

1 fire union contract. Budget assumptions included a 4% increase over the three-year weighted
2 average for electricity, gasoline at 3-year weighted average at \$2.88 per gallon, and natural gas
3 based on 3-year weighted average plus 20% among other assumptions. There was a committee
4 led by the HR Director that put health insurance out to bid and the rates decreased by 4% for
5 next year. The increase was 7.88% including the estimated Warrant Articles and Overlay. This
6 presentation would be posted to the Town Website. A chart showing the use of fund balance was
7 presented. They had a number of infrastructure needs which would require bonding. The bond
8 agencies looked at the use of fund balance related to the tax rate. He covered the tax rate history
9 which showed the impacts to a \$500,000 home. If the revenues were the same as last year, then
10 the tax rate increase would be 3%. The primary driver of the increase this year was the reduction
11 in revenues. The Capital Budget line had an increase. The Sewer Fund Budget was down while
12 the Water Fund Budget had a small increase. The Library Budget had a minimal increase. The
13 Revenues had a slight decrease in taxes, not including property taxes, and decreases in licenses
14 and permits and charges for services. The largest decrease was the removal of fund balance
15 usage. The removal of the Bond Article funds for the cleanup affected the Sewer Fund revenues.
16 The Water Fund had a slight decrease.

17 18 **3. Budget Review**

19 Chairman Bryant stated that they would start with Revenues.

20
21 Councilor Bettencourt asked about the reason for the decrease in Revenues of \$20 million
22 dollars.

23
24 Nicole McGee, Finance Director, stated that there seemed to be an error in the calculations for
25 the Water and Sewer Revenues so they would correct the summary page. They had a decrease in
26 Fund Balance usage which was the largest decrease in the general revenues.

27
28 Councilor Bettencourt asked if the fund balance usage was spread across all of the lines that
29 decreased.

30
31 Ms. McGee stated that some revenues predictions were not being met by the actual revenues, so
32 they had adjusted those predictions downward to reflect the actual figures.

33
34 Councilor Bettencourt asked for those lines.

35
36 Ms. McGee stated that the big ones were Line 3240 - Auto Permits and Line 3333 - Ambulance
37 Fees.

38
39 Councilor Bettencourt asked what the Ambulance Fees were.

40
41 Ms. McGee stated that it was the billing for when the Fire Department transported someone to
42 the hospital.

43
44 Councilor Stacey asked about the impact of the increases in the revenue projections that were
45 made last year.

1 Ms. McGee stated that some of those were optimistic based on historic highs in some revenues.
2 They were seeing actuals that were less than the predicted amounts, so they revised the amount
3 downward.

4
5 Chairman Bryant asked about Line 3207 - Meals and Rooms.

6
7 Ms. McGee stated that she did not have the 2023 amount yet.

8
9 Councilor Bettencourt asked if they had been overly optimistic about revenues for Auto Permits.

10
11 Ms. McGee stated that they used to see large increases in that line, but now they were not seeing
12 those increases.

13
14 Councilor Withrow asked how much they were under compared to the estimate.

15
16 Ms. McGee stated that they saw \$7.2 million in revenues in 2022 so the recommended estimate
17 was \$7 million.

18
19 Chairman Bryant asked about Other Financing Sources.

20
21 Ms. McGee stated that it was income that was not technically earned.

22
23 Councilor Bettencourt stated that the overreliance on fund balance was because they did not
24 reduce spending. The undesignated fund balance was for one time uses. He did not feel that it
25 should be used to balance the budget. They were correct that it was not good to rely on it. The
26 Town should be conservative in their estimates on revenues.

27
28 Councilor Pelletier asked about PILOTs.

29
30 Ms. McGee stated that it was a payment in lieu of taxes. There were two entities that made those
31 payments.

32
33 **Town Council**

34 Chairman Bryant stated that there was an increase due to having more members now.

35
36 **District Court**

37 Chairman Bryant asked about Line 4452 – Building Maintenance.

38
39 Manager Dillon stated that there was money for carpeting, but the original request was to do
40 carpeting for a larger area.

41
42 Chairman Bryant asked about the HVAC contract with Johnson Controls.

43
44 Manager Dillon stated that the new HVAC required this control agreement as part of the
45 installation.

1 Chairman Bryant asked about LED lights for the District Court parking lot.

2
3 Manager Dillon stated that he would look into it.

4
5 Councilor Withrow asked if the longest lease for the building was three years out.

6
7 Manager Dillon answered yes.

8
9 Councilor Pelletier asked about the roof repair.

10
11 Chairman Bryant stated that the roof repair was done so it was not in the budget for next year.

12
13 **Town Manager**

14 Chairman Bryant stated that it was a 2% increase which was mainly in salaries and workers' compensation.

15
16
17 Councilor Withrow asked about shopping the workers' compensation insurance.

18
19 Ms. McGee stated it was too late for 2024, but they could look at that for 2025.

20
21 **Legal**

22 Chairman Bryant stated it was a \$10,000 increase.

23
24 **Human Resources**

25 Chairman Bryant stated that they had an interim HR Director. He asked about the Joint Loss Management Committee.

26
27
28 Manager Dillon listed the membership of the committee which was split between managers and representatives from the union employees.

29
30
31 **Employee Benefits**

32 Chairman Bryant stated that health insurance and employee retirement benefits were down.

33
34 **Planning Board**

35 No comments.

36
37 **Board of Adjustment**

38 No comments.

39
40 **Budget Committee**

41 No comments.

42
43 **Conservation Committee**

44 No comments.

Trustee of the Trust Funds

No comments.

Town Hall

Chairman Bryant stated that they had an increase in Line 4452 - Building Maintenance and asked if it was for carpeting.

Manager Dillon answered yes.

Chairman Bryant asked if it would be tiles versus the rollout carpeting.

Manager Dillon answered yes.

Councilor Pelletier asked about Line 4440 - Equipment Rental.

Ms. McGee stated that it was for the postage meter and the copiers.

Councilor Sweeney asked about there being separate lines for building repairs and building maintenance.

Ms. McGee stated that they were requesting to renovate the annex area to move the Finance Office to that area and move the departments that had been there over to the former finance area.

Councilor Bettencourt asked if the carpeting numbers were from bids.

Manager Dillon answered that the numbers were based on quotes.

Councilor Bettencourt asked if they used the lowest bid.

Manager Dillon answered yes.

Old Town Hall

No comments.

Hose House

No comments.

Old Library

No comments.

School House #5

No comments.

Depot Train Station

Chairman Bryant asked about Line 4452 – Building Maintenance.

1 Manager Dillon stated that they were looking to put in a camera system for the building.

2
3 Councilor Pelletier asked if Line 4495 - Heat and Line 4496 – Electricity included the Chamber
4 of Commerce space.

5
6 Ms. McGee stated that it did, but the lease agreement included payments for the utilities.

7
8 Councilor Bettencourt asked if the camera was for the security of the building.

9
10 Manager Dillon stated that it was for security of the building and the area in and around it. The
11 proposal would include a camera for the Depot Intersection.

12
13 Councilor Bettencourt asked about separating the requests and using something like Ring for the
14 building.

15
16 Manager Dillon stated that they had tried to standardize the camera systems across the buildings
17 and also not rely on third parties for the security cameras.

18
19 **Financial Department**

20 Chairman Bryant stated that the increase was the full year of the Accounting and Budget
21 Manager.

22
23 Councilor Stacey asked about the increase in Line 4404 - Audit.

24
25 Ms. McGee stated that the audit fees came in higher than last year. They were required by the
26 Charter to go out to bid.

27
28 Councilor Withrow asked about the increase in prices after going out to bid.

29
30 Ms. McGee stated that they did not use the firm that had done the previous year's audit, and their
31 price would have been lower.

32
33 Councilor Withrow asked if there was guidance that required them to change companies.

34
35 Ms. McGee stated that the Town Charter required them to rotate audit firms.

36
37 **Information Technology**

38 Chairman Bryant stated that there was a new position but offsetting reductions in Line 4400 –
39 Contracted Services.

40
41 Councilor Sweeney asked if they would expect the contract cost to go down in the future by
42 adding the position.

43
44 Manager Dillon stated that when they went out to bid, the services offered by the respondents did
45 not meet all of the Town's needs. This position was to reduce the outside need. He did not know
46 if it would go down in the future.

1 Chairman Bryant asked what the new IT contract provided for services.

2
3 Manager Dillon stated that it increased the amount of time that the owner/ senior person was here
4 in Salem and a junior person was added, which was not in the prior contract, to address issues
5 with the IT for the safety services.

6
7 Councilor Bettencourt stated that the new position was budgeted for six months and asked about
8 the full amount.

9
10 Manager Dillon answered that it would be roughly the \$113,000.

11
12 Councilor Bettencourt stated that he wanted to be competitive with the market for this position.

13
14 Ms. McGee stated that they looked at what other communities were paying when preparing the
15 estimate.

16
17 Councilor Stacey asked about the fees for the Town webhosting.

18
19 Ms. McGee stated that the cost of the upgrade was spread over the term of the webhosting
20 contract.

21
22 Councilor Stacey stated that the Town website upgrade was done.

23
24 Ms. McGee answered yes.

25
26 Councilor Stacey asked if that was covered in this year's budget.

27
28 Ms. McGee stated that they did not budget for the upgrade in this year's budget.

29
30 **Assessing**

31 Chairman Bryant stated that Line 4400 - Contracted Services was up by 167%.

32
33 Manager Dillon stated that it was for a townwide revaluation.

34
35 Councilor Stacey asked the Town Manager to explain why they were doing one after three years.

36
37 Manager Dillon stated that they were doing it a year earlier than required because of the ratio
38 being off.

39
40 Joe Lessard, Assessor, stated that they were required to do revaluation for 2026 but the reason
41 for doing it sooner was that values were out of line. The ratio had dropped to 80%. It was mainly
42 due to the changes in the values of the residential properties because the commercial values were
43 not changing much. It took a full year to do the revaluation, so they had to start next spring in
44 order to be ready in 2025.

Town Clerk

Chairman Bryant stated that the increase was mainly in Line 4090 – Regular Pay.

Councilor Stacey asked if they were doing a software update to address the issue identified by the auditors.

Manager Dillon stated that the software had come out with an update that addressed those concerns. The update was now live and documented what was needed for the auditors.

Elections

Chairman Bryant stated that they had more elections next year.

Manager Dillon stated that they had four elections. There might be a modification in this budget. They were proposing to purchase poll pads next year, but they might have to purchase them this year due to the timing of the Presidential Primary.

Councilor Sweeney asked about purchasing new voting machines and if it was next year.

Manager Dillon stated that they had pushed out the machines until next year because they were purchasing the poll pads. He would get a final answer regarding when they were required.

Councilor Stacey asked if they got any funding from the State for the voting machines.

Ms. McGee stated that the new voting machines were a 2025 requirement.

Manager Dillon stated that he hoped there would be a cost share from the State by then.

Collections

Manager Dillon stated that this captured a full year of the new position that was added this year.

Tax Collector

Chairman Bryant stated that it was not a big increase.

Councilor Pelletier asked about Line 4408 – Vehicle Expense.

Ms. McGee stated that it was for mileage reimbursement.

Debt Services

Chairman Bryant stated that it was decreasing by about \$1.5 million.

Insurance

Chairman Bryant stated that the increase in this budget was spread over all of the lines.

Community Development

Chairman Bryant stated that the increase here was the addition of a grant writer.

1 Councilor Bettencourt asked about the nine months for the grant writer versus the six months for
2 the IT position.

3
4 Manager Dillon stated that he felt that this would be a quicker position to fill.

5
6 **Planning**

7 Councilor Sweeney asked about the decrease in Line 4400 - Contracted Services.

8
9 Manager Dillon stated that was the removal of funds for the Master Plan Update which was done
10 this year.

11
12 **Police - Administration**

13 Chairman Bryant stated that the increase was about 9%. He asked the Police Chief to provide an
14 update on the number of officers and vacancies.

15
16 Joel Dolan, Police Chief, stated that they had 63 sworn officers with four in the background
17 process. If all were successful, then they would only be down three officers.

18
19 Councilor Withrow asked about the funding for the officers. She asked about reducing the
20 number of positions and raising the pay. They were not hitting the number of allowed officers.

21
22 Chief Dolan stated that pay raises would be a contractual item. Staffing was an issue across the
23 board for police departments everywhere. They were doing pretty good there. They were not as
24 attractive for lateral changes. A number of things were hard to compete with such as schedules
25 and hiring bonuses. In some cases, the officer would be taking a \$30,000 pay cut to come to
26 Salem from their own department. The Council could look at incentives to improve that. A green
27 officer took nine months to get up to speed. If they were able to raise the starting pay for laterals
28 that would be helpful. Seventy was a good number for the total number of officers.

29
30 Councilor Withrow stated that she wanted Salem to be a place that people stayed at. She wanted
31 to increase incentives.

32
33 Manager Dillon stated that he had asked the HR Director to review the collective bargaining
34 agreements and make some recommendations about the contracts. The new HR Director would
35 be tasked with looking at the positions to come up with retention and recruitment programs for
36 them.

37
38 Councilor Bettencourt gave a summary of the Chief's comments about attracting lateral moves
39 and retaining officers which include the schedule and the pay.

40
41 Chief Dolan stated that he did not hear about issues with the schedules from the department
42 members. The main issue was the starting pay for lateral transfers.

43
44 Councilor Stacey asked about the pay rate increases.

1 Manager Dillon stated that the positions were in unions. There was a big increase between Step
2 B and C. He suspected that one of those positions was at that point which was why there was a
3 big increase.

4
5 **Support Services**

6 Chairman Bryant stated that the increase was mainly in Line 4090 – Regular. Line 4101 –
7 Training was up.

8
9 Chief Dolan stated that the goal was to have a highly trained police force to reduce stress,
10 liability, and accidents.

11
12 Councilor Sweeney asked about the new Support Services Clerk position.

13
14 Chief Dolan stated that they used to have six clerks between full-time and part-time staff. There
15 was a budget cut years ago that reduced the number of clerks. They had increased the number of
16 officers since then but not the number of support staff. There were also two major commitments
17 that had been added to the department in recent years in the body worn cameras and the CALEA
18 certification effort.

19
20 Councilor Sweeney asked if there were any other budgetary items from the CALEA process.

21
22 Chief Dolan stated that the biggest thing was a new building. It was the first thing that the
23 certification inspector mentioned when they came out. The other area was the increased training,
24 which they received kudos for.

25
26 Councilor Stacey asked about the software that was taken out of the budget.

27
28 Chief Dolan stated that they were using a thirty-year old system which still met their needs. The
29 company behind the software was no longer providing support after this year. It was an eighteen-
30 month buildout to get the new software up and running. They had been approved for a grant
31 which would completely fund the software upgrade. They just needed Washington to pass a
32 budget in order to get the funds.

33
34 Councilor Bettencourt stated that they would need to figure out how to pay for this rather than
35 wait for Washington to fund this.

36
37 Councilor Withrow asked where Police Detail money showed up in the Budget.

38
39 Ms. McGee stated that it showed up on the Revenues side. The Detail money was in a separate
40 fund.

41
42 Councilor Withrow asked about collection of the detail billing.

43
44 Ms. McGee stated that they had a pretty good relationship with the Police Department. If the bill
45 wasn't paid, the Police Department would stop providing details for the entity. They had some
46 businesses that had left town but otherwise the collection rate was very good.

1 Councilor Withrow asked about competitiveness with the detail rates.

2
3 Ms. McGee stated that was on her list to review.

4
5 Councilor Wright asked how much adding the software would add to the budget.

6
7 Chief Dolan stated that it was a \$362,000 increase.

8
9 **Patrol**

10 No comments.

11
12 **Special Services**

13 Councilor Sweeney asked about the increase in Line 4176 – Health Insurance.

14
15 Ms. McGee stated that it would be a change in plan usage where, for example, someone went
16 from a single to a family plan.

17
18 **Investigative Services**

19 Chairman Bryant stated that the increase was mainly in Line 4090 – Regular Pay.

20
21 **Animal Control**

22 No comments.

23
24 **Police Station**

25 Chief Dolan stated that they tried to be lean because they would be asking for a new police
26 station.

27
28 Chairman Bryant asked about the police union contract.

29
30 Chief Dolan stated that they were year 2 of 5 with the current collective bargaining agreement.

31
32 **Fire Administration**

33 Chairman Bryant stated that there were savings in Line 4412 – Training Expense.

34
35 Ms. McGee stated that the Fire Department asked to have money reallocated within their budget
36 which is why some lines decreased in this section. There are increases elsewhere from the money
37 being transferred to those lines.

38
39 Councilor Stacey asked about the increase in wages being due to contracts.

40
41 Manager Dillon answered yes.

42
43 **Fire Suppression**

44 Chairman Bryant stated that this Budget was down about \$1,000.

Communications

Chairman Bryant stated that this budget had a 4.09% increase.

Councilor Wright asked about Line 4233 – Dispatch Center Maintenance.

Chairman Bryant stated that the line was in line with what they were used to spending for this purpose.

Fire Stations

No comments.

Central Fire Station

Chairman Bryant asked about Line 4452 – Building Maintenance.

Manager Dillon answered that it was for security doors and some flooring.

South Station

Chairman Bryant asked about Line 4452 – Building Maintenance.

Manager Dillon stated that the increase was for siding replacement, a commercial door, and storage lockers.

North Station

Chairman Bryant stated that Line 4452 - Building Maintenance was up by \$10,000.

Inspectional Services

Chairman Bryant stated that the Budget was up 6.74%, mainly in Line 4090 - Regular Pay. There was a new position for a Deputy Health Officer.

Councilor Sweeney asked about the Deputy Health Officer salary and being unrealistic to hire someone at that rate for six months.

Perry Plummer, Interim Fire Chief, stated that the amount was for three months.

Manager Dillon stated that they currently contracted out review of septic systems. This position would take on that responsibility and help with the restaurant inspections as well. The Health Officer had trouble keeping up with all of the inspections because the number of them had increased a lot over the years.

Manager Dillon asked about reviewing Police and Fire Capital items.

Capital Improvements

Manager Dillon stated that there was an ambulance and year two of the vehicle replacement program for Police and Fire Capital items.

Chairman Bryant asked how many police vehicles were in the budget for next year.

1 Manager Dillon answered seven.

2
3 Chairman Bryant asked if they were front line vehicles.

4
5 Chief Dolan answered yes.

6
7 Councilor Withrow asked if the new ambulance was a replacement of an existing one.

8
9 Manager Dillon answered yes.

10
11 Councilor Withrow asked if they were able to sell the old one.

12
13 Manager Dillon stated that the dealer had been giving a trade-in value. The Fire Department had
14 been working to reduce the cost of the new ambulance.

15
16 Chairman Bryant stated that the price was \$30,000 lower than the last one the Town purchased.

17
18 Manager Dillon stated that they went out to bid and got a better deal. The Fire Department had
19 done a great job.

20
21 Councilor Pelletier asked if they could recalibrate the number of vehicles being purchased in the
22 Fleet Program because the Police Station was more important. He asked about reducing the
23 number of vehicles for next year to allocate more funding to the Police Station.

24
25 Manager Dillon stated that they put out a Warrant Article for vehicles a couple of years ago that
26 failed. This year they started replacing vehicles according to a schedule. Some of the vehicles
27 being replaced in this proposal should have been replaced two years ago. They spent all of the
28 maintenance funds to keep vehicles going last year after the Warrant Article failed. They came
29 up with a plan to level the funding to prevent issues like that from reoccurring. This year was
30 lower than the previous year by \$20,000. Delaying purchases would lead to spikes in the tax rate
31 plus more spent on maintenance costs. He did not recommend deferring vehicles.

32
33 **4. Upcoming Meetings**

- 34 • October 12, 2023 (Budget Review – 6:30 p.m.)
- 35 • October 16, 2023 (Budget Votes/Regular Meeting – 6:30 p.m.)

36
37 **ADJOURNMENT AT 8:27 P.M.**

38 **MOTION:** by Councilor Sweeney

39 ***Move to adjourn at 8:27 PM.***

40 **SECOND:** by Councilor Pelletier

41 **VOTE:** 8-0-0

42 **The motion passed unanimously.**

43
44 Notes/minutes taken by: Jeremiah Lamson

45 Approved: Board of Selectmen

46 Date Approved: November 6, 2023