

**CANAAN BUDGET COMMITTEE MEETING
AND PUBLIC HEARING
JANUARY 11, 2007**

Budget Committee Members present: Steve Purcell, Jeff Majewski, Dave Barney, Eleanor Davis, Russell Lester, Martha Pusey, Denis Salvail, Shirley Packard, and Robert Reagan—Selectmen Representative.

The Budget Committee meeting was called to order at 7:00 pm.

Minutes from 12/28/06

Martha Pusey made a motion to accept the minutes from 12/18/06, second by Russell Lester. Dave Barney asked that on the last page, Dale Barney be changed to Dave Barney. Voted on the corrected minutes, and the ayes have it with one abstention.

Shirley Packard noticed an error in the transfer station budget. A manager was hired in mid-2006 to head the transfer station. A line item was not budgeted in 2006 for this position, so his salary was included in the line item for part time salaries: 01-4323.10-120. A new line item is budgeted for 2007 for his salary: 01-4323.10-110, but the part time line is inflated due to his salary being included in 2006. Budgeted for 2006 was \$34,000.00, and the expenditures were \$43,816.84 due to his salary being included. Shirley made a motion to change the Budget Committee's amount of \$44,703.75 budgeted for 2007, line item 01-4323.10-120 to \$35,000.00 to reflect the change, which would bring the bottom line of transfer station/recycling budget to \$190,872.76, second by Dave Barney. Voted and the ayes have it. This changes the bottom line of the total budget, so Shirley Packard made a motion to change the bottom line to \$3,768,195.69 to reflect the change, second by Russell Lester. Voted: 3 No(R. Lester, E. Davis and D. Salvail), 6 Yes(S. Purcell, J. Majewski, D. Barney, M. Pusey, R Reagan & S Packard) so the ayes have it.

The Selectmen will be voting on the Warrant Articles for the Deliberative Session at their regular posted meeting, Jan. 16, 2007. The Budget Committee would like to hold a meeting on Jan. 18, 2007 to vote on the money articles.

Ed Labrie gave a presentation, with pictures included, regarding the roads in Canaan and in particular the River Road. He is concerned about the condition of the roads, and would like to see improvements.

PUBLIC HEARING

Public Signed In: Phil Carter, Alan Ricard, Cindy Neily, Dana Hadley, David McAlister, Philip Salvail, Edward Labrie, Jim Miller, Brenda Souza, Sam Frank, Keith Bergeron, Todd Barravalle, George Lazarus, Joanna Carr, Beth Wolf, Matt Wilson, Bill Bellion.

The Public Hearing was called to order at 7:30 pm. Everyone received a printout of the 2007 budget for all of the departments, plus the water sewer, the revenues, and the default budget.

The Budget Committee members each presented a section of the budget and answered questions pertaining to that section as follows:

Robert Reagan read through the Selectmen's budget, Town Administrator's budget, and the Town Meeting budget. There were no questions on the line items in this section.

Russell Lester read through the Town Clerk/Tax Collector's budget, Election Budget, Financial Administration budget, Budget Committee's budget, Assessing budget, Treasurer's budget, Trustees of the Trust Funds budget and Software and Support budget. David McAlister asked why the Budget Committee only allowed \$40,000 for the Contract Appraiser line, when the Dept. Head Budget was for \$60,000. Dana Hadley explained that there is a 5 year contract that will only require the smaller amount for the Appraisers. Brenda Souza commented that the software and support was not in a separate line item in 2006, but this year there is a separate line item for it. She asked what line item it was in last year, but no one had an answer at this time. There was a lengthy discussion about the Highway Block Grant, and how it gets appropriated.

Eleanor Davis read the Legal Expense budget, Personnel Administration budget, Planning Board budget, and Government Buildings budget. Jim Miller inquired about a request in 2006 to the Budget Committee for \$10,000 to replace the roof on the old meeting house. There was confusion about where this request ended up, and whether it was going in the C.I.P. There is a line in the General Building budget, 01-4194.10-430 for repairs and maintenance. The Selectmen have control over the expenditures for that line item, so the Budget Committee suggested that Mr. Miller approach them about the meeting house roof. Phil Carter asked how many full time employees the town has. There is a total of 20, plus one in the library. He is concerned about the rising cost of health insurance; there is a 12% increase for 2007. He would like the town to explore other alternatives for health insurance and see if there is a less expensive avenue to take. Dana Hadley explained that he has approached the school district to see if there is a way to join forces. A larger group of employees enrolled in an insurance plan usually results in lower premiums. The school has not responded to Dana yet. The total department head budget for Planning Board was significantly higher than the total allocated by the Budget Committee. There is a zoning article that will be on the ballot, and if that passes there will be a separate

article for expenditures, so the budget for Planning Board should not reflect these changes in the regular budget. Eli read the Cemeteries budget, Insurance for Property & Liability budget, Advertising and Regional budget, and General Government budget. David McAlister asked why the line item for full time salary increased from \$12,000 to \$21201.79. There are employees within the town's infrastructure that rotate time between the cemetery department, recreational department, highway department, and building repairs. The salary for part time and full time has to be divided equally between the departments, and the new budget reflects this. In the Advertising and Regional budget there are two new lines for CASA and Mascoma Health Initiative. The line item for the Goose Pond Lake Assoc. has increased this year. Dave Barney explained that the Association is taking a pro-active approach to stop dangerous infestations of milfoil and other invasive plants before they start, which requires funding. Jim Miller inquired about the increase in contracted services in the Cemetery budget from \$5,000 to \$15,000. Cindy Neily explained that there is a great deal of tree work to be done in the cemeteries. Also, there is work being done to stand up the older stones and reset them. Although this is not a responsibility of the town, there is no one left to care for them.

Jeff Majewski read the Police Department budget, Ambulance Services budget, Fire Department budget, Building Inspector's budget, and Emergency Management budget. David McAlister asked why the line item for equipment under the police dept. went from \$5,345 to \$18,745. Sam Frank explained that the increase is due to the projected purchase of tasers. Philip Salvail asked why the Police Chief's salary went up more than the 5% budgeted for the other employees. Sam explained that it was in part due to the recommendations from the union and that they are trying to get the Police Chief salary closer to the wage study recommendation that was done last year. Phil Carter questioned the increase in the ambulance line from \$35,000 to \$55,000. The explanation is that the people who run the ambulance service would like to go to full time. David McAlister asked how long the contract is for the dispatch through Hanover; one year.

Steve Purcell read the Town Mechanic's budget, Highway budget, Bridge Inspection budget, and Street Lighting budget. Phil Carter asked why the Road Agent Salary budget was so much higher under the department head budget than what the Budget Committee put in the budget. Once again, this was due to the wage study that was performed. David McAlister asked why there is an increase from \$15,000 to \$17,000 in street lighting. Dana explained that the cost of power is increasing. There was more discussion concerning the block grant, and the process needed to raise and appropriate the monies.

Shirley Packard read the Transfer Station/Recycling budget, the Health Department budget, and the Welfare budget. Shirley Packard explained the change in line item 01-4323.10-120 before the public hearing changing the part time salaries from \$44703.75 to \$35,000. Jim Miller asked what the

town gets for income from recycling. The revenue information was handed out at the beginning of the meeting and that will show the revenue from the Transfer Station.

Martha Pusey read the Recreation budget, the Library budget, the Other Cultural and Patriotic budgets, and the Conservation Commission budget. There was a question about line item 01-4520.10-685, recreation equipment. The department head put \$14,600 in the budget, and the Budget Committee took it out. The money was for docks, and there is concern that docks pose a danger, and there should be more research before appropriating money for this purpose. There is an increase in the part time salary line for recreation, which reflects the shared employee time between the cemetery, recreation, and highway departments. Sam Frank asked why there is no money value in the line item for recreation equipment. Matt Wilson thought there should be \$1.00 in that line in case something is needed in the future. The Budget Committee explained that as long as the entire budget for recreation had at least a \$1.00 then the individual lines within that budget could have \$0.00. Jeff Majewski made a motion to increase line item 01-4520.10-685, recreation equipment, to \$2000.00, second by Dave Barney, which would bring the total recreation budget to \$37,324.50. Jim Miller questioned the existing docks at the Canaan Street Beach and what the time frame was on the encumbrances that might still be in place from accepting Federal money in the past to install the current docks. That would be a question for the Selectmen, not the Budget Committee. Voted on the motion: 2 ayes and 6 nos, so the motion fails. Jim Miller wanted to know what the 5% salary increase consisted of. Dana explained that it includes a 3.8% cost of living and a 1.2% merit increase. The Selectmen do not know who will get the 1.2% merit increase, so the entire 5% has to be budgeted for everyone. It was explained that the money under Cultural Other Recreation budget is for Old Home Days.

Dave Barney read the Debt Service budget, and the Capital Outlay budget. He explained that most of the vehicles have been recently purchased are under a lease program, and that is costly over time. The CIP would like to see a Capital Reserve system established to prepare for future needs. Phil Carter asked if the Town put the 1 ton truck out for bid that is in the budget. He thought \$100,000 was a little too much for this piece of equipment. David McAlister asked about the police cruiser that is in the budget. We purchased two in 2006, why do we need another one? Sam explained that during the budget crunch a few years ago, the Town held off getting a cruiser which put the police dept. behind a cruiser. This will bring the department up to where it should be. Dave Barney said that when the new cruiser was purchased, the fire department would like the replaced 2002 vehicle for a command vehicle. Dave McAlister asked what happened to the Buick that was donated to the police department? Lakeview Auto purchased it.

Denis Salvail read the Water & Sewer budget. This is a separate article on the warrant. There were no questions.

Revenue and the Default Budget

Included in the handouts at the beginning of the public hearing were the revenue sheets and the default budget.

The Budget Committee explained to the public that if they wanted to change the budget, or any articles, that can be accomplished at the deliberative session. The budget can be changed line item by line item if people choose to do that. The road agent salary was questioned again, and Eli Davis explained that many hours had been spent discussing that line item. The Selectmen have expressed interest in changing that position to a Public Works position.

Russell Lester said that Eli Davis and Gloria Koch had spent many hours working on the budget paperwork.

David McAlister suggested that it would be a great help to include the percentage that the budget had increased/decreased from the previous year and the impact to the tax rate, and possibly a narrative explaining the changes that were made.

There being no further business, Russell Lester made a motion to adjourn the meeting, second by Jeff Majewski. Meeting adjourned at 9:20 pm.

Next Meeting

The next meeting will be January 18, 2007 at 7:00 pm at the Canaan Fire Station.