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**MINUTES OF THE
JOINT MEETING WITH THE
SALEM BOARD OF SELECTMEN
AND SALEM LEGISLATIVE DELEGATION**

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February 18, 2009

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The Board of Selectmen held a joint meeting with a delegation from the Legislature on Wednesday February 18, 2009 at Salem Town Hall, 33 Geremonty Drive, Salem, NH.

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PRESENT:

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Chairman Elizabeth A. Roth, Vice-Chairman Arthur E. Barnes, Secretary Michael J. Lyons, Selectman Everett P. McBride, Selectman Patrick Hargreaves and Town Manager Mr. J. Sistare

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The following were also present: Senator Michael Downing, Representatives Charles E. McMahon, Carolyn B. Webber, Robert J. Elliott, Walter Kolodziej, Margaret M. Crisler, Russell F. Ingram and David Bates and candidates Edward DeClercq and Sheila Murray.

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ABSENT: Roland Belanger, David J. Bettencourt, Anthony R. DiFruscia, Anne K. Priestley, Mary E. Griffin.

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CALL TO ORDER

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Chairman Roth began by calling the meeting to order at 7:00 p.m.

1. Introduction/Purpose of Meeting

Chairman Roth opened with comments that this meeting offered an opportunity for local government to open a dialog with their representatives in Concord to help everyone understand the difficulties being dealt with at both local and state levels in the current economy. She stated the Board hoped to host this type of meeting at least semi annually.

2. Administration and Finance Issues and Opportunities

Chairman Roth stated they would begin with outlining the major concerns of the town and obtain feedback from the representatives on how they handle those concerns on a day to day basis, and how they represent the town in Concord. Chairman Roth handed over to Mr. Sistare to explain what the town's major concerns are.

a) Impact of Governor's Proposed budget on Town of Salem

Mr. Sistare stated the projected loss to the town of the Governor's cuts in state aid through revenue sharing and rooms and meals tax would amount to \$1.6 million in the first six months. He stated the other area of major impact would be group two retirement contributions for police and firefighters. The proposed reduction in the state's contribution from 35% to 30% would amount to a loss to the town of \$100,000. He pointed out the loss of this aid amounts to an increase in the town share of the current town tax rate of almost 37 cents, or 8%.

Chairman Roth explained the Board had instructed the Town Manager back in June to cap the tax rate at 2008 levels. She stated the town warrants were ready to go to press, and they were

1 ready for the Town Meeting by the time they heard about the Governor's budget. She stressed
2 the only cuts the town could make at this point to absorb the loss in state aid would in staff
3 layoffs in the area of police, firefighters and possibly teachers.

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5 Selectman Barnes asked whether the representatives knew how the Governor intended helping
6 and giving back to the School Districts.

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8 Representative Russell F. Ingram joined the meeting at 7:15 p.m. He handed out a copy of the
9 Governor's budget and speech to Board members.

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11 Representative McMahan introduced himself, responding to Selectman Barnes' question he
12 stated there is \$123 million in additional education funding to be distributed on a per student
13 basis and this is the benchmark to even out the dollars being held back at present. He clarified
14 this would not affect the tax rate until 2010. He stated the Governor has proposed suspending
15 funding but there may be a slight increase in aid if the stimulus money makes it to NH. He
16 pointed out the final facts on this will not be available until midnight on June 30, 2009 when the
17 budget is resolved.

18
19 Chairman Roth clarified that the result of what the state is doing is to make the town and the
20 school compete for the same money which does not make for good government. She asked how
21 much of the stimulus package will come to the town for the shovel ready projects they have
22 submitted and how much would be given to education, noting she had heard such institutions as
23 the University of NH had applied for stimulus money. Representative McMahan stated he
24 believed the decision on how disposition of funds will take place would be made by the
25 Governor, but no-one knows for certain at present. He stated it would take some time to sort
26 through everything and would require working together with their Congressional delegation to
27 advance issues affecting the state and local towns.

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29 Chairman Roth clarified that a lot of this was out of the representatives' hands, but asked what
30 they can do to represent Salem right now.

31
32 Senator Michael Downing joined the meeting at 7:25 p.m. He stated he had received
33 information today regarding how the town can apply for and receive funding from the stimulus
34 package, which he stated he would provide to Mr. Sistare. He explained the Governor has
35 appointed Mr. Bud Fritz from the Attorney General's office to oversee the program, and funding
36 will go to the Departments of Transportation, Health and Human Services, Environmental
37 Services and will be distributed from these areas. Most of it however will not trickle down to the
38 communities. He stated a Bill is being put together to enable the towns to apply for and spend
39 the funding without having to go to court for a special town meeting. He stated he also had a
40 breakdown of the money coming to New Hampshire and what it will be used for, and most it will
41 go to education as the Governor is using revenue sharing to pay for education at present.

42
43 Chairman Roth asked whether that was a misuse of the stimulus package based on what the
44 President has said so far. Senator Downing reported that the federal delegation decided the
45 majority of money would go to education, with some for the DOT. He stated he would provide a
46 copy of the DOT planned projects which amount to \$114.3 million to Mr. Sistare, and he listed a

1 number of areas that the stimulus is intended to cover along with the amounts involved.
2 Chairman Roth recapped for the benefit of Senator Downing the effects of the Governor's budget
3 on the town. She asked the Senator what he can do to help the town shoulder the burden of this
4 budget and the Senator responded he has already spoken out against the Governor's budget. He
5 reported he is co-sponsoring a bill to expand the racetrack with private funding which will create
6 jobs and expand the property tax base. There followed a discussion with Chairman Roth
7 regarding the benefits of the racetrack to the community.
8

9 Selectman McBride stressed he felt the School District needed to share in shouldering the \$1.6
10 million being passed down to the town from the state and the Senator responded they will be
11 looking at all types of revenue sources. Selectman McBride also stated he thought the
12 representatives need to work on getting the I93 project completed. Senator Downing stated he
13 had brought the Pelham/Stiles extension forward as an issue.
14

15 Selectman Hargreaves spoke about the conflict in the Governor's speech regarding job cuts and
16 raises. The Senator clarified the Governor was referring to county government receiving raises.
17

18 Representative Ingram reported that the county delegation budget increased this year by 4% and
19 this will be passed down to the towns. He clarified that the Governor's budget will go through
20 the House and Senate and will change between now and June.
21

22 Representative Crisler reported the county delegation had met last night for a budget review
23 meeting, and noted that most lines had decreased. She explained the areas the county is
24 responsible for and that they are trying to keep expenses down despite increases in the number of
25 patients on Medicaid, programs for the elderly and increases in expenses. She also spoke of the
26 cost to the county of taking care of prisoners. It was suggested this should be the first of a series
27 of meetings like this as the representatives are struggling to figure out the Governor's intentions
28 and will get back to the town as things are sorted out.
29

30 Selectman McBride pointed out Salem had to cut five positions at the town level this year.
31

32 Selectman Lyons stated the timing of the cuts was unfair to the towns.
33

34 Selectman McBride spoke about the effect the closure of Rockingham Park would have, stating
35 the representatives need to make it clear in Concord how this loss of revenue would affect the
36 town, charities and the state.
37

38 Senator Downing spoke of the pressure to change but that they need to come up with sources of
39 revenue.
40

41 Representative Elliott who is on the Salary Committee spoke about increases for state
42 employees. He stated the race track is a hot issue and the delegation at the meeting supported
43 keeping the race track open. He referred to the legislative bulletin, explaining that of the \$1.3
44 billion in state aid received by local government, \$1 billion of that is school aid and only \$300
45 million is municipal aid. He explained that so far money has only been taken out of designated
46 funds and that the Finance Committee will begin in the first week in March making cuts.

1 Representative David Bates joined the meeting at 7:56 p.m.

2
3 Representative Webber spoke to the race track and the issues surrounding this. Chairman Roth
4 asked whether the House had discussed putting gaming to the voters as a referendum, and
5 suggested the representatives at this meeting should educate their fellow representatives on the
6 realities as they relate to this. There followed a discussion regarding the views on gaming of
7 some of the other representatives and Representative Ingram pointed out there had been a bill for
8 a referendum but it did not pass. Senator Downing pointed out New Hampshire is not a
9 referendum state.

10
11 ***b) Impact of recent amendments to the NH Retirement System***

12 Mr. Sistare spoke about burden on the town of funding retirement, stating it was like being
13 double taxed. Speaking about small communities, Senator Downing reported that although the
14 state pays 35% of the funding for police, fire and teachers it has no say in what is negotiated and
15 the Governor had recommended reducing its contribution to 30%. He reported there is a bill
16 coming through the senate to address the NH retirement system.

17
18 Representative Chrisler stated the House voted today on a moratorium to postpone the change
19 until July 2010 to give it time to work on this and fix it.

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21 **3. Infrastructure and the Economy**

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23 ***a) Pelham and Stiles***

24 Chairman Roth spoke about the fact that the growth of the town depends on exit 2 and the Stiles
25 and Pelham area being developed.

26
27 ***b) Westside Sewer***

28 Selectman McBride asked about money for sewer projects and spoke about the GLSD,
29 explaining the Westside interceptor project would alleviate problems and enable the GLSD to
30 close pump stations and expand capacity which will affect Salem, Windham, and Lawrence.
31 Senator Downing stated he knows how important the project is for the commercial side of town,
32 and Selectman McBride stressed the importance of the project. Representative McMahon
33 stressed it is time for Windham and Salem to get together and advocate for their areas and the
34 issues which affect them. He also suggested the town distribute materials in advance for any
35 future meetings in order that the representatives have the opportunity to obtain answers prior to
36 the meeting.

37
38 Chairman Roth spoke about regionalization for development and asking for assistance from the
39 state. She provided an explanation of EDAC (Economic Development Action Committee) and
40 its purpose. Representatives McMahon and Crisler spoke about Windham EDAC and about the
41 opportunity to work together with Salem on this.

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43 **4. Environmental and Public Safety: Projects that Protect and Mitigate**

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45 ***a) Treatment Plant***

46 Mr. Russell explained about the location and history of ground contamination at the treatment

1 plant, the status of the cleanup and the land swap with the state. He stated they would appreciate
2 the representatives' assistance to progress the cleanup. Representative McMahan suggested
3 Peter Stammas might be able to assist.
4

5 **b) Haigh Ave**

6 Selectman McBride spoke about the flood mitigation project in the town and a FEMA grant to
7 purchase homes in the area, stating he would like to see more co-operation from the state, such
8 as buying the land on which the homes stand and using the land for more mitigation which
9 would help everyone concerned.
10

11 Chairman Roth opened the meeting for questions from the public.
12

13 Ms. Laurel Redden introduced herself and thanked the representatives and the Board for holding
14 the meeting which she had found very informative.
15

16 Bill Carter, Chairman of the Conservation Commission introduced himself and asked for support
17 for the bike/pedestrian corridor and a bus service.
18

19 Selectman Hargreaves asked whether the state will complete removing the rail tracks near exit 1
20 as these have been torn up but not removed.
21

22 Senator Downing reported there will be no new grants awarded for environmental projects.
23

24 It was recommended the Board of Selectmen work on a contingency plan in case the race track
25 closes, and Selectman McBride reported the Planning Board is addressing this so that there will
26 be a plan for development of the track.
27

28 Representative McMahan suggested the town obtain the permission of the DOT and get rid of
29 the rail tracks and ties themselves, or recycle them. He also suggested it was time for rational
30 discussion regarding new revenue and the viability of the race track.
31

32 Representative Ingram announced Salem has been selected as one of three sites for an open
33 public meeting of the Finance and Ways and Means Committees on March 9, 2009, at 6:00 p.m.
34 in the Media Center at the High School.
35

36 Chairman Roth stated she will be representing the town and Board of Selectmen at the Senate
37 Ways and Means Sub Committee meeting to testify in support of gambling.
38

39 **5. Communication: Ideas for Future Connections**

40 Chairman Roth thanked everyone for their time and service and for attending the meeting.
41

42 Without further business, the meeting adjourned at 8:50 p.m.
43

44 Notes/Minutes Taken by: Sandra Maxwell

45 Approved: Board of Selectmen

46 Date: March 16, 2009