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**MINUTES OF THE
BUDGET COMMITTEE**

**MEETING OF
June 24, 2009**

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01) OPEN MEETING

9 The Municipal Budget Committee Meeting of Wednesday, June 24, 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.
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03) INTRODUCTION OF MEMBERS

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MEMBERS PRESENT:

20 Michael Carney, Jr., Vice-Chairman
21 Russell Frydryck, Secretary
22 Ann Marie David
23 Stephen Campbell
24 James Randazzo
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MEMBERS ABSENT:

28 Jim Ribaldo
29 Peter Rayno, Chairman
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OTHER MEMBERS PRESENT:

34 Arthur Barnes, Board of Selectmen Representative
35 Attorney Bernard Campbell, Salem School Board Representative
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04) RECEIPT OF CORRESPONDENCE & MINUTES/APPROVAL OF MINUTES:

41
42

MOTION by Mr. Frydryck to receive the following items:

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- Salem School Board Minutes of the May 12, 2009
 - Salem Board of Selectmen Minutes of the May 04, 2009 and May 11, 2009
 - Letter to the Salem School Board dated February 11, 2009 regarding school activity fees

- 1 • Budget Committee Meeting Minutes of the May 27, 2009
2

3 **MOTION** by Mr. Carney to receive the following items:
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- 5 • Email from Bernard Campbell dated June 24, 2009 with the Salem School District
6 General Fund Budget as of May 31, 2009
7 • Received a memo from Bernard Campbell to the Budget Committee regarding the audit
8 follow up question and a letter from the CPA
9

10 **SECOND: Mr. S. Campbell**

11 **VOTE: VOTE: 7-0-0**
12

13 Mr. B. Campbell distributed copies of the email that he sent out.
14

15 **MOTION** by Mr. Frydryck to approve the following items:
16

- 17 • Approve the Budget Committee Minutes of March 25, 2009
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19 **SECOND: Mr. B. Campbell**

20 **VOTE: VOTE: 7-0-0**
21

22 **MOTION** by Mr. Frydryck to approve the following items:
23

- 24 • Approve the Budget Committee Minutes of April 22, 2009
25

26 **Mr. B. Campbell to approve with the following corrections:**

27 **Page 5, Line 28**

28 It currently reads: "vote should be changed"

29 Revision: It should be "*vote: 9-0-0*"
30

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

32 **Page 3, Line 36**

33 It currently reads: "each article should be discussed"

34 Revision: It should be "*should be discussed separately*"
35

36 **SECOND: Mr. S. Campbell**

37 **VOTE: VOTE: 7-0-0**
38
39

40 **05) TOWN BUDGETARY MATTERS:**
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42 Mr. S. Campbell asked if there was any new information regarding the FY 2007 audit. Selectman
43 Barnes indicated that there was not. Mr. S. Campbell asked if this was still projected to be
44 completed by June 2009.
45

1 Mr. S. Campbell inquired about the Lawrence Road Bridge and asked if we would need to bond
2 this project. Selectman Barnes indicated that the money we were receiving was 100% of the
3 construction costs. He said that there was ongoing discussion and questions regarding this
4 project. Mr. S. Campbell commented that bonds have stricter guidelines than articles and
5 conveyed his opinion on how this should be done, and requested that the board be informed
6 when a decision was made.

7
8 Mr. S. Campbell stated that he had a few questions regarding the May financials under special
9 articles:

- 10 1) the DPW equipment replacement, encumbered amount over the budgeted amount
- 11 2) Big Brothers Big Sisters, still zero dollars expended, and none encumbered.

12
13 Mr. S. Campbell had inquired about the twelve non-union employees, and stated that some
14 answers had been provided and added that there were ongoing negotiations. Selectman Barnes
15 stated that he would answer some questions if they went into non-public session. Mr. S.
16 Campbell commented that he felt that this should have been an article, he stated he does not
17 remember this being described as being in negotiations, he stated that he remembered a raise
18 and increased contributions to health insurance. He stated raises should not be given while
19 contracts are in negotiations, and added that these raises should be in an article. Mr. S. Campbell
20 stated he would like a response when sending emails to the Town Manger.

21
22 Ms. David stated that she thought it had been agreed that items would be sent through the
23 chairman. Mr. Carney stated that Mr. S. Campbell often comments as a citizen.

24
25 Mr. Carney stated that he would never vote on a contract that was not fully negotiated.

26
27 Mr. S. Campbell stated that the Selectman voted on a strict hiring freeze and a no promotion
28 policy. Selectman Barnes stated that until the budget was passed they were taking these stops to
29 preserve the budget. He commented that he expected these items to be re-visited. He added that
30 town wide revenues would be down, but noted that they were coming in healthier than
31 anticipated thus far this year. He added that that they would be able to maintain tax rate passed at
32 \$4.79.

33
34 Mr. Carney asked what the budget impact for next year would be. Selectman Barnes stated that
35 he did not know. Selectman Barnes stated that the department heads would be receiving
36 direction for their budgets around July 13, 2009.

37
38 Ms. David questioned what was passed today by the state, and what it meant. Selectman Barnes
39 clarified that we would be paying 5% more for fire and police next year and the year after.

40
41 Mr. Randazzo asked where this shortfall could be made up. Selectman Barnes replied that 80%
42 of budget was personnel costs. He commented on strategies that surrounding towns used to
43 address the shortfalls. Mr. Randazzo suggested that this be addressed now. Selectman Barnes
44 stated that in September the department heads will address this issue and present budgets to the
45 Selectmen.

1 Mr. S. Campbell stated that when times are bad, this is when you can make substantive and
2 fundamental changes. He added that the roads needed to be looked at.

3
4 Mr. Frydryck asked how changes would be communicated to the department heads, how does the
5 budget guidance reach the departments. Selectman Barnes stated that this was a new process, and
6 commented that they usually give them a tax range value, or percentage. He stated that the
7 Police, Fire and DPW consume much of the budget, and explained how it has worked in the past.

8
9 Mr. Frydryck asked if policy changes would be suggested to the Town Manager. Selectman
10 Barnes stated that he believed that the Selectman should make these decisions. Mr. Frydryck
11 stated that he agreed. After some discussion of how policies and procedures are or should be
12 changed, Mr. Carney closed the discussion.

13
14 Mr. Randazzo commented that his company just implemented cost cutting measure and relayed
15 this to the board he also commented on cost cutting measures relative to demand.

16
17 Mr. Randazzo commented that MA taxes were going up, and asked what this impact would be,
18 on revenue or expenses. Selectman Barnes stated that this was a difficult question to answer, and
19 added that this might hold the value of commercial real estate. Mr. Carney stated that we may
20 see some increase but it is not directly to the town and added that this is not dollar for dollar.

21
22 Mr. Randazzo asked what the impact of slots would be at Rockingham. Mr. Carney stated that
23 this was off the table for two years, as the budget was just passed.

24
25 Ms. David asked for clarification on the Lawrence Road Bridge. Selectman Barnes stated that he
26 was not sure how this would work.

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29 **06) SCHOOL BUDGETARY MATTERS:**

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31 Mr. S. Campbell asked about the facilities plan number, and asked if there would be any
32 additional funds necessary. Mr. B. Campbell stated that this was phase one study money, adding
33 that there could be more phases. Mr. Carney stated that the phase one study helps to clarify
34 future phases and costs for K-8 grades. Mr. B. Campbell replied that the phase one report would
35 come with multiple options and offered examples.

36
37 Mr. S. Campbell asked if Mr. B. Campbell was aware of the state budget impact on our school
38 budget. Mr. B. Campbell stated he was not. Mr. S. Campbell requested that this information be
39 passed on.

40
41 Mr. S. Campbell commented on the sanbornization discussion and stated that we are giving away
42 a lot more than we are getting, and losing flexibility with the unions.

1 Mr. S. Campbell referenced the May financials and commented that the 100 series had a surplus,
2 and suggested this item be watched in the future. Mr. B. Campbell stated that they budgeted
3 within 1%.

4
5 Mr. Carney asked about the Beedy settlement. Mr. B. Campbell stated that he thought this was
6 done. Mr. Carney asked if there was enough in the reserve to meet the settlement. Mr. B.
7 Campbell stated that they were short approximately \$30-35k.

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11 **07) UNSCHEDULED MATTERS:**

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14 Mr. S. Campbell stated that the charter commission is meeting July 2, 2009 and is looking for
15 public input.

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19 **08) ADJOURN 08:07 PM**

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21 **Mr. Carney asked the Board to entertain a motion to recess until Wednesday July 22, 2009**
22 **at 7:00 PM.**

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24 **FIRST: Mr. B. Campbell**

25 **SECOND: Ms. David**

26 **VOTE: 6-1-0, opposed Mr. S. Campbell**

27 **MOTION PASSED**

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31 Minutes recorded by: Catherine Kupa, Recording Secretary

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33 Approved: Budget Committee

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35 Date: August 26, 2009