MINUTES OF THE
BUDGET COMMITTEE

MEETING OF
January 15, 2020

01) OPEN MEETING
The Municipal Budget Committee Meeting of Wednesday January 15, 2020 was called to order at 7:00 p.m. at the Knightly Meeting Room.

02) PLEDGE OF ALLEGIANCE
Chairman Bettencourt opened the meeting with the pledge of allegiance and introduction of members.

03) INTRODUCTION OF MEMBERS
MEMBERS PRESENT:
D.J. Bettencourt, Chairman
Stephen Boyd
Paul Huard
Thomas Plante
Peter Edgerly
Steven Goddu

MEMBERS ABSENT:
Sean Lewis

OTHER MEMBERS PRESENT:
Bernard Campbell, School Board Representative
Selectman Bob Bryant, Board of Selectmen Representative

OTHERS PRESENT:
Dr. Michael Delahanty, Superintendent of Schools
Darlene Mann, Director of Finance
Chris Dillon, Town Manager
Jeremiah Lamson, Recording Secretary

04) RECEIPT OF MINUTES AND CORRESPONDENCE
MOTION by Mr. Lewis to receive the following correspondence:
- Presentation on the Woodbury Renovation proposal from the Salem School District
- E-mail with historical tax information from Mr. Goddu.
SECOND by Mr. Goddu
VOTE: 9-0-0 in favor. Motion passed unanimously.
05) **PUBLIC COMMENT**
Chairman Bettencourt asked if there was any public comment. There was none.

**MOTION by Mr. Lewis to close the public comment period.**
**SECOND by Mr. Edgerly**
**VOTE: 9-0-0 in favor. Motion passed unanimously.**

06) **SCHOOL DISTRICT WARRANT ARTICLES**
Chairman Bettencourt stated that the School District would present first. They had one Warrant Article in addition to the School Operating Budget Warrant Article.

Mr. Campbell read Article 2:
“Shall the Salem School District raise and appropriate the sum of Forty-Eight million Nine hundred thousand dollars ($48,900,000) for the design, construction, and original equipping of renovations and improvements to Woodbury Middle School and its grounds, and authorize the School Board to issue not more than Forty-Eight million Nine hundred thousand dollars ($48,900,000) of bonds or notes for the project costs in accordance with the provisions of the Municipal Finance Act (RSA Chapter 33, as amended) over a three (3) year period with a Sixteen million Three hundred thousand dollar ($16,300,000) bond to be issued in the first, second, and third years; to authorize the School Board to issue, negotiate, sell, and deliver such bonds or notes and to determine the rate of interest thereon and the maturity and other terms thereof; and to further raise and appropriate the additional sum of Two hundred thousand dollars ($200,000) for the first year payment on the first year bond, said sum to be offset by the use of impact fees; to authorize the School Board to apply for, obtain, and accept federal, state, private grant, or other aid, if any, which may be available for this project and to comply with all laws applicable to said project; and to authorize the School Board to pass any other vote and to take any other action necessary to carry out this vote, including acquisition and/or conveyance of any necessary utility easements to support the project?”

**MOTION by Mr. Campbell**
*Move Article 2 with recommendation by the Budget Committee.*
**SECOND by Selectman Bryant**

Chairman Bettencourt stated that it was impressively read by Mr. Campbell.

Mr. Campbell stated that he would yield to the Chairman of the School Board.

Michael Carney, School Board Chairman, stated that this was Woodbury Reimagined as they brought the building that was originally constructed in 1925 with multiple additions up to a modern setting that would meet the needs of the community throughout the 21st Century. This was the last phase of the comprehensive plan that was put forth in 2008. The Master Plan that was prepared looked at what needed to be done to improve all of the schools. It started because of space needs for Kindergarten classes and evolved into a plan to renovate all of the schools. The first phase was to update five of the elementary schools along with some safety renovations at the sixth school. The next phase was to renovate the High School. Those renovations finished last year. The renovated school had turned out top notch. It was planned for that specific timeframe because some
CTE Funding would be available to help with the costs. They ended up getting more CTE funding than anticipated. They were now at the last phase which was the Woodbury construction. Hopefully it would pass in March and then construction would start a year later. The District was planning to use the savings from the other bond payments coming down to offset the costs for the bonds for this project. The project started in 2018 when the Building Committee first started getting together. This renovation plan was two years in the making. The Woodbury School had some structural deficiencies such as cracks in walls and the flooring. The school started in 1925 with six additions being added over the years. The building had inadequate learning spaces for the current needs. Mr. Carney showed the shop class that had not changed since he attended it in 1972 but was now used for engineering classes which were a poor fit for the space. They had failing and outdated systems such as the heating system. Everything would be brought up to current building codes as part of the renovations. The Building Committee turned the information over to the people who had done the previous projects on time and on budget for quotes. He covered the three partners: Trident which was the Project Manager, Lavallee Brensinger which was the architect firm, and Harvey which was the construction company. He covered how the actual tax rate came in under the budgeted tax rate for the high school project saving about $20 per year on a $300,000 home. The team worked with the architect to look at maximizing learning opportunities of space. They decided on three key concepts. The first was grade and team level organization. Each grade was divided into three teams. The committee wanted to organize it so that each team was close to each other for unity. There were nine teams total. They needed to expand the spaces for the classes particularly science and art programs as part of the second key concept. The committee’s third concept was to have the administrative, public, and student areas separated. The public spaces would be to the front of the building including the gymnasium. Mr. Carney covered the proposed layout of the renovated school and how parts could be shut down for security. The team considered three approaches. One was to Band-Aid the existing school which fixed the maintenance issues but did not improve the educational opportunities. One approach was building a new school. The last approach was renovating the existing school. The Band-Aid approach was projected to cost $35.7 million. He covered the items that had to be replaced and repaired. The items to be replaced included the HVAC, electrical systems, the roofs, plumbing, and the floors while repairs needed to be made to the gym, the cafeteria, and the kitchen among others. This would have no improvements to learning and would be funded through the Operating Budget. Building a new school would cost about $68.1 million and have to be done on the existing site. That would result in a major disruption to the school operations. The renovation option which they called the responsible solution would cost $48.9 million. It would be a multi-phased construction. The School District would try to minimize disruptions and phase the twenty-year bonds in over time. Mr. Carney presented a graph of the bond payments showing each of the renovation projects. The highest single year tax impact would be $179.81 on a $300,000 home and that would be in 2023. Jay Doherty, Lavallee Brensinger, stated that he had worked on the previous projects for the School District. They wanted to reuse as much space as they could from the current building. They were reusing 92,000 square feet of the existing school while demoing 38,000 square feet and adding some new construction. The plan would maintain the historic character of the building. The plan would add about one hundred extra parking spaces onto the site. The plan would also have a large parent drop-off area and a separate area for the buses. Mr. Doherty covered the security features including double locked doors and secure zones inside the school. The new design was presented showing the areas being kept and the new spaces. He covered the project timeline which started
with the town vote in March. Full design would start the day after voting. Site work would start in May. Construction would start in the fall and continue until August 2023. Mr. Doherty covered the phasing plan which would start with a new addition to create spaces for classrooms. Classes would move into the new spaces and then the vacated classrooms would be renovated in the next phase. The last section of the project would be renovating the offices in the front of the building.

Mr. Campbell stated that the historic façade on the front of the building would be retained. He spoke about how the project addressed fire protection issues such as adding sprinklers to large areas of the building. They had a lot of confidence in the building team. This would finish the renovations of the schools. The School District would then just have to keep them and maintain the buildings.

Mr. Huard stated that they had bought property next to the school and asked if it was being used now.

Mr. Campbell stated that it would be used for the bus drop off area and for parking.

Mr. Huard stated that he heard that the addition would be built there.

Mr. Carney explained where it was on the conceptual design and showed where the student entrance would be.

Mr. Huard asked about using the stuff across the street.

Mr. Campbell stated that the parking lot was used currently.

Selectman Bryant asked about the space between the green and purple sections on the plan.

Mr. Carney stated that it would be a courtyard.

Selectman Bryant asked how much space was added to the building with this plan.

Mr. Doherty stated that about 40,000 square feet would be added to the building.

Selectman Bryant asked if the furnaces which were relatively new would be adequate for the additional space.

Mr. Doherty answered yes. He spoke about the energy saving methods that would be done as part of the project such as new insulation.

Mr. Carney stated that anything done to the Woodbury School in recent years was for something that could be used in the new renovations.

Mr. Goddu asked what the estimated tax impact for 2023 was.

Chairman Bettencourt asked if that was the year with the highest tax impact.
Mr. Carney answered yes.

Dr. Delahanty stated that there would be no impact for first year because they were using impact fees. The second year and third years would have increases as the other bonds were added. The fourth year had the highest impact which was projected to be $179.81. He hoped it would be mitigated by increases in property valuations.

Mr. Goddu that after that the impact would go down.

Dr. Delahanty answered yes.

Mr. Lewis asked if that impact was just the Woodbury School bonds.

Dr. Delahanty answered yes. They were already experiencing the debt service for the other projects that had been completed.

Mr. Lewis asked for a table showing the total debt service outstanding for each project.

Dr. Delahanty answered that they could provide that to the Budget Committee.

Mr. Lewis stated that he wanted to see the total impact to taxpayers.

Chairman Bettencourt stated that the chart was helpful but he could not tell the last years for the other bonds.

Dr. Delahanty gave the bond end dates. The elementary schools finished in 2032 while the High School bonds finished in 2037.

Mr. Lewis asked if structurally deficient meant it was unsafe for students.

Mr. Carney stated that meant that it was issues like the heat loss or windows not opening. No immediate safety issues to the students.

Mr. Lewis asked about the building inflation cost projections.

Mr. Doherty stated that it was based on what they were seeing over the past few years.

Mr. Lewis asked about using solar power or other technology.

Dr. Delahanty stated that they had issued an RFP for the High School. Four companies came in and looked at the space. They expected proposals back in the next few weeks. The School District was exploring that opportunity now and would consider it for the Woodbury too.

Mr. Lewis stated that would be for the future.

Dr. Delahanty stated yes. The High School was next.
Mr. Boyd asked about doing the gym in the first phase. That would provide a fun area for students.

Mr. Doherty stated that they needed to build the classroom spaces first. There would be fun spaces in the other areas such as interactive learning spaces for each team.

Mr. Edgerly thanked everyone who worked on it because it was a solid proposal. He had taken a tour and it was eye-opening. He congratulated the maintenance team. He felt that they did not have a choice. He supported the plan.

Mr. Huard stated that they had put in a renovation in the 1990s and asked if there were classrooms in that area that had no windows.

Dr. Delahanty stated that there were no classrooms without windows.

Mr. Huard asked if the renovations would solve the heat problem in the classrooms.

Mr. Carney answered yes.

Chairman Bettencourt stated that he was inclined to support the project but had some questions. It was great to add space. He asked what type of space was being added.

Mr. Doherty stated that they had a graph of the space types. Most of the addition was expanding classroom spaces and the arts spaces that needed more area. Storage spaces were being added inside the classrooms too as part of the project.

Mr. Carney stated that they were retrofitting the existing gyms.

Chairman Bettencourt stated that there were deficiencies. It was a better cost to renovate versus build new. He stated that the foundation needed to be strong.

Mr. Doherty stated that they hired experts look at the foundation to make sure it was sound. The 1925 foundation was built strong.

Mr. Carney stated that they did 3-D imaging and other things that they could not do in the previous projects to look into the foundation and the walls.

Chairman Bettencourt asked about the flow of the students.

Mr. Carney stated that Phase 1 was new classroom space and when that was done, they would move students from the 1995 addition to the new classrooms. He covered how it would result in no impacts to classes while the gyms were being renovated.

Mr. Doherty spoke about trying to minimize disruptions.

Chairman Bettencourt asked if the bids were out.
Mr. Carney stated that the contractors had been selected.
Chairman Bettencourt asked about revenue opportunities.
Mr. Carney stated that there may be some with the gym but it would not be much.
Chairman Bettencourt stated that there was enough information for them to take a preliminary vote on this item.
Mr. Huard stated that this plan had been in place for a number of years. He would give approval because it made sense to finish the process. Voters would have final word.

**VOTE: 9-0-0 in favor. Motion passed unanimously.**
Mr. Campbell thanked the Budget Committee for their support.
Chairman Bettencourt called a recess at 7:58 PM.
Chairman Bettencourt called the meeting to order at 8:03 PM.

**07) TOWN WARRANT ARTICLES**
Chairman Bettencourt stated that they were moving to the Town Articles.

**Article 24**
Selectman Bryant stated that they were starting with the Library petition. He read the petition:
“Shall the Town vote to raise and appropriate a sum of Twenty Thousand Three Hundred Twenty-Two Dollars ($20,322) being a 2.8% increase, such sum representing the cost of increased economic benefits for the employees of the Kelley Library, the amount being set by the cost of living increase determined by the Social Security Administration.”

**MOTION by Selectman Bryant**
*Move Article 24 with recommendation by the Budget Committee.*

**SECOND by Mr. Campbell**
Alison Baker, Library Director, stated that they brought forward this as a citizen’s petition and she was there to answer questions.

Chairman Bettencourt stated that they just received these Warrant Articles tonight. It was difficult to make decisions on articles they had just received. He would abstain from voting on these articles tonight. Chairman Bettencourt did not want anyone to think he was opposed to them. He had only just read them tonight.

Mr. Huard stated that the library was the most frugal group in the Town and he supported this request.

Mr. Goddu asked if the Board of Selectmen had voted on them.
Manager Dillon stated that the Board would take up the bond articles and petitions tomorrow night. They would have that information for the next Budget Committee meeting.

Mr. Plante asked if they were required to do a preliminary vote.

Chairman Bettencourt stated that he did not think they were required to take preliminary votes.

Mr. Campbell stated that he believed the Chairman was correct and it was not required. The reason for doing it was so that citizens were aware of what the Budget Committee was thinking before the Public Hearing on the Warrant Articles. It was not required.

Mr. Huard stated that the point was correct that it gave the public an idea of how they felt. He wanted to let the town know how they felt. If it was unanimous then people might not try to argue with Budget Committee either way.

Chairman Bettencourt stated that he had not heard someone say they should do away with them. He just was saying he would abstain because he just got them.

Mr. Goddu stated that he would move to do away with the preliminary votes. He was inclined to support the articles but he wanted more time to study them.

Mr. Huard spoke that the Library had been very responsible.

Ms. Baker stated that this budget was under the previous budget even with the Warrant Article.

Mr. Plante stated that this was not a reflection of the Library’s petition.

Mr. Goddu stated that he would make a motion to eliminate the prelim vote.

Mr. Campbell would then need to table the current motion first.

Selectman Bryant stated that he would still read the articles so that people could see them. The Board of Selectmen would address them tomorrow. He asked if they would table this motion.

**MOTION by Mr. Goddu to table the motion to recommend and do away with the preliminary votes.**

**SECOND by Mr. Lewis**

Mr. Goddu stated that this would not preclude questions on the articles.

**VOTE: 6-3-0 in favor. Motion passed with Mr. Huard, Mr. Campbell, and Selectman Bryant.**

Chairman Bettencourt stated that Selectman Bryant would read the article and then they open up for questions.
Selectman Bryant stated that the first page of the handout had a list of Warrant Articles. He stated that the estimated increase was .86% if everything passed.

**Article 7 – Land Acquisition**

Selectman Bryant read the Article.

“Shall the Town vote to raise and appropriate the sum of Two Million Three Hundred Thousand Dollars ($2,300,000) (gross appropriation) for the purpose of purchasing land identified as Tax Map 90, Lot 1397, and abutting property identified as Tax Map 82, Lot 1294 to construct a new fire station, and to cover the costs associated with obtaining a bond issue for said project, and to authorize the issuance of not more than One Million Nine Hundred Thousand Dollars ($1,900,000) of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33, as amended) with the remaining balance of Four Hundred Thousand ($400,000) to come from Public Safety Impact Fees; to authorize the Board of Selectmen to apply for, obtain, and accept any and all Federal, State, or other Aid or other revenue source that may become available for said project, and to comply with all laws applicable to said project; to authorize the Board of Selectmen to issue, negotiate, sell, and deliver said bonds and notes and to determine the rate of interest thereon and the maturity and other items thereof; and to authorize the Board of Selectmen to take any and all action necessary to carry out any vote hereunder or take any other action relative thereto, including acquiring or conveying interests in real property necessary to complete this work? Requires a 3/5 ballot vote. The anticipated first year bond payment is $166,860.”

Selectman Bryant then read the background:

“This article is requesting funding to purchase property to be used for a new Main Street Headquarters Fire Station. The current Main Street Headquarters Fire Station property was purchased in 1965 and the Fire Station, which is 12,360 square feet, was constructed in 1967 (53 years old). The new Headquarters Fire Station would be constructed to meet the current and future needs of the Town and Fire Department. It would include: a modern fire dispatch center; meet ADA regulations; will continue to be geographically located in the current Main Street Headquarters Fire Station area, which will minimize the effect of response time changes and continue maximizing the advantage of a centrally located fire station; a modern disaster Emergency Operations Center for the Town; improved health and safety for visitors and employees; better protect our significant financial investment in apparatus and specialized equipment currently stored out in the elements; and improved overall Fire Department efficiency.

Selectman Bryant stated that this was something that the Board of Selectman would recommend. The background material had a presentation. He described the area where the property was located on Main Street just east of the Garabedian property.

Mr. Goddu asked how much the new fire station would cost.

Selectman Bryant stated that there was money for a facilities audit in the budget. Larry Best, Fire Chief, stated that they worked with Harriman Associates to determine what a properly sized fire station would look like. It was about 43,000 square feet. That was conceptually about a $26 million project. He stated that this was the biggest need for the Fire Department.
Department. They looked into the options and determined that the current location was not feasible. He had a presentation showing how they determined the land locations. The town had three fire districts with a station in each district. Station locations were important for response times. They used a national standard to gage how well they were doing with emergency responses. Chief Best covered the response time targets which was four minutes or fewer to arrive on scene. They were at a 66.3% rate of responses in 4 minutes or less. The times affected fire growth and survival rates. He presented a map showing response times. A map of the calls from the last five years was presented to show where the areas they responded to were. The center of town was the busiest area. The Fire Department did a number of studies to determine the best response times. This proposal did not change the overlap areas. The current station was located in a great location. They tried to stay within a half-mile of the current location and looked at several properties. This was the busiest district of the three districts. They did about 1,000 calls in West Salem which did not have a fire station. They were looking at 4.5 to 5 acres for the fire station and 2 to 2.5 acres for a training area. This location allowed for both a fire station and a training area. Chief Best showed a map showing the four-minute response times for the current and the proposed station locations. He showed the property location and a conceptual of the potential station. The second parcel would provide a backup exit in case of problems on Main Street so that emergency responders could still get out. This was the first phase of the Department’s plan to improve response times.

Mr. Lewis asked about communication with the abutters.

Manager Dillon apologized for the short notice on this article. They had a placeholder at the December 9th meeting for this Warrant Article. The deals for the property were finalized yesterday. There had been no conversations with abutters because of that.

Mr. Lewis asked about impact of putting it in a heavy single-family home neighborhood.

Chief Best stated that the other stations were in residential areas. They tried to be good neighbors and minimize the disruptions to surrounding homes.

Mr. Lewis stated that they had talked about the master facility plan. He asked the reason for moving forward with this article now.

Chief Best stated that part of it was the land availability. The Police and Fire Departments had already competed their space audits. Once they had the land then they could plan out how to build the new station.

Selectman Bryant stated that the front part of the parcel was where the station would be and it abutted a commercial building. That would lessen the impact on the residential neighborhood.

Mr. Lewis stated that they had discussed a superbond. He asked if that would be for something else.

Selectman Bryant stated that they had other facilities that needed improvements like a washing station for the DPW building. They needed to know what was needed for the other Town
buildings. The facilities audit would put it all together. The superbond would be done in stages starting with the ones with the highest need. That was what they were attempting to do.

Mr. Goddu asked if they were buying two homes.

Selectman Bryant stated that those were part of the deal.

Mr. Goddu asked about the price and if it was a sale versus eminent domain.

Selectman Bryant answered that they had an agreement to purchase the property.

Manager Dillon stated that it was the same owner for both parcels.

Mr. Campbell asked the size of the current site.

Chief Best stated that the current site was 1.2 acres. It was too small to use for a modern fire station.

Mr. Campbell asked if they could sell the property.

Manager Dillon stated that it would likely be the intention of the Town to sell the old property once a new station was built although it had not been decided.

Chairman Bettencourt asked about the highest tax impact of the purchase.

Manager Dillon stated that there were three options for the Board on bonding the lot. He hoped to get direction tomorrow night. The first year would be the highest year of tax impact.

Chairman Bettencourt stated that it sounded like this was just for a fire station. A police station would be built somewhere else and they had abandoned having a joint safety complex.

Selectman Bryant answered yes.

Chairman Bettencourt stated that he wanted to say thank you to the Fire Department and Municipal Services for their response on Monday to the gas line issue.

Chief Best stated thank you. It was a great effort between Fire, Police, Municipal Services, and Unitil to respond to the issue.

Article 8 – Land Acquisition
Selectman Bryant read the Warrant Article:
“Shall the Town vote to raise and appropriate the sum of One Million Two Hundred Thousand Dollars ($1,200,000) (gross appropriation) for the purpose of purchasing land identified as Tax Map 84, Lot 1595, and Tax Map 84, Lot 1614 for intersection improvements at Bridge Street, School Street, and Main Street, and to cover the costs associated with obtaining a bond issue for said project, and to authorize the issuance of not more than One Million Two Hundred Thousand
Dollars ($1,200,000) of bonds or notes in accordance with the provisions of the Municipal
Finance Act (RSA 33, as amended); to authorize the Board of Selectmen to apply for, obtain, and
accept any and all Federal, State, or other Aid or other revenue source that may become available
for said project, and to comply with all laws applicable to said project; to authorize the Board of
Selectmen to issue, negotiate, sell, and deliver said bonds and notes and to determine the rate of
interest thereon and the maturity and other items thereof; and to authorize the Board of
Selectmen to take any and all action necessary to carry out any vote hereunder or take any other
action relative thereto, including acquiring or conveying interests in real property necessary to
complete this work? Requires a 3/5 ballot vote. The anticipated first year bond payment is
$111,240.”

He continued with the background information:
“Within the context of transportation infrastructure improvements, Municipal Services performs
field analysis to look at corridor and intersection improvements. In 2019, as part of that process,
an analysis was done on the Main Street Corridor including the School Street/Main Street/Bridge
Street intersection as it was identified to have considerable congestion, limiting traffic flow,
notwithstanding collaterally effected the Lawrence Road connection. A consultant was procured
to perform traffic counts and collect data to present conceptual designs that would improve
traffic through the area. The designs were limited given limited right of way and the feasibility of
building a new intersection was negligible. With the understanding that two parcels were
available directly abutting the intersection it was recommended the Town seek to purchase those
so a comprehensive design could be done to construct an intersection the provides an improved
level of service limiting traffic impacts.”

Selectman Bryant listed the two properties in question as the Red Barn and a building that had
been a pharmacy, tuxedo place, and a consignment store at various times. Both properties were
up for sale and would improve the intersection flow.

Chairman Bettencourt stated that the Town would buy the entire parcels even though the design
only cuts through the parking areas.

Roy Sorenson, Municipal Services, answered yes. He spoke about the opportunity to get the
properties in question to help improve the intersection layout.

Chairman Bettencourt asked about the long-term plan and if they would demo the buildings.

Mr. Sorenson stated that the first step was to get the buildings. Then they would work on
redesigning the intersection to create a better level of service. That would then be brought to the
Board of Selectmen.

Mr. Plante asked about the traffic issues in the study because he did not see traffic issues when
he drove through that area.

Mr. Sorenson described the study of the Main Street corridor that was done. This was one of the
intersections they were looking to improve.
Selectman Bryant stated that the other side of that intersection was historical properties and monuments that could not be touched.

Mr. Sorenson stated that these were not functioning businesses but if they were it would affect the traffic situation.

Mr. Lewis asked if these articles would be grouped together when the Town went out for bonds.

Manager Dillon stated that they might be grouped for bonding but they had to be separate Warrant Articles because they were for different purposes.

Mr. Lewis asked about the purpose for buying the buildings.

Manager Dillon stated that the improvements would lead to the barn being razed. The other building might be used for town purposes. They might have to move the Town Hall offices during the future renovations.

Chairman Bettencourt spoke about the fountain in the intersection and asked what would happen to it.

Mr. Sorenson stated that they might have to move it.

Mr. Boyd asked about doing the bridge construction with this item.

Mr. Sorenson stated that they were not ready for the bridge construction article. They were hoping for the State bridge aid program to start again to help with the costs.

Mr. Edgerly stated it was a dangerous intersection. He asked what they would do with the leftover land.

Selectman Bryant stated that they would see. Maybe it would be parking for the Town Common. It would depend on what the design came back with.

**Article 9 – West Duston Road Neighborhood Water and Sewer**

Selectman Bryant read the article and background information:

“Shall the Town vote to raise and appropriate the sum of One Million Six Hundred Thousand Dollars ($1,600,000) for water and sewer improvements in the West Duston Road neighborhood and to cover the costs associated with obtaining a bond issue, and to authorize the issuance of not more than $1,600,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the Board of Selectmen to issue and negotiate such bonds or notes and to determine the rate of interest thereon; and to further authorize the Board of Selectmen to apply for, accept, and expend, without further action by the town, unanticipated money from a state, federal, or other governmental unit or a private source, and take any and all action necessary to carry out any vote hereunder or take any other action relative thereto, including acquiring or conveying interests in real property necessary to complete this work. Requires a 3/5 ballot vote.”
He continued with the background: This article is requesting funding for addition of water and sewer infrastructure and related work (engineering, permitting, inspection, right-of-way, road restoration, etc.) on West Duston Road, Community Street, Lakeside Street, and Lakeview Street. Sewer construction addresses failing septic systems adjacent to Canobie Lake, the Town’s primary water supply. Water construction expands the water system to extend service to the neighborhood.

Selectman Bryant explained where the neighborhood was located in regards to Canobie Lake.

Mr. Boyd stated that this was for water protection.

Mr. Goddu asked how this article was affected if the road construction article failed.

Mr. Sorenson stated that they were separate items. He stated that two of the roads impacted were in the current road program schedule for 2020. Four of the six streets were set for the next few years.

Mr. Goddu stated that this would still move forward even if the Road Program failed.

Chairman Bettencourt stated that they were mutually exclusive.

**Article 10 – Policy Brook Flood Hazard Mitigation**

Selectman Bryant read the article and the background.

“Shall the Town vote to raise and appropriate the sum of Four Million Two Hundred Thirty Thousand Dollars ($4,230,000) for two culvert replacements in the Policy Brook watershed at #142 Main Street and on the former railroad corridor adjacent to #72 South Broadway, and to cover the costs associated with obtaining a bond issue for said project and to authorize the issuance of not more than One Million Fifty-Seven Thousand Five Hundred Dollars ($1,057,500) of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33, as amended); with the remaining balance of Three Million One Hundred Seventy-Five Hundred Dollars ($3,172,500) to come from a FEMA Pre-Disaster Hazard Mitigation Grant; to authorize the Board of Selectmen to issue, negotiate, sell, and deliver such bonds or notes and to determine the rate of interest thereon and the maturity and other terms thereof; to authorize the Board of Selectmen to apply for, obtain, and accept any and all Federal, State, or other Aid or other revenue source that may become available for said project, and to comply with all laws applicable to said project; and to authorize the Board of Selectmen to take any and all action necessary to carry out any vote hereunder or take any other action relative thereto, including acquiring or conveying interests in real property necessary to complete this work? Requires a 3/5 ballot vote. The anticipated first year bond payment is $95,175”

Background: Work is identified in the Town's Hazard Mitigation Plan and is planned to be partially (75%) funded by a FEMA Pre-Disaster Hazard Mitigation grant. The project proposes to replace two culvert crossings affecting the Policy Brook watershed. The first involves the replacement of an approximate 700’ long culvert system running under Main Street and across private property at #142 Main Street (Rite Aid). The proposed structure will be approximately 3’x12’ in size, designed to convey the 50-year storm event before overtopping of Main Street.
The second involves replacement of an approximately 5'X5' (granite block constructed) box culvert under the former railroad corridor that currently serves as a multi-use trail. The proposed structure will be approximately 5'X12' in size, designed to satisfy the 50-year storm event. He spoke about the flooding that has happened on Main Street.

Chairman Bettencourt asked about the bond amount. He stated that they still needed more approvals at the State and Federal levels to get the grant. Chairman Bettencourt asked if they were stating that they would need the full amount in worst case but that they expected to get the FEMA grant to offset much of the cost.

Mr. Sorenson stated that FEMA and the State wanted to see the voter approval for the project before finalizing the grant. He spoke about the two culverts that were being done. This would complete the updating of the drainage of the tributaries in that area.

Chairman Bettencourt stated that if all went to plan then only about $1 million would be bonded by the Town.

Mr. Sorenson answered yes.

Mr. Campbell asked about the size of the new culvert from the South Broadway project.

Mr. Sorenson answered that it was the same size at the one proposed for going under the rail trail.

Mr. Campbell stated that he had seen language about the project being null and void if the grant was not received where it said that they would not move forward if the funding fell through.

Manager Dillon stated that they had the gross appropriation number. There was an issue with the null and void here but he was not sure why. He would get that answer.

**Article 11 – Stormwater Planning Project**

Selectman Bryant read the article and the background information:

“Shall the Town vote to raise and appropriate the sum of $75,000 for the purpose of stormwater planning work relative to management of the municipal storm drain system in accordance with the 2017 NH Small MS4 General Permit, and to authorize the issuance of not more than $75,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33), and to authorize the Selectmen to issue and negotiate such bonds or notes and to determine the rate of interest thereon, and to further authorize the Selectmen to offset a portion of said appropriation by applying for a Clean Water State Revolving Fund (CWSRF) loan, it being understood that repayment of the loan may include up to 100% principal forgiveness. Completion of this project is contingent upon approval of a CWSRF loan application. Requires a 3/5 ballot vote.”

Background: This project includes tasks to assist the Town in complying with the requirements of the MS4 (Small Municipal Separate Storm Sewer) Permit which regulates stormwater discharges specifically to focus on impairments where the receiving water already has an approved TMDL (Total Maximum Daily Load). In particular investigations to locate sources of illicit discharges located in catchments tributary to bacteria impaired waters and gather data so
prioritization and ranking analysis can be performed. The scope also includes the development of a Phosphorus Source Identification Report for Captain Pond which is impaired for phosphorus. There was no tax impact because it was loan forgiveness.

Chairman Bettencourt stated that this had to happen because if it was not addressed and a problem occurred then they would spend more to fix it when the EPA came calling. There were towns along the Seacoast that had gotten in trouble because of the MS-4. This was a wise investment to address things and avoid having future problems.

Mr. Sorenson stated that there was information on the Town website about this.

**Article 12 – Wastewater Asset Management**
Selectman Bryant read the article and the background information:

“Shall the Town vote to raise and appropriate the sum of $30,000 for the purpose of planning work relative to management of the municipal wastewater pump station system through the previously established Asset Management Plan development project, and to authorize the issuance of not more than $30,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33), and to authorize the Selectmen to issue and negotiate such bonds or notes and to determine the rate of interest thereon, and to further authorize the Selectmen to offset a portion of said appropriation by applying for a Clean Water State Revolving Fund (CWSRF) loan, it being understood that repayment of the loan may include up to 100% principal forgiveness. Completion of this project is contingent upon the Town receiving 100% principal forgiveness on the loan. Requires a 3/5 ballot vote.”

Background: This article funds the total anticipated cost of developing Phase II of an asset management plan for the Towns wastewater collection system. Phase I, Article 10 of the 2017 Town Warrant, was recently completed and paid in full. This project will assist in continued development of inventory along with prioritization of assets based on condition assessment, criticality, life cycle cost analysis, and developing funding strategy including implementation plan. All data gathered will be entered into the Town database and VUEWorks GIS asset and work order system. This loan qualifies for 100% principal forgiveness from the NHDES Clean Water State Revolving Fund and has no tax rate impact.

Selectman Bryant stated that it would be the same commercial as the previous one.

**Article 14 – Road Program**
Selectman Bryant read the article and the background.

“Shall the Town vote to raise and appropriate the sum of Four Million Seven Hundred Thirty Thousand Six Hundred Seventy-Seven Dollars ($4,730,677) to be added to the Roadway Capital Reserve Fund previously established in 1990 for the purpose of repair and/or reconstruction of existing roads and associated drainage improvements, and engineering? Shall the Town further authorize the Board of Selectmen to accept any and all State Aid or other revenue source that may become available for this work and to take any other action relative thereto including acquiring or conveying interests in real property necessary to complete the work? The funds will be used for the improvement, reconstruction, maintenance, crack sealing, and engineering of roads as outlined in the 10-year road program.”
Background: Within the context of the 10-Year Road Program, capital road rehabilitation and reconstruction continues towards a goal of improving overall road conditions within the Town. Road Program priorities are generally guided by road condition and PCI (pavement condition index) ratings, traffic volumes, and opportunities to coordinate road construction with other projects. A majority of the funds are dedicated to construction, with a portion of the funds being allocated to engineering design of other main roads. This overall approach enables the Town to execute a well-coordinated construction project backlog of design projects that will be ready for reconstruction in subsequent years. Efforts will focus on all or part of the following streets:

Road Reconstruction:

1. Industrial Way – Commercial Drive to Manor Parkway
2. Bluff Street Extension – North Main Street to Town Farm Road
3. Community Street – West Duston Road to Lakeside Street
4. Lakeview Street – Lakeside Street to West Duston Road
5. Lakeside Street – Dead End to Dead End
6. McGrath Street – West Duston Road to Dead End
7. Woodmeadow Drive – School Street to Cul-de-Sac Loop
8. Woodmeadow Drive 2 – Woodmeadow Drive to Cul-de-Sac Loop
9. Woodmeadow Drive 1 – Woodmeadow Drive to Cul-de-Sac Loop
10. Plaisted Circle – Hooker Farm Road to Loop

Road Maintenance (Mill/Overlay)

11. Shannon Road – Hooker Farm to Haverhill Road
12. Camelot Court – Shannon Road to Colleen Drive
13. Hawthorne Avenue – Wheeler Avenue to Iris Avenue
14. Birch Hill Road – Butler Street to Redwood Road
15. Hutch Road – Hawthorne Avenue to Floral Avenue
16. Trina Road – Joseph Road to Marianna Road
17. Bagnell Avenue – Kelly Road to Barron Avenue
18. Emery Road – Canobie Avenue to Dead End
19. Durham Street – Lawrence Cul De Sac
20. Clifton Avenue – Millville Street to Connell Drive
21. Henderson Circle – Main Street to Alta Avenue
22. Dyson Drive – North Policy Street to Dennis Drive
23. Maple Place – Main Street to Dead End

Crack Seal:

Miscellaneous Locations

The tax rate impact was $1.01

Selectman Bryant stated that it had been proven to be a successful program.

Mr. Campbell asked what happened if the sewer reconstruction article failed and if they would still address the roads.

Mr. Sorenson stated that the roads would be looked at and some would be moved out.
Article 15 – Traffic Signal System Optimization

Selectman Bryant read the article and the background.

“Shall the Town vote to raise and appropriate the sum of One Million Five Hundred Thousand Dollars ($1,500,000) for traffic signal system optimization, and to authorize the Board of Selectmen to apply for, accept, and expend, without further action by the town, unanticipated money from a state, federal, or other governmental unit or a private source, and take any and all action necessary to carry out any vote hereunder or take any other action relative thereto, including acquiring or conveying interests in real property necessary to complete this work.”

Background: Work is planned to be partially (80%) funded by a Congestion Mitigation & Air Quality (CMAQ) grant. The proposed project involves traffic signal optimization to reduce congestion. This will include updating Salem’s current ITS to an Adaptive Traffic Signal Control (ATSC) system, allowing a real-time response to current traffic conditions. In addition, the current system will be expanded to the north, tying in the entire length of the Route 28 corridor in Salem. The tax impact would be six cents.

Mr. Boyd asked about tying the no turn on red signals for the rail trail at Range and by MacKinnon’s into this system.

Bill Scott, Assistant Town Manager, stated that they would make sure it happened.

Selectman Bryant spoke about the issue with the current signal staying red even when no one was at the rail trail crossing.

Mr. Campbell asked if the grant was approved.

Mr. Scott stated that they were waiting for word on the grant. The grant was for $1.2 million.

Mr. Campbell stated that they would still have to fund the $1.5 million even if the grant was not received based on the wording of the Warrant Article. He asked if the tax impact was from the full amount or the $300,000 that would be the Town’s share if the grant was received.

Mr. Scott answered it was the $300,000.

Chairman Bettencourt stated that it would be like the previous grant article where they would only proceed if they got the grant.

Mr. Campbell stated that that was not what the Warrant Article said.

Manager Dillon stated that it was a good point. They were supposed to find out in December but they were still waiting for word on it.

Chairman Bettencourt asked where it was at the State level.

Mr. Scott answered that it was at the DOT. They also rail trail grant application in for CMAQ funding.
Chairman Bettencourt stated that he would check on the status of the grant.

Mr. Scott spoke about extending the traffic system on 28 out to the Windham town line and how it would automatically update to address traffic conditions.

Mr. Huard spoke about Depot lights and the issue with traffic turning left onto Main Street in front of oncoming traffic.

Mr. Scott stated that it went to changing the system.

Mr. Huard stated that he assumed the new stuff in the Depot would address that problem.

Mr. Scott answered yes.

**Article 16 – SEA Collective Bargaining Agreement**

Selectman Bryant read the Article and the background.

“Shall the Town vote to approve the cost items included in the collective bargaining agreement reached between the Board of Selectmen and the members of the State Employees Association (SEA), Local 1984, which call for the following changes to salaries and benefits at the current staffing level:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Estimated Increase/Decrease</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$36,864</td>
<td>1.9% Salary Adjustment Effective April 1, 2020</td>
</tr>
</tbody>
</table>

and further to raise and appropriate the sum of $36,864 such sum representing the anticipated increase in salaries and benefits required by the new agreement from what would be paid under the current agreement at current staffing levels? Shall the Town, if article is defeated, authorize the governing body to call one special meeting, at its option, to address article cost items only? (Majority vote)”

Background: There are 31 full-time members and 8 part-time members in this collective bargaining unit. This is a one-year contract. If this article is adopted by the voters the Town’s 2020 Operating Budget will be increased by $36,864. The members of this Manager Dillon stated that the changes were regarding the dates and the wage scale.

Mr. Boyd asked about the Community Development Coordinator position and if they had one.

Manager Dillon answered yes.

Mr. Boyd asked about the increases and if they were in the budget.

Manager Dillon stated that there were raises for the SEA member in this agreement.

Selectman Bryant stated that the raises were not in the budget.
Chairman Bettencourt stated that they were usually three-year agreements.

Manager Dillon stated that the terms had varied in negotiations. He had seen everything from one year to five-year deals. The Town had participated in a salary survey which would provide more direction in the future with negotiations. They had not yet received the survey results.

Mr. Campbell asked if there were any other unions they had negotiated with.

Manager Dillon stated that they did not reach agreements with SPA or Police unions. They would be evergreen contracts now.

**Article 17 – Establishment of an OPED Trust**
Selectman Bryant read the Article and the background information.

“Shall the Town vote to authorize the establishment of an OPEB Trust (pursuant to RSA Chapter 31:19-c) for the purpose of paying for other post-employment benefits to employees and their beneficiaries after their termination of service as provided in law and administrative expenses and to raise and appropriate the sum of Fifty Thousand Dollars ($50,000) towards this purpose, and to designate the Board of Selectmen as agents to expend?”

Background: This article creates and provides funding for a trust fund for other post-employment benefits other than pension. An example of an OPEB benefit would be health insurance. Credit rating agencies as well as the auditors want to see that the Town has established and is funding an irrevocable OPEB trust fund. Establishing and regularly funding an OPEB trust will help with the Town’s credit rating as well as reduce the liability on the Town’s financial statements. The money in the account can only be used as allowed by RSA Chapter 31:19-c. This fund will allow the Town to earn interest to help pay for future obligations. Current rating is AA+/Stable. If the Town’s economy continued to grow, resulting in stronger wealth and income, couples with the implementation of a credible plan to address its OPEG liability, while maintaining very strong budgetary flexibility through positive financial operations we could raise the rating.

There was a one cent tax impact.

Chairman Bettencourt stated that the credit agencies would raise the ratings. The Town would need to pursue that possibility with the agencies.

Manager Dillon answered yes.

**Article 18 – Elderly Exemption**
Mr. Campbell asked if this needed to be presented to the Budget Committee.

Manager Dillon stated that it could have a tax impact.

Chairman Bettencourt stated that they should proceed.

Selectman Bryant read the article and background.
“Shall the Town vote to modify the elderly exemption from property tax in the Town of Salem under RSA 72:39-a, based on assessed value, for qualified taxpayers, to be as follows: for a person 65 years of age up to 75 years $82,000; for a person 75 years of age up to 80 years $122,900; for a person 80 years of age or older $163,800. To qualify, the person must have been a New Hampshire resident for at least 3 years, own the real estate individually or jointly, or if the real estate is owned by such person's spouse, they must have been married for at least 5 years. In addition, the taxpayer must have a net income of not more than $36,150 or, if married, a combined net income of less than $48,200; and own net assets not in excess of $72,400 excluding the value of the person's residence.”

Background: This action is required of the Town Meeting in order to update the exemption amounts. The last time the exemption amounts were updated was 2014. The income and expense limits changes proposed are based on adjusting the 2014 limits by the annual cost of living adjustment.

<table>
<thead>
<tr>
<th>Exemption</th>
<th>Present</th>
<th>Proposed</th>
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</thead>
<tbody>
<tr>
<td>65-75 year of age</td>
<td>$68,300</td>
<td>$82,000</td>
</tr>
<tr>
<td>75-80 year of age</td>
<td>$102,400</td>
<td>$122,900</td>
</tr>
<tr>
<td>80 &amp; over</td>
<td>$136,500</td>
<td>$163,800</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th>Present</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Person</td>
<td>$34,100</td>
<td>$36,150</td>
</tr>
<tr>
<td>Married Person</td>
<td>$45,500</td>
<td>$48,200</td>
</tr>
<tr>
<td>Net Assets</td>
<td>$68,300</td>
<td>$72,400</td>
</tr>
</tbody>
</table>

Anticipated tax rate impact of $0.01 per thousand of assessed valuation.

Chairman Bettencourt stated that it was a fair point as to whether the Budget Committee needed to address it. He thought that it did not come here before. He felt that they should look at since the state was aging.

Article 19 – Disabled Exemption

Selectman Bryant read the article and the background.

“Shall the Town vote to modify the disabled exemption on the principle place of abode of a disabled person in the amount of $24,000, in accordance with RSA 72:37-b? No exemption shall be allowed unless the person applying for such exemption has, in the calendar year proceeding April 1, a net income from all sources of less than $36,150 for a single person, or less than $48,200 for married persons. Further no exemption shall be allowed where net assets, excluding the actual residence, are in excess of $72,400. All applicants for the exemption must have been a New Hampshire resident for at least (5) years. (Majority vote required.)”

Background: This action is required of the Town Meeting in order to update the exemption amounts. The last time the exemption amounts were updated was 2014. The income and net assets changes proposed are based on adjustment the 2014 amounts by the annual cost of living adjustments.
1. Income  
   Present    Proposed
2. Single Person  $34,100    $36,150
3. Married Person $45,500    $48,200
4. Net Assets    $68,300    $72,400

Anticipated tax rate impact of <$.01 per thousand of assessed valuation.

Chairman Bettencourt stated that was a lot and covered a lot of ground. He thanked Selectman Bryant, Manager Dillon, and the Town staff for presenting this evening. They would meet on next Tuesday and take final votes on recommending the articles. He would pass on any questions he received. There would a public hearing before the votes.

**School Update**

Mr. Campbell stated that they were back in the regular flow of the year. There was a meeting on the project tomorrow evening and information on the School District’s website. There would be opportunities to tour the school. He would have the information on that for the next meeting. They had a discussion on social emotional learning last night.

**MOTION by Mr. Bryant to adjourn the meeting at 9:35 PM.**

**SECOND by Mr. Lewis**

**VOTE: 9-0-0 in favor. Motion passed unanimously.**

Minutes recorded by: Jeremiah Lamson

Approved:

Date: