

1
2
3
4
5
6

**MINUTES OF THE
BUDGET COMMITTEE**

**MEETING OF
July 22, 2009**

7
8

01) OPEN MEETING

9 The Municipal Budget Committee Meeting of Wednesday, July 22, 2009 was called to order at
10 7:00 p.m. at Salem Town Hall, 33 Geremonty Drive, Salem, New Hampshire.

11
12

02) PLEDGE OF ALLEGIANCE

13
14 Chairman Rayno opened the meeting with the pledge of allegiance and introduction of members.

15
16

03) INTRODUCTION OF MEMBERS

17
18

MEMBERS PRESENT:

19
20 Peter Rayno, Chairman
21 Michael Carney, Jr., Vice-Chairman
22 Russell Frydryck, Secretary
23 James Randazzo
24 Ann Marie David
25 Jim Ribaud
26 Stephen Campbell

27
28

MEMBERS ABSENT:

29
30 Attorney Bernard Campbell, Salem School Board Representative

31
32
33

OTHER MEMBERS PRESENT:

34
35 Arthur Barnes, Board of Selectmen Representative

36
37
38

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

39
40
41

MOTION by Mr. Frydryck to receive the following items:

- 42
43
44
45
46
- Receive the Board of Selectmen Minutes dated June 1, 2009, June 8, 2009, June 15, 2009, and June 22, 2009
 - Receive the Salem School Board Minutes of May 19, 2009, May 26, 2009, May 30, 2009, June 9, 2009 and June 16, 2009.

- 1 • Receive the June 30, 2009 Town, Water , Sewer financial report
- 2 • Receive the Budget Committee Meeting Minutes of the June 24, 2009

3
4 **SECOND: Selectman Barnes**

5 **VOTE: VOTE: 8-0-0**

6
7
8 **MOTION** by Mr. Frydryck to approve the following items:

- 9
10 • Approve the Budget Committee Meeting Minutes of the May 27, 2009

11
12 **SECOND: Selectman Barnes**

13 **VOTE: VOTE: 8-0-0**

14
15
16 **05) TOWN BUDGETARY MATTERS:**

17
18 Mr. S. Campbell asked when the 2008 audit would be completed. Selectman Barnes replied he
19 did not have a time frame.

20
21 Mr. S. Campbell inquired about the Lawrence Road Bridge and asked if we would need to bond
22 this project. Selectman Barnes indicated the current mindset of the board was that we would
23 bond the authorized amount, and establish an expendable trust fund to have this program become
24 self funding.

25
26 Mr. S. Campbell stated that he had asked a few questions regarding the May financials under
27 special articles and inquired if there were answers. Selectman Barnes responded that the DPW
28 equipment replacement line was entered incorrectly and has since been corrected, and stated that
29 the Big Brothers Big Sisters organization has not sought any money to date.

30
31 Chairman Rayno referenced the Big Sisters Big Brothers funds and asked if this amount would
32 have to be encumbered. Selectman Barnes stated that it would. Mr. Carney added that
33 \$3,700.00 had been spent leaving a remaining balance of \$11,250.00 for the Big Brothers Big
34 Sisters budgetary line item.

35
36 Mr. S. Campbell asked if all of the Road and Bridge contracts had been awarded. Selectman
37 Barnes replied yes, except for the Lawrence Bridge which was held up by the utilities
38 companies. Mr. S. Campbell re-emphasized his premise that we should go out to bid earlier,
39 which would allow more competition and an earlier completion dates.

40
41 Mr. S. Campbell referenced the 2007 audit and commented that 1) on page 24, under note 2-2A,
42 the footnote may need to be updated as Police and Fire are now off budget and 2)after page 43,
43 the charts which combine the balance sheets references the DARE program and an expenditure
44 of \$3,060.00, which Mr. S. Campbell believes was discontinued. He asked that these items be
45 looked at.

1 Mr. S. Campbell inquired as to what direction was given to the Town Manager at the last
2 Selectman's Meeting, and asked for clarification. Selectman Barnes replied that there was a
3 possible 1.8 million dollar deficit and stated that the board asked the Town Manger to bring in
4 the best budget possible. He further commented on how this deficit was realized.

5
6 Ms. David asked if the budget deficit was driven by less funding by the state. Selectman Barnes
7 commented that approximately \$750,000.00 was due to the push down by the state, which we
8 must absorb; and the remaining amount was due to loss of revenue and increase in expenses.

9
10 Mr. S. Campbell commented that if we accepted the COPS Grants, we would need to keep the
11 current staffing levels, and suggested that we re-evaluate this due to our current budgetary
12 challenges. He also added that our hands would be tied by the Fire Department as well due to the
13 current contract, stating the only staff that could be affected would be the Town Hall employees.

14
15 Mr. Carney referenced 1) the interest earning revenue shortfall as this item was budgeted at
16 \$275,000.00 and was currently at \$4,136.00 year to date and 2) the tax lien interest for 2008
17 which was budgeted at \$12,000.00 as was at \$72,000.00 and asked that these numbers be looked
18 at and explained. Selectman Barnes commented that 94% of all residents paid their taxes on
19 time, adding that 30-40 had worked out payment plans, and added that the Town Treasure, John
20 Sytek, commented at the last selectman meeting that investments were not paying.

21
22 Mr. S. Campbell asked if there was a contract yet for the twelve non-union employees.
23 Selectman Barnes stated that there was not. Mr. S. Campbell commented that we should not vote
24 in a contract that has not been negotiated.

25
26 Mr. S. Campbell referenced the Police Detail Revolving Fund and asked if the Selectman had
27 talked about tapping this money. Selectman Barnes stated that only certain items could be
28 purchased using these funds, and explained the process. Mr. S. Campbell asked if were using this
29 fund to purchase two cruisers. Selectman Barnes stated that we were. Mr. S. Campbell
30 challenged that this could be done, and suggested that the town request an opinion from the
31 DRA.

32
33 Mr. Carney referenced the three motorcycle police officers and asked if these units replaced the
34 cruisers. Selectman Barnes replied he did not know. Mr. Carney suggested that if they did, we
35 should see a reduction in the expenses relative to the cruisers.

36
37 Chairman Rayno asked what the collection rate was on the June tax bill as compared to last year.
38 Selectman Barnes stated that the collection rate was approximately 94 % and was only half of a
39 percentage point less than last year.

40
41 Mr. Randazzo referenced the delinquent tax amounts and asked what percentage was commercial
42 versus residential. Selectman Barnes responded that the delinquencies were residential, not
43 commercial.

1 **06) SCHOOL BUDGETARY MATTERS:**

2
3 Mr. S. Campbell commented that the school was facing a \$125,000.00 additional cost due to the
4 retirement system costs being pushed down and suggested that we join the lawsuit to sue the
5 state, adding that these costs would continue to rise in future years.
6

7
8 **07) UNSCHEDULED MATTERS:**

9
10 Ms. David asked if the modules would be done on time. Mr. Carney stated that they would be.
11

12 Chairman Rayno asked about enrollment numbers. Mr. Carney stated that they were well below
13 what had been anticipated. He also added that the school had been talking about applying for
14 stimulus money, which would be available in the special needs category, adding that the
15 guidelines were very strict.
16

17 Chairman Rayno suggested that the board members email Mr. B. Campbell any questions they
18 had regarding the School District and copy all members.
19

20
21 **08) ADJOURN 07:45 PM**

22
23 **Mr. Rayno asked the Board to entertain a motion to recess until Wednesday August 26,**
24 **2009 at 7:00 PM.**
25

26 **FIRST: Mr. Carney**

27 **SECOND: Selectman Barnes**

28 **VOTE: 7-1-0, opposed Mr. S. Campbell**

29 **MOTION PASSED**
30
31
32

33 Minutes recorded by: Catherine Kupa, Recording Secretary

34 Approved: Budget Committee

35 Date: September 9, 2009
36
37