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**MINUTES OF THE
BOARD OF SELECTMEN**

**SPECIAL MEETING OF
October 24, 2007**

7 The Board of Selectmen held a meeting on Wednesday October 24, 2007, at Salem Town Hall,
8 33 Geremonty Drive, Salem, NH.

9
10 **PRESENT:** Chairman Everett P. McBride, Vice-Chairman, Elizabeth A. Roth, Secretary Arthur
11 E. Barnes, Selectman Michael J. Lyons, Selectman Patrick Hargreaves, and Town Manager Mr.
12 Sistare.

13
14 **CALL TO ORDER**

15 Chairman McBride called the meeting to order at 5:00 p.m. with the Pledge of Allegiance.

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17 **1. Chairman Comments**

18 He explained the purpose of the meeting was to re-set the tax rate for the Town portion of the
19 rate and to discuss how they will achieve this.

20
21 **2. Re-setting of Tax Rate**

22 Chairman McBride read from a statement, which outlined the purpose of the meeting and
23 stated that the Board of Selectmen would use more of the Unreserved Fund Balance to
24 reduce the Town portion of the tax rate to 3%, as discussed at the 2007 Town meeting. He
25 stated the audited Unreserved Fund Balance had been \$5,178,109 at that time, and after using
26 \$600,000 to reduce the tax rate as discussed at the 2007 Town Meeting, the balance was
27 reduced to \$4,578,109.

28
29 Chairman McBride explained it would be necessary to use a further \$750,000 of the Fund
30 balance, bringing it down to \$3,828,109 (which would be 4.09% of the total appropriations).
31 He further explained that it was Town policy to have a minimum of 6% of the total
32 appropriations in the Fund, and it had been decided that the Town Manager would freeze
33 budget spending for the rest of 2007, with the exception of emergencies and payroll.

34 Chairman McBride explained that by taking these measures the balance of the Fund should
35 reach 6% by the time the audit is set in 2007. He further explained that these actions were
36 fiscally responsible and the Town's financial situation was still very solid.

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38 **MOTION:** by Selectman Lyons

39 *Move to authorize the Town Manager and Finance Director to take \$750,000 from the*
40 *Unreserved Fund Balance for the purpose of resetting the Town's portion of the 2007 tax*
41 *rate at \$4.48 per thousand*

42 **SECOND:** Selectman Hargreaves for discussion

43 Selectman Hargreaves led a discussion of the Board, referring to a recent newspaper article,
44 during which clarification was provided of the contributing factors to the current tax
45 situation.

1 Ms. Savastano, Finance Director introduced herself to explain that the veterans' credits and
2 the elderly exemptions are a separate piece of setting the tax rate, and never part of the Town
3 Operating Budget. She explained there was a cost impact attached to the decision at Town
4 Meeting to raise the veterans' credit. Further discussion took place during which the
5 members of the Board noted that in future the Town would need to set aside a certain amount
6 for these items, based on historical data, in order to determine their impact on the tax rate.

7
8 Mr. Sistare clarified for Selectman Hargreaves that the adjustment in the tax rate only relates
9 to the Town portion of the tax rate, resulting in a \$57 savings on an average home of
10 \$350,000. He agreed that in future the budget proposal should include the impact of the
11 veterans' credits and the overlay and how it affects the tax rate.

12
13 Selectman Roth stated she thought it would be advisable in the future to include Ms.
14 Savastano in meetings regarding discussions on the budget and on solutions to problems
15 relating to the budget, and that the Board should consider consulting her for clarification
16 more often.

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18 Mr. Stephen Campbell, 22 Shepherds Avenue, Salem introduced himself, stating he had a
19 concern with the motion. He explained he thought it would be necessary to have a
20 permanent cut in expenditure to avoid the same problem occurring in the future.

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22 Mr. Campbell further indicated he was concerned that RSA 91-A had been violated by
23 discussion of this matter in a non public meeting last week, and there would be an impact to
24 the Board, as voters would be less likely to vote on things they proposed if they thought the
25 Board was not discussing everything in public.

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27 Chairman McBride responded that he understood Mr. Campbell's concern about the need for
28 permanent cuts in expenditure, and confirmed the Board would be looking for further cuts.
29 He also pointed out there are probably over \$1 million in cuts which have been made by the
30 Town Manager and the Board prior to the Operating Budget being seen by the Budget
31 Committee.

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33 **VOTE: 5-0-0**

34 The motion carried unanimously.

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36 Chairman McBride confirmed the dates of November's Board meetings, and introduced the
37 Board members and Town employees, apologizing for not introducing them at the start of the
38 meeting.

39
40 Selectman Hargreaves announced that Ms. Sheila Murray had been appointed Grand Marshal for
41 the 2007 Holiday Parade.

42
43 • **Upcoming Meetings**

- 44 ○ November 5, 2007
- 45 ○ November 19, 2007
- 46 ○ November 26, 2007

- 1 • **Upcoming Events**
- 2 o Veterans Day Services – November 12th

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4 **MOTION:** by Selectman Roth

5 *Motion to adjourn the meeting*

6 **SECOND:** Selectman Hargreaves

7 **VOTE:** 5-0-0

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9 Without further business, Chairman McBride adjourned the meeting at 5:27p.m.

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11 Notes/Minutes Taken by: Sandra Maxwell

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13 Approved: Board of Selectmen

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15 Date: November 5, 2007