

**TOWN OF CANAAN
BUDGET COMMITTEE MEETING
October 16, 2008
APPROVED COPY
Canaan Fire Station**

Members present: David McAlister - Chair, Denis Salvail, Dave Barney, Nathan Deleault, Eleanor Davis, Shirley Packard, Craig Lawler, and Selectman Scott Borthwick. Also present were Town Administrator Michael Capone, Selectmen Robert Reagan and Tim Lewis, Nelson Therriault, Cindy Neily, and the minute taker; Christi Berube.

David McAlister called the meeting to order at 7:03 P.M. and took attendance. David McAlister explained that Nelson Therriault will be present this evening to review the welfare budget.

Committee members received revised copies of the 2009 budget worksheet dated October 15, 2008, which included the Board of Selectmen's recommended 2009 budget.

Eleanor Davis requested copies of the 2009 proposed revenues for the next meeting.

Dave Barney noted that the requested budget funds for the advertising and regional line items are missing. Michael Capone noted that he has received several budget requests after the deadline date from current organizations listed in the budget. David McAlister requested copies of those late requests. Dave Barney and Shirley Packard requested copies of all the letters and the supporting documents from the various organizations requesting budget funds.

Dave Barney asked for clarification of what the 2008 budget column represents. Michael Capone responded that the 2008 budget column represents the adjusted default budget, as the Board of Selectmen has revised it throughout the year.

Scott Borthwick clarified that the Board of Selectmen has opted to level fund budgets to what will be spent for this year and to provide no salary increases in hopes of staying within the default budget figure and having the voters approve the budget.

Dave Barney suggested that the Budget Committee could deliberate on the individual department budgets and could decide at the end of the deliberation sessions whether a specific percentage could be offered for salary increases. It was noted that the outcome of the contract negotiation with the police department would be known by then.

Welfare Budget

Nelson Therriault noted that housing rentals range from \$650 to \$1,300 in the Town of Canaan but that the Board of Selectmen has authorized a \$500 cap for any resident needing assistance.

Nelson Therriault clarified that his office hours are from 9 A.M. to noon.

There was general question whether a state law exists that prevents electrical companies from shutting off power to any residency during the winter months.

Eleanor Davis informed board members that the percent increase on social security payments will be 5.8 percent for next year.

Nathan Deleault asked whether Nelson Therriault directs residents to organizations for assistance. Nelson Therriault responded that he has residents file for food stamps when applicable and directs residents to LISTEN since they have an established payback system. Nelson Therriault noted that some individuals do reimburse the Town of Canaan when assistance is offered to them.

MOTION by Shirley Packard and seconded by Dave Barney to approve a 2009 budget figure of \$60,200 for the welfare budget.

There was no vote taken for this motion.

Nelson Therriault commented that he could probably make do with the Selectmen's recommended budget since this year's assistance figures are comparable to last year's assistance figures. Nelson Therriault expressed concern that residents could end up needing assistance from the Town of Canaan if supplies run out at LISTEN or the Senior Center. Nelson Therriault suggested that the Budget Committee should perhaps support these organizations with budget funds.

AMENDED MOTION by David McAlister and seconded by Shirley Packard to approve a 2009 budget figure of \$56,921 for the welfare budget.

VOTE: 6 YES 1 NO [Dave Barney]

Executive Budget

Michael Capone clarified that the administrative support line item is funds for Sharon's position. Michael Capone explained that the printing line item was reduced since newsletters are no longer being mailed.

MOTION by Craig Lawler and seconded by Dave Barney to approve a 2009 budget figure of \$13,701 for the executive budget.

VOTE: Unanimous

Town Administrator Budget

Michael Capone noted that the \$4,545 presented in the 2009 department budget column is a miscalculation.

Nathan Deleault thanked the Town Administrator for saving the town some funds by electing not to take retirement benefits or requesting a salary increase.

MOTION by Nathan Deleault and seconded by Dave Barney to approve a 2009 budget figure of \$60,801 for the town administration budget.

VOTE: Unanimous

Meeting Budget

There was general question whether the town should pay FICA for the Town Moderator position since the position is an independent contractor. Michael Capone offered to follow-up with this concern.

Dave Barney asked whether one dollar should be added the miscellaneous line item. David McAlister responded that he would rather leave the line item blank since there is no need to designate any funds to that line item.

MOTION by Craig Lawler and seconded by Nathan Deleault to approve a 2009 budget figure of \$3,740 for the meeting budget.

VOTE: Unanimous

Town Clerk/ Tax Collector Budget

It was noted that Ann LeBree is the Assistant Town Clerk and that she does a great job.

There was general discussion that the postage line item was increased since the 2008 allocation is mostly used up and the last tax bill still needs to be mailed.

Michael Capone explained that the software support line item includes the new rates for BMSI.

MOTION by Craig Lawler and seconded by Dave Barney to approve a 2009 budget figure of \$71,878 for the town clerk and tax collector budget.

VOTE: Unanimous

Election Budget

There was general note that there is only one election next year. David McAlister commented that the meals provided to the town officials during the day of the election are excellent and that the cook provides a true service to the town at a minimal cost.

MOTION by David McAlister and seconded by Craig Lawler to approve a 2009 budget figure of \$3,250 for the election budget.

VOTE: Unanimous

Financial Administration Budget

Eleanor Davis noted that the bookkeeper opts to not receive retirement benefits by working less than thirty two hours per week.

Michael Capone explained that consideration has being given to going out to bid for auditing services but that the current auditor is well liked, reputable, and does a good job for the Town of Canaan.

Michael Capone noted that the service contracts line item includes new rates for BMSI.

MOTION by Dave Barney and seconded by Craig Lawler to approve a 2009 budget figure of \$70,532 for the financial administration budget.

VOTE: Unanimous

Budget Committee Budget

MOTION by Dave Barney and seconded by Craig Lawler to approve a 2009 budget figure of \$2,120 for the Budget Committee budget.

There was no vote taken for this motion.

There was general discussion that the \$45 in the 2008 expenses line item is for Eleanor Davis' seminar training since Dave Barney appears to have paid for his own participation.

Dave Barney suggested that the FA Budget Committee line item be reduced to \$100 since funds are not being utilized from this line item.

AMENDED MOTION by Dave Barney and seconded by David McAlister to reduce the FA Budget Committee line item to \$100 and to approve a 2009 budget figure of \$1,720 for the Budget Committee budget.

VOTE: Unanimous

Assessing Budget

It was noted that Teri Purcell is the Info Coordinator.

Michael Capone noted that the funds included in the software support line item reflect a quote that was received.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$90,158 for the assessing budget.

VOTE: Unanimous

Treasurer Budget

There was general discussion that the office supplies line item includes funds for special envelopes that is used by the Treasurer. Michael Capone noted that an inventory system for office supplies is a side project that he has considered but that the results may not be worth the time and effort.

Eleanor Davis suggested that the Treasurer should meet with the Budget Committee once a year.

MOTION by Dave Barney and seconded by Craig Lawler to approve a 2009 budget figure of \$5,940 for the treasurer budget.

VOTE: **6 YES** **1 NO** [Eleanor Davis]

Trustees of the Trust Fund Budget

Cindy Neily explained that the \$1,000 in the legal line item is funds needed to file a petition with the Superior Court regarding a bequest. Cindy Neily explained that \$108,000 has accumulated in a trust fund that is used to service the water system at one cemetery. The Trustees of the Trust Fund are hoping to use the surplus of funds towards other possible water systems in the other cemeteries, if the court permits it.

David McAlister asked whether the funds could be used for headstone repair. Cindy Neily responded probably not since the language in the bequest specifies the use of the funds for a water supply. Cindy Neily added that an estimate is being collected as to what the cost would be to replace the current water supply system at the one cemetery in case the current one fails.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$1,593 for the Trustees of the Trust Fund budget.

VOTE: **6 YES** **1 NO** [Craig Lawler]

Software & Support and Data Processing Budget

Michael Capone explained that the software and support line item includes the monthly fees for Valley Net to continue maintaining the town's website and mailboxes.

Michael Capone explained that this budget is needed since backup funds need to be allocated in case of a computer breakdown in any one of the departments.

MOTION by Dave Barney and seconded by Craig Lawler to approve a 2009 budget figure of \$4,045 for the software & support and data processing budget.

VOTE: **Unanimous**

Legal Budget

Michael Capone noted that the town attorney line item is based on an hourly rate, whereas, the prosecutor line item is based on a fixed fee.

Craig Lawler asked why the prosecutor line item is not part of the police department's budget. There was general discussion that a separate prosecutor line item was created since it was thought that police officers were more valuable at work than in court.

There was general clarification that the prosecutor does not work for the District Attorney. Michael Capone explained that Chris O'Connor has one part time assistant and has office space at the Hanover Police Department. Michael Capone added that Chris O'Connor represents six local towns and that the fixed fee is prorated according to the percentage of cases that he prosecutes for each town.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$50,000 for the legal budget.

VOTE: **4 NO** [Deleault, Packard, Davis, and Lawler]
 3 YES [Barney, McAlister, Borthwick]
 Motion Failed

There was general discussion and consensus to ask Chris O'Connor to come to the next Budget Committee meeting and explained the rationale for the \$30,000 budget figure for 2009.

Denis Salvail arrived at 8:20 P.M.

MOTION by Nathan Deleault and seconded by Dave Barney to reconsider and approve \$20,000 for the town attorney line item for the legal budget.

VOTE: **6 YES** **2 NO** [Denis Salvail and Shirley Packard]

Eleanor Davis commented that receiving grant funds in order to increase the amount of time that police officers are patrolling Route 4 and Route 118 for traffic violations could result in an increase in the prosecutor's fee.

Personnel Administration Budget

Michael Capone explained that the final budgeted figure for health insurance has not been determined yet and that a number of options remain available that the Board of Selectmen will consider once the contract negotiation is settled with the Police Department.

Michael Capone noted that the new rates for life insurance have not been received yet.

Michael Capone explained that the actual cost for workers compensation depends on the mix of employees and that a credit is usually applied the following year.

There was general clarification that the health and safety line item is for items such as steel toed boots and safety glasses.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$348,750 for the personnel administration budget.

VOTE: Unanimous

Planning Board Budget

Michael Capone explained that the first three line items were reduced to one dollar since there has been no activity in these line items this year.

There was general discussion that the Planning Board has offsetting revenues from the application fees that they collect.

Michael Capone explained that the books and publications line item are funds for the land use rules book that are purchased cooperatively in order to reduce the unit cost.

Michael Capone explained that the advertising line item is for legal notices regarding sub-divisions, which are eventually billed to the applicant. Denis Salvail asked whether the Board of Selectmen would use the Planning Board budget as a “cushion fund” when the intention of these line items are for accounting and reimbursement purposes only.

MOTION by Dave Barney and seconded by David McAlister to approve a 2009 budget figure of \$1,803 for the Planning Board budget.

There was no vote taken on this motion.

MOTION by Craig Lawler and seconded by Nathan Deleault to reduce the books and publications line item to \$100.

VOTE: 6 YES 2 NO [Dave Barney and Eleanor Davis]

MOTION by Craig Lawler and seconded by Nathan Deleault to approve a 2009 budget figure of \$1,403 for the Planning Board budget.

VOTE: 5 YES 3 NO [Davis, Salvail, and Deleault]

Government Buildings Budget

There was general clarification that funds for heating oil and gas have been reallocated to the department budgets for next year.

Michael Capone explained that the repairs and maintenance line item includes funds for all of the buildings minus the major renovation repairs. Michael Capone summarized that completion of repairs is limited by the manpower available. Michael Capone added that the allocated amount includes a list of outstanding repair and maintenance projects that Tom Guillette has provided.

MOTION by David McAlister and seconded by Dave Barney to approve a 2009 budget figure of \$82,882 for the government buildings budget.

Eleanor Davis expressed concern that she can not support this budget since the position was never voted on and approved by the voters.

VOTE: 7 YES 1 NO [Eleanor Davis]

Cemetery Budget

MOTION by Nathan Deleault and seconded by Craig Lawler to approve a 2009 budget figure of \$35,391 for the cemetery budget.

Michael Capone summarized that Phil Carter has told him that there could be possible reductions to the cemetery budget but that he should discuss these possible reductions first with the Trustees of the Trust Fund.

There was no vote taken for this motion.

Eleanor Davis noted that the FICA and Medicare line item appears to be calculated incorrectly.

Eleanor Davis expressed concern that the salary line item should be recalculated since the allocation is based on twenty-six weeks and she does not believe that twenty-six weeks of work is completed during the year.

MOTION by Dave Barney and seconded by Craig Lawler to table the deliberation of the cemetery budget until the next meeting.

VOTE: Unanimous

Insurance Budget

Michael Capone explained that the 2008 budgeted figure was underestimated since several items were mistakenly not covered by the insurance policy. Michael Capone added that he included the nine percent increase that is included in the three year contract.

MOTION by Dave Barney and seconded by Craig Lawler to approve a 2009 budget figure of \$47,091 for the insurance budget.

VOTE: Unanimous

Advertising and Regional Budget

There was general committee consensus to postpone the deliberation of the Advertising and Regional budget for clarification

MOTION by Dave Barney and seconded by David McAlister to postpone the deliberation of the advertising and regional budget until the budget worksheet includes the requested figures and copies of the letters and of the supporting documents are distributed to committee members wanting copies.

David McAlister noted that copies will be available in the town office for committee members to pick up.

VOTE: 6 YES 2 NO [Craig Lawler and Eleanor Davis]

General Government Budget

Michael Capone summarized that the telephone and fax allocation is based on usage.

Craig Lawler asked whether phone calls can be tracked. Michael Capone responded that he is not sure whether the current phone system has the capability of tracking phone calls.

Michael Capone clarified that the \$30,000 figure includes the cost for fourteen cell phones. Michael Capone added that the Fire and Police Departments require cell phones to secure private communications.

Denis Salvail asked whether the Town of Canaan has a policy regarding phone use. Michael Capone responded that he will need to check and find out.

Michael Capone noted that the IRS has a mandate that personal calls on the town's phones are a taxable benefit to the employee.

There was general discussion and clarification that the fourteen cell phones are distributed to the following people or departments: six to the Police Department; 4 to the Fire Department; 1 to the cemetery; 1 to Alan Hill; 1 to the Road Agent; and 1 to the Town Administrator. Michael Capone noted that he prefers to use his own personal cell phone rather than using the one from the town.

Michael Capone summarized that he adjusted the cell phone contract from 4,500 minutes to 2,500 minutes for an \$80/month savings.

MOTION by David McAlister and seconded by Dave Barney to approve a 2009 budget figure of \$48,785 for the general government budget.

VOTE: 7 YES 0 NO 1 ABSTAIN [Eleanor Davis]

Approval of Minutes

Committee members reviewed draft copies of the October 2, 2008, minutes.

MOTION by David McAlister and seconded by Dave Barney to accept the minutes dated October 2, 2008, as corrected.

Dave Barney corrected the misspelling of Lary Road on the last page.

Eleanor Davis requested that the last sentence of paragraph three on page five be revised to read as follows “There was general concern and surprise expressed by various committee members that the Budget Committee, the Board of Selectmen, and the Capital Improvement Plan Committee are not involved in these preliminary discussions.”

Dave Barney suggested that the first sentence under the CIP Budget heading should read as follows: “There was no review of this budget at this time since there was no CIP report to review”.

Scott Borthwick corrected on page six that the “paperwork” on the force main at the transfer station was all approved and completed.

Eleanor Davis suggested adding the word “were” after the word “totals” in the third paragraph of page three.

Michael Capone corrected in the second paragraph on page five that his position is the Town Administrator.

VOTE: Unanimous

Chairman’s Report

Dave Barney requested that the November 6th agenda be forwarded to him for the town’s website.

David McAlister commended committee members for staying on track and doing very well with the budget review process. David McAlister noted that the committee is ahead of schedule at this time. Eleanor Davis added that the newly elected Board of Selectmen and current Town administrator has been very helpful.

Selectmen’s Report

Scott Borthwick informed committee members that the logging operation behind the Transfer Station is about to start, which will generate some revenue for the town.

Scott Borthwick summarized that the new well drilled at the water treatment plant is still within the testing phase. The eight hour pump test was completed and a final figure of eighteen gallons per minute was determined. Scott Borthwick explained that the next step is an application to the DES for a small water system withdrawal and a 48 to 72 hour test to monitor the water levels of the surrounding residential wells. Additional water sample testing is also needed. There was general explanation that the hope is to have the DES accept this well as a water source for water to be blended with the lake water so that less chlorine treatment is needed and the water system will no longer be in violation.

Shirley Packard asked whether the Board of Selectmen signed the grant proposal presented to them by Carol Goodman regarding the municipal building. Scott Borthwick

responded no and explained that the document provided no specific information or explanation of what the Board of Selectmen was signing for.

Scott Borthwick informed committee members that the Board of Selectmen has met a few times for negotiations regarding the police contract and that their compensation and salary proposal was received last night in writing for consideration.

Scott Borthwick informed committee members that the Board of Selectmen has requested business credentials to consider possible expansion of the wastewater treatment plant in order to increase the amount of ground water discharge and to allow for additional system hookups. Scott Borthwick estimated that there are 150 households with water and sewer hookup and another 45 households with water hookup only.

Eleanor Davis suggested that perhaps the Board of Selectmen should consider whether additional hookups and growth is beneficial to the town since the availability of hookups may only attract additional rental units and welfare recipients.

Public Comment

There were no public comments made at this time.

MOTION by Dave Barney and seconded by Denis Salvail to adjourn the meeting at 9:23 P.M.

VOTE: Unanimous