lease agreement for \$508,845 for the purpose of leasing a new fire engine for the Fire*
10 *Department, and to raise and appropriate the sum of One Hundred Twelve Thousand*
11 *Nine Hundred Thirty-Eight Dollars (\$110,938) for the first year's payment and further*
12 *to raise and appropriate an additional amount of One Thousand Five Hundred Dollars*
13 *(\$1,500) for the purchase of additional equipment for a total appropriation of One*
14 *Hundred Twelve Thousand Four Hundred Thirty-Eight Dollars (\$112,438). This lease*
15 *agreement contains an "escape clause". (Majority vote required).*

16 **SECOND:** Mr. Carney

17 **VOTE:** 6-2-0 (Roland Theberge and Stephen Campbell voted without recommendation)

18 **The motion carried.**

19
20 *Article 22 – Medium Duty Rescue Ambulance – 5 Year Lease Purchase Option*
21 *(\$60,066.00)*

22 **MOTION:** Mr. Rayno with recommendation

23 *To see if the town will vote to authorize the Board of Selectmen to enter into a five year*
24 *lease agreement for \$212,000 for the purpose of purchasing a new Ambulance for the*
25 *Fire Department and to appropriate the sum of Forty Six Thousand Two Hundred*
26 *Twenty Dollars (\$46,220) for the first year's payment and further to raise and*
27 *appropriate an additional amount of Thirteen Thousand Eight Hundred Forty Six*
28 *Dollars (\$13,846) for the purchase of additional equipment. This lease agreement*
29 *contains an "escape clause". (Majority vote required).*

30 **SECOND:** Mr. Carney

31 **VOTE:** 6-2-0 (Roland Theberge and Stephen Campbell voted without recommendation)

32 **The motion carried.**

33
34 *Article 23 – DPW Sweeper – 5 Year Lease Purchase Option (\$42,841.00)*

35 **MOTION:** Mr. Rayno with recommendation

36 *To see if the town will vote to authorize the Board of Selectmen to enter into a five year*
37 *lease agreement for \$196,500 for the purpose of purchasing a new Sweeper for the*
38 *Department of Public Works Department and to appropriate the sum of Forty Two*
39 *Thousand Eight Hundred Forty-One Dollars (\$42,841) for the first year's payment for*
40 *that purpose. This lease agreement contains an "escape clause". (Majority vote*
41 *required).*

42 **SECOND:** Mr. Carney

43 **VOTE:** 6-2-0 (Roland Theberge and Stephen Campbell voted without recommendation)

44 **The motion carried.**

45
46 *Article 24 – Dump Truck – 5 Year Lease Purchase Option (\$25,836.00)*

1 **MOTION:** Mr. Rayno with recommendation
2 *To see if the town will vote to authorize the Board of Selectmen to enter into a five year*
3 *lease agreement for \$118,500 for the purpose of purchasing a Cab and Chassis Dump*
4 *Truck for the Department of Public Works Department and appropriate the sum of*
5 *Twenty Five Thousand Eight Hundred Thirty-Six Dollars (\$25,836) for the first year's*
6 *payment for that purpose. This lease agreement contains an "escape clause".*
7 *(Majority vote required).*

8 **SECOND:** Mr. Carney

9 **VOTE:** 6-2-0 (Roland Theberge and Stephen Campbell voted without recommendation)

10 **The motion carried.**

11
12 **Article 25 – Two Trucks – 5 Year Lease Purchase Option (\$38,372.00)**

13 **MOTION:** Mr. Rayno with recommendation

14 *To see if the town will vote to authorize the Board of Selectmen to enter into a five year*
15 *lease agreement for \$176,000 for the purpose of purchasing two Cab and Chassis*
16 *Trucks for the Department of Public Works Department and appropriate the sum of*
17 *Thirty Eight Thousand Three Hundred Seventy-Two Dollars (\$38,372) for the first*
18 *year's payment for that purpose. This lease agreement contains an "escape clause".*
19 *(Majority vote required).*

20 **SECOND:** Mr. Carney

21 **VOTE:** 6-2-0 (Roland Theberge and Stephen Campbell voted without recommendation)

22 **The motion carried.**

23
24 **Article 26 – Bridge Construction (\$468,000.00)**

25 **MOTION:** Mr. Rayno with recommendation

26 *To see if the Town will vote to raise and appropriate the sum of Four Hundred Sixty*
27 *Eight Thousand Dollars for the replacement of bridges including but not limited to the*
28 *bridge at Pelham Road over Porcupine Brook*

29 **SECOND:** Mr. Carney

30 **VOTE:** 6-2-0 (Roland Theberge and Stephen Campbell voted without recommendation)

31 **The motion carried.**

32
33 **Article 27 – Roadway Stabilization Program (\$400,000.00)**

34 **MOTION:** Mr. Rayno with recommendation

35 *To see if the Town will vote to raise and appropriate the sum of Four Hundred*
36 *Thousand Dollars (\$400,000), for the purpose of re-constructing/resurfacing roads to*
37 *include but not be limited to Rte 28 Kelly Road to Pattee Road, Rte 28 near Denny's,*
38 *Rte 28 from Main Street to the Post Office and Rte 28 from Main Street to Old*
39 *Rockingham Road and to further authorize that this amount be placed in the Roadway*
40 *Improvement Capital Reserve Fund previously established for*
41 *reconstructing/resurfacing roads and to authorize the Board of Selectmen to take all*
42 *other action necessary in connection therewith*

43 **SECOND:** Mr. Carney

44 **VOTE:** 8-0-0

45 **The motion carried unanimously.**

1
2 **Article 28 – Roadway Improvements Program (\$523,000.00)**

3 **MOTION:** Mr. Rayno with recommendation

4 *To see if the Town will vote to raise and appropriate the sum of Five Hundred Twenty*
5 *Three Thousand Dollars (\$523,000) for the purpose of repair and/or reconstruction of*
6 *existing roads and associated drainage improvements on Ball Avenue, Matthew Drive*
7 *and Tudor Drive and to further authorize that this amount be placed in the Roadway*
8 *Improvement Capital Reserve Fund previously established for reconstructing*
9 */resurfacing roads and to authorize the Board of Selectmen to take all other action*
10 *necessary in connection therewith.*

11 **SECOND:** Mr. Carney

12 **VOTE:** 8-0-0

13 **The motion carried unanimously.**

14
15 **Article 29 – Police AS-400 Replacement (\$288,565.00)**

16 **MOTION:** Mr. Rayno with recommendation

17 *To see if the Town will vote to raise and appropriate the sum of Two Hundred Eighty*
18 *Eight Thousand Five Hundred Sixty-Five Dollars (\$288,565) for the purchase of*
19 *technology equipment, software and related services*

20 **SECOND:** Mr. Carney

21 **VOTE:** 8-0-0

22 **The motion carried unanimously.**

23
24 **Article 30 – Engineering Cluff & Cluff Crossing, So. Policy (\$130,000.00)**

25 **MOTION:** Mr. Rayno with recommendation

26 *To see if the Town will vote to raise and appropriate the sum of One Hundred Thirty*
27 *Thousand Dollars (\$130,000) for the purpose of engineering, plans, specifications,*
28 *costs estimates, permits, and bid specifications for the reconstruction of Cluff Road,*
29 *Cluff Crossing and a portion of South Policy Street.*

30 **SECOND:** Mr. Carney

31 **VOTE:** 8-0-0

32 **The motion carried unanimously.**

33
34
35 **Article 31 - Drainage Program Capacity Plan (\$225,000.00)**

36 **MOTION:** Mr. Rayno with recommendation

37 *To see if the Town will vote to raise and appropriate the sum of Two Hundred Twenty*
38 *Five Thousand Dollars (\$225,000) for the purpose of cleaning culverts and*
39 *appurtenant drainage systems, funding engineering to support the maintenance*
40 *program, and providing funds for analysis to support an impact fee system for*
41 *drainage*

42 **SECOND:** Mr. Carney

43 **VOTE:** 6-2-0 (Roland Theberge and Stephen Campbell voted without recommendation)

44 **The motion carried.**

1 Chairman Covey called upon Mr. Sistare to speak on revised articles 32 – 34. Mr.
2 Campbell asked Mr. Sistare for clarification regarding where the money for the trust fund
3 is located currently and there followed a discussion in which Mr. Carney pointed out the
4 issue with the trust fund is that money cannot automatically be put into it without going
5 to Town Meeting. Mr. Campbell suggested there should be a note added to the 2008
6 accounting statements for clarity. Attorney Campbell confirmed if article 32 did not pass
7 then the money will continue to sit in the trust fund.
8

9 Chairman Covey confirmed there was no action on article 32 required from the Budget
10 Committee.
11

12 ***Article 33- Create Public, Educational and Governmental Programming Revolving***
13 ***Fund (\$485,012.00)***

14 **MOTION:** Mr. Rayno with recommendation

15 ***Shall the Town of Salem vote to establish a revolving fund under RSA 31:95-h, for the***
16 ***purpose of providing public, educational and governmental programming (PEG) and***
17 ***to further designate 100% of the revenue from cable franchise fees and other income***
18 ***derived from the services supported by the fund to be placed in the fund; and, further,***
19 ***to raise and appropriate the sum of Four Hundred Eighty Five Thousand Twelve***
20 ***Dollars (\$485,012) to be placed in this fund. This sum has been transferred to the***
21 ***General Fund Unreserved Fund Balance upon the discontinuance of the Salem Cable***
22 ***TV Public Access Trust Fund. The money in the revolving fund created here shall be***
23 ***allowed to accumulate from year to year and shall not be considered part of the Town's***
24 ***General Fund Unreserved Fund Balance. The Town Treasurer shall have custody of***
25 ***all money's in the fund and shall pay out the same only upon order of the governing***
26 ***body and no further approval is required by the legislative body to expend. Such funds***
27 ***may be expended only for the purpose for which the fund was created.***

28 **SECOND:** Mr. Carney

29 **VOTE:** 7-1-0 (Stephen Campbell voted without recommendation, commenting he did
30 not think the motion was technically correct but thought it could be amended at Town
31 Meeting)

32 **The motion carried.**
33

34 ***Article 34 – Salem Cable Television Public Access Channel (\$273,375.00)***

35 **MOTION:** Mr. Rayno with recommendation

36 ***To see if the Town will vote, if article 33 fails to pass, to raise and appropriate the sum***
37 ***of Two Hundred Seventy Three Thousand Three Hundred Seventy Five Dollars***
38 ***(\$273,375.00), for the operational expenses related to the Salem Cable Television***
39 ***(SCTV). This appropriation will be offset by the franchise fees received from the cable***
40 ***provider.***

41 **SECOND:** Mr. Carney

42 **VOTE:** 8-0-0

43 **The motion carried unanimously.**
44

45 ***Article 35 –Demolition of the Kinsler Building (\$27,500.00)***

46 **MOTION:** Mr. Rayno with recommendation

1 *To see if the town will vote to appropriate the sum of Twenty Seven Thousand Five*
2 *Hundred Dollars (\$27,500) for the purpose of removing asbestos and demolition to a*
3 *building also known as the Kinsler Building, located at 21 Cross Street adjacent to the*
4 *Department of Public Works Garage.*

5 **SECOND:** Mr. Carney

6 **VOTE:** 8-0-0

7 **The motion carried unanimously.**

8
9 *Article 36 – Purchase of Generators (\$193,890.00)*

10 **MOTION:** Mr. Rayno with recommendation

11 *To see if the town will vote to raise and appropriate the sum of One Hundred Ninety*
12 *Three Thousand, Eight Hundred and Ninety Dollars (\$193,890) for the purpose of*
13 *purchasing two generators for the Wheeler Dam pumping station and the Salem*
14 *Senior Center for emergency operation purposes and to authorize that the generator*
15 *for Wheeler Dam pumping station at a cost of One Hundred Three Thousand, One*
16 *Hundred and Fifty Two Dollars (\$103,152) be funded by the Water Fund and the*
17 *remaining balance of Ninety Thousand Seven Hundred and Thirty Eight Dollars*
18 *(\$90,738) be funded by taxation.*

19 **SECOND:** Mr. Carney

20 There was a query from Ms. David regarding the portability of the generator for the
21 Senior Center.

22 **VOTE:** 8-0-0

23 **The motion carried unanimously.**

24
25 *Article 39 – Big Brothers Big Sisters of Greater Nashua (\$15,000.00)*

26 **MOTION:** Mr. Rayno without recommendation

27 *To see if the town will vote to raise and appropriate the sum of Fifteen Thousand*
28 *Dollars (\$15,000) to support the Big Brothers Big Sisters of Greater Nashua - One to*
29 *One Mentoring for Children in the Town of Salem. Submitted by petition*

30 **SECOND:** Mr. Carney

31 **VOTE:** 7-0-1 (Chairman Covey abstained)

32 **The motion carried.**

33
34 *Article 40 – Disaster Relief, American Red Cross (\$5,000.00)*

35 **MOTION:** Mr. Rayno with recommendation

36 *To see if the town will vote to raise and appropriate the sum of Five Thousand Dollars*
37 *(\$5,000) for the purpose of Disaster Relief, American Red Cross. Submitted by petition*

38 **SECOND:** Mr. Carney

39 **VOTE:** 6-2-0 (Stephen Campbell and Roland Theberge voted without recommendation)

40
41 *Article 41 Center for Life Management (\$10,000.00)*

42 **MOTION:** Mr. Rayno without recommendation

43 *To see if the town will vote to raise and appropriate the sum of Ten Thousand Dollars*
44 *(\$10,000) for the purpose of providing behavioral health services to the residents of*
45 *Salem at the Center of Life Management. CLM currently serves 512 Salem residents.*
46 *The office is located at 44 Stiles in Salem. Submitted by petition*

SECOND: Mr. Carney

VOTE: 8-0-0

The motion carried unanimously.

Article 42 Historic Preservation Consultant (5,000.00)

MOTION: Mr. Rayno with recommendation

To see if the town will vote to raise and appropriate the sum of Five Thousand Dollars (\$5,000) for the purpose of hiring an Historic Preservation Consultant to prepare the necessary documentation for listing the Old Town Hall on the State Register of Historic Places.

SECOND: Mr. Carney

VOTE: 8-0-0

The motion carried unanimously

5. SCHOOL BUDGETARY MATTERS: QUESTIONS FOR SCHOOL BOARD REPRESENTATIVE

Attorney Campbell reported there would be a work session tomorrow on a proposal for a wood pellet fired boiler at the high school to replace some part of the heating system, as well as well as a discussion on Kindergarten implementation. Attorney Campbell stated he would raise the question of whether a gas boiler has been considered. In response to a query from Mr. Theberge, Attorney Campbell clarified what the state is proposing to pay toward Kindergarten.

MOTION: Mr. Rayno

Move to adjourn until March 25, 2009

SECOND: Attorney Campbell

Mr. Rayno explained why the Committee should not meet until March 25.

Mr. Carney thanked Chairman Covey and Mr. Theberge, for their service and wished Ms. David good luck. Mr. Theberge and Chairman Covey gave statements of appreciation.

VOTE: 8-0-0

The motion carried unanimously.

The meeting adjourned at 7:48 p.m.

Minutes recorded by: Sandra Maxwell, Recording Secretary

Approved: Budget Committee

Date: April 22, 2009