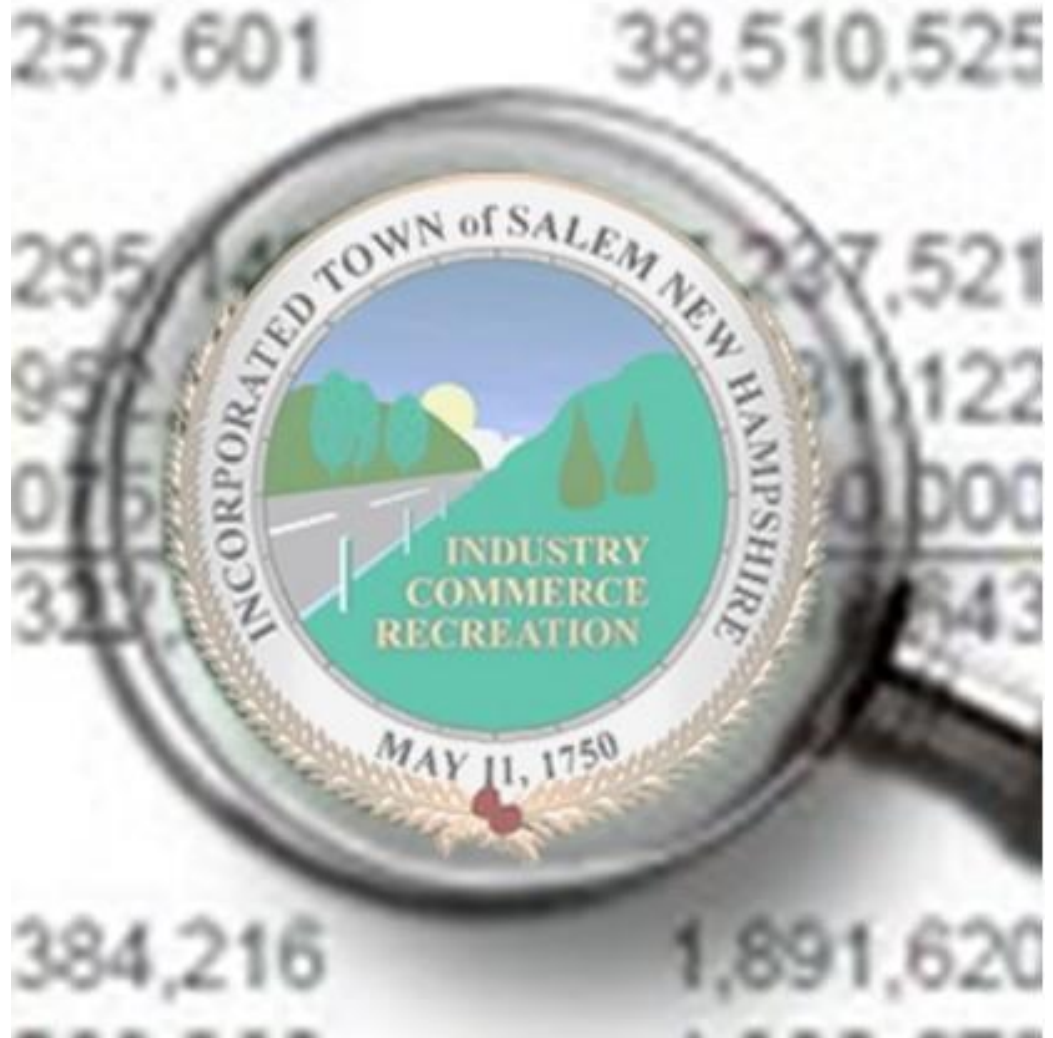


Town of Salem

Town Manager's Recommended Warrant Articles

December 16, 2024

Presented By:
Joe Devine, Town Manager



Summary of Warrant Articles

	Town of Salem		
	2025 Warrant Articles		
Art #	Purpose	Amount	Tax Impact
	Election of Officers		
	Charter Amendments (1-5)		
	Arlington Pond Preliminary Watershed-based Plan CWSRF	100,000	-
	2025 Operating Budget	73,569,114	5.33
	2025 Road Program	3,400,000	0.51
	Facilities Improvements	277,840	0.04
	OPEB	50,000	0.01
	Facilities CRF	50,000	0.01
	Library CRF	8,000	-
	Adopt Community Choice Aggregation Plan	-	-
	Redistricting	-	-
	Total 2025 Town Proposed Warrant Articles	77,454,954	\$5.8902
	Total 2025 Proposed Warrant Articles	77,454,954	\$5.89
	2024 Tax rate		\$5.66
	Increase		\$0.23
	Increase %		4.07%

Article 2 – Charter Amendment #1

Shall the Town of Salem approve Charter Amendment 1 below relative to amending Section 3.2 of the Charter by clarifying the timeline for the Town Council's organizational meeting?

Recommendations:

Town Council:

Budget Committee: N/A

Description:

The proposed amendment relates to Section 3.2 of the Town Charter by specifying that the Town Council's organizational meeting shall occur within ten (10) calendar days following the certification of the annual town election results. The amendment further clarifies the timeline for the Councilors to take their oaths of office, adopt rules, and conduct business required by law or ordinance.

Article 3: Charter Amendment #2

Shall the Town of Salem approve Charter Amendment 2 below relative to amending Section 3.3.1 of the Charter to clarify the residency qualifications for Town Council candidates and further create a new Section 3.3.5 requiring candidates to file a declaration of candidacy in?

Recommendations:

Town Council:

Budget Committee: N/A

Description:

The proposed amendment relates to Section 3.3.1 of the Town Charter by clarifying the qualifications for candidates running for the office of Town Councilor. The amendment removes the section requiring the candidate to be a resident of Town for at least one(1) calendar year.

Additionally, the amendment incorporates language pursuant consistent with state law requiring candidates to file a formal “declaration of candidacy” as part of their eligibility for office.

Article 4: Charter Amendment #3

Shall the Town of Salem approve Charter Amendment 3 below relative to amending Section 8.7 of the Charter to align penalties for violations of the Charter with statutory authority and remove language creating enforceable misdemeanors?

Recommendations:

Town Council:

Budget Committee: N/A

Description:

The proposed amendment relates to Section 8.7 of the Town Charter by updating the language regarding violations and penalties to align with state law. The amendment removes the provision that makes willful violations of the Charter misdemeanors, as the Town does not have the statutory authority to create enforceable misdemeanors.

Article 05:

Charter Amendment #4

Shall the Town of Salem approve Charter Amendment 4 below relative to deleting § 2.10 of the Charter regarding campaign finance reporting?

Recommendations: Town Council: Budget Committee: N/A

Description:

This amendment relates to § 2.10 of the Town Charter, which requires the Town Council to adopt a Town Ordinance mandating campaign finance reporting for candidates and interest groups participating in municipal elections. The proposed amendment deletes § 2.10 entirely from the Charter.

Article 6:

Charter Amendment #5

Shall the Town of Salem approve the amendments to Article 6 of the Town Charter to revise and enhance the Code of Ethics for Elected and Appointed Officials (EAOs), providing clearer definitions, roles, and expectations? These amendments clarify the exclusion of Town employees from Article 6, establish mandatory annual ethics training for EAOs, and ensure more comprehensive guidance to support the Ethics Committee's responsibilities.

Recommendations: Town Council:

Budget Committee: N/A

Description:

The proposed amendments to Article 6 of the Town Charter aim to modernize and clarify the Code of Ethics for Elected and Appointed Officials (EAOs). Key changes include:

- **Refined Definitions:** Ensuring consistency in the use of terms such as EAOs and excluding Town employees from the provisions of this Article.
- **Annual Training Requirement:** Mandating the Ethics Committee to provide annual training for all EAOs to strengthen understanding and adherence to ethical standards.
- **Enhanced Ethics Committee Roles:** Clarifying processes and responsibilities of the Ethics Committee, including investigation protocols, advisory opinions, and complaint handling.
- **Alignment with Intent:** Reinforcing the original goals of the Charter to promote integrity, transparency, and accountability among public officials.

These revisions are designed to better support ethical governance and uphold public trust in Salem's government.

Article 07: CWSRF Loan - Stormwater Management Planning\$100,000

Shall the Town vote to raise and appropriate a sum of up to \$100,000, plus interest, for the purpose of stormwater planning work to improve receiving water quality through the development of a watershed management plan for Arlington Pond, and to authorize the issuance of not more than \$100,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33), and to authorize the Town Council to issue and negotiate such bonds or notes and to determine the rate of interest thereon, and to further authorize the Town Council to offset a portion of said appropriation by applying for and accepting a Clean Water State Revolving Fund (CWSRF) loan, it being understood that repayment of the loan may include up to 100% principal forgiveness. This project is contingent upon approval of a CWSRF loan application. Requires a 3/5 ballot vote.

Recommendations:Town Council:Budget Committee:

Background: This project includes tasks to assist the Town in improving the water quality of Arlington Pond, which has a listed impairment on the most recent Integrated List of Waters for cyanobacteria. The project includes the development of a broader watershed management plan that would examine the causes and sources of pollution within the Arlington Pond Watershed, estimate pollutant loadings and required reductions to restore designated uses of the water body, identify management measures, discuss future funding sources, foster public engagement, and present an overall project schedule for implementation.

Originator:Town Council

Funding Source:Loan – Principal Forgiveness

Rate Impacts:\$0.00

Article 08: 2025 Operating Budget

\$73,569,114

Shall the Town raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$73,569,114? Should this article be defeated, the default budget shall be \$62,713,012, which is the same as last year, with certain adjustments required by previous action of the Town or by law; or the Town Council may hold one (1) special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.

Recommendations: Town Council: With Budget Committee:

Background: This article provides funding for the recurring annual operating costs of providing a broad range of public services to the community. Please review the financial report and recommendations of the Budget Committee detailed in the warrant as shown on the MS-737 Form. The operating budget is a "bottom line budget" by law in New Hampshire. Therefore, the final vote taken on this article will be based on the aggregate appropriation.

Originator: Town Council

Funding Source:	Property Tax	Water Rate	Sewer Rate
Rate Impact:	\$5.33	\$4.55	\$5.45

Article 09:

2025 Road Construction and Engineering Program

\$3,400,000

Shall the Town vote to raise and appropriate the sum of Three Million Four Hundred Thousand Dollars (\$3,400,000) to be added to the Roadway Capital Reserve Fund previously established in 1990 for the purpose of repair and/or reconstruction of existing roads, associated drainage improvements, right-of-way work as necessary, and engineering? Shall the Town further authorize the Town Council 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, drainage, and associated attributes as necessary for complete streets engineering and construction of roads as outlined in the Annual Road Program.

Recommendations: Town Council:

Budget Committee:

Background: Within the context of the Annual Road Program, capital road rehabilitation and reconstruction continue 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, and at the same time, prepare/maintain a healthy backlog of design projects that will be ready for reconstruction in subsequent years.

Originator:

Tow Council

Funding Source:

Property Tax

Rate Impact:

\$0.51

Article 10: Municipal Equipment Purchases and Facility Improvements

\$277,840

Shall the Town vote to raise and appropriate the sum of Two Hundred Seventy-Seven Thousand Eight Hundred Forty Dollars (\$277,840) for the purpose of funding the following municipal facility improvements and equipment purchases:

- Purchase of a skid steer for Municipal Services: \$34,900
- Paving the rear parking lot at Central Fire: \$100,000
- Purchase of large garage lifts for the Fleet Division at Municipal Services: \$71,713
- Replacement of flooring at the Fire Station and Town Hall: \$46,927
- Replacement of windows at the Hose House (Old Fire Station): \$24,300

Recommendations: Town Council:

Budget Committee:

Background: This article funds essential municipal equipment and facility improvements aimed at maintaining the Town's infrastructure and supporting operations. The skid steer will improve efficiency in municipal services, while paving, flooring, and window replacements will enhance safety, usability, and maintenance of Town facilities. The garage lifts will support the Fleet Division by improving vehicle maintenance capabilities.

Originator: Town Council

Funding Source: Property Tax

Rate Impact: \$0.04

Article 11: OPEB Trust Fund

\$50,000

Shall the Town vote to raise and appropriate the sum of Fifty Thousand Dollars (\$50,000) to be placed in the OPEB Trust Fund, previously established in accordance with New Hampshire 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 the law and administrative expenses, with \$40,000 to come from the taxation, \$5,000 from the sewer fund, and \$5,000 from the water fund?

Recommendations: Town Council: Budget Committee:

Background: This article provides funding for a trust fund for other post-employment benefits other than pensions. Credit rating agencies as well as the auditors want to see that the Town annually funds an OPEB trust fund. Regularly funding an OPEB trust will help maintain the Town’s AAA 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. Five Thousand Dollars (\$5,000) will be appropriated from the Sewer Fund and Five Thousand Dollars (\$5,000) will be appropriated from the Water Fund with the remainder to come from taxation.

Originator: Town Council

Funding Source: Taxation and Water/Sewer Fund

Rate Impact: \$0.01

Article 12: Town Facility Maintenance & Improvement Capital Reserve Fund \$50,000

Shall the Town vote to raise and appropriate the sum of Fifty Thousand Dollars (\$50,000) to be placed in the Town Facility Maintenance and Improvement Capital Reserve Fund previously established in 2021 for the purpose of future repairs, improvements, and/or replacement for all municipal facilities?

Recommendations: Town Council: Budget Committee:

Background: This article provides funding for a capital reserve fund for unanticipated building repairs that occur during a year. Examples include HVAC failure and replacement, roof repairs, etc. This fund may also be used for capital improvements to town buildings as well as a funding source to build new municipal facilities. The purpose of this fund is not to be used for land acquisition. With aging municipal facilities it is prudent to have a funding source to pay for unexpected repairs and plan for upgrades that will occur in future years.

Originator: Town Council

Funding Source: Property Tax

Rate Impact: \$0.01

Article 13: Kelley Library Capital Reserve Fund

\$8,000

Shall the Town vote to raise and appropriate the sum of Eight Thousand Dollars (\$8,000) to be placed in the Kelley Library Building Capital Reserve Fund previously established in 2010 for the purpose of funding capital improvements to the building from unassigned fund balance?

Recommendations:

Town Council:

Budget Committee:

Background: This article funds a transfer to the Kelley Library Capital Reserve Fund. In 2024 the Library received an incentive check in the amount of \$8,000 from Liberty Utilities as a result of their furnace upgrade. The warrant article would allow that money to be placed in the capital reserve fund. This warrant article will be funded with unassigned fund balance.

Originator:

Town Council

Funding Source:

Unassigned Fund Balance

Rate Impact:

\$0.00

Article 14: Adoption of Salem Community Choice Electric Aggregation Plan

Shall the Town of Salem vote to adopt the Salem Community Choice Electric Aggregation Plan which authorizes the Town Council to develop and implement a Salem Community Choice Aggregation Program as described therein (pursuant to RSA 53-E)?

This program would allow the Town to provide Salem residents and businesses access to competitive markets for supplies of energy and related energy services. Majority vote required.

Recommendations:	Town Council:	Budget Committee:	N/A
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Background: The Town Council voted to enter into a Community Power Consultant Agreement with Freedom Energy Logistics / Colonial Power Group and establish an Electric Aggregation Committee (i.e. Energy Committee) on September 9, 2024. On September 30, 2024, the Electric Aggregation Committee (i.e. Energy Committee) unanimously voted to accept the draft Community Choice Electric Aggregation Plan and present it to the Town Council. Pursuant to RSA 53-E, the Energy Committee held two public hearings on November 4, 2024 and December 2, 2024 through the regular Town Council meetings. If approved, the Town Manager and Town Council would be allowed to establish a Community Choice Aggregation Program pursuant to the provisions of the Community Choice Electric Aggregation Plan.

Originator:	Town Council
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Funding Source:	N/A
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Rate Impact:	N/A
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Article 15: Redistribution of Election Districts

\$55,000

Shall the Town vote to raise and appropriate the sum of \$XXXX to cover expenses associated with implementing a redistribution of the Town's election districts? This redistribution plan includes reducing the number of polling places from five to four by closing the Soule School polling district, relocating the Senior Center polling district to the Woodbury School, and renumbering the districts to ensure they are consecutive.

Recommendations:

Town Council:

Budget Committee:

Background: This article funds the redistribution of Salem's election districts to enhance efficiency and better align with current voter needs. By reducing the number of polling places and consolidating resources, the Town seeks to improve accessibility, reduce operational costs, and ensure a streamlined election process. The renumbering of districts ensures consistency and clarity for all voters.

Originator:

Town Council

Funding Source:

Property Tax

Rate Impact:

Unknown