

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
April 17, 2008
APPROVED COPY
Canaan Fire Station**

Members present: David McAlister - Chair, Denis Salvail, Shirley Packard, Dave Barney, Nathan Deleault, Eleanor Davis, Russell Lester, Tom Hudgens, Craig Lawler, and Selectman Scott Borthwick. Also present were Town Administrator Michael Capone, Al Posnanski, and the minute taker; Christi Berube.

David McAlister called the meeting to order at 7:00 P.M. and took attendance.

David McAlister noted that he distributed a handout of legal questions and answers, which was copied from the April 2008 issue of New Hampshire Town and City magazine. David McAlister explained that this handout is for informational purposes only.

Approval of Minutes

Committee members reviewed draft copies of the March 20, 2008, minutes. David McAlister noted that the date and Scott Borthwick's name have already been corrected.

Eleanor Davis corrected a grammatical error on page two.

MOTION by David McAlister and seconded by Shirley Packard to accept the minutes dated March 20, 2008, as corrected.

VOTE: 8 YES 0 NO 2 ABSTAIN (Dave Barney and Russell Lester)

Default Budget

Committee members reviewed the Town of Canaan 2008 Default Budget Worksheet dated April 18, 2008. Michael Capone explained that this is budget worksheet that was discussed at the last Budget Committee meeting, which includes the department heads recommendations regarding cuts and was approved at the March 25, 2008, Board of Selectmen meeting.

David McAlister requested an explanation of how the workmen compensation is allocated throughout the budget. Michael Capone responded that he thought that the workmen compensation costs were lumped in one line item but that he will need to research the matter. Eleanor Davis suggested that the error is a result of budgeting mistakes carried from past default budgets.

Nathan Deleault asked why the retirement line item under the town administrator has decreased. Michael Capone responded that he did not elect to take part in the town's retirement system.

Eleanor Davis requested a copy of the MS-22 report. There was explanation of what the MS-2 and MS-7 reports are and what they are used for.

Revenues and Expenses

Committee members reviewed copies of the Actual & Anticipated Revenues report dated April 16, 2008, and the Town of Canaan 2008 Budget Worksheet dated April 14, 2008.

Dave Barney asked why the current revenue amount collected to date is lower compared to last year. Eleanor Davis responded that the tax bills were mailed out late. Michael Capone added that Gloria Koch has noted that several estimated revenue figures are missing from the report. There was general discussion that all the estimated revenue figures were disclosed at the Public Hearing and that these quoted figures need to be entered into the report.

There was general discussion and consensus that the committee members prefer the reporting format of the April 14, 2008 expense worksheet but that the worksheet needs an additional column for the percentage spent. Scott Borthwick summarized that the Board of Selectmen is using this format to review expenses every two weeks. Scott Borthwick noted that \$39,500 has already been spent of the \$85,000 budgeted for gas and diesel. Eleanor Davis noted that two thirds of the heating oil and gas budget has also been used.

Craig Lawler asked why the \$112,300 budgeted for the library has already been spent. There was general explanation that the funds budgeted for the library is deposited into a separate account and that the Library Trustees oversee their own expenditures although Gloria Koch actually writes the checks and manages the accounting. It was noted that the library staff contributed a \$7,500 cut in their budget in order to help meet the default budget. It was explained that the Library Trustees has several other sources of funding but that the funds collected from taxpayers is utilized first. Russell Lester summarized that the Library is treated like an Enterprise Fund and is not run by the Town of Canaan. There was general clarification that the Town of Canaan furnishes the building space and the heat at no cost. David McAlister noted that the ambulance service is also furnished with building space and heat at no cost.

General Discussion

Committee members reviewed a handout of the contact information for each committee member. David McAlister expressed concern that this contact information, including individual's email, is posted on the town's website at this time. David McAlister suggested that consent should have been requested before posting personal or business emails on the website. Eleanor Davis summarized that the Budget Committee Chair has access to an established Budget Committee email account.

MOTION by Shirley Packard and seconded by Denis Salvail to eliminate the individual email addresses from the town's website.

Dave Barney suggested that the committee members should be accessible to the public and that there are many businesses who allow personal business on email accounts that are supplied to their employees.

VOTE: 8 YES 2 NO [Dave Barney and Tom Hudgens]

There was general discussion that all emails from the public should be funneled through the Budget Committee's email address and that the Board Chair will monitor the email account and forward information to the committee members, as needed.

Eleanor Davis cautioned committee members that discussion between committee members using email can constitute as a meeting if a quorum exists.

Dave Barney reminded committee members that any individual committee member can attend and participate in a public meeting and represent their views as an individual resident.

Dave Barney informed committee members that copies of the Budget Law will be distributed at the next meeting.

Dave Barney reported that a panel of people familiar with the town's water and sewer plant will be present at the Canaan Fire Station on May 15th at 7 P.M. to provide a review and to answer questions. Present and past individuals, such as water commissioners, DES reps, and plant operators will be available. Dave Barney added that water system maps will be provided.

David McAlister suggested that the May 15th gathering should be an informal and informational session in order to avoid the cost for a minute taker. No official business or voting will take place at this gathering. The next regularly scheduled Budget Committee meeting will be June 19th.

Russell Lester commented that last year's schedule worked well and that the total number of meetings each year should be minimized in order to keep current members involved and to attract new members. Russell Lester summarized that informational sessions are helpful but that no action can be taken by the Budget Committee until the budget preparation process at the end of the year.

Eleanor Davis requested an updated revenues and expenses report from the water and sewer department, as well as, an updated revenues and expenses report from the library. David McAlister responded that the Budget Committee has no business in overseeing the library accounts.

Dave Barney commented that obviously the Budget Committee should be meeting more frequently and should become more informed if the Town of Canaan is operating under a second default budget. Dave Barney noted that the other committees meet more frequently than what the Budget Committee does.

Eleanor Davis commented that all of the department heads was asked to make budget cuts and that the Budget Committee should also be mindful of their own budget.

Denis Salvail commented that every elected town official took an oath and that there are many areas of the operating budget that do not meet the standards of what each elected official pledged to do. As a result, the tax rate has increased and the residents have indicated that they do not have the funds. Denis Salvail summarized that significant cuts are needed to lower the overall budget and that departments will need to learn how to operate with less, such as the police department, the transfer station, the administrative office, and the nonprofits.

David McAlister commented that it is difficult to determine which services that the public could understand being cut or reduced.

Eleanor Davis commented that town employees received salary increases despite the defeated budget.

Scott Borthwick commented that the most difficult payment to make at this time is the \$329,000 due to the school district each month.

Al Posnanski commented that the transfer station could be self sufficient and could be making money if there were enough attendants provided to oversee the process.

Scott Borthwick noted that three hours were recently reduced from the operating hours of the transfer station due to infrequent users. The Board of Selectmen is also considering penalties for illegal dumping and reviewing the reporting structure of the employee positions.

Denis Salvail suggested that the Fire and Police Departments should be billing for their services. Eleanor Davis responded that grant funding would no longer be available if these departments start charging for their services.

Scott Borthwick noted that there is no state code that says that the Fire Department or town is responsible for the inspection of new homes.

David McAlister agreed that billing insurance companies would be acceptable but that no resident should receive a personal bill for town services.

Denis Salvail commented that he would expect a bill from the Town of Canaan if the town's fire department responded to a fire at his home. This is why he purchases insurance coverage. Shirley Packard disagreed with Denis Salvail statement and responded that she pays property taxes, which covers the costs for fire department services.

Denis Salvail noted that the fire department keeps a registrar of their responses and that there are a number of repeat offenders.

Shirley asked what the status is of the furnace repair or replacement at the administrative building/library. Scott Borthwick responded that the priority has been the mailing of property tax bills and that the furnace bids have not been reviewed yet. Scott Borthwick noted that the bids are below the \$45,000 budgeted.

Chairman's Report

There was no report provided at this time.

Selectmen's Report

Scott Borthwick informed committee members that a \$1,200 annual cost for a storage unit was eliminated from the budget and that the storage items were moved to the back of the Cozy Corner building.

The Board of Selectmen is also considering a uniform allowance instead of a continued contract with Crown Uniform. The existing contract ends in May 2009. The town also has a carpet cleaning contract with Unifirst, which expires this December.

Scott Borthwick summarized that the NHMA dues were paid but that a letter was mailed one week ago to the other nonprofits that the Board of Selectmen will try to honor their pledged contributions but that perhaps only partial payments will be available. Michael Capone noted that the UVLSRPC fee will be paid in June.

Scott Borthwick also noted that all purchase orders exceeding \$500 need to be approved by the Board of Selectmen and that department heads are meeting once a month.

There was general note that updated expenditure reports are available to the public at the town office and on the town's website.

Committee members reviewed two handouts regarding a meeting calendar for the Budget Committee. There was general consensus that September 11th could be a joint meeting with the Planning Board and that the discussion of the Capital Improvement Plan could be moved to September 18th. With these changes, there was general consensus to use the proposal marked number two as the 2008 meeting schedule.

Dave Barney noted that an ad should be posted to seek two residents for the CIP Committee. Al Posnanski offered to participate again this year. There was general clarification that the CIP Committee is under the direction of the Planning Board and that the CIP is to guide the budgeting process.

The water and sewer informational gathering is scheduled for May 15th, 2008, at 7 P.M. at the Canaan Fire Station. Dave Barney asked whether any other informational sessions will be scheduled this year, as was discussed at the last meeting. Nathan Deleault offered to do some research regarding the broadband issue. The next official Budget Committee meeting is scheduled on June 19th at 7 P.M.

Public Comment

There were no public comments made at this time.

MOTION by Russell Lester and seconded by Scott Borthwick to adjourn the meeting at 8:55 P.M.

VOTE: Unanimous in the affirmative